

Labor Force Participation and Old-Age Financial Preparedness in Asia

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Asian Development Bank

Silver Economy Session A2: Productive Engagement and Incomes at Older Ages

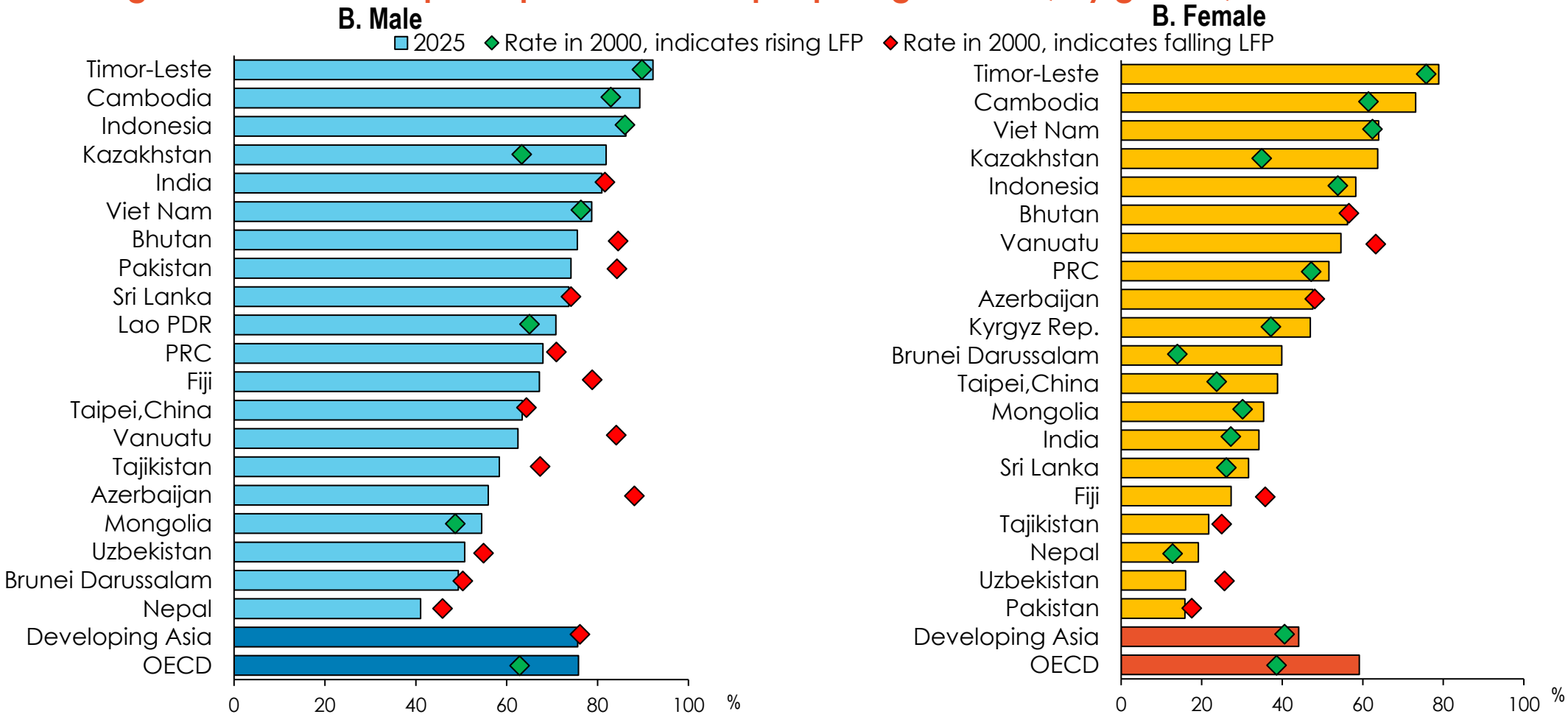
Asia-Pacific Regional Conference on Population Ageing, Hangzhou, 27–30 October 2026

ADB

Solving Complex Challenges Together

Work and retirement patterns of the mature workforce vary by country and gender

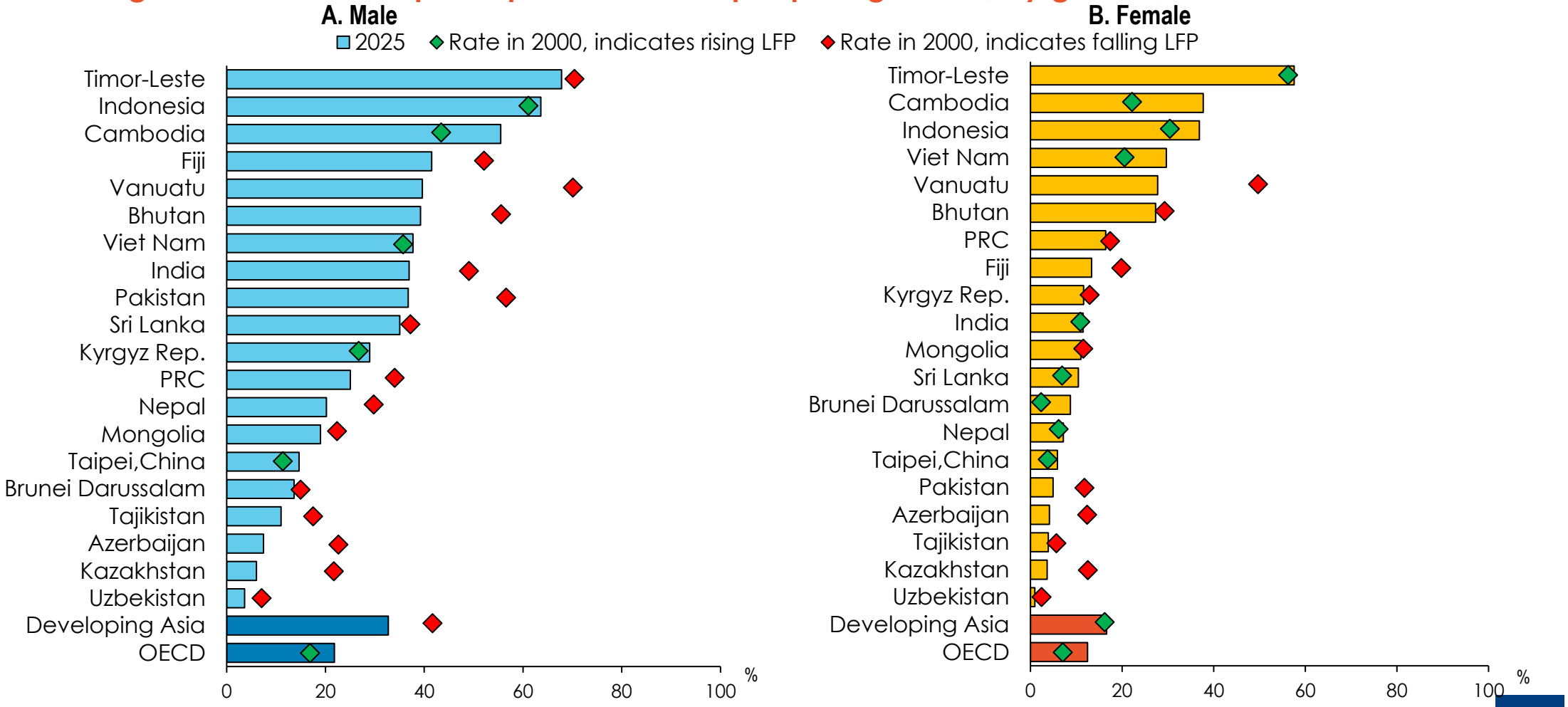
Figure 1. Labor force participation of older people aged 55–64, by gender, 2025 versus 2000



