

Older people and skills in a changing economy

Briefing Paper Series

September 2011

Older people and skills in a changing economy

Professor Stephen McNair

September 2011

Views expressed by the author of this Briefing Paper are not necessarily those of the UK Commission for Employment and Skills.

Foreword

The UK Commission for Employment and Skills is a social partnership, led by Commissioners from large and small employers, trade unions and the voluntary sector. Our mission is to raise skill levels to help drive enterprise, create more and better jobs and promote economic growth. Our strategic objectives are to:

- provide outstanding labour market intelligence which helps businesses and people make the best choices for them;
- work with businesses to develop the best market solutions which leverage greater investment in skills;
- maximise the impact of employment and skills policies and employer behaviour to support jobs and growth and secure an internationally competitive skills base.

These strategic objectives are supported by a research programme that provides a robust evidence base for our insights and actions and which draws on good practice and the most innovative thinking. The research programme is underpinned by a number of core principles including the importance of: ensuring **'relevance'** to our most pressing strategic priorities; **'salience'** and effectively translating and sharing the key insights we find; **international benchmarking** and drawing insights from good practice abroad; **high quality** analysis which is leading edge, robust and action orientated; being **responsive** to immediate needs as well as taking a longer term perspective. We also work closely with key partners to ensure a **co-ordinated** approach to research.

Equality and employment is an important and well-researched field. The Youth Inquiry (UK Commission 2011) explored questions around the unemployment, recruitment and employer perspectives of young people. In May 2011, Joseph Rowntree Foundation published 'Poverty and ethnicity: a review of evidence' and is launching a fuller programme of in this area. In order to add value to the existing body of research, the UK Commission has developed a series of Briefing Papers with a focus on equality and skills in a changing economy. The aim of the series is to inform and enable connected thinking about how to enable opportunity in the labour market through skills. Each paper provides commentary and analysis for an equality group or theme, these are:

- Disability and skills in a changing economy;
- Gender and skills in a changing economy;
- Low skills and social disadvantage in a changing economy;
- Older people and skills in a changing economy;
- Spatial inequality and skills in a changing economy.

The research focussed on policy in England as the development of the papers received England only funding. However, in order to give breadth and strength to understanding of a subject area the review of literature and data drew on UK data and, occasionally, devolved policy, though not in the conclusions or implications.

Together the Briefing Papers in this series provide insight and understanding into the skills related challenges, needs and opportunities for individuals who are disadvantaged in the labour market. These outputs are only the beginning of the process and we will be continually looking for mechanisms to share our findings, debate the issues they raise and extend their reach and impact.

We would like to take this opportunity to thank all of the authors for their work in developing these papers and add extended thanks to Chris Hasluck provided a coordination and editorial role across the series of equality papers.

We hope you find this paper useful and informative. The other papers in the series can be accessed on the UK Commission's website www.ukces.org.uk. If you would like to provide any feedback or comments, or have any queries please e-mail info@ukces.org.uk, quoting the report title.

Lesley Giles

Table of Contents

1	Executive Summary	viii
2	Introduction.....	1
2.1	Who are “older workers”?	1
2.2	Why does the older labour market matter?	1
2.3	In what way is the older labour market different?.....	2
2.4	Age and patterns of work.....	4
2.5	Age and personal characteristics	7
2.6	Economic characteristics of the older workforce	9
3	The impact of recent change on older workers	18
3.1	Changing patterns of employment	18
3.2	Changing attitudes to work	19
3.3	Discrimination law	19
3.4	The changing impact of gender	20
3.5	The benefit system	20
3.6	Participation in training.....	21
4	Likely future economic developments.....	22
4.1	Demand for older workers will continue to rise	22
4.2	The supply of older workers will continue to rise	23
4.3	Public sector downsizing will disproportionately affect older workers.....	23
4.4	Training needs will be high in areas with older workers	24
4.5	There may be some competition between age groups.....	24
4.6	The nature of the “older workforce” will itself change	24
5	The work needs and preferences of older people	25
5.1	Motivation to work or retire	25
5.2	Work flexibility and phasing out	26
5.3	Training needs and demand	26
6	The role of employers	28
6.1	Drivers of employer behaviour.....	28
6.2	Employer attitudes to older workers	28
6.3	Diversity of firms.....	28
6.4	Managing retirement	29
6.5	Performance review	30
6.6	Training.....	30
7	The role of the system.....	31
7.1	The legal framework	31
7.2	Careers guidance.....	31
7.3	Workability.....	31
7.4	The decline in training.....	32
7.5	Programmes for the unemployed	33
7.6	Public funding for training.....	33

7.7	Apprenticeships.....	34
8	Key policy issues	35
8.1	Link skills and age policy	35
8.2	Increase the flexibility of the labour market	35
8.3	Recognise the diversity of older workers	35
8.4	Recognise the diversity of employers	36
8.5	Make work more attractive.....	36
8.6	Reduce negative incentives.....	36
8.7	Help people anticipate change	36
8.8	Manage health	37
8.9	Support training	37
8.10	The role of Government	38
8.11	Further research and development work	38
9	Conclusions	39
10	Bibliography.....	42

Table of Figures¹ and Tables

Figure 1.1	The age profile of the workforce.....	2
Figure 1.2	Economic Activity 50-69.....	4
Figure 1.3	Long term unemployment.....	5
Figure 1.4	Average time in current employment.....	6
Figure 1.5	Hourly rates of pay by age.....	7
Figure 1.6	Employment by age and firm size.....	9
Figure 1.7	Workforce age profile by sector.....	10
Figure 1.8	Sectoral concentration of older workers.....	11
Figure 1.9	Public-Private sector employment by age.....	12
Figure 1.10	Age profile of occupations.....	13
Figure 1.11	Percent of age group in occupation.....	13
Figure 1.12	Age distribution of workforce by region/nation.....	14
Figure 1.13	Qualifications by age.....	15
Figure 1.14	Percent of age group training in the last 3 months.....	16
Figure 1.15	Length of training by age.....	16
Table 2.1	Changing employment by age 2009 - 2011.....	19

¹ All figures in this report are based on the UK Labour Force Survey, Quarter 2

Executive Summary

The UK's population is ageing, due to rising life expectancy and low fertility rates. The result is a deteriorating dependency ratio, with a shrinking population of traditional "working age" supporting a growing retired one. This is a challenge to overall economic policy, and to employers, some of whom are already experiencing labour shortages, which will increase with the retirement of the large age cohorts born in the 1940s and 1950s.

To address this, Government is encouraging people to stay in work longer, through a variety of incentives and regulatory changes, including outlawing age discrimination and compulsory retirement. Some employers are also changing working practices to make work more attractive to older people. Most older people recognise the need to work longer, and a substantial proportion say they are willing to do this. Since 2000, the labour market participation rates of people over 50, and especially over 65, have been rising, and the number of older people working is the highest since records began.

However, age discrimination persists, based on outdated assumptions about motivation and capability. While employers appear willing to retain experienced older people, they are much more reluctant to recruit them. As a result, the labour market becomes increasingly inflexible after 50, with many people locked into the same job for many years. The older workers are, the more likely they are to report being overqualified for the work they are doing.

Two groups leave the labour market between 50 and 59: the low paid and skilled are driven out by redundancy and ill health; and the highest paid opt to retire to pursue other interests. Caring responsibilities also lead many people, mostly women, to leave. Between 60 and 64 most people leave, though average retirement ages are rising². Those remaining are increasingly likely to be working part-time, in low skilled work, in professional or managerial roles, or in skilled trades. After 65, the workforce is increasingly concentrated in a few sectors. With age the proportion, though not the numbers, in self employment rise, though this is often through necessity rather than choice.

It is likely that labour market demand will remain high for older people, and that a growing proportion of older people will seek to work longer, for a variety of reasons, including financial ones. However, at least in the short term, it is likely that public sector contraction will disproportionately affect older people, because of their concentration in the 50+ workforce.

² These are currently 64.5 for men and 62 for women.

The key policy challenges are threefold.

- Age discrimination in recruitment. Despite legislation outlawing age discrimination, and a widespread aspiration to work, it continues to be very difficult for an unemployed person in their 50s or beyond to return to work, whatever their qualifications and experience.
- Ill health and disability. Ill health is a major contributor to early exit, and needs tackling both by early diagnosis, and negotiation of suitably modified employment and job change once the current job becomes unsustainable.
- Underemployment. Between 50 and 70, a growing proportion of workers report being very overqualified for their jobs. Some have chosen to move to less stressful roles, but there remains a significant waste of talent

The priorities for policy are:

- link age and skills policy: to ensure that funding and institutional incentives support extending working life;
- recognise diversity: of individual motivation and circumstances, and of firms and sectors;
- make work more attractive: by increasing flexibility and strengthening intrinsic, social and financial motivations to work;
- reduce negative incentives: including poor performance management, and organisational change which increases stress;
- raise awareness: of the implications of demographic change, and of the risks for those who do not continue to learn and adapt;
- demonstrate value to employers: both of employing older workers and of investing in their skills;
- strengthen careers advice: to enable people to make informed decisions about later career and retirement;
- develop systems for early diagnosis of problems which lead individuals to leave early.

1 Introduction

1.1 Who are “older workers”?

There is no simple age at which people can be described as “older”, but 50 is the point most commonly used in research and policy, and in this paper, because this is the point after which:

- labour market participation rates begin to fall;
- age discrimination is more frequently reported (especially in recruitment practice);
- individuals’ growing awareness of approaching retirement affects motivation to work, and career decisions.

This is not to suggest that all older workers are alike, nor that their economic contribution necessarily declines. Individuals differ greatly in their capacities and aspirations; people do not grow more alike as they age; and employers’ expectations vary. Policies based on a study of one group may not be applicable to another.

Further changes take place after 50. Between 50 and 59, work is the default option for most people: most exit is involuntary, driven by health, redundancy or caring responsibilities, and employment is increasingly concentrated in the public sector. By contrast, the early 60s is a period of transition, with most people retiring, and most of those working longer staying on for a few years, mainly in part-time work. By 70 retirement is the norm, and the remaining workforce is polarised between a large group in low skilled work and a smaller, but substantial, group of highly skilled professionals and managers.

Figure 1.1 shows the age profile of the workforce in 2010³.

1.2 Why does the older labour market matter?

Until relatively recently, the older workforce was of little interest to policymakers or employers. When labour demand was high, most people stayed in work until around State Pension Age, and during recessions, older workers were offered early retirement on relatively generous terms.

Since 2000, however, the pattern has changed. Rising life expectancy continues to increase the proportion of lifespan spent in retirement⁴, while declining fertility rates (since

³ All figures in this report are based on the Labour Force Survey 2010, quarter 2.

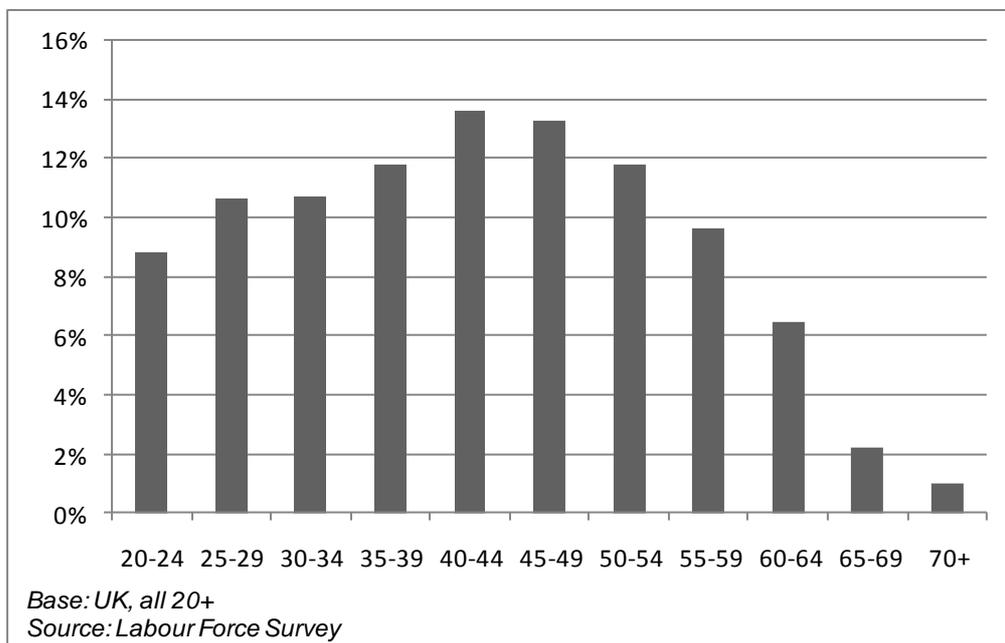
⁴ The life expectancy of a man at age 65 has risen from 11 years in 1950 to 20 years in 2010.

the mid 1960s) are shrinking the supply of young entrants to the labour market)⁵. The result is two challenges, which Government's extending working life policies seek to address:

- labour shortages, as the average age of the workforce rises and growing age cohorts approach retirement (Wilson et al., 2008).
- a deteriorating "dependency ratio", with a growing number of retired people dependent on a shrinking workforce.

Figure 1.1 shows the age profile of the current workforce, illustrating how numbers in the traditional "prime" age group from 40-50 will inevitably fall for at least 20 years.

