

Governor's Task Force on AARP Mature Worker Initiative

Task Force Co-Chairs and Members

**Mark A. Haverland, Department of Elder Affairs - Co-Chair
Bruce Koepl, AARP - Co-Chair**

Final Report of Governor's Task Force on AARP Mature Worker Initiative

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July 26, 2006

The Honorable Thomas Vilsack
Governor of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Governor Vilsack:

In February, 2005, you joined AARP in launching the AARP Workforce Initiative to help persons age 50 and over seek jobs and remain in the workforce. As a result of this partnership, you created a statewide task force to help elevate the image of mature workers with industries, employers, government and the public. We are pleased to present to you the official report of the Governor's Task Force on Iowa's Mature Worker Initiative. The report contains our findings as well as recommendations aimed at ensuring that mature workers and the businesses they support continue to thrive in Iowa.

As the Baby Boom generation ages and retires in the years ahead, there will be an anticipated labor shortage in Iowa's workforce. Fewer younger workers will be entering the workforce, consequently, companies will be forced to rely on the growing number of older, mature workers for the skills and talent they need. At the same time, longer life expectancies and healthier aging mean more older adults want to remain in, or return to, the workplace.

The Task Force's goal is for this report's recommendations to become the basis for public policy reforms - through legislation, or administrative changes as appropriate. The private sector needs to consider how they are partners with state government in reaching some of the goals and recommendations contained in this report. It was a good first step in bringing the stakeholders involved in this issue together. We also look forward to participating in further discussion regarding these recommendations. Thank you for the opportunity to have participated in this worthwhile endeavor.

Sincerely,

Mark Haverland, Director
Iowa Department of Elder Affairs

Bruce Koepl, Director
AARP Iowa State Office

Cc Governor's Task Force on the Mature Worker Initiative

Executive Summary

In February of 2005, the State of Iowa, under the leadership of Governor Tom Vilsack, committed to working with AARP and leaders of business, government and a number of other organizations to raise visibility, awareness, appreciation of and opportunities for mature workers and their communities. The fact that the only age cohort which will grow in numbers is the over 50 worker means that employers must develop a strategy to recruit and retain the older worker if they are to thrive in the 21st century.

A series of forums were held across Iowa in the fall of 2005. This past May AARP hosted a banquet featuring Marv Levy of the Buffalo Bills, Bill Novelli from AARP and Governor Tom Vilsack of Iowa. The following day, the Governor's Task Force hosted a conference based on ideas from the fall forums.

The initiative focused on helping the employer community learn and share information which helps them recruit and retain older workers. In general, employers told us that they needed more information about how to prepare for the aging workforce and adapt the work place to the aging demographics. Older workers told us that they had difficulty finding employers willing to consider the value which mature employees offer. We also discovered that government can play a valuable role as brokers of information to older workers to meet their needs for talented, knowledgeable employees. Public policy, health care and pension reform also play a part in keeping the older worker in the work force.

Listed below is a summary of the top ten key recommendations, which include expanding mature worker opportunities in Iowa:

1. Higher health insurance costs for older/mature workers are a big factor contributing to why employers may be reluctant to hire/retain older workers. Access to affordable and/or portable health insurance is crucial for maintaining retirees income security.
2. Traditional defined benefit plans often are a disincentive for older workers to remain in the workplace. Employers need to be encouraged to move away from these defined benefit structures and look at other ways to offer retirement benefits.
3. A connection resource or a better, more efficient method for employers to tap into the mature job seeker pool is needed. Suggestions were for a mature job seeker website or some central vehicle that could bring mature workers and employers together.
4. Mature workers need assistance with technology, including the technical aspects of filling out a job application. Resources for assisting mature workers need to be expanded. This need aligns itself with suggested educational and resource needs.
5. An informational news packet or online resource, available to employers of all sizes and in all locations could provide information that would make the workplace more friendly to not only the mature work group, but also other employee age groups who would find policies addressing flexibility of work hours, job sharing, and other innovative scheduling and benefit packages attractive in their consideration of staying or returning to the workforce.
6. Follow through needs to continue to keep this issue at the forefront of employers. While this project is complete, the magnitude of this issue and the lack of a pool of qualified workers indicate the need for continued discussion and planning.

