



NAVIGATING THE GOLDEN YEARS:

Making the labour market work for older workers

IAALS LIFE Colloquium

8 October 2025

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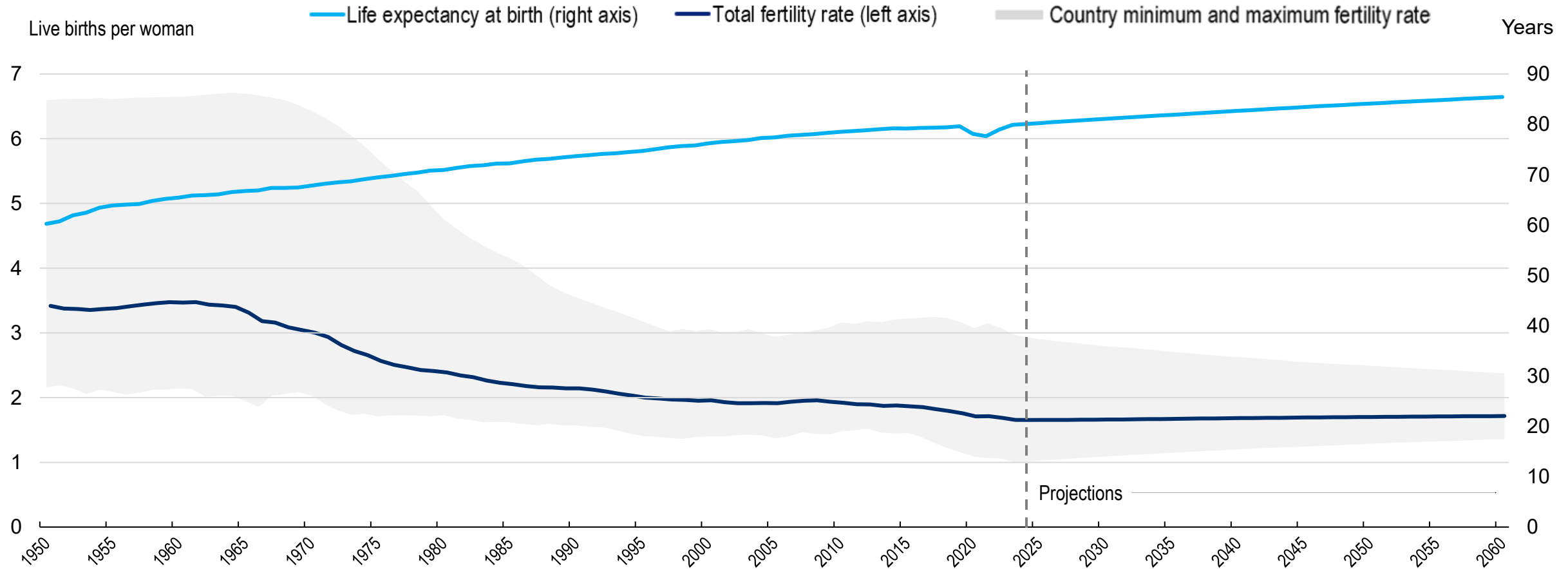
Directorate of Employment, Labour and Social Affairs



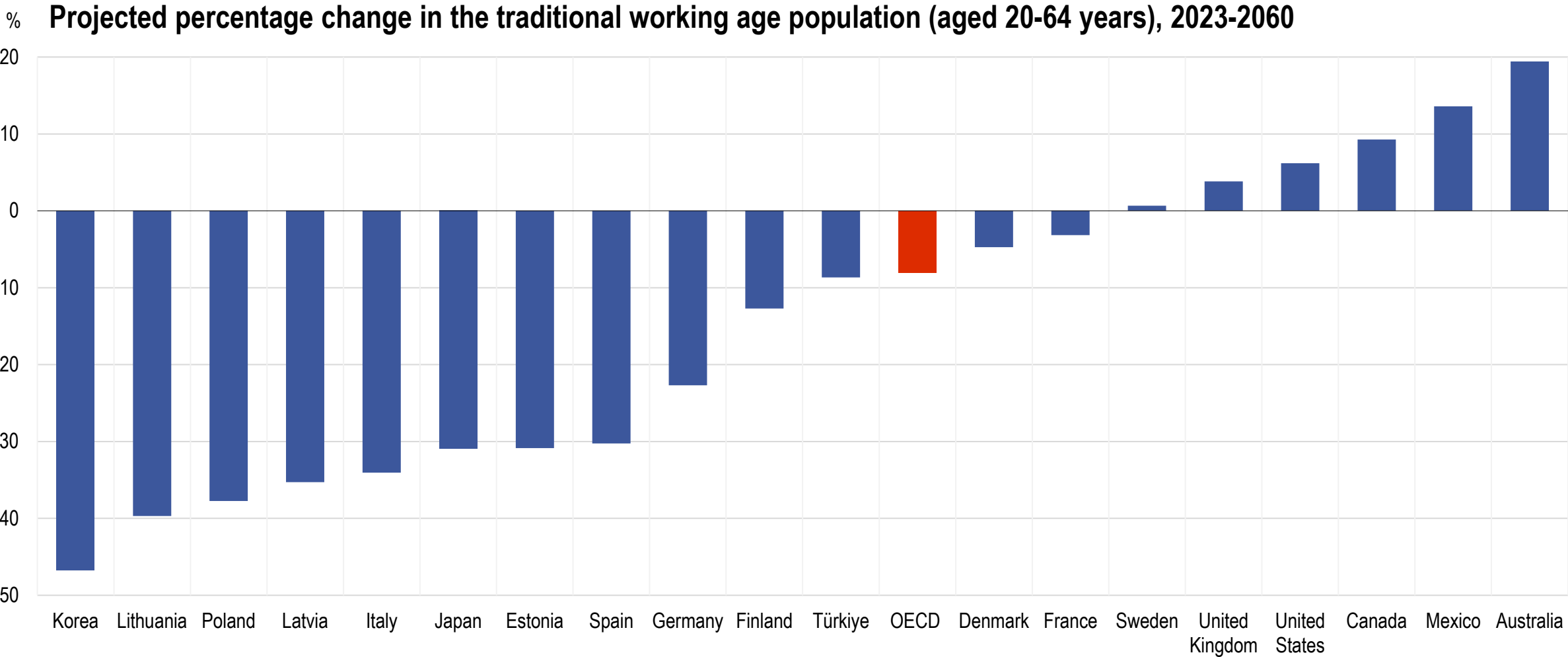
I. Demography, ageing and the labour market

