



Government Business Champion for Older Workers Target

What is it and what does it mean for your organisation?

As the Government's Business Champion for Older Workers, we're calling for one million more older people in work by 2022

To address the widening skills gap, tackle age bias in work and enable people to stay in work longer, we need to increase the number of older people in work by one million, or 12% more. This is the starting point for individual employers.

The target aims to support older people who want the same range of options and opportunities as younger colleagues, and to be recognised for their experience and expertise. In recognising the skills older people bring to the workplace, employers will benefit from the breadth and depth of their knowledge.

Background statistics:

- If the employment rate of people aged 50-64 matched that of those aged 35-49, it would add more than 5% to UK GDP, or £88 billion.
- By 2020 over 50s will comprise almost one third of the working age population and almost half of the adult population.
- The UK employment rate at age 50 is 83%, dropping to 64% at age 60.
- 47% of people aged 50+ and unemployed have been out of work for 12 months or more, compared to 34% of all UK adults.

Why is this important?

Our population is ageing and people are living longer. By 2022, 14.5 million more jobs will be created but only 7 million younger workers will enter the workforce. To ensure the health of our economy and society, the UK needs to significantly improve older workers' participation in the labour market.

Our research found a [Missing Million](#) older people out of work, who want to work. But employment isn't working for many people over 50; while some can choose to retire, too many are pushed out of work through redundancy, health issues, or having caring responsibilities.

We have set this target to give employers a target to work towards – one that is ambitious yet achievable, and one that will make a difference.

How can we achieve the target?

We are committed to supporting employers in meeting their 12% target. We have produced a How To Guide which involves understanding your workforce profile, listening to your older employees, and taking action to improve retention and recruitment. The guide can be found at:

<http://age.bitc.org.uk/BusinessChampion>

We will track progress by reviewing the government's Labour Force Survey statistics, including increases in the total number of older people in work and increases in the employment rates.

The target explained:

The target is a national target across all UK-based employers. It is based on UK-based government data. With the numbers rounded, there are 15 million people in the UK age 50-69, but only nine million are in work. We intend to increase that to over ten million over the next five years.

To work out the target, we looked at the gaps between the employment rates of different age groups. By looking at two separate age groups instead of one, we have calculated a realistic target, as the employment rate for people beyond state pension age is likely to remain lower.

1. People aged between 45-49 have the highest employment rate of any age group - 84%. We call this "peak rate".
2. **For people aged 50-64**, the employment rate is 70%. We want to reduce the gap between this rate and the peak rate by **a third**. This would mean increasing the number of employed people in that age group by 4.5% - or 545,859 people.
3. **For people aged 65-69**, the employment rate is 21%. We want to reduce the gap between this rate and the peak rate by **a quarter**. This would mean increasing the number of employed people aged 65-69 by 15.6%, which equates to 560,997 more people.
4. Added together, we want to see 1,106,855 more 50-69 year olds in work. We have simplified this to one million, and it equates to a 12% increase in the number of employed people aged 50-69.

What does the target actually mean for an employer?

Every organisation needs to increase the number of older people in their workforce by 12%. If you have 100 employees over 50 now, you'll need 112 by 2022.

With the population set to grow between now and 2022, the number of older people in work will increase naturally. The Resolution Foundation estimates that employment will increase by 400,000 by 2022 as a result of demographic shifts. This is two fifths of the target, so employers need to prepare for demographic change, and work to get the further three fifths of the million into their workforce.

Employers have five years to achieve the target, and each organisation will have its own starting point. What is important is that every organisation has assesses its own business risk: are you future proof? Employers need to be imaginative in making the most of our ageing population. 12% is a starting point, which is why it is our call to action.

On 4th September 2016, the Government appointed Business in the Community's Age at Work Leadership Team, led by Andy Briggs, CEO of Aviva UK Life, as Business Champion for Older Workers. The main purpose of this role is to support businesses to recruit, retain and retrain older workers.