Lao PDR = Lao People's Democratic Republic, LFP = labor force participation, OECD = Organisation for Economic Co-operation and Development, PRC = People's Republic of China.
Source: ADB calculations using the latest data from the International Labour Organization (ILOSTAT).

Many older people keep working past 65, with wide gaps by country and gender

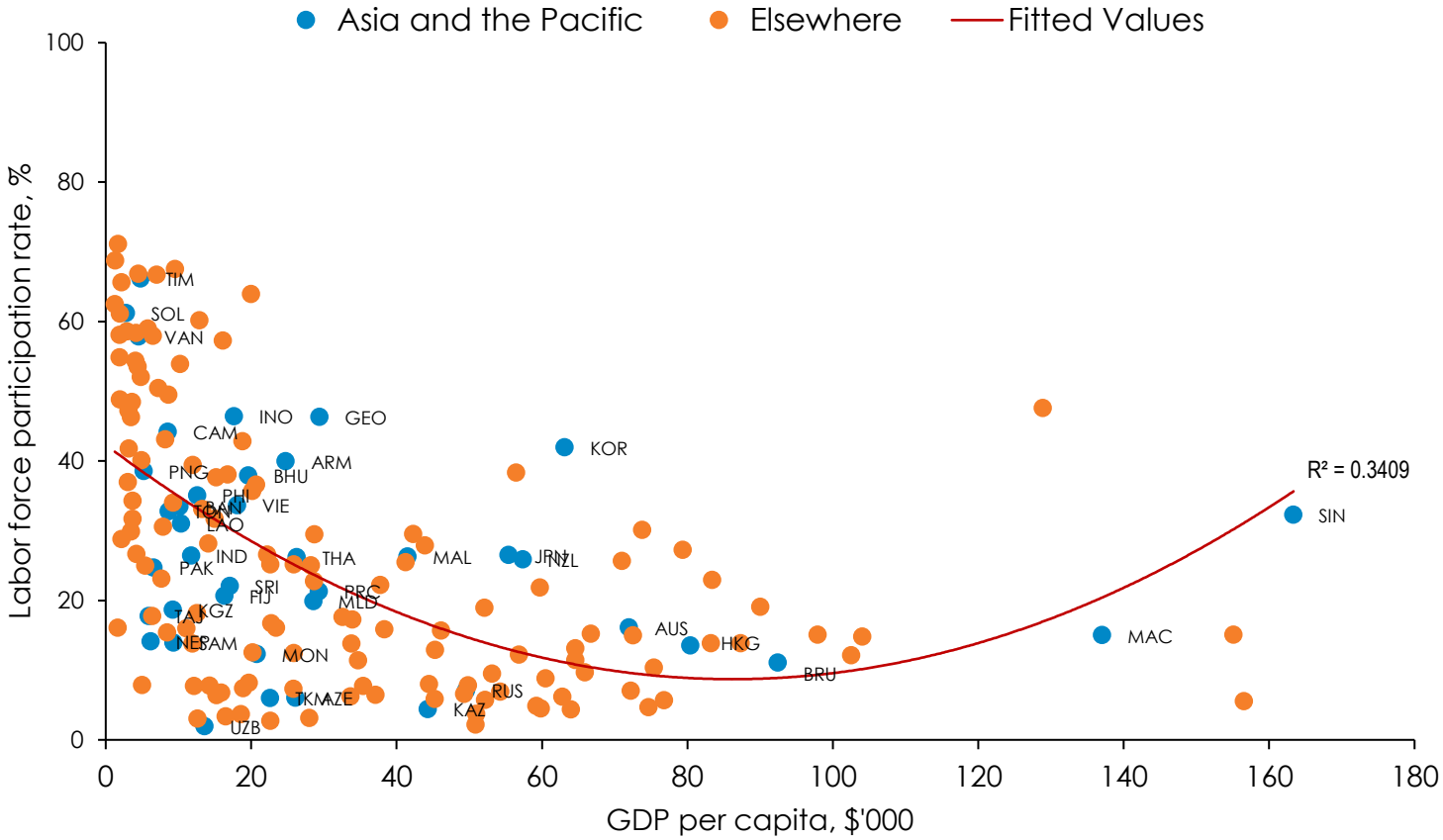
Figure 2. Labor force participation of older people aged 65+, by gender, 2025 versus 2000



Lao PDR = Lao People's Democratic Republic, LFP = labor force participation, OECD = Organisation for Economic Co-operation and Development, PRC = People's Republic of China.
Source: ADB calculations using the latest data from the International Labour Organization (ILOSTAT).

