

New Hampshire's Aging Workforce: Calamity or Opportunity

William McPeck, MSW, WLCP, CWWPC

Work/Life Certified Professional
Certified Worksite Wellness Program Consultant

©2009, William McPeck. All rights reserved.

Myth or Fact?

- Older workers are physically and mentally unable to do their jobs.
 - Older workers are inflexible and unable to learn new things.
 - Older workers are out sick a lot.
 - Older workers are more expensive than younger workers.
 - You get more productivity from younger workers.
-

Aging Workforce

Every workforce has an age structure.

©2009, William McPeck. All rights reserved.

Drivers Behind the Aging Workforce

- Demographic
- Economic

©2009, William McPeck. All rights reserved.

Drivers Behind the Aging Workforce

□ Demographic

- Lowered birth rate creating labor pool shortages
- Aging baby boomers
- Longer life expectancies

©2009, William McPeck. All rights reserved.

Drivers Behind the Aging Workforce

□ Economic

- Inadequate retirement savings - Need to work for financial reasons
- Changing nature of benefits
 - Defined benefit to defined contribution
 - Upward trend in use of consumer directed health plans
- General increase in cost of living

©2009, William McPeck. All rights reserved.

Quick Facts

- Six states with the highest percentage of people age 50 and older in 2006:
 - Maine - 43.7%
 - West Virginia - 43.3%
 - Vermont - 42.7%
 - Montana - 42.2%
 - Florida - 42.0%
 - Pennsylvania - 41.9%

©2009, William McPeck. All rights reserved.

Quick Facts

Labor force rates of older workers have been steadily increasing over the past two decades. A trend particularly noticeable among older women.

Source: Boston College Center for Aging and Work

©2009, William McPeck. All rights reserved.

N.H. Quick Facts - 2007

- ❑ Median Age: 39.3 years
- ❑ Median age of workforce: 42.9 years
- ❑ Percent population 55 or older: 24.1%
- ❑ Percent of employed population age 55-64: 68.5%

Sources: Boston College Center on Aging and Work

©2009, William McPeck. All rights reserved.

N.H. Quick Fact - 2007

- ❑ Except for the population age of 75+, The N.H. population is expected to age more rapidly than the country as a whole.

Source: Boston College Center on Aging and Work

©2009, William McPeck. All rights reserved.

N.H. Quick Facts - 2007

Top Three Industries by Age of Worker

Age 40 - 49	Machinery Manufacturing	47.3%
	Primary Metals and Fabricated Metal Products	32.4%
	Insurance	33.1%
Age 50 - 59	Computer and Electronic Product Manufacturing	35%
	Social Assistance	34.2%
	Transportation Equipment Manufacturing	32.8%
Age 60+	Real Estate	21%
	Publishing Industries	20.6%
	Arts, Entertainment & Recreation	19.1%

Source: Boston College Center on Aging and Work

©2009, William McPeck. All rights reserved.

N.H. Quick Facts - 2007

Top Three Occupations by Age of Worker

Age 40 - 49	Computer and Mathematical Science	40.6%
	Management	32.4%
	Architecture & Engineering	31.7%
Age 50 - 59	Production Occupations	27.0%
	Community and Social Service	26.5%
	Business and Financial Operations	26.1%
Age 60+	Protective Service	16.1%
	Community & Social Service	13.4%
	Personal Care & Service	11.4%

Source: Boston College Center on Aging and Work

©2009, William McPeck. All rights reserved.

N.H. Quick Facts

Age of N.H. Workforce by Sector (2007):

□ Age 75+

- 2.3% Self employed
- 0.2% employed by private sector
- 0.6% employed by local government
- 2.8% employed by state government
- 1.7% employed by federal government

Source: Boston College Center on Aging and Work

©2009, William McPeck. All rights reserved.

Age of N.H. Workforce by Sector 2007

□ Age 65 – 74:

- 9% self employed
- 2.1% employed by private sector
- 1.1% employed by local government
- 0% employed by state government
- 1.7% employed by federal government

Source: Boston College Center on Aging and Workforce

©2009, William McPeck. All rights reserved.

