



Extending working lives: a provocation

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Executive summary

This Provocation examines the current context of work in later life and outlines the potential for innovative approaches to support efforts to extend working lives.

If the UK is to meet the costs of an ageing society, we need to ensure that individuals are enabled to work for longer. Raising the state pension age is not enough, we also need to raise the UK's effective retirement age. At present many people retire before state pension age. Many of those who retire early will not wish to do so, and these individuals should be allowed to maintain a sense of purpose, improve their economic stability and maintain wellbeing through work in later life.

Current and previous governments have supported efforts to extend working lives, for example through the raising of the state pension age, but it is clear that further action is needed. With little potential for significant injections of public money, there is a need for innovations in the labour market to drive efforts to extend working lives.

Whilst there are a number of barriers to working longer, current technological and organisational change, and a growing awareness of age-related issues also create opportunities for new approaches, and some employers are already responding to these with innovative schemes. In this report we explore some of the barriers and showcase innovations from around the world.

The key areas we explore are outlined below.

Aspect of work	Barrier	Opportunity
Nature of work	The end of steady jobs for life Difficulty with job transitions	Less physically demanding work Improving access to flexible working options
Skills	High skills economy Skills obsolescence	Increasing recognition of skill shortages
Attitudes to older workers	Ageist attitudes and barriers	Ban on age discrimination
Attitudes to retirement	Idea of a "right to retire" Inflexible retirement policies	Rise of "active ageing" and gradual retirement
Health	Ill-health in later life	Recognition of importance of health at work Increasing healthy life expectancy
Work life balance	Increase in caring responsibilities	Flexible working

Quality of work	Poor quality jobs	Less arduous jobs Increased focus on customer service
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Many older workers are keen to work for longer, and many of those who are still able to, wish to work beyond state pension age. However the cultural expectation of retirement at a particular age (around 60-65) is still very strong, and influences how older workers behave not just at the point of retirement, but also leading up to it. These cultural norms act as a break on innovation.

In addition a number of other key barriers to innovation exist, in particular a lack of clear funding or incentives for innovation, poor networks for spreading innovative practice, lack of information on older workers needs and desires, and an inflexible policy environment.

Crucial to encouraging further innovation will be ensuring that it is “user-led” – that is, driven by older workers themselves. There is also a need for strong leadership from Government, as well as action by business leaders, employers and individuals. In order to stimulate further innovation in the area of extending working lives, we recommend the following actions:

- **We must all act to change our attitudes to retirement and working longer:** Public attitudes and expectations around work in later life currently lag behind the reality of our improved longevity and our aged demographic profile. It is clear that we need to reframe our understanding of work as an important element of remaining active and purposeful in later life, and to encourage individuals to make choices throughout the lifecourse which will support their continued employment in later life. The Government can play a key role, here, in ensuring its stated ambitions around extending working lives are reflected in the entirety of its approach to ageing. If it expects others to do so, it too must eschew the separation of those of “working age” from “pensioners”, and instead ensure its policies support a more flexible transition between the two. But action will be needed across all sectors in order to achieve the necessary shift.
- **Employers must take the initiative in leading innovation:** Employers must respond to the realities of an ageing workforce and start preparing now. Those employers who are already taking steps to prepare for an ageing workforce must be encouraged to share their learning with others – and business umbrella groups could play a role here. In addition, tools like the AARP / TAEN Workplace Assessment Tool can help employers to understand the profile of their workforce and to develop appropriate solutions.
- **Older workers’ attitudes and aspirations must shape the agenda:** Employers should work with their older members of staff, allowing them to shape the agenda and develop solutions which will enable them to work longer. And we must support and enable older people who wish to act as social entrepreneurs in this arena, developing innovative programmes for others to utilise. Employers and policy makers should also draw on insights from the behavioural change agenda, for example in ensuring that older workers retain a sense of control of their work; advice is tailored to individual circumstances; peer-to-peer support is encouraged; and older people are supported so they better understand what they stand to lose by retiring early, and to assess their skills.

- **A strategic approach to employment in later life:** The Government can play a key role in ensuring that extending working lives is built into a wider strategic framework for an ageing society. It must clearly state the realities of population ageing and promote longer working, resisting the temptation in the current economic climate to focus only on the employment needs of younger people. It must ensure that policy in key areas such as pensions and benefits, education and health is assessed to ensure it supports working longer. And it must provide leadership in supporting interventions which prevent early exit from the labour market, such as building the evidence base around what works in prolonging good health in later life, and ensuring opportunities are available for people to update their skills throughout the lifecourse.

Introduction

The gap between effective retirement age and state pension age is a drag on the UK economy, which will be exacerbated further by population ageing.

Raising the state pension age will only minimise the economic impacts of ageing if it is accompanied by a lengthening of working lives. However for this to occur we need to create labour market conditions that allow an older workforce to emerge – and thrive.

This paper examines the current position of older workers and considers some of the barriers to extending working lives. It also suggests some areas of opportunity and, drawing on the learning from NESTA's Age Unlimited programme and other success stories, illustrates how innovative approaches can be used to capitalise on these.

In examining the way forward, this paper argues that further employer and user-led innovations are needed to support extended working lives. This is particularly the case as, in the current economic climate, it is unrealistic to expect there to be any significant injection of public money in this area.

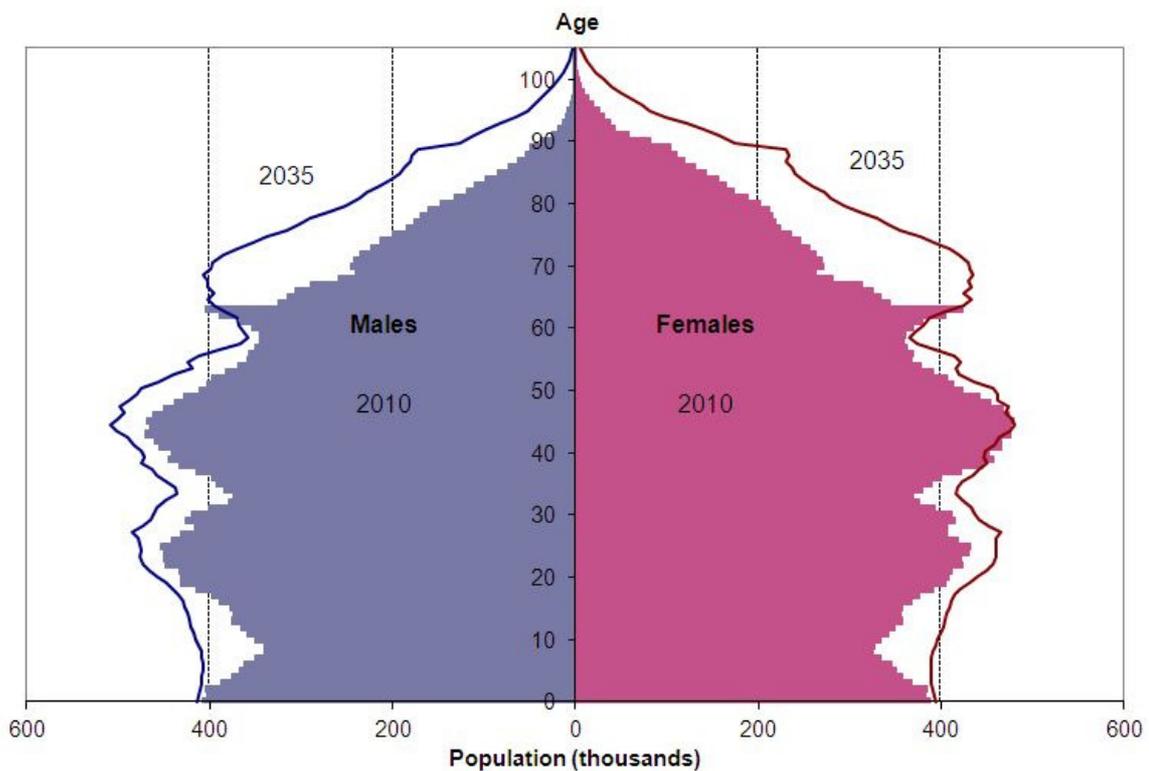
1: Background and context

1.1 The impact of ageing

The scale of population ageing in the UK is startling. One in four babies born today is expected to reach their 100th birthday and people aged over state pension age have outnumbered those aged under 16 since 2008.

