



Ageing and employment policies: key challenges, lessons and good practices

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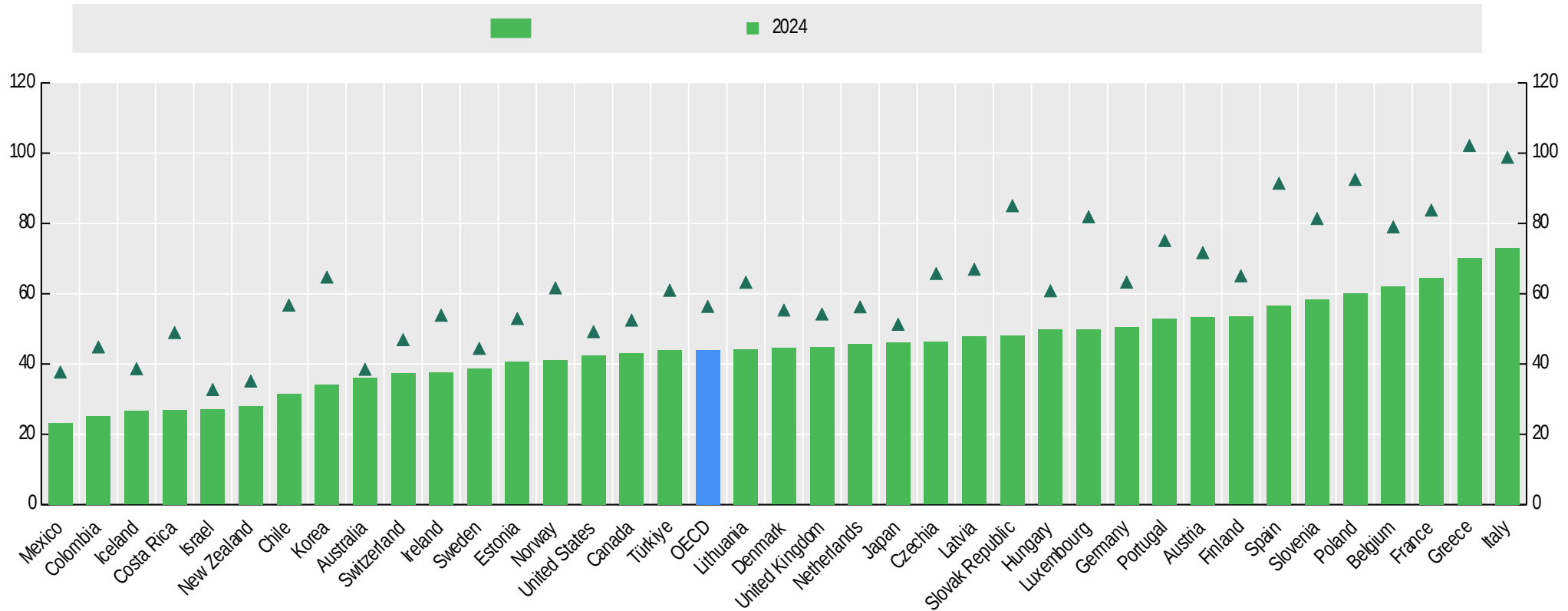
Directorate for Employment, Labour and Social Affairs, OECD

New Research and Policy Perspectives on
Inequality and Poverty, CIRANO - CIREQ –CREEI,
Montréal, 29th April 2024



Rising economic burden on workers if no action is taken

Number of older (50+) inactive people per 100 workers, 2024 and 2050

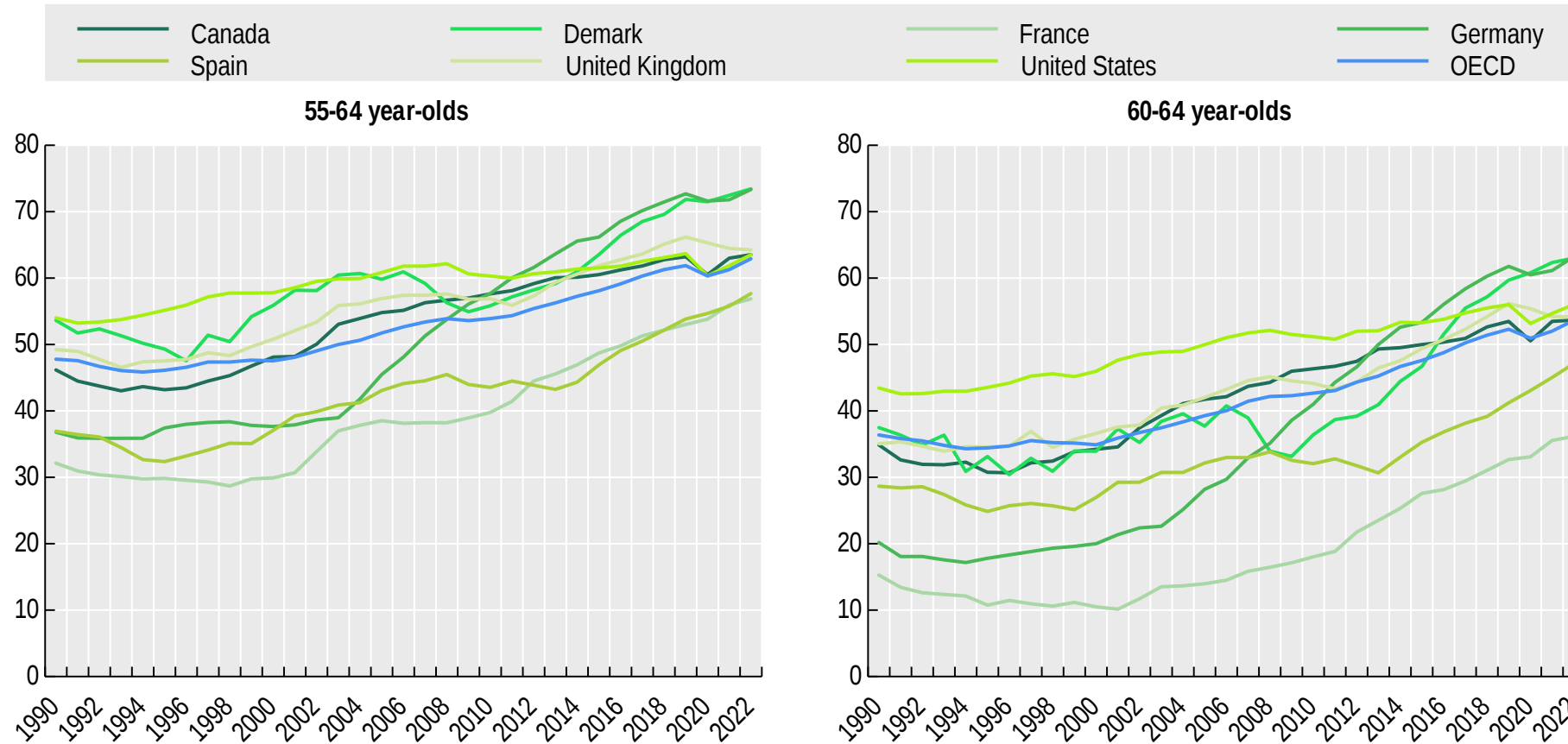


Note: OECD is a weighted average.
Source: OECD Database on population projections (unpublished).



Employment rates at older ages are rising

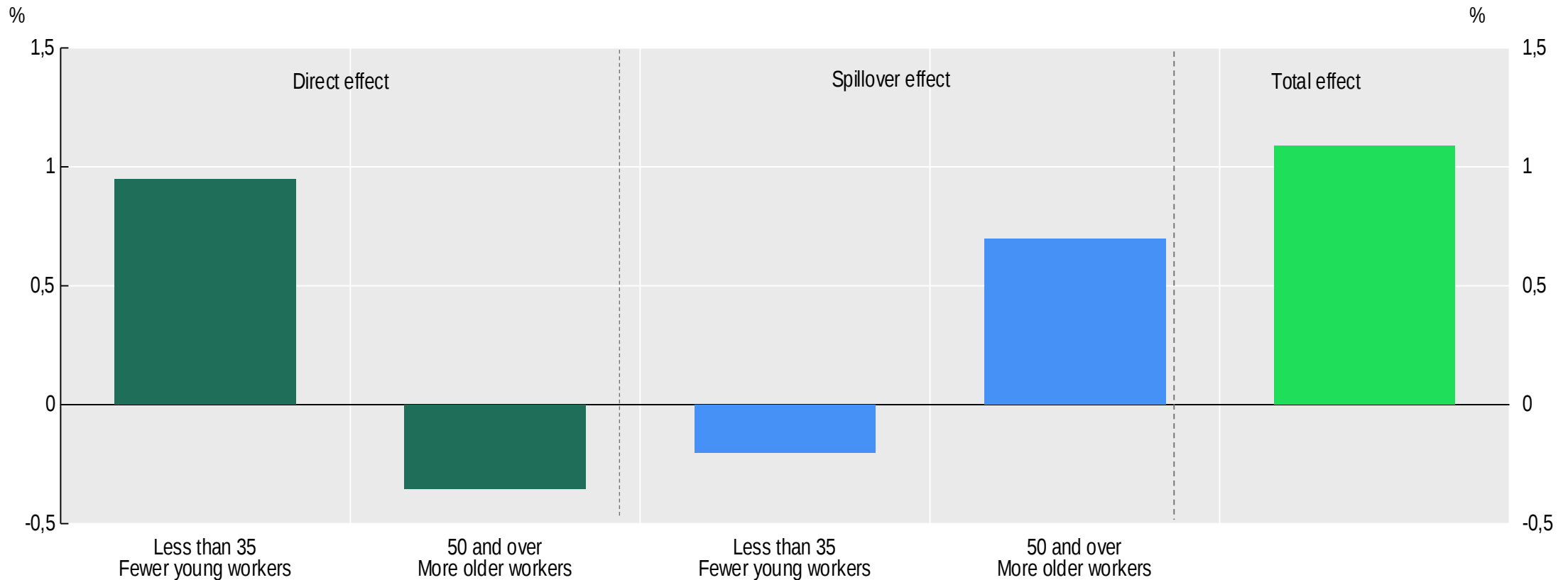
Employment rates of older workers by age, 1990-2022