Figure 1.1: The age profile of the workforce



1.3 In what way is the older labour market different?

In many ways, the older labour market is like the labour market in general. Most older workers do the same kinds of jobs as younger ones, on similar terms; most share the same broad expectations of work; and many factors have a greater influence on employability than age per se. However, the approach of retirement does affect the decisions of employers and employees; age discrimination continues to be a powerful factor in employment; and age affects the nature of work.

⁵ The resulting labour shortfall is only modestly eased by (possibly temporary) higher fertility among recent migrants.

1.3.1 The approach of retirement influences the decisions of employers and employees

The approach of retirement casts a shadow over the labour market more than ten years before State Pension Age. The notion that there is a natural exit point colours expectations of both employers and employees that capability will decline, although improved health, economic restructuring and technological change mean that few jobs are now beyond the physical capacity of an averagely fit 65 year old (Harper, 2011). At the same time it encourages the notion of a shift in work life balance, to allow phasing into retirement, through part-time and flexible working and job change (although this is more frequently proposed than implemented) (Loretto et al., 2007; Smeaton & Vegeris 2009). However, the concept of “retirement” is complex, with some people defining themselves as “retired” although still in paid work of some kind, while some of the “unemployed” will never succeed in returning to work. (Banks, 2008).⁶

1.3.2 Age discrimination persists

Age discrimination against older people remains the most widely reported form of unfair discrimination in the labour market, and unlike the others, many people still think it acceptable. However, half of all workers think age discrimination is an important issue, and 28 per cent of older workers say they have experienced it personally (Abrams et al., 2009; Macnicol, 2006). Although the prospects of older employees retaining their jobs have risen in recent years, discrimination remains powerful in recruitment (partly because of the operation of the same internal labour markets which privilege existing older workers) (Barnes et al., 2009), and reported underemployment rises significantly after 50 (McNair, 2010).

Survey evidence suggests that public stereotypes of older people are benign, but limiting: (McNair, 2010). While most people, including employers, generally like older workers and think they make a contribution, they do not see them as dynamic, active contributors, seeking new challenges. Furthermore, despite the discrediting of the “lump of labour” theory, many people often see the employment of older people as blocking opportunities for young entrants, while older workers frequently claim that young people lack motivation and the ability to work hard.

However, there is evidence that local context can affect attitudes positively. Abrams (2008) found that attitudes generally to older workers were more positive in workplaces where they formed a higher proportion of the workforce.

⁶ 11 per cent of men and 7 per cent of women.

1.4 Age and patterns of work

1.4.1 Employment rates decline

Average real retirement ages in the UK have been rising for some years, and are currently 64.5 for men and 62 for women⁷ (Office of National Statistics 2011c). This is high by European standards, as is the labour market participation rate among people aged 50-64, at 64.5 percent⁸.

Figure 1.2 shows that falling employment rates after age 50 are not mainly a matter of “retirement”, and that it is only after age 65 that a majority define themselves as “retired”. Rather, the growth is of people becoming “otherwise inactive”, more than half of whom are inactive on grounds of health and disability.

Figure 1.2: Economic Activity 50-69

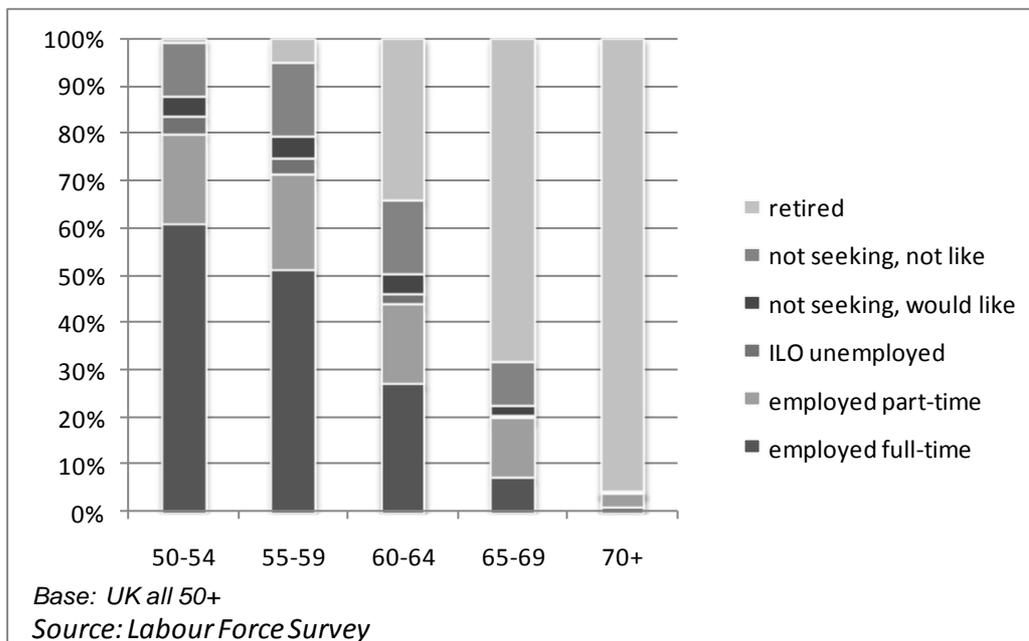


Figure 1.2: Economic Activity 50-69 also shows that this economic inactivity is not, in general, a matter of choice. From 50 to 59, the numbers who would like to work⁹ exceed those who are ILO unemployed, and although the proportion of people who are not in employment but “would like to work” declines, this is still over 7 percent of people in the 60-64 age group¹⁰. This suggests the existence of a significant pool of underused talent, but that many of them are “discouraged” workers who do not believe that there is any real chance of returning to work.

⁷ Up from 63.8 and 61.2 in 2004

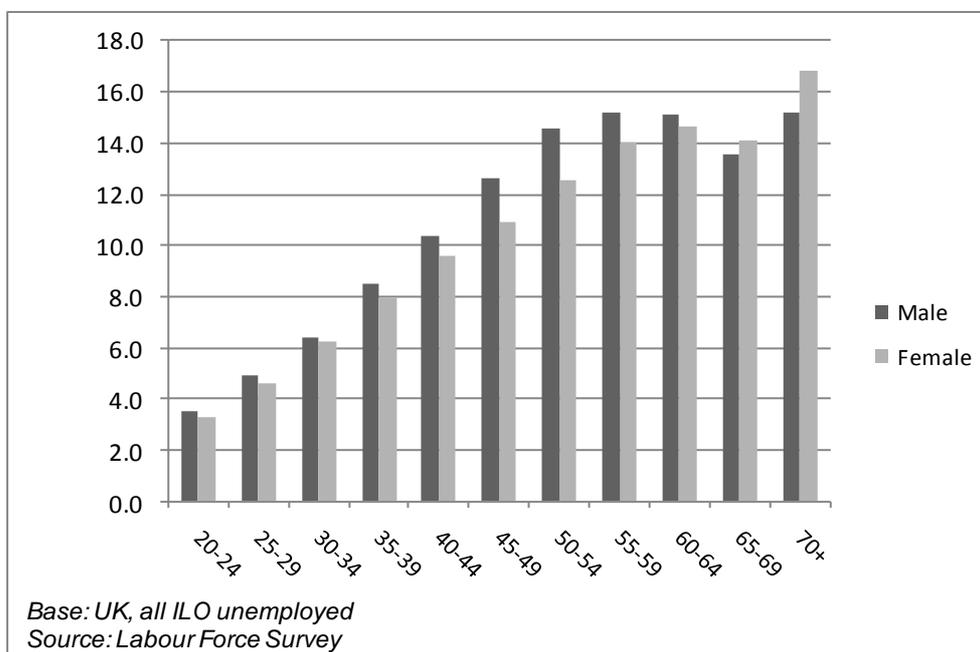
⁸ This compares with 80 per cent for people aged 25-49 (LFS Q2 2010)

⁹ Combining those who would like work but are not actively seeking it, with the ILO unemployed (which includes only those who are without a job, want a job, have actively sought work in the last 4 weeks and are available to start work in the next 2 weeks).

¹⁰ The shift of people from “undefined inactive” to “retired” shows the ambiguity of the notion of “retirement”

The extent of the barriers facing people seeking to return to work after 50, and the role of gender in this is indicated by the proportion of unemployed people seeking work for more than a year (Figure 1.3).

Figure 1.3: Long term unemployment



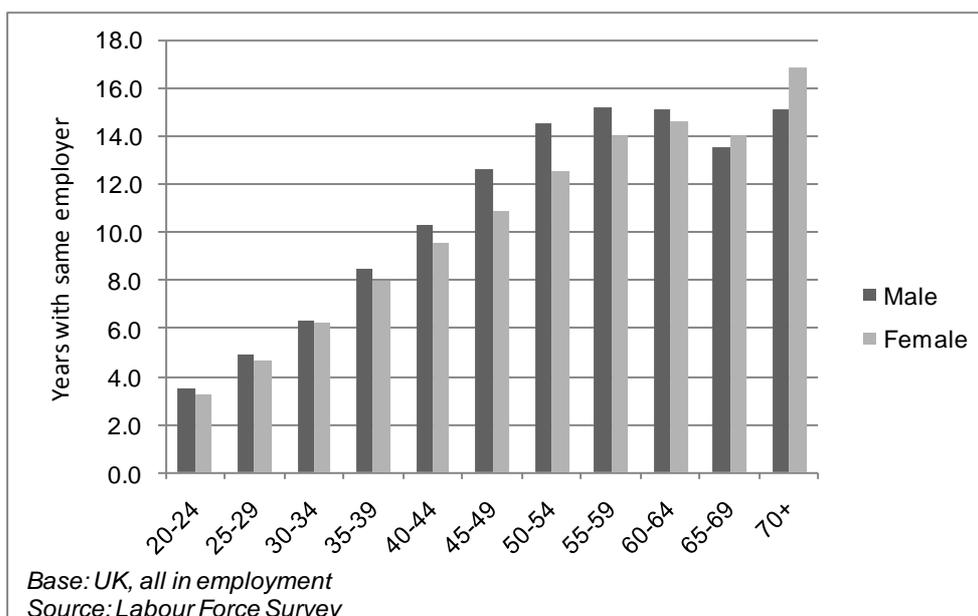
1.4.2 The balance shifts from full time to part time work

The proportion of people working part-time rises steadily with age. While 26 per cent of the under 65 workforce works part time; this rises to 28 per cent between 55 and 59; 38 per cent between 60 and 64; and two thirds of all those still in work in the late 60s (Figure 1.2). The continuing rise in employment of people over 50 through the most recent recession may be reflected in the fact that employment growth in the last year has been entirely in part-time work (Office of National Statistics, 2011b). Some researchers have suggested that the move to part-time work generally represents a move to lower quality work (Grattan, 2007; Lissenburgh & Smeaton, 2003).

1.4.3 Job mobility declines

With age, people become less likely to change jobs. Figure 1.4 shows that people aged 50-59 have, on average been with their current employer twice as long as those aged 25-49, and that this stability is greater for men than women up to 65. It also shows clearly the distinction between retention and recruitment: those who stay in work after 70 are much more likely to be long serving employees, staying with the same organisation than people taking up new jobs in their 50s and 60s.

Figure 1.4: Average time in current employment



1.4.4 Self employment rises

With age, the proportion of people describing themselves as self employed rises, from 12.6 per cent of the 25-49 workforce to 18 per cent of 50-64 year olds, and 36 per cent of people working after 65. The proportion of men self employed is about double that of women, with the gap narrowing a little with age.

Between 1990 and 2000, one quarter of all new businesses were created by people over 50 (City & Guilds Centre for Skills Development, 2011). However, for some, “self employment” is a “last resort” – the only way of re-entering the paid labour market¹¹, while for others it is a more acceptable self definition than “unemployed” (Kellard et al., 2002; McNair, 2006; Owen-Hussey, 2006).

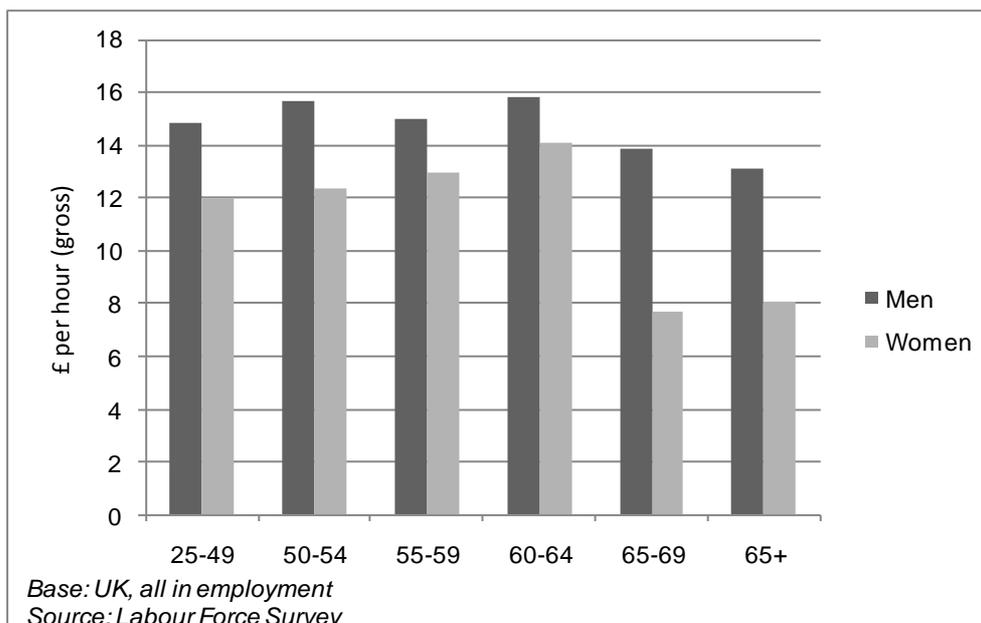
1.4.5 Pay declines

Hourly rates of pay also decline with age (Figure 1.5). Overall, the average hourly rate peaks at £13.93 for people aged in their early 50s, but then falls steadily to £10.82 for people in their late 60s¹². However, this masks the effect of gender. Men’s hourly rates peak in the early 50s and stay broadly level to 64, while women’s continue to rise up to 64, suggesting a “survival effect” with the most productive women being the most likely to stay in work up to and after State Pension Age at 60. However, the widening of the gender pay gap after 64 is striking (see 1.5.1 below).

