



# SHRM Survey Findings: The Aging Workforce— State of Older Workers in U.S. Organizations

Funded by the Alfred P. Sloan Foundation



**ALFRED P. SLOAN  
FOUNDATION**

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### Introduction

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

The 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 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 most value in older workers.

The following topics are included in the three-part series titled *2014 Older Workers Survey*:

- Part 1: State of Older Workers in U.S. Organizations
- Part 2: Recruitment and Retention
- Part 3: Basic and Applied Skills

### Definition

- For the purpose of this survey, “older workers” were defined as employees age 55 or older.

- **Age workers are defined as “older workers”:** One-third (32%) of HR professionals reported that their *organizations* begin to consider employees to be older workers when they are between ages 60 and 64, another 17% between ages 65 and 69, and 7% when the employees are age 70 or older.
  - » In general, HR professionals indicated *employees* considered employees to be older workers when they are slightly younger. About one-quarter of HR professionals reported that employees begin to consider employees to be older workers when they are between ages 50 and 54 (28%), between ages 55 and 59 (28%) or between ages 60 and 64 (24%). Less than 10% of employees did not consider employees to be older workers until they are age 65 or older.
- **How organizations are preparing for the projected increase in the proportion of older workers in the labor force:** Over one-third of responding organizations (36%) indicated they were preparing for the projected increase in the proportion of older workers in the labor force by “beginning to examine internal policies and management practices to address this change”; one-fifth (20%) indicated their organization had examined their workforce and determined that no changes in their policies and practices are necessary.

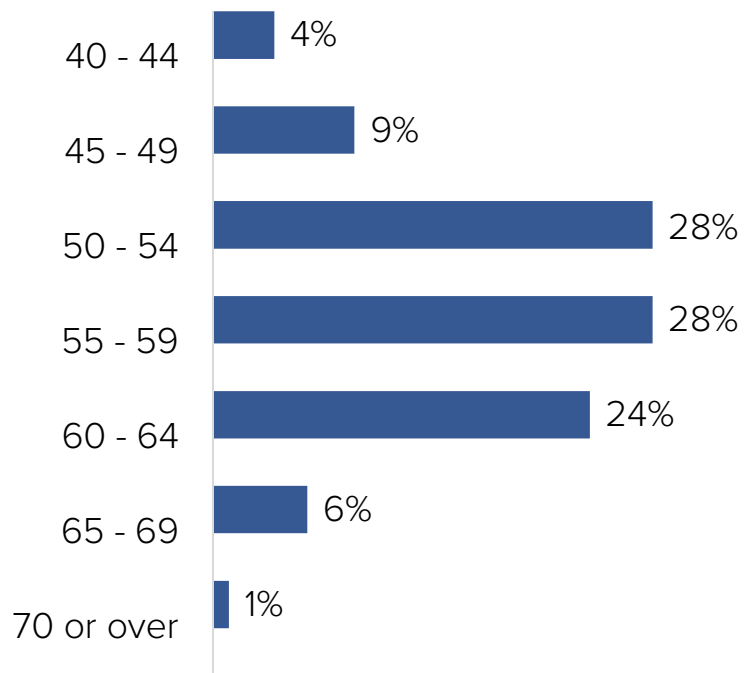
- **Overall impact of the potential loss of talent as a result of older workers retiring or leaving their organizations for other reasons:** About one-half of HR professionals did not think the potential loss of talent as older workers retire or leave over the next 1-2 years would have an impact on their industry and organization (46% and 53%, respectively). As HR professionals considered the long-term impact of the potential loss of talent, higher percentages indicated they think the loss of talent will be a “problem” or a “crisis.” About one-third think it will be a problem/crisis for their industry in the next 6-10 years and 11-20 years (36% versus 39%, respectively); the same was true for the impact on their organization (35% and 39%, respectively).
- **Tracking employees eligible for retirement:** About one-half of responding organizations reported they track the percentage of workers in their organization eligible to retire in the next 1-2 years (50%) and 3-5 years (45%).
  - Of responding organizations, 10% of their employees will be eligible for retirement in the next 1-2 years; another 14% will be eligible in the next 3-5 years.

