The Silver Economy as a Pathway for Growth
Insights from the OECD-GCOA Expert Consultation
26 June 2014

ABSTRACT

A group of international experts, including economists, policy makers, social scientists, researchers and representatives of private sector, professional and other associations, convened at Harris Manchester College in Oxford on 26 June 2014 to discuss the opportunities of the silver economy as a response to population ageing. The consultation was organised jointly by the Organisation for Economic Cooperation and Development (OECD) and the Global Coalition on Aging (GCOA). From the daylong conversation, the group outlined five key insights:

1. Policy reforms are necessary to address twenty-first century demographic change, but their success rest in large part on correcting long-held prejudices about ageing and addressing inequalities in healthy life expectancy.

2. Technology solutions empower the ageing by helping build new markets, delivering new products and services, supporting new work practices and creating connected communities that respond to their needs.

3. Innovative new models of finance are needed to drive the silver market. Incentivizing private investment can drive innovation and market growth in coordination with philanthropy and public funding.

4. New, flexible models for careers and pensions can encourage people to work longer and plan better for the future. If coupled with life-long reskilling and adoption of smart work practices, these labour force changes can lead to greater productivity in the work place, increased jobs and economic growth.

5. Social entrepreneurship is an important component to achieve the silver economy, and public policy should build enabling frameworks to help these efforts flourish.

These efforts must be supported by informal and formal education that teaches the potential and innovative power of the over-60 population and prepares the next generation for the profound changes arising from rapid population ageing.
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Twenty-first century demography creates imperative for policy reform and cultural change

Rapid population ageing is transforming societies and bringing into question existing approaches to economic development and sustainable growth. Increased longevity and declining birthrates across the world are converging to create an unprecedented demographic shift: By 2025 there will be more people over 60 than under 14. As a consequence, the over-65-to-working-age population (15 to 64) ratio is also increasing. Globally, the proportion of people over 65 years old was 10% in 2012, but it is expected to jump to 22% by 2050, according to World Economic Forum estimates. In OECD countries, the ratio is projected to increase, on average, from 23% in 2011 to 35% in 2030. These proportions are, put very simply, fiscally unsustainable.

This demographic watershed creates an economic and social imperative for innovation – social, organizational and technological – that must be underpinned by policy reform and profound cultural change. The very question of countries’ economic growth hangs in the balance.

Old models must make way for new vision

Conventional thinking frames population ageing as a demographic challenge that will threaten national economies by decreasing productivity and increasing public spending. Through this lens, the ageing are dependent and disengaged; burdens on the system rather than benefits to society. And their lack of agency limits the tools available to address this profound structural shift. Mainstream policy frameworks, employee-employer contracts and social perceptions of the ageing in large part rely on outdated models and assumptions about the labour force, retirement and pensions.

Twenty-first century demography demands a new outlook of aging populations as drivers of economic growth and innovation. One that sees their untapped potential to build and contribute to a flourishing silver economy – an environment in which the over-60 interact and thrive in the workplace, engage in innovative enterprise, help drive the marketplace as consumers and lead healthy, active and productive lives.

Evidence presented at the Consultation shows that seniors’ expectations about retirement are evolving as reflected by their wish to work longer and remain independent. According to Bank of America Merrill Lynch data, over seven in ten pre-retirees surveyed say they want to work in retirement because they want to stay mentally active (51%) and physically active (46%), earn money (51%), maintain social connections (32%) and have new challenges (28%). Likewise, 56% of respondents to the 2014 Aegon
Retirement Readiness Survey said that they believe some form of phased retirement is appropriate for them.

The twentieth century working model that continues to shape public policy cannot support the new aspirations of the over-60. Indeed, OECD data indicates that while the average effective labour force exit age is 64.2 for men and 64.3 for women, the trend in a majority of countries is to encourage longer working lives by further boosting the employability of older people aged 65-69.

Employment Rate of Older Workers (65-69) as a percentage of population of the same age
Percentage Points Change 2001-2011


According to the UK Office of National Statistics, in the UK over the last twenty years, the number of people aged 65 and over who are working has increased from 430,000 in May-July 1994 to 1.1 million in May-July 2014. The employment rate for older people has doubled in this time, from 4.9% to 10.1%.

