A Research Report by the Society for Human Resource Management (SHRM)

Preparing for an Aging Workforce

Finance, Insurance and Real Estate Industry Report

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Society for Human Resource Management

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About SHRM

Founded in 1948, the Society for Human Resource Management (SHRM) is the world's largest HR membership organization devoted to human resource management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates. Visit us at shrm.org. For more information about the SHRM/SHRM Foundation Older Workers initiative, visit www.shrm.org/surveys and www.shrmfoundation.org.

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About This Research Report

SHRM and the SHRM Foundation have launched a national initiative to highlight the value of older workers and to identify—through original research—best practices for employing an aging workforce. This three-year initiative is generously underwritten by a grant from the Alfred P. Sloan Foundation.

The overall purpose of this research is to:

- Investigate the current demographics of organizations and their views on how the demographic breakdown of their workforces is likely to change in the future in both their organizations and their industries.
- Determine what, if any, actions organizations are taking to prepare for an aging workforce, including recruiting and retention strategies to specifically target older workers.
- Identify the skills and experience HR professionals value in older workers.

Definition

For the purpose of this survey, "older workers" were defined as employees 55 years of age or older.

The Aging Workforce and the U.S. Finance, Insurance and Real Estate Industry

As in many other countries around the world, the population of the United States is aging. Across industries, the U.S. workforce is getting older. According to the U.S. Bureau of Labor Statistics (BLS), by 2016 one-third of the U.S. labor force will be in the 50-plus age category, compared with 27% in 2007. The percentage of retired Baby Boomers has nearly doubled since 2010, when the U.S. Census Bureau found that only 10% of Baby Boomers were retired. Although this demographic shift will influence workplaces everywhere, each industry will be affected by this change in different ways, driven by current demographics, education trends and industry growth.

This report will examine how the finance, insurance and real estate industry is preparing for an aging workforce. The BLS classifies financial activities organizations as part of the service-providing industries group. The financial activities category consists of the finance and insurance, and real estate and rental and leasing industries. These industries were combined into one main category for the following report.

The BLS projects that the financial activities sector will grow from over 7.8 million jobs in 2002 to over 8.5 million jobs in 2022 with an annual growth rate of 0.9% between 2012 and 2022. This growth trajectory during that time frame is fairly closely aligned with the total estimated growth rate for all industries (1%).[1]

According to the BLS, workers in the financial activities sector had an only slightly higher median tenure rate compared with all other industries (5.0 years in January 2014 for the financial activities sector compared with 4.6 years overall).[2] The median age of workers the BLS classifies as belonging to the financial activities sector, 44, is very close to the median age of industries overall (42.4 years old).[3] These economic and demographic factors are likely to influence the way the finance, insurance and real estate industry responds to the challenges and opportunities of an aging workforce.

As part of the SHRM and the SHRM Foundation three-year initiative supported by a grant from the Alfred P. Sloan Foundation, SHRM Research conducted a survey of HR professionals to learn more about how different industries are preparing for an aging workforce. The survey examined the current demographics of industries and organizations as well as respondents' views on how the demographic breakdown of their workforce is likely to change in the future. The survey was organized into three parts:

- The State of Older Workers in U.S. Organizations.
- Recruitment and Retention of Older Workers.
- Basic and Applied Skills of Older Workers.

This report is an overview of the survey findings on the finance, insurance and real estate industry compared with all other industries.

The State of Older Workers in the U.S. Finance, Insurance and Real Estate Industry

Key Findings

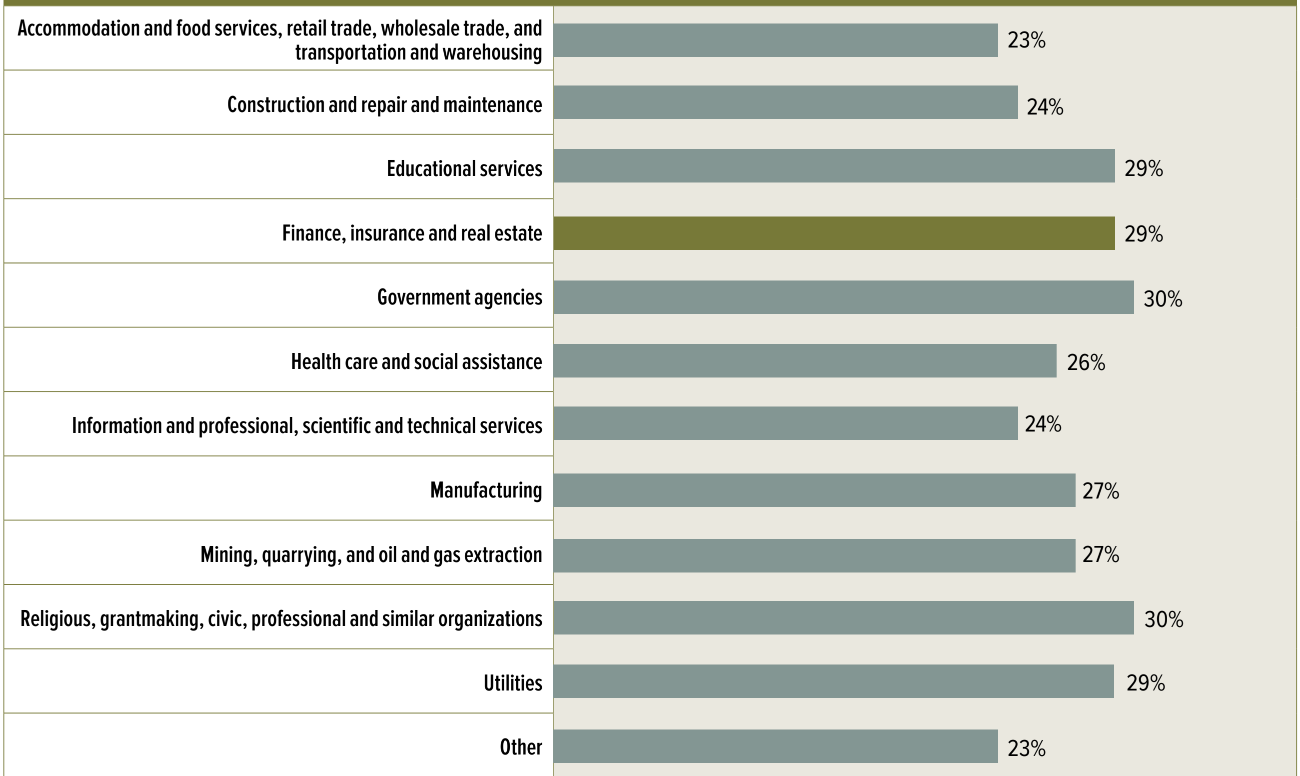
- **What percentage of workers in the finance, insurance and real estate industry are age 55 and older?** Responding finance, insurance and real estate firms reported that approximately 29% of their workforce was age 55 and older (see Figure 1).
- **Are finance, insurance and real estate organizations preparing for an aging workforce?** Forty-three percent of HR professionals in finance, insurance and real estate said they were just beginning to examine internal policies and practices to prepare for the aging workforce. Fifteen percent said they were just becoming aware of this potential change, and another 15% said they had examined their internal policies and practices and determined that no changes were necessary (see Figure 2).
- **Do HR professionals in the finance, insurance and real estate sector see the aging workforce as a potential problem for their industry?** Similar to other industries, very few HR professionals in the finance, insurance and real estate industry believed the impact of the potential loss of talent due to an aging workforce was considered an immediate crisis for their industry (3% in the next one to two years and 3% in the next three to five years; see Figure 3). However, looking further out, more finance, insurance and real estate HR professionals said they thought the aging workforce would be a problem for their industry (21% considered it a problem, and 12% considered it a crisis in the next 11 to 20 years).
- **Are finance, insurance and real estate firms taking any steps in response to an aging workforce?** Thirty-eight percent of HR professionals from finance, insurance and real estate firms said their organizations had analyzed the impact of workers age 55 and older leaving in the next one to two years (see Figure 5). Sixty percent of financial activities firms had identified future workforce needs, and 55% had identified future skills gaps in this time frame (see Figures 6 and 7).

The first part of the Preparing for an Aging Workforce Survey explored the proportion of older workers in various industries, how aware HR professionals in these industries are of the impending demographic shift toward an older workforce and what, if any, actions organizations are taking to prepare for this shift.

Proportion of Workers Age 55 and Older in the Finance, Insurance and Real Estate Industry

HR professionals in the finance, insurance and real estate industry reported that 29% of their workforce fell into the older worker category (see Figure 1).

Figure 1 | Percentage of Older Workers, by Industry



Note: Except for the "Other" group, the accommodation and food services, retail trade, wholesale trade, and transportation and warehousing industry employs significantly fewer older workers than the other industries.

Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Awareness of the Changing Workforce Demographics in the Finance, Insurance and Real Estate Industry

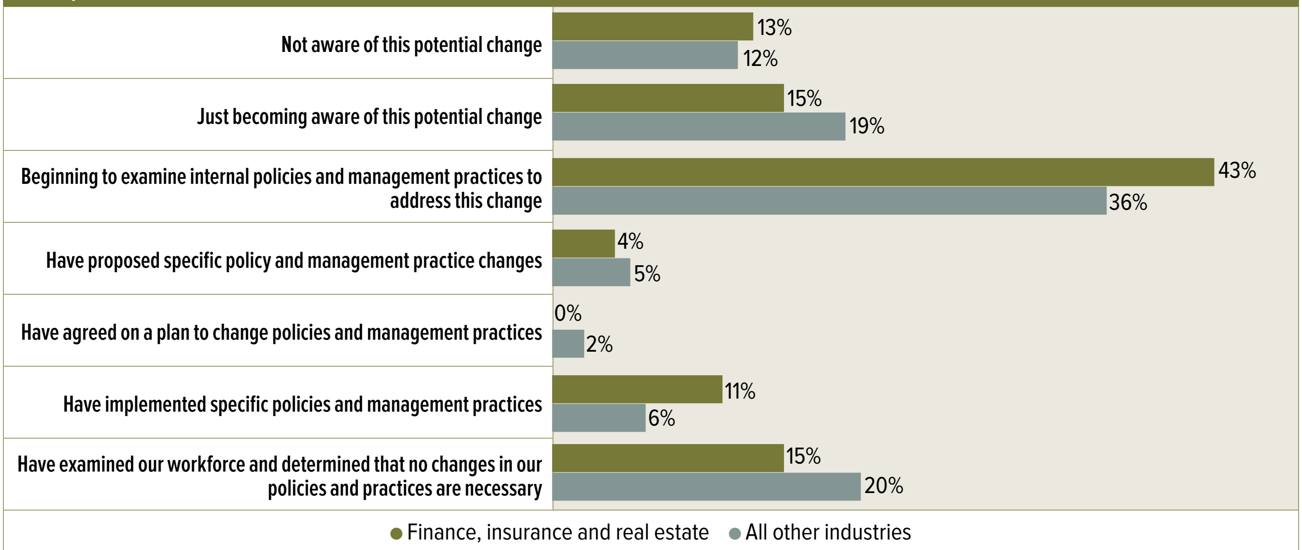
Thirteen percent of HR professionals in finance, insurance and real estate firms indicated that they were not aware that the proportion of older workers was increasing. However, the majority were in some stage of the process of learning more about this change and determining how these changes might affect their organizations. Fifteen percent said they were just becoming aware of this change, whereas 43% said they were beginning to examine their organizations' policies and practices to determine what changes may be necessary to respond to this shift. Fifteen percent said they had reviewed their policies and practices and determined that no changes were needed (see Figure 2).

HR professionals from finance, insurance and real estate organizations were similar to organizations in other industries when it came to the impact they thought the potential loss of talent as a result of older workers retiring or leaving their organizations for other reasons would have on their industry in most of the time frames studied. The exception was in the six-to-10-year time frame. Here significantly fewer HR professionals in the financial activities sector thought the potential loss of talent would be a problem compared with other industries (17% compared with 29% in other industries; see Figure 3). Similarly, when considering the impact at the organizational level, there were no significant differences between the perceptions of HR professionals in the finance, insurance and real estate industry compared with HR professionals in other industries (see Figure 4). However, there is a pattern of increased concern over time, with 22% of HR professionals in the finance, insurance and real estate industry indicating the potential loss of talent would be a crisis or a problem in the next one to two years and 31% indicating the same in the six-to-10- and 11-to-20-year time frames.

Assessing the Impact of Changing Workforce Demographics

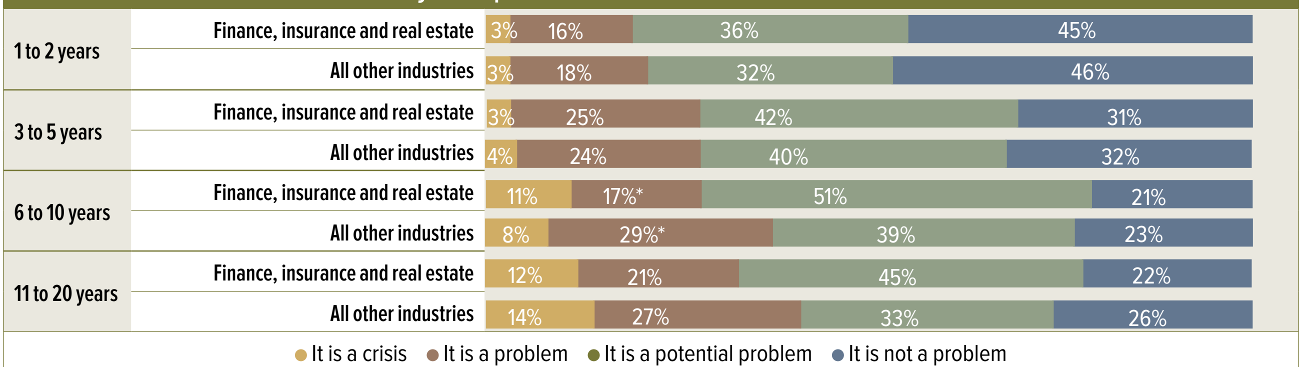
HR professionals in many industries do not consider the aging workforce to be a problem either currently or in the years ahead. One reason for this may be that many organizations do not collect much information on when and how their workforces will be changing in the years ahead. Like many other industries, a minority of HR professionals in finance, insurance and real estate indicated that their organizations had analyzed the impact of workers age 55 and older leaving their organizations in all of the time frames measured. Thirty-eight percent said they had measured the impact in the next one to two years, 36% in the next three to five years and 17% in the next six to 10 years (see Figure 5).

Figure 2 | How Finance, Insurance and Real Estate Organizations Are Preparing for an Aging Workforce Compared with Other Industries



Note: Finance, insurance and real estate n = 75; all other industries n = 1,515. Percentages may not total 100% due to rounding.
Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Figure 3 | Perceived Impact of the Potential Loss of Talent Due to an Aging Workforce on the Finance, Insurance and Real Estate Industry Compared with Other Industries



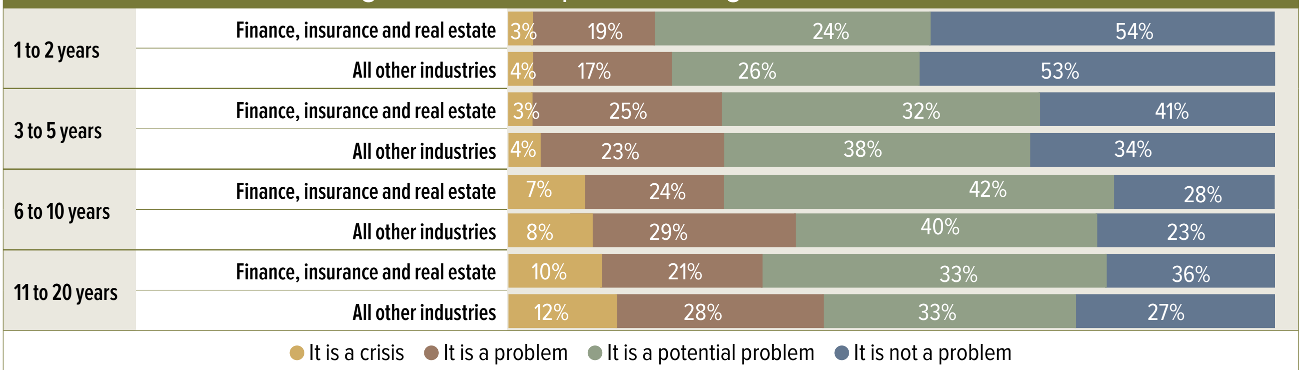
*The difference between finance, insurance and real estate and all other industries is statistically significant (p<.05).
Note: Finance, insurance and real estate n = 58-67; all other industries n = 1,223-1,420. Respondents who indicated "Not applicable" were not included in the analysis. Percentages may not total 100% due to rounding.
Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Sixty percent of HR professionals in the finance, insurance and real estate industry said they had identified their future workforce needs in the one-to-two-year time frame, whereas 53% said they had done so in the three-to-five-year time frame and 26% in the six-to-10-year time frame, as shown in Figure 6. There were no significant differences between the financial activities sector and other industries. Over one-half of HR professionals in the finance, insurance and real estate industry indicated their organizations had identified their potential future skills gaps in the one-to-two-year time frame (55%) and in the three-to-five-year time frame (51%), with significantly more reporting their organizations had done so for the three-to-five-year time frame compared with HR professionals in other industries (38% in other industries).

