

Covid-19 forces rising numbers of over-50s women to retire early

by [Laura Miller](#) from [interactive investor](#) | 10th August 2020 15:38

Share on: [f](#) [wa](#) [t](#) [in](#) [e](#)

Coronavirus outbreak means older women are struggling to stay in work, but this group already face lower pensions and poorer retirements.



Over-50s women are leaving the workplace in droves due to Covid-19, as experts warn many are being forced into an early retirement they can ill afford.

Female economic inactivity fell between March and May for all age groups except over 50s women, where it rose by 1.3%, according to analysis of Office for National Statistics (ONS) data by over-50s jobs site Rest Less.

The figure was highest for working age women from 50 to 64 whose economic inactivity levels rose by 2%.

Economic inactivity is an important measure as it shows the number of people losing hope in ever finding employment and falling out of the workforce entirely, rather than just unemployed jobseekers.

Competition for jobs is set to become increasingly fierce, as one in three employers expect to make staff redundant by September, according to the Chartered Institute of Personnel and Development (CIPD) and recruiter Adecco.

- [Revealed: the reasons we don't save into our pensions](#)
- [Is coronavirus forcing you to retire later? Tell your pension provider](#)

Stuart Lewis, founder of Rest Less, said:

“In a tough labour market it can be much harder for people to return to work if they have spent time out of the workforce, and women are far more likely to have taken time out to care for children, parents or a relative, placing them at a natural disadvantage to other candidates who never left the workforce.”

Women permanently removing themselves from the workforce at age 50 must wait another five years before they can access their private pensions. To get their state pension they must wait until 67.

For many older women the same reasons they may be struggling to find employment also limit the savings they rely on post-work.

Women on average have a private pension 30% lower than men due to taking time out of the workforce for caring responsibilities, which hits their pay rate and ability to save for retirement.

- [Which generation had it tougher? We share your views](#)
- [Pension funds bounce back, but annuities suffer](#)

“The gender pay gap is at its widest for women in their 50s,” Lewis says. “Years of an earnings gap has led to a large pension savings gap between men and women which leaves many women in their 50s and 60s in a financially precarious position ahead of retirement.”

Baroness Ros Altmann, former pensions minister, says: “I am very concerned about the possibility the pandemic has hit older women particularly hard. Over 50s women should not feel forced into retirement when they are still relatively young.

“During this pandemic, the crisis in care homes and homecare has been starkly highlighted and women may feel they must stop work now, as they are not comfortable to put relatives at the mercy of our social care system.”

Changes to the state pension age for women since the last recession in 2009 also mean 2.4 million more women having to find work before they are entitled to claim their state pension at the current minimum age of 66.

Male and female older workers are bearing the brunt of widespread redundancies as companies prepare for an incoming recession caused by the economic impact of Covid-19.

Nearly 200,000 over-50s have dropped out of the workforce and become economically inactive since the coronavirus outbreak, according to the Rest Less research.