



ISSUE BRIEF

Understanding Job Transitions Among Workers Age 45-Plus: A Global Perspective

INTRODUCTION

During the COVID-19 pandemic, people worldwide reassessed their career choices. The Great Resignation emerged in the United States as employees voluntarily left their jobs to find better pay, to retire earlier than planned, or due to health problems.¹ Movement of the workforce in recent years is not limited to the U.S. alone but is evident in all countries included in this study.² Understanding employees' motivations and triggers for changing jobs can help employers retain older workers, resulting in a more productive, multigenerational workforce.

In partnership with The Organisation for Economic Co-operation and Development (OECD), AARP conducted a large-scale global employee survey from June 1 through July 15, 2022, which included two modules: Employee Retention (Module I) and Worker Transitions (Module II). This brief highlights key findings from Module II and explores the perceptions and experiences of older workers³ as they embark on job and career changes.⁴ Understanding the experiences and needs of older workers is crucial to building and maintaining a healthy global workforce. A total sample of 6,551 workers⁵ age 45 and older was collected from 12 countries⁶ which are categorized into five regions:

EAST ASIA/PACIFIC

Australia, Japan, and South Korea



NORTH AMERICA

Canada and the United States



NORTHERN/WESTERN EUROPE

Finland, France, Germany, and the United Kingdom



SOUTH AMERICA

Brazil



SOUTHERN EUROPE

Italy and Spain



¹ <https://www.aarp.org/research/topics/economics/info-2022/great-resignation-workforce-trends-older-adults.html>

² <https://www.aarpinternational.org/initiatives/future-of-work/lel/global-insights-on-retaining-workers-ages-45-plus>

³ Data are analyzed by region and significant country differences are highlighted, where appropriate. Respondents in Module II are all aged 45-plus and are referred to as "older workers."

⁴ Percentages may not add up to 100 due to rounding.

⁵ Working full-time, part-time, or not currently working but looking for work (Workers aged 45-plus, n=6,551).

⁶ Sample sizes for each country: Australia, n=520; Japan, n=630; South Korea, n=600; Canada, n=570; United States, n=515; Finland, n=526; France, n=514; Germany, n=568; United Kingdom, n=563; Brazil, n=447; Italy, n=577; Spain, n= 521

Changing jobs later in life is not uncommon.

A job change was defined as any change to one's working circumstances, including a promotion or change in roles at a current job, getting a new job, losing a job, switching industries, starting a business, or shifting from part-time to full-time or full-time to part-time, but not including retirement.

Changing jobs at the beginning of one's career is common, as movement is typically necessary to expand skill sets, increase responsibilities, and earn higher salaries.⁷ But job change is not limited to working in the early years. In fact, 41% of those aged 45-plus report having changed jobs in the past five years. And, workers aged 45 to 54 (52%) are more likely to have changed jobs compared to those aged 55 and older (35%). This degree of movement is consistent across regions (Fig. 1) with the exception of South America,⁸ where more than three in five workers (61%) report having changed jobs in the past five years.

Brazil's older workforce reports the highest incidence of a job change in the past 5 years (61%) followed by South Korea at 54%.

Figure 1: Older workers who made a job change in the past five years, by region



Question WT1: When, if ever, was the last time you made a job change? By a "job change," we mean any change to your working circumstances, including a promotion or change of roles within your workplace, getting a new job, losing a job, switching industries, starting a business, shifting from part-time to full-time work or full-time to part-time work, etc.

(Base: All workers, age 45+)

The most common changes reported are finding a new job in the same industry (23%) and finding a new job in a different industry (23%), and to a lesser extent, making a lateral move within the same organization (12%). This type of change without a promotion is more common in the East Asia/Pacific region (15%) and Southern Europe (16%) than it is in North America (7%). Changing jobs in South America could indicate a variety of things; though finding a new job in the same industry (18%) or a new industry (18%) is still the most common, a significant portion of their workforce also mentions starting their own business (15%) or getting laid off or fired (10%).



