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Boosting older workers

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Business owners may not realize it yet, but a labor shortage is looming - and workers over 50 could be their salvation.

That's the word from AARP, the advocacy group for older Americans - which held a forum at the Harvard Club yesterday to remind the city's employers that it's in their best interests to retain and hire people over 50.

"Companies must value the older worker - not to be altruistic, but to keep their competitive edge," William Novelli, AARP's CEO, told Your Money.

The issue of the aging workforce is in the spotlight this year - as the oldest of the baby boomers start turning 60.

The massive demographic group, born between 1946 and 1964, is 76 million strong. In just two years, the oldest of the boomers will be eligible to collect Social Security benefits.

Luckily for employers in need of staff, a majority of boomers and their older colleagues intend to work during their golden years.

In a study that human-resources consultant Towers Perrin did for AARP, 68% of workers age 50 to 70 said they plan to work in some capacity during their retirement years - or never retire.

"Few of us are taking to the hammock," said CNBC anchor Maria Bartiromo, who moderated the forum.

With life expectancies increasing and growing numbers of pension plans being dismantled, many boomers will need to work in their old age - whether they want to or not.

"There's a realistic chance you will run out of assets," warned Ramani Ayer, CEO of the Hartford, an insurance giant.

Today, a 65-year-old man has a one in four chance of living to age 92. A 65-year-old woman has a one in four chance of living to 94. And married couples have a one in four chance of at least one spouse living to age 97, Ayer said.

There are payoffs in retaining over-50 staffers - who are "more motivated to exceed expectations on the job than their younger counterparts are," the Towers Perrin study said.

In many cases, salary and benefits costs are only marginally higher for older workers, the study noted.

To retain the over-50s, employers need to change their attitudes about work schedules - and allow staff to work part-time, compress their work weeks and telecommute.

"As boomers approach retirement age, they want all kinds of flexibility," Ayer said.

Jane Friedman, CEO of HarperCollins, said her publishing house offers software training programs to help older staffers keep up with new technology. And she has boomers teach classes about the industry for younger people.

"I do not think age will stop this generation," she said.

But relatively few companies are working actively to recruit and retain workers over 50, according to the Towers

Perrin study.

And older workers who are downsized face age bias in getting new jobs.

"It takes longer for an older person to get work than a younger person," said AARP staffer Jon Dauphine.

According to the Bureau of Labor Statistics, the median time it takes to get a job is 10 weeks - but for people over 55, it takes 14 weeks.

"We all know age discrimination is against the law - that's irrelevant," said a member of the audience, who later declined to give her name. "It's out there, it's real, and it's not going away. Nobody wants to hire their mother."

Once companies start to feel hampered by a shortage of qualified workers, age bias will abate, Shirley Robinson Pippins, the president of Suffolk County Community College, predicted.

"Things like this change only when they have to," she said.