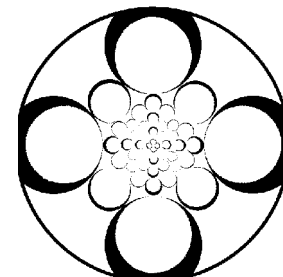


The Second 50 Years: Enhancing Employment Opportunities for Older Workers

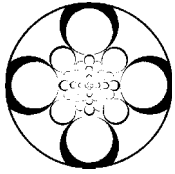
Report of the Governor's Older Workers Task Force

Prepared by the Division of Aging,
NC Department of Human Resources,
in conjunction with the
Governor's Commission on Workforce Preparedness
May 1996



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Governor's Older Workers Task Force

May 1996

Dear Governor Hunt:

I am pleased to present the Older Workers Task Force Report, *The Second Fifty Years: Enhancing Employment Opportunities for Older Workers*. This report is the culmination of the strong commitment of Task Force members to respond to your charge to them in May 1995 to analyze the issues that affect older adults in North Carolina and to submit a plan for increasing employment opportunities for older workers to you by May 1996. It reflects the efforts of representatives from the public and private sectors working collaboratively to ensure that our citizens are prepared to compete in the emerging work force well into the next century. Task Force members recognize that in order for North Carolina to remain competitive, both nationally and internationally, it must have a strong work force.

In the last year, we have learned many things. We heard experts speak about the uncertainties involving the future stability of Medicare, Medicaid, Social Security, pensions and health benefits. North Carolina is shifting from industrial work into service and information occupations. The skills needed to succeed in the workplace have changed and will continue to do so. To respond to the challenges ahead, retraining for older workers will be needed, and older workers must be willing to upgrade their skills to be competitive. By the year 2020, 30 percent of the state's population will be age 55 and over. There will be fewer younger workers entering the job market in years to come, so our economy will be relying heavily on mid-life and older workers to maintain productivity.

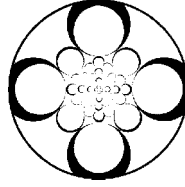
I am very proud of the Task Force's efforts and their tremendous commitment to accomplish their mission. In addition to attending the Task Force meetings, they organized and attended public hearings and focus groups across the state to hear firsthand from older workers about problems they have experienced finding jobs. Age discrimination does exist and often limits opportunities for older workers. To learn more about services available to older workers seeking employment, Task Force members visited local employment offices. They also spoke with older adults in their churches and communities. In the last year, the Task Force has discussed many important issues which affect older workers. The recommendations presented in the report reinforce their commitment to increase employment opportunities for older workers in our state.

I want to express my appreciation to the staff in the Division of Aging and the Commission on Workforce Preparedness for their assistance over the last year. They served as valuable resources to the committees, researched issues and compiled data on older workers' issues. They also arranged for expert speakers on many of the major issues which impact older workers today and in the future. By broadening their knowledge of issues, the Task Force was able to develop realistic, well-thought-out recommendations on how to enhance employment opportunities for older workers in North Carolina.

Sincerely,

Sarah T. Morrow, MD
Chair

Members of the Task Force



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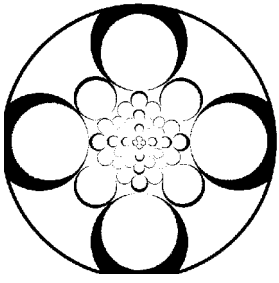
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Introduction

The population of North Carolina continues to grow older, due to the aging of the resident population, increased life expectancy and the migration of older people into the state. As the population ages, so does the labor force. One of the most important economic challenges facing North Carolina in the twenty-first century will be the creation of employment opportunities for the increased number of older men and women seeking to remain in or return to the labor force. These talented older workers represent a significant economic resource that can be used to enhance the growth and development of the state.

Currently, about 21 percent of the state's 7 million citizens are age 55 or older. By 2010, this figure will increase to around 26 percent and exceed 30 percent by 2020. Not surprisingly, this translates into an older work force: nationally, the median age will move from 36.6 in 1992 to 40.6 in 2005. Following the "baby boom" that produced this wave of workers was a "baby bust," meaning that there will be proportionately fewer younger workers entering the job market in the years to come, so our economy will be relying heavily on mid-life and older workers to maintain productivity. According to the American Association of Retired Persons (AARP), however, the "career half-life"—that is, the time it takes for half a worker's knowledge to become obsolete—is 4.5 years (less for technical fields).

Not only is the work force changing, but the very nature of work is changing as well. In the late 1800s and 1900s, the country's economy moved from primarily agricultural to industrial. It is in the process of changing again, toward

service and information. The expectation of joining a company and remaining there until retirement is no longer the reality. With the shift from industry to service and information, the skills necessary to succeed in the workplace have changed and will continue to do so. Employees must now have more than a basic education as well as be prepared for a lifetime of updating their skills.

The labor market in the United States is rapidly changing in response to growing international competition, technological, innovation, government regulation and new government policies. The core labor force for many firms is declining and the use of contingent or contract workers is increasing. For many people, this implies a change in employment status late in their working career. Policies aimed at facilitating this transition will be very helpful to older workers.

Women are becoming a larger component of the older work force. Because of their different work histories, they often find it more diffi-

cult to secure employment. Also, age discrimination in hiring is often a barrier. They may have less in retirement income than their male counterparts because often they have had less earnings and less access to pension benefit programs. Women are also more likely to survive their spouses and have an extended period of widowhood. Increased employment for healthy older women who want to work is necessary to improve their well-being.

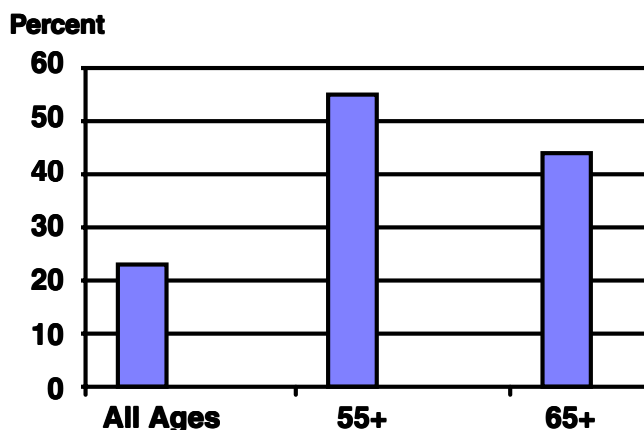
The aging of North Carolina creates new labor market problems while also providing new opportunities for economic advancement. Leaders in the public and private sectors must be aware of the problems and develop innovative solutions that increase employment opportunities for older persons. Such actions will enable our state to use the productive potential of its older citizens to maintain a strong economy.

