Health, Work and Retirement Study

Inclusion, Contribution & Connection

Summary Report

Experiences of older workers: Preferences, plans, and attitudes

Fiona Alpass, John Spicer, Brendan Stevenson & Christine Stephens

2015

A research collaboration between:

School of Psychology
Massey University
Palmerston North
New Zealand

Ministry of Business
Innovation and Employment
New Zealand Government

Department of Medicine
University of Otago
Christchurch
New Zealand

TABLE OF CONTENTS

Introduction

Structural ageing (increasing longevity and falling birth rates) together with the ageing cohort of the "Baby Boomers", are key factors underlying the demographic changes occurring in New Zealand. A key implication of population ageing is the impact on the workforce and labour market. The median age of New Zealand's labour force in 1991 was 36 years but is projected to exceed 43 years by the mid-2030s. Half the labour force could be older than 45 years by 2061 (Statistics New Zealand, 2012). Those aged 65 and over in the workforce will increase in number. In 2012, 1 in 5 New Zealanders aged 65 years and over were in the labour force and this is projected to increase to 1 in 3 by the mid-2020s.

The New Zealand Positive Ageing Strategy emphasises the advantages for older New Zealanders of remaining in the work force and there is considerable evidence for the health, economic and social benefits of workforce participation (Hinterlong et al., 2007; Ministry of Social Development, 2011). However, barriers still remain to continued workforce participation for older New Zealanders (Alpass & Mortimer, 2007; Davey, 2015; Davey & Cornwall, 2003). The factors that influence withdrawal from the workplace or facilitate extended workforce participation for older workers are many and various. For instance, the availability of workplace practices, such as flexible working arrangements, may enable older workers to reconcile their work role with additional roles as they age (e.g. carer, volunteer). In addition, retirement policy settings will influence retirement plans and expectations.

As part of the Inclusion, Contribution and Connection study (ICC) we asked participants about factors contributing to their participation in paid and unpaid work. The ICC study surveyed 1,330 'baby boomers' aged 61 to 77 years from a nationally representative sample (including an oversampling of Māori) about whom we already held six years of information.

The ICC study was the 2013 data wave of the Health, Work and Retirement longitudinal study (HWR) This is a population-level study which aims to identify the health, economic, and social factors underpinning successful ageing in New Zealand's community dwelling population. The first HWR postal survey was conducted in 2006 with a representative sample of older New Zealanders aged 55 to 70 years. Since then five more waves of in-depth data have been collected using postal questionnaires and interviews to investigate quality of life within three broad areas: economic participation (e.g., meaning of work, employment, retirement); social participation (e.g., family support, social capital, participation); and resilience and health (e.g., physical, emotional, cognitive).

In this report we outline some initial findings in regard to the work experiences of our ICC participants. We focus on four themes: the match between their actual and preferred work status; their retirement plans and views; their views and experiences of flexible work arrangements; and their experiences as carers. A description of the full study is provided elsewhere (Stephens, Alpass & Stevenson, 2014).

The ICC Participants

The ICC study was conducted between August and September 2013. Participants were invited to choose either a paper based or on-line questionnaire. Partners of existing participants were also invited to complete a questionnaire. The questionnaire included measures of health, wellbeing, quality of life and standard of living. Measures on work and retirement included work status, preferred work status, retirement planning, work practices, flexible work arrangements and knowledge, and work and care experiences.

Overall, 1,330 HWR participants and 228 partners participated in the ICC study. The uptake of the on-line option was very low (3%) and the majority of these (43 of 51) were partners (see Table 1).

Table 1.
Survey Mode and Instrument Response Rate for the ICC participants.

	Participant	Partner	Total
Postal	1322	185	1507
On-line	8	43	51
Total	1330	228	1558

Almost half of the ICC participants were retired (47%) or working (44%), the average age was 69, over half were female (58%), and lived in urban areas with populations over 30,000 (see Table 2). There were notable demographic differences between Māori and non-Māori: more non-Māori were married, with a corresponding larger number of Māori widowed or divorced/separated; Māori tended to have fewer qualifications, earned less (Māori had a median net personal income of $21,542 compared to non-Māori who had a median income of $23,255), and experienced greater economic hardship. The majority owned their home, although non-Māori had higher rates of home ownership.

Table 2.

Demographic Characteristics of the Participants and Partners.

