



Older Workers in a New Economy

December 2012



Agenda

1. Research Objectives
2. National & Regional Profile of Older Workers
3. work2future's Older Worker customers
4. Employers Perspective in Seven Industry Clusters
5. Initial Strategies



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Research Objectives

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Describe the changing nature of the older workforce both nationally and within the City of San José and Santa Clara County;

Assess the employment landscape for older workers and describe both opportunities and barriers for older workers as they consider employment options;

Evaluate employers' workforce needs and hiring difficulties and their perception of generational differences; and

Identify training, education, and workforce development strategies to support older workers.

Who are Older Workers

Definitions for Older workers are not standardized - for this study;

- **55 years and older:** Most national and statewide labor market information and demographic data is either 55 and older or 44 to 54 years old.
- **Work2future customers 50 years and older:** to maximize the number of completed surveys from customers we used a slightly broader definition of older worker.
- Older workers are typically also considered working past their peak earning income years (45 to 54 years old)

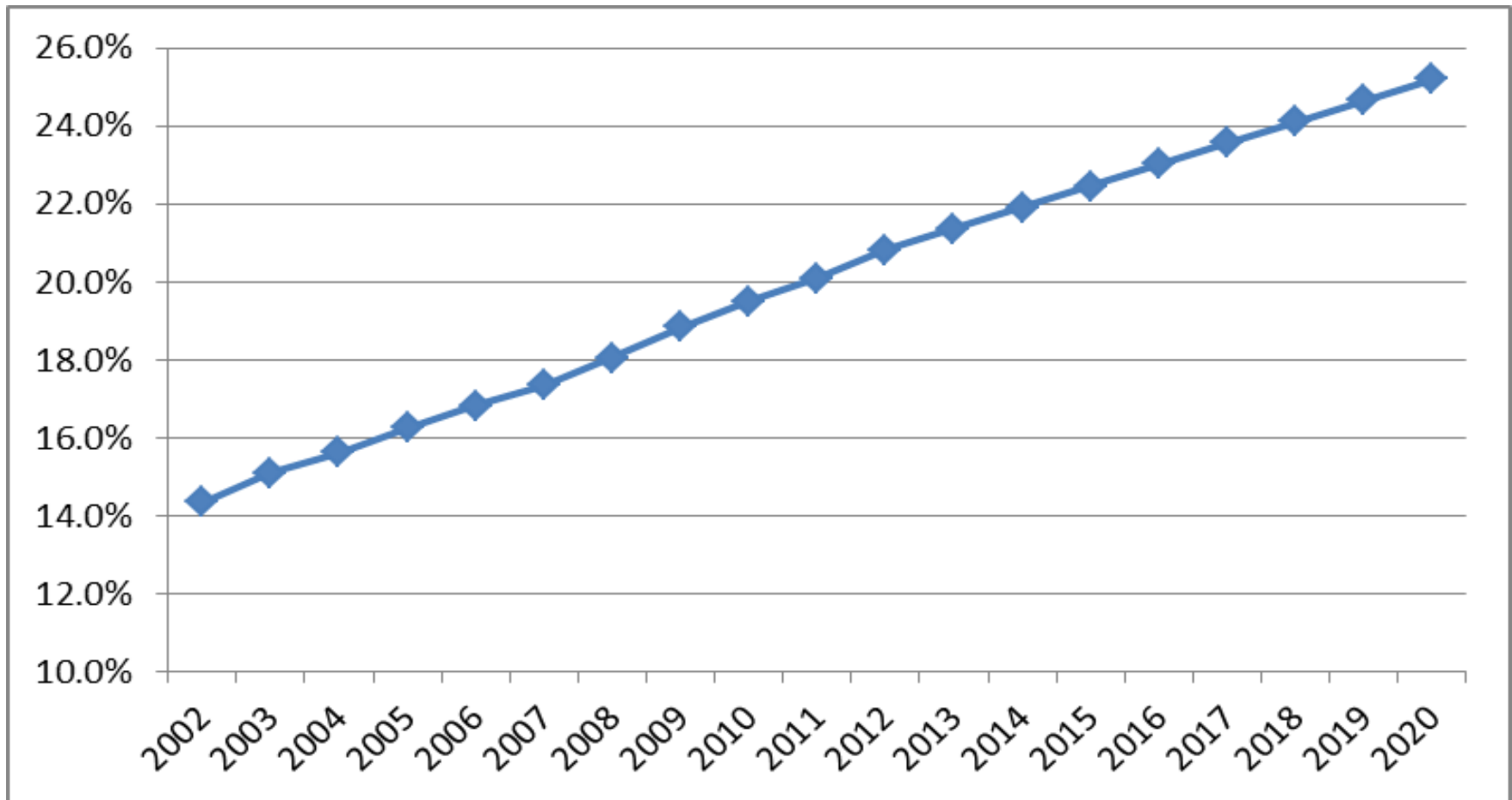


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National & Regional Profile of Older Workers