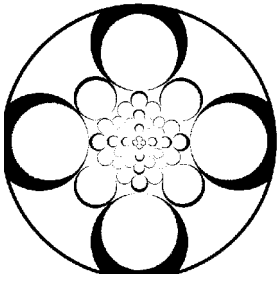
To remain competitive, both

nationally and internationally, and maintain a strong economy, North Carolina has begun to address issues relevant to our older workers. In May 1995, Governor James B. Hunt Jr., created the Older Workers Task Force, comprised of members from the private and public sectors, from the state and local levels, and from a variety of different backgrounds (a listing of the membership can be found on page 5). The task force is a joint initiative of the Division of Aging in the Department of Human Resources and the Governor's Commission on Workforce Preparedness. It is chaired by Sarah T. Morrow, MD, MPH, currently medical director at EDS (Electronic Data Systems) in Raleigh and formerly secretary of the Department of Human Resources.

This group has undertaken a collaborative effort to identify issues that affect our older workers and to make recommendations that will help keep them produc-

Projected Growth of Population by Age Group for North Carolina, 1990–2010





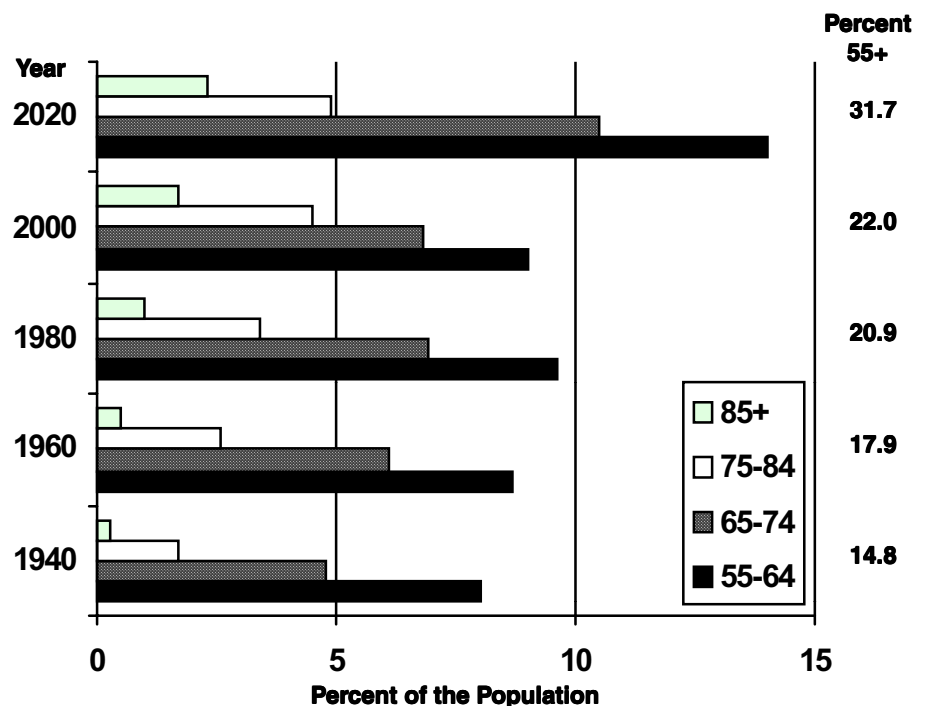
tive from now until the end of the century and beyond. These issues, with the task force's recommendations, are included in this report under the following headings:

- making state policy that supports employers and older workers
- paying for retirement: continued employment, pensions, and Social Security
- obtaining information on the characteristics and needs of the older work force
- helping older workers update skills and pursue new careers
- increasing public awareness of the value of older workers.

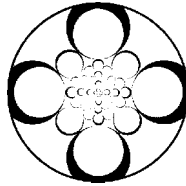
The descriptive information in this report comes from diverse sources. Robert L. Clark, Ph.D., and M. Melinda Pitts of the Col-

lege of Management at NC State University prepared a paper entitled "Older Workers in North Carolina" for the Division of Aging, to be published as a separate report. It forms the background of the essays to follow. The American Association of Retired Persons (AARP) also publishes many helpful booklets on issues facing older workers through their Work Force Programs Department. A list of those used here appears on the last page with AARP's address. Finally, the Bureaus of Labor Statistics and the Census provide information on the World Wide Web and in traditional publications on the current and future characteristics of the work force and the population generally.

Actual and Projected Growth of the Older Population in the United States, 1940 to 2020



Source: US Senate et al., *Aging America*, p. 7, based on Census Data.



The Task Force's Mission and Principles

Mission Statement

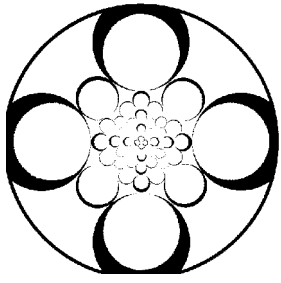
The Governor's Older Workers Task Force will analyze issues which relate to the employment, retention, retraining, and promotion of older workers in North Carolina.

The Task Force will develop and submit to the Governor a plan for increasing employment and advancement opportunities, both paid and unpaid, for older workers by

- identifying ways to increase public awareness concerning the employment of older workers
- developing innovative programs and models that will increase work options
- promoting coordination and cooperation among organizations that employ older workers.

Guiding Principles

1. Planning should be a cooperative effort with responsibilities and benefits to be shared mutually between older workers, employers, government, and the community.
2. Older workers should have full and equal access to all appropriate services related to employment.
3. There should be recognition of the diverse capabilities and needs within the older adult population seeking employment.
4. Older persons seeking employment should be treated with respect and dignity.
5. Skills training should be geared to the older adults' learning curve, which is different from that of younger persons.
6. Inappropriate, negative myths about older workers' qualities and capabilities should be dispelled in efforts to recruit, hire, and retain older workers.
7. Planning should distinguish clearly between paid and unpaid work.
8. Older volunteers should not be used to replace paid workers.
9. Compensation should be based on prevailing wage scales of the community for comparable work.
10. Employers should address the changing workplace environment, the growing pool of older workers, and measures for recruiting and retraining older workers.
11. Older adults, as individuals or represented collectively, should be full partners in decision making affecting their employment.



