

self-esteem
competitive pay
enjoy working
technology
new skills
health benefits

Staying Ahead of the Curve 2007
The AARP Work and Career Study

age-friendly
money
job security
accomplishment
flexible hours
helping others

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AARP collected the data for this study through a telephone survey administered by Synovate, Inc. of Falls Church, VA. Elizabeth Pope wrote the Highlights and Implications in consultation with AARP. Hana Holley of AARP's Strategic Issues Research Department managed the project for AARP. The following AARP staff members provided input: Sara Rix, Deborah Russell, Craig Langford, and S. Kathi Brown. Colette Thayer and Rebecca Perron reviewed drafts. For more information about this report, contact S. Kathi Brown at 202-434-6296. All media inquiries about this report should be directed to David Nathan of AARP's Media Relations Department at 202-434-2560.

Staying Ahead of the Curve 2007

The AARP Work and Career Study

HIGHLIGHTS AND IMPLICATIONS | September 2008

A National Survey Conducted for AARP by Synovate Inc.

Highlights and Implications written by Elizabeth Pope

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preface

Staying Ahead of the Curve 2007: The AARP Work and Career Study is the latest in a series of AARP surveys examining older workers' experiences, opinions and expectations regarding their work and careers. This update of the 2002 survey will help employers position their organization to prepare for the significant demographic changes expected over the next decade and beyond. Policy makers, members of the media, researchers, consultants and others will find this report a compelling look into the perspectives of an important age cohort.

This *Highlights and Implications* document provides an overview of the key findings from the worker survey as well as examples of workforce practices implemented by selected employers to address the needs of an aging workforce. The survey's main sample included 1,500 older workers, ages 45 to 74, who were currently working or looking for work. In addition, older Hispanic and African American workers were oversampled to represent this important, growing demographic. For readers who would prefer a more in-depth presentation of the findings from the worker survey, the complete findings are available in the separate, detailed report, *Staying Ahead of the Curve 2007: The AARP Work and Career Study*.

A NOTE ON THE TIMING: When respondents were interviewed for this survey in the spring of 2007, the economy was relatively strong and unemployment was lower than at the time that the writing of this report was being completed in the spring of 2008. If the survey were taken during the current economic slowdown, it is possible that responses to questions would be different—especially those concerning job security, age discrimination, and motivations to work.

This document presents the highlights and implications of a national telephone survey of older workers conducted for AARP in 2007 by Synovate Inc. of Falls Church, VA. The survey's main sample included 1,500 older workers, ages 45 to 74, who were currently working or looking for work. In addition, older Hispanic and African American workers were oversampled to represent this important, growing demographic. In an effort to illustrate the survey's implications for employers, this document also presents examples of workforce practices implemented by selected employers to address the needs of an aging workforce.

The Survey At-A-Glance

An aging workforce means U.S. businesses are running out of time to prevent labor shortages, talent wars and knowledge loss. Between 2006 and 2016, the age 55-plus workforce will grow five times faster than the overall labor force.¹ If the massive Baby Boom Generation retires at historical rates, companies may scramble to find enough qualified younger workers to fill the empty slots.

But this report clearly shows that workers age 45 to 74 want to stay on the job—as long as businesses and policy makers address their wants and needs. *Staying Ahead of the Curve 2007* updates previous surveys commissioned by AARP on older workers' plans, motivations, attitudes and opinions. The survey findings will help policymakers and businesses understand this vast talent pool and develop strategies to recruit, retain and manage them. There is no time to lose. Several studies indicate U.S. businesses are well aware of the pending brain drain, but few have enacted formal programs to find or keep their older workers.

Fortunately, seven in ten seasoned workers plan to work in their “golden years.” However, when describing the work schedule that they expect to have during retirement, the majority indicate that they would prefer part-time options, presumably

to balance their work and personal responsibilities. When asked why they expect to work in retirement, older workers name financial reasons, such as the general need for money, as well as non-financial reasons such as the enjoyment derived from working and the desire to have something interesting to do.

Several businesses, nonprofit organizations, schools and hospitals recognized as AARP Best Employers for Workers Over 50² have devised “best practices” appealing to age 50-plus workers. These forward-thinking companies already offer flexible work arrangements, good benefits, meaningful work and ongoing training. With such creative programs and procedures already in place, these organizations are poised to surge past their competitors in a global talent crunch.

Time may be running out for other businesses to devise and implement effective strategies and for policymakers charged with removing legal and regulatory roadblocks to working in retirement. Skill shortages are already reported in oil, gas, energy, healthcare, and government.³

Although any organization's approach to recruitment, retention, and talent management must be tailored to the needs of the individual organization, this report can help jump-start the planning and decision-making process. **The Blueprint for Change**

¹ Mitra Toossi, “Labor Force Projections to 2016: More Workers in Their Golden Years,” *Monthly Labor Review* (November 2007) p. 33.

² More information on the workforce practices of current and former AARP Best Employers can be found at AARP's online Employer Resource Center: Search on the organization's name at <http://www.aarp.org/employerresourcecenter>.

³ Lynne Morton, with Lorrie Foster and Jeri Sedlar, *Managing the Mature Workforce* (2005), The Conference Board, p. 5.

below provides a checklist of examples and action steps illustrated with best practices from pioneering companies, large and small, including many current and former AARP Best Employers. The **Survey Highlights and Implications** includes an overview of the key findings from the survey of workers ages 45 to 74 as well as more examples of relevant employer practices. Additionally, businesses will find AARP's online **Workforce Assessment Tool** a speedy way to analyze and address their current and future vulnerabilities.

