Ageing and Employment Policies

Promoting Better Career Choices for Longer Working Lives

STEPPING UP NOT STEPPING OUT

OECD

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Foreword

The digital revolution, the green transition and rising longevity are giving rise to more fluid, fragmented and diverse career paths spread out over a longer lifespan. Consequently, workers across the globe are rethinking their career ambitions and increasingly face the prospect of having to seek new job opportunities and switch careers at middle and older ages. The rate of job changes has increased in recent decades and according to the 2022 AARP Global Employee Survey, almost one in two workers aged 45 and above hopes to or expects to change jobs within the next three years.

The green and digital transitions will no doubt create new job opportunities with prospects for good pay, benefits and career progression. Yet, the evidence presented in this report suggests that the likelihood of workers switching to new occupations declines substantially with age. Moreover, unwanted job loss as a result of economic restructuring carries a substantial penalty for many older workers through lower wages in new jobs or long periods of unemployment, hurting overall economic productivity and worker well-being. Older workers with low skills are the most likely to be left behind by the transition into better-paying jobs with better working conditions that do not undermine their health and quality of life.

Therefore, business and policy makers will need to do more to support positive and inclusive career transitions that give more experienced workers better opportunities to grow their skills, pay and talent. Such increased opportunities will yield benefits for all, helping businesses, as many continue to see vacancies go unfilled, as well as workers desiring to fulfil their career goals.

This report adds to the evidence base on how often and what type of career transitions workers make as they age and on the quality of these job changes. It identifies the benefits and risks associated with mobility for mid-career and older workers in OECD economies. The report also provides recommendations and good policy practices and solutions from around the world on overcoming barriers to career mobility.

Ensuring that workers have greater choices and opportunities for career mobility throughout their working lives so that they can work in jobs that meet their needs as they age is an essential requirement of the modern labour market.

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Executive summary

The green transition, the digital revolution and rising longevity are the main global trends transforming traditional career paths and influencing a shift towards more fluid and diverse career trajectories. As a result of these profound transformations of the economy and society, it has become more common to hold several jobs or even careers throughout individuals' lifetimes. Yet, conversations and policies concerning career mobility and progression are often directed towards younger workers in the earlier stages of their career, given their proven effects on wage growth.

New evidence presented in this report demonstrates that promoting *career mobility* – defined as job changes within or across firms and occupation – over the lifecycle can benefit older workers by lowering the substantial costs associated with unwanted job loss, matching better their jobs with their evolving caregiving and health needs, and helping them transition out of low quality and less productive jobs. Facilitating good mobility calls for a life-course perspective and for government and employer-led policies that help individuals build their competencies and capabilities and remain healthy and active throughout their lives.

Better career choices at all ages can lead to more satisfying careers and longer working lives

Older workers represent a growing share of the labour market. By 2050, it is projected that one in six workers will be over the age of 65 on average across OECD countries. Therefore, improving the career choices of mid-career and older workers is vital for a well-functioning labour market. This report suggests that better choices and opportunities to switch jobs in midlife can support longer working lives. There is a positive correlation between mid-career mobility and labour market attachment later in life on average across OECD countries for which there are available data. The likelihood of a 60-year-old still being employed is about 62% if they experienced a job change aged 45-54. In contrast the likelihood that a 60-year-old is still employed who did not experience a mid-career job change is about 54%. Similarly, older workers, particularly women are less likely to consider retiring early if they experienced a mid-career job change compared to workers who did not. Yet job mobility falls rapidly with age from around 17% of workers under the age of 30 changing jobs annually to around 7% by age 45.

Voluntary mobility can yield benefits for older workers

Job changes can either be voluntary – the result of a choice – or involuntary – forced due to being laid off or a company closure. Older workers who change jobs voluntarily typically experience improvements in wages and the quality of working environment in their new job, but they are less likely to make a voluntary job change compared to younger workers. On average across OECD countries with available data over the period 2010-20, workers aged 55-64 who voluntarily changed jobs experienced wage growth of 3.5% (7.4% among those aged 45-54). In contrast, older workers aged 55-64 who were forced to change job experienced an average decline in wages of just over 13% (a decline of 9% for those aged 45-54) over the

same period. Voluntary job changes in mid and later stages of a career not only help in terms of pay but can also improve job satisfaction. For instance, the 2022 AARP Global Employee Survey found that over 50% of workers who changed jobs voluntarily experienced improvements in work flexibility and mental health. Government and employer policies need to be more proactive in preparing people for change instead of only reacting when people lose their job.

Supporting transitions of older workers with low skills requires attention

It's not just about job quantity but also job quality. Unfortunately, many older workers are in low-skilled jobs with poor working conditions (such as exposure to hazards or a poor working environment). Therefore, policies can do more to help them transition to better paying and good quality jobs to minimise the risk of early labour market exit. Unfortunately, low skill workers, in particular, are less likely to benefit from job changes. On average across OECD countries about 60% of workers aged over 45 working in a low skill occupation who change jobs will switch to another low skill occupation and will experience minimal wage progression on average. However, the share of transitions between one low skill job to another as a proportion of all transitions of those aged over 45 also varies widely across countries, ranging from over 40% in Portugal, Spain, Poland, and Hungary to less than 15% in Sweden, the Netherlands, Switzerland and Norway. This illustrates the importance of structural and personal barriers to mobility and the role that governments and employers can play in facilitating better career choices for older workers.

Government and employer policies can lower barriers to career mobility

Despite the many benefits of voluntary career changes, there are also many barriers to changing jobs. Persistent age-discrimination, skills-gaps, costs of geographic mobility, and institutional policies are some of the barriers that stifle workers' ability to transition seamlessly between jobs. The most cited barriers to mobility referred to by workers in a 2023 Generation/OECD survey were: age discrimination (44%); job location (33%); and scarce job opportunities (22%). But even some government policies and some employer practices can also inadvertently reduce mobility (e.g. occupational licenses and non-compete agreements). The effects of structural barriers are often compounded by skill and information gaps. The Global Employee Survey found that 20% of workers aged over 45 needed more information on the type of jobs they would enjoy and an assessment of their skills and competences to help them make a job change.

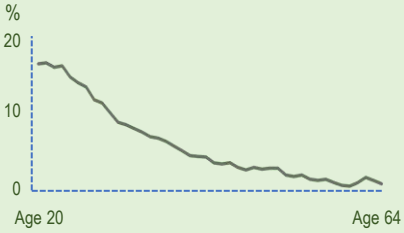
Changes in employer and government policies can help facilitate career advancement for all workers, particularly those trapped in cycles of low-quality job changes. Career advice and experiential opportunities (e.g. job shadowing) can help older workers who see their confidence in job search decline with age. Policies such as occupational licences can also be evaluated against their objectives taking into account their effects on mobility. Often the consequences for mobility can be ameliorated; for example national and regional governments can improve the portability of occupational licenses by implementing reciprocity agreements.

Within-firm mobility is a key component of overall wage growth for all workers (representing about two-thirds of overall wage growth) and this can generate benefits for older workers and their employers by improving job matches and facilitating knowledge transfers between generations. However, the pathways for internal mobility are often not clearly defined for older workers who are 17 percentage points less likely to reflect on their career goals and aspirations compared to workers aged 35-44 according to the 2022 AARP Global Employee Survey. Changes in preferences, health and caregiving obligations can also open a gap between current and desirable job conditions. Tools such as mid-career reviews can encourage older workers and their managers to identify mobility and training pathways that can improve older workers' retention and satisfaction within the company. Last but not least, working-time flexibility is increasingly important for workers at all ages and enabling older workers to transition to fully remote or hybrid work arrangements can make balancing work and outside commitments more manageable.

Infographic 1. Key facts and figures

Rising longevity and technological change are reshaping workers' careers

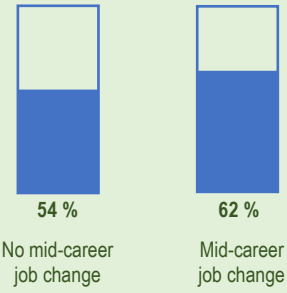
Job mobility declines with age, 6% of 45–64-year-olds change jobs annually compared to 17% under the age of 30



However, in the future older workers are likely to change jobs more often than in the past

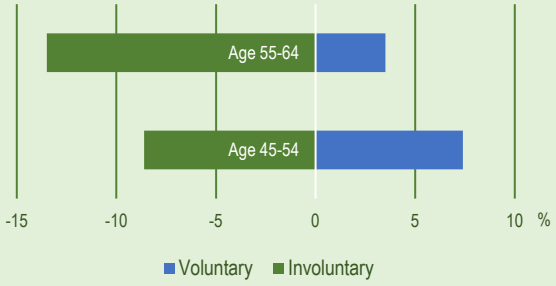
Better career choices at mid-career can promote longer working lives

Likelihood to be working at age 60



Voluntary job moves can improve wages and working conditions

Wages rise for those who voluntarily change jobs and fall for those who are forced to change jobs (on average between 2010-2020).



Low-skilled workers need help to move to better jobs

60% of low-skilled workers aged 45-64 who change occupations will change to another low-skilled job

These low skilled workers experience little wage progression.

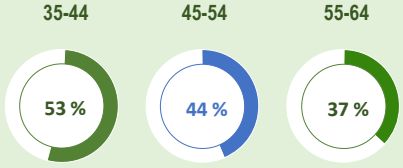
Government and employer policies can lower barriers to career mobility

The most common barriers for workers aged 45-65 who changed jobs

Policies such as work experience, apprenticeships, and age-blind hiring processes can enable voluntary mobility

Workers need help to build confidence and skills to change jobs

% of workers who regularly review career options



Older workers are **16 % points** less likely than younger workers to review their career options

Mid-career reviews and targeted training programmes equip older workers with the skills needed to change jobs

1 Harnessing work potential at all ages: the role for career mobility

In an era marked by rapid technological change, rapid population ageing and evolving labour markets, career mobility at all stages of working life plays a vital role in helping people adapt. Ensuring workers have greater choices and opportunities for career mobility and work that meets their needs is essential for keeping them in the workforce. This chapter explores diverse aspects of career mobility, underlining its importance for helping older workers who may be affected by structural changes or who wish to continue working but not in the same job and for enabling transitions from poor to good quality jobs.

Key messages

Career mobility, or the fact of changing jobs or occupations, within or between firms, is essential for the functioning of labour markets and sustaining productivity. At the worker level, it is a well-established driver of wage growth, especially for younger workers.

Several megatrends such as rising longevity and the digital revolution are moving workers of all ages towards greater career mobility.

- **Workers 45 to 64 already constituted 41% of the OECD workforce in 2022,** up from 29% in 1990. With people staying in the labour force longer, an increasing number of workers want to change or rethink their career ambitions, and therefore planning for a career later in life is becoming increasingly important.
- **The 2022 AARP Global Employee Survey reveals that one in two workers over 45 is hoping to change jobs within the next three years.** On average across OECD countries the rate of job-to-job transitions increased by 1.5% between 2012 and 2020. More people may actually want to change job than currently do because of various structural or personal constraints.

Barriers to work due to health problems and disabilities increase with age, alongside demands for providing informal caregiving. These barriers can make it more difficult for older workers to continue working the same way they used to resulting in an increased need for career mobility.

For women, childbirth imposes a penalty in terms of wages and career progression. Childbirth can disrupt women's career trajectories through breaks in employment, part-time work and employment in jobs with greater flexibility but lower wages and fewer benefits.

Technological change has profound implications for older workers (aged over 55), who may need support in transitioning towards growing sectors and occupations.

- Older workers are 14% more likely to work in routine manual occupations than younger workers, thus facing a higher risk of losing their job due to automation.
- For older workers who are displaced the risk of long-term unemployment is high. The share of workers aged 55-64 in long-term unemployment is 12 percentage points higher than for workers aged 25-54. Long-term unemployment can ultimately lead to early retirement, particularly if unemployment benefits allow extensions up to claiming old-age pensions.

The evidence suggests that many older workers are trapped in bad jobs which can have long lasting consequences on their well-being, health and overall career prospects. Career mobility is an important lever for obtaining more suitable employment and facilitating longer working lives by reallocating workers from low quality to more productive and healthy jobs.

- **Older workers are 6% less likely to work in age-friendly jobs (i.e. jobs that have less physical exertion, less autonomy in their work, less hazardous for example) than younger workers.** Many older workers may not be in jobs that match their preferences for flexibility and reduced physical demands.

Career mobility is correlated with longer working lives. Workers who changed job mid-career are more likely to be employed at age 60 (61% in Europe and 72% in the United States) than those who did not switch jobs (53% in Europe and 68% in the United States).

Workers who changed job mid-career are also less likely to be retired at age 60, particularly women who are 3 percentage points less likely to retire at age 60.

1.1. Careers are becoming increasingly dynamic across all ages

The career landscape of the 21st century has witnessed a notable departure from traditional career paradigms, giving way to more fluid and diversified trajectories. Workers now change jobs, firms, and even careers more often than previously. Across OECD countries, average job tenure has fallen by about 8% (nine months) over the past decade (OECD, 2023[1]) and recent data from the United States shows that baby boomers (birth cohort 1957-64) held an average of 12.7 jobs from ages 18 to 56, a figure that deviates significantly from the model of lifetime employment in a single job of previous generations (U.S. Bureau of Labor Statistics, 2023[2]). Career changes are also becoming more frequent, with some employer survey estimates suggesting that one in two workers make a complete career change (occupational change) during their lifetime (Indeed, 2019[3]).[1]

Career mobility can take many different forms. It encompasses vertical (upward or downward) and horizontal (within the same level) transitions, which can occur internally within an organisation or externally between different organisations. As such, it can imply moving between jobs across firms (job-to-job mobility), changing occupations (occupational mobility), or changing roles within one firm (within firm mobility). This report will focus on job-to-job mobility and occupational mobility, and whenever possible, give insights on within-firm mobility (see Box 1.1 for the definitions used in this report).

Career mobility can also be voluntary – workers who voluntarily switch jobs to find better employment – or involuntary – workers who are laid off or forced to change jobs. Such a nuanced understanding of career mobility is essential to discern its multifaceted impact on labour market outcomes, and to acknowledge that career mobility is not universally beneficial. The policy goal should be to facilitate voluntary and good career mobility choices that encourage an enriched and prolonged participation in the workforce.[2]

Effective career mobility is crucial for boosting labour market responsiveness to economic changes and for improved productivity. Mobility can support worker reallocation to growing industries, thereby promoting economic growth and reducing the risk of unemployment (Manyika, 2017[4]; Causa, Luu and Abendschein, 2021[5]). Mobility can also boost individual productivity through improving the quality of job matches. To the extent that match qualities correlate positively with measures of firm level productivity, there should be a link between direct job-to-job transitions and workers moving upwards through a productivity ladder (Albagli et al., 2021[6]).

Career mobility is a well-established motor for wage growth and career progression during the early stages of workers' careers (Topel and Ward, 1992[7]; Hahn et al., 2017[8]). However, discussion often focuses on younger workers with relatively little attention paid to the role of career mobility to support workers in their mid-life and later stages of their career which in turn can support more satisfying and longer working lives for older workers. While job stability is appropriate for workers who are happy in their jobs and do not want to change, current labour market developments, driven by population ageing and technological change, may leave workers with little choice but to change jobs. Workers' also need adaptability, mobility and resilience. This raises the following questions:

- In what ways does extended longevity affect workers' career aspirations in mid-life and older ages?
- How might technological change, with its impact on job destruction and creation, necessitate career transitions at later stages in one's career?
- With longer working lives, how will workers' preferences and barriers to work change over their work-life?

The following sections provide insights into these questions and highlight how these developments may create a need for better career mobility at all ages.

Box 1.1. What is career mobility?

In this report, we refer to the term career mobility to encompass different types of job changes:

- **Job-to-job changes** measured as people transitioning from one job to another. The definition will vary depending on the survey data used. In EU-SILC, the longitudinal survey is used and those experiencing a job change are identified as those responding "yes" to the question "Have you changed job since last year?". When using linked employer-employee data, a job-to-job change is defined when someone switches firms between two consecutive years. In the United States-CPS, a job-to-job change refers to those who: (1) Had two or more employers in one year, (2) Had one employed but reported a change in 2-digit ISCO code, or (3) Had one employer but two or more spells of employment (although this accounts for only a small number of observations). When using the Korean Labor and Income Panel Study (KLIPS) longitudinal data, a job-to-job change refers to observations where an individual is employed in two consecutive years, but their job tenure is less than one year. In the United States Health and Retirement Study (HRS), a longitudinal survey, a job-to-job change refers to those who responded "no" to working in the same job as the previous wave.
- **Occupational changes** measured as job-to-job changes that also involve a change in occupation. In the European Union Statistics of Income and Living Conditions (EU-SILC), the US Current Population Survey (CPS), and KLIPS, an occupational change is coded as a change in the 2-digit ISCO code conditional on a job change.
- **Within firm job changes**, or promotions, are defined using linked employer-employee data, for individual wage growth of more than 10% relative to co-workers´ wage growth in the same firm.

This report also differentiates, whenever possible, between voluntary and involuntary mobility.

- **Voluntary mobility** captures the fact that workers change jobs in order to find better employment. In EU-SILC, voluntary mobility is measured as those workers who when asked why they have changed jobs, responded "to seek better employment". In the US-CPS and KLIPS longitudinal data, voluntary mobility is measured as workers who changed jobs in the past year and had an unemployment spell of one month or less. The US HRS defines voluntary mobility as workers who reported that they "started next job" after leaving their previous job.
- **Involuntary mobility** captures those workers who are laid off, but also who are forced to make job moves. In EU-SILC it includes all workers who did not change jobs in order to find better employment. They could have changed jobs because they were laid off, forced to by their employer, their business closed, or due to family and other reasons, such as caregiving or a partner's job move. In the US-CPS and KLIPS longitudinal data, involuntary mobility captures workers who changed jobs in the past year but experienced an unemployment spell of greater than one month. The US-HRS Life History Module defines involuntary mobility as workers who reported that they were "unemployed" after leaving their previous job. The US-HRS Longitudinal Survey defines involuntary mobility as workers who were laid off or left their jobs for health or family reasons.

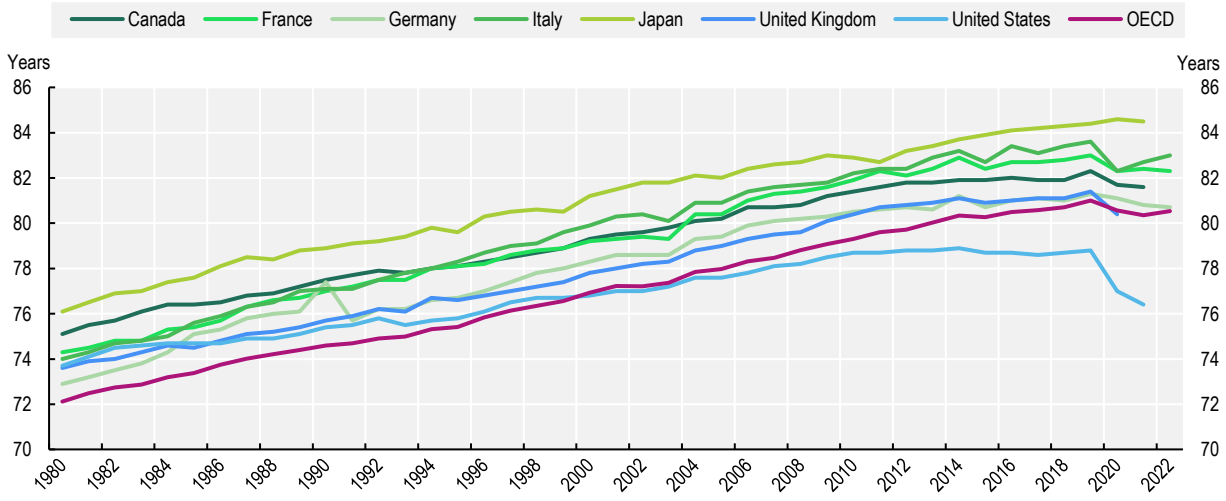
1.2. Increased longevity and population ageing can have profound implications on workers' careers and aspirations

Ageing populations are leading to an ever-larger workforce of midcareer and older workers. Life expectancy at birth averages 81 years across OECD countries up from 72 years in 1980 (Figure 1.1), while

fertility rates have been steadily dropping over the last six decades (OECD, 2021[9]). These trends are driving population ageing and contribute to a growing share of the OECD workforce who are aged 45-64. In 2022, this group constituted almost 41% of the OECD workforce, up from 29% in 1990 (OECD, 2024[10]).

Figure 1.1. Life expectancy is rising across most OECD countries

Life expectancy at birth, G7 countries and OECD average, 1980-2022



Source: OECD dataset: Health Status, https://stats.oecd.org/Index.aspx?DataSetCode=HEALTH_STAT (accessed on 12 December 2023).

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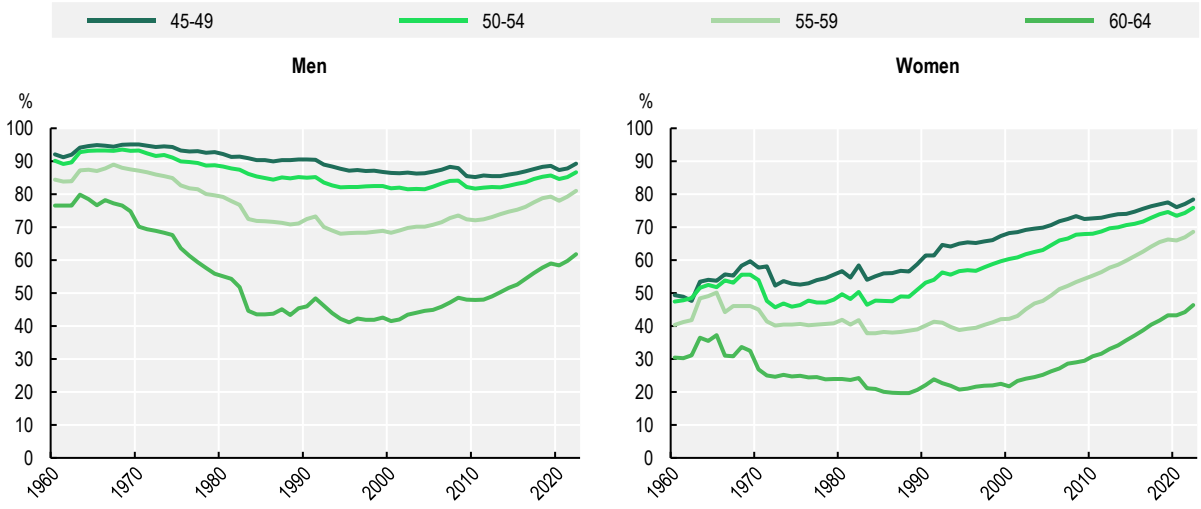
These trends coincide with older people being more active in the labour market than ever before, particularly due to the increased labour market entry and retention of women. Overall, the employment rate of older workers (defined in this report as workers aged 55-64) has increased by 9.2% over the past 60 years on average across OECD countries. Yet, this overall increase masks large differences between men and women: the employment rate of women has increased since the 1960s, while that of men is now converging back to the 1960s rate after a long-term decline prior to 2000 (Figure 1.2).

With people staying in the labour force longer, more workers are changing or rethinking their career ambitions, and so planning for career changes later in life is becoming increasingly important. For instance, results from the 2022 AARP Global Employee Survey show that almost one in two workers aged 45 and older hope or expect to change jobs within the next three years (Figure 1.3). Across the globe, many mid-career and older workers are hoping to change jobs, even though they may not be sure of when. These results reflect that a large number of workers want to change jobs or want more career progression even at late stages of their careers.

Figure 1.2. The employment rate of older workers has increased over the last 60 years

Employment rates by age and by gender, 1960-2022, OECD



Note: OECD is a weighted average.
Source: OECD dataset: LFS by sex and age – indicators, http://stats.oecd.org//Index.aspx?QueryId=118627.

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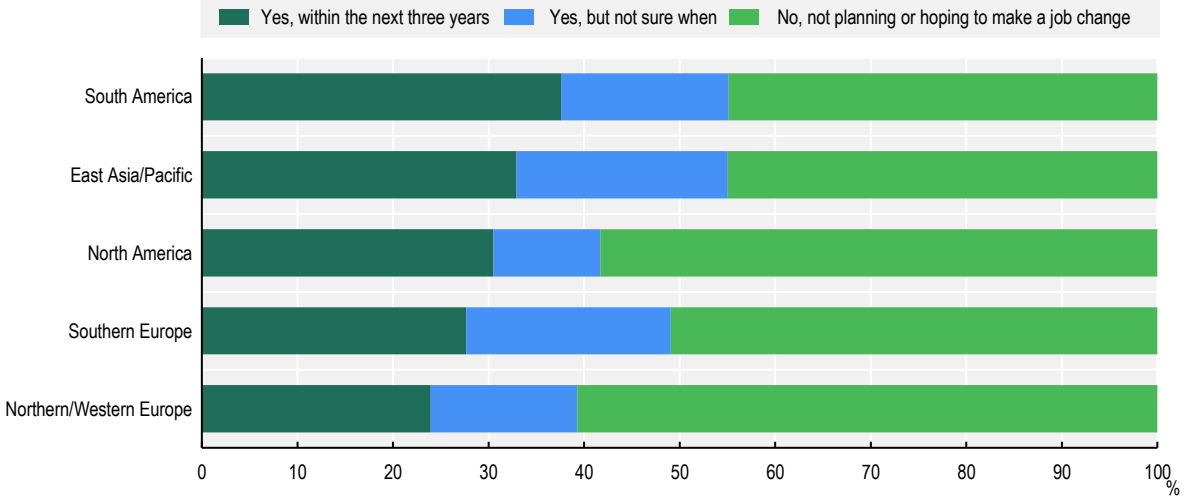
Figure 1.3. Many mid-career workers expect or want to change jobs

Are you expecting or hoping to make a job change in the next few years?



Note: Respondents aged 45 and over. Unweighted averages of the 12 survey countries.
Regions: East Asia/Pacific (Australia, Japan, Korea), North America (Canada, the United States), Northern/Western Europe (Finland, France, Germany, the United Kingdom), South America (Brazil), Southern Europe (Italy, Spain).
Source: AARP Global Employee Survey. Online survey conducted in June/July 2022 of employees aged 25 and over in Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom and the United States. Approximately 1 000 respondents in each country.

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Longer working lives also imply that as workers age, initially good job matches may deteriorate due to changes in workers' preferences, health challenges (including disabilities) or caregiving obligations as well as due to skill depreciation. Older workers are more likely to face health barriers to work (OECD, 2022[11]) and chronic illness which are key drivers for of premature labour market exit (OECD, 2023[1]).[3] As health status worsens with age, combining work with certain health conditions may become increasingly difficult for older workers. While not all workers with a disability have the capacity to work, evidence suggests that many are often still able and want to continue working provided the right support and conditions are provided (OECD, 2022[11]). In some instances however, the nature of the job is such that no adaptations are going to be effective, in which case, career mobility, either within- or between-firms is necessary to stay in the workforce.

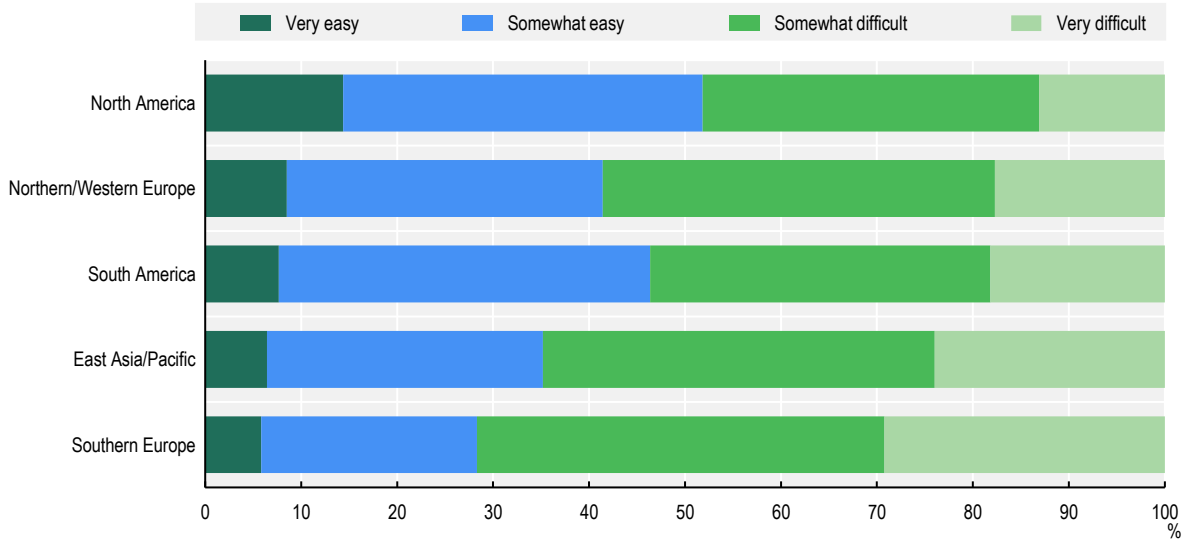
Care responsibilities may be considerable for people earlier on in their careers, for example, to look after young children, but they may rise again at older ages. for example, to provide informal caregiving to parents and partners.[4] On average across OECD countries, around 13% of people aged 50 and over provide frequent informal care, 62% of which are women (OECD, 2021[9]). Informal caregiving is known to contribute to lower employment and earnings levels, particularly among women and especially for older workers (Maestas, Messel and Truskinovsky, 2022[12]). Most importantly, caregivers tend to have lower employment and earnings levels, even after caregiving obligations have ceased, reflecting the difficulty for workers to return to the labour market (Vangen, 2021[13]). Further, this often comes on top of the "motherhood penalty" and "price of being female" which creates a divergence in wages between men and women over time as a result of childbirth (Goldin, Kerr and Olivetti, 2022[14]). As the proportion of the population over 65 continues to rise, demand for caregiving will continue to rise in most countries, often without a concomitant increase in the supply of publicly funded caregiving. Workers are increasingly looking for jobs with working-time flexibility that allow combining work with informal care obligations, and this is essential to prevent early labour market exit.

Indeed, evidence suggests that how workers value different workplace characteristics evolves with age. Older workers tend to value flexible working environments, both in terms of flexible working time and geographical flexibility (Maestas et al., 2023[15]; Hudomiet et al., 2021[16]; Ameriks et al., 2020[17]). For instance, Ameriks et al., (2020[17]) find that older workers in the United States would be willing to accept up to a 20% hourly wage reduction in exchange for a more flexible work arrangement. This search for more flexibility is a development that may have been accelerated by the COVID-19 pandemic (OECD, 2023[1]). Maestas et al., (2023[15]) and Hudomiet et al., (2021[16]) find that older workers also prefer jobs that involve less physical activity and stress.

Finding a job that matches the skills and experience of older workers can be difficult as illustrated by the response to a question in the 2022 AARP Global Employee Survey (Figure 1.4). In the 12 countries surveyed, on balance, respondents found looking for a job opening that matched their skills and experience difficult. Older workers often lack recent job search experience and therefore lack knowledge of current technologies and expectations around job search. Structural barriers such as age discrimination, geographic barriers or institutional barriers such as occupational licenses can also act as barriers. Structural, workplace and individual barriers to mobility, alongside policies to overcome these are discussed further in Chapters 3 and 4.

Figure 1.4. Finding a job that matches their skills and experience can be difficult for older workers

Response to question "During your job search, how easy or difficult was it to find job openings that matched your skills and experience?" by region



Note: Question for persons not working and looking for a job, or looking for a job. Respondents aged 45 and over. Unweighted regional averages. Sorted in descending order of those who replied "Very easy".
Regions: East Asia/Pacific (Australia, Japan, Korea), North America (Canada, the United States), Northern/Western Europe (Finland, France, Germany, the United Kingdom), South America (Brazil), Southern Europe (Italy, Spain).
Source: AARP Global Employee Survey. Online survey conducted in June/July 2022 of employees aged 25 and over in Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom and the United States. Approximately 1 000 respondents in each country.

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1.3. Technological change will result in job changes for many older workers

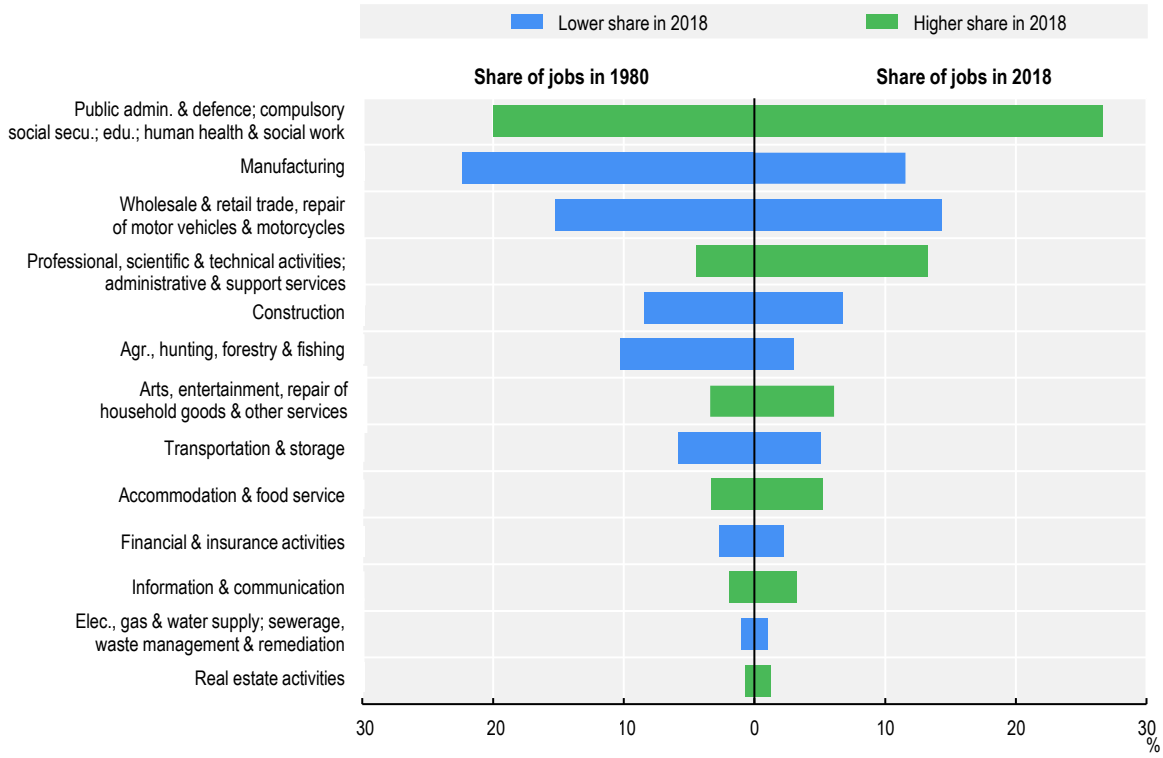
1.3.1. Technological change is causing a sectoral restructuring of jobs

The past four decades have seen large-scale change in the sectoral structure of jobs (Figure 1.5). This shift is characterised by a marked contraction in manufacturing employment and a simultaneous expansion in the services sector. This structural transition predominantly stems from an acceleration of technological change, spearheaded by the arrival and proliferation of computers and robotics. Such technological advancements have facilitated the automation of routine tasks, particularly in the manufacturing sector, enhancing productivity and diminishing the demand for traditional labour-intensive roles. The adoption of technology has simultaneously added value to jobs in services.

The sectoral shift has been further influenced by the dynamics of global trade. The intensification of international commerce has prompted the offshoring of manufacturing to countries where production costs are lower, thus contributing to the decline of manufacturing jobs in higher-cost economies. This reallocation of jobs, while fostering economic efficiency on a global scale, has contributed to a reallocation of workers within national labour markets.

Figure 1.5. The sectoral structure of jobs has changed significantly over recent decades

Share of employment by sector, average of 10 OECD countries



Note: Unweighted average composed of Austria, Denmark, Finland, France, Italy, Japan, the Netherlands, Norway, Spain and Sweden.
Source: OECD calculations based on the OECD dataset: STAN Industrial Analysis 2020 ed. http://stats.oecd.org/Index.aspx?DataSetCode=STANI4_2020.

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These sectoral shifts are likely to continue in the years to come due to ongoing technological change, further reinforced by the green transition. Recent OECD estimates show that on average, occupations at risk of automation account for 28% of employment, but the risk varies widely across countries and sectors (OECD, 2023[18]). Some jobs, occupations and sectors are going to be in more demand, while others may dwindle. Most of the growth is likely to occur in the information sector, but also in service-providing sectors such as healthcare and social assistance (U.S. Bureau of Labor Statistics, 2022[19]). Green technologies and industries that mitigate adverse environmental effects are another area initiating many entirely new occupations. For example, two occupations that the Bureau of Labor Statistics in the United States has projected to have the fastest employment growth from 2020 to 2030 are wind turbine service technicians and solar photovoltaic installers (U.S. Bureau of Labor Statistics, 2022[20]).

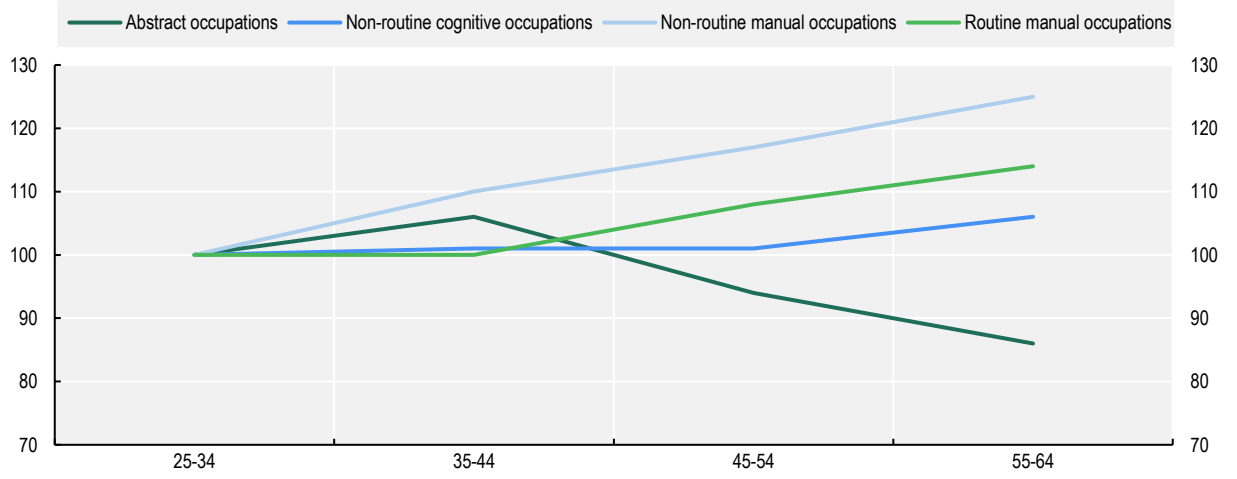
1.3.2. Workers of all ages are exposed to risks from technological change

Automation generates both a displacement effect as well as a productivity effect (Acemoglu and Restrepo, 2018[21]). The displacement effect can reduce the demand for labour, wages and employment, while the productivity effect as the cost of automated tasks declines. Older workers potentially face a higher risk of losing their jobs to automation. Figure 1.6 shows that older workers aged 55-64 are 25% more likely to be employed in non-routine manual occupations (such as personal care, retail) than workers aged 25-34, and 14% more likely to be employed in routine manual occupations (such as construction, manufacturing).[5]

The probability of being employed in manual occupations increases from mid-career, indicating that this gap starts rather early in workers' careers. Routine occupations are more likely to consist of tasks that can be codified such that workers can be replaced by machines and computers (Autor and Dorn, 2013[22]) (Autor, Dorn and Hanson, 2015[23]). Artificial Intelligence raises the prospect of automating non-routine tasks, increasing the risk of automation faced by older workers (Lassébie and Quintini, 2022[24]). One of the few existing studies of the effects of artificial intelligence (AI) at the firm level finds that in the United States, AI investments are associated with a significant increase in the share of workers at the junior level and a decline in the share of workers in middle-management and senior roles (Babina et al., 2023[25]). Nevertheless, new technologies generally increase the importance of skills and tasks for which there is still no good substitute (Autor, 2015[26]). Many older workers have soft skills such as management experience or other tacit knowledge acquired through on-the-job experience that is harder to replace with new technologies.[6]

Figure 1.6. Older workers potentially face a higher risk of automation

Occupational characteristics of workers across age groups, normalised at age 25-34, 2018-20



Note: Data show the unweighted average of 26 European countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovenia, the Slovak Republic, Spain, Sweden, Switzerland and the United Kingdom.
Source: EU Statistics on Income and Living Conditions (EU-SILC), O*NET work abilities, skills, environment data.

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1.3.3. Technological change creates more challenges for older workers

Older workers can be particularly vulnerable to technological change as new technologies usually call for a higher level or different skills, requiring upskilling or reskilling of workers. Older workers with less recent vintages of skills are particularly exposed to the risk of skills obsolescence (Yashiro et al., 2021[27]), and are less likely to participate in job-related training compared to younger workers, often because opportunities are fewer (OECD, 2019[28]).

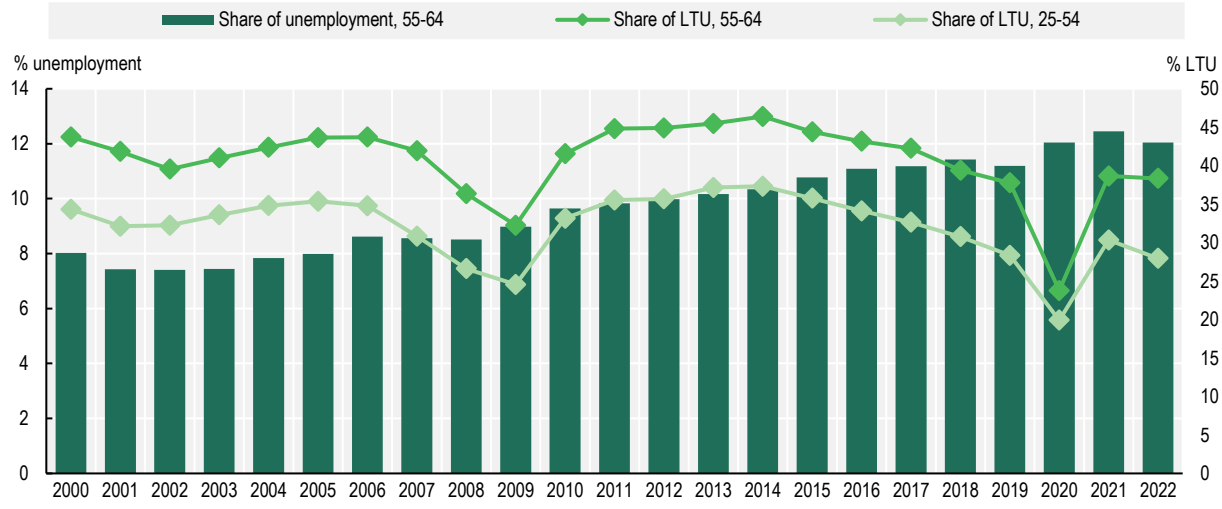
Technological change can precipitate early retirement, although this depends on the task content of jobs as well as employer provided policies and social insurance systems. Evidence from the United States suggests that the automatability of skills has an effect on retirement decisions (Lee, 2023[29]). Although the magnitude of the effect is fairly small in the context of many other factors that determine retirement such as income, wealth, and access to pensions and social insurance, those with more automatable skills are more likely to retire earlier (Lee, 2023[29]). Older workers requiring upskilling in the face of automation may

lose their job or decide to retire early, on the other hand, technological change can increase productivity and boost wages, giving greater incentives to remain employed (Ahituv and Zeira, 2011[30]; Burlon and Vilalta-Bufí, 2016[31]). Whether the productivity effect dominates the need for upskilling effect in anticipating retirement will depend on whether employers provide on-the-job training (Messe, Moreno-Galbis and Wolff, 2014[32]). Very importantly, it will also depend on the availability of unemployment benefit extensions to bridge the gap until retirement (Yashiro et al., 2021[27]). Given the large share of long-term-unemployed workers at older ages, these incentives to retire early can be particularly problematic in many countries due to the fiscal implications for governments.

Older workers face higher risks of long-term unemployment when displaced than younger workers. The unemployment share of older workers (55-64) has increased by more than 4 percentage points during the past 20 years (Figure 1.7). The share of older workers in long-term unemployment is about 12 percentage points higher than for younger workers (aged 25-54). This reflects that when older workers become unemployed, they face greater difficulties in getting back into employment: the hiring rate from unemployment declines as workers age, making it less likely for unemployed older workers to find a job. When they do find a job, they experience higher costs from their unemployment spells, including earnings losses that are twice as high as for younger workers (Box 1.2). These risks make it vital to prevent the displacement of older workers due to technological change by intervening early in facilitating their transition towards growing sectors and occupations. It gives a potentially large role to timely career mobility.

Figure 1.7. Older workers also face higher risks of long-term unemployment

Share of unemployment and long-term unemployed (LTU), by broad age groups, OECD, 2000-22



Note: Long-term unemployed are persons unemployed for one year and over. OECD is a weighted average.
Source: OECD calculations based on OECD datasets: LFS by sex and age, http://stats.oecd.org//Index.aspx?QueryId=9571 and Unemployment by duration, http://dotstat.oecd.org//Index.aspx?QueryId=9594.

