

# Longer Working The Irish Experience

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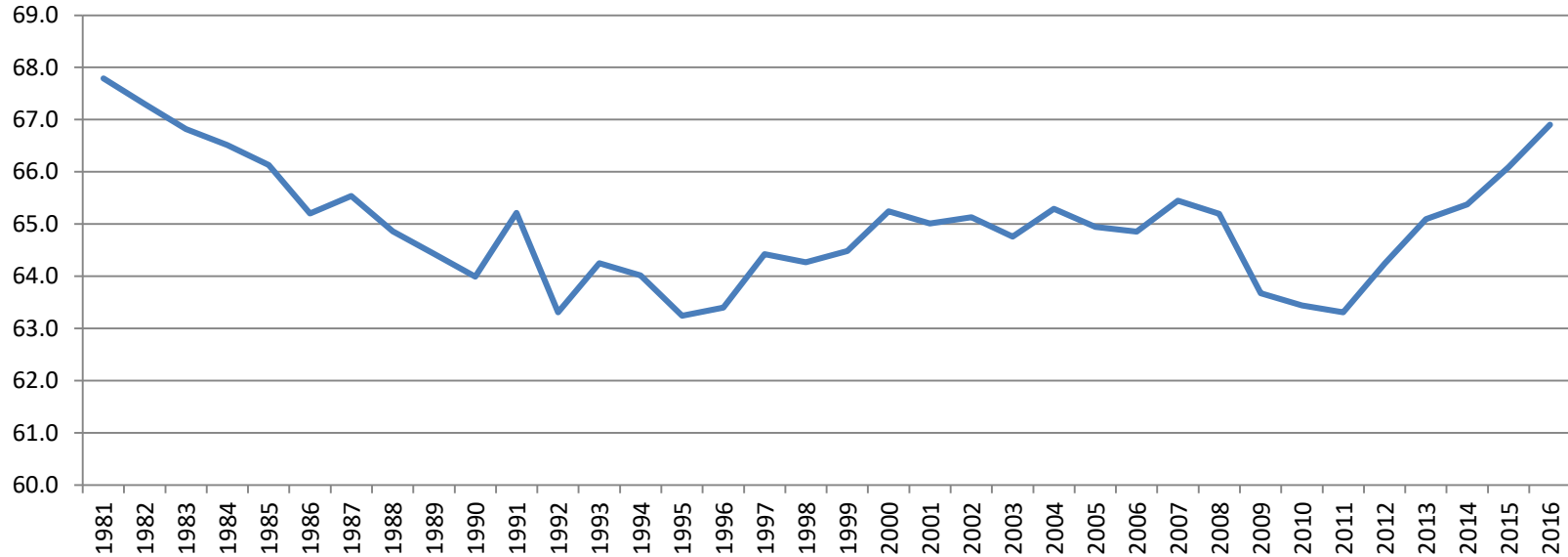


# Something I didn't expect when learning labour economics

**Average effective age of retirement: men**

	1970	1980	1990	2000	2010
France	67.6	63.5	60.0	58.8	59.4
United Kingdom	67.7	66.0	62.8	62.4	64.1
Japan	72.3	70.7	70.4	70.1	70.1
United States	68.5	66.4	64.7	64.7	65.5
EU-27	68.4	65.1	63.1	61.5	62.5

# The picture for Ireland



# Why the drift towards later working?

## Two major themes internationally

### 1. Financial incentives

Influential work centred in University of Chicago

Some policies left over from the high unemployment years of the 1970s and 1980s

### 2. Norms

Links to increased longevity and the changing nature of work

# What have we learned about later work in Ireland?

Two papers looking at the effect of policy change

- Did the announcement of an increase in the state pension age have an effect on retirement ?
- Did the policy itself have an effect?

Two papers looking at “norms”

- Peer effects
- Mental health and retirement

# Did the SPA announcement change retirement expectations?

Data for the Irish Longitudinal Study on Ageing were collected from late 2009 and early 2011

Change in state pension age announced in March 2010

We were able to explore whether retirement intentions changed in response to the policy announcement

They didn't but the economic downturn did have an effect

# Did actual retirement change when the policy changed?

The SPA increased to 66 on January 2014

This created two groups who were similar in all ways but who differed in access to the state pension depending on whether they were born before or after 1 January 1949

Comparing the retirement patterns allowed for a test of the effect of the policy

No effect found

# What about evidence on “norms” in Ireland?

We know from earlier studies that being unemployed has a different impact depending on whether there are other unemployed people around

In particular, the negative psychological impacts are lower if the unemployed person lives in an area of high unemployment

We wondered if a “peer effect” like this exists among older workers when they think about retirement



For older people who are employed, we observed an increase in depressive symptoms as more of their peer group are not employed  
Similarly, they felt better if more of their peers are employed



# What about the mental health effects of retirement?

Mosca and Barrett analysed people in TILDA as they crossed into retirement

They asked if their depressive symptoms increased relative to those who continued to work

They showed increases in depressive symptoms among the retirees

Effects was biggest for involuntary retirees and seemed to diminish over time

# Drawing some themes together

Retirement ages seem to be drifting upwards internationally and in Ireland

We may not have detected an effect of policy but the reaction may take time

We are likely to see continued increases in working ages and this, in itself, will generate further increases

Gives rise to a range of policy issues

HR – can we facilitate “steps-down” in careers  
(even gap years for 60-somethings)

Education – life-long learning

Care – will the childcare debate be replaced by an  
elder-care debate

Age discrimination – at what point can an  
employer say “it’s time to go....”