

October 24, 2019

# The Aging Workforce: Facing the Reality, Finding the Benefits

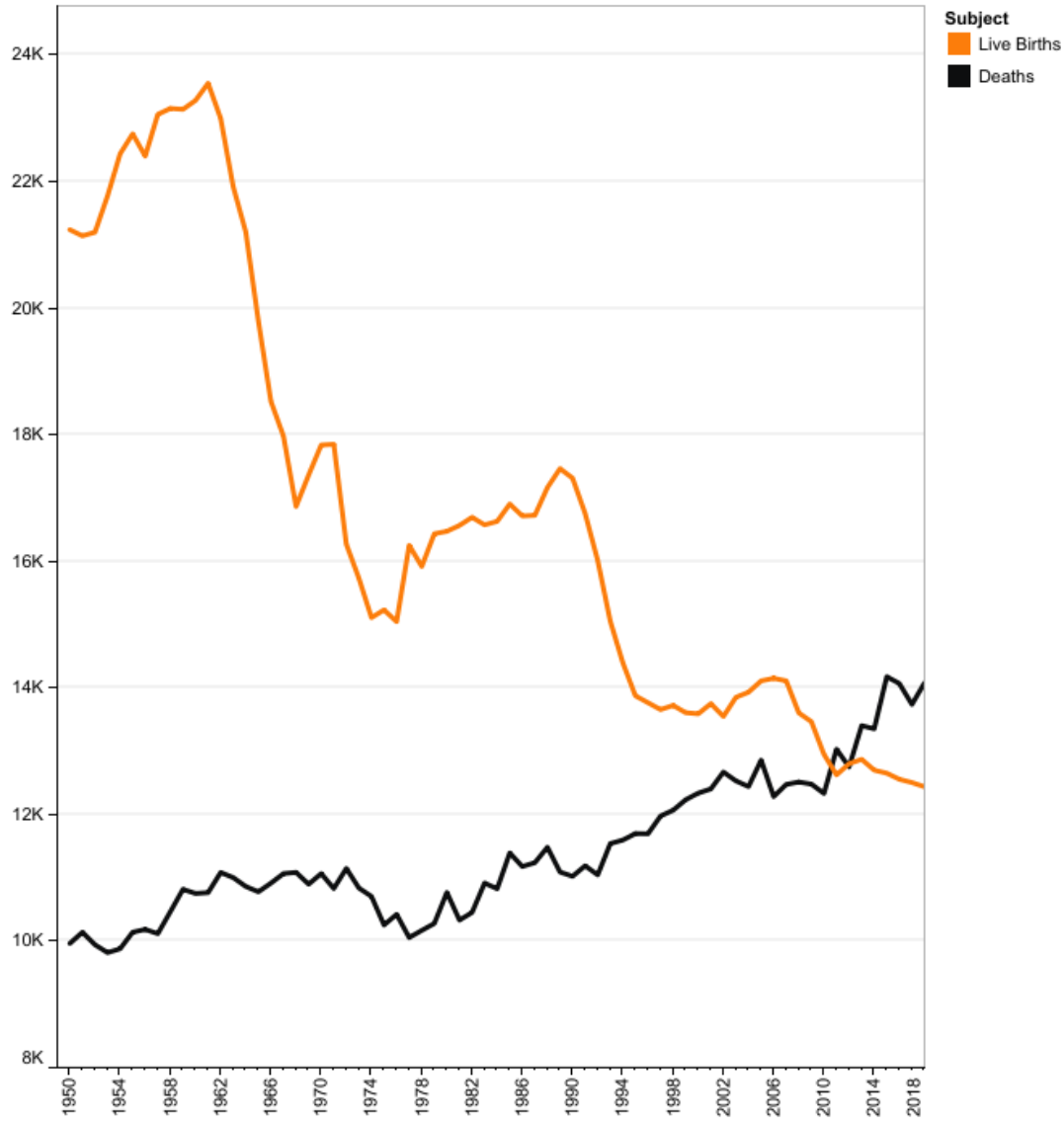
## The News is Mostly All Bad

**Charles Lawton: Maine's labor force numbers downright