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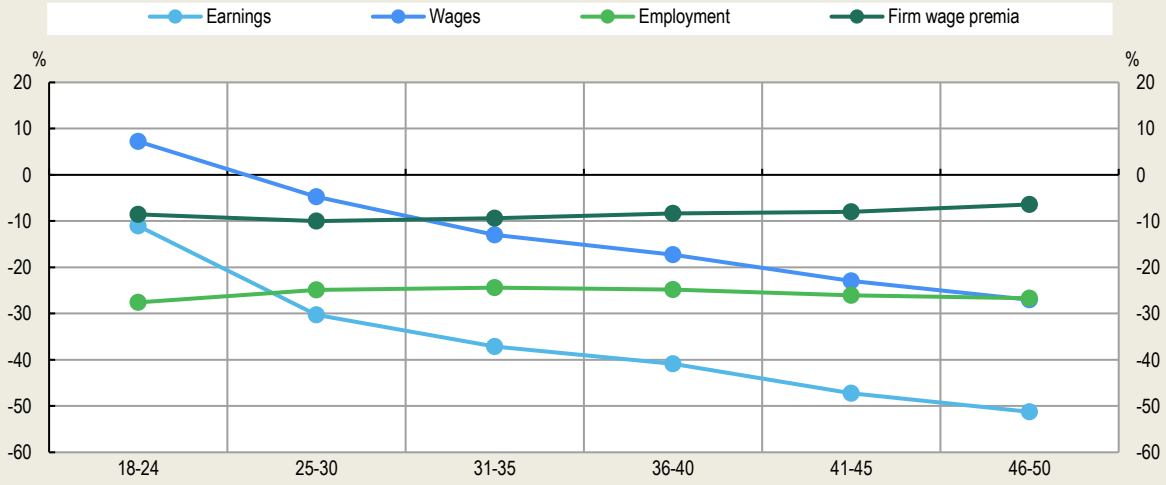
Box 1.2. The costs of job displacement are larger for older workers

This box analyses the long-term earnings losses of displaced workers. Displaced workers are defined as workers who separate from their firm as a result of a mass layoff or firm closure. The effects of job displacement are analysed by comparing the outcomes of displaced workers with their non-displaced counterparts who share similar observable characteristics. The analysis is based on linked employer-employee data for Austria, Portugal and Spain. Figure 1.8 visualises the effects of job displacement after five years with respect to annual earnings, wages, firm wage premia (a measure of the generosity of the wage-setting practices of the firm) and the probability of being employed.

- **Job displacement carries large and persistent earnings losses.** On average across countries, displaced workers have 40% lower earnings than their non-displaced counterparts five years after the time of displacement.
- **The earnings losses of job displacement tend to be larger for older workers.** On average across countries, the earnings of older displaced workers aged 46-50 five years after displacement are cut in half relative to their non-displaced counterparts. Earnings losses for older workers are about five times as large as those for younger ones aged 18-24.
- **Higher earnings losses of job displacement for older workers are driven by larger wage losses upon re-employment.** Higher wage losses primarily reflect the loss of firm-specific human capital rather than a change in the generosity of firm pay practices.

Figure 1.8. The costs of job displacement are larger for older workers

Average annual percentage difference in outcomes between displaced workers and their matched counterparts during the first five years since displacement by age, average across three countries



Note: Countries included are Austria, Portugal and Spain. For details on the methodology see Barreto et al. (forthcoming[33]), "Job displacement in high-emission sectors: implications for the green transition", in *OECD Employment Outlook 2024*.
Source: OECD calculations based on national linked employer-employee data.

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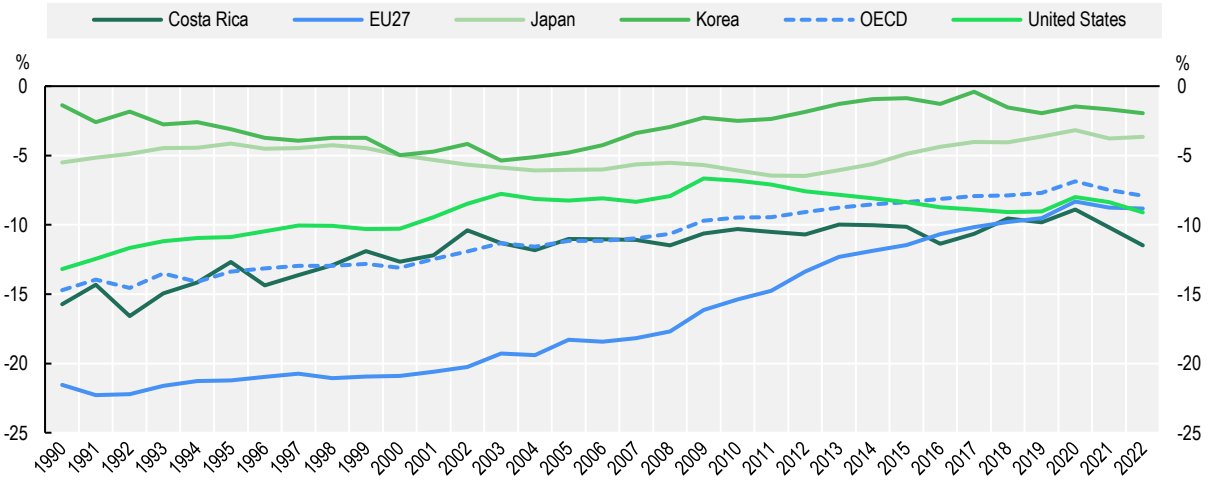
1.4. Can mid-career mobility promote longer working lives?

On average across the OECD the gap in employment rates between mid-career and older (ages 45-65) and younger workers (25-44) has narrowed, from 15 to 7 percentage points in the last three decades (Figure 1.9). Despite these positive developments, older workers continue to work significantly less than younger workers. Additionally, the narrowing of the employment gap seems to have reached a standstill in many countries, suggesting that there are still considerable barriers for achieving a comparable level of employment thorough the lifecycle, which is what might be needed considering the rapid ageing of the population.

Figure 1.9. Employment opportunities for older persons lag behind despite improvements in recent decades

Difference in employment rates between ages 25-44 and 45-64



Note: EU27 and OECD are weighted averages.
Source: OECD calculations based on OECD dataset LFS by sex and age, http://stats.oecd.org//Index.aspx?QueryId=9571.

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Improving employment opportunities for older people is imperative to offset the costs associated with rapid population ageing. The age employment gap, paired with a rapid ageing of the workforce, could contribute to labour shortages in the short term. By 2060 the share of 20-64 year-olds in the population is projected to fall from an average of 58% across EU countries in 2021 to 53% in 2060 (OECD, 2019[28]). The decreasing share of the population aged 20-64 is likely to drive up labour shortages in the short term, as it limits the inflow of new talent into the workforce (European Commission, 2023[34]). Other factors, such as the adoption of artificial intelligence, could impact labour demand such that labour shortages do not arise in all sectors and for all occupations (OECD, 2023[18]). Balancing these dynamics requires strategic interventions aimed at optimizing the contribution of older workers to the labour market.

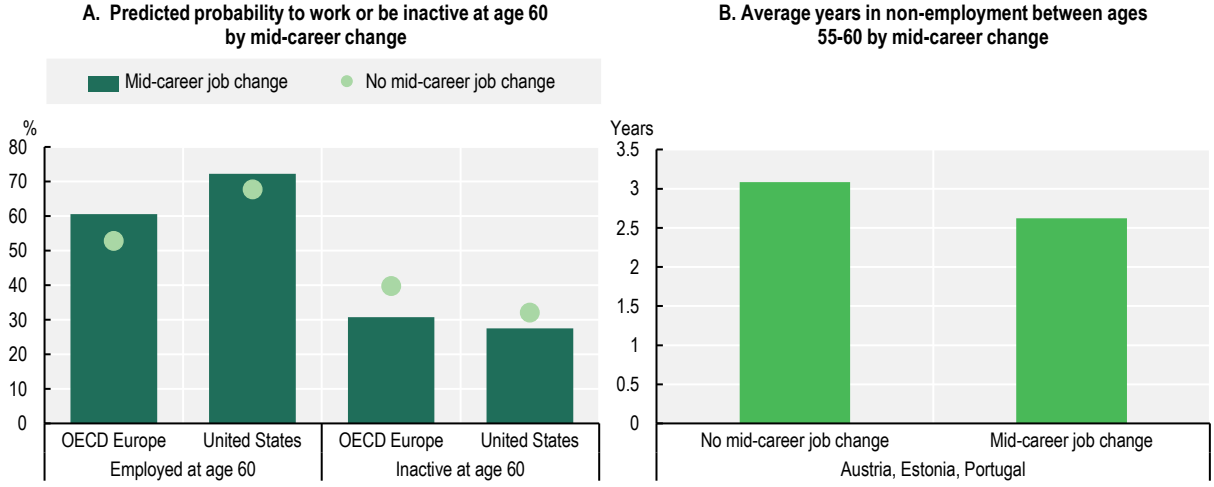
Unlocking the potential of older workers is pivotal to addressing labour shortages. Efforts need to be amplified to ensure the full integration of older workers into the workforce. Creating inclusive, multigenerational environments within firms, where opportunities for career progression and fair working conditions are accessible to workers of all ages, is a key component of this (OECD, 2023[1]). Facilitating career mobility to allow workers of all ages to change jobs and occupations if they would benefit from it is also a key to ensuring fulfilling longer working lives.

1.4.1. There is an overall positive correlation between mobility and longer working lives

To understand whether effectively changing jobs later in a career helps people work longer, it is possible to compare the working years of those who switched jobs to those who did not. People who switch jobs might be different to people who don't in ways that are not immediately obvious. This analysis can consider observable factors available in the data such as demographic characteristics, health, and income, as well as differences between countries and over time. However, there might still be unknown factors that we cannot account for that may also affect the results.

On average across selected OECD countries, there is a positive correlation between mobility at mid-career and longer working lives (Figure 1.10). The analysis calculates the predicted probability of being employed and the predicted probably of being inactive at age 60 for workers who have made a mid-career job change (between age 45-54). This is compared to the predicted probability for those who did not make a mid-career job change. In a set of European OECD countries and the United States, workers who switched jobs aged 45-54 are more likely to still be employed at age 60 (60.6% in Europe and 72.3% in the United States) compared to those who did not change jobs (52.8% in Europe and 67.7% in the United States). Workers with mid-career job changes are less likely to have left the labour market (30.7% compared to 39.8%).

Figure 1.10. Mid-career job mobility is correlated with less inactivity and more employment at older ages



Note: A mid-career job change is a change in job between ages 45-54. Panel A reports the predicted probability of being employed/inactive at 60 after a regression of a dummy indicating whether a worker self-reports being employed/inactive on the year of one's 60th birthday, on the mid-career switch dummy. Controls for OECD Europe include demographic factors (gender, age dummies, education), health indicators (depression and overall health), labour market indicators (number of jobs in career, time entry labour market, wage of current job, industry and occupation), wealth and income indicators (household income, benefit receipt, difficulty to make ends meet, a home renter indicator), household size, and informal care responsibilities, as well as country and time fixed effects. Controls for the United States include demographic factors (gender, age dummies), health indicators (depression), labour market indicators (number of jobs in career, time entry labour market, industry, and occupation), household size, and time fixed effects. Countries include in Panel A show unweighted average predictions for Austria, Belgium, Czechia, Denmark, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Slovenia, Spain, Sweden and Switzerland. Panel B reports averages over the period 2005-20 for the three European countries and 2015 for the United States. Data show the unweighted average predictions for the three countries in Panel B.
Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (SHARE) Life History Wave 7, https://share-eric.eu/ and The Health and Retirement Study (HRS) Life History Wave 13 for the United States, https://hrs.isr.umich.edu/, (Panel A) and Linked employer-employee data (Panel B).

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There is also a positive correlation between mid-career mobility and the time spent in non-employment (Figure 1.10, Panel B). Using linked employer-employee data for three European countries the analysis shows that non-mid-career switchers spent on average 15% more time in non-employment (which captures both unemployment and inactivity) than workers who did switch jobs mid-career. This correlation could be uncovering the potential role of mid-career mobility in sustaining longer employment at older ages and preventing premature exit from the labour market.

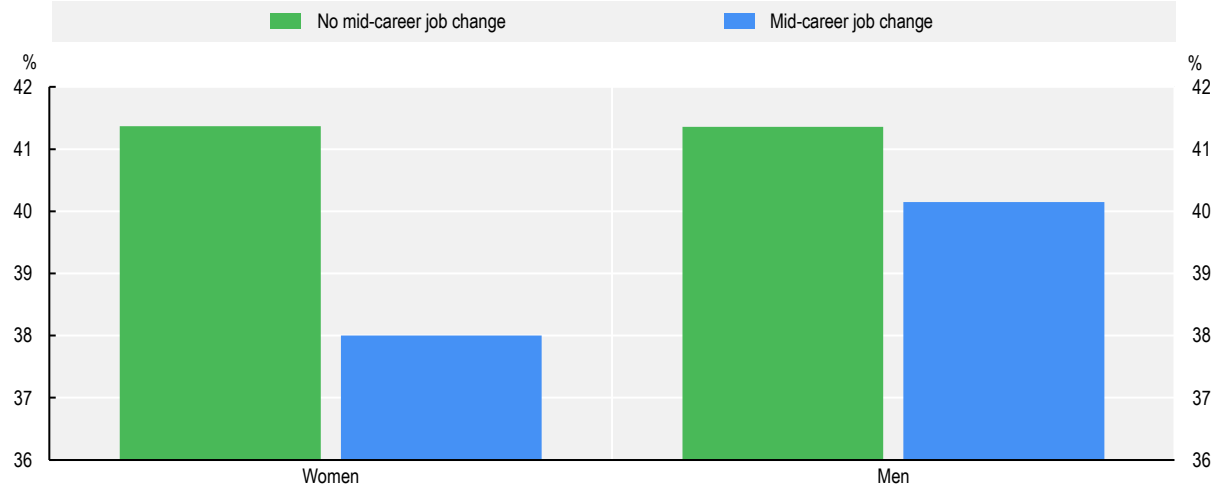
1.4.2. Mid-career mobility may delay the decision to retire

Job mobility at mid-career (aged 45-54) may also delay the decision to retire, which could explain the positive correlation between mid-career mobility and employment at older ages. If older workers have experienced good career mobility and are now in jobs that better match their skills, experience or preferences, they may be less likely to leave the labour market prematurely. This can be analysed by exploring how a job change affects the expectations of retiring early for older workers.

Older workers, particularly women, who change jobs mid-career are less likely to consider retiring early. The analysis estimates the effect of a job change on self-reported early retirement expectations, separately for men and women. For both men and women, workers who have changed job mid-career are more likely to report a lower likelihood of retiring early (Figure 1.11). The effect is stronger and statistically significant for women: women who have changed jobs mid-career are more than 3 percentage points less likely to want to retire early.

Figure 1.11. Older workers, particularly women, who change jobs are less likely to consider retiring early

Predicted self-reported expectations to retire early by gender, 2010-20



Note: A mid-career job change is a change in job between ages 45-54. The figure reports the predicted probability of retiring early from a model estimating the effect of a mid-career job change on whether they are considering early retirement. The model includes controls for health status, caregiving, income, and disability, as well as individual, time and year fixed effects.
Source: OECD calculations based on Survey of Health, Ageing and Retirement in Europe, (SHARE).

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1.5. Career mobility can support workers in finding better jobs at all ages but there are many challenges

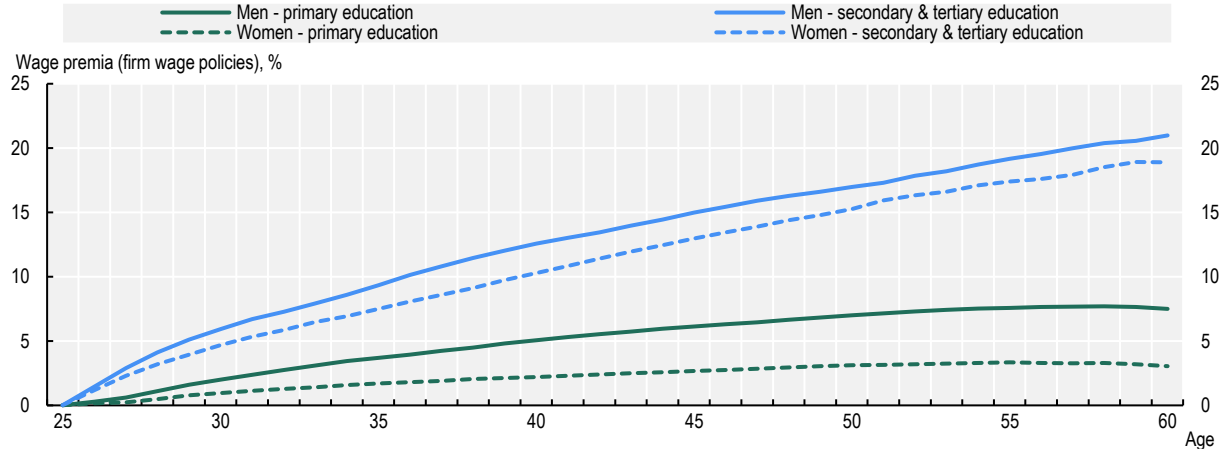
Career mobility is an important lever in supporting workers to move to better quality jobs (with better pay and/or working conditions), facilitating longer or more satisfactory working lives. Moving workers away from jobs with poor working conditions, including hazardous work, is also important for ensuring that older workers are not forced out of the labour market prematurely. However, the career trajectories that workers embark upon are often at least partly driven by inequalities that develop early in life leading to differences in opportunities for career progression.

1.5.1. Inequalities in career trajectories start early on in life

Evidence suggests that career paths are shaped early in life and that the career paths of workers can diverge depending on education, gender and firm pay practices. Labour markets of all OECD countries are characterised by some degree of inequality in wages. This is due to differences in the skills that workers possess, but also differences in the pay policies of firms (see for example Barth et al. (2016[35])). For example, across the OECD, differences in wage policies across firms explain about one-third of the overall inequality in wages on the labour market (OECD, 2021[36]). As such, the workplace is an important determinant of a workers' wages. It also means that differences in opportunities for career progression between groups of workers across firms can have potentially important implications for the depth and persistence of inequality. Using linked employer-employee data this is analysed in the case of Portugal by documenting the evolution of firm wage premia – i.e. the part of worker wages that can be attributed to the wage policy of their employer – from age 25-60 by gender and educational attainment (Figure 1.12).

Figure 1.12. Careers strongly diverge over the life course as a result of job mobility

Evolution of firm wage premia since age 25 by gender and educational attainment, 2002-19, Portugal



Note: The figure shows the evolution of the firm-specific premium on wages resulting from between firm mobility over the life course, relative to age 25. The firm wage premium can be interpreted as the generosity of firm wage policies after accounting for the portable skills of workers (Abowd, Kramarz and Margolis, 1999[37]), "High Wage Workers and High Wage Firms", *Econometrica*, www.jstor.org/stable/2999586. A higher value means that the firm pays higher wages than firms with lower values when employing similarly skilled workers. The data refers to workers who have been employed for at least ten years in the private sector during the period 2002-19.
Source: Linked employer-employee data from Portugal's Instituto Nacional de Estatística – Quadros de Pessoal.

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Opportunities for moving up the firm wage ladder (the ranking of firms based on generosity of their wage policies) differ strongly across educational groups and widen with age. Skilled workers with at least secondary education, tend to steadily move up the firm wage ladder up to the age of 60. In contrast, workers with only primary education, which make up a large group of workers in Portugal, move much more slowly up the firm wage ladder and their progression largely stalls after age 50.

1.5.2. Women face particular bumps in the road towards career advancement

Motherhood is estimated to have a substantial negative effect on the career opportunities for women in terms of wages and career progression (Healy and Heissel, 2020[38]; Kleven et al., 2019[39]; Barth, Kerr and Olivetti, 2021[40]; Goldin et al., 2017[41]). This "motherhood" penalty is attributed to both direct discrimination by employers and indirect effects such as reduced work hours or taking time off for childcare responsibilities. Career breaks tend to me more common among low to medium-skilled women, possibly reflecting the lower opportunity costs of not working (OECD, 2021[36]). The gender gap can arise from differential earnings growth between men and women within firms as well as differential earnings growth from job mobility between firms. In the case of Portugal, differences in opportunities for moving up the firm wage ladder are apparent between men and women, and the differential is larger for low skilled workers (Figure 1.12). While skilled women move up the firm wage ladder almost as quickly as skilled men, the progression of low-skilled women up the wage ladder is particularly slow. By age 60, low-skilled women see an increase in firm wage policies of 3% compared to 7.5% for low skilled men (and 20% for skilled women).

Recent evidence from the United States finds that both within firm career advancement and between firm mobility is important for determining differences in the gender gap, but that these channels work differently for low skilled workers compared to high skilled workers (Barth, Kerr and Olivetti, 2021[40]). For college educated workers the increasing gender gap is mostly due to differential earnings growth within firms; only 27% of the widening of the total gender pay gap is explained by differences between firms. In contrast for non-college educated workers, there is very little divergence by gender. Between firm mobility contributes to differential earnings growth for college and non-college educated workers, and for women there are large differences between married and non-married women. The age-earnings profile for non-married women is similar to that of men, whereas for married women the age-earnings profile across firms is significantly flatter compared to that of men. The authors suggest that the divide arising from differences in marital status are related to the costs of job search and the efforts and uncertainties related to starting a new job, which rise with the increased time spent at home.

1.5.3. Many older workers remain stuck in poor quality jobs

Many older workers are trapped in poor quality jobs which can have long lasting consequences for their well-being, health, and overall career prospects. Table 1.1 summarises several metrics based on the task content of the occupations held by workers of different age groups, by using survey data on occupations matched to the task contents of each occupation from O*NET to obtain the average incidence of each metric across age groups. Higher numbers indicate a higher incidence of a given metric relative to the age group 25-34, while lower numbers indicate a lower incidence. Some clear trends emerge from this analysis:

- The working environment of workers tends to worsen over the lifecycle. Older workers work more often in occupations exposed to job hazards and poor environmental conditions. Greater exposure to bad environmental conditions is another way to observe that older workers appear to be more frequently working in poor quality jobs.
- Mid-career and older workers tend to work in occupations requiring more physical strength and stamina. Working in physically demanding jobs may become increasingly difficult with age, both because they prefer jobs that are not physically straining and because of physical health barriers

to work which may limit their strength. As a result, a large share of older workers may not be employed in jobs that they can sustainably keep.

Table 1.1. The quality of occupational characteristics declines over age

Occupational characteristics of workers across age groups, normalised at age 25-34, 2018-20

	Age 25-34	Age 35-44	Age 45-54	Age 55-64
Poor environmental conditions	100	101	103	105
Job hazards	100	101	102	104
Physical strength	100	100	102	103
Stamina	100	100	102	104

Note: Data show the unweighted average of 26 European countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovenia, the Slovak Republic, Spain, Sweden, Switzerland and the United Kingdom.
Source: EU Statistics on Income and Living Conditions (EU-SILC), O*NET work abilities, skills, environment data.

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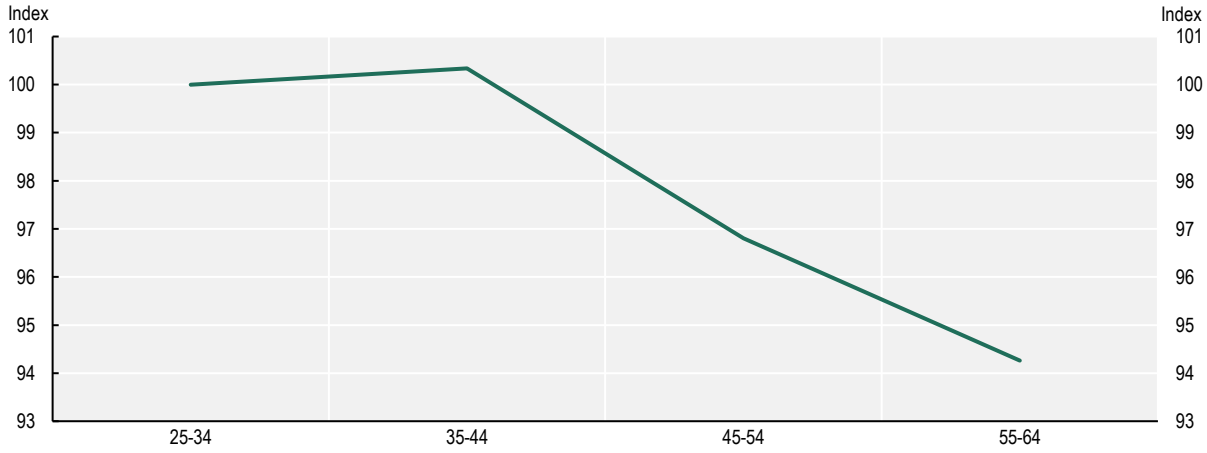
Older workers may not have jobs that match their preferences. One way to summarise the quality of a job match for older workers is through an “age friendliness” indicator (AFI). Such an indicator ranks occupations in their age friendliness by considering the various occupational characteristics that make a job appealing to older workers, such as job flexibility, stability, opportunities for skill development and training, and supportive and accessible work environments (Acemoglu, Mühlbach and Scott, 2022[42]).

This indicator suggests that older workers do not have particularly age friendly jobs. Older workers tend to work in occupations which on average have a lower age friendliness indicator score (Figure 1.13). This result for European OECD countries, is similar to that found in the United States (Acemoglu, Mühlbach and Scott, 2022[42]). Despite an increase in the availability of age friendly jobs, older workers have not benefited proportionately (Acemoglu, Mühlbach and Scott, 2022[42]).[7] As such, many older workers may not be employed in jobs that match their preferences, potentially being less engaged in the labour market and leaving the workforce prematurely. Given that job quality and the quality of job matches seems to decline over the lifecycle, it’s vital to give workers, at every career stage, the resources to shift to better jobs.

Figure 1.13. Older workers have less age-friendly jobs

Share of workers by age friendliness index and age, European OECD countries, 2017-20



Note: The age friendliness indicator is constructed following (Acemoglu, Mühlbach and Scott, 2022[42]), "The Rise of Age-Friendly Jobs", on the basis of worker skills, abilities, and work environment of the O*NET classification. Occupations with a higher age friendliness index require workers to have higher cognitive abilities, but lower physical, psychomotor, and sensory abilities. Occupations with a higher age friendliness index require workers to have higher communication skills and are less focused on work output. In terms of work environment, higher age friendliness occupations have more conflictual contact, recognition and better working conditions, and less responsibility for others, environmental conditions, job hazards, pace and scheduling. The figure shows the indicator normalised to 100 for workers aged 25-34, to show differences in the score across age groups. A level below 100 indicates a lower average age friendliness indicator across the occupations held by workers from that age group compared to those aged 25-34, while a level above 100 indicates a higher age friendliness indicator.
Data represent the unweighted average of 26 European countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovenia, the Slovak Republic, Spain, Sweden, Switzerland and the United Kingdom.
Source: EU Statistics on Income and Living Conditions (EU-SILC), O*NET work abilities, skills, environment data.

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Notes

[1] Measuring career changes is difficult due to the difficulty of defining what is a career change. Official statistics on career changes are therefore rare, and statistical offices do not try calculating this figure (U.S. Bureau of Labor Statistics, 2023[44]). Estimates can be obtained from industry studies, and the figure can vary, from three to seven career changes per person (The Balance, 2020[43]). Indeed data presents estimates that pre-pandemic, 49% of workers experience a career change in their lifetime (Indeed, 2019[3]). This figure may be higher now after the workplace and work attitudes changes that the pandemic has prompted.

[2] There is no optimal level of job mobility at either the macroeconomic or individual level. At the aggregate level what is optimal will depend on a range of factors such as technology, economic conditions, industry composition, firm size, and social preferences. The optimal level of job mobility also varies for individuals and also depends on a wide range of factors including personal preferences, career goals, industry norms and economic conditions. Government policies, regulatory frameworks, and social programmes also play a significant role in shaping the dynamics of the labour market and influencing the balance between job stability and mobility (discussed further in Chapter 3).

[3] In 2016-19, the disability employment gap, measured as the difference in the employment rate between people without a disability and people with a disability, was 27 percentage points on average across 32 OECD countries, ranging from around 15 percentage points in Mexico, Chile and Switzerland to over 35 percentage points in Lithuania, the United States and Ireland (OECD, 2022[11]).

[4] Informal caregiving refers to instances where someone, often a family member, provides care, typically unpaid, to someone with whom they have a personal relationship.

[5] Throughout this report *low skill workers* includes workers with limited formal education and training. They often perform routine tasks that require basic skills. Jobs in this category may involve manual labour, simple administrative tasks, or service roles with minimal skill requirements. *Medium-skilled workers* have a moderate level of education and training. They may have completed secondary education or obtained vocational qualifications. Jobs in this category often involve a mix of routine and non-routine tasks. Examples include service workers and shop and market sales workers. *High-skilled workers* possess advanced education, training, and expertise. They typically hold degrees from tertiary education institutions (universities or colleges) and may have specialised knowledge in specific fields. Jobs in this category often require problem-solving, critical thinking, and analytical skills. Examples include professionals such as doctors, engineers, scientists, and managers.

[6] See for example Heckman and Kautz (2012[45]) for evidence on the importance of soft skills such as personality traits, goals, motivations, and preferences that are valued in the labour market.

[7] Acemoglu, Mühlbach and Scott (2022[42]) find that for the United States most the age friendlier jobs have been taken up by females and college graduates. Amongst older workers, females and graduates have also benefitted in contrast to non-college graduate males. They suggest this is mainly because of the overlap in job characteristics that make jobs attractive to females and college graduates as well as older workers. For example, jobs that require less physical exertion, jobs with less harsh environmental conditions, and jobs that require greater use of social and communication skills. Other reasons may include the unwillingness or inability of older workers to move away from their existing jobs, as well as a preference on the part of employers for younger workers.

2 Moving to better jobs

Career mobility can either be voluntary or involuntary. Older workers who change jobs voluntarily typically experience improvements in wages and the quality of working environment, however they are less likely to make a voluntary job change compared to younger workers. This chapter considers the implications of career mobility for older workers in terms of earnings, type of job and working environment. Given that careers are becoming less linear and the likelihood of major career change during a workers' life is increasing, government and employer policies need to be more proactive in preparing people for change and facilitating better carer choices, particularly for low-skilled workers.

2.1. How mobile are workers across the lifecycle?

Key messages

Job and occupational mobility decline over the lifecycle, across gender and education groups. Only 6.1% of workers aged 55-64 change jobs in a given year on average across OECD countries compared to 11.3% of workers aged 25-44.

Older workers can benefit from changing jobs if the moves they make are voluntary, as opposed to being laid off. On average over the period 2010-20, workers aged 55-64 who voluntarily changed jobs experienced wage growth of 3.5% (7.4% among those aged 45-54) (across OECD countries with available data).

However, older workers who are forced to change jobs are likely to experience a decline in pay following a job change. On average over the period 2010-20, workers aged 55-64 who were forced to change job experienced an average decline in wages of just over 13% (a decline of 9% for those aged 45-54) (across OECD countries with available data).

Many non-pecuniary aspects of job quality also increase following a voluntary job change. The 2022 AARP Global Employee Survey found that 50% of recent job changers experienced an improvement in mental health and 45% saw an improvement in workplace culture.

Supporting career transitions of older workers with low skills requires attention. Low skilled workers are more likely to be trapped in low skill job. On average, across OECD countries with available data, about 60% of workers aged over 45 working in a low skill occupation who change occupations will switch to another low skill job. Those who switch to another low skill occupation will experience wage growth of less than 1%.

Lack of wage growth within firms contributes to a decline in wage growth among older workers. Promotions are a key contributor to wage growth but for older workers promotions are rare – even well before they retire – explaining a large part of slower wage growth for older workers.

The incidence of more flexible working arrangements, such as part-time work, rises with age bringing with it benefits but also risks. For many, part-time work is desirable and supports a gradual transition towards retirement.

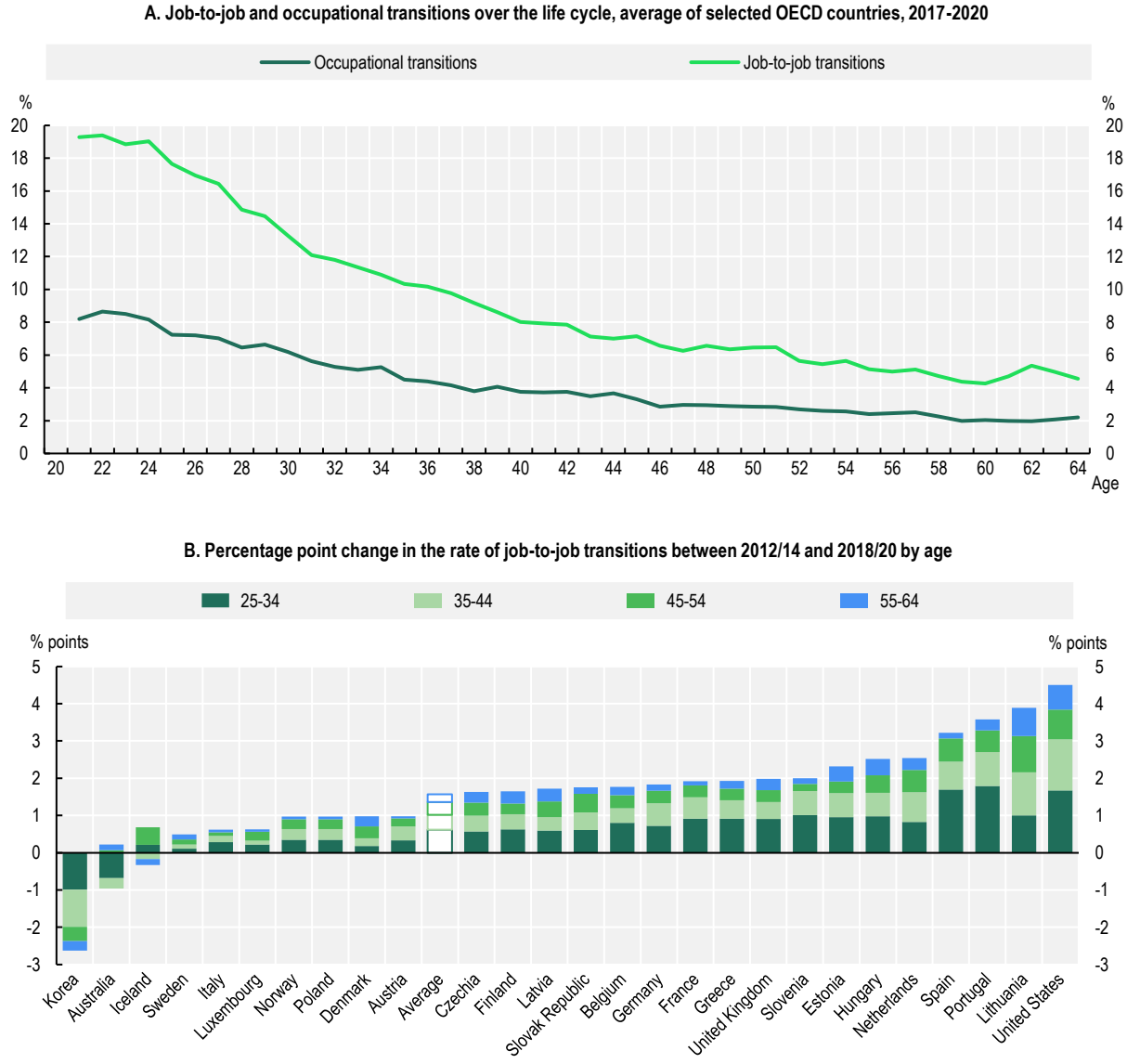
- However, a significant minority of part-time workers would prefer working longer hours (29% of men and 20% of women aged 50-59).
- Workers with low levels of education who are working part-time are more likely to report difficulty finding a full-time job. Among workers aged 45-54, 40% cannot find a full-time job (30% among those aged 55-64).

2.1.1. Career mobility declines over the lifecycle

As highlighted in Chapter 1, older workers represent a growing share of the labour market, by 2050, one in six workers will be over the age of 65. Therefore, improving the career choices of older workers is vital for a well-functioning labour market, yet job-to-job and occupational mobility decline substantially throughout individuals' working lives (Figure 2.1, Panel A). Two noteworthy facts standout. First, there is a rapid decrease in mobility following the initial stages of careers. Young workers exhibit frequent job changes, with approximately 15-20% of workers under 30 transitioning to new jobs in a given year and around 10% of them changing occupations. Second, mid-career emerges as a turning point for career

mobility. Around the age of 45, only 7% of workers change job and 3% change occupation; a proportion that remains relatively constant as individuals age.

Figure 2.1. Career mobility falls dramatically by mid-career



Note: Data in Panel A show the unweighted moving average of the 27 countries in Panel B with the addition of Ireland and Switzerland. Data in Panel B are adjusted to control for the composition of the labour force by education and age. The bars represent the contribution of each age group to the overall change in mobility. The methodology is the same as that used in the (OECD, 2019[1]), *OECD Employment Outlook 2019: The Future of Work* and is based on (Farber, 2010[2]), *Job Loss and the Decline in Job Security in the United States*. The white bar is the unweighted average of the 27 countries shown.
Source: OECD calculations based on the EU Statistics on Income and Living Conditions (EU-SILC) (Panel A), OECD calculations based on the European Union Labour Force Survey (EU-LFS) (Panel B), the Household, Income and Labour Dynamics in Australia (HILDA) Survey, Korean Labor and Income Panel Study (KLIPS) and Job-to-Job Flows database, US Census Bureau.

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This decline in career mobility over the lifecycle can be largely explained by improvements in job match quality between workers and firms. As workers gain work experience, they are more likely to find a job that

aligns with their skills, qualifications and preferences. The quality of a match is not directly observable, but job duration is a common proxy, and as (OECD, 2023[3]) shows, job retention increases with age. Older workers are more likely to have found a good match with an employer, which may be reflected in higher levels of job satisfaction, pay and benefits and hence a lower incentive to switch jobs, but also in the accumulation of firm-specific skills that make it more challenging to find a new job. At the same time, other personal circumstances such as family and homeownership may also reduce the likelihood of changing job. In contrast, it could also be that older workers find it harder to find a new job than younger workers because of employer perceptions and other barriers to accessing the job market and making career changes. Over time there is evidence that job-to-job mobility has increased, but by relatively little for older workers (Figure 2.1, Panel B). On average across the OECD (for countries with available data), job-to-job mobility has increased by 1.5 percentage points between 2012/14 and 2018/20 reflecting the fact that careers are becoming more dynamic. These increases in dynamism are observed in countries with already high levels of dynamism (like the United States and Lithuania), but also among countries with traditionally low levels of dynamism (like Portugal), indicating some potential convergence between countries. When it comes to how much each age group contributed to the increase in dynamism, mid-career and older workers contribute proportionately less than the share of the labour force they represent.

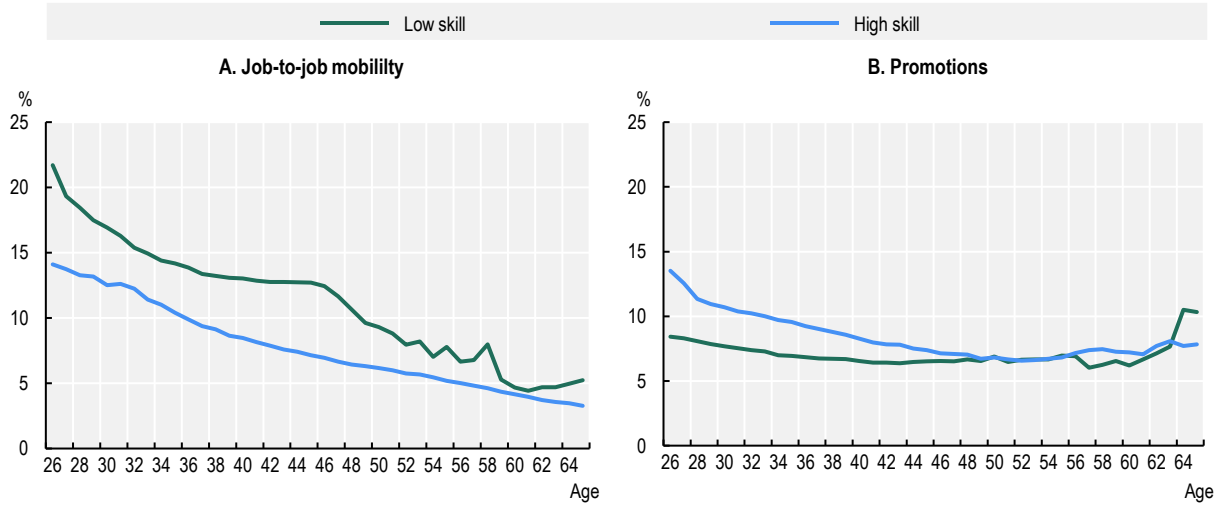
2.1.2. Within firm mobility is particularly important for high skilled workers, but this also declines as workers age

Job mobility within the firm, measured here by promotions, is as high as job-to-job mobility for high skilled workers throughout workers' careers. Figure 2.2 uses linked employer-employee administrative data for Austria, Estonia, Germany, Hungary and Portugal to show a lifecycle perspective on the share of workers experiencing job-to-job mobility and within firm mobility (promotions). Similar to job-to-job mobility, within firm mobility also declines as workers age for the same reasons discussed above, i.e. an improvement in match quality over time. However, it could also reflect that workers may have fewer career progression opportunities within a firm as they age.

For low-skilled workers job-to-job mobility is substantially higher than within firm mobility, especially at early stages of the career. This is likely because low skilled workers often have temporary contracts and are forced to change jobs more frequently (the data in Panel A of Figure 2.2 capture both job-to-job hopping and workers experiencing a short unemployment spell between jobs of less than 12 months). This highlights the need to distinguish between mobility that facilitates better and more sustainable employment and job hopping between similar types of low-skilled jobs.

Figure 2.2. Job mobility within the firm is a key element of overall mobility for high skilled workers

Job-to-job and within firm mobility over the life cycle, by skill group, average for Austria, Estonia, Germany, Hungary, Portugal, 2002-19



Note: Promotions are defined by a worker experiencing a wage increase of 10% or more within their firm. Workers are divided by their skill level depending on their position in the skills distribution, or "unobserved inability", estimated through worker fixed effects. Low skill therefore represents the bottom third of the distribution, while high skill represents the top third of the distribution. Job-to-job mobility captures both job-to-job hopping, and workers experiencing a short unemployment spell between jobs (of less than 12 months).
Source: Linked employer-employee data for Austria, Estonia, Germany, Hungary, Portugal.

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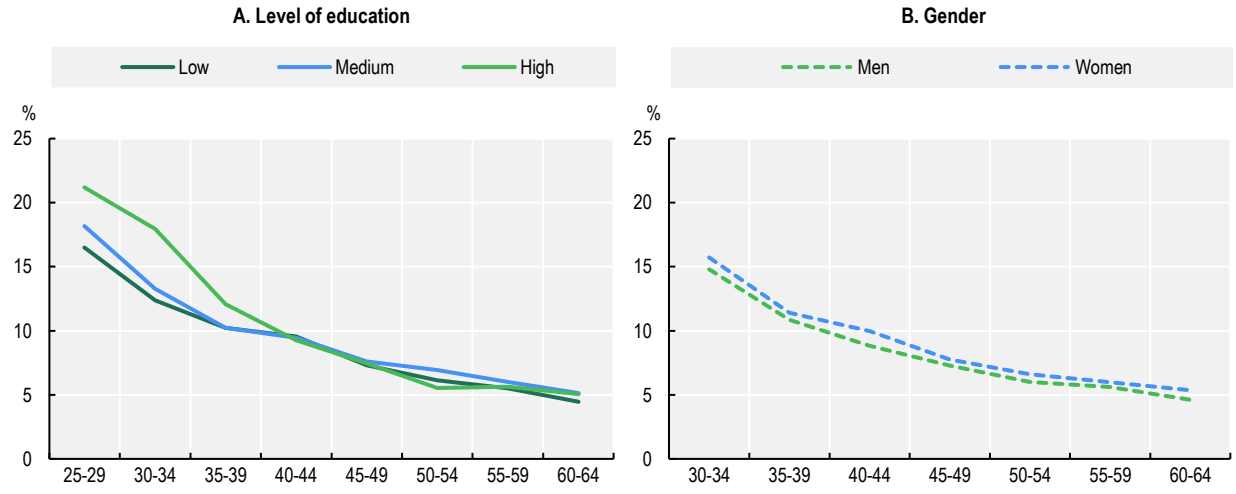
2.1.3. Job mobility also declines with age regardless of gender or education level

Job-to-job mobility follows a similar declining trajectory over age for both men and women (Figure 2.3). Women experience slightly higher mobility than men throughout their working lives, particularly when they are younger, but both genders exhibit comparable declines in mobility as they grow older. Occupational mobility, not presented here, tells a similar story.

Mobility is highest during the early stages of a career for individuals with higher educational attainment (Figure 2.3). This reflects the well-established role of mobility in promoting career progression and wage gains among (high-skilled) younger workers (Topel and Ward, 1992[4]; Hahn et al., 2017[5]). However, by the age of 40-45, mobility levels of those with high educational attainment converge with that of individuals with lower and medium educational attainment.

Figure 2.3. Mobility falls along the lifecycle similarly across educational attainment and gender

Job-to-job mobility by educational attainment, gender and age, average of selected OECD countries, 2017-20



Note: Data show the unweighted average of 29 countries: Australia, Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States.
Education levels based on the ISCED 2011 classifications. Low: below upper secondary (0-2), Medium: upper secondary and post-secondary non-tertiary (3-4), High: tertiary education (5-8).
Source: OECD calculations based on the EU Statistics on Income and Living Conditions (EU-SILC), the Household, Income and Labour Dynamics in Australia (HILDA) Survey, Korean Labor and Income Panel Study (KLIPS) and Job-to-Job Flows database, US Census Bureau.

