



EMPLOYMENT AFTER RETIREMENT IN INDIA – AN EMPIRICAL STUDY

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ABSTRACT

The ageing population has a detrimental impact on the country's socioeconomic resources and increases financial strain on the working population. OADR's rapid and unabated growth is becoming a huge socioeconomic worry for India. Efforts should be taken to integrate this greying population into the workforce, not just to make them economically self-sufficient, but also to keep them physically and psychologically fit. The current poll looks into why people work or don't work after they retire from their employment, and it provides crucial new insights into the many characteristics and variables that inspire people to work past retirement age. The study's primary data is collected through a structured questionnaire from 176 participants using a Google form, then analysed and presented using statistical techniques. The study also advises policymakers on the many initiatives that need to be made to reintegrate retirees into the workforce.

KEY WORDS

Ageing population, Gender, Labour shortage, Old-age dependency ratio, Pension, Postretirement work, Retirees, Retirement, Retirement Age, workforce.

INTRODUCTION

Ageing of the population has become a global phenomenon due to a decrease in fertility and mortality rates. According to World Population Prospects 2019 (United Nations, 2019) “There were 703 million persons aged 65 years or over in the world in 2019. The number of older persons is projected to double to 1.5 billion in 2050. Globally, the share of the population aged 65 years or over increased from 6 per cent in 1990 to 9 per cent in 2019. That proportion is projected to rise further to 16 per cent by 2050, so that one in six people in the world will be aged 65 years or over.” (United Nations, 2019)

Number of persons aged 65 years or over by geographic region, 2019 and 2050

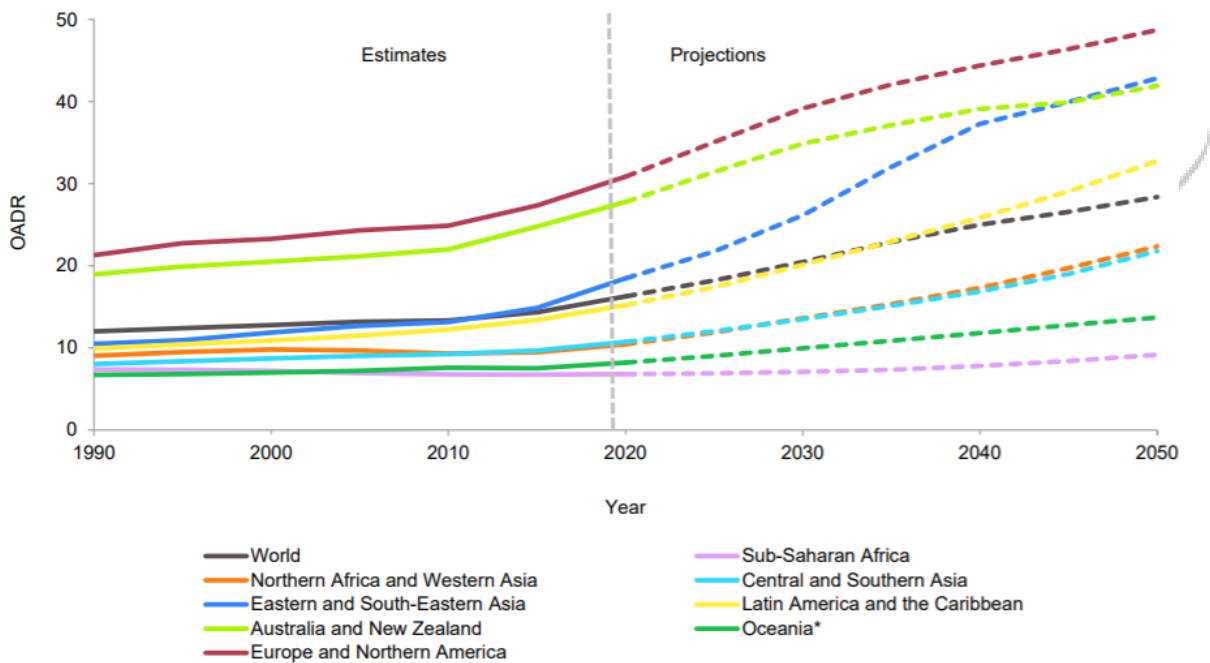
Region	Number of persons aged 65 or over in 2019 (millions)	Number of persons aged 65 or over in 2050 (millions)	Percentage change between 2019 and 2050
World	702.9	1548.9	120
Sub-Saharan Africa	31.9	101.4	218
Northern Africa and Western Asia	29.4	95.8	226
Central and Southern Asia	119.0	328.1	176
Eastern and South-Eastern Asia	260.6	572.5	120
Latin America and the Caribbean	56.4	144.6	156
Australia and New Zealand	4.8	8.8	84
Oceania, excluding Australia and New Zealand	0.5	1.5	190
Europe and Northern America	200.4	296.2	48

Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). *World Population Prospects 2019*.

*Excluding Australia and New Zealand.

The ageing population has a detrimental impact on the country's socioeconomic resources and places additional financial strain on the working population. The old-age dependency ratio (OADR) has continuously increased across all regions. Globally, there were 16 persons aged 65 years or over per 100 persons aged 20-64 years in 2019. In 2050, the global OADR is projected to increase to 28 older persons for every 100 working age persons. (United Nations, 2019)

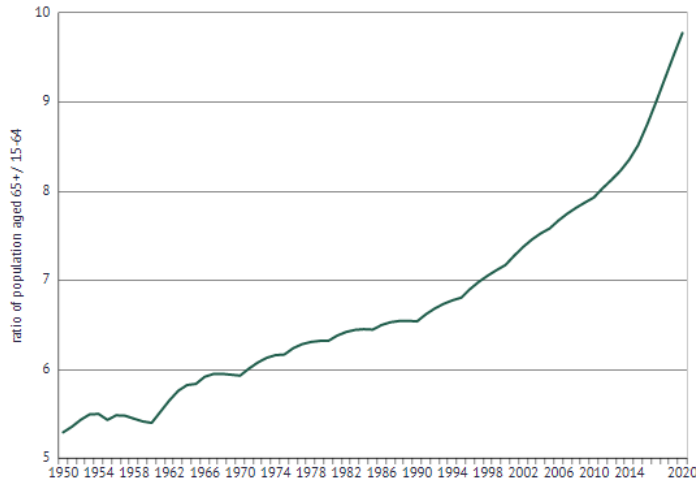
Estimated and projected old-age dependency ratios by region, 1990-2050



Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). *World Population Prospects 2019*.

*Excluding Australia and New Zealand

In India, the proportion of people aged 60 and more was 7% in 2009, and it was expected to rise to 20% by 2050. That is, by 2050, one out of every five Indians will be over the age of 60. In absolute numbers, the elderly population in 2009 was approximately 88 million and is expected to sharply increase to more than 315 million by 2050. (Subaiya, 2011). In 2020, old-age dependency ratio (65+ per 15-64) for India was 9.8 ratio. Old-age dependency ratio (65+ per 15-64) of India increased from 6 ratio in 1971 to 9.8 ratio in 2020 growing at an average annual rate of 1.00%. (Knoema, 2021)

What is India old-age dependency ratio (65+ per 15-64)?

