



Designing Institutions for the Longevity Society:

The role of work, employers and lifelong learning

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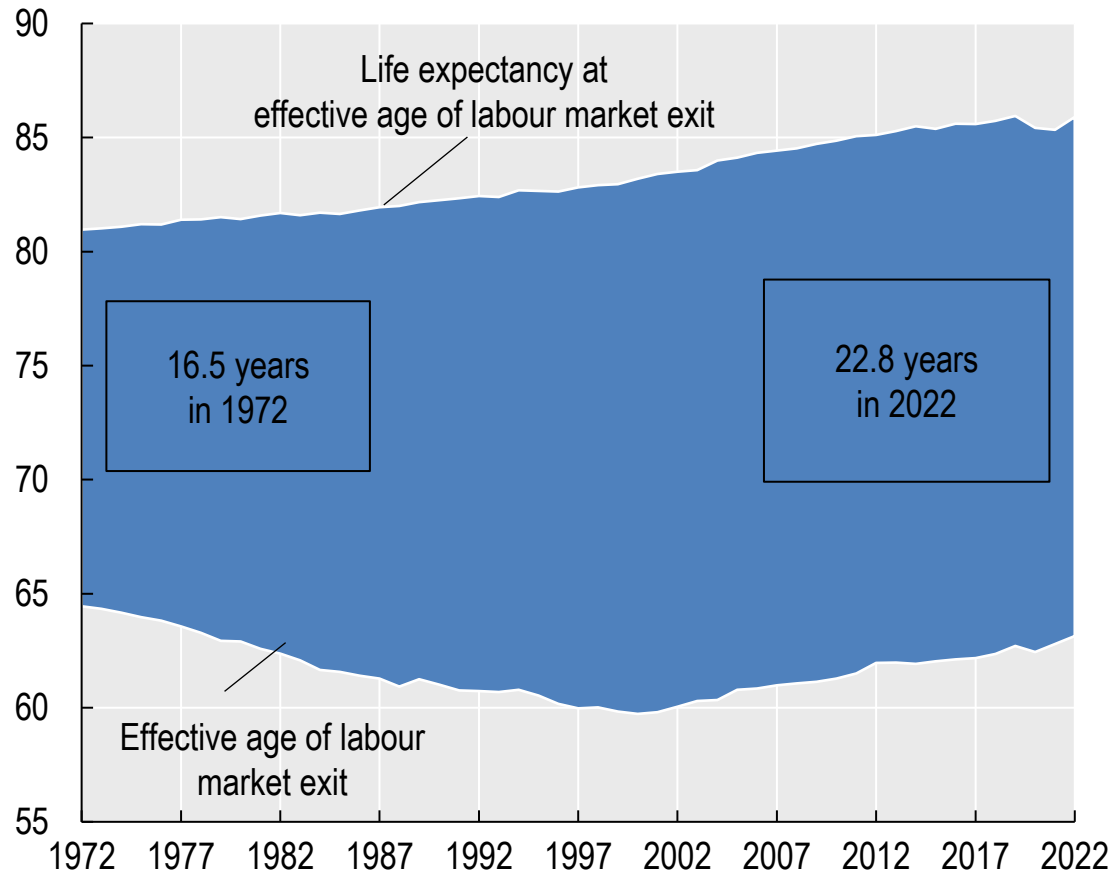


OECD's longstanding reform agenda in response to continuous life expectancy gains

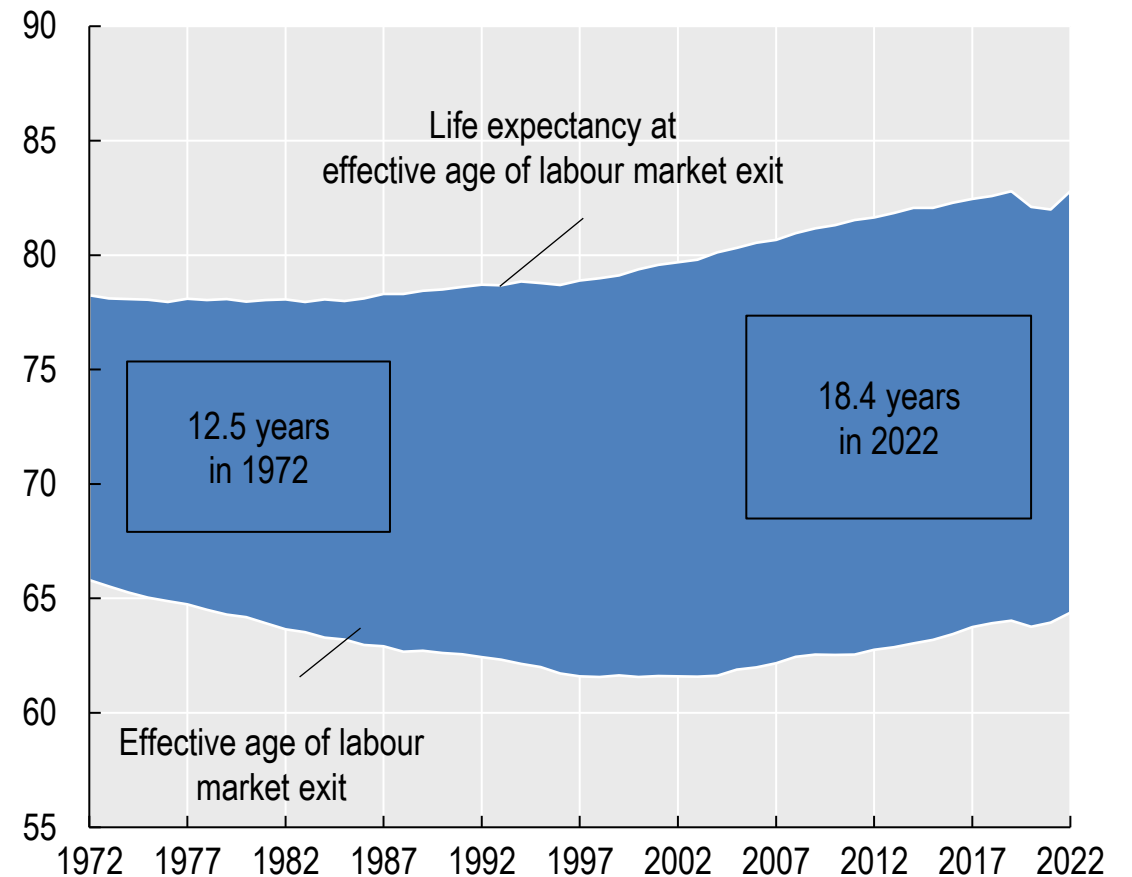
- OECD, *Maintaining Prosperity for an Ageing Society*, 1998
“...meeting the challenge of ageing populations will require comprehensive reform that addresses the fiscal, financial and labour market implications of ageing, as well as the implications for pensions, social benefits, and systems of health and long-term care”
- OECD *Reforms for an Ageing Society*, 2000
“Individuals should be as free as possible to decide when they retire. What is at issue is the role of public policy in supporting arrangements that result in a growing portion of leisure being concentrated in the last third of life ...”
- *Live Longer, Work Longer*, 2006
“In the face of population ageing, a new agenda for reform is urgently required to improve job prospects of older workers...”

