

A RESEARCH CENTER SUPPORTED BY THE ALFRED P. SLOAN FOUNDATION

THE CENTER ON  
**AGING & WORK**

**WORKPLACE FLEXIBILITY**  
AT BOSTON COLLEGE



# Older Workers: Exiting, Entering, and Staying

Michael A. Smyer

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## Discussion Points

- **Who are older workers?**
- What do they prefer at work?
- How do they continue to work?
- What are the implications for Employees?
- What are the implications for Employers?



IN THIS ISSUE:

## How Old Are Today's Older Workers?

by Marcie Pitt-Catsouphes, Ph.D. & Michael A. Smyer, Ph.D.

### Introduction

The aging of America is front and center.

Older people are a larger proportion of the U.S. population than ever before. The percentage of the population, aged 50 and older, was 13 percent in 1900, 27 percent in 2000, and is expected to surpass 35 percent in 2020.<sup>1</sup>

But, the meaning of aging has changed. For instance, a substantial percentage of today's seniors are healthy and active. This increased vitality of older Americans has altered the responsibilities, ambitions, daily activities, and lifestyles of people in their 60s, 70s, and 80s.

In the coming decade, a greater number of healthy older adults will be able to work past the traditional retirement age. Some of the baby boomers will find that they need to work for sustained financial security; others will continue to work because they enjoy it. In fact, the trend toward extended employment of older adults has already begun. (See Figures 1a and 1b.)

The topic of aging and work has become a defining issue of our time. However, our conversations about aging and work are often stymied because it has been difficult to define what we mean when we refer to "older workers," "mature workers," "senior workers," and "experienced workers."

At present, there is no consensus about the terms that we should use when referring to individuals who have moved from mid-career into the later years of working for pay. Equally important, the threshold for becoming an older worker is not consistently demarcated.

In earlier decades, mid-career workers seemed to become an older worker once they started to plan for retirement. The status of being an older worker signaled the end of a career.

Today, many adults are working later into their 60s and 70s, and many make a gradual transition from full-time employment to full-time retirement by having a bridge job.<sup>2</sup> It is no longer clear when adults move from a mid-career status into an older worker status.

### Labor Force Participation of Men and Women

Figure 1a  
Males, Aged 60-64

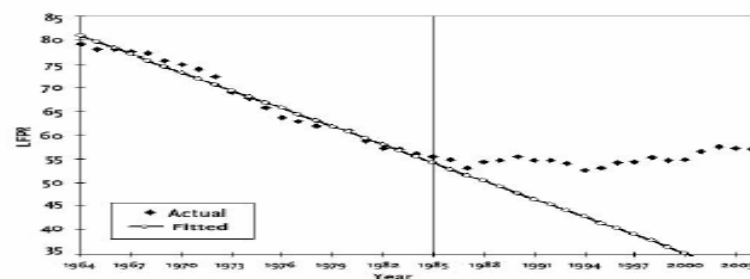
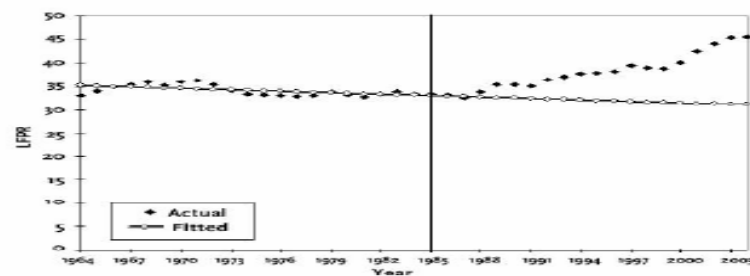


Figure 1b  
Females, Aged 60-64



Source: \* Quinn (2005)

## Who Are Older Workers?

- Baby Boomers, currently ages 42-60, represent nearly one-half of the U.S. workforce.
- In the U.S., approximately 22.8 million people aged 55+ are working, approximately 16% of the workforce.
- The number of workers 55+ is growing four times faster than the workforce as a whole.

Source: Ernst & Young,(2006): *The Aging of the U.S. Workforce: Employer Challenges and Responses*

