



Department
for Work &
Pensions

Fuller Working Lives

A Partnership Approach



February 2017

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Some of the policies referred to in this document are applicable across the whole of the UK and many to England only. The Devolved Administrations have their own policies with regard to devolved matters, particularly in relation to health and skills.

We recognise that the Devolved Administrations are important partners, and we will ensure that we maintain the appropriate level of engagement with them in these devolved areas. The Government is committed to working with the Devolved Administrations to improve the support accessible to older workers across the country at a national and local level.

Foreword by Damian Hinds MP, The Minister of State for Employment



We are living, on average, almost a decade longer than our grandparents. This is great news. But it also has implications for employers, and the economy overall, as well as people's own personal financial security.

Despite the increased longevity, people today are actually leaving the labour market *earlier* than in 1950. As well as those having planned and set aside to retire early, there are a lot of people exiting the labour market before ideally they would choose. In many cases they may not have sufficient income for their future to sustain the lifestyle they would have envisaged. It is in this context that we have asked John Cridland, CBE, to carry out an independent review to inform the Government's review of the State Pension age: his report is coming out in the Spring.

Many companies are reflecting on the challenges and opportunities an ageing workforce brings; some are exploring innovative changes to their businesses as a result. As the world becomes more digital, new possibilities open up.

Employers have long made arrangements to enable parents to take care of a child. Now it is becoming more common to facilitate – short-term or for longer – older workers caring for their parents or partner. Of course, many older workers themselves play a crucial role in childcare, as grandparents, as well as other valuable work in the community and voluntary sector. We know that for many people, the possibility of flexible or part-time working, or being able to transition to a less demanding role, could tip the balance to them staying in employment longer.

Ultimately this is a business challenge and that is why this document is largely written by businesses, for businesses, and we are very grateful to all the companies who have contributed. The opportunity for industry is to harness more talent, retain valuable experience and reduce staff turnover.

There is an opportunity for all of us individually, too. Staying in work for a few more years can make a significant difference to your income thereafter, and for most people, being in good appropriate work can be good for your health, both physical and mental.

Government also has a key role to play and this document summarises what is being done, including on encouragement of saving, enabling skills to be developed or refreshed, and enhancing the support on offer through Jobcentre Plus. Probably the most important role for Government here is to build the evidence base and set out the case, for how a commitment to enabling Fuller Working Lives can harness the power of a truly multi-generational workforce, and ensure a brighter future for all.

Dawn Lewis

The case for action – by employers for employers

Invest in your workforce - an introduction from:

Yvonne Sonsino, Partner, Mercer



Laurence Beckett, HR Director of Retirement Solutions, Aviva UK



As businesses who are already investing in the Fuller Working Lives agenda, we fully recognise the important role employers play in the retention, retraining and recruitment of older workers.

All employers want to attract and develop the best and most productive workforces they can, and it is clear that this means employing people from all walks of life, including older workers, who each have their own set of skills to offer.

This becomes an even bigger imperative considering the ageing demographic and the increases in the number of workers aged 50 plus over the coming decades.

Employers are in the driving seat when it comes to removing barriers for older workers, most importantly discrimination in recruitment, access to training and offering flexible working practices. Many also offer additional support, such as wellbeing programmes and financial planning advice.

Both Aviva UK and Mercer are offering opportunities to attract and retain older workers:

- Mercer's UK CEO has signed the International Longevity Centre (ILC) Business Pledge to work over the next five years to help make our ageing society and economy more sustainable. We have begun by publicly declaring our commitment to offering flexible working options for all suitable roles, started a reverse mentoring programme; opened up rotational working opportunities to all ages and implemented a support for working carers programme.
- Aviva has launched a pilot in Bristol supporting our carers in the workforce (WeCare) with a view to expanding this throughout the company and we are launching mid-career reviews for the over-50s in our General Insurance

commercial business. We are refreshing our apprenticeship offering in a number of business areas and locations from May 2017. These will be available to people of all ages, and we are currently finalising plans for a number of cohorts to work in our operational front line customer areas where we will actively encourage a diverse inter-generational in-take.

To help build on the recommendations made in the previous Business Champion for Older Workers' report, 'A New Vision for Older Workers: Retain Retrain Recruit', a group of employers was established, tasked with driving tangible change to improve the prospects for older workers.

A range of organisations and sectors signed up to the Business Strategy Group, bringing a wealth of expertise and experience with them. Members were committed to examining the issues that hinder the retention; retraining and recruitment of older workers and formed task and finish groups to look at what they could do to improve their own policies and share best practice.

Outputs from the group are detailed in this document and include guides and products to help both other employers and individuals. Going forward, members are committed to communicating their actions and successes to other businesses and sectors. This will help all line managers and staff involved in recruitment and retraining to see and value the skills older workers have to offer and that all businesses appreciate the overall beneficial effects this will have on their organisation.

We fully endorse the view that employers should be leading a national Strategy for older workers and welcome this new milestone on the journey to develop a truly multi-generational workforce.

Yvonne Sonsino
Laurence Beckett

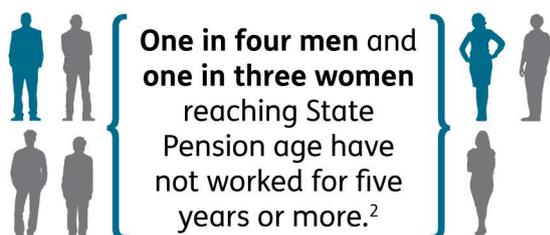
Fuller Working Lives

Why this is important

— There are more people aged 50 and over in employment than ever before¹ —



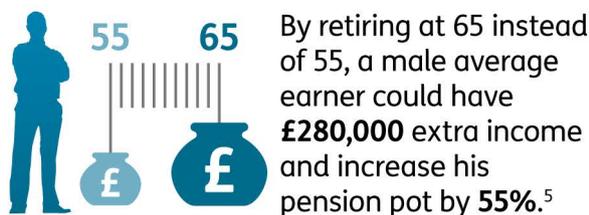
— But early exit from the labour market is an issue —



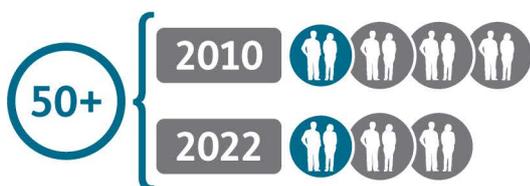
The average **age of leaving the labour market has increased over the past two decades**, but it is still lower than it was in 1950 and is not keeping pace with the increases in life expectancy.³

There are almost **one million** individuals aged 50-64 that are not in employment but state that they are **willing or would like to work**.⁴

— We all can gain from Fuller Working Lives —



— Employers need to embrace the workforce aged 50 years and over —



workers **aged 50 and over** are experienced, reliable, punctual and good at mentoring new workers.⁸

1. LFS Q2 Analysis
 2. APS, July 2015 – June 2016
 3. Life expectancy from ONS 2014-based population projections and average age of exit from LFS quarter 2 analysis and Blöndal and Scarpetta data pre-1984. Found at: <http://dx.doi.org/10.1787/565174210530>
 4. APS, July 2015 – June 2016

5. Internal DWP modelling, assuming average life expectancy for a man (84 years) ONS Cohort LE projections
 6. Internal DWP modelling, assuming average life expectancy for a woman (88 years) ONS Cohort LE projections
 7. ONS population estimates and 2014-based population projections
 8. DWP (2015) Employer Attitudes to Fuller Working Lives. 689 private sector businesses in GB were polled in February 2015

Executive Summary

- The average age of leaving the labour market has increased over the past two decades, but it is still lower than it was in 1950 and is not keeping pace with increases in life expectancy.
- There are challenges for the UK labour supply, given the ageing workforce and rate of exit from the labour market.
- As people approach State Pension age, the rate of employment declines and economic inactivity rates rise as they leave the labour market 'early'. Over half of men and women are not in work in the year before reaching State Pension age.
- One in four men and one in three women reaching State Pension age have not worked for five years or more.

Fuller Working Lives – Making the case for action

People in the UK are living longer, and the proportion of older workers in the labour force is increasing. As the population and the workforce continue to age, to avoid a loss of labour, employers will need to increasingly draw on the skills of older workers. Employers will need to retain valuable skills of older workers, retrain them if they want to support workers to stay in the labour market and recruit them to maintain labour supply and gain the benefits of a multi-generational workforce.

There is a significant group of people aged 50 and over who 'voluntarily' leave the labour market, either because they want to or have planned a financially stable retirement. There is another group of the population who leave the labour market 'involuntarily', typically due to health, caring or redundancy reasons; some of whom could have been supported to remain in some form of work. Financial incentives or disincentives to carry on in work also help to explain patterns of retirement decisions; the incentive to work tends to decline as individuals near State Pension age as a result of changes in incentives as well as the motivation to work.¹

Government has now reformed legislation to create the right framework to support Fuller Working Lives, and improvements in older worker employment rates may signify that attitudes are changing. The next stage in the Fuller Working Lives journey is to allow business to set out the case for change, and detail how it can be achieved and evaluated.

Employers taking the lead

Many businesses are already taking positive action which they are passionate about sharing with others. This document aims to provide employers and individuals with the information and evidence they need to adapt to the changing demographic environment.

A Fuller Working Lives Business Strategy Group was set up by the Department for Work and Pensions (DWP). Members were given the scope to identify and focus on areas they believed required change, reviewing a series of topics to see how they could improve the retention, retraining and recruitment of older workers.

