

How employers can retain, develop and recruit workers over 50, and why this matters

Catherine Foot, Director of Phoenix Insights

About Phoenix Insights

- Phoenix Insights is a think tank, set up by Phoenix Group, to transform the way society responds to the possibilities of longer lives.
- We launched in November 2021.
- We use research to lead fresh debate and inspire the action needed to make better longer lives a reality for all of us. The core of our work is focused on financial security, work, and learning and skills.
- You can sign up to receive regular updates on our work by ticking the option for the Phoenix Insights newsletter [here](#).
- And you can read our publications and watch recordings of our events [here](#).

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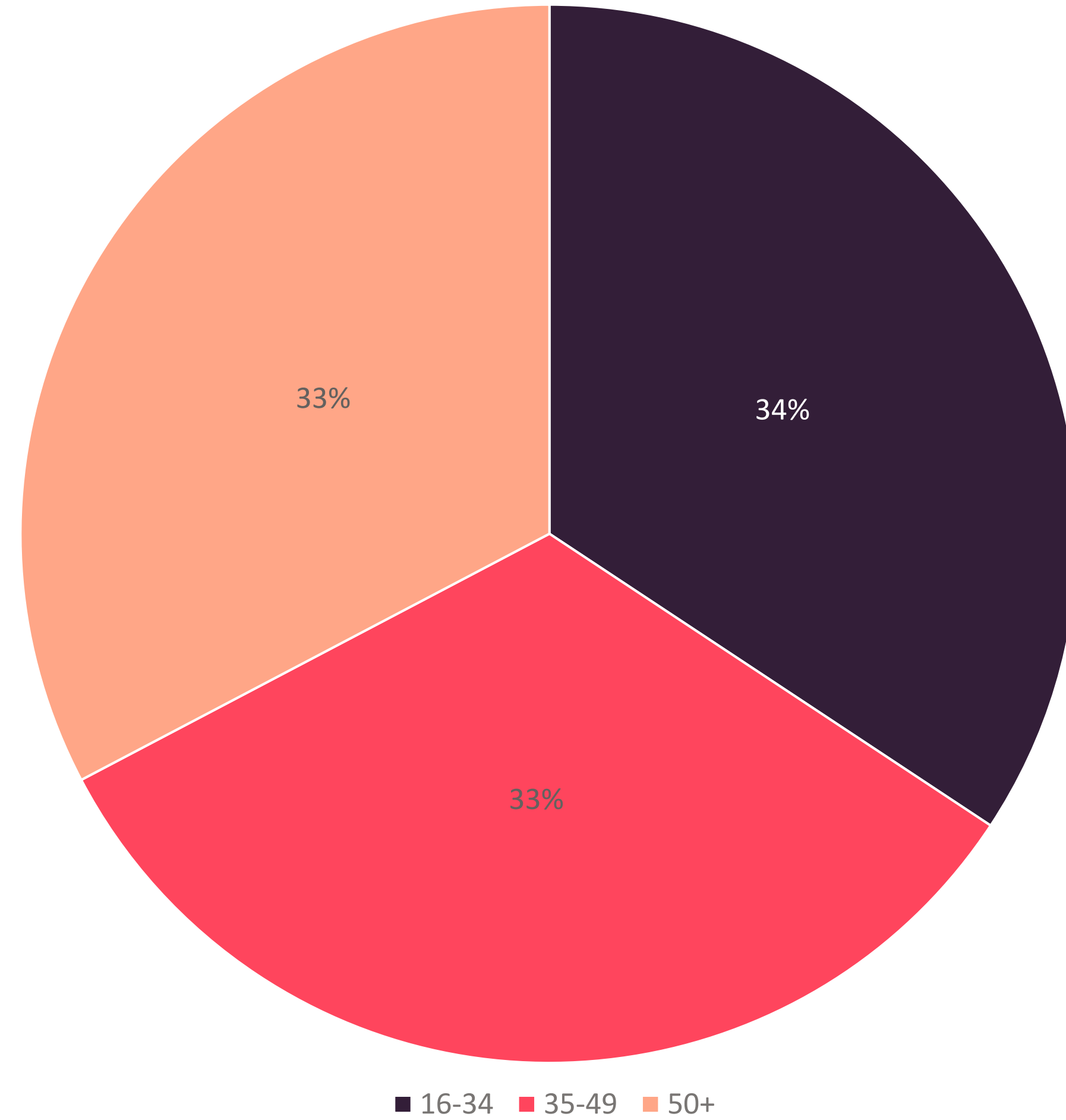
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Why do we need to improve how we support people over 50 in employment?

