

**Institute of
Policy Studies & Retirement Commission**



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Encouraging Longer Working Lives

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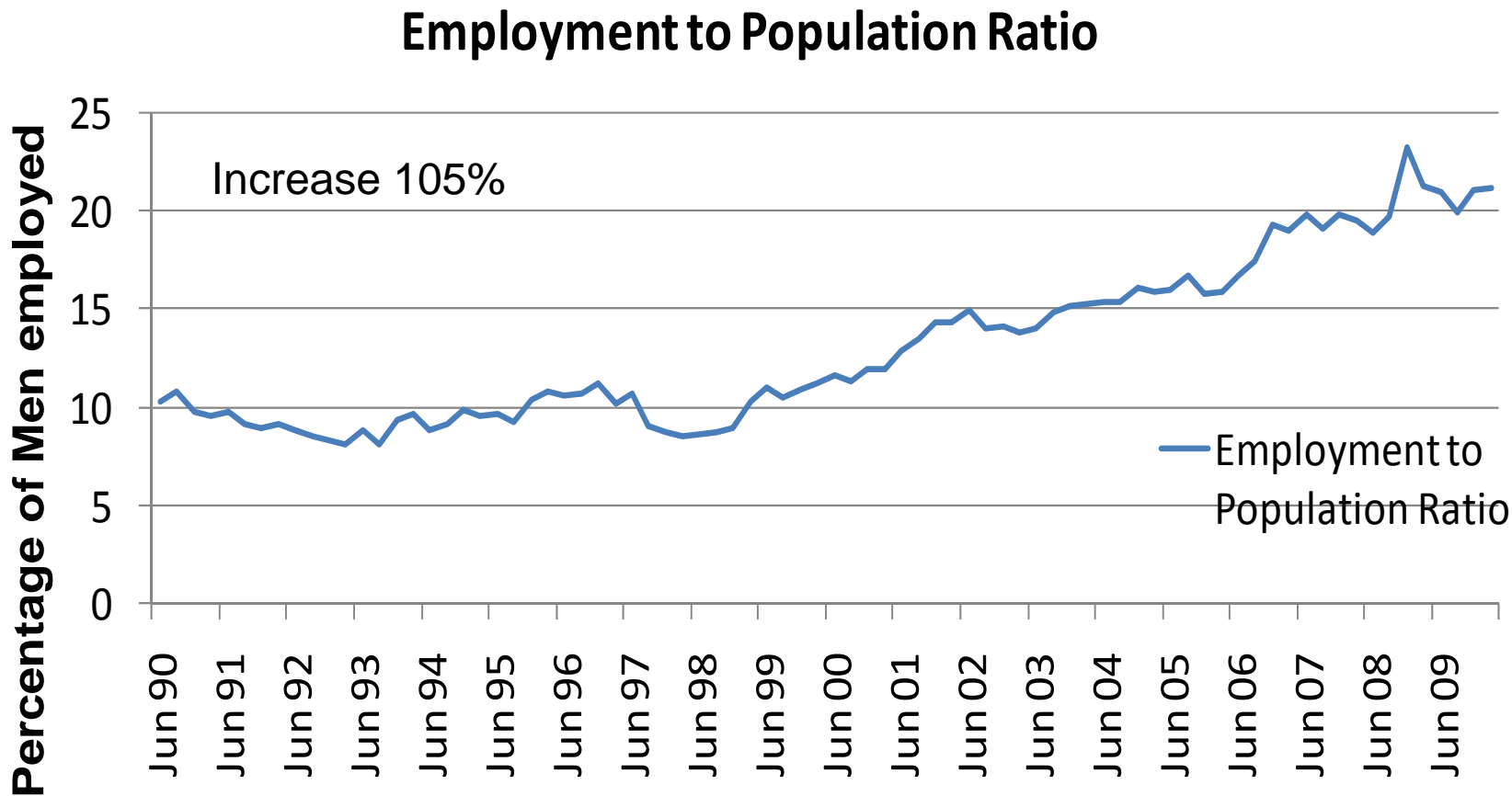
**Retirement Income Policy and Intergenerational Equity
Wellington, 21/22 July 2010**

Already have increasingly longer working life among older workers in New Zealand

And the participation rate is increasing faster than in other countries

Workforce participation is associated with a high level of wellbeing among middle-aged and older New Zealanders.

