# The Institute

# Turning Information into Insight

A collaboration among Geisinger Commonwealth School of Medicine, Johnson College, Keystone College, King's College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Scranton, Penn State Wilkes-Barre, The Wright Center for Graduate Medical Education, University of Scranton & Wilkes University This report, prepared by The Institute for Public Policy and Economic Development, examines the senior workforce in the region and outlines strategies for attracting and retaining older workers.

Rethinking the Senior Worker



# The Institute

# Turning Information into Insight

A collaboration among Geisinger Commonwealth School of Medicine, Johnson College, Keystone College, King's College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Scranton, Penn State Wilkes-Barre, The Wright Center for Graduate Medical Education, University of Scranton & Wilkes University

The Institute is a non-profit research organization dedicated to empowering business and community leaders with research based strategies for informed decision making. We conduct independent, nonbiased research to identify the opportunities, issues and challenges unique to the region and find innovative solutions to help solve the problems facing our communities. The Institute also offers a wide array of research, consulting and support services to help organizations boost productivity, increase profitability and be successful in their missions.

### Research areas include:

- demographics
- economic development
- community development
- education
- energy
- government
- health & health care
- housing
- industry

## The Institute prepares the following products:

- Arts & Culture Studies
- Economic & Demographic Profiles
- Economic Development Strategies
- Economic and Tax Impact Studies
- Education Studies
- Feasibility and Market Studies
- Housing Studies
- Indicators Indexes

- infrastructure
- land use
- planning
- public safety
- tourism and arts & culture
- transportation
- workforce development

- Industry Studies
- Needs Assessments
- Policy Analysis
- Program Evaluation Support
- Project Analyses and Monitoring
- Research Validation and Peer Review
- Tourism Strategic Plans
- Workforce Studies

www.institutepa.org

info@institutepa.org

570.408.9850



# Contents

Preface	4
ntroduction	5
Impact of COVID-19	5
Research Methodology	6
Data Analysis	7
Senior Population and Workforce Statistics	7
Industries and Occupations for the Senior Workforce	9
Labor Force Considerations	.13
Recommendations	. 14
Conclusion	. 15
References	. 16

©2020. All Rights Reserved



# JOINT COMMITTEE ON ECONOMIC COMPETITIVENESS RESEARCH TEAM

Robert Luciani, Prudential Retirement Services, Co-Chair Lucyann Vierling, Wayne Pike Workforce Alliance, Co-Chair Pam Anslinger, Neighborworks Northeast Jane Ashton, Penn State Wilkes-Barre Tom Baileys, Ed.D., CTC of Lackawanna County Clarence Baltrusaitis, NET Credit Union Lynn Biga, Luzerne County Head Start State Senator John P. Blake Carolyn Bonacci, Marywood University Joe Boylan, Greater Wilkes-Barre Chamber of Business & Industry Fran Calpin, Keystone College Colleen Carter, McCarthy Tire Service Ida Castro, JD, Commonwealth Medical College John Cognetti, Hinerfeld Commercial Real Estate Julie Schumacher Cohen, University of Scranton Laura Ducceschi, Scranton Area Foundation Michelle Giovagnoli, King's College Frank Joanlanne, Borton Lawson Venard "Scott" Koerwer, Ed.D., Commonwealth Medical College Brad Kovaleski, Penn State Worthington Scranton Sue Kuhl, Alternative Learning Center, LIU 18 Katie Leonard, Ph.D., Johnson College Joe Lettiere, Greater Hazleton CAN DO, Inc. Amy Luyster, Greater Scranton Chamber of Commerce Amanda Modrovsky, Wilkes University Jill Murray, Ph.D., Lackawanna College Graceann Platukus, Luzerne County Community College Ron Prislupski, WVIA Ann Sadusky, McCarthy Tire Service Kirsten Smith, WVIA Marwan Wafa, Ph.D, Penn State Worthington Scranton Gerald Zaboski, University of Scranton

Teri Ooms, Executive Director Andrew Chew, Sr. Research and Policy Analyst Megan Stachowiak, Research Analyst Jill Avery-Stoss, Research & Data Coordinator Joe Gallo, Research Assistant Kara McGrane, Research Assistant