## Why Do Older Workers Work?

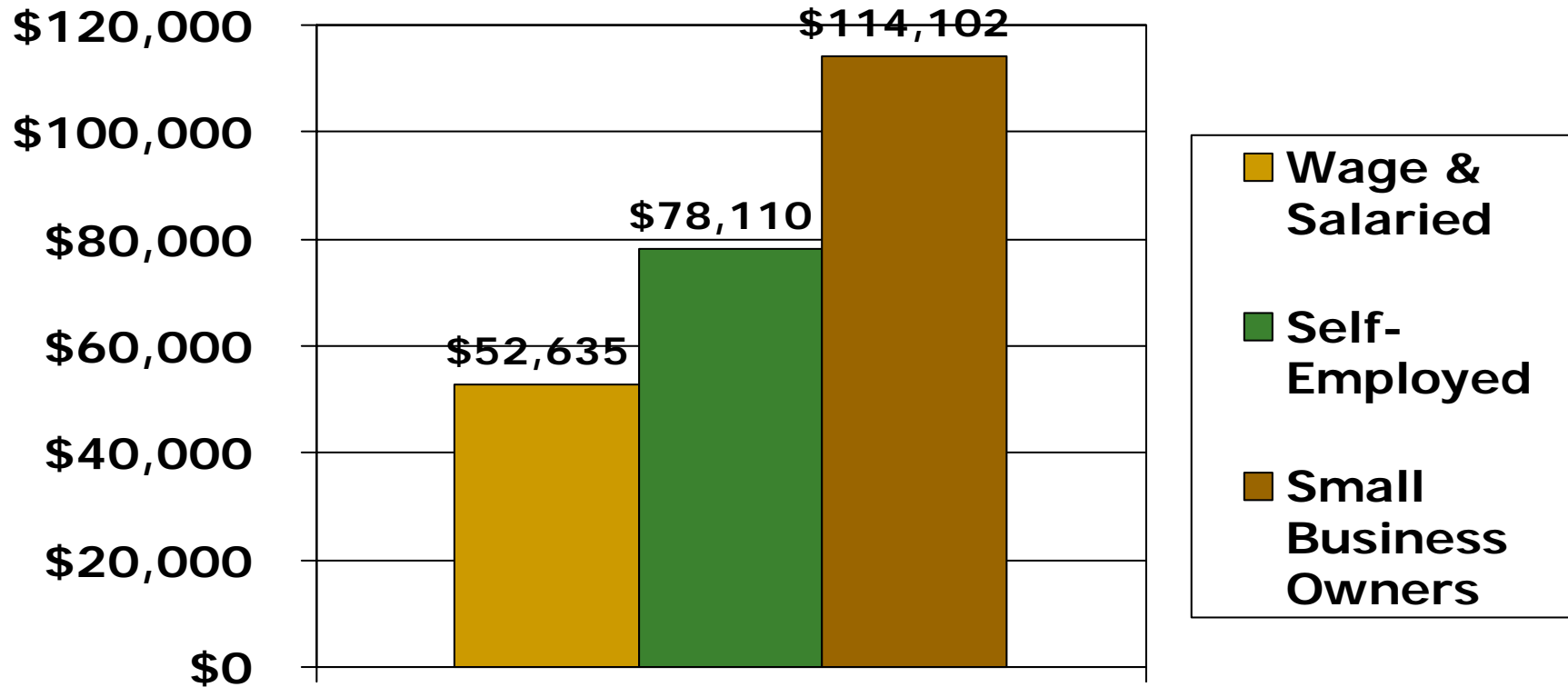
- Need the Money (61%)
- Desire to Stay Mentally Active (54%)
- Need for Health Benefits (52%)

Source: Brown, S.K. (March 2005). Attitudes of individuals 50 and older toward phased retirement. Washington, DC: AARP Knowledge Management. Retrieved 2-29-06 from [http://www.aarp.org/research/reference/publicopinions/attitudes\\_of\\_individuals\\_50\\_and\\_older\\_toward\\_phase.html](http://www.aarp.org/research/reference/publicopinions/attitudes_of_individuals_50_and_older_toward_phase.html)

# Diversities Of Older Workers

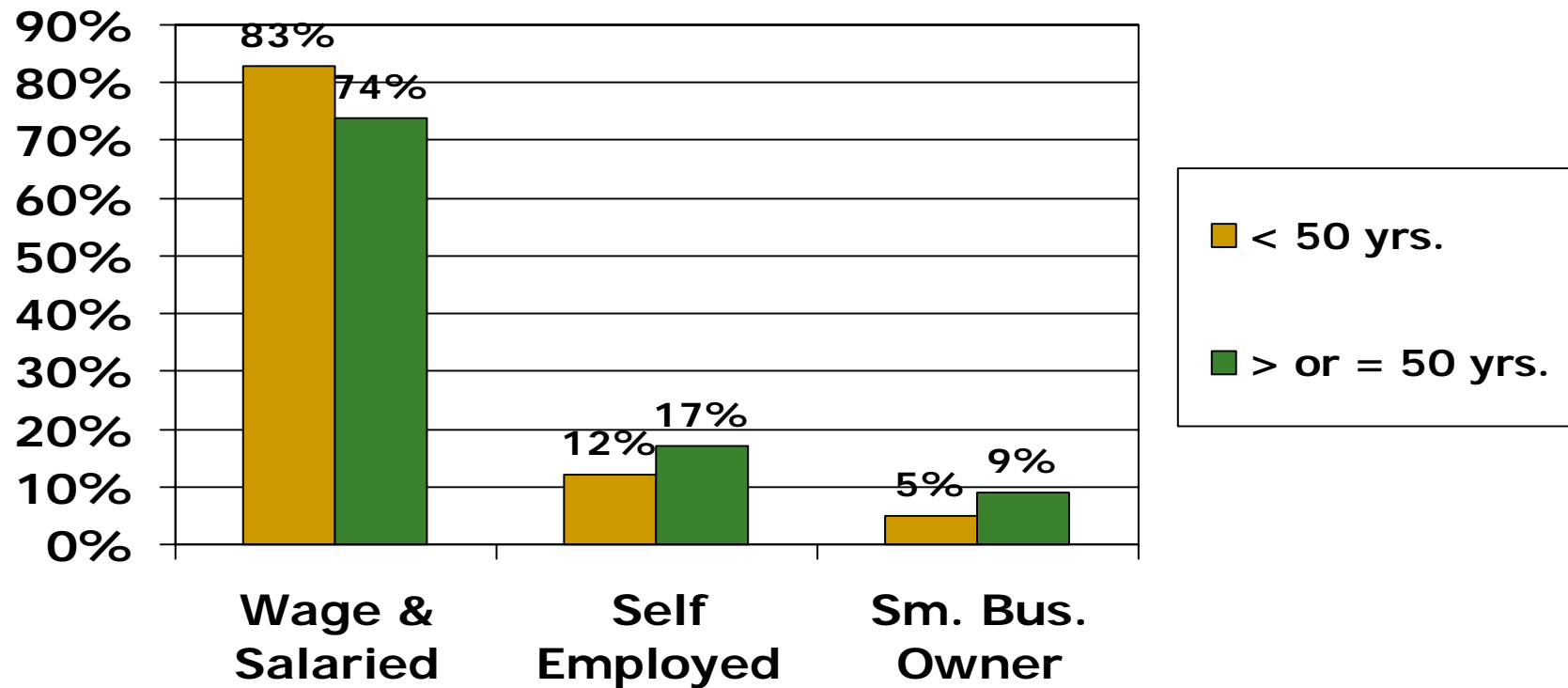
- Job Structure
- Income
- Gender
- Age

## Older Workers' Average Annual Earnings



Source: Bond, Galinsky, Pitt-Catsoupes & Smyer (2005a): Context Matters: Insights About Older Workers From the NSCW.