⁷ <https://www.bls.gov/news.release/pdf/nlsoy.pdf>

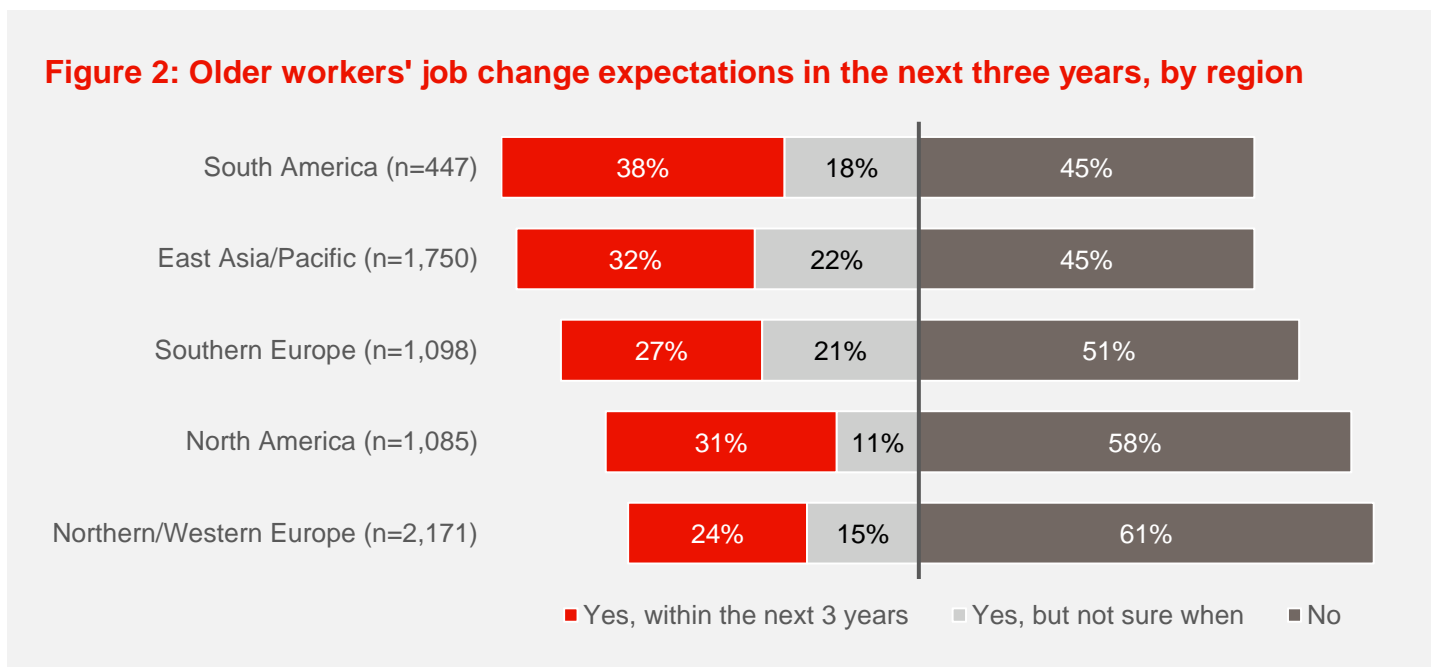
⁸ Brazil only

Older workers change jobs for a number of reasons. While some can be very individual and personal (like the need to take care of a child or an aging parent), the most common reasons are dissatisfaction with current pay (19%) or feeling undervalued (15%). Poor working conditions and/or lack of career advancement (7% each) are also triggers for some workers, specifically in Japan, South Korea, and France.

Findings suggest that job transitions among the older workforce may not slow down anytime soon, as 48% of workers age 45-plus indicate they anticipate a change in the next few years. In fact, 21% believe they will be making a change in the next year, 9% expect to make a change within the next two or three years, and about one in five (18%) expect to make a job change but don't know when. Approximately one-third of the older workforce in South America (38%) and the East Asia/Pacific region (32%) anticipate making a job change within the next three years (Fig. 2). In comparison, those in Northern/Western Europe are the least likely to anticipate a job change. More specifically, 67% of older workers in Germany and 64% of older workers in France expect to be in the same job three years from now.

