



Department
for Work &
Pensions

Economic Labour Market Status of Individuals Aged 50 and Over Since 1984

Background Information and Methodology

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Purpose of the statistics

Economic Labour Market Status of Individuals Aged 50 and Over Since 1984

These statistics provide detail of the economic status (employed, unemployed or economically inactive) of individuals aged 50 years old and above from 1984 to 2015. Where appropriate, the statistics also provide a comparison to the results for the 25 – 49 year old age group for context.

Breakdowns provided in these statistics include: gender; 5 year age bands (from 50 to 75+ where possible) and full time/part time splits for those in employment.

These statistics provide a more detailed breakdown to the published Office for National Statistics (ONS) monthly labour market statistics for data regarding individuals aged 50 years old and over. Therefore, the statistics will not be the same as the monthly labour market publications. They are however, consistent with the not seasonally adjusted estimates for wider age groups given in Table A05 NSA of the same bulletins.

Read the latest [UK Labour Market Statistical bulletin](#).

Context of the statistics

This statistical release will provide a key resource in publically monitoring the employment levels of individuals aged 50 and over. The data will allow further insight into the differences in the labour market status between both individuals in the age groups within this population, and individuals in the 25 – 49 age group.

The expected change in the UK population from 2014 to 2024 means that there will be a large increase in the proportion of the population that is aged 50 and over; ONS predict an 11.8% increase in those aged 50-64 and 20.3% increase in the number of individuals aged 65+. By the mid-2030s, people aged 50 and over will comprise half of the adult population in the UK¹.

As well as this, changes to State Pension ages are occurring. The female State Pension age (SPa) is currently in the process of being equalised with male SPa, increasing from 60 to 65 years olds between 2010 and 2018. The male SPa is 65 years old. After November 2018, SPa will increase for all to 67 by 2028.

The ageing population and workforce, along with changes in SPa, means that it is of growing importance to understand the economic labour market status of those approaching, at and above SPa.

Read more about the government's [Fuller Working Lives evidence base](#).

These statistics are being published alongside a DWP Pensions and Ageing Society Statistical release strategy, which outlines the planned statistical releases related to pensions and ageing society.

¹ ONS population projections

Read the [Pensions and Ageing Society Statistics release strategy](#).

Source of the statistics

These Official Statistics have been compiled using data from the Labour Force Survey (LFS) which is produced by the ONS. The sample consists of approximately 40,000 responding UK households and 100,000 individuals per quarter. Respondents are interviewed for 5 successive waves at 3-monthly intervals with 20% of the sample being replaced every quarter. The LFS is intended to be representative of the entire UK population.

Read more about [the LFS](#).

Limitations of the statistics

The coverage of this publication is the UK. However, due to the way the LFS has been developed over time, the results for 1992 to 1994 are based on GB results only. In the statistical release and accompanying data tables, this time period is clearly marked on all tables and charts to ensure the user is aware of this issue.

Between 1984 and 1991 the survey was carried out annually and from 1992 it became quarterly. The annual LFS covered the March-May period each year before 1992. We use quarter 2 (April-June) from the quarterly LFS from 1992 onwards, as it is the closest calendar quarter to the earlier estimates. Furthermore, there were a number of changes in survey design, the sampling frame, sampling and estimation methodology and variable definitions which occurred when the LFS moved from annual to quarterly in 1992, which may affect the continuity of estimates over time. By using this methodology, we are producing the most consistent analysis over the full time period, from 1984 to 2015.

However, for both these reasons, pre-1994 data are used to indicate broad trends and not for making direct comparisons with more recent estimates.

Read more about the [LFS Background and Methodology](#).

The statistics include a breakdown of employment levels and rates by full time and part time. To note that the LFS is self-reported meaning that the definition of full time and part time work is open to interpretation by the respondents. There are a small number of cases who do not report their full- or part-time status, so these two components will not necessarily sum to total employment.

This publication is based on survey data. It is therefore subject to potential limitations inherent in all surveys, including:

- **Survey design:** The LFS uses a rotational sampling design, whereby a household, once initially selected for interview, is retained in the sample for a total of five consecutive quarters. The interviews are scheduled to take place exactly 13 weeks apart, so that the fifth interview takes place one year on from the first.
- **Sampling error:** The fact that only a sample of the population has been selected and a different sample would probably produce a different estimate.

This will vary to a greater or lesser extent depending on the level of disaggregation at which results are presented.