Supporting individuals to make the right choice

Our key message for individuals is that working is good for finances as well as health and wellbeing in later life. We also make recommendations around options for flexible working, retraining for a new career; self-employment, volunteering and phased retirement.

Five actions Government is taking to support older workers

- 1. Legislation to support Fuller Working Lives.** This includes removal of the Default Retirement Age; reform of the State Pension; extending the right to request flexible working to all employees who have six months continuous service with their employer, and reviewing State Pension age.
- 2. Empowering change through others – developing an evidence based case for action.** We are continually developing our understanding and evidence base on Fuller Working Lives; both through internal analysis and research and by collaborating with academics and researchers with expertise in this area. We are publishing alongside this Strategy our most recent evidence and research.ⁱⁱ

We have appointed the Business in the Community (BiTC) Age at Work leadership team led by Andy Briggs, CEO of Aviva UK Life and Chairman of Global Life, as Business Champion for Older Workers. This team will spearhead Government's work to support employers to retain, retrain and recruit older workers. We are reviewing audience insight to look at how communications can add value to policy levers and the role it can play in influencing employers and individuals.

3. Supporting those who need more help:

- Women – working in partnership to make clear to employers the value that women bring to the workplace.
- Carers – aiming to support carers through a new cross-Government carers Strategy.

- People with long-term health conditions and disabilities –we want to create a country that works for everyone, and have recently published the ‘Improving Lives, the Work Health and Disability Green Paper’.
- Black and Minority Ethnic (BME) Groups.

4. Reforming the Adult Skills system. We are making sure that our skills system works for all learners. In the Industrial Strategy Green Paper, ‘Building an Industrial Strategy’, published in January 2017, the Government set out how it will create a proper system of technical education, and provide new, better options for those already in the workforce. As set out in the Government’s Skills Plan,ⁱⁱⁱ this involves creating fifteen new routes to high-quality skilled employment, and bringing together employers to produce the standards which will lead to the development of new qualifications, directly relevant to their needs. To deliver this to learners we will be encouraging more industry specialists to work in the technical education sector, to raise the quality of higher skills training.

Furthermore the Government promised to test ambitious new approaches to encourage lifelong learning, which could include direct outreach with busy people, particularly where industries are changing or in decline.

In addition we are committed to achieving three million apprenticeship starts in England by 2020. Apprenticeships are a crucial way of addressing skills gaps and are available to people of all ages. We are putting employers in the driving seat of apprenticeship reform to ensure that apprenticeships deliver the skills they need.

5. Improving the Jobcentre Plus offer for older workers. Older Claimant Champions have been introduced in all Jobcentre Plus regions, to increase awareness of the barriers faced by older claimants and how to address them. We are improving the information available to older workers on the GOV.UK website, ensuring that it is a central hub for resources to help older workers find relevant information and contacts.

Next steps

We want to ensure that action to promote Fuller Working Lives is ongoing. We will carefully consider the policy implications of the recommendations set out in John Cridland’s review of State Pension age, commissioned by Government and due for publication in Spring 2017. We will also increase the number of Older Claimant Champions from seven regional leads, to one in all 34 Jobcentre Plus districts, and take account of developments in other related policy areas. We will provide regular updates of new Fuller Working Lives research and policies. This will include the publication of our annual Official Statistics: *Economic labour market status of individuals aged 50 and over since 1984*, which will be used to monitor changes in line with the Fuller Working Lives ambition.^{iv}

Making the case for Fuller Working Lives

The evidence for Fuller Working Lives

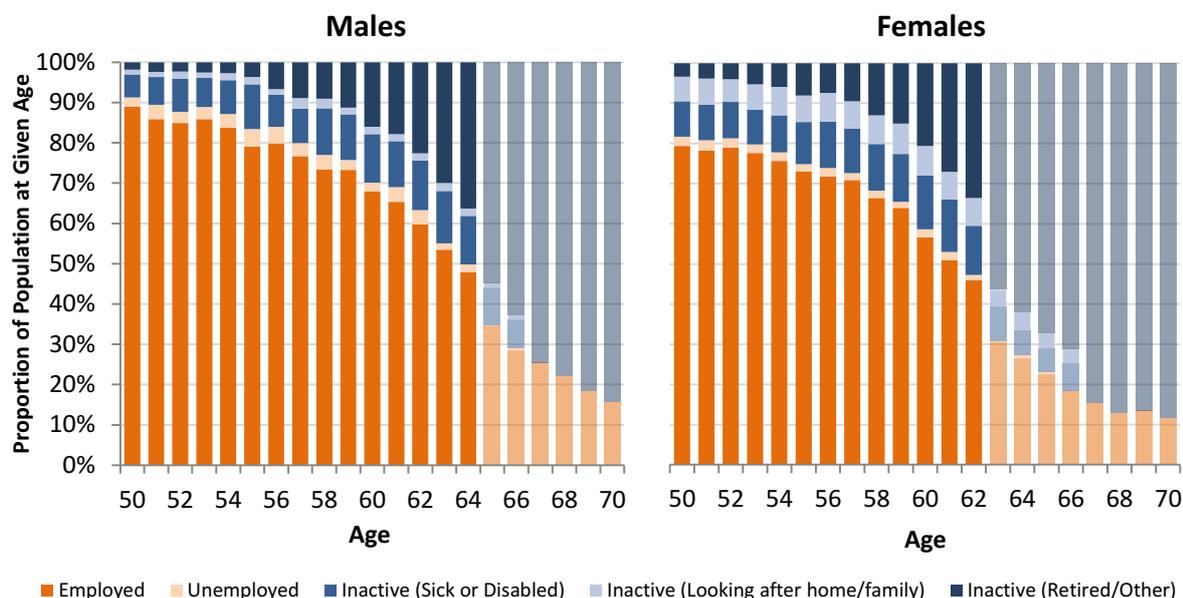
- In 2010, one in four of the working age population were aged 50 years and over; this will increase to one in three by 2022, driven by changes in demographics and State Pension age.^v
- The average age of leaving the labour market has increased over the past two decades, but it is still lower than it was in 1950 and is not keeping pace with the increases in life expectancy.^{vi}
- As people approach State Pension age, the level of employment falls and economic inactivity rises as they leave the labour market 'early'.
- There are almost one million individuals aged 50-64 who are not in employment but state they are willing to or would like to work.^{vii}
- For most people, being in good, appropriate and paid work can be good for both your physical and mental health.^{viii}

It is good news that people in the UK are living longer and the proportion of older workers in the labour force is increasing. However, as the population and the workforce continue to age, to avoid a loss of labour, employers will need to increasingly draw on the skills of older workers. Employers will need to retain the valuable skills of older workers; retrain them if they want to support workers to stay in the labour market and recruit them to maintain labour supply and gain the benefits of a multi-generational workforce.

There is a significant group of people aged 50 years and over who 'voluntarily' leave the labour market, either because they want to or have planned a financially stable retirement. There is another group of the population who leave the labour market 'involuntarily', typically due to ill-health, caring or redundancy reasons; some of whom could have been supported to remain in some form of work. Financial incentives or disincentives to carry on in work also help to explain patterns of retirement decisions; older workers tend to be more responsive to financial incentives when considering whether or not to work.^{ix}

As people approach State Pension age, the level of employment falls and economic inactivity rises as people exit the labour market 'early'. (See Chart 1.)

Chart 1: Main economic activity by single year of age (men and women).^x



Source: APS July 2015 - June 2016.

An ageing population provides challenges but also opportunities for individuals, employers and the economy. The increase in the proportion of the population aged 50 years and over highlights the important role that older workers play in the current and future labour market and the growing need to enable older workers to remain in and to return to the workforce.

Enabling those older workers who can work, to stay in work, is critical if we are to achieve Government’s aim of full employment; increase economic growth and ensure pension sustainability for the future. The dependency ratio is projected to increase as there are fewer people of working age to support a larger population over State Pension age. Without action, there are likely to be significant challenges in financing state pension provision in the future. Working longer is also a significant factor in the financial, health and social wellbeing of individuals.

Despite common misconceptions, there is no evidence that increased employment of older people is at the expense of job opportunities or wage rates of younger people.^{xi} Increasing overall employment can further economic growth, which in turn means more job opportunities for everyone, including young people.

With an ageing population, a mixed-age workforce is increasingly likely and can be beneficial for employers. The Chartered Institute of Personnel and Development (CIPD) published a report in 2015 on managing a diverse workforce. Knowledge sharing, enhanced customer service and greater innovation were seen as the key benefits of age-diverse teams. Employees themselves identified many benefits of working with

colleagues of different ages, including having different perspectives, knowledge sharing, new ideas and improved problem-solving.^{xii}

Employers have also highlighted the benefits of older workers in DWP polling (2015).^{xiii}

- Over three quarters of employers believed the experience of workers over 50 was the main benefit of having them in their organisation.
- 65 per cent highlighted the reliability of older workers.
- Nearly a third said workers over 50 were easier to manage than younger workers (54 per cent said they were equally easy to manage).
- 54 per cent value the role older workers play as mentors.
- One in five said older workers were more productive.
- 87 per cent of employers rejected the idea that the skills of older workers are unsuitable for their business.