Age of N.H. Workforce by Sector 2007

□ Age 55 – 64:

- 24.5% self employed
- 9.0% employed by private sector
- 17.8% employed by local government
- 21.3% employed by state government
- 8.2% employed by federal government

Source: Boston College Center on Aging and Work

©2009, William McPeck. All rights reserved.

Age of N.H. Workforce by Sector 2007

□ Age 45 – 54:

- 25.6% self employed
- 18.8% employed by private sector
- 43.4% employed by local government
- 24.7% employed by state government
- 9.1% employed by federal government

Source: Boston College Center on Aging and Work

©2009, William McPeck. All rights reserved.

N.H. Population Projections

- From 2000 – 2020:
 - Age 55 – 59 86.3% increase
 - Age 60 – 64 173.6% increase
 - Age 65+ 110% increase
- From 2000 – 2030
 - Age 65+ population projected to increase 195.5%

Hillsborough and Rockingham counties account for 53% of the state's population

Source: New Hampshire Office of Energy and Planning

©2009, William McPeck. All rights reserved.

N.H. Quick Facts

Percentage of Population Age 65 or Older

- 2000 – 12%
- 2010 – 14% (projection)
- 2030 – 28% (projection)

Source: New Hampshire Office of Energy and Planning

©2009, William McPeck. All rights reserved.

Challenges of an Aging Population and Workforce

- Encouraging and enabling older workers to enter or stay in the workforce
- Transfer of knowledge from older to younger workers
- Developing elderly friendly communities and workplaces
- Improving public services to elderly, especially transportation and healthcare

©2009, William McPeck. All rights reserved.

Reasons Older Workers Continue Working

- Continue to work out of necessity, ability or desire
- Working to live
- Working for fulfillment

Have to work for financial reasons
Changing nature of work makes it possible
 Less physical demands
 Knowledge work suitable
Social networking and connectedness
Changing view of when old age begins
Changing nature of retirement – the impact of the Baby Boomer revolution generation

©2009, William McPeck. All rights reserved.

Attributes of the Older Worker

- ❑ Bring skills – 46.7%
- ❑ Bring professional networks – 46.3%
- ❑ Bring client networks – 44.4%
- ❑ Want to lead and supervise – 36.0%

Source: Pitt-Catsoupes, 2007

©2009, William McPeck. All rights reserved.

Traits of the Older Worker

Bring valuable life and work experience
Reliable and dependable
Trustworthy
Self confident-emotional maturity
Determined to provide excellent service
Attention to task
Perseverance
Less prone to call in sick
Less prone to injuries
Fully developed work habits
Loyalty – commitment
Bring a greater motivation

©2009, William McPeck. All rights reserved.

Advantages of Older Workers

- ❑ Have lower turnover rates
- ❑ More reliable employees
- ❑ Have a stronger work ethic
- ❑ Willingness to serve as mentors
- ❑ Have invaluable experience
- ❑ Willing to work a flexible schedule

©2009, William McPeck. All rights reserved.

Implications of an Aging Workforce

- ❑ Health
- ❑ Safety
- ❑ Social/Psychological forces
 - ❑ Psychosocial job characteristics
 - ❑ Quality of life

©2009, William McPeck. All rights reserved.

Health

As people age, chronic health problems become more common.

©2009, William McPeck. All rights reserved.

Health

Health Care Costs increase with age

©2009, William McPeck. All rights reserved.

Health

□ Aggregate medical claims costs by age:

■ 25-29	\$2,148
■ 30-34	\$3,206
■ 35-39	\$3,759
■ 40-44	\$4,130
■ 45-49	\$4,789
■ 50-54	\$5,685
■ 55-59	\$6,617
■ 60-64	\$7,622

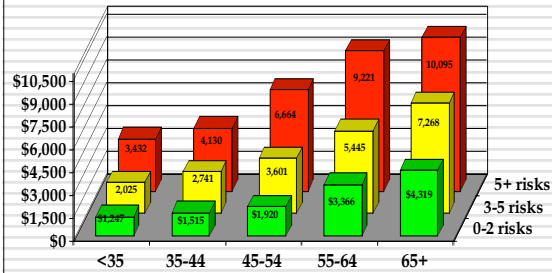
Source: Kronenfeld, 2006
©2009, William McPeck. All rights reserved.

