

BOOM TIMES

New insights into the mindset of the baby boomer workforce to help employers unlock competitive advantage



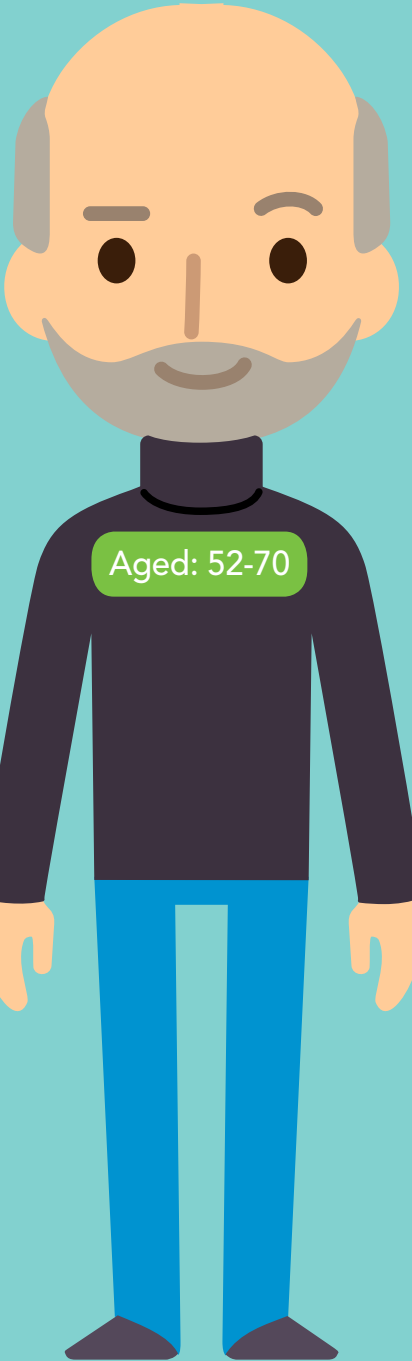
KELLY[®]









The Boomer Effect

ATTRACT
BABY BOOMERS
TO YOUR
ORGANIZATION

Checklist

- ✓ Implement a formal age inclusion policy
- ✓ Offer alternative and flexible work arrangements
- ✓ Invest in skills training
- ✓ Support retirement financial planning



LOYAL	 57% of Baby Boomers aged 65+ enjoy their work	 34% are willing to give up advancement in their career for more flexible work arrangements
EXPERIENCED AND KNOWLEDGEABLE	 80% are four times more likely to return to work because they want to rather than because they have to	 2.5 YEARS is the average length of career 'intermission' before Baby Boomers return to work
ENTREPRENEURIAL	 35% receive income from independent or freelance work – the highest percent of all age groups	 36% believe their employer values their entrepreneurial mindset – the lowest percent of all age groups
EXPECT TO RETIRE LATER IN LIFE	 79% say skills will need to grow to keep up with change in their work, yet only 42% of companies are investing in training	 58% say phased retirement is a very important workplace benefit, yet only 28% of employers offer it.

Contents

4 / Introduction

5 / Workforce demographics
are changing

7 / Baby boomers are
less confident in their
market value

8 / Ageism is a real concern

9 / Baby boomers'
attitudes to millennials
aren't helping

10 / How millennials see
baby boomers

11 / Baby boomers are
redefining retirement

13 / Employers risk
overlooking baby
boomers' unique
strengths

15 / What next?

17 / Overview and
methodology

Introduction

The baby boomer generation (people born between 1946 and 1964) represents a pool of experienced, loyal talent with deep institutional knowledge, entrepreneurial ability, and strong potential to lead and mentor others. Baby boomers now expect to retire later in life or transition gradually into retirement. However, most companies do not have workforce strategies to attract or retain them.

Drawing primarily on the Kelly Global Workforce Index™ (KGWI) survey of more than 164,000 workers from 28 countries – as well as international and country-specific research conducted by other organizations – this report offers a sophisticated snapshot of the baby boomer mindset in the modern workplace.

In particular, we examine how baby boomers perceive colleagues who belong to other age groups. This includes millennials (those born from the 1980s onwards) who increasingly have hiring and management responsibilities over baby boomers. A surprising shift is also identified in baby boomer expectations and attitudes to retirement, specifically their willingness to pursue alternative working arrangements in later life, and even second or third careers.