Source: World Population Prospects 2019

DATE	VALUE	CHANGE, %
2020	9.8	2.67 %
2019	9.5	2.84 %
2018	9.3	2.94 %
2017	9.0	2.87 %
2016	8.7	2.67 %
2015	8.5	1.94 %
2014	8.4	1.53 %
2013	8.2	1.24 %
2012	8.1	1.17 %
2011	8.0	1.32 %
2010	7.9	0.71 %
2009	7.9	

The rapid and continuing expansion of OADR is becoming a serious socio-economic concern for our country, putting a financial strain on families. Governments must try to integrate this greying population into the workforce, which will not only make them economically independent, but also physically and psychologically fit, as well as provide them with a sense of social and emotional fulfilment. Complete retirement from employment has been shown to reduce mobility and everyday activities, as well as increase physical and mental disorders in the elderly. These adverse health effects can be reduced in elderly if s/he continues to work part-time upon retirement. (Stutzer, 2004)

Many organizations are concerned about predicted labour shortages due to an ageing population. IT experts, physicians, biologists, radiologists, and other highly qualified individuals who earn training and knowledge in their 30s retire at the age of 60 or 65. As a result, there are severe shortages of these qualified and experienced workers, and rehiring talented and informed retirees is one clear way to alleviate these labour shortages.

Almost all countries were short of healthcare experts, police officers, IT workers, and a variety of other allied services people during the coronavirus outbreak. Many families' primary breadwinners lost their jobs/businesses as a result of the repeated lockdowns, and many families faced greater financial hardship as a result of growing medical bills and diminished income. Healthy retired workers not only boost family income, but they also serve as a powerful support system for the country in times of crisis.

The majority of studies on the elderly in India has focused on concerns such as social security, mistreatment, health, residential arrangements, and welfare programmes, but just a few have looked into their workforce involvement, particularly after they have retired from their job. The current survey investigates why people work or don't work after they retire from their jobs, and suggests policymakers the many steps that should be made to reintegrate them into the workforce so that they can contribute meaningfully to the country's economic development.

OBJECTIVES

To analyse the reasons for people in India working/not working after retirement and to advise the government on what policy decisions are needed for meaningful employment of retirees so that they can contribute to the growth and development of the economy in a better way.

DATA AND METHODOLOGY

The survey is based on both primary and secondary sources of information. Primary data was gathered using a structured questionnaire in Google Forms, which included a variety of questions ranging from general to specific to employability after retirement. The request to fill out a Google form was made via WhatsApp,

word of mouth, phone, and social media sites such as Facebook.com. By filling out the questionnaire, 176 people from all over India contributed to the study. Books, reports, journals, magazines, existing research papers, newspapers, websites, and other published sources were used to collect secondary data.

Using Ms-Excel, the data was analysed using percentages, graphical presentations, frequency distribution, and cross tabulation.

LITERATURE REVIEW

Some of the articles and their respective findings on the subject are listed below.

Husain, Z. and S. Ghosh (2010), “Economic Independence, Family Support and Perceived Health Status of Elderly: Recent Evidence from India”, demonstrated that economic status is a crucial factor which determines health status of an elderly. Elderly with poor economic status reported poor health because economic dependency restricts their final say on health care needs and they have to obey their caretaker’s decisions. (Lucky Singh, 2013)

The study done by Ranu Sewdas, Astrid de Wind, Lennart G.L. van der Zwaan, Wieke E. van der Borg, Romy Steenbeek, Allard J. van der Beek & Cécile R.L. Boot “Why older workers work beyond the retirement age: a qualitative study” found that the most important motives for working beyond retirement age were maintaining daily routines and financial benefit. Good health and flexible work arrangements were mentioned as important preconditions. (Ranu Sewdas, 2017)

A study by Nicole Maestas “Back to Work: Expectations and Realizations of Work after Retirement” reveals that nearly 50 percent of retirees either take part time job or full-time job and returning to work is not related to financial emergency, poor planning or low wealth accumulation. (Maestas, 2010)

A study by Gary Burtless, and Robert A. Moffitt “The Joint Choice of Retirement Age and Postretirement Hours of Work” shows that Social Security has a significant effect on the age of retirement and postretirement work which increases with age. (Moffitt, 2021)

Carola Burkert & Daniela Hochfellner in their study “Employment Trajectories Beyond Retirement” found that individuals’ preferences to take up post-retirement jobs are dependent on financial security, continuity, and work ability. (Hochfellner, 2017)

