



early retirement  
 flexible schedules promotion  
 health benefits age-neutral  
 age discrimination  
 age equity workers age 40 and over  
 stereotyping age-biased  
 EEOC

# Workers 50+

## Business Executives' Attitudes Toward the Aging Workforce: *Aware But Not Prepared?*

Survey conducted by BusinessWeek Research Services for AARP  
 October 2006 | Revised Edition

AARP working conditions  
 post-baby boom  
 social trends compensation  
 retirement  
 boomers  
 employee benefits health care benefits  
 changing careers  
 flexible working conditions

BusinessWeek Research Services, of New York, NY, collected the data for this study through its online panel. Subject matter input was provided by Deborah Russell, AARP Workforce Issues, and other members of AARP's staff. The report was prepared by S. Kathi Brown, AARP Strategic Issues Research, and BusinessWeek Research Services. For additional information, contact S. Kathi Brown at 202-434-6296.



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## Introduction

This year, the oldest of America's 78 million baby boomers—those born between 1946 and 1964—turn 60 years old. As a whole, this generation comprises over 40 percent of the U.S. labor force and represents a primary driver of the aging of the workforce, the repercussions of which have already been felt in several industries and are likely to spread over the next decade.<sup>1</sup>

**As large numbers of older workers retire or cut their work schedules, many employers will have to manage an inevitable “brain drain,”** which may significantly increase labor costs and deplete corporations of vital knowledge, talent, and institutional memory. This trend is already working its way through various industries—such as health care, energy, manufacturing, transportation, education and the government—affecting the competitiveness and strategies of the organizations within them.<sup>2</sup>

**Executives who wish to remain competitive will be forced to innovate and adapt or risk failure.** Numerous publications over the past few years, including a 2005 report by The Conference Board as well as reports by consulting firms, the Society for Human Resource Management (SHRM), and AARP, have described changes implemented by employers that are currently experiencing a labor shortage. Such companies are testing innovative recruitment, retention, workforce planning, and flexible work solutions in an effort to attract the talent needed to maintain corporate productivity.<sup>3</sup>

Businesses that have not yet taken steps to determine their own organization's susceptibility to talent shortages and competitiveness threats due to looming retirements may face unpleasant surprises over the next few years if tightening labor markets in their areas lead to inadequate supplies of qualified workers.

## Overview of Survey

In light of these workforce projections, AARP recently contracted with BusinessWeek Research Services to conduct a survey of business decision makers. The purpose of the survey was to understand business executives' views toward 50+ workers and corporate America's preparedness for the aging of the workforce.

Over 1,000 business executives—including chief executive officers and other “c”-level executives, senior vice presidents, vice presidents, and general managers—completed the online survey between July 10 and July 23, 2006. The sample for this survey was the BusinessWeek Market Advisory Board, which is an online panel of approximately 17,800 *BusinessWeek* and McGraw-Hill readers and online registrants. Invitations to take the survey were emailed to a randomly selected sample of panel members.

All respondents were from companies with at least 100 employees worldwide, with slightly more than half (56%) from organizations with at least 1,000 employees. In order to ensure that the survey captured the opinions of those who influence workforce-related decisions, survey access was limited to those who reported that they are responsible for

managing employees and that they influence hiring decisions as well as decisions related to compensation or other financial issues.

Survey findings suggest that most business executives are generally aware that the U.S. workforce is aging and that many firms face the risk of talent shortages and significant knowledge loss as an increasing number of workers approach traditional retirement age. However, few of these corporate leaders report that their own organization has taken steps to prepare for such a demographic shift in the workforce.

## Key Findings

### Awareness of the Aging Workforce

The majority of executives are aware that fundamental shifts are occurring in the workplace due in large part to the maturing of the Baby Boom Generation.

- More than eight in ten (83%) “strongly” or “somewhat” agreed that workers who are approaching traditional retirement age will play a greater role in the U.S. workforce over the next decade than in previous decades.
- Nearly three quarters (74%) “strongly” or “somewhat” agreed that the U.S. economy will experience a shortage of skilled workers over the next decade.
- Nearly eight in ten (79%) “strongly” or “somewhat” agreed that the knowledge and experience that older employees take with them when they retire or leave can hurt a business financially.

Most business executives also acknowledge that their own organization is likely to be—or already is—impacted by the aging of the workforce.

- More than nine in ten (93%) “strongly” or “somewhat” agreed that it is “very” or “somewhat” challenging to find qualified workers with the experience and skills that they need.
- Similarly, nearly three quarters (74%) “strongly” or “somewhat” agreed that it has become more difficult to find and retain talented and qualified employees over the last 5 years.
- Nearly two thirds (65%) were “very” or “somewhat” concerned that their company may lose valuable knowledge and/or hard-to-replace skills over the next 10 years as employees retire.
- Nearly two thirds (64%) “strongly” or “somewhat” agreed that changing workforce demographics will have a major impact on their organization’s business over the next decade.

### Actions Taken To Prepare

Despite an overall awareness of the potential implications of the aging workforce, few companies have taken action to prepare. In fact, nearly six in ten (59%) executives believe that their organization needs to be more proactive in thinking about how to retain workers who are approaching retirement.

