

# Older Workers in Wales



Contribution  
Involvement  
Management



**Cyngor Rheolaeth Cymru**  
**Wales Management Council**



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The Wales Management Council aims to inspire, motivate and drive change in the perception, delivery, take-up and funding of management and leadership development in Wales.

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Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

# WALES MANAGEMENT COUNCIL

*Leading Wales towards excellence in leadership and management*

## Older Workers in Wales

### Contribution, Involvement, Management

“This is one of the biggest workforce challenges facing us in Wales. We need to pool our knowledge and expertise to create a working environment that people want, and can, remain in for longer, and we need to equip them with the skills they need to do this. Meeting this challenge will depend not only on a greater flexibility in our approach to skills and employment for older people but also on our ability to dispel the many myths that exist about older workers.

We are in the process of appointing Wales' first Older People's Commissioner which is a landmark step to ensure the interests of older people are taken into account across the services devolved to the Welsh Assembly. The Commissioner will be a champion for older people and raise the profile of issues facing older people both in the workplace and in everyday life. We hope that the Commissioner will be appointed later this year and be in post as soon as possible after that.”

*Jane Hutt AM, Minister for Children, Education, Lifelong Learning and Skills*

As we get older our needs change but it is society that must adapt and provide for those needs. Older people want to contribute to society and plan an active role in Welsh life. They need to feel competent, contributing and involved in order to achieve a sense of equality and full citizenship.”

*A New Age - Time to Deliver for Older People in Wales, Age Concern Cymru, January 2007*



“People over the age of 60 in Wales account for 22.7% of the population, higher than any other part of the UK.”

*A New Age – Time to deliver for older people in Wales, Age Concern Cymru, January 2007*

“By 2011 there will only be enough young people to fill one in three of all new and replacement jobs. The other jobs will need to be filled predominantly by older people returning to work or staying in employment longer than they expected to.”

*Age Diversity, People Management, April 2005*

“By 2024, an estimated 50 per cent of the population will be over the age of 50, due to a combination of increased life expectancy and low birth rates. Despite people living longer than ever before, they are spending a smaller proportion of their lives in work than previous generations did. Unemployment for people over 50 is low but inactivity is high, and many people leave work early due to ill health. Those out of work tend to face greater barriers returning to work than people in other age groups do.”

*Welfare Reform Green Paper, Department of Work and Pensions, January 2006*

“Many people will continue working into their 60s. Indeed, around 1 million people already work beyond State Pension Age, while many choose to withdraw from the labour market earlier. But for those who want to, there remain structural, personal and cultural barriers to working longer. The culture of early retirement and discrimination against older people persists. Many people feel forced to leave work early, while others make ill-informed decisions about early retirement, with little thought for the financial consequences. We need to increase the average age of retirement by providing support for people to return to work more quickly and to stay in work for longer.”

*Welfare Reform Green Paper, Department of Work and Pensions, January 2006*

“We know that older workers have a lower rate of absenteeism and are better motivated. And we believe that this has a positive impact for businesses who can benefit from a more flexible workforce with a wider range of skills and abilities.”

*James Purnell, Minister for Pension Reform, August 2006*

“By refusing to retain and recruit older staff, who want to work, employers are accelerating the demographic time bomb the economy is resting on. Companies need to ditch tired stereotypes of fifty and sixty-somethings and develop ‘age management’ policies which capitalise on the value of experienced staff by offering retraining and flexible working, and making minor changes for people with disabilities.”

*Frances O’Grady, TUC Deputy General Secretary, August 2006*

“Future cohorts of older workers are likely to be better educated, and also healthier, than current cohorts. All this, taken in conjunction with tightening of the labour supply as a result of low fertility, is already beginning to make older workers look more attractive to employers.”

*Ageing Horizons, Oxford Institute of Ageing, Autumn 2006*

“The need to retain older workers is being driven by concerns about keeping skills and knowledge, rather than reducing costs. Eighty-five per cent of respondents report that older workers do not cost organisations more money. Ninety-three per cent of respondents agree that investing in updating the skills and knowledge of older workers is worthwhile.”

*Tackling Age Discrimination in the Workplace, Chartered Management Institute, October 2005*



# FOREWORD

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The purpose of this report, which is a collaboration between the Wales Management Council and Age Concern Cymru, is to explore the contribution, involvement, and management of older workers in Wales.

But what does “older” mean? The answer to that question goes to the heart of our attitudes to age, and to those who appear older than us, but might be much younger in spirit.

Age Concern Cymru’s work is with all people over 50, but is 50 “old”?

For some people, 50 is ten years from retirement which can’t come quickly enough.

For others, 50 is more or less a mid-point in their lives. They have been working for only 30 years, and they are looking forward to 30 more, making an even greater contribution to the economy and to society.

Many argue that as work and life changes, health improves, and we live longer, our attitudes to age change accordingly, 50 is the new 40, 60 is the new 50, and 70 is the new 60. A decade shift in our attitudes and expectations.

These considerations are central to this report, because we believe that enhancing the contribution that “older workers” make to Wales will be an important factor in our economic growth.

But in Wales among the over 50s there are high levels of economic inactivity in some areas, generally a greater interest in working voluntarily than as an employee, no evidence of a strong desire to extend working life, and contradictory statistics that cite both the relative poverty and relative wealth of this age group.

So we have issues of

- engagement
- retention
- extension
- choice
- spending power

that deserve closer examination from the point of view of the older worker, or potential worker, and of those who manage them and provide the opportunities for a long, full and productive life.

We believe Wales should be seen as one of the best places in the UK to live, and to grow old, because here you can truly realise your ambitions and achieve your life goals, celebrating greater age as a strength on which to build, not a reason to stop.

Christopher Ward  
Chief Executive  
Wales Management Council

Robert Taylor  
Director  
Age Concern Cymru

September 2007



## GROUP MEMBERS

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### **Robert Taylor, Director, Age Concern Cymru**

Age Concern Cymru is the leading all-Wales charity working with and for older people. Robert has been Director since 1991. In recent years he has had a special interest in the field of age diversity and discrimination, particularly in relation to economic activity. He was the Wales representative on the Westminster government Age Advisory Committee, established to advise government on the implementation of legislation on age discrimination in employment; until its recent demise, a member of the Department for Work and Pensions Age Positive Advisory Group for Wales; in 2003 UK judge for the Personnel Today magazine Age Positive at Work Award; and in both 2004 and 2006 was invited by DWP to act as judge for the Wales Age Positive Awards, promoting age diversity in employment. He is a trustee of PRIME (Princes Initiative for Mature Enterprise) Cymru.

### **Annie Thompsett, Proprietor, Compass Coaching**

Compass Coaching is a coaching and development company providing one to one, team and organisational coaching to improve performance for the long term. Her interest in the Older Workers working Group is threefold: (1) Some of our coaching clients include those who have been made redundant late in their career and need support to find alternative employment or make the transition to retirement. (2) Raising awareness amongst her client group to recognise the value and maximise the contribution that older workers can make to any organisation. (3) Compass Coaching has a strong ethical approach to business and as part of this approach strives to "give something back" through contributing to discussion groups that can influence policy and stimulate thinking on social, sustainable and economic issues.

### **Professor P. J. Sloane, Director, The Welsh Economy Labour Market Evaluation and Research Centre, School of Economics and Business Organisation, University of Wales Swansea**

The Welsh Economy Labour Market Evaluation and Research Centre (WELMERC) was set up in 2002 with the support of the European Social Fund to examine various aspects of the labour market and in particular the effects of Objective 1 funding, but it also undertakes comparative work. An analysis of labour market aspects of the ageing population is part of its current work programme.

### **Paul Brabban, Managing Director, South Wales Forgemasters**

South Wales Forgemasters was founded in 1938 at its present Taffs Well, Cardiff site. The company manufactures gears and shafts predominantly for the automotive industry and employs 50 people. Currently an Age Positive Champion, the organisation recognises that people are its biggest asset and if the potential of its employees can be released the company benefits immensely. SWF has an active interest in the Older Workers group as its workforce is across the wide spectrum of age profile including retirement age individuals.



### **Susan Jenks, Personnel Manager, Gwent Healthcare NHS Trust**

Susan is Personnel Manager with specific Personnel responsibility for the Divisions of Mental Health and Learning Disabilities based at Cwmbran. Gwent Healthcare NHS Trust provides quality healthcare to more than 600,000 people living in South East Wales and is one of the largest and busiest NHS Trusts in the UK with over 13,000 members of staff. As a member of staff working for a Public Sector employer, engaging with older workers to secure their knowledge, skills and experience is one area she is particularly interested in and, therefore, used this opportunity to join the Wales Management Council's Older Workers Group to exchange ideas and benchmark against the private sector and charity organisations.

### **Catherine Jenkins, Senior Skills Development Manager, Department for Education, Culture, and Welsh Language, Welsh Assembly Government**

Catherine's role includes the development of policy on retention of older workers. This includes specific responsibility for reviewing and developing policy on retaining people in the workforce, based on research of existing policy within Wales, UK and internationally in order to inform future Assembly Government policy development in this area.

### **Beverley Pold, Business Development Manager, Chwarae Teg**

Chwarae Teg leads the way for women in Wales in the field of economic activity. Since its inception in 1992, Chwarae Teg has endeavoured to promote equality of opportunity for women to meet their full potential. Beverley has been a key member of the team in developing and delivering women's enterprise as well as challenging occupational segregation in education, training and employment. Her interest in the Older Workers Working Group is to ensure that women's contribution to the economy is acknowledged and integral to future policy development. There are many areas where women are disadvantaged, especially older women and pensions. The work of the Older Workers Working Group, we hope, will go some way to influence decision-makers when determining policy so that experience and skills of older workers will be valued.

### **Dr Caryl Cresswell, Enterprise Development Associates Ltd.**

Enterprise Development Associates Ltd (EDA) focuses on developing and managing new and innovative projects in partnership with other organisations and European partners to foster, encourage and support entrepreneurship, enterprise and economic development. The aim is to support the realisation and attainment of the potential within us all.

Caryl is currently running a European funded project (MePlan50+) with partners in Wales Germany and Ireland working with the over 50s and employers. The aim is to enhance opportunities which will contribute to the increased employment, retention and re-integration of older workers. The project is profiling and comparing current practices which support recruitment, employment, self-employment and volunteering for the over 50s. It works with organisations to engage in and develop mature employment planning, age management strategies and working practices, and pilots innovative and client focused events, initiatives and training for the over 50s to support confidence building, motivation, self-worth and employment, self-employment and volunteering skills development.

### **Graham Hall, UWIC**

Graham Hall is Professor of Management at University of Wales Institute in Cardiff and Director of its MBA Programme. Until October 2006 he held a similar position at Manchester Business School. Graham was attracted to the working group by a mixture of professional and personal reasons. As an economist he is naturally concerned to end the chronic rate of non-economic activity amongst Welsh 50+ men. Additionally Graham started his third career at 60 and looks forward to a fourth at 70.

### **Stephen Lord, Prime Cymru**

PRIME Cymru, which is one of the Prince of Wales's group of charities, is the only charity in the UK which works solely to help people aged 50 plus to remain economically active. The charity runs a number of programmes across Wales. These include schemes to assist people to set up businesses, find work, or become volunteers. We also encourage older people to volunteer as mentors. There is a sister organisation in England.

