



## A New Narrative on Ageing

### The five pillars of a more positive view of ageing: Pillar 5

*'Equal access to employment opportunities will benefit business and society as a whole'*

#### The Message

Older people often want to continue working and, for some, it is a necessity because of inadequate pensions. The good news is that older employment rates are rising.

This is largely because of labour shortages in the economy. The UK Commission for Employment and Skills have estimated 12 million vacancies to be filled over ten years, with only 7 million young people coming through education, leaving a 5 million gap. Even with some of this gap being filled through migration, business and society need more older people to stay in work.

Employers in the private and public sectors value older employees for their reliability, loyalty and motivation; skills, knowledge and experience; ability to cope with pressure; and empathy with colleagues and customers – anyone who doubts this should Google 'employers value older workers'. Older workers are of particular value to the voluntary sector, whether they are paid employees or volunteers, because of their life experience and skills and, especially in the case of volunteers, their availability and flexibility.

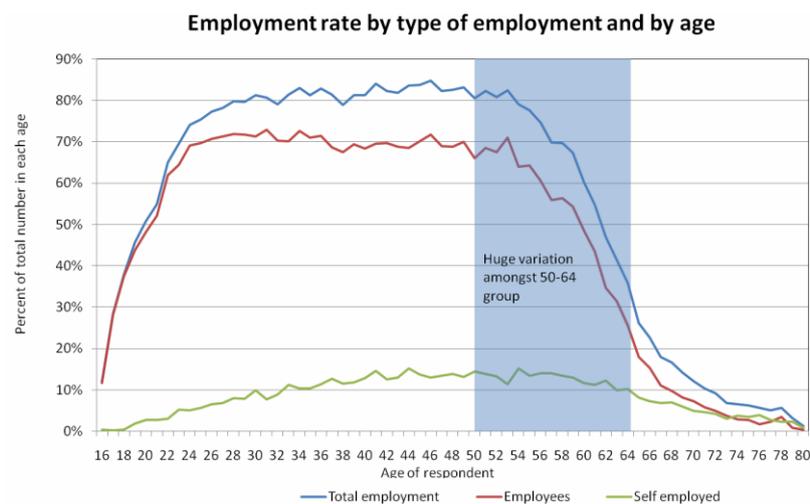
But there is still a dramatic fall in employment rates after the age of 50, with people made redundant finding it very difficult to get back into work. And, while many older employees are valued by their employers, some find themselves being 'managed out' of the workforce. Age stereotyping is an important factor, but so is the need for older workers to update their skills.

Responding to this, Baroness Ros Altmann in her *New Vision for Older Workers* report to government called on employers to focus on 3 'R's: Retain – keeping older workers and their skills in the workplace through, for example, flexible working; Retrain – ongoing workplace training, irrespective of age, and mid life career reviews; and Recruit – stamping out age discrimination from the recruitment process.

Employment support programmes often don't meet the needs of older unemployed people, being generally more geared to younger clients who lack motivation and employment skills. Older people, following the shock of redundancy, are often desperate to get back into work but hit the twin barriers of declining self worth and employer age prejudice. Employment support should focus more building their self confidence, updating their skills and demonstrating their value to employers.

## Evidence

The chart reproduced below shows current employment rates dropping sharply from over 80% of 50 year olds in work, to around 60% of 60 year-olds and 30% of 65 year-olds. If employment rates do not change, the number of people aged 50 to State Pension age not working could increase from 2.9 million to over 5.4 million by 2033, placing a rising burden on younger generations. NIESR research shows that, if all over 50s worked one year longer, this would increase GDP by 1% per year and that, if people worked an extra 3 years, this could add 3.25% to GDP per year by 2033 (equivalent to an extra £55bn). [Source: *A New Vision for Older Workers - Report to Government* by Dr Ros Altmann, 2015]



