



MEMBERSHIP WORLD CO.UK
THE PLACE FOR MEMBERSHIP PROFESSIONALS



THE CASE FOR AGE-INCLUSION IN A WORLD OF CHANGING DEMOGRAPHICS

By: **Mike Mansfield** & **Gordon Glenister**
CEO ProAge CEO Membership World



TABLE OF CONTENTS

03 Foreword

04 The impact of demographic changes on how we live and work

06 Our pension system is coming under financial strain

08 The business case for a multigenerational workforce

10 Case Study - The Saga Chauffeur Programme

13 Age is a protected employment characteristic

14 Recommendations

15 About the authors

16 Acknowledgements

FOREWORD

Population ageing and demographic change are impacting the way we live, work, and do business today. The combined impact of increasing life expectancy and falling birth rates is resulting in a shrinking labour market and skills shortages in many sectors. Consumption patterns are also changing. The International Longevity Centre UK¹ estimates that spending by over 50's consumers may shift from 54% of total consumer spending in 2018, to 63% by 2040.

These fundamental changes in society call for a coordinated response from businesses, policymakers and individuals.

Commercially, companies and membership organisations need to take steps to adapt so that they have the skills and resources they need to take full advantage of business opportunities in the future. Having age-inclusive work practices will enable organisations to attract the talent required to reflect the needs of their customers. In the United Kingdom, age is one of nine protected characteristics under the Equalities Act 2010. Age-friendly employers are taking a progressive step in becoming an employer of choice. In so doing, they are attracting a larger pool of talent and contributing to their ESG goals by providing opportunities for people to stay economically active for longer.

Government retirement programmes are coming under increasing financial strain and the responsibility for preparing financially for later life is shifting to the individual. The government needs to stimulate longer working lives by collaborating with both companies and individuals. Collectively, we need to find quality and rewarding jobs so that people can continue to work and earn an economic return later in life.

We are grateful to the Edgaston Park Hotel for hosting our roundtable with 11 executives from companies, academia and civil society to discuss these issues and develop some recommendations for the future.



