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The Importance of Older Workers in London's Economy

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(Slide 1 up at beginning)

If John Glenn can travel to space at the age of 77 and make an important contribution to mankind, how did we come to believe that older, experienced workers are not the most coveted of employees?

Why do many workers over 50 say they believe they have been discriminated against because of their age?

The truth is, older workers are a tremendous resource in our community and across Canada, and employers with vision are beginning to make changes in their workplace to make room for more of them.

We'll explore the topic of older workers and the tremendous potential they hold for strengthening our workplaces, but first, it's important to understand some of the ways our population and our workforce are changing. The changes are coming quickly and are making it more important than ever that we appreciate and nurture the skills and knowledge of workers of all cultures, abilities and especially of all ages.

(Slide 2)

You've heard and read it about for years. We have an aging population, and a declining birth rate. Together they are combining to move us towards some drastic changes in the makeup of our population and workforce. According to the Conference Board of Canada, these changes will bring about a shortfall of about a million workers in Canada in the next 20 years.

(Slide 3)

Not only will there be a shortage, but the workforce itself will look radically different. Here's why.

(Slide 3 - sub bullet 1)

In the next ten years, the 55 to 64 age group will increase in size by more than 50%. That is because our Baby Boomers will be entering this age group. By 2010, the wave of baby boomers will head into the 65 and over age group.

What this will mean is that older workers will become much more important to our workforce.

(Slide 3- sub bullet 2)

Our federal government predicts that by 2015, 48% of the traditional “working age” population will be between 45 and 64 years old.

If we consider people over 45 to be “older workers” - or we can call them experienced or seasoned workers - then almost half our workforce will be “older.”

(Slide 4 - bullet 1 and bullet 2 - automatic)

So, we have an aging population, and added to that, a declining birth rate. But there’s more! While their numbers are increasing, fewer older workers are participating in the labour force.

There are two trends that experts have been watching in the last few decades.

(Bullet 3)

People are living longer, so that there are more people in the 75 and up age group, and only a small percentage of that group choose to work.

(Bullet 4)

We are also retiring earlier. While both those things are good for individuals, when combined, it does mean that the ratio of retirees to members of the working population is growing larger.

(Bullet 5)

All this adds up to what some have called a “demographic bomb.” And it is this time bomb that employers will be preparing for.

Let's look at a chart with some projections about how our population will change in London and the rest of Middlesex County in the coming years.

(Slide 5)

The years are along the left and the age groups along the top.

These numbers were based on the '96 census, and while you can break them out a hundred ways, we've chosen to break them down by children and school age youth (0-20), by 20-34 year olds, which roughly corresponds with the group that is today considered part of the baby bust group.

Then there are the 35 to 54 year olds...today, those are our baby boomers and you can see the relatively large size of this group. And of course, the over 55 group. And you can clearly see that it is this group that grows rapidly, as other age groups grow smaller.

Fewer younger workers entering the job market, combined with low participation by older workers rate and huge growth in the number of older people all mean there will be some very drastic challenges.

The one that has received the most attention is the increasing pressure on our social safety net - our Canada pension, old age security and health care funding. And this is of course, of most concern to those of us who are heading toward our traditional retirement years. We have been reassured that the government has planned for these demographic changes.

But businesses will be feeling the heat of this changing population, and they may not be as prepared as they should. Some employers are already beginning to find it more difficult to recruit, train and keep skilled and experienced workers who will be needed to fuel their companies that keep our economy running.

And warm, working bodies are not enough. As our society becomes increasingly high tech, even traditional areas that were seen as strictly manual labour oriented, are requiring a higher degree of education or training.

(Slide 6)

Let's take a look at a second chart. This shows the broad segments of the London area workforce that will be hardest hit. These bars represent the percentage of workers in a certain occupational group that is over 45. As you can see, in management areas, over 40% of workers are already over 45. Government, education, and health are other areas that may be hardest hit. We've already heard a lot about the challenges that these sectors will be facing in the coming years.

Sales and Service has the youngest workforce.

(Slide 7)

Here you can see some of the specific professions and job categories where shortages may be felt the most.

