

50+ Labour Market Data Review

Improving data to better
understand today's workforce



50 PLUS
Choices
EMPLOYER TASKFORCE

Purpose

This independent report from the Minister for Employment's Roundtable of employer organisations seeks to provide an overview of data available to understand the 50+ Labour Market, alongside analysis of how the data is collected, visualised, and tracked.

The report offers recommendations as to how to improve this data, outlining why this is important, and what data action should be taken by the public and private sector.

In putting together this report we are grateful to the Roundtable members:

- CIPD
- CBI
- UK Hospitality
- The Business Champion for Older Workers

The majority of this report was finalised in March 2022. Updated research reports have been linked into the report for further reference to the labour market picture.

There are two strands to this work:

1. A review of the existing publicly available evidence from a range of sources – analysing the evidence to form views on what we have learnt from the data, and what we have learnt about the data.
2. Action that should be taken by government and employers to improve the data / to act on the data – how the publicly available information can be improved to encourage action, and what action employers can take.

Roundtable members

CIPD

CBI

UKH
UKHOSPITALITY

Phoenix

Summary of evidence analysed

ONS Labour Market Overview

ONS publish [an overview and release data](#) on the labour market each month – these include headline measures on employment, unemployment, and inactivity levels and rates; it also includes data on vacancies and, more recently, levels of ‘employee’ jobs.

Alongside the overview, ONS [release a number of tables](#); some of these contain an age breakdown – the main table of interest for us is economic activity by age bands (age bands are 18-24, 25-34, 35-49, 50-64, and 65+).

As part of this there is also information on benefit claimants – the main ones are the ‘claimant count’ (published by ONS on [NOMIS](#)), and Universal Credit claimants (published by DWP on [Stat-Xplore](#)). Statistics for the Claimant Count allow an age breakdown of 50-54, 55-59, 60-64, and 65+; and statistics for Universal Credit allow single year age breakdowns.

ONS over 50’s Lifestyle Survey

The ONS ran the Over 50s Lifestyle (OLS) survey to better understand the motivations for leaving work and the barriers to return to work. This included insights into their financial position, characteristics, changes in lifestyle, and geography.

The OLS consists of a sample size of approximately 19,000 people aged 50 or over, based on those who have responded as being out of work in previous ONS surveys (retired, left, or lost job, though may have returned since).

See [Annex 1](#) for Early Insight – OLS survey outcomes



2017 Fuller Working Lives Evidence Base 50+ Choices Annual Official Statistics

To accompany the FWL Strategy in 2017 an [Evidence Base](#) was published alongside it. A commitment in the Strategy was to [publish annual Official Statistics](#) for key measures on older workers.

The headline measures are:



[Average age of exit from the labour market](#). The age at which people are on average, likely to leave the labour force.



[Employment rate of individuals aged 50 years and over](#), broken down by five-year age band and gender. This enables the identification of trends that may affect specific age groups within this population.



[Employment rate gap](#) between 50-64-year-olds and 35-49-year-olds, broken down by five-year age band and gender.

These measures are published as Official Statistics in September each year, using data referring to the June – August period in that year and contain statistics dating back to 1984, allowing a long comparison over time.

In addition to the headline measures, the annual statistics contain several additional indicators (often broken down by gender and five-year age band):

- Unemployment level and rate
- Economic inactivity level and rate
- Full-time and part-time split for those in employment
- Employee / self-employed split for those in employment
- Reason for economic inactivity
- Employment broken down by industry sector
- Employment broken down by UK country / region
- Reason for leaving last job

The latest statistics published in September 2022 can be found [here](#). These latest statistics also contain an age breakdown of 50-65-year-olds for the first time, reflecting the current State Pension age.

Monthly updates

In addition to the annual Official Statistics, the 50PLUS: Choices analytical team produce a monthly summary of published labour market data from the Office for National Statistics, focussing on older workers.