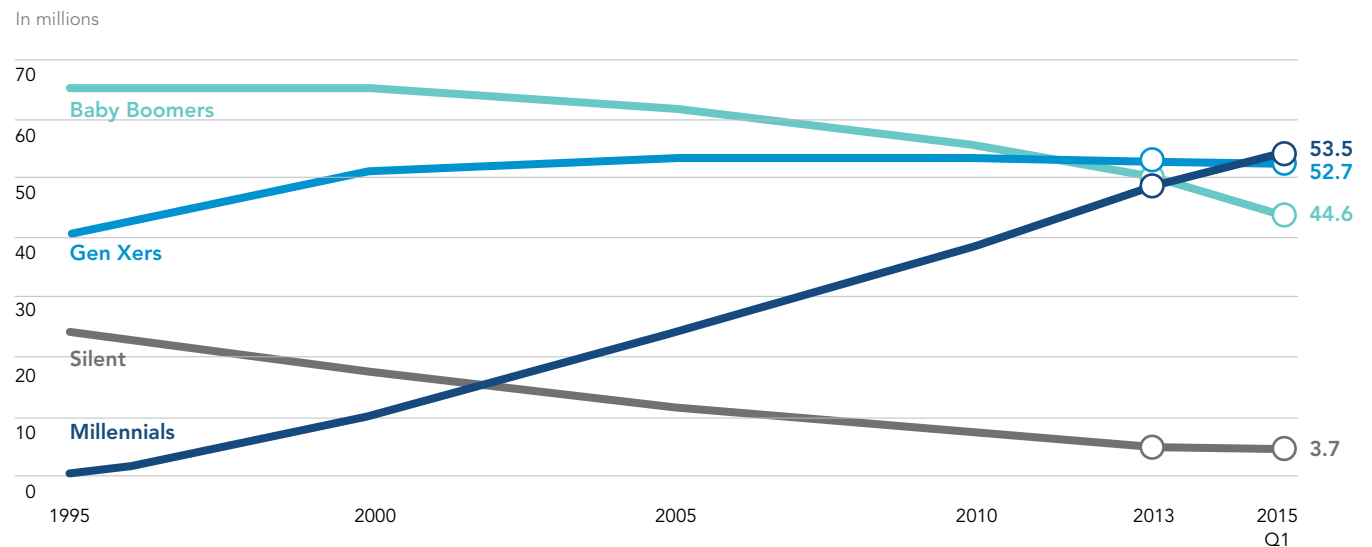
Skilled candidates are in short supply in almost every industry across the globe. The competition for top talent is intense. Savvy employers will create a diverse workplace comprised of people of all ages and adapt their recruitment, retention, retirement, and other workforce strategies to accommodate baby boomers' needs. This will allow them to best maintain their organization's institutional and market knowledge, mitigate labor shortages, and unlock new sources of competitive advantage.

Workforce demographics are changing

Today's workplaces often include employees separated by an enormous gulf in age. While older cohorts such as the baby boomers grew up with black-and-white television and drive-in movie theaters, millennials have been using social networking and devices as part of their daily lives for as long as they can remember.

But now, as older baby boomers retire, the demographic makeup of the workforce is starting to shift. In the U.S., for example, millennials have surpassed Generation X (those born between 1965 and 1979) to make up the largest share of American workers.¹ By the first quarter of 2015, the size of the baby boomer cohort in the U.S. had fallen to 45 million, having peaked at nearly 66 million in 1997. The youngest baby boomer is now 52 years old.

U.S. Labor Force by Generation, 1995–2015



Note: Annual averages plotted 1995–2014. For 2015 the first quarter average of 2015 is shown. Due to data limitations, Silent generation is overestimated from 2008–2015.
 Source: Pew Research Center tabulations of monthly 1995–2015 Current Population Surveys, Integrated Public Use Microdata Series (IPUMS)

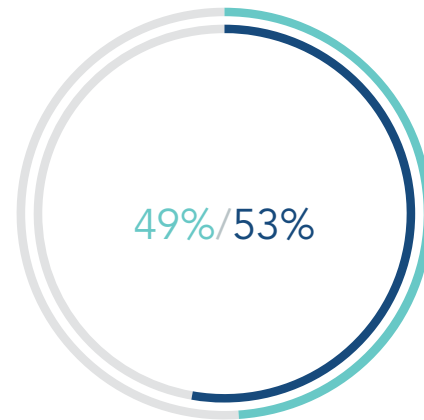


The perception that age discrimination is “widespread” is particularly high in Eastern European countries such as Hungary and the Czech Republic.