Older Workers in the US Labor Force

In 2002, Older Workers (55+) represented one in seven workers, today (2012) one in five, by 2020 it will be one in four



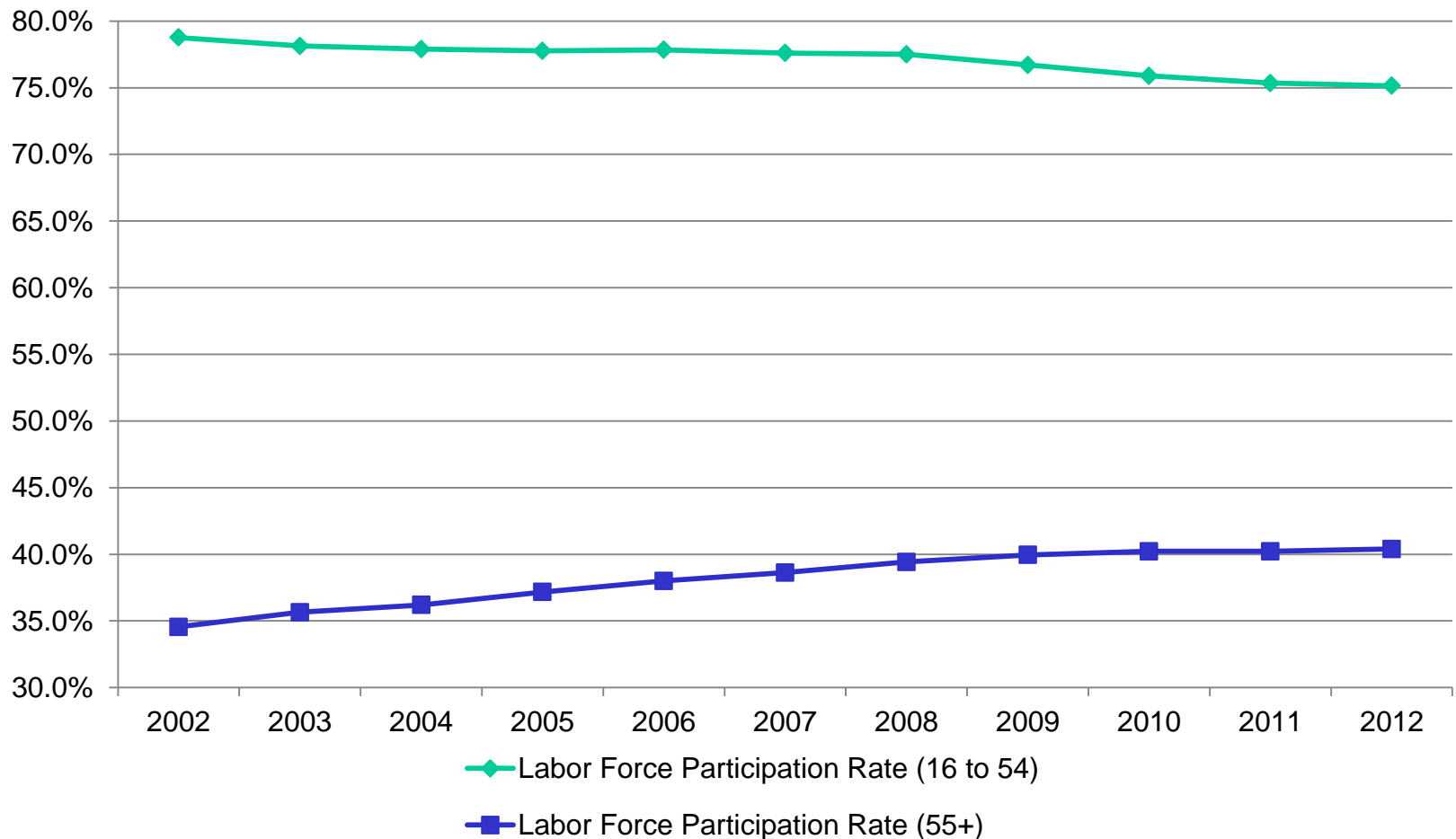
Older Workers: Challenge & Opportunity

There are three primary drivers of the growing older worker population, including;

1. **Demographics**: The country is getting older and the population in the US of individuals 55 years and older is growing and will continue to grow through 2020.
2. **Earnings, Savings & Retirement Behavior** : Residents 55 years and older are increasingly reliant on earnings as a portion of their total income while a lower private savings rate has increased the need for income.
3. **Economic Uncertainty & Financial need**: The growing uncertainty associated with employment has pushed many older to continue to work beyond their expected retirement date, particularly when spouses or other family members are unemployed.

