

The Missing Million: **Pathways back into employment**



A part of



In partnership with



Foreword from Stephen Howard, Chief Executive, Business in the Community

Over a million older people have been pushed out of the labour market for reasons beyond their control and are now struggling to find employment.

The Missing Million reports, led by Business in the Community (BITC) and research partner the International Longevity Centre – UK (ILC-UK), aims to raise awareness of the challenges facing older people in the workplace and explore solutions that address these barriers.

This report is the second of the series and help us better understand the pathways available to older workers who want to re-enter the labour market.

It finds that older workers are being failed at every turn. People over 50 find it harder to keep their jobs and harder to find suitable employment after job loss. The business case for supporting over 50s to stay in work has never been stronger. However our research shows that despite this, older people are finding it tough and where they do succeed, it is because of their own networks and efforts, not because they have accessed effective support.

We all need to rethink our support for older workers. If we get this right, it will not only benefit more than 1 million over 50s but will pay substantial dividends for the UK economy, businesses and local communities.

We believe that business has a powerful role to play to build a fairer society and more sustainable future and that employers are fundamental to supporting older people that simply want to stay in, or gain employment. That is why Business in the Community, in collaboration with our member companies is launching a new strand of work to develop innovative workplace solutions to extending working lives and make the most of the opportunity presented by intergenerational workplaces.

The third Missing Millions report, to be launched as a part of Responsible Business Week in April, will set out detailed recommendations for business and for government.

We encourage every business to consider how business and wider society can benefit from the enormous ambition, experience and skills that older people bring to the labour market.

Foreword from Baroness Sally Greengross, Chief Executive, International Longevity Centre – UK

As people live longer and healthier lives, there is irrefutable need for us all to remain active and engaged in our societies to the best of our abilities and in whatever capacity is possible. Part of this necessarily entails extending our working lives beyond traditional retirement age, and the case for doing so has never been stronger.

As the Chief Executive of the International Longevity Centre – UK (ILC-UK), an independent non-partisan think tank dedicated to exploring demographic change and preparing society for the ageing of our population, I am delighted to see this report further the debate and evidence base regarding the challenges of finding work in later life. It describes the structure of the opportunities and barriers that older people experience as they explore different pathways back to employment, raising important questions about whether policies are adequately in place to enable longer working lives.

One interesting theme to emerge from the report is whether official support for returning to work provides the appropriate services that older people need. Job Centres play a crucial role in facilitating re-employment in our society, and we must ensure that they offer suitable advice and guidance to workers of all ages. It is encouraging then, in light of the findings presented here, that the Employment Minister, Esther McVey, announced in December 2014 an ‘older workers’ champions scheme to combat age discrimination by offering targeted support for older jobseekers. The scheme will be trialled from April 2015, and it will be interesting to discover the impact this programme has on employment outcomes for older people.

This report also dispels a number of myths around older people in the workplace but suggests that persistent stereotypes based on age serve as a significant barrier to employment for the over 50s. Employers thus play a crucial part in maximising the potential of older people as part of the labour force by adopting and exercising best practice in age management. I am also encouraged by the government’s appointment of an Older Workers’ Champion, Ros Altmann, who has been working with businesses to examine and identify effective policies for such action. The interest expressed by employers in working on such a programme also demonstrates their awareness of this issue and their commitment to improving the job environment for people of all ages.

We all have an important role to play in changing attitudes around age and work in order to maximise the potential of older workers. It is reassuring to see that both government and business are generally aware of this issue and taking steps to improve policy and practice. Indeed, it is imperative that we adapt to the new realities of an ageing workforce in order to ensure the future sustainability of our economy and society at large.

About the organisations involved

BITC

Business in the Community (BITC) is a business-led charity committed to shaping a new contract between business and society.

We have over 30 years' experience forging better relationships between business and society, driven by a unique collaboration of business leaders. We stimulate action by challenging and supporting thousands of businesses to create a fairer society and a more sustainable future - through our local, national and international campaigns.

Business in the Community is one of The Prince's Charities, a group of not-for-profit organisations of which The Prince of Wales is president.

PRIME

Originally established as an independent charity to help unemployed people over the age of 50 into self-employment, PRIME is now a part of BITC. We campaign on behalf of the over 50s for a fairer labour market, free from age discrimination.

Our aim is to have more people over the age of 50 in good work. We want fewer people retiring involuntarily before pension age and more people able to work beyond pension age, and for these to be recognised as opportunities by employers & employees.

We achieve this through: promotion & advice to employers of the benefits of employing older workers; promotion to the unemployed aged 50+ of the opportunity for re-employment; and improving the understanding of the 50+ labour market and its actors.

ILC-UK

The International Longevity Centre-UK (ILC-UK) is the leading think tank on longevity, ageing, and population change. Independent and non-partisan, we develop ideas, undertake research and create a forum for debate. Much of our work is directed at the highest levels of government and the civil service, both in London and Brussels. We have a reputation as a respected think tank which works, often with key partner organisations, to inform important decision-making processes. We are aided in this work by our Chief Executive, Baroness Sally Greengross, former director-general of Age Concern and now a cross-bench peer. Our policy remit is broad and covers everything from pensions and financial planning to health and social care, housing design, and age discrimination. We work primarily with central government but also actively build relationships with local government, the private sector and relevant professional and academic associations.

Acknowledgements

The research team at ILC-UK who contributed to this report included Brian Beach, Sally-Marie Bamford, Ben Franklin, and George Holley-Moore. We are extremely grateful for the support and contributions from colleagues at PRIME and BITC, in particular Jessica Stone, Adam Sharples, Steven Fifer, and Rachael Saunders. Finally we would like to thank PRIME's Thought Leadership Group whose donations of time, money and expertise have made this research project possible.

Table of Contents

Executive Summary.....	6
Introduction	8
Revisiting the Context of Joblessness and Age.....	9
Economic Activity over Time	11
Transitions and stability.....	11
Differences between age groups	13
Exit from employment to inactivity	13
Examining other pathways and characteristics	14
Paths into Employment.....	16
Self-employment.....	16
Alternative types of employment.....	17
Other unpaid activity: Volunteering.....	18
Obstacles to Employment	19
Attitudes toward age.....	19
The question of skills and training.....	22
The role of support services	24
The impact of health and care	25
Disincentives to re-employment.....	27
Conclusion.....	29
References	30
Appendix 1: Notes on Methodology and Data Acknowledgements	31
Appendix 2: Economic Activity by Age Group and Gender	32
Appendix 3: Percentage of Older People Interested in Work among Total Jobless by Age Group and Gender.....	33
Appendix 4: Detailed Tables of Results	34

Executive Summary

The case for working longer has never been stronger, yet – for far too many older people – the chance to enjoy meaningful employment in later life is denied. Despite an extensive body of knowledge on how to maximise the potential of the older worker and the business case for doing so, it appears that older workers are being failed at every turn. This is reflected in our key findings:

- Around one million people over 50 have been pushed out of work against their will and would like to be working if the appropriate opportunities were available. In addition, a greater number of older people are becoming jobless than finding work.
- Those who are able to find re-employment are more likely than younger people to end up in alternative roles to regular employment, such as self-employment and even unpaid work, but these positions may not actually fulfil their own desires or expectations.
- Older people who do succeed at finding work are doing it primarily on their own, with limited or inappropriate support from services.
- Many of the barriers that stand in the way of older people returning to work relate primarily to age, for example, in terms of health and care concerns in later life or the perpetuation of age-related stereotypes, and employers can play an important role in helping to change this situation in the future.

The first report in our series, *The Missing Million: Illuminating the employment challenges of the over 50s*, highlighted the large number of people aged 50-64 who are out of work involuntarily – pushed out through a combination of redundancy, ill health, or early retirement. This sizable cohort is still willing to work yet are prevented from doing so. And while this early exit can be of great cost to the individuals in terms of lost earnings, savings, and social connections, it also represents a waste of talent, skills, and expertise that could be of great economic and social benefit.

But what is needed to help older people return to work after they find themselves jobless? This report – the second in our series – examines the paths that older people take as they seek re-employment, shedding light on these journeys and identifying the predominant obstacles and barriers that continue to keep labour force participation so low among people aged 50+ in the UK.

We found that among people aged 50-64 in the UK:

- The vast majority had no change in economic activity over a three-month period – but around half a million (4.5%) did experience a change of some kind, offering insights into the kinds of opportunities available to this group and the kinds of pathways they follow.
- The most frequent change was from employment to inactivity (29.5%), and overall a greater number of older people lost work than found it (45.4% versus 30.5%). In contrast, younger people (16-29) were more likely to find work, while both younger and middle-aged (30-49) people were more likely to be actively looking for work than older people.
- At the same time, older people who lose their job are just as likely as other age groups to look for another one, and around a quarter of older people who lost their job and became inactive would prefer to still be working. This means that, across the three-month period, around 38,000 people aged 50-64 in the UK lost their job and did not look for work even though they had the desire to keep working, suggesting that older people feel a significant degree of discouragement with respect to their labour market prospects.
- Although more people ended up jobless, nearly a third of those who changed moved into employment from either unemployment or inactivity – around 161,000 people. Interestingly, a large proportion of these moved out of retirement.

This group of older people – those who successfully returned to work – provides particular insights into the kind of employment that older people tend to find. Just over half of those aged 50-64 who found work ended up working for an employer, compared to well over two-thirds of those in younger age groups. This suggests that traditional employment opportunities are less available to older workers, who may be forced to pursue other options in order to fulfil their own needs and desires related to work.

We found that older people were more likely than younger people to take up self-employment when leaving inactivity. Self-employment is an important avenue for work for older people, particularly as it can provide flexibility and freedom, the lack of which prevents them from taking up roles in other organisations. Yet it takes a particular set of skills to succeed, and many of the older people who embark on this path will already be in an advantageous position regarding the labour market. However, many entrepreneurial endeavours fail, and older people who are in need of work could be at risk of losing even more if they end up forced to start their own business due to lack of other income and work opportunities.

At the same time, a significant proportion of older people who ended up in work found themselves in neither regular employment nor self-employment, but participating in government training schemes or doing unpaid work in a family business. These categories of employment raise further concerns around whether the opportunities older people find for work are appropriate. Moreover, when nearly 11% of employment found by people aged 50-64 is unpaid, the stories of success for helping older people get back to work seem a bit exaggerated. Still, the fact that so many older people are engaging in unpaid work and activity shows there is a clear capability and desire among older people to be involved and active.

It is therefore crucial that those who want paid work are able to find it. Yet the path back to employment is not an easy one for many older people, as they face a number of obstacles along the way. In many respects, one of the most important factors that serves as an obstacle for re-employment among older people appears to be their age. Older workers are different from younger workers in many respects, but the myths stemming from age-based stereotypes continue to be perpetuated and can greatly impact older workers' positions in the workplace.

Older people who make it back to work also appear to do so through their own efforts, using personal resources and networks rather than official support. Indeed, Job Centres were accused of being unfit for purpose in our focus groups, for example, by not offering information adequately tailored to the needs of older people or appropriate job opportunities. There is no one-size-fits-all approach to helping older people re-enter work, and support services should incorporate the particular needs, expectations, and limitations of the individual.

Overall, this report highlights the fact that older people, in their efforts to navigate opportunities for work, are being failed at every turn. They find it more difficult to keep their jobs and more difficult to find new work after job loss. When they do find work, they are more likely to take up alternative forms of employment that may not be the best fit for their needs and desires. Employers can thus play an important role in helping to ensure that traditional positions of employment are made available to older people when they look for work. At the same time, the job search among older people is often carried out by people on their own, so official support services also have a role to play in helping prepare older people for work and connecting them with appropriate job opportunities. Both stakeholders are key to keeping older people from experiencing lower confidence, frustration, and disillusionment with the process of getting back to work; only then can we fully take advantage of the economic and social benefits that can come from longer working lives.

Introduction

This report is the second instalment in a series examining the labour market challenges of people aged 50+ in the UK. A primary objective of this series is to provide an evidence-based platform to raise awareness of the particular challenges that older people face with respect to work in later life and to contribute practical and tangible policy ideas to help improve the situation for older people.

The first report in the series, *The Missing Million: Illuminating the employment challenges of the over 50s*, highlighted the large number of people aged 50-64 who are out of work involuntarily – pushed out through a combination of redundancy, ill health, or early retirement – and how this sizable cohort is still willing to work yet prevented from doing so. This report – the second in our series – examines the paths that older people take as they seek re-employment, shedding light on these journeys and identifying the predominant obstacles and barriers that continue to keep labour force participation so low among people aged 50+ in the UK. Much of the evidence presented in the report is based on new analysis of a major national survey, supported by lessons gathered through focus groups and interviews with older people (see Box 1).

