



ISSUE BRIEF

Retaining Older Workers Through the COVID-19 Pandemic and Beyond: A Global Perspective

INTRODUCTION

The advent and long-term impacts of the COVID-19 pandemic have generated unprecedented and rapid change to workforce dynamics around the world. Implications and expectations for employees and employers continue to evolve as the global workforce navigates and establishes new workplace norms amid the ongoing pandemic. Now more than ever, workers across generations, particularly older workers, value flexibility and seek jobs that provide suitably accommodating work policies. The headwinds against returning to pre-pandemic norms are strong; if employers are to retain satisfied employees, they must understand the evolving perceptions, expectations, and motivations around work in the age of COVID-19.

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 I and explores the expectations, motivations, and outcomes of older workers¹ as they navigate employment. Understanding the experiences and needs of older workers is crucial to building and maintaining a healthy global workforce.

A total sample of 12,158 workers² ages 25 and older was collected from twelve countries³ which are categorized into the five regions below:



¹ Data are analyzed by age and region. Respondents were divided into two age groups: 25 to 44 and 45-plus. While respondents ages 45-plus completed Modules I and II, those ages 25 to 44 completed only Module I. Throughout this issue brief, workers ages 25 to 44 are referred to as “younger workers,” while those ages 45-plus are referred to as “older workers.”

² Working full-time, part-time, or not currently working but looking for work (Workers ages 25-44, n=5,607; Workers ages 45-plus, n=6,551)

³ Sample sizes for each country: Australia, n=1,005; Japan, n=1,018; South Korea, n=1,008; Canada, n=1,011; United States, n=1,008; Finland, n=1,009; France, n=1,014; Germany, n=1,011; United Kingdom, n=1,006; Brazil, n=1,040; Italy, n=1,022; Spain, n= 1,006

The COVID-19 Pandemic Has Changed Expectations Around Work

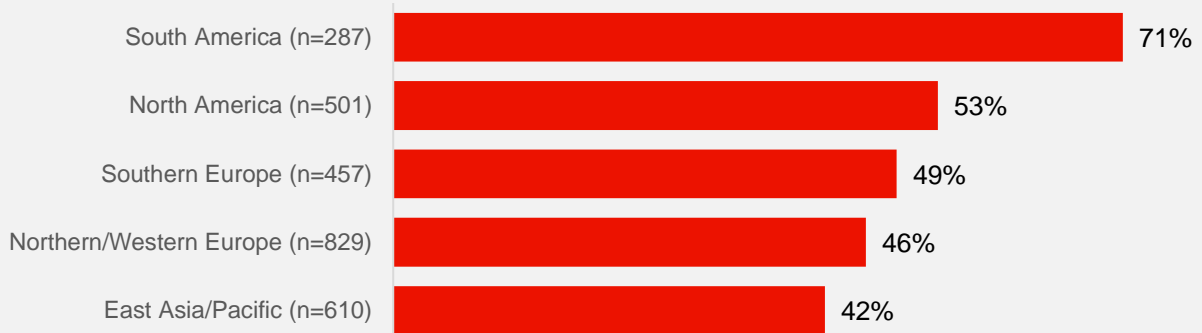
The remote workforce has grown since the start of the COVID-19 pandemic.

While the pre-pandemic workforce included three segments of employees: full-time remote, full-time in-person, and hybrid (a combination of remote and in-person), the size of these segments changed. One in five older workers (ages 45-plus) (21%) report working from home more now than before the COVID-19 pandemic. Regional differences show that older workers in South America and North America are the most likely to work remotely more now than before the COVID-19 pandemic (24% and 23%, respectively), followed by the East Asia/Pacific region (21%), Northern/Western Europe (21%), and Southern Europe (18%).

Nearly half of older workers (48%) report working remotely at least some of the time. South America⁴ stands apart from all other regions when it comes to remote work, with 71% of older workers reporting that they work remotely at least some of the time. In other regions, at least two in five older workers are working remotely (Figure 1).

Brazil has the largest remote workforce of older workers (71%) followed distantly by the United States and the United Kingdom, with 55% each.

Figure 1: Older workers engaged in some type of remote work by region



Older workers report little difficulty working remotely.

Older workers show resilience when it comes to remote work. The vast majority of older workers who work remotely (94%) report little to no difficulty with technological aspects of remote work, including video conferencing, connecting to their employer's network, accessing equipment to do their job, and accessing reliable internet. In addition, the majority of older workers who work remotely (94%) report little to no difficulty managing their work-life balance, including staying focused, collaborating with coworkers, juggling work and caring for others, ending work for the day, and feeling socially isolated from coworkers.