Extending the work-life of the over-60 and promoting senior entrepreneurship is increasingly perceived as an economic driver. Fougère et al. (SRI-2005) examined the potential economic and labour market effects of working longer in Canada. They found that in the long run, the impact of working longer could be substantial in terms of extra labour supply and real output. First, the marginal effect of working one extra year would lead to a 3.5% increase in real GDP per capita by 2050. Second, a gradual increase in the effective age of retirement to reach 65 by 2015 would raise real GDP per capita by nearly 12% in 2050. In other words, if Canadians worked longer, this would result in a substantial increase in their living standards.

Policy dialogues raise awareness and promote silver economy opportunity

International policy dialogues on population ageing have sought to address these issues. For example, this was the impetus for the OECD-APEC Workshop “Anticipating Special Needs of the 21st Century Silver/Ageing Economy” in September 2012. A diverse group of stakeholders met in Tokyo, Japan and formally recognized the ageing and innovation opportunity. Likewise, a Global Coalition on Aging roundtable series aimed to strengthen the body of knowledge on the relationship between economic growth and ageing populations in emerging markets.
To build off these dialogues and accelerate innovation for active and productive ageing, the OECD partnered with the Global Coalition on Aging to convene an expert consultation on the silver economy on 26 June 2014. With the support of hosting partner, Harris Manchester College, University of Oxford, they engaged policymakers, business leaders, academics and advocacy groups in an international dialogue on the ongoing barriers and opportunities around population ageing, and strategies and reforms needed to make the silver economy a reality.

The expert consultation opened with welcoming remarks from Ralph Waller, Principal of Harris Manchester College and Pro-Vice-Chancellor elect, University of Oxford. It proceeded with two round table sessions. Yuko Harayama, Executive Member of the Council for Science, Technology and Innovation at the Cabinet Office, Government of Japan, led panels addressing the Silver Economy’s Opportunities: Myth or Reality?. Dr. George W. Leeson, Co-Director, Senior Research Fellow, Oxford Institute of Population Ageing, University of Oxford chaired the next session titled Rethinking Work in Old Age: How Business Will Change.

**Attaining the silver economy is possible, but not inevitable**

The overarching and powerful challenge presented at the expert consultation was that “attaining the silver economy as a pathway for growth is possible, but not inevitable.” It requires critical public policy changes to make working later in life more attractive as well as new norms that transcend generations, geographies, governments and industries. For businesses, this will mean that work force policies will need to support life course adaptation as promoted in the World Economic Forum’s Global Agenda Council on Ageing principles for an age-friendly workplace.

Educational institutions will have a key role in driving change as they prepare the next generation of leaders. Peter Tufano, Peter Moores Dean and Professor of Finance at Said Business School, University of Oxford, has supported new curriculum on demography to teach students that twenty-first century organisations will succeed by learning how to leverage the potential of ageing populations. This development builds off of Oxford University’s strong foundation in demographic research centred at the renowned Oxford Institute of Population Ageing. The Institute’s co-Director, Dr. George Leeson, shed light on the ways perceptions of retirement are changing and the need to foster intergenerational collaboration, workplace and individual flexibility and reskilling throughout the life course.

Efforts at Oxford University and elsewhere to educate the public on demography trends is leading to growing awareness of the ageing opportunity. There are many promising examples of public-private partnerships, investment programmes, product innovation and new services that address the needs of the ageing. All of these efforts are designed to enhance the ageing process, reframe what it means to be ageing, encourage work past the traditional retirement age and grow jobs and economies.

These initiatives need to operate within a supportive ecosystem, however, that connects the policy, business, social, technological, organizational and individual levels in order to scale and drive

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*Attaining the silver economy as a pathway for growth is possible, but not inevitable. It requires critical public policy changes as well as a profound cultural shift.*

*“Pension systems are outdated and the concept of retirement has changed completely. Today we can retire from a career but not from contribution.”*

*Dr. George Leeson, Co-Director, Senior Research Fellow, Oxford Institute of Population Ageing, University of Oxford*
The OECD-GCOA expert consultation provided a platform for a lively debate on where we currently stand on the road to attaining the silver economy. In the process, it highlighted ongoing opportunities for public, private and third sector organisations to build off of progress-to-date. A closer look at the overarching insights that emerged from their conversation helps to guide next steps and reflect on lessons learned.