This monthly update contains more regular updates of several indicators, including:

- The headline measure of employment rate and level for 50-64-year-olds, broken down by gender.
- The headline measure of the employment rate gap between 35-49-year-olds and 50-64-year-olds, broken down by gender.
- The unemployment rate and level of 50-64-year-olds, including rate and levels of those unemployed for 12+ months, broken down by gender.
- The economic inactivity rate and level of 50-64-year-olds, broken down by gender.
- The level of people aged 50 and over claiming unemployment related benefits, including specifically those claiming Universal Credit.

The statistics in this summary are all publicly available and are sent to Roundtable members on the day of release and can be quoted publicly.


Employers and Older Workers

DWP have commissioned and published research on the Department's engagement with employers. The [latest research was published in 2019](#) and contains wide-ranging analysis which includes a specific section on older workers covering:

- Recruitment and monitoring of older workers: findings related to the employment for older workers as well as employer practices around monitoring the age profile of their organisation.
- Benefits and challenges: findings related to the perceived benefits and challenges related to older workers.
- Flexible working hours: results related to requests for changes to working patterns for employees who are approaching retirement.
- Information about pensions: changes between 2015/16 and 2018 based on the provision of information related to pensions.

As part of wider data considerations, in June 2022 DWP published its Planning and Preparing for Later Life survey of 40-75 year olds. The research is a nationally representative survey of 2,655 40-75 year olds and looks at answering whether and how people are planning for retirement, to help determine if they will be in a position to enjoy financial security when they retire. The latest survey data can be found [here](#).

CIPD 2021 Ageing Workforce



10.4m

Over 10.4 million older workers account for close to a third (32.6%) of the workforce.

1.2m

There are more than 1.2 million workers over the age of 65.

1/3

About a third (32.1%) of workers aged 50-64 would like to work fewer hours though only 17.9% would do so for less pay.



Most older workers are happy with their hours, but the 50-64-year group has the highest levels of dissatisfaction.

10yrs+

Over half of 50-64-year-olds have been with their employer for over a decade.



Recent work across Government on 50+ inactivity

In response to data showing an increase in over 50s leaving the workforce since the beginning of COVID-19, the Government has been taking forward work to understand the drivers behind the over 50s leaving the workforce.

Are there short-term
policy interventions
that could support this
cohort back to work?

If so, where
would short-term
interventions
focus?

What policies have
been successful in
increasing working
at older ages in other
countries over the
longer term?

How relevant
are they to the
UK situation?

Taskforce Findings

Public Data

Employment & economic activity data is available but lacks:

A

frequency

B

granularity

C

ease of
accessibility*

*This has been a lower priority in
employment and diversity debate,
consequently lacking visibility



CIPD view

Work by CIPD analysts shows that:

- Relevant data is available without the need to commission new work.
- Changes are required to improve accessibility to identify and visualise key data sets.
- Segmentation of age groupings leaves little capacity to express characteristics of older workers.
- Segments aligned to pension age and pension freedoms would give increased visibility and ease of understanding.
- How people work and their ability to work in a way that suits them emerges as an area of significant importance. Insight into hours/flexible working/self-employment reveals different workers' preferences. Improved understanding of this will mean jobs can be designed to better attract and retain.
- As a result, both government and employers may choose to identify specific areas/interventions which can be made to improve employment rates/economic activity.

Employer data

- Availability of data is good, for example all have a d.o.b. for new and existing employees.
- Employer data whilst available is not usually considered as a part of DE&I.
- A current challenge is what to measure and target, given that the issue is multi-generational.
- Need to consider wider employment, including sectors and skills.



Key recommendations and areas for discussion

A. Public Data reporting / Employer Reporting

- ONS – data visuals/categories should be improved to include factors reviewing attitudes to flexible working, experiences of the workplace, reasons for leaving/re-joining and more granular age bands for older work cohorts.
- Labour Market Survey – visualisation should include:
 - Recruit – by age band
 - Retain – by age and other demographics
 - Retrain – a system for measuring training/retraining across careers needs to be properly constructed.
- Better granularity of Department for Education training data – currently 18-24 or 25+ as catchall groups. Focus needs to be measuring and supporting lifelong learning, which also encourages people to stay within the workplace for longer.



