



**Response to NAFW Enterprise and Business Committee inquiry into:**

## **Employment opportunities for people over 50**

**January 2015**

### **Introduction**

Chwarae Teg exists to deliver our vision of a Wales where women achieve and prosper. We do this by working with women to broaden horizons and build confidence and skills; working with employers to create modern workplaces that are successful by harnessing everyone's contribution; and working with influencers, educators and decision makers to build a society that values, supports and benefits women and men equally.

Over the past few decades the number of older women in work has increased significantly. The employment rate of older women increased from 58% in 2003 to 70% in 2008.<sup>1</sup> However the UK still lags behind international competitors on the employment rate of those over 50 and there remains a gender gap in employment rates for older men and women. Older workers can face a range of barriers and issues which can prevent them from entering or thriving in employment. For women, these barriers can be very different from those experienced by men with women more likely to be affected by caring responsibilities and face less financial incentive to work due to the kinds of work that is often available to them.

These differences and the support required are discussed in our detailed response below.

Key messages:

1. Older women face a different set of barriers to men when looking to enter quality employment.
2. As a result older women who want to return to work generally require greater support from government and employers in order to do so.<sup>2</sup>
3. Work to support older people into employment must be based on a firm understanding of the gender differences to ensure that interventions deliver equally for both men and women.

<sup>1</sup> IPPR (2013) "The Sandwich Generation: Older women balancing work and care"

<sup>2</sup> Ibid

**1. Older people are not a homogenous group and the experiences of older men and women can differ greatly.**

- 1.1. Compared to international competitors the UK has a notably low employment rate for older people.<sup>3</sup> This is particularly evident in the employment rate of older women, which continues to lag behind that of older men – 60.1% of older women are employed compared to 71.6% of older men.<sup>4</sup>
- 1.2. Long term unemployment is also a serious issue for older women, which has worsened during the recent recession. Between 2008 and 2012 the number of long term unemployed women rose from 30.8% to 44.7%.<sup>5</sup> Long periods away from the workplace can significantly affect the confidence and ability of a person to return to work.
- 1.3. There are a number of factors that can affect older women’s ability to work including greater caring responsibilities, a lack of financial incentive, a lack of flexible working and poor access to training. These factors, which are explored in detail below, must be taken into consideration in the development of any support for older people to ensure that it delivers equally for both men and women.
- 1.4. It’s also important to consider the different experiences of older men and women in the workplace to ensure that any action taken to support older people into work does not exacerbate some of the existing problems faced by older women.
- 1.5. The gender pay gap is higher for women over 55 than for any other age group and this is closely tied to the types of jobs that older women regularly work in. Half of women aged 50-64 work in the delivery of public services, compared to a quarter of women aged 16-25, and they are significantly more likely to be employed in administrative and secretarial positions than other women.<sup>6</sup>
- 1.6. As with women of all ages, older women are more likely to be working in part time jobs than their male counterparts and many of these are in sectors that offer low pay and little flexibility.
- 1.7. It is important that work to support older women into employment also helps to address some of the existing inequalities that older women can face in the workplace to ensure that remaining in work benefits women through financial reward and greater well-being.

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<sup>3</sup> Resolution Foundation (2012) “Unfinished Business: Barriers and opportunities for older workers”

<sup>4</sup> Ibid

<sup>5</sup> IPPR (2013) “The Sandwich Generation: Older women balancing work and care”

<sup>6</sup> TUC (2014) “Age immaterial: Women over 50 in the workplace”

**Recommendation 1: The different barriers faced by men and women and their different experiences of the workplace should be considered in the development of any support to help older people into employment to ensure that it delivers equally for men and women while also helping to tackle some of the existing inequalities faced by older women in the workplace.**

