

# AGEING WORKFORCE - Month Organiser

## ACTIVITY IN JUNE

- The 'Tales from the Tent' mobile video recording studio travelled to the Mount Maunganui Active Retiree Expo to record people's views - see 'Caught on camera'.
- An ageing workforce forum, with local and international experts, attracted 120 delegates.
  - Forum presentations - see 'Heavy stuff'.
  - Forum videos and podcasts - see 'Caught on camera'.
- Our largest online survey was completed by 3,300 people who contributed 4,600 comments - see 'What NZ told us'.
- A business panel survey of 500 companies asked about their preparedness for the ageing workforce - see 'Heavy stuff'.
- Media stories on the forum and our survey findings included the Retirement Commissioner's appearance on TVNZ Breakfast - see 'Making headlines'.

## HIGHLIGHTS

- New Zealand's ageing demographics mean our population structure will not be young again. We have to deal with the realities of an ageing workforce now as 23.7% of all those over 65 are participating in the workforce. The share of those over 65 as a portion of the total workforce is projected to increase from 5% in 2013 to 11% by 2026.
- Businesses and government agencies are not prepared for an increase in older employees. Surveys show between 70 - 83% of organisations do not have any policies or strategies in place for the ageing workforce.
- A Commission survey of more than 3,300 people found that most older people expect to work well beyond the age of 65. 31% said they retired or planned to retire between 66 - 69 years, while 44% said they would stop paid work at 70 or older. Only 24% said they retired or intended to at 65 or younger.
- Over half (54%) of those working or planning to work past 65 needed to for financial reasons. Value and satisfaction from work; using skills; and social contact were other important reasons for working longer.

- Flexibility is the key for older workers including being able to work shorter days or weeks; having more annual leave; and a phased approach to retirement.
- The main concern expressed by 48% of those surveyed was missing the opportunity to do other things while they can, followed by being treated as 'old' (33%).
- Age discrimination is experienced widely. Biased attitudes towards older workers need to be changed, as the law already prohibits discrimination on the basis of age.

## THEMES

- The topic of our ageing workforce attracted a strong response and interest. A national conversation needs to begin about how we can support, and maximise the contribution from, our ageing workforce.
- New Zealand has amongst the highest rate of 65+ participation in the workforce in the world at 23.7%. This compares to: UK 9.7%, Australia 12%, USA 18.7%, Japan 20.5% and Iceland 35.2%. Among those aged 65 - 69 years, New Zealand's participation rate is 43%.
- Being able to receive NZ Super while working is a key factor that incentivises continuing to work past 65. In contrast, Australia has an income test for the age pension with a low threshold. People are working longer for financial reasons, such as still having a mortgage or other debt; the cost of caring for others; and to continue saving for retirement.
- Age discrimination is a barrier for many older workers maintaining or regaining work. Many struggle to find a job after 55 despite their best efforts. Recruitment policy and training subsidies, like Australia's Re-Start grant of up to \$10,000 for employers to employ older workers, should be investigated.
- In response to a Commission survey question as to whether there were enough training and retraining opportunities for people over 50 years, only 17% said yes, while 39% said no.
- Manual workers, who physically cannot continue working into their 60s, are a group that need special attention. This issue needs to be tackled and extends beyond retirement policy.
- The changing nature of work, employment casualisation and automation are critical, associated themes that will have a long-term impact on work, saving and retirement.

- Businesses recognise ageing workforce issues, with 48% of 500 companies in a business panel survey saying they were concerned about the impact. 70% of these businesses partly or strongly agreed they were concerned about losing skills and experience. Yet there is a gap between concern and action, with only 8% of business and 14% of crown agencies having policies or strategy in place.
- Communication and leadership were two strong themes voiced at the Commission forum. The major shift in our demographics is not well understood and has wide-ranging implications. Leadership, in business and government, and more tools are necessary to guide and help manage our changing future workforce.

## MORE INFORMATION

- Recommendations to adapt to our ageing workforce - see 'Change today'.
- Ageing workforce forum presentations highlight US campaigns to change attitudes; New Zealand's changing demographics; and responding to our workplace diversity - see 'Heavy stuff'.
- Ageing workforce podcasts explain what's going on - see 'Caught on camera'.
- Business panel survey results of 500 companies - see 'What NZ have told us'.
- Our online survey results and comments - see 'What NZ have told us'.
- The Business of Ageing: Realising the Economic Potential of Older People in New Zealand, Ministry of Social Development 2015 Update - see 'Heavy stuff'.
- New Zealand Diversity Survey, Bi-Annual Report October 2016, Diversity Works NZ - see 'Heavy stuff'.
- Ageing workforce in the New Zealand Crown Entity Sector, Survey Report 2014, Human Rights Commission - see 'Heavy stuff'.