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| *Content type* | **Publication** | |
| *Date* | 15 May 2013 | |
| *Title* | **Extending working lives: a provocation** | |
| *Excerpt* | Despite nearly a million people aged 65+ now in employment, the gap between effective retirement age and state pension age remains a drag on the UK economy, which will be exacerbated further by population ageing. | |
| *Body copy* | In a new Provocation, made possible through support from NESTA ([www.nesta.org.uk](http://www.nesta.org.uk)), ILC-UK argue that despite some “green shoots”, Government and companies need to facilitate greater innovation to support the needs of older workers.  NIESR has estimated that an increase in the UK's effective retirement age of one year would benefit the public finances by around £13 billion (or 1 per cent of GDP). Research by PwC estimated that raising state pension age to 70 rather than 68 by 2046 would have a net fiscal benefit of around 0.6 per cent of GDP.  The Provocation argues that raising the State Pension Age will only minimise the economic impacts of ageing if it is accompanied by a lengthening of working lives. ILC-UK point out that for this to occur we need to create labour market conditions that allow an older workforce to emerge – and thrive.  The Provocation highlights a number of case studies of “green shoots of innovation” in the area of working longer, with some employers taking proactive steps, with their employees, to respond to our ageing society. But ILC-UK argue that further employer and user-led innovations are needed to support extended working lives.  With an ageing society we will have more older people relative to younger. If we are to realise the economic benefit of more older workers, employers, employees and government must work together to build and test new models of working for older people.  ILC-UK argue that:   * We must all act to change our attitudes to retirement and working longer * Employers must take the initiative in leading innovation * Older workers’ attitudes and aspirations must shape the agenda * There is a need for a strategic approach, with integration of policy to support older workers with other areas, such as health, pensions and education   The Provocation highlights a number of case studies of innovation from the UK and around the world, including:   * BMW reorganised a production line to reflect needs of older workers- and increased productivity by 7% in a year. * Ernst and Young maintain alumni networks as a recruitment source for older workers – 1 in 4 of their older recruits comes from this network. * Dutch company Achmea Holdings offers a number of benefits, including a health promotion programme which has significantly reduced instances of ill-health. * J Sainsbury has pioneered a flexible retirement scheme allowing employees to reduce their working hours, claim part of their pension while continuing to accrue further pension entitlements for when they fully retire.   Efforts of employers “must be supported by a long term national strategy which creates a sustainable framework for interventions”. | |
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