However, recent DWP qualitative research with employers has highlighted the scale of the existing challenge. This research looked at the employer experiences of recruiting, retaining and retraining older workers.^{xiv}

While employers stated that they valued a mixed-age workforce and were aware in general of an ageing population, very few were taking active steps to change their policies and practices.

The key findings were that:

- An ageing workforce is not yet a prominent concern for most employers.
- Fear of contravening equal opportunities legislation acts as a brake to employers collecting information on age.
- Line managers may not always have the skills required to ensure older workers feel comfortable discussing issues with them relating to ageing.
- Flexible approaches to work arrangements are much more likely to be made for long-standing employees than for new entrants.
- Employers are less likely to offer flexibility to workers in physically demanding roles (which tend to be lower paid) and this may be contributing to a tendency for lower paid workers to leave the workforce earlier.
- Employers value older workers, but the qualities/benefits older workers are praised for can be hard to demonstrate in a job interview.

We will set out later in this document the action Government has already been taking to alert employers to the demographic challenge. We also need to help older workers recognise the opportunities offered by Fuller Working Lives – in terms of higher lifetime income, better pension income and often improved wellbeing.

Working in partnership

Government recognises that employers play a fundamental role in enabling workers to both stay in and return to work. Many employers are working innovatively to embrace the ageing workforce and the challenges and benefits that brings. The Fuller Working Lives Business Strategy Group was set up to drive change among employers and make recommendations to business on how to harness the benefits of a multi-generational workforce. Hosted by the DWP, the group attracted more than 50 members from some of the UK's most influential companies and organisations; all of whom committed to review their own policies and practices in relation to people aged 50 and over; and to talk to other employers about the benefits and challenges of employing older workers.

They looked at how the retention, retraining and recruitment of older workers could be improved. Common themes emerged including the requirement for:

- A strong business case for employing older workers within each organisation and sector to show the economic need and impact.
- Improving line management training and awareness to understand and address the challenges being faced.
- An online portal providing information for both employers and individuals in relation to all issues affecting older workers; including health conditions, decisions about retirement and finances, skills and training.

Examples of the type of considerations that were examined are set out below under the three headings of Retain, Retrain and Recruit – the information is not exhaustive, but provides a flavour of the areas of focus and the recommendations made for other employers.

Retain

Benefits of retention

- Even people aged 55 years and over could work for a further 20 years or more if they are supported to remain in the labour force.
- Work should be appropriate for individuals' circumstances e.g. those with health conditions or caring responsibilities.^{xv}
- Research by CIPD shows the average cost of filling a vacancy per employee is over £4,000, increasing to £7,750 when organisations include the associated labour turnover costs.^{xvi} Therefore, the cost of recruiting new employees versus retaining existing employees can be higher for employers.

The Business Strategy Group identified three areas to focus on:

1. Developing the business case for older workers.
2. Improving manager education.
3. Providing support for older workers with caring responsibilities.

They recommended that businesses:

- Encourage flexible/agile/dynamic working for carers,^{xvii} together with practical support, in order to help them to balance their work and caring responsibilities, and align to a focus on productivity rather than actual working hours.
- Review employee benefits to ensure that they are flexible enough to work for people at different stages in their lives.
- Engage older workers through listening forums and diversity network groups.
- Analyse employee skills and provide re-skilling advice.
- Actively transfer knowledge between generations and encourage mentoring (reverse mentoring).
- Encourage employees to think about multiple part time roles and changes to their careers.
- Provide good retirement transition preparation for employees.
- Support financial planning and education.
- Enhance the profile of volunteering, utilising industry skills for the benefit of the voluntary sector.
- Develop partnership models with local colleges – working closely in partnership with industry where there are options for highly skilled members of the workforce looking to re-skill or reshape the end of their careers to move into further education.

Retain: managing health conditions in an ageing workforce

'Health' is one of the main reasons for leaving the labour market early.^{xviii} Employers believe that more research into the impact that the most prevalent health conditions have, in terms of the kind of work people can do, and how long they can work for, would help employers better adapt working practices. Tracking sickness absence by age to determine what health conditions are affecting their own workforce, would enable effective preventative programmes to be implemented.

Britain's Healthiest Workplace survey^{xix} found that poor employee health costs the UK just under eight per cent of payroll or £58 billion per annum. The majority of employers' spend on health is reactive, related to employees who are either ill or long-term disabled. The study showed that investment in disease prevention, or proactive healthcare spend on currently healthy employees, or employees who are living with health risk factors is much lower, usually below five per cent of the overall spend on healthcare.

Employers believe that monitoring can work. CANTAB Corporate Health illustrates this point to its customers by showing them how the number of deaths due to coronary heart disease, over the past 60 years, began to decline around 1980 with the widespread introduction of blood pressure monitoring.

Progressive employers would offer employees the means to self-monitor and track their health across the most common health conditions, as well as providing preventative wellbeing or health initiatives for older workers. For example, NHS England, through its Healthy Workforce Programme is providing healthy food options, NHS Health Checks and voluntary initiatives such as Weight Watchers to NHS employees.

Case study – The healthiest workforce

Already an industry leader in health and wellness, Johnson and Johnson is also on a mission to have the healthiest workforce, with a policy and benefit structure designed to provide maximum flexibility to support their employees as they pass through different life stages.

Prevention of health conditions is key to their approach and over 650 employees have access to a full health check every two years. Creating a healthy working environment, educating employees on health and wellbeing and monitoring their progress also play an important role.

Employees are able to participate in a wide range of health programmes, including sport, massage and health and wellbeing advice, flu vaccinations, cholesterol testing, and weight watchers classes, as well as flexible working options.

Retain: Roadmap to Retention

The Business Strategy Group developed a Roadmap to Retention guide which features “10 Rs”. The guide emphasises the need for employers to develop an understanding of the age of their workforce so they can identify and accommodate older workers’ needs. The roadmap can be found in [Annex 1](#) of this document.

Case study - making staff feel valued

Jaguar Land Rover use a range of innovative ways to support their older workers including:

A staff incentive - a small annual allowance to support staff to pursue a meaningful activity - this can be used flexibly to support work-life balance.

Piloting a Retirement Transitions initiative, a workshop designed to help people prepare for later life, including financial planning, lifelong learning, wellbeing and health and fitness.

An independent evaluation of the pilot, commissioned to measure its impact, found that as a result of having completed the initiative, 63 per cent of participants have started planning their finances and 36 per cent have reconsidered when they will retire.

Retain: the importance of supporting carers

Key facts on carers

- The likelihood of being a carer increases significantly with age. Currently, three in five adult carers are aged 50 years and over, with the peak age for caring 50-54, this is particularly the case for women.^{xx}
- Caring for 10 plus hours a week can have a substantial effect on employment, and therefore pension contributions: 56 per cent of males and females aged 50-64 years who spend over 10 hours per week providing informal care are in employment compared with 74 per cent and 64 per cent respectively with no caring responsibility.^{xxi}

A loss of carers from employment has an impact on individual businesses: losing valuable skills and experience, particularly where employers have invested in training, and generating increased recruitment costs.

There is a growing use of family crisis leave and gap breaks by employers to help carers balance their caring responsibilities with work. Supporting carers to stay in work is becoming a major challenge for employers, both in the UK and globally.

Informal care is an important and valued contribution to society and will continue to be; with an ageing society, longer working lives, and more fluid and dispersed families, it is

likely that many of us will find ourselves caring for someone at some point in our working lives.

Case study - Chelsea and Westminster Hospital NHS Foundation Trust

Chelsea and Westminster NHS Trust takes a proactive approach towards carers. The main objective is to create a culture where carers are supported, and caring responsibilities are understood by colleagues and managers.

Work has been done with managers across the organisation to build a culture where carers' needs are treated as well as those of working parents. The Trust has become a member of Employers for Carers, which has given staff access to a range of online support and information.

As well as providing up to five days paid emergency time off to care for dependants, the Trust has a well-established flexible working policy. The Trust has evidence that this work has paid off: in their most recent local staff survey, 68 per cent of staff agreed that the Trust helped them to achieve a good work life balance and 81 per cent would recommend their department as a good place to work.

Retain: financial awareness through work

Employers agree that generating an increased awareness of how people's circumstances and needs evolve over different life stages is important if they are to help employees make prudent decisions around significant life events, and facilitate consideration of their short, medium and long-term financial security.

The Business Strategy Group identified a number of important areas to consider:

- Affordability of retirement due to increasing longevity potential (increasing aged care costs) and sustaining State Pension income through a longer retirement.
- Making money last - improving income adequacy and sustainability.
- Behavioural finance - research factors influencing individual financial decision making. What can we learn and how can we provide personalised information, which has been shown to improve decision making?
- Improving financial communications - revising vocabulary to address trust issues and consider running retrospective focus groups to leverage 'if only' learning.

Case study – influencing positive behaviour around finances

HR consultants Mercer worked with the Stanford Longevity Center to examine what can influence positive behaviour change towards better financial wellness and has seen significant success through using 'ageing software' in pensions communications.

Employees who were given the opportunity to use software which aged them photographically through to retirement were likely to save up to 30 per cent more in their pension plans than employees who did not see a picture of their older selves. The effect is attributed to emotional engagement with their older self. Emotional engagement is more likely to result in positive action than simple rational engagement (for example, financial projections). Applying behavioural science to improve retirement savings patterns is becoming more common.

Employers developed an early prototype of what an interactive tool to support people to make decisions at key points in their life might look like. They believe nudging people at the right time will help more people plan more adequately for retirement. We are considering how we can develop this further.

