

# **JobsNet**

## **Next Steps Council Study for**

### **Mature Workers**

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The Business Council  
of Fairfield County

*Strengthening Businesses. Strengthening Communities.*



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# Next Steps Council Study for Mature Workers

## About JobsNet and the Next Steps Council

In 2011, the leading edge of the Baby Boomers will turn 65. Their retirements will generate labor shortages at the same time that their sheer numbers generate historic levels of demand for a wide range of services. What can employers do to manage through this period of challenge that could last for 20 years? Should we develop unique strategies to recruit, retain or retrain boomers?

The objective of this study was to develop a mature workers plan that will survey best practices among employers that relate to the retention, recruitment and retraining of mature workers. It also assessed the effectiveness of peer counseling and support networks of mature workers seeking to continue in the workforce in different, personally meaningful ways.

JobsNet is a managed network of resource organizations that will help employers recruit, train and retain employees. Its activities are directed by the JobsNet Council, a team of employers, training providers, educational institutions, constituent services groups, and public agencies.

The JobsNet initiative links resources and opportunities to the needs of employers and workers. Three industries have been identified as having immediate and growing labor needs: retail, health care and financial services. In the short term, improved information sharing will reduce some of the current labor market inefficiencies. Longer term, the initiative will seek to build a workforce community culture that views all vacancies as entry points into a regional career ladder, while training and education opportunities will be tailored not just to assure entry-level proficiency, but also to enable upward mobility.

More information is available at [www.coastalfairfieldcounty.org](http://www.coastalfairfieldcounty.org) and at [www.businessfairfield.com](http://www.businessfairfield.com).

## About One Coast, One Future

The JobsNet Council is a component of the *One Coast, One Future* initiative, a cooperative effort between the public and private sectors in Fairfield County, Connecticut. Its focus is to stimulate economic growth, job creation and individual economic opportunity by linking the Coastal Fairfield County region's business centers in a new and stronger alliance for their mutual benefit. The *One Coast, One Future* initiative is a partnership of the Bridgeport Regional Business Council and the Business Council of Fairfield County in cooperation with the Greater Norwalk Chamber of Commerce.



The *One Coast, One Future* initiative of Coastal Fairfield County is funded through a grant from the U.S. Small Business Administration (SBA). SBA's funding should not be construed as an endorsement of any products, opinions, or services. All SBA-funded projects are extended to the public on a nondiscriminatory basis.

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## **One Coast One Future JobsNet Next Steps Council Study for Mature Workers**

### **Executive Summary**

In 2011, the leading edge of the Baby Boomers will turn 65. Their retirements will generate labor shortages at the same time that their sheer numbers generate historic levels of demand for a wide range of services. The baby boomers are also the healthiest, best educated, and most diverse population ever to move through and beyond their fifties who offer an extraordinary resource of social and human capital and a solution to our coming labor shortages.

### **Study Goals and Objectives**

- Conduct a survey of the labor market situation involving mature workers nationally and in Fairfield County.
- Identify national and local best practices that could improve the employment opportunities for mature workers.
- Develop a viable set of recommendations that could effectively support recruitment, hiring, and retention of mature workers as well as identifying effective peer counseling and support networks for mature workers seeking to continue in the workforce or re-entering it after a gap in employment.

### **Findings**

- The numbers tell the story: Within the next three years more than 48 percent of the 77 million baby boomers will be turning somewhere between 55 and 69 years of age; many in the 60 plus range that used to be considered retirement age, but not anymore. The Boomers currently constitute more than 40 percent of the U.S. labor force.
- Conversely, by 2010, the number of 35-44 year olds, those normally expected to move into senior management ranks, will shrink by 10 percent. This is a double whammy for employers who face a labor shortage that will continue to become more acute as the U.S. population ages.
- Without new sources of workers, economists forecast a shortage of 35 million workers within the next 20 years. A major source and a logical solution for this labor shortfall are mature workers (50 +).
- According to new Census Data, Connecticut leads the Northeast in highest percentage of residents between 65 and 74 years old in the workforce in 2006. And that age demographic has risen faster than any other state in the U.S. since 2000.
- The Connecticut Department of Labor, in a report released in October 2007, found that older workers staying in the labor force are a significant factor in lessening the impact of worker shortages throughout the state. Between 2003 and 2006, the percentage of state jobs held by workers 62 years and older increased approximately 16% while the percentage of jobs held by workers 25 to 34 years old decreased by 6%. The report also noted that jobs held by older workers in the utilities and management industries paid the highest median quarterly earnings, each exceeding \$17,000 in the fourth quarter of 2006. Other high paying industries for older workers include finance and insurance, manufacturing, mining, construction, and

professional and technical services. The report found that older workers (65+) saw their median earnings increase by as much as 7.4% across the industry spectrum, supporting the view that older workers with appropriate skills are rewarded financially.

- Despite the labor shortages particularly in the higher end managerial positions, surveys indicate that companies are still reluctant to hire older workers. Their concerns appear to center around cost of health benefits, fear of lawsuits under the age discrimination laws and the misleading idea that workers have outlived their value by the time they reach age 60.
- In the mid-sized to larger companies, there is still a pervasive attitude of hiring younger workers over older workers. One of the reasons is that in a lot of companies facing shortage, managers have still not figured out how to integrate older and younger workers on the staff and manage them as a cohesive, productive workforce.
- In a recent report by the U.S. General Accountability Office (GAO), employers conceded that they were influenced by negative stereotypes surrounding older workers. Some of those stereotypes included:
  - Older workers have lower productivity than younger counterparts;
  - Older workers are resistant to change and inflexible about taking new and different job assignments;
  - Benefit and accident costs are higher than those for younger workers;
  - Older workers require more special considerations than younger workers in terms of flexible work schedules, time off, etc.

Those stereotypes have been debunked by the experts. These attitudes about age in the workplace are a hangover from 20 to 30 years ago when being 55 was “over the hill” in terms of health and attitude.

- There is evidence that negative attitudes about older workers are changing slowly. An anecdotal survey of large companies in Fairfield County indicates that employers increasingly view older workers as a solution – not a problem—to their labor shortage. In many ways, they have no other logical choice.

