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Attitudes Towards  
Pensions and Retirement  
at Age 50: Initial Results  
from the National Child  
Development Study

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June 2010

**Attitudes towards  
pensions and retirement at age 50:**

**Initial findings from the  
National Child Development Study**

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## 1. Introduction

It is well recognised that the UK population is ageing. Between 1982 and 2007 the population aged over 65 increased from 8.5 to 9.8 million so that by 2007 those aged over 65 accounted for 16 per cent of the population and in the same year the number of people above state pension age exceeded the number of people aged under 16 for the first time. By 2032 it is projected that there will be over 16 million people aged over 65 in the UK and that this group will account for almost a quarter of the population (ONS, 2008).

As life expectancy has increased, there have also been corresponding increases in the length of working lives. In 1994, 64 per cent of males aged 50-64 were in employment, but by 2008 this proportion had increased to 73 per cent and rises in labour market participation amongst older women have been of a similar magnitude; from 60 per cent of those aged 50-59 in 1994 to 70 per cent in 2008 (ONS, 2009). This increase greatly exceeds the slight rise in the proportion of economically active younger individuals over the same period, but despite this it seems likely that the ageing population will result in increased burden for the economically active.

Pensioners are currently considerably more likely than those of working age to be living in 'income poverty' (household income below 60% of median income for the UK as a whole). In 2007/8 almost a quarter (23%) of pensioners were living in households with below 60% of median income for the UK as a whole (before housing costs) compared with 15 per cent of those of working age (DWP, 2009). Reducing the proportion of pensioners living on low incomes is a key policy concern and one of five key indicators being used to monitor progress towards the government's pledge to "tackle poverty and promote greater independence and well-being in later life" (HM Treasury, 2010).

This paper uses data collected from members of the National Child Development Study at age 50 to examine the attitudes that British 50 year olds have towards retirement and in particular the concerns they might have about their future financial situation and whether they might be considering working beyond retirement age. By the age of 50 only a small minority (around 1 per cent) of study members had retired, but over the next 10 to 15 years a great many of them will be making the transition from work to retirement. The survey did not question study members about when they expected to retire, but the DWP 'Attitudes to Pensions' survey which took place in 2006 (Clery et al., 2007) found that amongst those aged 45-55, four in ten (40%) expected to be retired (from their main job) by the age of 60 and the English Longitudinal Study of Ageing found that in 2006 just over half (55%) of those aged 60-64 were no longer working, although this proportion was considerably higher for women (64%) than for men (44%) (Banks & Tetlow, 2008). In the UK at the turn of the century the average age retirement was 63 for men and 61 for women (Phillipson and Smith, 2005).

Over the course of the last 25 years, the UK has witnessed significant changes in the way in which society views retirement. The perception of retirement as a phase of

redundancy has been replaced by the notion that for many, retirement can be an extremely positive period of one's life (Jones et al., 2010). The overall trend may be that individuals are working longer, but simultaneously the multiple pathways that people take into retirement have never before been so diverse.

At a time of change in terms of both the timing and nature of retirement it is useful to be able to examine the attitudes of a cohort of individuals who are approaching retirement.

## 2. Background

The 1958 British birth cohort study, known as the National Child Development Study (NCDS), started out as a cross-sectional Perinatal Mortality Survey. There were over 17,000 children in this birth cohort in Great Britain, all of whom were eligible for comprehensive follow-up. This occurred as funding permitted, at ages 7, 11, 16, 23, 33, 42, 44<sup>i</sup>, 46 and most recently at age 50. In childhood, information came from interviews with parents and teachers and from medical examinations on the whole cohort, while the children themselves underwent educational tests. From age 16, the cohort members themselves were interviewed, and their examination results and other qualifications over the years were added to the record. Adult data-collection sweeps have collected data over a number of domains, including physical and mental health, demographic circumstances, employment, and housing. Over the years there has inevitably been some attrition from lost contact; refusals; emigration and death, but response rates remain high. In the most recent sweep of the study, just under 9,800 study members were successfully interviewed.

In addition to updating life-histories and repeating measures that had been included in previous sweeps of the study the Age 50 survey also included a number of new modules and sets of questions which covered topics that had become particularly relevant to the stage of the lifecourse that study members had now reached. One such new set of questions covered attitudes towards pensions and retirement. The Age 50 follow-up included six questions covering attitudes towards pensions and retirement which were taken from the aforementioned DWP Attitudes to Pensions survey which took place in 2006 (Clery et al., 2007). The questions were included as part of the self-completion module which was completed after the core interview and required respondents to state how much they agreed or disagreed with the following statements<sup>ii</sup>.

1. Putting money into a pension is the most secure way of saving for your retirement.
2. When I reach State Pension Age I'd do some paid work if it meant a better standard of living.
3. I worry about how much I will have to live on in retirement.
4. I can't afford to put money aside for retirement at the moment.
5. My retirement is so far off, it is not worth worrying about what I will live on.
6. I will definitely have enough income to live comfortably in my retirement.

In the analyses that follow we will look at levels of agreement with these statements amongst this very large sample of 50 year olds and investigate how attitudes may be associated with various socio-economic factors. The analyses in this paper are cross-sectional in nature, but the longitudinal nature of the study means that study members will be followed as they move towards retirement and beyond and so in the future it will be possible to use the rich life-history information collected over the course of the study to make sense of the different pathways which individuals follow into retirement and how these pathways impact upon their experience of retirement and ageing more generally.



### 3. Attitudes towards expected financial situation in retirement

Seven in ten 50 year olds stated that they were worried about how much they will have to live on in retirement and only half of 50 year olds were confident that they would have enough income to live on. One in five felt that retirement was so far off it was not yet worth worrying about what they would live on (Table 1).

