

# A look beyond Europe: Responses to demographic change in the United States

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# Topics

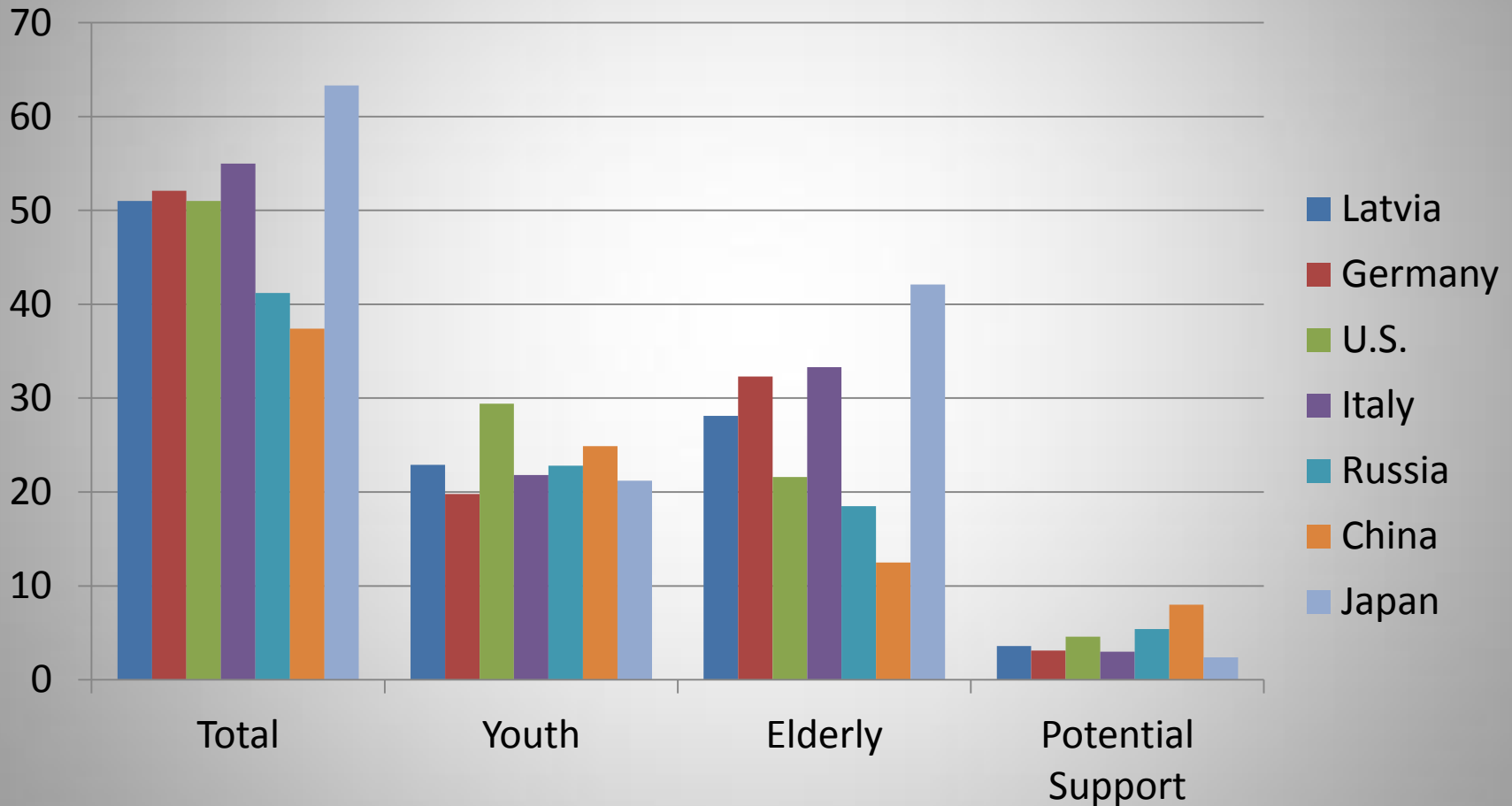
- **Dependency Ratios & Other Factoids:** Cross country comparisons (birth rates, population growth rates, & net migration) – 2 charts (Latvia, Germany, U.S., Italy, Russia, China, & Japan)
- **The Changing Mix of the US Labor Force by Age (2 charts)**
- **Research on Labor Force Participation of Older Persons (1 chart)**
- **What Some Businesses, Nonprofit Employers, & (to a lesser extent) Governments in the U.S. & Elsewhere Are Doing to Promote Hiring & Retention of Older Workers (Typical Employer Responses & Best Practice Awards: AARP, NY Academy of Medicine, Purpose Prize [social entrepreneurship])**