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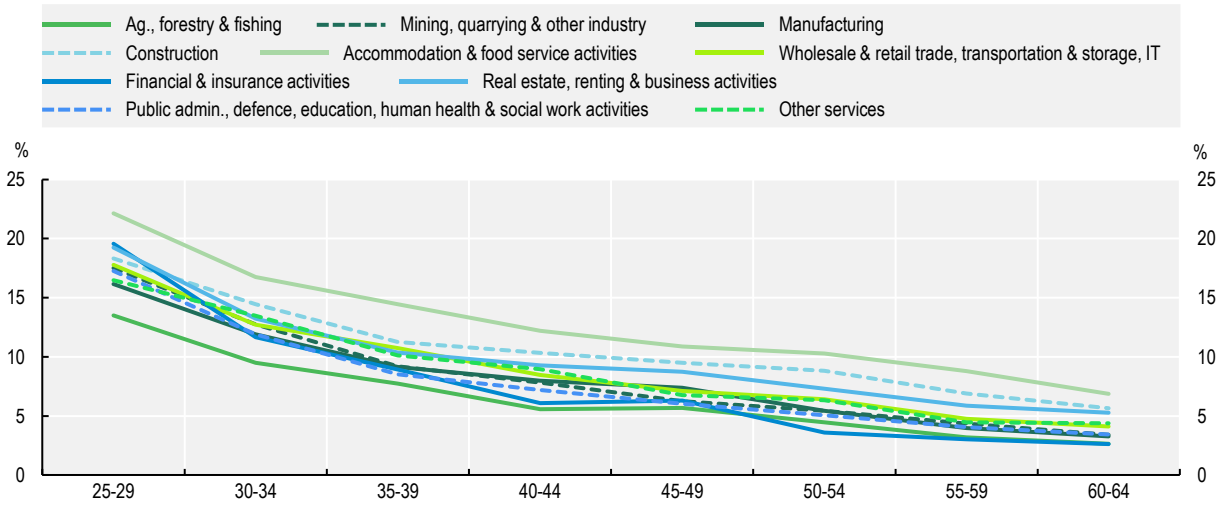
2.1.4. Career mobility levels are sector-specific

Career mobility differs substantially across sectors, although declining by age. Workers in the accommodation and food service activities sector and in construction are likely to change jobs more often than in other sectors, reflecting shorter contract duration on average, and a higher share of low-skilled occupations. (Figure 2.4). Workers may of course switch sectors over the course of their careers and job mobility in their new sector will reflect average mobility in that sector.

Figure 2.4. Career mobility levels are sector-specific

Job-to-job mobility by sector and age, average of selected OECD countries, 2017-20



Note: Data show the unweighted moving average of 28 countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovenia, the Slovak Republic, Spain, Sweden, Switzerland, the United Kingdom and the United States.
Source: OECD calculations based on the European Union Labour Force Survey (EU-LFS), Korean Labor and Income Panel Study (KLIPS) and Job-to-Job Flows database, US Census Bureau.

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2.2. What type of career moves do older workers make?

The concept of the "job ladder" refers to how workers move between jobs, occupations, and industries in ways that affect their career trajectories, earnings and working conditions over time. Job ladder effects can be observed through upward, downward mobility and horizontal mobility. Through upward mobility workers might seek roles with higher pay, more responsibility, or better working conditions, for example. This is often contingent on acquiring new skills or leveraging existing skills in more lucrative ways. Conversely, some workers might experience downward mobility moving to jobs or occupations with lower pay or status as a result of market conditions, health issues or personal choices, such as seeking less stressful work environments. Job or occupational changes might not always lead to vertical movement on the job ladder but can also involve horizontal moves where workers transition to roles of similar status and pay. This can also be driven by the desire for better job fit, new experiences or escaping unfavourable working conditions. The consequences of mobility also depend crucially on whether a move is made voluntarily or forced.

2.2.1. Older workers are less likely than younger workers to change jobs for voluntary reasons

Involuntary moves are less likely to lead to better outcomes compared to voluntary moves. However, older workers are less likely to change jobs for voluntary job moves than younger workers. The incidence of job moves for voluntary reasons is lower for older workers because they change jobs less frequently than younger workers. Conditional on job change, the share of job moves for voluntary reasons also falls over the lifecycle from 52% of all job moves for workers aged 20-34 to 42% for mid-career workers (aged 45-54) and 34% for older workers (55-64) (Table 2.1). In contrast, conditional on job change the share of involuntary moves is highest for mid-career and older workers. Several factors may explain why involuntary

moves account for a higher share of all job changes as workers age. A skills mismatch can arise due to the evolution of technology leading to workers' skills becoming obsolete. Some jobs may also have physical demands that become more challenging as workers age increasing pressure to change jobs involuntarily. Older workers can also be disproportionately affected by company restructuring and downsizing as they often have higher salaries and benefits. The share of dismissals among all moves increases with age, meaning that among those people who change jobs, there is a higher probability that it is due to a dismissal. However, the probability of dismissal in absolute terms declines with age because overall job mobility for any reason declines with age. Older workers also have more frequently other reasons to change jobs, which are not measured specifically in the survey data used but could possibly include health reasons.

Table 2.1. Older workers are more likely to make involuntary job moves

Reason for switching jobs by age group (conditional on job change), OECD European countries, 2017-20

	20-34	35-44	45-54	55-64	Average
Voluntary (to take up or seek better employment)	**52.3**	**47.9**	**41.8**	**33.9**	**46.8**
Involuntary	**28.2**	**30.8**	**35.5**	**35.9**	**31.3**
• End of temporary contract	18.5	14.7	15.4	15.0	16.4
• Obliged to stop by employer	8.6	13.9	17.5	17.7	12.9
• Sale or closure of own business	1.2	2.3	2.7	3.2	2.0
Other reasons	**19.5**	**21.3**	**22.7**	**30.3**	**21.9**

Note: Data show the unweighted average of 26 European countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovenia, the Slovak Republic, Spain, Sweden, Switzerland and the United Kingdom.
Source: OECD calculations using EU Statistics on Income and Living Conditions (EU-SILC).

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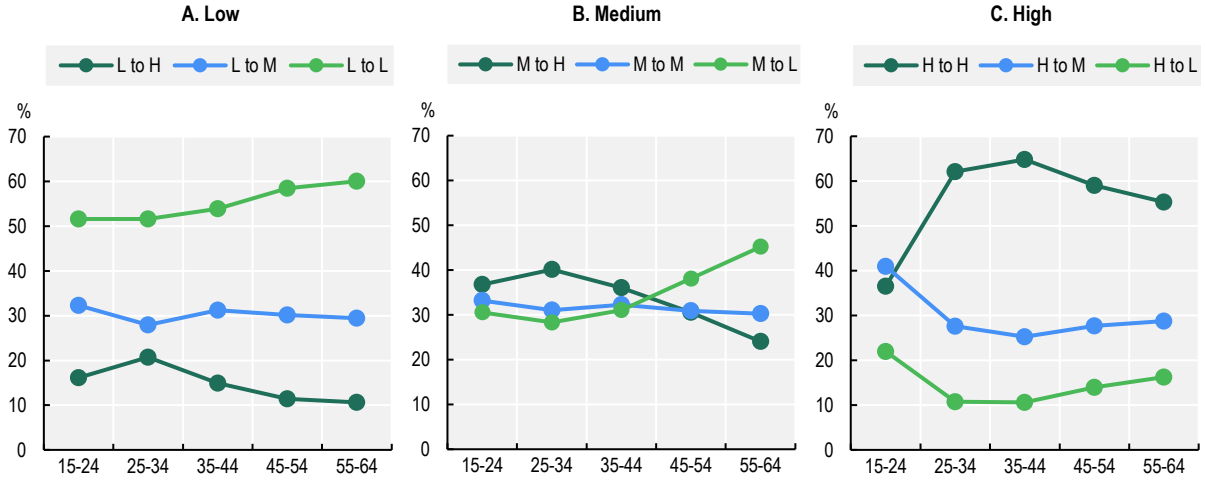
2.2.2. Older workers are often trapped in a cycle of changing between similar low skill jobs

The occupation and type of tasks that older workers undertake has important implications for the longevity of their working lives and transition to retirement. People engaged in physical manual work may have shorter working lives than people in professional occupations (Schram et al., 2021[6]; Dalene et al., 2021[7]). As shown in Chapter 1, older workers tend to be more often employed in jobs with poorer working conditions (exposure to hazards, poor work environments, etc.) than younger workers. These poorer working conditions are also likely to persist as older workers not only change occupation less often than younger workers, they are also more likely to change to another similar low-skilled occupation when they do change jobs.[1]

In the context of occupational change it is possible to observe the likelihood of workers making upward, downward or horizontal moves by broad occupation groups. There is a high degree of stickiness involved in occupational changes; for workers who do change occupation, the likelihood that they will stay in a similar type of job (in terms of skill or task content) is very high. Across all age groups, workers in low-skilled occupations experience occupational mobility mainly towards other low-skilled occupations (Figure 2.5, Panel A). Conversely, workers in high-skilled occupations who change jobs mainly move toto other equally high-skilled occupational categories (Panel C). The likelihood of a 55-64 year-old worker in a high-skill job changing moving to another high-skilled job is about 55%. Similarly, the likelihood of a 55-64 year-old worker in a low-skill job moving to another low-skilled job is also high – about 60%.

Figure 2.5. The majority of low and high skilled workers move to occupations that are similar in skill level

Share of occupational transitions by skill level and age, 2017-20



Note: Data show the unweighted average of 27 countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and average years 2017-22 for the United States.
High skill occupations include jobs falling in the occupational categories of Legislators, senior officials and Managers; Professionals; Technicians and associate professionals. Medium skill occupations include jobs falling in the occupational categories of Clerks; Service workers and shop and market sales workers; Skilled agricultural and fishery workers. Low skill occupations include jobs falling in the occupational categories of Craft and related trades workers; Plant and machine operators and assemblers; Elementary occupations.
Source: OECD calculations based on EU Statistics on Income and Living Conditions (EU-SILC) and US Current Population Survey (US-CPS).

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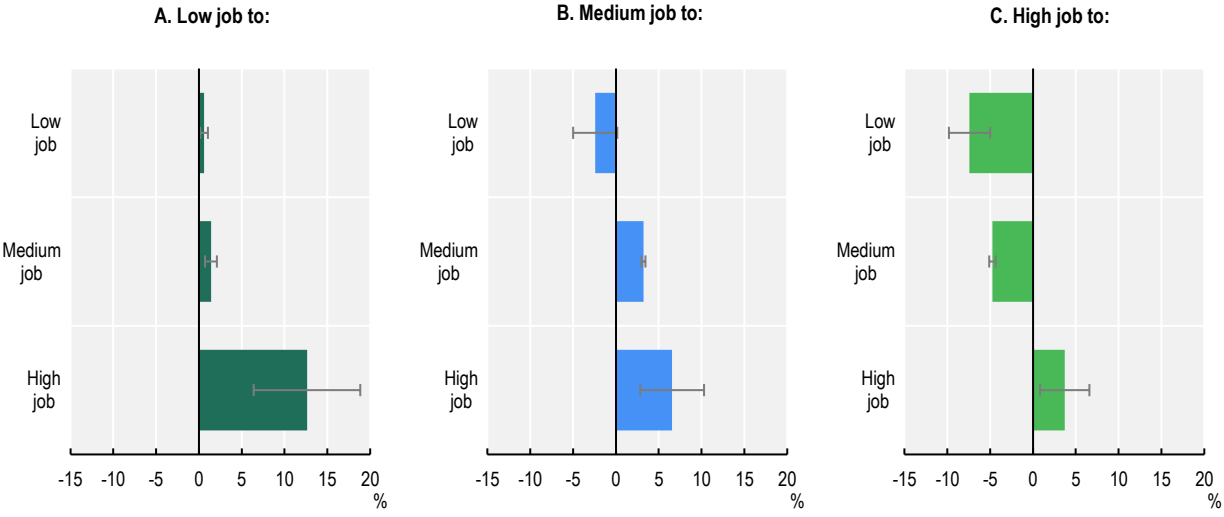
Some increase with age in occupational downgrading can also be observed. High-skilled older workers are less likely than younger workers (aged 25-44) to move to another high-skilled occupation and are more likely to move to either a low or medium-skilled job (Panel A). Transitions from medium to low skill occupations also become more common among older workers (Panel B).

For low-skilled workers aged 45-64 the transition from one low-skilled occupation to another is correlated with wage growth of about 0.6% on average across OECD countries for which there is available data between 2010 and 2020 (Figure 2.6, Panel A). For workers who transition to a medium or high skilled occupation there is evidence of wage growth (particularly for those who transition to a high-skilled occupation, but only 1 in 10 low skilled workers make such a transition). In contrast, for workers aged 45-64 making either upwards or sideways transitions from ether a medium or high-skilled occupation, wage growth is apparent.

Figure 2.6. Low-skilled workers who change occupation do not experience wage progression

Change in wage growth rate for workers aged 45-64 changing occupation voluntarily, 2010-20



Note: Data show the weighted average of 26 European countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland and the United Kingdom. Results are the estimated effect of an occupational change on the change in log wages for workers aged 45-64. Regressions include controls for sex, marital status, presence of children, part-time status, education level, extent of disabilities, poor health, year and country fixed effects. Wages are deflated using the consumer price index. High skill occupations include jobs falling in the occupational categories of Legislators, senior officials and Managers; Professionals; Technicians and associate professionals. Medium skill occupations include jobs falling in the occupational categories of Clerks; Service workers and shop and market sales workers; Skilled agricultural and fishery workers. Low skill occupations include jobs falling in the occupational categories of Craft and related trades workers; Plant and machine operators and assemblers; Elementary occupations. Also shown are the 95% confidence intervals.
Source: OECD calculations based on EU statistics on income and living conditions (EU-SILC).

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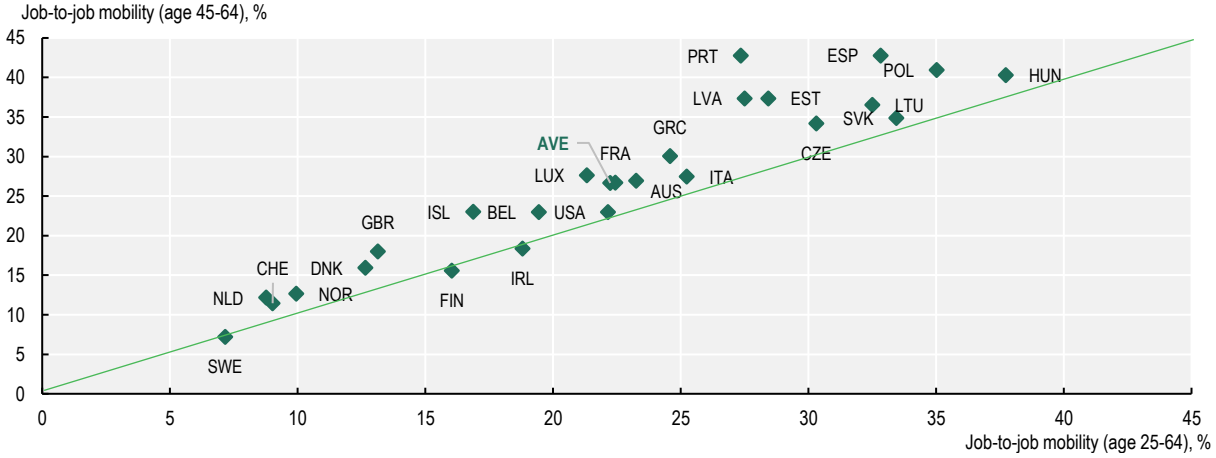
Transitions from a low-skilled occupation to another low-skilled occupation represents 26% of all occupational transitions on average across 25 OECD countries for which there is available data among workers aged 45-64 (Figure 2.7, vertical axis). Among 25-64 year-old workers the share of low-to-low transitions as a share of all transitions is similar, but slightly lower at 22% (horizontal axis). However, there is wide variation across countries in the likelihood that a worker will move from one low-skilled job to another. Among 45-64 year-olds, the share of low-to-low skill transitions as a share of all transitions is over 40% in Portugal, Spain, Poland and Hungary. While the share of low-to-low transitions among 45-64 year-olds is lowest in countries such as Sweden, the Netherlands, Switzerland and Norway.

Figure 2.7. Low-to-low skill transitions as a share of total transitions are higher for older workers

Low-to-low skill job changes as a share of all occupational transitions, 2010-20



Note: AVE is the unweighted average of the 25 countries in the chart.
Source: OECD calculations based on the European Union Statistics on Income and Living Conditions Survey (EU-SILC) and the United States Current Population Survey (US-CPS).

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The most frequent occupational transition for workers aged 25-44 is from high-skilled occupations (business and administration associate professionals) to other high-skilled occupations (business and administration professionals), which is suggestive of an occupational upgrade. For workers aged 45-64, the most frequent occupational transition occurs for workers in medium skilled occupations, such as sales workers, towards other low skilled occupations, like cleaners and helpers. These results highlight the need to provide better support for low-skilled workers to make better job moves for example through improving skills or job search. Policies to help low-skilled workers are discussed in Chapters 3 and 4.

Table 2.2. Occupational transitions decline in quality as workers age

Most frequent occupational transitions by origin of occupation and age group, average EU OECD countries, 2017-20

Age	Origin occupation (ISCO 1-digit)	**Origin occupation (ISCO 2-digit)**	Destination occupation (ISCO 1-digit)	**Destination occupation (ISCO 2-digit)**
25-34	Technicians and associate professionals	**Business and administration associate professionals**	Professionals	**Business and administration professionals**
35-44	Technicians and associate professionals	**Business and administration associate professionals**	Professionals	**Business and administration professionals**
45-54	Service, shop and market sales workers	**Sales workers**	Elementary occupations	**Cleaners and helpers**
55-64	Service, shop and market sales workers	**Sales workers**	Elementary occupations	**Cleaners and helpers**

Note: Based on the unweighted average of 26 European countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovenia, the Slovak Republic, Spain, Sweden, Switzerland and the United Kingdom.
Source: EU Statistics on Income and Living Conditions (EU-SILC).

2.3. Who changes careers and who doesn't?

Before turning to the consequences of mobility for mid-career and older workers, this section briefly highlights key characteristics of people who are more likely to change occupations. Workers in temporary jobs or self-employed are more likely to change occupation compared to employees in permanent jobs.

2.3.1. Temporary workers are the most likely to change careers although this may be associated with higher risks

Individual characteristics that are associated with a higher likelihood of changing occupation are shown in Figure 2.8. Temporary workers are most likely to change occupation across all age groups. Both for younger and older workers, the largest predictor of whether someone changes occupation is being in a temporary job. This is not surprising, as temporary workers are often forced change jobs at the end of their contracts. Data for European countries suggest that only 39% of workers in temporary contracts change jobs to seek better employment (e.g. voluntarily change jobs), compared to 52% of workers in non-temporary contracts.

The larger propensity for career mobility among temporary workers is most likely a sign of job insecurity. Workers with temporary contracts are less likely to have access to social protection, training, and opportunities for career advancement. They are also more likely to be laid-off during economic downturns. For young workers temporary jobs are often seen as stepping stones to more secure work, but the empirical evidence on this is mixed (Filomena and Picchio, 2021[8]), and there is no evidence for older workers.

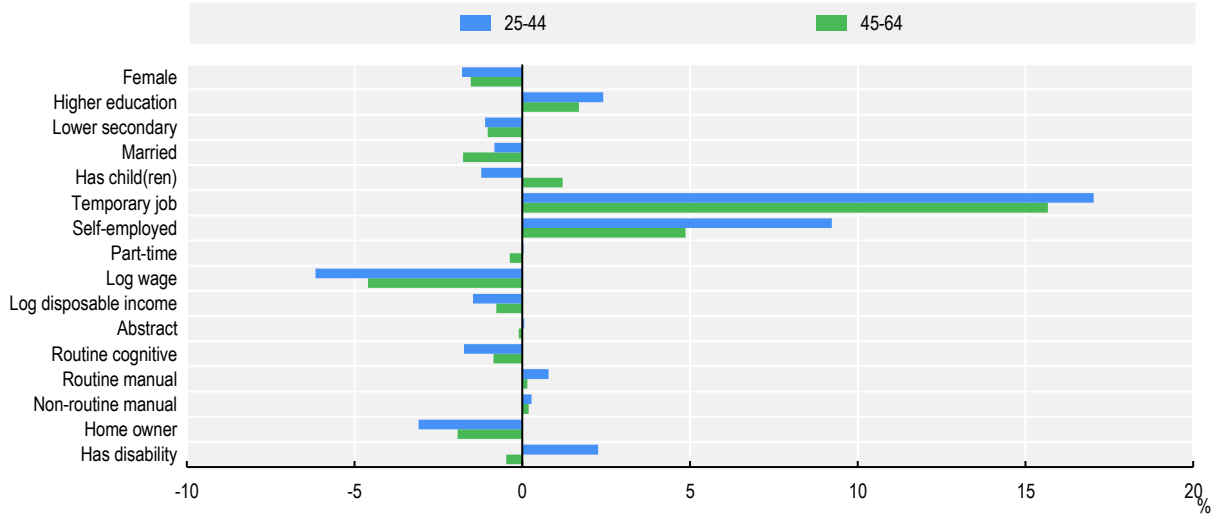
2.3.2. Self-employed workers are also likely to change careers, particularly for younger workers

Self-employed workers are also more likely to change occupation than employees (Figure 2.8). Just as with workers in temporary jobs, people in self-employment tend to experience less voluntary job moves than employees, although the difference is smaller (41% compared to 46%, respectively). The effect of self-employment on the likelihood to change jobs is smaller for older workers, however.

Self-employment offers greater flexibility and autonomy for older workers, but it also carries risks. Recent evidence from the United Kingdom shows that there is "frustrated demand" for obtaining an employee job, with older workers reporting the most difficulties (Blackburn, Machin and Ventura, 2023[9]). Blackburn et al. (2023) find that on average 41% of those self-employed would be willing to switch to an employee job if they could secure the same income. A lack of jobs with comparable income is the main reason respondents give for not moving to an employee job, followed by lack of training and skills and no employee jobs in their geographic area (Blackburn, Machin and Ventura, 2023[9]). Within the context of COVID-19, many studies, in different countries, have also found a deterioration in the mental health of the self-employed, typically associated with declines in work levels and a rise in financial instability and stress (Caliendo et al., 2023[10]; Patel and Rietveld, 2020[11]; Yue and Cowling, 2021[12]).

Figure 2.8. Temporary workers are the most likely to change occupation

The likelihood of changing occupation by job and worker characteristics among persons aged 25-44 and 45-64, average of selected OECD countries, 2010-20



Note: The chart presents the point estimates from an estimation of several characteristics on the probability to change jobs, in a model using time and country fixed effects. The indicators are a weighted average of point estimates from estimating the model on three surveys (Australia, the United States and EU-SILC) for some estimates, and for others only one or two surveys as follows: Has disability/Metropolitan area (United States); Homeowner/Routine cognitive (Australia, the United States); Log wage/Temporary job (Australia, EU-SILC); and Log disposable income/Self-employed/Has child(ren) (EU-SILC, the United States). The 26 EU-SILC countries are: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland and the United Kingdom.
Source: OECD calculations based on EU Statistics on Income and Living Conditions (EU-SILC), the Household, Income and Labour Dynamics in Australia (HILDA) Survey and the United States Current Population (US-CPS) Survey.

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2.3.3. Family composition impacts the decision to move differently across ages

Individuals in multi-person households tend to change jobs less frequently than those in single households, particularly at younger ages. Married people are less likely to change jobs, slightly more so for older people. Having children lowers the probability of changing jobs for younger people, while it raises it for older people. Childcare could thus be a factor to changing jobs for younger couples, while it is less binding for older couples who tend to have on average older children.

Overall, parents do not seem to forego seeking better career opportunities more than non-parents. When analysing in more detail the reasons for a career change, it becomes clear that parents change jobs for similar reasons than non-parents: at younger ages, close to 50% change jobs to seek better employment, a share that drops to around 40% for older workers. Caregiving of older adults could be an additional factor affecting the mobility of older workers, particularly women.

2.3.4. Disabilities can make changing jobs more challenging

Ageing and the incidence of disability are closely linked and disabilities can create barriers that make changing jobs or occupations more challenging. Younger workers (aged 25-44) with a disability are more likely to change occupation, while workers aged 45-64 with a disability are less likely to change occupation (Figure 2.8). Evidence from the United States Health and Retirement Study shows that there is a link between disability onset and occupational transitions among older adults, affecting their job mobility

(Schimmel Hyde, Wu and Livermore, 2022[13]). For those who are working and do not report a disabling condition at age 55, one-quarter of workers go on to experience a new disability before full-retirement age. Workers who experience a new disability are significantly more likely to change occupation if they continue working. Policies to support labour force attachment should consider how workplace adaptations can assist employees to remain in their current or new occupation.

2.3.5. Geographic flexibility also influences career advancement opportunities

Workers who are able to relocate geographically are more likely to make career changes. Homeowners, who tend to be less geographically mobile, have a lower propensity to change jobs, particularly among younger workers (Figure 2.8). Differences across age groups remain small, but homeownership can impose a stronger barrier to mobility among younger workers if they just purchased their home or are still paying their mortgage. Chapter 3 addresses geographical mobility as a barrier to career mobility and proposes policy solutions to reducing the cost of job-related relocation.

2.3.6. Workers in higher paid jobs are less likely to change jobs

Workers in higher paid jobs are less likely to change jobs (Figure 2.8). Higher paying firms are able to promote better employee retention, reducing the job-to-job mobility of highly paid employees (OECD, 2023[3]). Both younger and older workers in higher paid jobs have a lower propensity of changing jobs, albeit this effect being smaller for older workers, possibly as the difference between high and low pay converges to an overall lower level of mobility.

More generally, better employment conditions reduce the need to change jobs, and this may be associated with lower mobility. When workers experience greater job satisfaction, good opportunities for career progression, a sustainable employment environment and adequate pay and benefits, they are less likely to change jobs (OECD, 2023[3]). In fact, in such cases mobility is not desirable, as it takes time and resources for employees to acquire firm-specific skills, so excessive career mobility can be costly for firms and could result in lower aggregated productivity. It is only when workers do not have good employment conditions that their career mobility towards better jobs should be promoted. The following section specifically addresses this, by looking at whether older workers are in worse employment conditions than younger workers, which would be a case for promoting more good career mobility.

2.4. What are the consequences of career mobility?

The experience of job mobility for older workers depends on the type of job and occupational changes that they make as well as their individual characteristics and institutional context. The previous sections have shown that older workers experience less mobility, and when they do, they tend to experience more involuntary mobility and, especially if low-skilled, appear to be trapped into cycles of low-quality mobility. As it stands, it could be difficult for career mobility to deliver its promise to allow people to work longer by moving into growing sectors and higher skilled occupations. Changes in employer and government policy can play a key role in facilitating mobility for all workers, particularly disadvantaged workers.

The consequences of job and occupational change considered here include wages, task content, and the quality of the working environment.

2.4.1. Job or occupational changes can be positive for older workers in terms of pay, but involuntary change carries a penalty

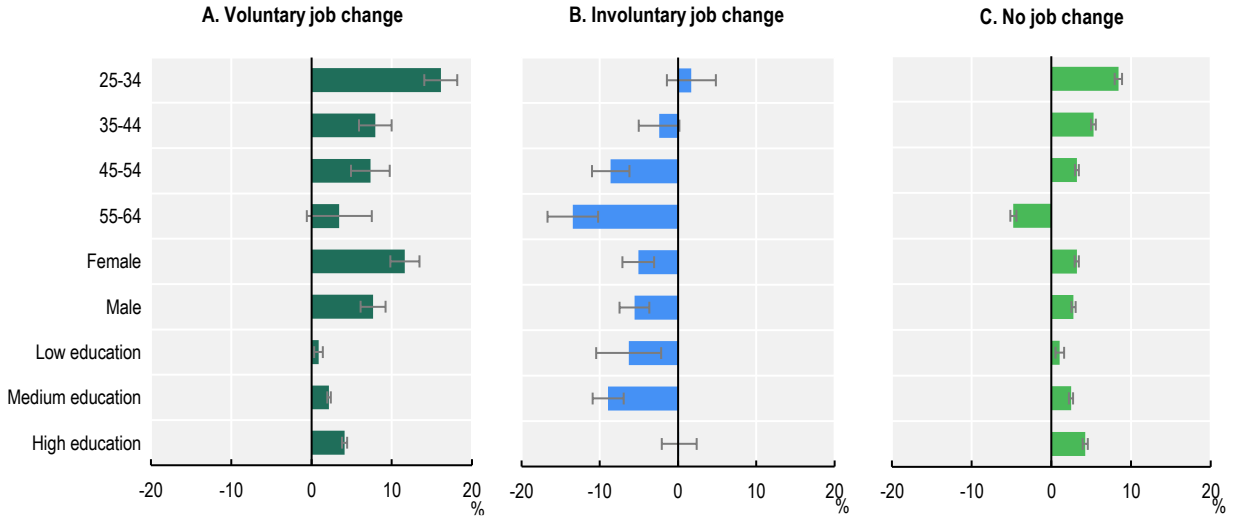
Job and occupational mobility can be beneficial when it allows workers to climb the job ladder or to move to a job that better matches the needs of a particular worker. “Good jobs” are something that people care

about, and moving can give rise to jobs with better pay, improved benefits, more flexible conditions or access to training for example (Rodrik and Stantcheva, 2021[14]). "Job ladder" effects (i.e. upwards mobility) are well established, particularly for younger workers (Haltiwanger and Spletzer, 2020[15]). On average, when young workers change job voluntarily, they are likely to enjoy stronger pay growth compared to workers who stayed in the same job.[2] However, there is much less evidence on whether this is also true for older workers. The consequences of a job change depend crucially on the characteristics of the worker and the type of job move they are making[3] (Figure 2.9). Several key messages emerge from Figure 2.9:

- First, wage gains following voluntary job changes are apparent for all workers, but this declines with age (Panel A). On average over the period 2010-20, workers aged 55-64 who voluntarily changed job experienced wage growth of 3.5% (Panel A). Workers aged 45-54 experienced an average gain in wages of 7.4%; workers aged 35-44 experienced an average gain of 8.0% and workers aged 25-34 an average gain of 16.1%.
- Second, involuntary job change can be costly for individual workers (Jacobson, Lalonde and Sullivan, 1993[16]; Couch and Placzek, 2010[17]). Older workers in particular suffer large earnings losses from being laid off and experiencing a period of unemployment before finding a new job. On average over the period 2010-20, workers aged 55-64 who were forced to change jobs experienced an average decline in wages of just over 13% compared with 8.6% for workers aged 45-54 and 2.4% for those aged 25-34 (Panel B).[4] In addition to the loss of pay, such workers are likely to take longer to re-enter the labour market, and the earning losses increase with the duration of unemployment (Fallick et al., 2021[18]).
- Third, women are on average likely to experience a larger gain in wages from changing jobs (11.6%) compared to men (7.7%). Although the expected loss from an involuntary job change, or average growth from no job change are similar.
- Fourth, workers with less than upper secondary education making voluntary job moves are likely to experience much smaller wage growth (0.9%) compared to workers with higher education (4.1%) (Panel A). As the following section shows, a majority of workers in low-skilled jobs tend to move to other low skill jobs highlighting the importance of interventions such as better skill development to enable them to take up better opportunities.

Figure 2.9.Older workers who change jobs are more likely to experience wage gains than those who do not change jobs

Change in wage growth rate for workers changing jobs voluntarily and involuntarily by characteristics, 2010-20



Note: Data show the weighted average of 26 European countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland and the United Kingdom. High education: completed a tertiary education, Middle education: achieved an upper secondary education and possibly some additional education but less than a bachelor's degree, Low education: below upper secondary education. Results are the estimated effect of a job change on the change in log wages. Regressions include controls for sex, marital status, presence of children, part-time status, education level, extent of disabilities, poor health, occupation, year and country fixed effects. Wages are deflating using the consumer price index. Also shown are the 95% confidence intervals.
Source: OECD calculations based on EU statistics on income and living conditions (EU-SILC).

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Box 2.1. A lack of wage growth within firms explains the decline in wage growth among older workers

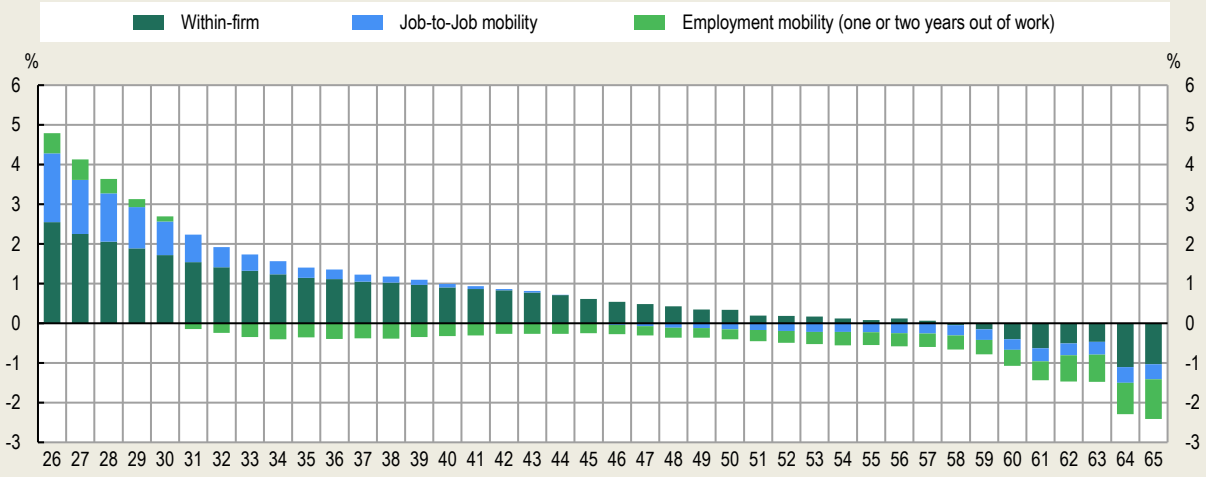
Linked employer-employee data can be used to decompose the source of overall wage into wage growth that occurs *within* the firm and wage growth that occurs from *between* firm job changes. This data is only available for a few countries (Austria, Estonia, Germany, Hungary and Portugal) and shows the gradual decline in wage growth with age, becoming below average at age 50 (Figure 2.10). This does not mean that wages fall for workers aged 50 and older, but rather that growth is increasingly small from one year to the next and eventually stops growing at all.

Within-firm wage growth represents the largest contributor to overall wage growth, particularly for younger workers. The overall wage growth that workers experience can be divided into wage growth that accrues to workers while working in their current firm, wage growth that they experience when they change firm and wage growth from transitions out of non-employment (Figure 2.10). Across all age groups, within firm wage growth on the job and in the form of promotions represents the largest source of wage growth. The contribution of employment mobility (meaning transitions between firms involving one or two years of non-employment) turns negative with age, as workers re-employed at older ages lose specific human capital (see Box 1.2 on the cost of displacement in Chapter 1).

As workers age they are less likely to have opportunities for upward mobility: for older workers, job-to-job and within-firm components of wage growth are negative. On average, for workers older than 50, job-to-job mobility and staying at the firm are associated with 0.26% and 0.19% below-average wage growth respectively. It suggests that older workers take smaller steps up the job ladder, both within their firm and between firms. This does not necessarily show that wage growth is negative for older workers i.e. that these workers take wage cuts or move to lower-paying firms.

Figure 2.10. Within-firm wage growth represents the largest contributor to overall wage growth

Wage growth at given age compared to average wage growth in the economy, average across five countries, 2000-19



Note: Austria, Estonia, Germany, Hungary and Portugal.
Source: OECD calculations based on national linked employer-employee data.

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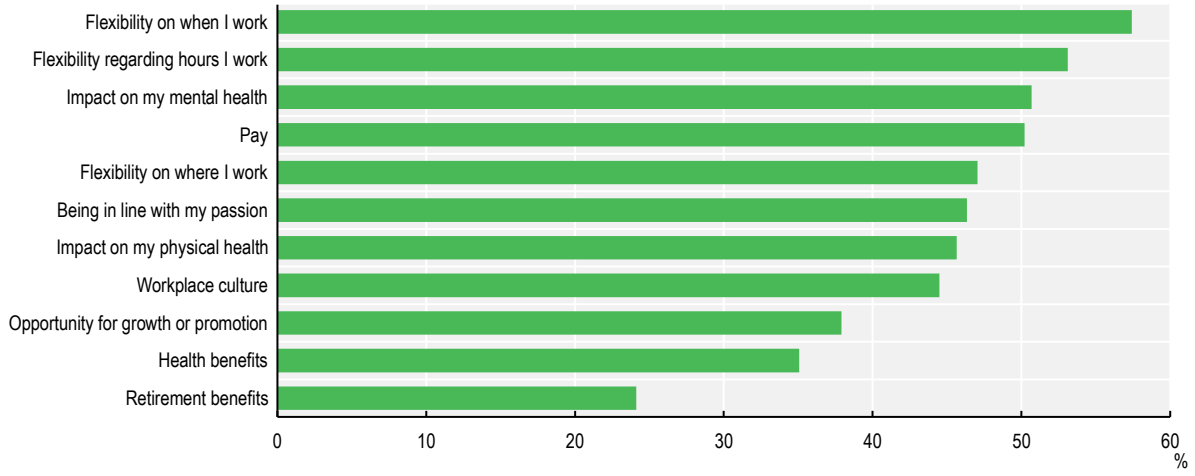
2.4.2. The quality of the working environment can also improve following job and occupational change

The quality of the working environment captures non-pecuniary aspects of employment such as flexibility, being able to do meaningful work, work intensity, and control over working environment and tasks. These aspects of job quality potentially affect worker job mobility and workers are also likely to move in search of better job quality.

Changing jobs to improve aspects of job quality is a common occurrence, and according to the 2022 AARP Global Employee Survey, a substantial share of workers experienced an improvement in various aspects of working conditions following a job change. On average (across 12 countries), almost 60% of workers over 45 found that flexibility on when they worked and flexibility regarding hours improved following a job change (Figure 2.11). Just over 50% reported an improvement in their mental health, and about 50% also saw an improvement in pay. Only 37% felt that opportunities for growth or promotion improved following a job change, and only 35% saw an improvement in health benefits.

Figure 2.11. Older workers who change jobs see improvements in flexibility, mental health and pay

Those who answered "better" to the question "Is your new job better, worse, or the same as your previous job in terms of the following factors? If you've had more than one job change in the past 5 years, please think about your most recent job change."



Note: Respondents aged 45 and over. Unweighted average of the 12 participating countries.
Source: AARP Global Employee Survey. Online survey conducted in June/July 2022 of employees aged 25 and over in Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom and the United States. Approximately 1 000 respondents in each country.

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Workers making mid-career changes could be finding jobs that match better their expectations and aspirations, making them more likely to continue working longer and less likely to leave the labour market prematurely. Longitudinal survey data can also be used to evaluate how workers perceive their jobs after a career switch. Figure 2.12 reports the effects from a job change on the perceptions about the current job for workers aged 45 and older in European OECD countries, the United States and Australia. In the United States and Australian data, it is possible to distinguish between voluntary and involuntary job moves. Overall, a job change appears to be associated with improved job perceptions: workers report experiencing less time pressure, more opportunities to develop new skills, more support to performing their job, and better job prospects. In OECD European countries, workers report an improvement in time

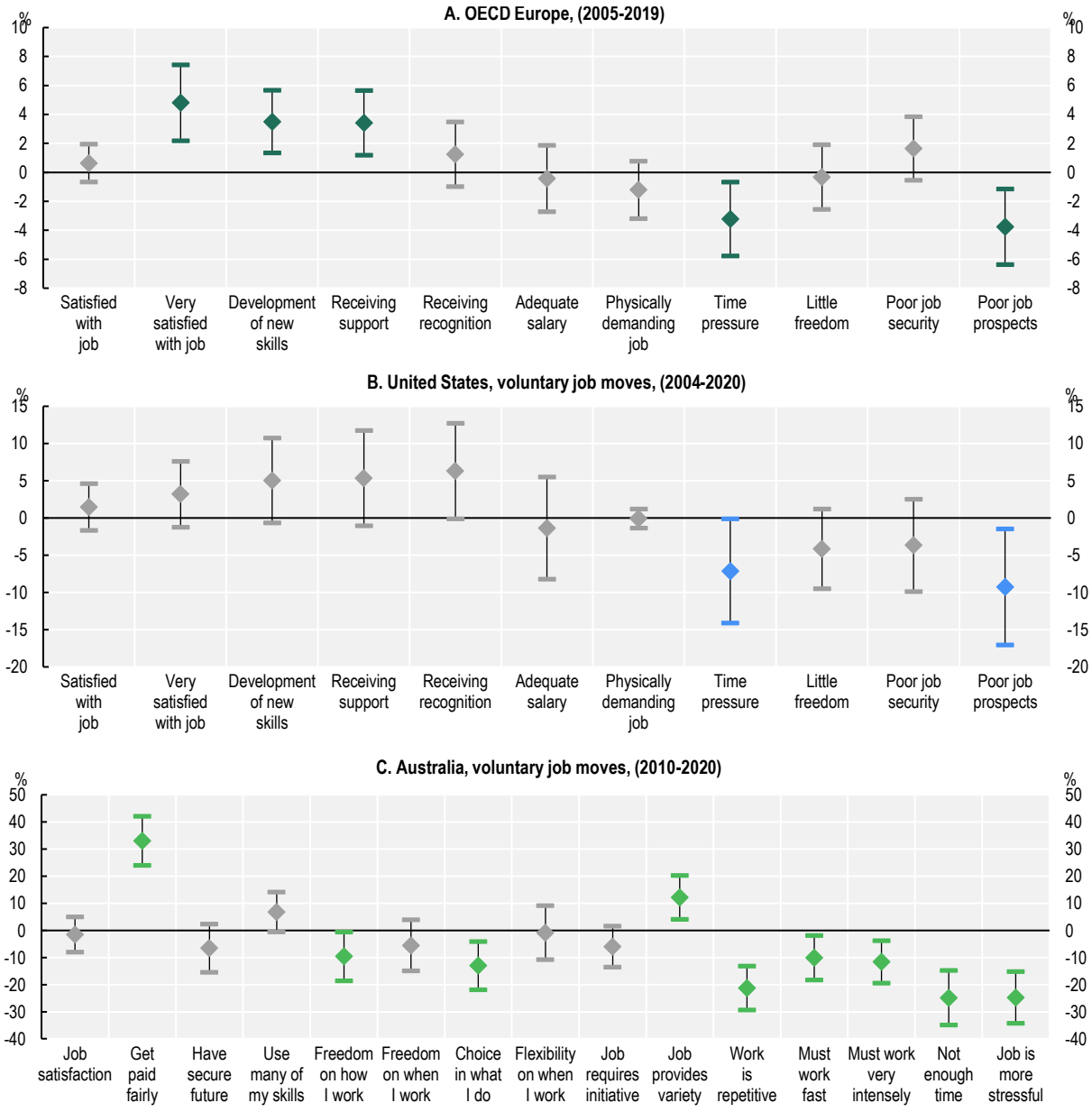
pressure, the development of new skills, an improvement in receiving support, an improvement in job prospects and job satisfaction, and a reduction in the likelihood of considering early retirement (Panel A). At the same time, the results for these countries indicate that there is no improvement in the physical demands of a job or improvements in freedom. There is also no improvement in receiving recognition, salary or job security.

In the United States, the picture is less positive (Figure 2.12, Panel B). Only two measures of job conditions are statistically significantly different from zero: worker's report improvements in time pressure and better job prospects. However, there is no evidence of an improvement in other characteristics including job satisfaction. In contrast the results based on involuntary job moves presented in the annex show no improvements in any measured dimension and a worsening in job prospects. Results based on involuntary job changes are presented in Annex Figure 2.A.1.

In Australia the results are similar (although the questions are different (Figure 2.12, Panel C). In Australia, workers report an improvement in stress and in the fairness of pay, a reduction in the repetitiveness of work and greater variety in job tasks. Similarly to Europe and the United States, workers also report improvements in time pressure as well as the speed and intensity with which they have to work. Results for Australia based on involuntary job moves show that workers are more likely to report that their future is insecure and no improvement in task variety or work speed or intensity (Annex Figure 2.A.1.in Annex 2A). Following involuntary job change, workers are also more likely to report a worsening in freedom and flexibility on how they work.

Figure 2.12. Many workers report improvements in job conditions after a job change

Change in job characteristics for workers aged 45-64 changing jobs



Note: Results are the estimated effect of a job change on self-reported job and work characteristics (work perceptions). Panel A regressions include health indicators (depression and overall health), labour market indicators (wage of current job, industry and occupation), wealth and income indicators (household income, benefit receipt, difficulty to make ends meet, a home renter indicator), household size, and informal care responsibilities, as well as individual, country and time fixed effects. Panel B regressions include health indicators (depression and overall health), household size, as well as individual and time fixed effects. Panel C regressions include indicators for sex, log real wage, marital status, presence of children, general health, mental health, education, housing tenure, industry dummies, as well as individual and time fixed effects. Panel A represents the unweighted average for 19 European OECD countries: Austria, Belgium, Czechia, Denmark, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Slovenia, Spain, Sweden and Switzerland. Also shown are the 95% confidence intervals. Confidence intervals that cross the zero-line indicate that the effect is statistically insignificantly different from zero.
Source: OECD calculations based on the Survey of Health, Ageing and Retirement in Europe (SHARE) Life History Wave 7, the Health and Retirement Study (US-HRS) Life History Wave 13 for the United States and the Household, Income and Labour Dynamics in Australia Survey.