**Table 1: Agreement with statements about income in retirement**

	I worry about how much I will have to live on in retirement		I will definitely have enough income to live comfortably in my retirement		My retirement is so far off, it is not worth worrying about what I will live on.	
	Obs	%	Obs	%	Obs	%
Strongly agree	1422	14.9	311	3.2	234	2.4
Agree	2450	25.6	1265	13.2	554	5.8
Somewhat agree	2856	29.8	3126	32.7	1103	11.5
Somewhat disagree	1163	12.2	2348	24.5	2170	22.7
Disagree	1368	14.3	1706	17.8	3838	40.1
Strongly disagree	303	3.2	760	7.9	1659	17.3
<i>Agree</i>	6728	70.3	4702	49.1	1891	19.7
<i>Disagree</i>	2834	29.6	4814	50.3	7667	80.1
Don't Know / Refused	10	0.1	56	0.6	14	0.1
<b>Base – All not retired</b>	<b>9572</b>		<b>9572</b>		<b>9572</b>	

Concern was found to be most prevalent amongst those likely to approach retirement with comparatively fewer resources, for example, almost nine in ten (86%) of those who reported finding things 'difficult' financially, three quarters of those living in households with no income (73%) or less than £200 per week (76%) from employment and a similar proportion of those with no savings (77%) all reported being worried about their income in retirement. Those in poor health and those showing signs of depression (as measured by the Malaise scale<sup>iii</sup>) were also considerably more likely to be worried about their income than those in better health. (Levels of agreement with each attitude statement are broken down by sex, health, depression, financial situation, household income, household savings, economic activity status and NS-SEC in Appendix Tables 2-7).

However, although less prevalent, it remained the case that worries about income in retirement were widespread amongst those groups likely to be in stronger financial positions come retirement. Almost six in ten of those currently 'living comfortably' (58%), those in 'higher professional/managerial jobs (63%), those with a net household income of more than £800 per week (62%) and those with over £50,000 in savings (59%) all reported being worried about their income in retirement. The strength of conviction with which 50 year olds from these more 'advantaged' groups

agreed with the statement about being worried about income in retirement was, however, considerably less strong than amongst the more 'disadvantaged groups'. For example, Table 2 shows that amongst those 'living comfortably' less than one in ten (8%) 'strongly agreed' that this was the case and it was far more common to just 'somewhat agree' (30%) whereas amongst those finding things 'very' difficult almost four in ten 'strongly agreed' (39%), a further three in ten 'agreed' (29%) and two in ten (19%) just 'somewhat agreed'.

**Table 2: Agreement with statement 'I worry about how much I will have to live on in retirement' by assessment of current financial situation.**

	<b>Strongly agree</b>	<b>Agree</b>	<b>Some what agree</b>	<b>Some what disagree</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Don't Know / Refused</b>	<b>Total</b>
<b>Living comfortably</b>	287 7.6%	756 20.1%	1142 30.4%	600 16.0%	773 20.6%	191 5.1%	4 0.1%	3753 100.0 %
<b>Doing all right</b>	367 12.4%	795 27.0%	1004 34.0%	361 12.2%	370 12.5%	49 1.7%	3 0.1%	2949 100.0 %
<b>Just about getting by</b>	457 22.1%	664 32.1%	562 27.2%	161 7.8%	181 8.8%	40 1.9%	1 0.0%	2066 100.0 %
<b>Finding it quite difficult</b>	202 36.5%	164 29.6%	115 20.8%	30 5.4%	31 5.6%	12 2.2%	0 0.0%	554 100.0 %
<b>Finding it very difficult</b>	108 43.5%	71 28.6%	33 13.3%	11 4.4%	13 5.2%	11 4.4%	1 0.4%	248 100.0 %
<b>Total</b>	1421 14.8%	2450 25.6%	2856 29.8%	1163 12.2%	1368 14.3%	303 3.2%	9 0.1%	9570 100.0 %

Women were marginally (although statistically significantly) more likely to worry about their income in retirement than men (71% compared with 69%). There were no differences between employees (70%) and the self-employed (68%) and those looking after their homes and family were similarly worried (69%), but the permanently sick and the unemployed were considerably more likely to be worried about their income in retirement.

Paying into a pension did not seem to ease people's financial worries, 70 per cent of those with a pension were worried about being poor in retirement compared with 72 per cent of those who had no pension.

Table 3 below presents the results of a logistic regression model which uses agreement with the statement "I worry about how much I will have to live on in retirement" as the dependent variable and each of the variables discussed above as independent variables. In this model only those either 'strongly agreeing' or 'agreeing' with the statement have been defined as 'worried' in order to assess the factors that might feed into more genuine concern. Those who 'somewhat agree' with the statement have been banded together with those who disagreed with the statement. The Nagelkerke R Square for the model is 0.123 so the model does not

explain a huge amount of the variation, however, it is interesting to note that once other factors are controlled for only a small number of the variables included in the model have a significant impact on the odds of being worried. The largest coefficients in the model are those relating to assessment of one's current financial situation; controlling for other factors the odds of someone who reports that they are 'living comfortably' being worried about their income in retirement are almost five times less than the odds of someone who reports that they are 'finding things very difficult'. The odds of an individual who reports they are 'just about getting by' being worried are around half the odds of someone 'finding things very difficult'. Interestingly the model shows that one's perceptions about one's financial situation have far more of an impact on the likelihood of being worried about income in retirement than one's actual level of income or level of savings which are both shown in the model to be insignificant once other factors are controlled for. The other significant factors in the model are health-related: depression and self-reported general health. In terms of general health, when compared to those who rate their health as 'poor' it is only those who rate their health as excellent who are less likely to be worried, but after controlling for all other factors the odds of someone showing signs of depression reporting that they are worried about their income in retirement are around twice the odds of someone not showing signs of depression being worried.