# Dependency Ratios

- ***Elderly dependency ratio*** - The elderly dependency ratio is the ratio of the elderly population (ages 65+) per 100 people of working age (ages 15-64). Increases in the elderly dependency ratio put added pressure on governments to fund pensions and healthcare.
- ***Potential support ratio*** - The potential support ratio is the number of working-age people (ages 15-64) per one elderly person (ages 65+). As a population ages, the potential support ratio tends to fall, meaning there are fewer potential workers to support the elderly.

# Dependency Ratios (%)

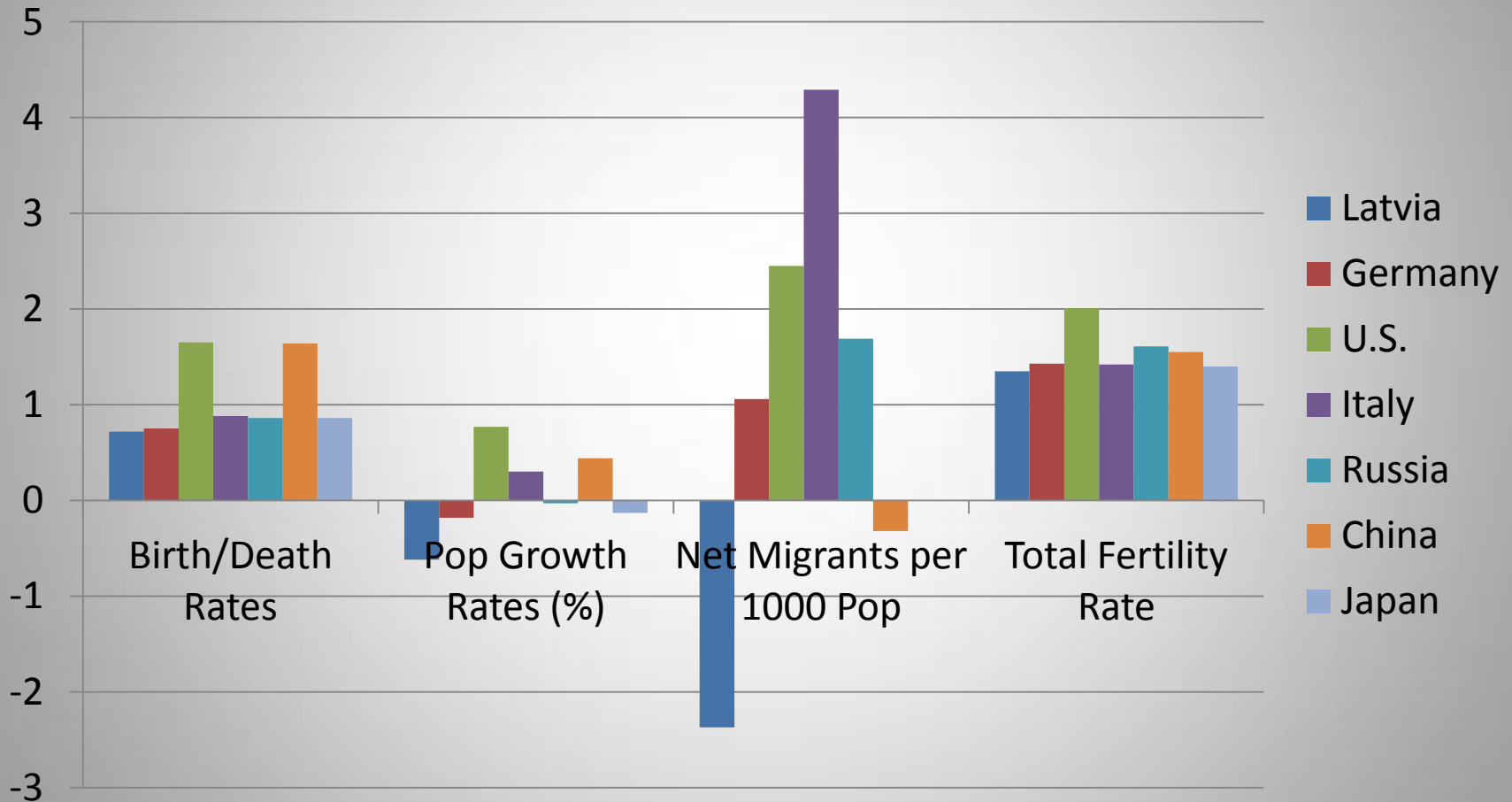
(Source: *CIA World Fact Book 2014*)