	Māori Descent	**Non-Māori**	**Partners**
N	552	778	228
Mean Age $^{(SD)}$	$68.2^{(4.5)}$	$68.8^{(4.5)}$	$67.2^{(6.4)}$
Females *(%)*	57	53	58
Partnered (married/de facto) *(%)*	64	77	-
Widowed *(%)*	16	11	-
Divorced/Separated*(%)*	12	8	-
Working (full & part-time) *(%)*	47	42	37
Lives in Urban Centre (30,000+) *(%)*	58	64	61
Own home *(%)*	81	94	95
Educational Qualifications *(%)*			
No secondary	29	18	16
Secondary	17	22	24
Post-secondary	26	28	33
Tertiary	28	32	28
Personal Income *(%)*			
0-20,000	46	43	49
20,001-35,000	26	23	21
35,001-70,000	22	25	24
70,000+	6	9	6
Economic Living Standards *(%)*			
Hardship	15	8	7
Comfortable	33	24	23
Good	52	68	70

Actual and Preferred Work Status

Respondents for these analyses were selected if they were aged between 55 and 80 years and had answered questions concerning their work preferences. Where both partners in a household were selected, only one was retained in the sample to ensure independence of responses. The resulting sample had 690 cases, but for those analyses involving only those respondents who were still working this was reduced to approximately 300 cases. Table 3 shows the relationship between respondents' preferred and actual work status.

Table 3.
Relationship between preferred and actual work status.

	Actual work status		
Preferred work status	Full-time	Part-time/flexible	Not working/retired
Full-time	101 (79.5)	17 (13.4)	9 (7.1)
Part-time/flexible	51 (20.6)	127 (51.4)	69 (27.9)
Not working/retired	11 (3.5)	30 (9.5)	275 (87.0)

N = 690. Numbers in brackets indicate percentage of cases within preferred work status categories.

Overall, 72.9% of respondents report that their preferred and actual work status match. Those who prefer not to work are most likely to have achieved their preference (87%), followed by those who prefer full-time work (79.5%). In contrast, just over half of those who prefer part-time or flexible work status actually have it. Those who have not achieved this preferred status are split fairly evenly between respondents who work full-time (20.6%) and those who are not working (27.9%).

Bivariate analyses were conducted to examine how matched and mismatched respondents differ with respect to socio-demographic, health, and work-related variables. Table 4 shows the differences in socio-demographic and health variables for all cases, while Table 5 shows the work-related differences for the subsample of respondents with a current job. Categorical variables are displayed as percentages and tested using chi square tests of independence. Continuous variables are summarised with means and standard errors and tested using independent t tests.

Compared with respondents whose preferred and actual work status match, the mismatched are more likely to be younger (though only by about 2 years on average), to be of Māori descent, to be unmarried, to have less than tertiary qualifications, to be non-professionals, and to report greater levels of hardship. Respondents in the mismatch group also tend to report poorer physical and mental health to a statistically significant degree, though they do not

differ markedly from the matched group. On the work front, employed respondents in the mismatch group tend to report lower levels of job and career satisfaction, and a higher level of job stress. Once again, although statistically significant, these differences are relatively small. It is also striking that the matched and mismatched groups do not differ in terms of the hours they work or the number of years they have been in their current job.

Given the likely correlations among the variables listed in Table 4, it is possible that some of the differences between the matched and mismatched groups are confounded. To control for this possibility a binary logistic regression was conducted which controls for correlations among the predictor variables. This analysis produced the same pattern of results shown in Table 4, with two exceptions. In the logistic regression the Māori descent variable became statistically non-significant, while gender became significant, indicating a small male predominance in the mismatch group. The reduced sample size in the work-related analyses meant that there were insufficient cases to run a logistic regression on the variables in Table 5.

Table 4.
Differences in socio-demographic and health variables between work match and mismatch groups.

Variable	Work match	Work mismatch	p
Gender (%) (n=690)			.23
Male	48.9	54.0	
Female	51.1	46.0	
Age (n=690)			
Mean (standard error)	68.0 (.20)	66.2 (.30)	<.001
Māori descent (%)(n=683)			.01
Māori	33.3	43.5	
Non-Māori	66.7	56.5	
Marital status (%) (n=680)			.001
Married	75.2	59.2	
Civil union/de facto	4.8	10.3	
Divorced/separated	7.9	15.2	
Widow/widower	7.7	10.3	
Single/never married	4.4	4.9	
Highest qualification (%)(n=689)			.04
No qualification	12.4	17.6	
Secondary	19.7	20.9	
Post-secondary/trade	26.9	31.6	
Tertiary	41.0	29.9	
Occupation (%)(n=658)			.004
Professional	23.0	26.3	
Non-professional	20.5	30.9	
Not in work	56.5	42.9	
Work hours (n=386)			
Mean (standard error)	25.4 (1.11)	26.9 (1.61)	.45
Years in current job (n=272)			
Mean (standard error)	15.8 (1.04)	15.7 (1.39)	.96
Hardship level (%)(n=651)			< .001
Severe	0.6	9.0	
Significant	2.3	3.4	
Some	2.7	9.0	
Fairly comfortable	6.1	14.1	
Comfortable	16.7	20.3	
Good	40.9	29.9	
Very good	30.6	14.1	

Note: The p values are derived from chi square or independent t statistics.

Table 5.
Differences in work and health variables between match and mismatch groups.