Figure 1 UK population estimates and projections, 2010 compared with 2035 (thousands)

Estimated and projected age structure of the United Kingdom population, mid-2010 and mid-2035



Source: ONS, *Summary: UK Population Projected to Reach 70 Million by Mid-2027*, 2011.

As a result of increasing longevity and declining birth rates, the old-age dependency ratio (the ratio of people of working age to pensioners) has increased, and will continue to do so despite planned increases in state pension age.

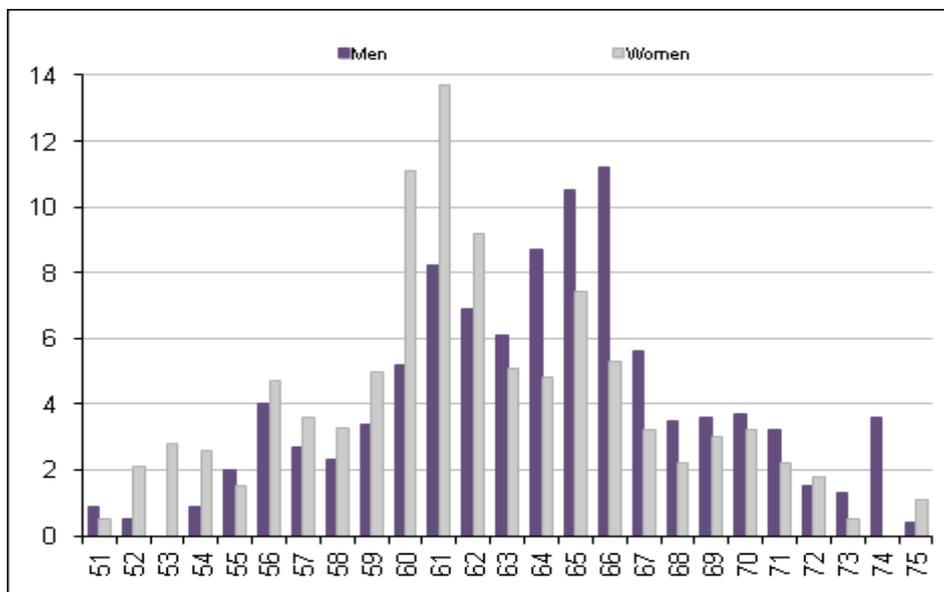
Extending working lives is seen as a way of mitigating the economic impacts of ageing to Government and to individuals which are expected to be large.¹ According to the Office for Budget Responsibility (OBR)², assuming no change to policy, Government will need to spend a larger share of national income on age-related spending, as public finances come under pressure from the ageing population. European-level estimates have suggested that age-related spending will reach 26.3% of the UK's GDP by 2061/62.³

1.2 Employment in later life and retirement

The main policy response to increased longevity has been an increase in the state pension age (SPA). Under current plans it will reach 68 by 2046, and this pace is likely to quicken as life expectancy continues to increase. Although not made law, the Pensions White Paper published in early 2013 lays out plans for a continual review of the increase of SPA, based on factors such as increases in healthy life expectancy⁴. Research by PwC projected 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.⁵ Elsewhere, the National Institute of Economic and Social Research have 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).⁶

However, increasing the state pension age, in itself, will not be sufficient to extend working lives, as many people leave the labour market well before state pension age (see figure 2).

Figure 2 Proportion leaving the labour market by gender and age, April-June 2012



Source: ONS, *Pension Trends – Chapter 4: The Labour Market and Retirement*, 2013.

The number of people working beyond the age of 65 is currently rising, but it remains extremely low. As table 3 shows, employment rates among those aged 50-64 are lower than for others of working age. And, whilst formal unemployment rates are also lower, the levels of economic inactivity are high.⁷

Table 3 Percentage of workers employed, unemployed or inactive, Dec 2012-Feb 2013

	Employed	Unemployed	Inactive
Men			
All aged 16-64	76.2	8.5	16.7
50-64	72.6	5.6	23.1
65+	12.6	2.1	87.1
Women			
All aged 16-64	66.6	7.5	28.0
50-64	61.6	4.0	35.8
65+	6.5	1.2	93.4

Source: ONS, 2013, *Labour market status by age*, May 2013. www.ons.gov.uk/ons/rel/lms/labour-market-statistics/may-2013/table-a05.xls N.B Figures are seasonally adjusted.

1.3 Policy context

A number of key policy areas impact heavily older people's employment and retirement decisions:

- **State pensions:** The State Pension is a key source of income for most pensioners.⁸ Therefore increasing the state pension age is likely to result in an increase in labour market withdrawal ages. Increases up to the age of 68 are already legislated for, with plans for further increases laid out in the 2013 White Paper.
- **Occupational Pensions:** The introduction of automatic enrolment gives millions of people access to occupational pensions, and the potential for improved retirement income – which may reduce the economic necessity to work longer for some. However the fact that most people will be enrolled in a defined contribution pension schemes may incentivise longer working as few will be able to achieve decent pensions if they retire early and most people will find they are able to invest more later in their careers, and may wish to stay in work to build their pension pots.
- **The benefits system:** Both those above and below the state pension age can often find eligibility criteria for benefits militate against taking up short term, part time job opportunities. The Government is making efforts to address this, through the introduction of Universal Credit, but particular care will be needed to ensure that all older workers, including, for example, older carers who may only be able to take on very limited amounts of work, (see *Slivers-of-Time* below) are better off working.
- **Age Discrimination legislation:** Age discrimination continues to act as a barrier to older people's employment, despite it being illegal in relation to recruitment, promotion, retention and training since 2006. However hopes are high that the abolition of the "default retirement

age” of 65, which has brought an end to the forced retirement of older workers, will act as a catalyst to changing attitudes to older workers.

- **Advice on working longer:** The Government has funded a number of initiatives to support older workers and their employers, including: the Age Positive programme, which gathered evidence on extending working lives and provides guidance on age issues in the workplace; the 50 Plus Works website (provided by TAEN and supported by DWP and the European Social Fund), which supports efforts to help older people into employment; and advice and information to employees through ACAS and the Directgov website. The Department for Work and Pensions has also produced guidance for employers to support older workers⁹.
- **Lifelong learning:** Governments of all colours have acknowledged the importance lifelong learning, but there are still relatively few state-funded opportunities for older adults to learn. Budgets for informal Adult and Community Learning have been cut and Adult Learning Grants were criticised by stakeholders such as Age UK and TAEN for being too focused on formal qualifications, and for failing to recognise older workers’ need for more flexible, bitesize learning opportunities. The Train to Gain initiative, which was designed to meet the perceived need for more on-the-job training¹⁰, has been abolished.
- **Careers guidance for older people:** The previous Government introduced a number of initiatives aimed at increasing access to careers guidance for older people, which have now been amalgamated into the all-age National Careers service.
- **Support for healthy lifestyles:** In recent years there has been increased acknowledgement of the need for a preventative approach to health services. Dame Carol Black’s report on health at work brought renewed focus on the role of employers in promoting health, and new structures for public health and well-being are proposed as part of the Government’s NHS reform agenda. Enabling individuals to make choices which will support healthy ageing should be a key focus in these efforts.