Health vs workspan gap

A. Women

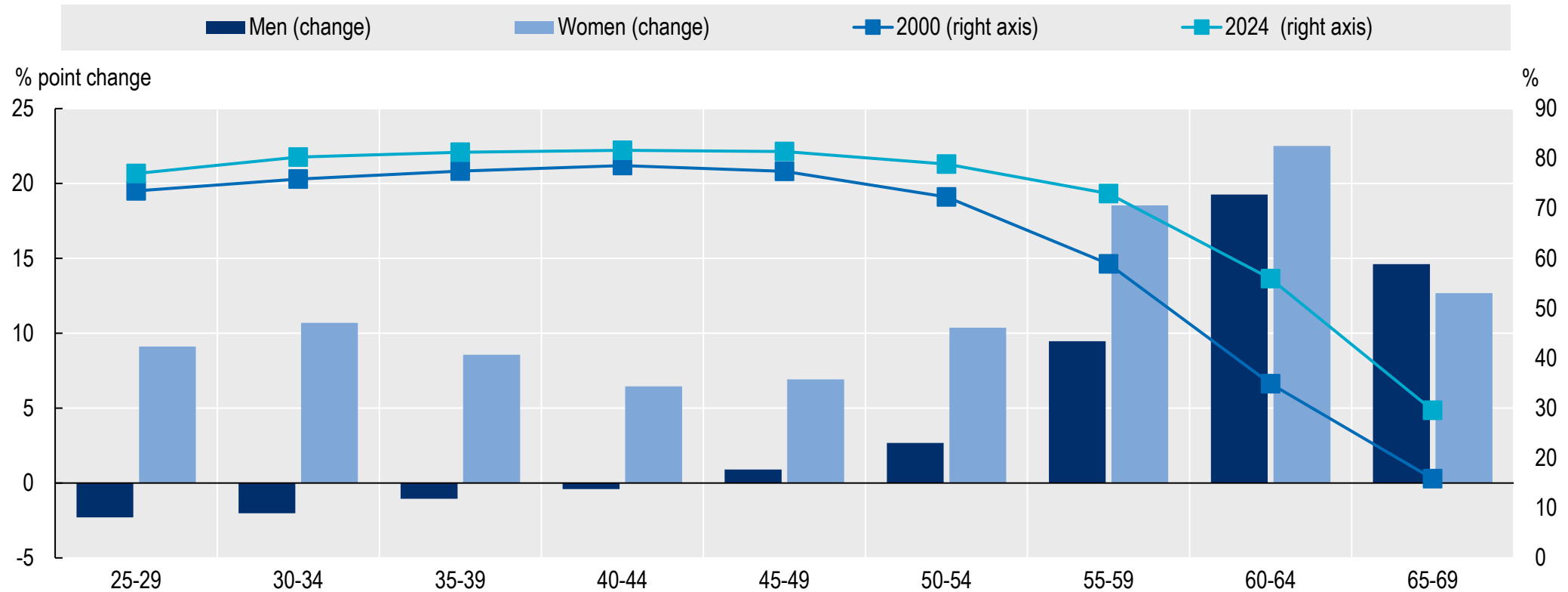


B. Men



Despite people living longer and healthier, labour force participation drops off sharply after 50

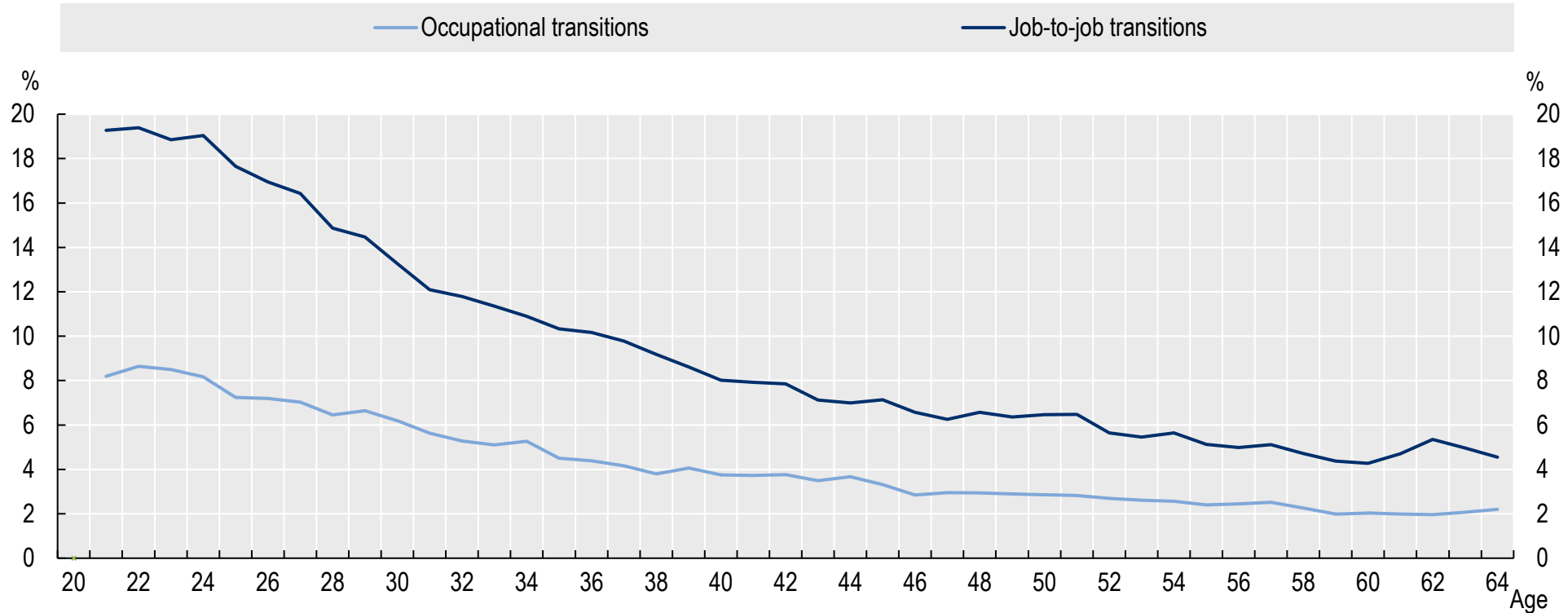
Change in employment rates by age and gender 2000-24, and overall rates by age, OECD