About one-quarter (24%) of HR professionals in the finance, insurance and real estate industry said their organizations had identified potential future skills gaps in the six-to-10-year time frame (see Figure 7).

Overall, the findings suggest that many organizations may not be fully aware of the various ways this demographic shift will influence their organizations, but those that do are more focused on the immediate future, that is, over the next one or two years.

Figure 4 | Perceived Impact of the Potential Loss of Talent Due to an Aging Workforce on Finance, Insurance and Real Estate Organizations Compared with Organizations in Other Industries



Note: Finance, insurance and real estate n = 70-79; all other industries n = 1,309-1,583. Respondents who indicated "Not applicable" were not included in the analysis. Percentages may not total 100% due to rounding.

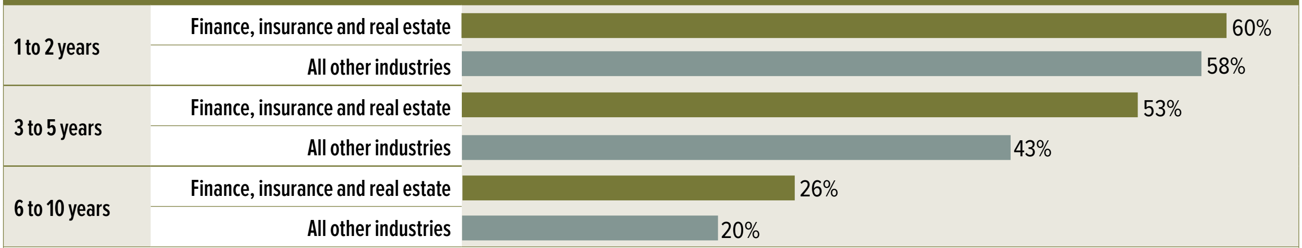
Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Figure 5 | Finance, Insurance and Real Estate Organizations That Have Analyzed the Impact of Workers Age 55 and Older Leaving Their Organization Compared with Other Industries

Note: Finance, insurance and real estate n = 63-66; all other industries n = 1,380-1,464.

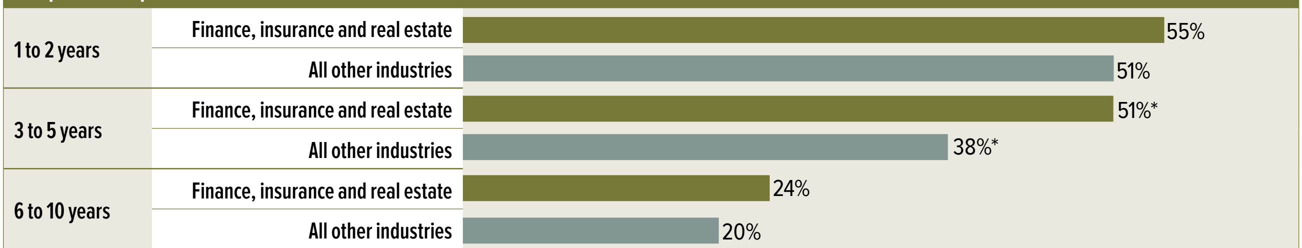
Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Figure 6 | Finance, Insurance and Real Estate Organizations That Have Identified Future Workforce Needs Compared with Other Industries



Note: Finance, insurance and real estate n = 58-68; all other industries n = 1,369-1,494.
Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Figure 7 | Finance, Insurance and Real Estate Organizations That Have Identified Their Potential Skills Gaps Compared with Other Industries



*The difference between finance, insurance and real estate and all other industries is statistically significant (p<.05).
Note: Finance, insurance and real estate n = 58-67; all other industries n = 1,361-1,474.
Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Recruiting and Retaining Older Workers in the U.S. Finance, Insurance and Real Estate Industry

Key Findings

- **Has the aging workforce prompted changes in recruiting and retention practices in the finance, insurance and real estate industry?** HR professionals in the finance, insurance and real estate industry were similar to their counterparts in other industries in assessing to whether the aging workforce had prompted any changes in their recruiting, retention or general management practices, with the majority saying it had prompted changes to at least a small extent in each of these areas.
- **Do finance, insurance and real estate industry organizations track impending retirements?** Slightly under one-half (46%) of HR professionals in finance, insurance and real estate indicated their organizations tracked impending retirements of their workers in the short term (one to two years). There were no significant differences between the financial activities sector compared with other industries in the percentage of organizations tracking retirements for any of the time frames studied.
- **Do finance, insurance and real estate industry organizations have formal strategies for attracting and retaining older workers?** Similar to other industries, very few HR professionals in finance, insurance and real estate organizations said their firms had formal strategies for either recruiting (1%) or retaining (2%) older workers.
- **What methods are used to recruit older workers in the finance, insurance and real estate industry?** As in other industries, employee referrals were the most common method of recruiting older workers in the finance, insurance and real estate industry (32%). However, 62% of finance, insurance and real estate firms reported that they did not actively recruit older workers.

As shown in Figure 8, HR professionals in the finance, insurance and real estate industry were similar to HR professionals in other industries when it came to reporting whether their organizations were making changes to their management or recruiting and retention practices in preparation for an aging workforce. There were also no significant differences between organizations in the financial activities sector and their counterparts in other industries in the percentages tracking impending retirements of workers in their organization in any of the time frames studied (see Figure 9). Similar to many other industries, financial activities organizations were most likely to measure impending retirements in the shorter time frames (one to two years (46%) and three to five years (42%)) than further out (six to 10 years (26%) and 11 to 15 years (18%)). As shown in Figure 10, similar to other industries, very few finance, insurance and real estate organizations reported they had a formal strategy for recruiting (1%) and retaining (2%) older workers.

Recruiting Older Workers in the Finance, Insurance and Real Estate Industry

Across industries, HR professionals whose organizations recruit older workers said that employee referrals were the most common method they used to recruit these workers. Organizations in the finance, insurance and real estate industry were also most likely to use this method to recruit older workers, with 32% of HR professionals reporting that they used employee referrals, followed by 21% who said they used networking and 17% who said they used websites aimed at job seekers age 55 and older (see Figure 11). Over three-fifths (62%) of HR professionals in finance, insurance and real estate said their organizations did not actively recruit older workers. There were no significant differences between organizations in the financial activities sector and those in other industries for methods used to recruit older workers.

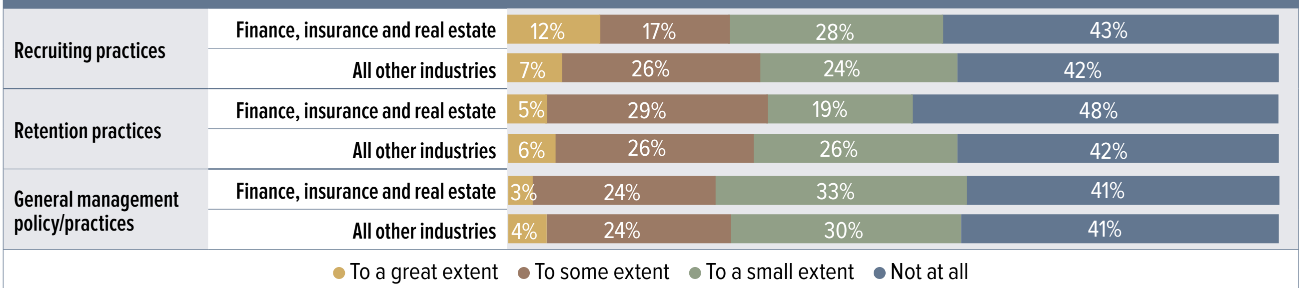
HR professionals in finance, insurance and real estate organizations did not differ from their peers in other industries in the levels of difficulty they reported in recruiting exempt older workers. However, as shown in Figure 12, they were significantly more likely to say they found it neither easy nor difficult to recruit nonexempt older workers compared with other industries (70% compared with 59% in other industries).

As shown in Figure 13, finance, insurance and real estate organizations did not differ greatly from other industries in the degree of difficulty they experienced in recruiting mature workers for various job roles. Similar to other industries, HR professionals in finance, insurance and real estate tended to find it most difficult (difficult/extremely difficult) to recruit executives (25%).

Retaining Older Workers in the Finance, Insurance and Real Estate Industry

HR professionals in finance, insurance and real estate organizations reported similar levels of ease as other industries in retaining older workers. Just over one-half of HR professionals in the finance, insurance and real estate industry said they found it easy or extremely easy to retain older workers in the exempt (52%) and nonexempt (51%) categories (see Figure 14).