- **Percentage of organizations that have conducted a strategic workforce planning assessment:**  
More than one-half of responding organizations indicated they had identified their future workforce needs (58%) and their potential skills gaps (52%) in the next 1-2 years; one-third (35%) had analyzed the impact of workers age 55 and older leaving their organization in the next 1-2 years.
  - As responding organizations considered strategic workforce planning further into the future, they were less inclined to have taken action; about one-fifth had analyzed the impact of workers age 55 and older leaving their organization (17%), identified their future workforce needs (21%) or identified their potential skills gaps (20%) in the next 6-10 years.

- HR professionals must lead their organizations in preparing for a more demographically diverse workforce due to an increase in the proportion of older workers. To do this, however, they must first educate themselves about the change and consider how it may affect their organizations. A first step is determining what percentage of their workforces is age 55 or older and projecting how this proportion may evolve in the years ahead.
- Each industry and organization will be affected by an aging population in different ways. HR professionals must understand their own unique industry and organizational demographics to create viable strategies for successfully addressing these changes.
- Convincing workers to delay retirement and stay in the workforce will be an important HR responsibility in the years ahead, but preparing for these changes could be challenging if managers and organizational leaders do not lend their support in these efforts. Thus, part of HR's role in readying their organizations for an aging workforce will be educating leaders and managers on the benefits and opportunities of an aging workforce.
- A minority of HR professionals say their organizations have analyzed the impact of workers age 55 and older leaving their organization, identified their future workforce needs or identified their potential skills gaps in the next 6-10 years. Taking this step is encouraged because it will help position organizations to take advantage of an aging workforce as a strategic opportunity.

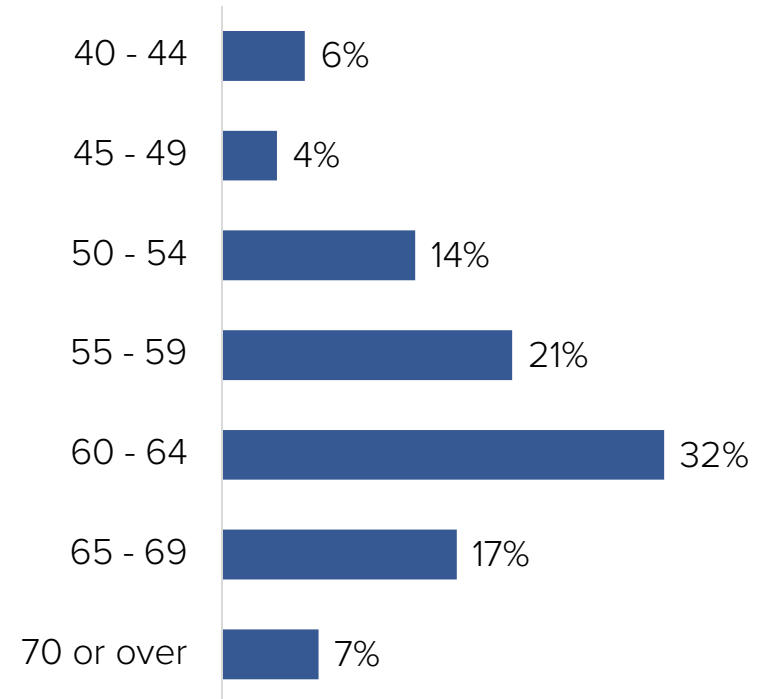
## Age Workers Are Defined as “Older Workers”

Age at which most *employees* begin to consider an employee to be an older worker



Note: 2014 n = 1,913. Percentages may not equal 100% due to rounding.