Source: [OECD Data Explorer • Employment and unemployment by five-year age group and sex – indicators](#)

Opportunities for career progression fall over the lifecycle

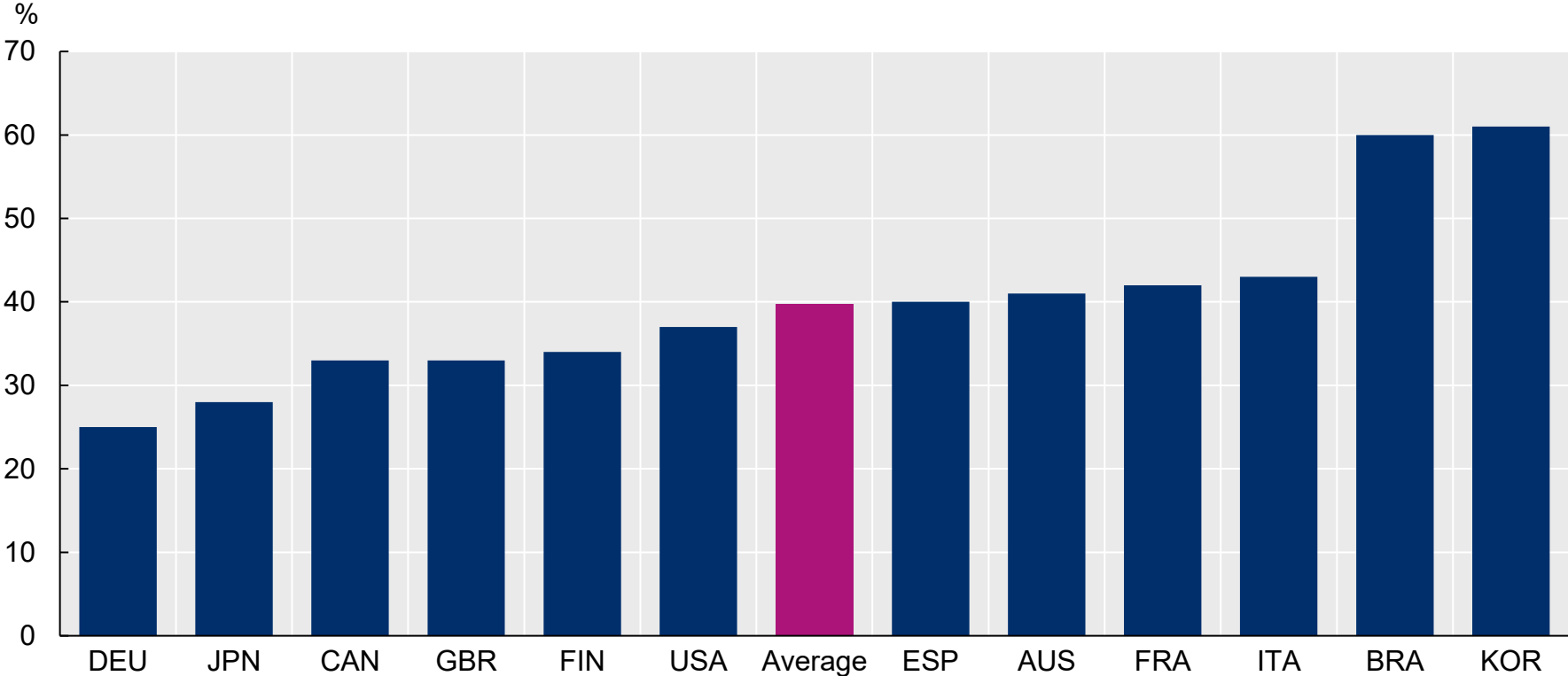
Job-to-job and occupational transitions over the life cycle, average of selected OECD countries, 2017-2020



Source: Promoting Better Career Choices for Longer Working Lives - © OECD 2024

The employer mindset gap: Widespread age bias

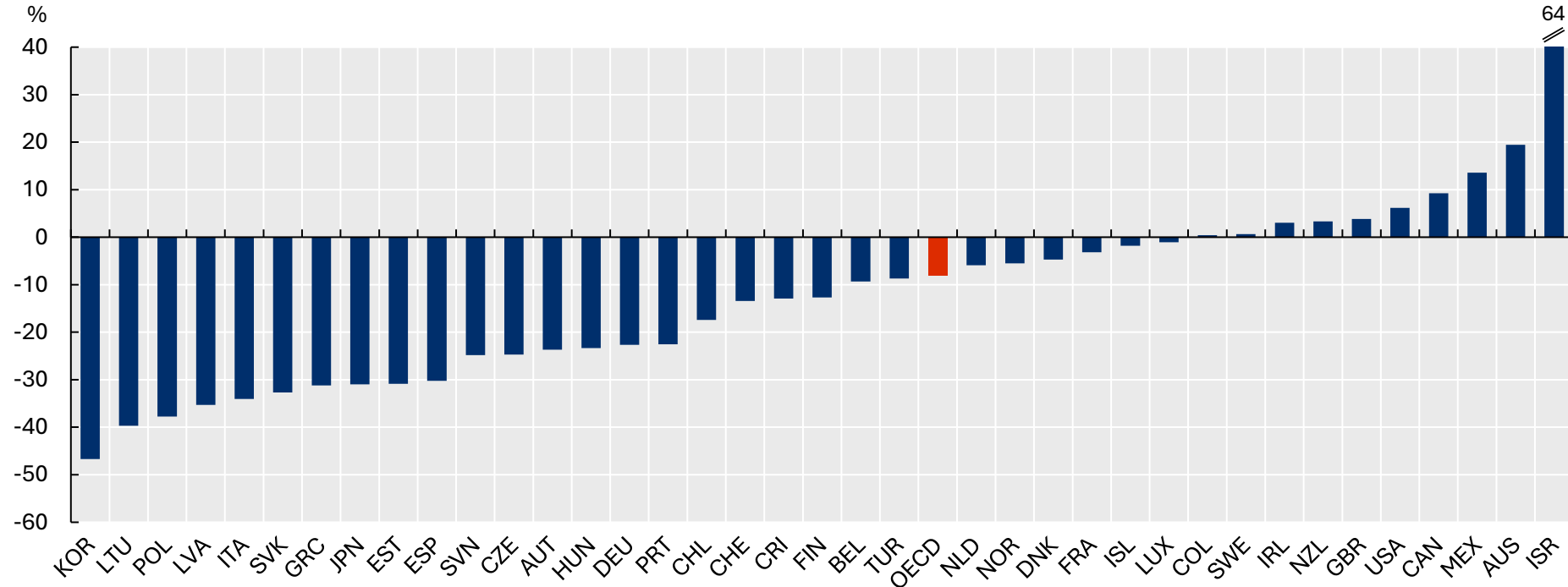
Share of workers (45+) who have experienced age discrimination in the workplace



Source: AARP Global Employee Survey (2022).