Labour Force Participation, NZ Men 65+ Years, 1990-2009



Source: Stats NZ Household Labour Force Survey

Labour Force Participation, NZ Women 65+ Years, 1990-2009

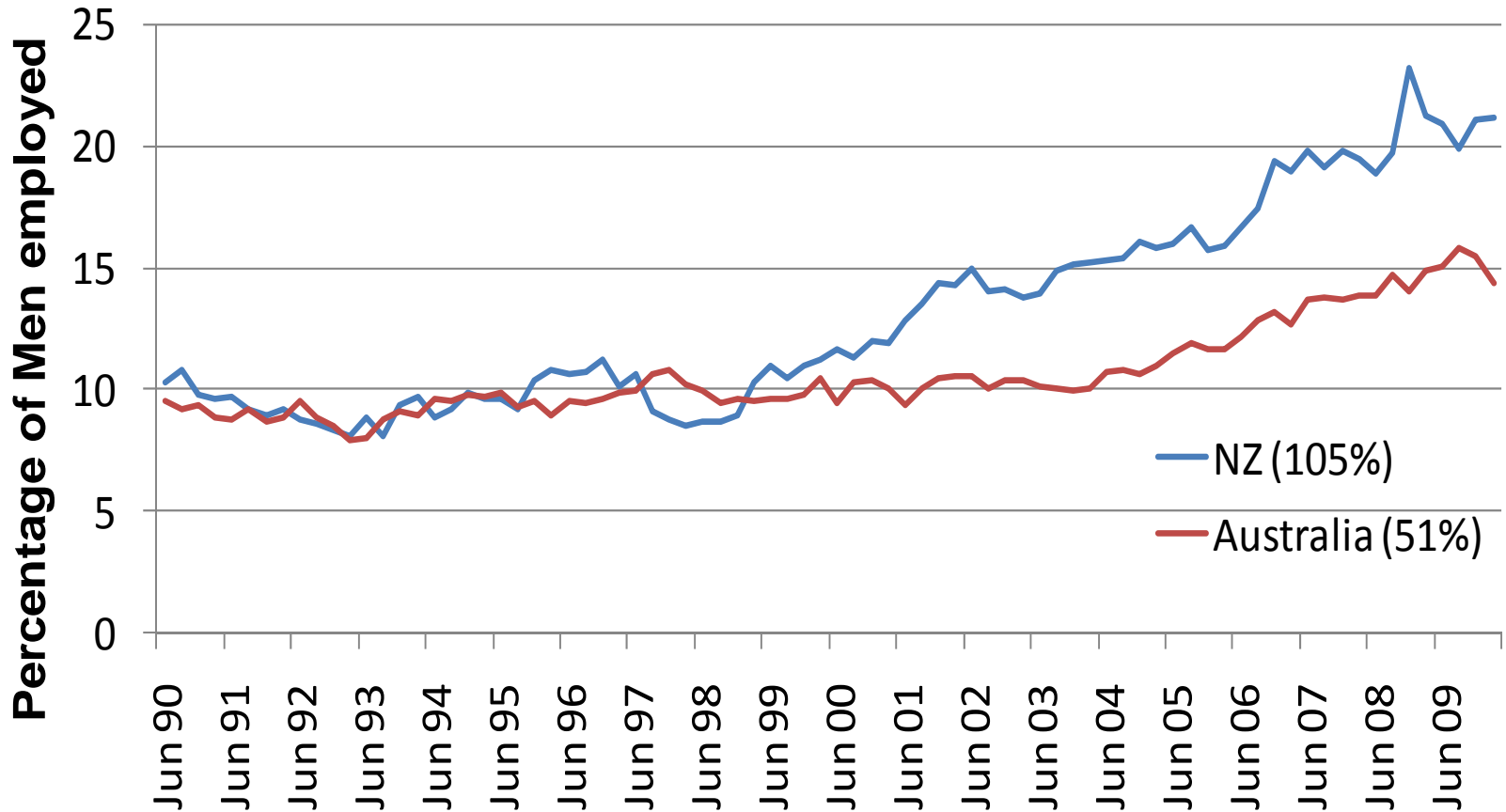
Increase 185%

Employment to Population Ratio



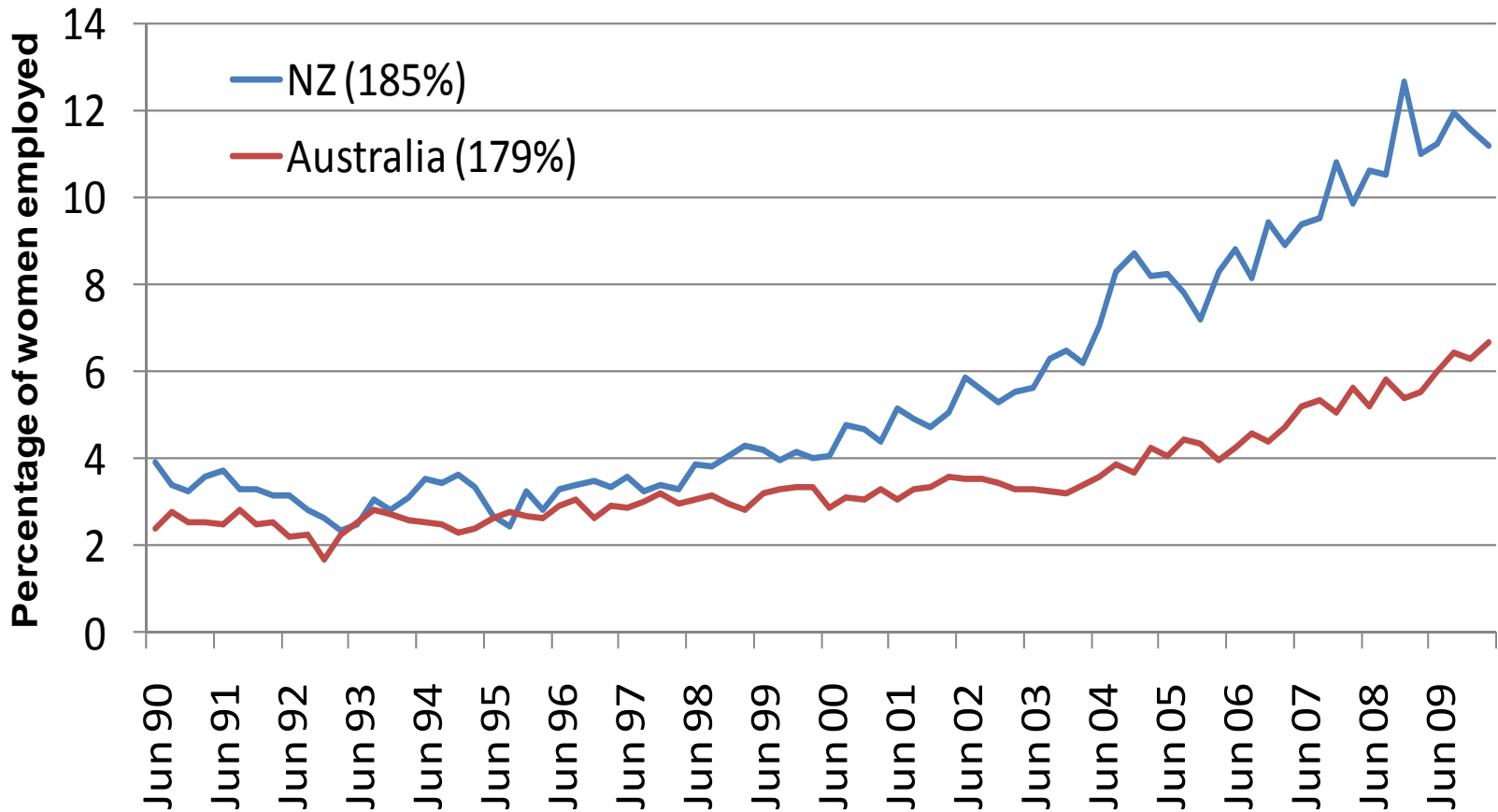
Source: Stats NZ Household Labour Force Survey

