

Wise Up!

Connections Missing With Older Workers

By Tom Schuman

Indiana has an impressive list of advantages when it comes to the competitive task of attracting new businesses or growing existing enterprises. But prudent state fiscal practices, an overall strong tax climate and a growing diversity in the types of companies and jobs (among other attributes) will only go so far without the most critical element – people to do the work.

Formal education, at the K-12 and postsecondary levels, is at the centerpiece of those efforts. Lifelong learning is increasingly gaining in importance. Both, along with other initiatives, are long-term essentials. But a direct solution to some of the most immediate workforce challenges is right in front of employers every day: finding ways to continue to utilize the skills and talents of today's older workers.

It's no secret that America is growing older. Birth rates are down and medical advances are helping people live longer, more productive lives. In Indiana, those 65 and older will account for 63% of the state's population growth over the next 30 years. The numbers in that age category will nearly double from 753,000 in 2000 to 1.48 million in 2040.

Many older Hoosiers want to continue to work, to be productive and contribute to society. Others, due to the financial challenges of the last few years, need to stay on the job longer. These facts and many others were documented in a series of reports in late 2009 that helped launch the Indiana Chamber's Workforce Wise project.

"I was surprised at the numbers of people over 60 who would like to be working for pay," notes Phillip Stafford, director of the Center on Aging & Community at the Indiana Institute on Disability and Community at Indiana University. Yet, Stafford tells of being at a recent job fair and talking with an exhibitor who provides counseling to older workers. A lack of interest in her services there and at other events prompted the exhibitor to comment that she believed few older Hoosiers were interested in working. "I thought it was an interesting disconnect," Stafford shares.

It's not the only gap revolving around this issue. While employers bemoan the lack of important workplace skills among many of today's employees, far too many fail to take steps to keep the people who already have those abilities and the institutional knowledge that helps make the companies successful in the first place.

Mode of Employment in Indiana

	2001	2008
Population 16 years and older		
Full-time	80.3%	82.4%
Part-time	19.7%	17.6%
Older Workers (55+)		
Full-time	71.0%	81.2%
Part-time	29.0%	18.8%

Source: U.S. Census Bureau, Current Population Survey

Note: 3-year moving average

Prioritizing projects

Ellen Miller is the executive director of the Center for Aging & Community (CAC) at the University of Indianapolis. *BizVoice*® first began reporting on the work of CAC and its studies on this topic more than five years ago.

"The optimist in me likes to say people were taking a little more of a look at some of the challenges and opportunities," she notes. "But when the economy changed, all that forward thinking stopped. People were simply in survival mode. In defense of companies, if something does not affect me next quarter or the next quarter or in the immediate future, it's hard to spend a lot of time thinking about it. It doesn't rise to the top of the priorities list."

Steve Kellam, president of Quantum Human Resources, also contributed to the 2009 Workforce Wise project. He cites several reasons for the apparent employer indifference.

"The primary reason is that they have other issues that are more important at that time with regard to the economy, keeping their businesses running in many cases or growing it in some cases," contends Kellam, who conducted an employer survey in the spring and summer of 2009 when companies were feeling the effects of the recession. "There were bigger fish to fry, so to speak, from the perspective of 'where do I need to focus right now?'"

"You can show them the facts on the dwindling (worker) population. They see it, they hear



it, intuitively they believe it, but in their day-to-day it's not been an issue yet.

Employee perspective

The aging population numbers were shared earlier. What about the trends in the Indiana workforce?

- The proportion of the workforce age 65 and above moved from 2.8% in 1998 to 3.8% 10 years later – an increase of almost 29,000 workers to a total of more than 107,000
- While overall labor force participation declined from 2001 to 2008, the increase for the 55 and over age group was from less than 35% to more than 43%
- In the same time period for the same age cohort, full-time work increased from 71% to more than 81%. There was no significant change among younger workers

In a national survey by the Pew Research Center, the top reasons given by respondents age 65 and older for why they work were: to feel like a useful and productive person (68%); live independently (59%); give themselves something to do (57%); and to be with other people (56%).

