



Preparing for an Aging Workforce: A Focus on Massachusetts Businesses

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Report Prepared by Katherine Bridges

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Survey Highlights

AARP Massachusetts commissioned this survey of 407 employers in the Greater Boston area between July 5 and August 17, 2006 to examine aging workforce issues. The study was conducted with organizations listed in the area with twenty or more employees in the counties of Norfolk, Suffolk, Middlesex, Essex, Plymouth, Barnstable, and Bristol. The survey examines employers' perceptions of worker shortages, the loss of institutional knowledge, and the extent to which employers have implemented approaches to keep older workers. Key findings from the survey include:

- More than half (55%) of employers surveyed believe their business is likely to face a shortage of qualified workers within the next five years. However, only 19 percent say they have consciously taken steps to prepare for the possibility of boomers retiring at the traditional age.
- When asked about specific approaches companies might use to prepare for a shortage of workers caused by boomers retiring, only 13 percent of businesses surveyed say they are offering incentives to encourage their employees to delay retirement.
- One-third (34%) of organizations surveyed say they do not offer retirement benefits. Of those that do offer benefits, most do not offer long-term care insurance (64%), retiree health benefits (66%), or defined benefit pensions (60%). Remarkably, 42 percent of organizations surveyed offer phased retirement, but mostly on an informal basis.
- Two-thirds (67%) of businesses surveyed say it is extremely or very important to retain institutional knowledge that might be lost when employees retire or leave, and 84 percent acknowledge they are affected by such losses. However, less than a third of businesses (30%) report having a formal process that enables employees who retire or leave to share the knowledge they have obtained on the job.

There is still time for employers to identify and evaluate policies, attitudes, and perceptions towards older workers that can negatively influence their ability to retain and compete for qualified workers. Strategies such as conducting workforce planning, reevaluating benefits, developing flexible work options and implementing succession planning and mentoring programs can help address issues such as the potential shortage of qualified workers in the next five years as well as the loss of institutional knowledge.

Background

For decades, the Bureau of Labor Statistics has been projecting two major shifts in workforce demographics that will present many American businesses with unique human resource challenges – a substantial aging of the workforce and an ensuing cohort of fewer younger workers. Today, the growth and demographic shifts generated by the baby boom population of more than 76 million (those born between 1946 and 1964) are being closely observed by American employers. While the proportion of workers ages 25 to 44 will decrease by about seven percent between 1998 and 2008, those ages 45 and older will increase from 33 percent to 40 percent during the same time period.¹ Included in this older cohort are baby boomers, who now represent 40 percent of the U.S. workforce and will begin turning 65 over the next five years.^{2,3}

However, rather than retire, Boomers show a strong indication of choosing to continue to work. Indeed, the Bureau of Labor Statistics reports that by 2012, almost two-thirds of Americans ages 55 and older will be working and they will constitute one-fifth of the U.S. labor force. Additionally, the growth rate of workers ages 65 to 74 has been increasing since 1982 and is projected to increase another 3.2 percent up to 23.6 percent between 2000 and 2012.⁴

There are many factors contributing to the increasing number of older workers in the United States including the nearly universal elimination of mandatory retirement, changes to Social Security, and the erosion of pension and retiree health benefits.⁵ Moreover, in a recent national study conducted by AARP, respondents ages 50 and older said they plan to continue working in retirement out of financial necessity, the need for health benefits, enjoyment of the job, staying mentally and physically active, and quite simply, the need to feel productive.⁶

So faced with a potentially abundant 50-plus workforce and a smaller pool of younger workers following close behind, American businesses could be confronted with the possibility of losing important organizational knowledge with every worker who leaves the company. If steps are not taken, critical institutional knowledge could be lost, including best practices, corporate networks, client relationships, effective working teams, as well as understanding the company cultural.⁷ Such losses could negatively affect the performance of an organization and possibly make it vulnerable to increased competition.

¹ DeLong, D. (2004) *Lost Knowledge: Confronting the Threat of an Aging Workforce*. Oxford University Press, Inc.

² Bell, A. (2005) *To Raise Boomer Retention, Firms May Have To Update Benefits*. National Underwriter Company, Life and Health-Financial Services Edition.

³ Current Population Survey, 2005.

⁴ Toosi, M. (February 2004) *Labor Force Projections to 2012: The Graying of the U.S. Workforce*. Monthly Labor Review.

⁵ Rix, S. *Aging and Work – A View From the United States*. Washington, D.C: AARP (2004).

⁶ Brown, S.K. (2003) *Staying Ahead of the Curve 2003: The AARP Working in Retirement Study*. Washington, DC: AARP.

⁷ Ibid, DeLong, D.

How will these demographic forces specifically impact Massachusetts? With the baby boomers edging closer to traditional retirement age and fewer numbers in subsequent generations coming into the workforce, competition for qualified workers is likely to increase among Bay State businesses. In 2004, 14 percent of the labor force in Massachusetts was age 65 and older. With the 65-plus population of the Commonwealth expected to climb from 827,000 in 2005 to 1.25 million by 2025, one could expect an increase in the number of workers age 65 and older.⁸ In Massachusetts, overall population declines may further intensify the situation. For instance, Boston and Metro North are both workforce areas in the Commonwealth that experienced population declines between April 2000 and July 2004. In addition, Suffolk, Middlesex, Essex, and Norfolk Counties have all experienced out migration during this same time frame. In short, the Massachusetts labor force continues to be plagued with slow growth.⁹

Adding to the challenge of these demographic trends is the predominance of small businesses in the local economy. In Massachusetts, most businesses (88%) have fewer than 20 employees. However, about three-quarters of the workers (77%) in the Commonwealth work for businesses with 20 or more employees.¹⁰ Unlike their larger counterparts, smaller firms have greater challenges in providing retirement health benefits, productivity incentives and training programs – all of which are important requirements for an organization trying to retain or attract skilled employees.

Purpose of Survey

To better understand the extent to which Massachusetts employers are implementing approaches to recruit or retain older workers and protect organizational knowledge, AARP Massachusetts commissioned this survey of employers in the Greater Boston area. The study was conducted between July 5 and August 17, 2006, with organizations listed in the area with twenty or more employees¹¹ in the counties of Norfolk, Suffolk, Middlesex, Essex, Plymouth, Barnstable, and Bristol. Over 400 employers completed the survey over the phone or on the Internet during this timeframe. Specifically, the survey examines employers' perceptions of worker shortages, loss of institutional knowledge, and the extent to which employers have implemented approaches to keep older workers.

