



2018 Annual Conference
March 14-16, 2018
Houston, Texas

Protecting a Grey workforce while keeping the employer out of the Red.

The stereotype of an older worker is of someone with years of experience but fragile health, outdated skills and a high salary. Yet, the Department of Aging argues that the US could boost its economy by 3 percent simply by better tapping the potential of its older workers. The United States Department of Aging and the Department of Labor encourage employers to work with aging workers to help their own bottom line and the Gross Domestic Product of the country. For the first time ever, people over the age of 65 will outnumber children under 5 years old. According to other US official figures, 12 percent of the population of the United States is over 65 now, and 20 percent will be by 2030.

Employers remain skeptical. Employers who find themselves with an older, more experienced work force now face increasing problems of managing special risks for older employees, including rising health care costs, rising insurance costs and increased sick days. They worry about decreased productivity and higher claims. They worry about ADA claims, FMLA leave and ADEA claims.

I. History of the Greying of the American Workplace

In 1994, the median age of U.S. employees was 37.7 years old, according to the Bureau of Labor Statistics.¹ The average age climbed to 40.3 years old by 2004 and to 41.9 years by 2014.² One reason for the increase in the average age of an American worker is that a greater share of older workers are going against traditional retirement and staying in the labor force longer than has historically been the case.³ Between 2004 and 2014, the number of Americans who were at least 55 years old and active in the labor force increased by 47.1 percent.⁴ That figure is expected to grow nearly 20 percent over the next 10 years.⁵

¹ Pretty Soon, Old People Will Have All the Jobs, U.S. News and World Report (2017), <https://www.usnews.com/news/articles/2015-12-24/older-workers-to-dominate-labor-market-by-2024> (last visited Dec 14, 2017).

² *Id.*

³ *Id.*

⁴ *Id.*

⁵ *Id.*

Many analysts point to the economic crisis from 2007 to 2009, as a reason why people are reluctant to retire, as millions of Americans' retirement savings were either wiped out or notably diminished.⁶ The average U.S. retiree is now stepping away from the workforce at 62 years old, representing the highest retirement age Gallup has compiled since starting the survey back in 1991.⁷

Due to the downturn in the economy from 2007 to 2009, otherwise known as the Great Recession, many older workers who were expecting to retire found themselves unable to do so because of an insufficient retirement income. Also, increasing health care costs further complicate the issue for employers, forcing many people to work just to keep health insurance.⁸ Further, research by the Government Accountability Office consistently shows that people aged 55 to 64 are less confident about their retirement and plan to work longer to afford retirement.⁹

Another reason behind this emerging trend of an older workforce is increased longevity and function. For example, in 1960 the life expectancy for US women was 73, and for men it was 66.¹⁰ A 2016 report by the Centers for Disease Control and Prevention found that life expectancy for women is 81 years and was 76 years for men.¹¹ Thus, people are living longer and are remaining healthier than in years past. This allows them to work longer, and sometimes even forces them to work longer because they are expected to live a longer life and will need the income to support this life expectancy.

By 2024, the average age of U.S. workers is expected to be 42.4 years old, an increase by nearly five years compared to data from 30 years ago.¹² New research from the AARP shows 35.4 percent of the workforce is expected to be more than 50 years old by 2022.¹³ During just this past decade alone, the number of workers ages 50 to 59 grew by 28 percent, and workers ages 60 to 69 grew by 72 percent.¹⁴

II. The greying of the American workplace is a boon for employers and for the economy.

Some studies have found that older workers are more engaged in their jobs and bring more experience and knowledge to the table. This advanced experience, knowledge, and skill allows older workers to be a valuable asset to an employer. A trait that corresponds with the

⁶ *Id.*

⁷ *Id.*

⁸ Issues, Impacts, and Implications of an Aging Workforce | American Society on Aging, Asaging.org (2017), <http://www.asaging.org/blog/issues-impacts-and-implications-aging-workforce> (last visited Dec 15, 2017).

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² Pretty Soon, Old People Will Have All the Jobs, U.S. News and World Report (2017), <https://www.usnews.com/news/articles/2015-12-24/older-workers-to-dominate-labor-market-by-2024> (last visited Dec 14, 2017).

¹³ Is a graying workforce a better workforce?, Cbsnews.com (2017), <https://www.cbsnews.com/news/is-a-graying-workforce-a-better-workforce/> (last visited Dec 15, 2017).

¹⁴ *Id.*

experience of the older worker is that they are more reliable to produce well. They know how to do the job and how to do it at an efficient level through years of experience.

Older workers must deal with the stigma from employers that they are slower, not as sharp, and would cost the company more to employ them, which causes them to be less desirable to hire. Thus, when an older worker is on the job, they would be less likely to look for other employment or would simply would have fewer options to do so. Whereas a younger worker is more focused on continuing to build their career, which often means looking for other employment when the opportunity exists.

Perhaps the greatest asset older workers bring is experienced wisdom in the workplace. They have learned how to get along with people, solve problems and call for help when necessary. An important trait in having advanced knowledge and experience for a particular job is the increase in professionalism. Study shows that older workers tend to display more professionalism on the job.¹⁵ This may be due to the fact that they are less motivated by money and more motivated by being satisfied with the work they are doing.

Further, through years of experience, older workers would have maintained numerous relationships over the years. Employers that rely on clients for business benefit from older workers who have established longstanding relationships with clients.

III. The greying of the American workplace is terrible for employers and for the economy.

In general, employers pay employees based on skills and experience. Thus, with more experience comes higher salaries. As the age of the average worker continuing to increase, companies will have to deal with the prospect of increasing wages.