People are living longer but fertility rates have slumped

Average fertility rates and life expectancy at birth, OECD, 1950-2060

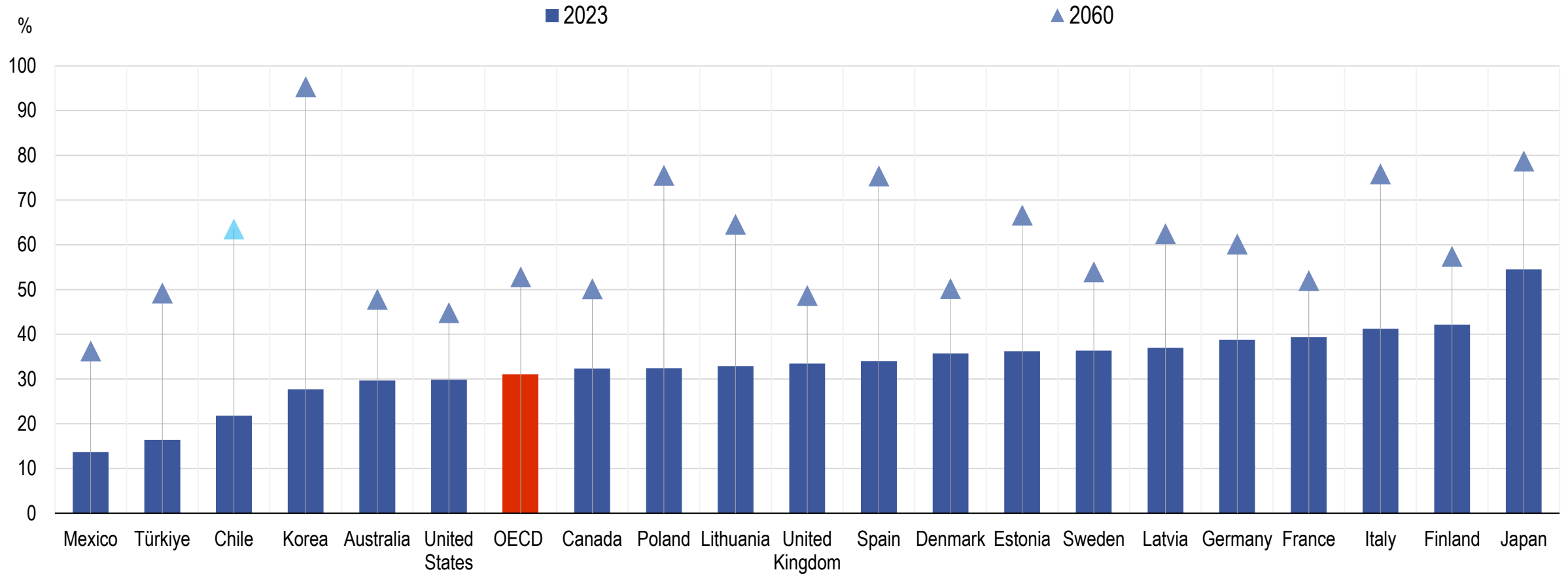


The traditional working-age population will decline in many countries



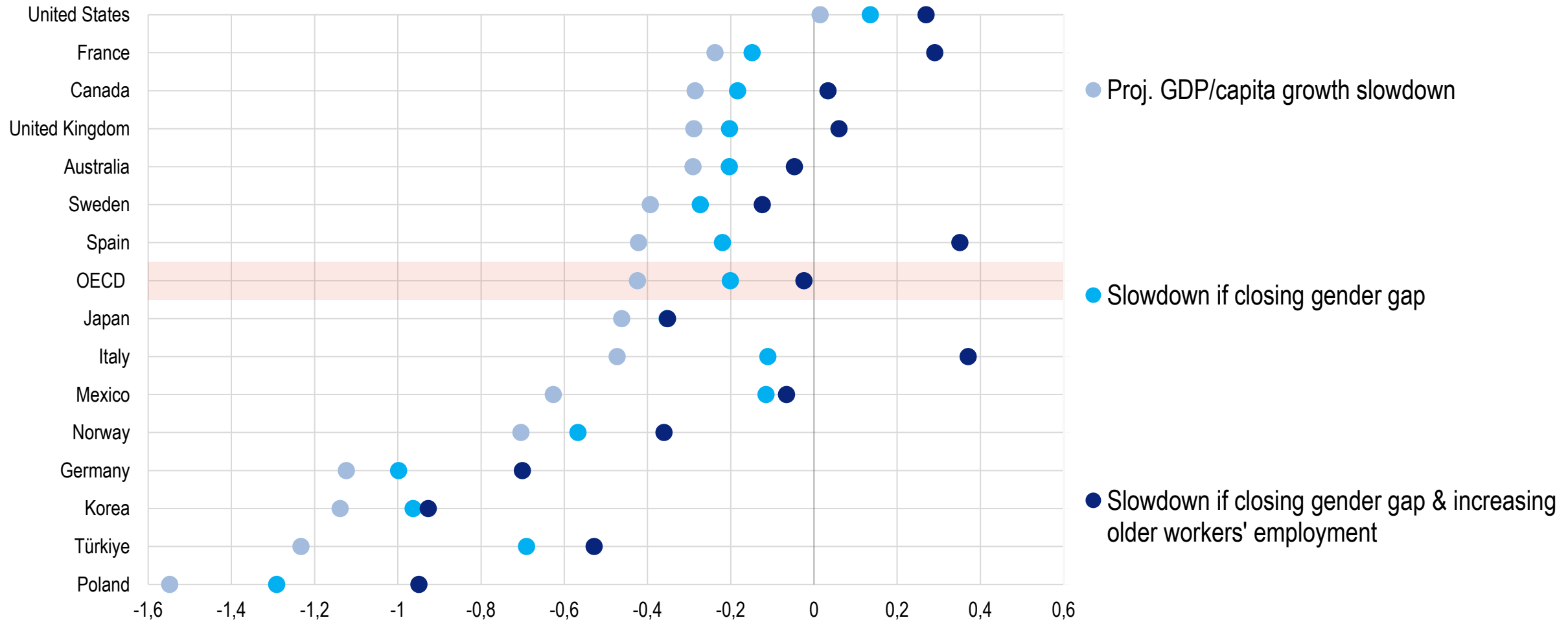
The old-age dependency ratio has soared and will continue to increase