Talent loss as the working-age population will decline in a large number of OECD countries

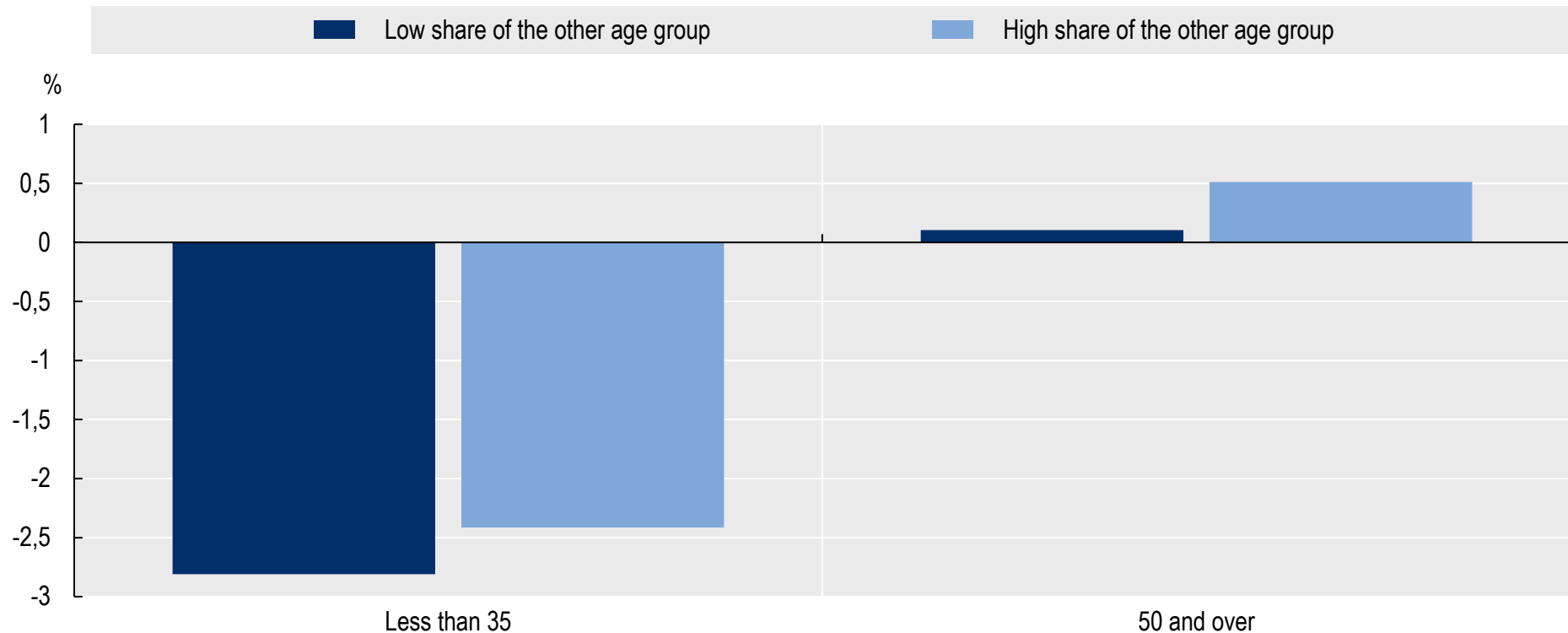
Projected percentage change in the working-aged population (aged 20-64 years), 2023-2060



Source: Secretariat's calculations based on United Nations (2024), World Population Prospects 2024.

Missed opportunity as multigenerational workforce can lead to productivity gains

Change in firm productivity when the number of employees in the age group increases by 10%, with a corresponding decline in employees aged 35-49, for Costa Rica, Finland, Germany, Japan and Portugal



Source: OECD (2020), *Promoting an Age-Inclusive Workforce: Living, Learning and Earning Longer*, OECD Publishing, Paris, <https://doi.org/10.1787/59752153-en>.

Rethinking work and later retirement

Hiring and retaining older workers is harder under age-bias regulations and seniority wages



Employment protection

Strong EPL with age-linked rules (e.g. longer notice, higher severance pay) dampen hiring of older workers.



Unemployment insurance

In 15 out of 34 OECD countries with data, unemployment insurance gets more generous with age, reducing job search incentives.

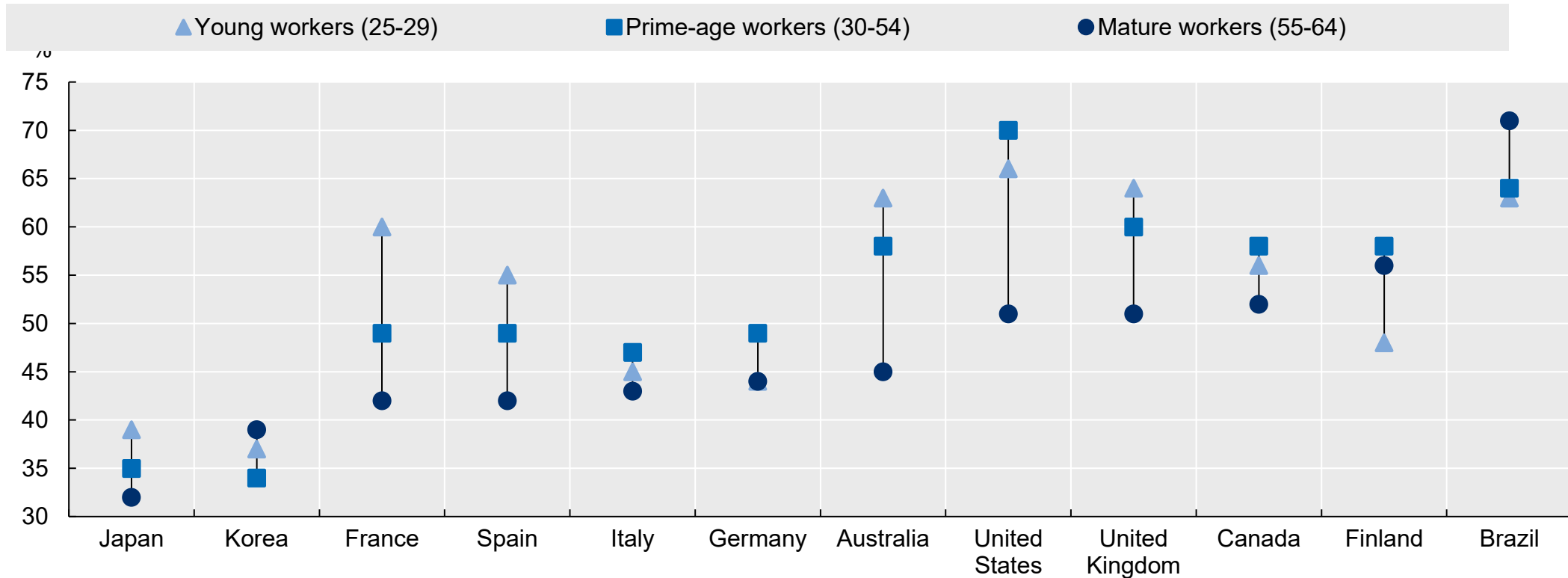


Seniority wages

There is a negative relationship between the age-wage premium and the job retention rate of older workers.

