



2019 Hiscox
Ageism in the
Workplace Study™

By 2024, workers age 55 and older will represent 25% of the nation's workforce, with the fastest annual growth rates among those aged 65-and-older.¹

This evolving workforce presents business owners and C-suite leadership with unprecedented challenges, an array of new risks and some unique opportunities. The 2019 Hiscox Ageism in the Workplace Study™ surveyed 400 U.S. full-time employees over the age of 40 to gain on-the-ground insights into the experience of age discrimination in the workplace.

Ageism creates a range of hazards for employers, including discrimination lawsuits, demotivated employees and the lost opportunity costs associated with devaluing older workers. Our study shows that 67% of surveyed workers aged 40-65 plan to continue to work after they turn 66. Businesses can profit by better understanding and adapting to this demographic trend.

¹ <https://www.bls.gov/careeroutlook/2017/article/older-workers.htm>

Workplace Age Discrimination is Surprisingly Common...and Growing

The number of age-related discrimination charges filed with employers and the EEOC by workers aged 65+ doubled from 1990 to 2017². There were 18,376 cases in 2017.³

The EEOC defines age discrimination as treating an applicant or employee less favorably because of his or her age. The Age Discrimination in Employment Act (ADEA) forbids age discrimination against employees and applicants who are age 40 or older. The law forbids discrimination in any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoffs, training, benefits and any other term or condition of employment.

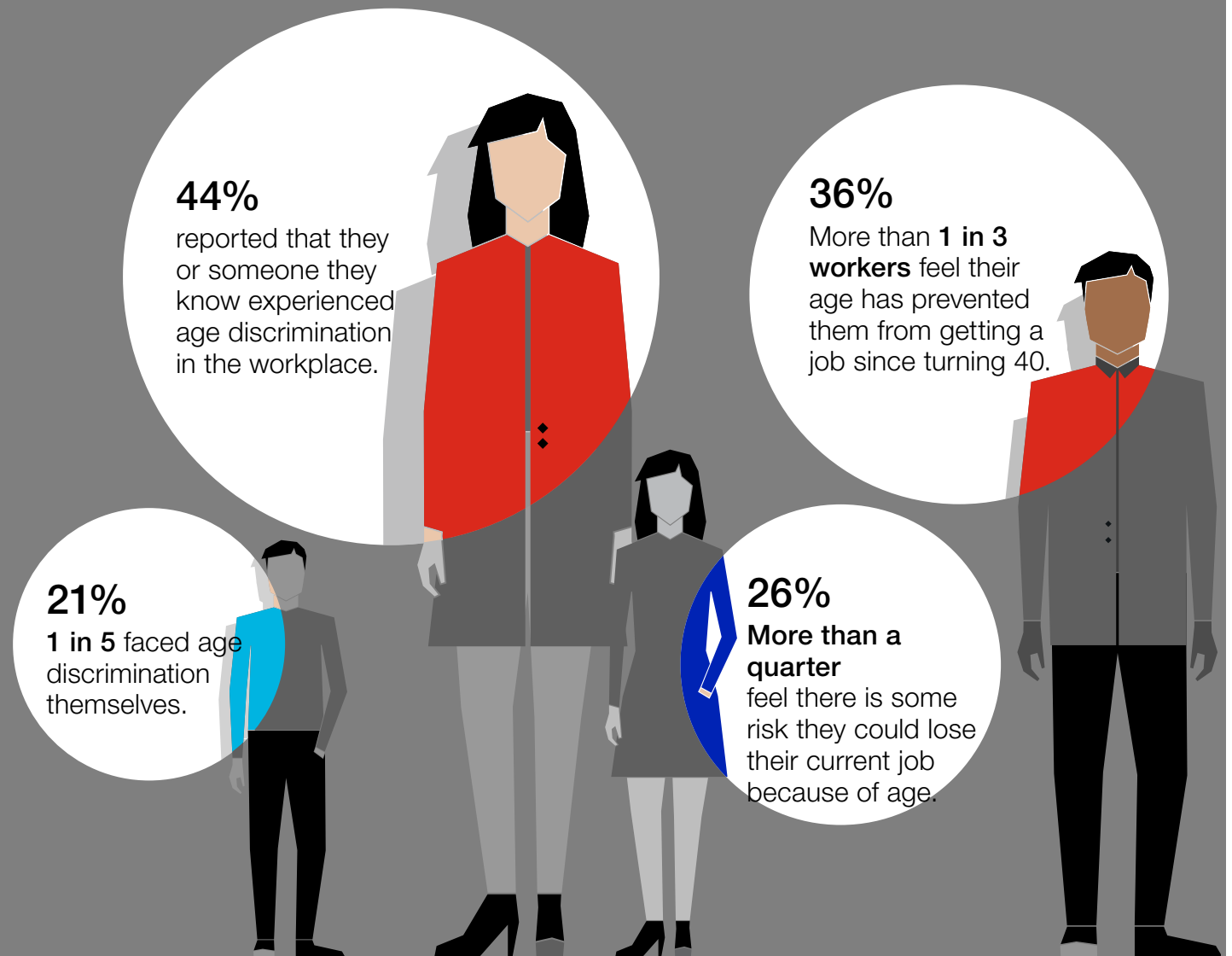
The ADEA also makes it illegal to harass a person due to his or her age. Harassment is defined by the EEOC as 'unwelcome conduct based on race, color, sex (including pregnancy), national origin, religion, age, disability, or genetic information.' For a wider examination of workplace harassment issues and risks, we invite you to read our 2018 Hiscox Workplace Harassment Study™.

