

Plight of an Aging Workforce

by

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TABLE OF CONTENTS

LIST OF TABLES	4
EXECUTIVE SUMMARY	5
POLICY RECOMMENDATIONS	7
INTRODUCTION	11
Data Source #1: Literature Review	12
Stereotypes and Barriers	13
Forced Early Retirement.....	14
Summary of Literature Review	15
Data Source #2: Secondary Data Analysis.....	15
Demographic Data and Projections.....	15
National Trends	15
California Trends.....	16
Economic, Age Discrimination and Other Relevant Data	23
National Trends	23
California Trends.....	28
Summary of Secondary Data	30
Data Source #3: Expanded Delphi Analysis.....	31
Delphi Methods.....	31
Delphi Results	33
Question 1	33
Question 2	35
Question 3	35

Question 4	36
Question 5	36
Question 6	37
Question 7	37
Summary of Delphi Analysis.....	38
CONCLUSION AND POLICY RECOMMENDATIONS	39
ACKNOWLEDGEMENTS.....	45
RELEVANT INTERNET WEB SITES	46
REFERENCES	47
APPENDIX A – Semi-Structured Interview Guide.....	51
APPENDIX B - Complete Delphi Results.....	53
APPENDIX C - Complete List of Participant Policy Recommendations	68

LIST OF TABLES

Table 1a – California Workforce Projections 1990 19

Table 1b – California Workforce Projections 2000..... 20

Table 1c- California Workforce Projections 2010 22

Table 2 - Charge Statistics from the EEOC for FY92 Through FY98..... 26

Table 3 - Age Discrimination in Employment Act (ADEA) Charges FY92 - FY98..... 27

EXECUTIVE SUMMARY

The U.S. population as a whole is aging as the baby boomers continue to age. This trend is also evidenced in California in the Caucasian population, and to some extent the black and Asian populations, but not in the Hispanic population (due largely to their higher fertility rates and continued immigration). This pattern of population aging will also soon be reflected in California's workforce. In fact the workforce is predicted to "grow older" somewhat faster than the general population due in part to older workers (particularly men) continuing to work (or re-entering the work force) at older ages.

Traditional stereotypes of older workers (e.g., being inflexible, sicker, unwilling to learn new technology) appear to be dissipating somewhat, but continue to persist at many levels. Such stereotypes have clearly had an influence on older workers' (particularly men's) labor force participation rates in the past. In addition, disincentives to continue work and strong incentives to retire have (until relatively recently) also had a negative impact on labor force, participation rates for older workers. In addition, business restructurings (particularly in California) appear to have had a negative impact on older workers in the form of increased age discrimination claims and relative higher unemployment, displacement and greater earnings loss when displaced. As a result, our review of the literature on older workers and analysis of background economic, demographic, and employment data, suggests California's workforce is aging and this aging workforce may continue to experience the age discrimination and barriers to employment in many forms.

From the Delphi data analysis, a few themes emerged that begin to answer the question of whether and why older workers in California are disproportionately affected by the restructuring of the economy. It is evident from our analysis that the impact of the recent recession on California's business climate was different than for the rest of the nation. There has been a structural shift from government, defense and aerospace industries to business services and retail trade. More management level positions were eliminated as a result of corporate mergers and downsizing than entry-level positions. In fact, while there is current economic growth in California, many of these new jobs are entry-level, lower paying jobs that are employing younger workers. These jobs are being created to replace the jobs eliminated by the recession, which were, for the most part, held by older workers.

When traditional stereotypes regarding older workers are added to this picture, there is some evidence to suggest that, intentional or not, changes in California's business climate have been disproportionately negative for older workers. It is important to note, however, that the Delphi respondents were split regarding this issue according to their "position of interest" (e.g. HR Director vs. over 40 worker).

When information from the literature review, secondary analysis, and Delphi techniques are combined, a coherent picture of “The Plight of the Aging Workforce” clearly emerges; indeed, there have been differential effects of the changing business climate on the older worker. On the other hand, these findings are linked to the ebb and flow of the California economy. The current economic expansion has muted somewhat the plight of California’s aging workforce. Economic conditions tend to cycle however, so while we may be riding the wave of the current extended economic expansion, the wave will crest and the question thus becomes: how will older workers, in particular, fare in California when it does? And what role does the State of California have in mitigating any negative results of changes in the business and economic climate? We hope the policy recommendations that follow provide the State with some initial direction for doing so.

POLICY RECOMMENDATIONS¹

Build partnerships for training. The 21st Century workplace environment will increasingly demand continuous re-training and re-tooling in order to keep pace with technological innovations. Therefore, the State Legislature should encourage through funding and government agency support a series of partnerships dedicated to upgrading the labor force, particularly with reference to older workers.

Offer incentives to employees for upgrading job skills and employers who provide such opportunities. A variety of incentives could be offered to employees who involve themselves in education/training to upgrade their job skills. For example, tuition subsidies, need-based tuition waivers, or tax incentives could be offered to employees to avail themselves of educational opportunities. In addition, direct tax credits to encourage employers to hire and train older workers should be established. For example, a tax reduction equal to a certain percentage of the wages paid to workers aged 65 and over, perhaps with a maximum dollar limit per worker.

Offer incentives to educational institutions for providing programs that help employees upgrade job skills. The UC system, CSU system, community colleges, and private training firms all have a part to play in helping to upgrade California's labor force, however each of these systems undoubtedly face various resource constraints and other factors which may inhibit their participation. As an example, short courses, workshop, refresher programs and "just-in-time" training for emerging fields and newly demanded skills has become part of the proposed CSU mission. However, these new endeavors cannot be undertaken without additional incentives and more designated funding.

Recognize and support the non-traditional workforce. The aging workforce may be an especially important subset of the non-traditional workforce. In light of this recognition, the state should help promote (through incentives or provisions within existing laws) an increase in flextime and telecommuting, phased retirement, and part-time work options. Many of these options would benefit workers of all ages, and would strengthen the status and the image of older workers in particular.

Promote research in issues of aging workers. The State should increase funding for basic and applied research and demonstration projects on important older worker issues such as training needs, career transition issues, and retirement planning. As a by-product of this research, there should be an effort to disseminate the results of that research to corporations. One specific area of needed research involves a study of the implications of the Legislature overturning, in 1999, the controversial *Marks v. Loral Corp.* California Appellate Court decision which held that companies can fire their more senior employees to save money without facing age discrimination charges. The new law (SB 26) took effect January 1, 2000, and provides older workers with increased protection from age discrimination at the state level. Although there has been much speculation as to how SB 26 will impact the work place, the impact of this bill upon California's business climate should be carefully monitored and analyzed.

¹ See pages 38-42 for more detail on these recommendations and Appendix C for a complete list of recommendations from Delphi participants.

Support community outreach efforts. The State should support and encourage community outreach programs that seek to understand the needs of older workers (and to address those needs). For example, the State could increase efforts to publicize the opportunities and services provided by the California Task Force for the Employment of Older Workers. In addition, it should work more closely with advocacy groups (such as American Association of Retired Persons [AARP]) and national organizations (such as National Council on Aging [NCOA]). In addition, increased participation in current federal Job Training Partnership Act (JPTA) programs would particularly help California's low income, unskilled and minority older workers.

INTRODUCTION

In recent years, California's business climate has undergone significant changes. It has traversed from prosperity to recession and back again to prosperity. Its economy has evolved to one in which economic development planners have sought to encourage the relocation and growth of high technology corporations. Business restructuring, relocation, and downsizing have become commonplace in California. Have these changes had a disproportionately negative impact on workers over the age of 40? And if so, what policy changes are in order to mitigate these negative impacts? That is the topic of this study entitled "The Plight of the Aging Workforce."

In order to measure the potential disproportionate adverse effects on California's working population, we investigate the following three working hypotheses:

- The older working population (40 years old and older) will have a higher rate of unemployment when compared with the younger workforce (adjusted for the expected discrepancy between the two groups of interest as determined on the basis of data prior to the recent restructuring of business),
- The older working population will have a higher rate of part-time work when compared with the younger workforce (adjusted for the expected discrepancy between the two groups of interest as determined on the basis of data prior to the recent restructuring of business), and
- The number of age discrimination complaints filed in California will be higher than the national rates (adjusted for rates prior to the recent restructuring of business).

