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The Graying of the American Workforce



The "Silver Tsunami," represented by "Peak 65," is expected to see an average of 11,000 retirement-aged Americans entering retirement daily through the end of 2024 — marking a record high. Surprisingly, many of these individuals have intentions of remaining in the workforce. Pew Charitable Trusts reports that

62% of workers aged 65 and older are engaged in full-time employment, a significant increase from 47% in 1987. The Bureau of Labor Statistics anticipates the trend of heightened senior participation in the job market to continue, projecting that more than one in five older adults will be active in the labor force by 2032. For businesses, this demographic shift presents a unique opportunity to capitalize on the wealth of experience offered by senior professionals.

Modern Elders

Today's older workforce generally boasts better health and higher education levels compared to previous generations. With fewer individuals having pensions to ensure stable retirement income, many are motivated to extend their careers to postpone receiving Social Security payments until they reach full retirement age. Employers can strategically benefit from supporting these highly experienced workers who seek post-retirement "bridge jobs."

Older employees play a crucial role in retaining institutional knowledge, thereby enhancing productivity, and preserving corporate culture. By imparting critical skills and company-specific knowledge, they facilitate knowledge transfer crucial for continuity, ultimately saving significant resources in training and development. Additionally, senior workers serve as valuable mentors to younger colleagues, bolstering morale and providing historical perspective.

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Boomer Benefits: Adapting Rewards for a Mature Workforce

Organizations can leverage the numerous advantages offered by older workers without necessarily incurring additional retention costs. Many older workers may accept reduced pay in exchange for benefits such as flexible or hybrid work arrangements, phased retirement programs, job retraining for age-friendly positions, expanded health benefits, and Health Savings Accounts (HSAs) to cover retirement medical expenses. However, it is crucial to address the unique needs of senior employees when designing a comprehensive benefits package.

Furthermore, expanding traditional financial wellness initiatives enables organizations to bolster the stability and job satisfaction of older workers. This expansion also allows organizations to tap into their vast reservoir of knowledge and experience. These initiatives may include longevity planning and other resources addressing specific life-stage concerns of seniors, such as estate planning, healthcare directives, and long-term care funding.

Taking a deliberate approach to managing senior talent can result in higher retention rates, reduced recruitment costs, and a more resilient and diverse organizational culture that both values and benefits from the contributions of its most seasoned workers.

Sources

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