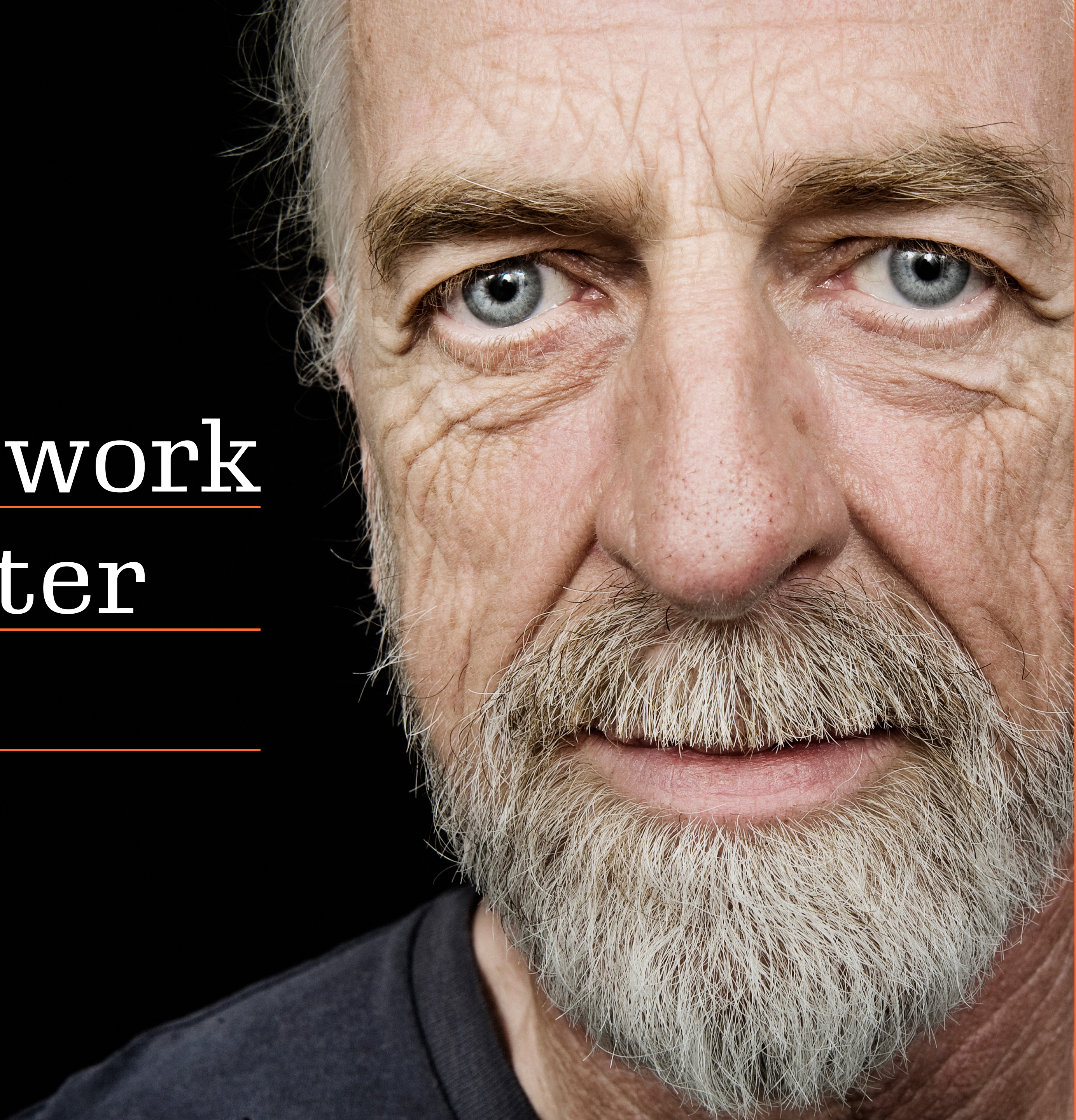




Reimagining work before and after retirement:

An insight survey on the
needs and challenges
of mature workers



Introduction

The workforce is evolving due to demographic shifts. More people are continuing to work beyond the age of retirement. At the same time, the concept of “unretirement” – returning to work after retirement – is becoming more common. With these changes come new challenges and unintended consequences.

However, the picture is incomplete. There is a gap in age-segmented data which renders an important part of the workforce invisible. Statistics on employment and unemployment rates use a global standard 16-64 age range. While this allows for comparisons across time and countries, it is increasingly archaic and misses an

important segment of the population. This survey aims to contribute to filling that data gap, providing a more holistic view of those in and around the retirement age and how they engage with the world of work. We surveyed **almost 1,700 employed, self-employed, unemployed, or retired persons aged 55-70** across six countries: US, UK, Spain, Japan, South Africa, and Mexico to create an indicative sample.

This allows us to better understand the needs of mature workers and the challenges they face, so we can zero in on the most underserved groups and identify opportunities where tailored and targeted solutions would make the most difference.



Key insights I

1

One in three retired workers “unretire”

Overall, 33% of once-retired respondents later returned to work. Although this figure differed significantly across geographies, the drivers were consistent. Among them, 65% cited financial reasons as the main driver to return, and 36% cited personal fulfilment.

2

Correlation between marital status and seeking employment

Widowed, single, or separated and/or the main earners in the household are more actively engaged in seeking employment or unretirement, respectively, mainly due to financial responsibilities.

3

Half of retired workers are open to taking lower positions

Having a better work-life balance (46%), physical and mental health (41%) and flexibility (39%) were the main motivations cited by those accepting lower positions.

Key insights II

4

Health issues commonly restrict employment options

Over 27% of respondents reported physical or mental health issues that either impede their job performance or present an obstacle to unretirement. More flexible work arrangements and health and well-being measures were supported by 70% of respondents.

5

Age discrimination is industry-specific

Age discrimination is reported by 21% of mature workers overall. The figure differs widely by industry: it is 45% in the marketing and advertising sector but only 10% in financial services and banking.

6

Technology is less of an issue than commonly thought

Only 5% of mature workers consider that they struggle with technology “a great deal”, busting the myth that older workers have insufficient digital skills.

7

Skills mismatch is significant at older ages

Two-thirds of mature workers have not obtained new skills or participated in training programmes in the past three years, and 55% say it is challenging to find positions that match their expertise.

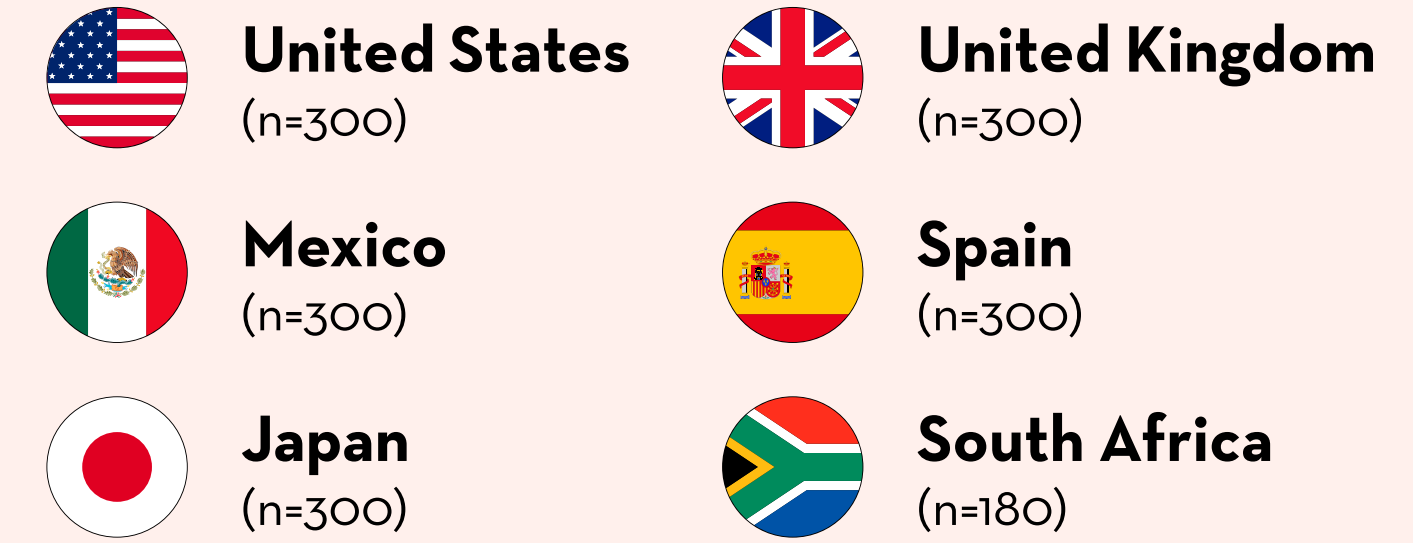
About the survey

The Innovation Foundation, in cooperation with Qualtrics, conducted an online survey with 1,680 respondents in May 2023.

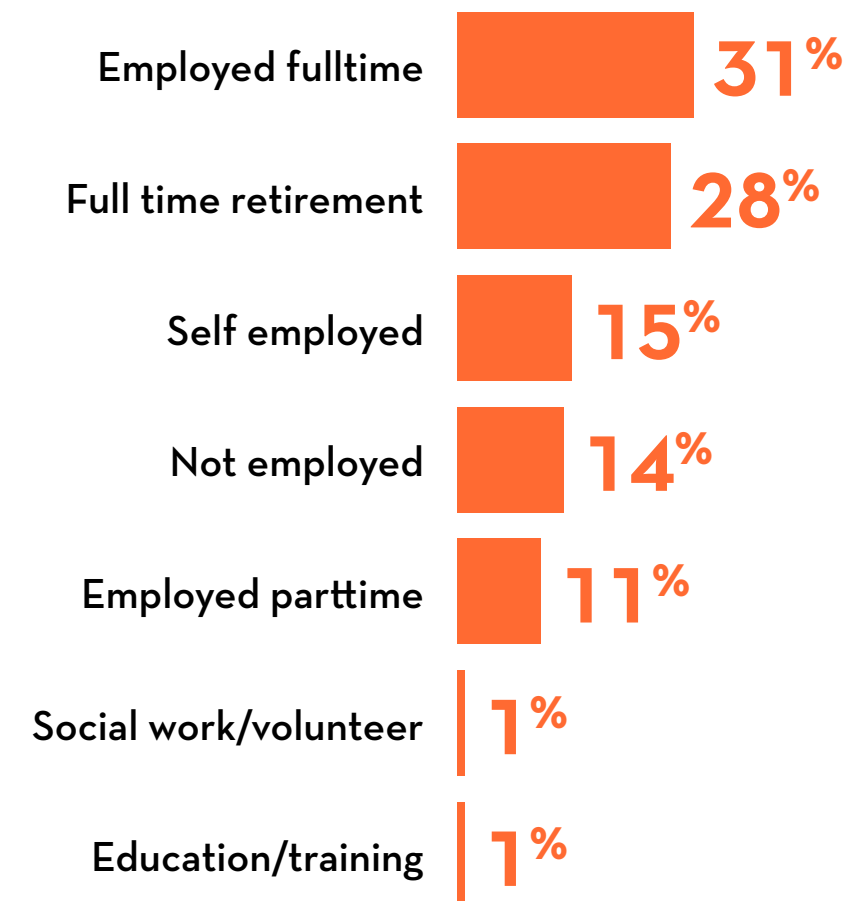
All respondents were aged 55-70 and from the six focus countries. Two-fifths of the sample were aged 55-62, with the rest aged 63-70.

Quotas were set to ensure an even distribution of gender. More than half the sample were in some form of employment, with 28% retired.