- They are a significant proportion of our labour force
- Many are out of work involuntarily
- Current approaches aren't working well
- Most future retirees are not on track for the retirement incomes they expect and want
- More positively: longer lives mean we can (and need to) rethink the traditional course of a working life

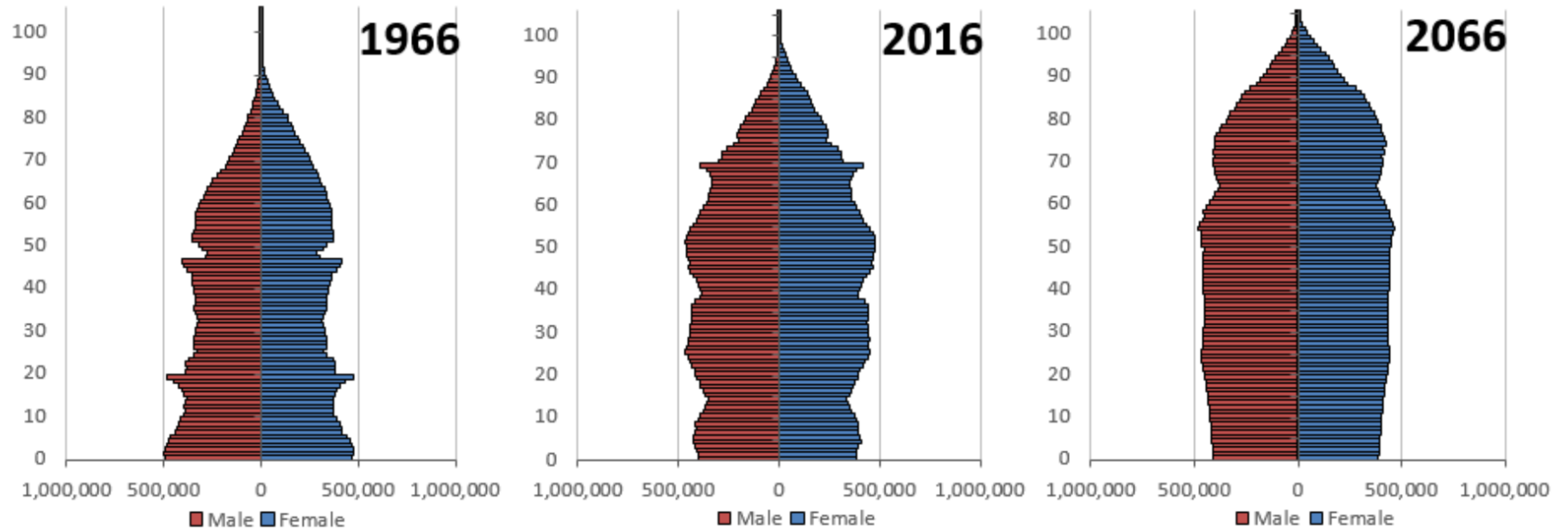
Workers over 50 form over a third of our labour force

Employment by age group, UK, May-June 2023



This is partly due to 'young baby boomer' cohort reaching this age

UK population pyramids, ONS projections



Source: Office of National Statistics

The pandemic saw an exodus of workers over 50 from the labour market

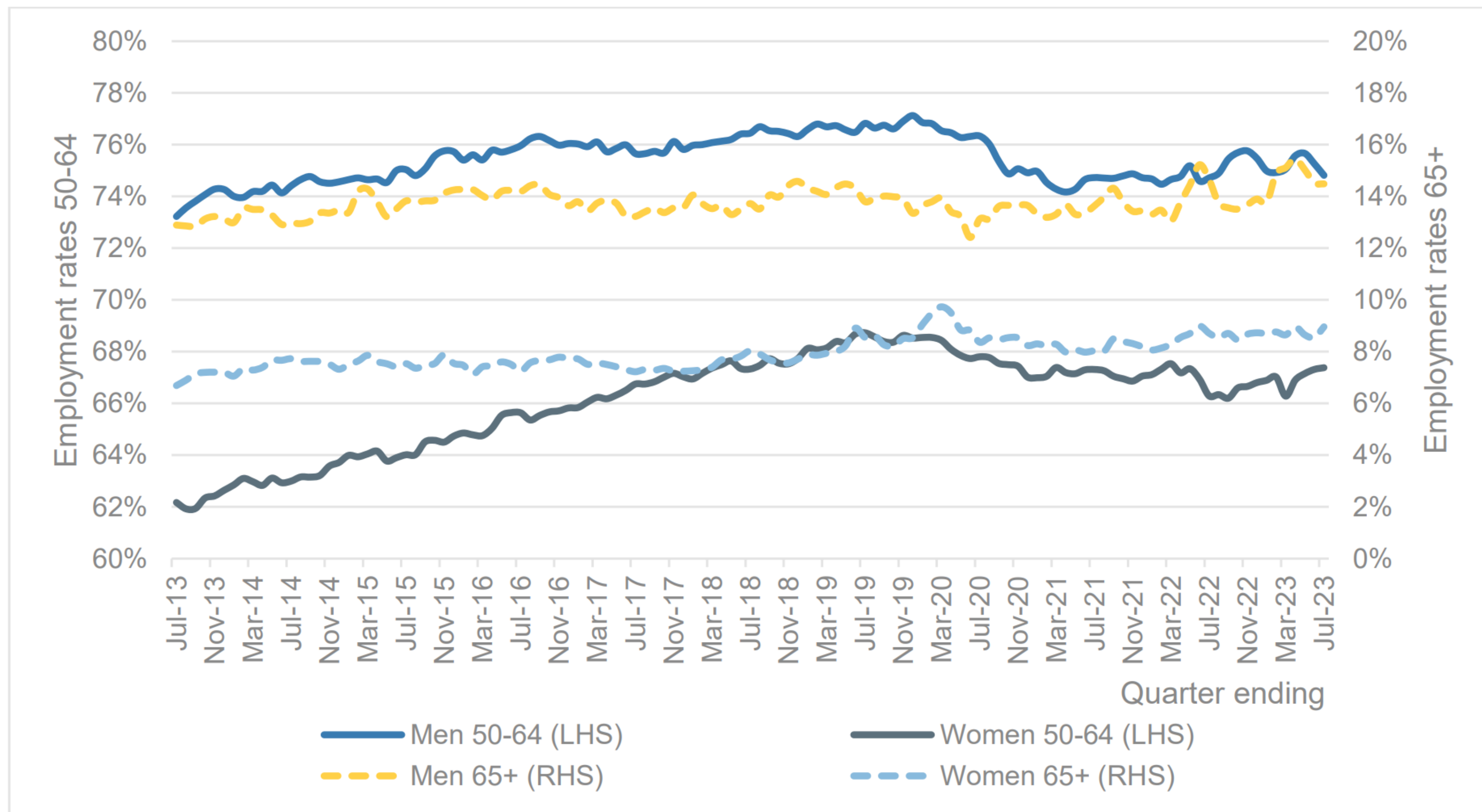
Jeremy Hunt: Over-50s need to get off the golf course

