OLDER WORKERS
The shape of Britain’s workforce has changed significantly over the last decade. Since the Government abolished the default retirement age four years ago, more and more of us are working into what would once have been considered our retirement years. In fact, last October there were more than 1.1 million over 65s still in employment, marking a 26 per cent increase in employees of this age since the retirement freedoms came into play.

Even without the default retirement age being abolished, other factors – such as the fact many of us have ageing relatives or still have dependents to look after as we approach retirement – have impacted attitudes towards working life. Many people approaching 65 simply don’t feel ready to fully retire – or don’t feel that they can afford to stop working.

In the latest Centre for the Modern Family report, we’ll explore in more detail why an increasing number of people are working for longer, and if they feel adequately supported by their employer. We wanted to see the impact this is having on workplace dynamics, and how attitudes vary between generations – whether it be family members or colleagues.

Understanding the impact of emerging societal trends on the family is at the heart of everything the Centre for the Modern Family does, and this research is no exception. Our insights explore whether the new breed of unretired are driven by want or need – if they continue to work in order to support themselves or their family or find it rewarding and want to continue their career, or if it’s a combination of factors keeping them in the workplace.

Meanwhile, attitudes amongst families towards their relatives continuing to work are divided. In many cases they worry about the detrimental impact of their relatives working beyond retirement, but on the other hand a significant proportion recognise the positive impact that working longer can bring to individual well-being as well as benefit the family unit as a whole.

No matter what the reason for staying in work, one of the most pertinent themes for me in this year’s report emerged around how the issue of retirement is...
approached in the workplace. In many cases, it seems that employers are perhaps not offering enough support to employees in the later years of working life and ahead of retirement. Many people just don’t know how to broach the topic with their employers, and therefore might not be getting the most out of their twilight working years.

To ensure the future success of our evolving workforce, we must all learn to talk more openly about how to get the best from each employee at every stage of their career. This isn’t just about employer to employee conversations about the range of possible routes to retirement, but also the generations within the workplace learning how to make the most of each other’s varied expertise.

There is no escaping the fact that the shape of working life in modern Britain is rapidly evolving as people work longer and career paths become less linear. Yet there is a real opportunity to harness this change to increase our productivity and competitiveness as a nation. But we can only achieve this if we accept that it brings with it an important responsibility to work together to fully support older workers to thrive in the right roles for them in later life.
THE NATURE OF BRITAIN'S WORKFORCE IS CHANGING.
As the country’s population ages, more people are working into what would once have been considered retirement years. Some of these workers feel compelled to continue in employment – be it part-time or full-time – because of their financial circumstances. Others have made a choice to keep working for lifestyle reasons.

Either way, the change has been dramatic, particularly since October 2011, when the Government abolished the default retirement age, which enabled employers to require staff to retire once they reached a certain age. Official figures\(^1\) show that by October 2014, there were more than 1.1 million workers aged 65 and over in employment, a 26 per cent increase on three years previously. This excludes an additional 400,000 people over the age of 65 who were classed as self-employed last October.

This Centre for the Modern Family (CMF) report attempts to analyse some of the impacts of this enormous increase in the number of older workers and to understand the motivations of people working longer, or considering doing so.

It looks at attitudes towards older workers, both positive and negative; puts the spotlight on workers aged between 55 and 65 now approaching the age at which they might once have expected to retire; and asks if employers are doing enough to meet employees’ expectations of support in the workplace.

This report is the first in a series of three, analysing the changing relationship between the family and the workplace to be published by the CMF this year: subsequent reports will look at work/life balance and support for families in the workplace.

About this research
This report is based on both quantitative and qualitative inputs, including a nationally representative YouGov survey of 2,000 adults, a further YouGov survey of 500 business leaders spread across all sizes of employer, interviews and discussions with the Centre for the Modern Family panellists, and a series of focus group sessions also conducted by YouGov.

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\(^1\)https://www.gov.uk/government/news/older-peoples-day-1-million-in-work-over-65-3-years-since-end-of-default-retirement-age
Introduction

KEY FINDINGS

65+

Working later is the new norm
Remaining in work past the current state pension age is now an established concept among the general public.

Younger workers at risk?
Younger workers in particular worry about the impact the growing number of older workers will have on the labour market.

Hope and fears on health
Family members believe working for longer will keep older relatives active, but they also worry some older people’s health could be adversely affected.

Retirement planning is left late
The majority of workers over the age of 55 have either not planned their retirement, or wish to continue working. This is especially prevalent among men.

Employers are yet to respond
Employees believe more support is needed for older staff as the workforce ages, but say employers have yet to confront this challenge.
ATTITUDES TOWARDS OLDER WORKERS
Older workers and the workforce
The influx of older employers into Britain’s workforce might have been expected to cause tensions with younger workers worried about their own prospects in the jobs market, or concerned about the depressive effect on pay of this increase in the labour supply. Similar themes have coloured the debate over the effects of immigration on employment, where large numbers have also joined the workforce.

However, all but the youngest workers are relatively relaxed about their older colleagues. 85% of our employee survey respondents welcome the skills and experience that older workers bring, a sentiment repeated by similar numbers of employers. Just 14% of people believe older workers stifle creativity and innovation, though the figure spikes to 21% among employers at large companies.

