

The Evolving Workscape

How shifting demographics, technology innovations, and new employee expectations are reshaping the workplace



Joseph Coughlin, PhD, Director, MIT AgeLab

How old is old? The clever answer to this question used to be “five years older than me!” The truth is that as longevity pushes many Americans into their 80s, 90s and into their 100s, the only things that may be getting tired and worn out are the myths about what we’re supposed to do as we age. We’re supposed to retire at age 66, take a few walks on the beach, and play a few rounds of golf.

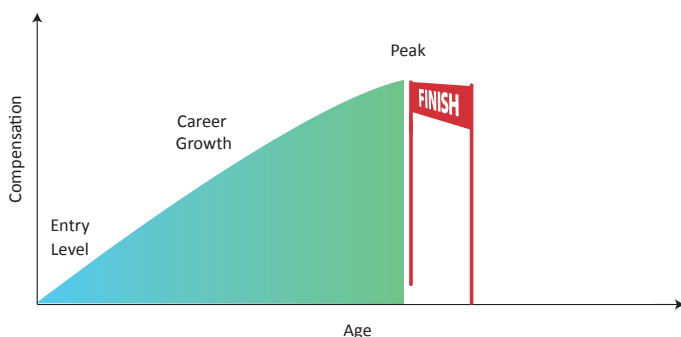
Well, not exactly. For many, working past those dates when we’re ‘supposed to’ retire provides fulfillment, purpose, and cash flow while smart employers are taking advantage of those with decades of experience and ability to create a multigenerational workplace.

The Career Cycle Is Evolving

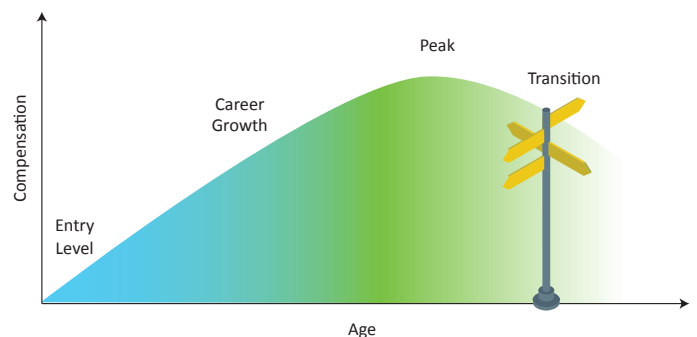
The idea that once someone reaches a certain age you won’t be able to keep up is shortsighted. Today, those age 65 and older are living longer and smarter. And they’re not ready to clock out at 66.

Sixty-five year olds today are far more educated and physically able than they were when America instituted its first “old-age” program a century ago (See: Why 65 Anyway? on page 3). With more years and more brainpower, they’re choosing to continue in their established careers or undertake new opportunities in what would once have been considered their retirement years.

The traditional career cycle ended with a hard stop



The new career cycle follows a different path



In the traditional career cycle, one advanced from full-time student to full-time worker, increasing compensation all the while, ultimately to finish with full-time retirement. The new career cycle doesn’t end with a hard stop at retirement. Would-be retirees may choose to pursue different career options, at potentially different compensation levels.

In the past, there has been a clear-cut, three-phased career cycle: full-time education, full-time work, and full-time retirement.

Now, many older Americans embrace work as a part of retirement. As the chart below illustrates, the oldest segments of the workforce are the ones growing most dramatically. The trend is clear. But why are older workers putting off what we picture to be quiet years of golf and grandkids?

As many as 88% of Americans who continue working in retirement do so because they want to stay active and involved.¹ Aside from staying active, other reasons for doing so include finding fulfillment in an organization's work and