Economic activity status and social class (NS-SEC) are all found to be insignificant once other factors are controlled for.

**Table 3: Logistic regression model – worry about income during retirement**

	<b>B</b>	<b>Exp(B)</b>	<b>Sig.</b>
<b>Pension (ref = no pension)</b>	.113	1.119	.139
<b>Health (ref = poor) Excellent</b>	-.458	.633	.002
Very good	-.197	.821	.150
Good	-.185	.831	.172
Fair	.025	1.025	.853
<b>Assessment of current financial situation (ref = finding things very) difficult)</b>			
Living comfortably	-1.557	.211	.000
Doing ok	-1.219	.295	.000
Just about getting by	-.696	.499	.000
Finding things quite difficult	-.177	.837	.360
<b>Economic activity status (ref = full-time employee)</b>			
Part-time employee	-.058	.944	.518
Full-time self employed	.132	1.142	.186
Part-time self employed	-.026	.975	.899
Unemployed	.284	1.328	.127
Permanently sick / disabled	.179	1.196	.305
Looking after home / family	-.080	.923	.588
Other	.106	1.112	.607

	<b>B</b>	<b>Exp(B)</b>	<b>Sig.</b>
<b>Social Class (NS-SEC) (Ref=Not working)</b>			
Higher managerial / professional	.003	1.003	.989
Lower managerial / intermediate	-.021	.980	.918
Small employers /lower supervisory and technical	.015	1.015	.941
Semi-routine / routine	.024	1.024	.910
<b>Household income from employment (Ref = None)</b>			
< £200 per week	.238	1.269	.278
£200-£499 per week	.349	1.417	.101
£500-£799 per week	.240	1.271	.278
£800 or more per week	.188	1.207	.404
<b>Depression (Ref = no depression)</b>	.653	1.921	.000
<b>Savings (Ref = None)</b>			
<£1000	.043	1.044	.747
£1000-£9999	.071	1.073	.606
£10,000 to £49,999	.080	1.083	.569
£50,000 or over	-.205	.815	.173
<b>Sex (Ref = Female) Male</b>	-.048	.953	.419
Constant	.525	1.690	.042

The sub-groups most likely to worry about their income in retirement were naturally those least likely to feel that they definitely would have enough income to live comfortably in retirement. Appendix Table 1 shows a matrix of the Spearman's rank correlation coefficients between each of the statements and as might be expected shows that the association between responses to these two attitude statements is larger than between any other pair of statements ( $r = -0.445$ ,  $p < 0.0001$ ). However, it was still the case that a small majority (60%) of those who were confident they would have enough income to live comfortably reported that they were at the same time worried, at least to some extent, about their finances in retirement.

The variation in agreement with the statement about having sufficient money to live comfortably in retirement between 'advantaged' groups and 'disadvantaged' groups was considerably more pronounced than the variation in levels of 'worry about income in retirement'. Over seven in ten (71%) of 50 year olds currently 'living comfortably' agreed that they would definitely have enough money to live on in retirement compared to just under half of those who were 'doing all right', two in ten (18%) of those finding it 'quite difficult' and one in ten (11%) of those finding it 'very difficult'. The level of conviction about not having enough money to live comfortably in retirement was far greater amongst those finding things 'very difficult' (42% 'strongly disagreed') than the level of conviction about having enough money to live comfortably amongst those living comfortably (6% 'strongly agreed', 23% 'agreed' and 42% just 'somewhat agreed') (Table 4).

**Table 4: Agreement with statement ‘I will definitely have enough income to live comfortably in my retirement by assessment of current financial situation’.**

	<b>Strongly agree</b>	<b>Agree</b>	<b>Some what agree</b>	<b>Some what disagree</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Don't Know / Refused</b>	<b>Total</b>
<b>Living comfortably</b>	210 5.6%	844 22.5%	1590 42.4%	684 18.2%	337 9.0%	74 2.0%	14 0.4%	3753 100.0%
<b>Doing all right</b>	51 1.7%	283 9.6%	1015 34.4%	924 31.3%	519 17.6%	139 4.7%	18 0.6%	2949 100.0%
<b>Just about getting by</b>	35 1.7%	119 5.8%	430 20.8%	597 28.9%	580 28.1%	289 14.0%	16 0.7%	2066 100.0%
<b>Finding it quite difficult</b>	12 2.2%	16 2.9%	69 12.5%	112 20.2%	187 33.8%	153 27.6%	5 0.9%	554 100.0%
<b>Finding it very difficult</b>	3 1.2%	3 1.2%	21 8.5%	31 12.5%	83 33.5%	105 42.3%	2 0.8%	248 100.0%
<b>Total</b>	311 3.2%	1265 13.2%	3125 32.7%	2348 24.5%	1706 17.8%	760 7.9%	55 0.6%	9570 100.0%

Women were again marginally (although statistically significantly) less likely to be confident that they would have sufficient income to live comfortably on in retirement (49% compared with 50%) and there was again no difference between employees and the self-employed (51% compared with 49%). However, unlike responses to the statement about worrying about ‘how much I will have to live on in retirement’, paying into a pension did seem to make people more confident that they would have sufficient income to live comfortably; over half (52%) of those with a pension agreed that this would definitely be the case compared with just under four in ten of those with no pension (38%).