7. Rural outreach needs to be developed to see how rural Iowa is dealing with the mature worker issue. The Iowa Community Vitality Centers has offered a proposal that suggests a study of selected smaller businesses in Iowa to better understand how they are currently utilizing mature workers.
8. Flexible work arrangements; including part-time schedules, flexible hours, job sharing, and phased retirement are desired by older workers. At the same time, employers in many areas need work assignments staffed continuously to meet either customer or production machines. While the employer needs continuous staffing, potential workers, from various age groups, may not want or be able to work a five day, 40 hour week. Assistance is needed to help bring the viewpoints of both the employer and the potential employee to workable solutions.
9. The decision to hire mature workers must come from **all** levels. Employers and their staff need to overcome stereotypes. More education needs to be available to employers on this topic.
10. Accurate information needs to be provided to employers on how to prevent Age Discrimination and Maximize the Benefits of a mature workforce. The intergenerational issues are just as challenging in the workplace as they are in families trying to meet the needs of all levels.

The following report provides a host of details to flesh out this summary. Contact Mark Haverland of the Iowa Department of Elder Affairs or Bruce Koepl of the Iowa AARP for more information about this project.

Final Summary Report: Iowa's Governor's Task Force Mature Worker Initiative

July 26 2006

In February of 2005, the State of Iowa, under the leadership of Governor Tom Vilsack, committed to working with the AARP and leaders of business, government and a number of other organizations to raise visibility, awareness, appreciation of and opportunities for mature

workers and their communities. Within this report, the Task Force has prepared recommendations for consideration by the Governor and/or the legislature.

Task Force Recommendations

11. Higher health insurance costs for older/mature workers are a big factor contributing to why employers may be reluctant to hire/retain older workers. Access to affordable and/or portable health insurance is crucial for maintaining retiree's income security.
12. Traditional defined benefit plans often are a disincentive for older workers to remain in the workplace. At certain points of these plans, such as normal retirement age, or early eligibility due to attaining some maximum number of years of service, pension benefits can actually decline if the worker doesn't retire. Employers need to be encouraged to move away from these defined benefit structures and look at other ways to offer retirement benefits.
13. A connection resource or a better, more efficient method for employers to tap into the mature job seeker pool is needed. This key recommendation comes from an overwhelming response from employers' conference evaluations, table talk discussions and regional forums. Suggestions were for a mature job seeker website or some central vehicle that could bring mature workers and employers together.
14. Mature workers need assistance with technology, including the technical aspects of filling out a job application. Mature Workers need additional skill sets, either in development, or keeping up to date skills relating to the technology skills relative to online searching and/or completing job applications. Applicants also need to be prepared to highlight their skills during the interviews. Resources for assisting mature workers need to be expanded. This need aligns itself with suggested educational and resource needs.
15. An informational news packet or online resource, available to employers of all sizes and in all locations could provide information that would make the workplace more friendly to not only the mature work group, but also other employee age groups who would find policies addressing flexibility of work hours, job sharing, and other innovative scheduling and benefit packages attractive in their consideration of staying or returning to the workforce. This information could contain more on recruiting the mature worker, ideas for companies and organizations to make their workplace more flexible and supportive of the mature worker. An instant pocket resource for HR managers with the top ten questions and answers for connecting with mature workers might also be posted on various websites.

16. Follow through needs to continue to keep this issue at the forefront of employers. While this project is complete, the magnitude of this issue and the lack of a pool of qualified workers indicate the need for continued discussion and planning. Topics that should be addressed in the future to assist the state of Iowa position itself for growth were identified in the evaluations. Additional conferences were suggested from Conference Evaluations received.
17. Rural outreach needs to be developed to see how rural Iowa is dealing with the mature worker issue. The Iowa Community Vitality Centers has offered a proposal that suggests a study of selected smaller businesses in Iowa to better understand how they are currently utilizing mature workers. The focus would be to learn what best practices they find useful, advantages and disadvantages they encounter, regulatory and legislative issues that are involved, and what they see as future trends and developments. This study would require some funding to carry out the research. (See attached Preliminary Proposal)
18. Flexible work arrangements; including part-time schedules, flexible hours, job sharing, and phased retirement are desired by older workers. At the same time, employers in many areas need work assignments staffed continuously to meet either customer or production machines. While the employer needs continuous staffing, potential workers, from various age groups, may not want or be able to work a five day, 40 hour week. Assistance is needed to help bring the viewpoints of both the employer and the potential employee to workable solutions.
19. The decision to hire mature workers must come from **all** levels. Employers and their staff need to overcome stereotypes. More education needs to be available to employers on this topic.
20. Accurate information needs to be provided to employers on how to prevent age discrimination and maximize the benefits of a mature workforce. The intergenerational issues are just as challenging in the workplace as they are in families trying to meet the needs of all levels.

