

Transform 2010

WORK—Framing the Issue for Minnesota

Themes for Action

Redefining work and retirement

- Supporting caregivers of all ages
- Foster communities for a lifetime
- Improving health and long-term care
- Maximizing use of technology

Transform 2010 is a project of the Minnesota Department of Human Services

In partnership with the Minnesota Board on Aging and Minnesota Department of Health

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The number of workers in Minnesota over 55 will nearly double by 2018. In 2011, the leading edge of the baby boom generation (e.g., persons born between 1946 and 1964) turns 65; and by the 2019, the entire baby boom generation will be 55 or older and represent over 25% of the state's population. At the same time, the state's workforce will be aging—the median age of workers will increase from 36 in 2005 to 46 by 2030—and the overall labor force participation rate will be declining. Labor force participation is expected to decline as direct result of the movement of the baby boom generation out of the prime age labor force.¹

Workers over 55 not only want to and need to continue working but also are hit hardest (economically and emotionally) by lay-offs and long-term unemployment.

- The current economic crisis along with the significant declines in 401(k) and IRA values has increased the risk for retirement insecurity from 44% in 2007 to 51% in 2009.²
- The number of displaced workers 45 years old and older is growing. In FY2007 and FY2008, about 52% of Minnesota's dislocated workers were over 45. In FY2009, 62% were over 45. During the same period, the total number of unemployed Minnesotans 45+ more than doubled (from 37,000 to 76,000).³
- While the rate of unemployment for those age 45-54 and 55+ workers is lower than that for younger workers (6.6% and 5.6% vs. 7% for 25-44 and 15.4% for 16-24), the length of unemployment is greater. That is, once unemployed older workers are more likely than younger workers to stay unemployed. In February 2010, nearly 50% of unemployed workers 55+ had been out of work 27 weeks or more. The average duration of unemployment for workers age 55+ was 35.5 weeks vs. 30.6 weeks for those 25 to 44.⁴

Aging workers want to continue working because they view the workplace as the place to connect to meaningful work and social opportunities.

- Current retirement and employment policies often do not provide strong incentives for continued work by older workers, e.g., lack of coordination between working and pensions, lack of robust retraining programs, and persistence myths about aging workers on the part of employers.
- Due to a variety of factors, most employers do not have specific strategies or policies that are intended to support, encourage and retain workers 45 and older; however, the policies they do have often indirectly discriminate or fail to include or be offered to older workers due to the pervasiveness of ageism.

Aging workers are not just those over a certain age but rather all of us; though we may never be old, we are all aging.

¹For additional details, see Toossi, M. (2009). Labor force projections to 2018: Older workers staying more active. Monthly Labor Review, 132 (11), 30-51. [<http://www.bls.gov/opub/mlr/2009/11/art3full.pdf>]

² Munnell, A. H., Webb, A., and Golub-Sass, F. (October 2009). "The National Retirement Risk Index: After the Crash." Issue in Brief: No. 9-22, page 7. Online: Center for Retirement Research, Boston College [http://crr.bc.edu/images/stories/Briefs/ib_9-22.pdf]

³ Sources: a) Dislocated Workers Programs, Mn Dept of Employment and Economic Development, 2009; and b) Author Analysis of Bureau of Labor, Employment Status by Demographic Group for States based on the Current Population Survey.

⁴ Sok, E. (March 2010). "Record unemployment among older workers does not keep them out of the job market." U.S. Bureau of Labor Statistics. [http://www.bls.gov/opub/ils/summary_10_04/older_workers.htm.]