A U-shaped link between older people's labor force participation and economic development

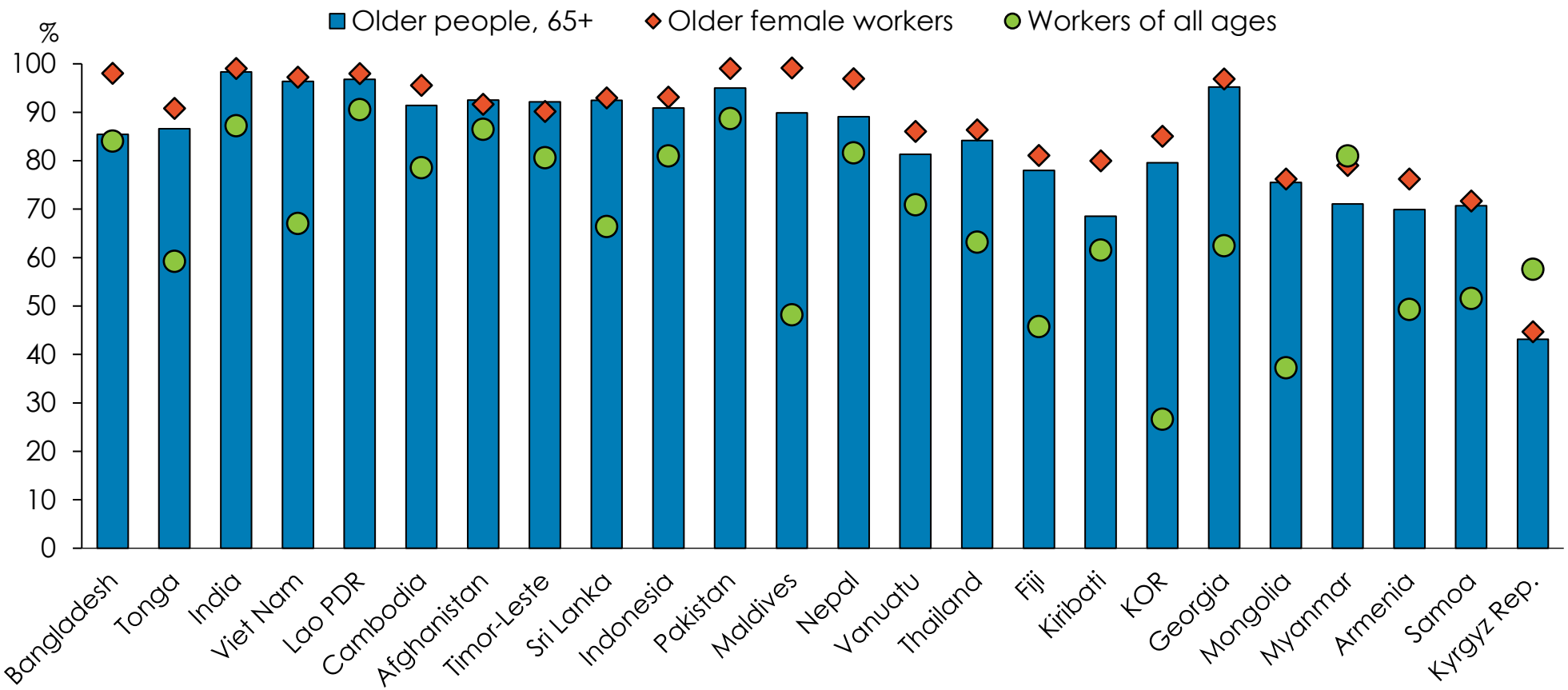
Figure 3. Labor force participation of older persons (65+) by GDP per capita



GDP per capita is purchasing power parity in 2025, current international dollar prices.
Sources: International Labour Organization (ILO). World Development Indicators (WDI). Latest data available, various years.