Few older workers have access to workplace flexibility

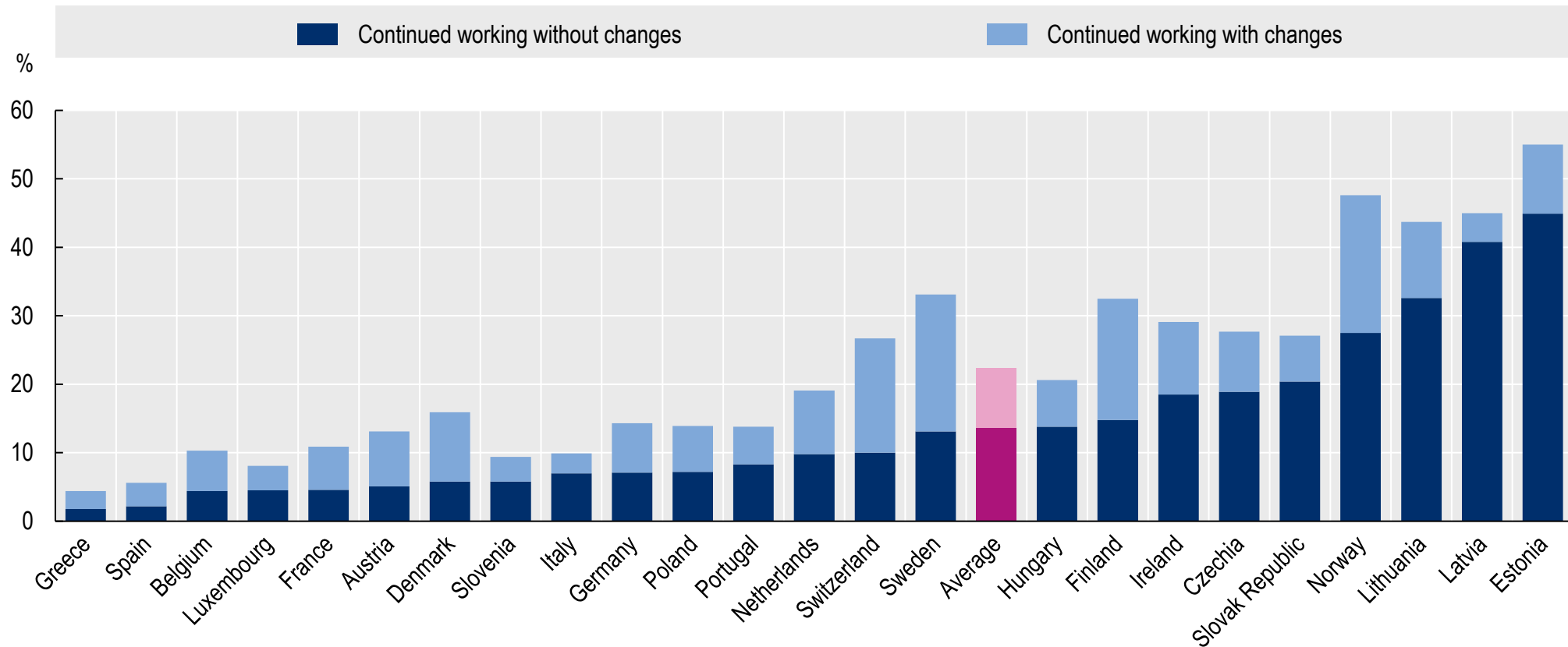
Share of employees who agree they have job flexibility



Source: AARP Global Employee Survey.

Options for combining pensions and labour income remain limited

Share of people aged 50-69 continuing working at the beginning of pension receipt, 2023



OECD calculations based on the European Union Labour Force Survey (EULFS).

Rethinking work and retirement

What can be done?

- ✓ Discouraging mandatory retirement ages
- ✓ Delinking age with seniority wages
- ✓ Flexible retirement models
- ✓ Career and Financial planning

Good practices:



Unpaid leave for carers in Lithuania:

In Lithuania, employers must grant unpaid leave to employees caring for a sick family member for the duration recommended by a healthcare provider, and up to 30 days for caring for a person with a disability.



Mid-life career review in the UK:

Mid-life career reviews support workers 45+ in career planning, focusing on skills, health and wealth.