These recommendations create a series of ongoing activities to carry out the goals for engaging each critical component of the Iowa economy, including:

- Employers of all sizes,
- Legislature and State Policy Makers,
- The state Workforce System,
- K-12, and higher education (community colleges, private and public),
- Labor leaders,
- Diverse workforce groups,
- Specific industries (including the designated Iowa high growth industries of biotechnology, information solutions and manufacturing).

Following is a summary of the Task Force Actions and Findings:

1. Basis for Task Force Initiative: Demographic Forces

The Iowa Workforce Development and U.S. Census Bureau Partnership reported in May, 2006 the following: *“A large wave of workers born during the Baby Boom of 1946 to 1964 will be leaving the workforce over the next few decades. A larger share than in past generations may “retire” to collect*

the pensions they earned over their work life and then continue working part-time or more flexible working arrangements.” What the workforce of the future looks like will depend on many factors.

Within the next few years, there will likely not be enough new workforce entrants to replace the people who are (and will be) able by virtue of their age, to exit the workforce via retirement.

- (1) Fewer younger workers will be entering the workforce in the next 20 years.
- (2) The age cohort of Iowans 50-64 will increase by more than 30 percent from 437,543 to 586,387 by 2010.
- (3) Some organizations/businesses will face a potential significant loss of talent as baby boomers retire. There is major concern is in some key positions and professions.
- (4) Persons 55+ want and need to stay in the workforce longer.
Between 2004 and 2005, **242,058** Iowa jobs were filled by employees age 55 and older. This age group accounted for 16.9% of total covered employment.
123,013 of these jobs were held by women, accounting for 17.1 % of all jobs held by women in Iowa.

*See Attachment 2, Older Workers in Iowa, May 2006

2. **“Iowa State Task Force on the Mature Worker Initiative”** was created for the oversight of the implementation of the Iowa State Mature Worker effort. This group was assembled by Governor Vilsack during February, 2005 to develop and to help host regional and statewide conferences and to report on the status of the employment of mature workers, based on the participants of these meetings. In addition, the Governor requested that the Task Force gather data on the current level of employment of mature workers and include in the final report the successes, as well as barriers, from the perspective of both employers and perspective employees to finding employment in the state. Thereafter, the Task Force was to prepare recommendations for consideration by the Governor and/or the legislature.

3. **Regional meetings of business leaders and other interested parties were convened around the state, to promote the idea of hiring the mature worker and gain attention for the issue state wide.**

From September 13-21, 2005 approximately 250 human resource professionals, regional workforce development staff, business leaders, legislators and educators participated in two-hour forums in Des Moines, Ottumwa, Davenport, Council Bluffs, Cherokee and Waterloo. Forum participants expressed common attitudes about employing 50+ workers around the values and advantages older workers bring to the workplace, as well as their needs and concerns about hiring older workers. (A listing of the forum key findings is contained within this summary.) Each of these forums was hosted by Task Force Co-Chair, Mark Haverland, Iowa Department of Elder Affairs, and Co-Chair Bruce Koepl, AARP. The list of invitees for each of the forums included representatives from business and industry, local government, the Workforce Investment Boards, community colleges, legislators, universities, and others in the region who are involved in economic development and workforce issues. The central goal of the regional meetings was to listen to regional needs, solicit information, and listen for participants to report on potential solutions that may already be in place. The input from the regional meetings was used to develop agenda items for the state-wide conference, which was held in May 2006.

4. **“Iowa State Conference on the 50+ Workforce: *Connecting with Experience*” held on May 24, 2006.** Following the regional events, a major state conference was developed to present opportunities for the key stakeholders to review the issues that were identified as affecting the opportunities for mature workers. AARP served as co-host for the May 24, 2006 conference and included active participation and assistance of the AARP Washington DC Workforce Initiative staff

and the Iowa State AARP staff. The ultimate goal in planning and holding the Statewide Conference was to develop networking opportunities among the key stakeholders, so that efforts can continue in 2007 and beyond.

