



UNDERSTANDING OLDER WORKERS

Analysis and recommendations
to support longer and more
fulfilling working lives

The CIPD is the professional body for HR and people development. The registered charity champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 160,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Report

Understanding older workers: analysis and recommendations to support longer and more fulfilling working lives

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1 Introduction

Much research is devoted to early career stages. There is less attention paid to the latter stages. People are living longer, and the proportion of older workers in the UK workforce is increasing. This means that employers will need to improve how they attract, manage and develop people as they age. This is particularly the case against a backdrop of technological change, rising skill and labour shortages, and more restrictive immigration policies.

The purpose of this report is to better understand older workers, who we generally define as those aged 50+. By knowing who they are, their experiences, and what preferences they hold, as well as the important differences and considerations that emerge as people get older, we can design better jobs to support more fulfilling working lives. This will not only give employers a rich source of talent and experience, but also provide a catalyst for more inclusive workplaces overall. These in turn will benefit organisations and their workforces, regardless of demographic.

This report draws on data from the current cohort of older workers, but does not seek to examine generational differences. Age is a continuum that we all pass through and the insights we've gathered are applicable for generations to come. Indeed, it is successive generations that will likely work the longest careers and benefit most from a more inclusive world of work that enables everyone to work for as long as they want or need to.

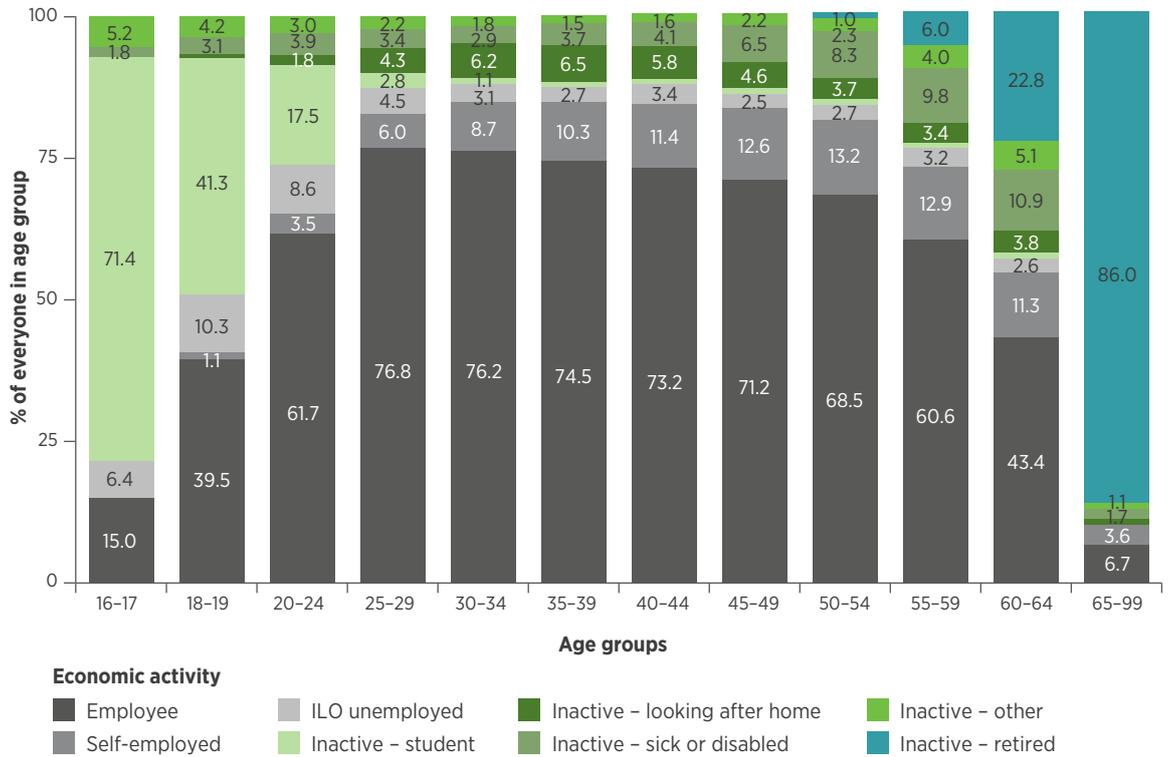
2 Understanding the economic status of older workers, including employment, unemployment, and inactivity

The lifecycle

There is a natural ebb and flow to the lifecycle of our working and non-working lives; this is captured in Figure 1, which breaks down economic activity by age.

We spend the first few years building our skills through education before entering work. There are high rates of inactivity among younger ages, particularly the category 'inactive – student'. We spend the middle part earning and saving for retirement. For many, there are periods away from the labour market. This is when 'inactive – looking after family and home' peaks. As we get older, there are higher rates of self-employment. Inactivity due to sickness and disability starts to increase. At some point, we transition out of the labour market into retirement. For some, this is straightforward and happens when they plan to retire. Others pass first through an intermediary inactivity stage (such as 'inactive due to sickness or disability'). A small but significant proportion of us continue to work after the traditional retirement age.

Figure 1: Economic activity, by age band (%)¹



CIPD analysis of APS July 2020 – June 2021
 We have combined the categories ‘unpaid family worker’ and ‘government training scheme’ with ‘employee’.

Figure 1 is a helpful abstraction of this lifecycle but hides a variety of experiences. For example, many people spend time away from the market economy when they enter an ‘inactive’ state but are still working in the form of unpaid care and housework – a burden that falls particularly on women.

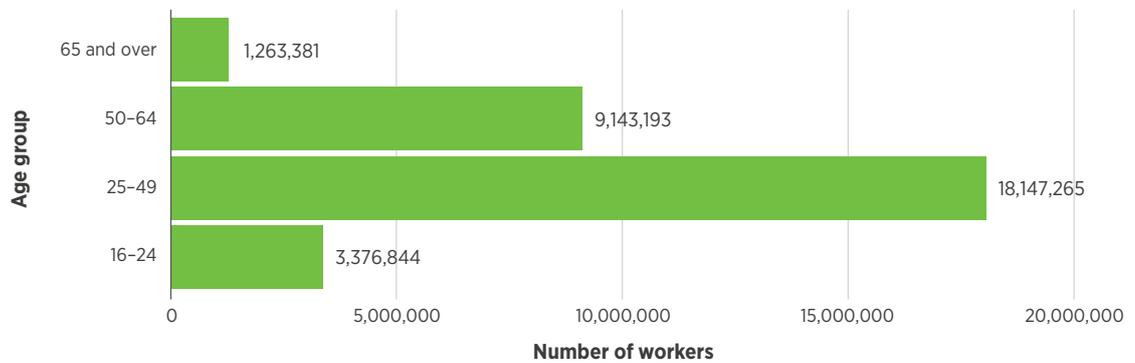
Note on official statistics

Note that many official statistics, such as the employment and unemployment rate, use an age range of 16–64. This international standard (based on historical legacy) means statistics are comparable across time and countries, but are increasingly anachronistic in a world where more people transition into the labour market later than age 16, and more people transition out after the age of 64. These statistics are widely used to inform policy and shape public understanding of the economy through their extensive media coverage. However, their construction is completely blind to people above 65 (it essentially cuts off the final bar of Figure 1). Although it is possible to construct bespoke statistics – as we have done in this report – the defaults garner much more attention and this is problematic for policy and public understanding of the importance of older workers.

Size of the older workforce

Over 10.4 million older workers account for close to a third (32.6%) of the workforce (Figure 2). There are more than 1.2 million workers over the age of 65. This figure has been growing and will continue to grow in the coming years.²

