Preparing for an Aging Workforce:
Finance, Insurance and Real Estate 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.
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Introduction

This toolkit aims to provide HR professionals in the finance, insurance and real estate 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 be also be discussed throughout.
Finance, Insurance and Real Estate Industry Overview

The U.S. Bureau of Labor Statistics (BLS) classifies the finance, insurance and real estate sectors as part of the financial activities super sector, which belongs to the service-providing industries super sector group. Together, the finance, insurance and real estate sectors (referred to together in this report as “finance, insurance and real estate industry”) employ approximately 8.2 million workers in the United States as of May 2016. Two subsectors comprise the financial activities super sector: finance and insurance, and real estate and rental and leasing. The following NAICS code links lead to BLS information pages that give overviews of employment levels, wages, union representation and other subsector information:

- Finance and Insurance: NAICS 52
- Real Estate and Rental and Leasing: NAICS 53

BLS data (May 2016) for the finance and insurance sector showed it employed about 6.1 million workers overall with median weekly earnings of $1,024. The sector includes accountants, loan officers, insurance agents, bank tellers and other positions. The real estate and rental and leasing sector, which includes real estate agents, rental clerks and property managers, among other jobs, employed about 2.1 million workers overall with median weekly earnings of $782.¹

<table>
<thead>
<tr>
<th>Industry</th>
<th>Median Weekly Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and Insurance</td>
<td>$1,024</td>
</tr>
<tr>
<td>Real Estate and Rental and Leasing</td>
<td>$782</td>
</tr>
</tbody>
</table>

Source: BLS (May 2016)

Industry and Occupational Outlook

Many of the most common jobs in the finance, insurance and real estate industry are high-paying positions with longer-than-average tenures compared with other sectors, making it likely that these jobs will employ a high concentration of older workers. The largest occupation within the industry is financial specialists, followed by business operations specialists and several other positions, as shown in Figure 1. Financial activities positions, for example, had a median tenure of five years in 2014, compared with a median of 4.1 years for all private-sector positions, according to the BLS.²

Figure 1 | Large Occupations in Finance, Insurance and Real Estate

Source: BLS (2015)
Looking ahead into the next decade, the financial activities super sector, which includes finance, insurance and real estate positions, will experience a rate of job growth on par with the U.S. labor force overall (both at an annual growth rate of 0.6%). The financial industry downturn and related recession from 2007 to 2009 contributed to a decline in financial activities jobs from 2004 to 2014. However, steady job growth is anticipated for this industry in the years leading up to 2024, as shown in Table 2. If that projection follows through, employers in these industries may have opportunities to fill those vacancies with older workers and retirees, many of whom prefer phased retirements or take part-time jobs for additional income to supplement their retirement funds.

### Table 2 | BLS Employment Projections for the Finance, Insurance and Real Estate 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>Financial activities</td>
<td>8,105.1</td>
<td>7,979.5</td>
<td>8,486.7</td>
</tr>
</tbody>
</table>


**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)
- Association for Financial Professionals
- Institute of Management Accountants
- American Insurance Association
- Property Casualty Insurers Association of America
- National Association of Realtors
- NAIOP (Commercial Real Estate Development Association)
Barbara Hobbs does not view the aging of the workforce as a hindrance, but rather an opportunity for her organization. Seasoned professionals are, in fact, often among the top choices when a job opens up at American Guaranty Fund Group (AGFG), a Tallahassee, Fla.-based nonprofit where Hobbs serves as human resources director.

AGFG was created in 2004 as a management company that serves two entities—the Florida Insurance Guaranty Association (FIGA) and the Florida Workers’ Compensation Insurance Guaranty Association (FWCIGA). Those groups pay the claims of insolvent insurers in Florida, and the work requires a near-encyclopedic knowledge of the insurance industry. That skill is frequently possessed in abundance by mature workers, she said.

“For our professional people, particularly our claims adjusters, we need people with experience in all facets of the industry,” Hobbs said. “We never know what kind of company is going to go bankrupt. We need people familiar with property, auto, casualty, workers’ compensation and other areas. We have to be ready to handle anything.”

FIGA claims are connected to the property and casualty insurance sectors, and FWCIGA claims are derived from workers’ compensation carriers. AGFG’s role is to handle the oversight and preparation of those claims, to develop best practices, and to govern the daily operations of both entities, among other responsibilities.

Given the complex nature of the work, AGFG’s 29-member staff is long on experience and skews toward an older demographic. Nearly half (48%) of its workers fall into the 50-59 age bracket, Hobbs said, and another 27% are between 60 and 69 years old. The payroll’s seasoned makeup, while beneficial, also prompted AGFG officials to consider a worst-case scenario when many of its employees will be ready to leave the workforce in the near future.