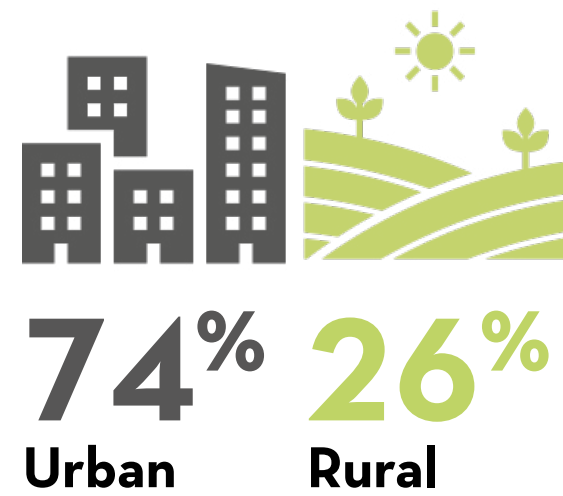
Countries included in the study:



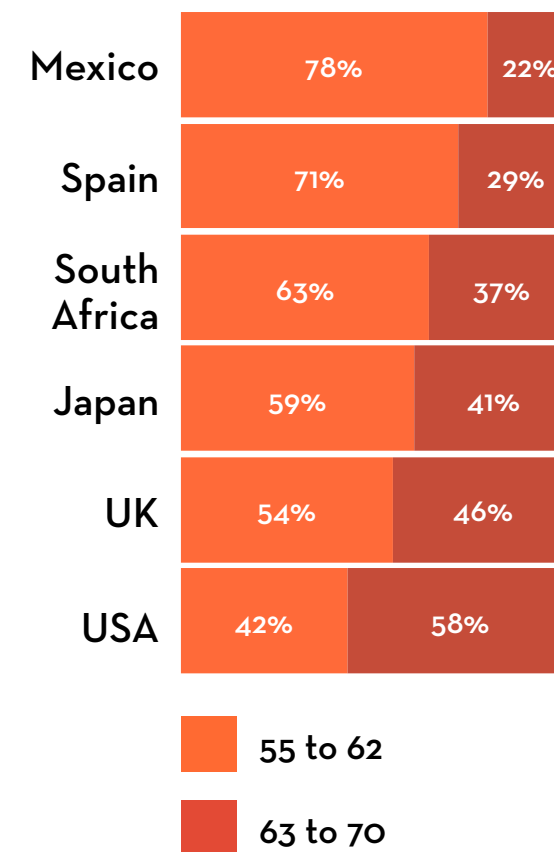
Employment status



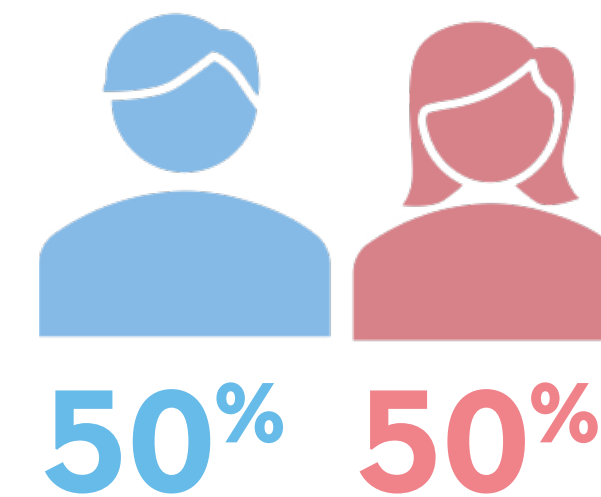
Area



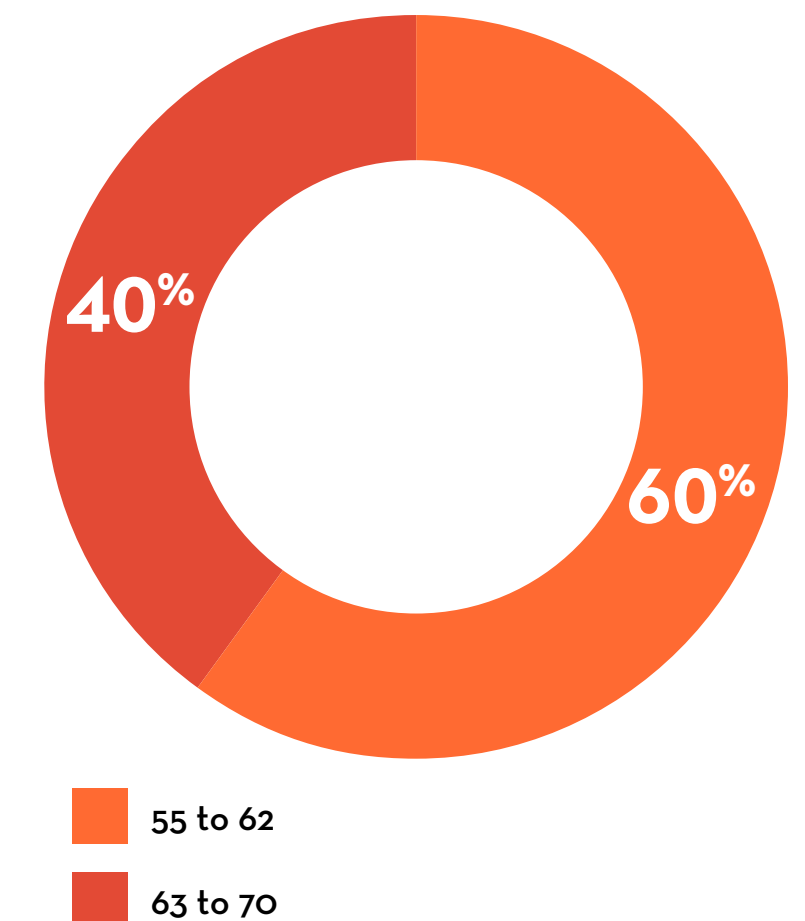
Age per market



Gender



Age split



Country profiles

These six countries have been selected with the objective to represent different global trends of ageing and serve as potential examples for others. The following selection criteria are applied to ensure variety regarding:

- **Demographics dynamics;**
- **Levels of macroeconomic and social development;**
- **Pension systems and public policies;**
- **Business practices and individual preferences.**

United States



Total population: **331.9 million**
Labour force: **164.2 million**
GDP per capita (US \$): **76,360**
Unemployment rate: **3.5%**
Unemployment rate 55+: **4.2%**
Elderly population (% of population): **16.8**
Net pension replacement rate: **50.5%**
Poverty at 65+: **23.1%**

Mexico



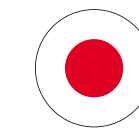
Total population: **128.9 million**
Labour force: **59.3 million**
GDP per capita (US \$): **20,931**
Unemployment rate: **2.7%**
Unemployment rate 55+: **2.7%**
Elderly population (% of population): **7.9**
Net pension replacement rate: **68.6%**
Poverty at 65+: **26.6%**

United Kingdom



Total population: **67.4 million**
Labour force: **34 million**
GDP per capita (US \$): **55,378**
Unemployment rate: **3.8%**
Unemployment rate 55+: **3.8%**
Elderly population (% of population): **18.8**
Net pension replacement rate: **58.1%**
Poverty at 65+: **15.5%**

Japan



Total population: **125.5 million**
Labour force: **Approximately 69 million**
GDP per capita (US \$): **46,768**
Unemployment rate: **2.8%**
Unemployment rate 55+: **2.8%**
Elderly population (% of population): **28.9%**
Net pension replacement rate: **38.7%**
Poverty at 65+: **20%**

Spain



Total population: **47.3 million**
Labour force: **23.4 million**
GDP per capita (US \$): **46,748**
Unemployment rate: **12.8%**
Unemployment rate 55-64: **13.4%**
Elderly population (% of population): **20%**
Net pension replacement rate: **80.3%**
Poverty at 65+: **11.6%**

South Africa



Total population: **59.9 million**
Labour force: **23.6 million**
GDP per capita (US \$): **15,977**
Unemployment rate: **3%**
Unemployment rate 55+: **12.55%**
Elderly population (% of population): **6.1%**
Net pension replacement rate: **16.2%**
Poverty at 65+: **22.1%**

1

Attitudes and motivations of the mature workforce

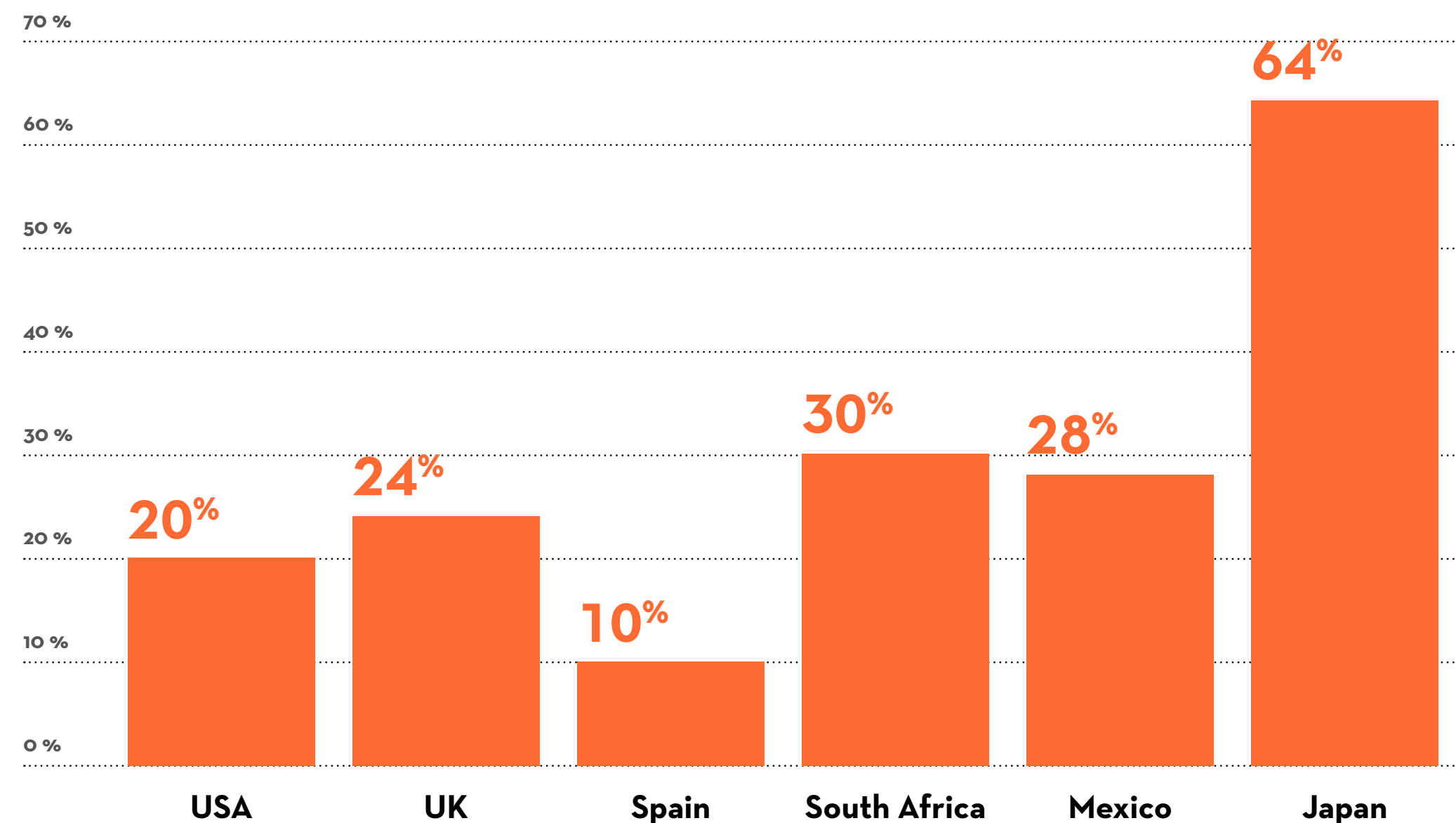
This section explores unretirement, the rationale behind this trend, the persona that is looking for job opportunities in the labour market and the drivers and motivations in the job seeking process.



Is unretirement a new normal?