A higher share of older workers can boost productivity directly and indirectly

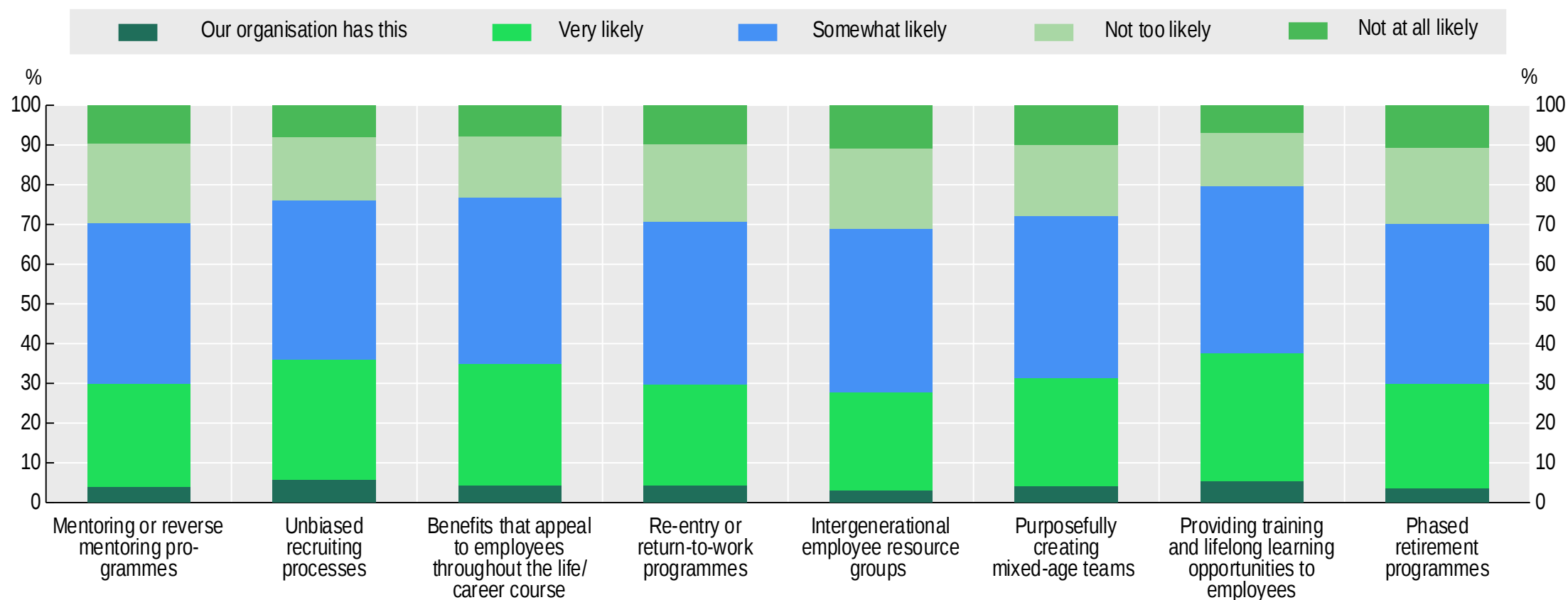
Change in firm productivity when the share of employees aged 50 and over increases by 10%, for Costa Rica, Finland, Germany, Japan and Portugal





Employers have few policies in place to support multigenerational workforces but they aim for more

Share of employers that have or would be very, somewhat, not too or not all likely to implement or explore implementing a specific policy if provided with examples of promising practices





OECD policy agenda for better work choices at an older age



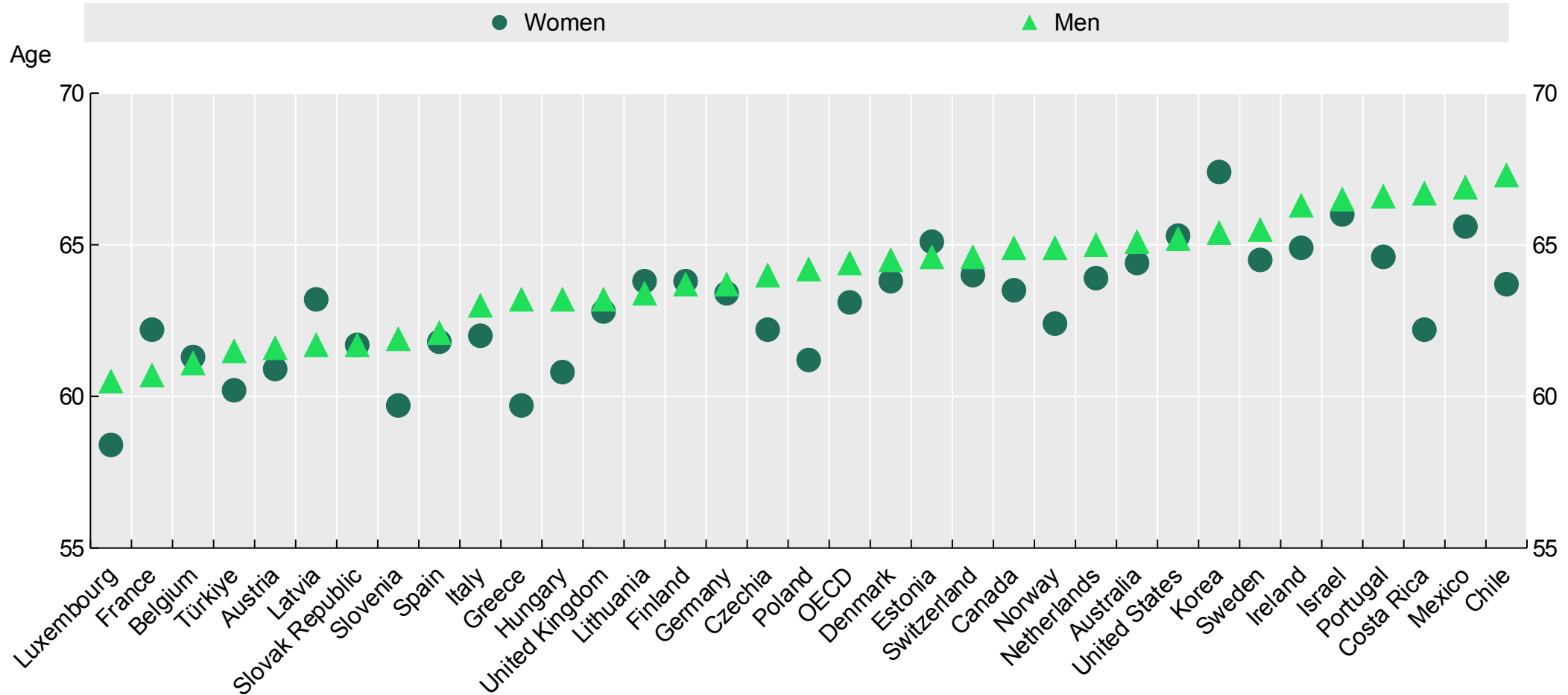


REWARDING WORK AND LATER RETIREMENT



Many workers leave the labour market prematurely

Effective labour market exit age in 2022

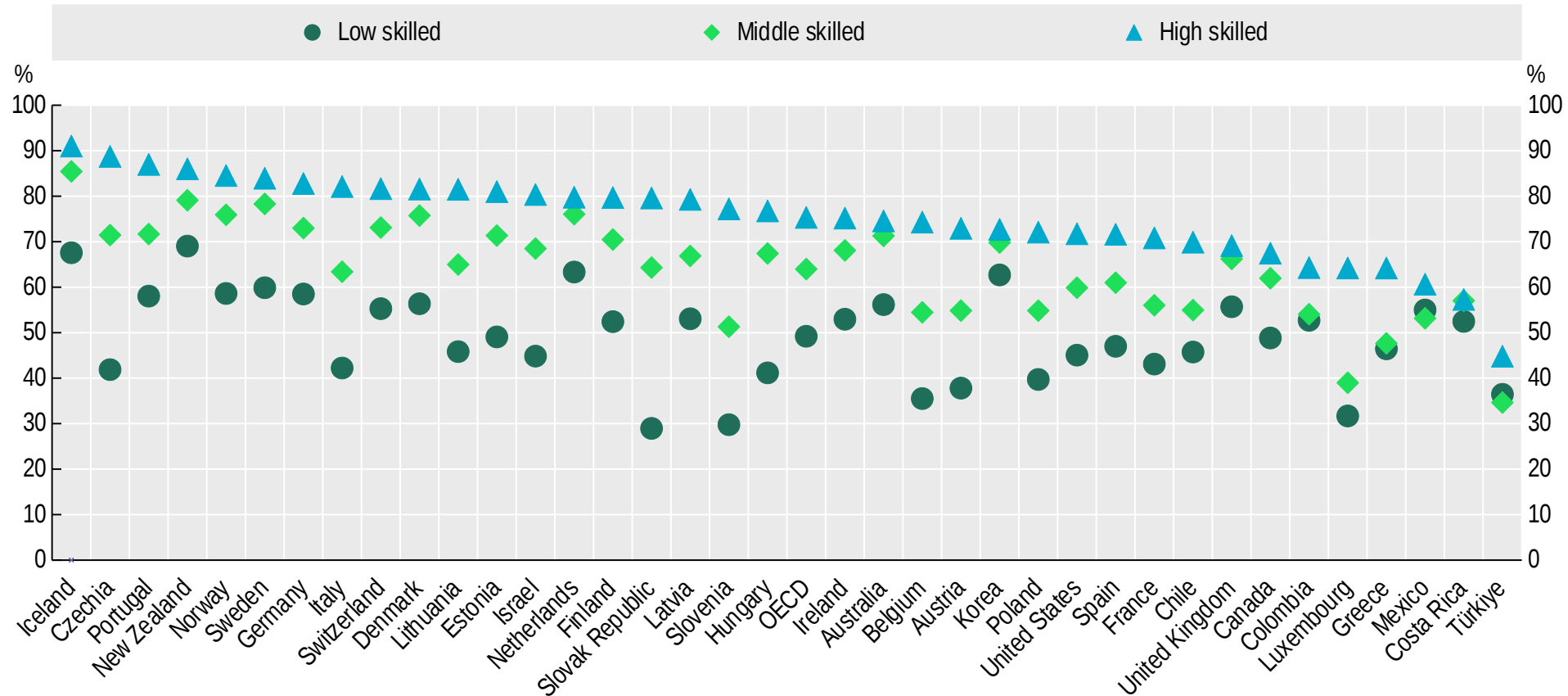


Note: OECD is a weighted average.
Source: OECD dataset Pensions at a Glance.



Employment rates remain low for low-skilled workers

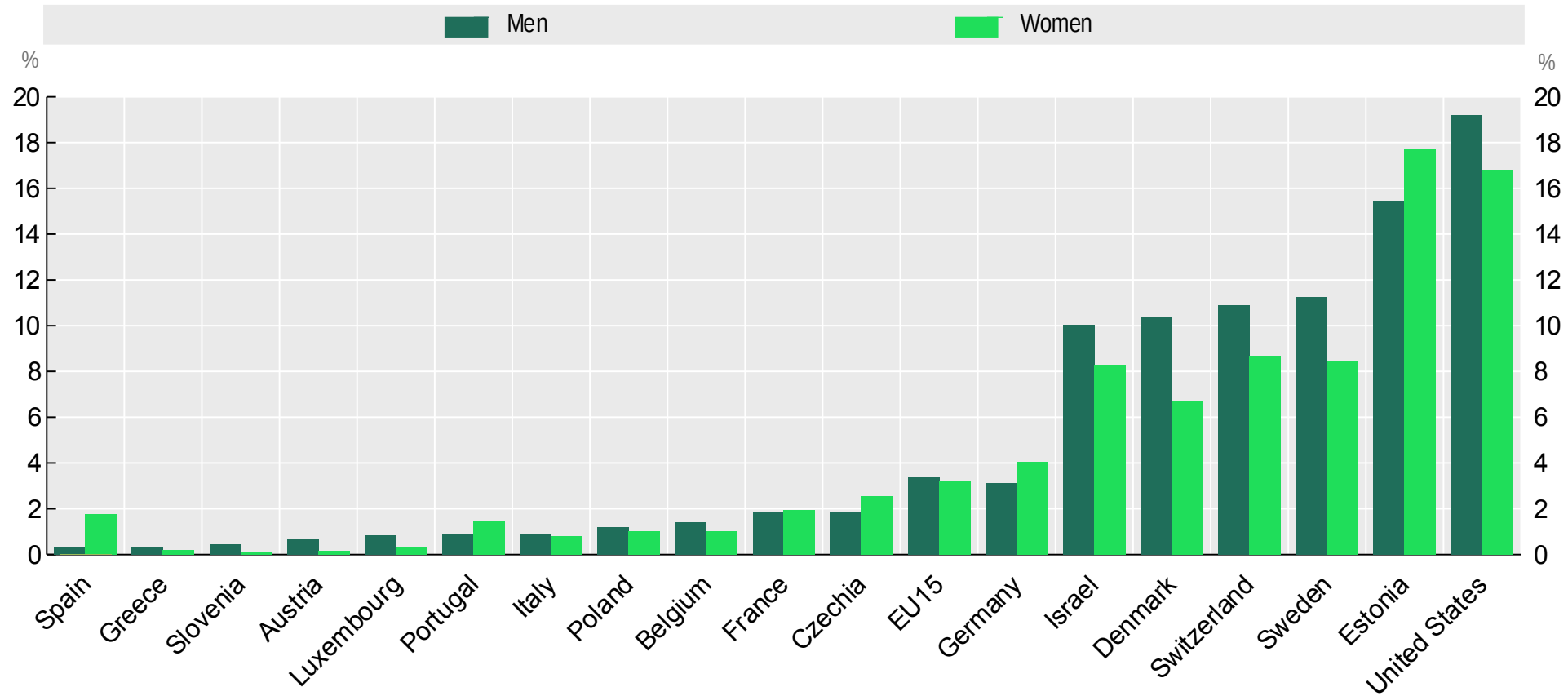
Employment rates by skill level for persons aged 55-64, 2022