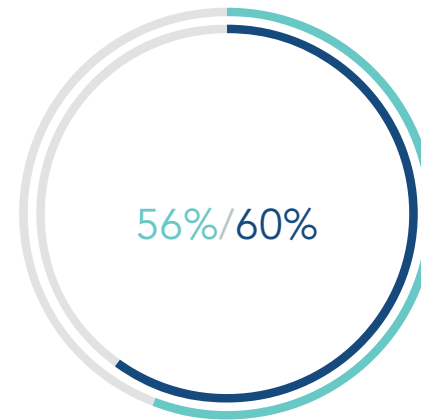
Baby boomers are less confident in their market value

Kelly's global workforce research shows that shifting demographics coincide with some baby boomers' eroding perceptions of their job prospects and sense of security at work. Overall, baby boomers tend to be less confident about their market value than millennials.

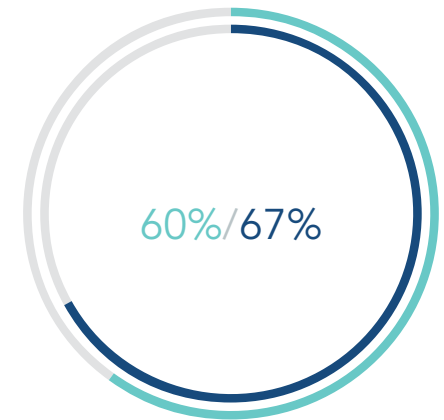
Self-assessment of current skill sets and market value



Whenever I have tried, I have been able to find a new or better position:
baby boomers 49%, millennials 53%



I feel I am in a position of high demand in the marketplace:
baby boomers 56%, millennials 60%



If I were to consider changing jobs, I'm in a good position to secure a similar or better position:
baby boomers 60%, millennials 67%

Ageism is a real concern

Many baby boomers have good reason to worry about their employment prospects. Age discrimination still flourishes in the workplace, despite the legal prohibitions introduced by many countries.

In the U.S., the number of age discrimination claims rose from 15,785 to 21,396 between 1997 and 2013.² Moreover, a study by AARP found that nearly two-thirds (64%) of American workers aged between 45 and 74 had seen or experienced age discrimination.³ Age-related issues ranked high on these workers' list of reasons that they might not be re-employed quickly in the event of job loss. A total of 37% said they were not confident that they would find another job right away without having to move or take a pay cut.

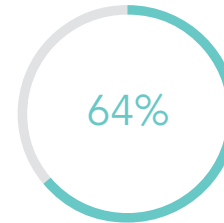
According to a study by Boston College, workers aged over 50 were much less likely

than their younger counterparts to be employed in roles that require significant physical labor, or specialized fields such as engineering, software development and computer science. The researchers described workers over 50 as the "new unemployables" due to their lower re-employment prospects.⁴

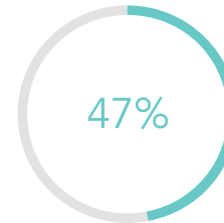
The story is similar across Europe. In market research commissioned by the European Commission in 2012, more than half the Europeans surveyed (54%) said they believed that being older than 55 puts job applicants at greatest disadvantage.⁵

The perception that age discrimination is "widespread" is particularly high in Eastern European countries such as Hungary and the Czech Republic. It is lowest in Northern and Western European countries such as Denmark and Ireland.

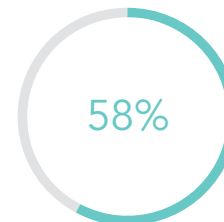
Age discrimination in the workplace (U.S.)



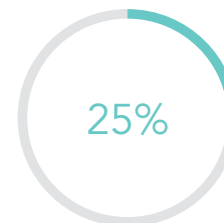
64% of workers aged 45–74 say they have seen or experienced age discrimination in the workplace.