A three-step approach was used to gather data for the study: (1) a review of the literature, (2) secondary data analysis, and (3) primary data collection by means of a Delphi technique and follow-up focus groups. The first involved a review of relevant academic literature to determine

the status of research on the aging workforce as they bear on the research hypotheses of this study.

Next, secondary data sources (e.g., the CPS – Current Population Survey) were used to measure the hypothesized differential impact, by age, caused by recent restructuring in the California economy. In addition, the analysis of secondary data focused on determining changes over time. Trends were examined and used in tandem with demographic projections of U.S. and California population to project the magnitude of the future impact on California’s aging work force and its consequences for the state assuming that business restructuring continues. In addition, existing data on age discrimination claims filed in California in the past 20 years were examined to determine if there is a predicted rise in the number of claims, a rise that coincides with the business restructuring that began in the late 1980s.

Finally, a Delphi Analysis (telephone survey of business executives and public policy experts), followed by three focus groups, was used to investigate causal linkages between business restructuring and any observable disproportionate adverse effects. The Delphi analysis was a statewide effort involving business leaders and public agency staff, selected on the basis of their strategic positions in business and industry. The focus group sessions were conducted with business and public agency leaders in the Inland Empire, and older workers in Los Angeles. This expanded Delphi technique was also used to anticipate probable *future* affects of business restructuring on the aging work force.

One final comment is in order regarding the definition of terms. In the economics literature, the term “labor force” is typically used to mean those who are *currently working* (either full- or part-time) and those who are *actively looking for jobs*. The term “work force” is a more nebulous and vague term that is typically used informally to indicate those actually working (but

at times may include those seeking jobs). For the purposes of this study, we use these terms interchangeably. When discussing either work force or labor force in this study, we refer to the population who are either currently working or looking for work.

Data Source #1: Literature Review

An increasing number of organizations in both the United States and western European countries are beginning to reexamine their retirement and staffing policies regarding older workers as the leading edge of the baby boom cohort approaches retirement age (Bass, 1995; Crown, 1996; Forteza & Prieto, 1994; Rosen & Jerdee, 1985; Snel & Cremer, 1994; Warr, 1994a, 1994b). With the elimination of mandatory retirement for most workers in the United States in 1986, with the passing of amendments to the Age Discrimination in Employment Act (ADEA), older workers should ideally have more control over their “employment destiny.”

In addition, with the removal of mandatory retirement, an aging population, and the maintenance of higher levels of functioning into older age, a significant portion of older individuals may be ready, willing and able to work. In fact, while older workers are leaving their career jobs (i.e., retiring) earlier than in the past, we are also seeing higher rates of bridge employment (Weckerle & Shultz, 1999) and re-entry into the labor force among older individuals (Hayward, Crimmins, & Wray, 1994). In fact, a recent U.S. Census Bureau (1995) report estimated that 85% of those 50 and over are willing to work part-time, temporary, interim or contract employment. According to the Census Bureau report, only 37% report wanting to work because they need the money and so, the psychological importance of work appears salient for older Americans (Mor-Borak, 1995). In addition, with the “baby bust” cohort of Americans serving as an inadequate supply of labor, more and more employers are likely to pursue mature Americans to fill their labor needs (Doeringer, 1990).

Thus, with the recent policy changes enacted to enhance the aging workers' repertoire of employment choices, the over forty-age group should find themselves in a favorable employment position. The decision to continue working after age 40 should be based solely on objective conditions and employee choice. Instead, the over 40 worker is likely to find him/herself besieged with a host of barriers to full and productive employment (Herz & Rones, 1989).

Stereotypes and barriers

Many erroneous employer policies and attitudes exist to inhibit employment choices for the over 40 worker. For example, *some* employers and the lay public report a general perception that job performance decreases with age. But this view may not be correct. For example, a series of recent meta-analytic studies support the view that job performance does not necessarily decrease with age (e.g., Avolio, Waldman, & McDaniel, 1990; McEvoy & Cascio, 1989; Waldman & Avolio, 1986).

Erroneous stereotypes often assume that older workers are unwilling to retrain, more likely to be sick and incur injuries, and are generally less productive than their younger counterparts, despite a wealth of evidence to the contrary (Stagner, 1985; Waldman & Avolio, 1993). For example, McNaught and Barth (1992) provide a case study of Days Inn of America and their use of older workers in their Atlanta telephone reservation center. The researchers showed that the older workers did take a little longer to train on the reservations procedure, but because older workers typically stayed with the organization longer, the personnel costs of employing older workers (e.g., recruitment, selection, training, salary and benefits) ends up being about that of younger workers. In addition, while the older workers answered fewer calls (and stayed on the phone longer per call), their booking rates were significantly higher than their younger counterparts. Hence, the assumption of some employers that older workers will be too

costly and less productive compared to their younger counterparts is typically unfounded. Again, recent evidence (e.g., Wagner, 1998) indicates that such stereotypes may be weakening.

“Institutional barriers” to employment of older persons willing and able to work still appear to exist (Herz & Rones, 1989). These include social security regulations, pension policies on work activity, labor market forces (particularly for part-time work), and age discrimination.

Forced early retirement

One of the more troubling responses of management to the plight of mature workers is “forced” early retirement (Lindbo & Shultz, 1998). With the plethora of downsizings in recent years, particularly in California, many mature workers are being forced to retire early. While technically voluntary in nature, these workers are provided with lucrative financial incentives and strong informal pressure from management and younger colleagues to “step aside.” Many of those who take early retirement are ill prepared for it and as a result end up being less satisfied and more likely to regret their decision (Shultz, Morton, & Weckerle, 1998). Hence, additional flexible management policies and programs that would help ease mature workers into retirement are desperately needed (Lindbo & Shultz, 1998; Shultz, in-press).

For example, research shows that the use of phased or partial retirements tends to ease the transition to retirement (Atchley, 1997). In addition, retirees could be on a callback arrangement or serve as consultants to their previous organization. Other possibilities include flextime or seasonal work when the employer’s demand is the highest (e.g., accountants around tax time). Part-time and job sharing options would be desirable to many workers nearing or at retirement age. Each of these options is likely to be a win-win situation for the employer and employee alike (Rosen, 1988). The employee will still have an opportunity for limited employment, while the organization will keep a valued asset with extensive institutional knowledge and experience.

Unfortunately, little research exists investigating what incentives might draw retirees back to their former employers specifically (Lindbo & Shultz, 1999), or the labor market more generally.

With the dramatic changes forecast for the workforce of the 21st century, there will be an increasing need for a variety of career management policies, particularly for the mature worker. In fact, Judy and D'Amico (1997) note that, "The most successful firms of the early twenty-first century will find ways to benefit from the experience and talents of older workers. Retaining workers who are eligible, but perhaps not truly ready to retire will be a human resource challenge involving a wide array of compensation and benefits issues as well as demanding changes in Medicare, Social Security, and tax laws" (p. 8). In addition, there are increasing pressures from government and industry leaders alike, to sustain the recent reversal of the trend of men retiring earlier and earlier (Gosselin, 1999). These changes are due in large part to the current demographic trends (i.e., aging of the baby boom cohort and the shrinking labor supply provided by the baby bust cohort). Because of these pressures, Rosen and Jerdee (1988) note that there will need to be a special focus on career maintenance, renewal and completion activities for the mid-career and mature worker. "Of particular importance will be policies which capitalize on the experience and expertise of a growing number of older workers" (p. 37).

Summary of literature review

In summary, the available literature indicates that there are barriers that deny full employment to older persons who want to work. Moreover, there is no reason to believe that future cohorts of older workers will face a more receptive working environment if present conditions continue.

Data Source #2: Secondary Data Analysis

The preceding section provides a review of the available academic literature on older worker issues. However, before recommendations can be made based on this literature and our own primary data findings, it is important to review available secondary data, both national-level and state-level, with regard to our aging workforce. Therefore, we first outline below national trends in employment and unemployment as well as workforce projections for the future. The results of the secondary data analyses will help to set the stage for our third data source: the Delphi analyses.