The AARP Workforce Assessment Tool »

The AARP Workforce Assessment Tool, available at www.aarp.org/employerresourcecenter, is a free, online planning resource that companies can use to quickly gauge their exposure to potential skill shortages. Customized charts of key jobs and functions provide a snapshot of workforce demographics, workplace practices, possible challenges and projected hiring needs. The site includes suggestions for short- and long-term staffing and knowledge retention strategies.

Blueprint for Change

This checklist of recommendations and examples of best practices⁴ can spark workforce planning discussions about flexible work arrangements, benefits, diversity and fairness, positive environment, ongoing training and development and other essentials attractive to older workers.

- » **Use the AARP Workforce Assessment Tool** to assess current workforce needs and practices and to identify job functions and divisions most vulnerable to mass retirement.
- » **Survey employees' opinions** about current company practices. Employee feedback can help in crafting new programs and creating an "age-friendly" company brand. For example, at employees' request, the financial services firm **Vanguard** instituted compensation redesigns, paid time-off packages, and numerous work/life initiatives. A "Great Place to Work" employee survey at **Scripps Health** in San Diego encouraged management to implement an eldercare and professional care management program at the hospital system.
- » **Flexible schedules, policies and work arrangements** attract and retain top talent—these choices are among most older workers' ideal job attributes. For example, **Mercy Health System's** "Work to Retire Program" allows 50-plus employees the option to work reduced hours, pool or work at home. Full-timers at the Janesville, WI health care system can job-share or move to part-time work permanently or temporarily. Another example is **The Home Depot's** "snowbird special." Depending on business needs, high-performing associates who reside in different parts of the country at different times of the year may be able to transfer between different Home Depot locations near their homes.⁵ **First Horizon National Corporation**, a Memphis-based financial services firm, offers flexible work options such as prime-time employee status (employees with at least one year of service reduce work hours to 20 to 32 hours/week and maintain full benefits), formal flex-time (employees work a non-traditional schedule), informal flex-time (employees adjust hours

⁴ Unless otherwise noted, information on individual companies' best practices comes from the practices of the 2007 AARP Best Employers for Workers Over 50 listed on the online AARP Employer Resource Center (<http://www.aarp.org/money/careers/employerresourcecenter/bestemployers/winners/2007.html>, retrieved May 2008).

⁵ Towers Perrin, *The Business Case for Workers Ages 50+: Planning for Tomorrow's Talent Needs in Today's Competitive Environment*, a report prepared for AARP by Towers Perrin, (2005), p. 87.

occasionally as a need arises), and telecommuting/flex-place (employees work at home or other location). Phased retirement is offered to full-time employees on a case-by-case basis at **Noblis, Inc.**, an engineering research firm in Falls Church, VA.

- » **Offer competitive health and other benefits** to recruit and retain age 45-plus workers. Even part-timers who work a minimum number of hours per week receive full medical benefits at **Bon Secours Richmond Health System** and the **YMCA of Greater Rochester**—including vision and dental insurance. **Adecco USA**, the Melville, NY-based division of the global staffing company, offers its full-time staff long-term care insurance, exercise facilities and lunch-time seminars on financial planning, health and other relevant topics.⁶
- » **Recruit retirees.** A database of highly skilled retirees familiar with company culture provides an on-call talent pool to train new hires or staff short-term projects. For example, retirees with specialized professional and technical knowledge can take temporary positions at **Argonne National Laboratory**. The **MITRE Corporation's** Reserves at the Ready program allows retirees to sign up to be on call for part-time assignments.⁷ **Frankford Candy and Chocolate Co.** of Philadelphia has fewer than 100 retirees, but invites them back for part-time work. Additionally, **Proctor & Gamble** and **Eli Lilly** are the initial founding client companies of YourEncore, a third-party placement agency that matches experienced scientists and engineers with companies needing help on short-term projects.⁸
- » **Hire a retiree relations specialist** to communicate with former employees, invite them to events and build a database of names to call on for short-term

projects. Most current and former AARP Best Employers have such a designated position.

- » **Restructure the job or the workplace** to accommodate employees' unique needs later in life. Structural changes, procedures, equipment and tools can be added or redesigned to help keep experienced workers on the job. **Lee Memorial Health System** in Fort Myers, FL, instituted a "transitional work program" to accommodate workers who are temporarily or permanently disabled or otherwise unable to perform their job duties. If the original job cannot be modified, the worker is moved into another position. **Brevard Public Schools** in Viera, FL, assists employees with special needs by providing telephones with amplified audio equipment, custom-ordered furniture, and large screen/print computer monitors.
- » **Recharge late-career workers with up-to-date training.** Career counseling, special assignments and open career paths provide the personal growth and development that many older workers seek. At **John Deere**, the industrial equipment and commercial machinery company in Moline, IL, employees are provided with growth opportunities by participating in temporary assignments in other departments, team projects and job rotations. **George Mason University** in Fairfax, VA, partners with county and city governments to offer programs designed for the adult learner.⁹
- » **Consider knowledge retention strategies** such as cross-training, mentoring, coaching, shadowing and exit interviews to help pass on key information. At **Baptist Health South Florida**¹⁰ in Coral Gables, senior nurses who mentor junior colleagues receive financial incentives.

⁶ Morton, p. 16.

⁷ Mercer Human Resource Consulting, *Staying Ahead of the Curve 2004: Employer Best Practices for Mature Workers*, prepared for AARP by Mercer Human Resource Consulting, (2004) p. 34.

⁸ YourEncore web site (www.yourencore.com, retrieved May 27, 2008).

