

Article

# Living longer: impact of working from home on older workers

The shift towards working from home seen during the coronavirus (COVID-19) pandemic may help enable older workers to remain in the labour market for longer.

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# 1 . Main points

- Early exit of older workers from the UK labour market, between the age of 50 years and prior to State Pension age (SPA), can negatively impact an individual's future financial security and is also detrimental to the wider economy.
- Previous research has shown that flexible working is a factor in enabling older workers to remain in the labour market for longer; in June and July 2020, older workers working entirely from home were more likely to say they were planning to retire later compared with those not working from home.
- The proportion of older workers who are planning to work from home following the coronavirus (COVID-19) pandemic is higher than the proportion who worked from home prior to the pandemic, suggesting any benefit may persist.
- Characteristics of those who exit the labour market early and older workers who did not switch to working from home during the pandemic were similar; they tend to have poorer health, lower well-being, live in deprived areas and have lower or no qualifications.
- Working from home has not been an option for all; while it may help some older workers stay in the labour market for longer it may also entrench existing inequalities.

## 2 . Early exit from the labour market and why it matters

Exit from the UK labour market for older workers aged 50 years and over and prior to State Pension age increases with age for both men and women. In 2019, 13.8% of people aged 50 years were economically inactive<sup>1</sup> and at age 64 years over half (51.9%) were economically inactive<sup>2</sup>.

For those people who can afford it, early exit from the labour market may be voluntary, however, others leave because of ill-health or caring responsibilities. This not only has implications for the future financial security of individuals (who will have lost potential earnings and contributions to pension pots), it also has implications for the wider economy. It has been estimated that if the [employment rate of people aged 50 to 64 years](#) matched that of those aged 35 to 49 years, it would add more than 5% to UK gross domestic product (GDP), or £88 billion. [Evidence of the impact on health and well-being of extending working life](#) is mixed. It can benefit some but have adverse effects for others depending on factors such as the type of work and level of demand and reward.

Previous research has shown that [flexible working options are important in enabling older workers to remain in the labour market \(PDF, 825KB\)](#). Since the onset of the coronavirus (COVID-19) pandemic there has been a shift towards working from home. If this is maintained, could the option to work from home be a factor in enabling older workers to remain in the labour market for longer?

### Notes for Early exit from the labour market and why it matters

1. Economically inactive refers people who are not employed and who have not been seeking work within the last four weeks and/or they are unable to start work in the next two weeks.
2. Annual Population Survey.

### 3 . Characteristics of older workers who exit the labour market early<sup>1</sup>

Women are far more likely to be economically inactive prior to State Pension age (SPA) than men at all older ages. At age 50 years, 17.9% of women were economically inactive compared with 9.6% of men and at age 64 years, 58.6% of women compared with 44.9% of men.

