

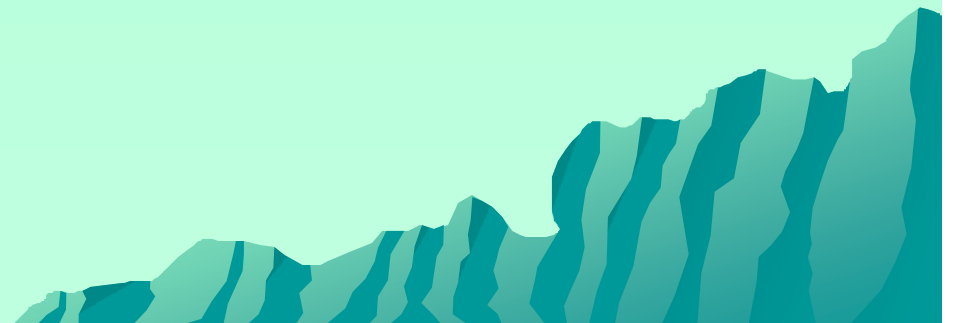
Colorado's Evolving Labor Force

~Rocky Mountain Conference on Aging~


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Colorado State University Extension

October 2007



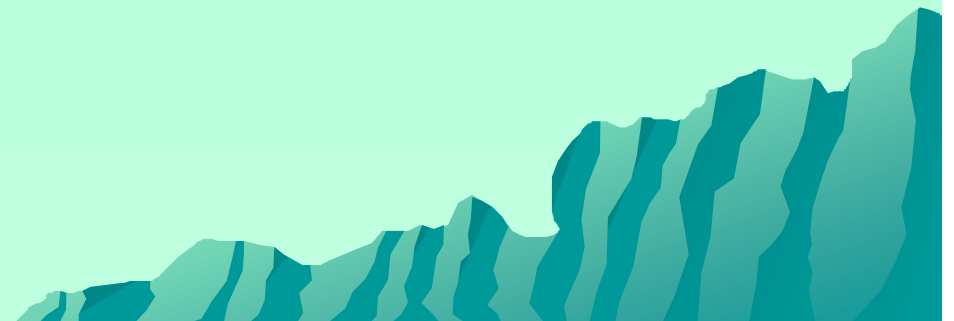
Overview

- ◆ How is Colorado's population aging?
 - ◆ state
 - ◆ regions
 - ◆ Where are the jobs & in what sectors?
 - ◆ Why are older Coloradans working longer?
 - ◆ What does an aging workforce mean for Colorado's economy and employers ?
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The “Graying” of the West

3 Factors

1. Aging of baby-boomers born 1946 – 1964.
 - ◆ Ages 36 - 54 in 2000
 - ◆ First “Boomers” will reach 65 in 2010
2. Growth, migration in the West since World War II, and especially in Colorado.
 - ◆ Re-distribution of Western baby-boomers within the West and Rocky Mountain Region as they retire. . . heading to Colorado.

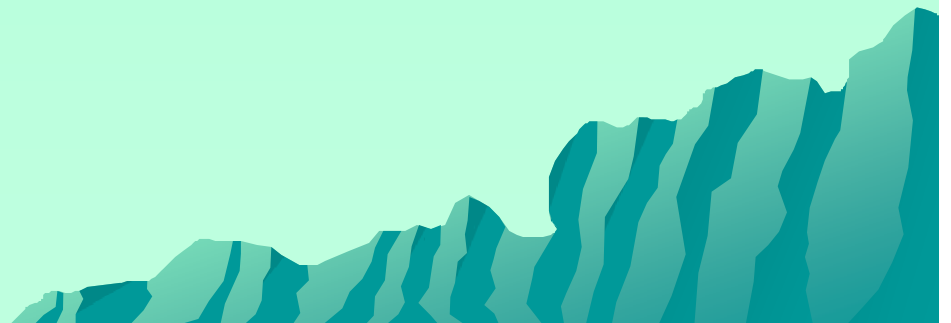


The “Graying” of the West

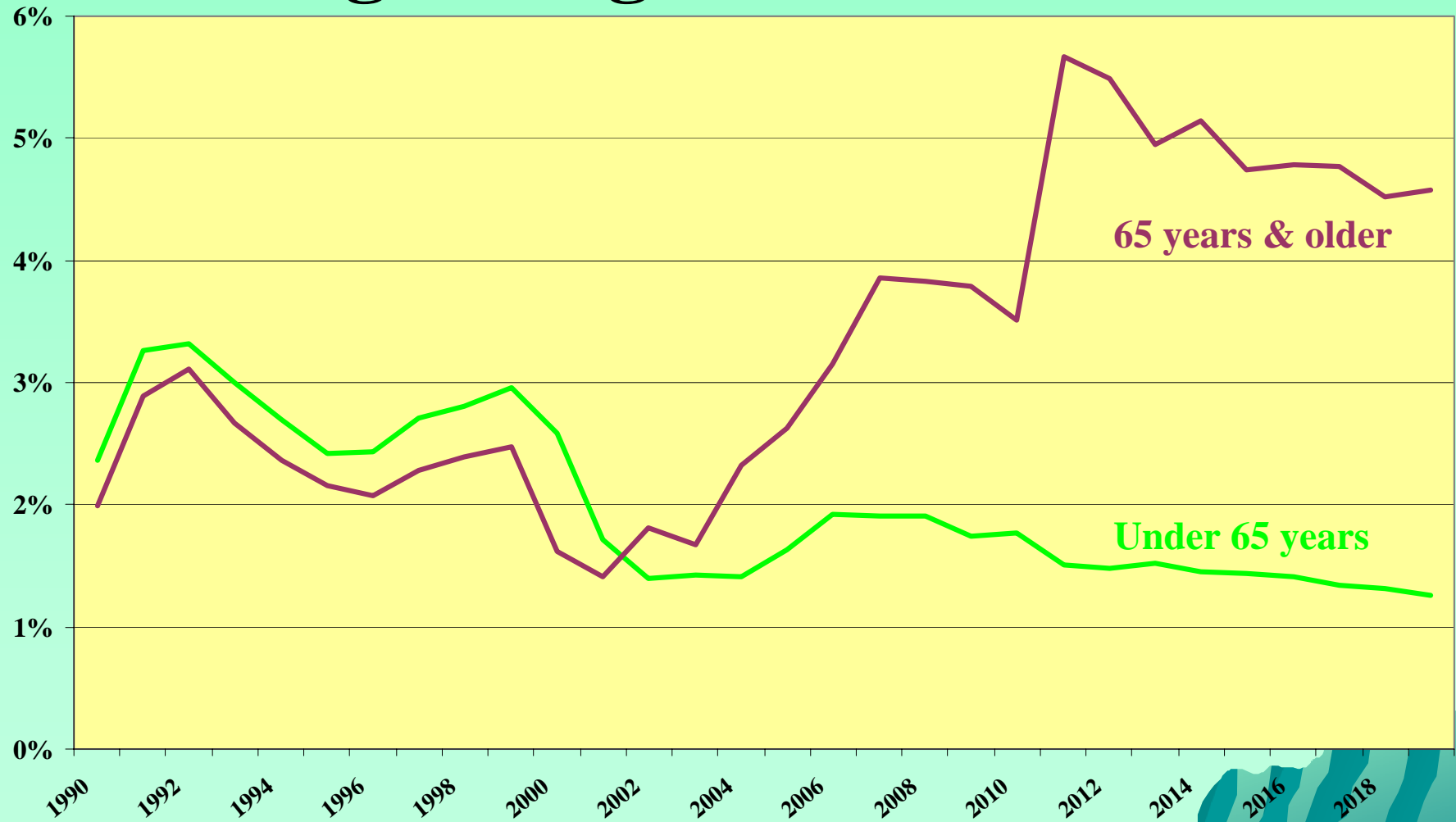
3. Plus, life expectancies for those who reach 65 are rising:

- ◆ Women= from 81 years in 1970 to 85 years by 2020
- ◆ Men= from 78 years in 1970 to 82 years by 2020

More years in retirement!



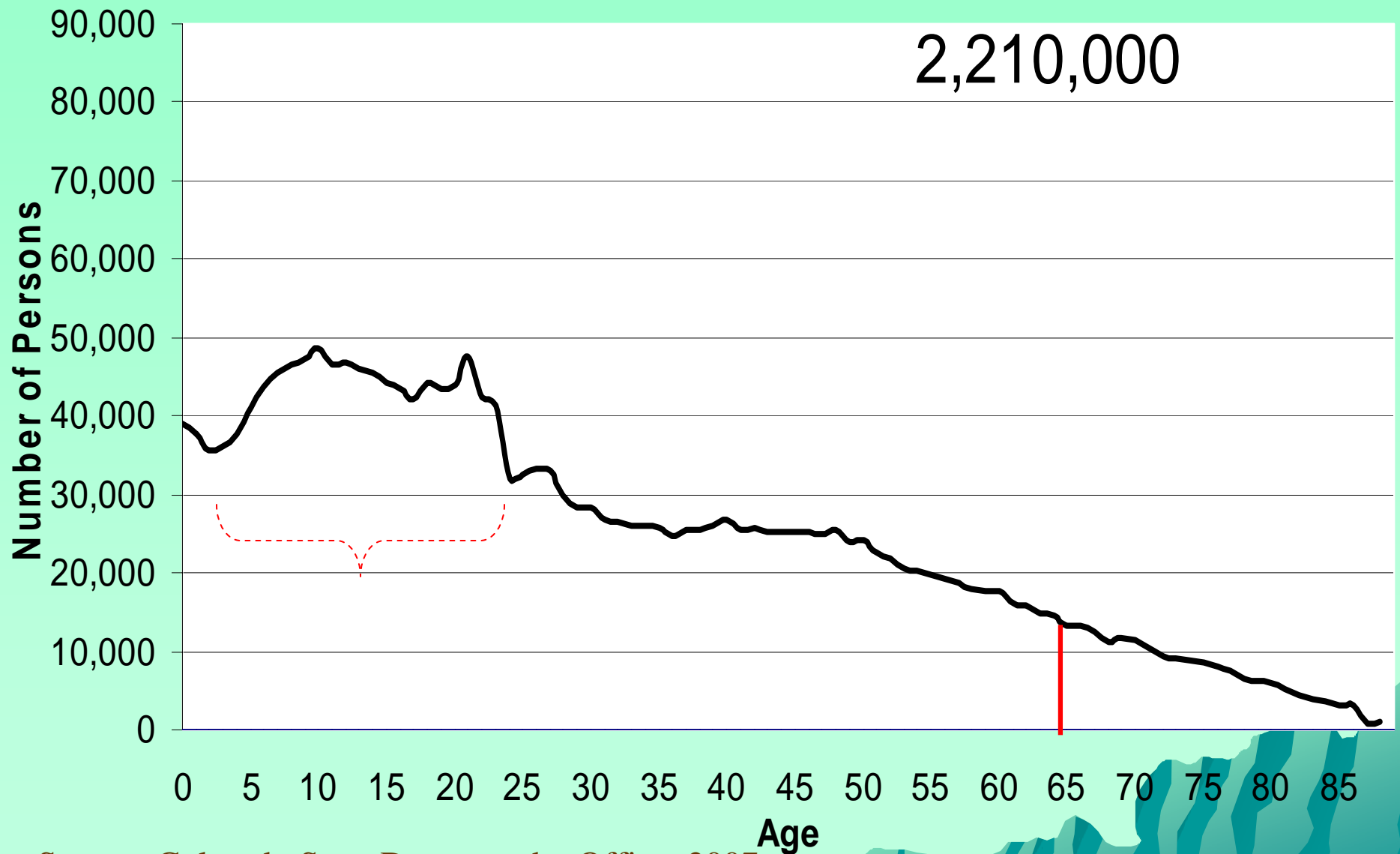
Colorado's older age group is growing much faster



Note: Annual percentage increase for each age group.