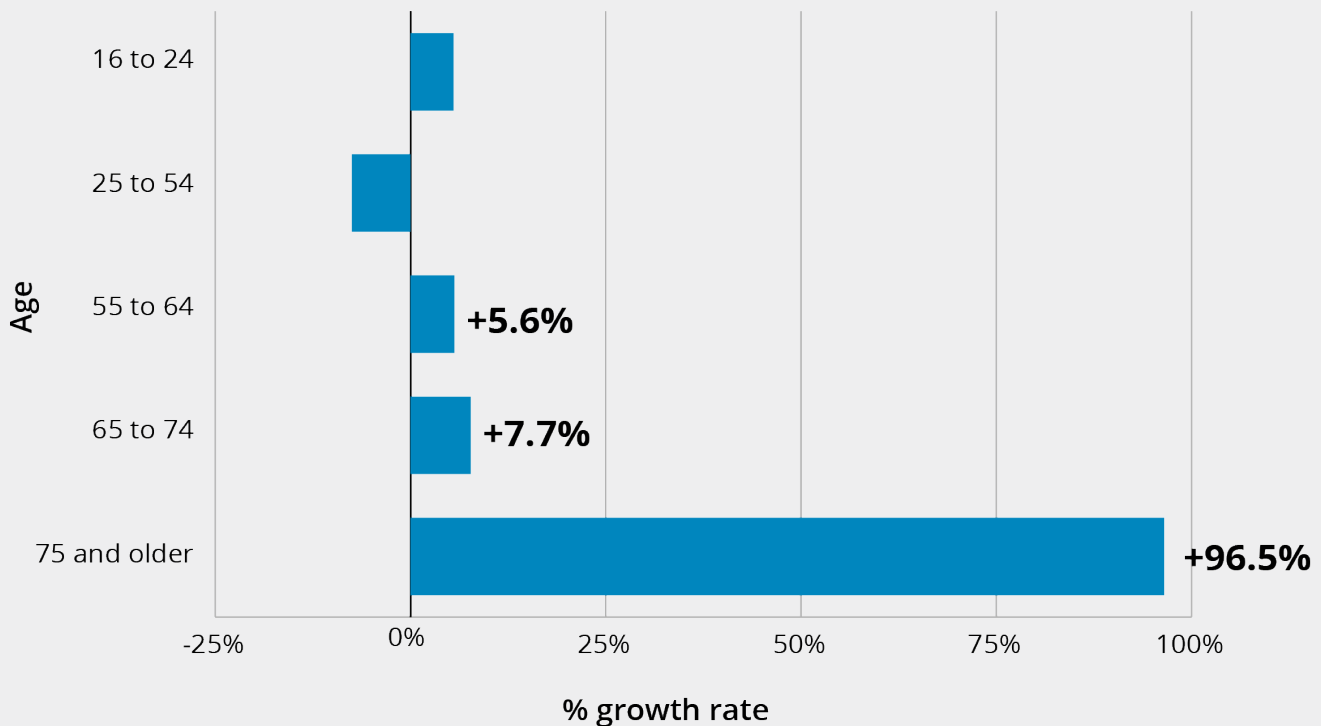
staying socially engaged and mentally sharp. This can also lead those who actually do retire back to work.

The future holds a many-staged life for employees across all ages. This life will blend education, travel, corporate employment, freelance work, time out of the workforce, and continual learning every step of the way. The future of work is increasingly age-agnostic.² Disruptive demographics and innovations have led older Americans to embrace work as a part of retirement.

Sixty-five just isn't old anymore.

Trending Now: An Older Labor Force

Projected growth rate in labor force by age, 2019-2030



The fastest growing segment of the labor force is the group that has historically been considered would-be or should-be retirees.

Source: Number of people 75 and older in the labor force is expected to grow 96.5 percent by 2030, bls.gov, 11/21

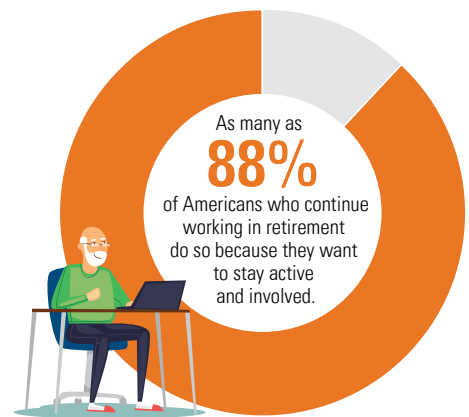
Help Wanted

Sure, it's beneficial for companies to employ members of the would-be retired generation to capitalize on their experiences and skills. But it's also a necessity. The participation rate for people ages 65 to 74-- and 75 and older, specifically -- is expected to increase the fastest. In contrast, labor-force participation rates for most other age groups aren't projected to change nearly as much.³

With the aging population growing so rapidly and birth rates declining, several industries could be facing labor shortages. If employers want to fill their roles (and fill them with capable hires), then they'll need to become increasingly reliant on older workers.

But by 2030, even the youngest of the baby-boomer generation will have reached the conventional retirement age of 65. Four million boomers a year leave the workforce each year, and they comprise 31% of workers.⁴ There is the possibility that as more and more of them retire, we will experience a "brain drain"—a term that now refers to the phenomenon of baby boomers retiring without transferring their expertise and tacit knowledge to those who are poised to fill their shoes.

Yet few employers are proactively addressing the issue. If these industries and businesses expect to be resilient, cross-generational collaboration is critical. And if younger workers are going to fill the shoes of those who are transitioning out of the workforce, they'll need older workers to pass on their knowledge and expertise.