¹¹ “Self employment” can, for example, include casual work, taxi driving and occasional freelance work.

¹² LFS 2010 Q2.

Figure 1.5: Hourly rates of pay by age



1.5 Age and personal characteristics

1.5.1 Gender

Although men and women’s experience of work after 50 is very different (especially for the generation now approaching retirement), commentators often overlook gender¹³.

Between 50 and 64, women constitute 46 per cent of the working population, and the proportion falls to 42 per cent after 65. They are much more likely than men to be working in the public sector¹⁴, and are concentrated in three areas - Health & Social Work, Education, and Wholesale & Retail¹⁵. Up to 65, women are three times more likely to be working part-time and their hourly earnings are 18 per cent lower than their male counterparts. After 65, both men and women are likely to be working part-time, but the earnings gap expands dramatically, from £2.43 to £6.14 per hour.

The Labour Force Survey shows that the difference between men and women’s work increases after 65. While men stay longer in the same job than women at all ages, the gap expands significantly after 65 (Figure 1.4: Average time in current employment, suggest that the men who stay are more likely to be trusted long term employees staying with their employers, while women are more likely to be in transitory or casual jobs. This may, of course, reflect the historic gender patterns of the labour market, and may not continue into the future. Certainly, the much narrower pay gap in the 60-64 group

13 General issues of gender in the labour market are addressed in detail in a companion paper to the present one.

14 This may account for the surprising fact that women are, at all ages, more likely than men to be employed on “permanent” contracts.

15 These three sectors account for 56 per cent of all women’s employment after 50.

suggests that the generational change in the quality of women's work which Felstead identifies, is beginning to impact on the older labour market (Felstead, 2009).

1.5.2 Health and disability

As people age their physical and mental capacities decline. However, most significant decline does not happen, for most people, before 65, and the rate and scale of decline in physical capacity is highly variable between individuals (Harper, 2011)¹⁶. However, ill health and disability are the largest single cause of exit between 50 and 59, and commonest among men, part-time workers and those at bottom of the income distribution. Although Black has demonstrated the positive role which work can play on health (Black, 2008), Marmot has shown the negative impact of occupational status on health and life expectancy. Across Southern England, mortality rates for people in Routine occupations are double those of people in Higher Managerial and Professional ones, and the ratio increases to threefold in the North East and North West (Marmot, 2010).

Severe limiting disability is less extensive than commonly assumed. Two thirds of 70 year olds do not report a disability which would limit their ability to work (Banks, 2008), and the extent to which many health conditions affect employability is significantly affected by psychological and environmental factors (Harper, 2011). Furthermore, exit due to disability is not necessarily permanent: one quarter of the older people reporting a work related disability in the English Longitudinal Study of Ageing (ELSA) in 2004 did not report one when surveyed again in 2006 (Banks, 2008).

1.5.3 Ethnicity

It is likely that ethnicity has some impact on the labour market experience of older workers, and some groups have much higher levels of unemployment after 50. However, as yet the small numbers¹⁷ and diversity of background of minority ethnic groups make quantitative analysis difficult.

¹⁶ The role of disability in employment is explored in more detail in the parallel UKCES paper on disability.

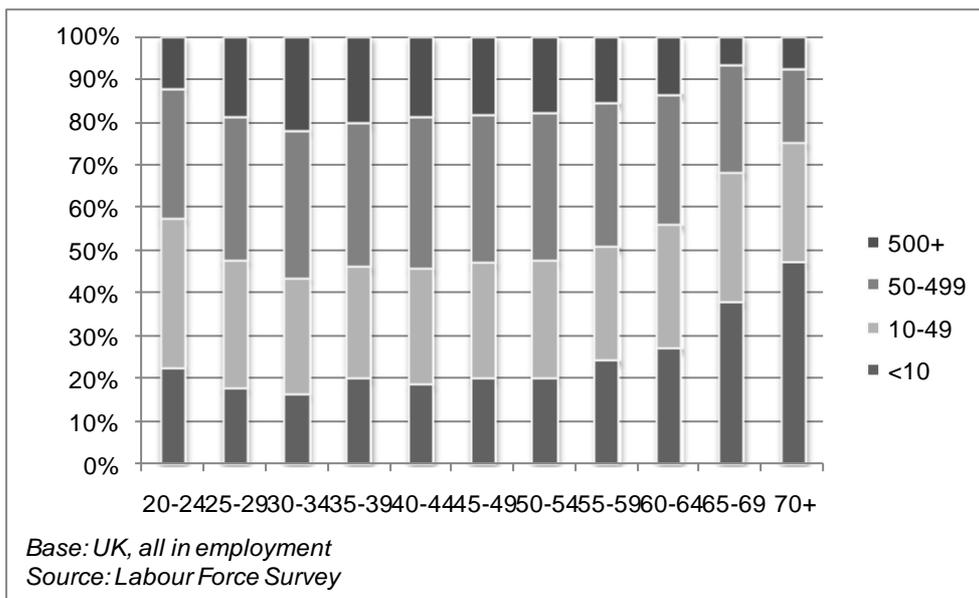
¹⁷ Currently, only 3 per cent of workers aged 55 - 64 are from minority ethnic groups, compared to 15 per cent of workers aged 20-34

1.6 Economic characteristics of the older workforce

1.6.1 Firm size

Age is closely related to firm size. Older workers (and the youngest) are disproportionately likely to be working in small firms. Figure 1.6 shows that, between 25 and 55, less than half of all workers are in firms employing fewer than 50 people. After 55, however, the proportion rises rapidly, with three quarters of those working after 70 working in firms employing fewer than 50, and nearly half in very small ones.

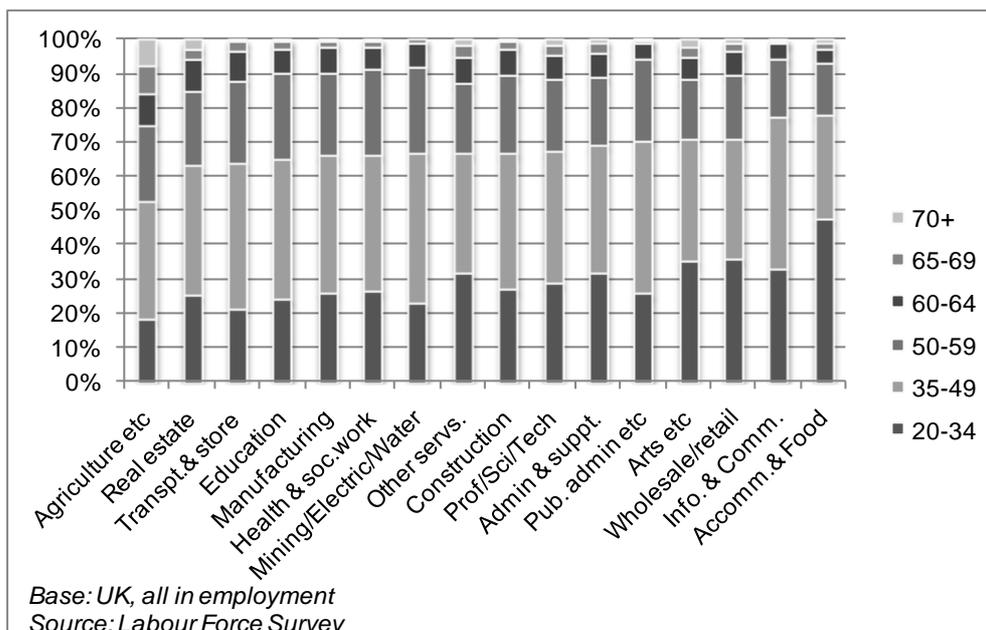
Figure 1.6: Employment by age and firm size



1.6.2 Sectoral concentration

The age profile of the workforce differs by sector: some have a tradition of working longer, some have labour or skill shortages, and some lend themselves better to flexible working or self employment. Conversely, employment is more physically or emotionally demanding in some sectors and occupations than others, leading to higher rates of early exit (Barnes et al., 2009).

Figure 1.7: Workforce age profile by sector

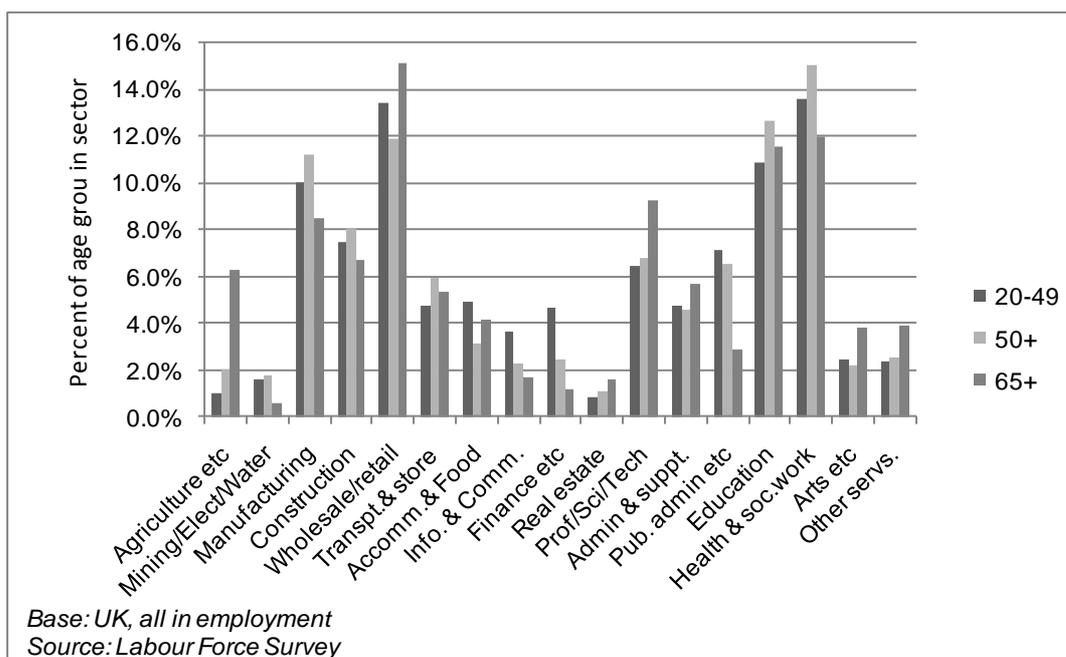


Sectors with a high proportion of older workers face potential labour shortages in the future. Figure 1.7 shows that the highest concentrations of older workers are in Agriculture, Real Estate, Transport, Education, and Manufacturing, all of which have more than a third of their workers over 50.

However, the effect of age on the overall economy depends not only on concentration of older workers within a sector, but on the size of the sectors, and the four largest sectors, account for half the total workforce. (Figure 1.8)

Three of the four, Wholesale & Retail, Health & Social Work, and Education, are also major employers of older people, though with different profiles. The proportion working in Health & Social Work and Education rises between 50 and 64, but then falls (although they remain among the three largest employers of people over 64). By contrast, the proportion working in Wholesale & Retail falls between 50 and 64, but then rises.

Figure 1.8: Sectoral concentration of older workers

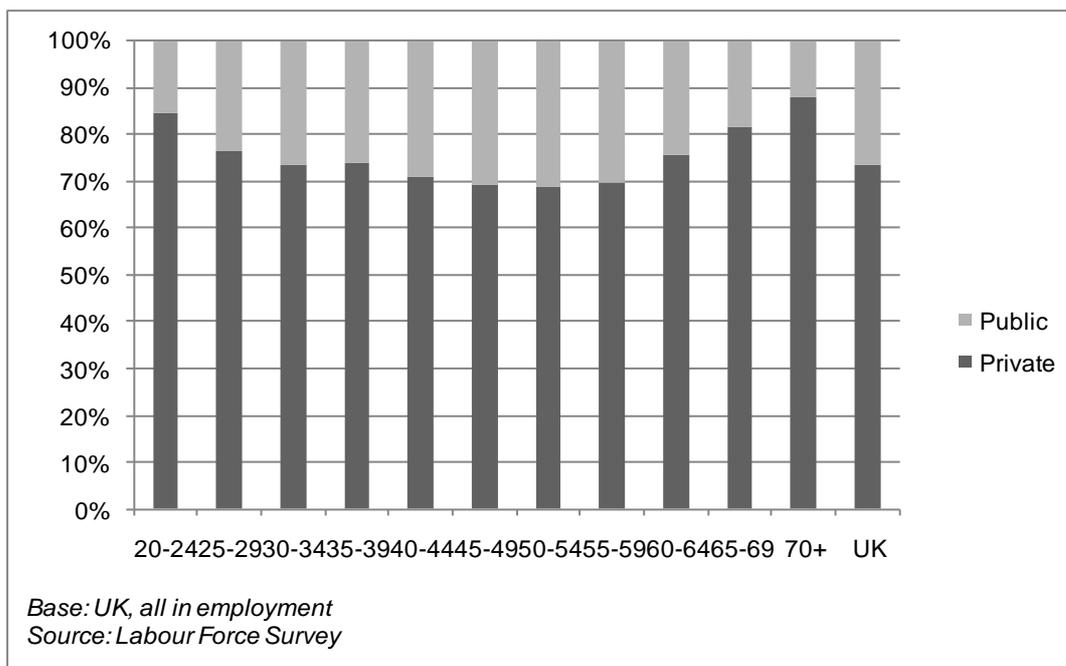


After 65, the profile changes substantially, with a growing concentration of workers in Agriculture (by far the oldest sector), Wholesale & Retail, Professional, Scientific and Technical, and Administration & Support Services. Conversely, the proportion working in Public Administration, Financial Services, Health & Social Work, Manufacturing and Information and Communications all fall.

