



**MAINE JOBS COUNCIL
120 State House Station
Augusta, Maine 04333-0120**

Maine's Aging Workforce: Opportunities and Challenges

A report of the Maine Jobs Council
OLDER WORKER COMMITTEE

Promoting the Value of Maine's Older Workers



Issued Fall, 2008

PHONE: (207) 621-5087

Augusta, Maine

TTY: 1-800-794-1110

E-Mail: Garret.J.Oswald@Maine.gov

Older Worker Committee of the Maine Jobs Council
Maine's Aging Workforce: Opportunities and Challenges

Maine's Aging Workforce: Opportunities and Challenges

Maine Jobs Council
OLDER WORKER COMMITTEE
Promoting the Value of Maine's Older Workers

*The Older Worker Committee of the Maine Jobs Council promotes and supports Maine's
Older Workers through advocacy, education and policy development.*

Report compiled by Katherine Ferguson, *Maine Department of Labor*

Contributors:

Phyllis Cohn, *AARP*
Amanda Rector, *Maine State Planning Office*
Dana Evans, Glenn Mills, Merrill Huhtala, *MDOL, Center for Workforce
Research and Innovation*
Garret Oswald, *Maine Jobs Council*
Alicia Kellogg, *Department of Administrative & Financial Services*
Derrick Grant, *Department of Health & Human Services*
Peaches Bass, *MDOL Office of the Commissioner*
Mary Frances Gamage, *MDOL Bureau of Employment Services*

October, 2008

The Maine Department of Labor provides equal opportunity in employment and programs.
Auxiliary aids and services are available to individuals with disabilities upon request.
Tel: (207) 623-7900 TTY: 1-800-794-1110 Fax: (207) 287-5292

Maine's Aging Workforce: Opportunities and Challenges

Three important trends - an *aging workforce*, a *projected labor shortage* and the *intention of many people to continue to work beyond traditional retirement age* - will have a dramatic impact on the workforce.

Aging Workforce

The workforce, and the population as a whole, is aging. Here in Maine, the 50+ population will double by the year 2030. By 2012, nearly 20% of the U.S. workforce will be age 55 and older. This trend is largely attributed to the aging of the "Baby Boomers", lowered birth rates and longer life expectancies.

Labor Shortages

The second trend is that labor shortages are projected in a growing number of sectors of the economy, and there are not enough younger workers in Maine to replace the potential number of retiring workers. Colgan, 2006.

Deferred Retirement

Finally, many workers intend to continue to work beyond traditional retirement age. Research shows that 68% of workers between the ages of 50 and 70 who have not yet retired report they plan to work in some capacity into their retirement years, or never retire. AARP, 2005

Adapting to a Transitioning Workforce

The information in this report is a start toward providing the background needed to make informed decisions regarding the workforce. If you are an employer, have you considered practices to attract and retain mature workers in order to gain and maintain a competitive advantage? Is your company slow to adapt to the changing workforce? Do you recognize negative stereotypes and outdated notions about the value of older workers?



Maine Population

In 2020 there will be an estimated population of 640,779 people over the age of 50 in Maine. In 2007 there were only 475,269 people over the age of fifty living in the state.

Population and Projection Comparison for Counties in Maine

County	<u>2020</u>	<u>2005</u>
Androscoggin	48,644	35,231
Aroostook	33,857	28,630
Cumberland	135,641	91,309
Franklin	12,211	10,081
Hancock	27,427	20,511
Kennebec	57,558	41,936
Knox	21,149	16,058
Lincoln	18,941	14,608
Oxford	27,231	20,330
Penobscot	63,649	48,406
Piscataquis	8,977	7,091
Sagadahoc	19,325	12,464
Somerset	23,984	18,361
Waldo	19,358	13,804
Washington	14,728	12,904
York	108,100	68,717

State Planning Office, 2008

The industry sectors in Maine that employ the most workers over the age of 55 are Healthcare and Social Assistance with 19,956 people, Educational Services with 16,900 and Retail Trade with 15,440 people.