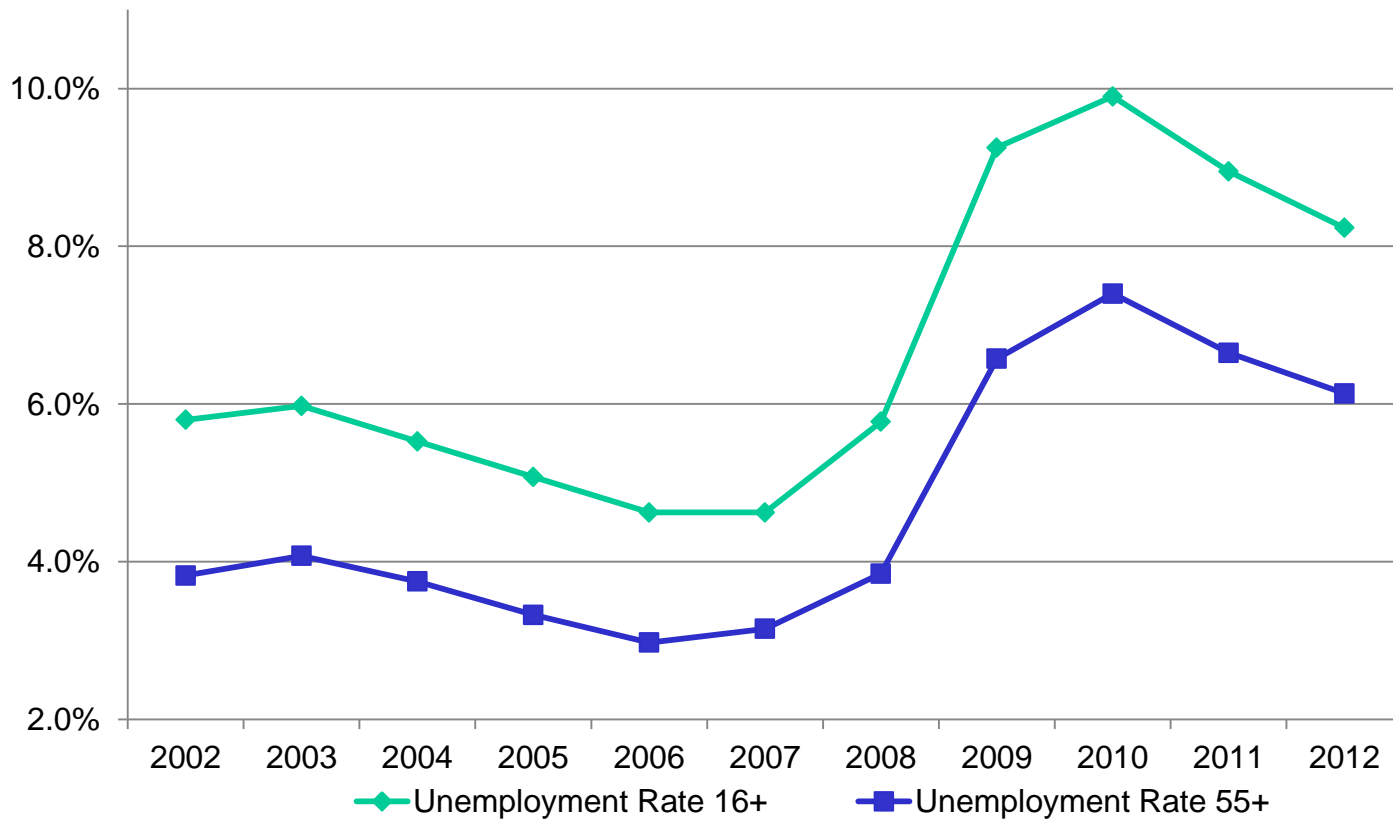
Older Workers in the US Labor Force

From 2002 to 2012, Older Workers (55+) have increased labor force participation over 5%, while younger counterparts have declined