1.4 Changing behaviour

Extending working lives will require individuals to change their behaviour in two key areas:

1. Delaying the decision to retire
2. Acting earlier in life - for example to maintain good health, and keep skills up to date – to ensure we are well-equipped to work longer.

In recent years the Government has recognised the need to act deliberately to change individuals’ behaviour and choices, and has embraced behavioural change theory. This theory rests on the idea that individuals’ choices are not based on a rational assessment of their circumstances, but rather on systems of habitual behaviour which exhibit various traits and biases.

The key traits include:

Status quo bias: People tend to favour the status quo even when there is no evidence it benefits them. This is due to factors including inertia, familiarity, and aversion to complex and risky decisions.

Hyperbolic discounting: People tend to over-value the present and under-value the future (for instance, most people would rather be given £100 today than £110 next week).

Anchoring and availability heuristic: Anchoring means that people tend to decide in accordance with things they already know or have experienced. The availability heuristic leads to people over-estimating the importance of things for which they can think of relevant examples.

Social norms: People are influenced by the behaviour of others – such as in ‘herd mentality’, or through tradition and cultural expectations.

Choice architecture: Individual decisions are also influenced by the way choices are presented, including who gives us the options (the messengers), how relevant choices seem to our current lives (salience), and the images used, whether something is presented as good news or bad news, etc. (priming and framing).

These theories have already been applied in ageing policy – with auto-enrolment in pensions working with individuals’ status quo bias – and in employment policy, for example by Tarr and Riley, who applied behaviour change theories to proposals for supporting welfare-to-work customers.¹¹

A number of learnings from behavioural change theory are relevant to extending working lives, including:

- The need to tailor information and employment options to the individual recipient, and ensure they create a sense of ownership and choice.
- The value of communicating through peers with similar experiences and backgrounds.
- The importance of giving people control of their careers – so that they do not feel retiring is the only way to be in control.
- The need to address certain traits, such as the cultural expectation of retirement, the tendency to over-value the status quo, and the tendency to over-estimate the market value of one’s own skills and expertise.

2. Extending working lives: Barriers and opportunities

In this section we examine some key aspects of employment in later life (outlined below) recognising the barriers to older people's employment and identifying opportunities for extending working lives.

Aspect of work	Barriers to working longer	Opportunities for older workers
Nature of work	The end of 'jobs for life' Difficulty with job transitions	Fewer jobs which rely on physical strength More short term and flexible job opportunities
Skills	New skill requirements (for example, ICT) Skills obsolescence	Increased recognition of skill shortages Increased appreciation of older people's 'soft' skills
Attitudes to older workers	Ageist attitudes and barriers	Ban on age discrimination
Attitudes to retirement	Idea of a "right to retire" Inflexible retirement policies	Increasing numbers who want to work longer Rise of "active ageing" and gradual retirement
Health	Living with long term conditions and disability in later life	Recognition of the importance of health at work Increasing healthy life expectancy
Work life balance	Increase in caring responsibilities	Flexible working policies
Quality of work	Poor quality jobs	New flexible job options Opportunities for self-employment

2.1 The nature of work

Barriers

The UK economy has undergone a period of considerable change during the working lives of many older people:

- There has been a decline in the number of traditional manual roles available, and growth in areas such as customer service and Information and Communication Technology (ICT), leaving many older former manual workers forced to enter new job markets in later life.
- Organisations and jobs tend to be less stable, leading to a more mobile workforce, and employers placing greater emphasis on new ideas of fresh thinking, than loyalty and lifelong skills.
- The growth in employer requirements for ICT skills¹², has left some older workers, and particularly those seeking to rejoin the labour market in later life (for example following a period providing care), in need of new training.
- Career structures have changed - with the end of the “job for life” – leaving older workers facing multiple job transitions in later life¹³.

For many older people the simple reality of having to change jobs more often can become a barrier to employment.

- Research by the Employers Forum on Age found that the length of time between career transitions increases with age¹⁴. The study found many older workers were not motivated to seek change, allowing themselves to become stale, leading to loss of skills and often attitudinal problems.
- The recruitment process can act as a barrier to older people, with ageist practices continuing despite the legislation – including the subtle exclusion of older workers due to employer assumptions about what kind of age profile suits particular roles, the use of requirements for formal qualifications which effectively bar some older workers, and concerns that some employers are making their disability and health requirements more stringent to weed out older workers.

Opportunities

Whilst changes to the nature of work present some challenges for older workers, they also open up a number of opportunities. The increase in the number of jobs available in non-manual sectors means the new economy is based around less physically-demanding forms of labour, which may better suit older workers. Furthermore, qualitative research shows that some employers are increasingly positive about older workers¹⁵, and some are taking a proactive approach to recruiting older people.

In addition, our fast-paced job economy, with fewer jobs for life and more short term work opportunities, increases access to more flexible and self-directed forms of work which may particularly suit people in later life, giving them more control of their working lives, and helping them to combine work with leisure or caring responsibilities.

Domestic and General encourage older applicants through tailored recruitment materials

Domestic and General – which provides service contracts for domestic electrical equipment - employs around 700 people in its Nottingham call centre. It is very positive about its older staff, and actively seeks to recruit older people into its workforce.

Human Resources Manager Tracy Burrell said *'Older advisors not only have good attendance records and can mentor younger colleagues, but also empathise with customers'*.

To support recruitment it often uses song titles and lyrics as “strap lines”, such as *'Baby it's cold outside'* and *'Talking about my generation'*, and advertises on radio stations most likely to have an older audience. It also employs age ambassadors at recruitment fairs, and briefs recruitment agencies to 'meet and beat' a 10 per cent target for mature workers.

Source: EHRC (2009) *Working Better: A Manager's Guide to Flexible Working* (EHRC), available at www.equalityhumanrights.com/advice-and-guidance/here-for-business/working-better/working-better-a-managers-guide-to-flexible-working/; Hilpern, K (2009) *Age Matters in a Downturn* (EFA/TAEN).

'Slivers-of-Time' can help match up employers with older workers looking for flexible, short term roles

Slivers-of-Time Ltd have created an online trading mechanism for short chunks of labour time – seeking to match employer demand for short term flexible workers, with huge amounts of under-mobilised labour.

'There are millions of people who need to work in a fragmented way', says Wingham Rowan, founder of Slivers-of-Time. *'Some of these people are real assets but they can be excluded from the labour market'*.

The scheme is already used by a number of employers including:

- Tesco - to allow staff to sign up for overtime.
- Newham Council - to bring in temporary workers in areas including market research, cleaning, archiving and administrative work.
- Local authorities in Hertfordshire and Hounslow – who have worked with NESTA to use Slivers-of-Time to pair volunteers with social care users in need of additional, low-level support.