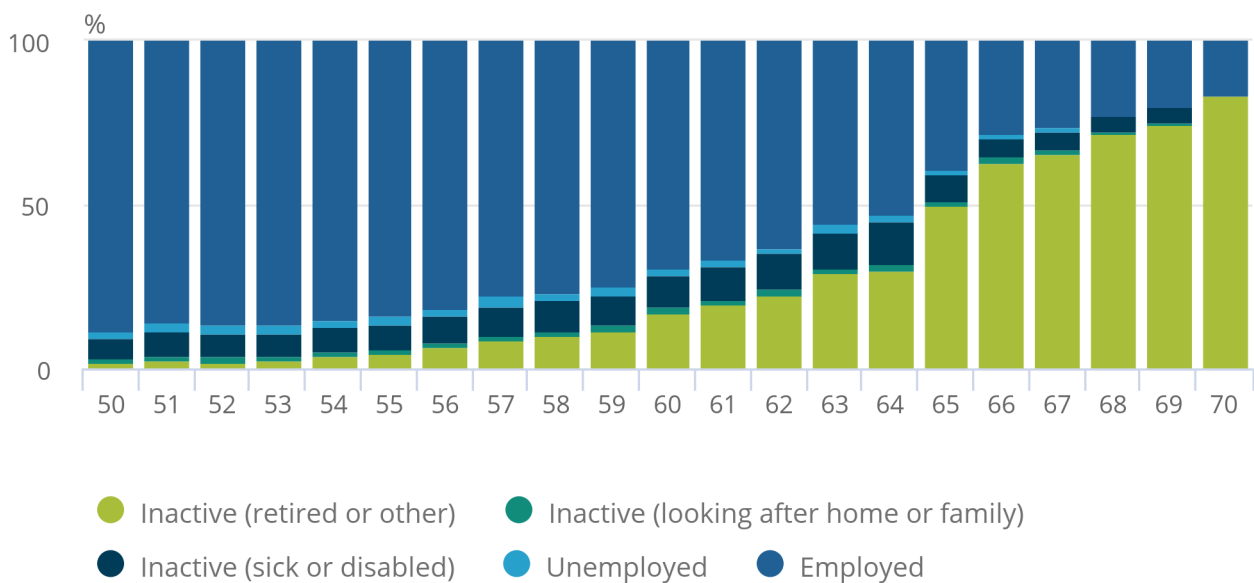
For those aged 50 years and over, economic inactivity because of retirement increases with age and in 2019, from the age of 59 years for men and 60 years for women, retirement was the main reason given for being economically inactive. By age 64 years, 30.3% of men and 39.0% of women were retired<sup>2</sup>. [Those aged 60 to 65 years whose last jobs were managerial or professional were more likely to give retirement as the reason for leaving the labour market than those in other occupational groupings.](#)

**Figure 1: Economic inactivity increases with age among men**

Labour market status of men aged 50 to 70 years by single year of age, UK, 2019

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Labour market status of men aged 50 to 70 years by single year of age, UK, 2019



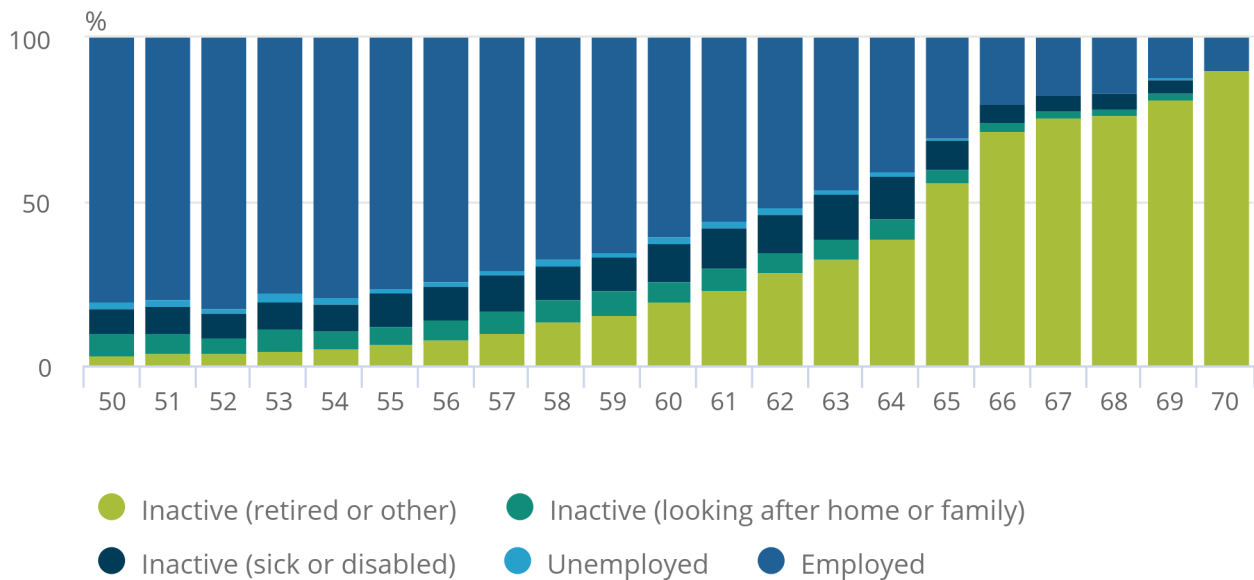
Source: Office for National Statistics - Annual Population Survey, January to December 2019