Employers thinking in that way need to reflect on what older workers bring to the table, says CMF panellist Dr Samantha Callan, Associate Director at the Centre for Social Justice.

“What we’re really talking about here is mentorship,” she says. “Many older workers revel in roles where they are able to help younger colleagues flourish.”

Still, there are concerns bubbling under the surface. Clear majorities of individuals and employers believe that the age of a company’s workforce makes a difference to the organisation. And around four in 10 people (44%) and employers (39%) believe older workers reduce the number of roles on offer to younger people. Among the youngest members of the working age population (18 to 24 year olds), that rises to more than half (51%).

CMF panellist Reverend Jeremy Fraser, who serves as Area Dean of Newham in East London, warns that these figures reveal a potential for more serious inter-generational conflict during tougher economic times. The increase in the number of over-65s in the workforce between 2011 and 2014 coincided with a period when unemployment fell by just over a quarter.

“I think we would get very different responses from young people if they were finding it as difficult to find work as they might have done for example five years ago,” says Rev’d Fraser. “In periods when we’ve had high unemployment, there has been a pressure on older people to get out of jobs in order to let young people into them.”

And on average, the maximum age workers are happy for their line manager to be is between 60 and 63. Even older workers do not typically want line managers above the age of 65, the current state pension age – in other words, while people are happy to work alongside their older colleagues, they do not want to work for them.

http://www.bbc.co.uk/news/10604117
Attitudes towards older workers

FIGURE 1: ATTITUDES TO OLDER WORKERS ARE GENERALLY POSITIVE, BUT MANY YOUNG PEOPLE AND EMPLOYERS HAVE CONCERNS

The age of a company’s workforce doesn’t make any difference at all

- General population: 47%
- Adults aged 18-24: 38%
- Employers: 40%

Older workers bring valuable skills and experience

- General population: 85%
- Adults aged 18-24: 75%
- Employers: 85%

Older workers reduce the number of roles for young people

- General population: 44%
- Adults aged 18-24: 51%
- Employers: 39%

Older workers stifle creativity and innovation

- General population: 14%
- Adults aged 18-24: 18%
- Employers: 15%
MANY OLDER WORKERS REVEL IN ROLES WHERE THEY ARE ABLE TO HELP YOUNGER COLLEAGUES FLOURISH
Older workers and family
People have both positive and negative feelings about their friends and family working for longer. While more than one in four (27%) of survey respondents believe working will enable older relatives to remain active for longer, almost as many (23%) worry about the impact of work on their health.

Similarly, 8% of people believe older people working longer will relieve the burden on their families of supporting them financially in later life – but 9% fear it will make it tougher to manage their own work/life balance, because they believe it will reduce the ability of older relatives to support with childcare. This figure rises to 13% among parents of children under the age of 18. No wonder: a CMF report published last year found a third of grandparents offered their adult children practical help with childcare.

This is potentially a source of tension between the generations. “People don’t necessarily want to be relied upon to provide childcare,” adds Dr Samantha Callan. “In fact, many grandparents feel they are asked to do too much.”

More positively, older workers may serve as important role models. More than two-thirds of adults (69%) say they have learned work skills from their family members, including people, numeracy, presentation and technical skills. Almost three-quarters of adults (72%) have learned about work ethic from family members. And close to half (44%) have sought advice on a work issue from their parents.

In the end, says CMF panellist Professor Sir Cary Cooper, Distinguished Professor of Organisational Psychology and Health and Chair of the UK’s Academy of Social Sciences, people’s attitudes to working longer will depend on why they do it. So too will the impact that work has on them.

“If people want to work into older age, they will be healthier and happier, as they are choosing to do so,” says Professor Cooper. “However, if it is not a choice but a necessity, then the opposite will be true, as it will take a great toll on them physically and mentally.”

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27% of survey respondents believe working will enable older relatives to remain active for longer.

23% of survey respondents worry about the impact of work on their health.

8% of people believe older people working longer will relieve the burden on their families of supporting them financially in later life.

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27%
23%
8%

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Family Generations and Financial Pressures, CMF, August 2014
WHAT OUR FOCUS GROUPS SAY

EMPLOYEES

“IT THINK OF OLDER WORKERS AS THOSE WHO ARE ABOVE THE OLD STATE RETIREMENT AGE OF 65, BUT I DO FIND THAT MOST OF THE PEOPLE I CURRENTLY WORK WITH ARE YOUNGER THAN ME.”

ANDREW, 49, DORSET

“OLDER WORKERS IN MY MIND ARE THOSE WHO ARE APPROACHING OR BEYOND THE RETIREMENT AGE OF 65: THEY CAN BE A LITTLE OUTDATED SOMETIMES WITH REGARD TO MODERN TECHNOLOGY AND PRACTICES.”

VICKY, 25, NORWICH

“I THINK THERE IS A DANGER OF THE WORKFORCE BEING FULL OF BURNED OUT PEOPLE WHO WOULD LOVE TO RETIRE.”