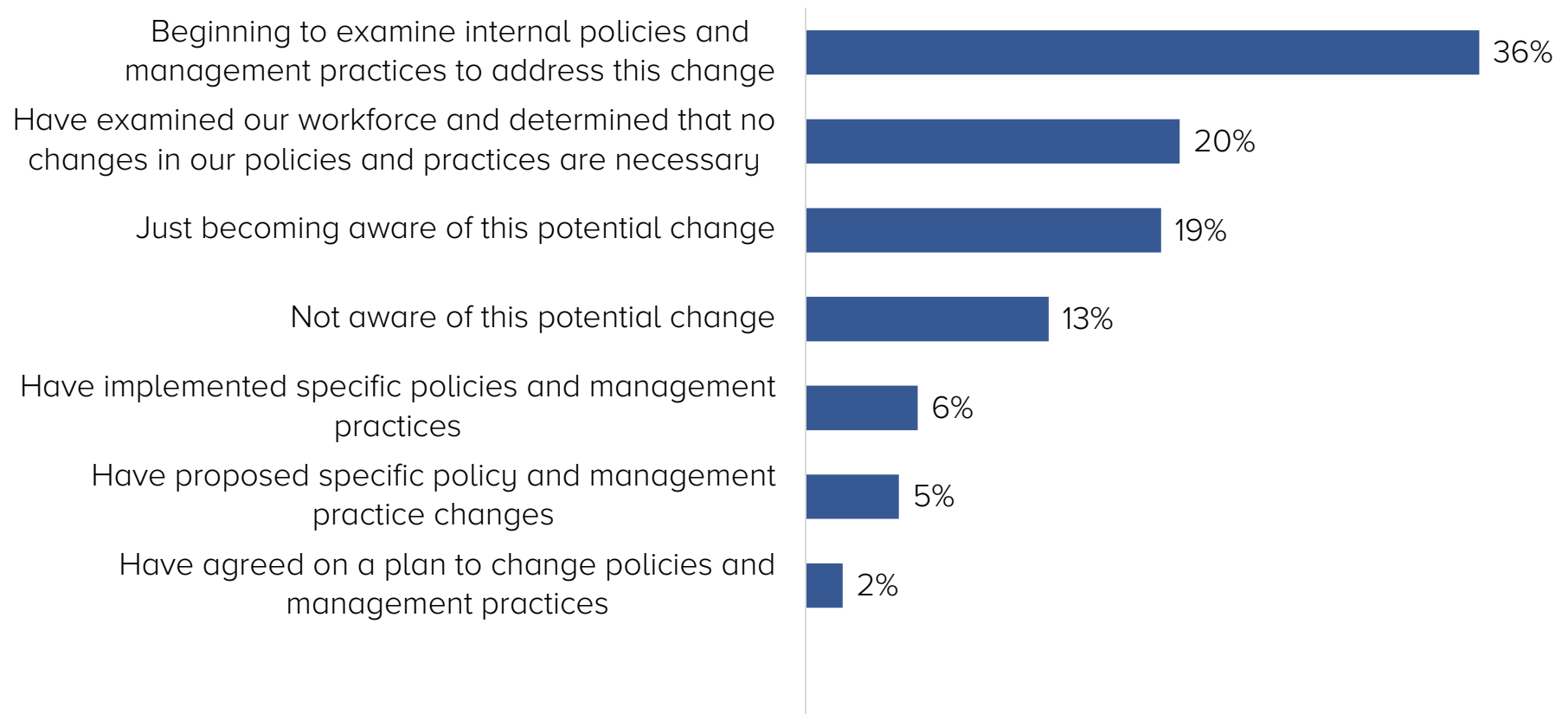
Age at which *organizations* begin to consider an employee to be an older worker



Note: 2014 n = 1,647. Respondents who indicated “Don’t know” were excluded from this analysis. Percentages may not equal 100% due to rounding.



## How Organizations Are Preparing for the Projected Increase in the Proportion of Older Workers in the Labor Force<sup>1</sup>