### Key Insights

1. **Policy reforms are necessary to address twenty-first century demographic change, but their success rest in large part on correcting long-held prejudices about ageing and addressing inequalities in healthy life expectancy.**

2. **Technology solutions empower the ageing by helping build new markets, delivering new products and services, supporting new work practices and creating connected communities that respond to their needs.**

3. **Innovative new models of finance are needed to drive the silver market. Incentivizing private investment can drive innovation and market growth in coordination with philanthropy and public funding.**

4. **New, flexible models for careers and pensions can encourage people to work longer and plan better for the future. If coupled with life-long reskilling and adoption of smart work practices, these labour force changes can lead to greater productivity in the work place, increased jobs and economic growth.**

5. **Social entrepreneurship is an important component to achieve the silver economy, and public policy should build enabling frameworks to help these efforts flourish.**
Insight 1: Policy reforms are necessary to address twenty-first century demographic change, but their success rest in large part on correcting long-held prejudices about ageing and addressing inequalities in healthy life expectancy.

The twentieth-century model of work and retirement is no longer suitable for economic growth. Longevity and declining birthrates mean that the over-60 population is growing much faster than the younger working-age cohorts. Under current retirement norms, this trend decreases the share of the working-age population.

It also shifts the balance of pensioners and workers, which drives down GDP per capita and consumption per capita. For example, projections show that without a policy change, Germany will have almost as many pensioners as workers by 2035 (34 million workers compared to 28 million pensioners).

With these profound structural changes afoot, some form of policy intervention and individual lifestyle adaptation must take place. In his keynote address, “Silver Economy: Pipedream or Realistic Possibility?,” Dr. Axel Börsch-Supan of the Munich Center for the Economics of Ageing (MEA) affirmed that there are several policy instruments available to compensate for ageing. Specifically, any of the following pension, labour and education reforms can bring about significant positive impact on the size of a country’s labour force, job and retirement income composition:

- New pension models that address the defined benefit and contribution rates;
- Increasing the retirement age;
- Decreasing the job entry age through more efficient education; and
- Increasing female labour force participation through incentives such as better daycare options.
But policy reform is only as effective as it is sustainable. And it is only sustainable if it is the basis for economic growth and prosperity. Reform uptake can be thwarted by noncompliance and resistance because of prejudices grounded in misperceptions. Germany experienced a public backlash after the government instituted labour reforms in 2010, and it changed its course even though these policies were effective in increasing the labour participation rate from 12% to 30%.

The top three myths shaping policy dialogue around the ageing worker include:

1. Ageing worker health is insufficient
2. Productivity decreases with age
3. Ageing workers reduce job chances for young workers

Each is untrue, but they all persist because they are built into the assumptions upon which public policy is based.

Combatting these false arguments with evidence and communicating them across stakeholder groups is key to preventing policy inaction or popular backlashes to reform. Data is available to help set the record straight:

- **Survey of Health, Ageing and Retirement in Europe (SHARE) data** show that mental and physical health begins to decline on average at 73 – long after the common retirement age. We also know that this decline can be mitigated by continued physical and mental engagement.

- **Studies conducted in manufacturing, insurance and chemical firms** have found that ageing employees are on average as productive as younger workers. Even in a work environment requiring substantial physical strength, decline with age is compensated by characteristics that appear to increase with age and are hard to measure directly, such as experience and the ability to operate well in a team or to react appropriately when things go wrong. While younger workers are of course different from older ones, in terms of productivity, the differences seem to even out.

- **OECD data provide evidence of the “lump of labour” fallacy.** In cross-national comparison, higher employment of older individuals is actually positively correlated with higher employment of the young, i.e., countries with a high prevalence of early retirement have, in general, higher unemployment rates and lower employment of the young.

More must be done, however, to ensure that these truths remain and perceptions of the ageing continue to shift.

**Healthy and active ageing can drive long-term productivity:** Health is not uniform across and within populations, so policy cannot simply increase the retirement age without addressing health trends. Dr. Michael Hodin, Executive Director of the GCOA, stressed that a focus on health and wellness through the life course can help prevent non-communicable diseases (NCDs) and slow-down the conditions of ageing – natural physical and mental deterioration – that prevent people from remaining in the workforce in older age. Healthy ageing is the cornerstone of active ageing, which enables populations to remain independent and productive as they age.

**The ageing are productive, innovative members of society:** Biases against the ageing (ageism) are
deeply entrenched, and removing them requires broad outreach, reducing stigma and creating cultural change. Several efforts are underway to drive a paradigm shift that views the ageing as assets not liabilities. For example, Senior Entrepreneurship Works is connecting aspiring over-50 entrepreneurs with the necessary capital and expertise to build new businesses, while Encore.org helps people start second careers that provide continued income and have social impact. Another organization addressing ageism is the International Council on Active Ageing (ICAA) headed by Mr. Colin Milner. ICAA organizes community-based initiatives that bring together people to build cross-generational relationships and encourage older adults to remain active in society.

