



# FACTSHEET

## COVID-19: ECONOMIC IMPACT ON AGE IN THE WORKPLACE

### COVID-19 and Age

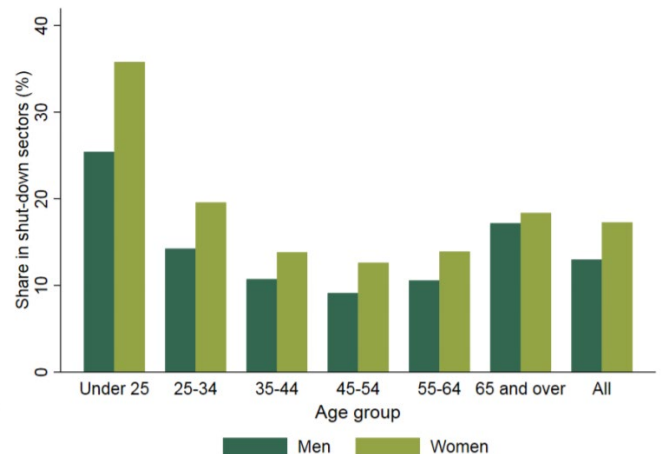
The impact of COVID-19 on different age groups has been widely discussed in terms of the vulnerability of the older population to the virus. However, the pandemic is likely to have a far wider impact on age in our economy and society than implied by medical outcomes. Key issues are:

- Younger workers losing jobs and being furloughed. They are disproportionately in sectors that are in lock down and disproportionately in low paid jobs.
- However, careful analysis of the data shows that those aged 50+ are also losing their jobs and being placed on furlough. Evidence is showing that disadvantage in the workplace affects both the youngest and older workers.
- Older workers are more likely to be in sectors including 'key workers'. While that means they are less likely to have been laid off, they are more likely to be in roles where they are more exposed to the health risks of the crisis.
- Looking forward, older workers are also significantly represented in those sectors which we expect to be most affected by a recession.

**COVID-19 WILL CHALLENGE OUR ECONOMY AS NEVER BEFORE. Inter-generational fairness will be vital to realise the contribution of all, old and young.**

### Age analysis of furloughed employees

Share of employees in shut-down sectors, by gender and age



Source: Quarterly Labour Force Survey Q1-Q4 2019, Waves 1 and 5 only.

Notes: Employees only. Excludes workers in full-time education.

Source: Institute for Fiscal Studies April 2020

It is vital that we properly understand the demographic impact of a post COVID-19 recession, basing understanding on evidence and data as it becomes available. Critically we must seek to promote inter-generational fairness, build consensus between generations and avoid any development of inter-generational conflict of opinion and interest. Fundamentally, it is likely that young people and older workers will face the greatest





impact of the economic challenges posed by COVID-19. Whilst young people, who have suffered severe disruption to their education, will find it difficult to enter a contracting labour market and are more likely to be working in exposed sectors, older workers will also be at risk of ageism, redundancies, and will find it more difficult to re-enter the labour market.

### Impact of COVID-19 on employment

Specific employment data is not yet available to indicate the impact of the COVID-19 pandemic on employment. We know from previous recessions, that ageism (and other forms of discrimination) rears its head, especially when it comes to redundancies<sup>1</sup>. Currently, more than six million people are furloughed on the Job Retention Scheme and there has also been a spike in claims for Universal Credit.

Analysis of the sectors where most jobs have been furloughed suggests that the largest group affected is the youngest employees.<sup>2/3</sup> Older workers are the next most affected. This reflects the concentration of these age groups in sectors closed during lock-down: non-food retail, restaurants and hotels, passenger transport, personal services and arts and leisure services.

### The impact of a post COVID-19 economic downturn

Whether younger people will remain most at risk of redundancy and unemployment in a post COVID-19 economic downturn is not certain.

In the post 2008 recession, the public sector, banking and retail sectors were badly impacted with significant job losses. These are the sectors with the largest concentrations of older employees.

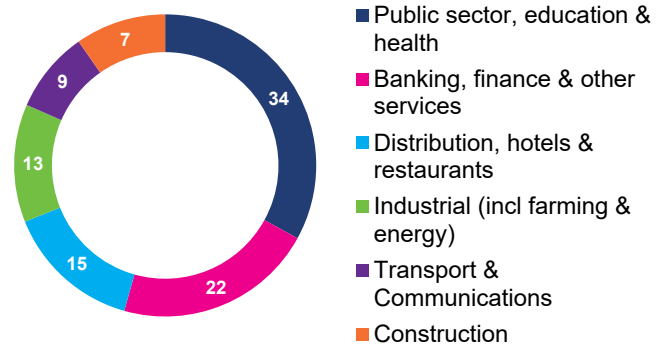
If the same sectors are at risk in a post COVID-19 economic downturn, the jobs of older workers would be at risk. Once they become unemployed, older workers find it significantly more difficult to return to work than younger people. This risk is

amplified by observed age bias in recruitment processes.<sup>4</sup>

Key groups in the workforce are also more vulnerable. Carers struggle to balance work and caring and, before the pandemic, Carers UK found that 600 people were leaving work each day to care.<sup>5</sup> Their research of the impact of COVID-19 clearly shows caring needs are rising.<sup>6</sup> The peak age for caring is 55-64<sup>7</sup> so this is a key issue for older workers.

