

Saga Employment Report for November 2014

Key points:

- The UK-wide unemployment rate (for persons aged 16 and over) during July–September 2014 was 6.0%, the lowest since the three months to October 2008.
 - The unemployment rate for those aged **50-64** was 3.9%, falling 0.9 percentage points from one year previously and the lowest since the three months to January 2009.
- Figure 1 illustrates that the contribution of the over 50s to the job market has been steadily rising. The total number of workers in the UK grew by 5.7% between the start of this Parliament in May 2010 and July – September 2014, with employment for the over 50s rising faster than for younger workers. Over this time, the number of workers aged:
 - **65 or older** has risen from 801,000 in the three months to May 2010 to 1.119 million over July– September 2014, a very pronounced rise of 39.7% or 318,000 employees.
 - **50-64** has risen from 7.289 million in May 2010 to 8.077 million over July– September 2014, an increase of 10.4% or 758,000 employees.
 - **16-49** has increased by 2.7% or 573,000 employees, from 21.024 million to 21.597 million.
- The number of workers who are **50 or older** has been rising steadily. At the start of the current Parliament in May 2010, some 8.120 million UK workers were 50 or older. That figure had risen to 9.196 million over the three months to September 2014.
- Figure 2 illustrates that the over 50s' share of UK employment is continuing to rise. Over the three months to September 2014, we calculate that:
 - 70.1% of all employed people were **49 or younger**, down from 70.5% one year previously.
 - 26.2% of all employed people were in the **50-64 age bracket**, up from 26.1% one year earlier.
 - 3.6% of all employed people were **65 or older**, up from 3.5% 12 months before.
- Employment is not a zero-sum game and the over 50s have not been squeezing young people out of the job market. The number of employed over 50s is far lower than the number of employed 16-49-year-olds. Over July– September 2014, there were 8.077 million employed 50-64-year-olds, versus 7.843 million one year earlier. This compares to 21.597 million employed 16-49-year-olds over June– August 2014, versus 21.202 million over the same period in 2013.
- Figure 3 shows that economic activity¹ amongst 50-64-year-olds has been gradually trending upward compared to economic activity amongst 18-24-year-olds, which has been generally flat. The economic activity rate amongst 50-64-year-olds is now above that of 18-24-year-olds. Over the three months to September 2014, we calculate that:
 - 71.6% of **50-64-year-olds** were economically active.
 - This was above the 70.2% economic activity rate of people aged **18-24**.
 - 85.3% of those in the **25-34** age bracket were economically active.

¹ A person is classified as economically active if they are in employment; defined as a people who did some paid work in the reference week; those who had a job that they were temporarily away from (eg, on holiday); those on government-supported training and employment programmes, or unemployed; defined as those people without a job who were available to start work in the two weeks following their interview and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.

- 87.0% of those in the 35-49 age bracket were economically active.
- While the over 50's share of UK employment continues to rise, there are worrying signs that those that find themselves out of work are finding it more difficult to get back into employment compared with other age groups.
- The total number of people classed as long-term unemployed² in the UK has dropped over the last 12 months to 688,000 in the three months to September 2014, a fall of 206,000 people from the same period a year ago.
- However, the number of over 50's who have been unemployed for over 12 months has declined at a slower rate than for other age groups. As shown in Figure 4, it has taken longer for the number of long-run unemployed in the over 50's age group to return to the level recorded in the three months to May 2010, the beginning of the current government.
 - The number of those aged 16-49 classed as long-term unemployed has fallen by 15.2% compared with the level recorded in the three months to May 2010 to 674,000 in the three months to September 2014.
 - The number of over 50's classed as long-term unemployed fell by a less pronounced 10.0% to 153,000 in the three months to September 2014.
- Whilst it's great to see that the overall picture of long term unemployment is starting to look a little less bleak, the analysis suggests that more could be done to help the many over 50's who find themselves out of work and, at an older age, appear to find it harder to get back into employment.