As seen in this chart, our survey of 400 full-time employees found that age discrimination is alarmingly prevalent in American workplaces and that workers 40 and older are feeling its effects. As workplace demographics change, businesses must be proactive to reduce the effects of ageism at work.

² <https://www1.eeoc.gov/eeoc/history/adea50th/report.cfm?renderforprint=1>

³ <https://www.eeoc.gov/eeoc/statistics/enforcement/charges.cfm>

Hiscox survey shines a light on age discrimination



51 years old

is the age at which workers believe they are most likely to experience workplace age discrimination.



Age Discrimination is Vastly Underreported

Although older workers are protected against age discrimination in the workplace by federal and state laws, only 40% of respondents who experienced age discrimination filed a charge or complaint with the relevant government agencies or their employers.

There are several reasons why an individual may elect not to file an age discrimination grievance; chief among them are the fear of creating a hostile work environment arising from a complaint and a lack of knowledge about the process of filing an age discrimination charge.

Over 50% of co-workers who witnessed instances of age discrimination did not report it.

Victims mostly remain silent...

Only 40%

of respondents who experienced age discrimination filed a charge or complaint.

75% of those filed

a complaint with their employer.

Less than half (48%)

filed a complaint with a state or local agency or the EEOC.*

...Due to fear or lack of knowledge

54%

did not file a charge due to fear of creating a hostile work environment.

24%

did not file a charge because they did not know how to initiate a complaint.

While witnesses stand by

Nearly 4 in 10

workers (37%) witnessed age discrimination, though...

A majority (51%)

did not report it...

62%

of witnesses cited fear of retaliation from their employers as the reason for not reporting.



* Adds up to more than 100% since some workers filed claims with employer and one or more of the relevant agencies.

Gender Plays a Role in Workplace Ageism

In addition to the gender bias women face in the business world, older women may face an additional variant of bias—ageism. That said, our survey found that more men than women feel that their advancing age has adversely impacted their careers.

