

# Retirement as we know it is ending—it's time to rethink the idea of working age

July 31 2024, by Sajia Ferdous

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When do you think you'll retire? Aged 65? Younger, if you're lucky? Maybe older if you're unlucky—or if you're young right now?

Someone from a high-income country starting their first job can expect to retire on average [two years later](#) than today's pensioners. And in some countries the [retirement age](#) will be much higher. Denmark is planning on raising its [pension age](#) to [74 by 2070](#).

Yet despite all the changes over the last 70 years in society, [job markets](#), educational systems and [retirement policies and trends](#), the working age as defined by the wealthy countries of the Organization for Economic Cooperation and Development (OECD) is still [15 to 64](#).

Having a defined working age helps individuals planning their retirement as well as governments making spending plans. But it's puzzling that this age bracket remains the standard measure.

After all, a large number of people outside this age range continue to contribute to the economy in both formal and informal ways. Even with today's pension ages, in OECD countries an average of 23% of people aged 65–69 are [still working](#).

This highlights why focusing solely on chronological age when talking about working life is a problem. As the pension age rises, the working age concept as we know it today will become increasingly irrelevant. Societies need a more innovative and dynamic approach.

One alternative used in some countries is the idea of a [functional age](#), a measure of certain physical and mental capabilities. But this is only applied to a handful of jobs such as pilots, firefighters and police—where specific abilities like eyesight, fitness, brain age and decision-making—are emphasized.

Making functional age the mainstream measure isn't necessarily the way forward, but it does show that alternative thinking is possible.

[My research](#) shows that other metrics such as people's cognitive age, biological age, functional age and social age (self-perceptions of age and social norms of age-appropriate behavior) also impact on their abilities to work, earn and pay. These do not [always match up](#) with a person's chronological age.

Additionally, "typical" working-age people may not be able to earn for several reasons, including disabilities and caring responsibilities. And different groups, for example [migrants](#), often have distinct motivations, interests and opportunities for wage work participation.

Setting most societal and economic parameters by age alone comes with explicit [social and economic costs](#) and in many ways exacerbates ageist attitudes in societies and workplaces.

For instance, older people can often be perceived as frail and less productive, while receiving more (for instance, pensions and benefits). At work, too, older people are more [susceptible to redundancies](#) and face [recruitment biases](#). Also, employers often presume they are hard to train.

Put simply, current economic and [social systems](#) reinforce the idea that chronological age is the best measure of older people's usefulness in society and for the economy.

The arbitrary nature of the system has ageism embedded within it. This prejudice is unlikely to change until the perception of [older people](#) as economic and social burdens is challenged.

## **Time for a change?**

The notion of working age probably emerged in the 19th and early 20th centuries, a period marked by the industrial revolution and the development of modern labor economics. As societies transitioned from

agrarian to industrial economies, understanding the age structure of the workforce became crucial for effective economic planning.

Legislative milestones, for instance, the UK's [Factory Act of 1833](#) and the [Education Act 1918](#), which restricted children's working hours and raised the school leaving age from 12 to 14 respectively, reflect the establishment of a formal working-age structure. These were aimed at eradicating child labor exploitation and improving workers' conditions (although exceptions still exist, for example, for [child artists](#)).

While the lower limit is closely tied to issues surrounding child labor, the upper limit is based on global data indicating that the majority of people usually remain in paid work until around [64 or 65](#). After this, participation rates start to decline sharply.

This age range serves as a benchmark for designing employment policies, welfare systems, health services, and economic projections and analysis. Major world organizations like the [World Bank](#), the [International Monetary Fund](#) (IMF) and the [International Labor Organization](#) (ILO), also use this classification, allowing for consistency in data collection and reporting across countries and over time.

A crucial metric derived from this is the [old-age dependency ratios](#) (OADR), which measure the number of dependants compared to the working-age population. This helps gauge the economic burden on the productive part of the population, indicating how many people within this age range are working and paying taxes to sustain services and infrastructure.

A skewed population, with too many old or too many young people outside this defined age bracket, can strain national wealth and resources, as fewer people are available to work and pay for running public services and benefit systems.

But the current rigid structure pits old against young to create an artificial divide. This often leads to [generational tensions](#) and [competition for resources](#). Even if the upper age limit is adjusted to match with the [state pension age](#), it will remain arbitrary, given the [ever-expanding longevity](#) trends of human populations.

Another possible system may be the [active dependency ratio \(ADR\)](#), where the economically inactive to economically active ratio is used. But this is not considered a rounded measure either, since several socio-cultural factors influence people's economic independence.

There is no doubt that changes to the current structure will be complex and time-consuming, requiring layers of revisions and restructuring of systems.

But a step in the right direction would be to phase out structures based on chronological age. A holistic shift, uncoupling age from economic measures, will prompt societies to reconsider their views on the value of chronological age as a measure and help eliminate the artificial age divide.

Using age as a social and economic identity is anything but consistent. In the age of fluid identities, it's time to re-evaluate the relationships between age, society and economy. Societies need a dynamic, age-fluid approach that will recognize the value of both economic and non-economic needs and contributions.

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