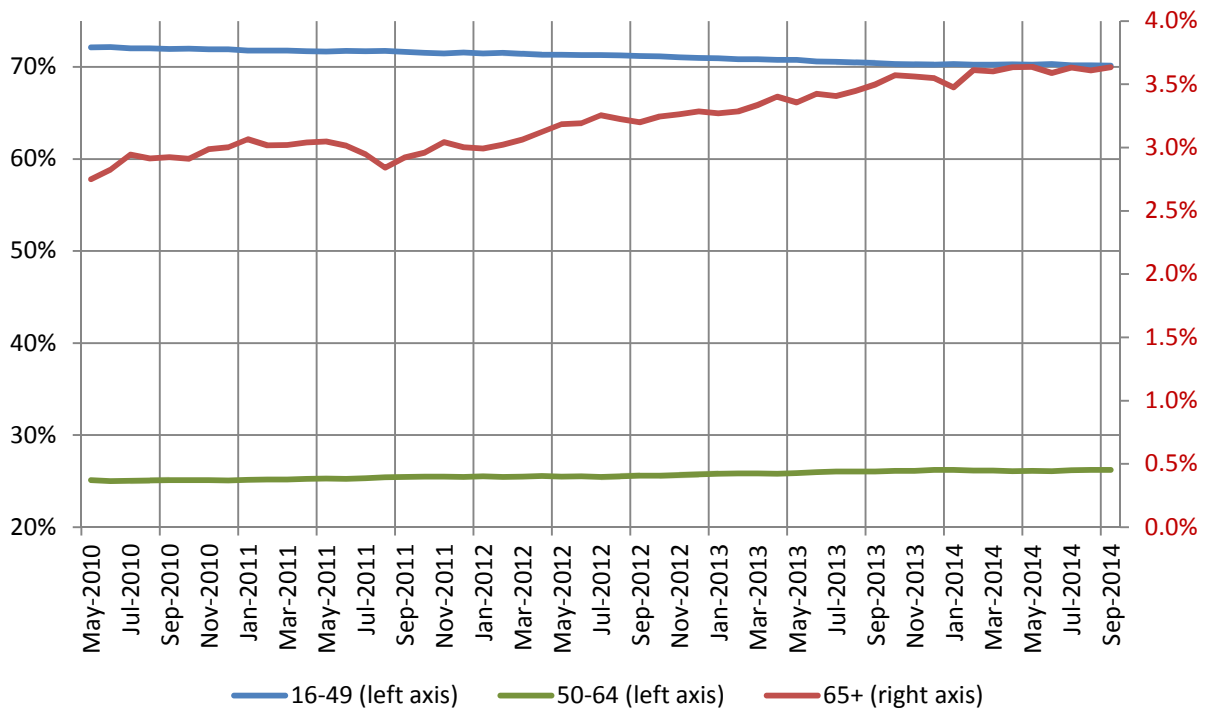
Figure 1: Growth in number of workers by age group since three months to May 2010



² A person is defined as being long term unemployed if they are unemployed for one year or more.

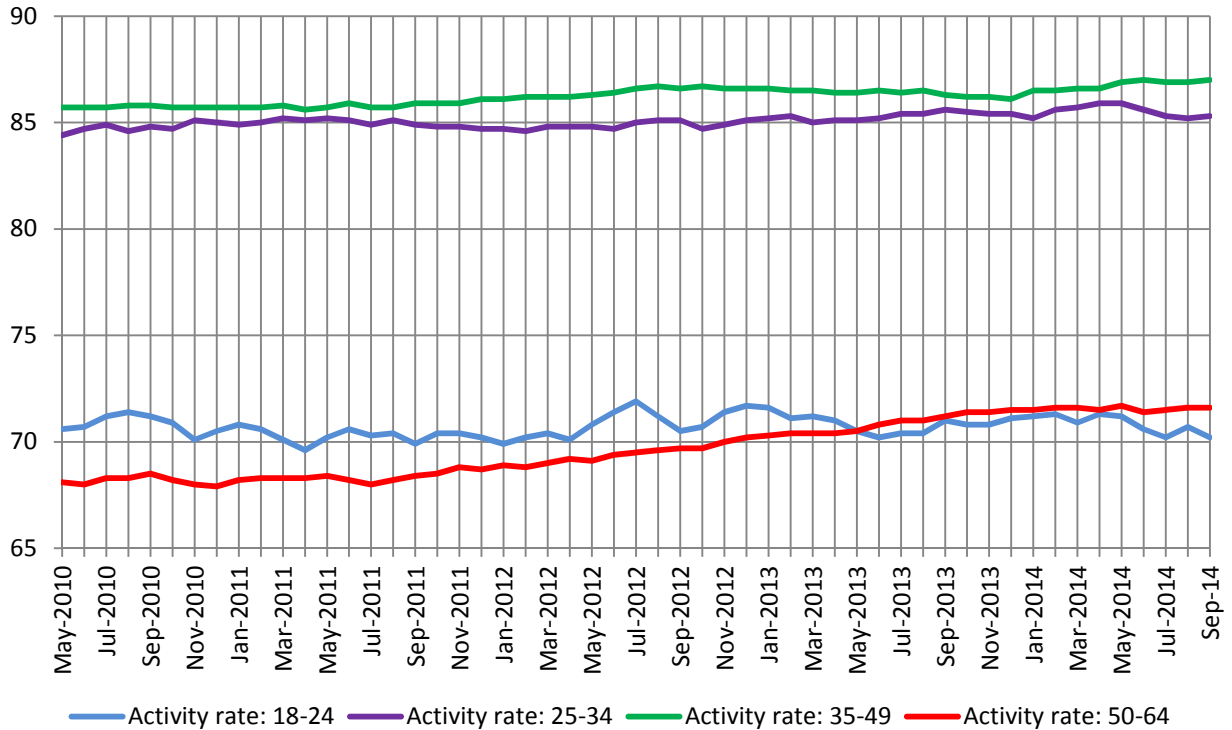
Source: Office for National Statistics, Cebr analysis