Ask the question again today and there certainly would be at least some shift toward financial reasons for wanting to stay in the workplace. Miller acknowledges that savings took a hit in recent years, while others had not effectively planned or prepared for retirement.

“I would say there are three groups: the group who would love to retire but can't, the group that simply wants to work and an equally strong group that would like to continue in the workforce but do it a little differently – they want to work and they might need to help support a generation on either side (an aging parent or children/grandchildren).”

On the flex

By differently, Miller is referring to alternatives such as part-time employment, flex time, job sharing and telecommuting. While these are becoming more popular in the workplace, they are generally not being used to attract or retain older workers.

Kellam says one employer was able to offer full benefits to part-time workers in a job sharing arrangement. The advantage was two experienced minds looking at the same issues and working together to craft solutions. It won't work in all industries, he acknowledges, but can be quite beneficial in some.

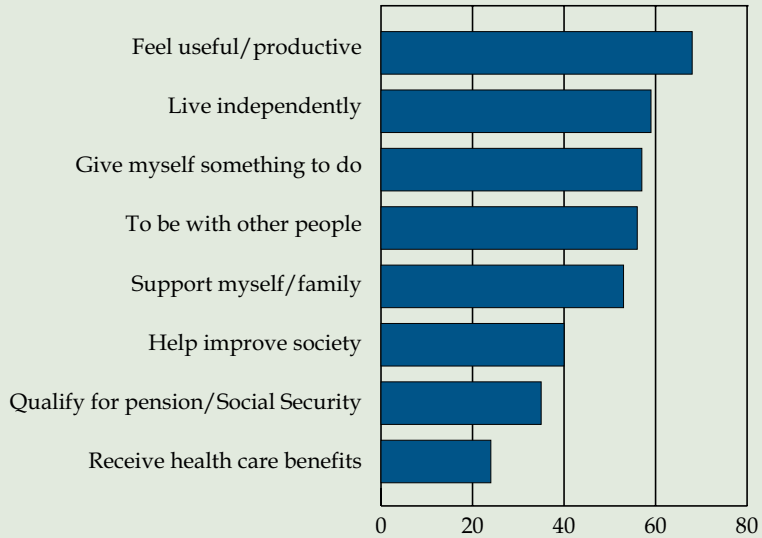
Stafford provides another example. “If I were an employer and had a company that produced a product that didn't involve a lot of manual labor, but I was looking for a workforce or reliable individuals interested in having a good social environment to

work in – not super interested in health care benefits, interested in maybe part time work – then that's a community (older workers) I would go to. There may be employer attraction strategies that should be mobilized around this, and I just don't see that happening.”

Asked whether current flex policies in place for younger workers could help make similar arrangements easier for older workers, Miller is not optimistic. “If you have a policy about flexibility in the workplace, that needs to be made available to all workers regardless of age. Some companies are making progress on that front, but I think we have a long way to go to be flexible with a variety of workplace policies across the age spectrum.”

Reasons for Working, by Age

Percent who say that this is a “big reason” they work (age 65+)



Note: Based on those who are employed full or part time; 1,140 respondents

Source: Pew Research Center

WHERE THEY WORK

Top Three Industries

(percentage of workforce in that industry)

60+ years	Real estate	36.8%
	Membership associations	13.4%
	Finance	12.9%

Top Three Occupations

(percentage of workforce in that occupation)

60+ years	Legal occupations	16.7%
	Architecture and engineering	12.6%
	Office and administrative support	10.8%

Source: Current Population Survey, compiled by Sloan Center on Aging & Work

An interesting finding in Kellam's survey for the Workforce Wise project was that more than half of executives and human resource professionals placed the retirement age at 75, with another 30% selecting the age range of 70 to 74. He notes this differed from data earlier in the decade, but was backed up by other studies.

Missing links

Whether it's a current priority or not, companies need to maintain what their older employees bring to the table. More of those workers, for a variety of reasons, want a seat at that table for a longer period of time. Why the continuing disconnect? There are at least two distinct explanations.

"The biggest myth," Miller attests, "is older workers being viewed as not being interested in changing, in being set in their ways. I don't think there is anything about age that makes us more or less comfortable with change. Also, that older workers are not interested in continuing education; they can be trained just as easily and effectively, and stay up with new approaches as any other worker. Our basic personality characteristics are very consistent as we age."