## Figure 2: Economic inactivity increases with age among women

Labour market status of women aged 50 to 70 years by single year of age, UK, 2019

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Labour market status of women aged 50 to 70 years by single year of age, UK, 2019



Source: Office for National Statistics - Annual Population Survey, January to December 2019

#### Notes:

1. Figures may not sum to 100 because of rounding.
2. The retired/other category groups some responses with small sample sizes.

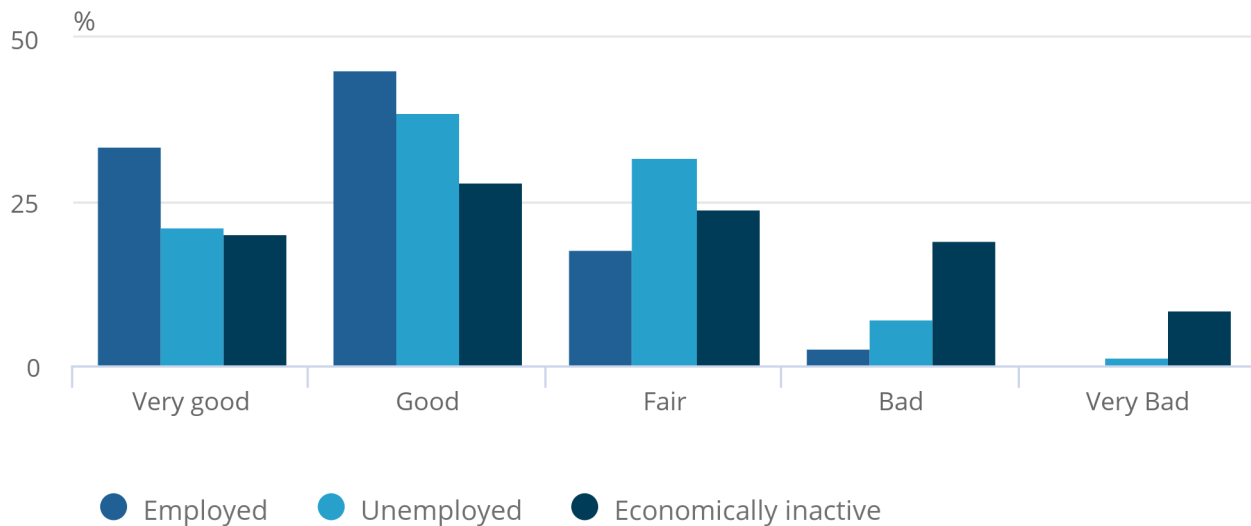
[Poor health is one of the main reasons for early exit from the labour market \(PDF, 2.44MB\)](#). Economic inactivity because of sickness or disability increases with age for both men and women. At age 55 years, 7.4% of men and 10.2% of women were inactive because they were sick or disabled and at age 64 years this rose to 12.6% of men and 13.3% of women. [People who work in low-paying or physically intensive sectors are six times more likely to leave work before SPA because of ill-health than those working in the professions.](#)

### Figure 3: Older people who are economically inactive report worse health than those who are working

Self-reported general health by labour market status, age 50 years to State Pension age, UK, 2019

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Self-reported general health by labour market status, age 50 years to State Pension age, UK, 2019



Source: Office for National Statistics - Annual Population Survey, January to December 2019

**Notes:**

1. Figures may not sum to 100 because of rounding.

Economically inactive men and women aged 50 years to SPA were less likely to report "good" or "very good" health than those who are employed or unemployed, 48.3% compared with 59.7% of those unemployed and 79% of those in employment. They are also more likely to report "bad" or "very bad" general health, 27.6% compared with 8.5% of those unemployed and 3.3% of those in employment.