Health

Health Care costs are driven more by risk than by age alone

©2009, William McPeck. All rights reserved.

Average 1997-1999 Medical Care Costs



Source: StayWell Health Management

N=43,687

	Low Risk	Non-Participant	Medium Risk	High Risk
Age 19-34	\$1,776	\$1,414	\$2,565	\$5,114
Age 35-44	\$2,193	\$2,944	\$3,353	\$5,710
Age 45-54	\$2,740	\$3,800	\$4,620	\$7,991
Age 55-64	\$3,734	\$5,212	\$6,625	\$10,785
Age 65-74	\$4,613	\$6,636	\$7,989	\$11,909
Age 75+	\$5,756	\$8,110	\$8,927	\$11,965
Eddington, AJHP, 15(5):341-349, 2001				

Safety

□ Vision

- Visual acuity declines
- Loss of contrast sensitivity
- Impaired depth perception
- Decrease in dark adaptation
- Increased susceptibility to glare
- Decline in ability to detect targets against a background
- Decline in ability to discriminate between certain colors-especially blue and green
- Increase in eye diseases - cataracts, glaucoma, macular degeneration

Source: McMahan, 2006

©2009, William McPeck. All rights reserved.

Safety

□ Hearing

- Age related hearing loss
 - Loss of sensitivity to pure tones
 - Loss of sensitivity to high frequency tones
 - Difficulty understanding speech
 - Problems localizing sounds
 - Increased sensitivity to loud noises
 - Imbalance in equilibrium

Source: McMahan, 2006

©2009, William McPeck. All rights reserved.

Safety

- Musculoskeletal Changes
 - Reduction of physical strength with increasing age beginning at age 25 – 30
 - Reduction in joint mobility and manual dexterity
 - Changes in small motor movements
 - Slowing of reaction and movement times

Source: McMahan, 2006

©2009, William McPeck. All rights reserved.

Safety

- Lost work days

The median number of days away from work due to nonfatal occupational injuries and illnesses increased as the age of the worker increased

Source: Haight and Belwal, 2006

©2009, William McPeck. All rights reserved.

Social/Psychological Forces

- Psychosocial Job Characteristics
 - Job contents- variety, challenge
 - Job control- the more the employee controls the better; decision making and feelings of autonomy
 - Job demands- workload volume, cognitive demands
 - Job security-
 - Social support at work

©2009, William McPeck. All rights reserved.

Social/Psychological Forces

- Quality of Life

Stages of Life

1. Learning (0 – 18/25)
Education, learning, skill development
 2. Maturation (19/26 – 40/50)
Career and life development
Job, family, equity
-

Stages of Life

3. Mid – Life (40/50 – 65)

- Look at life satisfaction
 - Choice – late career decisions
 - Personal fulfillment
 - Sense of self
 - Life purpose
 - Preparation for retirement
-

Stages of Life

4. Retirement (65+)

- The new retirement; retirement redefined
 - New careers – life changes
 - Leveraging of assets
 - Volunteerism
-

Implications, Yes But

Health

Given a good genetic make-up, a favorable lifestyle and regular physical activity, some older workers may have as a favorable and productive work output as more sedentary peers who are 20 – 30 years younger

Source: Haight and Belwal, 2006

©2009, William McPeck. All rights reserved.

Implications, Yes But.....

Health

The conclusion is that persons with better health habits survive longer and disability was postponed and compressed into fewer years at the end of life.

Source: Kronenfeld, 2006

©2009, William McPeck. All rights reserved.

Implications, Yes But.....

Health

Do you offer your employees a worksite wellness program?

If not, why not?

©2009, William McPeck. All rights reserved.

Implications, Yes But.....

Safety

No published research unequivocally concludes that a decline in physical and cognitive capacities impacts safety performance or work performance.

Source: Haight and Belwal, 2006

©2009, William McPeck. All rights reserved.