Prior to becoming Chief Executive of PRIME, Stephen was a Director of a local authority, and of another UK Charity, Business in the Community; he has also established and run several successful businesses. He has also worked as an advisor to UK Government departments on regeneration issues.

### **Carys Griffiths, Equality and Diversity Consultant and Health & Safety Advisor, Menter a Busnes**

Menter a Busnes is a private company with offices throughout Wales, initially set up to offer business start-up support to Welsh speaking clients, but now involved in numerous projects, some of which are funded by the Welsh Assembly Government. Menter a Business have more recently set up a commercial arm which offers services such as consultancy, virtual office, marketing, translation and IT support to micro businesses in Wales. (see [www.menterabusnes.co.uk](http://www.menterabusnes.co.uk)) Carys works with business support providers throughout Wales, a part of the Assembly's new inclusion project, to ensure that their service delivery is fully inclusive to all under represented groups but paying particular attention to both young and older clients and Welsh speakers. This may involve one to one consultancy support, training sessions, age diversity workshops, age discrimination and legislation awareness and utilisation of the Age toolkits as an added resource for both the business advisors and their clients. The Older Workers working group is relevant to this current role in raising awareness of the issues and barriers faced by the older client, and to the organisation in carrying out research and development for possible projects in the future.



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# I. EXECUTIVE SUMMARY

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## Introduction

Early in 2007 the Wales Management Council and Age Concern Cymru set up a working group to explore the future impact of the expanding cohort of older workers (50+ years) on businesses and organisations in Wales.

We believe that the wealth of experience that older workers have is often unrecognised and largely untapped.

In the future working beyond 65 will increasingly become the norm, which raises new questions about the policies and flexible approaches that may be needed to deploy and manage older workers in ways that can enhance their contribution and their job satisfaction.

Our aim was to share best practice and to encourage people in all sectors and communities to think in new ways about how to maximise the contribution older workers can make to any organisation and to the economy of Wales as a whole.

## Numbers

The overall population of older people is increasing amongst the population of England, Scotland and Northern Ireland, however this demographic trend is even more pronounced in Wales.

People over 50 in Wales currently account for 35.9% of the total population, whilst those over 60 constitute 22.7%. In England these figures are 33.3% and 20.8% respectively.

The statistics show that Wales is a country where our employment rates up to 55 are high, compared to England, but this reduces dramatically over 55, and even more so over 60, yet we are more prepared to do voluntary work than any region in England.

People aged between 50 and state pensionable age in Wales are less likely to be in work, or seeking work if they are unemployed, than the under 50s or people of a corresponding age group in the rest of the UK.

By 2011 there will be only be enough young people to fill one in three of all new and replacement jobs. The other jobs will need to be filled predominantly by older people returning to work or staying in employment longer than they expected to.

## Society

One in four people in Wales are over 60 and one in eight are over 70. Forecasts predict that in the next forty years the amount of the population over 65 will increase by half.

There are many myths and misconceptions about older workers, including older workers are less healthy, have low cognitive capacity, less strength, poorer sight and hearing, take more time off work, are more prone to accidents, have difficulty adapting to change, and have problems with learning new information and skills. These are without foundation or are exaggerated.



89% of people of all ages in Wales believe that they should be able to continue working for as long as they want to.

Older people are a diverse group with an equally diverse range of needs, desires, dreams, wishes and circumstances.

## Money

Figures for the financial year 2004-2005 indicate an average gross weekly income for pensioner couples of £396, whilst single pensioners received just £202. The average weekly earnings for adults in full time employment in the same year were £454.

When surveyed, 35% of people over the state pension age in Wales felt that they were either just about making ends meet or were finding it difficult to do so. 40% reported that they were “doing all right”, while 25% considered themselves “living comfortably”.

Across the UK the level of income older people receive falls with age. The median net household income for people age 50-59 was £353 per week in 2003/4, compared with £232 for people over 80 (after housing costs).

Yet there are other statistics that point to the collective wealth and importance of the over 50s.

The combined personal wealth of Britain's over-50s dwarves the GDP of every nation except the United States. The wealth of the UK's 50-plus generation has increased by almost half in the past five years, to over £5 trillion. The 50-plus segment of society holds 60 per cent of all savings and are responsible for over 40 per cent of all consumer demand. If personal wealth and population continue to grow at current rates, the 50-plus age group will become even more dominant.

## Workers

In Wales working age people over the age of 50 are less likely to be in work (and those not in work are less likely to be looking for it) than the under 50s; are less likely to be in work or looking for it than the over 50s in the UK as a whole; and are more likely to be working part-time than workers who are ten years younger.

Reasons for wanting to work are financial and personal, but money for many is not the prime motivator. Self-esteem, job satisfaction, social contact, maintaining good health and providing routine are equally, if not more, important.

But for others the economic realities are harsh. Increased life expectancy, rising costs, a decline in the real value of many pensions, and caring responsibilities mean that they may feel compelled to work, whether they like it or not, to maintain a reasonable standard of living, and to avoid becoming “poor pensioners”.

There are questions whether the over 50s are aware of, or even want, the opportunities to work that are available to them. And whether the opportunities really meet their personal aspirations. This may well engender a new “entrepreneurial spirit” in older people to seek opportunities to work from home, for themselves, filling market gaps, by using their skills in the local community. But they are facing increasing competition from workers from eastern Europe who are more than ready to seize the job opportunities that are available.



If the world of work is still locked in a belief that from 50 people are on an exit path, there will be very little support for the increasing numbers of older people whose ambitions are moving in exactly the opposite direction.

However, older workers (as all workers) have to take responsibility for their own lives. Society, employers, and government can and should consider their particular needs and make every effort to accommodate them, but the attitudes of some older workers may also have to change. To make the best use of the opportunities that are available they will need to be more ready than ever before to undertake training, develop their job search skills, make the system work for them, and make a noise about their commitment, motivation and experience.

## **Employers**

In Wales, do we really believe that older workers have a lower rate of absenteeism and are better motivated, and that this has a positive impact for businesses who can benefit from a more flexible workforce with a wider range of skills and abilities?

There are examples of companies, like South Wales Forgemasters in Taffs Well, where this is obviously the case. But there is also evidence of employers with outdated prejudices about the capabilities of people over 50, which can lead to discriminatory or inflexible practices and to people feeling forced out of work.

We need to ask ourselves some serious questions about our understanding of the contribution that older workers can make to our business or organisation, and our commitment to using their skills in new and imaginative ways, for mutual benefit.

The key issues are compliance with the new regulations, discussion, understanding, longer term planning, flexibility, training, helping people to redefine their working role, maintaining links and involvement even when they have left work, and using the experience of older workers through mentoring and advice schemes for younger workers.

## **Government**

The Welsh Assembly Government's Strategy for Older People, published in 2003 is designed "to promote and develop older people's capacity to continue to work and learn for as long as they want, and to make an active contribution once they retire."

But more needs to be done to turn rhetoric into reality, because across the UK the perception of government intervention is of compulsion in relation to retirement age, and confusion or ignorance about the incentives, benefits, and opportunities that are available.

For many the benefits framework appears to work against them, preventing them from taking steps to use their skills in new ways, post full time work, in new part-time, "portfolio" roles.

The internet is a boon to many, but a barrier to most. There is a real decline in internet use from 55, and many older workers find on-line searching, and on-line applications too high a mountain to climb, so the government may need to find more appropriate routes to the older workers market.

But older workers are not a homogenous group. One size of support does not fit all, and the government needs to be aware of the different needs of those who wish to work and work for longer, want to retire but cannot afford to, wish to retire at a date of their choosing, want to work less and receive their pension and other benefits, or unable to work for reasons of ill health.

We believe that one of the key roles of the new Commissioner for Older People in Wales will be to make Wales a better place, if not the best place, for anyone over 50 to live and work in.

## **Recommendations**

Our recommendations are wide-ranging and include:

- ***70 is the new 60***

We must be aware that increasing the retirement age will produce a revolution in our thinking about older workers, which has to start now.

- ***Keeping it real***

Ensure that policies and strategies face the reality of older people in Wales, not the advertisers' romantic hype of wealth and limitless choice.

- ***Nobody works for ever***

Employers need advice and guidance on how to help workers make the right choices about when to stop working.

- ***Older entrepreneurs***

Review publicly funded support mechanisms to help older workers use their skills in new ways.

- ***Outplacement support***

Consider a new initiative to provide older people seeking new opportunities with a grant of £250 to help their search of a new job or a new role in life.

- ***Holistic approach***

Advice for older workers should embrace health, well-being, volunteering, turning hobbies into a business, and broker links to new contacts.

- ***Retirement age***

There should be no statutory retirement age, but we need to develop good practice in assisting people along the path to full retirement.

- ***Tapering retirement***

We should explore and emulate European examples of a tapered retirement, where part-time work does not affect pension and benefit rights.

- ***Flexibility***

All organisations should adopt flexible approaches to the way they treat older workers to enhance their contribution.



- **Finance**

We need new thinking about pensions and benefits to ensure that those who want to work for as long as they can are not financially penalised for doing so.

- **Ability**

Employment practice in relation to older workers must be based on their ability to meet the objectives of the organisation.

- **Recruitment**

Make recruitment practice and procedures appropriate to the IT skills of older workers, and in touch with their education, qualifications and career paths.

- **Part-time work**

Develop new attitudes to part-time work as a creative and flexible option for those who want to continue in work, but in a different way.

- **Raising awareness**

It is in our personal and national interest to raise awareness about the needs and aspirations of older workers.

- **Communities**

Older people are key part of every community. We must break the cycle of generation after generation not working for any of the above to have an effect.

- **Work**

Work is not simply about jobs to be done and money to be earned. It is about communities, self-esteem, meaning, and what Wales is in the 21st century.

- **Us**

If we do not classify ourselves as an older worker now, we certainly will in time. There is no magic “cut off” or “sell by” date when it comes to employee contribution. What is important are aptitude, attitude, knowledge, skills and the motivation of each individual.”<sup>1</sup>

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<sup>1</sup> Richard Chiechan, In My Prime from an article in [www.businesszone.co.uk](http://www.businesszone.co.uk)

## 2. INTRODUCTION

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Early in 2007 the Wales Management Council and Age Concern Cymru set up a working group to explore the future impact of the expanding cohort of older workers (50+ years) on businesses and organisations in Wales.

The purpose of the working group was to

“Explore, from the first hand experience of business leaders, managers, and those working with older people, the ways in which we can maximise the contribution workers aged 50+ can make to businesses and organisations across all sectors in Wales.”

The Working Group met three times over as many months, for intense two hour discussions, in which we explored some of the following questions:

- How do we change attitudes to see older workers as people with a growing, rather than a declining, contribution to make?
- What changes to working practice would help older workers retain an active involvement in their organisations?
- Do we need to rethink organisational models to offer opportunities to older workers to be employed in a part-time advisory role, rather than as full-time executives?
- Can organisations seek to retain senior managers in the 50+ age group by providing opportunities to move to a different management role, more suited to their aspirations and interests?
- What challenges do young, ambitious managers, at the start of their career, face in managing and leading older workers with vastly more experience?
- How do we help younger managers address these challenges, and learn from the experience of older workers?
- Is there an issue for older workers being resistant to new ways of working or lacking confidence as business practice changes (the “it wasn’t like this in my younger days” mentality)?
- What examples can we cite of organisations in Wales who are making the best possible use of the contribution older workers can make?