As one CEO expressed it, he is increasingly faced with two choices:

A 60-year-old with 35 years experience, no training needed, and expected retention of 5 years or more; OR a 24-year-old with no experience, the cost of a six-month learning curve, and expected retention of 18 months to 2 years. Left with that kind of choice, an employer will increasingly opt for the older worker.

- Research indicates that some obstacles for mature workers re-entering the job market relate to how they present themselves to employers when interviewing for a job. Older workers tend to emphasize experience over job skills. However, ‘experience’ is often a code word for age, a negative in a job interview.

## Best Practices

- **State-supported best practices:** According to the National Governor Association's Center for Best Practices, several states, including Arizona, Arkansas and Iowa, have implemented initiatives aimed at assisting mature workers to re-enter the workforce, move toward new career options, and encourage businesses to hire seasoned workers.
- **Company best practices for mature workers:** AARP lists its annual top ten of companies that are considered models in recruiting, hiring and retaining older workers. Some of those companies listed as most mature worker friendly include: Lincoln Financial Services; IMB, the Mitre Corporation; Adecco; and Baptist Health South Florida.
- **Other best practices for mature workers:** There are more than a half dozen job websites that cater to older workers. One of them, RetirementJobs.com asks employers to fill out an Age Friendly Employer Certification. Employers who complete the survey commit to policies and practices consistent with hiring workers age 50 and older based solely on their skill proficiency and qualifications for a specific position. This policy provides a level playing field for older workers when competing for jobs.

## Recommendations

- Develop and market an interactive employment database focused on Fairfield County older workers that enables companies to identify and hire workers with experience and skills they need to fill a position.
- Conduct a comprehensive survey of Fairfield County employers to obtain more factual data on reasons for hiring or not hiring mature workers when given the option of hiring younger, inexperienced workers for a comparable position.
- Convene an annual regional conference to identify best practices for recruiting, hiring, and retaining older workers and enabling employers to connect with older workers.
- Create and convene a Fairfield County Mature Worker Employer Council comprised of employers who recognize the skills and experience of older workers as a solution to labor shortages and are committed to recruiting, hiring and endorsing the value of hiring older workers.
- Create an annual special recognition award, such as the "Mature Worker Friendly Company of the Year", to be given to the top ten Fairfield County companies that demonstrate best practices in recruiting, hiring and valuing older workers.
- Create and implement a Fairfield County-wide marketing and advertising initiative to recognize mature workers and to enable companies to hire them.
- Provide financial security seminars and workshops for mature workers in Fairfield County focusing on Social Security taxes, benefits and the impact on pension benefits when retirees return to the labor force.

## **I. Introduction**

The Southwestern Connecticut economy is changing at an unprecedented pace, influenced more than ever by the needs and trends of the global economy. The ability to innovate and respond to change in a timely manner requires vision, perspective, and an understanding of these trends based on the most current data. As Southwestern Connecticut's Workforce Investment Board, The WorkPlace, Inc., is charged with guiding the region's workforce development systems. To that end, The WorkPlace constantly examines regional workforce dynamics and engages partners in crafting innovative solutions to the most urgent issues facing individuals in the labor force and employers seeking qualified labor. In the WorkPlace's 2006 Community & Needs Assessment report, it identifies several of the major trends combining to drive change in Southwestern Connecticut:

**The aging workforce.** The Southwestern Connecticut's workforce is old and aging, and large numbers of highly skilled workers are expected to retire in the near future. With the first of the 77 million baby boomers turning 60 in 2007, the U.S. Bureau of Labor estimates 10 million jobs will go unfilled in 2010 as the first wave of boomers retires.

**The surge in immigration.** More than 50,000 immigrants arrived in Fairfield and New Haven counties in the first half of this decade. These immigrants have become critical to keeping certain sectors of the Southwestern Connecticut economy afloat, but with focus and support they also hold the potential to propel the region forward.

**The widening gap between the haves and the have-nots.** The fastest job growth in Southwestern Connecticut is in high-wage occupations such as Financial Services and Health Care and in low-wage occupations such as retail and hospitality. Combined with a serious academic achievement gap, this has prevented many area residents from enjoying the benefits of one of the wealthiest regions in the world.

**Technology.** In the 21<sup>st</sup> Century, we live in a rapidly changing, global Information age where the basic understanding of technology is critical to survival or advancement in almost any field. Too many of our region's workers simply do not have the necessary technology skills to succeed.

**Innovation.** Due to global competition, innovation is essential to creating a thriving economy. The regional workforce investment system must partner with employers to devise innovative approaches to using the workforce to increase competitiveness.

**Regional and Global Integration.** Southwestern Connecticut is a vital part of the dynamic tri-state metropolitan area that is in turn a major global center, especially in finance, health care, and the arts. Cross-commuting and economic integration with New York is up substantially as major financial firms have migrated to the southern portion of the region. Leveraging this competitive advantage will be one key to increasing success.

The WorkPlace Inc.'s report also examines the sectors driving the regional economy and creating the most jobs – financial services, health care, leisure and hospitality and retail – and what needs to be done to support this growth and ensure that it benefits residents of the region. Manufacturing, though in continued decline in numbers of jobs, remains a major force in the regional economy. The report confirms that significant issues remain – namely deficits in basic technology and workplace skills of a large segment of the population; the growing population without English language fluency and skill gaps and shortages specific to certain sectors.

The following report addresses one solution to building a more competitive and dynamic workforce for the Southwestern Connecticut region.

### **a) Study Background**

This initiative is part of the One Coast, One Future project that seeks to stimulate economic growth, job creation and individual economic opportunity by linking the Coastal Fairfield County region's business centers in an alliance for mutual benefit. The One Coast, One Future project is funded by a Small Business Administration grant secured by Congressman Christopher Shays.

A consortium formed by the Bridgeport Regional Business Council and The Business Council of Fairfield County, One Coast seeks to spark new and renewed growth through cooperation and venue-appropriate efforts. The interdependency of Bridgeport, Stamford and Norwalk is based upon infrastructure, commutation patterns, housing cost differentials, employment trends, communications, Long Island Sound coastal locations and share health care providers, higher education institutions and transportation services. The combined region is statistically among the wealthiest in the country. Thirty years of economic growth in Stamford has come to a virtual halt in the face of structural issues that must be addressed, while the perennially struggling city of Bridgeport is increasingly recognized as having great potential and is gradually building momentum for sustained economic growth. Norwalk, the third largest city in the region, has developed a strong retail sector and a rapidly developing corporate office building sector, yet faces many of the same issues as Stamford and Bridgeport.