- Fewer than four in ten (37%) executives either “strongly” or “somewhat” agreed that their organization has formal practices in place to extract important knowledge related to their business from employees who leave or retire.

- Nearly one in three (32%) report that their company has attempted to quantify the costs associated with employee turnover.
- Only one in six (16%) report that their company currently has any formal policies or programs to encourage employees who are approaching retirement to continue working.
- Only one in seven (14%) believe that their company is “very” committed to retaining employees who are approaching retirement.

## Attitudes Toward Workers Ages 50+

Although few organizations have taken steps to prepare for the potential loss of critical talent and knowledge as boomers retire, executives overwhelmingly report that their organizations value workers ages 50+ for their experience, knowledge, and insights. However, stereotypical notions of older worker inflexibility and difficulty with technology persist.

When asked to name the advantages of workers ages 50+, the majority of executives cite this group’s “experience” (91%), “knowledge” (78%), ability to “mentor other workers” (71%), and “valuable insights into customer or business needs” (63%). Undoubtedly, each of these traits contributes to customer service and retention, which was identified as a number one organizational priority by 40 percent of respondents.

While respondents were less likely to cite disadvantages of 50+ workers than to cite advantages, when asked to name the disadvantages of this group, just over half (52%) of executives expressed the belief that this age group is “uncomfortable with technology,”

49 percent indicated that they are “inflexible,” and 44 percent felt that they have “difficulty reporting to younger supervisors.”

## Ratings of 50+ Workers

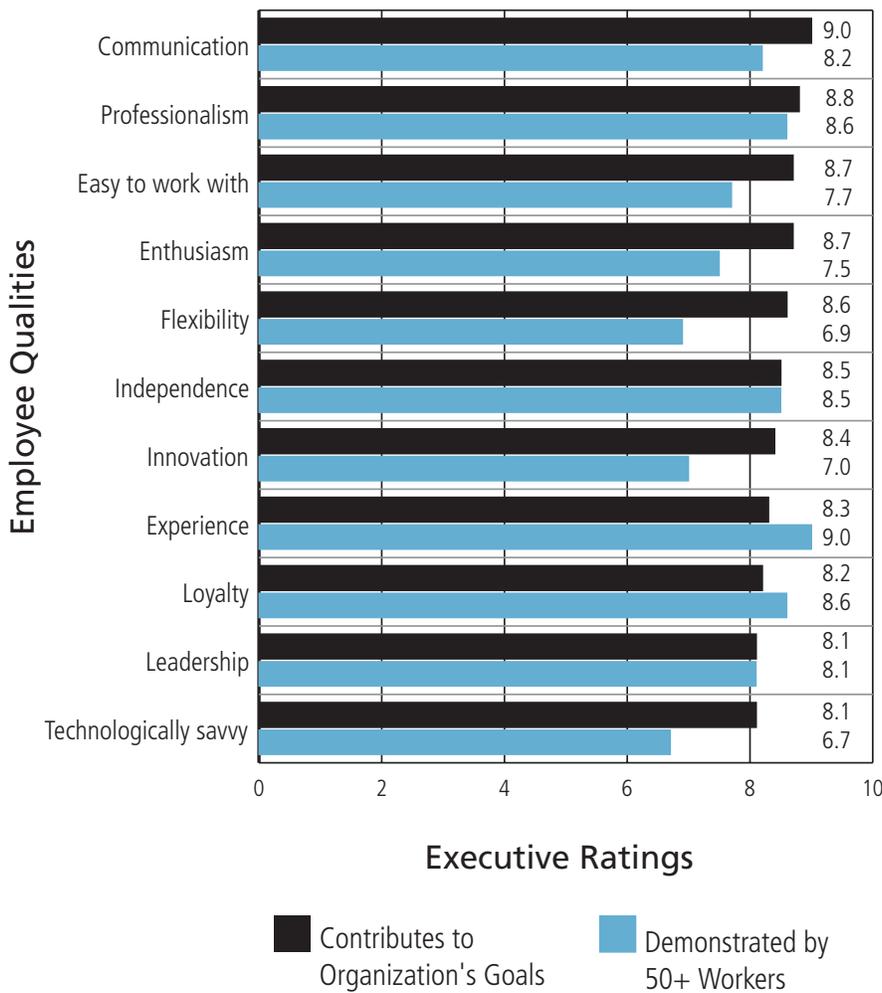
Furthermore, when rating the importance of 11 specific employee characteristics to their organization’s ability to reach its goals, executives rated each of the characteristics as quite important (all characteristics received an average rating of at least 8 on a scale of 1 to 10) but indicated that they consider “communication,” “professionalism,” “easy to work with,” “enthusiasm,” and “flexibility” to be the five most important employee characteristics. On these five most important employee characteristics, executives rated 50+ workers highly but were somewhat less favorable in their ratings of 50+ workers’ “flexibility” compared to other characteristics. (See Figure 1.)

Interestingly, executives’ ratings of 50+ workers differed significantly based on whether or not they actually managed any 50+ workers. For example, on all 11 employee characteristics except loyalty, executives who manage at least some 50+ workers view this group more favorably than do executives who manage no 50+ workers.<sup>4</sup> Moreover, even among executives who manage some 50+ workers, favorable impressions of this group appear to increase with the number of 50+ workers whom the executive manages.