47% of workers who have witnessed or experienced age discrimination say it is very common.



58% of workers who have witnessed or experienced age discrimination say it begins when workers enter their 50s.



25% of workers aged 60–74 say they have not been hired for a job due to age-related issues.

Baby boomers' attitudes to millennials aren't helping

Despite legitimate concerns about age discrimination, many baby boomers' critical attitudes towards younger colleagues may also partially explain the challenges some encounter in gaining re-employment.

According to a 2015 study by EY of nearly 10,000 workers in eight countries, 62% of full-time millennial employees now manage the work of others, while less than half (46%) of baby boomers have this responsibility. This is a recent shift—the vast majority (85%) of these millennials only moved into their managerial role between 2009 and 2014.⁶

At the same time, Kelly's global workforce research shows that many baby boomers still hold fairly negative perceptions of millennials' work traits. For example, 54% of baby boomers believe that millennials tend to want

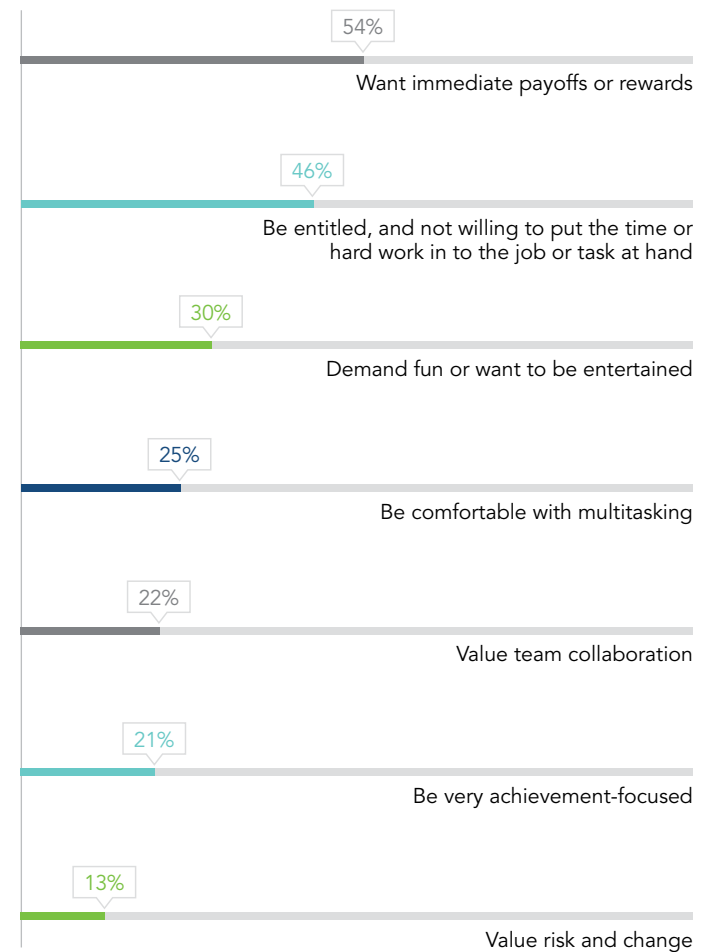
immediate payoffs and rewards. Almost half (46%) believe that millennials tend to exhibit a sense of entitlement, and are unwilling to devote the necessary time or hard work to complete tasks.

Only 21% believe that millennials are very achievement-focused, while 29% of workers across all generations hold this belief about millennials. And only 22% of baby boomers believe that millennials value team collaboration, compared with 40% of millennials who ascribe this trait to themselves.

As the millennial cohort now has a greater say in hiring decisions, these attitudes could subtly harm baby boomers' employment prospects.

Baby boomers' perceptions of millennials (global)

Millennials tend to ...



How millennials see baby boomers

In an intriguing finding from Kelly's global workforce research, 26% of millennials admit they tend to challenge or question formal authority or traditional "chains of command" in the workplace.

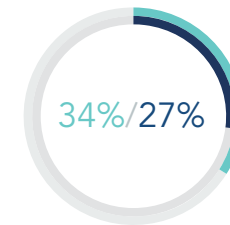
This could spell further trouble for baby boomer job applicants. For example, millennials with hiring responsibilities might suspect that baby boomers will be difficult employees, if the latter believe their seniority should automatically command authority.