⁸ Number of Older Workers by State, Bureau of Labor Statistics, 2004.

⁹ Regional Labor Market Information Profile Series, Annual Profile for Boston Workforce Area (March, 2006). Massachusetts Department of Workforce Development. Retrieved August 18, 2006 from <http://lmi2.detma.org/lmi/pdf/profiles/0603/boston.pdf>.

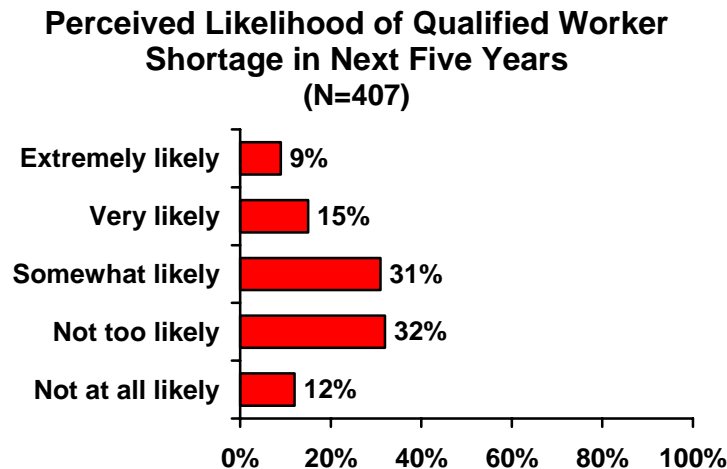
¹⁰ Ibid, MA Dept. of Workforce Development

¹¹ While 88 percent of Massachusetts businesses have fewer than 20 employees, business with 20 or more employees were selected for the study because they employ more than three-quarters (77%) of the workforce in the state. (Regional LMI Profile Series: Annual Profile for Boston Workforce Area, MA Dept. of Workforce Development, March 2006)

Survey Findings

The Likelihood of a Future Shortage of Qualified Workers

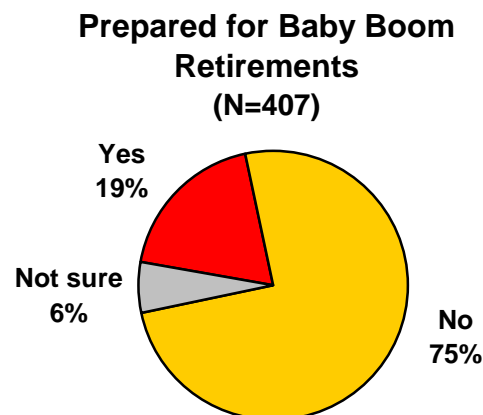
While finding qualified applicants has been an increasing struggle for many Massachusetts businesses, the data indicate that this issue may continue to be a concern for them in the near future. More than half of the businesses surveyed report it is likely that their organization will face a shortage of qualified workers in the next five years. Only about four in ten report a labor shortage is not likely to affect their organization.



Preparedness for Potential Labor Shortage Due to Baby Boomer Retirements

According to the Bureau of Labor Statistics, the number of workers between the ages of 25 and 54 will increase by only 5 percent between 2001 and 2010, but the number of workers age 55 and older – primarily the baby boom generation – will increase 46.6 percent.¹² This demographic trend has many concerned about the impact of a potential worker shortage on employers and businesses if boomers actually retire at the traditional retirement age.

As in other states, most respondents in Massachusetts say their organizations have not made preparations for this possibility.^{10,13,14,15} Only about one in five businesses responding to the survey say their organization has taken steps to prepare for a potential labor shortage as a result of baby boomers retiring.



¹² Collison, J. (2003) *Older Workers Survey*. SHRM/NOWCC/CED

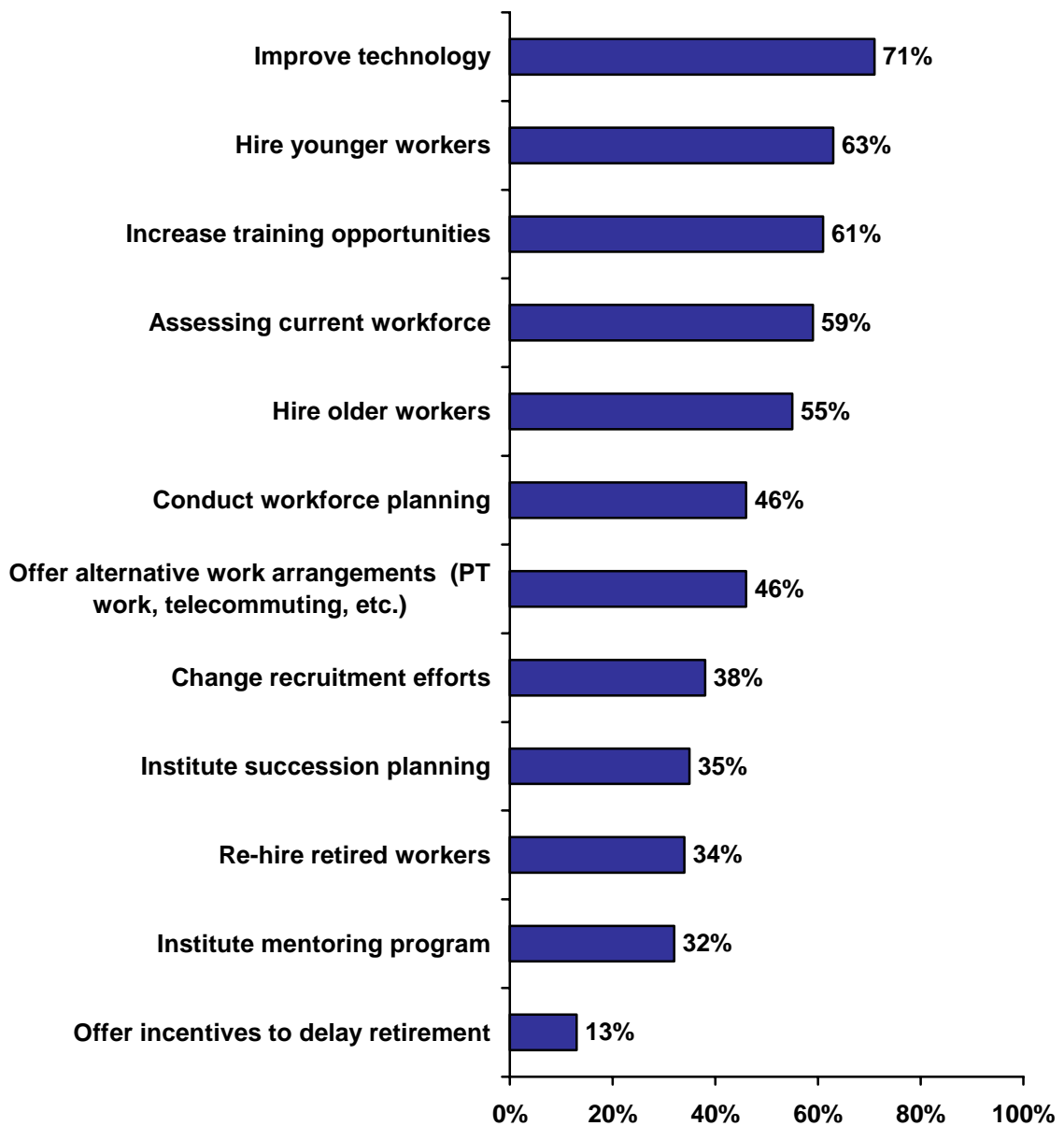
¹³ Cummins, R. (2004) *When the Boom Drops: A Survey of Virginia Businesses on Older Workers*. AARP.