Ratio of old-age to working-age population (%), 2023 and 2060



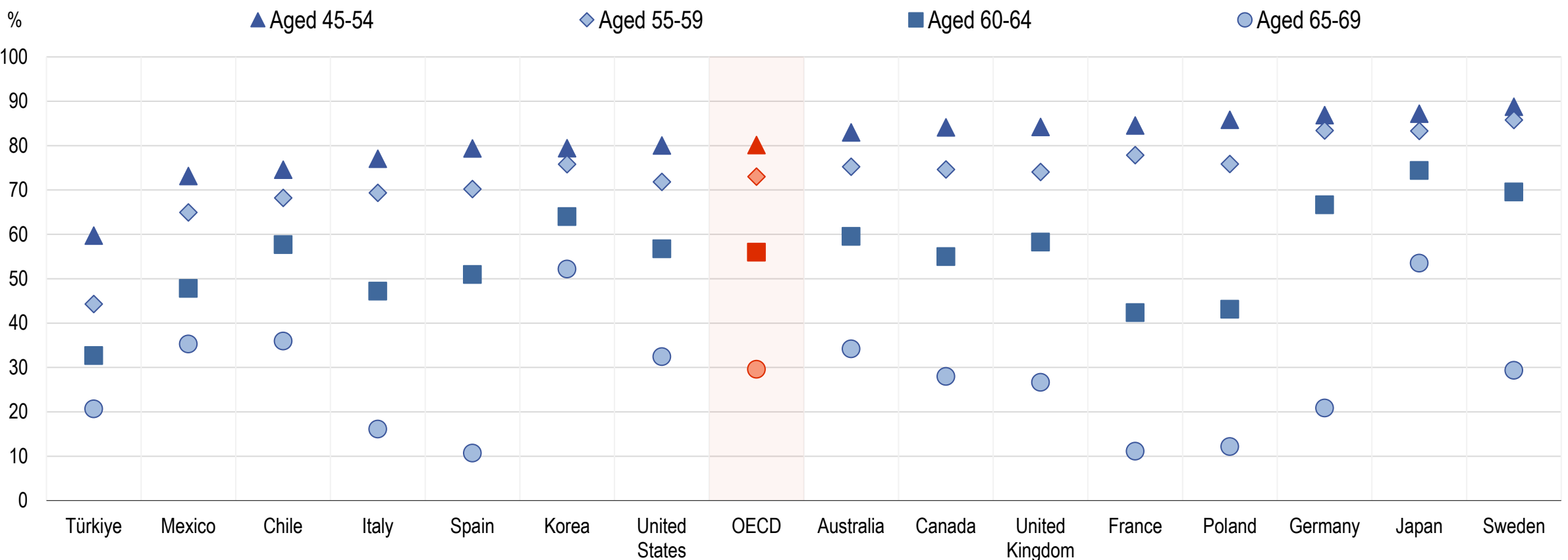
Mobilising untapped labour resources can limit losses in GDP per capita growth

Potential gains from untapped labour resources vs. projected GDP per capita growth slowdown



Older workers are more often employed than ever before, but the gap is significant after 60

Employment rates by age groups
Percentage of the population of the indicated age group, 2024