Unretirement varies from 10% to 64% across surveyed countries

Unretirement by country



33% of retired workers are unretire

Workers from Japan (64%) are more likely to retire then return to the workforce, seemingly due to the interplay of demographic shifts and significant labour shortages. The proportion is next highest in South Africa (30%) and Mexico (28%), where explanations include the influence of the informal economy and lack of pension benefits. Spain (10%) has the lowest number of unretired, potentially due to higher net replacement rates in the pension system.

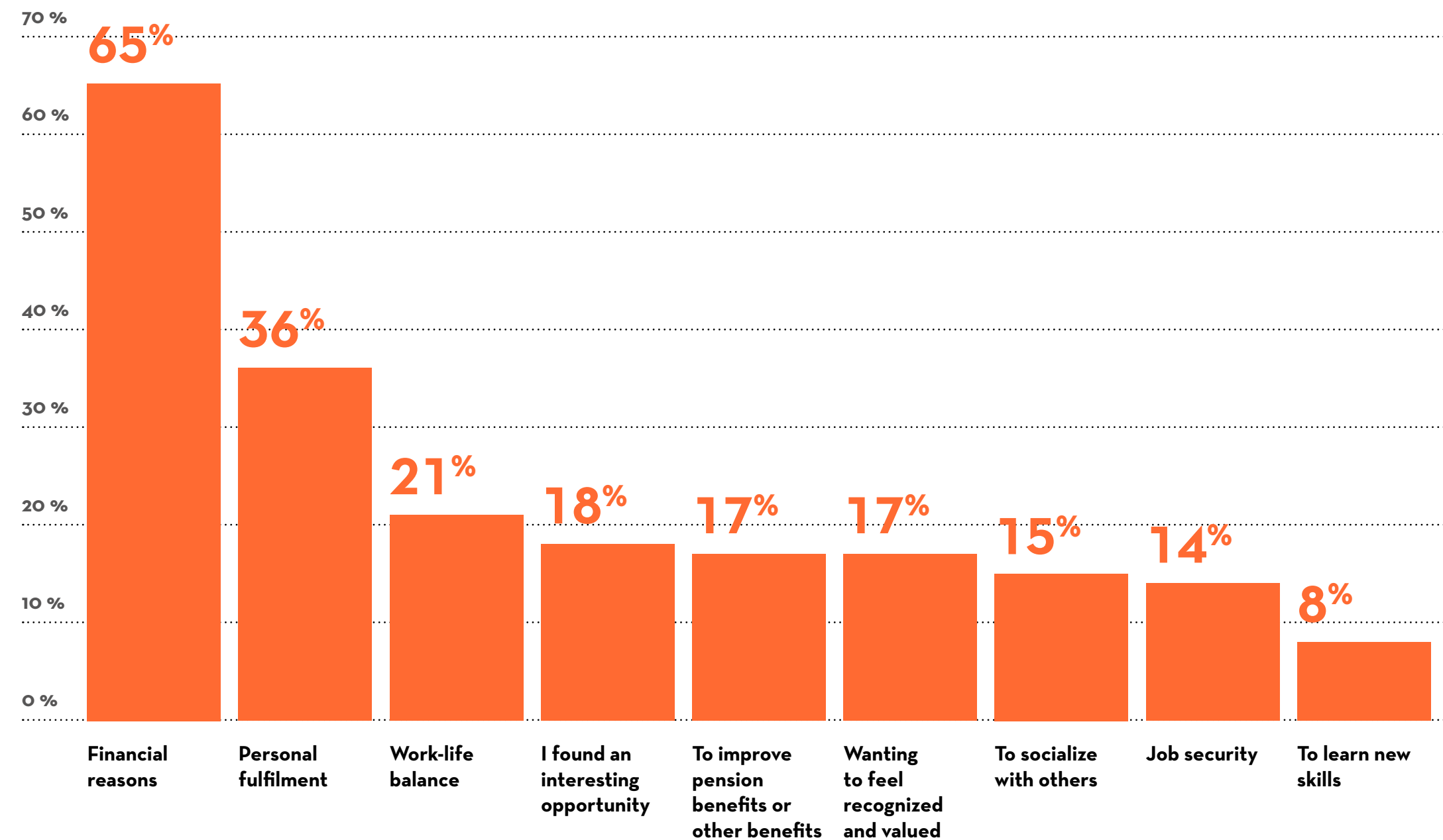
Mid-skilled workers are least likely to rejoin the workforce (30%) compared to either high-skilled (41%) or low-skilled (39%) workers. High-skilled workers who unretire tend to be more motivated by the desire for fulfilment, while for low-skilled workers it is a financial necessity.

Workers in the **real estate (54%)** and **professional and business (50%) sectors** are more likely to unretire.

Those who retired early are more likely to unretire. The unretirement rate is 44% in the 55-62 age range and 27% among those aged 63-70.

What are the main drivers of unretirement?

What motivated you to return to work?



Those who have not returned to work after retirement cited **unwillingness to work again** (39%), **health issues** (27%) and **being penalized by the pension system** (14%) as the main factors.

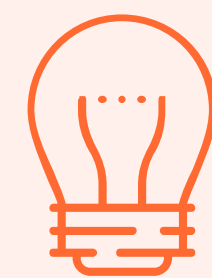
Financial reasons, personal fulfilment and work-life balance are the main reasons to rejoin the workforce.

Economic concerns are particularly pronounced in Japan, South Africa, and the USA, where poverty rates among older and low-skilled workers are high.

Low-skilled workers are more likely to cite financial reasons (89%), while a relatively high proportion of high-skilled workers (42%) cite personal fulfilment.

Our survey indicates a significant correlation between an individual's **financial responsibilities** and unretirement. Primary income earners in their households are more likely to unretire (37% vs 22% of those who are not the main earner), as are those with dependent relatives (42%).

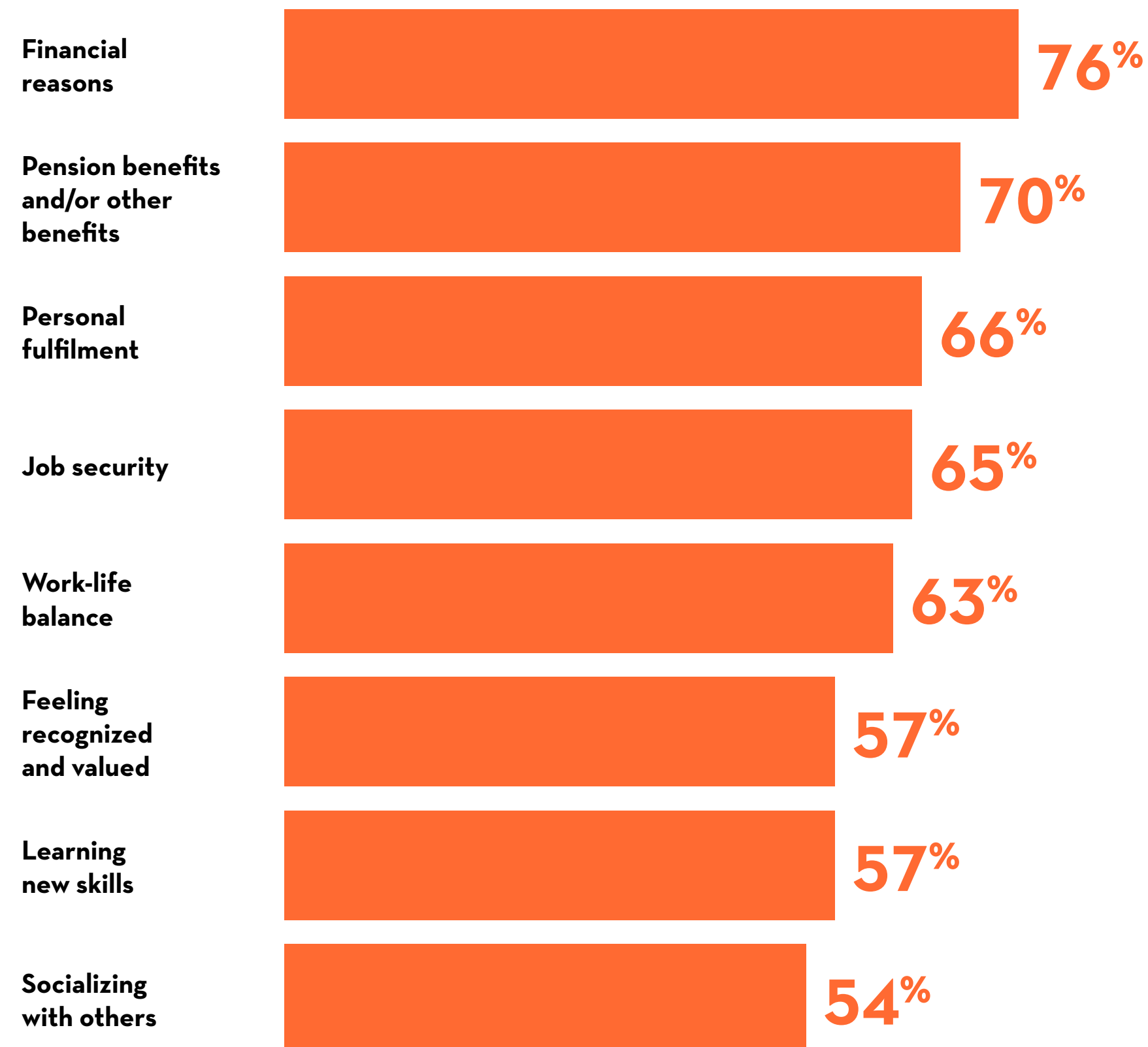
Unretirement is more prevalent among **men** (40%) than women (24%). Men also tend to be the primary earner in their household (86%).



The financial need is the primary driver for returning back to work, particularly for those at risk of mature-age poverty.

Are mature workers looking for and/or quitting jobs?

Motivations for continuing working or looking for a job



Just under one in five mature workers (18%) were actively looking for a job – more in South Africa, Mexico and Spain. Finances (76%) or benefits (70%) were the main reasons cited, followed by personal fulfilment and job security.

It is **not only unemployed workers** who are looking for jobs – 13% of full-time workers, 24% of the self-employed and 25% of part-time employees are also seeking new opportunities.

Sectors such as repair and maintenance (29%), restaurants and food service (24%), and telecommunications (23%) have a higher proportion of job seekers.

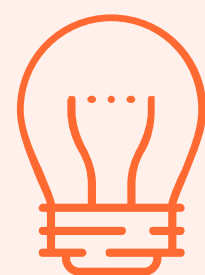
Are mature workers quitting jobs?

Over one in five (22%) have rejected or quit a job since turning 55 – more in Japan (28%). **A low salary (30%)** was the main driver, followed by **health issues (25%)** or perceived **insufficient opportunities for personal and professional development (18%)**.

How does marital status impact job-seeking?

We observe a **correlation between marital status and seeking employment**. Those who are widowed, single, or divorced are more likely to seek employment due to their role as the primary (or sole) income earner within their households.