Implications, Yes But.....

Safety

Given individual differences however, calendar age alone does not provide an adequate measure of injury and productivity potential.

Source: Haight and Belwal, 2006

©2009, William McPeck. All rights reserved.

Implications, Yes But.....

Safety

As the fraction of 55+ workers in the workforce increases:

- Back injuries
- Bruises and contusions
- Carpal tunnel syndrome

The number of cases decreases.

Source: Haight and Belwal, 2006

©2009, William McPeck. All rights reserved.

Implications, Yes But.....

□ Safety

Based on national BLS injury statistics, the lowest injury and workplace illness rates appear to occur among those age 45 and older.

Source: Haight and Belwal, 2006

©2009, William McPeck. All rights reserved.

Implications, Yes But.....

□ Safety

Based on national BLS injury statistics, workers age 45 or older do not experience any greater rate or ratio of injuries to hours worked than those of younger workers.

Source: Haight and Belwal, 2006

©2009, William McPeck. All rights reserved.

Implications, Yes But.....

□ Safety

The older worker learns to make accommodations that allow them to stay productive and error/injury free.

Source: Haight and Belwal (2006)

©2009, William McPeck. All rights reserved.

Implications, Yes But.....

Job satisfaction and work motivation are most affected by age related psychological changes, including adaptability, cognitive expertise, personality factors and self concept.

Controlling these factors results in no loss of motivation or job satisfaction.

©2009, William McPeck. All rights reserved.

Employee Engagement

Today's key personnel strategy

©2009, William McPeck. All rights reserved.

Retaining Older Male Workers

- The five highest rated HR practices identified by employed men:
 - Recognizing the experience, knowledge, skill and expertise of mature workers (64%)
 - Showing appreciation for a job well done (63%)
 - Providing challenging and meaningful tasks or assignments to mature employees (61%)
 - Recognizing the role that mature employees can play, for example serving as mentors (59%)

©2009, William McPeck. All rights reserved.

Retaining Older Male Workers

- Ensuring that mature employees are treated with respect by others in the organization (57%)

Source: Armstrong-Stassen, 2006

©2009, William McPeck. All rights reserved.

Retaining Older Female Workers

- The five highest rated HR practices identified by employed women:
 - Showing appreciation for a job well done (74%)
 - Ensuring that mature employees are treated with respect by others in the organization (71%)
 - Recognizing the experience, knowledge, skill, and expertise of mature employees (70%)
 - Providing mature employees with useful feedback on their performance (67%)

©2009, William McPeck. All rights reserved.

Retaining Older Female Workers

- ❑ Conducting performance appraisals so that they fairly and accurately reflect performance and are free from age bias (67%)

Source: Armstrong-Stassen, 2006

©2009, William McPeck. All rights reserved.

Recruiting Retired Males

The six highest rated HR practices identified by retired men

- ❑ Recognizing the role mature workers can play (73%)
- ❑ Recognizing the experience, knowledge, skill, and expertise of the mature worker (73%)
- ❑ Showing appreciation for a job well done (72%)

©2009, William McPeck. All rights reserved.

Recruiting Retired Males

- ❑ Providing flexible work schedules (days worked, hours worked) (72%)
- ❑ Providing challenging and meaningful tasks or assignments to mature employees (71%)
- ❑ Ensuring that mature employees are treated with respect by others in the organization (71%)

Source: Armstrong-Stassen, 2006

©2009, William McPeck. All rights reserved.

Recruiting Retired Females

- ❑ The five highest rated HR practices identified by retired women:
 - Recognizing the experience, knowledge, skill and expertise of mature employees (64%)
 - Showing appreciation for a job well done (61%)

Recruiting Retired Females

- ❑ Providing challenging and meaningful tasks or assignments to mature employees (61%)
- ❑ Recognizing the role that mature employees can play, for example serving as mentors (59%)
- ❑ Ensuring that mature employees are treated with respect by others in the organization (57%)

Source: Armstrong-Stassen, 2006

©2009, William McPeck. All rights reserved.

