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## Learning and Work in an Ageing Society in the UK

*This paper summarises the demographic challenge and presents a proposal for re-thinking the lifecourse developed by the UK National Commission of Inquiry into the Future for Lifelong Learning. It then describes the findings of the “Learning and Work in Later Life” project (LWLL) and suggests how learning can effectively contribute to extending working life.*

### 1. The demographic challenge

Like all developed countries, the UK is an ageing society. For over a century, every estimate of life expectancy has been higher than the previous one, and today’s 65 year olds can expect to live to their early 80s<sup>1</sup> (cf. Office of National Statistics 2009). Living longer is good news. It provides opportunities to do more, and to enjoy life for longer. But it also represents a serious social, economic and political challenge. Central to this is finding ways of extending working life into the expanding “third age”, which are acceptable to Government, individuals and employers. It has often been argued that training has a key role to play in this, but to date the evidence has not been strong.

### 2. Rethinking the lifecourse

In 2007, the National Institute of Adult Continuing Education (NIACE) invited a group of independent Commissioners to conduct a national Inquiry into the future of lifelong learning in the UK. The Inquiry was the broadest ranging examination of the place of learning in the lifecourse ever conducted in the UK. It commissioned 33 specialised research and policy papers, and published its final report in 2009 (cf. Schuller/Watson 2009).

After one of the first commissioned papers examined the implications of an ageing society for lifelong learning (cf. McNair 2009), the Commissioners agreed on the need for a fundamental rethinking of how the lifecourse is treated in public policy, and of how education might meet the social, personal and economic implications of this. They argued that the traditional division of life into three phases, moving from youth into adulthood around 20, and from adulthood into retirement around 60–65, no longer reflects how people live.

Firstly, the boundary between youth and adulthood has shifted, as participation in further education has risen, and the labour market has changed. Most young people

1 83.5 for men and 85.2 for women.

no longer settle into “adult” social roles until the mid 20s. Some are still in education well after 20, many are in trial jobs, apprenticeships, travelling round the world or in prison. An examination of lifestyles, time use and career patterns suggests that 25 is a much better point to define as the threshold of full adulthood.

The second boundary, between adult working life and retirement, is also changing. In the UK, women become entitled to the state pension at 60 and men at 65 (“State Pension Age” or SPA). This used to be regarded as the beginning of “old age”, after which people were seen as “pensioners” and regarded as primarily dependent, rather than contributing members of society. However, this has changed. Although average retirement ages fell well below SPA at the end of the 20<sup>th</sup> century, they have risen again since 2000, and retirement patterns have become much more diverse (cf. McNair 2009). Some people leave the labour market earlier: after 50 people begin to encounter age discrimination in the labour market; ill health drives some out of employment well before 60; and some of those lucky enough to have good occupational pensions choose to retire. Other people leave later: most women retire after their state pension age of 60; and growing numbers of men and women are continuing to work into their late 60s (and some are still in employment in their 90s). Working longer is also now more practical. Improvements in health mean that SPA no longer marks a point where most people become incapable of work, while the shift of the economy from heavy industry to services, and changes in technology mean that there are now far fewer jobs which the average 65 year old cannot do. Furthermore, most people in work after 50 say that they would like to work longer, especially if the work is flexible, part-time and less stressful. So the Inquiry proposes that a new “third phase” of life should be identified, stretching from around 50 to around 75, during which people should be regarded as active, contributing members of society. Demographic change means that the number of people in this group will expand rapidly in the coming decades.

The third boundary is perhaps the least easy to define, but in some ways the most important. Historically, SPA has been treated as the point when people become “pensioners”, and popular stereotypes stress dependency and incapacity. Although there is, for most people, a phase of life which is like this, it now rarely begins in the 60s, and individuals vary greatly. Building public policy around a break in the mid 60s restricts opportunities for older people, and limits their expectations and contribution to society. The Commission therefore argued for moving the boundary upwards, although fixing it at 75 is, to some extent, arbitrary.

However, while the four phase model makes good sense for the population in general, social class and employment history make a major difference. A recent report on health inequalities highlighted the fact that life expectancy can vary by seven years between different occupational groups, and that some people who have worked all their lives in heavy manual industries are genuinely incapable of continuing work by SPA (cf. Marmot 2010). However, if public policy is framed around the Inquiry’s three

transition points (25, 50 and 75), it begins to be possible to review what we mean by adult life, what people need to learn when, and how we are using public resources to support them.