- **Non-response error:** Systematic bias due to non-response by households selected for interview in the LFS. In an attempt to correct for differential non-response, estimates are weighted using population totals.
- **Survey coverage:** The error which arises because some units are either excluded or duplicated on the sampling frame used to identify members of the population of interest.
- **Measurement error:** Made up of four types:
 - interviewer error arising from both conscious and unconscious differences in the way interviewers administer a survey, and also from the reactions of respondents to different types of interviewers;
 - respondent error arising from the inability or unwillingness of a respondent to produce a correct answer;
 - instrument error which reflects the effect of question wording, response categories and form design on responses; and
 - mode error which describes the effect of different methods of administering a questionnaire on the recorded responses.
- **Processing error:** This consists of systems error and data handling error. Systems errors are errors in the specification or implementation of systems needed to carry out surveys and process results; system errors on the LFS can creep in when derived variables are specified and/or amended. Data handling errors are errors in the processing of survey data.
- **Sample size:** Although the LFS has a relatively large sample size for a household survey, small sample sizes for particular breakdowns may mean that specific analysis is not robust enough to report.

Read Volume 1: Background and methodology of the [LFS user guidance](#) published by ONS for more information regarding the extent to which these limitations specifically affect the LFS, and the methods used to minimise the potential bias and errors that could occur.

Comparisons between the statistics

The definitions of employed, unemployed and economically inactive are derived from the LFS which uses the same definitions as the Labour Market Statistics bulletin published by ONS, following standard [International Labour Organisation \(ILO\)](#) guidelines.

Definitions and terminology within the statistics

The Official Statistics contains three main measures:

- The **employment rate** is calculated by dividing the employment level for those in the age group by the population for that age group.
- The **unemployment rate** is calculated by dividing the unemployment level for those in the age group by the total number of economically active individuals

for that age group. Economically active is defined as those in employment plus those who are unemployed.

- The **economic inactivity rate** is calculated by dividing the inactivity level for those in the age group by the population for that age group.

Everybody aged 16 or over is defined as either employed, unemployed or economically inactive.

- The **employment level** is the number of individuals in work including those working part-time and those who are self-employed.
- The **unemployment level** is the number of individuals who are not working, have been looking for work within the last 4 weeks and are able to start work within the next 2 weeks. A common misconception is that the unemployment statistics are a count of individuals on benefits; this is not the case as they include unemployed individuals not claiming benefits.
- The **economic inactivity level** is the number of individuals who are not working, have not been looking for work within the last 4 weeks or who are unable to start work within the next 2 weeks. Examples of economically inactive individuals include: individuals not looking for work because they are students; looking after the family or home; because of illness or disability or because they have retired.

The comparisons made between different rates in the narrative of these Official Statistics have been checked for **statistical significance** at the 95% significance level. This is a technical concept that says whether an estimated value is likely to have arisen only from random variations in the sampling. In the publication, it is used when talking about a change or a difference: a significant change or difference is one that is not likely to be due only to the sampling, and therefore likely to be a real change/difference. Plotting estimates and their confidence intervals (a measure of the uncertainty of an estimate) gives an indication of whether or not a difference is significant. If the confidence intervals of two estimates do not overlap, the estimates are significantly different.

To provide a sense of scale, the table below gives the confidence intervals around selected headline rates relating to all individuals in 2015:

<u>Rate (%)</u>	<u>Estimate (%)</u>	<u>Interval Width (percentage points)</u>	<u>Interval Range (%)</u>
50 – 64 Employment Rates	69.4	1.3	68.7 to 70.0
50 – 64 Economic Inactivity Rates	28.1	1.3	27.5 to 28.8
50 – 64 Unemployment Rates	3.5	0.6	3.2 to 3.8
65+ Employment Rates	10.2	1.0	9.7 to 10.7

Revisions to the statistics

This is the first in a series of annual Official Statistics using analysis derived from the LFS produced by the ONS. Any revisions made to the LFS by the ONS, for example to take account of more up to date population estimates, will be included in the next release.

Status of the statistics

Experimental statistics

These have been designated as “Experimental” Official Statistics in order to seek feedback from users and to allow us to build on the statistical evidence on Fuller Working Lives.

Quality Statement

The analysis in this statistical publication is based on data taken from the LFS which is closely monitored in terms of methodology and quality.

Read more about the [Labour Force Survey performance and quality monitoring](#).

These statistics have been developed using guidelines set out by the UK Statistics Authority in the Code of Practice for Official Statistics. This details the necessary principles and practices to produce statistics that are trustworthy, high quality and of public value.

They are new Official Statistics undergoing evaluation and have, therefore, been designated as [Experimental Official Statistics](#). Users are invited to comment on the development and relevance of these statistics at this stage.

Read more about the [Code of Practice for Official Statistics](#).

Feedback

We welcome feedback

Tell us your views on the statistics by e-mailing fwl.analysis@dwpgsi.gov.uk

Useful links

This document, the publication and accompanying summary tables can be found here:

[Economic Labour Market Status of Individuals Aged 50 and Over Since 1984](#)

A release strategy for pensions and ageing society statistics can be found here:

[Pensions and ageing society release strategy](#)