Average Life Expectancies at Birth [-3 for males; +3 for females]: Latvia (73.4), Germany (80.4), US (79.6), Italy (82), Russia (70.2), China (75.2), Japan, (84.5)

# Other Factoids

(Source: *CIA World Fact Book 2014*)



# The Changing Mix of the US Labor Force by Age

(Sources: U.S. Bureau of Labor Statistics & Census Bureau)

	1976	1986	1996	2006	2012	2022
Total (In 1000s)	96,158	117,834	133,943	148,847	154,975	163,450
Age	Percentage of the Labor Force					
16-19	09.4	09.6	05.8	06.0	03.8	02.7
20-24	14.9	13.1	10.0	10.4	10.0	08.6
25-34	25.2	24.9	25.3	<b>20.7</b>	<b>21.6</b>	<b>22.5</b>
35-44	18.0	23.1	27.3	<b>23.8</b>	<b>21.1</b>	<b>21.3</b>
45-54	17.7	15.1	19.7	23.6	<b>22.6</b>	<b>19.3</b>
55-64	11.9	10.1	09.1	12.6	15.9	17.3
65-74	02.6	02.2	02.4	02.2	04.1	06.7
75+	00.4	00.4	00.5	00.6	00.9	01.6

# The Changing Mix of the US Labor Force by Age

(Sources: U.S. Bureau of Labor Statistics & Census Bureau)

Annual growth rate (percent)			
Age	1992—2002	2002—2012	2012—2022
16-19	07.0	-02.6	-02.6
20-24	00.2	00.5	-1.00
25-34	-00.9	00.4	1.00
35-44	00.9	-1.20	00.6
45-54	03.9	00.7	-1.00
55-64	03.5	04.2	01.4
65-74	02.3	05.6	05.6
75+	04.0	05.6	06.4

# The Changing Mix of the US Labor Force by Age

- The aging of the population is largely the result of boom in births during the 1946-64 period.
- Through 2005, substantial growth occurred among 45-64 year-olds, but the number over age 65 increased only modestly (by five percent)
- Between 2005 and 2010, the population of 65-69 year-olds rose by 17 percent and is projected to explode by another 37 percent between 2010 and 2020.
- The jump in the 70 and over population will occur between 2010 and 2020, rising by 38 percent from 24.6 to 31.8 million people



# Research on Labor Force Participation of Older Persons

People aspire to have an active retirement which blends travel, family, hobbies and work

<b>62%</b>	<b>59%</b>	<b>49%</b>	<b>25%</b>	<b>15%</b>	<b>13%</b>	<b>12%</b>	<b>12%</b>
Travel	Family & Friends	New Hobbies	Volunteer Work	<b>Continue Working</b>	Live Abroad	<b>Start a Business</b>	Study

Source: AEGON (2014). *The changing face of retirement: The Aegon Retirement Survey 2014*. Retrieved from