#### SIGNATURE UNDERWRITERS

Andrew J. Sordoni Foundation Luzerne County PPL Electric Utilities Sordoni Family Foundation

#### **CONTRIBUTING UNDERWRITERS**

Borton-Lawson Geisinger Health System

#### SUPPORTING UNDERWRITERS

Berkshire Asset Management BlackOut Design Commission on Economic Opportunity **FNCB** Greater Hazleton CANDO Highmark Blue Cross Blue Shield M & T Bank McCarthy Tire Mohegan Sun Pocono Navient **NET Credit Union** PNC Prudential Retirement Services Rosenn Jenkins Greenwald, LLC The Luzerne Foundation The Wright Center for Community Health **UGI Utilities** 



The Institute is a non-profit research organization dedicated to empowering business and community leaders with researched based strategies for informed decision making.

We conduct independent, empirical research to identify the opportunities, issues and challenges unique to the region and find innovative ways to solve the problems facing our communities.

The Institute offers a wide array of research, consulting and support services to help organizations boost productivity, increase profitability and be successful in their missions.



# Preface

In June 2019, the Education & Workforce Development (Ed/WFD) and Jobs, Economy, & Economic Development (JEED) Task Forces met to discuss the release of the Economic Competitiveness report presented at Indicators 2019 and to identify a research agenda for the 2019-2020 year.

It was determined at that time that this upcoming year's research should again be a joint effort because of the nature of the two task forces is extricably linked especially since there was a workforce shortage at the time that was predicted to last at least two decades.

Based on discussion, it was decided that there were several education and workforce related sections in the economic competitiveness report that should be elevated to their own research brief and that several areas were not addressed.

Therefore, the following sections of the report have been developed into stand-alone research briefs:

- Skills Shortages
- Labor Demand
- Industrial Automation
- Comparative Analysis of Job Opportunities and Higher Education Completions

The following new briefs were developed in the fall 2019 – winter 2020 time frame:

- Rethinking the Senior Worker
- Rethinking the Trades Regional Opportunities
- Adapting to the Millennial Worker & Beyond
- Soft Skills & the Workforce

With the recent economic challenges of the current pandemic, some of this research reflects economic circumstances that have been upended, at least in the short-term. However, it should be noted that the data serves as a pre COVID-19 baseline in order for us to evaluate changes.

Further, as we move through recovery and reach February 2020 economic activity, the labor shortage may be center stage again. Therefore, the information outlined in these briefs is pertinent and gives employers an opportunity to plan for the future in a more informed and thoughtful way.

# Introduction

The demographic landscape is shifting nationally and regionally as the older population grows. It is in turn shifting the workforce, as workers ages 55 and older account for an increasing proportion of the workforce. This change is more pronounced regionally, where one-quarter of the workforce in Lackawanna and Luzerne Counties is age 55 and older, compared to the nationwide workforce proportion of 21.9 percent.

One of every five workers ages 55 and over in Lackawanna and Luzerne Counties is concentrated in the Health Care and Social Assistance industry. Another 40 percent are employed in Manufacturing, Retail Trade, Educational Services, and Transportation and Warehousing. Just over half of workers in this age segment regionally are part of the following occupational groups: Office and Administrative Support, Transportation and Material Moving, Sales and Related Occupations, Production, and Healthcare Practitioners and Technical Occupations. National data also shows that workers in older age groups tend to seek more autonomy and flexibility through self-employment and part-time positions.

To attract and retain older workers, employers must pursue innovative ways to encourage people to continue working beyond the traditional retirement age, and target this population in recruitment efforts. Employers should adopt strategies that engage older workers while offering them flexibility and easing their transition into retirement. This can also help employers by facilitating a transfer of skills and knowledge to reduce the gap left by retiring workers.

## Impact of COVID-19

As this research brief was being developed, the coronavirus pandemic was quickly impacting the worldwide economy and job market. The White House announced a nationwide effort on March 16, 2020 to slow the spread of COVID-19 through the implementation of social distancing at all levels of society, directing individuals to avoid discretionary travel and remain at home whenever possible. In Pennsylvania, Governor Tom Wolf ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations as of March 19, leading many businesses and schools to shutdown indefinitely.

