

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)



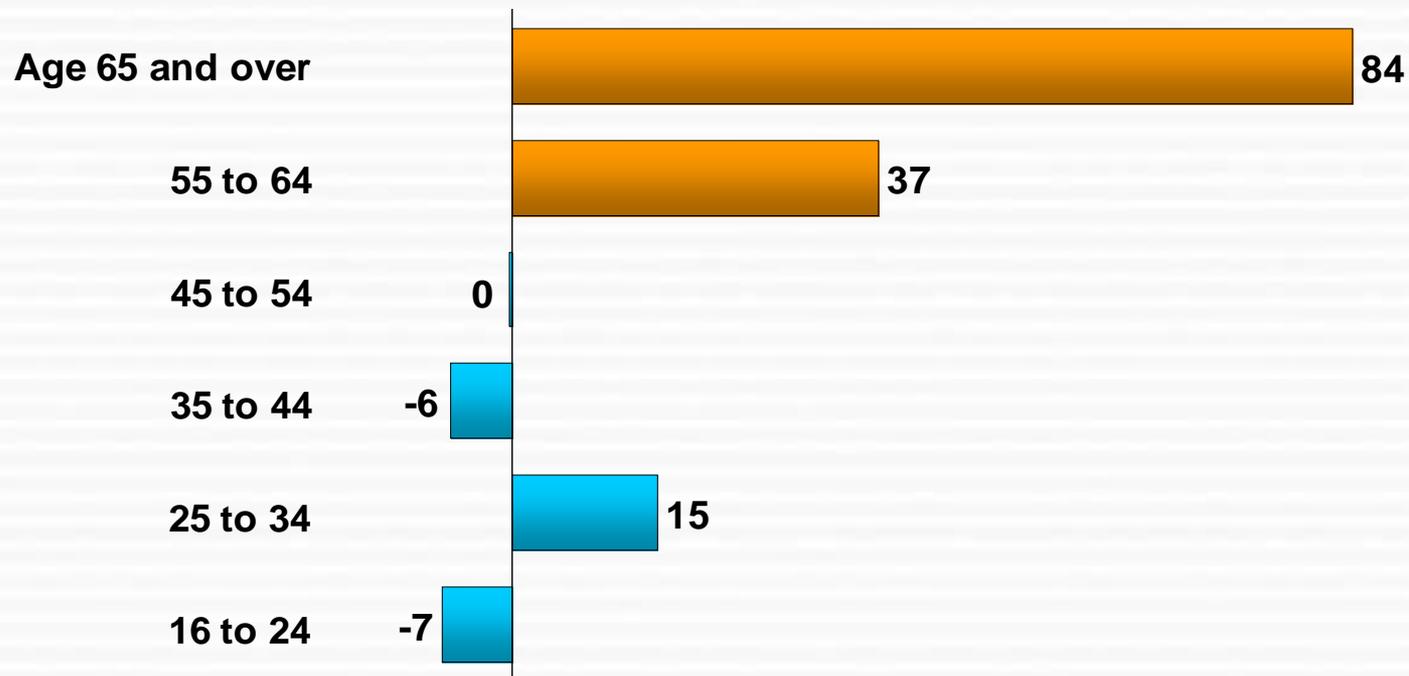
Working Longer: Evidence

- 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



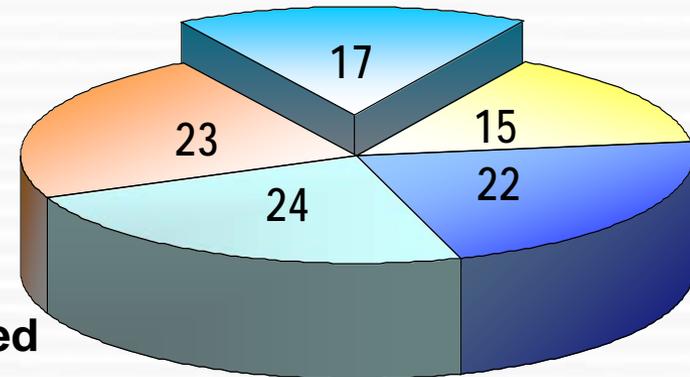
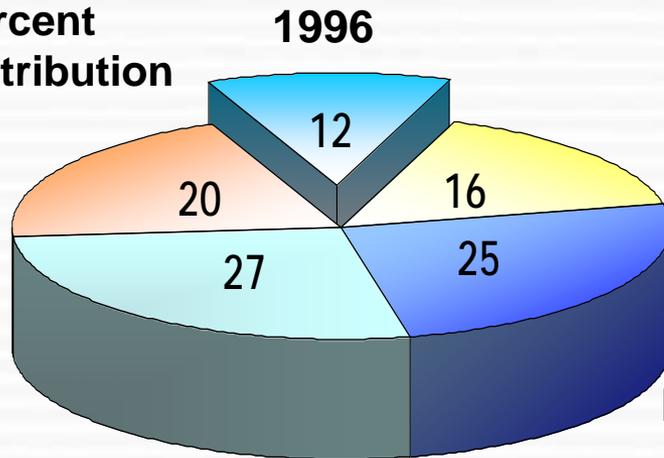
Source: Bureau of Labor Statistics



