Retirement Capital and Online Social Networking

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SUMMARY

As countries across the world confront increasing longevity and the challenge of extending working lives, a great deal of thought has gone into how we can invest in the human capital of older workers.

But what happens after older workers retire? If societies are to seriously invest in the education and skills of individuals in later life, it is reasonable to ask: what happens to all that investment when individuals leave the labour market?

Education and skills are not the only form of 'capital' that people acquire over their working lives. Individuals also accumulate something even more difficult to measure, but potentially just as valuable: social capital. This can be loosely defined as the advantage someone has because of their position in a structure of social relationships, or their membership of certain networks.

When we consider an entire cohort of retirees across the spectrum of society, their aggregate human and social capital is immense.

Everyone has a right to retire, and to enjoy some years of leisure. But there is still a compelling case to ask: how can society benefit more from the human and social capital that individuals possess when they retire? What mechanisms are in place that might enable a 'transfer' to other generations of that accumulated capital? In light of ageing populations, should the governments of 'knowledge economies' not have a clear strategy in place for utilising and transferring the human and social capital of older people?

Developing such a strategy is not easy. When individuals are active in the labour market, they are connected into a complex social structure that identifies and categorises their human and social capital, enabling them and their employers to exploit it. But as soon as individuals retire, they leave that structure behind, along with the mechanisms, such as human resources departments, which can identify their skills, networks and experience and put this 'capital' to use. In recent years, the Government has made some attempt to encourage volunteering by older people. However, these often begin by viewing older people as a potential unpaid workforce that can slot into vacancies in the voluntary sector, rather than as the owners of distinct human and social capital.

So what is needed? An ideal mechanism would be able to connect retirees to other individuals and organisations that can make use of their human and social capital. It would not be impeded by geographical distance, would not be invasive, but instead user-controlled. It would allow retirees to present themselves in a flexible, individual but standardised form, with negligible maintenance or participation costs. It would be able to engage disparate sections of the economy and society. Does the model for such a mechanism exist?

Online social networking has in recent years exploded into a major form of communication and social interaction; for many, a way of life. It is a worldwide phenomenon led by hugely popular websites such as *myspace*, *LinkedIn* and *Facebook*.

Older people can potentially get as much enjoyment and use from online social networking sites as the younger people who currently make up the bulk of their user group. But such networking sites also offer the chance for individuals to connect from among different generations and different geographical locations. Online social networking can be used to enable retirees to use and make available their human and social capital for others. On their own terms, retirees can connect with young people, voluntary organisations, and even the private sector.

The time is now right to examine again how society makes use of the human and social capital of retirees. The Government, older people's charities and employers need to explore and encourage the use by retirees of online social networking sites. These agencies need to develop the framework and policies that will encourage retirees to present themselves through the platform of online social networking sites. They should encourage individuals and organisations to use this new communications medium to recognise and use the human and social capital of retirees.

Part 1: Retirement Capital

Over their lives, individuals accumulate wealth, whether as property they own, money sitting in a bank account or invested in a pension. But individuals also accumulate other kinds of 'capital', less tangible but just as important.

Defining Human Capital

Individuals accumulate knowledge and skills from formal education, and from employment in paid and voluntary work. Economists, sociologists and human resource directors have a name for this: human capital.

Human capital is a concept whose definition varies with usage and context. In the private sector, the human resources profession sees human capital as 'firm-specific', and a great deal of research and discussion is expended on better managing human capital, and developing measures of it. In 2003, the *Accounting for People Task Force* was commissioned by the UK Government to examine performance measures used to assess investment in human capital, and to consider best practice in human capital reporting.[1]

In the international development field, human capital is not 'firm-specific', but is something that is measured across the entire population of a developing country. A typical approach is to estimate the 'returns' to human capital investment by governments in skills in education.[2]

Although individuals do not usually consider themselves in terms of human capital, it is what employers evaluate when reviewing a job candidate, and it is what students purchase when they pay university tuition fees.

Some forms of human capital can be 'standardised' as recognised qualifications, like a law degree or a language diploma. But human capital is not just a commodity qualification. Much of the human capital that is really useful cannot be acquired in education; it is learnt informally in other contexts, most notably, in the workplace.

Ultimately, the human capital that individuals accumulate over their lifetime is unique: nobody has identical careers, jobs and employment pathways. At the moment of retirement, individuals have a stock of 'human capital' that is their own.

