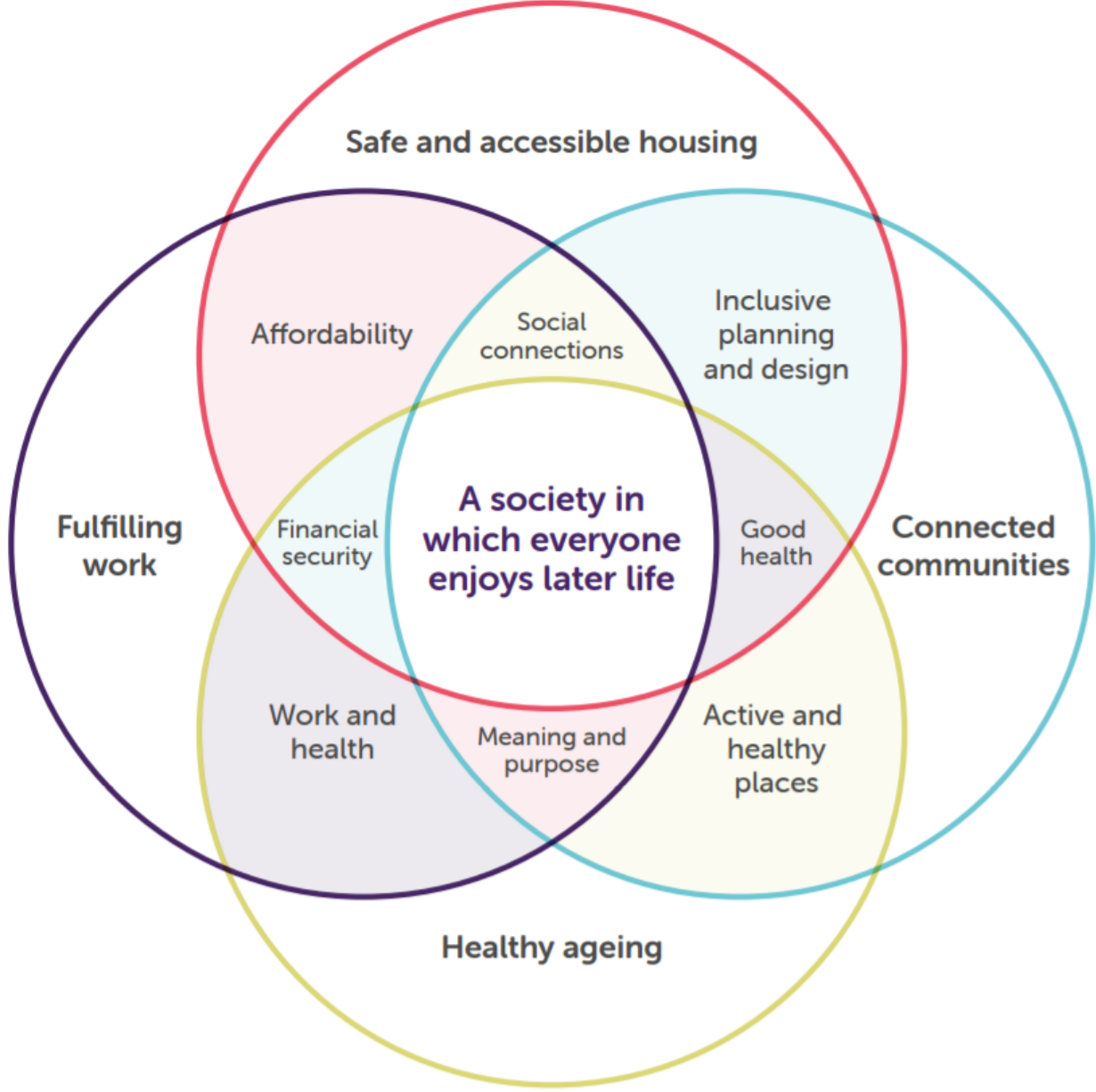


Why an Ageing Workforce matters: Working in age-friendly employment

Kim Chaplain Associate Director – Work
October 2020

A society in which everyone enjoys later life

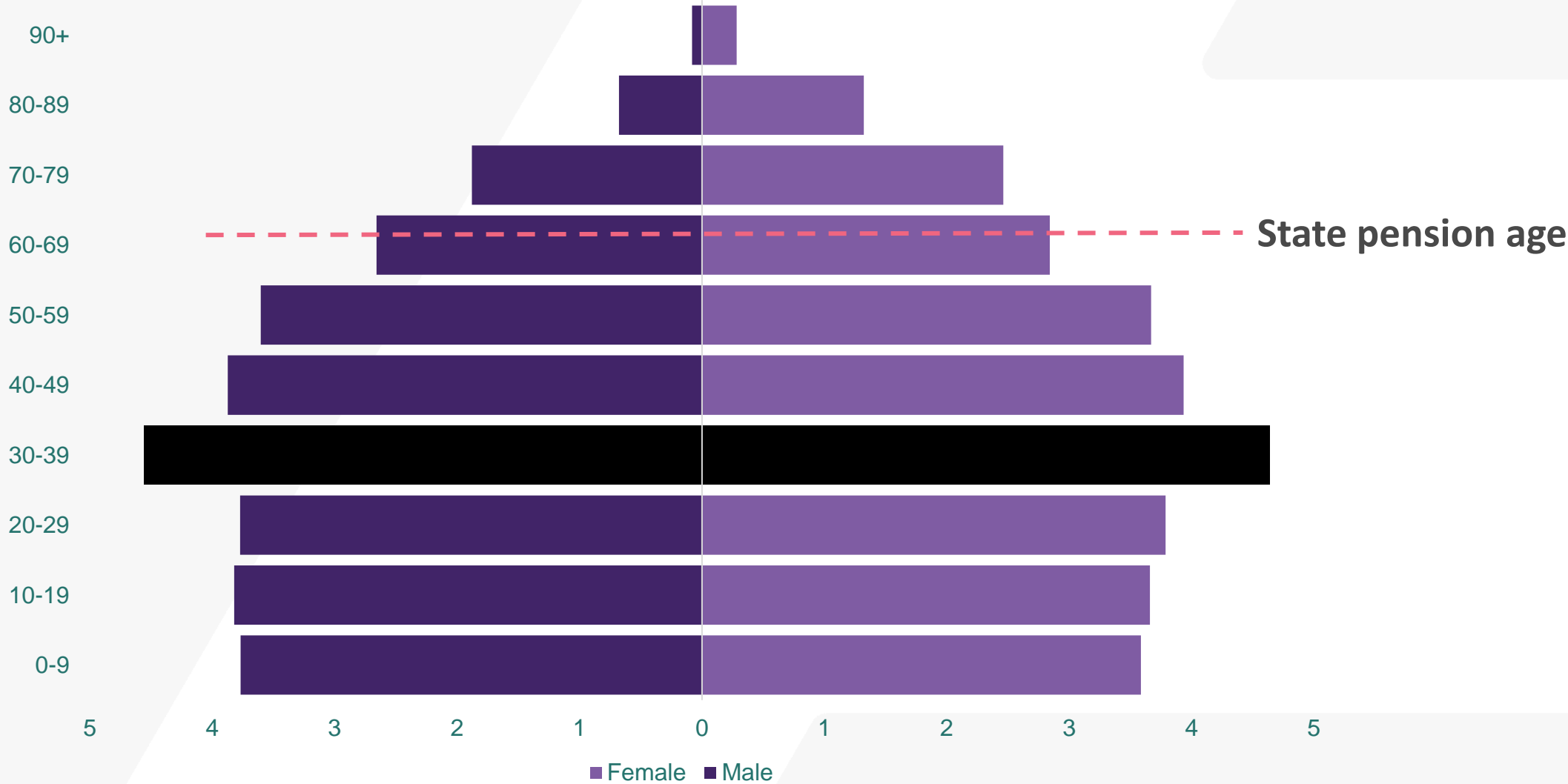


The age profile of the UK population is changing

2000