This pandemic and the resulting widespread business closures and restrictions on social interactions will have a long-lasting impact on the economy and job market, with some industries severely harmed and others benefiting due to the transition to a virtual service model. Several industries are already feeling the impact, including travel, leisure and hospitality, some sectors of manufacturing, educational services, real estate, and oil and gas. Small businesses that provide services from physical locations, including restaurants and specialty retailers, and their workforces will be especially hard hit.

Other companies offering in-demand services during this time will benefit, including healthcare providers, pharmaceutical companies, technology companies that offer virtual communication capabilities, supermarket chains, and companies providing at-home delivery of goods and services. Some sectors of manufacturing may benefit if they are able to transition to producing needed products, such as supplies for the healthcare industry.

Although the effect on the senior workforce in particular is yet unknown, some of the top industries in which senior workers in Lackawanna and Luzerne Counties are currently employed will be negatively impacted – including manufacturing, retail trade, and educational services – while others will continue to be in demand, such as health care and transportation and warehousing. The Institute will continue to monitor the impact on the regional economy and workforce, and provide updated analyses and reports as more information becomes available.

# **Research Methodology**

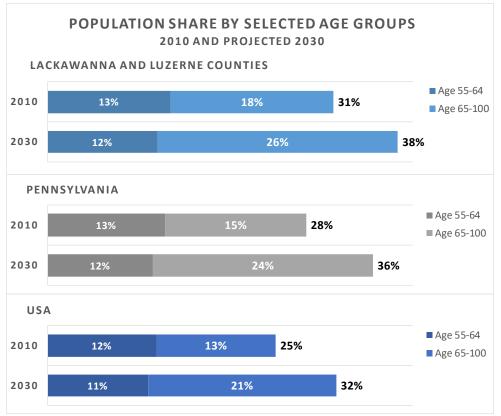
The Institute analyzed data from a variety of sources. The primary database used for obtaining senior population and workforce data was Chmura JobsEQ, a proprietary online platform that aggregates federal, state, and local employment, wages, and demographic data down to the zip code level. Supplementary data was gathered from several federal datasets, including the U.S. Census Bureau Quarterly Workforce Indicators and the U.S. Bureau of Labor Statistics. Additional secondary resources were consulted to research strategies for attracting and retaining an older workforce.



# Data Analysis

# SENIOR POPULATION AND WORKFORCE STATISTICS

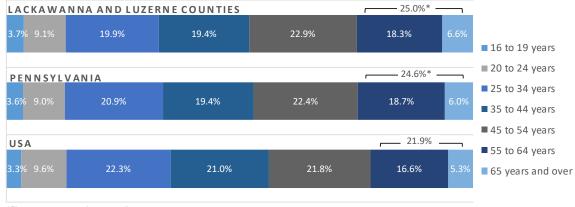
The demographic landscape of the United States is shifting as the older population grows, driven by the aging baby boomer generation. The generation of baby boomers began turning 65 years old in 2011. According to the U.S. Census Bureau, all baby boomers will be older than age 65 by 2030, and one in five U.S. residents will be retirement age. In Lackawanna and Luzerne Counties, seniors and those approaching retirement age will represent an even larger share of the population. By 2030, it is estimated that 38 percent of the population will be age 55 or over in Lackawanna and Luzerne Counties – up from 31 percent in 2010. Over one in four residents in these areas will be age 65 or older.



Source: Chmura JobsEQ<sup>®</sup>. Population Projections use historical data through 2018.

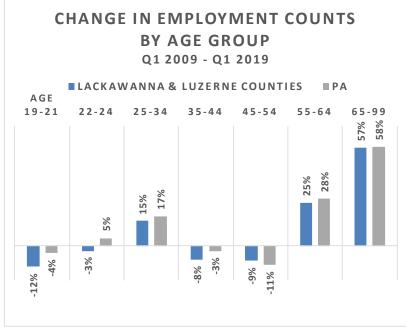
Currently, one quarter of the workforce (25 percent) in Lackawanna and Luzerne Counties is age 55 and older. This is similar to the Pennsylvania workforce overall, in which 24.6 percent of the workforce is age 55 and older. Both the regional and statewide workforce proportions for this age segment are significantly higher than that of the nation (21.9 percent). The Lackawanna and Luzerne County region has the highest proportion of people working past age 65 – 6.6 percent.