Conference Highlights

Tom Davenport, a Principal in Towers Perrin's San Francisco office, was the keynote speaker. In his current position, he provides counsel on human capital strategy, employee and organization research, change management, organization effectiveness, and business strategy to clients in the financial, retail, biotechnology, software and manufacturing sectors, as well as to public-sector organizations. His presentation entitled, "Planning for Tomorrow's Talent Needs in Today's Competitive Environment: The Business Case for Workers Age 50+" included information on demographic shifts, the effects of globalization and technology, evolving social attitudes and individual perspectives about work, the advantages of experience in the workplace, the cost of employee compensation and benefit packages, and the current supply and perspective of the 50 + worker.

- Patrice Blanchard, Associate State Director, AARP, Louisville, Kentucky provided the wrap-up presentation. Ms. Blanchard manages AARP Kentucky's programs targeting workers age 50+. She reported on how these programs include workshops for employers on employment issues for the 50+ workforce, as well as information for older workers seeking resources about mid-career challenges and connections to interested employers. She has worked extensively with the Society of Human Resource Management and the Chambers of Commerce to advance mature workforce issues in Kentucky.
- Participation from "Best Practices Panelists" provided information on how innovative companies are breaking down barriers to employing and retaining mature workers, including adapting work environments and developing innovative policies and practices that are mutually beneficial for employers and mature workers.
- Panelists who participated on these panels, included Kathleen Souhrada, Director of Employment for the Principal Financial Group; Michael Lynch, President of Manpower of Des Moines; Margaret Wilson, CEO of Paragon Industries; Bob Berg, Vice President Stanley Consultants, Pat Keir, Chancellor, Eastern Iowa Community College, Julie Ploessl, Chief Nurse Executive, Iowa Health System, Michael Miller, Store Human Resource Manager, Home Depot; Kathleen Rapp, AARP Washington, DC moderator.
- Teresa Taylor, Bureau Chief, Iowa Workforce Development, presented information concerning Iowa's demographics and statistics on the aging workforce in Iowa.
- Lori Strottman, President of Central Iowa SHRM, assisted in all participants responding to the content of the morning sessions. She moderated the table talk discussions during the luncheon session.

Conference Goals Met:

- a. Defining ways to highlight and build upon those efforts already underway in Iowa to create additional workforce resources for its citizens and its businesses.
- b. Raising the state-level visibility, interest, and recognition of mature workers within the media and among opinion leaders.

- c. Convening stakeholders from the critical components of the various systems important to the identification, recruitment, assessment, screening, training, and placement of mature workers to review what those systems are doing currently around the state and to report on additional activities that can be done to enhance these offerings to mature workers.
- e. Focusing the leaders of large, medium and small Iowan businesses on the value of mature workers and the return on investment to be gained by employing the mature worker.
- f. Bringing appropriate training tools to large, medium and small businesses, which are designed to illuminate the value mature workers, bring to business and the way mature workers can enhance a company's balance sheet.
- e. Using the influence of State Government to enhance the state and local workforce systems, as well as the community colleges and other public-sector training programs, so that they can better meet the needs of the mature workers for assessment, counseling, training, and placement.
- f. Setting goals for progress and appropriate performance metrics for each area of the mature workforce that will be the basis of a State Plan of Work.