Case study - workplace innovation research

“Focusing on workplace innovation practices leads to healthier, empowering and more rewarding jobs, encouraging those aged 50 plus to stay engaged with work and delay retirement.”

A three year study led by Nottingham Trent University with Workplace Innovation Limited looked at preventing the loss of vital knowledge, skills and experience of ageing workforces.^{xxii}

Researchers found that interventions which seek to improve job design and the way in which work is organised can lead to better engagement and retention of older workers, as well as producing wider benefits for the business and its employees.

The project investigated work related predictors of retirement for the over 50s, finding that more control over roles and job demands were key factors in delaying a decision to retire.

The researchers worked with two large public sector employers to develop pilot interventions aimed at addressing these challenges, resulting in improvements across workplace practices, job demands, occupational outlook and retirement intentions of older workers.

Retrain

Addressing the skills gap

- Employees aged 50-64 years are less likely to participate in training than employees aged 18-49 years old.^{xxiii}
- The levels of training are generally higher in large organisations, but older workers are disproportionately found in small and medium employers (SMEs), where training levels are notably lower.^{xxiv}
- Training for older workers tends to be more narrowly focussed towards the employees' current role rather than wider development.^{xxv}

Retrain: the benefits of training older workers

Older workers can often be overlooked when it comes to new training opportunities. Someone in their early 50s, however, can potentially stay with their employer for 15-20 years or longer. There is a clear case for investing in their future and, in so doing, that of the business.

Some employers are already recognising the importance of retraining, with Barclays and Whitbread among those running apprenticeship schemes for older people and other employers have schemes in development.

Placing apprenticeship funding in the hands of employers through the introduction of a UK-wide Apprenticeship Levy in April 2017. This will be a levy on UK employers to fund new apprenticeships, and will enable employers to be more demanding customers, shaping the training on offer to meet both their skills needs and those of the ageing workforce.^{xxvi}

Case study - an apprenticeship transformed my life

Apprenticeships are often associated with young people but thanks to schemes such as Barclays' new Bolder Apprenticeships scheme, older people now have the chance to retrain and learn new skills, no matter their age.

Lucille Galloway, with many years of work under her belt as a student adviser, a nanny and a care worker, had never considered retraining, especially not in retail banking. She joined Barclays on the firm's Bolder Apprenticeship scheme aged 51. After being out of work for two years she is now a Community Banker at Barclays in Ealing Broadway, London. Lucille said: "Taking on an apprenticeship role has been an amazing experience. It has given me a new lease of life and has opened my eyes to the possibilities of what is out there. This experience has literally been life changing and I don't say that lightly."

Retrain: engaging with Local Enterprise Partnerships

DWP is working with a number of employers and Local Enterprise Partnerships (LEPs) who have recognised the importance of the ageing demographic to productivity and growth. For example, Enterprise M3 and Coast to Capital LEPs have launched an apprenticeship scheme for older apprentices in Surrey which aims to help older claimants into work.

In 2014-2015, only a minority of LEPs had identified older workers as an important group within the workforce. Now almost all LEPs recognise that older workers are crucial to filling skills gaps and are planning projects to support older workers.

Elsewhere across the LEP Network, members have been running conferences and setting up skills pledges for local employers, all featuring older workers which DWP is supporting. London LEP is specifically commissioning initiatives to provide bespoke support for unemployed or inactive people aged 50 years and over, to aid job retention or help them return to work.

Retrain: what employers are doing

Employers are using a range of other measures to retrain older workers. Construction firm Carillion has introduced a range of learning styles and methods to up-skill and retrain both older and younger workers in specialist trade craft skills. Working across the generations like this is recognised as an effective way to engage and retrain the workforce. A number of employers run inter-generational schemes to allow employees of different ages to share their knowledge and experience.

Other measures also relevant to the retraining of older workers include:

- Ensuring older workers are offered/included in training and development courses.
- Including training/retraining questions in staff satisfaction and engagement surveys.
- Including retraining aspirations and needs in workplace career reviews.
- Introducing volunteering activities.
- Auditing training programmes to check training spend is evenly distributed across age groups.

From the Employers for Carers forum, Centrica has recently run a pilot returner initiative with Mars and Vodafone, which recognises the often overlooked talent pool of those - mainly women - who have taken career breaks for caring reasons and want to get back to work.

The organisations involved are now considering what a wider roll-out may look like. Credit Suisse has also recently introduced a 12-week return to work programme, called Real Returns, aimed at professionals restarting their careers after a long break,

typically taken for childcare reasons, but also including those with wider caring responsibilities. While not specifically aimed at older workers, it is designed ‘to re-engage talented professionals and help facilitate their transition back into the workforce’. As a model it has potential for wider application and roll-out.

Case study – alumni programme

ANZ Bank offers an alumni programme to give retired employees and those taking a break from work the option of re-entering the workforce and has reported a decrease in turnover rates for over 55s as well as an increase in the average retirement age.

Some larger employers have also established ‘alumni’ networks to keep in touch with staff who have retired, but who may have skills and experience which can be useful to the business in the future. Members of such networks may be used, for example, as mentors, to train specific groups of workers or sometimes to fill in for absent staff at short notice.

Mid-Life Career Review

The then Department for Business Innovation and Skills funded the Learning & Work Institutes (L&WI) pilot on Mid-Life Career Review to explore the demand for a career review among employed and unemployed adults aged 45-65, and investigate the costs and benefits of such a service. One of its aims was to aid retention by exploring options that would result in a fuller working life. During the pilot, nearly 3,000 people aged 45-64 benefitted from the reviews which covered employment, training, financial planning and health issues.

The findings revealed that a career review costing just £100 could help people over 45 become confident enough to find a job, change career or take up learning. More than eight in ten people felt their self-confidence and belief in their skills and experience were boosted.

A range of partners and stakeholders continue to deliver this support and utilise the tools and best practice published on the L&WI website.^{xxvii}

Recruit

Recruit: avoiding age discrimination

One of the most significant barriers to the recruitment of older workers is age discrimination, whether conscious or unconscious. Evidence from the Fuller Working Lives Business Strategy Group shows that, on average, recruiters are more likely to take on someone closer to their own age, which can mean some sectors overlook the skills and experience that older workers can bring.

The Business Strategy Group also identified areas of best practice for businesses and organisations at both a strategic and practical level. This included monitoring the workforce by age at all stages of the recruitment process to ensure that the process is fair and not influenced by age discrimination. The Group's report was shared with members of the Employers Network for Equality and Inclusion (enei) and included a number of recommendations for employers including:

- Recruitment policies - consider the implementation of “age blind” recruitment policies, focusing on a competency based or a strength-based approach. (For example the Recruitment and Employment Confederation (REC) has produced a guide on older workers for its members, who also abide by a code of conduct, and enei have produced a guide on inclusive recruitment which is available on their website).^{xxviii}
- Recruitment agencies - ensure that recruitment intermediaries such as employment agencies are fully aware of an organisation's requirement not to discriminate on the grounds of age, and that they are held to account in order to demonstrate compliance.^{xxix} Consider, where appropriate, the use of agencies specialising in older workers.
- Line manager training - ensure line managers receive adequate training to improve awareness of issues affecting older workers' employment, so that they can provide effective support.
- Unconscious bias - consider training in unconscious bias, which incorporates an age bias element, for those involved in recruitment and selection.
- Recognise older workers experience. Qualifications are regularly used when sifting applications during the recruitment process. This can often mean that older applicants, whilst they may have a lifetime of experience, could face a challenge in being shortlisted, regardless of their potential.
- Remove age limits - ensure that apprenticeships, job advertisements and other routes into employment are offered without age limits.^{xxx}
- Succession planning - ensure that this is conducted without an automatic assumption that the incumbent of a post will be succeeded by a younger person.
- Positive action – consider offering support to older job applicants in order to improve their prospects of successful job search and selection, e.g. career counselling, CV writing, digital skills support for online applications, etc.

Surveying their members about their policies and practices on age monitoring,^{xxxii} enei found that a majority of members surveyed had produced an age profile of their employees, with half making that profile public. However, when asked which of the protected characteristics their organisation set targets for, only a minority said age, compared with a majority on race and gender.

According to the Mercer Age Friendly Research report,^{xxxiii} 87 per cent of employers have not checked whether their people managers are hiring workers older than themselves.

Evidence from the Business Strategy Group suggests that this is common in recruitment practices, and may mean employers are missing out on experienced hires. Employers thought this was easy to fix by measuring recruitment outcomes in closer detail, and ensuring inclusive practices are in place. The same study shows that 92 per cent of recruitment agencies have never run an analysis to determine if a client is discriminating on the basis of age. In addition, more than half of companies that responded to the survey have never considered hiring a retiree, which is an approach that has become quite the norm in Japan, where they have been facing the same demographic challenges as the UK over many years.

Business Strategy Group members recommended that employers use recruitment firms dedicated to older workers in addition to their usual organisations and share stories that firstly highlight role models to attract both older employees into applying for posts and secondly to make sure other employers see the benefits of retaining and recruiting older workers.

By developing and promoting an employee offer that is attractive to existing staff and potential new recruits, including flexible working arrangements and carer breaks/leave, employers will be able to attract a wider pool of suitable candidates.

