

FULLER WORKING LIVES

TRADE ASSOCIATIONS ROUNDTABLE

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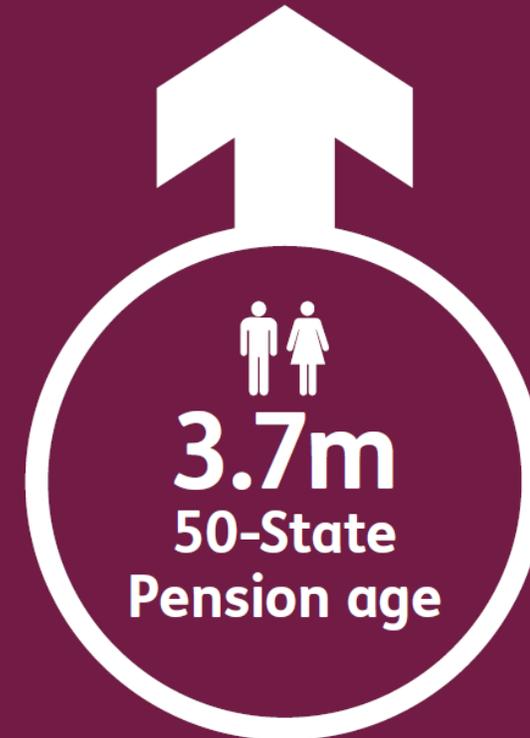
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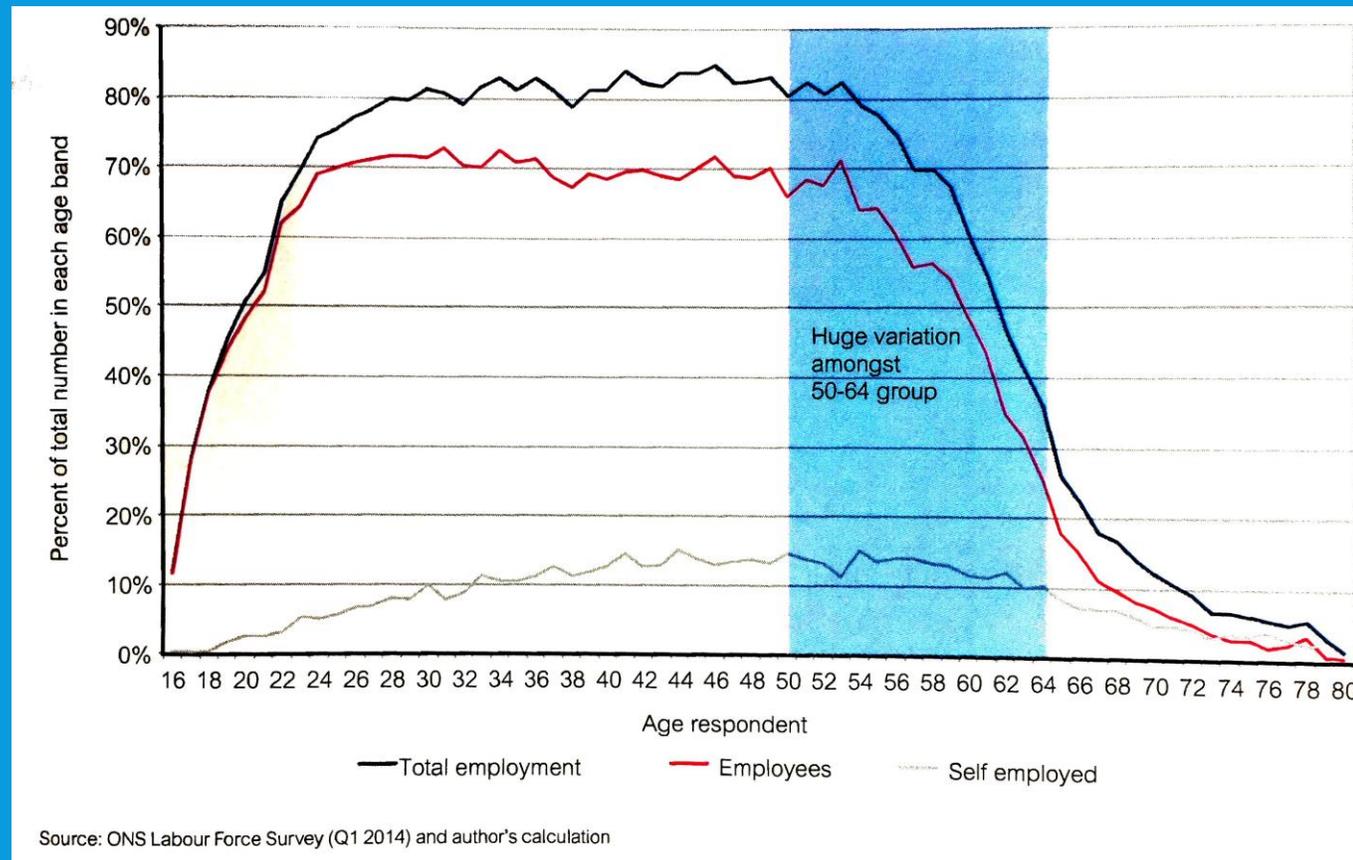