“We know it’s a problem, but it’s often hard to address the problem,” Hobbs said. “For our organization, because of the type of experience we need, we’re lucky if most people we bring in are in their 40s.

“Insurance companies still do good training, but not the kind of in-depth training like they used to do. They used to bring people in right from college and do training on all lines of insurance. Now, probably in the last 15 years, they stopped doing that and started specialization. You go in as an adjuster, and you learn auto or you learn sinkholes, for example.”

In response, AGFG has ramped up in-house training for its younger staff members and devoted more time to sending adjusters into the field for a broader variety of claims, Hobbs said. The organization also created a succession planning strategy that started with its executive director, who will be replaced by the chief operating officer when needed. The moves are designed to retain as much knowledge as possible when AGFG’s older staff members approach their retirement eligibility.

Business at AGFG follows no particular pattern; work may pick up following natural disasters as more insurers go bankrupt, for example. At one point, the organization had 250 employees and more than 100 temporary workers, Hobbs said. The unpredictable nature of the industry has made it difficult to develop workforce planning strategies, she said.

“If you’re a profit-making organization, you can plan better,” Hobbs said. “We don’t necessarily have a steady income. Every insurance company that underwrites in the state has to belong to the guaranty association. When money is needed, they have the ability through the state to require assessments. We’re funded by assessments through the insurance companies, based on premium dollars that they take in. We haven’t had steady assessments for several years. It’s harder for us to prepare for this coming tsunami of retirements, but we’re doing what we can.”

And when AGFG provides training for younger workers, they sometimes take their newly earned skills to the for-profit sector, adding another hurdle to the efforts to retain top talent. Hobbs doesn’t blame those workers for moving on, but as a result, she adds that organizations should pay more attention to their mature workers who tend to have longer tenure.

“If we’ve trained you and you go off to work for State Farm, we’re proud of you,” she said. “It’s unfortunate, because you lose a lot of your best employees, but you can’t make as much money in the nonprofit sector. The value of older workers comes from the fact that it’s a necessity for us.

“There are many employers that think they value older employees, but I’m not sure that’s always true. You’re doing your organization a disservice if you do otherwise. You’re talking about losing a lot of experience if you don’t take care of these people.”
Assessing the State of the Aging Workforce

Among the first steps HR professionals in finance, insurance and real estate fields 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 and most basic step in assessing the state of the aging workforce in a given organization is to determine what percentage of the organization’s workforce is nearing retirement age. According to a SHRM survey of HR professionals at finance, insurance and real estate firms, nearly three out of 10 (29%) employees in their workforce are age 55 or older, on par with or higher than most other industries (see Figure 2). More than one out of 10 (13%) HR professionals in finance, insurance and real estate firms said they were not aware that the proportion of older workers was increasing and that older workers were projected to make up approximately 26% of the labor force by the year 2022, compared with 21% in 2012 and 14% in 2002. More than two out of five (43%) HR professionals in the finance, insurance and real estate industry indicated their organizations had begun to examine internal policies and practices to address this change. Less than one-fifth (15%) reported that their organizations had examined their workforce and determined that no changes in their policies and practices were necessary, as shown in Figure 3.

Figure 2 | Percentage of Older Workers, by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>2002</th>
<th>2012</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation and food services, retail trade, wholesale trade, and transportation and warehousing</td>
<td>14%</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td>Construction, and repair and maintenance</td>
<td>15%</td>
<td>16%</td>
<td>24%</td>
</tr>
<tr>
<td>Educational services</td>
<td>17%</td>
<td>18%</td>
<td>29%</td>
</tr>
<tr>
<td>Finance, insurance and real estate</td>
<td>16%</td>
<td>18%</td>
<td>29%</td>
</tr>
<tr>
<td>Government agencies</td>
<td>15%</td>
<td>16%</td>
<td>30%</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>16%</td>
<td>17%</td>
<td>26%</td>
</tr>
<tr>
<td>Information, professional, scientific and technical services</td>
<td>17%</td>
<td>18%</td>
<td>24%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>15%</td>
<td>17%</td>
<td>27%</td>
</tr>
<tr>
<td>Mining, quarrying, and oil and gas extraction</td>
<td>14%</td>
<td>15%</td>
<td>27%</td>
</tr>
<tr>
<td>Religious, grantmaking, civic, professional and similar organizations</td>
<td>16%</td>
<td>17%</td>
<td>30%</td>
</tr>
<tr>
<td>Utilities</td>
<td>15%</td>
<td>17%</td>
<td>29%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
<td>16%</td>
<td>23%</td>
</tr>
</tbody>
</table>

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.