Exacerbating the potential for workplace tension, millennials are the most likely cohort to hold certain negative stereotypes about baby boomers. For example, the majority (60%) of millennials believe baby boomers

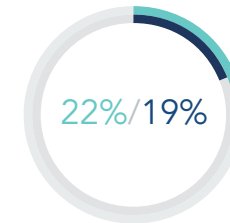
are behind the times when it comes to their grasp of technology. Also, more than half (53%) believe baby boomers are out of touch and disinterested when it comes to learning new skills.

Other differences between the two groups revolve around the desire for workplace flexibility. At this stage in their careers, many baby boomers are seeking more flexibility and time off, and less management responsibility than millennials. When considering what would drive their decision to accept one job or position over another, for example, 60% of baby boomers cited flexible work arrangements, compared with only 53% of millennials.

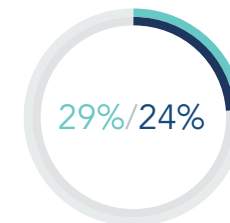
Globally, baby boomers are more willing than millennials to give up career advancement for:



Flexibility in their work schedule or more flexible work arrangements: **baby boomers 34%, millennials 27%**



Fewer management responsibilities or decreased scope in job responsibilities: **baby boomers 22%, millennials 19%**



Opportunity to work remotely: **baby boomers 29%, millennials 24%**



Additional vacation time: **baby boomers 23%, millennials 20%**

Baby boomers are redefining retirement

The preference of many baby boomers for more workplace flexibility doesn't mean that this group isn't willing to work hard, and for longer. According to an international survey of 16,000 respondents by the Aegon Center for Longevity and Retirement in 2015, a majority of workers now expect to retire later or transition gradually into retirement.⁷

Why? A major reason is human life expectancy, which has increased globally between 1970 and 2010.⁸ As health and longevity have improved, working in later life is making a comeback. Expectations of working past retirement also vary significantly by country, and are affected by government policies and pension arrangements.

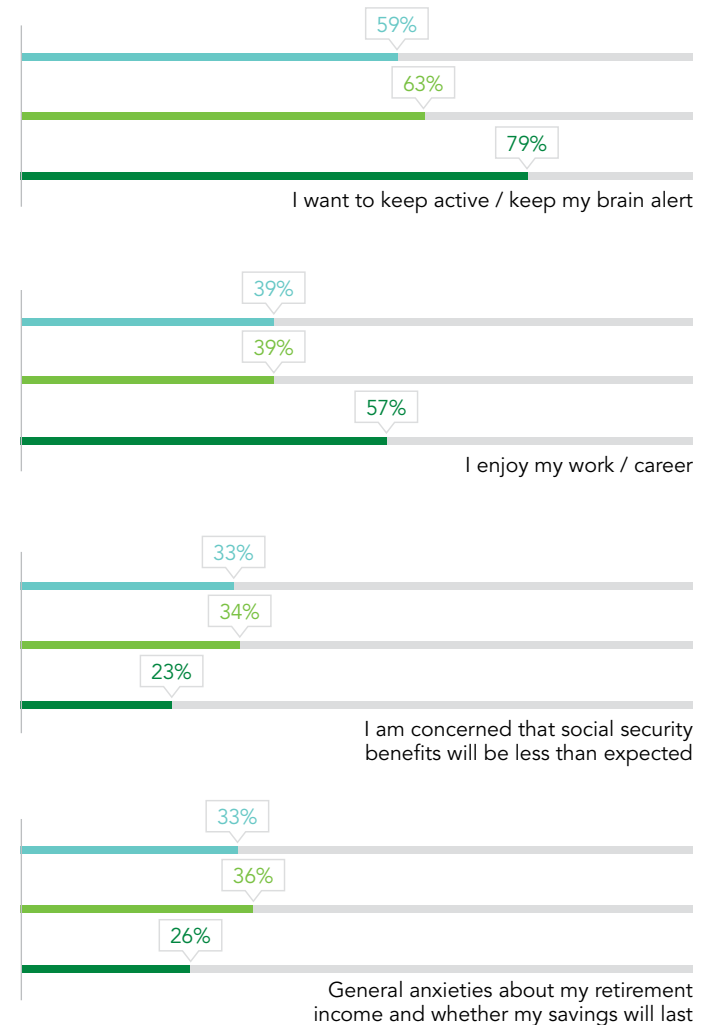
Research in 2014 by Merrill Lynch shows that the resurgence of older workers is especially strong in the U.S., where 20% of Americans retirees aged 65 or older are now employed.⁹

