A third of UK firms are actively hiring older workers

Thursday 30 October, 2025

- Employers seeking to plug skills gaps are increasingly in favour of hiring returners and older workers
- Three quarters of employers (77%) are worried about staff lacking the skills they need to work.
- Firms are stepping up investment to retain staff as shrinking overseas and domestic talent pressure pipelines.

Two fifths of UK employers (40%) are actively hiring people returning from a career break, while around a third are actively hiring (31%) - or looking to retain (37%) - older workers, new research from independent consultancy Barnett Waddingham (BW) reveals.

The findings reflect an environment of mounting pressures both within, and outside, of businesses. Internally, a growing number of people are delaying their retirement and choosing to work for longer; earlier this year[1] nearly two fifths (36%) of employees said they had already, or were considering delaying their retirement because they wanted to continue working, or due to financial reasons (34%).

At the same time, employers are concerned about staff lacking the skills they need to work (77%), rising mental health challenges among employees (73%), and persistent long-term sickness (68%).

Externally, talent pipelines are under strain. As newly implemented immigration policies came into effect earlier this year, reducing the availability of jobs eligible for Skilled Worker visa sponsorship, two thirds (64%) are worried about the shrinking availability of overseas talent. Meanwhile, declining birthrates and other factors impacting the way that especially younger workers approach employment, have seen three in five (62%) employers concerned about the future availability of domestic talent.

Employers are increasingly resorting to retention strategies to minimise the organisational risk associated with these pressures. In the past year, 84% have increased the amount they pay their staff, 81% their investment in their values and purpose, while 79% are increasing the amount of training they offer mid- and senior-level staff.

While one in six (16%) expect they'll lose employees due to visa and immigration changes, 45% offer visa sponsorship and aren't planning to stop, and 39% are increasing salaries to keep or attract skilled overseas workers.

Julia Turney, Partner and Head of Platform and Benefits, Barnett Waddingham (BW): "The labour market has bared its teeth yet again – bringing some new, and some familiar, challenges for businesses to contend with when tackling their balance sheets.

"Skills gaps, sickness, a shortage of talent and tightening regulations are all colliding to squeeze employers from every angle. But businesses aren't standing still: they're investing in their people and looking to older workers and returners to bridge the gaps.

"But as the makeup of their workforce continues to shift, data and analysis will be the key differentiator. Older workers, for example, bring with them a wealth of experience and knowledge that is hugely advantageous to a business, but their needs and wants are notably different from those of younger employees. Understanding these workforce nuances will allow firms to target investment effectively and ultimately retain talent while minimising risk."

– ENDS –

Notes to Editors

Methodology

Barnett Waddingham commissioned Censuswide to survey 500 UK Senior HR Professionals, Business owners, and CEOs OR COOs – at least 350 being from Senior HR functions (i.e., Chief People Officers, HR non-directors and HR Directors). Research was conducted between 15th and 21st August 2025.

[1] Barnett Waddingham commissioned Censuswide to survey 2002 employees in the UK (excluding

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micro-businesses) with 10 employees or more, aged 18+. Research was conducted between 29th January and 3rd February 2025.

About Barnett Waddingham (BW)

BW (Part of Howden) is a leading UK consultancy at the forefront of risk, pensions, investment, and insurance. We act as a trusted partner for a wide range of clients in both the private and public sectors – this includes 22% of FTSE 100 and 15% of FTSE 350 companies.

BW comprises over 1,750 people, with a national presence across multiple UK offices, each delivering on BW's values and promise, ensuring the highest levels of trust, integrity, and quality.

Everything BW stands for is embedded in its promise – to do the right thing. This meaningful principle is applied across all aspects of the business with continued success. Our forward-thinking approach allows us to take a long-term view with all clients and bring strategic, creative solutions to the table.

Read more about the Howden acquisition in Corporate Adviser here.

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