



# **Best Practices for a Mature Workforce**

## *Are You Ahead of the Curve?*

Emily Allen

Assistant National Director, Workforce Programs

AARP Foundation

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**“Passion never retires”**

**“Talent is Ageless”**

**“Now hiring your wisdom”**

**“Reinvent Retirement”**

# Setting the Stage: America's Workforce Trends and Issues

## *1. Significant Demographic Changes in the US*

- In 2002, 14% of the workforce was 55 and older.
- By 2012, 19% of the workforce will be 55 and older representing almost 33 million workers.
- Highest growth rate in workforce will be among persons aged 55-64.



## *2. Significant Skill and Labor Shortages*

### **Jobs with Current Shortages**

- RNs and other health-related fields
- Teachers
- Public administration

### **Jobs Likely To Have Shortages**

- Highly skilled professionals
- Engineers
- Scientists
- Skilled craft people

### *3. Lack of Employer Awareness and Readiness*

- Aging workforce not a big issue for some companies....yet.
- 80% of employers do not offer any special provisions (i.e. flexible work arrangements) to appeal to the concerns of mature workers.
- 60% of CEOs indicate their companies do not account for workforce aging in their long-term business plans.

*Most employers are not yet facing labor shortages  
or other economic pressures requiring them  
to recruit and retain mature workers.*

# Employer Perspectives

*“Our demographics show that we will lose half of our workforce in the next ten years to retirement, so we continue to motivate our mature workers to remain, add value to our business, and pass on valuable information to new employees.”*

**-Deere & Company**

*“The healthcare industry must be prepared to rapidly respond to changes in order to meet the needs of patients, customers and employees.”*

**- Scripps Health**

# Employer Perspectives

## *Employer Concerns....*

- Rising health care costs for current and retired employees.
- Inadequate knowledge transfer.
- Legal ramifications of hiring back retirees.
- Wrong new talent to replace old.
- Managing intergenerational workforce

# Employer Perspectives

- A majority (58 percent) of HR managers in an AARP survey say that it has become increasingly difficult to find qualified job applicants.
- More than half of the managers also predict a shortage of qualified workers within the next five years.

# Employer Perspectives

## *Negative perceptions of older employees*

- Averse to change
- Lack experience with new technologies
- Out-of-date job skills
- Difficulty reporting to younger bosses
- **Too Expensive**




## Identifying Solutions: The 50+ Workforce

*Boomers will “reinvent” retirement because....*

- Boomers are much less likely to associate retirement with the traditional retirement age of 65.
- Nearly 70% of workers who have not retired report that they plan to work into their retirement years or never retire.

## The 50+ Workforce: A Business Advantage

- More willing to work different schedules (72%)
- Serve as mentors (72%)
- Invaluable experience (72%)
- Stronger work ethic (69%)
- More reliable (68%)
- Add diversity of thought / approach (61%)
- More loyal (58%)
- Take work more seriously (58%)




# The 50+ Workforce: The Cost Question

## Cash compensation

- Tied to market median
- Cost depends on ability, experience and performance
- Cash compensation not necessarily tied to age

## Health Benefits

- Health claims for 50 -64 years and dependents equal 1.4 - 2.2 times the cost of claims for 30 – 40 year olds.
- HR managers are increasingly concerned with behavioral issues that lead to health risks
- 50-64 year olds are less likely to have dependent children



