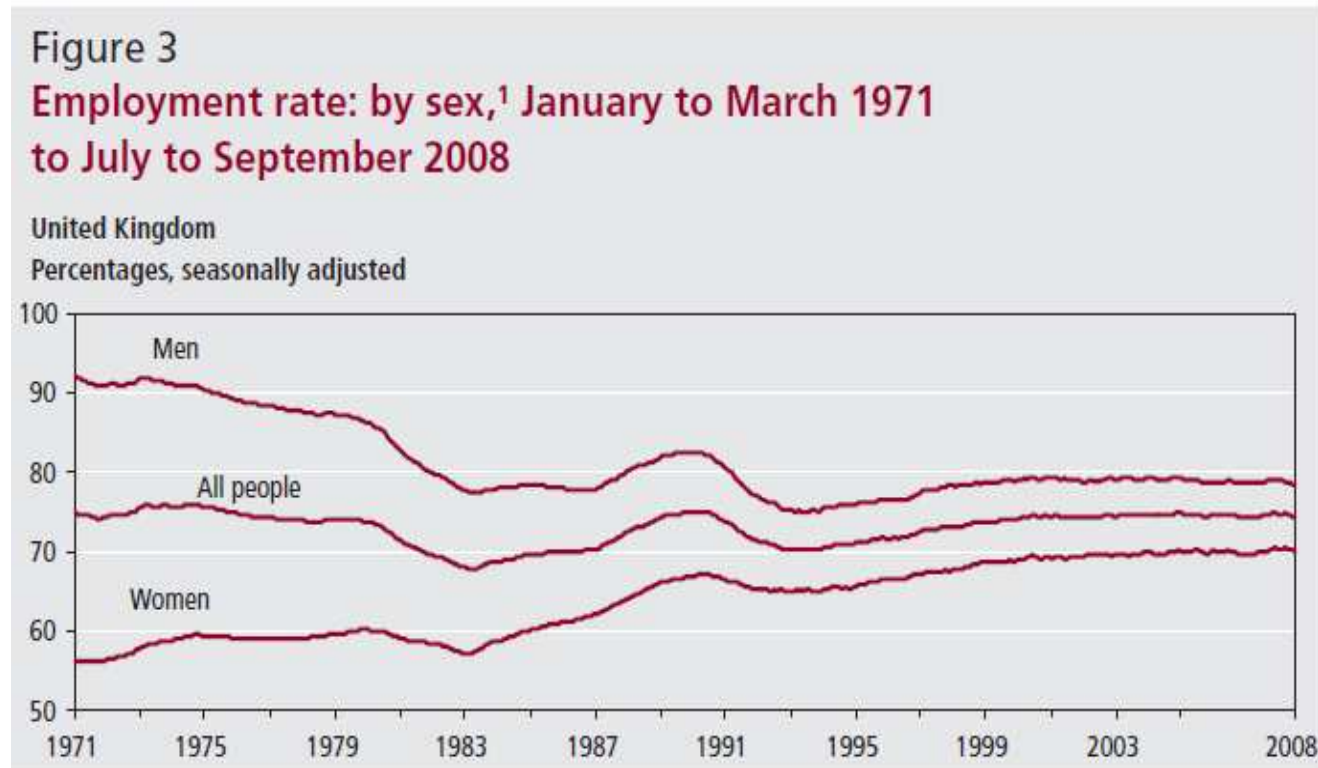


Sarah Vickerstaff

Older Workers in the Recession



The impact of recession on employment rates



Note:

Source: Labour Force Survey

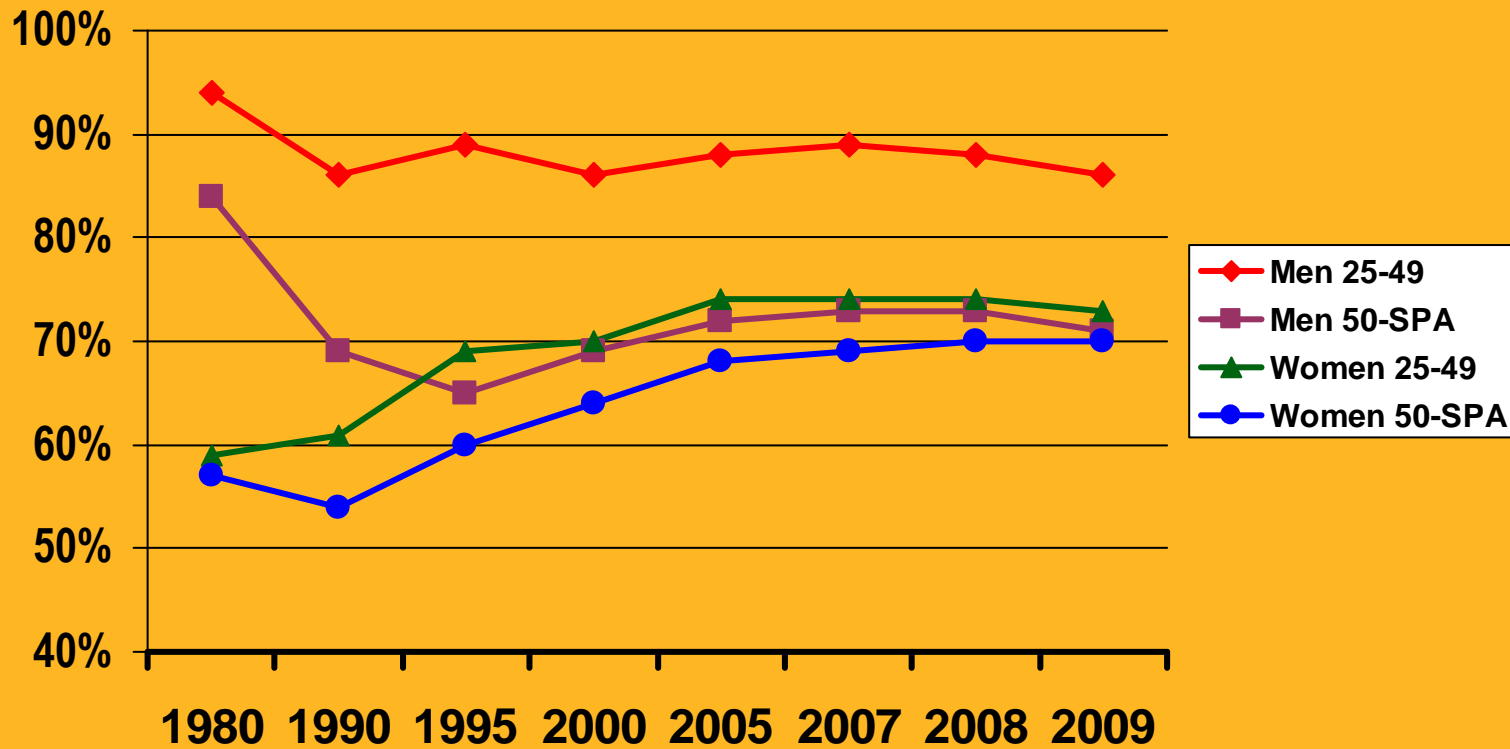
¹ Men aged 16 to 64 and women aged 16 to 59.

Source: K. Kent (2009) 'Employment Changes over 30 years' *Economic and Labour Market Review*, 3(2).

Employment Rates Of Younger & Older Adult Workers:

1980-2009:

Source : TAEN from ONS Labour Market Data



Lessons from previous recessions

- Some sectors disproportionately affected
- Differential impacts on men and women
- Differential impacts on different age groups
- Employment rates slow to pick up after dip in economic activity

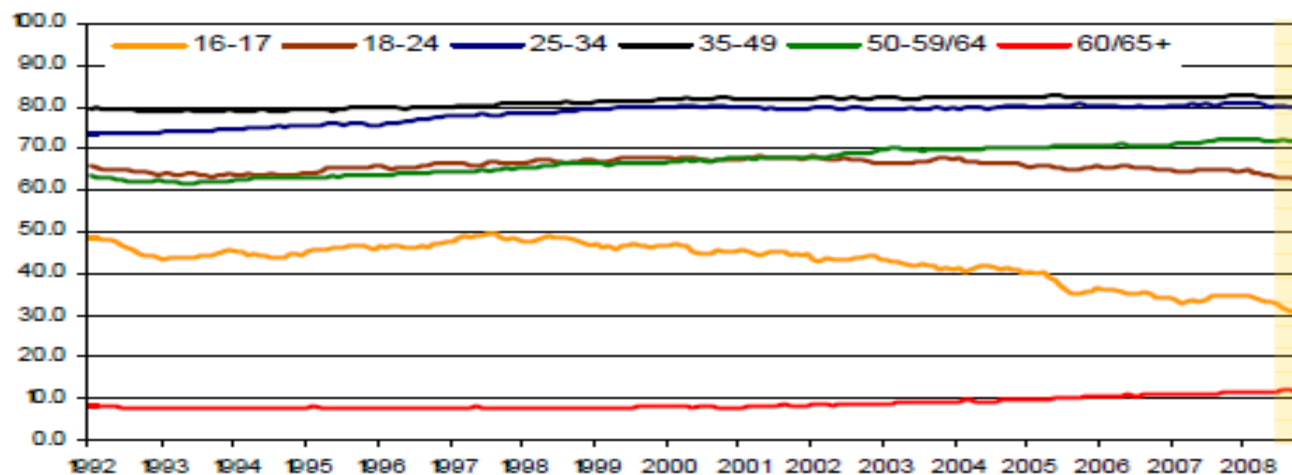
Tracking the position of older workers in the current recession