71% of the older workforce in South Korea anticipate making a job change within three years.

Figure 2: Older workers' job change expectations in the next three years, by region



Question WT3: Are you expecting or hoping to make a job change in the next few years? By a “job change” we mean any change to your working circumstances, including a promotion or change of roles within your workplace, getting a new job, losing a job, switching industries, starting a business, shifting from part-time to full-time work or full-time to part-time work, etc. This does not include retirement. (Base: All workers, age 45+)

As seen with current job changes, anticipated job changes fall primarily into two categories: new job in the same industry (31%) or new job in a different industry (30%). In South America,⁹ changing industries is more often mentioned (32%) than just changing jobs in the same industry (21%). The opposite is true in Finland; among those who do anticipate a move, it is most likely for a job in the same industry (44%) rather than a new industry (35%). Other workers are anticipating a promotion (17%) or starting their own business (12%). When describing the types of changes anticipated, few, regardless of region, expect a negative scenario to evolve within the next three years where they might be demoted (3%) or lose a job or get laid off (4%). Despite this optimism, some studies show these scenarios are more common than people think. For example, one study reports that over one in 10 (12%) U.S. workers aged 40 and older have left a job involuntarily within the past five years.¹⁰

⁹ Brazil only

¹⁰ <https://www.aarp.org/pri/topics/work-finances-retirement/employers-workforce/multicultural-work-jobs-study-2023.html>

Among the 53% of the older workforce who do not anticipate making a job change, being happy in their current job (42%) is their main reason for staying. Additional reasons include not seeing a need to change (36%), not wanting to change (33%), having good job security (32%), and preferring to stay where they are comfortable and familiar with the work (25%). Interestingly, the mention of being paid well or good benefits does not make the top five reasons for staying in a job among all respondents aged 45-plus. That said, pay and benefits rate significantly higher for those in North America (34% and 27%) and South America (30% and 31%) than in other regions.

While many older workers feel positive about their job security, some are not as confident.

At a high level, more than half of older workers in all regions (58%) believe their current job would still be available to them five years from now if they chose to stay. Regions vary slightly, with those in the East Asia/Pacific region expressing the least confidence, with only half (52%) saying their job is somewhat or very likely to be available. Those in North America are the most confident, with 65% making the same claim.

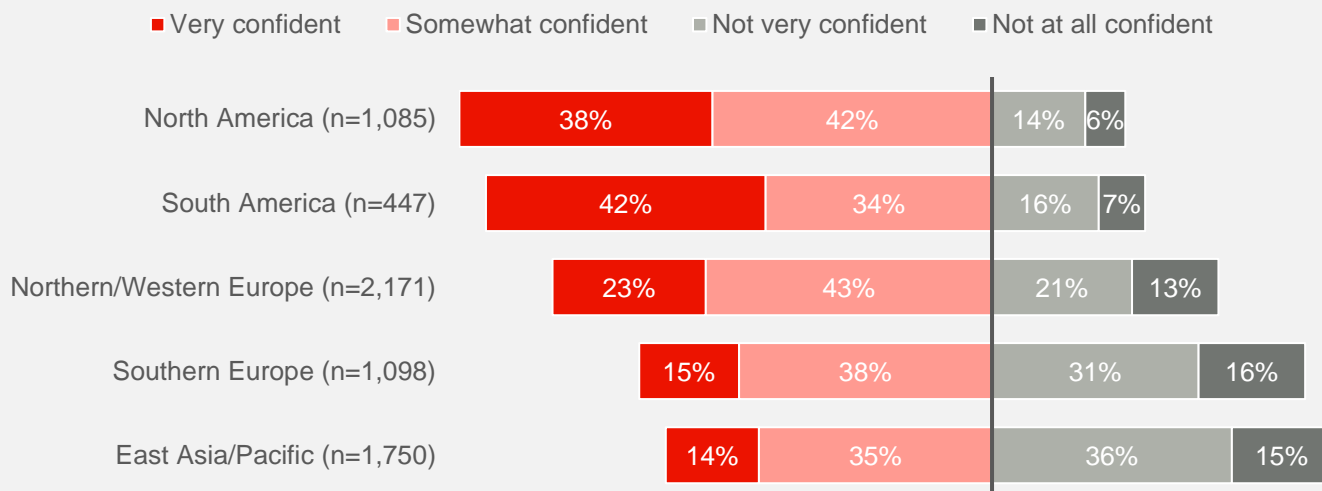
58% of older workers believe their job is safe for the next five years.