This report is structured in five primary sections:

Section 1 revisits the context of joblessness and age, highlighting the lessons of the first report around how people aged between 50 and State Pension Age too often fall out of work but would take a job if they could.

Section 2 examines the kinds of transitions older workers make with respect to their labour market activity. In doing so, it identifies some of the differences between age groups in their success at finding employment as well as their misfortune in losing work.

Section 3 looks more closely at the types of employment that older people found, noting the prevalence of non-traditional forms of employment, including self-employment, government schemes, and unpaid work in a family business.

Section 4 outlines the different barriers that continue to create challenges for increasing employment opportunities for older people, informed by previous literature, our focus groups, and the one-to-one interviews.

Section 5 provides concluding remarks, emphasising the key messages and learning points to emerge from the research.

Box 1: Notes on Data Sources

Our analyses first draw on secondary data made available from the Labour Force Survey (LFS). LFS is a survey of private households in the UK intended to gather information related to the labour market behaviour of the population. It collects information each quarter and follows the same people across five quarters, so patterns of change can be observed. It is the largest household survey in the UK and provides the official measures of employment and unemployment, making it the best data source for the kinds of analyses conducted here. See Appendix 1 for further details on the data and methodology used here.

We also provide information on the kinds of discrimination experienced by older people using the English Longitudinal Study of Ageing (ELSA), a nationally-representative dataset of the population aged 50+ living in private households in England.

To enhance the findings from the LFS data, we also commissioned two online focus groups that were conducted on 4 Dec 2014. All respondents had returned to work within the previous 18 months after having taken a break for varying lengths of time.

One group included people aged 50-59, while the other included people aged 60-70. Respondents across both groups came from a variety of work backgrounds, with experience in different roles, levels, and sectors, such as hospitality, charity management, education, IT, manufacturing, and banking/finance. Some respondents had also found themselves in different situations, including full-time work, part-time work, and self-employment.

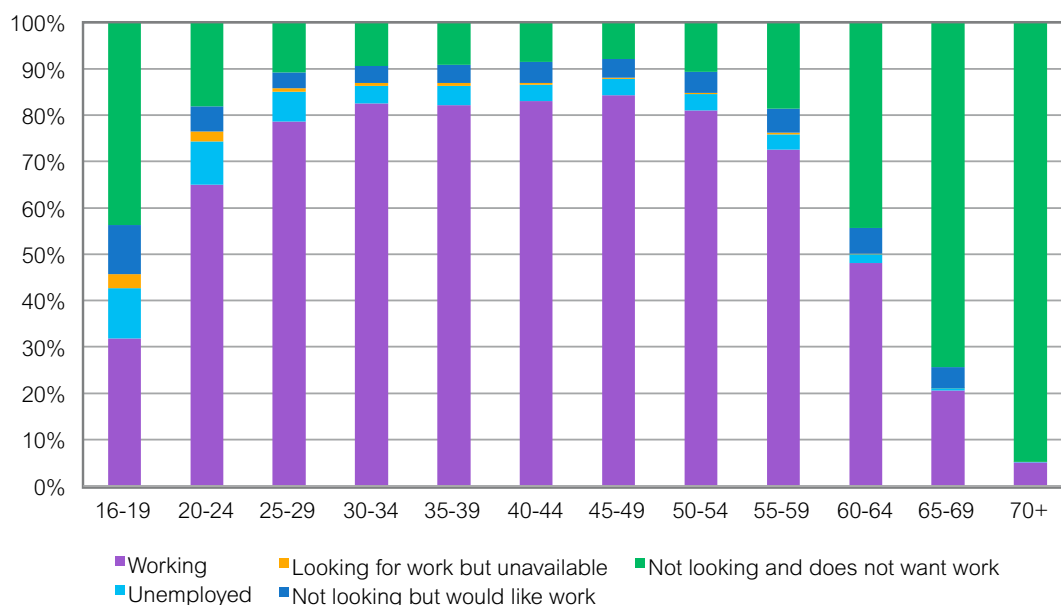
We also conducted five one-on-one interviews over the telephone with different people in their 50s who had used Prime's services to explore potential employment opportunities. Some of these interviews are featured as case studies in different parts of the report to reflect examples of some of the key themes.

Revisiting the Context of Joblessness and Age

The first report in this series set out the case for the large cohort of older people who are out of work prior to State Pension Age (SPA), and how a large proportion of them can be thought of as involuntarily jobless, in that they would like to be back in work if possible. We briefly recap some of the headline findings that provided evidence for the report's conclusions in order to set the scene here, using more recently made available data from the Labour Force Survey.

Our first report highlighted the dramatic fall in employment rates as people approach SPA, noting that this steep decline diminishes older people's chances of remaining in work as they grow older. For this report, we maintain a primary interest in the kinds of economic activity in which older people find themselves, and we see the same progressive increase in inactivity levels from the age of 50, as shown in Figure 1. Although a majority of people in each 5-year age group from 20-59 are employed, the proportion employed begins to decline in each age group from the age of 50. While 81.0% of people aged 50-54 are employed, this percentage falls to less than half (48.1%) for those aged 60-64.¹ We also see that – excluding the age groups 16-19 and 20-24, where full-time education is likely to play a significant role – people not looking for work and not wanting work become proportionally greater from the age of 50.

Figure 1: Economic Activity by Age Group

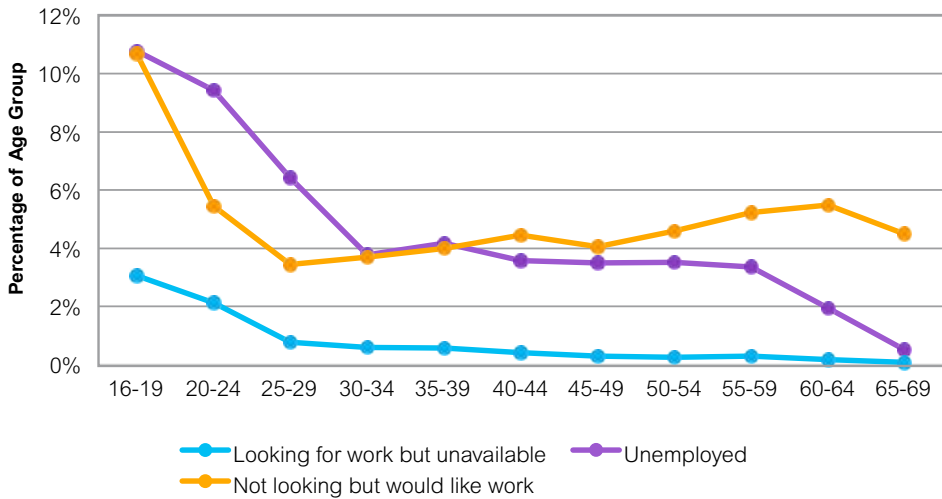


Source: LFS Q2 2014

While we see a substantial trade-off between those employed and those not looking and not wanting work among people aged 50+, we should take a closer look at the other kinds of economic activity people report, which reflect those individuals who are open to work whether they are actively seeking it or not. As our first report highlighted, a notable proportion of people aged 50+ who are out of work would be keen to do so, yet a substantial proportion of them are actually inactive and not actively looking for work (i.e. unemployed), suggesting a silent cohort who could still make a significant contribution if the right support was in place. Looking across several age groups, Figure 2 shows that there is a higher percentage of people in each age band from the age of 40 that are not looking for work but would like a job than are officially unemployed.

¹ This decline in the 60-64 age group is partly explained by gender due to differences in State Pension Age. Appendix 2 includes charts with the breakdown of economic activity by age group and gender, showing that, among the 60-64 age group, 56.4% of men are employed compared to 40.1% of women.

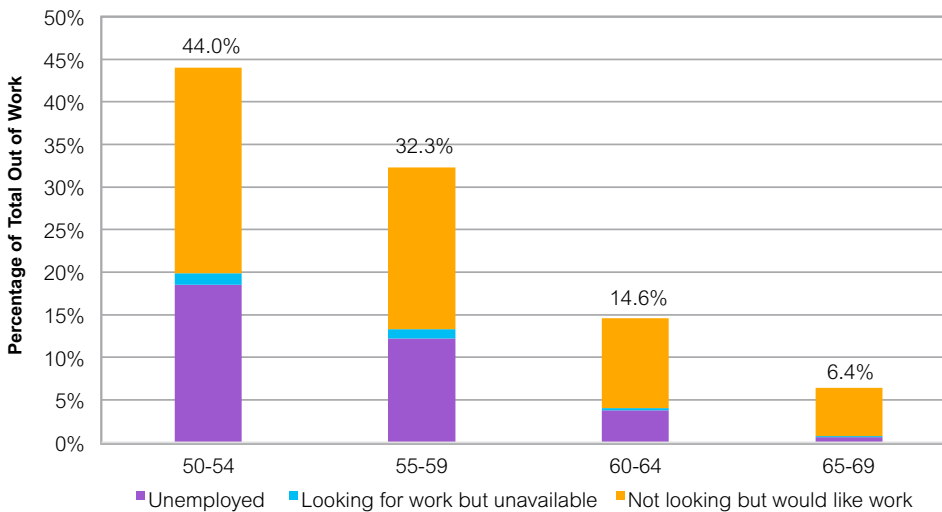
Figure 2: Percentage of People in Activity Categories Open to Work by Age Group



Source: LFS Q2 2014

While almost none of these activity categories represents more than 5% of people in each age group over 25, if we limit the perspective to only those people out of work, we see that there are significant proportions of jobless people who demonstrate a willingness to be actively employed. Figure 3 shows that a full 44.0% of jobless people aged 50-54 would like to be in work.² The percentage declines with age, but nearly a third of jobless people aged 55-59 are still interested in employment, as are more than 1 in 7 jobless people aged 60-64.³

Figure 3: Percentage of Older People Who Would Like Work out of Total Jobless by Age Group



Source: LFS Q2 2014

These findings confirm and reiterate the message in our first report that there is great potential for older people to contribute to the economy if the appropriate opportunities were available. Many older people who leave the workforce prior to State Pension Age never find a job again, but as the chart above shows, a significant percentage of people aged 50+ out of work would take a job if they could. At a time when changes to the age structure of the population are shifting the pool of available workers into an older age profile – with many more people turning 50+ than leaving education and entering the labour market for the first time – older people are the best resource to meet the demand for workers. As such, this untapped resource represents a neglected waste of skills and valuable experience that could offer important benefits to businesses and society at large.

² Though not shown in the figure, the proportions for the 50-54 age group are very similar to each of the younger age groups between 30 and 49.

³ Again, there are notable difference between the genders in the percentages of people who would like work among those out of work, with figures higher for men; see Appendix 3 for a detailed breakdown.

Economic Activity over Time

Key points

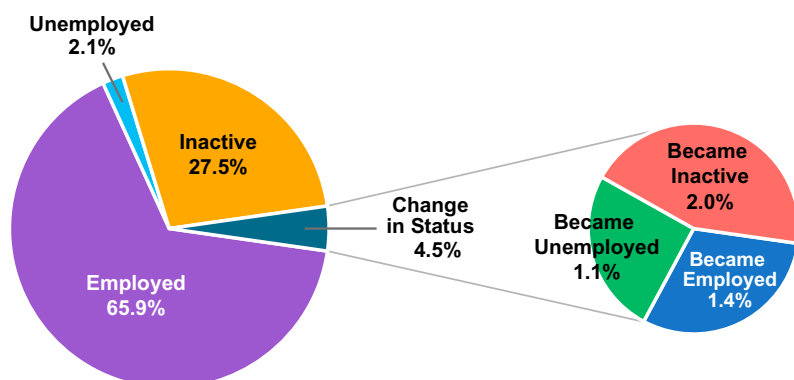
- While the vast majority of people aged 50-64 reported no change in their employment position over three months, over half a million (4.5%) did, offering insights into the experiences of older people who experience job loss or pursue re-employment.
- The most frequent change was from employment to inactivity (29.5%), and overall a greater number of older people lost work than found it (45.4% versus 30.5%). This shows that there continue to be challenges in retaining and recruiting older people in work.
- In contrast, younger people were more likely to find work, while both younger and middle-aged people appeared more likely to be looking for work than older people. However, following job loss, older people were just as likely as younger people to look for a new job.
- Much of this difference relates to the relatively lower proportion of older people who started looking for work following inactivity. This, combined with the fact that a quarter of those who were inactive after losing their job would like to be working, suggests that older people feel a greater degree of discouragement with respect to their labour market prospects.

Our first report outlined the categories of economic activity in which older people find themselves, along with further detail related to the reasons they report being inactive and whether or not they would like work. However, this snapshot perspective cannot tell us much about the extent to which older people are successful in finding employment and returning to work. In order to understand information about transitions or changes in economic activity, we turn to the longitudinal datasets available from the LFS, the best data source in the UK for understanding the labour market behaviour of the population. We focus here on the period covering the fourth quarter of 2013 and the first quarter of 2014, the most recent linked dataset available.