This suggests that sectoral factors play a significant part in exit patterns. The decline in Health & Social Work, Education and Public Administration after 64 probably reflects the role of public sector pensions, while in Manufacturing it may reflect issues of physical capability. By contrast, the more gradual decline in Construction may reflect the greater opportunities for part-time and occasional work. The growth in Wholesale & Retail probably reflects the opportunities for part-time and flexible working, and the relatively low entry thresholds, which make re-entry easier than in most other sectors.

There are also marked differences between the age profiles of the public and private sectors. Figure 1.9 shows how the youngest and oldest workers are concentrated in the private sector, with public sector employment concentrated between forty and sixty.

Figure 1.9: Public-Private sector employment by age



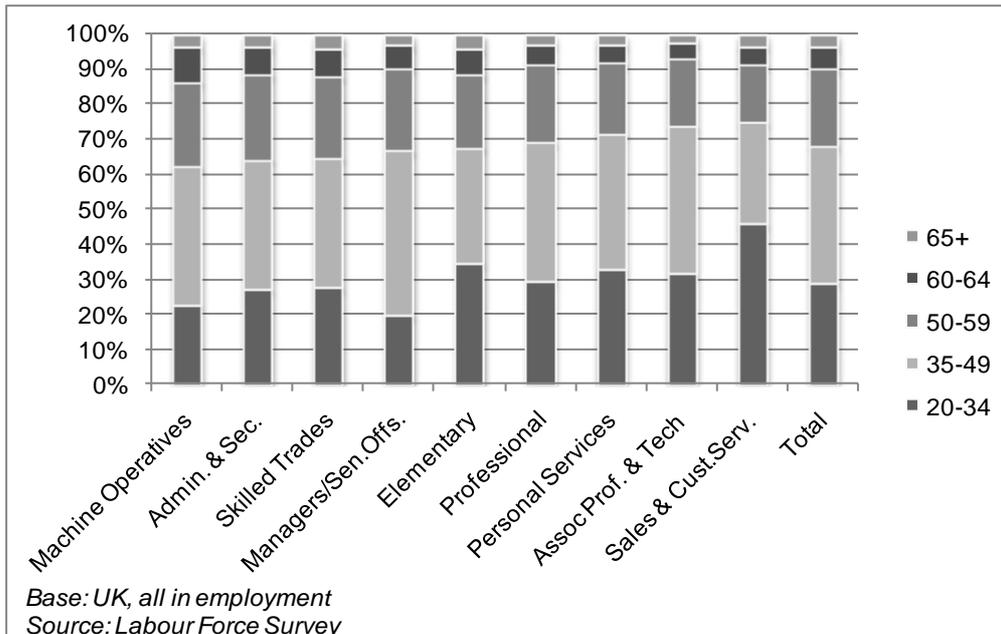
1.6.3 Occupational concentration

Given the nature of career progression, it is not surprising that the age profile of occupational groups varies. Figure 1.10 shows the age profile of occupational groups, sorted by the proportion over 50, and indicates that more than a third of all Process & Machine Operatives, Administrators, Skilled Tradespeople, and Senior Managers are over 50.

Although most career moves after 50 are “downwards” in terms of status, skill and earnings (Smeaton & McKay, 2003), this does not mean that the older workforce is overwhelmingly in low skilled occupations. While more than a third of Process and Machine Operators, Administrators, and Skilled Trades, are over 50, these occupations account for less than one third of the total workforce.

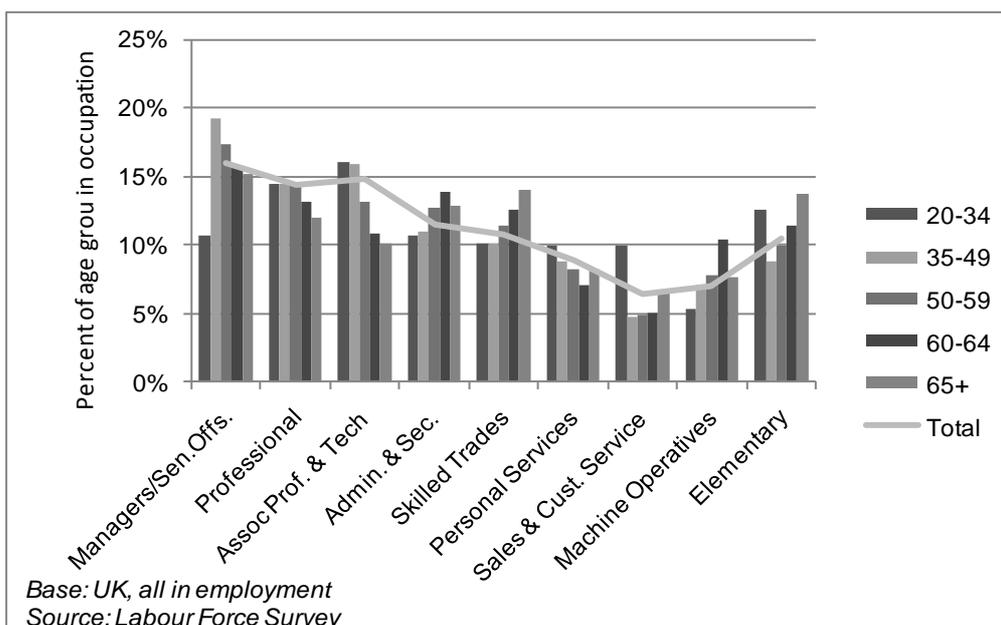
As with sectors, the age profile of an occupation is not an indicator of the numbers of people involved, because the occupational groups are of different (and changing) sizes. Figure 1.11, shows the proportion of workers in each age group in each occupation and between 50 and 64, Senior Managers are the largest group in numerical terms, followed by Professionals, Associate Professionals and Administrators. After age 64 Managers remain the largest group, followed by Elementary workers, and Skilled Trades.

Figure 1.10: Age profile of occupations



There are some notable apparent mismatches between sectoral and occupational age profiles. Although the Wholesale & Retail sector is one of the larger employers of older people, the proportion of older people in Sales occupations is low. More detailed examination of LFS data shows that older people in that sector are more likely than younger ones to be in Managerial, Associate Professional and Skilled Trades occupations within the sector. Similarly, the Professional, Scientific and Technical sector is one of the three largest employers of people after 65 but half of these are in Managerial or Administrative roles (LFS data).

Figure 1.11: Percent of age group in occupation

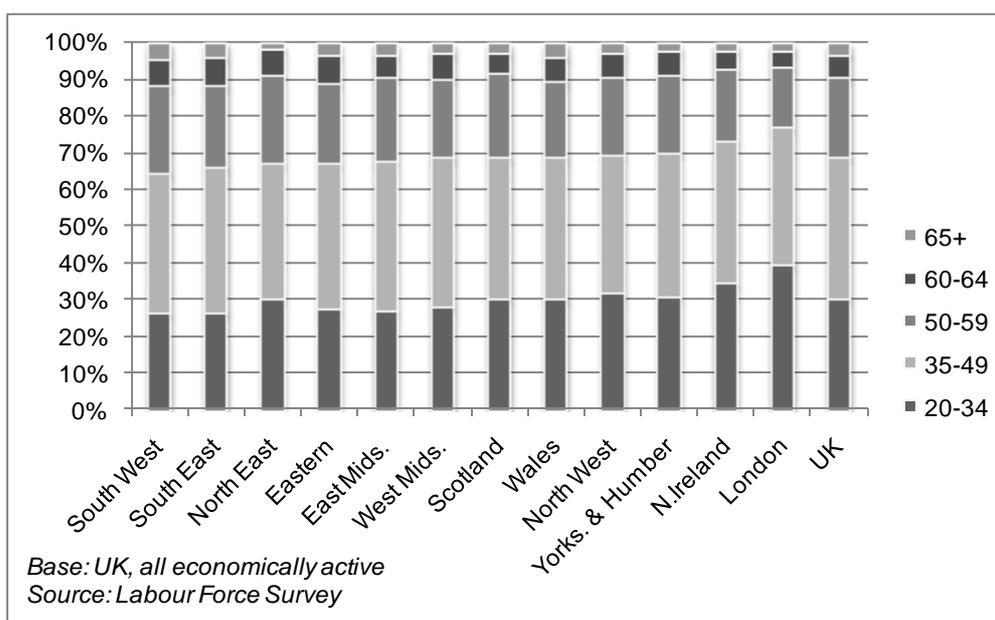


In considering these overall figures, it is, of course, important to bear in mind that small numbers of older workers may play a critical role in particular sectors or organisations.

1.6.4 Regional variation

The age profile of the workforce varies by region and nation¹⁸, partly reflecting past industrial patterns, which have concentrated the most physically demanding jobs, and declining industries (Beatty & Fothergill, 2007). Figure 1.12 shows the age profile of the workforce by region and nation, sorted by the proportion aged over 50.

Figure 1.12: Age distribution of workforce by region/nation



Broadly, the workforce is younger in the North, and older in the South, with the exception of London, which has by far the lowest proportion of workers over 50, and the North East, which has a high proportion of workers aged 50-64, but the lowest proportion over 64.

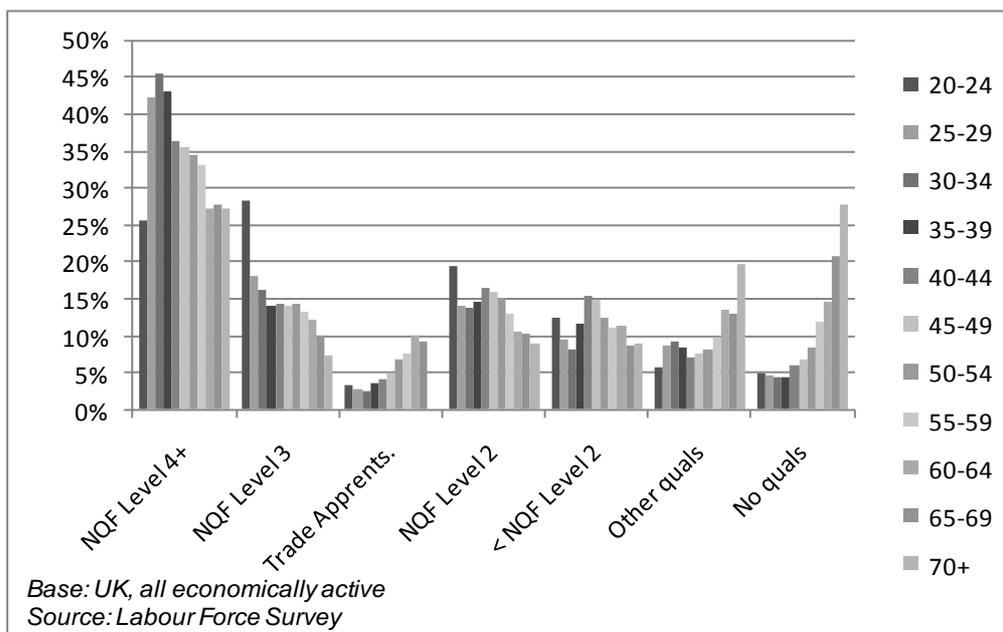
The South West has the oldest workforce, and the South East has the highest proportion of people working after 65, probably reflecting a very tight labour market in that region. It is likely that analysis at a more local level would reveal sharper variation in age profiles.

¹⁸ Regional variation in the labour market more generally is discussed in the companion paper to the present one, *Spatial Inequality and Skills in a Changing Economy*.

1.6.5 Skills and qualifications

Holding formal qualifications is commonly used as a proxy for skills, but as people age they become a decreasingly reliable measure, since most are acquired before, or in the early years of, working life. On one hand, qualification levels are likely to underestimate the capability of those who continue to work in the sector and deploy the skills and knowledge, possibly enhancing them by experiential learning, and further unaccredited training. On the other hand, qualification levels will overestimate the capability of those who have never deployed the skills, or who moved into other kinds of employment. Figure 1.13 shows that significant numbers of older people have qualifications defined by ONS as “other”, which may be equally relevant, but cannot any longer be classified. It also shows that older people are less likely than their younger peers to have formal qualifications of any kind, partly because in the past, many young people were not encouraged to take qualifications.