This is not a definitive list, but it will give you some idea of the fields where a larger proportion of the workers are already over 45. You might find your occupation there. It's always nice to look and see how badly you'll be needed, isn't it!

Clearly, the shortage of workers will be felt in many sectors.

London's Economic Development Corporation spends a great deal of time talking to London companies about their predicted labour needs for the future. Almost all say the same thing. Even today, their greatest challenge is finding and recruiting skilled workers.

There are a number of approaches to solving the demand for workers.

(Slide 8 - Bullet 1 comes up automatically)

First, we need to look in some of the traditional places - starting with young people. There is a need to improve recruitment and accessibility to training programs and education for young people. The goal is to get them into the areas where they are most needed as quickly as possible, and make it appealing for them to stay.

Municipalities like London that are blessed with educational institutions such as Fanshawe College and UWO are working on strategies to keep graduates here.

(Bullet 2)

Another approach will be to increase immigration levels and bring more skilled people to Canada from other countries. Indeed, there are a number of strategies already under way to make that happen. There are even some municipalities, most notably Winnipeg, that have actively recruited workers to come from other countries to fill the need for skilled workers in their cities.

(Bullet 3)

We can and should also find ways to help employers understand that people with disabilities also have abilities, and many have the desire and capabilities to become strong, hard-working and loyal employees.

To meet the coming challenge, we're probably going to have to take action on all those fronts.

(Bullet 4)

But perhaps the biggest opportunity lies in finding ways to encourage people to stay in the workforce beyond their normal retirement age. Today I am here to specifically address what we call "the experienced worker solution."

Whether you call them "older workers," "experienced workers", or "mature workers," the Boomers age group is once again, because of their numbers, holding the cards. But they have much more than numbers. Their experience, skills and work ethic will be needed more than ever in the future.

The fact is, many employers don't realize the potential they have in experienced workers. Older workers may not be a "hot commodity" yet, but if employers don't take action soon, they may find themselves having great difficulty meeting their future workforce needs.

(Slide 9 - HRDC logos come up automatically)

The Experienced Worker Initiative is a coalition of organizations that are working together to help employers, and workers for that matter, to understand the challenges they will face, and the actions they can take today and in the future to meet these challenges.

The Experienced Worker Initiative was initiated and funded by the federal government through Human Resources Development Canada.

(Logos - mouse click will bring all up automatically)

The organizations that formed the partnership were the Elgin Middlesex Oxford Local Training Board, the London Economic Development Corporation, Fanshawe College, the Goodwill Career Centre, Human Resources Professionals of London & District, Over 55 and the Employment Sector Council of London and Middlesex.

A study was commissioned and if you'd like to read that you can find it on the publications page of the London Economic Development Corporation web site. The Steering Committee examined what other cities and countries are doing about this challenge, consulted with local human resources specialists, with representatives of labour groups, business, community organizations, tourism representatives and those in the financial and business services community.

It was clear that there was a great deal of interest in the community in hearing more, and particularly in finding ways to prepare for the changes that are coming.

The goal of the Steering Committee now is to share information, in particular, about the experienced worker solution.

So, let's look at some of that information that might prove helpful.

We'll start by trying to understand the perspective of the older worker. What is it that motivates them?

First of all, we must acknowledge that not all of those who reach retirement age will want to continue to work. Many will still choose to retire, some of them well before 65. But many others will continue to work, for a variety of reasons.

(Slide 10 - Title and bullet one)

There will be those who must work Here are some of the reasons.

- They may be too young to qualify for a pension, but have lost their job. We often read stories about individuals who have worked for a company for twenty or thirty years, but are let go in their 50's.

(Bullet 2)

- Pensions and retirement savings may have shrunk with the markets in recent years, and many people will find they will need to earn some other form of income to supplement pension payouts.

(Bullet 3)

- Some individuals haven't worked long enough to build a pension that is enough to support them.

(Sub-bullet 1)

- Many women in particular find that they need to continue to work. Perhaps they stayed at home to raise their families and did not break into the workforce until later years, or perhaps their spouse has passed away and they do not have survivor's benefits.