Figure 2: Workers, by age³

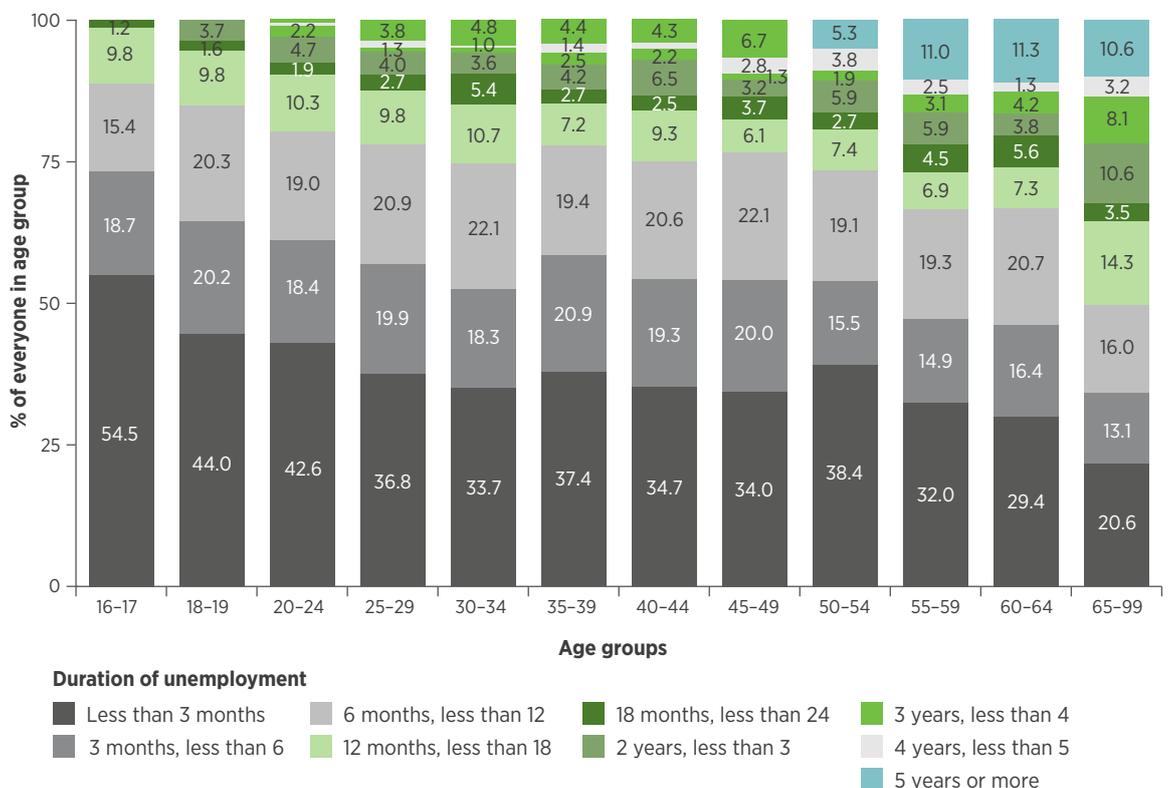


CIPD analysis of APS July 2020 – June 2021

Long-term unemployment

Looking at the non-working categories, first unemployment, then inactivity, although a higher proportion of younger workers are unemployed (Figure 1), they quickly churn in and out of unemployment. When older workers experience a spell of unemployment, it is more likely to persist for longer (Figure 3).

Figure 3: Duration of unemployment, by age group (%)⁴



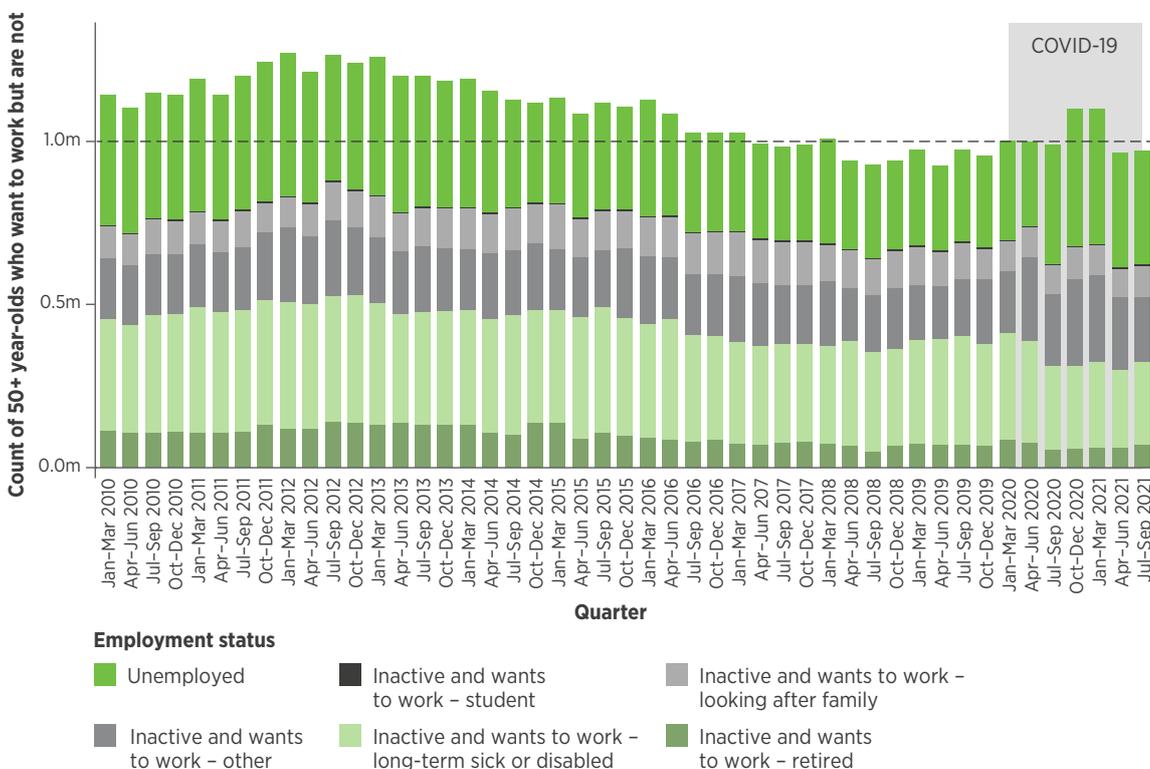
CIPD analysis of APS July 2020 – June 2021

The missing million older workers

In 2017 the Department for Work and Pensions (DWP) published the *Fuller Working Lives* report, which talked of a missing million older workers. These are people who want to work but are currently not working. This includes the unemployed, who make up about a third of this number, and inactive, who make up the other two-thirds.

The DWP calculation used an age range of 50–64, but our analysis does not put an upper limit on the age. Since that 2017 report, the numbers have fluctuated a bit (they are clearly cyclical, rising when unemployment rises), but the estimate of 1 million missing workers is relatively accurate over time. The number currently stands just shy of 1 million at 974,055 (Figure 4). The ultimate policy aim is to reduce this number so that everyone who would like to work, can. The rest of this report explores working practices by age and recommends how employers can design roles that work for this group of people.

Figure 4: Older people not working but would like to work⁵



CIPD analysis of LFS Jan-Mar 2020 – Jul-Sep 2021

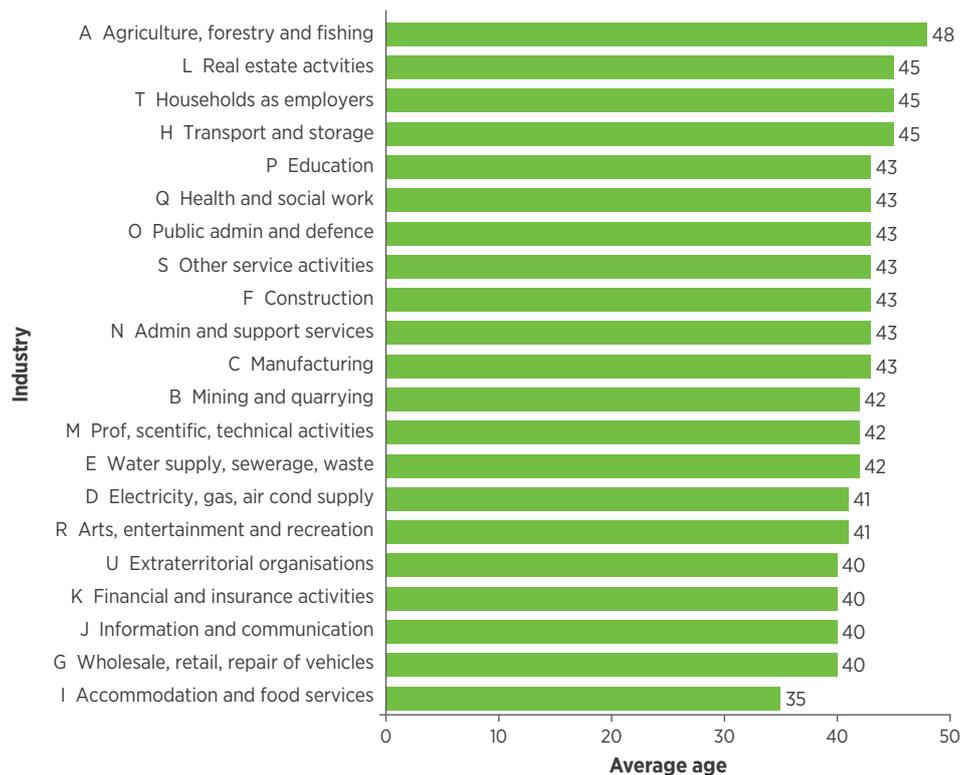
3 Where do older people work? Older workers by industry

The following charts show the age profile of UK industries differ markedly. An industry like agriculture is top heavy. It has an average age of 48 (Figure 5), and over half – 52% – are over 50 (Figure 6). At the other extreme is hospitality (accommodation and food services), which is bottom heavy. This industry has an average age of just 35 (Figure 5), and only 20.5% of people are over 50 (Figure 6). Extending working lives will require an industry lens to understand the needs and preferences of different groups.

On one hand, industries with older average ages are at risk of a mass exodus of people as the current, more senior, cohort transitions into retirement. But it could also be argued that these industries have proved themselves able to accommodate a higher proportion of older workers and so have got something right. Nonetheless, employers with this sort of workforce age profile should explore how to develop their talent pipeline by building links with education providers, identifying the key selling points for careers in their sector, and focusing on improving job flexibility and progression opportunities.