Mike Mansfield
CEO ProAge



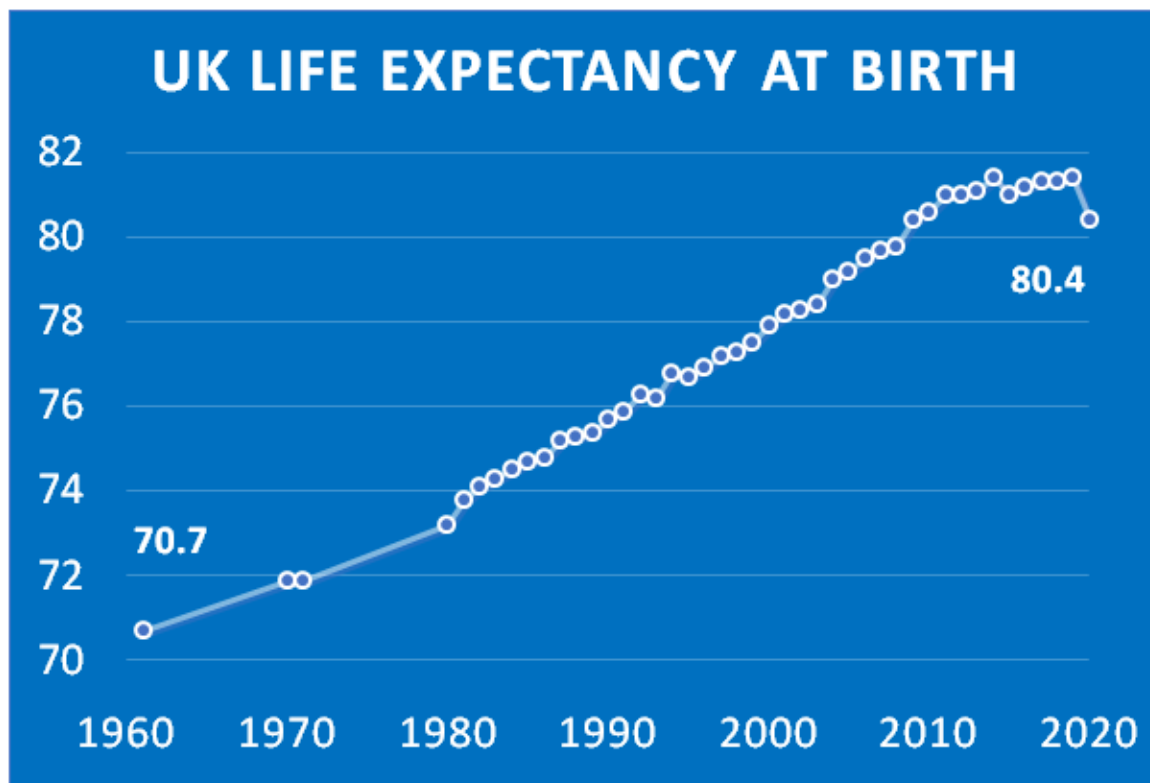
Gordon Glenister
CEO Membership World

<https://ilcuk.org.uk/could-older-consumers-drive-a-longevity-dividend-for-the-night-time-economy/>



THE IMPACT OF DEMOGRAPHIC CHANGES ON HOW WE LIVE AND WORK

Demographic change is one of the global megatrends impacting society today. Changes in demographics are having an impact on public policy and employment practices.



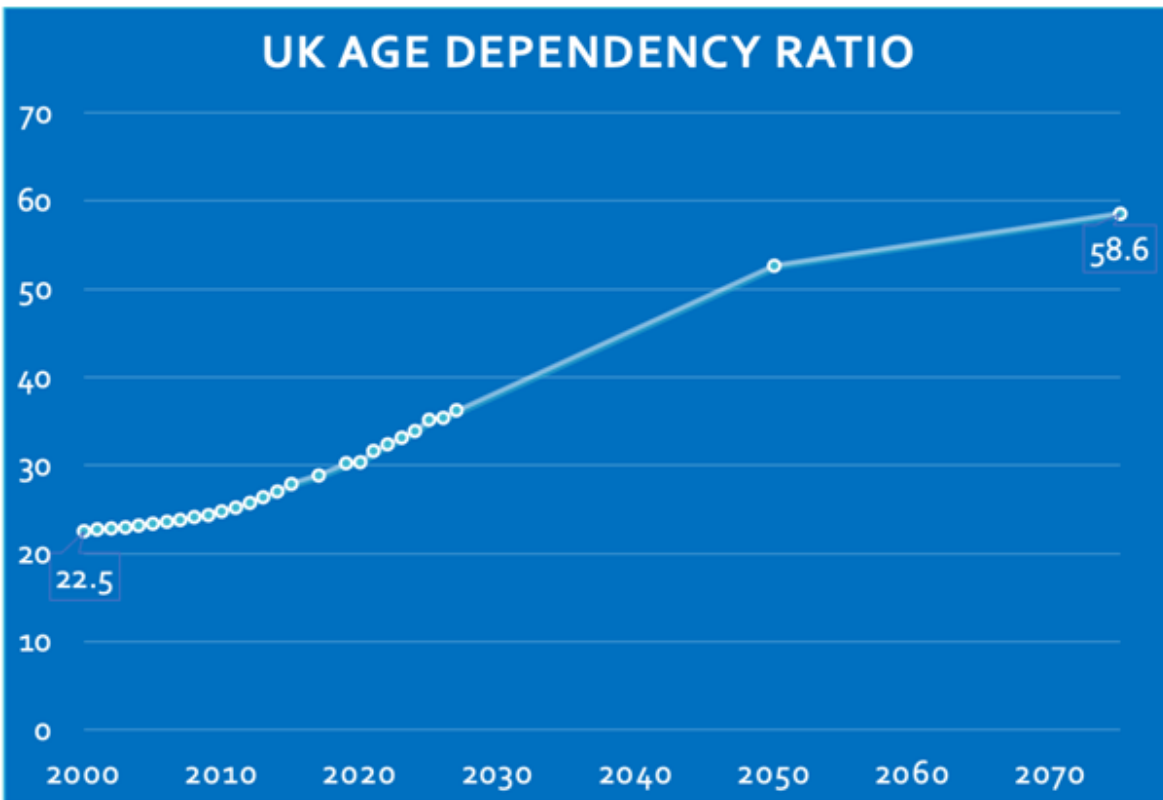
Source: OECD (2023), Life expectancy at birth