This holds true across regions. Regarding comfort with technology, the vast majority of older workers in Southern Europe (96%), Northern/Western Europe (95%), and the East Asia/Pacific region (95%), reported little to no difficulty. When it comes to ease of maintaining work-life balance in a remote setting, older workers in Southern and Northern/Western Europe also showed little difficulty (96% and 95%, respectively).



⁴ Brazil only

Older workers value increased flexibility and better work-life balance.

The COVID-19 pandemic has given workers an opportunity to reflect on what they want in a job. Among these newfound desires is flexibility: half of older workers (50%) report that the pandemic has made them realize they want more flexibility.⁵

The pandemic has also led older workers to also seek changes beyond flexibility. About one in five older workers (19%) say the pandemic drove them to want a higher-paying job, while others realized they would prefer less demanding or stressful jobs (18%) or to simply work less (14%). Nearly one in ten (8%) have considered stopping work or retiring early.

Across all regions surveyed, except for South America,⁶ about half of older workers would like to have more flexibility in when and/or from where they work; the number rises to seven in ten for South America⁷ (Figure 2).

Seven in ten older workers in Brazil want flexibility.

Figure 2: Impact of the COVID-19 pandemic on desire for any type of flexibility among older workers



Older workers in Finland (68%) reported a far higher incidence rate of job-related changes than the other countries in Northern/Western Europe: France (43%), the United Kingdom (53%), and Spain (53%). Older workers in Japan (37%) reported the lowest incidence of job-related changes among all countries surveyed.

Drivers of Job Change Go Beyond Pay

Over half of older workers (54%) have made job-related changes⁸ in the past five years, including one in five (20%) who have started a new job.

Among older workers across regions, South America⁹ leads with three-quarters (74%) of older workers making a job-related change, while about half of older workers in all other regions have done so.

⁵ Flexibility is defined as when they work (certain days or times of the day), working from home sometimes or all of the time, and/or having a job where they can live anywhere (e.g., hold a job in a major city but work from home in another location).

⁶ Brazil only

⁷ Have more flexibility on when I work (certain days or times of the day) + Work from home sometimes + Work from home all of the time + Have a job where I can live anywhere (e.g., hold a job in a major city but work from home in another location)

⁸ Job-related changes include looking for a new job, starting a new job, applying for a new job, considering leaving a job/resigning, voluntarily leaving a job/resigning, making money independently, starting a business, involuntarily leaving a job, retiring, and shutting down one's business.

⁹ Brazil only

Feeling valued is an important reason for job change, in addition to pay.

Primary motives for both older and younger workers who made or considered making a job-related change include low pay (25% vs 33%, respectively), feeling undervalued (24% vs 29%), and lack of career advancement (19% vs 26%).

Older workers in Southern Europe (32%) were significantly more likely to cite low pay compared to other regions, and older workers in both Southern Europe (28%) and Northern/Western Europe (27%) were more likely to cite feeling undervalued as a reason to make or consider making a change compared to other regions. In South America, the most common motivation for older workers to seek a change was to follow a new passion or career (28%). Older workers in the East Asia/Pacific region were more likely than those in the other regions to leave their job because they reached or were close to retirement age or eligibility (18%).

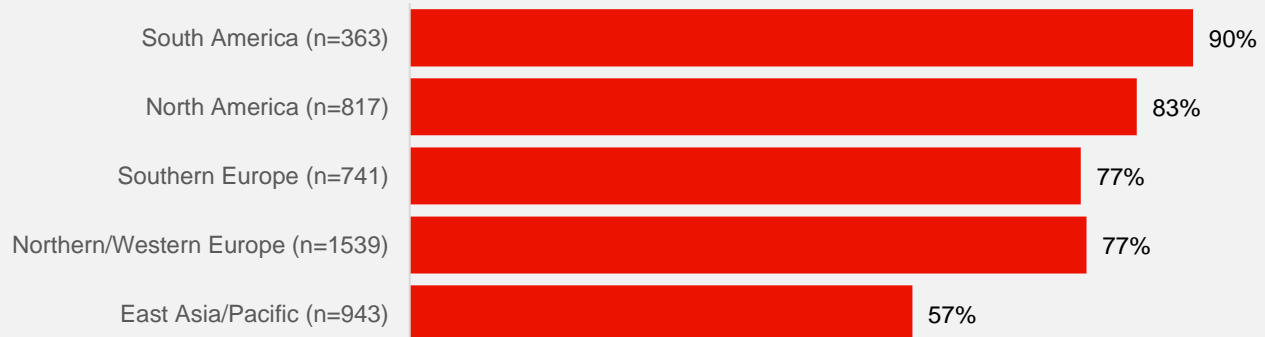
Older workers are optimistic about their ability to work at any age.

