

## Objective

To test the importance of basic competences on the probability to stay employed until 65 and beyond.

Hypotheses: (1) Investment in human capital pays off in later phases of the life course.

(2) Segmented labour markets or occupation-specific labour markets determine retirement transitions.

## Methodology

Logistic regression with dependent variable of

(1) in employment

(0) unemployed or inactive.

Linear regression with dependent variable “years spent in labour force“

## Data

### PIAAC

Representative random sampling, adults aged 16- 65

Gross sample: 10,240, actual sample size: 5,465

Response rate: 55%

Percentage of participants with computer-based assessment: 81%

### Competencies in Later Life - CiLL

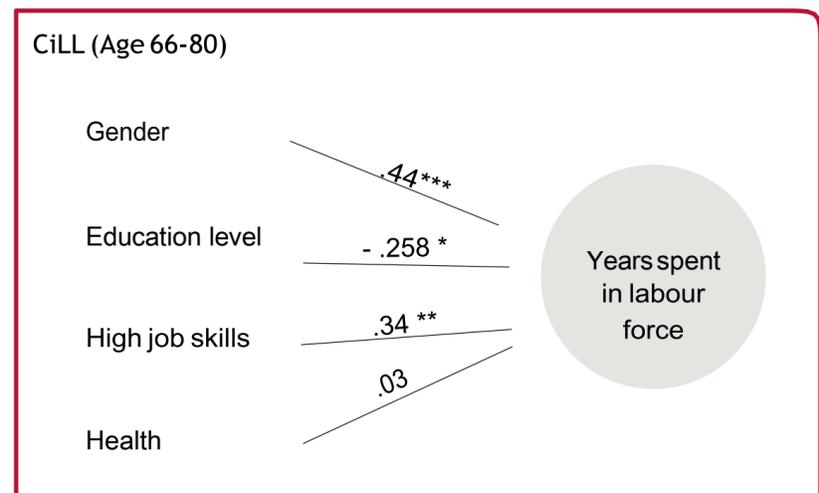
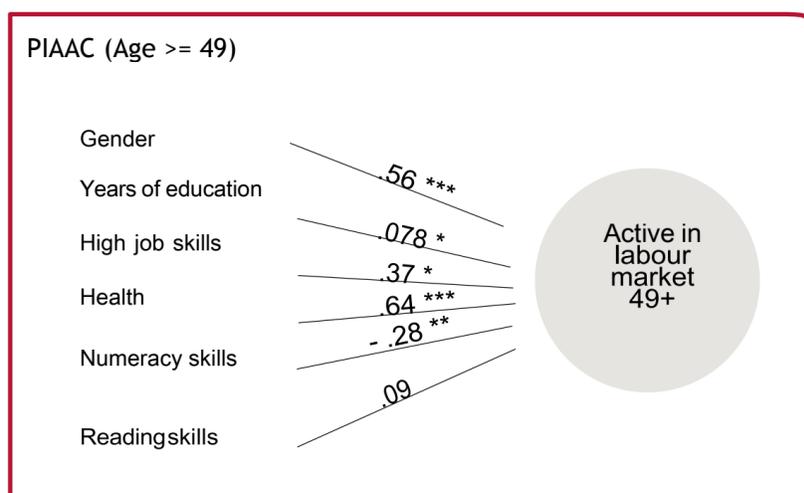
Representative random sampling, adults aged 66-80

Gross sample: 3,600, actual sample size: 1,339

Response rate: 40%

Percentage of participants with computer-based assessment: 29%

## Results



Duration of working life is closely related to gender. Men are longer active in the labour market.

The years of education affect the probability to stay active in the labour market. High level of education prolong working life.

Occupational skill levels are good predictors for late retirement. Higher skill levels prolong working life.

Good health is closely connected with the late transition from labour market to retirement.

The use of reading skills does not affect the probability to stay employed until 65 years and beyond.

## Conclusion

The surveys showed the strong relationship between adult skills, education and employability. Results indicate the “long shadow” of full-time education and initial occupational training to predict active labour market participation in later phases of life course.

Challenges for policy-makers will be to focus on learning support that attract those who did not benefit much from full time schooling.

It seems to be important to focus on specific occupation levels in the prolongation of working life.

## Literature

Feldman, D. C. (1994). The decision to retire early: A review and conceptualization. In: *The Academy of Management Review* 19 (2), pp. 285-311.

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