Defining Social Capital

When people reach retirement, they also possess something else: social capital. This is less easy to define and measure, but it is of no less interest to huge numbers of economists, sociologists and policymakers, despite continuing debate about its definition. Authors such as Pierre Bourdieu (1983), James S. Coleman (1988) and Robert D. Putnam (2000) have been major proponents of the concept. The latter author attempts to define social capital thus: "Whereas physical capital refers to physical objects and human capital refers to the properties of individuals, social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them."

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[1] The final report of the task-force can be obtained from
http://www.accountingforpeople.gov.uk/downloads/afp_report.pdf
[2] For example, see Arabsheibani G et al. (2006).

However, it is not just academics that have sought to define and measure social capital. The UK's Office of National Statistics proposed in 2001 that the key indicators of social capital include "social relations, formal and informal social networks, group membership, trust, reciprocity and civic engagement." (ONS: 2001)

Social capital is the advantage a person has by virtue of their position in a structure of relationships. It accumulates over time, and results from the development of various types of social relations. Social capital can be the network of contacts an individual has built in their sector of work. It means being able to find a better job because of your contacts, or being privy to valuable information because of your membership of a group.

Social capital is not just tied to activity in the labour market. Indeed, theorists relate social capital to participation in communities, and this is independent of whether or not someone is pre- or post-retirement.

However, at the moment of retirement, the stock of social capital an individual possesses is enormously influenced by their work and career. Inevitably, the social capital an individual has will change as they leave the labour market, and begin to withdraw from the networks and relationships that gave them their social capital. But such a process is neither instantaneous, all-encompassing nor uniform: meaningful and useful social capital is preserved. Indeed, the decaying of social capital is largely dependent on the actions of retirees and their former employers, and the steps both take to preserve links.

As with human capital, no two people have the same stock of social capital; this is dependent on an individual's character, behaviour, choices, and the chance events that occur along the path of their life.[3]

Retirement capital

Human and social capital are ephemeral. They cannot be held or stored in a warehouse. But they absolutely have value.

For individuals, the financial value of human and social capital is the salary they earn when active in the labour market. They can also generate non-financial rewards that result from human interaction, satisfaction and 'social rewards'.

For organisations, the value of their staff's human and social capital can be everything. It is what leads chief executives to say that their most important asset is their staff. In both the private and public sector, human and social capital generates value for organisations large and small.

Every year, thousands of people retire. As they leave the labour market, retirees take with them the human and social capital they have accumulated over their lifetime. The value of a single cohort's aggregate human and social capital derived in employment, if measured across the spectrum of retirees in the economy, would run into millions of pounds.

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[3] This paper assumes throughout that social capital is something accumulated 'offline', and which is deployed online. However, many observers would passionately argue that social capital can also be accumulated 'online'. In this way, participation in online social networks can have a multiplier effect, further generating social capital. On this view, an individual gains social capital by being involved with networks and relationships that form online. While this viewpoint absolutely has merit, for the sake of simplicity, it has not been developed here. To read about how online social networking could itself be a source of social capital, see Kazienko P and Musiał M (2006).

Individuals continue to possess human and social capital after retirement, and this capital continues to have value. A key message of this paper is that the human and social capital of retirees needs to be discussed and debated by policymakers and society. This would be easier if there was a specific phrase to describe the human and social capital of retirees, distinct from other age groups. For this reason a definition is proposed:

> *Retirement capital*: the human and social capital possessed by an individual in retirement.

This phrase is deployed here from now on.

Retirement capital is most frequently left unused. Some older individuals, particularly from 'professions', may continue to trade on the human and social capital they have accumulated by entering semi-retirement: doing consultancy, working part-time, or taking up positions as non-executive directors. Others will do voluntary work, putting to use some of their human and social capital for selected non-profit organisations.

For everyone else: nothing. For most retirees, leaving employment means ignoring and setting aside their stock of retirement capital. This capital does not cease to exist: retirees still possess it. All that happens is slow depreciation: the loss or obsolescence of skills, the forgetting of knowledge, the non-participation in networks. This process is, in part, inevitable. But it is a gradual process. For a significant time, most retirees continue to possess human and social capital that is unused. It generates no reward for them, nor anyone else.

Recognising the Value in Retirement Capital

A key argument of this paper is that retirement capital should be an issue for policymakers. Why?

Across developed economies, demographic trends mean that the number of individuals entering retirement each year is likely to increase. Even after the retirement peak of the 'baby-boomer' generation, succeeding cohorts have been the beneficiaries of increased private and public investments in human capital during their life-time. The amount of human and social capital exiting labour markets is likely to grow steadily. The time is now right to consider what happens to retirement capital.