	Work match	**Work mismatch**	
Variable	Mean (standard error)	Mean (standard error)	**p**
Fairly well satisfied with job (n=315)	4.57 (.05)	4.11 (.11)	<.001
Difficult to be the spouse or parent I want to be (n=298)	1.88 (.08)	2.29 (.14)	.01
Work should only be a small part of life (n=307)	3.52 (.08)	3.95 (.11)	.002
Satisfied with meeting overall career goals (n=304)	4.27 (.06)	3.85 (.12)	.002
Current job very stressful (n=308)	2.38 (.08)	3.09 (.14)	<.001
Physical health (n=627)	50.51 (.44)	47.78 (.83)	.004
Mental health (n=627)	50.90 (.31)	46.94 (.68)	<.001

Note: The p values are generated by independent t tests.

Retirement Planning and Views

The sample for the following analyses comprised 425 respondents who were then in employment and who answered the set of survey questions relating to their retirement plans. This sample was aged between 56 and 77 years old, with a mean and median age of 65 years. Fifty one percent of the sample were female, and 42% were of Māori descent. In terms of marital status, 68% were married, 5% were single or never married, and the remaining 27% were spread across a range of other non-married categories. With respect to their highest educational qualification, 15% had none, 19% had a secondary qualification, 26% a post-secondary/trade qualification, and 39% a tertiary qualification.

Figure 1 shows the distributions of responses to a series of 6 questions concerning retirement plans and views. The top left graph indicates that 78% of respondents have made some financial plans, leaving 22% who have done little or hardly any planning. Over half of the respondents (54%) agree that they can financially afford to retire now, while 36% disagree. Consistent with this, 45% agree that they continue to work because they cannot afford to retire, while 43% disagree. Turning to their views on retirement living standards, 57% agree that they worry about their standard, and 27% disagree. Similarly, 60% worry about having enough retirement income. In contrast, only 37% are not satisfied with what their family income will be in retirement.

When asked at what age they expected to retire, 36% expected to do so at age 65 and 25% at age 70. Of the remainder, 7% expected to retire before age 65, 17% between age 65 and 70, and 14% after age 70. Respondents who expected to retire at age 65 were compared with those expecting to retire later, using all of the variables in Tables 4 and 5 and in Figure 1. These analyses produced few statistically significant differences. Those who expect to retire at age 65 are more likely to be younger ($p<.001$), married ($p=.02$), to feel that work should only be a small part of life ($p=.02$), and a little less likely to worry about their retirement standard of living ($p=.007$) and income ($p=.02$).