Few workers combine work and pensions

Share of 60-69 year-olds who combine work and retirement benefits, 2014/2015





Key lessons and good practices: Rewarding work and later retirement

Restricting alternative pathways

- Abolishing active job-search exemptions for older unemployed (**Germany, France**)
- Delinking duration of UI to age (**Finland**)
- Assessing remaining work capacity not incapacity

More flexible retirement transitions

- Facilitating phased retirement (**Austria, France, Spain**)
- But avoid “block-work model” (**Germany**)
- ‘Returnership’ approach (**UK**) & different contract types

Discouraging mandatory retirement

- Basing employment retention on competency/fitness not age
- Abolishing mandatory retirement ages (**Poland, Denmark, UK**)

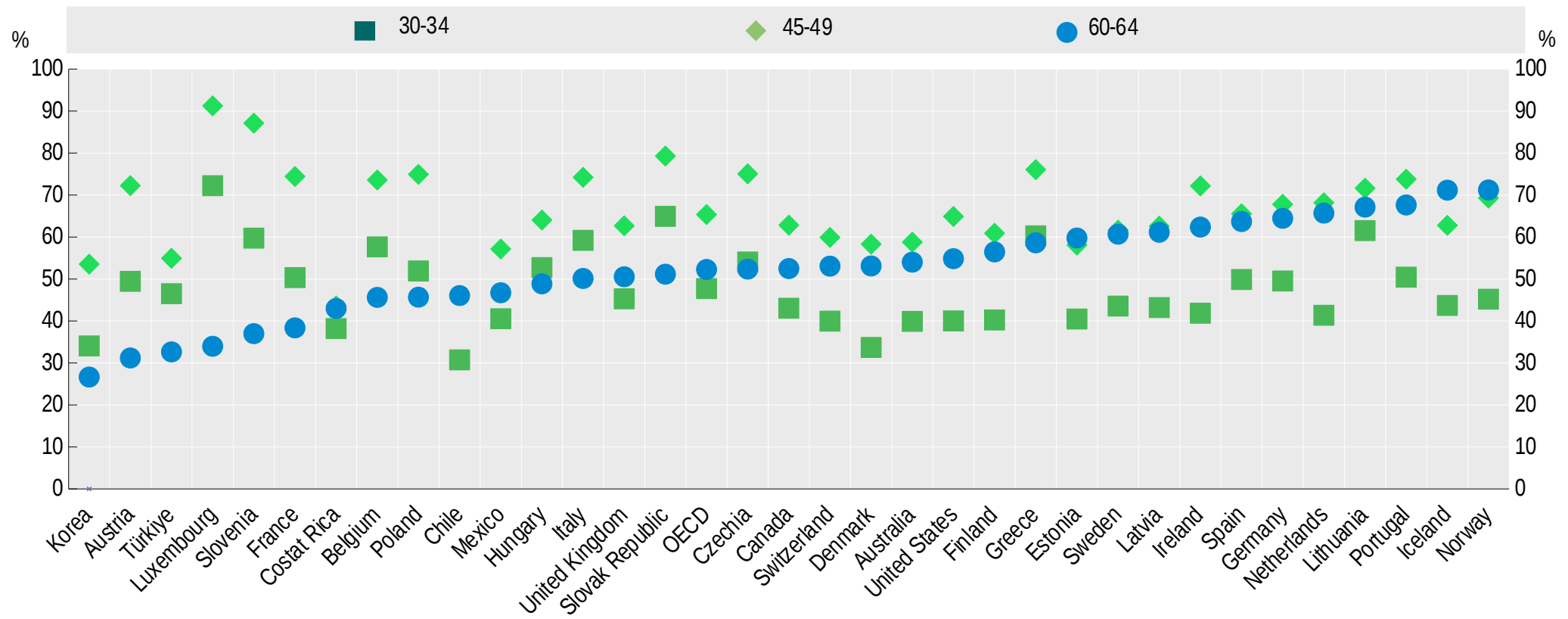


ENCOURAGE EMPLOYERS TO
RETAIN AND MANAGE AN AGE
INCLUSIVE WORKFORCE



Retention of workers towards the end of their career is a major challenge

Share of workers by age in 2017 that remained with the same employer (or self-employed) for a further 5 years

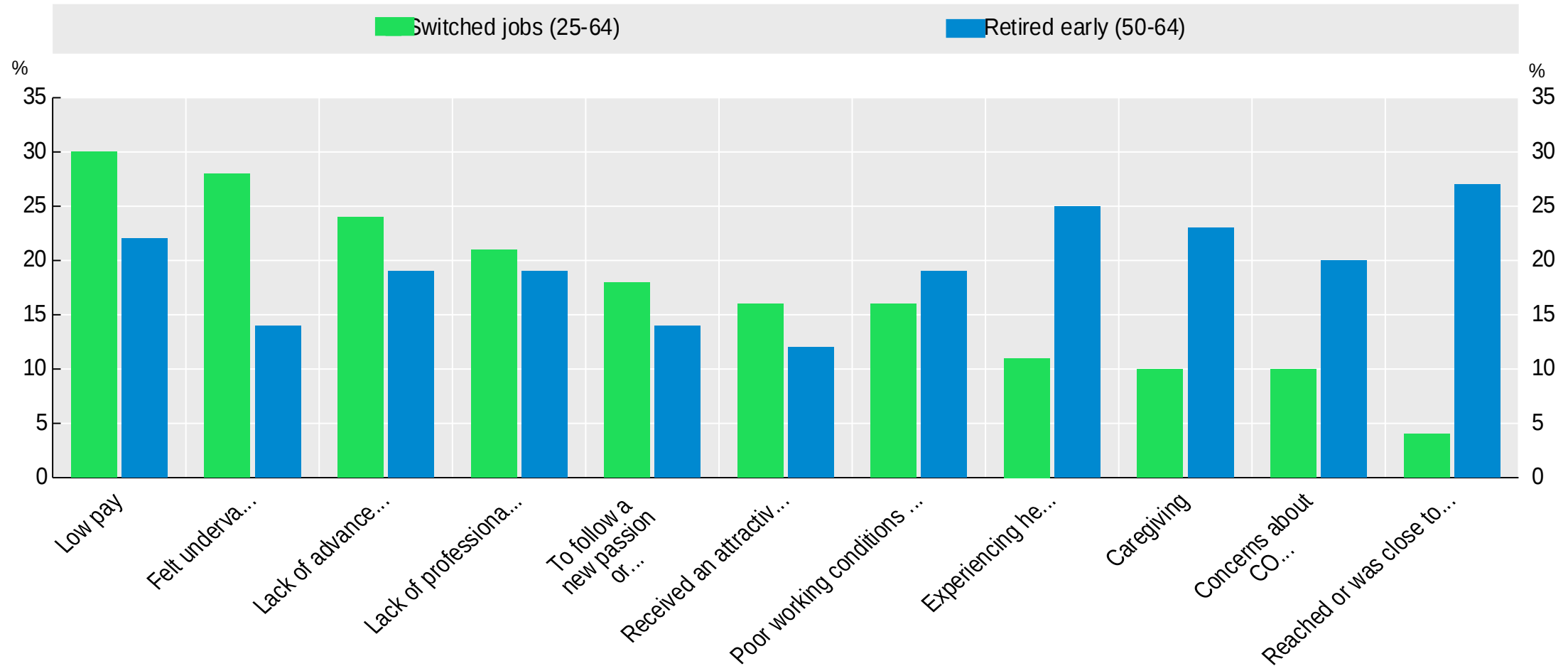


Note: OECD is the average of the 34 countries shown.
Source: Calculations based on the OECD Job Tenure dataset.



Low wages, poor quality jobs and ill-health limit retention

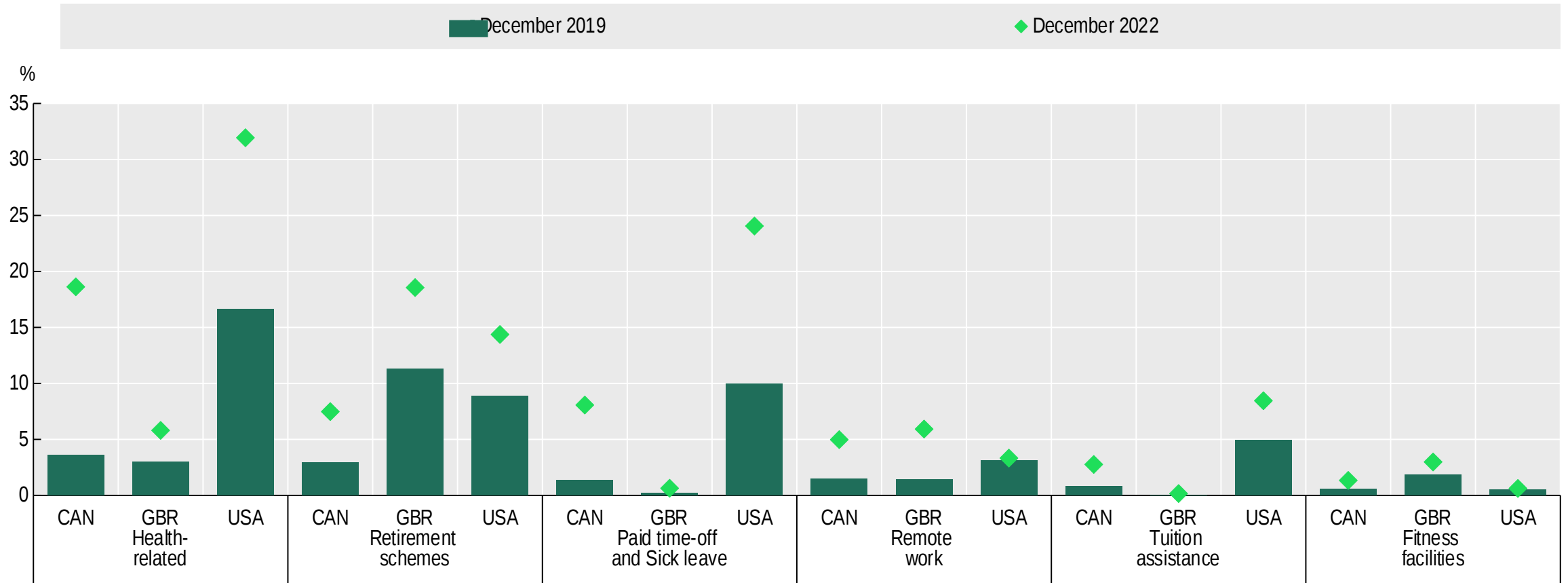
Reasons for leaving by change of status, 2022 (as a % of all workers quitting a job)