Employment / Population Ratio, NZ / Australian Men 65+ Years, 1990-2009



Source: Stats NZ Household Labour Force Survey and ABS 6291.0.55.001

Employment / Population Ratio, NZ / Australian Women 65+ Years, 1990-2009



Source: Stats NZ Household Labour Force Survey and ABS 6291.0.55.001

But why are older New Zealanders so keen to work longer??

- are healthier, better educated, nature of work less physically demanding
- recognition that a long retirement at a comfortable standard of living is difficult to maintain
- social reasons
- keeping in the main stream?

Encouraging Age-Friendly Environment for Older Workers

1. Continued workforce participation
2. Smooth transition from full-time work to retirement
3. Retirement – why?
4. Managing the event of retirement
5. Work experience after retirement.

1. Encouraging continued workforce participation by:

- Expecting older workers to participate and contribute in the same way as other workers
- Biggest deterrent to older people working is the attitude of employers who want to project a youthful image of their organisation (Healy, 2004)
- Including older people in training and mentoring courses
- Continuing to give older workers financial and status promotion
- Discussing work and retirement with workers
- Targeting specific occupations.

2. Encouraging part-time work as a transition to retirement through:

- Working at their highest level of productivity, with: shorter hours, longer breaks during the day, longer holidays, fewer clients, a chair to sit on!
- Flexible times for: family events, health and fitness appointments.
- A shift from “managing” retirement at an individual (performance management) level to managing at an institutional level, with regular audits of ageing workforce (Jackson and Walter, 2010).

Is it better to retire gradually rather than all of a sudden?

Is it better to retire for positive reasons rather than negative ones?

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3. Retirement – understanding the reasons for it...and doing something about it

Main reasons for retirement among 65-84 year olds in New Zealand in 2007:

- Wanting to do other things (27.5%)
- Reached official retirement age (26.3%)
- Poor health (13.1%)
- Family responsibilities (8.0%)
- Employer forced retirement/redundancy (6.1%).