In the United Kingdom, life expectancy at birth has increased by ten years over the past 60 years. To use the metaphor of life as a journey, this is similar to adding ten miles to the end of the road without changing any of the signposts, traffic lights and speed bumps we use to delineate where we start and stop different phases in our lives; like education, work and retirement. Many of these signposts are built in through corporate policies, legislation, and social expectation.

The realisation that we are adding ten years to a phase of our lives where we are likely to be retired or economically inactive, should give us pause for thought. We need to reimagine our relationship between work and other aspects of our lives. We should think about how we save for a longer life, so that we can ensure our financial security over our life course. We need to consider the sustainability of our social contract between governments, employers and individuals so that we maintain solidarity between the social partners and do not disadvantage any one group or create intergenerational inequity.



Survey work done by insurance company Aegon^[2] shows that, in the UK, workers expect 43% of their retirement income to come from the government, 32% from their employer, and 25% from their own savings and investments. This relationship will not be sustainable over the long-term and individuals are going to have to provide a greater portion of their own income in retirement.



Source: [Pensions at a Glance, OECD](#)

Not only are people living longer, meaning that governments have to pay pensions for longer, but falling birth rates over recent decades have also had a significant impact on another demographic indicator, the old age dependency ratio. This is defined as the number of individuals aged 65 and over per 100 people of working age (20-64 years old). In 2000, there were 22.5 people over 65 per 100 workers. This rose to 33.1 in 2023 and is predicted to be 58.6 in 2075.

The consequence is that there will be fewer working people supporting people in older age. Government retirement plans will come under increasing strain. We will have to find a way to rebalance the funding models we currently have to ensure that we can ensure the long-term financial security for people as they get older.

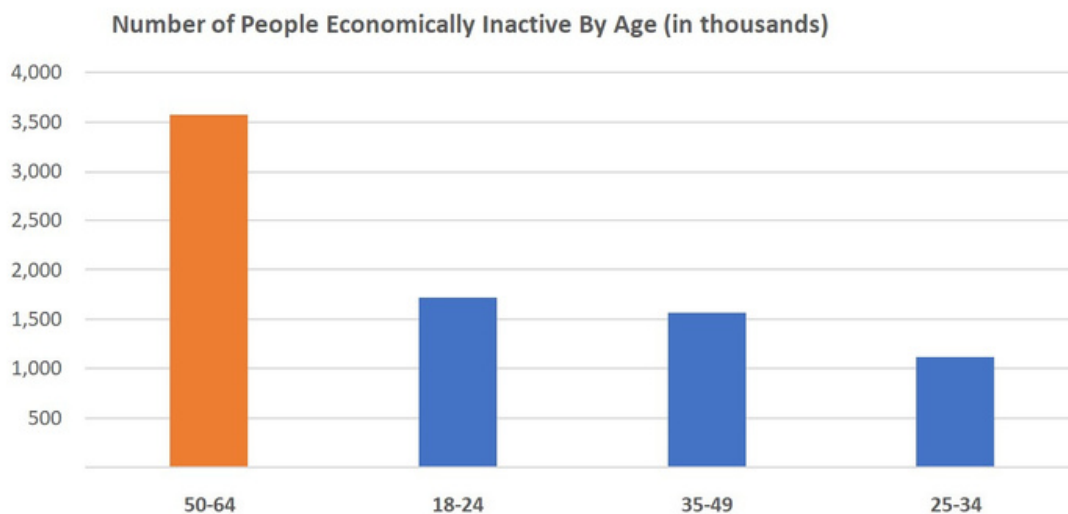
[2]Aegon Retirement Readiness Survey 2020: The New Social Contract: Age-Friendly Employers



OUR PENSION SYSTEM IS COMING UNDER FINANCIAL STRAIN

The COVID-19 pandemic caused significant disruption to the labour market. On the positive side, we see an increase in more flexible ways of working with a far greater number of people working remotely and on different schedules than they did in the past. On the negative side, many companies were forced to lay off or furlough employees, which caused shifts in employment patterns and skills shortages in various sectors.

