Preparing for an Aging Workforce:
Government Industry Toolkit
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About the Preparing for an Aging Workforce Initiative
The Society for Human Resource Management (SHRM) and the SHRM Foundation have launched a national initiative to highlight the opportunities and challenges of an aging workforce and to identify effective practices for recruiting and employing mature workers. This three-year initiative is generously underwritten by a grant from the Alfred P. Sloan Foundation.

About SHRM
The Society for Human Resource Management (SHRM) is the world’s largest HR professional society, representing 285,000 members in more than 165 countries. For nearly seven decades, the Society has been the leading provider of resources serving the needs of HR professionals and advancing the 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.

About the SHRM Foundation
The SHRM Foundation is a 501(c)(3) nonprofit affiliate of the Society for Human Resource Management (SHRM). The Foundation is a legally separate organization and is not funded by SHRM membership dues. The SHRM Foundation is governed by a volunteer board of directors from the HR profession, including academics, practitioners and representatives from SHRM.

SHRM Foundation Vision
The SHRM Foundation is the globally recognized catalyst for shaping human resource thought leadership and research.

SHRM Foundation Mission
The SHRM Foundation advances global human capital knowledge and practice by providing thought leadership and educational support, and sponsoring, funding and driving the adoption of cutting-edge, actionable, evidence-based research.
Introduction

This toolkit aims to provide HR professionals in the government industry with useful industry-specific information about the impact of an aging workforce as well as links to further sources of information, resources, tools and templates. The toolkit is based on the materials and information presented in the comprehensive SHRM sourcebook, *Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals*. The sourcebook comprises strategies, templates and tools that are based on the expert recommendations outlined in the SHRM Foundation’s Effective Practice Guidelines (EPG) report titled *The Aging Workforce: Leveraging the Talents of Mature Employees*. The EPG outlines effective practices used to recruit, retain and manage the talents, knowledge, skills and experiences of an aging workforce. Throughout this toolkit, readers will be referred to the sourcebook for more in-depth information and additional practical tools and applications built around *SHRM Knowledge Center* guidelines. Industry-specific findings of SHRM’s Preparing for an Aging Workforce research will also be discussed throughout.
Government Industry Overview

The U.S. Bureau of Labor Statistics (BLS) classifies the government sector as part of the service-providing industries super sector group. NAICS codes for government employment (referred together in this report as “government industry”) cover federal, state and local governments, but do not include state and local schools and hospitals and the U.S. Postal Service. The following NAICS code links lead to BLS information pages that give overviews of employment levels, wages, union representation and other subsector information:

- Federal, State and Local Government, Excluding State and Local Schools and Hospitals, and the U.S. Postal Service: NAICS 999000
- Federal Executive Branch: NAICS 999100
- State Government, Excluding Schools and Hospitals: NAICS 999200
- Local Government, Excluding Schools and Hospitals: NAICS 999300

BLS data as of May 2015 for the government sector showed it employed about 9.5 million workers overall with median hourly wages of $23.83. The sector includes a variety of management positions, business and financial operations occupations, and computer and mathematical occupations, among others.¹

Table 1 | Earnings Data

<table>
<thead>
<tr>
<th>Industry</th>
<th>Median Hourly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal, state and local government</td>
<td>$23.83</td>
</tr>
</tbody>
</table>

Source: BLS (May 2015)

Industry and Occupational Outlook

Many of the most common jobs in the government industry have longer-than-average tenures compared with other sectors, making it likely that these jobs will employ a high concentration of mature workers. Some of the large occupations in the industry include protective service occupations, office and administrative support occupations, and several other positions, as shown in Figure 1. In January 2014, for example, wage and salary workers in the public sector had nearly double the median tenure of private-sector employees (7.8 years compared with 4.1 years). About three out of four government workers were age 35 and older, compared with about three out five private-sector wage and salary workers. Federal employees had a higher median tenure (8.5 years) than state (7.4 years) or local government (7.9 years) employees, according to the BLS.²