¹⁴ Cummins, R. (2005) *Putting Aging Workforce on Employment Planning Radar: Results from an AARP/Florida Trend Survey*. AARP.

¹⁵ Nelson, B. and Bridges, K. (2005) *New York Businesses and Older Employees: A Focus on New York Employers*. AARP.

However, when asked about specific approaches that businesses might take to prepare for a workforce shortage due to boomers retiring, most respondents say their companies have undertaken at least one tactic tested in the survey—most often improving technology. Very few are currently offering incentives to delay retirement, but many are hiring older workers. Only about a third have instituted the tactics tested to help capture institutional knowledge: establishing mentoring programs between older and younger employees, instituting succession planning, and re-hiring retired employees.

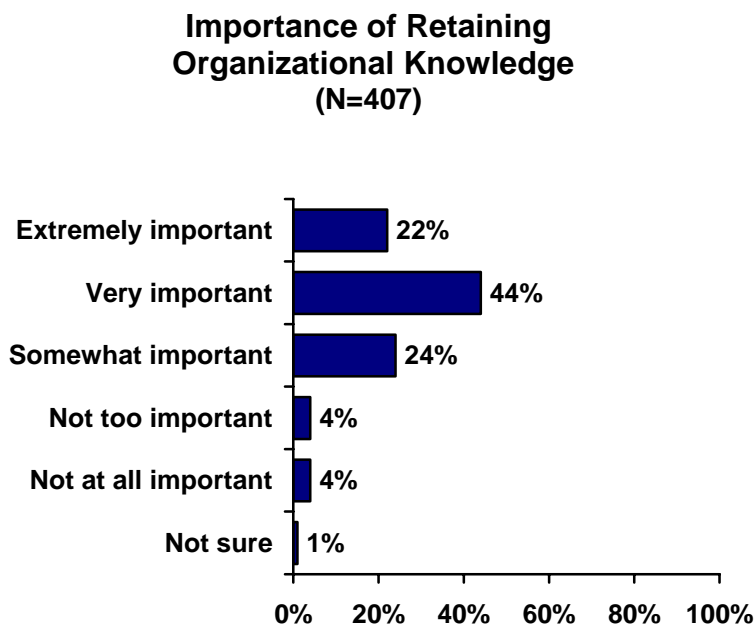
Percentages Using Specific Tactics to Prepare for Potential Workforce Shortage (N=407)



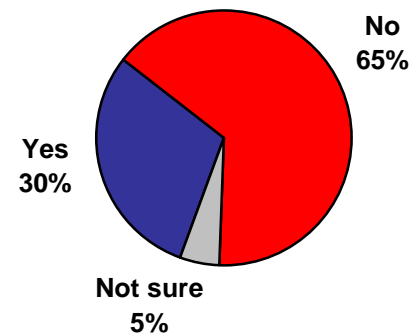
Value of Organizational Knowledge Retention

When workers leave or retire from an organization, they take with them valuable knowledge of instruction, experience, and cultural nuances gained while on the job. Unless an organization has mechanisms in place to preserve worker knowledge, its loss can negatively affect the organization's capacity to innovate and operate efficiently and may even increase its vulnerability to competition.¹⁶

Massachusetts businesses acknowledge this – most say they experience a loss of knowledge when an employee retires or leaves the organization (major loss: 35%; minor loss: 50%). See Appendix A, Question 4). So it is not surprising that for the majority of them, tapping the institutional knowledge of departing employees is extremely or very important to them. What is surprising, however, is that only three in ten have a process in place for employees to pass on their knowledge and experience gained on the job before they leave.



Process To Retain Knowledge/Experience of Retired Employees (N=407)