As shown in Table 1, a perhaps surprisingly large proportion of 50 year olds (one in five) felt that retirement was such a long way off that they were not worried as yet about what they would live on although most of these only ‘somewhat agreed’ that this was the case. It remained the case across all sub-groups that only a minority considered their retirement so far off that it was not yet worth worrying about, but this point of view was more common amongst the groups who were likely to approach retirement with fewer financial resources. So almost three in ten (28%) of those finding things very difficult, over three in ten of those not working (32%) and almost four in ten (36%) of those in ‘poor’ health were of this view compared with almost one in 7 (15%) of those ‘living comfortably’, less than one in ten of those doing higher ‘professional / managerial’ jobs and just over one in six (16%) of those in excellent health. Those who felt that retirement was too far off to worry about were typically less likely to have a pension (63% compared with 83% of those who disagreed with this view) and typically had fewer savings products (over a quarter had no savings products at all) and therefore fewer savings. It, therefore, seems that current circumstances are preventing these individuals from preparing financially for

retirement (76% report that they are currently unable to put money aside for retirement) and that these individuals are electing not to worry about this (for the moment), perhaps because they feel that these circumstances are beyond their control. Interestingly, however, despite responses to this question seemingly indicating that these individuals are of the view that one's income in retirement is not worth worrying about at age 50, the majority (67%) of these individuals *did* agree with the statement 'I worry about how much I will have to live on in retirement' suggesting that many of them may actually have concerns after all (although as Appendix Table 1 shows the correlation between these two statements was very modest ( $r=-0.074$ ,  $p<0.0001$ )).

## 4. Attitudes towards pensions

The statement ‘putting money into a pension is the most secure way of saving for your retirement’ was included to gauge the level of positivity towards pensions as a method of saving. In general, it was clear that pensions were indeed viewed positively. Overall, just under two thirds (64%) agreed that putting money into a pension is the most secure way of saving for retirement although the strength of this feeling was often fairly low with almost a third (or half of those agreeing) suggesting that they only ‘somewhat’ agreed (Table 5).

As would be expected, views on the security of pensions as a method of saving were strongly associated with the actual take-up of pensions with nearly nine in ten (85%) of those who believed most strongly in the security of pensions actually having some form of pension compared with just under eight in ten (78%) of all 50 year olds<sup>iv</sup>. Interestingly though even amongst those who strongly disagreed that pensions are a secure way of saving it was still the case that almost two thirds did have a pension (63%). Just over two thirds of those who did have a pension (67%) agreed that pensions are the most secure way of saving and over half (51%) of those who did not have a pension also agreed with this which suggests that the belief that pensions are secure is not necessarily formed by experience or that confidence in the security of pensions will necessarily result in the take-up of a pension.

**Table 5: Agreement with statement - Putting money into a pension is the most secure way of saving for your retirement**

	<b>Obs</b>	<b>%</b>
Strongly agree	986	10.2
Agree	2158	22.4
Somewhat agree	2994	31.1
Somewhat disagree	1560	16.2
Disagree	1382	14.3
Strongly disagree	533	5.5
<i>Agree</i>	6138	63.7
<i>Disagree</i>	3475	36.1
Don't Know / Refused	23	0.2
<b>Base - All</b>	<b>9,636</b>	<b>100.0%</b>

Those with the highest levels of income, those from the top end of the social class spectrum and those who reported that they were ‘living comfortably’ when asked to assess their current financial situation were all more likely to feel that pensions were a secure way of saving although just over six in ten (63%) of those with households with no income from employment and six in ten of those with a household income from employment of less than £200 per week, those classified as doing ‘routine’ or ‘semi-routine’ jobs and those who reported that financially they were ‘finding things difficult’ also were of this opinion. Women were slightly (although statistically significantly) more likely to feel that pensions were the most secure way of saving than men (65% compared with 62%). Interestingly however, those with the highest level of household savings (£50,000 or over) were slightly less likely to be convinced

of the security of pensions as a method of saving than those with more modest levels of savings (62% compared with 65% of those with between £1000 and £9999 and those with between £10,000 and £49,999). Six in ten of those with no savings felt that pensions were the most secure way of saving.

The greatest difference observed was between the self-employed and employees (and indeed those who were not working at all). Just over four in ten (44%) self-employed 50 year olds felt that putting money into a pension was the most secure way of saving for retirement compared with nearly seven in ten employees (67%). Although this is to some extent reflected in lower take-up of pensions amongst the self-employed it was still the case that over three quarters (77%) of self-employed 50 year olds had some form of pension (compared with 86% of employees).

Amongst the unemployed, those looking after their families/homes and the permanently sick the proportion feeling that pensions are the most secure way of saving for retirement was two thirds (66%).



## 5. Attitudes towards working after retirement age

When asked about attitudes towards doing paid work after retirement age almost nine in ten (88%) 50 year olds agreed that they would do so if it meant a better standard of living with almost a quarter (24%) strongly agreeing with this statement (Table 6).