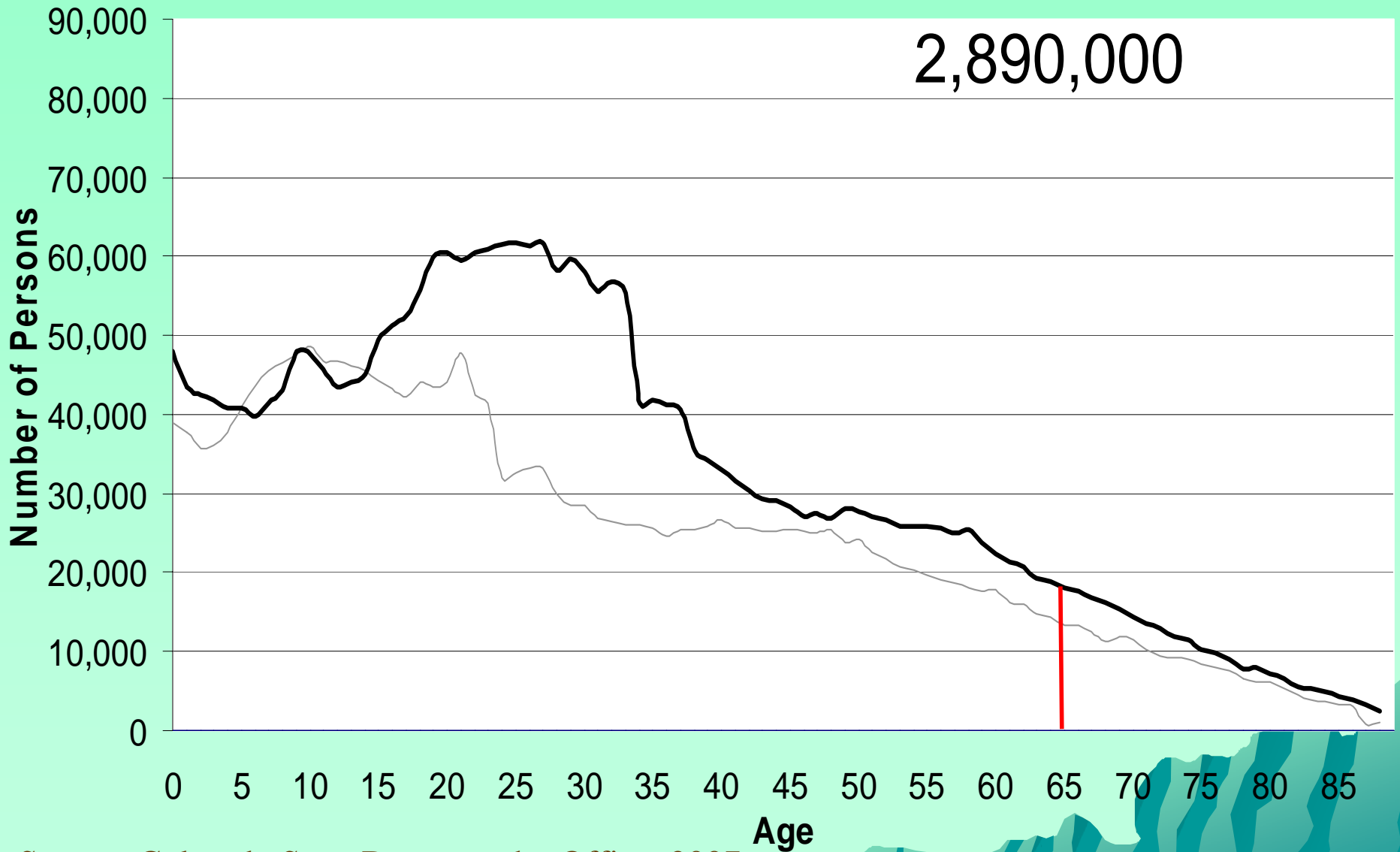
Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

Colorado Population by Age, 1970



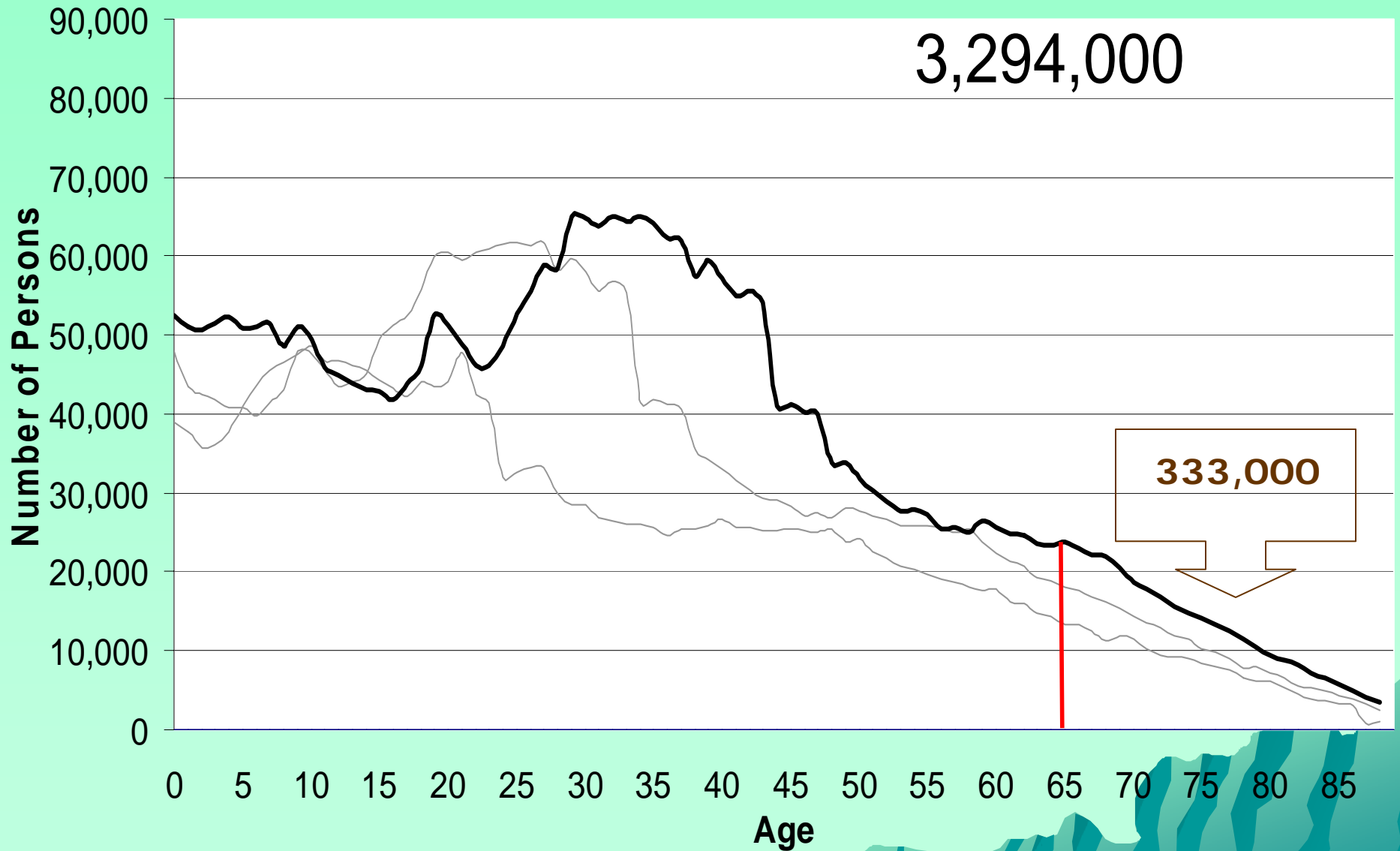
Source: Colorado State Demography Office, 2007.

Colorado Population by Age, 1980



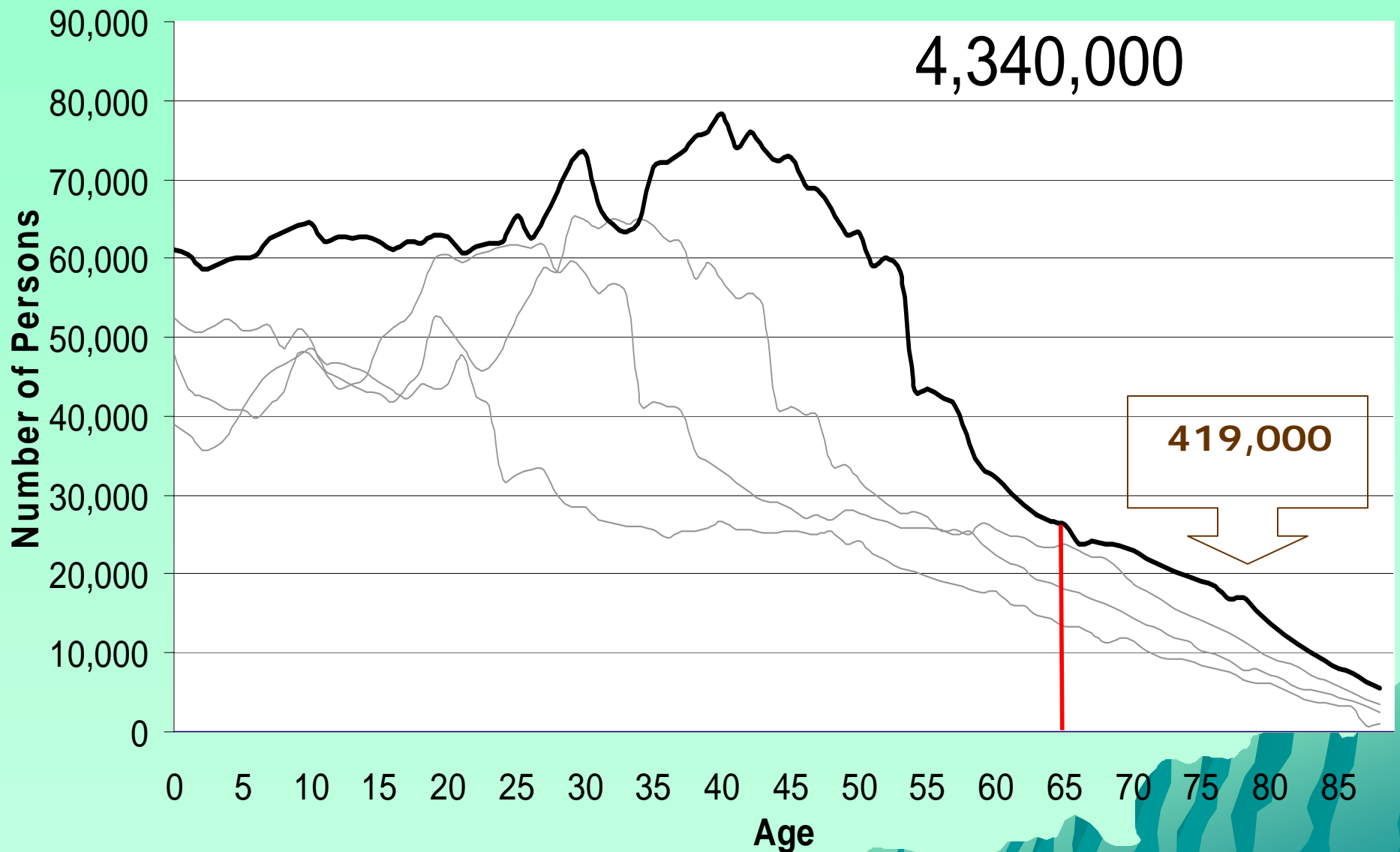
Source: Colorado State Demography Office, 2007.

Colorado Population by Age, 1990



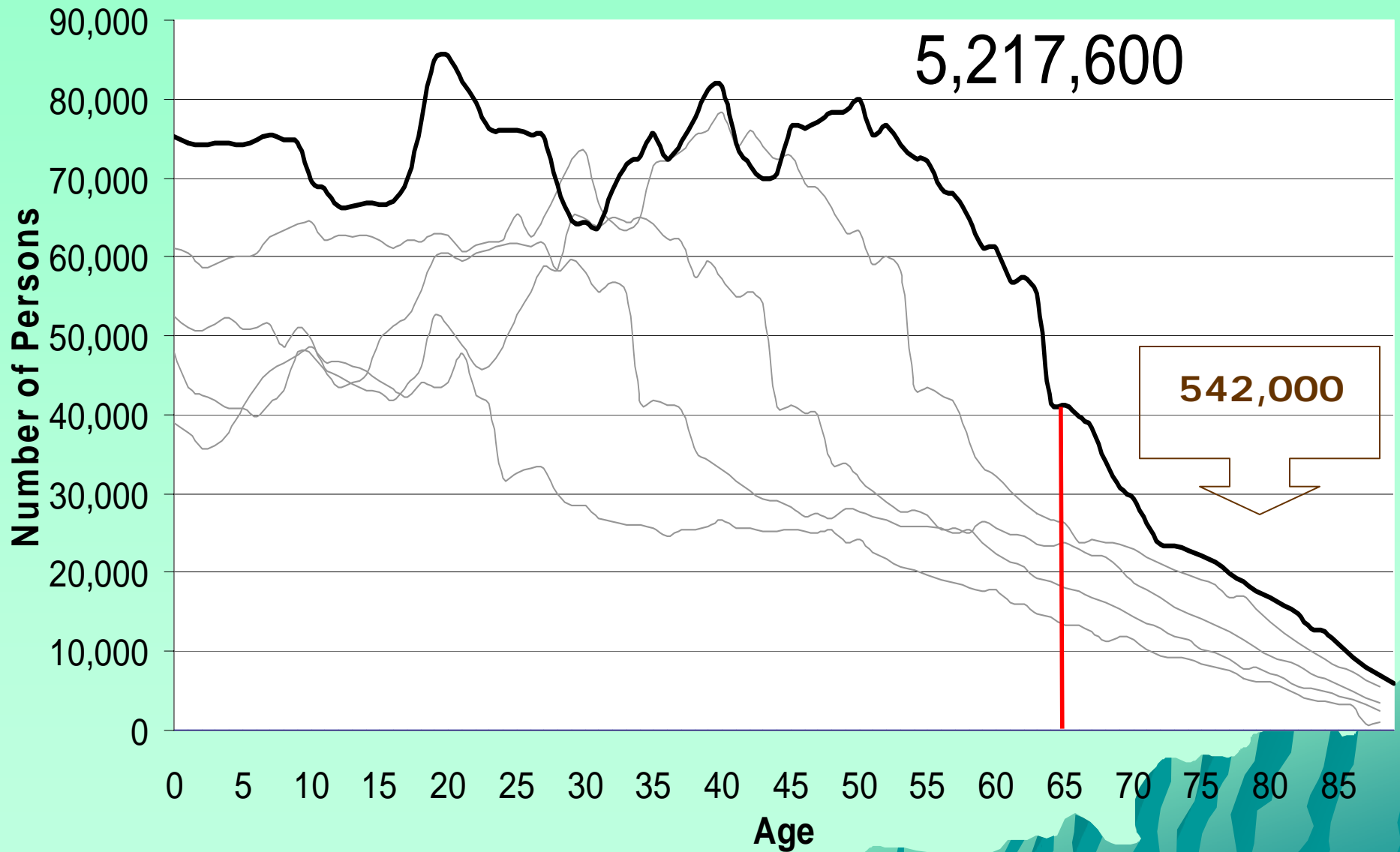
Source: Colorado State Demography Office, 2007.