The other key factor is a less attractive and little-discussed reality. "The biggest problem is age bias," Miller adds. "Ageism is still a huge barrier. If you listen to a group of older adults, that message comes across loud and clear."

Stafford agrees. "One of the findings in the report showed older workers are the last to be let go, but in the hardest

position to find work. For people that are currently employed, they have an advantage; but if they are laid off, then they are at a disadvantage compared to younger workers."

A separate survey revealed that only 28% of workers age 55 and older who lost their jobs between July 2008 and July 2009 were able to find new positions. That was the lowest percentage of any age group.

Changing course

The message for companies is twofold. Stafford warns about not forgetting the power of older adults as consumers, while Kellam offers starting advice for those looking to make progress on retaining the skills and abilities of their experienced workers.

"I think one of the areas where a lot of improvement can be made is making retail establishments and various kinds of services more elder friendly," Stafford says. "There's an elder-friendly business district project in Boston; then there's a company that certifies businesses as being elder friendly. It helps them take a top-to-bottom look at not just the physical environment in which they're delivering services, but communication skills of personnel, signage and all those kinds of things to make the business more elder friendly."

What does Kellam say to employers? "Like anything else, the first thing is find out what their (employee) needs are. It's basic 101 customer service. In a way, your employees are your customers if you're a good employer and take care of them.

You don't want to assume what their needs are; you want to ask what their needs are. If you guess wrong, it's not going to help you and you might spend money you don't need to spend. There are various ways to ask: 'What would it take to have you involved in this company beyond retirement?'"

INFORMATION LINK

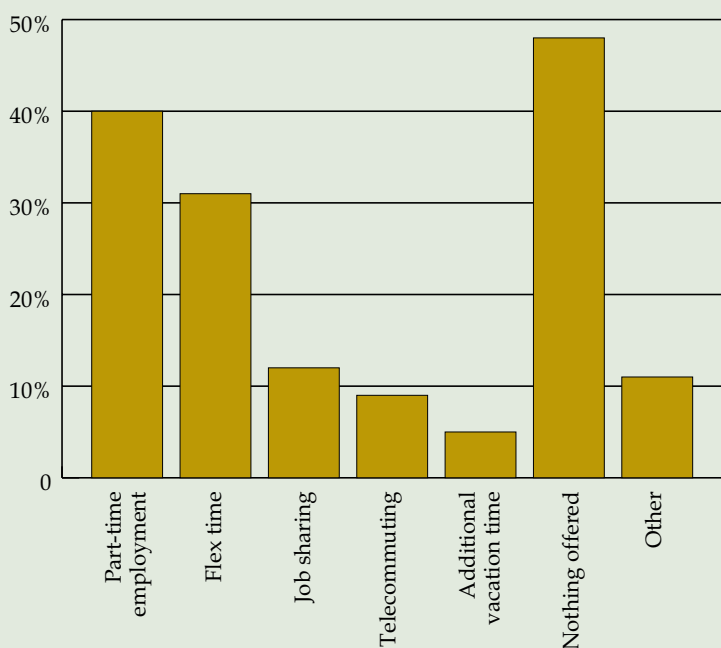
Resources: Steve Kellam, Quantum Human Resources, at (317) 489-0455 or <http://quantumhumanresources.com/>

Ellen Miller, University of Indianapolis, at (317) 791-5932 or <http://cac.uindy.edu/>

Philip Stafford, Indiana University, at (812) 855-2163 or www.iidc.indiana.edu

Indiana Employer Survey

As a matter of policy, my organization offers the following to attract and/or retain "mature/older" workers



Source: Quantum Human Resources 2009 Survey

Workforce Wise: Up Next

This special series of stories will continue throughout the first five *BizVoice*® issues of 2011. Below are the general topics for upcoming editions:

- **March-April:** education and skill development
- **May-June:** best places to work for older adults; employees turned entrepreneurs
- **July-August:** workplace wellness; communities that embrace older residents
- **September-October:** what's next; employer, employee perspectives