**Ageing and young workers need not compete:** High youth unemployment is often used as an excuse for maintaining retirement norms. Further evidence is needed to show that these two groups need not compete for a place in the workforce, but are mutually re-enforcing and lead to overall economic growth trajectories. The OECD's Employment Outlook 2013 helps discredit the “lump of labour” fallacy, and intergenerational partnerships are encouraging cooperation among older and younger workers even in a challenging economic environment. As Professor Dirk Baugard of Université Paris 8 explained, though results remain unclear, France's “contrat de génération” provides an example of how governments can incentivize companies to hire young workers, maintain aging workers and facilitate expertise transfer between the two.

**Making the silver economy a reality will be a jobs creator:** Policies should encourage extended work and socially active lives beyond the traditional retirement age and the creation of new businesses and services aimed at answering the needs of the ageing. For example, population ageing is driving up demand for caregiving services, which can be a source of new jobs since the number of family caregivers is large and growing: The National Alliance of Caregiving and the AARP reported in 2009 that more than 65 million U.S. adults –29% of Americans – are providing care to a family member or friend age 50 or older. Family caregiving often takes individuals out of the workforce. Companies that allow families to share caregiving responsibilities with homecare professionals will not only create new caregiving jobs, but also enable family caregivers to remain in the formal economy.

- One company providing this service is Home Instead Senior Care – the world’s largest senior care franchise business and leading innovator in non-medical senior care. Research conducted in the United States found that 71% of caregivers who utilized home care were able to hold jobs, compared with 65% of caregivers who chose to go it alone.

**Insight 2.** Technology solutions empower the ageing by helping build new markets, delivering new products and services, supporting new work practices and creating connected communities that respond to their needs.

A technology-driven silver economy ecosystem is emerging to support the unique requirements of the ageing. Physical and mental deterioration among the oldest cohorts create demand for new products and services and offer opportunities for innovators to respond to unmet needs.

**The physical conditions of ageing create demand for informed design:** Fujitsu Ltd. has worked diligently to create new products for what it saw as

"People in their retirement careers are three times more likely to be entrepreneurs and small-business builders than young people."

2014 Merrill Lynch study, *Work in Retirement: Myths and Motivations*
the untapped technology market for over-50 consumers. Relying on focal groups and interviews, Fujitsu designed a new phone responsive to the safety and operational preferences as well as the visual and hearing needs of this target market. Ichiro Aoyagi described the outcome of this innovative market research and design: it scored high marks in both customer satisfaction (80%) and brand loyalty (60%) by building a device that enabled the over-50 to have an enjoyable consumer experience on par with that of younger adults.

Google also has the potential to become active in the over-60 market through its cutting-edge wearable technologies, such as Google Glass, which are being tested as potential assistive aids to help people with Parkinson’s and other neurodegenerative diseases such as Alzheimer’s disease (AD). Glass can remind AD patients the path to the grocery store or of their family and friends’ names. This support can both mitigate and slow mental deterioration as well as provide the confidence needed to remain active and engaged in society. Glass opens up a new space for exploring the design and development of wearable systems.

The future of wearable technology in combination with the fitness monitoring market is boundless: what about innovative technology partnering with a fashionable shoe designer to create a wearable that reduces the impact of falls as we age? Or what about a “smart” shirt that monitors our cardiovascular health and is linked to local hospitals wherever we travel? Healthy and active ageing is a foundation of growing the silver economy, and wearable technology can help achieve both ends.

Because the ageing shift presents both a major market opportunity and potential liability for government systems, this demographic group has become a key focal point for private and public investment. Companies and governments are joining forces in private-public partnerships to build technology solutions to a number of ageing challenges and have learned important lessons that can guide future initiatives:

**A coordinated communications capability for healthcare requires a defined marketplace:** France is under intense pressure to care for its over-60 population, which, largely as a result of low birthrates, will reach 30% in a few years. In an effort to anticipate and address this challenge, the French government launched a national silver economy program in 2013. Orange S.A., in collaboration with other companies, is helping develop a number of innovative healthcare services, and now strives to build a homecare operator that will coordinate the care ecosystem for the fragile and dependent through a central communications system. As Nadia Frontigny explained, success is stymied by a fragmented insurance marketplace and influx of different actors competing for resources. In France, financial support for the care of older people is mostly met by social security and public funding. The marketing drive depends on the priorities, constraints and coordination of these public agencies rather than consumers.