Transitions and stability

We have a measure for the reported economic activity at the two quarters of data collection that represents the transitions between and stability of different labour market states.⁴ As we can see from Figure 4, the vast majority of people had no change in their economic activity status between Q4 2013 and Q1 2014; only 4.5% of people aged 50-64 made some kind of transition.⁵ We estimate that this represents over 528,000 people across the UK.

Figure 4: Overview of Economic Activity over Time among People Aged 50-64



Source: LFS Q4 2013-Q1 2014

⁴ This measure in the provided dataset puts people who reach retirement age between the two waves of data into a separate category of beyond working age. We have included these respondents in the analyses here by recoding their labour market activity using the reported activity in each quarter.

⁵ In terms of age, since much of our analysis looks at outcomes in Q1 2014, the sample technically represents people who were age 50+ at Q1 2014 but under 65 in Q4 2013. As a result, there is a small proportion of people in the sample who were 64 at the first wave but 65 at the second wave.

Table 1: Percentages of Change in Economic Activity by Type of Transition and Age Group

Q4 2013	Q1 2014	16-29		30-49		50-64	
Unemployed	Employed	21.9%	(38.1%)	21.3%	(34.6%)	13.5%	(30.5%)
Inactive		16.2%		13.3%		17.0%	
Employed	Unemployed	14.7%	(32.9%)	13.7%	(32.6%)	14.9%	(25.2%)
Inactive		18.2%		18.9%		10.3%	
Employed	Inactive	11.6%	(28.9%)	17.6%	(32.8%)	29.5%	(44.3%)
Unemployed		17.3%		15.2%		14.8%	

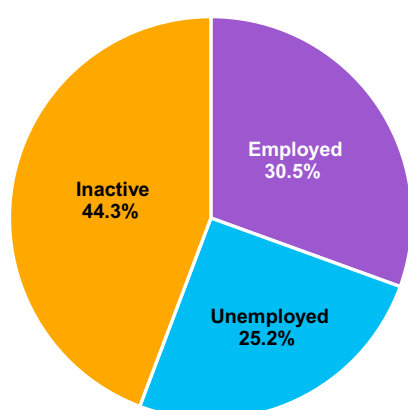
Source: LFS Q4 2013-Q1 2014

Of those who did change their labour market status over the time period, the largest proportion left the labour market and became inactive (44.3%). This group represents two different pathways of transition. The first includes those people who lost their jobs and did not start looking for another one, which represents the most common pathway taken (29.5%). The second group covers those who had been unemployed and looking for work but gave up looking, likely due in part to becoming disillusioned with the job search.

A quarter of those who changed became unemployed (25.2%), meaning they either lost their job and starting looking for a new one or began looking after a period of inactivity. This latter group would include people who became motivated to return to work after retirement or had been providing informal care, for example, demonstrating that labour market exit among older people does not necessarily have to be a permanent situation.

This is further supported by the nearly one in three (30.5%) people aged 50-64 who had a change in status that became employed. In fact, a slightly higher proportion found work after being inactive than those who found it after being officially unemployed and actively seeking work (17.0% versus 13.5%). This supports the idea that a number of older people are interested in work but discouraged from looking for it, although they are keen to take up employment when the opportunity presents itself.

Figure 5: Outcome Status among People Aged 50-64 Who Changed Economic Activity Status



Source: LFS Q4 2013-Q1 2014

However, when all possible pathways are considered, it becomes clear that a larger number of people aged 50-64 became jobless than made a return to work. A similar proportion of older people became employed as moved from employment to inactivity (30.5% compared to 29.5%), but a further 14.9% became unemployed after job loss. Fewer older people are being kept in their jobs than are being hired despite a broad interest among this group to stay engaged in the workplace. This suggests that there is still work to be done to address both the retention and recruitment of older workers so that they are no longer at a disadvantage with respect to labour market opportunities.

I know that once you pass 50 some jobs are out of reach. Hence my CV no longer shows my date of birth! Roger (50-59 focus group)

Differences between age groups

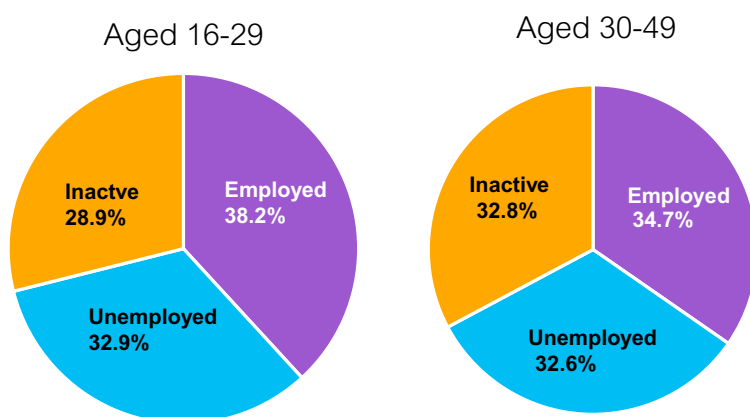
This disadvantage is further supported when we look at the differences between the age groups, as older workers were less likely to find work or be actively seeking it. We see that employment was the most likely outcome for those aged 16-29, as nearly 2 in 5 younger workers (38.1%) who experienced a change in their labour market status found work. A similar proportion (around a third) of those aged 16-29 and aged 30-49 found themselves unemployed, in contrast to only a quarter of those aged 50-64. As inactivity was the most likely outcome for those aged 50-64, this difference suggests that complete withdrawal from the labour market is a more likely result for older people than actively looking for work.

At the same time, in contrast to the other age groups, the people aged 50-64 who became unemployed had a larger proportion doing so after job loss compared to a period of inactivity. This partially reflects examples of younger people leaving full-time education and graduate studies at the end of 2013, thus moving from inactivity into an active job search. It also suggests that older inactive people are less likely to start looking for a job. Overall, however, similar proportions of people in each age group experienced a transition from employment to unemployment, meaning older people are just as likely as younger people to look for work following job loss.⁶

These two findings combined underscore the importance of keeping older people engaged in the labour market. They are just as likely as younger people to look for another job after they lose one, demonstrating their overall willingness to continue working. But once they become inactive, older people are less likely to start looking for work again. This is partially related to an overall sense of discouragement among older workers; when we look at reasons for inactivity at Q4 2013, we see that the responses related to discouragement, like believing no jobs were available, were reported more by those who started looking for work in Q1 2014 than those who stayed inactive or found work.

I am used to living on next to nothing, but not having a job makes me depressed and feel useless. So the prospect of not having a job in the future is rather frightening... David (50-59 focus group)

Figure 6: Activity Status after Change in Economic Activity among Other Age Groups



Source: LFS Q4 2013-Q1

Source: LFS Q4 2013-Q1

Exit from employment to inactivity

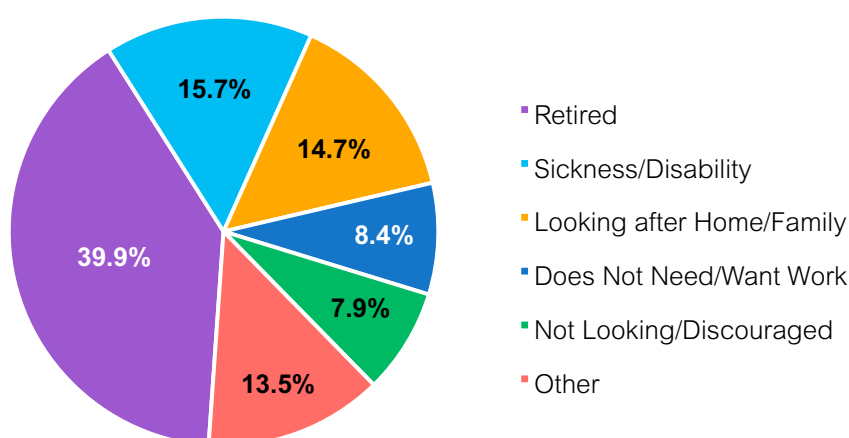
Similar proportions of people in different age groups were looking for work following job loss, but older people were less likely to start looking for work after being inactive. This greater detachment from the labour market is of particular concern given that we also found that a much higher proportion of older people experienced a transition from employment to inactivity.

⁶ It should be noted that there could be seasonal effects at play here, given the increase in certain jobs that are available for the holiday season in Q4. Further analysis using multiple datasets would be required to clarify how the findings here may vary in different time periods (see Appendix 1).

However, there are multiple reasons people leave the labour market following job loss. For those older people who left employment and became inactive, we see that the primary reason they gave for their inactivity was retirement (39.9%). After retirement, the two main reasons for inactivity – looking after home/family and sickness/disability – each account for around 15% of those who left the labour market. For many of those who have left the labour market to look after home and/or family, the need to provide care to a loved one is likely to be the main driver for their decision to leave. These findings further support the notion that adequate support for people with ill health and other conditions – along with those who provide informal care to them – must be available in order to help prevent people from leaving the labour market.

However, there is still a substantial desire for work among older people, including those who recently became jobless. Around a quarter of people who moved from employment to inactivity would prefer to still be working, representing around 38,000 people aged 50-64.⁷ Moreover, this proportion is actually similar for those aged 16-29, while around half of those aged 30-49 who shifted from employment to inactivity would prefer to work. This further supports the notion that older people are not substantially different from younger people in terms of their desire to be working when they are out of the labour market, which highlights the question of why they remain at a disadvantage in terms of opportunities and outcomes.

Figure 7: Reasons for Inactivity among Those Exiting Employment



Source: LFS Q4 2013- Q1 2014

Examining other pathways and characteristics

Despite the fact that the largest proportion of older people lost their job and became inactive, we were curious to explore the other pathways between inactivity, unemployment, and employment in order to shed light on some of the characteristics of people in each type of transition. We were unable to find any clear differences between people who followed particular pathways based on gender, ethnicity, sector of employment, or region.⁸ A few insights, however, were available by focussing on particular transitions in economic activity.

Among those older people who successfully made a transition into employment from inactivity, the main reason for their previous inactivity was retirement. For some people, retirement can become a lonely or boring time, as people feel they lack a sense of purpose or routine that work often provides, a sentiment also expressed in our focus groups. This can then become a motivating factor to look for new employment. Another motivating factor can be financial considerations, as a number of people in our focus groups highlighted being motivated by a desire for luxury and a higher standard of living as prompting their re-entry to work.

⁷ Given the wide confidence intervals, this figure could actually represent up to 52,000 people, a third of those who left employment and became inactive (see Appendix 4 for more details).

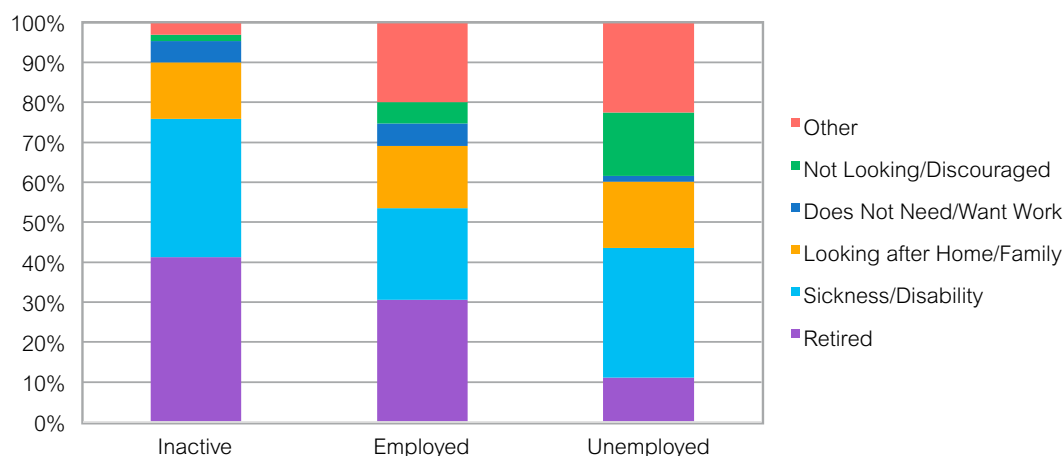
⁸ The small numbers in each pathway lead to overlapping confidence intervals, which means we cannot be sure that any apparent differences in the sample reflect the true situation for the overall population.

When I went back to work, it was good to get back to a “normal” standard of living which relieved a lot of worry, plus I miss the banter of work and the friendship...I could not afford the treats we normally had and days out because even though I was ill I still needed to get out of the house at times. My trigger was I desperately needed normality which going out to work gives me. Linda (60-70 focus group)

The proportion stating retirement as their main reason for previous inactivity was almost significantly lower than those who stayed inactive and was lowest for those who had begun actively looking for work. This suggests that for those retired people willing to take up work, re-entering the labour market is more likely when an employment opportunity is clearly available. Their situation in terms of retirement may mean that engaging in an active job search without clear prospects or direction is less appealing.

