



Department
for Work &
Pensions

Fuller Working Lives Strategy

Participation in ageing conference, Riga, Latvia
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Video

The Political Backdrop

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HR Manager - Steelite International UK manufacturer of tableware for the catering industry.

First, the good news...

- There are more older people in employment than ever before:
 - **9.4 million** 50+ workers in the UK
- Employment rates for older workers have been increasing. Over the past 10 years:
 - For people aged 50-64 it has increased from 64% to **69%**
 - For people aged 65 and over it has increased from 6% to **10%**
- The corresponding employment rate for people below 50 has been broadly constant and is currently **82%**

Attitudes are changing

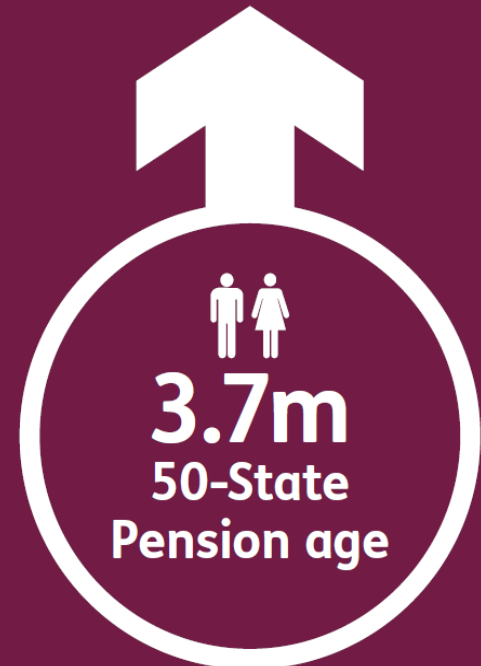
- Recent polling of employers showed:
 - Over 75% believe 50+ workers are a benefit,
 - 65% highlight reliability
 - 54% value their role as mentors to younger employees.
 - 87% agreed that skills of older workers are suitable for their business
- And people want to work longer?
 - 50% respondents over 50 still want to be working between 65-70
 - 39% would prefer winding down gradually with part-time work, rather than retiring
 - Only 15% of working over-50s wanted to stop working completely between 60-65
 - 20% retirees wish they had worked longer, 38% of them because they miss the social interaction

But early labour market exit still a significant issue



The future workforce in the UK

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.



The impact on individuals of early exit from the labour market

An average earner **retiring 10 years early** could see their pension pot **shrink by a third**, and spread over a much longer retirement.



The economic cost of people leaving the labour market early

If everyone worked
one year longer,
**GDP could
increase by 1%***
(£16 billion in 2013).

*National Institute for Economic
and Social Research (2011)

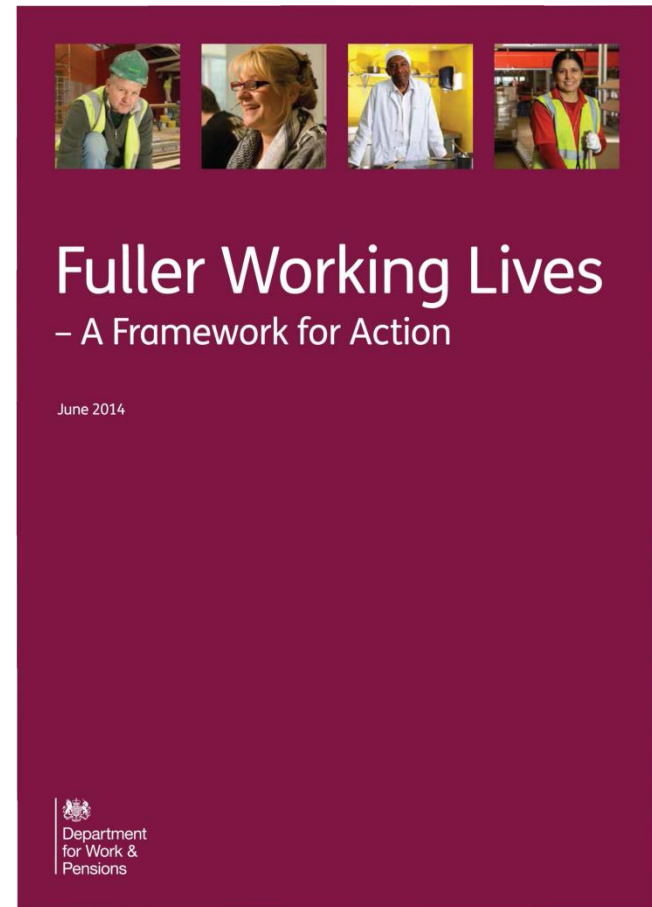


Fuller Working Lives: A Framework for Action

Business Champion for Older Workers:

Rethink retirement:

- *“This is not about being forced to work on, but enabling and encouraging those who want a fuller working life. Older workers can play a vital role in future growth both for individual businesses and the wider economy as a whole”*
- Analysis & Evidence
- Business case for individuals, businesses and wider society of later life working
- Action not only by Government!



Targeting – what we know

2.9m people 50+ have left the labour market early because of:

- Health conditions
- Disability
- Caring responsibilities
- Redundancy
- Workplace factors
- Financial security

Half of economically inactive older men previously worked in one of just four sectors:

- Manufacturing
- Construction
- Transport
- Wholesale/retail

Two thirds of economically inactive older women previously worked in:

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

Key policy responses

- Abolished the default retirement age (2011)
- Extended right to request flexible working to all employees (June 2014)
- State Pension age reform (currently rising to 67 by 2028)
- Fit for Work service (late 2014)
- Pension flexibilities (April 2015)
- Working with Local Enterprise Partnerships
- Trials and pilots: carers, back-to-work support
- Employer Toolkits - Guidance for managers of an ageing workforce by sector
- Business Champion for Older Workers: **3 ‘R’ s** “*Retain - Retrain – Recruit*”

Directions

- Targeted communications and case studies – for media, employers and individuals
- Working with employers and their networks:
 - **Business Strategy Group**: Barclays and National Express return to work apprenticeships and Business in the Community Age and Intergenerational Workplaces Leadership Team
 - **Local Enterprise Partnerships** – employer engagement events and workshops
- Further research and analysis
- UK Government to publish “A new vision for older workers: Retain, Retrain, Recruit”

Partner Views

“At **McDonald's**, our people are at the heart of everything we do and we have worked hard to be a good employer, because we need a workplace of motivated people to prepare good food and deliver great service for our customers. We recognise the value of hiring older workers and the advantages that older workers can bring, including a lifetime of training; on-the-job experience; and flexibility. Research, conducted with Lancaster University Business School in 2009, found that our customer satisfaction levels were on average 20% higher in restaurants that employed staff aged over 60.”

Steelite International: “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 we have within the business. Over decades, we have found that working hard to recruit 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.”

Partner Views

AT Brown Coaches: “They’ re like gold-dust. Their experience and flexibility would be hard and costly to replace. At the same time we do also have a 16 year old apprentice mechanic who is shaping up well and is very keen. Life is full of conundrums, but the bottom line is that I manage my human resources for the best return. 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, even more so in the current climate.”

“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 older workers very much forms part of the plan.”