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Retirement now a matter of choice

Retirement Commissioner Diana Crossan says that the days of everyone retiring at a specific age are over.

Ms Crossan said the latest statistics showed that older workers were choosing a variety of working and non-working lifestyle options.

The Household Labour Force Survey conducted quarterly by Statistics NZ reveals that over the past ten years, the proportion of people aged 65 and over who are working has increased from 5.1% to 9.4%.

Employment rates for this group, and particularly for males aged 65 and over, are rising faster than for the population in general.

"The once commonly held idea that you stop working at 60 or 65 is no longer true for many New Zealanders," says Ms Crossan.

"The increasing number of people working past the age they start to receive New Zealand Superannuation is a growing trend.

"People are now choosing a wide variety of lifestyles as they get older. Some just continue to work on regardless, some work as they can or need to, and others stop working altogether," Ms Crossan said.

"Some people physically need to retire before they reach 65, others want to retire, and others want to keep working into their 70's. What we're starting to see is the changing nature of 'retirement' itself."

Ms Crossan said employers will become more aware of the real value of older employees, particularly if skill shortages in the future create a demand for the skills, judgement and accumulated knowledge of older workers," she said.

"There are benefits for employers, employees and the economy of older people staying in the workforce longer. Many people enjoy the continued stimulation and social contact, and of course the ability to keep earning income," said Ms Crossan.

Research by Professor Richard Disney, a UK-based academic currently visiting New Zealand, showed that policies of governments around the world could actually discourage older people from working.

"Prejudices about old age can become institutionalised - so even policies which might on the surface seem helpful actually persist in creating the myth of mandatory retirement and actively discourage older people from working.

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“Policies will need be flexible - developing along with the increased variety of people’s working choices.

Disney’s research shows how lifting constraints on employment, such as retirement tests and early retirement benefits, lifts the activity rates of older workers.

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For further information:

Robyn Cormack
Marketing Communications Manager
Retirement Commission
DDI: +64-4 494 6243
Mobile: 025 242 7936