One Coast, One Future's long-term plan consists of eight key objectives. Four of those objectives are managed by the Bridgeport Regional Business Council, including developing a comprehensive economic development strategy; a marketing campaign focused on development, cultural and entertainment opportunities; and encouraging growth of minority and women-focused business development groups.

The Business Council of Fairfield County is managing four additional objectives including the creation of a job growth strategy in the healthcare sector; enhancement of the region's workforce through improvement and expansion of services from local colleges and universities, creation of a wi-fi network in city centers and a linkage of employer needs with available employee skills through the JobsNet program.

The Next Steps/Mature Workers initiative is one of the JobsNet programs managed by The Business Council of Fairfield County.

### **b) One Coast One Future Region**

For purposes of this study, the One Coast region is comprised of 20 communities covering 462.3 square miles that include Ansonia, Beacon Falls, Bridgeport, Darien, Derby, Easton, Fairfield, Greenwich, Monroe, New Canaan, Norwalk, Oxford, Seymour, Shelton, Stamford, Stratford, Trumbull, Weston, Westport, and Wilton. These communities form the service area of The WorkPlace, Inc, Southwestern Connecticut's Workforce Investment Board, due to this study's emphasis on workforce development.

Although this narrow geographic definition has been chosen for research purposes, the One Coast region is best understood in relation to the larger New York-New Jersey Metropolitan Area that stretches from New Haven to Princeton, New Jersey. The Connecticut Economic

Resources Center (CERC) describes the One Coast region as a satellite urban-suburban center linked to the greater New York Metropolitan Area. In terms of labor market, firm location decisions and economic development opportunities, this perspective changes the view about individual and firm behavior. As has been the case with the finance industry, the region's location and labor market within the New York-New Jersey Metropolitan area present significant employment opportunities for the mature worker.

### **c) Methodology**

The Business Council of Fairfield County retained Robert S. Stokes, a workforce consultant, to work with a Steering Committee composed of local and regional stakeholders in business, labor, workforce development, and the individual communities in the One Coast, One Future region to develop a set of recommendations related to the retention, recruitment and retraining of mature workers. The Steering Committee, with direction and support from the consultant, will seek to develop a set of recommendations regarding mature workers based on a review of extensive demographic data, a literature search of national and regional trends involving mature workers best practices as well as the opinions of experts in mature worker issues.

### **d) Study Framework**

The project is administered by The Business Council of Fairfield County and conducted in cooperation with the Bridgeport Regional Business Council, and other affected and interested organizations and agencies. A project steering committee, **JobsNet "Next Steps" Council**, was formed in May 2007 to work with The Business Council of Fairfield County's designated consultant on this effort. The Steering Committee agreed to be available for consultation and to meet frequently during the period of the grant to interact with the consultant regarding new and relevant research about mature workers and employment opportunities nationally and regionally. The Steering Committee also agreed to provide any other input regarding best practices or research to make the report relevant and actionable.

- **Steering Committee:** The initial meeting of the Steering Committee was held on May 9, 2007. The members of the committee who attended included:  
Bryce Rathbone, AARP  
Gwen Simmons, Lee Hecht Harrison  
Kindra Jones, People's Bank  
Tom Failla, Norwalk Community College  
Alice Deak, Southwestern Connecticut Agency on Aging  
Janiese Void, The WorkPlace, Inc.  
Members of the Steering Committee unable to attend initial meeting included:  
Jason Swan ADECCO, Stamford  
Steven J. Greenberg, Jobs4.0
- **Stakeholder outreach:** The consultant, with support from the Steering Committee, will conduct outreach meetings with local, state and federal officials, companies and other key stakeholders for the purpose of understanding mature worker issues and the viability of potential solutions.
- **Focus groups:** The consultant will conduct focus groups with mature workers and with companies that hire mature workers to understand the challenges, barriers and opportunities in this specific labor market.

- Literature review: The consultant, with recommendations from the Steering Committee, will conduct in-depth research and review of literature published within the last five years regarding the subject of mature workers including the challenges for both workers and employers who may be reluctant to hire due to age. The review will also identify national best practices for hiring, recruitment and retraining of mature workers that may be applicable to Southwestern Connecticut.

### **e) Study Goals and Objectives**

By 2010, the leading edge of the Baby Boomer generation will turn 65. Their retirements will generate labor shortages at the same time that their sheer numbers create historic levels of demand for a wide range services and skill sets. The objective of this study is to develop a viable set of recommendations that will more effectively support retention, recruitment and retraining of mature workers. The report will also seek to develop and assess the effectiveness of peer counseling and support networks of mature workers seeking to continue in the workforce in different, but productively meaningful roles.

- Research questions to be answered:
  - ✓ What strategies and best practices can be implemented to recruit, retrain or retrain mature workers for the Fairfield County labor market?
  - ✓ What types of incentives could induce employers to be more encouraging to mature workers and less influenced by misleading myths of mature workers?
  - ✓ What is the potential job market in Fairfield County for mature workers in the current and near term?
  - ✓ What other communication support could be generated to provide mature workers and employers with more current and interactive data regarding job opportunities?

## II. Demographic trends and implications for the workforce.

There is a silent and rapidly approaching crisis about to impact the United States business community in the next several years. Yet, a majority of U.S. companies, according to researchers, are either ignoring the problem or are in denial about the extent of its impact.

The crisis is the predicted shortage in the U.S. workforce by the end of this decade:

- By 2010, the number of 35-44 year olds -- those normally expected to move into senior management ranks -- will shrink by 10 percent.
- By 2010, US workers ages 45-54 will grow by 21 percent; and the number of baby boomers, ages 55-64, will grow by 52 percent. Those 65 years or older represent 30 percent of the workforce.
- Within five years, half of the U.S. government's civilian workforce will be eligible to retire.
- If Boomers, currently numbering 77 million, retire at historical rates starting in 2010, there won't be enough people to fill existing job demand. Without new sources of labor, economists forecast a shortage of 35 million workers within 20 years.