terrifying**

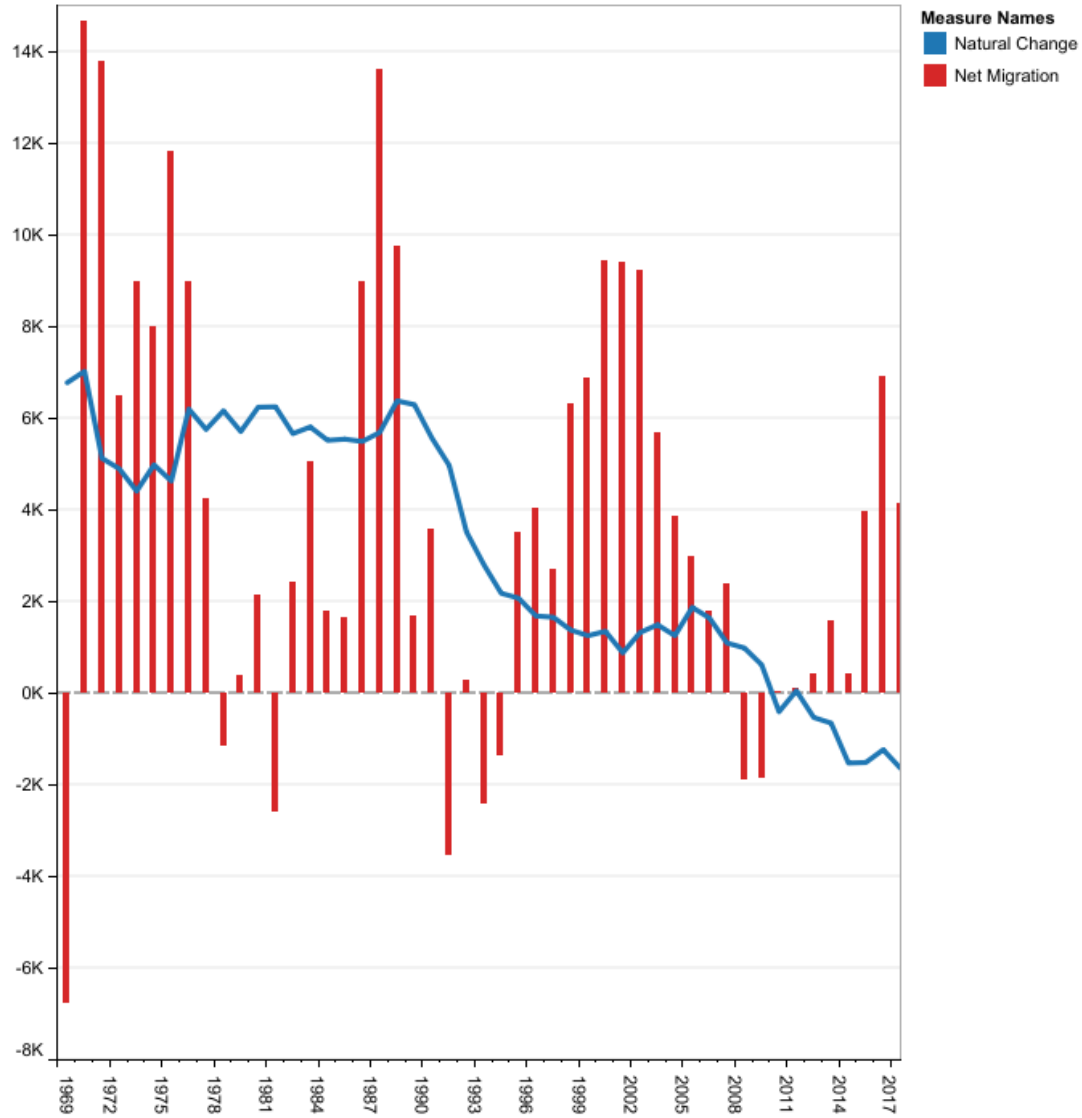
**[pressherald.com /2015/04/12](http://pressherald.com/2015/04/12)**

The latest labor force numbers from the Maine Department of Labor are positively frightening....