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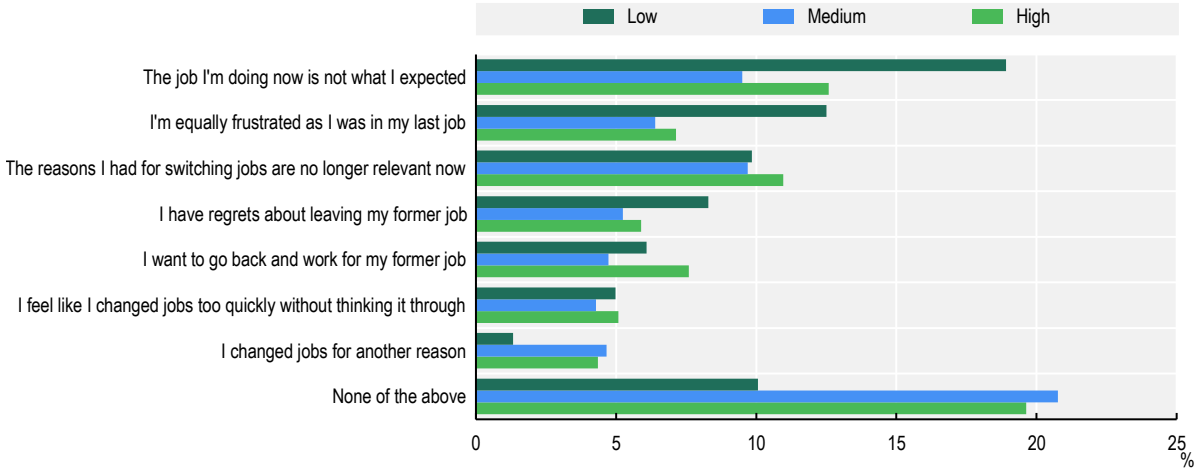
Nevertheless, many workers also experience problems after changing jobs, particularly workers with low levels of education. On average across 12 countries in the 2022 Global Employee Survey, 19% of low educated workers said that their new job was not what they expected (among those who said that their job was worse after making a job change) (Figure 2.13). This compares to between 10-13% among those with medium or high levels of education. Thirteen percent of workers with low education say that they are equally frustrated as they were in their last job, compared to 6-7% of those with medium or high levels of education. These results are consistent with the evidence presented in Figure 2.5 showing that among workers who are in low-skilled occupations, 60% of them will shift to another low skill occupation when they change jobs.

Figure 2.13. Low skill workers are more likely to have regrets after changing job

Share of respondents to the question “Since you changed jobs, have you experienced any of the following?” among those who changed jobs and who responded that something in their new job was worse, by education level



Note: Respondents aged 45 and over. Unweighted average of the 12 participating countries. Low education: some secondary school, medium: secondary school or some vocational or university training, high: university degree or post-graduate degree.
Source: AARP Global Employee Survey. Online survey conducted in June/July 2022 of employees aged 25 and over in Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom and the United States. Approximately 1 000 respondents in each country.

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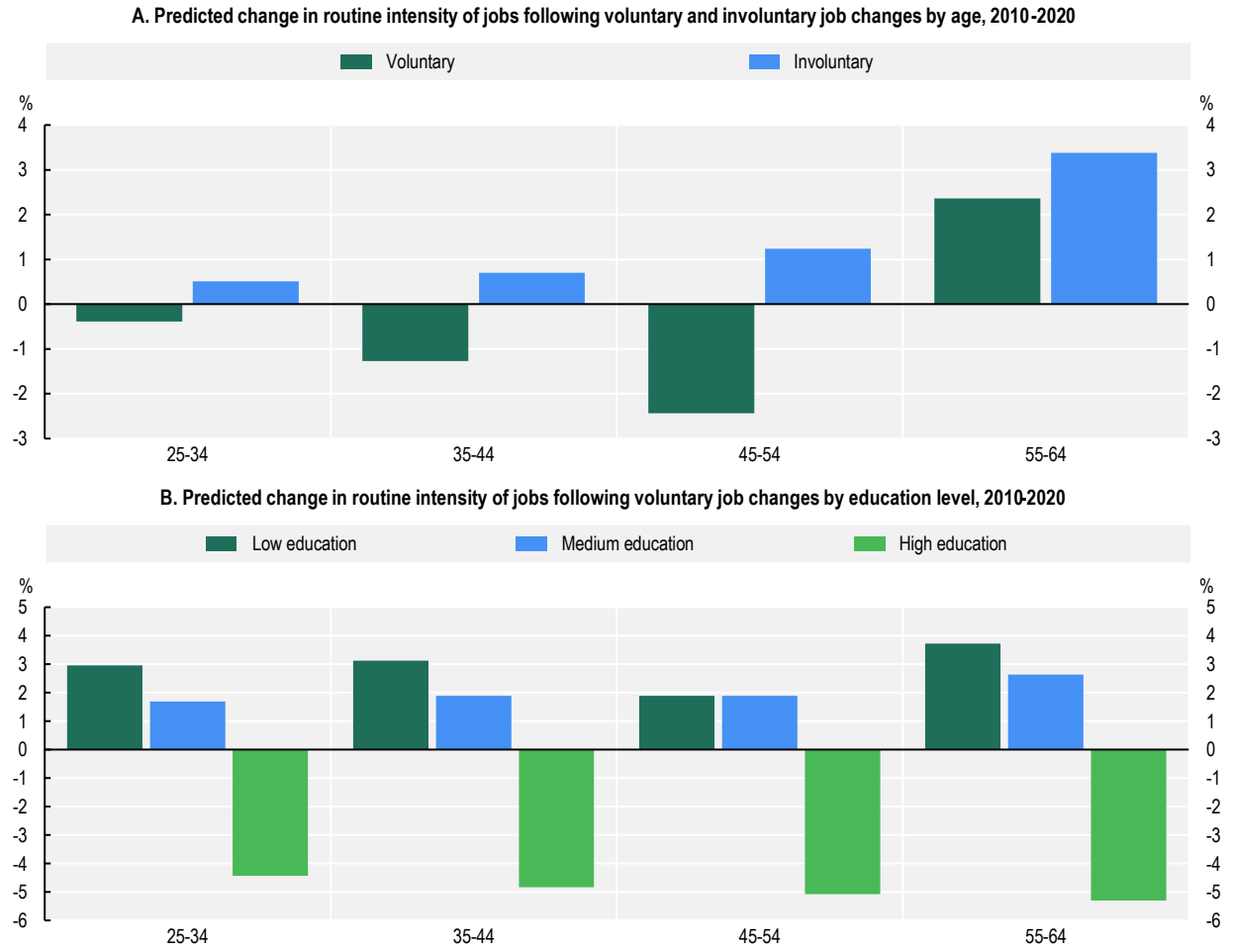
2.4.3. Older workers may face a higher risk of automation from the job changes that they make

The type of tasks workers do in their job can also change following a job or occupational change. A significant literature has established that some tasks are more susceptible to technological change than others (Acemoglu and Restrepo, 2022[19]; Autor, 2015[20]; Lassébie and Quintini, 2022[21]). In recent decades, industrial robots have successfully automated many routine manual tasks in manufacturing and other sectors that were previously performed by workers. More recent developments in artificial intelligence such as generative AI have the potential to do the same with routine cognitive tasks (Cazzaniga et al., 2024[22]; OECD, 2023[23]) In the context of the ongoing diffusion of AI technologies, this raises concerns about an increasing range of jobs at risk of automation. Workers need to have the right level of skills to enable them to take advantage of opportunities offered by job and occupational changes.

Whether workers move towards more routine intensive jobs or less routine intensive (abstract) jobs following a job change can be measured.[5] Younger and mid-career workers (up to the age of 55) are more

likely to shift into jobs that are more abstract and less routine in nature following a voluntary job change (Figure 2.14, Panel A). In contrast, workers aged 55-64 are more likely to voluntarily move to jobs that are more routine intensive. For younger and mid-career workers, moving into jobs that are more intensive in abstract tasks should be seen as a positive move as these jobs tend to be associated with higher wages and more stable employment prospects. For older workers, the shift to jobs that are more routine intensive is largely driven by workers with lower skill levels as shown in Figure 2.14, Panel B. Highly educated workers, regardless of age are more likely to move to jobs that are less routine intensive, while workers with low levels of education, and to a lesser extent workers with medium levels of education are more likely to shift to jobs that are more routine intensive. This is consistent with the evidence above that low-skilled workers are less likely than higher skilled workers to transition to better jobs (defined here in terms of the task content).

Figure 2.14. Older workers often move voluntarily to jobs involving more routine tasks



Note: Data represent the weighted average of 26 European countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland and the United Kingdom. Education levels based on the ISCED 2011 classifications. Low: below upper secondary (0-2), Medium: upper secondary and post-secondary non-tertiary (3-4), High: tertiary education (5-8). Results are the estimated effect of a job change on a routine task intensity index. Panel A shows the results of separate regressions for voluntary and involuntary job changes. Panel B shows the results for voluntary job changes interacted with education level. Regressions include controls for sex, marital status, presence of children, part-time status, education level, extent of disabilities, poor health, occupation, year and country fixed effects.
Source: OECD calculations based on EU statistics on income and living conditions (EU-SILC).

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2.4.4. Workers who are displaced are most likely to shift to jobs that are intensive in manual tasks

Often workers will be forced to make a job move because they are laid off or because a temporary job comes to an end. As well as having a detrimental impact on wages, the task content of a workers' job is also likely to be very different for workers who subsequently find another job (Figure 2.14, Panel A). In this situation, workers irrespective of age, are more likely to shift to jobs that are more intensive in routine tasks and away from jobs intensive in abstract tasks. As workers age, the likelihood of shifting to jobs that are more intensive in routine tasks increases.

2.4.5. Older workers shift to part-time working arrangements when changing jobs, although not always by choice

Beyond pay and job task, a major consequence of changing jobs at older ages is a shift to part-time work, although the reasons are generally different than for younger workers. On the one hand, part-time work can offer valuable flexibility later in life and a pathway to retirement – there is overwhelming evidence that older workers value flexible working conditions (OECD, 2023[3]; Ameriks et al., 2017[24]). This can enable older workers to juggle competing demands including work but also family responsibilities such as caring for older relatives or give them the opportunity to pursue other interests part-time. On the other hand, for some workers working part-time may be a consequence of not being able to find full-time jobs. In many cases, part-time work may not provide enough income to meet their financial needs and may provide less opportunity for upward pay progression. There is a range of research that finds evidence of underemployment among older workers (Bell and Blanchflower, 2021[25]). A shift from full-time to part-time work associated with job or occupational change also provides a possible explanation for the change in job task content experienced by older workers.

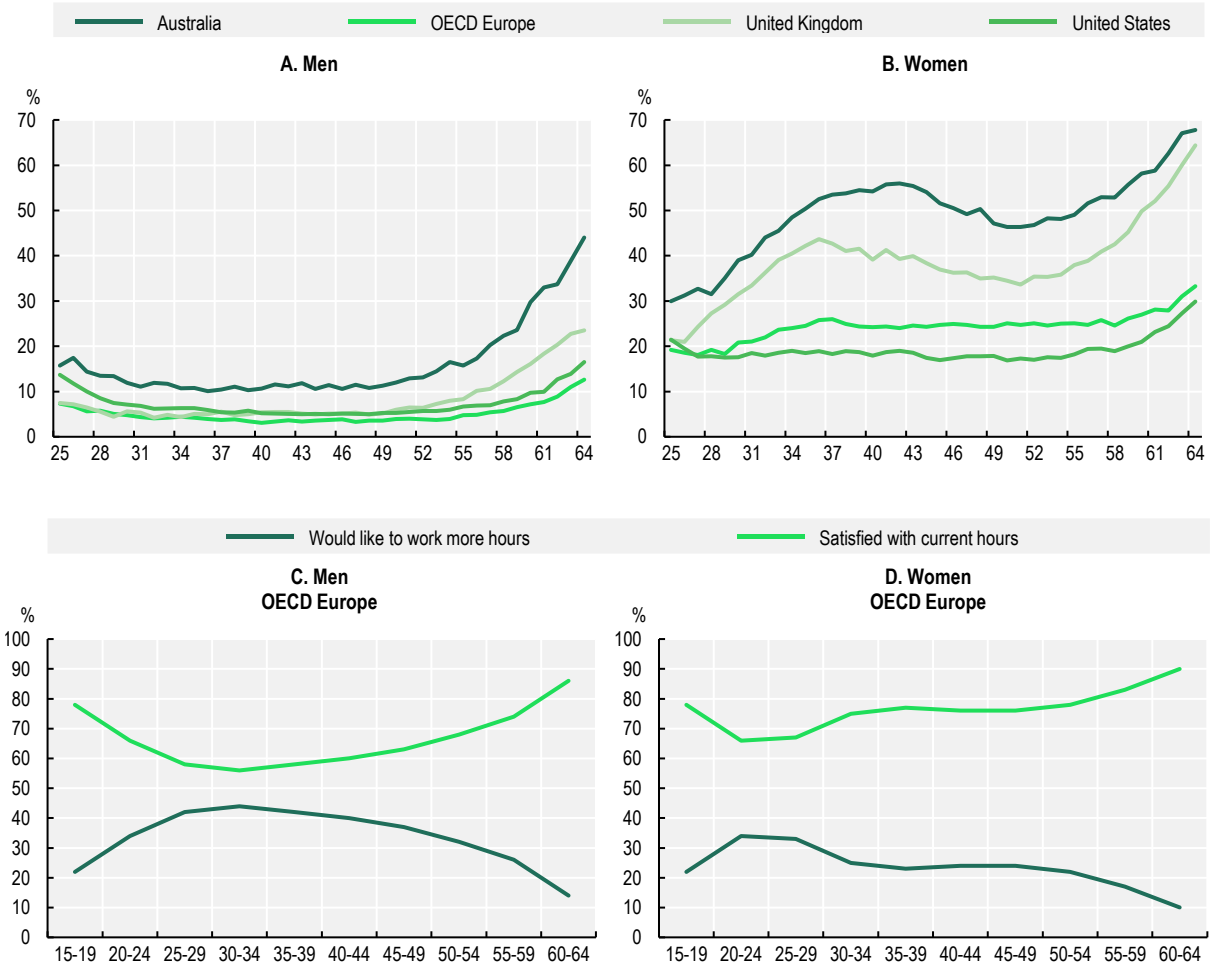
The proportion of workers working part-time increases as workers age across European countries, the United Kingdom, the United States and Australia (Figure 2.15, Panels A and B). This increase could be driven by these workers staying in the labour force for longer or by people moving to part-time jobs at older ages (or a combination of both). Data for these same countries, not presented here, show that the likelihood that older workers transition from full-time work to part-time work increases.[6]

The incidence of part-time work is much higher for women than men. On average across European countries the incidence of part-time work for women increases from 21% among 25-34 year-olds to 26% among 55-64 year-olds. For men, instead, it remains quite stable around 4% throughout their careers and increases from age 55 onwards to reach 13% at age 64.

The shift towards part-time work among older workers also appears to be positive in terms of hours for most workers (Figure 2.15, Panels C and D), although there is a significant minority of men in particular who would like to work more hours at older ages (29% aged 50-59). A smaller percentage of women would also like to work more hours, approximately 20% aged 50-59.

Figure 2.15. The incidence of part-time work increases with age

Share of persons working part-time (Panels A and B) and share satisfied with part-time work or would like more hours by age and gender (Panels C and D), 2017-20



Note: OECD Europe is the weighted average of 25 European countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, and Switzerland. Panels C and D are the share of workers who want to work more hours and who are searching for a new job.

Source: OECD calculations based on EU statistics on income and living conditions (EU-SILC) and the Household, Income and Labour Dynamics in Australia (HILDA) Survey, Understanding Society for the United Kingdom and the Current Population Survey for the United States for Panels A and B, OECD calculations based on the European Union Labour Force Survey (EU-LFS) for Panels C and D.

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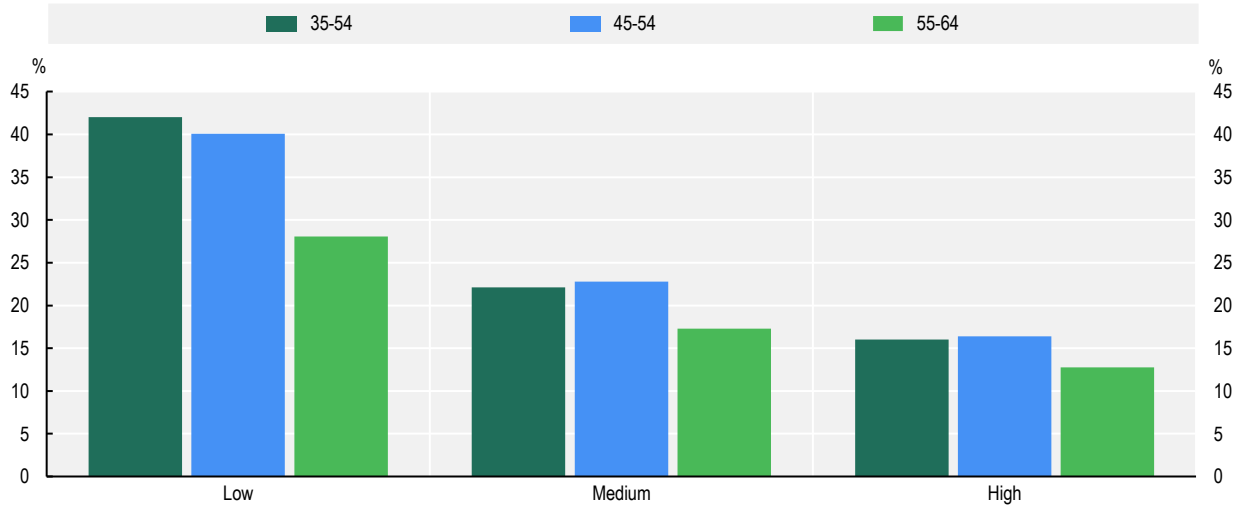
Workers with low levels of education are more likely to be working part-time because they cannot find a full-time job, across all age groups. Over 40% of 45-54 year-old workers with low levels of education are working part-time because they were not able to work full-time (Figure 2.16). This share falls to 20% and to 15% respectively for workers with middle and high levels of education. This result highlights the need to equip workers, and in particular workers who are at risk of being trapped in low skilled and poor-quality jobs, to facilitate their career mobility towards better jobs. When it comes to older workers, they may face barriers to the labour market, including to finding jobs, that need to be addressed in order to facilitate good career mobility. The following chapter describes these barriers in more detail and proposes policy solutions to address them.

Figure 2.16. Low educated workers are more likely to be working part-time because they cannot find a full-time job

Share of part-time workers who could not find a full-time job by age and level of education, 2017-20



Note: Data represent the weighted average of 26 European countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland and the United Kingdom.
Education levels based on the ISCED 2011 classifications. Low: below upper secondary (0-2), Medium: upper secondary and post-secondary non-tertiary (3-4), High: tertiary education (5-8).
Source: OECD calculations based on the European Union Labour Force Survey (EU-LFS).

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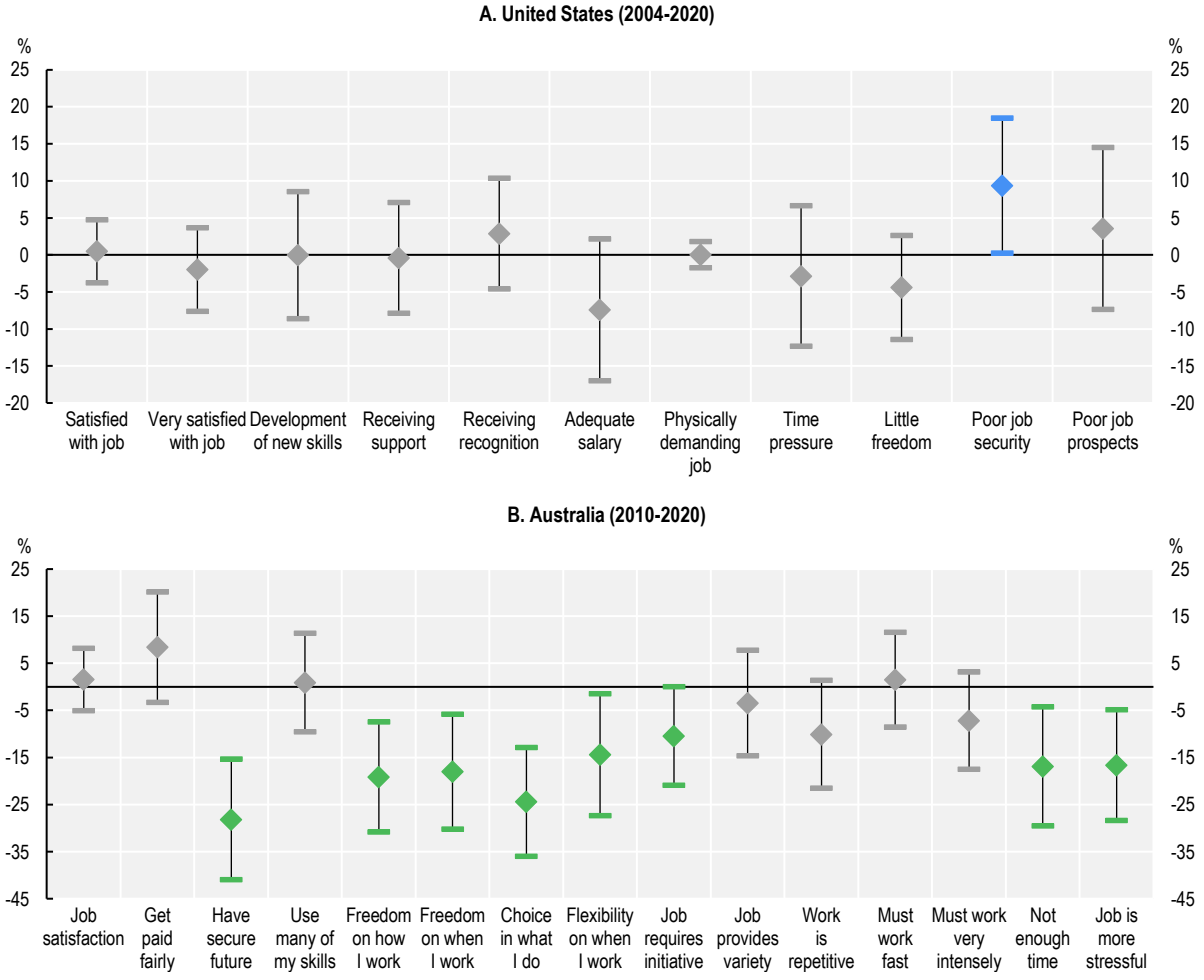
Annex 2.A. Change in job conditions following involuntary job change

Annex Figure 2.A.1. Job conditions get worse after a forced job change

Change in job characteristics for workers aged 45-64 changing jobs involuntarily



Note: Results are the estimated effect of a job change on self-reported job and work characteristics (work perceptions). Panel A regressions include health indicators (depression and overall health), household size, as well as individual and time fixed effects. Panel B regressions include indicators for sex, log real wage, marital status, presence of children, general health, mental health, education, housing tenure, industry dummies, as well as individual and time fixed effects. Also shown are the 95% confidence intervals. Confidence intervals that cross the zero-line indicate that the effect is statistically insignificantly different from zero.
Source: OECD calculations based on the Health and Retirement Study Life History Wave 13 for the United States and the Household, Income and Labour Dynamics in Australia Survey.

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Notes

[1] High skill occupations include jobs falling in the occupational categories of Legislators, senior officials and Managers; Professionals; Technicians and associate professionals. Medium skill occupations include jobs falling in the occupational categories of Clerks; Service workers and shop and market sales workers; Skilled agricultural and fishery workers. Low skill occupations include jobs falling in the occupational categories of Craft and related trades workers; Plant and machine operators and assemblers; Elementary occupations.

[2] Selection issues can of course bias the results and arise due to the fact that the decision to change jobs is not random and may be correlated with unobserved factors that also affect wages. For example, individuals who choose to move jobs voluntarily might have characteristics (such as ambition, skills, or risk tolerance) that are not directly observable but influence both their decision to move and their wages. This can lead to an overestimation or underestimation of the effect of job mobility on wages if these unobserved characteristics are correlated with wage changes.

[3] General economic conditions also matter.

[4] These results do not take into account selection. The displacement literature has concentrated on mass layoffs and firm closures as a way of dealing with selection, but analysing voluntary moves in a causal framework is more difficult.

[5] The worker job task content is measured by creating a measure of relative routine task intensity (RTI) at the worker level, using the following approach from (Lewandowski et al., 2022[26]):

$$RTI = \ln(r_{cog}) - \left(\frac{nr_{analytical} + nr_{personal}}{2}\right)$$

where r_{cog}, $nr_{analytical}$ and $nr_{personal}$ are routine cognitive, non-routine cognitive analytical and non-routine cognitive personal task levels.

[6] For workers under the age of 50 the proportion moving from full-time to part-time work is fairly stable at around 6% on average across OECD Europe, the United Kingdom, Australia and the United States. After age 50, the proportion of workers moving to part-time work starts to increase with age. Among workers aged 60 to 69 the about 15% move from full-time to part-time work in the next year.

3 Overcoming barriers to mobility

Various factors on both the employer and worker side, as well as public policies and regulations, impede an older workers' ability to transition fluidly between jobs. Country-level differences in mobility suggest that institutional policies are partly responsible for supporting or hindering career mobility. This chapter examines some of the barriers that older workers face when transitioning between jobs and explores government-led policy interventions that can facilitate career progression throughout the career lifecycle.

Key messages

As workers age, circumstances such as health problems and informal caregiving responsibilities can create barriers that make changing jobs more challenging. Facilitating mid-career mobility calls for a life-course perspective, and for innovative government-led and employer-led policies that help people to build their competencies and capabilities and remain healthy and active throughout their lives.

- According to a recent Generation/OECD survey, age discrimination (44%), location (33%), and scarce job opportunities (22%) are the most common barriers reported by workers aged 45-65 who have changed jobs.

Older workers who lack recent job search experience, familiarity with relevant technologies, or knowledge of existing opportunities need additional support to identify job opportunities that match their skills and requirements. Promoting individualised career counselling and expanding access to training programmes can equip older workers with skills and confidence to change jobs.

- The 2022 AARP Global Employee Survey found that around 20% of workers aged 45 and above report that "information on the type of jobs they would enjoy" or "assessment of their skills and competences" would be helpful when making a job change.
- Redistributing costs (e.g. co-contribution schemes) and expanding access to training (e.g. apprenticeships) can help overcome prohibitive cost barriers which prevent 34% of workers aged 45 and above from participating in training.

High-skilled workers are increasingly reliant on personal and social networks, but 13% of older workers who changed jobs or want to change jobs report that they needed help breaking into the job they want. Local and national governments can create public spaces (e.g. green spaces, group career counselling) where workers can expand their networks.

Many older workers wish to move locations to change jobs or careers but face personal, financial, and institutional barriers to do so. Governments can reduce transaction costs associated with job-related relocation in the form of subsidies or reforms to housing taxes that induce lock-in effects.

In some cases, government policies such as employment protection and occupational licenses have detrimental effects on job mobility. Policy reform is necessary to achieve the initial aim of the policy without imposing costs or disincentives that inhibit workers from seeking work and employers from hiring new employees.

Quantitative analysis of structural and policy factors influencing workers' job mobility in 27 OECD countries finds that investing in active labour market policies, such as training, has significant positive effects on mobility for mid-career and older workers.

3.1. Barriers to job mobility for mid-career and older workers

As highlighted in Chapter 2, there are several opportunities associated with voluntary job changes and costs associated with involuntary changes. However, a number of factors on both the employer and worker side, as well as public policies and regulations, can impede labour market fluidity and, in particular, the free movement of mid-career and older workers from less productive to more productive roles, firms and sectors (Figure 3.1). These inter-related barriers can reinforce each other, thus requiring multi-dimensional approach involving both governments and employers.

Employer- and government-level interventions are necessary to *lower* barriers to mobility, as well as *enable* proactive job mobility for workers whose needs change as they age. This chapter examines the most pressing roadblocks that mid-career and older workers face when transitioning between jobs and offers evidence-based remedies[1] and policy examples that facilitate career mobility (Figure 3.1).[2] Most policy recommendations are designed to facilitate mobility for workers of all ages and skill levels. There are, however, some specific interventions that are particularly beneficial for certain groups, such as those facilitating mobility out of arduous and hazardous jobs. The discussion on barriers and solutions extends to Chapter 4, where employer-level factors, such as age discrimination, are examined.

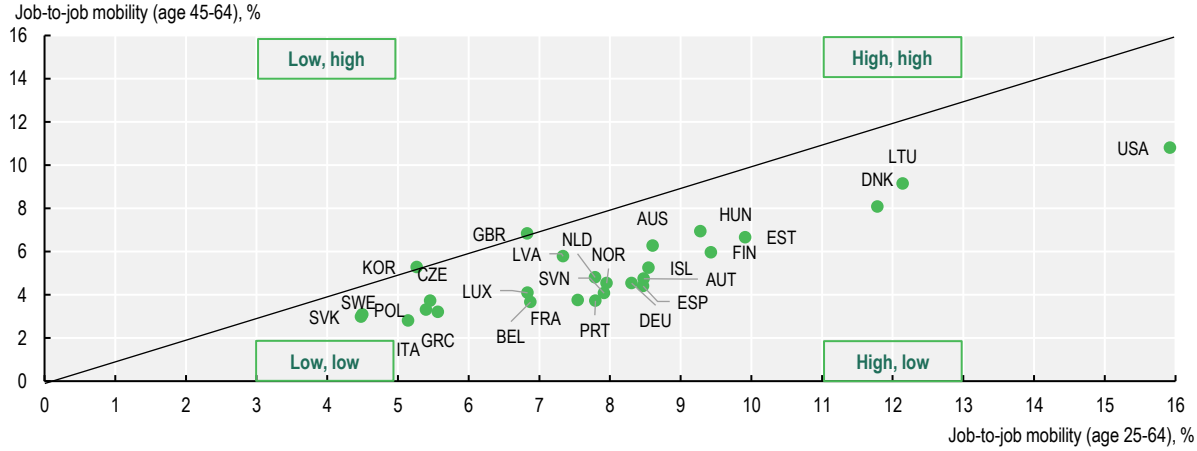
Figure 3.1. Barriers at all levels impede career changes for older workers

3.1.1. Addressing barriers to mobility requires a multi-dimensional approach

Country-level differences in mobility at later career stages

Country-specific factors, such as public policies, labour market institutions and culture, have a strong impact on career mobility at all ages. Countries can be broadly classified between those with high and low labour market dynamism, depending on the overall job-to-job mobility observed (among those aged 25-64). They can also be classified into high and low labour market dynamism at mid-career, depending on the job-to-job mobility rates of workers aged 45-64. Most OECD countries that have high overall labour market dynamism also have high mid-career labour market dynamism, and the inverse (Figure 3.2). Yet, in almost all countries, aside from Korea and the United Kingdom, mid-career dynamism lags behind the broad age group. Notably, Spain, Germany and Austria are relatively dynamic countries, on average, but mid-career dynamism remains low compared to other countries within its cluster. In the presence of variation across countries, there is no reason to think that the rate of job change should settle at any particular value as workers age. This result underscores the importance of country-specific policies and institutions, which can facilitate or hinder career mobility at all ages.

Figure 3.2. Job mobility trends over working lives reveal large cross-country differences



Note: Data refer to year 2020 and to 2019 for the United Kingdom. "Low, High" refers to low mobility among 25-64 year-olds and high mobility among those aged 45-64. "High, High" refers to high mobility in both age groups. "Low, Low" refers to low mobility in both age groups. "High, low" refers to high mobility among those aged 25-64 and low mobility among those aged 45-64.
Source: OECD calculations based on the European Union Labour Force Survey (EU-LFS) and the Household, Income and Labour Dynamics in Australia (HILDA) Survey, Korean Labor and Income Panel Study (KLIPS) and Job-to-Job Flows database, US Census Bureau.

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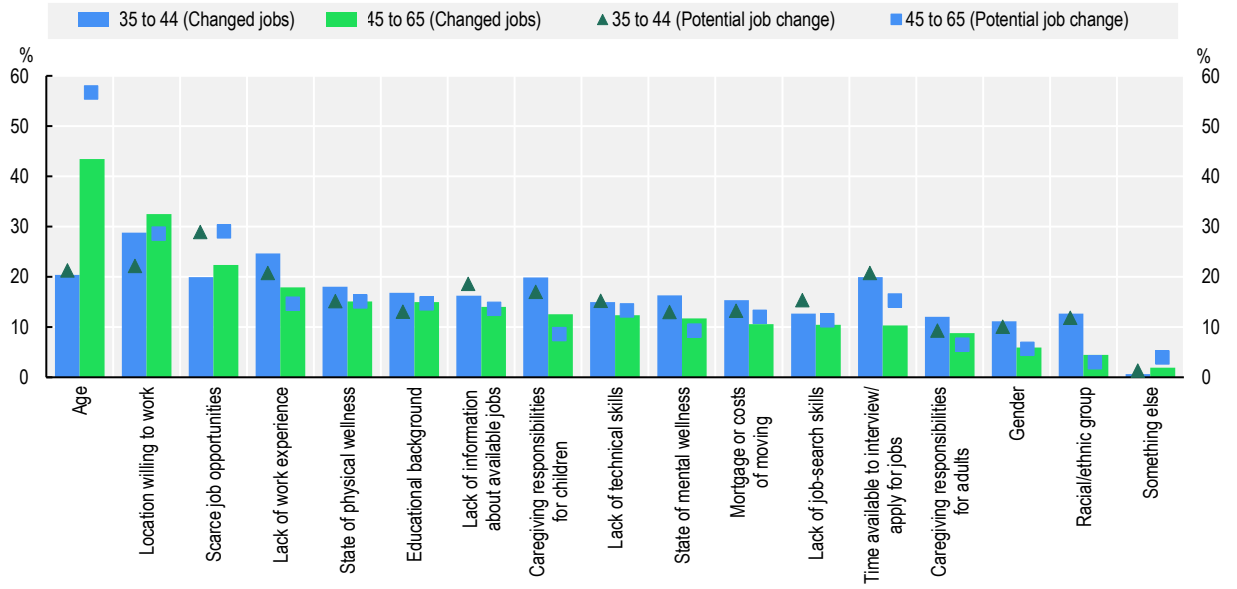
Nevertheless, higher levels of mobility are not inherently beneficial. Chapter 2 highlighted that job churning between low-skill occupations is pervasive among older workers in OECD countries. For this reason, country-level interventions should target mobility that results in improved outcomes for workers, employers and society.

Personal barriers and circumstances also play a key role in determining career changes. As workers age, developments in workers' personal and professional lives raise new challenges for mobility compared to younger workers. Health conditions and informal caregiving responsibilities can limit the available employment opportunities for older workers who require more flexibility. The difficulty finding suitable work that meets older workers' needs can be compounded by skill and information gaps, discriminatory hiring practices, and poorly targeted government policies. In a recent survey of workers who have recently switched jobs, employed individuals looking to switch jobs and unemployed individuals in eight countries shows that workers of all ages cite age discrimination,[3] their location and scarce job opportunities as the most common structural barriers when changing jobs (Figure 3.3) (OECD/Generation: You Employed, Inc., 2023[1]). Moreover, workers aged 45-65 were more likely to report caregiving (12% vs. 9%), mortgage repayment (15% vs. 11%) as key obstacles when finding a new job compared to workers aged 35-44. Facilitating mid-career mobility calls for a life-course perspective, and for policies that help people to build their competencies and capabilities and remain healthy and active throughout their lives, including when they are older. It is, therefore, necessary to employ a multi-dimensional approach involving workers, employers, and institutions to expand job opportunities and improve employability at all career stages so that they can transition between jobs more fluidly.

Figure 3.3. Age and location are the most common barriers to mobility for older workers

Workers who responded "strongly agree" to "What of the following structural barriers do you strongly agree limit(ed) your ability to find a job?"



Note: Responses were taken from an online survey conducted in February/March 2023 of employed respondents (aged 35-65) and unemployed respondents (aged 18-65). Data show the unweighted average of the eight participating countries (Czechia, France, Germany, Romania, Spain, Sweden, the United Kingdom, the United States). Respondents who will potentially change jobs (n = 1 776) or have changed jobs (n = 2 108).
Source: (OECD/Generation: You Employed, Inc., 2023[1]), *The Midcareer Opportunity: Meeting the Challenges of an Ageing Workforce*, https://doi.org/10.1787/ed91b0c7-en.

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3.2. Overcoming mobility barriers on the worker side

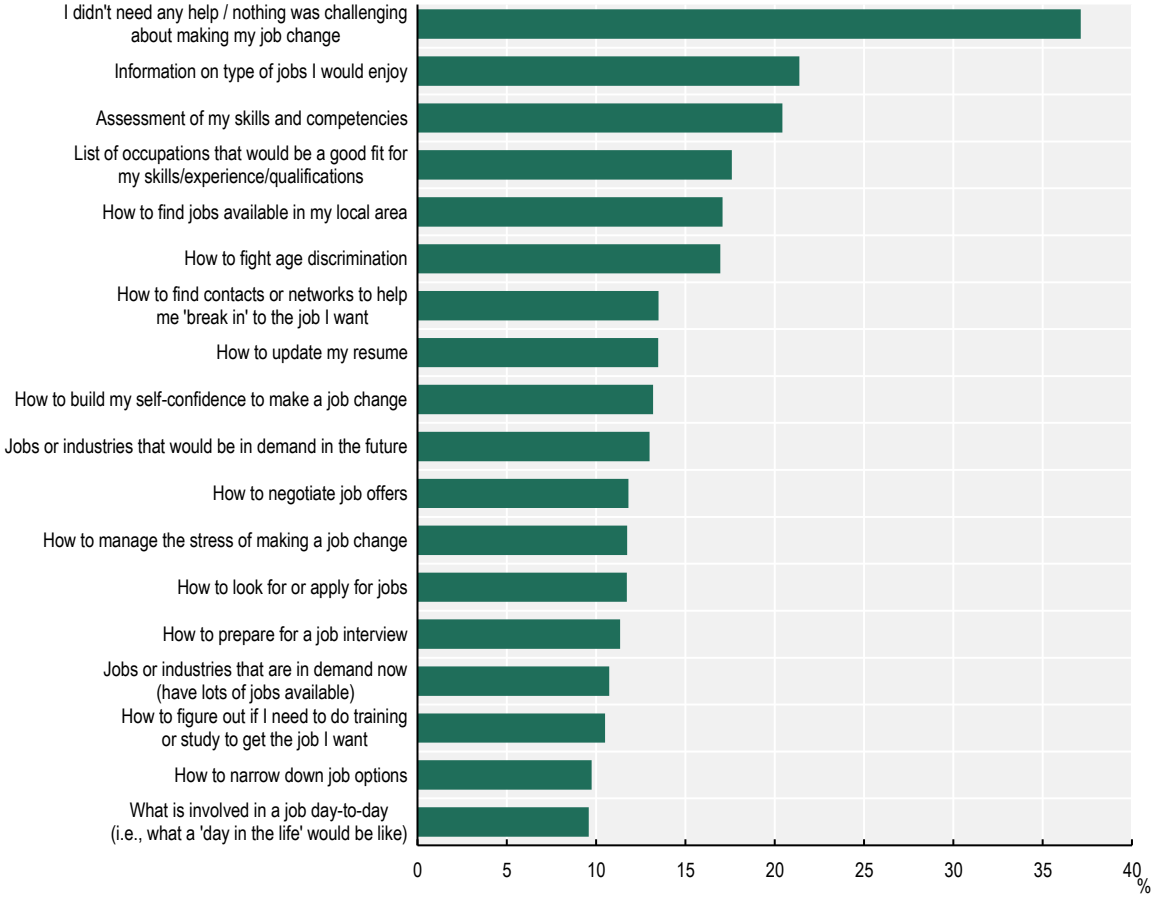
Some of the most pressing barriers that older workers face are barriers relating to employability (e.g. information and skills gaps) and financial burdens that raise the opportunity cost of changing job at later stages of their careers. This section examines the prevalence of these barriers and offers country-level policy recommendations that have been shown to stimulate job mobility.

3.2.1. Older workers are in need of information about job opportunities

Older and long-tenured workers who lack recent job search experience, familiarity with relevant technologies, or knowledge of existing opportunities that match their skillset often struggle to identify roles to apply to. Despite a history of stable employment and strong labour force attachment, some older workers may be at a disadvantage due to the increasing use of online platforms used for recruitment and job applications. Even workers with advanced digital skills or job search skills may find it difficult to identify job opportunities that suit their evolving interests and skillsets after working for a single employer over an extended period. The 2022 AARP Global Employee Survey found that around 20% of workers aged 45 and above report that "information on the type of jobs they would enjoy" or "assessment of their skills and competences" would be helpful when making a job change (Figure 3.4). A significant minority of workers reported needing a list of occupations that would be a good fit and help finding jobs in their local area. The survey results suggest that government and employer-led career counselling can help older workers identify how to apply their transferable skills to new roles.

Figure 3.4. Mid-career workers need information on jobs that suit their skills and competences

Share of workers (45+) who recently made a job change, expect to make a job change or are looking for work who responded yes to “Was there anything that you needed help with, or information that would have been helpful when making your job change?”



Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over. Data show the unweighted average of the 12 participating countries (Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom, the United States). Respondents aged 45 and over (n = 3 726).
Source: AARP Global Employee Survey (2022).

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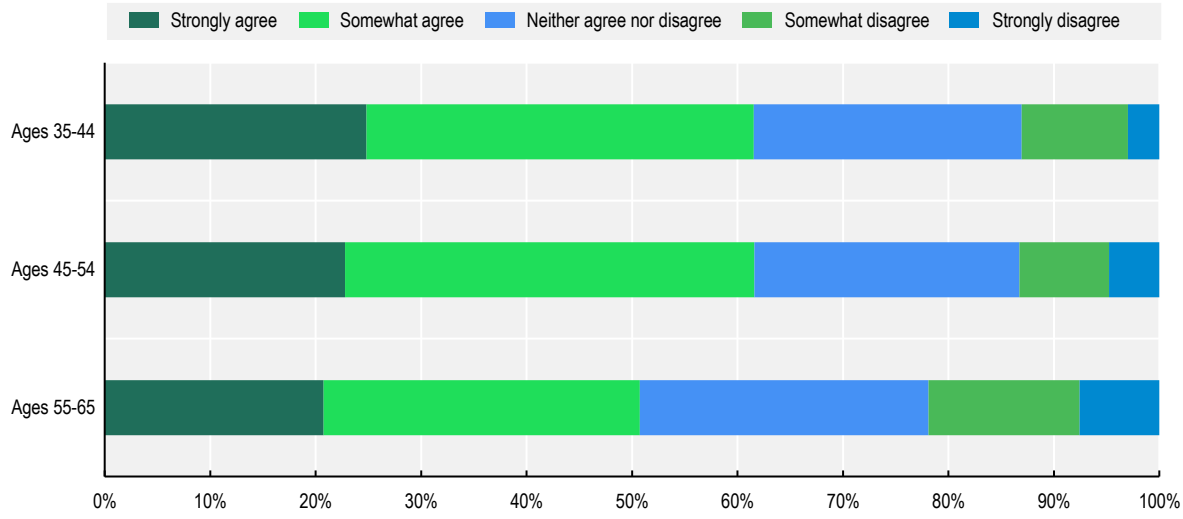
For many older workers with less-than-ideal working conditions, changing occupations can seem so daunting that some do not begin their job search at all. Lack of confidence in job search skills and fear of discrimination are two factors known to discourage older workers from searching for work (Abraham and Houseman, 2008[2]). Evidence suggests that older jobseekers become less confident in their ability to find a new job as they age (Figure 3.5), and the 2022 AARP Global Employee Survey found that as many as 13% of workers aged 45 and over need information on how to build self-confidence (Figure 3.4). Confidence sets the tone for workers’ success in the job market, as evidence suggests that confident job seekers benefit from higher wages and improved working conditions (Slaughter, Cable and Turban, 2014[3]). Overcoming lack of confidence is, therefore, critical for career progression into high-quality jobs.

Figure 3.5. Workers lose confidence in their ability to find work with age

Share of unemployed or employed job seekers who are confident they will get a new job, who reacted to "I am confident I will get a new job", by age



Note: Responses were taken from an online survey conducted in February/March 2023 of employed respondents (aged 35-65) and unemployed respondents (aged 18-65). Data show the unweighted average of the eight participating countries (Czechia, France, Germany, Romania, Spain, Sweden, the United Kingdom, the United States). Respondents who will potentially change jobs (n = 1 776) or have changed jobs (n = 2 108).
Source: (OECD/Generation: You Employed, Inc., 2023[1]), *The Midcareer Opportunity: Meeting the Challenges of an Ageing Workforce*, https://doi.org/10.1787/ed91b0c7-en.

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Age-targeted career advice and guidance services can help older workers build confidence and bridge information gaps. Several countries (e.g. Czechia, the United States) offer programmes to help workers make informed decisions about career opportunities and further investment in skill development (OECD, 2019[4]). Tailoring career counselling services to the individual, rather than their age-group, accounts for the heterogenous circumstances of older jobseekers. A limitation to such programmes, however, is that they are often operated by public employment services that cater only to unemployed or inactive job seekers. To compensate for this, governments can provide subsidies to employers and sectors to offer mid-career review or career counselling for employed individuals seeking a different role within or across firms (e.g. the Netherlands) or target similar services at employed job seekers (e.g. Switzerland) (Box 3.1).

