California’s Older Workforce
Untapped Value for Today’s Businesses

California Employment Development Department
C2ER Webinar
November 28, 2012
U.S. Workforce Trends

U.S. Population 2010
- 308.7 Million

55 and Over Population
- 76.2 Million
  (25 percent share of resident population)

U.S. Population 2020
- 341.4 Million (+11%)

55 and Over Population
- 97.8 Million
  (29 percent share of resident population)

Source: Bureau of Labor Statistics
U.S. and California Labor Force Trends

**U.S. Labor Force Share**
55 years and over

- 11.9% (1990)
- 13.1% (2000)
- 19.5% (2010)
- 25.2% (2020)

**California Labor Force Share**
55 years and over

- 11.7% (2000)
- 18% (2010)

Source: Bureau of Labor Statistics
California Labor Force Participation

Labor Force Participation Rates By Age Cohort in California:
December 2006 - December 2011
(12-Month Average of Current Population Survey Data)

- **ALL AGES**
- **16-24**
- **25-54**
- **55 and Older**
California Unemployment Rate by Age

Unemployment Rates by Age in California in 2011
(Source: Current Population Survey of Households)

<table>
<thead>
<tr>
<th>Age Cohort</th>
<th>Unemployment Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL AGES</td>
<td>11.6</td>
</tr>
<tr>
<td>16-24</td>
<td>21.6</td>
</tr>
<tr>
<td>25-34</td>
<td>11.5</td>
</tr>
<tr>
<td>35-44</td>
<td>9.2</td>
</tr>
<tr>
<td>45-54</td>
<td>9.9</td>
</tr>
<tr>
<td>55+</td>
<td>9.1</td>
</tr>
<tr>
<td>55-64</td>
<td>9.2</td>
</tr>
<tr>
<td>65-74</td>
<td>9.2</td>
</tr>
<tr>
<td>75+</td>
<td>7.3</td>
</tr>
</tbody>
</table>
What’s Driving Older Workers to Return to Work or Delay Retirements?

- **National Retirement Risk Index**

  Measures the share of households “at risk” of being unable to maintain their pre-retirement standard of living in retirement.

  **Number of Years Beyond Age 65 That Households Must Work to Maintain Standard of Living**

  - 48% for Zero Additional Years
  - 23% for 1 to 3 years
  - 17% for 4 to 6 years
  - 12% for 7 plus years

  Source: Center for Retirement Research at Boston College
Quarterly Workforce Indicators (QWI)

Economic Indicators
- Employment
- Net Job Flows
- Job Creation
- New Hires
- Separations
- Job Turnover
- Earnings

Economic Indicator Query Variables

Geography
- State
- County
- Metropolitan
- Workforce Investment Area

Demography
- Age
- Gender
- Race/Ethnicity

Industry
- NAICS Industries
California’s Emerging Industries

California’s Emerging Industries by Age Cohort (2011)

Source: U.S. Census Bureau, Quarterly Workforce Indicators
### California’s Older Workforce

#### Employment by Gender

<table>
<thead>
<tr>
<th>NAICS Industries</th>
<th>Jobs</th>
<th>Share of Male Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Service Restaurants</td>
<td>30,603</td>
<td>12%</td>
</tr>
<tr>
<td>Motion Picture and Video Ind.</td>
<td>28,112</td>
<td>20%</td>
</tr>
<tr>
<td>Architectural, Engineering, and Related Services</td>
<td>26,138</td>
<td>23%</td>
</tr>
<tr>
<td>Services to Buildings and Dwellings</td>
<td>21,846</td>
<td>18%</td>
</tr>
<tr>
<td>Employment Services</td>
<td>21,751</td>
<td>12%</td>
</tr>
<tr>
<td>Grocery Stores</td>
<td>21,732</td>
<td>14%</td>
</tr>
<tr>
<td>Investigation and Security Serv.</td>
<td>21,284</td>
<td>23%</td>
</tr>
<tr>
<td>Limited-Service Eating Places</td>
<td>20,307</td>
<td>10%</td>
</tr>
<tr>
<td><strong>General Medical and Surgical Hosp.</strong></td>
<td>19,493</td>
<td>21%</td>
</tr>
<tr>
<td>Support Activities for Crop Prod.</td>
<td>19,067</td>
<td>21%</td>
</tr>
</tbody>
</table>

#### Largest Concentration of the Male Workforce 55 and Over

- General Medical and Surgical Hosp.: 67,157 (24%)
- Motion Picture and Video Ind.: 33,734 (20%)
- Architectural, Engineering, and Related Services: 26,138 (23%)
- Services to Buildings and Dwellings: 21,846 (18%)
- Employment Services: 21,751 (12%)
- Grocery Stores: 21,732 (14%)
- Investigation and Security Serv.: 21,284 (23%)
- Limited-Service Eating Places: 20,307 (10%)
- **General Medical and Surgical Hosp.:** 19,493 (21%)
- Support Activities for Crop Prod.: 19,067 (21%)

### Largest Concentration of the Female Workforce 55 and Over

<table>
<thead>
<tr>
<th>NAICS Industries</th>
<th>Jobs</th>
<th>Share of Female Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Medical and Surgical Hosp.</td>
<td>67,157</td>
<td>24%</td>
</tr>
<tr>
<td>Offices of Physicians</td>
<td>33,734</td>
<td>18%</td>
</tr>
<tr>
<td>Full-Service Restaurants</td>
<td>25,387</td>
<td>10%</td>
</tr>
<tr>
<td>Employment Services</td>
<td>22,292</td>
<td>15%</td>
</tr>
<tr>
<td>Limited-Service Eating Places</td>
<td>20,826</td>
<td>8%</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>20,289</td>
<td>18%</td>
</tr>
<tr>
<td>Nursing Care Facilities</td>
<td>18,837</td>
<td>21%</td>
</tr>
<tr>
<td>Department Stores</td>
<td>18,783</td>
<td>17%</td>
</tr>
<tr>
<td>Individual and Family Services</td>
<td>18,302</td>
<td>22%</td>
</tr>
<tr>
<td>Legal Services</td>
<td>17,291</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Quarterly Workforce Indicators
California’s Older Workforce Separations 55 and over

Separations: Estimated number of workers whose job with a given employer ended in a specified quarter.