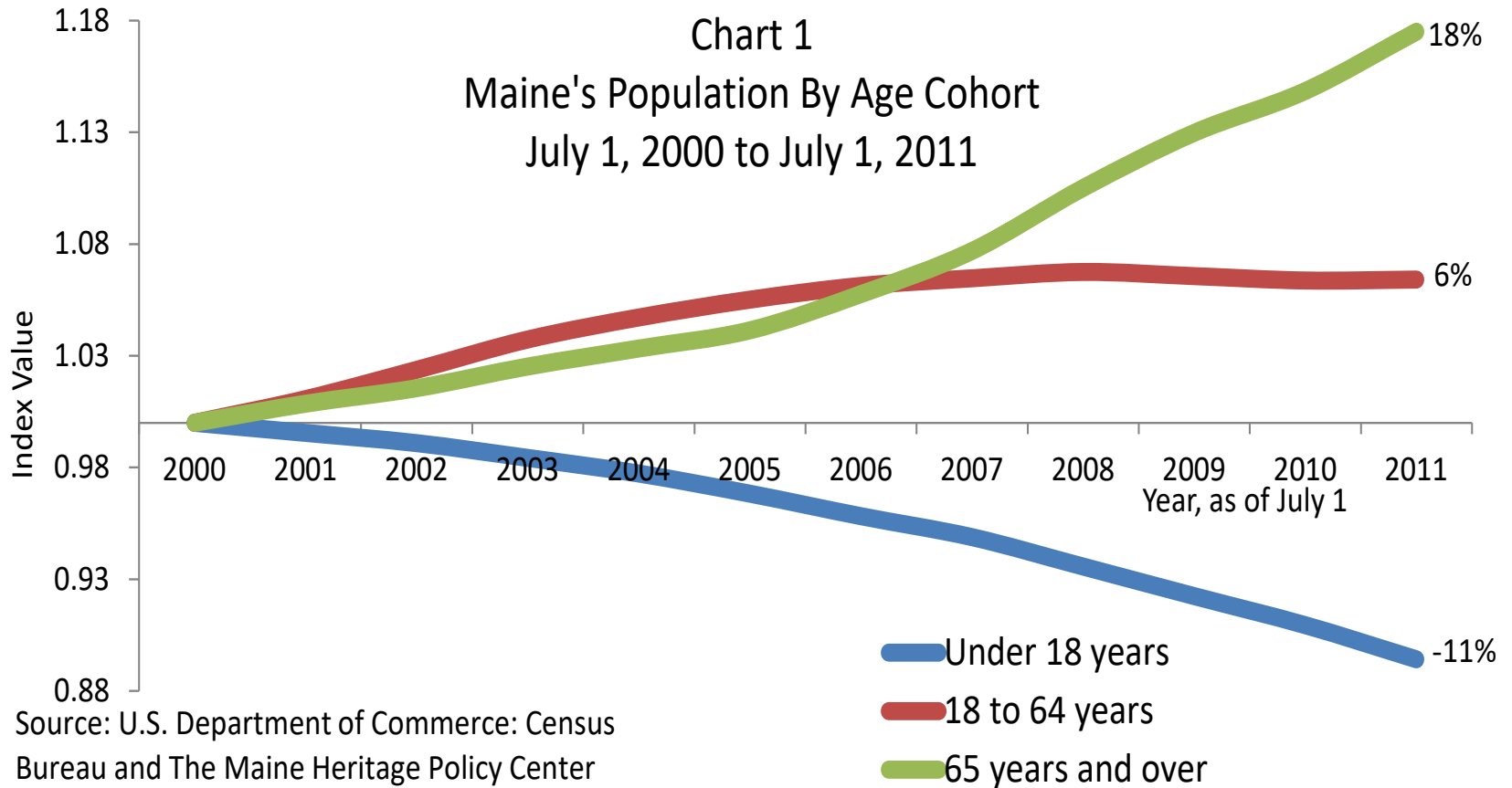
Maine Births and Deaths



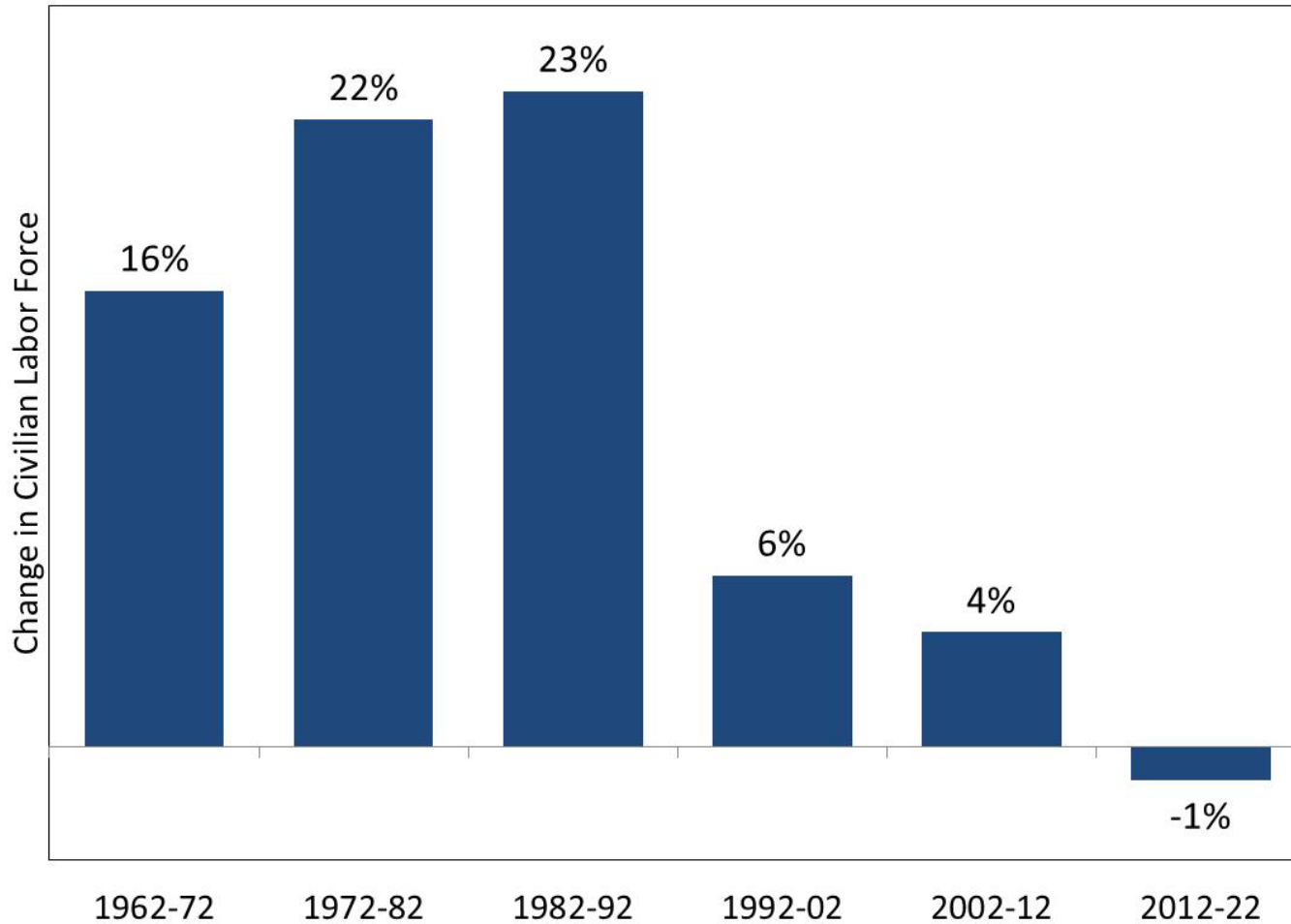
Net Migration



# Demographic Winter has Arrived in Maine

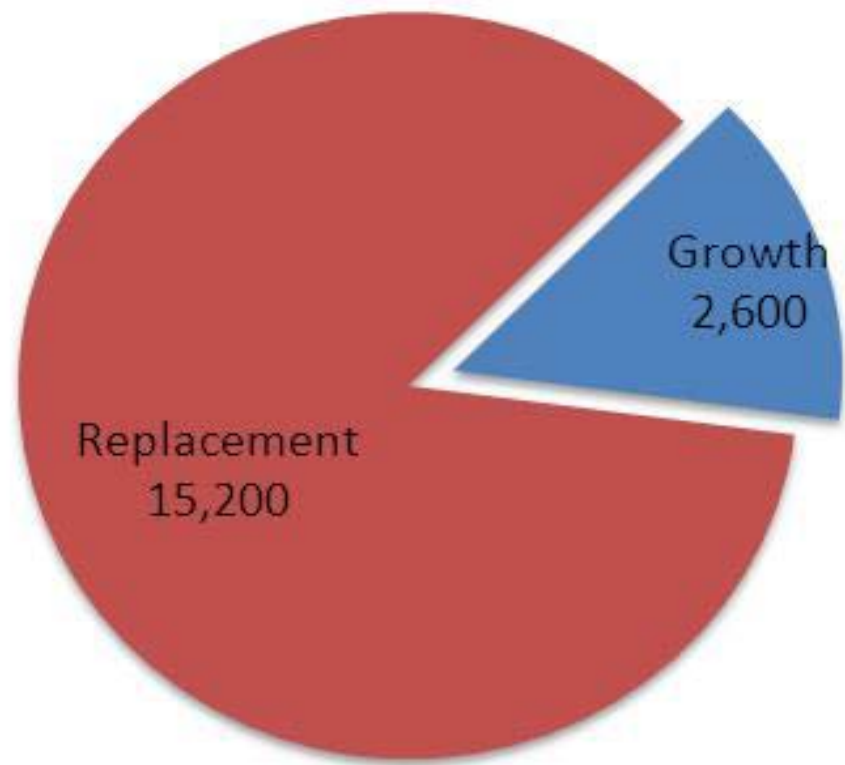


## Size of Maine's Workforce is Declining



Source: MDOL

