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19 – 22 March, 2012
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Health and Labor Force Participation among Older Singaporeans

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Program in Health Services and Systems Research

Overview

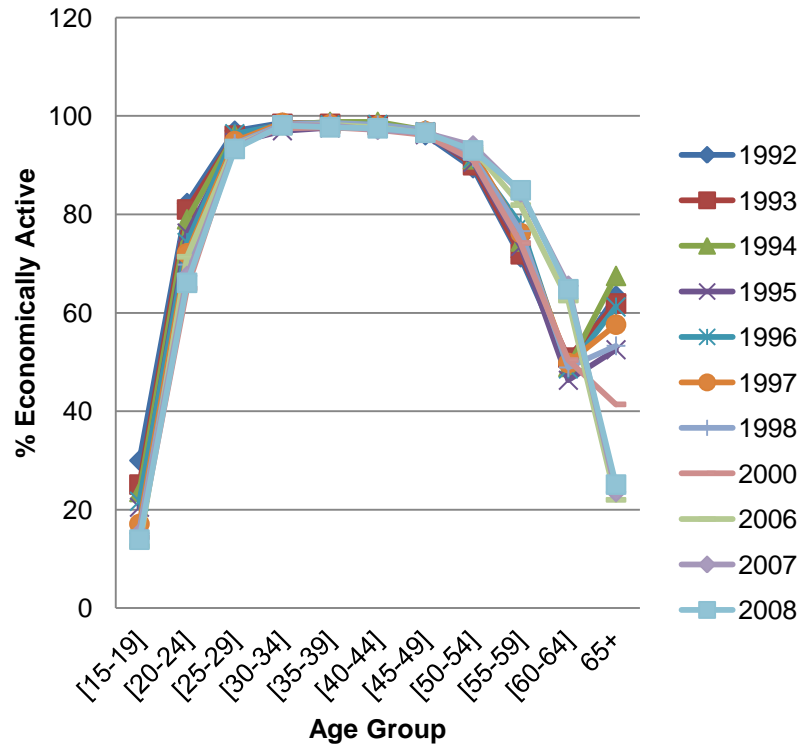
Male life expectancy 79.3 years
Female life expectancy 84.1 years

New retirement age in Singapore = 65 years.
More labor force participation expected for older Singaporeans – i) work more years or ii) re-enter labor force after retirement.

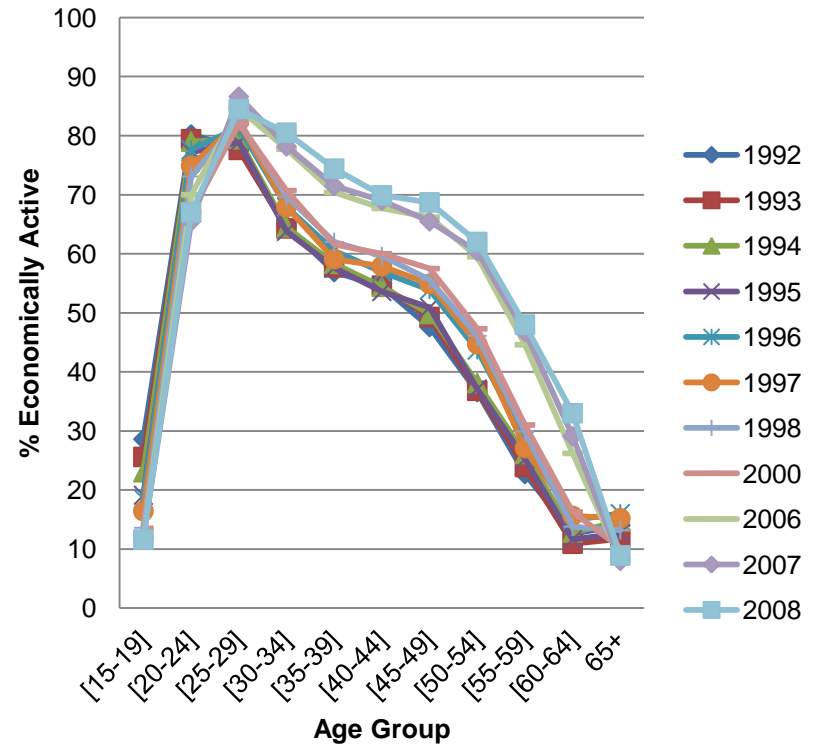
But physically demanding work can be more difficult to perform with age. Even if the elderly would like to work more years, what about their health status?

