

New York State Mature Worker Task Force

Report to the Governor and Legislature

July 29, 2008

Prepared by the New York State Office for the Aging

This constitutes the first Mature Worker Task Force Report to the Governor and Legislature, due on June 30 each year (Chapter 58 of the Laws of 2007).

To prepare for the Mature Worker Task Force, the New York State Office for the Aging and the Department of Labor conducted background research, drafted overarching goals and objectives to frame the work of the Task Force, and identified potential actions to explore with the full Task Force in the upcoming years. This preparatory work will be used as a starting place for the work of the full Mature Worker Task Force, which is scheduled to begin in the fall 2008 when full Task Force membership is anticipated to be in place.

Introduction

The issue of older adults remaining in or reengaging in the labor market is gaining importance among states because of demographic changes, projected skill and labor shortages, and the potential broad social and economic impacts of an aging workforce. Businesses are facing new challenges in maintaining a skilled workforce as demographics change, and the number of retiring baby boomers will particularly affect specific industries such as health and human services, transportation, manufacturing, farming, state and local governments and the non-profit sector. Nationally, by 2010, retirement could leave a potential gap of 10 million workers in the labor force (*Barbara Hoenig, October 2005*).

New York's current and future older worker population

In New York, the aging of the population will substantially affect certain occupations and industries that are consistent with national trends. In addition to projected labor force gaps, retirement of large numbers of baby boomers from key industries – including state government, educational services, health services, public administration, the non-profit sector and some manufacturing – may also lead to significant knowledge gaps as well as gaps in succession and transition planning as mature workers retire in large numbers. A third factor in the changing landscape of the workforce is that the health of older Americans has been improving over the past few decades, enabling them to extend their stay in the working world. Further, changes associated with the growth of the service economy and technological advances affecting many blue-collar jobs have made work less physically demanding, enhancing employment opportunities for older Americans. Education trends also affect retirement trends; more educated individuals tend to delay retirement, because they tend to hold more flexible jobs with fewer physical demands than workers with less education (*Mermin, Johnson, and Murphy, 2007*).

“The confluence of two important demographic shifts promises to reshape the U.S. workforce over the next decade and beyond” (*AARP Work and Career Study, 2002*). These two shifts – the increasing numbers of workers over age 55, coupled with the growth rate in the U.S. workforce among workers aged 55-64 (which is the highest growth rate of any age group) – are unprecedented. In 2000, 13 percent of the workforce was 55 and older, according to the federal Bureau of Labor Statistics, and by 2015, this figure is expected to rise to 20 percent.

The implications of the aging of the baby boom generation into the elder cohort for New York's workforce are dramatic. New York shows projected growth in the age 65 and older age cohort, but also shows a decline of 6.5 percent – more than 860,000 – in the “traditional” working-age population (ages 16 – 64) during the next two decades. New York ranks 41st among all states in the percentage of growth in the working-age population. The 16-64 age group will change dramatically as the 55-64 group is the only group that is expected to experience growth over

this period (+145,000), while the 35-54 age group will *decrease* by more than 630,000, leaving in workforce shortage in the coming years. These demographic shifts are reflected in the ratio of working-age adults to individuals aged 65 and older, which currently stands at 5:1 and is projected to decrease to 3:1 by 2030.

New York's population also is increasingly diverse, as immigration continues to fuel the state's population growth. White, non-Hispanic residents currently comprise 72 percent of New York's population aged 60 and older. As the State's younger-aged residents grow older, the racial, ethnic, and cultural diversity in older age groups will increase significantly (*Source: Current Population Survey, March Supplement, 2006*). Thus, these issues will become increasingly important to include in deliberations and action planning regarding the maturing workforce.

According to the New York State Department of Labor, the 2007 statewide Labor Force Participation Rate (LFPR) for those aged 45 to 54 years was 80 percent, for those aged 55 to 64 years was 62.4 percent and for those aged 65+ years was 15.5 percent. For New York City, the LFPR was 59.1 percent, compared with 74.4 percent for those aged 45 to 54; 58.2 percent for those aged 55+ to 64; and 15.1% for those aged 65 and over.

Occupational analysis provided by the New York State Department of Labor's Research and Statistics Division indicates that among the 40 occupations with the largest projected number of annual openings, 22 require short-term or on-the-job training or related work experience. As a result, such jobs are attainable for older workers who may not desire to invest in long-term training and education. An additional six occupations in this category only require moderate-term on-the-job training. Of the 40 fastest growing occupations, 15 require short term training or experience, while an additional six require training of a somewhat lengthier period.

