

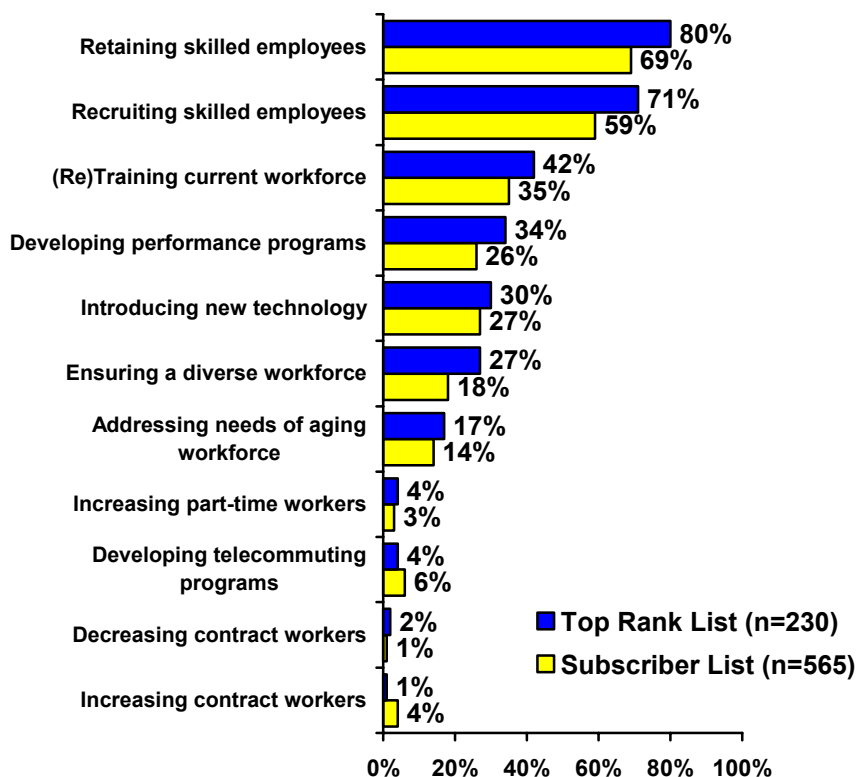


Putting Aging Workforce on Employment Planning Radar: Results from an AARP/*Florida Trend* Survey By Rachele Cummins, AARP Knowledge Management

Addressing Aging Workforce Is Key to Employee Retention and Recruitment

Results from an AARP/*Florida Trend* survey show that retaining and recruiting skilled employees is extremely important to Florida business leaders.¹ Much less important is addressing the needs of an aging workforce. However, demographic trends suggest that businesses should be planning for the latter to achieve the former.

Extremely Important Issues to Florida Business



This year the leading edge Baby Boomers turn 59. Some are closing in on traditional retirement, but many will stay in the workforce well beyond that. Because they represent such a huge demographic group, the nation's 76 million Baby Boomers have an enormous impact on the workplace. According to the Bureau of Labor Statistics, the 55+ age group will increase from 14.3 percent in 2002 to 19.1 percent of the labor force in 2012 (Toossi, 2004). The participation rates of the 55+ are expected to increase. The Bureau of Labor Statistics projects participation rates among the 55+ to increase from 34.5 percent in 2002 to 39.7 percent in 2012 with positive

¹ The survey was administered with two samples provided by *Florida Trend*. One was of business leaders in top rank Florida businesses across a variety of industries. The other was of leaders in businesses that subscribe to *Florida Trend*.

change in all age segments, 55-64, 65-74 and 75+ (Toossi, 2004). In short, employers will find a larger proportion of their workforce age 55+ in the coming decade.

While financial necessity is the primary reason older employees continue to stay in the workforce, non-financial benefits of employment such as the wish to work for enjoyment, the desire to stay physically and mentally active, and the need to have something to do are important as well (Brown, 2003). As today's older worker delays retirement due to changes in attitudes toward work and retirement, employers must recognize and address the emerging aging workforce. This trend in older employee participation in the labor force will require employers to identify and evaluate policies, attitudes, and perceptions towards older employees. Florida businesses should develop readiness tools for the changing demographics in the workplace as well as strategic plans to address a workforce shortage when these older employees retire.