<http://www.transamericacenter.org/retirement-research/global-retirement-survey>

(Included Brazil, Canada, China, France, Germany, Hungary, India, Japan, The Netherlands, Poland, Spain, Sweden, Turkey, United Kingdom, United States)

**What Some Businesses, Nonprofit Employers, & (to a lesser extent) the Federal Government in the United States Are Doing to Promote Hiring & Retention of Older Workers**

# Typical Employer Responses to Shortage of Workers

- Increase recruiting, by advertising more, turning more to employment agencies, reaching a wider geographic area, and even paying recruiting bonuses to employees;
- Increase overtime work and turn part-time positions into full-time jobs;
- Reduce education and other requirements for new hires;
- Restructure work in ways that adapt to the available work force;
- Substitute capital for labor;
- Expand the supply of qualified workers by conducting additional training;
- Improve working conditions;
- Offer bonuses, stock options, and other forms of non-wage compensation to new and/or existing employees; and
- Improve wages and fringe benefits

# Best Practices Awards

**American Association for Retired Persons (AARP) & Society for Human Resource Management (SHRM) :**

**[AARP Best Employers for Workers 50+](#)**

**New York Academy of Medicine:**

**[Age-Smart Employer Awards](#)**

**Encore.org (Second Acts for the Greater Good)**

**[The Purpose Prize: Social Entrepreneurship for those over 60](#)**

# **AARP Best Employers for Workers 50+** **2013 Awards**

**AARP and Society for Human Resource Management (SHRM) Announce Top 50 Employers, Honor Winners Who Recognize Value of Older Workers**

The award is now given out every two years to allow employers to develop, test and implement effective strategies to attract and retain top talent

<http://www.aarp.org/about-aarp/press-center/info-06-2013/National-Institutes-of-Health-Heads-2013-List-of-Best-Employers-for-Workers-Over-50.html>

<http://www.shrm.org/pages/default.aspx>

# AARP Best Employers for Workers 50+ **2013 Awards**

Winning organizations submitted a comprehensive application that included information about their human resources practices and policies:

- Recruiting practices

- Opportunities for training, education and career development

- Workplace accommodations

- Alternative work options, such as flexible scheduling, job-sharing and phased retirement

- Employee health and pension benefits

- Benefits for retirees

# AARP Best Employers for Workers 50+ **2013 Awards**

## The Selection Process

Applications submitted by the deadline were evaluated by an independent survey firm using evaluation guidelines developed by AARP's workforce experts and research staff in consultation with external labor experts.

After the survey firm's review, the applications and initial ratings are sent to AARP and to an independent panel of judges.

The panel of judges, comprising private-sector, nonprofit and government labor experts, reviewed the applications. The opinions of the judges, together with the initial rating, form each applicant's final rating.

After the evaluation is complete, finalists are vetted to ensure that any organization recognized as one of the AARP Best Employers for Workers Over 50 has practices that are generally consistent with AARP's public policies and value

# AARP Best Employers for Workers 50+ 2013 Awards

**National Institutes of Health (NIH)**, the world's premiere medical research institution, has gained top honors in the 2013 search for the AARP Best Employers for Workers Over 50

NIH, a four-time honoree in the Best Employers program, provides generous health benefits and a "Fit Plus Program" that strongly supports the needs of employees 50 and over. Full-time employees are eligible to move to part-time work on a permanent or temporary basis



# AARP Best Employers for Workers 50+ 2013 Awards

**NIH** also offer older workers a variety of alternative work arrangements such as flex-time, compressed work schedules, job sharing, telecommuting, and a formal phased retirement program

Forty-seven percent of **NIH** employees are age 50-plus. The average tenure of employees age 50-plus is 18.4 year

**NIH** participates in an annual 50-plus job fair and sends letters to recent **NIH** retirees to notify them of current job openings. In addition, **NIH** uses organizations such as Peace Corps Returned Volunteers, community agencies for veterans, professional membership organizations, and local college/university alumni associations for recruiting

# AARP Best Employers for Workers 50+ **2013 Awards**

- Investing in Older Workers DVD
- The SHRM Foundation traveled to the **National Institutes of Health (NIH)** to learn how they cultivate a culture of respect for mature workers. **NIH** was ranked first in AARP's Best Employers for Workers over 50, co-sponsored by SHRM, making NIH the only Federal agency to achieve this distinction.