# Hiring to Replace is Exceeding Hiring to Grow By Almost 6:1

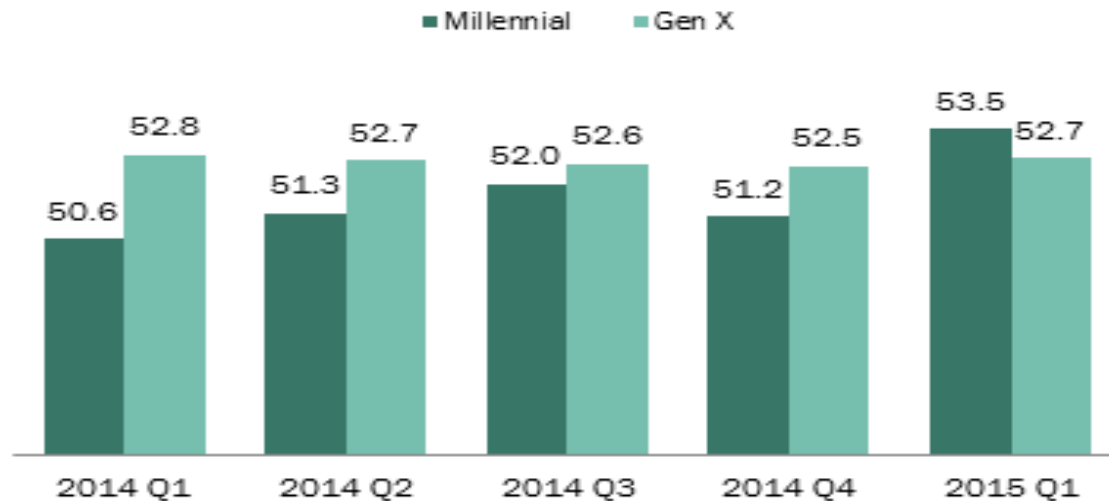


Source: MDOL

# The Other Side of the Divide

## Millennials Are Now the Largest Labor Force

*In millions*