Recruit: using social media

Social media is now an essential tool for employers to both promote their business and attract recruits. Employers are starting to make greater use of social media platforms to attract older workers back to work. Carillion, for example, recognised that some semi-retired, skilled workers use LinkedIn, partly for social reasons rather than to proactively seek work. However, they used this as an opportunity to recruit where there is a skills shortage or a relevant project running.

Recruit: moving forward

BiTC, the Prince of Wales's responsible business network, aims to prevent early exit from the labour market, support working in later life and develop inter-generational workplaces.

BiTC's Age at Work campaign is committed to ensuring that age does not limit an employee's engagement and success at work. The charity helps employers understand the challenges of managing an ageing workforce, supporting them through the development of best practice, tools and research.

To develop and expand the work already started by employers, Government has appointed the BiTC Age at Work leadership team - led by Andy Briggs, CEO of Aviva UK Life and Chairman of Global Life - as Business Champion for Older Workers.

Andy Briggs and the team will spearhead Government's work to support employers to hire and retrain older workers. The Business Champion will actively promote the benefits of older workers to employers across England, influencing them both strategically and in terms of practical advice.

Employer section action summary

- Working in partnership.
- Recommendations for employers by employers.
- Encouraging flexible working.
- Managing health conditions in an ageing workforce.
- Supporting carers.
- Promoting financial awareness.
- Recognising the benefits of training older workers.
- Engaging with LEPs.
- Avoiding age discrimination.
- Using social media.
- Moving forward.

The case for action by individuals

Individuals' attitudes to retirement

Attitudes to retirement are beginning to change:

Recent DWP polling showed that only 15 per cent of respondents not currently retired and under 60 years old would like to stop work altogether and retire between the ages of 60 and 65. 74 per cent would like to still be in work (either full time or part time). 40 per cent of those not currently retired and under 65 years old would like to be retired between the ages of 65 and 70, while 48 per cent would like to still be in work either full time or part time.^{xxxiii}

Currently or recently employed adults surveyed in the British Social Attitude Survey (2016) said that if their employer offered the following options, it could keep them in work^{xxxiv}:

- Flexible hours (47 per cent).
- Part-time working (46 per cent).
- Taking on a less demanding role (30 per cent).

Alongside this, pension knowledge has increased. More people report a good or reasonable knowledge of pension issues in 2015 compared with 2011 (33 per cent in 2011 vs 47 per cent in 2015).

Rethink

The end of people being forced to retire at a certain age, changes to flexible working policy and offering pension flexibility mean that retirement no longer needs to be the cliff edge it once was. Individuals will however be unable to plan adequately for later life unless they have all the information they need in order to reach an informed decision.

It is difficult to ascertain the benefits that older people might get from remaining in work as these will vary both according to the individual's circumstances, and the types of work and working conditions they face. In addition to providing income, work can potentially help to maintain cognitive and physical activity, a sense of identity and social support.^{xxxv} Much will depend on older people's 'outside options'; for example the opportunities they have to work elsewhere, or, in the absence of paid employment, what they would be doing instead.

Rethink: finances - now and in retirement

Working longer and taking control of when they retire can give individuals more money in later life and allow them to maintain their existing lifestyle.

DWP analysis shows that currently 12 million people below State Pension age are heading towards inadequate retirement incomes,^{xxxvi} and around a third of people who stopped work aged 50 to State Pension age between 2008 and 2010, saw their household income drop by more than half.^{xxxvii}

Over a third (37 per cent) of 55-64 year old women, and around a fifth (19 per cent) of 55-64 year old men, have no private pension savings at all. In addition, as many as 45 per cent of pensioner couples, and 71 per cent of single pensioners currently receive at least half their income from State Pensions and benefits.^{xxxviii}

Impact of work on later life income

The analysis below presents two case studies – a man and a woman – to illustrate the potential impacts of working in later life.^{xxxix} The results highlight that individuals who work longer can enjoy additional income from both earnings and a boosted private pension income. Further details on the model used can be found in the Fuller Working Lives Evidence Base 2017.^{xi}

Case Study 1.

Single man who has reached State Pension age in 2016 (aged 65) who considered retiring at 55.^{xii}

- a) **By working full time up to 65 years (State Pension age)** he might have boosted his private pension pot by around 55 per cent, equivalent to an extra £2,800 per year for the rest of his life.^{xiii} He would also have received £280,000 gross earnings income over this period.
- b) **If he worked one further year full-time beyond State Pension age** he could earn an additional £29,000 gross earnings and increase his private pension pot by an additional three per cent, equivalent to an extra £400 per year for the rest of his life. He would also benefit from not paying National Insurance on his earnings and a significant deferral rate on his state pension, which would increase his state pension income by around £700 per year for the remainder of his life.

Case Study 2.

Single woman who has reached State Pension age in 2016 (aged 63) and took a 10 year career break aged 25-35. She considered retiring at 55.

- a) **By working full time up to State Pension age**, she might have boosted her private pension pot by around 50 per cent, equivalent to an extra £1,300 per year additional income for the rest of her life.^{xliii} She would also have received

£180,000 gross earnings income over this period.

- b) **If she worked one year beyond State Pension age** she could earn an additional £22,000 gross earnings and increase her private pension pot by an additional three per cent, equivalent to an extra £200 per year for the rest of her life. She would also benefit from not paying National Insurance on earnings and the deferral rate on her state pension would increase her state pension income by around £500 per year for the remainder of her life.

Rethink: making work pay

Universal Credit is revolutionising the welfare system by making work pay. A smooth taper means that there are none of the cliff edges of the old system. As people's earnings increase, their Universal Credit payments will reduce at a steady rate, so they can be sure that they will always be better off working and earning more.

For the first time, we are not only helping people into work, but we are also helping people while they are at work, providing them with personalised support which allows a Jobcentre Plus work coach to remain in touch with them, offering support to help them increase hours worked, earn more and progress.

Rethink: saving for a secure future

Individuals need to consider their retirement options as early as possible, in order to provide a solid foundation upon which they can build for a secure retirement.

The previous State Pension system was very complex, which made it difficult for people to plan and save for their future. The new State Pension gives people much greater clarity over what they will receive when they retire.

Free impartial financial guidance is currently provided by three Government-sponsored services – Pension Wise, The Money Advice Service and The Pensions Advisory Service. As the overlapping remit of these guidance services has led to confusion for the public, the Government is committed to restructuring and improving this service.

Rethink: new pension flexibilities

New flexibilities around private pensions, for example the ability for partial draw-down, offer new opportunities for individuals to plan and phase their retirement.

It is also possible to delay claiming the new State Pension and the deferral rules have been simplified.^{xiv} The deferral rate is one per cent for every nine weeks someone delays claiming their new State Pension (this is just under 5.8 per cent for a full year). For example, if their new State Pension is £139.40 a week and they delay claiming it for one year they would get £8.05 a week of 'Extra State Pension' paid on top. National Insurance is no longer payable on earnings after State Pension age^{xiv} which can be a good way to boost income.

Rethink: automatic enrolment into a workplace pension scheme

Government is reforming the private pension system as part of its efforts to encourage a culture of saving. Automatic enrolment will give around 11 million eligible people (of which 21 per cent are aged between 50 and State Pension age), the opportunity to save into a workplace pension, and we expect this to lead to around 10 million people newly saving, or saving more, by 2018, generating around £17 billion a year more in workplace pension saving by 2019/20.^{xlvi} To date over 7.1 million eligible workers have enrolled and more than 370,000 employers declaring their compliance^{xlvii}, reversing the decline in private pension saving seen over the previous decade. On 12 December the Minister for Pensions announced a review of automatic enrolment will take place in 2017. The main focus of the review is to build on the success of the programme to date, and ensure that automatic enrolment continues to work for individuals and employers alike.

It is important to be aware that while it is better to start saving early, unless someone's retirement is a few months away, there is still time to build up savings. Even if someone only makes the minimum contributions each month, most people can expect to get back more in retirement than they put in their pension due to employer contributions and, in most cases, tax relief.^{xlviii}

Rethink: saving for the future - lifetime ISA

To further build a culture of saving, this Government has created a new Lifetime ISA which will support young people to save flexibly for the long-term. From April 2017, adults aged between 18–40 years old will be able to open a Lifetime ISA and will be able to contribute up to £4,000 a year until they are 50, and receive a 25 per cent bonus from the Government on their contributions. Savers will be able access all their funds without a charge (including the bonus) in order to buy a first home worth up to £450,000, if terminally ill, or from age 60.

The Lifetime ISA is designed to complement the pension system, and could be of particular benefit to the self-employed who do not receive employer pension contributions.

Rethink: health

Although the evidence is mixed for interactions between health and work for older workers specifically, research indicates that appropriate paid work is linked with good health, and worklessness with ill health.^{xlix} Maintaining good health throughout the life course is key to people being able to, and wanting to, stay in work for longer; yet, life course health is shaped by a combination of environmental, social and individual circumstances.¹

Optimising and promoting good health throughout the life course seems key to policies aimed at extending working lives.