[Watch the video now](#) (20 min.)

[Watch the video with closed captioning](#)

[Watch the video in Spanish](#)

To request a copy of the DVD, e-mail [elissa.soares@shrm.org](mailto:elissa.soares@shrm.org)

Visit our resource page on [Employing an Aging Workforce](#). - See more at:  
<http://www.shrm.org/about/foundation/products/pages/investing-in-older-workers-dvd.aspx#sthash.TVD7Xh7s.dpuf>

# AARP Best Employers for Workers 50+ **2013 Awards**

Other 2013 winners include **Scripps Health** in San Diego, CA(2), the U.S. Fish and Wildlife Service (14), S&T Bank in Indiana, PA (16) and **Michelin North America** in Greenville, SC (24), University of Pittsburgh (44), & CheapCaribbean.com in Doylestown, PA (50)

## **Scripps Health**

offers staged retirement programs to eligible employees age 55 and older. In this program, employees collect full-time benefits and may dip into their retirement funds while working part-time

# AARP Best Employers for Workers 50+ 2013 Awards

## **Scripps Health (continued)**

offers financial hardship benefits such as salary advances, PTO hardship withdrawals (from 401k retirement plans), and the employee funded Scripps HOPE Fund provides financial hardship assistance with paid time off or financial assistance

uses senior placement agencies to target mature workers and retirees. The organization also posts positions on career websites such as RetirementCommunity.com and RetirementJobs.com

hires former experienced employees through the Scripps Alumni Program

# AARP Best Employers for Workers 50+ 2013 Awards

## **Scripps Health (continued)**

Thirty-six percent of Scripps employees are age 50-plus. The average tenure of employees age 50-plus is 15 years

# AARP Best Employers for Workers 50+ 2013 Awards

## **Michelin (Family Health Center) North America -**

retirees, employee spouses and domestic partners, and dependents over age 2 covered under the Michelin medical plan are also eligible for care at the health center

provides discounted health care and free lab services

# AARP Best Employers for Workers 50+ **2013 Awards**

## **Michelin of North America (continued)**

Alternative work arrangements are offered to employees working 20-plus hours per week: flextime, compressed work schedules, job sharing, telecommuting and a formal phased retirement program

Full-time employees are eligible to move to part-time work on a permanent or temporary basis

Thirty-seven percent of Michelin employees are age 50-plus. The average tenure of employees age 50-plus is 23.5 years

## [AARP Best Employers for Workers 50+](#)

### 2013 Awards –Some Advice & Lessons Learned

[http://www.shrm.org/publications/hrmagazine/editorialcontent/2013/0813/pages/0813-older-workers\\_1.aspx#sthash.eLHdkJCL.dpuf](http://www.shrm.org/publications/hrmagazine/editorialcontent/2013/0813/pages/0813-older-workers_1.aspx#sthash.eLHdkJCL.dpuf)

- **Provide top-drawer benefits and pay.** At the core are good health plans, sound retirement options—401(k)s, defined benefit plans or both—and decent pay
  - Swarthmore College provides health care coverage for retirees younger than 65 until they're eligible for Medicare.
  - WellStar Health System does not provide health care coverage for retirees; however, its older workers with 10 years' service enjoy the option of staying onboard and being able to dip into their defined benefit pensions at age 62.
  - Securian Financial Group provides health benefits for retirees



## AARP Best Employers for Workers 50+

### 2013 Awards –Some Advice & Lessons Learned

- **Create a caring culture.**
  - “Folks choose to stick around because they like the culture,” says Kathleen Pinkett, SPHR, senior vice president of human resources and corporate services, at Securian.
  - At the National Institutes of Health, a flexible, informal work environment focused on outcomes is the norm. NIH doesn’t require people to retire, says Dr. William Gahl, clinical director at the National Human Genome Research Institute, which is part of NIH. In Germany, “when scientists reach retirement age, they have to leave the building and never come back. [Employers] lose a lot of brain power.” – is this factually correct?