Demographic data and projections

National trends: The U.S. population as a whole is aging as the baby boomer cohort continues to age. Between 1996 and 2006, the fastest growing age category will be those persons ages 45 to 64 (Fullerton, 1997). In addition to the baby boom cohort aging, life expectancies are continuing to rise and birth rates continuing to fall in the U.S. As a result, we will continue to see the U.S. population age even after the Baby Boom cohort passes through our population. Of course, younger immigrants and the baby boom echo (the children of the baby boomers) will help to moderate the boomer's aging effect on our population to some extent.

What implications does aging of the population have on the workforce? Between 1996 and 2006 the U.S. labor force is projected to increase by 15 million (roughly 11%), reaching 149 million by 2006 (Fullerton, 1997). The baby boom generation will be between the ages of 42 and 60 by 2006, thus dramatically increasing the numbers of "older workers". In addition, while older men's labor force participation rates (LFPR) showed a precipitous decline from the 1890s to the mid 1980s, since then their LFPR has leveled out and even appears to be increasing (Quinn, 1997). In fact, Fullerton (1997) projects that between 1996 and 2006 men's LFPR for those under

the age of 45 will decrease, while increasing for those above 45 (more dramatically for those 65 and over and even for those 75 and over). Across all age groups for men, LFPR is expected to decrease by 1.3%, for those 16 to 24 by 2.9%, and for those 25 to 54 by 1%, while increasing by 5.5% for those 55 and over and by 1.9% for those 75 and older.

On the other hand, women's LFPR continues to climb at all ages (except 16 to 19), as more women enter the labor force in larger and larger numbers. Interestingly, though, the rate of increase appears to have slowed down from the last two decades, for women below 55, but is actually accelerating for those 55 and over (Fullerton, 1997). Thus at the national level we see our labor force continue to age with the primary impetuses being the baby boomers growing older and an increased number of older workers (both men and women) either working or actively looking for work (a higher LFPR). In fact, Fullerton (1997) notes that 89% of the projected labor force growth nationally between 1996 and 2006 is attributable to population growth (through births and immigration), while the other 11% is attributable to increases in LFPRs (especially for women). Given that California traditionally has a higher immigration rate than the country as a whole, and that immigrants tend to be younger, California's work force, while clearly aging, is not likely to age as rapidly as the U.S. as a whole.

California trends: Population projections for the state from the Demographic Research Unit of the California Department of Finance (December 1998) indicate that the median age of the CA population will stay relatively stable at about 33 or 34 years old between 2000 and 2040. However, this relatively low median age is due in large part to younger immigrants coming into the state. For example, between 2000 and 2040 the median age for whites is expected to increase from 39 to 44 (from 39 to 42 in just the next 10 years). The median age for Blacks however is expected to rise from 31 in 2000 to 34 in 2040, but with most of the increase occurring between

2020 and 2030. A somewhat similar pattern is expected for Asian/Pacific Islanders. The median age for Hispanic, conversely, is expected remain stable at approximately 25 years old. So, while California's total population does not appear to be aging, based on median age projections, segments of the population (e.g., non-Hispanic Whites) clearly are aging.

In addition, we are seeing a polarization of the age distribution of the population in California. That is, in many ways California is getting both younger and older. For example, U.S. Census Bureau projections from 1995 to 2025 for each state (Campbell, 1996) shows that in 1995, California ranked 11th (30.4%) among the 50 U.S. states and the District of Columbia in terms of the proportion of the population classified as youth (under 20 years of age). That ranking is projected to jump to the 2nd largest proportion (32.5%) by 2025. At the same time, we see that the proportion of California's population classified as elderly is expected to increase from 11% in 1995 to 13% in 2025. The combination of the youth and elderly figures determine the State's dependency ratio (the number of youth under age 20 and elderly over 65, for every 100 people working age, 20 to 64 years of age). In 1995, the State's dependency ratio was 70.6 (29th largest) and is projected to rise to 83.5 (21st largest) in 2025.

Projections for the California Workforce from the Center for Continuing Study of the California Economy (1995) show that between 1995 and 2005 the 16–24 age group is expected to increase by 22.1%, while those 22-34 are expected to decrease by 11.1%. The largest gains, however, are expected in California's older work force with those 35-54 increasing by 28% and those 55 and over by 53.2%. This is a reflection of both the baby boom generation aging as well as the increased LFPR of older workers discussed earlier.

Unfortunately, we were unable to find workforce projections at the state level for age groups that are more detailed or by sex within age groups. Therefore, we developed our own

workforce projections by age and sex by using population projection figures from the State Department of Finance's Demographic Unit (using projections from 1990, 2000, and 2010) and combined these with U.S. workforce projections for 1986, 1996, and 2006, respectively, provided by Fullerton (1997). As can be seen from the tables below, California had approximately 3.8 million workers over the age of 45 in 1990 (26.3% of the workforce). By 2000, we are projected to have almost 5.7 million workers over the age of 45 (34.5% of the workforce) and by 2010, we are projected to have over 8 million workers over the age of 45 (42.4% of the workforce).

In addition, we see that in 1990 (Table 1A) that workers 45 and older made up approximately 26% of the workforce and for both men and women. In the year 2000, the 45 and older workers are projected to be 34.5% of the workforce, with 33.8% for men and 35.3% for women. By the year 2010, older workers 45 and older will represent 42.4% of the workforce, 42.1% for men and 42.8% for women, with women more prominent at younger ages (45-54) and men more prominent at older ages (65+). Regardless, the older worker population is projected to increase rapidly and issues surrounding older workers should play a prominent roll in California over the next decade or more.

TABLE 1A
California Workforce Projections 1990 – Total

Age Group	Total Population*	LFPR **	Labor Force (= Pop * LFPR)	Percent of Population per Age Group	Percent of Workforce per Age Group
20-24	2,554,651	78.90%	2,015,620	12.08%	13.98%
25-34	5,714,423	82.90%	4,737,257	27.01%	32.85%
35-44	4,630,685	83.70%	3,875,883	21.89%	26.87%
45-54	2,887,962	78.00%	2,252,610	13.65%	15.62%
55-64	2,237,939	54.00%	1,208,487	10.58%	8.38%
65-74	1,857,110	15.20%	282,281	8.78%	1.96%
75+	1,271,120	4.00%	50,845	6.01%	0.35%
Total	21,153,890		14,422,983	100.00%	100.00%

California Workforce Projections 1990 – Men

Age Group	Male Population*	LFPR **	Labor Force (= Pop * LFPR)	Percent of Population per Age Group	Percent of Workforce per Age Group
20-24	1,367,708	85.80%	1,173,493	13.09%	13.96%
25-34	2,962,319	94.60%	2,802,354	28.34%	33.33%
35-44	2,331,666	94.80%	2,210,419	22.31%	26.29%
45-54	1,431,740	91.00%	1,302,883	13.70%	15.50%
55-64	1,066,255	67.30%	717,590	10.20%	8.54%
65-74	826,616	20.50%	169,456	7.91%	2.02%
75+	465,717	6.70%	31,203	4.46%	0.37%
Total	10,452,021		8,407,399	100.00%	100.00%

California Workforce Projections 1990 – Women

Age Group	Female Population*	LFPR **	Labor Force (= Pop * LFPR)	Percent of Population per Age Group	Percent of Workforce per Age Group
20-24	1,176,943	72.40%	852,107	11.90%	13.99%
25-34	2,752,104	71.60%	1,970,506	27.84%	32.35%
35-44	2,299,019	73.10%	1,680,583	23.25%	27.59%
45-54	1,456,222	65.90%	959,650	14.73%	15.75%
55-64	1,171,684	42.30%	495,622	11.85%	8.14%
65-74	1,030,494	11.00%	113,354	10.42%	1.86%
75+	805,403	2.40%	19,330	8.15%	0.32%
Total	9,886,466		6,091,153	100.00%	100.00%