JACQUELINE, 56, DEVON

“I HAVE WORKED WITH LOTS OF OLDER PEOPLE – SOME OF THEM HAVE BEEN FABULOUS AND USEFUL, BUT SOME SHOULD HAVE RETIRED AND WERE A LIABILITY.”

KAREN, 48, WORCESTER

“OLDER WORKERS ARE MORE EXPERIENCED AND THEY ARE A VITAL SOURCE OF KNOWLEDGE.”

CHRIS, 34, YORKSHIRE
Attitudes towards older workers

EMPLOYERS

“OLDER WORKERS HAVE A GREAT WORK ETHIC AND LOTS OF COMMON SENSE: I GENERALLY PREFER TO CHOOSE WORKERS WITH EXPERIENCE AND MATURITY.”

MARK, 49, LONDON

“OLDER WORKERS HAVE A LOT OF EXPERTISE IN THEIR FIELDS, BUT CAN BE OUT OF TOUCH REGARDING CHANGING LAWS OR BUSINESS PRACTICES, AND WHILE THEY MAY BE MORE DEDICATED TO THE JOB THEY ARE ALSO MORE LIKELY TO GET STRESSED OVER TIME AND TO BE NEGATIVE TO CHANGE.”

ANDREW, 30, SOUTH-EAST ENGLAND

“PEOPLE WORKING BEYOND RETIREMENT AGE ARE HIGHLY SKILLED BUT WHY SHOULD THEY HAVE TO? AND WHO WANTS A 70 YEAR OLD MIDWIFE, SAY? WE SHOULD GIVE JOBS TO THE YOUNGER GENERATION AND GIVE THEM A WORK ETHIC AND INDEPENDENCE.”

LINDA, 58, GLASGOW

“ON THE PLUS SIDE THERE IS EXPERIENCE AND OFTEN A CALMNESS THAT CAN BE USED IN A MENTORING CAPACITY; BUT FOR SOME THERE IS A GREATER RISK OF ABSENTEEISM DUE TO THE TIREDNESS OF IT ALL.”

DAVID, 58, NORTH-WEST ENGLAND

“OLDER WORKERS ARE TRUSTWORTHY AND KNOWLEDGEABLE, PLUS THEY’RE EASY TO INTEGRATE INTO THE ORGANISATION.”

JULIAN, 60, WORCESTER
Towards retirement: spotlight on workers over the age of 55

TOWARDS RETIREMENT: SPOTLIGHT ON WORKERS OVER THE AGE OF 55
Towards retirement: spotlight on workers over the age of 55

Many workers closing in on the age at which they would traditionally have been expected to retire have little idea of what they will do in retirement. As Figure 2 shows, almost half (45%) of workers over the age of 55 either have yet to make any plans for retirement, or don’t know what their plans will be. And while the profile of retirement planning has risen in recent years, this may not change. Work published by the Association of British Insurers⁴ suggests substantial behavioural barriers must be overcome if more people are to be persuaded to take action.

However, among those who have started to plan for later life there is a clear split between people who want to retire as soon as possible (22% of respondents over the age of 55) and those who intend to stay in work in one way or another (34%).

Not that this necessarily means people want to remain in their current jobs – almost half of those intending to continue work are planning to shift to a part-time role, in some cases so that they can help family members out with childcare support.

“One common theme running through the comments people make about working for so-called ‘best employers’ is their approach to flexible working and supporting family life,” says CMF panellist Neil Leitch, Chief Executive of the Pre-School Learning Alliance.

For some people, the new pension freedoms legislation, which came into force earlier this year, may help them to make the jump to flexible working. The reforms make it much easier for savers aged 55 or over to use their savings more flexibly and this may be compatible with a move into part-time work.

Research from independent financial adviser Hargreaves Lansdown⁵ suggests this will be a popular option amongst those workers looking to shift to part-time roles. A third of people who exercised their right to pension freedom in the first month of the reforms were still working, the adviser says, and a majority were either in part-time roles or looking for one.

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Towards retirement: spotlight on workers over the age of 55

**FIGURE 2: PLANNING FOR RETIREMENT**

- **22%** I plan to completely retire as soon as possible
- **11%** I am planning a phased retirement
- **13%** I am planning to move to part-time work or reduce my hours
- **1%** I am planning to change my role within my existing company
- **3%** I am planning to change my role and move to a new company
- **3%** I am planning to become self-employed/set up my own business
- **2%** I would like to move to part-time work to spend more time providing childcare support to my family
- **1%** Don’t know
- **35%** I do not currently have any plans
One potential option, suggests CMF panellist Ruth Spellman, Chief Executive of the Workers Education Association, is for older people to combine part-time work with a return to studying. “We find a lot of women and men who work part time want to learn part time,” she says. “This extends to their view on employability generally – that they would be interested in learning something, so they can change their job, but not give up work altogether.”

In fact, Figure 3 reveals, people have a wide range of reasons for wanting to work on past age 65, including large numbers of men (45%) and women (44%) who effectively say they cannot afford to retire. “The number of people who need to keep working in order to supplement their pension is significant and worrying,” says Neil Leitch.

CMF panellist James Daley, founder of Fairer Finance, agrees. “There’s an unfortunate split here,” he says. “The people who haven’t necessarily enjoyed their work but who have had to do it in order to make ends meet will very often be those who can’t now afford to retire, while the middle classes have the luxury of deciding whether or not to carry on working.”