Source: Equality Law (2010) 'Government backs Tesco-style system of working "slivers of time"', available at www.equalitylaw.co.uk/news/272/66/Government-backs-Tesco-style-system-of-working-slivers-of-time/; Local Government Improvement and Development (2006) 'No time to waste: the "Slivers-of-Time" programme', available at www.idea.gov.uk/idk/core/page.do?pagelId=5429592; Rowan, W (2010) *Could Online Marketplaces Tackle Poverty?* (JRF), available at www.slivers.com/jrf_paper.html; Watt, N (2010) 'Welfare reform: government backs system of working in "slivers of time"', in *The Guardian*, Monday 15 November, available at www.guardian.co.uk/politics/2010/nov/14/welfare-reform-working-slivers-of-time; Wood, Z (2010) 'Tesco launches four-hour shift system', in *The Guardian*, Monday 15 November, available at www.guardian.co.uk/business/2010/nov/14/tesco-four-hour-shift-system; Interview with Claire Madden, Business Development Manager, Slivers of Time

2.2 Skills

Barriers

Many older workers find that over time their skills become less valued, or obsolete. This can impact career progression in later life, and make it hard for older people to find work. Older workers who have spent a lifetime in manual roles can find skill shortages to be a particular issue, as they struggle to transition to less physically demanding roles.

Ongoing training and education is the obvious solution, but at present training rates among employees decline with age, despite the fact that nearly half of those aged 50-75 employed in less than ideal jobs report that further training would improve their experience of work.¹⁶ Whilst some attribute this decline to age discrimination, research shows that attitudinal barriers amongst older people may also be a factor. For example, research into the low take up of the Work Based Learning for Adults (WBLA), which provides training to unemployed adults through the JobCentre Plus, amongst those aged 50 and over found a perception among older people that they are 'too old' to re-train, and disappointment with the training options available.¹⁷

Furthermore very few older workers say that training and learning opportunities would persuade them to extend their working lives beyond state pension age, and many older workers have reservations regarding undertaking new qualifications.¹⁸

Opportunities

Whilst older people may struggle to access training, there are increasing signs that older people's existing skills are more highly valued by employers. As the economy has become more service-orientated, firms are more customer-focused, which creates opportunities for older workers whose skills in this area are increasingly recognised.

Research on older people working in McDonald's restaurants found that they brought strong customer service skills and had a positive impact on younger colleagues

Lancaster University Management School (LUMS) recently undertook research into the impact of an older workforce on customers' experience of McDonald's restaurants in the UK. 413 restaurants were examined; 178 with at least one employee aged 60 or over, and 239 with no employee aged over 50. Researchers also surveyed 148 restaurant managers.

The research's key finding was that customer satisfaction levels were on average 20 per cent higher in restaurants with employees aged 60 or over. In the managers' survey, 68 per cent said older workers empathise with and connect well with customers. 47 per cent cited older workers' willingness to go 'the extra mile' to satisfy customers, and 44 per cent believed older workers brought mentoring skills into the workplace, therefore benefiting younger colleagues.

Source: Employers Forum on Age (2010b) 'McDonald's research', available at www.efa.org.uk/pages/mcdonalds-research.html;
Fairhurst, D (2010) 'Creating trust-based HRM at McDonald's', LUMS website, available at www.lums.lancs.ac.uk/media/view/fairhursttrust; Personal correspondence with Dr Shashi Balain, LUMS

In addition, as companies increasingly report concerns over finding sufficiently skilled employees among younger cohorts, older workers with existing skills become more valuable not just as employees, but also mentors of the next generation.

Recognising the fact that its workforce was ageing, the Ryobi Techno Corporation restructured its production line processes to ensure it did not lose workers' key skills

In the 1990s Ryobi Techno Corporation – a plastics manufacturing company in Japan – began to feel the pressures of an ageing workforce. In response it introduced a number of initiatives – such as flexible working beyond the normal retirement age of 60 – and took steps to restructure its workforce.

The company recognised that most of the tasks performed on its shop floor were complex and difficult to master, and were typically learned by copying others rather than through manuals and training. It was therefore extremely difficult to retain knowledge in the company when employees left.

In response Ryobi divided all of the procedures in its production line into 'simple' and 'technical' processes and moved to a system of training all employees in the simple procedures, whilst rewarding those proficient in technical tasks.

This meant that fewer skills were lost when employees left, and created opportunities for older workers to alter their work as they grew older.

Source: Morioka, S (2008) *Living Longer, Working Longer: A Japanese Perspective* (ILC-Japan).

The police service's 30+ scheme helps to ensure the service retains the soft skills of older officers

Soft skills, developed through experience, are particularly important to the policing profession, but these are often lost due to the force's retirement age of 55.

In response the police service operates the 30+ scheme, administered centrally by the National Policing Improvement Agency, through which any officer with at least 30 years' service is able to apply to stay on beyond 55.

The scheme helps to ease recruitment shortfalls and bulges, but also allows the organisation to retain key skills and maintain the continuity of certain operations.

Source: NPJA (2010) 'New 30+ PLUS Retention Scheme', available at www.npia.police.uk/en/9728.htm

2.3 Attitudes to older workers

Barriers

Age discrimination continues to be a barrier to people working longer. Some older people face overt age discrimination, for example in recruitment, in access to training and career development, and in being forced to retire. However arguably much more prevalent and pernicious are ageist attitudes which create an atmosphere which is alienating to older workers. Also problematic is the tendency for employers to believe that the only requirement of age equality law is that they remain “age blind” – which can mean some of the specific issues which older people face are overlooked.¹⁹

Opportunities

Clearly the ban on age discrimination holds the potential to address some of these issues. In implementing the legislation, employers and employees have an opportunity to work together to identify remaining age discriminatory practices and to eradicate them, and to put in place best practice around age equality in the workplace.

Some employers are already taking a proactive approach to age legislation, and age equality, are implementing new schemes based around concepts such as “age management”.

The WorkAge programme is supporting employers and individuals to adapt to an ageing workforce

The WorkAge programme is run by York College, and supported by NESTA, the European Social Fund, and others, to support employers and individuals in the Yorkshire and Humber region.

WorkAge helps employers to recognise their organisations’ likely future needs and to bring in effective age management processes. The scheme offers guidance on issues from recruitment and training, to workplace mentoring and performance appraisal.

Some firms seek support from WorkAge to address skills gaps or improve their image by attracting older workers; others are experiencing restructuring and want to help their staff to feel valued in their final period with the company. Often firms want to capture and retain the expertise of older workers, and hope that age management will help them to retain both personnel and knowledge.

WorkAge also works with individuals to build confidence, in particular supporting them to recognise transferable skills and identify skills gained outside their working lives.

Source: Interview with Sue Newton-Brown, Project Manager (Equality and Diversity), York College.

2.4 Attitudes to retirement

2.4.1 Employees

Barriers

As discussed above, older people's own attitudes can act as a barrier to extending working lives. The idea of a period of leisure in later life is strongly ingrained in our culture, and creates resistance to working longer.

Professor Sarah Harper argues that retirement was originally thought of as a 'rest' towards the end of life, and then came to be seen as a 'reward' for a lifetime of toil, and has now developed into a 'right' to freedom from work in later life.²⁰ This leads people to see efforts to encourage later working as a threat to their rights rather than a way of improving their economic position and wider wellbeing.²¹

Similarly the tendency to underestimate our life expectancies impacts efforts to extend working lives, as research has shown that people who expect to live longer tend to retire later, and vice versa.²²

Opportunities

Whilst there are clearly some psychological barriers to working longer, there is also evidence that many older people *do* want to continue working in later life, including beyond state pension age. In 2010 NESTA surveyed over 13,000 SAGA readers aged 50 or over and found that:

- One in three readers aged 50 or over wanted to work beyond state pension age.
- Of this group, 61 per cent wanted to work for financial reasons; 59 per cent said that work would help them to retain an active mind; and 50 per cent said work was enjoyable.
- 60 per cent of those aged 50 or over believe there is not enough support available for working in later life.