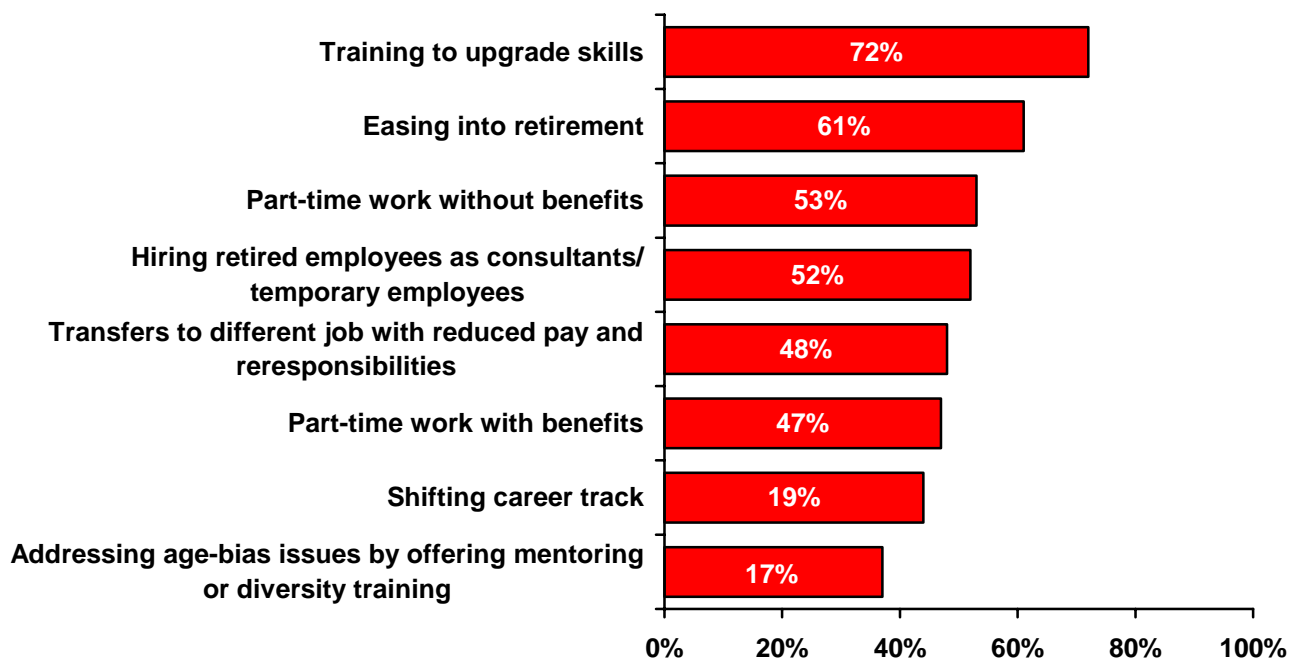
¹⁶ Ibid. DeLong, D.

¹⁷ Due to a CATI programming error, not all responses to this question were captured. Attempts were made to retrieve the data through additional calls to respondents; however, not all were reached. These respondents include 86 web respondents and 109 phone respondents.

Strategies of Massachusetts Businesses to Keep Older Workers

Some Massachusetts businesses are helping older employees continue working beyond the customary retirement age. The most common strategies currently in use by some respondents¹⁷ are: providing training to upgrade skills, allowing older workers to ease into retirement by reducing their work schedules, and hiring retired workers as consultants.

Strategies to Help Employees Work Past Traditional Retirement Age (n=195)¹⁷

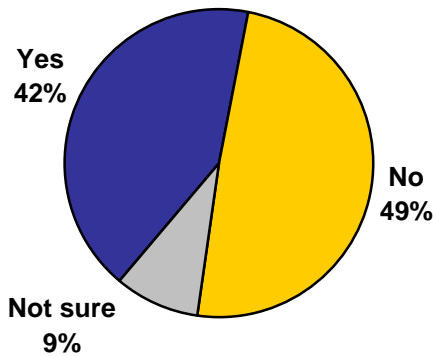


One specific strategy, phased retirement, is particularly beneficial to both workers and employers. Allowing workers to reduce their work hours or responsibilities in order to ease into retirement can make this transition considerably easier for some who have long defined themselves as workers. And to the employer, such an arrangement provides an opportunity to use this time to mentor younger employees and transfer institutional knowledge, as well as continue to gain benefits from retiring workers' skills and expertise for a longer period of time than would otherwise be possible if retirement came abruptly.

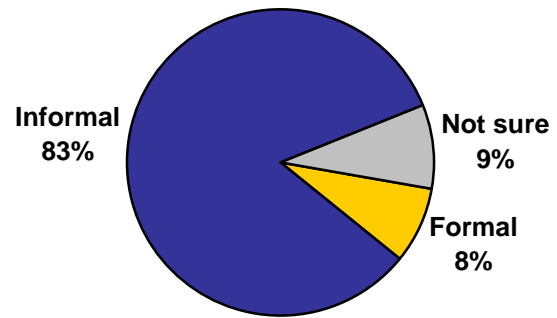
¹⁷ Due to a CATI programming error, not all responses to this question were captured. Attempts were made to retrieve the data through additionally calling of respondents; however, not all were reached. These respondents include 86 web respondents and 109 phone respondents.

When asked specifically whether their company offers phased retirement, that is allowing employees to ease into retirement by reducing their work schedule, about four in ten organizations acknowledged it is available in their organization. However, most of the companies that offer such an arrangement say it is done on an informal, case-by-case basis, rather than through structured or defined policies.

Phased Retirement Offered (N=407)

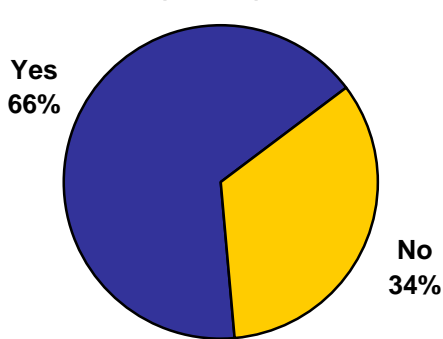


Type of Phased Retirement Offered (n=182 offering phased retirement)

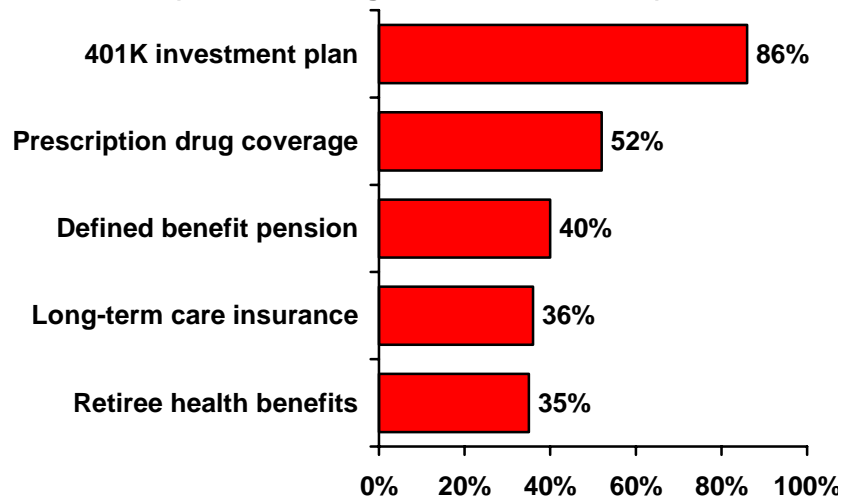


As a further strategy to recruit and retain experienced employees, experts have noted that having or extending health and supplementary benefits packages, such as dental and vision plans and long-term care insurance can be attractive employment incentives to baby boom workers.¹⁸ While most of the companies responding to this survey say they do offer retirement benefits to their employees, many are not offering health benefits, which are particularly attractive to older workers when they are considering their employment options.