The answer to the labor shortage, according to the experts, lies in the new definition of *retirement* and a dramatic change in mindset by U.S. companies regarding their view of older workers in the areas of knowledge transfer, corporate culture (rethinking the emphasis on youth), and phased retirement options. According to AARP and other sources, 79% of Boomers say that they don't plan to stop working. "Working in retirement," once considered an oxymoron, is the new reality.

There are various reasons for changing attitudes among mature workers. Many plan to continue working due to insufficient finances and concern over healthcare coverage and costs. Others, who have saved enough to retire and maintain good health, choose to keep working to stay active and engaged in society. The advanced longevity of 20 to 25 years has given Americans the realization that remaining active and having a purpose in one's life besides personal desires and goals can result in a positive and productive aging process.

The key strategies for companies in recruiting, hiring and retaining seasoned workers can be summed up in five basic approaches:<sup>1</sup>

- **Offer options and flexibility:** Telecommuting or job sharing; phased retirement as an alternative to standard retirement policies; exploring innovative ways to avoid career stagnation for long-tenured employees.
- **Consider "Out of the Box" benefits:** Tailor programs to employees' needs and desires within a reasonable cost structure that will build loyalty and increased productivity. Reconsider changing private pension plans that penalize work by older employees and revise them to be more age-neutral. Consider greater use of "cafeteria" style benefit packages to facilitate the hiring of older workers in flexible work arrangements.

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<sup>1</sup> AARP; Committee for Economic Development, New York

- **Promote opportunities for older workers to upgrade skills:** Ensure that older workers receive the same access to employer-provided training as younger colleagues. Encourage older workers to stay competitive in the increasingly technology-based economy and adjust training programs to address multiple learning styles. Avoid one-size-fits-all approach.
- **Capitalize on this source of experienced, reliable human capital:** Leverage the loyalty, productivity, experience and maturity of older workers by using them as mentors. Utilize cross-generational training and teams so that workers of all ages can learn from and appreciate each other while adding value to the workplace. Recall retirees full or part time to use and transfer their experience and know-how to younger managers.
- **Combat negative stereotypes:** Offer management-level training and employee workshops to eliminate age-related bias in the workplace and educate managers about the value of older workers. Ensure that age bias plays no part in hiring, training, or retention decisions.

Some of the most pernicious barriers regarding the employment of older workers are the myths, stereotypes, and disinformation that pervade the labor market. To level the playing field for older workers, employers committed to hiring mature workers might consider posting the following checklist near the water cooler:

**Myth 1:** You can't teach an old dog new tricks.

**Reality:** Studies indicate only negligible loss of cognitive function of people under 70. While older workers take longer to absorb new material, their better study habits and accumulated experience lower training costs. The fastest growing group of Internet users is the age 50 + group.

**Myth 2:** Training older workers is a lost investment because of their short retention rate.

**Reality:** The future work-life of a 50 + employee usually exceeds the obsolescence rate of new technology for which workers are trained.

**Myth 3:** Older workers are not as productive as younger workers.

**Reality:** Overall, productivity does not decline as a function of age. Productivity can actually rise due to greater worker accuracy, dependability and capacity to make smarter instant decisions. Older workers' production rates are steadier than other age groups.

**Myth 4:** Older workers are less flexible and adaptable.

**Reality:** Older workers are just as adaptable once they understand the reason for changes. They are more likely to question changes because of past experience in similar processes and procedures that failed. That experience may result in a plus for employers.

**Myth 5:** Older workers are not as creative or innovative.

**Reality:** General intelligence levels are the same as younger workers. Eighty percent of the most workable and worthwhile new production ideas are produced by employees over 40 years old.

**Myth 6:** Older workers cost more than hiring younger workers.

**Reality:** While workers with tenure are entitled to more vacation time and pension costs related to number of years worked, replacing workers is not cost free. Aetna Insurance Company discovered that training costs added 93% to the first year's salary of new employees.

**Myth 7:** Benefit and accident costs are higher for older workers.

**Reality:** Total sick days per year of older workers is lower than other age groups because they have fewer acute illness and sporadic sick days. While individual older worker's health, disability and life insurance costs do rise slowly with age, they are offset by lower costs due to fewer dependents. Overall, fringe benefit costs remain the same as a percentage of salary for all age groups. Older workers statistically have lower accident rates than other age groups. <sup>2</sup>

### **a) National Trends**

A major shift in the U.S. workforce is being driven by its rapidly aging workers. By 2012, only five years from now, 19% of workers will be at least 55, an increase of more than 10 million workers in that age group. But the real impact of aging workers will take place within the next three years as 77 million baby boomers that constitute more than 40 percent of the U.S. labor force are eligible to retire. Will they do it? Will it matter to companies? Will it negatively impact productivity? Will customers or clients be affected? How can employers reverse this labor shortage trend?

Despite the acknowledged challenge of a qualified worker shortage in the near term, research indicates that a majority of U.S. employers appear reluctant to embrace the value of hiring older workers. A recent report by the U.S. General Accountability Office (GAO) found that employers cited compensation -- including the rising cost of health insurance and training costs -- as a major obstacle to hiring and retaining older workers. In addition, some employers conceded they did not place a high value on their experienced workers, instead targeting their succession planning toward replacing older workers with younger ones. The GAO found that some employers also acknowledged being influenced by negative stereotypes surrounding older workers that included the belief that such workers produced lower quality work than their younger counterparts and had lower productivity overall. Many employers also believed that older workers are resistant to change. Last, but not least, employers acknowledged they were hesitant to hire older workers for fear of age discrimination lawsuits. The GAO concluded that while many employers expressed an interest in recruiting older workers, they found few employers willing to develop programs to make that leap.

At the same time, obstacles to the impending labor shortfall from the older worker perspective include the strong incentive to retire, particularly for those workers who can count on a pension package with health benefits and a 401K. The availability of taking Social Security payments starting at age 62 and high effective tax rates on earnings between age 62 and Social Security's full retirement age may discourage some workers from continuing to work once they start claiming benefits. Workers who take early Social Security payments will have their benefits reduced by one dollar for every two or three dollars they earn above a set threshold due to the Social Security earnings test. As a result, many workers who claimed benefits at 62 may not feel it's worthwhile to continue working. Additional disincentives for older workers are jobs that are physically demanding, have inflexible schedules that conflict with family care-giving needs or are simply viewed as minimum wage opportunities lacking intellectual or managerial challenge.