The study done by Antara Dhar “workforce participation among the elderly in india: struggling for economic security” reveals that workforce participation of males is declining during the study period (between 2004 and 2009) and the elderly workers are generally engaged in the primary sector in rural areas and in services in urban areas. (Dhar, 2014)

Hung-Hao Changa and Steven T. Yen investigated in their study “Full-time, part-time employment and life satisfaction of the elderly” the association between part-time and full-time employment and life satisfaction of the elderly in Taiwan. They found that elderly with part employment have higher life satisfaction than elderly with full time employment. (Yen, 2011)

DATA ANALYSIS AND INTERPRETATION

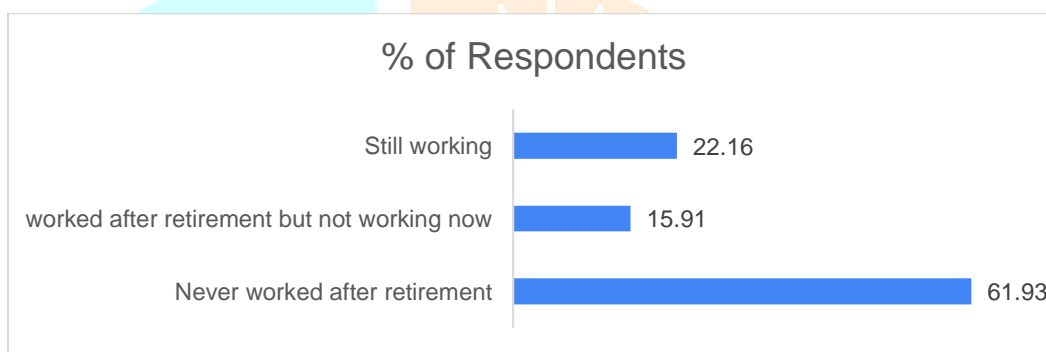
176 people from all over India contributed to the study by filling the questionnaire online. The survey gave the following results.

Worked after retirement

62% never worked after retirement, only 38% of the respondents worked after retirement but 42% of them left their job and not working now.

	Number of respondents	% of Respondents
Not Worked after retirement	109	61.93
Worked after retirement Yes	67	38.07
Grand Total	176	100.00

	Number of Respondents	% of Respondents
Never worked after retirement	109	61.93
worked after retirement but not working now	28	15.91
Still working	39	22.16
	176	100.00



The effect of demographic and other characteristics of Respondents on Employment after retirement

To analyse the effect of demographic and other characteristics on employment after retirement, four factors are studied viz Gender, Pension, Cohabitation and Professional qualification.

a) Gender

Worked after retirement	Female		Male	
	Number of Respondents	% of Female Respondents	Number of Respondents	% of Male Respondents
No	56	81.16	53	49.53
Yes	13	18.84	54	50.47
Grand Total	69	100.00	107	100.00

As shown in above table, gender is an important factor in determining post retirement work status. Only 19% of females but 50% of males worked after retirement.

b) Pension

Row Labels	Number of Respondents	worked after retirement	% Worked after retirement
Not getting pension after retirement	57	32	56.14
Getting pension after retirement	119	35	29.41
Grand Total	176	67	38.07

Another important factor is financial security in the form of pension. Only 29% of the respondents who were getting pension worked after retirement while 56% of those who were not getting pension worked.

c) Cohabitation

	Number of Respondents	worked after retirement	% Worked after retirement
Alone	6	4	67
With Children Only	25	8	32
With Siblings/Friends/Servants/Other family members	6	1	17
With Spouse and Children	66	19	29
With Spouse only	42	23	55
With Spouse, Children and other Family members	31	12	39
Grand Total	176	67	

Cohabitation also plays an important role in post-retirement work status . 67% of those Living alone and 55% who lived with only spouse worked and the percentage of the respondents worked after retirement and are living with full family is comparatively less.