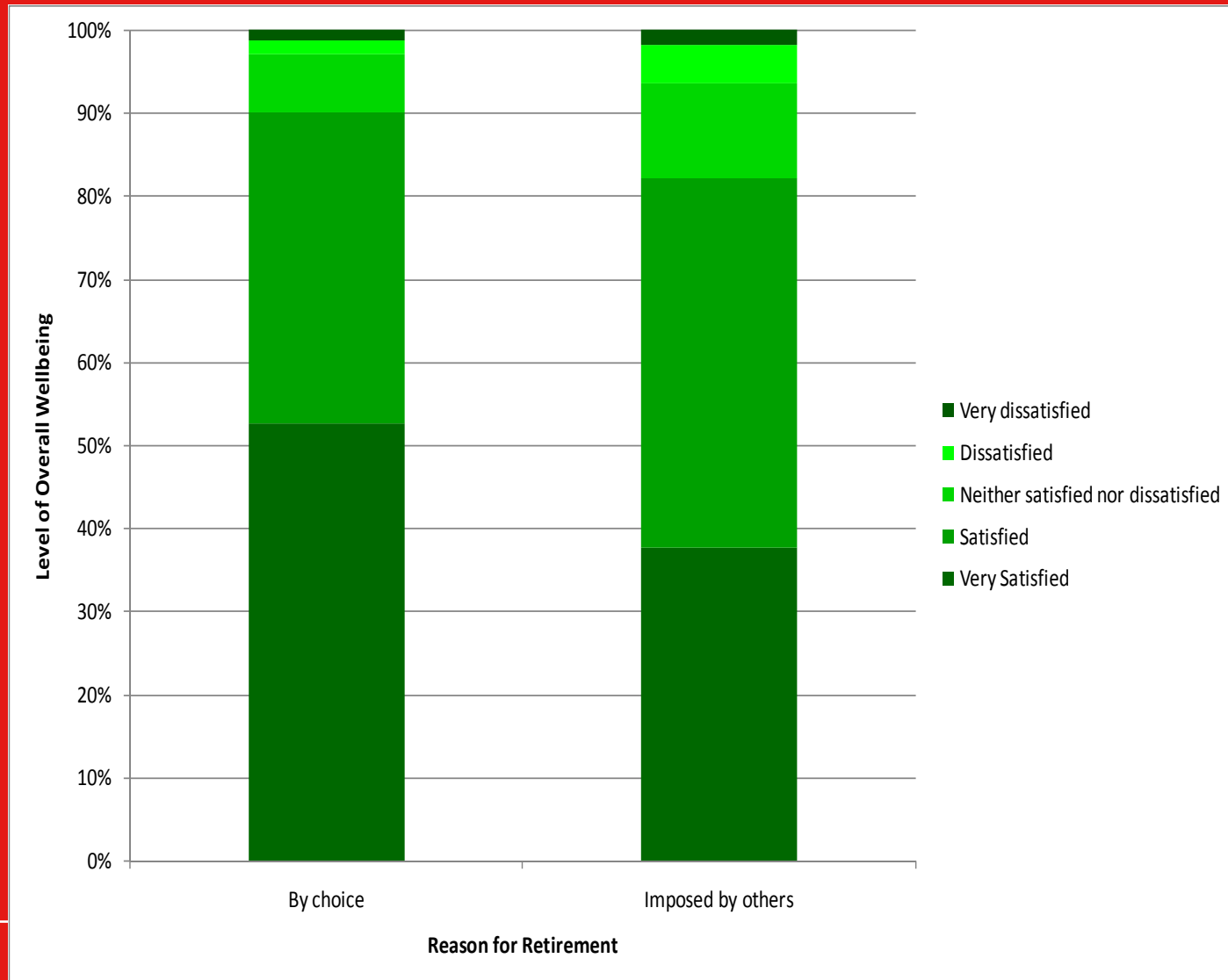
(Cameron and Waldegrave, 2009: 75).

Various researchers concluded that a crucial factor for higher Wellbeing in retirement is NOT the type of transition to retirement

but it is whether retirement is chosen or forced.

A CHOICE to retire is IMPORTANT

Level of overall Wellbeing by Reason for Retirement – 65-84 year olds in 2007



4. Managing the event of retirement by:

- Honouring the work of the older worker at a special function
- Keeping in touch, thereby ensuring a “reserve army” of workers, and also maintaining the firm’s institutional memory
- How retired workers are treated (by the firm and the unions), will become part of the company’s “family friendly” policy.
-and they may be interested in returning!

5. Work experience after retirement – who goes back to work?

- Mean age midlife New Zealanders (in 2008) intended to retire was 63.6 years.
- Level of education not associated with the retirement age
- But education was significantly associated with work after retirement
- Need to provide incentives to re-skill and re-enter the workforce in a value-adding but different role.

Finally, the advantages of encouraging longer working lives, especially among older workers are:

- Allow for a larger workforce and tax take, independent income and lower dependency levels
- More diversity in the workforce: in skills, experience, etc
- A higher level of Wellbeing among older workers.