## Work Situations: Older and Younger Workers



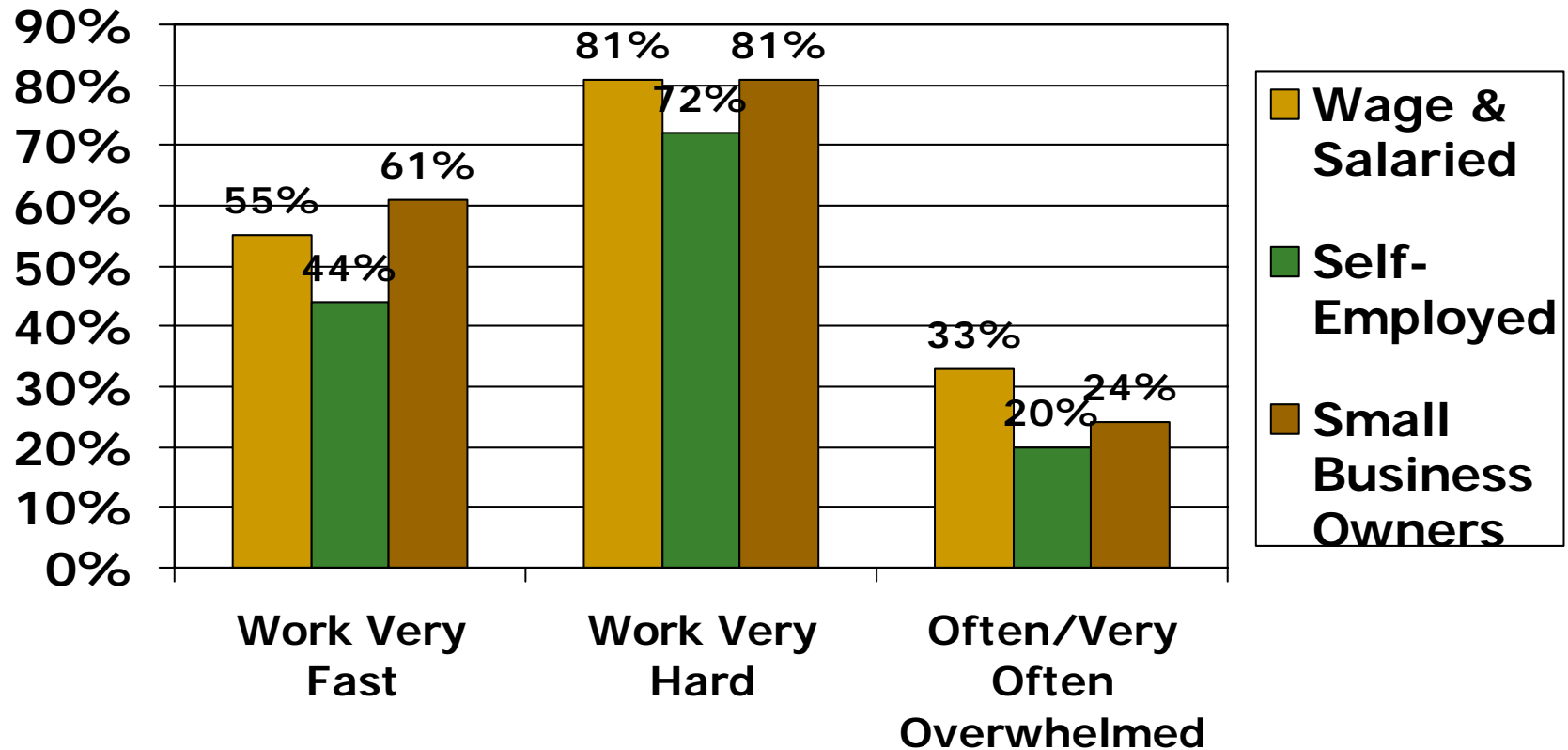
Source: Bond et al., 2005a

## Distinguishing Characteristics of Older Workers in Different Work Situations

- **Gender:** Wage & salaried older workers are more likely to be women (54% of these workers are women) than are the self-employed (27% of these workers are women) or small business owners (37% of these workers are women).
- **Education:** Higher percentages of small business owners have a 4-year college degree or more (54%) than do either the self-employed (39%) or wage & salaried workers (32%).

Source: Bond et al., 2005a

## Older Workers' Perceptions of Job Demands



Source: Bond et al., 2005a

## Discussion Points

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- **What do they prefer at work?**
- How do they continue to work?
- What are the implications for Employees?
- What are the implications for Employers?



## What are the Employment Expectations of Older Workers?

- 79% of Baby Boomers Expect to be Working in their Later Years

*AARP*

- 10% Plan to Pursue “Traditional” Retirement

*The Conference Board*

- 52% Plan to Work Part-time

*The Conference Board*

IN THIS ISSUE:

## ONE SIZE DOESN'T FIT ALL: WORKPLACE FLEXIBILITY

by Marcie Pitt-Catsoupes, Ph.D. & Michael A. Smyer, Ph.D.