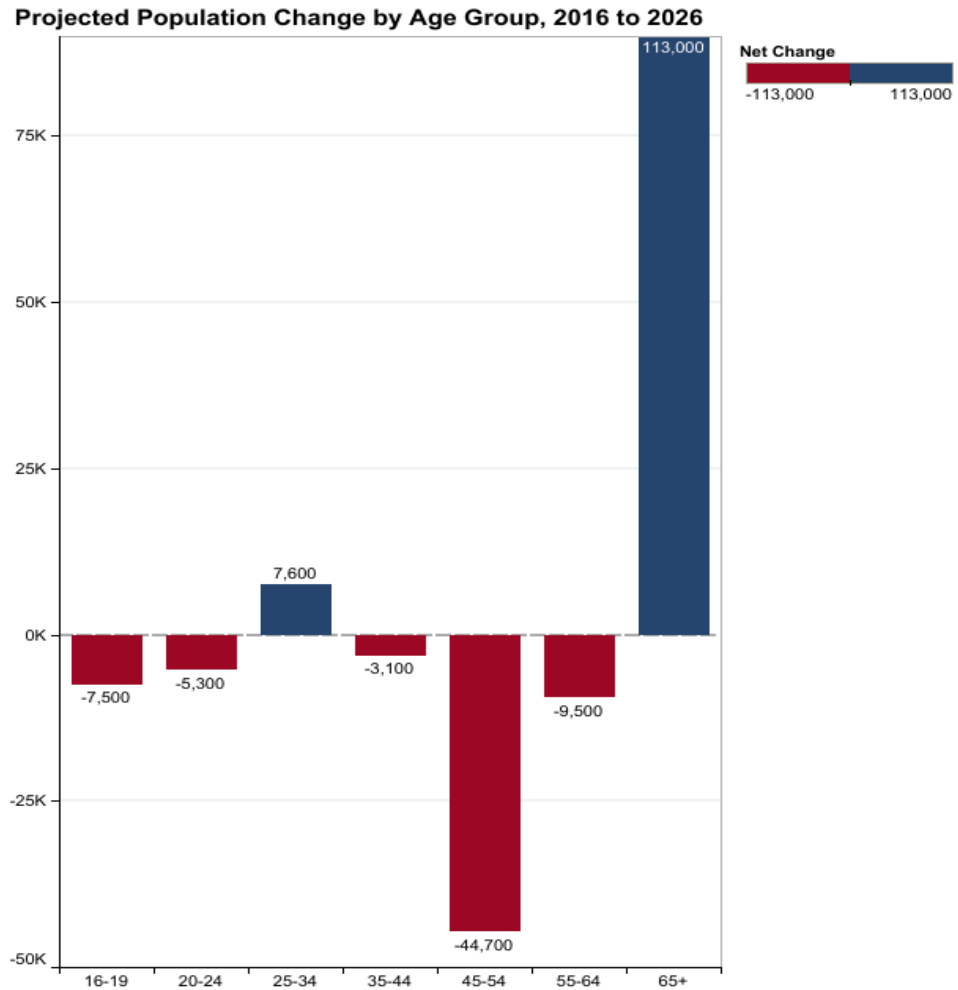
Note: Labor force refers to those working and looking for work. Millennials refers to labor force participants ages 18 to 34 in 2015. Gen X refers to the labor force participants ages 35 to 50 in 2015. Based on quarter averages.