⁹ AARP, "Training and Professional Development: Practices of the 2007 AARP Best Employers for Workers Over 50": (http://www.aarp.org/money/careers/employerresourcecenter/retention/training_and_professional_development_practices_of.html, retrieved May 28, 2008).

¹⁰ AARP, "Mentoring Programs Benefit Employers and Employees" (www.aarp.org/money/work/articles/mentorprogs.html, retrieved May 27, 2008).

INTRODUCTION—WHO ARE TODAY’S EXPERIENCED WORKERS?

A perfect demographic storm may be brewing that threatens to roil the waters of the U.S. economy and compromise the productivity and success of U.S. businesses. Several trends are converging to reshape the country’s labor force:

- » From 2006 to 2016, the number of age 55-plus workers is projected to grow by nearly 47 percent, five times faster than the overall labor force.¹¹
- » The oldest of the 78 million baby boomers turn 62 in 2008—and become eligible for early Social Security retirement benefits.
- » Many analysts fear a shortage of qualified workers as boomers retire; however, the impact may vary by industry, occupation, and region of the country.

It is no secret that the global workforce is graying as life-spans lengthen in the U.S. and other developed countries. By 2016, almost 35 percent of the U.S. population will be 55 or older.¹² Tomorrow’s workforce won’t just be older—it will be more diverse, too. African Americans and Hispanics will make up larger proportions of the workforce in years ahead.

The Baby Boom Generation comprises nearly 40 percent of the nation’s workforce.¹³ If this massive age cohort follows traditional patterns retiring by age 65 or earlier, businesses may be hard-pressed to find enough qualified workers. Critical jobs may go

unfilled. Some analysts say technical innovations and mature workers remaining on the job will prevent labor shortages.¹⁴ Others say the brain drain is a real concern, with skill shortages reported or anticipated in healthcare, education, aerospace, government, and energy.¹⁵ In a 2007 survey of employers, the consulting firm Ernst & Young found that more than six in ten employers said retirement in their companies’ ranks would cause shortfalls in some functions.¹⁶ In this competitive hiring environment, businesses can’t wait until a hiring crisis hits their industry—they must begin now to create retention, recruitment and management strategies to convince talented age 45-plus workers to stay on the job.

Departures of just a few key employees can have a disastrous effect on customer relations and a company’s competitiveness. Luckily for businesses fearing high turnover, expensive retraining and a struggle to find skilled workers—70 percent of older workers say they plan to work into retirement.

But they want to work on their own terms.

Staying Ahead of the Curve 2007: The AARP Work and Career Study is the latest in a series of research reports commissioned by AARP to provide an in-depth look at today’s experienced workers, ages 45 to 74. This update on the 2002 survey will help employers, policymakers, media and others understand older workers’ needs, opinions, motivations and plans regarding work and retirement issues. A clearer picture of today’s mature worker will help policymakers charged

¹¹ Toossi, p. 33.

¹² Toossi, p. 36.

¹³ See U.S. Census Bureau, 2007 Current Population Survey: March Supplement. (According to an analysis of this data set, boomers represented 39% of the U.S. labor force in 2007.)

¹⁴ Peter Cappelli, “Will There Really Be a Labor Shortage?” *Organizational Dynamics*, August 2003, Vol. 32, Issue 3, pp. 221 to 233.

¹⁵ David DeLong, *Lost Knowledge: Confronting the Threat of an Aging Workforce*. New York: Oxford University Press (2004). See also The Conference Board, p. 5.

¹⁶ Ernst & Young. *2007 Aging of the U.S. Workforce Survey: Challenges and Responses—An Ongoing Review*. (http://www.ey.com/global/content.nsf/US/Human_Capital_-_Aging_Workforce_Survey).

with removing legal and regulatory obstacles to phased retirement. This report will help business management and leadership to develop practices and programs that address mature workers' needs and desires. As a first step, businesses must make this workforce management challenge an organization-wide priority, not just a human resources issue.

Businesses that have yet to analyze potential shortages and vulnerabilities will find AARP's online **Workforce Assessment Tool** (available at www.aarp.org/employerresourcecenter) an effective method for quickly summing up vulnerabilities in key jobs and functions. The site also offers talent management and knowledge retention solutions.

Procrastinating until mission-critical employees walk out the door is unwise. But that's just what many U.S. businesses appear to be doing. Several reports indicate U.S. employers are aware of the potential impact of a graying workforce, but that few have formal programs in place to stop a mass boomer exodus.¹⁷ Three-quarters of senior executives recently polled by AARP agreed that the U.S. economy will experience a shortage of skilled workers over the next decade, but only one in six report their company currently has any formal policies or programs to encourage employees who are approaching retirement to continue working. Nearly 60 percent of the executives believe their organization needs to be more proactive in retaining older workers. These workers are prized as much for their experience, knowledge and insights as for their loyalty, work ethic and dependability.

Many forward-thinking U.S. companies stay ahead of the competition by reaching out to older workers with appealing programs and procedures. *Staying Ahead of the Curve 2007 (Highlights and Implications)* includes examples of best practices from hospitals, schools, nonprofit organizations, financial services firms, manufacturers, giant multinationals and a relatively small business with fewer than 200 employees. These "early adopters"—many recognized on **The AARP Best Employers for Workers Over 50** annual list—have devised effective recruitment and retention strategies, such as attractive benefits packages, flexible work arrangements, phased retirement, succession planning and on-going training and development. Following their example, other companies can build an "age-friendly" brand and become the employer-of-choice for experienced workers.