For a variety of reasons, including shortfalls in retirement saving, many governments are actively encouraging the extending of working lives up to and beyond traditional retirement ages. It is widely acknowledged that key to achieving this is an increase in the training and other human capital investments directed toward older workers. If governments are to ensure investment in older workers, it is also worthwhile considering what happens to this investment after the moment of retirement. For society to invest in the human capital of older workers, a strategy is needed that will enable some other return from that investment after individuals retire.

For policymakers to focus on retirement capital would also represent a long overdue rebalancing of their effort and research. The management and exploitation of the human and social capital of individuals defined as being 'working-age' is the subject of numerous books, journals and articles. It is a clear target of public policy. By comparison, negligible attention is given to making use of human and social capital after individuals retire.

When in the labour market, individuals are the subject of sophisticated and complex human resources and management strategies that develop, identify and exploit their human and social capital. Yet the day an individual enters retirement, society largely ceases to have any interest in this capital. Retirement capital is apparently of little interest to the human resources profession.

In part, this reflects an assumption that as individuals exit the workforce, they cease to be meaningful participants in society. In addition to compounding negative perceptions of ageing, such a viewpoint ignores the real value of the retirement capital that individuals possess. It is this real value that governments need to unlock.

Government interest in the skills and capacities of retirees has been limited to the encouragement of schemes in the voluntary sector. The Experience Corp[4], a non-profit organisation established in 2001 with three year funding from the UK Government sought to promote volunteering among older people, by connecting retirees to vacant positions in the voluntary sector. In addition, the WRVS[5] targets older people as volunteers in the provision of services to other older people, such as home meals delivery and emergency support in hospitals. These organisations, while wholly worthwhile, represent a different viewpoint on the human and social capital of retirees that is concerned with developing voluntary sector services in the community, rather than evaluating and using across the whole of society the human and social capital that retirees possess. Indeed, evidence on the involvement of older people in the voluntary sector suggests that people aged over-50 comprise two-thirds of the volunteer workforce, principally in front-line or support services to users and beneficiaries, as well as administrative and organisational tasks.[6]

The next step is to address how society can make use of the retirement capital it contains.

Key Points:

- As individuals retire, they take with them the human and social capital they acquire during their working life. This 'retirement capital' has considerable value.
- Modern economies, which emphasise 'knowledge industries' and confront the effects of demographic change, should develop proper strategies that recognise the retirement capital of individuals, and make use of it.
- While wholly worthwhile, existing strategies encouraging volunteering among older people do not represent a sufficient or complete response to the issue of 'retirement capital'.

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[4] http://www.experiencecorps.co.uk
[5] http://www.wrvs.org.uk (Women's Royal Voluntary Service)
[6] See Rochester & Thomas (2006).

Part 2 Making the Most of Retirement Capital

So far, this paper has argued that society should take 'retirement capital' seriously. It is suggested that the human and social capital that individuals possess as they retire should not be simply written off. How can the retirement capital of individuals be used?

Discussing this issue first requires recognition that everyone deserves a retirement characterised by choice and leisure. Some individuals are able to take voluntary early-retirement. Others retire early through ill-health or caring responsibilities[7]. Some individuals continue to work past the state pension age through necessity or choice. Everyone else retires from employment at the state pension age, which is currently 65 in the UK.

The argument here is not that retirees should be forced to work, or made to provide voluntary labour as unpaid employees of the voluntary sector. The argument is that society could make more use of the retirement capital it contains.

Why Individuals Should Use their Retirement Capital

When individuals make use of their human and social capital, it is usually for a salary. However, throughout their life-time individuals receive other rewards from using their human and social capital outside of the job market: satisfaction, social interaction, new social relationships, and other non-financial rewards.

After retirement, the scope for such rewards actually increases. First, individuals have more time to engage in activities generating such rewards. Second, they are able to do things that may not have been possible while in employment when their human and social capital 'belonged' to their employer, or they were contractually restricted in their activities.

More importantly, for many individuals, retirement is associated with the risk of boredom and depression. This is why the Government and older people's NGOs place such emphasis on 'active ageing'.[8] There is clear and measurable evidence of the benefits of 'active ageing'. Ultimately, it can lead to improved health.

Being an 'active' retiree is often assumed to mean voluntary work in the community. However, a key message of this paper is that for an individual to use their retirement capital is not just about undertaking volunteering roles in the vicinity of their home.

Using retirement capital is about continuing to engage in meaningful social relationships besides family and friends, and which are not limited to the voluntary work in the local community. It is about continuing to be a meaningful participant of society and making the most of your retirement capital to do this.

Retirement Capital and Society

A core argument of this paper is that society can and should make more use of the retirement capital it contains. This begs the question: how? Here are some examples:

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[7] See Humphrey A et al. (2003)

[8] For example, see Davis Smith & Gay (2005).