From another perspective, 58% say their current job will still be available in the next five years if they wanted to stay, 23% are neutral, leaving 19% feeling it would be somewhat or very unlikely that their job would be available. Similarly, 66% do not believe they will be furloughed or laid off, and 61% do not anticipate their hours will be reduced. The degree of security or insecurity on each of these measures does vary by region; overall, those in the East Asia/Pacific region feel less sure about the future (19% likely to lose a job, 15% likely to be furloughed or laid off, and 17% likely to have hours reduced), while those in Northern/Western Europe feel the most secure (12% likely to lose a job, 9% likely to be furloughed or laid off, and 12% likely to have hours reduced).

Those who believe they might lose their job in the next year cite a weak economy more often than any other reason (51%), regardless of region. To a lesser extent, they mention a company cutting costs (37%), a business or factory closing (25%), a reorganization (23%), or age discrimination (23%). Those in Southern Europe are significantly more likely than those in most regions to cite age discrimination (33%) and a business or factory closing (39%).

If the unfortunate happened and they were out of work, about two in five older workers (38%) are not confident they could find a similar job. That sentiment varies by region (Fig. 3) with significant differences by country. Those in the United States express the most confidence in finding new work (84%), while those in Japan express the least confidence (32%).

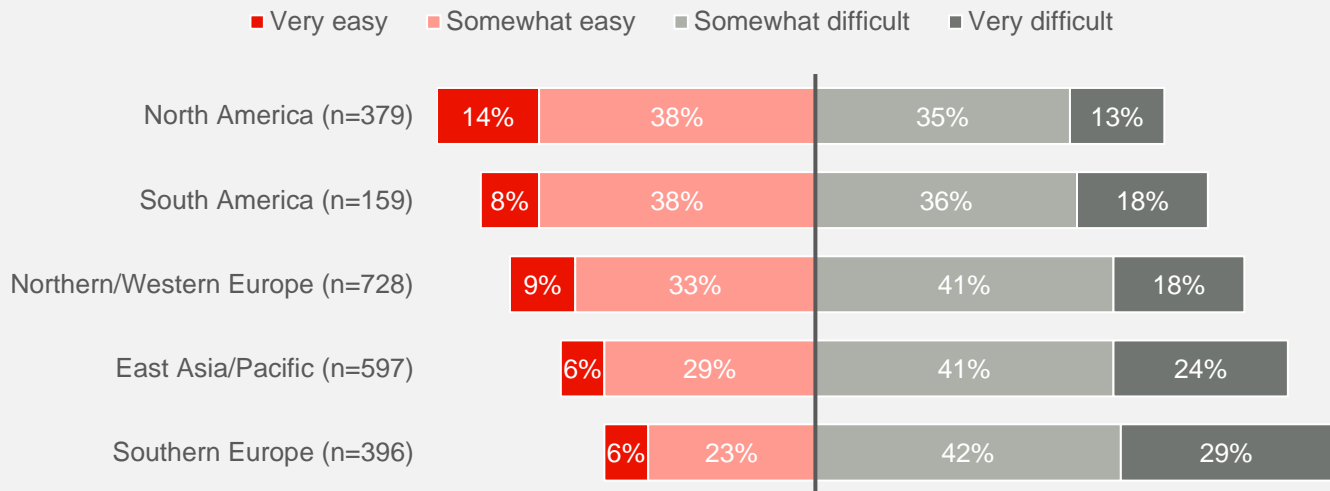
Figure 3: Older workers' confidence in their ability to get a similar job if they lost their current job, by region