(Sub-bullet 2)

- Many immigrants too may find they need to work into their senior years - those who have not been in Canada long enough to accumulate a full pension or CPP benefits.

(Slide 11- bullets 1 & 2 up automatically)

- Then of course, some people just want to work. Perhaps they enjoy the psychological benefits such as the social interaction, or the personal fulfillment that many people get from their work.

(Bullet 3)

- Another reason why people may work past the retirement age is simply that they can. Work isn't nearly as physically challenging as it was in the past and many people of 65 have plenty of energy and motivation left and want to put it to good use. People are not only living longer, but they are healthier and more active while they are alive.

(Bullet 4)

- And finally, perhaps people want to do something different. Perhaps they have always wanted to learn a new skill or start their own business. What were once the retirement years, may now be a time to start the next career!

So that is the employees' motivation for working into the later years.

(Slide 12 - Bullet 1 up automatically)

Let's talk now about the employer's perspective.

- Attitudes are changing and there is increasing awareness of the potential of older, more experienced workers. It used to be that companies looking to save money would often get rid of their older, and perhaps more expensive employees and hire younger and cheaper workers.

(Bullet 2)

- Today, many companies understand that approach was very short-sited. Companies that must make cuts are looking to keep employees that have a broad and deep range of knowledge and skill sets, because they are often asked to do jobs that were formerly done by two or more people. Older, more seasoned workers have that depth and breadth.

(Bullet 3)

- Employers have some concerns about older workers.

(Sub-bullet 1)

- They worry older workers will want a salary too high. The truth is, especially for those with pension income, salary may not be as important as other things, such as flexibility in hours and time off, being treated with respect, or opportunities to develop or use new skills.

(Sub-bullet 2)

- Employers worry that older workers will have medical troubles and higher medical expenses. Take a look at some of the people you know who are 65. As I said, they are healthier and more active. The Canadian Fitness and Lifestyle Research Institute reports in their *Fitness Monitor* that: 85% of Canadians value physical activity; 93% support continued or increased levels of government support for physical activity; and a majority express the desire or the intention to become more physically active. (The Business Case for Active Living at Work published by Health Canada)

(Sub-bullet 3)

- They worry that older workers won't be flexible and willing to try new ideas. Studies show that older workers may learn in different ways than younger workers, but that if opportunities are offered, they are often eager to think and work in new ways.
- And, employers worry that they will end up with a bunch of "dead wood"

But employers are learning that this is really ageism, and applying such traits to a whole generation of people does not make sense. People should be judged on their abilities and their potential.

(Slide 13)

This is a quote from a Newsweek story on older workers and it sums it up nicely. Older workers are not all that different from younger workers.

"Older workers span the spectrum of human potential--from deadwood to spark plugs." Newsweek

So, once a company has come to realize that older workers may be at least part of the solution to keeping a quality workforce, how does it go about convincing people to stay past their traditional retirement date and how does it attract experienced workers?

(Slide 14 - Bullet 1 up automatically)

Here are some of the things that have been successful through employer/employee agreement.

- **Opening training programs to older people.** So often companies offer training almost exclusively to newer and younger employees. Training programs that are broadly offered will prepare older workers to accept new assignments and help keep them interested in staying to use those skills.

(Bullet 2)

- **Flexible working practices.** Older workers are often not interested in opportunities for promotion, as much as they are interested in quality of life and flexibility. Some things to consider:

(Bullet 3)

- **Flexible working hours** - sleeping in may be important to some older workers. Others may prefer to begin work earlier in the day.

(Bullet 4)

- **Age related leave** - some people who think they want to retire, actually just want a good break, and if given the opportunity for a sabbatical, may be delighted to return to work.

(Bullet 5)

- **Reducing responsibilities** - some older workers crave less stress and may be quite willing to consider a reduction in responsibilities and perhaps even a flexible wage arrangement to go with it, in exchange for a less stressful job.