One widely-reported trend has been “The Great Retirement^[3]”, whereby people over the age of 50 have left the labour market and, to a large extent, not returned. Many have stopped working and are classified as economically inactive, meaning that they are not earning money from labour and are also not drawing unemployment or other benefits. From the government’s perspective this issue has wide ranging consequences, from reduced income tax revenue and lower national productivity. From the individual’s perspective, not making pension contributions can have consequences for their long-term financial security.



Source: ONS, Employment, unemployment and economic inactivity by age group (seasonally adjusted) Published Nov 2022

In November 2022, the Office for National Statistics^[4] (ONS) reported that, in the period July to September 2022, there were almost 3.6 million economically inactive people aged between 50 and 64 representing, 27.3% of the people in that age category. This is more than double the percentage of economically inactive people in each of the age categories 25 to 34 and 35 to 49.

[3] [What is the ‘great retirement’ and should we be worried?](#) Centre for Ageing Better, 10 December 2021

[4] [Dataset: Employment, unemployment and economic inactivity by age group \(seasonally adjusted\)](#). Office for National Statistics



Earlier in 2022, the ONS conducted a survey of people age between 50 and 70 who left the workforce. They found that 51% of people showed a decrease in their savings since the beginning of the pandemic compared with only 16% of people who showed an increase. Men were more likely to use savings and investments to fund their retirement than women. Concerns about money, economic inactivity, and dipping into retirement savings demonstrate a disconnect in people's behaviour and a potential challenge for the government in the future.

Employers can play a significant role in designing workplace environments that help stimulate a greater awareness of what it takes to prepare for a financially secure retirement, while at the same time reaping the reward of a multigenerational workforce.



THE BUSINESS CASE FOR A MULTIGENERATIONAL WORKFORCE

Work done by the OECD shows that a multigenerational workforce is more productive and provides greater access to talent with better retention of experience in the workplace, which is a key competitive advantage in today's labour market where there is a skills shortage in many sectors.



Source: OECD: [Promoting an Age-Inclusive Workforce 2020](#)

More recent research conducted by the OECD for their 2023 report, *Retaining Talent at All Ages*^[5], shows that labour shortages have increased from 34% in 2012 to 75% in 2022 and that average job tenure has decreased by nine months during the same period. The report also supports the case for companies to reexamine their employee value proposition for mature workers by pointing out that workers age 55 to 64 are **twice** as likely as workers age 30 to 54 to leave the workforce, resulting in a loss of talent and experience, and **half** as likely to change jobs within a year, saving on employee turnover costs.

The AARP^[6] in the US found that 83% of executives see multigenerational workforces as key to business success. Having a workforce that reflects the age demographics of your customer base can lead to better customer service and greater innovation. The case study from Saga Travel shows the value and contribution from older workers in their pool of VIP Drivers.



[5] OECD, published 18 January 2023

[6] [Global Insights on the Multigenerational Workforce](#), AARP

On the non-financial side, employers can also play an important role in providing an environment where people can stay economically active for longer by encouraging them to adopt a healthy lifestyle and embrace lifelong learning. Doing so has two advantages to help employees maintain their financial resilience:

1. The OECD finds that 21% of workers aged between 50 and 64 quit their job because of ill-health. Encouraging employees to adopt a healthy lifestyle reduces both sick leave and the risk that someone will leave the job market before they planned due to health reasons.
2. Keeping skills up to date is essential in a changing job market. Providing training for employees, regardless of their age, results in a more productive workforce and means that an employee has greater opportunities for advancement in their current role and is more likely to find a job, should they lose their current position.