On average, those aged 50 years to SPA who are economically inactive have lower scores on life satisfaction, feeling things they do in life are worthwhile, happiness, and have higher anxiety than those who are employed.

Men and women aged 50 years to SPA who are economically inactive are more likely to have no qualifications than those who are employed and conversely are less likely to have a degree, other higher education qualification or A levels. They are also more likely than those who are employed to live in the most deprived fifth of areas and less likely to live in the least deprived fifth of areas, although those who are unemployed are the most likely to live in the most deprived fifth of areas.

At all ages from 50 years up to SPA, women are more likely to be economically inactive because they are looking after the home or family than men, 7.0% of women compared with 1.7% of men at age 50 years, and 6.2% of women compared with 2.1% of men at age 64 years. While looking after the home or family is a choice for some, [women in this age group are the most likely to be informal carers](#) and providing informal care is one of the main barriers to working. In 2019, [nearly half a million people had given up work over the previous two years to provide care \(PDF, 2.93MB\)](#).

## Notes for Characteristics of older workers who exit the labour market early

1. The retired/other category comprises mostly those who are retired (71%) or do not need a job (14%).
2. All analyses in this section uses data from the Annual Population Survey, collected before the pandemic between January and December 2019.

## 4 . Increased working from home and its impact on older workers

Previous research has shown that [flexible working options are important in enabling older workers to remain in the labour market \(PDF, 825KB\)](#). Since the onset of the coronavirus (COVID-19) pandemic there has been a shift towards working from home, which may be considered a type of flexible working.

[In a Saga poll in 2018](#) on behalf of the Department for Business, Energy and Industrial Strategy (BEIS), when asked what workplaces should do to become more welcoming to older workers, 78% of those aged 50 years and over said that workplaces should introduce flexible working including working from home arrangements.

In April to May 2021, older workers aged 50 to 69 years who were working from home reported that it [improved their work life balance and well-being](#).

There is some evidence that working from home may delay retirement plans for some older workers. In June and July 2020, those who were working entirely from home were more likely to say they were [planning to retire later](#) (11%) compared with those not working from home (5%).

[The likelihood of having a long-term condition increases with age](#) and one of the main reasons for dropping out of the labour market is poor health. Those with a long-standing illness, disability or infirmity who work from home were also more likely to say they are now planning to retire later (10.9%) compared with those not working from home (4.9%)<sup>1</sup>.

[Across all ages, those who mainly or recently worked from home had a lower sickness absence rate than those who reported never or occasionally working from home](#). This could be because those working from home have less exposure to illnesses. Also, when unwell, those working from home may be more likely to feel able to work than those who travel to a workplace. [Sickness absence rates are higher among older workers aged 50 years and over than younger workers](#), an increase in working from home among older workers may help lower these rates. In terms of long-term sickness absence, pre-pandemic in 2019, those older workers with a limiting long-term illness who were working from home were less likely to have been on long-term sickness absence in the last 12 months than those not working from home (8.0% compared with 14.4%)<sup>2</sup>.

During the pandemic<sup>3</sup> around three-quarters of older workers who were working from home all or some of the time reported they were able to get the same or more done than prior to the pandemic. However, around a quarter of older workers working from home reported decreased productivity.

Men and women aged in their 50s and 60s who are carers are [less likely to be in employment](#) than those who are not. [Older workers who have access to comprehensive support](#) (PDF, 8.82MB) to help them care find it easier to balance working and caring, are more loyal to their employer and are more likely to remain in work.

## Notes for Increased working from home and its impact on older workers

1. Data from wave 1 of the [English Longitudinal Study of Ageing COVID-19 substudy](#).
2. Annual Population Survey 2019.
3. Information on productivity while working from home was only available in waves 3,5 and 7 in the Understanding Society COVID-19 survey, June and September 2020 and January 2021.