d) Professional Qualification

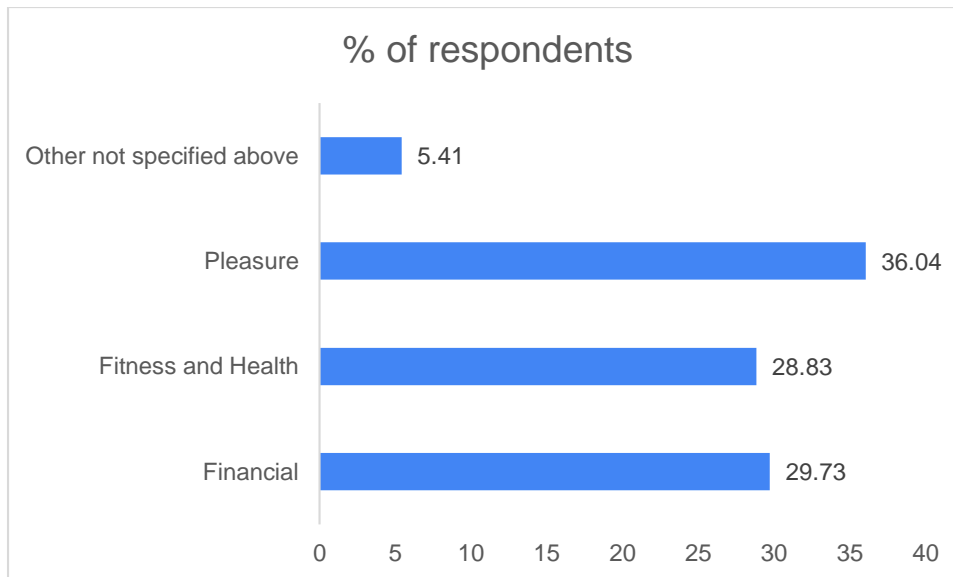
	Number of Respondents	worked after retirement	% Worked after retirement
Not Professionally qualified	94	28	29.79
Professionailly qualified	82	39	47.56
Grand Total	176	67	38.07

48% professionally qualified respondents reported that they worked post retirement while only 30% of not professionally qualified worked.

Reasons for Working after Retirement

As the table shows, 40% of the respondents cited pleasure as the reason for post-retirement work, 30% worked for financial reasons and 29% for their fitness and health.

Reason of Working after retirement	Number of Respondents	% of respondents
Financial		29.73
Fitness and Health	33	28.83
Pleasure	32	36.04
Other not specified above	40	5.41