Research has shown that people's willingness to work longer depends on them having more control over when and how they work – supporting the insights from behavioural change theory. Furthermore, those who feel 'pushed' out of work in later life (due to health problems and organisational change, as well as formal redundancy) suffer not only financial but also psychological problems as a result.²³ This suggests that giving people control over their careers in later life will be crucial.

Also important will be the provision of relevant role models, and the development of short term incentives to working longer, as a means of changing attitudes.

The University of Central Lancashire’s “Fresh Steps” programme gives older workers a chance to take stock and plan their later working lives more effectively

With around two in five employees aged 50 or over, University of Central Lancashire (UCLan) wanted to ensure it was getting the most out of its older workers.

In conjunction with the Springboard Consultancy, and older employees, UCLan has developed the ‘Fresh Steps’ programme, which encourages a ‘whole-of-life’ approach to career development.

The programme is based around workshops which consider issues such as dealing with change, being fit for life, and planning future goals for work, and in between participants are encouraged to choose areas of their life and work to explore further including training and employment needs as well as personal issues, such as health.

By helping individuals to assess for themselves how their career is developing, participants in Fresh Steps often take steps such as shifting to flexible working.

Peer-based learning is central to the programme and often the most positive outcome for individuals is the knowledge that others have had similar experiences. The scheme also helps to establish workplace networks for ongoing support.

As well as encouraging workers to think about their training needs, Fresh Steps also helps people recognise their existing skills and expertise.

Source: Interview with Wilma Butterworth, Staff Development Manager, UCLan

Whilst individual attitudes vary, the growing currency of concepts such as ‘gradual retirement’ and ‘active ageing’ in public discourse, suggest an increasing awareness among baby boomers that later life encompasses continued contribution to the economy.

For those older people who are out of work, but seeking a way back into employment in later life, providing experiences of work to boost confidence and help identify transferable skills can be crucial. Behavioural change theory emphasises the importance of relevant experience as a key influence on people’s decisions, and therefore for some older people undertaking work-related activity such as volunteering can provide a useful way of reconnecting with the labour market.

Volunteering initiatives can provide a helpful way for older people to gain confidence to re-enter the workplace, and can also help individuals transition from work to retirement

Volunteering can be a key route back into work for many older people, and can be a welcome addition to later life for those already in work.

The Third Age Volunteer Programme, which is part of NESTA's Age Unlimited scheme, seeks to unlock the social capital of older people that have experienced redundancy by offering time-limited volunteering roles within third sector organisations. And the Prescribing Volunteering scheme uses GP practices to 'prescribe' volunteering opportunities to people leaving the labour market at risk of health and well-being deterioration.

In the private sector, telecommunications company BT offers employees the opportunity to volunteer in local communities. Its 'Helping hands' programme, which encourages employees to take up voluntary work, is one of five flexible retirement options offered by BT (the other four are 'wind down', 'step down', 'ease down', and 'time out').

Source: Age Positive (2002) *Flexible Retirement: A Snapshot of Large Employers' Initiatives - Summary of Research Findings*, available at research.dwp.gov.uk/asd/asd5/rports2005-2006/agepos25.pdf

2.4.2 Employers

Barriers

Research by NatGen for the DWP²⁴ has shown that employers' retirement policies have a significant impact on individuals' experience of retirement. Clear retirement policies, accompanied by information and guidance, lead to the most positive experiences, minimise perceptions of age discrimination, and give employees a sense of ownership over the retirement process. However, where individuals are less equipped to make their own decisions about retirement, motivation to work beyond normal retirement age or state pension age is reduced.

Positive attitudes to managing the retirement process can support older workers to remain in employment for longer. However unfortunately there is little systematic thinking among many large employers about flexible retirement – in fact in discussions some worried that the practice could be construed as discriminatory against older workers. Furthermore in many companies that do have policies on working longer, there can be a discrepancy between corporate policy on age management and actual practice by junior and middle managers. In addition smaller workplaces are much less likely to have flexible retirement policies – although this is often because they have no retirement policy at all.²⁵

Opportunities

However amongst employers who are taking steps to consider the place of older people in their workforce, more are now offering flexible options for retirement. In addition, Sarah Vickerstaff's qualitative research among near-retirees or newly-retired individuals across three large employers

found strong support for gradual retirement²⁶, suggesting that further efforts in this area would bear fruit.

J Sainsbury has introduced a flexible “window” of retirement, allowing workers to combine work and drawing a pension in later life, with positive results for employee retention

J Sainsbury has a positive approach to flexible working and seeks to accommodate those with caring responsibilities through family friendly policies, parental leave, career breaks, etc. Since 1998, the company has also sought to pioneer ‘flexible retirement’.

Previously, J Sainsbury offered a ‘final salary’ pension scheme with a normal retirement age of 65, but they now offer a ‘25-year window’ for retirement between the ages of 50 and 75. Within the window, employees can reduce their working hours and claim part of their pension – while continuing to accrue further pension entitlements due when they retire in full.

The policy is promoted widely, and has been used by senior managers as they approach retirement. As a result of the policy, J Sainsbury retains older employees in greater numbers, so that the business benefits from their skills and experience.

Source: Cranfield University School of Management (2010) *Change at Any Age* (EFA); Employers Forum on Age (2002) *Flexible Retirement: a Snapshot of Large Employers’ Initiatives* (Age Positive)

Achmea Holdings offers employees to accrue credit earlier in their careers so they can “step down” their hours in later life

Achmea is a large Dutch financial services company. In 2004 around 28 per cent of its workforce was aged 45 or over.

Achmea offers a number of benefits to older workers including career guidance every five years to workers aged over 45; 10 days of paid study leave to all staff over 40; and a health promotion programme which has significantly reduced instances of ill-health.

In addition it has introduced new processes for flexible working and improving work-life balance later in life, whereby employees over 50 are not obliged to work overtime, and workers can use time “saved” earlier in their career (through doing overtime or not taking holidays) to reduce their normal working week from 38 to 34 hours later in their careers. Employees aged over 57 are able to reduce their weekly working hours by 20 per cent.

Source: Eurofound (2005) ‘Achmea, the Netherlands: flexible working practices, training and development, health and well-being, exit policy’, available at www.eurofound.europa.eu/areas/populationandsociety/cases/nl007.htm

Other employers are taking steps to “future proof” their employment practices in order to prepare for population ageing. Some have adopted a formal “age management” approach to their workforces – that is, a holistic approach to learning and development, occupational health, work design and economics, and career planning, etc., designed to support transitions to later life.²⁷

BMW has acted to “future proof” its employment practices in recognition of its ageing workforce

BMW's 'Today for Tomorrow' programme was introduced in response to projections that one third of the group's workforce will be aged over 50 by 2015. It introduced new measures in key fields including: health management; qualifications and training; the work environment; retirement models; and change management.

BMW's health programme focused on ergonomics and exercise, cancer prevention, disability management and a 'forum health initiative' which offered health checks to employees. The company also provided guidance on diet and obesity.