- *Using skills*

The skills an individual acquires before retirement in the workplace can be used after retirement in other settings. Examples are everywhere. Retired accountants manage the books of community groups. Retired journalists promote local community activities to the media. Retired managers become trustees. The skills of retired people can be useful both to individuals and organisations.

Given the associated public good rewards, retirees are often more inclined to offer their skills in non-profit settings: charities, NGOs, and the public sector. However, there is no reason that retirees cannot lend their skills to for-profit organisations. Although some retirees might expect payment, others may be happy to help for short periods and to receive the satisfaction of continued professional recognition. Typically, policymakers have thought about retirees as possessing skills that could be transferred to the voluntary sector. However, this misses the point: the richness and complexity of the human and social capital that retirees possess and its potential use across all sectors, far beyond the community sector in the retiree's locality.

Key point: The skills of retirees are transferable and useful.

- *Using professional knowledge and experience*

There is always a tendency to 'professionalise' knowledge in any sector by creating vocational qualifications and training. This is found in the traditional fields (law, medicine, accountancy, actuarial science), but wherever a body of knowledge is useful there is always a push to standardise this knowledge as a professional qualification (retail management, hairdressing, embroidery).

However, most people recognise that education and learning take place not just in educational settings but also in employment. Even in professions characterised by extended preparatory training (law, medicine, accountancy), employees still acquire knowledge 'on-the-job' that cannot be acquired through teaching and formal education.

This is important because it means that when individuals retire, they may remove from the economy human capital that cannot be easily obtained in education: it is professional or work-related knowledge and experience that cannot be easily reproduced or bought-in.

This knowledge and experience does not cease to exist when individuals retire and it can still be useful for organisations and individuals to access it. For this reason, some professional bodies and associations continue to engage retired individuals precisely to allow younger members to draw upon their professional knowledge and experience. In this way, human capital is transferred downwards and is not lost to a particular sector or profession.

Key point: The tacit professional knowledge that retirees have accumulated is too valuable to ignore.

- *Careers advice*

The success of an economy is directly related to how efficiently it places individuals with the right skills, motivation, ambitions and capabilities in different jobs. Despite the filtering of exam systems and job interviews, the primary reason most people are employed in a particular sector is because they have made a decision to enter that sector.

How well individuals make career decisions is hugely important to policymakers. It is highly inefficient when individuals make mistakes in career choices and leave a career to undergo retraining. In doing so, individuals remove their labour from the market and, by undergoing further training, usually invoke some form of public cost or subsidy. The individuals themselves also pay a price for bad career choices. This cost is not just financial: being in the wrong job can cause stress and mental suffering and disrupt other life-course events, such as starting a family or buying a house. Society has a major interest in individuals making the right career choices.

Careers advice is available everywhere. For young people, it is often on hand at school and university. It is also available increasingly on the internet. However, most careers advice is generic, involving standardised mass-produced information on different careers. Professional careers advisers are relied upon to provide advice on jobs and careers in sectors of which they have no direct or tangible experience.

One result of this is that young people are required to make remarkably important decisions about their future careers on the basis of relatively little information. Choices about school qualifications, when to leave education, degree courses, vocation and where to target job applications determine the outcomes and opportunities for individuals for the rest of their lives. Given the complexity, breadth and diversity of modern economies, school and university careers departments are extremely restricted in the scope of advice and information they can provide.

However, the availability and efficacy of careers advice is not an issue just affecting young people. Working lives are growing longer. Most people enter the labour market aged around 18 – 22. In common with other countries, the UK proposes to increase the state pension age to around 68. It will be increasingly common for people to be active in the labour market for 50 years. In this time, labour mobility and career progression require that individuals change jobs, and many will choose to change careers altogether, despite the cost involved. Careers advice is therefore not just useful to the young.

So both young people and older cohorts everyday make important career decisions with limited access to advice and experience that could help make optimal decisions. The advice and experience that could help them does exist; it is simply inaccessible to them. Beyond formal careers advice, generic information and the social and professional networks they can access in their community and working lives, they have limited opportunity to draw upon the career experience present in society to make better decisions.

Retirees are extremely well-placed to provide careers advice, having both the time and experience required. However, beyond the existing community, social and family networks they are in, their experience is rarely called upon to provide such advice.

Key point: Retirees possess a wealth of potential careers advice if it can be effectively supplied to those that need it.

- *Using networks and contacts*

At retirement, an individual possesses a set of contacts and is a member of certain networks. This social capital can be useful to others.

