

About the Issue

America's Population is Aging

- In 2006, the first of the 77 million “baby boomers” (Americans born between 1946 and 1964) turned 60 and began to retire. By comparison, there are 48 million people born between 1963 and 1978 (“Generation X”).
- According to the U.S. Census Bureau, the number of people older than 65 will more than double between 2000 and 2050.
- Overall, the boomer generation accounts for up to 60 percent of today's workforce. As these workers begin to retire and leave vacancies, employers in all sectors will be pressed to replace them with younger workers who may lack the skills and experience the older workers brought to the workplace. This knowledge and experience gap will hit some industries and sectors particularly hard.

We Can't Afford Not to Keep Older Americans Engaged

- The baby boomers represent the most active, healthy, and educated retiring generation in the history of the United States. This demographic sea change presents an incredible opportunity for businesses, communities, and non-profit organizations. In fact, we cannot afford to miss this opportunity to engage mature and older workers in continued employment and charitable services.
- With labor shortages in health care, engineering, education, government and other sectors, it is in our national interest to usher the generation that invented computers and modern medicine into an active phase of life that may include flexible paid work as well as charitable services or pro bono work.
- There is a mismatch between the *increasing* number of retirees and the *decreasing* number of younger workers available to replace them. This imbalance will strain workplaces and place a premium on finding ways to keep older people in the workforce and, when necessary, retrain or develop their skill sets so they can take on new or expanded responsibilities.
- Baby boomers will be more likely to give their time, talent, skills and abilities if charitable work is structured and meaningful and uses their gift of time in a way that has a positive impact on an individual, organization or community. This generation can mentor kids, prepare tax returns, give medical advice and perform other high-skill services.
- Research indicates that adults who are active and engaged are healthier longer and less reliant on federal programs such as Medicare and Medicaid.

Many Baby Boomers Want to Continue Working and Others Need to Because Their Retirement Savings or Income is Insufficient

- Many older people plan to continue working beyond traditional retirement age, some because they want to – they enjoy their work; others because they have to – they need the money. For a number of reasons, including shrinking industries, layoffs, stock market fluctuations, and inadequate personal savings, working in retirement –once considered an oxymoron – is the new reality for many Americans.
- A recent AARP survey of 1,200 baby boomers found that more than 80 percent expect to work at least part-time in their retirement years.

- Many barriers discourage people from continuing to work. Social Security caps how much income retirees can make without losing their benefits, and some employer pension plans require retirement by a certain age. Many workplaces do not offer flexible schedules that many older workers seek.
- An AARP study found that nearly two in five workers would like to phase into retirement, by gradually reducing their hours. Almost four out of five of those interested in phased retirement said that the option would encourage them to continue working beyond their anticipated age of retirement. In some defined benefit pension plans, however, an employee's pension size is related to the most recent years' salary levels, creating a major disincentive for phased retirement.