Making State Policy That Supports Employers and Older Workers

States have always had primary responsibility for their own economic development. With the shift in emphasis from federal to state initiatives in all aspects of government, it becomes even more important for North Carolina to design state policies that promote economic growth. Several key areas where policy-making at the state level can be especially appropriate are recruiting industries that make best use of our resources, whether material or human, and helping the work force gain access to employment in these new industries.

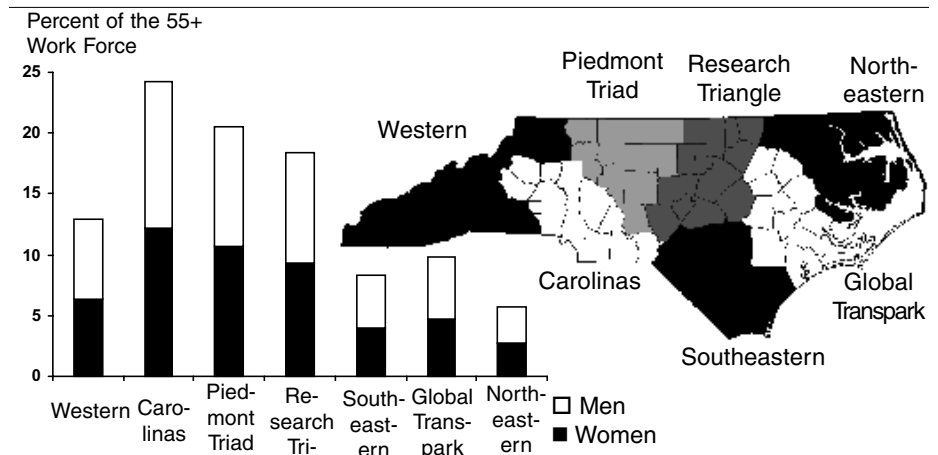
The map and chart below give some idea of the distribution of older workers in the state. The North Carolina Partnership for Economic Development uses seven economic regions, shown in the map. The chart shows the percentage of workers age 55 and over in those regions. This information, coupled with new data gained from the surveys proposed by the task force, should make it easier for policymakers to encourage new businesses to locate in areas with a good supply of potential employees and to target retraining efforts more effectively.

Other aspects of access to employment are covered elsewhere in this report—in particu-

lar, helping workers develop skills to fit employers' needs. One issue in a state that is still largely rural is workers' ability to travel to the workplace. As older workers gain proficiency in computer technology, it may be possible to bring the job to them at home. For now, development in the state's more rural areas may depend on new transportation strategies to bring workers to the job site.

Clark and Pitts state that one major influence on job opportunities for older workers is the cost of hiring and retaining them, as compared to the same cost for younger workers. The next section reviews some of the issues surrounding pensions supported by employers. Health in-

North Carolina's Work Force, Age 55+, by Economic Region, 1990



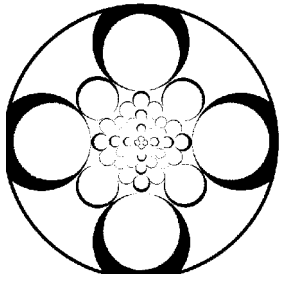
Source: NC Partnership for Economic Development

insurance is another major consideration. The proportion of medium and large companies offering medical care benefits is declining, because these benefits do cost more for older workers. For every dollar spent to reimburse claims for workers ages 45 to 49, companies spend \$1.13 for those 50 to 54, \$1.25 for those 55 to 59, \$1.60 for those 60 to 64, and \$2.25 for those 65 to 69, while workers under age 45 cost only \$0.80. Based on Clark's research, annual coverage for male employees through one sample health insurance plan cost \$993 for workers ages 25 to 29; \$1,901 from 45 to 49; and \$4,408 for those age 65 and over. (Maternity expenses alter the picture for women.) Matching older and younger workers for position and salary, these figures reflect the cost of hiring older workers.

Companies offering insurance plans to workers who retire before age 65 also may assume substantial costs for the period before retirees become eligible for Medicare. Finally, part-time employees (many older women among them) and those in smaller businesses may have no access to company-sponsored medical insurance. Although the cost of their medical care does not come from the company, it must come from somewhere—the employee, or the state, when the employee cannot pay. Therefore, the task force recommends exploring new strategies for providing older workers with access to affordable health insurance plans.

The Governor's Older Workers Task Force Recommends:

- **That** the funding and implementation of comprehensive one-stop career centers be supported, with encouragement to include in their long-term plans strategies for serving the older population
- **That** in recruiting new industry, the state work to attract firms that have a history of hiring older workers
- **That** the governor appoint a group of CEOs (current or retired) as liaisons between the state's business community and advocates for older workers
- **That** the Community College System and the Departments of Human Resources, Labor, and Commerce (among other state agencies) collaborate with the private sector to develop regional job fairs and other events and activities promoting employment for older workers
- **That** economic incentives be developed for recruiting businesses and industries in rural areas where there are many older workers
- **That** the state study the feasibility of providing tax incentives to employers to recruit, retain, and promote older workers and to monitor employers to protect against age discrimination
- **That** the state study the feasibility of organizing a privately run insurance pool that would enable older workers to purchase health insurance at relatively low cost. This could also enable part-time workers to purchase health care insurance.
- **That** the Departments of Labor and Commerce offer educational programs for those recruiting new business to increase awareness of the availability, needs, experience, skills, and work patterns of older employees
- **That** the hours required for participation in the unemployment insurance program be reduced to 20 per week, to benefit part-time workers
- **That** the Employment Security Commission consider installing a toll-free number for consumers to use to ask questions about employment-related issues (e.g., procedures for filing for unemployment) to reduce potential misinformation
- **That** the Employment Security Commission consider employing an ombudsman to advocate for unemployed people
- **That** the governor establish a committee with representatives from the public and private sectors to meet on an ongoing basis to address emerging issues affecting older workers.