Three in four older workers (73%) report that their age does not limit their ability to work. Among this group, three in four (73%) say that they are satisfied or extremely satisfied with their job.

Attitude toward one's age affecting their ability to work varies widely by region (Figure 3). While 90% of older workers in South America feel their age does not limit their ability to work, just 57% of those in the East Asia/Pacific region say the same. Sentiment among older workers in Northern Europe is the same as those in Southern Europe, with 77% of older workers feeling their age does not limit their ability. Over eight in ten older North American workers (83%) agree.

While 90% of older Brazilian workers, 86% of older American workers, and 81% of older Finnish workers feel their age does not limit their ability to work, just 54% of older South Korean workers and 44% of older Japanese workers say the same.

Figure 3: Older workers' agreement with the statement, "My age does not limit my ability to work"



Older workers want to grow professionally despite barriers.

Over half of older workers (55%) report having completed job-related training in the past five years. And, among older workers who did not complete job-related skills training in the past five years, two in five (41%) would be interested in future trainings.

Older workers in South America (72%) and Southern Europe (66%) have the highest rates of job training while those in North America (51%) and the East Asia/Pacific region (49%) exhibit the lowest rates. Not surprising that interest in future trainings is highest also among older workers in South America¹⁰ (74%) and Southern Europe (60%), followed by North America (39%), East Asia/Pacific (39%), and Northern/Western Europe (33%) (Figure 4).

¹⁰ Brazil only

Figure 4: Interest in job-related training among older workers who have not completed training in the past 5 years



*No data for South America due to insufficient base.

The top barriers to wanting to take job-related skills training among older workers included not being able to afford costs or fees (33%), not knowing if a training is worth their time (23%), or difficulty finding the right course or training provider (20%). Across regions, at least a third of older workers reported training costs as a barrier: North America (44%), South America (36%), East Asia/Pacific (32%), Northern/Western Europe (30%), and Southern Europe (30%).

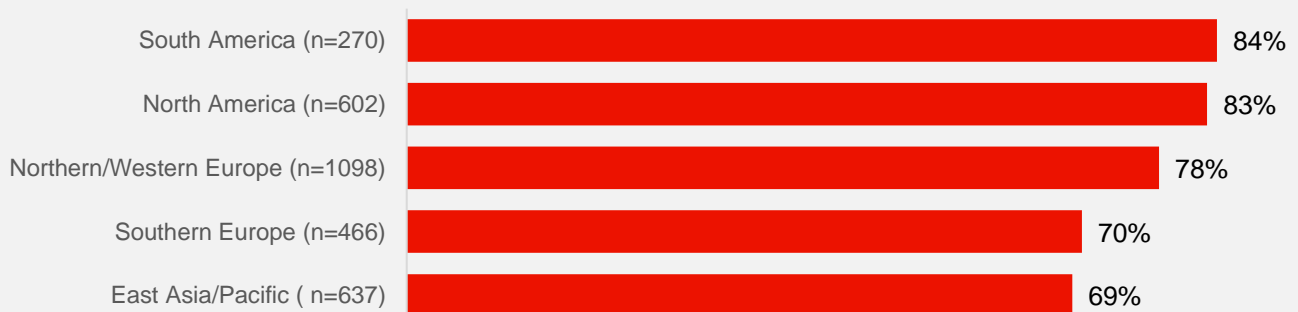
Job Change Can Lead to Improved Work-Life Balance

Changing expectations around work have led workers to make job changes that have had a positive impact on work-life balance. Older workers who say their new job is better most commonly report flexibility in when they work (certain days or times of the day) (57%) and number of hours worked (54%), a positive impact on their mental health (50%), and improved pay (48%). Across regions, older workers in South America were the most likely to say that their new job was better due to flexibility in when they work, the number of hours they work, the positive impact on their mental health, and better pay, while older workers in the East Asia/Pacific region were the least likely to identify these areas as making their new job better. In fact, over three in five older workers in South America (64%) report that they are satisfied or extremely satisfied in their current job compared to those in the East Asia/Pacific region (34%).

Job flexibility is a driver of job satisfaction.