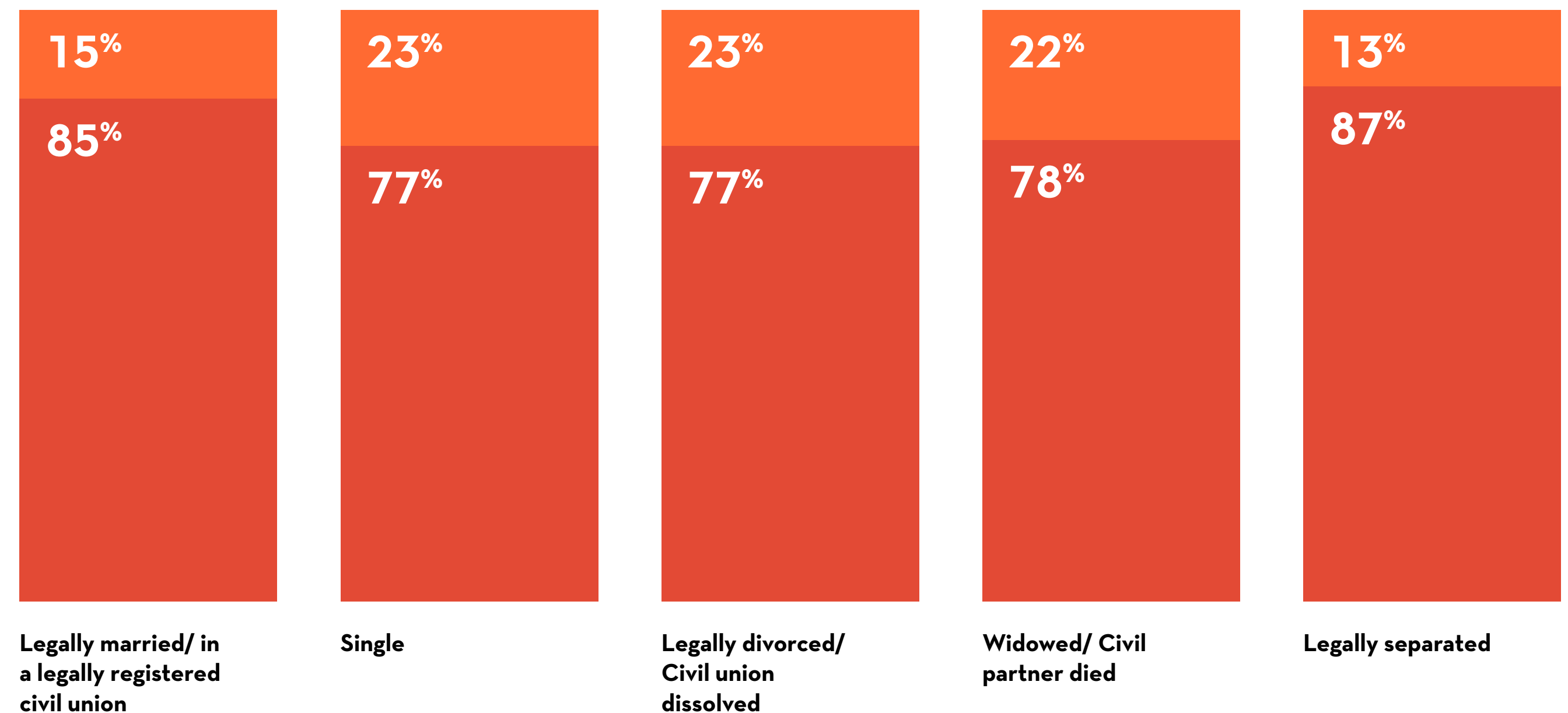
In contrast, those who are married have a lower propensity to look for jobs, suggesting that family may provide a safety net for these individuals by sharing financial responsibilities.



Life transitions often force pivots. Understanding how these moments can be anticipated could help increase resilience and leverage these events to create positive change.

Are mature workers looking for jobs?

Yes No



People who have experienced the loss of a spouse or a divorce may be particularly vulnerable to feelings of loneliness or isolation, and seeking employment can also act as a mechanism to rebuild their lives, re-establish their identities, help them to forge new social connections, and regain a sense of normalcy.

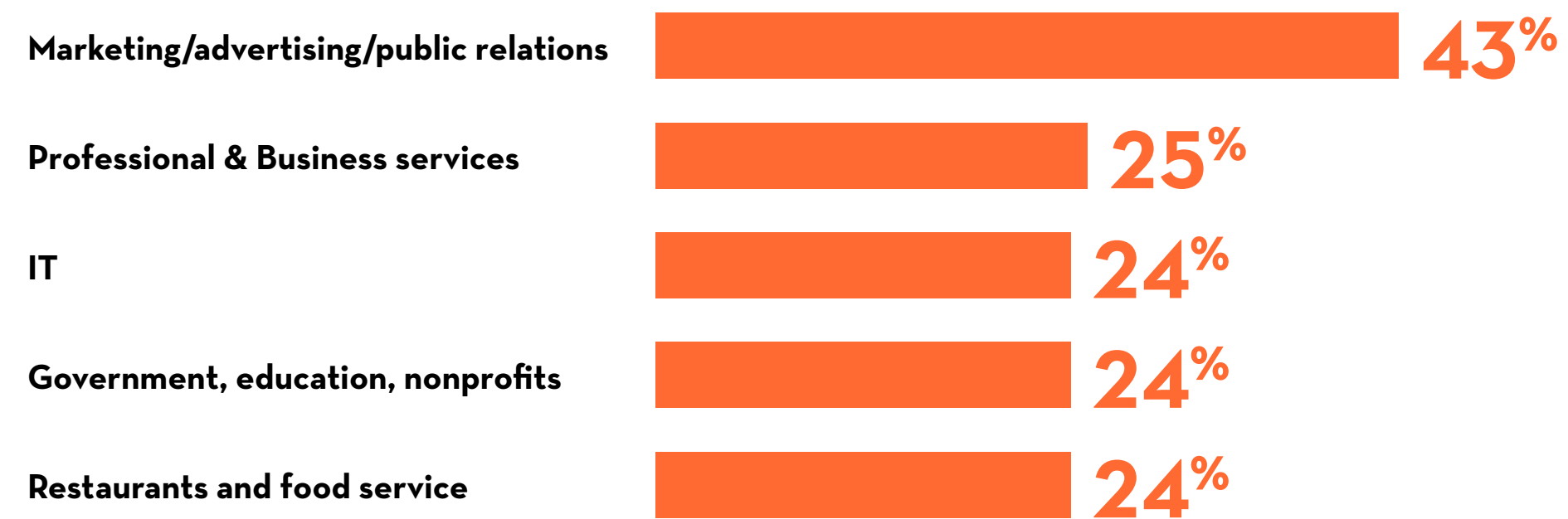
Identifying barriers to continued working

This section examines challenges related to work at older ages, such as increases in official retirement ages, life expectancy outstripping healthy life expectancy, age discrimination, and perceptions about worker productivity and technology barriers. It explores how mature workers adjust their working lives to meet their evolving needs.



Does ageism affect all mature workers equally?

Industries with the highest levels of age discrimination



Industries with the lowest levels of age discrimination



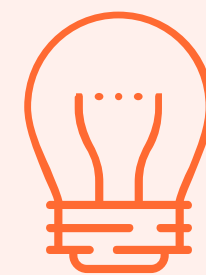
Age discrimination remains a roadblock for many mature workers: overall, **21% reported experiencing age discrimination**. This percentage was highest (43%) in the marketing and advertising sector and lowest (10%) in financial services and banking.

High-skilled workers (23%) are slightly more likely to report age discrimination than mid- and low-skilled workers (20%).

Women (23%) are more likely to report age discrimination than men (17%).

Age discrimination is more prevalent in Mexico (30%) and South Africa (24%) than UK (16%) and Spain (13%).

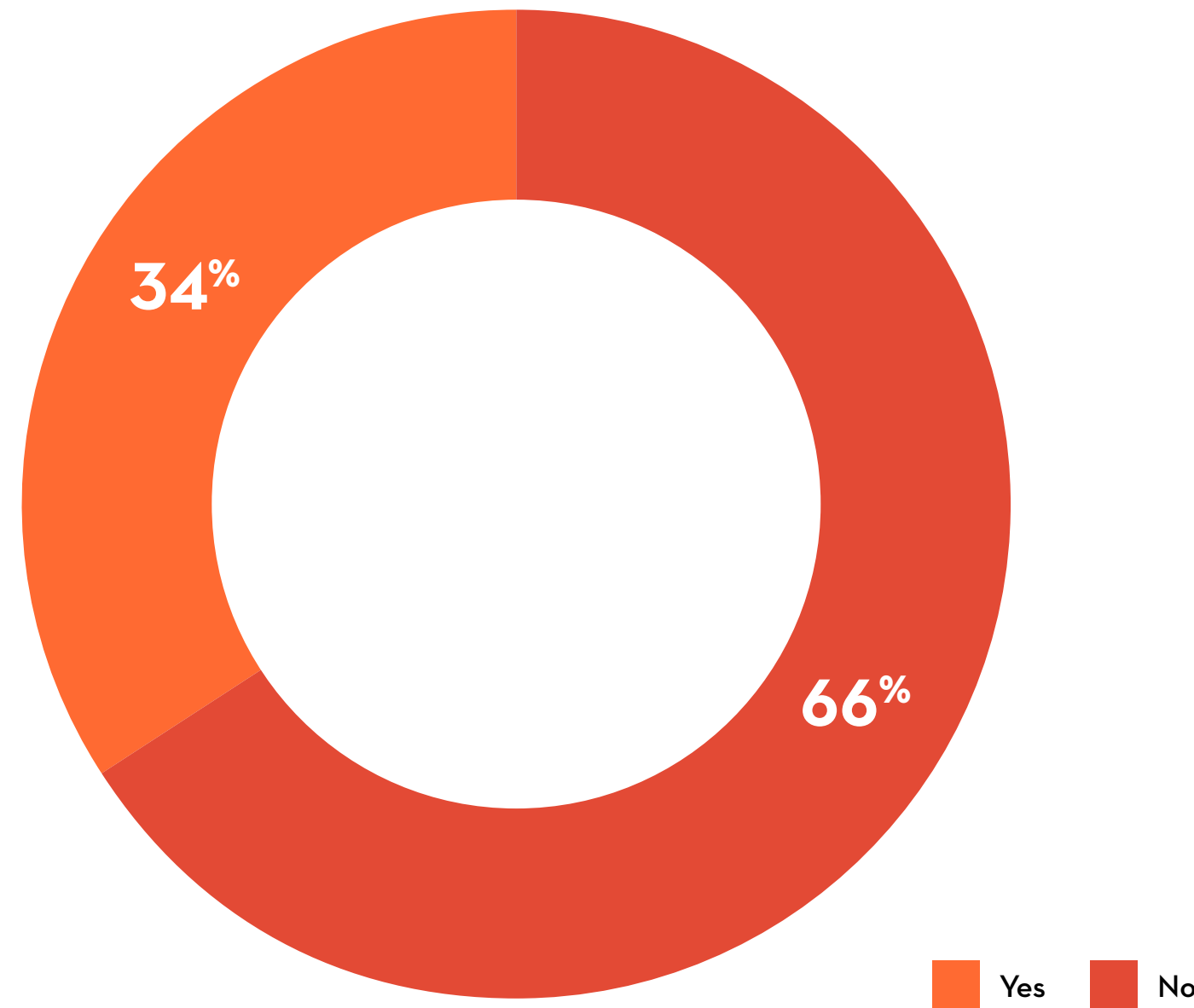
When asked about the **sources of age-related discrimination** in the workplace, mature workers point to senior managers (41%), younger colleagues (38%), and other colleagues (28%).



Better industry-segmented insights on age discrimination will allow us to understand the drivers and tailor more effective solutions.

Do mature workers stay up-to-date?

Have you participated in training programmes to stay up-to-date or acquire new skills in the last 3 years?