Although ill health may affect some people's capacity to work longer, ill health alone is a barrier to work for only a minority of workers.^{li,lii} Therefore, ensuring that there is appropriate work available for individuals with health conditions and disabilities is crucial in enabling them to remain in, or return to work. Employers play a significant role in supporting individuals, regardless of their age. A healthy workforce can benefit both employees and employers.^{liii}

There is broad consensus that for sick and disabled people, remaining or returning to work helps promote recovery and rehabilitation, and minimises the adverse physical, mental and social effects of long-term sickness absence. In addition to providing income, work can potentially help to maintain cognitive and physical activity, as well as a sense of identity and social support.^{liv}

Many workers already have access to health and wellbeing policies through their employer. Employees in good health can be up to three times more productive than those in poor health, more likely to be engaged in business priorities, experience fewer motivational problems and more resilient to change.^{lv}

We need to do more to ensure that people who are claiming Employment and Support Allowance (ESA) are aware that if they wish, they can undertake limited amounts of part time work and continue to receive their benefit without any reduction. This can encourage people to move gradually towards the world of work without the fear of losing their benefit and affirms Government's commitment not to write anyone off.

Rethink: ways of working

It is never too early to start planning for the future. With the potential to work for a further 20 years at the age of 55 years old, there is the ability, with support, to change the way you work or move into a new career or role.

Different ways of working - evidence

- The labour market for older age groups is dynamic, with older people moving into new jobs.^{lvi}
- Reductions in hours or movements into self-employment are strongly associated with job transitions for individuals aged 50 years and over.^{lvii}
- There has also been a change in ways of working across the whole UK labour market, with increases in self-employment and flexible working, both of which are relevant to older workers.^{lviii}
- Evidence has suggested that there is high demand for more flexible work among older employees, which may help employees better manage the demands of work as they age.^{lix}

Case study - returning to work as a nurse provided me with a sense of fulfilment

Vasantha, 63, retired from her job as a lecturer in nursing because the hours of work had become too long and stressful and a redundancy package was offered by her employer.

After being retired for two years, she felt “lost and bored” and activities that she enjoyed such as golf “weren’t enough”. Having worked as a coronary care nurse earlier in her career, she decided to retrain as a dermatology nurse. This provided her with the challenge of learning something new and found that “using my skills and knowledge to help patients was more fulfilling for me”.

She intends to remain in work for as long as she is fit and healthy to do so, and wants employers to support older workers more; for example, to “allow flexible working arrangements”, “support staff who have health needs” and “treat them with respect, valuing their experience and skills”.

Rethink: working more flexibly

Flexible working, such as part-time work, flexible hours and working from home can be a good bridge into retirement and suits a lot of people in very different circumstances: for example, those with caring responsibilities or health issues, those with a desire to take up new hobbies, volunteer or learn something new, as well as those with a desire to spend more time with a partner, family or friends. In June 2014, the right to request flexible working was extended to all employees with 26 weeks continuous service with their current employer.^{ix}

Rethink: consider phased or partial retirement

Phased or partial retirement could be a useful part of the transition to later life for some people. Gradually reducing hours, or combining a part-time job with a partial pension, avoids the cliff-edge between working and retirement.

Rethink: keep in touch with the labour market

Most carers of working age wish to stay in touch with the jobs market, not just for their financial wellbeing, but also to enhance their own lives and the lives of those they care for.

Universal Credit will provide more flexible support for carers, because their claims can remain open, even when they move into work. Unlike the old system, carers in Universal Credit can work as many hours as they want and take on short contracts, helping them to maintain their links with work while caring. Carers who combine caring with paid work will continue to receive the additional carer element as part of their overall award for as long as they provide care for at least 35 hours per week for a severely disabled person.

Refresh

Refresh: improve skills or retrain for a new career

Keeping skills updated is increasingly important in a technological world and can be a safeguard against future unemployment. Retraining and developing skills for a new career are becoming an increasingly realistic and desirable option for older people. Advanced Learner Loans have supported adults seeking to attain new skills and qualifications since 2013/14.

Professional and Career Development Loans (PCDL) also continue to be a source of funding, enabling those aged 18+ to undertake training that will enhance their career prospects. To date PCDLs have supported around 300,000 adults of all ages to participate at all levels, from intermediate level training all the way up to level eight.

Apprenticeships are also a good opportunity to gain the skills and experience necessary to succeed in a new field or up-skill in the current workplace.

We know that older people can and do access apprenticeships. In 2015/16 over 57,700 (11.3 per cent) of those starting an apprenticeship were aged 45-59 and 3,500 were 60 years and over (just under one per cent).^{lxi}

The employer-led apprenticeship standards are putting employers in the driving seat of apprenticeship reforms and the introduction of the Apprenticeship Levy in April 2017 will put control of funding into the hands of employers. It will also encourage employers to invest in their apprentices and set up more apprenticeship opportunities, including ones that are attractive for older people.

To help adults who want or need to up-skill and move easily around the labour market throughout their career, the Government announced in the 2016 Budget, a review into gaps in lifetime learning to promote flexible learning. In the Industrial Strategy Green Paper, 'Building an Industrial Strategy', published in January 2017, the Government set out how it will build on this review by testing ambitious new approaches to encourage lifelong learning, which could include direct outreach with busy people, particularly where industries are changing or in decline. We will trial the use of 'contact moments' people have with the Government to promote opportunities to retrain, and we will consider the role of community learning centres as part of this. Additionally, we will explore how to bring together information on training opportunities, costs, Government support, and likely employment benefits, in order to increase take up of skills training.

Reinvent

Reinvent: start something new

It is never too late to learn a new skill or begin a new career. Self-employment will suit some older people, providing flexibility and making use of experience and skills gained from working for an employer.

Some may have transferred to self-employment because of a range of circumstances including, for example, inflexible or unsuitable working environments, or for health, family or caring reasons. Evidence from Carers UK's State of Caring survey, for example, shows a slightly higher than average rate of self-employment amongst carers.

There are also significant potential benefits for start-ups by the over 50s which could capitalise on the business opportunities arising from demographic change and older population, if given the right support.^{lxii} Older entrepreneurs also tend to be more successful in terms of start-up survival rates: 70 per cent of start-ups founded by older workers were found to last longer than three years, in contrast to only 28 per cent of those created by younger entrepreneurs.^{lxiii}

There is a wide range of independent support and advice^{lxiv} available for someone considering self-employment, and for those in receipt of certain benefits, Government's New Enterprise Allowance^{lxv} can provide money, support, and mentorship to help business startups.

Case study - New Enterprise Allowance

"Following a long term of unemployment (three years) I have been able with the help of my business mentor to restructure and create a self-employment portfolio utilising my unique skills set in a new and innovative way.

New Enterprise Allowance has allowed me to have the extra time and support and finance that is necessary when setting up and using a new business.

My consultancy is providing funding and management advice to clients, supporting bid writing, business systems, marketing and PR, sales and market research.

I have five clients to start working for as I move forward and will be networking across the south coast and the Isle of Wight to build on these contacts."

Bob, Business Consultant

Reinvent: grandparent childcare

In the UK, grandparents provide childcare to 42 per cent of families with children over nine months old. For families in which the mother is in work or education, 71 per cent receive some level of childcare from grandparents, and 35 per cent rely on grandparents as the main providers of childcare.^{lxvi} This type of care has enabled many families to more easily reconcile work and caring responsibilities, and it plays a crucial role in enabling parents, particularly mothers, to re-enter the workplace.

Reinvent: volunteering

The Government recognises the valuable contribution that volunteering provides, as well as its role in maintaining or improving an individual's skills. Importantly, older people who volunteer develop more and better social connections, an enhanced sense of purpose and improved wellbeing. Mentoring and coaching others can be an excellent way to pass on knowledge, and allows other people the opportunity to develop their potential.

Older volunteers continue to make an important contribution to supporting publicly funded services, including in schools, hospitals and local councils, and in roles such as magistrates, first aiders and youth leaders.

Individuals Action summary

- Work is good for finances.
- Make work pay.
- Good work is good for health and wellbeing.
- The benefits of in-work support.
- Work more flexibly.
- Saving for a secure future.
- Pension flexibilities.
- Improve skills / train for a new career.
- Self-employment.
- Grandparent childcare.
- Volunteering.

Five actions Government is taking to support older workers

1. Legislation to support Fuller Working Lives, meaning that retirement no longer needs to be the cliff edge event that it once was. This includes:

- Removal of the Default Retirement Age.
- Extending the right to request flexible working to all with six months continuous service, so that people can negotiate a work pattern that suits their circumstances.
- Reform of the State Pension.
- Ensuring automatic enrolment into pension schemes up to State Pension age.
- Private pension flexibilities, offering new opportunities to phase retirement.

And moving forward:

- Reviewing the State Pension age to take account of changing demographics and increases in longevity.

2. Empowering change through others – developing an evidence based case for action:

We are continually developing our understanding and evidence base on Fuller Working Lives, by conducting internal analysis and research and by collaborating with expert academics and researchers with expertise in this area. We are publishing alongside this Strategy, our most recent evidence and research.^{lxvii}

Change can't be achieved by Government alone. Our role is to communicate the messages and evidence about Fuller Working Lives to employers, stakeholders and individuals, and to work in partnership to support the changes needed. We are also reviewing customer insight to identify the role that communications can play in influencing and supporting employers and individuals.

We have also appointed the BiTC leadership team headed by Andy Briggs, CEO of Aviva UK Life and Chairman of Global Life - as Business Champion for Older Workers - to spearhead Government's work and actively promote the benefits of older workers to employers across England – influencing them both strategically and in terms of practical advice.

Across England Government is also engaging with LEPs to make the national case on a local level, by supporting each LEP to understand what early labour market exit means for them and explaining the implications of the ageing demographic within their local labour market.