In some OECD countries, employers are offering more benefits in job postings amid tight labour markets

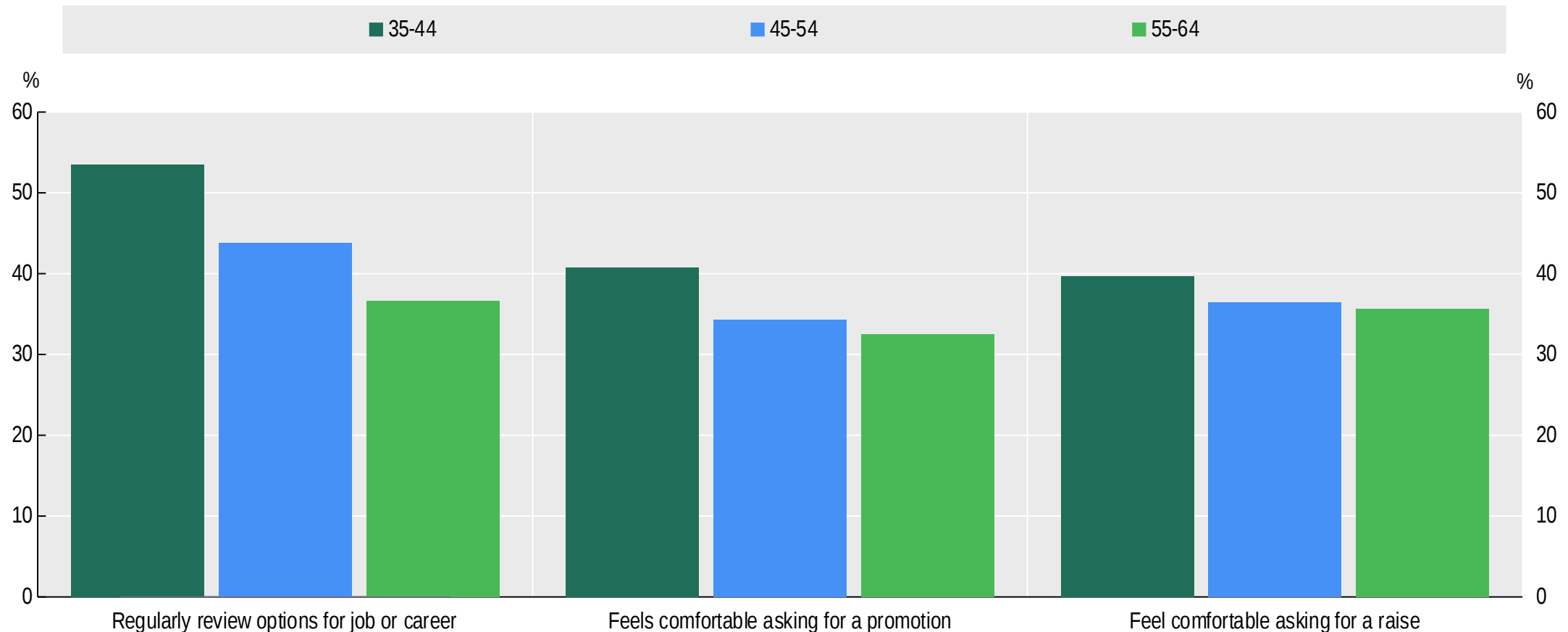
Share of online job postings offering each benefit in Canada, the United Kingdom and the United States





Opportunities to discuss career options become less common with age

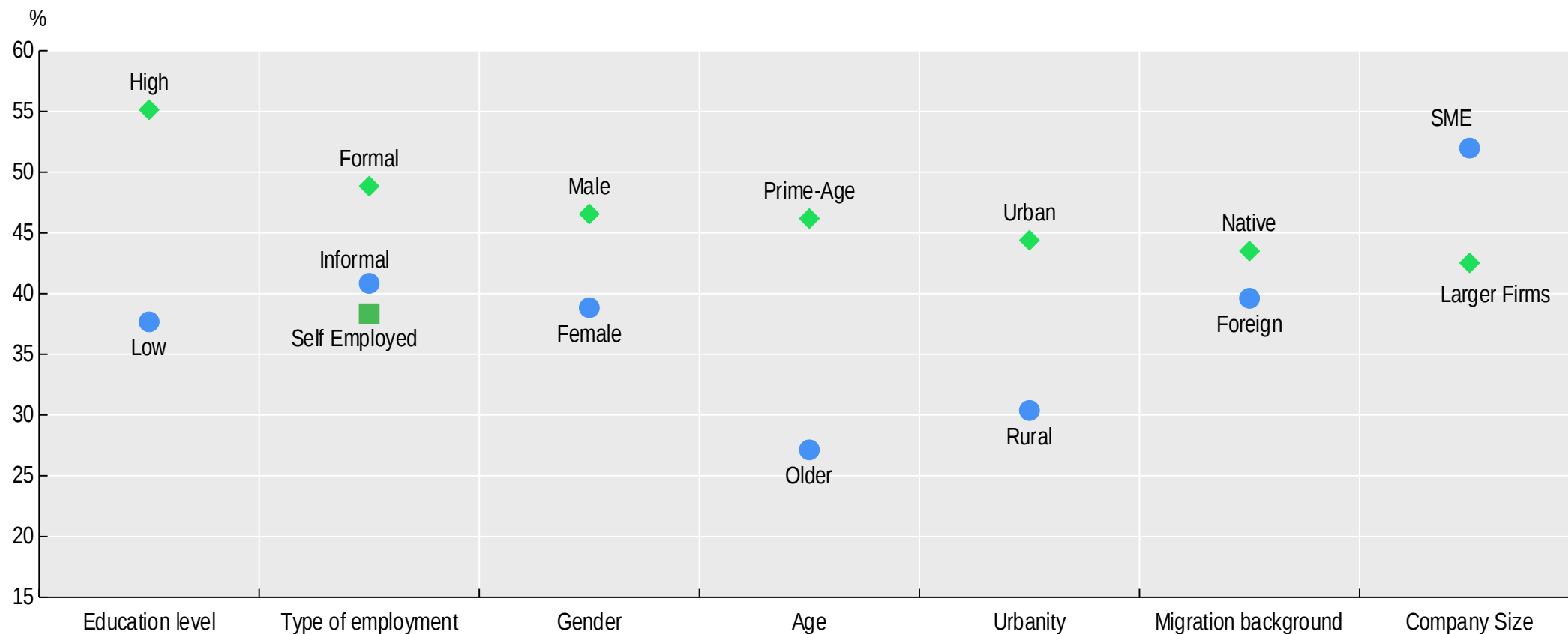
Share of workers (35+) who responded "Agree" or "Strongly agree"





Use of career guidance services, by socio-economic and demographic characteristics

Share of workers who have spoken with a career guidance advisor over the past five years, by group





Workers in Japan and Korea have the least job flexibility

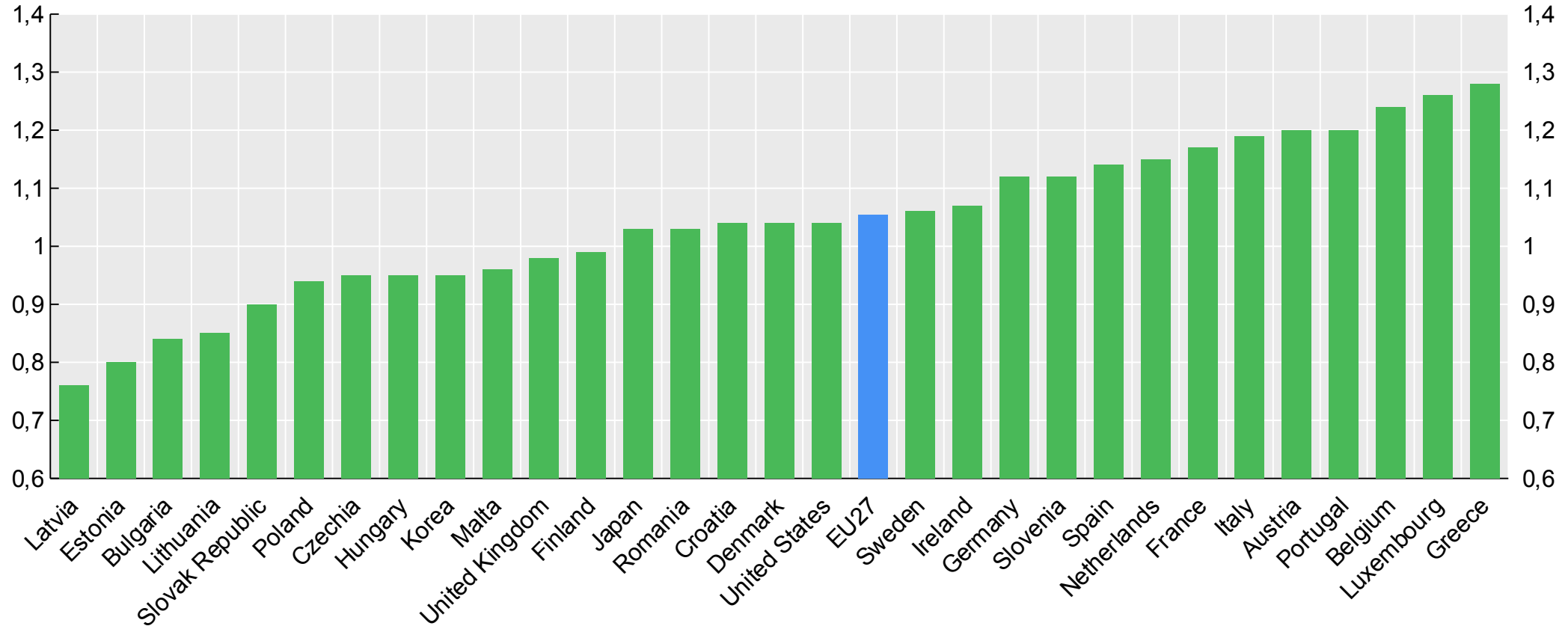
Share who replied agree or strongly agree that they have flexibility in their job, by age





Seniority wages can be a barrier to job retention

Full-time earnings for ages 55-64 relative to ages 25-54, 2022 or most recent year





Key lessons and good practices: Encouraging employers to retain and hire older workers

Tackling age discrimination

- Promoting Diversity Programme (**Latvia**)
- Age-blind aptitude tests (**France**)
- Skills based hiring (**IBM**)

Mid-life support and planning

- Mid-life MOT assessing financial, health and career planning (**Aviva, UK**)

Career development

- Senior talent programme (**Schneider Electric**)
- Built to Shift programme (**BNP Paribas Portugal**)