Using Best Practices to Retain and Recruit Older Employees

Florida businesses have good reasons to support the retention and recruitment of older employees. The characteristics that Florida businesses say they need from all employees are very similar to the qualities that older employees have. Survey respondents say that older employees rank high in their commitment to doing quality work; are loyal to the company; have good basic skills in reading, writing, and arithmetic; can be counted on in a crisis; and have reliable performance records and experience.

Top Employee Qualities ² (Top Rank List n=230; Subscriber List n=565)		Top Older Employee Qualities ³ (Top Rank List n=230; Subscriber List n=565)	
Avg. Rank ⁴	Quality	Avg. Rank ⁵	Quality
1	Commitment to doing quality work	1	Commitment to doing quality work
2	Someone you can count on in a crisis	2	Loyalty and dedication to the company
3	Basic skills in reading, writing, and arithmetic	3	Basic skills in reading, writing, and arithmetic
4	Ability to get along with co-workers	4	Someone you can count on in a crisis
5	Loyalty and dedication to the company	5	A reliable performance record and solid experience in the job or industry

Florida businesses are already committed to approaches that accommodate employees who want to work past traditional retirement age. In the *AARP/Florida Trend* survey, some business leaders say they are already training their employees to upgrade skills and addressing diversity issues. Others are planning to use these approaches. Still others would consider using approaches like shifting employees from one track to another, allowing employees to transfer to jobs with reduced pay and responsibilities, reducing work schedules, or providing part-time work without benefits in the next five years with more information.

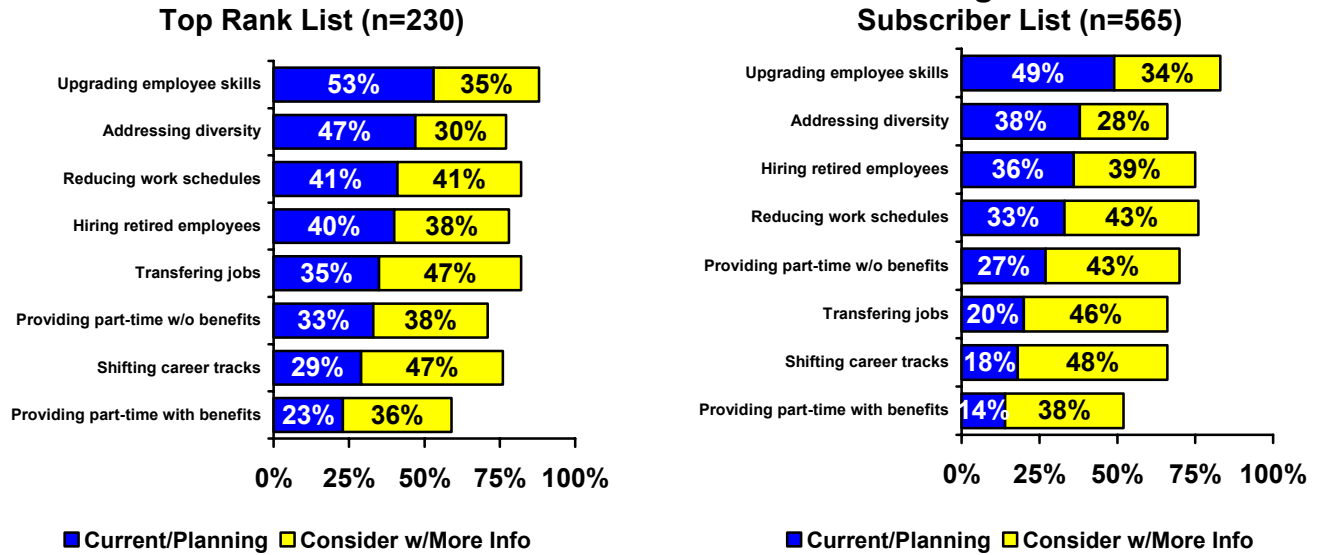
² Based on the average response to a 5-point importance scale where 5 is extremely important and 1 is not at all important.