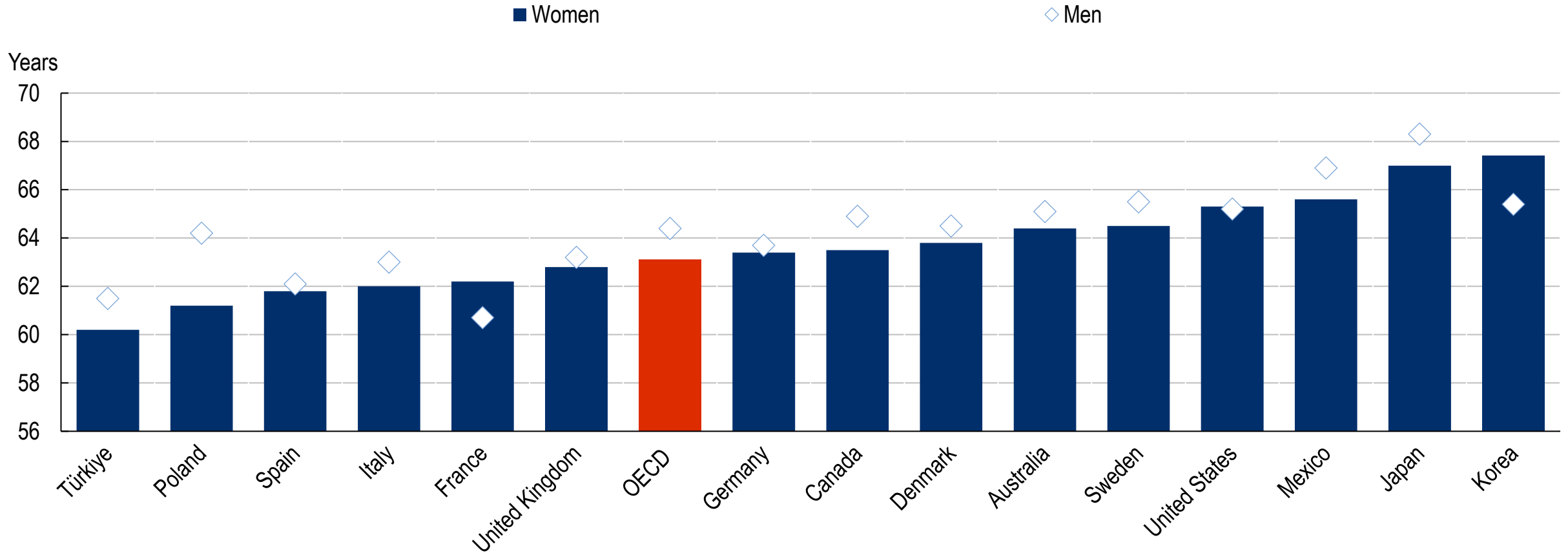
OECD policy agenda for better work choices at an older age



II. Strengthening incentives for longer working lives

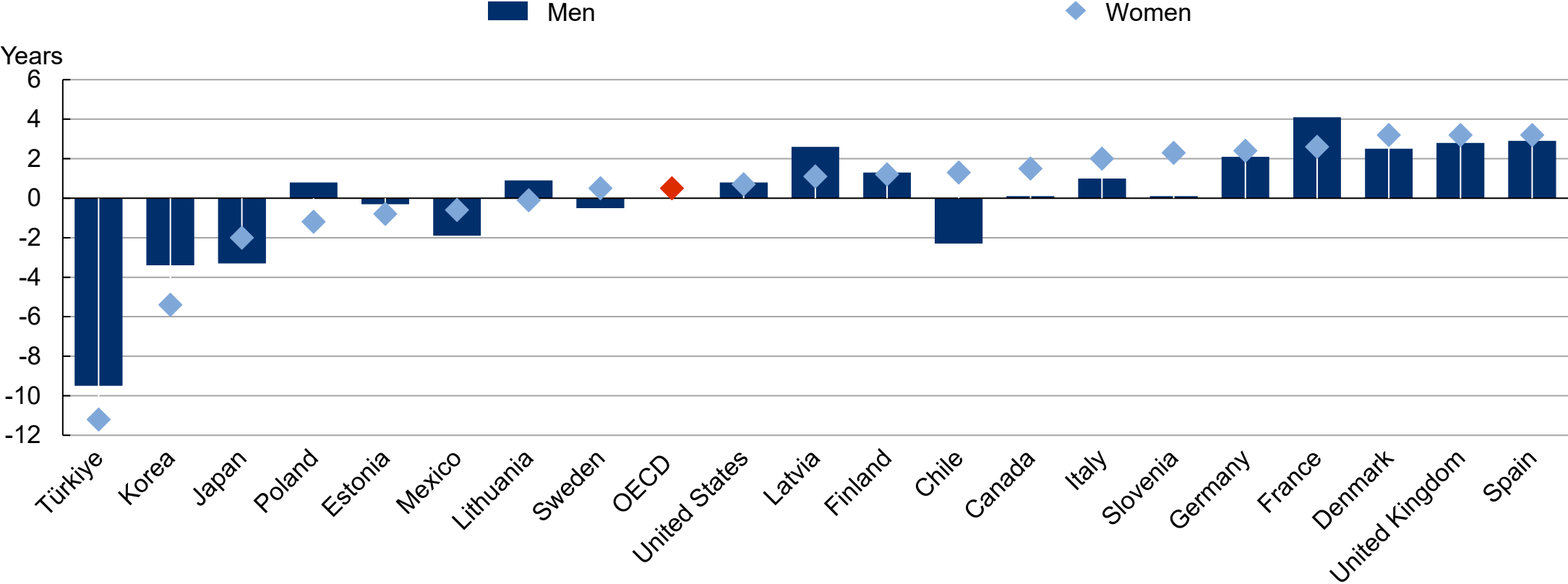
Many workers leave the labour market prematurely

