Impact of Demographic Changes on the Labor Market in New England

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Recession Realities

- Workers 55+ - disproportionately higher share of job losses
- Result:
  - Layoff = Drop Out - Discouraged Workers
  - Early Retirement – SS ↑ 23% in FY 2009
Recession Realities (2)

• Result (cont.)
  • Continued Employment
    • Declines in retirement savings - ↓ 40% market
    • Healthcare cost concerns
    • Economic Uncertainty in general
  • Retirement delayed 1+ years (AARP, 2009)
Working Longer: Evidence

• Between 2000 and 2008 number of workers aged
  • 65 to 69 increased 25%
  • 70 to 74 increased 32%
  • 75 to 79 increased 38%
  • 80 and over increased 67% (BLS, 2009)

• Living longer and public expectations about retirement are in transition (Pew Research Center)
Labor force change by age group

Percent change, projected 2006-16

- Age 65 and over: 84%
- 55 to 64: 37%
- 45 to 54: 0%
- 35 to 44: -6%
- 25 to 34: 15%
- 16 to 24: -7%

Source: Bureau of Labor Statistics
Labor Force Share by Age Group

Percent distribution

1996:
- 12
- 20
- 27
- 16
- 25

Projected 2016:
- 23
- 21
- 21
- 13
- 23

2006:
- 17
- 23
- 24
- 15
- 22

Source: Bureau of Labor Statistics

Note: May not sum to 100 due to rounding
<table>
<thead>
<tr>
<th>Population 16 years and over</th>
<th>United States In labor force</th>
<th>Northeast In labor force</th>
<th>New England In labor force</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 to 19 years</td>
<td>65.90%</td>
<td>66.00%</td>
<td>68.70%</td>
</tr>
<tr>
<td>20 to 24 years</td>
<td>43.80%</td>
<td>42.10%</td>
<td>49.50%</td>
</tr>
<tr>
<td>25 to 44 years</td>
<td>76.40%</td>
<td>74.10%</td>
<td>76.80%</td>
</tr>
<tr>
<td>45 to 54 years</td>
<td>83.50%</td>
<td>84.20%</td>
<td>86.10%</td>
</tr>
<tr>
<td>55 to 64 years</td>
<td>81.70%</td>
<td>83.30%</td>
<td>84.50%</td>
</tr>
<tr>
<td>65 to 74 years</td>
<td>64.90%</td>
<td>67.70%</td>
<td>71.50%</td>
</tr>
<tr>
<td>75 years and over</td>
<td>24.80%</td>
<td>27.00%</td>
<td>30.00%</td>
</tr>
<tr>
<td></td>
<td>5.70%</td>
<td>5.80%</td>
<td>6.30%</td>
</tr>
</tbody>
</table>
Financial Concerns

- 401(k) cash out

- Debt levels/interest rates

- Policy?
  - New restrictions on cash-outs?
  - Interest rate caps before 2010?
Work Environment - Issues

1. Increase utilization of all human capital
2. Age discrimination
3. Managing a multi-generational workplace
4. More emphasis on ergonomics and health and safety
5. Creating more flexibility
6. Facilitating transitions
1. Increase utilization of all human capital: age is new diversity target

- Retention – key to future recovery
  - Not only for the individual but also firms
  - Projected labor shortages (i.e., healthcare)
  - Older workers represent skilled, experienced assets (survivors)
- Requires culture change – respect, communication across cohorts
Retention Key = Challenge

- National Study of the Changing Workforce: Older workers indicate they want the same or more responsibility on the job (87%) not less (12%) than they currently have.
- Older workers career ambitions may be less visible.
- Older workers may be motivated to accomplish more as they “cap” their careers.

2. Age discrimination

- 30% increase in age discrimination claims in 2008.
  - Total claims = record 95,402 (15%↑)
  - 35.8% of total claims (24,582) are age related

- “Employer conscious or unconscious stereotypes about older workers may cause them to underestimate the contributions of these workers to their organization.” (EEOC Chair Ishimaru, 2009)
3. Managing the Multigenerational Workplace

- Gen Y and Boomers each 2X as big as Gen X
- Result? Significant impact on employer’s policies and practices
- Both Gen Y and Boomers:
  - Want to contribute to society through labor
  - Seek flexible working arrangements
  - Value social connections at work
  - Are loyal to the company
  - Prize other rewards over monetary compensation
4. Ergonomic and Health & Safety

- Reasonable changes in the workplace.
- *Nature of job itself*: repetitive motions → musculoskeletal disorders, standing, lifting, night driving, etc.
- *Physical environment*: lights, noise, age friendly door knobs, etc.
5. More Flexible Work Environments

• Pre-recession AARP surveys: 60-70% workers want to work “after retirement” but *Part Time or Part Year*.