Inactive people who found employment were also less likely to report sickness or disability as their reason for being out of the labour market. However, there was no significant difference among those who started looking for work. This implies that there are a number of older people with health concerns who feel capable of re-joining the workforce, but appropriate work may remain elusive. Greater efforts are therefore needed to ensure that people who have health issues that may impact their ability to work are provided the support and flexibility they require to do so.

Figure 8: Reasons for Inactivity at Q4 2013 by Economic Activity at Q1 2014 for People Aged 50-64



Source: LFS Q4 2013-Q1 2014

We also looked at the job search methods of the older people who were unemployed to see if that made any impact on their labour market status. The only clear finding to emerge is that older people who gave up the search for work (going from unemployed to inactive) were more likely to use official support than those aged 16-29, who appeared more likely to rely on word of mouth and direct applications to employers. As there were no differences in job search method for those who successfully found work by age group, this suggests that official support services – primarily Job Centres – may be playing a role in discouraging older people from continuing to actively seek work. The role of support services will be examined in further detail later in this report.

Overall, this section has identified the prevailing patterns of economic activity among older people and how this compares in different respects with other age groups. It is clear that older people end up out of work to a greater extent, and more become jobless than find work. However, nearly one in three people aged 50-64 who changed status did become employed, representing around 161,000 people, many of whom actually exited retirement. This highlights how inactivity and retirement in particular may not be the preferred state for older people as is often assumed.

Older people are interested in staying in the workforce, and there are a number of possible ways they can take up work. The next section turns to a closer examination of the kinds of employment that people aged 50-64 in our data found.

Paths into Employment

Key points

- While self-employment can be an important way for people to work in later life, it cannot be the answer for everyone given the skills and resources required to be successful. The situation can be even worse when older people are forced to start their own business due to the lack of other employment opportunities.
- Government employment and training schemes appear more popular among older people as a way to escape unemployment or inactivity. However, we found no evidence that they help older people find other kinds of employment; in fact, many of the older people ended up unemployed.
- Older people are also more likely to report being employed in unpaid work for a family business. This unpaid activity is good for helping older people maintain social contact and stay active, but it could also mean they were unable to find other paid work that they would have preferred.
- The level of unpaid work that is classified as employment also suggests that official figures on employment rates for older people are over-exaggerating the success of efforts to keep people working into later life.

There are different opportunities older people can pursue to become active again, either to fulfil their own needs and desires or because traditional positions of employment with an organisation are hard to find and secure. There are also differences between age groups in the kinds of employment that are found. Work as an employee – in contrast to self-employment, for example – is found by a lower proportion of older people who transition back to employment compared to other age groups, with just over half of those aged 50-64 ending up as an employee (56.2%). Among this group, it plays a more important role for those leaving unemployment than those who re-enter the labour market.

Self-employment

In contrast, self-employment is taken up by nearly 1 in 3 (33.2%) people aged 50-64 who leave inactivity. This compares to over a quarter (26.0%) of those aged 30-49 and only 8.6% of those aged 16-29. We also find that over 1 in 10 people in any age group go into business for themselves as a way to escape unemployment. This suggests that the benefits of self-employment may have a particular draw for older people who wish to re-enter work. It is likely that these qualities relate to having better flexibility for one to combine work and care or to accommodate some form of long-term health concern.

Yet self-employment is not the answer for everyone. Starting one's own business involves an array of administrative tasks and a high degree of organisation; in many ways, self-employment is truly only available to those older people who possess or have access to the skills and specialties required for starting one's own business. There are further worries that older people end up forced into self-employment as their only option when they fail to find alternative paid positions. In addition, for some older people, self-employment can only be considered if they have the right kind of financial security, in their own stead or through the income from a working partner – and those with higher financial security are the people who are able to exercise much greater control over their situation in the labour market anyway.

Case Study 1: Self-employed after a long period out of the labour market

Rima (*Prime client interview: 52 years old, living in North London*)

Rima worked in the City for 13 years for a Japanese investment bank, working in corporate finance. She left her job 18 years ago to start a family and had four children. Rima decided not to return to work in order to spend more time with her children. However she is “*now acutely aware that I don't have an income*”, and financial pressures are a worry. “*Just because you are in later life, it doesn't mean you are sorted, settled and comfortable in life,*” Rima says. Entering their 50s, Rima and many

of her friends are experiencing that it's actually a difficult and tumultuous time of life. People are experiencing redundancy, marriage issues and their parents are becoming ill or passing away. "We [over 50s] are not all on a cruise as the adverts have people believe," says Rima.

Rima is currently running her own business, selling handmade crafts and silk scarves. She enjoys it, although she sometimes misses "the bonus, the pay rise, the pat on the back". Whether this is a long term plan depends on the success of the business. For now however it suits her lifestyle, as she can work to her own timeframe. Maybe if her children were grown-up, Rima would have re-entered the financial world; however she does not think her computer skills would be adequate. She left the workforce just as the internet was emerging, and although she is taking courses to improve her computer literacy, she only feels like she is "worth a filing job, or a sales assistant". Rima says, "That's depressing really, as I was well on my way in a career in the city."

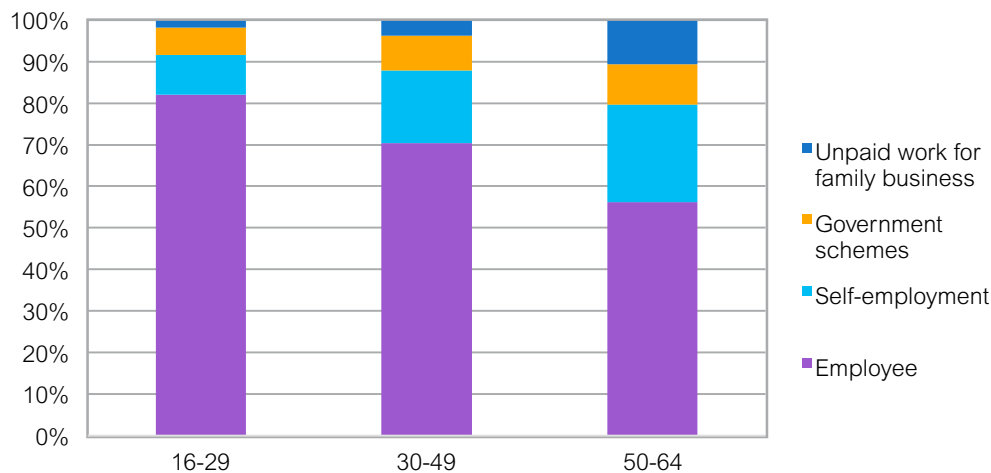
The problem, Rima says, is that even if she wanted to re-enter the workforce she does not feel as if she has the skills to do so; she also has to balance work with her family. "It's not all 'let's all get a job.' Someone needs to be looking after the sick parent or taking the kids to school."

Alternative types of employment

At the same time, a significant proportion of people who end up in work find themselves in neither regular employment with an employer nor self-employment – government training schemes and unpaid work in a family business are other options in the Labour Force Survey that are considered employment.

We found that government employment and training schemes were much more likely to be taken up by older people than younger age groups. Among those 50-64 who transitioned out of unemployment, 16.3% found a place on one of these schemes, in contrast to 11.1% of those 16-24 and 12.7% of those aged 30-49. For the groups leaving inactivity, 4.7% of those aged 50-64 ended up on these schemes, whereas only around 1% of the other age groups did (0.9% of those 16-29 and 1.1% of those 30-49). The higher uptake of these schemes by older people could suggest that they suit the needs of older workers rather well.

Figure 9: Types of Employment Found among People who Changed Economic Activity Status by Age Group



Source: LFS Q4 2013-Q1 2014

On the other hand, this could also reflect the increased barriers that older workers face in trying to find employment through more traditional routes. In fact, when we take a closer look at the types of employment for those who were employed across the three-month period, we see that not a single person aged 50-64 who was on a government employment or training scheme changed into paid employment or self-employment, although this did occur for younger and middle-aged people. This raises the question of how effective these schemes are for older people in terms of getting them other work. It also suggests that the push to have more older people involved in apprenticeships may be somewhat misguided, particularly if there is little to no evidence that they can help improve employment opportunities in the longer term.

The other type of employment, unpaid work for a family business, is reported at higher levels among the age group 50-64 compared to younger people, with around 10.6% of transitions ending there.⁹ The prevalence of shifts into unpaid work among this age group could reflect broader financial disincentives that relate to public policy. Penalties on benefits and other earnings when people receive income from work can discourage older people from entering formal employment when those penalties outweigh prospective earnings. But the fact that so many people are engaging in unpaid work shows there is a clear capability and desire for older people to be involved and active. It is therefore crucial that older people who want paid work are able to find it, and that the prospect of increasing one's earnings through work does not incur unreasonable penalties.

However, the fact that unpaid work represents 10.6% of employment for older people means that the success stories related to efforts to get people back to work are somewhat exaggerated. For most people, employment is often implicitly thought of as activity that involves earnings. While unpaid work can provide older people with the social interaction and sense of purpose they seek as they look to return to work, by definition it cannot address the financial reasons that motivate significant numbers of them to return.

This highlights three important ideas. First, the relatively higher proportion of older people who find employment as unpaid workers in family business inflates the already low proportion of older workers who end up employed. In other words, this could mean that the extent of the problems around older people's challenges in finding work are under-estimated. Second, working in unpaid positions does little to address the economic arguments behind efforts to keep people working longer, as a lack of earnings could translate into poor financial preparation for retirement. Finally, we need to recognise that older people do a considerable amount of unpaid activity in general, particularly with respect to care and volunteering, and these contributions are vital for society.

Other unpaid activity: Volunteering

What did help [with a return to employment] was voluntary work, which provided experience that I could describe at interview. David (50-59 focus group)

Older people do an extensive amount of unpaid work that saves the economy billions. This manifests in the form of volunteering, mentoring, and providing informal care to loved ones from elderly parents to young grandchildren. These are all vital to positive wellbeing in society, but they do not have to be seen at odds with regular employment. Instead, the importance of these contributions – not only to society but to people making the contributions as well – needs to be recognised and incorporated into any strategies to enhance the employment opportunities for older workers.

An important aspect of unpaid activity that appeals to a large number of people is volunteering. Not only does it allow people to be active, socialise, and contribute to their community, it is also seen as a way to preserve and develop skills, which could make people more attractive to employers. It was an activity highlighted in our focus groups, but its benefit with respect to future employment was described more in its association with: **networking**, especially as a way to identify opportunities or get a foot in the door; helping build **confidence** and providing a social space in which to interact with others; and as tangible (recent) **experience** that could make an applicant more appealing to a prospective employer. The value of volunteering to individuals, organisations, and society as a whole is immense, but volunteering should not be seen as a substitute for people who have a real desire or need for regular employment.

I was already volunteering even before I took a career break, but I agree that volunteering helps you to build the skills and the confidence to get back into work... This enabled me to grow my self-confidence and to acquire new skills, such as negotiation. Piero (50-59 focus group)

⁹ There is very small overlap of confidence intervals at the 95% level with the 30-49 group, but these values are clearly distinct at the 90% confidence level (see Appendix 4).

Obstacles to Employment

Key points

- Age-based stereotypes continue to impact the success of older people in the labour market, driving age to appear as the single most important factor that serves as an obstacle for re-employment among older people.
- Despite research showing no evidence to support the common myths related to age and work, employers need to do more to make sure that effective age management policies are in place to avoid attitudes impacting the opportunities of older people.
- Skills are important for work, and outdated skills can be a significant barrier to work. But evidence suggests that training and re-skilling may be over-emphasised in their importance and influence in older people's journey to re-employment.
- There are important concerns around the suitability of support services to address the particular needs of older people as they look for employment. Job Centres in particular were highlighted by focus group respondents for their lack of appropriate guidance and assistance.
- While a significant number of older people would readily take up work if the opportunity presented itself, there are also concerns that disincentives to re-employment may exist when an individual would be in a worse financial situation from shifting from benefit income to that from employment.

While it is clear that there are older people out there who would like work and who are motivated to find work, for many the path back to employment is not an easy one. In many respects, age itself appears as an important factor that serves as an obstacle for re-employment among older people, largely related to attitudes and stereotypes associated with age. The stereotypes themselves can impact the availability and participation in skills and training programmes, but there is a question about the degree to which new skills and training actually help older people return to work.

Older people do need particular assistance when they are looking for new work, but poor provision of effective services can greatly limit what they find and discourage them from their hope to find re-employment. In addition, health and illness concerns – both for individuals themselves as well as for loved ones who may require their care – can restrict the opportunities that older people can pursue in their job search. Other disincentives to return to work may also exist when people receive income from benefits or pensions and a return to work would negatively impact their finances.