The research also revealed a discrepancy about choosing to work into later life among the genders. While more than a third (38%) of men want to carry on working because they like their jobs, barely more than one in 10 (12%) women feel this way. CMF panellist and parenting author Liz Fraser believes this may be because women have been in and out of work during their younger lives, as they’ve juggled childcare responsibilities, and have often missed out on more rewarding careers that would have equipped them with transferable skills. “Their working lives just haven’t featured the type of work that has given them skills they feel they can use,” Ms Fraser says. “For some women, carrying on working means carrying on in low-paid and unfulfilling jobs to which they are not committed.”

This is an issue acknowledged in the recently launched Government consultation on gender equality in pay, which cites a mismatch between the sectors where women work and where job growth is predicted over the next decade. It also notes that at present, two-thirds of working women aged over 50 are employed in just three sectors: education, health and retail.
Towards retirement: spotlight on workers over the age of 55

**Figure 3: Men are more likely to stay in employment because they enjoy their work more than women do**

- **I want to continue to work as I like my job and want to continue my professional development**
  - Men: 38%
  - Women: 12%

- **I need to keep working to supplement my pension**
  - Men: 45%
  - Women: 44%

- **I need to keep working to pay off debt/a mortgage**
  - Men: 19%
  - Women: 9%

- **I need to keep working to continue to support my family financially**
  - Men: 19%
  - Women: 17%

- **I want to continue to work as I don’t feel old enough to retire yet**
  - Men: 54%
  - Women: 55%

- **I want to continue to work as I think it is better for my relationship with my spouse/family if we spend more time independently**
  - Men: 17%
  - Women: 10%

- **I want to continue to work as I feel my company needs me**
  - Men: 5%
  - Women: 3%

**Figure 4: Many over-65s return to work as a lifestyle choice, but for 55-65 year olds the decision is more likely to be driven by their finances**

- **I was bored or restless**
  - 55-65: 49%
  - 65+: 67%

- **I needed money to meet day to day living costs for my family**
  - 55-65: 73%
  - 65+: 56%

- **I needed to cover care costs for family**
  - 55-65: 30%
  - 65+: 31%

- **My pension savings did not last as long as I expected or needed**
  - 55-65: 53%
  - 65+: 39%

- **I wanted to start up my own business**
  - 55-65: 10%
  - 65+: 10%

- **Other**
  - 55-65: 10%
  - 65+: 7%

- **Don’t know**
  - 55-65: 2%
  - 65+: 3%
Towards retirement: spotlight on workers over the age of 55

While more than a third (38%) of men want to carry on working because they like their jobs, barely more than one in 10 (12%) women feel this way.

This may also be part of the explanation for why men are also more likely to return to paid employment after initially retiring: 15% of male survey respondents over the age of 45 said they had done so, against just 9% of women in the survey. More than half of these men (57%) said they had gone back to work for lifestyle reasons – they said they were bored or restless – against just 36% of women who gave this reason. By contrast women (38%) were more likely than men (27%) to have returned to work in order to meet day-to-day living costs for their families – because they had to, in other words.

There is also evidence of one more split, this time based on age. As Figure 4 shows, people over the age of 65 are more likely to return to paid employment for lifestyle reasons than people aged between 55 and 65, for whom such a decision is more likely to be financial.

“There is definitely a trend towards older people taking the opportunity to do something they love,” says Dr Samantha Callan. “To find ways of indulging their passions for gardening, or DIY or childcare, say, and to earn some money from that.”

It is important to understand, however, that for many people, hopping in and out of the labour market may not be an option, even assuming they can find employment. For example, a fifth of women (20%) say they have too many family commitments to return to work. More than a third of people aged 50 to 64 (25%) cite a similar problem. “This is a particular problem for women,” adds Liz Fraser. “So many are not able to do anything past retirement age because they’re caring for elderly parents, a role that generally seems to fall to women.”

Again, this hints at potential for inter-generational tensions. Older people may be hankering after a return to work for lifestyle or financial reasons but prevented from doing so by the commitments they have made to family members – especially helping out with caring for elderly parents or grandchildren.
WHAT OUR FOCUS GROUPS SAY

EMPLOYEES

“WHEN TO RETIRE? 60 LOOKED PRETTY GOOD, BUT NOT WITHOUT A DECENT PENSION AND NOW I SEE MYSELF WORKING PAST RETIREMENT AGE BECAUSE I WILL NEED TO SUPPORT MY SON THROUGH UNIVERSITY.”

JOHN, 59, LONDON

“I THINK PEOPLE ARE WORKING TOO LONG ALREADY. IT’S SAD THAT WE SPEND MOST OF OUR LIFE WORKING TO PAY BILLS – THERE SHOULD BE SOME LINE WE CAN DRAW WHERE WE RELAX AND ENJOY LIFE AT A SLOWER PACE.”

VICKY, 25, NORWICH

“I CONSTANTLY THINK ABOUT DOING MY JOB WHEN I’M 60; I’M ON MY FEET ALL DAY AND I DON’T THINK I’LL BE ABLE TO DO IT WHEN I GET OLDER.”