*Based on California Department of Finance Population Figures for 1990

**Based on Fullerton (1997) workforce LFPRs for U.S. for 1986

TABLE 1B
California Workforce Projections 2000 – Total

Age Group	Total Population*	LFPR **	Labor Force (= Pop * LFPR)	Percent of Population per Age Group	Percent of Workforce per Age Group
20-24	2,240,541	76.80%	1,720,735	9.36%	10.43%
25-34	4,998,246	84.10%	4,203,525	20.89%	25.49%
35-44	5,751,694	84.80%	4,877,437	24.04%	29.57%
45-54	4,469,059	82.10%	3,669,097	18.68%	22.25%
55-64	2,756,954	57.90%	1,596,276	11.52%	9.68%
65-74	1,957,505	17.50%	342,563	8.18%	2.08%
75+	1,755,216	4.70%	82,495	7.34%	0.50%
Total	23,929,215		16,492,129	100.00%	100.00%

California Workforce Projections 2000 – Men

Age Group	Male Population*	LFPR ** (= Pop * LFPR)	Labor Force	Percent of Population per Age Group	Percent of Workforce per Age Group
20-24	1,172,323	82.50%	967,166	9.85%	10.42%
25-34	2,643,192	93.20%	2,463,455	22.21%	26.53%
35-44	2,942,371	92.40%	2,718,751	24.72%	29.28%
45-54	2,221,466	89.10%	1,979,326	18.67%	21.32%
55-64	1,343,573	67.00%	900,194	11.29%	9.70%
65-74	901,472	22.90%	206,437	7.57%	2.22%
75+	676,359	7.30%	49,374	5.68%	0.53%
Total	11,900,756		9,284,704	100.00%	100.00%

California Workforce Projections 2000 – Women

Age Group	Female Population*	LFPR ** (= Pop * LFPR)	Labor Force	Percent of Population per Age Group	Percent of Workforce per Age Group
20-24	1,068,218	71.30%	761,639	9.76%	10.47%
25-34	2,355,024	75.20%	1,770,978	21.51%	24.34%
35-44	2,809,323	77.50%	2,177,225	25.66%	29.92%
45-54	2,247,593	75.40%	1,694,685	20.53%	23.29%
55-64	1,413,381	49.60%	701,037	12.91%	9.63%
65-74	1,056,033	13.10%	138,340	9.64%	1.90%
75+	1,078,857	3.10%	33,445	9.85%	0.46%
Total	10,949,572		7,277,350	100.00%	100.00%

*Based on California Department of Finance Population Projections for 2000

**Based on Fullerton (1997) workforce LFPRs for U.S. for 1996

TABLE 1C**California Workforce Projections 2010 – Total**

Age Group	Total Population*	LFPR **	Labor Force (= Pop * LFPR)	Percent of Population per Age Group	Percent of Workforce per Age Group
20-24	2,888,937	74.30%	2,146,480	10.42%	11.31%
25-34	5,119,926	84.80%	4,341,697	18.47%	22.88%
35-44	5,204,967	85.30%	4,439,837	18.77%	23.39%
45-54	5,649,561	84.60%	4,779,529	20.38%	25.18%
55-64	4,306,878	62.60%	2,696,106	15.53%	14.21%
65-74	2,494,436	18.20%	453,987	9.00%	2.39%
75+	2,061,252	5.90%	121,614	7.43%	0.64%
Total	27,725,957		18,979,250	100.00%	100.00%

California Workforce Projections 2010 – Men

Age Group	Male Population*	LFPR **	Labor Force (= Pop * LFPR)	Percent of Population per Age Group	Percent of Workforce per Age Group
20-24	1,503,809	76.50%	1,150,414	10.89%	11.03%
25-34	2,643,812	92.30%	2,440,238	19.14%	23.39%
35-44	2,703,922	90.60%	2,449,753	19.58%	23.48%
45-54	2,855,083	89.50%	2,555,299	20.67%	24.50%
55-64	2,106,344	70.20%	1,478,653	15.25%	14.18%
65-74	1,178,042	23.90%	281,552	8.53%	2.70%
75+	820,508	9.20%	75,487	5.94%	0.72%
Total	13,811,520		10,431,397	100.00%	100.00%

California Workforce Projections 2010 – Women

Age Group	Female Population*	LFPR **	Labor Force (= Pop * LFPR)	Percent of Population per Age Group	Percent of Workforce per Age Group
20-24	1,385,848	71.80%	995,039	10.94%	11.56%
25-34	2,476,114	77.60%	1,921,464	19.55%	22.33%
35-44	2,501,045	80.20%	2,005,838	19.75%	23.31%
45-54	2,794,478	79.90%	2,232,788	22.07%	25.95%
55-64	2,200,534	55.80%	1,227,898	17.38%	14.27%
65-74	1,306,394	13.30%	173,750	10.32%	2.02%
75+	1,240,744	3.90%	48,389	9.80%	0.56%
Total	12,664,413		8,605,167	100.00%	100.00%

*Based on California Department of Finance Population Projections for 2010

**Based on Fullerton's (1997) workforce projections for U.S. for 2006

Economic, age discrimination and other relevant data

National trends: This year (1999) represents the eighth straight year of national economic expansion, one of the longest since World War II. In addition, the stock market is booming and federal budget surpluses are predicted to occur within a couple of years (even after accounting for the current social security surplus). Meanwhile, the unemployment rate continues to decline steadily. As a result, the employment picture looks good for all workers, including older workers...or does it?

Gardner (1995), analyzing data from the current population survey (CPS) recently compared the recessions of the 1980s and 1990s. She notes that, despite similar rates of displacement in the early 1980s and early 1990s, older workers, those in service-producing industries, and individuals in white-collar occupations were more likely to lose their jobs during the recession of the 1990s than the recession a decade earlier. Specifically with regard to older workers, we see that those individuals' aged 55 and older saw their displacement rates nearly

double, from 2.2% in 1987-88 to 4.3% in 1991-92. Meanwhile the displacement rate for workers 20-24 stayed the same (at 2%) and for workers 25-54 it rose from 2.5% to 3.9%, over the same time period from 1987-88 to 1991-92. In addition, 1994 data on displaced workers shows those workers in the 55-64 age group had the highest unemployment rate (14.7%) compared to 10.7% for those individuals 25-54 years old. Older workers 55-64 were also much less likely to be in the labor force, with 24.8% of this age group out of the labor force, compared to 8.7% of workers 25-54 years old. Of course, for the older workers, this represented both discouraged workers (unemployed and not seeking employment) and those individuals who have retired from the labor force.

Gardner (1995) also notes that all workers living in the Northeastern and Western U.S. suffered more displacement than a decade earlier, relative to the rest of the country. For example, the Pacific region of the country (which included California) had the highest displacement rate in the country in 1991-92 at 6.1%, followed by New England at 5.9%, compared to the 4.8% national displacement rate. Thus, it appears that there may be a restructuring of the U.S. workforce both by region and occupational type, which may particularly hurt older workers in California.

Gardner (1995) also showed that displaced workers 65 years and older were the only age group to experience significant earnings losses during the recession of the early 1990s. She attributes this finding to the fact that these older workers have high “firm-specific human capital [that] would not bring a premium wage with a new employer” (p. 50). As a result, those older workers who lose their job, many with extensive firm specific experience, have a difficult time finding comparable paying work with a new employer. In addition, CPS data indicates that between 1976 and 1994 the rate of full-time employment for older workers 55 to 64 show a

steady decrease from 86.7% to 80.5%. Between 1994 and 1998, the trend reversed going from 80.5% back up to 82.5%. Conversely, between 1976 and 1994, the rate of part-time employment in the 55-to-64 age group, increased from 13.3% to 19.5%, but again the trend reversed in 1994 dropping to 17.5% by 1998. Thus, nationally, we see older workers 55 to 64 more likely to stay in the work force on a full-time basis, rather than part-time basis, in the last four to five years. This is no doubt a reflection of the booming national economy.

On a positive note, age discrimination claims under the Age Discrimination in Employment Act (ADEA) have steadily fallen in the last six years. In fiscal year (FY) 1992, 19,573 claims were filed with the EEOC under the ADEA. The number rose to 19,809 in FY 1993, but then began to decline, reaching a low of 15,191 in FY 1998. Somewhat smaller declines also occurred in charges of race discrimination, while charges of sex discrimination fluctuated between 21,796 in FY1992 and 26,181 in FY 1995 (see Table 2). This finding of fewer age discrimination claims is somewhat counterintuitive as we see the average age of the workforce rise with the aging of the baby boom generation. In fact, more than half the U.S. workforce will be covered by the ADEA in less than five years (Fullerton, 1997). California age discrimination statistics (reported later) show a somewhat different picture.