Retirement Benefits Offered (N=407)



Type of Retirement Benefits Offered (n=267 offering retirement benefits)



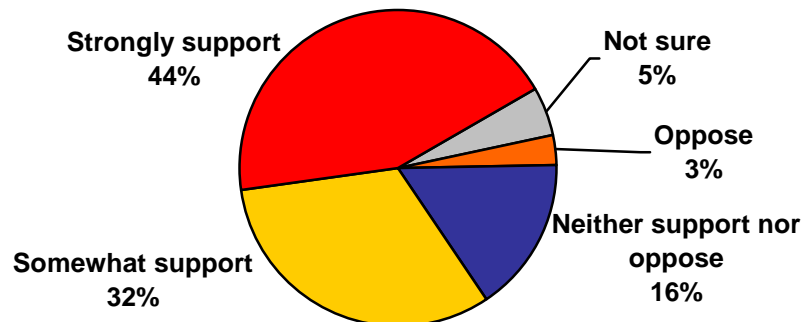
¹⁸ Ibid, Bell, A.

Business Support for Older Worker Legislation

Retraining Programs

For the first time, in fiscal year 2006, the Massachusetts Legislature passed a bill authorizing funding for retraining programs for older workers. To assess business support for this concept, survey respondents were asked whether they support or oppose the Legislature continuing its funding for such retraining programs. In response, over three-quarters say they either strongly or somewhat support continuation of the funding for older worker retraining programs in the Commonwealth.

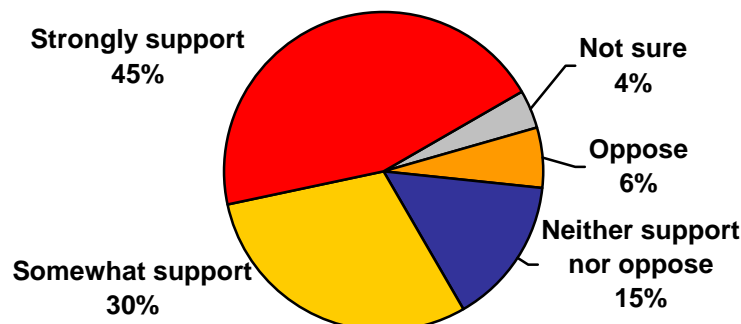
**Support for Funding of Older Worker Retraining Programs
(N=407)**



Phased Retirement

Businesses that have wanted to offer formal phased retirement programs in their organizations have sometimes been hindered by laws preventing them from allowing individuals who wanted to transition into retirement by working a reduced schedule to also collect retirement benefits to supplement their incomes. In November 2004, the Internal Revenue Service and U.S. Treasury Department issued proposed regulations that allow employees who are participating in a formal program and who are age 59 ½ to receive a pro-rated amount of their pension while reducing their work schedule.¹⁹ In this survey, organizations were asked whether they would support or oppose legislation to encourage businesses to offer phased retirement programs. Nearly three-quarters of respondents say they either strongly or somewhat support such phased retirement legislation.

**Support for Phased Retirement Legislation
(N=407)**



¹⁹ "Treasury and IRS Issue Proposed Regulations on Phased Retirement" (November 2004). U.S. Department of Treasury. Retrieved from: <http://www.treas.gov/press/releases/js2094.htm>

Summary of Survey Findings

While many businesses seem to be in denial about a potential labor shortage due to baby boom retirements, demographic trends provide a reality check: it is clear that the composition of America's workforce is becoming noticeably older than in previous decades while the pool of younger workers is shrinking. For a business to retain its competitive edge in the years to come, it must recognize and capitalize on the strengths of the 50-plus worker.

As noted by David DeLong,²⁰ 50-plus workers differ from their younger counterparts in that they are more likely to have remained with one organization longer. Employees who are able to work in organizations for long periods of time are more likely than short-term employees to accumulate job-specific critical knowledge around business operations, organizational culture, best-practices, and technological changes and adaptations – that is, “institutional memory.” It is easy to imagine the negative impact the loss of this type of knowledge could have on an organization or various parts of an organization.

Findings from this survey indicate that Massachusetts businesses understand the value of the knowledge and experience employees gain while working for an organization, particularly over long periods of time. Most place a high level of importance on retaining departing employees' wisdom and recommendations—however less than a third have an organizational process in place to preserve such institutional knowledge. Demographic projections and recent studies suggesting many boomers wanting or planning to work beyond the typical retirement age, should be factored into planning inasmuch as 50-plus workers are a viable and significant bridge to maintaining organizational knowledge and fostering corporate growth and stability.

When asked to consider a potential shortage of workers due to the retirement of boomers over the next few years, only a about a fifth of Massachusetts businesses surveyed appeared to be trying to position their companies ahead of the curve by proactively taking steps to prepare for this possible labor shortage. However, the data in this study show there are opportunities for businesses in the region to take notice of the trends and make some adjustments in their policies, attitudes, and perceptions towards older workers that can positively influence their ability to retain and compete for qualified workers. Strategies such as conducting workforce planning, reevaluating benefits, developing alternative work options and implementing mentoring programs can help address the potential shortage of qualified workers in the next five years as well as the loss of institutional knowledge.

²⁰ Ibid. DeLong, D.

RECOMMENDATIONS

What can Massachusetts Businesses Do to Retain or Recruit Older Workers and Possibly Stave Off a Labor Shortage?