Although there is a persistent assumption that older people in work 'block' younger people from finding work, evidence suggests this is incorrect. The number of jobs in the economy is not fixed, but depends on Government and private spending (when spending increases the number of jobs increases). Evidence suggests that the employment rate of older people has little effect on the employment of younger people, and if anything a higher employment rate of older people tends to slightly increase the employment rate of younger people. [Source: Government impact assessment on phasing out the Default Retirement Age, 2011]

The workforce will continue to age for at least another 20 years, as the large age groups born between 1950 and 1970 are replaced by the much smaller cohorts born between 1990 and 2010. A quarter of the workforce is already over 50 and labour market participation rates among people over 50 have been rising steadily, reversing

the late 20th century trend towards earlier retirement. 16% of people aged 65-74 are now still in paid work, as are more than 3% of those over 75. The UK Commission for Employment and Skills estimates that over 12 million vacancies will need to be filled in the next ten years, mainly as a result of the retirement of older workers, but there are only 7 million young people currently in school to replace them, leaving 5 million unfilled vacancies. Many older people who are not in paid work would like to do so but do not think they stand any chance of achieving this. Older workers generally like (or at least tolerate) work, and those who stay longer most commonly say that they do so, not just for the money, but for the sense of purpose, of being a contributing member of society, and for the social engagement which the workplace provides. There also is good evidence that much work is good for people's health and wellbeing. [Source: *Mid Life Career Review* report, NIACE, 2015]

Older workers are valued by employers for their reliability, loyalty and motivation; skills, knowledge and experience; ability to cope with pressure; and empathy with colleagues and customers. [Source: *Employer Responses to an Ageing Workforce*, Centre for Research into the Older Workforce, 2007]. Older workers are of particular value to the voluntary sector, whether as paid employees or volunteers, because of their life experience and skills and, especially in the case of volunteers, their availability and flexibility. [Source: SEEFA research on *Valuing Older Workers*, Working with Older People, 2013]

While growing numbers of employers have been retaining experienced older workers, age discrimination in recruitment remains common, and finding work becomes increasingly difficult after the age of 50. [Source: *Mid Life Career Review* report, NIACE, 2015]. Although many older people have key skills that employers need, there is still much work to be done in terms of combating ageist stereotypes. Employees who are approaching, or are beyond, retirement age and are still at work can find themselves 'managed out' of their positions. [Source: *Older Workers* guide, Recruitment & Employment Confederation (REC), 2015]

People over the age of 50 are a large client group for providers of employment support programmes, presenting a strong business case for meeting their needs more effectively. Approaches which have been shown to be successful through eight pilot projects in the South East include confidence building; peer group support; short, focused training (particularly in IT); and working closely with employers to see how older recruits can meet their business needs. [Source: *Making the Most of Opportunities for Older Workers*, Working with Older People, 2010]

In a Mid Life Career Review programme led by NIACE (now part of the Learning and Work Institute) in 2013-14, over 3,000 people took part in reviews, covering employment, training, caring, health and options for work and developing skills. More than 8 in 10 gained self-confidence and belief in their skills and experience; 1 in 3 felt motivated to find work, change career, or take up learning; and 1 in 5 found work after being unemployed. The Government expects lessons from this programme to be adopted by providers of careers guidance and support. [Source: Learning and Work Institute website]

**Who needs to listen?**

Employers; recruitment agencies; employment support and careers guidance organisations; central and local government commissioners of services.

**Actions needed**

We should question employers and recruitment agencies on age stereotyping and encourage them to respond to Dr Ros Altmann's 'Retain, Retrain, Recruit' challenge.

We should help employment support organisations to recognise their older clients' significance both for their own business success and for the wider economy.

We should ask central and local government what they are doing to reflect the lessons of the Mid Life Career Review programme and other pilot projects.

We should collaborate to foster ways of working better, longer and new approaches to retirement e.g. through *The Age of No Retirement* ([www.ageofnoretirement.org](http://www.ageofnoretirement.org)).

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