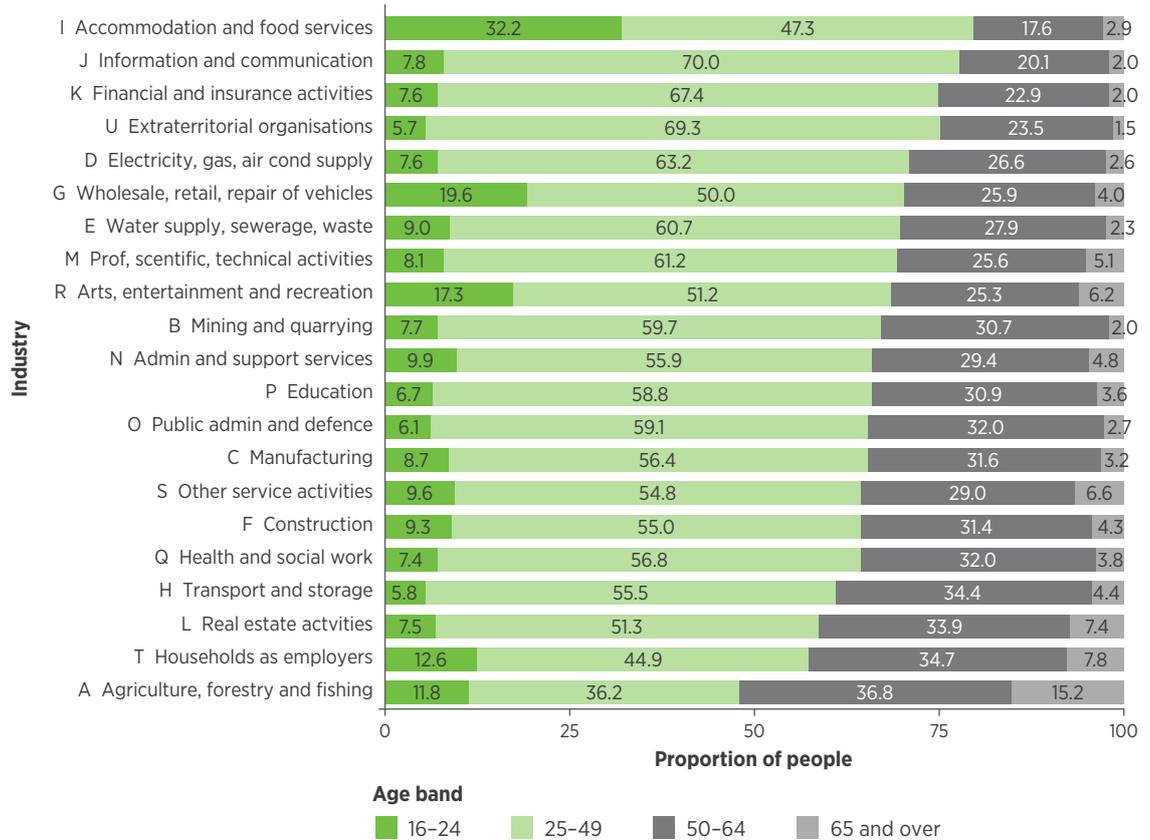
Industries with lower average ages may be less exposed to a looming demographic crunch, but by underrepresenting older workers at present, they are losing out on a vital source of talent. They are also likely to be increasingly affected by skill and labour shortages unless they can improve how they attract and retain older workers. This means developing inclusive recruitment practices, for example by not requiring candidates to have qualifications for jobs where they are not required in practice. It also requires employers to focus on training managers to support health and wellbeing, as well as providing flexible jobs and access to occupational health services.

Figure 5: Average age, by industry⁶



CIPD analysis of APS July 2020 – June 2021

Figure 6: Age breakdown, by industry (%)⁷



CIPD analysis of APS July 2020 – June 2021

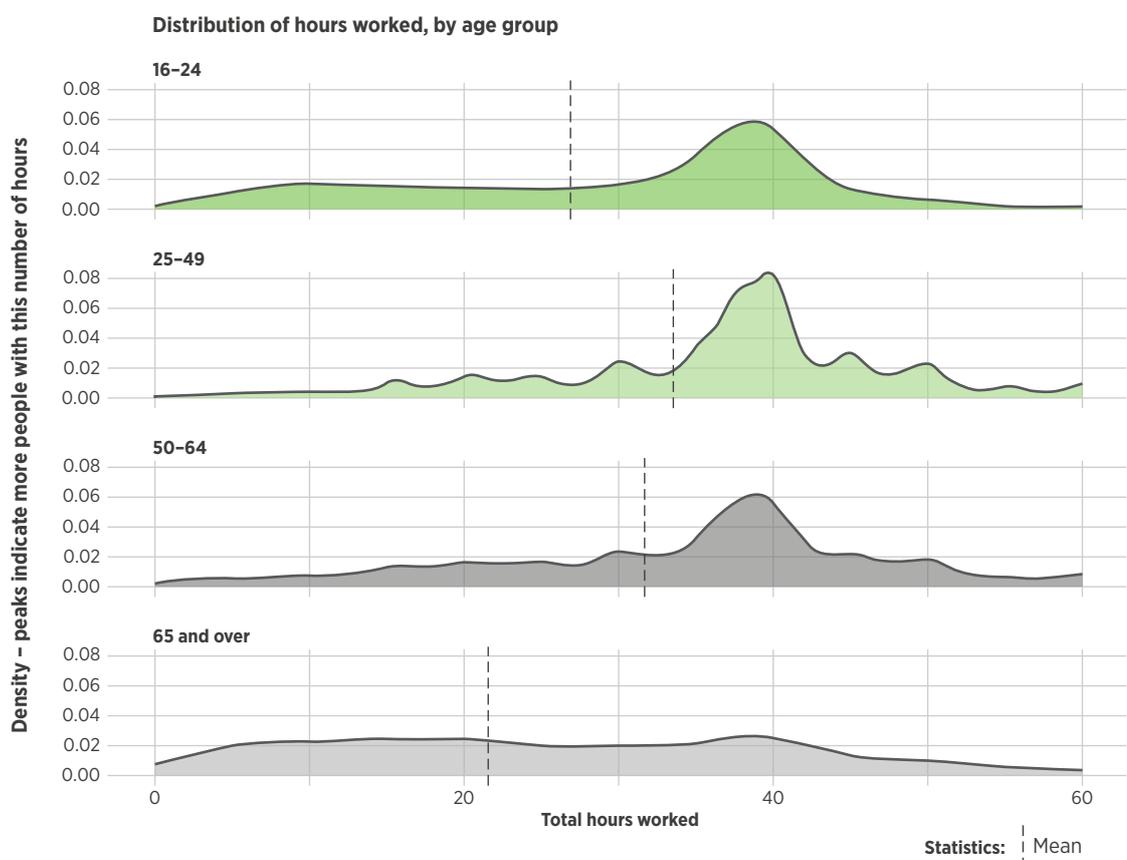
The following section goes on to look at differences in working patterns by age.

4 Ways of working

Hours

Figure 7 looks at the total weekly hours worked by broad age groups. The oldest workers in the 65+ group have a flat distribution, indicating a range of hours worked – mostly part-time – with an average of 21.5 hours a week. There is little difference between the 25–49 age group and the 50–64 age group. The older group has a slightly lower average at 31.6 hours against 33.5, but the distribution is similar, with many working the equivalent of a full-time five-day week.

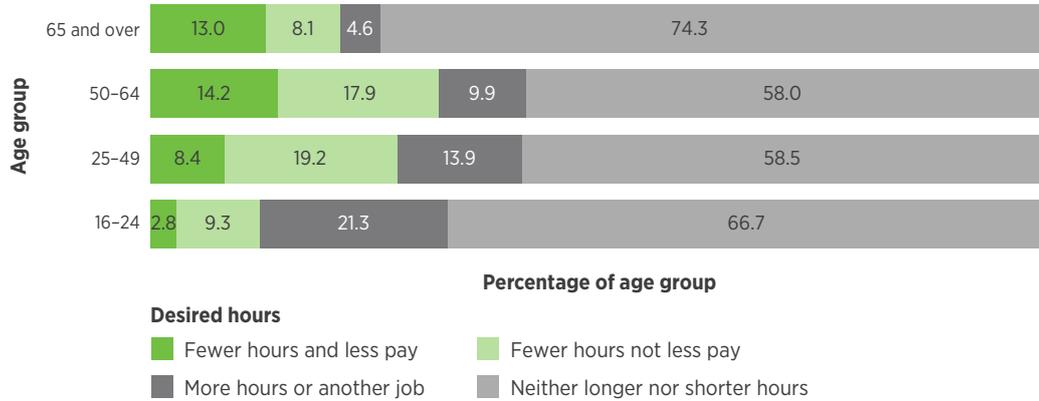
Figure 7: Hours, by broad age group⁸



CIPD analysis of LFS Apr-Jun 2021

The next question is whether this pattern of hours suits older workers (Figure 8). About a third (32.1%) of workers aged 50–64 would like to work fewer hours, though only 17.9% would do so for less pay. The majority of older workers are happy with their hours, but the 50–64 age group has the highest levels of dissatisfaction. This suggests that there is a latent demand for more flexibility around hours.