Figure 2: Share of total employment for different UK age groups (per-cent)



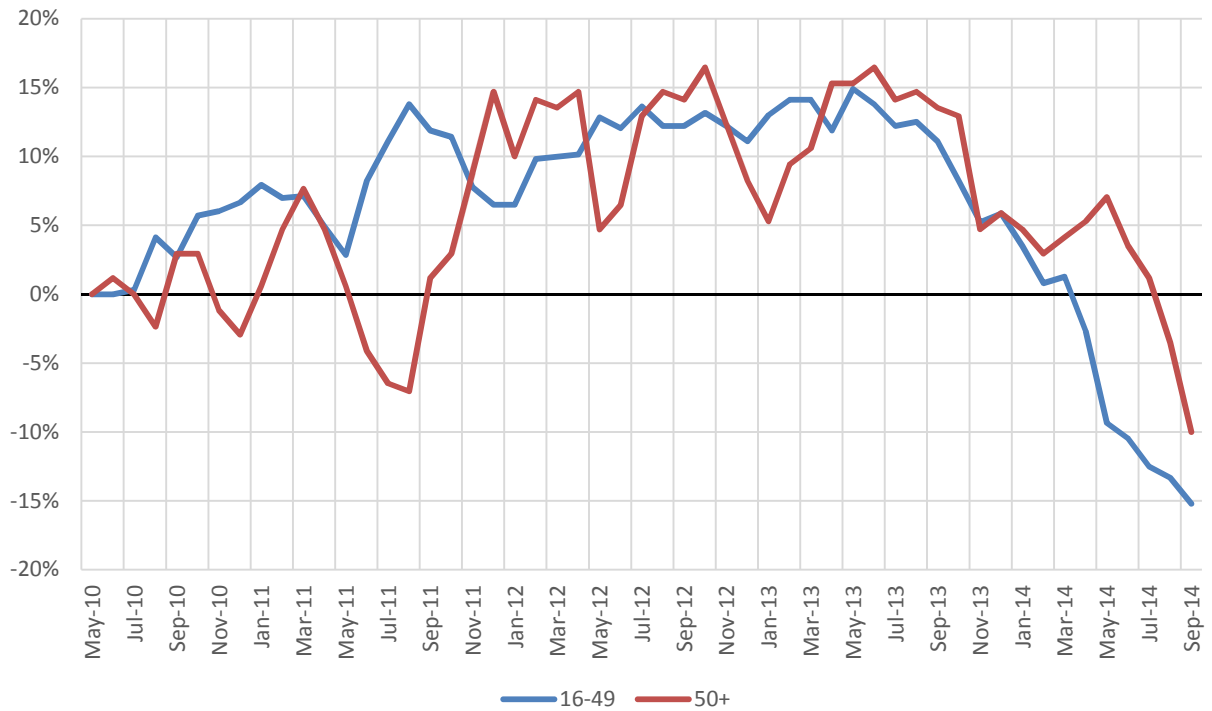
Source: Office for National Statistics, Cebr analysis

Figure 3: Economic activity rate for different UK age groups (per-cent)



Source: Office for National Statistics, Cebr analysis

Figure 4: Percentage growth in number of long-term unemployed, since three months to May 2010



Source: Office for National Statistics, Cebr analysis