Colorado Population by Age, 2000



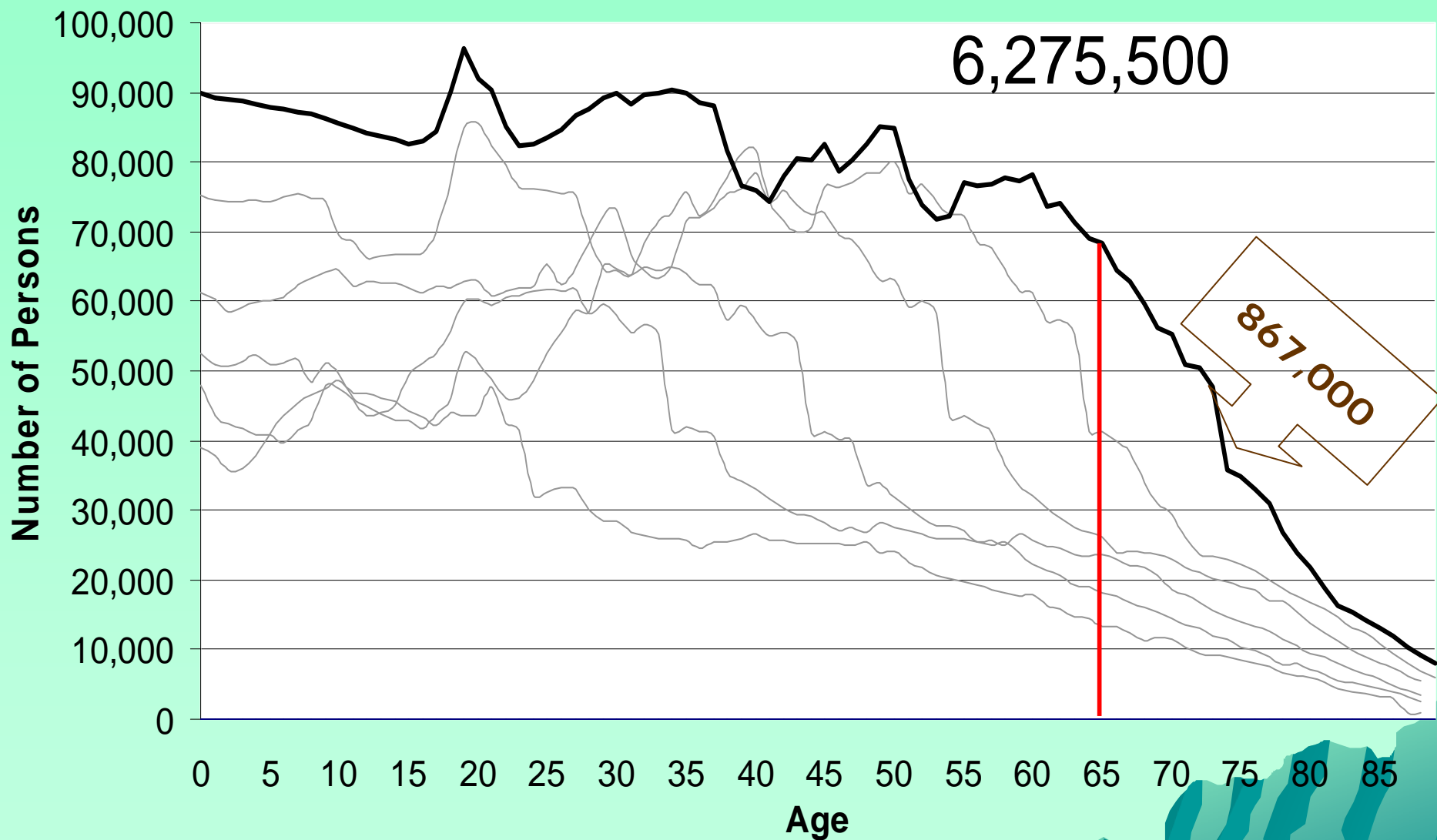
Source: Colorado State Demography Office, 2007.

Colorado Population by Age, 2010



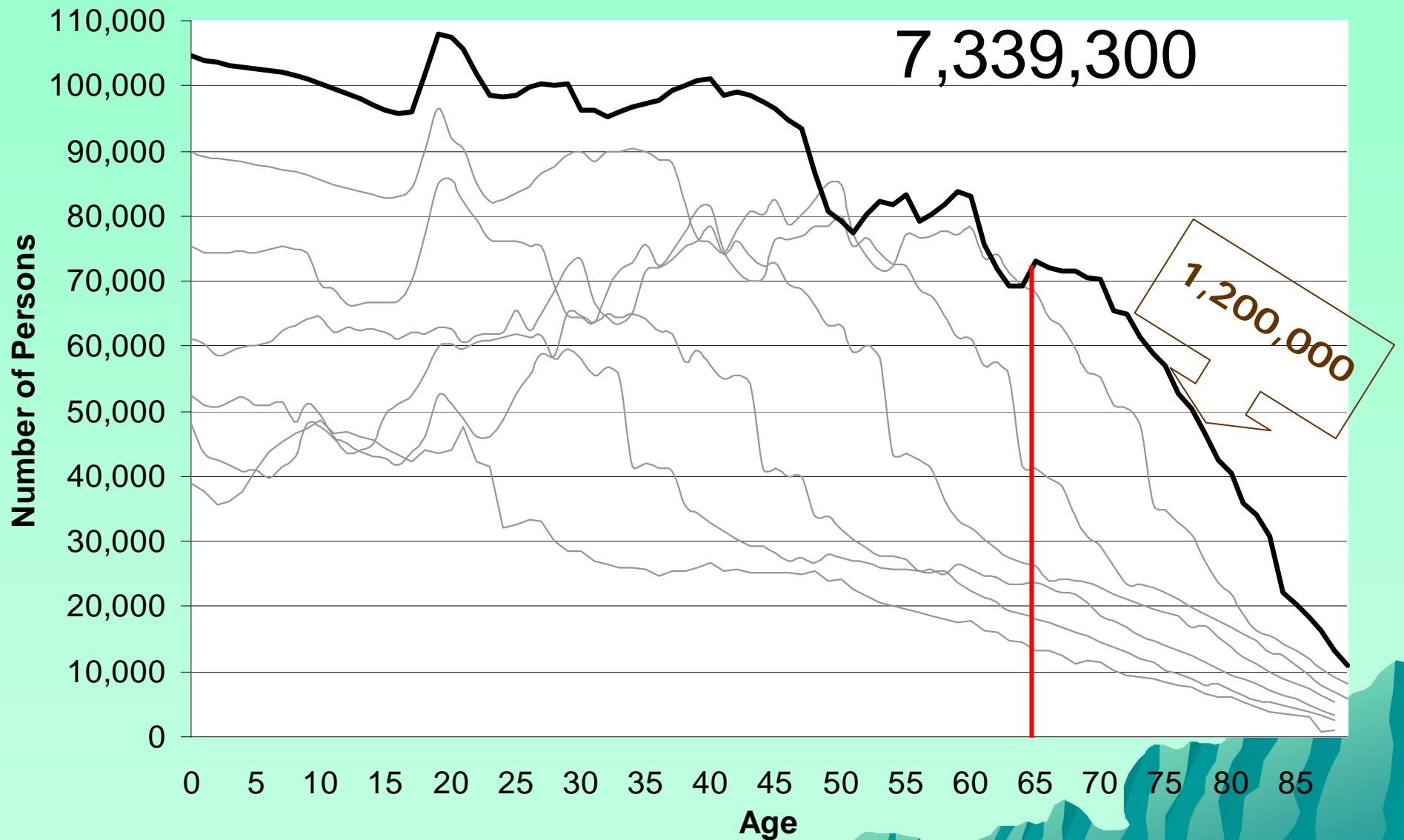
Source: Colorado State Demography Office, 2007.

Colorado Population by Age, 2020

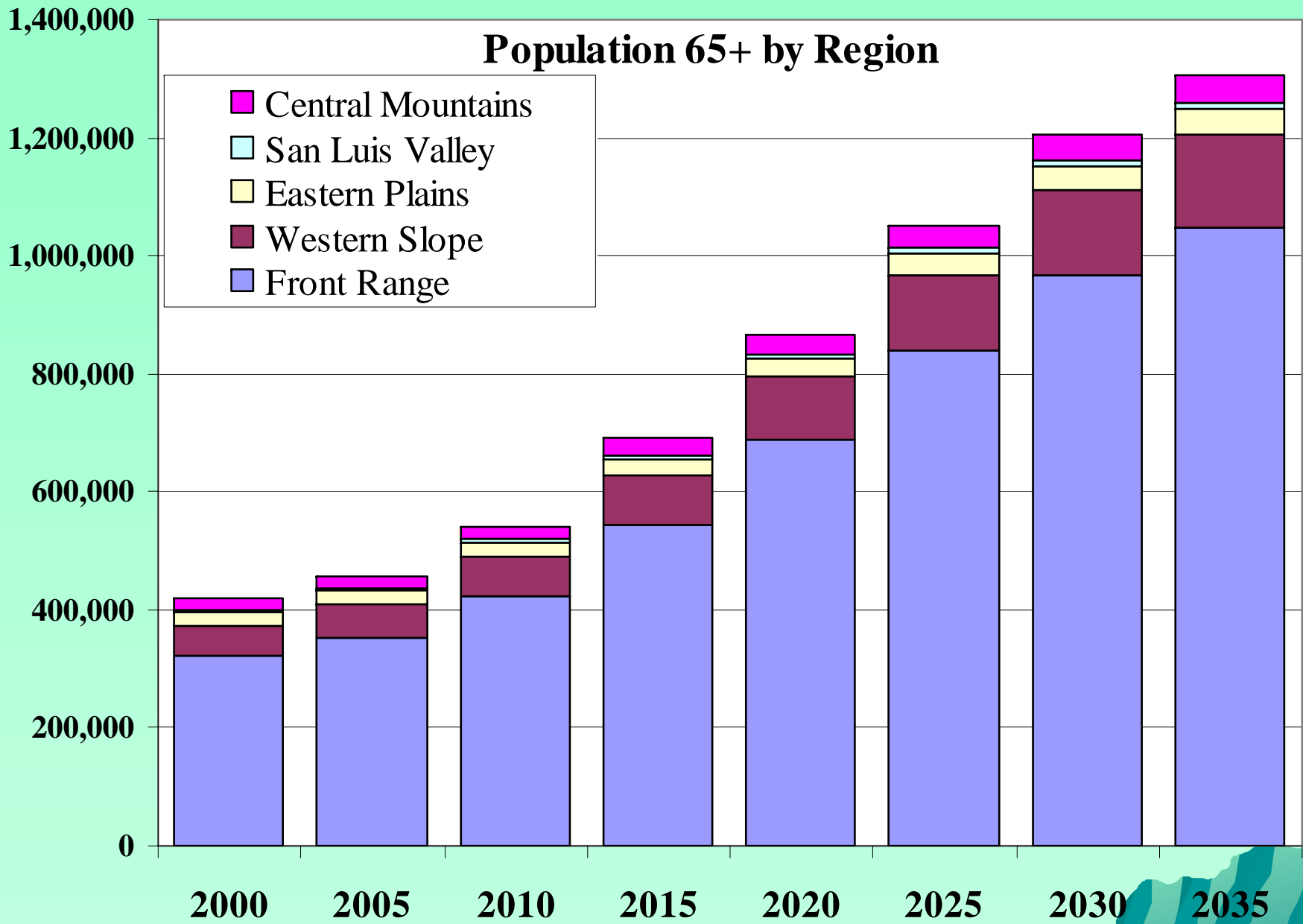


Source: Colorado State Demography Office, 2007.