**Table 6: Agreement with statement – ‘When I reach State Pension Age I’d do some paid work if it meant a better standard of living’.**

	<b>Obs</b>	<b>%</b>
Strongly agree	2285	23.7
Agree	4503	46.7
Somewhat agree	1734	18.0
Somewhat disagree	456	4.7
Disagree	484	5.0
Strongly disagree	150	1.6
<i>Agree</i>	8522	88.4
<i>Disagree</i>	1090	11.3
Don't Know / Refused	24	0.2
<b>Base – All</b>	<b>9,636</b>	<b>100.0%</b>

In general, there was very little variation between different groups. Those who were markedly less likely to be considering working beyond retirement age were typically those who were more likely to be unable to do so even if they wanted to, for example, those rating their current health as ‘poor’ (74%) and those classified as ‘permanently sick/disabled’ (68%), but even amongst these groups the large majority still indicated they would consider working. There was also some evidence that those who were more likely to consider working beyond retirement age were those for whom doing so might be a financial necessity rather than a lifestyle choice, for example, those who reported that they were financially ‘finding it quite difficult’ (93%), those classified as doing ‘routine’ or ‘semi-routine’ jobs (91%) and those earning less than £200 per week from employment (91%) all reported that they would consider working beyond retirement age. However, large majorities of those who would likely be the groups least likely to need to work beyond retirement age out of financial necessity were also considering doing so (86% of those ‘living comfortably’, 86% of those classified as having ‘higher professional / managerial’ jobs and 88% of those whose net earnings from employment were more than £600 per week) which suggests that even amongst those likely to approach retirement from a more advantaged position there is a feeling that some paid work after retirement age may be necessary in order to maintain a reasonable standard of living. The DWP survey in 2006 actually found that those from the higher social classes were *more* likely to consider working beyond retirement age and Clery et al (2007) suggest that this might have been a reflection of the different experiences of work and the demands made upon them. The survey additionally found that those from the higher social classes expected to retire from their main jobs earlier, but were more likely to expect to work after this point in some other form of paid employment whereas those from lower class groups

were more likely to expect to work for longer in their main jobs and then to cease working altogether<sup>v</sup>.

It did not seem to be the case that having a pension made one less likely to feel that it might be necessary to do some paid work after retirement age; in fact those with a pension were slightly more likely to consider doing so than those who did not (89% compared with 86%).

Table 7 below shows the results of a logistic regression model using agreement with the statement “When I reach State Pension Age I'd do some paid work if it meant a better standard of living” as the dependent variable and each of the other factors discussed above as independent variables. In this model only those ‘somewhat agreed’ with the statement are banded with those who disagreed so that only those who agreed with a certain level of conviction are classified as considering that they would do paid work in retirement. The Nagelkerke R square for this model is 0.074 so the model does not explain a particularly large proportion of the variance, but it is nevertheless illuminating to examine the relative impacts of the various factors discussed above on the odds of considering work beyond retirement age once other factors are controlled for. The significant factors within the model are self-reported general health, self-assessment of financial situation economic activity status and savings.

The odds of someone reporting ‘excellent health’ reporting that they would work beyond retirement age to improve their standard of living are almost twice the odds of someone reporting ‘poor’ health and those reporting ‘very good’ or ‘good’ health are also significantly more likely to agree with the statement once other factors are controlled for.

When compared with those who report finding things very difficult financially, it is only those who report that they are living comfortably who are significantly less likely to report that they would work beyond retirement age. Actual household income is not, however, significant once other factors are controlled for, but having higher levels of savings significantly reduces the odds of thinking about working for longer; the odds of someone with savings over £50,000 thinking about working beyond retirement are less than half the odds of someone with no savings.

In comparison with full-time employees, the odds of a full-time self-employed individual stating that they would work beyond retirement age are considerably higher, as are the odds of those of who are currently unemployed. The odds of someone who is permanently sick or disabled or not working because they are looking after their home/family considering working beyond retirement are significantly lower than for full-time employees once all other factors are controlled for.

**Table 7: Logistic regression model – “When I reach State Pension Age I’d do some paid work if it meant a better standard of living”.**

	<b>B</b>	<b>Exp(B)</b>	<b>Sig.</b>
<b>Pension (ref = no pension)</b>	-.085	.919	.300
<b>Health (ref = poor)</b>			
Excellent	.680	1.974	.000
Very good	.489	1.630	.000
Good	.360	1.433	.009
Fair	.142	1.153	.292
<b>Assessment of current financial situation (ref = finding)</b>			
Living comfortably	-.498	.608	.007
Doing ok	-.234	.791	.196
Just about getting by	-.058	.944	.745
Finding things quite difficult	.358	1.430	.081
<b>Economic activity status (ref = full-time employee)</b>			
Part-time employee	-.060	.942	.519
Full-time self employed	.401	1.494	.000
Part-time self employed	.449	1.566	.056
Unemployed	.420	1.522	.045
Permanently sick / disabled	-.883	.413	.000
Looking after home / family	-.565	.568	.000
Other	-.118	.888	.522
<b>Social Class (NS-SEC) (Ref=Not working)</b>			
Higher managerial / professional	-.077	.926	.723
Lower managerial / intermediate	.075	1.078	.719
Small employers /lower supervisory and technical	.266	1.305	.216
Semi-routine / routine	.141	1.152	.522
<b>Household income from employment (Ref = None)</b>			
< £200 per week	.307	1.360	.173
£200-£499 per week	.314	1.369	.146
£500-£799 per week	.362	1.437	.108
£800 or more per week	.429	1.535	.062
<b>Depression (Ref = no depression)</b>	.090	1.094	.289
<b>Savings (Ref = None)</b>			
<£1000	-.207	.813	.161
£1000-£9999	-.314	.731	.040
£10,000 to £49,999	-.429	.651	.006
£50,000 or over	-.728	.483	.000
<b>Sex (Ref = Female) Male</b>	.043	1.044	.492
Constant	.813	2.255	.002

## 6. Saving for retirement

Over half of 50 year olds reported that they could not afford to put money aside for retirement at the moment (Table 8). On the face of it this seems alarming, but as reported earlier, almost eight in ten have at least one pension which suggests that at least some respondents may have been thinking about savings other than the contributions they make into their pension schemes as they answered this question or that respondents may possibly have been thinking about whether they could afford to put *as much money as they would like* aside for retirement at the moment.