³ Based on the average response to a 5-point good/poor scale where 5 is very good and 1 is very poor.

⁴ Rank based on average of two business leader samples.

⁵ Rank based on average of two business leader samples.

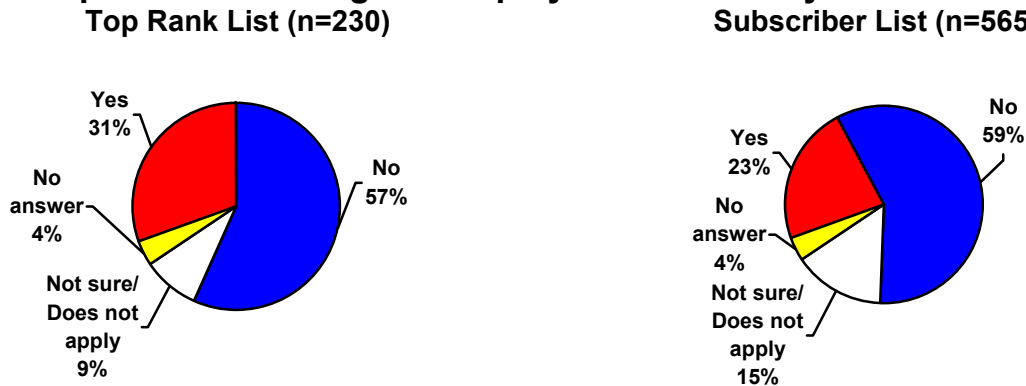
Approaches to Accommodate Employees Who Work Past Traditional Retirement Age



Getting Help with Planning

The eventual retirement of experienced employees is inevitable. The potential shortage of employees that may result from Baby Boomers retiring is not inevitable, rather it is debated. Nevertheless, as David DeLong (2004) makes his case in *Lost Knowledge: Confronting the Threat of an Aging Workforce*, a rapidly aging workforce coupled with a shrinking pool of highly skilled younger workers spells trouble for organizations that rely on highly trained and experienced employees. The AARP/*Florida* Trend survey shows that just a quarter of business leaders say their organizations are taking steps to prepare for a shortage. While concern today may be secondary, virtually all organizations will face reducing the costs of lost knowledge as a matter of survival (DeLong, 2004).

Prepared for Shortage of Employees When Baby Boomers Retire



Clearly, businesses will need some help with planning. Survey results show that organizations in Florida turn to lawyers, the Society for Human Resource Management, Chambers of Commerce, the U.S. Department of Labor, or the EEOC. Together these private and public organizations as well as others including AARP can and should provide information on older employees such as age discrimination, phased retirement, alternative career tracks, retraining, retirement planning, or part-time work with benefits.

References

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Toossi, M. (2004). "Labor Force Projections to 2012: The Graying of the U.S. Workforce." *Monthly Labor Review* (February 2004). Retrieved November 23, 2004 from <http://www.bls.gov/opub/mlr/2004/02/art3full.pdf>.

Methodology

Florida Trend and AARP Florida collaborated to conduct a survey that examines the attitudes of business leaders toward older employees and what businesses are doing to attract and retain older employees. *Florida Trend* provided two lists, one of top rank Florida businesses across a variety of industries and another of a random sample of Florida business subscribers to the magazine. AARP managed and conducted all other aspects of the study. Fielded between May and July 2005, nearly 800 Florida business leaders responded to the survey across the two samples. The full methodology and responses to the survey are available at www.aarp.org/research or www.aarp.org/fl.

AARP is a nonprofit, nonpartisan membership organization that helps people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole. We produce *AARP The Magazine*, published bimonthly; *AARP Bulletin*, our monthly newspaper; *AARP Segunda Juventud*, our bimonthly magazine in Spanish and English; *NRTA Live & Learn*, our quarterly newsletter for 50+ educators; and our website, www.aarp.org. AARP Foundation is our affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. We have staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

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