The Commission went on to review expenditure on lifelong learning, using the four phase model. This examination of what is spent on learning, by Government, employers and individuals, is the most thorough attempt ever made in the UK to map resources devoted to learning for the adult population (over 18 yrs.) (cf. Williams/Aldridge/McNair 2010). Importantly, it suggested that total expenditure is around € 65 billion per year, considerably higher than previous estimates, and equivalent to 4.5 percent of GDP<sup>2</sup>. However, it also showed that imbalance between the four life phases is extreme. Although the Government has been keen to stress that public expenditure on “adult learning” has risen substantially since the mid 1990s, an examination of these figures against the four phase model reveals a less encouraging picture. The large majority of the additional money has been spent on people between 18 and 25, and public spending on older people has actually shrunk. The Inquiry estimated that 86 percent of all spending on learning for people over 18 goes in the first seven years, from 18–25, leaving 11 percent to those aged 25–49, 2.5 percent to those aged 50–74, and less than 1 percent to the oldest group.

While there are good reasons to invest more in young people, the scale of this disproportion is very difficult to justify, and the Commission called for a review of public policy to increase the resources available for people in the third and fourth phases. They pointed out that a large proportionate increase in spending on older people’s learning is possible, without increasing overall expenditure, because the numbers of young people are declining (because of low birth rates). Since expenditure per head is much higher for young people, opportunities could be made available to much larger numbers of older people with the same money.

### 3. Working longer

In this four phase model, one critical policy issue concerns the role of paid employment in the third phase, which begins with most people working, and ends with most of them retired, for four broad reasons. The first is the “dependency ratio” which measures the (deteriorating) relationship between the economically active and inactive populations. The simplest way of addressing this is to persuade as many people as possible to stay in work, probably in low skilled work in areas like retailing where flexible working is easy to organise, and where entry barriers and training requirements are low. The second reason is overall labour demand. Demographic change over the last 50 years means that the “working age” population is about to fall for

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2 The figure is nearer € 110 billion if the costs of learner time are included, as they usually are in employer calculations of training costs.

the first time since the 19<sup>th</sup> century. If people continue to retire at the same age as before, the UK economy will need to fill some twelve million vacant posts over the next ten years (cf. UK Commission for Employment and Skills 2010b), but there are only seven million young people leaving school and higher education in that period, leaving five million jobs unfilled. Thirdly, there will be skill shortages in very specific areas, because the age profile varies greatly between occupations and sectors. In some professions the average worker is now over 55, and there will be recruitment problems even in declining industries.

Last, but not least, there is good evidence that many older people would like to work longer. In the last half of the 20<sup>th</sup> century, most people looked forward to retirement as an escape from hard and unrewarding work, and real retirement ages fell. However, since 2000, survey evidence is clear that most people working after 50 want to stay (cf. Loretto/Vickerstaff/White 2005). There is a variety of reasons for this. They include the intrinsic interest in the work, the status and sense of being a contributing member of society, and the social contact with other people in the workplace. Perhaps surprisingly, money is not the main reason which people give, although changes in pension systems have meant that many people cannot look forward to being as prosperous in retirement as they once expected.

The UK Government has introduced a range of measures to encourage people to stay in work, and to persuade employers to continue to employ them, and this policy has had some success. The numbers of people staying in work after 50 have been rising, and this has continued during the recession of 2008–10 (especially for people over 65).

#### **4. Learning and work in the third age**

Adult educators often argue that training will keep people in work longer, because, in a world of constantly changing technology and work organisation, skills and knowledge become out of date and need to be renewed. However, there is little empirical evidence to support this claim, mainly because the question has not been seriously investigated. Labour market economists generally ignore age as a factor, because older workers are seen as a marginal labour force, cushioning the “core” workforce from the vagaries of the economic cycle (cf. UK Commission for Employment and Skills 2010a). Gerontologists, on the other hand, have often studied age as if anyone still in work cannot, by definition, be “old”. Finally, adult educators have tended to see education for older people as about intellectual and physical stimulation, cultural and social engagement for those who have retired (cf. Carlton/Soulsby 1999). As a result, we know little about whether training does help older people to remain employable, and if so, what kind of training is effective.