Older workers, especially women, are concentrated in the informal economy

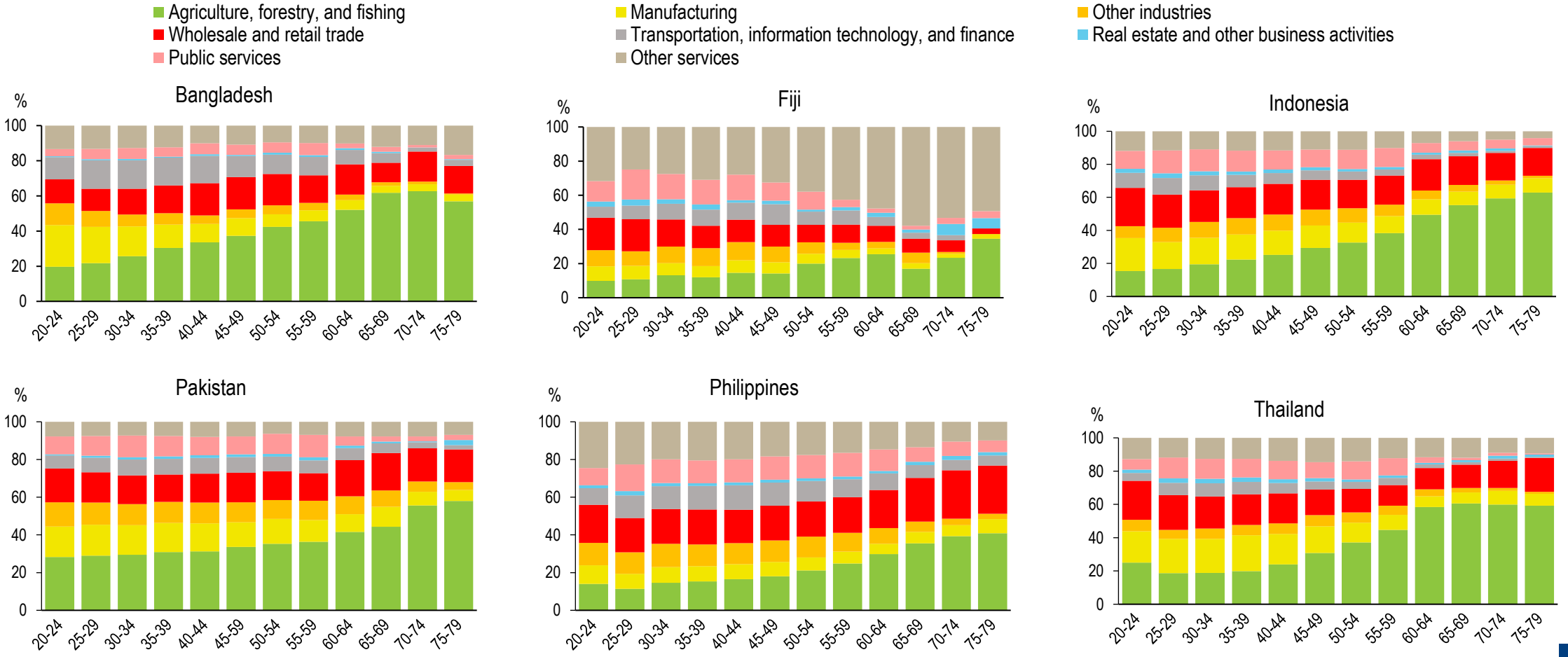
Figure 4. Share of workers in the informal economy



KOR = Republic of Korea, Kyrgyz Rep. = Kyrgyz Republic, Lao PDR = Lao People's Democratic Republic.
Note: Informal workers are defined as own-account workers and employers, contributing family workers, subsistence producers, and employees holding informal jobs (lacking standard labor rights, social protection, or employer-provided benefits).
Source: International Labour Organization, ILOSTAT. https://ilostat.ilo.org/data/ (latest data available, various years).

Agriculture and retail trade employ a large share of the older workforce

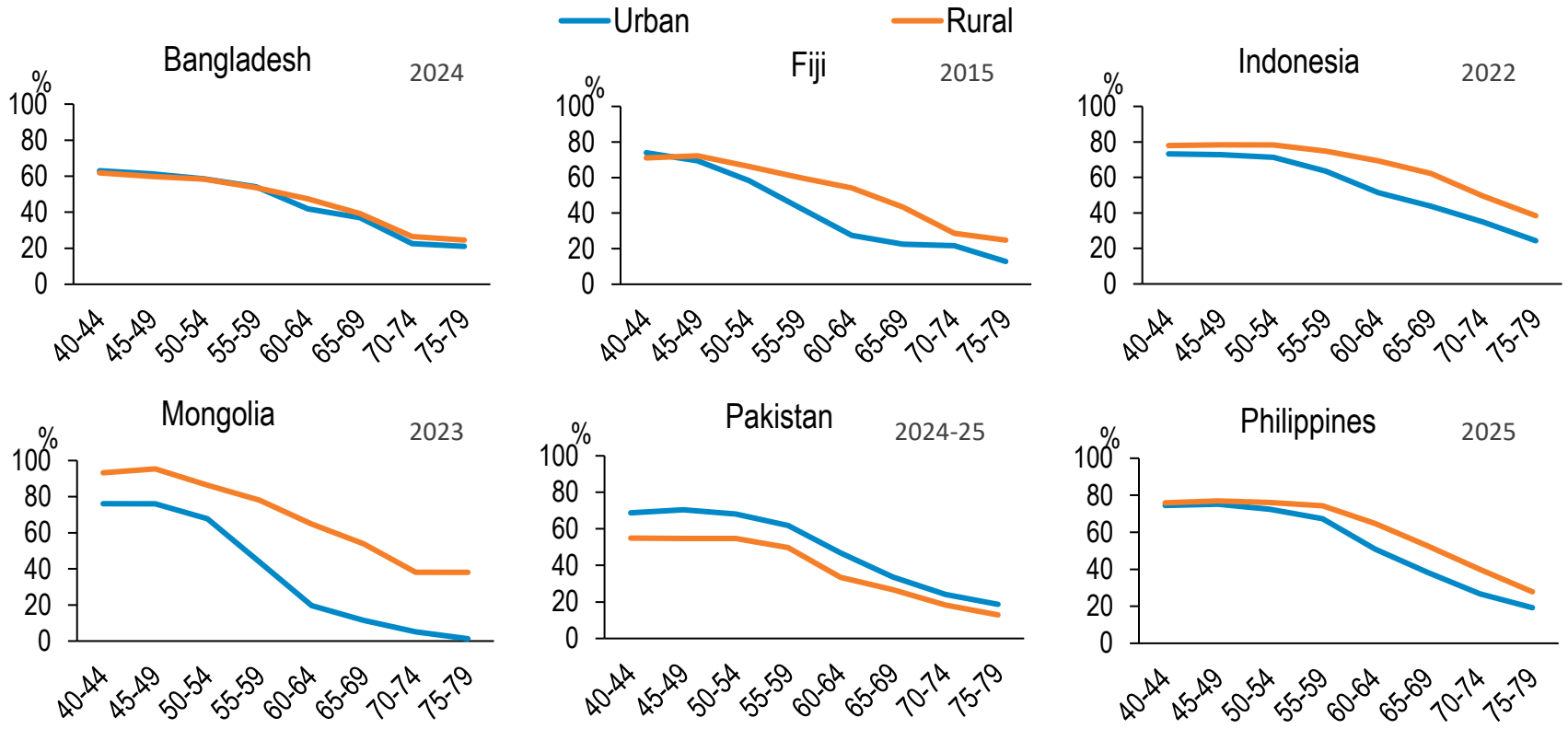
Figure 5. Share of employment by sector and age



Note: Data are for 205 for the Philippines and Pakistan; 2024 for Bangladesh and Pakistan; 2022 for Indonesia, and Thailand; and 2015 for Fiji.
Source: ADB estimates using labor force surveys from national sources.

