

DUNDEE CITY COUNCIL

REPORT TO: Equality Action Committee - 12 February 2001

REPORT ON: *Labour Market Trends Report - Older People in the Labour Market*

REPORT BY: Director of Personnel and Management Services

REPORT NO: 117-2001

1 PURPOSE OF REPORT

1.1 To advise the Committee of the latest changes and trends in the labour market activity for older workers as outlined in a recent *Labour Market Trends* report. This report is for information purposes only.

2 RECOMMENDATION

2.1 It is recommended that the Committee notes the contents of this report.

3 FINANCIAL IMPLICATIONS

3.1 None.

4 LOCAL AGENDA 21 IMPLICATIONS

4.1 The contents of this report reflect the following key themes:-

- diversity ... is valued and protected;
- all sections of the community are empowered to participate in decision making;
- ... payments for work are fair and fairly distributed.

5 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 The Council's revised Equal Opportunities Policy was approved by the Equality Action Committee on 14 February 2000. The policy states that the Council recognises that people can be discriminated against because of, among other things, age.

6 BACKGROUND

- 6.1 There are around 18.9 million people aged 50 and over in the UK, accounting for two out of five of the population. This number is expected to increase over the next 20 years, as the decline in birth rates coupled with increased life expectancy changes the demographic balance of the population. The persistent high level of unemployment among older people has led the Government to introduce a range of measures to raise the number of older people in work. The following paragraphs highlight the latest changes and trends in the labour market activity of older workers, as outlined in a recent *Labour Market Trends* report.
- 6.2 The report provides an analysis of the latest key labour market indicators produced annually as part of the Government's Action on Age programme, which aims to tackle age discrimination in employment. The indicators are used to evaluate Government measures to support older people in the workplace, and cover such topics as employment, unemployment and inactivity rates.

7 EMPLOYMENT RATE

- 7.1 The number of people aged over 50 in work has risen by 2.4% in the past year. There are now 5.71 million people aged between 50 and state pension age in employment. The employment rate for men aged between 50 and 64 is 68.7% (up from 68.6% over the past year) and for women aged between 50 and 59 is 63.5% (up from 62.8% over the past year). In recent years, the employment rate of older workers has been increasing broadly in line with the working-age population as a whole. The average length of time in current employment is much higher for older workers (13 years, compared with 7 years for those aged between 25 and 49).

8 UNEMPLOYMENT RATE

- 8.1 Among the unemployed, 270,000 are aged 50 and over (182,000 men and 88,000 women). The unemployment rate for those aged 50 and over is 4% and, therefore, below the average of 5.7% for all aged over 16. The over-50s unemployment rate has fallen by 0.3 percentage points over the past year, compared with 0.5 percentage points fall in the all-ages rate.

9 LONG TERM UNEMPLOYMENT

- 9.1 Once older people become unemployed, they are likely to remain out of work for longer periods. Two out of five of all unemployed people aged between 50 and the state pension age have been unemployed for a year or more, compared with just one in three of the unemployed aged between 25 and 49 and 12% of those aged between 16 and 24.
- 9.2 Nearly half of older unemployed men (47.8%) have been out of work for over a year, compared with a third of all men aged 16 and over (32.6%). The unemployment rate for older workers out of work for two or more years is 27%, compared with 15% for all aged 16 and over.

10 ECONOMIC ACTIVITY RATE

- 10.1 Over two thirds of people aged between 50 and the state pension age are economically active (69.4%). This is unchanged from the same period a year earlier. The activity rate for all those of working age has increased by 0.2 percentage points over the same period. Of all those of working age, four out of five are currently economically active (79.1%).

11 CLAIMANT COUNT

- 11.1 Some 195,400 people aged 50 and over were claimants of unemployment-related benefits (mainly Jobseeker's Allowance) in April 1999 (145,800 men and 49,600 women). Currently, 17% of all claimants are aged 50 and over.
- 11.2 Over half of all working-age recipients of Incapacity Benefit (IB) and Severe Disability Allowance (SDA) are between 50 and the state pension age. Significantly more women aged between 50 and 59 (77,200) claim SDA compared with men aged between 50 and 64 (36,700). This is the case for people of all working age. But the trend is reversed for IB, where a total of 681,000 men aged between 50 and 65 claim IB, compared with 246,700 women aged between 50 and 59. Again, this ratio is reflected in the figures for all those of working age.

12 ECONOMIC INACTIVITY RATE

- 12.1 Nearly a third (30.6%) of people aged between 50 and the state pension age are economically inactive - unchanged from the same period a year earlier. This is 10% higher than the comparative figure for all ages (20.9%). Over a third (34.4%) of women aged between 50 and 59 are economically inactive, as are more than one in four (27.8%) men aged between 50 and 64. The inactivity rate among older women fell by 0.5 percentage points over the past year, but rose by 0.3 percentage points among men. Of those aged 50 and over who are economically inactive, 93% do not want a job. The remaining 7% say that they would like a job, but are either not looking or not available to take up one.

13 COUNTRY ANALYSIS

- 13.1 The employment, unemployment and economic activity rates for the 50-to-state-pension-age group are generally less favourable in Scotland and Wales than in England. According to the report, these differences cannot be attributed solely to age discrimination. They are more likely to reflect the decline of localised heavy industry, the reduction in traditional manual jobs and the respective rates of increase in the over-50s age group on long-term sickness benefits.
- 13.2 The employment rate for the 50-to-state-pension-age group is 67.6% in England, compared with 58.8% in Wales and 59.4% in Scotland. For the working-age population as a whole, the employment rate is higher in England (74.8%) than in Wales (69.2%) and Scotland (71.8%).

13.3 The unemployment rate for older workers is 3.3% in Wales, 6.3% in Scotland and 4.3% in England. The unemployment rate for all people of working is higher in Scotland (7.5%) and Wales (7%) than in England (5.6%).

13.4 Economic activity rates in the 50-to-state-pension-age group are higher in England (70.6%) than in Scotland (63.4%) and Wales (60.6%), and overall economic activity is higher in England (79.2%) than in Scotland (77.6%) and Wales (74.4%).

14 CONSULTATION

14.1 The Chief Executive, Director of Finance and Director of Support Services have been consulted on this report.

15 BACKGROUND PAPERS

15.1 'The position of older workers in the labour market' by Christine Ashdown in Labour Market Trends, September 2000.

16 SIGNATURE

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Date