The chancellor's long-term vision is focused on growth — and a key part of this is getting people back to work



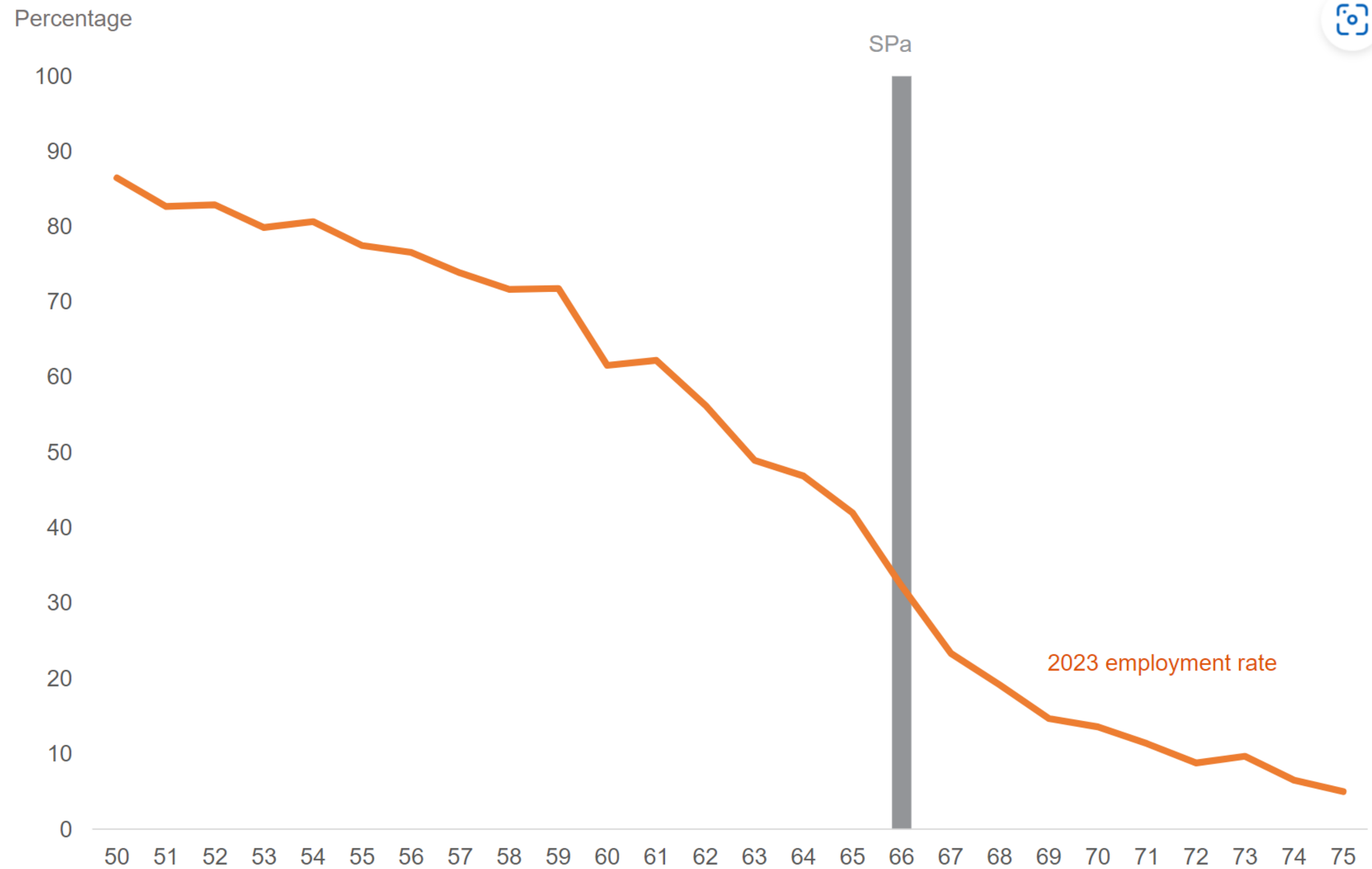
And employment rates for people over 50 have not recovered to pre-pandemic levels

- Since the pandemic, many older people have left the workforce.
- There would be around 182,000 more people in work if the employment rate for people aged 50-64 had recovered to pre-pandemic levels.
- This is equivalent to one in six of the current vacancies in the UK.
- In total, there are around one million people over 50 not currently working who would like to work



Only around a third of people are still in work when they reach state pension age

UK Employment rate, people aged 50 and over, 2023



There is a wealth of evidence of employment not working well for this age group

- Workers over 50 are significantly more likely to experience long-term unemployment as compared to younger workers
- Only around one in ten out of work people aged 50-64 have accessed employment support services
- More than a third of 50-69 year-olds feel at a disadvantage applying for jobs due to their age.
- A third of people aged over 50 believe they have been turned down for a job because of their age



When I was going for interviews, I found myself having to explain so much and prove myself, because of my age.