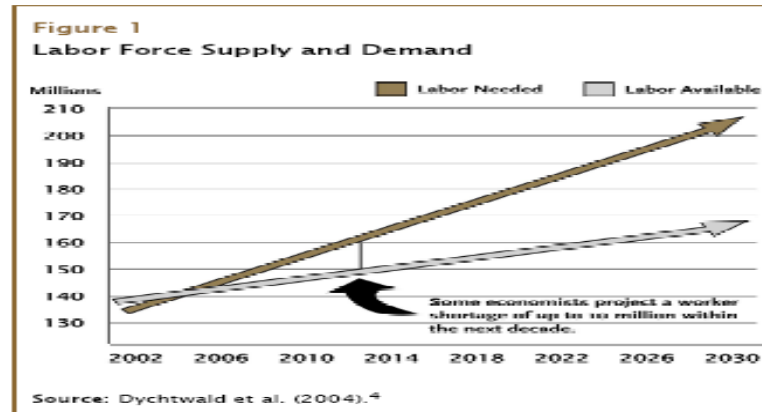
### Introduction

As baby boomers prepare for retirement, managers at the workplace are actively asking: "How will we staff our projects? Who will succeed the baby boomers? Who has the experience and institutional knowledge needed for sustainable success? Are we ready for the graying of the workforce?"

Unless there are changes in migration patterns, fertility trends, or the labor force participation of specific groups of adults, employers across the country could be facing dramatic labor force or "seasoned talent" shortages. This is particularly true in those sectors that are either planning for significant growth or sectors that are already experiencing difficulties attracting and retaining competent workers (such as health care, education, and public services including utilities).<sup>1</sup> As noted by Henretta, "... given a particular level of demand for experienced workers (or workers overall) and holding other factors constant, the exit of the retirement age cohort in 2016 ... will affect employers much more than retirement does today."<sup>2</sup>

The Employment Policy Foundation reports that the demand for labor in the U.S. will exceed the supply by

2006, with a projected shortage of six million qualified workers by 2012. Furthermore, they predict that the shortage will continue to increase through the first three decades of the 21<sup>st</sup> century.<sup>3</sup> (See Figure 1.)



### This Issue Brief discusses opportunities to create flexible workplaces by restructuring jobs and redesigning work so that:

- businesses benefit from the continued contributions of valued employees;
- society benefits from the extended productivity of older workers who choose to remain in the labor force;
- older workers and their families benefit from the increased resilience that can result from continued labor force affiliation.

## Flexibility: Choice and Control by Supervisors and Employees

“... flexibility will be an important recruitment and retention tool...”

*The Conference Board (2002)*

- Control over Work Schedule
- Choice about Number of Hours Worked
- Optional/Flexible Work Locations
- Ability to Change Responsibilities
- Access to Training for Flexible Careers
- Flexible Benefits

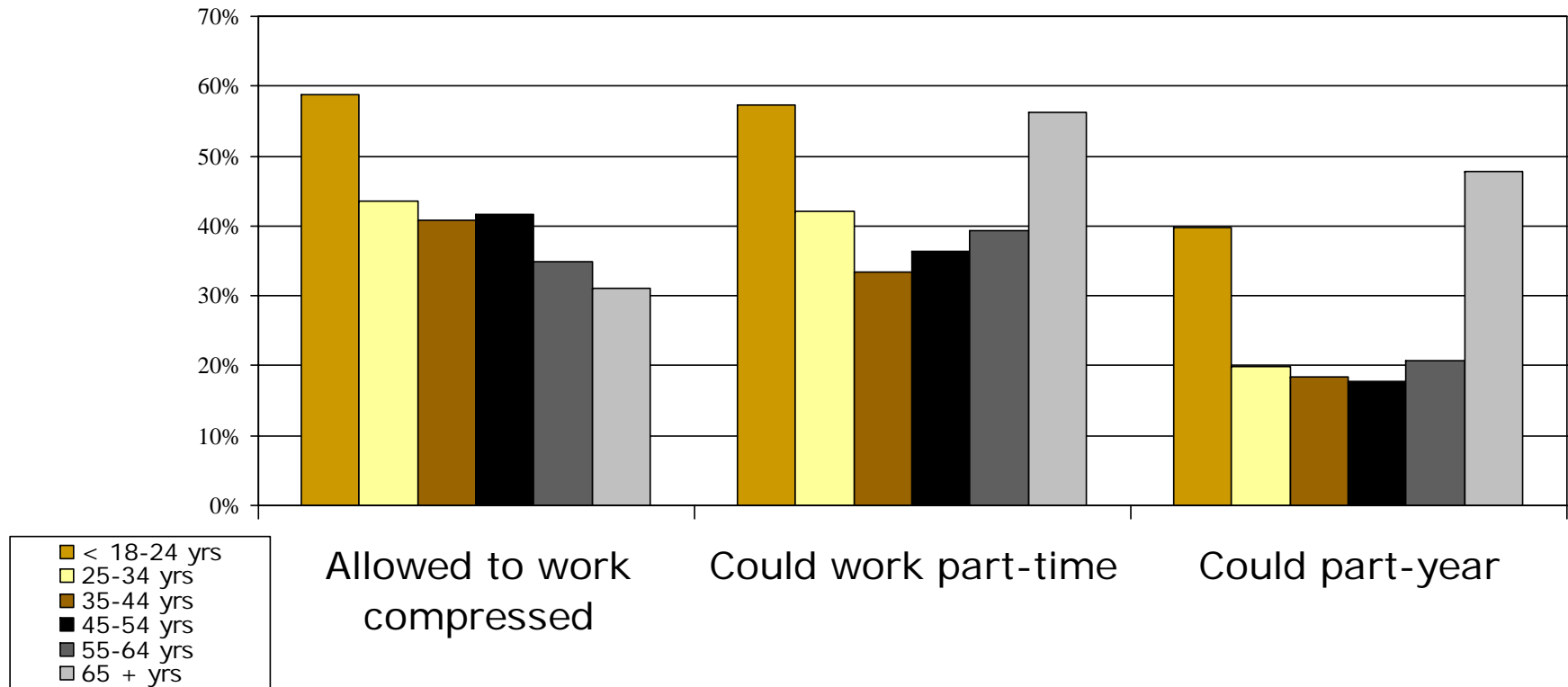
Source: Parkinson, D. (2002). *Voice of Experience: Mature Workers in the Future Workforce*. New York, NY: The Conference Board.

