



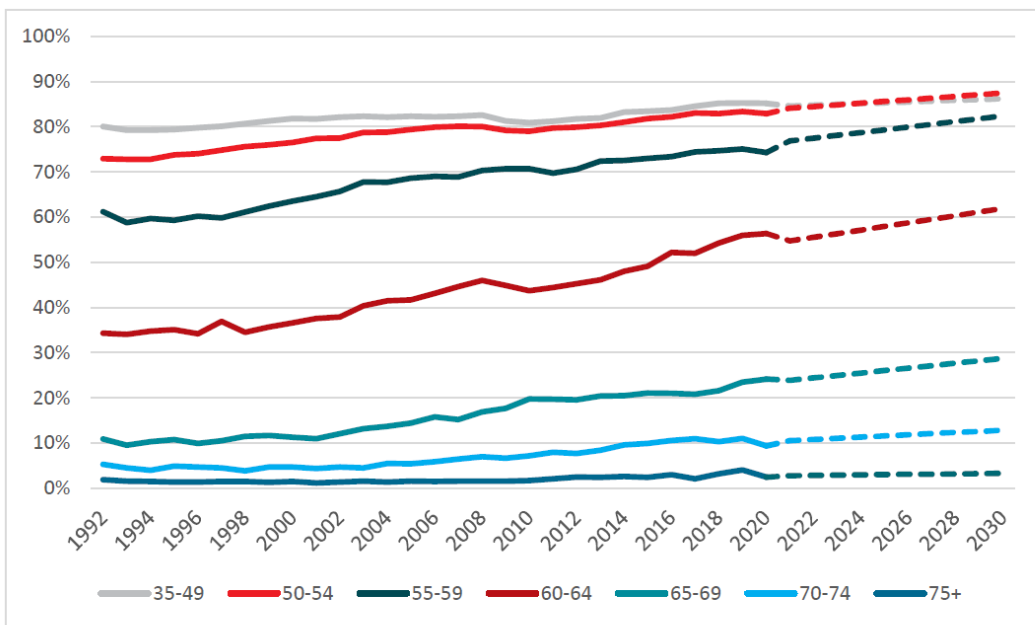
## Proportion of over 50s in work set to hit record high of 47% by 2030, according to new report

- The number of over 50s in work has increased by 36% in the last 20 years, driven by a substantial increase in the amount of people in their sixties living and working for longer
- By 2030, 47% of all over 50s are forecast to be part of the UK labour force, according to a new report from Legal & General Retail Retirement (LGRR) and the Centre for Economics and Business Research (Cebr)
- Pre-retirees are becoming relatively poorer, as those aged 50-64 hold 36% of the nation’s wealth, compared to 42% just a decade ago
- The ‘gender retirement gap’ is narrowing due to changes in the State Pension and demographic shifts in the UK workforce

The proportion of people over 50 in employment is set to hit 47% by 2030, following a 36% increase in the absolute number the last two decades, according to a new report from [Legal & General Retail Retirement](#) (LGRR) and the Centre for Economics and Business Research (Cebr). The **‘Working Late: Over 50s and employment’**<sup>1</sup> report found that the growing trend for people working later in life was particularly driven by people in their sixties, as they adjust to shifts in wealth, lifestyle expectations and respond to State Pension changes.

### The ageing workforce

The number of people over 50 and in work has increased from 31% in 1992 to 42% in 2020. While the percentage of working people under 50 has remain fairly consistent during this time, the over 50s group has continued to grow. This has caused a narrowing of the gap in employment rates between the under and over 50s from 42 percentage points in 1992 to 35 percentage points in 2020, with a further narrowing to 29 percentage points expected by 2030. This trend has been particularly driven by people continuing to work into their sixties, whose employment rate has risen almost twofold in the last two decades, with an increase from 23% to 41% since 1992.



Source: ONS, Cebr analysis

## Graph: Employment rates of the over 50s with forecast from 2021, by subgroup

Even with the option to leave the labour market upon State Pension Age, which is currently age 66 for those close to retirement, many people are continuing to work past this milestone. Eight per cent of people over 66 currently are in work, and those in work put in an average of 26 hours a week. According to the report's forecasting, this number is also set to increase by 2030, to a record 11% – an estimated 948,000 people. This percentage could increase further if we see additional changes to the State Pension Age in the next few years.

In recent years, there has also been a narrowing of the retirement age gender gap. While the average age of retirement entry has risen by 1.9 years for men (to 65) since 1992, the average at which women retire has increased by 3.6 years (to 64) as changes in the State Pension and the world of work have started to influence the decision to leave the workforce.

## Wealth and the over 50s

According to the survey completed for the report, people over 50 who are not yet retired ideally want an income of £23k a year when they do; a moderate income for a single retired person, according to the Pension & Lifetime Savings Association's ['Retirement Living Standards'](#)<sup>2</sup>.

It's possible that one of the factors motivating the trend towards older people working for longer is a gradual shift in wealth. While over 50s as a group continue to hold the majority of UK wealth, in cash, property, pensions etc., the percentage has fallen in recent years for those aged 50-64, who have seen their share shrink from 42% in 2008-2010 to 36% just a decade later. This shift may be influencing the number of older people in work, as they continue to try and bolster their finances in order to meet their desired retirement income.

**“Our research demonstrates a significant cultural shift in the world of work. People are continuing to work for longer, in order to reach their desired retirement lifestyle but also in response to changes in wealth, State Pension provision and to reflect the fact that we are living longer as a society. This creates a much more challenging hurdle for people to overcome in order to fully retire. Gone are the days of ‘carriage-clock retirement’ and we need to make sure people understand the implications so that they can better plan for their future and the extent to which work will play a role in it.**

**“For those worried about their finances and the implication it has on when they might retire, it is better to be aware of the options available than bury your head in the sand. To encourage people to do this easily, Legal & General has a free online course with [The Open University](#), setting out a series of stepping stones to a financially secure retirement and produced a series of podcasts, called [‘Rewirement’](#), to help listeners get the best from their later years.”**

**Andrew Kail, CEO, Legal & General Retail Retirement**

**-ENDS-**

<sup>1</sup>Over 50s in the labour market: a report for Legal and General. *Centre for Economics and Business*. 2021  
Primary sources: Opinion survey of 2,000 over 50s in the UK, ONS Labour Force Survey and ONS Wealth and Assets Survey

<sup>2</sup> Pension & Lifetime Savings Association's ['Retirement Living Standards'](#)

## Notes to editors

### About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With almost £1.3 trillion in total assets under management\*, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, alternative asset origination, life insurance, workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

\* at 30 June 2021

### **About Legal & General Retail Retirement (LGRR)**

Legal & General Retail Retirement's mission is to help its customers lead longer, healthier, happier lives. We believe everyone should be able to have a 'more colourful retirement'. The Division comprises the Group's retirement savings and income, later life lending and care solutions businesses. In 2020, LGRR wrote £910 million of annuity premiums and issued £791 million of lifetime and retirement interest only mortgages.

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