Employment and retirement patterns differ between rural and urban workers for some economies

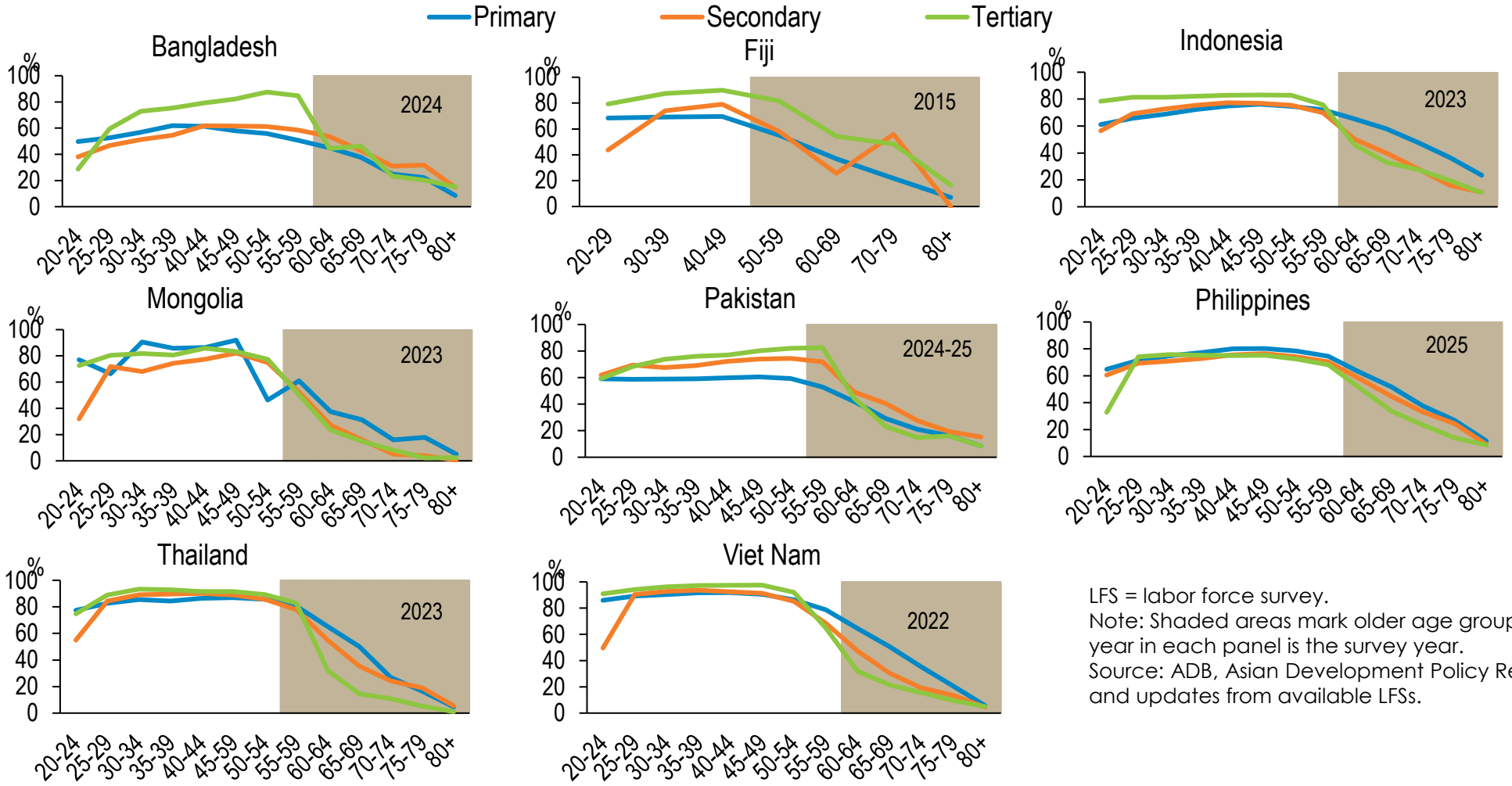
Figure 6. Employment rate by residence and age



Note: The year in the upper right corner of each panel is the survey year.
Source: ADB, Asian Development Policy Report 2024; and updates from available LFSs.