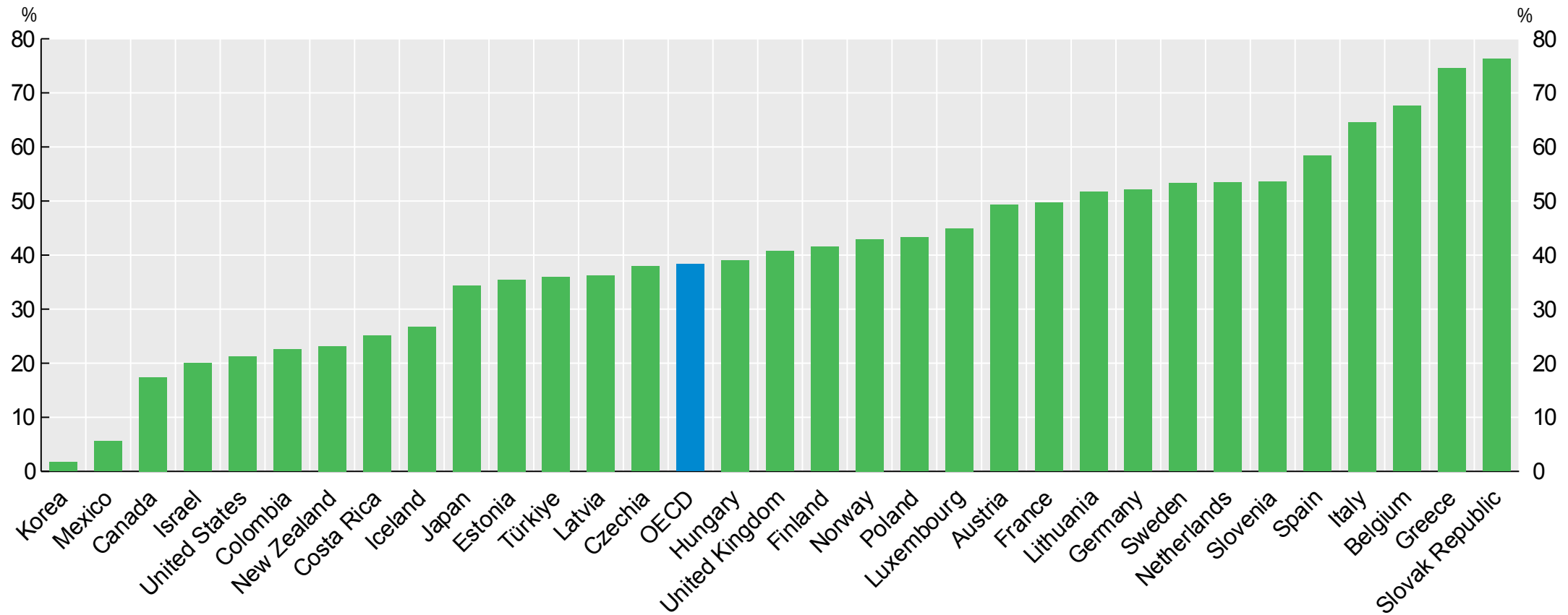


FACILITATE CAREER MOBILITY AND
EMPLOYABILITY THROUGHOUT
WORKING LIVES



Older unemployed have a harder time finding jobs

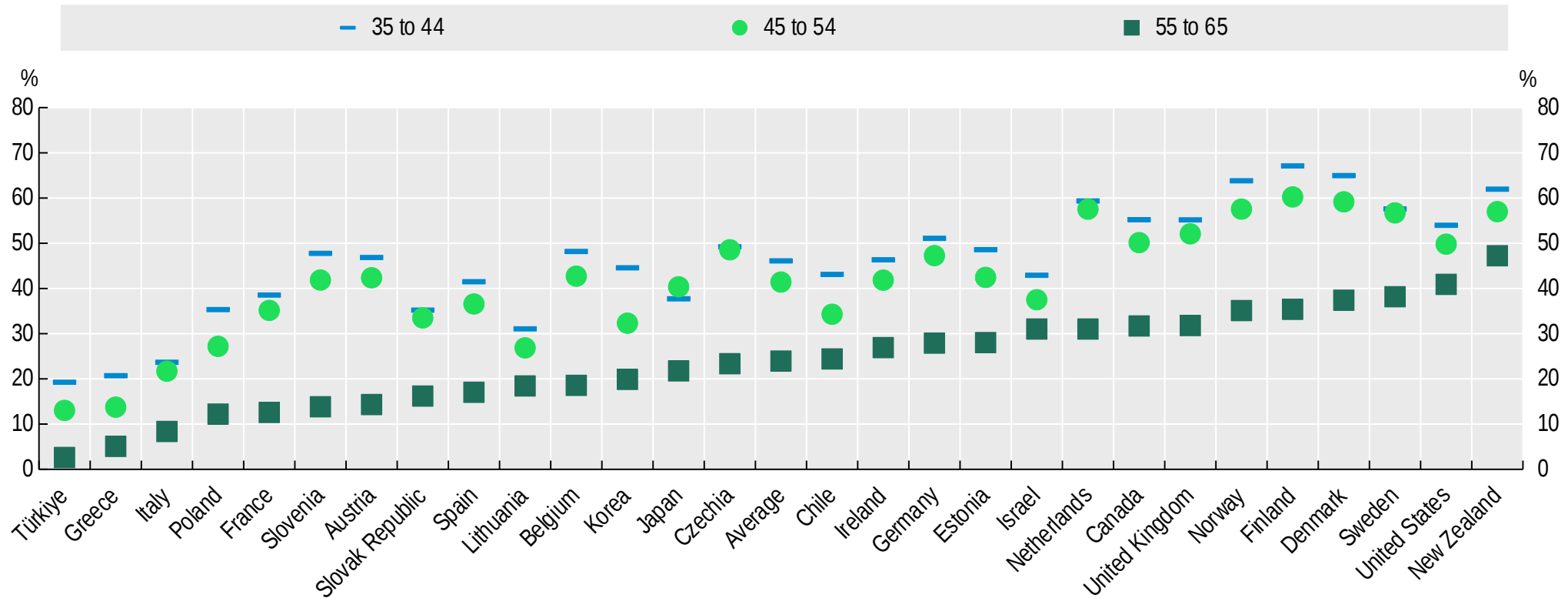
Share of unemployed aged 55-64 who are long-term unemployed, 2022





Older workers are less likely to participate in training

Share of adults who participated in formal or non-formal job-related training over the previous 12 months

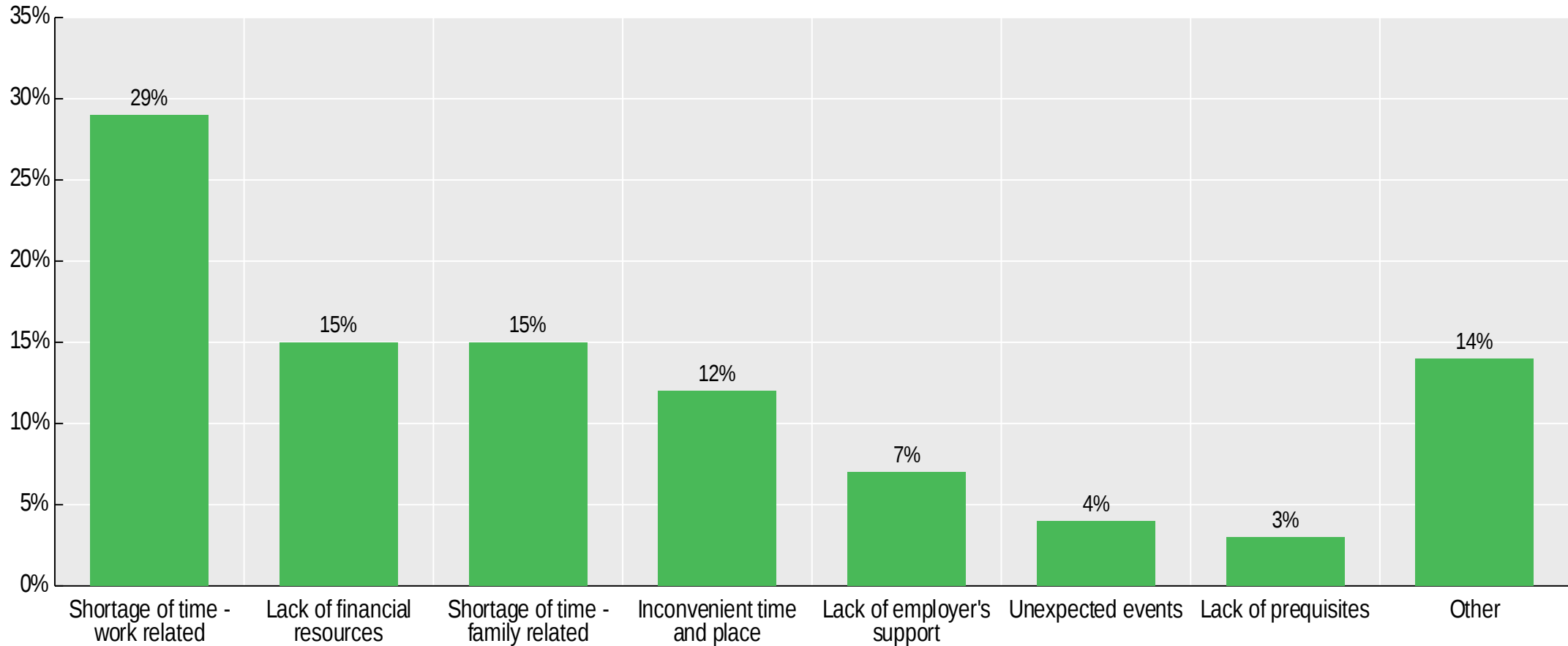


Note: Average represent the unweighted average of the 28 countries shown.

Source: OECD (2023), Retaining Talent at All Ages.



Workers face many barriers to participating in training

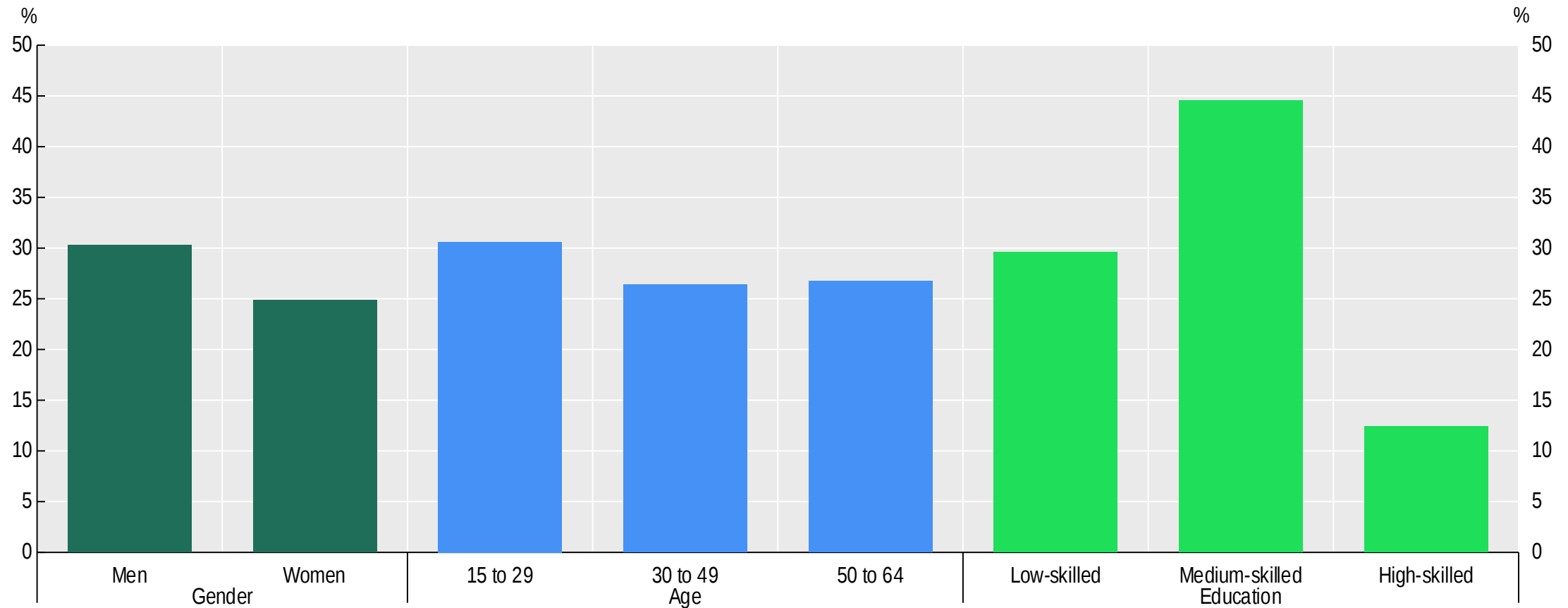


Note: Average of OECD countries participating in PIAAC.
Source: Survey of Adult Skills (PIAAC) (2012, 2015 and 2018)