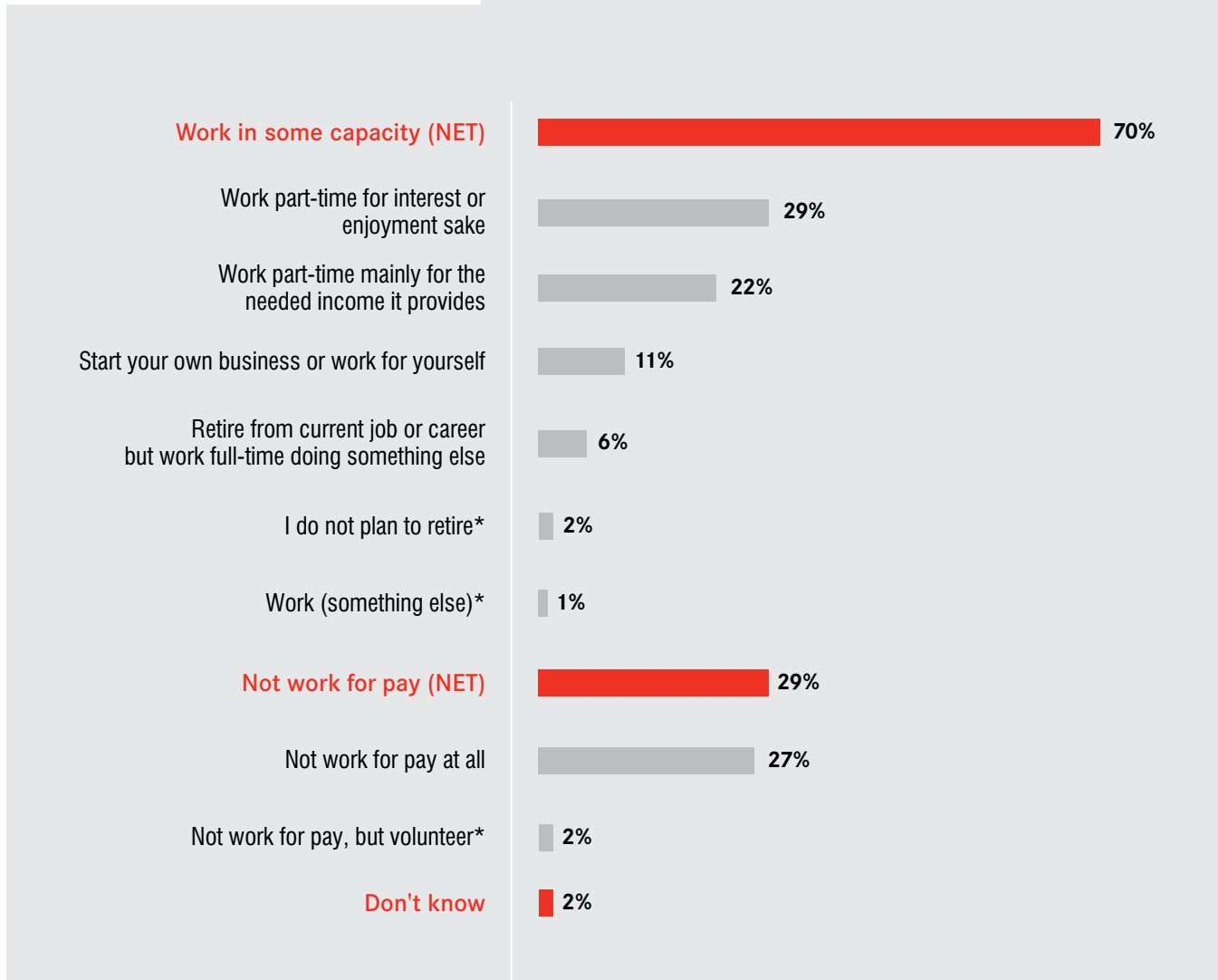
SURVEY HIGHLIGHTS AND IMPLICATIONS:

Not Your Grandfather's Retirement

Today's older workers are better educated, healthier and living longer than previous generations. The typical age 45-plus employee works a full-time, year-round job and more than seven in ten have held a current position for more than five years. No wonder older workers express high job confidence. About eight in ten (81%) say it is unlikely their job will be eliminated within the next year, a modest increase in job confidence over the last five years. (These responses may be a reflection of the rosier economic picture in spring 2007 when the survey was conducted.)

¹⁷ Business Week Research Services and AARP. *Business Executives' Attitudes Toward the Aging Workforce: Aware but Not Prepared?*, (2006), pp. 3 to 4. See also Morton, pp. 12 to 13.

Older Workers' Plans for Retirement



Base: All respondents (n = 1500)

"Which of the following, if any, best represents what you plan to do during your retirement?" *Responses marked with an asterisk were not read to respondents but were offered spontaneously by some respondents.

Forget bingo, rocking chairs and other stereotypes of leisurely retirement. Today's mature workers do not plan on trading full-time work for full-time leisure when they retire. Seven in ten older workers expect to work in retirement, mainly part-time, either for money or enjoyment. (Smaller numbers plan to start a business, work for themselves or switch to another full-time job.)

At the moment, just a few (13%) have achieved a part-time schedule that leaves time for education, family responsibilities and leisure. (One reason may be that most of the workers in this survey are not yet "retired" and are years away from the time when they eventually hope to reduce their schedules.) However, many companies do not offer flexible work arrangements, such as phased retirement programs, that facilitate transitions from full-time work to

retirement. Plus, policy makers have yet to address regulatory obstacles to formal phased retirement programs. But as many current and former AARP Best Employers have discovered, flexibility is a win-win strategy for an organization and its mature workforce. Part-time, compressed schedule and short-term work arrangements transfer veteran employees' knowledge and skills to the next generation while older workers make a gradual exit—their preferred option.