Paying for Retirement: Continued Employment, Pensions, and Social Security

Pensions are a major source of retirement income for many older people. Providing pension plans is also a major source of expense for companies and one of the factors influencing their willingness to hire or maintain older workers. There are two basic types of pension programs, defined-contribution and defined-benefit plans. In defined-contribution plans, employers invest a fixed percentage of the worker's salary in the plan, and the worker's retirement benefits depend on the accumulated value of these contributions. Defined-benefit plans promise workers a specified benefit at retirement based on their tenure, earnings, and age. Often, the payment is based on salary amounts earned in the final few years of employment.

The defined-contribution plan carries with it no incentives to the worker that would change decisions about when to retire, and for the employer, contributions are a constant percentage of labor costs. The defined-benefit plans do carry incentives to keep employees working, because long tenure and high average final salary increase benefits. However, the cost to the company of an older work force under these plans increases with the age of the workers. One might predict two possible outcomes of the aging of the work force for pension programs: that employers will be more reluctant to sponsor defined-benefit plans, or if they do, that opportunities for advancement and salary increases will become scarcer for older employees and most available to those with higher educational attainment or specialized job skills.

In a report on the economic future of the baby boom generation, the American Association of

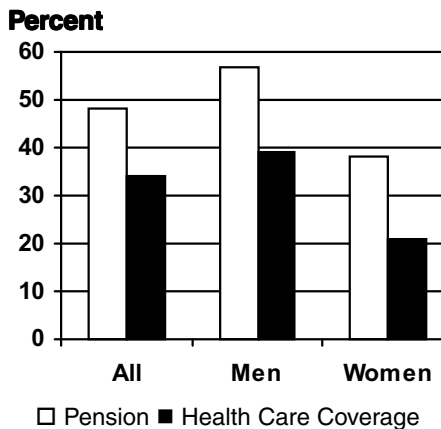
Retired Persons notes that stable retirement income is based on three sources, Social Security, pensions, and income from assets. They predict that baby boomers will derive income from all these sources, but that Social Security will continue to be the most important. For those concerned about the continued solvency of the Social Security fund, this is not necessarily comforting news. They also note that by 2030, by which time all the boomers will be retired and the oldest in their mid-80s, 80 percent of retirees will depend to some extent on pensions, compared to 50 percent today. Income from assets will depend largely on whether the workers concerned had sufficient income to accumulate them.

Women workers face several problems in supporting their retirement years. Women are joining the work force in higher numbers than before and staying more constantly employed, but the demands of raising children often cause

them to work sporadically or at lower-paying jobs that offer greater flexibility of hours. This reduces potential Social Security earnings, as well as the likelihood that they will become vested in pension programs (or work in settings where pensions are offered). Higher rates of divorce may reduce women's abilities to accumulate or retain assets within a marriage.

In the past, older women who were primarily homemakers depended on their husbands' pension benefits for retirement income. Upon widowhood, many found to their dismay that their husbands had not elected plans with survivors' benefits. Two pieces of federal legislation addressed this problem. The Employee Retirement Income Security Act of 1974 required private pension plans to offer joint and survivor benefits, while the Retirement Equity Act of 1984 re-

Percent of Retirees in the US Age 55+ with Employer-Sponsored Pension and Health Care Coverage, 1994



Source: US Dept. of Labor, 1994, p. 3.

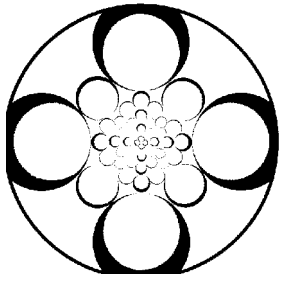
quired disclosure to and consent of the participant's spouse regarding the type of plan chosen. These same acts gave spouses claim to pension benefits after divorce. However, as of 1994, 11 states, North Carolina among them, did not have statutes covering disclosure for public employees, and North Carolina provides only limited guidance for settlement after divorce. For this reason, the task force recommends that the governor propose legislation to change the disclosure policies for state and local public employees.

As evidenced by the Age Discrimination in Employment Act of 1967, discrimination against hiring older workers has been a concern nationwide for almost three decades. The number of suits filed with the Equal Employment Opportunity Commission continues to rise, but underreporting probably disguises the true magnitude of the problem—many people who have experienced age discrimination are reluctant to pursue legal remedies because of the emotional and financial costs.

As the proportion of younger workers decreases in the next twenty years, the need for educated, skilled employees should provide older workers with significant opportunities. Nonetheless, business and society as a whole must confront and eliminate ageist stereotypes.

The Governor's Older Workers Task Force Recommends:

- That the disclosure laws regarding survivors' benefits for state employees' pension plans be changed
- That financial support for the Displaced Homemakers Program, located in the NC Council on Women, be increased
- That the governor urge congressional leaders to raise the eligibility income limits for participation in the Community Service Employment Program (Title V)
- That a process be developed and implemented to monitor discrimination against older workers in hiring and promotion



Obtaining Information on the Characteristics and Needs of the Older Work Force

Gathering information on the specific characteristics and needs of North Carolina's workers (which may not entirely match those of the work force nationally) is fundamental to planning and implementing all the recommendations of the Older Workers Task Force. While the Bureau of Labor Statistics and the American Association of Retired Persons have compiled data on the nation's work force, the amount of information specific to North Carolina workers, particularly those age 55 and older, remains sparse.

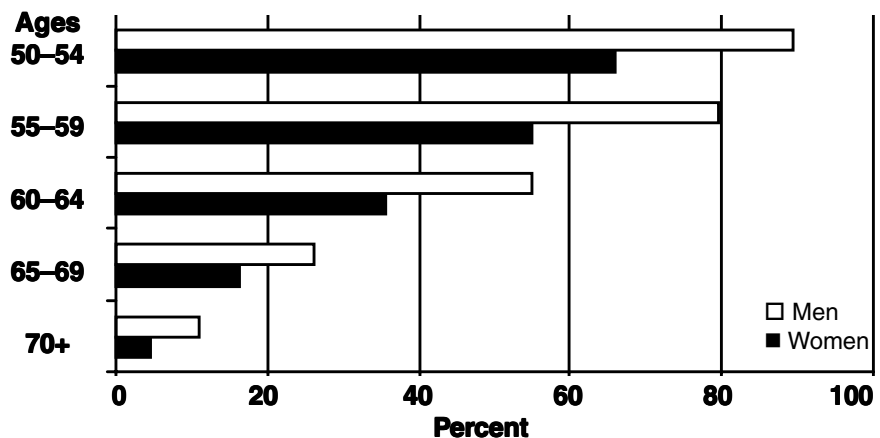
In 1994, the Labor Market Information Division in the state's Employment Security Commission compiled a report on occupational trends through the turn of the century, but there is limited information on where the state's older workers are located, how available and accessible employment opportunities are where they live, and how many are not in the labor force because they have become discouraged about finding jobs locally.