## WORKFORCE BY AGE



\*Figures may not sum due to rounding.

As the older population represents an increasingly larger segment of the U.S. population, it is also accounting for a larger proportion of the workforce. According to the U.S. Census Bureau's Quarterly Workforce Indicators data, between 2009 and 2019, the number of employees in the 55+ age segments increased statewide and in Lackawanna and Luzerne Counties. The number of employees age 55-64 grew by 25 percent in Lackawanna and Luzerne Counties, and by 28 percent statewide. The age 65+ segment experienced the largest growth during this time period, with employee counts increasing 57 percent in Lackawanna and Luzerne Counties and 58 percent statewide. At the same time, the number of employees among the age 35-54 segments declined in both regions.



Source: U.S. Census Bureau Quarterly Workforce Indicators.



Source: Chmura JobsEQ®, Data as of 2019Q3.



People are working past the traditional retirement age of 65 either out of choice or necessity. Some seniors choose to work past retirement age if they are healthy and able to do so. According to the World Health Organization, the "healthy life expectancy" in the U.S. is 68.5 years of a total average life expectancy of 78.5 years. The healthy life expectancy is the average number of years a person can expect to live in full health. Other

seniors may need to work longer out of financial necessity. A secondary analysis of the Employee Benefit Research Institute's (EBRI) 2017 Retirement Confidence Survey by AARP Research found that more than a third (35 percent) of workers ages 50+ and 21 percent of retirees do not feel financially secure. Continuing to work past age 65 can help supplement Social Security benefits and retirement savings.

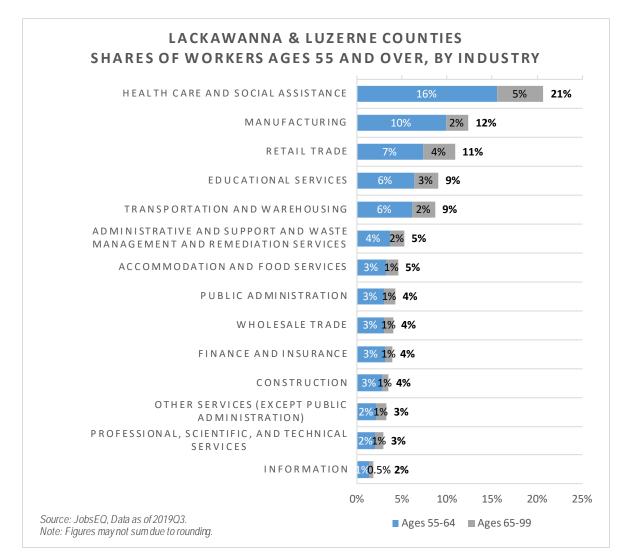
## INDUSTRIES AND OCCUPATIONS FOR THE SENIOR WORKFORCE



The following analysis examines industries and occupational groups in which workers ages 55 and over are employed in Lackawanna and Luzerne Counties, the expected growth rate for select occupations nationwide that have higher concentrations of older workers, and the rates of part-time and self-employment for older workers. Identifying the industries, occupational

groups, and types of positions that are currently popular with older workers can help direct resources and efforts for retaining and training the senior workforce.

Although workers aged 55 and over are employed across a broad variety of industries in Lackawanna and Luzerne Counties, over one in five (21 percent) are concentrated in the Health Care and Social Assistance industry. The other top industries, accounting for a combined 41 percent of workers aged 55 and over, are Manufacturing (12 percent), Retail Trade (11 percent), Educational Services (nine percent) and Transportation and Warehousing (nine percent).





The largest occupational group in Lackawanna and Luzerne Counties for workers 55 and over is Office and Administrative Support, which accounts for 17.4 percent of people in this age segment. The other top occupational groups are Transportation and Material Moving (10.2 percent), Sales and Related Occupations (9.4 percent), Production (7.4 percent), and Healthcare Practitioners and Technical Occupations (6.8 percent). Together, these occupational groups account for over 51 percent of the workforce aged 55 and over in the two counties.