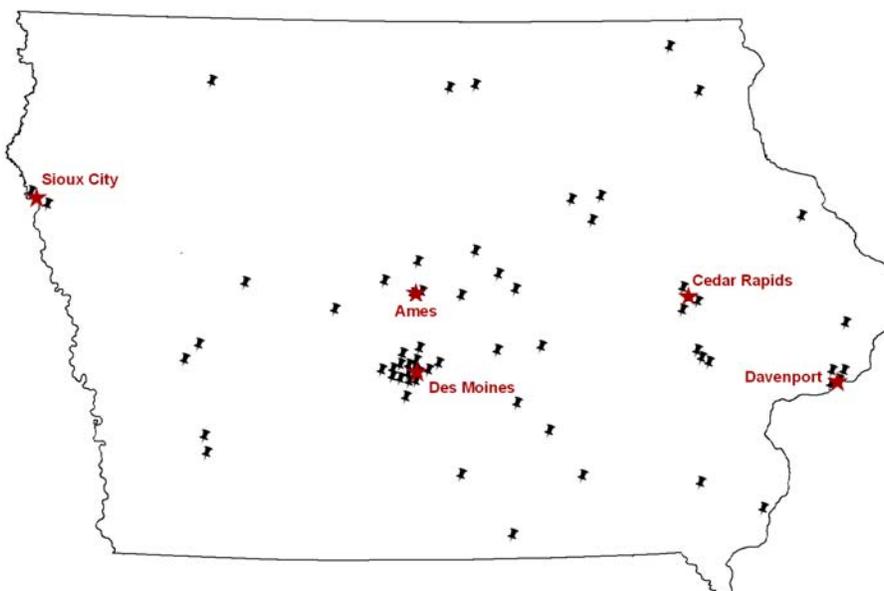
Conference Sponsors

The following organizations provided their financial support to this event, helping to provide the excellent presenters and affordable registration fees.

AARP Iowa
 Burd & Patterson Graphic Design
 Central Iowa Chapter SHRM
 Iowa Business Council
 Iowa Department of Elder Affairs
 John Deere
 Principal

Stanley Consultants
 Experience Works
 Iowa Association of Independent
 Colleges and Universities
 Iowa Association of Community College
 Trustees
 Iowa Utility Association
 Navigating Your Future

Areas of State Conference Attendees Represented



- 5. The Task Force through resources of the AARP National and State Offices implemented a state communications campaign.** The AARP National Office and the AARP Iowa Office produced a multi-media campaign to raise awareness around mature worker issues. The campaign included press releases carried in major Iowa newspapers and radio coverage. This media coverage encompassed information geared towards mature workers and the Connecting with Experience Conference directed toward employers. The Connecting with Experience Conference details were posted on the AARP website, the CISHRM (Society for Human Resource Managers) and the Iowa Department of Elder Affairs Websites. “Web media blasts” were initiated to all State Governments partners, business and industry associations, employers, community colleges and task force members.

KEY FINDINGS (Regional Meetings)

1) Value and Advantages of Older Workers

- a. Employers stressed the importance of the transfer of knowledge from older workers to their younger employees. Older Iowa workers are seen as mentors, leaders and teachers for younger workers and as assets for company profitability. Employers see the benefits of encouraging inter-generational workplace diversity because of the transfer of skills, values, and behaviors to younger workers.
- b. Employers stressed the desirability of hiring older workers because of the benefits they bring to the workplace including lower turnover rates and longer job retention, strong problem solving abilities, desire and ability to work non-traditional hours and more safety conscious resulting in lower injury rates.

2) Employer Needs and Concerns about Hiring Older Workers

- a. Employers want/expect more dialogue on the aging of Iowa’s population and how it will eventually affect the workplace. The age cohort of Iowans 50-64 will increase by more than 30 percent from 437,543 to 586,387 by 2010. Employers want to have a better understanding of these demographics and the potential impact the aging workforce will have on their operations, i.e. the differences between hiring those on Medicare and those not yet eligible for Medicare.
- b. Employers need help making their work environments more desirable and accommodating to older workers.
 - i. Companies/managers need more information on best policies and practices on how to develop flexible work arrangements including part-time work opportunities, flexible hours, job sharing and phased retirement. Many employers noted they prefer 40 hour work weeks and oftentimes face inflexible production/manufacturing schedules or timelines.
 - ii. More information needs to be shared on workplace ergonomics and other system changes, which need to be put into place to better accommodate older workers in more physically challenging jobs.

- iii. Company policies need to provide a workplace that supports and includes the variety of cultural differences needs to be promoted at all levels of Iowa businesses. Today's workplace is multi-generational and often times younger HR managers are not aware or sympathetic to the generational differences and the needs and advantages of a multigenerational workforce.
- c. Companies need to continue to offer and develop growth and learning opportunities for mature workers. Older workers value development and learning as benefits.
- d. Additional education is critical to leverage opportunities for mature workers. Mature Workers need additional skills sets, especially ability to keep their technology skills up to date. It was also noted that mature workers need better training to be able to promote them and highlight their skills and advantages to HR managers during the interview process. Current training opportunities need to be marketed, particularly in the community colleges, which are viewed as critical resources and partners for workforce training and retraining.
- e. Employers noted the "disconnect" between them and the mature worker, especially for professional mature workers. There is a need to supplement the current workforce-employment resource system, perhaps with a pilot program for Mature Professionals similar to the Young Professional Network.