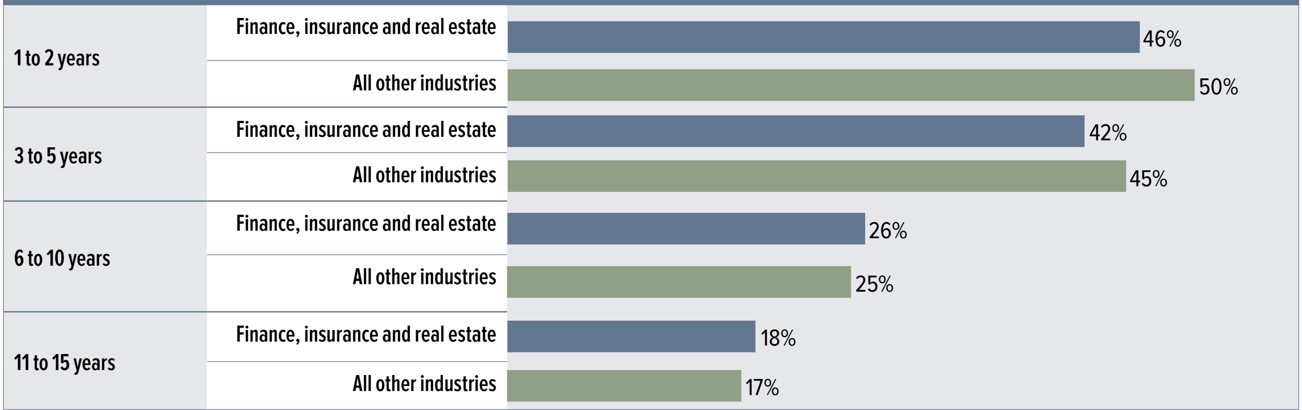
Figure 8 | Extent the Increasing Age of Organization's Workforce Has Begun to Prompt Changes in . . .



Note: Finance, insurance and real estate n = 80-82; all other industries n = 1,620-1,629. Respondents who indicated "Not applicable" were not included in the analysis. Percentages may not total 100% due to rounding.

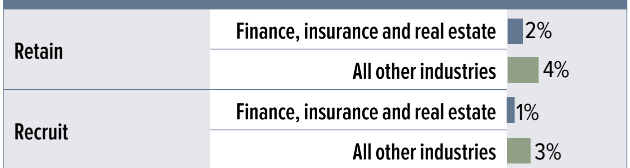
Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Figure 9 | Organizations That Track the Percentage of Workers in Organizations Eligible to Retire in the Next . . .



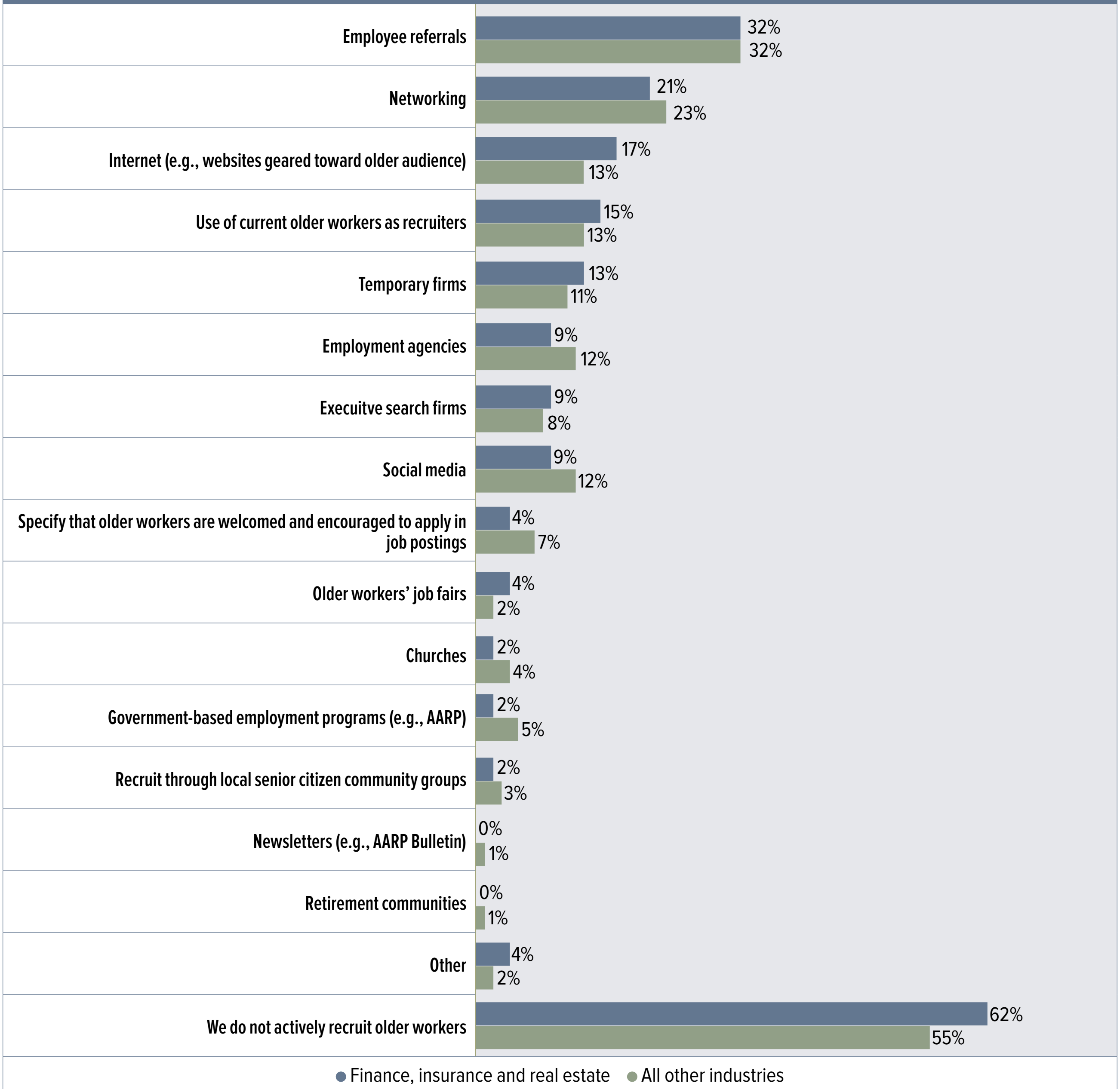
Note: Finance, insurance and real estate n = 82-84; all other industries n = 1,590-1,642.
Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Figure 10 | Organizations That Have a Formal Strategy for Retaining and Recruiting Older Workers



Note: Finance, insurance and real estate n = 84; all other industries n = 1,622-1,623.
Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

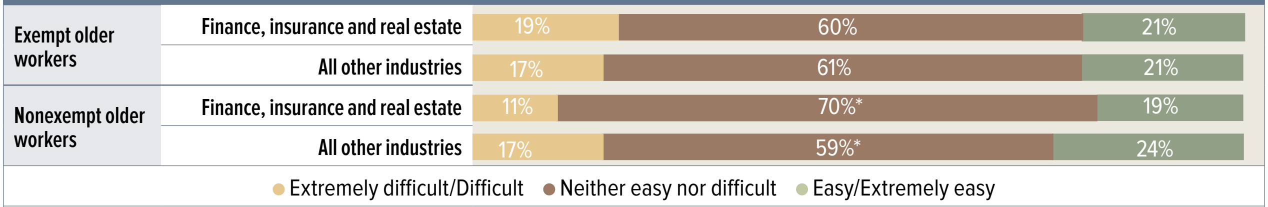
Figure 11 | Methods Used by Finance, Insurance and Real Estate Companies to Recruit Older Workers in Other Industries



Note: Finance, insurance and real estate n = 47; all other industries n = 936. Only respondents who indicated that the increasing age of their organizations' workforce has prompted change in their recruiting practices were asked this question. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

FIGURE 12 | Ease or Difficulty in Recruiting Qualified Older Workers in Finance, Insurance and Real Estate Compared with Other Industries, by Exemption Status