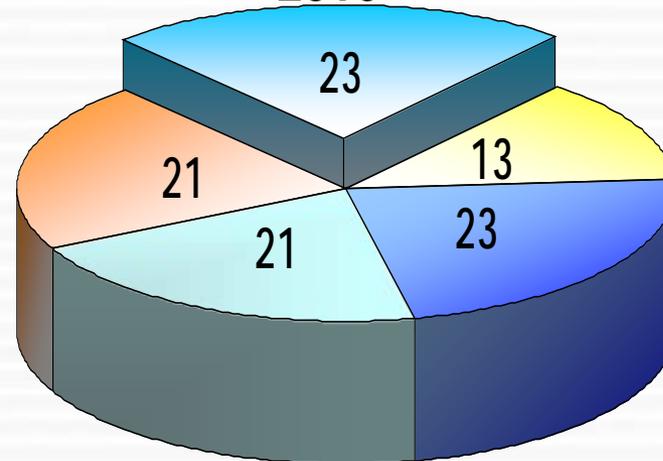
Labor Force Share by Age Group

2006

Percent distribution



Projected 2016



Age group

Source: Bureau of Labor Statistics

Note: May not sum to 100 due to rounding



2008 American Community Survey: Employment Status

	United States	Northeast	New England
	In labor force	In labor force	In labor force
Population 16 years and over	65.90%	66.00%	68.70%
16 to 19 years	43.80%	42.10%	49.50%
20 to 24 years	76.40%	74.10%	76.80%
25 to 44 years	83.50%	84.20%	86.10%
45 to 54 years	81.70%	83.30%	84.50%
55 to 64 years	64.90%	67.70%	71.50%
65 to 74 years	24.80%	27.00%	30.00%
75 years and over	5.70%	5.80%	6.30%



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.

Source: Shen, C., Pitt-Catsouphes, M., & Smyer, M. (2007) Today's Multi-Generational Workforce: A proposition of Value. Issue Brief 10. The Center on Aging & Work, Boston College, August.