On the whole, over two in five older workers (46%) say they are satisfied or extremely satisfied with their job. In fact, over three in four older workers (77%) who say they have flexibility in their job (e.g., able to work from home, have flexible hours) are satisfied or extremely satisfied with their job. Similar numbers of older workers (76%) whose jobs allow them to maintain a good work-life balance are satisfied or extremely satisfied with their job. Four in five older workers in South America (84%), North America (83%), and Northern/Western Europe (78%) who say they have a good work-life balance are satisfied or extremely satisfied with their jobs (Figure 5).

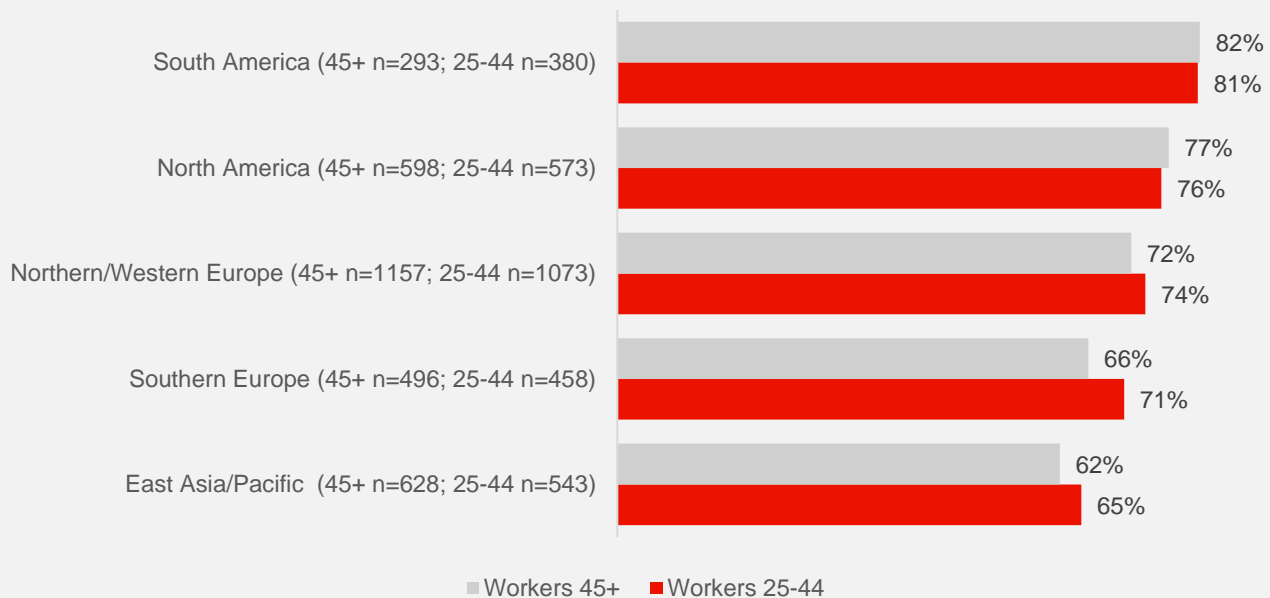
Figure 5. Job satisfaction among older workers who report having good work-life balance



A multigenerational and diverse workforce contributes to job satisfaction.

Three-quarters of older workers (75%) indicated that they have the opportunity to work with people from different generations. Results show that while 63% of the total population of older workers say they are satisfied or extremely satisfied with their job, 70% of those who work in a multigenerational environment say the same. Younger workers also benefit from multigenerational work environments. While 67% of younger workers are satisfied or extremely satisfied with their jobs, that increases to 73% among younger workers in a multigenerational work environment. Older workers in multigenerational work environments in South America¹¹ report the highest rate of job satisfaction compared to any other group (82%) (Figure 6). Over three in four older workers in a multigenerational workplace in North America (77%) are satisfied or extremely satisfied with their jobs, followed by 72% in Northern/Western Europe, 66% in Southern Europe, and 62% in the East Asia/Pacific region.

Figure 6: Job satisfaction in multigenerational work environments



Valuing diverse perspectives and opinions can also lead to increased job satisfaction. While 67% of younger workers and 63% of older workers are satisfied or extremely satisfied with their jobs, satisfaction increases to 82% and 80%, respectively, in workplaces that value differing views.

Among all regions surveyed, a workplace welcoming diverse perspectives has the greatest impact on older workers in South America with nearly four in five older workers being satisfied or extremely satisfied with their job (79%). Older workers in North America (71%) and Northern/Western Europe (67%) are not far behind with increased levels of satisfaction in a workplace that values diverse perspectives and opinions, followed by older workers in Southern Europe (60%) and the East Asia/Pacific region (53%).