Despite all these trends – the aging of the population, the impending retirement of the baby boom generation from full-time work, improvements in health care that increase life expectancy, the economic realities faced by older adults on fixed incomes, and the changing nature of work, the processes, approaches, and practices shaping workforce strategies have not been adjusted to create a better match between the maturing workforce and the laws and practices governing work and issues for mature workers in the workplace (*Abraham and Houseman, 2007*).

Challenges Facing Mature Workers

Unlike many workers in their 60s and 70s today, baby boom employees aged 55-59 face greater financial uncertainty. A recent MetLife study showed that people in different age groups “have significantly different perceptions about the types of job opportunities that are open to them, why they work, and what retirement actually means” – even within sub-groups of older adults (*DeLong, 2006—MetLife Study*). Mature workers often encounter challenges when trying to remain or reengage in the work force. Many of these challenges stem from policies that were created years ago when there was a labor surplus, before the recent shifts to a knowledge-based economy and trends in population demographics. “When it comes to solving the

problems created by an aging workforce, the glass is both half empty *and* half full . . . organizations can focus on the barriers, or the opportunities” (DeLong, 2007 – *Met Life Report*).

Financial necessity is a driving factor behind the desire of many older employees to work – whether on a part-time, full-time or self-employed basis. A recent study completed by MetLife determined that 18 percent of baby boom workers aged 55-59 report that they expect to have no access to private retirement benefits when they stop working and are likely to feel compelled to work well past traditional retirement age. Those working but having no expectation of retirement benefits are more likely to be women (40 percent) than men (27 percent). About 14 percent of workers aged 60 to 65 and 10 percent of workers aged 66 to 70 expect to receive nothing but Social Security when they finally stop working (DeLong, 2006). Energy, health care and other related costs are increasing exponentially placing older New Yorkers at economic risk.

In the next five to ten years, two important issues to be resolved are finding ways to keep workers in the labor force beyond traditional retirement age, not only to meet the demand for a sustained supply of workers in a tight labor market, but also to “satisfy the needs and desires of healthy older workers for continued employment and income in an equitable work environment” (Hoening) and to help stem the tide of out-migration where some older New Yorkers may take their pensions and savings and retire in another state.

Mature Worker Task Force Preliminary Activities

Elder Law § 301 (*Chapter 58 of the Laws of 2007*) requires a Mature Worker Task Force (MWTF) be establishment, co-chaired by the New York State Office for the Aging (NYSOFA) and the New York State Department of Labor (DOL), to examine and address issues concerning mature workers. The MWTF, consisting of state agencies and other stakeholders, will make recommendations and coordinate New York State’s efforts to assist older persons who choose to work and remain self-sufficient throughout their lives, to support business growth and development across the state in light of its aging work force, and to combat ageism and stereotypes in the work place and in the recruitment, retention, and training of older workers.

Initial Planning

In early 2008, NYSOFA and DOL collaborated on the undertaking of a number of tasks in order to prepare for the first convening of the MWTF. These included conducting a comprehensive literature review, contacting experts in the field, drafting the purpose, goals and objectives for the MWTF, and identifying benefits and barriers to fostering employment. The co-chairs have reached out to all the ex-officio state agency partners and will be meeting with them in September 2008, and are planning to hold the first full Task Force meeting in early October 2008.

A component of the preliminary work by NYSOFA and DOL was to draft an outline of the goals and primary objectives to help the MWTF meet its overall purposes. These are outlined below:

Mature Worker Task Force

Overarching purpose:

To improve economic development and the economic security of older adults through opportunities that recognize the value of mature workers and also seek to retain, retrain and offer second careers that will fill anticipated areas where there will be a labor deficit. The Mature Worker Task Force will identify and develop sound practices for employing mature workers in the 21st Century.

Goals

The Mature Worker Task Force will establish the means for New York State to develop and provide the best workforce for employers and the best workplace for workers across New York State:

- Address workforce shortage and workplace flexibility issues.
- Expand employment opportunities for mature workers.
- Address age discrimination in the workplace.

Task Force -- Four primary objectives:

- Identify best practices for hiring, retaining, and retraining mature workers.
- Identify and address statutory and regulatory provisions limiting opportunities for mature workers.
- Serve as a clearinghouse for information for businesses seeking to hire mature workers and for mature workers seeking employment.
- Assess effectiveness and cost of mature worker-related programs New York State has implemented.

This framework will provide the basis for the full MWTF to begin its work in the fall 2008.