Job strain affects four out of ten workers across the world

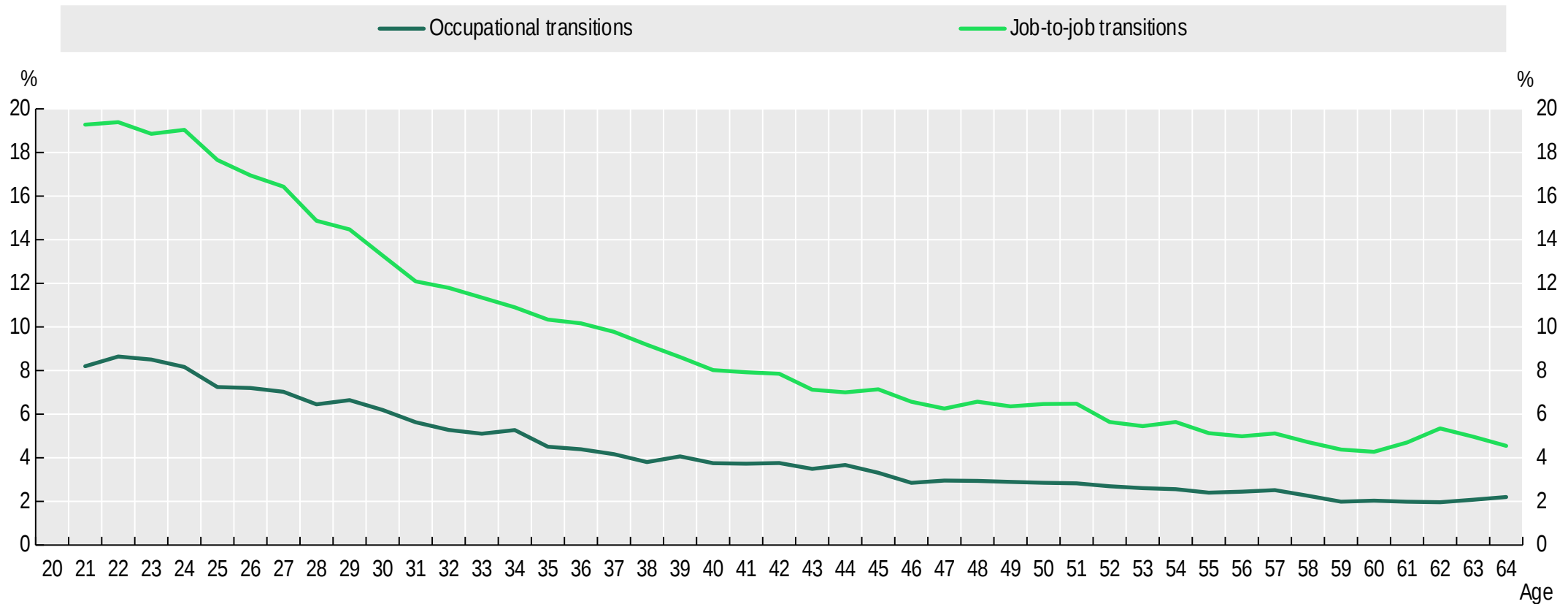
Incidence of job strain, OECD average, 2015





Mobility rates decline as people age

Job-to-job and occupational transitions over the life cycle, average of selected OECD countries, 2017-20

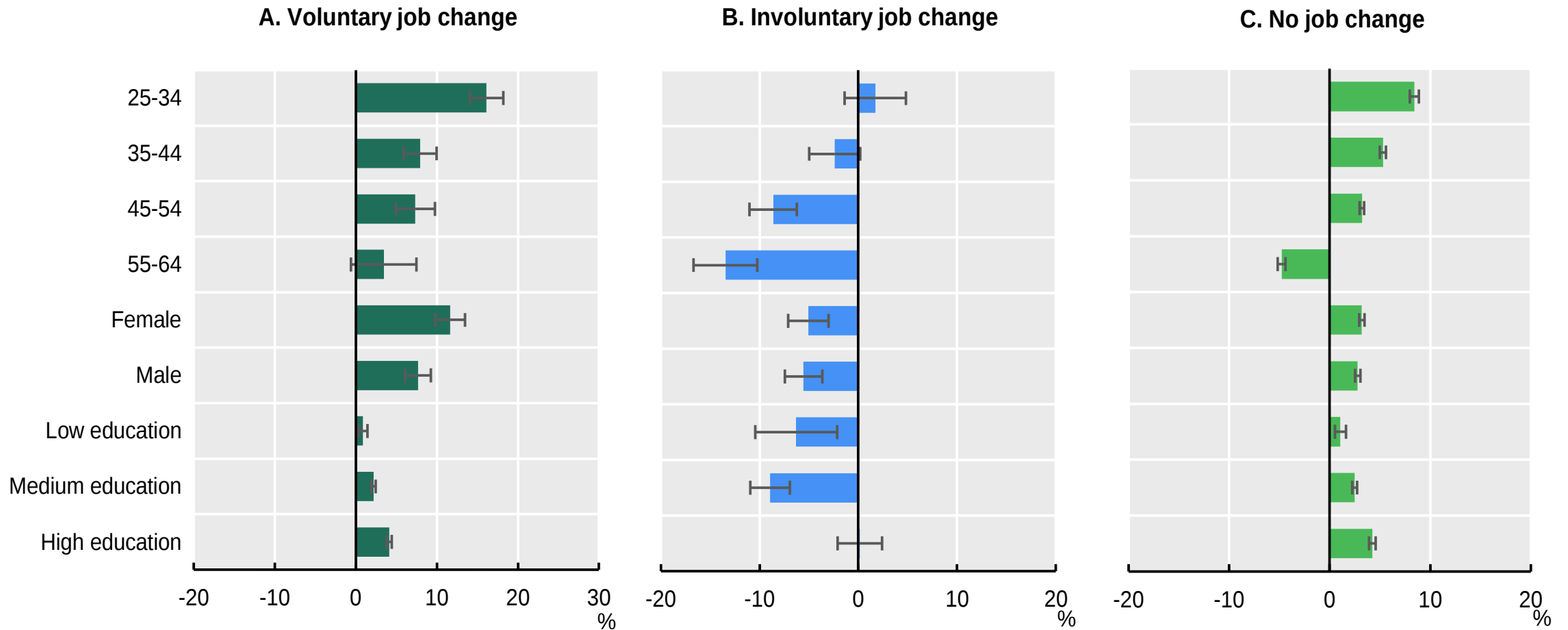


Note: Data show the unweighted moving average of the 27 countries.
Source: OECD (2024) Promoting Better Career Choices for Longer Working Lives.



Older workers who change jobs are more likely to experience wage gains

Change in wage growth rate for workers changing jobs voluntarily and involuntarily by characteristics, 2010-20

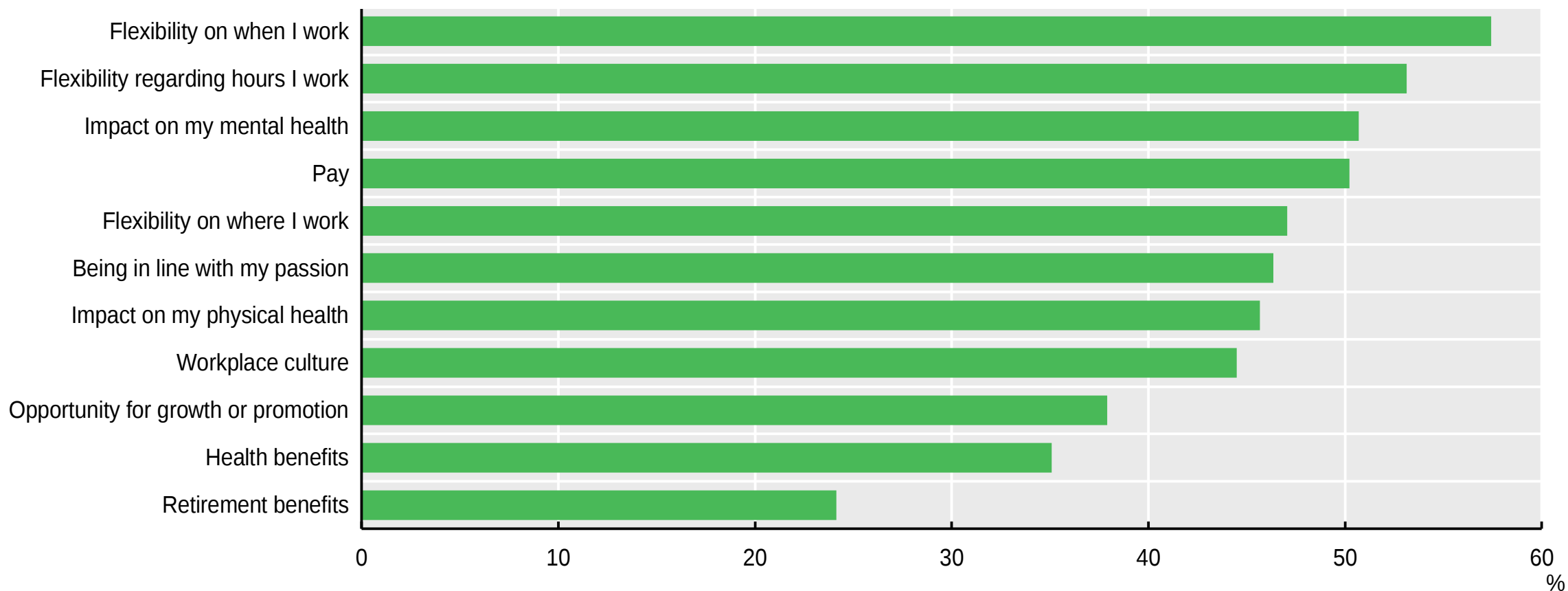


Note: Data show the weighted average of 26 European countries.
Source: OECD (2024), Promoting Better Career Choices for Longer Working Lives.



Older workers who change jobs see improvements in flexibility, mental health and pay

Share who replied “Is your new job better, worse or the same as your previous job in terms of the following factors? (considering most recent job change if more than one in past 5 years).”