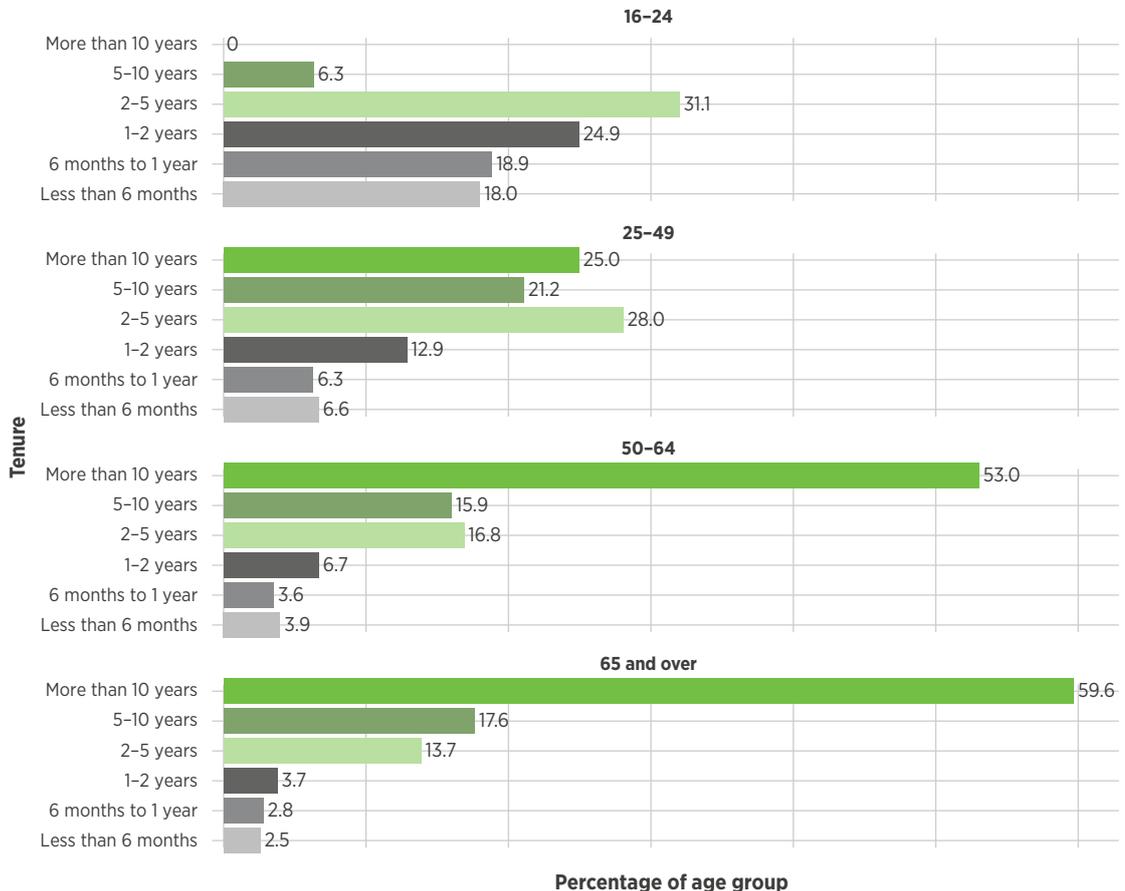
Figure 8: Wants fewer/more hours (%)



CIPD analysis of LFS Apr-Jun 2021

Older workers naturally have the longest tenures (Figure 9). Over half of 50-64-year-olds have been with their employer for over a decade. The vast majority have a tenure greater than six months (when they can request to work flexibly). This suggests that either they are requesting more flexible working and employers are denying it, or they are not requesting it. The latter may be because many companies have a cultural norm of five-day weeks. The data suggests that employers need to be mindful of the preferences of older workers (indeed all workers) around hours worked and consider flexible working requests, particularly around reducing hours.

Figure 9: Tenure, by age (%)

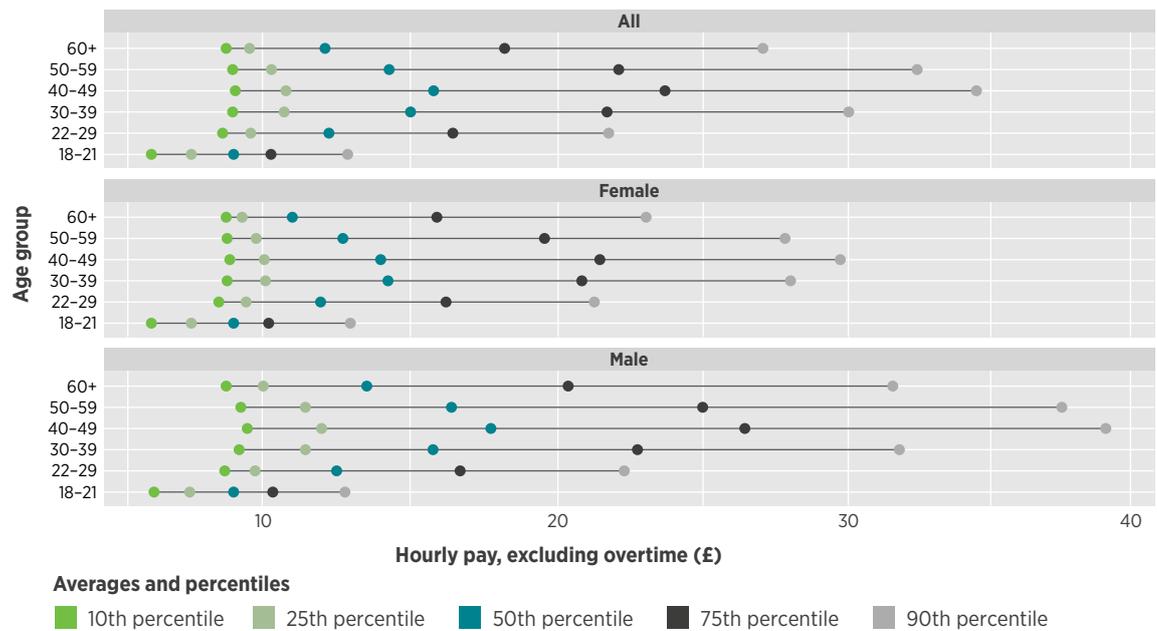


CIPD analysis of LFS Apr-Jun 2021

Earnings

The median worker (50th percentile) has higher earnings in their 40s than in their 50s, and for women, median earnings are higher in their 30s than in their 40s (Figure 10). For many, peak earnings occur decades before retirement age. Though earnings change with age, perhaps of more importance is the large spread of earnings at any age. Intragenerational differences in pay are larger than intergenerational differences.

Figure 10: Pay distribution, by age and gender



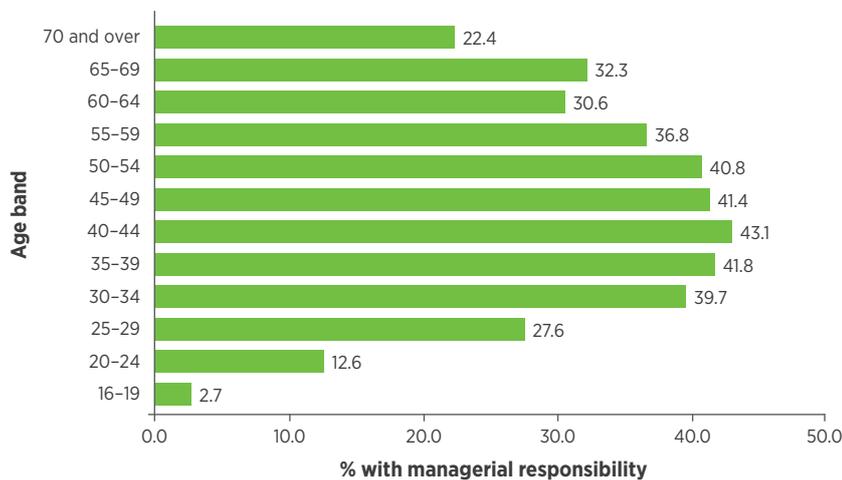
CIPD analysis of ASHE 2020

Source: ASHE⁹

Managerial responsibility

Managerial responsibility peaks in the 40s but stays relatively high at older ages (Figure 11). Some workers may want to step away from managerial responsibility as they get nearer to retirement, so employers should think about how best to use their knowledge and technical skills. This may require changes to job design. Experienced older workers with previous managerial experience can act as coaches and mentors to those less experienced or to work on key projects. This can also help ensure that their knowledge is retained in the business.

Figure 11: Managerial responsibility (%)¹⁰



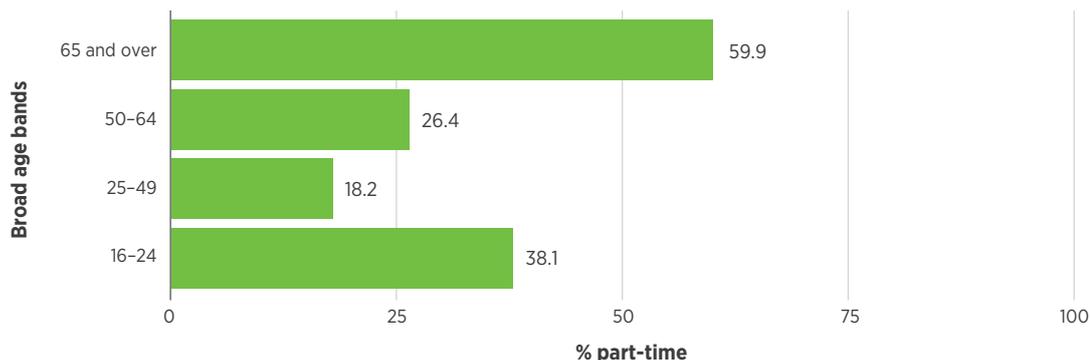
CIPD analysis of APS Jan-Dec 2020

5 Flexible working

Part-time working

Older workers have higher rates of part-time working (Figure 12). However, the finding that many would prefer shorter hours suggests there is still not enough flexibility to fully cater to older workers' preferences and employers should consider requests for reduced hours.

