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STUDY: U.S. NEEDS OLDER WORKERS

Working in retirement, once considered an oxymoron, is the new reality, according to a recent report titled *Managing the Mature Workforce*, from The Conference Board, the business research nonprofit based in New York City that produces the Consumer Confidence Index and the Leading Economic Indicators. “As a result, the increasingly multiethnic workforce will also become more multigenerational,” states a summary of the report.

The report shows that by 2010, the number of people ages 35 to 44 in the United States, those normally expected to move into senior management, will decline by 10%; the number of U.S. workers ages 45 to 54 will grow by 21%—and the number of people ages 55 to 64 will expand by 52%.

Half of companies interviewed for the study feel that the departure of mature workers presents a potential “brain drain.” The report notes that the representatives of the technology and pharmaceutical industries expressed worries about the development of new products and services and anticipate a drain in experienced engineers, key account sales representatives and senior managers.

Furthermore, about a third of participating companies have conducted workforce planning studies and identified potential knowledge areas where they could be vulnerable. Half of those interviewed have some form of mentoring program in place to share and transfer knowledge.

STAYING COMPETITIVE

“Organizations that fail to understand the complexities or recognize the opportunities associated with an aging workforce may risk their ability to stay competitive,” emphasized Jeri Sedlar, coauthor of the report and a senior adviser to The Conference Board. “Those not planning ahead and leveraging their mature workforce will be scrambling.”

About 64 million boomers, more than 40% of the U.S. labor force, will retire in large numbers by the end of this decade. In industries already facing labor and skills shortages, forward-thinking companies are recruiting, retaining and developing flexible work-time arrangements or phased-retirement plans for workers 55 or older, many of whom have skills that are difficult to replace, the report explains. Such actions are putting these companies ahead of competitors who view the aging workforce largely as a burden putting strains on pension plans and healthcare costs, the report says.

Industries currently feeling the greatest pain in terms of skills shortages are oil, gas, energy, health-care and government, says the study. Leading companies in these sectors are turning to mature workers to ensure future growth and productivity. Companies more responsive to more workers, though, sometimes struggle with legal or regulatory constraints.

In a related forthcoming study from The Conference Board, more than 55% of older employees surveyed said they are not planning to retire because they find their jobs interesting. Three-quarters (74%) also said they expect to continue working because they have insufficient financial resources, and 60% cited the need for medical benefits.

Managing the Mature Workforce (Report #1369-05-RR) is available from The Conference Board website at www.conference-board.org. ❖