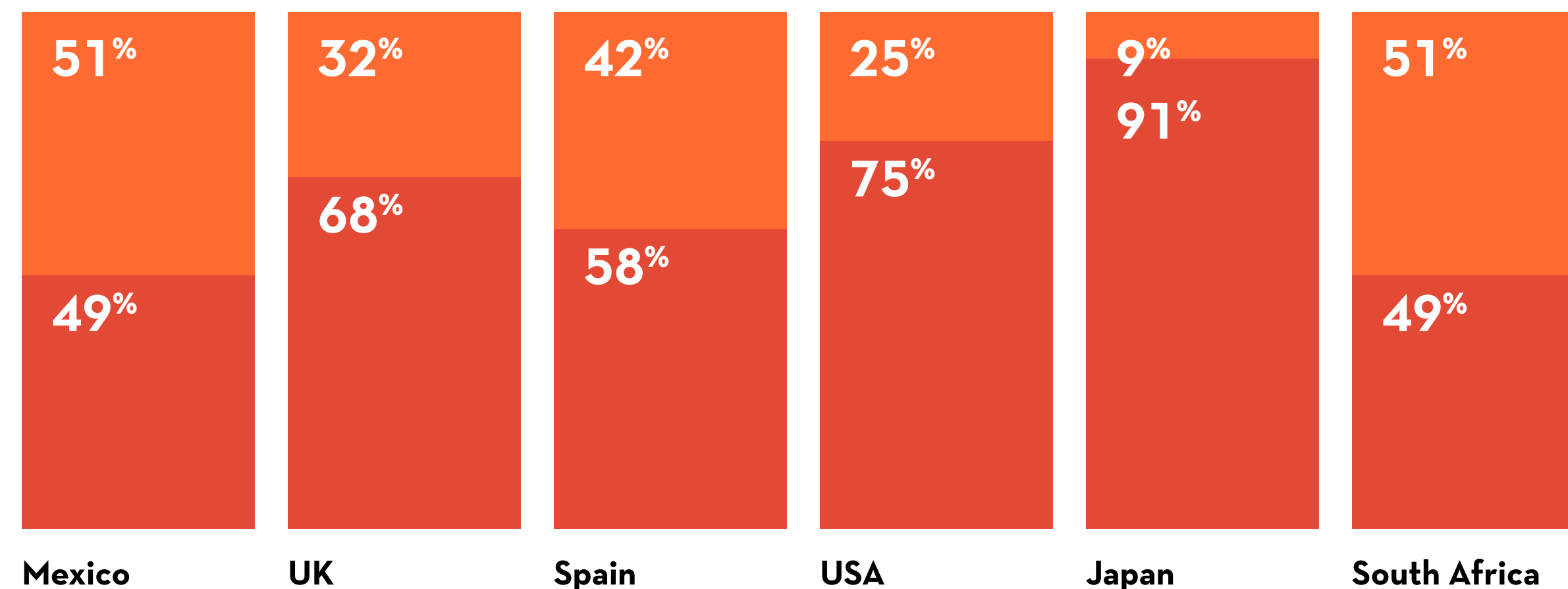


Two-thirds of mature workers have not acquired new skills or participated in training programmes in the past three years. Only 9% of mature workers in **Japan** have undergone such training, compared to over half in Mexico and South Africa.

Low-skilled workers (19%) are less likely than high-skilled workers (46%) to have been trained or upskilled recently.

Likelihood of training decreases with age: 42% of those aged 55-62 have undertaken a training program recently, compared to 24% of those aged 63-70.

By country

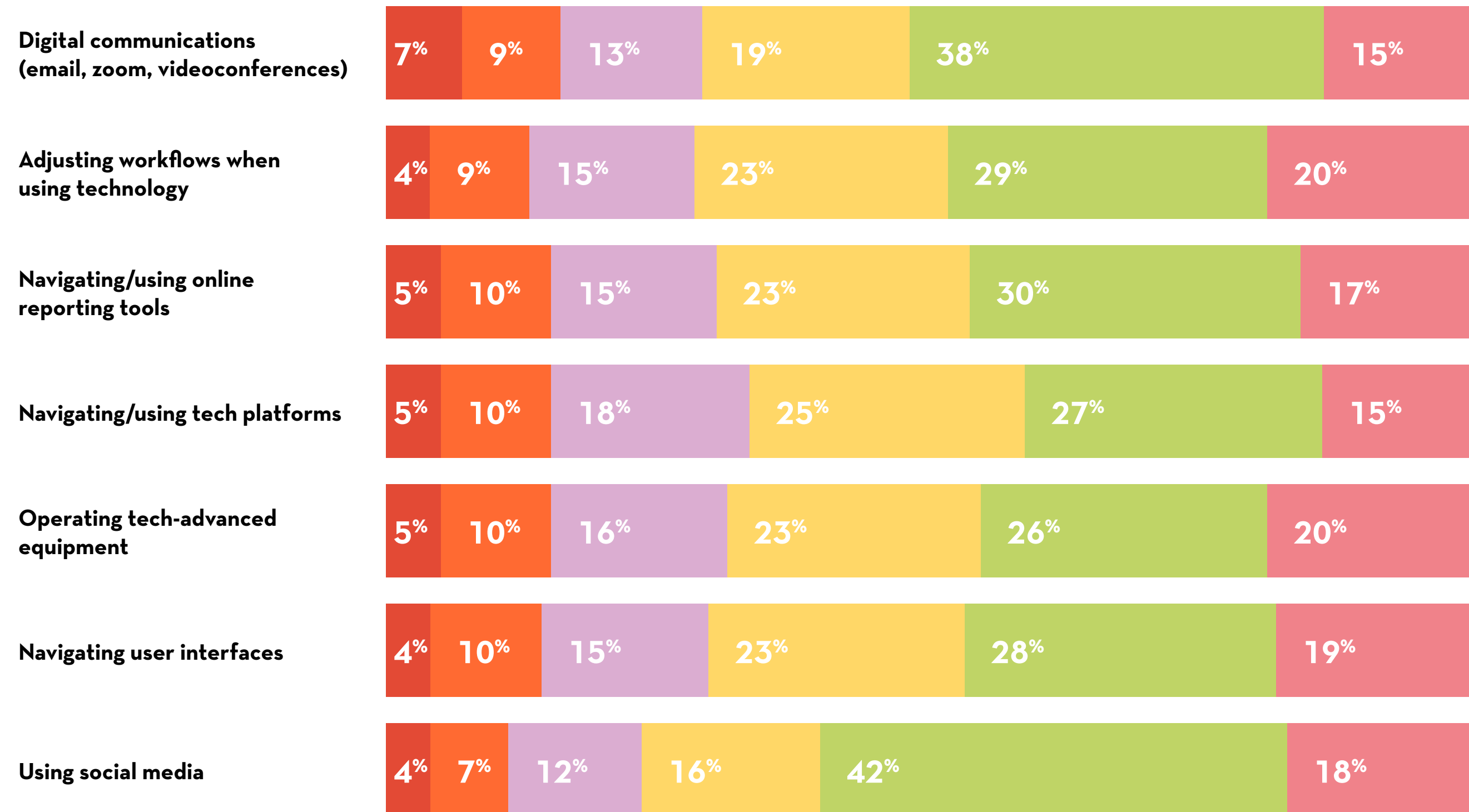


While promoting re-skilling may appear to be the obvious solution, the crux might actually be in identifying and appreciating the existing transferable or related skills that mature workers already possess.

Do mature workers actually struggle with technology in the workplace?

To what extent have you faced challenges related to the use of technology within the workplace?

■ A great deal
 ■ A lot
 ■ A moderate amount
 ■ A little
 ■ Not at all
 ■ Does not apply



Despite their low participation in training programmes, **only 5% of mature workers say they face “a great deal” of challenges with technology** in the workplace – such as using online reporting tools, digital communications and social media, or technologically advanced equipment.

There are no significant differences by gender, industry, occupation, or geography.

These numbers **bust the myth** of mature workers having insufficient digital skills.



If we can better understand and make the skills of mature workers more visible, we would be able to better combat biases regarding productivity and job performance.

How likely are mature workers to have health-related needs?

27% of mature workers have dealt with physical or health issues that limit their ability to execute their jobs.

Health limitations are especially likely to affect low-skilled individuals (40%) or those who have previous experience of **jobs that are physically demanding (47%)**.

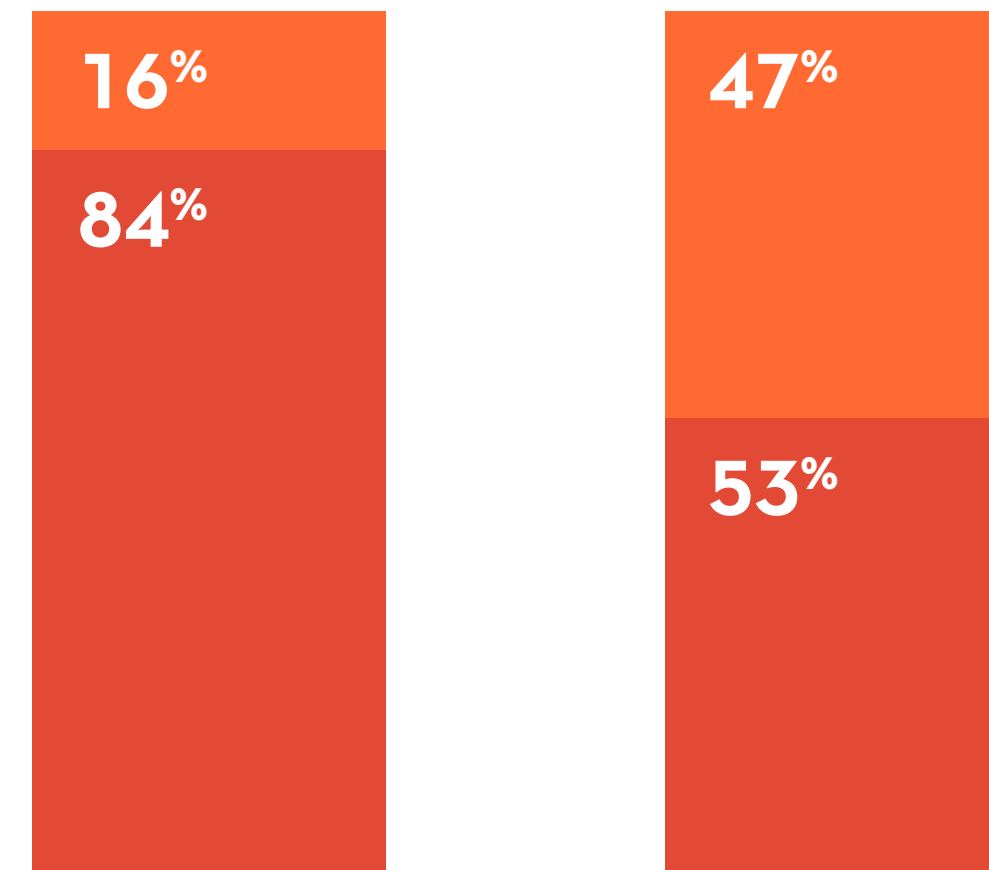
The top three **sectors** in which workers have health issues that impact their ability to perform their job are:

- Repairs and maintenance (48%)
- Restaurants and food service (45%)
- Healthcare (38%)

The proportion of mature workers with health-related impediments appears to **remain relatively consistent between age 55 and 70**.

Have you faced any physical limitations or health issues that impact your ability to perform your job?

