

# Fuller working lives

TAEN LSE Seminar

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# Time to revolutionise retirement

- By 2020 will be 3,700,000 more people aged 50 – SPA and 700,000 fewer age 16 – 49
- Over 50s will be c. 1/3 of working age population
- 1 in 6 men, 1 in 4 women reaching SPA not worked since at least age 55, half retire before SPA
- On average men and women live much longer but stop work younger than in 1950s
- Longer, healthier lives , less physical strain at work can facilitate retirement revolution



# IT'S ALREADY BEGINNING

## ***RECENT METLIFE SURVEY***

- **71%** of UK workers say they will consider working past state pension age, to achieve a higher retirement income
- Only **8%** not willing to work on, even if struggle financially
- But only **20%** believe they're saving enough for retirement

# Retirement is out of date

- Longer working lives are inevitable, let's prepare for it
- Number of pensioners in work has nearly doubled – big further rises to come
  - 753,000 in 1993, 1.4 million in 2011, 63% working part-time
- Retirement to be a process, not an event – whole new phase of life
- Flexible working
- More self-employment

# Employers have a vital role – 3 ‘r’s

- Retaining, retraining, recruiting
  - Not just contributing to pensions but also offering employment opportunities
- HR role in ongoing performance management of all skills and talents
- Mentoring, apprenticeships, new careers, job sharing
- ‘Family leave’?
- Senior workers

# WIN-WIN

- Benefits for business, individuals, society and the economy
- Higher national income, output, spending and wellbeing
- Older workers can boost economic growth and ensure more jobs for the young
- Intergenerational cohesion
- Lower benefit spend and pensioner poverty, better health – physical and mental



# Benefits to Business

- Retain knowledge, firm-specific skills and experience
- Avoid skill shortages
- Maintain productivity
- Ability to mentor younger employees
- Customers often want age-diverse workforce



# Employers realise benefits

- *MACDONALD'S: David Fairhurst – Chief People Officer*  
“Changing demographics in the workplace mean that later life workers are now the fastest growing age group in the labour market. ...their contribution to business and the wider economy often goes unsung...**These employees make a huge impact on customer satisfaction.**”
- *AT BROWN COACHES: Director – Ewen Macleod* “**They’re like gold-dust. Their experience and flexibility would be hard and costly to replace.** It’s better for my business to keep our older workers, many working flexibly, than to recruit replacements. It’s all about long-term survival.”



# Benefits to individuals

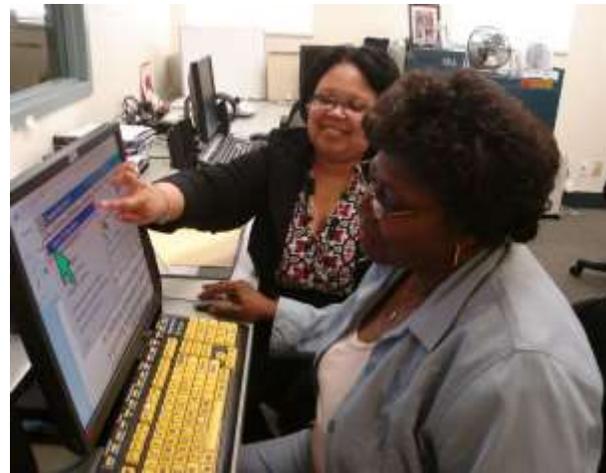
- Working longer increases income now and for life

Extra years worked	Extra income (average workers, cumulative)	Increase in pension fund (approx.)
1	£25,000	£4,500 (+4%)
2	£50,000	£9,500 (+8%)
3	£75,000	£14,000 (+13%)

- Improves financial, physical and mental wellbeing
- Gap years then study? New start in your 50s – not the end!

# POLICIES TO FACILITATE WORK AND CARE

- Increasing numbers will be carers
- Already have right to request flexible working
- Do we need similar measures as have been adopted for working mothers?
- Carer's leave or Family leave (a la maternity leave)?
- Programmes to help carers back into work



# OLDER WORKERS CHAMPION

- Engage with business leaders, HR professionals
- Age discrimination is dangerous in an ageing workforce!
- Important to help people recognise new realities
- Understand and change attitudes for the benefit of all
- Flexible working, recruitment, retention, retraining, women and carer issues

# CONCLUSIONS

- Champion older workers' skills – retention, retraining and recruitment
- So much going on but needs to be brought together
- Not about forcing people to work longer
- Enabling, facilitating, encouraging
- Win-win for individuals, business and society as a whole

...THANK YOU FOR LISTENING

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