## AARP Best Employers for Workers 50+

### 2013 Awards –Some Advice & Lessons Learned

- **Reciprocate loyalty.** During the recession, many employers were forced to lay off the last hired; others cut high earners. Michelin North America did neither. “We chose to share the pain by taking 6,000 employees in the U.S. below a 40-hour week for three to six months. When the crisis ended, we returned these workers to full status,” says Wayne Culbertson, director of Michelin in the UK

## AARP Best Employers for Workers 50+

### 2013 Awards –Some Advice & Lessons Learned

- **Support age-blind training.** Cianbro Corp.'s business requires agility to qualify for a range of construction projects. When funds dry up in one sector, the contractor seeks opportunities that often require different skills and certifications. Staff members are constantly training and reinventing themselves at company expense

## AARP Best Employers for Workers 50+

### 2013 Awards –Some Advice & Lessons Learned

- Offer flexible work.
- Schedule retirement workshops.
- **Make wellness a priority.** Older workers value wellness programs and other value-added health services. Increased productivity, better attendance and lower health care costs may be some of the advantage
- **Treat older workers like everyone else.** Many older workers don't see themselves as old or with one foot out the door. They don't want to be reminded of their age or to be asked when they're planning to retire.

## AARP Best Employers for Workers 50+

### 2013 Awards –Some Advice & Lessons Learned

- **Ease the transition to retirement.**
  - Most AARP award winners have full- and part-time employment options and allow people to return after retirement. Older workers seem to prefer full-time work
  - Michelin features retirement-eligible part-time employment. This option allows people to work part time and maintain benefits. The company also allows retirees to return to work

## AARP Best Employers for Workers 50+

### 2013 Awards –Some Advice & Lessons Learned

- **Ease the transition to retirement (continued).**
  - Securian maintains a list of retirees who are available for specific types of assignments: full-time, temporary or part-time; consulting or contract; or telecommuting or temp work
  - Stanley Consultants’ informal “phased retirement” lets workers age 55 and older adjust their schedules
  - At Cianbro, some take winter hiatuses, then return full time. Others come back part time for projects

# The New York Academy of Medicine (NYAM) Recognizes Four New York City Employers as "Age Smart"

- **New York, NY (February 7, 2014)** – The New York Academy of Medicine (NYAM) announces the winners of its first annual **Age-Smart Employer Awards**, which honor New York City employers who value workers of all ages.
- Winners were judged on their organization's commitment to leverage older workers' talent while meeting the goals of both the business and its employees.
- The Age-Smart Employer Awards initiative is led by NYAM and **Age-Friendly NYC (<http://www.nyam.org/agefriendlynyc/>)**, and funded by the Alfred P. Sloan Foundation.
- Winners include Montefiore Medical Center, Pfizer Inc., Renewal Care Partners, and Ristorante Settepani & Settepani Bakery.

# The New York Academy of Medicine (NYAM) Recognizes Four New York City Employers as "Age Smart"

- Winners were chosen from an open call for applications. Employers of all types and sizes were eligible to apply. Applicants did not have to be headquartered in NYC, but must have a workforce presence in New York City that has been in operation for at least a year.
- Winners were chosen by a third-party selection committee.
- The selection committee included leaders from both private and public companies such as:
- Google; Omnicom; City University of New York; Global Coalition on Aging; Greater New York Hospital Association; Mailman School of Public Health at Columbia University; NYS Association of Occupational Medicine; Proskauer Rose LLP; FEGS Health & Human Services System; and Future Work Institute.
- Learn more about the winners and view videos about their age-smart practices: (<http://www.nyam.org/age-smart-employer/winners2013.html>).