Amongst those who agreed that they couldn't put money aside for retirement at the moment just under seven in ten (69%) had some form of pension scheme and just over three quarters (76%) had at least one type of savings product suggesting that they may have been doing at least some saving. However, the total savings held by this group were typically fairly modest; one in ten (10%) had no savings, three in ten (30%) had less than £1000 and a further three in ten had between £1000 and £10,000 whereas amongst those who reported that they could put aside money for retirement around four in ten (38%) had between £10,000 and £50,000 and a further three in ten (32%) had over £50,000 in savings.

**Table 8: Agreement with statement – 'I can't afford to put money aside for retirement at the moment'.**

	<b>Obs</b>	<b>%</b>
Strongly agree	1715	17.9
Agree	1945	20.3
Somewhat agree	1451	15.2
Somewhat disagree	1425	14.9
Disagree	2240	23.4
Strongly disagree	787	8.2
<i>Agree</i>	5111	53.4
<i>Disagree</i>	4452	46.5
Don't Know / Refused	9	0.1
<b>Base:</b>	<b>9,572</b>	<b>100.0%</b>

Regardless of whether respondents interpreted the question at 'face value' or as whether they could put aside as much money as they might like it was clear that there were very large differences in the extent to which people felt able to save for retirement with the most significant variation being observed, as would be expected, between the most economically advantaged groups and the economically disadvantaged. Almost all (96%) of those who, financially, were finding things 'very difficult' were unable to save for retirement, (78%) of those not working, nine in ten (87%) of those from households with no income from employment and eight in ten and eight in ten (78%) of those in households bringing home less than £200 per week all agreed that they could not afford to put money aside for retirement compared with just over a quarter (26%) of those 'living comfortably', three in ten (30%) of those doing 'higher professional / managerial' jobs and three in ten (28%) of those with household net earnings from employment of more than £800 per week.

The self-employed were more likely to report that they could not save for retirement than employees (57% compared with 48%) and those working part-time were more likely than those working full-time to feel this way. Women were more likely than men to report being unable to save (57% compared with 49%) as were those living alone (64% compared with 52% of those living with others) and those living without a partner (67% compared with 50% of those living with a partner). Poorer health was also associated with a greater likelihood of being unable to save for retirement (82% of those with poor health compared with 42% of those reporting excellent health and 73% of those showing signs of depression compared with 50% of those with no signs of depression).

## 7. Summary

The above analyses have shown widespread concern amongst 50 year olds about their expected financial situation in retirement. A large majority do have some form of pension, but it would seem that having a pension in place does not seem to alleviate this concern. We have also shown that although levels of concern are typically higher amongst the groups most likely to approach retirement with comparatively fewer financial resources it is also the case that substantial proportions of those towards the upper end of the socio-economic spectrum also seem deeply concerned.

This concern must in part contribute to the finding that almost nine in ten 50 year olds reported that they would consider taking on paid employment once they had reached retirement age in order to have a better standard of living. Study members were not directly questioned about their reasons for expecting to work beyond retirement age, but they were asked an open question in which they were asked to envisage their lives at 60. Responses to this question have not yet been coded or analysed, but there would be considerable benefit in doing so as the answers are likely to contain rich contextual information which might help make further sense of some of our findings.

It is currently planned that the next follow-up of the study will take place in 2013 when cohort members are aged 55 and then again in 2018 at the age of 60. If these questions were to be included in these future sweeps of the study it would be possible to explore how these attitudes might change as retirement becomes closer. The longitudinal nature of the study means that cohort members will also be followed throughout their retirement meaning that it will be possible to examine how closely concerns and expectations about retirement are matched by reality. The rich life-history information that has been collected over the course of the study will prove very useful in examining the pathways that lead to different experiences of ageing and retirement.

## Notes

<sup>i</sup>The survey at age 44 was a 'biomedical survey' was designed to obtain objective measures of ill-health and biomedical risk factors. The survey was administered by nurses and involved the extraction of blood, saliva and DNA and assessments of hearing, vision, lung-capacity, blood pressure, pulse, mental health and physical measurements.

<sup>ii</sup>The DWP survey questions used a five-point scale from 'strongly agree' to 'strongly disagree' with a 'middle' option – 'neither agree nor disagree'. The questions put to cohort members during the NCDS 2008/9 survey used a six-point scale so responses will not be directly comparable.

<sup>iii</sup>Depression was measured using a 9-item version of the Malaise Scale (Rutter et al., 1970).

<sup>iv</sup>NCDS 2008/9 asked cohort members to list all the types of pension that they have including all pensions they are currently contributing to and pensions they have contributed to in the past (CAPI variable 'J21'). Those described in this paper as 'having a pension' are those who indicate that they have paid into or are currently paying into at least one type of pension. It is not possible to distinguish between those who were paying into a pension at the time of the Age 50 survey and those who were not; nor is it possible to distinguish between someone who has paid in to a pension for 30 years and someone who has paid into a pension for six months.

<sup>v</sup>NCDS 2008/9 did not include questions about expected year of retirement and work after this date.

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## Appendix Tables

Table 1: Correlations between the six attitude statements (Spearman's Rank).