Colorado Population by Age, 2030



Source: Colorado State Demography Office, 2007.




Source: Colorado State Demography Office, 2007.

Different amenities will lead older Coloradans to move to --

◆ Metro Front Range:

- ◆ Offers access to services, entertainment, museums, friends and relatives.
- ◆ But, has problems of congestion, high costs, other.

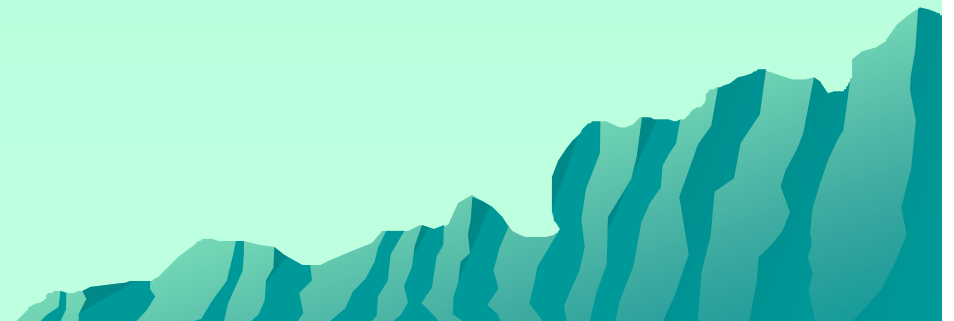
◆ Western Slope & Central Mountains:

- ◆ Scenic, pleasant environments; access to public lands for recreational activities.
 - ◆ Attractive for relatives and friends.
 - ◆ Less congestion; perceived to be relatively safe.
 - ◆ But, resort counties may be too expensive for many.
 - ◆ And while urban counties offer wide-range of services, more rural will not.
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Different amenities will lead older Coloradans to move to --

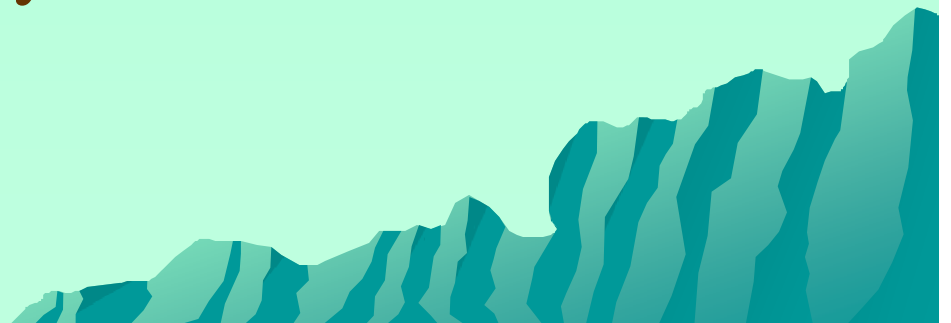
◆ Eastern Plains and San Luis Valley

- ◆ Low cost living, rural lifestyle
- ◆ Strong social network
- ◆ Adequate services
- ◆ But distant health services & more limited job opportunities



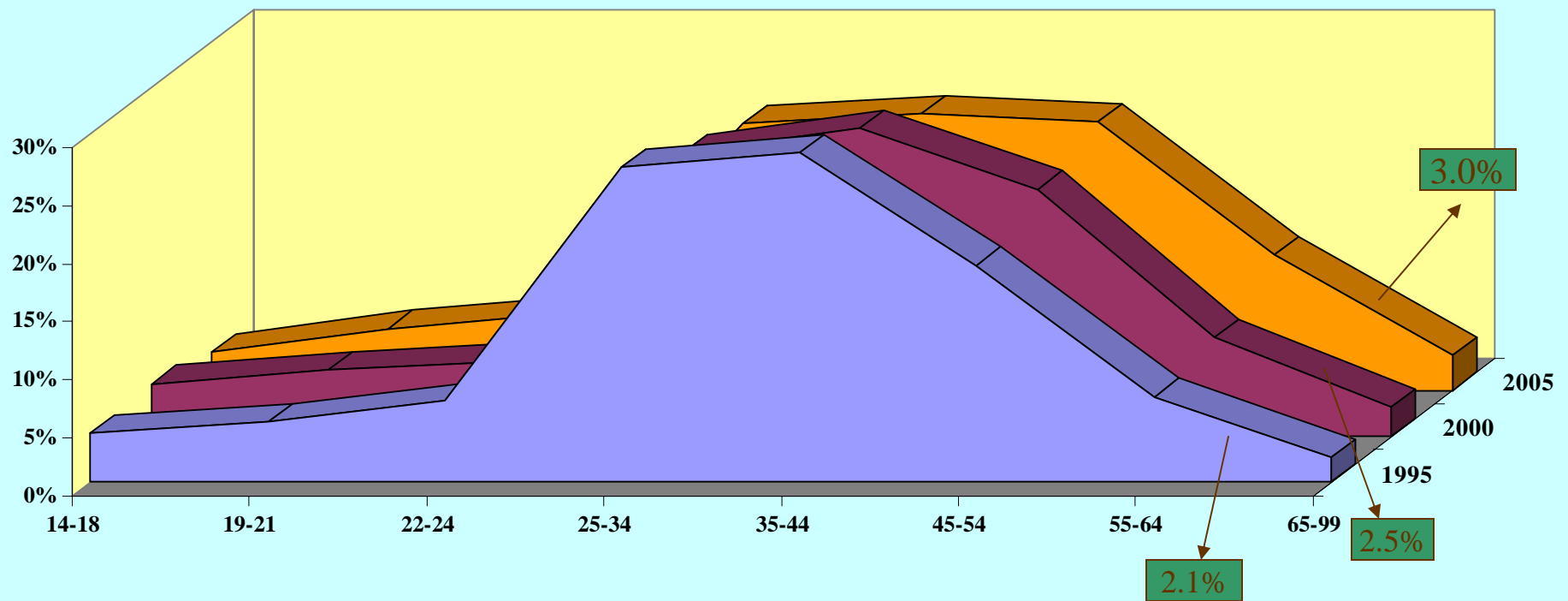
An aging population means:

1. Greater labor force participation, but
2. Labor shortages in many sectors and, therefore,
3. Challenges for employers



The Graying of the Workforce

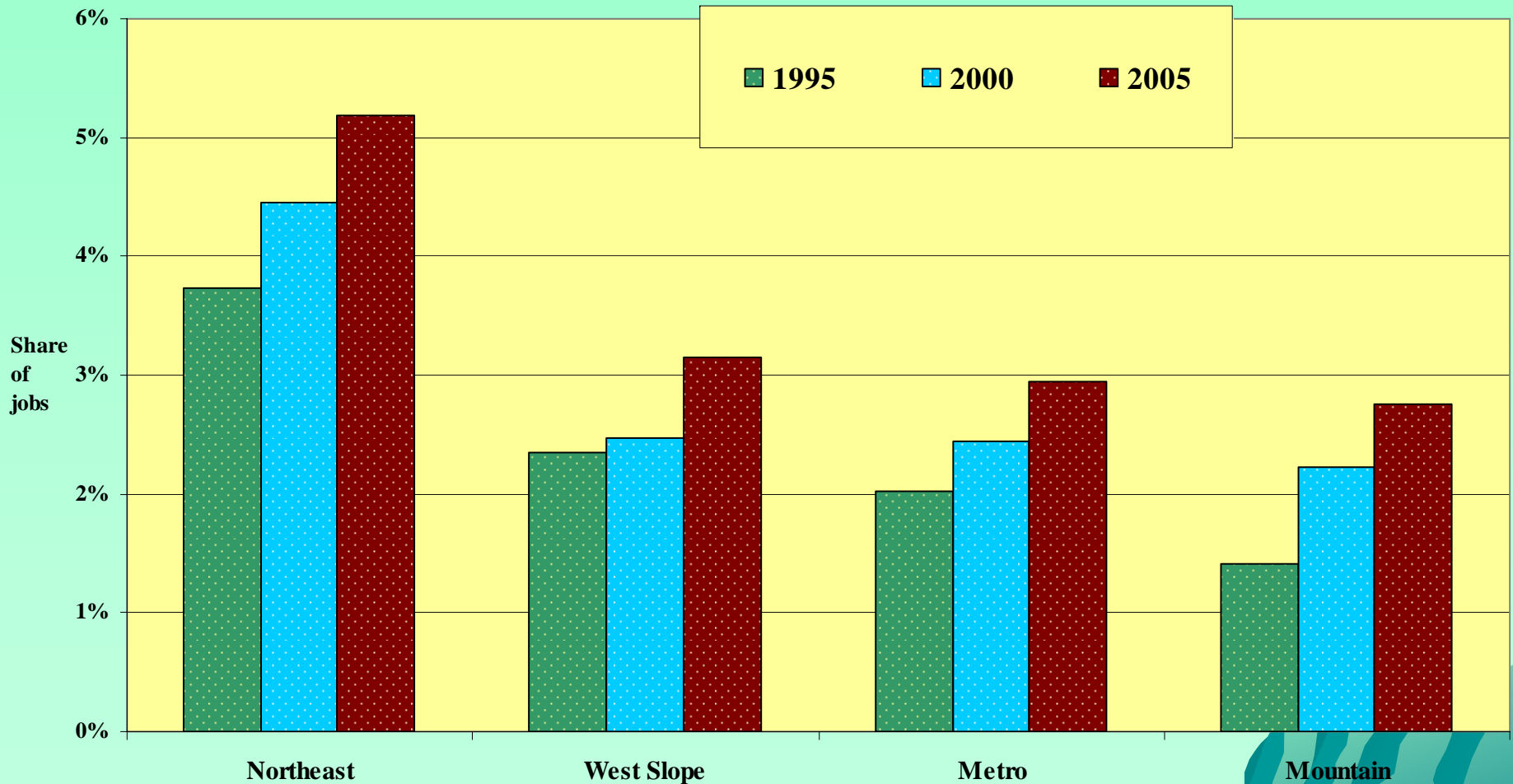
By 2005, 3% of Colorado's workforce was 65 years or older.



Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

Where is the workforce aging in Colorado?

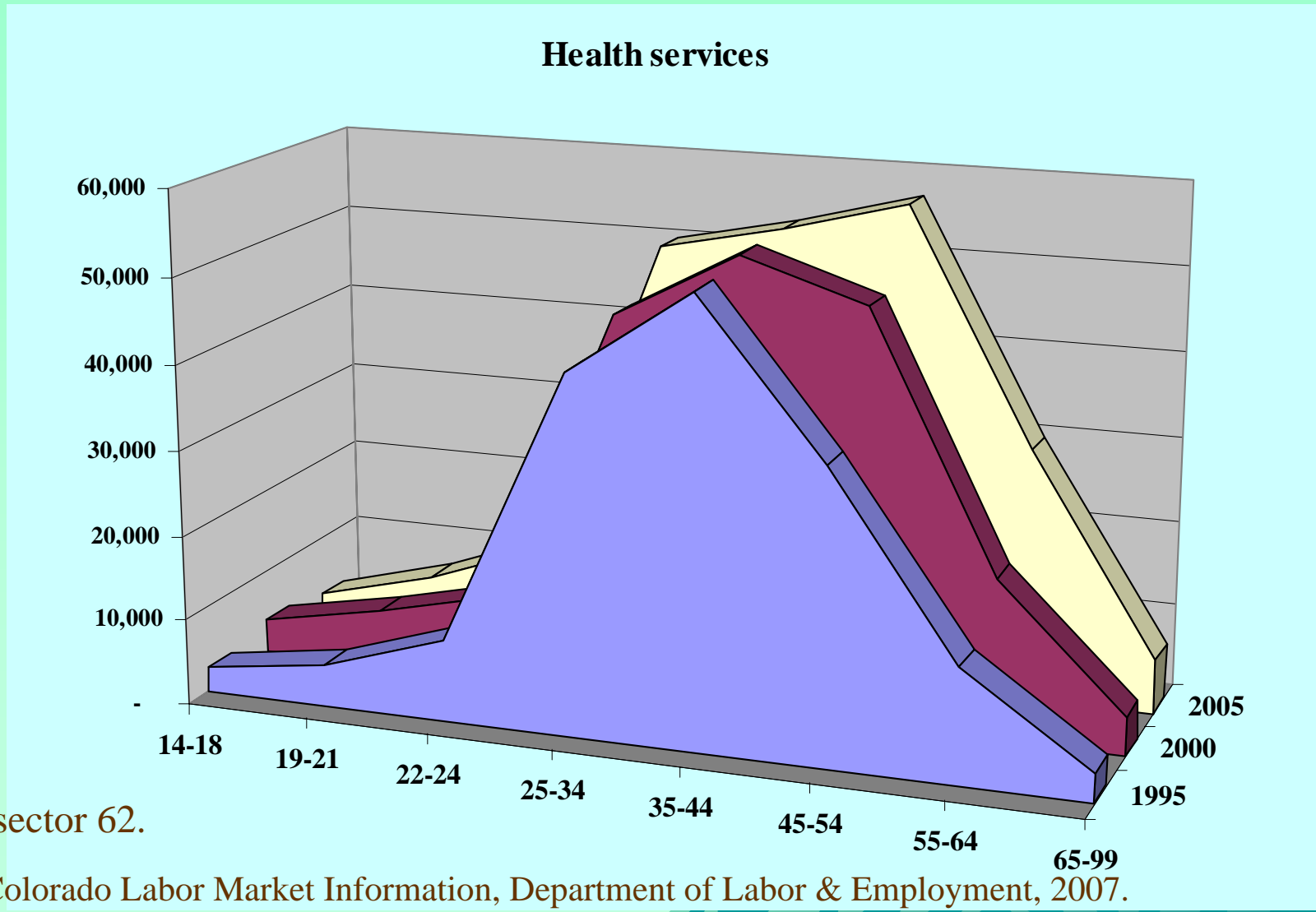
Share of total jobs held by those 65 and older.



Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

Health Services

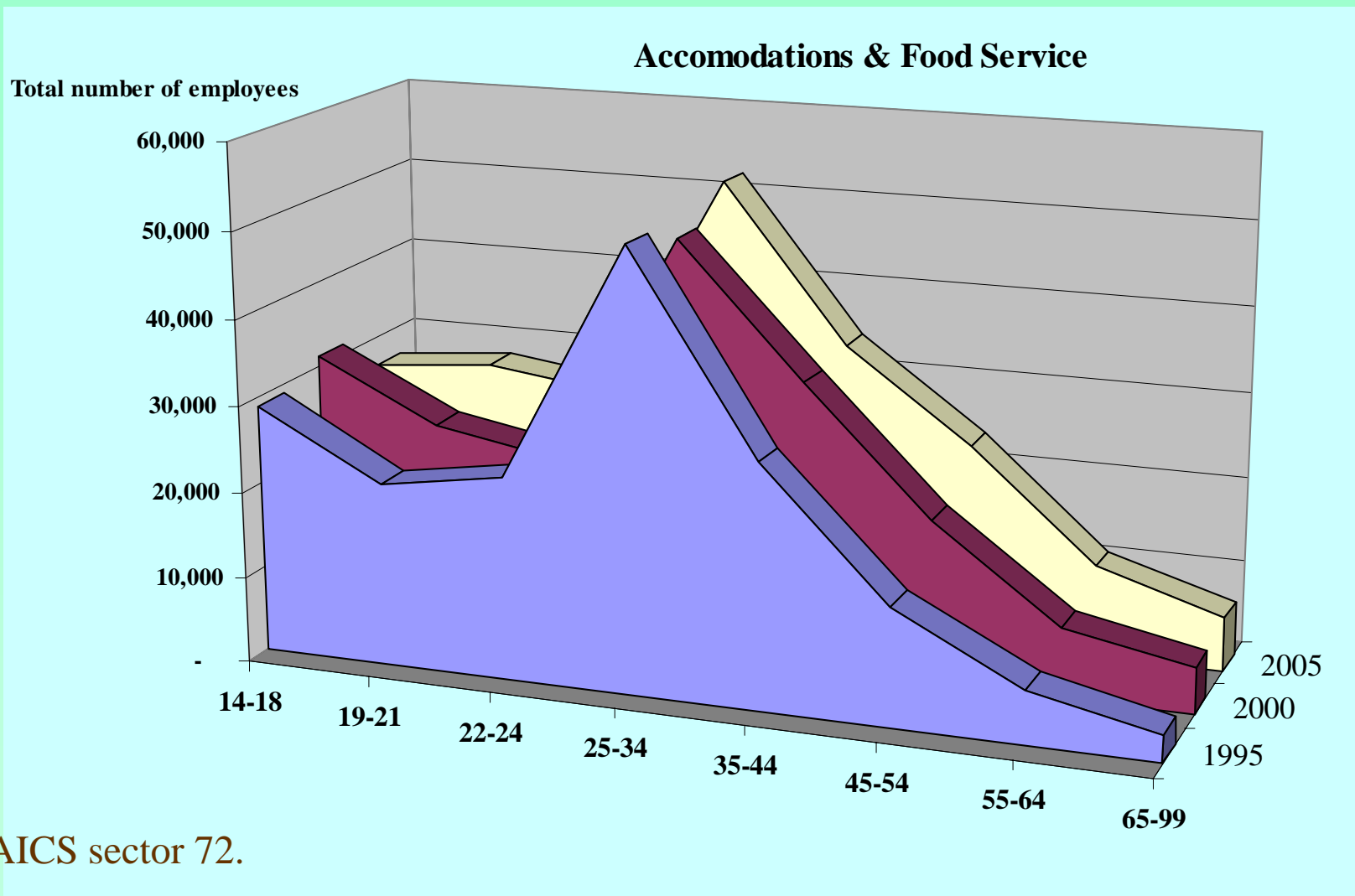
(10% of those employed, 65+)



NAICS sector 62.

Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

Accommodation & Food Service (9.9% of those employed, 65+)

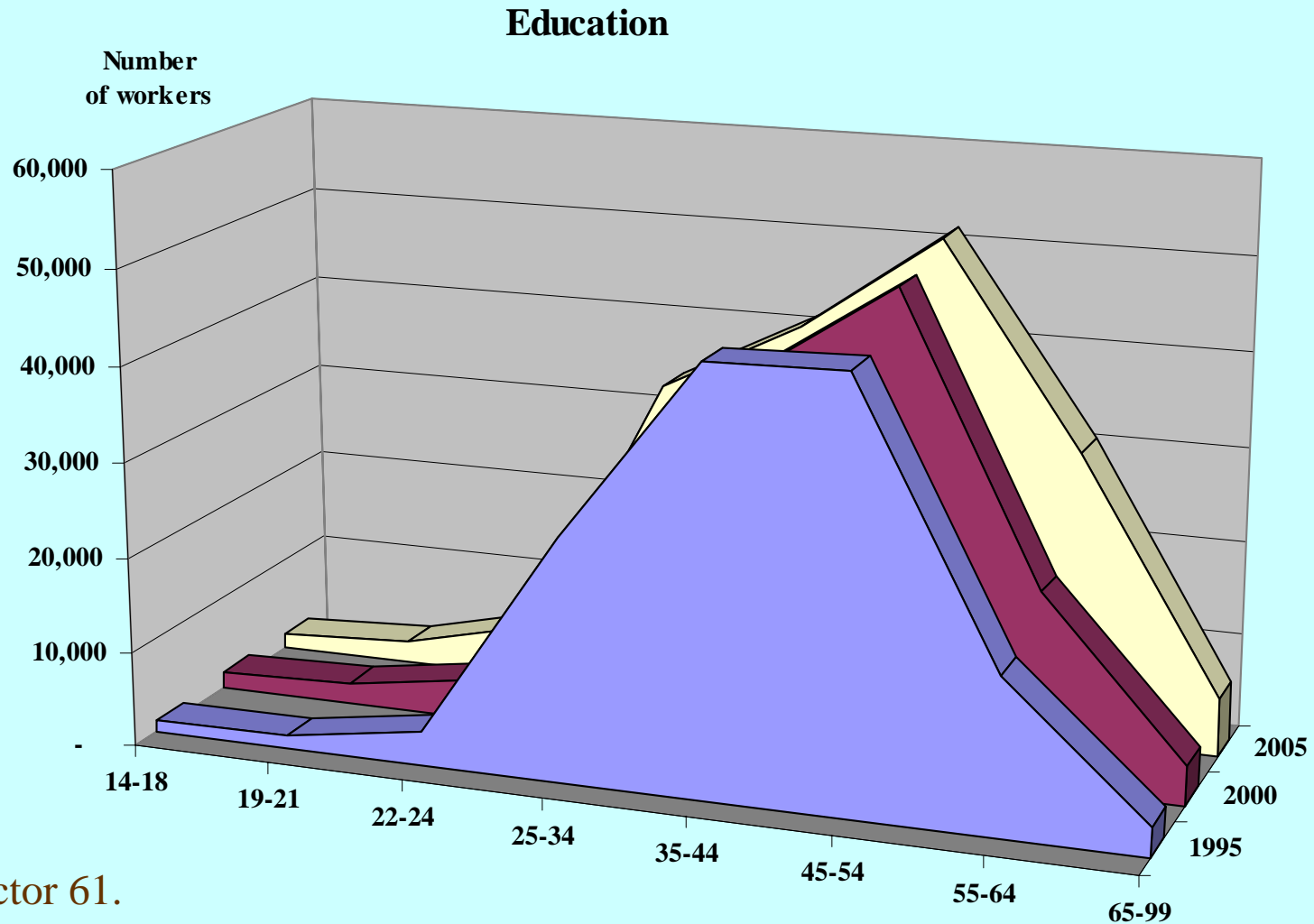


NAICS sector 72.

Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

Education

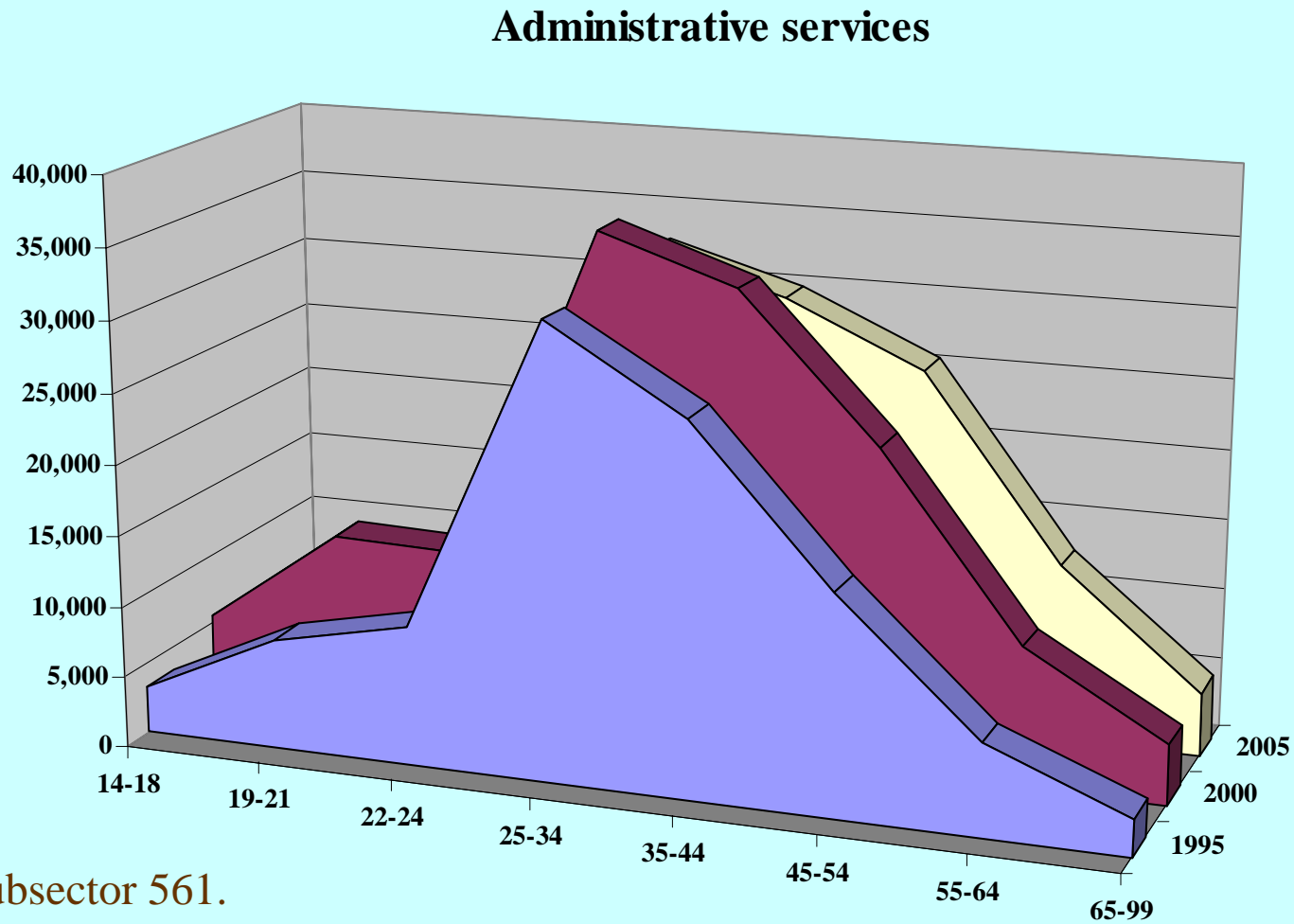
(9.6% of those employed, 65+)



NAICS sector 61.

Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

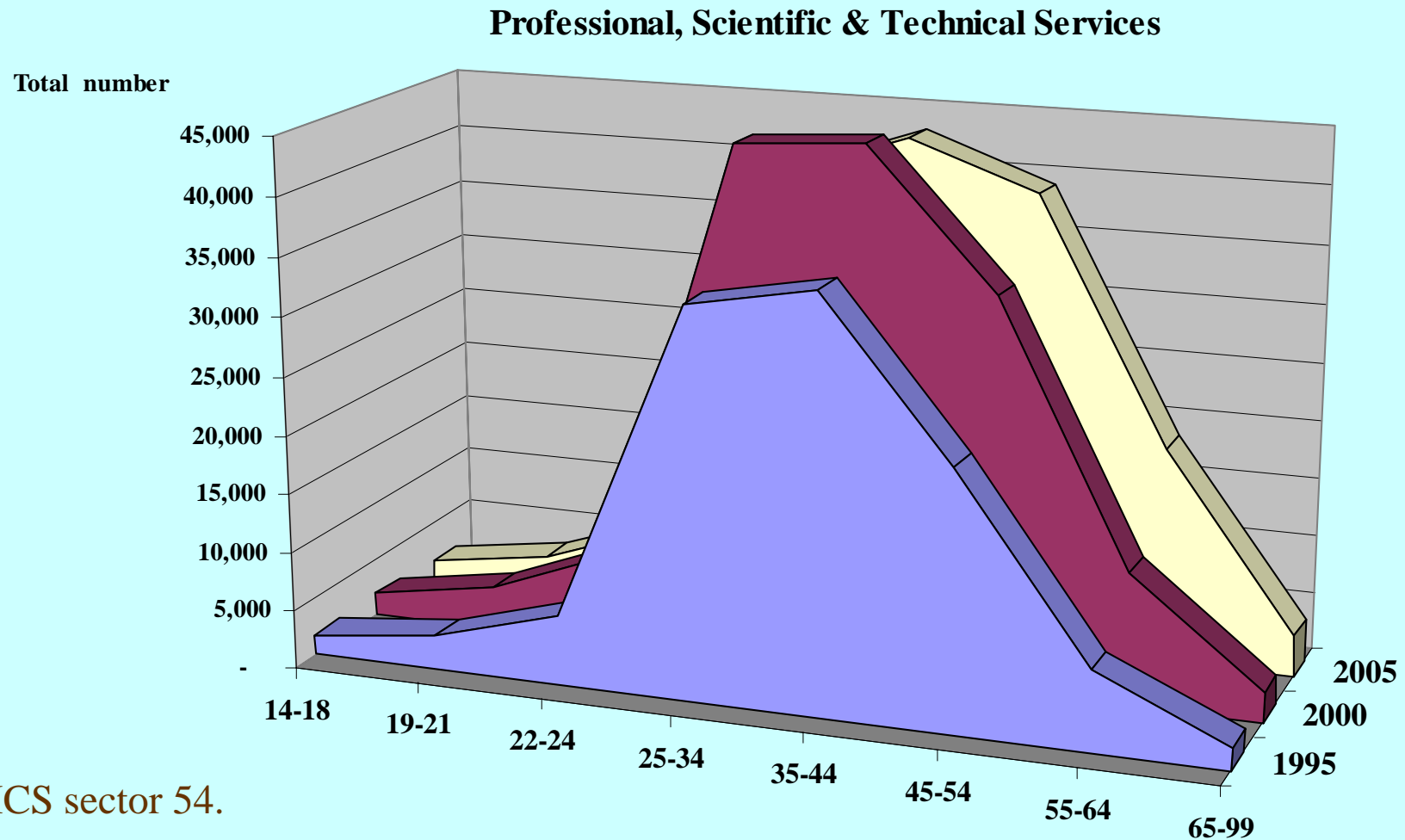
Administrative & Support Services (7.1% of those employed, 65+)



NAICS subsector 561.

Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

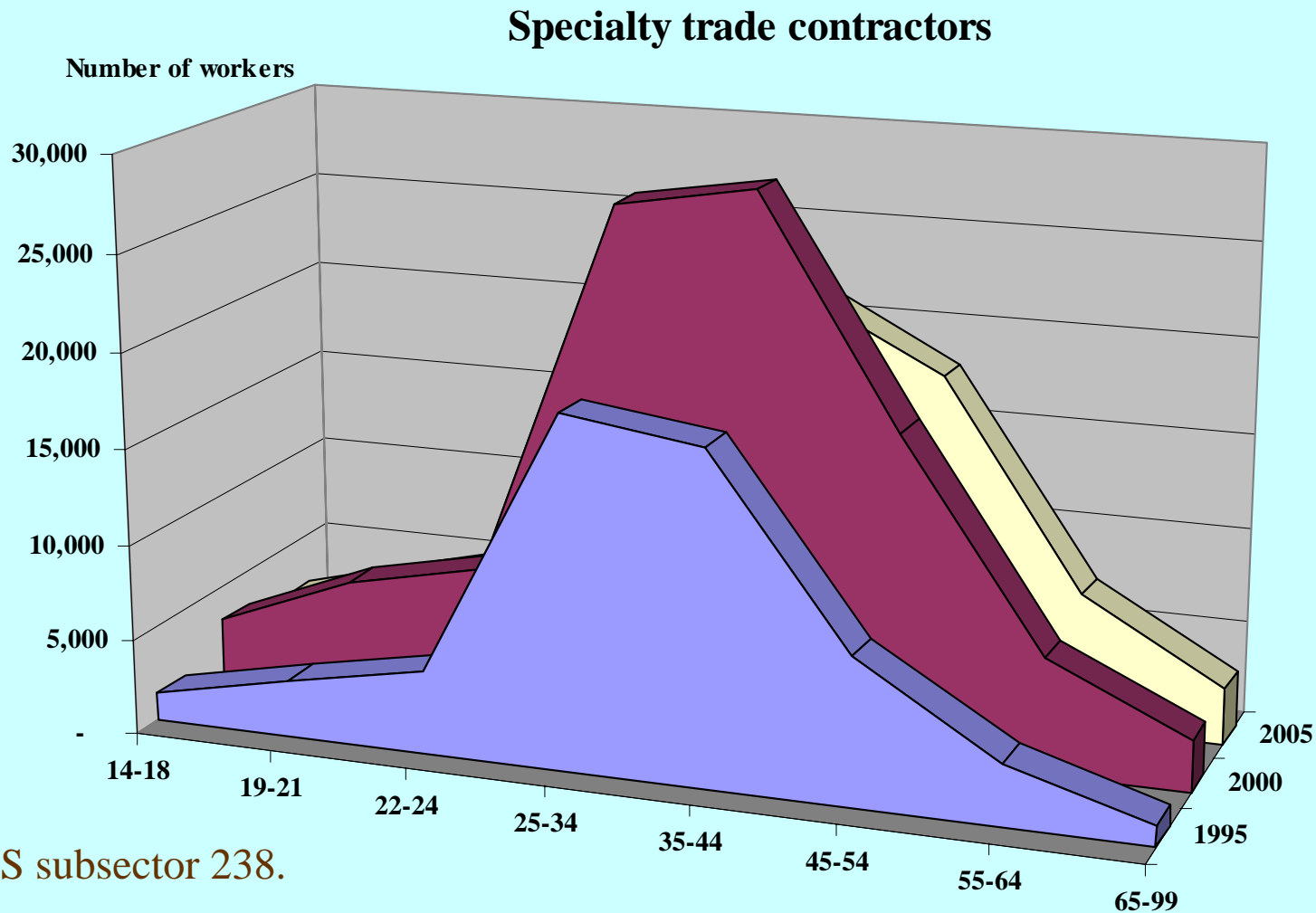
Professional, Scientific & Technical Services (5.7% of those employed, 65+)



NAICS sector 54.

Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

Specialty Trade Contractors (4.6% of those employed, 65+)

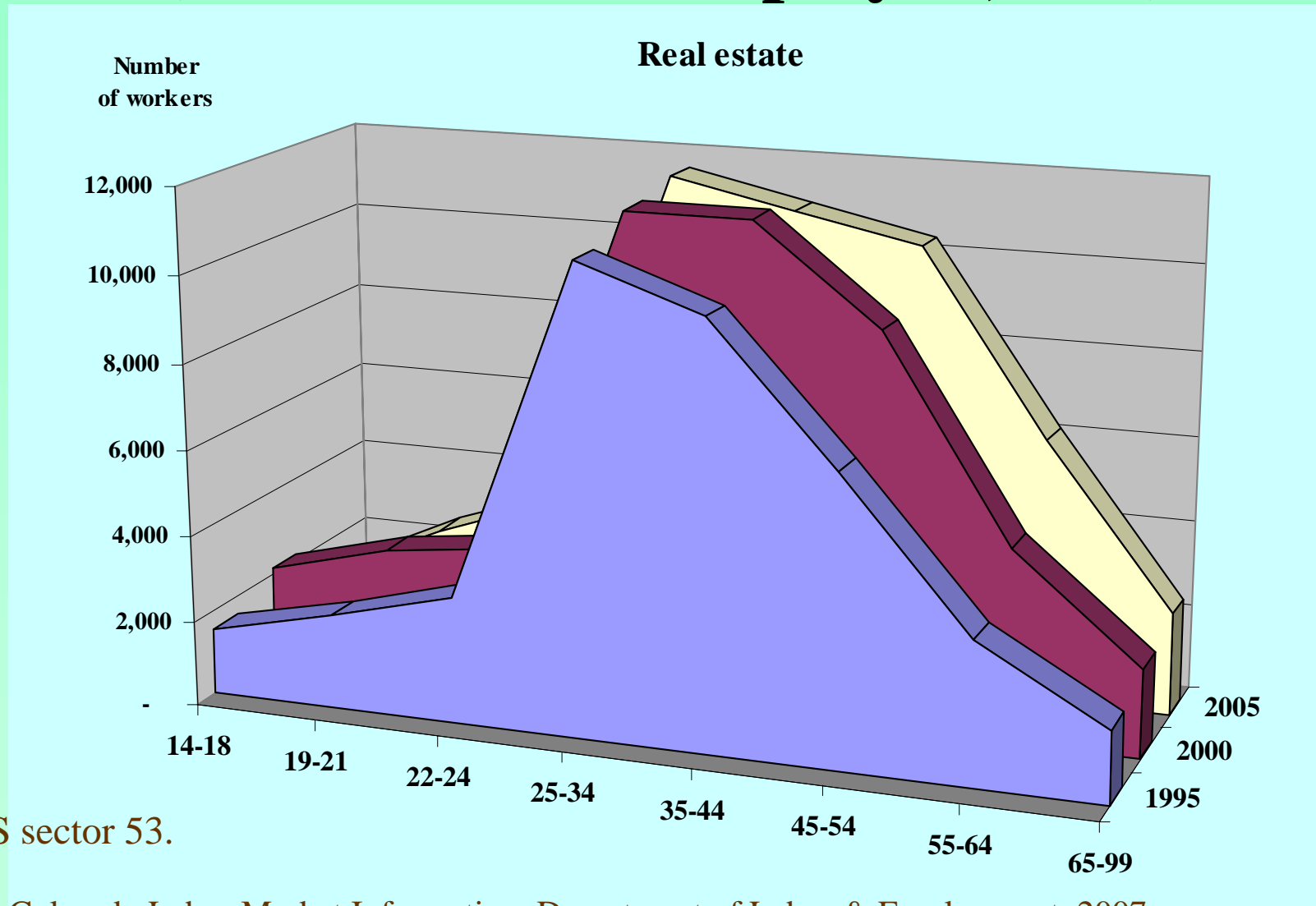


NAICS subsector 238.

Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

Real Estate

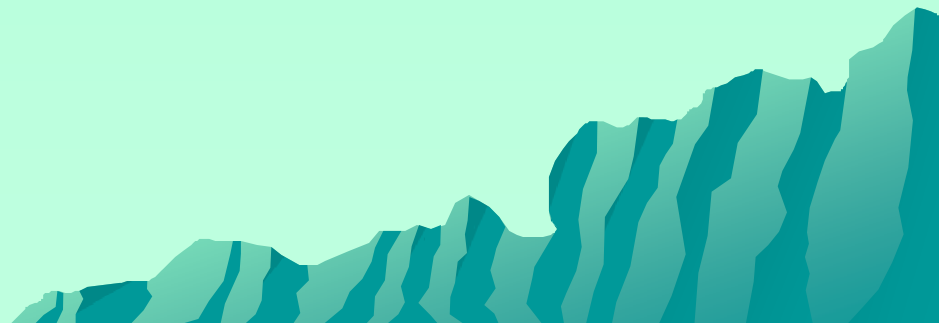
(3.7% of those employed, 65+)



NAICS sector 53.

Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

**Factors impacting individuals'
decisions to work after retirement age**



Of older Coloradans, ages 60-74...

- ◆ 19% caregivers

 - ◆ More women (23%) than men (20%)

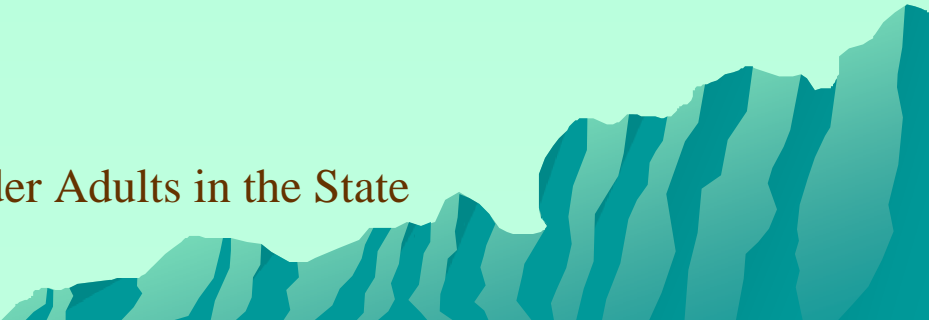
- ◆ 25% employed at least part-time

 - ◆ More men (39%) than women (29%)

- ◆ 42% volunteered at least 1 hour/week

 - ◆ More women (46%) than men (44%)

Source: Strengths and Needs Assessment of Older Adults in the State of Colorado, September 2004.



Personal finances

- ◆ About 50% of workers don't have pension plans through their employer
- ◆ SSA data show that 56.1% elect to take benefits at 62 years, resulting in 20% benefits reduction
- ◆ 19% of individuals ages 65+ are caregivers & may need to cover additional costs;
 - ◆ highest for females 60-74 years (23%)
 - ◆ highest overall in Pueblo, Northeast, East Central, San Juan basin, Northwest ($\geq 20\%$)

Sources: Strengths and Needs Assessment of Older Adults in the State of Colorado, September 2004; Older Workers, GAO 2005.

Personal finances - costs

- ◆ Percentage of after-tax income spent on health care will nearly double for older married couples & singles by 2030 ¹
- ◆ The bottom 20% of income distribution will spend more than 50% of their after-tax income on insurance premiums & health care expenses ¹
- ◆ 24% of adults 60+ reported financial problems in last 12 months ²

Sources: 1. Older Workers, GAO 2005; 2. Status of Older Adults in Colorado 2004, CDHS..

Then what will our labor force look like in the future?

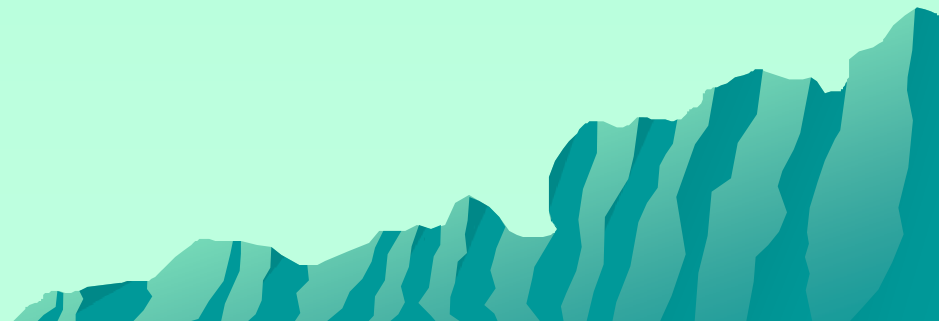
- ◆ Forecast: Labor force participation rates will increase through 2015, drop off as baby boomers leave labor force
 - ◆ 2020-2025 largest growth in leavers
- ◆ Increased demands in some sectors (replacement and service)
 - ◆ Forecast for 210,000 new jobs created by retiree spending between 2000-2030

Source: Colorado State Demography Office, 2007.



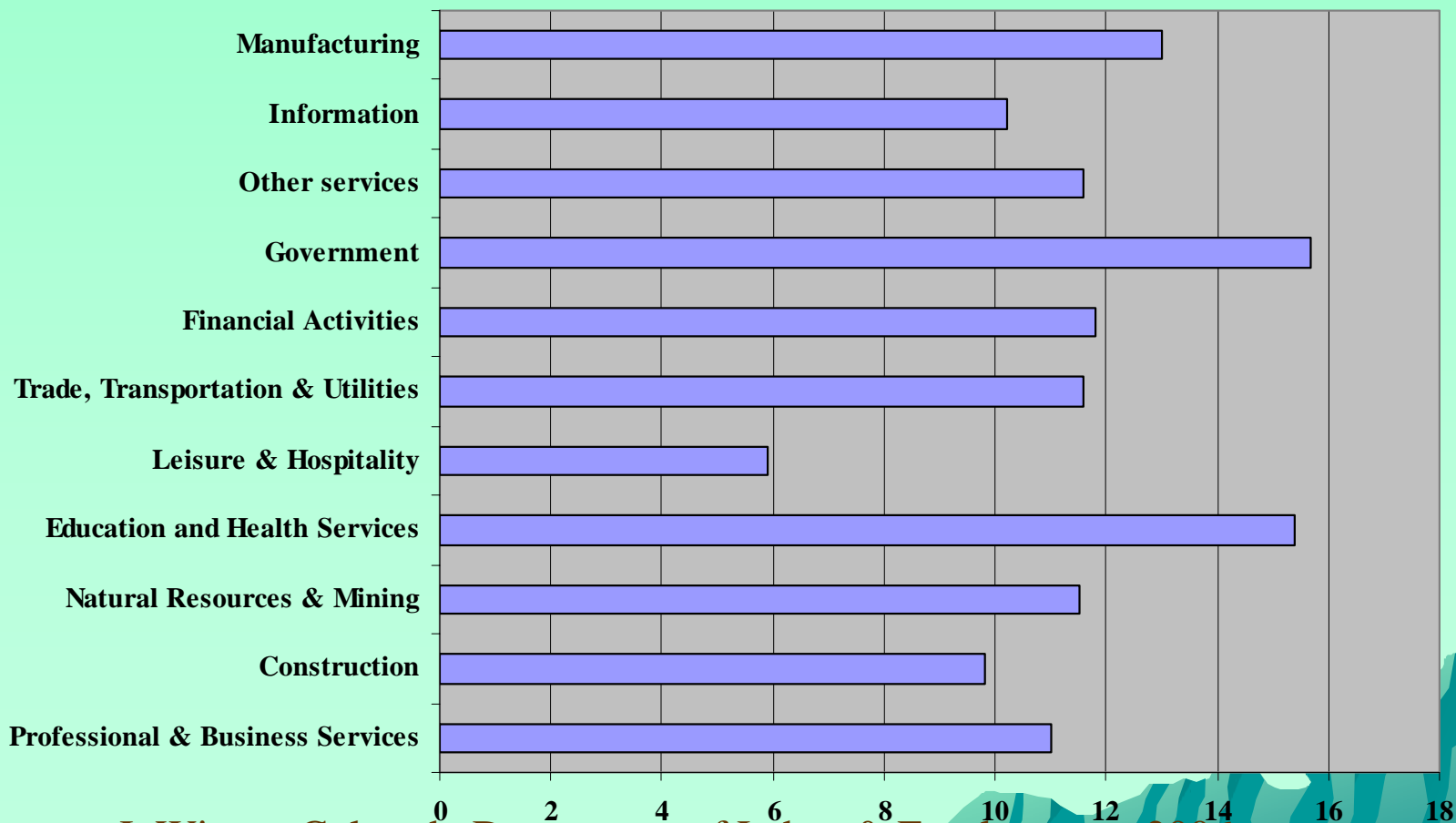
Where will labor shortages occur due to age-driven turnover?

- ◆ 14.7% of the State's workforce is 55+
- ◆ 18.7% of Government employees and 18.6% of Education & Health workers are 55+
- ◆ 15.7% of Other Services & 15.4% of Manufacturing employees are over 55




Some sectors will lose 1 in 6 workers to age-driven turnover

Percentage of employees 55-64 years old, by sector, 2005

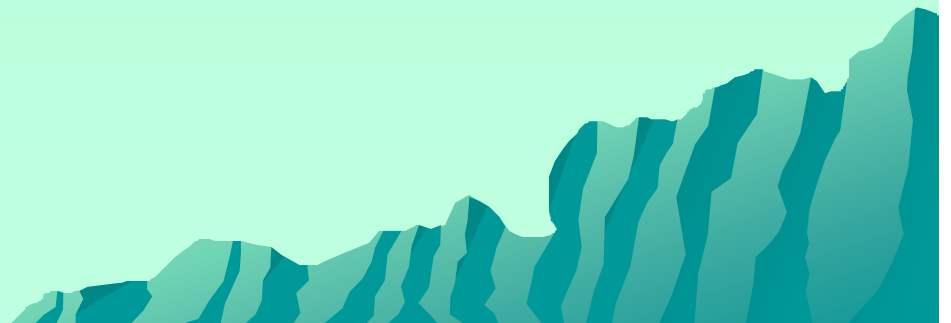


Source: J. Winter, Colorado Department of Labor & Employment, 2006.

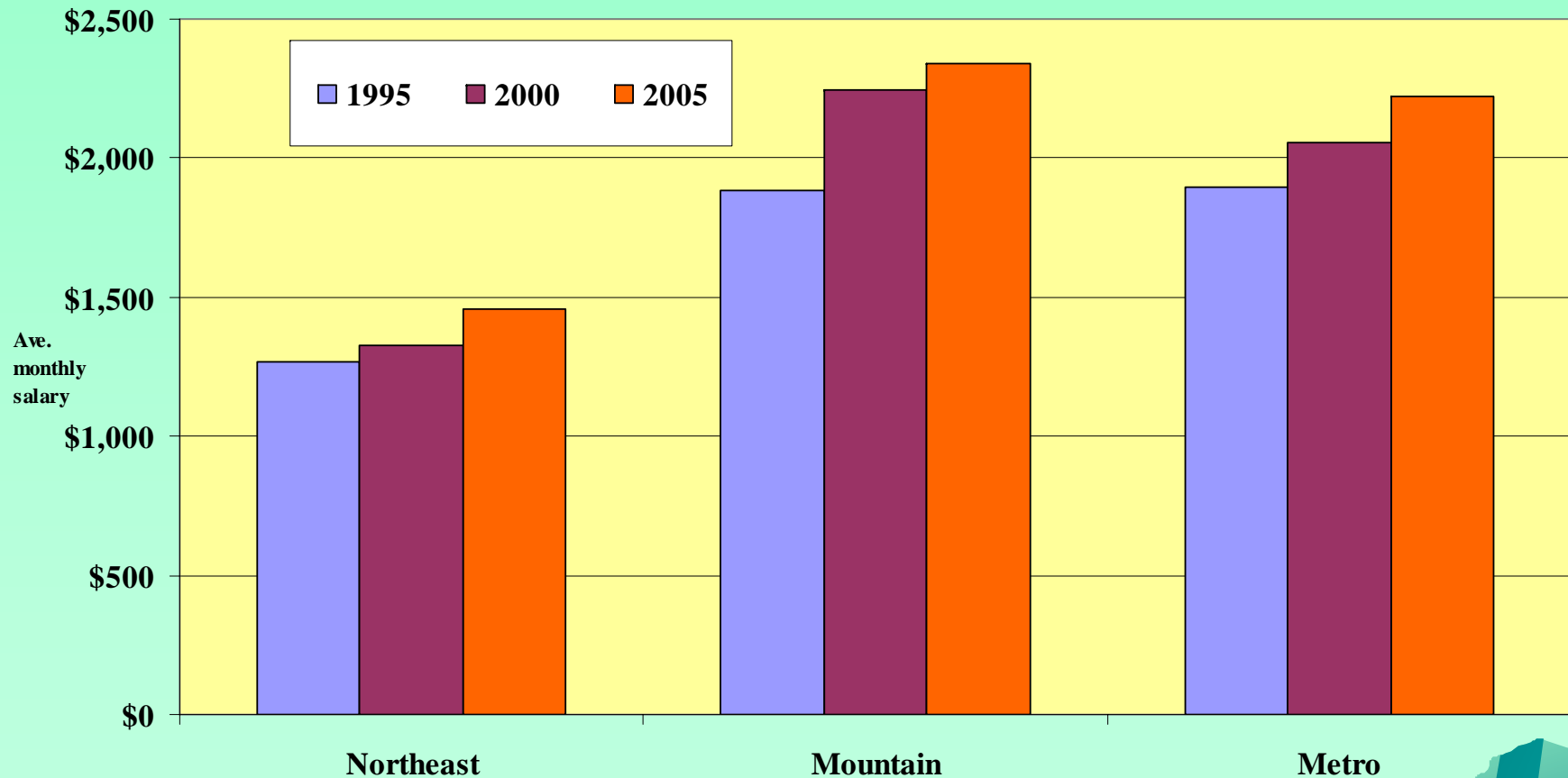
Implications for the future

- ◆ Older workers will make up increasingly larger proportion of Colorado's workforce until 2015, but eventually will leave
 - ◆ Most will remain in CO (aging in place), and demand for services will continue to grow (housing, healthcare)
 - ◆ Employers need to plan for eventual loss of experienced workers and payout of pensions
 - ◆ If younger workers not available to fill spots vacated by older workers, employers need to plan for older worker hiring & retention
- 

And, ...