More educated: higher participation at prime age, lower at 65+

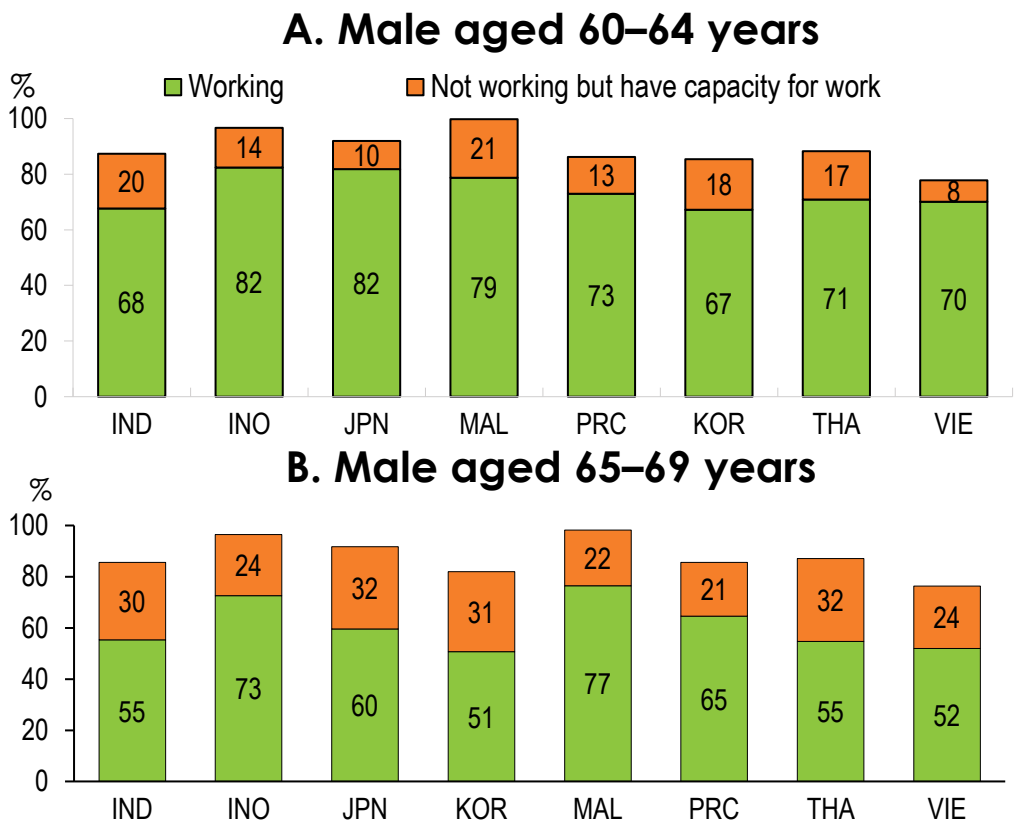
Figure 7. Labor force participation by age and educational attainment



LFS = labor force survey.
Note: Shaded areas mark older age groups. The year in each panel is the survey year.
Source: ADB, Asian Development Policy Report 2024; and updates from available LFSs.

Older workers' capacity to work is an untapped resource

Figure 8. Untapped work capacity by age group



IND = India, INO = Indonesia, JPN = Japan, KOR = Republic of Korea, MAL = Malaysia, PRC = People's Republic of China, THA = Thailand, VIE = Viet Nam.
Note: Bars show the share of men who are working and the share not working but assessed as having the capacity to work.
Sources: ADB estimates using Chen and Park (2024); Giang, Kikkawa, and Park (2024); LASI (2019); Lee et al. (2024); Mansor, Awang, and Park (2024); Oshio, Shimizutani, and Kikkawa (2024); Suriastini, Wijayanti, and Oktarina (2024); and Zhao et al. (2024).

Table 1. Silver dividend: value of untapped work capacity for people aged 60–69

Countries	Increase in GDP if Untapped Work Capacity Is Utilized, %
India	1.5
Indonesia	0.3
Japan	1.4
Republic of Korea	1.5
Malaysia	0.2
PRC	0.4
Thailand	0.9
Viet Nam	1.1
Average	0.9

GDP = gross domestic product, PRC = People's Republic of China.
Note: Estimates cover people aged 60–69.
Sources: ADB estimates using Chen and Park (2024); Giang, Kikkawa, and Park (2024); ILOSTAT, Wages and Working Time Statistics Database, https://ilostat.ilo.org/topic/wages; Lee et al. (2024); Mansor, Awang, and Park (2024); Oshio, Shimizutani, and Kikkawa (2024); Suriastini, Wijayanti, and Oktarina (2024); and Zhao et al. (2024).

Jobs are becoming more age-friendly, but older workers are not the main beneficiaries



United States (Acemoglu et al., 2022)

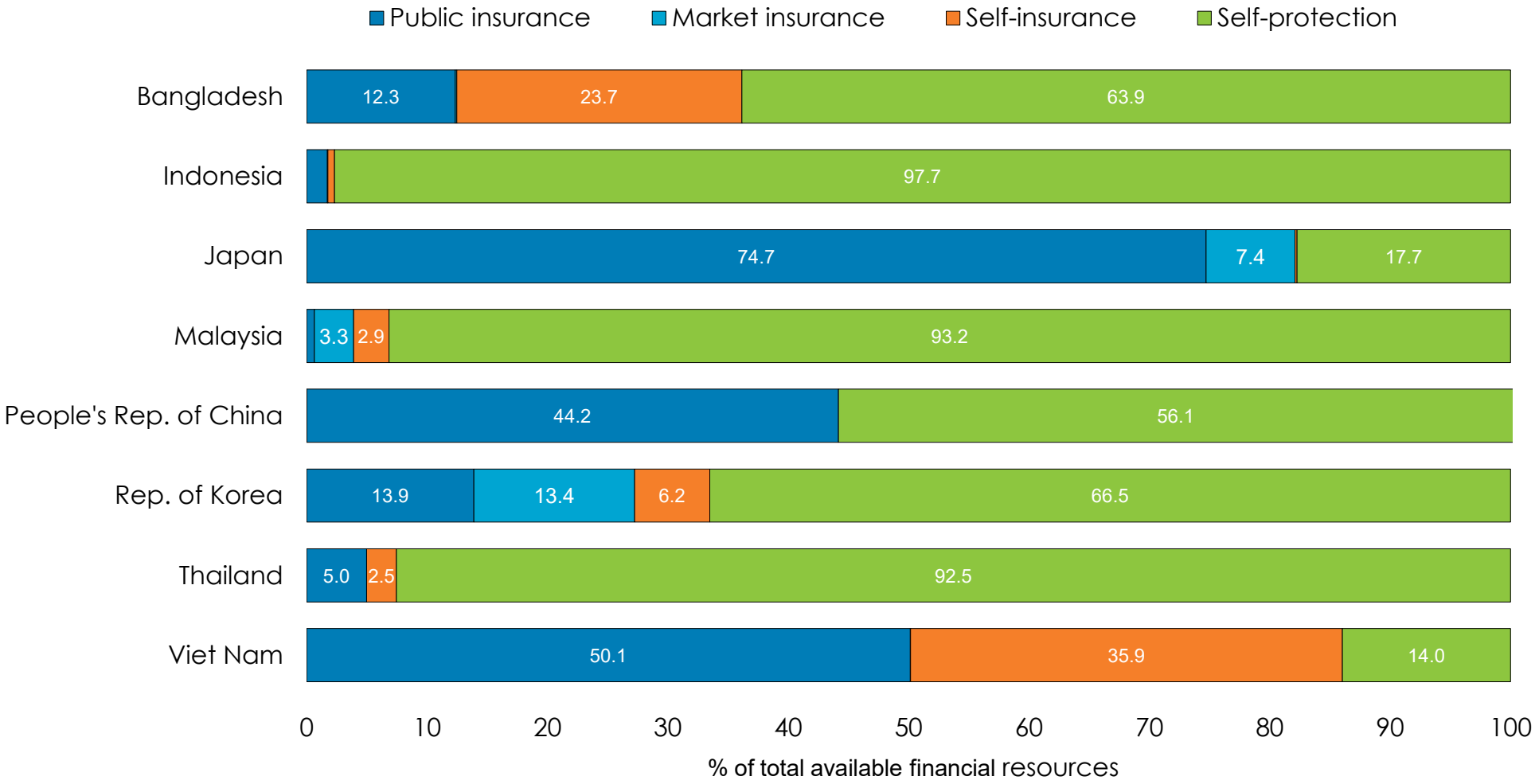
- Age-Friendliness Index (AFI) rose **8%** (1990–2020)
- About **75%** of occupations became more age-friendly, mainly via within-occupation improvements
- Older workers did not capture most gains; benefits went to women and college graduates. Older, less-educated men were left behind