A multigenerational workforce is one where people of all ages share equal opportunities in terms of access and participation. Work done by the World Economic Forum^[7] demonstrates that increasing the labour market participation of people over the age of 50 in the UK would lead to a 6.7% increase in per capita GDP by 2050, yet people over the age of 50 are some of the most vulnerable when it comes to getting and retaining a job.

[7][Growing with Age: Unlocking the power of a multigenerational workforce](#). World Economic Forum, OECD, AARP



CASE STUDY – THE SAGA CHAUFFEUR PROGRAMME

Saga has a 70-year heritage of providing their customers with award-winning travel experiences, offering holidays in more than 91 countries and islands around the world, from relaxing hotel stays to active adventures. The company's reputation is built on providing a quality experience from the time a customer makes a booking to when they arrive home.

Saga developed their chauffeur programme to ensure that their customers' holiday starts the moment they wake up on their day of departure, rather than when they reach their destination. For customers who live within 350 miles of their departure port or airport, a friendly Saga chauffeur will come pick them up at their home and drive them to their departure point. This much-valued and money-saving service removes any anxiety about getting to the airport on time, dealing with parking or public transportation.

Saga currently employs approximately 170 drivers across the UK and is actively recruiting for new members to join the team. Many of the Saga chauffeurs are older workers or retired people who are looking for an opportunity to work on a flexible basis.

The age profile of drivers working in the chauffeur programme is important to Saga as part of their business and people strategy to be champions of age.

Many of the Saga chauffeurs are of a similar age to the customers they are taking on their holidays. The drivers have often been on Saga holidays themselves and can offer tips and advice about the cruise ship and destination which the customer appreciates. Coming from a similar life experience, they are often able to read their customers' mood well and can tell what is needed to make their customers' journey enjoyable.

The programme itself delivers real business benefit for Saga. In the same way that Netflix lets you "skip intro" to get straight to your favourite show and IKEA sells you an ice cream for 25p just as you leave the shop, Saga knows that the beginning and the end of a holiday are an essential part of the customer journey; making these hassle-free is essential in building a wonderful customer experience.

Saga is committed to being an inclusive employer and understands that diverse teams perform better; they are more productive, resilient and offer opportunities to learn from each other. The flexibility that comes from being a Saga chauffeur has helped people at all stages of life and from diverse backgrounds find the work-life balance they are looking for and make time for things that are important to them. It has also provided opportunities for more mature workers to remain in or re-enter the workforce, earn a supplementary income with great benefits, meet nice people, and see the country.



MEET ROLAND EARLAND

Roland started working for Saga in 2018 after a career in estate agency. He says that his previous work and life experience led to him being asked to work on the 2012 Olympics and subsequently at other events at Wimbledon and Twickenham. Working in a range of different areas has allowed him to develop his ability and confidence to strike up a conversation with people from a wide variety of backgrounds on a host of different topics. Importantly, it has also taught him to recognise situations when it is best not to force a conversation. Many of the journeys last between three to four hours and Roland says that he enjoys the conversations and banter with clients as well as the opportunity to drive through the countryside at different times of the year highlighting the beautiful changing seasons.



He feels that he plays an important role in representing the company by being the first and last face of Saga that his customers see. Roland relayed a touching example of how he made a real difference to someone going through a difficult period. He was picking up a man who had recently lost his wife, the man felt very emotional and did not think he could face a holiday on his own. Roland was able to tell the man about experiences he had heard from other passengers in similar situations, how they had easily fitted in with the other people on their holiday, felt included, and benefited from the experience. Roland said that he hoped the advice he gave helped the man take an important next step.

The camaraderie he enjoys with his fellow drivers is also an important aspect of the job. When flights are delayed there are often other Saga drivers at the airport that he has gotten to know and enjoys having a chat with. His colleagues are always ready to share tips and experiences about work which has been very helpful and a real timesaver. The best tips he has received have revolved around saving money whilst on the road, as well as which service stations and hotels are regarded as the best to visit.

The flexibility that comes with the job fits Roland's schedule. It allows time for other things in his life enabling him to take other casual jobs and volunteer. Roland very much enjoys his work and has no plans on stopping, he has also recommended a number of friends and acquaintances to the role of VIP Chauffeur.