3. Supporting those who need more help:

3.1 Women

The employment rate gap between men and women aged 50 years and over is declining over time, as labour market changes have seen more women move into employment and work for longer. Compared with 1970, employment rates are lower today for men across all five-year age bands from 50-54 to 65-69. Conversely, for women there have been increases in employment rates across all of these age bands.^{lxviii} The size of the female labour force is expected to increase faster than the male labour force in the future, reflecting both the increased participation of women in the labour market and the gradually increasing State Pension age for women.

There are significant benefits to the economy in increasing women's employment. Bridging the UK gender gap in work has the potential to create an extra £150 billion on top of the 'business as usual' GDP forecasts in 2025.^{lxix}

There are, however, particular barriers that women face to remain in the workplace and Government recognises that more action is needed. Women with more children tend to take longer career breaks which can impact on their retirement income. Working longer could help mitigate some of this impact, however it is important to note that some people may have difficulty working after State Pension age.^{lxx} Moreover, as previously outlined, caring is an issue that disproportionately affects older women and their employment outcomes.

The Government Equalities Office (GEO) continues to work with the Women's Business Council to tackle outdated assumptions that some employers make about women and mothers in particular. This forms part of Government's work with business to make clear the value that women bring to the workplace and the importance of making sure that all employees are able to contribute fully to our country's economic growth.

Case Study: Timewise scheme

The Timewise women returners scheme, funded by GEO, was a pilot aimed at working with private sector companies to look at job design, particularly senior roles, for part-time working, job sharing or flexible working. The private sector companies involved included Whitbread and Linklaters, and the resulting evaluation, expected shortly, will examine best practice. As part of this project, Timewise recruited women to register on an online job search register; they now have over 1000 women signed up who are looking for returnship programmes^{lxxi} or flexible and part-time opportunities. Timewise also carried out a short survey of the women registered with the service to find out more about what women who had taken a career break were looking for in a new job.

Returnships*

Government recognises the important role Returnships can play in helping women return to work, usually after taking an extended voluntary career break. They are sometimes described as higher paid internships and last for a set period of time. They are offered by financial institutions for example by Credit Suisse, Lloyds, JP Morgan and Morgan Stanley.^{lxxii}

*the term Returnship is trademarked by Goldman Sachs

3.2 Carers

Many people with caring responsibilities can and do balance work and care, however it can have a significant impact on an individual's ability to work. We want to ensure that adult carers can be supported to remain in, and return to work.

The 2014 Care Act provides carers with the legal right for their Local Authority to provide an assessment of their support needs, and a support plan setting out how those needs will be met where eligible. The assessment must consider the impact that caring has on the individual, including their ability to maintain employment, education or training.

Led by the Department of Health, we are aiming to support carers through a new cross-Government Carers Strategy. We intend it to include measures to provide further support to carers to remain in, and re-enter, the workforce; balancing their working life with their essential caring role. There will be an important role for employers, building on the work described throughout this document to ensure that the working environment both supports and values carers.

In addition, the Department of Health and the Government Equalities Office (GEO) have provided funding for nine 'Carers in Employment' pilot projects to explore, through close working with Local Authorities, how working carers can be supported to stay in paid work alongside fulfilling their caring responsibilities. Interim findings are expected in Spring 2017 with the final evaluation report to follow later in the year.

Case study – the tailored support Jobcentre Plus can provide

Denise, 61, had been unemployed for three months following a career in the retail and contact centre industries. Her Jobcentre Plus work coach made her aware of a sector-based work academy, which provided both up-to-date training and experience of working within a contact centre and a guaranteed job interview with a world leading outsourcing company.

This offered a quick route back into employment and was actively promoted to claimants aged 45 years and over. Denise agreed to take part and successfully started a full time position with the employer as a result.

The employer's recruiting manager supported DWP's drive to encourage older jobseekers to find out more about working in an industry that is commonly seen as a "younger persons' environment". Like many employers in customer services, they want their workforce to be reflective of their customer base. "Our roles require excellent levels of customer service; we need people who like to engage with others, who rise to the challenge and provide results".

3.3 People with health conditions

As the work force ages we need to act to ensure that people with health conditions and disability have the opportunity both to secure a job and progress in work. We have published 'Improving Lives – The Work, Health and Disability Green Paper'. We want to create a country and an economy that works for everyone.

There are a number of questions that we are seeking your views on so please visit the consultation page.^{lxxiii} The consultation closes on Friday 17 February 2017.

People claiming Employment and Support Allowance (ESA) are permitted to undertake some part-time work without it impacting on their benefit, to encourage them to gradually build their employment skills and return to work. However, for those in the Work-Related Activity Group this is currently limited to 52 weeks. We will remove this limit from April 2017 to bring the Employment and Support Allowance rules more into line with Universal Credit and thus improve the incentive to work.

The Age Action Alliance has also produced sector-based guidance for employers of older workers to promote good practice. It sets out the case for age friendly policies such as flexible working practices and healthy workplaces, as well as giving employers the information they need to know about schemes that can help such as Access to Work. <http://ageactionalliance.org/employer-toolkit/>

3.4 Black and Minority Ethnic (BME) Groups

The Government is committed to building a country that works for everyone, and believes that everybody should have the opportunity to succeed at work and that no one should be held back because of the colour of their skin. There are more black and minority ethnic people in work than ever before, but the employment gap (of 10.3 percentage points)^{lxxiv} is still too high.

The DWP's focus is on: building Jobcentre Plus capability, involving a range of activity to ensure that our frontline staff are fully equipped and are able to tailor the support they provide to individuals and the provision they recommend; using the opportunities that "mainstream" policy initiatives present, to work with BME groups who previously would not experience JCP support; and working to influence the behaviour of recruiting employers and how best to encourage them to recruit a diverse workforce, one that reflects the community in which they are based.

But this is an issue that goes beyond Government; in order to achieve the lasting change required to create a truly inclusive workplace, all employers, public and private, have to start making changes to the way they work. That is why Government asked The Baroness McGregor-Smith to examine the barriers faced by ethnic minorities and consider what could be done to address them. The findings will be published in due course.

Government will therefore continue to challenge business to improve participation rates, progression and workplace experience for black and minority ethnic groups.

4. Reforming the adult skills system

A focus on training and development and active career planning is crucial to enable older workers to remain competitive in the labour market. Government is committed to transforming the skills system so that it can better support increased productivity in the country's workforce. To achieve this we are:

- Reforming apprenticeships and introducing an Apprenticeship Levy in April 2017: the apprenticeship programme is an all age programme. This Government is committed to growing the apprenticeship programme, achieving 3 million apprenticeship starts by 2020. The introduction of the Apprenticeship Levy will support this growth in starts, leading to more apprenticeship opportunities for people of all ages.
- Giving devolved areas increased local influence over the commissioning of the adult skills outcomes they need to support local economic growth.

- Extended Advanced Learner Loans from 2016/17: in extending loans to help adults from age 19 meet fees costs, we have broken down another barrier constraining entry to further training after school and college. Alongside the loan there is financial support available directly from training providers to help with associated learning costs. The loans Bursary Fund is providing essential assistance with childcare, travel, books and equipment.

In addition to these reforms, Government has been conducting a Lifetime Learning review to identify current opportunities and barriers to learning for adults throughout their working lives. In the Industrial Strategy Green Paper, 'Building an Industrial Strategy', published in January 2017, the Government set out how it will build on this review by testing ambitious new approaches to encourage lifelong learning, which could include direct outreach with busy people, particularly where industries are changing or in decline. We will also explore how to bring together information on training opportunities, costs, Government support, and likely employment benefits, in order to increase take up of skills training

Careers advice

Older workers may not be aware of the support that is available to help them to consider their career and retraining options in mid to later working life. The Department for Education funds the National Careers Service to provide careers information, advice and guidance tailored to individual needs.^{lxxv} The service can help with:

- Career planning, exploring options and making decisions about suitable careers and jobs, as well as the routes to achieve these.
- Understanding an individual's skills and abilities, including how to address any gaps in order to match the needs of the local labour market.
- Using the National Careers Service website, which provides access to online tools, including the skills health check and over 800 job profiles.

The National Careers Service is co-located in over 90 per cent of Jobcentre Plus offices, and, where a claimant's lack of skills is a barrier to them finding work, they can be referred to appropriate training that includes IT and a variety of employability skills. In Wales and Scotland DWP works with Careers Wales, and Skills Development Scotland respectively, who both provide similar services.

5. Improving the Jobcentre Plus offer for older workers

As well as an improved Jobcentre Plus offer, in April 2015 an Older Claimant Champion was introduced in all Jobcentre Plus regions to increase awareness among work coaches of the barriers faced by older claimants. The champions work to raise the profile of older claimants, highlight the benefits of employing older people and share advice and best practice nationally.

Personal claimant support

In January 2016, we introduced the work coach role in Jobcentres; this ensures that a single work coach will see a claimant throughout their time on benefit, even if they switch benefits between signing on and finding work.

Work coaches ensure that claimants are looking, and preparing, for work where they can. They help match claimants to jobs that suit their skills and help to fill skills gaps by offering training to claimants who require it. They agree work search/preparation conditions through the Claimant Commitment and support claimants in their job search.

There are a diverse range of initiatives in place across Jobcentre Plus districts to specifically help older claimants get back into work. These initiatives are targeted to improve claimants' chances of finding work by improving their skills and/or confidence.