Table 2: Attitudes towards pensions and retirement by sex and general assessment of health

Table 3: Attitudes towards pensions and retirement by depression and assessment of current financial situation

Table 4: Attitudes towards pensions and retirement by household income and whether has a pension

Table 5: Attitudes towards pensions and retirement by household savings

Table 6: Attitudes towards pensions and retirement by economic activity status

Table 7: Attitudes towards pensions and retirement by NS-SEC

**Table 1: Correlations between the six attitude statements (Spearman's Rank).**

		Whether considers pension most secure way of saving	Whether would do some paid work after state retirement age	Whether CM worries about income when retired	Whether CM can't afford put money aside for retirement	Whether retirement too far off to cause concern	Whether have enough money to retire
Whether considers secure way	Correlation	1.000	.031**	.073**	-.133**	-.109**	
	Sig. (2-tailed)	.	.002	.000	.000	.000	
Whether would do some paid work after state retirement age	Correlation	.031**	1.000	.262**	.151**	-.022*	
	Sig. (2-tailed)	.002	.	.000	.000	.032	
Whether CM worries about income when retired	Correlation	.073**	.262**	1.000	.359**	-.074**	
	Sig. (2-tailed)	.000	.000	.	.000	.000	
Whether CM can't afford put money aside for retirement	Correlation	-.133**	.151**	.359**	1.000	.294**	
	Sig. (2-tailed)	.000	.000	.000	.	.000	
Whether retirement too far off to cause concern	Correlation	-.109**	-.022*	-.074**	.294**	1.000	
	Sig. (2-tailed)	.000	.032	.000	.000	.	
Whether have enough money to retire	Correlation	.165**	-.141**	-.445**	-.427**	.017	
	Sig. (2-tailed)	.000	.000	.000	.000	.093	

**Table 2: Attitudes towards pensions and retirement by sex and general assessment of health**

	Whether CM worries about income when retired		Whether considers pension most secure way of saving		Whether would do some paid work after state retirement age		Whether CM can't afford put money aside for retirement		Whether retirement too far off to cause concern		Whether enou when
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree
n	3250	1444	2942	1774	4152	565	2318	2375	893	3798	2325
%	48.3%	51.0%	47.9%	51.1%	48.7%	51.8%	45.4%	53.3%	47.2%	49.5%	49.4%
n	3478	1390	3196	1701	4370	525	2793	2077	998	3869	2377
%	51.7%	49.0%	52.1%	48.9%	51.3%	48.2%	54.6%	46.7%	52.8%	50.5%	50.6%
<b>Assessment of health</b>											
n	1132	731	1863	1204	672	1678	197	783	1080	306	1557
%	16.8%	25.8%	19.5%	19.6%	19.3%	19.7%	18.1%	15.3%	24.3%	16.2%	20.3%
n	2217	952	3169	2034	1149	2910	274	1525	1644	524	2645
%	33.0%	33.6%	33.2%	33.1%	33.1%	34.2%	25.2%	29.8%	36.9%	27.7%	34.5%
n	2041	761	2802	1808	1006	2503	314	1542	1261	551	2245
%	30.3%	26.9%	29.3%	29.5%	29.0%	29.4%	28.8%	30.2%	28.3%	29.2%	29.3%
n	931	267	1198	758	445	1034	168	827	370	319	877
%	13.8%	9.4%	12.5%	12.4%	12.8%	12.1%	15.4%	16.2%	8.3%	16.9%	11.4%
n	406	121	527	332	202	395	136	432	96	190	337
%	6.0%	4.3%	5.5%	5.4%	5.8%	4.6%	12.5%	8.5%	2.2%	10.1%	4.4%

**Table 3: Attitudes towards pensions and retirement by depression and assessment of current financial situation**

		Whether CM worries about income when retired		Whether considers pension most secure way of saving		Whether would do some paid work after state retirement age		Whether CM can't afford put money aside for retirement		Whether retirement too far off to cause concern		
		Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	
	n	5564	2593	5237	2965	7322	881	4081	4075	1480	6672	
	%	82.7%	91.6%	85.4%	85.4%	86.0%	81.0%	79.9%	91.6%	78.4%	87.0%	
	n	1160	237	897	506	1194	207	1024	376	407	993	
	%	17.3%	8.4%	14.6%	14.6%	14.0%	19.0%	20.1%	8.4%	21.6%	13.0%	
<b>of financial situation</b>												
	n	2185	1564	2491	1299	3268	517	993	2757	562	3187	
	%	32.50%	55.20%	40.60%	37.40%	38.40%	47.40%	19.40%	61.90%	29.70%	41.60%	5
	n	2166	780	1890	1071	2655	307	1667	1280	553	2392	
	%	32.20%	27.50%	30.80%	30.80%	31.20%	28.20%	32.60%	28.80%	29.20%	31.20%	2
ting	n	1683	382	1272	795	1868	197	1707	356	552	1509	
	%	25.00%	13.50%	20.70%	22.90%	21.90%	18.10%	33.40%	8.00%	29.20%	19.70%	1
	n	481	73	334	213	515	37	506	48	155	399	
	%	7.20%	2.60%	5.40%	6.10%	6.00%	3.40%	9.90%	1.10%	8.20%	5.20%	:
	n	212	35	150	97	215	32	237	11	69	179	
	%	3.20%	1.20%	2.40%	2.80%	2.50%	2.90%	4.60%	0.20%	3.60%	2.30%	(