Source: 2022 RCS Fact Sheet #2: Expectations About Retirement, EBRI/Greenwald Retirement Confidence Survey, 2022

WHY 65 ANYWAY?

Sixty five really isn't so old anymore. In fact, it never really was. We have Otto Von Bismarck (the man responsible for creating modern Germany) to thank for the notion that 65 is definitively "old." Bismarck created the first nationwide old-age program, with 65 as retirement age. Why? Supposedly, he was 65 at the time—in 1875. In reality, Germany's original program set 70 as the age of retirement in 1889, when Bismarck was 74. The threshold was lowered to 65 after his death.

The US instituted an old-age insurance plan for Union Army vets in 1890 that kicked in around age 60. In 1935, when Social Security was created, the US looked to Germany as a model, as well as to its own existing Union veteran pension plan.

Age really isn't anything but a number.

Source: Joseph Coughlin, *The Longevity Economy*, 2017

How Do You Engage These Would-Be Retirees?

1 Offer Educational Opportunities

Those age 65 and older are living longer, but they're also living smarter. They're more educated than any generation that came before them. Today's 65-and-older crowd isn't doing the backbreaking physical labor that pushed many of their grandparents into retirement. Many of them are able to continue doing the same jobs, or new jobs, that require strength of mind and education.

And strength of mind is critical. To hack it in the modern workforce—at any age—employees have to be in constant pursuit of knowledge. Before the 20th century, the entire sum of human knowledge doubled every 100 years. By the end of WWII, all human knowledge began to double every 25 years. Now? The total sum of human knowledge doubles every single year.⁵

Thankfully, workers of any age can continue to expand their knowledge base and skill set to stay relevant in an increasingly smart world. School is never out these days. The internet offers a myriad of resources for higher learning and specialization. Massive Open Online Courses allow a large number of people access to in-demand academics and experts as well as global network of like-minded peer-learners without having to travel or even leave their day job.

To adapt to the modern workforce successfully, employers must offer continuing education opportunities that level the playing field among workers across generations. Make employees aware of the wealth of resources available online. Consider paying for employees to attend seminars, classes, or conferences. Possibly provide employees with tablets or laptops so that they can access their resources on the go.

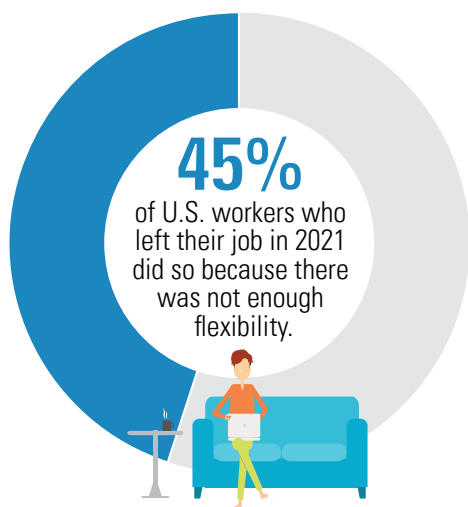
Thanks to online courses, apps, cloud-based technology, and sleek, easily transported devices, learning opportunities are limitless for workers, no matter their age. Open employees' eyes to these resources. Their hungry minds will thank you.



**STRENGTH
OF MIND
IS CRITICAL**



Flexibility encompasses more than just foregoing a rigid 9-5 workday or allowing employees to work from home once in a while.



Source: Pew Research Center, Top Reasons why U.S. workers left a job in 2021, 3/22

2 Be Flexible

By now you realize the importance of leveraging the talents of your employees of every generation. But in a world where older employees regularly embark on new careers, how do you retain the best talent? How do you attract new talent in this fast-growing demographic?

The secret is simple: be flexible. Fifty-five percent of employees say having a flexible work schedule and the ability to work remotely is a must-have and 51% said they want an employer who recognizes the importance of employee's lives outside of work.⁶

If you want the best of the world's fastest-growing demographic to flock to your company when they seek new opportunity in their retirement-eligible years, offer flexible hours or telecommuting options. And if you want to retain the talent you already have, it's best to do the same. According to a Pew Research study, 45% of U.S. workers who left their job in 2021 did so because there was not enough flexibility.⁷

The workplace of today and tomorrow is full of consultants, contractors, freelance contributors, and part-time workers—all roles that may be attractive to the folks who are looking for alternatives to traditional retirement.