## Flexibility

- Using 13-item index measuring workplace flexibility, we found men and women report similar access to flexible work options.
- Approximately 1 in 4 older workers (26% of women and 28% of men) report high level of access to flexible work options.
- Approximately one in 5 older workers (22% of women and 20% of men) report low access to flexible work options.

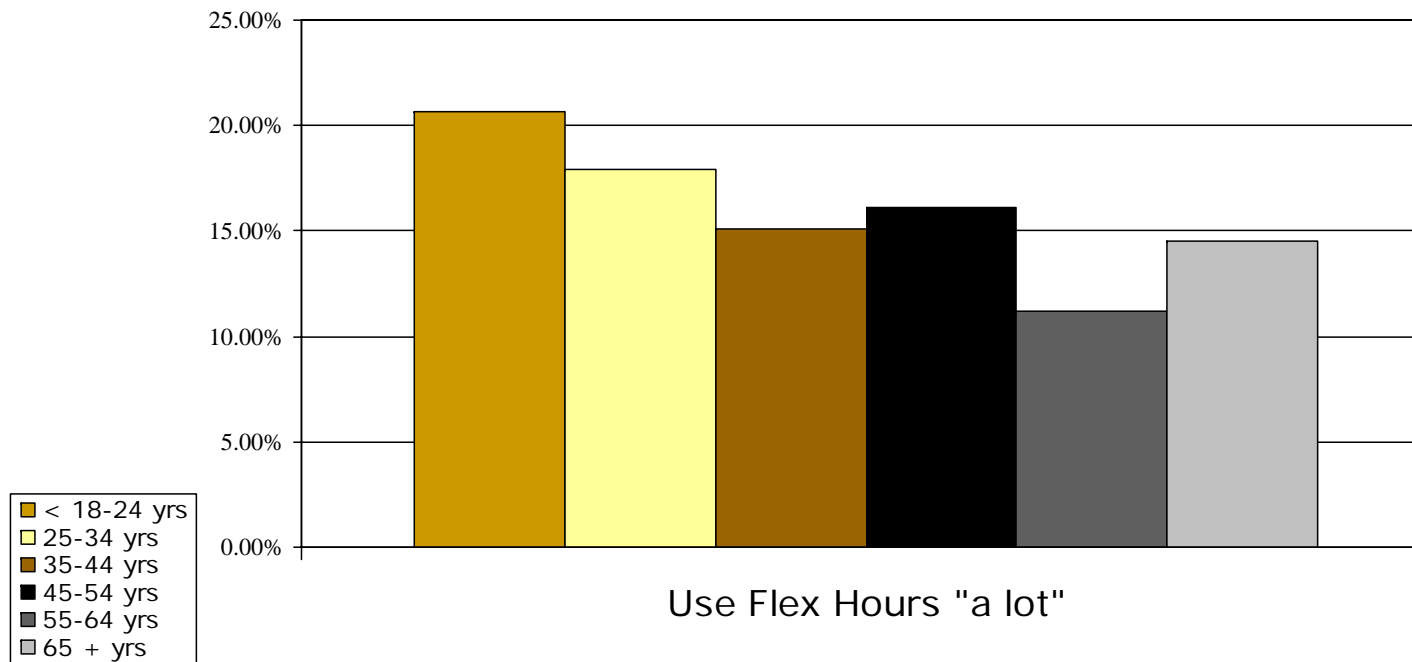
Source: Bond, Galinsky, Pitt-Catsouphes, & Smyer (2005b): The Diverse Employment Experience of Older Men and Women in the Workforce