A pilot project is already under way to survey older workers in Robeson and Guilford counties (chosen because they may demonstrate differences between the state's rural and urban areas). The task force supports expanding this survey to the remaining 98 coun-

ties and conducting additional surveys at seven-year intervals.

Other demographic considerations than age alone will come into play in the work force of the future. Beyond the increase in number and proportion of older people in the work force, the gender and ethnic background of future workers will change. The number of women ages 45 to 64 in the work force has increased dramatically since 1950, and this trend will continue. In 1990, for example, 71.2 percent of women ages 45 to 54 were in the work force, as were 45.3 percent of those ages 55 to 64. Comparable rates for men were 90.7 and 67.7 percent, respectively. In 2005, the projected rates are 81.5 and 54.3 percent of

Percentage of Older Adults in the Work Force by Age, 1989



Source: US Senate et al., *Aging America*, p. 93.

women in the two age groups, while the rates for men should hold steady near their current levels.

Women continue to earn less than men, and the gap in earnings widens as women get older. Women reach their peak earnings ten years before men do, when they are ages 35 to 45, and those age 45 and older earn 64 to 68 percent of what men earn per week. Women also form the majority of part-time workers, and older women are disproportionately represented in the part-time work force. All of these things may keep women in the work force longer in years to come because women will not have been able to save as much to support themselves in retirement, and they will have more years over age 65 to support because of their greater life expectancy.

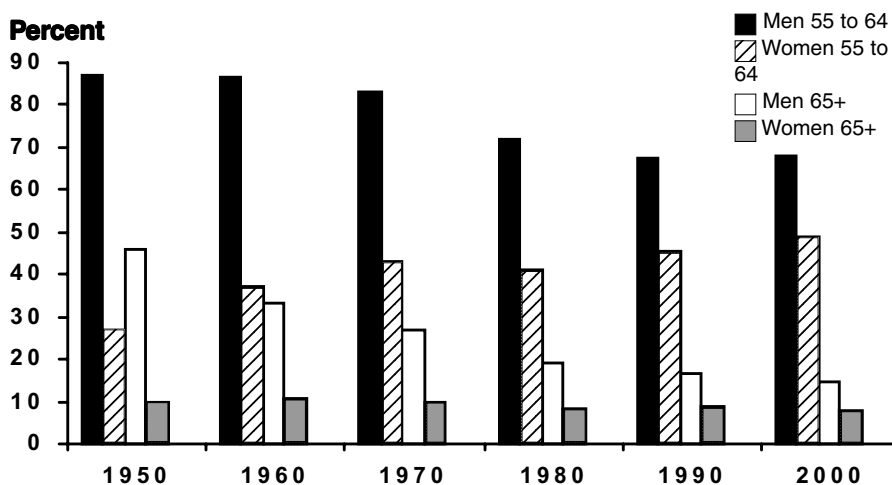
By the year 2005, the majority of new workers will be white

women and people of both genders who are African American, Asian, or Hispanic. Nationally, Hispanic men and women will become the fastest-growing group of entrants in the work force between 1990 to 2005. North Carolina has also seen an increase in its Hispanic population in the past 10 years. While this group is still a small proportion of our state population and composed primarily of young families, if they follow the pattern of other immigrant groups, they will participate in the older work force as they age in place. Often they have taken jobs in occupational categories that are declining, so helping this group gain training in more technical fields and in a second language may be a challenge for our educational system.

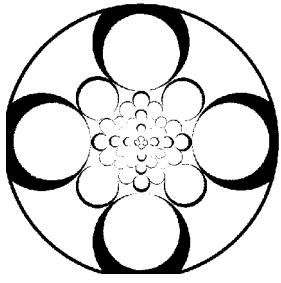
The Governor's Older Workers Task Force Recommends:

- That a comprehensive state-wide survey of older workers, be conducted at regular intervals by the state Employment Security Commission
- That older workers be represented on all state employment, training, and adult education committees, including the Governor's Commission on Workforce Preparedness
- That government agencies such as the Division of Aging, Department of Labor, Department of Commerce, and the Community College System hold periodic focus groups on the issues of older workers
- That workshops for older workers for whom English is a second language be conducted
- That funds be provided to organizations that support networking among older workers, such as the Carolina Job Network
- That senior centers, aging agencies, and churches be encouraged to establish support groups in which older workers can share information, problems, and successes
- That a user-friendly brochure outlining the protections and processes of the federal Age Discrimination Act be prepared and distributed

Participation in the Civilian Work Force of People Ages 55 to 64 and 65+, by Sex, 1950 to 2000*



*Projected, under assumptions of moderate economic growth
Source: US Senate et al., *Aging America*, p. 97. AARP, *America's Changing Work Force*, p. 8 (for 1990).



Helping Older Workers Update Skills and Pursue New Careers

A quick look at the table below shows which occupations older workers in North Carolina currently hold. This distribution, however, does not closely resemble the distribution of job categories projected by the Bureau of Labor Statistics (BLS) for the next century. While the BLS foresees growth in all categories, a rate of approximately 21 percent is the projected average under a scenario of moderate economic growth. Industries with growth rates above the average will have a greater proportion of the jobs and so more opportunities for employment, while those below the average will have less.

While service is the largest sector for current older workers and will continue to be one of the largest in the future, with projected growth of 33 percent by 2005, sales and administrative support—areas employing large numbers of women—will likely grow only 14 percent, and so will offer fewer opportunities in the future. Professional specialty, which is currently sixth, will soon be first nationally, with a projected rate of 37 percent. Agriculture, forestry, and fishing, however, are projected to

grow only 3 percent. To remain competitive nationally and internationally, North Carolina will have to develop strategies to recruit growth industries, as well as helping the current work force upgrade skills.

