Why an Ageing Workforce matters: Working in age-friendly employment

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October 2020
A society in which everyone enjoys later life
The age profile of the UK population is changing

UK population by age in millions men and women

State pension age

Source: ONS 2018
The age profile of the UK population is changing

UK population by age in millions men and women

Source: ONS 2017
The age profile of the UK population is changing

UK population by age in millions men and women

Source: ONS 2017
Longer working lives

- Over 10m over 50s working
- Over 1.1m over 65s working
- Since 2008: higher employment % for those aged 50-64 than 18-24
Age is just a number…

To what extent do you agree ‘I don’t think of myself as old’ by age group, ELSA Wave 8
Average personal wellbeing measures by age

What do retired people miss about work?

- I don’t miss anything
- I miss the social interaction
- I miss the income
- I miss the feeling that I’m doing something useful
- I miss earning money
- I miss having structure to my week
- I miss having something to do

1 in 4 people “unretire” (WHERL, 2016)

Later Life in 2015 survey of those aged 50+ (Centre for Ageing Better, Ipsos MORI 2015)
Why be an age-friendly employer?
We had more workers than ever before

Change in numbers of workers by age group over the last decade

2¼ million more workers aged over 50

150,000 more workers aged 16-49

The older workforce is your workforce

- One in three workers in the UK are aged 50 and over
- Average employee in the UK now in their 40s
- Need to meet skills shortages and workforce planning

Between 2018 and 2025 there are forecast to be:

- 300,000 fewer workers under the age of 30 in the UK
- 1 million more workers over the age of 50 in the UK

22%
Nearly a quarter of employers think that their organisation is unprepared for the ageing workforce.

(McCer’s Workforce Monitor, March 2018)
Age-diversity presents huge opportunities for everyone

- Employers value a mixed-age workforce
- Older workers transfer vital knowledge and skills
- Help solve complex problems - bringing together a mix of ideas, skill strengths, and experiences
- Better match profile of customers and services
Five actions to be an age-friendly employer

1. Be flexible about flexible working
   Offer more kinds of flexibility, manage it well and help people know their options

2. Hire age positively
   Actively target candidates of all ages, and minimise age bias in recruitment processes

3. Ensure everyone has the health support they need
   Early and open conversations, and early and sustained access to support for workers with health conditions

4. Encourage career development at all ages
   Provide opportunities for people to develop their careers and plan for the future at mid-life and beyond

5. Create an age-positive culture
   Equip HR professionals and managers to promote an age-positive culture, and support interaction across all ages
Older workers and Covid 19
We are starting to see the pandemic hit to employment come through in the high-level employment figures
The 50-64 employment rate has fallen by 1 ppt since March.

The 35-49 rate has fallen by just 0.4 ppt. The 18-24 rate has fallen the most: by 3.5 ppt.

Source: ONS, Table A05: Labour market by age group
Men age 50-64 have seen a greater fall in employment than women in their age group. But women age 50-64 have been harder hit than 34-49s.

Source: ONS, A05 SA: Employment, unemployment and economic inactivity by age group (seasonally adjusted)
After 18-24s, older workers are currently seeing the greatest falls in employment.

Change in employment rate by age (percentage points), UK, Jan-Mar 2020 to Aug-Oct 2020

Source: ONS, A05 SA: Employment, unemployment and economic inactivity by age group (seasonally adjusted)
There are 170,000 more people age 50-64 out of work than there were in March.

Change in number of people unemployed and economically inactive, UK, Jan–Mar 2020 to Aug–Oct 2020

Source: ONS, A05 SA: Employment, unemployment and economic inactivity by age group (seasonally adjusted)
…but in terms of individuals, the largest group of people made redundant are 50+.

Source: ONS, RED02: Redundancies by age, industry and region
But these high level employment statistics mask a lot of what is going on. People who are on furlough, or have had their hours cut, are still showing up in this data as ‘employed’. But their job may not be safe.
Over summer, furlough rates showed a u-shape, with younger and older workers the most likely to be away from work.

Source: ONS analysis of Labour Force Survey, Get the data •
Furlough numbers

- As of 31\textsuperscript{st} July, 2.7 million people age 50+ were furloughed.
- That means that one in four 50+ workers were furloughed.
- That means that 28% of everyone furloughed was age 50+.
- As of 30 September, over 500,000 people age 55+ were furloughed.
- That means that 20% of everyone furloughed was age 55+. 
By September, furloughed 55-64s were the least likely to be fully back at work

Status in September of workers who were furloughed during the lockdown period (March to June): UK, data collected 17-22 September 2020

Source: RF analysis of YouGov, Adults Age 18 to 65 and The Coronavirus (COVID-19) – September wave.
Covid-19 has adjusted 50+ workers’ expectations
A significant minority of older people working immediately before the crisis are now retired: 6% of those aged 66–70 and 11% of those aged 71 and older.

One in eight (13%) of older workers have changed their retirement plans as a result of the pandemic:
  - 8% planning to retire later (tend to have seen their pensions value decrease, and/or working from home)
  - 5% planning to retire earlier (tend to be wealthier and/or those furloughed)
And there are signs that those who are least able to absorb the impact are being hard hit.
Older workers have been more negatively affected than retirees: 29% of those in work immediately before the crisis reported that their financial situation was now worse, compared with 13% of retirees.

Those reporting being adversely affected by the crisis are disproportionately those who were ‘just about getting by’ or ‘struggling financially’ before the crisis. Among those whose income had fallen, 23% had household net financial wealth of less than £500 per person.
Vacancy numbers are starting to recover, but there are still far fewer than there were pre-pandemic.
There are 3.3 unemployed people per vacancy: twice as many as at the end of last year.

Number of unemployed people per vacancy, UK, since Q1 2019

Source: ONS, VACS01: Vacancies and unemployment
Good flexible working is key to being an age-friendly employer

Build back better

Time to take stock
Employee groups – existing work force and future workforce

Whether your business has been open or closed, lockdown has changed your workforce. Your employees will be in different places, physically and mentally.

Those who have worked through the pandemic
- Worked in Covid secure work places
- Worked from home

Those who have been furloughed
- Likely to return
- Likely to exit

Source: European Working Conditions Survey, 2015
Age-diversity presents huge opportunities for everyone

- Employers value a mixed-age workforce
- A mixed age group is more productive
- Older workers transfer vital knowledge and skills
- Help solve complex problems - bringing together a mix of ideas, skill strengths, and experiences
- Better match profile of customers and services
Flexibility helps longer working

Would any of these have encouraged you to work for longer? – retirees aged 50+

- Being offered part-time working: 14%
- Chance to work flexibly: 13%
- Taking on less demanding role: 9%
- Chance to train younger people on part-time basis: 7%
- Long break and chance to return to my job: 6%
- Chance to retrain for new role: 6%
- Longer holidays: 4%
- Course to update skills: 3%
- Being able to start own business: 3%
- Don't know: 12%

Attitudes of over 50s to Fuller Working Lives (DWP, 2015)
Summary

– Longer working lives, are a fact and mean doing things differently
– We need options to flex up and flex down at different stages across the lifecourse
– Older workers don’t always think that flexible working is something for them – (sometimes their managers don’t either!)
– We need to flip the concept of flexible working, it is not a perk, but an essential way to attract and keep the experience you need
Thank you

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