Yes No



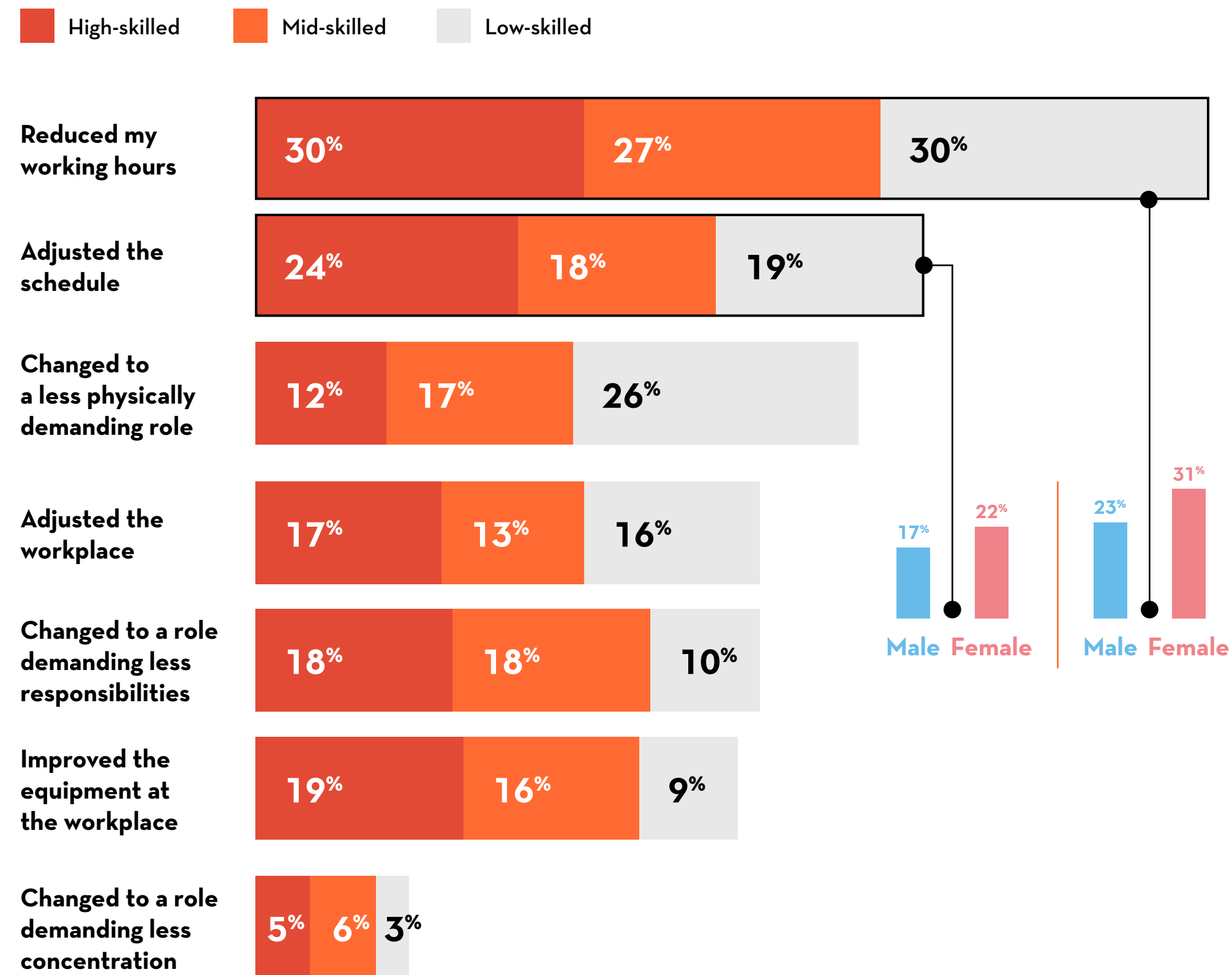
No, my job is not physically demanding

Yes, my past job is/was physically demanding



How do mature workers adjust their work life to accommodate their changing needs?

Have mature workers made adjustments to their work life to accommodate changing needs as they age?



Reducing working hours and adjusting schedules are the main changes mature workers make as they age, across skill levels.

Healthcare/medical, hospitality/travel and retail are the sectors in which most mature workers (around 35%) reduced their hours.

Women were more likely than men to trim their working hours (31% vs 23%) and/or reshape their schedule (22% vs 16%), often to cater to caregiving responsibilities.

Those aged 63-70 are more likely to be in part-time jobs, as are the unretired: 41% reduced their schedule.

Low-skilled workers are more likely than high-skilled workers to shift to a less physically taxing role (26% vs 12%). High-skilled workers were more able than low-skilled workers to improve workplace equipment (19% vs 9%) or change to a role with fewer responsibilities (18% vs 10%).



Health challenges and physical limitations are a reality for mature workers. Reshaping ways of working is crucial to create inclusive and supportive environments for those who choose to participate in the workforce.

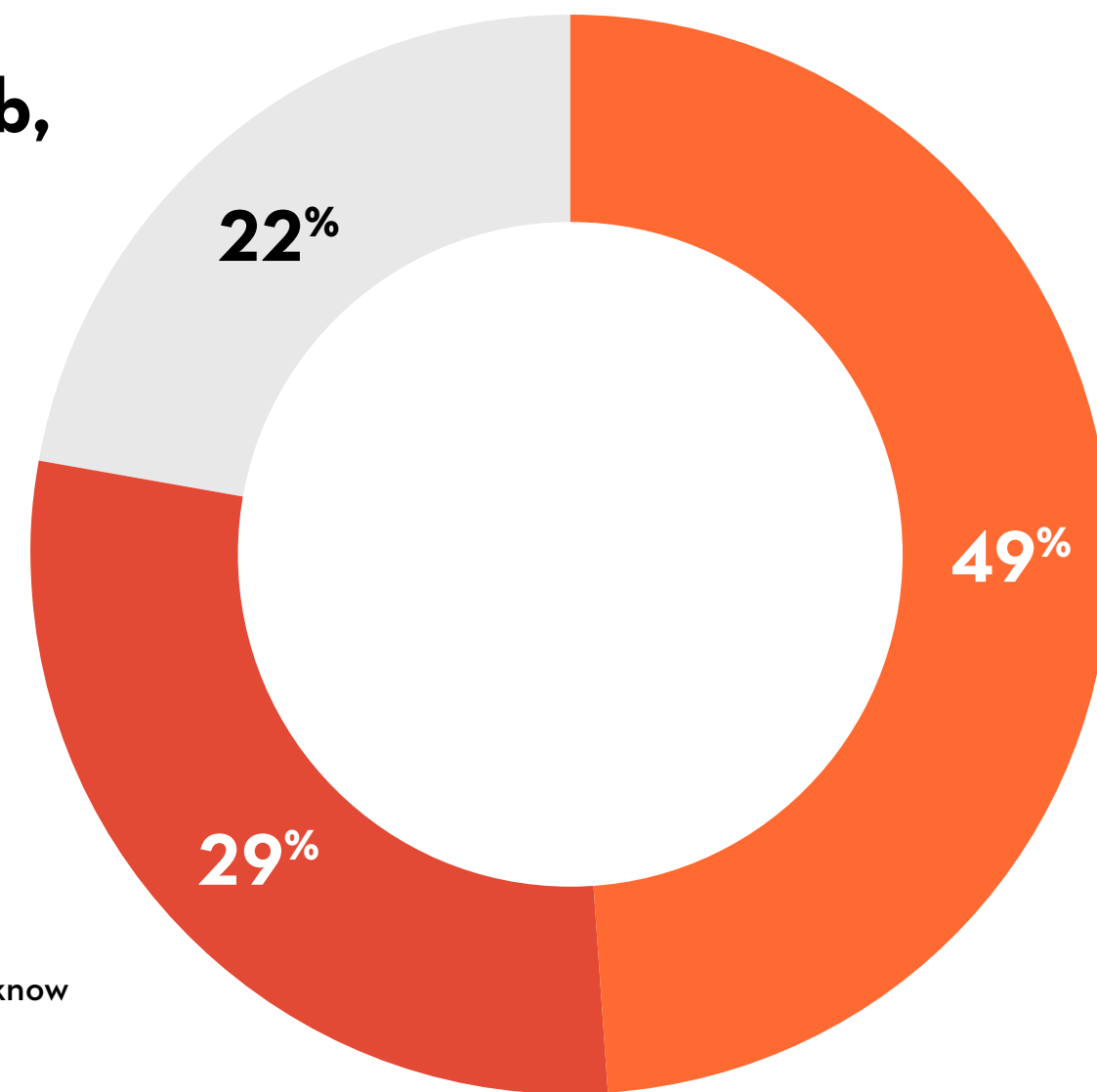
Pivoting

This section explores the pivots to alternative pathways that mature workers can take such as down-grading, becoming self-employed, or moving into another sector.



If retirees rejoin work, would they accept a lower position?

If you were to take another job, would you be willing to accept a lower position than in your last role?



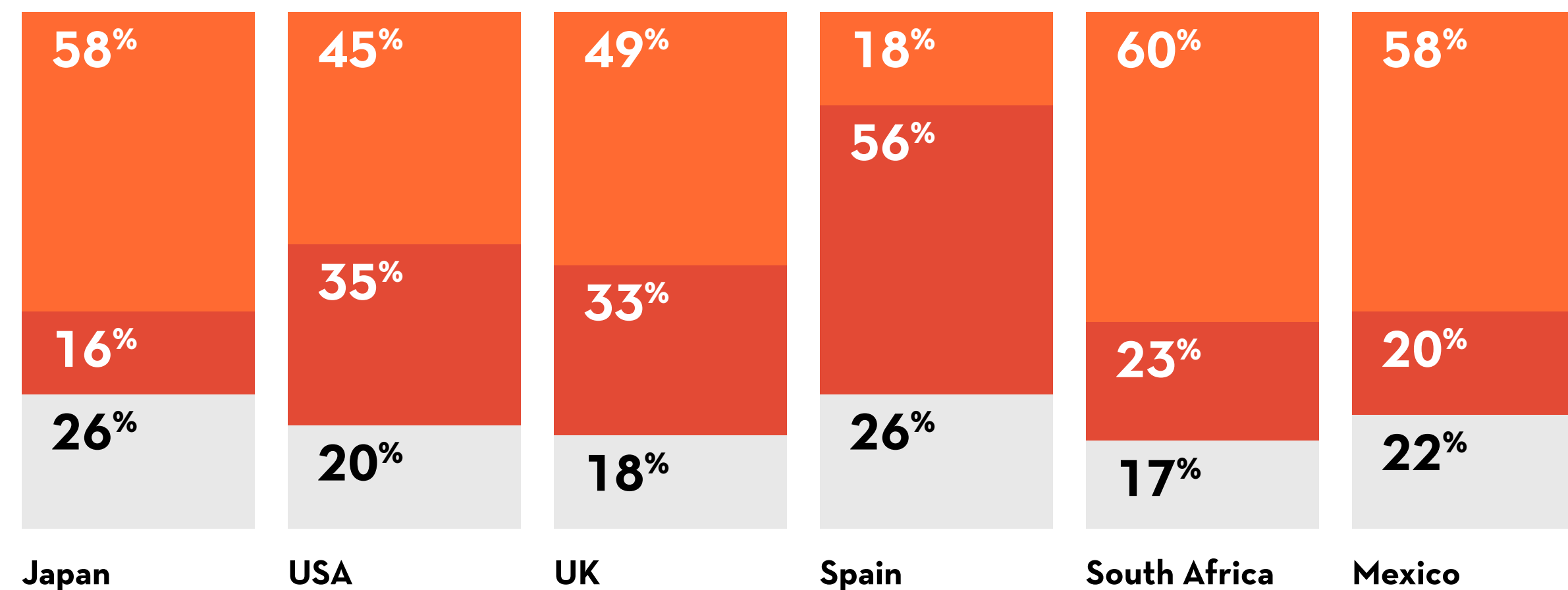
Yes No I don't know

Around **half of retirees would be willing to accept a lower position** if they took another job. This was highest in South Africa (61%) and Japan (58%), and lowest in Spain (18%).

High-skilled workers are more likely to be willing to accept lower roles (57%) than **mid-** (46%) or **low-skilled** (48%) workers.