UK population by age in millions men and women



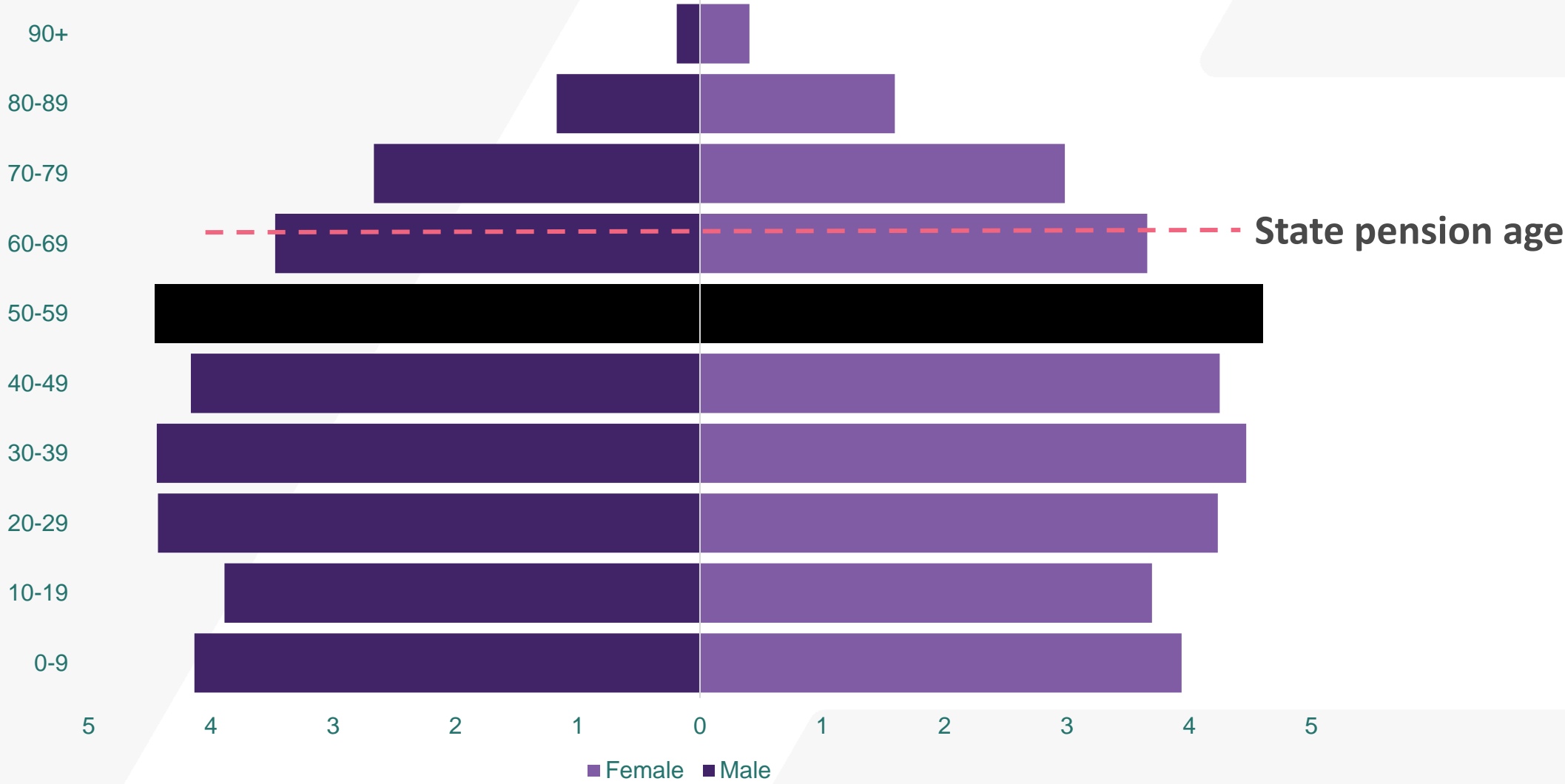
Source: ONS 2018

The age profile of the UK population is changing

2019



UK population by age in millions men and women



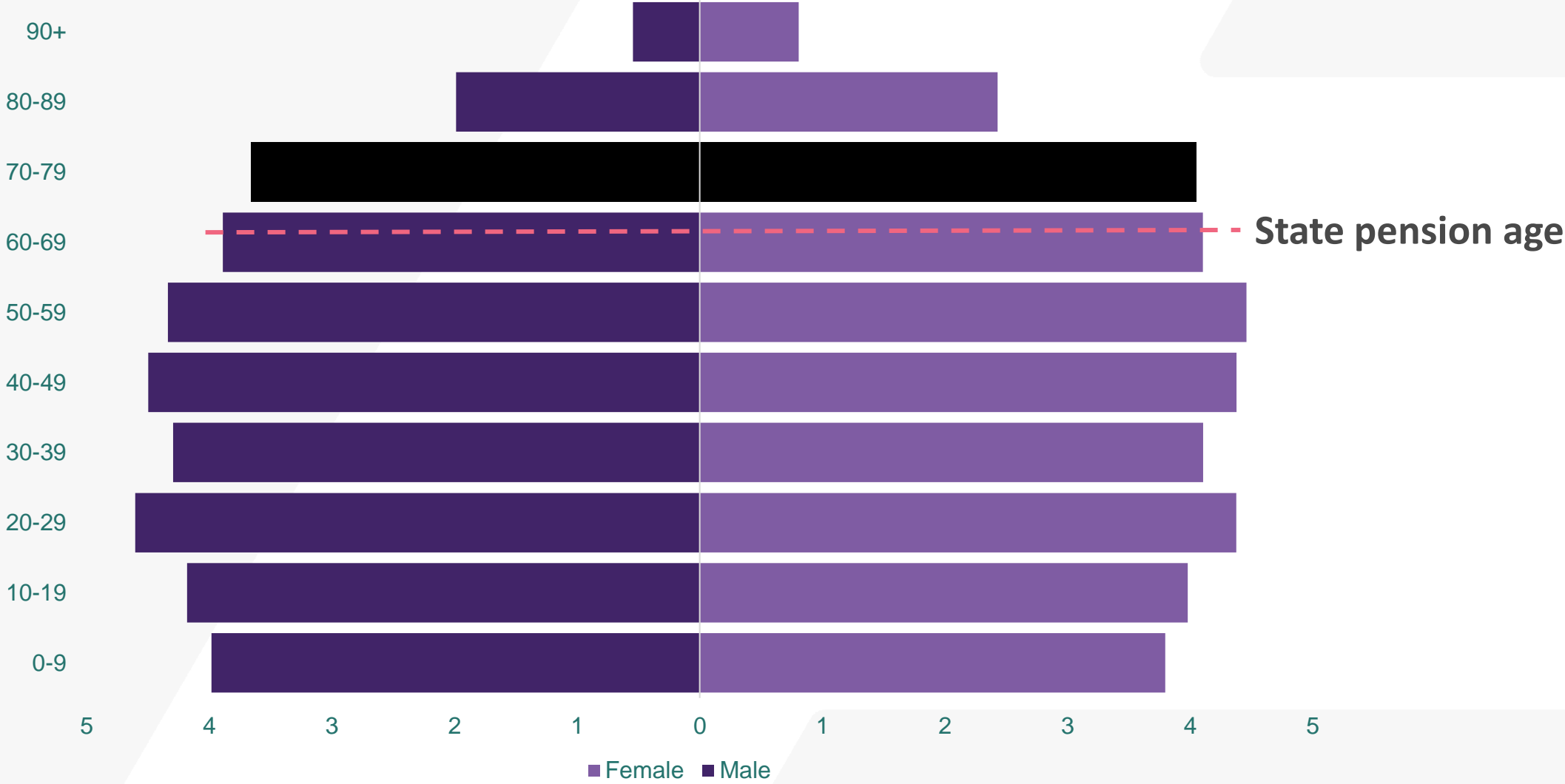
Source: ONS 2017

The age profile of the UK population is changing

2039