STEVEN, 42, BROMSGROVE

“I WILL STAY IN THE SAME WORK AS I HAVE SPECIALIST EXPERIENCE. I WORK WITH A GENTLEMAN WHO IS 73 AND VERY ACTIVE. HE HAS A WEALTH OF EXPERIENCE AND THERE IS NO-ONE TO REPLACE HIM.”

KAREN, 48, WORCESTER

“I GREW UP THINKING 65 WAS THE AGE WORK STOPPED; NOW I KNOW IT DOESN’T.”

ANDREW, 49, DORSET
**Towards retirement: spotlight on workers over the age of 55**

**EMPLOYERS**

“OLDER PEOPLE IN MY FIRM TEND TO STAY ON BECAUSE THEY LIKE THE JOB AND ARE BRINGING IN BUSINESS; IF THEY WEREN’T ABLE TO DO THAT, NO AMOUNT OF SUBSIDY WOULD PREVENT THE FIRM FROM ENCOURAGING RETIREMENT.”

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CHRIS, 31, LONDON

“I THINK FLEXIBLE OPTIONS SUCH AS PHASED RETIREMENT ARE PARTICULARLY IMPORTANT FOR OLDER WORKERS; THEY ALLOW PEOPLE TO WORK AT THEIR OWN PACE WHILE STILL BEING AN ACTIVE PART OF THE COMPANY AND SHARING THEIR EXPERIENCE.”

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KIM, 40, NORTH WALES

“WE HAVE NO PARTICULAR ATTITUDE TOWARDS OLDER WORKERS AS ABILITY TO DO THE JOB IS MORE IMPORTANT; HOWEVER, WHEN APPOINTING NEW STAFF, BUDGET RESTRAINTS OFTEN MEAN WE GO FOR YOUNG, INEXPERIENCED STAFF.”

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AMANDA, 46, YORKSHIRE

“I AM OVER 55 MYSELF AND CAN’T IMAGINE DOING THIS JOB AT 70 - THERE ARE SOME OFFICE-BASED JOBS WHERE PEOPLE CAN WORK ON, BUT LET’S BE REALISTIC: FOR TRADESPEOPLE OR NURSES, SAY, THE JOB CAN’T BE DONE WITHOUT STAMINA.”

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LINDA, 58, GLASGOW

WE FIND IT IS MOSTLY THE YOUNGER EMPLOYEES WHO REQUIRE MOST HELP, WITH YOUNG FAMILIES STRUGGLING THE MOST; OLDER EMPLOYEES USUALLY SEEM TO HAVE IT WELL SORTED.”

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DAVID, 58, NORTH-WEST ENGLAND
HOW THE EXPECTATIONS OF EMPLOYERS AND EMPLOYEES DIFFER
At first sight, both employers and employees feel their organisations are providing sufficient support for older workers. One in two employees (50%) say their organisation is supportive of older workers, rising to 54% in the case of employers.

Dig a little deeper, however, and it is clear not all is well. As Figure 5 reveals, there is a clear divergence of views over how organisations should adapt their workforces to reflect the growing number of older workers. Employers are much less likely to accept the case for a range of support mechanisms than individuals. More than a quarter of employers (26%) have not yet considered how to adapt to an older workforce.

Professor Sir Cary Cooper believes employers will need to be more open-minded and flexible in the years to come. “Employers need to realise that offering arrangements such as phased retirement can bring a business benefit – it is a way to keep top talent,” he says. “Also, studies show that if you allow people to work part time it actually makes them work better and more efficiently.”

“EMPLOYERS NEED TO REALISE THAT OFFERING ARRANGEMENTS SUCH AS PHASED RETIREMENT CAN BRING A BUSINESS BENEFIT – IT IS A WAY TO KEEP TOP TALENT.”

**PROFESSOR SIR CARY COOPER**

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**FIGURE 5: EMPLOYERS’ AND THE GENERAL POPULATION’S OPINIONS ON ADAPTING WORKFORCES FOR OLDER EMPLOYEES**

<table>
<thead>
<tr>
<th>Employers should allow people to adapt their role to go part time/have a career break</th>
<th>Employers should set up knowledge exchanges between younger and older workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>16%</td>
</tr>
<tr>
<td>47%</td>
<td>56%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employers should provide more support to help older people plan their retirement</th>
<th>Employers should support people through flexible options e.g. phased retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>16%</td>
<td>37%</td>
</tr>
<tr>
<td>42%</td>
<td>70%</td>
</tr>
</tbody>
</table>

26% of employers haven’t yet considered how their organisation will adapt to an older workforce.
Indeed, one recent study\textsuperscript{6} from the Institute of Leadership & Management found that 82% of managers believed flexible working benefitted their business; 73% said their organisations were supportive.

For now, however, employers are not discussing retirement with their employees – even those getting close to state pension age. Just 5% of workers in this survey have discussed retirement with their employer, while the figure for workers over the age of 55 rises only to 12%.

Nor is it clear who should have the responsibility of raising this issue. Just 2% of workers have been approached by their employers to discuss retirement while 3% brought the issue up for themselves. Amongst the over-55s, the respective figures rise to 5% and 7%.