- Employment rates
- Unemployment rates
- Redundancies
- Inactivity rates

More older workers working

Employment rates by age: March to May 1992 to January to March 2009

United Kingdom
Percentages, seasonally adjusted



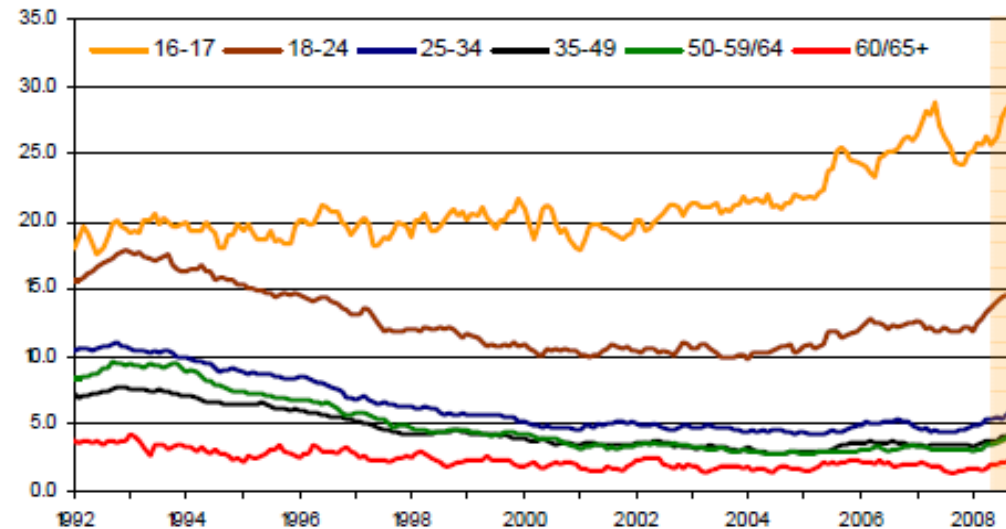
Source: Labour Force Survey

Source: ONS (2009) *The Impact of the recession on the labour market*, available at http://www.statistics.gov.uk/downloads/theme_labour/Impact-of-recession-on-LM.pdf

Unemployment rates

Unemployment rates by age: March to May 1992 to January to March 2009

United Kingdom
Percentages, seasonally adjusted



Source: Labour Force Survey

Source: ONS (2009) *The Impact of the recession on the labour market*, available at http://www.statistics.gov.uk/downloads/theme_labour/Impact-of-recession-on-LM.pdf

Recession hits younger workers first

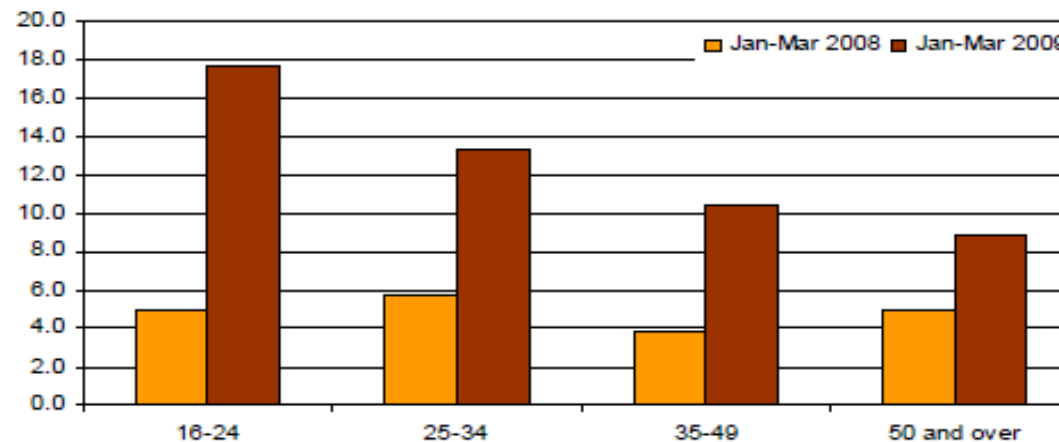
Unemployment rates (%)

All persons	All 16 years and over	16-17	18-24	25-34	35-49	50-64(m) 50-59(w)	65+(m) 60+(w)
June-Aug 2007	5.3	27.9	12.1	4.5	3.5	3.2	1.9
Jun-Aug 2009	7.9	33.0	17.7	7.9	5.4	4.9	2.3

Job losses by age

Redundancy rates¹ by age: January to March 2008 and January to March 2009

United Kingdom
Per 1,000 employees, not seasonally adjusted



¹ The redundancy rate is based on the ratio of the redundancy level for the given quarter to the number of employees in the previous quarter, multiplied by 1,000.