UK population by age in millions men and women

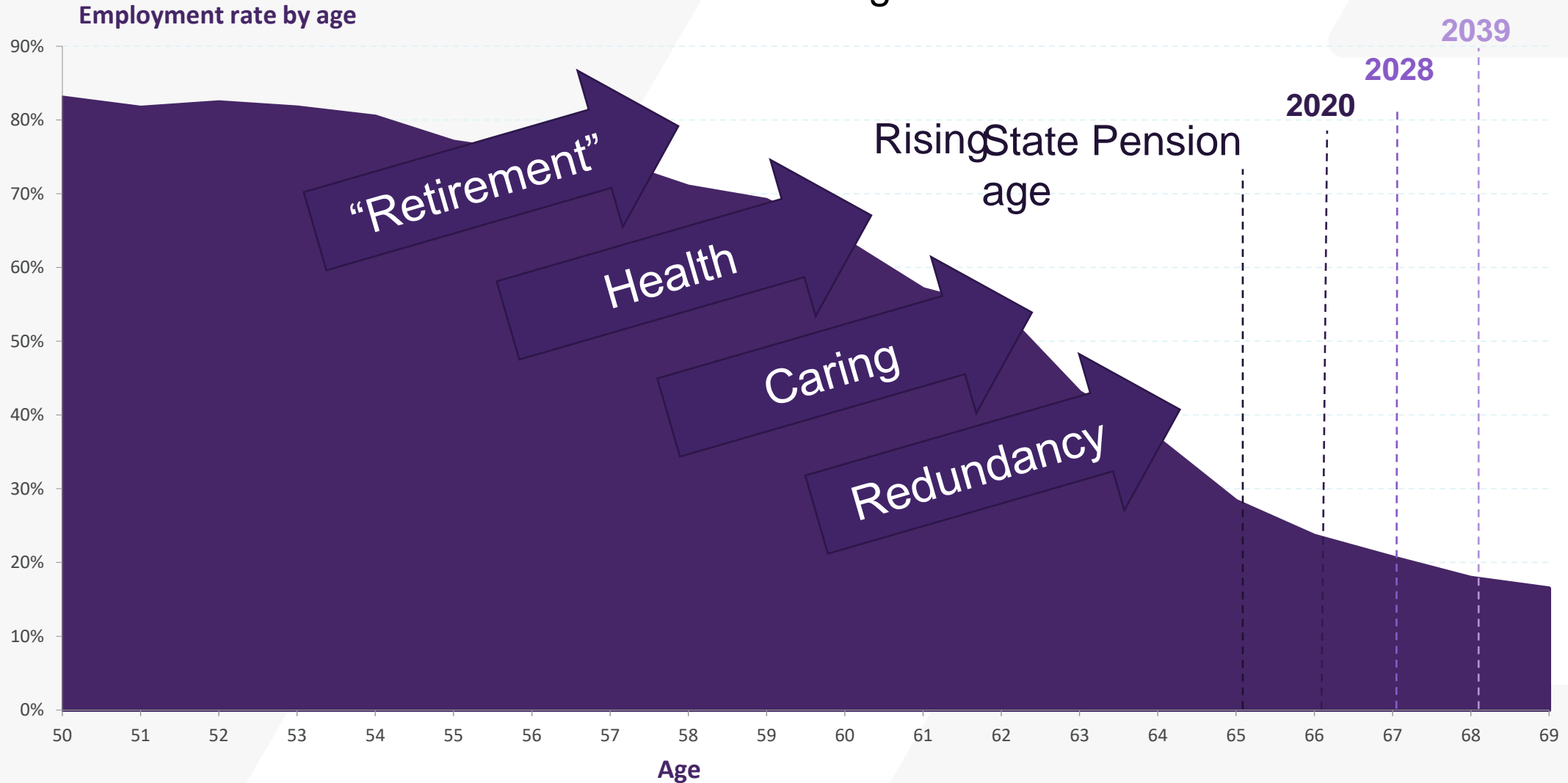


Source: ONS 2017

Longer working lives



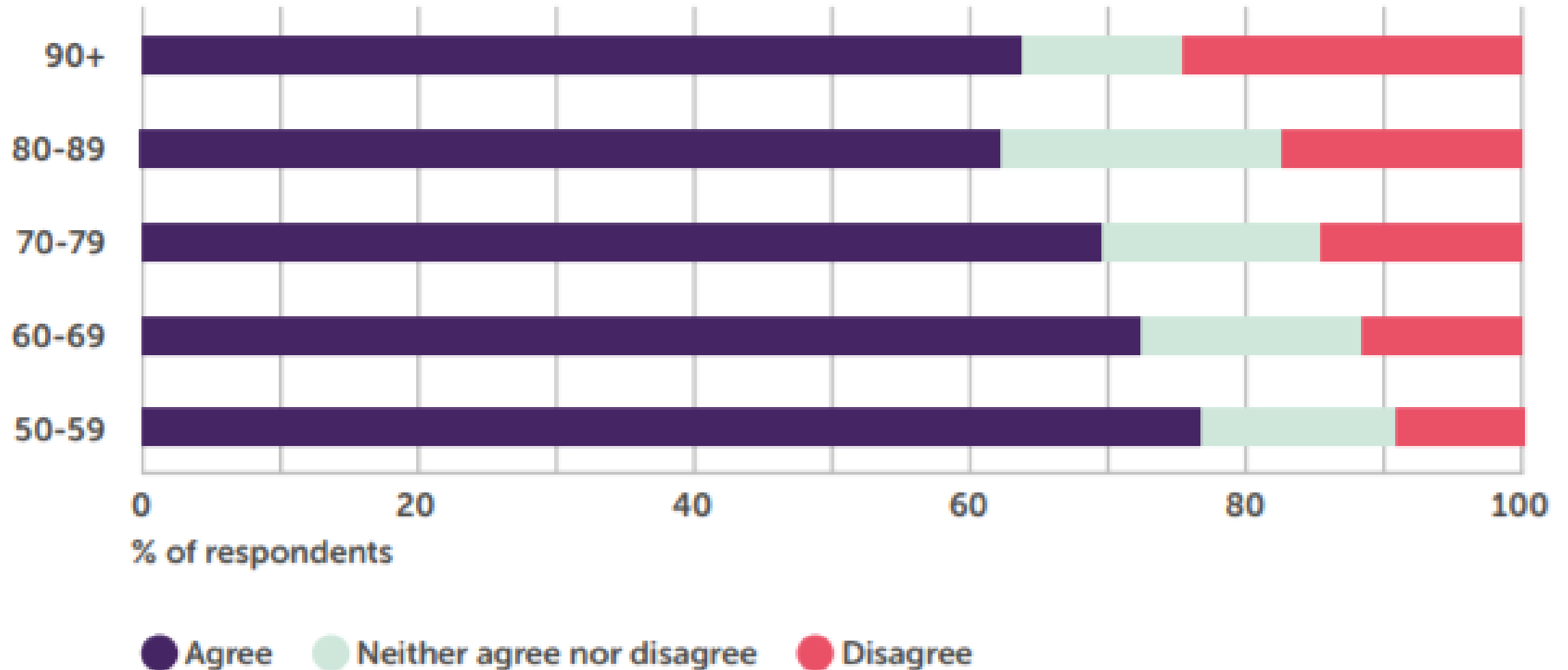
- Over 10m over 50s working
- Over 1.1m over 65s working
- Since 2008: higher employment % for those aged 50-64 than 18-24



Age is just a number...