The BLS points out that even in occupational categories that are not growing at the average rate, new jobs will continue to exist. Some will come from the need to replace current workers who change jobs, leave to manage households, or retire. However, the jobs remaining may be

Occupations of North Carolina's Work Force, Age 55 and Older, 1990

Occupational Category	Number	Percent		
		Total	Men	Women
Service, including protective and domestic	59,340	14.7	9.5	21.1
Sales	51,360	12.7	13.7	11.4
Administrative support, including clerical	51,189	12.6	6.0	20.9
Precision production, craft, repair	49,800	12.2	19.3	3.4
Machine operators, assemblers, inspectors	48,855	12.0	8.5	16.5
Professional specialty	45,210	11.1	9.7	13.0
Executive, administrative, managerial	42,801	10.5	13.2	7.3
Farming, forestry, fishing	17,892	4.4	6.8	1.4
Transportation and material moving	17,655	4.3	7.3	0.7
Handlers, equipment cleaners, etc.	13,995	3.4	4.5	2.2
Technicians and related support	8,028	2.0	1.7	2.3
Total	406,167	99.9*	100.2*	100.2*

Source: Clark and Pitts, based on US Census, 1990

* Error due to rounding

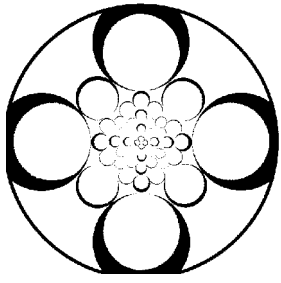
increasingly technical—for example, there may be fewer jobs on assembly lines but more jobs for people who can manage computerized assembly systems.

Computer literacy is a primary area where older workers may find themselves at a disadvantage and where retraining programs may need to focus special attention on older workers' learning style. Older workers are not particularly computer-resistant: In a survey conducted this year by SeniorNet, researchers found that 30 percent of people ages 55 to 75 own computers at home, up from 21 percent in 1994. Given that only 13 percent said that they use their computer to manage a business, this suggests a growing acceptance of computers for recreation and communication. Nonetheless, respondents who said they did not own a computer said that a major factor in buying one would be "if it came with easy to understand learning materials you could use at home."

North Carolina is developing one-stop career centers focused on job seekers of all ages to provide in one place such services as labor market information, skills assessment, career information and guidance, job listings and placement, and job readiness training (in conjunction with some community colleges). The Older Workers Task Force has suggested that these centers pay special attention to older workers, both in locating retraining opportunities and in identifying potential employers.

The Governor's Older Workers Task Force Recommends:

- **T**hat funding be provided to the Department of Labor for a new two-year initiative to develop and conduct pilot demonstration training programs for older workers
- **T**hat the Division of Aging, in coordination with other state agencies, implement a "Second Career Initiative" by developing and disseminating self-assessment materials and information on new careers; encouraging career search support groups in the community organizations used by older workers; and establishing one-day workshops at local community colleges on such topics as financial planning, how to start small businesses, learning how to use computers, and other skills useful for new careers
- **T**hat one-stop career centers provide skills-training opportunities geared specifically to older workers
- **T**hat community colleges and other sites where older workers might seek retraining take into account their different learning styles and their need to learn to use newer technologies
- **T**hat community colleges work with local businesses to anticipate and respond to plant closings and reductions in the work force by providing retraining to upgrade skills so that older workers can find new employment
- **T**hat incentives be provided for employers' support of retraining and upgrading workers' skills
- **T**hat financial assistance from the state be provided to organizations like the Self-Help Credit Union, which provides start-up funds to small businesses that have been turned down by other lenders
- **T**hat the Employment Security Commission enhance its efforts to recruit, screen, train, place, and follow up on older workers



Increasing Public Awareness of the Value of Older Workers

Increasing public awareness about the value of employing older workers is one of the primary goals of the task force. Myths about older workers abound, and public awareness and education will be important tools in ensuring the future of an older work force. Common myths include fears about learning abilities, effectiveness, absenteeism, and adaptability.

People are very resilient. Evidence shows that learning ability, intelligence, and motivation do not decline with age. Effectiveness and productivity levels remain stable in most jobs, and the wealth of experience that older workers possess can actually improve their effectiveness with age.

Attendance at work also improves over time; older workers demonstrate better attendance and accident records than their younger counterparts. Adaptability is a characteristic unrelated to age. In fact, the strong work ethic, sense of being useful, and ability to cope with stress all enhance older workers' adaptability to change.

Public awareness campaigns can explode myths about older workers and educate employers and the public generally about recruiting, training, managing, and retaining them.

Lack of information and fear of higher costs associated with an older work force have led employers to be somewhat reluctant to hire older workers. However, the Age Discrimination in Employment Act (ADEA), passed in 1967 and amended in 1986, protects most workers age 40 and older from discrimination in the workplace. Pub-

lic awareness campaigns undertaken as a result of the task force's recommendations can highlight the fact that people age 45 and older comprise approximately 30 percent of all workers in every category. In managerial and professional specialty jobs, 36 percent of employees are 45 and older, providing an experienced pool of workers to draw from in the future. Employers who are hiring or retaining older workers are not only receiving the benefit of their knowledge and experience, but are positioning themselves for the future.

Employees themselves, regardless of age, need to be aware of the coming changes and the implications for the future. Older workers who are informed about these issues are empowered to make better choices about what to do to improve their skills to meet employers' needs and also to plan more effectively when and how to retire. They are also the best advocates on their own behalf for fair employment policies and practices.

To increase public awareness about the older work force, the task force has recommended that conferences on employment or aging, which seldom address this issue, might include sessions that spe-

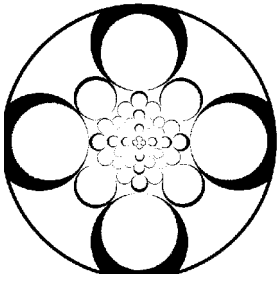
cifically address the hiring or retention of older workers.