For example, maybe the top traveling salesperson is finally through with life on the road and the hassles of hotels and speaking engagements. But she isn't ready to retire altogether. Perhaps there is room for her in the same company as a consultant with valuable, hands-on experience, who can help mold the next generation of salespeople.

Not only is flexibility of hours, location, and role helpful for attracting and retaining top talent, but also flexibility of benefits. The ability to customize benefits is a must-have or nice-to-have option for 93% of today's workforce.⁸ Benefits packages that include, for example, wellness incentives or financial-education programs are key to increasing employee loyalty.

3 Promote Collaboration

It's not enough to retain and attract talent among the would-be retired pool. Leveraging the skills and expertise that this generation brings to the table is most helpful if shared with younger employees.

To adapt to the modern workforce, it's critical to promote collaboration. Encourage the more experienced generations to share their wealth of knowledge with colleagues newer to their roles or new to the workforce in general. Promote brainstorming among generationally diverse groups. Create informal shadowing programs where younger employees can observe their older coworkers who have been there and done that, and where older employees can pick up something fresh from their younger counterparts.

Collaboration can also be more formal through mentorship and reverse-mentorship programs.

Encouraging employees to exchange information and ideas is important in today's workplace, but it's equally important to provide an environment that's conducive to interacting. Employees are more likely to be happy and collaborative when they have places to physically or virtually meet together, participate in trainings together, and attend group seminars, as well as have their own spaces to work independently when necessary. An office space that allows for comfortable collaboration is just one more way to give employees the optimal work experience.

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Embrace the Multigenerational Workscape of Tomorrow, Today

The generations of workers who were once stereotyped as frail, feeble, forgetful retirees are actually a thriving, growing group with years of skills and experiences to contribute. They're putting off retirement, and they want more from their employers.

To attract and retain the best and brightest of this generation, and the next, employers must create an experience for their employees that makes them excited about work and increases their loyalty. How?



Offer educational opportunities: online or in person, your employees are hungry to learn.

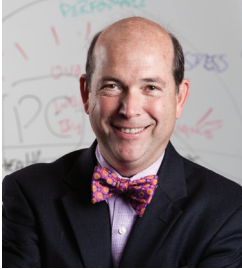


Be flexible: don't confine employees to a strict 9-5 grind in their cubicles. Let your employees achieve work/life balance and work remotely when necessary.



Promote collaboration: encourage cross-generational interaction, and provide physical and virtual spaces to make it happen.

While there still are plenty of folks who are itching to retire, a growing number of would-be retirees are eager to continue working. The three-phased career cycle is on its way out, and if employers want to remain competitive, they'll need to rethink their workforces. Building a career isn't just clocking in and out each day for forty or so years, and then settling down for a relaxing retirement in Florida. The world and the workplace as we have known them are changing. For flexible employers, the possibilities in the workscape of tomorrow are endless.



“Across the generations, there’s a desire to form community in the workplace not just for productivity, but for completing common goals. I think by communicating differently and fostering both mentorship and reverse mentorships, it’ll not only foster wellbeing and community, but also lead to more productive, and potentially more profitable, workplace.”

— Joseph Coughlin, PhD, Director, MIT AgeLab



Next Steps

Once you've evaluated the demographics of your workplace and assessed how generationally diverse it is...

- 1. Suggest** free or low-cost online courses to help keep employees' skills current—while also keeping them stimulated and engaged.
- 2. Ensure** that your company's policies regarding working hours and locations are flexible enough to help employees balance work responsibilities and personal needs.
- 3. Establish** programs such as mentorship and reverse mentorship to multiply employees' knowledge while fostering relationships.



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Dr. Joe Coughlin, author of *The Longevity Economy*, has studied trends in demographics and technology, spearheading research and innovation to improve the quality of life for older people and those who care for them.

Sources

- ¹ EBRI/Greenwald Retirement Confidence Survey, 2022 RCS Fact Sheet #2: Expectations About Retirement, 2022
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- ³ U.S. Bureau of Labor Statistics, Number of people 75 and older in the labor force is expected to grow 96.5 percent by 2030, 11/21
- ⁴ Column: Employers are failing to stop the baby boomer brain drain, pbs.org, 1/19, Most recent data available.
- ⁵ Forbes, "Back to School Season & The Key To Hacking Both Work & Retirement Security," 9/17, Most recent data available.
- ⁶ Source: MetLife's 17th Annual U.S. Employee Benefit Trends Study 2022 metlife.com
- ⁷ Pew Research Center, Top Reasons why U.S. workers left a job in 2021, 3/22
- ⁸ Source: MetLife's 17th Annual U.S. Employee Benefit Trends Study 2019, metlife.com, most recent data available

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