Table 3 displays the disposition of ADEA claims filed between FY92 and FY98. As can be seen in Table 3, from one-half to two-thirds of ADEA claims are found to have “no reasonable cause”. Another quarter to one-third of claims, result in “administrative closure”. Thus, most of the do not end up being “in favor” of the plaintiff (e.g., the older worker).

TABLE 2

Charge Statistics from the EEOC for FY 1992 Through FY 1998²

	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Total Charges	72,302	87,942	91,189	87,529	77,990	80,680	79,591
Race	29,548	31,695	31,656	29,986	26,287	29,199	28,820
	40.9%	36.0%	34.8%	34.3%	33.8%	36.2%	36.2%
Sex	21,796	23,919	25,860	26,181	23,813	24,728	24,454
	30.1%	27.2%	28.4%	29.9%	30.6%	30.7%	30.7%
National Origin	7,434	7,454	7,414	7,035	6,687	6,712	6,778
	10.3%	8.5%	8.1%	8.0%	8.6%	8.3%	8.5%
Religion	1,388	1,449	1,546	1,581	1,564	1,709	1,786
	1.9%	1.6%	1.7%	1.8%	2.0%	2.1%	2.2%
Retaliation							
All Statutes	11,096	13,814	15,853	17,070	16,080	18,198	19,114
	15.3%	15.7%	17.4%	19.5%	20.6%	22.6%	24.0%
Title VII	10,499	12,644	14,415	15,342	14,412	16,394	17,246
	14.5%	14.4%	15.8%	17.5%	18.5%	20.3%	21.7%
Age	19,573	19,809	19,618	17,416	15,719	15,785	15,191
	27.1%	22.5%	21.5%	19.9%	20.2%	19.6%	19.1%
Disability	*1,048	15,274	18,859	19,798	18,046	18,108	17,806
	1.4%	17.4%	20.7%	22.6%	23.1%	22.4%	22.4%
Equal Pay Act	1,294	1,328	1,381	1,275	969	1,134	1,071
	1.8%	1.5%	1.5%	1.5%	1.2%	1.4%	1.3%

* EEOC began enforcing the Americans with Disabilities Act on July 26, 1992.

Updated 12/29/98

² The number for total charges reflects the number of individual charge filings. Because individuals often file charges claiming multiple types of discrimination, the number of total charges for any given fiscal year will be less than the total of the eight types of discrimination listed. The data are compiled by the Office of Research, Information, and Planning from EEOC's Charge Data System - quarterly reconciled Data Summary Reports, and the national data base. Obtained from the EEOC's internet website at: <http://www.eeoc.gov/stats/charges.html>

TABLE 3
Age Discrimination in Employment Act (ADEA) Charges FY 1992 - FY 1998³

	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Receipts	19,573	19,809	19,618	17,416	15,719	15,785	15,191
Resolutions	19,975	19,761	13,942	17,033	17,699	18,279	15,995
Resolutions By Type							
Settlements	963	774	585	571	452	642	755
	4.8%	3.9%	4.2%	3.4%	2.6%	3.5%	4.7%
Withdrawals w/Benefits	1,537	1,197	990	856	671	762	580
	7.7%	6.1%	7.1%	5.0%	3.8%	4.2%	3.6%
Administrative Closures	4,957	5,556	5,021	6,571	5,028	4,986	4,175
	24.8%	28.1%	36.0%	38.6%	28.4%	27.3%	26.1%
No Reasonable Cause	12,075	11,481	6,872	8,309	11,081	11,163	9,863
	60.5%	58.1%	49.3%	48.8%	62.6%	61.1%	61.2%
Reasonable Cause	443	753	474	726	467	726	622
	2.2%	3.8%	3.4%	4.3%	2.6%	4.0%	3.9%
Successful Conciliations	121	147	97	52	96	74	119
	0.6%	0.7%	0.7%	0.3%	0.5%	0.4%	0.7%
Unsuccessful Conciliations	322	606	377	674	371	652	503
	1.6%	3.1%	2.7%	4.0%	2.1%	3.6%	3.1%
Merit Resolutions	2,943	2,724	2,049	2,153	1,590	2,130	1,957
	14.7%	13.8%	14.7%	12.6%	9.0%	11.7%	12.2%
Monetary Benefits (Millions)*	\$57.3	\$40.7	\$42.3	\$29.4	\$31.5	\$44.3	\$34.7

- *Does not include monetary benefits obtained through litigation. The total of individual percentages may not always sum to 100% due to rounding.*

³ The following chart represents the total number of charge receipts filed and resolved under the ADEA. Receipts include all charges filed under the ADEA as well as those filed concurrently under Title VII, ADA, and/or EPA. Therefore, the sum of receipts for all statutes will exceed total charges received. The data are compiled by the Office of Research, Information, and Planning from EEOC's Charge Data System - quarterly reconciled Data Summary Reports. Obtained from the EEOC's internet website at: <http://www.eeoc.gov/stats/adea.html>

California trends: While California took longer than the country as a whole to come out of the recession of the early 1990s, its economy too appears to be steaming along in 1999. Over 1.3 million jobs above the pre-recession peak employment level have been added to the state. This economic expansion is predicted to continue for at least the next three to five years (Rose & Austin, 1999). In addition, the unemployment rate has averaged a steady 0.7 percentage point decline per year over the last five years (1993 = 9.4%, 1998 = 5.9%). California's unemployment figures are still higher than the comparable U.S. unemployment rate (4.3%), but the gap has clearly narrowed over the past five years. California has historically recorded a higher unemployment rate than the nation, due largely to more rapid population growth (California had the 5th highest state unemployment rate in the country in 1997). In fact, worker shortages have been reported in high technology manufacturing (despite the Asian financial crisis) and service businesses, construction, and agriculture sectors of the California economy.

These figures signal a restructuring of the California economy with more jobs now in business services than in electronics and aerospace combined, and more jobs in retail trade than in the entire manufacturing sector (Rose & Austin, 1999). What potential impact does such structural changes as less reliance on government, defense and aerospace and more on business services and retail trades have on the employment and unemployment of older workers in California? Researchers from Northeast Louisiana University, analyzing 1998 CPS data, recently showed that incidence of displacement in the state tends to fall disproportionately on the poorly and highly educated (R.Eisenstadt, personal communication, September 1999). For example, 14% of displaced workers nationally had less than a high school education, while in California the rate was 22%, with younger Hispanics being over represented in this group. Meanwhile, highly

educated workers (with a bachelors degree or higher) in California represented 24% of the displaced workforce, while the figure was 17% nationally. In addition, for those displaced workers in California aged 35-54, nearly 61% had at least a 4-year college degree, whereas nationally the figure was 50%. The difference is even more striking when looking at 55 and older displaced workers, where nationally 40% had a 4-year college degree or higher, while in California 75% of displaced workers 55 and older had a college degree. Hence in many ways it appears that older California workers may be over educated (and over priced) for the newer entry level, lower paying, service jobs that have recently replaced the manufacturing and aerospace jobs a decade ago (Lee, 1999).

Given the size of the California economy (the seventh largest in the world, larger than Canada, Brazil and China), it may be more informative to look at major metropolitan statistical areas (MSAs) or regions, than the state as a whole. For example, southern California was harder hit by the recession of the early 1990s and as a result, took much longer to recover from it, although the momentum of the current economic expansion appears to have shifted recently from northern California to southern California. According to Rose and Austin (1999), disparities in regional economic growth are primarily related to the industries on which the local economy is based and on the differing rates of population growth (p. 40). Hill (1998) also notes the disparities across five major economic regions within California (southern California, San Francisco Bay area, Central Valley, Central Coast, and “rest-of-the state”). For example, Lee (1999) recently noted that in Los Angeles County, while many new jobs are being created, the majority of these new jobs are lower paying than the jobs they are replacing. Thus, we are seeing further wage stagnation particularly in the Los Angeles area.