Why work?

A deeper understanding of older workers' motivations to work will help organizations design effective talent management and knowledge retention strategies. Older workers say they want to work for three main reasons:

- » Current financial need—including income to support a family, pay for health care and maintain health insurance.
- » Social and psychological fulfillment—that is, enjoying the work and interacting with others plus feeling useful and productive.
- » Future financial security—including working to fulfill pension requirements, qualifying for Social Security and saving more.

When pressed to name the single most important reason that they are working now, more than one in three (37%) mature workers in almost all income levels cited the need for money. Sixty percent at least

somewhat agreed that money was the only reason to work, including 39 percent who strongly agreed. Working to support one's family was particularly important to Hispanic workers.¹⁸

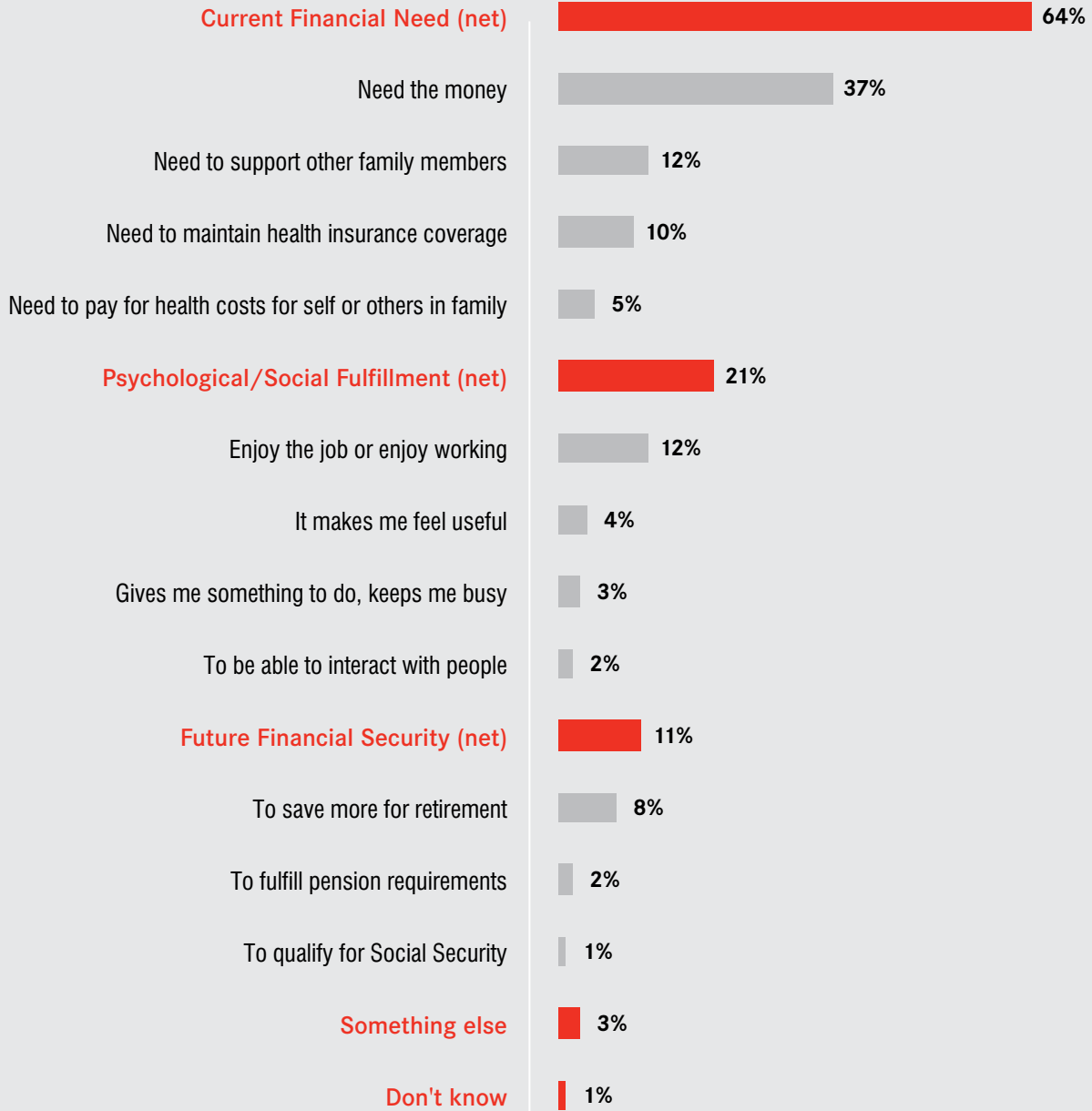
Mature workers' need for money comes as no surprise given media coverage of inadequate retirement savings, rising health care costs and declining employer-provided retiree health benefits. Traditional defined-benefit plans are losing ground to 401(k) defined contribution plans—putting more responsibility for saving on the individual. Plus, the eligibility age to receive full Social Security benefits has risen.

“Working for enjoyment” was among the top three most often-cited reasons for working, after “need for money” and tied with “need to support other family members.”

Since the last survey in 2002, financial concerns have gained a slight edge over intangibles like job enjoyment, productivity and social interaction as a reason to continue working. And if respondents were surveyed in the current sagging economy of the spring of 2008 (rather than in spring 2007 when foreclosure rates, prices for food and fuel, and jobless rates were considerably lower than they are today), it is likely that financial need would be an even greater motivator. If the economy continues to falter, money and benefits are likely to remain the most powerful lures to attract and retain an older workforce.

