

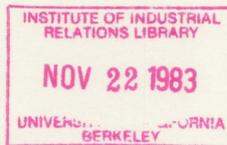
Older Workers
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Work in America Institute, Inc.

THE FUTURE OF OLDER WORKERS IN AMERICA

REPORT OF A SYMPOSIUM

Arden House
Harriman, New York
April 6-8, 1981



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Scarsdale, N.Y. 1981.

FINAL REPORT
of the Symposium on
“The Future of Older Workers In America”
April 6-8, 1981
Arden House
Harriman, New York

Sponsored by
Work in America Institute, Inc.
in cooperation with
the Business Institute in Gerontology and
the National Policy Center on Employment and Retirement
of the University of Southern California
&
the Florence V. Burden Foundation

The Work in America Institute does not necessarily endorse any of the views set forth in the final report of the symposium.

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INTRODUCTION

For several decades now, it has been considered part of the American way of life for people to work until they are about 65 and then to retire on Social Security benefits, often a company pension, and, perhaps, investments. A number of developments suggest that these expectations may be changing and that the entire question of retirement is now in a state of flux.

- Because of declining birth and death rates, the U.S. population is “getting older”—that is, a greater proportion of the population will soon be in the group that is now considered to be of retirement age, and a smaller proportion in the group that is considered to be of prime working age.
- The health of older people is better today than it used to be. Older people are now capable of working many more years and increasingly are desirous of doing so.
- Family situations have changed. Sixty-five-year-olds, once content to retire and surround themselves with children and grandchildren, have had to adjust to separation from sons and daughters who often settle in distant cities. With the loosening of traditional family ties, some older workers are less inclined to retire from work and give up the social aspects of their jobs.
- Retired people are finding it difficult to cope with inflation. Although Social Security and federal retirement benefits are linked to the cost of living, most other annuities are not. For many retirees, continuing to work may be the only solution to financial problems.
- Organizations are beginning to recognize that older workers provide a vast repository of experience and know-how which they can ill afford to lose at a time of lagging productivity.
- Laws and company pension policies have given older workers a variety of choices about when to retire. For most employees, federal law has raised from 65 to 70 the age at

which an employer may require retirement, but it also provides Social Security benefits at age 62 for those who wish to retire early. It has been standard practice in most companies to begin pension payments at age 65, but many have encouraged early retirement.

Although, for the most part, workers are continuing to take advantage of the opportunity to leave the work force at age 65 or earlier, it is clear that the option of an extended working life is becoming increasingly available and desirable. The tug of war between the forces that encourage early retirement and those that argue for extended working life demands a new look at the nation's older workers. How many are there? How many will there be 10, 20, or 30 years from now? Who are they? What do they want out of life? Can their hopes and expectations be fulfilled—by themselves, by their employers, by society? Can they, employers, and society profit by an extended working life? What kinds of constructive responses should be made by employers, unions, and government to the changing situation of older workers?

In response to these questions, the Work in America Institute, in cooperation with the Business Institute in Gerontology and the National Policy Center on Employment and Retirement of the University of Southern California, and the Florence V. Burden Foundation, conducted a symposium in Harriman, New York, April 6-8, 1981. Some sixty representatives from all sectors debated the following recommendations and voted to accept them. Although the recommendations represent the majority vote of the entire assembly, not every participant necessarily subscribes to every recommendation.

I. TAPPING THE POTENTIAL OF OLDER WORKERS FOR EXTENDED WORKING LIFE

Age-Neutral Practices and Policies

1. Organizations should adopt age-neutral personnel policies and communicate these policies throughout the organization.
2. Employers should make a concerted effort to identify and eliminate any existing biases regarding older workers and to ensure that personnel decisions and performance appraisals are based on demonstrated ability to meet job requirements, without regard to age.

Career Counseling

3. Organizations should provide for career counseling for all employees throughout their careers.
4. Employers should encourage employees to prepare for changing personal preferences and changing organizational needs long before employees reach retirement eligibility.

Preretirement Programs

5. Organizations should provide for preretirement counseling programs at least five to ten years before normal retirement age.
6. When organizations do not provide preretirement programs, employers should refer their employees to public or community organizations equipped to provide such counseling. In communities without such services, employers, unions, schools, social agencies, and local government should work together to develop programs to meet these needs.
7. In light of extended working-life developments, organizations should develop appropriate programs responsive to the needs of both the organization and its employees and should periodically provide employees with information that allows them to reevaluate their plans regarding retirement.

Options to Extend Working Life

8. Employers should introduce and continue programs, where practicable, to provide new

options for employees, such as job sharing, part-time jobs, job redesign, new work schedules, and phased retirement.

9. The reemployment of retired workers offers an opportunity that may benefit both workers and the organization. Therefore, management and unions should try to resolve the problems that presently prevent retired employees from returning to work on a full-time, part-time, or temporary basis, where practicable. Areas in which these retirees can benefit the company include (1) contributing to the needs of the organization, (2) filling in for employees on vacation or leave, (3) assisting the organization during peak work loads, and (4) assisting in training present employees.
10. The Bureau of Labor Statistics, other federal agencies, and the states should improve and expand studies to assess the future occupational needs of the nation and major labor markets. Employers should introduce or continue work-force planning systems which forecast occupational needs. The unmet occupational needs may be satisfied in part by retraining mid-career and older workers.