The company offers training to employees of all ages, and supports intergenerational learning through which younger workers draw upon the experiences of older workers, key skills. It also introduced apprenticeship programmes specifically for older workers, which are completed in 60 per cent of the time taken by younger workers in equivalent schemes – a fact attributed to the additional life experience and motivation of many older apprentices.

BMW has also sought to prepare its production processes for an ageing workforce. In 2007 a plant in Bavaria reorganised one of its production lines in accordance with projections for its 2017 workforce – the line was staffed with older workers and changes were made including better occupational health procedures, part-time and flexible working, and by transforming the work environment through new equipment and attention to ergonomics. The scheme cost around €40,000 but increased productivity by 7 per cent in a year. Absenteeism dropped to below the plant's average, and the line's defect rate fell to zero, significantly cutting waste.

Source: The Economist, (2006) 'Turning boomers into boomerangs', *The Economist*, 16 February 2006, available at www.economist.com/node/5519033?story_id=5519033; Eurofound (2006) 'BMW Group, Germany: comprehensive approach', available at www.eurofound.europa.eu/areas/populationandsociety/cases/de020.htm.; Hope, K (2005) 'Older staff train faster at BMW', *People Management*, October 2005, available at www.peoplemanagement.co.uk/pm/articles/2005/10/olderstafftrainfaster.htm; Loch, C, Sting, F, Bauer, N & Mauermann, H (2010) 'How BMW is defusing the demographic time bomb', *Harvard Business Review*, March 2010.; Roth, R (2010) 'How BMW deals with an ageing workforce', *CBS News*, 5 September 2010, available at www.cbsnews.com/stories/2010/09/05/sunday/main6837469.shtml

2.5 Health

Barriers

As the population ages there will be more and more individuals living with long term conditions and disabilities. However at present ill-health is a factor in many early retirements.²⁸ Addressing the interaction of ill-health and work will therefore be vital to extending working lives.

Research in 2009, for the Equality and Human Rights Commission²⁹, found that older workers with health problems had a worse experience of work in several regards, as table 4 shows.

Table 4 Experience of work for employees aged 50-75 by health status

	Percentages		
	Very good health	Good health	Fair/poor health
Journey to work tiring	16	18	24
Often get tired to work	28	32	45
Don't feel strong enough	15	24	32
Often under a lot of stress	37	40	45
Expected to work for long hours	33	30	34
Good relationship with manager – able to talk about work problems	85	84	68
Would accept voluntary redundancy	33	32	45
Plan to retire before state pension age	21	19	22

Source: Smeaton et al (2009)

As well as health impacting on work, work also impacts health. Physically demanding jobs can exacerbate health conditions, and workplace stress remains a cause for concern.³⁰

However, at present efforts to improve workplace health are fragmented, and too little is done to support those living with long term conditions to continue working.

Opportunities

More positively, however, there is some evidence that remaining in work, or re-entering work in later life, is good for your health, due in part to its role in keeping people active and maintaining their social connections³¹.

In addition, the potential rewards from more effective intervention in workplace health are significant. The estimated benefit to the economy of stronger work-based preventative health measures is £60 billion, or around two-thirds of the current NHS budget.³²

With the replacement of Incapacity Benefit with Employment Support Allowance, and the drive to encourage more people with disabilities into work, there is now new focus on the need for employers to accommodate the additional requirements of disabled people.

In addition, the Government's continued emphasis on the role of employers in promoting health at work, and the new arrangements for public health introduced as part of the NHS reforms, offer the potential to bring new action in this area.

Health bodies in Atlanta have embraced ergonomics in order to ensure older nurses can continue to work

In the United States, fewer than 10 per cent of nurses are under 30, and the average age of nurses was projected to reach 45 in 2010.

In recognition of the need to keep its older nurses healthy for longer, the Atlanta Veterans Affairs Medical Centre (AVAMC), and other veterans affairs hospitals in Atlanta began an ergonomic education campaign, highlighting proper body mechanics, team lifting and slide techniques. It introduced a no-lift policy for nurses, and new equipment such as specialised stretchers with sliding devices to help patients in and out of bed, and beds that convert to wheelchairs were purchased.

The scheme has made a real difference leading, for example, to an immediate fall in the amount of lost labour time.

Source: Gearon, C (2003) 'Body politic' in *Hospital and Health Networks*, July 2003, available at www.hhnmag.com/hhnmag_app/jsp/articledisplay.jsp?dcrpath=AHA/PubsNewsArticle/data/0307HHN_InBox_BodyPolitic&domain=HHNMAG

Indeed there are signs that more employers are embracing the need to respond to the health needs of an older workforce. For example, in 2010 a large proportion of the winners of AARP's International Innovative Employer Awards offered preventative health measures, and work adaptations to mitigate health conditions.

Guernsey Post has introduced measures to identify and respond to health issues amongst its older workers

In 2010, Guernsey Post became the smallest ever company to win an AARP International Innovative Employer Award, in recognition of the support it provides to its employees as they approach retirement.

Flexible working arrangements and opportunities for part-time working enable older employees to retire gradually by incrementally reducing their working hours, as well as assisting those with caring responsibilities. And attendance policy backed up by occupational health services enables health problems to be identified and tackled at an early stage, preventing early employment exits.

Many of Guernsey Post's older employees suffer from musculoskeletal problems after many years of physically demanding work. In response Guernsey Post offer a scheme whereby older people can transfer into 'indoor jobs' as they reach the end of their career.

The company also offers pre-retirement training, in areas including tax, pensions, well-being, benefits, managing finances and working beyond retirement.

The company has no fixed retirement age and at age 65 it asks employees if they wish to continue working – with those who wish to work having their contracts renewed on an annual basis.

Source: AARP (2010a) 'Guernsey Post Ltd', available at www.aarp.org/work/employee-benefits/info-11-2010/guernsey_post_limited.html. ; Batchelor, C (2010) 'Age and the workplace', *Financial Times*, 25 November 2010, available at <http://media.ft.com/cms/fa6ffbae-f695-11df-b434-00144feab49a.pdf> (2003) 'Body politic' in *Hospital and Health Networks*, July 2003, available at www.hhnmag.com/hhnmag_app/jsp/articledisplay.jsp?dcrpath=AHA/PubsNewsArticle/data/0307HHN_InBox_BodyPolitic&domain=HHNMAG

2.6 Work life balance

Barriers

Older people with informal care responsibilities for adults often face significant difficulties in maintaining employment.³³

According to the NHS Information Centre, around 12 per cent of people in England (around 5 million) provide some informal care for adults with a disability or illness, with around half providing more than 20 hours per week of care. Those providing a high quantity of care are less likely to be in employment, and more likely to be older.³⁴ And those carers who are in employment are less likely to report that they are satisfied with the number of hours they work, the flexibility of their hours, and that that they have a good relationship with their manager.³⁵

Opportunities

Recent moves to extend the right to request flexible working have the potential to benefit some older carers. New models of flexible working are being developed which have the potential for even those with the most demanding caring responsibilities to undertake work.

In addition, as the number of workers who are also carers increase, employers are increasingly recognising the need to provide effective support to their employees.

The Working Carers Network involves employers and employees in efforts to help working carers to remain in employment

Managed by Employers for Carers and Carers UK, and supported by NESTA's Age Unlimited programme, the Working Carers Network is designed to support carers that are trying to juggle work and caring responsibilities. The service is designed around carers in their fifties and sixties, and aims to prevent premature labour market exits.