# Access to Flexibility



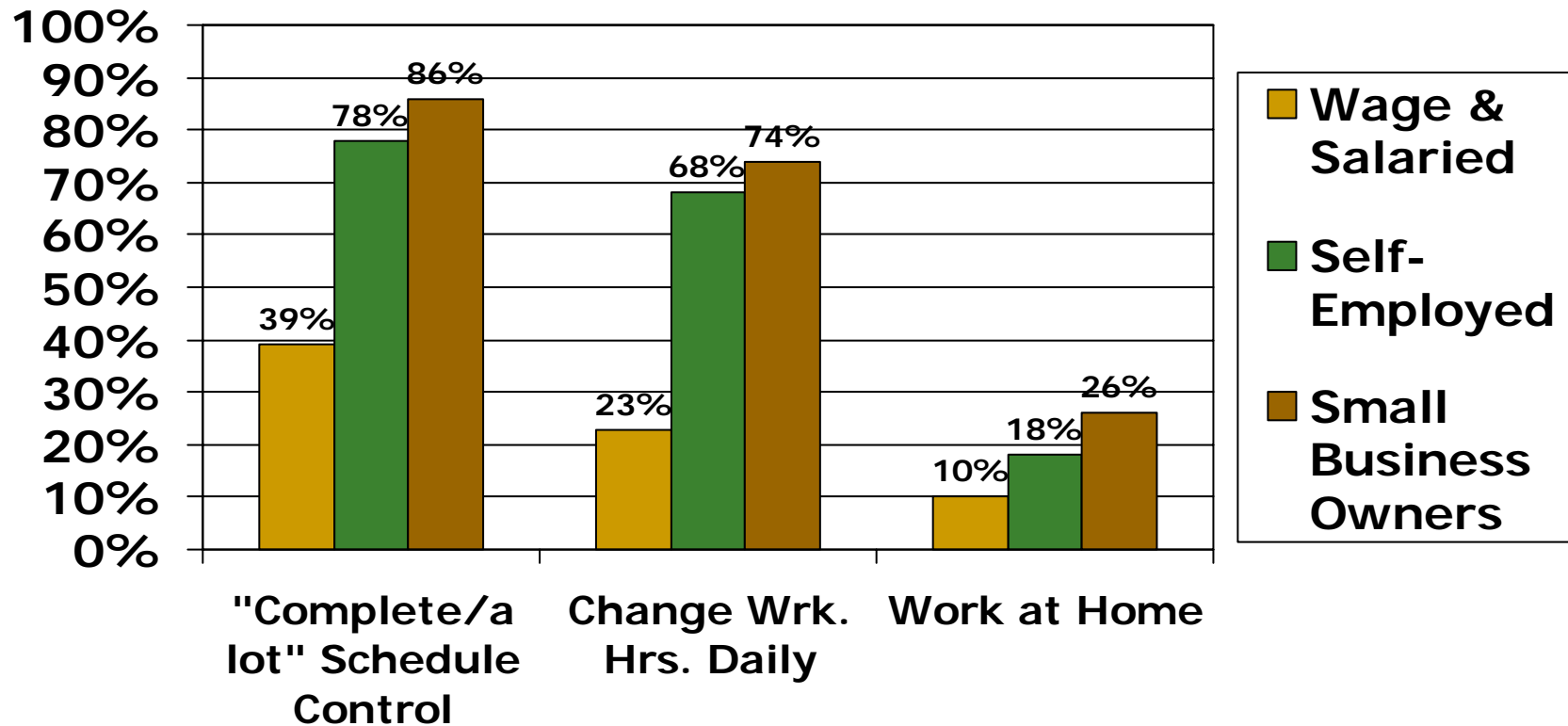
Source: Bond, J.T., with Thompson, C., Galinsky, E., & Prttas, D. (2002) National Study of the Changing Workforce. New York: Families & Work Institute.

## Use of Flexible Schedules by Age



Source: Bond, J.T., with Thompson, C., Galinsky, E., & Prottas, D. (2002). National Study of the Changing Workforce. New York: Families & Work Institute.

# Older Worker Access to Flexibility: Selected Options



Source: Bond et al., 2005a

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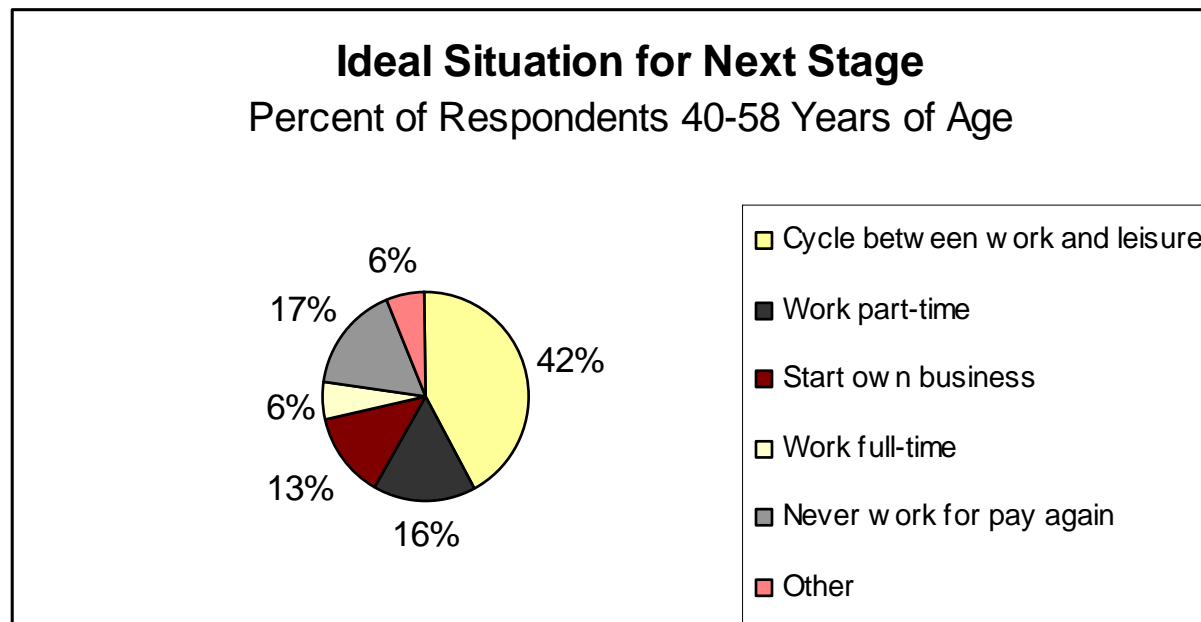


# Not your father's (or your mother's) retirement



## Establishing New Norms

# What are the Employment Expectations of Older Workers?



Source: The Merrill Lynch *New Retirement Survey*

Available online at: <http://askmerrill/ml.com/pdf/RetirementSurveyReport.pdf>

## Bridge Jobs: Traditional Retirement is Now the Exception, Not the Rule

- The majority of older Americans leaving full time employment moved first to a bridge job rather than directly out of the labor force.
- Approximately 60 percent of those leaving a full time career job after age 50
- Approximately 53% of those leaving after age 55.