## 5 . Older workers switching to working from home during the pandemic<sup>1</sup>

It appears that working from home has some benefits for older workers and may enable some to stay in the labour market for longer. However, working from home has not been an option for all.

Before the coronavirus (COVID-19) pandemic (January and February 2020), around 66.8% of workers aged 50 years and over<sup>1</sup> said that they "never" worked from home<sup>2</sup>. Of these workers, 41.5% "switched" to working from home "sometimes, often or always" at some point during the pandemic (April 2020 to March 2021).

Characteristics of older workers pre-pandemic (Jan to Dec 2019) were compared for those who switched and did not switch to working from home at some point during the pandemic (April 2020 to March 2021).

Those aged in their 50s were more likely to switch to working from home than those in their 60s and women were more likely to switch to working from home (44.9%) than men (37.9%).

Women aged 50 years and over who worked full-time were more likely to have switched to working from home during the pandemic (54.1%) than women who worked part-time (37.8%). However, women working part-time were twice as likely to always work from home pre-pandemic. For men aged 50 years and over, there was no difference between full-time and part-time workers in the likelihood of switching to working from home.

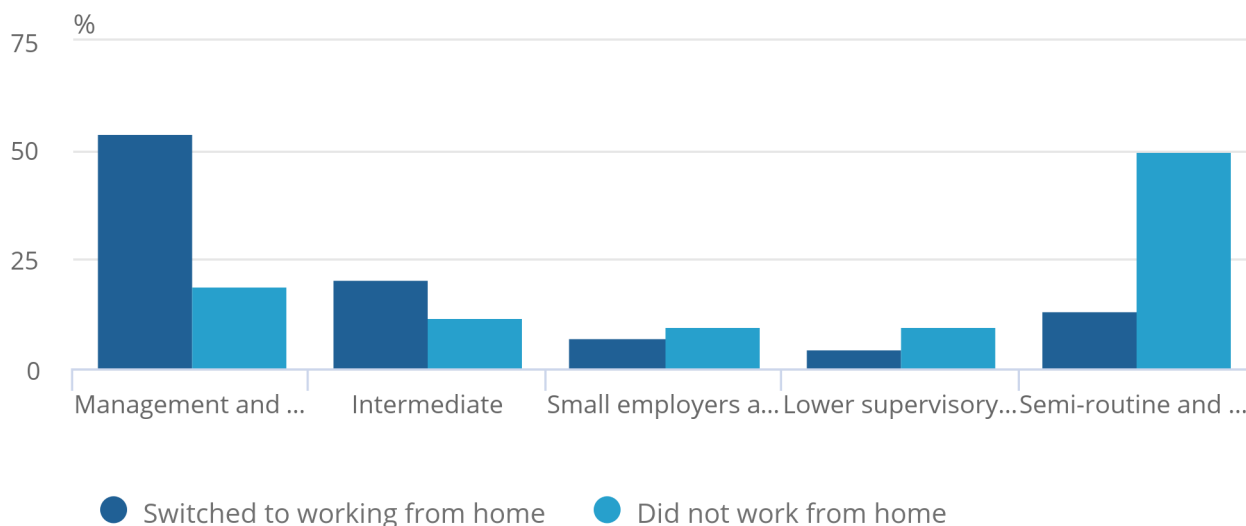
Over half of older workers who switched to working from home were in managerial and professional occupations. Those working in science, research, engineering and technology, teaching and education, business media and public service, administrative occupations and as corporate managers were more likely to say they had switched than not.