Looking ahead into the next decade, the federal, state and local government sectors, referenced here to include local and state schools, hospitals and the U.S. Postal Service, will experience varying changes in job growth. State and local government jobs will grow at a rate slightly behind the U.S. labor force overall (0.4%, compared with an overall rate of 0.6%). Fewer jobs will be created at the federal government level in the decade ahead, perhaps due to decreased spending and a large wave of retirements. If that holds true, in the absence of drawing a high volume of younger workers into the industry, employers may consider filling those vacancies with mature workers and retirees, many of whom prefer phased retirements or take part-time jobs for additional income to supplement their retirement funds.
Figure 1 | Large Occupations in Government

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Jobs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protective service occupations</td>
<td>1,912,500</td>
</tr>
<tr>
<td>Office and administrative support</td>
<td>1,626,480</td>
</tr>
<tr>
<td>Business and financial operations</td>
<td>990,690</td>
</tr>
<tr>
<td>Management</td>
<td>561,500</td>
</tr>
<tr>
<td>Community and social service occupations</td>
<td>477,700</td>
</tr>
<tr>
<td>Health care practitioners and technical occupations</td>
<td>445,730</td>
</tr>
<tr>
<td>Installation, maintenance and repair occupations</td>
<td>402,520</td>
</tr>
</tbody>
</table>

Source: BLS (2015)

Table 2 | BLS Employment Projections for the Government Industry: 2014-2024

<table>
<thead>
<tr>
<th>Industry</th>
<th>Thousands of Jobs</th>
<th>Change</th>
<th>Compound Annual Rate of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal government</td>
<td>2,730.0</td>
<td>2,729.0</td>
<td>2,345.6</td>
</tr>
<tr>
<td>State and local government</td>
<td>18,891.3</td>
<td>19,134.0</td>
<td>19,890.1</td>
</tr>
</tbody>
</table>

Source: BLS

Helpful Resources for Industry/Sector Information and Forecasting

- Office of Occupational Statistics and Employment Projections
- National Employment Matrix (projected employment estimates by industry and occupation are available)
- United States Office of Personnel Management
- National League of Cities
- National Association of Counties
- International City/County Management Association
Retirement is not necessarily a closed door for workers at the City of Portland, Ore.

The city’s employees have an option to temporarily stay on the job after formally “retiring” from the workforce, said Gale Baird, SHRM-SCP, Portland’s training and workforce development manager. The program is designed to provide mentoring and training for employees who move into those key positions vacated by retirees.

“It’s an interesting approach, but it’s not unusual. Our county [Multnomah] has done the same thing for a while,” Baird said. “It’s important for us, because now that the economy has improved, people are choosing to take other opportunities. Many people at age 55 are at their peak for earnings potential, and they are looking elsewhere for work because they’re not as worried about the economy.”

Depending on the department that employees retire from, they can then work up to 500 or 1,000 hours in a calendar year conducting training for their replacement without affecting their retirement benefits, Baird said. The program has provided some semblance of stability for the city’s government, which is not managed with a traditional strong-mayor format, but rather with several commissioners that preside over Portland’s day-to-day operations.

“Each commissioner has a portfolio of bureaus that he or she is responsible for as an administrator,” Baird said. “There are 26 bureaus and related offices, and they tend to rely on their own internal expertise. There isn’t a centralized focus of power. There are some good things that result from it, but it also presents some challenges.”

Portland’s HR function, however, is one of the municipality’s few centralized operations. The city has about 5,500 full-time employees, with approximately 24% belonging to the 55-and-older demographic. Mature workers are distributed throughout the city’s operations, but some departments do have higher concentrations, Baird said. The Office of Management and Finance, which includes human resources, at times has had 40% of its staff that belong to this demographic.

The “returning retiree” program was more popular during the Great Recession and the early years of the subsequent U.S. economic recovery, Baird said. Now that fewer employees are taking advantage of this perk, the city “probably needs more upfront preparation for retirements,” she said.

The reason? Aside from the 55-and-older segment that comprises nearly one-fourth of its payroll, another 31% of the city’s workers are in the 45-to-54 demographic, and many will be eligible to retire in the near future.

“We have some work being done around talent development and succession planning, but it’s definitely anecdotal,” she said. “There’s not a systemic approach, but at the same time, we know that not everybody gets on a sailboat and waves goodbye. Many people stick around.”