3. Policy Issues

- a. Employers repeated two main issues around health care and coordination of benefits:
 - i. They noted the ability to provide affordable health care for both full-time and part-time older workers as a major obstacle to hiring older workers.
 - ii. The need for portable benefits to move with the person as a person changes jobs and the need for more information on how retirement income, pensions and Social Security factor into re-employment after retirement.

SUMMARY OF COMMENTS FROM CONNECTING WITH EXPERIENCE TABLE TALK DISCUSSIONS

During the Connecting with Experience Conference held on May 24, 2006, attendees participated in Table Talk sessions during lunch. These sessions provided valuable information as to the wants/needs of local employers, workforce partners, training institutions and business and labor leaders. Questions asked:

- A. Learning's from the Day
- B. How to move the conversation forward.
- C. Suggested next steps
- D. Other comments

Task Force members grouped and categorized the comments from participants during the Table Talk Sessions. These comments are summarized as follows:

CHART A, LEARNINGS FROM THE DAY

Chart A outlines the most valuable “learnings of the day” for conference attendees. Responses to this question reflected two different viewpoints: Half of the responses indicated that companies needed to be more proactive in encouraging older workers to take part in training and educational opportunities (and that company staff needed to be trained on the value of older workers) and the other half of responses indicated that the changing technology can create obstacles to the employment of older workers because they often fail to maintain or upgrade their skills. Additional education or training provided to the older worker would help to alleviate these barriers.