Older Worker Breakdown by County

	Men				Women			
	55-64	%	65-99	%	55-64	%	65-99	%
Androscoggin	3,678	14%	1,063	4.16%	4,041	13.83%	809	2.77%
Aroostook	2,167	15%	609	4.30%	2,299	15.61%	547	3.71%
Cumberland	11,621	14%	3,322	4.11%	12,519	14.40%	2,653	3.05%
Franklin	944	17%	206	3.62%	967	16.06%	183	3.04%
Hancock	1,817	17%	519	4.93%	1,828	16.20%	513	4.55%
Kennebec	4,344	16%	1,141	4.24%	5,061	16.07%	1,006	3.19%
Knox	1,374	17%	420	5.13%	1,576	17.52%	408	4.53%
Lincoln	767	16%	295	6.28%	1,149	18.75%	303	4.95%
Oxford	1,475	17%	397	4.51%	1,372	15.37%	351	3.93%

Penobscot	5,305	16%	1,509	4.43%	5,257	14.84%	1,030	2.91%
Piscataquis	475	19%	145	5.88%	539	17.60%	108	3.53%
Sagadahoc	2,010	20%	337	3.35%	975	16.87%	186	3.22%
Somerset	1,455	16%	353	3.86%	1,384	15.66%	293	3.31%
Waldo	749	16%	222	4.79%	979	16.96%	207	3.59%
Washington	791	19%	241	5.64%	977	17.07%	246	4.30%
York	4,281	14%	1,368	4.57%	2,565	7.72%	1,321	3.98%
LED,2007								

In Maine, 79% of all people age 45-54 are employed. For those ages 55-64, 61.5% are employed. As people reach retirement age there is a drastic decline in employment numbers. For example, for ages 65-74 only 21.3% of people are employed and 5.3% of people over the age of 75 are employed.

However, data strongly suggests that we will begin to see a downward shift in the numbers of retirees. 69% of individuals between the ages of 45 and 74 who are either working or are looking for work plan to work in some capacity during "retirement". AARP, 2005. (See "Engaging Older Workers" section in this report).

*"I have to work to pay the bills; I am the main income provider in my household."
 - Marie, age 61*

Workers can get Social Security retirement benefits as early as age 62, but if they retire before full retirement age, the benefits will be **permanently** reduced, based on age. For example, if a person retires at age 62, the benefit would be about 25 percent lower than it would be if they waited until reaching full retirement age.

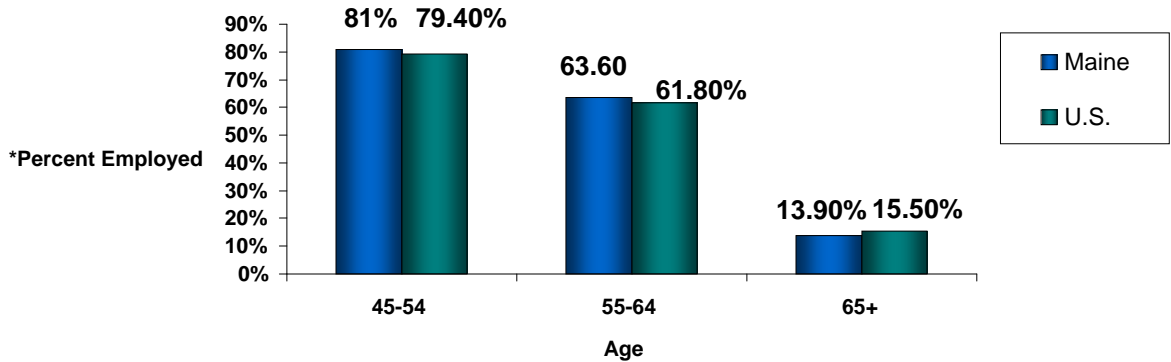
Some people stop working before age 62. However, if they do, the years with no earnings will probably mean a lower Social Security benefit when they retire.
 Social Security Administration, 2008

When people work longer, it also assists the community by generating additional payroll and income taxes to help fund government services such as retirement benefits.