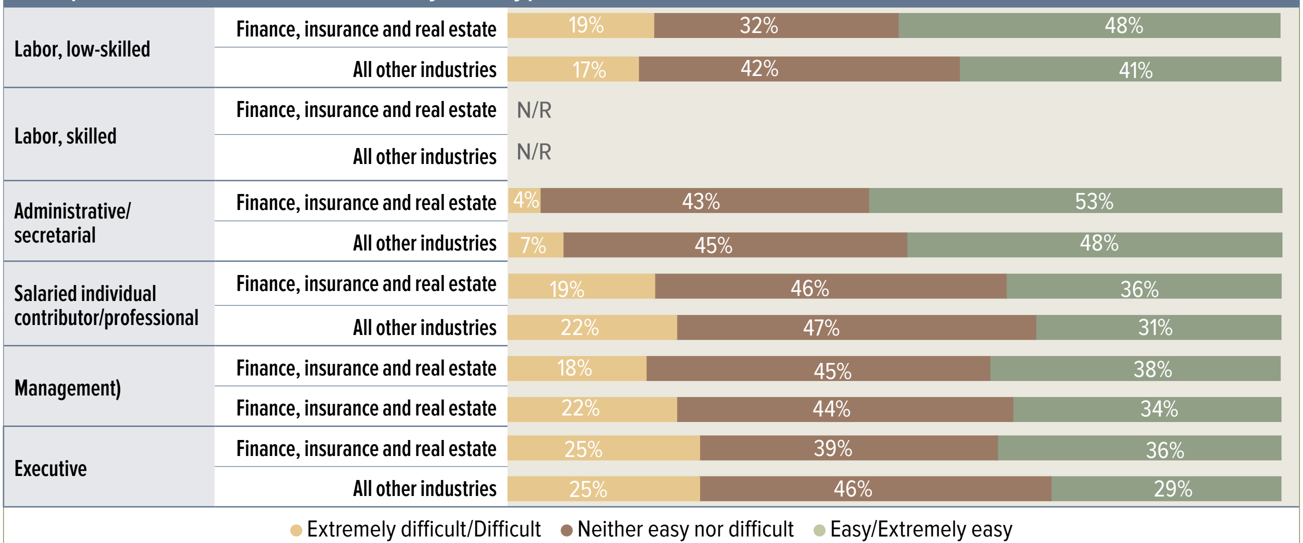


*The difference between finance, insurance and real estate and all other industries is statistically significant (p<.05).

Note: Finance, insurance and real estate n = 81; all other industries n = 1,628-1,641. Percentages may not total 100% due to rounding.

Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

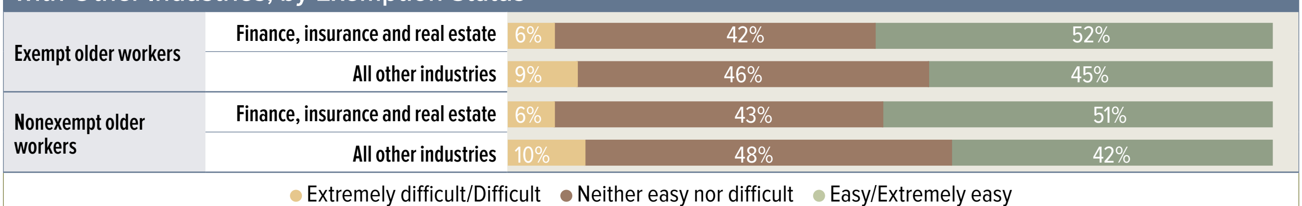
FIGURE 13 | Ease or Difficulty in Recruiting Qualified Older Workers in Finance, Insurance and Real Estate Compared with Other Industries, by Job Type



Note: Finance, insurance and real estate n = 31-76; all other industries n = 984-1,459. Respondents who indicated "Not applicable" were not included in this analysis. Percentages may not total 100% due to rounding. NR = Not reportable due to low sample size (n <30).

Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

FIGURE 14 | Ease or Difficulty in Retaining Older Workers in Finance, Insurance and Real Estate Compared with Other Industries, by Exemption Status



Note: Finance, insurance and real estate n = 84; all other industries n = 1,625-1,648. Percentages may not total 100% due to rounding.

Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Case Study:
Kemmer-Iott Benz Agency

Succession planning is not often at the forefront of many organizations' staffing management strategies, even as the older worker demographic expands in the U.S. labor force. But as the CEO of one company in Michigan approaches retirement, his employees are taking an unusually active role in finding his replacement. Kemner-Iott Benz Agency, which sells a variety of business and personal insurance policies, has an employee stock ownership plan (ESOP) for its 44 workers. The agency's chief executive and co-founder owns the majority of company stock at about 51%, but has suggested he will sell his shares of Kemner-Iott Benz after he retires in the near future.

"We have talked about a plan that would keep his ownership stake within the company through an employee buyout," said Joy Smith, Kemner-Iott Benz's president. "He has indicated that he would like the company's legacy to continue with our employees [as owners], and that's the direction we would like to take. If we can't do that, we risk losing it to an outside entity."

The ESOP arrangement will affect the buyout agreement, but it is already inherently connected to the success of Kemner-Iott Benz's older workers. As part of the package, the ESOP has a pension plan that will need to remain healthy for the foreseeable future—25% of Kemner-Iott Benz's payroll belongs to the 55-and-older demographic, Smith said. The pension is not set up as an annual annuity, but pays employees over a fixed five-year period when they retire, she said.

"We haven't had many retirements yet, but it's a constant watch for us," Smith said. "Except for a few of the recession years, we have made some healthy contributions to the pension and it's well-funded. But we also recognize that there could be a point when there won't be as much money in there as we'd like, and we need to prevent that from happening."

Long-term planning, however, comes naturally for the senior staff at an insurance agency, Smith said. Kemner-Iott Benz's "20/20 Vision" is a strategic plan that is updated every five years, and there are benchmarks for the pension plan, ownership arrangements and other aspects of the business. Although no formal policy exists for accommodating the needs of the firm's older workers, they are handled on a case-by-case basis, she said. One of the company's salesmen, for example, is a 74-year-old worker who spends the winter seasons as a snowbird—but also always travels with his laptop.

"He works remotely and he hasn't lost a bit of his skills," Smith said. "He's a leader in his office and one of our strongest salespeople. He's in Florida three months out of the year and I know that may not be common for employers to do, but we make it work."

Above all, Smith said Kemner-Iott Benz truly values the experience and work ethic of its elder employees. She also expects that the high concentration of 55-and-older workers will be the norm at Kemner-Iott Benz for quite some time, and that the company will need to prepare for retirements as well as lengthy tenures among its ranks.

"I think the numbers will actually increase as time goes on," Smith said. "We don't have a lot of turnover, and people are working longer now. It could come with its share of challenges. At the end of the day, we want to be a company that works with its employees and makes them successful."

Skills and Older Workers

Key Findings

- **Do finance, insurance and real estate organizations capitalize on and incorporate the experience of older workers?** Over one-half (56%) of finance, insurance and real estate industry respondents indicated that their organizations capitalized on and incorporated the experience of older workers to at least some extent. Similar to HR professionals in other industries, few (18%) reported that their organizations did not capitalize on and incorporate the experience of older workers at all.
- **What basic and applied skills do finance, insurance and real estate organizations value in their older workers?** Similar to their counterparts in other industries, HR professionals in finance, insurance and real estate organizations reported that they valued the more extensive work experience (81%), greater maturity and professionalism (73%), and stronger work ethic (70%) of older workers.
- **What steps are finance, insurance and real estate organizations taking to prepare for potential skills gaps resulting from the loss of older workers?** HR professionals in finance, insurance and real estate firms were most likely to report that they were increasing training and cross-training efforts (40%) and developing succession plans (38%) to prepare for potential skills gaps as a result of the loss of older workers to retirement.

In the years ahead, organizations that capitalize on the skills and experience of older workers will have a competitive advantage. In the finance, insurance and real estate industry the skills requirements are often fairly high, increasing the need for educational qualifications and certifications among employees and job applicants. The final section of the survey looked at the skills HR professionals in the financial activities industry value in their mature workers, including basic and applied skills. The survey also assessed what efforts, if any, organizations are making to transfer the skills and knowledge of older workers to the rest of their workforce.

Capitalizing on the Value of Older Workers in the Finance, Insurance and Real Estate Industry

As shown in Figure 15, about one-quarter (24%) of HR professionals in the finance, insurance and real estate industry reported that their organizations were making the most of the skills and experience of older workers to a great extent; about one-third (32%) said their organizations were doing so to some extent. Only 18% said their organizations did not at all attempt to capitalize on and incorporate the skills and experience of older workers. There were no significant differences between these findings and those from other industries.

Perceived Advantages of Older Workers in the Finance, Insurance and Real Estate Industry

As in other industries, HR professionals in financial activities organizations were most likely to indicate they valued older workers' work experience (81%), maturity and professionalism (73%), and stronger work ethic (70%), as shown in Figure 16.

However, when looking at basic skills, HR professionals in the financial activities sector were significantly more likely to say that writing in English was the top basic skill attributed to older workers (58% compared with 44% in other industries). Significantly more HR professionals in finance, insurance and real estate organizations also indicated that they thought spoken English was a strong basic skill among their mature workforce compared with survey respondents in other industries (29% compared with 20% in other industries), as shown in Figure 17.