Figure 1.13: Qualifications by age



The chart highlights how the labour market polarises with age. After 65, it is sharply divided, with almost half those in work holding no recognised qualifications, while a quarter have level 4 ones (60% of them graduates). The exception to the overall pattern is the proportion of people with apprenticeship qualifications, which rises with age, reflecting the decline of formal apprenticeship after the 1970s, and which can be seen in the age profile of Skilled Tradespeople (see 1.6.3 above).

1.6.6 Participation in training

Levels of participation in identifiable training¹⁹ have always declined with age, and despite the increasing speed of change in technology and working practices Figure 1.14 shows that this remains true overall (though there are exceptions in particular firms and sectors). However, the rate of decline, which used to be continuous from the early 20s onwards, is now slower than in the past, and mainly occurs in the mid-50s.

Figure 1.14: Percent of age group training in the last 3 months

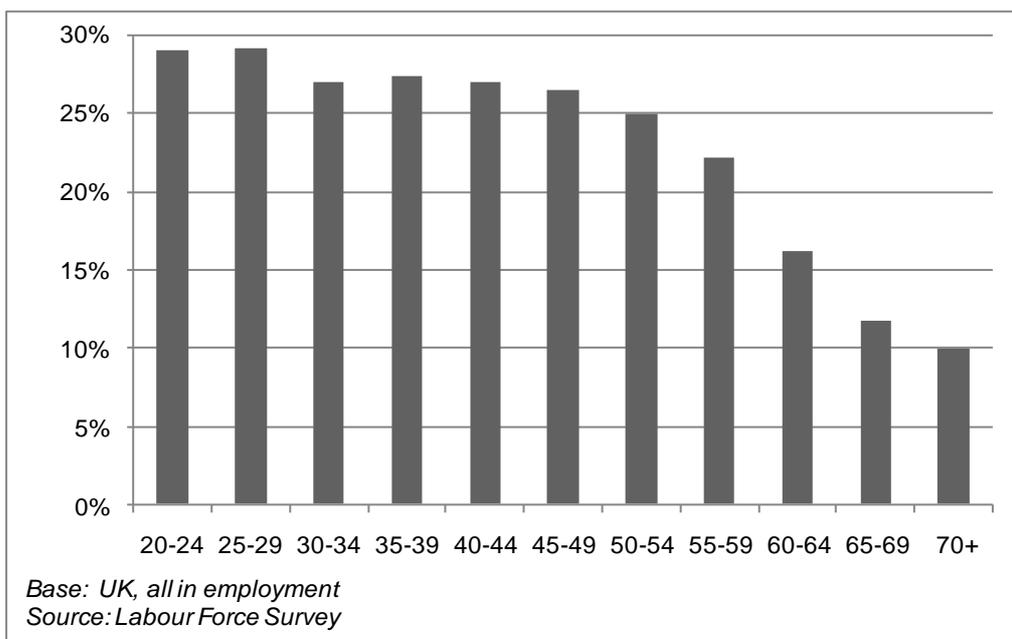
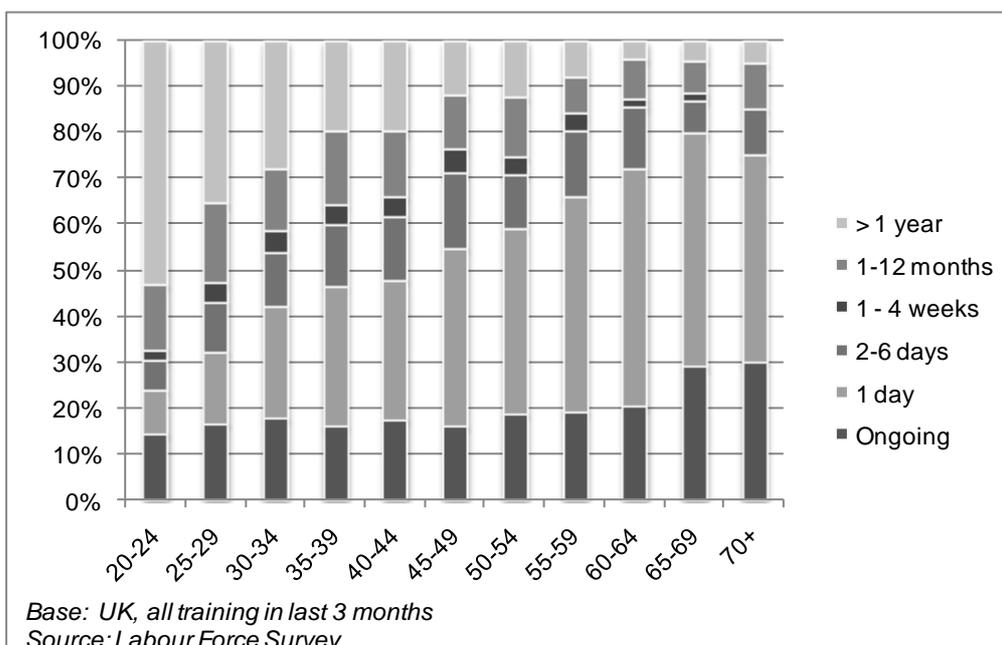


Figure 1.15: Length of training by age



¹⁹ Much work related learning is not “identifiable” in any simple sense, because it is not formally assessed or accredited.

However, although the decline in participation is modest, Figure 1.15 shows that the length of training declines much more significantly. This is confirmed by evidence from the Survey of Employers Policies and Practices Relating to Age (Smeaton et al., 2009) which found a strong concentration of older workers' training on the current job, with less than 10 per cent of older workers undertaking job related training unrelated to their current jobs. This is likely to limit the flexibility of older workers seeking, or forced to make, job change.

However, the rise in the proportion of training described as "ongoing" may indicate some shift of learning from formal courses to less formal, embedded learning.

2 The impact of recent change on older workers

The older labour market is responding to demographic change, apparently independent of the economic cycle. Through a decade which saw a long period of growth, followed by an abrupt recession, older people's participation rates continued to rise. Older people are increasingly willing and able to stay longer in work, for a variety of reasons (not only financial), while employers in many sectors are increasingly willing to retain experienced and productive older workers, even through recession. As a result, more older people are remaining in work, and they are becoming more visible, producing changes in the attitudes and perceptions of employees, employers and the general public (Abrams et al., 2009). It has also been suggested that generational change is having an effect on attitudes to work although the empirical evidence for generational classifications is contentious (Parry & Urwin, 2011).

2.1 Changing patterns of employment

The approach of retirement defines the older workforce. During the last quarter of the 20th century, retirement ages fell steadily in all developed countries. Until 2000, early retirement was frequently used as a tool for economic restructuring and downsizing workforces in recession, supported by relatively generous pension schemes and restructuring funds.

Since 2000, this process has reversed. The numbers of older people in employment rose between 2001 and 2008 by 1.1 million, closing the employment rate gap between people over and under 50 from 7.8 per cent in 1992 to 2.5 per cent in 2008 (Khan, 2009). Average real retirement ages have risen to 64.5 for men and 62 for women, and in the quarter to January 2011 the numbers of people in employment 50-64, and 65+ were both highest since 1992²⁰. Table 2.1 shows how, in the last two years, the employment rates for these groups have risen, when rates for the younger workforce have fallen. This reflects a number of factors:

- the rising employability of today's older workers (especially women), who have higher skills and qualifications than previous generations (Felstead, 2009);
- the shift from heavy industry to services, making work less physically demanding;
- cyclical recessions²¹, when employers plan for recovery, and seek to retain the skills and experience of older workers, while strategies to survive recession by reducing working hours may make jobs more attractive to older workers.

²⁰ When records began in the current format.

²¹ By contrast, the "structural" recessions of the 1980s coincided with the closure or major shrinkage, of particular industries.

Table 2.1 Changing employment by age 2009 - 2011

People (000s)	16-49	50-64	65+
Jan-09	20,713	7,234	701
Jan-10	20,096	7,225	770
Jan-11	20,039	7,318	900
Men	16-64	50-64	65+
Jan-09	10,973	3,942	444
Jan-10	10,537	3,897	461
Jan-11	10,636	3,936	530
Women	16-64	50-64	65+
Jan-09	9,738	3,292	258
Jan-10	9,560	3,328	309
Jan-11	9,448	3,382	325

Source: ONS Labour Market Statistics March 2011

There appears to be a significant shift in the age profile of occupational groups²². By comparison with the distribution in 1997-2000 (Smeaton & McKay, 2003) the proportion of workers over 50 in Professional, Associate Professional and Skilled Trades has risen, and the proportion in Administrative, Personal Services, Elementary and Process and Machine Operatives has fallen (see 1.6.3. above).

2.2 Changing attitudes to work

Older people generally express positive views about work, although they are sometimes more positive about work in general than their present jobs. This appears to be a change from previous generations. Surveys since 2000 show a clear majority of those in work who say that they would consider working longer, especially if work can be more flexible (McNair et al., 2004b; HSBC, 2005). There appears to be a wide acceptance of the principle of extending working life, with two thirds of workers unconcerned about having to work longer, and willing to consider doing so themselves (City & Guilds Centre for Skills Development, 2011).

2.3 Discrimination law

There is no formal “retirement age” in the UK, although State Pension Age has traditionally been thought of as one. Government now plans to raise women’s pension age from 60 to 65 by 2018 and then raise it for men and women to 66 by 2020.

The Employment Equality (Age) Regulations of 2006 outlawed compulsory retirement before the “Default Retirement Age” of 65, and in 2011 compulsory retirement was

²² Data is not directly comparable – the 2000 study used the Family Resources Survey while the current data comes from LFS (Q2 2010).

outlawed altogether²³ enabling individuals to continue indefinitely, subject to normal employment law. Metcalf and Meadows suggest that the impact of this change is likely to be relatively modest, since two thirds of firms did not have a compulsory retirement age, and only 35 per cent had employed anyone aged 64 in the three years after the Regulations were introduced (Metcalf & Meadows, 2010).

2.4 The changing impact of gender

The gender balance of the older workforce is also changing. During the last quarter of the 20th century men's labour market participation fell steadily, and men's average retirement age remained below State Pension Age for several decades. By contrast, women's participation rates have been rising steadily, and their real retirement age has been above their State Pension Age since the mid 1980s. The nature of women's work has also changed. Felstead shows that the skills they deploy in the workplace has risen and broadened much more rapidly than men's during the last 30 years (Felstead et al., 2007; Felstead, 2009).

2.5 The benefit system

Since the mid 1980s a general shift of the economically inactive population from unemployment related benefits to illness and invalidity ones has effectively redefined many older people as "retired on ill health grounds", rather than "job seekers", reducing the pressure on Jobcentre Plus services to encourage their return to work. A high proportion of such claimants are over 50, and most are initially motivated, and expect, to return to work in a relatively short time (Sainsbury & Davidson, 2006). However, this expectation is rarely realised, especially for those with low demonstrable or relevant skills (Smeaton et al., 2009).

Government has sought to ensure that "work pays" better than living on benefits, currently by simplifying the system and an increased focus on an individual's strengths, rather than their limitations. This could improve opportunities for older inactive people to return to work (and many wish to do so). However, their effectiveness will depend on three factors:

- the resources available to Jobcentre Plus and the All Age Careers Service to provide support;
- the willingness of training providers to offer appropriate opportunities;
- employers willingness to recruit, and provide work experience for those who need to be able to demonstrate capability.

²³ Exceptions are permitted if the employer can objectively justify this, but this is expected to be a difficult test to pass.

2.6 Participation in training

Participation in training of all kinds has always declined with age. However, this appears to be changing. The NIACE annual surveys of adult learning show that the historic decline between 25 and 50 has become shallower in recent years, suggesting that a generational change may be taking place (Tuckett & Aldridge, 2010). Employers and employees both suggest that this may be a result of the penetration of IT in the workplace during the working lives of this generation, which created an evident and unavoidable need to learn new skills, by people who would not previously have participated, and who are then motivated to train further (McNair 2010).

3 Likely future economic developments

Although recession makes it difficult to predict economic developments, it has a limited impact on long term trends, because occupational patterns are relatively independent of the economic cycle, and because underlying demographic trends mean that across the whole economy, replacement labour demand is very much larger than the net changes in employment. (Wilson et al., 2008),

3.1 Demand for older workers will continue to rise

The size of the age cohorts entering the labour market will shrink by 25 per cent between 2004 and 2020, while the numbers reaching retirement age will grow by 15 per cent (Office of National Statistics, 2011a). *Working Futures* projected that over the decade to 2017 there would be a net requirement of 13.5 million job openings (Wilson et al, 2008) but only around 8 million young people will leave initial education during that period (Office of National Statistics, 2011a). Assuming that the gap will not be filled by immigration, this means a substantial labour shortage, even in occupations and sectors where net employment is declining.

The underlying prospects for the employment of older people in general are therefore positive, and despite recession, the number of vacancies rose in the year to February 2011 by 3.1 per cent (Office of National Statistics, 2011b). Although some labour problems will be resolved through changes in technology, work organisation, offshoring, or simply reducing output to match capacity, many employers can be expected, under pressure from skills gaps and shortages, to seek ways of making work more attractive to hitherto “marginal” groups, of whom older workers are one.

This has happened in recent years in sectors like retailing, where flexible working practices have been introduced to make work more attractive to older people and to people with caring responsibilities. Furthermore, employers often prefer older people to other “marginal” groups, because they are seen as the least “different” from the conventional workforce, and because of perceptions of experience, knowledge and reliability (McNair et al., 2007).