Specifically, for many of the examined employee characteristics, executives for whom 50+ workers comprise at least 20 percent of their workforce rate these workers higher than do executives for whom 50+ workers comprise between 1 and 20 percent of their workforce. (See Figure 2.)

**Figure 1**

**Executives' Ratings: Importance to Organization's Goals and Evaluation of 50+ Workers**



Q13. Please rate to what extent you think each characteristic, if demonstrated by your employees, can help in achieving the goals and objectives of your organization. Use a scale where:

10 = Contributes GREATLY to our organization's overall goals and objectives

1 = Does NOT contribute at all to our organization's overall goals and objectives

Q14. Please rate the extent to which you think employees ages 50 and older in your organization demonstrate each characteristic. Use a scale where:

10 = Employees ages 50 and older demonstrate this characteristic to a GREAT EXTENT

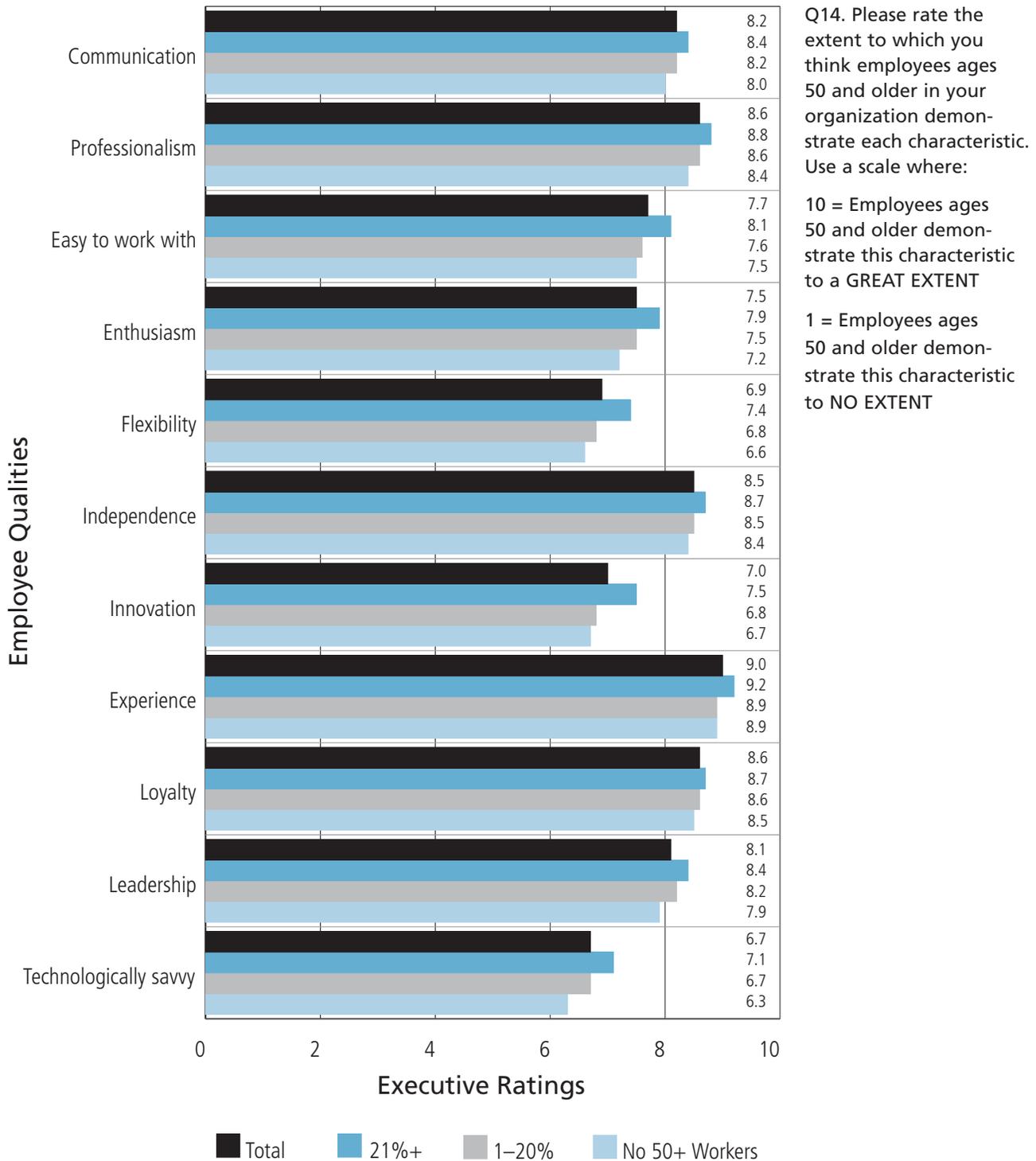
1 = Employees ages 50 and older demonstrate this characteristic to NO EXTENT

It may be the case that part of corporate America's hesitation to take steps to prepare for the aging of the workforce stems in part from negative stereotypes about older workers. However, as many executives who manage these workers as well as industries that have already faced shortages will attest, 50+ workers may very well be the answer to the potentially serious workforce challenges that loom ahead

for companies that have yet to encounter significant talent shortages.