The majority of baby boomers in Fairfield County are college-educated and financially secure in terms of income, or, if already retired, company pensions, health insurance, and other retirement equity. According to the U.S. Census data adjusted for 2005, the median

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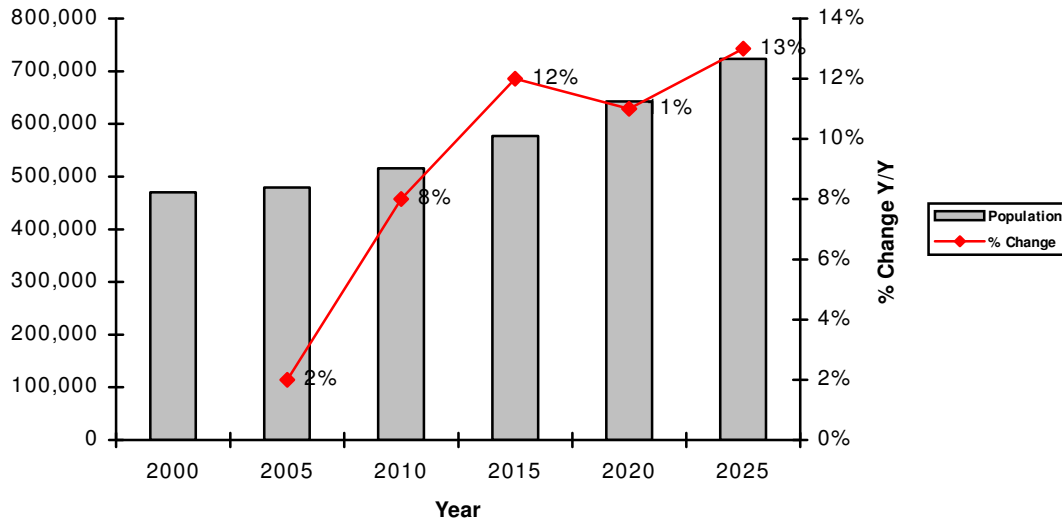
<sup>2</sup> American Business and Older Employees, AARP, 2000; Bureau of Labor Statistics

income of households in Fairfield County was \$71,633, one of the highest in the country. For the mature workers in this segment of the population, their motivation for continuing to work is different than those individuals age 65 or older whose income is below the poverty level (\$9,000 for one person age 65 or older) and who need to work to provide for basic necessities. According to the 2005 Census data for Fairfield County, there are approximately 9,900 individuals age 65 + in this category. These individuals face a more challenging labor market than those with more education, experience, and specific skills appropriate to a knowledge-based economy. The WorkPlace Inc., has an active job training and placement program for those individuals age 55 or older, which are unemployed and want to work. The program, Maturity Works, is funded by the U.S. Department of Labor's Senior Community Service Employment Program (SCSEP).

**b) Connecticut and Southwestern Fairfield County Trends**

New census data shows that Connecticut leads the Northeast with the highest percentage – 30 percent – of state residents between 65 and 74 years old in the workforce in 2006. That percentage is well over the national rate of 23 percent for mature workers employed. The increase in the state employment rate among 65 to 74 year olds has risen faster than in any other state in the country – up nearly seven percent since 2000. Although more men keep working than women, employment past retirement age increased markedly for both: to 24.4 percent for women, up more than six points since 2000, and to 35.1 percent for men, up almost seven points since 2000.

**Connecticut's Mature (65+) Population Projection**



The numbers tell the story. By 2010, more than 500,000 Connecticut residents will reach age 65, 14.4% of the state population, and an 8% increase over the previous five years. Alarming as those numbers are in terms of potential workforce losses through retirement, experts agree that mature workers are a reliable, experienced, and growing natural resource for the coming labor shortage.

Conditions for recruiting, hiring and retaining Mature Workers within Fairfield County can be described as similar to national trends and anecdotal data: the majority of companies are still reluctant to hire mature workers on a permanent basis due to concerns about the cost of health benefits and fear of lawsuits under the Age Discrimination in Employment Act

(ADEA). Based on interviews with mature workers, the majority of companies to which they applied for employment reportedly chose younger workers in competition for the same position. While there was no overt indication of age bias involved in their hiring decision, mature workers believed that the majority of companies they interviewed were unable to make hiring decisions based on the skills, experience and knowledge of the older worker.

That said, anecdotal research indicates that larger firms are more willing and able financially to hire older workers, primarily in temporary positions, than small and mid-sized firms. Ironically, small and mid-sized firms are more liable to suffer skill and manpower shortages as the leading edge of Baby Boomers reaches retirement age within the next three years. Research also indicated that older workers had a better opportunity (by more than a 2 to 1 ratio) to find employment with a nonprofit organization, particularly in the health care or community service sector.

- Data-wise, Connecticut labor statistics are in agreement with the national trend that identifies the 55-64 age demographic of Baby Boomers as the largest number of available incumbent workers. In 2006, the 55-64-age bracket in the state accounted for 68.3% of total employed. That number was up more than 4% since 2004. In the 65+-age bracket, the statistics found an additional 18.7% still working. According to the 2006 Census, the number of workers age 55 and over in Fairfield County was nearly 90,000. That number accounts for 19.3 of the total labor force in the County over age 16. But that percentage is estimated to increase significantly by 2010.
- In a recent report by the Connecticut Department of Labor<sup>3</sup>, the data indicates that despite the aging of the state labor force, older workers (62+) continue to play an increasingly larger part of the workforce and are financially rewarded at an appropriate level. Highlights of the report:
  - ✓ Between 2003 and 2006, the percentage of Connecticut jobs held by workers 62 years and older increased by 16% while the percentage of jobs held by workers between 25 and 34 years old decreased by 6%.
  - ✓ The percentage of industry jobs held by older workers (62+) increased in every industry between 2003 and 2006 ranging from 7% to 30%.
  - ✓ Of all statewide jobs held by older workers in 2006, 14% were in health care and social assistance industry, 14% in education services, and 13% in manufacturing.
  - ✓ Jobs held by older workers in the utilities and management industries paid the highest median quarterly earnings, each exceeding \$17,000 in the fourth quarter of 2006. Other high-paying industries for older workers include finance and insurance, manufacturing, mining, construction, and professional and technical services.
  - ✓ Between 2003 and 2006, real median earnings for older workers age 65+ increased 7.4% and earnings of workers ages 62-64 increased 5.3%. By comparison, real median earnings for all age groups rose by only 0.1 %.