Attitudes toward age

I used to think that ageism was a myth but found to my cost that it was very prevalent throughout many employment sectors. Stevie (50-59 focus group)

For older workers, age-based attitudes and stereotypes can create unwelcoming environments or lead to discriminatory treatment that reduces their willingness and capacity to fully contribute to the workplace.

Age-related stereotypes are held regarding both older and younger workers.¹⁰ Flexibility, physical and mental aptitude, an open attitude toward learning, and technological prowess are recognized in younger workers, while older workers are admired for firm loyalty, reliability, and skills in social interaction. Other research has highlighted the stereotypes that employers hold regarding their older employees in particular. Some of these perceptions are of a positive nature, with older workers characterised as more reliable, flexible, and less accident-prone.¹¹ Positive stereotypes have also been noted in the literature, such as trustworthiness, firm loyalty, higher job commitment, and lower absenteeism.¹²

Negative stereotypes of older workers are more concerning, however, as they have the potential to lead to discriminatory actions by management that would have a detrimental impact on an individual's life. Many studies have described the various negative perceptions employers attribute to older workers. Among

¹⁰ Van Dalen et al. (2009)

¹¹ Taylor & Walker (1998)

¹² Roscigno et al. (2007); Posthuma & Campion (2009)

these are that older workers are too cautious, resent taking orders from younger workers, are unable to do heavy physical work, and are just biding their time until retirement.¹³ In addition, negative stereotypes are also applied toward older workers with respect to productivity and training.¹⁴ Older workers are thought to have lower job performance than younger workers, perhaps due to reduced physical or mental capacity or outdated skills. It is also assumed that older workers are uninterested in training and learning new skills, and that an investment of this sort by the employer will yield lower returns than on a younger employee due to reduced tenure.

The retention of older workers is critical when thinking about extending working lives, but stereotypes can lead to older workers being made redundant more often.¹⁵ They can also lead to fewer opportunities for training and promotion, and lower evaluations of job applications and work performance of older individuals. However, research has identified some of the predominant age-based stereotypes that relate to older people's interaction with the world of work, going on to show that there is little evidence that these assumptions and attitudes related to age stand up to reality (see Table 2 and Table 3).¹⁶

Some of the stereotypes of older workers relate to concerns over worker efficiency and how older employees perform their jobs. But age is not in fact related to poorer job performance or creativity, and older workers actually do better than younger workers across a variety of non-core job performance measures, such as less counterproductive behaviour, tardiness, and absenteeism (see Table 2).¹⁷ Concerns over cognitive decline among older workers are also exaggerated, since cognitive decline can begin as early as the 20s.¹⁸ Moreover, experience can counteract the effects of cognitive decline on productivity; tenure contributes to a mastery of firm-specific knowledge and can allow the creation of mental shortcuts to accomplish tasks and improve efficiency, compensating to a degree for the effect of cognitive decline on job performance.¹⁹

Table 2: The Relationship of Age to Ten Dimensions of Job Performance

Performance Dimension	Relationship to Age
Core Task Performance	Largely Unrelated
Creativity	Not Significant
Performance in Training Programs	Negative (Weak)
Organisational Citizenship Behaviours	Positive
Safety Performance	Positive for Self-Rated Compliance; Negative for Objective & Self-Rated Frequency of Injuries
General Counterproductive Work Behaviours	Negative
Workplace Aggression	Negative
On-the-job Substance Abuse	Negative
Tardiness	Negative (Strong)
Absenteeism	Negative for Objective and Non-sickness Measures; Positive (Very Weak) for Sickness Absence

Source: Ng & Feldman (2008)

¹³ Taylor & Walker (1998); Walker (2005)

¹⁴ Taylor & Walker (1998); Walker (2005); Posthuma & Campion (2009)

¹⁵ Roscigno et al. (2007); Posthuma & Campion (2009)

¹⁶ Ng & Feldman (2008); Ng & Feldman (2012)

¹⁷ Ng & Feldman (2008)

¹⁸ Salthouse (2009)

¹⁹ Skirbekk (2003)

Table 3: The Evidence on the Stereotypes of Older Workers

Age Stereotype	Evidence
Older workers are less motivated than younger workers.	False: not supported by evidence
Older workers are less interested in training and career development activities than younger workers.	True: cumulated evidence suggests older workers are less willing to engage
Older workers are less willing to change their behaviours or adapt than younger workers.	False: not supported by evidence
Older workers are less trusting of others at work than younger workers.	False: not supported by evidence
Older workers have more health problems on the job than younger workers.	False: older workers do not have more psychological or day-to-day physical health problems
Older workers experience more work-life imbalance, devoting more time and energy than younger workers to family instead of work.	False: not supported by evidence

Source: Ng & Feldman (2012)

The inherent problem is not related to the existence of stereotypes per se, but to the discrimination that can result from them. Workers approaching both age 50 and standard retirement age are more vulnerable to age discrimination, with the most likely consequence being expulsion from the workforce.²⁰ This discrimination can also be explicit or implicit.²¹ Explicit forms include the exclusion of older workers from training programs, promotions, or other work-related benefits, placing age restrictions in recruitment advertisements, or refusing to hire applicants above a certain age. Discrimination can be implicit in the form of limitations on job responsibilities and duties, encouraging early retirement, or reducing incentives to stay on beyond the standard retirement age. These actions foster the stereotypical perception that older workers are the most dispensable segment of the workforce.

As much age discrimination is hidden and indirect, evidence for its existence and pervasiveness is difficult to find.²² What evidence is available, however, suggests there is only a limited degree of age discrimination occurring in the workplace, but workers over 55 experience higher levels than workers in the groups aged 25-34, 35-44, and 45-54.²³ This research did not cover recruitment practices, long recognised as the biggest area of concern regarding age discrimination.²⁴

Analysis of data from the 2010/2011 wave of the English Longitudinal Study of Ageing shows that, among people aged 50-69 who report having experienced some kind of discrimination – poor treatment in day-to-day life on five topics – age was the most frequent reason given to explain why people thought they had been treated differently. Across the five-year age groups from 50-69, age is the only reason given for discrimination that shows a clear change, increasing for each age group, potentially suggesting that experiences of age discrimination increase as people get older.

²⁰ Roscigno et al. (2007)

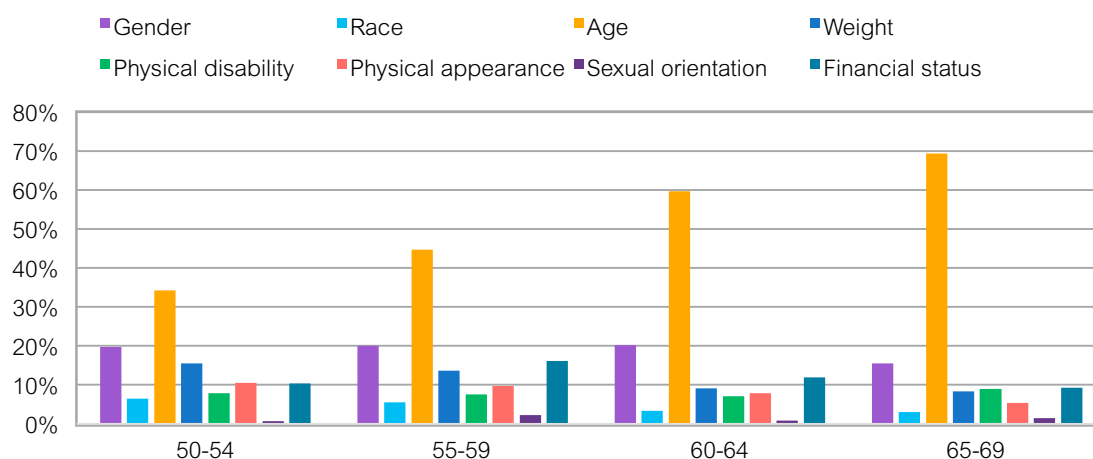
²¹ Villosio et al. (2008)

²² Walker (2005)

²³ Villosio et al. (2008)

²⁴ cf. CIPD & CMI (2005)

Figure 10: Reasons for Perceived Experiences of Discrimination by Age Group



Source: ELSA Wave 5

A significant barrier to re-employment for older workers relates to the attitudes held by employers, and when decisions are made based on the inaccurate application of stereotypes. These management decisions that are shaped by age-based stereotypes can affect older workers in a number of ways, leading to skills becoming obsolete, a sense of career immobility or plateau, less value placed on work, and lower self-esteem.²⁵ It can also impact the success of returning to work through influencing hiring decisions; a number of people in our focus groups felt they had been turned down for jobs because of their age, and that this was true across a number of sectors.

Case Study 2: Feeling undervalued due to age despite updated skills

Stevie B (Focus group participant: 58 years old, living in Scotland)

Stevie had always worked. He managed to save a lot of money while working in the oil industry but “*hated it*” so retrained for the caring sector. He worked part time supporting individuals with learning difficulties whilst studying and upon graduating took on a full time role at the same company. Shock redundancy left him “*unemployed for the first time in my life and found it very difficult.*”

He found job hunting extremely challenging and whole-heartedly believes that this was linked with his age – despite investing in up to date qualifications and taking on volunteering work he was unsuccessful in securing the roles he wanted. “*I was very frustrated that I had invested time in going back to study to update and improve my skills set and I was shortlisted for many jobs but at interviews it became clear that they were looking for someone younger...It was extremely depressing that in the voluntary work I did my skills were appreciated and thought to be very valuable yet employers seemed to overlook all of this and only see age...It does not seem to matter how much knowledge or experience you have if you are over 50 it is a struggle.*”

He considered going self-employed before a job advert calling for foster carers prompted Stevie to change direction. He now takes much reward from this paid post helping children from disadvantaged backgrounds.

The question of skills and training

When we talk about job searches and the desire to find work, we would be remiss to ignore the element of human capital – skills, qualifications, and training. There are many calls to promote the updating of older workers’ skills, as revitalising and modernising workers’ skills are seen as key to managing an ageing workforce. An important way to ensure that workers receive adequate professional development over time is for appropriate training programmes implemented by employers, who usually already have a system for necessary training along with the incentive to keep the productivity of their workforce up. This would also help employers retain their older employees, which they need to do to remain competitive in the future.

²⁵ Kooij et al. (2008)

Access to such training is crucial, but research indicates there are challenges on two fronts.²⁶ Some groups of older workers (e.g. temporary or part-time employees) tend to receive fewer opportunities, partly as employers' stereotypes reinforce lingering questions about investing in skills development for older workers, especially when the return on investment is perceived as potentially marginal. At the same time, some older workers themselves can be ambivalent about taking up training opportunities, consider retraining unnecessary due to their age, or that they are too old to be rehired when unemployed.²⁷ Thus little uptake of skills training by older people may be because they are unsure that it is worth the effort, in part shaped by the timescale required for the training when considered alongside the expected timing of retirement.

In terms of returning to work, it could also be that the skills necessary for finding re-employment – in contrast to the idea of being qualified for a job – are lacking in many older people, as the process of the job search has changed with time while for many of them their last job search could have been years or decades prior. Another perhaps key reason that older people struggle to find work even when they do have qualifications and skills could be that the labour market where they live simply does not have any jobs to offer that fit their qualifications. Of course, this would be a key point underscoring the necessity for re-skilling, but for there to be any impact on older people's return to work, the skills development and training on offer would need to be informed by regional and local vacancies, ideally with buy-in from employers to understand the realities rather than stereotypes of the older worker.

However, when thinking about how to help get older people back into work, the available evidence suggests that qualifications and training may not be as important or effective as generally thought. On one hand, the vast majority of older people say they have adequate skills and little need for training, and employers tend to agree.²⁸ Older people who undertake formal education toward a qualification are also less likely than younger people to improve their occupational situations.²⁹ Moreover, age remains a barrier for those looking for re-employment following education, as further training and qualifications do not appear to be a successful strategy for returning to work among older people.³⁰ Where it does seem effective is when it is linked to specific job opportunities like work placements.

This theme also emerged from our focus groups. In fact, some people expressed the feeling that they had been unsuccessful in their job search because they were considered “too experienced” for the job (see Case Study 3). Retraining and updating skills – even in a demand industry like the caring sector (see Case Study 2) – ended up seeming pointless as employers appeared not to value skills and knowledge when the applicant was over 50. A number of participants reflected that this perception that their skills and experiences were under-appreciated led to lower confidence, frustration, and disillusionment, which made their journey to find re-employment all the more challenging.

