

NEW AGE UK ANALYSIS SHOWS OLDER PEOPLE IN EMPLOYMENT ARE FACING CUTS TO WORKING HOURS

- **in some cases up to 8 hours a week and probably not through choice**
- **worries that older workers are now being hit by the 'Gig Economy', with implications for State Pension age decisions**

New Age UK analysis finds that while employment rates for older workers have increased in this country since the 2008 recession, as has been widely reported, the more hidden flip side is that the number of hours worked on average by older workers has declined since then. The same pattern has also been observed in other similar countries.

In its report, the latest in its 'Behind the headlines...' series – 'Why the employment rate does not tell the whole story about working longer' – Age UK warns that if policymakers only look at the headline employment rate for older workers they risk drawing too rosy a conclusion about how easy it is for older people to stay in well paid, secure work, whereas the reality for many is far less positive. This is especially pertinent now, as within weeks the Government will be formally responding to John Cridland CBE's independent report into State Pension Age, published in March.

Using new analysis, Age UK's report looks beyond the positive headline employment figures for older workers, examining in more detail how the number of hours typically worked has changed since before the 2008 recession and aiming to uncover more about how the labour market has really developed for older workers. The Charity argues that whilst it is correct to say that the employment rates for older workers have improved in recent years, the pattern of hours worked is far more complex and less reassuring than often portrayed.

In particular, Age UK's research finds that for a typical man aged 60 to 64 the number of hours worked had dropped by 8 hours which is over 22 per cent, once personal characteristics have been controlled for. In the 50-54 age group, there has been a 29 per cent decline in average hours worked each week since the 2008 recession from 42.25 to 30 hours. For women aged 50-54 there has been an 18 per cent drop, equating to 29.3 to 24.1 hours. The analysis shows what the change in hours worked would have been if the original cohort had retained the same characteristics, for example the highest qualification level and marital status (both of which can have a substantial bearing on employment prospects), therefore looks beyond the headline employment rate.

It suggests that policies aimed at improving employment outcomes for workers in their fifties may not have been as successful as thought and need to be reviewed, and that much of the increase in employment rates have been because of better qualified people coming into the age bracket.

There was also a decline over the same period in the average hours worked by women aged 50-64 in higher-skilled roles, although women in lower skilled roles have seen an increase in their average hours worked.

A reduction in hours of working could of course be a positive sign if it reflects the fact that older workers are choosing to gradually scale down their hours, for example to help them juggle other responsibilities, but previous Age UK's research suggests it is more likely to be driven by negative factors, including the rise of insecure employment.

Age UK's analysis finds that the 2008 recession is not the cause of these trends because they were already clearly underway by then.

The Charity points out that if older workers work fewer hours they are likely to earn less and this is a concern because it will make it harder for them to maintain their standard of living until they reach their State Pension Age, and harder to keep on putting money aside to help them enjoy a comfortable retirement once they stop working.

Caroline Abrahams, Charity Director at Age UK, said: "It is certainly true that the numbers of older people in employment are rising but the fact that on average they are working fewer hours is an important qualification. Our research suggests this may be less through choice and more a consequence of the changing labour market, with issues such as the rise in self-employment and the so-called 'gig economy' starting to have a real impact. It is well known that many younger workers are finding themselves part of the 'precariat' – people whose work is highly insecure and unpredictable, often against their wishes – and now we are seeing evidence of the same thing happening to some older workers too.

"It goes without saying that if you work fewer hours you will earn less, and for older workers who are compelled to do less work than they would like, it could make it a lot tougher to withstand any rise in State Pension Age, let alone have any spare income to save for their retirement.

"When the Government responds to John Cridland's independent report into the State Pension Age, it is really important that Ministers look beyond the headline rate of employment of older workers at what is actually going on for millions of people in their fifties and sixties who are struggling to get and keep the secure, well paid jobs they want and need.

"As John Cridland himself advised, the Government needs to do more to enable those who can work longer to do so, for example, by improving re-training opportunities, and by increasing the practical and financial support on offer for carers and people with severe health problems who are unable to get back to work.

"Looking ahead, we also think it is crucial that the State Pension continues to retain its value to give people more financial security so they can look forward to later life with confidence, not fear. For example, research has shown that abandoning the triple lock would significantly reduce the chance that someone with low earnings can retire with an adequate income."

Age UK is urging older people with employment issues to visit www.ageuk.org.uk/work-and-learning/looking-for-work/ or call its advice line on freephone 0800 169 65 65.

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