They would ask ‘can you do this or can you do that?’ or ‘that's going to be difficult for you’. When this school offered me a job, I felt it was because they didn’t have anyone else.

Patricia, carer for children with special needs, age 63

(Centre for Ageing Better case study)

Current saving levels will not lead to the outcomes people want or expect in retirement

The Financially Struggling

4.6 million people (15% of DC savers) expect an income in retirement of less than the PLSA minimum retirement living standard. These are predominantly people with lower resources in working life and are more likely to be on low incomes or expect to rent in retirement.

The Undersavers

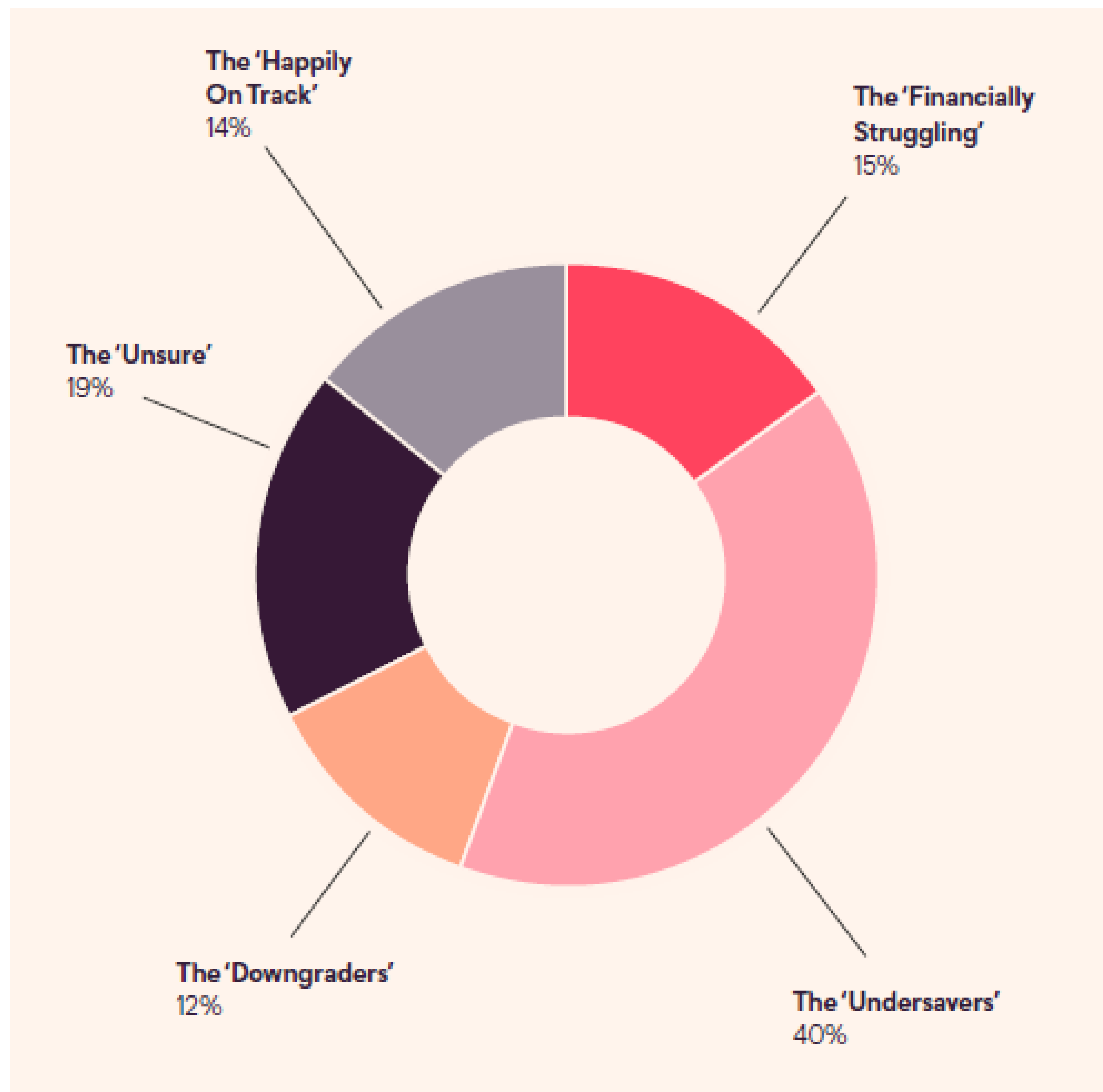
12.4 million people (40% of DC savers) expect at least the PLSA's minimum income, but our modelling suggests they are not on track to achieve it. They are disproportionately those on middle incomes, with those who are currently renting but who plan to buy before retirement also overrepresented.