Box 3.1. Career advice and guidance services for employed older workers

- The Dutch Programme for **Sustainable Employability and Early Retirement (MDIEU)** introduced in 2021 offers subsidies for investments in the employability of workers, with particular attention to older workers. Employers, sectors, and individual organisations can apply to fund sector-specific activities, such as supporting older job seekers with career counselling and coaching, developing digital skills passports, setting up online job search platforms, and visualising career paths. Two years into the programme, MDIEU has funded sectoral projects representing approximately 40 to 45% of all workers in the Netherlands.
- In Switzerland, **Viamia** offers one-on-one career counselling for employed workers aged 40 and over. Advisors in each canton of residence examine workers' professional situation, identify development opportunities that suit their skillset, and set concrete steps to achieving their career goals. Viamia addresses the information gaps highlighted in the AARP Global Employee Survey such as knowledge and skill assessments. Since January 2022, Viamia's services have been in high demand among participants wishing to improve job satisfaction.

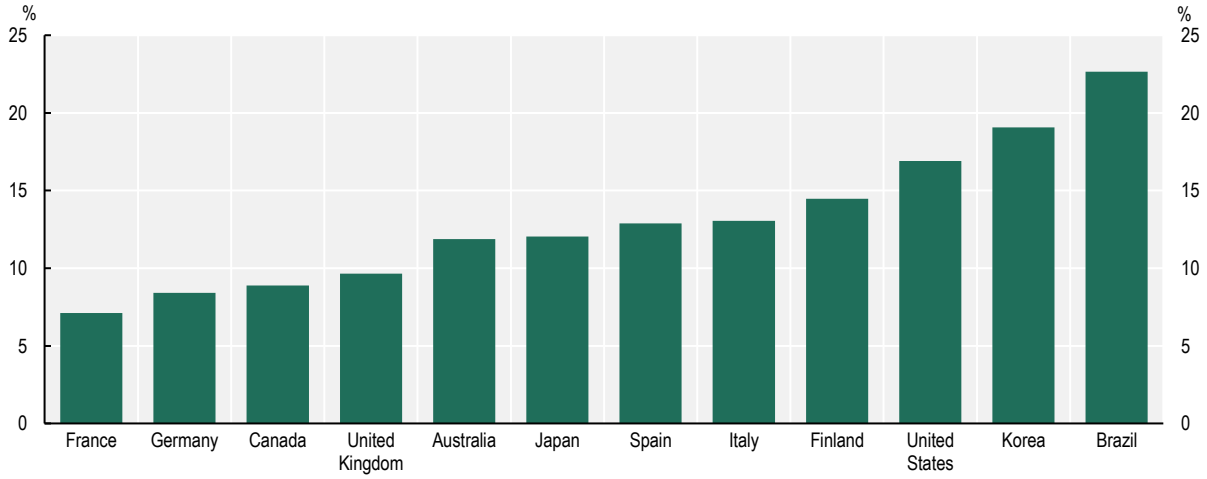
3.2.2. Forming broad personal networks expands opportunities for career mobility

Social or personal networks (e.g. work contacts, friends and relatives) are key determinants influencing workers' awareness of job opportunities, institutional knowledge, and job referrals that make career mobility possible. These social networks commonly act as a springboard for facilitating school-to-work transitions (Özer and Perc, 2021[5]). Yet, the importance of forming broad social networks is not limited to workers' first jobs after graduation. Employers prefer to hire by referral because the process reduces risk of moral hazard, which in turn, contributes to lower turnover and higher productivity (Afridi and Dhillon, 2022[6]; Hoffman, 2017[7]). Evidence suggests that employers often rely on social contacts when recruiting workers at all levels, specifically those in management and professional occupations (Granovetter, 1983[8]; Özer and Perc, 2021[5]). Workers with low occupational prestige, in particular, can leverage strong ties within their networks to make upward occupational transitions (Wegener, 1991[9]).

Many older workers across OECD countries lack these important informal ties, thereby undermining their opportunities to change careers. The 2022 AARP Global Employee Survey uncovered that 13% of workers aged 45 and above who changed jobs or expect to change jobs reported that they needed help finding contacts or networks to help "break in" to the job that they desired (Figure 3.4). There was variation across countries with workers in France (7%), Germany (8%) and Canada (9%) among the least likely to need help building their networks (Figure 3.6). Workers in the United States (17%), Korea (19%) and Brazil (23%), on the other hand, were among the most likely. Cross-country differences may be explained in part by differences in the size of social networks. Research on personal networks across Europe suggests that adults aged 50 and above have larger personal networks in Western European countries than Eastern and Southern European countries (Tomini, Tomini and Groot, 2016[10]). Results from *OECD How's Life 2020* show that adults aged 50 and above in Korea were the least likely to report that they have social support across OECD countries (OECD, 2020[11]).

Figure 3.6. Older workers need support to build their social networks

Share of workers (45+) who recently made a job change, expect to make a job change or are looking for work who reported that they need(ed) help with "How to find contacts or networks to help me break into the job I want"



Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over in the 12 participating countries shown. Respondents aged 45 and over (n = 3 726).
Source: AARP Global Employee Survey (2022).

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The aftermath of the COVID-19 pandemic and rise of pervasive technologies has provoked concerns about their consequences for social networks and social participation. Wide social networks have been associated with overall satisfaction and well-being among older individuals (Tomini, Tomini and Groot, 2016[10]). Yet, perceived social support declines with age, on average, across OECD countries (OECD, 2020[11]). Creating opportunities for network-building and interaction is crucial to form relationships that enable knowledge sharing inside and outside the job market. Federal and local governments can strengthen social infrastructure by designing urban and suburban spaces that promote social connection among older community members. Social infrastructure encompasses programmes (e.g. member associations), policies (e.g. public transportation, and group career counselling), and physical spaces (e.g. parks and green spaces) (Office of the Surgeon General, 2023[12]). Mentorship programmes and networking events are two additional ways in which public employment services can help older workers expand their networks and promote intergenerational knowledge transfers.

3.2.3. Re-skilling and up-skilling enables career mobility for older workers

For both employed and displaced workers, a common obstacle to mobility is lack of transferable or specific skills that are needed in growing industries mentioned in Chapter 1 (OECD, 2019[4]). For instance, workers displaced in "brown" sectors, the steel industry or in heavy engineering may face great difficulty in moving to new technology firms. Lower levels of digital readiness and low participation in adult learning among older individuals is particularly concerning as it can hinder their ability to benefit from the growth in sectors that are urgently looking for additional staff (OECD, 2019[4]; OECD, 2019[13]). These concerns are exacerbated by advancements in artificial intelligence (AI), which has the potential to redefine task composition for workers in higher- and lower-skilled occupations alike (Lane, Williams and Broecke, 2023[14]) (Box 3.2).

Box 3.2. Advancing digital skills to enable career progression in the age of AI

The 2022 OECD Surveys on "The Impact of AI on the Workplace" uncovered that employers suspect that older and low-skilled workers are most likely to face more harm from artificial intelligence (AI). On the other hand, the worker survey found that older workers were among the least likely to worry that AI will replace their jobs (Lane, Williams and Broecke, 2023[14]). The dissonance between employers and workers illustrates how ambiguous the impact of AI on older workers is. Since AI is not a single uniform technology, each tool affects labour market inclusiveness differently, depending on the type of AI, how it is deployed, and on contextual factors, such as employer-led policies and institutions (Lane and Williams, 2023[15]).

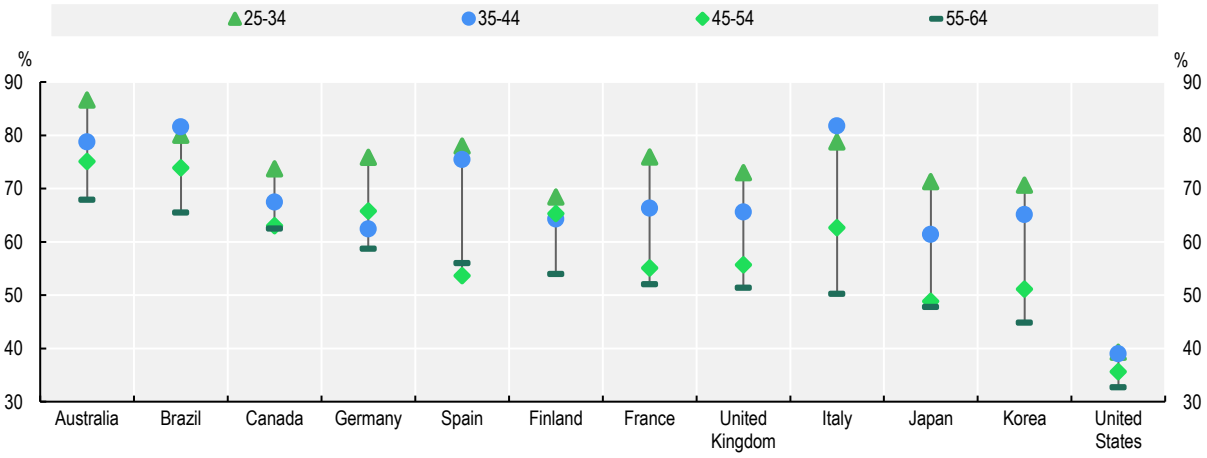
Nonetheless, older workers making career transitions stand to benefit from developing skills that are complementary to AI, such as information and communication technology (ICT) skills as well as creativity and critical thinking (OECD, 2019[16]; Lane and Saint-Martin, 2021[17]). Unlike previous waves of technological change that primarily automated non-cognitive repetitive tasks, AI creates new opportunities for older workers to leverage soft skills and experience and benefit from enhanced job quality. Several countries offer initiatives targeted at developing competences relating to digitalisation. Some examples include:

- The **Career Transition Assistance Program,** since 2019, provides tailored support for Australians aged 45 and older to help identify transferable skills and experiences with a focus on improving digital literacy. Courses include an assessment of current skills, the development of a career pathway plan, and an outline of steps needed to pursue new employment opportunities in their local labour market.
- In the Slovak Republic, **Don't lose your job – educate yourself (*Nestrať prácu – vzdelávaj sa*)** subsidises education costs for skill development with emphasis on shortage professions, digitalisation, automation and the green economy.
- In 2022, Lithuania piloted **Start from 50+**, which aimed to encourage entrepreneurship among individuals aged 50 and above. The intensive programme targeted business management skills and digital skills necessary to transport a business idea online.

Mid-career and older workers are simultaneously weary that their skills are not suited for careers in expanding sectors and cautious about investing in training programmes. According to the AARP Global Employee Survey, more than half of workers aged 45 and above who are concerned they might lose their job in the next year reported that their skills are becoming obsolete, or they do not have the right skills. Despite these concerns, participation in training programmes declines with age. In nearly all countries surveyed in the AARP Global Employee Survey, workers aged 45 and above were among the least likely to participate in job related training within the past five years (Figure 3.7). To improve participation, training needs to be suited to older workers' needs and concerns. For instance, workers aged 45 and above were more likely than workers aged 35-44 years old to express that they are unable to afford the cost of training or are unsure whether training is worth it (Figure 3.8). These concerns are often validated by employers who struggle to see the benefits of investing in training for workers in the later stages of their careers (OECD, 2019[4]).

Figure 3.7. Older workers are less likely to participate in training in nearly all countries

Share of workers who participated in job-related training with the past five years



Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over in the 12 participating countries shown. Respondents (n = 12 158) were asked, "In the past 5 years (since 2017), have you taken any of the following types of job-related skills training either through your work or on your own?
Source: AARP Global Employee Survey (2022).

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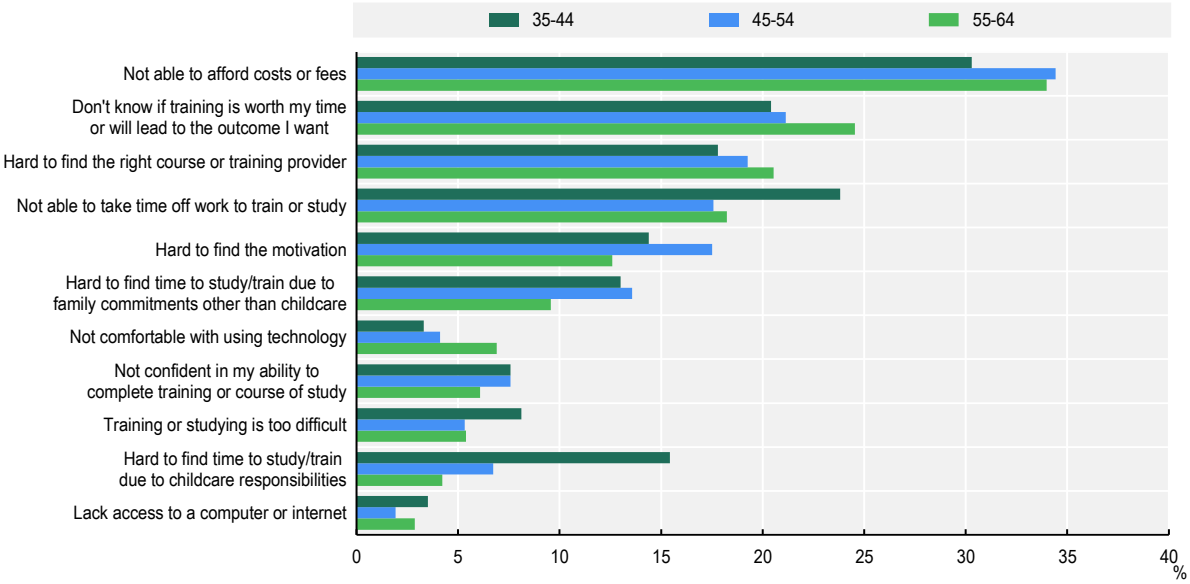
Figure 3.8. Older workers do not know if training is worth their time

Share of workers (35+) who would have liked to participate in training, by age



Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over. Data show the unweighted average of the 12 participating countries (Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom, the United States). Respondents aged 35 and above and who would have liked to participate in training over the past five years (n = 1 676) were asked, "Thinking about any job-related skills training that you wanted to take over the past 5 years (since 2017), which of the following situations have you encountered?"
Source: AARP Global Employee Survey (2022).

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Overcoming the cost of re-skilling or up-skilling

The cost of re-skilling and up-skilling is the most common factor prohibiting workers from accessing training necessary to change jobs (Figure 3.8). Older workers often have families that are financially dependent on their incomes, which influences their decision to take up training as a consequence. In addition to the fees associated with training programmes, workers face considerable opportunity costs if they need to take time off work or are unpaid for stretches of time. Paid training leave provides workers with time and financial resources to up-skill or re-skill. Workers taking part in paid training leave continue to receive all or part of their salary guaranteed by regulation, collective agreements, or bi-lateral agreements with employers (OECD, 2019[13]). As part of a paid training leave scheme in Flanders, Belgium (*Betaald educatief verlof*), the government reimburses employers for workers' wages while absent on training leave up to EUR 2 760. However, older workers aged 55 and older were the least likely to take advantage of the programme (Cedefop, n.d.[18]). Australia offsets training costs through a co-contribution approach (Box 3.3).

Box 3.3. Co-contribution approach to training fees in Latvia

Governments and employers can offset the financial burden of training and increase participation by co-funding training fees. From January 2017 to December 2023, the European Social Fund (ESF) project, **"Improvement of Professional Competencies of Employed Persons"** (*Nodarbināto personu profesionālās kompetences pilnveide*), allowed workers in Latvia to apply for funds to cover most of the tuition for educational programmes using ESF and the state budget. Depending on the type of educational program, 90% or 95% of the tuition fee was *co-funded* by the ESF and the state, while 5-10% is the participant's co-payment. Given the high demand for the programme workers aged 45 and over with low education levels were given priority. As of June 2023, over 88 000 workers participated in the programme, including over 25 000 workers (29%) aged 45 and above. Around 64% of surveyed participants reported that the training improved their employment prospects. Evidence from a similar initiative in Australia found that a co-funded approach increased their commitment to participate in training that they would not have otherwise participated in (Department of Employment and Workplace Relations, 2022[19]).

Greater use of apprenticeships and work experience programmes can expose older workers to new careers

Apprenticeships and work experience programmes are often aimed at younger individuals. However, older individuals can also benefit from apprenticeship programmes that combine short classroom sessions with a firm-based, experiential approach (OECD, 2018[20]; OECD, 2019[4]). As shown in Figure 3.4, 21% of workers aged 45 and above who recently changed job reported that they would have appreciated more information on the type of jobs that they would enjoy. For reasons relating to health, caregiving responsibilities and personal preferences, continuing to work in the same profession can become unsustainable. However, they may not know what opportunities align with their skillsets or flexibility needs. Experiential programmes, such as apprenticeships and work experience, overcome these hurdles by introducing workers to different sectors and occupations without requiring a long-term commitment. Moreover, apprenticeships offer workers the opportunity to earn while they learn, thus lowering financial barriers that discourage training participation among older workers (Mitchell, 2022[21]). Apprenticeship programmes are particularly attractive for workers in *brown* industries and must obtain the skills needed to move to a *greener*, more sustainable role (Cedefop et al., 2022[22]).

The United Kingdom Government has recently introduced an apprenticeship programme targeted at older workers (Box 3.4).

Box 3.4. Generating experiential learning opportunities to older workers in the United Kingdom

In the United Kingdom, the **"Returnership" Initiative** is a three-pronged programme which aims to encourage older workers to take on new career opportunities. The multi-dimensional programme connects workers aged 50 and over with learning opportunities in a format that is suited to their needs in the following ways:

- **Skills Bootcamps** are free training programmes designed in partnership with local employers to fill job vacancies. Courses target in-demand skills in growing sectors, such as digital and green industries.
- **Apprenticeships** are available to workers of all ages and all career stages. In addition to on-the-job training, apprentices are required to take part in a minimum of six hours of off-the-job training per week.
- **Sector-based work academy programmes (SWAPs)** prepare unemployed workers to apply for jobs in different sectors through pre-employment training, work-experience and/or help with the recruitment process. Work experience is beneficial to both firms and workers who benefit from experience and addressing skills shortages, respectively.

In 2023, the British Government dedicated an additional GBP 63.2 million to the programme to create about 40 000 and 8 000 new spots in the SWAPs and Skills Bootcamps schemes, respectively.

Recognising older workers' skills and experience

Skills acquired on the job and outside the formal education system are often unrecognised in the hiring process. This barrier is especially relevant for mid-career and older workers whose qualifications may be outdated, despite decades of work experience demonstrating skills and competencies (OECD, 2019[4]). Reliable procedures are needed to assess and validate people's skills and competencies, to make skills transparent to employers, and to establish a baseline for further learning. At the same time, the procedures must be carefully designed in such a way that they are not overly burdensome or complicated to encourage take up. Working with counsellors can help older workers identify these procedures to gain credit or find ways to help workers complete missing educational programmes (Box 3.5).

Recognition of prior learning (RPL) or accreditation of prior learning (APL) programmes provide older adults with the accreditation needed to progress in the labour market. RPLs can lower the opportunity costs of upskilling or reskilling by shortening the duration of training to focus specifically on where skill gaps exist (Meghnagi and Tuccio, 2022[23]; ILO, 2016[24]). The European Union has adopted the European Qualifications Framework (EQF) and the European Credit System for Vocational Education and Training (ECVET), which aims to encourage mobility and flexible learning, respectively. Several European countries offer additional RPL programmes. For instance, RPL accredited organisations in the Netherlands can grant Certificates of experience (*Ervaringscertificaat*). In France, higher education applicants without the pre-requisites to enrol in a post-secondary education programme can validate their prior learning (*Validation des Acquis Professionnels – VAP)* to gain admission.

Box 3.5. Supporting older workers with incomplete educational requirements

Many older workers embarked on educational programmes but did not complete the requirements needed to obtain the degree. Recent estimates suggests that as many as 10.7 million, or 26.5% of Americans between 45-64 left postsecondary education without receiving a credential (National Student Clearinghouse (NSC), 2023[25]). Financial barriers, such as the inability to attend school and work to support their family, are common reasons why adults leave educational programmes. While many of these adults planned to return to the degree, administrative and financial obstacles (e.g. credit transfer policies) make re-enrolment burdensome. Furthermore, most older adults in this situation left their degree programmes before the age of 35, forging a long gap between leaving higher education and now (National Student Clearinghouse (NSC), 2023[25]).

Investing in policies to connect these individuals with the resources to complete educational requirements could increase earning potential and expand the talent pool for workers of all skill levels. In **Portugal**, **Qualifica Centres** (*Centros Qualifica*) offer counselling services to adults with incomplete primary or secondary education with the aim of identifying individualised qualification pathways. A pillar of the programmes is recognition, validation and certification of competences (RVCC) processes that help adults obtain a school qualification, professional qualification or both. While the programme is not specifically designed for adults aged 45 and over, this target group has made up over 38 000 full certifications (amounting to 42% of adult certifications through RVCC) and over 3 000 partial certifications (amounting to 47% of adult certifications through RVCC) between 2017-23.

3.2.4. Early interventions prevent workers with disabilities from exiting the labour market

As workers age, they are more likely to face health or disability issues that make it more difficult to remain employed in their current job. Furthermore, the incidence of disability is higher among specific groups of workers such as women and those with low levels of education (OECD, 2022[26]). Transitioning between firms or within a firm can help these workers find better jobs that can accommodate their needs, allowing them to remain active throughout their lives. However, the existence of health issues raises barriers to finding sustainable employment. According to the 2022 AARP Global Employee Survey, 15% and 12% of workers aged 45-54 who changed jobs reported that their physical health and mental health limited their ability to find a job, respectively (Figure 3.3). In the face of such challenges, many workers with disabilities are pushed out of the labour market prematurely, thus highlighting the need for policies that promote greater inclusivity for workers with disabilities.

Social protection is crucial to aid older workers with health problems, but it can also create disincentives to work and self-sufficiency. For older workers in particular, paid sick leave and disability benefits commonly form a bridge between employment and retirement. As workers receiving benefits spend longer periods of time away from work, their skills can depreciate, and they become more distanced from the labour market. Government-level interventions should therefore prioritise early interventions that help rehabilitate workers to allow a gradual return to work (OECD, 2022[26]).

Governments can implement efficient return-to-work (RTW) strategies to maintain (and even improve) employability for workers who need additional support finding the right job fit. These strategies can target health-related barriers through regular meetings with caseworkers and employees or rehabilitation to address medical barriers (e.g. psychological counselling, courses on how to manage one's health situation) or work-related barriers through more traditional labour market activation policies (e.g. career counselling, training programmes, work experience) (Box 3.6). Although younger workers are more likely to participate in these vocational programmes, older workers who do participate are equally as likely to return to work as younger participants (OECD, 2022[26]). Other approaches to acting early include involving

employers in the monitoring process, setting limits to the sickness scheme, and allowing workers to receive partial sickness benefits while working part-time. Several OECD countries offer a combination of these services, such as the Austrian Fit2Work programme, which combines graded sickness insurance with regular meetings with employers or caseworkers, voluntarily (OECD, 2022[26]).

Box 3.6. Australian Disability Employment Services targets health conditions at their onset

The nature of disabilities experienced by older workers will have consequences on the effectiveness of a policy intervention. Growth in mental health disorders has been correlated with inflows into disability benefit programmes, thus differing the type of treatments and interventions that are required from to treat physical ailments (OECD, 2022[26]). Further, neurological disorders have been shown to increase with age globally (Feigin et al., 2019[27]). Given the heterogeneity in disabilities, support services should be tailored to accommodate such variations.

In **Australia**, the **Disability Employment Services** programme aids workers who are having difficulty maintaining their current job due to an injury, disability, or health condition. Workers who are concerned that their disability is putting their job at risk can connect with a Disability Employment Services provider provides two types of individualised support to the employee: disability management services and employment support services. These services may include advice about job redesign, workplace assessment, workplace modifications or special equipment, and support in the workplace to help manage the impact of the injury, disability, or health condition, to name a few. The initial support lasts for 26 weeks, after which the Disability Employment Services provider recommends whether the employee requires ongoing support, which is key to maintaining labour market attachment. Approximately 90% of employees who receive the support continue to benefit from ongoing workplace support over a longer team.

While early intervention is effective, continued support as workers transition back into work prevents workers from facing worsened outcomes that lead to retiring shortly after. If governments invest in aiding workers successfully transition into a job, then workers develop new disabilities that push them out of the labour market, the economic benefit of the intervention is unrealised. Integrating ongoing monitoring and support services, such as the ongoing support that is offered through Australia's Disability Employment Services programme (Box 3.6), helps prevent worsening or creating new health issues. The policies are indeed complemented by preventative policies that promote the implementation of age management initiatives in the workplace (e.g. Costa Rica's Technical Rule INTE T 203:2021) to proactively reduce incidence of disability for workers of all ages.

3.2.5. Transitioning out of arduous or hazardous jobs

One of the key challenges related to workers' health across the OECD is to support the transition of older workers out of hazardous or arduous jobs, which has consequences for their well-being, health, and overall career prospects. Chapter 2 explained that low-skilled workers, many of whom are in hazardous or arduous jobs, need additional support to make upward transitions later in their careers. Older workers who remain in these roles are often exposed unsafe working conditions and physical demands that can become unsustainable as workers' overall health and strength deteriorates with age. Many OECD countries still offer special retirement rules to workers in these roles that allow early retirement without penalty (OECD, 2019[4]; OECD, 2006[28]). However, shifting the focus towards preventative measures that improve working conditions and facilitating mobility out of arduous occupations can, instead, extend working lives and improve quality of life for older workers (Box 3.7). These improvements can take the form of training and counselling programmes, professional redeployment (e.g. Luxembourg's Professional Redeployment

Programme), as well as by strengthening occupational health policies to prevent sickness and disability at the source as recommended in the *2023 OECD Pensions at a Glance* (OECD, 2023[29]).

Box 3.7. Preventing occupational health-related illness or injury in France

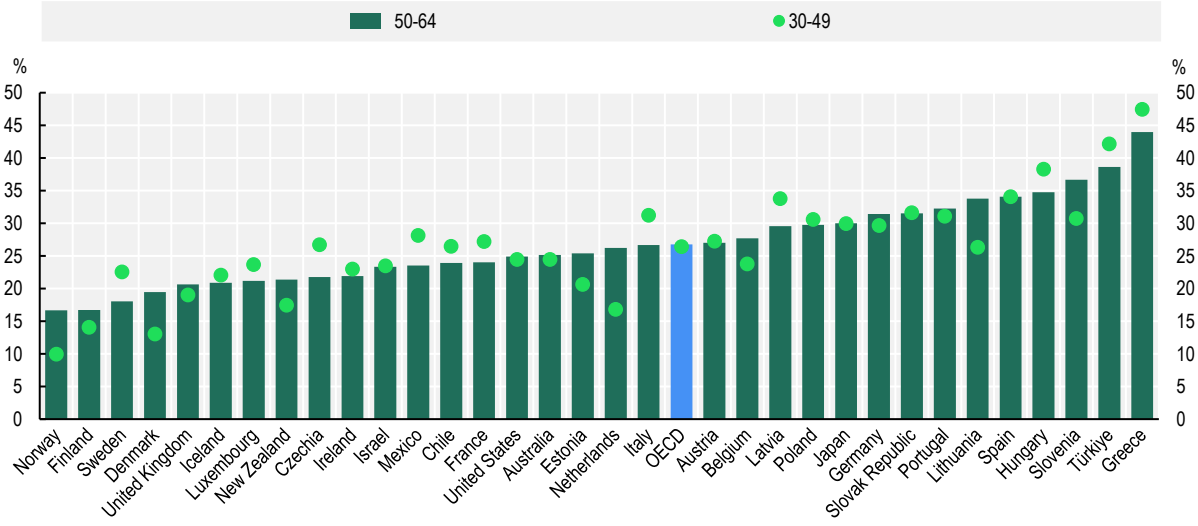
France offers two policies geared towards preventing and addressing the mental and physical effects of work. Taken together, the policies raise awareness of workplace ageing and enable workers to transition to safer roles.

- The **Professional Prevention Account** *(Compte professionnel de prévention)* provides workers in hazardous conditions with autonomy to make changes in their career. Workers exposed to occupational risk factors (e.g. night work, successive alternating shifts, exposure to loud sounds, etc.) acquire points that can be exchanged for work in a less exposed position, finance a professional retraining project, change to a part-time work schedule, or access early retirement.
- The **French policy on Strengthening Occupational Health Prevention** (*Renforçant la prévention en santé au travail*) allows all workers around age 45 to meet with an occupational physician to ensure that the worker is healthy enough for their role and knows how to prevent occupational wear and tear. The occupational physician can propose job adjustments, as well as initiatives to promote lifelong learning, such as supervised trials and re-skilling within their firm. In 2021, the law was strengthened to enable all workers returning to work after a long-term leave to test a new job within their company or another company.

A broader discussion about promoting the creation of high-quality jobs with better working conditions is needed to expand the set of safe and accessible work opportunities for workers in hazardous or arduous occupations (OECD, 2023[29]). As discussed in Chapter 2, facilitating career mobility is only as beneficial at the availability of high-quality jobs to transition to. On average, across 33 OECD countries, 27% of workers aged 50-64 experience job strain (Figure 3.9). The share of workers aged 30-49 and 50-64 experiencing job strain are similar, apart from the Netherlands (9.4 percentage points), Lithuania (7.5 percentage points), Norway (6.7 percentage points), Denmark (6.5 percentage points), and Slovenia (6.5 percentage points) where older workers are greater than 5 percentage points more likely to be in strenuous roles. Given the magnitude of workers in low quality jobs, it is imperative that governments refer to key recommendations laid out in the 2018 OECD Jobs Strategy to expand the stock of high quality jobs (OECD, 2018[20]). Governments can promote high quality job creation by removing barriers to entrepreneurship, reform employment protection legislation, and to ensure price stability and fiscal sustainability, to name a few.

Figure 3.9 More than one in four older workers experience job strain

Share of employees who experienced a number of job demands exceeding that of job resources, 2015



Note: OECD is the unweighted average of the 33 countries shown.
Two types of job demands are identified: i) time pressure which encompasses long working hours, high work intensity and working time inflexibility; and ii) physical health risk factors, such as dangerous work (i.e. being exposed to noise, vibrations, high and low temperature) and hard work (i.e. carrying and moving heavy loads, painful and tiring positions). Similarly, two types of job resources are considered, namely: i) work autonomy and learning opportunities which include workers' freedom to choose and change their work tasks and methods, as well as formal (i.e. training) and informal learning opportunities at work; and ii) Social support at work which measures the extent of which workers receive social support from colleagues and supervisors. The composite Job Strain index, thus, refers to those jobs where the workers face one demand but have no resources, or face two demands but have one or no resource (Cazes, Hijzen and Saint-Martin, 2015[30]), "Measuring and Assessing Job Quality", https://doi.org/10.1787/5jrp02kjw1mr-en.
Source: OECD Job Quality Database, http://stats.oecd.org/Index.aspx?DataSetCode=JOBQ.

StatLink https://stat.link/mstohg

3.2.6. Enabling geographic mobility can enable job mobility

Geographic mobility makes labour markets more efficient by enabling workers in economically depressed areas to move to locations with better opportunities. Many working age individuals wish to move locations to change jobs or careers, but they often face personal, financial, and institutional barriers to do so (Caldera Sánchez and Andrews, 2011[31]; OECD, 2005[32]). These barriers are pertinent for older workers who are less likely to move than younger workers due in part to longer housing tenure and social and familial connections. Community relationships that form over a long period facilitate the accumulation of social capital that is effectively lost when they move, thus creating disincentives to take on new job opportunities (David, Janiak and Wasmer, 2010[33]). Despite this, a 2023 Generation and OECD Survey of employed and unemployed individuals found that 33% of workers aged 45 and above who changed jobs reported that job location was a barrier during their job search (Figure 3.3). Geographic mobility is not comprised only of movements across long distances. It may also include short-distance movements that enable workers to retain their social connections while expanding opportunities and reducing commute time.

According to recent evidence from European countries, only around 2% of individuals who changed market status also changed regions, indicating a need for policy intervention at both the national and regional levels (Causa, Luu and Abendschein, 2021[34]). On the other hand, 16% of all job-to-job moved are between employers located in different states, which may reflect cultural differences between the United States and Europe (Azzopardi et al., 2020[35]). Several countries (e.g. Czechia, Hungary, Portugal, the

Slovak Republic, Switzerland) offer subsidies to smooth initial transportation and housing costs, as well as incentivise economic activity in regions with low-employment. Other programmes offer tailored job search assistance for people seeking work in another region (Box 3.8). The benefits, however, often provide aid only in the short-term and do not address institutionalised obstacles to geographic mobility, such as housing policy.

Box 3.8. Policies to reduce transaction costs of job-related relocation

Government aid for transportation and relocation

- Portugal's **Inland Employment Plus** programme provides aid to workers who carry out a professional activity that requires them to move to an inland territory or work remotely from an inland territory. The objective of the programme is to create favourable conditions for job creation and professional activities in inland territories.
- Latvia's **Regional Mobility Support Programme** reimburses recently employed workers (i.e. in the first four months of employment) whose jobs are at least 15 kilometres from their residence up to EUR 150 per month for transportation and living expenses. Evaluation of the programme found that 18% of programme participants were aged 45-54 and 3% were aged 55-60, indicating that older workers may be a harder to reach population (OECD, 2019[36]).
- The **Moving Expenses Tax Deduction** in the United States allows individuals making a job-related move and meeting the distance and time requirements to deduct job-related moving expenses from their taxable income.

Job search assistance for workers seeking relocation

- The **EURES Targeted Mobility Scheme** offers jobseekers individualised support from national employment services to find work, training or traineeships in another European Union country, Norway or Iceland with the aim of lowering mobility barriers. The programme can provide allowances to cover the cost of language courses, recognition of qualifications, or travel expenses for jobseekers.
- Since 2009, Japan's **Regional Employment Support Project** (*地方就職支援事業*) has provided job seekers who wish to relocate to work for local companies with information related to the region, employment counselling, job placement, and individualised support from the Regional Employment Support Corner of Hello Work in metropolitan areas.

Housing costs (e.g. mortgage payments or rent) typically make up the largest component of household budgets or 18.3% of disposable income, on average, across OECD countries (OECD, 2022[37]). As a result, decisions to take up a new job are likely to be influenced by housing market conditions. Homeowners, for instance, are less likely to accept a job in a new location due to high transaction costs and potential capital losses associated with selling property, such as capital gains taxes (OECD, 2005[32]). This is not to suggest that policy makers should discourage homeownership for the sake of inducing job mobility. Instead, policy makers must consider the unintended obstacles that housing policy imposes on mobility.

High transaction costs tied to buying and selling property (e.g. taxes, real estate agents and legal costs) combined with tax incentives that promote home ownership inadvertently discourage worker relocation (Caldera Sánchez and Andrews, 2011[31]; OECD, 2005[32]; OECD, 2021[38]). Policy makers can lower tax-related transaction costs by replacing non-recurrent housing taxes (i.e. Stamp Duty) due when buying or selling a property with annual taxes on land value. In recent years, Australia, Ireland, the Netherlands and the United Kingdom have reformed transfer tax levies, thus lowering barriers to mobility (OECD, 2021[38]).

For many individuals living in social housing, relocating to change jobs would mean losing access to their housing benefits. Individuals in social housing are among the least mobile, irrespective of their housing status. Lock-in effects, such as residency requirements, minimum residence periods, and long waiting periods, impose additional limitations on an already vulnerable group (OECD, 2021[38]). Social housing programmes can be re-designed to addressing housing affordability and lower mobility barriers by waiving residency or waiting period requirements for formerly unemployed workers taking up a job in the region.

3.3. Alleviating labour market institutional and regulatory barriers

In some cases, government policies can stifle labour market flows. Policies and regulations influence mobility at the worker- and employer-levels by imposing costs or disincentives that inhibit workers from seeking work and employers from hiring new employees. This section discusses some institutional and regulatory barriers that have emerged in the literature on job mobility and offers alternative policies that preserve labour market benefits without sacrificing mobility.

3.3.1. Labour-market concentration and monopsony power

Labour-market concentration and monopsony power work hand-in-hand to impede job flows. Recent evidence suggests that a sizeable share (16%) of workers are employed in markets that can be described as “highly concentrated”, thus imposing negative effects on working conditions and employment for both workers and jobseekers (OECD, 2022[39]). Jobseekers in concentrated markets can expect to face a labour market with many similar jobseekers but few employers, resulting in diminished bargaining power over wages and working conditions on the worker-side. Monopsony power, typically caused by labour market concentration, can give employers significant influence over wages and working conditions. However, monopsony power can also exist in competitive labour markets where workers with certain requirements have difficulty finding suitable employment offers (OECD, 2022[39]). For example, mid-career and older workers with flexibility demands may only find a small set of employers offering these conditions, thus diminishing their bargaining power.

Non-Compete Agreements (NCAs) and occupational licensing (Section 3.3.2) can also be used to assert bargaining power over workers. NCAs or restrictive covenants are clauses that prevent workers from taking up work at a competing firm. Around 11% of workers in the United States and 30% of workers in the United Kingdom are covered by NCAs, but the share varies age and industry, peaking at mid-career and declining with age (Boesch et al., 2023[40]; CMA Microeconomics Unit, 2024[41]). Although NCAs are often justified by the need to protect trade secrets, evidence suggests that NCAs produce negative spillover effects in terms of diminished job mobility and depressed wages (OECD, 2022[39]; U.S. Treasury, 2016[42]). (Sockin, Sojourner and Starr, 2023[43]) remarked that NCAs give companies power to conceal or suppress the flow of negative information (e.g. illegal or harmful conduct), which in turn, makes it difficult for jobseekers to differentiate between high and low-quality firms.

To realign the balance of bargaining power between workers and employers, countries may choose to ban the agreements entirely (e.g. Ontario Province of Canada, Colombia), ban agreements for certain workers (e.g. Belgium), or establish a rebutting presumption of abusive use. For instance, in Belgium, the use of NCAs is only enforceable if the worker earns more than EUR 78 706 in gross renumeration. Nevertheless, employers are known to include NCAs even in cases where they are not enforceable by law. Stronger enforcement and more robust accountability mechanisms may be necessary to deter imposition of NCAs. Other governments encourage employers to impose NCAs more thoughtfully by requiring employers to compensate workers for the period after separation in which the NCA binds for the agreement to be enforceable (Box 3.9).

Box 3.9. Compensating for Non-Compete Agreements (NCAs)

Several governments impose minimum compensation schedules that cover the period after separation in which the NCA binds for the agreement to be enforceable. The funding is meant to compensate workers for the additional time it may take to find work outside of the firms listed in the clause, as well as discourage firms from imposing NCAs too widely. Some examples are:

- Employers in **Denmark** are required to compensate at least 40% of a worker's monthly salary if the duration of the clause is less than six months or 60% of a worker's monthly salary if the duration is greater than six months. After the first two months, the benefit can be reduced to 16% or 24%, respectively, if the employee finds suitable work.
- In **Germany**, the employer must pay at least 50% of the employee's total earnings (including base salary, bonus and benefits in-kind) during the period covered by the clause. The German law also prevents employers from waiving the agreement to avoid paying compensation after termination by obliging the employer to compensate the employee for at least one year following the waiver.

3.3.2. Occupational licensing

Occupational entry requirements (OER) or occupational licenses are traditionally put in place to protect consumer from problems arising from asymmetric information, such as consumer health and safety. At the same time, occupational licenses can act as a barrier to both entry and exit in some markets (e.g. retail and professional services) without creating clear benefits in terms of service quality, consumer health or safety (Gal and Hijzen, 2016[44]). In the European Union (EU), Japan and the United States, the share of workers covered by occupational licenses has risen to around 15% to 35% depending on the country or state (von Rueden and Bambalaite, 2020[45]; Hermansen, 2019[46]; Pagliero, 2019[47]). The increase in the share of workers with licenses, as well as the share of occupations requiring licenses, raises questions about whether adopting OERs is justified in all licensed occupations.

Occupational entry requirements (OER) differ in coverage and stringency across and within countries, which, in turn, increases the opportunity cost of cross-country or cross-state mobility among licensed workers and undermines geographic mobility (Hermansen, 2019[46]; Kleiner and Xu, 2020[48]; Kleiner, 2011[49]). Despite higher geographic fluidity compared to other OECD countries, recent estimates suggest that licensed workers in the United States are 24% less likely than unlicensed workers to switch occupations in the following year. The effect is heterogeneous across occupations, which can be partly explained by diverse occupational requirements (Kleiner and Xu, 2020[48]). "Grandparent clauses" (i.e. clauses that enable licensed workers to continue working without meeting new requirements) create lock-in effects for mid-career and older workers in licensed occupations (Kleiner, 2015[50]).

Opportunity costs associated with acquiring a license discourage employed individuals from entering licensed professions (Kleiner and Xu, 2020[48]). Midcareer and older workers may be reluctant to invest in time-consuming and costly fees to obtain and maintain an occupational license. The barriers are often heightened for migrant and foreign workers who lack the language proficiency to succeed in the exams (Hermansen, 2019[46]).

National and regional governments can improve portability of occupational licenses by implementing reciprocity agreements. In the United States, several health professions have adopted inter-state compacts (e.g. nurses, physicians, physical therapists, emergency medical technicians and psychologists). Arizona House Bill 2 596 extends reciprocity to a wider range of occupations by granting licenses to residents who obtained a license from another state (Hermansen, 2019[46])). In Canada, outside of a few federally regulated occupations, foreign credential recognition is a provincial/territorial responsibility. Each

jurisdiction establishes education, training, and licensing standards and these vary from one jurisdiction to another. In most cases, provinces and territories further delegate this authority in legislation to regulatory authorities. The Government of Canada's Foreign Credential Recognition Program aims to develop and strengthen Canada's foreign credential assessment and recognition capacity, contribute to improving the labour market integration outcomes of skilled newcomers and support interprovincial labour mobility (Box 3.10). More generally, countries and regions should carefully examine whether occupational licenses are necessary to improve quality, health, and safety.

Box 3.10. Supporting labour market integration of skilled newcomers in Canada

Approximately two-thirds of immigrants across OECD countries earned their qualifications abroad (OECD, 2017[51]). Many of these workers often have difficulty transferring these qualifications and take on jobs that require a lower level of formal education than they are qualified for, as a consequence. Workers who earned licenses and certifications in a foreign country are unable to work in the occupations they trained for without obtaining a formal assessment, which can be costly or complicated to navigate in a new country. While licenses exist to protect public health and safety, lack of reciprocity disincentivises licensed workers from taking on work opportunities abroad.

Canada supports labour market integration of skilled newcomers through the **Foreign Credential Recognition Program** by funding projects with provinces and territories, regulatory authorities and other organisations to improve foreign credential recognition (FCR) processes that make the credential recognition system faster and more efficient (e.g. standardised national exams, centralised information portals, alternative assessment processes), provide loans and support services (e.g. career counselling, training plans) to help skilled newcomers navigate the FCR process and, provide employment supports such as training, work placements, wage subsidies, mentoring and coaching to help skilled newcomers gain Canadian work experience in their field of study. A 2020 evaluation of the programme found that two-thirds of recipients would have taken more time to obtain credentials without the loans and targeted support (Employment and Social Development Canada, 2020[52]).

3.3.3. Overly strict employment and protection rules

Employment protection regulations lay the foundation for job security by protecting workers against arbitrary dismissals and compelling employers to bear some social costs of dismissals. Overly strict employment protection rules, however, can inhibit or delay productivity-enhancing re-organisation, hirings and dismissals, and hinder mobility especially among workers on regular contracts. Very few OECD countries still have age-specific employment protection measures, yet employment protection provisions that increase with job tenure and age (e.g. Severance pay and notice periods) are still widely used. These measures can strongly tie workers to their employer making them particularly damaging for mobility at mid-career and at older ages (OECD, 2019[4]; OECD, 2020[53]).

A number of studies suggest that the stringency of employment protection measures is negatively correlated with job flows (Haltiwanger, Scarpetta and Schweiger, 2006[54]; Causa et al., 2022[55]; OECD, 2010[56]) and occupational mobility (Bachmann, Bechara and Vonnahme, 2020[57]). By some estimates, stringency of employment protection measures explains between 20% to 30% of cross-country variation in worker allocation (OECD, 2010[56]). These effects hinder mobility of workers from low-productivity to high-productivity firms, which in turn, diminishes overall labour productivity growth.

Severance pay and notice periods, in particular, have a disproportionate impact on the job security of older workers, who have longer job tenure, on average. Across all OECD countries, severance pay and notice periods increase or remain constant as job tenure progresses. Individuals with 20 years of job tenure are entitled to benefits that are seven times higher, on average, than individuals with nine months of job tenure

(OECD, 2020[53]). Even so, notice periods are somewhat less costly for both firms and workers since workers can begin their job search while remaining employed. Getting a head start on the job search is particularly beneficial for mid-career and older workers who may have a strong emotional attachment to their work and are more likely to exit the labour market prematurely in periods of long-term unemployment. For these reasons, the OECD advises countries to extend notice periods and lower severance pay to facilitate smooth job transitions at a lower cost to employers (OECD, 2020[53]; OECD, 2018[58]). Several countries (e.g. Italy, Lithuania and Portugal) have recently introduced measures to reduce severance pay.

3.3.4. Product market regulations and barriers to entrepreneurship

Product market regulations (PMRs) restrict competition with the aim of remedying market failures, such as natural monopolies, externalities, or informational frictions (Schiantarelli, 2016[59]). Since a significant share of job flows can be explained by firm entry and exit, imposing PMRs can raise entry costs for new firms which, in turn, impedes the reallocation of workers towards the most productive and profitable activities (OECD, 2010[56]). PMRs are often accompanied by overly strict employment protection regulations as discussed in Section 3.3.3 (Nicoletti and Scarpetti, 2005[60]; Haltiwanger, Scarpetta and Schweiger, 2006[54]). Taken together, workers in highly regulated markets are strongly incentivised to remain in their current job (Koeniger and Vindigni, 2003[61]).