Availability of Flexible hours and Work from Home arrangements at Work

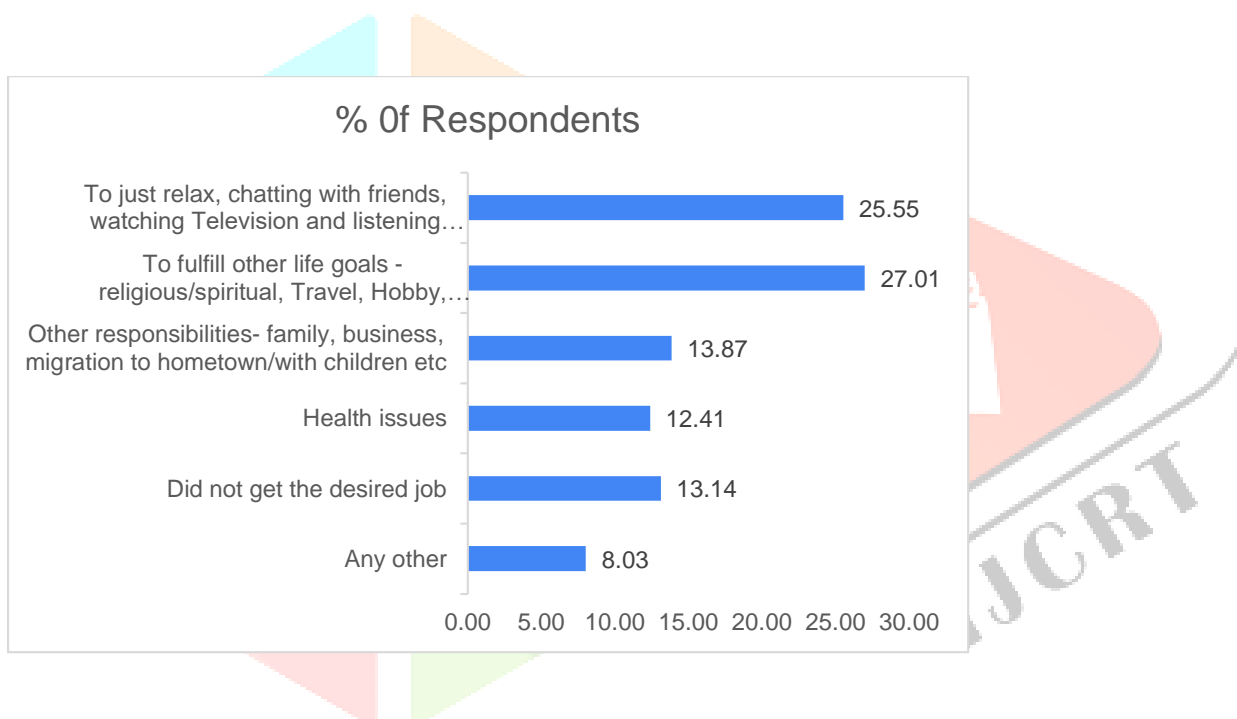
Survey shows that out of those worked after retirement only 19% didn't get any flexibility, while 81% reported that they had either flexible working hours or work from home facility or both.

Availability of Flexible hours and Work from Home arrangements at Work	Number of Respondents	% Of Respondents
Flexible hours	45	50.56
Working from home	27	30.34
None of the above flexibility	17	19.10

Reasons for not Working after Retirement

To fulfil other life goals (27%) and to just relax (26%) are the most popular reasons cited by respondents for not working after retirement. Other reasons cited for not working are Health issues (12%), to discharge other responsibility (14%) and 13% said they couldn't find desired job.

Reasons for not Working after Retirement	% Of Respondents
Any other	8.03
Did not get the desired job	13.14
Health issues	12.41
Other responsibilities- family, business, migration to hometown/with children etc	13.87
To fulfil other life goals - religious/spiritual, Travel, Hobby, Social etc.	27.01
To just relax, chatting with friends, watching Television and listening music, sleeping, Reading etc	25.55
Grand Total	100.00



Conclusion

The rapid and continuing growth of OADR is becoming a serious socio-economic worry for our country, putting increased financial strain on the existing workforce. Governments must seek to integrate this greying population into the workforce, which will not only make them economically independent, but also physically and psychologically fit, as well as provide them with a sense of social and emotional fulfilment.

According to our research, a large majority of the elderly do not work after retirement (62 percent). Elderly in India are often more content and do not have many demands. They desire to live a peaceful life after retirement, where they can pursue their passions and do things they couldn't do while working, such as travel, gardening, community service, and religious work. Many retirees do not work once they retire because they believe they are too old to work. There is a societal stigma associated with it. The elderly also fear that continuing to work will not seem good in society, and that not supporting their offspring will leave a terrible impression on them. Even self-employed people (farmers, shopkeepers, professionals) stop working beyond a certain age, even if they are otherwise healthy. A small percentage mention health as a reason for not working after retirement, while some cite not being able to find a desired employment as a reason.

Another finding of this study is that the elderly does not prefer fixed work schedules. Even if they get less money, they prefer to work from home or with flexible schedules after retirement. Working part-time or with flexible hours gives them a feeling of identity or status in society without tying them down to a job for long periods of time. With work from home, they can devote more time to their family and indulge in their passions as well as other social/religious activities that they couldn't accomplish with regular employment.