This is the highest percentage since the early 1960s, before Medicare was established. Significantly, however, these retirees were four times more likely to return to work because they *wanted* to (80%) than because they *had* to (20%). About half (52%) of the working retirees surveyed said they initially took a break when they first retired as a form of voluntary sabbatical. The average length of this "career intermission" was roughly two and a half years.

Globally, too, people generally cite positive reasons for continuing to work during their traditional retirement years. The study by Aegon found that workers aged between 55 and 64 were almost twice as likely to consider working in retirement because they enjoyed it (63%) rather than because of their general anxieties about retirement income and whether their savings would last (36%).

The new flexible retirement

● General average ● Age 55–64 ● Age 65+



Source: *The New Flexible Retirement*, Aegon Retirement Readiness Survey 2015.



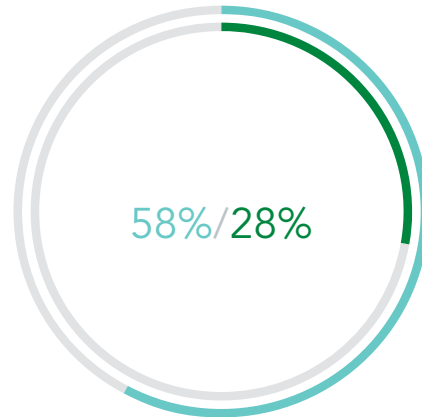
Contrary to stereotypes, older workers are the most entrepreneurial of all age cohorts. A total of 35% of baby boomers receive income from independent or freelance work.

Employers risk overlooking baby boomers' unique strengths

As baby boomers increasingly opt for diverse retirement and work pathways, employers have the opportunity to capitalize on a source of unique loyalty, dedication and institutional memory. Kelly's global workforce research shows that 42% of baby boomers felt "totally committed" to their current or most recent employer, compared with 39% of workers across all ages.

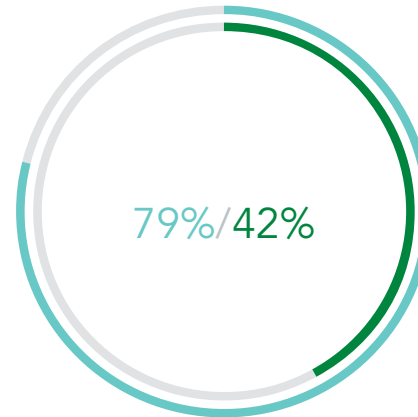
Contrary to stereotypes, older workers are the most entrepreneurial of all age cohorts. A total of 35% of baby boomers receive income from independent or freelance work. According to the research by Merrill Lynch, working retirees are also three times more likely than pre-retirees to own their business or be self-employed.¹⁰

Despite these strengths, only a minority of baby boomers feel that their vision of continuing to work on their own terms is being recognized or facilitated.



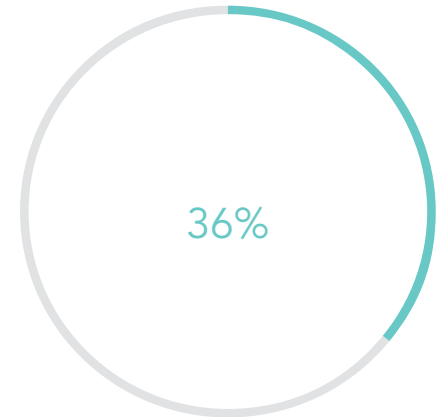
Phased retirement:

According to Aegon's latest international retirement survey in 2016, **58%** of workers of all ages say that phased retirement would be a very or extremely important workplace benefit. Yet only **28%** say that their employer offers phased retirement.¹¹



Skills training:

The vast majority (**79%**) of baby boomer workers feel their skills and knowledge will need to evolve or grow to keep up with changes in their line of work or industry. Yet less than half (**42%**) feel their company is actually investing in this training.