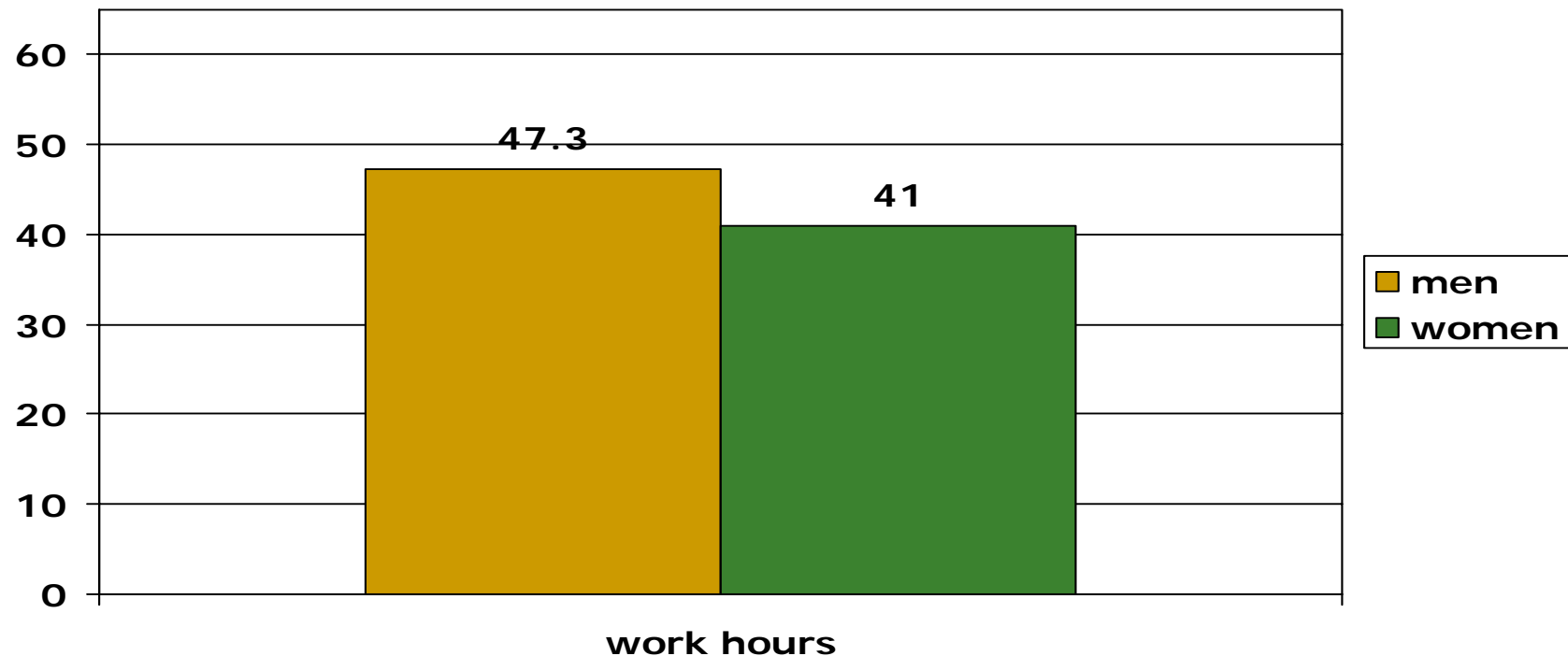
Source: Cahill, Giandrea, & Quinn, (in press).  
Retirement Patterns from Career Employment, *The Gerontologist*

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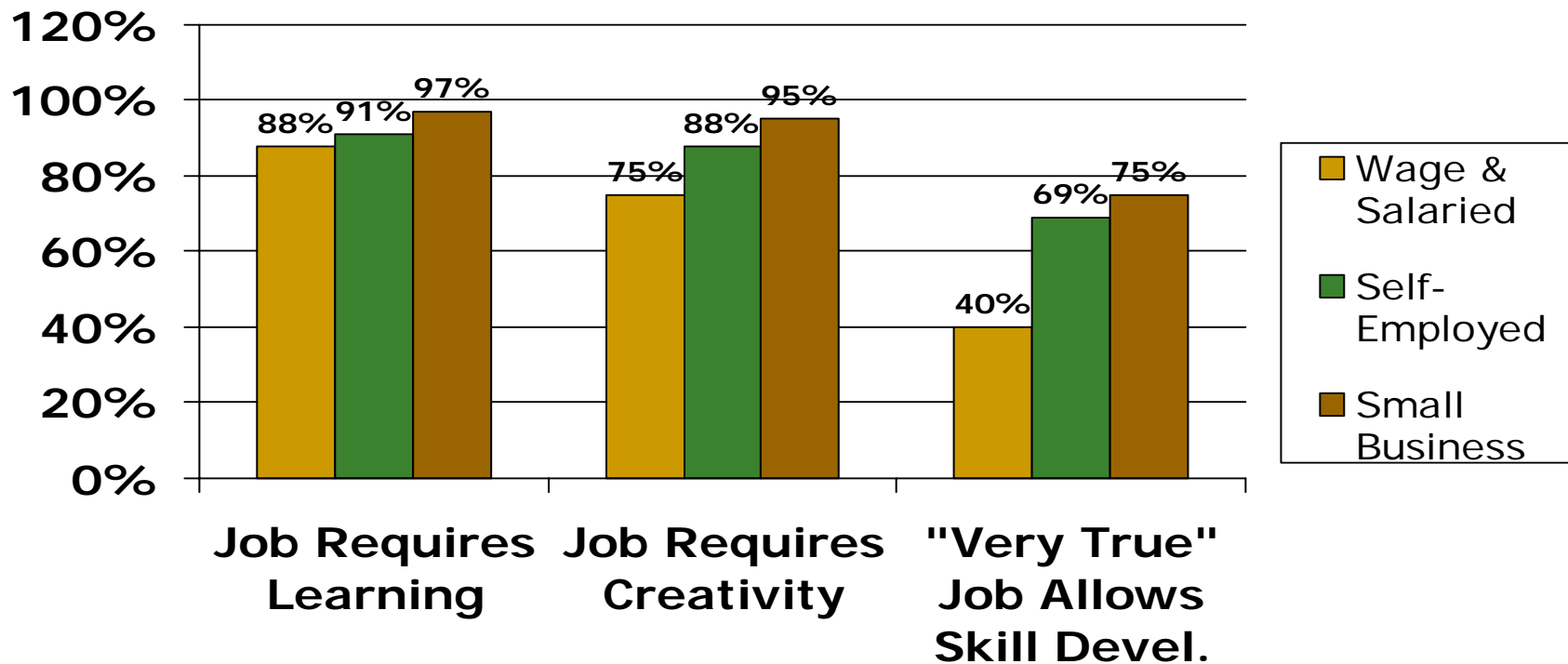