Question WT10: If you lost your job, how confident are you that you would be able to find another similar job? (Base: All workers, age 45+)

Among those who have been looking for a job currently or in the recent past (34%), their fears are not unfounded, as 61% say it was somewhat or very difficult to find jobs that matched their skills and experience. More than half of older workers in all regions except North America report difficulty in finding jobs (Fig. 4). Older workers in North America are just as likely to report ease in finding a job as they are to report difficulty in finding a job.

Figure 4: Ease of older workers' finding a job that matches their skills or experience among workers currently looking for a job currently or recently, by region

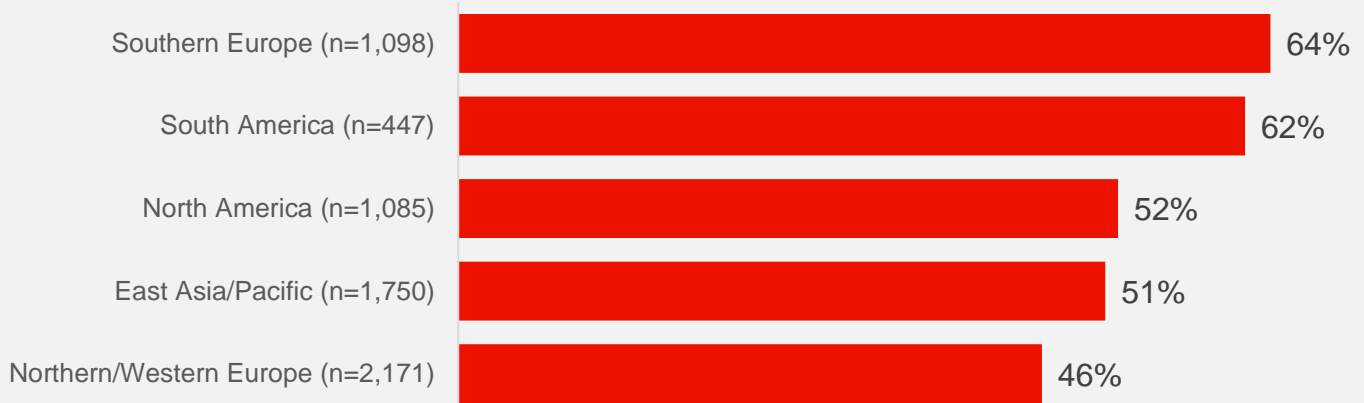


Question WT11: During your job search, how easy or difficult was it to find job openings that matched your skills and experience? (Base: Workers age 45+ who are not working but looking for work (QS2), workers age 45+ who looked for a new job or applied for a new job (QER1))

Older workers feel the effects of age discrimination.

As mentioned earlier, some older workers cite age discrimination as a reason they fear they may lose their jobs in the next year. And though not all mentioned it, a majority (52%) of older workers across most regions have seen evidence of age discrimination in the workplace; workers in Northern/Western Europe saw it to a lesser degree (Fig. 5).

Figure 5: Older workers who believe age discrimination exists in the workplace, by region



Question WT13: Based on what you have seen or experienced, do you think older workers face discrimination in the workplace today based on age? (Base: All workers, age 45+)

The perception of age discrimination in the workplace varies by country as well; it's highest in South Korea, Australia, Spain, and Italy (64% each), and lowest in Japan (28%) and Germany (34%). Those in the United States, the United Kingdom, and France are in the middle, with close to 50% having seen or experienced age discrimination in the workplace.