**Table 4: Attitudes towards pensions and retirement by household income and whether has a pension**

		Whether CM worries about income when retired		Whether considers pension most secure way of saving		Whether would do some paid work after state retirement age		Whether CM can't afford put money aside for retirement		Whether retirement too far off to cause concern	
		Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
<b>Household income from employment</b>											
	n	550	199	493	284	604	173	651	101	298	450
	%	10.5%	8.9%	10.0%	10.8%	9.1%	19.4%	16.2%	2.9%	20.1%	7.5%
0	n	432	139	340	235	510	64	446	125	180	391
	%	8.2%	6.2%	6.9%	8.9%	7.7%	7.2%	11.1%	3.6%	12.1%	6.5%
	n	1594	531	1403	730	1918	215	1310	816	457	1667
	%	30.3%	23.7%	28.6%	27.7%	28.9%	24.1%	32.7%	23.4%	30.8%	27.8%
	n	1476	633	1378	733	1904	208	1015	1094	346	1763
	%	28.1%	28.3%	28.1%	27.9%	28.6%	23.3%	25.3%	31.4%	23.3%	29.4%
	n	1202	735	1292	649	1711	231	589	1347	202	1734
	%	22.9%	32.9%	26.3%	24.7%	25.7%	25.9%	14.7%	38.7%	13.6%	28.9%
<b>at least one pension</b>											
	n	1455	571	1026	999	1765	261	1568	460	692	1331
	%	21.7%	20.2%	16.7%	28.8%	20.7%	24.0%	30.8%	10.3%	36.7%	17.4%
	n	5261	2259	5103	2470	6742	828	3531	3989	1196	6324
	%	78.3%	79.8%	83.3%	71.2%	79.3%	76.0%	69.2%	89.7%	63.3%	82.6%

**Table 5: Attitudes towards pensions and retirement by household savings**

	Whether CM worries about income when retired		Whether considers pension most secure way of saving		Whether would do some paid work after state retirement age		Whether CM can't afford put money aside for retirement		Whether retirement too far off to cause concern	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
<b>old savings</b>										
n	362	106	280	184	405	58	423	47	184	284
%	6.4%	4.6%	5.5%	6.4%	5.7%	6.5%	9.7%	1.3%	11.5%	4.5%
n	1216	338	992	562	1399	158	1323	232	487	1066
%	21.6%	14.6%	19.5%	19.5%	19.7%	17.6%	30.3%	6.5%	30.5%	16.8%
n	1552	566	1376	743	1924	196	1323	795	438	1679
%	27.6%	24.4%	27.0%	25.7%	27.1%	21.9%	30.3%	22.2%	27.4%	26.5%
n	1608	689	1501	810	2064	247	923	1374	330	1967
%	28.6%	29.7%	29.4%	28.0%	29.1%	27.5%	21.2%	38.3%	20.7%	31.0%
n	888	620	949	589	1298	238	369	1139	157	1351
%	15.8%	26.7%	18.6%	20.4%	18.3%	26.5%	8.5%	31.8%	9.8%	21.3%

**Table 6: Attitudes towards pensions and retirement by economic activity status**

		Whether CM worries about income when retired		Whether considers pension most secure way of saving		Whether would do some paid work after state retirement age		Whether CM can't afford put money aside for retirement		Whether retirement too far off to cause concern		Whether no retirement
		Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	
<b>Activity</b>												
	n	3773	1637	3701	1710	4826	582	2455	2954	877	4532	27
	%	56.1%	57.8%	60.3%	49.2%	56.6%	53.4%	48.0%	66.4%	46.4%	59.1%	59
	n	1036	419	919	535	1326	129	828	628	283	1173	7
	%	15.4%	14.8%	15.0%	15.4%	15.6%	11.8%	16.2%	14.1%	15.0%	15.3%	14
/ed	n	742	339	467	612	1004	76	595	485	244	836	5
	%	11.0%	12.0%	7.6%	17.6%	11.8%	7.0%	11.6%	10.9%	12.9%	10.9%	11
/ed	n	159	81	116	123	224	16	158	82	49	191	1
	%	2.4%	2.9%	1.9%	3.5%	2.6%	1.5%	3.1%	1.8%	2.6%	2.5%	2.
nd	n	185	51	155	81	220	16	212	24	73	163	1
	%	2.8%	1.8%	2.5%	2.3%	2.6%	1.5%	4.1%	1.5%	3.9%	2.1%	1.
ick /	n	348	96	289	149	305	129	391	52	167	273	1
	%	5.2%	3.4%	4.7%	4.3%	3.6%	11.8%	7.7%	1.2%	8.8%	3.6%	2.
	n	348	154	330	170	409	92	333	171	151	351	2
	%	5.2%	5.4%	5.4%	4.9%	4.8%	8.4%	6.5%	3.8%	8.0%	4.6%	5.
	n	135	57	160	94	206	50	138	55	47	146	1
	%	2.0%	2.0%	2.6%	2.7%	2.4%	4.6%	2.7%	1.2%	2.5%	1.9%	2.

**Table 7: Attitudes towards pensions and retirement by NS-SEC**

		Whether CM worries about income when retired		Whether considers pension most secure way of saving		Whether would do some paid work after state retirement age		Whether CM can't afford put money aside for retirement		Whether retirement too far off to cause concern	
		Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
Material /	n	729	434	824	338	1002	160	331	832	83	1080
	%	11.6%	16.2%	14.3%	10.4%	12.6%	15.6%	7.0%	19.7%	4.9%	14.9%
Material /	n	2482	1113	2434	1162	3234	361	1648	1946	481	3114
	%	39.6%	41.6%	42.4%	35.7%	40.6%	35.2%	34.9%	46.0%	28.1%	43.0%
Material /	n	1300	511	935	874	1676	133	1036	774	436	1373
	%	20.7%	19.1%	16.3%	26.8%	21.0%	13.0%	22.0%	18.3%	25.5%	19.0%
Material /	n	745	259	616	389	918	86	627	378	272	733
	%	11.9%	9.7%	10.7%	11.9%	11.5%	8.4%	13.3%	8.9%	15.9%	10.1%
Material /	n	1018	358	935	495	1142	287	1075	303	438	935
	%	16.2%	13.4%	16.3%	15.2%	14.3%	27.9%	22.8%	7.2%	25.6%	12.9%



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