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How Can ESF Help Older Workers through the Recession?

TAEN/ ESF Conference Report

Birmingham International Convention Centre, November 24, 2009

Equal treatment for older employees looking for work as well as young jobseekers was a key message at this successful conference jointly organised by TAEN – The Age and Employment and the DWP’s European Social Fund Division. The conference, which took place in Birmingham on 24 November, looked at the vital role the European Social Fund (ESF) could play in supporting 50+ workers through the economic recession.

The conference was aimed at all organisations involved in the 2007-2013 ESF programme in England at national, regional or local levels. This included Co-financing Organisations, Regional Development Agencies and Government Offices, Local Authorities and others managing the ESF provision in the regions, as well as contractors and subcontractors from a range of private or third sector labour market intermediary organisations. Also present were labour market specialists from the Netherlands, Belgium, the European Commission and the Ministry of Labour in Slovakia.

Considering the theme of the conference, delegates looked at how the overall operational programme and regional projects could work more effectively to support the 50+ group through the worst economic downturn in living memory.

Speakers covered a wide range of related topics, including current UK labour market conditions and previous recessions; the performance of national and regional ESF programmes against the 50+ targets; the Government’s labour market policy responses to the downturn; and how some employers are trying to retain workers of all ages.

In his opening remarks as conference chair, **Ken Lambert**, Head of the England ESF Managing Authority, DWP, said it was good to see so many delegates from overseas attending such an important conference, including those from the European Commission.

“As ESF providers who are able to engage effectively with the over-50s, you have a key role...”

Ken Lambert
 Head of the England ESF Managing Authority





Chris Ball

“The older worker group we are targeting today perhaps once did not get the attention they are now getting, but even that has to be put in the context of the recent news that the number of younger people facing unemployment in the UK is teetering on the million mark.

“The danger remains that amidst this news older workers will continue to be forgotten. Part of the aim of this conference is that we don’t forget them. That is why we will be looking at what works and what does not.

“In today’s workplace, 50+ employees need to develop new technological skills and one purpose of conferences like these is to share good practice and develop our own competencies in supporting older workers.”

Chris Ball, TAEN Chief Executive, told delegates that with so much attention focused on the plight of the nearly one million NEETS (Not in Employment, Education or Training), it was easy to forget the lessons learnt from previous recessions. Older workers were also one of the groups seriously affected in the current crisis. With unemployment continuing to rise, older people who could be described as ‘NEEDs’ (Not in Employment, Education or in their Dotage) also require intensive support to get into work.

“For many, particularly for men aged 50+, premature departure from the workforce can effectively spell the end of their working lives.”

He thanked those present who were focusing on the older workers’ needs during the current ESF round: “By providing vital support for the older

employee and jobseeker you can show the way for others to follow in the current round and the way you shape your bids for the future.”

He said that most people experience longer, healthier, better educated lives than a century ago. The average age for entering employment was now 20 and many women have babies in their 40s.

“But, equally, once generous retirement or early retirement packages have largely gone and we are now in a situation where we need to work longer to build up a decent pension and pay for substantial financing and caring commitments.”

Looking at the current state of the economy, he gave a warning that while there were signs that the recession was easing, it was leading to a pretty weak recovery.

“All sectors have been impacted by the downside. We are not just seeing the loss of white-collar and financial sector jobs that we expected, but also the knowledge jobs that we thought would lead to the opportunities of the future. They have gone too.”

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Chris Ball
TAEN Chief Executive

Meanwhile the north-south divide in England remained a reality. “In fact, there are parts of the country which have not recovered from the previous recession.”

Turning specifically to 50+ workers, he pointed out that they faced extra barriers: “though they always do, even in a good economic climate. An older person looking for a job is less likely to go to Jobcentre Plus and more likely to fall into economic inactivity. The long-term unemployed are more likely to have had no formal learning since leaving school and, of course, people can still be lawfully dismissed when they reach 65.

“On the one hand employers seem to be more willing to retain their older staff than recruit new ones. If you’re in a job you are often highly valued and appreciated but there’s a lot of discrimination in the labour market when you are trying to get back into work.

He said delegates must show belief in the ‘NEEDs’ generation.

Professor Sarah Vickerstaff, Head of the School of Social Policy, Sociology and Social Research, University of Kent, looked at some of the lasting impact of what had happened to older workers in previous recessions.