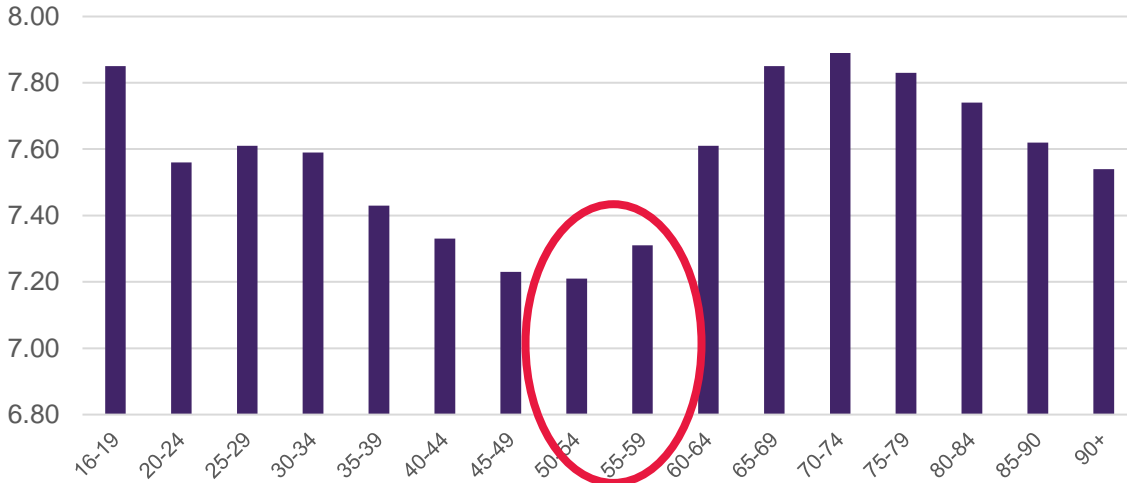


To what extent do you agree 'I don't think of myself as old' by age group, ELSA Wave 8



Average personal wellbeing measures by age

Life Satisfaction



Worthwhile



Happiness



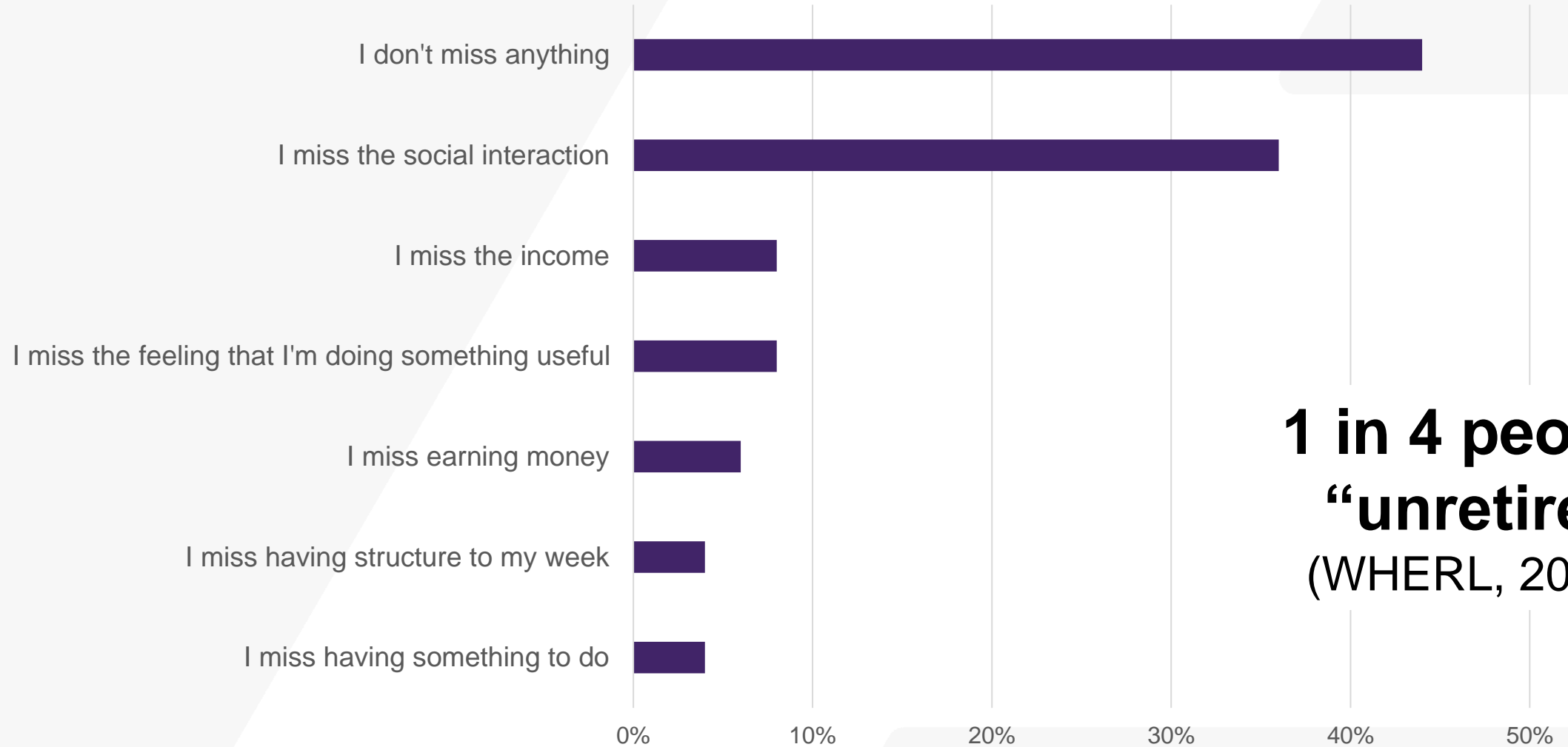
Anxiety



Source: Annual Population Survey, Office for National Statistics Average Personal Well-being Ratings: by age, 2012-2015



What do retired people miss about work?