(Bullet 6)

- **Part-time jobs and job sharing** - many experienced workers just want to work less, not stop altogether. Some may like to work a shorter workweek in exchange for lowered salary. The issue of benefits for part-time workers would also need to be addressed.

(Slide 15 - Bullet 1 up automatically)

- **Flexible retirement** - this is important. Workers who stay past their retirement date may worry about how that will affect their

pension entitlement. This is quite a big issue that will need to be addressed more often and more extensively in the future.

(Bullet 2)

- **Gradual retirement.** We often hear about people who retire, only to find they feel like their life has come to an abrupt end. Allowing people to retire in increments allows for transition to new workers, and gives older workers a chance to slow down rather than come to a full stop.

(Bullet 3)

- **Re-examine early exit programs.** Some employers, once eager to offer older workers early retirement are now adding incentives to keep them!

(Bullet 4)

- **Canceling of the mandatory retirement age** - this is a way governments are dealing with the need to encourage people to work and has become a reality in Ontario.

(Bullet 5)

- And finally, **programs to change attitudes** about older workers. If you want to keep and attract older people, they've got to know they are respected and appreciated. Age discrimination is still rampant and many older workers say they feel unappreciated. How do we change attitudes? Mentoring programs, offering plum assignments to older workers as well as younger workers...there are many ways.

Many companies and organizations are already working on new ways to help attract and keep employees, especially older ones. Let's look at a few examples.

(Slide 16- Logo)

Stihl - Not too long ago, this forward thinking company hired someone who raised a few eyebrows! Stihl is the world's largest manufacturer of chainsaws.

(Photo of trailer)

The company, with Canadian headquarters in London, had purchased a 32-foot truck-trailer, which was to go on the road for 9 months of the year to attend trade shows and dealer open houses in the companies two largest markets; Ontario and Quebec.

They were looking for a very specialized skill set:

- a people-person with great communication skills
- some knowledge of 2-cycle products
- a Class A licence to drive the trailer to the open houses & shows
- willing to work many weekends
- and, fluently bilingual

(Photo of Gaston)

They were pretty sure they were looking for someone young and single, but they were smart enough to recognize experience when Gaston Mongrain applied. Gaston was 60 years old and the company hasn't looked back.

Company President Greg Quigg says, "This gentleman has more energy than most and his technical and customer service skills, along with his love of people, have made him a terrific ambassador for our company."

(Slide 17 - TVDHC Logo)

Another local example can be found at the Thames Valley District Health Council.

The Health Council, which is quite aware of the changing demographics and what impact these changes will have on the nursing profession, has put together a working nursing subcommittee to address the impending shortage of nurses. They are identifying best practices in retention and recruitment and are developing a model for what is called a magnet district...that is...a region that is successful in attracting and retaining nurses.

Trisha Potter, a senior health planner with the Council says the group noted that intergenerational issues are very important when planning to address the shortage of nurses. Different age groups of nurses feel different pressures, and have different priorities, so they are looking closely at those issues.

(Slide 18 - Title)

But looking for ways to keep people working isn't just a goal in London or Canada. Indeed, around the world, businesses and organizations have come up with some unique ways of integrating and utilizing experienced workers.

(Bullet 1 plus 3 sub-bullets come up)

- IBM-Sernet is an Italian organization. It was established as a partnership between IBM and a group of IBM managers who are over 55. It offers consultancy services to other companies. IBM's goals were to retain and use the high level of skills attained by these older workers, to enlarge on the core services offered by IBM and to allow employees to gradually retire.

(Bullet 2 plus 4 sub-bullets come up)

- Hospital Group in France is doing some neat things. This public body employs over 60,000 people. There are no age barriers to recruitment and their training programs actually encourage people to come back when they need them. Almost six percent of staff overhead is devoted to training, and courses include those that help prepare workers for retirement. Ergonomics is a major focus to prevent injuries.