Making the most of their expertise:

Baby boomers feel their entrepreneurial talent is being underutilized. Only **36%** of baby boomers believe their current or most recent employer values entrepreneurial mindsets and experiences, the lowest percentage of any generation.



Even where a mature worker has retired, an organization could include them as part of an external talent pool and invite them back to contribute occasionally as they desire.

What next?

Every time a worker retires, an organization's skills, experience, corporate knowledge, and relationships drain away—and this takes time and money to replace. To help avoid these disruptions, employers need to better position themselves to attract and retain baby boomer talent. This means facilitating the desire of many baby boomers to flexibly wind down their working years, whether this involves someone having the freedom to start an "encore" career, or a senior executive looking to remain engaged on their own terms.

Here are some ideas for what a new work covenant with baby boomers might look like.

Implement a formal age inclusion policy

Organizations should be prepared to adopt, communicate, and enforce an age diversity and inclusion policy. Any existing policy should be reviewed and replaced if necessary. Ideally, the policy should clearly state the organization's aim to encourage, value, and

manage age diversity and its commitment to an inclusive workplace. It is also vital to monitor how effectively the policy actually works in practice. Employers should take action, where needed, to address age discrimination and promote greater age diversity.

Offer alternative work arrangements

Organizations might consider inviting workers near retirement age to design their preferred flexible part-time work schedule, as well as the opportunity to shift to less physically demanding roles. In addition, full medical benefits could be offered as a retention incentive for older workers who decide to move to part-time status. While costly, paying insurance can be cheaper than finding, onboarding, and training new talent.

Tap into baby boomer expertise

Organizations should create greater opportunities for baby boomers to participate in "intrapreneurship" activities such as

in-house startups. This will help satisfy their entrepreneurial urge and assertive, go-getter work ethic. In addition, teams on all important projects should exhibit age diversity. "In mixed-age teams, mentoring relationships develop more naturally," says Professor Peter Cappelli from the Wharton School at the University of Pennsylvania.¹² Even where a mature worker has retired, an organization could include them as part of an external talent pool and invite them back to contribute occasionally as they desire.

Invest in skills training

Organizations should invest in training all employees, including the oldest ones, to keep their skills up to date and relevant. As well as formal courses, this program should include reverse or reciprocal coaching, and mentoring. "Studies show that colleagues learn more from each other than they do from formal training, which is why it is so important to establish a culture of coaching across age

What next? (continued)

groups,” says Jeanne C Meister, a founding partner of human resources consultancy Future Workplace and coauthor of *The 2020 Workplace*.^{13 14}

Support retirement: financial planning

Organizations should offer baby boomers – along with all interested employees – access to qualified financial planning advice for their retirement, potentially through “lunch and learn sessions” or other in-person educational opportunities. This will help baby boomers make informed choices

and ease their anxiety about their future. It is also important to remove any financial disincentives in the organization’s workplace retirement plans. For example, employers could arrange for employees who continue to work past the retirement age to start receiving retirement benefits; alternatively, these workers could be allowed to either contribute towards or earn service credit in their employer plan. Baby boomers could also be given the opportunity to move into a less demanding role without it affecting their retirement benefits.

Maintain an active alumni/retirement network

Many mature workers are ready to take a break from working to relax, recharge, and retool through activities such as travel or volunteering for a nonprofit organization. At the same time, high performers will want to remain “top of mind” when they decide to go back to work. Employers should take advantage of the fact that their alumni will probably want to stay in touch— a good way to do this is by creating a formal corporate group.

Overview and methodology

Background

To better understand the motivations behind the empowered workforce, and how employers can best act and react to worker expectations, Kelly Services® developed the Kelly Global Workforce Index™ (KGWI), an annual global survey that is the largest study of its kind. In 2015, Kelly collected feedback from 164,000 workers across 28 countries, covering a variety of industries and occupations. In 2014, nearly 230,000 workers were polled across 31 countries.

This study takes a high-level look at the mindset of baby boomers in the workforce. It covers baby boomers' perceptions of current employment opportunities and challenges, their views on retirement, and their attitudes to other age cohorts. The study draws largely on worker preferences and psychographic insights from 2015 KGWI survey data, supplemented by insights from other organizations' research.

