

**WHY WE NEED A STRATEGY FOR OLDER WORKERS IN LONDON NOW.**

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1. **THE SCALE OF THE PROBLEM FACING OLDER WORKERS IN LONDON**

1.1 The plight of many London’s older workers is becoming more problematic since the pandemic. Whilst young workers have rightly received a lot of attention and support during Covid, the evidence is that they recovered more rapidly than the over 50s. **(1)** It is now older workers not just in London who are experiencing the effects of scarring in the job market and risk being left behind in the labour market recovery.

1.2 According to ONS **57,000 older Londoners aged 50-64 were unemployed at the end of 2021 an increase of 18,000 from the previous year. The unemployment rate for these workers at 5 per cent is higher than the rest of the UK. (2)**

1.3 But what is also alarming is the **increase in economic inactivity of over 50s** particularly men who have simply exited the labour market during and since the pandemic – this is becoming labelled the *“great resignation”* . Worryingly this reverses the historical falling trend in inactivity for this age group in the last 10 years. National ONS data shows nearly a rise of over 228,000 in the 50-65s age group becoming economically inactive – a trend also seen in the US and elsewhere. Most of the increase of economic inactivity in the labour market was because of the over 50 years age group and it isn’t just the typical affluent retirees but affecting lower income groups as well.

1.4 The risks associated with older workers unemployment and economic inactivity are immense. The likely resource challenges with the impending cost of living increase, future economic shocks and prospects of a more complex retirement are challenging for older people .(**3**) Exiting the job market without the necessary resources for retirement will exacerbate the growing trend of pensioner poverty.(**4**) But, there’s also adverse risks to health, wellbeing and social status of workers who’ve been pushed out of the job market, storing up welfare problems for the future.

1.5 At present the jury is out on whether this is a just a blip in post covid recovery or signs of a new normal for older workers.

**2. URGENT NEED FOR AN OLDER WORKERS STRATEGY IN LONDON**

2.1 The challenges facing older workers are thankfully now becoming more apparent and appreciated by policy makers with the publication of research and data. But this needs to be translated into action on the ground. In London tackling the issues faced by older workers require greater strategic intent and greater political. This should be led by the Mayor of London providing conspicuous leadership in raising the visibility of older workers and seeking to address the problems they face. This in turn will help elevate “older workers” as a policy issue elsewhere in the London policy system.

2.2 It’s insufficient to deal with these complex problems within the margins of existing initiatives. Instead, a coordinated strategy and policy approach across London is vital with all government partners, employers, third sector and unions fully involved. We outline below four key priorities for a London Older Workers Strategy . Core is not just more training support but also policy measures to address the drivers of the current problems – most notably ageism in workplaces and the lack of age friendly workplaces.

**3. BETTER UNDERSTANDING OF THE PROBLEMS FACING LONDON’S OLDER WORKERS**

3.1 Given the significant changes affecting older workers we need a much better picture of the implications of the key challenges. There are useful reports at a national level which start to spell out what’s happened to older workers, but London data and insights is essential to understand the specific issues.