**Leveraging the Strengths of the 50+ Workforce to Become More Competitive**  
 Workers ages 50+ are a tremendous—if at times undervalued—asset to corporate America. Businesses wishing to ensure that they remain competitive over the next decade

**Figure 2**  
**Executives' Ratings of 50+ Workers: Differences by % of 50+ Workers Managed**



should diagnose their own organization's vulnerability to talent shortages as the boomers approach retirement, keeping in mind that losses of critical knowledge, skills, or relationships due to the departure of just a few key employees can have widespread implications for a firm's competitiveness.

Executives who make diagnosis and preparedness an organization-wide priority rather than simply a human resources issue will help to keep their businesses ahead of the curve. For some businesses, modest changes—such as offering valuable 50+ workers the opportunity to work a reduced schedule—may be sufficient to fill critical positions and ward off any looming threats of talent loss; while, for other businesses, extensive restructuring of programs and policies may be warranted. Such changes may include instituting a formal knowledge transfer program, implementing an array of formal alternative work arrangements (such as formal phased retirement, job sharing, seasonal work, and part-time work with benefits), and retraining workers who wish to

apply their accumulated knowledge and experience in a different type of role.

Companies that have attempted to retain valuable skills and knowledge through one or more approaches similar to the above include: **Pinnacle West Corporation (Phoenix, AZ)**—Knowledge transfer program through which a soon-to-rotate employee trains his or her replacement<sup>5</sup>

**Mercy Health System (Janesville, WI)**—Seasonal work arrangements such as its Work to Retirement program<sup>6</sup>

**Mitretek Systems (Falls Church, VA)**—Phased retirement program for regular full-time employees<sup>7</sup>

**Pitney Bowes (Stamford, CT)**—Retraining to facilitate transition to new roles<sup>8</sup>

The solution for each company will vary. However, success in averting serious declines in competitiveness and corporate productivity may very well hinge on advance planning and preparation.

*For more information about how to attract and retain 50+ workers, visit AARP's Employer Resource Center at [www.aarp.org/employerresourcecenter](http://www.aarp.org/employerresourcecenter). This site provides access to many resources, including The Business Case for Workers Ages 50+: Planning for Tomorrow's Talent Needs in Today's Competitive Environment. This 2005 AARP report prepared by Towers Perrin outlines the business case for retaining and recruiting 50+ workers by addressing the notion that 50+ workers are too expensive. The report effectively demonstrates that cost considerations such as health care and pension benefits need to be balanced with costs associated with employee turnover and engagement levels.*

# Appendix: Annotated Questionnaire

**Q1:** E-mail string <capture>

**Q2:** Panel ID

**Total Qualified Respondents:** 1,055  
 (All 1,055 respondents did not answer every question. The number of respondents answering each question is noted next to each question.)

**Q3:** Which of the following best describes your employment status? (*Select only one.*) (n=1,055)

- 100.0% Employed (employed or self-employed)

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- 0.0% Not employed (completely retired, or not working and looking for work, or not employed for other reasons) <Terminate>

**Q4:** Which of the following best describes your job title or position? (*Select only one.*) (n=1,055)

- 0.4% Chairman of the Board/Board member

---

- 13.8% Owner/Partner

---

- 9.3% CEO/President

---

- 2.6% CFO/Controller/Treasurer

---

- 2.9% COO/Managing Director

---

- 1.5% CIO/CTO/Information Technology

---

- 0.9% Other C-Level Executive

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- 13.6% Senior Vice President/Executive Vice President

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- 36.4% Vice President

---

- 18.8% General Manager

---

- 0.0% Group/Division Director/Director <Terminate>

---

- 0.0% Department Manager/Supervisor <Terminate>

---

- 0.0% Consultant, non-manager <Terminate>

---

- 0.0% Professional, non-manager (i.e., accountant, doctor, lawyer, teacher) <Terminate>

---

- 0.0% Technical Staff, non-manager <Terminate>

---

- 0.0% Sales Representative <Terminate>

---

- 0.0% Administrative/Clerical/Support Staff <Terminate>

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- 0.0% Government/Public Official <Terminate>

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- 0.0% Other <Terminate>

**Q5:** Approximately, how many employees are there in your entire organization, including those in all plants, branches, divisions and subsidiaries worldwide? (*Select only one.*) (n=1,055)

0.0%	Fewer than 25 employees <Terminate>
0.0%	25–49 employees <Terminate>
0.0%	50–99 employees <Terminate>
24.7%	100–249 employees
10.6%	250–499 employees
9.1%	500–999 employees
24.4%	1,000–9,999 employees
17.3%	10,000–49,999 employees
13.9%	50,000 or more employees

**Q6:** Which of the following best describes your organization? (*Select only one.*) (n=1,055)

0.0%	Federal, state or local government <Terminate>
0.0%	Public school system or public university <Terminate>
5.2%	Nonprofit organization other than government
43.0%	Publicly traded for-profit company
51.8%	Privately head for-profit company

**Q7:** Which of the following best describes the industry sector of the organization that you work for? (*Select only one.*) (n=1,055)