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

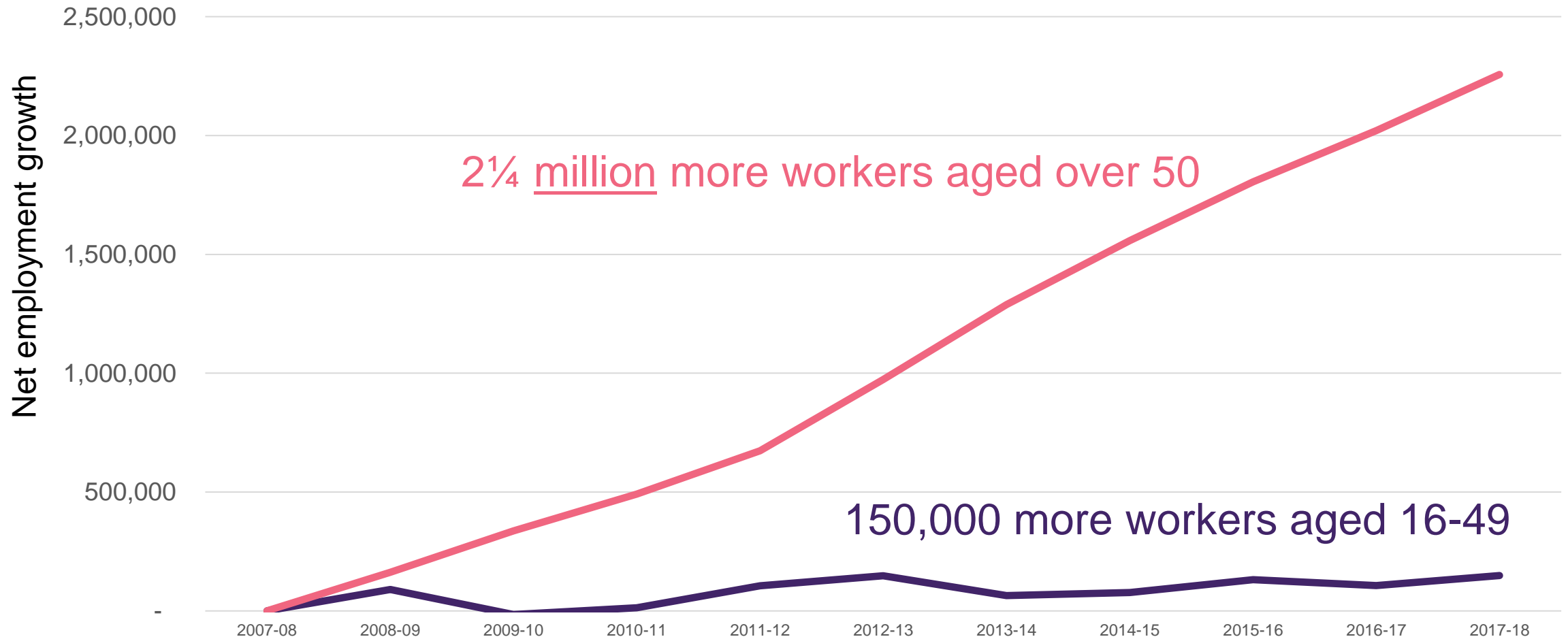
Why be an age-friendly employer?





We had more workers than ever before

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





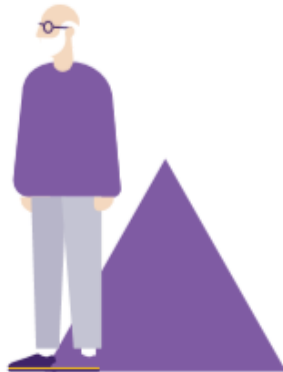
The older workforce is your workforce

- 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.

(IFF survey of 500 employers/Ageing Better October 2017)

(Mercer'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

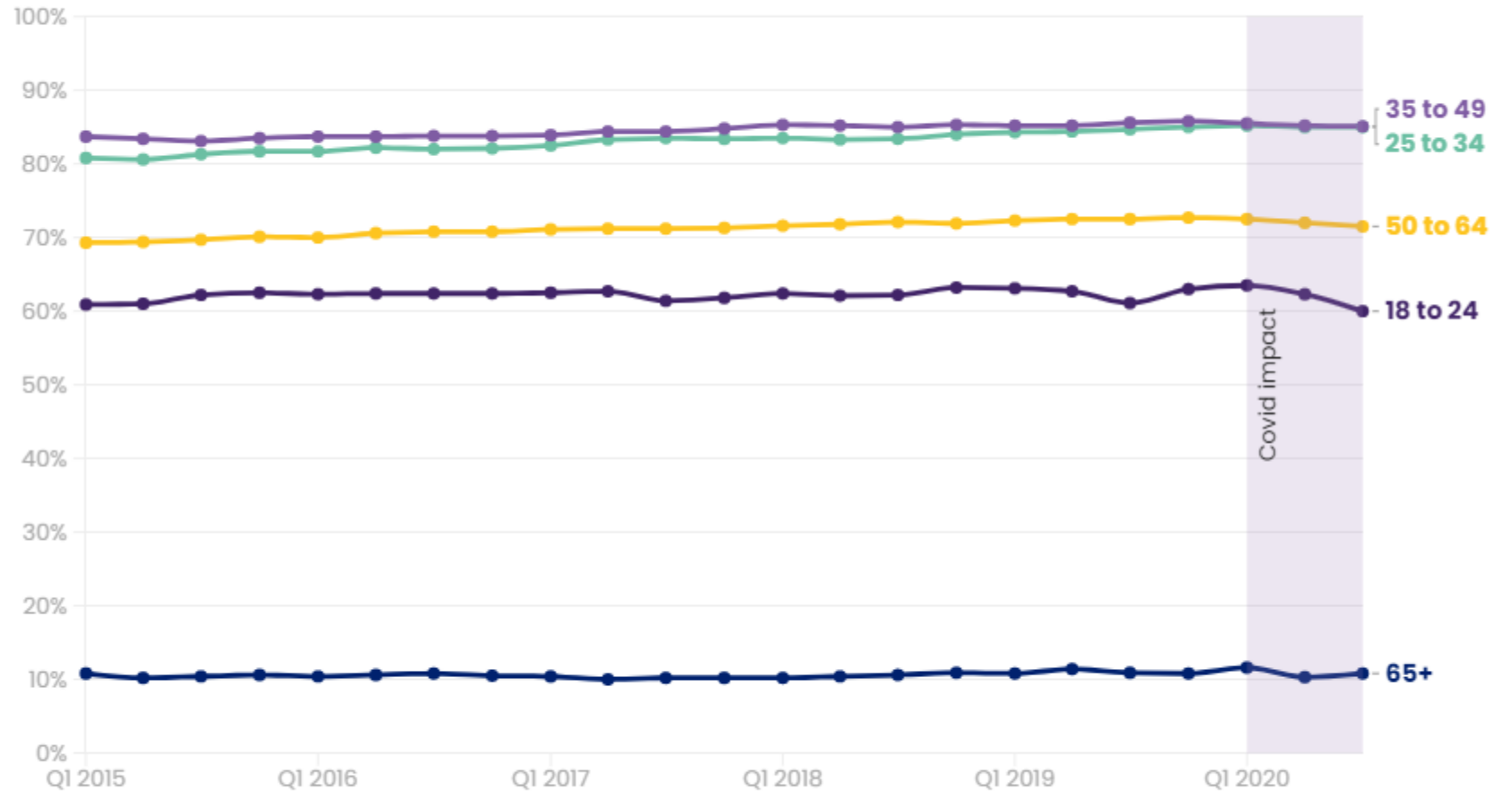


We are starting to see the pandemic hit to employment come through in the high-level employment figures

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.