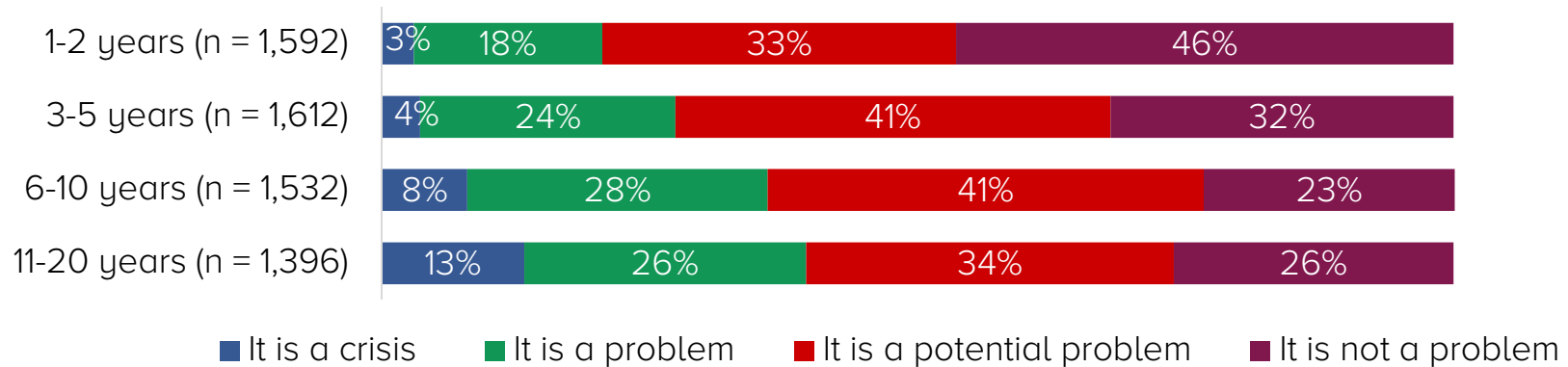


Note: n = 1,715. Percentages may not equal 100% due to rounding.

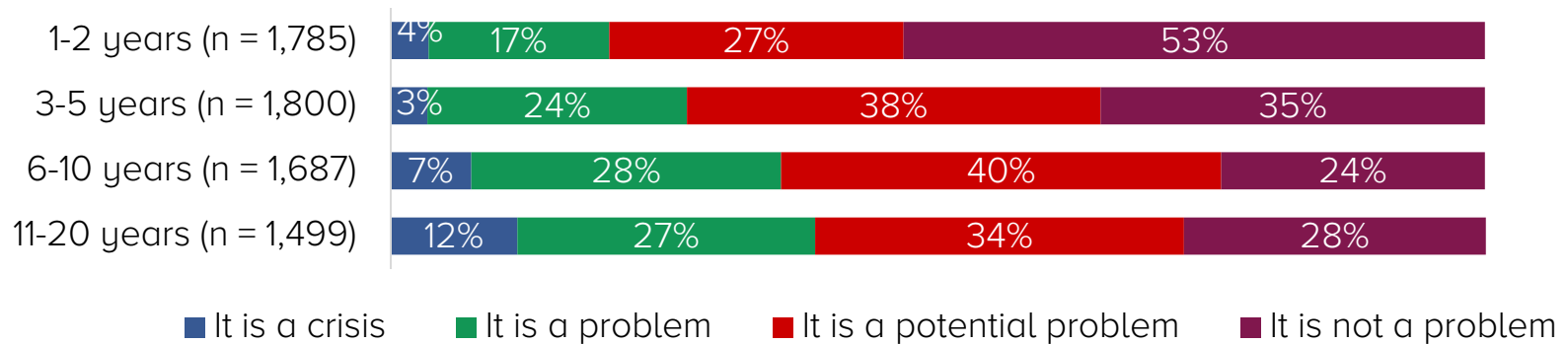
<sup>1</sup> Survey question: "According to the Bureau of Labor Statistics, workers 55 years of age and over are projected to make up approximately 26% of the labor force by the year 2022, compared to 21% in 2012 and 14% in 2002. As the proportion of older workers increases, the potential impact resulting from the loss of their knowledge and experience may become more substantial. Which of the following best describes your organization's preparation for this change?"

## Overall Impact of the Potential Loss of Talent as a Result of Older Workers Retiring or Leaving Their Organizations for Other Reasons