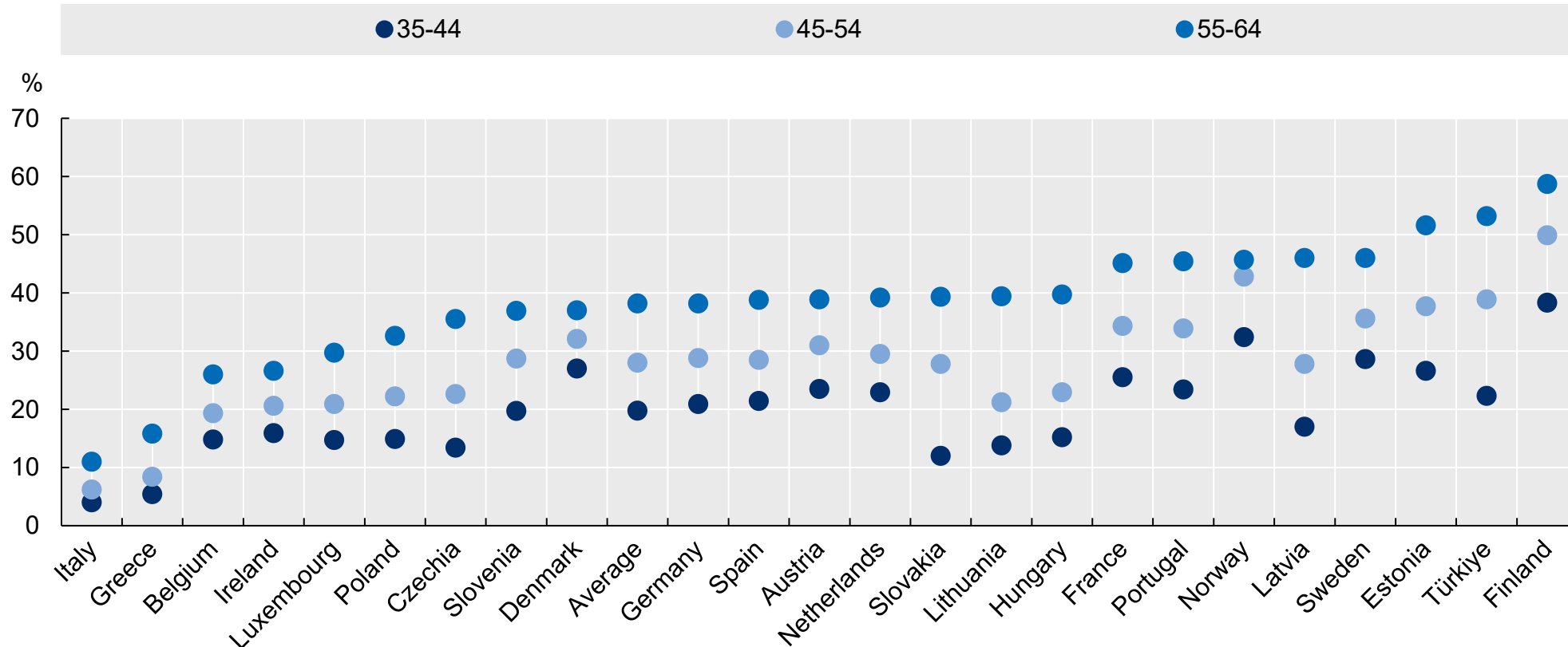
Employer and workplace policies

Poor quality jobs are key reasons why people change job



Integrating health and well-being at the workplace

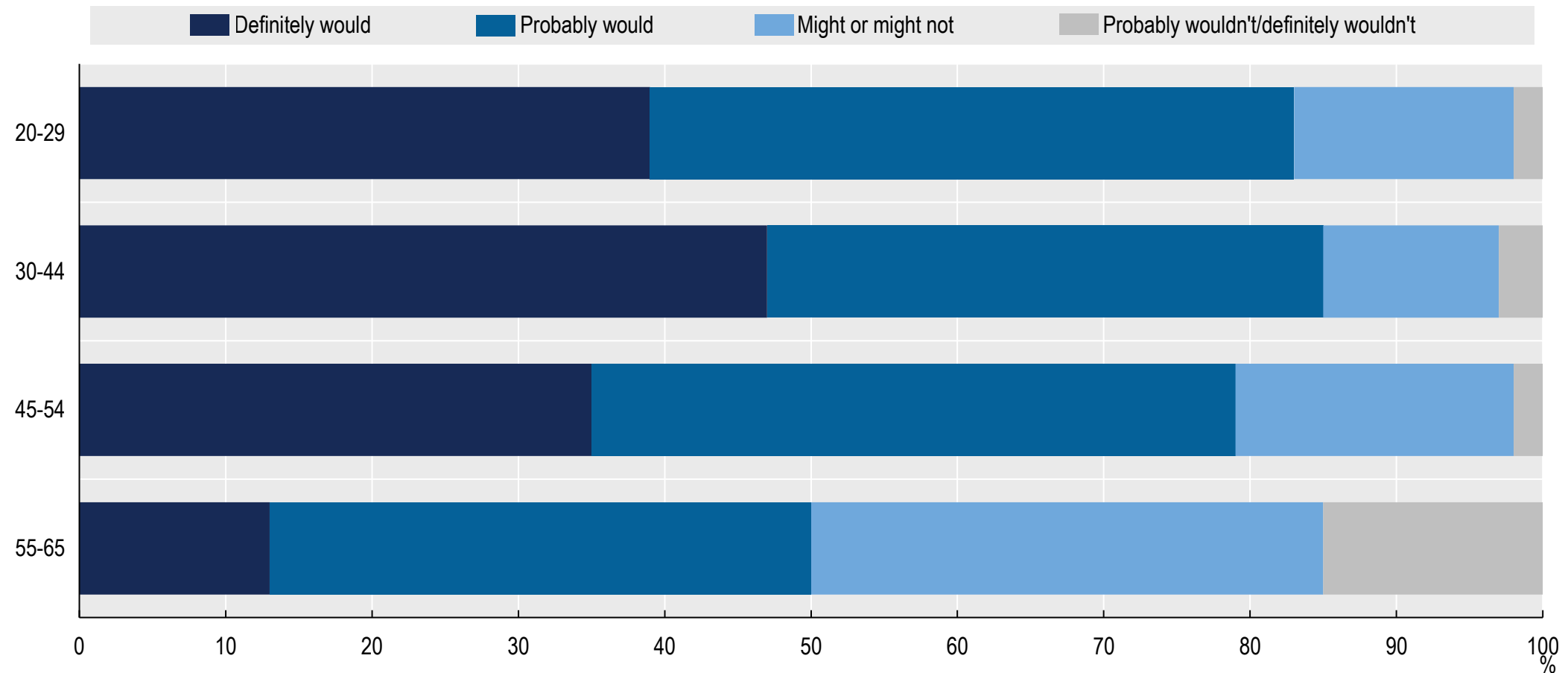
Share of employed persons with chronic morbidity (people having a long-standing illness or health problem), 2024



OECD calculations based on the EU-SILC.