The Downgraders

3.7 million people (12% of DC savers) expect at least the PLSA's minimum income and look on track to achieve what they expect, but that income would be insufficient to maintain their pre-retirement standard of living into retirement. These are predominantly people with higher living standards in their working life, disproportionately those on middle and higher incomes, those who own their home (either outright or with a mortgage), and men rather than women.

The Unsure

5.8 million people (19% of DC savers) do not give an expected retirement income when asked. Many in this group will be disadvantaged by not engaging with pension decisions that will have important consequences for their retirement. This group is disproportionately those aged 45-54 and those who expect to rent in retirement.

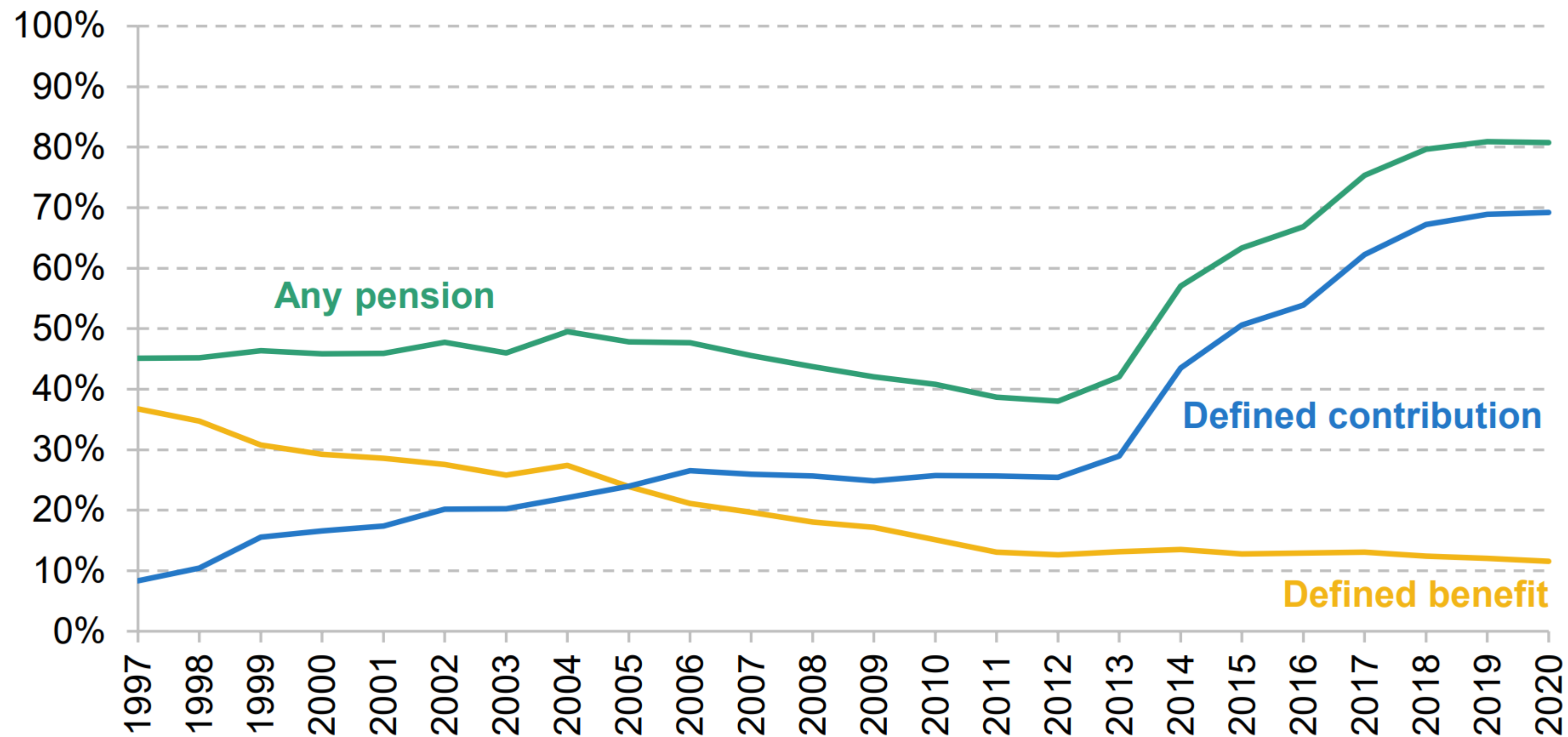


How has this happened?