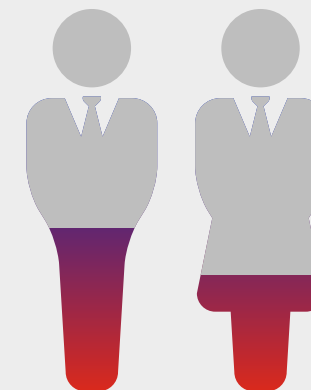
Male respondents to our survey felt the effects of age discrimination more keenly than women. Here are some of our findings classified by gender:

- 43% of men believe their age has prevented them from finding a new job.
- Less than one-third (30%) of women feel their age hinders new employment opportunities.
- About 4 in 10 men (39%) feel their age has hindered job promotions.
- 24% of women think that their age has prevented them from being promoted at a job.
- Half of men say they have experienced or witnessed age discrimination.
- 38% of women experienced or witnessed age discrimination.

Gender and ageism



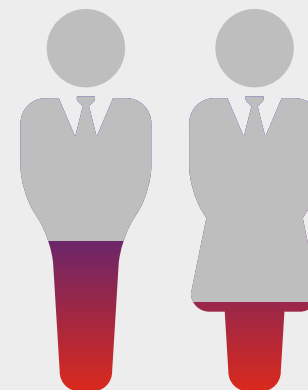
Age has been a barrier to **finding a new job**



43% Men
30% Women



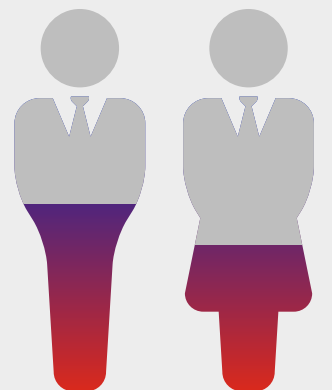
Age has frustrated **career advancement**



39% Men
24% Women



Have experienced or witnessed **age discrimination**



50% Men
38% Women

Top 5 Myths about Older Workers

Stereotypes about any group of people are unfair and often offensive. They are frequently rooted in ignorance about people who happen to have different social or cultural backgrounds from those individuals holding such biases.

Sadly, the myths about older workers are grounded in ill-founded generalizations that diminish the value they can bring to their employers and co-workers. Our survey found that older workers felt the sting of stereotypes, resulting in slower professional advancement and reduced job satisfaction.

Among workers aged 40 and over, there is a perception that they are somehow “washed up” professionally, and that they are seen by their younger co-workers as being set in their ways, are not tech savvy and unmotivated. Whether these beliefs are held by younger colleagues or not, they affect older workers on the job.

Most common myths

Percentage of workers over 40 who feel they are stereotyped by younger co-workers



66%

Are resistant to change, e.g., resist learning new skills



54%

Don't like or understand technology



39%

Are too highly compensated to retain



20%

Are difficult to manage



21%

Are complacent or unmotivated

The Cost of Workplace Ageism

▶ To the employer

Age discrimination in the workplace can result in substantial costs to employers, including:

- Demotivated employees, which can hurt productivity, customer service and product quality.
- Loss of talent and institutional knowledge when experienced workers leave due to a stalled career or hostile environment.
- The missed opportunity costs of not hiring and retaining workers who possess unrivalled knowledge, experience, good judgment and commitment to the job.

▶ To the employee

Career progression is fundamental to maintaining strong employee morale and worker productivity, regardless of age. Yet, many older workers feel that their career growth has stalled as they've aged.

Career trajectory



80%

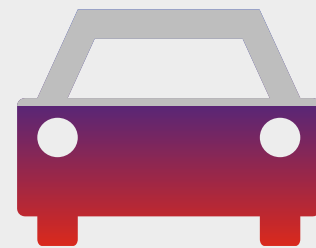
say their career trajectory has been impacted due to age, among those who have experienced age discrimination



43%

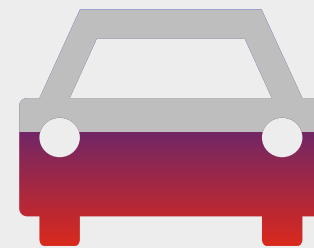
left a company due to age discrimination experienced or witnessed

Career mobility



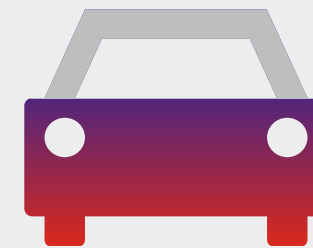
59%

believe they won't get a new job because of age



47%

of those in prime earning years(40-49) share this concern



62%

of middle managers or higher say age may prevent them from getting a new job

Older workers typically endure **the longest period of unemployment** compared to other age groups and will likely take a significant pay cut if they become re-employed.