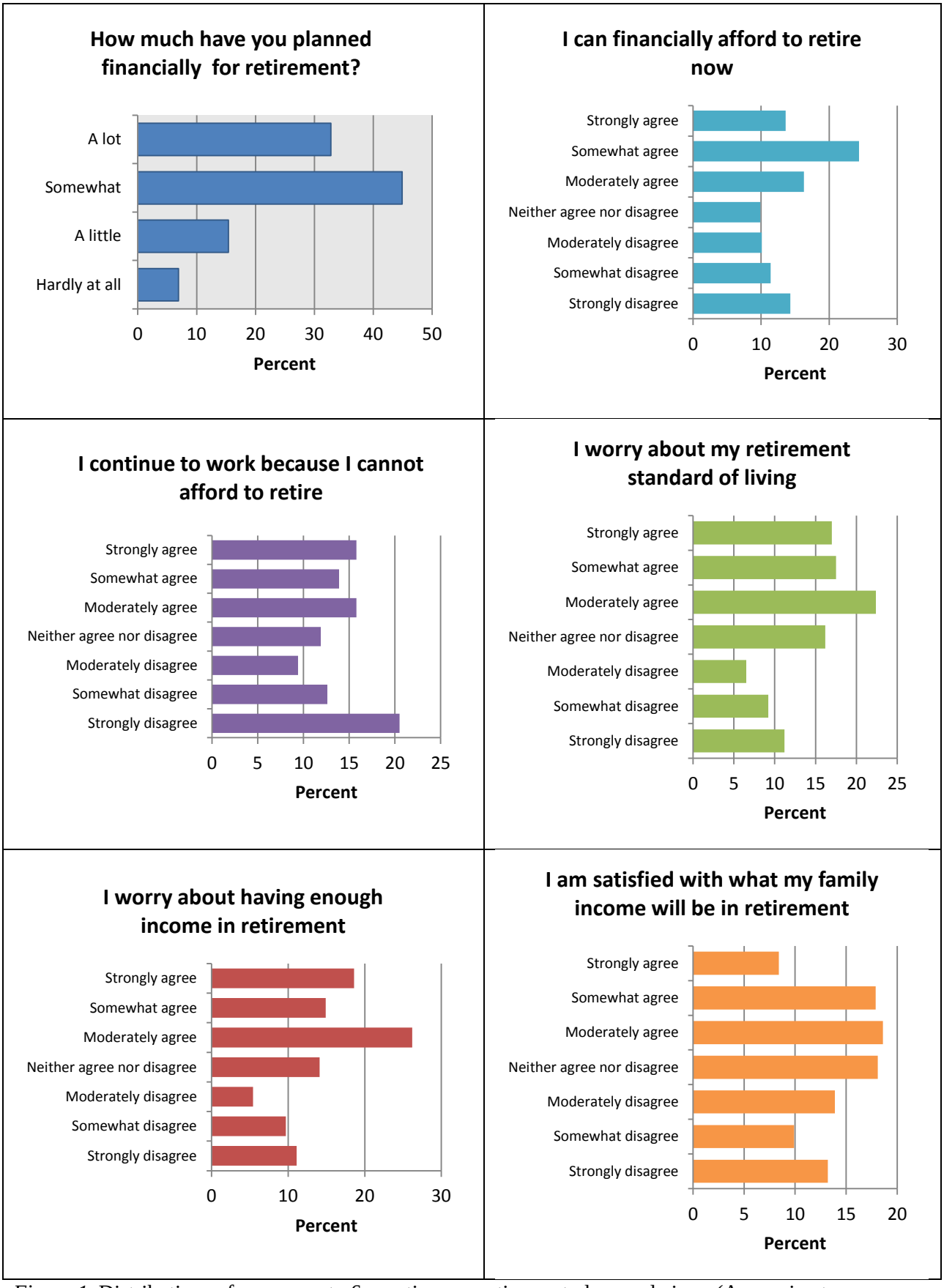

Figure 1. Distributions of responses to 6 questions on retirement plans and views (Approximate N=405)

Flexible Work Arrangements

The sample for this section consists of the same employed 425 respondents who provided the retirement planning data. This sample was asked to rate the importance of a range of flexible work arrangements on a 5 point scale. For the following analyses these responses were dichotomised so that a score of at least 4 denoted importance, and a lower score indicated a lack of importance. Respondents were also asked to report which of the arrangements were actually offered by their place of employment. Figure 2 shows the percentage of respondents who reported that a given practice was important and whether it was offered.