Effective labour market exit age, 2022



The average age of exit is often below the normal retirement age

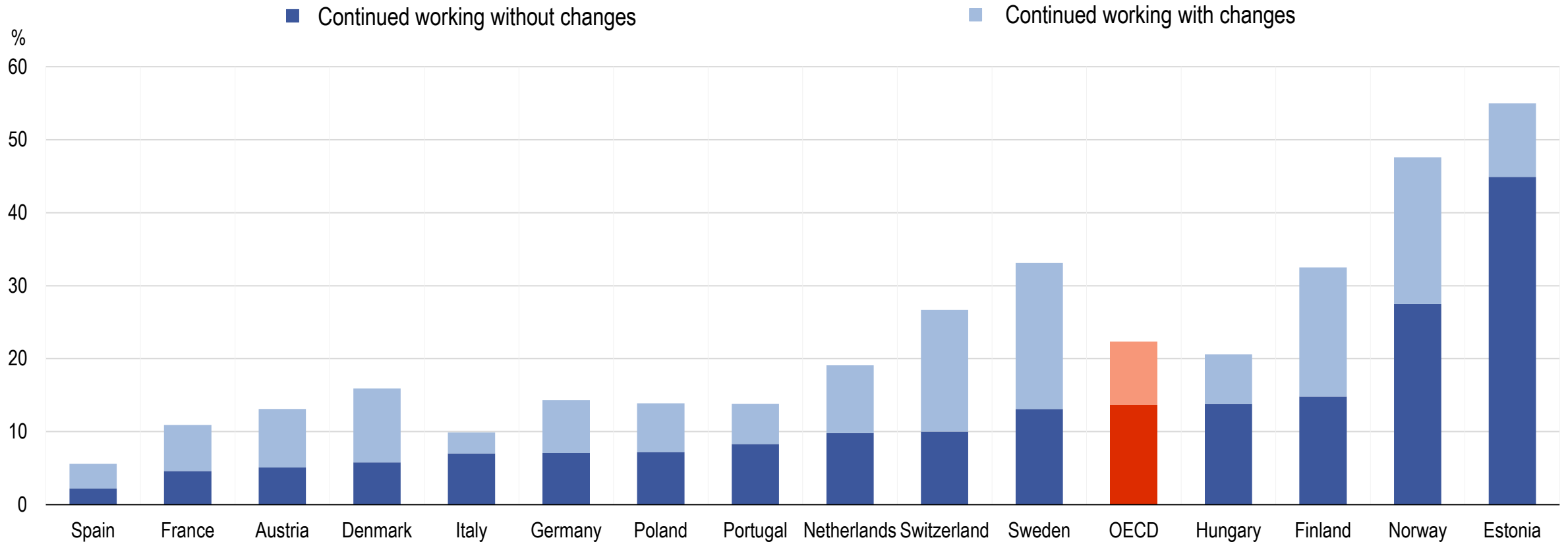
Difference between current retirement age and average age of labour market exit, by gender, 2022



Source: Employment Outlook Figure 3.11.

Relatively few people combine pension and labour income

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).

How to reward work and later retirement?

- ✓ Discouraging mandatory and early retirement
- ✓ Flexible retirement models
- ✓ Providing financial incentives for longer careers
- ✓ Career and financial planning



In **17 OECD countries** it is possible to claim a full pension at the normal or statutory retirement age while continuing to work.



In **Denmark**, the pensionable age is linked to developments in life expectancy and the main state pension can be deferred for up to 10 years.

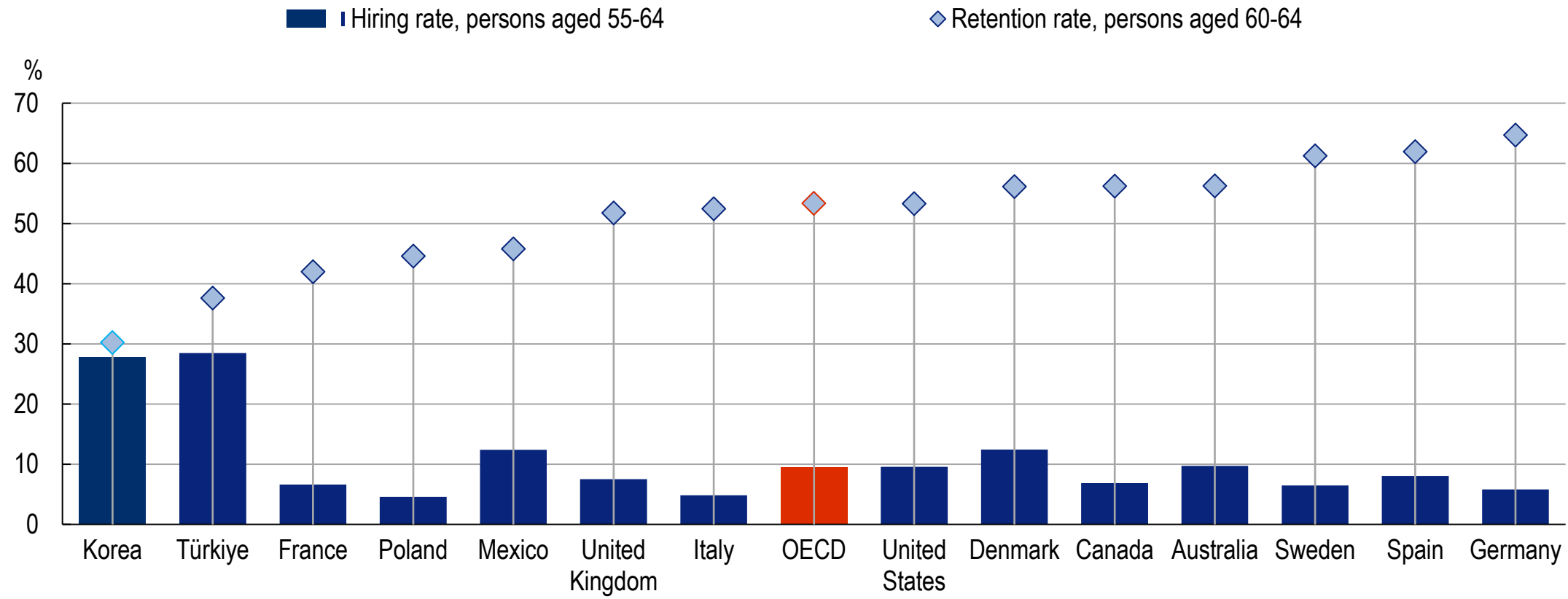


In the **United Kingdom**, mid-career reviews support workers 45+ in career planning, focusing on skills, health and wealth.