At the same time, though, Portland officials are preparing their mature workers for a more fulfilling retirement after they leave the city’s workforce, Baird said. The city has teamed up with a local nonprofit organization, for example, to identify volunteer opportunities for these workers when they retire.

“That has been extremely popular; I had to turn people away from the first session we ran,” Baird said. “We call it ‘visioning retirement.’ It’s not about how much money you are going to live on, but what are you going to do when you retire? The idea is to start examining what you want to do.”

The city has also become involved with Encore Partnerships, a national nonprofit that leverages the talents of experienced workers who are seeking “encore” careers after retirement. In a typical arrangement, a sponsor organization pays for a seasoned employee to become an Encore Fellow and perform temporary work that has some type of “social impact” in the community. “We haven’t sponsored anyone yet, but the city is unique in that we would be eligible to receive a fellow, but also co-fund someone to help out another agency,” Baird said. “We’re trying to build a model that focuses on development opportunities for our older workers.”

Overall, the city’s labor force has remained steady through periods of varying economic strength, and Baird attributes that, in part, to the 55-and-older demographic.

“Everybody suffers from the cyclical nature of the economy,” she said, “and the older workers have seen it so many times, they know how to deal with it and stay in the moment. We’re not growing our workforce in terms of numbers, and we’re finding ways to do things with improved technology or through the skills of our people. Capitalizing on the knowledge of the older workforce is an important part of that.”
Assessing the State of the Aging Workforce

Among the first steps HR professionals in the government industry can take to prepare for an aging workforce is to assess the current demographics of their workforce and determine how it will evolve over the coming years and decades.

Determining the Impact on Your Organization

The first step in assessing the state of the aging workforce in an organization is to determine what percentage of its workforce is nearing retirement age. According to a SHRM survey of HR professionals at government agencies, three out of 10 (30%) members of their workforce are age 55 or older, on par with religious, grant-making, civic, professional and similar organizations, and higher than all other industries (see Figure 2).

Fewer than one out of 10 HR professionals (8%) in government agencies said they were not aware that the proportion of mature workers was increasing (compared with 13% in all other industries) and that mature workers were projected to make up approximately 26% of the labor force by the year 2022. More than two out of five (45%) HR professionals in the government industry indicated their organizations had begun to examine internal policies and practices to address this change, significantly more than in all other industries (35%). Less than one-fifth (16%) reported that their organizations had examined their workforce and determined that no changes in their policies and practices were necessary, as illustrated in Figure 3.

Figure 2 | 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. Government agencies employ significantly more older workers than any other industry.

Building a Business Case for Action

Nearly one-fourth of HR professionals (24%) in the government industry believed the impact of the potential loss of talent due to retirement of workers would be a problem for their industry in the next one to two years, compared with 17% in all other industries, as displayed in Figure 4. Slightly more than one-third of government HR professionals (35%) said the loss of talent due to the aging workforce would not be a problem in the next one to two years, significantly lower than respondents in all other industries (48%). Nearly one-fourth of government HR professionals (24%) said these retirements would not present a problem in the next three to five years, also significantly lower than all other industries (33%). These results are perhaps not surprising, given the higher concentration of mature workers in the government sector compared with all other industries.

Depending on the organization, different approaches to building a business case may be followed. In some organizations, informal methods are used to make strategic decisions. HR professionals at small organizations, for example, may only need to have an informal conversation with their organizational leadership team or business owner to get the needed buy-in to move forward with a strategy. In larger organizations, a much more formal route may need to be taken.

More than two out of five HR professionals (43%) from government agencies said their organizations were analyzing the impact of workers age 55 and older leaving their organization in the next one to two years, significantly higher than all other industries (33%), as shown in Figure 5. A higher percentage of government HR professionals (42%, compared with 30% in all other industries) also said they were analyzing the impact of mature workers’ departures in the next three to five years.

More than three-fifths of HR professionals in the government industry (63%) indicated their organizations were identifying their future workforce needs in the next one to two years (see Figure 6). Overall, the findings suggest that although some organizations may not be fully aware of the various ways this demographic shift will influence them, many government organizations are cognizant of these changes and are taking steps to prepare for this shift.