According to the survey, the pleasure of working is the most important factor in continuing to work after retirement. They enjoy sticking to their normal work routines and socialising at work. Another purpose is financial gain. Some people claimed health and fitness as a justification for continuing to work after retirement. They feel that not working or sitting idle can have a negative impact on one's physical and mental wellbeing. According to the findings of this study, gender has a significant effect in the decision to work or not work after retirement. In India, women undertake a variety of unpaid tasks such as wife, mother, and homemaker throughout their lives, and these are regarded as their major occupation. Paid work is a double load and a secondary job for the majority of women in India. "Around the world, women spend two to ten times more time on unpaid care work than men." (Gaëlle Ferrant, 2014) Men are viewed as the primary source of household income. So, when a woman retires, she does not lose her identity or status in society, and she has many other responsibilities to keep her busy, such as caring for her home or grandchildren. As a result, post-retirement women have chosen not to work and instead want to relax or pursue other religious/social goals. It is not her responsibility to generate income for the family. In addition, women are more likely than men to retire voluntarily because they are relinquishing a secondary role rather than their primary role when they retire. Men, on the other hand, are perceived to be the family's breadwinner. If the family does not have any financial reserves for old age, he will continue to work after retirement. Men, on the other hand, do not have much of a role in housework, so they prefer to work outside to keep themselves healthy and busy. In India, wives usually follow their husbands when they retire, but not the other way around. (Satter, 2018)

Other important factors include pension, cohabitation, and professional qualification. People who live alone or have a professional qualification are more likely to work, whereas those who receive a pension after retirement are less likely to work. With a pension as financial security, the elderly does not want to stress themselves in their old age and prefer to spend time with their families in their home country. If they live alone, they work to establish a social circle with which to interact and to keep themselves busy and stress-free. Professionally qualified individuals, such as lawyers, chartered accountants, doctors, and engineers, are typically hired as advisors or consultants to work from home and on their own schedule. Non-professionals have a difficult time finding such jobs after retirement.

Because the current study is based on a sampling method and relies on online responses collected via a Google form from social media, these conclusions are only suggestive.

Suggestions/ Social implications

According to our research, a sizable number of respondents, despite being in good health, want to relax after retirement and do not want to work. There are also a significant number of elderly people who are looking for work after retirement but are unable to find suitable employment. Individuals in India may live 25 years or more after retiring without much financial security, owing to increasing, healthier life spans and changes in pension systems since 2004 (from old pension scheme to new pension scheme). New retirees may enjoy relief from daily monotony, a long commute, and workplace politics at first, but after a few months or years, they may feel bored, aimless, and isolated. Working after retirement improves their physical and mental health, as well as their overall quality of life.

Unfortunately, there is no formal support system in India for such elderly people looking for alternative sources of income. Employers today, both in the public and private sectors, are resistant to the idea of hiring retired seniors. Companies may consider hiring retirees to reduce costs, particularly in part-time or seasonal work, and to provide the organisation with unique sources of knowledge or specialised skills. Retirees can be hired for short periods of time during peak demand (e.g., CA during tax season), as short-term consultants, or to train senior executives.

It is suggested that, in order to reduce predicted labour shortages due to an ageing population, the Central and State Governments should make reemploying experienced knowledgeable retirees a top priority when developing policies for the elderly. Both the public and private sectors should seriously consider reserving a percentage of jobs for senior citizens that are part-time, require flexible hours of work, or can be done from home. Reemploying retirees will benefit both parties: the elderly will be able to spend their time more productively, and the country will benefit from their experience.

We also advocate for the establishment of dedicated employment centres to assist senior citizens in finding work. Individuals or self-help groups of seniors should be given preference for Mudra Loans if they are starting a business. Training and refresher courses for the elderly to impart new technical knowledge and skills should be provided at a reduced cost.

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