

TAPPING MATURE TALENT

Talking Points for Seattle, April 7th

Toss away those clichés portraying our aging society as a drag on the economy. The new reality? Older Americans present a dynamic force the nation must harness to ensure our competitiveness.

Statistics tell the story. Grey labor – 55-years and beyond – will account for 90 percent of the increase in the labor market between 2008 and 2018. That's *ninety* percent. Demographics are driving this, of course. Americans are living longer and extending their working lives. Some nearing retirement shun it; others without paychecks scramble to secure new jobs. Many

older Americans simply want to stay engaged and active, yet an increasing number are so pressed financially, they face a grim future without earned income.

Mature job seekers have a harder time finding work and they are out of a job much longer than their younger counterparts. Matching their talents with industries desperate for workers in the next five to ten years will turn a potential risk into a real asset.

But we'll have to come up with some answers, and quickly, to tap into mature talent:

Can we position mature Americans to meet industries' needs for qualified

workers? Talking about looming skill shortages in a recession may seem crazy – but the retirement of the baby boomer generation is imminent. Current estimates project a 500,000 shortage in welders, for example, from the most rudimentary to the most sophisticated – and filling these slots is essential to U.S. manufacturing competitiveness. Other critically important industries such as public/private utilities—from electricity to water—stand to lose half of their workers over the next decade. Or consider the oil and gas workforce, which averages 50 years old, with half being likely to retire in the near future. Workers in these conventional energy sector jobs, from power plant operators to transmission line and pipeline workers, are retiring at a much faster

rate than they are being replaced. How can we fill this void and how can we equip mature workers to serve as supervisors, mentors and teachers to younger workers coming into these fields?

How do we convert IRS rules from punitive to progressive? Tax formulas and other regulations hurt older Americans intent on remaining or re-entering the workforce. Increasingly, older Americans look for more flexibility in their working lives. Some recent retirees wish to return to their former companies, perhaps as mentors or to train the trainers. Still others want to take on new work opportunities. All of them may incur penalties for continuing to work, and IRS rules or other

regulations may impinge on their ability to supplement their retirement income.

Are we doing all we can to cultivate entrepreneurship? The numbers of aging unemployed-cum -entrepreneurs are soaring. Baby boomers lead the way as some of the most successful entrepreneurs. For the past 15 years, people 55-64 have eclipsed the rate of entrepreneurial activity among their younger counterparts – twenty to thirty somethings. And post-50 year olds have started up twice as many technology firms as the under 25-year-old upstarts.

How do we maximize what gives these greyer entrepreneurs the edge – their accumulated experience, wisdom, and business relationships? As a group

suffering longer-term unemployment, mature workers relish the chance to determine their own destiny. The Small Business Administration provides loans to entrepreneurs. But even micro-finance would make a mark on older Americans with marketable skills. Some workers may benefit from entrepreneurship training; others might just need a small amount of seed capital and some tax relief. And it will take more than an SBA program to unleash this human potential; we need to get creative to maximize opportunities, such as offering tax incentives to entice big business to include mature entrepreneurs in their supplier network.

The U.S. Department of Health and Human Services says today's are the healthiest seniors in the nation's history. Add to this their knowledge transfer, their efficiencies, and their "lead by example" in the workplace -- all amounting to productivity gains US business can count on by tapping into mature talent.

Debunking the myths about older Americans means embracing the reality that mature workers are *assets* a competitive U.S. economy can hardly afford to squander.

And that's why the U.S. Department of Labor launched the Aging Worker Initiative, a pilot project designed to identify skills needs and job prospects

for mature workers. My shop, the Council on Competitiveness, in the *other* Washington, partnered with the Chicago-based Council on Adult and Experiential Learning in Chicago, to help work through the challenges and to trumpet the triumphs of mature worker programs in urban sub-urban, and rural arenas.

We're deployed in ten states/regions across the country extending technical assistance to Workforce Investment Boards, large community-based organizations and industry partnerships to give them tools, strategies, and on-the-ground support as they move through the three-year grant. The sites: right here, in the Seattle-King County area, in Wisconsin, Detroit, Indiana,

Houston, Baton Rouge, Baltimore, South Central PA, Vermont, and Maine.

Here are some of the obstacles we've seen on the ground:

Even with profound demographic shifts in the nation's labor pool, employers are slow to recognize the importance of retaining or hiring mature workers as part of their labor pool. State and local organizations are slow to make changes that would optimize the employability and ultimately, the productive contributions of this fastest growing and largest demographic cohort of the nation's workforce.

We're accumulating a store of knowledge about an evolving set of

talent and demographic issues that will have a profound impact on the nation's economic health. Our sites current efforts, as well issues they can see on the horizon, surface concerns about policies impacting the mature workers, and underscores the need to influence those job training and employer practices through good policy.

The obvious challenges lead us to opportunities to change:

Incentives for employers to hire, re-train, and retain mature workers and to offer them flexible work options – beyond full-time employment or retirement -- to maximize their contributions. For example, mature workers are well equipped to mentor

newer employees; to trouble-shoot from the factory floor to the management level; and to deliver company specific knowledge through on-the-job training. The flexibility of work hours has many benefits. It often attracts seasoned talent that can be deployed for the company's greater gain, in shorter hours than the standard 40-hour week. It often allows mature workers (with a recognized knowledge base and a strong work ethic) to be, more productive for the company in terms of quality assurance, "need to know" transfer, output and workforce morale. And since mature workers can often accomplish more in less time, it costs the employer less.

Critical to changing employers' views is

convincing them of the compelling need to look beyond this month or this year (a short-term view that is a by-product of the recession), and helping them to recognize the value of the specific skills and experience that mature workers bring.

IN our site work, as well as the state/regional outreach efforts, we're asking important questions.

Employers: Are you ready to do an environmental scan of their workforce?

Do you know who your current workers are? Demographically? Their skills base? Their absorptive capacities to learn new skills?

What are you doing to stay competitive in the next three to five years? How does your workforce figure into those plans? For example, will you become increasingly automated? Developing new products and services requiring a different or refined set of skill sets?

Are you tapping into the pipeline of talent? Are you looking at how to convert what may seem to be the competing forces of human capital – the would –be new entrants and the mature workers -- into a complementary opportunity.

Are there economies of scale you, as an individual employer, can realize by sharing resources/costs with other employers?

We know we have to better ***assist mature workers in skill assessment, in training programs, and in their efforts to seek employment. This is true for both the public sector and the private sector.*** Workforce agencies need incentives and resources to advise mature workers, to place them in appropriate training programs and to help them see a pathway to a job and/or new career. Since unemployed mature workers face numerous barriers to re-employment, it is essential that the public system become familiar with these obstacles and provide the mature workers they serve good direction. In the private sector, it is critical to convince employers and job generators

of the need to look beyond the short-term and that preparing now will better position their enterprises as they face inescapable challenges due to the aging of the workforce.

There are so many myths about older Americans. The economics of our aging society are poorly understood and hardly anticipated. We, as employers, educators, practitioners, and policymakers – need to see older Americans for what they are and must continue to be: givers, not takers, in an economy increasingly dependent upon them.