Employer reporting

There are an estimated 0.75 million people aged 50-64 who are out of work and would like to be in work.

Nearly 1 in 3 older jobseekers who fell out of work during the pandemic experienced age discrimination in process. Others are struggling to access the health adjustments they need, or the flexibility to manage their caring responsibilities.

There are workforce shortages – the workforce has shrunk over the course of the pandemic, and vacancies have reached a record high. There are not enough younger workers to fill that gap – employers need the older workforce.

Yet less than half of employers have diversity and inclusion policies that cover age, and only 1 in 4 are taking steps today to create the multi-generational workforce we need.

Employer data recommendation

The recommendation is for employers to expand, if necessary, their existing HR MI data collection and analysis to include age data collection across 4 simple metrics, and to include 50+ as a specific age group:

1. Existing labour force – % employed
2. Recruitment – % recruited
3. Retention – % attrition
4. Training – % enrolled in training/training programmes

50 PLUS Choices Employer Taskforce: Data Review

Key recommendations and areas for discussion

A further recommendation is to incorporate a breakdown of demographic groups into other data reporting and analysis e.g. age disaggregation and gender.

The age bands we would suggest using include:

16-24 25-34 35-44 45-54 55-60 61-67 68+

(this is to ensure, at a minimum, future changes to the state pension age are captured and monitored).

Figure 1. Representation of a basic data capture table:

	Age Bands															
	16-24		25-34		35-44		45-54		55-60		61-67		68+		Total	
Data Sets	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Existing Employees																
Recruited																
Retention (attrition figures)																
Enrolled in Training																

This could be further disaggregated by gender or other protected characteristics if this data is collected.

B. Articulate the ambition

We recommend that the 50+ Choices Roundtable Group co-chaired by Minister for Employment and Government Business Champion for Older Workers Andy Briggs, consider whether the setting of a target for a 50+ employment level would be a positive step to increase focus on the issue.

Our view is that there is a need for an overarching ambition from government which spells out the direction of travel it wants to see in the labour market. It can focus minds across sectors of the economy on how they can then measure themselves against this.

This should be explored in consultation with individual sectors and the departments with responsibility for them in government to ensure accuracy and that optimal pathways are created.

To expand on points already raised, we need to position the three R’s – Recruit, Retain, Retrain as a central plank for pursuing true labour market change. Once accurate measurements against each segment are agreed and in place, employers of all shapes and sizes should be able to set targets which align their ambitions with those of government and society, to ensure these measures are central to future interventions.

C. Evidence of impact – costs and benefits

To build advocacy and the case for intervention on economic inactivity, understanding the cost and benefit impacts of inactivity is key.

Similar analysis has been published in the past, the 2017 Fuller Working Lives Strategy included example case studies of the financial benefit to individuals of working longer, as well as the wider economic impact of the population as a whole working longer.

We also note PwC published a “Golden Age Index” which estimates the additional GDP from increasing the employment rate of older people.

So there is precedent for this type of analysis, although we believe a focus should be on economic inactivity rather than solely on employment rates.

It may be that SPA review scope already includes an assessment of premature labour market exit. Alternatively, the data may exist within HMT, Cabinet Office or DWP, or the evidence base for the Fuller Working Lives Strategy could be updated. Regardless of the method, this needs to be investigated and if possible, brought into the view of the taskforce to ensure alignment with wider government activity and the objectives of the wider roundtable activity.

For individuals, employers, and society to understand scale of the financial cost and benefit we believe independent government data is needed.

Conclusion

From our evidence sessions, it is clear and unambiguous that there are huge volumes of data and data sources out there. However, we also believe there seems to be a gap in what data is used, visualised and what emphasis is placed on it. Particularly in mind of important data points on: attitudes to flexible working, experiences of the workplace, reasons for leaving/re-joining and more granular age bands for older work cohorts.