A better understanding of their industry’s and organization’s demographics will help HR professionals in their efforts to create a business case for preparing for an aging workforce. A business case is a presentation to management that establishes that a

*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 206, all other industries n = 1,384
Figure 4 | Perceived Impact of the Potential Loss of Talent Due to an Aging Workforce on the Government Industry Compared with Other Industries

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Government agencies</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 2 years</td>
<td>4% 24%* 37% 35%*</td>
<td>3% 17%* 32% 48%*</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>6% 27% 43% 24%*</td>
<td>3% 24% 40% 33%*</td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>9% 33% 34% 23%</td>
<td>8% 28% 41% 23%</td>
</tr>
<tr>
<td>11 to 20 years</td>
<td>15% 30% 29% 26%</td>
<td>14% 26% 34% 25%</td>
</tr>
</tbody>
</table>

*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 163-194; all other industries n = 1,118-1,291. Respondents who indicated “Not applicable” were not included in the analysis.
Percentages may not total 100% due to rounding.

Figure 5 | Government Organizations That Have Analyzed the Impact of Workers Age 55 and Older Leaving Their Organization Compared with Other Industries

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Government agencies</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 2 years</td>
<td>43%*</td>
<td>33%*</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>42%*</td>
<td>30%*</td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>18%</td>
<td>16%</td>
</tr>
</tbody>
</table>

*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 182-192; all other industries n = 1,261-1,338.

Figure 6 | Government Organizations That Have Identified Future Workforce Needs Compared with Other Industries

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Government agencies</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 2 years</td>
<td>63%</td>
<td>57%</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>44%</td>
<td>43%</td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>18%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Note: Government agencies n = 179-198; all other industries n = 1,248-1,364.
specific problem exists and argues that the proposed solution is the best way to solve the problem in terms of time, cost efficiency and probability of success. The form and level of formality of the business case will vary by organization—some are written proposals with supporting financial analyses, whereas others may be slide-supported oral presentations. Whether they are written or oral, business cases generally have the same components, as described below.

- **Statement of need.** This is the condition or change impelling the function’s action.

- **Recommended solution.** The objectives for an ideal solution are defined (the desirable outcomes of such an initiative), and the proposed action is described in sufficient detail to show how it meets these objectives. In some cases, alternatives may be described as well, and the reasons why they are not being recommended may be discussed.

- **Risks and opportunities.** Risks should include outcomes that could decrease the project’s chance for success, outcomes that could present new opportunities that would require action, and the risks of doing nothing at all.

- **Estimated costs and time frame.** The project budget should include all foreseeable elements (labor, equipment, fees, travel and so on), plus a reserve for the unforeseeable expenditures based on the project’s risk. The time frame should keep in mind the project requirements but also the organization’s needs. Longer or more complex projects may be structured in phases, with gates or review milestones at which management can decide whether to proceed.

Creating a solid business case will help HR professionals in retail and hospitality move forward in a systematic way as they manage the demographic shifts of their workforce and prepare for even greater future changes.

A more in-depth overview of how to build a business case for preparing for an aging workforce is outlined in the free online SHRM sourcebook *Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals*. It includes:

- An overview of how to create a statement of need and the scope of the issues that should be covered in any business case.

- A summary of the main risks and costs of inaction experts have identified in relation to the aging workforce.

- An introduction to the basic steps involved in workforce planning and forecasting.

- Instructions on calculating turnover and projecting future turnover.

- Discussion of how job analysis and skills audits can highlight any potential future skills shortages and gaps.

- Instructions on how to gauge employee satisfaction and engagement and how to use these findings to create strategies for preparing for demographic shifts.

- Samples, forms, templates and tools:
  - Calculating Turnover.
  - Sample Turnover Cost Worksheet.
  - Diversity Survey.