While some older adults find it either necessary or desirable to continue working for pay in their “retirement years,” many others prefer to volunteer their expertise and skills, to stay active in their communities for personal enrichment and as a commitment to other generations. According to the federal Administration on Aging, some 15 million older adults nationally—about half of those in the age group—volunteer their time, representing a substantial unpaid contribution to our economy. Of particular importance to many older volunteers is the opportunity to pass their knowledge and expertise on to younger generations.

The mission of our public schools is to ensure that students acquire knowledge and skills for a productive adulthood. We may be able to turn to the increasing number of older volunteers as a resource. The task force recommends seeking appropriations to develop a statewide Senior Education Corps, an intergenerational partnership that could benefit older volunteers and school children alike.

The Governor's Older Workers Task Force Recommends:

- **T**hat a public awareness campaign be launched, targeting local chambers of commerce, to encourage businesses to hire older workers
- **T**hat a special statewide coordinating program for outreach be established, with financing for print and broadcast advertising of training and employment workshops, in English and other languages. Printed materials would be put in churches, fast food restaurants, and other public places.
- **T**hat an Older Workers' Hotline be established: one telephone number older workers could call to learn about Title V, Job Training Partnership Act (JTPA), Displaced Homemakers, AARP WORKS, and other programs
- **T**hat events focusing on the issues of older workers be sponsored; also that coordinators of conferences dealing with the work force be encouraged to include sessions devoted to older workers
- **T**hat awards for older workers and employers who recruit them be sponsored
- **T**hat the governor issue an annual proclamation during Older Workers' Week (in March) encouraging businesses to hire older workers
- **T**hat Older Workers' Week be used to celebrate their valuable contribution to the state's economic well-being
- **T**hat appropriations be made, as funds become available, to the Departments of Human Resources and Public Instruction to expand the Senior Education Corps statewide
- **T**hat the state develop strategies to improve transportation, particularly in rural areas, which would help older workers secure employment



Public Hearings and Focus Groups

Hearings

Greenville, March 20

Waynesville, March 21

Raleigh, March 27

Charlotte, May 3

Focus Groups

Smithfield, February 20

*(Job Seekers, Workers, Agency
Staff Members)*

Raleigh, February 23

*(Older Women from Minority
Groups)*

Raleigh, February 27

(Senior Center)

Raleigh, February 28

(Carolina Job Network)

Chapel Hill, March 1

(Senior Center)

Durham, March 4

(Job-Seekers Club)

Raleigh, March 8

(Older Native Americans)

Members of the Older Workers Task Force held three public hearings and formed seven focus groups, altogether interviewing almost 100 people. Older workers who have experienced problems with employment, representatives of employment agencies and training programs, and other people with knowledge of older workers spoke at these events.

Some Stories We Heard

A New Career

Jan, now 56, was a college dean when she left that position and, in her fifty-second year, undertook a seven-month job search. It ended with a position in a new field at an agency specializing in outsourcing for companies that are downsizing. Now as a vice president and executive coach, she passes on to her clients what she taught herself: to evaluate her marketable skills, her assets over and above her skills (in her case, an attention to order and detail), and her attitudinal fit with a prospective workplace. "The work force is changing, but the work is left"; therefore, "What can I do for them?" and "How can I be a project manager?" are two important questions to ask in adapting to temporary or contract work.

Success . . . In A Manner of Speaking

Martin was manager of an assisted-living apartment complex for older people when his company was bought out by another, and he found himself unemployed. Thanks to his computer skills he found a job, but it proved unsatisfactory. He was delivering telephone books to earn some money when the com-

puter company called him back for a better job, giving advice over the telephone to customers with computer problems. The job pays fairly well and is suited to his skills and to his desire to continue working. One problem: he works Thursday through Monday nights, 5:30 p.m. to 2:30 a.m. At age 60, he is grateful to be working but hardly where he wants to be at this age.

On The Way Up?

"I'll try not to be too melodramatic," **Frank** said. An engineer and West Point graduate, Frank was struck by an illness that left him paralyzed for a year. He recovered and returned to work, only to be downsized a year later from his \$60,000-a-year job. He had three dependents, including college-age children. After collecting unemployment and working at a night job at \$4.75 an hour stuffing newspapers into plastic bags, he took a 13-week job at good pay. When it ended, he found himself ineligible for unemployment assistance, so he joined a Title V program that offered him counseling, training, and employment as an accountant for the program. Since his bitterly frustrating job search has been unsuc-

cessful, he believes that the way back to prosperity for him is through a consulting service—hard to establish and build up, but promising success eventually.

After a corporate merger, **Beth**, 55, was downsized from a job coordinating graphic arts designs. Since her pension was not enough to live on, she used funds available from the Job Training Partnership Act to train in medical office technology. She intends to start her own business.

Still Working

Mrs. H., 75, is a nurse's aide in a nursing home. "They tell me I can do more work than the rest of them."

Grace has just turned 65 and would like to retire. Since she has fibromyalgia and high blood pressure and helps to care for her grandchildren, she has plenty of reason to retire but doesn't know how to pay for her expensive prescription medicines unless she continues to work.

Lucy, 81, was in business for herself until she got too old to do the same work; now she has a job through the Title V program as an office assistant and has no plans to retire.

On the Margin

Jim had to leave his newspaper job in 1978, when he was 52, and he could not find another in his occupation. Since then he has worked as a limousine driver, a janitor (let go because the employer wanted someone younger),

a newspaper carrier, and a Pony Express driver (until the freight got too heavy). He has sometimes been sustained by the Title V program, which provides some training and a minimum wage job for a nonprofit organization. Currently, at age 70, he is a driver for a blind social worker.

Falling Off the Edge

For the last eight years, **Marge**, now 56, has held only temporary jobs, though some have been responsible supervisory positions that lasted as long as 18 months. "I've been in the doom loop," she said. She believes she has suffered from persistent discrimination against an older worker, expressed as, "You are overqualified for this job." "How long will you be with us?" she has been asked in an all-too-obvious reference to her age. Right now her unemployment assistance is about to run out, and she is afraid she will lose her home. "Don't employers think people over 55 need jobs to live?" she asks. Meanwhile, she applies for jobs steadily and keeps her spirits up. As she sees it, "I'll have to work till the day I die."

Pam, 59, had a rude surprise one day when she was terminated with no advance warning. In the year since, she has not found a real job. Her previous work with answering services is outdated. She tried a computer class but fell behind, and she earned a paralegal degree from a community college, but found no jobs. She experiences

stress, low self-esteem, high blood pressure. She knows she has skill and brains, but she feels older than she is: "It wasn't meant to be this way yet," she says.