Building a Business Case for Action

Very few HR professionals in the finance, insurance and real estate industry believed the impact of the potential loss of talent due to retirement of workers 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, as displayed in Figure 4). Looking further out, more HR professionals saw the aging workforce as a concern for their industry (12% considered it a crisis and 21% a problem in the next 11 to 20 years). The level of concern among HR professionals in the finance, insurance and real estate industry is comparable with the level of concern among their counterparts in all other sectors when it comes to looking ahead for the next five years. In the next six to 10 years, however, only 17% of HR professionals in the finance, insurance and real estate industry viewed the aging workforce as a problem, compared with 29% of HR professionals in all other sectors.

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 need only 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.

As shown in Figure 5, more than one-third (38%) of HR professionals from finance, insurance and real estate firms said their organizations were analyzing the impact of workers age 55 and older leaving their organization in the next one to two years. Three-fifths (60%) indicated their organizations were identifying their future workforce needs in the next one to two years, similar to all other industries (58%, see Figure 6). Slightly more than one-half of HR professionals in the finance, insurance and real estate industry indicated they had identified their future workforce needs in the next six to 10 years (53%). Overall, the findings suggest that although some organizations may not be fully aware of the various ways this demographic shift will influence their organization, some finance, insurance and real estate 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 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 not only 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 finance, insurance and real estate move forward in a systematic way as they manage the demographics shifts of their workforce and prepare for even greater future change.

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.

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**Figure 4 | 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)
• 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

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

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Finance, Insurance and Real Estate</th>
<th>All Other Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 2 years</td>
<td>38%</td>
<td>34%</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>36%</td>
<td>31%</td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>17%</td>
<td>16%</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Finance, Insurance and Real Estate</th>
<th>All Other Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 2 years</td>
<td>60%</td>
<td>58%</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td>53%</td>
<td>43%</td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>26%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Note: Finance, insurance and real estate n = 58-68; all other industries n = 1,369-1,494.
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.
• 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 finance, insurance and real estate industry were as likely as those in other industries to report that the aging workforce had prompted changes in their recruiting practices to at least a small extent, according to SHRM research. They were slightly less likely to report that it had prompted some level of changes to their retention practices and as likely to report that it prompted changes to their general management policy/practices, as shown in Figure 7.

Steps Organizations Are Taking to Recruit and Retain Mature Workers

Similar to other industries, very few members of the finance, insurance and real estate industry said their firms had formal strategies for either retaining (2%) or recruiting (1%) mature workers (see Figure 8). Employee referrals were the most common method of recruiting 55+ workers in the finance, insurance and real estate industry (32%). More than three-fifths (62%) of respondents from finance, insurance and real estate industry firms said they did not actively recruit older workers (see Figure 9).

There are few examples that HR professionals can refer to for ideas about how to meet the challenge of recruiting and retention as the workforce ages. Consequently, research on HR staffing practices that help to attract mature job seekers and retain 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>Recruiting practices</th>
<th>Finance, insurance and real estate</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, insurance and real estate</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>All other industries</td>
<td>7%</td>
<td>26%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retention practices</th>
<th>Finance, insurance and real estate</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, insurance and real estate</td>
<td>5%</td>
<td>29%</td>
</tr>
<tr>
<td>All other industries</td>
<td>6%</td>
<td>26%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General management policy/practices</th>
<th>Finance, insurance and real estate</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, insurance and real estate</td>
<td>3%</td>
<td>24%</td>
</tr>
<tr>
<td>All other industries</td>
<td>4%</td>
<td>24%</td>
</tr>
</tbody>
</table>

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.


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

<table>
<thead>
<tr>
<th>Retain</th>
<th>Finance, insurance and real estate</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, insurance and real estate</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>All other industries</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recruit</th>
<th>Finance, insurance and real estate</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, insurance and real estate</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>All other industries</td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>

Note: Finance, insurance and real estate n = 84; all other industries n = 1,622-1,623.

Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Toolkit

Figure 9 | Methods Used by Finance, Insurance and Real Estate Companies to Recruit Older Workers in Other Industries

<table>
<thead>
<tr>
<th>Method</th>
<th>Finance, insurance and real estate</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee referrals</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>Networking</td>
<td>21%</td>
<td>23%</td>
</tr>
<tr>
<td>Social media</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Use of current older workers as recruiters</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Employment agencies</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td>Temporary firms</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Internet (e.g., websites geared toward older audience)</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Executive search firms</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Churches</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Specify in job postings that older workers are welcomed and encouraged to apply</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Government-based employment programs (e.g., AARP)</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Older workers’ job fairs</td>
<td>2%</td>
<td>5%</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>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Newsletters (e.g., AARP Bulletin)</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>We do not actively recruit older workers</td>
<td></td>
<td>62%</td>
</tr>
</tbody>
</table>

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 changes in their recruiting practices were asked this question. Percentages do not total 100% due to multiple response options.

Steps for 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 job 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 in job postings and application materials that your organization seeks workers of all ages.
- 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.²

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.
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.