**Building integrated care solutions through telemedicine can drive economic growth:** Health innovations in the region of Southern Denmark are focusing on telemedicine to improve care and cut costs. Through a number of initiatives, the region is providing homecare devices, collecting data and monitoring the care needs of patients at home, with the goal of building integrated care systems that enable patients to remain in their homes as long as possible. Challenges remain in managing the infrastructure and logistical demands of telemedicine, creating data collection standards and increasing efficiency by ensuring

“You should be able to stay as long as possible in your own life.”

*Ethos of the Region of Southern Denmark*
proper mapping of medical equipment needs, according to IT Consultant from the Health Innovation Centre of Southern Denmark, Katrine Vedel.

Caregiving is a fragmented market, but IT can play a central role in overcoming this challenge: Intel Health and Life Sciences has direct experience in conducting research to understand the best ways in which IT can support the delivery of services for ageing communities. For example, Intel is working with government and ecosystem partners to pioneer the concept of community home-based elder care services platforms in China. This collaboration aims to define how technology can bring government and industry together to research and design an economically sustainable blueprint for building a healthcare “grid” and “careforce” that allow older people to receive care in their homes and support in their communities. From this experience, it has developed a best practices index of initiatives across different caregiving models that have used IT to overcome fragmentation common in the caregiving market. Success and scalability hinges on robust public-private partnerships and strong national frameworks that drive action and help provide standards on how to collect, share and secure data legally and ethically.

Insight 3. Innovative new models of finance are needed to drive the silver market. Incentivizing private investment can drive innovation and market growth in coordination with philanthropy and public funding.

Governments are under pressure to address a broad range of social developments, especially related to the health and welfare of their citizens. For example, the rate of noncommunicable diseases is skyrocketing, with dementia alone costing health and social care systems worldwide roughly US$604 billion annually. But constraints on public resources require governments to prioritize certain investment areas over others. In the face of growing demand for cures, products and services, incentives and new financing models are needed to fill the investment and innovation gap in the ageing sector.

Removing barriers to entry and silver marketplace growth: Young entrepreneurs are a major player interested in building start-ups that create products and services for the over-50 market. These innovators face a number of barriers to entry, however, that touch on the four pillars of market development: talent, insight, distribution and capital. Aging 2.0 – a global network of entrepreneurs – has built an innovation ecosystem to overcome these challenges. Specifically, through capital investment, networking opportunities, mentoring and interactive sessions with ageing consumers and experts, young innovators are better positioned to understand and engage in the silver marketplace.

Other innovative funding models can help investors respond to the needs of the ageing, while sparing governments the financial risks that accompany large-scale investments in social goods. Driving this innovation is a dramatic shift in the preferences of private investors.

Creating a financial structure to reward social impact investing: Bank of America Merrill Lynch (BAML) has noted several changes in its investment management clientele: they are getting older, are most interested in understanding how ageing affects financial planning, and want to build an investment portfolio that reflects their individual social values.

“Aging 2.0 is finding solutions to address the needs of the ageing: one initiative challenged students to help keep people with dementia at home. A participant designed new bowls and spoons with special features to allow people suffering from dementia to eat without assistance.”

Stephen Johnston, Aging 2.0
To address the changing needs of its customers, BAML has appointed a full-time gerontologist to advise on ageing issues, rolled out an elder care programme to help families navigate the caregiving market, and created a new public-private partnership to support values-based investing. The initiative is driving innovation in the silver marketplace through the following risk-sharing strategy:

- It connects key actors in a financial system: governments who recognize key public policy issues; service providers (non-profit or for-profit entities that have a strong track record, but lack capital necessary to scale); a target audience (any social issue such as ageing); and investors (those who express a deep interest in investing their money in a social good).

- The investor structures an agreement with a service provider on a contract, venture philanthropic or pilot project basis, supplying capital to the service provider working in a social area important to the investor.

- The government shares the risk with the investor as it agrees in advance to pay the investor back if the project succeeds.

This structure allows governments to avoid entitlement payments and empowers investors interested in ageing issues to support service providers operating within the silver marketplace. And the model is transferable to any investor; they can be any entity interested in social investment.