This was the subject of a recently completed study carried out by NIACE for the Nuffield Foundation. The “Learning and Work in Later Life” project (LWLL) reviewed the literature, undertook a special survey of 15,000 people, and second-

ary analysis of national datasets and interview transcripts from previous qualitative work (cf. McNair 2010). It identified a number of distinctive features of the older labour market. The first is psychological: at some point after 50 most people begin to be aware that they could leave work if they wished, and the sense of choice, or of an ending in sight, begins to affect the way they think about work, life and training. Some become more motivated to work, while others see themselves as beginning to slow down as they approach the end, and some start developing new interests to pursue in retirement. The second concerns health: with significant numbers of people retiring in their 50s as a result of poor physical or mental health. Thirdly, although age discrimination at work has been illegal since 2006, it remains the most commonly reported form of unfair discrimination in the workplace, and it mainly affects people over 50, especially those who are unemployed. Anyone who loses his/her job after 50 will find it much more difficult to find another one at a similar level, and this is as true for highly qualified professionals as for manual workers. As a result, the proportion of the workforce in very high paid and very low paid work is much smaller in the 50s.

After 60, the balance shifts in the opposite direction. The workforce then becomes increasingly divided between people in high skilled professional jobs (who form about a quarter of the workforce after 65); and people in relatively low skilled jobs. By the mid 60s the majority is in part-time work, and they are increasingly concentrated by sector, into Health, Education, Retailing, and Business Services. Those in professional roles have clear and relatively scarce specialist technical expertise to sell, and employers increasingly recognise the value of retaining such staff, rather than having to train young people. Those in low skilled roles, on the other hand, are in jobs with low skill and knowledge requirements, where entry barriers are low, and where flexible working is easy. Thus it is easier for older people to find work which fits around their changing lifestyles, and where labour demand makes age discrimination rarer.

## 5. Age and training

As in all countries, participation in learning in the UK declines with age (cf. OECD 2005). However, the pattern has been changing. Whereas in 1990, the decline was steady from the early 20s, participation levels are now much more level, hardly falling at all between 25 and 50, although they then drop rapidly (cf. Aldridge/Tuckett 2009). This suggests that attitudes to training, by employees and employers, are changing. One reason for this put forward by employers and employees in the qualitative evidence for the study, is the arrival of Information Technologies in the workplace during the working lives of today's 40 year olds. Almost all jobs now require some degree of computer literacy, and regular updating is common. Since people who have successfully trained in the past are more likely to do so again, this may have had an impact on ongoing training activity.

The LWLL survey produced two particularly striking findings. The first is the familiar one, that those who already have the highest qualifications are the most likely to train. While this may seem inequitable, it reflects the fact that the most highly educated are more likely to be in jobs with a high, and rapidly changing knowledge content, where training is essential. Perhaps more surprising was the finding about perceptions of levels of skill<sup>3</sup>. Across the workforce as a whole, hardly any employees think they are underskilled (under 5%), while more than half (59%) think that their skills are “about right” for their current jobs, and 36 percent believe that they are overskilled. With age, the proportion reporting skills “about right” rises, to 68 percent of people in their late 60s (by which time most of those who feel a serious mismatch will have retired or found an alternative job). However, there is an exception to this picture. After 50 there is a steady rise in the proportion reporting being “very overskilled”, from 12 percent of all employees in the late 40s to 30 percent in the late 60s. This suggests that, despite rising levels of employment among people in their 60s, their abilities are not being well used. Although some of this can be attributed to people deliberately choosing to move to less stressful jobs as they approach retirement, some is undoubtedly the result of age discrimination by employers, and the qualitative evidence suggests that many have been forced by age discrimination into jobs below their abilities and aspirations.

It appears that employers generally agree with this positive view of employees’ skills. In 2009, the national Employer Skills Survey, which surveys some 79,000 firms each year, found only 3 percent of employers reporting vacant posts where they had difficulty finding qualified applicants, and 7 percent with staff who were not fully competent for their jobs (mainly because they were newly appointed) (cf. UK Commission for Employment and Skills 2010a). Although the survey does not ask about the age profile of firms’ workforces, qualitative interviews with employers generally suggest that they regard older workers as well qualified for the work they are doing.

These findings contrast sharply with the long standing view of Government that the skill levels of the UK workforce are too low, when compared with our economic competitors. There appear to be three possible explanations for this mismatch. Firstly, Government takes a longer view than employers or employees, who tend to plan for the short term. If this is true, then employers will not invest in training while they can still recruit new well qualified employees, and employees will not invest while they can find jobs without training. This is, of course, a risky strategy for employers in technical and professional jobs where initial training is long, and the average age of the workforce is high: if they wait until they have problems recruiting, it will be too late to start training, which may take five or more years. Secondly, the risk of not training older employees is low. Many will retire in the near future, and

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3 The word “skills” has traditionally been used in the UK to describe only practical qualities, usually in manual occupations. However, in recent years it has increasingly been used to include the whole set of qualities which enable an individual to do a job, including knowledge and understanding.