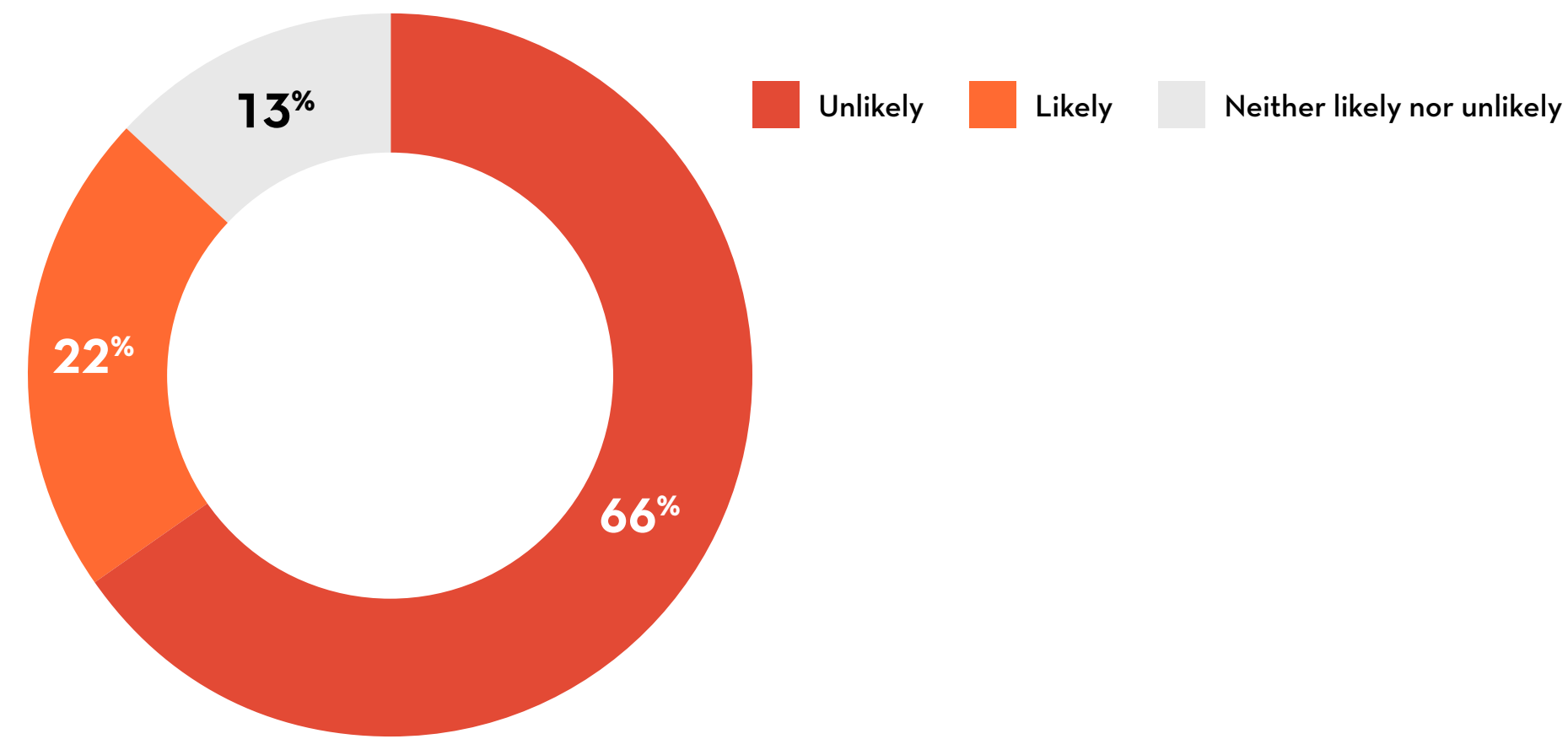
For those willing to accept lower positions, the main motivations were to have a better **work-life balance** (46%), **physical and mental health** (41%), and **flexibility** (39%).

By country



The need for a better work-life balance drives people to accept positions which are lower than the ones they had before. Addressing this and other needs creates more opportunities for those willing to continue working longer.

How likely are mature workers to become self-employed?



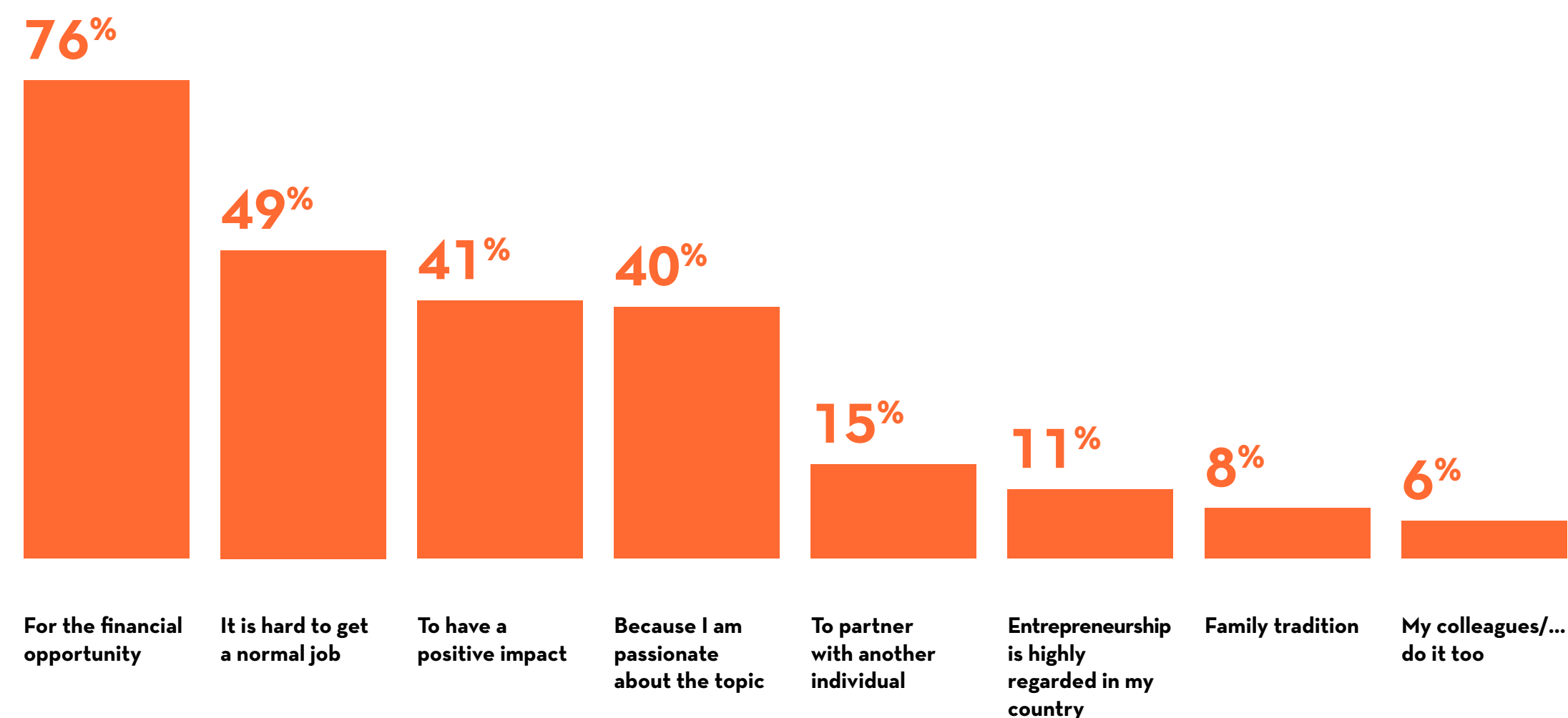
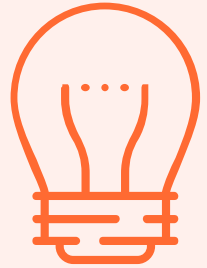
Only 22% of mature workers are considering **self-employment** as a plausible next chapter in their career. The figure is higher for **high-skilled workers** (26%) and those aged 55-63 (27%)

The **main motivations for self-employment** are financial opportunity, lack of employment opportunities, and the chance to make a positive societal impact. Those who are not considering this option (66%) cite risks associated with self-employment, poor access to capital, and lack of networks or time.

Mature workers in Japan (7%), UK (7%) and Spain (11%) are less interested in self-employment than those in South Africa (52%) and Mexico (60%), possibly due to different regulatory frameworks and prevalence of informal work.

Workers with a **migration background** have a higher likelihood of becoming self-employed (37%) than native workers (20%).

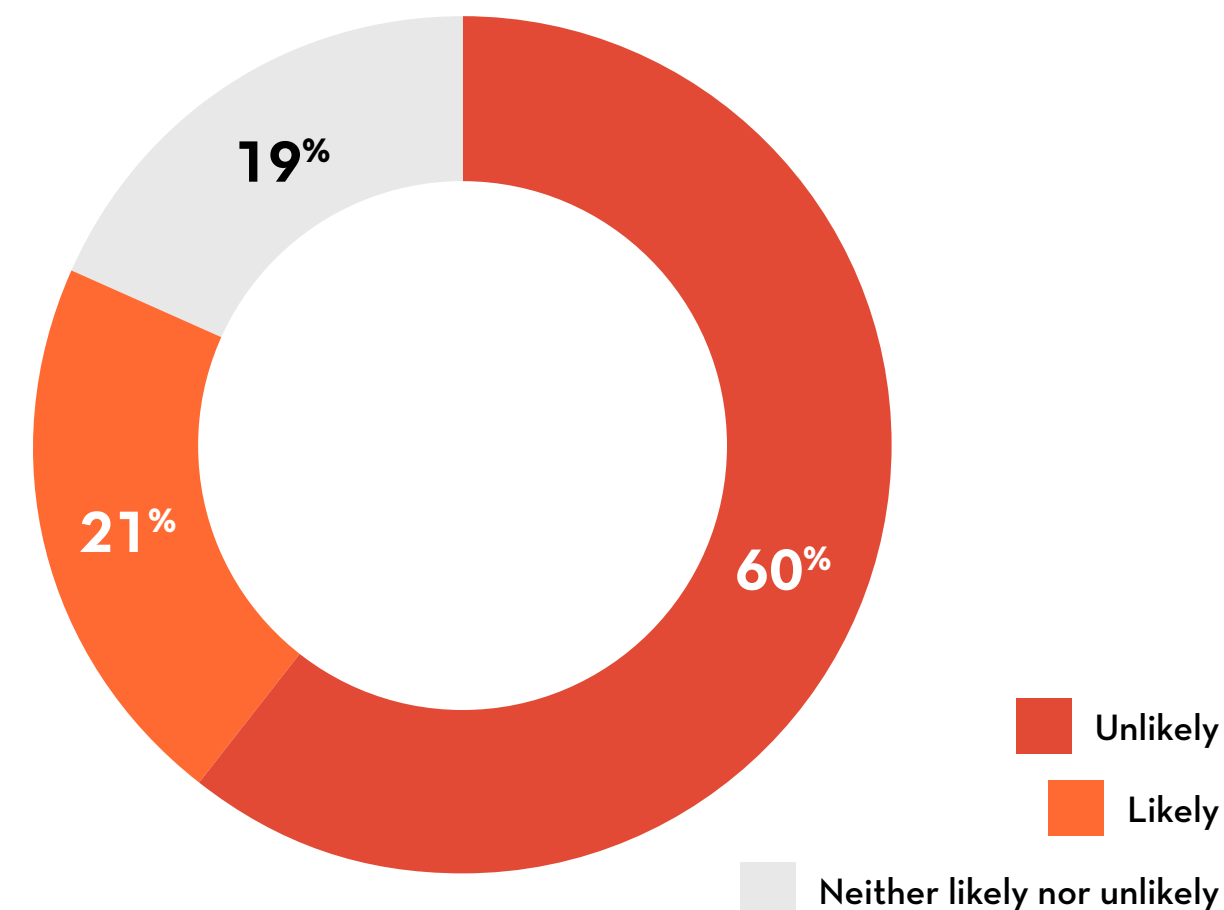
What are the main reasons for being self-employed?