This report summarises our discussions and puts this in the context of data about older people in general, and older workers in particular, in Wales and the rest of the UK.

The report covers

- Numbers: statistics and trends relating to older people and older workers
- Society: attitudes, trends, myths and reality
- Money: income, pensions, benefits, tax, needs
- Workers: motivation, expectations, skills, opportunities, training



- Employers: management, working methods, retaining expertise, using experience
- Government: policy, incentives, future challenges

and concludes with our

- Recommendations for change.

There are also four appendices

- Statistics for private enterprises in Wales
- Facts and misconceptions about age, health, status and employability
- Sources of further help and information
- Bibliography

We believe that the wealth of experience that older workers have is often unrecognised and largely untapped.

In the future working beyond 65 will increasingly become the norm, which raises new questions about the policies and flexible approaches that may be needed to deploy and manage older workers in ways that can enhance their contribution and their job satisfaction.

Our aim was to share best practice and to encourage people in all sectors and communities to think in new ways about how to maximise the contribution older workers can make to any organisation and to the economy of Wales as a whole.

# 3. NUMBERS

## STATISTICS AND TRENDS FOR OLDER PEOPLE AND OLDER WORKERS IN WALES

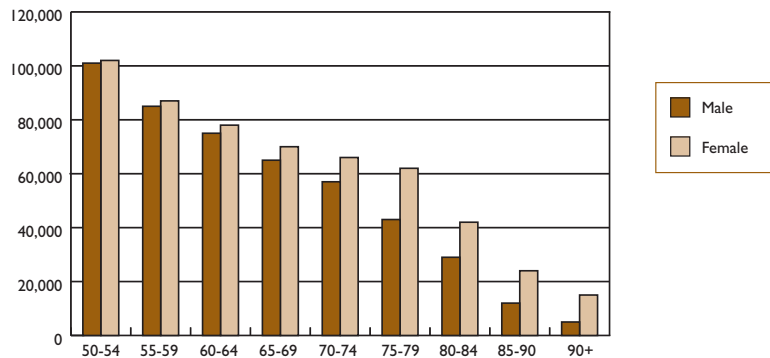
### How old is old?

Our main interest in this report is Older Workers, but it is helpful to start with the statistics for all “older people”, and for this purpose we will follow the Age Concern Cymru definition that older people are all those over 50.

In January 2007 Age Concern Cymru published a valuable booklet, *Older People in Wales – some basic facts* from which the following extracts are taken, starting with the key fact that at the moment 1 person in 3 in the UK is over 50, and by 2021 this ratio will increase to about 2 in every 5.

In the whole of the UK, out of a total population of approximately 60 million people, there are 20.2 million aged over 50. It is estimated that by 2011 there will be a further 1.7 million and by 2021 another 2.7 million. This will result in people over 50 comprising 39% of the population compared to 34% today.

In Wales, out of a total population of just under 3 million people, the numbers of people in each age band over 50 at the time of the 2001 census was as follows:



The overall population of older people is increasing amongst the population of England, Scotland and Northern Ireland, however this demographic trend is even more pronounced in Wales.

People over 50 in Wales currently account for 35.9% of the total population, whilst those over 60 constitute 22.7%. In England these figures are 33.3% and 20.8% respectively....

Projected population figures for 2011 and 2026 suggest that the increasing proportion of older people in the total population is a trend set to continue well into the future. In 2011 it is expected that approximately 772,000 people will be aged 60 or over, equating to 26% of the total population... By 2026 it is calculated that this figure will increase to 953,000, resulting in 31% of Wales' total population being aged 60 or over....

In marked contrast the number of those aged 10-19 is set to decrease from 367,000 in 2011 to 341,000 in 2026, whilst the amount of people aged 20 – 29 is expected to fall from 377,000 to 336,000.

If there are fewer people joining the labour market, and a significant increase in those who might want to continue in the labour market, the challenge is for all organisations to make the best possible use of the skills of those currently referred to as “older workers”.

## Work

But what do we mean by work? One of the key aspects of understanding and enhancing the contribution that those over 50 can make is to recognise that they have opportunities to work in a variety of ways:

In the UK as a whole many people over 50 provide unpaid care which if provided by professional carers would cost an estimated £15 billion. Amongst over 50s, 17% of women and 14% of men carry out caring activities.

Older people who have grandchildren carry out childcare, which if allocated to child minders, would cost an estimated £3.9 million a year. In a typical week, more than a quarter of families with children receive help from grandparents. In Wales specifically, it is estimated that grandparents provide childcare to the value of £259 million a year.

A large amount of older people in Wales also take part in unpaid voluntary work, in fact more so than in any of the English regions. There are almost half a million people aged 50 or more who work in this capacity – equating to approximately 47% of their age group – with the value of their volunteering estimated to be worth £469 million per annum.

71% of men in Wales aged 50-54 are still in paid employment; however this reduces dramatically in the 55 – 59 age group to only 46%, compared to an average in England of 68%.

Wales has a high employment rate for women aged 50-54, with 74% in paid employment compared to an English average of 70%.

This means that in Wales, amongst the 50-54 age group, there is a higher percentage of women in work than men. However, this pattern does not continue into the older age groups where the percentage of women working is slightly lower than men.

Amongst those over 50 who are in paid work, there is an increased likelihood that this employment will be on a part time basis than for younger workers.

Additionally those aged over 50 tend to earn less than workers in the age group before them, for example, in 2003 the weekly average gross earnings of those age 40-49 was £454 and only £431 for those aged 50 plus.

Presently in the UK as a whole, only a minority of men are still working by the age of 65, whilst approximately half of women are still in employment by the time they reach 60.

Amongst men aged 60-64, 26% are still in paid employment in Wales, compared to 41% in England.

In the same age group 21% of women are employed, compared to an English average of 24%.

Of those still working who are aged over 50, a higher proportion are people with better qualifications or the self-employed.

Overall, people aged 50-69 contribute approximately 25% of the total Gross Domestic Product (GDP) of Wales.

So, we have an interesting picture that Wales is a country where our employment rates up to 55 are high, compared to England, but this reduces dramatically over 55, and even more so over 60, yet we are more prepared to do voluntary work than any region in England.

The Labour Market data for older people across the UK prepared by the Office of National Statistics in 2005 offers some insights into the nature of work that older people might do:

The employment rates of men and women aged between 50 and state pension age (SPA) in Great Britain were 72% and 68% respectively in spring 2004, compared with 64% and 60% in 1994. The employment rate of older men started to recover during the 1990s, after years of decline. The steady rise in employment for older women began in the early 1980s and reflects wider social changes.

Most workers, irrespective of their age, are employees. However, self-employment is more common among older workers than among those under 50. In spring 2004, 19% of people 50 and over were self-employed, compared with 14% of people aged 25-49. Self-employment was also more common in older men (26%) than older women (11%).

Men in their 50s who were self-employed were much more likely than those who were employees to be still working ten years later.

In addition workers over SPA were more likely to be employed in small companies with 1 to 10 staff and far less likely to be employed in larger organisations with over 50 staff.

The last statistic above is of particular interest in Wales where our industrial profile is dominated by businesses with less than 20 people, see Appendix 1.

Both men and women who have been economically active seem to leave the labour market at an earlier age than 25 years ago. Part-time work may act as a bridge between full-time work and retirement. For both men and women working after SPA, working part-time was more common than working full-time.

If this is the trend we need to ask whether our organisations and work patterns are designed to provide the best opportunities for older people to work part time.

### **Economic inactivity**

The other side of the coin is those who are unemployed or economically inactive:

Over nine-tenths of older people who were out of work were economically inactive rather than unemployed. Sickness, injury and disability was more commonly given as the reason for not seeking work than retirement. Of about 1.2 million Incapacity Benefit claimants in the UK, almost half the total were aged between 50 and SPA in February 2005.

And further evidence for Wales comes from Age Concern Cymru

People aged between 50 and state pensionable age in Wales are less likely to be in work, or seeking work if they are unemployed, than the under 50s or people of a corresponding age group in the rest of the UK.

As a result, working age adults aged 50 or over are more likely to need to claim benefits such as Jobseekers Allowance and Incapacity Benefit than their younger counterparts....

Of early-retired men only 12% were receiving a generous occupational pension, with almost half reliant on variants of disability or sickness benefit.<sup>2</sup>

And from Prime Cymru

The most stubborn rates of economic inactivity, if rates are segmented by age, are to be found in people aged 50 – 65. There are 160,000 people in Wales aged 50 to statutory retirement age who are economically inactive. Of these, around 100,000 are in receipt of incapacity benefits.

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<sup>2</sup> Age Concern Cymru, *Older People in Wales – some basic facts*, January 2007

There is a disproportionately large concentration of the older economically inactive in the Objective 1 area, particularly the Valleys (totalling some 73,000 in this age group in the eight Valleys authorities).

In some local authorities (Merthyr, Blaenau Gwent) 60% of this age group are economically inactive. Across Wales as whole the rate is around 38%, significantly higher than the average rate of economic inactivity for the UK. This age group is the only one in Wales for which economic inactivity rates have not fallen.<sup>3</sup>

The Welsh Assembly Government, Economic Development and Transport Committee's report, *Economic Inactivity in Wales*, published in April 2005, saw the potential for the large number of economically inactive in Wales to be a new source of labour supply:

With slow population growth within the UK, and an increasingly top heavy age distribution, due to the 'baby boomer' generation reaching retirement age, the economically inactive could be regarded as a readily available source of labour supply and one which will be necessary to support this ageing population.

Though this comment fails to recognise that the "economically inactive" in some areas make up a large proportion of the "ageing population", who need to become "active" to support themselves.

### **Older people in work tomorrow**

And finally, in this section, we all need to take account of this telling analysis in an article on Age Diversity in *People Management*, April 2005

The first report of the Pensions Commission chaired by Adair Turner, published in 2004, found that only 53% of women remained in employment by the age of 59, while only 42% of men were employed at the age of 64. But with the birth rate decreasing and life expectancy increasing, this trend is no longer sustainable. Statistics from the 2001 census revealed that, for the first time, there were more people over 60 than under 16 in the population, meaning that by 2011 there will be only enough young people to fill one in three of all new and replacement jobs. The other jobs will need to be filled predominantly by older people returning to work or staying in employment longer than they expected to.

For emphasis it's worth repeating the last statement:

"By 2011 there will be only enough young people to fill one in three of all new and replacement jobs. The other jobs will need to be filled predominantly by older people returning to work or staying in employment longer than they expected to."

And 2011 is only four years away.

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<sup>3</sup> Prime Cymru, Response to Convergence Programme consultation, August 2006

## 4. SOCIETY

### TRENDS, ATTITUDES, MYTHS AND REALITY

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#### A snapshot of Wales

Let's start with a snap-shot of Wales:

- There are more people over 60 than in any other part of the United Kingdom
- Almost 1 in 4 people are over the age of 60 and 1 in 8 are over the age of 70
- Women outnumber men by 2 to 1 in the 80+ age group, rising to 3 to 1 amongst those aged 90 or more
- In the forty years between 1961 and 2001 there has been a steady increase of 30% in the number and proportion of the population aged over 60
- There has been a fourfold increase between 1961 and 2001 in the amount of people aged 85 or more
- Forecasts predict that in the next forty years the amount of the population over 65 will increase by half. This is the same as for the UK as a whole.<sup>4</sup>

This data was taken from the *Statistical Focus on Older People in Wales*, published by the Office for National Statistics in 2004, which also provided this overview of people over 50:

People over the age of 50 in work are more likely to be working part-time and tend to work slightly shorter hours than workers who are ten years younger.