3.2 Those key issues include:

* **Becoming unemployed as an older person is tricky – getting a job back in the labour market post covid is notably more difficult**. Research shows the over 50s have seen employment fall and a much weaker recovery on hours than all other age groups (**1**). The explanation is that over 50s have not been adaptable to the changing job market. 41 per cent of under 50s who stopped working in the first lockdown found a new job in March 2021 compared to just 17 per cent of over 50s. And a third of under 30s who were not working in the first lockdown had found work in a new industry by March in 2021 – compared with only 7 per cent of over 50s. And government support has targeted younger workers such as the Kick Start scheme.
* **Older workers are less likely to return to work after spells of unemployment than younger workers**. Among all those unemployed in their late 50s, less than one in three returned to work over the course of a year, compared with about half of those unemployed in their mid-30s. This is more acute for those who have been long term unemployed – 11.3 per cent of unemployed 60–64-year-olds have been unemployed for five years or more . Those with lower levels of education, those from BAME communities and women are at risk in being less likely to get jobs after becoming unemployed. Finding new work is inevitably difficult for some older workers - many don’t have much recent experience of searching for work**.** And worryingly the government itself has acknowledge that back to work support doesn’t work very well for older workers.
* **Ageism is a major problem in recruitment.** Those exiting jobs or having been made redundant cite ageism as a difficulty in them finding work**.** A report by Legal and General on over 50s in the labour market shows the challenges of ageism (**5**). The 60-64 age group surveyed showed that 64 per cent believe their age made employers less likely to hire them due to feeling overqualified and not having the right skills. 17 per cent cite health reasons for not getting a job which increases with age and then there are caring responsibilities more prevalent in the over 50s.
* **The exit from the labour market is unequal** People in low paid and manually intensive jobs are also at far greater risk of being forced out of the labour market early. Those working with heavy machinery and in ‘elementary occupations’ like cleaning or security are particularly vulnerable, closely followed by people in caring and other service occupations and retail and customer service (**6**)
* **The exit highlights the lack of training and skills possessed by older workers showing the lack of investment in this age group .** Various studies show how older workers lose out. CIPD data shows a pattern of older workers participating less in training with lack of access equal access to training and progression opportunities, with the risk managers are making assumptions that older staff are less likely to want development opportunities (**7**)
* **For those becoming economically inactive there are uncertainties ahead**  Over three quarters of 50-59s stated they left work sooner than expected – compared with over half of over 60s (**8**). These 50-year-olds were less likely to have retired than over 60s but cited stress and mental health or a change in lifestyle. But the biggest uncertainty is financial - for many they are using pension or savings and investments to fund their economic inactivity, but this may be over optimistic and can be precarious, and so many have worries about money and savings.
* **Yet many are resigned to this position** **of economic inactivity** – less than a third of over 60s would consider returning to work– compared with 59 per cent of 50-year-olds (**9**) . In London 77 per cent had not gone back to paid work since losing or exiting their job. Flexible and part time working may prompt some back. Yet evidence from the CIPD is that there could be a latent demand for job flexibility flexitime, term time working reduced hours, job shares, annualised hours etc shows either that it isn’t being asked for or is not being allowed.(**10** )
* **There are significant numbers of older workers who are now outside of the system to easily get support**. Many older workers who leave the labour market won’t be on benefits and won’t be eligible or go to a job centre – only 12 per cent receive state pensions which triggers DWP support. This throws up issues around how best to support these older workers and how best to reach them . And research shows that many over 50s don’t engage with Job centre support or other formal support as they don’t see it as suitable or relevant to them. (**11 )** This means new innovative ways will be required to attract and help older workers using a personalisation agenda.
1. **SEGMENTING OLDER WORKERS IN LONDON**

3.1 **We urgently need a clearer understanding of what’s happened to older workers in London including**

* Employment levels in London pre and post covid by age group
* How many over 50s have been made unemployed for how long, and the reasons
* How many over 50s have become economically inactive and for what reasons ?
* How do these rates vary across London in the sub regions?
* What are employment and exit rates by age, gender, and ethnicity as well as income levels **?**
* Employment changes for unemployment and exiting for over 50s across industry sectors including industry age rates and by occupational level
* Changes in hours worked and the incidence of part-time working post covid
* Formal qualifications by age and in house training received by older workers
* Reported health and caring problems for older workers

3.2 **We need the views of the over 50 workers experiencing change.**

There has been some limited qualitative research at a national level (**12**) but this needs to be supplemented by a programme of research and engagement with over 50s in London who have experienced change. This needs to look at barriers to finding work, views about exiting employment and why, what personal and family circumstances affect decisions; and what support is felt to be necessary

3.3 **Prioritising needs and support for older workers**

There are big risks of lumping all “older workers” together as well as making assumptions about needs or looking at older workers through the prism of existing provider employment support initiatives Further research and analysis is required to begin to categorise older workers to help identify and tailor support. A simple crude breakdown is those who are seeking work via JCP, those outside of the JCP system, the long term unemployed, those who have been pushed out of the labour market post pandemic and those willingly exiting the labour market.