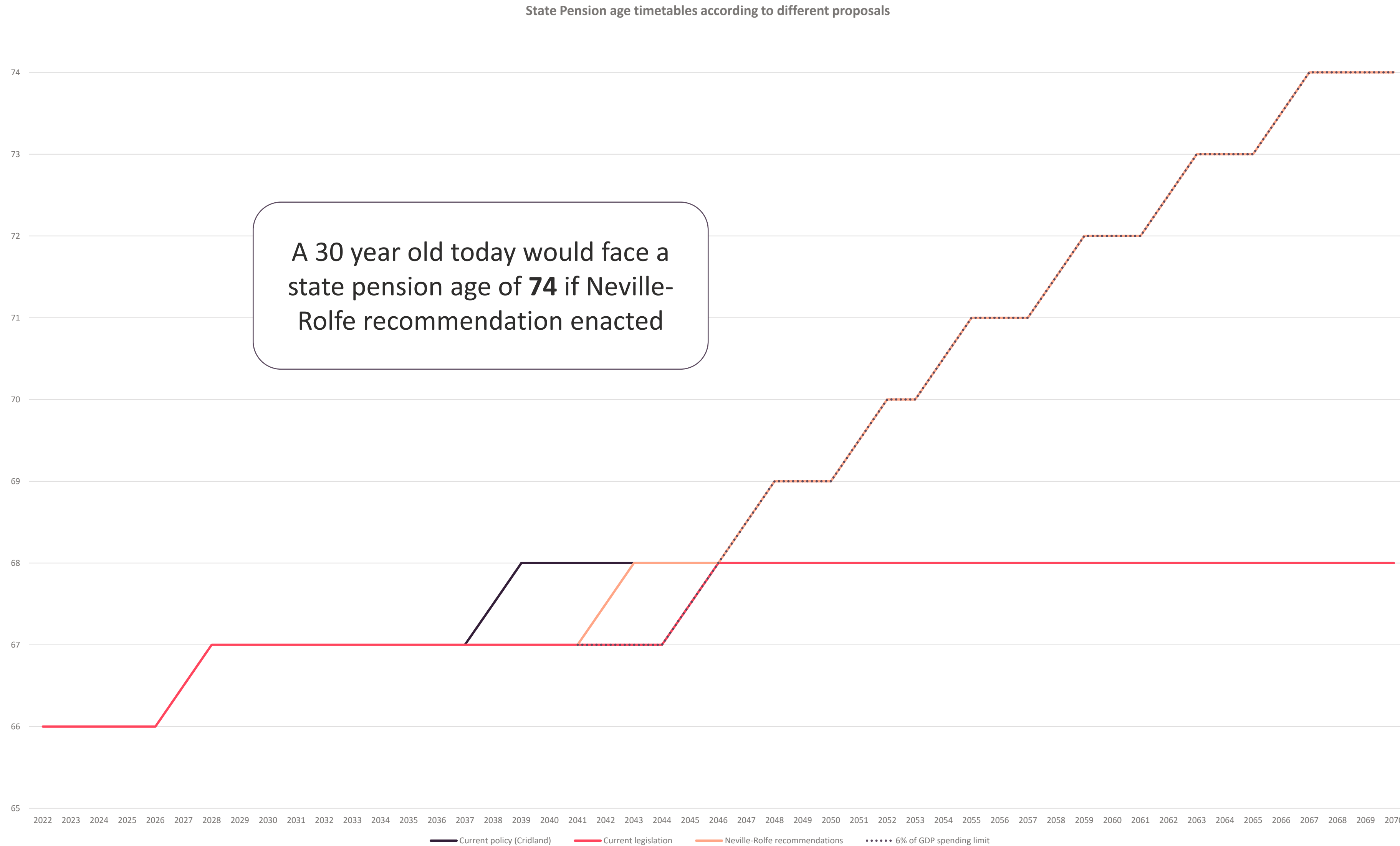


Employers have been managing their pensions costs by moving away from final salary pensions to typically less generous defined contribution pensions

Percentage of private sector employees participating in defined benefit and defined contribution workplace pensions