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



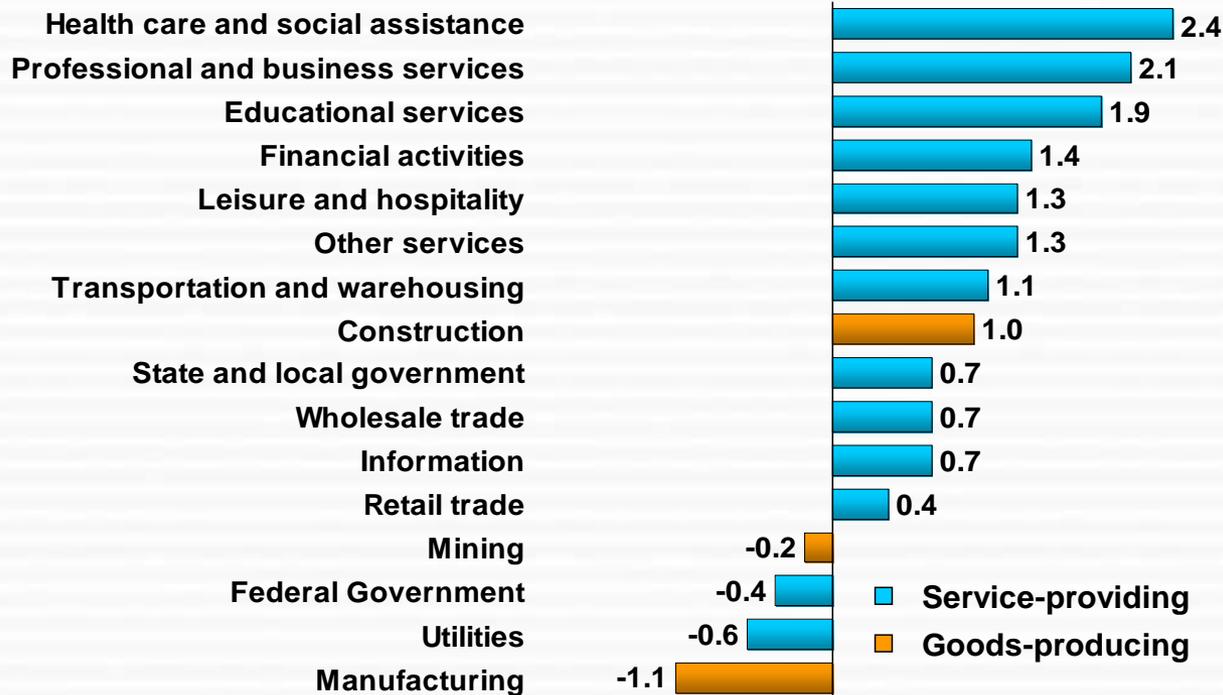
6. Assistance with Transitions

- 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

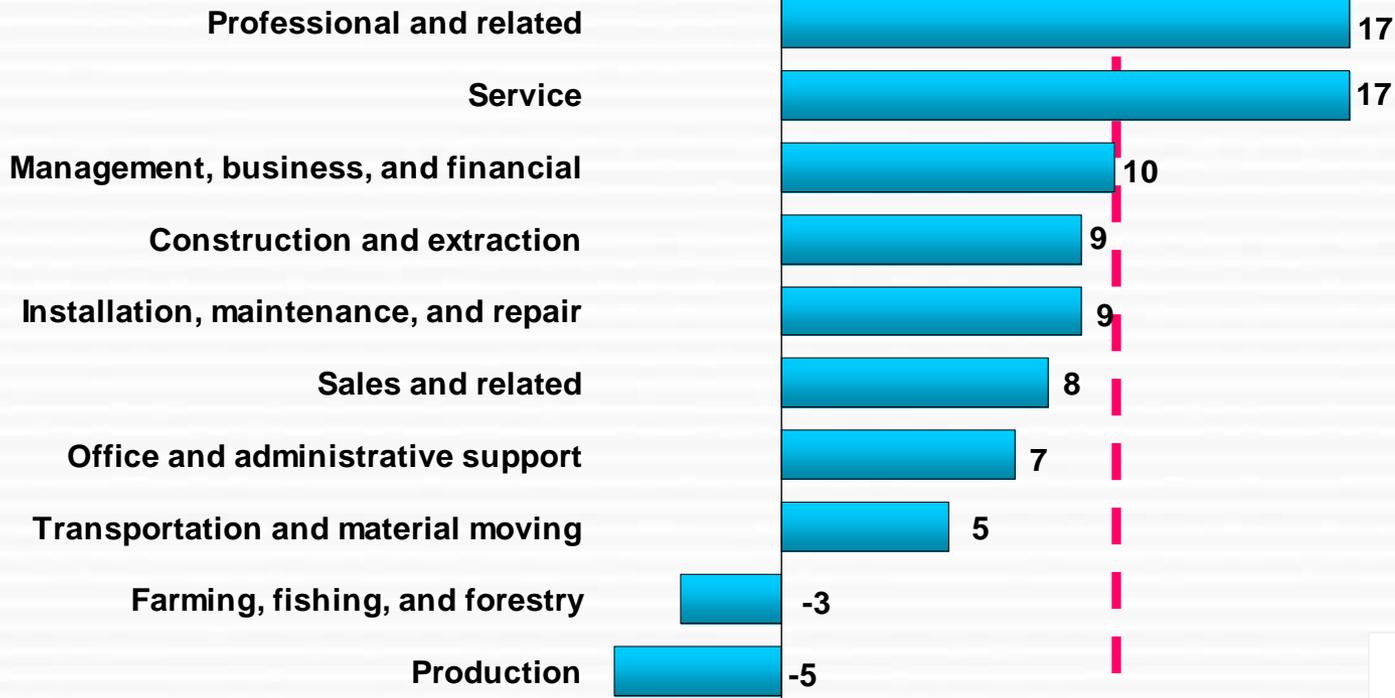


Source: Bureau of Labor Statistics



Percent change in employment by major occupational group

Percent change, projected 2006-16

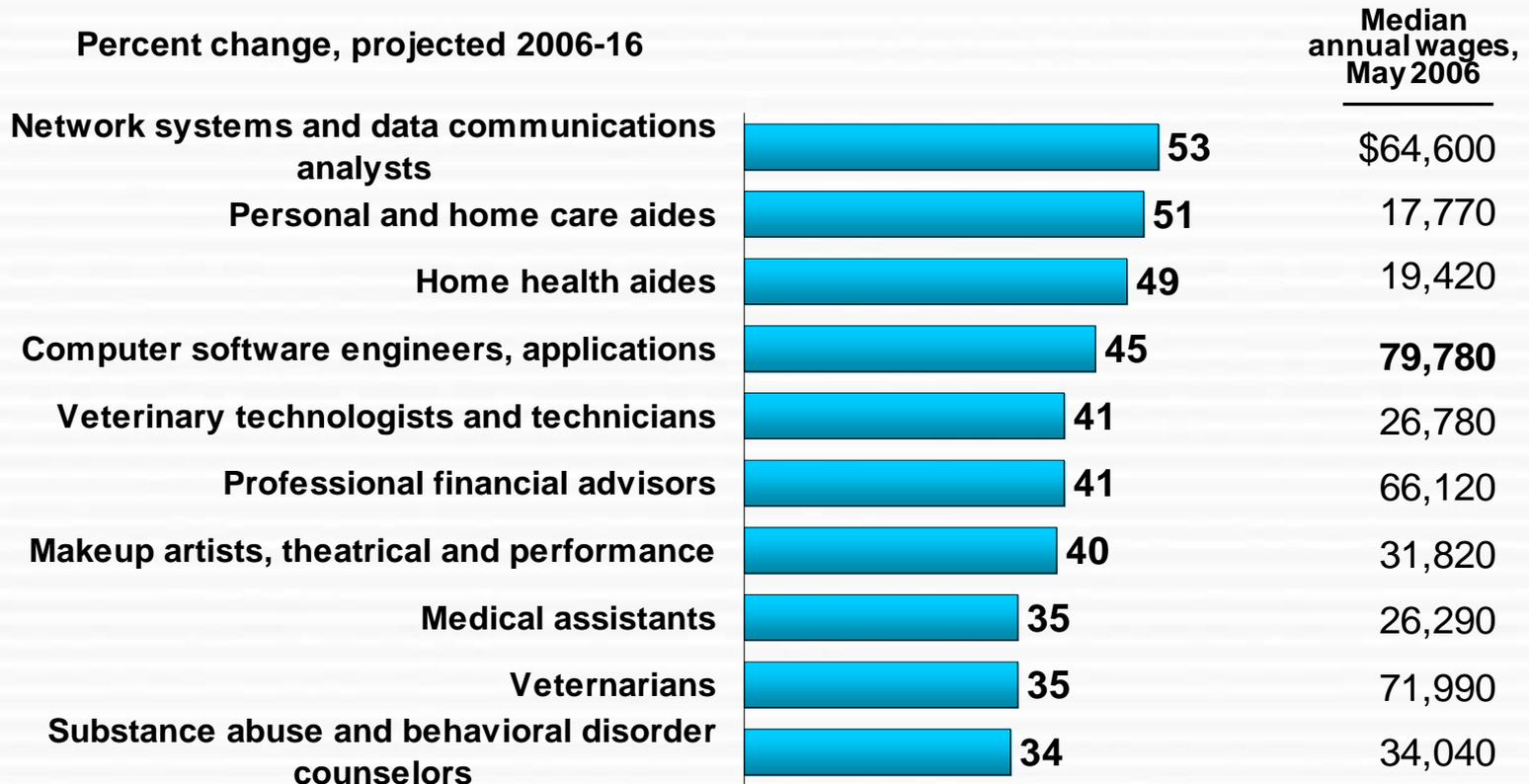


Source: Bureau of Labor Statistics

Average, all occupations=10%



Percent growth in employment by detailed occupation



Source: Bureau of Labor Statistics



High growth healthcare jobs (*from 2000-2010*):

Personal & Home Care Aides (66.8%)

Medical Assistants (59.8%)

Home Health Aides (59.6%)

Physician Assistants (57.0%)

Medical Records Technologist (54.1%)

Cardiovascular Technician
(34.9%)

Surgical Technologists (34.7%)

Medical Transcriptions (29.8%)

Pharmacists (24.3%)

Radiologic Technologist
(23.5%)

Nuclear Medicine Technologist (22.4%)

Nursing Aides/Attendants
(21.7%)



Policy Initiatives? More emphasis on Productive Activity - Measurement

- 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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