**Figure 4: Workers who switched to working from home during the pandemic were most likely to be in management and professional occupations**

NS-SEC by whether worked from home, among workers who did not work from home before the pandemic, ages 50 years and over, UK, April 2020 to March 2021

Figure 4: Workers who switched to working from home during the pandemic were most likely to be in management and professional occupations

NS-SEC by whether worked from home, among workers who did not work from home before the pandemic, ages 50 years and over, UK, April 2020 to March 2021



Source: Understanding Society COVID-19 substudy

Notes:

1. Figures may not sum to 100 because of rounding.
2. The sample for this analysis are those who "never" worked from home during January/February 2020. Those who switched to working from home reported some frequency of working from home at any point during the pandemic.
3. This analysis used custom weights, refer to the methodology section of this report for more information.

Around half of those who did not switch to working from home were in semi-routine and routine occupations with those working in secretarial occupations, skilled metal electrical and electronic trades, caring personal service, leisure, travel and personal service, sales occupations, process plant and machine operative, transport and mobile machine drivers and operatives, elementary trades and related occupations, elementary administration occupations being more likely to say that had not switched to working from home.

Older workers who switched to working from home were more likely to have a degree or other higher-level degree than those who did not switch, who were more likely to have GCSE or other as their highest qualification or no qualifications. They were also more likely to live in less deprived areas than those who had not switched<sup>3</sup>.

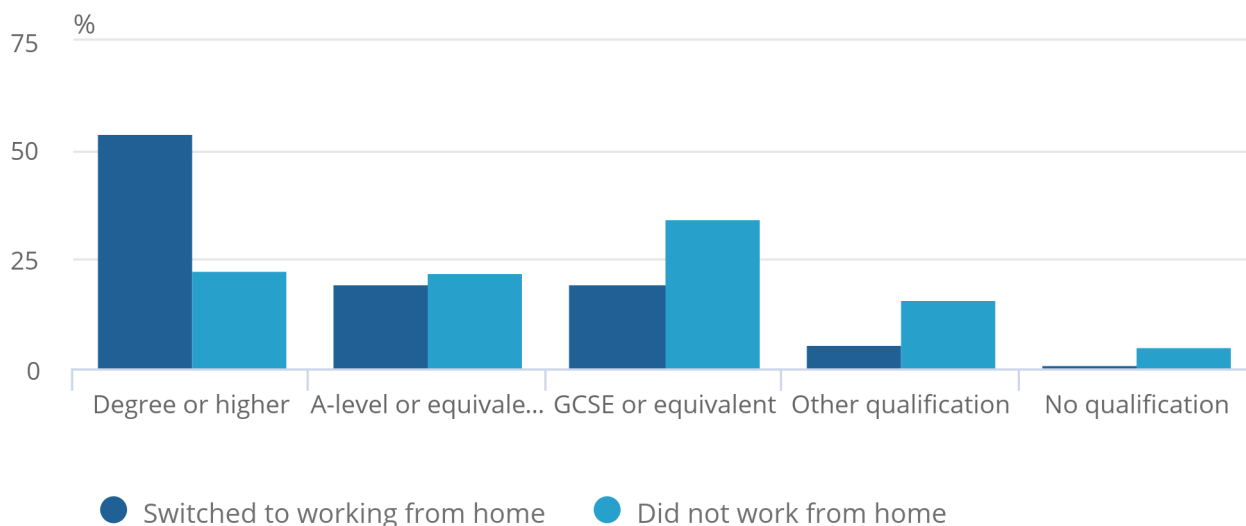


## Figure 5: Over half of workers who switched to working from home during the pandemic had a degree

Highest qualification by whether worked from home, among workers who did not work from home before the pandemic, ages 50 years and over, UK, April 2020 to March 2021

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Highest qualification by whether worked from home, among workers who did not work from home before the pandemic, ages 50 years and over, UK, April 2020 to March 2021



Source: Understanding Society COVID-19 substudy

#### Notes:

1. Figures may not sum to 100 because of rounding.
2. The sample for this analysis are those who "never" worked from home during January/February 2020. Those who switched to working from home reported some frequency of working from home at any point during the pandemic.
3. This analysis used custom weights, refer to the methodology section of this report for more information.