Trend of Exiting the Labor Force Starts at Age 55+

Males



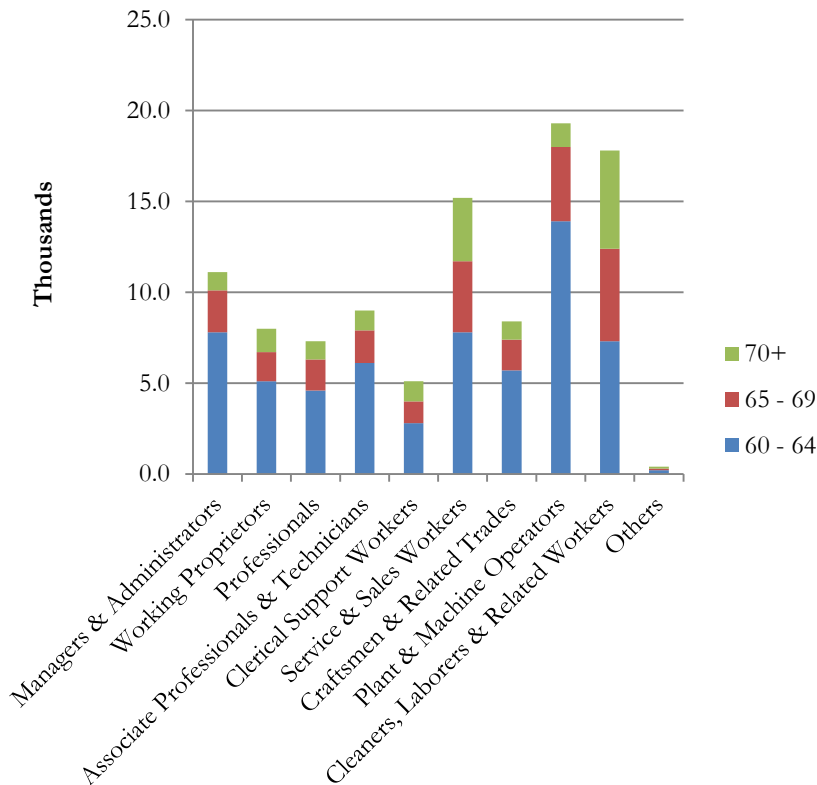
Females



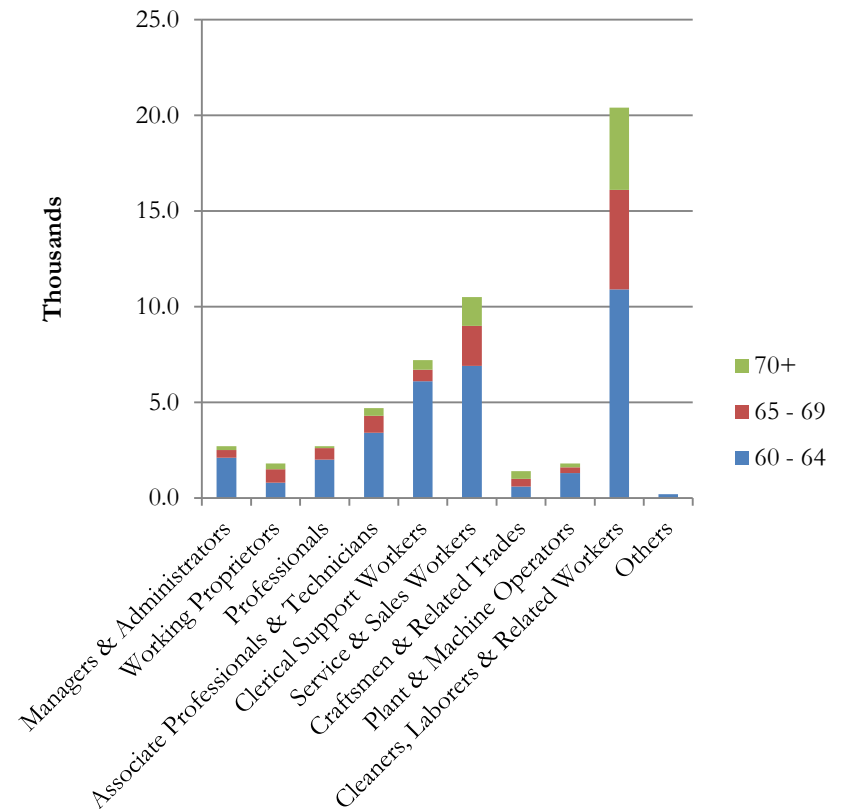
Source: International Labor Organization, Labor Statistics 2010

But are more older people in blue collar work and the services sector?

