

Changes in employment rates of older workers

Key Results

Employment rates of people aged 55-64 have improved sharply over the last 20 years in most OECD countries, from 46.1% in 2002 to 64.6% in 2022 on average. By comparison, the employment rate among those aged 25 to 54 only increased by 5.5 percentage points since 2002. On average, 55-64 year-olds at all levels of educational attainment have experienced a marked increase in employment, with those with a medium level of education doing slightly better on average than those with low or high levels of education.

Countries with higher normal retirement ages tend to have higher employer rates for older workers (Figure 6.10). Iceland and Norway have retirement ages of 67 years for both men and women and have among the highest employment rates for those age 60 to 64, at 80% and 75%, respectively, well above the OECD average of 54%.

Except for Colombia, Costa Rica and Korea where informality in the labour market is high or the pension system has not yet matured, countries with low normal retirement ages tend to have low employment rates among people aged between 60 and 64 years. This is the case in particular in Austria, Greece, Luxembourg, Poland and Slovenia where the current normal retirement age (averaged across genders) is at 62.5 years or lower.

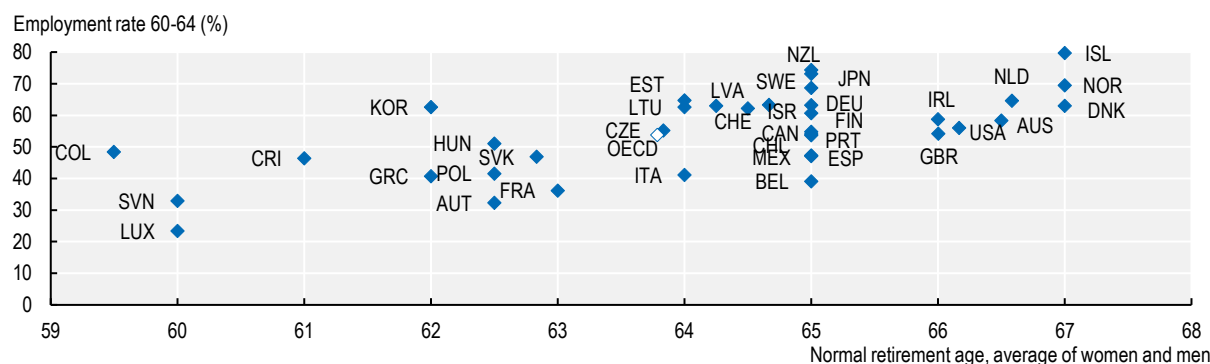
Employment rates of people aged between 55 and 64 have improved in almost all OECD countries since 2002, both among the 55-59 and 60-64 age groups (Figure 6.11). On average, they have increased by 17.5 percentage points for those aged 55 to 59 and by 20.2 percentage points for those aged 60 to 64, reaching 74.6% and 53.8% in 2022, respectively. By comparison, the employment rate in the 25-to-54 age group only increased, on average, from 76.7% in 2002 to 82.2% in 2022. The greatest increases for the 55-to-59 age group occurred in Hungary, the Slovak Republic and Slovenia, all of which increased by over 40 percentage points between 2002 and 2022. For the

60-to-64 age group Germany, Hungary, the Netherlands and the Slovak Republic also increased by over 40 percentage points. Conversely, In Iceland, for those aged 55-59 and 60-64 the employment rates declined over the 20-year period albeit from very high levels, as was also the case for those aged 60-64 in Türkiye.

On average, 55-64 year-olds at all levels of educational attainment have experienced a marked increase in employment between 2002-21, averaging 12 percentage points for low and high levels of education and by 15 percentage points for those with a medium level of education (Figure 6.12). In terms of changes in employment rates, low-educated older workers have lagged significantly behind their high-educated peers in Belgium, Israel, Portugal and Slovenia, while it is the opposite in Australia, Denmark, Luxembourg and Mexico.

Definition and measurement

Employment rates are calculated as the ratio of the employed to the total population in the respective age group. Employed people are those (aged 15 or over) who report that they have worked in gainful employment for at least one hour in the previous week or who had a job but were absent from work during the reference week.