(Slide 19 - Bullet 1 and 3 sub-bullets come up automatically)

- **The Ministry of Internal Affairs in the Netherlands.** In this organization, employees who are age 57 and over are allowed to work a shorter workweek in exchange for a reduced salary. They also work on enhancing the mobility of workers by giving them the opportunity to try other jobs, even on an interim basis, with a guarantee they can return to their old job if they wish. The Ministry also commissioned a survey on the productivity of older workers and published the results. The goal...changing attitudes.
- **Gist-brocades** in the Netherlands is an organization that thinks it is good for business to have a diversified workforce. Age related policies include interviews with all staff at age 55 to see what they want to be doing in the coming few years, exit interviews, an exploration and identification of jobs that are specifically suited for older workers.

Europe is definitely ahead of us on this front, so we can look there for lots of good ideas and research on what works.

In Canada, and in the London area, we do have some barriers to overcome.

- We have to get over thinking older workers are less productive and less valuable.
- We have to find ways to make experienced workers feel appreciated and respected.
- We have to find ways to get older workers more involved in training programs. As our world becomes more high tech, the jobs will, by necessity, go to the skilled workers.

To review - we know what the challenge will be - a shortage of skilled workers. An organization's success may very well depend upon its ability to attract and keep a wide range of people, and so, it's probably time for companies to take a close look at their HR policies and at their corporate culture. A simple audit can show just how open and friendly their organization is to age and other forms of diversity in the workforce.

(Slide 20)

Some questions to pose about your organization:

(Bullet 1)

- Are reduced hours an option?

(Bullet 2)

- Are flexible working hours an option?

(Bullet 3)

- Are training programs and job changes equally available to all workers?

(Bullet 4)

- Are older workers treated with respect and appreciation and held up as role models and mentors for younger workers?

(Bullet 5)

- Are people with disabilities, new immigrants, and older workers all welcome in the workplace?

Meeting the challenge of the changing nature of our workforce is not something that companies must tackle on their own. Governments are making changes that will allow flexibility in pension plans and retirement ages.

(Slide 21)

In London, our LEDC, the London Economic Development Corporation, is working with companies on ways to attract workers...and they are working to help businesses to find new ways of recruiting and keeping skilled workers.

The LEDC has a new program called “Good Move London”. It is a resource that employers can offer potential employee to find out everything they need to know about our city and its resources. It is made up of a folder that can be given to people that will lead them to a comprehensive web portal as well as an 800 number to call to find out just about anything you need to know about London.

Fanshawe College and UWO too are taking a leading role in providing new training and upgrading opportunities for older workers.

Organizations like “Over 55” are actively helping older workers to get the kind of jobs that allow them to continue to provide their skills to employers.

(Slide 22 - all bullets)

The demographic changes that are coming will change the way we look at experience and age. It could be difficult for employers who may have mixed feelings about it. But the fact is, many employers will, in coming years be facing a crunch. Let me remind you, the Conference Board of Canada forecasts a shortfall of nearly one million workers within the next twenty years. That, for employers is a very frightening proposition. Companies with foresight are planning for this shortfall today.

A good beginning point is to focus on the things that are most important - skills, abilities, knowledge and potential - not age.

Is there lots of talent out there among the older members of our community? You bet.

(Slide 23)

And this is a good time to pay tribute to some of the experienced workers in our community. Let me remind you of that Newsweek quote:

“Older workers span the spectrum of human potential--from dead wood to spark plugs.”

I'd like to introduce you to some London spark plugs.

(Slide 24 - and photo 1)

Bill Cox, who is 62, spent 35 years in education and retired in 98 as Principal of H.B. Beal Secondary School. Bill recalled the satisfaction he experience driving a transport truck in his university days, purchased the tractor part of a tractor-trailer and like Willy Nelson, is on the road again!

(Photo 2)

Joan Hunter has over 40 years of experience as an administrative assistant, accountant and office manager. Today at age 77, she has a successful home-based business offering bookkeeping, correspondence and special projects assistant to clients.

(Slide 25 - and photo 1)

John Mackay worked for 35 years as a superintendent and inspector of fire protection sprinklers.

(Photo 2) Today, John has found a delightful career working on the turf crew at Greenhills Golf and Country Club, which loves to hire retirees. John especially likes the golf privileges!