Older workers who switched to working from home tended to be in better health prior to the onset of the pandemic than those who did not, with 84.4% of "switchers" reporting "excellent", "very good" or "good" health compared with 78.5% of those that did not switch. Conversely switchers were less likely report "fair" or "poor" health.

Older workers with a limiting long-standing illness were also less likely to have switched to working from home during the pandemic than those without a condition.

Those older workers who switched to working from home during the pandemic were also more likely to report being satisfied with life overall than non-switchers pre-pandemic (76.9% compared with 70.2%).

## Notes for Older workers switching to working from home during the pandemic

1. This is calculated for those born during or before 1971 so may include some people aged 49 pre-pandemic.
2. If infrequent ("sometimes") working from home is included, this rises to 85%.
3. Switchers defined from analysis of question in Opinions and Lifestyle (OPN) Survey 23 June to 18 July 2021 asking respondents if they worked from home before the pandemic and if they worked from home at all during the last seven days.
4. Switchers defined from analysis of question in OPN survey 23 June to 18 July 2021 asking respondents if they worked from home before the pandemic and if they worked from home at all during the last seven days.

## 6 . Older workers' expectations for working from home in the future<sup>1</sup>

Between 23 June and 18 July 2021, workers aged 50 years and over were asked if they worked from home before the pandemic, and if they planned to work from home after the pandemic<sup>2</sup>. Across all older age groups below age 70 years, a greater proportion of older workers plan to work from home after the pandemic (22.4%) than were working from home before<sup>3</sup>.

It is uncertain whether older workers who have shifted to partially or fully working from home during the pandemic and are planning to work from home post-pandemic will continue to have this flexibility in the future. There may be some disparity between the expectations of older workers and the businesses they work for. Between 5 April and May [nearly two-fifths \(38%\) of businesses expected 75% or more of their workforce to be at their normal place of work after lockdown restrictions](#) whereas a large proportion (36%) of those homeworking at that time thought they would spend the majority or all their time homeworking in the future.

### Notes for Older workers' expectations for working from home in the future

1. Unless otherwise stated analysis in this section is from OPN Survey 23 June to 18 July 2021.
2. This was a "tick all that apply" question asking about working behaviour before and after the pandemic, which infrequent home workers may not have selected.
3. This is similar to the 15% of older workers in USoc who responded "often or always" to working from home in January and February 2020.

## 7 . Increased working from home and reducing inequalities among older workers

It appears that working from home all or some of the time has benefits for both older workers themselves and their employers. From a business perspective, most older workers say their productivity is increased ([although evidence of the impact on productivity resulting from working from home is not clear](#)), there is a decrease in absenteeism and by offering working from home as an option employers are more likely to attract and retain older workers. From the individual older worker's perspective, their well-being and work-life balance improves, health issues appear to be better accommodated and there is some evidence that working from home facilitates older workers to remain in the labour market for longer. As many older workers who were able to switch to working from home are planning to continue to do so after the pandemic (should they have the option) these benefits may persist.

While the option of working from home has benefits for older workers and may be a positive factor in helping some to stay in the labour market for longer, it may also disadvantage them in other ways. Previous analysis has shown that [those who mainly work from home have fewer promotion and training opportunities](#).

Also, not all older workers have been able to switch to working from home. Those who were less likely to have been able to switch share many of the characteristics of those exiting the labour market early; they are more likely to have poor health, to live in deprived areas, to have lower or no qualifications and to have lower well-being than those who did not. Therefore, while increased working from home among older workers may benefit some, inequalities may become further entrenched.

## 8 . Glossary

### Employment

Employment measures the number of people in paid work or who had a job that they were temporarily away from (for example, because they were on holiday or off sick). This differs from the number of jobs because some people have more than one job. The employment rate is the proportion of people aged between 16 and 64 years who are in employment. A more detailed explanation is available in [A guide to labour market statistics](#).