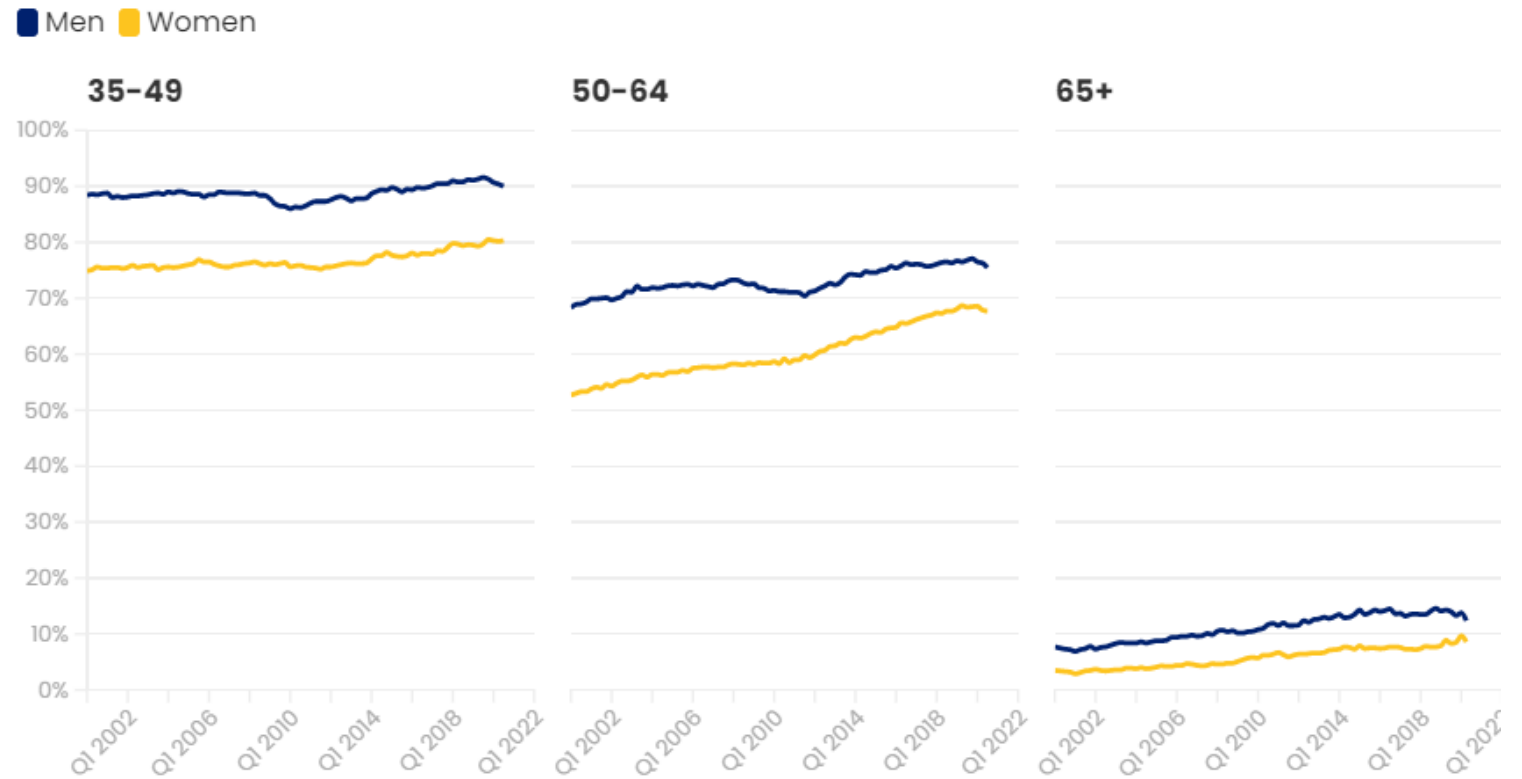
Employment rate by age, UK, 2015 to 2020



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.

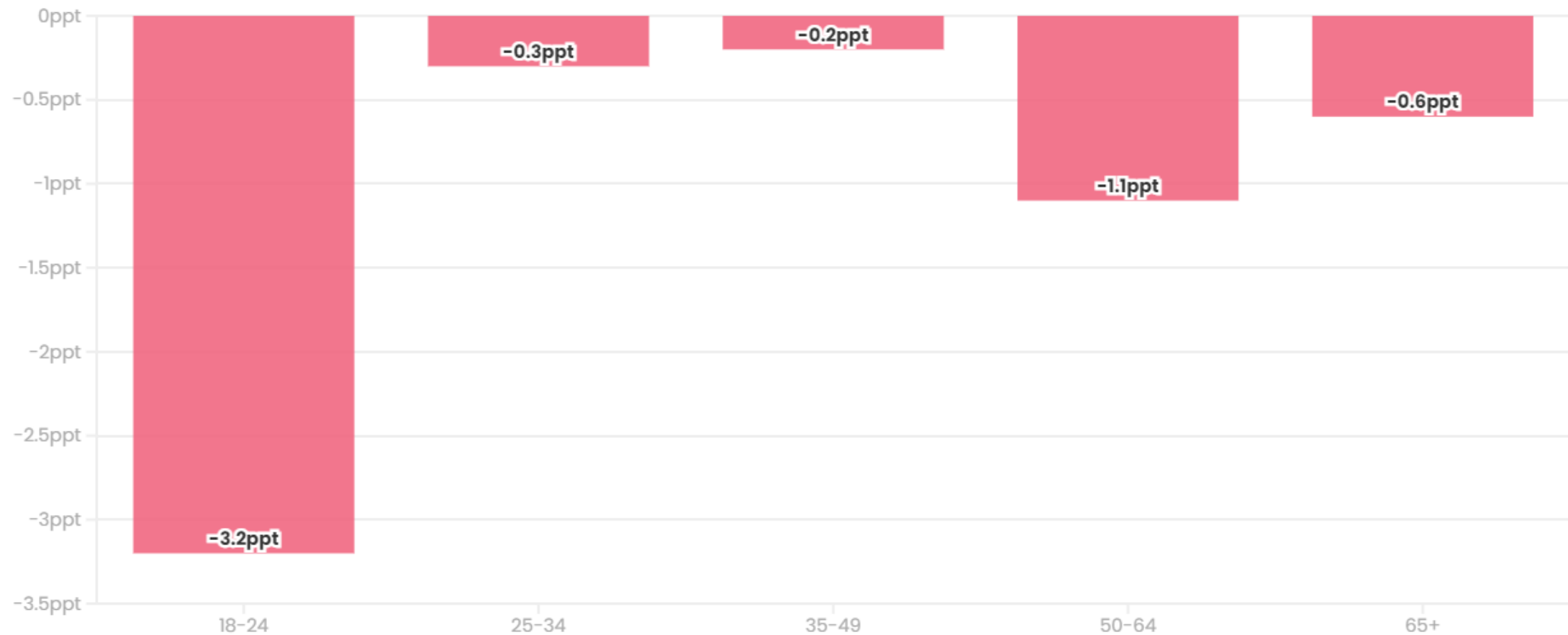
Employment rate by age and gender, UK, since 2000



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.