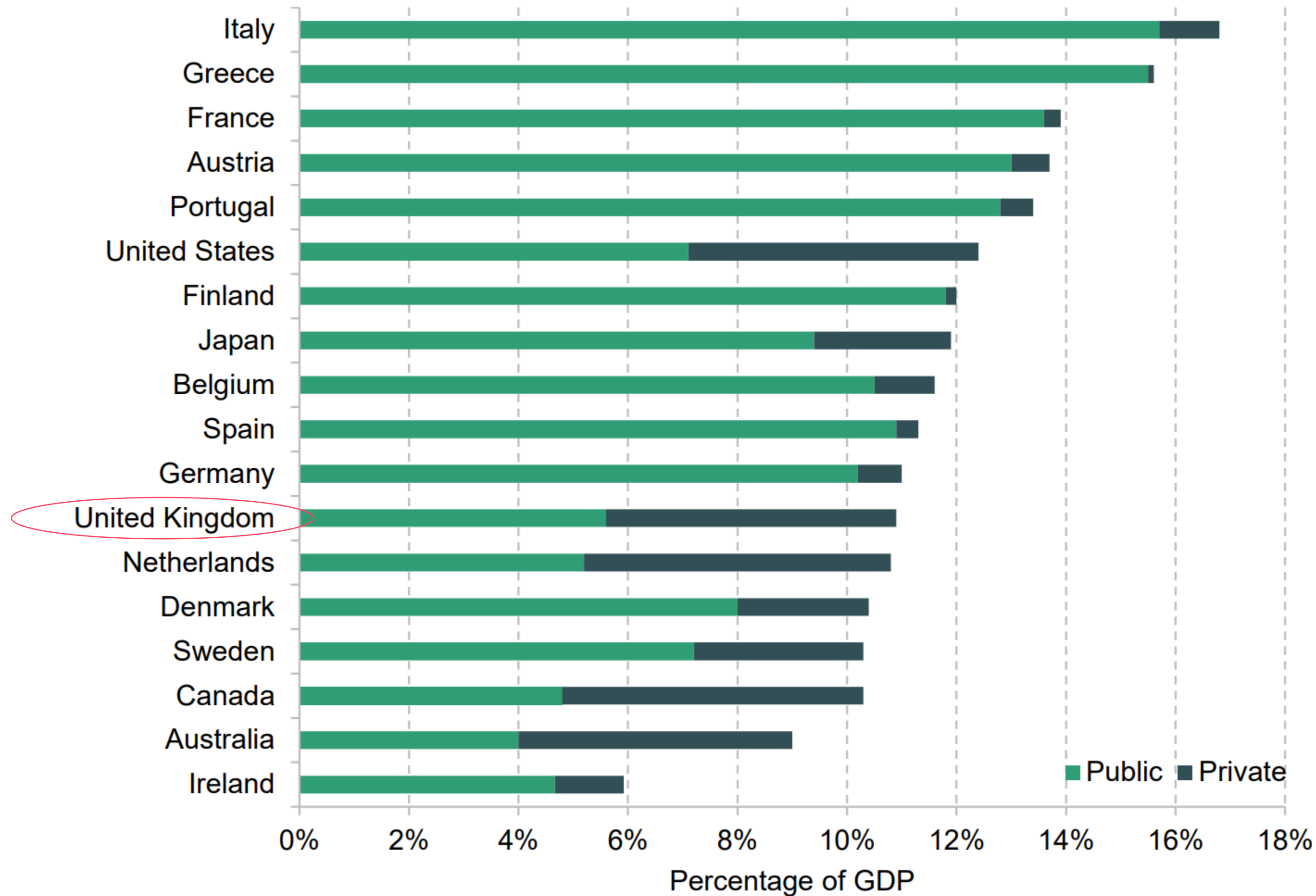


Government is managing its increasing state pension costs increasing the age of access to state pension



Our current pension system relies on workplace and private pensions more than most other countries, and we spend overall relatively little on pensions

Public and private spending on pension benefits, in EU15 and other major industrialised economies, as a share of GDP, 2017



So, why get better at employing workers over 50?

Because employers need the workers and people need the income, and what we're doing now isn't working

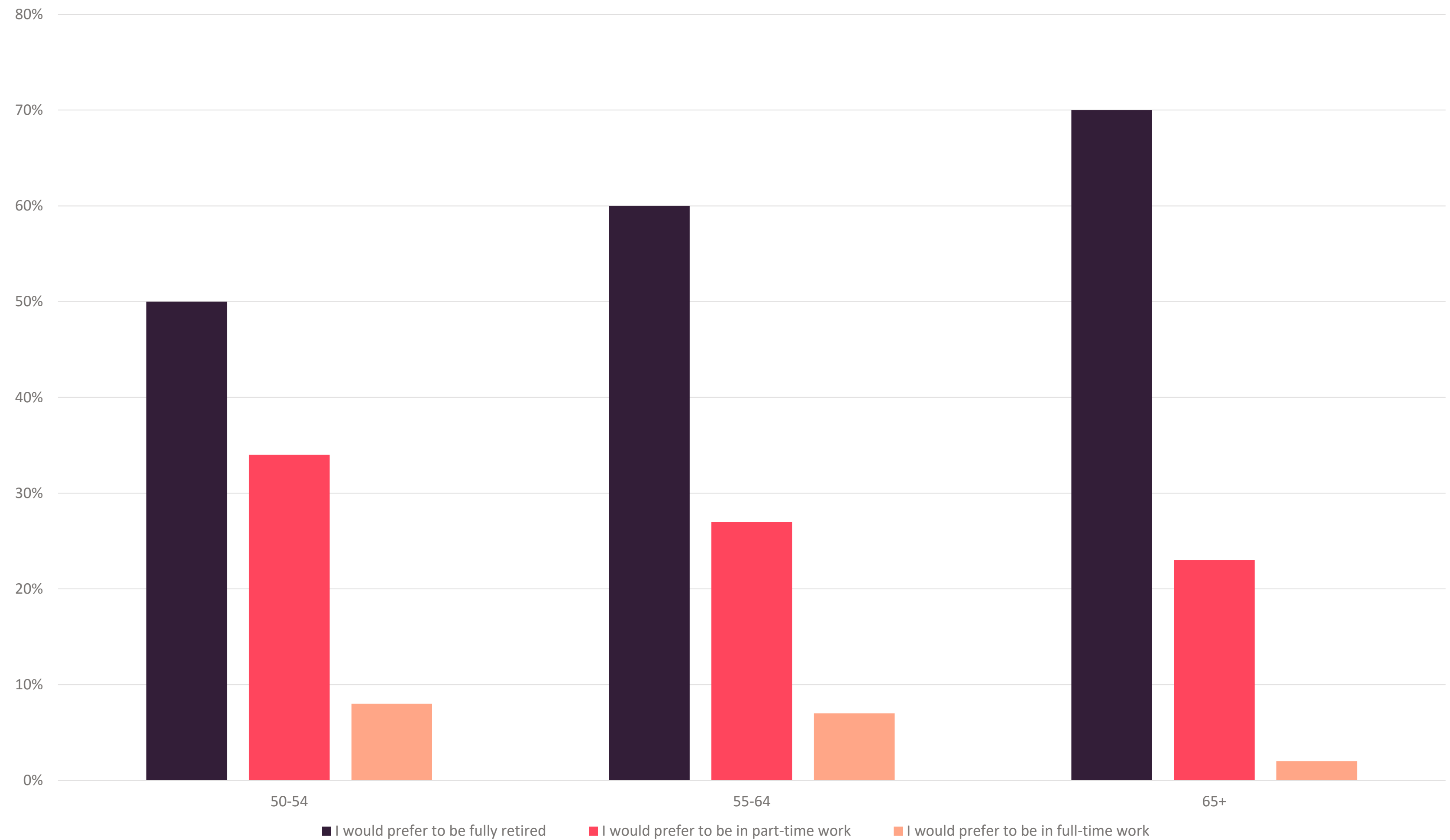
More positively, longer lives give us an opportunity to think differently about work and retirement over 50



