

Employment

UK

April 2019

All older people who want to work must have the opportunity to do so. Someone's age alone should play no part in judging whether they are capable to do any job.



Key issues

While the employment rate for 50-64 year olds has increased in recent years, currently standing at 71.3 per cent, and there are now over 1.1 million over 65s who are working, this fails to give the whole picture of the labour market for older workers. There are many other people who would like to work but are denied the opportunity, for example because of low skills, caring responsibilities or age discrimination by employers, or because they do not get the unemployment support they need.

Key statistics

65.1 & 63.6 years

are the average retirement ages for men and women respectively

1.1 million

people are age 65+ are in employment

36%

of 55-64 year old workers believe they have been disadvantaged or perceived negatively because of their age

41%

of the 50+ unemployed have been out of work for over a year, higher than for any other age group

5 hours

of caregiving a week can have a significant effect on people's ability to stay in work. Three million people, 1 in 9 of the workforce, combine caring for a loved one with paid work. In 2012 the UK lost £5.3bn through lost earnings, taxes etc. from carers who had to stop work.

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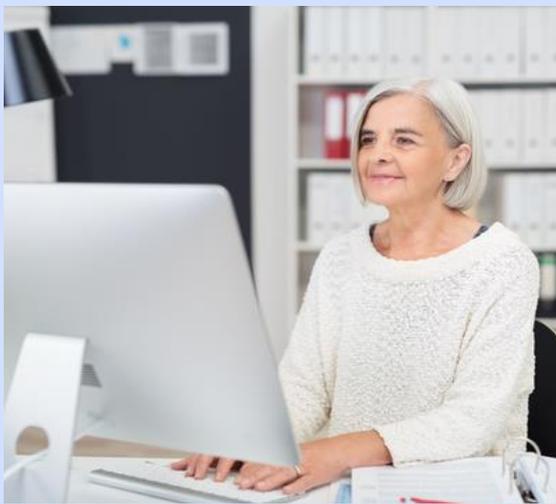
Age discrimination

As State Pension Age rises, many people need to work for longer but workers aged 50+ still face barriers in accessing work and training. Unjustified age discrimination is still rife, in spite of it being illegal under the Equality Act 2010, and a change in employer practices and attitudes is needed. Common stereotypes of older workers, for example that they are waiting to retire, inflexible, or regularly off sick, are still commonly believed, even though they are not applicable to the majority – a change in attitudes among employers and the public is needed if we are to make significant inroads into tackling ageism.

Recruitment is the point in the employment cycle at which discrimination is most likely to occur, even though it is rarely reported and difficult to take action against. The Government needs to consider how the Equality Act and its enforcement can be tightened to ensure that discrimination here is reduced.

Fuller working lives

The Department for Work and Pensions published an updated Fuller Working Lives strategy in February 2017, aiming to improve retention among 50+ workers. Age UK is pleased that this programme has helped raise awareness, but its focus on employer engagement is too narrow, and it needs to do more to address other important issues, for example encouraging take up of training (see Learning and Skills policy position) or promoting flexible working.



Flexible working

The proportion of 50+ workers using flexible working in some form has risen over recent years, reaching 38 per cent in 2012.ⁱ Flexibility is important to older workers, for example those with caring responsibilities (as little as five hours spent caring a week can prevent people from working), health problems, or seeking a gradual retirement. Benefits for employers include increased productivity and improved employee retention. However, there is a clear distinction between people working in higher and lower-skilled roles. The former have far greater access to flexibility, which facilitates their continued participation in the labour market, while the latter are more likely to report being unable to negotiate a change to their working pattern.

The right to request flexible working only applies to workers who have been in the job for more than 26 weeks, meaning people who might need some flexibility to move jobs or get back in to the workforce have no legal right to request. Age UK believes the 26-week qualifying period should be abolished so job applicants have a statutory right to ask for flexibility. Furthermore, the Government should introduce a system of 'flexible by default', where employees could assume they can work flexibly unless the employer can demonstrate otherwise.