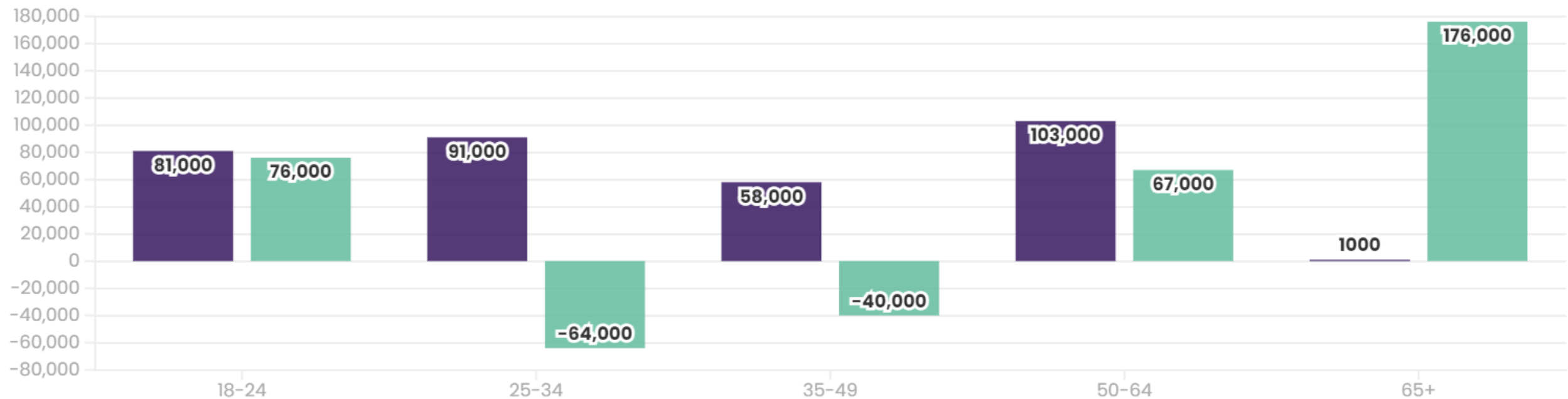
Change in employment rate by age (percentage points), UK, Jan-Mar 2020 to Aug-Oct 2020



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

■ Unemployed ■ Economically inactive

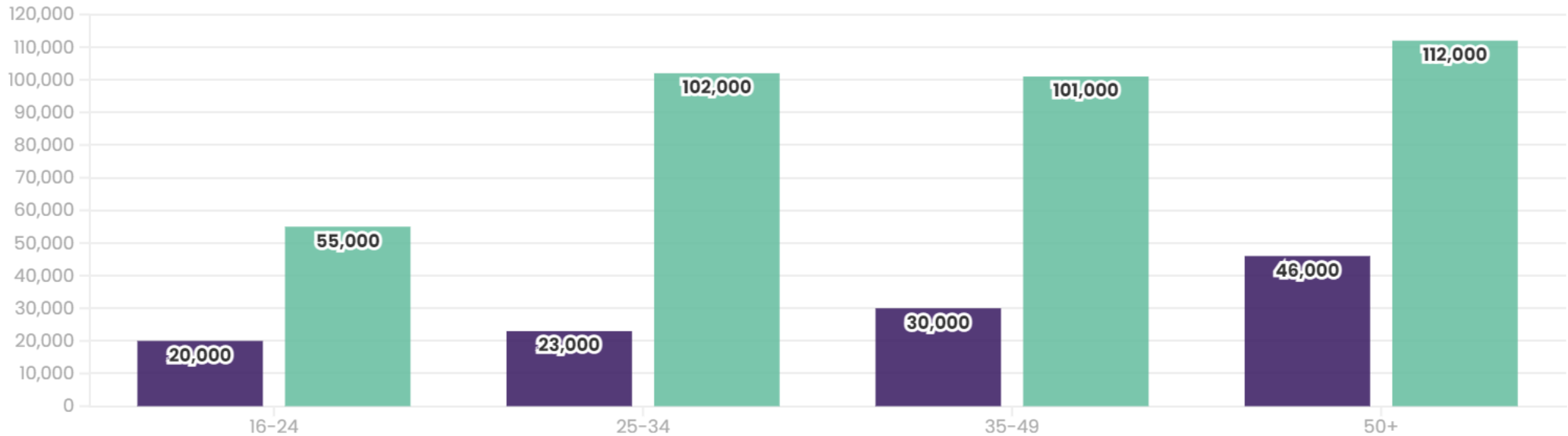


Source: ONS, A05 SA: Employment, unemployment and economic inactivity by age group (seasonally adjusted)

...but in terms of individuals, the largest group of people made redundant are 50+.

Redundancy levels by age, UK, Aug-Oct 2019 and Aug-Oct 2020

■ Aug-Oct 2019 ■ Aug-Oct 2020



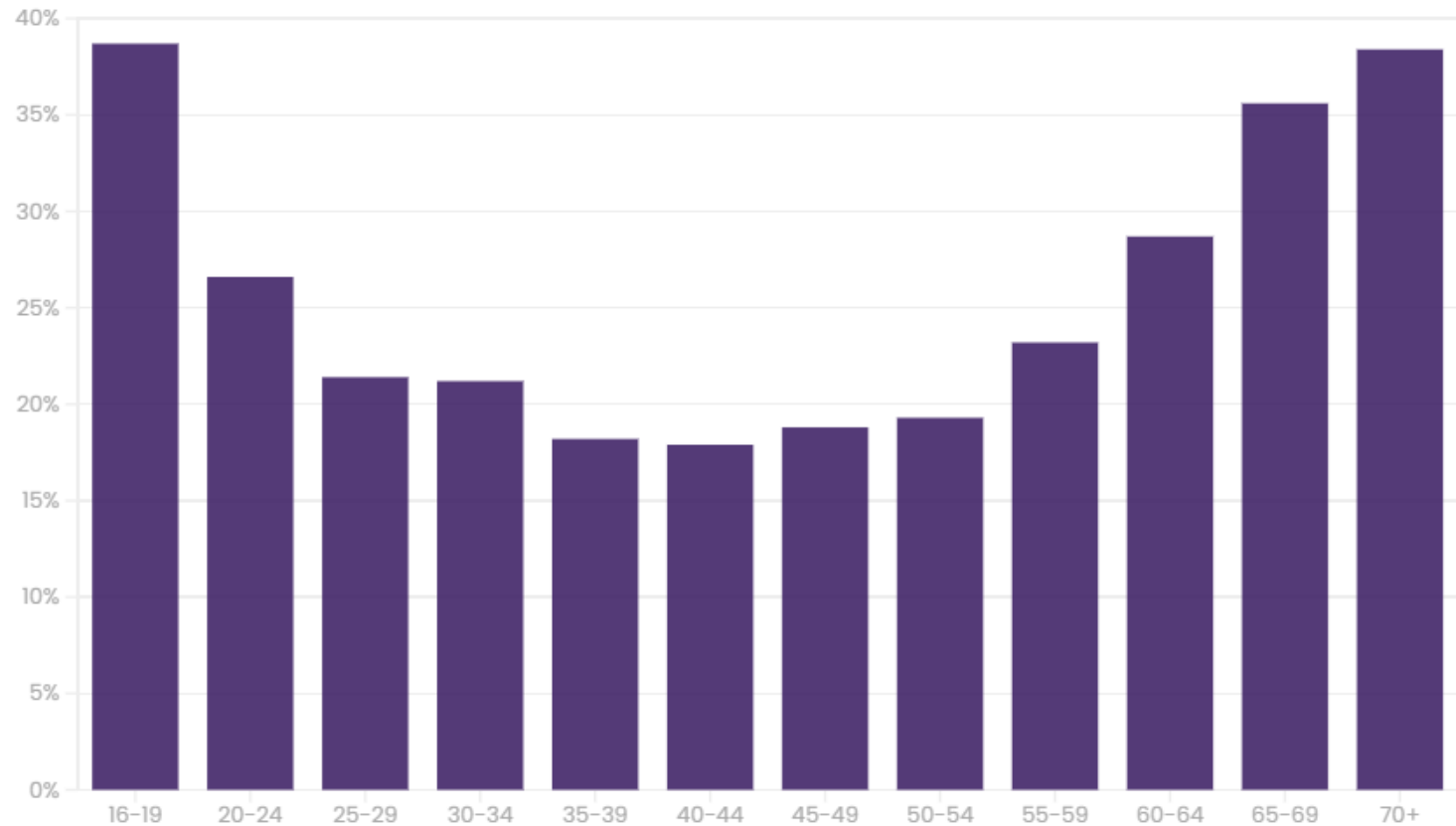
Source: ONS, RED02: Redundancies by age, industry and region

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.