Social capital is more important in some sectors than others. In a centralised country such as the UK, certain sectors cluster in the capital city (e.g., financial services, media and politics). Where networks and contacts are useful for working and engaging in such sectors, many people are excluded by not possessing the requisite social capital. These networks and contacts can be provided through friends and family, as well as membership of particular

communities, such as local, school or university communities. A classic example of the operation of such networks is the so-called 'old school-tie' network that is often attributed to British public schools.

Retirees possess this form of social capital and can potentially deploy it for the benefit of others. It is true that when individuals make their social capital available to others, the exclusivity of networks is reduced, and individuals may lack incentives to provide valuable contacts to strangers. However, many will do exactly this for the social reward of helping others, particularly when they have ceased to receive financial reward for the exclusivity of their social capital.

Key point: The social capital of retirees can be useful to many individuals outside of their own networks.

- *Advice, advocacy and help*

Sociologists sometimes characterise society as a set of distinct systems, such as government, health, police and education. Those with knowledge of a 'system' and its 'codes', norms and workings, are well placed to achieve the outcomes they want in a particular system.

It is common for individuals to call upon the knowledge that others have of a system when they need help. For example, friends and family members will often call upon those working in the health system to advise on where to seek treatment, or how to pursue a complaint against a doctor. Those working in secondary education are called upon to advise on how to choose a school.

At its most basic, this form of help amounts to the sharing of insider knowledge. On occasions, help may actually take the form of advocacy, when one individual informally represents the interests of another in a setting they are familiar with.

For many retirees, a key part of their retirement capital is the knowledge they have of a particular system; knowledge that can help others with a problem.

Key point: Retirees have knowledge of different systems that can potentially help many others faced with unfamiliar problems.

- *Guidance and counselling*

When individuals confront a challenge or problem, the best guidance and counselling often comes from those who have experienced a similar test.

The internet is already extensively used for people to share experiences and help each other. For example, expectant mothers no longer rely just on female friends and relatives to help them through pregnancy. Numerous websites now contain message-boards full of guidance and counselling from new mothers for pregnant women.

Retirees often have a wealth of experience to draw upon to provide guidance and counselling. In addition to existing 'life-experience' which various internet sites already seek to capitalise upon, retirees possess extensive and distinct experience accumulated in their working lives which is potentially useful for someone with a problem or crisis.

Key point: Often the best person to help with a challenge is someone who has faced that challenge themselves. Retirees, having experienced the full arc of a career, possess the most experience.

The Challenge

The preceding section has established that the retirement capital of individuals can be of use to society. This could be loosely summarised as: skills; professional knowledge and experience; careers advice; contacts and networks; advocacy, and counselling and advice. It is likely that other uses for retirement capital exist which the author has not thought of.

If retirement capital is useful, the challenge is to ensure it is used. A benchmark mechanism for using human and social capital exists: it is the labour market itself - a highly complex and devolved mechanism for connecting the human and social capital of individuals with organisations and other individuals that can make use of that capital.

A second benchmark is the voluntary sector. Many retirees undertake voluntary work. However, the mechanisms involved usually rely on the imagination of individuals and their set of contacts to think where to apply their retirement capital. Matching individuals to roles in the community is often an inexact process.[9]

The contrast with the labour market is a sharp one. Before retirement, many employees have human resources departments monitoring and developing their human and social capital. Indeed, individuals enter retirement with precise skills and experience that can be used differently in different settings.

But in finding new roles for retirees, society is severely limited by the mechanisms available to connect a retiree with an organisation or individual that can use those skills. Often the complex, sophisticated workings of a human resources department are replaced by voluntary sector community notice-boards, family and friends.[10] The tendency is to treat retired individuals as generic, not as individuals possessing distinct human and social capital. This is not enough. A more sophisticated mechanism is needed.

There are several questions here:

- How can retirees be connected with the organisations and individuals that would value their retirement capital?

- How can retirees be given the platform to advertise their retirement capital?

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[9] 'Intergenerational practice' could be considered a third benchmark. Intergenerational practice is an umbrella term for a range of community-level activities which aim to "bring people together in purposeful, mutually beneficial activities which promote greater understanding and respect between generations and may contribute to building more cohesive communities. Intergenerational practice is inclusive, building on the positive resources that the young and old have to offer each other and those around them" (Hatton-Yeo: 2006). With its emphasis on the benefits of face-to-face social contact between the generations in a community setting, intergenerational practice is wholly different to the strategy proposed here, and is best viewed as a complement to it. For more information, see http://www.centreforip.org.uk

[10] Baines et al. (2006) found that word of mouth was by far the most typical mode of recruitment of older people to volunteering activities. They highlight the problem that personal networks are more likely to bring in similar sorts of volunteers.