However, it is likely that employers will continue (as at present) to prefer extending employment for existing well regarded employees to recruiting new older workers. Those not in employment, who have narrow work experience, low skills and qualifications, or with limiting disabilities will continue to find it difficult to return to anything other than very low skilled and low paid work.

3.2 The supply of older workers will continue to rise

It is likely that the supply of older workers will also increase. Older people's participation rates have been rising for a decade, and as older people become more visible and capable in the workplace, the idea of working longer is likely to be more widely recognised. The abolition of compulsory retirement will probably make it easier for people to continue (see 2.3 above).

Furthermore, by comparison with the generation currently retiring, older workers in future will be better qualified, and will have been much less likely to have worked in heavy manual occupations, which reduce life expectancy, and ability to work (Marmot, 2010).

The Turner Review of pensions showed that most people in work have a very limited understanding of the operation of pensions systems (Turner, 2008). Government's plans for auto-enrolment for occupational pensions aim to improve the situation in the long term. However, the last decade has seen substantial changes in pensions, with the closure of most private sector defined benefit²⁴ schemes, to be replaced by (usually less generous) defined contribution ones. Many have also seen a reduction in the value of their funds, and annuity rates have been falling²⁵.

All these factors combine to increase anxiety among older people about their ability to maintain their quality of life in retirement, and it is likely that these anxieties have played a part in the continuing rise in employment among people over 60.

3.3 Public sector downsizing will disproportionately affect older workers

A key feature of the Government's economic strategy is to rebalance the workforce, reducing employment in the public sector by 400,000 and increasing it in the private sector (Office for Budget Responsibility, 2011)

Figure 1.9 (11.6.2 above) shows that the public sector workforce is notably older, with a heavy concentration of workers between 40 and 60. This policy may thus have a disproportionate impact on older workers, especially women, reversing the trend to higher participation rates among older people of the last decade, and exposing them to lower retirement incomes.

²⁴Also known as "final salary" schemes.

²⁵ Reflecting continuing upwards adjustments in life expectancy estimates.

3.4 Training needs will be high in areas with older workers

The National Employer Skills Survey analyses three categories of skill problem (Shury et al., 2010):

- **Upskilling:** the four occupational groups with the highest needs to upskill the present workforce were managers (40 per cent of firms), followed by smaller numbers in Sales, Administration and Skilled Trades (all 8-10 per cent). With the exception of Sales staff, all these groups have a relatively high proportion of workers over 50 (all over 33 per cent).
- **Skills gaps:** these affected 20 per cent of all firms, and were concentrated in Business Services; Wholesale & Retail; Health & Social Work; and Manufacturing. The latter two both have a higher than average concentrations of workers over 50.
- **Skills shortages:** The largest number of skills shortage vacancies are for Skilled Trades; Professionals; Associate Professionals; and Managers. Again, a high proportion of people in Skilled Trades and Managers are aged over 50, and the former also over 65.

3.5 There may be some competition between age groups

It is often suggested that retaining older people longer in work damages employment prospects for young people. While, in general, this “lump of labour” hypothesis²⁶ has been discredited, it can be true in particular occupations, sectors or localities. This is probably most likely in the lowest skilled occupations, where entry barriers and pay levels are low. Elementary occupations account for more than 10 per cent of all employment of people under 30 and over 55, with the heaviest concentrations among the 20-24 age group (19.3 per cent) and those working after 70 (15.4 per cent). The youngest and oldest workers are also disproportionately likely to be working in the smallest firms.

3.6 The nature of the “older workforce” will itself change

Finally, the profile of older workers today is only a limited guide to the older workforce of the future. Because of the qualification profile and work experience of today’s 30-50 year olds the older workforce of the future will be better qualified and with different experience. This will be particularly true of women, whose work has become more skilled as their working career patterns have changed over the last 40 years (Felstead, 2009). This is likely to produce a workforce which is both more productive, but also more motivated to work, provided it is well managed.

²⁶ That there is a fixed number of jobs in the economy.

4 The work needs and preferences of older people

4.1 Motivation to work or retire

Research into older workers' motivation shows three broad clusters of reasons for staying in work longer:

- intrinsic reasons, include the inherent interest of the job, the opportunity to have skills and knowledge valued, and a sense of contribution and purpose;
- social reasons, range from close long term friendships with workmates to casual social contact with colleagues, customers and suppliers;
- financial reasons, vary some would face serious hardship if forced to retire, while others welcome additional earnings (McNair 2006).

Although the mix of motives will be different for every individual, a sense of control and autonomy is important to retention (Barnes et al., 2002). There is also no direct relationship between these three kinds of motivation and particular kinds of work: intrinsic motivation can be found, for example, among people in both very "low" and very "high" status work (Owen-Hussey, 2006).

Surveys in the mid 2000s suggested that finance was less important than previously thought (Hirsch, 2003; HSBC, 2005; McNair et al., 2004a; McNair, 2006), but other work, some of it perhaps reflecting changed economic circumstances, finds two thirds of those planning to stay citing financial reasons of some kind (AARP, 2002; Smeaton et al., 2009). Most recently Smeaton found that finance was of declining importance as workers age: it was seen as important by half those working in their 50s, but only by one in seven of those working after 64.

The decision to retire, for those who have choice, is rarely a simple one. The freedoms of retirement attract many, especially those with a strong interests outside work, Caring responsibilities are a major factor causing early exit from the labour market, especially for women, and this is particularly difficult to manage, because it is unpredictable, in length, and severity (Irving et al., 2005; Mooney & Statham, 2002; Vickerstaff, 2009). The lack of clear role models for what older work can be has also been suggested as one barrier to people staying longer (Bown-Wilson, 2011) .

Retirement is not always a single final act. A small proportion of people retire and then seek to return, because they find that retirement fails to satisfy one or more of the motivators to work. (McNair, 2006).

4.2 Work flexibility and phasing out

The most common finding of research into older workers is a desire to work more flexibly (Phillipson & Smith, 2006). Among people over 50 in work, 43 per cent of men and 58 per cent of women work flexibly in some form, but a quarter would like to work fewer hours, and a fifth would like more flexibility (Smeaton et al., 2009). This shift is often linked to a move to relatively low skilled jobs, which sometimes reflects individuals choosing to move to less stressful roles. Flexible working is more common among those with caring responsibilities and in poor health, and in occupations and sectors, like retail, where long opening hours and large workforces make flexible working arrangements easy to organise.

Despite the reported aspiration to work flexibly, relatively few older people do so in any form other than working part-time, and two thirds of those who would like to work fewer hours say that they cannot afford this, Vickerstaff's qualitative work supports this, suggesting that many who say that they would like to work longer if work could be "more flexible" set conditions for "flexibility" which few employers could meet (Vickerstaff, 2009),

4.3 Training needs and demand

Although Government regularly argues for more training, to maintain employability in a rapidly changing market, training participation declines with age, especially after 50. Training tends to reinforce advantage, with training more likely among (McNair, 2010):

- highly qualified;
- higher occupational groups;
- women;
- full-time employees.

They are more likely to be offered training in organisations which are:

- larger;
- in the public sector;
- with a high concentration of professional/managerial staff;
- with a high proportion of female employees;
- in sectors where general training levels are higher.

The training age gap is larger in occupations and sectors where training levels are generally low (routine and semi-routine work, sales and skilled trades) (Metcalf & Meadows, 2010).

The older workers least likely to be offered training are those who think they are underskilled for their jobs (though they are no less likely to take it up if it is offered). Otherwise there is no relationship between skills and training: the “over skilled” are as likely to participate as those who think their skills are “about right”.

Most older workers claim to be positive about training, and that they are encouraged to develop their skills at work, However, they also report that training is less likely to be offered as they age; that employers prioritise younger workers²⁷; and that employers fail to distinguish between people still motivated to develop and those running down to retirement. Older jobseekers believe that employers overvalue formal qualifications (Metcalf & Meadows, 2010 ; Smeaton et al., 2009; McNair, 2010).

There is no evidence of a large unmet demand for training, but in terms of attitudes to training, a number of distinct groups can be identified (Chilvers, 2008; McNair, 2010). Three quarters of the older workforce are content with their situation and see no need to train. A second group, growing from 12 per cent of workers at 50 to 20 per cent at 70, describe themselves as “very overskilled”. About 15 per cent are Lifelong learners, who will continue to learn whatever the circumstances. The smallest group (4 per cent of workers aged 50-59) describe themselves as “underskilled”, and their numbers fall with age

A mismatch of skills to the current job is most likely among men, and people in part-time employment both of whom are more likely to report being over or under qualified.

Most training needs are unrelated to age. However, there are a number of areas where age plays a particular part. They include:

- updating, to refresh obsolete skills and prepare for new processes, technologies and ways of working;
- basic education, since older people are more likely to have basic skills needs, and this is likely to be a significant handicap in applying for jobs;
- lifecourse planning, to help people make informed decisions about career change, self employment, flexible working and the timing of retirement;
- succession and mentoring, where training provides a means for older workers to transfer their skills and knowledge to younger colleagues (Felstead, 2011).

²⁷ Some believe that this is appropriate.

5 The role of employers

5.1 Drivers of employer behaviour

In general, the age profile of the workforce is not high on employers' agendas. Firms are driven by business needs, which may often, especially for small firms, be relatively short term ones. Even if an employer is aware of growing labour shortages, retaining or recruiting older workers may well not be the most appropriate business strategy, and while most employers are aware, at a very general level, of demographic change, relatively few see this as a particular challenge to their business (McNair et al., 2007; Metcalf & Meadows, 2010). However, there are examples of employers making major change to attract or retain older workers (Employers Forum on Age, 2011; McNair & Flynn, 2005).

5.2 Employer attitudes to older workers

The attitudes of most senior employers to older workers is broadly benign, and most claim not to discriminate either in recruitment or in training. They frequently comment positively, by comparison with other groups, on the skills, experience, loyalty, and work ethic of older workers. However, the characteristics which they list are usually conservative, rather than creative or dynamic (McNair et al., 2007). When questioned, they typically describe older (often much older) workers who make an exceptional contribution. However, the evidence of discrimination suggests that these attitudes are not always shared by line managers, who may be less aware of demographic and broader policy issues, and more conscious of the extra work involved in organising flexible working, and managing the untidy and stressful processes of exit for the less motivated, or capable.

5.3 Diversity of firms

The firms which express the most positive views of older workers are, generally (McNair et al., 2007; Metcalf & Meadows, 2010):

- smaller;
- with skills gaps and shortages;
- with an explicit commitment to equality;
- with active workers over 65.

How firms view older workers will depend on a variety of factors, including (Metcalf & Meadows, 2006):

- **labour supply:** there is clear evidence that some employers have changed their employment practices in response to difficulty in filling vacancies;
- **size:** larger organisations are much more likely to have formal processes for HR management, which can ensure more equitable treatment of older workers, though sometimes more rigid approaches to issues like retirement (Metcalf & Meadows, 2006);
- **age profile:** there is some evidence of more positive attitudes in firms with a higher proportion of older workers (Abrams et al., 2009);
- **skills mix:** the relative importance of experience and formal qualifications, and the rate of change and updating of knowledge bases will differ by sector and occupation;
- **flexibility of working practices:** flexible working arrangements are easier to arrange in some sectors and occupations than others (McNair & Flynn, 2005).

5.4 Managing retirement

The Default Retirement Age at 65 (DRA) was introduced in the Employment Equality (Age) Regulations in 2006 (Department of Trade and Industry 2005), in response to employers' concerns that the abolition of compulsory retirement ages would make it difficult to remove unproductive older employees. The Regulation allowed an employer to compel an employee to retire at 65 or later, but required him to consider formal requests to stay on. The Government abolished the Default Retirement Age in 2011, giving individuals the right to continue working up to any age, subject to normal employment law.

Although the impact of this is likely to be small (see 2.3 above), the existence of a formal procedure for the employer and employee to discuss retirement plans appears to have encouraged longer working, and perhaps better deployment of older workers, and the removal of DRA may make such discussions less likely.

Furthermore, if this change does not coincide with an increase in the jobs available; an increase in attractive jobs; or an improvement in retirement incomes, employers may face a growing number of older, unmotivated and unproductive, workers who are difficult to remove.

5.5 Performance review

Nearly 80 per cent of employers²⁸ have some form of appraisal/performance review system, which can provide a safeguard against unfair discrimination, and help ensure that employees are appropriately deployed. However, such systems are less common in the private sector, especially in Manufacturing, Construction, and Hotels (Metcalf & Meadows, 2010).

However, appraisal is not always effective. Some employers argue that it is “unkind” to confront performance problems with older workers, expecting that problems will disappear with retirement, or because of embarrassment over age differences (Sykes et al., 2010). Older workers themselves sometimes choose not to raise issues like flexible working, for fear of drawing attention to themselves and their age, or of appearing “difficult” (Owen-Hussey, 2006). The resulting underperformance in turn feeds prejudices about age.

5.6 Training

In general, senior employers and HR managers express positive views about training older workers, and this is borne out by the Labour Force Survey. Most claim not to consider age when selecting employees for training, and the very small number who do so, only refuse it for people in the last year or two (Metcalf & Meadows, 2010).

Employers most commonly see training problems as issues of individual motivation rather than age, with employees who have been a long time in the same job particularly resistant. Although most of the reluctant respond to persuasion, some individuals opt to retire early, rather than retrain.