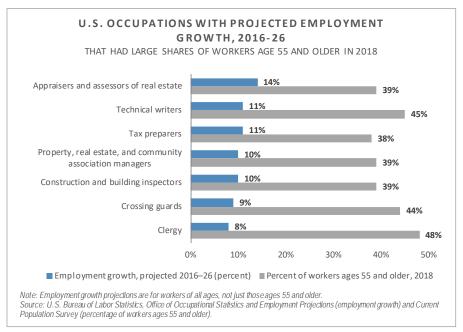
Occupational Group	Employees*			Percent Share		
	55 to 64 years	65 years and over	Total 55 years and over	55 to 64 years	65 years and over	Total 55 years and over
Office and Administrative Support Occupations	7,658	2,840	10,497	17.3%	17.7%	17.4%
Transportation and Material Moving Occupations	4,600	1,536	6,136	10.4%	9.6%	10.2%
Sales and Related Occupations	3,871	1,820	5,691	8.7%	11.3%	9.4%
Production Occupations	3,599	855	4,454	8.1%	5.3%	7.4%
Healthcare Practitioners and Technical Occupations	3,016	1,070	4,086	6.8%	6.7%	6.8%
Personal Care and Service Occupations	2,215	1,162	3,377	5.0%	7.2%	5.6%
Education, Training, and Library Occupations	2,207	1,022	3,230	5.0%	6.4%	5.3%
Management Occupations	2,427	738	3,164	5.5%	4.6%	5.2%
Food Preparation and Serving Related Occupations	2,262	889	3,151	5.1%	5.5%	5.2%
Business and Financial Operations Occupations	1,856	684	2,540	4.2%	4.3%	4.2%
Installation, Maintenance, and Repair Occupations	2,029	466	2,495	4.6%	2.9%	4.1%
Building and Grounds Cleaning and Maintenance Occupations	1,469	563	2,032	3.3%	3.5%	3.4%
Construction and Extraction Occupations	1,541	391	1,932	3.5%	2.4%	3.2%
Healthcare Support Occupations	1,483	395	1,877	3.3%	2.5%	3.1%
Community and Social Service Occupations	925	372	1,297	2.1%	2.3%	2.1%
Protective Service Occupations	697	296	993	1.6%	1.8%	1.6%
Computer and Mathematical Occupations	727	157	885	1.6%	1.0%	1.5%
Architecture and Engineering Occupations	688	180	868	1.5%	1.1%	1.4%
Arts, Design, Entertainment, Sports, and Media Occupations	452	285	737	1.0%	1.8%	1.2%
Legal Occupations	338	203	541	0.8%	1.3%	0.9%
Life, Physical, and Social Science Occupations	248	99	348	0.6%	0.6%	0.6%
Farming, Fishing, and Forestry Occupations	81	30	111	0.2%	0.2%	0.2%
TOTAL - ALL OCCUPATIONS	44,390	16,054	60,443	100.0%	100.0%	100.0%
*Pased on place of regidence	14,000	10,004	50,440	_00.070		100.0

#### LACKAWANNA AND LUZERNE COUNTIES SHARES OF WORKERS AGES 55 AND OVER, BY OCCUPATIONAL GROUP

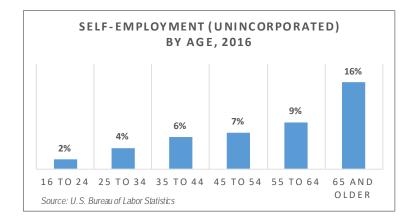
\*Based on place of residence.

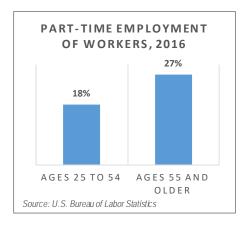
Source: Chmura JobsEQ®, Data as of 2019Q3

According to the U.S. Bureau of Labor Statistics (BLS), 40 percent of people 55 and older nationwide were working or actively looking for work in 2019. The following chart shows selected occupations in the U.S. in which individuals 55 and older comprise at least onethird of the occupation's total employment, and the projected employment growth for that occupation and for all ages through 2026.