Given that retirees have retirement capital and this retirement capital is useful to society, a mechanism does exist that has the ideal characteristics to ensure this capital is used? This mechanism is online social networking. Why is it the ideal mechanism?

- A mechanism that can efficiently connect retirees to other individuals and organisations that can make use of their human and social capital at negligible cost.

- A mechanism that is not invasive but user-controlled, and enables the retiree to determine their level of involvement.

- A mechanism that respects the privacy of retirees.

- A mechanism that allows retirees to present themselves in a flexible, individual but nevertheless accessible and standardised form.

- A mechanism that has negligible maintenance or participation costs.

- A mechanism that can engage disparate groups and sectors within the economy and society.

- A mechanism for which geographical distance is no problem.

  This is a critical point because, as many commentators have observed, generational clustering is a growing feature of population change. While cities typically become concentrated with younger workers, less economically active areas such as seaside towns and country villages typically have high concentrations of older people. The result is limited opportunities for interaction between generations to exchange human and social capital.

In previous eras, no mechanism existed that displayed these characteristics. This paper argues that with the development of online social networking sites, the ideal mechanism now exists and it is up to governments, NGOs, and older people themselves to respond.

Key points:

- In a variety of ways, retirement capital can be useful.
- A mechanism is available to make use of retirement capital.

Part 3 Online Social Networking

Online social networking is a phenomenon. 12% of US Internet users are registered with a social networking site, and myspace.com itself claims to have 60 million users. Besides myspace.com, many other social networking sites are proliferating and the number of users is growing steadily.[11] What are these sites?

An online social networking site is a website that enables registered users to create a personalised profile on their own individual webpage, situated on the site. Registration is usually free. The format of profiles is semi-standardised with the option to provide details such as age and location.

Social networking sites typically allow two users to link to each other's profile, i.e., a link to User B's profile appears on the page of User A. It is this feature that enables the proliferation of 'networks', as users build up a set of other users linked to their profile.

Online social networking sites typically have several other features:

- Users can upload a picture of themselves.
- Profiles can contain a 'blog'.
- Users can list their interests and preferences, such as musical tastes or hobbies.

For the purposes of this paper, online social networking sites such as *myspace* have two other critical features:

- The various profiles on a site can be searched for keywords via an automated search function in much the same way as search engines such as *Google* searches Internet sites. For example, initiating a search of profiles for the name of a particular football team yields users who share an interest in that team.
- Users can be contacted through their profiles via a secure-email service, or via 'instant messaging'.

The result is that users of online social networking sites can locate other users whose sites contain particular keywords and contact them.

Who uses online social networking sites?

It is younger people who have been the 'early adopters' of online social networking. A survey of young people in the USA conducted by the Pew Internet & American Life Project found that 55% of online teens had created a personal profile online, and 55% have used social networking sites. The survey found that 48% of USA teens visit social networking websites daily or more often; 26% visit once a day; 22% visit several times a day.[12] Young people mostly use these sites for socialising. However, this is not the limit to what online social networking sites can be used for.

The use of online social networking sites by other age groups is lower, but still significant. A 2006 study by media company *comScore* of US internet users found that visitors to *myspace* and

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[11] There are in fact many different online social networking sites, and this paper does not seek to endorse or promote any particular site.
[12] For more information, see http://www.pewinternet.org/press_release.asp?r=134

facebook.com aged over-55 accounted for 11% and 7.6% respectively.[13] As the study notes, usage by older age groups is increasing.

A US online social networking and lifestyle site targeting only over-50s has been created: *eons.com*. However, in limiting itself to a specific age-group, it completely negates the potential of the internet for fostering communication across age-groups.

How are the sites paid for?

Although a limited number of online social networking sites require users to pay for the service, the biggest growth has been in online social networking sites which do not require any payment from users. Such sites rely on advertising revenue. The information available on social networking sites allows advertisers to tailor their adverts appropriately. This model has quickly become a big business, generating millions of pounds of advertising revenue.

Online social networking beyond a 'teen phenomenon'

The phenomenon of online social networking is still in its early infancy. As a new model of communications, individuals and organisations are still experimenting and exploring its uses and possibilities. Although online social networking sites are currently associated with teenagers and the exchange of gossip and links to music sites, it is important not to assume that this is the limit to the online social networking phenomenon.