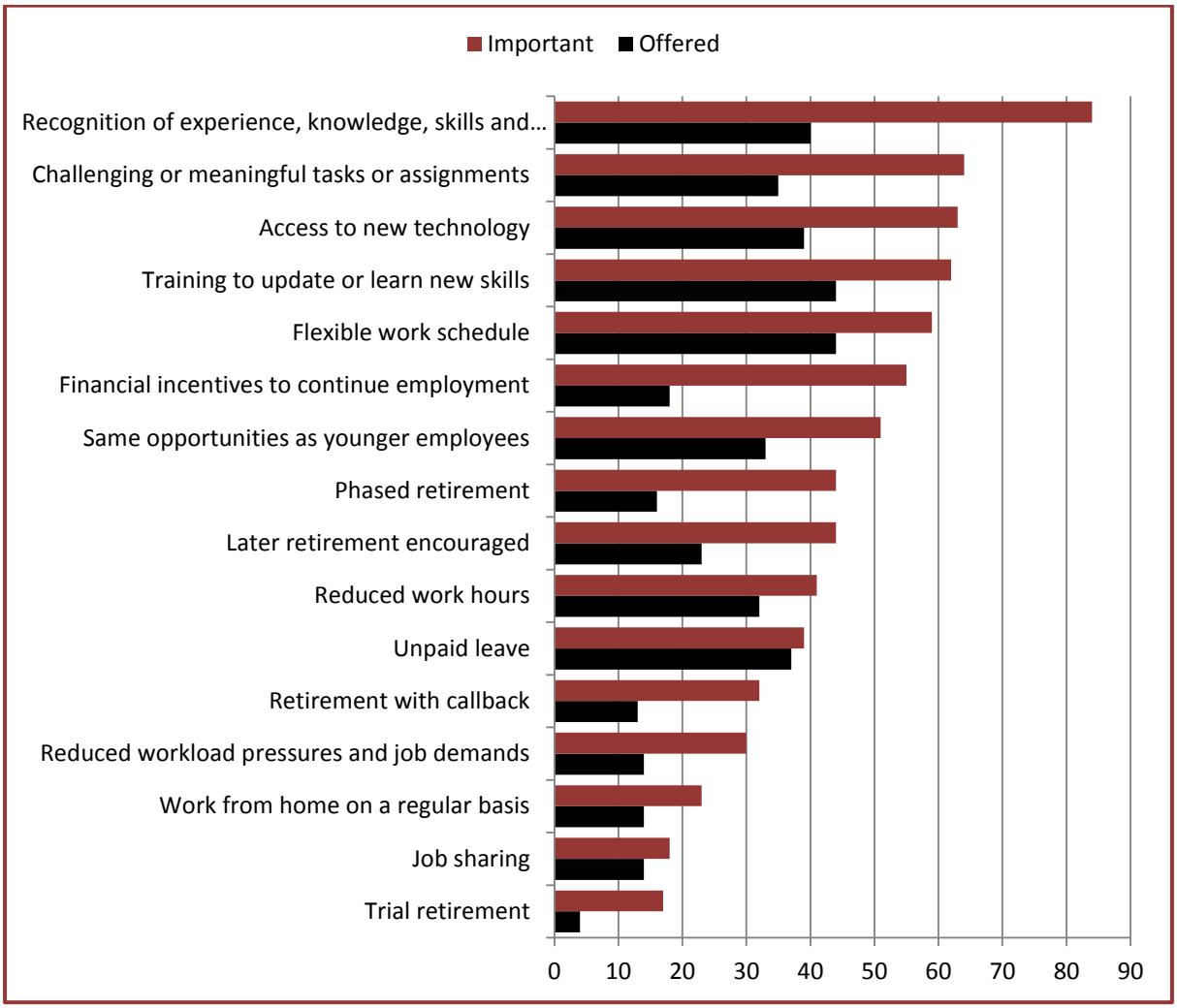

Figure 2. The importance and availability of flexible work arrangements. (The Ns for importance ratings range between 323 and 425; the N for offered arrangements is 425.)

Chi square analyses were conducted to examine whether importance responses differed according to age (<65 versus >=65 years), gender, occupation (professional versus non-

professional), and hardship (7 point ELSI scale). The great majority of statistically significant differences ($p < .05$) were due to occupation. Compared with non-professional respondents, professional respondents were more likely to rate as important: flexible work schedules, working at home, reduced workload pressures, training, access to new technology, having the same opportunities as younger employees, challenging tasks, recognition, and phased retirement. The only remaining reliable differences were that: reduced work hours were important more for the 65 years and over respondents, while financial incentives were more commonly thought important by those under 65 years; challenging tasks were less likely to be seen as important by respondents who were suffering some degree of hardship.

Respondents were also asked a series of 5 questions about their attitudes towards flexible work practices. An example item is: "Everyone should be able to balance their work and home life in the way they want". Responses on these items were summed to form a 20 point scale so that a higher score indicated a more favourable attitude towards flexible work practices. Figure 3 shows the distribution of this variable separately for men and women. Women have a higher mean score (12.4 versus 11.2 for men, $p<.001$), and their more favourable attitude is evident throughout most of the distribution. Figure 4 shows the distribution for professional and non-professional workers. Professional workers exhibit a higher mean score than non-professionals (12.2 versus 11.5, $p=.03$), though their more favourable attitude is most evident at the top end of the scale.

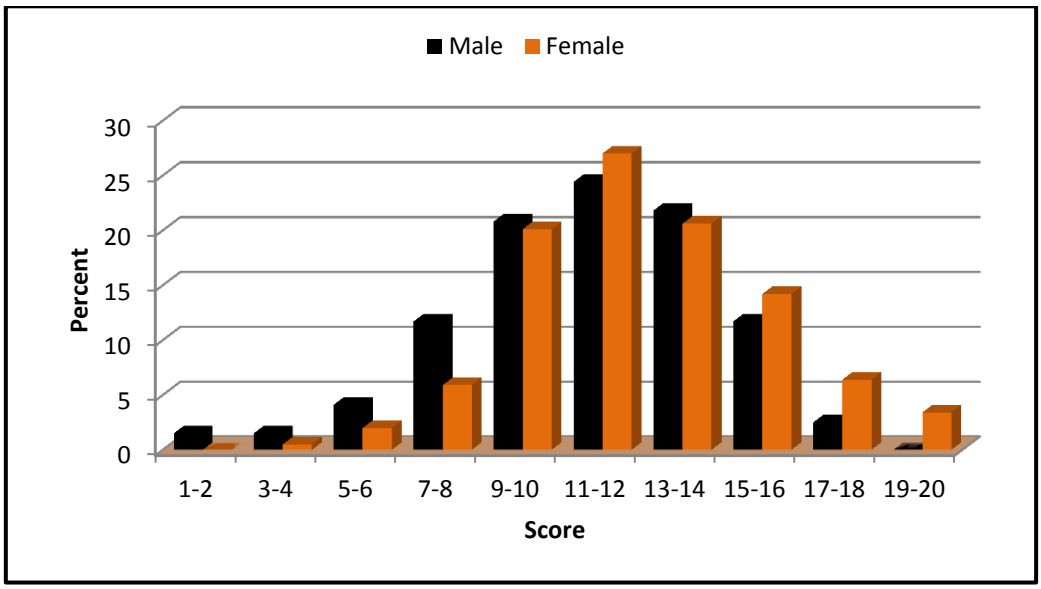

Figure 3. Attitude to flexible work practices for male and female workers.

