kentucky’s aging workforce: employers’ perspectives on the benefits, challenges, and promising practices for an engaged older workforce

executive summary

abstract
It is estimated that 23% of Kentucky’s population will be age 50 or older by 2020, and research indicates that two-thirds of older adults plan to work well past traditional retirement age. Unfortunately, there is significant underemployment and unemployment of older workers in Kentucky. And although older workers are considered to be more engaged, satisfied, and loyal employees than younger workers, age discrimination still occurs. The Institute for Workplace Innovation (iwin), in collaboration with the National Institute for Occupational Safety and Health, conducted a study of Kentucky employers to gain a better understanding of the issues they face as their workforce ages. The Kentucky Aging Workforce Report explains the results of ten industry-specific focus groups and a survey of Kentucky employers and fully describes the challenges Kentucky employers face with an aging workforce, solutions to those challenges, and best practices for an engaged older workforce.
Executive Summary

Today, individuals are working longer than ever before. Due to the aging of the Baby Boom generation, the increase in life expectancy, and the poor economy, there have been profound shifts in the labor force with individuals working much longer than they have in the past. Currently nearly one in five people 65 and older are working. Thus, over the past decade, there has been a surge in attention among researchers to “older workers.” Research suggests that the aging workforce presents a number of challenges to employers (e.g., rising healthcare costs and critical knowledge loss when older workers retire) and that, although employers are aware of these challenges, they have not adequately begun to address them.

The Kentucky Aging Workforce Study, funded in part by the National Institute for Occupational Safety and Health (NIOSH), was designed to examine four key questions:

- What are Kentucky employers’ attitudes toward older workers?
- What challenges do Kentucky employers face as their employee population ages?
- What practices would help Kentucky employers prepare for the aging workforce and overcome the challenges it presents?
- What are Kentucky employers’ promising practices for creating healthy and productive workplaces for older workers?

Using ten industry-specific focus groups and a survey of Kentucky employers, the results indicate that employers have a very positive attitude toward older workers and perceive several benefits of them such as reliability, dependability, conscientiousness, knowledge, experience, productivity, dedication, strong work ethic, and a commitment to customer service.

Despite their favorable attitude toward older workers and the many perceived benefits of older workers, Kentucky employers reported that the aging workforce does present five key types of challenges:

- age-related health problems,
- older workers’ increased dependent care commitments as they care for grandchildren and elderly parents,
- older workers’ relative lack of technology skills,
- the generation gap between older and younger generations,
- critical knowledge loss “brain drain” when older workers retire & the labor pool shortage.
The results of the focus groups and survey also revealed eight solutions that organizations should implement to overcome these challenges: succession planning, meaningful work, flexibility, a climate of safety, wellness programs for older workers, generational empathy training for all employees, technology training for older workers, and mentoring programs pairing older workers and younger workers. A model was created to illustrate the challenges of the aging workforce and the solutions to them. (See page 30.)

The study also discovered that many Kentucky organizations are not adequately prepared for the aging workforce. Many acknowledge the aging workforce and its challenges but have not put practices in place to address them. However, those organizations that are the most prepared for the aging workforce recognize the value of older workers, are employing them, and already have practices in place to attract, engage, and retain them. It would behoove all Kentucky organizations to recognize older workers as a strategic management tool.