Employment Status

2007 Employment Status Comparison between Maine and U.S.



Maine			United States		
Age	Percent Employed	Number of People Employed	Age	Percent Employed	Number of People Employed
45-54	81.00%	177,000	45-54	79.40%	34,563,000
55-64	63.60%	114,000	55-64	61.80%	20,108,000
65+	13.90%	25,000	65+	15.50%	5,614,000

US Census Bureau, 2007

*percentages based upon total population within age group
Employed Persons. These are all persons who, during the reference week (the week including the 12th day of the month), (a) did any work as paid employees, worked in their own business or profession or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of their family, or (b) were not working but who had jobs from which they were temporarily absent because of vacation, illness, bad weather, childcare problems, maternity or paternity leave, labor-management dispute job training, or other family or personal reasons, whether or not they were paid for the time off or were seeking other jobs. Each employed person is counted only once, even if he or she holds more than one job

For men ages 55-64, the manufacturing industry sector has the top employment numbers. The finance and insurance industry has the top monthly wages in 10 of the counties.

Retail trade has the highest employment rates for men ages 65 and older. The industry with the top monthly earnings varies between finance and insurance, health care and social assistance, and management of companies and enterprises.

In 10 of the 16 Maine counties health care and social assistance is the industry employing the most women ages 55-64. There are numerous industries with the highest monthly wages including utilities, finance and insurance as well as management of companies and enterprises.

For women 65+, health care/social assistance has the highest employment numbers in 12 of the 16 counties. Information and finance and insurance are the industries with the top monthly earnings.

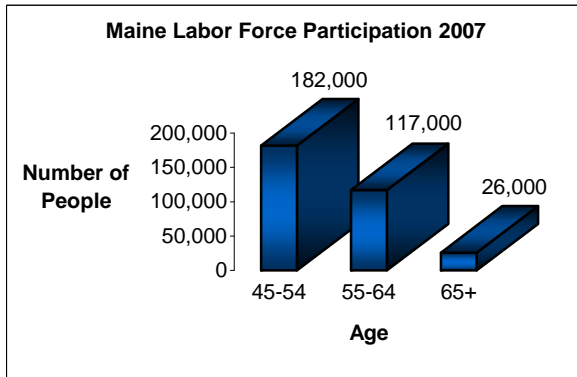
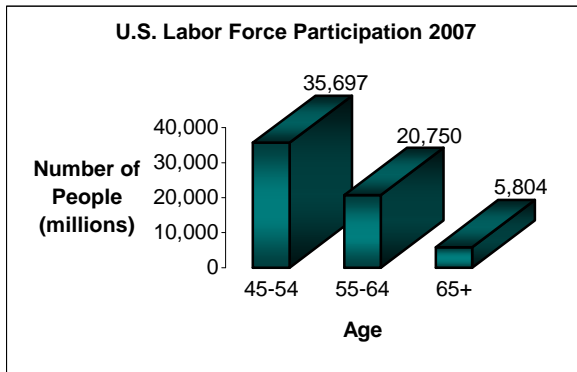
Looking Forward

The United States Bureau of Labor Statistics and Maine's Department of Labor indicate:

For ages 45-54 there are projected to be 170,000 people working in 2016, a decrease from the 2007 data below.

For those ages 55-64 there are approximately 156,000 people who are projected to be employed.

For people 65 and older there are projected to be 45,000 people employed in 2016.



Both the 55-64 and 65+ age groups are projected to see an increase in employment in 2016 compared to 2007.

US Census Bureau, 2007

Engaging Older Workers

There are many benefits to hiring individuals who have valuable life experience. I have found employees that are 50 years of age or more to be very reliable and dependable. They typically are trust-worthy, self-confident and determined to provide excellent service to our clients. It can be challenging working with elderly clients with many medical problems; however our older workforce offers experience and confidence which put many clients at ease.

-Abbey Lucas, Employer, Aging Excellence

Can a business case be made for attracting and retaining older workers? We know that people are continuing to work and want to work past traditional retirement age for a number of reasons. Not surprisingly, "working to live" is still the main driver as to why people want to continue to work. In these uncertain economic times, needing income and health care coverage is paramount. But also high on the list is working for fulfillment; a way to attain those valuable intangibles that people sometimes miss if they are not employed, including being productive, making a contribution to society and having a reason to get up in the morning.