AN AGEING UK WORKFORCE

In the next 10 years there will be **700,000** fewer people aged 16-49, but **3.7 million** more people aged 50-State Pension age.

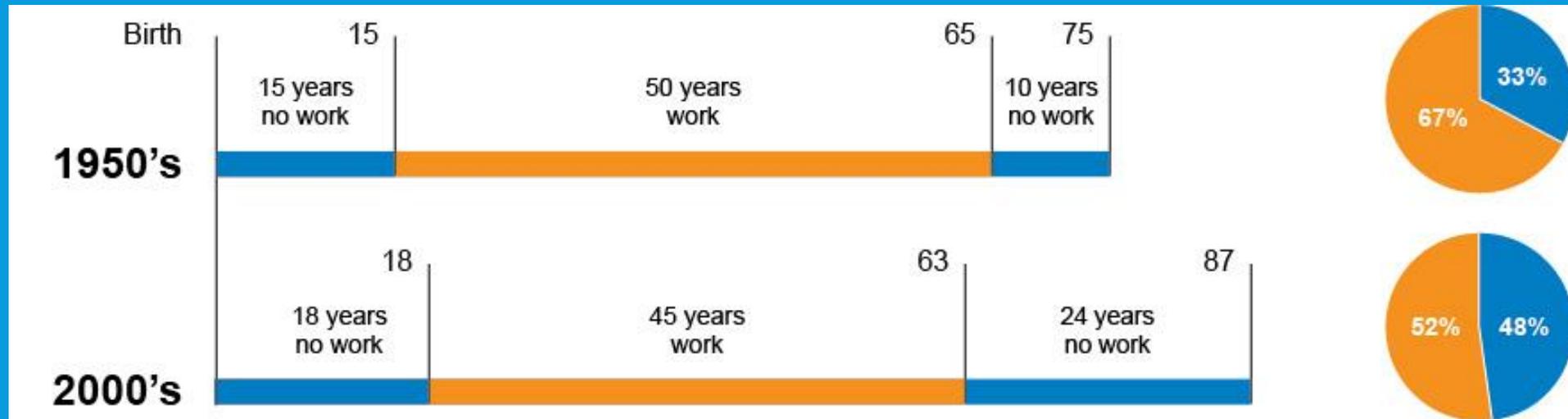


UK LABOUR FORCE PARTICIPATION FALLS FROM 50 +



Source: The missing million: illuminating the employment challenges of the over-50s

WORK DETACHED FROM LONGEVITY



1950s – work:retirement years ratio 5:1

Now - work:retirement years ratio 2:1

RETIREMENT IS OUT OF DATE



- Over 50s c.1/3 of working age population but average retirement age below 1950s
- In 1970s, 90% of men age 60-64 were working, it's now 50%
- Yet most are living longer, healthier lives
- 1 in 6 men, 1 in 4 women reaching SPA not worked since at least age 55
- Trend to 'early retirement' an aberration, but not all can keep working as before

EARLY LABOUR MARKET EXITS FOR OVER 50S

- Major factors that influence decisions to leave work are:
 - Redundancy
 - Caring responsibilities
 - Health conditions
 - Disability
 - Workplace factors
 - Financial security
- Some occupations or industries more affected
- Some have high concentrations of older workers in particular sectors

KEY SECTORS - MEN

Half of economically inactive older men previously worked in 1 of just 4 sectors:

- Manufacturing
- Construction
- Transport
- Wholesale/retail

KEY SECTORS - WOMEN

And two thirds of economically inactive older women previously worked in:

- Education
- Health/social care
- Wholesale/retail
- Public administration

EMPLOYERS HAVE A VITAL ROLE – 3 ‘R’S

1. Retain 2. Retrain 3. Recruit

- Changing attitudes to later life working – rethinking age stereotypes
- HR challenge ongoing performance management, individual assessments, flexibility
- Mentoring, apprenticeships, new careers, job sharing, ‘Family leave’?
- Focus on over-50s unemployed or women returning to work after caring



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

The logo for National Express, with 'national' in blue and 'express' in red, set against a white background within a blue-bordered box.

HR Director Jenifer Richmond said:

“taking on and retaining older workers isn’t about compromising ... it makes sound business sense.

“We really value being able to have a good mix of older and younger employees as these often make up our best performing teams. Mixing with and learning from older staff is often the best way in which our younger employees and apprentices can learn, as well as being a great example of being reliable and having a positive work ethic.

“As National Express continues to grow and expand as a company, the contribution made by our older workers very much forms part of the plan.”

EMPLOYERS REALISE BENEFITS



Louise Griffin, HR Manager, said:

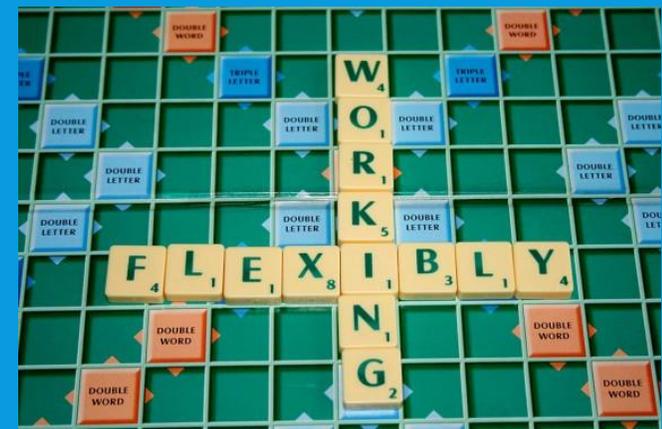
"As a successful British manufacturing business which exports to over 140 countries across the globe, we owe our success to the quality of our workforce, a key element of which is the diversity of age and experience

"working hard to recruit and retain the right older workers, as well as investing in apprenticeships and developing school leavers and graduates, gives our workforce the correct balance and subsequently enables us to reach the levels of success that we have."



TIME TO REVOLUTIONISE RETIREMENT

- Retirement to be a process, not an event – whole new phase of life
- Longer working lives inevitable, let's plan for new-style retirement
- Flexible working, more self-employment, no DRA
- 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



IT'S ALREADY BEGINNING

- Pensioners in work 753,000 in 1993, 1.4 million in 2011 (63% working part-time)
- Recent MetLife Survey found:
 - **71%** of UK workers considering work past state pension age for a higher retirement income
 - Only **8%** not willing to work on, even if struggle financially
 - Only **20%** believe they're saving enough for retirement



BENEFITS TO INDIVIDUALS



- Working longer increases income now and for life
- 3 extra years maybe £75,000 higher lifetime income and 13% more pension

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%)

- Can also improve financial, physical and mental wellbeing

OLDER WORKERS CHAMPION

- Engage with business leaders, HR professionals and Trade Associations
- Make the case for fuller working lives
- Older workers are complementary to young, not substitutes – no crowding out
- If all over 50s worked just one year longer, would boost growth by 1% = £16bn!
- Older women a particular focus perhaps

HOW TRADE ASSOCIATIONS CAN HELP...

- You are trusted avenues of information for employers
- You can help get messages out to employers
- Particularly sectors where individuals more likely to fall out of labour force
- Help employers understand the benefits to their business and to their staff



CONCLUSIONS



- Champion older workers' skills – retain, retrain, recruit
- Rethink retirement – a process, not a one-off event
- Hidden boost to economy from fuller working lives
- Not forcing people to work longer but enabling, facilitating, encouraging
- Win-win for individuals, business and society as a whole

...THANK YOU FOR LISTENING

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