Retention – Recruitment Strategies

- ❑ Older workers say they want:
 - To have choice and control over their:
 - ❑ Work schedules
 - ❑ Work hours
 - ❑ Employment contract
 - ❑ Options for jobs and responsibilities
 - ❑ Options for work locations

Source: Boston College Center on Aging and Work

©2009, William McPeck. All rights reserved.

Work Schedules

- ❑ Flexible work schedules
 - Adaptable work days and schedules
 - Unpaid leaves for education, eldercare, volunteerism

Source: Boston College Center on Aging and Work

©2009, William McPeck. All rights reserved.

Work Hours

- ❑ Choice over hours
 - Reduced hours
 - ❑ Three most common forms:
 - Part time
 - Job share
 - Phased retirement
 - Cornell study
 - ❑ 73 of the employers surveyed said they would allow reduced hours for older workers yet only 14 currently have specific policies in place

Source: Boston College Center on Aging and Work; Hutchins, R. 2003

©2009, William McPeck. All rights reserved.

Employment Contract

- Moving in and out of the workforce
 - Project, contract work
 - Consultant work
 - Seasonal work
 - Career leaves
 - Sabbaticals – Kansas story
- Maintaining a pool of retirees for temp positions
- According to a Conference Board study, older male workers (37%) were three times more likely than female workers (12%) to indicate a willingness to work as a consultant.

Source: Boston College Center on Aging and Work; Parkinson (2002)

©2009, William McPeck. All rights reserved.

Jobs and Responsibilities

- Job transition that allows for:
 - Development of new competencies
 - Challenging and meaningful tasks
 - Less demanding
 - New roles such as mentoring opportunities
- Training and education opportunities
 - Upgrading employee skills
 - Manager education about older workers

Source: Boston College Center on Aging and Work

©2009, William McPeck. All rights reserved.

Jobs and Responsibilities

- Recognition and respect practices
- Performance evaluation practices
 - Free from age bias
 - Provision of helpful feedback
- Compensation practices
 - Financial
 - Benefits

Source: Boston College Center on Aging and Work; Armstrong-Stassen, 2006

©2009, William McPeck. All rights reserved.

Work Location

- Reduced commuting time
- Telework
- Seasonal Work
 - Borders and CVS

Source: Boston College Center on Aging and Work

©2009, William McPeck. All rights reserved.

Role of Choice

Choice to retire or continuing to work based on an assessment of:

The attractions of work and the disincentives to remain at work
vs.

The attractions of retirement and the disincentives to retire

©2009, William McPeck. All rights reserved.

Role of Choice

People will continue working at any age if the expected present value of employment is greater than the expected present value of retirement.

©2009, William McPeck. All rights reserved.

Retirement Decision

Certain health and pension design features do induce workers to retire, albeit to differing degrees based on income. This effect diminishes as income levels increase.

Source, Mulvey, 2003

©2009, William McPeck. All rights reserved.

Decisions

□ Late career and retirement decisions based on:

- Chronological age
- Functional Age
- Social Age

Source: Greller and Richtermeyer, (2006)

©2009, William McPeck. All rights reserved.

Chronological Age

A Factor in statutory benefits, employer policy/benefits and law/regulations.

Statutory benefits – Social Security, Medicare
Employer policy and benefits – age related policies and benefits that become available as a function of chronological age
Regulation and law – IRS, ERISA, Age Discrimination

©2009, William McPeck. All rights reserved.

Functional Age

What the individual is capable of doing

The ability to perform one's job tasks

©2009, William McPeck. All rights reserved.

Social Age

The roles taken and the decisions made as influenced by others.

Influencers include:

Social networks; peer pressure; societal expectations; family; supervisors and co-workers

Family is the biggest influence

©2009, William McPeck. All rights reserved.

Steps to Maximizing Your Older Workforce

- Understand the changing employer-employee paradigm and workforce demographics
- Follow the federal Age Discrimination in Employment Act and the Americans with Disability Act
- Look at your management policies and practices
 - Practices that accept and promote older employees

©2009, William McPeck. All rights reserved.