There also remains a role for governments to contribute to the growth and development of the silver marketplace. Even with limited financial resources, governments are well-equipped to map the needs of their ageing populations, identify funding gaps and connect disparate actors to influence how and in what areas private investments flow.

**Shaping how businesses engage and contribute to innovation:** Governments can stimulate the discussion around particular needs of the ageing and collect different perspectives on challenges and solutions that inform business decisions on the silver economy. Zoltan Bozoky described the U.K.’s recent engagement in this exercise around dementia. On 11 December, 2013 the UK hosted an international summit meeting on dementia. Health and science ministers, world-leading experts and senior industry figures gathered to discuss and agree on an international approach for future dementia research. The Summit was an important moment that saw the international community commit to an all-out fight-back against this devastating condition. Actions since this event include mapping the innovation market, outlining challenges faced by pharmaceutical companies, caregivers, researchers and patients, and raising important questions around how to stimulate finance and overcome existing hurdles to investment. All of these exercises can help guide and inform investors as they evaluate possible solutions to a pressing social and health problem and seek new funding models that maximize returns.

"45% of clients say that the investment conversation they want to have with their advisor needs to reflect their values."
Surya Kolluri on values-based investing, Bank of America Merrill Lynch
**Insight 4.** New, flexible models for careers and pensions can encourage people to work longer and plan better for the future. If coupled with life-long reskilling and adoption of smart work practices, these labour force changes can lead to greater productivity in the work place, increased jobs and economic growth.

Governments, businesses and individuals must work together to adapt policies and behavior to ensure individual and national fiscal sustainability amidst population ageing. One pathway lies in people working longer and planning better for their retirements.

But current systems provide inadequate incentives for those who want to do just that. One result is that as the global over-60 population has grown over time, the proportion of workers over-60 has remained stagnant. Progress rests on the construction of flexible and inclusive working and retirement models that are responsive to new labour force demands.

**Reform retirement to encourage responsible savings and enable gradual workforce transitions:** The 2013 survey of US business employers and workers conducted by Aegon, Transamerica Research Center shows that more people want to work later in life and save more, but that work environments and retirement systems do not support these goals.

- 56% of survey respondents said that they believe some form of phased retirement is appropriate for them.
- Only 23% of survey respondents have employers who will allow them to move from full-time to part-time working, while just 18% are able do work more suitable for older workers (e.g. less stressful or physical demanding work).
- 17% of survey respondents have employers who provide flexible retirement plans that allow them to work beyond the usual retirement age.
- Even fewer have employees who provide financial advice (13%) or retraining or reskilling (12%).

The survey also found that financial incentives as well as simpler investment products are strong motivators for employees to save. Governments, employers and financial plan administrators should respond to this call for assistance by creating the systems and tools for more responsible asset management.

**Reframe career models to reflect work patterns and support life course adaptation:** Current career models are rigid and unsuited for new labour force trends and job requirements. They are based in the concept of the hierarchical ladder in which career paths are linear and jobs are task-oriented. Deloitte research shows that careers actually zig zag like a lattice, workers scale up and scale down at different junctures in their careers and job advancement requires a ‘serial mastery mindset.’

In a pull economy where organisations will need to adapt to the labour force’s working and learning preferences, the lattice career path will bring about a new work model and life-long learning culture –
One that is shaped more than ever by ageing needs.

One way in which employers will need to respond to population ageing is through flexible hours and workplaces, (e.g. through teleworking to make it easier for family caregivers to remain in the workforce). Caregiving can take a negative toll on the quality of life of caregivers that increases hospital admission rates and encourages workforce exit.

Research conducted in the United States by Home Instead Senior Care shows that family caregivers lacking support from home care professionals often sacrifice their health and professional success to take on caregiving responsibilities: according to a caregiverstress.com poll, respondents found that caregiving had a negative impact on jobs (55%) and made them sick more frequently (56%), while National Alliance for Caregiving and AARP research found that adult caregivers age 50 or older admitted to making several work accommodations: turning down a promotion (5%), reducing hours or taking a less demanding job (9%), quitting a job or taking early retirement (10%), taking a leave of absence (17%) and arriving late/leaving early (64%).