Figure 12: Part-time working, by broad age group (%)¹¹

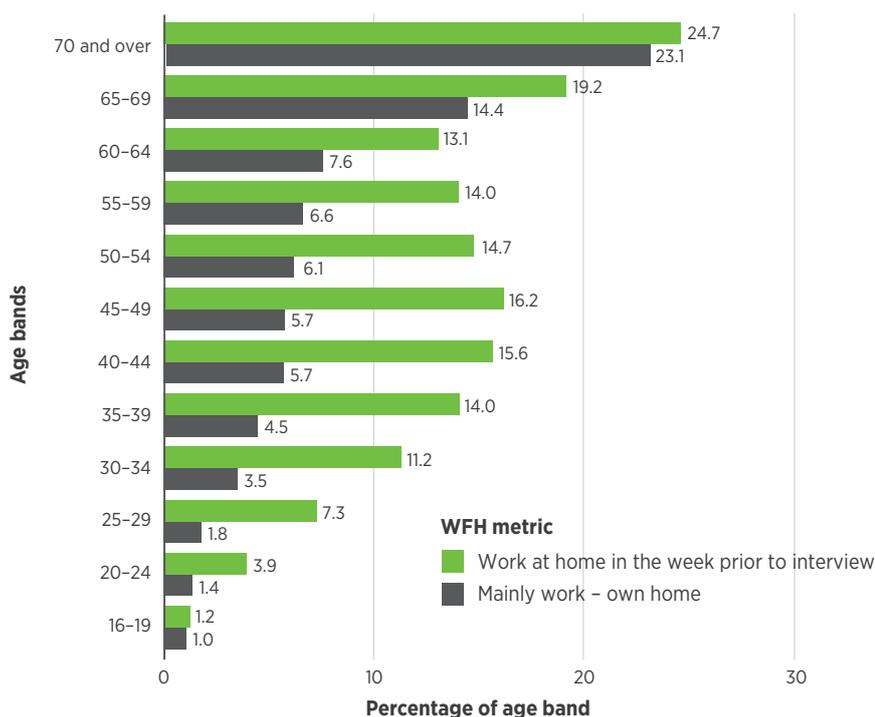


CIPD analysis of LFS Apr-Jun 2021

Homeworking

For a discussion of homeworking, we have used pre-pandemic data from 2019 on the assumption that, although the degree of homeworking may change, that data gives us a good idea of the underlying preferences by age. Working from home exclusively increases with age and is particularly important for the post-65 age groups. The other metric – worked at home in the week prior to interview – gives us a good indication of the general level of hybrid working. For most workers this peaks around middle age. The most notable feature of Figure 13 is that the youngest groups did very little homeworking pre-pandemic.

Figure 13: Working from home, by age (%)

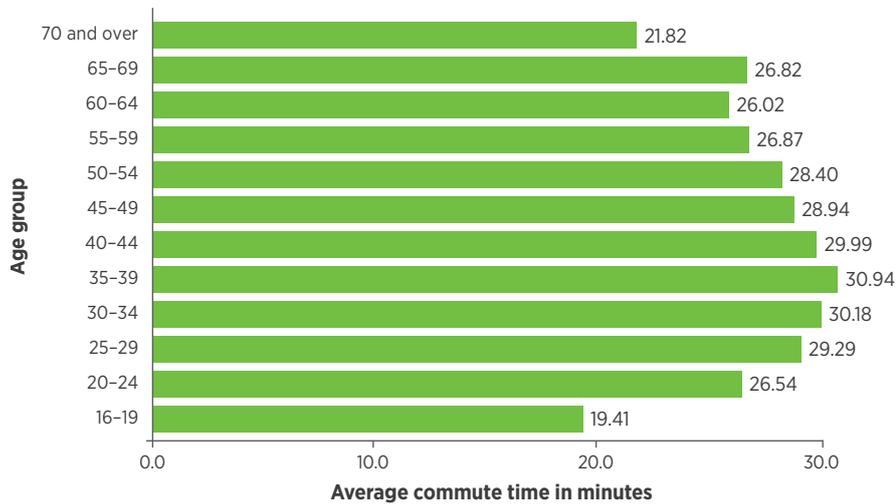


ONS analysis of APS Jan-Dec 2019 data

Source: ONS¹²

Closely linked to hybrid working is the idea of the commute. For those that continue to commute, the average commute time peaks in the early 30s (Figure 14). The reduction in commuting time for older workers suggests that long commutes are a negative aspect of work that older workers are keen to reduce.

Figure 14: Average commute time, by age group

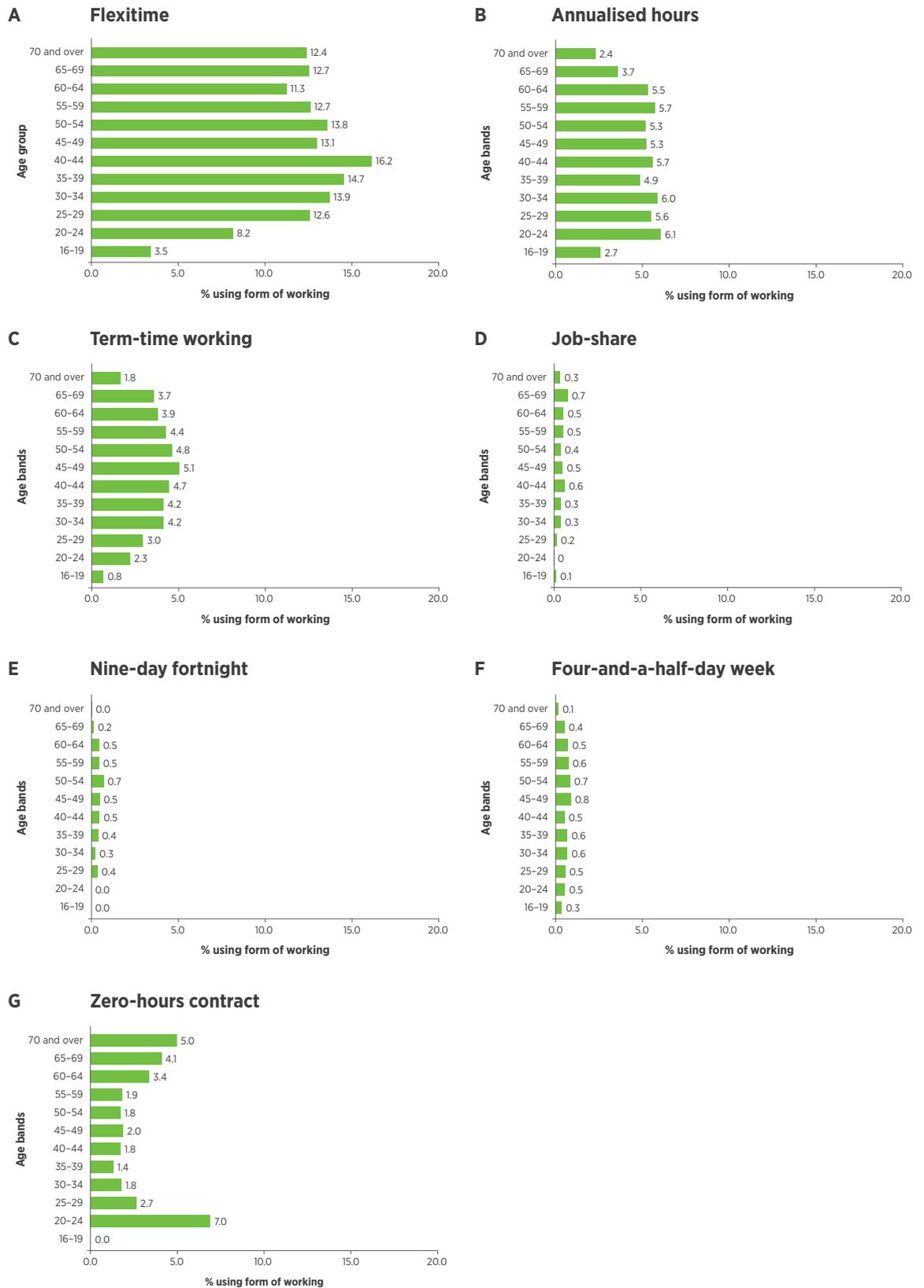


CIPD analysis of LFS Oct-Dec 2020

Other flexible working policies

In addition to part-time working and homeworking – which are the most substantial forms of flexible working in terms of numbers of people who do them – we also consider a range of other flexible working policies (Figure 15). The horizontal axis is kept on the same scale (0–20%) for all panels, which helps to demonstrate that some flexible working policies are used much more than others. It is difficult to discern many patterns between these other types of flexible working and age, though older workers (together with younger workers aged 16–24) are more likely to be on a zero-hours contract. The nature of zero-hours contract arrangements means they are likely to suit some older workers who want maximum flexibility so they can choose to work only when it suits them. This shows again that flexibility is craved by older workers and employers should consider such requests.