The network provides, and facilitates access to, workplace support – but also signposts carers to sources of external support – by providing online resources which are delivered through employers' existing communications systems. It also involves employers in maintaining and tailoring the resources available. Employees are a key part of the network, not just simply recipients, and peer-to-peer support is crucial to the success of the scheme.

The scheme has been piloted with the London Fire Brigade (LFB) with plans to make the network accessible to employees from any computer with internet access, to overcome the issues of lack of workplace internet access, and pressured working environment.

2.7 Quality of work

Barriers

Unfortunately, where jobs are available for older workers, they are often of low quality, with poor pay and conditions.

Research by Johannes Siegrist et al³⁶ found that poor job quality was strongly associated with a desire to retire early, independent of other factors affecting well-being. Furthermore, there is also evidence that poor employment conditions lead to self-reported ill-health.³⁷

It is therefore clear that a lack of quality jobs can act as a barrier to extending working lives.

Opportunities

Whilst the current economic climate creates challenges for job creation, it is clear that those employers who consider the quality of the jobs they offer will reap the rewards in terms of employee retention.

Some innovative employers are therefore already looking at how to create flexible programmes which help older workers into quality jobs.

Ernst and Young ensure they keep in touch with former employees so that some can be brought back to take on interesting projects

Ernst & Young, one of the world's 'big four' professional services firms, employing almost 150,000 people worldwide, uses its alumni network to keep in touch with former employees and to turn baby boomer leavers into 'boomerangs' – returning to the company following a time away.

Around one in four of the firm's mature recruits are drawn from the alumni network. And Helen Walsh, director of the network and herself a boomerang, told *The Economist* in 2006 that the scheme is particularly helpful in attracting women back into the workforce.

Source: The Economist (2006) 'Turning boomers into boomerangs', *The Economist*, 16 February 2006, available at www.economist.com/node/5519033?story_id=5519033

Self-employment may be another route to better quality jobs for older workers. Older workers are more likely than other age groups to be self-employed, partly because those in self-employment tend to retire later than employees, partly because self-employment offers the flexibility which is so valued by older workers, and also partly because entrepreneurs tend to have fewer pension entitlements.

Research for NESTA by Ron Botham and Andrew Graves³⁸ on businesses started by people aged 50-65 showed that many successful start-up companies are founded by older people. Older entrepreneurs are highly motivated, and more comfortable with taking risks. However, the huge majority of older entrepreneurs are under 60; just 5 per cent of businesses are founded by someone aged 60 or over. Furthermore, few older entrepreneurs are new to enterprise. Individuals are far more likely to start a business in later life if they already have experience of self-employment.³⁹

PRIME offers older people supporting in setting up their own businesses

The Prince's Initiative for Mature Enterprise (PRIME) seeks to help unemployed older people to move into self-employment, by removing some of the barriers to entrepreneurship.

PRIME offers free information, workshops and business networking events. It can refer people to accredited advisers for free business advice, and in some parts of the country can also offer free mentoring and other services.

Source: See www.primebusinessclub.com

3. Stimulating change

3.1 A market for innovation

As the case studies in the previous chapter show there are already 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.

In the current economic climate, large scale state interventions to extend working lives are unlikely, therefore, if we are to make progress in this area we must encourage further employer and employee driven innovations, and seek to maximise the impact of existing innovations.

But how do we do this? We need to stimulate a kind of “market” for innovation – both employers and employees need to perceive the need for change, to create demand for new ways to work longer, and we need a ready supply of innovative ideas for others to build on.

However, a number of barriers to innovation exist. Research conducted by Deloitte⁴⁰ identified several barriers to innovation in response to ageing generally, including:

- Limited funding for innovation.
- Poor or non-existing networks to transfer new approaches between sectors or localities.
- Inflexible planning, regulation and policy which constrain innovations.
- A lack of incentives for innovation.
- Patchy market data on what products and services older people want.

In addition a number of specific barriers to innovation in the area of extending working lives can be identified:

- The structure of the pensions system contributes to the idea of a cliff edge between work and retirement.
- The evidence of what works in preventing ill-health in later life is patchy which makes it hard for employers to know what to do.
- We still do not know enough about how individuals think about and plan for retirement over the lifecycle, and how retirement expectations relate to retirement realities.
- There is limited public funding for training for older workers, which will limit (particularly small) employers’ efforts to upskill their employees.⁴¹
- The economic climate is not conducive to creating new quality jobs.
- Social norms and ageist attitudes limit the demand for working longer among older people, and inhibit the supply of innovative solutions.
- Some employers believe that age discrimination legislation prevents them from providing bespoke support to older workers.

These barriers must be addressed if we are to move forward.

3.2 Overcoming the barriers

3.2.1 A user-centred approach

NESTA's work, through the Age Unlimited programme, has demonstrated some of the best ideas come from a "user-centred" approach to innovation as individuals know best what changes are needed to enable them to work longer.

Every workplace is different, and older workers have different experiences, outlooks and ambitions.⁴² Working with older people offers the best opportunity to ensure new programmes and initiatives are effective.

Hansgrohe AG's older worker programme is led by the workers themselves

German bathroom company Hansgrohe AG's older worker programme "Project MUMM" is based on a user-centred approach.

The company holds an annual MUMM Welcome meeting for all employees who have recently reached the age of 50, where they are encouraged to present ideas to senior management on the kind of support that will help them to remain in the workplace.

Alternative working arrangements proved to be a popular subject among the company's 50 year-olds – leading the company to augment its flexible working policy, by introducing individualised break schedules and sabbaticals.

Source: AARP (2010b) 'Hansgrohe AG', available at www.aarp.org/work/employee-benefits/info-11-2010/hansgrohe_ag.html; Batchelor, C (2010) 'Age and the workplace', *Financial Times*, 25 November 2010, available at <http://media.ft.com/cms/fa6ffbae-f695-11df-b434-00144feab49a.pdf>

However to ensure all older people are engaged with these efforts we need to overcome the barriers created by the perception of a 'right to retire', and to demonstrate that work can be an important aspect of living well in later life. We will also need to support people to make different choices earlier in the lifecourse to prevent problems such as skills obsolescence or ill-health becoming barriers to working later in life.

3.2.2 The need for leadership

Whilst innovations can often be driven by individuals and their employers working in the particular contexts of their own workplaces, if these efforts are to have scalability and wider impact, leadership will be needed. Employers' efforts must be supported by a long term national strategy which creates a sustainable framework for interventions.

The Government is clearly best placed to drive behavioural change in retirement and to address attitudes and cultural norms. It also holds other key public policy levers from pensions to lifelong learning.

A key area for Government leadership is developing the evidence base on maintaining good health in later life, and we must capitalise on the new public health structures, as part of NHS reforms, to ensure that the needs of older workers are to the fore.

We also need to develop a better understanding of older people's wishes and attitudes to retirement. Initiatives such as the workforce assessment tool (see below) can help with this in the individual workplace, but central efforts are needed to aggregate this data.

The TAEN/AARP Workforce Assessment Tool helps employers understand their ageing workforce

The American organisation AARP has developed a free 'workforce assessment tool', to support businesses in planning for current and future workforce needs, which has recently been redeveloped for the UK by TAEN.

The assessment consists of around 80 questions on employee age demographics, potential skills shortages, knowledge retention, flexible working options, training and development opportunities, financial and health benefits, the physical work environment, good working environment, and recruitment policies and practices. It takes employers around 30 minutes to complete.