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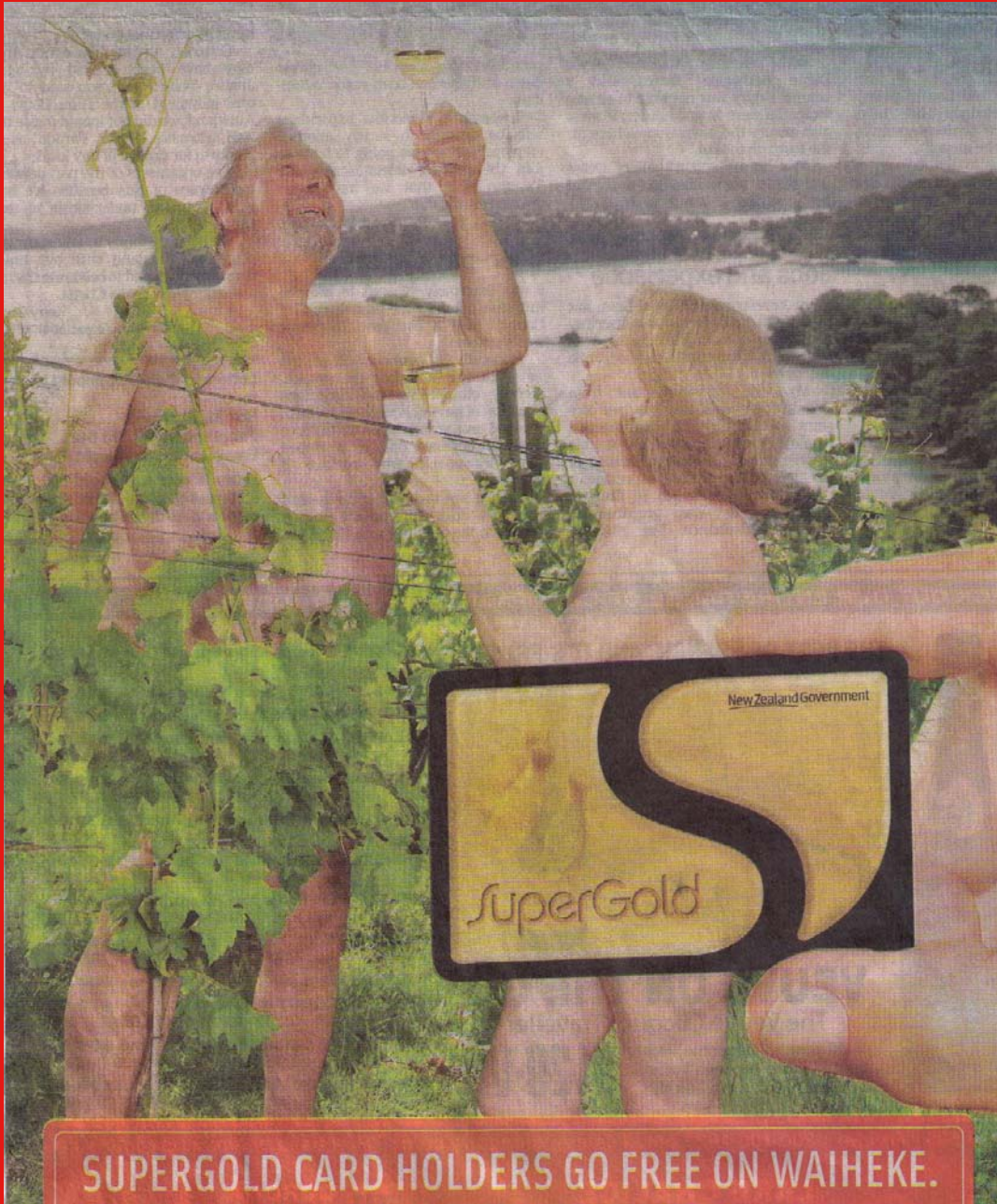
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Reasons for Retirement

Reason	Percentage (%)
Wanted to do other things	27.5
Reached official retirement age	26.3
Poor health	13.1
Family responsibilities	8.0
Employer forced retirement/redundancy	6.1
Don't need to work	4.6
Employer closed/contract ended/no jobs available	4.6
Disablement or injury	2.9
Spouse retired/convinced them to retire	2.3
Moved/migrated	1.3
Lacked skills to continue	0.7
Workload too much/stress	0.6
Started studying	0.2
Other	1.9

So, who wants to go first??





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Enhancing Wellbeing in an Ageing Society

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•The Family Centre Social Policy Research Unit, Wellington: Charles Waldegrave, Peter King.