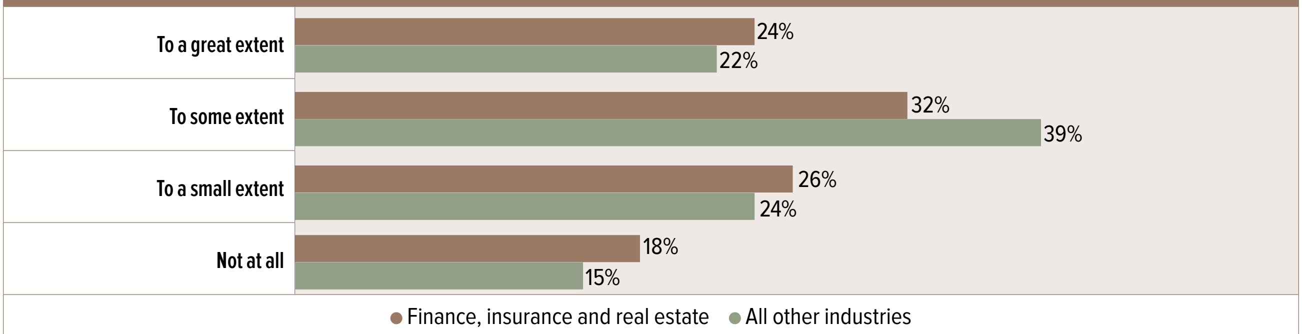
Similar to their peers in other industries, HR professionals in finance, insurance and real estate firms were most likely to report they valued the applied skills of professionalism and work ethic (67%) of their mature employees, followed by lifelong learning and self-direction (27%) and critical thinking and problem-solving (24%), as shown in Figure 18.

HR professionals in finance, insurance and real estate organizations were most likely to say they were increasing training or cross-training efforts (40%) and developing succession plans (38%) to deal with potential skills gaps as a result of the loss of older, experienced workers. They were significantly less likely to indicate that their organizations had implemented programs and processes to capture institutional knowledge than their counterparts in other industries (10% compared with 18% in other industries), as shown in Figure 19.

Similar to other industries, over one-half (56%) of HR professionals in the finance, insurance and real estate industry reported that their organizations were using training or cross-training programs to transfer knowledge from older workers to younger workers, as shown in Figure 20; 39% indicated their organizations used mentoring programs and 29% used job shadowing.

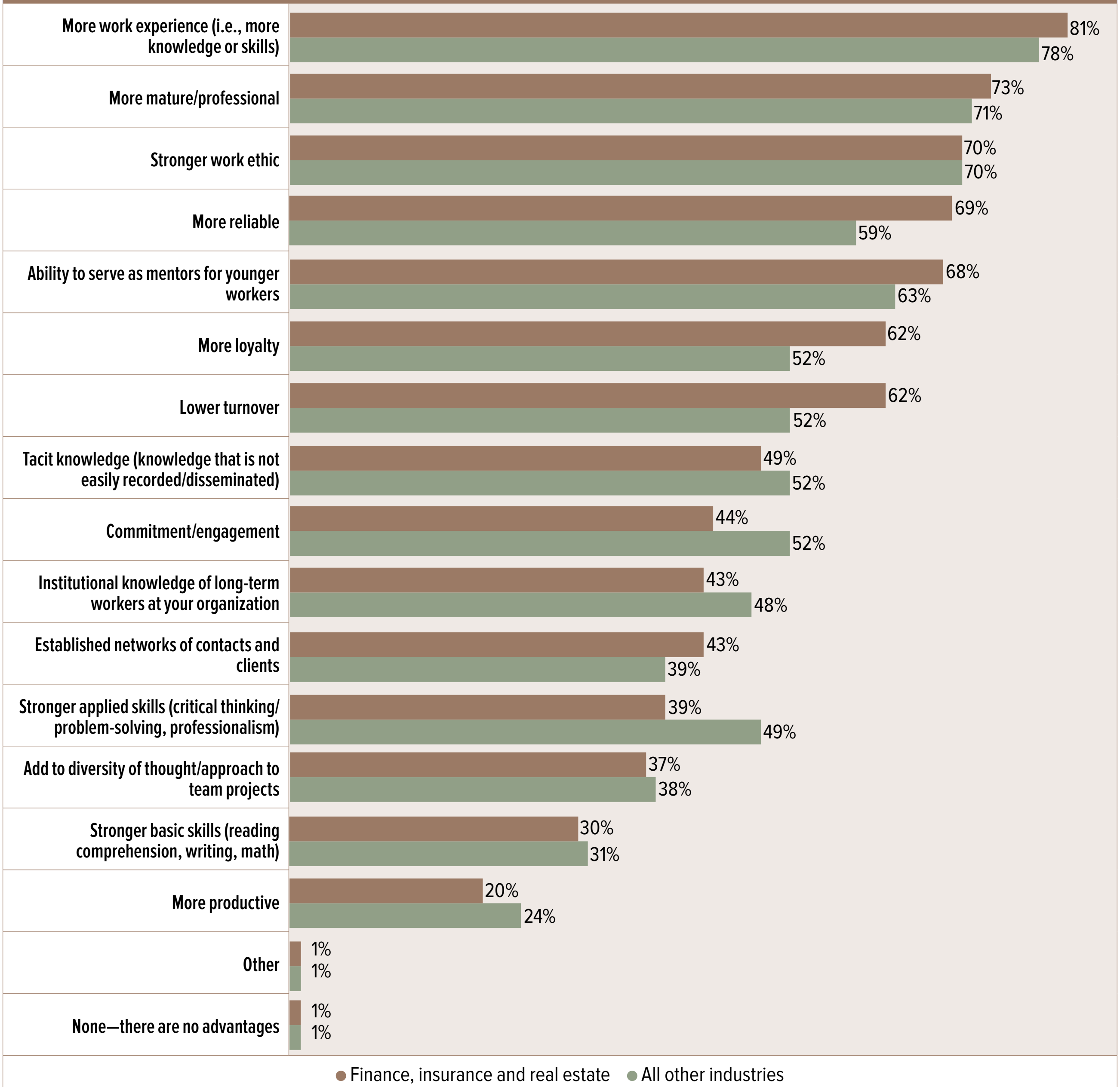
Also similar to HR professionals in other industries, the majority of HR professionals from finance, insurance and real estate organizations reported that employees in their organizations were receptive to working with older workers; 90% said employees were receptive to working with older workers to a great or to some extent. In addition, 89% said that employees were receptive to learning from older workers to a great or to some extent; 87% reported the same for their employees' receptiveness to being mentored by older workers. Almost none (2%-5%) of the respondents in the finance, insurance and real estate industry indicated that employees in their organizations were not at all receptive to working with, learning from and being mentored by older workers (see Figure 21). These findings suggest that, as in other industries, there is an overall awareness of the value of working with and learning from mature workers.

Figure 15 | Extent to Which Organizations Attempt to Capitalize on and Incorporate the Experience of Older Workers



Note: Finance, insurance and real estate n = 82; all other industries n = 1,611.
Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Figure 16 | Main Advantages of Older Workers Compared with Other Workers^