Case Study 3: Too experienced for the job

Piero (*Focus group participant: 51 years old, living in the East of England*)

Piero was unsatisfied in his previous job due to feeling undervalued, something which made him feel like he was being pushed out of the company. *“I did not feel rewarded, or appreciated, was working 48 to 50 hours per week, doing overtime for free, working from home on my day off, yet I never had a thank you or a form of recognition for my hard work.”*

After a hostile interaction he resigned from work and immediately missed the sense of routine but was pleased to have time to concentrate on his studies. Following this he enthusiastically embarked on finding work, but was disheartened to be starting from the bottom again.

He had retrained, participated in voluntary work and had interview classes at his local college but was often found to be *“too experienced for the job”*. This was an extremely negative time for him, *“[under] pressure to get back to work because of money worries, while a bout of depression was looming around. My friends and family [were] getting worried about me getting old and not be[ing] able to find a suitable job.”* In the end, he took a position that was offered but that was not the one he wanted.

²⁶ Jorgensen & Taylor (2008)

²⁷ Phillipson & Smith (2005); Taylor (2008)

²⁸ McNair (2011)

²⁹ Casebourne et al. (2008)

³⁰ McNair (2010)

The role of support services

The job centre was a complete waste of time for someone that already had a lot of skills and experience and was demeaning... [They] wanted you to go on training schemes with youngsters just out of school... On the first day I went to the Job Centre I showed them my CV, discussed my experience and gave a demonstration of things I would say at interview. I was told that they couldn't offer any ideas for improvement as I had all bases covered and from then on it was a waste of time. Stevie (50-59 focus group)

The challenges that older people experience in the job search suggests a role for support services to help them make transitions back to work and for these transitions to be more efficient and pleasant processes. However, official support for returning to work appears to be unfit for purpose when it comes to older people.

As noted earlier, for people who stopped looking for work and became inactive, Job Centres were more often used by older people than younger people. At the same time, there were no age differences in job search method for those who found work after being unemployed. This implies that Job Centres may be playing a role in discouraging older people from looking for work. This is supported by findings from our focus groups, where Job Centres were accused of increasing pressure, guilt and anxiety, while not offering information adequately tailored to the needs of older people.

At one point I found signing on so traumatic that I just stopped claiming, even though that meant that I had to eat food I rescued from supermarket rubbish bins. David (50-59 focus group)

I did visit a job centre but found them unhelpful. They wanted to give advice on careers - I'd had a career. Barbara (50-59 focus group)

Essentially, there is no one-size-fits-all approach to helping older people re-enter work, and any support provided should incorporate the particular needs, expectations, and limitations of the individual. Individual needs assessments are critical to ensure that older people receive the support that suits them, including access to education and learning programmes.³¹ This call is also supported by findings related to the Mid-Life Career Review project, which looks to provide advice and guidance for people around the age of 50 related to the opportunities and risks they face with respect to their careers and working lives; results from the pilot project demonstrates that these types of reviews are welcomed by workers and carry strong potential to help people extend their working lives in a positive way.³²

Our focus group participants also emphasised the importance and benefits of individually tailored support, whether industry-specific or on general tasks like CV and application development. Without support that is shaped to fit individual needs, participants agreed that people were better off conducting their job search on their own, using family, friends, and ex-colleagues for support where possible. This underscores the idea that older people are being failed by support services, as they are left to navigate the labour market on their own, using personal resources and networks rather than official support.

Previous government programmes to help people find work included a specific component targeting people aged 50+ (see Box 2). In the current scheme to provide support, work experience, and training to people out of work, the Work Programme, people aged 50+ are not specifically classified as a disadvantaged group (who receive faster referrals and support). However other qualifying criteria such as being a carer or disabled mean that many over 50s do qualify for enhanced support.

The number of older people starting on government-backed apprenticeship schemes to enter the workforce jumped in 2010/11 but recent figures for 2013/14 show that the proportion has begun to decline.³³ Still, over 45,000 people aged 45+ started funded apprenticeships in 2013/14, 10.1% of all new apprenticeships. For many older people, an apprenticeship can be used to gain employment in a skilled job, gaining new skills while receiving a wage. However, participants aged 19 and over only have to be paid £2.73 per hour during the first year, and this low wage may be a large deterrent for older people who have higher financial

³¹ Frerichs & Taylor (2005)

³² NIACE (2014)

³³ Skills Funding Agency & Department for Business, Innovation & Skills (2014)

needs and may have greater access to other income from benefits that they could lose.³⁴ More evidence is also needed to know whether these apprenticeships fit older people's desires and if they are also leading to more permanent employment.

Case Study 4: Lack of support and encouragement from employers

Sarah* (*Prime client interview: 50 years old, living in London, name changed for anonymity*)

For 26 years Sarah worked for Hansard. Due to budgetary constraints her section was closed. She was made redundant, along with everyone in her team. Although her editor told her there might still be some work, she felt what was offered was not a concrete job offer. *"I chose to leave, but I felt kind of thrown away,"* Sarah says. She misses some of the people and access to the building and facilities. She is not working at the moment, as she is taking a sabbatical but will be looking for a part time job in 2015.

Sarah felt that her employer did little to help her stay in work after 26 years of service – *"They washed their hands of me."* She says she is now at the stage of her life where she is not looking for a career but just a reasonable job, with reasonable pay and reasonable hours. However she is mindful that due to her mother's health she may have some caring duties in the near future, which would mean a lot of travel.

She feels that there are specific challenges to an older job seeker. She got a little help from her ex-employer with updating her CV, as *"it had barely been touched in 26 years."* Sarah feels that she has a different skills set to someone younger, *"but both are still valid"*. Sarah feels that there is a lack of encouragement from employers for workers to develop their careers as they get older. She completed an Open University course a few years ago, but she felt her employer did not really appreciate it. Career progression, Sarah feels, can sometimes be seen as only for younger workers.

Box 2: Previous Government Scheme to Help Older People Find Work: New Deal 50+

The New Deal 50+ was a voluntary programme aimed to help people over 50 who were looking for or considering returning to work. To be eligible for the scheme, participants had to be over 50, not in full- or part-time employment, and had to have received one of the following in the last six months: jobseekers allowance, income support, incapacity benefit, severe disablement allowance, or national insurance credit.

The scheme offered both financial incentives to re-enter the workforce and practical advice on how to find employment. People aged 50+ were offered one-to-one employment advice and help from a personal advisor at local job centres to help find suitable employment. A training grant of up to £1,500 was also available for participants of the scheme who started employment: £1,200 for improving existing skills and £300 for learning new skills. An employment credit to top-up earnings was also available for participants who found work earning under £15,000 a year, a feature found to be very well received.

New Deal 50+ was replaced in October 2009 by the Flexible New Deal, where Government paid independent providers such as charities and private companies to help people of any ages to re-enter the workforce. This scheme was compulsory for people claiming Job Seekers' Allowance for more than 12 months, and typically involved the participant undertaking a four-week work experience placement. Following claims that the scheme cost £31,870 for each person it helped re-enter the workforce, the scheme ended. However it is important to consider that the scheme was running for a relatively short period of time and that the data collected for the analysis of the cost-effectiveness of the scheme was taken between October 2009 and August 2010, a period of poor economic performance.

Sources: <http://www.delni.gov.uk/index/finding-employment-finding-staff/fe-fs-help-to-find-employment/newdeal/50-plus.htm>

Institute of Employment Studies (2001) *Evaluation of New Deal 50 Plus: Qualitative Evidence from Clients: Second Phase*.

<http://blogs.telegraph.co.uk/news/neilobrien1/100064118/the-flexible-new-deal-was-it-really-a-disaster-and-what-can-we-learn-from-it/>

³⁴ <https://www.gov.uk/apprenticeships-guide/pay-and-holidays>

The impact of health and care

Issues related to ill health also limit older people's ability to find re-employment. These health concerns not only contribute to their early exit from the labour market, but severely limit the kinds of job opportunities they could subsequently take up if they wanted to return. But in fact, the largest proportion of economically inactive people who would like to work report permanent sickness or disability as the reason for their inactivity. We also saw earlier that the two main reasons given for inactivity following employment other than retirement were long-term sickness or disability and looking after the home or family.

This suggests that those who would be able to work in some capacity or another may be discouraged by low availability of jobs that are suitable (or perhaps are unaware of the opportunities that would help them in their journey back to work).

An individual's own health is not the only way that sickness can create an obstacle to re-employment. A growing number of older people provide care to older parents – and even sometimes also to grandchildren – as well as their partners who may be ill. For those that struggle to combine work and care, in these situations leaving work to provide care is generally the only acceptable option, even in cases where the financial resources from work are needed (particularly when the care is given to a partner also out of the labour market). Where home or family was reported earlier as the reason for inactivity, the need to provide care is likely to be a main driver for this transition.

For these people, returning to work is impossible if they cannot access the flexibility that their role as an informal care provider requires. And for those whose care responsibilities have ended, the unfortunate reality is that many of them continue to stay out of the labour market – sometimes because of the negative toll on their own health that informal care can take. For older people to have feasible opportunities to work in later life, adequate support to address the health needs of individuals as well as those under their care must be available.

Case Study 5: Disability as a barrier to employment

Ian (Prime client interview: 56 years old, living in the South West, name changed for anonymity)*

Ian was a Ministry of Defence contractor for 20 years, before being headhunted in 1999, when he left to become operations director for a large company. He later set up his own successful company with friends, before moving into other roles. At 44 Ian had a stroke. For a lengthy period he was unable to walk or talk and was left unable to work. After learning to walk and talk again, Ian initially tried to re-enter the workforce, but heard a lot of excuses such as “we don't know what your stamina would be like” and “we don't know whether our insurance covers it [his medical condition]”.

With hindsight, Ian believes he faced specific challenges as an older job seeker. For example he was interviewed by the same company four or five times, each time being asked to complete different tasks to assess his skills. He realised afterwards that the company was interested in his ideas and experience rather than in actually employing him. After that, Ian says, “I gave up looking for work basically.”

After being assessed by the Department for Work and Pensions, Ian was classed as disabled and stopped looking for work. “I do miss the buzz of office life, the teamwork,” Ian says, although he has always been an independent character. Some of his friends have also experienced problems with re-entering the workforce in later life. “I know lots of guys my age who were company directors, good executives... They ended up either in lots of part time jobs or as self-employed consultants.” Self-employment seems to be the norm for friends of his age who have lost their job and are looking to re-enter the workforce. Almost all of them, Ian says, have had a negative experience of this.

Case Study 6: Employer flexibility allowing continued work following a health shock

Linda (*Focus group participant: 61 years old, living in the North East*)

Linda took leave for 3 months following a blood condition. Throughout this time, “work were very good” and provided her with flexible and on-going support.

When returning to work, her re-entry was staged and the HR department organised a scheme that allowed her to first work one day a week, working up gradually to two days, then three days up back to full time. This phased approach allowed Linda to return at her own pace, when she “felt ready”. The employer also provided further support and flexibility based on Linda’s condition at a given time: “I could take time out if I was not feeling up to it without being uncomfortable.”

Disincentives to re-employment

While there are identifiable barriers to older people finding re-employment, there are also factors that discourage inactive older people from considering re-employment. The barriers listed above certainly contribute to decisions not to look for work, but for some older people, there are clear disincentives to returning to the labour market.

Sometimes the desire to explore hobbies and leisure activities can keep older people from looking for work once they are out of the labour market. Retirement was the main reason for inactivity for those who did not change, showing how it can play a big role in deterring older people from looking for and finding work. However, a substantial proportion of people finding work left retirement, which indicates that there is scope for people to move into something like ‘semi-retirement’ or ‘un-retirement’. Removing any sort of barriers related to people’s desires to have a better work-life balance will require adequate flexibility in working hours and arrangements.

At this time my working life is ideal, I work 12 hours a week which leaves me plenty of time to spend with my husband. Elizabeth (60-70 focus group)

Another important barrier keeping older people from work could be a financial disincentive to taking up employment. A number of public benefits are available to people out of work and to those providing care or in need of income support:

- **Job Seekers’ Allowance (JSA)** can provide up to £72.40 a week for people, but can be withdrawn if a claimant does not apply for jobs, turns down a job or training, or does not go to a Jobcentre Plus when required.³⁵
- **Carer’s Allowance** can offer £61.35 a week if a person is over 50 and providing care for more than 35 hours a week.
- **Employment and Support Allowance (ESA)** has replaced capacity benefit for most people and can provide up to £72.40 per week for 13 weeks after claiming. After an assessment, claimants who are deemed as able to work receive £101.15 a week, while those unable to work receive £108.15 a week.³⁶

However, these benefits also include different rules that can limit benefit receipt in the presence of other income depending on the earnings people receive. JSA payments can be reduced if an individual receives a pension or has savings of more than £6,000.³⁷ Carer’s Allowance is stopped if a person earns over £100 a week, creating a sort of cliff edge, in that as soon as a person earns any amount over £100 a week the entire benefit is stopped. A claimant also becomes ineligible if they train or study for more than 21 hours per week. These two eligibility criteria are seen by many as a disincentive to join the labour market.³⁸ The low wage associated with the first year of the government-backed apprenticeship scheme may also make this programme less attractive to older people within the context of other benefits.