¹⁸ Working to pay health costs for self and family was cited by eight in ten Hispanics and two-thirds of African Americans. About one-quarter of the survey's respondents reported a serious financial problem in the last five years—most prevalent among unemployed respondents and low-income workers.

Most Important Single Reason for Working



Base: All respondents (n = 1500)

"Which of the things we just talked about is the ONE MAJOR FACTOR in your decision to be working/looking for work right now?"

What's Your Ideal Job?

Money and benefits may trump other reasons to work when workers are pressed to name their most important reasons for working, but age 45-plus workers are very interested in non-financial aspects of the workplace. When asked to describe their "ideal job," older workers mention respect from one's boss and co-workers, satisfying and meaningful work, flexible working arrangements, and opportunities for personal growth and professional development. Three elements came up most often:

- » A job that makes use of one's skills and talents
- » A friendly work environment
- » A chance to do something worthwhile

Women particularly valued respect, flexibility, and convenient work arrangements such as part-time or flexible schedules, adequate paid time off and a short commute.

Those who enjoy their work say it is important to their self-esteem and allows them to use their skills and talent. For older African Americans and Hispanics, work is particularly important to self-esteem. Given these insights into the needs and wants of older workers, what can companies do to create policies, programs and procedures to hold on to their experienced workers?

To help in the strategy-making process, here are older workers' key areas of interest:

Flexibility: Almost two thirds of older workers say they want better ways to balance work and personal life—a goal sought-after by younger workers, too. Mid-life and older adults face challenges particular to their stage of life, ranging from major career changes to health problems to restructured families

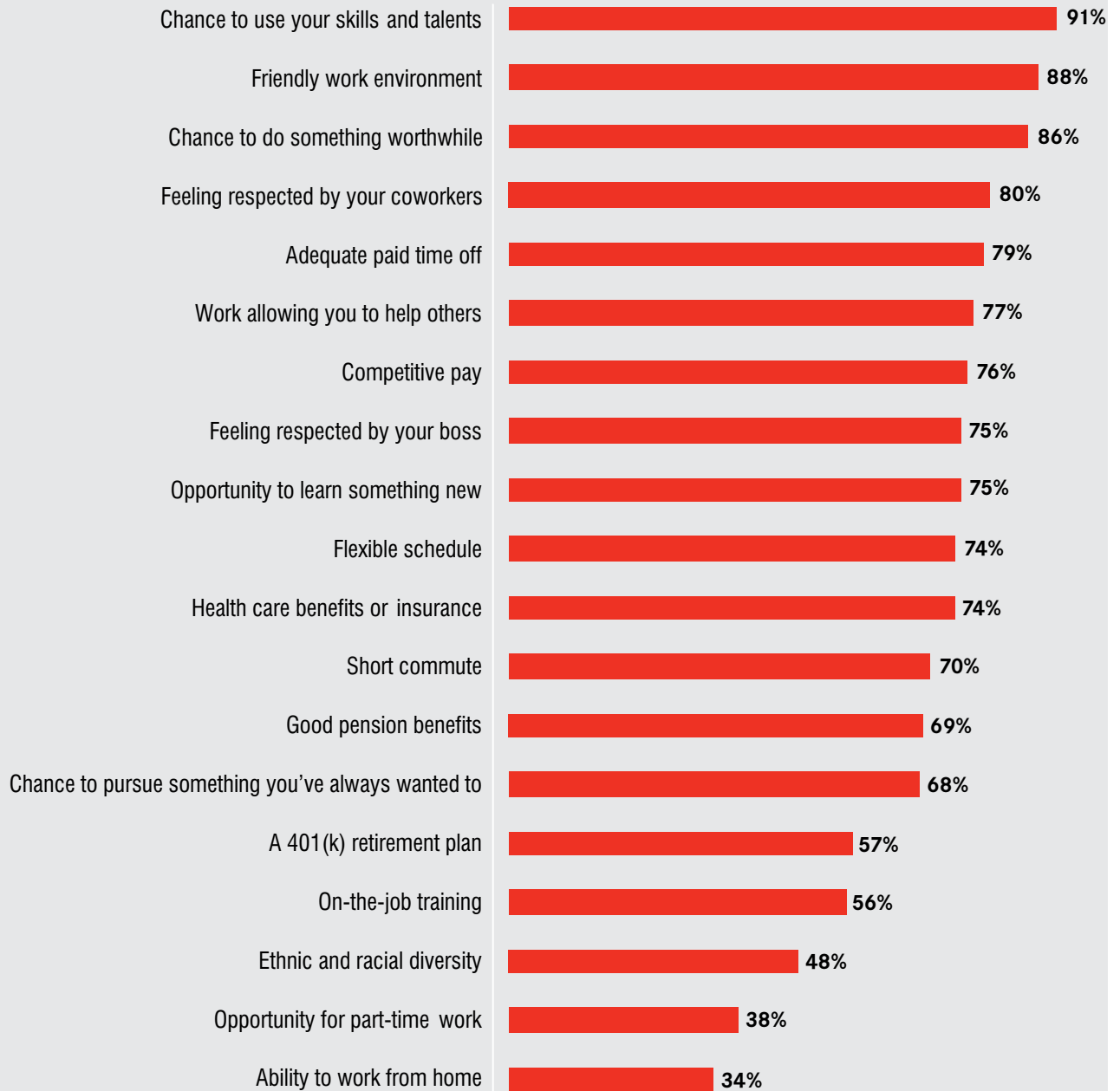
(e.g., an empty nest, divorce and remarriage). Caregiving is a particularly common home-front challenge for this age group. And that burden can be heavy: More than 60 percent of older workers report having a close friend or relative die within the last five years.¹⁹ Caregiving falls hardest on older Hispanic and African American workers, in part because they are more likely to have children living with them.

