

Too old to hire, too young to retire.

This is how many older American workers today feel—trapped in a stagnant or downward economic situation as a result of their age and a shifting economic landscape beyond their control. While the Great Recession devastated the employment and economic security of millions of Americans, men and women age 55 and older have experienced a much more profound economic headache.





No Man's Land

By Kathy Krepcio

Since 2007, older workers have fared especially poorly in the labor market. The U.S. Bureau of Labor Statistics reports that older workers, though less likely to become unemployed than younger workers, are more likely to remain out of work much longer than someone younger. And, not only are older Americans less likely to get reemployed, the jobs they find are more often than not at wages lower than their previous job.

In a series of Work Trends surveys by the Heldrich Center for Workforce Development of workers who were laid off during the recession, more than half (52 percent) of the older unemployed spent more than two years looking for work, and more than a third (34 percent) searched for work for between one and two years. The numbers for job seekers under age 55 are 31 percent and 28 percent, respectively. And, because of their age, these older Americans will have fewer years to recover lost income than younger people. As noted by one older survey respondent:

Being unemployed is frustrating, demeaning and, at this point, frightening. Articles in the paper say we 'baby boomers' will have to work for a few more years, especially since so many of us have lost half if not more in retirement 'funds.' Now, you tell me, how can I work for a few more years if I can't even get a job interview?



Kathy Krepcio is the executive director of the John J. Heldrich Center for Workforce Development at Rutgers, the State University of New Jersey.

Elder Employment: A Waiting Game

Average Duration of Unemployment and Percent of Unemployed Persons Over 27 Weeks Under Age 55 and Older, December 2007, June 2009, May 2011, and December 2012.

	December 2007	June 2009	May 2011	December 2012
Average Duration of Unemployment				
Less than 55	15.9 weeks	21.4 weeks	38.9 weeks	34.3 weeks
55+	20.2 weeks	29.9 weeks	54.7 weeks	51.3 weeks
Long-term Unemployed*				
Less Than 55	16.6%	26.4%	43.9%	37.1%
55+	22.9%	38.2%	57.8%	48.7%

* Long-term unemployed: 27 or more weeks

Sources: Rix, 2011; Rix 2012; U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings Online*, January 2008, July 2009, and labor force statistics from the Current Population Survey at <http://www.bls.gov/cps/tables.htm>.

In addition to looking for work in a tough job market, older Americans also bear deep concerns about having sufficient income for retirement. Work Trends surveys reveal that many older workers believe a legacy of the Great Recession will be permanently higher joblessness and a far less secure retirement—leading many workers over 50 to rethink their retirement plans. Older workers report that economic changes are leading them to either retire earlier than they planned, presumably because they cannot find work, or later than planned, on the assumption that they cannot afford to stop working after drawing upon their retirement savings earlier than expected.

Longer periods of unemployment insurance have provided a temporary safety net for some older workers, but with long spells of unemployment and the likely termination of these benefits with no reemployment in sight, older Americans are increasingly turning to Social Security benefits for financial relief. Two-thirds (68 percent) of older survey respondents said that they expect to go on Social Security

as soon as they are eligible, having profound implications for the Social Security system and for individuals who will pay a permanent penalty if they take their benefits early at age 62. An increasing number of those not yet eligible for early Social Security are turning to Social Security disability benefits. Over the past decade, the number of workers collecting disability insurance has risen by 3.5 million—a 66 percentage point increase.



Major corporations and research and aging organizations have noted that the aging of the American workforce will have major effects on the nation's economy. But what will these effects be and how should policymakers respond? Will more Baby Boomers leave the workforce due to retirement or simply because they cannot find jobs? If so, the implications are significant and will require rethinking and reforming today's Social Security and Medicare programs.