Workers in older age groups also tend to seek more autonomy and flexibility through self-employment and part-time positions. According to BLS data, nationwide 16 percent of workers aged 65 and older and nine percent of workers aged 55 to 64 reported being self-employed in 2016, compared to six percent of those aged 35 to 44. BLS data also shows 18 percent of workers aged 25 to 54 were part time (usually one to 34 hours per week) in 2016, compared to 27 percent of workers 55 and older. Forty percent of those 65 and older worked part time.







### LABOR FORCE CONSIDERATIONS

As employers face a decline in the proportion of available younger workers, recruiting and retaining older, experienced individuals will become more critical to the success of their businesses and organizations. There are benefits to employing older workers. They often have extensive life and workplace experience that bring value to workplaces. They can offer desirable traits including strong work ethic, maturity, and reliability – and can serve as mentors to younger employees. They also exhibit lower rates of turnover, and are likelier than their younger counterparts to feel



satisfied at work. According to research from the Milken Institute's Center for the Future of Aging and the Stanford Center on Longevity, older employees took fewer sick days, showed stronger problem-solving skills, and were more likely to be highly satisfied at work than younger colleagues.

Employers should reinforce efforts to reduce ageism and age-discrimination in order to develop environments where older workers are welcomed and appreciated. Offering workers of all ages productive, meaningful, and fulfilling employment opportunities is essential to keeping them engaged and motivated.

According to AARP Research, age discrimination is perceived as the primary limitation to finding a new job, and also a reason older workers fear losing their existing jobs. Three-quarters of older workers (defined as workers age 45-plus in this study) cite age discrimination for their lack of confidence in finding a new job, and one-third of workers who believe they could lose their existing jobs cite age discrimination as a reason. Age-related information that is commonly requested from job applicants, such as birth dates or graduation dates, can be used to discriminate against older workers and may deter them from even applying. Employers should re-evaluate what age-related information is requested from applicants, and train their workforces to prevent age discrimination in all stages of recruiting, hiring, performance management, and retention.



# Recommendations

There are several strategies employers can leverage to help attract and retain older workers:

## Establish a culture of lifelong learning and training

Offer job training and placement programs that are inclusive of job seekers of all ages. In addition to inhouse training, explore external opportunities aimed at older workers. Continuing education classes and adult learner programs offered at local colleges and universities can provide lifelong learning opportunities for people seeking professional development or personal enrichment. State funding may be available to help support worker education. Pennsylvania's Department of Labor & Industry recently announced the availability of up to \$4 million in Strategic Innovation Grants to help communities address the employment barriers that Pennsylvanians experience – including age. Pennsylvania's 2020-24 Workforce Innovation and Opportunity Act Combined State Plan draft includes strategies for adult workers, including seniors. Investing in employee training and development can help keep workers engaged and productive.

### Cultivate intergenerational connections

Develop strategies for fostering ties between multigenerational workers. Encouraging connections between workers from different generations can help with knowledge transfer and perspective sharing. Design activities and team structures to include workers of all ages. Establish mentoring programs to connect older and younger workers. Offer technology training opportunities to help acclimate people to technological changes. Pair younger employees or community members who may have developed stronger technology skills through more recent education with older workers who have less technology experience. One example of this model is Age Well Tablet Café in Pittsburgh, which creates a learning and social environment that provides support to help older adults successfully navigate and increase their comfort with technology.

## Offer a variety of benefit options

Older and younger workers often have different priorities when it comes to benefits and compensation. Older employees looking toward retirement may be more interested in 401(k) contributions. Another attractive option might be wellness programs that help identify and manage chronic health conditions, and may lessen health care expenses that tend to increase with age.

## Offer flexible schedules

While older workers are still motivated by their financial needs, they also value non-financial benefits that provide flexibility to their work schedules, including flex hours and telecommuting options. Older individuals may need time off to address health issues or care for aging parents, for instance. Seasonal businesses or those with peak periods of activity can offer part-time employment opportunities, which are popular with older workers. Job sharing arrangements that allow part-time employees to share full-time positions can also attract older workers who desire flexibility.