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Unemployment

Long-term unemployment remains a particular problem for people aged 50 and over, with 41 per cent of those who are unemployed having been so for more than a year, higher than any other age group.ⁱⁱ The Work and Health Programme is the Government scheme for people who have been out of work for two years. However the failures of its predecessor scheme, the Work Programme, through which people aged over 55 were only half as likely to find work as the under 55s,ⁱⁱⁱ have not been corrected, and significant changes need to be made.

Older jobseekers often find they are unable to access adequate back-to-work support, with patchy support from Jobcentre Plus and inadequate training options. We support the introduction by Jobcentre Plus of 'age champions' and day one referral to support with digital skills, however we await an evaluation of the impact so far.

Career Review at 50

With the State Pension age due to increase to 67 in 2026-28 and with further rises likely in the 2030s and beyond, we are concerned that many people will find they are unprepared for a longer working life. The Government has recently launched a 'Mid-life MOT' website, offering signposting to other services. We believe that a full 'Career Review at 50' should be introduced, including proactive planning for future work/career, pensions and personal wellbeing. This would give people the opportunity to plan ahead, re-skill and consider their finances and health. Having this review at age 50 should become the social norm, so people have time to reap the benefits of re-training or moving to a new career.



Public Policy Proposals

- The Fuller Working Lives (FWL) Strategy needs to be included in the work of departments outside the DWP. To achieve this, a minister in the Cabinet Office should be given responsibility to coordinate across all areas of government and promote joint working to meet the strategic objectives identified in the FWL and Industrial Strategies.
- The Government must continue to make the business case for employing older workers, particularly among smaller employers, and act to reduce age discrimination. Employers of all sizes and in all sectors must be convinced that older workers often have the skills and expertise necessary to add value to their business, and judge people on their individual attributes rather than the prevalent stereotypes that are associated with older people.
- The Equality Act 2010 needs to be enforced to ensure that age discrimination, particularly in recruitment process, can be tackled more effectively.
- The Government should improve flexible working opportunities by abolishing the 26-week waiting period for employees to request flexibility and introducing a system of 'flexible by default' as soon as possible. The latter should be piloted in the public sector before being rolled out more widely.
- A full 'Career Review at 50', involving active careers, pensions and personal wellbeing planning, should be introduced to help ensure people have the skills and knowledge to keep working, and retire in a way of their choosing.
- The support provided to older jobseekers by Jobcentre Plus must start from day one of a benefit claim, and be better tailored to individual needs. All Work Coaches should be trained to address the age-related barriers faced by the over 50s.
- The Work and Health Programme should be designed to specifically meet the needs of 50+ participants. Support providers should be granted an extra payment for placing anyone aged 50+ in sustainable employment, to incentivise them to help more hard-to-help clients. More disadvantaged jobseekers should be referred after six months unemployment rather than the proposed two years, by which point many people will find it very difficult to get back in to work.

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- The Fit for Work Service should engage with employers to promote good age-management practices including, health management and flexible working. It should also link people directly to skills and retraining provision, especially where they are unlikely to return to their previous job.
- The Access to Work Scheme, that provides funding for reasonable adjustments to people with disabilities, should be promoted more widely among the 50+.
- People who are within three years of their State Pension age and realistically are unlikely to find paid work again – especially people claiming Employment and Support Allowance, Carers Allowance, or who are unemployed for 12 months or more – should have early access to their State Pension, at the full rate.
- Five days paid carer's leave, with a longer period of unpaid leave, should be introduced to help people balance their caring responsibilities and work.

Want to find out more?

Age UK has agreed policy positions on a wide range of issues. Our policies cover money matters, health and wellbeing, care and support, housing and communities. There are also some crosscutting themes, such as age equality and human rights, age-friendly government and information and advice

Further information

You can read our policy positions here; www.ageuk.org.uk/ourimpact/policy-research/policypositions/
Individuals can contact us for information or advice here; <https://www.ageuk.org.uk/informationadvice/> or call us on 0800 169 8787

Further information

ⁱ Age UK (2012), A means to many ends: older workers' experiences of flexible working

ⁱⁱ Office of National Statistics, Labour market statistics January 2017

ⁱⁱⁱ Age UK Helping 50+ jobseekers back to work: lessons for the Work and Health Programme, 2016