1.0%	Agriculture/Forestry/Fishing/and related
0.3%	Mining
1.1%	Construction
17.1%	Manufacturing
2.1%	Wholesale Trade
4.0%	Retail Trade
6.7%	Education Services
6.0%	Health Services
4.5%	Transportation and Utilities
14.8%	Information and Information Services
15.1%	Finance/Insurance/Real Estate
24.2%	Professional and Business Services (consulting, legal, engineering, architectural, advertising, marketing, technical services, etc.)
3.2%	Leisure and Hospitality (arts, entertainment, recreation, food services, lodging)

**Q8:** Overall, how many employees are you responsible for managing/supervising? (*Select only one.*) (n=1,055)

0.0%	None—I am not responsible for managing any employees <Terminate>
17.1%	1–5 employees
42.8%	6–10 employees
14.5%	11–20 employees
16.6%	21–50 employees
4.5%	51–100 employees
4.5%	More than 100 employees

**Q9:** Are you responsible for, or do you influence, hiring decisions related to the employees that you manage or supervise? *(Select only one.)* (n=1,055)

100.0% Yes

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0.0% No <Terminate>

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**Q10:** Are you responsible for, or do you influence, decisions related to employee compensation and/or other financial/cost implications of the employees that you manage or supervise? *(Select only one.)* (n=1,055)

100.0% Yes

---

0.0% No <Terminate>

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**Q11:** Which of the following best describes the scope of your responsibility? *(Select only one.)* (n=1,055)

48.1% My area of responsibility is mostly focused on one department or business unit.

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21.6% My area of responsibility is mostly focused on multiple departments or business units but does not cover the entire organization.

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30.3% My area of responsibility includes the entire organization.

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**Q12:** Which of the following best represents the scope of your responsibility within your organization? *(Select only one.)* (n=1,055)

38.4% General Management

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3.7% Human Resources

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16.7% Marketing/Sales

---

17.4% Operations

---

11.3% Finance

---

6.3% Technology

---

2.4% Communications

---

2.0% Strategy and Business Development

---

1.0% Legal

---

0.9% Other (please specify)

---

**Q13:** Below is a list of characteristics that employees can potentially demonstrate while performing their jobs.

Please rate to what extent you think each characteristic, if demonstrated by your employees, can help in achieving the goals and objectives of your organization. Use a scale where:

10 = Contributes GREATLY to our organization's overall goals and objectives

1 = Does NOT contribute at all to our organization's overall goals and objectives

**Percentages Based on Top 2 Box (10 & 9)**

58.2% Independence (ability to work & be productive without direct supervision) (n=981)

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50.6% Experience (knowledge that can be used to achieve organization's goals & objectives) (n=983)

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- 49.1% Loyalty (committed to organization's goals & objectives) (n=980)

---

- 61.5% Flexibility (willingness to change direction and pursue new responsibilities and goals) (n=984)

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- 59.1% Easy to work with (works well as part of a team and respects others' perspectives) (n=980)

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- 73.1% Communication (ability to clearly articulate thoughts and ideas) (n=980)

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- 65.8% Professionalism (demonstrates organized and rational behavior) (n=982)

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- 53.5% Innovation (develops and applies new ideas & processes to improve productivity) (n=979)

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- 63.8% Enthusiasm (has a positive attitude when confronting work-related challenges) (n=983)

---

- 43.1% Technologically savvy (understands how to apply & use technology to better productivity) (n=981)

---

- 44.8% Leadership (ability to supervise or lead) (n=976)

---

**Q14:** Below is the same list of employee characteristics that you previously rated.

Please rate the extent to which you think employees ages 50 and older in your organization demonstrate each characteristic. Use a scale where:

10 = Employees ages 50 and older demonstrate this characteristic to a GREAT EXTENT

1 = Employees ages 50 and older demonstrate this characteristic to NO EXTENT

### Percentages Based on Top 2 Box (10 & 9)

- 60.7% Independence (ability to work & be productive without direct supervision) (n=915)

---

- 75.8% Experience (knowledge that can be used to achieve organization's goals & objectives) (n=914)

---

- 63.7% Loyalty (committed to organization's goals & objectives) (n=911)

---

- 21.9% Flexibility (willingness to change direction and pursue new responsibilities and goals) (n=914)

---

- 37.0% Easy to work with (works well as part of a team and respects others' perspectives) (n=913)

---

- 50.2% Communication (ability to clearly articulate thoughts and ideas) (n=919)

---

- 63.1% Professionalism (demonstrates organized and rational behavior) (n=913)

---

- 23.1% Innovation (develops and applies new ideas & processes to improve productivity) (n=912)

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- 30.2% Enthusiasm (has a positive attitude when confronting work-related challenges) (n=912)

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- 18.8% Technologically savvy (understands how to apply & use technology to better productivity) (n=915)

---

- 49.2% Leadership (ability to supervise or lead) (n=914)

---

**Q15:** Which of the following, if any, do you consider to be advantages of workers ages 50 and older, in your organization, compared to all other workers in your organization? *(Check all that apply.)* (n=938)

91.2%	Experienced
78.0%	Knowledgeable
63.2%	Valuable insights into customer or business needs
22.7%	High productivity
36.5%	High level of engagement in their work
70.7%	Ability to mentor other workers
1.8%	None of the above

**Q16:** Which of the following, if any, do you consider to be disadvantages of workers ages 50 and older, in your organization, compared to all other workers in your organization? *(Check all that apply.)* (n=938)

29.9%	Risk of health problems
17.7%	Lower productivity
51.6%	Uncomfortable with technology
49.0%	Inflexible (i.e., unwilling to change direction or pursue new responsibilities)
43.7%	Difficulty reporting to younger supervisors
13.9%	Unwilling to be a team player
16.4%	None of the above

**Q17:** How concerned are you, if at all, that workers ages 50 and older may increase your organization's costs in each of the following areas?