Flexible schedules, work arrangements and adequate paid time off for caregiving and other responsibilities are retention/recruitment strategies appealing to mature workers. **Mercy Health System** in Janesville, WI, an AARP Best Employer, offers a menu of flexible work options including: weekends-only, work-from-home, even 6- to 13-week assignments for travelers. Women, so often cast in the role of family caregiver, appreciate such work/life balance solutions. But flexibility appeals to all ages and genders. **John Deere** offers these alternative work arrangements to its full and part-time employees: flex-time, compressed work schedules, telecommuting and a formal phased retirement program in which the employee moves to working part-time hours. Perhaps that is why, on average, Deere's age 50-plus workers have logged more than 23 years on the job.

Competitive Benefits: Mature workers expect reasonable pay for their years of experience and they appreciate benefits geared to their stage in life. When asked to describe their "ideal job," older workers mention competitive pay and health benefits, adequate paid time off, and flexible schedules. Six in ten older workers cite their need for health insurance as a major reason to work and more than half mention the need to pay for health care for themselves and family members. Many businesses have found that attractive health and retirement benefits are powerful recruitment/retention tools. When **Adecco USA** asked retirees

¹⁹ A majority experienced at least two of 16 major life changes in the past five years—most common was death of a close friend or relative. In the past five years, 25 percent made a major career change, and nearly as many lost or faced declining health benefits. Nineteen percent lost a job, and 10 percent retired. Nearly 20 percent had a major illness.

Elements of Older Workers' Ideal Job



Base: All respondents (n = 1500)

"Now I'd like you to think about your IDEAL job... For you personally, which of the following things, if any, are absolutely essential parts of your IDEAL JOB?" (multiple responses allowed)

which benefits would draw them back to work, respondents said the most important were prescription drug coverage, as well as health, dental and vision coverage.²⁰ At **Bon Secours Richmond Health System** in Virginia, employees working at least 15 hours a week receive a full medical benefit package for individuals and their families—including vision and dental insurance. The hospital also offers part-timers a 401(k) and defined-benefit retirement plan. **The YMCA of Greater Rochester** offers full- and part-time employees a 403(b) plan, plus access to financial planning experts. Employees receive paid time off and unpaid long-term leaves of absence for caregiving—an important benefit for older workers looking after aging parents, children and grandchildren. With fewer than 200 employees, **Frankford Candy & Chocolate Co.** of Philadelphia also offers paid time off for caregiving. More than half of the company’s employees are age 50-plus and their average tenure is nearly 20 years.

Restructured Job or Environment: Modifying the workplace to address employees’ unique needs helps retain experienced workers in the office and on the shop floor. Every employee hired at **Pinnacol Assurance**, a financial services firm in Denver, receives an ergonomic evaluation when hired or as requested. Employees with special needs are accommodated with sit-stand work stations, job restructuring and reassignment if necessary. By modifying an existing job, or switching the worker to a less physically demanding position, the company retains a valued employee and the individual remains productive and useful—one of the reasons for working frequently reported in this survey. Pinnacol reports a 38 percent decrease in workers’ compensation claims after a year using the extensive ergonomics program. To keep mature workers on the job, **Brevard Public Schools** in Viera, FL provide workers who have special needs with custom-ordered furniture, large screen/print computer monitors and

telephones with amplified audio equipment. **John Deere** offers flextime, telecommuting and special office set-ups for employees with unique needs.

Training and Development: Three quarters of older workers who responded to this survey reported that their ideal job includes learning something new. Additionally, according to a recent AARP/Towers Perrin report, a similar number of older workers are interested in work-related education.²¹ Most older workers want training to refresh their existing skills and learn new skills—the more skill-focused the better.²² Such efforts aren’t wasted on late-career employees. Employers interviewed for the study reported that older workers value training as much as younger colleagues and are enthusiastic participants in programs. **Caterpillar Inc.**, the global manufacturer of construction, mining and other heavy equipment based in Peoria, IL, creates learning strategies based on business needs and organizational goals.²³ To ensure the strategies are achieving the company’s aims, Caterpillar conducted detailed ROI studies to measure how learning is adding value to all employees.

“Older workers take (training) more seriously. They recognize the value and appreciate the opportunity to participate in additional training and skill development.” *Schneider National.*²⁴

More than 3,000 classes and study programs are offered at **Vanguard University**, the company-wide program offered by the large Valley Forge, PA-based financial services firm. Vanguard sponsors a “Career Development Days” program, which encourages employees to enhance their careers. Each employee also receives an individual development

²⁰ Morton, p. 16.

²¹ Towers Perrin, *Investing in Training 50+ Workers: A Talent Management Strategy*, AARP (2008), p. 5.

²² *Ibid.*, p. 5.

²³ *Ibid.*, p. 25.