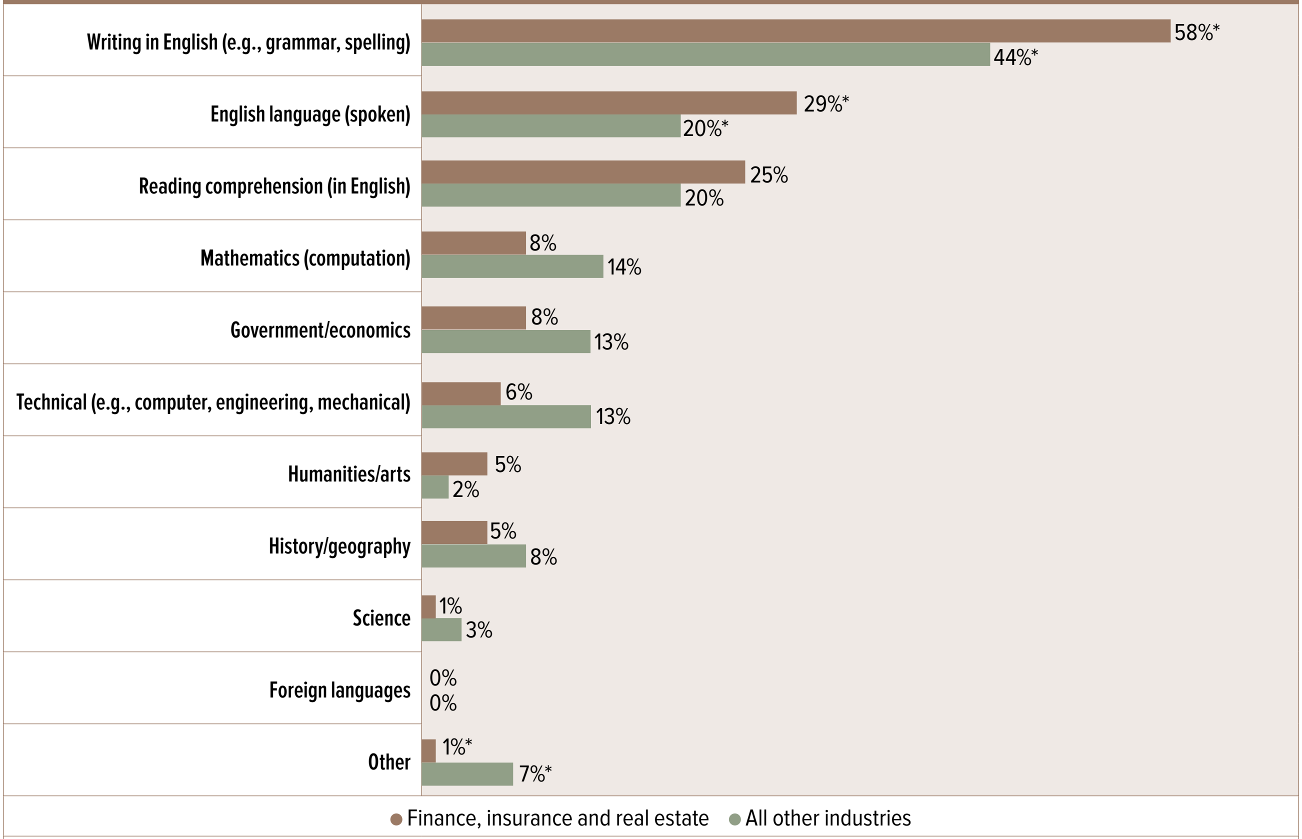


^Survey question was worded as follows: "In your professional opinion, what are the main advantages workers age 55 and older bring to your organization compared with other workers? (Check all that apply)"

Note: Finance, insurance and real estate n = 84; all other industries = 1,624. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Figure 17 | Strongest Basic Skills Held by Workers Age 55 and Older Compared with Other Workers^



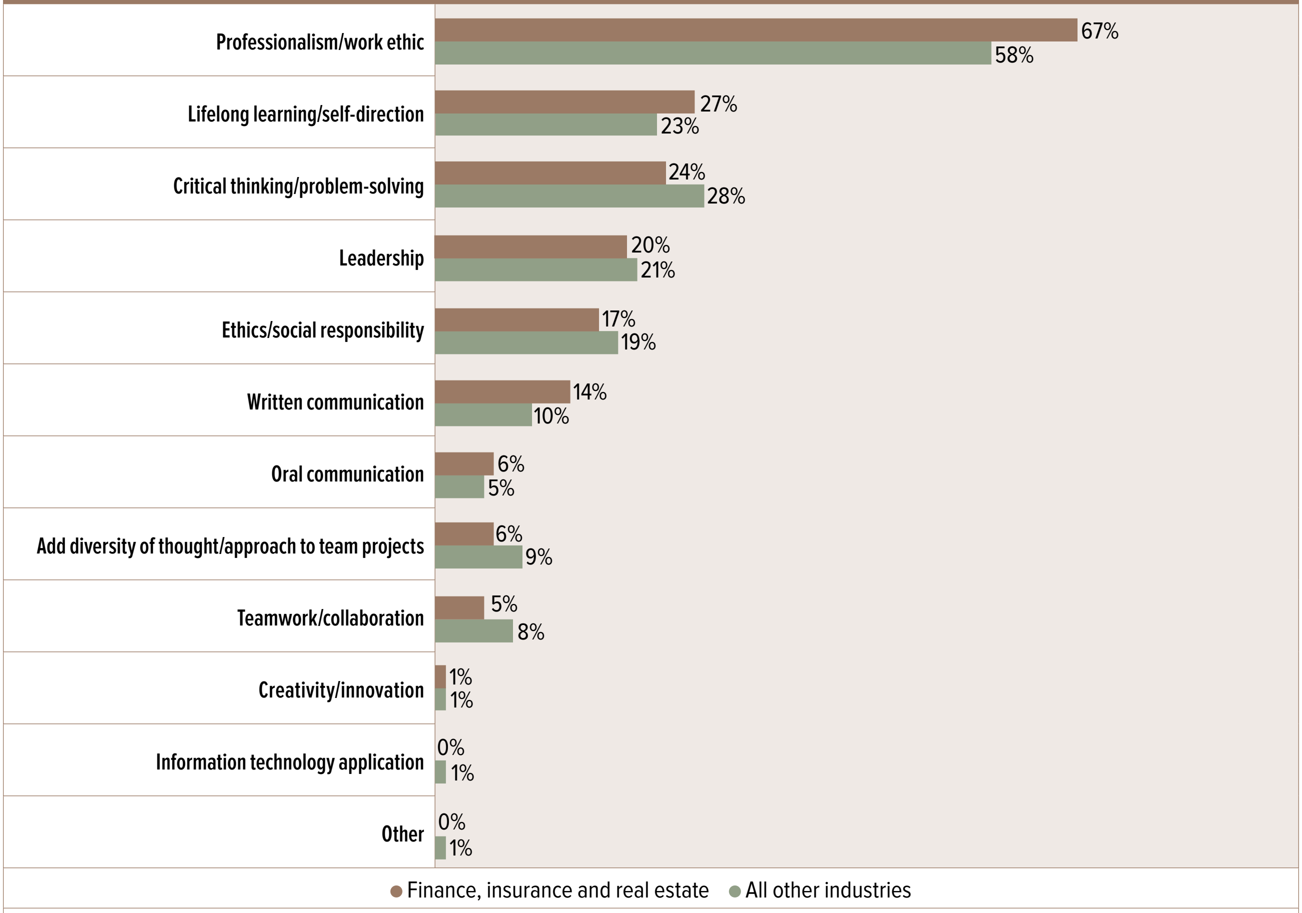
^Survey question was worded as follows: "In your professional opinion, what are the strongest basic skills held by workers age 55 and older compared with other workers? (Check the top two choices)"

*The difference between finance, insurance and real estate and all other industries is statistically significant (p<.05).

Note: Finance, insurance and real estate n = 84; all other industries = 1,624. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Figure 18 | Strongest Applied Skills Held by Workers Age 55 and Older Compared with Other Workers^

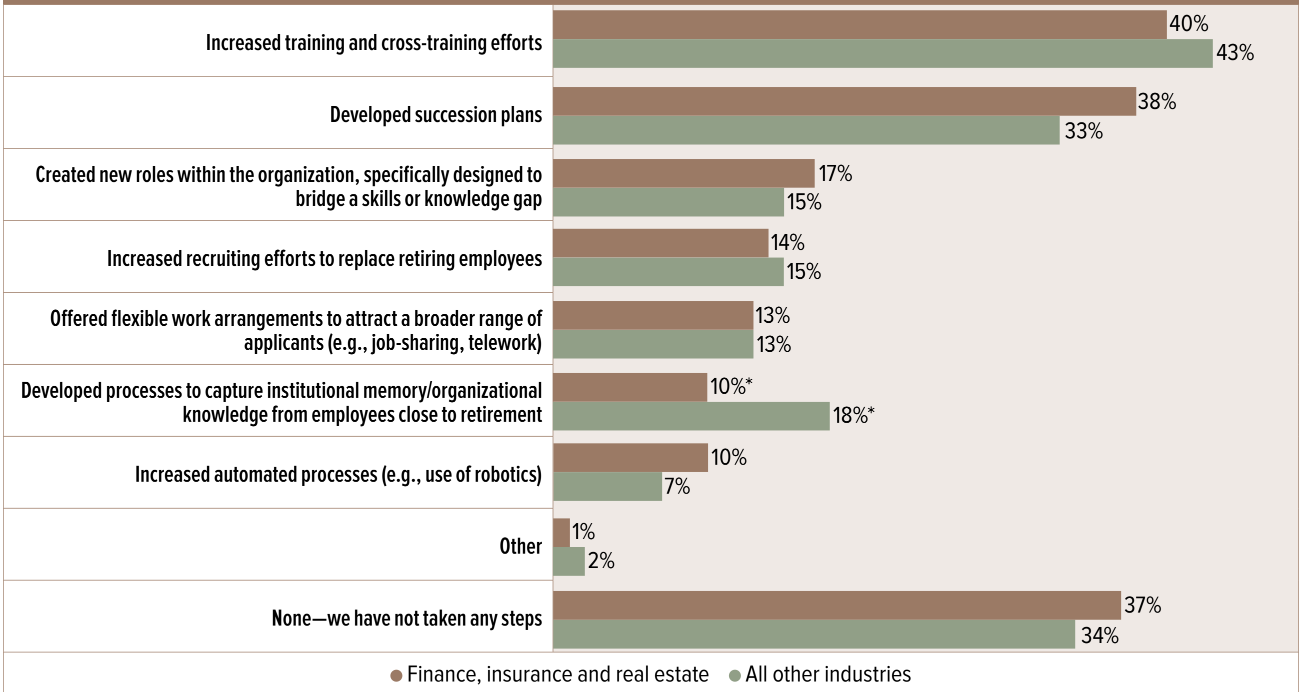


^Survey question was worded as follows: "In your professional opinion, what are the strongest applied skills held by workers age 55 and older compared with other workers? (Check the top two choices)"