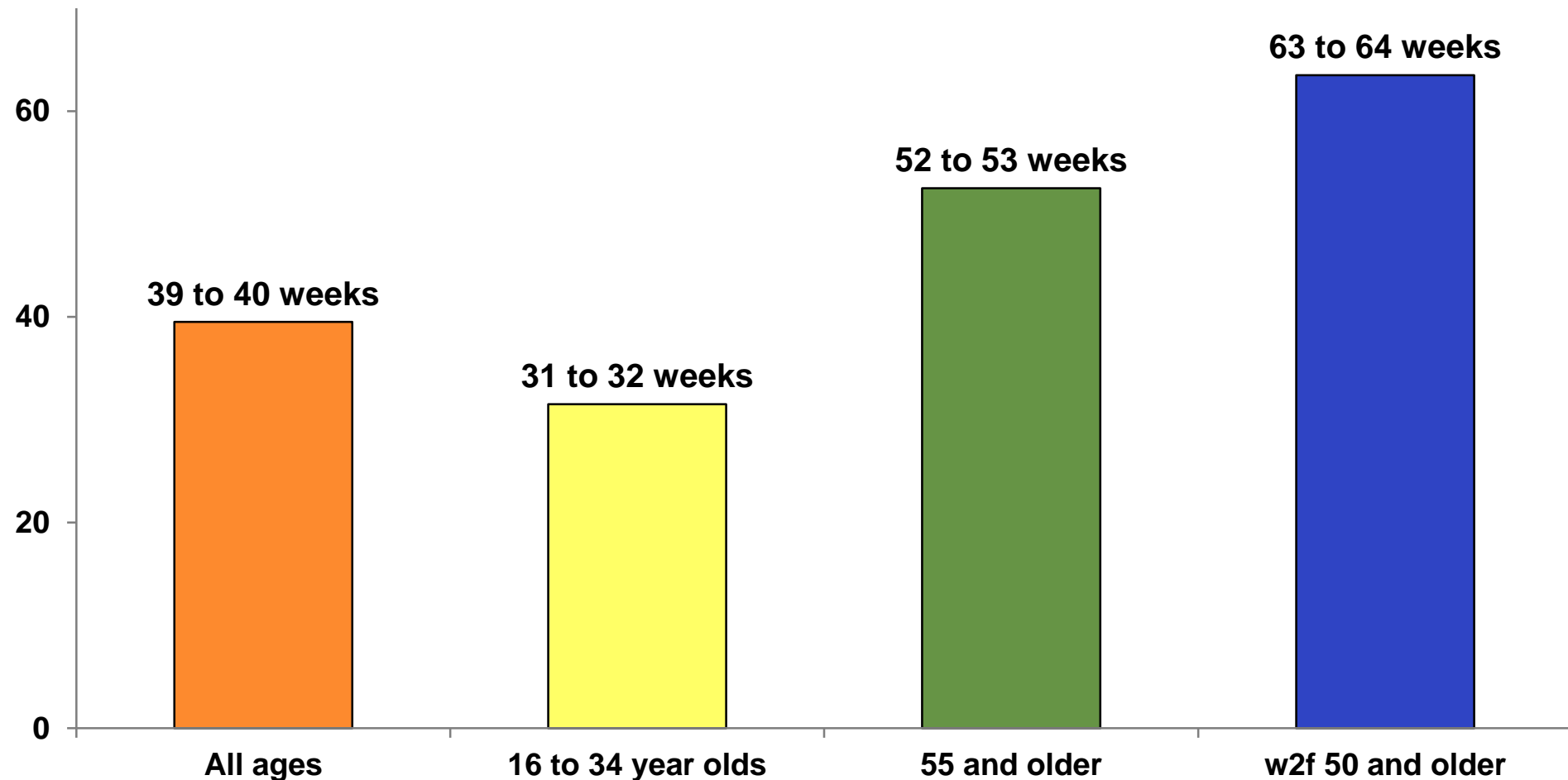
Older Workers: The Benefit

The unemployment rate for Older Workers (55+) is consistently lower than it is when compared to their younger cohorts.



Older Worker: The Challenge

When Older Workers (55+) are unemployed they are unemployed considerably longer than their younger counterparts;





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Work2future's Older Worker Customers