These finance-related benefits should be of particular significance to employers in the finance, insurance and real estate industry. Longer tenures in this industry increase the likelihood that workers will retire from these positions after lengthy careers with their employers. These benefits can be an important tool to keep employees on board and, at the same time, get those workers prepared for their departure 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 a company can include 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

HR professionals who closely study the skills needs and potential shortages in their organizations and industries are stepping up to take on an important leadership role that goes well beyond their individual organizations. Many HR professionals are working within their industries and local communities to improve workforce readiness at the broader level. The causes of skills shortages are complex and therefore not easy to resolve. But there are basic steps that HR professionals can take to help their organizations become better prepared for skills shortages and to proactively meet the challenges these shortages represent.

According to SHRM research, more than one-half (56%) of finance, insurance and real estate respondents said that their organizations attempted to capitalize on and incorporate the experience of older workers to a great extent or some extent. Similar to other industries, fewer than one out of five respondents (18%) in finance, insurance and real estate reported that their organizations did not capitalize on and incorporate the experience of older workers at all (see Figure 10).

When asked about the advantages of having older workers, HR professionals in finance, insurance and real estate organizations were most likely to cite their extensive work experience (81%), their maturity levels/professionalism (73%) and strong work ethic (70%). Finance, insurance and real estate industry respondents were more likely than respondents in other industries to value older workers’ loyalty (62% in this industry compared with 52% in other industries), lower turnover rates (62% compared with 52%) and reliability (69% compared with 59%). HR professionals in the finance, insurance and real estate industry were less likely than their peers in other industries to cite commitment/engagement to their jobs (44% compared with 52%) and applied skills (39% compared with 49%) among the strengths of older workers.

HR professionals in finance, insurance and real estate firms were nearly as likely as their counterparts in other industries to say their organizations had increased training and cross-training efforts (40% compared with 43%) to prepare for potential skills gaps as a result of the loss of older workers. They were less likely than their peers (10% compared with 18%) to have developed processes to capture institutional memory/organizational knowledge from employees close to retirement. More than one-third (38%) of HR professionals in the finance, insurance and real estate industry said their organizations were developing succession plans. However, 37% said they have not taken any steps to address the skills gaps resulting from the loss of older workers (see Figure 11).

With more generations than ever before in the workplace, organizational success now depends on employees of all ages working effectively 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 finance, insurance and real estate industry, more than one-half of respondents (55%) indicated employees in their organizations were receptive to working with older workers to a great extent. More than one-half (52%) said their employees were receptive to learning from mature workers, and more than two out of five (46%) agreed that their employees were receptive to being mentored by an older worker(s) to a great extent. Only a small percentage 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 (2%), learning from (4%) and being mentored by (5%) older workers—a very positive sign that there is a general awareness of the value of learning from mature workers within the industry.
Figure 10 | Extent to Which Organizations Attempt to Capitalize on and Incorporate the Experience of Older Workers

<table>
<thead>
<tr>
<th>Extent to Which Attempted</th>
<th>Finance, insurance and real estate</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>To a great extent</td>
<td>24%</td>
<td>35%</td>
</tr>
<tr>
<td>To some extent</td>
<td>39%</td>
<td>38%</td>
</tr>
<tr>
<td>To a small extent</td>
<td>26%</td>
<td>18%</td>
</tr>
<tr>
<td>Not at all</td>
<td>18%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Note: Finance, insurance and real estate n = 82; all other industries n = 1,611.

Figure 11 | 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

- Increased training and cross-training efforts
- Developed succession plans
- Created new roles within the organization specifically designed to bridge a skills or knowledge gap
- Developed processes to capture institutional memory/organizational knowledge from employees close to retirement
- Increased recruiting efforts to replace retiring employees
- Offered flexible work arrangements to attract a broader range of applicants (e.g., job-sharing, telework)
- Increased automated processes (e.g., use of robotics)
- Other
- None—we have not taken any steps

*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.
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 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.

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:

### Figure 12 | Strategies Finance, Insurance and Real Estate Organizations Use to Transfer Knowledge from Older Workers to Younger Workers Compared with Other Industries

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Finance, insurance and real estate</th>
<th>All other industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and/or cross-training programs</td>
<td>56%</td>
<td>55%</td>
</tr>
<tr>
<td>Mentoring programs</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>Job shadowing</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Development of a knowledge database</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>Multigenerational work teams</td>
<td>11%</td>
<td>15%</td>
</tr>
<tr>
<td>Development of skill transition plans to facilitate transfer of</td>
<td>8%</td>
<td>14%</td>
</tr>
<tr>
<td>knowledge from older workers to younger workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apprenticeship programs</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>N/A—organization does not use any strategies to transfer knowledge</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>from older workers to younger workers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

• 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


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