III. Encouraging employers to retain and hire older workers

Retention rates are low and hiring rates are high among older workers

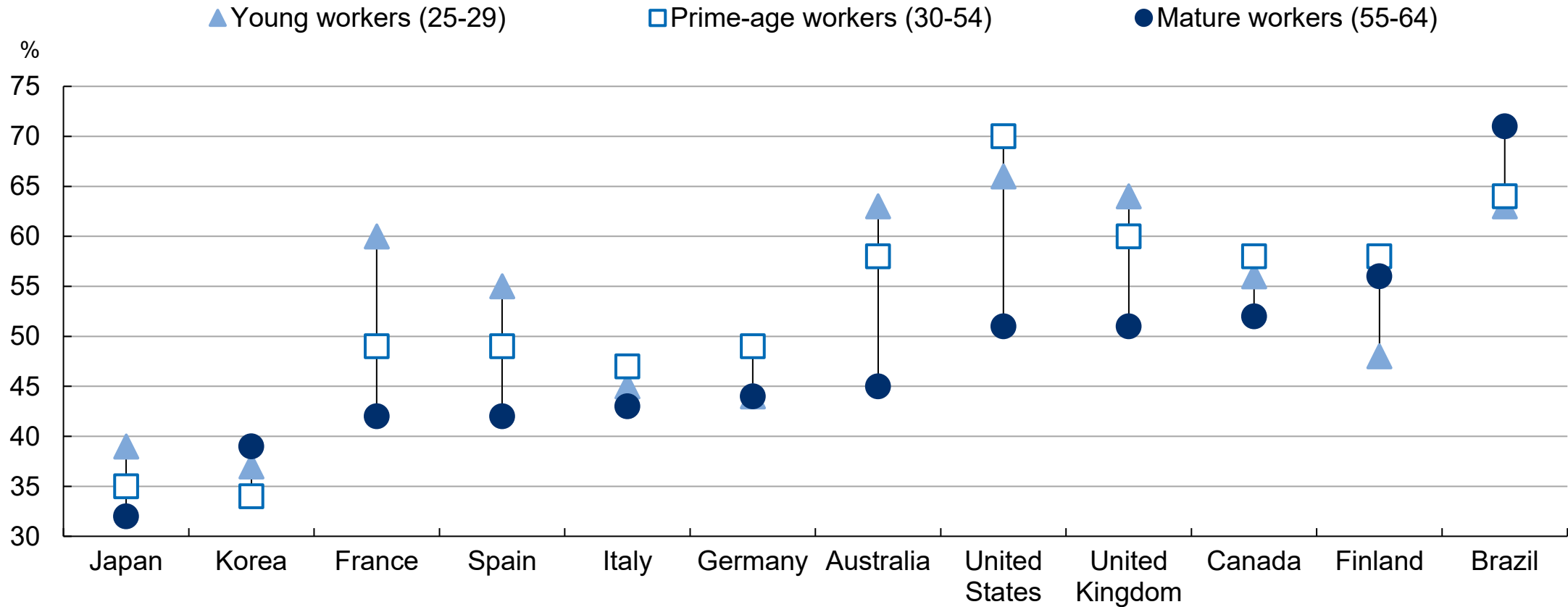
Hiring and retention rates, 2024



Note: Retention rates refer to 2023 for (Denmark, France, Germany, Italy, OECD, Poland, Spain, Sweden, United States).

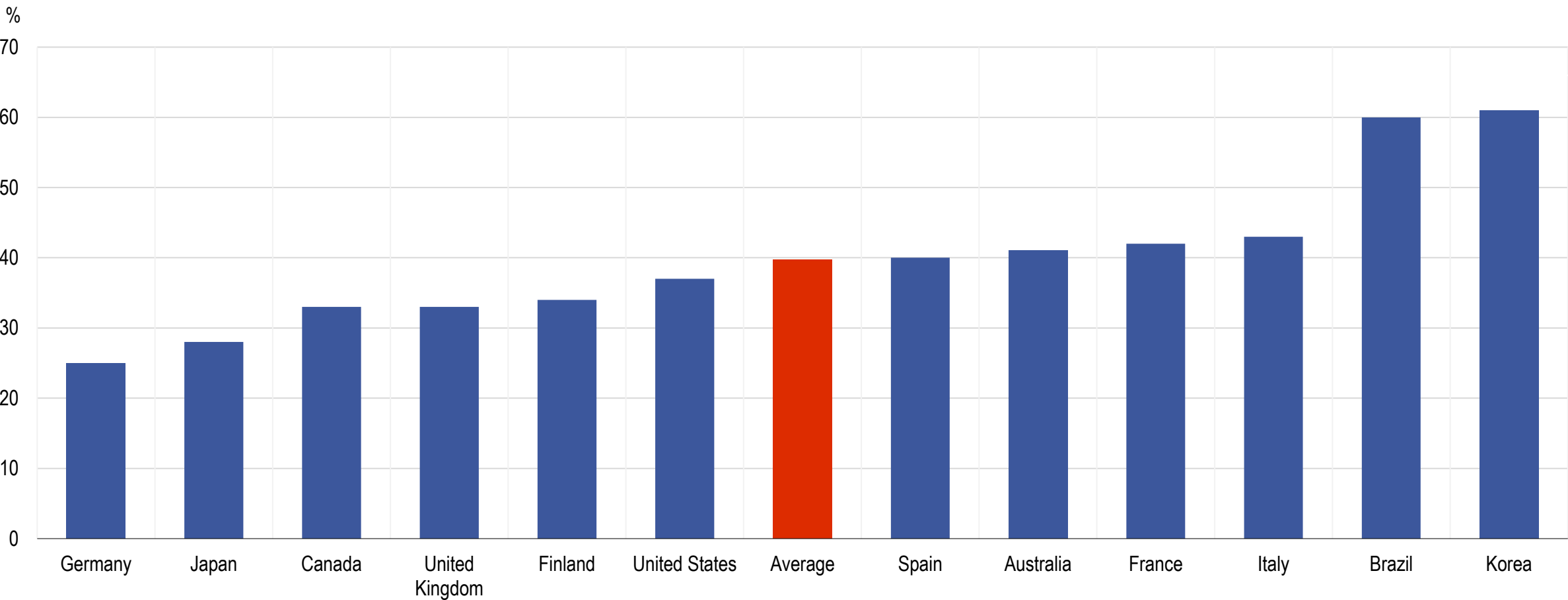
Few older workers have access to workplace flexibility

Share of employees who agree they have job flexibility



Mid-to-late career workers report widespread experience of age discrimination

Share of workers aged 45 or over who have experienced age discrimination in the workplace



How to encourage firms to employ older workers?