	Very Concerned	Somewhat Concerned	Not too Concerned	Not at all Concerned
Health benefits (n=918)	13.9%	35.7%	32.2%	18.1%
Pensions/retirement savings plans (n=917)	9.8%	24.3%	38.4%	27.5%
Cash compensation (n=919)	6.5%	25.7%	46.1%	21.7%

**Q18:** How challenging is it to find qualified workers with the experience and skills that you need? (n=933)

42.8%	Very challenging
50.3%	Somewhat challenging
5.8%	Not too challenging
0.5%	Not at all challenging
0.6%	Don't know

**Q19:** What makes it challenging to find qualified workers with the experience and skills that you need? *(Please explain by typing in a brief sentence or two.)*

(Open ended comments.)

**Q20:** To your knowledge, does your organization track employee turnover? *(Select only one.)* (n=913)

67.8% Yes

16.9% No

15.3% Don't know

**Q21:** To your knowledge, has your organization ever attempted to quantify the costs associated with employee turnover? *(Select only one.)* (n=911)

32.2% Yes

38.2% No

29.6% Don't know

**Q22:** In your opinion, how important is each of the following to workers ages 50 and older in your organization?

	Very important	Somewhat important	Not too important	Not at all important	Don't know
Opportunity to learn new skills (n=892)	13.2%	43.4%	31.1%	8.4%	3.9%
Retirement benefits (n=891)	59.6%	26.5%	7.4%	2.2%	4.3%
Compensation (n=892)	40.6%	47.5%	7.5%	0.7%	3.7%
Advancement opportunities (n=888)	10.5%	41.7%	35.9%	7.7%	4.3%
Flexible work hours (n=893)	23.3%	44.5%	24.1%	3.7%	4.5%
Health care benefits (n=893)	65.7%	24.9%	3.8%	1.2%	4.4%
Opportunity to share ideas (n=892)	30.0%	44.6%	19.3%	1.9%	4.1%
Challenging work assignments (n=888)	24.5%	46.7%	19.8%	5.1%	3.8%
Recognition (n=894)	38.3%	41.6%	14.5%	1.6%	4.0%

**Q23:** Please rate how much you agree or disagree that each of the following can obstruct collaboration between employees. *(Select one for each.)*

	<b>Strongly agree</b>	<b>Somewhat agree</b>	<b>Somewhat disagree</b>	<b>Strongly disagree</b>	<b>Don't know</b>
Personality conflicts (n=887)	<b>47.0%</b>	<b>41.6%</b>	<b>9.0%</b>	<b>2.1%</b>	<b>0.2%</b>
Internal politics (n=887)	<b>46.4%</b>	<b>39.7%</b>	<b>10.0%</b>	<b>2.6%</b>	<b>1.2%</b>
Age differences between employees (n=892) (not seeing eye-to-eye due to age differences or generational differences)	<b>8.3%</b>	<b>33.1%</b>	<b>40.7%</b>	<b>16.8%</b>	<b>1.1%</b>
Poor communication (n=889)	<b>69.1%</b>	<b>25.2%</b>	<b>4.5%</b>	<b>1.1%</b>	<b>0.1%</b>
Lack of clearly defined employee roles and responsibilities (n=893)	<b>47.4%</b>	<b>39.6%</b>	<b>10.5%</b>	<b>2.1%</b>	<b>0.3%</b>
Incorrect or insufficient knowledge about the strengths of different employees (n=891)	<b>27.0%</b>	<b>55.6%</b>	<b>14.4%</b>	<b>1.3%</b>	<b>1.7%</b>
Lack of leadership (n=893)	<b>49.7%</b>	<b>37.8%</b>	<b>9.7%</b>	<b>2.4%</b>	<b>0.3%</b>
Cultural differences between employees (n=896) (not seeing eye-to-eye due to differences in ethnic backgrounds or country of origin)	<b>11.6%</b>	<b>40.8%</b>	<b>32.8%</b>	<b>13.6%</b>	<b>1.1%</b>

**Q24:** Please indicate how much you agree or disagree with the following statements that relate to the sharing of employees' knowledge. *(Select one for each statement.)*