Source: Pew Research Center tabulations of monthly 2014 and 2015 Current Population Surveys, Integrated Public Use Microdata Series (IPUMS)

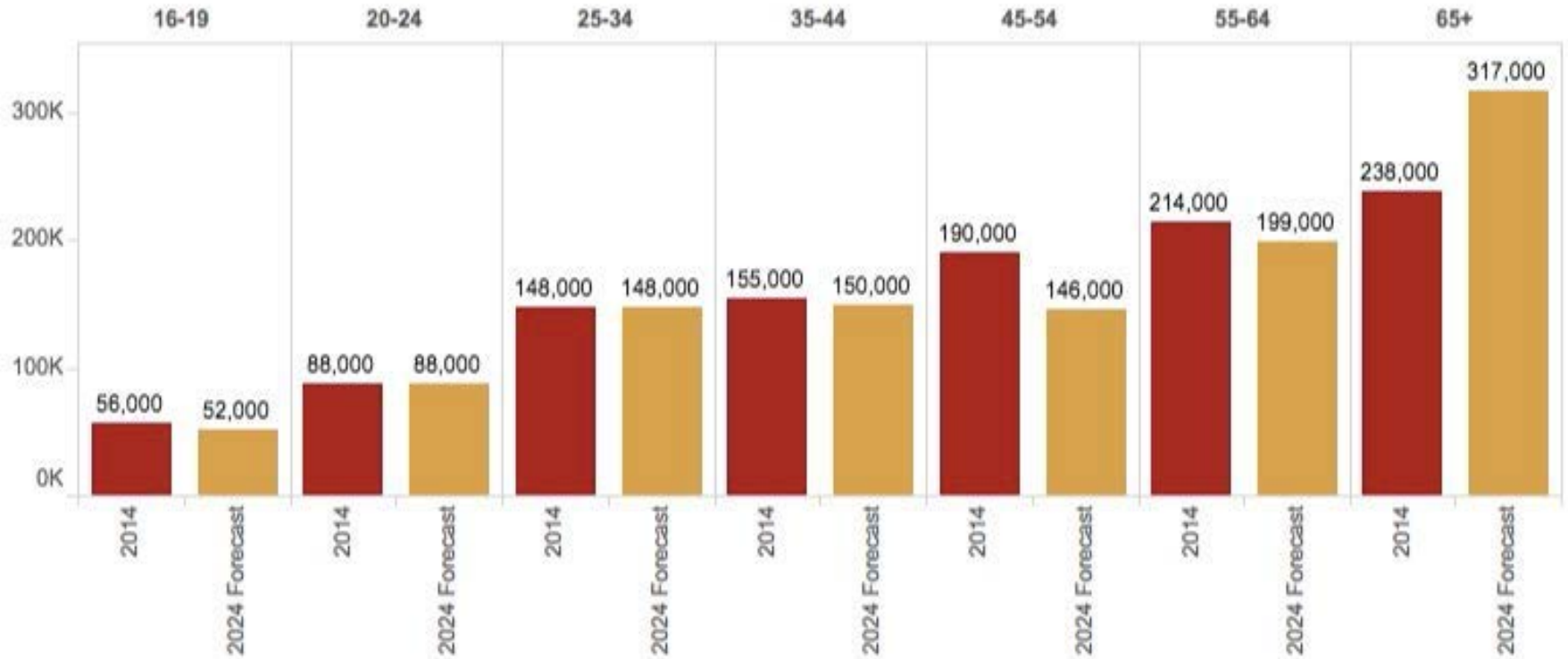
PEW RESEARCH CENTER



# Maine Population by Age Group, 2016-2026



# But not in Maine: Population Cohorts 2014-2024



Source: John Dorrer

# Availability of Traditional College Students

Trustee Resource Materials – Nathan Greene Book

## Availability of traditional-aged college students in the US

**US Fertility Rate** – declined by 12.3% since 2007, no state from New York to Maine has a total fertility rate higher than the replacement rate, typically falling 15% below replacement rate.