**STRATEGIC PRIORITY ONE : PROVIDING THE RIGHT TAILORED SUPPORT FOR OLDER WORKERS NEEDS**

1. **The overriding aim is to ensure that all over 50s who wish to work or leave the labour market feel supported and enabled to do so in a way that suits their circumstances and can access that support wherever they live in London**.

* An assessment of the skills gap facing older workers (e.g., types of digital) is necessary but also identifying the marketable skills strengths of older workers against sectors
* Many older workers report that they are put off training as it doesn’t suit their circumstances and they feel out of place. Key is ensuring the provision by way of training, coaching and courses is appropriate to the different needs of older workers.
* An audit of training support across London is required ensuring standards are met, the content is tailored and those providing it are skilled and empathetic with the differing needs of older workers as well as the performance of programmes of support in terms of outcomes. This needs to be across sub-regional partnerships
* The Mayoral Academy programme needs to be assessed how far it is catering for older workers and what can be done more.
* Access to all training and support needs to be promoted. As many older workers are not in receipt of state benefits then ensuring existing employment support services reach a wider audience of over 50s through a personalisation agenda will be necessary.

**STRATEGIC PRIORITY TWO : AN IMPROVED ADVICE AND INFORMATION SYSTEM FOR OLDER WORKERS**

1. Older workers seeking support needappropriate **advice in seeking employment**. But that advice needs to be carefully tailored around needs as well as using different channels to reach older workers. Unfortunately, the experience of older people using materials is they fail to cater for older people – photos of older workers are few and much of the focus is oriented around young people.
* Greater information is required about the **options open to older workers in employment .**  The Mayor needs to co-ordinate an Older Workers information hub.

This would provide advice on ageism, rights on flexible working, support for health problems and caring responsibilities.

* There is evidence is that some older workers made redundant during covid left to become self-employed.
* The complex issues around **retirement and paying for later life** require greater information for older people so they can make the right choice but also have up to date information. This is even more important with the cost-of-living crisis and whilst the Mayors’ Cost of Living hub is a good start there should be more bespoke information on issues facing for older workers

 **STRATEGIC PRIORITY THREE : ADDRESSING THE CAUSES**

6.1 Although tailored support is vital, the problems facing older workers will only be solved by tackling the underlying causes of the problems. This needs to be through a range of new Mayoral led initiatives .

* **Championing older workers in London campaign**

We need more awareness of the value of older workers in London and their benefits to the job market with them seen as part of the solution not just a problem. Through paid work alone, older Londoners contribute at least £47 billion to the capital’s economy. The Mayor and London councils in conjunction with employers and other partners need to run a campaign that publicises the active role of older workers and the value of multi-generational workforces and the need for more organisations to become age friendly.

* **Promoting good quality work and training for older workers**

One major problem voiced by older workers is the quality of jobs. Local employers need to be persuaded to provide age-friendly workplaces by promoting good practice. This should include championing schemes such as the London Healthy Workplace Award and the aligned Good Work Standard stimulating employers to create healthy work environments such as flexible hours for older workers with caring responsibilities. Initiatives such as midlife MOTs, phased retirement and financial wellbeing schemes are required.