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<sup>3</sup> “A Look at Connecticut’s Older Workers,” by Nicholas A. Jolly, Economist, Connecticut Department of Labor, October 2007

Experts on the mature worker population found that the most successful strategies used by employers in recruiting, hiring, and retention of older workers included:

- Rehiring their retirees for specific needs, both short-term and long-term.
- Offering telecommuting opportunities from home or in satellite offices near the worker's domicile.
- Providing generous time off each year for elder care and flexible work schedules. Two employers have a "snow bird" program which allows employees to work in the warm Southern states in the winter and work in the cooler Northern states in the summer.
- Utilizing retirees or workers about to retire as "mentors" to younger managers and executives.
- Offering health and 401k benefits to part-time workers. One employer offers health benefits and tuition reimbursement for employees working at least 15 hours per week.
- Providing a retirement planning program, including individual financial counseling to 50 + workers to give them the tools to assess whether they have sufficient funds covering housing and health care costs to retire at a particular age.

There is growing anecdotal evidence that Fairfield County CEOs view older workers as a solution – not a problem - to their labor shortages. As one CEO expressed it, he is increasingly faced with two choices:

A 60-year-old with 35 years experience, no training needed, and expected retention of 5 years or more; OR a 24-year-old with no experience, the cost of a six-month learning curve, and expected retention of 18 months to 2 years. Left with that kind of choice, an employer will increasingly opt for the older worker.

### **c) Steering Committee Discussions**

The initial meeting of the JobsNet Next Steps Council for Mature Workers took place on Wednesday May 9, 2007, attended by Bryce Rathbone, AARP; Gwen Simmons, Lee Hecht Harrison; Kindra Jones, People's Bank; Tom Failla, Norwalk Community College; Alice Deak, Southwestern Connecticut Agency on Aging; and Business Council of Fairfield County staff, Chris Bruhl, President & CEO; Tanya Court, Director, Public Policy & Programs; and Bob Stokes, Consultant and Workforce Project Manager.

Below in bullet format are suggestions and recommendations from the group regarding the questions: What are the barriers to older workers employment? What is the definition of older worker friendly employer? Also included are recommendations that the Next Steps Steering Committee can design to improve the environment for older workers and encourage employers to hire them.

#### **BARRIERS**

- Removing stereotypes of seniors from an employer perspective.
- Must re-skill especially with new work technologies and methods.
- Connecting willing candidates with appropriate jobs
- Workplace laws regarding mandatory retirement and pensions. (ERISA) and income tax.
- Intergenerational communications problem – especially with younger managers.

- Inability of seniors to “let go” of superiority in an area of expertise.
- Health insurance and health issues.
- Age discrimination
- Perception that senior workers will be excluded from younger work force.
- Lack of motivation and incentive on part of companies to reach out and recruit older workers.
- Feeling on part of employers that older workers cannot adapt to new challenges.
- Transportation issues
- Physical issues that limit mature workers ability to work
- Myths that older workers will take more absences due to health
- Caregiver issues of older family members, i.e. parents or spouse.

#### **DEFINITION OF OLDER WORKER FRIENDLY EMPLOYER**

- Flexible hours, welcoming older workers knowledge and experience that younger workers lack, ability to telecommute from home.
- Re-skilling for older workers, IT training, etc.
- Value diversity in workforce – management policies of respecting and valuing all workers regardless of age or experience.
- Providing counseling to older workers
- Acknowledge value of older workers reliability and productivity.
- Physical accommodations in the workplace.
- Job share and flexible hours for nurses and other occupations (50 +)
- Offering jobs that are appropriate for mature workers skills and experience.
- Employers who educate managers, supervisors and interviewers on age discrimination laws, age neutral performance appraisal systems; benefits of hiring and promoting older workers; age stereotypes;
- Employers who implement age-neutral recruitment practices; rehire own retirees for part-time and fulltime jobs; who conduct age audits to identify possible barriers to equal hiring; promotional opportunities, training for older workers.

#### **WHAT CAN WE DO/RECOMMEND THAT WILL MAKE FAIRFIELD COUNTY AN OLDER WORKER-FRIENDLY LABOR MARKET?**

- Identify employer best practices for hiring mature workers.
- Identify list of local employers considered older worker friendly
- Research demographics by job type and identify numbers of mature workers potentially available to work in Fairfield County.
- Schedule workshops/ seminars for mature workers and employers trying to fill vacancies.
- Urge older workers to assess their strengths and weaknesses prior to job interviews.
- Urge state or local governments to launch a marketing campaign about the values of older workers.
- Identify older worker focused job websites.

#### **d) Results from focus groups and interviews with mature worker stakeholders**

The Next Steps study group conducted a focus group with five older staff members of Advantage Human Resources, a Bridgeport-based temporary placement firm. Four out of five in the group were in early 60s; one employee was 71. While the majority of the group agreed that employers were more willing to value experience over age, Ralph, an IT manager was recently unemployed for eight months. During the majority of interviews he took, he felt the age issue was unspoken but present, particularly when being interviewed by young HR managers in their 20s." John, 71, took retirement at 55, but within a year started working for a large, Fortune 100 firm, as a temp in his IT skill set specialty. John suggests the temp route as the most effective way for mature workers to re-enter the work force. John says mature workers should focus primarily on their skills, then experience, and retention reliability. Despite the growing need for qualified workers in Fairfield County, the group agreed that there is still a "granite ceiling" that mature workers must break through to get hired.