	<b>Strongly agree</b>	<b>Somewhat agree</b>	<b>Somewhat disagree</b>	<b>Strongly disagree</b>	<b>Don't know</b>
My organization has formal practices in place to extract important knowledge related to your business from employees that leave or retire. (n=878)	<b>8.1%</b>	<b>28.9%</b>	<b>31.3%</b>	<b>25.1%</b>	<b>6.6%</b>
My organization uses technology to facilitate knowledge sharing among employees at any given point in time. (n=881)	<b>23.3%</b>	<b>47.6%</b>	<b>18.6%</b>	<b>9.2%</b>	<b>1.4%</b>
An employee's willingness to share knowledge is primarily influenced by the company culture. (n=878)	<b>37.0%</b>	<b>48.1%</b>	<b>12.5%</b>	<b>1.6%</b>	<b>0.8%</b>
Creating a work environment where co-workers trust each other is an essential step to increase knowledge sharing among employees. (n=879)	<b>68.7%</b>	<b>28%</b>	<b>2.5%</b>	<b>0.6%</b>	<b>0.2%</b>
An employee's willingness to share knowledge is primarily influenced by the individual's age. (n=882)	<b>4.2%</b>	<b>14.2%</b>	<b>38.7%</b>	<b>40.6%</b>	<b>2.4%</b>
An employee's willingness to share knowledge is primarily influenced by the individual's personality. (n=879)	<b>29.2%</b>	<b>55.5%</b>	<b>12.6%</b>	<b>2.3%</b>	<b>0.3%</b>
Creating formal processes for sharing knowledge is an essential step to increase knowledge sharing among employees. (n=876)	<b>36.5%</b>	<b>47.4%</b>	<b>13.1%</b>	<b>2.4%</b>	<b>0.6%</b>

**Q25:** Recognizing that all of the following areas may be important to your organization, if you had to rank these five areas in order of priority to your entire organization from 1 (highest priority among these five areas) to 5 (lowest priority among these five areas), how would you rank each area? (*Type in your ranking in the boxes below.*) (n=873)

**Percentages Represent #1 Ranking**

**39.7%** Customer service and customer retention  
(i.e., maximizing customer value)

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**33.3%** Growth (i.e., increasing revenue, market share, profits)

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**11.6%** Operational processes (i.e., day-to-day workflow)

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**10.9%** Human resources (i.e., talent development, employee retention and employees relations)

---

**11.8%** Controlling costs (i.e., creating efficiencies and managing budgets)

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**Q26:** Please indicate how much you agree or disagree with the following statements that relate to the U.S. workforce and talent pool. *(Select one for each statement.)*

	<b>Strongly agree</b>	<b>Somewhat agree</b>	<b>Somewhat disagree</b>	<b>Strongly disagree</b>	<b>Don't know</b>
The U.S. economy will experience a shortage of skilled workers over the next decade. (n=854)	<b>37.9%</b>	<b>36.3%</b>	<b>15.2%</b>	<b>4.2%</b>	<b>6.3%</b>
Over the last five years, it has become more difficult to find and retain talented and qualified employees. (n=856)	<b>32.8%</b>	<b>41.4%</b>	<b>16.9%</b>	<b>3.3%</b>	<b>5.6%</b>
My organization is concerned that an aging workforce may drive up costs for U.S. businesses. (n=857)	<b>8.1%</b>	<b>29.3%</b>	<b>32.4%</b>	<b>13.3%</b>	<b>16.9%</b>
It will be very important for U.S. businesses to adjust and update their human resource policies because of demographic shifts in the workforce. (n=855)	<b>38.4%</b>	<b>45.8%</b>	<b>8.2%</b>	<b>1.4%</b>	<b>6.2%</b>
When older employees retire and leave the workforce, the knowledge and experiences that they take with them can hurt a business financially. (n=856)	<b>35.0%</b>	<b>44.4%</b>	<b>15.2%</b>	<b>1.9%</b>	<b>3.5%</b>
My organization needs to be more proactive in thinking about how to retain workers that are approaching retirement. (n=852)	<b>20.8%</b>	<b>38.4%</b>	<b>26.3%</b>	<b>6.7%</b>	<b>7.9%</b>
It makes sense financially for a business to retain employees who are approaching retirement rather than search for new employees. (n=853)	<b>26.7%</b>	<b>44.9%</b>	<b>17.7%</b>	<b>4.0%</b>	<b>6.7%</b>
Workers who are approaching traditional retirement age will play a greater role in the U.S. workforce over the next decade than in previous decades. (n=856)	<b>43.7%</b>	<b>39.1%</b>	<b>9.1%</b>	<b>2.2%</b>	<b>5.8%</b>
Perceptions of the value of older employees need to change. (n=853)	<b>34.7%</b>	<b>42.0%</b>	<b>14.2%</b>	<b>2.1%</b>	<b>7.0%</b>
Changing workforce demographics will have a major impact on my organization's business over the next decade. (n=854)	<b>22.2%</b>	<b>41.9%</b>	<b>23.5%</b>	<b>5.6%</b>	<b>6.7%</b>

**Q27:** In your opinion, how different are the needs of workers in their 50s as compared to workers in their 30s for each of the following areas? *(Select one for each statement.)*