Steps to Maximizing Your Older Workforce

- Know and understand the normal aging process
- Take steps to address work related stress
- Recognize and understand your employee costs and implement appropriate cost management strategies
- Use objective performance appraisals
- Offer well designed programs targeting the older worker

©2009, William McPeck. All rights reserved.

Steps to Maximizing Your Older Workforce

- Use knowledge of aging and life stages when making job assignments
- Conduct manager training on the subject of aging and the older worker
- Capitalize on the older workers' desires and abilities
- Offer comprehensive retirement related programs

©2009, William McPeck. All rights reserved.

AARP Criteria for Best Employers for Workers Over 50

AARP Criteria for Best Employers for Workers Over 50

- Recruitment of the Over 50 worker
- Work culture
 - Provision of learning and development
 - Recognition awards and celebrations of service
 - Employee Input
- Continual opportunities for career success

©2009, William McPeck. All rights reserved.

Becoming A Model Employer for the Aging Workforce

- Health Benefits
- Financial Benefits
 - Retirement benefits
 - Time off benefits
 - Employee Assistance Program
- Alternative work arrangements
- Opportunities for retirees

©2009, William McPeck. All rights reserved.

Becoming A Model Employer for the Aging Workforce

- Organizational statistics

AARP Workforce Assessment Tool
<http://www.aarpworkforceassessment.org>

©2009, William McPeck. All rights reserved.

Older Workers Work Smarter, Not Harder

- They develop skills and acquire knowledge that gives them an edge.
- Older workers, on average have better people skills.
- Older workers have learned to compensate for decreases in physical and cognitive capacity.

©2009, William McPeck. All rights reserved.

Conclusion

Employers must confront their own prejudices and learn how to recruit, manage and retain older workers.

Manage-Motivate-Encourage

©2009, William McPeck. All rights reserved.

Conclusion

It is not the age, it is the attitude.

©2009, William McPeck. All rights reserved.

Resources

Armstrong-Stassen, Marjorie. "Encouraging Retirees to Return to the Workplace." *Human Resource Planning*, Vol. 29(4), 2006, pp. 38-44.

Boston College Center on Aging and Work.
<http://www.bc.edu/agingandwork>

Callahan, Crystal. Maine's Aging Population: A Survey of Potential Economic Implications. Augusta: Maine State Planning Office, July, 2007.

Greller, Martin and Sandra Richtermeyer. "Changes in Social Support for Professional development and Retirement Preparation." *Human Relations*, Vol.59(9), 2006, pp. 1213-1234.

Haight, Joel and Umang Belwal. "Designing for an Aging Workforce." *Professional Safety*, July 2006, pp. 20-33.

©2009, William McPeck. All rights reserved.

Resources

Hutchins, R. The Cornell Study of Employer Phased Retirement policies: A Report of Key Findings. Ithaca: Cornell University, 2003.

Kronenfeld, Jennie Jacobs. "Changing Conceptions of Health and Life Course Concepts." *Health*, Vol. 10(4), 2006, pp. 501-517.

Maine's Aging Workforce: Opportunities and Challenges. Augusta: Maine Department of Labor, Maine Job Council, Older Worker Committee, 2008.

McMahan, Shari, et al. "Implications for an Aging Workforce." *Journal of Education for Business*, September-October, 2006, pp. 50-55.

Mulvey, Janemarie. "Retirement Behavior and Retirement Plan Designs: Strategies to Retain an Aging Workforce." *Benefits Quarterly*, 4th Quarter, 2003, pp. 25-35.

©2009, William McPeck. All rights reserved.

Resources

Parkinson, D. Voices of Experience: Mature Workers in the Future Workforce. New York: The Conference Board, 2002.

Pitt-Catsoupes, M., et al. National Study Report: Phase II. National Study of Business Strategy and Workforce Development. Research Highlight No.4. Chestnut Hill: Boston College Center on Aging and Work, 2007.

©2009, William McPeck. All rights reserved.

Contact Information

William McPeck
114 State House Station
Augusta, ME 04333
207-287-6783
william.c.mcpeck@maine.gov

©2009, William McPeck. All rights reserved.
