

Rocky Mountain Conference on Aging Aging in the Workplace

What Boomers Will Mean to Business and Industry

Presenter: Emily Allen,

Date and Time: Tuesday, 24 October 2007, 12:30-1:30 p.m.

“By 2010, one in three workers will be over the age of 50. The Boomer generation will effectively “re-invent” retirement by working longer and/or differently. As talent and labor shortages loom, companies that develop effective policies and practices to recruit and retain the 50+ workforce will gain a competitive edge. What are Boomers looking for and what can companies do to attract them?” (From conference program schedule)

Key Points:

- Changes in the workforce are coming that are too significant to ignore
- Lack of qualified workers predicted
- Baby Boomers are likely to continue to work rather than retire, although not necessarily in the same field
- Older workers have a lot to offer employers

Examples of recruiting campaigns:

- “passion never retires” Home Depot
- “talent is ageless” CVS
- “now hiring your wisdom” Walgreen
- “reinvent retirement” Manpower

Workforce trends/issues:

- Significant demographic change in the U.S.:
2002 14% of workforce over 55
2010 19% of workforce will be over age 55 - that's 33 million workers
The highest growth rate will be in the 55-64 year old age range
The average worker age today: 40
- Likely to be a significant *skilled* labor shortage:
Current shortages: nurse, teachers, engineers, scientists
Likely future shortages: Highly skilled professionals, engineers, scientists, skilled craft people
- Bureau of Labor predicts a shortfall of 10 million workers by 2010

Lack of employer awareness and readiness:

- 80% of employers do not offer any formal or special provisions (i.e. flextime) to appeal to the concerns of mature workers
- 60% of CEOs report that they do not account for workforce aging in their long-term business plans
- John Deere Company is paying attention. They expect to lose half of their workforce in the next 10 years to retirement.

Employer Concerns:

- Rising health care costs
- Inadequate knowledge transfer, loss of institutional knowledge
- Legal ramifications of hiring back retirees
- Wrong new talent to replace retiring talent
- Managing intergenerational workforce

An AARP study reported that 58% of HR managers say it has become difficult to find qualified job applicants. More than half of managers predict a shortage of qualified workers within the next 5 years.

Employer negative beliefs:

- Older workers are adverse to change
- Older workers lack experience with new technology
- Older workers have out of date job skills
- Older workers have difficulty reporting to a younger boss
- Older workers are too expensive

Boomers will 'reinvent' retirement:

- 70% of workers who are not currently retired plan to continue to work
- 50+ Workforce: a business advantage. According to a survey, older workers are:
 - 72% more willing to work different schedules
 - 72% willing to mentor
 - 72% have invaluable experience
 - 69% have strong work ethic
 - 68% more reliable
 - 61% add diversity of thought/approach
 - 58% more loyal
 - 58% take work more seriously
- Borders reports that older workers have 1/10th the turnover rate of younger workers.
- 50+ Workforce: The Cost Question
 - Cash compensation: tied to market median, depends on ability and performance
 - Health benefits: insurance claims for those age 50-64 and their dependents at 1.4-2.2 times the cost of claims for those 30-40 years of age; however, HR managers are increasingly more concerned with behavioral issues that damage health (i.e. smoking, weight)
 - Pension benefits: Not age related
 - Paid time off: Not age related
 - Value: older workers provide a stable workforce
- Who is the older worker:

Need money	76%
Enjoy job/ learning	76%
Work is a way to help	68%
Saving for retirement	67%
Work is a way to feel useful	67%
Need to maintain health insurance	65%
Feel an obligation to work	59%
Need to pay health costs	56%

- What's important to the 50+ worker?
 - Salary
 - Health care
 - Opinions are valued
 - Flexible work time
 - Opportunity for new skills and experience
 - Good benefits
 - Work/life balance
- 1 in 4 expect to find employment that is entirely different from their previous work experience.
- 89% say that their ideal job would be something new.

Best Practices:

- Best Practices for Individuals
 - Know yourself: schedules, barriers, income needs, what you enjoy
 - Know your community: what is available?
 - Prepare to look for work: brush up online application skills, be aware that the job search process is likely different today
- Best Practices and Business Solutions
 - Maintain internal talent pool, Example: MITRE encourages 8-10% of staff to transfer regularly to new jobs within MITRE
 - Flexible work options with pro-rated benefits
 - Phased retirement
- Employer Assessment tool: [aarp.org.employerresourcenter](http://aarp.org/employerresourcenter)
- AARP Smart Brief: employer newsletter / news clipping service
- AARP Exemplary Employers:
 - SC Johnson
 - Lee County, Florida
 - National Governors Association

Submitted by: Leann Nelson, University of Northern Colorado, October 29, 2007