As employers and policymakers respond to the expected economic downturn, the key priority will be to ensure that age bias and discrimination already observed in the workplace is not amplified.

**Employment of over 50s by sector**  
2019 APS data



Source: BITC analysis of ONS Annual Population Survey data

### Million More Older Workers by 2022 Target

BITC's vision is to create workplaces where age does not limit an employee's success. Our age campaign supports businesses to realise the massive benefits of a multi-generational workforce and retain the valuable talents and skills of older workers.

In 2017, the Government Business Champion for Older Workers and Chair of the BITC Age Leadership Team set an ambitious target to get one million more older workers into work by 2022. This was an important target as business leaders were





projecting a shortfall over ten years of younger people leaving education against vacancies.<sup>8</sup> Older workers also bring diversity and an untapped reserve of skills to the workforce. Diversity is good for business: teams which are fully diverse in terms of age, gender, race and geographical location make better decisions nearly 90% of the time.<sup>9</sup>

Before the COVID-19 pandemic, BITC had calculated that we were on track and ahead of target with 9.8 million workers aged 50-69 at our June 2019 reference point compared to a target of 9.7 million.<sup>10</sup> By February 2020 employees over 50 (adding those 70 and above) had reached 10.7 million.<sup>11</sup>

If an economic downturn led to redundancies and older workers were to be targeted for redundancy or early retirement, the considerable progress towards increased employment of the over-50s might be lost.

### **Risk of Redundancy and Early Retirement**

Much will depend on how the – now extended – Job Retention Scheme is managed going forward and whether it can effectively protect jobs during an economic downturn. BITC is concerned that older workers may feel pressured to take voluntary redundancy or early retirement when they cannot afford to do so to increase opportunities for younger people.

Redundancy programmes need to be managed to ensure a fair process, with equal treatment of people across all the protected characteristics.

### **Top priorities for Building Back Better**

As we build back from the impact of the pandemic, and through any economic downturn, we have the potential to build back better, creating age diverse workplaces and age inclusive cultures where people of all ages can thrive. To promote a more age-inclusive workplace as we build into recovery, priorities will be:

- Supporting carers in the workplace to help them balance work with caring and so stay in work. Carers leave and flexible working are key issues.
- Supporting flexible working for all. This will be important as we continue working through the later stages of the COVID-19 pandemic.
- Building an age-inclusive culture where people of all ages can thrive. The COVID-19 pandemic has the potential to amplify inter-generational differences, especially through the media. We need to ensure inter-generational fairness in responses to the pandemic and its impact and recognise the contribution of both old and young employees in our workplaces.

### **Age Friendly Employer Challenge**

BITC has developed an Age Friendly Employer Challenge based on five evidence-based calls to action. These can support businesses to take action as they respond to the impact of the COVID-19 pandemic and seek to become more age friendly in the medium and longer term.

1. **Flexible work** – make sure all workers know what options are available and how to ask about them.
2. **Health and wellbeing** – ensure that all employees have the health support they need and know how to access it.
3. **Career development** – encourage career development at all ages in your workforce.
4. **Recruitment** – make sure recruitment policies and procedures are not biased – particularly against older or younger candidates.
5. **Age Inclusive culture** – support the development of an age-inclusive culture across all levels in your business.





The Age Friendly Employer campaign will launch in the autumn but you can sign up now by [contacting the age team](#).

### Actions for Policy Makers

- [Support working carers](#) by introducing a right to carers leave. Our recommendation is five days paid leave (or full-time equivalent).
- Introduce a right to request flexible working from day one on a job and be sure to distinguish between remote working, and flexible working. This should provide additional support for those seeking to balance work and care and also help those wanting to develop a glide path to retirement. Government should deliver on its manifesto commitment to consult on making flexible working the default from day one of a job and include relevant changes in the upcoming Employment Bill. The pandemic is seeing governments around the world look again at this area – for example, Germany has pledged to introduce a bill enforcing a legal right to work from home.<sup>12</sup>
- Provide targeted support for out-of-work older workers looking for a job. BITC has developed its [Accessing Experience](#) and Age at Work programmes as potential models for a national return to work programme for over 50s that could be scaled. These employer-led programmes offer specific measures to help both the short-term unemployed to prevent them moving into long-term unemployment, and for those with multiple barriers to work.
- Support training and skills development for employees of all ages. BITC's [Essential Skills](#) campaign promotes a common language on skills from the classroom to the boardroom and champions increased job mobility by identifying transferrable skills and so helping people move between sectors. This will be important if different sectors are impacted differently in a post COVID-19 economic downturn.