## Average Weekly Work Hours of Older Workers in 2002



Source: Bond et al., 2005b

## Older Worker Access to Learning Opportunities



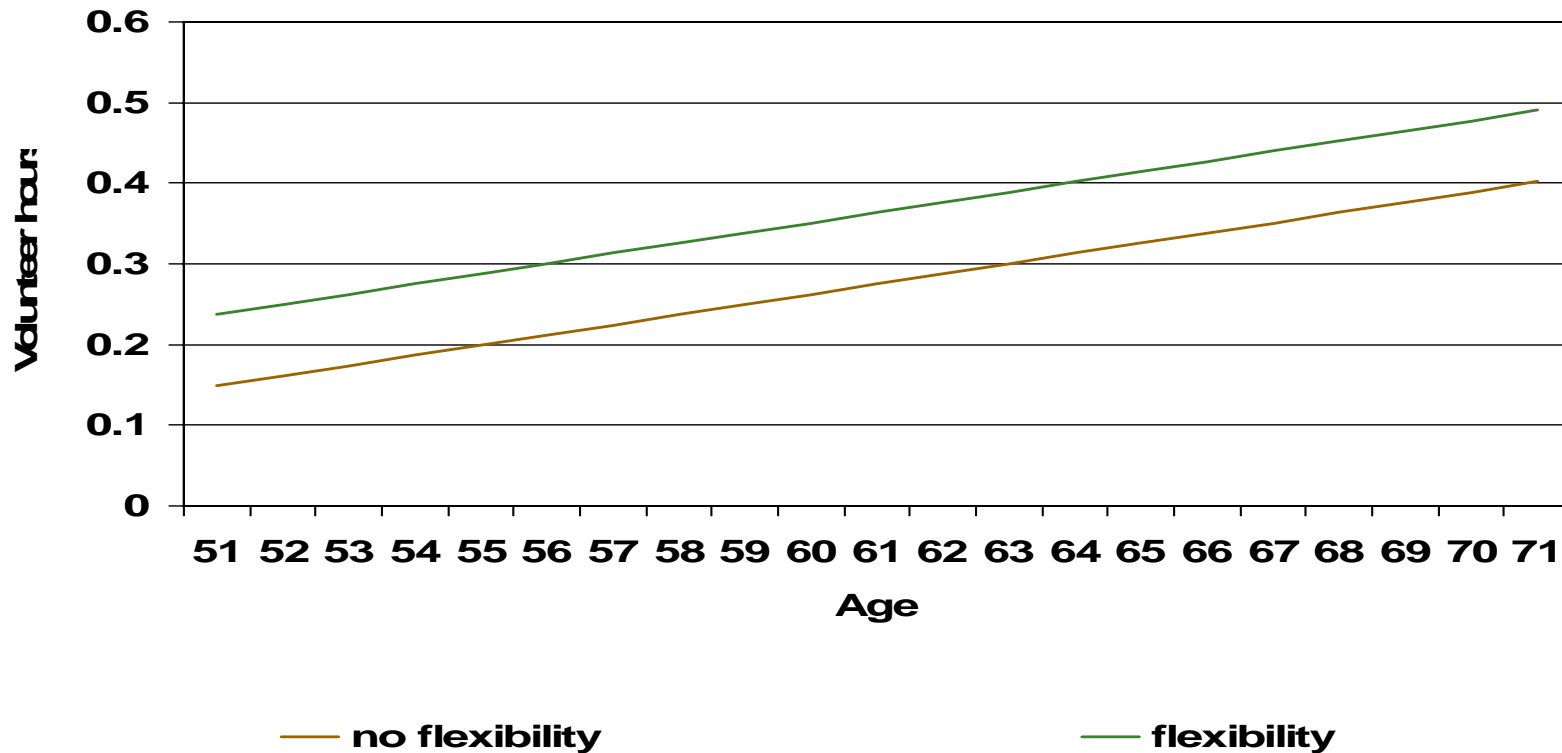
Source: Bond et al., 2005a

## Are they satisfied?

- **Retention:** Whereas 90% of older small business owners report that are “not at all likely” to try to find a new job with another employer in the coming year, a smaller percentage of wage & salaried workers (79%) feel this way.
- **Life Satisfaction:** 47% of wage & salaried workers and 51% of both self-employed and small business owners report being highly satisfied with their lives.

Source: Bond et al., 2005a

# Flexibility and Community Engagement



Source: McNamara (2006): Paid and Unpaid Work: An analysis of the HRS Data

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- **What are the implications- Employers?**



# Implications for Employers

- Acknowledge the Diversity of Older Workers
- Understand the Complex Context of Caregiving and Work
- Provide Access to Flexible Work Arrangements
- Consider the Intergenerational Issues
- Engage the Policy Community on barriers and incentives

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