Decisions on training are made differently in different sectors. In Construction and Manufacturing the initiative comes usually from a manager, whereas in Financial Services, Business Services and Public Administration it usually comes from the employee. Joint decision making through formal appraisal is most common in large organisations, the public sector and Financial and Business Services (Metcalf & Meadows, 2006).

²⁸ Employers with at least 5 employees in 2009-10.

6 The role of the system

6.1 The legal framework

Although legislation has given a clear signal that age discrimination is no longer acceptable, it remains an issue in recruitment practice. Many people are recruited through internal labour markets; it is generally difficult to prove discrimination on grounds of age; and where compensation, if a successful case is brought, is likely to be modest. In these circumstances, few unemployed older people, conscious of their general vulnerability in the labour market, are likely to wish to have a Employment Tribunal case (won or lost) on their record.

6.2 Careers guidance

Historically, “careers services” have concentrated largely on young people although, where services are offered to older workers, the results have been positive for employers and employees (McNair, 2008).

Government plans to create an all age careers service, which may open new opportunities for older people, although the usual definitions of “adult”²⁹ could still allow resources to be concentrated on people in their 20s.

Although most careers guidance is not age specific, older people do have a set of distinctive needs, including advice on the retirement decision, and strategies for remaining employable after 50, both of which require an integrated understanding of skills and training, finance (including implications for pensions) and health (Ford et al., 2008) .

Pre-retirement education can help people to make better decisions about when and how to retire, but is still only available to a small proportion of workers, mainly in large and public sector firms. Like redundancy programmes, they usually happen close to the event, when it is too late to renegotiate the exit decision.

6.3 Workability

The notion of “workability” has emerged from research and development work in Finland, whose ageing problem is more severe, and was identified earlier. Workability seeks to improve the match between the capabilities and aspirations of the individual and the needs of the organisation, and especially to offer early identification of issues which are likely to lead to declining productivity or early labour market exit (Ilmarinen, 1999). These include both physical and mental health issues, and organisational ones. The Finnish Institute of Occupational Health has carried out extensive longitudinal studies of the

²⁹ As over 18, 19 or 21.

issues, and developed assessment tools to enable employers to identify and manage to avoid potential problems. The idea, and the tools, have since been adopted in a variety of forms in several countries, including Australia. There has been discussion of the idea in the UK, but the Finnish model has not been adopted to date, although its potential appears to be significant.

6.4 Training

There are many possible explanations for the decline in training:

- **sectoral variation:** In relatively stable, and low skilled sectors, older workers may need to train less than highly skilled professionals in rapidly changing organisations;
- **individual difference:** with those who plan or hope to retire are less likely to actively pursue training;
- **relevance of training available:** In relatively stable sectors, a large proportion of training is concerned with induction, legal and regulatory compliance, which established older workers will already have done;
- **training supply:** a significant proportion is provided, or funded by the state, and Government skills policy concentrates public training resources on young people;
- **organisational culture:** where training is not assumed to be the norm, participation by older people is lower;
- **poor performance review:** where appraisal systems are absent, or fail to explore skills and career issues, needs may go unidentified;
- **“conspiracy to underperform”:** training involves additional work for line managers, and effort from employees. Both may find it convenient not to identify training needs.

The concentration on short training, focused on the current job, or an immediate change in the workplace appears, from qualitative evidence, to match what employees and employers value most (McNair, 2010). There is little support for long courses or courses leading to formal qualifications, and employees widely believe that, when recruiting, employers place too much value on qualifications at the expense of experience.

In firms employing more than 250 people, employees have a statutory right to request time off for training. This was to have been extended to all firms in April 2011, but Government has now decided not to do this. The intention was to encourage a climate in which conversations about training between employee and employer were more likely³⁰ (although the employer retained an absolute right to refuse).

³⁰ This parallels the effective appeal procedure adopted for the Default Retirement Age),

6.5 Programmes for the unemployed

Enabling unemployed older people to return to work is a major policy challenge, given their much higher likelihood of being long term unemployed. Many lack current qualifications, and their employability depends much more substantially on skills and knowledge accumulated informally in the course of a working life, which are difficult for a job applicant to demonstrate to a new employer.

One might therefore expect that the Government's strong focus of funding on formal qualifications would particularly benefit them. However, there is little evidence that improving qualifications increases employability for older workers. Although they can improve morale and self confidence, most of those completing such courses after 50 do not succeed in returning to work (Casebourne, 2008).

One of the most promising approaches has been carried out in specific skills shortage sectors where small employers face difficulty in attracting workers with appropriate motivation who can meet minimum regulatory requirements. Short pre-reentry courses have enabled unemployed older people to develop an understanding of the industry, and acquire appropriate certification to overcome the immediate entry hurdles (Wilson, 2010).

The alternative strategy to protect against long term unemployment might be called "precautionary" training, aimed not at the current job, but at broadening skills and horizons, and encouraging people to develop the transferability of their existing skills (Barnes et al., 2009). However, there is little, if any, evidence of such training taking place, perhaps because older people underestimate the risk of redundancy and the difficulty of return, and because employers may be reluctant to support training which will primarily benefit a future employer.

6.6 Public funding for training

Public funding mechanisms define eligibility for financial support and create incentives for providers to meet demand. Overall, current skills funding policy makes little, or no, contribution to improving the deployment of older people. The new funding model has the following features:

- For people over 24, courses leading to a Level 2 or a classroom based level 3 or 4 qualification will be co-funded, meaning that the individual will need to contribute to the cost. Although many older people lack a full level 2 qualification, the evidence of economic return to such qualifications for people over 50 is unclear. The co-funding requirement may reduce the chances of older workers being supported for "precautionary" training, or career progression;

- Those on active benefits will be fully funded for all programmes except apprenticeships and stand alone units. However, changes to the award of active benefits may further restrict eligibility;
- The Train to Gain programme, which subsidised employers to train workers, and which attracted a high proportion of older learners, is to be abolished, and there will be no public funding for short training focused on the demands of the current job³¹.
- Loans will be available for further education courses. While this could make a contribution to increasing access for older people, it is unlikely to motivate those who do not see a need to train, or who worry about accumulating debt;
- Loans will be available for higher education, including substantial part-time study. The fact that repayment will be income contingent could theoretically make higher education more attractive to older people many of whom will fall below the repayment income threshold of £21,000 pa. (and will therefore never be required to repay);
- Apprenticeships will be expanded. Older people will be eligible, but the time commitment is substantial and they must find an employer willing to commit to the programme;

This model gives powerful incentives to Further Education (FE) Colleges to focus on young, rather than old, people. The full funding of FE courses for people under 23 will make them a more reliable source of funding for Colleges, and the report of the Wolf review of vocational education is likely to increase their involvement in 14-16 education (Wolf, 2011).

6.7 Apprenticeships

The major focus of Government training programmes is now on apprenticeship, which explicitly links training with employment experience (a link which is critical for older unemployed people). For those in the late 40s and early 50s, apprenticeship can offer an opportunity to change career, especially perhaps for people working in traditionally “short career” occupations like the armed services, and the police.

³¹ The kind of training which older employees and their employers are most likely to value.

7 Key policy issues

7.1 Link skills and age policy

Skills and age policy have not always been well articulated:

- Age policy seeks to encourage people to stay longer in work. Training which enhances an individual's flexibility, and helps prepare for future job change can contribute.
- Skills policy concentrates resources on young people, leaving older people dependent on their own funds, or their employer, who may be reluctant to invest in training unrelated to the current job. Ironically, the exception is training for those who are unemployed (for whom the value of training is limited).

7.2 Increase the flexibility of the labour market

The labour market becomes less flexible after 50. Some people are forced out through ill health or redundancy, and find themselves involuntarily in long term employment; while those who stay in work find themselves increasingly locked into the same job and firm. For men in particular the length of time with the same employer grows rapidly. Employers retain trusted existing older workers, but are reluctant to recruit "new" ones. A consequence of this is a "freezing" of the older labour market, with employees avoiding change, because of the fear of attracting discrimination. Policy measures to encourage job mobility could be very valuable, to both individuals and employers.

7.3 Recognise the diversity of older workers

Policy needs to recognise the diversity of individuals (in aspirations for work, life, and learning), and of firms and sectors. Factors which affect older people's motivation to work, and their employability include:

- occupation;
- gender;
- financial circumstances;
- qualification levels;
- age: aspirations and motivation change as people move from 50 to 70+;
- health: for a significant minority, deteriorating health makes most, or all, kinds of employment impossible well before State Pension Age, and such people should be able to retire with dignity.

7.4 Recognise the diversity of employers

Policy needs to reflect the diversity of employing organisations, bearing in mind:

- firm size;
- public-private sector;
- employment sector;
- occupational mix;
- the difference in views and attitudes between senior, HR, and line managers.

7.5 Make work more attractive

As retirement becomes a possible option, older people' willingness to stay or return to work depends increasingly on the terms of that employment. Several factors are particularly significant:

- the extent to which the job meets the three broad motivations to work, intrinsic, social and financial;
- availability of flexible and part-time work;
- supportiveness of local management, and especially line managers;
- reliable and impartial advice about issues like retirement and pensions;
- constructive performance management and review which actively explores career options, and challenges underperformance (especially in the light of the abolition of compulsory retirement ages).

7.6 Reduce negative incentives

Factors known to encourage early exit include:

- organisational change which increases responsibility, stress and working hours;
- poor relations with managers (especially line managers);
- unmanaged health shocks, which can lead to sudden, unexpected, exit;
- lack of support and positive reinforcement to the individual and their career.

7.7 Help people anticipate change

One major reason for premature labour market exit is a failure to anticipate change. This particularly applies to those who have worked for a long time for the same firm. Training which prepares people for career change may help people to guard against these risks, but it may be unrealistic to expect the current employer to pay for such training.

Changing the culture involves raising public awareness of demographic change, and its implications (Hedges et al., 2009). Key objectives might include:

- target promotional messages at distinct segments of the older workforce;
- target promotional messages at specific sectors;
- promote positive and active images of older workers, to encourage people to see work and training as offering positive life choices;
- draw the attention of the public at large to the importance of training to build resilience and protect oneself in an increasingly unpredictable labour market.

7.8 Manage health

Poor health is the principal cause of premature retirement for people in their 50s. Better management of workplace health and working conditions have the potential to reduce this. An approach like the Finnish “Workability” model for assessing the match between an individual’s physical and mental health and their job appears to have some potential.

7.9 Support training

Training is not a panacea for all the problems discussed here. Although Government regularly argues for more training of all workers, the response from older workers and their employers remains lukewarm. Overwhelmingly employees report that their skills are adequate and that they do not need to train, and employers broadly seem to agree. Objectives here should be to:

- focus training on the identifiable needs of sectors where labour demand is high;
- support training for employed workers to broaden their skills and knowledge, to protect against future redundancy;
- provide training linked to work experience for unemployed older people.

7.10 The role of Government

Government's power is limited. It can regulate (and deregulate), and exhort, but most decisions are made by employers and individuals. However, it can:

- raise awareness of the demographic issues, and the value of older workers, and promote strategies for deploying them better;
- encourage enforcement agencies to apply discrimination law vigorously;
- support training, especially linked to work placement/experience, and apprenticeship;
- minimise uncertainty about retirement ages and pension systems, to enable individuals and employers to plan.

7.11 Further research and development work

Since policy and research interest in the older workforce is relatively recent, there are many areas where knowledge is limited. Issues which would benefit from further study include:

- **recruitment practice:** to understand better how to overcome employers' reluctance to recruit unemployed older people;
- **sectoral diversity:** to understand better the specific issues of extending working life in different occupations and sectors;
- **costs and benefits:** more detailed empirical work to establish the costs and benefits, to individuals and firms, of employing and training older people, including the role of formal qualifications;
- **promotional strategies:** to extend working life, and promote good employment practice, segmented to recognise the diversity of individuals and firms;
- **work-life balance:** to understand the issues for older people;
- **training and unemployment:** to understand what forms of training can make a difference to re-entry to the labour market;
- **workplace communication:** to explore how communication about career happens between older workers and employers;
- **ethnicity:** to understand how far, and in what ways, the experience and aspirations of older workers are distinct in the various minority ethnic communities;
- **flexible working:** to explore what kinds of flexibility appeal to what kinds of older workers, and how these can be adopted by employers.

8 Conclusions

As the population ages, it is increasingly important to make effective use of older people in the labour market. Government is encouraging people to stay in work longer; employers are gradually adapting practices to make it easier to stay; and older people are increasingly willing to consider working longer, for a variety of reasons. Labour market participation by people over 50 has been rising consistently since 2000, despite recession.

However, older people are not a homogenous group. While the average 65 year old is now much more capable of working than in previous generations, substantial numbers are driven out of work early by poor health, and life expectancy is markedly lower in some occupations and sectors than others. Women's experience of work is very different from men's, the quality of their work has been rising, but they are still less likely to be in long term employment, and they are much more likely to leave early because of caring responsibilities.

Furthermore, there is a sharp divide between those who stay longer with their current employer, and those who wish (or need), to change employer or return to employment after a break. Since older people are, in general, less likely to hold formal qualifications than younger ones, their employability typically rests more on experience, which is difficult to demonstrate to a new employer.

As a result, for those still in work, opportunities to stay have never been better, and they account for much of the recent rise in labour market participation, especially after 65. By contrast, opportunities to return, or to change jobs (other than to much lower skilled and paid work) remain limited by age discrimination, driven by outdated stereotypes.