## **2. Older women face a range of barriers when looking to enter quality employment**

### **2.1. Care**

- 2.1.1. Caring responsibilities are a particular issue for older women. This can be in the form of care for an elderly or unwell parent or partner or through providing informal childcare support to their own children, looking after grandchildren to enable the parents to go out to work.
- 2.1.2. Of all carers in the UK over half are over 50 and they are disproportionately female.<sup>7</sup> The financial implications of being a carer are higher for older people with those aged 55 to 59 losing £12,000 per year on average and those aged 60-64 losing £13,000.<sup>8</sup> This compares to an average for all carers of £11,000 per year.<sup>9</sup>
- 2.1.3. Caring for grandchildren is also common among older people, with grandmothers more likely to take on this role. A 2013 poll by the TUC of its older members found that 41% of grandparents in full-time work looked after their grandchildren for up to 7 hours per week.<sup>10</sup> The poll also found that 15% of respondents had given up work in order to care for grandchildren.<sup>11</sup>
- 2.1.4. An emerging trend highlighted by the IPPR is that of sandwich caring i.e. older people having to care for elderly or unwell parents or partners while also providing childcare support looking after grandchildren.<sup>12</sup> This risks putting even greater pressure on older women which could result in greater numbers dropping out of the labour market.
- 2.1.5. The issue of care is one that continues to affect women throughout their career and the pressure to balance work and care can be even greater for older women. Without intervention this issue is likely to get worse with Carers UK estimating that in less than 5 years the number of elderly people requiring care in the UK will be greater than the number of working-age children.<sup>13</sup>
- 2.1.6. It is also important that action is taken to ensure that women don't drop out of the labour market as once unemployed, women are more likely than men to turn down the possibility of paid employment due to caring responsibilities - 37% of women compared to 6% of men.<sup>14</sup>

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<sup>7</sup> Resolution Foundation (2012) "Unfinished Business"

<sup>8</sup> Ibid

<sup>9</sup> Ibid

<sup>10</sup> TUC (2014) "Age Immaterial"

<sup>11</sup> Ibid

<sup>12</sup> IPPR (2013) "The Sandwich Generation: Older women balancing work and care"

<sup>13</sup> Carers UK (2012) "Sandwich Caring: Combining childcare with caring for older or disabled relatives"

<sup>14</sup> Smeaton et al (2009) "Older workers: employment preferences, barriers and solutions"

**Recommendation 2: New models of child and elder care should be explored and ensuring universal access to these services must be a top priority to ensure that older women do not continue to be disadvantaged by unequal caring responsibilities.**

## 2.2. Flexible Working

- 2.2.1. A lack of flexible working continues to be an issue for women of all ages and can make the pressure of balancing work and care more acute.
- 2.2.2. A study from 2009 showed that over half of older unemployed women needed flexible arrangements to move back into work compared to just over a third of men.<sup>15</sup>
- 2.2.3. For women in low to middle income households, a group that faces particular barriers to the workplace<sup>16</sup>, flexibility can be particularly difficult to access with schemes often being more readily available at senior levels.
- 2.2.4. Ensuring that employers explore modern working practices that can offer staff greater flexibility to deliver for the business is critical to tackling the issues that older women face when accessing the labour market.

**Recommendation 3: Welsh Government should highlight the business benefits of modern working practices to Welsh employers promoting the new extended right to request flexible working, sharing best practice and encouraging all employers to explore how modern working practices can work for them and their employees.**

## 2.3. Financial Incentive

- 2.3.1. A further issue facing older women is that there is often little financial incentive in returning or continuing to work.
- 2.3.2. Among all age groups women tend to dominate in low paid, part time roles that offer little chance of progression. This can result in a much weaker attachment to the labour market and leave older women at a higher risk of dropping out of employment than men.<sup>17</sup>
- 2.3.3. The majority of women over 50 in part time work earn less than £10,000 per year while the average salary for all women over 50 is just over £15,000 dropping to £11,000 for women over 60.<sup>18</sup>
- 2.3.4. Action to support older women into work is likely to fail unless efforts are also made to ensure that being in work offers better financial incentive to them.