Government action summary

- Legislation to support Fuller Working Lives.
- Empowering change through others and developing the evidence based case for action.
- Supporting those who need more help.
- Reforming the adult skills system.
- Improving the Jobcentre Plus offer for older workers.

Next Steps

Testing and learning

We will continue to trial and test new approaches to better understand 'what works' in terms of Jobcentre Plus interventions for older claimants. Between April 2015 and March 2016, DWP trialled providing central funding to help boost take-up of sector-based work academies, and work experience provision, among Jobseekers Allowance and ESA claimants aged 45 plus. The initial evaluation of these trials found some positive results for older claimants.^{lxxvi}

Most participants reported increased confidence, as well as gaining new skills and useful experience in a real workplace for CVs and job applications. The vast majority of older participants would recommend sector-based work academy or work experience to other people.

In addition to the qualitative and survey research, a separate quantitative impact assessment will be published by DWP in 2017 to quantify the longer-term impacts on employment and benefit outcomes of the trials.

Better monitoring

We will improve monitoring of older workers by Jobcentre Plus with co-operation across Government departments, LEPs and employers, tracking how many find work and how quickly, what kind of work they move into and what happens to them next. Systematic trialling of interventions will help us to identify better methods for supporting older jobseekers.

DWP will also improve Universal Jobmatch, ensuring that it is monitored more closely for adherence to the Equality Act, and introduce innovative media, for example adapt IT to enable positive messages about the benefits of employing older workers to be broadcast to employers.

Better measurement

Our Fuller Working Lives ambition is: "To support individuals aged 50 years and over to remain in and return to the labour market and tackle the barriers to doing so."

Through a combination of headline measures, Government will monitor progress on Fuller Working Lives. The measures identified below will be publicly available so that individuals, employers, stakeholders and Government can monitor change transparently.

Measures:

1. Employment rate of 50 year olds and over, by five-year age bands and gender.^{lxxvii}
2. Average age of exit from the labour market.
3. Employment rate gap between 50-64 year olds and 35-49 year olds, broken down by five-year age band and gender.

Achieving a better understanding of changes in the attitudes, behaviours, expectations and experiences of individuals and employers is integral to the achievement of the Fuller Working Lives ambition. Developing the evidence base to understand what people want, experience, and require in later life remains central to our future programme of Fuller Working Lives research and analysis.

For more detail on these headlines, please see the Fuller Working Lives Evidence Base 2017 document that accompanies this Strategy.

Taking practical action

We will continue to drive action to promote Fuller Working Lives by:

- Strengthening our engagement with employers and stakeholders, highlighting and promoting good practice, and continuing to support trials and projects.
- Creating new partnerships, building on those already existing with BiTC, and the Centre for Ageing Better; helping to develop our understanding, gathering examples of good practice across the UK and internationally.
- Working in partnership with employers to deliver regional events for stakeholders, sharing good practice and relevant research.
- Working across Government to ensure our departments become exemplars in their support for older workers. For example DWP itself is offering a range of apprenticeship schemes, open to candidates of all ages. We currently have over 400 apprentices aged over 50 working in DWP.
- Providing an ongoing programme of research and analysis, which will continually feed into the monitoring of Fuller Working Lives metrics, and development of policy.
- Continuing to review our back-to-work support offer to ensure it meets the specific needs of older claimants. This will include the publication in 2017 of an impact evaluation of back-to-work support trials for older claimants (sector-based work academy and work experience).
- Expanding our network of Older Claimant Champions into all 34 Jobcentre Plus districts.
- Noting the findings and learning lessons for future carers and employment initiatives from the publication of the Carers in Employment Pilot report.^{lxxviii}
- Examining the findings of the 'WeCare' pilot which is looking at ways to support carers in the workplace by promoting funded carers leave, introducing line manager training and on-line resource support for working carers.

- Considering a range of trials to find out what interventions are effective for older workers. Possible trials include: further support for working carers, tailored back-to-work support for carers and specialist careers advice.
- Supporting BiTC, who will host a series of employer roundtables on specific topics that support the retention, retraining and recruitment of older workers.
- Engaging with partners, such as the Organisation for Economic Co-operation and Development, Eurofound and others, to better understand the context of successful later working life policies overseas.

We will also be working with individuals in their late 50s/early 60s, who can or could access Jobcentre Plus services to better understand their experience of the service, the support our work coaches can provide and their barriers to work. We will use any learning from this to inform guidance to improve service provision.

To learn more about what helps older workers in terms of re-skilling, we will look to test ambitious new approaches on retraining and possible career changes. We intend to work with employers to help them set up and run sector-based work academies focused on local skills gaps, and make the most of the new Apprenticeship Levy to open up more training opportunities for mature candidates. Overall, we will be looking at what works, what could be improved and how we can develop best practice and share that with all employers.

We also plan to explore the implications of the increasing number of older workers taking up self-employment, the move towards a gig^{lxxix} economy, and the potential policy impact. We will also have regard to the Matthew Taylor Review, which is considering opportunities for under-represented groups as one of six key themes.

There are some areas that are not yet clear, which we will need to consider and factor in to future policy. For example, the recommendations of John Cridland, CBE, as part of Government's review of State Pension age, as well as the 'Improving Lives: the Work, Health and Disability Green Paper' and the Carers Strategy.

We want to ensure the ongoing drive and importance of the Fuller Working Lives agenda. We will provide regular updates of new Fuller Working Lives research and policies.

We welcome your comments and ideas. We are particularly keen to hear from those interested in helping us realise our ambitions for Fuller Working Lives. Please contact us at: FULLER.WORKINGLIVES@DWP.GSI.GOV.UK

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Siemens
Skipton Building Society
Sodexo UK and Ireland
Talent Smoothie
The Positive Ageing Company
Time Warner
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Walgreen Boots Alliance

Annex 1 - Roadmap to retention for employers

1. Recognise

- Understand your organisation
 - Develop an age profile for your workforce, as well as an understanding of issues such as caring responsibilities
 - Consider future projections of staff, demographic changes and resource needs
 - Plan your workforce requirements accordingly

2. Reach

- Engage the older workers in your organisation
 - Ensure staff surveys include issues relevant to older as well as younger workers
 - Include issues relevant to all ages in workplace information activities and events
 - Identify individual older workers and supportive managers to help demonstrate and champion support

3. Review and re-assess

- Understand your current retention situation and future requirements
 - Assess the reasons why older workers may be leaving before they want (or are ready) to
 - Identify those within your organisation who may be at risk of early departure (e.g. through having workplace mid-life career reviews)
 - Consider adjustments in policy and practice (including re-assessing any employment benefits that are offered) to help address this

4. Rethink

- Engage your managers to recognise and accommodate older workers' needs
 - Ensure your flexible working policies are widely communicated and understood
 - Make sure your leave policies are also flexible and relevant to older workers (for example, to cover staff with caring as well as parenting responsibilities)
 - Educate and guide line managers to adjust their mind-sets in order to think more flexibly including through the use of case studies and individual champions
 - Consider where practical flexibility could be built in to workplace policies (e.g. having access to mobile phones for those with caring responsibilities)

5. Retrain

- Retrain your staff to support retention and performance
 - Identify your organisation's priorities for retraining and up-skilling
 - Look at opportunities to use and build upon the existing skills, knowledge and resources already invested in your older workers (don't just lose them!)
 - Retrain workers across the age range including through cross-training to allow transfer of skills and knowledge between age groups

6. Re-educate

- Ensure learning and development opportunities cover staff of all ages

- Recognise that continued learning and development can build upon existing skills in older workers rather than having to start from scratch
- Include a mixture of styles and formats (e-learning and in-work training) but do NOT assume that older workers are disinterested or technologically unaware
- Support older workers to act as workplace mentors (and support inter-generational mentoring)

7. Redeploy

- Redeploy your staff where appropriate to retain skills and knowledge in your workplace
 - Assess the reasons why redeployment may be necessary on an individual basis
 - Identify what aspects of the individual's role and working arrangements will need to change in order to enable them to continue in work
 - Ensure widespread understanding of the benefits and options for redeploying/retaining older members of staff

8. Refer

- Signpost staff to relevant practical information and support
 - Cover information about caring issues (as well as support for parents) in workplace policies and information to ensure relevance to older workers
 - Incorporate health and disability issues in workplace wellbeing initiatives (including Employee Assistance Programmes) to ensure relevant as above
 - Highlight sources of information and support around financial planning/security including thinking about savings /pensions /and or planning for retirement

9. Recruit

- Recruit from a wider talent pool (either within or outside your existing workforce) to maximise your staff retention in the longer-term
 - Consider hiring (or rehiring) older workers, through initiatives such as apprenticeships for older workers as well as 'returner' and 'alumni' programmes
 - Think about redesigning specific jobs and tasks to facilitate more flexible recruitment, for example on a part-time or contracted/freelance basis
 - Potentially include this as part of a phased retirement programme incorporating mentoring support and knowledge transfer to other members of staff

10. Report

- Capture and report your results/the benefits of retaining your older workers
 - From an employer perspective, consider the benefits both internally (in terms of staff retention and performance) and externally (in terms of your organisation's wider reputation and relevance)
 - From a staff/individual perspective, think about different ways of defining and rewarding 'success' and 'progression' (this doesn't always have to be vertical, i.e. up the career ladder)
 - Communicate these outcomes and benefits both internally and externally

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