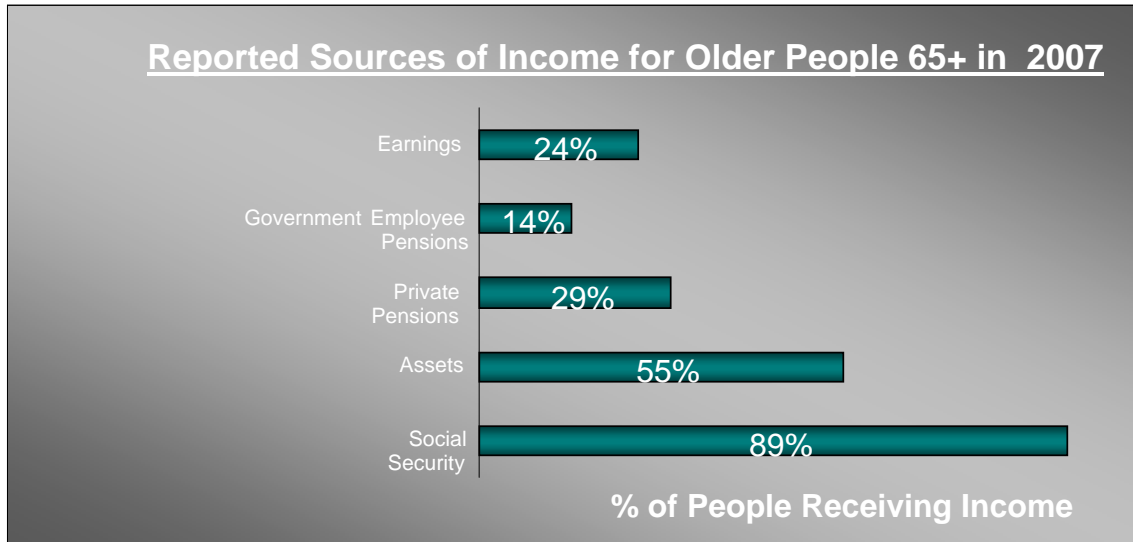
The negative stereotypes about age are eroding as today's 50+ population redefines aging. They are demonstrating that they expect to and continue to be productive, engaged and active well into their 60's, 70's and beyond.

The traits exhibited by midlife and older workers take on renewed value in today's economy - traits such as *work experience, attention to task, perseverance, fully developed work habits, loyalty and emotional maturity.*



"I am still working because it gives me a feeling of self-worth. I am still contributing."

- Cheryl, age 68



“A Profile of Older Americans” DHHS, 2007

Attentive employers will find themselves creating flexible work schedules, telecommuting options, training and education opportunities, phased retirement, and chances for mentoring, all designed to encourage workers 50+ to remain on the job beyond the age at which they otherwise might retire.



“Job sharing allows me the convenience of enjoying free time while staying connected.”

-Leah, Age 71

Other incentives abound. For example, one innovation is “snow-bird” programs created by some larger employers. These flexible job arrangements allow employees to move between facility locations at different times of the year, as they move between residences.

Finding creative ways such as this to keep an employee’s “institutional knowledge” with the company provides a win-win for everyone.

“I enjoy the people I work with as well as the flexibility they allow me to have with my scheduling.”