Outside Support Programs

11. In the 1980s employers will increasingly seek the services of older workers. Intermediary or secondary organizations which serve the needs of older workers should develop job banks. These job banks will improve the match between the skills of the older worker and the needs of the employer.

In addition, appropriate community-based organizations should consider serving as employment agencies for those seeking temporary jobs.

12. Appropriate community-based organizations should develop and offer job-search training programs for older persons which will equip them with the skills necessary to locate and secure employment on their own.

Pension Portability

13. In order for the organization and older workers to have broader options, pension portability should be studied to determine whether it would permit middle-aged employees

who wish to consider alternative careers to do so more readily. Therefore, the federal government should undertake a national study of pension portability. The study should include cost analysis, productivity implications, the effects on labor mobility, and the appropriate mechanism for administration.

II. PROVIDING EXPANDED WORK OPPORTUNITIES IN LATER LIFE

Career Development and Opportunities

14. Training for new work opportunities must begin long before retirement age. Employers should educate employees to expect to adapt their work careers to meet changing personal and organizational needs. Employees bear the primary responsibility for their career development, but organizations share the responsibility to facilitate the continuing career development of their employees. In this connection, managers should be sensitized to employees' aspirations and should participate with the organization's professional career developers in counseling.

An essential step is the training of management to understand the potential of older workers. Such employee development would serve the organization by (1) enlarging the pool of workers available, and (2) enhancing the attractiveness of the organization for existing employees in whom the organization already has a considerable investment.

15. Organizations should develop policies and effective training courses to encourage greater mobility within the organization.

16. The performance of managers should be appraised, in part, on the basis of the degree to which they promote the career development of their employees. This practice depends on top management's demonstrated commitment to, and direction of, career planning as a primary organizational goal.

17. Career opportunities within a company should be made known to all employees in an age-neutral manner, through job posting and other means, such as career resource centers. These centers should disseminate information on jobs—and also on training programs, careers, tuition assistance, financial aid, and other programs.

Training, Education, and Employment Opportunities

18. Organizations should consider the following opportunities to encourage workers approaching retirement eligibility to train for new jobs in the organization or to make career changes outside the organization:
 - a. Sabbaticals
 - b. Leaves of absence without pay
 - c. In-house, on-the-job training
 - d. On-the-clock training (a program in which employees attend classes or training sessions outside the company on company time).
 - e. Tuition assistance, financial aid, and other programs
 - f. Leaves, with or without pay, which provide opportunities for a range of community-service activities.
19. Training programs should be structured to meet the needs of employees approaching retirement eligibility, including those with limited formal education. Nontraditional techniques should be developed to take into account adult learning patterns and resistance to new situations.

Training programs should be:

 - a. Developed for specific occupations, for upgrading skills, and for assisting employees to tie in with second careers.
 - b. Planned for all occupational classes, including blue collar, white collar, technical, and professional.
20. Closer ties are needed between business and education to improve the effectiveness of training and development programs.

III. ACTIONS BY LABOR, MANAGEMENT, GOVERNMENT, AND OTHER ORGANIZATIONS TO EXTEND WORKING LIFE

Preparation for Extended Working Life

21. Preparation for extended working life should include training programs that are:

- a. Designed to assist workers to move from the secondary labor market to the primary labor market.
- b. Organized to meet the special needs of displaced homemakers and older women, especially those in minority groups.
- c. Open to all age groups and not labeled as "older worker programs."

Incentives to Work

22. Where practicable, management and unions should work together to develop alternative work arrangements, such as part-time schedules to meet the needs of all workers.
23. Some employees who are willing and able to continue in employment retire due to financial factors that make retirement more attractive than work. The elimination of the Social Security earnings test would help meet the needs of employers, employees, and society for continued use of valuable skills vital to the success of the economy. The increased cost to the Social Security system would be partially offset by continued Social Security payments by these employees and by economic growth.

Gathering and Sharing Information on Older Workers

24. Changing attitudes, values, and needs of middle-aged and older workers require broader fact-gathering programs to provide a more intelligent basis for decision making. Employers, unions, and government should share information that would be useful in evaluating the effect of employment of older workers.
25. Management should periodically collect data from employees regarding the types of work and work arrangements that they prefer, including their attitudes toward early retirement.
26. Unions should regularly survey the preferences of their members regarding such issues as early retirement and extended work life in order to formulate policies that are representative of the membership.
27. Public-service and research organizations should conduct national opinion surveys regarding employment and retirement preferences and disseminate their findings. In all

such inquiries, it is important that the survey questions be specific and include concrete alternatives for work, retirement, and various combinations of both.

Improving Productivity through Employment Practices

28. To meet the individual needs of older workers and the nation's need to improve productivity growth, a broad study should be undertaken of the practices of business, government, and unions which have impeded the retention and hiring of older workers. The goal of this study should be to identify, and recommend action to reduce, barriers to the employment of older workers who wish to remain in or return to the labor force.

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The growing importance of the human element in the work equation led to the establishment of the Work in America Institute in 1975. Its founders recognized that essential improvements in productivity growth could be realized only if there were parallel improvements in the quality of working life. The Institute's mission today, as it was then, is to promote the effectiveness of work organizations through better use of their human resources. As a nonprofit, tripartite organization, the Institute is uniquely positioned to act as a clearinghouse for information and to provide direct assistance to all sectors of the work community on questions concerning quality of working life and productivity.



Work In America Institute, Inc.

A nonprofit organization
founded to advance productivity
and the quality of working life