- ✓ Implement effective age management practices
- ✓ Fighting age discrimination & stereotypes
- ✓ Linking wages more with productivity than seniority
- ✓ Boost opportunities for career progression and job mobility
- ✓ Employee oriented flexible working conditions



The Good Recruitment for Older Workers Toolkit developed in the **United Kingdom** provides employers with practical strategies to reduce age bias in recruitment processes



In **Australia** the Career Transition Assistance programme helps workers 45+ to change career by improving their confidence and skills

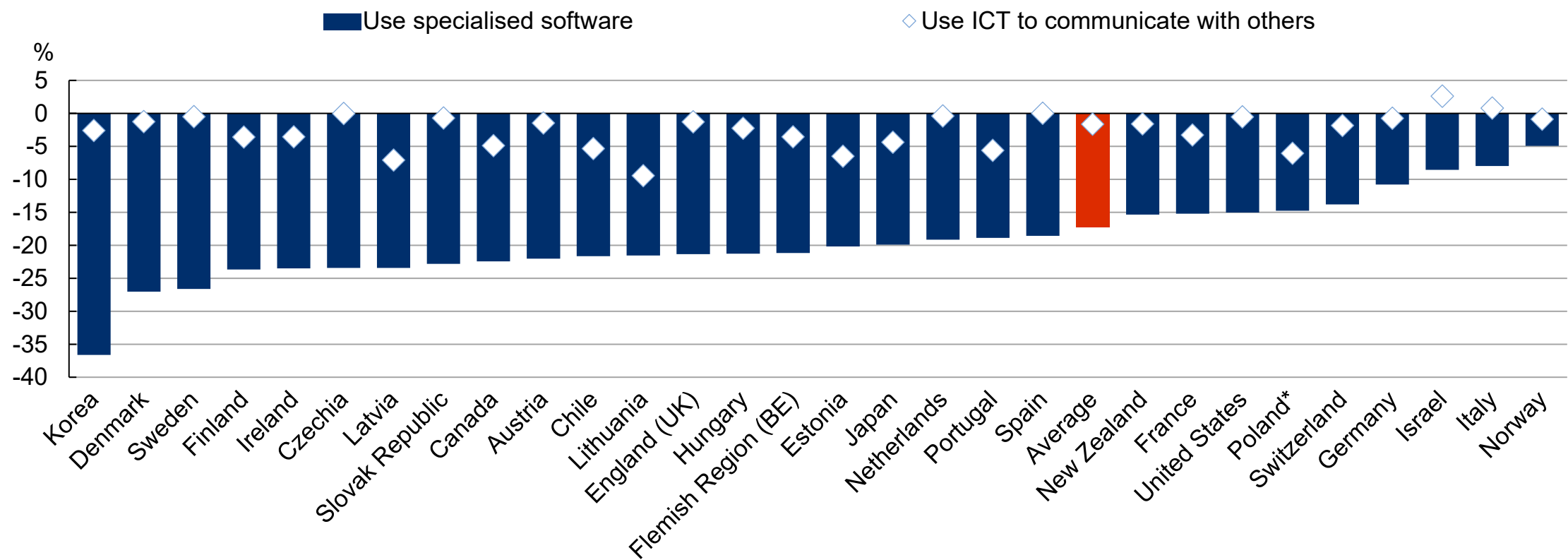


In France, the energy company **Schneider Electric** piloted the 'Design the Last Miles of Your Career' programme, offering career coaching for older employees and webinars on age-inclusive practices for managers.

IIIV. Promoting employability throughout working lives

Older workers are less likely to use advanced ICT skills at work than younger workers in the same occupations

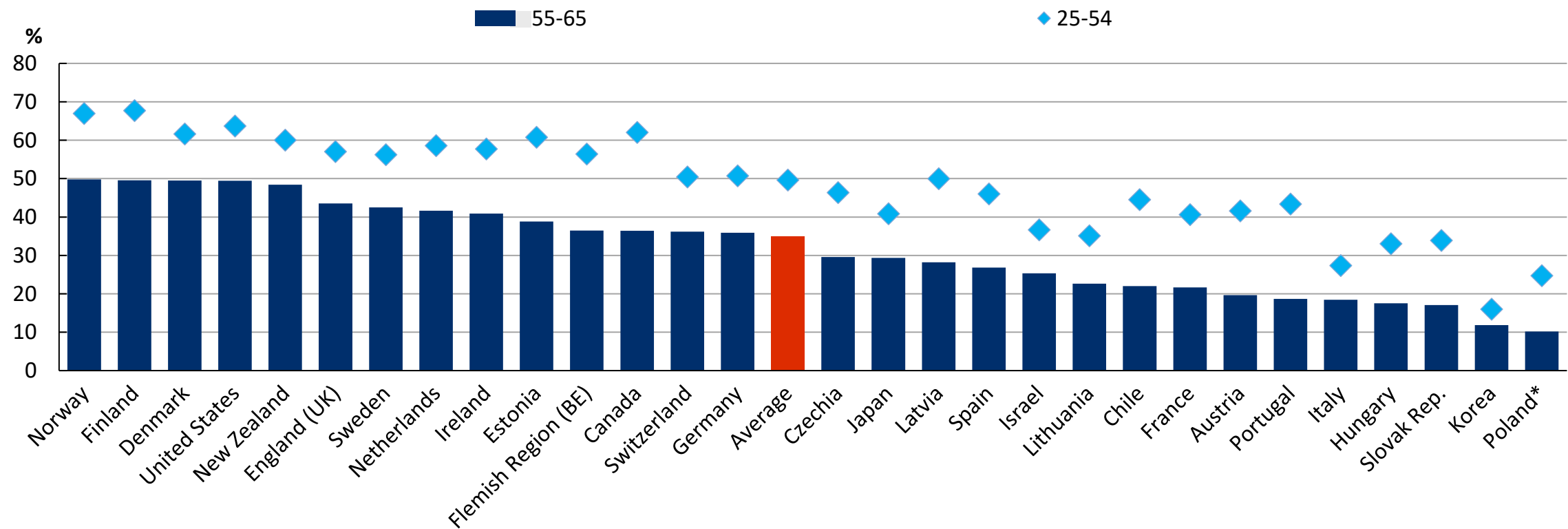
Percentage difference in the share of 55-65 year-olds and 25-54 year-olds using ICT at work, 2023