If government and employers are aligned in their ambitions to encourage and support the over 50 workforce (which we all know we are) it's important this data, as highlighted earlier in the report, is brought to the fore.

We believe this data can really help to drive change within the workforce

We would specifically cite the work of the CIPD from 2021 which focused on the views of different age groups across the workforce and the recent OLS survey, which captured insights and perspectives not seen within the regular Monthly or Quarterly surveys. They both show how existing data or new survey approaches can bring to the fore important information we would otherwise not observe. A consideration on the permanency of the OLS may be an important conversation for government to have.

We believe this data can really help to drive change within the workforce, making it more inclusive and one which better suits the needs and desires of those within it. Supporting flexible working arrangements and access to lifelong training, development, and career prospects, can also support more retention in the workforce for longer whilst also attract those who may have left but wish to return.

Default flexibility and better job design could also help break the pattern of those who leave the workplace early due to ill health (1 in 4 according to the TUC), which opens the labour market up to a brain drain and increases both the reliance on early access to personal pensions and other welfare impacts.

The individual impacts and costs of premature labour exit is a topic that needs to be prioritised

The individual impacts and costs of premature labour exit is a topic that needs to be prioritised, as per the Fuller Working lives report of 2017. The economic, future public costs and individual health and wellbeing picture is fundamental to making the right interventions in this space.

It is clear that emphasis on better data visualisation and engagement needs to be aligned with Recruit, Retain and Retrain. This will also require better data gathering, sharing and interrogation for lifelong skills and training. Any returner policy would hinge on this requirement and so it would be in the best interests of all stakeholders if this were investigated further.

There are several actions which could be taken now, and an overarching ambition from government could help speed this process up. However, we also believe more investigation is required and we await the results of other government activity such as the HM Treasury review and the State Pension Age Review. The benefits of a strong commitment to this work are unquestionable from the evidence we have seen and we welcome the government response to this work.



Annex 1

Early Insight – OLS survey outcomes

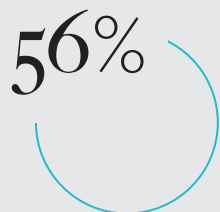
1,870 survey respondents aged 50 to 70 had left work since the start of the pandemic (March 2020) and had not returned to paid work. Weighted estimates suggest this could equate to 400,000 50-to-70-year-olds in the Great Britain.

- 15% left paid work because of the coronavirus pandemic
- 13% left because of illness or disability
- 10% left because of stress or mental health reasons
- 11% left because they did not want to work anymore
- 10% reported leaving for a change in lifestyle



Retirement (47%) was the most common reason for leaving paid work

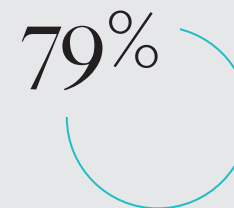
With those aged 60 years and over twice as likely (56%) to give this reason than those aged 50 to 59 years (28%).



Around 6 in 10 (59%) in our sample said they would not consider returning to work in the future.

When asked what would encourage these adults to return to work, reasons included being able to work from home (10%), flexible working hours (9%) and a job that fits around caring responsibilities (4%).

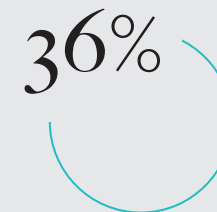
The majority (79%) stated that none of the options would encourage them to return.



Around 4 in 10 (39%) said they would consider returning to work in the future.

Of these adults, 54% said they would return for social company or a job they enjoyed, 52% would return for the money, and 45% would return for a job that suited their skills and experience.

36% cited flexible working as the most important aspect of choosing a new job, followed by working from home (18%) and something that fits around caring responsibilities (16%).



Wave 2's full report can be found [here](#).

Movements out of work for over 50's since the start of the pandemic using longitudinal LFS data.