Since the 1980s and 1990s, many OECD governments have introduced product market reforms that lower barriers to entry (Schiantarelli, 2016[59]). Several studies suggest that product market reforms stimulate employment (Schiantarelli, 2016[59]; Nicoletti and Scarpetti, 2005[60]; Koeniger and Vindigni, 2003[61]). Yet, fewer studies examine the positive impact of the reforms on job mobility (OECD, 2010[56]). Recent evidence affirms the theory that countries with more stringent product market regulations exhibit diminished responsiveness of job-to-job mobility to industry-level demand conditions, particularly among younger workers and female workers (Causa et al., 2022[55]). Product market reforms can therefore complement employment reforms targeted at stimulating job mobility.

3.3.5. Financial incentives to exit the labour market

Addressing financial work incentives can be key to enabling workers to continue working at older ages, especially in countries where early retirement remains common, and where there are no attractive options for phased retirement. Unemployment benefit generosity, measured by length of eligibility and replacement rate, is one factor that impedes on job flows in some cases. On one hand, unemployment benefits have a positive impact on upward job mobility by promoting better matches, thereby mitigating wage penalties at re-employment, extending working lives, and improving productivity. On the other hand, unemployment benefits can be very generous for older workers with considerable work experience, irrespective of the time they may require finding a job (e.g. Belgium, France). Very generous benefits can suppress mobility by reducing search effort, which in turn, increases the duration of unemployment spells. These components combined with higher reservation wages and hiring discrimination can pave the way to de facto early retirement among workers in later stages of their careers (OECD, 2010[56]). It is, therefore, important that benefits must be distributed in such a way that they include strictly enforced work-availability conditions and are part of an activation package that promotes quick re-integration into employment and reforms overly strict employment protection (OECD, 2010[56]). Likewise, available data confirms that large numbers of disability benefit recipients are willing and able to work and benefit designs should reflect this, including by transforming them from out-of-work benefits into support that compensates additional needs and encourages continued work or re-employment (OECD, 2022[26]).

Targeted support for displaced workers through effective employment and social policies can be effective means to stimulate job flows for a group at risk of pre-mature labour market exit. Policies can tackle the specific re-employment barriers that midcareer/older displaced workers face, such as obsolete skills and the absence of recent job-search experience (OECD, 2018[58]). The Job Security Councils in Sweden,

represent one of the most successful examples of re-employment assistance for displaced workers. Wage insurance programmes (i.e. temporary wage subsidies for displaced workers in a new job that pays less) are another avenue to encourage workers to transition back into employment quickly (Box 3.11).

Box 3.11. Wage insurance for displaced workers

Displaced workers (i.e. involuntary job loss due to firm closure or downsizing) face long periods of unemployment, and when they find new jobs, earn lower wages and have fewer benefits than in their previous job, on average (OECD, 2013[62]). Chapter 2 shows that not only does the share of involuntary separations increase with age, but older workers who experience involuntary separations are subject to the most profound wage penalties. Wage insurance programmes attempt to smooth transitions for displaced workers by compensating for the earnings loss in the form of tax credits or other financial incentives (Wandner, 2016[63]). Some argue that these programmes may lead to worse job matches and persistently low wages. These consequences can, however, be prevented by targeting specific workers and tying wage insurance schemes to training programmes that boost employability. Recurring evaluations should be carried out to validate that the programmes are meeting the objectives.

The United States offers **Reemployment Trade Adjustment Assistance (RTAA)** to workers aged 50 or older who are displaced as a result of international trade. The programme pays to help fill the gap between workers' pre- and post-separation earnings for up to two years. Recent analysis of the RTAA suggests that wage insurance increases employment in the short-run and leads to higher earnings in the long-run, thus covering the net costs of the programme (Hyman, Kovak and Leive, 2023[64]).

3.3.6. Quantifying the impact of policy interventions on mobility

Given the range of policy levers to promote job mobility, a key question for policy makers is to identify and determine which can most effectively promote midcareer career mobility. Until recently, relatively few studies have compared government-level policies based on their impact on job mobility and, where they do, the impact on mobility at older ages is overlooked (Causa et al., 2022[55]). This section draws on the (Causa et al., 2022[55]) methodology while focusing specifically on policy factors that are more likely to affect mid-career and older workers, including retirement age (Box 3.12).

The results shed light on the divergent impacts that structural and policy factors have on annual voluntary job mobility (Table 3.1). Voluntary mobility was chosen to avoid capturing job changes that do not contribute to workers' career progression.[4] Several messages emerge from the policy regression analysis:

- ***Labour market programmes*** appear to be the most significant drivers of overall job mobility for mid-career and older workers. Spending on active labour market programmes and training have significant positive effects on mobility for mid-career and older workers. The results give credence to recommendations that expand training (Section 3.2.2) and career counselling (Section 3.2.1) programmes aimed at helping older workers to improve their employability. On the other hand, unemployment benefit generosity and strictness of employment protection has a strong negative effect on voluntary job mobility, underlining the importance of supplementing unemployment benefits with active labour market initiatives and product market reforms (Section 3.3.5).
- ***Retirement and pension policies*** have a more significant negative impact as workers age. The results suggest that workers of all ages are less likely to make voluntary job changes in countries with high retirement ages.
- ***Housing and geographic mobility indicators*** exhibit mixed impacts on overall job mobility. Home ownership (without a mortgage) is associated with a positive impact on overall job mobility for older workers, in particular. On the other hand, homeowners with a mortgage are less likely to voluntarily

change jobs across age groups. This result supports the body of literature indicating the lock-in effects of home ownership on geographic mobility (Section 3.2.6). Policy makers can consider adjusting tax levies to lower the financial burden of moving to new job opportunities.

- ***Barriers to business entry and competition*** show some evidence of a negative impact on overall voluntary job mobility for mid-career workers, in particular. Restrictions that enforce mobility restrictions in the professional sector have a significant negative effect on job mobility for mid-career workers. OER, such as licenses, create barriers to entering some occupations, as well as moving jobs within- and between-countries (Section 3.3.2). Surprisingly, product market regulations (PMR) led to a positive, significant impact on voluntary mobility among mid-career workers. However, PMRs are often accompanied by employment regulations which stifle voluntary job mobility (Section 3.3.4). The methodology for these indicators differed slightly from the other indicators because PMR and OER indicators were published for 2018 only. While other policy indicators were examined over a time-series, the PMR and OER analysis exploited cross-sectional data from 2018.

Future research could explore the impact of policy bundles to simulate effective strategies targeted at improving overall job mobility.

Table 3.1. Labour market programmes are drivers of career progression for older workers

Dependent variable: Voluntary job-to-job transition probabilities, by age groups

	(1)	(2)	(3)	(4)	(5)
	Population 25-64	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55-64
Labour market programmes					
Active labour market programmes, Total expenditure as percentage of GDP	0.0122***	0.0102***	0.0099***	0.0102***	0.0066**
Training, Total expenditure as percentage of GDP	0.0613***	0.0415**	0.0347***	0.0425***	0.0340***
Direct job creation, Total expenditure as percentage of GDP	0.0080*	-0.0001	0.0014	-0.0034	-0.0056
Unemployment benefits at 2 months, as percentage of income	-0.0381**	-0.0220	-0.0280	-0.0144	-0.0049
Unemployment benefits at 1 year, as percentage of income	-0.0323***	-0.0333***	-0.0269***	-0.0282***	-0.0282***
Strictness of employment protection – individual and collective dismissals (regular contracts) – Version 4	-0.0777***	-0.0785***	-0.0571***	-0.0792***	-0.0820***
Retirement and pension					
Current retirement age for a person who entered the labour market at age 22, men	-0.1793***	-0.1885*	-0.1840**	-0.1482**	-0.2166**
Current retirement age for a person who entered the labour market at age 22, women	-0.1328**	-0.1873*	-0.1797**	-0.1539**	-0.2214**
Housing and geographic mobility					
Outright homeowners, as percentage of population	0.0510	0.0288	0.0608	0.0785*	0.0970***
Homeowners with mortgage, as percentage of population	-0.0558*	-0.0603*	-0.0558**	-0.0617**	-0.0584*
Total inland transport infrastructure investment, as percentage of GDP	0.0363	0.0594	0.1101	0.1163	0.0740
Barriers to business entry and market competition					
Product market regulations (PMR) – Aggregate X Industry-specific output growth gap	0.1821***	0.0912	0.1192	0.0816*	0.0683
Occupational entry restrictions (OER) – Personal services – mobility restrictions X Industry-specific output growth gap	-0.0732	-0.0035	0.0379	-0.0049	-0.1339
Occupational entry restrictions (OER) – Professional services – mobility restrictions X Industry-specific output growth gap	-0.0746**	-0.0333	-0.0625	-0.1338***	-0.1637

*p<0.05, **<0.01, ***p<0.001.

Note: Refer to Box 3.12 for detailed methodology and Annex Table 3.B.1 for definitions of policy indicators and their sources. All estimates include structural control variables: recession and recovery dummies, regional-level unemployment gap (lagged), industry-specific output growth gap, share of part-time workers and self-employed workers, share of workers with below-secondary education, and share of workers with upper-secondary education. The regressions include fixed effects at the country, region, industry and year level. The regional classification is based on NUTS-2 in European countries, metropolitan region in Korea, and at the state-level in the United States. Standard errors are clustered at the regional level. The sample includes 27 member countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Switzerland, the United Kingdom and the United States.

Source: Administrative data comes from the European Labour Force Survey (EU-LFS), the Korean Labor and Income Panel Study (KLIPS) and the US Current Population Survey (CPS). See Annex Table 3.B.1 for detailed data definitions and sources.

StatLink https://stat.link/xtdynl

Box 3.12. Methodological framework

The analysis closely follows the methodological framework set out in (Causa et al., 2022[55]). Ordinary least squares (OLS) regressions estimate change in annual probability of voluntary transitions between 2010-20 in 27 OECD countries.[1] The probability of voluntary transitions is defined as: number of workers who made a voluntary job change (see Box 1.1 for definition) in the past year divided by the number of workers employed in the previous year at the country *c*, region *k*,[2] industry *m*, and year *t* level:

$$p^{ij}p^{ij}_{c,k,m,t} = \Pr(S_t = i \mid S_{t-1} = j) = \frac{\sum N(S_t = i, S_{t-1} = j)}{\sum \mathrm{N}(S_{t-1} = \mathrm{j})}$$

The baseline model[3] estimates structural and cyclical determinants of job-to-job mobility and is specified as:

$$p^{i,j}_{c,k,m,t} = \beta_0 + \beta_1 Z^1_{c,t} + \beta_2 Z^2_{c,k,t-1} + \beta_3 Z^3_{c,m,t-1} + \beta_4 X_{c,k.m,t} + \eta_c + \eta_k + \eta_m + \eta_t + \epsilon_{c,k,m,t}$$

Where $p^{i,j}_{c,k,m,t}$ is the probability of voluntary transition in country *c*, region *k*, industry *m*, and year *t*. Cyclical drivers of mobility are: $Z^1_{c,t}$, which includes dummy variables for Recovery, Recession, and Expansion (omitted); $Z^2_{c,k,t-1}$, which includes a lagged regional unemployment gap; and $Z^3_{c,m,t-1}$, which captures industry-level output growth gaps.[4] $X_{c,k.m,t}$ captures structural determinants of job-to-job transitions, such as: share of workers by gender, age groups, educational levels, self-employed and part-time workers at the country-, region-, industry- and year-level. Fixed effects for country, region, industry, and year are denoted as $\eta_c, \eta_k, \eta_m, \eta_t$ and robust standard errors are clustered at the regional level.

The policy analysis builds upon the baseline model by including each policy indicator individually:

$$p^{i,j}_{c,k,m,t} = \beta_0 + \beta_1 Z^1_{c,t} + \beta_2 Z^2_{c,k,t-1} + \beta_3 Z^3_{c,m,t-1} + \beta_4 X_{c,k.m,t} + \gamma POL_{c,t} + \eta_c + \eta_k + \eta_m + \eta_t + \epsilon_{c,k,m,t}$$

$POL_{c,t}$ signifies the policy indicator for country *c* and year *t*, thereby estimating the policy effect on job-to-job mobility. The policy indicators fall into five categories: labour market programmes, retirement and pensions, health and disability spending, housing and geographic mobility policies and barriers to business entry and competition, which were informed by research in the sections above.

1. Countries include: Austria, Belgium, Czechia, Denmark, Germany, Estonia, Finland, France, Greece, Hungary, Ireland, Iceland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, the Slovak Republic, Slovenia, Switzerland, the United Kingdom and the United States.
2. Regional classifications are based on NUTS-2 in European countries, metropolitan regions in Korea, and at the state-level in the United States.
3. For results emerging from the baseline model, see Annex 3.B.
4. For precise definitions on how these variables are defined, see Annex 3.B.

Key recommendations

- Older and long-tenured workers without recent job search experience or familiarity with relevant technologies may struggle when re-entering the job market. Governments can offer age-targeted career advance and guidance services to bridge information gaps and build confidence (e.g. Dutch Programme for Sustainable Employability and Early Retirement (MDIEU)).
- Many older workers lack the professional and personal networks that are critical for breaking into a new occupation. Federal and local governments can strengthen social infrastructure by designing urban and suburban spaces that promote social connection among older community members (e.g. group career counselling).
- Re-skilling and up-skilling programmes can aid older workers to tap into their transferable skills and take advantage of opportunities in growing sectors. As advancements in AI change the work landscape, government can offer free or subsidised training on sector-specific digital skills (e.g. Australian Career Transition Assistance Program).
- Changing occupations at later stages in life can be both necessary and intimidating. Apprenticeship and work experience programmes introduce workers to different sectors and occupations without requiring a long-term commitment (e.g. British Returnership Initiative).
- A significant minority of low-skilled workers are trapped in hazardous or arduous jobs, which can become unsustainable with age. In addition to offering redeployment and career counselling to help workers find roles that suit their needs (e.g. Luxembourg's Professional Redeployment Programme), it is crucial to open a broader discussion about improving working conditions and promoting the creation of high-quality jobs.
- Housing costs and moving expenses discourage workers from taking on positions outside of their geographic area. Governments can offer subsidies for housing and transportation in the short-term (e.g. Latvian Regional Mobility Support Programme). However, longer-term solutions require lowering the transactions costs tied to buying and selling property by replacing non-recurrent housing taxes with recurrent or annual taxes on immovable property.
- Non-compete agreements (NCAs) and occupational licenses are implemented to protect health, safety, and trade secrets. However, overuse of such tools can promote monopsony power and stifle labour market fluidity. Governments can draw on policy tools, such as mandatory compensation for NCAs and forming reciprocity agreements for licenses, to lower barriers to entry and exit.
- Overly strict employment protection rules (e.g. severance pay and mandatory notice periods) accompanied by product market regulations (PMRs) disproportionately hinder job flows for older workers with longer tenure. Lowering severance pay and extending notice periods are policy levers used by governments to facilitate mobility at a lower cost to employers.
- Older individuals who are displaced from their jobs are at high-risk of pre-mature labour market exit. It is, therefore, necessary that benefits are distributed in a way the promotes quick re-integration into employment. Targeted wage insurance for older, displaced workers has the potential to speed up re-employment and increase earnings (e.g. American Reemployment Trade Adjustment Assistance (RTAA)).

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Annex 3.A. Country-level employment policies

In June 2023, the OECD distributed a questionnaire to all member countries regarding their policies to facilitate job changes for mid-career and older workers. Countries were asked to provide information about existing policies to: promote job or occupational mobility, support people moving away from hazardous or poor-quality jobs and facilitating job change in anticipation of job displacement. The countries were asked to highlight their main or most important policies, rather than providing an exhaustive list of polices. The OECD received responses from the 20 member countries in the table below.

Annex Table 3.A.1. Country-level policies to facilitate job mobility at mid-career and older ages

Country-level policies, June 2023

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
Australia	Skills Checkpoint for Older Workers Program	Skills Checkpoint for Older Workers Program	Labour market programmes	Yes	Provides eligible participants with free support and personalised career guidance to update their skills, one-on-one career guidance with an advisor and recommendations for further skills training to help them in their current role, a new role or to help them to transition into a new career.
Australia	Skills and Training Incentive (The Incentive)	Skills and Training Incentive (The Incentive)	Labour market programmes	Yes	Provides eligible mature Australians with up to AUD 2 200 (GST inclusive) from the Australian Government to fund re-skilling or up-skilling opportunities. The Incentive is available to people who have completed the Skills Checkpoint for Older Workers Program.
Australia	Career Transition Assistance (CTA)	Career Transition Assistance (CTA)	Labour market programmes	Yes	A voluntary programme that provides tailored support for Australians aged 45+, to help them identify transferable skills and experiences, while improving their digital literacy to allow them to become more competitive in their local labour market.
Australia	Relocation Assistance in Workforce Australia	Relocation Assistance in Workforce Australia	Housing, geographical mobility and international migration	No	Provides financial support to cover moving expenses for individuals who need to relocate more than 90 minutes away from their current residence to take up a new job. Eligible individuals depend on participation in some Workforce Australia programmes.
Australia	Workforce Australia Early Access Incentive	Workforce Australia Early Access Incentive	Labour market programmes	No	Provides retrenched workers and their partners immediate access to employment services through Workforce Australia.
Australia	Transition Support	Transition Support Network	Labour market	No	An on-the-ground support network that delivers support for local workforces as transitions

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
	Network (TSN)	(TSN)	programmes		occur. It brings together representatives from the Department of Employment and Workplace Relations' national, state and territory offices together with Employment Facilitators from the Local Jobs Program.
Belgium	Outplacement – Special regime for workers aged 45 and above	Régime particulier – travailleurs âgés de 45 ans et plus	Labour market programmes	Yes	Requires that employers offer an outplacement to workers aged 45+ who fall under certain conditions. The aim is to aid dismissed workers find new work quickly and minimise unemployment duration.
Belgium	Aviato	Aviato	Barriers to business entry and dynamism	No	A co-operation between regional public employment services and other public-private partners to attract people to from Brussels and Wallonia to work at Brussels Airport.
Belgium	Active management of restructuration	Gestion active des restructuration	Labour market programmes	Partially	Enables employees that are made redundant as part of a mass redundancy scheme to find a job as quickly as possible or to develop a self-employed professional activity. Workers aged 45+ benefit from more advantageous measures than workers under 45.
Belgium	Law of 7 October 2022 aimed at partially transposing Directive (EU) 2019/1 152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions'	Loi du 7 octobre 2022 visant à transposer partiellement la Directive (UE) 2019/1 152 du Parlement européen et du Conseil du 20 juin 2019 relative à des conditions de travail transparentes et prévisibles'	Barriers to business entry and dynamism	No	The new regulation establishes more strict rules limiting the conditions of validity of non-compete clauses.
Canada	Workplace Safety and Insurance Act (WSIA)	Workplace Safety and Insurance Act (WSIA)	Labour market programmes	No	In Ontario, WSIA provides compensation for workers who are injured or ill due to work. While one of the primary aims of the WSIA is to have the injured worker return to work with the accident employer, in those cases in which return to work with the accident employer does not occur, the WSIB provides supports to help the worker return to the labour market.
Canada	Better Jobs Ontario (BJO)	Better Jobs Ontario (BJO)	Labour market programmes	Partially	Serves unemployed individuals who have either been laid-off or are experiencing challenges developing strong labour market attachment, and are experiencing, or are at risk of, long-term unemployment. This includes mid-career and older workers and workers trapped in low-skill employment. Participants are eligible for up to CAD 28 000 in funding for skills training and living expenses.
Belgium	Law of 7 October 2022 aimed at partially transposing Directive (EU) 2019/1 152 of the European Parliament and of the Council of	Loi du 7 octobre 2022 visant à transposer partiellement la Directive (UE) 2019/1 152 du Parlement européen et du Conseil du 20 juin 2019 relative à des conditions de	Barriers to business entry and dynamism	No	The new regulation establishes more strict rules limiting the conditions of validity of non-compete clauses.

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
	20 June 2019 on transparent and predictable working conditions'	travail transparentes et prévisibles'			
Canada	Workplace Safety and Insurance Act (WSIA)	Workplace Safety and Insurance Act (WSIA)	Labour market programmes	No	In Ontario, WSIA provides compensation for workers who are injured or ill due to work. While one of the primary aims of the WSIA is to have the injured worker return to work with the accident employer, in those cases in which return to work with the accident employer does not occur, the WSIB provides supports to help the worker return to the labour market.
Canada	Better Jobs Ontario (BJO)	Better Jobs Ontario (BJO)	Labour market programmes	Partially	Serves unemployed individuals who have either been laid-off or are experiencing challenges developing strong labour market attachment, and are experiencing, or are at risk of, long-term unemployment. This includes mid-career and older workers and workers trapped in low-skill employment. Participants are eligible for up to CAD 28 000 in funding for skills training and living expenses.
Canada	Rapid Re-employment and Training Service (RRTS) – Adjustment Advisory Program (AAP)	Rapid Re-employment and Training Service (RRTS)	Labour market programmes	No	Responds to large-scale layoffs by connecting individuals with relevant and appropriate Employment Ontario (EO) services to help them regain employment. As part of this, the AAP is a tool that supplies advisory and financial assistance to help clients adjust to the impacts of job loss, or threatened job loss, in the workplace.
Canada	Sectoral Workforce Solutions Program (SWSP)	Sectoral Workforce Solutions Program (SWSP)	Labour market programmes	No	Helps key sectors of the economy to implement solutions that address their current and emerging workforce needs. Funds sectoral projects such as training and reskilling workers to help workers gain new skills to meet the needs of employers and transition to in-demand jobs in key sectors, and helping employers retain and attract a skilled and diverse workforce.
Canada	Future Skills	Future Skills	Labour market programmes	No	Initiative of the government of Canada's plan to help prepare Canadians for jobs of the future. As part of the initiative, the Future Skills Centre was created to be an independent innovation and applied research centre. The Centre has invested in over 240 projects spanning in every province and territory, resulting in over 36 000 Canadians receiving hands-on skills training.
Canada	Community Workforce Development Program	Community Workforce Development Program	Labour market programmes	No	Tests community-based approaches to workforce planning and skills training to support local economic development and growth. The programme encourages collaboration between employers, training providers, community organisations and others to support community workforce planning, connect employers and training providers, and fill current and emerging jobs.
Canada	Ontario's Employment Standards Act, 2000 (ESA)	Ontario's Employment Standards Act, 2000 (ESA)	Barriers to business entry and dynamism	No	Any non-compete agreements entered into between employers and employees (or prospective employers and prospective employees) on or after 25 October 2021, are void. Employers are prohibited from entering into an employment contract or other agreement with an employee that is, or that includes, a non-compete agreement. Employees or prospective employees who refuse to sign such agreements are protected by the ESA's reprisal protection
Canada	Foreign Credential	Foreign Credential	Barriers to	No	Supports the labour market integration of skilled newcomers by funding P/Ts, regulatory

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
	Recognition Program (FCRP)	Recognition Program (FCRP)	business entry and dynamism		authorities and organisations to enhance foreign credential recognition (FCR) processes, provide loans and support services to help skilled newcomers navigate the FCR process, and provide employment supports (e.g. training, work placements), to help skilled newcomers gain Canadian work experience in their profession or field of study.
Canada	The Skilled Trades and Apprenticeship programme (Red Seal Program)	The Skilled Trades and Apprenticeship programme (Red Seal Program)	Barriers to business entry and dynamism	No	Supports greater consistency in learning resources, provide tools and supports for assessment, and allows for increased industry involvement in standards development. The new model places increased emphasis on apprenticeship training and skills assessment with industry-defined learning objectives, outcomes and performance criteria.
Canada	Fair Access to Regulated Professions and Compulsory Trades Act (FARPACTA) and Regulated Health Professions Act (RHPA)	Fair Access to Regulated Professions and Compulsory Trades Act (FARPACTA) and Regulated Health Professions Act (RHPA)	Barriers to business entry and dynamism	No	Ontario introduced statutory amendments mandating time limits in which regulatory authorities must make and communicate registration decisions to domestic labour mobility applicants. The aim of the policy is to ease mobility across provinces.
Canada	"As of Right" Rule	"As of Right" Rule	Barriers to business entry and dynamism	No	As of 24 July 2023, Ontario allows physicians, nurses, respiratory therapists and medical laboratory technologists already registered in another province or territory to start working in the province immediately, without having to first register with the Ontario regulatory health college.
Canada	Ending Mandatory Retirement Statute Law Amendment Act, 2005	Ending Mandatory Retirement Statute Law Amendment Act, 2005	Retirement and pension policies	Yes	Ended the practice of mandatory retirement for workplaces in Ontario, with limited exceptions.
Costa Rica	National Employment System	Sistema Nacional de Empleo	Labour market programmes	No	Seeks contribute to generate labour development and capacity for the population that lives within Costa Rica. The System services are free and provided to all population. The options provided within the system are for employees but also for persons with their own business.
Costa Rica	National Program to Support Microenterprises and Social Mobility	Programa Nacional de Apoyo a la Microempresa y la Movilidad Social (PRONAMYPE)	Labour market programmes	No	Seeks to promote their social mobility and to improve their life quality by promoting their self-employment trough productive projects proposed by themselves to create a regular income and to improve their employability.
Costa Rica	Employment Gender Equality Program	Programa: Igualdad de género en el empleo	Other	No	Aims to guide and support companies and public institutions to identify gender gaps and to establish plans, actions and measures to eliminate them gradually. It seeks to create cultural changes within the workplace and to promote business ethics to eliminate any gender gap. The three main tasks of the programme are: (1) Technical support through training, (2) Recognition of good labour practices for gender equality, and (3) Granting a Seal of Gender Equality.
Costa Rica	Technical rule INTE T 203:2021 "Age management in the	Factores psicosociales. Gestión de la edad en el ámbito laboral.	Other	Yes	The Occupational Health Council through the National Institute of Technical Standards has issued a technical rule to promote health ageing and to increase functionality and health during retirement to achieve better conditions throughout life stages. The rule establishes

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
	workplace."				action plans to adapt the working environment for middle-aged workers (50-64), while encouraging the rest of workers to consider the ageing process in working activities.
Costa Rica	National Learning Institute (INA): Orientation for Education and Training Model	Instituto Nacional de Aprendizaje (INA): Modelo de Orientación para la Educación y la Capacitación	Labour market programmes	No	The Orientation Model treats orientation as a teaching process for lifelong learning. The services are offered to groups and/or individually according to four pillars: Vocational area, Educational Area, Labour Area, and Personal and Social Area. The comprehensive approach provides support to individuals at all stages of the training and development process
Czechia	Database of retaining and further education courses and Payment of a digital education course	Databáze kurzů udržovacího a dalšího vzdělávání & Platba kurzu digitálního vzdělávání	Labour market programmes	No	An allocation of CZK 6.5 billion is reserved for reskilling and upskilling in digital skills and skills for Industry 4.0 within the framework of the National Recovery Plan. Within this amount, half (CZK 3.25 billion) will support training in companies (primarily in small and medium-sized enterprises) and the other half (CZK 3.25 billion) retraining and individual professional education of adults. The target group is all economically active citizens, the courses are intended for both employed and job seekers.
Czechia	Project: Age is not a barrier	Věk není překážkou (VNP)	Labour market programmes	Yes	Job seekers over 50, regardless of the length of registration at the Labour Office and the level of education, are eligible to deepen their skills in the form of retraining, employment mediation, increased flexibility, motivation and qualification of the unemployed so that they integrate into the labour market or are well prepared for it.
Czechia	Contribution to support regional mobility	Příspěvek na podporu regionální mobility	Housing, geographical mobility and international migration	No	Can support an applicant who is: a job seeker with a continuous record of more than five months; a job seeker or person interested in a job who has lost his job as a result of mass layoffs; and a job seeker who is given increased care (up to 29 years old, 51+, with a disability, caring for a child), for whom it is not possible to mediate employment in his place of residence for a maximum period of 12 months.
Czechia	Career counselling (long-term practice)	Kariérové poradenství (dlouhodobá praxe)	Labour market programmes	No	Career counselling is provided by the Labour Office of the Czech Republic. Career counselling services are most often provided by the workplace of the Information and Counselling Centre for choosing and changing occupations. Career counselling includes a wide range of informational, advisory, diagnostic, motivational and educational activities with the aim of helping the client in deciding on a professional orientation and in solving problems related to losing and regaining employment.
Czechia	Retraining (long-term practice)	Rekvalifikace (dlouhodobá praxe)	Labour market programmes	No	Retraining and requalification programmes have advanced the skills of over 14 000 individuals in Czechia in 2022. When determining the content and scope of retraining, it is based on the previous qualification, state of health, abilities and experience of the person who is to be retrained in the form of acquiring new theoretical knowledge and practical skills as part of further professional education.

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
Czechia	Project Outplacement	Projekt Outplacement (OUT)	Labour market programmes	No	To help the employees of companies that are going through structural changes and that are therefore forced to lay off their employees. The project focuses on increasing the adaptability of these employees to find a new job before the end of the current employment relationship. Employers can continue to keep long-term workers for whom they no longer have a job, thanks to the project they can retrain them for another position.
European Union (EU)	EURES Targeted Mobility Scheme	EURES Targeted Mobility Scheme	Housing, geographical mobility and international migration	No	Supports jobseekers in overcoming the challenges of working abroad. It can provide earmarked allowances and fund language courses, recognition of qualifications and travel and living expenses.
France	Validation of prior learning (VAE)	La validation des acquis de l'expérience (VAE)	Other	No	Allows any worker to obtain a professional certification through the validation of their experience squared within the framework of a professional and/or extra professional activity.
France	FNE Formation (Keeping employees employed)	FNE-Formation (Fond National de l'Emploi)	Labour market programmes	Partially	Supports eligible companies in training and developing the skills of their employees in the form of training pathways. The scheme was strengthened during the health crisis in 2020, to respond immediately to the training needs of companies placed on partial activity, and to support them in the economic recovery. Within these three areas, priority is being given to training that helps older workers, defined as employees aged 55+, to remain in employment and to improve their employability.
France	Assistance for hiring a job seeker aged 45+ on a professional contract	Aide à l'embauche d'un demandeur d'emploi de 45 ans et plus en contrat de professionnalisation	Labour market programmes	Yes	Assistance is provided for hiring a job seeker aged 45+ under a professionalisation contract and is open to any employer under certain conditions and allows employees aged 45+ over to acquire a new certification or professional qualification through work-study training. The aid set at EUR 2000 is paid in two installments (3 months and 10 months of execution) and can be combined with aid for hiring an applicant under a professionalisation contract over 26 years old, amounting to also at EUR 2000.
France	Professional account for the prevention of arduousness	Compte professionnel de prévention de la pénibilité	Other	No	Since the implementation of the personal hardship prevention account, which in 2017 became the professional prevention account, employees exposed to certain occupational risk factors above certain thresholds (such as night work, in alternating shifts, exposure to noise, etc.) can acquire points under this account. They can then use them to take early retirement, work part-time or benefit from training to be able to change jobs and take up a less exposed job.
France	Law of 2 August 2021, strengthening occupational health prevention	Loi du 2 août 2021 renforçant la prévention en santé au travail	Other	Yes	Improves support for employees in mid-career by creating a new medical examination – the mid-career visit – which takes place around the employee's 45th birthday. It ensures that the employee's state of health is consistent with the position and the activities carried out. During this visit, the occupational physician can propose job adjustments to the employee but also the implementation of measures to prevent professional disintegration, such as the supervised trial and the professional re-education agreement in the company.
France	Investment fund for the prevention of	Fonds d'investissement dans la prévention de l'usure	Other	No	The amended Social Security Financing Act of 14 April 2023 created an investment fund for the prevention of wear and tear in the workplace. This fund, with a budget of EUR 1 billion

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
	professional wear and tear	professionnelle			between now and 2027, aims to finance prevention, awareness-raising and training initiatives for employees who are particularly exposed to ergonomic risk factors (marked physical constraints). The fund can finance companies to support their efforts to prevent the effects of exposure to risk factors and their training initiatives for exposed employees.
France	Reclassification Leave	Le congé de reclassement pour reconversion professionnelle	Labour market programmes	No	The regulation stipulates that companies with at least 1 000 employees must offer each employee retraining leave if they were dismissed on economic grounds.
France	Professional Security Agreement (CSP)	Le contrat de sécurisation professionnelle (CSP)	Labour market programmes	No	Allows certain employees (companies with less than 1 000 employees) affected by a redundancy procedure to benefit from a set of measures intended to promote an accelerated return to employment.
Hungary	Supporting jobseekers to become entrepreneurs	Vállalkozóvá válás támogatása, VVT	Barriers to business entry and dynamism	No	Provides resources to jobseekers who wish to become entrepreneurs. The forms of support can be: (1) Interest-free capital grant, (2) non-refundable support up to the minimum wage for a period of up to six months, (3) expert advice costs.
Hungary	EKKV: e-learning for SMEs to improve the management skills of businesses	EKKV- Vállalkozzon Okosan!	Labour market programmes	Partially	A digital curriculum offered to SMEs for free with the aim of making companies more resilient and prepared with necessary management skills. The 4th module is dedicated to generational transfer (e.g. senior entrepreneurs who trying to create the right conditions to transfer their business. In addition to operational advice, the e-learning module discusses the psychological background of trust and letting go, as well as practical difficulties of handing a business over to a new leader.
Hungary	National Mentor Program	Országos Vállalkozói Mentorprogram	Barriers to business entry and dynamism	No	A 6-12 month-long programme for different entrepreneurial subgroups. The programme connects entrepreneurs to a volunteer mentor with specialised knowledges. The target groups of the mentees are women lead micro and small enterprises, young entrepreneurs, enterprises facing generational change or re-structuring due to the COVID-19 pandemic. 60% of the 200 supported entrepreneurs are older than 55.
Hungary	Non-competition agreement (NCAs)	Versenytilalmi megállapodás	Barriers to business entry and dynamism	No	The Hungarian Labour Code references the disadvantages of NCAs by requiring employers to pay adequate compensation based on the degree of impediment the agreement has on their ability to find employment elsewhere and education. The amount of compensation must be at least one-third of the base wage for the same period.
Hungary	Housing allowance	lakhatási támogatás	Housing, geographical mobility and international migration	No	Offered to jobseekers who are offered to work at a place located in a settlement at least 60 km from their place of residence.

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Hungary	Support of employee mobility	Mobilitási itámogatás	Housing, geographical mobility and international migration	No	A travel allowance may be awarded to jobseekers who are offered to work at a place located in a different settlement at least 10 km away but closer than 60 km from their permanent residence (if other conditions are met).
Hungary	Several support services for ageing law enforcement officers	Könnyített szolgálat a hivatásos állomány tagjai számára / Nyugdíj előtti rendelkezési állományba helyezés / Szenior állomány	Retirement and pension policies	Yes	At various stages before reaching the upper-limit of service, law-enforcement can improve their working environment. For example, at ten years before the age limit, they can request to be placed on light duty. At five years before reaching the upper age limit, they can be placed on pre-retirement disposition. Law enforcement officers who are entitled to a veteran pension and meets eligibility requirements must be included in the senior staff upon their request.
Hungary	Evolution Programme- Generation Change Program	Evolúció – Megújuló Vállalkozások Programja, Generációváltás Program	Barriers to business entry and dynamism	Yes	A unique company diagnostic based on the international standards to analyse the financial and economic situation of the participating companies and to determine the value of the company. It was created to be a compass for the companies by offering SMEs with consulting services and free templates and education material.
Japan	Subsidy for Mid-career Recruitment (Mid-career Recruitment Expanding Course)	中途採用等支援助成金（中途採用拡大コース）	Labour market programmes	Yes	To secure diverse employment opportunities for middle-aged and elderly people and strengthen distribution through wage increases, we will expand employment opportunities for those who change jobs or re-enter the workforce by offering subsidies to employers who expand mid-career hiring.
Japan	Lifelong Active Worker Support Desk Project	生涯現役支援窓口事業	Labour market programmes	Yes	Establishes the Lifelong Active Worker Support Desk at major Hello Work locations nationwide to comprehensively provide support for redesigning their working lives and employment support through support teams for elderly job seekers over the age of 65 in particular.
Japan	Employment Development Subsidy of Specific Job Seekers (Course for those who have difficulty finding employment)	特定求職者雇用開発助成金（特定就職困難者コース）	Labour market programmes	Partially	Provides subsidies to employers who hire those who have difficulty finding employment as continuously employed workers. The programme specifically targets workers who older, the disabled, and others who have difficulty finding employment.
Japan	Hello Training (Public Vocational Training (for unemployed people), Job Seeker Support Training)	政策の名称：ハロートレーニング（公共職業訓練（離職者訓練）・求職者支援訓練）	Labour market programmes	No	Dedicated to providing training to job seekers of Hello Work after identifying that they need it during vocational consultation.
Japan	Career Development and Reskilling Support Center	キャリア形成・学び直し支援センターの創設	Labour market programmes	No	For individuals (employees), companies and organisations, and school officials, various career development support and reskilling support are provided free of charge using job cards.
Japan	Revision of the benefits	失業給付制度における	Labour market	No	Current regulations for unemployment benefits that that if you leave your job for personal

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	restriction in the case of voluntary turnover under the unemployment benefit system	自己都合離職の場合の給付制限の見直し。	programmes		reasons, you cannot receive unemployment benefits for two to three months after applying for a job. The Japanese Government is amending the specific designs to relax the requirements for restrictions on benefits in the case of voluntary turnover.
Japan	Sharing Public-Private Information on Recruitment, Job-Seeking, and Career Advancement	求人・求職・キャリアアップに関する官民情報の共有化	Labour market programmes	No	To facilitate the smooth movement of labour to growth sectors, we will establish a system to process, consolidate, and share basic information held by the public and private sectors on job seeking and job offers, and career consultants (currently 64 000 people) will be able to provide consultations on career development and job changes to workers based on this basic information.
Japan	Revision of Model Rules of Employment for Retirement Allowances	退職金に係るモデル就業規則の改正	Retirement and pension policies	Yes	In private companies, it may be necessary to review labour practices. For example, the retirement allowances reduced for voluntary retirement in some companies, and if the length of service and retirement age do not meet certain standards, the retirement allowances do not be paid. One of the reasons is that since it has been pointed out that the “Model Rules of Employment” has influenced to the restrictions on the retirement allowances based on the length of service and the treatment of retirement allowances are different between voluntary and involuntary retirement, the Model Rules of Employment was revised.
Japan	Job tag (the Japanese version of O-NET)	職業情報提供サイト	Other	No	To promote “visualisation of the labour market”, this site “visualises” occupational information from the viewpoints of “job” (occupation, job), “task” (detailed breakdown of the content of the job, work), “skills” (technology and skills necessary for a specific work), etc., and supports job hunting and corporate recruitment activities.
Japan	Regional Employment Support Project	地方就職支援事業	Housing, geographical mobility and international migration	No	Provides job seekers who would like to move to rural areas and work for local companies with information related to life in the region, employment counselling, job placement, and other support according to individual needs at Hello Work specialised support desk “Regional Employment Support Corner” in metropolitan areas (Tokyo and Osaka).
Japan	Employment Conversion Benefit	職業転換給付金	Labour market programmes	No	Provides benefits to those who have difficulty finding employment for the purpose of assisting them in changing jobs, interregional migration, and applying to the workplace.
Japan	Career Enhancement Subsidy	キャリアアップ助成金	Other	No	Provides subsidies to employers who have implemented initiatives such as making non-regular workers to regular workers to promote career advancement within the same company.
Latvia	ESF project “Improvement of professional competencies of employed persons”	ESF projekts “Nodarbināto personu profesionālo kompetenču pilnveide”	Labour market programmes	Partially	To motivate the working population to apply for educational programmes, most of the education costs are covered by EU funds and the state budget. Depending on the type of educational programme, 90% or 95% of the tuition fee is covered by the ESF and the state, while 5-10% is the participant’s co-payment. Admission advantages are given to workers aged 45+ with a low or insufficient level of education for the labour market (completed or incomplete basic education or general secondary education)
Latvia	Active Ageing Strategy	Aktīvās novecošanas stratēģija	Labour market programmes	Yes	Targeted workers aged 50+, who face barriers to entering or staying in the labour market. Some progress was achieved between 2016 and 2020. However, the initiative was

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					suspended due to COVID-19. A new project is being developed that will focus on the adjustment of workplaces and different individual support measures to support longer, better and healthier working lives.
Latvia	Skills programmes for better labour market outcomes	Prasmju programmas labākiem rezultātiem darba tirgū	Labour market programmes	No	Aims to improve labour market prospects of the unemployed various skills programmes have been prioritised by the Latvian Public Employment Service (State Employment Agency) with a particular focus on those with lower qualifications. In 2023, the emphasis was put on retraining and skill improvement measures, with a special focus on the development of digital skills.
Latvia	Modernizing digital systems of the Latvian Public Employment Services (22LV10)	Nodarbinātības valsts dienesta digitālo sistēmu modernizācija (22LV10)	Labour market programmes	No	The programme, which falls under the EC DG Reform Technical Support Instrument (TSI) Project, is aimed at improving the capacity of the Latvian Public Employment Service – the State Employment Agency (SEA) by also making better use of available data to reach out to different target groups, including the long term unemployed, as well as better tailoring the support to the needs of the individual.
Latvia	Promotion of regional mobility	Reģionālās mobilitātes veicināšana	Housing, geographical mobility and international migration	No	Offered to unemployed workers who start employment at least 15 km away from their residence. The amount of support depends on the real costs of transportation or living submitted to the PES. However, regional mobility support covering transportation costs or living costs is also available in various policy measures (e.g. subsidised employment and training if working place or training institution is at least 15 km away from residence).
Lithuania	Acquisition of High-Added Value Qualifications and Competences (Changes in the Law on Employment No XII-2470)	Didelę pridėtinę vertę kuriančių kvalifikacijų ir kompetencijų įgijimas (Užimtumo įstatymo pakeitimai Nr. XII-2470)	Labour market programmes	No	Aims at supporting employed and unemployed jobseekers seeking to obtain qualifications and/or competences for high value-added jobs. A part of these education and training programmes shall be specifically focused on digital skills. It shall provide more opportunities for employed people and shall also include higher education modules.
Lithuania	Support to Start a Business (Changes in the Law on Employment No XII-2470)	Parama verslo pradžiai (Užimtumo įstatymo pakeitimai Nr. XII-2470)	Labour market programmes	No	Unemployed and employed persons, can benefit from a support a one-off lump sum payment for job creation to start a business, by creating a job place for oneself or the unemployed person(s) referred by the Employment Service in a micro-enterprise, where the jobs created are in consideration to the priorities that help to achieve the goals of digital and green transformation, to promote circular economy and/or to reduce the impact of COVID-19 disease.
Lithuania	Law on Adult Education – Co-ordinated lifelong learning system (LLL)	Suaugusiųjų švietimo įstatymas – Koordinuota mokymosi visą gyvenimą sistema	Labour market programmes	No	Creates links between formal and non-formal adult education by enabling schools providing formal education programmes to run non-formal educational programmes and provide information and advice to interested persons on these programmes, as well as recognises competences gained through non-formal learning.