### Unemployment

Unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The unemployment rate is not the proportion of the total population who are unemployed. It is the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed.

### Economic inactivity

People not in the labour force (also known as economically inactive) are not in employment but do not meet the internationally accepted definition of unemployment because they have not been seeking work within the last four weeks and/or they are unable to start work in the next two weeks.

### Working from home

- Annual Population Survey - whether working from home in main job, "in own home" or "in the same grounds or buildings as home"
- Understanding Society - during the last four weeks whether worked from home "Always", "Often", or "Sometimes"
- Opinions and Lifestyle Survey - whether worked from home in the past seven days because of the pandemic
- English Longitudinal Study of Ageing - "All of my working hours are from home"

## 9 . Data sources and quality

Analyses for this article used data from several social surveys, which covered different time periods, and measured working from home in different ways. As such, [levels of working from home should not be directly compared between different data sources](#). These data sources were chosen based on their suitability to address different questions. All findings reported from our analyses were significant at a 95% level of confidence.

### Annual Population Survey (APS)

The APS covers the UK and contains detailed information on economic activity for individuals up to State Pension age and beyond. We used data from January to December 2019 rather than 2020, because of the unusual labour market situation during the pandemic. We were not able to examine previous National Statistics Socio-economic classification (NS-SEC) or occupation for individuals who were economically inactive because of data limitations.

### Understanding Society (USoc)

USoc Covid-19 is a longitudinal survey covering the UK in which the same individuals are interviewed over successive months. COVID waves 1 to 8 of USoc were used, which relate to March 2020 to April 2021. "Switchers" were identified as individuals who did not work from home in the main USoc survey covering the period January or February 2020, but reported working from home in one or more of the COVID-19 waves 1 to 8. We would like to thank Dr Jamie C. Moore from the Institute for Social and Economic Research at the University of Essex for providing custom weights for the COVID USoc data. These weights are a customised version as described in [Benzeval and others \(2020\)](#).

### Opinions and Lifestyle Survey (OPN)

Analysis of waves 64 to 67 of the COVID OPN survey, covering Great Britain, which was collected between 23 of June and 18 July 2021.

[Area deprivation quintiles from the OPN survey were at a Middle layer Super Output Area level](#) as Lower level Super Output Area data was not available in this data source.

### English Longitudinal Study of Ageing (ELSA)

Analysis of the COVID-19 ELSA sub-study wave 1, covering England, which was collected in June to July 2020.

## 10 . Related links

### [Business and individual attitudes towards the future of homeworking, UK: April to May 2021](#)

Article | Released 14 June 2021

Analysis of the effects of the coronavirus (COVID-19) pandemic on office working and of business and individual attitudes to future working practices.

### [Working from home: comparing the data](#)

Blog | Released 17 May 2021

The onset of the coronavirus pandemic early last year has had huge impacts on many aspects of our everyday lives, and so the Office for National Statistics has needed to produce new and faster figures to track them. One aspect is the increase in those working from home, on which we have published new data for 2020. Chris Shine examines the data sources and what they have to say.

### [Living longer: older workers during the coronavirus \(COVID-19\) pandemic](#)

Article | Released 4 May 2021

The demographic and economic characteristics of older workers aged 50 years and over prior to the coronavirus (COVID-19) pandemic, and how the impact of the pandemic on older workers has varied based on these characteristics.

### [Homeworking hours, rewards and opportunities in the UK: 2011 to 2020](#)

Article | Released 19 April 2021

Working from home in the UK between 2011 and 2020, including the impact of the coronavirus (COVID-19) pandemic. Looking at indicators of productivity and work success such as pay, hours worked, bonuses, promotions and more, with industry, region and demographic breakdowns.

### [Living longer: Fitting it all in - working, caring and health in later life](#)

Article | Released 18 December 2018

An overview of two barriers to working at older ages - health and caring.