ECONOMIC INACTIVITY, HEALTH AND OLDER WORKERS

Background:

The Physiological Society ("The Society"), Demos, and Centre for Ageing Better released their report *Understanding 'Early Exiters': The case for a healthy ageing workforce strategy* in November 2022.

Following the recommendations of this report, The Society convened stakeholders with an interest in work, health and older people to discuss how to support people that are currently unable to work as a result of poor health and discuss examples of best practice in the retention and recruitment of older workers.

The roundtable sought to focus on older people who are economically inactive – neither in work nor actively searching for work.

The Physiological Society is particularly interested in looking at older workers who are economically inactive for health reasons.

The group also explored gaps in evidence or policy implementation to develop recommendations for the medium- and long-term to create a healthier, more inclusive and prosperous workforce.

The Department for Work and Pensions (DWP) is currently undertaking a review into workforce participation, with a statement expected this spring.

The roundtable was chaired by Lord Bethell and took place online on 23 January 2023. Representatives from the following organisations were in attendance:

- The Physiological Society
- University of Birmingham
- Confederation of British Industry (CBI)
- Centre for Ageing Better
- Demos
- Department for Work and Pensions

physoc.org/policy
It was noted that while the COVID-19 pandemic had caused an acute rise in the number of older people absent from employment, the problem began long before 2020. The pandemic, consequently, shone a spotlight on a long-term systemic problem facing the UK of the large numbers of older people who are economically inactive as a result of poor health. Therefore, there is an opportunity to address the short-term health issues affecting older people and also develop long-term public health guidelines.

A December 2022 House of Lords Economic Affairs Committee report into economic inactivity, highlighted that the impact of an ageing population as a contributor to the workforce squeeze is a factor which has not received the attention it deserves. Committee Chair, Lord Bridges of Headley, stated in the introduction to the report: "Those who are already economically inactive are becoming sicker, meaning they’re less likely to return to work. So, while other factors were previously masking the impact of an ageing population on the size of the workforce, they are now reinforcing it."

The Physiological Society provided an overview of the role of physiology in the discussions around the economic inactivity of older workers and offered some data which attempted to segment those older workers (50-64 years) that are currently inactive for either economic or health reasons. This has been displayed in the graph below.

The roundtable discussed four key groups contributing to approximately 9 million economically inactive workers within the context of a labour market with 1.2 million job vacancies.

The four main groups identified are:

1. Early retirees: This group comprises of about 1.1 million people. It was noted that people in this group do not wish to return to work but they possess skills which make them valuable to workplaces.

2. People with disability or health conditions: This group comprises of about 2.5 million people and has seen the biggest rise since the COVID-19 pandemic. As mentioned previously, The Society is most interested in this group for the purpose of this discussion.

3. Unpaid carers which comprise of 1.7 million people.

4. Students which make up 1.2 million people.

The participants also discussed some policies that were already in place to help older workers. Since 2021, £20 million has been provided by the DWP to support people over 50 years return to work, such as through hiring work coaches in job centres specifically to help older people. “Mid-life MOTs” were also identified as an area where work is being undertaken to help older workers understand their options.

Securing better health and wellbeing for people as they age is a primary focus of the UK research landscape and therefore a priority for the UKRI as mentioned in their new strategy.

Participants highlighted four areas requiring policy actions. These include:

1. Understanding the challenges of geographical disparities and how inequality hinders healthy ageing.

2. Ensuring older people remain active and involved in work in order to maintain good health as they age.

3. Supporting older people with health conditions while they are in work.

4. Rehabilitating workers who have left the workforce and ensure they are able to return to work.

Section One: Consider why health is insufficiently prioritised as part of the economic inactivity debate

The first discussion section aimed to identify the reasons why health was insufficiently prioritised as a reason for economic inactivity and ways in which the profile of health could be raised.

The group noted that early exit from the workforce was a multi-factorial issue involving poor health and also financial security. There is a lack of understanding about what constitutes poor health and what health conditions are causing older people to drop out of the workforce. Further, the impact of age on productivity also remains poorly understood.

The group discussed how ageing was a different experience for everyone and further
research was needed to understand why people age differently i.e. the underlying mechanisms associated with ageing. There is also a lack of information on measures that can be taken to enable older people with health issues remain in the workforce.

It was clear from the discussion that there was significant support from across industry and different workforces for Government intervention to ensure the skills of older workers are not lost from the economy as a result of ill health, and that businesses are keen to support measures that prioritises worker health as a means of maintaining and improving productivity.

Section Two:
Propose health initiatives that would address the current economic inactivity challenge the country faces

This section discussed initiatives that could be delivered in the short-to-medium term to address the challenge of older workers exiting the workforce early due to ill health. These have been classified into five key focus areas.

The Workplace
The discussion highlighted the need for the government to incentivise employers to focus on ergonomic design and resulting musculoskeletal health, as well as mental health. This can be achieved by subsidising occupational health. Employers also have a role in ensuring that their employees have an ongoing relationship with their occupational health providers.

There was recognition that many larger organisations had employee welfare and occupational health schemes in place to help maintain the health of older workers; however, small and medium sized enterprises were often unable to offer this due to high costs.