Figure 15: Other flexible working policies (%)¹³



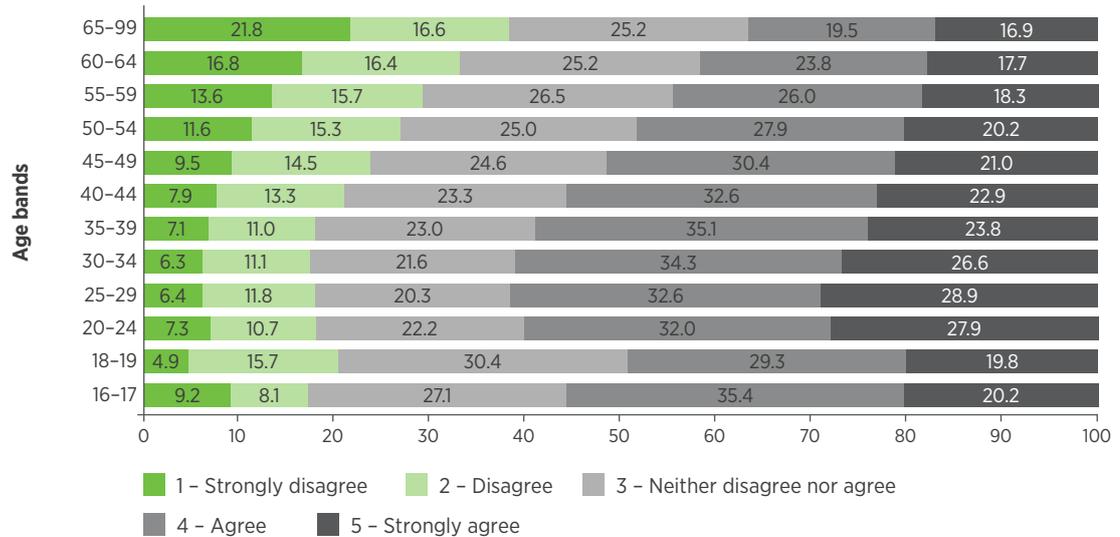
CIPD analysis of LFS Jul-Sep 2021

6 Progression and training

A new question in the Labour Force Survey asks employees how happy they are with career progression opportunities in their job. There is a clear relationship between perception of career progression opportunities and age, whereby almost 22% of the oldest employees strongly disagree that their job offers good opportunities for career progression (Figure 16).

Figure 16: Perception of career progression opportunities (%)

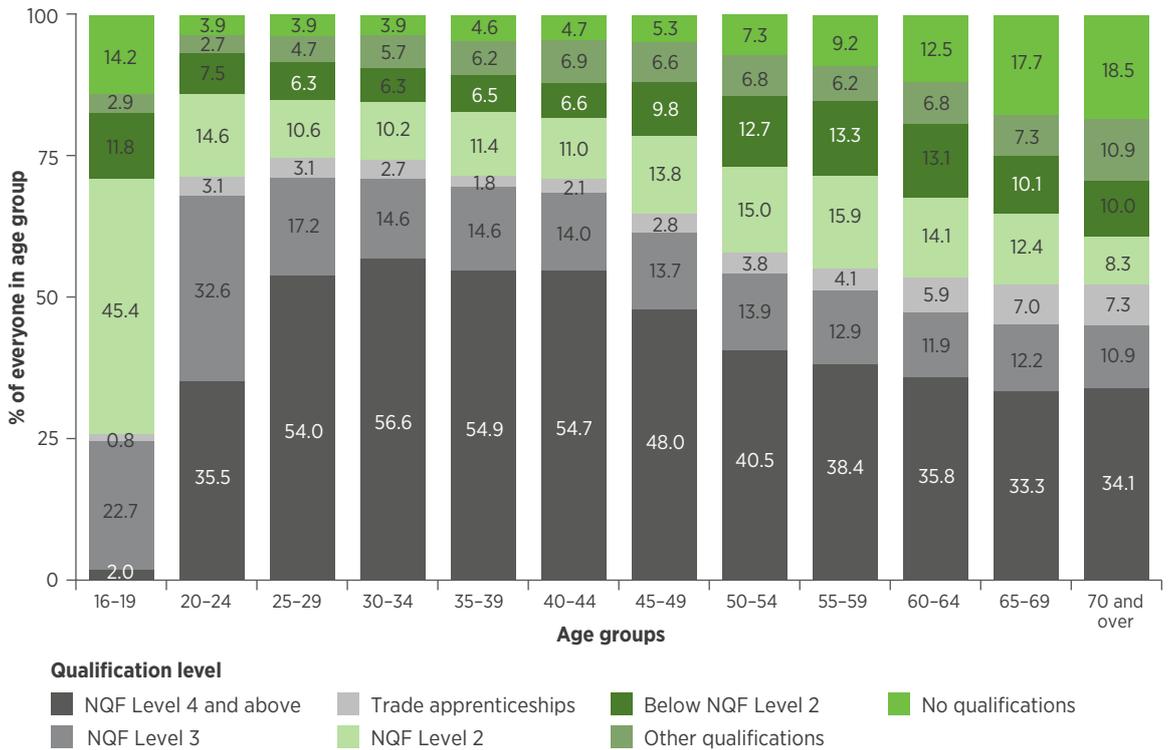
On a scale of 1 to 5, with 1 being 'strongly disagree' and 5 being 'strongly agree', to what extent do you disagree or agree with the following statement: 'My job offers good opportunities for career progression'?



Source: Annual Population Survey Jan-Dec 2020¹⁴

Excepting younger people (those approximately aged 16-24 still in the process of gaining qualifications), older people have the lowest rates of formal qualifications (Figure 17). Formal qualifications are not, of course, a direct proxy for skills. This change represents increased time in education for more recent generations, including higher participation at university.

Figure 17: Qualifications, by age (%)

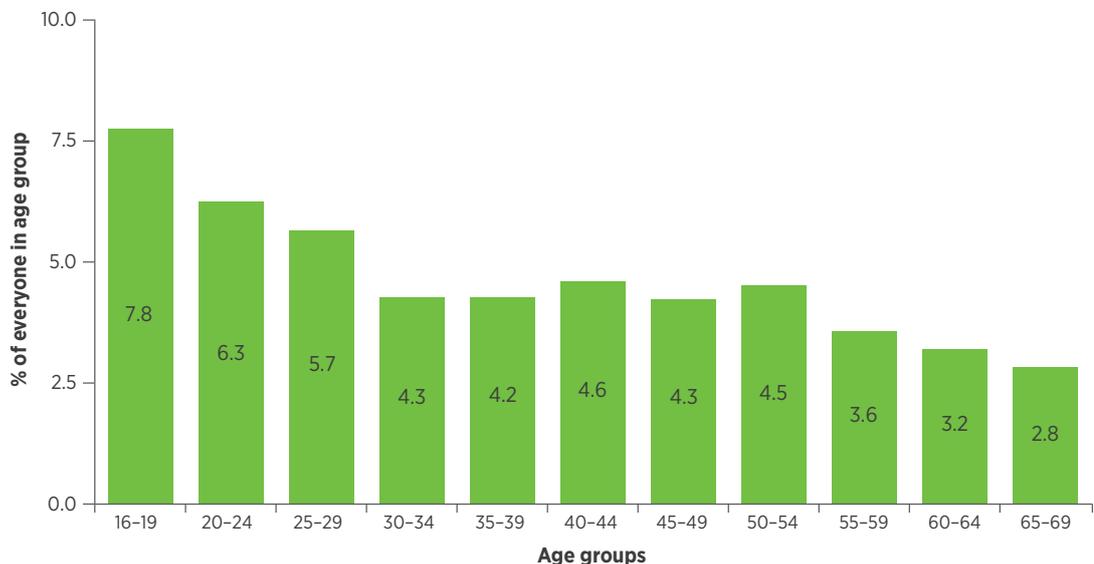


CIPD analysis of LFS Jul-Sept 2021

Figure 18 considers off-the-job training. We have chosen to look at this because much on-the-job training consists of compliance measures that are universal to the workforce. Off-the-job training shows a more substantial commitment to invest in a worker. The pattern clearly shows older workers participating less in training. Employers should ensure older workers have equal access to training and progression opportunities, which might mean ensuring managers are not making assumptions that older staff are less likely to want development opportunities.

Figure 18: Level of job-related training, by age (%)

Attended off-the-job training in the past four weeks, by age group



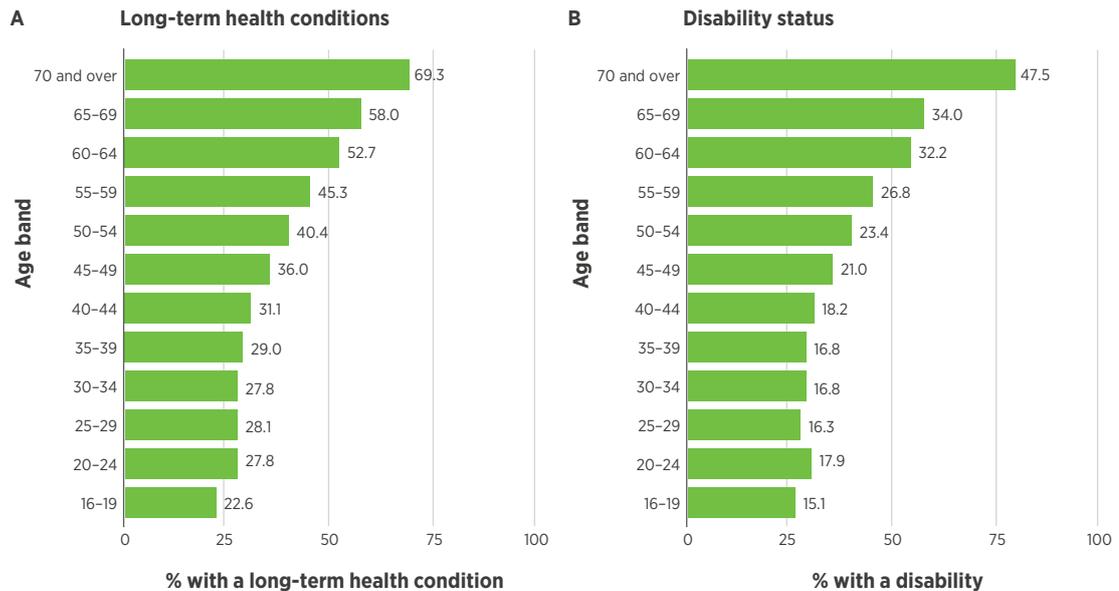
CIPD analysis of LFS Jul-Sept 2021

This question is asked to all in employment or in receipt of education/training

7 Long-term health conditions and disability

Both long-term illness and disability are a function of age, with the higher ages experiencing the greatest prevalence (Figure 19).