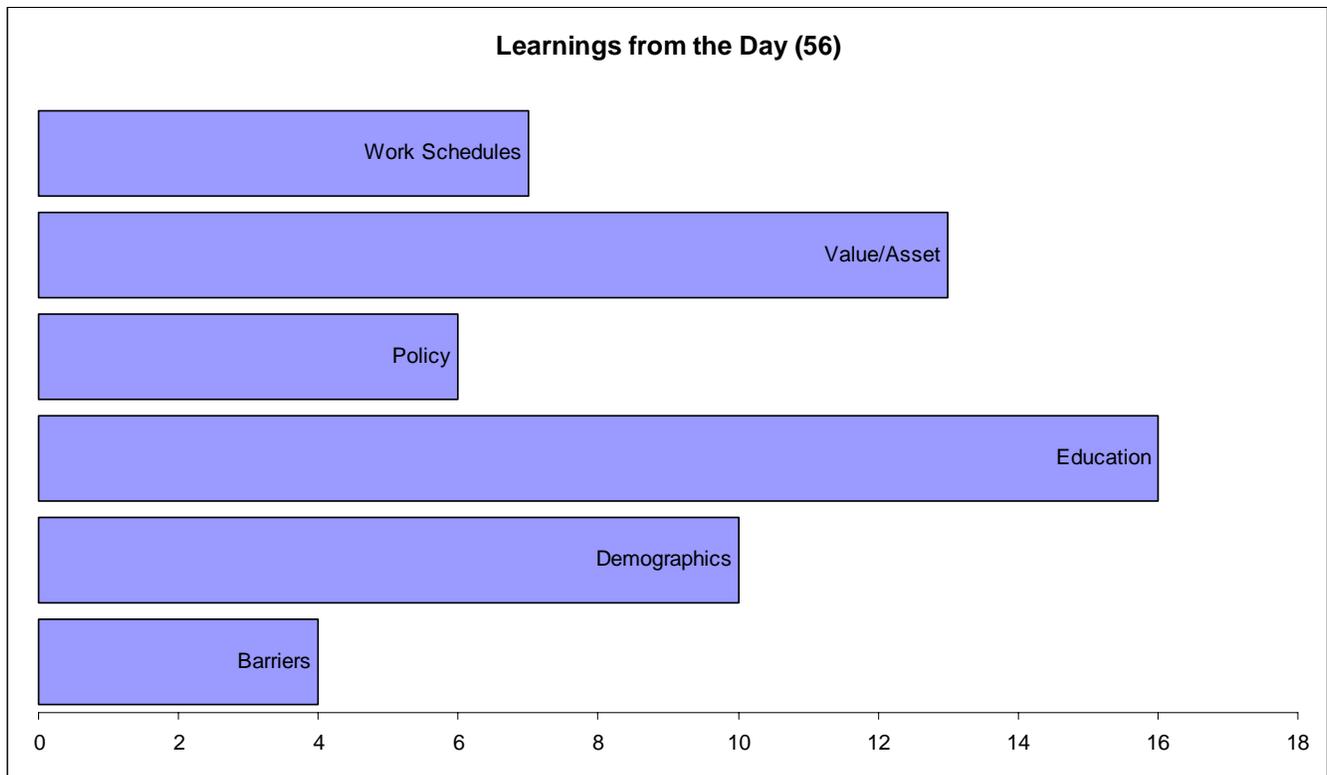


CHART B, HOW TO MOVE THE CONVERSATION FORWARD

Chart B puts “education” at the forefront of “moving the conversation forward.” The fundamental shift in business’s use of technology has created rapid and dramatic change. Creating learning environments that incorporate the changes that are needed in the workplace are essential to the older or mature worker staying viable in the job market. Employers who offer training need to recognize the value of training their older workers and providing equal opportunities for them to learn new skills. Education and training institutions need to expand their offerings to this older adult market.

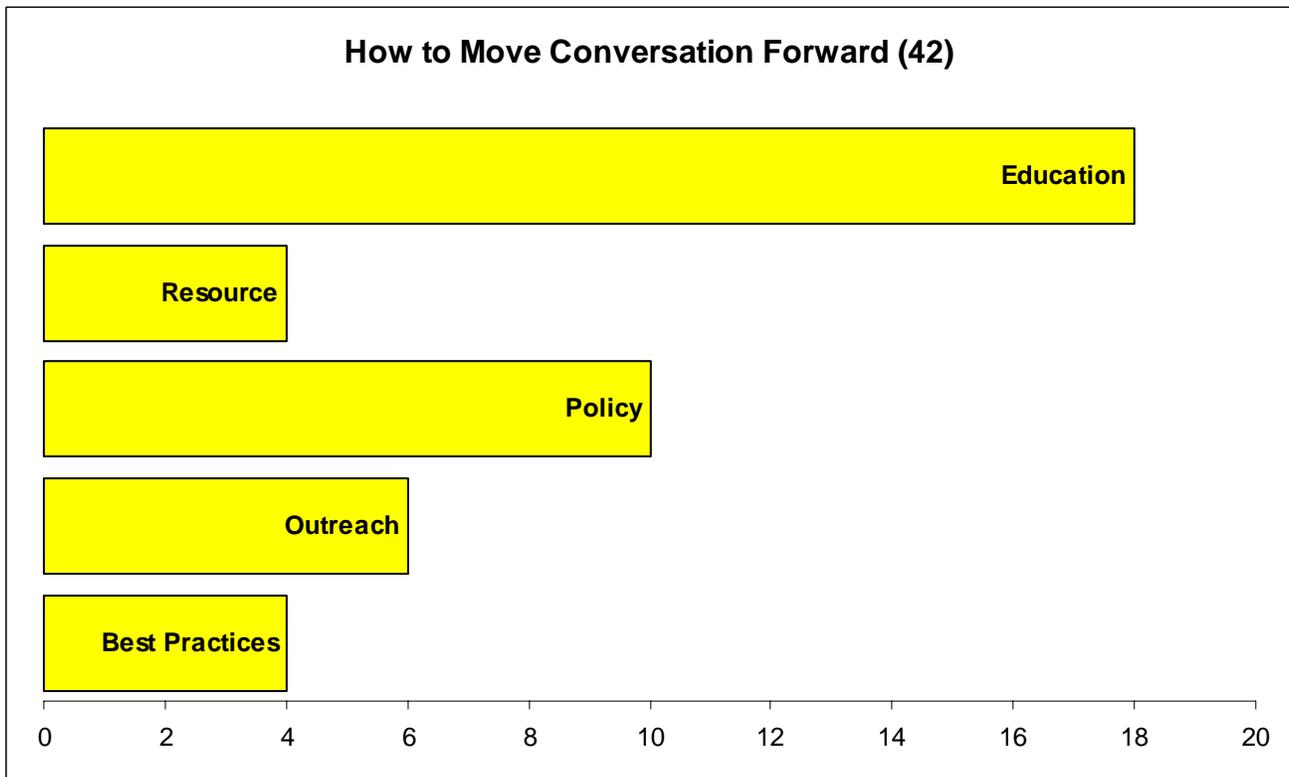
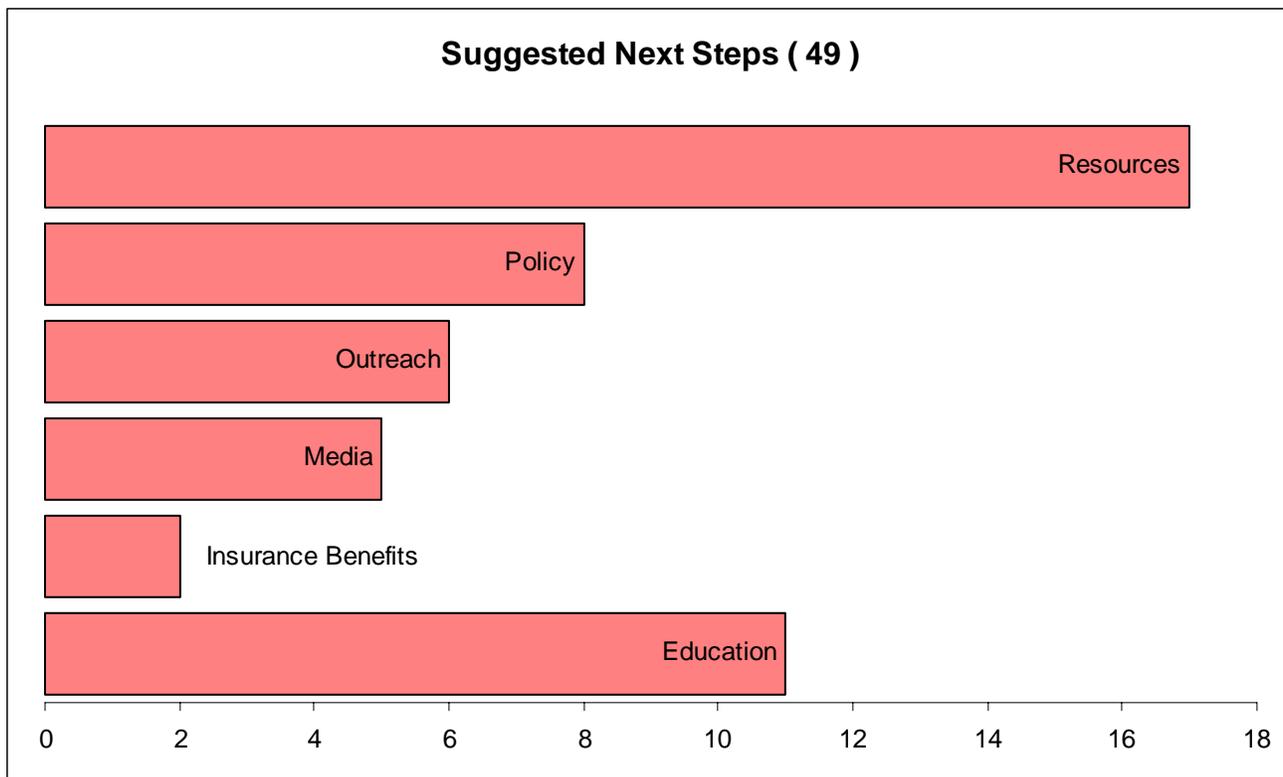


CHART C: SUGGESTED NEXT STEPS

The below chart reports that attendees saw the need for better opportunities/resources for older job seekers/workers. Programs that help with job training and employability skills for older workers, such as the Senior Community Service Employment Program (SCSEP) need to be highlighted. Companies seeking older workers pushed for the creation of a resource they can tap into for connecting with the mature job seeker. This resource might also list recruitment ideas, policies addressing flexibility of work hours, job sharing, and other innovative scheduling and benefit packages attractive to mature workers staying or returning to the workforce.



Employers have their work cut out for them over the coming years with today's changing demographics. There are many challenges including recruitment of those ages 50+, creating a more flexible workplace that offers part-time and flexible work schedules, and providing an organizational culture that will support an increasingly cross-generational workforce. In Iowa, employers want/expect more dialogue on the aging of Iowa's population and how it will eventually affect the workplace. They want solutions to some of the barriers of hiring older workers; i.e. higher insurance costs, part-time vs. fulltime hours; how to fit flexible schedules into an inflexible production schedule. This report lays the groundwork ahead for what Iowa must do now and in the future to meet the challenges of our future workforce.