### Legal Issues to Consider

As they prepare for an aging workforce, HR professionals must have a strong understanding of legal issues to avoid discrimination claims. Federal law prohibits employers (and employment agencies and labor unions) from discriminating against applicants and employees who are over the age of 40 on the basis of their age. The Age Discrimination in Employment Act (ADEA) is administered and enforced by the Equal Employment Opportunity Commission (EEOC), which issues regulations and guidance designed to explain and implement the law’s protections. For an in-depth overview of legal issues related to an aging workforce, see SHRM’s sourcebook *Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals*, which covers the following issues:

- An overview of laws prohibiting age discrimination.

- Proving age discrimination.

- The legal aspects of planning for change.

- Legal issues to consider when recruiting.

- How to navigate the legal issues related to physically demanding jobs.

- Samples, forms, templates and tools:
  - Basic Equal Employment Opportunity Policy.
  - Statement of ADA Commitment to Interactive Process and Reasonable Accommodation Policies.
Recruiting and Retaining Mature Workers

Many organizations may not be aware of the number of potential retirements they could soon be facing, hence the percentage of those that are developing strategies to attract and retain mature workers is low. HR professionals in the government industry were more likely than their counterparts in other industries to report that the aging workforce had prompted changes in their recruiting (30% compared with 23%) and retention (32% compared with 25%) practices to a small extent. They were significantly more likely to report that it had prompted changes to their general management policy/practices (67% compared with 57%) to some extent, as shown in Figure 7.

Steps Organizations Are Taking to Recruit and Retain Mature Workers

Similar to other industries, very few respondents from the government industry said their agencies had formal strategies for retaining mature workers (4%), as shown in Figure 8. Employee referrals were the most common method of recruiting mature workers in the government industry (26%). Government HR professionals were more likely to use government-based employment programs to recruit mature workers (13% compared with 4% in all other industries), but they were less likely to use social media (6% compared with 12% in all other industries), employment agencies (5% compared with 13%) and executive search firms (3% compared with 9%). More than half of respondents from government agencies (55%) said they did not actively recruit mature workers, on par with all other industries (see Figure 9).

Because there are few examples that HR professionals in the government industry can look to for ideas about how to meet the challenge of recruitment and retention as the workforce ages, research on HR staffing practices that do appear to make a difference in both attracting mature job seekers and retaining those in the older worker demographic, often well beyond traditional retirement age, can be helpful.

Figure 7 | Extent the Increasing Age of Organization’s Workforce Has Begun to Prompt Changes in . . .

<table>
<thead>
<tr>
<th></th>
<th>Recruiting practices</th>
<th>Retention practices</th>
<th>General management policy/practices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Government agencies</td>
<td>All other industries</td>
<td>Government agencies</td>
</tr>
<tr>
<td></td>
<td>7%</td>
<td>25%</td>
<td>30%*</td>
</tr>
<tr>
<td></td>
<td>8%</td>
<td>26%</td>
<td>23%*</td>
</tr>
<tr>
<td></td>
<td>7%</td>
<td>26%</td>
<td>32%*</td>
</tr>
<tr>
<td></td>
<td>6%</td>
<td>26%</td>
<td>25%*</td>
</tr>
<tr>
<td></td>
<td>6%</td>
<td>27%</td>
<td>34%</td>
</tr>
<tr>
<td></td>
<td>4%</td>
<td>23%</td>
<td>30%</td>
</tr>
</tbody>
</table>

*The difference between government agencies and all other industries is statistically significant (p<.05).

Note: Government agencies n = 210-211, all other industries n = 1,490-1,501. Respondents who indicated “Not applicable” were not included in the analysis. Percentages may not total 100% due to rounding.


Figure 8 | Organizations That Have a Formal Strategy for Retaining and Recruiting Older Workers

<table>
<thead>
<tr>
<th></th>
<th>Retain</th>
<th>Recruit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Government agencies</td>
<td>All other industries</td>
</tr>
<tr>
<td>Retain</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Recruit</td>
<td>1%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Note: Government agencies n = 208; all other industries n = 1,498-1,499.

