

Midlands Engine Observatory Academic Insights

Green, Anne

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MIDLANDS ENGINE OBSERVATORY ACADEMIC INSIGHTS

Economic Inactivity and Employment: the over 50s



Theme:

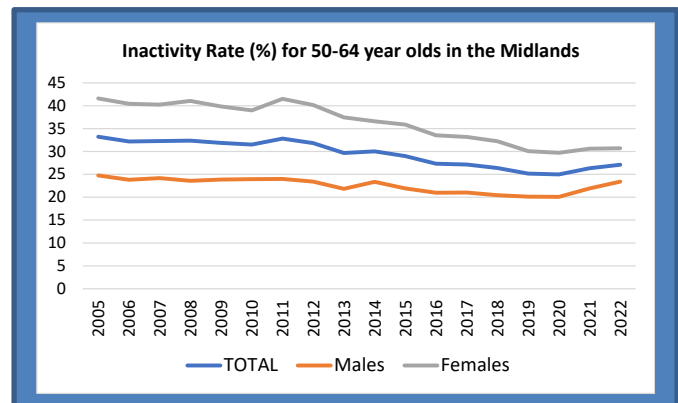
- Labour market developments

Area of Focus:

There is policy concern about economic inactivity amongst the over 50s. This piece highlights some issues relating to the position of the over 50s in the labour market, drawing in part on a longer [review](#).

Key Findings:

1. Population ageing: Over the medium-term a general trend of population ageing is continuing. This has contributed to a growth in people aged 50 years and over in employment. In the next ten years the large post World War II 'baby boomer' generation will all be above State Pension Age.
2. Employment and economic inactivity trends: From the mid-1990s until Covid-19 crisis there was a trend towards increasing labour market participation of the over 50s, particularly amongst women and people in their 60s.
3. The over 50s as a heterogeneous group. The long-term trend towards more years of healthy life in retirement is stalling. There are marked inequalities in the economic and health experience of the over 50s. Some are much more able to support themselves in retirement than others.
4. Local variation in age profile of the working age population. In 2021 Derbyshire Dales, East Lindsey, Malvern Hills and Staffordshire Moorlands had 40% or more of the 16-64 year old population aged 50 years or over. In Nottingham, Leicester, Lincoln, Birmingham and Coventry only 22%-26% are in this age group. The average across the UK is 31.7%.
5. Most economically inactive 50-64 year-olds do not want a job. In the East Midlands the proportion not wanting a job rose from 80.2% in 2019 to 86.9% in 2022. The increase was more muted in the West Midlands from 84.8% in 2019 to 85.8% in 2022. In the UK the increase over the same period was from 83.0% to 85.3%.
6. Long-term sickness and retirement are the main reasons for economic inactivity. Together these reasons account for around 7 in 10 of the economically inactive aged 50-64 in the Midlands. The next most important reasons are looking after the family or home and other.



Midlands Engine Impact:

The over 50s face a range of barriers in accessing learning and employment.

- Qualifications, skills and training
Employers are less likely to train older than younger workers. A lack of up-to-date skills and qualifications hampers some (but by no means all) older job seekers. Some over 50s feel [overqualified for jobs on offer](#).
- Difficulty in finding employment after job loss
Older workers are more likely to face redundancy than younger workers and take longer to return to employment after becoming unemployed than younger people. The over 50s are also more likely to lack experience of recent job moves and job search.
- Age discrimination
A substantial proportion of the over 50s perceive [age discrimination as a factor in their difficulties in finding employment](#).
- The role of part-time and flexible working
Flexible working can help older people stay in employment for longer; it [may help fit around caring responsibilities and health problems](#), which are major reasons for early retirement.
- Helping the over 50s into employment
Generic programmes tend to be less effective at supporting older people. Personalised support and an asset-based approach, taking account of the value of over 50s' existing skills, instilling positive attitudes and expectations, and considering issues of pay, fulfilment through work and flexibility to fit with non-work responsibilities/ interests and health challenges, is likely to be more fruitful.

For Further Information Contact:

Professor Anne Green
City-REDI/WMREDI
University of Birmingham
a.e.green.1@bham.ac.uk