Republic of Korea (Kim, Lee, and Eggleston, 2025)

- AFI rose **4%** (2000–2020), slower than in the United States
- Older workers again were not the main beneficiaries. Labor-market rigidities and large-firm dominance partly explain the slower improvement

Retirement resources are largely based on non-public sources

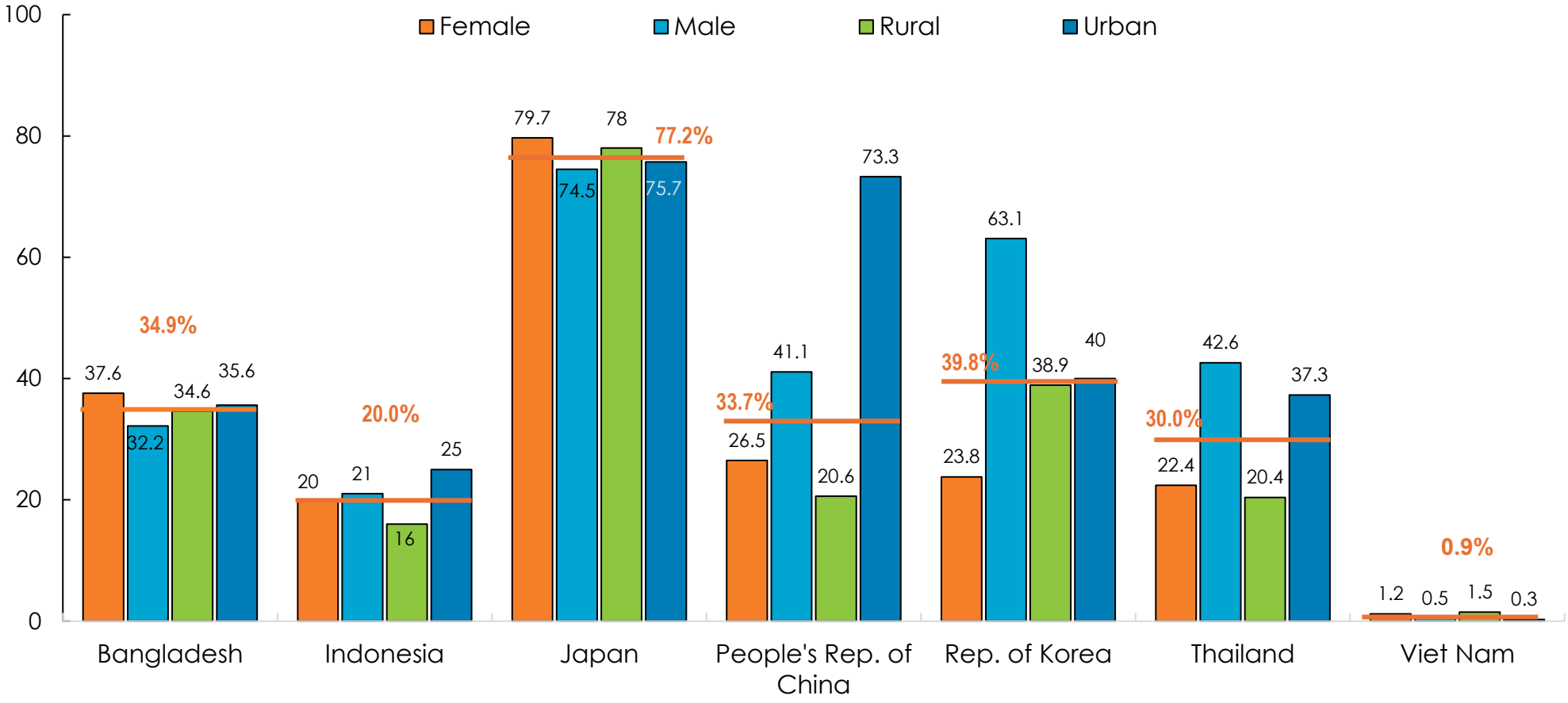
Figure 9. Distribution of average total available financial resources in old age, by source



Note: Public insurance = national and employment-linked pension income; self-insurance = family transfers; self-protection = assets. Self-insurance for the PRC is negative (−0.23%) indicating net outflow and therefore not shown.
Source: ADB Regional Comparative Research on Population Aging Wave 2 (provisional findings).