## Offer a phased retirement program

Older workers may want to ease into retirement gradually. According to the Society of Human Resource Management, only 19 percent of U.S. companies offered some form of phased retirement to workers in 2017, and less than a third of those companies offered the option through formal programs. A phased retirement program that allows employees to gradually reduce their hours and transition their responsibilities can help them stay in the workforce longer. It also can benefit employers by gradually shifting workloads to other staff, and facilitate transfer of skills and knowledge to reduce gaps left by retirees.

## Offer workplace accommodations

Consider making workplace accommodations to address any safety concerns or physical barriers that may impact an older workforce. Explore ways to modify the working environment to heighten productivity while protecting health and safety.

# Conclusion

As employers face a decline in the proportion of available younger workers, recruiting and retaining older, experienced individuals will become more critical to the success of their businesses and organizations. Employers will have to pursue innovative ways to encourage older workers to continue working beyond the traditional retirement age, and target this population in recruitment efforts. In addition to providing financial benefits, offering flexible schedules, training and educational support, opportunities to mentor younger workers, and phased retirement options can help attract and engage older workers.

# References

- Aon Hewitt for AARP Research. (2015, April). A Business Case for Workers Age 50+: A Look at the Value of Experience 2015. Retrieved from https://www.aarp.org/research/topics/economics/info-2015/business-case-older-workers.html
- Carstensen, L. and P. Irving (2016). *The Power of an Older Workforce*. The Milken Institute. Retrieved from <u>https://assets1c.milkeninstitute.org/assets/PillarPage/POI/2016/pdf/Carstensen.pdf</u>
- Pennsylvania Department of Labor and Industry (2020, February 28). Retrieved from <u>https://www.media.pa.gov/Pages/Labor-and-Industry-Details.aspx?newsid=442</u>
- Perron, R. (2018). *The Value of Experience: Age Discrimination Against Older Workers Persists*. AARP Research. Retrieved from <a href="https://www.aarp.org/content/dam/aarp/research/surveys\_statistics/econ/2018/value-of-experience-age-discrimination-highlights.doi.10.26419-2Fres.00177.002.pdf">https://www.aarp.org/content/dam/aarp/research/surveys\_statistics/econ/2018/value-of-experience-age-discrimination-highlights.doi.10.26419-2Fres.00177.002.pdf</a>
- Purtill, C. (2018, December 3). Perennials, not millennials, will trigger the next wave of talent retention efforts. Quartz at Work. Retrieved from https://finance.yahoo.com/news/perennials-not-millennials-trigger-next-140447215.html
- Sammer, J. (2015, October 8). Aging Workforce Means Rethinking Benefit Strategies. Society for Human Resource Management. Retrieved from https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/aging-workforce-strategies.aspx
- Swift, A. (2017, May 8). Most U.S. Employed Adults Plan to Work Past Retirement Age. Retrieved from https://news.gallup.com/poll/210044/employed-adults-plan-work-past-retirement-age.aspx
- Toossi, M. and E. Torpey. (2017, May). Older Workers: Labor Force Trends and Career Options. Career Outlook, U.S. Bureau of Labor Statistics. Retrieved from <a href="https://www.bls.gov/careeroutlook/2017/article/older-workers.htm">https://www.bls.gov/careeroutlook/2017/article/older-workers.htm</a>
- U.S. Bureau of Labor Statistics. (2020, January 22). Labor Force Statistics from the Current Population Survey. Retrieved from https://www.bls.gov/cps/cpsaat03.htm
- Williams, A. and S. Brown. (2017, December). 2017 Retirement Confidence Survey: A Secondary Analysis of the Findings from Respondents Age 50+. AARP Research. Retrieved from <u>https://www.aarp.org/research/topics/economics/info-2017/retirement-confidence-secondary-analysis.html</u>
- World Health Organization. (2018, April 6). Healthy life expectancy (HALE) data by country. Retrieved from http://apps.who.int/gho/data/view.main.HALEXv?lang=en