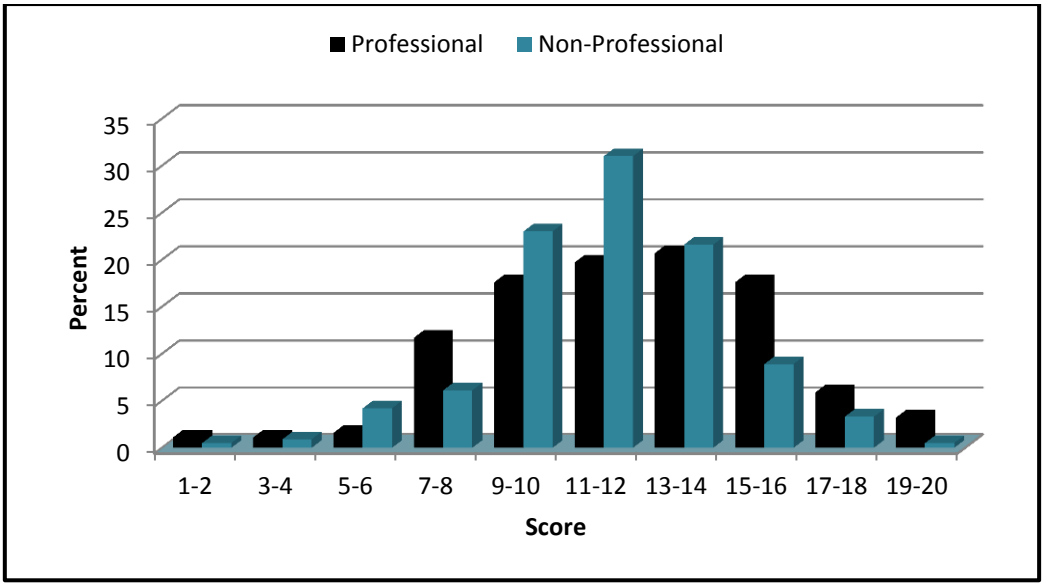

Figure 4. Attitude to flexible work practices for professional and non-professional workers.

Work and Care Experiences

This section focuses on the 168 respondents who completed the ICC questionnaire on care-giving. The first set of analyses describes the characteristics and care giving activities of this sample, and then seeks any differences on all of these variables between working and non-working carers. The second set of analyses examines the experiences of the subsample of 65 working carers with particular reference to problems of balancing care and work demands.

The sample of carers was aged between 51 and 79 years with a mean and median age of approximately 67 years. In terms of gender, 69% were females, and with respect to ethnicity 53% were of Māori descent. Married respondents accounted for 69% of the sample, while 15% were widows or widowers. Thirty nine percent of the sample were in current employment. Forty eight percent of the sample reported a good or very good standard of living, 34% some degree of comfort, and 18% some degree of hardship.

Turning to the care-giving activities of the sample, 79% care for one person, 15% for two, and 6% for more than two. Respondents were asked a series of questions about the person for whom they had cared the longest. For 46% of the sample the care recipient is their spouse or partner, while 17% care for their mother or father, 21% for another family member, and 10% for a friend. When asked for the age of the recipient, 19% of respondents reported an age below 60 years, 21% in the 60s, 27% in the 70s, and 33% in the 80s or older. They had been providing care for this person between 1 month and 52 years. The mean duration was 9 years, but, given the highly skewed distribution, the median of 5 years provides a more accurate view of central tendency.

The care recipients live with the carer in 54% of cases, while 12% live with family or whanau, 21% live alone, and 8% live in residential care. Sixty one percent of respondents provide care on a daily basis, 22% several times a week, 12% several times a month, and 6% less often. In terms of average hours a week, respondents reported all values from 1 to 24/7, with a median of 12 hours of care provided. The health conditions for which care is provided are in descending order: frailty (34%), mental health (19%), cancer (19%), respiratory problems (19%), stroke (13%), visual impairment (13%), arthritis (13%), Alzheimers (11%) and intellectual handicap (7%). When asked to estimate for how many distinct activities of daily living they provide help, carers' responses ranged between 1 and 31 with a mean of 9 and median of 7.

As noted above, analyses were conducted to test for differences between working and non-working carers on all of the preceding variables. Only four statistically significant differences emerged. The mean age of the care recipient was approximately 7 years less for working than for non-working carers ($p = .04$). Working carers had been caring for approximately 5 years longer than their non-working counterparts ($p = .009$). In terms of recipients' health, working carers were more likely to be caring for those with an intellectual handicap ($p = .04$) or a mental health condition ($p = .01$). The two groups of carers were also

compared with respect to their mental and physical health, their general quality of life, and the impact of caring on their lives. The only statistically significant difference concerned quality of life. Working carers scored slightly lower on the Euroqol measure of quality of life (working group mean = .56 versus non-working group mean = .58, p=.02).