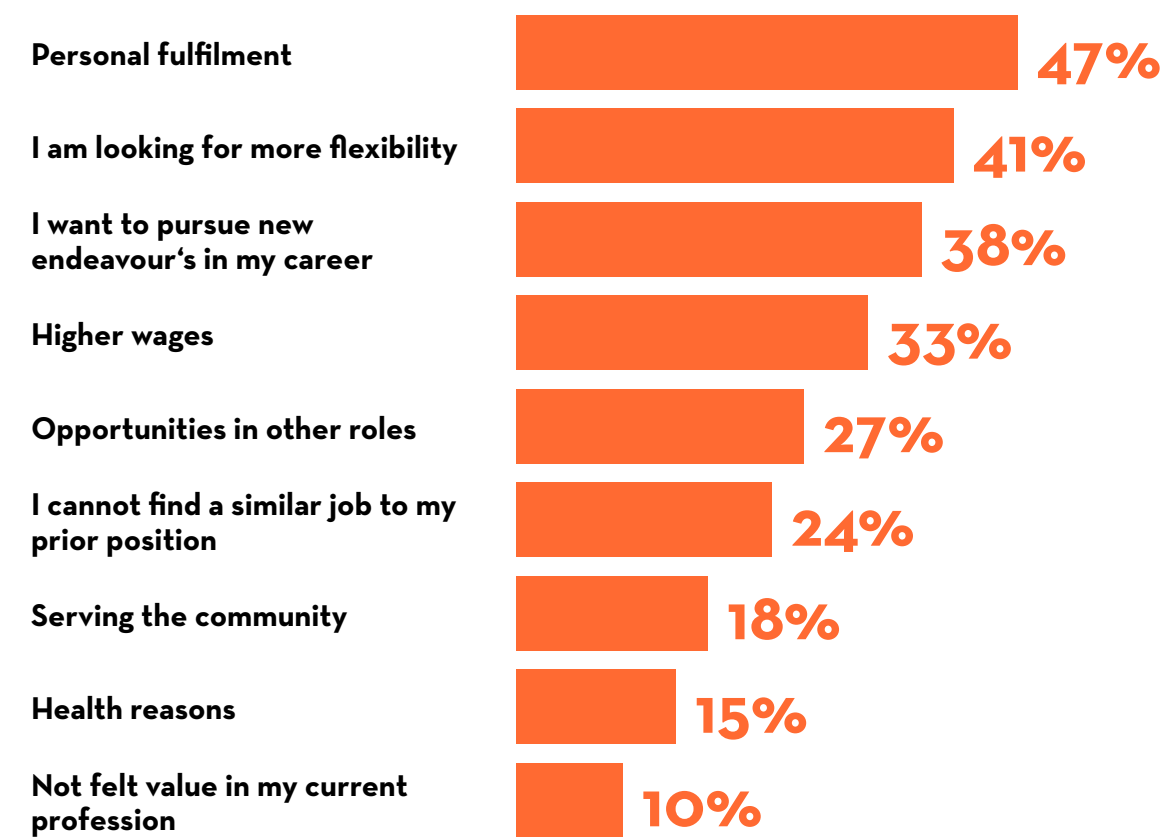
Self-employment is an attractive form of engagement in the labour market, however it is often associated with high risk and financial instability. For mature workers, it can also jeopardize retirement savings or limit access to retirement benefits.

How likely are mature workers to change to a new professional activity?

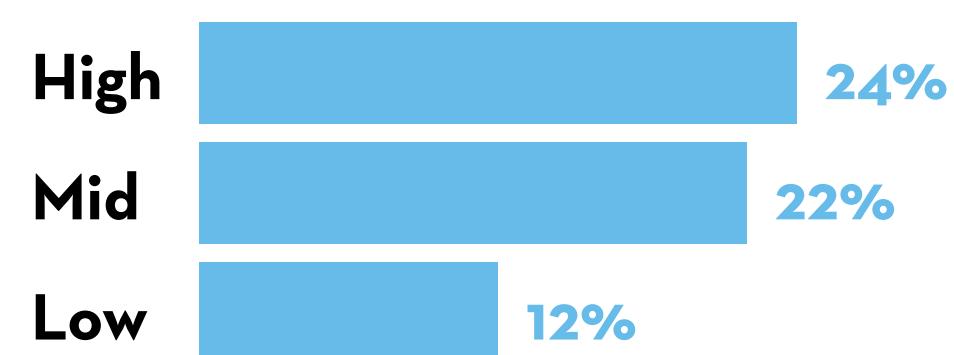
Overall, 21% of mature workers are open to **transitioning to a new professional activity**. This is highest in sectors undergoing rapid technological transformation – such as marketing, professional and business services (over 35%), IT, and repairs and maintenance – where jobs are more likely to be **displaced by automation**. Workers with a **migration background** (32%) and the **unretired** (24%) are more eager to pivot in their careers.



Why are you likely to change to a new professional activity?

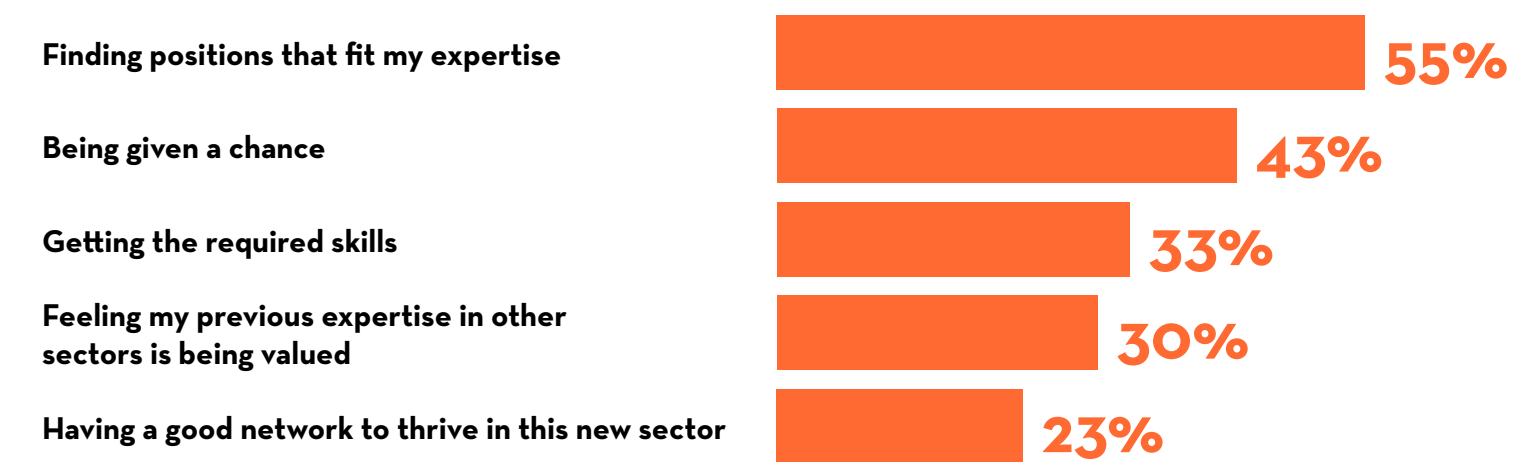


Skill level



High- and mid-skilled workers (24% and 22%) are more likely to pivot than low-skilled workers (12%).

Which of the following do you consider to be barriers to you changing to a new professional activity?



Among those likely to change profession, over half said finding a position that fit their expertise was the main barrier, followed by being given a chance (43%) and getting the required skills (33%).

Most of those unlikely to change said they felt no need to do so, while **32% felt it was too late**.

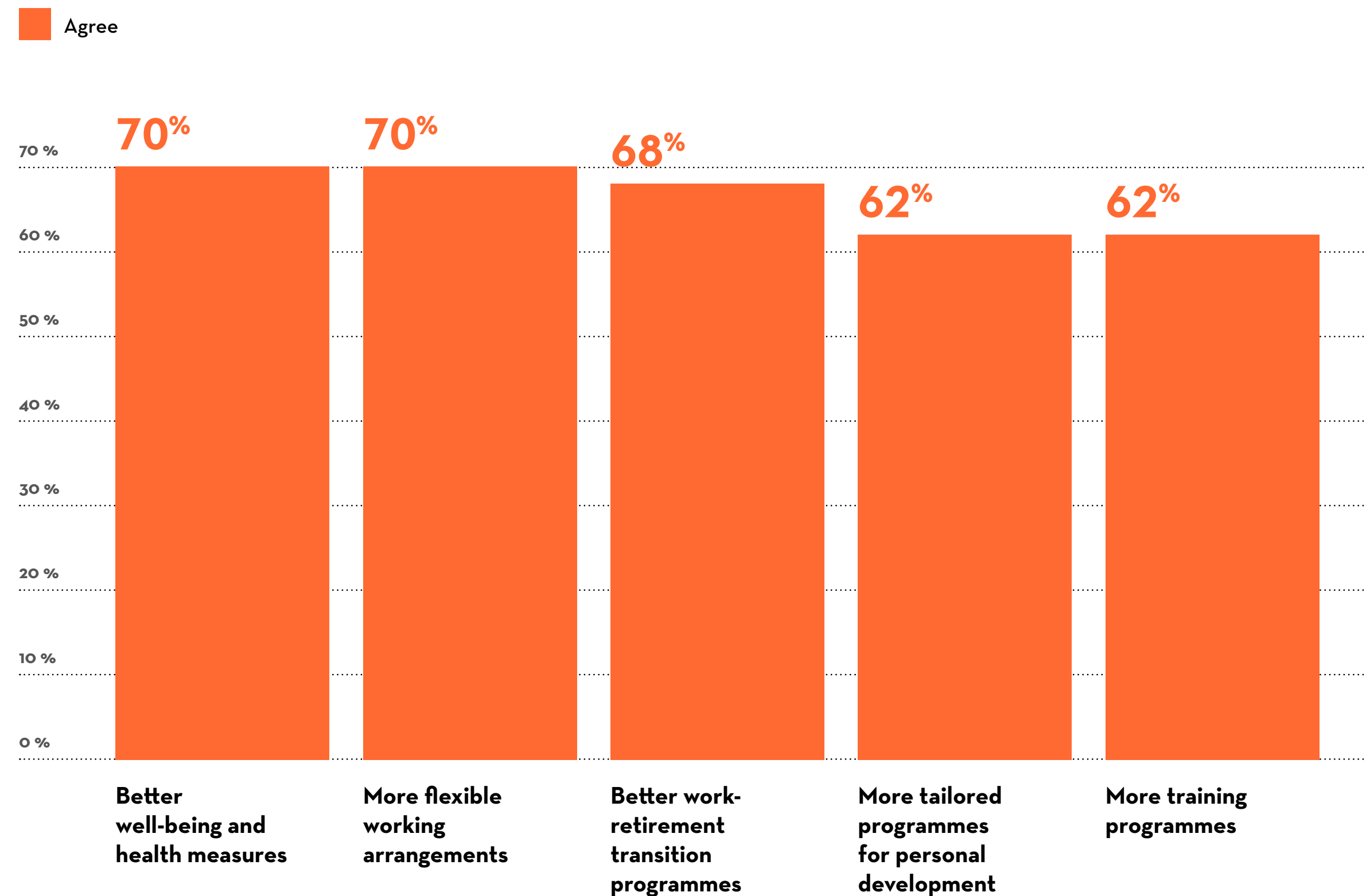
Key needs of mature workers

This section explores the key needs of mature workers to re-enter or stay in work longer. With more mature workers in the global labour market, it becomes more important for measures to foster a more inclusive work environment for this demographic.



Which measures could improve employment opportunities for mature workers?

How much do you agree that the following policies could improve employment opportunities for older workers in your industry/sector?



Better well-being and health measures and flexible working arrangements stand out as the key priorities to improve employment opportunities for mature workers.

For this demographic, building better work-retirement transition programmes is as important as other measures, which could be improved by employers.

Opportunities and white spaces to explore further

This survey aimed to gather direct sentiment from mature workers, and to cross-check these with the white spaces identified in our initial Scan paper. While some of the findings align with the common perception of older workers, their needs and opportunities, the study identified the following areas for further exploration.

- Unretirement could be a boon or a curse depending on how it is handled by employers and employees alike. How can the enabling environment be created for those willing to return to work?
- Pivoting to a new professional activity shows the appetite to change and do something different at a later stage of career. The barriers to pivot, including bias, access to training and assumptions about skills mismatch (e.g., technology), merit further exploration, as does the impact of pivoting on financial stability.
- Health issues and physical limitations are a reality, and need to be acknowledged. Solutions supporting transition and adaptation will become increasingly important.

In the next step of the Scan phase, which is part of the unique research process of our operation as a Social Innovation Lab, the insights from the survey will inform the subsequent research papers. These insights help identify those at high risk of being left out of the labour market, help to better understand their challenges and needs, and point towards innovative solutions. To achieve this goal, concrete projects will then be created in the Build and Scale phases.





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