Note: Differences in the use of ICT within 2-digit ISCO occupations. The difference between the age groups in using ICT to communicate with others is not statistically significant in Czechia and Spain.
*Caution is required in interpreting results due to the high share of respondents with unusual response patterns. BE: Belgium; UK: United Kingdom. Weighted average of the countries shown.
Source: Employment Outlook Figure 4.5.

Older people are less likely to participate in training compared to younger people

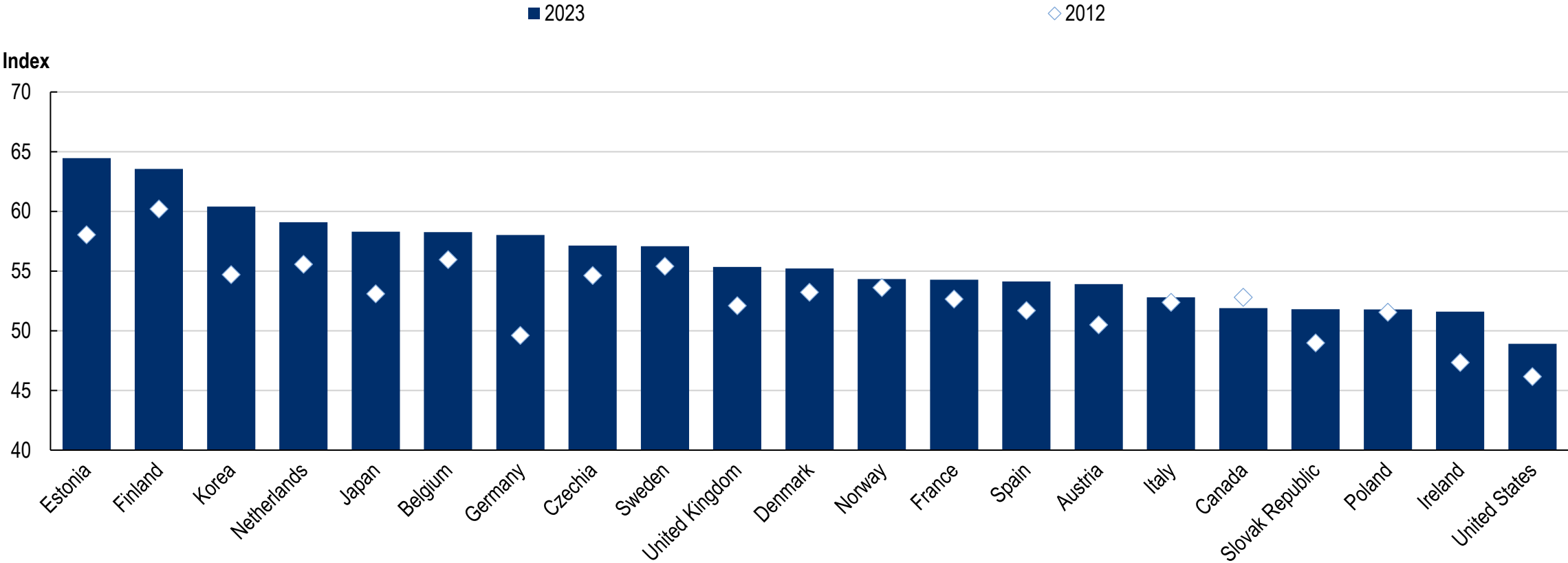
Participation in non-formal learning in the year preceding the survey, 25-54 and 55-65 year-olds



Note: *Caution is required in interpreting results due to the high share of respondents with unusual response patterns. BE: Belgium; UK: United Kingdom. Average is the weighted average of the countries shown.
Source: Employment Outlook Figure 4.10

There are significant differences in the “age-friendliness” of jobs across OECD countries

Average age-friendliness index (0-100) of jobs, by country



How to ensure that workers can remain in productive employment?

- ✓ Offering subsidised career guidance sessions, regardless of employment status
- ✓ Address financial barriers to training, e.g. individual learning accounts or targeted support for older workers
- ✓ Improve employee health and wellbeing through:
 - ✓ Workplace accommodation and job redesign
 - ✓ Better regulations on working-time and safety at work
 - ✓ Promotion of healthy working conditions



In the Netherlands, SMEs can receive **subsidies** of 50% of training costs up to EUR 25 000 for jobs in socially **key sectors** such as care, technology, ICT, green economy.



In **BNP Paribas** in Portugal, the 'Built to Shift Programme' updates skills of long-tenured workers in three areas: digital tools, future trends in banking sector, soft skills.



In **Norway**, graded return-to-work programmes – where employees gradually resume work during sick leave – have been shown to boost long-term employment

Thank you

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