³⁵ <https://www.gov.uk/jobseekers-allowance/>

³⁶ <https://www.gov.uk/employment-support-allowance/overview>

³⁷ <https://www.gov.uk/jobseekers-allowance/eligibility>

³⁸ Fry et al. (2011)

There can be particular tax implications when people receive income from earnings as well as pensions at the same time. Older workers over SPA do not have to pay National Insurance, but tax must still be paid on any income from pensions, property, investments, or earnings above the tax-free allowance.³⁹ This may make older people considering work less likely to take jobs that pay above a certain amount, but at the same time, inadequate compensation – where pay from work would be less than benefit income – would also be a disincentive to re-employment. Older people must therefore consider the balance between potential work income, benefits, and the tax implications as they think about looking for a job.

The rollout of Universal Credit, which will combine six benefits including those mentioned above, could benefit older workers by encouraging pension savings, as all pension contributions are disregarded when taking into consideration savings and earnings for means-tested benefits (under current systems the disregard is only 50%).⁴⁰ Older workers who may be retiring gradually would also benefit through Universal Credit's focus on flexible working. The new system ends current tax credit thresholds, where tax credits are substantially reduced if people work less than specific levels in terms of numbers of weekly hours. Instead, there is a gradual decline in benefit payments the fewer hours worked, rather than a sudden withdrawal. As Universal Credit is being rolled out gradually and in its infancy, it is yet to be seen what the actual impact this new scheme will have on incentivising older people to join or remain in the workforce.

The balance that older people must strike in considering their desire for a better work-life balance along with the financial implications of re-entering work should in no way be interpreted as a need to reduce benefits. Income support to people who are looking for work can be crucial in helping people cover their expenses and maintain a reasonable standard of living. A number of the other benefits, such as Carer's Allowance, are also relatively modest; in fact the obligations one has from caring are likely to be much more of a barrier to re-entering work than the financial disadvantage of losing the financial support. But in the end, returning to work should be financially beneficially to older people to encourage their continued participation in the labour market in the context desired, and much of this could be supported by ensuring that available jobs provide reasonable compensation and flexibility.

³⁹ <http://www.which.co.uk/money/retirement/guides/i-want-to-carry-on-working-in-retirement/>; <https://www.gov.uk/tax-on-pension>

⁴⁰ Cory (2013)

Conclusion

An extensive body of research has emerged to explore the characteristics of older workers, the nature of the transition to retirement, and how working lives can be extended. Within this work is a range of lessons on how to maximise the potential of the older worker with implications for finance, health, care, and the workplace.

And yet despite this knowledge, it appears that older workers continue to be failed at every turn.

Older people are not in a mad dash for retirement, eager to jump into economic inactivity at the earliest opportunity. We previously identified that around a million people aged 50-64 are out of work involuntarily. Yet despite their desire for work, they remain left out.

Many older people are discouraged and not actively seeking work, as the challenges related to job-seeking can seem too great. We have shown that older people are more likely to end up inactive compared to younger age groups, and a larger number of people aged 50-64 became jobless than made a return to work despite nearly a quarter of those who became inactive preferring to still be working. In addition, older people were just as likely to look for work following job loss but were less likely than younger people to start looking after a period of inactivity. Part of this certainly relates to (early) retirement (among men) but also to issues around ill health and care needs in addition to feeling discouraged about one's labour market prospects.

There is reason for optimism – perhaps tempered – as a proportion of older people did make a successful transition back to employment. However, these jobs do not necessarily fulfil their desires or expectations given the levels of self-employment, government scheme participation, and unpaid work. With little evidence that training schemes help older people back into work along with a relatively high degree of unpaid work in this group, including these elements in employment figures may exaggerate any success stories we see about improvements in the employment of older people. Nonetheless, older people's participation in them demonstrates their willingness and capability to be active and engaged.

Still, older workers who do succeed at finding work are doing it primarily on their own. They have a high degree of self-sufficiency, but even when support would be welcome, the appropriate services are just not there. In this respect, government can continue to play a role in helping develop age-appropriate services and guidance within Job Centres.

Despite the motivation among individuals to work into later life, they continue to face the same barriers that were highlighted years ago. Continued adherence – sometimes conscious but especially unconscious – to age-related stereotyping can blind many employers to the changes that have occurred in the structure of society and the modern labour market. Taking advantage of the benefits from an age-diverse workforce by embracing the skills and expertise of older workers is necessary for any business to remain viable, competitive, and profitable well into the future. In doing so, employers can play a vital role in helping people work into later life.

Older people also need support by way of flexible work arrangements in order to accommodate issues around ill health and the need to provide informal care. Employers are key in this to ensure such positions are available, but government also has a role in supporting public health, workplace safety, and social care services.

The business case has already been made, but attitudes have proven more resistant to change. And until the myths around age in the workplace are tossed aside, older workers will continue to find themselves out of work and out of luck.

References

- Casebourne, J., Bivand, P., Franceschelli, M., & Forsythe, L. (2008) *Impact of Learning on Employability*. Coventry: Learning and Skills Council.
- Chartered Institute of Personnel and Development (CIPD) & Chartered Management Institute (CMI) (2005) *Tackling age discrimination in the workplace: Creating a new age for all*. London: CIPD & CMI.
- Cory, G. (2013) *Getting On: Universal Credit and older workers*. London: Resolution Foundation.
- Frerichs, F. & Taylor, P. (2005) 'The Greying of the Labour Market: What can Britain and Germany learn from each other?' London: Anglo-German Foundation for the Study of Industrial Society.
- Fry, G., Singleton, B., Yeandle, S., & Buckner, L. (2011) *Developing a clearer understanding of the Carer's Allowance claimant group*. Department for Work and Pensions Research Report No. 739.
- Jorgensen, B. & Taylor, P. (2008) 'Employees, employers and the institutions of work: The global competition for terrain in the ageing workforce agenda.' *Foresight*, 10(1):22-36.
- Kooij, D., de Lange, A., Jansen, P., & Dijkers, J. (2008) 'Older workers' motivation to continue work: five meanings of age.' *Journal of Managerial Psychology*, 23(4): 364-394.
- McNair, S. (2010) *A sense of a future: A study of training and work in later life*. A Report for the Nuffield Foundation. Leicester: National Institute of Adult Continuing Education.
- McNair, S. (2011) *Older people and skills in a changing economy*. Briefing Paper Series, UK Commission for Employment and Skills.
- National Institute of Adult Continuing Education (NIACE) (2014) *Mid-life career review*. Leicester: NIACE.
- Ng, T. & Feldman, D. (2008) 'The Relationship of Age to Ten Dimensions of Job Performance.' *Journal of Applied Psychology*, 93(2): 392-423.
- Ng, T. & Feldman, D. (2012) 'Evaluating Six Common Stereotypes about Older Workers with Meta-Analytical Data.' *Personnel Psychology*, 65(4): 821-858.
- Phillipson, C. & Smith, A. (2005) *Extending Working Life: A review of the research literature*. Department for Work and Pensions Research Report No. 229.
- Posthuma, R. & Campion, M. (2009) 'Age Stereotypes in the Workplace: Common Stereotypes, Moderators, and Future Research Directions.' *Journal of Management*, 35(1): 158-188.
- Roscigno, V., Mong, S., Byron, R., & Tester, G. (2007) 'Age Discrimination, Social Closure and Employment.' *Social Forces*, 86(1): 313-334.
- Salthouse, T. (2009) 'When does age-related cognitive decline begin?' *Neurobiology of Aging*, 30(4): 507-514.
- Skills Funding Agency & Department for Business, Innovation & Skills (2014) 'Breakdown by geography, equality & diversity and sector subject area: starts 2002/03 to 2013/14.' *FE data library: apprenticeships*. <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>
- Skirbekk, V. (2003) *Age and Individual Productivity: A Literature Survey*. Max Planck Institute for Demographic Research (MPIDR) Working Paper WP 2003-028.
- Taylor, P. (2008) *Ageing labour forces: promises and prospects*. Cheltenham: Edward Elgar.
- Taylor, P. & Walker, A. (1998) 'Employers and older workers: attitudes and employment practices.' *Ageing & Society*, 18(6): 641-658.
- Van Dalen, H., Henkens, K., & Schippers, J. (2009) 'Dealing with older workers in Europe: a comparative survey of employers' attitudes and actions.' *Journal of European Social Policy*, 19(1): 47-60.
- Villosio, C., Di Pierro, D., Giordanengo, A., Pasqua, P., & Richiardi, M. (2008) *Working conditions of an ageing workforce*. Luxembourg: Office for Official Publication of the European Communities.
- Walker, A. (2005) 'The Emergence of Age Management in Europe.' *International Journal of Organisational Behaviour*, 10(1): 685-97.

Appendix 1

Notes on Methodology and Data Acknowledgements

This report uses data from the two-quarter longitudinal dataset of the Labour Force Survey (LFS) covering Q4 2013-Q1 2014. It also uses data from Wave 5 of the English Longitudinal Study of Ageing (ELSA). The data were made available through the UK Data Archive (UKDA). The developers and funder of the LFS and ELSA as well as UKDA do not bear any responsibility for the analyses or interpretations presented here.

ELSA was developed by a team of researchers based at the NatCen Social Research, University College London and the Institute for Fiscal Studies. The data were collected by NatCen Social Research. Funding is provided by the National Institute of Aging in the United States, and a consortium of UK government departments co-ordinated by the Office for National Statistics.

LFS is a survey of private households in the UK intended to gather information related to the labour market behaviour of the population. It began in 1973 as an annual survey and is a unique source of articulated information using international definitions of employment, unemployment, and economic inactivity, together with a wide range of related topics such as occupation, training, hours of work and personal characteristics of household members aged 16 years and over.

Since 1992, it has been conducted on a quarterly basis using a rotational sampling design that follows households for five consecutive quarters. This provides a longitudinal dimension available for analysis where around one-fifth of the sample is replaced each quarter. Each quarter, the sample includes around 41,000 responding households from Great Britain and 1,600 from Northern Ireland.

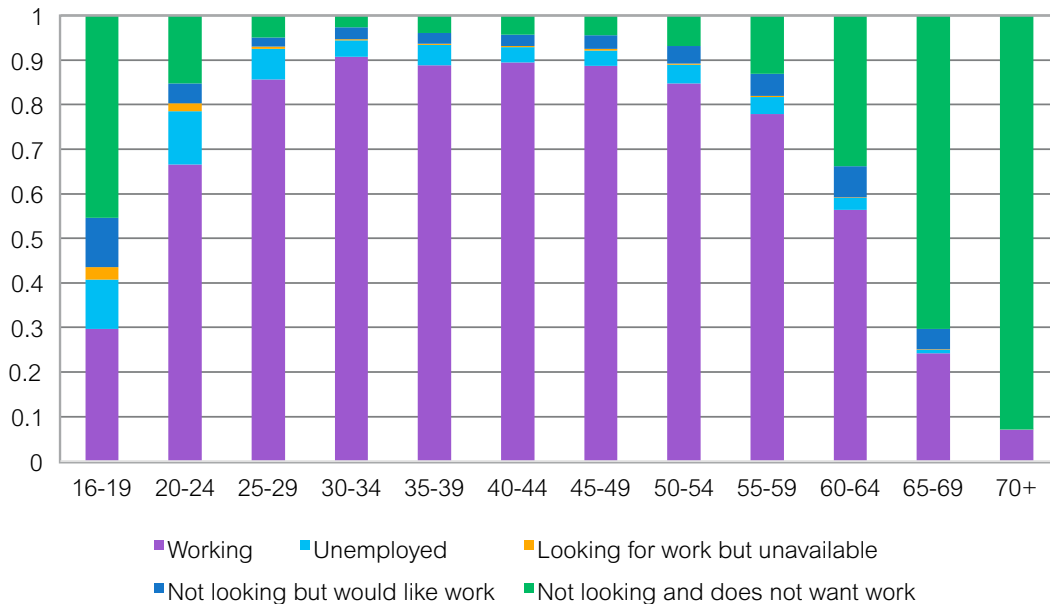
While the datasets are referenced throughout the report, we have conducted some introductory analysis using the second quarter data from 2014 (Q2 2014); the analysis accounts for the clustering effect caused by sampling households, and data have been weighted to adjust for selection and non-response bias, which provides estimates that better reflect the total population. The majority of the analysis in the report, however, uses the two-quarter linked longitudinal dataset covering the fourth quarter of 2013 and the first quarter of 2014 (linked Q4 2013-Q1 2014). The two-quarter dataset was selected over the available five-quarter dataset in order to have sufficient numbers of transitioning respondents for analysis. The two-quarter longitudinal data have also been weighted to account for non-response bias as a result of attrition (drop-off) across time. As a result of the weighting procedure, figures presented in this report such as percentages or proportions should be understood to reflect the UK population rather than simply the LFS sample.