Source: Equal Employment Opportunity Commission (EEOC)



\$810.4 million

is the amount employers paid to settle age discrimination charges filed with the EEOC between 2010 and 2018, not including litigation.

How to Combat Ageism and Protect Your Company

Ageism can be expensive to employers, both in terms of direct costs, such as legal, regulatory and settlement fees, and through indirect costs, such as reduced worker productivity and the loss in value uniquely associated with experienced workers.

At Hiscox, we believe that protecting against the risks of age discrimination is a three-step process: **Prevent. Detect. Mitigate.**

Prevent

Workforce training is critical to educating employees to the overt and subtle forms of ageism that can infect a workplace. Employees may be unaware that they are discriminating against an older colleague — a blindness that education can eliminate.

Another benefit of training is that educated employees who witness instances of ageism are more likely to report it. For example, 65% of respondents with training reported age discrimination when witnessed vs. 49% of overall respondents.

In other words, educated employees can serve as an “early warning system” on age discrimination in the workplace, allowing employers to discover and thwart any age bias behavior early on.

Despite the fact that education may be the most effective and cost-efficient tool in preventing age discrimination, our research indicates that 62% of respondents did not receive any form of training on age discrimination in the previous 12 months.

These training efforts should be supported by a culture of inclusion that comes from the top, as well as a zero-tolerance approach to any transgressions of the firm’s written policies.

Detect

To detect age discrimination, employers should be watchful for any behaviors that indicate that older workers are:

- being harassed or excluded from projects or teams,
- underrepresented in new hiring and promotions, and
- disproportionately affected by job terminations.

Employers should also conduct periodic, anonymous employee surveys to gauge the existence and extent of ageism in the workplace.

Mitigate

Employers should respond to claims of age discrimination immediately, and take each complaint seriously by investigating thoroughly. This should include interviews with all parties immediately connected to the complaint, any witnesses, and a review of other relevant evidence.

Generalization is an innate human trait, making the risk of age discrimination very real, even with best-in-class controls and training. However, companies can best protect against age discrimination risk with the appropriate levels of liability insurance for both the company and its management.

62%

of respondents did not receive any form of age discrimination training in the previous 12 months.

What is EPL insurance?

There are a number of employment-related risks all businesses face. Employment Practices Liability (EPL) insurance provides coverage to employers for Employment Practices Violations, including, but not limited to:



Wrongful termination of employment
(actual or constructive), dismissal or discharge.



Harassment
sexual harassment or hostile work environment.



Employment-related libel
slander, humiliation, defamation or invasion of privacy.



Breach of implied contract



Discrimination
(including, but not limited to, discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability).



Retaliation

Survey Methodology

The Hiscox survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 400 US adults, ages 40+, employed full-time, including 200 men and 200 women, between February 13 and February 25 2019, using an email invitation and an online survey. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 4.9 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

About Hiscox

Hiscox is a global specialist insurer, headquartered in Bermuda and listed on the London Stock Exchange (LSE:HSX). Through its retail businesses in the UK, Europe, and the US, Hiscox offers a range of specialist insurance for professionals and business customers as well as homeowners. For more information please visit www.hiscox.com.

THIS COMMUNICATION IS FOR INFORMATIONAL PURPOSES ONLY.

The contents of this article and the linked materials do not offer legal, business or insurance advice related to the needs of any specific individual business. The insurance coverage described herein is subject to and governed by the terms and conditions of each policy that may be issued. The publication and delivery of this information is not intended to be a solicitation for the purchase of insurance on any US risk.