- *Ed Redfern, National Program consultant, AARP* -- AARP recently collaborated with Borders Bookstores to conduct workshops targeting mature workers in the Boston metropolitan area. Redfern said the workshops focused on "New branding strategies" for mature workers who must learn to focus on their skills and not their experience. "Experience is often a code word for age which is a negative in an interview," said Redfern. "They need to do more in terms of networking and consider the temp industry as a way of re-entering the work force." Redfern said an increasing number of companies, small and large, are willing to overlook a job candidate's age if they have the right skills with solid experience behind them. Redfern said AARP is going to provide small and mid-sized companies with a web-based assessment tool by year's end to help companies identify skill set they will need in the coming years as baby boomers move toward retirement.
- *Jason Swan, Staff Consultant, Adecco, Southwestern CT* -- Adecco, the worldwide temporary employment firm, has been cited as an AARP best employer for mature workers in three of the five years that Adecco's "Renaissance" program (focusing on 50 + workers) has been in operation. Swan says there is a growing trend toward re-hiring retirees and mature workers primarily due to the labor shortage caused by Baby Boomer retirements by 2012 and the need by employers for skilled, reliable workers with proven experience. Swan sees the only barriers to recruiting and hiring older workers as "transportation, flexible shift hours, and training upgrades." Swan says one of the biggest misconceptions by hiring managers regarding mature workers is "that they are not computer savvy when the truth is that study after study shows an incredible aptitude and knowledge of technology skill sets by older workers."

## **e) Region-wide Resources Supporting Mature Workers**

Southwestern Fairfield County offers several organizations, both public and private, dedicated to helping mature workers to re-enter the labor force, find challenging employment, and/or start a new career with retraining support from a mature worker-friendly employer. Organizations include:

**1. Connecticut Chapter of AARP --** AARP has an active employment initiative for mature workers that includes the "AARP National Employer Team" (employers open to hiring workers of all ages); "AARP Best Employers for Workers Over 50" (a list of companies and organizations recognized by AARP for business practices that acknowledge the value of 50+ workers.

**2. Southwestern Connecticut Agency on Aging --** SWCAA is a valuable information resource for individuals and organizations with questions regarding the needs and desires of older citizens. The organization also connects seniors with volunteer programs for those willing to offers their services on a full or part-time basis without compensation.

**3. The WorkPlace, Inc. --** The Southwestern Regional Workforce Development Board's "Maturity Works" program is a national employment program under the auspices of the Senior Community Service Employment Program( SCSEP). SCSEP was established under Title V of the Older Americans Act and is administered by U.S. Department of Labor in each state to help senior job seekers with low incomes to improve job skills, obtain training, and find employment. In the past 10 months since the program began at The WorkPlace, Maturity Works has served 300 persons, placed 50 individuals in jobs in for profit and nonprofit sectors.

**4. Connecticut Legislative Commission on Aging --** The Commission was established as an independent state agency in 1993 to be an advocate on behalf of elderly persons on issue and programs of concern including health care, nutrition, housing, employment, transportation, legal assistance and economic security. The Commission's 2006 report was released in October 2007 focusing on the issues of long term care of senior citizens.

**5. Connecticut Department of Higher Education --** For senior's age 62 and older who want to return to college to pick up new skill sets to help them to reenter the job market, courses and degrees are tuition free at any public college or university in the state – the University of Connecticut, Connecticut State University and the 12 community colleges. Tuition waivers are available only when space exists at the end of a registration period, but help for paying college costs is available for veterans and dislocated workers and their children. For more information on financial aid for older citizens, call the Education & Employment Information Center's (EEIC) toll-free hotline: 800-842-0229.

**6. Fairfield County Tax relief programs for Seniors --** Each community offers a range of tax relief programs for older residents, ranging from tax deferral, credit, freeze or abatement. Residents must be 65 to qualify. For community comparison data in 2006, contact the Southwestern Connecticut Agency on Aging. 203-333-9288.

## f) Best Practices

### 1. **State-Supported Best Practices** designed to recruit, retain, and or retrain mature workers;

According to the National Governor Association's (NGA) Center for Best Practices, several states have implemented initiatives aimed at helping mature workers back into the workforce, moving toward new career options, and encouraging businesses to hire seasoned workers. States that have recently taken the lead in implementing mature worker initiatives include:

**Arizona** – Under Gov. Janet Napolitano's Mature Workforce Initiative, a Workforce Transition Center opened earlier in 2007 at a community college to assist mature workers in switching or moving into new career options, re-engaging retirees back into the workforce and obtaining the skills they need to make the transition. If successful, these centers may be replicated on a regional basis. The state also is developing a program to recognize businesses that voluntarily meet a set of standards and who are deemed to be mature worker-friendly. In addition, Arizona will develop a model for connecting businesses and mature workers that will be available at all one-stop career centers.

**Arkansas** – One of the top priorities of the State Workforce Investment Board is connecting mature workers with meaningful employment opportunities to benefit both older workers and businesses. The state's employment website, Arkansas Jobs, is now linked to the AARP website to provide an additional method of connecting mature workers to available job opportunities. Arkansas Dislocated Worker Units, responsible for providing rapid response services, are conducting training to local businesses throughout the state on mature worker issues.

**Iowa** – Gov. Tom Vilsack created a Task Force on Mature Workers in 2005 that has held statewide and regional conferences since then to raise awareness and share information with business leaders on effective strategies for hiring, retaining and retraining mature workers. The Task Force, in conjunction with the national and state AARP, has created a statewide media campaign and series of ongoing activities spearheaded by the Iowa Department of Elder Affairs to encourage older workers to re-enter the workforce and to persuade businesses to recalibrate their thinking about the value and reliability of older workers.

### 2. **Best practices of mature worker-friendly companies.**

In a comprehensive research report in 2005, The Conference Board identified various corporate best practices employed by companies to address the issues of recruitment, retention, and knowledge transfer of mature workers. Some of those companies recognized in this report were also ranked among AARP's 2004 list of "Best Employers for Workers over 50." <sup>4</sup> The companies included:

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<sup>4</sup> "Managing The Mature Workforce," 2005, The Conference Board

**Lincoln Financial Services Co.** – Lincoln launched a taskforce several years ago to develop a strategic plan to seek better ways to integrate mature workers into its workforce. Traditionally, Lincoln Financial's customer service representatives, as in many companies, are young workers. The company recognized, however, that many customers feel more comfortable discussing financial issues with a mature worker. So Lincoln designed strategies to incorporate mature workers into its customer service workforce. Lincoln also created a paid time-off bank, which offers more flexibility for time off for medical reasons, elder care, as well as vacation, holiday, and sick time for its mature workforce.