Note: Finance, insurance and real estate n = 84; all other industries = 1,624. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Figure 19 | Steps Finance, Insurance and Real Estate Organizations Have Taken to Prepare for Potential Skills Gaps as a Result of the Loss of Older Workers Compared with Other Industries

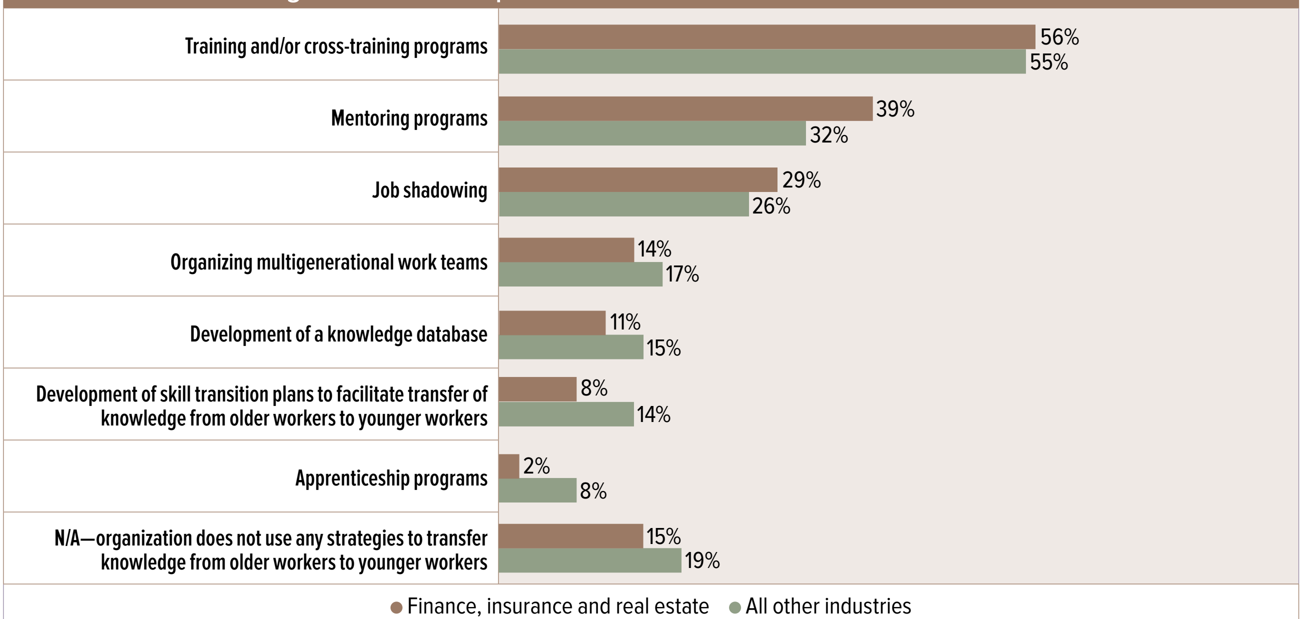


*The difference between finance, insurance and real estate and all other industries is statistically significant (p<.05).

Note: Finance, insurance and real estate n = 84; all other industries n = 1,623. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

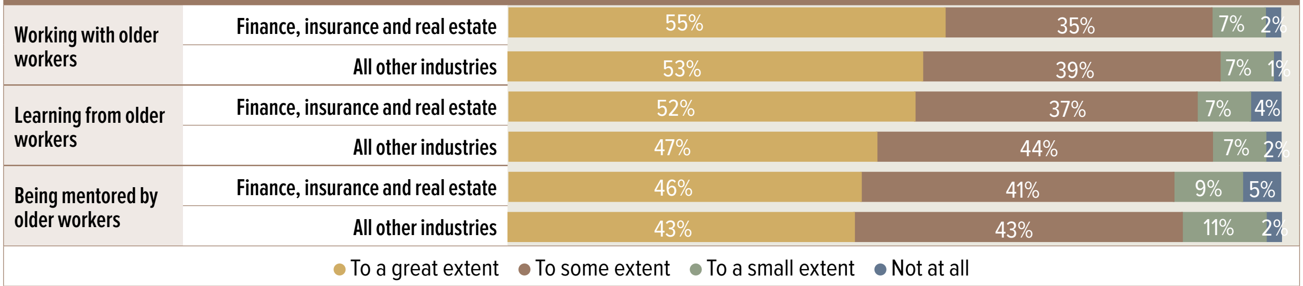
Figure 20 | Strategies Finance, Insurance and Real Estate Organizations Use to Transfer Knowledge from Older Workers to Younger Workers Compared with Other Industries



Note: Finance, insurance and real estate n = 84; all other industries n = 1,622. Percentages do not total 100% due to multiple response options.

Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Figure 21 | Receptiveness of Finance, Insurance and Real Estate Employees Related to Older Workers Compared with Other Industries



Note: Finance, insurance and real estate n = 81-83; all other industries n = 1,599-1,608. Percentages may not total 100% due to rounding.
Source: Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report (SHRM, 2015)

Conclusion and Implications for Finance, Insurance and Real Estate HR Professionals

HR professionals in the finance, insurance and real estate industry are often looking to fill jobs requiring high levels of skill and education. Therefore, many are aware of the potential impact of skills shortages as a result of fluctuations in supply and demand due to economic changes. A growing number are also aware that changing demographics will influence their ability to recruit and retain educated and skilled workers. The findings from this survey suggest that HR professionals in the financial activities sector are fairly similar to their counterparts in other industries in terms of their awareness of this issue. They do not stand out as being particularly ahead of the curve but at the same time do not appear to be behind other industries in terms of awareness of the change and the actions they are taking to prepare. As in other industries, many HR professionals in the finance, insurance and real estate industry will need to focus more on recruiting and retention over the coming years as a result of both industry growth and the loss of key workers to retirement.

HR professionals in the finance, insurance and real estate industry—like their peers in other industries—will be at the center of their organizations' efforts to meet the challenges and opportunities the aging of their workforce will bring. They will have to take steps to prepare for these changes and must start by learning as much as they can about how these demographic shifts are likely to affect their organizations. A large part of this will be educating and working with their organizations' leadership to help them understand the implications of these demographic changes and to implement programs that enable them to capitalize on, capture and transfer the knowledge of their mature workers. One area of highly valued skills in this sector that does stand out is the importance of written and spoken communication skills among mature workers. These skills seem to be especially valued by HR professionals in the financial activities sector. Looking ahead, the efforts of HR professionals in the finance, insurance and real estate industry in showing workers of all ages that they are respected and valued will be particularly important as will building age diversity issues into their overall diversity strategy.

Methodology

The SHRM Preparing for an Aging Workforce Survey, conducted by the Society for Human Resource Management and supported by a grant from the Alfred P. Sloan Foundation, collected responses from 1,913 HR professionals. The purpose of this research was to a) investigate the current demographics of organizations and respondents' views on how the demographic breakdown of their workforces is likely to change in the future in both their organizations and their industries; b) determine what, if any, actions organizations are taking to prepare for an aging workforce, including recruiting and retention strategies to specifically target older workers; and c) identify the skills and experience HR professionals value in older workers. Statistically significant differences ($p<.05$) between manufacturing and all other industries, when applicable, are noted throughout the report.

An e-mail including a link to the online survey was sent to 18,000 randomly selected SHRM members from private-sector and nonprofit organizations and 2,000 randomly selected SHRM members from government agencies. The survey was fielded from May through July 2014. During the data collection period, several e-mail reminders were sent, and a small incentive was offered to increase the response rate. Of the 20,000 e-mail invitations, 19,308 were successfully delivered, and 1,913 HR professionals responded, yielding a 10% response rate and a +/- 2% margin of error.

Endnotes

1 U.S. Bureau of Labor Statistics. (2013, December 19). Employment by major industry sector, 2002, 2012, and projected 2022. Retrieved from http://www.bls.gov/news.release/ecopro.t03.htm

2 U.S. Bureau of Labor Statistics. (2014, September 18). Employee tenure summary. Retrieved from http://www.bls.gov/news.release/tenure.nr0.htm

3 U.S. Bureau of Labor Statistics. (2014, April 25). Employed persons by detailed industry and age, 2013 annual averages. *Current Population Survey (CPS)*. Retrieved from http://www.bls.gov/cps/industry_age.htm

4 Paullin, C. (2015). *The aging workforce: Leveraging the talents of mature employees*. Alexandria, VA: SHRM Foundation. Retrieved from http://www.shrm.org/about/foundation/products/pages/the-aging-workforce-leveraging-the-talents-of-mature-employees.aspx

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