Older Workers in Santa Clara County

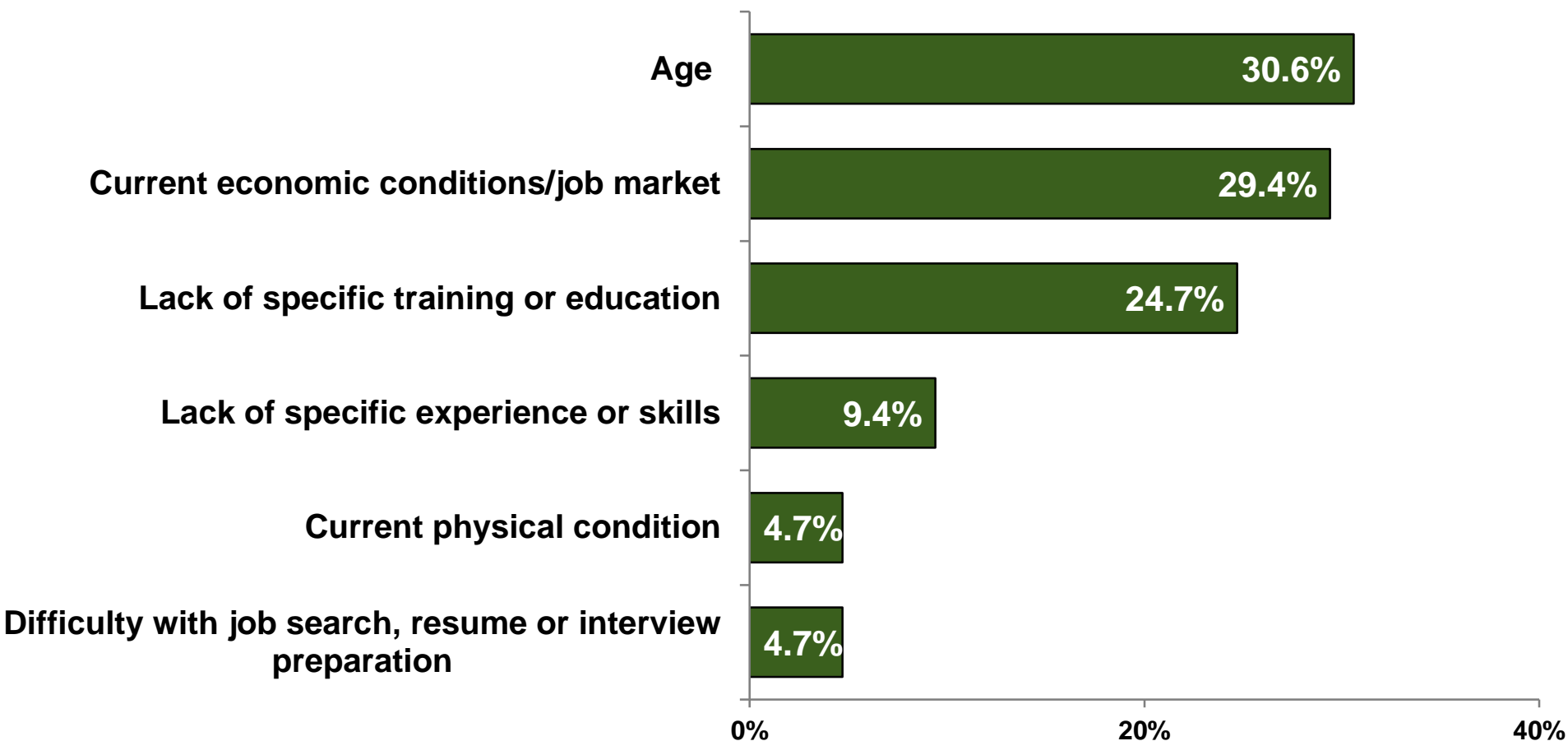
Santa Clara County's Older Worker Population (55 years and older) is similar in size and distribution to the national average.

Santa Clara County's 55+ population is slightly lower in proportion than the national average (22.1% vs. 25.5%); however, the labor force participation rate of these older residents is slightly higher (68.5% vs. 64.9%) for residents 55 to 64 years old when compared to the national average

The current estimate for workers 55 years and older in Santa Clara County = 171,375 older workers with a total labor force participation rate of 42.8%.

Perceived Barriers to Employment

What do older jobseekers see as the biggest obstacle to getting the job they are looking for?





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Employer's Perspective: Seven Industry Clusters