### Figure 9 | Methods Used by Government Agencies to Recruit Older Workers

<table>
<thead>
<tr>
<th>Method</th>
<th>Government Agencies</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee referrals</td>
<td>26%</td>
<td>33%</td>
</tr>
<tr>
<td>Networking</td>
<td>18%</td>
<td>24%</td>
</tr>
<tr>
<td>Internet (e.g., websites geared toward older audience)</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Government-based employment programs (e.g., AARP)</td>
<td>13%*</td>
<td></td>
</tr>
<tr>
<td>Use of current older workers as recruiters</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>Specify in job postings that older workers are welcomed and encouraged to apply</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Social media</td>
<td>6%*</td>
<td>12%*</td>
</tr>
<tr>
<td>Temporary firms</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Employment agencies</td>
<td>5%*</td>
<td>13%*</td>
</tr>
<tr>
<td>Executive search firms</td>
<td>3%*</td>
<td>9%*</td>
</tr>
<tr>
<td>Older workers’ job fairs</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Churches</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Recruit through local senior citizen community groups</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Retirement communities</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Newsletters (e.g., AARP Bulletin)</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>We do not actively recruit older workers</td>
<td>55%</td>
<td>55%</td>
</tr>
</tbody>
</table>

*The difference between government agencies and all other industries is statistically significant (p < .05).

Note: Government agencies n = 131; all other industries n = 852. 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.

Creating a Strategy for Actively Recruiting Mature Workers

According to the EPG report *The Aging Workforce: Leveraging the Talents of Mature Employees*, there are two main categories of mature workers: 1) workers currently unemployed and seeking work, including those before and past traditional retirement age, and 2) workers who are currently employed and are either already working for the organization in a different job or working somewhere else but could potentially leave their current jobs either to do the same type of work or to embark on a completely new career path. The report advises the following steps to create a strategy for actively recruiting mature workers:

- Plan to recruit mature workers from the start by including recruiting and hiring of mature workers in diversity and affirmative action recruiting plans.
- Include mature workers in recruiting messaging by clearly stating that your organization seeks workers of all ages in job postings and application materials.
- Identify talent sources that are inclusive of individuals over 50.
- Seek partners that will help recruit mature candidates, such as community colleges, government-sponsored workforce development programs and nonprofit groups.
- Post jobs in locations where mature job seekers are likely to look. This can include organizations targeted to a 50+ demographic, such as the AARP and SeniorJobBank, as well as social media groups.
- Attend seminars and career fairs that attract job seekers of all ages.
- Publicize your efforts to have an age-diverse workforce. These efforts will have a positive impact on your employer brand.
- Prepare and incentivize recruiters to understand the changing workforce demographics and to take actions that will encourage job seekers of all ages to be excited about joining your organization.

For more detailed information on recruiting and retaining older workers, please refer to both the SHRM Foundation’s EPG report *The Aging Workforce: Leveraging the Talents of Mature Employees* and the SHRM sourcebook *Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals*. The sourcebook includes information and resources on the following topics:

- Targeting recruiting activities to appeal to mature job seekers.
- Working with hiring managers to dispel stereotypes and broaden perceptions of the available talent market.
- Selection process materials.
- The onboarding process.
- (Re)hiring retirees.
- Corporate alumni programs.
- Retaining mature workers.
- Samples, forms, templates and tools:
  - Diversity Outreach Letter.
  - Employee Referral Program Procedures.
  - New-Hire Employee Referral Form.
  - New-Hire Orientation Checklist.
  - New-Hire Survey.
  - Recruitment Satisfaction Survey.
  - Flextime Policy.
Preparing for an Aging Workforce: Government Industry Toolkit

Telecommuting Application Form.
Flextime Request Form.
Compressed Workweek Policy and Procedure.
Alternative Work Schedule Policy and Procedure.
Summer Flextime Policy.
Summer Flextime Request Form.
Job Share Memo of Understanding.
Recognition Policy: Service Awards and Retirement Gifts.
Phased Retirement Plan Development Checklist.

The Role of Benefits in Attracting and Retaining an Aging Workforce

Because there are potentially hundreds of benefits that can be offered by employers, each organization must determine its own benefits strategy based on a solid understanding of the demographics of its workforce and candidate pool.