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Lithuania	Start from 50+	Startuok nuo 50+	Labour market programmes	Yes	To expand entrepreneurship opportunities and develop the skills of older workers. During the programme the participants are taught not only the basics of business practices, but also digital skills, including e-commerce.
Luxembourg	Lifelong learning initiative	Stratégie nationale du Lifelong Learning	Labour market programmes	No	Developed and managed by the National Institute for the Development of Continuing Vocational Training (INFPC), a public institution under the supervision of the Ministry of Education, Children and Youth. Its mission is to promote lifelong-learning among all groups of the population involved in training – employees, job seekers, training providers, training buyers, or company managers.
Luxembourg	Future Skills Initiative	Programme “Skills-Plang”	Labour market programmes	No	To provide skill upgrades, including digital training. Among other activities, some focuses of the programme are developing a new training course that involves a practical component for jobseekers and supporting companies in analysing and planning their workforce.
Luxembourg	OECD Skills Strategy Project	Stratégie de l’OCDE sur les compétences	Other	No	To support Luxembourg in its reform agenda, the OECD has conducted a collaborative and tailored National Skills Strategy. The report identified that developing relevant skills and using them effectively is crucial for Luxembourg’s ability to thrive in an increasingly interconnected and rapidly changing world.
Luxembourg	Early Retirement	Préretraite	Retirement and pension policies	Yes	In January 2013, the general pension insurance scheme reform took effect. One aim of the legislation was to adapt the replacement rate of pensions to life expectancy and to plan for regulating mechanisms if financial resources are inadequate. The legislation also addresses the gap between legal and effective retirement ages by establishing an active policy to facilitate conditions for keep older employees.
Luxembourg	Aid for the re-employment of older jobseekers	Aide à l’embauche de chômeurs âgés	Labour market programmes	Yes	Targeted at unemployed workers 45+ who have been unemployed for at least one month. If the application is successful, the government funds the employer’s share of social security contributions for two years for unemployed people aged 45-49 and up to the age of retirement (awarding an old age pension) for unemployed workers over age 50+. For instance, when hiring unemployed jobseekers who are 50+-years, the Employment Fund reimburses 100% of the actual salary costs incurred until their retirement.
Luxembourg	ESF+	FSE+	Labour market programmes	Yes	Based on: Regulation (EU) 2021/1 057 OF The European Parliament and of the Council of 24 June 2021. The State devotes ESF allocations to support lifelong learning to improve the adaptability of the workforce to future challenges and to help older workers remain in employment. For example, the Just Transition Fund aids workers who are affected by the climate transition. This policy intends to support workers in a specific region in their efforts to retrain, reskill, upskill or learn new skills.
Luxembourg	Professional Redeployment	Reclassement Professionnel	Labour market programmes	No	Aids workers who are incapable of performing their previous jobs due to health reasons, disability, or bodily wear (but are not eligible for the invalidity scheme) to either: 1) reintegrate within the same company in another position or work regime or 2) external redeployment.
Luxembourg	Reform of early retirement systems of	Réforme des systèmes de retraite anticipée des	Retirement and pension policies	Yes	The reform of the early retirement schemes, including the solidarity, progressive and early retirement systems of shift and night workers, excluding adjustments aims to target more

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	shift and night workers	travailleurs postés et de nuit			employees with difficult jobs, consequently placing greater emphasis on the working conditions of employees, while favouring the retention of older workers in companies. More precisely, the law abolishes the early retirement-solidarity system and has modified other early retirement systems.
Luxembourg	National social dialogue meetings make it possible to discuss with the social partners the challenges facing Luxembourg	Les réunions nationales du dialogue social permettent d'échanger avec les partenaires sociaux sur les défis du Luxembourg	Job protection legislation	No	The legal framework on social dialogue was overhauled in 2015 by an amended law of 23 July 2015 on the reform of social dialogue within companies. This law modernised the rules within which social dialogue must take place within companies.
Luxembourg	Recovery and Resilience Plan, Grand-Duchy of Luxembourg	Plan pour la Reprise et la Résilience	Labour market programmes	Partially	Sets out a roadmap for rebuilding an economy capable of meeting the challenges of a post-COVID-19 world. Programmes in the plan include: The "Future Skills" and the "Digital Skills" initiatives, as well as the "Skillsdësch" initiative which aims to raise awareness of the concept of "lifelong learning" and continue developing training programmes.
Netherlands	Programme Sustainable Employability and Early Retirement	Maatwerkregeling Duurzame Inzetbaarheid en Eerder Uittreden (MDIEU)	Retirement and pension policies	Yes	Temporary programme for sustainable employability and early retirement (MDIEU) is a 5-year subsidy scheme for investments in the employability of workers, including older workers. Sectors and individual companies can apply for funding for projects to promote the employability of their workers. For those older workers for whom it is hard to continue working until the state retirement age, the programme can subsidise, under certain conditions, temporary arrangements for early retirement (max. 3 years before state retirement age) that the employer funds and offers to those specific older workers.
Norway	New Education Act	Ny opplæringslov	Other	No	Mandates that everyone will have a right to secondary education until completed with trade certificate or university preparatory. The right is for everyone who hasn't completed secondary education. The Education Act also introduces the right to achieve a second trade certificate. This is a right to vocational training for people who have formerly completed secondary education, either through a trade certificate or university preparatory.
Norway	Career Guidance at the County Municipality Level	Karriereveiledning på Fylkeskommunenivå	Labour market programmes	No	County municipalities must have an offer of free career guidance for everyone who lives there. The goal of career guidance is that people become better able to handle transitions, and to make meaningful choices related to education, learning and work throughout life. The Norwegian system consists of both digital information and guidance services and services where you can meet physically.
Norway	Modularised education as the main model for learning for adults	Modularisert opplæring som hovedmodell for læring for voksne	Labour market programmes	No	To facilitate more flexible learning that easier builds on the adult's previous skills, learning for adults is divided into smaller modules. This makes it easier to give the adult the education they need to achieve the desired competency at the end of the learning, easier to learn part time and easier to provide secondary and primary education for those who need both. It's introduced to selected trade certificates and primary education and introducing it to other trade certificated will be considered.

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Norway	Educational training and education	Pedagogisk opplæring og utdanning	Labour market programmes	No	To qualify unemployed and people with reduced work capacity to available jobs. The educational training and education have to take the form of either: (1) Short courses based on the needs of the labour market, (2) Formal vocational training, (3) Higher Education.
Norway	Special age limits	særaldersgrenser	Retirement and pension policies	Yes	Certain professions in the public sector have a special age limit of mandatory retirement, in Norwegian called "særaldersgrenser". The special age limit is lower than the ordinary age limit for retirement. People in professions with the special mandatory age limit were by law obliged to retire (at latest) at the age limit. However, a 2021 change of law removed the mandatory obligation to retire at the special age limit.
Norway	Non-compete agreements (NCAs) – Norwegian Working Environment Act (WEA) Chapter 14 A.	Arbeidsmiljøloven kapittel 14 A: Konkurransebegrensende avtaler i arbeidsforhold	Barriers to business entry and dynamism	No	According to the WEA there are several requirements related to notification, compensation and duration etc. that must be complied with in order to invoke such clauses.
Norway	Supplemental benefit (aka. mobility promotion benefit)	Forskrift om stønader til dekning av utgifter knyttet til å komme i eller å beholde arbeid (tilleggsstønadsforskriften)	Housing, geographical mobility and international migration	No	Individuals can get support for moving expenses if they move to another place in Norway or the EU to start a new job.
Norway	Tax on gain when selling home	Skatt ved salg av bolig	Housing, geographical mobility and international migration	No	The gain from homes is tax exempt if the person has lived in the home for one of the last two years before selling. For commuters the gain on the part of the home that the owner uses as a commuter home is also tax-free when the other conditions for tax exemption for housing is fulfilled
Norway	Center for Senior Policy (SSP)	Senter for seniorpoitikk	Other	Yes	National centre of excellence that seeks to provide, develop, and disseminate knowledge and experience that contribute to the increased participation of workers over the age of 50 in employment. SSP's work is rooted in a three-party partnership with the job market. The social partners and the authorities play an important role in the SSP's work.
Norway	Fit for Employment	friskmelding til arbeidsformidling	Labour market programmes	No	If all possibilities of returning to the workplace have been tried, sickness benefit recipients can receive sickness benefit for up to 12 weeks while looking for a new job. The scheme is applicable to recipients where their health condition is such that he/she can return to work, but not to the job they are on sick leave from (employer-to employer mobility).
Norway	Expert assistance	Tilskudd til ekspertbistand – nav.no	Labour market programmes	No	To help an employee and employer to solve a situation that can lead to sickness absence. Expert assistance means that the employer and employee receive help from a neutral person who has expertise in sickness absence and the working environment. The expert must help clarify and find solutions to challenges that lead to sickness absence and propose measures that can enable the employee to carry out his work.
Norway	Trial scheme on	Forsøk med kompetansetiltak	Labour market	No	Targeted at employees on sickness benefits who are in danger of leaving the work force

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	re-skilling of long term recipients of daily cash benefits in the case of sickness	for sykemeldte	programmes		permanently and who need re-skilling and new employment to stay in the work force. All recipients of daily cash benefits in case of sickness are eligible for the trial. After identifying and interviewing possible candidates are interviewed. Suitable candidates may then be offered competence giving courses as an active labour market measure.
Poland	National Training Fund	Krajowy Fundusz Szkoleniowy	Labour market programmes	No	Intended to co-finance lifelong learning for employees and employers. Employers are supported in the process of securing adequate and required competencies among employees, thus supporting both the adaption to a changing economy and encouraging lifelong learning among employees. The measure helps the employees to remain in employment and prevent potential job loss.
Poland	Monitored redundancies	Zwolnienia monitorowane	Job protection legislation	No	An employer aiming to dismiss at least 50 employees within a period of 3 months is obliged come to an agreement with the labour office competent for the seat to discuss the scope and forms of assistance for dismissed employees, including disabled employees, regarding in particular: job placement, career guidance, training. In addition, the employer is obliged to take action to provide employees who are to be dismissed or are in the process of termination or within 6 months after the termination of employment or service relationship with labor market services provided in the form of a programme.
Poland	Non-compete clauses (NCAs)	Klauzule o zakazie konkurencji	Barriers to business entry and dynamism	No	According to the new Art. 26 of the Labour Code, the employer may not prohibit the employee from simultaneously remaining in an employment relationship with another employer or from remaining in a legal relationship that is the basis for the performance of work other than an employment relationship. However, there are some exceptions.
Portugal	Qualifica Centres	Programa Qualifica	Labour market programmes	No	Provides an individualised public service to adults, allowing the definition of the most appropriate qualification pathway for each specific situation, depending on the characteristics of each person, their educational and professional background and their ambitions and expectations. These centres are widely spread across the national territory and are promoted by different types of institutions such as schools, training centres of the national public employment services, city councils, companies and business associations or local development associations.
Portugal	The recognition, validation and certification of competences (RVCC)	Regula o reconhecimento, a validação e a certificação de competências no âmbito do Programa Qualifica	Labour market programmes	No	Process that allows the recognition, validation and certification of competences (RVCC) acquired and developed throughout life by adults, in non-formal and informal contexts, with a view to obtaining a school qualification (at basic, secondary or upper-secondary levels), a professional qualification or both. Adults aged 23+ must have at least three years of professional experience. RVCC is carried out exclusively by Qualifica Centres and fits in Qualifica Programme since 2017.
Portugal	Programme Upskill	Programa Upskill	Labour market programmes	No	Consists of professional training of workers (employed or unemployed), with at least an upper-secondary education, in the field of Information, Communication and Electronics Technologies. Involves a period of intensive training, from six to nine months, followed by practical training in a work-based context and professional integration in a company.

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Portugal	Inland Employment Plus	Programa “Emprego Interior Mais”	Housing, geographical mobility and international migration	No	Consists of a financial support for geographic mobility in the labour market, awarded by the public employment services, to lower the financial barriers associated with moving inland. The goal is to create favourable conditions for job creation and development of professional activities in inland territories.
Portugal	Programme of incentives to the establishment of public sector workers in inland territories	Cria um programa de incentivos à fixação de trabalhadores do Estado no interior	Housing, geographical mobility and international migration	No	Offers incentives to workers with a public employment contract in cases of definitive or temporary change of the workplace to territories of low population density. Incentives can be financial (e.g. duplication of meal allowance) or non-financial (e.g. guaranteed school transfer and extension of paid leave by two days).
Portugal	Programme +CO3SO Employment	Cria um sistema de apoio ao emprego e empreendedorismo (+ CO3SO Emprego)	Labour market programmes	No	Consists of financing job creation in small and medium-sized enterprises (SMEs) and social economy entities. Support is granted for the renumeration for job creation, contributory expenses, and 40% additional support for costs associated with job creation.
Portugal	Employment Award	Prêmio de emprego	Job protection legislation	No	If an open-ended employment contract is concluded with the trainee of ATIVAR.PT traineeships, within a maximum period of 20 working days from the date of completion of the traineeship, the promoting entity is awarded an employment bonus.
Portugal	Reintegration of workers in case of accidents at work and occupational diseases	Regulamenta o regime de reparçãao de acidentes de trabalho e de doenças profissionais	Labour market programmes	No	According to national law, the employer is obliged to reintegrate the worker, that suffered an accident or contracted an occupational disease at the service that has resulted in any of the legally foreseen disabilities, in functions and working conditions compatible with the respective condition.
Portugal	Sustainable Employment Commitment	Compromisso Emprego Sustentável	Labour market programmes	No	Consists of granting financial support to employers for the permanent hiring of unemployed people registered with the IEFP, combined with financial support for payment of contributions to social security, in the first year of validity of supported employment contracts.
Portugal	“Green Skills and Jobs” Program	Programa «Trabalhos & Competências Verdes/Green Skills & Jobs»	Labour market programmes	No	Aims at the professional training and requalification of workers whose employers were directly or indirectly affected by the increase in energy costs, and also of the unemployed. Training may include themes within the scope of energy transition, namely: energy efficiency, renewable energy, water efficiency, sustainable mobility and circular economy.
Slovak Republic	“Development of new skills of the employees”	“Profesijný rozvoj nových zručností zamestnancov“	Retirement and pension policies	No	The main activity is the development of new professional employee´s skills, including digitals skills. The activity is aimed at acquiring new skills/increasing and developing the skills of employees, including specific skills according to the employer’s requirements for the job, i.e. for the professional competence to perform a certain profession in the renewed labour market. It is carried out in the form of targeted in-company/in-firm education and professional training.
Slovak Republic	Contribution to support the re-qualification of a job seeker	Príspevok na podporu rekvalifikácie uchádzača o zamestnanie	Labour market programmes	No	Job seekers can request an allowance to participate in a retraining programme on their choice and the contribution will be awarded based on the probability that the jobseeker will enter the labour market after completing the qualification. The Office of Labour, Social Affairs and

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					Family assesses the job seeker based on the effectiveness and cost of the programme and labour market demand. The contribution covers the cost of re-qualification, reimbursement of travel expenses for transport and for all meals.
Slovak Republic	Contribution for commuting to work	Príspevok na dochádzku za prácou	Housing, geographical mobility and international migration	No	The contribution covers the cost of travel expenses for commuting to work for a maximum of 6 months. Workers must apply for this contribution within one month of beginning a job and the amount of contribution depends on the distance and the number of days worked per month.
Slovak Republic	Contribution to support mobility for work	Príspevok na podporu mobility za prácou	Housing, geographical mobility and international migration	No	Covers part of the housing expenses related to a change in residence in connection with starting a new job. Eligible employees are job seekers who have been in the job seeker registry for at least 3 months and applied for the allowance within 6 months from the data of dismissal from their residence at least 50km from their original place of residence. The length and amount are dependent on whether the job seeker was disadvantaged.
Slovak Republic	National project "Support of employability in the upper Nitra II region"	Podpora zamestnateľnosti v regióne horná Nitra II	Labour market programmes	No	Addresses the anticipated loss of employment for employees of the mining industry and industries directly connected to brown coal mining. The goal is to mitigate the consequences of the termination of mining activity for employees and to create conditions for their transition from the declining lignite mining sector to new employment in other sectors of economic activity in the region. Activities include: Assessment of employees' competences, employee training, financial support for displaced workers, and more.
Slovak Republic	The national project "Don't lose your job – educate yourself"	"Nestrať prácu – vzdelávaj sa"	Labour market programmes	No	Targeted at people interested in new employment or job seekers interested in a different job. The project offers education focused on the individual needs of job seekers, with emphasis on shortage professions, digitalisation and automation and the green economy. Interested job seekers must choose a specific education of their interest from publicly available sources, The Office will pay 100% of the education costs if the training is completed. As of 1 May 2023, over 32 000 applied and over 24 000 agreements were concluded.
Spain	Promotion of the employment of long-term unemployed (Article 21 of Royal Decree-Law 1/2023 & Article 52 of Law 3/2023)	Promoción del empleo de parados de larga duración (Artículo 21 del Real Decreto-Ley 1/2023 y Artículo 52 de la Ley 3/2023)	Labour market programmes	Partially	Includes a bonus of EUR 110/month for 3 years for the indefinite hiring of long-term unemployed people. Employers who hire women or workers aged 45+ are entitled to EUR 128/month for 3 years. Article 52 of Law 3/2023 also includes employment policies that prioritise people 45+ and other vulnerable groups.
Spain	Article 44 of the Employment Act	Artículo 44. La actividad de recolocación de las personas trabajadoras.	Labour market programmes	Partially	The specialised placement activity aimed at the professional reintegration or outplacement of workers affected by business restructuring processes may be carried out directly by the staff of the public employment services or by placement agencies. The law stipulates that special attention should be paid to workers whose contracts have been terminates by collective redundancy after the age of 52.

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
Spain	Royal Decree 818/2021: Programme to prevent age discrimination	Real Decreto 818/2021, de 28 de septiembre, por el que se regulan los programas comunes de activación para el empleo del Sistema Nacional de Empleo	Labour market programmes	Yes	To avoid discrimination on grounds of age, the programme covers active employment policy measures or actions that facilitate the reactivation and labour market insertion of job seekers and services who are over 45 years, as well as public aid or subsidies that encourage their recruitment and the undertaking of a self-employed activity. The reference amount of the subsidy will be EUR 5 500 when the person hired is over 45 years (EUR 6 000 if they are also a woman or person belonging to a vulnerable group), and EUR 7 000 when they are long-term unemployed (EUR 7 500 if they are also a woman or person belonging to a vulnerable group).
Sweden	The Transition Package: Improving long-term flexibility, adaptability and security in the labour market	Lars Lööw ny generaldirektör för Arbetsmiljöverket	Job protection legislation	No	To ensure that all workers achieve better opportunities for transition and skill development throughout their working life. Pillars of the initiative include: reformed labour law, a new student finance scheme and new basic transition and skills support. The reformed laws lower the cost of terminations, as well as offer workers greater security by replacing general fixed term employment with a specific fixed-term employment that is more easily converted to permanent employment among other reforms.
Sweden	Labour Market Training	Arbetsmarknadsutbildning	Labour market programmes	No	The training programmes are promoted as a tool to aid workers in occupational transitions and decrease labour shortages in the market. In 2022, Swedish PES invested in increasing the number of workers in labour market training.
Sweden	New student loan for everyone who receives a loan from 2022	Nytt studielån för alla som får lån från 2022	Labour market programmes	Partially	A change in student finance regulations made it easier for seniors to study by allowing individuals to take up a student loan through the government until after 60. The loan must be paid by age 64.
Sweden	Job Security Councils	Trygghetsrådet (TRS)	Other	No	First to contact displaced workers and support them in making labour market transitions. The Job Security Councils are made up of collective agreements between social partners in an industry or sector and financed by corresponding employers. They can provide displaced workers with addition financial support to study in the middle of their working lives.
Switzerland	Viamia	Viamia	Labour market programmes	Yes	Since January 2022, people aged 40+ have been able to take advantage of a free career assessment and personalised advice. A career guidance service called Viamia aims to improve the career prospects of this age group and encourage the potential of the indigenous workforce.
Switzerland	Impulse programme: Measures to facilitate the return to work	Potentiel de la main d'œuvre: mesures du Conseil fédéral / Arbeitskräftepotenzial: Bundesmassnahmen / Potenziale di manodopera: misure federali	Labour market programmes	Yes	Funds cantonal projects aiming at improving the reintegration of jobseekers who have difficulties re-entering the labour market, in particular jobseekers over 50. In doing so, the programme provides cantonal authorities the opportunity to test new approaches and, if successful, introduce them into the cantonal portfolio of labour market policies.
Switzerland	Pilot: Supported employment for over 50s	Nouvelle offre de «supported employment» pour les 50 ans et plus / Neues Angebot	Labour market programmes	Yes	Targets people aged 50+ who are about to lose their unemployment benefits (UBs). Eligible jobseekers can participate in the programme for up to 18 months, even after they have lost their entitlement to UB. As part of the programme, job coaches support jobseekers during

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
		«Supported Employment» für 50 plus / «Supported Employment»: la nuova offerta destinata agli over 50			their job search. After jobseekers have found a job, job coaches continue to support them and their employers by, for example, identifying skill gaps and financing targeted trainings and continuing education.
Switzerland	Pension fund contributions increase with age	Réforme de la prévoyance professionnelle (Réforme LPP)	Retirement and pension policies	Yes	Among other reforms, old-age bonuses have been simplified. There are now only two steps instead of four, and the extra cost for people aged 55+ has been abolished.
Switzerland	Commuter and weekly residence contributions	Pendler- und Wochenaufenthaltsbeiträge – PEWO	Housing, geographical mobility and international migration	No	This measure of the unemployment insurance is intended to promote the geographical mobility of jobseekers who have not found an appropriate job in their region of residence. The commuter cost contributions cover the travel costs caused by commuting between the place of residence and the place of work. If the place of work is too far away from the place of residence so that a daily commute is no longer reasonable, the unemployment insurance can pay weekly allowances to cover weekly residence costs.
Switzerland	Basic skills for adults: Financial aid to the cantons	Compétences de base des adultes: Aides financières aux cantons	Labour market programmes	No	Together with the cantons, the Confederation is committed to helping adults acquire and maintain the basic skills they lack. The Federal Law on Continuing Education (LFCo) provides for financial assistance to be allocated to the cantons for this purpose. Basic skills cover fundamental knowledge and abilities in the following areas: reading, writing and speaking in a national language, basic mathematics, or use of information and communication technologies.
Switzerland	Simply better!...at work	Simplement mieux!...au travail	Labour market programmes	No	Enables the Confederation and cantons to support basic skills courses organised in companies to improve the quality of work, improve processes and communication, reduce error and absence rates, prepare employees for increased demands, and enhance reputation and loyalty to the company.
Switzerland	Induction Grant	Einarbeitungszuschüsse	Labour market programmes	No	Allows jobseekers who need to be inducted in a new specific area to acquire new skills on-the-job. The grant covers part of the wage costs during the induction phase to achieve the level of productivity expected by the employer.
Switzerland	Training Grants	Ausbildungszuschüsse	Labour market programmes	No	Training grants which allow, under some conditions, jobseekers who haven't yet completed their vocational training or whose training is no longer up-to-date to complete a vocational training and obtain a Federal VET Diploma. Is not targeted to workers 45+ nor specifically designed to move jobseekers from hazardous or poor-quality jobs. However, it can be used for that purpose.
United States	Workforce Innovation and Opportunity Act (WIOA) Adult Program	Workforce Innovation and Opportunity Act (WIOA) Adult Program	Labour market programmes	No	Provides support to individuals and helpers by enabling workers to obtain good jobs by offering job search assistance and training opportunities. Priority is given to recipients of public assistance, veterans, low-income individuals and individuals who lack basic skills.

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
United States	Senior Community Service Employment Program (SCSEP)	Senior Community Service Employment Program	Labour market programmes	Yes	A community service and work-based job training programme for low-income, unemployed seniors. Participants also have access to employment assistance through American Job Centers. SCSEP participants gain work experience in a variety of community service activities at non-profit and public facilities, including schools, hospitals, day-care centres, and senior centres.
United States	Non-compete agreements (NCAs)	Non-compete agreements (NCAs)	Barriers to business entry and dynamism	No	Addresses concerns caused by the impact of non-compete agreements on labour mobility (e.g. inability for workers to pursue better opportunities with higher pay and more fulfilling working conditions), the federal government and states have proposed regulations to limit their use. Regulations regarding the use of NCAs, however, varies across the United States.
United States	Occupational Licenses	Occupational Licenses	Barriers to business entry and dynamism	No	Recognises that occupational licensing restrictions make it challenging for workers to move across state lines to take up work. Therefore, the DOL and coalition of state governors (NCSL) have proposed grants to fund research on occupational licensing reform. The Obama Administration also released a document of best practices outlining how policy makers and reimagine occupational licensing across state lines.
United States	Re-entry Employment Opportunities (REO) programme	Re-entry Employment Opportunities (REO) programme	Barriers to business entry and dynamism	No	Incarceration makes many workers ineligible for certain kinds of employment, licenses, or credentials. To help address this, the DOL launched the REO programme in 2015 to test the effectiveness of service delivery models found in community, faith-based organisations, and government systems for their adaptability in assisting the re-entry population enter the workforce. To assist incarcerated individuals and ease employer worries, DOL also operates the Federal Bonding programme which provides a fidelity bond that covers fraudulent or dishonest employee acts if an employer agrees to take on “at-risk”, hard-to-place applicants.
United States	IRS Moving expenses tax deduction	IRS Moving expenses tax deduction	Barriers to business entry and dynamism	No	The IRS recognises that moving can be a prohibiting and expensive factor in changing jobs or following a current job to a new location. Therefore, individuals whose move is related to work and meet the distance (50 years further) and time (must work at the company 39 weeks during the following year of the move) tests are able to take an above-the-line tax deduction on their work-related moving expenses.
United States	Good Jobs Initiative	Good Jobs Initiative	Other	No	Aimed at improving job quality throughout the country by providing critical information to workers, employers, and government entities as they seek to improve job quality and create access to good union jobs – free from discrimination and harassment – for all workers and jobseekers. The initiative empowers workers by engaging employer stakeholders as partners to improve job quality and workforce pathways to good jobs.
United States	Training and Employment Guidance Letter No. 21-22 “Increasing equitable service access and employment outcomes	Training and Employment Guidance Letter No. 21-22 “Increasing equitable service access and employment outcomes for all job seekers in WIOA and DW	Other	Partially	The DOL provides State Workforce Partners on best practices for administering the workforce system through TEGLS. In addition to providing guidance on others with barriers to employment, the guidance targets mid-career and recently incarcerated workers. Recommendations include providing support services like childcare and transportation, partnering with employers to develop and expand flexible training programmes, and leveraging incumber worker training to prevent layoffs and incentivise retention.

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
	for all job seekers in WIOA and DW programmes"	programmes"			
United States	National Dislocated Worker Grants (DWGs)	National Dislocated Worker Grants	Labour market programmes	No	Discretionary grants awarded by the Secretary of Labor. DWGs provide resources to states and other eligible applicants to respond to large, unexpected layoff events causing significant job losses. This funding is intended to temporarily expand capacity to serve dislocated workers, including military service members, and meet the increased demand for WIOA employment and training services, with a purpose to reemploy laid off workers and enhance their employability and earnings.

Annex 3.B. Supplemental information on the quantitative analysis

Annex Table 3.B.1. Data sources and descriptions

Variable	Description	Source	Time coverage	Missing countries
Recession/recovery dummy	Dummy variables indicating recession or recovery periods (and expansions as an omitted category). Recessions include years with negative real GDP growth, recoveries are the year following a recession, and expansions are subsequent years where GDP growth expands.	IMF World Economic Outlook Database (2023), own computations	2010-20	-
Regional unemployment gap	Difference between current and average regional unemployment rate between 2010-20	EU-LFS, US-CPS, KLIPS, own computations	2010-20	-
Industry-level output growth gap	Difference between actual and average annual output growth rate in current prices over the years 2000-19 for each industry according to NACE 1-digit codes in percentage.	OECD Annual National Accounts Database	2010-19	-
Output gap	Country-level output gap in percentage.	OECD Economic Outlook Database	2010-20	-
Spending on total active labour market policies	Public expenditure on active labour market programmes in percentage of GDP.	OECD Labour Market Programmes Database	2010-20	GRC
Spending on active labour market policies, training	Public expenditure on training in percentage of GDP.	OECD Labour Market Programmes Database	2010-20	-
Unemployment benefit replacement rate at 67% of average wage after one year unemployment spell	Share of previous in-work income that is maintained after 1-year average spell of unemployment, formerly earning 67% of the average wage as a single people without children (excluding social assistance benefits and housing benefits).	OECD Social Protection and Well-being Database	2010-20	-
Job protection on regular contracts, individual and collective dismissals	The OECD indicators of employment protection evaluate strictness of the regulations on the costs of dismissing of workers on regular contracts and procedures to hire workers on fixed-term contracts (Version 4).	OECD Indicators of Employment Protection Database	2013-19	-
Retirement age, men or women	Current retirement age for a person who entered the labour market at age 22, men and women divided.	OECD Pensions at a Glance Database	2014, 2018, 2020	-
Spending on early retirement	Public expenditure on early retirement in percentage of GDP.	OECD Labour Market Programmes Database	2010-20	-

Variable	Description	Source	Time coverage	Missing countries
Spending on health	Public expenditure on health in percentage of GDP.	OECD Social Expenditure Database	2010, 2015, 2019, 2020	-
Spending on disability and sickness cash benefits	Public expenditure on disability and sickness cash benefits in percentage GDP.	OECD Social Expenditure Database	2010, 2015, 2017, 2018, 2019	-
Social rental dwellings	Social rental dwellings in percentage of the total housing stock.	OECD Affordable Housing Database	2010, 2018 (Varies)	GRC, SWE
Outright homeowners	Number of outright homeowners in percentage of population.	OECD Affordable Housing Database	2010-20	-
Transport infrastructure investment	Total inland transport infrastructure investment and maintenance in percentage of GDP.	ITF Transport Statistics Database	2010-20	-
Product market regulations (PMR), Overall	Indicators of Product Market Regulation (PMR) measure the degree to which laws and policies promote or prevent competition in areas of the product and service market where competition is viable.	OECD Product Market Regulation Database	2018	-
Occupational entry restrictions (OER), Mobility restrictions, personal services	The OER Indicator measures barriers to labour mobility between jurisdictions concerning personal services (e.g. baker, driver, electrician).	OECD OER Indicator Database	2018	CZE, DNK, EST, GRC, IRL, KOR, LVA, LTU, LUX, NLD, NOR, SVK
Occupational entry restrictions (OER), Mobility restrictions, professional services	The OER Indicator measures barriers to labour mobility between jurisdictions concerning professional services (e.g. accountant, lawyer, real-estate agent).	OECD OER Indicator Database	2018	CZE, DNK, EST, GRC, IRL, KOR, LVA, LTU, LUX, NLD, NOR, SVK

Annex Table 3.B.2. Structural determinants of voluntary job-to-job mobility

Dependent variable: Voluntary job-to-job transition probabilities, by age groups, education and gender

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Working age population	Aged 25-34	Aged 35-44	Aged 45-54	Aged 55-64	Low education	High education	Middle education	Men	Women
Cyclical variables at the macro and regional level										
Recession	0.0047***	0.0048**	0.0040***	0.0029***	0.0042***	0.0039*	0.0042***	0.0039***	0.0040***	0.0041***
	(0.0008)	(0.0015)	(0.0010)	(0.0008)	(0.0011)	(0.0015)	(0.0009)	(0.0010)	(0.0009)	(0.0009)
Recovery	0.0040***	0.0032**	0.0024**	0.0018*	0.0023**	0.0003	0.0027***	0.0031**	0.0038***	0.0022*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Working age population	Aged 25-34	Aged 35-44	Aged 45-54	Aged 55-64	Low education	High education	Middle education	Men	Women
	(0.0008)	(0.0011)	(0.0008)	(0.0007)	(0.0009)	(0.0014)	(0.0007)	(0.0010)	(0.0009)	(0.0009)
Regional-level unemployment gap in percentage point; lagged	-0.0126***	-0.0095***	-0.0047*	-0.0074***	-0.0052***	-0.0081**	-0.0074***	-0.0090***	-0.0099***	-0.0099***
	(0.0021)	(0.0023)	(0.0019)	(0.0016)	(0.0015)	(0.0030)	(0.0016)	(0.0024)	(0.0020)	(0.0026)
Demand conditions at the industry level										
Industry-specific output growth gap	0.0117*	0.0193**	0.0204***	0.0195***	0.0140*	-0.0028	0.0170***	0.0221***	0.0186***	0.0170**
	(0.0045)	(0.0067)	(0.0053)	(0.0051)	(0.0055)	(0.0072)	(0.0049)	(0.0053)	(0.0042)	(0.0060)
Industry-specific characteristics at the regional level: non-standard work										
Share of part-time workers	-0.0045	-0.0020	0.0015	0.0063	0.0057	-0.0118*	-0.0020	0.0023	-0.0035	0.0030
	(0.0066)	(0.0065)	(0.0045)	(0.0057)	(0.0056)	(0.0048)	(0.0065)	(0.0070)	(0.0066)	(0.0056)
Share of self-employed workers	-0.0120**	-0.0012	-0.0042	-0.0105*	-0.0068*	0.0011	-0.0059	-0.0079	-0.0065	-0.0157**
	(0.0045)	(0.0073)	(0.0043)	(0.0041)	(0.0032)	(0.0059)	(0.0047)	(0.0044)	(0.0039)	(0.0057)
Industry characteristics at the regional level: Demographic composition of workers										
Share of workers with below-secondary education	-0.0086	-0.0050	-0.0073	-0.0036	-0.0007				-0.0018	-0.0049
	(0.0054)	(0.0044)	(0.0038)	(0.0034)	(0.0033)				(0.0042)	(0.0047)
Share of workers with upper-secondary education	-0.0066	0.0053	0.0003	0.0069	0.0093				0.0019	0.0013
	(0.0075)	(0.0047)	(0.0060)	(0.0072)	(0.0057)				(0.0060)	(0.0066)
Age: <25 (%)	0.0677***					0.0196*	0.0687***	0.0506***	0.0563***	0.0515**
	(0.0141)					(0.0076)	(0.0163)	(0.0130)	(0.0131)	(0.0157)
Age: 25-34 (%)	0.0079					-0.0008	0.0054	0.0185	0.0105	0.0077
	(0.0124)					(0.0092)	(0.0041)	(0.0101)	(0.0092)	(0.0069)
Age: > 55 (%)	0.0093					-0.0021	-0.0064	-0.0173	0.0055	-0.0136
	(0.0146)					(0.0065)	(0.0084)	(0.0090)	(0.0088)	(0.0079)
Share of female workers	0.0076	-0.0015	0.0004	0.0005	0.0013	0.0115*	0.0049	0.0035		
	(0.0122)	(0.0056)	(0.0055)	(0.0060)	(0.0052)	(0.0058)	(0.0056)	(0.0039)		
Constant	-0.0166**	-0.0070	-0.0063	-0.0016	-0.0063	-0.0119	-0.0091*	-0.0206***	-0.0186***	-0.0096
	(0.0056)	(0.0044)	(0.0043)	(0.0040)	(0.0044)	(0.0066)	(0.0040)	(0.0053)	(0.0050)	(0.0053)
N	25 165	23 733	23 895	24 036	23 699	22 540	23 936	23 983	24 169	23 788

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Working age population	Aged 25-34	Aged 35-44	Aged 45-54	Aged 55-64	Low education	High education	Middle education	Men	Women
R-sq	0.712	0.548	0.505	0.542	0.389	0.220	0.652	0.583	0.670	0.580

* p<0.05, ** p<0.01, *** p<0.001.

Note: Refer to Box 3.12 for the definition of annual transition probabilities and Annex Table 3.B.1 for descriptions of how expansions, recoveries and recessions were identified. The table reflects ordinary least squares (OLS) regression results at the country, region, industry and year level. The regional classification is based on NUTS-2 in European countries, metropolitan region in Korea, and at the state-level in the United States. Standard errors are clustered at the regional level. The sample includes the following 27 countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Switzerland, the United Kingdom and the United States.

Source: Administrative data from the European Labour Force Survey (EU-LFS), the Korean Labor and Income Panel Study (KLIPS) and the United States Current Population Survey (CPS). See Annex Table 3.B.1 for detailed data definitions and sources.

StatLink https://stat.link/k9zc7o

Quantifying the impact of policy interventions: Using job-to-job mobility as the dependent variable

Annex Table 3.B.3. Labour market programmes are drivers of mobility for older workers

Dependent variable: Job-to-job transition probabilities, by age groups, 2010-20

	(1)	(2)	(3)	(4)	(5)
	Population 25-64	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55-64
Labour market programmes					
Active labour market programmes, Total expenditure as percentage of GDP	0.0048**	-0.0010	0.0008	0.0080***	0.0059*
Training, Total expenditure as percentage of GDP	0.0083	-0.0295	-0.0203	0.0383**	0.0317*
Unemployment benefits at one year, as percentage of income	-0.0210***	-0.0197***	-0.0191***	-0.0245***	-0.0280***
Strictness of employment protection – individual and collective dismissals (regular contracts) – Version 4	0.0536	0.0908	0.0351	0.0263	-0.0261
Retirement and pension					
Current retirement age for a person who entered the labour market at age 22, men	-0.0447	0.1261	-0.1590	-0.0149	-0.1884
Current retirement age for a person who entered the labour market at age 22, women	-0.0856	-0.0168	-0.1681	-0.0223	-0.2131

	(1)	(2)	(3)	(4)	(5)
Early Retirement, Total expenditure as percentage of GDP	0.0187**	0.0329*	0.0093	0.0061	0.0069
Housing and geographic mobility					
Social rental dwellings, percentage of the total housing stock	0.3035	-0.3728	-0.3400	0.7331*	0.8210
Outright homeowners, as percentage of population	-0.0054	-0.0614	0.0171	0.0572	0.1124***
Total inland transport infrastructure investment, as percentage of GDP	0.0524	-0.0846	0.0564	0.0900	-0.0277
Barriers to business entry and competition					
Product market regulations (PMR) – Aggregate X Industry-specific output growth gap	0.1330*	0.0466	0.1569	0.0142	-0.0364
Occupational entry restrictions (OER) – Personal services – mobility restrictions X Industry-specific output growth gap	-0.0468	-0.0210	0.1003	-0.0060	-0.0817
Occupational entry restrictions (OER) – Professional services – mobility restrictions X Industry-specific output growth gap	-0.0299	-0.0338	-0.0088	-0.1248**	-0.1111

*p<0.05, **<0.01, ***p<0.001.

Note: Refer to Box 3.12 for detailed methodology and Annex Table 3.B.1 for definitions of policy indicators and their sources. All estimates include structural control variables: recession and recovery dummies, regional-level unemployment gap (lagged), industry-specific output growth gap, share of part-time workers and self-employed workers, share of workers with below-secondary education, and share of workers with upper-secondary education. The regressions include fixed effects at the country, region, industry and year level. The regional classification is based on NUTS-2 in European countries, metropolitan region in Korea, and at the state-level in the United States. Standard errors are clustered at the regional level. The sample includes 27 member countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Switzerland, the United Kingdom and the United States.

Source: Administrative data comes from the European Labour Force Survey (EULFS), the Korean Labor and Income Panel Study (KLIPS) and the US Current Population Survey (CPS). See Annex Table 3.B.1 for detailed data definitions and sources.

StatLink https://stat.link/1l0unb

Annex Table 3.B.4. Structural determinants of job-to-job mobility

Dependent variable: Job-to-job transition probabilities, by age, education and gender

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Working age population	Aged 25-34	Aged 35-44	Aged 45-54	Aged 55-64	Low education	High education	Mid education	Men	Women
Cyclical variables at the macro and regional level										
Recession	-0.0027	-0.0055	-0.0032	-0.0004	0.0026	-0.0034	-0.0015	-0.0023	-0.0028	-0.0002
	(0.0015)	(0.0029)	(0.0021)	(0.0017)	(0.0018)	(0.0030)	(0.0021)	(0.0019)	(0.0017)	(0.0022)
Recovery	-0.0038*	-0.0112***	-0.0027	-0.0018	0.0013	-0.0030	-0.0063**	-0.0037	-0.0016	-0.0059**
	(0.0016)	(0.0029)	(0.0024)	(0.0015)	(0.0017)	(0.0032)	(0.0020)	(0.0021)	(0.0019)	(0.0022)
Regional-level unemployment gap in pp; lagged	-0.0109***	-0.0134***	-0.0019	-0.0064***	-0.0037*	-0.0097**	-0.0061**	-0.0089**	-0.0081***	-0.0121***
	(0.0022)	(0.0027)	(0.0026)	(0.0017)	(0.0017)	(0.0037)	(0.0023)	(0.0029)	(0.0022)	(0.0032)
Demand conditions at the industry level										
Industry-specific output growth gap	0.0124*	-0.0057	0.0229**	0.0174**	0.0170**	0.0059	0.0125*	0.0217**	0.0164**	0.0015
	(0.0053)	(0.0086)	(0.0073)	(0.0059)	(0.0055)	(0.0108)	(0.0057)	(0.0082)	(0.0053)	(0.0080)
Industry-specific characteristics at the regional level: non-standard work										
Share of part-time workers	-0.0248*	0.0042	0.0119	0.0055	0.0213*	-0.0311***	-0.0052	-0.0170	-0.0043	-0.0171*
	(0.0113)	(0.0127)	(0.0103)	(0.0095)	(0.0084)	(0.0090)	(0.0103)	(0.0089)	(0.0130)	(0.0085)
Share of self-employed workers	-0.0680***	-0.0619***	-0.0481***	-0.0530***	-0.0363***	-0.0425***	-0.0370***	-0.0456***	-0.0538***	-0.0464***
	(0.0085)	(0.0102)	(0.0076)	(0.0065)	(0.0049)	(0.0089)	(0.0075)	(0.0069)	(0.0062)	(0.0087)
Industry characteristics at the regional level: Demographic composition of workers										
Share of workers with below-secondary education	0.0256*	0.0343**	0.0184*	0.0183**	0.0205***				0.0344***	0.0237**
	(0.0108)	(0.0109)	(0.0089)	(0.0059)	(0.0051)				(0.0083)	(0.0083)
Share of workers with upper-secondary education	-0.0059	0.0185*	-0.0089	0.0001	0.0230**				0.0041	0.0074
	(0.0093)	(0.0090)	(0.0093)	(0.0076)	(0.0075)				(0.0069)	(0.0093)
Age: <25(%)	0.0781***					0.0575***	0.1229***	0.0878***	0.1033***	0.0646***(0.0183)
	(0.0175)					(0.0120)	(0.0221)	(0.0147)	(0.0196)	
Age: 25-34(%)	0.0612**					0.0518***	0.0569***	0.0637***	0.0662***	0.0461***
	(0.0227)					(0.0121)	(0.0075)	(0.0126)	(0.0116)	(0.0114)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Age: > 55(%)	0.0015					-0.0192*	-0.0114	-0.0372***	-0.0046	-0.0335***
	(0.0172)					(0.0088)	(0.0110)	(0.0107)	(0.0104)	(0.0097)
Share of female workers	0.0276	-0.0097	0.0053	0.0102	-0.0051	0.0139	0.0096	0.0149*		
	(0.0170)	(0.0086)	(0.0090)	(0.0100)	(0.0063)	(0.0078)	(0.0081)	(0.0069)		
Constant	0.0765***	0.1317***	0.0891***	0.0620***	0.0361***	0.0810***	0.0676***	0.0757***	0.0723***	0.0750***
	(0.0070)	(0.0072)	(0.0068)	(0.0060)	(0.0046)	(0.0078)	(0.0064)	(0.0066)	(0.0061)	(0.0069)
N	25 165	24 657	24 829	24 985	24 630	23 349	24 882	24 925	25 120	24 717
R-sq	0.452	0.201	0.224	0.336	0.235	0.116	0.317	0.337	0.401	0.307

*p<0.05, **<0.01, ***p<0.001.

Note: Refer to Box 3.12 for the definition of annual transition probabilities and Annex Table 3.B.1 for descriptions of how expansions, recoveries and recessions were identified. The table reflects ordinary least squares (OLS) regression results at the country, region, industry and year level. The regional classification is based on NUTS-2 in European countries, metropolitan region in Korea, and at the state-level in the United States. Standard errors are clustered at the regional level. The sample includes 27 member countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Switzerland, the United Kingdom and the United States.

Source: Administrative data comes from the European Labour Force Survey (EULFS), the Korean Labor and Income Panel Study (KLIPS) and the US Current Population Survey (CPS). See Annex Table 3.B.1 for detailed data definitions and sources.

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Notes

[1] Section 3.2 draws on survey evidence from the 2022 AARP Global Employee Survey and the 2023 Generation and OECD Employee Survey to assess older workers' perceptions of job mobility and factors that prevent them from changing jobs. Section 3.3 relies on evidence from the literature to identify key institutional factors that stifle mobility at the structural level across OECD countries.

[2] In June 2023, the OECD distributed a questionnaire to member countries that asked about existing policies to facilitate job mobility at mid-career and older ages. For a complete list of policies collected through the questionnaire, see Annex 3.A.

[3] Barriers related to age discrimination are discussed in detail in Chapter 4.

[4] See Annex 3.B for regression tables using annual job-to-job mobility (including voluntary and involuntary job changes).

4 Harnessing internal mobility

Internal or within-firm mobility enables older workers to take up roles that are better suited for their evolving needs and to continue advancing at later stages of their careers. However, identifying opportunities to change roles internally are not clearly defined for older workers who are the least likely to reflect on their career goals and aspirations. Implicit or explicit ageist attitudes further undermine the fluidity in which older workers can make within-firm changes. This chapter explores employer-led policies that aid workers in closing information gaps and forming better job matches that are adapted to workers' preferences, skills, and flexibility requirements.

Key messages

Internal or within-firm mobility provides an avenue for workers to take up different roles that are better suited to their changing personal and business needs, thereby benefitting workers and employers alike.

- **However, the share of promotions declines with age, indicating that there may be fewer opportunities for career progression with age.** Results from the 2022 AARP Global Employee Survey find that workers aged 55-64 are 12 percentage points less likely to feel comfortable asking for a promotion than workers aged 35-44.

According to the 2022 AARP Global Employer Survey**, workers report that persistent age discrimination undermines career advancement** through hiring discrimination (18%), fewer opportunities for promotion (11%), and denied access to training and personal development based on age (8%).

- **Many employers continue to hold stereotypical views of older workers,** which in turn, influences their hiring and promotion decisions. In a 2023 Generation/OECD survey, 25% of hiring managers reported that they believe that workers aged 55-64 are more reluctant to try new technologies or learn new skills (23%), and slower to adapt to new technology (22%).
- **It is in employers' interest to confront negative stereotypes about older workers** and put measures in place to tackle age discrimination at *all* stages of the recruitment and promotion processes (e.g. age-blind hiring, semi-structured panel interviews, blind-hiring software).
- **Lack of internal professional development opportunities widens the skills gap between older and younger workers**. It is crucial that employers encourage participation in training and convey its value to older workers who are less likely to participate.

Employers can draw on several policy levers to harness the advantages of internal mobility among older workers in their firms:

- **Job rotation and re-deployment schemes help workers, particularly those with health-related issues or those in arduous occupations, to identify and transition into roles that better align with their skills and aspirations.** Both policies proactively encourage a career change before working becomes unsustainable.
- **Mid-career reviews (MCRs) encourage workers to reflect on their career goals and identify mobility and training pathways to achieve these goals.** Workers aged 55-64 are 17 percentage points less likely to regularly review their career options compared to workers aged 35-44 (37% vs. 53%).
- **Remote work can accommodate the flexibility needs of older workers**, thus extending their working lives. Transitioning to a fully remote or hybrid role enables workers to balance work and outside commitments (e.g. care responsibilities, hobbies).
- **The gender gap in career and wage progression is largely concentrated within firms, therefore specific policies are needed to mitigate the consequences of motherhood for women.** Flexible working conditions are particularly valuable to women and pay transparency tools such as equal pay audits can help close gender gaps.