### Impact on Industry



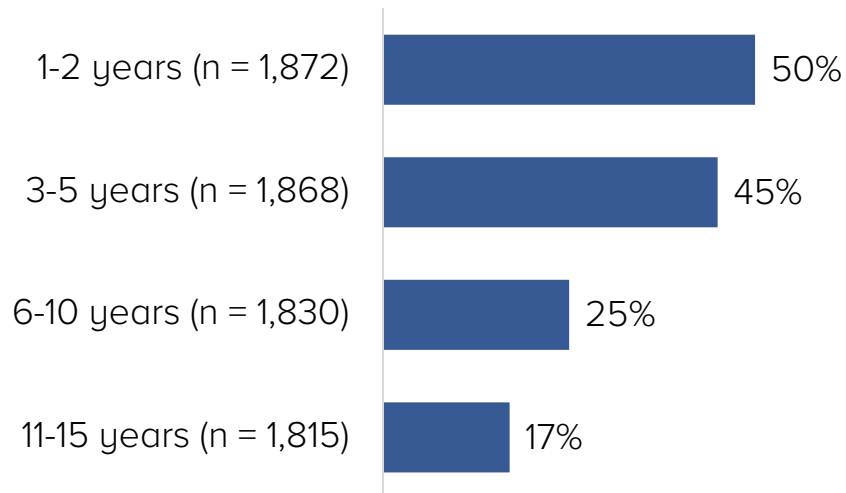
### Impact on Organization



*Note: Percentages may not equal 100% due to rounding.*

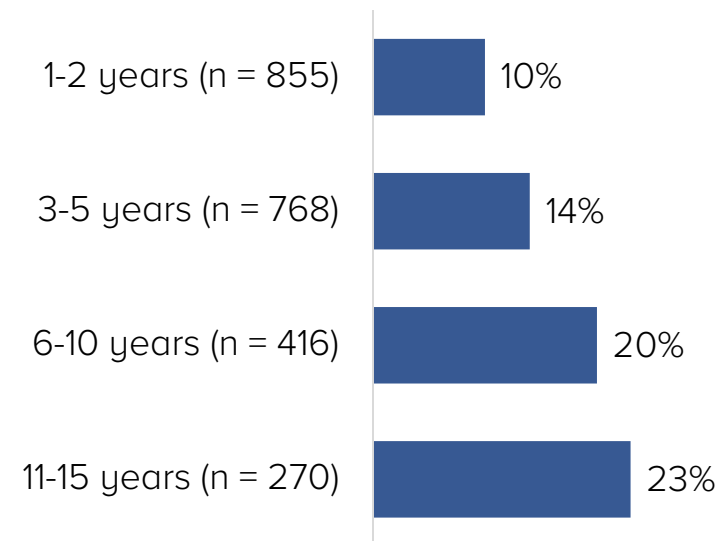
## Tracking Employees Eligible for Retirement