“Evidence from those last two recessions (of the 1980s and 90s) show that even when the economy picks up, employment rates lag behind. And if one recession comes fairly quickly after another one, work levels might not get back to the rates previously enjoyed.”

Since the 1980s, more young people have remained in education but the employment levels of men aged over 50 have never returned to those of the 1970s and 1980s.

Looking more closely at those earlier recessions, she pointed out that many men aged 50+ had been made redundant in particular sectors of the economy: “One pattern of recession is that many skilled men - those in the steel industry for example - expect to work again after being laid off. But in fact many of them move into retirement or onto incapacity benefit.”

While there had been some recovery in the number of older people in work, the basic explanation was that it was due to the growth in the numbers of women in the labour market.

She said the media often concentrated on the dramatic impact on young people leaving school and college as recruitment freezes were normally the first measures to kick in: “It is not so much that older workers are not so badly affected but the media tends to divert attention from them. We need to remember that unemployment rates affect older workers as well.

“One lesson to learn from previous recessions is that anyone who is not in work finds it harder to find employment. The 50+ worker has initially fared better than younger people but you have to look regionally and by sector.

“We have to tackle the idea that younger workers matter more. It is important that attention is given

“We have to fly the flag for older workers and not let the debate about young people dominate the discussion.”

Professor Sarah Vickerstaff

Head of the School of Social Policy, Sociology and Social Research, University of Kent



Sarah Vickerstaff

to them but what happens to older workers matters as well. We have to fly the flag for older workers and not let the debate about young people dominate the discussion.”

Putting the government case for older employees, **Christine Ashdown**, from the DWP’s Extending Working Life Division, spoke on official policy responses and initiatives during the current downturn.

She said: “We know employment matters and official reports indicate that a 1 per cent rise in employment rates adds millions to the country’s GDP. It has been calculated that with demographic change, we will need another one million older workers over the number already in work plus further increases just to keep pace with where we are today.

“If you look at demographic change, the figure which makes you think is the one showing how many 55-64 year olds are moving towards state pension age. Forget about the talk of working until you are 80, many people will still want to and will have the right to choose to retire at state pension age and draw their state pension - the numbers are substantial and the cost of their pensions has to be found from somewhere.”

“Many of the ‘killer facts’ behind the official statistics are alarming - one report states ‘Only one-third of councils in England are prepared for an ageing population.’ A lot of them have not even thought of the impact that the increase in the number of people aged 65, 70, 80 and 90 will have on their services.

“By 2020, we know around a third of the working age population will be aged 50+ - from now until 2017 the UK will need to fill around 14 million jobs just to sustain the economy at the current level.

Over the same period the number of young people will fall, in fact it has been reported that there are currently only around 7 million younger people in the education system - this is not an adequate replacement level to fill the 14 million vacancies left by those who retire or, once the recession passes, enough to fill vacancies created by an expanding labour market. If there are insufficient young people to fill vacancies, who will fill them?”

Christine mentioned that an Independent Review of ICT User Skills by Baroness Estelle Morris noted that people over 50 have the lowest level of computer literacy alongside those from other disadvantaged groups i.e. inactive, disabled, carers, etc who in turn are often from older age groups. The report identified that most jobs in today’s labour market require a modicum of ICT knowledge. It therefore goes without saying that 50+ people need basic ICT to make them employable. The report suggests that computer knowledge should be a basic skills need alongside literacy and numeracy. After all, in the 21st century we cannot afford to have a substantial cohort of adults excluded from the labour market because

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Christine Ashdown
DWP’s Extending Working Life Division

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Rachel Kryz
Campaign Director at the Employers Forum on Age



Christine Ashdown



Rachel Kryz

they lack basic knowledge. “We know many older people fall into this category and it is up to all of us to make sure their needs are met.”

Rachel Kryz, Campaign Director at the Employers Forum on Age, looked at how employers are responding to the challenge of maintaining their commitment to age diversity during the recession. She explained the EFA had originally been set up by Age Concern and a number of large employers who saw the need to retain older workers or to get them into work.

“Employers from across both the private and public sectors, representing the benefits of age diversity, felt that rather than just shout about the issues they should come together and lobby for legislation that was appropriate for them and that would encourage employers to do things differently.”

She said she recognised that, despite the age legislation, things were often different in practice. “Age is a very poor determinant of ability and how much someone should be paid. We campaign against discrimination against people of all ages.