"Why . . . ?"

Here are some responses to various questions raised at these events.

"Why Work at Your Age?"

- *Need for income.* People 55 to 62 must work to live until they are eligible for Social Security. Many persons with Social Security pensions need to work to supplement their incomes.
- *Personal satisfaction.* Some people prefer to work, not necessarily for income. They feel more alive, more stimulated, more a part of the community and a contributor to it. They may start new careers, developing interests they have fostered.

"Why Don't You Want to Work?"

- *Other things to do.* Retirees may be content to enjoy volunteer work or tending their gardens or going daily to the senior center or other places where they find educational and cultural programs geared to their needs and interests, along with a meal. Some enjoy occasional part-time work, like two Native Ameri

can women, one a retired nurse, the other a retired school teacher. One told us that as a child she got tired of following a mule in the cotton field and was determined to get an education in order to “get out from behind that mule.” Now she does temporary nursing duty.

- *Limits on earnings.* Some members of focus groups mentioned the limits on income they can earn without loss of Social Security (these limits are being raised gradually over the next few years). Several participants had had to repay money to the Social Security system.
- *Health.* Some African-American women in particular spoke of diabetes, high blood pressure, vision problems, and other health problems that kept them out of the work force.
- *Caregiving.* Others spoke of grandchildren to care for, or a disabled child or spouse.

Jeannette’s story illustrates these last two reasons. She cared for her husband before he died, some 22 years ago, and also cared for her mother, stricken with cancer, at home. Some of her six children have sickle cell anemia, one daughter has had a serious operation, and another has mental illness. Jeannette has cared for them and cared for grandchildren as well. She herself is disabled and has an income from a disability pension—

but she would like to work!

- *Lack of transportation.* Inadequate public transportation services and companies located at suburban sites combine to provide an insuperable barrier for some people.

Why Is It So Hard to Get a Job?

- *Bias against age.* **Jill** has been interviewed for a number of jobs, escorted through the office, praised for her skills and experience, told she is a good match for the job, and then been turned down. She is convinced that her age is the reason, because each time someone younger was hired.

She is not alone. Task Force members heard again and again from older job-seekers that their most important disadvantage was age. Two members of different focus groups reported being asked the same question: “How long will you be with us?” An employment counselor from the Employment Security Commission and an administrator of the Displaced Homemakers Program, as well as others, gave support to the presence of persistent bias against older workers in hiring.

Marge told us that because her college degree is fairly recent, she would be called for interviews, only to find

that employers lost interest when she proved to be older than they expected.

- *Faulty expectations by employers about age or health.* We were told more than once that employers believe past medical problems will prevent older employees from doing jobs they actually can perform. After a back operation, **Joyce** says, “I can’t stand on cement. But anything else I can do.”
- *Outdated skills.* Several people—a cashier, a stenographer, an answering service employee, a factory worker—said their knowledge and experience were unusable, frequently because they lacked computer skills.
- *Shortage of jobs with adequate pay and benefits.* Often the jobs that are available are temporary, pay poorly, have no benefits, and offer no opportunity for advancement. Even highly skilled employees who have been downsized find they can only be hired back by former employers at lower wages for the same work. For people with caregiving responsibilities, “part-time jobs are good, but there aren’t enough of them.”
- *Health insurance and worker’s compensation payments.* Older workers find these to be a barrier because employers must pay higher

amounts for them. In addition, regulations require older workers to stay away from heat and toxic chemicals (including furniture polish and detergents).

Where Is Training Available, and Why Isn't It Used?

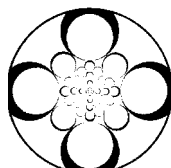
Title V, JTPA, AARP WORKS, Women's Centers workshops and training programs, the state's Displaced Homemaker Program, ESC workshops, employment agency and company computer training, one-stop career centers, community college courses—these are some of the programs both for training in job searches and for gaining new skills. And these aren't all, by any means. Person after person testified to the benefits and effectiveness of these programs. "I not only had never worked in an office; I'd never been in an office," one displaced homemaker said. These programs are especially strong in building self-esteem, aiding in self-assessment, suggesting resources, and giving encouragement. Support groups like Carolina Job Network, designed for professionals in transition, are extremely helpful.

Despite these opportunities, participants mentioned several barriers to using them:

- *Inadequate communications.* From time to time AARP, using volunteers, offers an excellent, seven-session job search workshop. Sometimes, though, it is canceled

because too few people show up. Problems with lack of transportation or child care responsibilities (for grandchildren) may interfere. However, the most important problem seems to be that those who need a program don't know about it. Often the best means of communication appears to be word of mouth. Recently when a public service announcement appeared on television a day late, after the workshop had already been canceled, 16 people called to sign up, ensuring its success—too late.

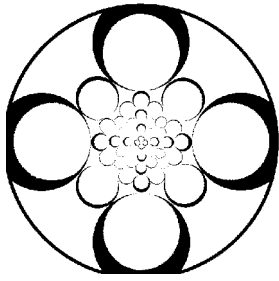
- *Income limitations.* Programs designed for low-income participants may have unused slots, while people whose income is a few hundred dollars over the cutoff point find themselves ineligible. We heard a number of complaints on this score.
- *Slowness in learning.* Although many older workers move easily in the computer world, some who know they can learn find they can't learn fast enough to keep up with company training programs.



What Else Is Needed?

Here are some recommendations made by participants in the focus groups and forums.

- To combat the culture of discrimination, educate employers
- Monitor employers for age discrimination
- Require that dates and questions about age be removed from job applications
- Provide tax incentives for hiring older workers to offset increased costs of workman's compensation and health benefits
- Raise limits on earnings for those receiving Social Security, and raise limits on income for job training programs.
- Establish job banks with information about older workers for employers to draw on.
- Make the Employment Security Commission more user-friendly.
- Give increased financial support for job search, skills training, and support group workshops and programs, especially as federal cuts are made.
- Provide some financial backing for volunteers who often run these programs.
- Provide funds for marketing these programs in the media as well as in grocery stores, churches, libraries, senior centers, and other public places.



Acknowledgments

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