Figure 19: Health and disability, by age¹⁵

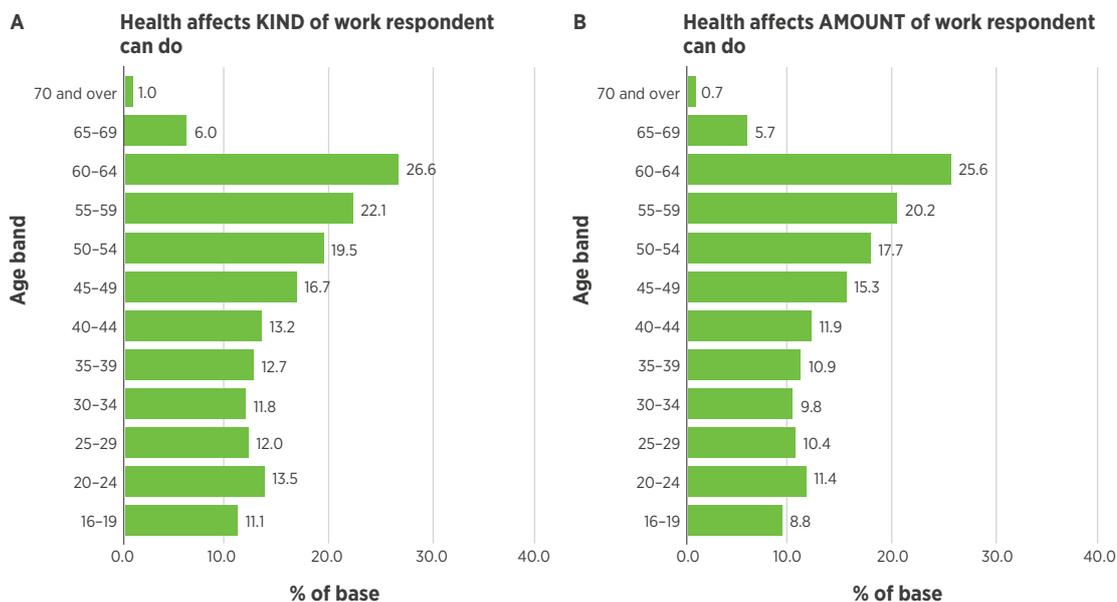


CIPD analysis of LFS Apr–Jun 2021

CIPD analysis of LFS Apr–Jun 2021

Though 65+ age groups have the highest rates of long-term illness, this is less likely to limit the type and kind of work they can do because so many in this group are not actively looking for or would like to work (Figure 20). This is what retirement is designed to do – look after us when we are no longer able to work. However, around one in four workers are reaching the point at which a health condition limits the work they can do before they reach retirement age. Some will exit the labour market early, while others will be limited in the kind and amount of work they can do. Employers can mitigate this by making reasonable adjustments that facilitate people working with a health condition.

Figure 20: Health condition affects work, by age¹⁶



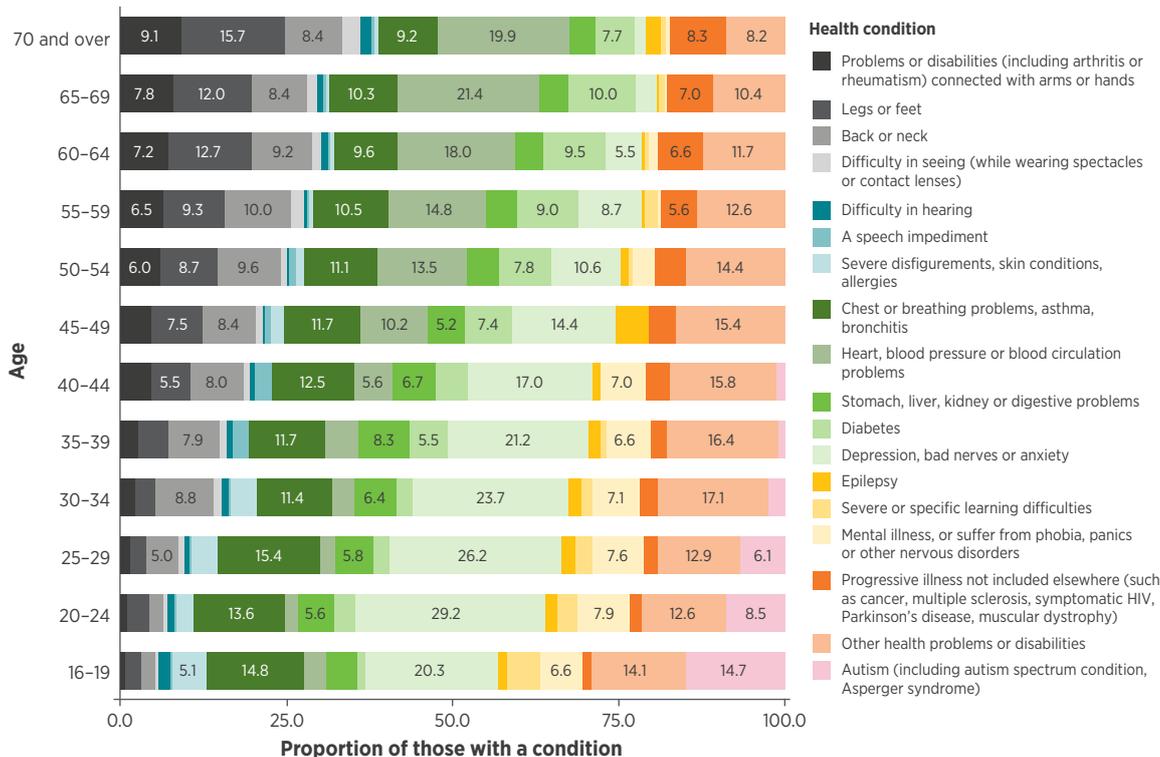
CIPD analysis of LFS Apr-Jun 2021

CIPD analysis of LFS Apr-Jun 2021

Base: All respondents with health problems and those of working age or pensioners looking for work or wanting work

The types of conditions that we experience change as we age. Of those with a health condition, there is a higher prevalence of cardiovascular disease at older ages, as well as problems with the legs or feet, back or neck (Figure 21).

Figure 21: Type of condition, by age¹⁷



CIPD analysis of LFS Apr-Jun 2021

To avoid crowding, the chart represses data labels <5%

Facilitating health conditions

The rise in life expectancy has naturally been accompanied by better health at older ages and therefore an ability to work longer.

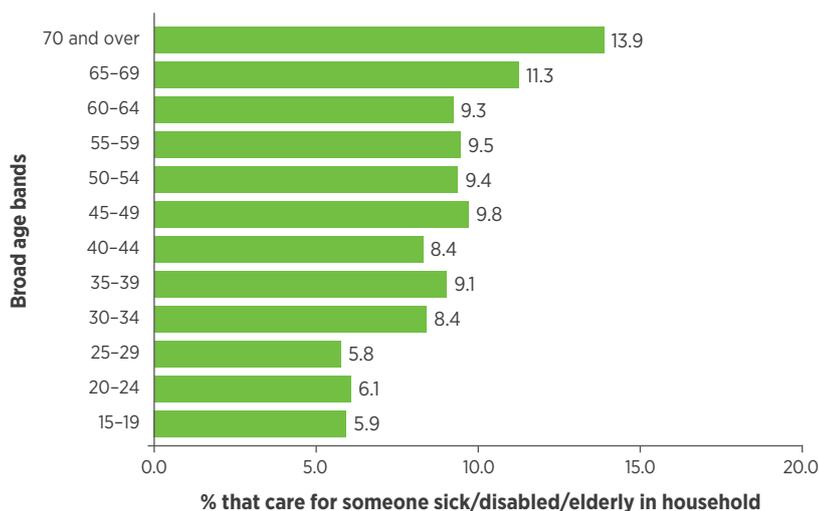
Longer, healthier lives is a difficult policy objective to target. General prosperity raises living standards and therefore health and life expectancy. This can be thought of as a tailwind facilitating people to work longer. However, there is more that employers can do to support the health of older workers, including ensuring they have health and wellbeing strategies in place and the necessary policies, training and support to effectively underpin these. This could include:

- equipping line managers with the key skills to manage and support people effectively
- providing access to flexible working
- providing early access to occupational health services for workers who have recurrent or long-term health conditions (the most effective way of treating such problems and preventing them from worsening)
- ensuring managers can facilitate the provision of reasonable adjustments for those with a disability or long-term health condition.

8 Caring responsibilities

Older people are more likely to be providing care to others (Figure 22). This again highlights the importance of flexible working, as well as policies that provide support for carers such as bespoke paid carers' leave.

Figure 22: Caring responsibilities, by age¹⁸



CIPD analysis of Understanding Society wave¹⁹

9 Conclusions

People are living longer, and the proportion of older workers in the UK workforce is increasing. This means that employers will need to improve how they attract, manage and develop people as they age. This is particularly the case against a backdrop of technological change, rising skill and labour shortages, and more restrictive immigration policies.