Employers are least likely to hire older job candidates

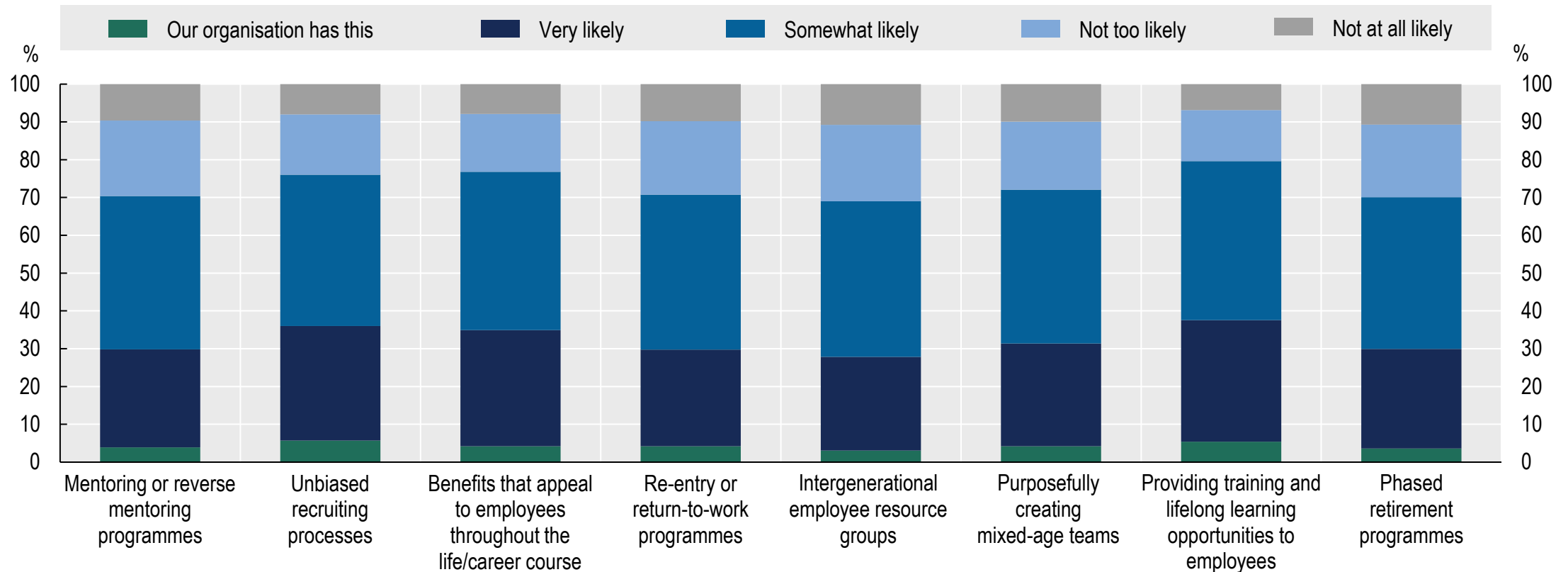
Likelihood of hiring candidates for entry-level or intermediate roles, by candidate age



Source: 2023 Generation/OECD survey

Few firm level policies to support ageing workers

Share of employers that have or would be very, somewhat, not too or not all likely to implement or explore implementing a specific policy if provided with examples of promising practices



Source: OECD (2020), Promoting an Age-Inclusive Workforce.

How to manage ageing workforce?

What can be done?

- ✓ Age-inclusive hiring
- ✓ Age-management practices
- ✓ Mixed-age teams, co-mentoring and knowledge transfers
- ✓ Job redesign for workers with ill health

Good practice:



Investments in well-being in Japan:

Large corporations complete a Health & Productivity Management survey and get tailored feedback identifying areas for improvement.

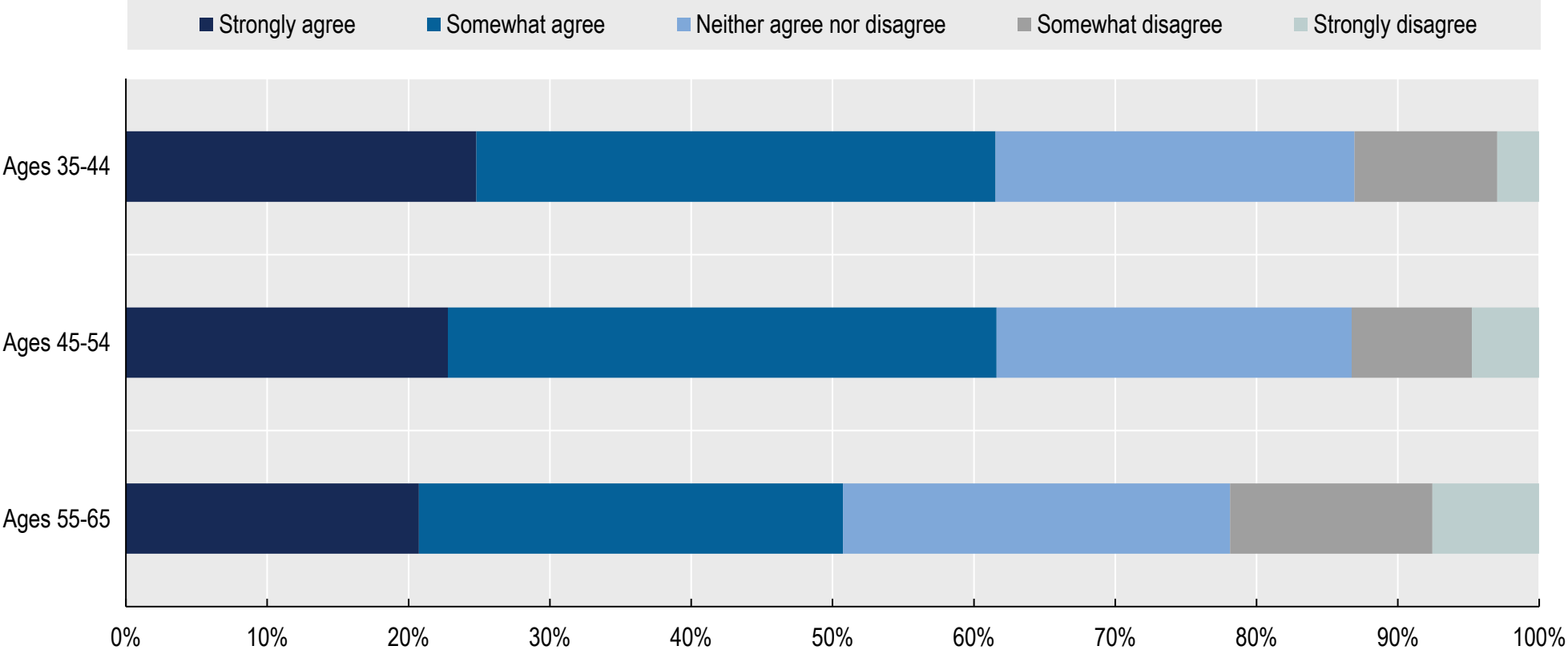


Age-management in Austria:

The PES provides free counseling to create age-appropriate workplaces. It includes job redesign, working time policies, and hiring practices.