The group noted the need for more effective interventions prior to leaving employment; workplaces should engage with their employees and encourage them to take care of their health while still in work. Businesses should also have flexible working policies in place specifically tailored to the individual needs of people experiencing poor health.

Further to the discussions at the roundtable it was suggested that the Finnish Institute of Occupational Health’s “Workability Index” was a good example of a government initiative to identify those in the workforce likely to retire early for health reasons.

Digital Health
The discussions highlighted the urgent need for alternative models of care due to the existing pressures on the NHS. An example of an alternative model could be digital health, such as ramping up the delivery of online classes for exercise and physical activity. The government should invest in organisations that are delivering physical activity plans remotely and ensure that these plans are individually tailored to the needs of older people, especially those with health conditions. However, it was noted that issues regarding access to such devices and IT
capabilities of different groups must be considered prior to doing so.

**Job training and upskilling**
The group noted that many older people were already willing to return to work but lacked the guidance and support needed to do so. Good quality training and support such as job searching, CV drafting, or managing health and wellbeing for older people is lacking. Most job centres focus exclusively on younger people and do not have the required facilities for older people wishing to return to work.

**Lack of high-quality data**
The discussions highlighted the lack of high-quality data to better understand the number and composition of economically inactive older workers, and what is causing them to drop out of the workforce.

The group expressed their frustration that data were still heavily reliant on ‘clunky’ questionnaires and results that often conflict with one another, allowing different audiences to rely on single survey data.

**Government-level focus and prioritisation**
Participants expressed their interest in utilising the annual COP-style approach to climate change for ageing, given the multifactorial challenges of getting older people back into the workforce. It was noted that the economic impact of unhealthy ageing should be a key component of this COP.

This approach would not only allow regular benchmarking of progress against key indicators in a variety of different policy areas related to ageing, but would also involve cross-governmental engagement and solutions in areas such as the immediate workforce shortages but also the development of products and services and a community-based approach. The upcoming Office for Health Improvement and Disparities (OHID) white paper was seen as a good opportunity to begin discussions with Government on this approach.

**Section Three:**
Long-term solutions and the need for evidence to address systemic challenges

The final section of this roundtable aimed to identify additional research needed to prevent long-term ill health, and weaken the link between age and economic inactivity. These have been classified into two key focus areas.

**Change the way we address health**
In the long-term, the UK must change the way health is addressed. The group noted the need to take a more holistic and whole systems approach to health, given that the environment we live in impacts our health.

The discussions highlighted the need for a more personalised approach to health and wellbeing. Since everyone ages at a different rate, approaches to manage ill health should be more targeted to individual needs. The group queried whether the current "Mid-life MOTs" was sufficiently health-focused and integrated into wider data collection on public health, so trends could be assessed and interventions more accurately targeted.
Understanding the needs of older workers

The group noted that further research was needed to identify the demographic data of older workers, the barriers to working and how current services impact people’s ability to work.

Workplaces must also be provided with the skills to support older people. This could include wider and subsidised access to occupational health services, accompanied by advice for employers on how to organise interventions. It was suggested that data on people’s sedentary behaviours could be used to design interventions. This could be achieved through greater collaborations with industry such as by using wearable technologies to track people’s level of activity. However, it was recognised that this would bring forth issues concerning medical confidentiality, consent and use of personal data.

Participants also discussed whether applying better data-collection techniques across a wide number of metrics to better assess outcomes among older people. This was tied to wider discussions about ‘decision time’ moments in later life such as mid-life or considering retirement, which would be good opportunities to change behaviours to improve health outcomes.
Recommendations:

Following the roundtable, The Physiological Society make the following recommendations to the Department for Work and Pensions review into economic inactivity:

- **Government should make it easier for economically inactive over 50s to access integrated employment and health support**, working with employment support providers and the NHS to facilitate a ‘one stop shop’ approach accessed through a route already familiar to this cohort such as health centres.

- **Government should lead a revolution in preventative health by working with employers to deliver public health information to employees around keeping fit and active at work** and support integration of health into employers’ policies, as well as look at subsidising access to occupational health for those working in small and medium sized enterprises.

- **Government should work with charities and the health care sector to initiative a ‘COP for Health’** to convene the key players and shine a spotlight on the long term health challenges caused by the UK’s ageing population.

- **Government should establish a Global Coordinating Centre for Healthy Ageing R&D** to focus on promoting world class research and identifying opportunity for knowledge exchange between academia, public and private sectors to improve understanding of the biological mechanisms underpinning ageing and develop effective, timely interventions to improve healthy life expectancy.

*NB: Please note these are recommendations of The Physiological Society and should not be attributed to any individual or organisation present at the roundtable.*
Further reading:

- Ageing unequally? Extended working lives and inequality in later life: https://www.cpc.ac.uk/projects/110/Ageing_unequally_Extended_working_lives_and_inequality_in_later_life#overview
- ReWAGE Publications https://warwick.ac.uk/fac/soc/ier/rewage/publications
- Business Health Matters Project https://www.businesshealthmatters.org.uk/
- Tribe Project https://tribeproject.org/
- Only 1 in 10 out-of-work 50+ are currently accessing any form of employment support: https://learningandwork.org.uk/resources/research-and-reports/towards-full-employment/