WORK PARTICIPATION AFTER AGE 55

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• With the decline in fertility and mortality, and improvement in life expectancy, the percentage and the number of older Malaysian are growing at a faster pace than 10 years ago.

<table>
<thead>
<tr>
<th>Age</th>
<th>1991 Number</th>
<th>% to total</th>
<th>2000 Number</th>
<th>% to total</th>
<th>2010 Number</th>
<th>% to total</th>
</tr>
</thead>
<tbody>
<tr>
<td>55+</td>
<td>1536347</td>
<td>8.4</td>
<td>2012090</td>
<td>9.2</td>
<td>3315959</td>
<td>11.7</td>
</tr>
<tr>
<td>60+</td>
<td>1068531</td>
<td>5.8</td>
<td>1411501</td>
<td>6.4</td>
<td>2251217</td>
<td>7.9</td>
</tr>
<tr>
<td>All ages</td>
<td>18379655</td>
<td></td>
<td>21889916</td>
<td></td>
<td>28334135</td>
<td></td>
</tr>
</tbody>
</table>
• Official mandatory retirement age (civil servant):
  – Prior to 1 Oct 2001: 55 years old
  – Option available w.e.f. 1 Oct 2001: 56 years old
  – Option available w.e.f. 1 Aug 2008: 58 years old
  – Option available w.e.f. 1 Jan 2012: 60 years old

• Private sector: Age of retirement is 55 (stated in the employment contract)
• Life expectancy at age 55 (2003):
  – Male, 20 years
  – Female 23 years

• Many of them are still healthy and capable to continue working after their retirement at age 55.
Work Rate by Region and Gender Among Those Aged 56-65, Malaysia, 2000
• To examine the work participation of older Malaysians aged 55 years and over in urban area.
Methods and Materials

- Secondary data: 2004 Survey on Optimizing the Potential of Older Persons as Critical Resources for Development on community living older persons in Peninsular Malaysia aged 45+.
- Only respondents aged 55 or over were included for the analysis - the official retirement age for Malaysia was 55 years old at the time of survey.
- The Survey included: 341 older males and 235 older females
• **Dependent variable: Work participation**
  – engagement of respondent in work and other income-generating activities at the time of survey
  – “Currently working or currently not working”.

• **Explanatory variables**
  – age, sex, educational level, perceived health status, perception on the difficulty for retiree to get a job, pension, cash transfer from children living elsewhere, and other sources of income.

• **Logistic regression analysis**
  – to estimate the effects of explanatory variables on work participation.
Results & Discussion

Characteristics of Respondents

Total Respondents: 576

Sex

59.2% Male
40.8% Female

Age Group

- 65+ 26%
- 55-59 39%
- 60-64 35%

Marital Status

- Never married
- Widowed
- Divorced/separated
- Married

80.2%
14.1%
4.2%
1.6%
Results & Discussion

Education

- None: 19.8%
- Primary: 25%
- Secondary: 37.4%
- Post-sec: 17.9%

Perceived Health Status

- Good: 50.3%
- Fair: 49.7%

Work Rate

- Female: 22%
- Male: 40%
### Logistic Regression Output

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>S.E.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>6.220</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male**</td>
<td>0.699</td>
<td>0.222</td>
<td>2.012</td>
</tr>
<tr>
<td>Age**</td>
<td>-0.113</td>
<td>0.023</td>
<td>0.893</td>
</tr>
<tr>
<td>Primary education</td>
<td>0.494</td>
<td>0.328</td>
<td>1.639</td>
</tr>
<tr>
<td>Secondary education</td>
<td>0.248</td>
<td>0.322</td>
<td>1.282</td>
</tr>
<tr>
<td>Good perceived health status</td>
<td>0.371</td>
<td>0.210</td>
<td>1.449</td>
</tr>
<tr>
<td>Easy re-employment*</td>
<td>0.491</td>
<td>0.221</td>
<td>1.634</td>
</tr>
<tr>
<td>Pension**</td>
<td>-1.108</td>
<td>0.275</td>
<td>0.330</td>
</tr>
<tr>
<td>Cash from children and relative**</td>
<td>-1.467</td>
<td>0.240</td>
<td>0.231</td>
</tr>
<tr>
<td>Other sources of income**</td>
<td>-1.750</td>
<td>0.445</td>
<td>0.174</td>
</tr>
</tbody>
</table>

Model $\chi^2(9) = 151.08$, $p < 0.01$. *$p < 0.05$; **$p < 0.01$. 
• Males recorded higher work participation rate than females

• The work participation was negatively related to age, perception on the difficulty for reemployment, pension, remittances from children and other relatives, and other sources of income.

• to work or not to work - depended on the sources of financial assistance and other income.
Estimated probability of male and female respondents with no education and fair perceived health status who were currently working at the time of survey

<table>
<thead>
<tr>
<th>Age</th>
<th>Easy re-employment</th>
<th>Pension</th>
<th>Cash from children</th>
<th>Other income</th>
<th>Prob. - Male</th>
<th>Prob. - Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>Difficult</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>0.67</td>
<td>0.50</td>
</tr>
<tr>
<td>55</td>
<td>Difficult</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>0.40</td>
<td>0.25</td>
</tr>
<tr>
<td>55</td>
<td>Difficult</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>0.32</td>
<td>0.19</td>
</tr>
<tr>
<td>55</td>
<td>Difficult</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>0.26</td>
<td>0.15</td>
</tr>
<tr>
<td>55</td>
<td>Difficult</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>0.03</td>
<td>0.01</td>
</tr>
<tr>
<td>55</td>
<td>Easy</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>0.77</td>
<td>0.62</td>
</tr>
<tr>
<td>59</td>
<td>Difficult</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>0.56</td>
<td>0.39</td>
</tr>
<tr>
<td>64</td>
<td>Difficult</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>0.42</td>
<td>0.27</td>
</tr>
<tr>
<td>70</td>
<td>Difficult</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>0.27</td>
<td>0.16</td>
</tr>
</tbody>
</table>
In most of the Asian countries, remittance from children is the main source of income for older persons. The finding in this study is consistent with Raymo and Cornman (1999) where increasing family wealth reduces labor supply at older ages.

Past studies found that educational level has a positive effect on the work participation of retired people (Pisarev, 2006; Ogawa, 2004; Pang et al. 2004). However, this is not true in this study. This may be partly due to the most of the urban older persons were engaged in the formal sector and had to stop work at retirement age of 55. This is consistent with Ogawa’s finding on urban older persons in Japan (Ogawa, 2004).
• Males recorded higher work participation rate than females
• The work participation after retirement reduces as a person aged.
• To work or not to work after age 55 is much depended on the financial status of the older persons, this is reflected by the negative relationship between work participation and remittances from children and relative, other sources of income and pension.
• Employment opportunities shall be made available to those older persons who need to work after the mandatory retirement age, especially for those with no other sources of income.

• There is a need to review the retirement age (private sector), employment structure, financial needs and the social security system to safeguard the wellbeing of the older people and enabling them to continue their roles in nation building.


Thank you