“It does make you wonder what effect the removal of the compulsory retirement age is having,” says Jackie Leiper, Director of Employer Relationships at Scottish Widows. “Employers never had to worry about this in the past, because they knew retirement was automatic at age 65, whereas now there’s an awful lot of re-education required.”

Many older workers appear to feel nervous about discussing their hopes and plans for retirement with their employers. While almost a third of workers over the age of 50 (31%) say they feel supported by their employers while they want to stay in their current roles, fewer than one in five (18%) think this support will continue if they express a desire to reduce their hours. For those who might want to shift to a new role, the figure falls to 6%.

Dr Samantha Callan thinks employers need to do more to encourage their staff to talk openly to them about potentially new ways of working – and to think much more imaginatively too. “As just one example, the idea of a siesta is absolutely a cultural norm in other countries and this is the sort of practice that might be of great use to some workers in Britain too,” she says. “But I think most employees would feel very uncomfortable suggesting such an idea.”

\textsuperscript{6} Flexible working: goodbye nine to five, Institute of Leadership and Management, 2013 (https://www.i-l-m.com/-/media/ILM%20Website/Downloads/Insight/Reports_from_ILM_website/Research_flexibleworking_march2013%20pdfashx)
A significant number of employers have a clear communication problem. One in 10 workers (10%) say they feel unable to discuss their retirement options with their employers. One in 20 say they feel discriminated against because of their age.

“Employees are frightened of what employers will think if they try and discuss retirement – they think they’ll be accused of looking for a way to slack off,” adds Professor Cooper. “It also means you suddenly make your employer aware of your age, which makes them put you into the ‘older workers’ category, can have negative connotations; people are frightened of being sidelined.”

These are issues that must now be confronted. “These are startling findings,” warns Ruth Spellman. “This is really worrying for employees who are gearing themselves up for a different kind of employment deal as they get older.”
WHAT OUR FOCUS GROUPS SAY

EMPLOYEES

“I KNOW MANY PEOPLE WHO HAVE HAD TO GO BACK TO WORK AFTER RETIRING BECAUSE THEIR PENSION DID NOT COVER THEIR COSTS.”

JOHN, 59, LONDON

“I THINK PEOPLE WORKING UNTIL 70 WILL BE PHYSICALLY AND MENTALLY EXHAUSTED BY THE TIME THEY RETIRE IF THEY HAVE TO CARRY ON WORKING FULL-TIME UNTIL THAT AGE. A BETTER IDEA WOULD BE A PART-PENSION, SO PEOPLE CAN STAGGER THEIR RETIREMENT AND CUT DOWN GRADUALLY ON WORKING HOURS.”

JACQUELINE, 56, DEVON

“OLDER WORKERS SHOULD BE TREATED THE SAME AS EVERYONE ELSE; SUPPORT SHOULD BE GIVEN NO MATTER WHAT THE AGE.”

CLAIRE, 35, NORTH-WEST

“I THINK IT IS NOT UNTIL AGE 60 WHEN MANY PEOPLE START TO SERIOUSLY THINK ABOUT RETIRING.”

STEVEN, 42, BROMSGROVE

“I INTEND TO WORK ON BEYOND 65; I HAVE RARE SKILLS AND NO-ONE TO TEACH THEM TO AT THE MOMENT.”

KAREN, 48, WORCESTER
EMPLOYERS

“How the expectations of employer and employees differ”

“THERE IS A PROBLEM FOR BOTH SIDES: EMPLOYERS WILL KNOW THE COST OF PROVIDING BENEFITS WHILE SOME EMPLOYEES SEE THIS AS A RIGHT.”

— David, 58, North-West England

“LIFE IS A CONTRACT BETWEEN AN EMPLOYER AND EMPLOYEE. THEY AGREE WHAT WORK IS REQUIRED, THE REMUNERATION THAT MAY BE EXPECTED AND THE AMOUNT OF EFFORT NEEDED TO COMPLETE THE TASK. IF A PERSON IS NOT CAPABLE OF COMPLETING THE SAID TASK AS ADVERTISED, THEN THEY SHOULD CONSIDER IF THE JOB IS SUITABLE FOR THEM.”

— Mark, 49, London

“MOST OF MY COLLEAGUES WOULDN’T ASK FOR SUPPORT FOR FEAR OF AFFECTING THEIR PROMOTION OR CAREER PROSPECTS – IT’S NOT REALLY SEEN AS AVAILABLE.”

— Chris, 31, London

“HAPPIER WORKERS WILL BE MORE PRODUCTIVE AND INCLINED TO CONTRIBUTE WHEN IT’S REALLY NEEDED.”

— Ian, 53, London

“You get more from your employees if you are flexible in your attitudes.”

— Edward, 56, London
The Centre for the Modern Family’s research paints a complicated picture of older workers in Britain today. On the one hand, many are keen to work on into what would previously have been their retirement years. They are taking advantage of reforms such as the abolition of the default retirement age and pension freedoms changes in order to continue working, often part time, because it suits them to do so. Equally, however, many people – women in particular – feel compelled to continue working because their finances do not yet allow them to retire.