Work2future Industry Clusters

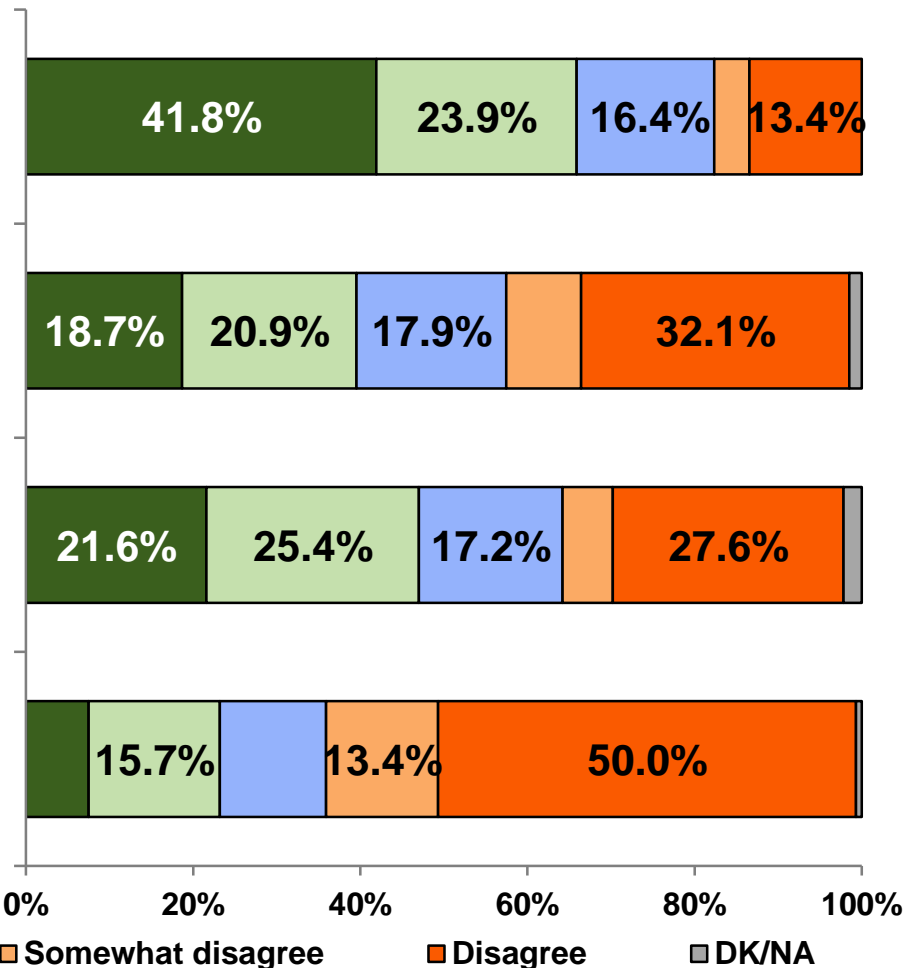
Industry Clusters were developed based on shared workforce needs, strong growth expectations and common customers and competitors.

1. Information, Communications & Technology (ICT)
2. Healthcare
3. Public Sector, Education & Utilities
4. Building, Design & Energy Efficiency Services
5. Professional, Technical & Business Services
6. Retail, Tourism & Food Services
7. Non-ICT Manufacturing

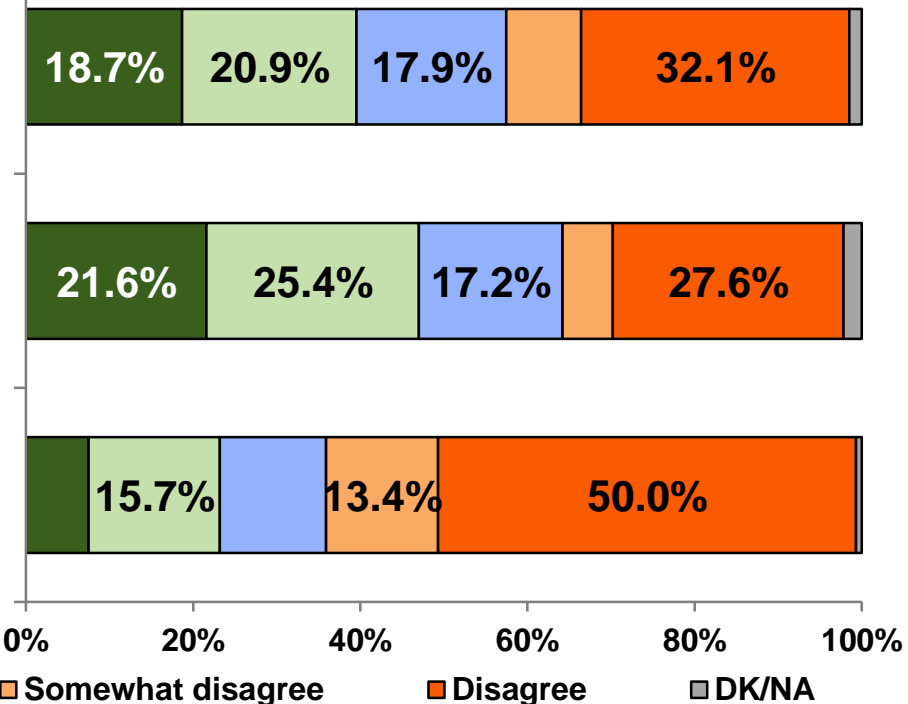
Employer Perspective

Generally, employers valued adaptability, energy and flexibility over industry and occupational experience as well as industry expertise