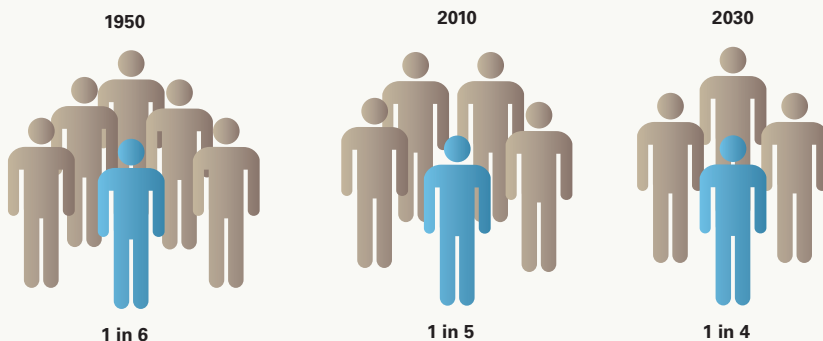
If older Americans work longer because of both need and desire, will there be jobs for younger workers, many of whom are already experiencing high levels of unemployment? The nation has seen a significant decline in the labor force participation of young adults and teenagers since the Great Recession, resulting in far too many young people with a lack of engagement in work. Poor work experience is more likely to diminish their future earnings, job prospects, and economic security unless efforts are made to address this problem. Fundamentally, solutions are needed to develop important skills and better options for both younger and older workers.

And, if older workers need and want to work, is there demand for them by employers? Several survey respondents expressed their distress and frustration with looking for a job,

"Employers want experience and younger employees. I am older and need to work. The competition is tough. I have even worked a few temporary minimum wage jobs to help make ends meet. I even went (back) to school but that hasn't helped—employers want someone with more experience in that field and how can one gain experience if one can't get a job?"

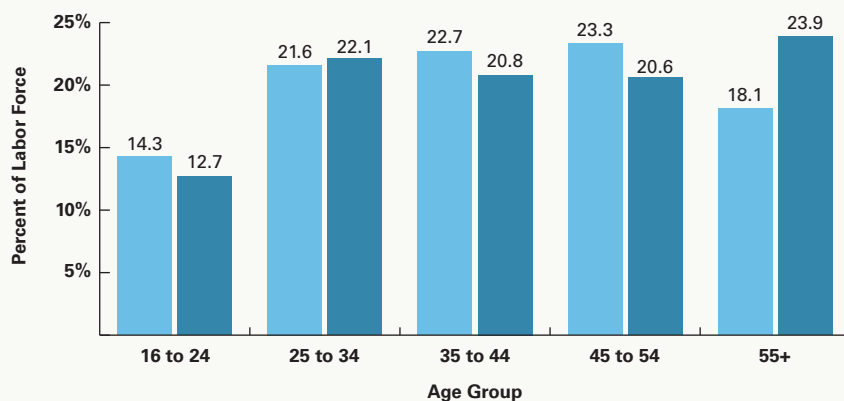
America's Aging Workforce

U.S. Workers Over Age 55 in the Labor Force as a Proportion of All Workers, 1950 to 2030 (projected)



Sources: Bureau of Labor Statistics, "Labor Force Projections to 2018: Older Workers Staying More Active," *Monthly Labor Review*, November 2009; Bureau of Labor Statistics, "A New Look at Long-term Labor Force Projections to 2050," *Monthly Labor Review*, November 2006.

Percent of U.S. Labor Force by Age, 2008 to 2018 (projected)



Source: BLS Division of Industry Employment Projections.

"Even low-paying jobs are hard to find. My age (57) is hurting me."

"My age (59) leaves me feeling worthless, VERY old, and isolated from the workforce—with little chance of finding employment."

Employers are critical players in both offering employment to workers, as well as influencing whether they remain on the job or out of the workforce. Evidence suggests that older

workers face real obstacles in the job market as well as low demand for their labor in a tight job market, but little is known about what policies and incentives work best with employers.