For now, the labour market is absorbing this additional supply of workers without great difficulty. As a result, younger workers remain relatively sanguine about competition for jobs from older colleagues – they are still able to find employment and pay does not appear to have been addressed. Nevertheless, this relaxed stance may not endure if the economic outlook darkens or joblessness begins to rise once more – already, the very youngest workers are anxious that older people may be taking their jobs, while employers worry about the impact on their businesses of employing older staff.

Organisations employing older workers are not doing enough to support them. They broadly fail to communicate with workers in the run-up to the period when they might be expected to want to retire. And large numbers have not thought about how to adapt to the changing age profile of their workforce.

Time may be running out to resolve these issues. The age at which women may claim their state pension age has already begun to increase, and by 2020 both men and women will not qualify for the state pension until they reach age 66. Further increases will then follow, swelling the ranks of those who do not feel they have sufficient pension income to consider retiring.

At the same time, a new generation of workers is now approaching an age at which they might consider retiring – people in their fifties and sixties today are far less likely to have had access to generous final salary pension schemes, now largely closed by employers, and have earned smaller entitlements from other arrangements. This trend will strengthen generation by generation over the coming years.

As a result of these changes, we are likely to see further sizeable increases in the number of older workers in the years ahead. Employees, employers, private pension providers and policymakers must now work together to confront the challenges this will bring. Overleaf, we put forward a number of potential policy ideas.
WHAT THIS MEANS FOR POLICY MAKERS

01

REMAINING IN WORK PAST THE STATE PENSION AGE IS NOW AN ESTABLISHED CONCEPT AMONG THE GENERAL PUBLIC.

**Policy response:** We need more co-ordination across government in order to address the challenges of this shift. Some campaigners have called for a permanent ‘older workers’ champion’ to lead this exercise. It is time to develop a national strategy to improve adult skills, with funding for mid-life career reviews and apprenticeship schemes for all ages. There is considerable scope for improved Job Centre programmes for over 50s jobseekers, with more early intervention, one-to-one support, better IT training, CV and social media skills help. Government should track the outcomes data to see what works.

02

FAMILY MEMBERS BELIEVE WORKING FOR LONGER WILL KEEP OLDER RELATIVES ACTIVE, BUT THEY ALSO WORRY SOME OLDER PEOPLE’S HEALTH COULD BE ADVERSELY AFFECTED.

**Policy response:** Encouraging post-retirement activity has indeed been linked to health benefits, but this does not have to be paid work. Volunteering, for example, has similar effects. We should consider how to ease the transition from employment to retirement for those making a positive choice to work on into older age. Workers who feel compelled to work, rather than making a lifestyle decision to do so, are more likely to suffer ill-health.
THE MAJORITY OF WORKERS OVER THE AGE OF 55 HAVE NOT PLANNED THEIR RETIREMENT.

Policy response: Financial education and advice provided through services such as the Money Advice Service and Citizen’s Advice are crucial to encouraging people to engage with retirement planning. But how do we reach out to those workers who do not seek out help and advice? Employers, for example, could play a greater role in advising staff on their pension options, especially if they are protected from regulation that can see them accused of providing financial advice they are not qualified to offer.

EMPLOYEES BELIEVE MORE SUPPORT IS NEEDED FOR OLDER STAFF AS THE WORKFORCE AGES, BUT SAY EMPLOYERS HAVE YET TO CONFRONT THIS CHALLENGE.

Policy response: Employers must be encouraged more forcibly to adapt their working practices and procedure to better reflect the ageing of their workforces. An even greater shift to flexible working will be part of this process. Employers with genuine concerns about ageing of the workforce need to engage with their staff in order to confront such realities.

OLDER WOMEN FACE SPECIFIC BARRIERS TO STAYING IN THE WORKPLACE AND ARE OFTEN UNDERREPRESENTED IN CERTAIN SECTORS AND ROLES.

Policy response: Work with employers to ensure that there are equal opportunities across a wide range of industry sectors and roles to ensure that older women are able to fulfil their career potential. Provide tailored support to women approaching retirement including a career review. Explore options to help those with caring responsibilities stay in paid employment through improved flexible working options.
THE PANEL

ANITA FREW
LLOYDS BANKING GROUP, PANEL CHAIR

Anita Frew is Deputy Chairman and Independent Director at Lloyds Banking Group, having joined the Board in December 2010. Anita is a member of the Audit, Remuneration, Nomination & Governance and Responsible Business Committees as well as being the Non-Executive Director and Chairman Designate of Croda International Plc. Anita has extensive board, financial and general management experience across a range of different sectors including banking, asset management, manufacturing and utilities. Her former appointments include Senior Independent Director of Aberdeen Asset Management and IMI plc and Director of Corporate Development at WWP.

JAMES DALEY
FAIRER FINANCE

James Daley has been a consumer campaigner and financial journalist for the past 15 years. Before launching Fairer Finance, he worked for the consumer group Which?, where he campaigned for a better deal for customers of banks and insurers in the wake of the financial crisis. Before working at Which?, James spent five years as a business and finance journalist at The Independent newspaper, latterly as the paper’s personal finance editor and cycling columnist. He lives with his wife and daughter in Tooting, where he is also a local councillor.