- Continue to encourage the use of [mid-life MOTs](#) in your communications and networks to help older workers plan for their futures, think about their careers and decide when it is best to retire.
- Create [age friendly workplaces](#) in the government sector and lead by example. The Department for Work and Pensions won the BITC Award for most age friendly team in 2019.

### Actions for Employers

- Use the BITC Age Friendly Employer Challenge framework to support you to take action to increase age diversity in your workforce. [Contact](#) the BITC age team to sign up.
- [Build retention in your older workforce](#). This will allow you to maximise the benefits of the knowledge and skills of your older employees and reduce turnover costs.
- [Support carers in your workplace](#). Ensure you have a specific carers policy and communicate the support you offer to all your employees. Offer carers leave and use carers passports.
- Provide support for the physical, mental and financial wellbeing of your older workforce. The [mid-life MOT](#) helps to identify health and wellbeing needs. Provide support for your older, female workforce [experiencing menopause](#).
- Offer flexible working to all employees from day one. Help employees find the balance they need in terms of where, when and how they work. Flexible working is important for older workers as it will help people to develop a glide path into retirement and support working carers.
- Ensure that you provide training and development for employees of all ages, including older workers. Using [mid-life MOTs](#) will help identify opportunities. An [Essential Skills](#) framework will also help you.
- Make sure that your recruitment processes are not biased against older candidates. This will





ensure that you can access the untapped reserve of skills in the older candidate pool.

- Analyse your workforce data by age and monitor, measure and assess the impact of your age friendly actions. Listen to your employees to find out what is important to them. BITC's [Look, Listen, Act](#) approach can help.

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<sup>1</sup> Future of Work – The Long road back  
[https://www.aarp.org/content/dam/aarp/ppi/2015-03/The%20Long%20Road%20Back\\_INSIGHT-new.pdf](https://www.aarp.org/content/dam/aarp/ppi/2015-03/The%20Long%20Road%20Back_INSIGHT-new.pdf)

<sup>2</sup> IFS (2020) Sector shutdowns during the coronavirus crisis: which workers are most exposed?  
<https://www.ifs.org.uk/publications/14791>

<sup>3</sup> 'Inequality in the impact of the coronavirus shock' Adams-Prassl et al (2020)  
<http://www.econ.cam.ac.uk/research-files/repec/cam/pdf/cwpe2023.pdf>

<sup>4</sup> Centre for Ageing Better and BITC (2018)  
<https://www.ageing-better.org.uk/sites/default/files/2018-09/Becoming-age-friendly-employer.pdf>

<sup>5</sup> Carers UK 2019 'Juggling work and unpaid care: A growing issue'  
[http://www.carersuk.org/images/News\\_and\\_campaigns/Juggling\\_work\\_and\\_unpaid\\_care\\_report\\_final\\_0119\\_WEB.pdf](http://www.carersuk.org/images/News_and_campaigns/Juggling_work_and_unpaid_care_report_final_0119_WEB.pdf)

<sup>6</sup> Carers UK (2020) Caring behind closed doors  
<https://www.carersuk.org/for-professionals/policy/policy-library/caring-behind-closed-doors-report>

<sup>7</sup> Census 2011

<sup>8</sup> CIPD (2017) 'One million more older people need to be in work by 2022' <https://www.cipd.co.uk/news-views/news-articles/million-more-older-workers-needed>

<sup>9</sup> Forbes (2017) New Research: Diversity+Inclusion=Better Decision Making at Work  
<https://www.forbes.com/sites/eriklarson/2017/09/21/new-research-diversity-inclusion-better-decision-making-at-work/#25bb3e8e4cbf>

<sup>10</sup> BITC 1 Million More Older Workers By 2022: Update On Progress Towards Our Target  
<https://www.bitc.org.uk/report/1-million-more-older-workers-by-2022-update-on-progress/>

<sup>11</sup> ONS Labour Market Overview April 2020  
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/april2020>

<sup>12</sup> Reuters; (2020); German labour minister wants to put right to home working in law  
<https://uk.reuters.com/article/uk-healthcoronavirus-germany-homeworkin/german-labour-minister-wants-toput-right-to-home-working-in-law-idUKKCN2280ML>