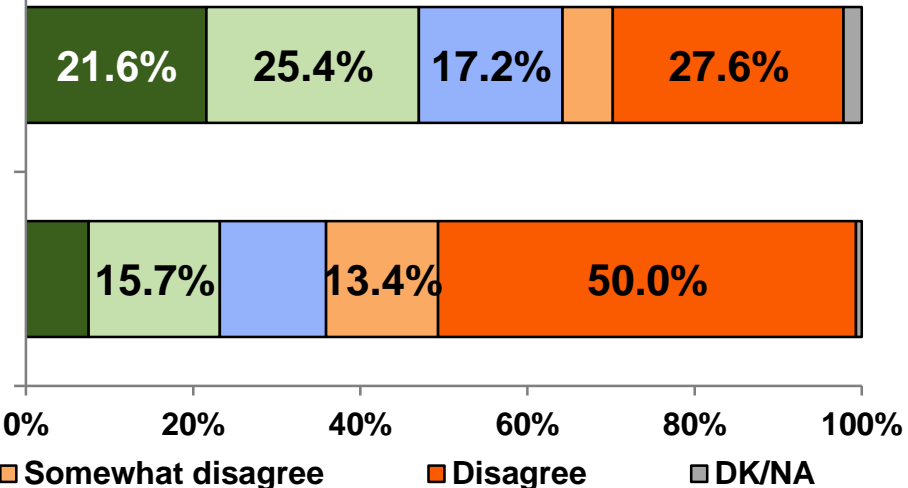
Older workers are more likely to have the experience and knowledge that is needed in my organization



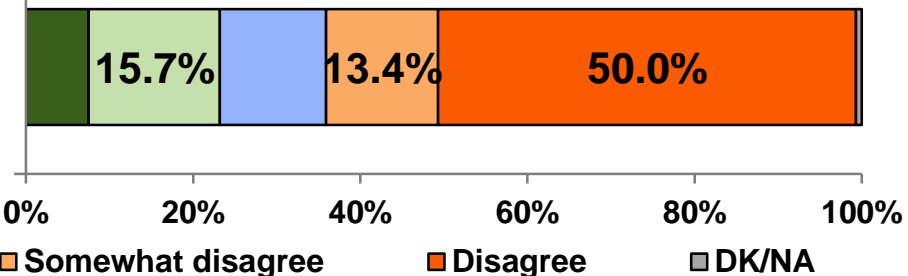
Younger workers are more likely to have the energy and skills that are needed in my industry



Younger workers are riskier to hire because they tend to change jobs more often and are not as reliable



Older workers are more challenging to hire because they do not learn as quickly as their younger counterparts and are generally less adaptable to new technologies and processes



■ Agree

■ Somewhat agree

■ Neither

■ Somewhat disagree

■ Disagree

■ DK/NA

Industry Cluster Employment Profile by Age

The following hiring profile were based on national data and consistent with regional discussions with executive interviews

Younger

ICT

Building, Design &
EE Svcs.

Retail, Tourism &
Food Svcs.

Average

Professional, Tech.
& Bus. Svcs

Non-ICT
Manufacturing

Older

Healthcare

Public Sector, Educ.
& Utilities



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Initial Strategies

Conclusions: The Age Factor

- Employers generally do not consciously consider whether they are willing to hire an older worker.
- However they are more likely to value the attributes that are more easily tied to younger workers, including energy, adaptability and flexibility.
- When asked specifically about older workers vs. younger workers more likely to be positive about older workers but social obligation bias is likely impacting those results.
- Older workers actually increase employment opportunities for younger cohorts, they do not take employment chances away from younger workers (GAO Study, April 2012)

Initial Strategies I: What to Measure

Track the number and ratio of one-stop customers that are 50 years and older as well as the success and failure of their job search.

Develop and track a metric that shows the overall duration of unemployment for OWC's.

Develop and track a metric that tracks successful employment by industry cluster and occupation for OWC's.

1. Track ROI of OWC's program
2. Understand success or failure of OWC strategies
3. Identify opportunities to improve and/or tweak OWC strategies

Initial Strategies II: Programs to Support OWC's

Assess older workers based on skills and experience and identify career pathways in one of the industry clusters that offer the best opportunities based on assessment.