“I frequently hear of managers in organisations wanting to retire older workers because they say they are unable to relate to, or manage, people as old as their parents. That attitude needs to be challenged. In this country there remains very little understanding of ageism. In fact, it is one of the last forms of discrimination. We see it all the time, and not only at work,” she said.

But there had been improvements in attitudes in recent years and there were real benefits for employers in having a mix of younger and older workers. “Research shows that if you have people at work who have been through a recession before they are less likely to feel depressed in the current downturn.”

Carole Willsher, Recruitment and Diversity Specialist at British Gas, part of the Centrica group, deals mainly with its engineering sector, working with 27,000 employees across a range of ages and backgrounds.

For British Gas, diversity in the workplace means dealing with people as individuals. It also promotes the idea that diversity is good for business, even in an economic recession. “Having older workers on the payroll helps to retain corporate knowledge and experience in the business and can also best reflect your customer base.”

Describing the company’s recruitment and retention policy, she said: “We want the best person for the job regardless of age, race and gender. The company recruits on the basis of attitude. It does not always necessarily go for experience, but the important thing is to hire the right person and train them up. When the age discrimination legislation was introduced in 2006, we went for age neutral policies and practices. We recognised the legislation but we wanted to go beyond it and so we said OK, let’s raise the spirit of the legislation and not just tick the boxes.

“This meant removing the age barrier for new apprentices. By 2006 about a third of the new intake was aged over 25. The oldest apprentice is now 57 and he had been unemployed for 18 months before joining us. He says his age has never

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worked against him in the company and he plans to stay with us for the rest of his working life,” she told delegates.

She also spoke of a former middle-aged college lecturer who, after redesigning his kitchen, realised he wanted a more practical job and had applied successfully to join the apprentice engineer scheme.

Simon Marlow, Head of European Social Fund Evaluation, DWP, commenting on current performance data relating to ESF support for the over-50s and other priority groups, said the fund in its first year had reached about three-quarters of a million people in the major priority groups, out of the one million targeted.

“Among the 50+ we have already reached more than half of the target group and colleagues have already reported how well the ESF is reaching out to older workers compared with (some) other employment programmes.”

The 50+ group is one of the priority ESF groups along with the disabled, those from ethnic minorities and women. The only aspect which was so far falling short of its target was Priority 1 activity: dealing with older jobseekers, which probably reflected the large rise in unemployment, he told delegates.

Participation rates for the 50+ group in projects did vary and there was a bit of a north-south divide: Yorkshire and Humberside and parts of the North East reported involvement of around 10 per cent, while in London and the South West the figure was around 20 per cent. Higher figures were reported in the West Midlands and Merseyside.

It was important to look at the over -50s as cutting across other priority groups. Not surprisingly, representation was high among the disabled and inactive and low among those with higher skills.

Jan Townsend, a business manager with Kennedy Scott Ltd, which runs an ESF-funded ‘hardest to help’ project in Brent and Harrow in North West London, described how her company was achieving its 50+ targets working with refugees, people who are homeless, and those with drugs and alcohol problems and basic skills needs.

In the past, she said, many pensioners had often spent their time babysitting for younger family members but now that was no longer enough as the recession hit hard. “Now they have to be earning an income to support their families.”

However, despite the downturn, there were still a lot of positives for organisations who support older employees, she told delegates. “We find that older workers are reliable, they don’t take ‘sickies’ when they have been out drinking the night before, and they bring a huge wealth of experience learned through both work and life.

“People want to be at work, they don’t want to stay at home feeling bored, useless and unappreciated. They are used to working for a wage. Put an older person in an office with a PC and they are busy within five minutes.

“We know that big companies like B&Q employ older workers. We have been talking to Tesco locally and they have been receptive about taking on older staff. In our projects involving the 50+ we’re involved in a journey and relationships are being built,” she added.

“When we did a snapshot of outcomes of getting people into work, we found that 20 per cent of them involved the 50+. So it does work. It means negotiating with employers but the key thing about getting an older adult back to work is the relationship with the client.”

The afternoon started with a **facilitated discussion** session during which delegates in smaller groups considered how ESF projects could more effectively support the over-50s. They were asked to provide answers to four key questions:

- Does anything seem to work particularly well / effectively in helping to reach the over-50s?
- What doesn’t seem to have worked well?
- What could you be doing that you’re not doing now?
- What would you need to make your programme / project more successful in respect of 50+s?