In the Silicon Valley of Northern California, high technology jobs, particularly in the

computer industry, are a prominent component of the labor force. A recent article by Alster (1998) noted that older workers are particularly prone to age bias in this area. He notes a study by the Institute of Electrical and Electronic Engineers (IEEE) that estimated that for every year of age, it takes an unemployed engineer an average of two weeks longer to find a job. Hence, a 45-year old computer engineer is likely to stay unemployed 40 weeks longer than a job seeker only 25 years old. In addition, many high tech firms in the region are lobbying congress to increase the number workers that can be hired under the HB-1 program, which allows companies to hire foreign workers in specialty occupations, despite the increasing rate of unemployment among older high tech workers in the area. Thus, there does appear to be some indication that older workers in certain regions within the state may be being differentially impacted by changes in the state's economy and business climate.

As noted earlier, there has been a nationwide trend of decreased age discrimination claims filed in the last decade (see Table 2). Conversely, California has seen a near tripling of age discrimination claims in the last decade. Between FY 88-89 and 97-98, age-discrimination claims in California climbed from 1,131 to 3,205 (Personal communication, California Department of Fair Employment and Housing, July 12, 1999). Unfortunately, it is unclear at this point, why these two divergent trends are occurring (i.e., why the number of national age discrimination claims is falling, while in California age discrimination claims continue to climb). Again, the reader should read the focus group results, which address this issue.

Summary of secondary data

In summary, the secondary data analysis shows that in many ways California's population in general (and labor force in particular) reflects national trends. California's population is growing and growing older, especially among the White Non-Hispanic cohort. California labor

force also shows disproportionately high participation for the older population in general, and is particularly “impressive” for older women. On the other hand, there is some evidence that California’s rate of displacement among older workers may be higher than the national figures. In addition, the data show that displaced older workers (particularly at the high and low ends of the educational spectrum) tend to be out of work longer and they lose more, proportionately, in terms of their earnings than do their younger counterparts. Finally, although California’s rate of age discrimination complaints has continued to increase (defying the national average), it is unclear why this disparity exists. The expanded Delphi Analysis below sheds some light on this issue.

Data Source #3: Expanded Delphi Analysis

Previous sections of this report have documented higher relative unemployment, higher displacement, greater earnings loss, a host of perceptual and institutional barriers to employment, and increased age discrimination claims filed by older California workers in the 1990s. Thus, there appears to be at least some preliminary evidence that older workers in California are being disproportionately affected by the restructuring of the California economy.

Although secondary analysis is an important statistical and methodological tool by which relationships among variables of interest may be established, it does not provide explanations as to why such associations occur. An expanded Delphi analysis was therefore used to place the secondary analysis/findings into an interpretive context. In addition, this methodology also allowed us to obtain a preview of what the future may hold for the aging workforce and recommendations how to improve their present prospects in terms of concrete policy recommendations.

Delphi Methods: In order to establish the “sampling pool of experts” to be interviewed for their views, insights, and policy recommendations concerning aging workforce issues, Institute of

Applied Research personnel compiled a list of “aging workforce” experts. The list included individuals from relevant public agencies in California, lawyers of note who deal with aging issues, and aging workforce public policy experts. Additionally, Human Resource Directors and Specialists from a variety of major businesses and corporations throughout the state and Members of the Society for Human Resource Management for the state of California were included in the initial sampling pool. A semi-structured telephone interview guide (see Appendix A) consisting of eight questions or topics was developed to elicit an in-depth discussion of the major issues of the study. Confidentiality was ensured so respondents could openly discuss these issues.

The telephone interviews for this study were conducted from August 25, 1999 through September 30, 1999 with a total of eighteen business executives and policy experts within California. Several of the people who reviewed our findings commented on the low number of people interviewed in this Delphi process. It must be emphasized that this is consistent with the assumptions underpinning a Delphi methodology in which the interviewing process continues until sufficient closure in responses is reached. A Delphi technique is not intended to be a probabilistic/ representative sample allowing statistical inferences to be drawn regarding the full population. Rather, such a technique is used when general trends and policy recommendations are desired from experts in the field. Such is the case in this study in which general trends and policy recommendations were sought, and in which closure was achieved after eighteen interviews.

Once the preliminary results of the telephone surveys were compiled, two focus groups were conducted in the Inland Empire with individuals identified as key leaders of business and public agencies. These focus groups were conducted on October 15, 1999 and October 18, 1999 with seven participants, and focused on a review of the telephone survey findings relative to their

experience in the Inland Empire. Participants offered concrete policy recommendations based on their experience managing and working with older workers. Another focus group consisting of eleven members of the Forty Plus of Southern California organization (an organization geared toward executives and professionals in career transition) was conducted on October 28, 1999. This focus group was conducted to elicit a discussion among those who are a part of the aging workforce and have experienced such transitions.

Participants in the Forty Plus focus group consisted of individuals from various sectors of the workforce, such as the aerospace, advertising, construction, engineering, computer and Internet technology, entertainment, and energy industries. The participants had been unemployed from two months to two years, with a variety of reasons given for their current unemployment status.

After the focus group results were compiled, one iteration of the Delphi technique was used in which the policy recommendations were re-submitted to the original telephone respondents for comment. These comments are included, where relevant, in the appendix containing the full list of policy recommendations.

Delphi Results: The following report of the telephone survey and focus group results is organized by topic, with a brief summary and overview of the results for each question asked. A more in-depth and complete report of the findings is presented in Appendix B. Differentiations are made as to whether the comments and observations were made by the telephone respondents or the focus group participants.

QUESTION #1: *First, some people argue that changes in California's business climate over the last 10 years have had a particularly negative impact on older workers. Others, of course, disagree, and say that the impact has been equal for workers of all ages. What do you think?*

About one-half of the respondents to the telephone survey report that changes in the business climate have had a negative impact on the older worker due to company mergers, downsizing and the increase in technology. They feel that many stereotypes persist regarding older workers. Those stereotypes portray older workers as being: (1) unable to compete with younger workers and (2) unwilling to be re-trained. The other half of the respondents believes that the impact of business restructuring has been the same for workers of all ages. They see a balance between the technological skills and physical capabilities of younger workers with that of experience, expertise and maturity of older workers. Interestingly, there appears to be a correlation between the position of the person being interviewed and the views held by the person.

Specifically, policy makers and experts on older worker issues typically see the impact as being more negative, whereas Human Resource Directors and Specialists view the impact as being more equal.

Participants of the “Forty Plus” focus group indicated that older workers have been negatively affected by the changes seen in the California business climate over the last ten years. The possible causes cited for this disproportionate impact include a shift from a manufacturing to a service-based/technology-oriented economy, as well as company mergers, acquisitions, and downsizings. In addition, job reclassifications; the courts upholding the termination of older workers provided that it stems from a company’s economic need (**a decision recently overturned with SB 26**); jobs being lost to Mexico; age-base stereotyping, particularly with respect to older workers lacking up-to-date technology based skills; and a growing trend towards the use of independent contractors were all cited. General corporate “slash and burn” philosophy with respect to older workers, and particularly “baby boomers,” rather than a case-by-case

approach to retention or termination and reluctance on the part of younger supervisors and managers to direct older workers were also cited.

QUESTION #2: *Nationally, there has been a decrease in the number of age discrimination complaints filed over the last decade, yet in California the rate has almost tripled. Why do you think this has been the case?*

Many of the respondents gave several responses to this question. The majority of them believe that the reason for the dramatic increase in the rate of age discrimination claims in the state compared to the rest of the nation is due to the litigious nature of California. They do not necessarily believe that there is actually *more* discrimination in California, but that attorneys in the state encourage people to file lawsuits. Another reason cited for the increase in discrimination claims is the fact that the recession hit California harder and had a different impact than on the rest of the nation. Many military and aerospace industries were greatly affected by the recession, and many of those companies resided in California. “Forty Plus” focus group participants felt that while the number of complaints has almost tripled, the number of cases where a judge or jury finds for the plaintiff are rare. That is, there is a tendency for the courts/juries to discount plaintiff’s claims.

QUESTION #3: *From your vantage point, do you see any particular industries or business sectors where older workers are particularly prone to discrimination? Unemployment? Underemployment?*

Businesses and industries that require a high level of technical skills and those with physical requirements are seen as the most prone to age discrimination, unemployment and underemployment. Also, unique to California, is the entertainment industry, which is described as very “youth oriented”. According to the “Forty Plus” focus group participants, industries and

sectors where the emphasis is often on a youthful image are particularly prone to age discrimination. Areas that demand creativity as well as those that particularly look for “fresh faces” tend to favor younger workers. Some other examples include the advertising, retail clothing, and entertainment industries, and specific job functions such as public relations.