¹¹ Brazil only



Implications

The COVID-19 pandemic has changed perceptions and expectations about work. Older workers and the future of the workforce. As our population continues to age, employers should consider that workers of all ages now want more remote work, flexibility, work-life balance, and opportunities, in addition to wanting to feel valued and wanting to grow professionally. This suggests several implications for employers as well as policymakers.

Understand what drives recruitment and retention

Employers must examine what workplace characteristics workers seek in a job and what motivating factors lead workers to seek job-related changes to retain talent of all ages. Identifying what elements of a job lead to increased satisfaction can also inform employers' endeavors to recruit and retain older workers. Workers who are happy with their pay, have work-life balance, and/or have flexibility in their job, are significantly more satisfied than the general population of older workers.

Flexible work arrangements may encourage older workers to stay in the labor force longer and can also enable people with health problems or disabilities to remain at work. They may also allow working caregivers to fulfill both their caregiving and paid-work responsibilities more easily. Job-protected time off from work helps people balance work demands with the need to take care of themselves and family members. Paid time off as well as family and medical leave are requirements policymakers should consider for all employers. Thus, employers offering generous pay, enabling a healthy work-life balance, and providing flexibility are more likely to attract and retain satisfied older workers.

Engage older workers

Employers must engage and value their older workers. The vast majority of older workers believe that their age does not limit their ability to work, and employers should have the same confidence in them. Older workers are interested in pursuing job-related training; the majority have participated in skills training within the past five years, and of those who have not, a significant portion is interested in doing so. Not engaging or discriminating against older workers can impact economic growth which impacts all generations.

Policymakers should ensure that there is a workforce development system (public- and private-sector programs, financial aid, and other services that provide training and retraining) that is accessible to and meets the needs of a diverse population of older workers and older job seekers. Greater investment in retraining and other forms of transition assistance are needed to reintegrate displaced older workers back into the labor market.

Workforce development providers should facilitate the development of training and retraining programming that provides older workers with skills leading to jobs in high-growth industries and occupations that pay well. They should counsel older workers and job seekers on the availability of effective training suited to their needs and interests. They should also provide information about the cost of training, the availability of financial assistance, and the likelihood of successfully completing any training program.



Recognize that older workers are major contributors to the overall global economy

Existing AARP research demonstrates that older people have a substantial and rapidly growing influence on the global economy. For example, the recently released Global Longevity Economy Outlook report estimates that the 50-plus population collectively generated over one-third of global GDP (\$45 trillion) in 2020, a value over twice as large as the entire U.S. economy in the same year.¹² Their contributions are projected to grow rapidly over time, both because the global population is aging and because older people are becoming increasingly involved in economic activity of all kinds. This heightened engagement is especially noticeable in labor forces around the world, where older workers have become increasingly important. Unfortunately, social attitudes and public policies have often failed to keep up, resulting in economic losses that affect every generation. In fact, a recent AARP report estimates that workforce age discrimination reduced economic output in the U.S. by approximately \$850 billion over the course of a single year (2018), with even higher losses projected in the future.¹³ Given that the impact of 50-plus workers is growing so rapidly, AARP's 2022 Global Employee Survey represents a critical opportunity to better understand the attitudes of older workers and their colleagues.

Promote an age-diverse workforce.

Having an age-diverse workforce can help expand perspectives resulting in more innovation and creativity. Not only is it important because the number of older workers is projected to increase globally, but also because age does not limit the ability to work. In light of this, it is critically important to expand employment opportunities for older workers and ensure that they develop new skills and update existing ones as the economy and labor market continues to evolve. In addition, an inclusive environment can increase employee satisfaction. To cultivate multigenerational workplaces, employers must prioritize recruiting, retaining, and engaging older workers.



¹² Accius, Jean, Justin Ladner, and Staci Alexander. The Global Longevity Economy Outlook: People Age 50 and Older are Making Unprecedented Economic Contributions and Creating Opportunity for Every Generation. Washington, DC: AARP Thought Leadership, November 2022. <https://doi.org/10.26419/int.00052.001>

¹³ Accius, Jean, and Joo Yeoun Suh. The Economic Impact of Age Discrimination: How Discriminating Against Older Workers Could Cost the U.S. Economy \$850 Billion. Washington, DC: AARP Thought Leadership, January 2020. <https://doi.org/10.26419/int.00042.003>



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

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