People over the age of 50 earn slightly less (about 98%) than workers who are ten years younger.

People are more likely to claim benefits as they get older.

#### Myths and misconceptions

There are many myths and misconceptions about older workers:

- Chronological age determines health and age brings illness and disease
- Getting old is associated with loss of cognitive capacity
- Older workers have less physical strength and endurance
- Older workers tend to have poorer sensory abilities such as sight and hearing
- Older adults have difficulty adapting to change
- Older adults find it harder to learn new information making their knowledge and skills outdated

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<sup>4</sup> Source: Age Concern Cymru, *Older People in Wales – some basic facts*, page 7, January 2007

- Older workers take more time off work
- Older workers have more accidents in the workplace
- Older workers are less productive

These myths and misconceptions are very effectively dispelled in a report, *Facts and Misconceptions about age, health status and employability*, prepared by the Health and Safety Laboratory, in 2005. The key findings of this report are summarised in Appendix 2. The report concludes

One of the conclusions arising from the evidence is that older adults are vastly different from each other. This is a result of both external and internal factors that interact with the process of ageing, and therefore, no stereotype of older workers is likely to be true for all, or even most, older workers.

The evidence presented dispels some 'myths' more than others. However, it was still recognised that older workers are a valuable resource for organisations. The evidence presented attempts to raise awareness about older workers' abilities and encourage employers to consider alternative perspectives about the employment and functioning of older adults. Older workers are productive and make a positive contribution to organisations. However, there are often simple measures which can improve the functioning and productivity of workers of all ages.... There is no health and safety justification to exclude older workers from the workforce, particularly given health and safety legislation requiring employers to minimise health and safety risks to all employees as far as reasonably possible, and in entrusting tasks to employees, take into account their capabilities. In addition, organisations will benefit from efforts to maintain the ability to work of all employees at any age and the adoption and development of flexible retirement practices that retain older workers longer.

## Health and Lifestyle

It is also important to look at the health and lifestyle of those over 50, as an indicator of their interest in work, or their lack of it.

Some key health statistics from the Office of National Statistics' *Statistical Focus on Older People in Wales*, published in 2004, were:

- Life expectancy is 75 years for males and 80 years for females
- 5 out of 10 people between the ages of 60 and 80, and 7 out of 10 people over 80 have a limiting long term illness; much higher than in England
- The number of people over the age of 65 is forecast to increase by a half over the next forty years (the same as for the UK as a whole)
- 1 in 4 people aged between 50 and 60, and half of the over 60s were being treated for heart disease (this includes high blood pressure)
- A third of people aged between 50 and 60, and over half the over 60s were being treated for arthritis
- Physical health summary scores, based on how people's everyday lives were affected, got steadily worse as people got older
- People are slightly more likely to be treated for mental illness as they get older
- Mental health summary scores, based on how people's everyday lives were affected, got slightly better as people got older (up to the age of 80)

- Healthy lifestyles (sensible diet, not smoking, not drinking to excess, and lack of obesity) are commoner in the older age groups – possibly because those with healthier lifestyles tend to live longer than others
- 1 in 4 people under the age of 60 smoke daily compared with 1 in 6 aged between 60 and 80, and 1 in 14 for the over 80s
- People were more likely to use GP, hospital services, and other health-related services as they got older
- Older people tended to be more satisfied with the health services they received.
- For every 4 older people admitted to hospital in 1995 there were 5 in 2002
- Hospital admissions for hip fractures in people over the age of 50 have risen by a third over the past ten years: the rise is highest for the over 80s
- In 2001, 11,000 people were registered disabled because of hearing problems
- In 2001, 20,000 people were registered disabled because of sight problems
- People aged between 60 and 80 were more likely to be home owners than younger or older people
- People over the age of 60 were twice as likely to be living in houses without central heating or some other important amenity

### Older people in Wales

Finally, some more statistics from Age Concern Cymru, published in their manifesto for the new National Assembly, *A New Age – Time to Deliver for Older People in Wales*, published in 2007:

- Older people are a diverse group with an equally diverse range of needs, desires, dreams, wishes and circumstances.
- People over the age of 60 in Wales account for 22.7% of the population, higher than any other part of the UK.
- 1 in 4 actual voters are older people
  - 23% of older people in Wales use Welsh as their first language
  - Only 15% of older people over 65 have access to the internet

and most important of all for the subject of this report

- 89% of people of all ages in Wales believe that we should all be able to continue working for as long as we want to.

# 5. MONEY

## INCOME, PENSIONS, BENEFITS, TAX, AND NEEDS

### Income and benefits in Wales

The Age Concern Cymru booklet referred to in Chapter 3 contains some important data relating to the income and benefits of older people in Wales:

Figures for the financial year 2004-2005 indicate an average gross weekly income for pensioner couples of £396, whilst single pensioners received just £202. The modest nature of these incomes is illustrated when compared to the average weekly earnings of £454 for adults in full time employment in the same year.

When surveyed, 35% of people over the state pension age in Wales felt that they were either just about making ends meet or were finding it difficult to do so. 40% reported that they were “doing all right”, while 25% considered themselves “living comfortably”....

The proportion of people living in low income households has decreased over the last decade, resulting in Wales’ income poverty levels now being only slightly higher than the British average. Despite these positive advances, however, pensioners continue to account for approximately 18% of all people living in poverty, with many surviving on the State pension and other Government benefits as their sole or main source of income.

The statistics for those claiming pension credit (60 and over), attendance allowance (65 and over) and disability living allowance (60 and over) at August 2005 were as follows:

Type of benefit	Total number of claimants in Wales	Claimants as % of their age group	% of claimants in England
Pension credit	159,200	24.2%	22.1%
Attendance allowance	117,900	23.4%	17.2%
Disability living allowance	98,500	15%	8%

Whatever their level or source of income:

Older (and middle-aged) people are more likely to have cheque accounts and to have shares than younger people. People over the age of 65 are less likely to have credit and cashpoint cards than other age groups.<sup>5</sup>

### Income, wealth and expenditure across the UK

A broader picture of the income, wealth and expenditure of older people across the UK comes from the Office for National Statistics, *Focus on Older People*, published in November 2005. This contains some stark data about the median income of older people, and the dramatic falls in income levels and patterns of expenditure as age increases.

Over the last 8 years pensioners’ incomes in Great Britain have risen faster than average earnings. Net income rose by 28% between 1995/96 and 2003/4. The increase was even sharper after deducting housing costs, rising by 38% over the period. The growth in pensioner incomes over the period resulted from substantial increases in income from occupational pensions and benefits.

The level of income older people receive falls with age. The median net household income for people age 50-59 was £353 per week in 2003/4, compared with £232 for people over 80 (after housing costs and equalised to adjust for household size).

<sup>5</sup> Statistical Focus on Older People in Wales, Office for National Statistics, 2004

The proportion of pensioners living on low incomes in Great Britain has fallen over the last decade, from 26% in 1995/96 to 20% in 2003/4. However, the proportion of working age people on low incomes in 2003/4 was substantially lower at 14%.

As people get older and retire from the labour market their sources of income change. People in their 50s get most of their income from employment and self-employment (80%). This falls to 10% for those in their 70s. State benefits (which include the state retirement pension) are the main source of income for pensioners.

The majority of pensioners have additionally some form of private income. Pensioner couples on average have over twice as much investment and private pension income than single pensioners. Younger pensioners tend to have higher incomes than older pensioners because they are more likely to receive private pension and earnings income than older pensioners, and at a higher level.

Differences in pensioners' incomes can also be a reflection of their working lives. People with broken work records, such as women who have taken on caring responsibilities, are likely to have accrued lower levels of private or state pensions.

People accumulate wealth mainly during the course of their working lives. Older pensioners have less wealth than those around State Pension Age. Median net financial and physical wealth for those aged 60-64 was £26,000 and fell to £8,000 for those aged 80 and over in England.

Households headed by people in older age groups spend less than those in younger age groups. In 2003/4 households headed by someone aged 50-64 in the UK spend an average of £441 per week. For households headed by someone over 75, weekly spending was an average of £183. This reflects both decreasing household size and falling income in later ages.

Spending priorities change with age, with an increasing proportion of total spending going on food, housing and fuel. For households where the household reference person was in their 50s, 10% of spending in 2003/4 was on food compared with 15% for those aged 80 and over.

This rather bleak picture contrasts strongly with a May 2007 press release from Age Concern concerning the growing wealth of the over 50s, and giving new force to the importance of the "grey pound".

The combined personal wealth of Britain's over-50s dwarves the GDP of every nation except the United States (US), according to new research.

Abbey Savings says the wealth of the UK's 50-plus generation has increased by almost half in the past five years, to over £5 trillion.

The 45.6 per cent rise meant that the household personal wealth of the age group topped a staggering £5.16 trillion in 2006.

Although the level fell short of the US' GDP of £6.6 trillion, the wealth of the country's over-50s outstripped the combined GDP of the UK, Germany and France.

The research follows similar findings reported last month by Friends Provident, which estimated that the UK's over-50s now hold around 80 per cent of the nation's wealth and are enjoying more economic freedom than younger generations.

Abbey Savings estimates that if existing trends continue, they will hold personal wealth amounting to \$78.3 trillion (£40 trillion), or six times the current annual GDP of the US, by 2043.

Commenting on the findings, Abbey's head of savings Reza Attar-Zadeh said: "The 50-plus segment of society is already transforming the way we live and work. They hold 60 per cent of all savings and are responsible for over 40 per cent of all consumer demand."

"If personal wealth and population continue to grow at current rates, the 50-plus demographic will become even more dominant."

## 6. WORKERS

### MOTIVATION, EXPECTATIONS, SKILLS, OPPORTUNITIES, TRAINING

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#### Facts and Figures

The *Statistical Focus on Older People in Wales*, published by the Office for National Statistics in 2004 revealed the following about the working lives of older people in Wales:

- Working age people over the age of 50 are less likely to be in work (and those not in work are less likely to be looking for it) than the under 50s
- Working age people over the age of 50 are less likely to be in work or looking for it than the over 50s in the UK as a whole
- People over the age of 50 in work are more likely to be working part-time than workers who are ten years younger
- People over the age of 50 work slightly shorter hours than workers who are ten years younger (the difference is larger for women than men)
- There are three times as many people under the age of 50 working in all industry sectors as the over 50s, apart from agriculture where the numbers are much closer
- 1 in 3 people over the age of 50 have no qualifications: in the UK as a whole it is nearer 1 in 4
- People over the age of 50 earn slightly less than workers who are ten years younger
- People are more likely to claim benefits as they get older
- People over the age of 50 are about half as likely to be claiming unemployment-related benefits as the under 50s
- Over the past 7 years people over the age of 50 claiming unemployment-related benefits have more than halved (with the same trend for the under 50s)

#### Workers and employers

This chapter looks at “workers” and the next chapter looks at “employers”, but in one way this separation exemplifies the very problems we want to solve.