Source: Labour Force Survey

Source: ONS (2009) *The Impact of the recession on the labour market*, available at http://www.statistics.gov.uk/downloads/theme_labour/Impact-of-recession-on-LM.pdf

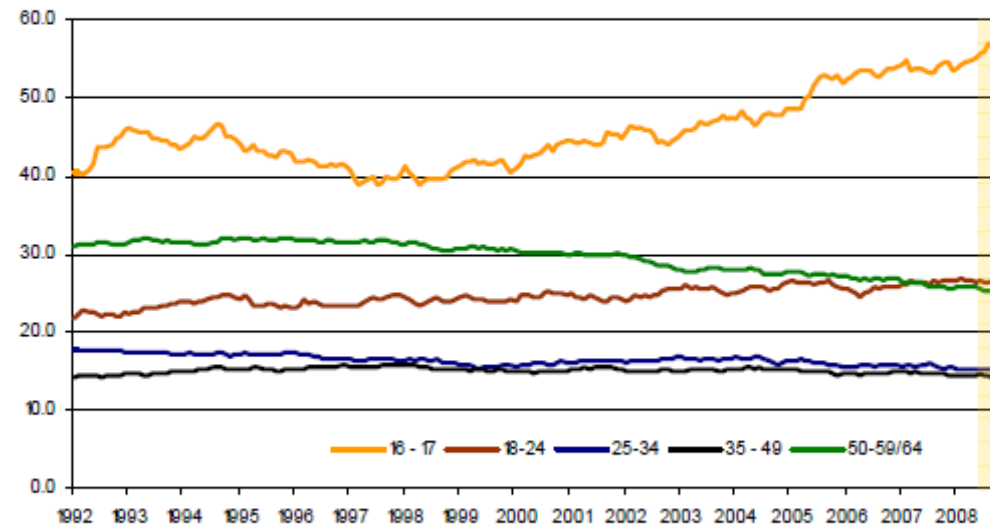
Differential impact of redundancies

- Some regions badly hit, i.e. West Midlands; Yorkshire and the Humber; South West
- Some industries take the brunt of reductions: Construction; manufacturing and financial intermediation and business services;
- Younger age groups 16-24 and 25-34 worse hit so far
- More men than women have been made redundant so far

Inactivity rates

Working age economic inactivity rates by age: March to May 1992 to January to March 2009

United Kingdom,
Percentages, seasonally adjusted



Source: Labour Force Survey

Source: ONS (2009) *The Impact of the recession on the labour market*, available at http://www.statistics.gov.uk/downloads/theme_labour/Impact-of-recession-on-LM.pdf

Reasons for economic inactivity: by sex and age, 2008

Table 4.20
Reasons for economic inactivity: by sex and age, 2008¹
United Kingdom

	Percentages				
	16–24	25–34	35–49	50–59/64	All aged 16–59/64
Men					
Long-term sick or disabled	5	40	62	49	34
Looking after family or home	1	9	16	6	6
Student	82	27	4	-	33
Retired	0	0	1	33	13
Other	10	17	12	9	11
All men (=100%) (millions) ²	1.2	0.3	0.5	1.3	3.3
Women					
Long-term sick or disabled	3	8	24	41	19
Looking after family or home	23	72	61	27	45
Student	66	10	4	1	22
Retired	0	0	-	14	3
Other	8	8	8	14	9
All women (=100%) (millions) ²	1.3	0.9	1.4	1.1	4.7

1 Data are at Q2 and are not seasonally adjusted. See Appendix, Part 4: Labour Force Survey.

2 Includes discouraged workers and those who are temporarily sick.

Source: *Labour Force Survey, Office for National Statistics*

Source: *Social Trends, No 39, 2009 Edition, ONS.*

Conclusions

- Those outside of the labour market at the onset of recession are worst hit – recruitment freezes
- So far the 50+ age group has fared better than younger workers, but a differentiated picture
- Big job losses in the public sector probably yet to come, will affect older workers and especially women
- Profile of incapacity benefit claimants is changing
- Big question: will Age Regulations afford some protection against forced early retirement and ‘voluntary redundancy’?
- How will older workers themselves respond?

What should we be doing for older workers?

- Make sure people are aware and understand protection afforded by Age Regulations
- Improve age awareness; tackle head on idea that younger workers 'matter more' than older workers
- Focus on keeping older employed in employment
- Focus on the key issues affecting older workers, recession or no recession: health and caring
- Press for genuine flexible work options as a means to keep people in work and as a route back in to work