REVEREND JEREMY FRASER
AREA DEAN OF NEWHAM

Reverend Fraser is Area Dean of Newham, Parish Priest in Stratford and part of the Olympic Park. He is chair of a local youth charity and operates the local foodbank. Before being ordained, he had a career in business and politics and is the former Labour leader of Southwark Council. He is currently a board director at a PR agency.

LIZ FRASER
PARENTING AUTHOR

Mother of 3, best-selling author and well-known broadcaster on all aspects of modern family life, Fraser is a psychology and neuroscience graduate from Cambridge University and boasts an array of media experience. From presenting both TV and radio programmes for the BBC to frequent appearances on BBC television and radio, ITV’s This Morning and Daybreak, Sky News, Channel 5 News and many others, she has also written features and columns for The Sunday Times, Red, Grazia, Woman, Essentials, SHE, Marie Claire, Mother and Baby and Junior. She is the creator of Headcase, the mental health website, and the creator and presenter of the podcast and radio series The Bite Show, launching in September. In 2015 she wrote and performed a full run of her first solo stand-up comedy show, Lifeshambles, at the Edinburgh Fringe.
Neil Leitch is the Chief Executive Officer of the Pre-school Learning Alliance, which supports more than 800,000 children and their families in England through its membership of more than 14,000 day nurseries, sessional pre-schools, and childminders. During his time with the Alliance, Neil has strongly lobbied for early intervention, believing all children, regardless of background, deserve the best possible start in life. In 2013, Neil led the Alliance’s Rewind on Ratios campaign, which successfully lobbied against government plans to relax childcare ratios.

Jonathan Swan is the Research and Policy Manager at Working Families, the UK’s leading work-life balance organisation. Jonathan has researched and written on a wide range of work-life integration issues, including: fathers and work, flexible working in senior roles, productivity and performance, organisational culture and active ageing. He is responsible for the annual Top Employers for Working Families benchmark, a detailed analysis of flexible working policy and practice in the UK’s leading companies. Prior to this, Jonathan was an Equality and Human Rights Consultant for the UK Department of Health, where he communicated organisational policy frameworks on diversity, and sought out best practice policy to drive a programme of innovation and change in relation to equality and diversity.

Dr Samantha Callan is recognised as a research and policy expert in the fields of family relationships, mental health and the early years. She is currently Associate Director for Families and Mental Health at the Centre for Social Justice, for whom she has chaired four major social policy reviews. She is also an honorary research fellow at Edinburgh University’s Centre for Research in Families and Relationships (CRFR). Samantha advises politicians and policy-makers from across the political spectrum and is a frequent speaker at parliamentary and other events. She is a regular contributor to local and national media debates on social justice issues.

Ruth Spellman is the Chief Executive of the Workers’ Educational Association, the UK’s largest voluntary sector provider of adult education. Ruth was awarded an OBE in 2007 for services to workplace learning and an Honorary Doctorate from Cranfield in 2010. Prior to joining the WEA she was Chief Executive of the Chartered Management Institute (CMI), and has previously been CEO of the Institution of Mechanical Engineers and Investors in People (IIP) UK. She has also been HR Director of the NSPCC. Ruth’s non-Executive roles include being Member Nominated Director of the Cooperative Group, Trustee of Adviza, a Charity delivering Careers Advice, and a Council Member of the Open University.
The Centre for the Modern Family Panel

Jackie Leiper is the Director of Employer Relationships at Scottish Widows and is responsible for leading the development of employer franchise for Scottish Widows, whilst also managing the relationships for top employer customers and leading the implementation of auto enrolment. Jackie has extensive experience in managing BPO relationships, multi-site operational management and customer relationships. Before joining Scottish Widows in January 2014, Jackie was the Head of Operations at Lloyds Banking Group, leading the operational management of Lloyds Banking Group’s Life, Pensions and Investment ‘open book’ products. Other previous appointments include Head of Customer Response Unit at Capita Life & Pensions and Head of Voice at Prudential.

JACKIE LEIPER
SCOTTISH WIDOWS

Emily Holzhausen has worked at Carers UK for the last 19 years, where she is responsible for UK and England strategic development and direction of policy, research, campaigning, parliamentary, media and advice and information provision and Carers Week, one of the UK’s biggest awareness weeks. Her team includes the advice service for carers and she is also responsible for Carers Rights Day. Emily has developed and led different campaigns over the years which have resulted in new legislation, policy or practice to improve the lives of carers. She was awarded an OBE in the 2015 Birthday Honours.

EMILY HOLZHAUSEN
OBE
CARERS UK

Cary Cooper is 50th Anniversary Professor of Organizational Psychology and Health at Manchester Business School and President of the British Academy of Management. Cary is also the former Chair of the UK’s Academy of Social Sciences, an umbrella body of 46 learned societies in the social sciences, now comprising over 88,000 social scientists. Professor Cooper is former Chair of The Sunningdale Institute, a think tank on management and organizational issues, in the National School of Government (2004-2009). He was also the lead scientist to the UK Government Office for Science on their Foresight programme on Mental Capital and Well Being (2007-2009).

PROFESSOR SIR CARY COOPER CBE
MANCHESTER BUSINESS SCHOOL