Treating workers and employers in isolation exacerbates divisions, and fails to identify how critically important it is for each to understand the needs and drivers of the other, and thereby build a mutually beneficial working relationship.

In a previous chapter we have explored the myths that surround older workers in relation to their abilities and aptitudes, but these myths are all related to “our” perception of “them”. We need to give much greater attention to the opposite viewpoint.

We must also be very mindful of the fact that for those of us who are over 50 there is no “us” and “them”. We are already deeply involved in both sides of this issue.

The statistics in earlier chapters emphasised the high levels of economic inactivity among older workers in Wales, the decline in working opportunities and income from aged 50 onwards, the negative myths about older workers’ skills and attitudes, all contrasting heavily with the fact

that older workers will be in ever greater demand, as declining birth rates reduce the number of young people entering the labour market.

You might say this is a “sellers’ market” in which the older “sellers” have not realised the real opportunities that are out there.

But it is equally open to question whether these older “sellers” have indeed seen the opportunities, but just don’t want them.

## Participation

Though it may sound like a truism, it is important to state that “older workers” are not a homogeneous group. The statistics themselves give the lie to that. And whilst the statistics also clearly, and loudly, demonstrate the national economic need for people to stay in work longer or return to work in later life, there is no guarantee that people over 50 will want to.

In 2005 the Department of Work and Pensions conducted research *into Factors affecting the labour market participation of older workers*. The findings of this research were a mixture of the expected and the illuminating:

The research explores the factors influencing the labour market participation of workers aged between 50 and 69, ... the factors that influence labour market disengagement, retention and return, ... general attitudes towards work and training, and explores people’s decisions about planning for retirement.

The main findings are:

- Respondents’ reasons for wanting to work fell into two broad categories:
  - Financial, including financial choice and financial necessity
  - Personal/practical, including self-esteem, job satisfaction, providing for self and family, social contact, maintaining good health, and providing routine.
- Exit from the labour market was generally associated with four strong factors: redundancy, ill-health, financial security, and caring responsibilities. Redundancy or ill-health sometimes acted as single reasons for leaving but financial security never caused labour market exit on its own. People stated that financial necessity was the most important reason why they remained in work.
- Those who returned to the labour market generally did so within a year, often facing multiple barriers in the process.
- Reasons why respondents with health problems remained in work, often despite having severe health conditions, were complex and covered the financial and personal/practical reasons above. Those who remained in work showed a strong work ethic, a desire for independence from state benefit, employer support and a perception that their illness was not permanent.
- Attitudes towards training varied according to respondents’ occupation, work history and work status with those who had regular training in their work being more positive about that training.
- Respondents in less well paid, part-time semi-skilled or unskilled occupations said that it was difficult to negotiate with their employer about flexible working conditions.

## Competition

The other problem is that many of the statistics and opinions are some three or more years old. Since then we have seen an extraordinary influx of workers from Eastern Europe, eager to seize the job opportunities in this country.



The Western Mail reported on 13 June 2007 that between May 2004 and March 2007, 17,300 people from the eight European countries who joined the EU in May 2004 applied for National Insurance numbers in Wales, and 16,220 applied to join the Worker Registration scheme, of whom 11,000 were from Poland. And these numbers exclude self-employed workers, which is a large proportion of the migrant labour force, who are not required to sign up to the scheme.

In a total private sector employed population of just over 700,000, these migrant figures may seem comparatively small, but the importance for older workers is that they may well fill the vacancies created by the falling numbers of younger workers.

So older workers are facing competition from a source not identified in previous statistics, and this may be an added disincentive to apply for the jobs that are available, and for employers to actively encourage older people to continue working.

### **Wanting to work?**

In the extract above, your eye may have glossed over the opening statement that reasons for wanting to work fell into two broad categories: financial and personal. So much, so obvious you may say. But the personal reasons are all important:

- self-esteem
- job satisfaction
- providing for self and family
- social contact
- maintaining good health
- providing routine.

We live in an employment focused society, and there is increasing emphasis given to the importance of having an interest in your job that goes beyond money. Money is not the prime motivator.

### **Economic realities**

But for older workers, whilst the personal reasons are of considerable importance, they also face very harsh economic realities in a context of increased life expectancy: rising costs, a decline in the real value of many pensions, caring responsibilities. For these reasons alone they may feel compelled to work, whether they like it or not, to maintain a reasonable standard of living, and to avoid becoming “poor pensioners”.

From that point of view, the vast spending power of the over 50s, identified in the previous chapter, for the vast majority of older people in Wales is just a dream. The reality is very different.

The statistics tell us that 1 in almost 3 of people between 50 and 65 are economically inactive. But is that the case. Are they working in the black economy? By definition we have no hard evidence of this, but it is interesting to speculate the extent to which such work is a testament to older workers’ resilience, entrepreneurial spirit, and determination to satisfy the personal motivators listed above.

The high levels, compared to England, of people receiving the disability allowance in Wales, is one factor in the reasons for economic inactivity, but is the allowance itself a disincentive to work. For some the very fact of disability increases the determination to obtain and hold down meaningful work, for as long as they can.

## Meaningful work

“Meaningful work” is part of the problem. We talk glibly about work opportunities for older people, and we cite B&Q, and other places that we visit frequently, as shining examples of organisations that make a policy of employing those over 50. As far as we can see, these older workers enjoy what they do and are highly motivated. But the question we need to ask is do all, or the majority of older workers, want the kind of jobs that are on offer, from the most enlightened or the least enlightened employers?

If - and this is a big if because we have no data - many of the opportunities for older workers are at a relatively low level, does the older community in general want such jobs?

Are we simply creating jobs for some of the people some of the time, and ignoring the potential and the aspirations of most of the people for as much time as they wish to offer?

And have we properly considered the opportunities that might be available, or should be created, for older professional people to use their skills in ways that are both new for them and innovative for society as a whole?

The “entrepreneurial spirit in older people” is an area of research as yet unexplored, and it may reveal an unexpected wealth, both actually and metaphorically, of people who are seeking opportunities to work from home, for themselves, filling market gaps, by using their skills in the local community.

## Contribution

In this way older people will use and develop their skills, and make a major contribution to the vibrancy and success of their community. Their choice will be of benefit to everyone, but we would question whether communities – and that means us where we live – really understand and care about the contribution older people can make to our society. Do we run the risk that our own negative perceptions and perpetuation of the “myths” detracts from our ability to see and use the potential of older workers in our community?

The responsibility, however, is equally on the older workers themselves. Society is under an obligation to care for them (just as it is for any other group you may wish to identify), but it is not under an obligation to “give them a living” irrespective of what they have to offer. Market forces are at work here, and older workers have to understand or learn how to make themselves more marketable. This may require learning new skills, or aligning the skills that they have to new market needs.

For older workers, flexibility will be the key, physically and economically, to a longer, happier and more productive life. That flexibility involves being more aware of the skills that they have, and how these might be transferred and deployed to different contexts.

## Skills

We all need to encourage each other to define our roles in life by the skills that we have, not by the jobs that we do. Skills are transferable, jobs may not be. For all of us, our skills are in our hands to use in the best way possible.

Our jobs may be subject to any number of forces, negative and positive, over which we have little or no control, but if they cease, it is our skills that we carry away with us.

To that end, the over 50s need mentors, among their friends, work colleagues, or professional advisors, who can help them identify their core skills and explore how these might be used in a wider context.



## Training

There are a number of myths relating to the training of older workers, that need to be dispelled, alongside all the other myths that we have identified already.

This selection comes from an article by Steve Billam of Age Positive the October 2006 issue of the Western Mail's *Business in Wales* magazine, under the telling headline, *You can teach an old dog new tricks*:

**Myth: older workers show lower productivity**

There is no diminishment in productivity and capacity with age for most job functions. Only where older workers do not receive the same level of training as younger workers does their performance show differences. Training for all workers, no matter what their age, can thus be seen as an imperative to effective business operation.

**Myth: investing in training for an older worker is a poor return on investment**

Employees aged over 50 are likely to stay with their employer until retirement providing up to 15 years or more labour. As most skills have a three to five-year shelf life, it is worthwhile investing in anyone who is likely to stay with an employer for at least that long.

**Myth: older workers are less able to grasp new ideas**

In a 2003 survey, almost half the 50-69 year olds surveyed had been required to learn to use new technology for their work in the previous three years. Of these, nearly half had had to learn more than one aspect of technology, for example, new software and a new technique. Of those employees involved in learning to use the new technologies, most reported that they had found it 'very easy' or 'fairly easy'. Just 10% and 3% respectively found it either fairly difficult or very difficult.

**Myth: older workers are not interested in training**

Some older workers do erect their own barriers to training because they lack confidence or because it may be perceived as offering few advantages. Don't accept the first negative response and given the importance of training to performance and therefore efficiency, ensure you communicate the relevance of the training.

## Seizing opportunities

The demographic statistics suggest that there is a world of opportunity for older workers. Many are under strong financial pressure to seize them. For others, it is more a matter of choice. For others still, the desire and enthusiasm to continue working, or re-enter the labour market, is quickly dissipated by the barriers of attitude or the inflexible nature of the work on offer.

If the world of work is still locked in a belief that from 50 people are on an exit path from work, there will be very little support for the increasing numbers of older people whose ambitions are moving in exactly the opposite direction.

However, older workers (as all workers) have to take responsibility for their own lives. Society, employers, and government can and should consider their particular needs and make every effort to accommodate them, but the attitudes of some older workers may also have to change. To make the best use of the opportunities that are available they will need to be more ready than ever before to:

- undertake training – though the training itself may need to be better focused to their needs
- develop their job search skills – for many this may be the first time, or the first time for a very long time, that they have had to search and apply for a job
- make the system work for them – by signing on, even if this affronts their pride
- make a noise about their commitment – to demonstrate that when they are in work, there is exactly the same likelihood of staying (and the average is three years) as any other worker.

Their aim must be to show that “older” in the work context, is not a negative, but means better motivation, lower absenteeism, and above all valuable experience.

# 7. EMPLOYERS

## MANAGEMENT, WORKING METHODS, RETAINING EXPERTISE, USING EXPERIENCE

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### The good news

“We know that older workers have a lower rate of absenteeism and are better motivated. And we believe that this has a positive impact for businesses who can benefit from a more flexible workforce with a wider range of skills and abilities.”

This is what James Purnell, Minister for Pension Reform said in 2006 at the launch of a research report from the Department for Work and Pensions which looked at the challenges faced by various sectors of the economy in relation to the recruitment, training and retention of older workers.

The question we must ask is do employers in Wales truly know, and believe, those positive messages about older workers?

There is strong evidence that some do, but equally strong evidence that many believe the myths, not the reality.

On the positive side, one of the members of our Working Group was Paul Braddon, who is an Age Positive Champion and runs South Wales Forgemasters, which was profiled in the article by Steve Billam of Age Positive in the October 2006 issue of *Business in Wales*:

Taffs Well-based South Wales Forgemasters is an Investor in People award holder and was awarded the prestigious Welsh Business of the Year Award for people development....

The company assesses annually the abilities of each of its employees, matches these to the work within the plan and arranges any necessary training. This applies to all employees regardless of age or position.

In terms of general training the company found that some older workers were a little reluctant to undertake training. They have therefore provided flexibility in terms of extended support and tuition, where necessary.