	Very different	Somewhat different	Not too different	Not at all different
Compensation (n=853)	17.6%	45.0%	30.8%	6.6%
Health care benefits (n=850)	41.4%	39.2%	15.4%	4.0%
Time-off (i.e., vacation and sick time) (n=854)	19.1%	42.9%	32.2%	5.9%
Retirement savings plans and/or pensions (n=852)	48.6%	34.5%	14.6%	2.3%
Flexible work hours (n=856)	19.0%	41.4%	34.2%	5.4%
Advancement opportunities (n=852)	35.2%	44.4%	17.8%	2.6%
Opportunities to learn new skills (n=852)	25.7%	43.7%	25.9%	4.7%

**Q28:** How concerned are you, if at all, that your organization may lose valuable knowledge related to your business and/or hard-to-replace skills over the next ten years as employees retire? *(Select only one.)* (n=848)

- 20.2% Very concerned

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- 44.6% Somewhat concerned

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- 27.9% Not too concerned

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- 7.3% Not at all concerned

**Q30:** Overall, how would you rate your organization's commitment to retaining employees who are approaching retirement? *(Select only one.)* (n=846)

- 14.3% Very committed

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- 37.2% Somewhat committed

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- 35.5% Not too committed

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- 13.0% Not committed at all

**Q29:** Does your organization have any formal policies or programs to encourage employees who are approaching retirement to continue working? *(Select only one.)* (n=849)

- 15.7% Yes

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- 12.0% No, but we plan to develop a policy and/or program with this objective

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- 48.5% No

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- 23.8% Don't know

**Q31:** How influential do you think each of the following factors would be in causing employees in your organization who are approaching retirement to want to continue working beyond their expected retirement age? Use a scale where:  
 10 = EXTREMELY INFLUENTIAL in causing employees to want to continue working beyond expected retirement age  
 1 = NOT AT ALL INFLUENTIAL in causing employees to want to continue working beyond expected retirement age

**Percentages Based on Top 2 Box (10 & 9)**

- 51.8% Desire for income (n=826)

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- 51.7% Enjoyment derived from work (n=827)

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- 55.1% Sense of fulfillment derived from work (n=827)

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- 52.7% Desire to be productive and feel useful (n=825)

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- 23.1% Sense of responsibility to help co-workers (n=825)

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- 37.0% Social interaction with co-workers (n=830)

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- 64.4% Desire for health benefits (n=825)

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- 19.5% Opportunity to continue to learn (n=825)

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- 37.2% Recognition received for work (n=828)

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- 44.9% Opportunity to work a reduced schedule for a period of time before retiring completely (n=827)

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**Q32:** Are your offices located at your organization's headquarters location, or somewhere else? (*Select only one.*) (n=825)

- 64.7% Yes, at headquarters location

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- 35.3% No, somewhere else

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**Q33:** Approximately what percentage of the employees that you are responsible for managing or supervising are ages 50 and older? (*Please enter a number between 0 and 100—do NOT include a “%” sign in the box.*) (n=813)

- 41.0% None

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- 11.3% 1% - 9%

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- 16.1% 10% - 20%

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- 8.6% 21% - 30%

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- 4.8% 31% - 40%

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- 7.0% 41% - 50%

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- 11.2% 51% or more

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**Q34:** What is your gender? (n=826)

- 76.3% Male

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- 23.7% Female

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**Q35:** What is your age? (n=822)

20.1% Younger than 34

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38.8% 35-49

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35.2% 50-64

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4.6% 65-79

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1.3% 80+

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**Q36:** Are you of Hispanic or Latino origin or descent? (n=822)

7.1% Yes

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92.9% No

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**Q37:** Which of the following do you consider to be your race? (n=828)

78.1% White

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2.7% African American or Black

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15.1% Asian or Pacific Islander

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0.4% Native American

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3.8% Other (please specify)

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## Endnotes

<sup>1</sup>The percentage of the U.S. labor force represented by the baby boomers was calculated from U.S. Bureau of Labor Statistics (BLS) data downloaded from the BLS website at <http://www.bls.gov/emp/emplab1.htm>. (Downloaded May 2006)

<sup>2</sup>Arlene Dohm, “Gauging the Labor Force Effects of Retiring Baby-Boomers,” *Monthly Labor Review*, July 2000.

<sup>3</sup>i) The Conference Board, *Managing the Mature Workforce*, 2005. ii) Hewitt Associates, *Managing Mature Employees: Retaining Key Talent in a Changing Workforce*, July 2006. iii) AARP, *The Business Case for Workers Ages 50+: Planning for Tomorrow’s Talent Needs in Today’s Competitive Environment*, 2005. For additional publications that describe changes implemented by employers, see the publications cited in the other footnotes as well as <http://www.aarp.org/employerresourcecenter>.

<sup>4</sup>Loyalty was rated highly by all executives regardless of whether or not they actually managed any 50+ workers.

<sup>5</sup>AARP, *Staying Ahead of the Curve 2004: Employer Best Practices for Mature Workers*, 2004.

<sup>6</sup>AARP and SHRM, *Phased Retirement and Flexible Retirement Arrangements: Strategies for Retaining Skilled Workers*, 2006.

<sup>7</sup>AARP and SHRM, *Phased Retirement and Flexible Retirement Arrangements: Strategies for Retaining Skilled Workers*, 2006.

<sup>8</sup>AARP, *Staying Ahead of the Curve 2004: Employer Best Practices for Mature Workers*, 2004.



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