Figure 6.10. Employment rate at ages 60-64 vs. normal retirement age in 2022

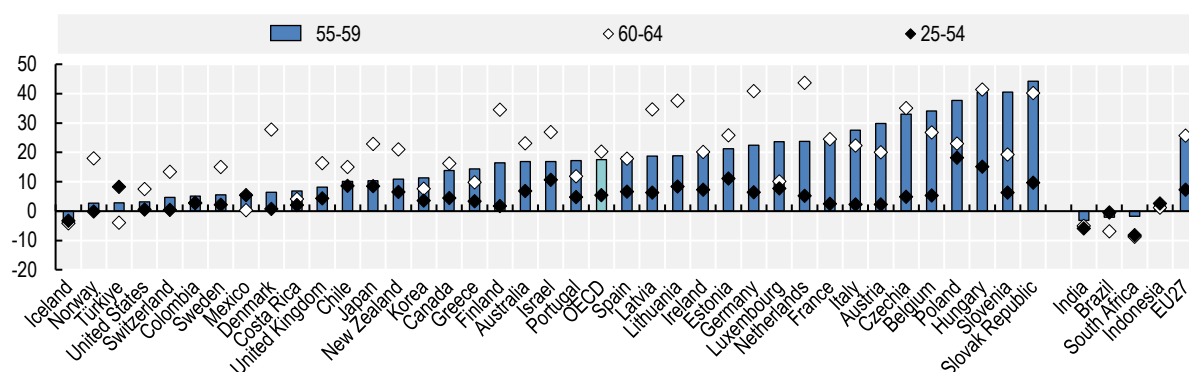
Note: For better visibility, the scale of this chart excludes the lowest observed value for the normal retirement age in Türkiye, which is 50.5 (average of 49 and 52 for women and men respectively), with the employment rate equalling 28.9%. Normal retirement age is based on entry at age 20.

Source: OECD database Labour Market Statistics by sex and age: employment-population ratio. Normal retirement age data: See Chapter 3.

StatLink <https://stat.link/1qpxv>

Figure 6.11. Change in employment rates of older workers and prime-age workers, 2002-22

Percentage-point difference



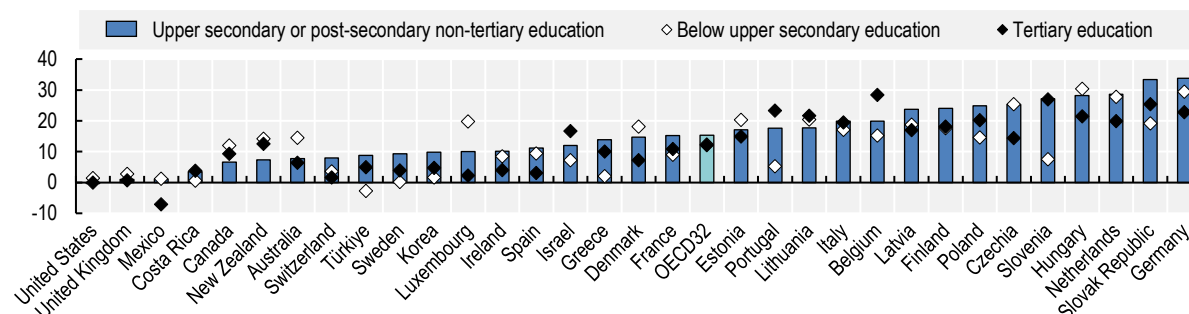
Note: Data for India and Indonesia refer to period 2005-22 and 2002-19 respectively.

Source: OECD database Labour Market Statistics by sex and age: employment-population ratio.

StatLink <https://stat.link/uyqsg0>

Figure 6.12. Growth of employment rates of older workers by education level

Change in employment rates, 2002-21, percentage points



Note: Data for Finland, Lithuania and Luxembourg are from 2000-21, as is the Tertiary education for Slovenia. The OECD averages for "Below upper secondary education" and "Tertiary education" are 12.3 and 12.2 respectively, hence why the former is not visible on the chart.

Source: OECD.Stats database, Labour Force Survey.

StatLink <https://stat.link/u0deyn>



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