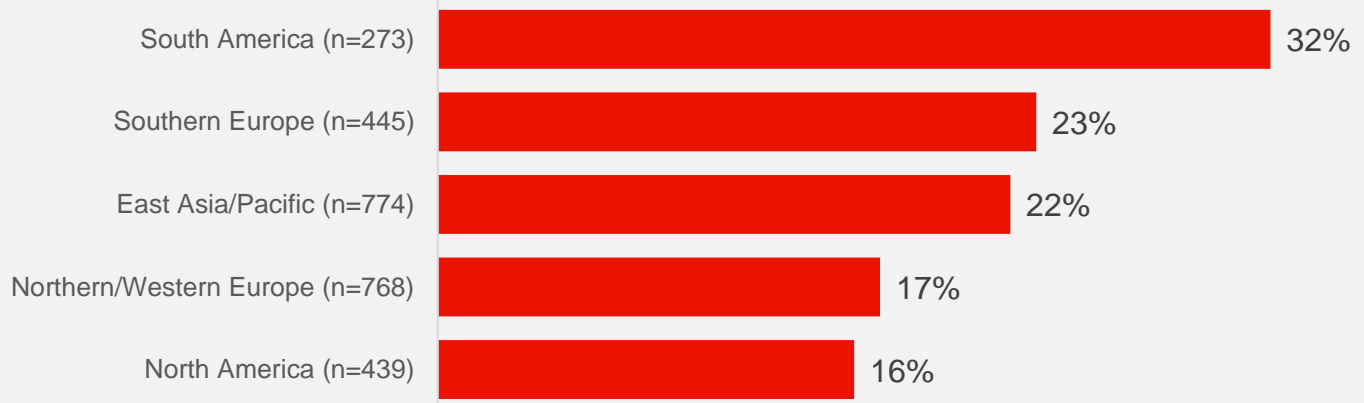
The most common type of age discrimination experienced is not getting hired because of age (18%), followed by getting passed up for a promotion or a chance to get ahead because of age (11%), or hearing negative remarks about an older coworker's age (11%).

Nearly two in three older workers in South Korea, Australia, Spain, and Italy have seen or experienced age discrimination in the workplace.

Older workers welcome help and information to aid in making a job change.

While one in five (22%) indicate that they would not need any help making or anticipating a job change, most others would welcome it. Older workers would like help identifying the types of jobs they would enjoy (21%), a list of occupations that would be a good fit (18%), and information on how to fight age discrimination (17%). A common need among older workers when making a job change is an assessment of their skills and competencies (20%) (Fig. 6).

Figure 6: Older workers indicating they need help in "Assessment of my skills and competencies" in order to make a job change, by region



Question WT5: [Making a job change] Was there anything that you needed help with, or information that would have been helpful when making your job change? [Expect to make a job change in the future] What kind of help or information do you think you will need to make your job change? [Not working for pay but looking for work] What kind of help or information do you think you will need to re-enter the workforce? (Base: Workers age 45+ who are making a job change, anticipate a job change, or not working but looking for work)

While the same needs rise to the top of the list regardless of region, there are some variances by country. Specifically, older workers in Brazil are the most vocal about the help they would need and want, expressing significantly higher levels of interest than older workers in other countries in information related to age discrimination, networking, building self-confidence, and learning about emerging industries.

The two most common places older workers turn to for help when looking to make a job change are friends and family (31%) and job listing websites (29%), followed by colleagues/coworkers (20%), recruiters (17%), government agencies (16%) and company websites (16%). The use of social media or online networking through platforms such as LinkedIn varies by region; job seekers in South America rely on it significantly more often than those in the East Asia/Pacific region (31% vs. 9%), with use in all other regions falling between 12% and 17% (Fig. 7).