investing in their skills may produce relatively small returns. For many people, this is a rational response: they will manage to continue working satisfactorily without further training. However, they are at risk if they need to work longer, as a result of changes in pensions or personal circumstances, or if they find themselves unexpectedly redundant. A third explanation is that there is a “conspiracy to underperform” between employees and line managers or supervisors. Organising training involves extra work for supervisors (including sometimes uncomfortable conversations about competence with people who have been working in the firm for many years). It also faces some employees with challenges to their self image. Some employers reported that older employees see the suggestion that they might train as a criticism of their competence, or a threat to their status among colleagues, and the projects qualitative evidence suggests that many older people are very sensitive to criticism which implies that their capabilities may be declining as a result of age. In this situation, employer and employee may tacitly agree that the effort of organising and undertaking training is not worthwhile. Finally, it may well be that the “overskilled” employees are right in believing that employers do not make effective use of the skills and knowledge of their older employees. This matches the survey evidence that employers’ general attitudes to older workers are benign, but do not support an image of older workers as dynamic contributors. One study of employer attitudes summarised this as “younger workers are less moral: older workers are less capable” (Abrams/Eilola/Swift 2009), and others have regularly shown that the qualities associated with older workers are reliability, conscientiousness, and willingness to work, rather than dynamism, creativity or innovation (cf. Phillipson/Smith 2006).

These three factors probably explain why training levels are low for people over 50: neither employer nor employee see older workers as part of a long term human resource strategy, and for both, facing problems of under performance may be uncomfortable. However, alongside a relatively small minority of older workers who train, because they are in sectors or occupations where training is seen as normal, and a larger group in sectors where training is less necessary for the current tasks, there is a third group where training is often seen as important. This is the unemployed, and here there is a considerable body of research evidence, mainly funded by Government (cf. Vegeris/Smeaton/Sahin-Dikment 2010). What it shows is a division in the older labour market between “insiders” and “outsiders”. Most employers hold broadly positive views about employing older people, and will willingly extend the contracts of existing employees (the “insiders”), whose skills and capabilities are known, often allowing flexibility to accommodate personal circumstances. However, they are much less willing to take the risk of recruiting an older person who they do not already know (the “outsiders”). Although age discrimination is unlawful, the evidence is very strong that finding a job becomes progressively more difficult after 50, because, in practice, employers do consider age when recruiting. Ironically, one of the positive features of older workers – their loyalty and reluctance to change employers – makes

them appear a greater risk to an employer: once recruited they are unlikely to leave voluntarily, even if they do not fit the job.

However, the research evidence on training is clear, that the only strategies which are really effective in getting older people into work involve giving the employer and employee the opportunity to test each other out, through work placements, trial jobs, and apprenticeships (cf. Capellari/Dorsett/Haile 2005). Some project work suggests that training can be most effective when focused very specifically on individual short-age occupations, and in fields where small employers have difficulty managing recruitment and initial training (cf. Wilson 2010). By contrast, more general training for employability appears to make little difference: the largest study of training for unemployed people found that age remained a major barrier preventing older people getting work even when they successfully completed training designed specifically to improve their general employability, including basic skills, motivation and self presentation (cf. Casebourne et al. 2008).

## 6. Conclusions

Despite much rhetoric from Government, and often from educators, training is not a panacea for the problems of the economy nor for older people seeking more productive (or any) work. The problems of the older people relate more to factors like labour demand, and age discrimination, to which training is marginal.

The places where older workers are most likely to train are environments where training is normal, and everyone takes part. In general these are organisations and professions where skills and training levels are already high. For the majority in low skilled occupations, training related to the job is likely to be short, and narrowly focused, and for those who are unemployed it will only improve employability when linked to other management strategies.

However, training does have a key role to play for two specific groups. For those with low skills and working in industries under threat, retraining, providing better career guidance and encouraging people to see themselves as learners, needs to happen in their 40s, before age discrimination begins, and when it is most likely to provide them with protection against unemployment or premature retirement. The current distribution of funding does not support this.

The second group is the overqualified, whose talents are being wasted, perhaps because they need to learn how to use them better, though much of the responsibility for this problem must lie with employers, for not identifying such people, and deploying them more effectively.

However, learning also has an important role to play quite apart from paid employment. The third age is an expanding phase of active life. For those in work, learning for other purposes than work can provide a sense of a positive future beyond employment, easing the transition to retirement, however this is managed. For those who



have left paid work, it can contribute to wellbeing, meaning and purpose, enabling people to remain contributing members of society, and help avoid isolation. There is still work to be done on mapping the nature and role of learning in this phase of life, and developing appropriate responses, for work and beyond it.

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