QUESTION #4: *Have you seen a trend toward different levels of discrimination and problems for older workers who are also members of a particular minority group? How about for men vs. women?*

More respondents saw differential impacts of age discrimination with regard to gender as opposed to ethnicity. Among those who reported differences based gender, about half felt the impact was greater for men, and the other half thought it was greater for women. Overall, the vast majority of telephone respondents and focus group participants did not feel there were any differences in discrimination for older workers based on ethnicity. One participant of the “Forty Plus” group said that “California is more of a ‘melting pot’ than other states, and as such, widespread or otherwise blatant discrimination (based on ethnicity) may not be as prevalent here as elsewhere”. Three participants of the Inland Empire focus groups felt that older minority’s are being disproportionately affected by age discrimination because they are more likely to be in entry-level positions.

QUESTION #5: *Do you see any particular regions within the state where older workers are particularly prone to discrimination? Unemployment? Underemployment?*

The majority of respondents did not feel they were familiar enough with the various regions of California to comment on this question. Of those who did, most thought the Silicon Valley is more prone to age discrimination due to the technological nature of the industries in the area. Also mentioned was the Hollywood area, due to the entertainment industry, and rural areas

because of more traditional stereotypes that are often seen in these areas as compared to larger cities.

QUESTION #6: *Now looking toward the future, how do you see California's aging workers faring in the early 21st century?*

The majority of phone survey respondents feel that the future looks brighter for older workers due to increased exposure to technological and computer skills. This will narrow the gap that currently exists between older and younger workers. Employers will also recognize that older workers bring experience and maturity to the workplace, and that coupled with necessary technological skills, will have a more positive impact on older workers in the next century. A few respondents, however, feel that the stereotypes that currently exist regarding older workers will continue to have a negative effect, and that education is the key to reversing this trend.

According to the "Forty Plus" focus group participants, the older worker will become increasingly vulnerable to age-based discrimination in the 21st century, particularly as California continues to move from an industrial to an information processing/services oriented economy. As technology continues to automate many of the routine tasks normally filled by workers, managers (particularly middle managers) will increasingly become less necessary. Also, the movement continues to be away from that of "craftpersonship", and towards more of a "mechanic" or "order taker" philosophy, whereby knowledge of "how" and "whether" the system (particularly the computer/technology-based system) works takes precedence over the honing of one's knowledge regarding the goods or services that are actually being produced/provided.

QUESTION #7: *What are your recommendations for policies that could be introduced to help mitigate the negatives or emphasize the positives for older workers?*

The most commonly cited policy recommendations include education, for both employers and employees; a more flexible working environment for older workers such as tele-commuting, flex-time and part-time schedules; tax incentives for businesses and employers who hire, train and provide continuing education to older workers; and a restructuring of the benefits and insurance packages offered by employers to older workers. *(For a complete list of all suggestions and policy recommendations made by telephone respondents and focus group participants, please see Appendix C).*

Summary of Delphi analysis

From the Delphi data analysis, a few themes emerged that begin to answer the question of whether and why older workers in California are disproportionately affected by the restructuring of the economy. It is evident from the analysis that the impact of the recent recession on California's business climate was different than for the rest of the nation. There has been a structural shift from government, defense and aerospace industries to business services and retail trade. More management level positions were eliminated as a result of corporate mergers and downsizing than entry-level positions. In fact, while there is current economic growth in California, many of these new jobs are entry-level, lower paying jobs that are employing younger workers. These jobs are being created to replace the jobs eliminated by the recession, which were, for the most part, held by older workers. To a smaller extent, California has a larger entertainment industry than other states. This industry is very youth oriented, and as a result, it is difficult for older workers to find and retain employment in this field.

When traditional stereotypes regarding older workers are added to this picture, there is some evidence to suggest that, intentional or not, changes in California's business climate have been disproportionately negative for older workers. It is important to note, however, that the

Delphi respondents were split regarding this issue according to their “position of interest” (e.g. HR Director vs. over 40 worker).

Education is an important component in changing negative outcomes for all workers (particularly older workers) and creating a more positive working environment. Organizational training for employers and human resource personnel regarding older worker issues and stereotypes related to older workers should be provided. Employers also need to realize that as the workforce ages and the “Baby Boom” generation approaches retirement age, there will be a shortage of qualified younger workers to replace them. They need to recognize that older workers have an abundance of experience, knowledge, and expertise, and are a valuable resource to be utilized.

Continuing education should also be provided to employees (regardless of age) to strengthen and enhance their technological skills. Employers should be encouraged, whether through opportunities such as tax breaks or other incentives, to adopt a policy of making training and re-training available to all employees.

CONCLUSIONS AND POLICY RECOMMENDATIONS

When information from the literature review, secondary analysis, and Delphi techniques are combined, a coherent picture of “The Plight of the Aging Workforce” clearly emerges; indeed, there have been differential effects of the changing business climate on the older worker.

Specifically, all three frames of reference support the first hypothesis: that is, there has been a disproportionate effect on the older working population in terms of unemployment rate. Specifically, it has a higher rate of unemployment, displacement, and earnings loss when compared with the younger workforce. Findings related to the second hypothesis remain problematic. The hypothesis was that the older working population would have a higher rate of

part-time work when compared with the younger workforce. Although we did not compare the rate of part-time work of older workers with younger workers, we did a longitudinal analysis of older workers. This showed an increase in the part-time work until 1994, when the rate began to decline for reasons that remain unclear. The picture becomes unclear when data regarding “part-time for economic reasons” are addressed. These data show virtually no trend over time. The final working hypothesis dealt with age discrimination complaints, suggesting that the number filed in California would be higher than the national rates (adjusted for rates prior to the recent restructuring of business). This hypothesis has been confirmed. We found that during the same period that national rates were decreasing, California rates had dramatically increased, thus showing a disproportionate effect.

On the other hand, these findings are linked to the ebb and flow of the California economy. The current economic expansion has muted somewhat the plight of California’s aging workforce. Economic conditions tend to cycle however, so while we may be riding the wave of the current extended economic expansion, the wave will crest and the question thus becomes: how will older workers, in particular, fare in California when it does? And what role does the State of California have in mitigating any negative results of changes in the business and economic climate?

After a careful review of all available data, we propose the following policy recommendations (for a full list of policy recommendations from the Delphi analysis, see Appendix C):

Building partnerships for training: It is becoming increasingly clear that technological innovations will be an essential and taken-for-granted part of the future’s workplace environment. The 21st Century workplace environment will increasingly demand continuous re-training and re-

tooling in order to keep pace with these innovations. This need for re-training and re-tooling has no age barriers – it is as necessary for the 20 year-old as it is for the 60 year-old.

The State Legislature should encourage through funding and government agency support a series of partnerships dedicated to upgrading the labor force and promoting economic development in the region of concern. For example: today most universities and community colleges see the establishment of partnerships as an essential part of their mission. Thus, they are increasingly seeking to form alliances between educational institutions (local community colleges, the CSU, UC, and/or private organizations), the business community, and/or local public agencies in order to enhance the economic well being of their service areas. The State Legislature could promote such alliances by issuing RFPs for regional needs assessment studies. Such needs assessments would include a community scan to determine residents' desires for training and educational programs, as well as a survey of business and public organizations to determine gaps in the skills of their employees. Once such needs assessments are completed, a determination could be made as to which level of educational institution (CSU, UC, community college, or private training organization) would be best suited to develop and deliver specific components of the needed training. This training could take several different forms: training at the workplace, Internet training, or training at an educational institution.

The above is simply one example of concrete activities that could be undertaken through partnerships and coalitions. Other examples abound. Although it is recognized that such coalition building has been difficult to sustain in the past, the data from the Delphi analysis reflects a growing support and awareness among community leaders that the most effective and efficient way to upgrade the area's labor force is through a cooperative effort which combines the expertise and resources of various organizations. It is also clear that many stakeholders look to

their local educational institutions to provide the leadership necessary to form and sustain the alliances necessary for such a concerted effort. Funding opportunities should be provided by the State Legislature to support such efforts.