ABOUT SAGA

The Saga brand has become one of the most recognised and trusted brands amongst UK consumers in the over 50's demographic and is recognised for its high-quality products and exceptional standards of service across cruise, travel, insurance, money and media.



AGE IS A PROTECTED EMPLOYMENT CHARACTERISTIC

Ageism impacts how we think, feel, and act about other people and this is important when it comes to the opportunities people face in getting and staying in a job. Yet compared to other forms of discrimination; for example, sexism and racism, it has been neglected for far too long.

Age is one of the nine protected personal characteristics under the Equality Act of 2010. Between 2020 and 2021, age-related discrimination cases were the highest number of cases brought to employment tribunals in the UK.

Age discrimination can be legal in certain circumstances, for example, when it is 'objectively justified', or where an employer shows 'good reason for discriminating on the basis of age'. An example would be very physical work lifting very heavy objects, or a role where eyesight needs to be at a very high standard such as examining microchips.

Alice Kinder, a Senior Associate specialising in the field of employment at the law firm of Bexley Beaumont, offers the following four pieces of advice to employers and managers to help create an age-inclusive workplace:

1. Don't treat anyone less favourably because of their age.
2. Don't apply any practices that could disadvantage any people of a certain age.
3. Don't do anything that could make someone feel humiliated or offended because of their age.
4. If someone complains about age discrimination, don't treat them unfairly.

Employers need to take a step back and look at what is happening in their organisations regarding age, stereotypes, recruitment and job ads as well as their flexible working policy, job design and training and development. Re-examining employment practices with an age-lens is a powerful first step in becoming an age-inclusive employer and reaping the benefits of a multigenerational workforce.



RECOMMENDATIONS

By promoting greater age-inclusion in the workplace, organisations will develop stronger connections with their customers, increase productivity and contribute to their ESG goals by helping their employees achieve greater financial security over the course of their lives.

Below are recommendations that will help organisations on their journey to becoming an age-inclusive employer of choice:

1. Create an age-neutral workplace with an inclusive culture that recognises the contribution of all employees regardless of their age or other protected characteristics.
2. Raise awareness and offer training to all staff on the impact of agesim in the workplace and individuals of all ages.
3. Create opportunities for people to earn by offering employees the flexibility they need to work with you. People's need for flexibility changes at different stages of their lives but appears to be a strong factor in being an employer of choice.
4. Create opportunities for employees to save for periods in their lives when they may not be earning, such as retirement. Open work-based savings plans to all employees regardless of their employment relationship e.g., part-time and contract employees.
5. Help employees build their job market resiliency so that they maximise their chances of staying in employment until they decide the time is right for them to leave the workforce. Key elements are:
 - a. Helping employees stay physically and mentally fit so that they do not run the risk of leaving the workforce due to illness.
 - b. Helping employees keep their skills up to date so that they can progress in their career.



ABOUT THE AUTHORS



ProAge is a member-led charity promoting age inclusion in the workplace so that workers of all ages can thrive and older workers have the opportunities they need to choose when and how they retire.

For more information visit our [website](#).



MEMBERSHIP WORLD CO.UK

THE PLACE FOR MEMBERSHIP PROFESSIONALS

Membership World is the organisation for membership professionals. Founded by membership and influencer strategist Gordon Glenister, Membership World offers support to those running associations, professional bodies, institutes, societies, and corporate membership programmes.

For more information visit our [website](#).



ACKNOWLEDGEMENTS

Lindsay Allen
Rachel Brushfield
Jonathan Collie
Money Chopra
Tej Daffu
Chris Dunning
Roland Earland
Gordon Glenister
Lesley Gregory
Vernon Hogg
Lynne James
Dominic John
Chris Jones
Ellie Khanna
Alice Kinder
John Knight
Mike Mansfield
Sandie McCoubrey
Tom McIntosh
Richard Metcalfe
Richard Miner
Beverley Nielsen
Krishna Pastakia
Richard Port
Rachel Reddan
Shruti Singh
Amanda Watkin