Does your organization track the percentage of workers in your organization eligible to retire in the next . . .



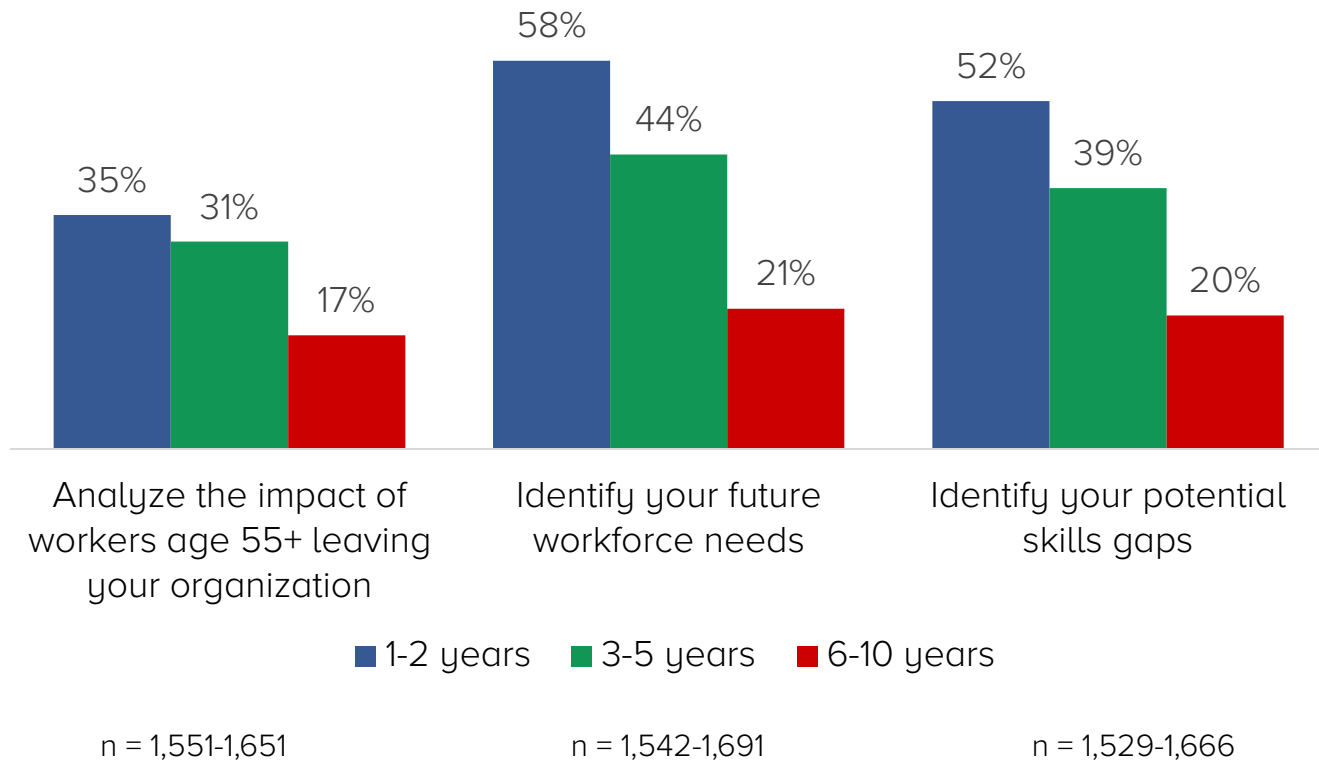
*Note: n = 1,815-1,872. Percentages do not equal 100% due to multiple response options.*