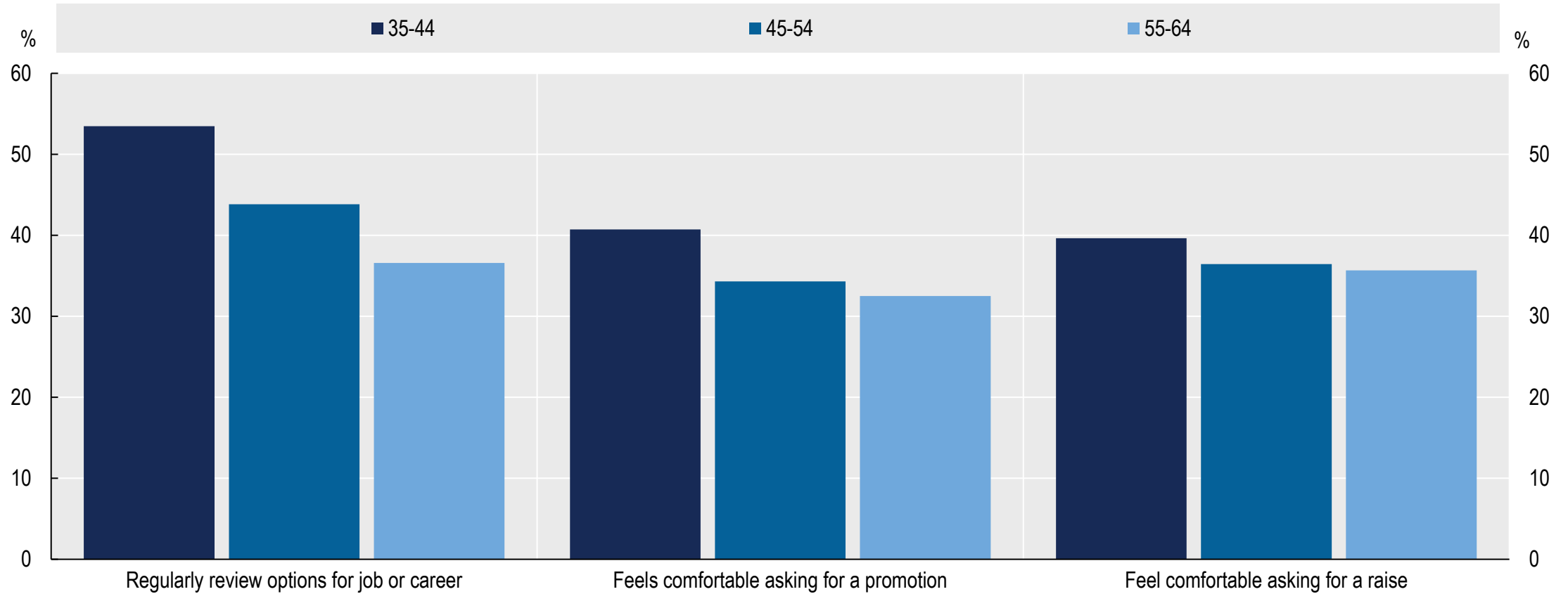
Education as a lifelong process

Workers lose confidence in their ability to find work with age



Opportunities to discuss career options become less common with age

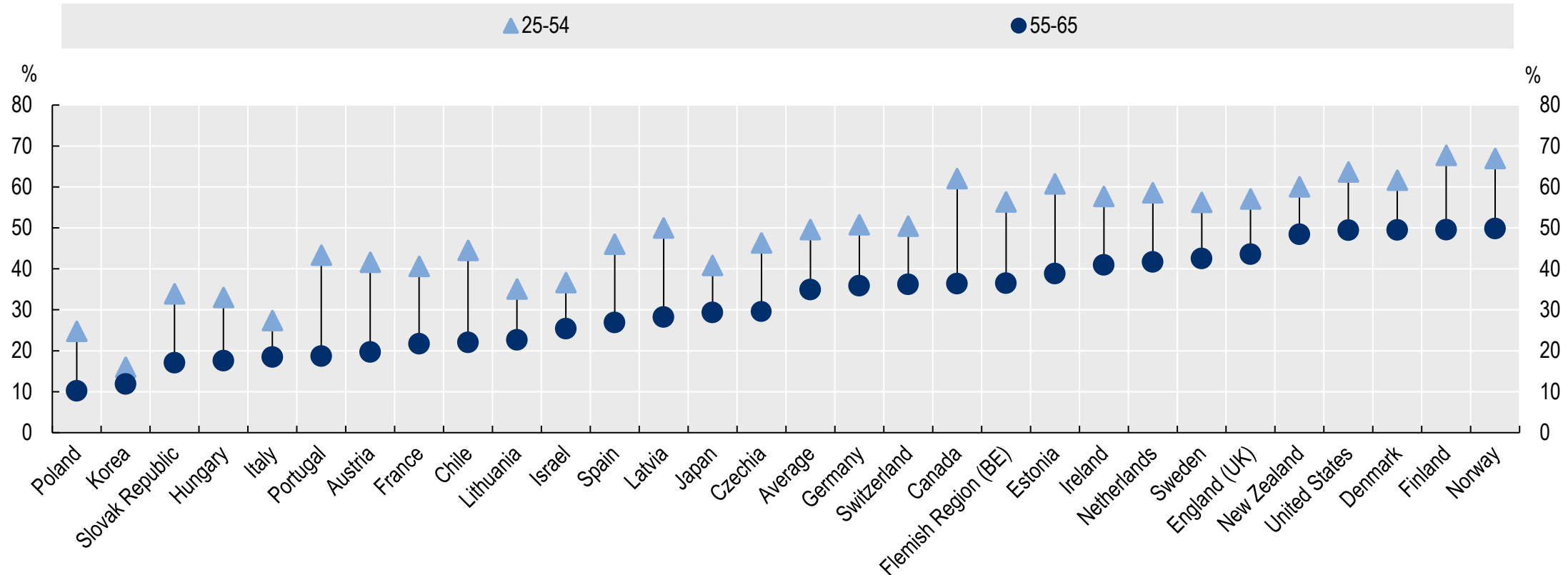
Share of workers (35+) who responded "Agree" or "Strongly agree" to the following statements about their job



Source: OECD (2024), Promoting Better Career Choices for Longer Working Lives

Mature workers are less likely to participate in training compared to younger workers

Share of adults who participated in formal or non-formal job-related training over the previous 12 months



Note: Caution is required in interpreting results due to the high share of respondents with unusual response patterns for Poland. Weighted average of countries shown.
Source: Survey of Adult Skills 2023.

Skills for a future-ready workforce

What can be done?

- ✓ Increase access to and adapt training for all ages
- ✓ Digital skills and AI equipped
- ✓ Recognising and certifying existing skills
- ✓ Personal development plans and career planning to better identify skills

Good practices:



Paid training leave in Flanders:

Private sector employees can take paid leave for recognised training programmes, with 32 to 125 hours per year available based on class time and work hours.



Lifelong learning in Singapore:

The MidCareer Enhanced Subsidy is designed to encourage mid-career workers to reskill and upskill by covering up to 90% of the cost of training in a range of vocational and university institutions.

Conclusion



Employers must re-
think inclusion



Greater flexibility
and gradual
retirement
pathways



Lifelong learning as
core infrastructure



Leading systematic
change involving
social partners and
workers themselves



Thank you!

Find out more about our work at:

 <https://www.oecd.org/en/topics/ageing-and-employment.html>

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