The remaining analyses focused on the subsample of 65 cases who are working carers. For these carers, 29% knew about their legal right to request flexible working arrangements, and 28% actually requested them. These requests were granted in full for 73% of the sample, in part for 14%, and were refused for 14%. Respondents were asked to indicate what specific flexible work arrangements they had requested and what reasons they had for making the requests. Figure 5 shows the frequencies with which requests were reported in descending order and Figure 6 shows the reasons. Chi square analyses were conducted to test whether men and women differed in the frequency of their requests and reasons. These analyses suggested that men were more likely to request part-time work (p=.03) or temporarily reduced hours (p=.03). Men were also more likely to give the desire for more free time (p=.03) and for easing out of paid employment (p=.003) as reasons. (The paucity of statistically significant differences should be treated cautiously given the relative infrequency of many requests and reasons and the overall sample size.)

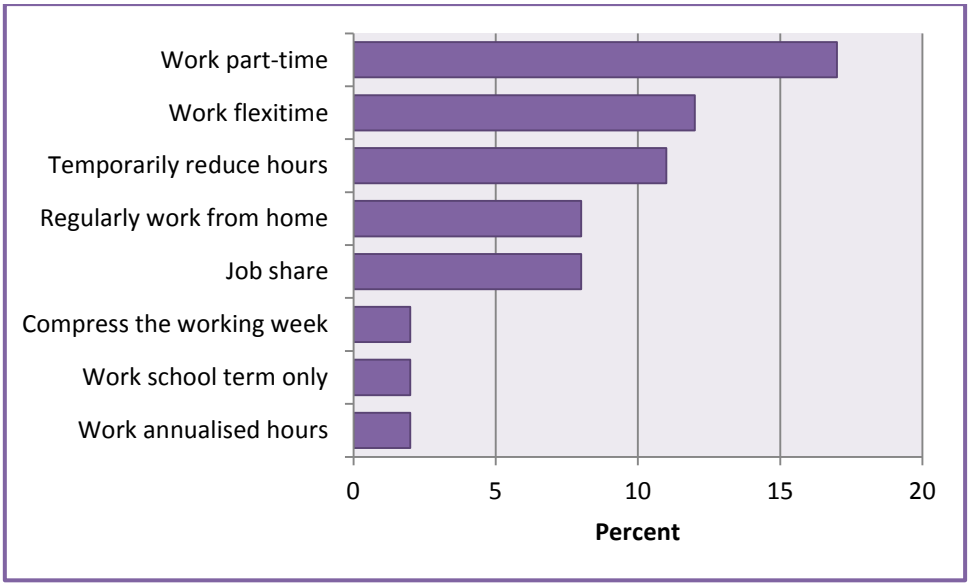

Figure 5. Type of flexible work arrangement requested.

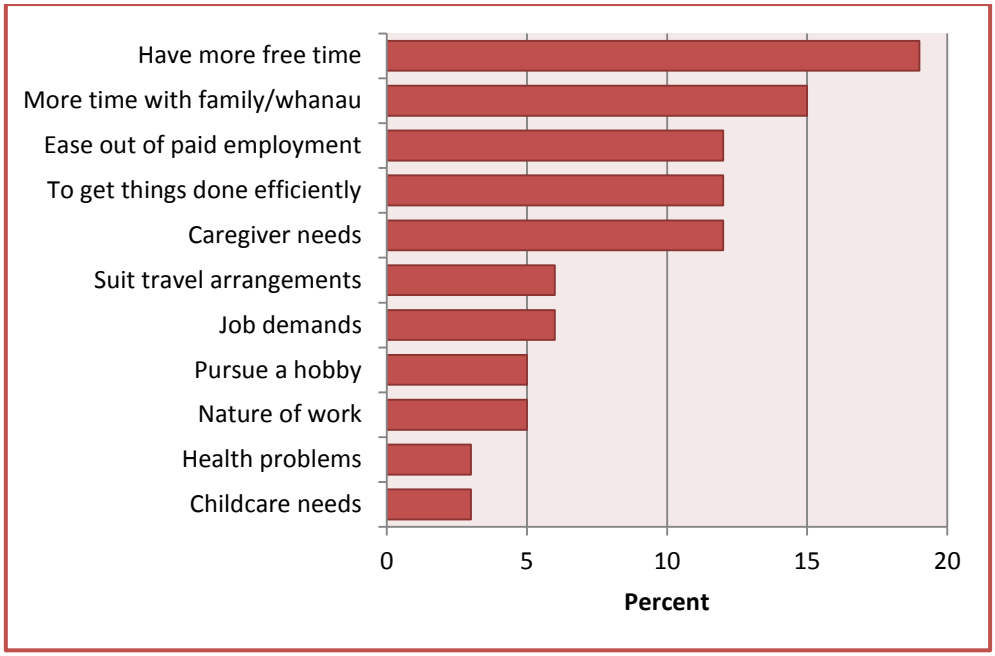

Figure 6. Reasons given for requesting flexible work arrangements.