Key issues and strategies within the benefits realm that may be influenced by this demographic shift include the design and administration of health, disability and other insurance benefits as well as wellness benefits, retirement income and planning, and employee services, particularly caregiver benefits, such as senior care. Health care and wellness benefits will continue to be important as the workforce ages because the risk of many types of illnesses and chronic health conditions increases with age. Individuals also tend to be more health-conscious as they grow older.

The pressure to hold health care costs steady will become more intense as the workforce ages. Leaders of many organizations will expect their HR function to develop even greater expertise in negotiating better benefits contracts with vendors, self-funding health plans, altering health care benefits cost-sharing models to shift more costs to employees through increased deductibles or attaching a surcharge to spousal coverage—all without damaging recruitment and retention goals. They may also need to be skilled at adopting consumer-directed health plan designs, developing a robust employee wellness program, offering health risk assessments and creating health management program incentives and penalties.

Retirement benefits are often among the first employee benefits that come up when the discussion turns to an aging population—especially in policy discussions involving mandated benefits such as Social Security. The aging workforce is putting the spotlight on employer-sponsored retirement plans as a major recruiting and retention tool. As the workforce ages, more attention is likely to be paid to these types of retirement benefits offerings. Organizations may respond either by increasing the amount of their employer match or by shifting to a model where employees are automatically enrolled into a 401(k) plan but can choose to opt out. These steps can increase the percentage of eligible workers who participate in their employer’s 401(k)-type plan, thereby increasing retirement savings. Some organizations take this a step further by automating the increase in the employee contributions to these programs over time.

Because savings options can be complex, another type of benefit that more employers may adopt as the workforce ages is financial planning and education services. For some organizations, simply letting employees know about the financial education options available, such as those offered by an employee assistance program, may be a first step. Others may prefer to go further by offering classes on financial literacy or online investment advisory services, or individual financial planning services through a third-party provider.

Longer tenures in the government industry increase the likelihood that workers will retire from these positions after lengthy careers with their employers. Financial and retirement planning benefits, for example, can be an important tool to keep employees on board, and at the same time get those workers prepared for their departures from the workforce. Recent SHRM research has shown that the majority of employers that leverage benefits to retain employees cited retirement savings and planning benefits as part of those strategies.

The SHRM Wellness Programs Resource Page provides key resources and articles to help members as a starting point with key tools and resources. The site offers guidance on regulations, program implementation, types of programs and external...
resources. Program implementation guidance includes the general development of a wellness program, case studies, communication, competitions, incentives/penalties and measuring the program’s return on investment (ROI).

SHRM’s *Employee Benefits* research report examines the use of hundreds of employee benefits and is available free for SHRM members at shrm.org/surveys. For more detailed information on leveraging benefits to attract and retain mature workers, please refer to both the SHRM Foundation’s EPG report *The Aging Workforce: Leveraging the Talents of Mature Employees* and the SHRM sourcebook *Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals*. The sourcebook includes information and resources on the following topics:

- Health care and wellness benefits.
- Retirement income, benefits and redefining retirement.
- Work/life benefits.
- Leave benefits.
- Samples, forms, templates and tools:
  - 401(k): Automatic Enrollment Election for New Hires.
  - Employee Assistance Program (EAP) Policy: For Employees and Family Members.
  - Retirement Plan Enrollment Form.
Skills, Training and Development

According to SHRM research, more than two out of five (45%) government respondents said that their organizations attempted to capitalize on and incorporate the experience of mature workers to “some extent,” significantly higher than the 38% who reported the same in all other industries. About one out of 10 (11%) HR professionals in the government sector reported that their organizations did not capitalize on and incorporate the experience of mature workers at all (see Figure 10).

When asked about the advantages of having mature workers, HR professionals in government organizations were most likely to cite their extensive work experience (74%), maturity levels/professionalism (68%) and stronger work ethic (66%). Government industry respondents were more likely than HR professionals in other industries to value mature workers’ institutional knowledge of their organization (65% compared with 45% in all other industries), and less likely than their peers in other industries to cite mature workers’ loyalty (46% compared with 53%), their commitment/engagement (42% compared with 53%) and their established networks of contacts and clients (33% compared with 40%).