Once individuals have started to feel comfortable with the learning environment they have seen the real difference training has made to them.

The company recently gave training to one older worker in basic computer literacy. He has continued to learn more about computers and software, a lot of it in his own time. He has become so confident and comfortable with the new technology that he has been instrumental in helping to install preventative maintenance software to the computer system.

Many of the workforce have been given formal trainer training and this has proved very useful for the company in terms of passing on the vital skills of the more experienced, older members of staff to newer younger employees....

One event that really changed matters at the company was the secondment of a master engineer from Japan and three British engineers coming to the plant to work with eight, predominantly older workers from the shop floor to show how they could make an impact in terms of continuous improvement.

This helped to convince many of the workers that no matter what age they are they have a part to play in the success of the company.

## The bad news

Unfortunately, there is evidence that the example of South Wales Forgemasters is not being followed in other organisations.

The Welfare Reform Green paper, published in 2006, summed up the situation succinctly:

Some employers have outdated prejudices about the capabilities of people over 50, which can lead to discriminatory or inflexible practices and to people feeling forced out of work.

Many employers and individuals mistakenly believe that older people must leave the workforce to ensure that there are enough jobs for younger workers. In fact, more people working means more growth in the economy, resulting in more jobs for workers of all ages.

## Changing attitudes

To challenge and change these attitudes we all need to ask some fundamental questions about our own attitudes and practices, in the context of the objectives and challenges of our own business or organisation:

- Do we really understand what our older colleagues can offer?
- Have we given any thought to how we manage older people, to help them give the best they have to offer?
- Do we recognise that if people are employed when they are older, they are more likely to stay?
- Do we give any thought to the accumulation of knowledge and experience of our older workers, or do we just see them in terms of the job that they do now?
- Do we think about training to help older workers take on a different role, more suited to their particular interests, skills and ambitions?
- Do we make assumptions about the skills in our older workers based on their lack of current qualifications which did not even exist in the earlier parts of their working life?
- How flexible are we prepared to be to retain the skills of older workers who are looking for a different pattern of work to suit their own changing lifestyle?
- Are we prepared to make adjustments to our working practices to accommodate the skills and abilities of older workers? If so, how far are we prepared to go?
- If we see long term potential in someone who is thinking only of retirement, how do we change his or her attitude?

## Enlightened employers

The key issues are summed up well in the following article by Richard Ciechan of In My Prime, published on [www.businesszone.co.uk](http://www.businesszone.co.uk) in March 2007

From 2007, enlightened employers must start to design and implement radical new age management strategies if they want to generate real business benefits from the 'demographic time bomb' and retain engaged, healthy and productive mature workers who are able to fulfil their individual aspirations in respect of their final working years.



Fundamental to doing this is the realisation that moving through one's career is a transition and should be treated as such. Just as people do not leave work 'young' one day and come back the next 'old', so in the workplace of the future people should generally no longer be 'employees' one day and 'pensioners' the next.

In future 'retirement' ideally will be a relatively seamless process, individual in its nature, and reflecting the specific needs of both the business and the employee.

There is a strong sense that if we change the words, we start to solve the problem.

Once we start using the vocabulary of transition and continuity our attitudes to workers of all ages will change for the better, and this will have a particularly beneficial impact on the people who we currently call "older workers" but may quickly cease to do so.

Richard Ciechan goes on to highlight the changes that will be required in our thinking and business practice:

- A greater emphasis on flexibility and planning over a longer period of time, focusing on regular career review and appraisal process and identifying each individual's needs and aspirations in terms of current and future health, wealth and time issues.
- Recognition that whereas increased numbers of older workers will continue to want to work, they may not be motivated by the same factors as younger employees. The traditional carrots of salary rises and promotion are unlikely to be top of the list.
- A framework for all workers which allows them to establish and maintain a good work-life balance, continuously learning new skills, and find new ways of contributing in the workplace.
- Support for a culture in which mature employees are able to interact on equal footing with colleagues of all ages.

## Training

The Health and Safety report, *Facts and misconceptions about age, health status, and employability*, referred to in a previous chapter, explores approaches to training from the employer's point of view:

### Learning new information

- Tailoring training to individuals' needs is likely to enhance the potential for learning in all age groups, and use of good training practice will produce beneficial training outcomes for all workers.
- Recognising alternative learning approaches should bring benefits to all workers who can learn from experiences of those with longer employment histories.
- Development of a continuous learning environment will increase participation in training and education activities by all workers designed to maintain and update employees' knowledge, skills and abilities.
- Older workers should be offered equivalent training opportunities to their younger colleagues, as the potential for investment return is likely to be relatively equivalent.

The emphasis on "all age groups" highlights the fact that good practice in relation to older workers, is also good practice for all workers.

## Good practice

Older workers are not therefore a “special case”, requiring “special treatment”, but are an important catalyst for positive change throughout any organisation.

All such change must of course take place within the context of the objectives and challenges facing the company or organisation, and must recognise there must be a proper match between skills and abilities (supported by training) and the jobs that need to be done. For example, much as an older worker may wish to continue being involved in production, the best way to continue his employment, retain his skills, and take advantage of his experience, may be to transfer him to a maintenance role. But both parties must be involved in such a decision.

Managers must show their trust in all members of their workforce and involve them in discussions about their future.

We devote a great deal of attention to ideas of work-life balance, but we tend to concentrate on those in the middle of their working careers where the pressures of work and family-life are at their most acute.

We devote too little attention to the work-life balance of those moving towards the end of their working life, as it has been defined to date. A re-definition of work may be one way to achieve a better balance.

Managers should take on a responsibility to help people make the shift from working, to working less, or not working, by creating flexible options that meet the needs of all parties concerned.

Many people leave work, and suddenly discover that they have no life. They lose their identity, and have to re-learn who they are. Many spend the first twelve months of their retirement in mourning for the loss of their work, which includes the structure, company, excitement (and boredom) of their previous 9 to 5 existence.

Employers have a duty of care to prepare their employees for retirement, or a radical change in the pattern of their working lives, and to keep those who have served the company well “in mind” even when they have left the company.

If people miss their work, would like to remain involved in some way, and have something to contribute, why do we not take advantage of this high level of motivation?

We should harness and tap in to the expertise of the people who have left our organisation as advisors, mentors, and voluntary supporters of workplace initiatives and training.

Volunteers in the workplace? Now is that an unworkable idea, a recipe for disaster, or a concept whose day is just dawning?

## Managing older workers

The Advice Leaflet, *Employing Older Workers*, produced by ACAS, has the following to say about managing older workers:

Start by taking a long-term view of management. Career planning can help you think about an employee's whole working life from recruitment right through to retirement.

But it is not always easy. Older workers can present you with specific problems. For example, how do you make the most of their expertise without blocking potential career progression for junior colleagues?

One of the answers is to be more creative about how you see career progression. Promotion will always be important but 'getting on' is not just about moving up. Employers may find it worthwhile to think about other options for older workers, such as:

- a more open job description, with a wider variety of tasks
- sideways moves to other jobs, giving more responsibility on special projects
- a mentoring role to help develop and coach junior colleagues.

Older workers often respond positively to greater choice and flexibility at work. Employers need to be flexible, too, about how they hold on to the valuable skills and knowledge of experienced staff.....

Organisational strategies for achieving targets should be written with career paths in mind. Developing the skills and experience of older workers may offer employers the chance to set new and challenging goals for individuals and the organisation as a whole.

## New regulations

All employers must be mindful of the Employment Equality (Age) Regulations 2006, which say in summary

These regulations apply to all employers ..... In this context an employer is anyone who has employees or who enters into a contract with a person for them to do work. The regulations cover recruitment, terms and conditions, promotions, transfers, dismissals and training. They do not cover the provision of goods and services.

The regulations make it unlawful on the grounds of age to:

- discriminate directly against anyone – that is, to treat them less favourably than others because of their age – unless objectively justified
- discriminate indirectly against anyone – that is, to apply a criterion, provision or practice which disadvantages people of a particular age unless it can be objectively justified
- subject someone to harassment. Harassment is unwanted conduct that violates a person's dignity or creates an intimidating, hostile, degrading, humiliating, or offensive environment for them having regard to all circumstances including the perception of the victim
- victimise someone because they have made or intend to make a complaint or allegation or have given or intend to give evidence in relation to a complaint of discrimination on grounds of age
- discriminate against someone, in certain circumstances, after the working relationship has ended.

Employers could be responsible for the acts of employees who discriminate on grounds of age. This makes it important to train staff about the regulations.

Upper age limits on unfair dismissal and redundancy will be removed.

There will be a national default retirement age of 65, making compulsory retirement below 65 unlawful unless objectively justified.

Employees will have the right to request to work beyond 65 or any other retirement age set by the company. The employer has a duty to consider such requests.

This summary is taken from the ACAS Guide for Employers, *Age and the Workplace – Putting the Employment Equality (Age) Regulations 2006 into practice*, published in April 2006 which elaborates on all the above points and provides models of good practice.

### **Older workers and all workers**

Outside the specific requirements of the new legislation, models of good employment practice for older workers are not unique, or specific to them, they are part of good leadership and management for all workers. The key issues, which will need to be explored in the context of each business or organisation are:

- equality of opportunity
- understanding the needs of the workforce
- engagement with the aspirations of the workforce
- flexibility
- creativity
- asking “why not?” rather than assuming “we can’t”
- thinking about new ways of working
- exploring how to help people move into roles that maximise their real potential.

But saying it is not the same as making it happen, and we recognise that employers themselves need advice, guidance, role models, and a supportive legislative environment to make the change of culture and practice that is necessary.

Here are some final thoughts, in alphabetical not priority order, that we believe will significantly help to make Wales a good place to live in for anyone over 50.

#### **• Assumptions**

Don’t make blanket assumptions about older workers. They are a diverse group. Some may want to work longer, some may not. Some employers may be better able to use their skills than others. One approach certainly does not fit all.

#### **• Attitudes**

We need to know more about employers’ attitudes to older workers. We have best practice examples, and we have the anecdotes about the worst forms of discrimination and forced retirement, but what is the middle ground. Does the norm represent good or bad news for the future?

#### **• Debate**

We need to encourage new thinking and debate about how older workers’ skills and knowledge may be used in different ways.

- **Independent income**

Don't make the mistake of creating flexible working environments and opportunities that are attractive only to those who have other forms of income.

- **Involvement**

Involve people in your thinking about their future, and make sure that you have listened to what they have to say first.

- **Mentoring**

Explore opportunities for older workers, from inside or outside the organisation, to mentor younger workers.

- **New ways of working**

"Flexibility" and "creative approaches to work design" are not ends in themselves. They have to match the business case, and employers may themselves need all the help they can get to rethink their processes and procedures.

- **Opening the door**

If employers open the door, and genuinely welcome older workers, they will have no lack of takers, and the word will spread.

- **Public sector**

Public sector organisations should review pension arrangements so that those who want to return to work are not penalised.

- **Recruitment**

We need to recognise that standard recruitment practises, particularly on-line application forms may be totally alien to some older workers. Don't let the recruitment procedure itself become a barrier to finding the people you need.

- **Sector Skills Councils**

Sector Skills Councils to be more active in identifying how and where the skills and experience of older workers might be best used or redeployed in the industries and organisations in their sector.