Approximately what percentage of your workforce will be eligible for retirement in the next . . .



*Note: n = 270-855. Percentages do not equal 100% due to multiple response options.*

## Percentage of Organizations That Have Conducted a Strategic Workforce Planning<sup>1</sup> Assessment to . . .



<sup>1</sup>Strategic workforce planning is a process used to ensure an organization takes into account the future loss of knowledge through employee resignations/retirements and the projected knowledge/personnel resources required to achieve the organization's goals.



## Demographics

	Percentage
Professional, scientific, technical and information services	21%
Manufacturing	20%
Government agencies	17%
Health care and social assistance	10%
Retail and wholesale trade, and accommodation and food services	10%
Educational services	8%
Real estate and leasing, and finance and insurance	8%
Transportation and warehousing	6%
Construction	5%
Administrative and support, and waste management and remediation services	4%
Utilities	4%

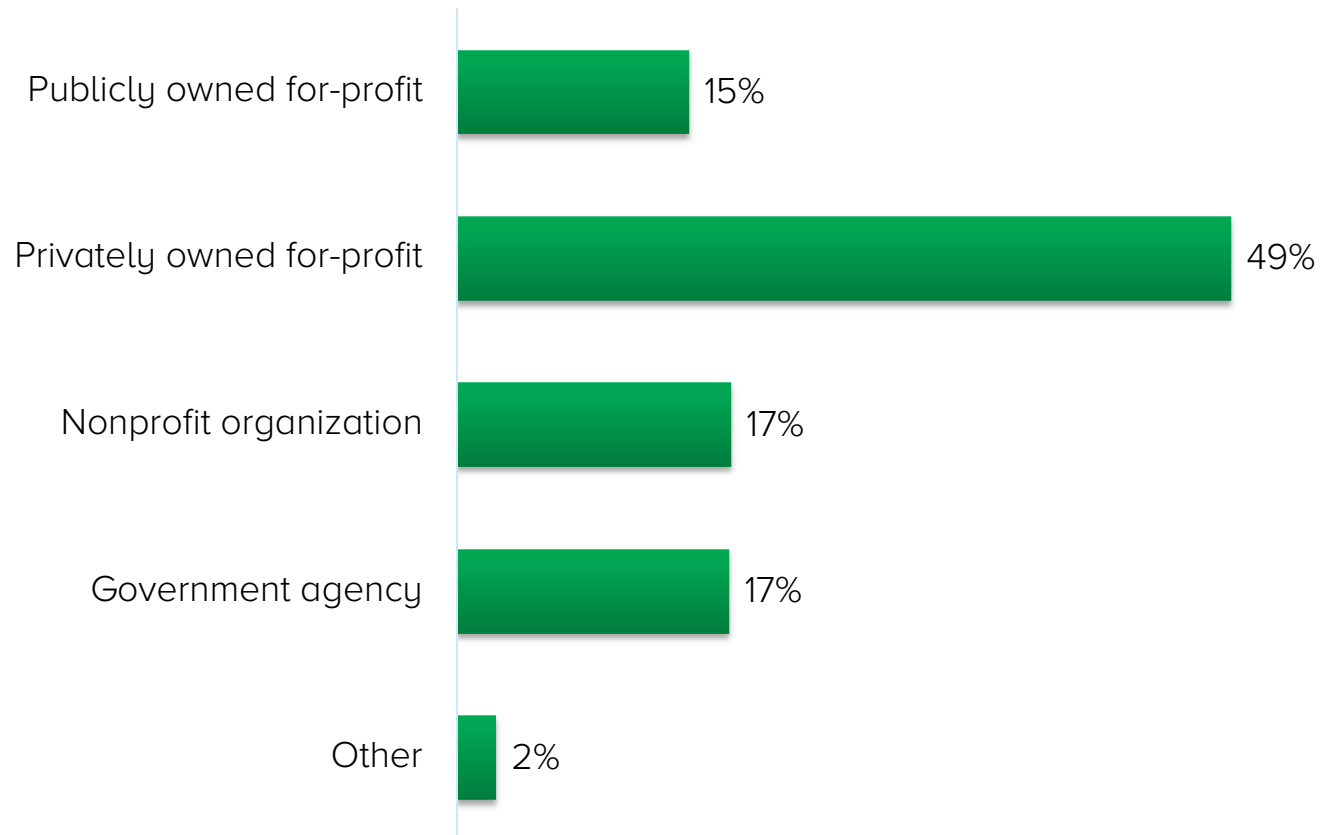
*Note: n = 1,784. Percentages do not equal 100% due to multiple response options.*

## Demographics: Organization Industry (continued)

	Percentage
Arts, entertainment and recreation	3%
Mining, quarrying, and oil and gas extraction	3%
Religious, grant-making, civic, professional and similar organizations	3%
Repair and maintenance	3%
Agriculture, forestry, fishing and hunting	2%
Personal and laundry services	1%
Other industry	10%

*Note: n = 1,784. Percentages do not equal 100% due to multiple response options.*