<table>
<thead>
<tr>
<th>NAICS Industries</th>
<th>Separations</th>
<th>Share of Separations</th>
<th>Share of Industry Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support Activities for Crop Production</td>
<td>113,605</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>Motion Picture and Video Industries</td>
<td>71,628</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>Employment Services</td>
<td>67,910</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>Full-Service Restaurants</td>
<td>48,232</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>Fruit and Tree Nut Farming</td>
<td>43,305</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Accounting, Tax Preparation, Bookkeeping, and Payroll Services</td>
<td>26,353</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Limited-Service Eating Places</td>
<td>22,438</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Services to Buildings and Dwellings</td>
<td>19,165</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>Management, Scientific, and Technical Consulting Services</td>
<td>18,701</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Offices of Physicians</td>
<td>16,486</td>
<td>17%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Quarterly Workforce Indicators
California’s Older Workforce
Job Turnover Rates

*Job Turnover: An average of the number of new workers joining a firm and the number leaving a firm.*

<table>
<thead>
<tr>
<th>NAICS Industries</th>
<th>Age Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22-24</td>
</tr>
<tr>
<td>Motor Vehicle Manufacturing</td>
<td>16%</td>
</tr>
<tr>
<td>Support Activities for Crop Prod.</td>
<td>30%</td>
</tr>
<tr>
<td>Employment Services</td>
<td>30%</td>
</tr>
<tr>
<td>Residential Building Construction</td>
<td>18%</td>
</tr>
<tr>
<td>Educational Support Services</td>
<td>21%</td>
</tr>
<tr>
<td>Building Finishing Contractors</td>
<td>18%</td>
</tr>
<tr>
<td>Accounting, Tax Preparation, Bookkeeping, and Payroll Services</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Quarterly Workforce Indicators
California’s Older Workforce County Trends

California’s 55 and Over Workforce: Percentage Point Change in Workforce Share by County 2000-2010

Source: U.S. Census Bureau, Quarterly Workforce Indicators
Benefits of Older Workers (Employer’s View)

- Professionalism
- Leadership Skills
- Problem Solving Ability
- Communication Skills
- Dedication
- Detail Oriented

Source: Adecco Staffing Mature Worker Survey (2012)
What are Employers Concerns?

Areas of Concern

- Insufficient Skills
- Retraining Efforts
- Rise in Health Care Costs
- Retention
Employer Retention Strategies

- Flexible Work Schedules
- Telecommuting
- Job Sharing
- Snowbird Programs
- Phased Retirement Programs
- Reverse Mentoring

Source: The Urban Institute
Employer Innovation Converts Challenges into Success

**BMW’s Demographic Challenge**

- Average age of plant workers to rise from 39 to 47 by 2017.

- Older workers are more prone to injuries, due to the type of work.

- Goal: Maintain productivity and keep workforce intact.

Source: Harvard Business Review
Employer Innovation Converts Challenges into Success

BMW Workforce Share at Lower Bavaria Plant

2007 Production Line (Average Age: 39)
- Younger than 31: 20%
- 31-40: 32%
- 41-50: 30%
- Older than 50: 18%

2017 Production Line (Average Age 47)
- Younger than 31: 38%
- 31-40: 36%
- 41-50: 8%
- Older than 50: 18%

Source: Harvard Business Review
Employer Innovation Converts Challenges into Success

7 Percent gain in productivity & Reduced Absenteeism

Orthopedic Footwear
Adjustable Worktables
Large Handled Gripping Tools
Wooden Flooring
Stackable Transport Containers

Source: Harvard Business Review
Services Offered by California One-Stop Career Centers

One-Stop Career Centers
The centers provide employment resources, including specialists that know the labor market and can help in your job search.

CALJOBS
California’s internet system for linking employer job listings and job seeker listings and résumés.

Experience Unlimited Job Clubs
The clubs are sponsored by the Employment Development Department. Job Clubs are self-help, networking organizations for technical, managerial, sales, and executive job seekers. All levels of re-employment services are available. Job Clubs serve primarily those who are age 40 and over.

The California Department of Aging
The department serves as both a unifying force for services to seniors and as a focal point for federal, state, and local agencies that serve the elderly in California. It fulfills the goals outlined in the Older Americans Act and also acts as an advocate for seniors by striving to develop an environment which respects and values the state’s older residents.
Contact Information

Steve Saxton, Division Chief
Steve.saxton@edd.ca.gov

Spencer Wong, Deputy Division Chief
Spencer.wong@edd.ca.gov

Jeffrey Koller, Statewide Information Services Group Manager
Jeffrey.koller@edd.ca.gov

Brandon T. Hooker, Research Program Specialist
Brandon.hooker@edd.ca.gov