## 8. GOVERNMENT

### POLICY, INCENTIVES, AND FUTURE CHALLENGES

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#### Strategy for older people

One of the five key aims of the Welsh Assembly Government's *Strategy for Older People* in Wales published in January 2003 is

To promote and develop older people's capacity to continue to work and learn for as long as they want, and to make an active contribution once they retire.

Under that heading there are six strategic objectives

- To work with the UK Government to support the recruitment and retention of older people in employment
- To work with the UK Government in the implementation of legislation to tackle discrimination in employment on the grounds of age
- To help more older people to set up their own businesses and to encourage the transfer of knowledge and experience from older/retired business people to new entrepreneurs
- To promote the benefits of learning and to provide readily accessible information and advice to potential learners of all ages of learning opportunities available
- To create a network of community learning centres throughout Wales in line with local need
- To promote and develop the availability of IT facilities in communities and IT skills for older people.

#### Rhetoric and reality

Age Concern Cymru's manifesto for the new National Assembly, *A New Age – Time to Deliver* for Older People in Wales, published in 2007 suggests that much needs to be done to turn this strategic rhetoric into reality

We recognise the positive policy developments there have been in Wales over the past few years. In particular we welcome the Strategy for Older People, the Commissioner for Older People and the National Service Framework. There is, however, all too often a stark contrast between policy aspirations and the actual experience of older people. There now needs to be a much stronger focus on implementation and on the levers and mechanisms which government can use to bring about change in practice.....

As we get older our needs may change but it is society that must adapt and provide for those needs. Older people still want to contribute to society and plan an active role in Welsh life, but how they choose to do that may change as they grow older....

Older people in Wales need to feel *competent, contributing, and involved* in order to achieve a sense of equality and full citizenship.

And a more general observation in relation to the whole of the UK comes from the Department of Work and Pensions 2005 research into *Factors affecting the labour market participation of older workers*:

- Individual awareness about the help available to support a return to work and the extending working life agenda was low with respondents interpreting Government policy as being about a compulsory extension of state pension age. Respondents considered that working longer should be a matter of choice and should not be enforced. Most expected to retire at state pension age and considered that they had earned the right to do so.
- Respondents saw a role for government in: communicating pension information; providing a stable and reliable income for people in retirement; regulating the pension environment to protect consumers; supporting flexible working practices; rewarding working longer; and enabling choice around when to retire.

## Knowing what's out there

A key issue facing older people and older workers (in common with those in other age groups) is whether they know about, and can access easily, the very large number of initiatives and organisations in Wales designed to help them, many funded or partly funded by the Welsh Assembly Government.

The success of the initiatives that are available through the various organisations listed in Appendix 3, will be directly proportional to their engagement with the market they are trying to reach.

Too often laudable government initiatives, using large amounts of public money, are dissipated or under-used because people do not know about them, or the methods of information dissemination are inappropriate to the market. In the case of some over 50s, who are not linked to wider networks and do not use the internet, this is particularly acute.

## Digital exclusion

Amidst all the talk about expanding broadband, and increasing our access to worldwide markets and information across the internet, we are also led to believe that there is a new breed of older people who are revelling in the opportunities that the internet presents. It is salutary for government, and others to recognise that is not always the case, as Owen Evans, Head of Policy and Communications at BT Wales explains

You hear a lot of hype about silver surfers; old people using the internet who are very savvy. Unfortunately it's a myth. The group that use the internet the least is the over 65s with the decline starting around 55.<sup>6</sup>

So this presents a new challenge for all those who want to provide help, support and information to the older age group.

## Competing or contradictory initiatives

There are also real issues when government initiatives and regulations in relation to benefits and pensions work counter to the more flexible working arrangements people may wish to adopt and employers may wish to introduce.

We already need a new regulatory mind set that recognises that very soon, if not now, people over 50 may be looking at a "portfolio" of income and work, made up of pensions (frequently from a number of sources, including the state), benefits for family members, and a number of pieces of part-time work, some regular, some occasional.

<sup>6</sup> Age Concern Cymru, *Older People and Technology*, 2006, page 12

The management of these opportunities will be the hall-mark of the “older entrepreneur”, but it will be important for government to ensure that its own regulations encourage, and do not stifle, such initiative.

### **Commissioner for Older People in Wales**

We hope that the appointment of the Commissioner for Older People in Wales will help to highlight some of these issues, and recommend some creative solutions. His or her remit is to

- Promote awareness of the interests of older people in Wales
- Promote the provision of opportunities for, and the elimination of discrimination against, older people in Wales
- Encourage good practice in the treatment of older people in Wales
- Keep under review the adequacy and effectiveness of law affecting the interest of older people in Wales

### **Economic inactivity**

The Welsh Assembly Government Economic Development and Transport Committee’s report on *Economic Inactivity in Wales*, published in April 2005 makes a number of important general observations about economic inactivity, without specifying any particular age group. However, their summary of internal and external barriers are just as important in developing and implementing policies in relation to older workers, as they are for any other age group.

First, there were ‘internal’ barriers arising from the individual himself or herself, such as lack of relevant skills and low confidence. Then there were the ‘external’ barriers, factors such as the inability to attract funding and premises for activity which might enable individuals to become economically active again.

Potentia explained that existing government policies tended to miss the soft issues surrounding internal barriers, even though the barriers they created were often substantial. These included

- Lack of relevant skills and business experience
- Limiting personal circumstances
- Lack of credibility within the business environment
- Low personal and business confidence
- Tendency to be dependent on benefits or grants
- Overcoming attitudes and assumptions in terms of stereotyping and cultural differences.

One of the recommendations of the report is that “programmes should focus on overcoming the internal barriers faced by individuals.”

## Balancing priorities

The challenge for government is to recognise and balance support for the over 50s that embraces those who

- wish to work and work for longer
- want to retire but cannot afford to
- wish to retire at a date of their choosing
- want to work less and receive pension and other benefits
- are unable to work for reasons of ill health.

Whatever the issues, the question government needs to ask is whether its policies make Wales a good place for anyone over 50 to live and work in.



## 9. RECOMMENDATIONS

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The previous chapters already contain a number of observations about good practice that are in themselves recommendations for change or improvement, but our final thoughts focus on a number of key areas which we believe will make a significant difference to contribution, involvement, and management of older workers in Wales.

- **70 is the new 60**

The government plans to increase retirement age to 67 in ten years time, with the intention that this may increase further. We are going to face a revolution in our thinking about old age, and we need to start now.

- **Keeping it real**

The picture of relaxed, bronzed, healthy, wine-sipping, cycle-riding, cruise-going, well-off over-50s is as far from reality as size 0 models. For many, if not most, work is a struggle, and retirement, in terms of making ends meet, is going to be even more of a struggle. Policies and strategies must face the reality not the romantic hype.

- **Nobody works for ever**

Working longer, and retiring later may be the norm for the future, but at some point we will all choose to stop working, because we have to, because we want to, or because we can afford to. Employers need advice and guidance on how best to help older workers make those choices.

- **Older entrepreneurs**

There will be ever-growing opportunities for older workers to use their skills in new ways, but they may need help in developing their ideas, finding routes to market, and in the mechanics of setting up a business. We need to review our publicly-funded support with the older worker in mind.

- **Outplacement support**

One innovative new initiative could be providing £250 of “outplacement” support for older workers who are seeking new work opportunities, but need help to do so. This would provide two hours of advice and guidance on cv preparation, interview skills, or a help with reviewing options available.

- **Holistic approach**

Advice for older workers should adopt a holistic approach that explores health, well-being, volunteering, turning hobbies into a business, and provides a brokerage role to link people to others who might use their skills or services.

- **Retirement age**

There should be no statutory retirement age, but we need to develop good practice that ensures that both workers and employers discuss openly and agree constructively when the path to full retirement should start.

- **Tapering retirement**

We should follow European examples of a tapered retirement whereby people can do part-time work without it affecting their rights to pensions and other benefits.

- **Flexibility**

All organisations should adopt more flexible approaches to the way they treat older workers to enhance their contribution.

- **Finance**

Flexible approaches to using the skills of older workers must be coupled with a new thinking about pensions and benefits to ensure that older workers who want to work for as long as they can are not financially penalised for doing so.

- **Ability**

Older workers do not have an absolute right to work irrespective of their abilities or the needs of the organisation. Employment practice in relation to older workers must be based on their ability to meet the objectives of the organisation.

- **Recruitment**

Recruitment practices must be made more appropriate for older workers. On-line applications, and interviewers who are out of touch with educational patterns, qualifications, and career paths of older workers, will inevitably disadvantage them.

- **Part-time work**

We need to develop new attitudes to part-time work, as a creative and flexible option for those who want to continue to work, but in a different way.

- **Raising awareness**

It is vital that we raise awareness about the needs and aspirations of older workers. It is in our personal and national interest to do so.

- **Communities**

All older people are part of the wide community, and across Wales we need to ensure that we do all we can to break the pattern of generation after generation not working. If work is not part of the community culture, none of the recommendations above will have any meaning or impact.

- **Work**

When we talk about work, in all its forms, we need to recognise and celebrate the fact that it is not simply about jobs to be done and money to be earned, it is about communities, purpose, self-esteem, meaning, and what Wales is in the 21st century.

- **Us**

If we do not classify ourselves as an older worker now, we certainly will in time, so these are issues that affect us all.

Richard Ciechan of In My Prime sums up the issues well in the following continuation of the article from [www.businesszone](http://www.businesszone) quoted earlier:

There must be a greater focus for everyone on the knowledge and skills required to see people through their lives into a ripe and fulfilled old age. This includes: greater awareness of health and lifestyle issues, including formal health screening; a greater understanding of personal financial planning; and mandatory ongoing training in emerging skills like IT.

Individual life planning and counselling from an early age, flexible contract working arrangements, and support and information about alternative working options such as self-employment should also be provided. Issues concerning each individual's work-life balance should be addressed openly and positively. Re-training and mentoring schemes that enable the transfer of accumulated experience must also be encouraged.

It may be that there will be less interest in these topics and less take-up of training from younger people, but from an early age employees should be challenged and encouraged to take responsibility for planning and managing their individual futures, alongside their existing responsibility for managing their own attitudes and behaviour. To this extent employers can only be seen as facilitators and supporters, the onus has to lie with each individual to create a fulfilling and rewarding outlook.

Ultimately growing older affects absolutely everyone. There is no magic cut-off or 'sell-by' dates when it comes to employee contribution; what is important are the aptitude, attitude, knowledge, skills and motivation of each individual.



## Appendices



# APPENDIX I

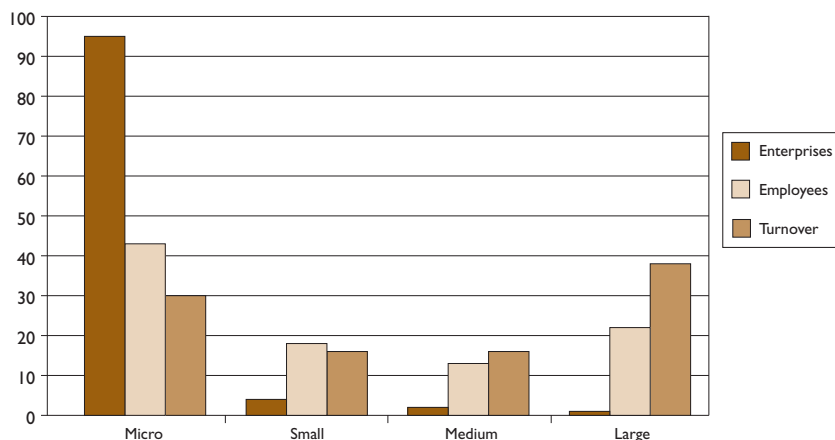
## STATISTICS FOR PRIVATE SECTOR ENTERPRISES IN WALES

The latest DTI statistics for the number of enterprises in the private sector in Wales (including public corporations and nationalised bodies; excluding Government and non-profit organisations) are from the start of 2005, as follows.

