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NEWS RELEASE

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Silver workers face 'labour market lock-out' with most of those forced out of the workforce expecting an uphill struggle to find work

- *One third of those forced to retire early want to be back in work*
- *Only one in seven think they could get a paid job if they applied for one*
- *ONS statistics show rapid growth in number of older workers on zero-hour contracts*

While record low unemployment rates might be a promising sign for the economy, new research reveals that many of the UK's 'silver workers' face being locked out of the labour market despite wanting to find a new job.

Figures by retirement specialist **Just Group** found that nearly two-thirds (64%) of over 55s who retired early were forced out of the labour market due to circumstances beyond their control – either because of redundancy, ill health or to provide care for a family member¹.

However, a third (33%) of these people would now like to be back in work, indicating that many would like to extend their careers or need the income to support their finances as they enter retirement.

"Retirement marks a huge step in every person's life journey, and many do not feel ready or cannot afford to stop working even as they approach the State Pension Age," said **Stephen Lowe, group communications director** at **Just Group**.

"Unavoidable circumstances forcing people out of employment at a later age can lead to a difficult transition into retirement. Many over 55s will still need the regular income that a job provides until they are ready to retire, so the loss of this income can be a hammer blow for people's financial plans."

Painting a bleaker picture, the vast majority of those forced out of work who would like to be working do not think that they would be able to get back into the workforce. Two-thirds (64%) did not think they would be able to get a paid job compared to only one in seven (14%) who were confident that they would be able to find employment.

The combination of needing to work but finding it difficult to get back into work could be forcing older workers into unstable or undesirable employment at a key point in their working lives. Data published last month by the Office for National Statistics showed the number of workers aged 50-64 on zero-hours contracts grew 93% between 2013-2017 – by far the fastest growth in any age group².

Stephen Lowe said, "This is a worrying trend if the necessity to find some sort of income is forcing many involuntary retirees to accept zero-hours contracts which are typically more likely to lack employment benefits such as access to pensions, sick pay or paid holidays."

He further highlighted the need for advice on state benefits to go hand-in-hand with pension advice to ensure people fully understand what state support is available in retirement because many pensioners on low incomes do not claim their entitlement.

“People forced to retire early and facing a labour market lock-out may face a serious financial gap that needs filling,” he said. “It’s worse for those over 55 who may feel they have little choice but to dip into their pension early to cover essential spending but this can cause more problems in later life when they face full-time retirement with a depleted pension pot.

“Taking advantage of the free, impartial and independent support offered to over 50s by Pension Wise is crucial as people prepare for any bumps in the road they might face.”

Enquiries

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Notes to Editors:

References

1. Research conducted by Opinium via a survey of 1,607 retired or semi-retired UK residents aged over 55 years old.
2. [Number of older workers on zero-hour contracts nearly doubles in past six years](#): ONS Labour market statistics, January 2020

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