This report highlights the challenges that different sectors face in responding to these changes and what this means for their resourcing and people management strategies. It emphasises the important differences that emerge as people get older and the key considerations that employers and policy-makers should understand when thinking about how to recruit and retain older workers. This is particularly important when planning the steps required to help more of the ‘missing million’ older workers, who are not currently working but would like to work.

Flexibility

Older workers are even more likely to value flexibility than their younger colleagues and are more likely to want to work fewer hours, as evidenced by higher rates of homeworking, part-time working, and self-employment. Older people are also much more likely to have caring responsibilities. This underlines the importance of ensuring employers take steps to increase the availability and range of flexibility as a means of both attracting and retaining workers as they get older.

Making the right to request flexible working a day one right, which the Government is currently consulting on, together with other tweaks to the legislation, would help boost the provision and uptake of flexible working. This is something the CIPD has been calling for via our [Flex From 1st campaign](#).

Health and wellbeing

Flexible working can also help older workers who are affected by health conditions remain in employment or find suitable work. Older workers are more likely to be affected by health problems as they age. More than half of workers have a long-term health condition by the time they reach 60, and a third are affected by some form of disability (Figure 19). While only a quarter of older workers over 60 say that their health limits the type or amount of work that they can do, too many workers leave employment by this age because of poor health.

This highlights the importance of both employers and policy-makers taking steps to support the health of workers throughout their working lives, to maximise their chances of them enjoying a healthy and active life as they get older. For example, the provision of timely access to occupational health services to workers in their 20s and 30s who suffer from back pain or other musculoskeletal problems would mean that steps can be taken to reduce the likelihood of these conditions becoming chronic.

Unfortunately, too few employers – particularly SMEs²⁰ – provide workers with access to occupational health services or support, while access to NHS physiotherapy²¹ and talking therapy services²² are frequently subject to very long waiting times.

Consequently, there is need to replace the former Fit for Work Service. The CIPD recommends the introduction of a national implementation of a preventative and targeted occupational health service to support organisations and ensure workers get early access to support. This would be run through the Growth Hubs’ business support services in England and via the equivalent formal business support networks in the rest of the UK.

Skills and training

Another area where a holistic focus by employers will benefit workers across the age spectrum is access to training and development. This report shows that older workers are most likely to disagree that there are good opportunities for progression in their role and are also less likely to take part in formal off-the-job training.

Employers, and particularly managers who are most likely to make decisions that influence training participation, should guard against assumptions that older workers are less likely to be interested in training or career progression. The impact of technology on jobs will increasingly mean workers will need to upskill or reskill at different stages in their career. This demand will be compounded by more people working into their late 60s and early 70s.

However, employer investment in workplace training has been in long-term decline, while public investment in lifelong learning has also been cut in recent years. Fundamental changes are required to address this. A particularly important change would be the introduction of enhanced and buildable individual learning accounts (ILAs). These would be designed around the principles outlined in the CIPD's *Skills to Grow* report and should primarily be targeted at adult upskilling. ILAs offer particular strengths to learners, employers and skills providers. They offer flexibility and individualisation, which enables them to be valuable and adaptable tools to support learners throughout their working lives.

Changes required to older workers statistics

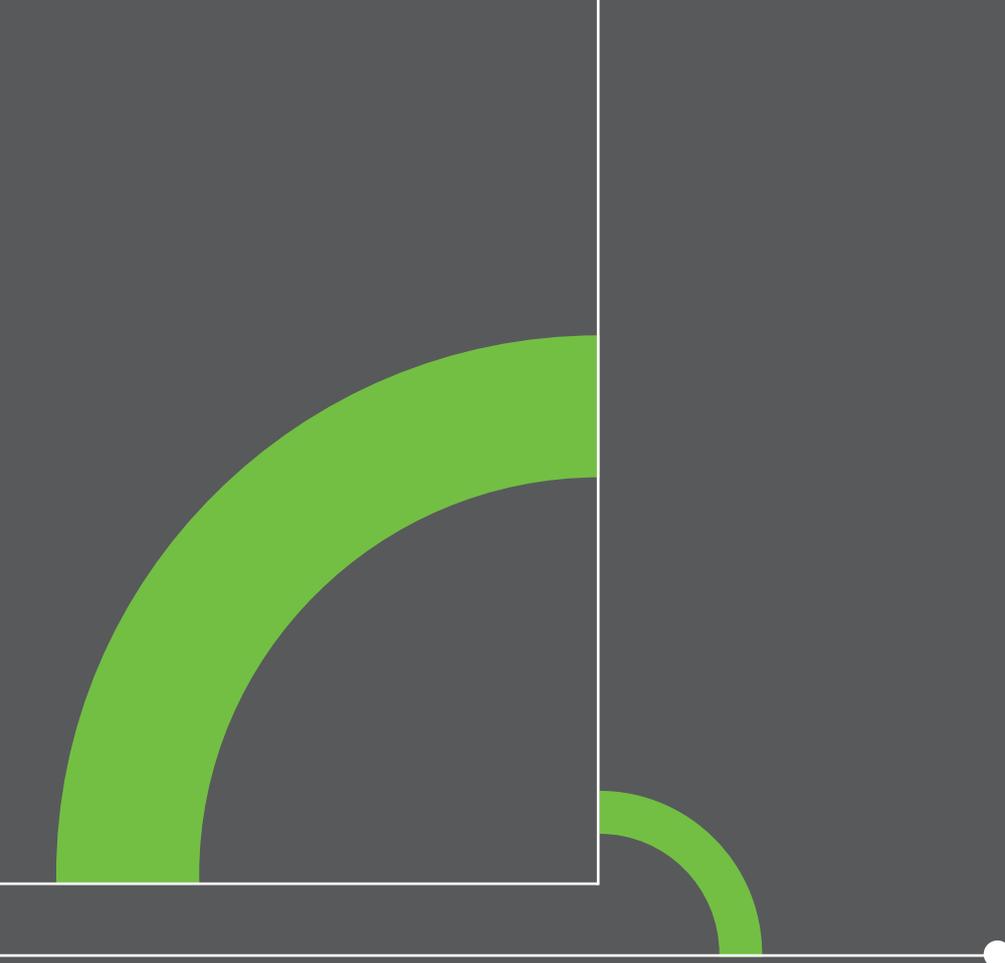
Finally, there is a need to reform the default age range of 16–64 used for major labour market statistics by raising the upper age limit or removing it entirely. People will increasingly work into their late 60s and early 70s and there is a real need to reflect this in our official statistics.

The exclusion of a protected group is discriminatory, and it is bad practice to make certain groups invisible in this way. However, this change would require a co-ordinated international response to ensure that UK statistics do not diverge from the international standards.

10 Endnotes

- ¹ Office for National Statistics, Social Survey Division, 2021, Annual Population Survey, July 2020 – June 2021, [data collection], UK Data Service, 2nd edition. Accessed 14 January 2022. SN: 8846, DOI: 10.5255/UKDA-SN-8846-2.
- ² CIPD. (2019) *Megatrends: ageing gracefully – the opportunities of an older workforce*. London: Chartered Institute of Personnel and Development. Available at: <https://www.cipd.co.uk/knowledge/work/trends/megatrends/ageing-gracefully-workforce>
- ³ See note 1.
- ⁴ See note 1.
- ⁵ Office for National Statistics, Northern Ireland Statistics and Research Agency, 2021, Quarterly Labour Force Survey, July–September 2021, [data collection], UK Data Service. Accessed 14 January 2022. SN: 8872, DOI: 10.5255/UKDA-SN-8872-1.
- ⁶ See note 1.
- ⁷ See note 1.

- ⁸ Northern Ireland Statistics and Research Agency, Central Survey Unit, Office for National Statistics, Social Survey Division, 2021, Quarterly Labour Force Survey, April–June, 2021, [data collection], UK Data Service. Accessed 14 January 2022. SN: 8826, DOI: 10.5255/UKDA-SN-8826-1.
- ⁹ Data query ONS site: www.ons.gov.uk/filters/9d54c63b-4bf5-4c46-97b8-e59b8b00e716/dimensions
- ¹⁰ See note 1.
- ¹¹ See note 5.
- ¹² Watson, B. (2020) *Coronavirus and homeworking in the UK labour market: 2019*. London: Office for National Statistics. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/coronavirusandhomeworkingintheuklabourmarket/2019 [accessed 14 January 2022].
- ¹³ See note 2.
- ¹⁴ These statistics were kindly provided by the ONS as they are not yet publicly available. The reference is: Office for National Statistics, Social Survey Division, 2021, Annual Population Survey, January–December 2020, [data collection], UK Data Service, 4th edition. Accessed 14 January 2022. SN: 8789, DOI: 10.5255/UKDA-SN-8789-4.
- ¹⁵ See note 5.
- ¹⁶ See note 5.
- ¹⁷ See note 5.
- ¹⁸ University of Essex, Institute for Social and Economic Research. (2021) *Understanding Society: Waves 1–11, 2009–2020, and Harmonised BHPS: Waves 1–18, 1991–2009*, [data collection], 14th edition. UK Data Service. SN: 6614, <http://doi.org/10.5255/UKDA-SN-6614-15>.
- ¹⁹ See note 5.
- ²⁰ www.gov.uk/government/publications/understanding-the-provision-of-occupational-health-and-work-related-musculoskeletal-services/full-report-understanding-the-provision-of-occupational-health-and-work-related-musculoskeletal-services#conclusions
- ²¹ www.equipsme.com/blog/up-to-four-months-to-see-a-physiotherapist/
- ²² www.mind.org.uk/media-a/4248/we-still-need-to-talk_report.pdf



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