The output from this session can be accessed at www.taen.org.uk/esf

In the following **Brains Trust session**, in response to a question on how best to engage with people over 50 and to reach the most disadvantaged

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Simon Marlow

Head of European Social Fund Evaluation, DWP



Above: From left to right - Carole Willsher, Simon Marlow and Jan Townsend

among the 50+group, **Jan Townsend** said that one answer lay in good communications.

After the message had gone out to the community in Brent and Harrow, two local groups now referred clients to her company. But she acknowledged that some community organisations had not been easy to reach. “It has taken us since June 2007 to get the word right across the local community that we can offer help and support,” she said. A lot of outreach work targeting the 50+ was now being done in local libraries.

One delegate spoke of their project’s success of organising a job club: “Our club helps to bring people together and build their confidence. We get people from all over and the experience helps them and they also provide support for each other. Some turn up feeling very low, having had little contact with other people. And then suddenly they look forward to coming to our two-hour sessions, to the point that we often run out of chairs. A job club for people aged 50+ is an effective way of building confidence and getting people back on their feet.”

When the discussion turned to self-employment and how providers could support those in the 50-plus group who sought viable alternatives to traditional employment, **Ken Lambert** said the focus was on a wide definition of employment. Providers were increasingly looking at supporting those who aspire to work for themselves.

The final question of the session was on the role that volunteering might play in helping older jobseekers in their journey back to paid work. **Sarah Vickerstaff** thought that it could provide a

useful intermediate outcome for individuals by giving them a “toe-hold” into work and could be particularly useful for people, such as carers, who had been away from the job market for a number of years. **Carole Willsher** said that as many larger employers now regard volunteering as an important part of their own Corporate Social Responsibility approach, engaging in volunteering could be an important differentiating factor for employers when selecting prospective job applicants to interview. It indicated that the jobseeker was motivated and had a hunger to get back into work. **Jan Townsend** said that as far as their own project was concerned, volunteering was actively encouraged and formed another important “tool in the box” to help get people back into work.

The Brains Trust session was followed by a presentation by **Lloyd Broad**, Head of ESF Innovation, Transnationality and Mainstreaming (ITM) Unit Coordinating Body at Birmingham City Council. He spoke about the 32 recently started ESF ITM projects, including seven which are look at demographic change.

He told delegates it was vital that ITM projects were not bound by targets and outcomes and were more responsive to policy changes and influences:

“.. The key thing about getting an older person back to work is the relationship with the client.”

Jan Townsend
Business manager with Kennedy Scott Ltd

“When we set up all the (32) projects we wanted to be more strategic in our approach, with only three projects in each region, embracing public, private and voluntary sector stakeholders who would have a major influence on this work.”

The seven projects run under the ITM demographic change theme, including those in Sunderland and Cornwall, were due to reach 2,000 participants and cost about £1 million each. “We wanted them to be joined up so all the partners could learn from each other.”

Looking at the international brief of his work, he said colleagues were aware that there was good practice and innovatory work going on in many EU countries, particularly Scandinavia. “We hope to learn from each other and make that leap from policy to practice.”

Working on demographic change and the older worker involved a number of themes, which included social care, retaining skills, new skills in new jobs, volunteering, flexible work, changing practices and attitudes towards the 50+ adult.

“We all work on similar issues and it is important that we come together to make our common messages more effective,” he said. There was a lot of good work going on supporting projects aimed at older employees. “We have to record it properly and get the evidence. What we are trying to do is locate things we can learn from and record that journey on the way,” he told delegates.

In his closing remarks, **Ken Lambert** told the audience that they had a crucial role to play: “On a regional level, you should take older workers into account when drafting the regional ESF frameworks and drawing up specifications of the projects for the second period of the 2007-2013 programme.

TAEN is happy to assist you in this. They have already supported several regions.

“As ESF providers who are able to engage effectively with the over-50s, you have a key role in the success or failure of the Government’s aspirations to maintain them in the workforce and improve their confidence. We hope that some of the ideas mentioned today in the table discussions or Brains Trust session might be useful for you.”

He also spoke of developments involving the TAEN ESF website (www.taen.org.uk/esf) which would feature outcomes of the conference and the discussion points raised during the day, as well as highlighting examples of good practice. More examples of good practice involving the 50+ age group for the site would be welcome.

“The TAEN and ESF-works websites are important resources available to you all and I hope you use them to get the message across more widely,” he said.

He concluded: “This conference is not just a one-off event but part of a process we want you to buy into. We want you to expand your confidence in dealing with the 50+ group.”

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Brains trust session