* **A Mayoral Challenge on Ageism**

But the “elephant in the room” is always ageism in employment which affects many people seeking jobs – shown in the surveys particularly those who’ve exited employment. Despite concerns there needs to be more leadership around challenging ageism. This requires a mayoral campaign around combatting ageism in employment. This needs to promote sectors who employ higher levels of older workers, develop case studies of innovations for older workers as well as encouraging all employers to publish data on employment (GLA it should be noted employs 19 per cent over 50s – only 4 per cent over 60)

* **London toolkit for age friendly employers**

Manchester is the first UK city to launch a toolkit for employers to promote age friendly workplaces in business terms. London needs to follow suit and produce guidance and support for London employers on flexible working, career development throughout lives, making workplaces more inclusive and developing an inter-generational dialogue on the future of work. This would be based around Wise Age’s Older People’s Employment Charter (**10**)

* **Making Anchor Institutions the exemplar of age friendly workplaces**

Anchor Institutions to date have concentred on younger workers though they have an expectation to recruit more over 50s. As part of the broader London older workers campaign, Anchor Institutions need to be persuaded to all become accredited age friendly employers setting an example to their supply chains and communities.

**STRATEGIC PRIORITY FOUR - JOINING UP THE LONDON RECOVERY BOARD PLANS TO SUPPORT OLDER WORKERS.**

1. Whilst elements of the recovery plan package in the London Recovery Board Good Work Mission do touch on older workers, more can be done as part of a coherent strategy which addresses all the issues rather than a collection of initiatives. Key actions here are
* An **older workers governance group** with representatives of GLA, London Councils, sub- regional partnerships, employers, unions, training providers , adult education, third sector and age activist organisations specialising in over 50s support. This would monitor support against the overview of older workers’ needs, co-ordinate an action plan and align existing initiatives. This would be comparable to the Youth Recovery Board set up by the LRB
* The **Skills Roadmap** needs to address the skill gap for older workers across London with an audit of AEB funded provider delivery plans for older workers. There needs to be publicity programme geared at older workers on the value of education and training in later life. The forthcoming Londoner learners survey should assess the outcomes and value for over 50s.
* The **No wrong door programme** is a valuable approach yet needs to ensure that older workers needs are catered for by tackling the barriers facing older workers and utilising unemployed over 50s customer journeys in planning access to advice. The missing over 50s who have exited the labour market need to be catered for.
* **Mayor Academies Programme** and hubs need to ensure they are providing the right training and support for older workers. New sectors need to be reviewed in terms of how older workers can contribute to them.
* **Borough led job brokerage and skills provision** needs to ensure there isadequate provision for older workers across London in an equitable way including dedicated support for over 50s.
* There needs to be better integration of the various elements of the London Recovery Board **Structural Inequalities Plan** to provide a co-ordinated approach to older workers with needs clear objectives and measures for evaluation. Issues of age discrimination are promoted in terms of employer’s rights . And financial wellbeing support needs to be devised to help older people facing a challenging future.

**MEASURING SUCCESS**

1. Ultimately the aim of the strategy is to improve employment outcomes for over 50s, reduce the adverse financial risks of older people and also promoting age friendly workplaces to root out ageism. But whilst plans can be produced, we need to track the impact of the strategy through a range of measure as shown below . As part of the Older Workers Strategy this needs public reporting and discussions with employers, unions, and other stakeholders.

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| **KEY MEASURES**  |
| Percentage of over 50s employed  |
| Percentage of over 50s unemployed |
| Percentage of over 50s classified as economically inactive |
| Percentage of over 50s economically inactive by ill health and caring responsibilities  |
| Percentage of over unemployed 50s still in unemployment after 12 months |
| Numbers of over unemployed over 50s receiving bespoke training  |
| Percentage of over 50s receiving GLA adult education programmes |
| Percentage of over 50s in work reporting receiving training by their employer |
| Percentage of over 50s reporting ageism in recruitment or in the workplace  |
| Percentage of London employers employing 25 percent workers aged 50 plus. |
| Number of London employment tribunals cases citing age discrimination  |
| Percentage of London employees’ awareness of age as a protected characteristics under the Equality Act |
| Percentage of London employers with diversity or equal opportunity policies in relation to age discrimination |
| Number of contracts to SMEs run by over 50s |
| Survey of older workers on support received  |

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