Undoubtedly, as we get older, there are potential health risks that increase. This means increased cost for insurance and possible time off of work due to the health conditions. As the age of the average worker increases, this could become an increasing concern for many employers. Due to the physical declines associated with aging, older adults tend to exhibit losses in eyesight, hearing and physical strength.

Older adults would appear to be more likely to suffer from fatal and more severe occupational injuries due to their advanced age and loss of physical strength. This would create a large risk for employers from many aspects as the average age for workers continues to increase. Further, along with the increase in risk of health is the increase in providing insurance to cover these health risks. This certainly will increase overhead expenses for an employer.

¹⁵ Issues, Impacts, and Implications of an Aging Workforce | American Society on Aging, Asaging.org (2017), <http://www.asaging.org/blog/issues-impacts-and-implications-aging-workforce> (last visited Dec 15, 2017).

Ergonomics is the science of designing the workplace while keeping in mind the capabilities and limitations of the worker.¹⁶ The goal is to design jobs and tasks to remove incompatibilities between the work and the worker that hinder safe work performance.¹⁷ Thus, employers may be tasked with having to design the work environment in a way that makes the job better for an older worker, something they may not have to do for younger employees.

Another troublesome issue dealing with an aging workplace are issues with age discrimination laws. To elaborate on the issue, approximately 80 percent of adults over age 65 have at least one chronic condition, and 50 percent have at least two.¹⁸ In addition, the CDC estimates that 20 percent of people aged 55 years or older experience some type of mental health issue, with the most common conditions being anxiety, severe cognitive impairment, and mood disorders such as depression or bipolar disorder.¹⁹

Employers will have to deal with an increasing number of charges filed under the ADA by older workers. In 1993, 14 percent of all ADA charges were filed by individuals aged 55 and over; in 2010 that number increased to 29 percent.²⁰ While the number of ADA charges being filed correspond with the increasing age of the average worker, there is also an increase in ADA charges due to a failure to provide reasonable accommodation for the older worker. Thus, this causes an employer to have to increase expenses in order to sufficiently accommodate an older worker.

Lastly, as older workers continue to stay employed for more years, this creates an issue where these jobs may not be available for younger workers. This could lead to less skill and experience for someone who could have attained similar experience years ago.

IV. How to achieve cultural and economic success with an older workforce.

While encouraging later retirement for older workers, a company can make more of an effort to educate its employees about retirement savings plans such as 401K. This could allow an employee to consider retirement at a younger age if they have saved enough to do so over the years. When considering how many older employees delay their retirement due to financial reasons, it would help both the employer and the employee to be more educated on how to properly plan for retirement.

The implementation of new technology has also been shown to be a successful technique to help aging employees. Those workers who have been at a particular job for years are already familiar with the ins and outs of the job, and are more likely to be able to effectively adapt to new technology that would improve the company.

¹⁶ E+ Education et al., Ergonomics and the Aging Workforce - How to Improve Workplace Design Ergonomics Plus (2017), <http://ergo-plus.com/ergonomics-aging-workforce-design/> (last visited Dec 15, 2017).

¹⁷ *Id.*

¹⁸ Issues, Impacts, and Implications of an Aging Workforce | American Society on Aging, Asaging.org (2017), <http://www.asaging.org/blog/issues-impacts-and-implications-aging-workforce> (last visited Dec 15, 2017).

¹⁹ *Id.*

²⁰ *Id.*

As previously discussed proper ergonomics can provide a comfortable environment for older workers, allowing them to be in better physical and mental condition. Such improvements increase ability to work efficiency. This can include office seating arrangements, flexible hours, or even breaks during the day. Many companies already encourage employees to take breaks periodically throughout the day in order to maintain their mental state and still be able to be efficient when working. Implementing these efforts while accommodating older workers could be beneficial for both the employers and employees.

There are many barriers for older workers to find employment. They can include the denial of salaries commensurate with their experience, increased health risks and health care costs, and increased injury risks. Employers can remove a salary barrier is by having a salary based on production and performance rather than just experience. Thus, an employer could be more willing to hire an older worker if they believe their payment will match their employment. Promoting a healthy work environment and providing accommodations for an elder employee could also ease the risk of increasing health issues.

Employers can benefit greatly from accommodating older workers who want to transition into retirement. By doing so, companies can help enhance their own workforce management efforts, improve succession and continuity planning, provide employees with valuable training and mentoring, and enable older workers to have greater flexibility to retire on their own terms.

One of the most useful ways of successfully employing an older worker is to provide on-the-job training for new or different tasks. An older worker could be able to use their vast knowledge and experience to make new task even better, which would be worthwhile for the company.

For older workers that are dealing with disabilities, reasonable, and often inexpensive and simple, workplace accommodations can promote job retention.²¹ This also prevent an employer from facing potential ADA claims. Examples of reasonable accommodations for older workers include: accessible parking spaces, flexible scheduling due to stamina issues or the effects of medications, periodic rest breaks away from the workstation, implementation of text messaging for communication, part-time work schedules, a sit-stand desk, and time off for medical treatment.²²

Finally, with more experience and knowledge, employers should encourage older workers to be mentors for younger workers. Such mentorships increase the knowledge and skills of younger employees for the company and allows for better transition into the future. This is another benefit for an employer, using a valuable asset of older workers to continue to advance the knowledge and skills within the company.

²¹ *Id.*

²² *Id.*