The working carers were also asked how often they had used a range of mainly work-related methods to provide help in the preceding year. Each method had been used at least once by the following proportions of the sample in descending order shown in Table 7.

Table 7.
Percent of working carers using particular methods to provide care.

Method of providing care	**Percent**
Arranged with another family member to provide care cover	59
Made phone calls or provided care in work time	52
Taken annual leave	47
Used own sick leave	45
Taken leave without pay	37
Taken time in lieu or worked flexitime	36
Taken “domestic” leave	21
Paid someone else to provide care	16

Chi square analyses of the frequency of use of each method revealed no statistically significant differences between male and female working carers.

The working carers were also asked how helpful support from a range of sources had been. The proportions of respondents who indicated that a source had been at all helpful are presented in Table 8 in descending order.

Table 8.
Percent of working carers who found sources helpful.

Source of help	**Percent**
Family/whanau members	90
Family doctor /GP	83
Specialist doctor	72
Friends or neighbours	69
Nursing or community services	66
Hospital doctor	64
Ambulance service	47
Support and advisory groups	35
Home maintenance services	34
Counselling or mental health services	33
Respite services	33
Homemaking services	20
Food services	10

Chi square analyses to examine gender differences for each source produced only one statistically significant result. Female carers were more likely to find home maintenance services helpful than were male carers (p=.02).

Finally, respondents were also asked how many care-related crises they had encountered in the previous year, and how many days away from work the crises necessitated. The 34 cases who responded to the first question reported between 1 and 30 crises with a median of 9. These resulted in between 0 and 150 days away from work with a median of 14 days.

Summary

This report has presented initial findings from the 1,330 participants in the ICC study in regard to: the match between their actual and preferred work status; their retirement plans and views; their views and experiences of flexible work arrangements; and their experiences as carers.

- The majority of participants reported a match between their preferred and actual work status with retirees and full-time workers more likely to report a match. Achieving a match for those who preferred part-time work was less likely with only half achieving this desired status. A large proportion (28%) of those wishing to work part-time were retired or not in work suggesting that practices that might "bridge" the transition between work and retirement are not available or accessible for many people. Overall, the "mismatched" participants were less likely to have tertiary qualifications, were more likely to be non-professionals, reported greater levels of hardship and poorer mental and physical health. Those in work, who preferred not to be, reported lower levels of job and career satisfaction, and a higher level of job stress.
- The majority of working respondents had made some financial plans for retirement, although nearly a quarter had done little or hardly any planning. This is of concern given the age range of these workers (56 to 77 years) and given responses regarding participants' financial ability to retire. Nearly half these respondents said they continue to work because they cannot afford to retire. In addition, just over half were worried about their living standards in retirement and 60% were worried about not having enough income in retirement. Just over half of working respondents expected to retire after the age of 65 years.
- Although working participants rated a number of work practices as important, such as recognition of experience, having challenging tasks and access to new technology and training, relatively few reported that these practices were offered by their employers. Those workers over 65 years were more likely to rate reduced work hours as important while those under 65 years of age rated financial incentives as more important than older workers.
- Of the working participants who also reported being caregivers, less than a third were aware of their legal right to request flexible working arrangements and a similar proportion had actually requested them. Requests to work part-time, flexitime or temporarily reduced hours were the most common requests made. The most common reasons given for requesting flexible arrangements were to have more free time, and to spend more time with family/whanau. Working carers had taken annual leave, sick leave and leave without pay in order to provide care for a care recipient in the preceding year, and a large proportion had also arranged with family to provide care cover. Over half the working carers reported care-related crises over the previous year which impacted significantly on absence from the workplace in order to address care responsibilities.

References

Alpass, F., & Mortimer, R. (2007). *Ageing Workforces and Ageing Occupations: A Discussion Paper for the Department of Labour.* Available at: http://www.dol.govt.nz/publication-view.asp?ID=218

Davey, J. A. (2015). *Impact on the labour market of the aspirations and preferences of older workers: A policy paper.* Massey University: Palmerston North, NZ

Davey, J. A., & Cornwall, J. (2003). *Maximising the potential of older workers*. Wellington: New Zealand Institute for Research on Ageing.

Hinterlong, J., Morrow-Howell, N. and Rozario P. (2007) Productive engagement and late life physical and mental health: Findings from a nationally representative panel study. *Research on Aging*, 29, p.348-370.

Ministry of Social Development (2011). *The Business of Ageing: Realising the economic potential of older people in New Zealand: 2011–2051*. Wellington: Ministry of Social Development.

Statistics New Zealand (2012). National labour force projectionsphttp://www.stats.govt.nz/browse_for_stats/population/estimates_and_projections/projections-overview/nat-labour-force-proj.aspx

Stephens, C., Alpass, F., & Stevenson, B. (2014). *Inclusion, contribution and connection: A study of the ageing in Aotearoa.* Summary Report. Massey University, New Zealand: Authors. http://www.massey.ac.nz/?p697c3241c