Training is not a panacea for the problems of the older workforce, and despite Government exhortation, there is little evidence that older people, or their employers, perceive a major problem with skills. A large majority of older employees think that their skills are about right for their current jobs, and they are much more likely to report being overqualified than underqualified. Reported levels of skills gaps and shortages remain relatively low, and although most employers express broadly positive views about training, and older workers report general encouragement to maintain skills and knowledge, measurable training does not reflect this. Despite the fact that older people are less likely to hold full qualifications at levels 2 or 3, and more likely to have basic skills problems, there is little evidence that acquiring full formal qualifications makes much difference to employability, nor that they are welcomed by employers or older employees.

With age, participation in training falls, and the training undertaken is increasingly short, and job focused. There are several possible reasons for this decline. They include the slower pace of change in some sectors; the proportion of training devoted to induction and regulatory compliance (which focuses on newer recruits), and the concentration of Government skills policy on young people. Although employers and employees generally deny reducing training because an individual is too near to retirement, this is probably a factor.

After the age of 50, training tends to reinforce advantage, partly because of variation in the occupational and skills mix of sectors. Those most likely to train are in larger and public sector organisations, have higher qualifications and pay, and are in professional and managerial occupations. Women are also more likely to train after 50, probably reflecting their greater concentration in public sector organisations. Older people are also more likely to train in organisations where it is seen as a normal expectation of the culture.

For those in employment, the training which employers and employees are most likely to value, is relatively short and focused on the current job and organisation. This enables workers to update skills and knowledge in a role they know, and produces visible and rapid returns for employer and employee (though it rarely results in financial reward). However, it does little to prepare for possible future job change.

Unemployment, and its prevention, is probably the biggest policy challenge in the older workforce. Whatever their level of skills and qualifications, exclusion from internal labour markets, and age discrimination, based often on outdated stereotypes, means that, once out of work, people over 50 are disproportionately likely to become long term, and perhaps permanently, unemployed. This affects people at all levels of skill and employment, but the problem is particularly acute for those with low qualifications and skills, who have worked for a long time for the same employer, often in the same job. Training and fresh qualifications can improve morale, but on their own they make little difference to employment prospects. More positive results are seen when training is targeted carefully on specific sectoral shortages, and linked to some form of work experience, which gives the employer a chance to see the individual in action.

It is probable that the biggest contribution which training can make to reducing unemployment among older people will be through “preventative” training for those who are still in employment. Training which encourages job mobility, broadens horizons, and develops both new skills and the ability to demonstrate them, may reduce the risk of long term unemployment later. However, convincing older people that this is necessary will be a challenge, since employees typically underestimate the risks of unexpected

redundancy; and funding will be problematic, since there is little or no public funding, and the returns to the current employer may be limited.

Overqualification is a significant issue in the older workforce. Between 50 and 70, the proportion of workers claiming to be very overqualified for their current roles rises dramatically. Better management, including tailored training, might enable people to bring unused skills and knowledge to bear, as might more systematic strategies to use experienced older workers as mentors, trainers and in quality assurance roles, where their experience can be valued without increasing stress.

Performance management is critical to the effective use of older workers. Although a large majority of organisations operate formal schemes, they do not always succeed in stimulating constructive and creative dialogue about future options and skills needs. Older workers conceal aspirations for fear of attracting discrimination, while line managers avoid confronting poor performance, or encouraging training. The Finnish “workability” approach to early identification of potential problems appears to have much to offer, by providing a systematic and holistic review of the fit of job to individual, including health, job design, working relationships and skills match.

In conclusion, the workforce is ageing, led by policy and economic pressures on individuals and employers. The older workforce has some distinctive features which deserve policy attention, of which discrimination in recruitment, and underemployment are the greatest concerns.

9 Bibliography

- AARP (2002) *Staying Ahead of the Curve*, AARP, Washington DC.
- Abrams, D., Eilola, T., & Swift, H. (2009) *Attitudes to Age in Britain 2004-8*, Department of Work and Pensions, London, Research Report 599.
- Banks, J. (2008) *The 2006 English Longitudinal Study of Ageing (wave 3)* Institute of Fiscal Studies, London.
- Barnes, H., Parry, J., & Lakey, J. (2002) *Forging a New Future: The experiences and expectations of people leaving paid work over 50*, The Policy Press, Bristol.
- Barnes, H., Smeaton, D., & Taylor, R. (2009) *An ageing workforce: the employers perspective*, Institute of Employment Studies, Brighton, 468.
- Beatty, S. & Fothergill (2007) *Incapacity Benefit Case Studies*, Sheffield Centre for Regional Economic and Social Research, Sheffield.
- Black, C. (2008) *Working for a healthier tomorrow*, Department of Work and Pensions, London.
- Bown-Wilson, D. (2011) "The Role of Age in Career Progression: Motivation and Barriers to Fulfilment in Older Workers," in *Managing an Age Diverse Workforce*, E. Parry & Tyson S., eds., Palgrave Macmillan, Basingstoke.
- Casebourne, J. (2008) *The impact of learning on employability*, Learning & Skills Council, Coventry.
- Chilvers, D. (2008) *Segmentation of adults by attitudes towards learning and barriers to learning*, Department of Innovation, Universities and Skills.
- City & Guilds Centre for Skills Development (2011) *Older learners in the workplace*, City & Guilds of London Institute, London.
- Department of Trade and Industry. Employment Equality (Age) Regulations 2006. 1-6-2005. London, The Stationery Office.
- Employers Forum on Age (2011) *Change at Any Age*, Employers Forum on Age, London.
- Felstead, A. (2009) A disappearing divide? Age, skills and the experience of work in Britain. Conference paper to 30th conference of the International Working Party on Labour Market Segmentation . Tampere, Unpublished.

- Felstead, A. (2011) "The Importance of "Teaching Old Dogs New Tricks": Training and Learning Opportunities for Older Workers," in *Managing an Age Diverse Workforce*, E. Parry & Tyson S., eds., Palgrave Macmillan, Basingstoke.
- Felstead, A., Gallie, D., Green, F., & Zhou, Y. (2007) *Skills at Work 1986-2006*, ESRC Centre for Skills, Knowledge and Organisational Performance, Oxford.
- Ford, G., McNair S, Grattan, P., & Lamb, H. (2008) The impact of an ageing population on career guidance
- Grattan, P. (2007) "Foreword," in *The Future of Older Workers: New Perspectives*, Loretto W., Vickerstaff S., & White P., eds., Policy Press, Bristol.
- Harper, S. (2011) "Health and Wellbeing in Older Workers: Capacity Change with Age," in *Managing an Age Diverse Workforce*, E. Parry & Tyson S., eds., Palgrave Macmillan, Basingstoke, pp. 206-222.
- Hedges, A., Sykes, W., & Groom, C. (2009) *Extending working life: changing the culture*, Department of Work and Pensions, London, Research Report 455.
- Hirsch, D. (2003) *Crossroads After 50: Improving Choices in work and Retirement* Joseph Rowntree Foundation.
- HSBC (2005) *The future of retirement in a world of rising life expectancies*, HSBC, London.
- Ilmarinen, J. (1999) *Ageing Workers in the European Union - Status and promotion of work ability, employability and employment* Finnish Institute of Occupational Health, Helsinki.
- Irving, P., Steels, J., & Hall, N. (2005) *Factors affecting the labour market participation of older workers: qualitative research* 281.
- Kellard, K., Legge, K., & Ashworth, K. (2002) *Self Employment as a Route off Benefit*, Department of Work and Pensions, London, Research Report 177.
- Khan, K. (2009) "Employment of the older generation", *Economic and Labour Market Review*, vol. 3, no. 4, pp. 30-36.
- Lissenburgh, S. & Smeaton, D. (2003) *Employment Transitions of Older Workers: The role of flexible employment in maintaining labour market participation and promoting job quality*, The Policy Press, Bristol.

- Loretto W., Vickerstaff S., & White P. (2007) *The Future of Older Workers: New Perspectives* Policy Press, Bristol.
- Macnicol, J. (2006) *Age discrimination: an historical and contemporary analysis*, Cambridge University Press, Cambridge.
- Marmot, M. (2010) *Fair Society: Healthy Lives*, The Marmot Review (University College London), London.
- McNair S (2008) *Strengthening the older workforce: an evaluation of the ReGrow Project in the South East Region*, NIACE, Leicester.
- McNair, S. (2006) "What do Older Workers Want?", *Social Policy & Society*, vol. 5, no. 4.
- McNair, S. (2010) *A sense of a future: learning and work in later life. A report for the Nuffield Foundation*, NIACE, Leicester.
- McNair, S. & Flynn, M. (2005) *The Age Dimension of Employment Practice: Employer Case Studies*, Department of Trade and Industry, London, Research Report 42.
- McNair, S., Flynn, M., & Dutton, N. (2007) *Employer responses to an ageing workforce: a qualitative study*, Department of Work and Pensions, Leeds, Research Report 455.
- McNair, S., Flynn, M., Owen, L., Humphreys, C., & Woodfield, S. (2004) *Changing Work in Later Life: a study of job transitions*, CROW, University of Surrey, Guildford.
- Metcalf, H. & Meadows, P. (2010) *Second survey of employers' policies, practices and preferences relating to age, (2010)* Department of Work and Pensions, Research Report 110.
- Metcalf, H. & Meadows, P. 2006, *Survey of employers' policies, practices and preferences relating to age*, Department of Work and Pensions, London, Research Report 325.
- Metcalf, C., Smith, G. D., Sterne, J. A. C., Heslop, P., Macleod, J., & Hart, C. (2003) "Frequent job change and associated health", *Social Science & Medicine*, vol. 56, no. 1, pp. 1-15.
- Mooney, A. & Statham, S. (2002) *The Pivot Generation: Informal care and work after 50*, The Policy Press, Bristol.
- Office for Budget Responsibility (2011) *Economic and Fiscal Outlook: March 2011*, TSO, London.

- Office of National Statistics. Interactive population pyramid. (2011a)
- Office of National Statistics (2011b) *Labour Market Statistics: March 2011*, ONS, Newport.
- Office of National Statistics (2011c) *Pension Trends*, Office of National Statistics.
- Owen-Hussey, L. (2006) Age Discrimination: a lived experience and the employer dimension. Unpublished.
- Parry, E. & Urwin, P. (2011) "The Impact of Generational Diversity on People Management," Palgrave Macmillan, Basingstoke.
- Phillipson, C. & Smith, A. (2006) *Extending working life: a review of the research literature*, Department of Work and Pensions, 299.
- Sainsbury, R. & Davidson, J. (2006) *Routes onto incapacity benefits: findings from qualitative research*, DWP, Research Report 350.
- Shury, J., Winterbotham, M., Davies, B., Oldfield, K., Spilsbury, M., & Constable, S. (2010) *National Employer Skills Survey for England 2009*, UK Commission on Employment and Skills, Wath on Dearne.
- Smeaton, D. & McKay, S. (2003) *Working After State Pension Age: Quantitative Analysis*, Department of Work and Pensions, London, Research Report 182.
- Smeaton, D. & Vegeris, S. (2009) *Older people inside and outside the labour market: a review*, EHRC, Manchester.
- Smeaton, D., Vegeris, S., & Sahin-Dikmen, M. (2009) *Older workers: employment preferences, barriers and solutions*, Equality & Human Rights Commission, Manchester.
- Sykes, W., Colman, N., & Groom, C. (2010) *Review of the Default Retirement Age: Summary of the stakeholder evidence*, Department of Work and Pensions, Research Report 675.
- Tuckett, A. & Aldridge, F. (2010) *A change for the better: the NIACE survey on adult participation in learning 2010*, NIACE, Leicester.
- Turner, A. (2005). *A New Pensions Settlement for the 21st Century: the Second Report of the Pensions Commission*. London: the Stationery Office

Wilson et al., (2008) *Working futures 2007-2017*, UK Commission for Employment and Skills, Wath on Dearne.

Vickerstaff, S. (2009) *Encouraging Labour Market Activity among 60-64 year olds*, Department of Work and Pensions, Research Report 531.

Wilson, N. (2010) *40-70 Tomorrow's Workforce Programme: Making the most of opportunities for older workers in the South East*, South East of England Development Agency, Guildford.

Wolf, A. (2011) "Review of Vocational Education," Department for Education, London.

The five briefing papers in the Equality and Skills in a Changing Economy series are:

- Disability and Skills in a Changing Economy
- Gender and Skills in a Changing Economy
- Low Skills and Social Disadvantage in a Changing Economy
- Older People and Skills in a Changing Economy
- Spatial Inequality and Skills in a Changing Economy

As part of its series of Briefing Papers, the UK Commission for Employment and Skills presents five papers which provide analysis and commentary on equality and skills in a changing economy. The aim of these papers is to inform and enable connected thinking about equality of opportunity and the role of skills. Each of the five papers focuses on a different equality group or theme and can be accessed on the UK Commission's website www.ukces.org.uk

Produced by Professor Stephen McNair for the UK Commission for Employment and Skills.

UKCES

3 Callflex Business Park
Golden Smithies Lane
Wath – Upon – Dearne
South Yorkshire
S63 7ER

T +44 (0)1709 774 800

F +44 (0)1709 774 801

UKCES

28-30 Grosvenor Gardens
London
SW1W 0TT

T +44 (0)20 7881 8900

F +44 (0)20 7881 8999

This document is available at www.ukces.org.uk under 'publications'

© UKCES 2011