A recent report released for AARP by the consulting firm Towers Perrin suggests some steps organizations can take to effectively address their aging workforce.²¹ These suggestions include:

- Inventory current talent and define near and long term organizations goals
- Consider the investment needed and the total compensation costs of attracting 50-plus workers
- Pay attention to both revenue and performance considerations
- Study the available labor pool and define organizational talent strategies
- Align reward programs to support business and talent objectives
- Align workplace policies and culture to make the work environment attractive to the 50-plus worker

Small businesses are not as exempt from these ideas as they might have been in the past. Indeed, financial services firms like Charles Schwab & Co. and Fidelity Investments are now offering retirement planning services to small businesses to help them set up employee-retirement accounts and 401(k)s.²² Some experts point out that adding or extending health and supplementary benefits packages, such as superior dental and vision plans and long-term care plans, can be attractive employment incentives to baby boom workers.²³

Engaging in strategies such as these may help organizations retain and recruit experienced and skilled 50-plus workers, and they may also help organizations preserve the important knowledge possessed by their retiring employees and enable them to pass it on efficiently to current or new workers. Moreover, companies that actively address the impact of labor force trends on their business and take the necessary steps to adjust their operations and policies are likely to remain competitive in the marketplace. Turning to 50-plus workers as a means of filling the potential labor shortage gap in the near future may actually provide a competitive edge for forward-thinking businesses.

²¹ (2005) *The Business Case for Workers Age 50+*. A report prepared by Towers Perrin for AARP.

²² Opdyke, J. (2005) *Small Firms Offer More Retirement Options – Wall Street Pitches Plan To Underserved Market*. Wall Street Journal, 11/22/2005, D1.

²³ Ibid, Bell, A.

METHODOLOGY

In June 2006, AARP engaged Alan Newman Research (ANR) to conduct a research study among employers in the eastern part of Massachusetts regarding issues pertaining to older workers.

ANR completed 407 interviews with Human Resource (HR) Executives, HR Directors, HR Specialists, HR Generalists, Managers of Compensation, or other individuals responsible for recruiting or hiring employees, managing benefits, supervising training, or conducting dispute resolution between employees, management, and/or unions. In order to qualify for this study, employers had to have at least 20 full-time employees and be located in one of seven counties in Massachusetts: Barnstable, Bristol, Essex, Middlesex, Norfolk, Plymouth, or Suffolk. Eligible businesses were initially identified based on sample information. However, all respondents were re-screened based on job title, company location, and number of full-time employees.

Sample

Because of the limited geographic scope and the desire to maximize coverage, the sample was drawn using three independent database providers: infoUSA, D&B, and FirstMark. The sample from infoUSA was used as the primary sample source. Records from D&B and Firstmark were matched against the infoUSA sample in order to identify unique records. All duplicate records were purged. This resulted in a sampling frame consisting of 23,865 total companies with 20 or more employees located within the seven specified counties in Massachusetts (17,141 from infoUSA, 6,581 from D&B, and 143 from Firstmark).

The total sample of 407 respondents yields a maximum statistical error of $\pm 4.8\%$ at the 95% level of confidence. This means that in 95 out of 100 samples of this size, the results obtained in the sample would be within ± 4.8 percentage points of the results obtained had everyone in the population been interviewed.

Methodological Summary

Initial Contact Interviewers initially contacted all businesses by phone and began with a request to speak to the HR Director. Where available, interviewers would ask to speak with the HR Director by name. If the HR Director was unavailable or if that title did not specifically exist, interviewers asked to speak with the senior person responsible for making human resources decisions at the company. Because the available sample information frequently included only a general phone number, the process of identifying potential qualified respondents frequently took several days and numerous phone calls.²⁴ Once a potential respondent was identified, this person was then screened according to the criteria outlined in Appendix A.

²⁴ Note these exploratory calls did not count toward the 5 total attempts made on each business. Attempts were counted toward this total only after a qualified respondent was identified or if interviewers were unable to speak to a live contact after five attempts.

Invitation/Request for Participation After qualifying, all respondents were asked to participate in an employer survey being conducted by AARP. Respondents were initially asked to participate through a web survey. If this option did not appeal to them, interviewers offered additional phone and FAX options. The following is a brief summary of these three modes.

Internet - After a brief introduction and explanation of the study, respondents were given the opportunity to complete the survey via the Internet by providing the interviewer with a valid email address (either business or personal).²⁵ The interviewer then emailed the respondent a link to a web-based version of the survey. By clicking on the link, respondents were automatically taken to the beginning of the survey via a new window in their browser. This link also allowed respondents to stop and start the survey as often as necessary.

Phone - If the respondent preferred not to provide an email address or did not have Internet access, interviewers offered two additional options. First, respondents were told they could complete the survey immediately on the phone.²⁶ If it was not a convenient time, but the respondent still preferred to complete the survey this way, the interviewer either scheduled an appointment to call back or provided a toll-free number which the respondent could use to contact an interviewer and complete the survey when convenient.

FAX - The second non-Internet option available to respondents was for interviewers to FAX them a paper version of the survey along with instructions for completing and returning the survey using a toll-free FAX number.

Additional Procedures Near the end of the field period and in order to increase respondent cooperation, interviewers began offering a \$20 incentive to those respondents who completed the survey within 48 hours of receiving the invitation. During the final day of interviewing this amount was increased to \$50. Also near the end of the field period, interviewers modified their request for participation by first seeking to complete the interview immediately via the phone. The web survey and FAX options were only offered if the respondent was unwilling to complete the survey on the phone.

Calling Parameters All interviewing took place July 5 through August 17, 2006, between 9:00 a.m. and 4:00 p.m. Monday through Friday, unless otherwise requested by the respondent.²⁷ Up to 5 call attempts were made per number at varying times of day as well as days of the week. Every effort was made to schedule interviews at a time convenient to the respondent. Respondents who specifically requested removal from our “list” were assigned a final disposition and are added to a cumulative “Do Not Call” database which automatically removes them from future research studies. Near the end of the study, additional efforts were made to reach non-contacted businesses.

²⁵ This was done in order to minimize costs as web survey completions are significantly less expensive than phone completions.

²⁶ The phone version of the questionnaire was significantly shorter than the online version in order to prevent mid-survey terminations.