How older workers will benefit from the state achieving its objectives

The creation of more opportunities for mature workers to remain employed, coupled with the development of best practices in job opportunities that reflect the preferences and needs of mature workers will benefit those workers, and at the same time, will have positive effects on the economy. Economic benefits that may accrue to the state are primarily in the form of increased tax revenue, economic security for workers and reducing out-migration of younger retirees. A 2006 Urban Institute national study found that if all workers were to delay retirement by just one year, the federal government would raise \$180 billion in additional tax revenue in 2045 (measured in 2006 dollars). If such a program were enacted in New York State

– to extend participation in the workforce by mature workers – it would be expected to have a similar positive effect on state tax revenues. “The emphatic conclusion of recent research into retirement policy and labor markets is that working another two or three years would have a surprisingly powerful impact on the retirement living standards of millions of boomers and on the economy – including increased household savings, higher tax collections, and a reduction of the fiscal strain on Social Security and Medicare (*Steve Lohr, 2008*).”

Initial state program to foster employment among older adults

New York has been selected by the National Governors Association Center for Best Practices’ *Policy Academy on Civic Engagement of Older Adults* for 2008-2009. This Academy will help participating states improve the health and lives of older adults by developing strategies for increasing the proportion of seniors who are employed or engaged in meaningful volunteer activities. NYSOFA is taking the lead for this initiative on behalf of the State, which will be joined by five other states (Idaho, Illinois, Maryland, Massachusetts, and Pennsylvania). As part of the Academy, New York will receive an in-state orientation by Academy faculty, participate in a national Policy Academy meeting, and develop a state action plan on workforce issues and civic engagement/volunteerism for older adults. In addition, teams will receive customized technical assistance from Academy faculty throughout the year-long project. Funded by Atlantic Philanthropies, this Policy Academy is funded through June 2009. The technical assistance provided through the Policy Academy will aid the MWTF in its start-up phase.

In addition, the Department of Civil Service (DCS) has endeavored to make state government a role model in creating opportunities for older workers. DCS’s innovative Boomerang initiative is an Internet-based employment referral database which will contain the names, experience, skills and interests of retirees interested in employment with the state agencies. Additionally, in partnership with the New York State Personnel Council, DCS is developing a guide to rehiring retirees for state agencies. The MWTF will examine the progress of this initiative in undertaking its work.

Mature Worker Task Force: Next Steps

The preparations for launching the MWTF this year have been successfully completed, and attention will now turn to finalizing membership to the MWTF and convening the first meeting. In order for New York to meet its MWTF objectives, it will need a mix of strategies to encourage businesses, government, non-profits, mature workers, and other stakeholders to be involved in enhancing existing and developing new employment opportunities and policies for older adults.

On the policy landscape, the mature worker is emerging as “someone to be reckoned with.” Realizing an environment that promotes work for older Americans will require the removal of existing obstacles to that work. “Some of these are unambiguous but seductive, like the

attractive financial incentives for retirement contained in the benefit formulas of private pension plans. Others, like age discrimination, are more subtle and difficult to pinpoint and address” (*Hoenig*). Through the MWTF, New York has the opportunity to address these important issues in our state.

In order to be successful in the coming year, the MWTF will aim to have the following tasks completed in the upcoming months:

- Establish a panel of experts to present to the MWTF during the ongoing work of the MWTF in 2008. *Target date: August 15, 2008.*
- Convene first meeting of ex officio state agency members to begin review of legislation that may be pertinent to the work of the MWTF. *Target date: September 5, 2008.*
- Finalize the appointments to the MWTF. *Target date: September 1, 2008.*
- Convene first meeting of full MWTF and establish subcommittees to conduct work tasks and complete assignments.
- Prepare and conduct regional forums to gain input from across public and private sectors, including representatives from business, government, academia, not-for-profits, and mature workers about key issues. *Target date: March-April 2009.*
- Identify potential action steps and strategies. *Target date: May 2009.*

Once the full MWTF is convened, it will strive to select action steps and strategies that lend themselves to concrete accomplishments and measurable outcomes, which may include the following:

- Conduct an inventory of current state programs and policies, and those in the private sector that seek to foster employment and volunteer opportunities for older adults.
- Determine the needs, preferences and perspectives of retired New Yorkers and those who are soon to retire (baby boomers) to better design training programs and policies.
- Identify barriers impeding the ability of older adults to remain in the workforce, become re-employed or engage in volunteer activities and develop policies to remove or mitigate these barriers.
- Review existing policies and develop “best practices” for use by private and public sector employers to create workplaces that are more “senior-friendly.” This could

include new design of tasks, flexible work schedules, and expanded re-training and outplacement services.

- Bolster career development, recruitment and retention activities, and training/re-training opportunities for older adults, including the ability for older adults to mentor and transfer knowledge to less skilled or less experienced individuals.
- Improve methods of conducting labor market analysis related to older workers, including ongoing labor market surveys to identify and forecast industries and geographic areas where labor shortages may occur and opportunities for older workers may abound.
- Develop strategies to positively impact the views of employers and the general public about workers over age 50 and their continued role in the workplace.
- Create technical assistance tools to assist employers in recruiting, training/retraining and retaining older workers.
- Design outcome measures to determine the success of efforts that are undertaken.