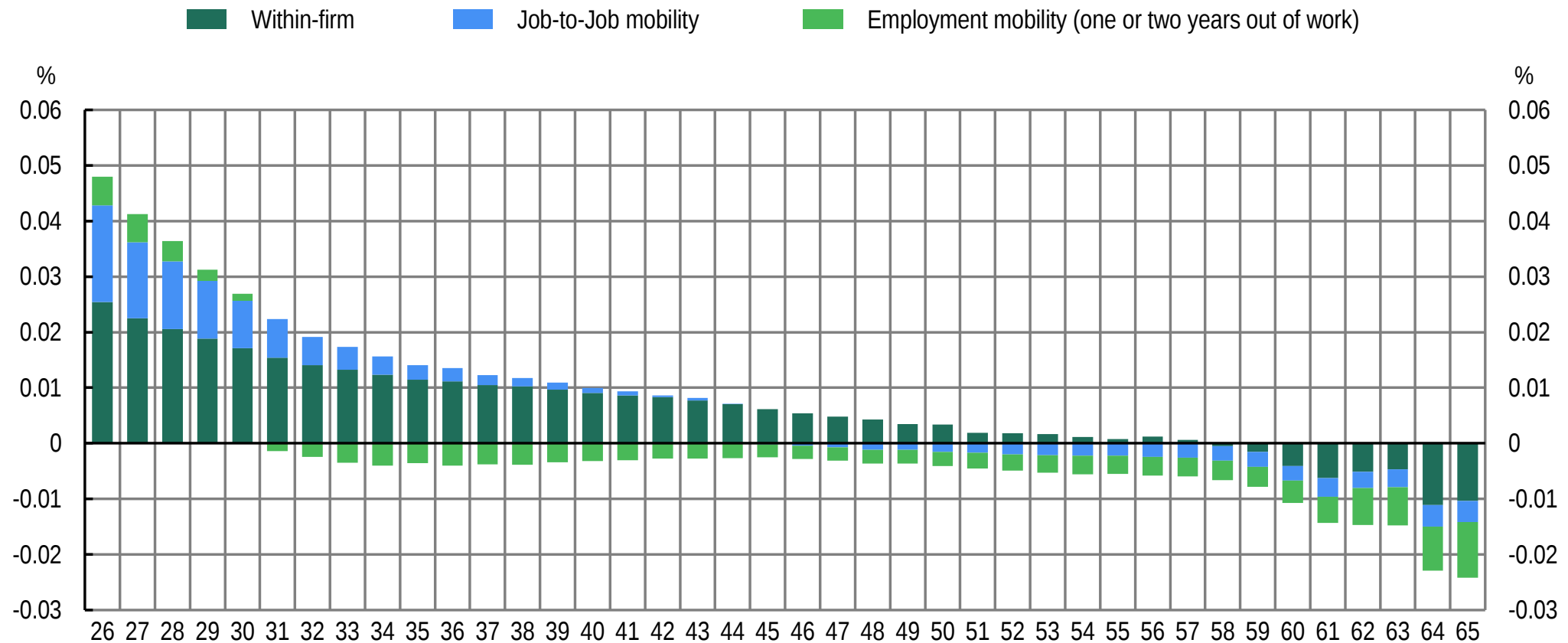


Note: Respondents aged 45 and over. Unweighted average of 12 countries.
Source: OECD (2024), Promoting Better Career Choices for Longer Working Lives.



Most wage growth over the lifecycle takes place within firms

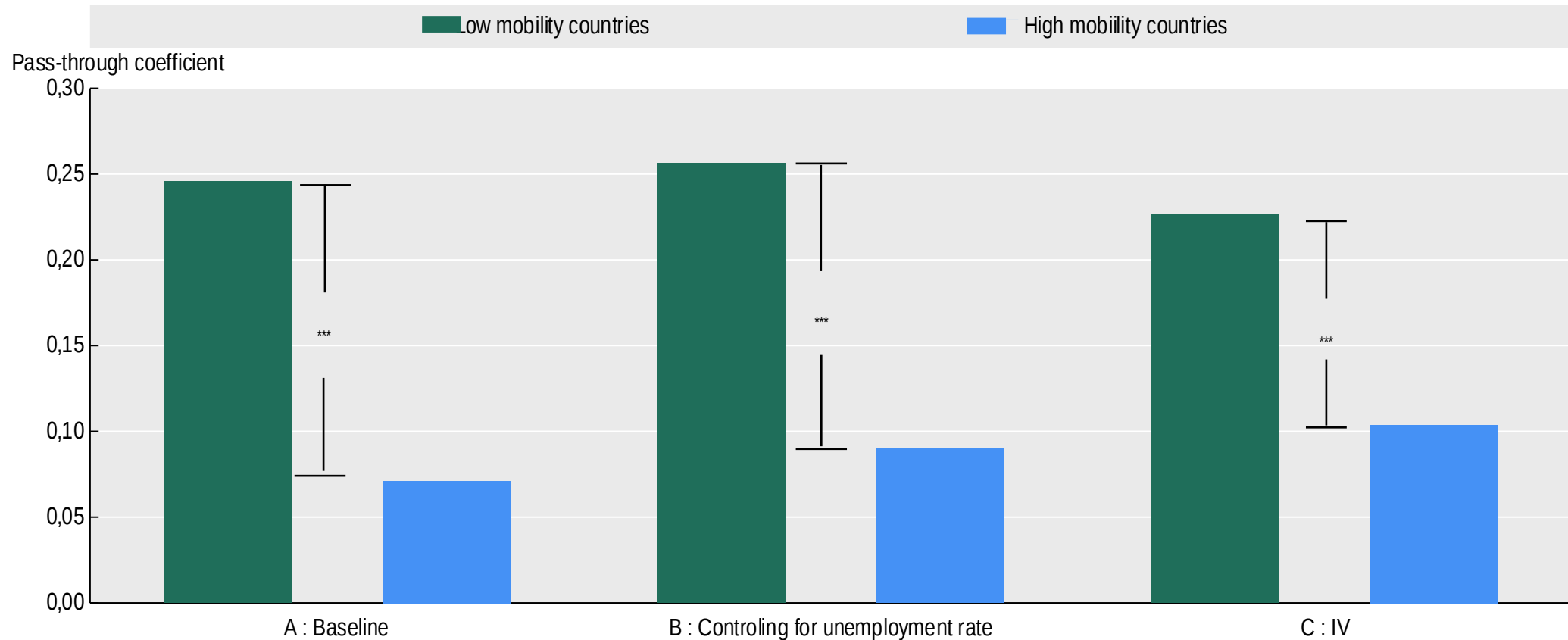
Wage growth at given age compared to average wage growth in the economy, average across Austria, Estonia, Germany, Hungary and Portugal, 2000-19





The role of job mobility in firm-level productivity-wage pass-through

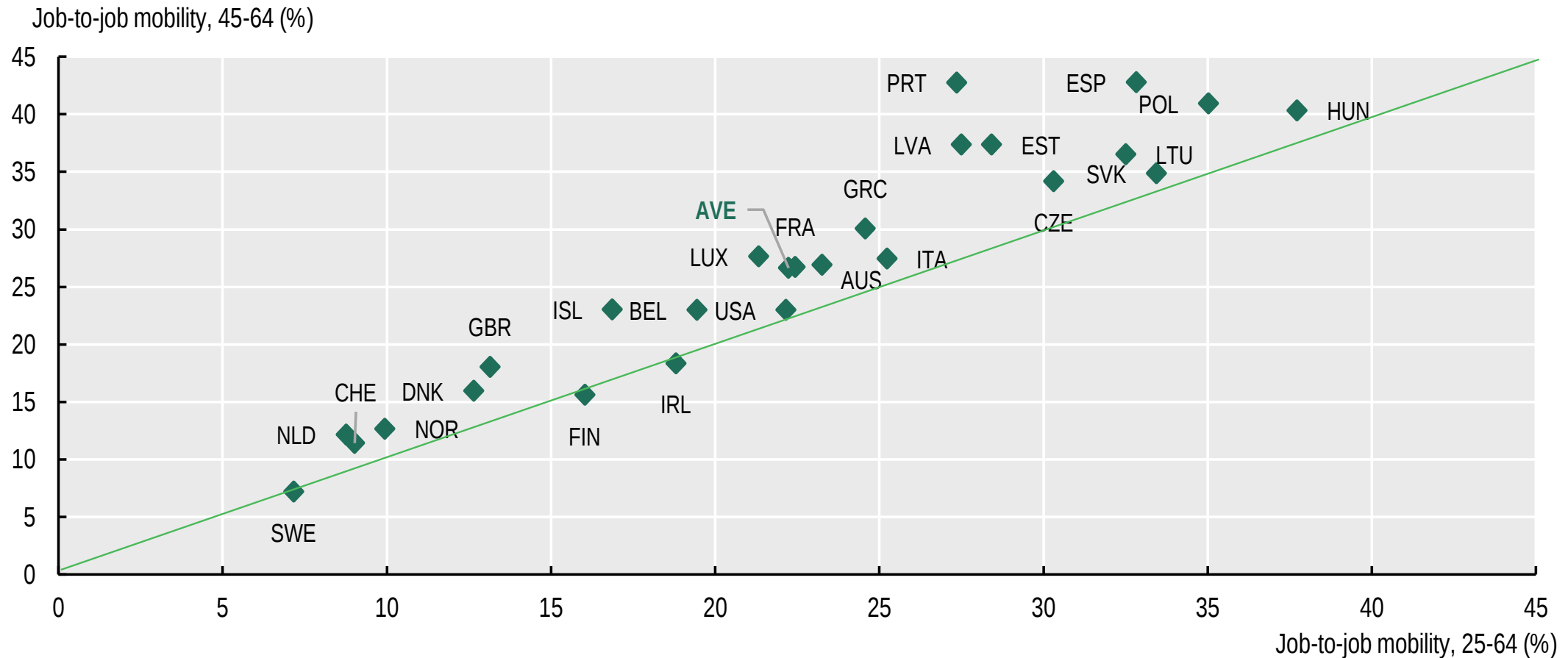
Productivity-wage pass-through at the firm-level in low and high job mobility countries, percentage, 2000-15





Low-to-low skill transitions as a share of total transitions are higher for older workers

Low-to-low skill job changes as a share of total job-to-job changes, 2010-20



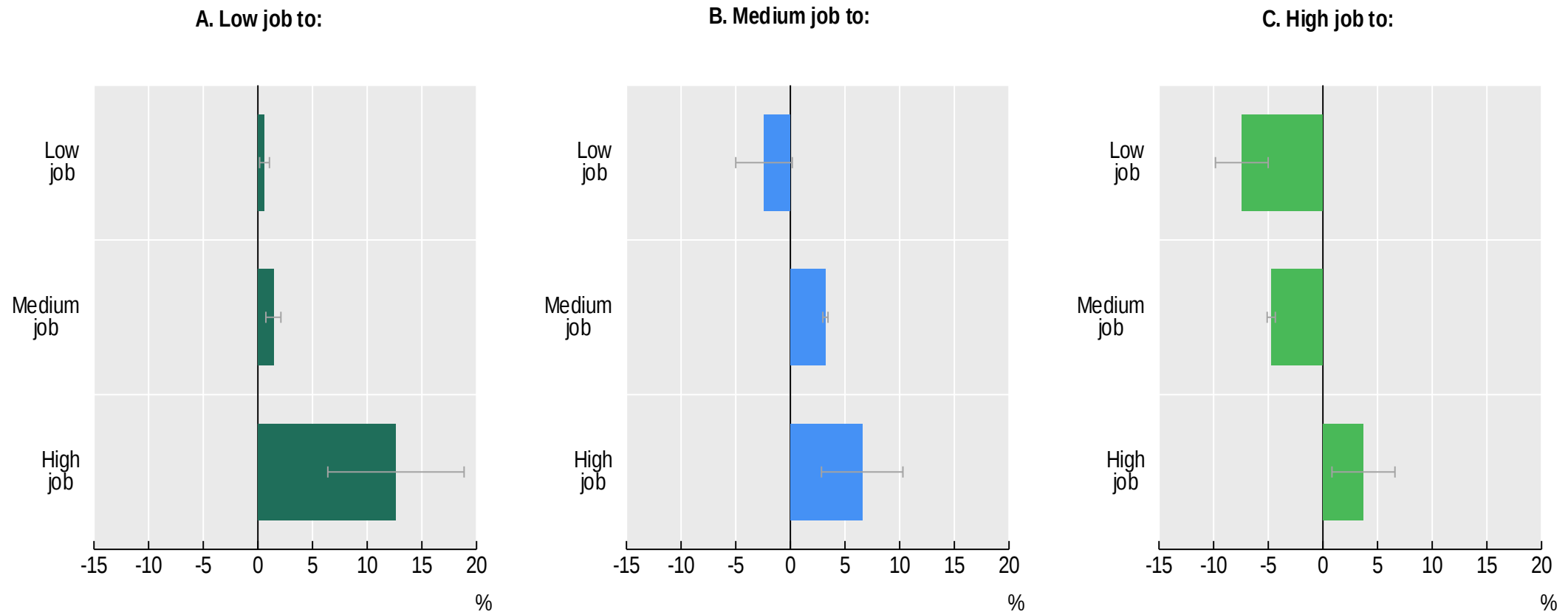
Note: AVE is the unweighted average of the 25 countries in the chart.