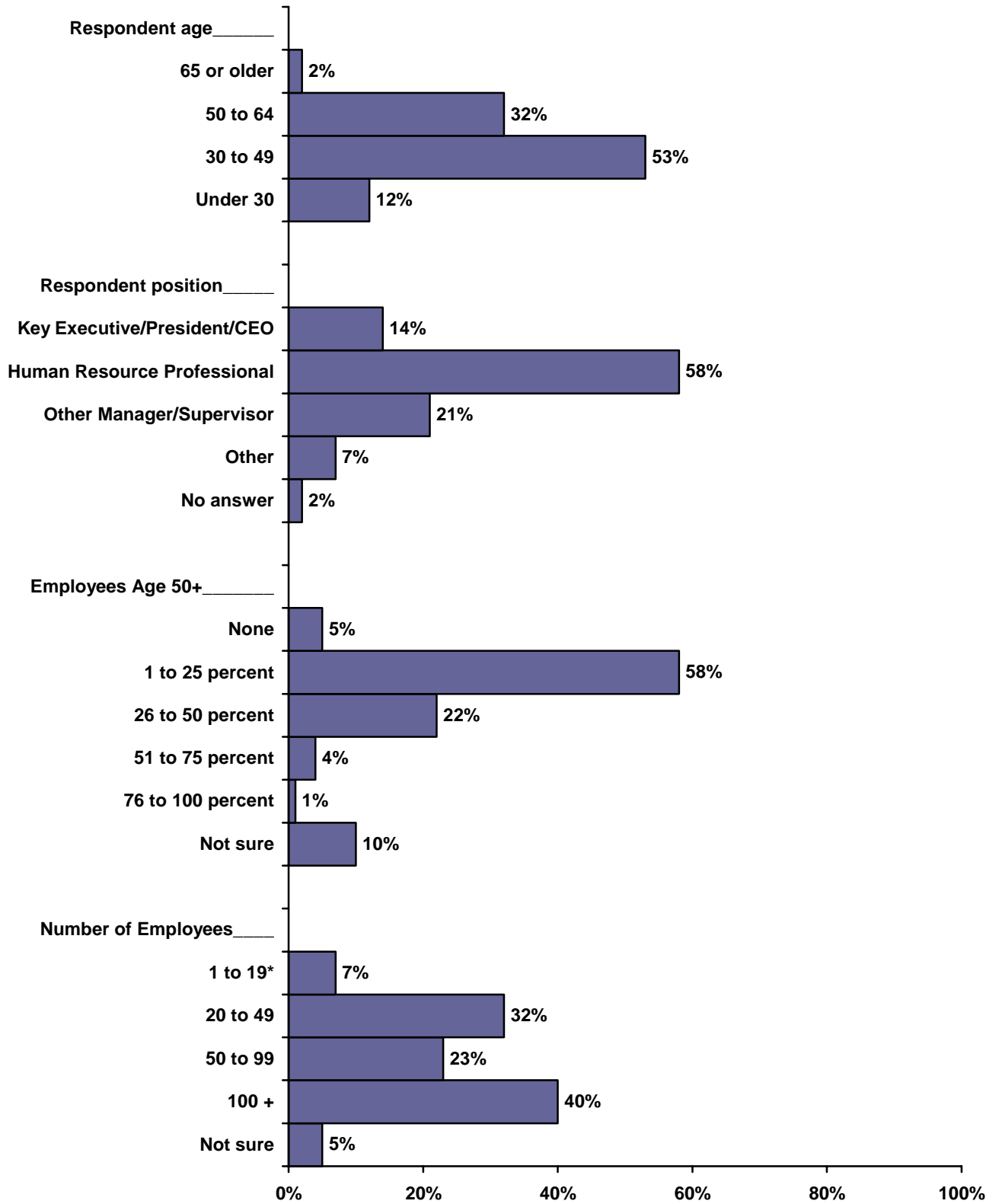
²⁷ Because of a programming error, it was necessary to re-contact all 407 respondents and re-ask Q10 from the survey. This process occurred August 22 through August 29, 2006.

Sample Disposition

TOTAL NUMBER OF COMPLETES	407
COMPLETES VIA PHONE	336
COMPELTES VIA WEB	64
COMPLETES VIA FAX	7
TOTAL NUMBER OF CONTACTS	2,057
TOTAL NUMBER OF QUALIFIED CONTACTS	1,422
TOTAL NUMBER AGREEING TO PARTICIPATE IN STUDY	1,038
TOTAL NUMBER IN SAMPLING FRAME	23,865

The following annotated questionnaire discloses all responses for the sample. Percentages may not sum to 100 percent due to rounding or multiple response. Questions about this survey should be directed to Katherine Bridges (207) 899-2094 or kbridges@aarp.org.

RESPONDING ORGANIZATION DEMOGRAPHICS



*The lists of businesses obtained for the survey included businesses with 20 or more employees, however, the actual number of employees as reported by respondents may have been smaller.

APPENDIX

ANNOTATED QUESTIONNAIRE

Massachusetts Workforce Survey

N=407 Massachusetts Employers

Screener

- S1. Are you the senior level executive responsible for making human resources decisions at your company?
- 1 Yes → [SKIP TO S2]
 - 2 No
 - 3 DON'T KNOW / NOT SURE
- S1a. Are you a Manager of Compensation, HR Specialist, OR HR Generalist for your company?
- 1 Yes → [SKIP TO S2]
 - 2 No
 - 3 DON'T KNOW / NOT SURE
- S1b. Are you responsible for any of the following human resource functions at your company?
[RECORD ANSWER FOR EACH]
- a. recruiting and/or hiring employees
 - b. managing employee benefits and compensation
 - c. conducting and/or supervising training and development programs for employees
 - d. managing or conducting dispute resolution between employees, management, and/or unions
- 1 Yes → [YES TO ANY OF THE ABOVE = SKIP TO S2]
 - 2 No [TERMINATE]
 - 3 DON'T KNOW / NOT SURE [TERMINATE]
- S2. Excluding contract or contingent employees, approximately how many full-time employees does your company have in all locations in Massachusetts?
- 0 Less than 20 [TERMINATE]
 - 1 20 – 49
 - 2 50 – 99
 - 3 100 – 249
 - 4 250 – 499
 - 5 500 – 999
 - 6 1,000 or more
 - 7 DON'T KNOW / NOT SURE
- S3. Excluding contract or contingent employees, approximately how many part-time employees does your company have in all locations in Massachusetts?
- 1 Less than 50
 - 2 50 – 99
 - 3 100 – 249
 - 4 250 – 499
 - 5 500 – 999
 - 6 1,000 or more
 - 7 DON'T KNOW / NOT SURE

1. In your opinion, within the next five years, how likely is it that your company will face a shortage of qualified workers?