Employees	Enterprises		Employment		Turnover	
		%	'000s	%	£million	%
None	123,115	70.2	141	20.1	6,291	9.8
1-4	36,340	20.7	107	15.2	8,118	12.7
5-9	8,590	4.9	61	8.7	4,934	7.7
10-19	3,805	2.2	55	7.8	4,000	6.3
20-49	2,380	1.4	74	10.5	5,866	9.2
50-99	705	0.4	48	6.8	4,244	6.6
100-199	290	0.2	41	5.8	4,875	7.6
200-249	55	0.0	12	1.7	1,391	2.2
250-499	110	0.1	40	5.7	4,623	7.2
500+	70	0.0	125	17.8	19,577	30.6
<b>TOTAL</b>	<b>175,460</b>	<b>100.0</b>	<b>703</b>	<b>100.0</b>	<b>63,919</b>	<b>100.0</b>

The key facts to break out of this table are that:

- There are 52,000 enterprises in Wales with more than one employee
- 99% of all enterprises in Wales have less than 50 employees, and represent 62% of employment, and 46% of turnover.
- 98% of all enterprises in Wales have less than 20 employees, and represent 52% of employment, and 37% of turnover.
- 1% of enterprises in Wales have more than 50 employees, and represent 38% of employment, and 54% of turnover.
- There are only 180 enterprises with more than 250 employees, representing 24% of employment, and 38% of turnover.



Micro = less than 10; Small = 10 – 50; Medium = 50 – 250; Large = more than 250 employees  
Left axis and all columns are percentages of total of all businesses in Wales.

# APPENDIX 2

## FACTS AND MISCONCEPTIONS ABOUT AGE, HEALTH STATUS, AND EMPLOYABILITY

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The following is a summary of main findings of the report, *Facts and misconceptions about age, health status, and employability*, published by the Health and Safety Laboratory in May 2005.

The report considers some of the common 'myths' about older workers and provides, where possible, evidence and arguments that aim to dispel inaccurate perceptions about older adults and demonstrate that health and safety cannot be used as an "excuse" to justify the exclusion of older workers. The report highlights the facts about older workers' ability to work and the benefits of employing older workers.

**Myth? Chronological age determines health and age brings illness and disease**

This myth is not true. Health is influenced by numerous other factors, particularly lifestyle, amount of exercise and nutrition, and although risk of disease may increase with age, there are many actions which both individuals and employers can take which minimise these risks. There are several positive health behaviours, such as eating more fruit and vegetables and reducing alcohol consumption, associated with older adults that younger adults could also benefit from. In addition, the general health and longevity for older adults in society is improving, this may suggest the risk of certain diseases may be decreasing.

**Myth? Getting old is associated with loss of cognitive capacity**

Some cognitive functions are thought to deteriorate with age. Cognitive functions are mental processes, such as memory abilities, reasoning, thinking, problem solving, and understanding. However, decline with increasing age is not inevitable. There are vast individual differences in cognitive functions at all ages, and there is some evidence older workers may be able to prevent or compensate for any decline in these functions. In addition, older adults have some cognitive functions that are more advanced than younger adults and, therefore, have much to offer the currently changing work climate. In addition, the laboratory studies often used to demonstrate losses in cognitive functioning are not representative of the capacities and functioning required in the work environment.

**Myth? Older workers have less physical strength and endurance**

This myth is incorrect. Physical strength and endurance is very specific to individuals; some older workers may be more physically able than their younger colleagues. Physical ability can be improved through exercise or can often be compensated for, and some physically demanding jobs may maintain the muscles required to perform those jobs. Fewer jobs today are physically demanding, and those adults choosing those types of jobs are often those who have a higher level of physical ability. Physical demands from work can also often be minimised through changes in work design or use of equipment.

**Myth? Older workers tend to have poorer sensory abilities such as sight and hearing**

Sensory abilities do tend to deteriorate with age. However, this loss is not consistent in all older adults and most sensory loss can either be compensated for or overcome using, for example, aids or adjustments to the workplace.

**Myth? Older adults have difficulty adapting to change**

This myth is not true. Often any difficulties perceived may be the result of resistance to change and this may occur at any age. Some older adults reactions to change may result from questions about the need or value of any planned changes, but resistance to change can be reduced by, for example, effective communication and support. Simple adjustments can also make the changes easier for workers of all ages.

**Myth? Older adults find it harder to learn new information making their knowledge and skills outdated**

This myth is incorrect. Older adults can learn new information, but they benefit, like all workers, from training tailored to their needs. Some older adults may appear to take longer to learn new information, but this is because they have more existing knowledge to filter the new information through. All workers will benefit from a continuous learning environment within organisations, and older adults should be offered training opportunities in the same way as younger workers.

**Myth? Older workers take more time off work**

This myth is not true. Older workers often show lower levels of short term / non-certified sickness absence than younger workers, which is the biggest source of absence and disruption for employers. On the other hand, older workers sometimes show more long-term / medically certified sickness absence, than younger workers, although the chronic diseases thought to lead to long term absence are often open to prevention by workplace interventions beneficial to all workers. In contrast, employers have less control over the factors associated with short-term absence.

**Myth? Older workers have more accidents in the workplace**

This myth is not true. Accident rates vary in terms of a number of factors such as type of accident, but in general younger workers have been found to have a higher accident risk. This may be because the more accident-prone individuals have already left the workforce. The accidents associated with older workers like strains, sprains and falls can often be prevented by interventions beneficial for all workers, and older workers may help improve organisations' health and safety cultures, as they often take a more responsible attitude to health and safety risks based on their number of years experience in the workplace.

**Myth? Older workers are less productive**

This myth is not true. Productivity is influenced by a number of factors including, for example, days lost to absence which has been shown to be lower in older workers. There is great individual variation in ability to work with age, and older workers may be able to compensate for any decreases in speed by increases in quality and accuracy. Productivity can be increased by a number of measures that will show benefits in workers of all ages.

One of the conclusions arising from the evidence is that older adults are vastly different from each other. This is as a result of both external and internal factors that interact with the process of ageing, and, therefore, no stereotype of older workers is likely to be true for all, or even most, older workers.

The evidence presented dispels some 'myths' more than others. However, it was still recognised that older workers are a valuable resource for organisations. The evidence presented attempts to raise awareness about older workers' abilities and encourage employers to consider alternative perspectives about the employment and functioning of older adults. Older workers are productive and make a positive contribution to organisations.

However, there are often simple measures which can improve the functioning and productivity of workers of all ages. These measures can be equally beneficial for workers of all ages.

This report concludes that there is no health and safety justification to exclude older workers from the workforce, particularly given health and safety legislation requiring employers to minimise the health and safety risks to all employees as far as reasonably possible, and in entrusting tasks to employees, take into account their capabilities as regards health and safety.

In addition, organisations will benefit from efforts to maintain the ability to work of all employees at any age and the adoption and development of flexible retirement practices that retain older workers longer.

## APPENDIX 3

### SOURCES OF FURTHER HELP AND INFORMATION

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#### **ACAS** [www.acas.org.uk](http://www.acas.org.uk)

ACAS aims to improve organisations and working life through better employment relations. ACAS provides up to date information, independent advice, high quality training and works with employers and employees to solve problems and improve performance.

#### **Age Concern Cymru** [www.accymru.org.uk](http://www.accymru.org.uk)

*Age Concern Cymru* is a registered charity working for all older people in Wales by influencing public policy, raising awareness about the main issues affecting older people, and managing projects and services.

#### **Age Positive Cymru** [www.agepositive.gov.uk](http://www.agepositive.gov.uk)

The *Age Positive* campaign promotes the benefits of employing a mixed-age workforce that includes older and younger people. It encourages employers to make decisions about recruitment, training and retention that do not discriminate against someone because of their age.

#### **Business Eye** [www.busesseye.org.uk](http://www.busesseye.org.uk)

*Business Eye* is an information service for Welsh companies producing fact sheets on development and training, recruitment, employees' rights, finance and tax, and a range of on-line guides. It has local centres throughout Wales.

#### **Centre for Policy on Ageing (CPA)** [www.cpa.org.uk](http://www.cpa.org.uk)

The *CPA* is an independent centre of research and reference and aims to inform and influence service providers on the issues affecting older workers.

#### **Employers Forum on Age (EPA)** [www.efa.org.uk](http://www.efa.org.uk)

The *EFA* is a campaigning organisations made up of an independent network of leading employers. Core members include B&Q, Barclays, BBC, BT, Cabinet Office, Centrica, and the Chartered Institute of Personnel and Development who recognise the need to attract and retain valuable employees – whatever their age.

#### **Equal Opportunities Commission (EOC)** [www.eoc.org.uk](http://www.eoc.org.uk)

The *EOC* is the leading agency working to eliminate sex discrimination in the UK.

#### **Genesis Association** [genesiswales@aol.com](mailto:genesiswales@aol.com)

*Genesis* helps unemployed people and those under threat of losing employment primarily over the age of 40 with employment issues. They offer free information and advice on training, job seeking and support services.

**Help the Aged in Wales** [www.helptheaged.org.uk](http://www.helptheaged.org.uk)

*Help the Aged in Wales* campaigns to secure and uphold the rights of older people across Wales, and by working with older people identifies their needs and champions the issues that help better lives.

**In My Prime** [www.inmyprime.co.uk](http://www.inmyprime.co.uk)

*In My Prime* is an organisation that advises employers on issues relating to retaining and developing a mature workforce, in particular in areas such as flexible working policies, financial planning, personal development and work/life balance.

**MePlan 50 +** [www.meplan50.eu](http://www.meplan50.eu)

*MePlan50+* is a tri-nation partnership funded by the ESF Article 6 programme and based in Monmouthshire in Wales, Offenbach in Germany and County Westmeath in Ireland. It is working with individuals and employers to enhance opportunities which will contribute to the increased employment, retention and re-integration of the over 50s.

**Over 50s** [www.direct.gov.uk](http://www.direct.gov.uk)

The *Over 50s* section of the [direct.gov](http://www.direct.gov.uk) website provides advice and information on working, learning, retirement and pensions, benefits, health and well-being, travel and leisure, home, care and community, and the end of life.

**PRIME – Cymru** [www.prime-cymru.co.uk](http://www.prime-cymru.co.uk)

*Prime-Cymru* (The Prince of Wales' Initiative for Mature Enterprise) is a charitable trust that provides information and support for people aged over 50 who are considering setting up their own businesses, want help to find paid employment, volunteering or mentoring opportunities.

**Third Age Employment Network (TAEN)** [www.taen.org.uk](http://www.taen.org.uk)

The mission of *TAEN* is to promote an effective job market which works for people in mid and later life, for employers and for the economy.

# APPENDIX 4

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