1. Identify relevant career pathways based on assessment
2. Identify networking opportunities and coach older workers on taking advantage of these opportunities.
3. Review training and education courses that would strengthen the candidate and no more than 6 months in duration with cohort training
4. Provide training on how to develop and specialize resumes for specific positions

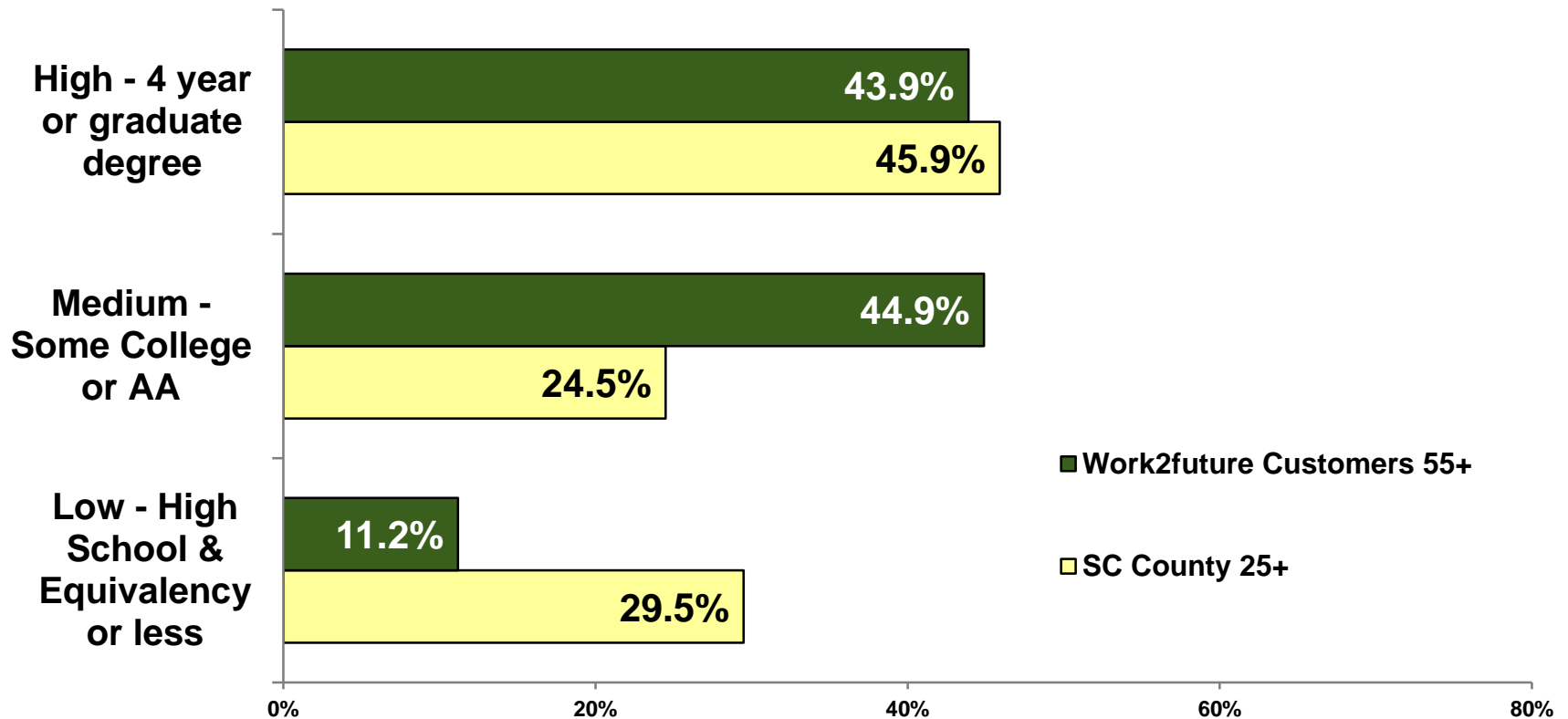


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Work2future OWC – Education

Almost ninety percent (89%) of work2future's older customers (50+) have at least some college or an AA degree and fall into our medium or high educational profile



Work2future OWC – Employment Profile

Work2future's Older Worker Customer (OWC) Profile

- One-third are working but largely underemployed (underused and underutilized) and looking for another employment opportunity
- Just over 40 percent want more training and/or education but are unable to take them at this time
- Over 40 percent have a Four-year college degree or a graduate degree
- Just over 30 percent have recently completed a certificate for current or future employment

Workforce Development Needs Comparison

Work2future's Older Worker Customer's (OWC) perceived workforce needs

1. Networking (70%), better understanding of labor market (60+%), and a specific degree or certificate (50%) were all challenges OWC's identified in their job search
2. OWC's still focused on importance of credentials and certificates while employers are more interested in the ability to demonstrate skills.
3. Communication skills, both speaking and writing to different audiences is a challenge for our OWC's.