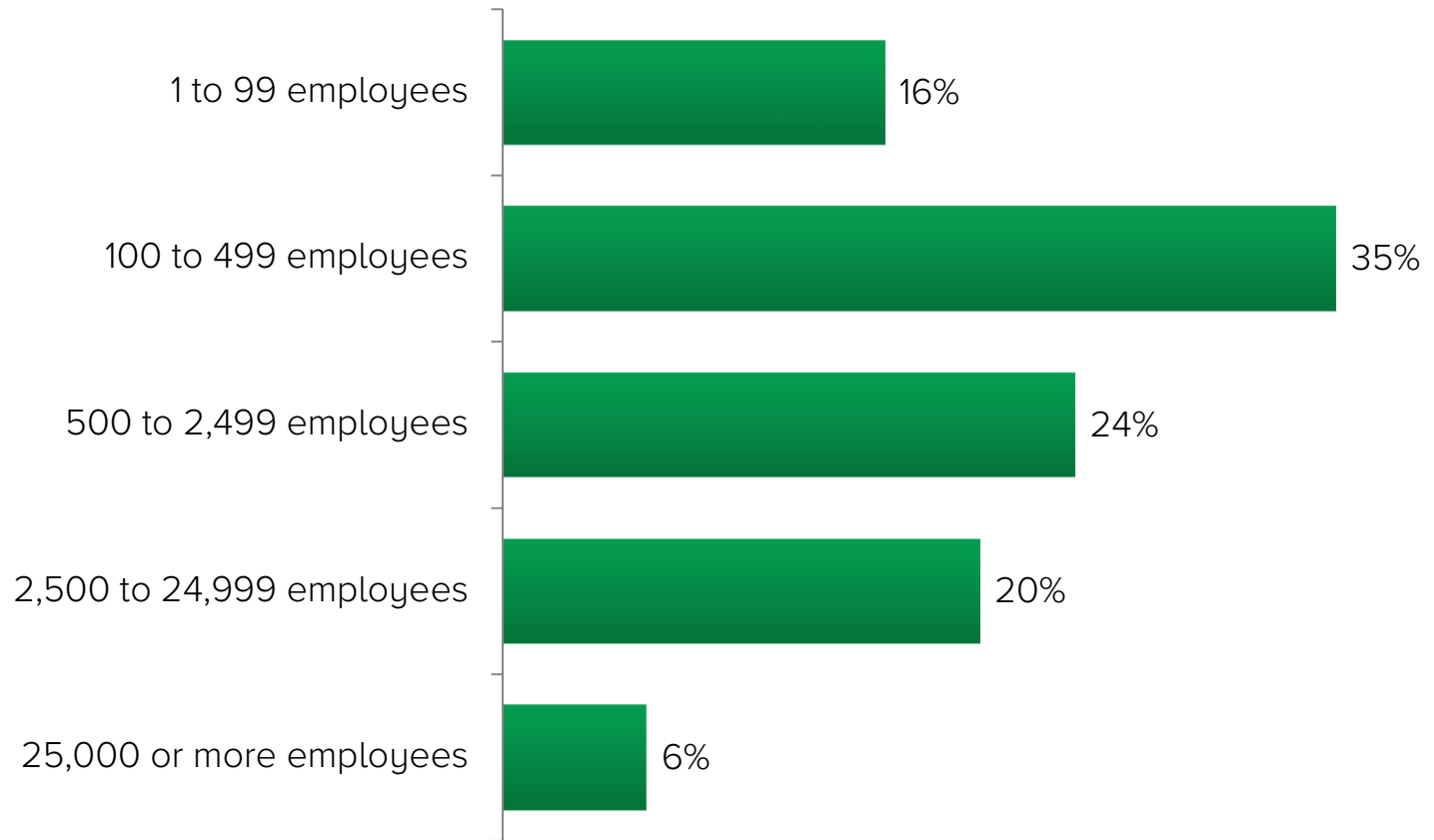
## Demographics: Organization Sector



*Note: n = 1,696*



## Demographics: Organization Staff Size



*Note: n = 1,011*

**Does your organization have U.S.-based operations (business units) only, or does it operate multinationally?**

U.S.-based operations only	77%
Multinational operations	23%

*n = 1,717*

**What is the HR department/function for which you responded throughout this survey?**

Corporate (companywide)	69%
Business unit/division	15%
Facility/location	16%

*n = 1,101*

**Is your organization a single-unit organization or a multi-unit organization?**

Single-unit organization: An organization in which the location and the organization are one and the same.	39%
Multi-unit organization: An organization that has more than one location.	61%

*n = 1,722*

**For multi-unit organizations, are HR policies and practices determined by the multi-unit headquarters, by each work location or by both?**

Multi-unit headquarters determines HR policies and practices	53%
Each work location determines HR policies and practices	4%
A combination of both the work location and the multi-unit headquarters determines HR policies and practices	43%

*n = 1,102*



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## **Survey Methodology**

- Response rate = 9.9%
- 1,913 HR professionals from a randomly selected sample of SHRM's membership participated in this survey
- Margin of error +/-2%
- Survey fielded May-July, 2014



## About SHRM Research

For more survey/poll findings, visit [shrm.org/surveys](http://shrm.org/surveys)

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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](http://shrm.org).

## About the Sloan Foundation

The Alfred P. Sloan Foundation believes that a carefully reasoned and systematic understanding of the forces of nature and society, when applied inventively and wisely, can lead to a better world for all. The Foundation makes grants to support original research and broad-based education related to science, technology, and economic performance; and to improve the quality of American life. Though founded in 1934 by Alfred P. Sloan Jr., then-President and CEO of General Motors, the Foundation is an independent entity and has no formal relationship with the General Motors Corporation.

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