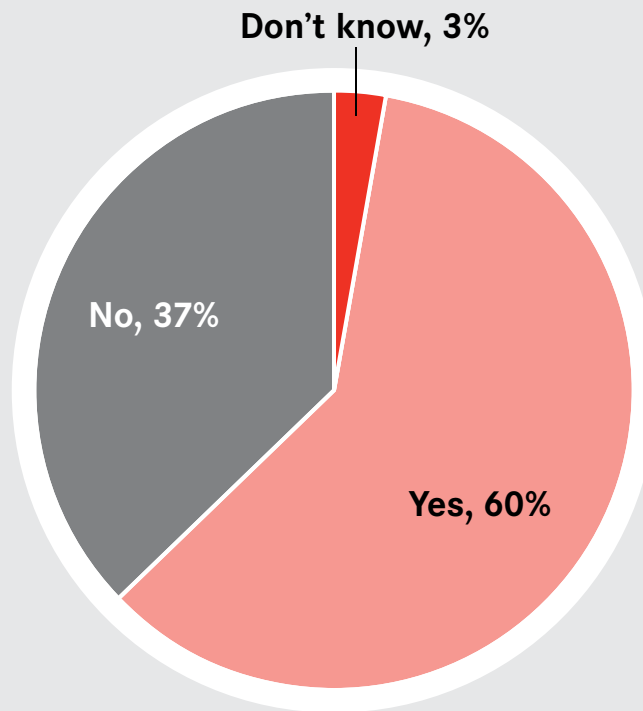
²⁴ *Ibid.*, p. 5.

plan that includes courses taught at the university. Workers may also gain new skills by participating in team projects, temporary assignments in other departments, job rotations, internships and lateral moves. Like many other companies that have been recognized as AARP Best Employers, Vanguard offers in-house classroom training, online training, certification classes and tuition reimbursement. **SC Johnson**, the consumer products company headquartered in Racine, WI, offers a “link” program,

which promotes lifelong learning for all employees and retirees by offering courses through Gateway Technical College. Employees can complete a course, a certificate, or an Associate Degree program on site.²⁵

Age-friendly environment: Older workers say a friendly, respectful work environment is part of their ideal job scenario. Targeted marketing materials and creative recruiting techniques are as important as attractive benefits, policies and practices in

Does Age Discrimination Exist in the Workplace?



Base: All respondents (n = 1500)

"Based on what you have seen or experienced, do you think workers face age discrimination in the workplace today?"

²⁵ AARP, "Training and Professional Development: Practices of the 2007 AARP Best Employers for Workers Over 50."

conveying the message that an organization welcomes older workers. In its efforts to attract older workers, **Adecco USA**, based in Melville, NY, uses just such materials to reach out to older adults not just through senior job fairs and placement agencies but also at places of worship, shopping malls and community centers.²⁶

Fair and Diverse Workplace: Fairness matters to older workers: six in ten believe work-related age discrimination is a reality—and 13 percent say they have personally experienced discrimination in the past five years, such as not getting hired, passed over for a promotion or a raise, being laid off or fired, or being denied access to training.

As the workforce ages, employers need to ensure that the workplace remains fair to all workers and free of discriminatory practices. The workforce of the future will also be more ethnically, racially, and generationally diverse. The U.S. Bureau of Labor Statistics projects that, by 2016, Hispanics will represent more than 16 percent of the workforce and African Americans more than 12 percent.²⁷ While older workers from all racial and ethnic groups share many similar experiences, beliefs and attitudes, this survey found some differences. For example, work is particularly important to the self-esteem of African Americans and Hispanics—and nearly eight in ten older African American workers plan to work into retirement. Compared to African Americans and whites, Hispanics are more likely to report difficulty keeping up with technology. And both Hispanics and African Americans report heavier burdens of caregiving than whites for children, grandchildren, and spouses.

IMPLICATIONS: HOW TO USE THIS SURVEY

In a rapidly changing business landscape, U.S. employers and policymakers must understand older workers' opinions, preferences and plans in order to create strategies, policies and programs that encourage older workers to remain in the workforce. Most age 45-plus workers want to work in some capacity into traditional retirement, but obstacles to formal phased retirement can mean they must leave their current employer and find work elsewhere. Policymakers must prioritize the removal of legal and regulatory obstacles to phased retirement and other part-time options prized by older workers. Employers must not delay in making an organization-wide effort to devise short-term and long-term strategies for talent retention, recruitment and knowledge management. (AARP's online **Workforce Assessment Tool** can help employers identify key functions and divisions at risk of losing workers with critical knowledge and skills due to impending retirements.) Once vulnerabilities are identified, companies can custom-tailor flexible work arrangements, attractive benefits, and training and development efforts to tap into the vast talent pool of mature workers who might retire completely in the absence of such arrangements.

The profitability and competitiveness of U.S. businesses may depend on how well employers and policymakers respond to the demographic changes sweeping across the country in the next decade. With planning and quick action, companies may avoid potentially crippling labor shortages and prosper over the coming decades thanks to the wisdom, skills and knowledge of their most experienced workers.

²⁶ Morton, p. 16.

²⁷ Toossi, p. 46.

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Methodological Note

The nationally representative survey of 1,500 workers ages 45 to 74 included workers who were employed at the time of the survey as well as those who were unemployed but looking for work. In addition to the general sample of 1,500 workers, the sample included over-samples of African Americans and Hispanics to total 421 African American workers and 601 Hispanics workers 45 to 74 years of age. Interviewing was conducted in both English and Spanish, at the respondent's preference.

The survey, which was conducted by telephone, began on April 13, 2007 and continued through May 21, 2007. Results for the general sample were weighted in order to make the sample representative of U.S. workers ages 45 to 74 based on age, sex, education, and region. Weights were developed using U.S. Census estimates. The African American and Hispanic sub-samples, including the over-samples, were also weighted to match Census estimates for those respective populations. The sampling error for the general population sample of 1,500 is plus or minus 3 percentage points at the 95 percent level of statistical confidence. The sampling error is plus or minus 7 percentage points for the African American sample of 421 and plus or minus 7 percentage points for the Hispanic sample of 601. More information about the methodology is contained within the full report.



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