Older Men, 60+



Older Women, 60+



Source: Ministry of Manpower Labor Force Survey 2010

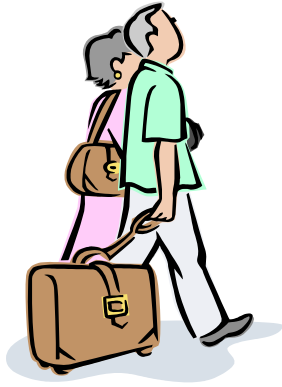
Hypothesis

- H_0 : Poor health reduces the likelihood of re-entry into the labor force after retirement for older Singaporean men

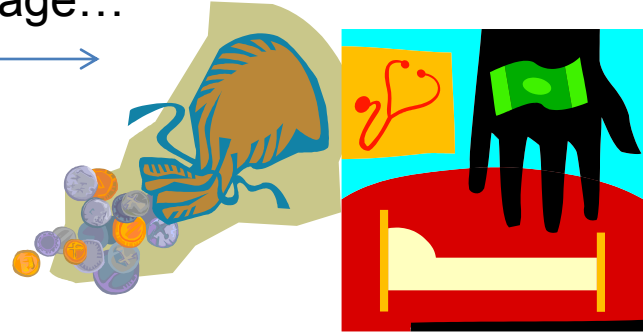
Empirical Specification and Data

- We run a Heckman probit regression model to better understand how health influences the decision of a male retiree to re-enter the labor force
- Accounts for sample selection bias, re-entry is conditional on having exited the labor force into retirement
- We use the nationally representative MCYS Singapore Social Isolation, Health and Lifestyles Survey 2009, age 60+
- Unrestricted sample = 1,745, restricted sample = 1,082

Age 60+. Retirement – travel, see the world, volunteer, enjoy!

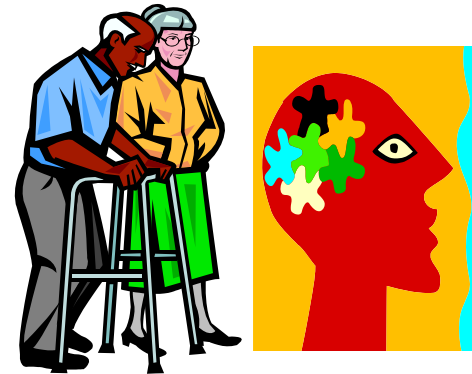


Living longer, CPF monthly annuity may not be enough, more social security needs in old age...



Re-enter the labor force after retirement?
“Would you like to work again?”

Maybe not if in poor health???



Results: Self-Rated Health (subjective measure)

If age 60+ and retired,
“Would you like to work again?”



Self – Rated Health	Probability of Saying “No”
Very Healthy	Reference Group
Healthier than Average	32%
Of Average Health	69%
Somewhat Unhealthy	100%
Very Unhealthy	100%

Results: Hospitalization (objective measure)

If age 60+ and retired, “Would you like to work again?”

Was Hospitalized in the Previous Three Years?	Probability of Saying “No”
Yes	14%

Results: Physical Ability (self-reported)

If age 60+ and retired,
“Would you like to work again?”



Activities of Daily Living Limitations	Probability of Saying “Yes”
0	Reference Group
1 limitation	8.3%
2 – 3 limitations	3.7%
4+ limitations	-12.6%

Maybe it's not just about health, it may be about being older

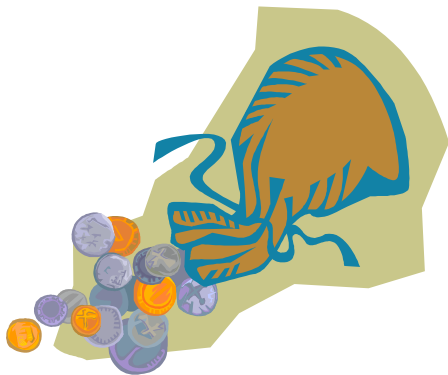
If age 60+ and retired,
“Would you like to work again?”



Age Group	Probability of Saying “Yes”
60 - 64	Reference Group
65 - 69	48%
70 - 74	54%
75 - 79	27%

Maybe it's not just about health, it may be about old age income inadequacy

If age 60+ and retired,
“Would you like to work again?”



Monthly Income Adequacy	Probability of Saying “Yes”
Enough money, with some left over	Reference Group
Just enough money	7%
Some difficulty meeting expenses	38%
Much difficulty meeting expenses	72%

Conclusions

- Poor and very poor self-rated health reduces the likelihood of re-entering the labor force
- Having been hospitalized in the previous three years reduces the likelihood of re-entry by 14%
- A lack of physical ability (4+ ADL limitations) reduces likelihood of working again by 12.6%
- For every five years of aging away from the age group 60 – 64, far less likely to re-enter the labor force
- But for older adults with the greatest difficulty meeting monthly expenses, 72% are more likely to work again
- Health status does influence the decision to work again. May be offset by acute financial insecurity