Away from work rates for those in employment, by age, UK, April to June 2020



Source: ONS analysis of Labour Force Survey, [Get the data](#) • 

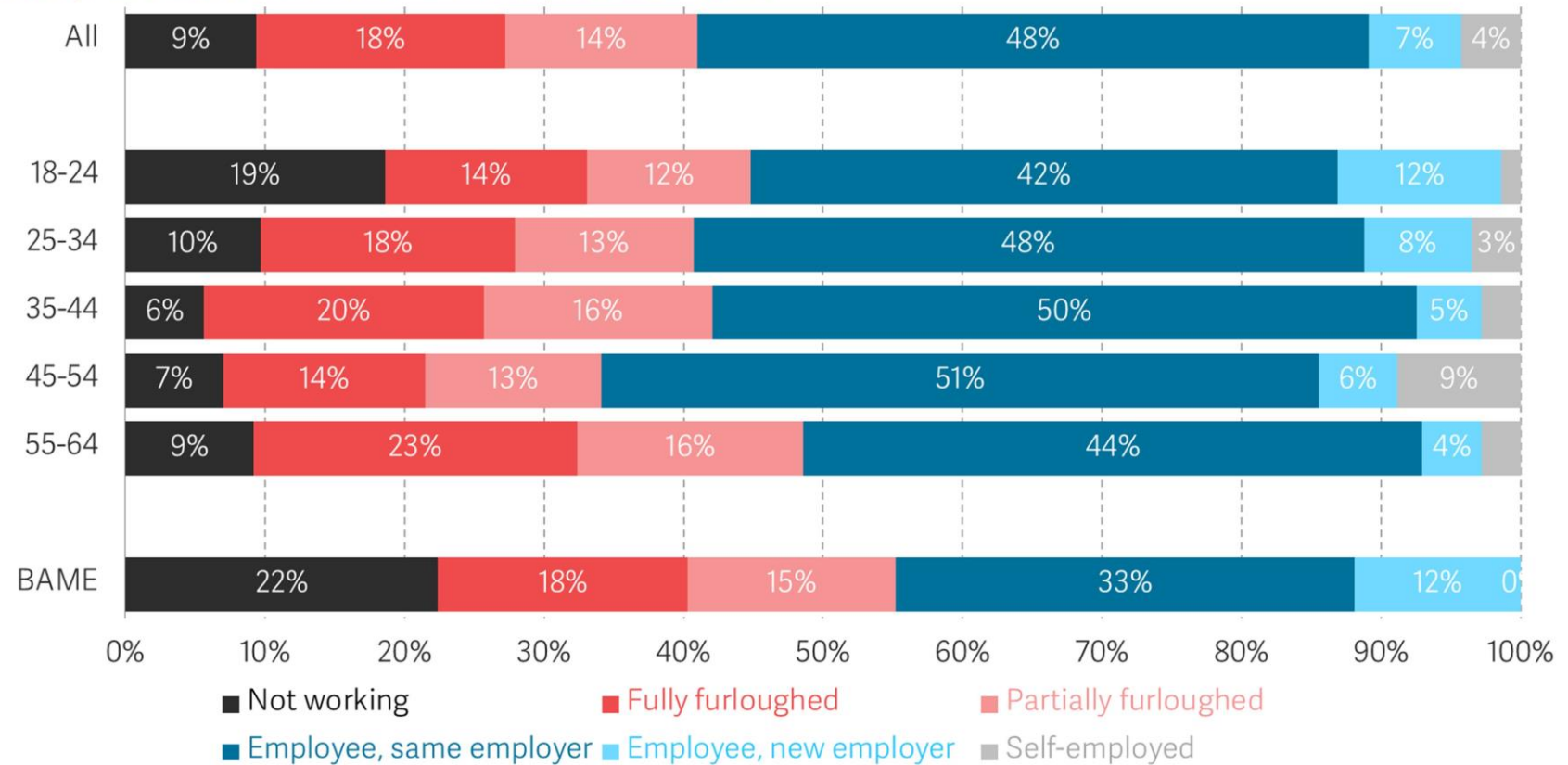
Furlough numbers

- As of 31st 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.

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Covid-19 has adjusted 50+
workers' expectations

The coronavirus pandemic and older workers

- 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.

Internal: not for circulation

- 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.



Home > Publications > Financial consequences of the coronavirus for older people

Financial consequences of the coronavirus pandemic for older people

Rowena Crawford and Heidi Karjalainen

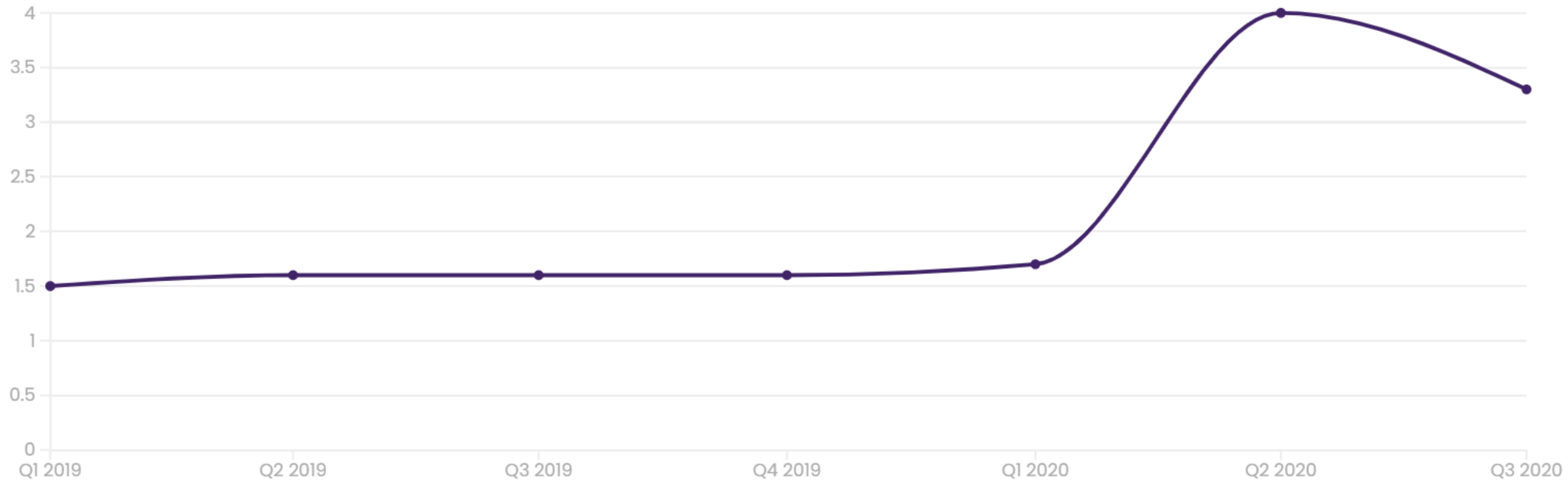
External publication

30 Sep 2020

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



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+



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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