(Slide 26 and photo)

Donald Gent, who is 57, was a law clerk and office manager for his father's law firm until his father's death a few years ago. Donald turned his love of driving into a new career and today, is an independent owner/driver for Checker Limousine.

(Slide 27 - and two photos)

Bill Brady has yet to retire from a colourful and successful career in radio and broadcast management. Bill, who is 71, is Secretary of The Blackburn Group and columnist for the London Free Press and Business London magazine. He also continues to be a very active volunteer.

(Slide 28 -Photo 1)

Robert Tyrrell is 66. He spent 36 years teaching at the elementary and secondary school level and as an athletic coach. Robert is now a real estate agent, working for Royal LePage Triland Realty.

(Photo 2)

Fred McNaught, 62, was a secondary school principal who was ready to try something new. He left education to be the sales and marketing manager for a large photo-copying company, and then General Manager for a paper distribution company. He is currently an executive consultant with an international management-consulting firm.

(Slide 29 - and photo 1)

Scott Cunningham, who is 61, worked for Coca Cola Limited for 25 years and was a Facilities Manager when he retired. He is now working as a manager at Paperman Distributors in Lambeth, where he is using his experience to help streamline the organization and develop an operations manual.

(Photo 2)

Harold Helsdon took early retirement from an executive position with IBM Canada at age 56, but was not about to pack it in. He used his love of sales, marketing and skills training to start a firm called Executive Planning Associates Inc., where he works with other consultants, offering business solutions.

(Slide 30 - and photo 1)

Betty Kydd and her husband Bill started Kydd Radiator Service in 1948. Bill passed away in 1992, but Betty continued in business with her son. She also founded one of Richmond Row's first ladies boutiques, La Jolie Jupe. Today, Betty is 83 and is still owner and President of both companies. She works every day at Kydd Radiator and has no plans to leave either business.

(Photo 2)

Don Salton is 72. He worked as a hair stylist/barber and owned three shops. He has been a lay minister, manager of a reflexology school, a wall paperer and painter, and a business person. His last business was the Byron Stationary Store and Meadowbrook Office Supply. Fourteen years ago, Don sold these businesses and returned to the job he loved most - wall papering and painting. If you want to hire him, stand in line. He is booked through November 2003.

(Slide 31 - and photo 1)

Steven Wannamaker, who is 60, worked as an elementary school teacher and administrator for 34 years, and also served as President of the Ontario Public School Teachers' Federation. Today, Steve enjoys his work driving for the Robert Q Air Bus and Courier Service and also works at the Robert Q counter at Pearson Airport.

(Photo 2)

Bob Manning, who is 74, has 37 years of experience in sales and management with three different companies involved in business forms. Today, he serves eight satisfied customers as a gardener and lawn care specialist, including his biggest customer, Maple Ridge Retirement Home.

(Slide 32 - and photo 1)

Nancy Herrington, aged 67, had a successful career with the Victorian Order of Nurses and was a manager when she retired. With her daughter, Nancy started a business called Nana Knits Inc., which now markets baby hats and sweaters that are knit in China and sold in hundreds of stores across Canada and the U.S.

(Photo 2)

Jay Gall is 62. After 31 years as a secondary school teacher and Principal at Medway High School, Jay started lawn maintenance and landscaping company that employs five people. He plans to “grow” his business.

(Slide 33 - and photo 1)

Judy Hewitt, 60 had worked for over 40 years as a customer service clerk at a bank, sometimes part-time and sometimes full-time. At age 55, she began to seek work that provided a better income to support her family. Judy is now a financial advisor with Scotiabank.

(Photo 2)

Elgin Austen spent 38 years as a police officer and was Deputy Chief with the London Police when he retired. Today, at age 62, he runs a company that develops workplace violence and harassment prevention programs for business.

Those are just some of the many sparkplugs that are out there - people who can be an inspiration to workers of any age.

Clearly, there is much to be done to prepare businesses for the upcoming shortage of workers. If we can develop attitudes and programs that recognize and encourage age diversity, and if we can, in appropriate and appealing ways, call upon the skills and experience of workers of all ages, there is very much to be gained.