Mature workers will be a growing component of a diverse labor force in the coming years if the State's economy is to remain strong. All workers need opportunities for work environments that utilize skills for the 21st Century; mature workers are no different in that regard.

In the words of former United States Labor Secretary Robert Reich, "physical and financial capital go wherever they can get the highest return, but the only resource that's uniquely American is our human capital – their capacity to think, and to identify and solve problems" (*Reich, 2003*). New York's mature workers are one of New York's greatest resources. The Mature Worker Task Force, working in partnership with the business sector, mature workers, researchers, and state government, provides an excellent venue to review and revise policies, laws, and regulations and to address the core issues associated with the impacts that the aging workforce will have in New York State. The goal should be to revamp work policies to create work environments that assure success for all generations.

Appendix

Elder Law § 301. Mature worker task force.

1. For the purposes of this article, the term "task force" shall mean the mature worker task force established by this section.

2. (a) There is hereby established within the office a mature worker task force. The purpose of the task force shall be to coordinate the state's efforts to assist older persons who choose to work and remain self-sufficient throughout their lives, or who choose to work after retirement; to support business growth and development across the state in light of increasing aging workforce; and to combat ageism and stereotypes.

(b) The task force shall be composed of nineteen members as follows:

(1) Seven ex-officio members as follows:

- (i) the director, who shall serve as co-chair of the task force;
- (ii) the commissioner of labor, who shall serve as co-chair of the task force;
- (iii) the commissioner of education;
- (iv) the commissioner of mental health;
- (v) the president of the state civil service commission;
- (vi) the chairman of the Urban Development Corporation; and
- (vii) the commissioner of the department of economic development.

Any ex-officio member may designate a representative to act on his or her behalf;

(2) Two members appointed by the governor, who shall be representatives of not-for-profit corporations the primary purposes of which are to provide employment services to older persons and specifically serve them in their efforts to develop the requisite skills for an ever changing job market;

(3) Two members appointed by the governor, who shall be representatives of organizations representing business interests;

(4) Three members appointed by the governor upon the nomination of the temporary president of the senate, of whom one shall be a representative of organized labor, one shall be a research expert in the field of older worker employment issues and one shall be a mature worker;

(5) Three members appointed by the governor upon the nomination of the speaker of the assembly, of whom one shall be a representative of organized labor, one shall be a research expert in the field of older worker employment issues and one shall be a mature worker;

(6) One member appointed by the governor upon the nomination of the minority leader of the senate; and

(7) One member appointed by the governor upon the nomination of the minority leader of the assembly.

(c) The administrative support of the task force shall be equally provided by the office and the department of labor.

3. Powers and duties. The task force shall have the following powers and duties:

(a) to facilitate interagency planning and policy, review specific agency initiatives for their impact on mature workers and businesses, provide a continuing forum to discuss concerns and issues related to the formulation of state policy designed to help address this policy area, and develop linkages and partnerships with businesses and other appropriate entities to assist such businesses in identifying and helping them to fill their workforce needs;

(b) to identify existing statutory and regulatory provisions and business practices that limit opportunities for mature workers and develop legislative and regulatory proposals to address such limitations;

(c) to identify best practices in the private sector for hiring, retaining and retraining mature workers, and serve as a clearing house of such information;

(d) to assess the effectiveness and costs of programs that state agencies have implemented to hire, retain and retrain mature workers, and recommend cost-effective programs for all state agencies to hire, retain and retrain older workers;

(e) to meet quarterly or more frequently if its business shall require;

(f) to develop recommendations and proposals for a mature worker employment training program and a mature worker business initiative;

(g) to annually report to the governor and the legislature on or before June thirtieth, commencing in two thousand eight, its recommendations for state policy relating to mature workers, best practices in the business sector for hiring, retaining and retraining mature workers, and a review of services initiated and coordinated among public and private agencies that meet the needs of older workers who are seeking to remain active in the workforce. The report required by this subdivision shall be posted on the office's internet website; and

(h) to serve as the focal point for the development of coordinated responses by the various state agencies with regard to issues of importance to mature workers to ensure timely and appropriate responses to issues and problems.

4. Implementation. (a) The office shall collaborate with the department of labor on issues related to the development of mature worker support initiatives and enhancing access by mature workers to existing training and employment services funded through federal and state resources.

(b) The office shall utilize the data and information compiled and maintained by the task force to coordinate state funded research and employment training efforts to ensure the most efficient use of funds available for such purposes.

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