Indeed, the business sector is increasingly taking an interest in online social networking. Employers are seeing the use of online social networking sites as recruitment tools, both for locating and identifying suitable job candidates, as well as providing a new mechanism to conduct 'background' or 'reference' checks by contacting the individuals connected to an applicant on a professional networking site.[14]

Besides recruitment, businesses are using profiles on online social networking sites as marketing platforms, and as a source of online feedback for their products. They are also studying profiles to learn more about their target markets.

This use of online social networking by businesses is interesting because it demonstrates that individuals using such sites do not do so purely in a personal capacity. Users are also active as professionals and employees, seeking to fulfil certain objectives of their job. Users of online social networking sites can be representing and acting for their organisation, whether it is an employer that pays them a salary or a voluntary organisation that they support.[15]

Online social networking and retirement capital

The core argument of this paper is that online social networking sites provide a model and platform for society to make use of the retirement capital it contains.

Although online social networking is still largely the preserve of the young, its use by older people is growing. There is no reason therefore to discount discussion of how online social networking can be used by older people, and for what purpose.

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[13] Further details of the study can be found here http://www.comscore.com/press/release.asp?press=1019
[14] For an account of this practice, see
http://www.businessweek.com/technology/content/sep2006/tc20060911_414136.htm
[15] The use of online social networking sites by businesses has even become a talking point in the mainstream media. For example, see "Joined-up thinking", April 4th 2007, *The Economist*.

As described above, online social networking sites typically have two crucial features:

- Profiles can be searched for certain keywords. This means that individuals with certain skills, experience and careers who describe these aspects of their lives on their individual profile can be located.

- Users can be contacted via their profiles. Other users can send messages, and fellow users can choose whether or not to reply.

What does this mean? If a retiree were to use an online social networking site to create a profile listing their career, skills, experience and expertise, fellow users of the site would be able to locate that retiree by keywords in their profile and request a contact.

Online social networking sites therefore have all the features, described above, of an ideal mechanism for making use of retirement capital:

- A mechanism that is not invasive but user-controlled, and enables the retiree to determine their level of involvement.

- A mechanism that respects the privacy of retirees.

- A mechanism that allows retirees to present themselves in a flexible, individual but nevertheless accessible and standardised form.

- A mechanism that has negligible maintenance or participation costs.

- A mechanism that can engage disparate groups and sectors within the economy and society.

- A mechanism for which geographical distance is no problem.

In other words, online social networking is a mechanism that can connect retirees to other individuals and organisations that can make use of their retirement capital. It is an innovative and evolving technology that requires us to reconsider the human and social capital that individuals possess in retirement.[16]

The exact process whereby retirees, individuals and organisations locate each other can be imagined in various ways. A fundamental question would be: how could individuals find retirees, given the number of profiles on social networking sites?

To enable this, there may be a role for local and national government bodies, charities or employers to act as a 'signpost' connecting retirees with others.[17] Such bodies could themselves take multiple profiles on online social networking sites, each for a particular skill, sector or other attribute. Retirees with such a skill, or with experience in a particular sector could then link with this 'signpost' profile.

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[16] It is also worthwhile recognising here the potential of online social networking to increase the risk of defrauding or other forms of harm against retired people. However, such risks are inherent in all forms of internet communication (instant messaging, chat-rooms, online dating, etc.), as well as any form of community involvement and voluntary work, and should not therefore be regarded as an obstacle particular to online social networking.

[17] For an example of how non-profit organisations are creating their own profiles and using online social networking sites, see www.myspace.com/nonprofitorganizations

When an individual, such as a teenager interested in careers in advertising, wanted to contact a retiree from the advertising sector, they could be directed to the 'signpost profile' of a link organisation that is networked with multiple retirees from the advertising sector. The teenager could then search within this set of profiles for more refined characteristics.

In this way, and at no cost, the Government or other bodies could organise themselves to act as 'signposts' for directing and connecting individuals and organisations.

The key point is that just as different forms of communication and networking are developing through online social networking sites, the use of such sites for the purposes described in this paper could take many forms. In particular, it would be easy to envision a role for third-party organisations, whether from public, voluntary or charity sectors, to take intermediary roles between individuals and organisations.

Inevitably, it is easy to conceive of challenges to the model proposed here. For example, teenagers might alienate retirees through the use of slang words or excessive informality. This suggests the need for 'user-training', and a role for organisations, such as schools, to initiate users of online social networking for the purposes put forward.

Key Points:

- Online social networking is a phenomenon, and one that is already being embraced by individuals and organisations far beyond the 'teen demographic'.
- Online social networking sites have all the ideal characteristics for making use of retirement capital.
- The mechanism by which retirees connect with individuals and organisations on such sites can be imagined in a variety of ways, but there is almost certainly a role for Government agencies, charities or other bodies to use profiles themselves to encourage this process.