Visit kellyservices.com for additional reports, articles, and insights.

Footnotes

- ¹ Pew Research Center tabulations of monthly 1995 and 2015 Current Population Surveys, Integrated Public Use Microdata Series (IPUMS).
- ² Dan Kadlec, "This is the Toughest Threat to Boomers' Retirement Plans", *Time*, December 18, 2014, <http://time.com/money/3636470/retirement-boomer-employer-age-discrimination/>
- ³ AARP, *Staying Ahead of the Curve 2013*, AARP Multicultural Work and Career Study on Perceptions of Age Discrimination in the Workplace—Ages 45-74, http://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2013/Staying-Ahead-of-the-Curve-Age-Discrimination.pdf
- ⁴ Maria Heidkamp, Nicole Corre & Carl E. Van Horn, *The New Unemployables: Older Job Seekers Struggle to Find Work During the Great Recession*, 2010, http://www.bc.edu/content/dam/files/research_sites/agingandwork/pdf/publications/IB25_NewUnemployed.pdf
- ⁵ The European Commission, *Report: Discrimination in the EU in 2012*, http://ec.europa.eu/public_opinion/archives/ebs/ebs_393_en.pdf
- ⁶ EY, *Global generations: a global study on work-life challenges across generations*, p.8 [http://www.ey.com/Publication/vwLUAssets/EY-global-generations-a-global-study-on-work-life-challenges-across-generations/\\$FILE/EY-global-generations-a-global-study-on-work-life-challenges-across-generations.pdf](http://www.ey.com/Publication/vwLUAssets/EY-global-generations-a-global-study-on-work-life-challenges-across-generations/$FILE/EY-global-generations-a-global-study-on-work-life-challenges-across-generations.pdf)
- ⁷ Aegon, *The New Flexible Retirement*, The Aegon Retirement Readiness Survey 2015, <http://www.aegon.com/Documents/aegon-com/Research/Aegon-flexible-retirement-report.pdf>
- ⁸ The Global Burden of Disease Study 2010, *The Lancet*, <http://www.thelancet.com/gbd>
- ⁹ Merrill Lynch, *Work In Retirement: Myths And Motivations*, 2014, https://www.ml.com/publish/content/application/pdf/GWMOL/MLWM_Work-in-Retirement_2014.pdf
- ¹⁰ Merrill Lynch, *Work In Retirement: Myths And Motivations*, 2014, https://www.ml.com/publish/content/application/pdf/GWMOL/MLWM_Work-in-Retirement_2014.pdf
- ¹¹ Aegon, *A Retirement Wake-Up Call*, The Aegon Retirement Readiness Survey, p.33 2016_Retirement Readiness Survey sr_retirement_wake_up_call.pdf <http://www.aegon.com/Documents/aegon-com/Research/2016-Retirement-Survey/Aegon-Retirement-Readiness-Survey-2016.pdf>
- ¹² Quoted in Rebecca Knight, "Managing People from 5 Generations", *Harvard Business Review*, September 2014, <https://hbr.org/2014/09/managing-people-from-5-generations>
- ¹³ *ibid.*
- ¹⁴ Jeanne C Meister and Karie Willyerd, *The 2020 Workplace: How Innovative Companies Attract, Develop, and Keep Tomorrow's Employees Today*, HarperCollins, 2010.



About Kelly Services

As a global leader in providing workforce solutions, Kelly Services, Inc. (Nasdaq®: KELYA, KELYB) and its subsidiaries, offer a comprehensive array of outsourcing and consulting services as well as world-class staffing on a temporary, temporary-to-hire, and direct-hire basis. In 2016, the Company is commemorating 70 years of industry leadership. Kelly has a role in managing employment opportunities for more than one million workers around the globe by employing 550,000 of these individuals directly with the remaining workers engaged through its talent supply chain network of supplier partners. Revenue in 2015 was \$5.5 billion. Visit kellyservices.com and connect with us on Facebook®, LinkedIn®, and Twitter®.



kellyservices.com

This information may not be published, broadcast, sold, or otherwise distributed without prior written permission from the authorized party.

All trademarks are property of their respective owners
An Equal Opportunity Employer. © 2016 Kelly Services, Inc. 16-0019

EXIT