Some Facts About Older Workers

Older workers will be increasing in number and many will stay on the job for an extended period of time. As American and most of the developed world's businesses face increasing numbers of employees over age 55, they have two choices: to ignore the demographic challenge looming on the horizon, or prepare for it creatively. Here are some facts backed up by wide research on who these workers are. (more)

Workers age 55 years and older grew 8 percent in the 15 years from 1975-1990 and are growing 44 percent in the 15 years from 1990 to 2005. There are currently more than 56 million people aged 55 or older, and 32 million are 65 and older. By 2005, the number of people 55 and older will have expanded to 66 million.

Thirteen percent of U.S. workers today are 55 or older; by 2015 that number will increase to 20 percent but most companies haven't caught on. In 2020 there will be more than 115 million Americans 50 years old and over. By 2030 nearly one-third of the total U.S. population will be 55 or older, raising the U.S. median age from the current 33 years to nearly 42.

Today's 50+ adults account for more than $2 trillion in income, 80% of personal wealth in financial institutions, and 50% of all discretionary income: $13,286 per household.

And they own over 70% of the financial assets in America, control nearly $9 trillion in net worth of U.S. households — 70% of the total, and represent 40 million credit card users, owning almost 50% of the credit cards in the U.S.

Older Workers: Increasing in Number but Seldom Valued

From now until 2030 the 19 - 55 age group in the U.S. will increase by just one percent. The ratio of younger to older workers is now five to one; by 2030, it will drop to two to one. But fewer than half of all business surveyed by SHRM and AARP provide training to upgrade older workers' skills. According to the U.S. Bureau of Labor Statistics, workers 55 and older received only 23 hours of total training, while workers 45 to 54 received two and one-half times as much, or 57-plus hours.

Some Myths and Realities about Older Workers

A number of myths, lumped together under the heading of "ageism," persist in companies about how older workers approach their jobs

Myths	*Realities*
■ Older adults are not interested in working	■ Many want to advance and find challenges in their work. Many remain longer than their younger counterparts
■ They are slow, unproductive workers	■ Older workers tend to have less incidence of absenteeism and tardiness than their younger counterparts
■ Older workers don't want to work because of their retirement benefits	■ Many older workers are interested in working; there are powerful motivations to support this. Many older workers are not yet eligible for social security benefits, or find that working offsets any loss in Social Security benefits
■ Older workers are difficult to work with. They are inflexible and resistant to change	■ Because of their life experience, many have enhanced interpersonal skills and abilities
■ They are often absent from work because of illness and are more accident-prone. The older workers have poorer health than younger workers, decreased physical and mental capacity and less stamina.	■ Research shows that age is a poor predictor of physical and mental abilities but productivity generally tends to improve with age. Older workers have fewer on-the-job accidents than their younger counterparts.

Facts About Older Workers

- Older workers are busy, healthy and happy. In 2000, the Small Business Survival Center report concluded that workers older than age 55 have better attendance records, averaging only 3.1 sick days a year, and they account for only 9.7 percent of workplace injuries.
- Older workers are not uncomfortable about being supervised by younger employees
- Older workers are much less likely to file workers' compensation claims
- As a group, they spend more than young adults on virtually all products and services
- The most striking reason why older Americans return to work or remain longer on the job has been the shift from goods-to-service-producing industries in which work is typically less physically demanding
- Work ethic, loyalty and experience are among the the traits older workers possess as demonstrated in employer surveys
- More than 60% of companies with a policy on rehiring retirees will bring them back as independent contractors or consultants. About the same number will bring them back as part-time or temporary workers.
- Insurance costs are not necessarily higher when older workers are employed
- The training investment by employers is quickly repaid (they stay on the job longer and make fewer mistakes)

What Motivates Older Workers?

Aspects of work that are important to older employees include:

- Respect and support, fair compensation,
- Involvement and use of expertise
- Flexible scheduling
- Working with and helping others (mentoring)
- Working on and completing important tasks

Aspects of work that cause disengagement include:

- Lack of respect from management
- Valuing education over experience
- Lack of recognition of their work.