**Immigration** – 3.3 legal residents/1000 US residents/yr; rate less an issue than nature of Immigration: US Immigration is exceptional in the degree drawn from poorer parts of the world, and unevenly distributed in the US.

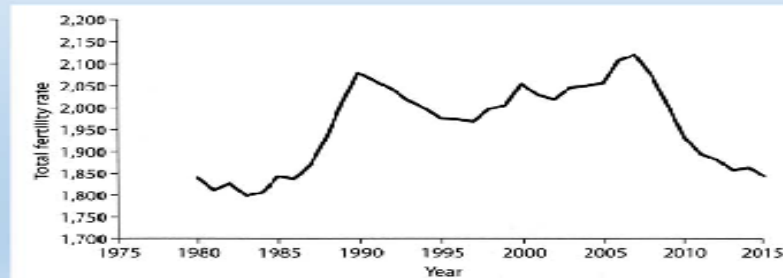


Figure 1.3. Total fertility rate per 1,000 women, 1980 to 2015. Source: National Vital Statistics Reports 66 (1): table 4

# Maine K-12 Enrollment Trends, 2008-2017

[Go To Link]

## Take Aways

- Most employers will not be able to either *replace* or *grow* their workforce with younger workers
- Both will depend on increased participation by older workers
- Delay workforce replacement by keeping the workers you have
- Add to workforce by attracting new older workers

## Attributes of Older Workers

Institutional  
Knowledge

Experience

Reliable work  
habits

Loyalty

Less concern  
about  
advancement

Better accident  
/ attendance  
records

## Stereotypes about older workers

Expensive

Declining  
Competency

Inflexible

Not tech  
savvy

“Retired while  
still working”

## Goals

Maximize and capitalize on older workers' strengths

- Keep workers engaged and productive

Engage in low risk performance management / succession planning

- Move those who plan to leave or cannot be engaged out of the organization, while minimizing risk of claims



## *Lee v. Rheem*, 432 F.3d 849 (8th Cir. 2005)

- Lee seeks Labor Relations position, after retiring due to health.
- During the interview:
  - “Things have changed a lot,” “will you be able to grasp the new processes?”
  - Company has to “plan for the future”
  - Analogy offered of Lee returning to a basketball team during a new season with a new coach and finding himself on the bench
  - “How long do you intend to work if hired?”

## *Lee cont.*

- Comments do not clearly point to presence of illegal motive.
- Do not show employer used length of tenure as a proxy for age discrimination.
- Not unlawful to want to hire someone who will work for more than a few years

## ***Sharp v. Aker* 726 F.3d 789 (6<sup>th</sup> Cir. 2013)**

- 52 year old laid off employee (who planned to work another 15 years) asked why chosen for RIF;
- Manager (who was tape recorded) said he picked the younger employee to stay.
- Company “has a succession plan where you bring in younger people, train them, so when the older people leave you’ll have younger people.”
- “We’re going to retire and I had an opportunity to bring the next generation in.”

## *Sharp cont.*

- How long an employee intends to work is analytically distinct from age.
- But age-based comments are evidence of discrimination, even if they also relate to expected longevity.
- Cannot compute an employee's potential longevity based on age.

## Retirement inquiry

- Repeated and/or coercive inquiries will be evidence of discriminatory intent.
- Beware of expressing surprise or disapproval when employee indicates plans to continue working.
- If employee indicates s/he will be retiring soon, employer is entitled to a clear answer about plans.

## Perception is everything

- What's said and what the employee hears may be very different, depending on:
  - Words used
  - Non-verbal – tone, expression, etc.
  - Assumptions made
  - People present / speaker identity
  - Process employed
  - Frequency / timing



## Disability Management

- Vision / hearing loss, diabetes, hypertension, cognitive decline.
- Limiting conditions attributable to age can constitute “disabilities” and must be considered as such.
- Research suggests older workers are less likely to request or receive an accommodation when their functional limitations are attributed to aging.