• Flex options: job sharing, flex hours, leaves of absence, sabbaticals, phased retirement, rehearsal retirement, seasonal employment

• Flexible place: telecommuting; Snowbird Programs
6. Assistance with Transitions

- What am I going to do next?
  - The Transition Network TTN.org
  - Community Colleges
- Unemployed – target needs
  - Low-income – SCSEP
  - Higher income – advanced degrees, tuition assistance for targeted programs
Growth rate for wage and salary employment by industry sector

Annual rate (percent), projected 2006-16

- Health care and social assistance: 2.4%
- Professional and business services: 2.1%
- Educational services: 1.9%
- Financial activities: 1.4%
- Leisure and hospitality: 1.3%
- Other services: 1.3%
- Transportation and warehousing: 1.1%
- Construction: 1.0%
- State and local government: 0.7%
- Wholesale trade: 0.7%
- Information: 0.7%
- Retail trade: 0.4%
- Mining: -0.2%
- Federal Government: -0.4%
- Utilities: -0.6%
- Manufacturing: -1.1%

Source: Bureau of Labor Statistics
Percent change in employment by major occupational group

Percent change, projected 2006-16

- Professional and related: 17%
- Service: 17%
- Management, business, and financial: 10%
- Construction and extraction: 9%
- Installation, maintenance, and repair: 9%
- Sales and related: 8%
- Office and administrative support: 7%
- Transportation and material moving: 5%
- Farming, fishing, and forestry: -3%
- Production: -5%

Source: Bureau of Labor Statistics

Average, all occupations=10%
Percent growth in employment by detailed occupation

<table>
<thead>
<tr>
<th>Percent change, projected 2006-16</th>
<th>Median annual wages, May 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network systems and data communications analysts</td>
<td>53</td>
</tr>
<tr>
<td>Personal and home care aides</td>
<td>51</td>
</tr>
<tr>
<td>Home health aides</td>
<td>49</td>
</tr>
<tr>
<td>Computer software engineers, applications</td>
<td>45</td>
</tr>
<tr>
<td>Veterinary technologists and technicians</td>
<td>41</td>
</tr>
<tr>
<td>Professional financial advisors</td>
<td>41</td>
</tr>
<tr>
<td>Makeup artists, theatrical and performance</td>
<td>40</td>
</tr>
<tr>
<td>Medical assistants</td>
<td>35</td>
</tr>
<tr>
<td>Veterinarians</td>
<td>35</td>
</tr>
<tr>
<td>Substance abuse and behavioral disorder counselors</td>
<td>34</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
# High growth healthcare jobs (*from 2000-2010)*:

<table>
<thead>
<tr>
<th>Job</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal &amp; Home Care Aides</td>
<td>66.8%</td>
</tr>
<tr>
<td>Medical Assistants</td>
<td>59.8%</td>
</tr>
<tr>
<td>Home Health Aides</td>
<td>59.6%</td>
</tr>
<tr>
<td>Physician Assistants</td>
<td>57.0%</td>
</tr>
<tr>
<td>Medical Records Technologist</td>
<td>54.1%</td>
</tr>
<tr>
<td>Cardiovascular Technician</td>
<td>34.9%</td>
</tr>
<tr>
<td>Surgical Technologists</td>
<td>34.7%</td>
</tr>
<tr>
<td>Medical Transcriptions</td>
<td>29.8%</td>
</tr>
<tr>
<td>Pharmacists</td>
<td>24.3%</td>
</tr>
<tr>
<td>Radiologic Technologist</td>
<td>23.5%</td>
</tr>
<tr>
<td>Nuclear Medicine Technologist</td>
<td>22.4%</td>
</tr>
<tr>
<td>Nursing Aides/Attendants</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

- Paid Work
- Unpaid Work at home
  “women’s work” i.e., care giving
- Unpaid Work outside the home
  Volunteering (Encore)
  Transition education?
Thank You

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