Ample scope exists for Asians to prepare better financially for retirement

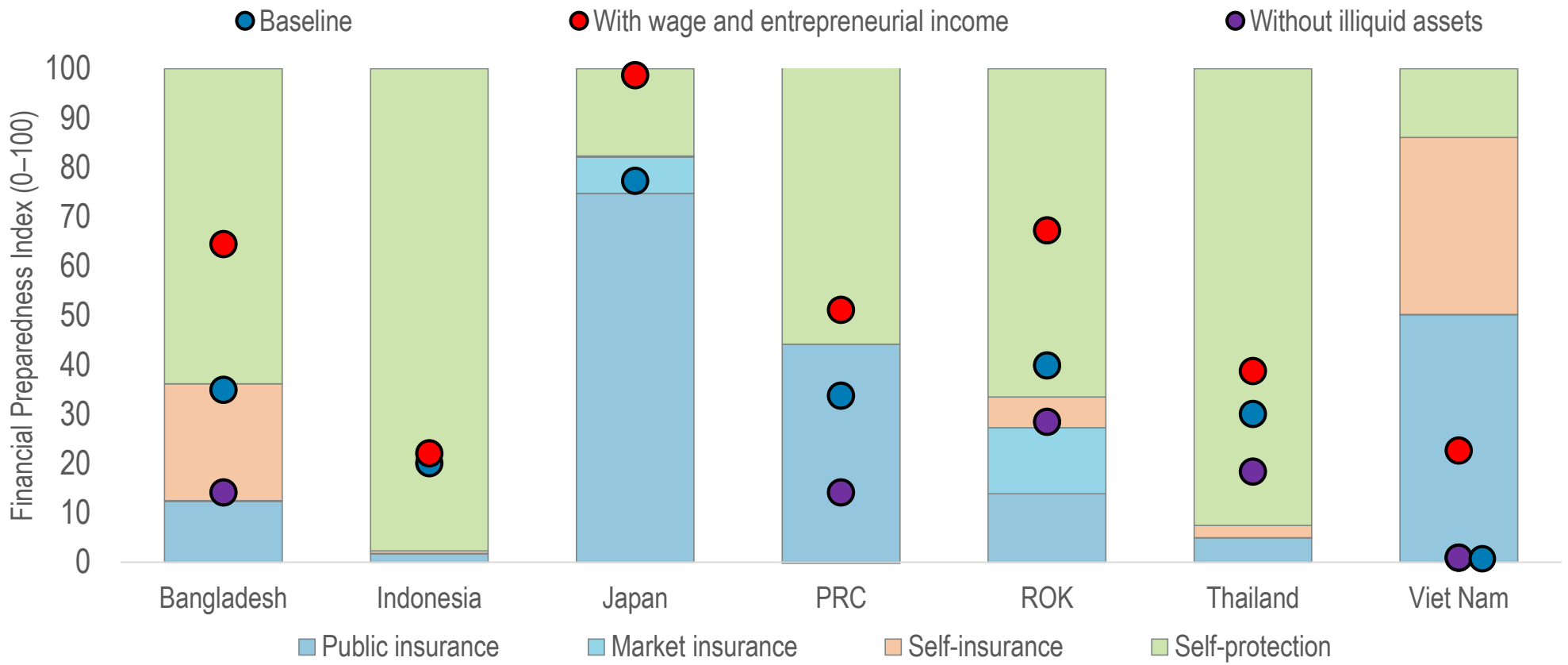
Figure 10. Financial Preparedness Index (0–100), by subgroup



Source: ADB Regional Comparative Research on Population Aging Wave 2, various years (provisional findings).

Wage and business income is a key source of financing for consumption in later life

Figure 11. Financial Preparedness Index (0–100) under different scenarios



Source: ADB Regional Comparative Research on Population Aging Wave 2, various years (provisional findings).

Employment of older Asians: key findings



- **Informal employment predominates among older workers**, and its share generally increases with age.
- **Higher participation at ages 55–64** has not consistently extended to ages 65 and above.
- **Substantial capacity to work remains untapped** among older people
- **More age-friendly jobs** do not automatically translate into gains for older workers.
- **Financial preparedness for retirement remains uneven**, and earnings remain an important source of income in later life.

Source: Findings from slides 2–13. Financial-preparedness results are provisional.

Policy priorities for longer working lives



Working in older age should be a choice.

More Age-friendly jobs made available to older workers

- Improve work condition of workforce in informal sectors
- Introduce and promote gradual, flexible retirement schemes

Align pension programs with longer working life

- Extend old-age income support and pension coverage to informal workers
- Revise pension rules that discourage work, and allow “draw and work”

Better data and monitoring

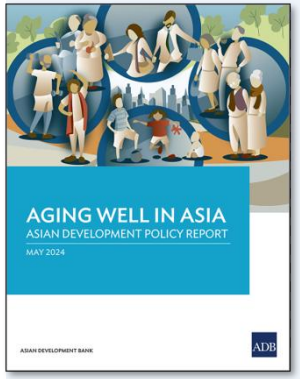
- Invest in comparable, longitudinal data on aging
- Track employment by cohort, sector, and gender, and evaluate reforms

Related ADB publications



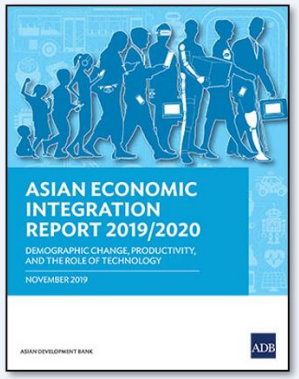
ADPR 2024

Aging Well in Asia: Asian Development Policy Report 2024



AEIR 2020

Asian Economic Integration Report 2020: Demographic Change, Productivity, and the Role of Technology



ILAS 2023

Indonesia Longitudinal Aging Survey 2023



MARS 2021–2022

Malaysia Ageing and Retirement Survey Wave 2 (2021–2022)