Source: Avivah Wittenberg-Cox
www.20-first.com

“Which of the following options for your retirement would you prefer, if cost and income were not an issue?”

A significant minority of people want to continue to do some work even after they reach ‘retirement’



What can employers do?

Start with
your data

Don't lose the
talent you
have

Grow your
talent at all
ages

Hire age-
positively

1: Start with your data



Understand the age issues in your workforce

- What is the age profile of your workforce?
- What is your average age of exit?
- What retirement journeys exist in your workforce? Are they cliff-edge, or glide path?
- Are your staff in their 50s and 60s accessing training and development?
- Are older applicants applying for your roles? Are older applicants less likely to get to interview? Or less likely to be offered the job?
- What are the experiences of age diversity among your employees? Have people experienced age discrimination? What attitudes do hiring managers have towards older workers?

2: Don't lose
the talent you
have



Get serious about flexible work

- Welcome flexible work for any reason, and advertise the right to request flexible working from day one
- Support your line managers to manage flexible working
- Actively promote flexible working to workers in their 50s and 60s
- Think creatively about job design and job roles for people approaching retirement
- Support carers with paid carer's leave and flexibility around emergency requirements

Build an age-friendly culture

- Challenge stereotypes about older workers
 - Provide anti-ageism training for staff
 - Include all ages of workers when celebrating achievements and promoting your organisation
- Promote the benefits of multigenerational teams
- Establish an age network for staff

Provide good support to people managing health conditions

- Support staff and line managers to have early and sustained conversations about health in the workplace
- Make sure you have clear and visible policies and processes for supporting workers with health conditions or disabilities.
- Make clear to staff that managing health conditions is a normal part of working life, and that requests for support will not be stigmatised.
- Offer training to line managers, so they understand the range of reasonable adjustments they can make, and the support they can offer staff: such as occupational health support via you or the GP, or Access to Work.
- Make health and wellbeing part of your regular conversations with staff of all ages – so people have frequent opportunities to disclose any changes to their health and support needs.
- Foster open conversations about menopause in the workplace

Consider developing a Midlife MOT

Midlife MOT

Health

People can enjoy retirement more if they are healthy and happy. Preparing for good health, wellbeing, and social connections is key. Plus, many employees have caring responsibilities too.

Wealth

People need money for a happy retirement. Financial planning, pensions and savings contributions are key to consider ahead of retirement.

Work

People often need to stay in work for longer now. Therefore planning around upskilling or transitioning to flexible or part-time working is common for retirement.

Common features

- **Self-assessment** – for example through a digital tool or questionnaire
 - Aim: Provide a snapshot of the individual's current preparation and potential needs before transiting to later life
- **Education and information provision** – for example targeted seminars, information pamphlets, support documents, signposting to educational platforms and digital tools
 - Aim: Stimulate change in user's attitude and behaviour to support transition to later life.
- **Nudge to action** – for example action planning workshops and social support groups
 - Aim: Nudge users to make informed decisions and take action on later life planning.

3: Grow your talent at all ages



Don't let people over 50 miss out on opportunities to develop and upskill

- Provide career guidance and career development support for people of all ages
- Take targeted action to ensure equitable take-up of training opportunities

4: Hire age positively



Age-positive hiring practices

- Include a diversity statement in job adverts that emphasises age-inclusivity
- Use specific, age-neutral language: research shows that young-stereotyped terms, like ‘recent graduate’, ‘innovative’ and ‘tech savvy’ put older workers off applying
- Refresh application and interview processes to reduce age cues and minimise age bias:
 - Remove any non-essential details on application forms that might indicate someone’s age. For example, ask for ‘relevant work history’ as opposed to an entire working history.
 - Allow applicants to list their previous roles in terms of the number of years of experience rather than the dates of that experience on a CV. (Recent research has shown that doing this increased positive callbacks by 14.6%)
 - Do not insist on applicants holding qualifications that may have come into existence after they left full-time education: for example, no one who left school before 1986 will hold GCSEs.
 - Use age-diverse interview panels

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Hire age-
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Organisations that offer help and support

[Age-friendly Employer Pledge | Centre for Ageing Better \(ageing-better.org.uk\)](#)

[Home | Work/Redefined \(work-redefined.co\)](#)

55 Redefined, offer consultancy support, training, accreditation, networking

[Jobs, Money, Courses & Lifestyle for Over 50s \(restless.co.uk\)](#)

[Helping older workers find fulfilling jobs | workingwise.co.uk](#)