However, as much of our analysis is interested only in those who changed their economic activity status, sometimes the figures reflect a small proportion of the full LFS sample, which means that confidence intervals must be taken into consideration to determine if differences in reported percentages or population estimates can actually be expected to reflect reality. While the primary figures from analysis are presented throughout the report, the conclusions and statements made have taken 95% confidence intervals into account; wherever a range is reported, it reflects this confidence interval.

Appendix 2

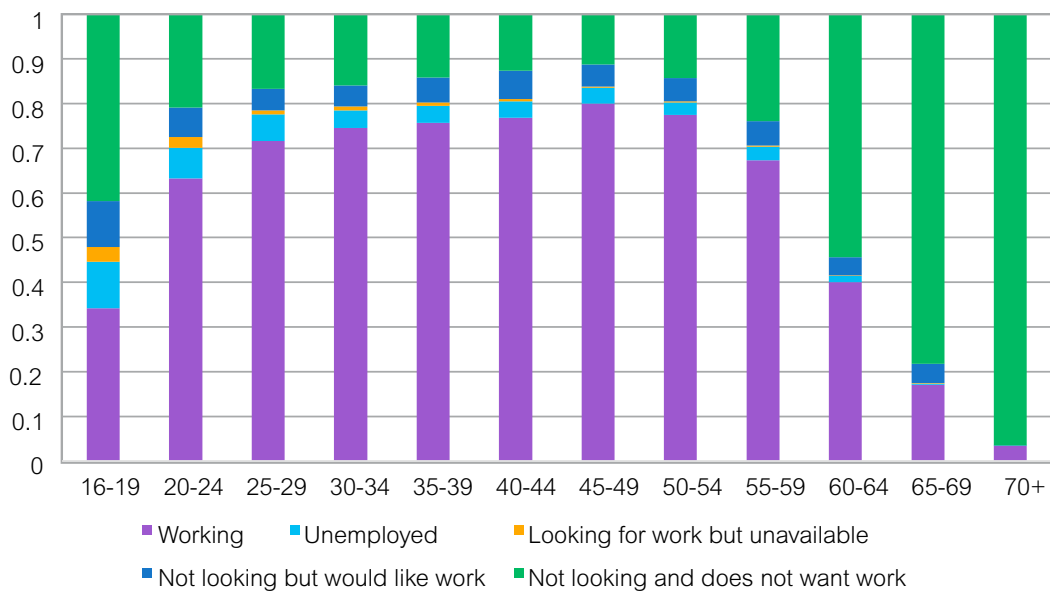
Economic Activity by Age Group and Gender

Men



Source: LFS Q2 2014

Women

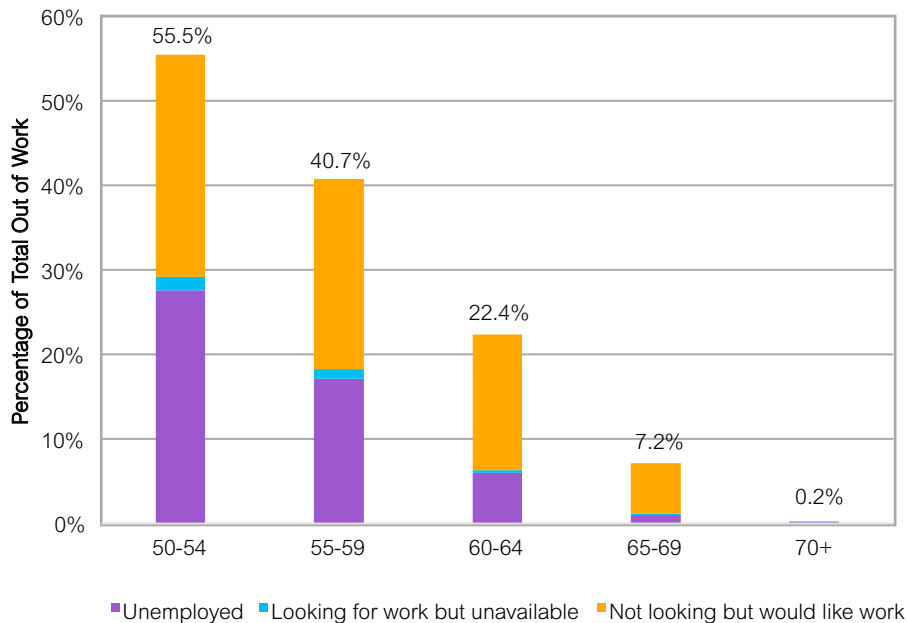


Source: LFS Q2 2014

Appendix 3

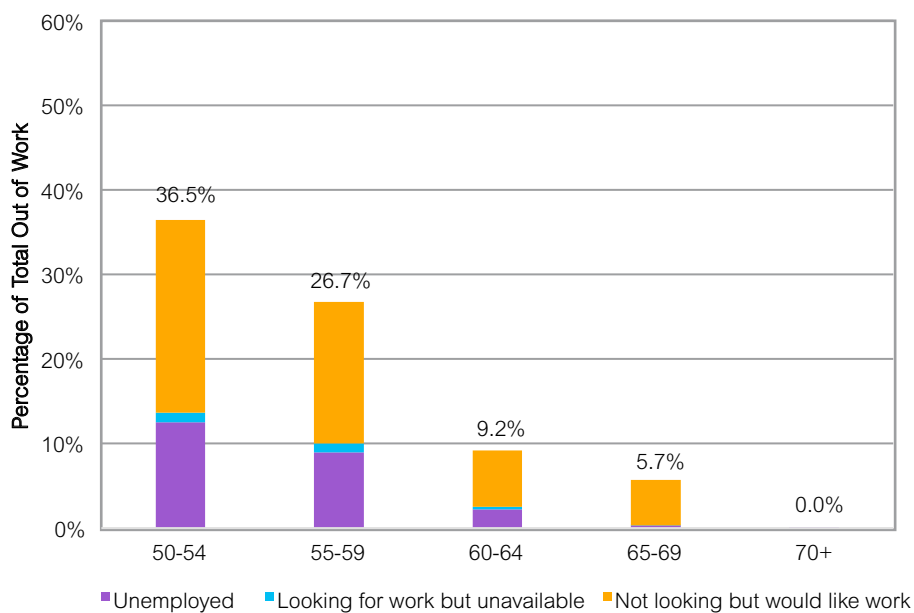
Percentage of Older People Interested in Work among Total Jobless by Age Group and Gender

Men



Source: LFS Q2 2014

Women



Source: LFS Q2 2014

Appendix 4

Detailed Tables of Results

The tables below offer further detail on the results from the analysis of the LFS data, including 95% Confidence Intervals and unweighted sample size figures where appropriate. LFS advises a reporting threshold for population estimates derived from two-quarter datasets of at least 17,000; estimates less than this threshold would suffer from very low reliability.

Figures for Different Pathways of Economic Activity for People Aged 50-64

Q4 2013	Q1 2014	%	95% CI	Pop. Estimate	95% CI	N
Employed		65.94%	(65.05%-66.82%)	7,725,437	(7,565,110-7,885,765)	7,495
Unemployed		2.08%	(1.80%-2.42%)	244,239	(207,367-281,111)	208
Inactive		27.47%	(26.65%-28.30%)	3,218,059	(3,111,058-3,325,061)	3,382
Unemployed	Employed	0.61%	(0.48%-0.78%)	71,278	(53,661-88,894)	65
Inactive		0.77%	(0.63%-0.93%)	89,940	(72,318-107,562)	103
Employed	Unemployed	0.67%	(0.52%-0.87%)	78,859	(58,916-98,801)	71
Inactive		0.46%	(0.36%-0.60%)	54,295	(40,377-68,214)	60
Employed	Inactive	1.33%	(1.12%-1.57%)	155,551	(129,496-181,605)	140
Unemployed		0.67%	(0.52%-0.86%)	78,123	(57,926-98,320)	60
<i>Subtotal of those who changed</i>		4.51%		528,046	(412,694-643,396)	499
Total		100%		11,715,781		11,584

Reported Reasons for Inactivity in Q4 2013 by Activity Status at Q1 2014

Q1 2014 Status:	Inactive		Employed		Unemployed	
	%	95% CI	%	95% CI	%	95% CI
Retired	41.25%	(39.58%-42.95%)	30.63%	(22.57%-40.09%)	11.07%	(5.28%-21.75%)
Sickness/Disability	34.66%	(32.99%-36.37%)	22.85%	(15.37%-32.57%)	32.56%	(21.61%-45.82%)
Looking after Home/Family	14.18%	(13.00%-15.45%)	15.68%	(9.90%-23.95%)	16.48%	(9.05%-28.13%)
Does Not Need/Want Work	5.21%	(4.50%-6.03%)	5.53%	(2.48%-11.86%)	1.46%	(0.20%-9.65%)
Not Looking/Discouraged	1.69%	(1.30%-2.19%)	5.39%	(2.42%-11.55%)	15.88%	(8.70%-27.22%)
Other	3.00%	(2.36%-3.81%)	19.91%	(13.07%-29.13%)	22.55%	(13.73%-34.76%)

Reported Reasons for Inactivity in Q1 2014 by Activity Status at Q4 2013

Q4 2013 Status:	Inactive		Employed		Unemployed	
	%	95% CI	%	95% CI	%	95% CI
Retired	41.32%	(39.65%-43.02%)	39.89%	(32.14%-48.18%)	9.59%	(4.58%-18.98%)
Sickness/ Disability	34.91%	(33.24%-36.63%)	15.69%	(10.32%-23.14%)	41.25%	(29.30%-54.32%)
Looking after Home/Family	14.59%	(13.39%-15.87%)	14.66%	(9.63%-21.69%)	22.09%	(12.91%-35.16%)
Does Not Need/ Want Work	5.27%	(4.55%-6.09%)	8.39%	(4.80%-14.24%)	2.97%	(0.73%-11.24%)
Not Looking/ Discouraged	1.20%	(0.88%-1.63%)	7.92%	(4.31%-14.13%)	4.52%	(1.45%-13.20%)
Other	2.70%	(2.09%-3.50%)	13.45%	(8.51%-20.61%)	19.58%	(11.3%-31.76%)

Interest in Work among Inactive People Who Became Jobless at Q1 2014 by Age Group

Age Group:	16-29		30-49		50-64	
	%	95% CI	%	95% CI	%	95% CI
Would Like Work	28.06%	(19.40%-38.74%)	47.00%	(36.66%-57.60%)	24.42%	(17.75%-32.60%)
Would Not Like Work	71.94%	(61.26%-80.60%)	53.00%	(42.40%-63.34%)	75.58%	(67.40%-82.25%)
	Pop. Est.	95% CI	Pop. Est.	95% CI	Pop. Est.	95% CI
Would Like Work	40,966	(24,521-57,412)	61,038	(41,851-80,226)	37,991	(24,474-51,508)
Would Not Like Work	105,014	(76,832-133,197)	68,843	(49,025-88,662)	117,560	(95,265-139,855)

Types of Employment Found in Q1 2014 by Age Group among People Who Became Employed

Age Group:	16-29		30-49		50-64	
	%	95% CI 90% CI	%	95% CI 90% CI	%	95% CI 90% CI
Employee	81.98%	(75.82%-86.84%)	70.38%	(63.42%-76.51%)	56.17%	(48.43%-63.62%)
		(76.9%-86.14%)		(64.59%-75.58%)		(49.68%-62.45%)
Self-employment	9.68%	(5.82%-15.67%)	17.56%	(12.75%-23.69%)	23.42%	(17.66%-30.37%)
		(6.32%-14.53%)		(13.43%-22.61%)		(18.51%-29.18%)
Government schemes	6.59%	(4.06%-10.54%)	8.25%	(5.01%-13.29%)	9.79%	(5.83%-15.97%)
		(4.39%-9.79%)		(5.43%-12.34%)		(6.34%-14.8%)
Unpaid work for family business	1.75%	(0.77%-3.94%)	3.82%	(2.04%-7.02%)	10.63%	(6.88%-16.05%)
		(0.88%-3.46%)		(2.26%-6.38%)		(7.39%-15.05%)

Business in the Community

137 Shepherdess Walk

London N1 7RQ

T: +44 (0)20 7566 8650

F: +44 (0)20 7253 1877

E: info@bitc.org.uk

Published in February 2015

© ILC-UK



Registered details: 137 Shepherdess Walk, London N1 7RQ, Telephone 020 7566 8650
Registered Charity No: 297716, Company Limited by Guarantee No: 1619253