4.1. Why is internal mobility important for older workers?

Internal mobility – when workers move between within the firm – can enable workers of all ages to take up roles that are better suited for their evolving circumstances, which in turn, improves firm retention. Within-firm changes can be upward moves, but they can also be horizontal moves to another part of the firm. Employers can draw on either of these transfers to address skills gaps at a lower financial and time cost compared to external recruitment processes. Given older workers' considerable experience within the company, those who are hired internally require less training, which leads to productivity gains earlier on. Moreover, older workers' experience contributes to intergenerational knowledge transfers that have been shown to improve firms' success (Tavares, 2020[1]). As a result, firms dually benefit from retaining talent and improving productivity through better labour market matches.

While the literature clearly demonstrates the wage and job quality gains of within-firm transitions for younger workers, less attention is given to within-firm transitions for older workers. Evidence using linked employer-employee administrative data in Chapter 2 reveals that the share of promotions declines with age, indicating that there may be fewer opportunities for career progression as workers age. At the same time, within-firm wage growth represents the largest contributor to overall wage growth, especially for younger workers. The gap between the gains for older and younger workers highlights the importance of strategic employer-led interventions to generate internal mobility opportunities that lead to career advancement (not regression) for workers of all ages. This chapter explores employer-led policies which aim to increase fairness for older applicants and to cultivate high-quality internal mobility that promotes improved labour market matches and career.

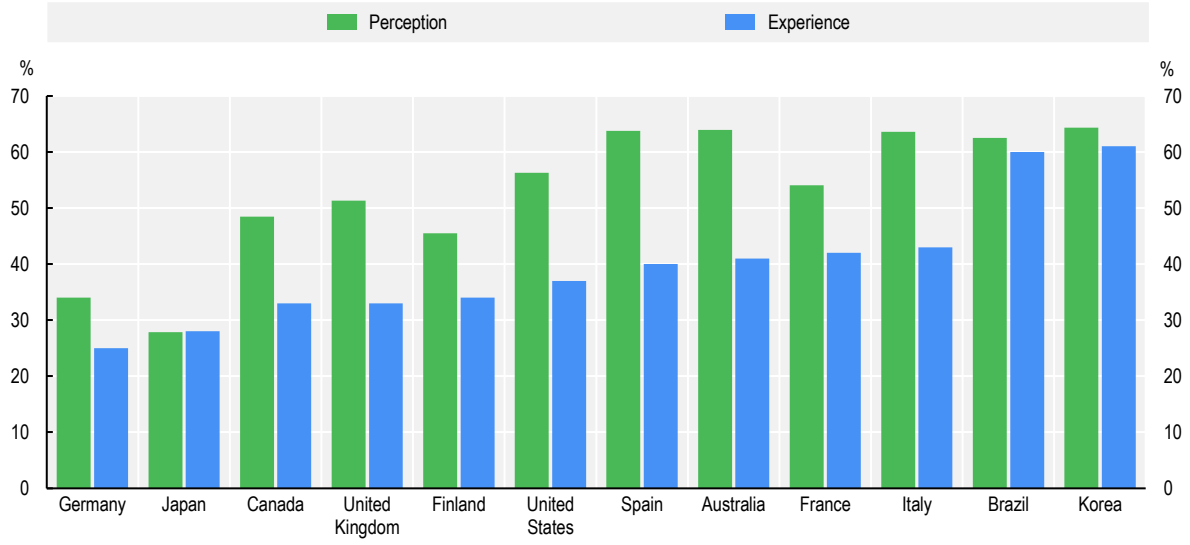
4.2. How can employers address biases that limit internal mobility?

4.2.1. Overcoming negative stereotypes and tackling age discrimination in hiring and mobility

Despite legislation outlawing age discrimination in nearly all OECD countries, bias and discrimination continue to be barriers limiting career mobility within and across firms. According to the 2022 AARP Global Employee Survey, more than half (53%) of workers aged 45 and above *perceive* that older workers face age discrimination in the workplace. Meanwhile, 40% of workers aged 45 and above have personally experienced some form of age discrimination, indicating that older workers' perceptions are not unfounded (Figure 4.1). These perceptions of ageism magnify the consequences for job mobility by leading older workers to restrict their job search (e.g. only focusing on poor-quality jobs) or to stop searching for different opportunities altogether (Carlsson and Eriksson, 2019[2]).

Figure 4.1. Older workers report widespread experience of discrimination

Share of workers (45+) who have perceived or experienced discrimination in the workplace



Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over in the 12 participating countries shown. Respondents aged 45 and over (n = 6 551). *Perception* is based on those who answered yes to the question "Based on what you have seen or experienced, do you think older workers face discrimination in the workplace today based on age?". *Experience* is based on the question "Please tell me whether any of the following has happened to you at work since turning 40".
Source: AARP Global Employee Survey (2022).

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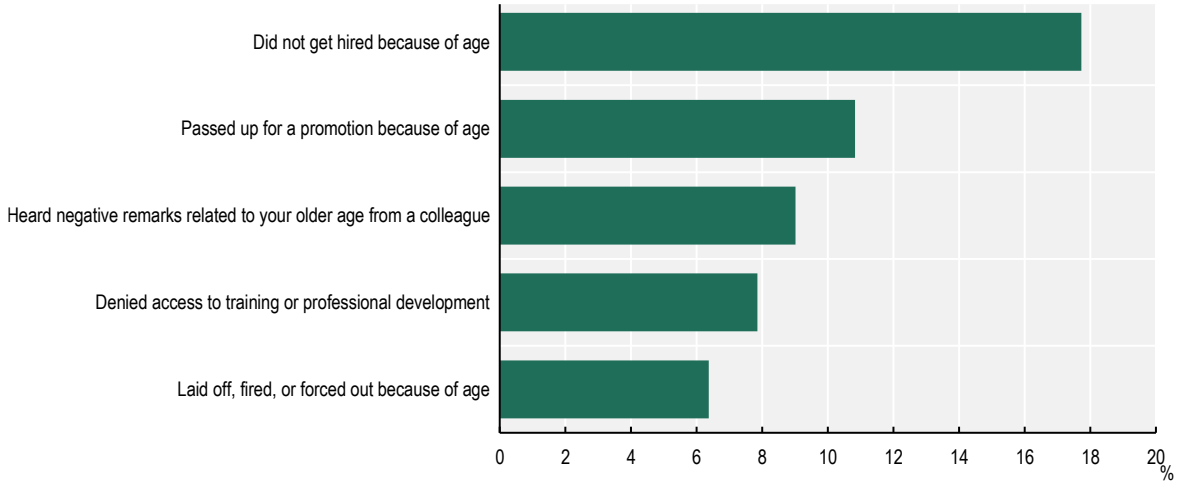
The persistence of ageism undermines older workers' capacity to conduct fulfilling careers in the workplace. The 2022 AARP Global Employee Survey shows that hiring discrimination and diminished access to training are among the most common forms of discrimination experienced by workers aged 45 and above. A significant minority of these workers report that they were often not hired (18%), passed up for promotion (11%), or denied access to training or personal development because of their age (8%) (Figure 4.2). These barriers may contribute to career stagnation that pushes older workers out of the labour market prematurely.

Figure 4.2. A significant minority of older workers experience hiring discrimination

Share of workers (45+) who experienced any of the following situations at work since turning 40



Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over. Data show the unweighted average of the 12 participating countries (Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom, the United States). Employed respondents aged 45 and over (n = 6 551) were asked, "Please tell me whether any of the following has happened to you at work since turning 40."
Source: AARP Global Employee Survey (2022).

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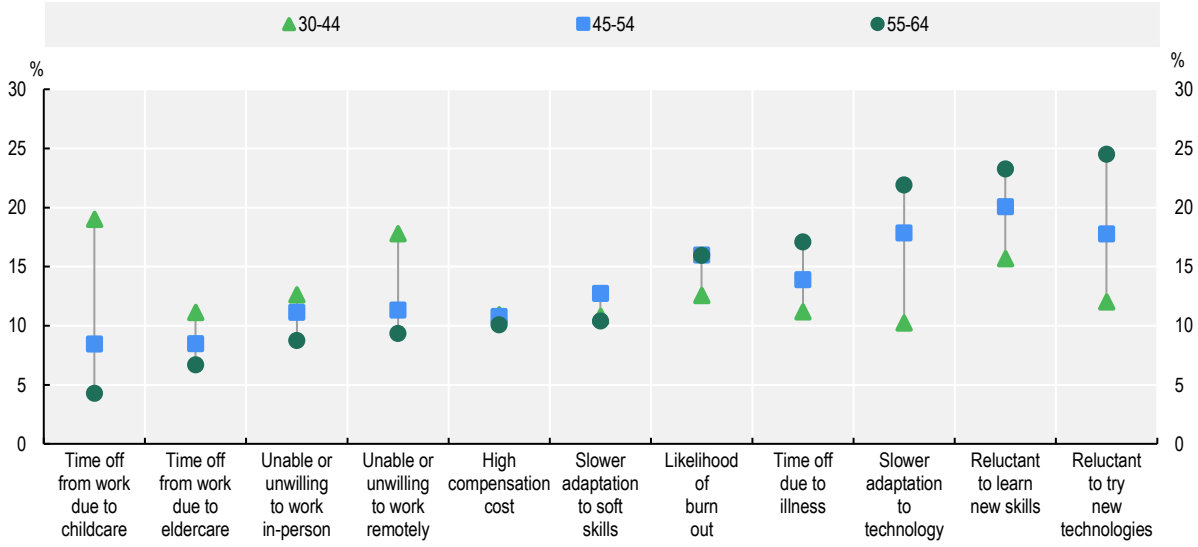
Mid-career and older workers are a diverse group of workers, meaning that any characterisation or generalisation of their abilities is misleading. Nonetheless, many employers continue to hold stereotypical views on the strengths and weaknesses of these workers, thereby influencing their hiring and promotion decisions. A 2023 Generation and OECD Survey of hiring managers found that 25% of hiring managers reported that they believe that workers aged 55-64 are more reluctant to try new technologies, reluctant to learn new skills (23%) and are slower to adapt to technology (22%) (Figure 4.3). The findings are supported by field research in Sweden which found that call back rates decline substantially in workers' early 40s, with women faring worse than men (Carlsson and Eriksson, 2019[2]). A similar experiment in Switzerland uncovered that the likelihood of an unemployed worker to be invited to an interview or reemployed decreases with age (Oesch, 2020[3]). As the use of technologies (e.g. artificial intelligence) for hiring and promotion expands, careful attention must be paid to ensure that the use of such tools does not systematise pre-existing age-related biases (Box 4.1).

Figure 4.3. Employers say older workers are reluctant to try new technology or learn new skills

Share of employers who report that the factors negatively impact applicants' success, by age



Note: Responses were taken from an online survey conducted in February/March 2023 of hiring managers. Data show the unweighted average of the eight participating countries (Czechia, France, Germany, Romania, Spain, Sweden, the United Kingdom, the United States). Respondents (n = 1 510) were asked, "Which of the following characteristics do you think are most likely to negatively impact the success of the following applicants?"

Source: (OECD/Generation: You Employed, Inc., 2023[4]), *The Midcareer Opportunity: Meeting the Challenges of an Ageing Workforce*, https://doi.org/10.1787/ed91b0c7-en.

StatLink https://stat.link/7rpd4t

Most OECD countries have introduced legislation tackling age-discrimination in hiring, as well as ad hoc proactive initiatives to change employer attitudes towards older workers. However, the effectiveness of these interventions is limited by lack of enforcement and procedural or economic difficulties associated with bringing discrimination cases to court (OECD, 2019[5]). Tackling age discrimination at *all* stages of the recruitment and promotion processes in firms is key to retain talent of older workers as well as addressing labour shortages. Previous OECD reports suggest that age-friendly job advertisements, age-blind hiring, semi-structured panel interviews, and blind-hiring software (e.g. attitude tests or games) can be used to suppress implicit and explicit biases that disadvantage older workers in application processes (OECD, 2020[6]).[1] Implementation of these measures should be accompanied by procedures to continuously monitor and evaluate whether they achieve their inclusivity aims.

Box 4.1. The future of AI and inclusive hiring practices at all stages

The expansion of AI-powered tools used for hiring and recruitment has introduced new risks and opportunities for the job mobility of mid-career and older workers. On one hand, AI-powered tools may assess workers more objectively than hiring managers influenced by implicit or explicit biases. On the other hand, historical biases imbedded in training data or the algorithm itself can entrench age-related hiring biases that existed prior to AI, as well as raise questions about meaningful consent and transparency. The adoption of AI-powered tools for hiring and recruitment is still in its early stages (Broecke, 2023[7]). Policies and regulations (e.g. the European Union AI Act and auditing requirements) to foster the development of trustworthy AI and promote responsible implementation protocols are, therefore, critical to preventing systematised discrimination as the market continues to grow. Examples of AI-powered hiring and recruitment tools include:

- **Job search platforms and social media platforms use algorithms** to select who will view a job posting based on variables such as age, ethnicity, gender, job seniority or connection to other companies (Salvi del Pero, Wyckoff and Vourc'h, 2022[8]). The tools may introduce new biases by intentionally or unintentionally excluding older workers from viewing job advertisements. For example, in the United States, T-Mobile posted a job advertisement that was targeted only to individuals aged 18-38 (Kim, 2018[9]).
- **Hiring managers leverage AI-powered algorithms to screen candidates**, such tools review candidates' curricula vitae (CVs) or assess candidates based on gamified assessment tools. AI-powered CV screening tools often rely on historical data and may, therefore, mimic biased decisions that were made in the past. Recent evidence suggests that age-related biases are particularly challenging for algorithms to correct (Harris, 2022[10]). Gamified assessments, on the other hand, rank or match candidates based on their demonstrated skills, irrespective of age.
- **AI-powered video interviews** became more commonplace during COVID-19 to screen high volumes of candidates using limited resources. While the emerging evidence on whether these technologies are more objective than human interviewers is mixed, mid-career and older applicants may find the interviews impersonal and uncomfortable.

4.2.2. Career advancement and professional development

In addition to influencing hiring and promotion decisions, employer attitudes can undermine career advancement and professional development opportunities offered to older workers, thereby forging a gap between age groups. Due to demographic trends, workers are remaining employed for longer, yet employer attitudes, on average, have not adapted to a shift towards lifelong learning. As discussed in Chapter 3 employers may be apprehensive to invest in training and professional development for older workers without "long-term" prospects within the firm or perceive that older workers are uninterested in training or less likely to adapt to new technologies (Cedefop, 2012[11]). These beliefs widen the skills gap between older and younger workers, which, in turn, makes progression more difficult with age.

To close career progression gaps, it is crucial that employers encourage participation in training and convey its value to older workers who do not know if training is worth their time (Chapter 3). For instance, BNP Paribas Portugal recognised that tapping into experienced employees is key to sustainable growth of their firm. The *Built to Shift Programme* emerged as a skills development programme with the aim of encouraging experienced workers of all ages to polish their skills, remain up to date with new trends in the banking sector, and exchange information across departments and, importantly, generations (OECD, forthcoming[12]). The programme is designed to integrate a mix of interactive elements focused on

three pillars important for the future of work: trends, tools, and soft skills development. Diverse sessions include inspirational sessions, practical workshops, and group activities to facilitate collaboration and knowledge sharing. For initiatives such as these to be effective, managers must set a positive example and promote participation so that workers will not feel penalised or discouraged from taking advantage of career development opportunities.

4.3. What policy levers can help employers harness internal mobility?

4.3.1. Identify better skill matches for older workers within the company

Holistic age management policies that stimulate internal mobility (e.g. job rotation and redeployment programmes, mid-career reviews and intergenerational knowledge transfers) can benefit both employers and workers by addressing skills shortages and forming better labour market matches without having to seek outside opportunities. Each of these polices are oriented towards prevention, rather than reaction, to challenges arising in an ageing workforce, thus pre-empting difficulties that may push older workers out of the labour market prematurely. Unfortunately, the 2020 AARP Global Employer Survey revealed that far too few employers make use of proven approaches (OECD, 2020[6]).

Job rotation and redeployment programmes help workers, particularly those with health-related issues or those in arduous occupations, to identify and transition into roles that better align with their skills and aspirations. Job rotation programmes are commonly targeted at new graduates. However, they can also enable more experienced, older workers to move laterally between workstations or tasks on a temporary basis without the intention of returning to their original role (OECD, 2020[6]). Rotating between roles has been shown to expand workers' skillsets and can help identify roles that are a better fit for the next stage of their career (Botti, Calzavara and Mora, 2021[13]). Moreover, the programmes enable knowledge transfer between more experienced and early career employees, which in turn, strengthens organisational resilience and functional flexibility.

While some job rotation programmes can last several months, others offer workers short-term opportunities to experiment with other positions in the company before committing to a career change. In job shadowing programmes, workers observe someone else as they carry out their role. On the other hand, cross-training programmes give workers a more hand-on role as a short-term substitute or fill-in for workers in essential roles when needed. Not only does cross-training alleviate staffing needs, but it can help managers identify future candidates for hard-to-fill roles (Proctor, 2023[14]).

In a similar nature, redeployment schemes – where employers reallocate workers between roles within the firm – can act as a preventative measure to protect workers' from developing or worsening occupational health-related injuries. Offering redeployment opportunities demonstrates to workers that their firm values their skills and experiences, as well as facilitates enriching intergenerational exchanges (Mitchell, 2022[15]). With that in mind, qualitative evidence suggests that employers sometimes misuse redeployment schemes to address organisational needs (e.g. skills shortages), rather than prioritising workers' needs (Lain, Vickerstaff and van der Horst, 2022[16]). It is, therefore, important that employers mindfully implement redeployment schemes in such a way that is mutually beneficial to themselves and workers. Framing redeployment as a means to maintain employability, enhance flexibility and improving health is a best practice to ensure that workers do not feel downgraded or deskilled by the change (Naegele and Walker, 2006[17]). Moreover, these schemes are best complemented by retraining and upskilling initiatives that prepare workers for a job change. While employer-sponsored redeployment schemes are ideal, government-sponsored redeployment schemes, such as the Luxembourg Professional Redeployment Programme (*Reclassement Professionnel*), can enable workers with disabilities to extend their careers (Box 4.2).

Box 4.2. Professional redeployment for workers with health barriers

Professional redeployment is also an attractive solution for older workers whose health status means that that are no longer able to perform in their past job but are not yet eligible to receive a disability pension. Since 2016, the **Professional Redeployment Programme** (*Reclassement Professionnel*) in **Luxembourg** encourages eligible workers reintegrate into a role that is adapted to their health and flexibility needs within the same company. In cases where internal redeployment is not possible, workers may be eligible for external redeployment, where they are required to meet with a career advisor to discuss their skills, interests, and medical restrictions through the public employment services. To protect workers from occupational downgrading due to their health, some workers are entitled to a compensatory allowance to cover income differentials between their current and former jobs. Such elements of the intervention are designed to enable workers with certain disabilities remain engaged in the labour market, despite barriers that would have otherwise pushed them out of work.

Redeployment or outplacement schemes are also effective policy tools when workers are made redundant due to company restructuration. At the government-level, Belgium's Outplacement Regime for Workers Aged 45 and Above (*Régime particulier – travailleurs âgés de 45 ans et plus*) and Czechia's Project Outplacement (*Projekt Outplacement (OUT)* are programmes targeted at minimising unemployment duration for displaced workers.

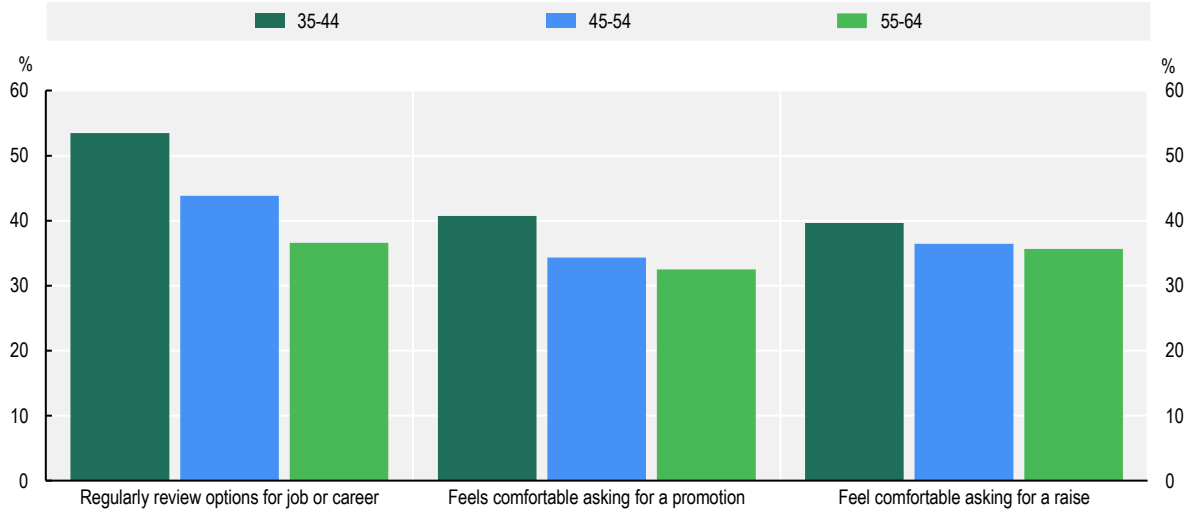
4.3.2. Help older workers plan for career transitions

Many workers aged 45 and over wish to change jobs or progress in their careers at later stages, but the pathway to do so is not clearly defined. As workers age and take on management responsibilities of their own or become more comfortable in their roles, they report having fewer chances to regularly review the options for their job or career or feel less comfortable asking for a promotion (Figure 4.4). This reality is particularly troublesome for workers aged 45 and above with lower levels of education who are 14 percentage points less likely to regularly review the options for their job (47% vs. 33%). Nevertheless, it is increasingly important for workers of all skill-levels to proactively reflect on career mobility before change becomes unavoidable or is no longer feasible.

Mid-career reviews (MCRs), where employers carry out an assessment of workers at a mid-point in their working life, help to identify mobility and training pathways that can improve older workers' longevity within the firm (OECD, 2019[5]). Rather than simply reviewing workers' performance, MCRs generate a broad conversation about workers' current and future aspirations, such as skill development, implications of work on their health, and their retirement plans. Workers and their line managers jointly develop action plans to enrol in training, transition to a flexible work arrangement or even discuss horizontal transfers within the firm (Business in the Community, 2018[18]; Eurofound, 2016[19]). Mid-career reviews or career conversations can also be combined with training and career development opportunities for both workers and managers to strengthen intergenerational relationships (Box 4.3).

Figure 4.4. Opportunities to discuss career options become less common with age

Share of workers (35+) who responded “Agree” or “Strongly agree”



Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over. Data show the unweighted average of the 12 participating countries (Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom, the United States). Employed respondents aged 35 and over (n = 8 106) were asked, “How strongly do you agree or disagree with the following statements about your job?”
Source: AARP Global Employee Survey (2022).

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Career reviews can be used to identify candidates for horizontal transfers and help retain workers with specialised knowledge and skills that are valuable to the firm. Eurofound interviewed employees and HR representatives from Frosta Sp. z o. o., the Polish representative of the Germany Company Frosta AG, which produces frozen meals (Eurofound, 2016[19]). In addition to helping workers upskill and creating new positions, annual career reviews have helped Frosta facilitate horizontal transfers to roles that better suit their capabilities and expectations. For example, following a career review, several conversations, and brainstorming sessions with senior management, a manager with weakened performance was redeployed to a new role that was more experience oriented. The example underlines how firms can draw on horizontal transfers to form better labour market matches without discharging workers.

While career reviews are beneficial for workers of all ages, it is crucial that companies target older workers who are less likely to reflect on their career or take part in training (Figure 4.4). To emphasise the importance of career reviews to older workers without excluding younger workers, companies may choose to extend a special invitation to all workers above an age-threshold but advertise voluntary career reviews to everyone at the firm.

Box 4.3. "Design the Last Miles of Your Career" at Schneider Electric

Schneider Electric is a French-based energy company with over 115 000 employees working across 115 countries. Demographic changes within their workforce has raised concerns about impending labour market shortages. In response, in 2021, the company introduced the **Senior Talent Program**, which aims to harness older workers full potential through skill and career development opportunities tailored to workers' unique profiles. A key element to the programme is a Global Toolkit that is designed to provide a framework of suggestions that countries can tailor to suit their local contexts, such as fostering career conversations and offering flexible working conditions.

As part of the programme, in France, Schneider Electric piloted the **"Design the Last Miles of Your Career"** initiative to cultivate engagement and enhance employability of older workers. Both managers and workers participated in career development events, which included training and career coaching for workers and webinars for managers. The pilot ended with career discussions between managers and employers. During the debrief session, workers remarked that the investment of the company's time and resources made them feel appreciated and listened to. Creating opportunities for workers and managers to interact are a simple way to empower older workers to express their career goals and ambitions.

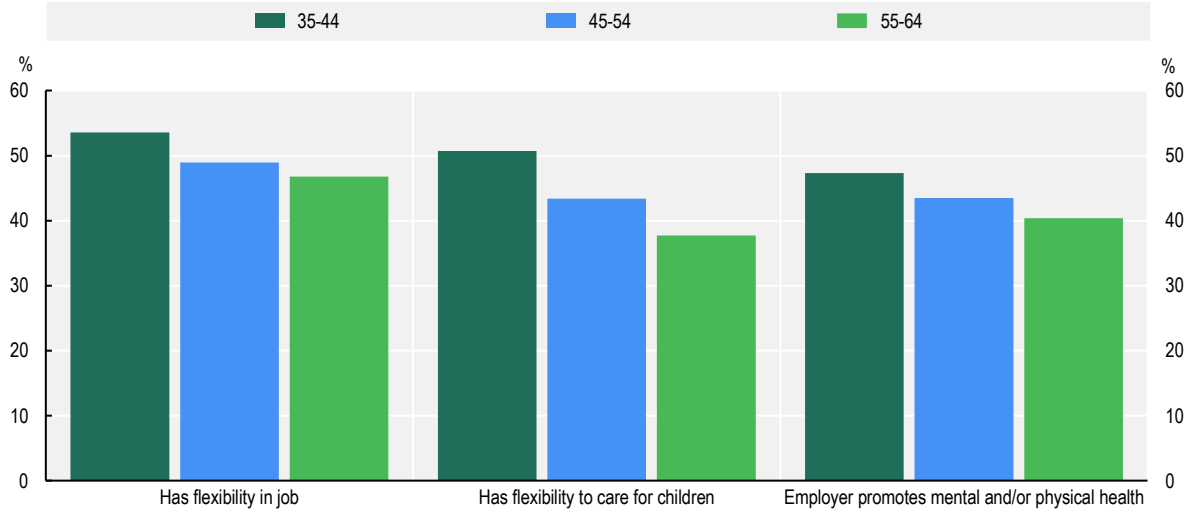
Source: (OECD, forthcoming[12]), "Career Paths and Engagement of Older Workers".

4.3.3. Attract older workers with remote work

For many workers with health-related barriers and care responsibilities, flexible accommodations are crucial to continue working happily and sustainably over the long term. However, according to the 2022 AARP Global Employee Survey, the share of workers with flexibility in their jobs declines with age (Figure 4.5). Workers aged 35-44 are 7 percentage points more likely to agree that they have flexibility in their jobs compared to those aged 55-64 (54% vs. 47%). Lack of flexibility is particularly troublesome for workers aged 45 and over with low levels of education who face a 14-percentage point gap between themselves and workers with high levels of education (54% vs. 40%). Without widespread employment-oriented support and workplace adaptation, short-term joblessness among workers with health barriers or care responsibilities is at high risk of translating into permanent inactivity. It is, therefore, crucial for employers to offer flexible accommodations (e.g. remote work and flexible scheduling) to attract and retain older workers.

Figure 4.5. Older workers are less likely to have flexibility in their jobs

Share of workers (35+) who responded “Agree” or “Strongly agree” with the following statements about their job



Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over. Data show the unweighted average of the 12 participating countries (Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom, the United States). Employed respondents aged 35 and over (n = 8 106) were asked “How strongly do you agree or disagree with the following statements about your job?”
Source: AARP Global Employee Survey (2022).

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The expansion of remote working or teleworking during the COVID-19 pandemic has been associated with enhanced average levels of job satisfaction, work-life balance, and mental and physical health among younger and older workers alike (Broecke and Touzet, 2023[20]). Yet, the benefits of remote work are particularly relevant as workers age and place more value on their work-life balance. Remote work arrangements make it easier for older workers to balance their work and outside commitments (e.g. care responsibilities, hobbies), as well as reduce commute time that may have otherwise prohibited job mobility. As a result, evidence suggests that remote working has led to greater reductions in psychological job demands compared to returning to the office post-pandemic, especially among older women and men (Fan and Moen, 2023[21]). By reducing job pressures, workers with remote work can extend their working lives or move to different locations for all or part of the year (Box 4.5) (Powell, 2021[22]). Those without remote work, on the other hand, are increasingly more interested in transitioning to roles that match their remote work preferences (Barrero, Bloom and Davis, 2023[23]).

Box 4.4. Fully remote working combines geographic mobility and career mobility

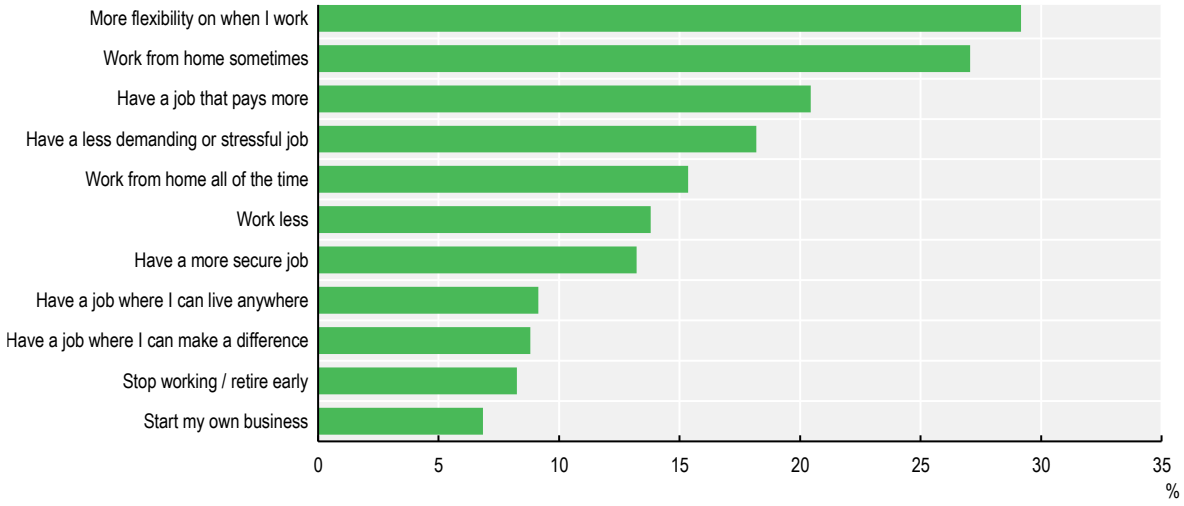
Fully remote working arrangements allow workers to combine career mobility with geographic mobility. Chapter 3 explained ways in which institutional and personal barriers prevent workers from moving for a job. Remote working arrangements smooth some of the "frictions of geographic mobility" by enabling workers to settle in one location but hold a job elsewhere. Older workers with fully remote work arrangements have the freedom to live in regions with a lower cost of living, a better lifestyle, or easier access to medical facilities. Employers also benefit from widening their pool of candidates outside of the local labour markets and immigration limitations. To take advantage of the enhanced flexibility, more older workers may begin placing higher value on remote working policies when changing jobs.

As fully remote work becomes more common, place-based policies help shape where people choose to move to and have implications for regional development (OECD, 2021[24]). For instance, governments (e.g. Croatia, Estonia, Germany, Mexico, Norway, and Spain) have begun issuing 6-month nomad visas to attract workers globally and stimulate economic growth in declining regions (Choudhury, 2022[25]). For the past decade, Chile has offered qualified entrepreneurs a year-long visa and up to USD 40 000 in equity-free grants and benefits to contribute to the Chilean entrepreneurial ecosystem through **Start-Up Chile**. That being said, some economists and policy makers have raised concerns regarding the impact of remote work-induced geographic mobility on the demand for services (and the consequences for workers) within city centres that are emptied out (Althoff et al., 2022[26]).

Remote working arrangements exist on a spectrum, which, in turn, offers workers a range of options to suit their requirements. According to the 2022 AARP Global Employee Survey, respectively 27% and 15% of workers reported that COVID-19 made them want to work from home sometimes or all of the time (Figure 4.6). Since older workers are more likely to hold more senior or management roles and less likely to have childcare obligations, they are, on average, more resistant to fully remote schedules compared to employees aged 30-49 (Barrero, Bloom and Davis, 2023[23]). Therefore, hybrid work schedules that combine working from home at the office are particularly attractive to older workers who value both socialisation with colleagues and the comfort of working from home or in a public space. Hybrid work overcomes some challenges associated with fully remote work by enabling face-to-face communication, facilitating in-person learning, and enforcing greater accountability, to name a few reasons. At the same time, hybrid work arrangements are still geographically bound, which makes it difficult to take full advantage of mobility towards regions with robust job opportunities or family. Providing additional measures to support geographical mobility can help (as discussed in Chapter 3).

Figure 4.6. Older workers place more value on flexibility after COVID-19

Share of workers (45+) who responded "Yes" to "Thinking about the impact of the COVID-19 pandemic on your job, has it made you realise that you want any of the following options?"



Note Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over. Data show the unweighted average of the 12 participating countries (Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom, the United States). Employed respondents aged 45 and over (n = 5 231).
Source: AARP Global Employee Survey (2022).

StatLink https://stat.link/yezv4m

Moreover, remote work is not feasible for all occupations, including many arduous jobs and those in the service sector. Unlike occupations that only require a laptop and internet connection, workers that are required to work outdoors or use heavy equipment have low remote working potential. There is a strong correlation between skill-level required for an occupation and its remote working potential, which raises concerns about inequality (OECD, 2021[24]). To accommodate these workers, employers can instead explore redeployment into roles that are amenable to remote work, flexible scheduling, or part-time working arrangements.

4.3.4. Policies to mitigate the motherhood penalty are vital for improving career mobility for women

The arrival of children has a big impact on family life and women are more likely to take paid leave or work part-time. The high cost of childcare and long-term care in many countries can prevent women from re-entering the labour force or lead women to leave current positions in search of more flexible working arrangements. More generous support for childcare, such as public provision or subsidies plays a key role in supporting female labour force participation (Albanesi, Olivetti and Petrongolo, 2022[27]). Paternity leave should also be expanded to improve the work-life balance of mothers and fathers (and other family types)[2]. When periods of parental leave and part-time work are time-limited and shared by men and women, this reduces the risk of women being side-lined for promotions and pay increases. Some evidence suggests that longer maternity leave periods can drive persistent declines in women's health-related physical performance and delay's women's career advancement (Healy and Heissel, 2020[28]). Policies such as increased access to affordable childcare may therefore have fewer unintended consequences.

Recent policy reforms have expanded opportunities for fathers to take up some parental leave through earmarked months or bonus systems (OECD, 2021[29]). Only seven OECD countries offered some parental

leave that was reserved for fathers in 1995, by 2020 34 countries did so. The EU has recently taken legislative action through the Work-Life Balance directive (Directive 2019/1158/EU), which among other issues aims to encourage more equally shared parental leave. It stipulates that each parent will have an individual right to four months paid parental leave, of which at least two will be non-transferable (OECD, 2022[30]).

The tax and benefit system is often structured such that the incentives for the lowest earning partner (often women) to work or to work full-time are reduced. In some OECD countries, married couples and civil partners have the option to file joint income tax returns, which can lead to a lower marginal tax rate for the couple compared to filing separately, thanks to progressive tax schedules. While this can decrease the total tax burden for the family, it results in a higher marginal tax rate for the partner with lower earnings. Countries with tax systems that benefit families with a single or primary earner should consider modifying their systems towards neutrality or, to better promote gender equality, adopt individual taxation. To mitigate any financial losses from these changes, governments should enhance transparent family support measures or lower individual income tax rates (OECD, 2021[29]).

The gap in opportunities for career progression for women calls for policies targeted at firms. Equal pay and anti-discrimination laws are in place across OECD countries; however, these existing laws largely work through empowering individuals to enforce equal rights. To more effectively narrow these gaps, policy measures targeting firms, such as pay transparency tools, quotas, and voluntary targets, are recommended. Pay transparency measures are emerging as a key strategy to address gender wage gaps, especially within firms, inspired by the 2014 European Commission Recommendation on strengthening the principle of equal pay between men and women through transparency. These measures aim to make systematic pay differences more visible and include job classification systems, non-pay gender-disaggregated reporting, regular gender pay reporting, and audited pay gap reporting. Equal pay audits analyse the gender distribution of pay differentials across job categories with the aim of embedding gender-sensitive practices in firms. These audits provide a clearer path for action and lessen the individual's burden to combat wage disparities. They highlight the root causes of gender pay gaps and are suggested for all firms, with supports to ease the administrative load on smaller businesses. In the OECD, nine countries, including Canada, Norway and Switzerland, implement such pay auditing processes (OECD, 2021[31]).

Broader factors such as education and educational choices also significantly influence gender differences in career progression and pay gaps. Across OECD countries young women are on average more likely to obtain higher educational attainment than young men, however, men continue to dominate in STEM fields, which often lead to higher-paying careers. This disparity is attributed more to societal attitudes than to aptitude, indicating that changing these norms and influencing educational choices is a gradual process. Gender norms and culture have been shown to be important in transmitting child penalties through generations (Kleven, Landais and Søgaard, 2019[32]).

4.3.5. Consulting and independent contracts can keep workers engaged whilst facilitating a smoother transition to retirement

Internal transitions from standard work contracts to independent or consulting contracts can be particularly attractive for older workers approaching the end of their careers. Older independent contractors benefit from greater flexibility while remaining engaged in their work as they ease into retirement (Terrell, 2019[33]). Evidence from the United States finds that nearly one-quarter of independent contractors aged 50 or older work for a former employer (Abraham, Hershbein and Houseman, 2021[34]). Opportunities to take-up independent contract work are most common among highly educated individuals, but that does not necessarily need to be the case (Abraham, Hershbein and Houseman, 2021[34]). Workers of all skill levels bring specialised skills and expertise that are desirable in training, mentoring and management consultants. Facilitating these types of interactions between older and younger workers promote

intergenerational exchanges that prevent knowledge loss that may occur when experienced workers retire (Box 4.5). It also helps workers feel that their expertise is valued by management.

In most countries, however, independent contractors are not entitled to the same benefits and entitlements as workers in standard employment contracts, such as supplemental health insurance and employer-sponsored retirement contributions. In the United States, for example, individuals cannot enrol in Medicare health benefits until they reach 65 years old. As a result, the rate of self-employment markedly increases at age 65 (Appelbaum, Kalleberg and Rho, 2019[35]; Abraham, Hershbein and Houseman, 2021[34]). This highlights governments' role in providing universal health policies that protect individuals regardless of their employment classification. For those who are below the threshold, conversations between management and workers are necessary to weigh the risks of transitioning to contract work. Employers are also encouraged to offer wages commensurate with their previous salaries to prevent managers from taking advantage of independent contracts to lower expenses.

Box 4.5. Intergenerational knowledge transfers with Bosch's "Senior Expert Program"

Facilitating intergenerational knowledge transfers is crucial to preventing knowledge loss as workers retire. Bosch is a German multinational engineering and technology company with more than 421 300 associates across 60 countries (Bosch, 2022[36]). Bosch taps into older workers' knowledge and experience through the "Senior Expert Program", which allows experienced workers to transition to a diverse set of roles within the company such as training, mentorship, interim management, or quality assurance (EBRD, 2020[37]). These experts are hired as consultants or project contracts and are paid a competitive wage reflective of their former salaries (Bosch, n.d.[38]). Currently, there are more than 2 400 senior experts worldwide, representing more than 50 000 years of professional experience (Bosch, n.d.[38]).

The programme has been crafted to provide support not only to the company but also to its workers. Bosch benefits from the transfer of valuable knowledge to the next generation of Bosch associates. These intergenerational dialogues encourage conversations that stimulate creativity and innovation. Senior experts are similarly reassured that their experience is appreciated and that they can stay in touch with their field of expertise as they make a smooth transition into retirement.

4.3.6. Support older workers to redesign their roles with job crafting initiatives

Job crafting enables workers to re-construct their job description to suit to their changing needs. Over time, job expectations evolve with workers' priorities changing, as well as the nature of the job changing. Traditional job redesign processes are top-down and standardised. Job crafting, on the other hand, allows workers and employers to devise a bottom-up, individualised approach to reconstructing job descriptions in such a way that improves their productivity and satisfaction (Wong and Tetrick, 2017[39]). Wrzesniewski and Dutton's original theoretical framework for job crafting divides the process into three types (Wrzesniewski and Dutton, 2001[40]):

- *Task crafting:* Workers are encouraged to reconsider the type and scope of tasks that they are expected to perform. For older workers, task crafting may include reducing the number of tasks to lower job strain.
- *Relational crafting:* The changes cover the interpersonal qualities of a job, including the frequency and types of interactions with colleagues. Older workers may wish to increase the number of interactions that give them emotional or social fulfilment.

- *Cognitive crafting:* This type of crafting encourages workers to consider their perceptions and cognitive representations of their jobs. In other words, older workers can reflect on aspects of their jobs that would provide them with more meaning or fulfilment.

More recently, *well-being crafting* has emerged as the fourth type of job crafting used support workers by managing stress-levels through remote work and work-life balance initiatives. Hybrid and fully remote work, personalised training programmes, and a wide array of communication tools (e.g. messaging apps) create new ways for workers to restructure their tasks with greater flexibility.

In the process of identifying aspects of work that are personally meaningful and motivating, older workers optimise their productivity and improve longevity (Wong and Tetrick, 2017[39]). Moreover, employers that support job crafting cultivate an environment for innovation by stepping away from static job descriptions that leave little room for creativity. It is important, however, that boundaries are established from that start so that modifications align with organisational goals. Periodic reviews or evaluations should be carried out to ensure that workers do not stray from these organisational objectives.

4.3.7. Rethinking seniority-based wages and tenure-pay policies

As discussed in Chapter 3, seniority wages or tenure-pay policies can undermine job mobility for mid-career and older workers. Despite a downward trend, seniority wages remain dominant in many OECD countries, and especially so in Korea and Japan where wage-setting practices have been shown to lower re-hiring prospects of older workers (OECD, 2019[5]). Additional evidence at the firm-level suggests that employers with steeper seniority wage profiles underpay workers at the beginning of their contracts with the promise of compensating for the productivity-pay gap as they progress internally (Zwick, 2012[41]). This system leads to an incentive structure that favors internal recruitment of young, male workers with less experience and longer tenure potential over older workers and young women. Better aligning wage profiles to productivity at all stages of the career is desirable where possible.

Key recommendations

- Persistent ageism stemming from stereotypical views on the strengths and weaknesses of older workers influences hiring and promotion decisions, which in turn impedes career advancement. Employers can put concrete measures in place (e.g. attitude tests, age-blind hiring, etc.) to suppress implicit or explicit biases that seep into application processes.
- Some older workers (8%) reported that they have been denied access to training or professional development because of their age. It is crucial that employers actively promote career advancement and professional development for older workers who may not see the value of training.
- The quality of job matches can deteriorate with age or long tenure. Job rotation and re-deployment programmes can help workers, especially those with health-related issues or those in arduous occupations, to transition to roles that better align with their skills and career goals.
- Older workers are among the least likely to review their career options or ask for a promotion. Mid-career reviews (MCRs) encourage older workers and their managers to identify mobility and training pathways that can improve older workers' longevity and satisfaction within the company.
- Although flexibility is increasingly important to workers as they age, older workers are among the least likely to access flexibility in their jobs. Employers can enable older workers to transition to fully remote or hybrid remote work arrangements, which make balancing work and outside commitments more manageable.
- A variety of family, fiscal, and broader social policies targeted at supporting women in resuming their careers in high-quality positions after taking breaks is essential. This includes policies targeted at households such as equal uptake of parental leave by mothers and fathers and the provision of formal childcare and out-of-school-hours services for all young children. Also essential are policies targeted at firms such as pay transparency measures, for example equal pay audits.
- Firm-specific knowledge will deplete as experienced workers retire. Allowing workers near retirement to become independent contractors promotes intergenerational knowledge sharing and offers workers flexibility.
- Seniority-based wages and tenure-pay policies may discourage companies from promoting older workers relative to younger colleagues. Increasing internal mobility among older workers calls for better aligning wages with productivity.

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Notes

[1] For more information on age bias in recruitment, refer to *Promoting an Age-Inclusive Workforce* (OECD, 2020[6]).

[2] On average, OECD countries offer just under nine weeks of paid father-specific leave, either through paid paternity leave or paid father-specific parental or home care leave. In some countries such as Sweden and Norway, partners have dedicated use it or lose it time off (OECD, 2023[42]).

Ageing and Employment Policies

Promoting Better Career Choices for Longer Working Lives

STEPPING UP NOT STEPPING OUT

The transition towards a green economy, the rapid development of new digital technologies and cultural change are some of the forces disrupting traditional career paths, resulting in more fluid and diversified career trajectories. To benefit from increased longevity, workers will increasingly have to consider job mobility at middle and older ages, changing jobs or careers more frequently than in the past. Making successful career transitions, however, tends to be more difficult for workers at older ages due to health issues, unfamiliarity with relevant technology or a lack of recent job search experience. This may result in a mismatch between the types of jobs they want and the jobs that employers may provide. This report presents evidence on recent trends in career mobility and the consequences for individual workers in terms of pay and other job characteristics. It identifies key employer and public policies that can help facilitate career mobility that results in better employment choices at older ages. This requires overcoming discriminatory views towards older workers, improving job flexibility choices and ensuring that government policy supports voluntary career mobility.

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