Build a policy agenda to incentivize workforce reskilling, participation and retention: To encourage work at an older age, policies should reflect the OECD’s three-pillar roadmap that engages governments, employers, unions and civil society with the following guidance:

1. Reward work through reforming pensions plans to cut the implicit tax on working, closing other early retirement pathways and giving better options for phased retirement
2. Change employer practices through legislation and information campaigns to promote age diversity, aligning labour costs with productivity and helping protect employment opportunities instead of jobs.
3. Improve employability by providing suitable training and reskilling opportunities at all ages, giving better help for older jobseekers and improving the work environment.

Several OECD countries have implemented policies along these pillars, and policy results will be available by 2015. Preliminary indicators are promising, with pension reform widespread, and formal early retirement schemes closed and age discrimination banned in many countries.

There are several areas where continued efforts are needed in order to improve the outlook for the ageing worker:

- Promote work at an older age.
- Overcome objective biases for employer reluctance to hire or retain older workers including the fact that they tend to require higher wages.
- Encourage age diversity at work.
- Validate informal learning on the job, including training and reskilling in ICT skills to keep ageing workers relevant in an Internet economy. Currently, there is a skill-disconnect because ageing workers are more likely to have to use computer skills at work, but they tend to have weaker computer skills than their younger worker counterparts, according to research reported by Piotr Stryszowski of the OECD.
- Support programmes that encourage better job prospects for all workers regardless of age.

“We are in a pull economy, but our businesses and governments in large part are based on a push economy.”

Jeff Schwartz, Deloitte

“In response to OECD recommendations in the 2006 report “Live Longer, Work Longer” many countries have implemented policy initiatives to encourage work at an older age.”

Hilde Olsen, Directorate for Employment, Labour and Social Affairs, OECD
Dr. Naj Ghosheh of The International Labour Organisation also highlighted the importance of breaking down stereotypes, digging deeper into the motivations of ageing workers and being responsive. These goals can be achieved by building awareness programs of the needs of ageing workers and creating legislation that ensures working environments are responsive to these needs.

**Insight 5. Social entrepreneurship is an important component to achieve the silver economy, and public policy should build enabling frameworks to help these efforts flourish.**

Encouraging innovation to solve the social challenges and to harness the opportunities brought about by twenty-first century demography must be a priority of individuals and organisations alike. But without policy frameworks in place to support investment from diverse sources, these efforts will remain isolated and unable to scale for global impact. Greater dialogue between public and private sectors is needed to develop incentive structures that reward social impact investors as well as metrics proving their positive effect on mitigating social problems.

**Different models of social entrepreneurship may yield different impact:** There are promising case studies that offer insight into the potential impact of social entrepreneurship and social impact investing. As previously mentioned, several organizations are already pushing this agenda forward:

- **Bank of America Merrill Lynch's Pay for Success Contracts** allows clients to engage in impact investing by connecting them with social service providers. As Surya Kolluri explained, in this agreement, governments compensate investors if and only if projected social impact benefits are achieved that allows the government to save costs.

- **Elizabeth Isele, co-founder of Senior Entrepreneurship Works**, helps over-50 entrepreneurs find capital and insight for their business ventures. Specifically, the company helps these entrepreneurs assess risk, business models and financing options, which range from private loan guarantees to private commercial bank loans.

- **Encore.org** is committed to assisting people start second careers in the non-profit and public sector that have a social impact. They connect clients with education and training resources, other entrepreneurs and financing sources to help them succeed in their new careers. According to research presented by Cal Halvorsen, 25% of Americans 44 to 70 are interested in starting a business or non-profit, and 12% of Americans 44 to 70 are interested in starting a business or non-profit with a positive social impact as their primary purpose.

**Need for metrics to show impact:** Additional metrics are needed, however, that show the impact initiatives like these have on solving social challenges, including those key to ageing populations like disease mitigation.

Education institutions have a role to play in promoting social impact investment and finance. Oxford University’s Dr. Alex Nicholls, University Lecturer in Social Entrepreneurship within the Skoll Centre for Social Entrepreneurship at Said Business School reported on the challenges of designing assessment and measurement tools of social impact investing.

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“It’s time to stop the prevalent gloom and doom attitude that the huge demographic shift is a ‘silver tsunami.’ We need to change that mindset by recognizing that seniors are assets not liabilities and, as such, they represent a ‘silver lining, yielding golden dividends.’”

*Elizabeth Isele, Senior Entrepreneurship Works*

http://www.oecd.org/sti/ieconomy/workshoponanticipatingthespecialneedsofthe21stcenturysilvereconomyfromsmarttechnologiестиoservicesinnovation.htm