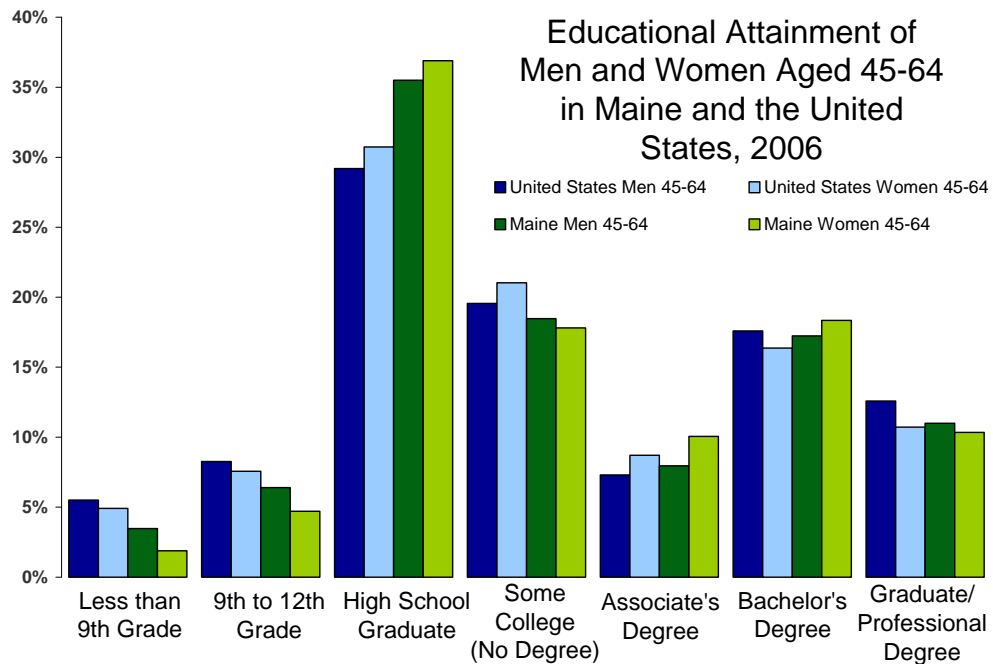
-Mickey, age 71

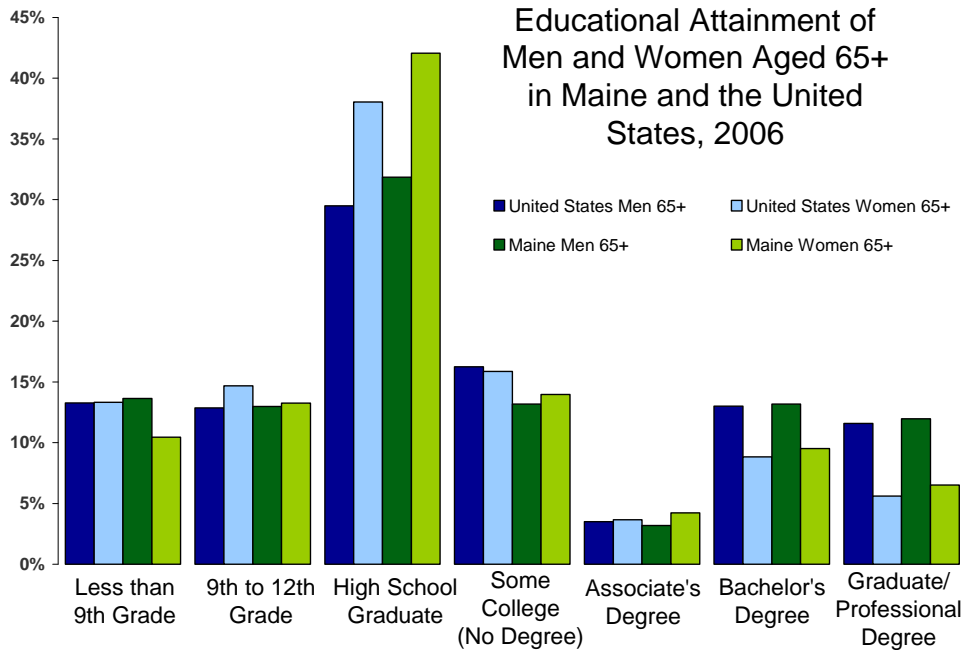


Education

Another incentive to older workers includes access to continuing education and the opportunity for additional training. The charts below illustrate national and Maine percentages of levels of education for people over the age of 45.

*"I love to learn new things; working allows me not only to pay the bills but to continue learning."
-Paul, age 57*





US Census Bureau, American Community Survey 2006

Caregiving and Volunteerism

Maine is a place where people have traditionally cared about each other and their communities. One visible result may be seen in the numbers of those who participate in care giving or volunteering.

"I am raising my granddaughter and need to work to send her to college." -Alfred, age 65



This report uses the definition of **caregiver** approved by the National Family Caregivers Association: "Family and friends providing long-term care at home". According to NFCA, 154,000 Maine people directly provided care to others in 2007, in good company with 34 million caregivers nationwide.

30% of family caregivers caring for seniors are themselves aged 65+.