**IBM Corporation** – IBM offers a best practice in knowledge transfer as well as managing mature workers generally. In a 2001 survey of 80 % of its global workforce, IBM discovered that one third of IBM workers have eldercare responsibilities. At the same time, the company noticed a 28% drop in early retirements. From these data sets, the company developed strategies to address employees' needs including elder care givers, care receivers, and mature workers. In subsequent surveys, IBM looked at issues including post-retirement employment, alternative work schedules, using mature workers to mentor younger managers, and other ways to transfer knowledge from older to younger employees. IBM is also working to engage former alumni as an "on demand" workforce. Some business units have alumni networks that, via a third-party vendor, bring retirees back to work on discrete projects.

**The MITRE Corporation** – The company, a not-for-profit information technology organization, has always depended on its experienced, mature workforce for their expertise, productivity, creativity, and commitment. As of 2003, 71% of MITRE employees were 40 years or older. To ensure the continuation and enrichment of the organization's culture, one of MITRE's diversity committees looked at generational diversity issues as well knowledge transfer from older to younger employees. It also offers opportunities for in-house job changes, paid time off to pursue new skill set training, and an active mentoring program.

**Adecco** - The world's largest staffing services organization, Adecco USA supplies, temporary, temp-to-hire, and direct-hire workers to 70,000 clients, drawing upon a diverse pool of over a half million workers, many of them older workers. Adecco makes special efforts to recruit older workers since temp work is a great opportunity for phasing into retirement for those who want or need extra income. Through its "Renaissance Program," the company recruits older workers by distributing employment fliers at churches, shopping malls and community centers – all places frequented by older individuals. Despite the targeted marketing and recruitment efforts, recruiters ensure that an age-neutral system is used in placing the most qualified people at assigned tasks throughout the company.

**Baptist Health South Florida** – One of the largest health care providers in the southern United States, Baptist Health is an AARP award winner for its range of special programs for mature workers. More than a quarter of its workforce and nearly 40% of its management are over 50 years old. The company boasts a high recruitment and retention rate of its mature

workforce by providing a recognition of older workers' value, a comprehensive wellness program, reduced and flexible work schedule, and a "phased retirement" benefit that allows older employees to reduce their hours to part-time without a commensurate salary reduction. Baptist Health also offers a "bridge of service" policy for employees who leave the organization and return within five years without losing accumulated salary range and benefits. The company has a long-service review committee that ensures fair treatment of employees with 15 years or more service. The group looks at solutions to help its employees manage life changes and provides opportunities for meaningful work assignments. This policy increases employee retention, development and rewards loyalty.

### **3. Other Best Practices Related to Mature Workers**

**RetirementJobs.com** - This is a website for job seekers age 50 and over, based solely on their experience, skills and qualifications in terms and conditions comparable to younger workers. What makes RetirementJobs.com unique is their requirement that all employers posting jobs on the site participate in a certification process which recognizes the unique value of older workers as well as the employer's commitment to provide meaningful employment, development opportunities, and competitive pay and benefits for older workers they hire. Those employers unwilling or unable to commit to the certification process are not permitted to list job openings on the web site among those employers designated as "Mature worker-friendly."

#### **Borders Books-AARP Seminars for Mature Workers.**

Borders Books, in conjunction with AARP, has just completed an 18 month seminar pilot program in Massachusetts for older workers. The seminars focus on various strategies for Older Workers to use in seeking work ranging from interview and resume preparation to pension benefits information and ways to overcome age bias during the interview process. AARP has conducted the seminars at Borders Books outlets throughout the state of Massachusetts and says the response was been quite successful.

### **4. Mature Worker-Focused Employment Websites**

The following websites specifically target workers 50 +:

[www.RetirementJobs.com](http://www.RetirementJobs.com) - for job seekers age 50 and up. The website's "Age Friendly Employer Certification" is an initiative to identify employers that maintain policies, practices and programs consistent with employment of people age 50 and older based solely on their proficiency, qualifications and contribution. The Certification also indicates an employer's recognition of the unique value of older workers as well as their commitment to take affirmative action in providing meaningful employment, development opportunities and competitive pay and benefits.

[www.jobs4point.com](http://www.jobs4point.com) -- Describes itself as the leading source of job opportunities for candidates 40 and over. Website carries jobs at

companies who “value diversity of experience, job skills and accomplishments” over age.

[www.seniorjobbank.org](http://www.seniorjobbank.org) -- Jobs for 50 + workers interested in fulltime, part-time, temporary or voluntary work. Named “Best Site for Job Seekers over 50” by employment portal Job-Hunt.org,

[www.retiredbrains.com](http://www.retiredbrains.com) - A website for the 50+ job seekers to post resumes or seek career resources. Targets older boomers, seniors, retirees, and those about to retire. It offers jobs in the for-profit and nonprofit sector, as well part-time jobs, temporary or project assignments.

[www.seniors4hire.org](http://www.seniors4hire.org) - a nationwide online Career Center and job bank for companies that value a diverse workforce, and actively target 50 + workers. Website also provides information on government programs for seniors.

[www.yourencore.com](http://www.yourencore.com) - The website is a unique job bank provider recruiting a network of high quality scientists, engineers and product developers to work on specific projects for high tech companies. The work can be done remotely on on-site. Companies are seeking workers with science and engineers skills and experiences available to solve problems on a time bound, short-term basis.

## **Recommendations**

- Develop and market an interactive employment database focused on Fairfield County older workers that enables companies to identify and hire workers with experience and skills they need to fill a position.
- Conduct a comprehensive survey of Fairfield County employers to obtain more factual data on reasons for hiring or not hiring mature workers when given the option of hiring younger, inexperienced workers for a comparable position.
- Convene an annual regional conference to identify best practices for recruiting, hiring, and retaining older workers and enabling employers to connect with older workers.
- Create and convene a Fairfield County Mature Worker Employer Council comprised of employers who recognize the skills and experience of older workers as a solution to labor shortages and are committed to recruiting, hiring and endorsing the value of hiring Older Workers.
- Create a Special Recognition Award – (“Mature Worker Friendly Company of the year”) that would be given annually to a top ten group of Fairfield County mature worker-friendly companies that demonstrate best practices in recruiting, hiring and valuing older workers.
- Create and implement a Fairfield County-wide marketing and advertising initiative to recognize mature workers and to enable companies to hire them.

- Offer financial security seminars and workshops for mature workers in Fairfield County on Social Security taxes, benefits and how pension benefits are affected by retirees who choose to go back into the labor force.

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