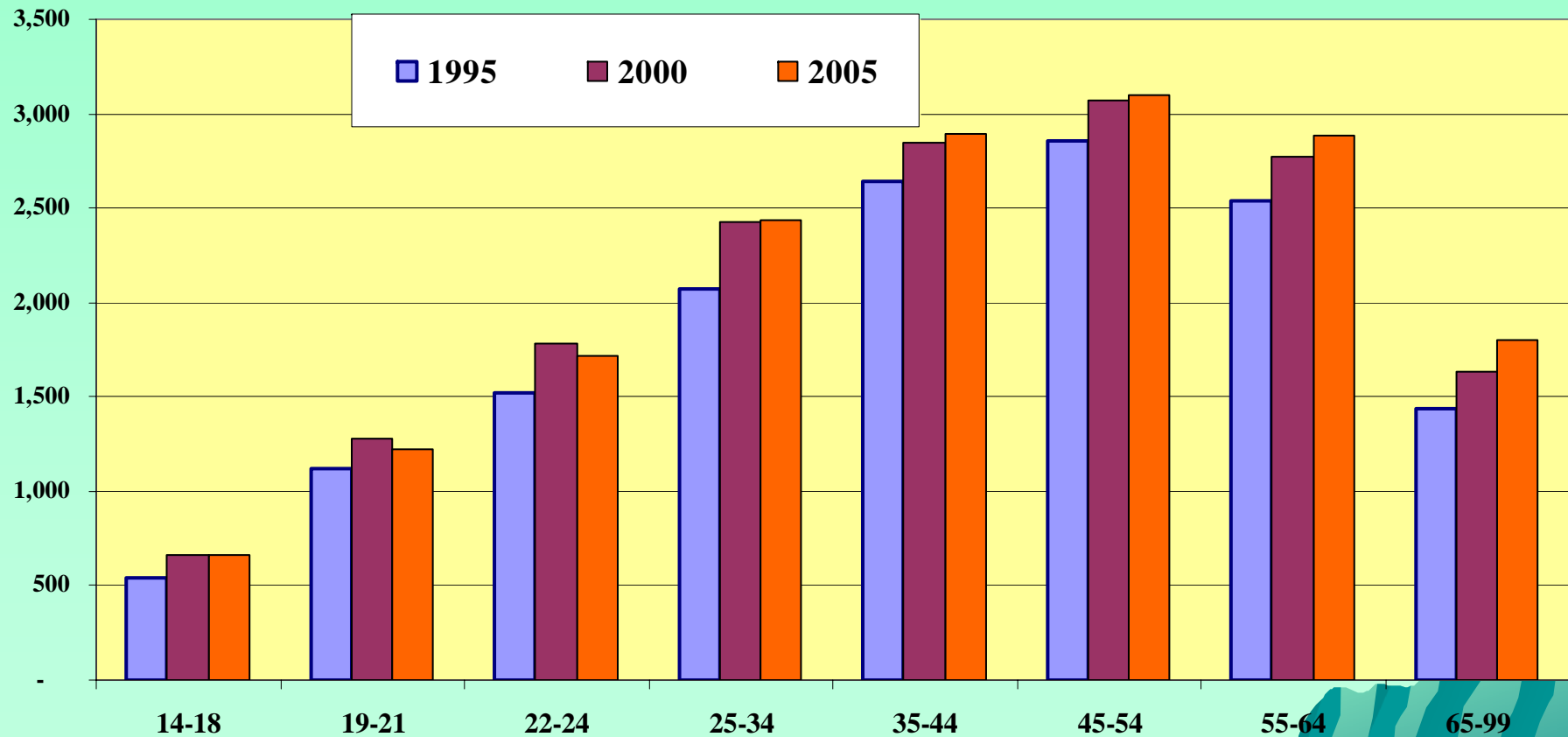
Real average wages are higher in Central Mountains for those 65+, but...



Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

...still lower than for most other age categories.

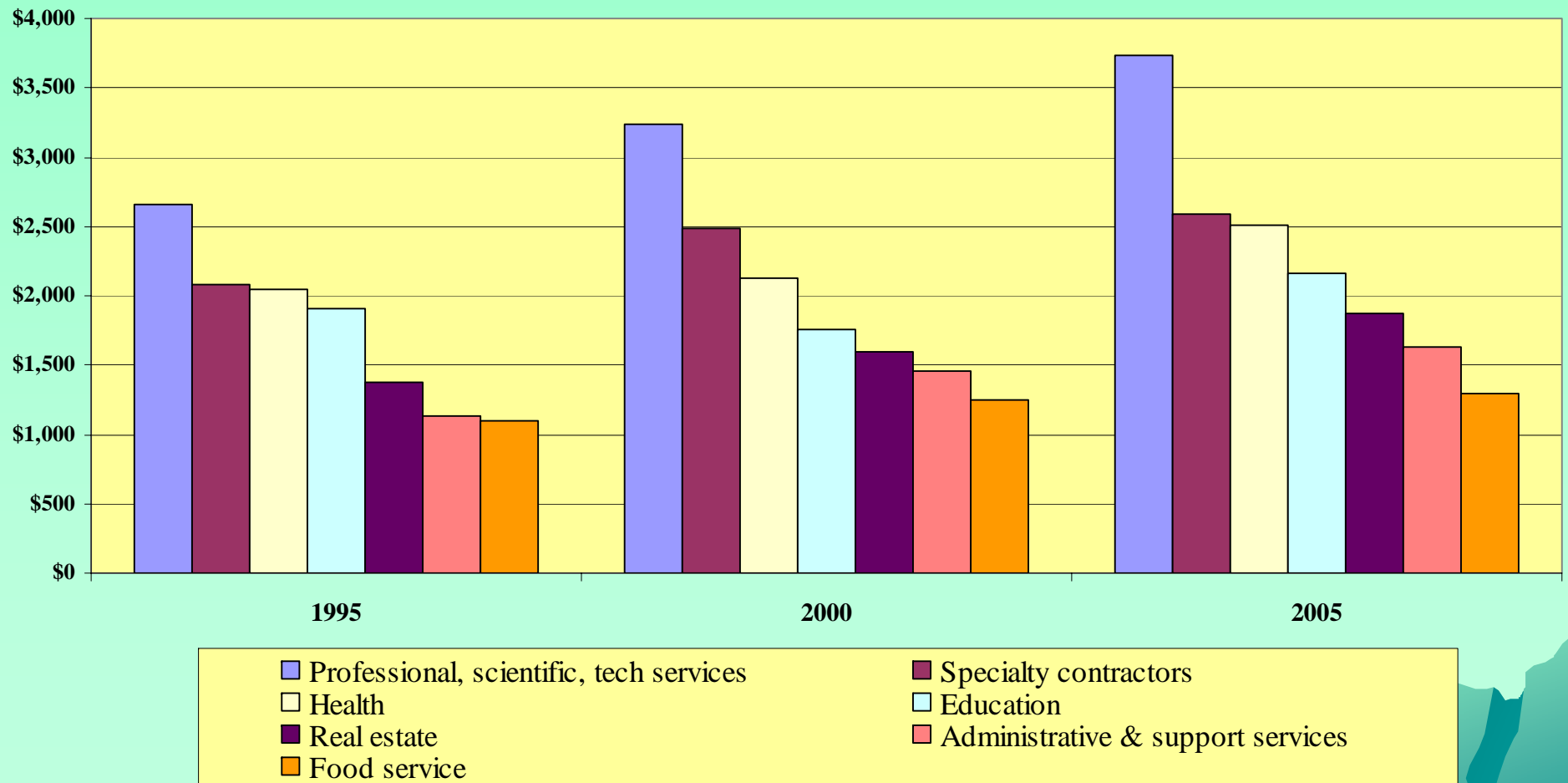
Real average monthly wages, statewide



Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

Wages differ greatly by sector

Average monthly wages by job sector



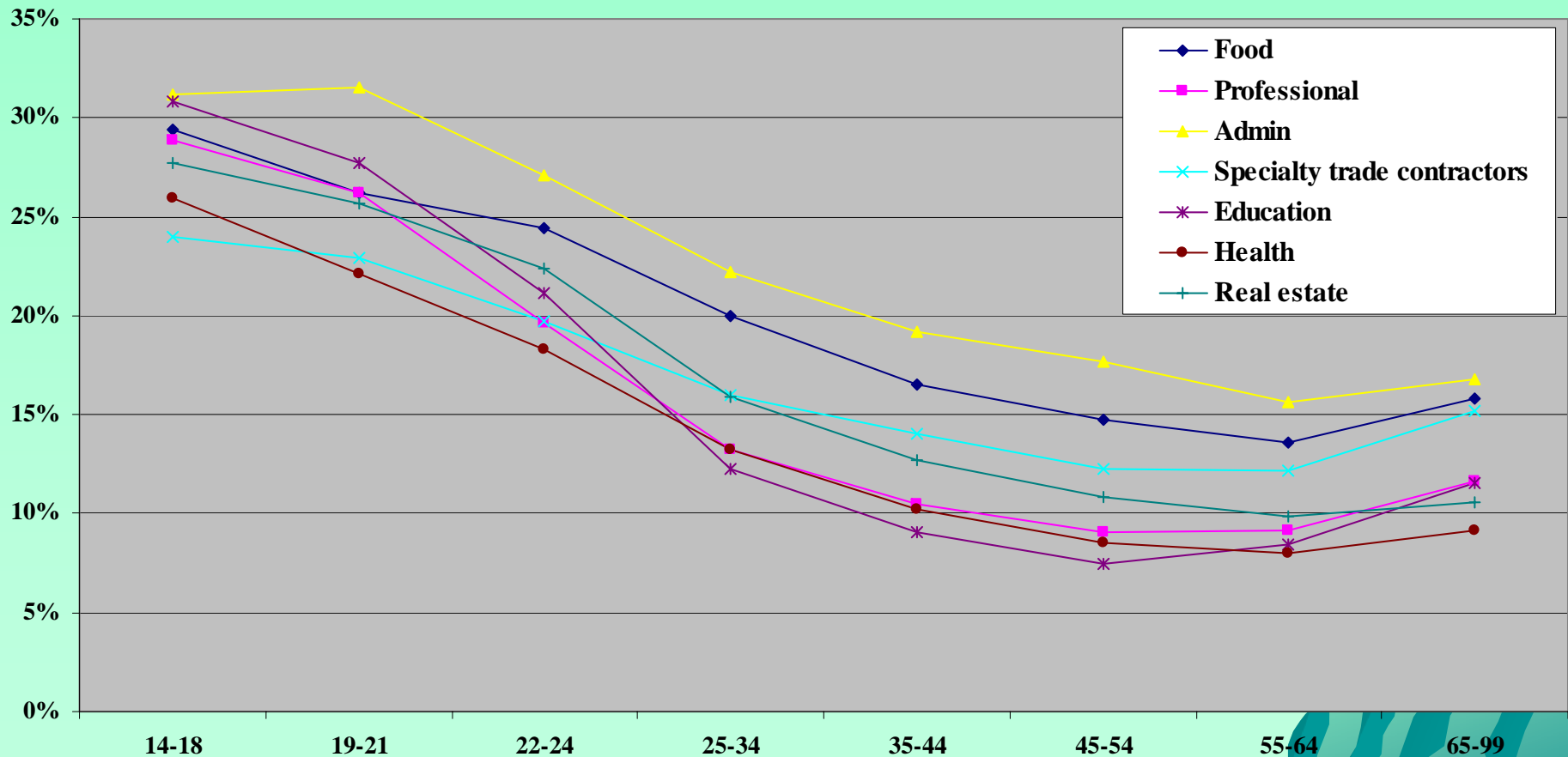
Note: All wages in 2005 dollars.

Source: Colorado Labor Market Information, Department of Labor & Employment, 2007.

Rate of exit from workforce

~Current stability versus future needs~

Workforce turnover, 2005



Average quarterly turnover for 2005.