The survey generates a report which enables employers to:

- assess how retiring workers will affect their organisation
- address skills shortage challenges due to staff attrition
- create a work environment that attracts qualified workers of all ages
- manage a multi-generation workforce
- provide an inventory of workplace strengths that can be used to enhance the company's brand.

Source: AARP (2008) *AARP Workforce Assessment Tool* (AARP), available at www.prci.com/images/Workforce%20Assessment%20Tool%20Flyer%2004-11-08.pdf; TAEN (2010) *AARP Workforce Assessment Tool* (TAEN/AARP), available at www.taen.org.uk/uploads/resources/116-TAE-AARPLaeflet_03_web.pdf

Equally, a lifecourse approach to behavioural change requires greater knowledge of the experiences and attitudes of younger people towards ageing, their career plans and retirement expectations.

Conclusion and recommendations

In an ageing society, extending working lives is crucial. However, new approaches are needed to make working longer more possible and attractive to employees, and to give employers new ways of supporting older workers.

Whilst a number of barriers to working longer remain, innovative employers have implemented measures which circumvent or mitigate these barriers. These success stories provide a platform for future progress, but now they must be communicated and replicated.

It is clear that employers, employees and Government must work together to build and test new models of working for older people. These must be flexible, they must build on older people's insights, and should capitalise on the assets of older population including their experience and skills. It will also be important, as we move forward, to ensure that new ways of working are available across all sectors and sizes of employer, and are not just the preserve of a few.

However, in order to overcome the barriers to such innovation, identified in section 3.1, action will be needed in the following key areas:

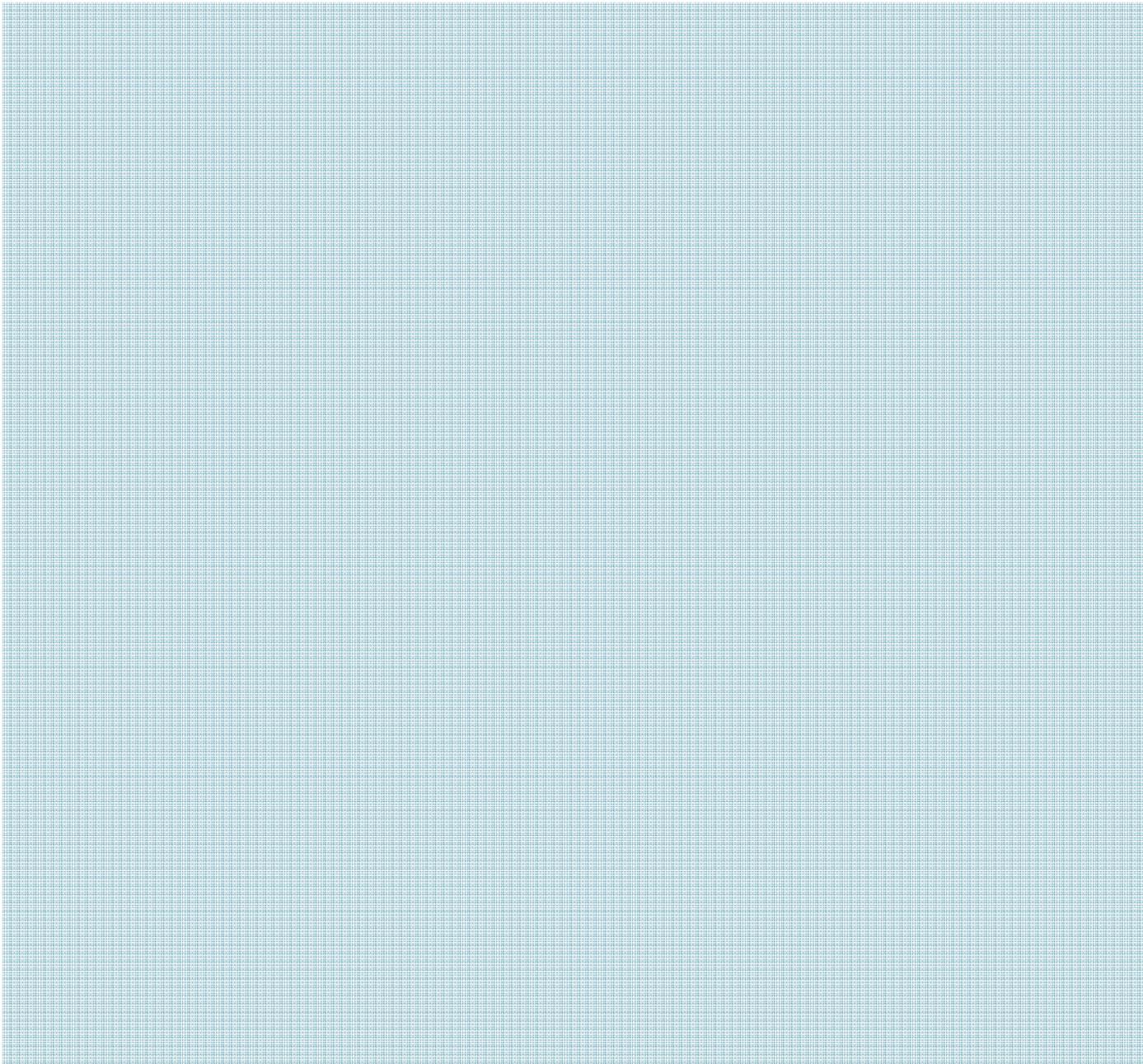
- **We must all act to change our attitudes to retirement and working longer:** Public attitudes and expectations around work in later life currently lag behind the reality of our improved longevity and our aged demographic profile. It is clear that we need to reframe our understanding of work as an important element of remaining active and purposeful in later life, and to encourage individuals to make choices throughout the lifecourse which will support their continued employment in later life. The Government can play a key role, here, in ensuring its stated ambitions around extending working lives are reflected in the entirety of its approach to ageing. If it expects others to do so, it too must eschew the separation of those of “working age” from “pensioners”, and instead ensure its policies support a more flexible transition between the two. But action will be needed across all sectors in order to achieve the necessary shift.
- **Employers must take the initiative in leading innovation:** Employers must respond to the realities of an ageing workforce and start preparing now. Those employers who are already taking steps to prepare for an ageing workforce must be encouraged to share their learning with others – and business umbrella groups could play a role here. In addition tools like the AARP / TAEN Workplace Assessment Tool can help employers to understand the profile of their workforce and to develop appropriate solutions.
- **Older workers' attitudes and aspirations must shape the agenda:** Employers should work with their older members of staff, allowing them to shape the agenda and develop solutions which will enable them to work longer. And we must support and enable older people who wish to act as social entrepreneurs in this arena, developing innovative programmes for others to utilise. Employers and policy makers should also draw on insights from the behavioural change agenda, for example in ensuring that older workers retain a sense of control of their work; advice is tailored to individual circumstances; peer-to-peer support is encouraged; and older people are supported so they better understand what they stand to lose by retiring early, and to assess their skills.

- **A strategic approach to employment in later life:** The Government can play a key role in ensuring that extending working lives is built into a wider strategic framework for an ageing society. It must clearly state the realities of population ageing and promote longer working, resisting the temptation in the current economic climate to focus only on the employment needs of younger people. It must ensure that policy in key areas such as pensions and benefits, education and health is assessed to ensure it supports working longer. And it must provide leadership in supporting interventions which prevent early exit from the labour market, such as building the evidence base around what works in prolonging good health in later life, and ensuring opportunities are available for people to update their skills throughout the lifecourse.

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