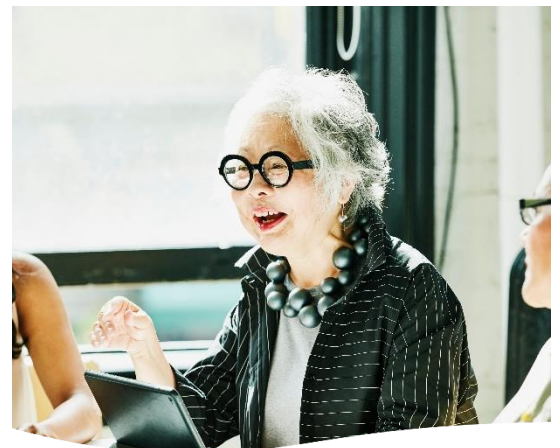
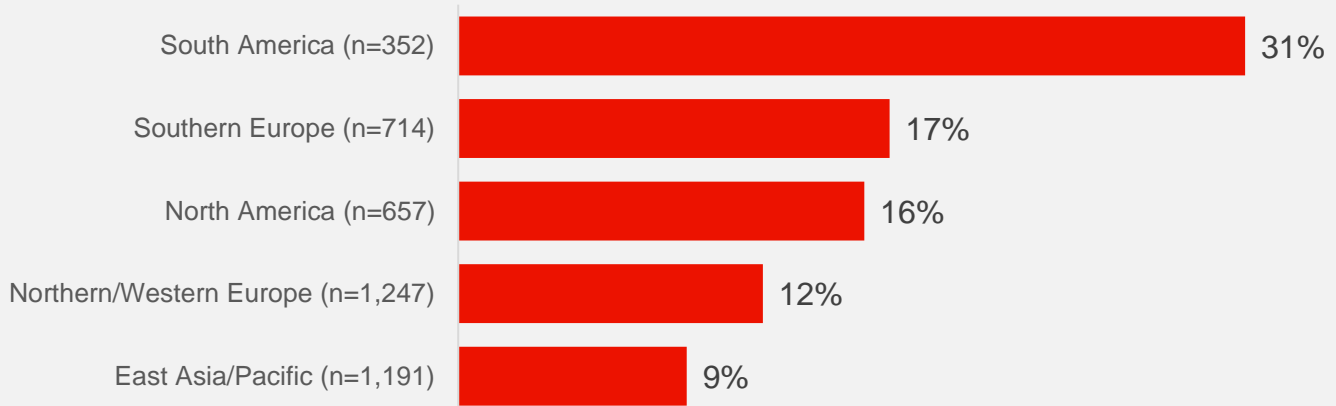


Figure 7: Incidence of older workers who use or would use social media to help them find a job, by region