Part 4 Conclusion

The argument here is not that retirees should be driven or forced to partake in voluntary work. Instead, the argument is that there is a real and pressing case for developing mechanisms that allow individuals and society to gain from the human and social capital of retiring cohorts, and that the growth of online social networking has now given us a new and fantastic mechanism to do this.

In a society that increasingly contains 'generational clusters', online social networking is the perfect medium for intergenerational communication. In online communication, age, disability and infirmity become irrelevant. The geographical, logistical, social and cultural barriers to intergenerational communication are reduced.

Given the agenda outlined, how could it be taken forward?

Recommendations for Government:

- Take 'retirement capital' seriously. The enormous investment that individuals and society make in the human capital of people requires policymakers to evaluate what happens to this capital after retirement. This means going beyond simply viewing retirees as a potential army of unpaid labour available to the voluntary sector.

- Explore the possibilities of online social networking. Most successful innovations on the worldwide web have taken place without Government intervention. Given that commercial providers have been able to develop and expand the usage of online social networking sites, this paper does not argue that Government intervention is required in the market for online social networking sites.

  Nevertheless, Government can implement policy to create the right environment for greater use of online social networking sites as a mechanism for society to use the retirement capital it contains. Government should fund research and pilot studies of how organisations and retirees do use, and could use, online social networking sites. For example, it would be useful to establish guidelines and best practice by both older people, employers and organisations seeking to access the retirement capital of older people. Such guidance material could advise on protocols, and help to develop 'norms' of interaction.

- Government should also seek to educate organisations and individuals, including retirees, about the possibilities of online social networking. This means educating retirees about the retirement capital they possess and how it can be useful to others. It also means educating younger people about the retirement capital of older people, and attacking the assumption that retired people are irrelevant to them.

Recommendations for employers:

- It is employers that are positioned at the gateway to retirement. As individuals make the transition from the labour market to retirement, it is employers that are the initial guide along the path to becoming a retiree.

  In light of online social networking, employers should educate retirees about online social networking sites, encourage retirees to create profiles and to think about their skills,

experience and connections, i.e., their human and social capital, and how this can be used for other people. This point is critical as it is the human resources departments of larger employers that often have the best information and understanding of the human and social capital of individuals entering retirement.

- Many organisations have profiles on online social networking sites. Employers should experiment more with online social networking sites, perhaps using them as an ongoing form of connection to retired employees, and as a way of directing other organisations to their former employees.

Recommendations for retirees:

- Have a go. Online social networking sites are free.

Recommendations for Online Social Networking Sites:

- Online social networking sites are incredibly versatile. This paper argues that online social networking sites can be vehicles for the transfer of human and social capital, across and between generations, and between individuals and organisations.

  It would be worthwhile for those running online social networking sites to consider the potential of their sites for the purposes described in this paper, and to evaluate what features and changes to their sites could be implemented. For example, if retirees wished to use a personal profile as a way to make available their retirement capital, could they be 'tagged' or 'flagged' in such a way that they are included in certain profile searches, but not others.

Final thoughts:

Perhaps the biggest potential of online social networking is as a transformative provider of social capital. Policymakers have in recent years given serious attention to how a lack of social capital among the young has significant effects on life-course outcomes, and can entrench repeating patterns of deprivation within families. For those growing up in the most socially and economically deprived communities, a lack of social capital directly impedes their life chances. But in the era of near-universal online connectivity, social capital can be redistributed differently. The challenge for society is to find the right medium and platform for the distribution of social capital. This paper argues that online social networking is the answer.

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Links:

Online Social Networking Sites

http://www.myspace.com
http://www.bebo.com
http://us.cyworld.com
http://www.linkedin.com
http://www.facebook.com
http://www.hi5.com
http://www.eons.com

For a longer list of social networking sites, see:
http://en.wikipedia.org/wiki/List_of_social_networking_websites

Other Links

Centre for Intergenerational Practice
http://www.centreforip.org.uk

Chartered Institute of Personnel and Development
www.cipd.co.uk

Connexions-Direct
http://www.connexions-direct.com

Employer's Retirement Association
http://www.employers-retirement.org.uk

The Experience Corps
http://www.experiencecorps.co.uk

Institute for Social and Technical Research, Essex University
http://www.essex.ac.uk/chimera

Retired and Senior Volunteer Programme
http://www.csv-rsvp.org.uk

United National Volunteers Online Volunteering Service
http://www.onlinevolunteering.org

Volunteering in the Third Age
http://www.wrvs.org.uk/vita

WRVS
http://www.wrvs.org.uk