- 9% Extremely likely
- 15% Very likely
- 31% Somewhat likely
- 32% Not too likely
- 12% Not at all likely
- 2% Not sure (DO NOT READ)

2. Baby Boomers, or those born between 1946 and 1964, are approaching traditional retirement age. Their retirement may create a shortage of employees since the generation following them is much smaller. Has your organization taken any steps to prepare for this possibility?

- 19% Yes
- 75% No
- 6% Not sure (DO NOT READ)

3. Has your organization done any of the following to prepare for the potential shortage of workers as a result of Baby Boomers retiring?

	Yes ▼	No ▼	Not Sure ▼
a. Hire younger employees.....	63%	33%	4%
b. Hire older employees	55	38	7
c. Increase training opportunities	61	36	3
d. Change recruitment efforts.....	38	57	5
e. Assess your current workforce	59	37	5
f. Conduct workforce planning	46	51	3
g. Improve technology.....	71	27	2
h. Rehire your retired employees	34	63	3
i. Offer incentives to delay retirement.....	13	83	4
j. Offer alternative work arrangements such as part-time work, job sharing, or telecommuting.....	46	52	2
k. Institute a mentoring program between older and younger employees.....	32	65	3
l. Institute succession planning.....	36	57	7
m. Other [SPECIFY]_____	9	88	4

4. How much knowledge loss do you think occurs when employees retire or otherwise leave your organization?

- 35% A major amount
- 50% A minor amount
- 11% None
- 5% Not sure

5. In your opinion, how important would you say it is to retain the institutional knowledge that might be lost when employees retire or leave?

- 22% Extremely important
- 44% Very important
- 24% Somewhat important
- 4% Not too important
- 4% Not at all important
- 1% Not sure

6. Does your organization have a formal process that enables employees who retire or otherwise leave to share the knowledge they have obtained on the job?

- 30% Yes
- 65% No
- 5% Not sure

7. Does your company offer phased retirement, that is, allowing employees to ease into retirement by reducing their work schedule?

- 42% Yes
- 9% Not sure
- 49% No

IF PHASED RETIREMENT IS NOT OFFERED, GO TO QUESTION 9.

8. Is phased retirement a formal plan, whereby there are protocols that employees must follow in order to take advantage of this, or is it informal and offered on a case-by-case basis to your employees, without structured or defined policies? (n=182 with phased retirement or not sure)

- 8% Formal
- 83% Informal
- 9% Not sure

9. Organizations use different approaches to accommodate employees who want to work past traditional retirement age. For EACH of the following strategies, please indicate whether your organization is currently using it. (n=86)²⁸

	Yes ▼	No ▼	Not Sure ▼
a. Enabling employees to ease into retirement by reducing their work schedules	33%	55%	13%
b. Shifting employees from one career track to another career track	24	56	20
c. Providing training to upgrade skills and knowledge of employees.....	61	30	9
d. Hiring retired employees as consultants or temporary employees	38	48	14
e. Providing opportunities for employees to transfer to jobs with reduced pay and responsibilities	17	71	12
f. Providing part-time work arrangements <u>without</u> continuation of benefits	28	57	15
g. Providing part-time work arrangements <u>with</u> continuation of benefits	29	57	14
h. Addressing age bias issues in the workplace by offering programs such as mentoring or diversity training.....	19	64	17

Massachusetts Workforce Legislative Issues

10. In fiscal year 2006, the Massachusetts Legislature, for the first time, offered funding for retraining programs for older workers. How strongly would you support or oppose the Massachusetts Legislature continuing its funding for retraining programs for older workers?

- 44% Strongly support
- 32% Somewhat support
- 16% Neither support nor oppose
- 1% Somewhat oppose
- 2% Strongly oppose
- 5% Not sure

11. Phased retirement is an optional benefit that employers can offer to their employees nearing retirement as a way for them to transition into retirement by working a reduced schedule for a period of time. How strongly would you support or oppose legislation to encourage businesses to offer phased retirement?

- 45% Strongly support
- 30% Somewhat support
- 15% Neither support nor oppose
- 2% Somewhat oppose
- 4% Strongly oppose
- 4% Not sure

²⁸ Due to a CATI programming error, only data from web respondents are available at this time.

The following questions are for classification purposes only and will be kept entirely confidential.

12. In the past year, about how many people worked permanently, either full-time or part-time, and temporarily as seasonal or contract employees for all locations of your organization in Massachusetts only?

- 7% 1-19
- 32% 20-49
- 23% 50-99
- 40% 100+
- 5% Not sure

13. In the past year, about what percentage of your workforce was age 45 years or older for all locations of your organization in Massachusetts?

- 5% 0%
- 58% 1% - 25%
- 22% 26% - 50%
- 4% 51% - 75%
- 1% 76% - 100%
- 10% Not sure

14. Which of the following best describes the primary nature of your organization's business in Massachusetts?

- 5% Financial
- 2% Insurance
- 2% Real Estate
- 9% Health Services
- 17% Manufacturing
- 4% Higher Education
- 5% Construction
- 7% Retail
- 46% Other [SPECIFY] _____

15. Does your organization offer any retirement benefits?

- 66% Yes ► **GO TO QUESTION 17**
- 34% No

16. Does your organization offer any of the following retirement benefits?

	Yes ▼	No ▼
a. Retiree health benefits	35%	66%
b. Defined benefit pension	40	60
c. 401K investment plan	86	14
d. Prescription drug coverage	52	48
e. Long-term care insurance	36	64

17. Which of the following best describes your position in the organization?

- 14% Key Executive/President/CEO/Chairman/Owner
- 58% Human Resources Professional/ Human Resources Manager or Director
- 20% Other Manager/Director/Officer
- 7% Other [SPECIFY] _____

18. What is your age?

- 12% Under 30
- 54% 30-49
- 32% 50-64
- 3% 65 or older

County distribution

- 2% Barnstable
- 5% Bristol
- 16% Essex
- 36% Middlesex
- 16% Norfolk
- 5% Plymouth
- 21% Suffolk

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For more information, contact Katherine Bridges (207) 899-2094.