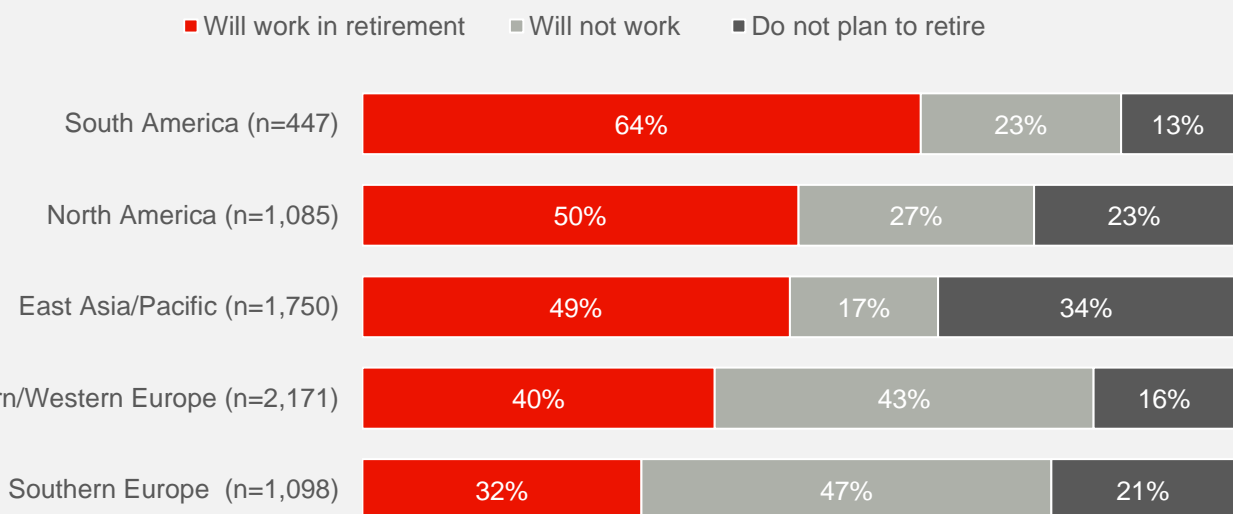


Question WT5: [Making a job change] Was there anything that you needed help with, or information that would have been helpful when making your job change? [Expect to make a job change in the future] What kind of help or information do you think you will need to make your job change? [Not working for pay but looking for work] What kind of help or information do you think you will need to re-enter the workforce? (Base: Workers age 45+ making a job change, workers 45+ expecting to make a job change in the future, workers 45+ not working for pay but looking for work)

Retirement is not everyone’s goal.

Regarding retirement, most (93%) older workers indicate they will not retire before the age of 60, if at all. In fact, more than a third (36%) say they will retire sometime after age 66. How they will spend their time postretirement varies by region (Fig. 8). Though a significant portion of each regional population believes they will continue to work after retirement, those from Northern/Western Europe and Southern Europe are the most likely to take a traditional route and not plan to work after they retire.

Figure 8: Older workers' post-retirement plans, by region



Question WT16: Which of the following, if any, best represents what you plan to do during your retirement? (Base: All workers, age 45+)

Though older workers plan to work postretirement for a variety of reasons; the top three include staying mentally active (46%), providing financial support (43%), and staying physically active (38%). As an ideal work situation in postretirement, older workers want an organization that values their opinions, allows flexibility to stay on as long as they want, and enables them to work while receiving a pension.



South Korea and Japan have the highest proportion of workers who have no plans to retire (39% and 37%, respectively).

Implications

Job and career transitions have become more prevalent in recent years due to the COVID-19 pandemic, as well as rapid technological change. Though they are not always anticipated, job changes — proactive or reactive — appear to be a constant and a force that inevitably impacts workers and employers. These workforce shifts have several implications:

Reskilling and upskilling should be continuous.

For those seeking to make a job change, reskilling and upskilling are essential to stay competitive in today's job market, especially with evolving job requirements and technological advancements. For example, automation, artificial intelligence, and machine learning are transforming various industries, leading to a demand for different skill sets. Whether older workers move within the same industry or to a different one, on-the-job training and continuous professional development are key for career progression and job security — and often job satisfaction, since older workers possess a growth mindset. And job satisfaction is a particularly important consideration for employers facing labor shortages.

Resources should be readily available for those seeking to make a job change.

Job change is especially challenging when job openings do not match one's skills and experience. Several resources could help older workers who want or have to make a job change. For example, a list of occupations with similar qualifications, assessments workers can take to identify transferable skill sets, and strategies for age-proofing application materials to avoid age discrimination during the hiring process. While these resources would be useful for all older workers, those experiencing job insecurity especially stand to benefit.

Age inclusivity is essential for a productive and stable workforce.

Governments and private organizations need to adopt policies and practices to address the needs of an aging workforce. Workers of all ages should be secure in their jobs without having to worry about being discriminated against due to age. In addition to eliminating age discrimination among workers, employers must take steps to reduce age-related biases in the hiring and interviewing processes if they want to fill gaps in their workforce. Otherwise, job openings will remain.

Older workers must demonstrate their unique skills, experience, and adaptability to stand out in a global job market. To attract and retain older workers, employers should provide and/or support skills training for better job performance, enhanced productivity, higher job satisfaction, and career advancement opportunities. In addition to encouraging continuous learning, employers need to embrace age diversity and adopt policies that address the needs of an aging workforce to ensure a fulfilling, secure, and inclusive work environment.



For more information about the Living, Learning and Earning Longer (LLEL) collaborative, visit www.aarpinternational.org/LLEL.

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