# The 50+ Workforce: The Cost Question

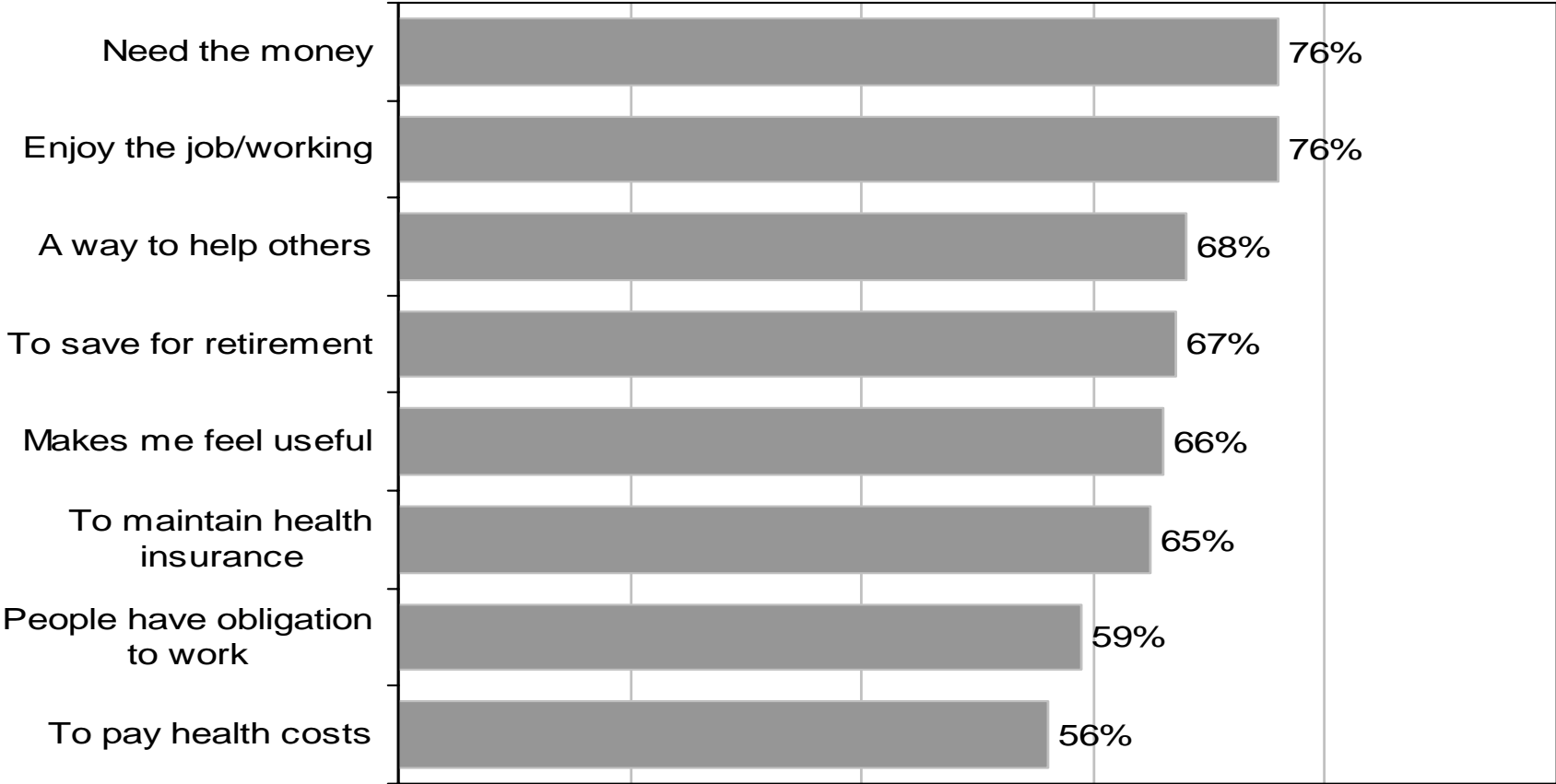
## **Pension Benefits**

- Only 21% of private employers offer DB plans vs. 42% that participate in DC plans
- DC plans are not age-based

## **Paid Time Off -**

- Not age related

# Who Is the “Older Worker?”



Source: AARP, *Staying Ahead of the Curve: The AARP Work and Career Study*, 2002

# What's Important to Workers 50+?

- Salary and Healthcare
- Companies who value employees' opinions
- Flexible work arrangements
- Opportunity for new skills and experiences
- Good Benefits
- Resources and time off for caregiving
- Work/Life Balance

## What's Important to Workers 50+?

As the 50+ workforce have wide ranging interests and expansive skill sets, it is not surprising that those who plan to work expect to engage in a broad range of fields and in some cases, eagerly anticipate trying something new.

- 1 in 4 who plan to work say they expect to find employment that is entirely different from the work they do now or did in their worklife.
- In large numbers (89%), older workers say their ideal job would include opportunities to learn something new.
- Most know that they will need to retrain in some form to remain in or re-enter the workforce.

# Best Practices for Individuals

## **“Know Yourself”**

What type of work might fit your schedule and other responsibilities? What do you enjoy doing? What kind of income do you need to generate? Do you have barriers that may get in the way of your job success.

## **“Know Your Community”**

Whether you are new to an area or have lived there for many years, it is important to know what types of jobs are available now. Then, consider how your skills and interests match with available jobs and upskill for jobs in demand.

## **“Prepare to Look for Work”**

Finding a job is a job in itself. Begin to gather information about your past work experience to that you can develop a good resume or accurately complete an application. Realize up front that, in many cases, employers will only accept applications on line so brush up on your technology skills or seek out assistance from a library or community center.

# Best Practices and Business Solutions

## **Maintain the Internal Talent Pool**

### Deere & Company

- A self-nomination process for job openings for career movement

### MITRE

- Encourages 8%-10% of staff to transfer to new job

## **Flexible Work Options w/ Pro-rated Benefits**

### Cinergy

- Positioned several flexible workplace programs that allowed employees to reduce hours.

## **Phased Retirement**

### St. Mary's Medical Center

- Adjusted pension calculations so that reduced hours would not impact pension

# Best Practices and Business Solutions

## Career Development and Training

### Michelin North America

Tuition assistance and training program for developing general, managerial, and functional skills

### **Benefits**

- Core Benefits: Medical, Dental and Disability
- Defined Benefit Pension Plans
- Employer Match for Defined Contribution Plans
- Health Coverage for Part-Time
- Automatic Enrollment in Defined Contribution Plans
- Long Term Care Insurance

# Gain a Competitive Advantage

- Inventory your current talent and define your future needs
- Conduct an internal audit of policies and practices
- Align workplace policies and culture to support your replacement/retention strategies
- Incorporate Age into Diversity Trainings
- Encourage training and growth for all employees
- Enhance employment marketing to 50+ audience

# Resources

- **AARP Foundation WorkSearch Program**  
[www.aarpmmp.org/worksearch](http://www.aarpmmp.org/worksearch)
- **Employer Assessment at AARP Employer Resource Center website:**  
[www.aarp.org/employerresourcecenter](http://www.aarp.org/employerresourcecenter)
- **AARP Website**  
[www.aarp.org](http://www.aarp.org)
- **AARP SmartBrief**  
Employer Newsletter