## Engagement of older workers

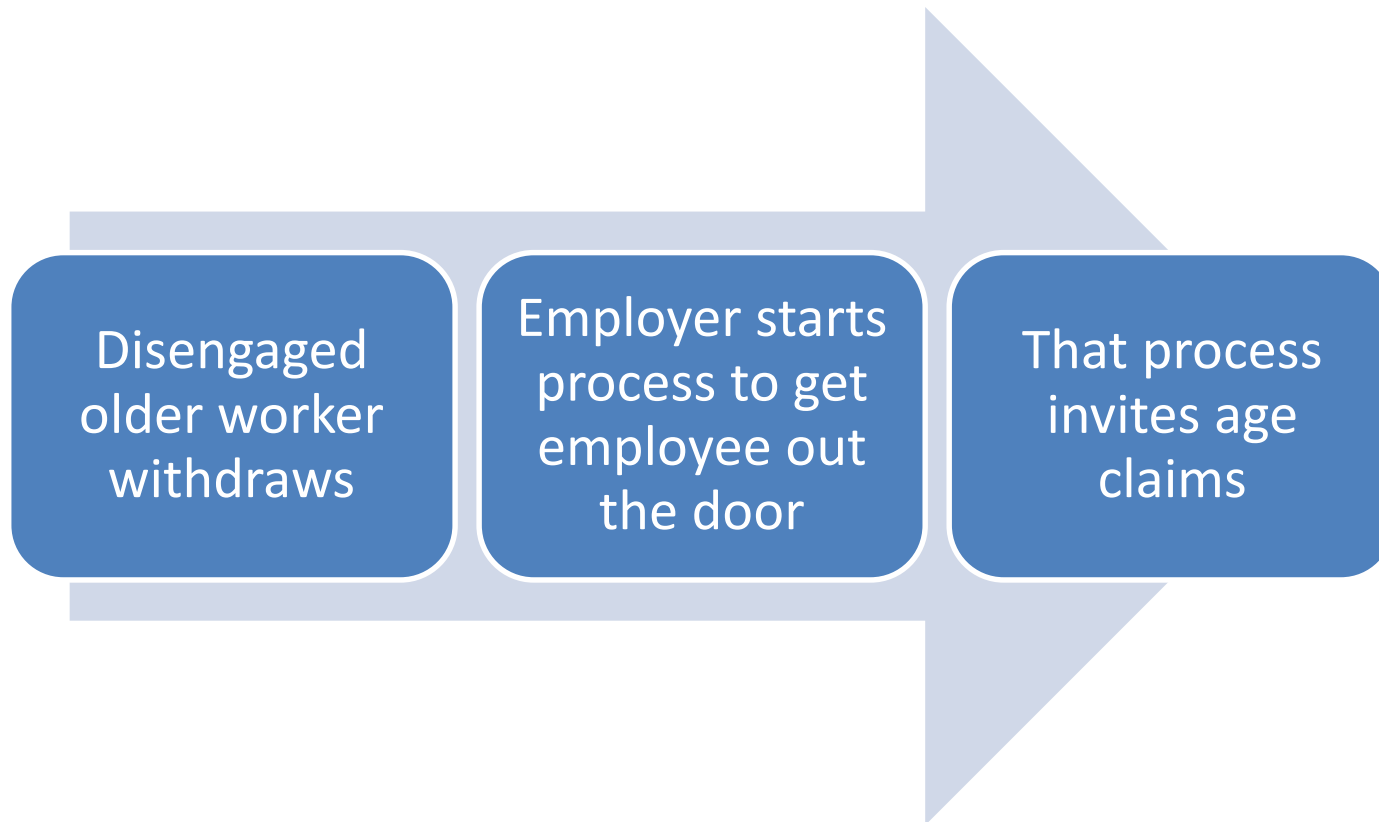
Retention / Recruiting

Productivity / performance

Claim minimization



# Relationship between engagement and claims



# Incentives to retain / motivate / boost engagement

Advancement

Flexibility

Compensation

Benefits

Recognition

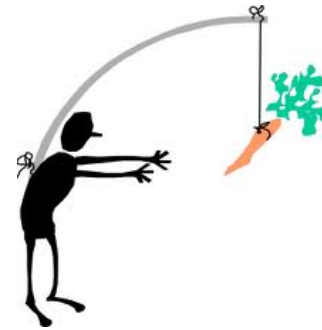
Training

New  
Challenges

# Top motivator for older workers

Flexibility in:

- Work hours
- Schedule
- Career (job sharing, job changes)
- Place (telework, snowbird programs)
- Relationship
- Benefits



## Other Strategies

- Targeted recruitment efforts
- Educating managers and HR leaders to identify and address misconceptions about older workers
- Generational diversity training
- Provision of technology training
- Creating cross-generational employee resource groups

# Presenter

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