Working after retirement: an overview of trends, drivers, and barriers

"Working beyond the state pension age is becoming more common. Enjoyment of work, purpose, and flexibility are more important than financial motives, while substantial untapped labor potential remains."

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What is the focus of the paper?

This paper examines trends in working after retirement, the characteristics of pensioners who continue working, and the potential for labor market re-entry among retirees. The study combines Statistics Netherlands (CBS) data on labor market participation between 2004 and 2024 with data from the NIDI Pension Panel Study (NPPS), a longitudinal survey of more than 4,000 employees from the public sector, education, construction, healthcare, and social services conducted between 2015 and 2023. Particular attention is paid to differences by gender, education level, and sector. The study also explores the role of employers and the conditions under which pensioners are willing to continue working or return to work.

What are the key findings?

Labor force participation among state pension recipients has increased substantially over the past twenty years. Among 68 to 75 year olds, labor force participation grew from 4.3% in 2004 to 11.8% in 2024. Women and lower and middle educated groups have narrowed the gap, although highly educated men are still most likely to continue working. Most working pensioners work part time, averaging fifteen hours per week. Enjoyment of work, a sense of usefulness, and making a difference to others are the key motivations, while financial motives generally play a less prominent role. Flexibility in working hours and leave arrangements is an important condition. Most retirees do not work. Yet around 30 percent of these non-working pensioners still express interest in paid work. Health, maintaining personal freedom, and a partner's preferences are the main barriers.

What are the implications?

- Employers can retain more older workers by discussing post-retirement work options early and by actively expressing interest in continuing the employment relationship.
- Flexible schedules, limited working hours, and tailored work arrangements align better with the preferences of pensioners than traditional employment conditions.
- More flexible regulations surrounding mandatory retirement at the state pension age could help organizations retain motivated and experienced workers.

Want to know more? Read the paper (Dutch):

Doorwerken na pensioen: een overzicht van trends, drijfveren en belemmeringen.

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