## "Age Smart" Testimonials

Dr. Jo Ivey Boufford, President at NYAM

- “We’re thrilled to have such a compelling group of winners for our first Age-Smart Employer Awards. For the first time in history, the number of older workers is growing faster than the number of younger people in the workforce. These employers have demonstrated their organization’s commitment to embracing and leveraging the unique talents of a multigenerational workforce.”

## **"Age Smart" Testimonials**

Alfredo Cabrera, Senior Vice President &  
Chief Human Resources Officer, Montefiore

- “This award recognizes a fundamental part of Montefiore's culture – that each employee, young or old, new or experienced, can make a meaningful contribution to our health system and to providing the best care to our patients and their communities. This is truly an honor.”

## "Age Smart" Testimonials

Dr. Jack Watters, Vice President for External Medical Affairs at Pfizer

- “We are honored that Pfizer has been recognized as an Age-Smart Employer. We are passionate about supporting the health and wellness of individuals of all ages around the world, patients and caregivers alike. We also have a responsibility to address the needs of the world’s aging population through programs for our employees, as well as broader initiatives such as Get Old, which we developed to support society’s dialogue on aging and living well.”

## **"Age Smart" Testimonials**

Leah Abraham and Antonio Settepani, owners of  
Ristorante Settepani & Settepani Bakery

- "Age-smart hiring is the engine behind a healthy community. Our community and business are sustained by the power of knowledge and the wisdom of age."

# "Age Smart" Companies What They are Doing: Pfizer

- Pfizer, a global biopharmaceutical company, offers medicines and vaccines that support wellness and prevention, as well as treatments for diseases across a broad range of therapeutic areas. The company operates in more than 150 nations and is a leader in biomedical research and development. Pfizer has 79,000 colleagues worldwide, with more than 3,000 of them in New York, the city of its founding in 1849.

# "Age Smart" Companies What They are Doing: Pfizer

- Pfizer employs a number of age smart tactics; among the most notable is the establishment and promotion of Colleague Resource Groups (CRGs) that bring together employees of all ages with similar backgrounds and interests. These CRGs help the company find and develop the best talent, provide insight into the needs of diverse groups, and open new business opportunities for the enterprise. OPEN LGBT, one such CRG, facilitated a partnership with SAGE (Services and Advocacy for GLBT Elders) and offered a series of webinars on issues related to health and well-being of older adults, both generally and specifically for the LGBT community.

# "Age Smart" Companies What They are Doing: Pfizer

- Pfizer's Mentor Match, another age smart practice, connects employees by enabling mentor-mentee partnerships among thousands of employees of all ages and experience levels. The program is voluntary, and has seen a 35% increase in the number of active mentors in the past year. Pfizer encourages its colleagues to participate in mentoring to increase knowledge transfer and opportunities for employees to share expertise.

# "Age Smart" Companies What They are Doing: Pfizer

- In 2012, Pfizer launched Get Old, a multi-year initiative and the centerpiece of Pfizer's efforts around aging - to challenge and redefine what it means to Get Old and help individuals recognize that a lot of how they age is up to them.
- Pfizer engages employees with comprehensive wellness programs and offers health condition management practices that take into account the unique challenges of aging.



# "Age Smart" Companies What They are Doing: Pfizer

- Pfizer also offers support for caregivers – they co-sponsored ReACT (Respect a Caregivers Time), a multi-company leadership initiative that helps employers understand the difficulties of being a working caregiver and encourages caregiver friendly business policies.
- Additionally, Pfizer has sponsored an e-book, **Juggling Work and Caregiving** by Amy Goyer of AARP with a foreword by Dr. Freda-Lewis Hall, Pfizer's Chief Medical Officer that offers practical resources and tips for working caregivers.

# **"Age Smart" Companies What They are Doing: Ristorante Settepani**

- Established in 2000, Ristorante Settepani brings Sicilian fare to Harlem. Settepani Bakery, under the same ownership, is a commercial bakery operating out of Williamsburg, Brooklyn since 1992 and is the source of bread and pastries for many restaurants throughout New York City. They have 50 employees in New York City. Like many small businesses, Settepani operates more from its owners' hearts than from a company procedures manual.