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<sup>15</sup> Policy Studies Institute (2009) via Resolution Foundation “Unfinished Business”

<sup>16</sup> Resolution Foundation (2012) “Unfinished Business”

<sup>17</sup> Ibid

<sup>18</sup> TUC (2014) “Age Immaterial”

**Recommendation 4: Welsh Government should take a long term view to address the issue of poor financial incentives for older women to work, by taking action to improve women’s position in the labour market throughout their career to ensure that older women are able to benefit from better paid and more secure employment.**

#### 2.4. Access to training

- 2.4.1. Access to training is vital for many older workers, particularly in the current climate where many have been made redundant after years of working in the same company or role.
- 2.4.2. Women have been hit particularly hard by redundancies in the public sector following cuts to public spending and older workers have found it harder to re-enter the workforce than any other age group.<sup>19</sup>
- 2.4.3. Evidence shows that older women are less likely to receive training with 51% of those aged over 65 saying they had received no training in the last 3 years compared to 32% across all age groups.<sup>20</sup>
- 2.4.4. Accessing training can be particularly difficult for those that work part time. Training held outside their usual hours or off-site at hard to reach locations can be especially problematic for women that work part time.<sup>21</sup>
- 2.4.5. For some older workers greater support to develop the skills required to compete in modern recruitment processes and to remain relevant in a modernising workplace would be invaluable.

**Recommendation 5: Welsh Government should ensure that all employers are aware of their responsibilities to provide equal access to training for all employees and encourage them to explore more flexible ways to deliver training to better enable those working part time or with caring responsibilities to access it.**

**Recommendation 6: Welsh Government should explore what specialised training would best enable older workers to compete in the modern work environment and in modern recruitment processes and ensure that this widely available. The different training needs of men and women should also be considered.**

### **3. Supporting older women into employment should be a top priority as it will bring great benefit to women and the economy**

- 3.1. As outlined above, older women can face different barriers to work than men, which is why we are recommending that support is developed with these differences in mind.

<sup>19</sup> IPPR (2013) “The Sandwich Generation”

<sup>20</sup> Close the Gap (2014) “Older women in the workplace – The benefit of experience: older women’s access to skills development and training”

<sup>21</sup> Ibid

- 3.2. There is also a strong case to be made to make improving the employment rate of older women a top priority.
- 3.3. Currently the UK performs badly when compared to other countries in the OECD. Some estimates suggest that over half of this performance gap for those aged 50-64 is in female employment.<sup>22</sup> Supporting greater numbers of older women to work could help close this gap bringing benefits to the women and the wider economy.
- 3.4. There is also evidence that suggests men are more likely to work if their female partners work as employment decisions tend to be taken on a household level.<sup>23</sup>
- 3.5. The majority of household saving for retirement is done after people reach 50, which means supporting people to extend their working lives could play a crucial role in preventing pensioner poverty. This is particularly important for women who are likely to be able to save less over the course of their working lives and can be plunged into poverty through the loss of a partner in later life.

**Recommendation 7: Welsh Government should consider prioritising action to better support older women to work as this would bring greater benefit to the economy and would help to reduce poverty levels among older people.**

#### **4. The effectiveness of the WG Strategy for Older People in Wales 2012-2023**

- 4.1. Welsh Government's commitment to ensuring the well-being of older people is clear. Ensuring that older women have decent employment choices should be a key part of this strategy.
- 4.2. A recent survey by Unison found that women increasingly have little choice about how work factors into their lives after they turn 50. While some women find themselves working part time hours when they want to work full time others find they are unable to access opportunities to allow them to work more flexibly or consider a phased retirement.<sup>24</sup>
- 4.3. Employment is rightly included in the Strategy and it is important that in the delivery of this element older people (and older women) are not treated as an homogenous group.
- 4.4. The links between some of the other actions in the Strategy and employment could also be made more explicit. Efforts to improve access to transport could enable some older people, particularly those living in rural areas, to access work and training and action to provide better support to carers will be vital in supporting many older women to return to or remain in work.

## **Conclusion**

It is clear that older women workers can face a wide range of barriers to the workplace and that these vary from those experienced by men. It is also clear that offering greater support

<sup>22</sup> Resolution Foundation (2012) "Unfinished Business"

<sup>23</sup> Ibid

<sup>24</sup> Unison (2014) "Women deserve better: a better deal for women aged 50 and over in employment"

to older women to help them return to or remain in work would be good for women and the economy more widely.

Interventions will be more effective if they are based on a firm understanding of the differences outlined in this response. It is vital that with an aging population the right support is available to enable older people to work in a way that brings financial security and ensures their well-being.

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Chwarae Teg are happy to discuss any of the above in more detail. Please contact:

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