National Family Caregivers Association 2006

2007 Maine		USA
# of Caregivers	154,000	34,000,000
# of Care giving hours (millions)	167	36,720
Value of Care giving (millions)	\$1,680	\$350,000

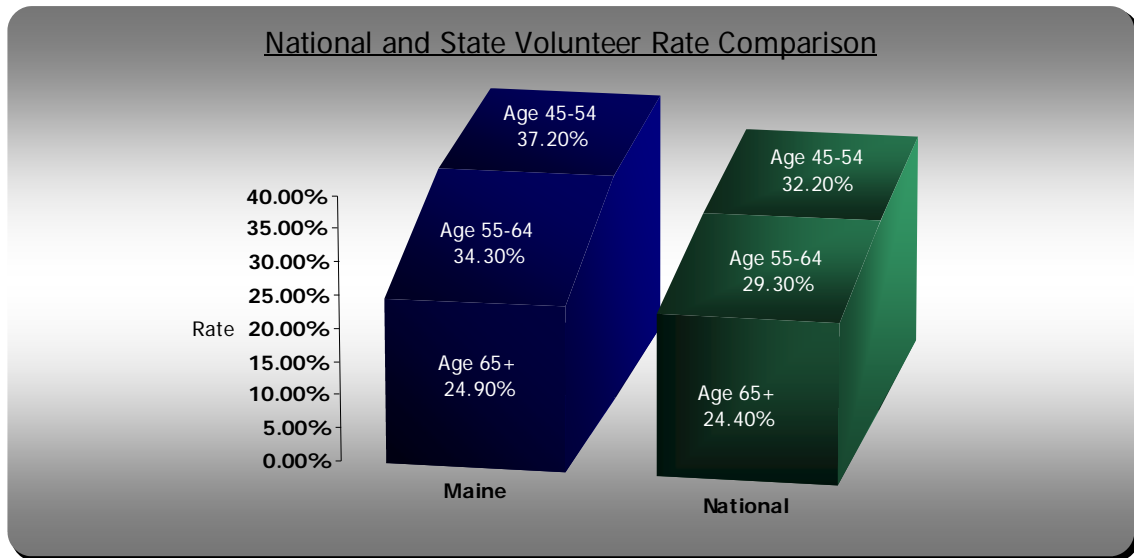
National Family Caregivers Association 2006

Volunteers also make a valued contribution to their communities. Traditionally defined as an “unpaid helper”, someone who assists other for no financial reward, volunteers play a vital role in programs and places such as Meals on Wheels, Volunteers of America, local hospitals and many others.

In a 2008 report, the Corporation for National and Community Service defines volunteers as persons age 16 and older who serve through or with an organization without pay at any point during a 12 month-period.

Although the data for caregiving is not as complete as that for volunteering, it appears that many older workers in Maine currently provide care or volunteer in their community. In most cases their efforts provide them benefits such as gaining new skills, meeting other active people, performing meaningful work and enjoying new experiences.

“Once I am finished working I plan to volunteer my time.” – Leslie, age 64



Corporation for National and Community Service, 2006

Volunteers can relate their interests to their volunteer work. Opportunities are available in every community, such as assisting with recreational sports, arts or crafts, educational or youth programs, or volunteering time at hospitals, nursing homes or senior centers.

Challenge

The Maine Department of Labor predicts that between 2002 and 2012, 83% of labor force growth will be among people ages 55 and higher. MDOL LMIS, "Older Workers in Maine 2005"

With a significant segment of Mainers approaching retirement age, what will happen within employee populations and businesses as the demographics of the labor force change? This report was developed to highlight some of the issues around Maine's aging workforce and encourage the important discussion of how these changes will impact our state.

"I am working because I want to stay active and I also want to be a positive influence on the young people I work with." – Mike, age 58



Resources

Maine Department of Health and Human Services has a complete resource list on-line at <http://www.maine.gov/dhhs/beas/resource.htm>

A sampling of other resources specific to Maine's older workers includes:

American Association of Retired Persons (AARP)
(toll free) 1-866-554-5380

Aroostook County Action Program (ACAP) SCSEP
(toll free) 1-800-432-7881

Maine Office of Elder Services, Senior Community Service Employment Program (SCSEP)
207-287-9200(toll free) 1-800-262-2232, TTY 1-888-720-1925

National Able Network, SCSEP
1-800-655-6073

Older Worker Committee of the Maine Jobs Council
(toll free)1-888-457-8883

University of Maine Center on Aging
207-262-7920

Training Development Corporation (TDC) at Tri-County CareerCenter (Bangor)
(toll free)1-888-828-0568

Goodwill Industries of Northern New England, at Portland CareerCenter (Portland)
(toll free) 1-800-244-5891 x 460