# **"Age Smart" Companies What They are Doing: Ristorante Settepani**

- Settepani's salient age smart employment practice is commitment to treating their employees as family, embracing their talents, interests and aspirations.
- They create a culture of flexibility that nurtures employees across their life course.
- Recruitment at Settepani focuses on bringing in talent at an entry level and promoting growth from within.

# **"Age Smart" Companies What They are Doing: Ristorante Settepani**

- About 60% of Settepani's employees have been with the company for more than ten years, and about 50% of the staff are older adults.
- Settepani allows employees to be creative and put personal touches on their work.
- One employee, also a playwright, contributed text to the front page of the menu, and another worker, a photographer, hosted an art exhibit featuring his works at the restaurant.

# **"Age Smart" Companies What They are Doing: Ristorante Settepani**

- Staff of all experience levels and ages continually receive training and keep skills current, especially when it comes to new technologies affecting its bottom-line.
- A strong emphasis on cross-training all incoming staff, believing that this creates stronger teams
- Provides multiple training formats to accommodate workers: one-on-one training, hands-on training, shadowing, and classes/seminars
- Encourages co-mentorship between older and younger employees: e.g., a young cook trained an older supervisor, a head chef, to use the new mandatory online ordering system

# NYAM "Age Smart" Contact Information

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# Silver/Social Entrepreneurs

- We need policy changes, starting perhaps with a tax credit for firms that invest in training and education for older workers, encouraging what the Japanese are starting to call "silver entrepreneurs." **The Kauffman Foundation estimates that nearly half of all entrepreneurs in the U.S. are over 45. Since they are also among the most successful and productive, this is good policy as well as great business.**

# Silver/Social Entrepreneurs

**Source:** Hannon, K. (2014, 7 March). An aging population also poses opportunities for retirement careers. *The New York Times*, p. B7

## – Entrepreneurial “Retirement Careers”

- **HOME MODIFICATION PRO** – e.g. Brian Dawson, 66 and an architect, started **Ageless Environments**, a design firm, with a partner, Laura Grad, an interior design specialist. Ms. Grad is also a **National Association of Home Builders** certified aging-in-place specialist.
- **FINANCIAL PLANNER**
- **DRIVER**
- **PERSONAL ASSISTANT**
- **TRAVEL GUIDE** - Judi Bonilla, 56, was laid off from her job as a logistics subcontractor for the military, founded **We Get Around**, teaching people from 65 to 91 how to use public transportation and organizing half-day outings using primarily the bus and trolley in San Diego



# The Purpose Prize:

## Social Entrepreneurship for those over 60

- The Purpose Prize, now in its ninth year, is the nation's only large-scale investment in people over 60 who are combining their passion and experience for social good. The Prize awards \$100,000 to at least one individual in his or her encore career creating new ways to solve tough social problems.
- 430 Purpose Prize winners to date across the globe.
- The Prize was created in 2005 by Encore.org, with funding from the [John Templeton Foundation](#) and [The Atlantic Philanthropies](#) to showcase the value of experience and disprove notions that innovation is the sole province of the young. It's for those with the passion to make change and the experience to know how to do it.

**The Purpose Prize:  
Social Entrepreneurship for those over 60  
BIG IDEAS, BIG RESULTS**

- Purpose Prize winners and fellows are accomplishing extraordinary things in their encore careers. Here are some examples:
- **Frank Brady's** organization, **Medical Missions for Children**, has helped more than 35,000 seriously ill children lacking access to quality medical care.
- **Gary Maxworthy's Farm to Family program** distributed 88 million pounds of fresh produce to California food banks in 2009.

**The Purpose Prize:  
Social Entrepreneurship for those over 60  
BIG IDEAS, BIG RESULTS**

- **Sharon Rohrbach's Nurses for Newborns** cut Medicaid costs for Neonatal Intensive Care Units in Tennessee by \$1.5 million.
- A recent study shows that **Don Coyhis' Native American substance abuse recovery program** is 97 percent effective in helping people beat alcoholism.
- For more info: <http://www.encore.org/prize>