Source: OECD (2024), Promoting Better Career Choices for Longer Working Lives.



Low-skilled workers who change occupation do not experience wage progression

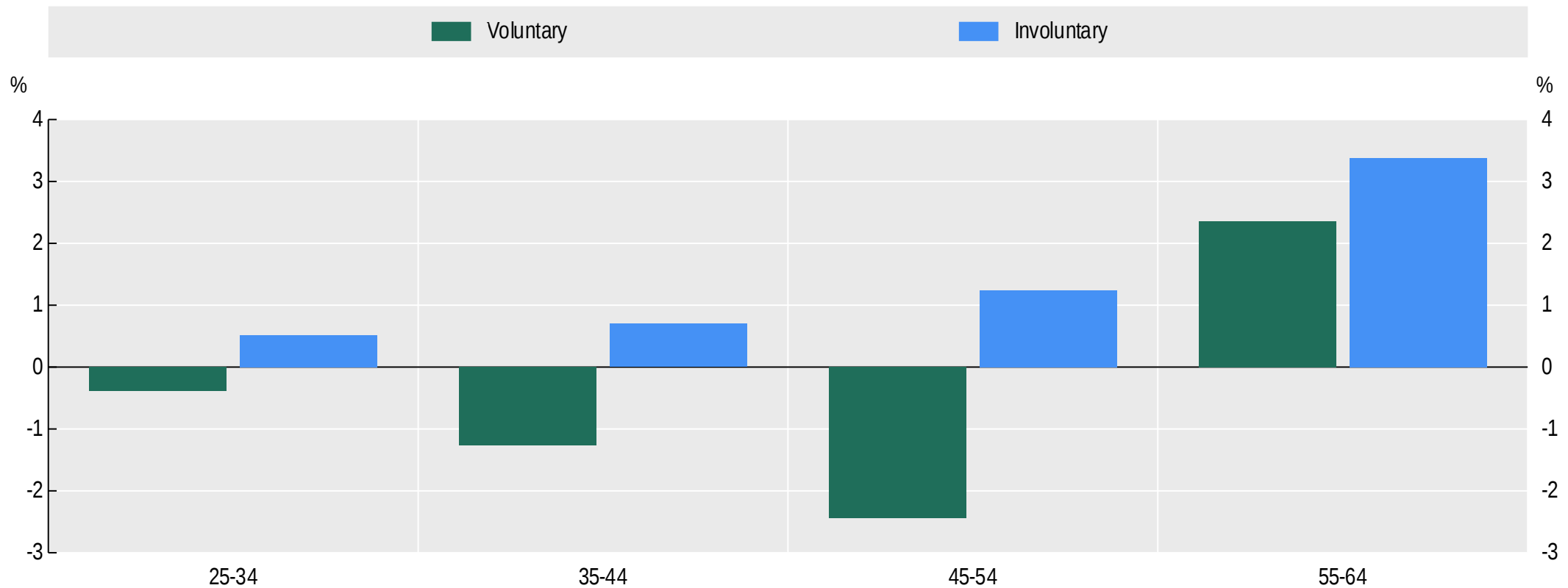
Change in wage growth rate for workers changing jobs voluntarily, 2010-2020





Older workers often move voluntarily to jobs involving more routine tasks

Predicted change in routine intensity of jobs following voluntary and involuntary job changes by age, 2010-20

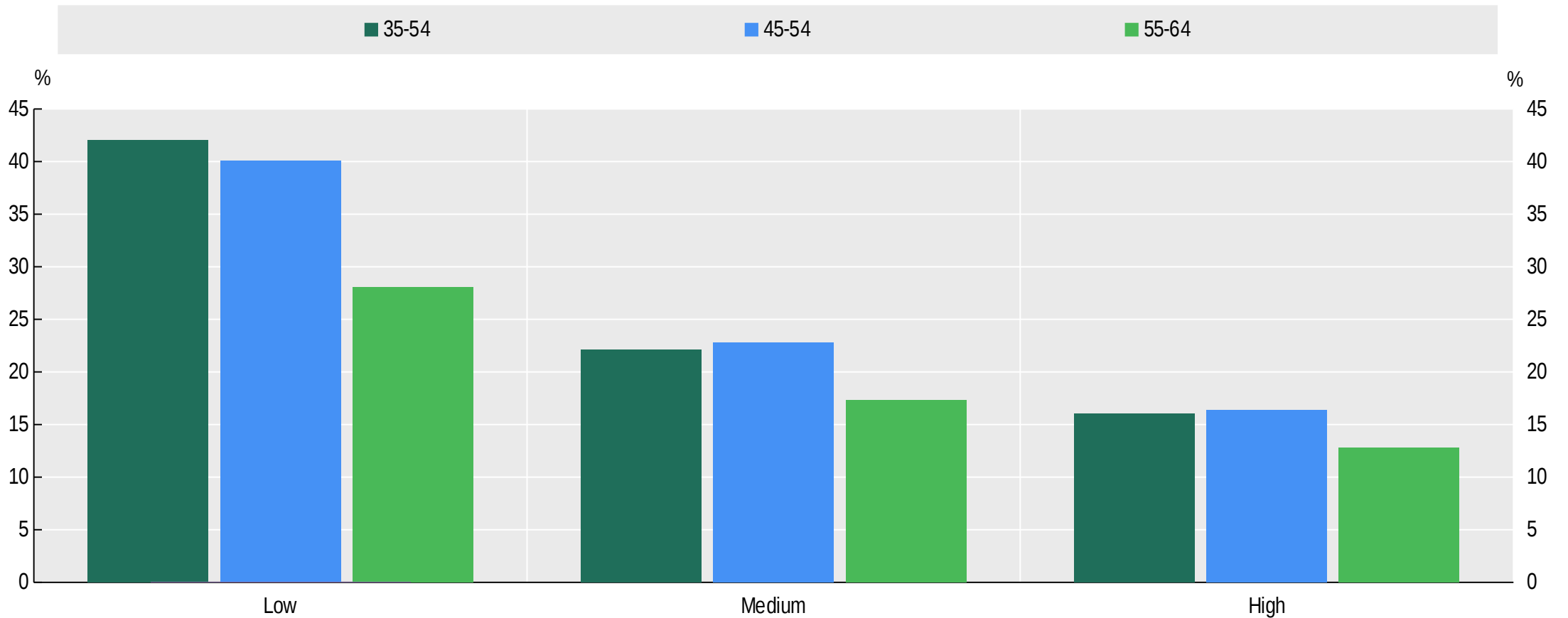


Note: Data represent the weighted average of 26 European countries.
Source: OECD (2024), Promoting Better Career Choices for Longer Working Lives.



Low educated workers are more likely to be working part-time because they cannot find a full-time job

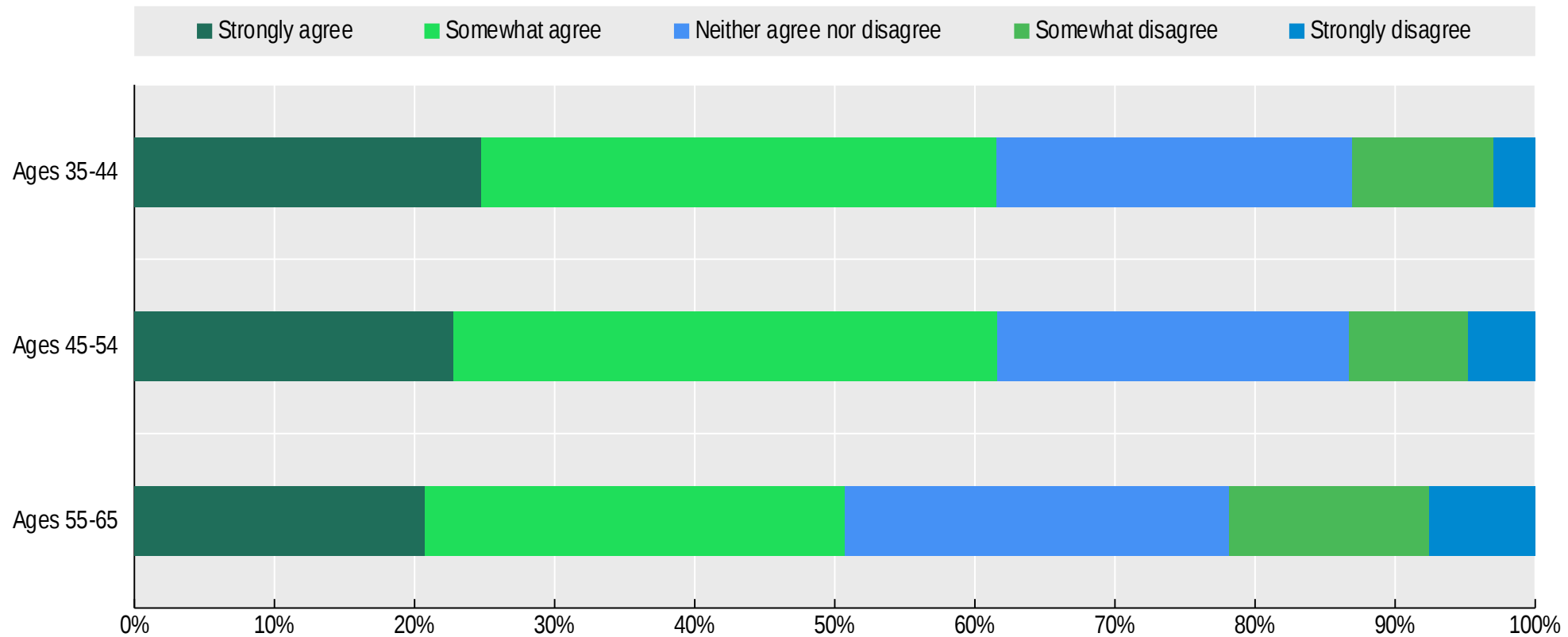
Share of part-time workers who could not find a full-time job by age and level of education, 2017-2020





Workers lose confidence in their ability to find work with age

Share of unemployed or employed job seekers who are confident they will get a new job, who reacted to “I am confident I will get a new job”, by age





Key lessons and good practices: Adopting a life cycle approach

Life-long learning

- Grants for training projects (**Netherlands**)
- Upskilling opportunities for older workers (**Belgium**)
- Improving digital skills (**Australia**)

Improving job quality

- Improve management practices and staff engagement (**UK NHS**)
- Support good mental health (**UK, Canada**)
- Right to unpaid leave for adult care (**Lithuania**) and flexible working (**UK**)

Facilitating job/career mobility

- Age targeted career advice and guidance services (**Netherlands**)
- Redeployment and career counselling for workers trapped in hazardous jobs (**Luxembourg**)
- Mitigating the consequences of labour market concentration, occupational licensing, non-compete agreements (**Denmark**)



THANK YOU



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Directorate for Employment, Labour and Social Affairs

<http://www.oecd.org/employment/ageingandemploymentpolicies.htm>