Aging Excellence (Portland)
207-771-0991

Sources

- Colgan, Charles. Maine's Aging Economy and the Economy of Aging. Muskie Publications. Sept. 2006. Muskie School of Public Service. 7 Oct. 2008
<http://muskie.usm.maine.edu/m_view_publication.jsp?id=3710>.
- Harrington, Paul E, and Neeta P Fogg. The Projected Population and Labor Force Outlook for the 55 and Older Population in Maine, 2005-2015- Demographic Characteristics and Labor Force Attachment of Maine's Population Ages 55 and Older. clms.neu.edu. Nov. 2006. Northeastern University. 5 June 2008
<<http://www.clms.neu.edu/>>. Path: Projects.
- Johnson, Richard W, Gordon B.T. Mermin, and Matthew Resseger. "Employment at Older Ages and the Changing Nature of Work." AARP. 2007. Aug. 2008
<http://www.aarp.org/research/work/employment/2007_20_work.html>.
- Maine State Planning Office. Population Projections to 2030 by County and Age Cohort (Including State Totals). Sept. 2008. 20 Aug. 2008 <[http://www.maine.gov/spo/economics/docs/projections/ByCountyAndAgeCohort\(IncludingStateTotal\).xls](http://www.maine.gov/spo/economics/docs/projections/ByCountyAndAgeCohort(IncludingStateTotal).xls)>.
- National Family Caregivers Association. "Caregiving Statistics." The Family Caregiver. National Family Caregivers Association. 8 July 2008
<http://www.thefamilycaregiver.org/who_are_family_caregivers/care_giving_statistics.cfm#1>.

- United States. Bureau of Labor Statistics. "Employment status of the civilian noninstitutional population by sex, race, Hispanic or Latino ethnicity, and detailed age, 2007 annual averages--continued Maine." Preliminary 2007 Data on Employment Status by State and Demographic Group. By Division of Local Area Unemployment Statistics. 22. [bls.gov](http://www.bls.gov/lau/ptable14full2007.pdf). 2007. 3 June 2008 <<http://www.bls.gov/lau/ptable14full2007.pdf>>.
- - -. Cong. The Library of Congress. Issues in Aging: Unemployment and Older Workers. By Julie M Whittaker. CRS Report for Congress. 31 Jan. 2005. Congressional Research Service. 11 Sept. 2008 <http://74.125.95.104/search?q=cache:WiBXFZHV-u8J:opencrs.com/rpts/RL32757_20050131.pdf+Issues+in+Aging:+Unemployment+and&hl=en&ct=clnk&cd=1&gl=us>.
- - -. Department of Health and Human Services. A Profile of Older Americans: 2007. By Administration on Aging. [aoa.com](http://www.aoa.gov). 2007. 22 May 2008 <<http://www.aoa.gov/prof/statistics/profile/2007/2007profile.pdf>>.
- - -. The Government Accountability Office . OLDER WORKERS Some Best Practices and Strategies for Engaging and Retaining Older Workers. By GAO. 1-11. [gao.gov](http://www.gao.gov). 28 Feb. 2007. United States Government Accountability Office. 24 May 2008 <<http://www.gao.gov/new.items/d07433t.pdf>>.
- - -. National & Community Service. "Maine." Maine Volunteering in America 2007. By National & Community Service. http://www.nationalservice.gov/pdf/VIA/VIA_synopsis_ME.pdf. 2007. 2 July 2008 <http://www.nationalservice.gov/pdf/VIA/VIA_synopsis_ME.pdf>.

- - -. U.S. Census Bureau. "Academic Achievement Levels." 2006 American Community Survey. By Census Bureau. US Census Bureau. Aug. 2008
<<http://www.census.gov/>>. Path: 2006 American Community Survey; Academic Achievement Levels 2006.
- - -. - - -. "Geographic Area: Maine." S2301: Employment Status Data Set: 2005 American Community Survey. By Census Bureau. census.gov. 2005. 6 June 2008
<<http://www.census.gov/>>. Path: American Community Survey.
- - -. US Social Security Administration. "What You Need to Know About Benefits."
Understanding the Benefits. ssa.gov. 2 Oct. 2008 <<http://www.socialsecurity.gov/pubs/10024.html#aboutbenefits>>.