HR professionals in government agencies were more likely than counterparts in other industries to say their organizations had increased training and cross-training efforts (49% compared with 41%) to prepare for potential skills gaps as a result of the loss of mature workers (see Figure 11). They were also more likely than their peers (29% compared with 16%) to have developed processes to capture institutional memory/organizational knowledge from employees close to retirement. Government HR professionals were less likely than their counterparts in all other industries (27% compared with 35%) to have not taken any steps to prepare for potential skills gaps as a result of the loss of mature workers.

HR professionals in the government industry were less likely (26% compared with 34%) than their peers in other industries to develop mentoring programs as a strategy to transfer knowledge from mature workers to younger workers, as shown in Figure 12. They were more likely (18% compared with 13%) to develop skill transition plans to facilitate transfer of knowledge between the two age groups.

With more generations than ever before in the workplace, organizational success now depends on employees of all ages working together as a team. The increase in age diversity in the workforce is a new opportunity to build more effective and innovative teams, but these teams must be managed successfully. In the government industry, more than one-half of respondents (51%) indicated employees in their organizations were receptive to working with mature workers to a great extent. More than two out of five (42%) said their employees were receptive to learning from mature workers to a great extent, but fewer government HR professionals (36% compared with 45% in all other industries) said their employees were receptive to being mentored by mature workers to a great extent. Only a small percentage of the respondents in the government industry indicated that employees in their organizations were not at all receptive to working with (1%), learning from (2%) and being mentored by (3%) mature workers—a very positive sign that there is a general awareness of the value of learning from mature workers within the industry.

Many HR professionals may decide to go beyond some of the steps taken within workforce planning initiatives to conduct a more detailed skills audit that gathers information about the skills, education and experience needed for different jobs and job families. Supply analysis in workforce planning will involve collecting data on the number of employees and their skills, as well as workforce demographics, and should reveal if the organization has a large number of workers nearing retirement age. If large numbers of retirements are forecasted, a more in-depth job and skills analysis at this stage may be needed. Jobs may also need to be redesigned to accommodate older workers who develop disabilities due to the aging process. Some organizations have found that they are able to attract and hire more dependable and loyal employees by engaging in job analysis and by redesigning jobs to appeal to older employees.
**Figure 10 | Extent to Which Organizations Attempt to Capitalize on and Incorporate the Experience of Older Workers**

*The difference between government agencies and all other industries is statistically significant (p<.05).
Note: Government agencies n = 209; all other industries n = 1,484.

**Figure 11 | Steps Government Agencies Have Taken to Prepare for Potential Skills Gaps as a Result of the Loss of Older Workers Compared with Other Industries**

*The difference between government agencies and all other industries is statistically significant (p<.05).
Note: Government agencies n = 207; all other industries n = 1,500. Percentages do not total 100% due to multiple response options.
Retraining mature workers can often be more cost-effective for an organization than recruiting, hiring, onboarding, socializing and training new hires. Skills training may sometimes be needed to keep mature workers up to date so they can continue working productively. The activities of workforce planning, skills audits and job analysis can all lead to the realization that among a number of different strategies needed to address existing or predicted skills shortages, training is one of the most important. A training needs assessment (TNA) that identifies current level of competence, skill or knowledge in one or more areas and compares that competence level to the level required for the position in question or another position within the organization may be a good way to determine priorities.

For more detailed information on how an aging workforce may influence learning and training strategies, please refer to both the SHRM Foundation’s EPG report The Aging Workforce: Leveraging the Talents of Mature Employees and the SHRM sourcebook Preparing for an Aging Workforce: Strategies, Templates and Tools for HR Professionals. The sourcebook includes information and resources on the following topics:

- Skills audits.
- Leveraging the knowledge, skills and experience of mature workers.
- Generational differences and similarities.
- Leveraging teams.
- Samples, forms, templates and tools:
  - Diversity Policy.
  - Job Analysis Template.
  - Career Development Plan Form.
  - Job Analysis: Desk Audit Review.
  - Skills Analysis Form.
  - Waiver of Claims Under the Age Discrimination in Employment Act.
  - Nondiscrimination/Anti-Harassment Policy and Complaint Procedure.
Endnotes