1971



Those aged 50 years and over saw the largest increase of inactive people among all age groups since the start of the pandemic, following a historical downward trend since records began in 1971.

87k



The number of those aged 50 to 70 years moving from economic activity to inactivity between Quarter 2 (Apr to June) and Quarter 3 (July to September) 2021 was 87,000 higher than in the same period in 2019; full-time workers drove this increased inactivity.



While movements into inactivity have increased for many demographic groups, men aged 50 to 70 years with a degree or equivalent saw a higher number, 42,000, moving to inactivity between Quarter 2 and Quarter 3 2021 than in 2019.



Professional occupations saw the largest difference for those aged 50 to 70 years, with 30,000 more moving to economic inactivity between Quarter 2 and Quarter 3 in 2021 than in 2019; however, caring, leisure and other service occupations saw the largest proportional difference of 2.9 percentage points to 6.0% moving to inactivity in the same period.

33k



Self-employed 50- to 70-year-olds saw a higher movement into economic inactivity in 2020 with 33,000 more moving to economic inactivity between Quarter 2 and Quarter 3 2020 than in 2019; however, movement to economic inactivity has remained above pre-coronavirus levels between Quarter 2 and Quarter 3 2021.

Over 50's Lifestyle Study (OLS): Reasons for workers over 50 leaving employment since the start of the pandemic.

In the period 8 to 13 February 2022, based on adults aged 50 to 70 years in Great Britain (GB) who have left or lost their job since the start of the coronavirus (COVID-19) pandemic and not returned to work [Wave 1]:



The majority (77%) of adults aged 50 to 59 years said they left their previous job sooner than expected compared with 57% of adults aged 60 years and over.



Compared with those aged 60 years and over, adults in their 50s were less likely to leave work for retirement (28%, compared with 56%), and more likely to give stress or mental health (19%, compared with 5%) or a change in lifestyle (14%, compared with 7%) as reasons for leaving work.



Men were more likely to use savings and investments to fund their retirement (51%) than women (33%), and women were more likely to receive financial support from a partner or family (26%) than men (10%).



Those in their 50s were more likely to consider returning to work (58%) than those aged 60 years and over (31%).



A job that suited their skills and experience was a more important consideration when looking for work for those aged under 60 years (54%) than those aged 60 years and over (38%).

flexi

Of those who would consider returning to work, flexible working was the most important aspect of choosing a new job (36%), followed by working from home (18%) and something that fits around caring responsibilities (16%).



The majority of those who would consider returning to work or are currently looking for paid work would like to return on a part-time basis (69%); 21% said they would consider returning either part-time or full-time, and 9% said they would like to return full-time.

[ONS Article 3](#)

Over 50's Lifestyle Study (OLS): Qualitative research project covering OLS qualitative data and insights from twenty-one semi-structured interviews to explore the impact of the coronavirus (COVID-19) pandemic on the lifestyles of people aged 50 to 70 years.

The findings from this qualitative study showed that the coronavirus (COVID-19) pandemic has affected participants' decision to leave the labour market:

There were participants who retired sooner than they were intending to as they were made redundant during the pandemic.

Others were put on furlough, and because of this, left their job as a paid employee to become self-employed.

Participants who became self-employed during the pandemic did not intend to return to their previous job, as they preferred the work and flexibility.

Overall, those in our sample moved or stayed out of the job market after the pandemic because of complex and interrelated factors, including being unable to find a job, their age, ill health, caring for others, concerns about catching COVID-19, and financial security (for example, from a pension or a spouse's salary).

Others returned to part-time work as they needed to top-up their pension and pay for unforeseen costs (for example, needing to relocate because of caring responsibilities).

There were female participants who reported having been impacted by the increase in retirement age from 60 to 66 years; they either lost several years of their pension or had to delay retirement.

Although there were participants whose mental and physical health had been negatively affected by the coronavirus pandemic, changes to their health were not cited as a reason for them staying out of work.