Fundamentally, the employment challenge today for older Americans stems from a series of complex economic, social, and demographic factors and trends. These include two decades of jobless recoveries, a


See Working on page 35

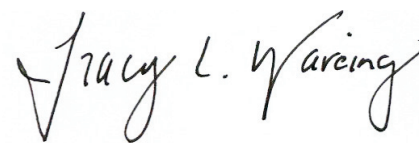
7. How effectively do your leaders ensure that they build staff, client, and external stakeholder buy-in for change? How do they empower staff at all levels, clients, and external stakeholders to co-create changes that affect them? How do they set clear expectations for staff, clarify boundaries for staff and empower them within those boundaries, support staff in their implementation work, and hold staff accountable for follow-through? To what extent do they ensure that plans get adjusted based on lessons learned during implementation?
8. How sensitive are leaders in your organization to the deep impacts on staff, clients, and external stakeholders of changes in the organization and environment? To what extent do they reflect on those impacts and make adjustments as needed to, for example, the pace and scope of change and the way

they communicate about organizational changes? To what extent do these leaders reflect on their own strengths and barriers, and work to leverage their strengths and overcome their barriers?

9. After reflecting on these questions, what do you see as your major organizational strengths and gaps in the area of leadership? Why do you think your organization has those gaps? Which gaps are most important to close quickly? What resources are available (e.g., local universities, retired public or corporate executives, outside consultants) to help you close your leadership gaps?

With assistance from our Practice Innovation team (with whom many of you have worked directly to advance your agency's organizational effectiveness), our goal this year is to build a more robust toolkit—such as reflective thinking guides— that support your

efforts to develop leadership and drive transformational change in health and human services. See, for example, my column in the February issue on our developing model for successful transformation. We'll continue to share these materials in webinars and on our web site as they are developed through our APHSA Innovation Center. 



Reference Notes

1. Ron Heifetz, founder of the Center for Public Leadership at Harvard Kennedy School, pioneered the concept of adaptive leadership. *Leadership on the Line—Staying Alive Through the Dangers of Leading*, Ronald Heifetz and Marty Linsky, Harvard Business School Press, 2002.
2. See the *Art of the Possible, Leading Change in Human Services*, co-authored with Antonio M. Oftelie and Julie Booth.

WORKING

 continued from page 15

growing lack of demand across many industries for workers of all ages compared to the number of available jobs, the emergence of a globalized, technology-driven economy, and an increase in longevity coupled with an increase in people living and working longer with chronic diseases. Consequently, these factors and trends raise essential policy issues that require our attention to ensure that older Americans who want and need to work can do so. In order to win back the future for older Americans, progress is needed on several fronts.

First, evidence strongly suggests that older workers can and want to work. But current work and disability programs and policies, especially those for individuals with age-related disabilities, provide few incentives to work, and little in the way of flexible and comprehensive supports and services to get a job and remain working. New policy strategies are

needed to change incentives that support work among older workers and encourage employers to keep such workers on the job.

Second, resources must be directed toward older workers to educate them in acquiring skills that are needed for jobs in demand. Older Americans will need to better understand how their ability to keep active and working is tied to improving their skills, including better access to continuous and affordable retraining and education. It also means investing in return-to-work and stay-at-work strategies and disability prevention models that discourage time away from work and needless work disability.

And third, demographic trends and growing mismatches between the workforce and job demand require that worker preparation and support resources—America's Job Centers, human services providers, and educational institutions such as community

colleges—respond more creatively and effectively to serving aging Baby Boomers. Among other things, postsecondary educators must provide better access, support, and accommodation to older workers who may be limited in participating fully in educational attainment and the labor market.

Many of our longstanding policies and laws that affect American workers today were developed decades ago when economic and societal circumstances were far different. Back then, older Americans comprised a much smaller share of the workforce. As the United States grapples with significant economic challenges, continued long-term unemployment, and shrinking government resources, it is urgent that America rewrite policies and reform old programs to reflect new demographic trends, fiscal realities, and the importance of work to the long-term economic security and health of our workforce. 