Offer incentives to employees for upgrading job skills and employers who provide such opportunities: A variety of incentives could be offered to employees who involve themselves in education/training to upgrade their job skills. For example, tuition subsidies, need-based tuition waivers, or tax incentives could be offered to employees to avail themselves of educational opportunities. More specifically, Dr. Scott Bass offered two such incentive proposals that seem to have particular merit. In his presentation to the United States Senate Subcommittee on Aging (July 25, 1997), he recommended: 1) For cases in which employers do not offer training opportunities, offer workers over a certain age a partial personal tax credit for work-related educational expenses, up to a dollar limit, and 2) Use direct tax credits to encourage employers to hire and train older workers; for example, a tax reduction equal to a certain percentage of the wages paid to workers aged 65 and over, perhaps with a maximum dollar limit per worker.

Offer incentives to educational institutions for providing programs that help employees upgrade job skills: The UC system, CSU system, community colleges, and private training firms all have a part to play in helping to upgrade the labor force, however each of these systems undoubtedly face various resource constraints and other factors which may inhibit their participation. As an example, the CSU system's Cornerstones strategic planning document makes it clear that CSU campuses will be expected in the future to provide additional and more broadly defined services to the communities and regions they serve. This could include both credit and non-credit educational programs. Short courses, workshop, refresher programs and "just-in-time" training for emerging fields and newly demanded skills will be part of the CSU mission. Yet,

these new endeavors cannot be taken on without additional incentives and more designated funding. Some incentives which might encourage CSU participation include: 1) Provide line item funding for individual projects and grants that reflect the true cost of providing new and potentially more costly services to business and industry, and 2) Reduce on-campus faculty teaching loads *in general* to allow more time for off-campus consulting, training and involvement with business and industry. This might be accomplished by providing sufficient funds to buy out the faculty member's time and replace him/her on campus at their regular salary rate.

At present, the CSU is funded only for very basic instructional programs. Research, development, and cooperative projects are not recognized in its budgets, but are increasingly expected of CSU campuses and faculty. This additional function and expectation must be clearly recognized by the state (and business and industry) and funded appropriately if services are to expand. This same comment holds (but to differing degrees) for the UC and community college systems.

Recognizing the non-traditional workforce: The aging workforce may be an especially important subset of the non-traditional workforce. In light of this recognition, the state should help promote (through incentives or provisions within existing laws) an increase in flextime and telecommuting, phased retirement, and part-time work options. Many of these options would benefit workers of all ages, and would strengthen the status and the image of older workers in particular. As part of this effort, the State should consider legislation to remove the differential costs of insurance rates and workers compensation rates for younger versus older workers, and for traditional vs. non-traditional workers.

Promote research in issues of aging workers: The State should increase funding for basic and applied research and demonstration projects on important older worker issues such training

needs, career transition issues, and retirement planning. As a by-product of this research, there should be an effort to disseminate the results of that research to corporations. Further, efforts should be made to advertise and promote the recognition that there is a trade-off between the experience held by the older worker with the current technological skills of the newly trained, often younger worker. This is increasingly being recognized in the literature and was underscored by focus group participants.

One specific area of needed research involves a study of the implications of the Legislature overturning, in 1999, the controversial *Marks v. Loral Corp.* California Appellate Court decision which held that companies can fire their more senior employees to save money without facing age discrimination charges. The new law (SB 26) took effect January 1, 2000, and provides older workers with increased protection from age discrimination at the state level. Although there has been much speculation as to how SB 26 will impact the work place, the impact of this bill upon California's business climate should be carefully monitored and analyzed. It is suggested that a RFP for such a project be included in the next round of CSU Faculty Fellows Projects.

Support Community outreach efforts: The State should support and encourage community outreach programs that seek to understand the needs of older workers (and to address those needs). For example, the State could increase efforts to publicize the opportunities and services provided by the California Task Force for the Employment of Older Workers. It should work more closely with advocacy groups (such as American Association of Retired Persons [AARP]) and national organizations (such as National Council on Aging [NCOA]). Increased participation in current federal Job Training Partnership Act (JPTA) programs would particularly help low income and minority older workers.

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RELEVANT INTERNET WEBSITES

California Task Force for the Employment of Older Workers – Has links to many national organizations such as the Administration on Aging, National Council on Aging, EEOC, and AARP.

<http://www.sjtcc.cahwnet.gov/OLDERWORKER>

California Department of Aging – The State's official web site for a host of issues for California's elderly, including employment issues and important laws (e.g., Mello-Granlund Older Californians Act).

<http://www.aging.state.ca.us>

California Department of Finance – The State's official web site for a host of issues related to the State's financial situation. Also includes a link to the Demographic Research Unit that provided the data for Table 1 of the report.

<http://www.dof.ca.gov>

California Department of Industrial Relations, Division of Labor Statistics and Research – The State's official web site for a host of issues for California's labor force.

http://www.dir.ca.gov/DLSR/Statistics_research.html

Bureau of Labor Statistics – Has many summary tables and reports as well as providing raw data from the Current Population Survey (CPS); can also download Monthly Labor Review articles.

<http://www.bls.gov>

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APPENDIX A – SEMI-STRUCTURED INTERVIEW GUIDE

Plight of an Aging Workforce

Interview Guide

1. First, some people argue that changes in California's business climate over the last 10 years have had a particularly negative impact on older workers. Others, of course, disagree, and say that the impact has been pretty equal for workers of all ages. What do you think?

SPECIFIC PROBES:

- Has technology had any special impact for the older workers?
 - Has downsizing hit them especially hard?
 - How about unemployment for these workers?
 - Did the recent recession have a differential impact for these workers (if so, has the picture improved as the economy has improved?)
 - Do you see differences in access to re-training for older workers?
 - Do you see differences in chances for promotion for older workers?
2. Nationally, there has been a decrease in the number of age discrimination complaints filed over the last decade, yet in California the rate has almost tripled. Why do you think this has been the case?

SPECIFIC PROBE:

- In *your* experience, have such complaints increased, decreased, or remained about the same in California over the last 10 years? Explain.
3. From your vantage point, do you see **any particular industries or business sectors** where older workers are particularly prone to discrimination?

SPECIFIC PROBES:

- What are those industries or sectors?
 - Why are these sectors prone to more age discrimination?
 - In what ways is this discrimination manifested?
4. Do you see **any particular industries or business sectors** where older workers are particularly prone **to unemployment** or **underemployment**?
 5. Have you seen a trend toward different levels of discrimination and problems for older workers who are also members of a particular minority group? How about for men vs. women?
 6. Do you see any particular regions within the state where older workers are particularly prone to discrimination? Unemployment? Underemployment?

7. Now looking toward the future, how do you see California's aging workers faring in the early 21st century? Please be as specific as possible.

SPECIFIC PROBE:

- What about in terms of your particular industry and geographic region?
8. What are your recommendations for policies that could be introduced to help mitigate the negatives or emphasize the positives for older workers?

APPENDIX B - COMPLETE RESULTS OF THE TELEPHONE INTERVIEWS AND FOCUS GROUPS

QUESTION #1: *First, some people argue that changes in California's business climate over the last 10 years have had a particularly negative impact on older workers. Others, of course, disagree, and say that the impact has been pretty equal for workers of all ages. What do you think?*

OVERVIEW: About one-half of the respondents report that changes in the business climate have had a negative impact on the older worker due to company mergers, downsizing and the increase in technology. They feel that many stereotypes persist regarding older workers. Those stereotypes portray older workers as being: (1) unable to compete with younger workers and (2) unwilling to be re-trained. The other half of the respondents believes that the impact of business restructuring has been the same for workers of all ages. They see a balance between the technological skills and physical capabilities of younger workers with that of experience, expertise and maturity of older workers. Interestingly, there appears to be a correlation between the position of the person being interviewed and the views held by the person. Specifically, policy makers and experts on older worker issues typically see the impact as being more negative, whereas Human Resource Directors and Specialists view the impact as being more equal.

Participants of the "Forty Plus" focus group indicated that older workers have been negatively affected by the changes seen in the California business climate over the last ten years. They cite the following reasons as possible causes for this disproportionate impact: A shift from a manufacturing to a service-based/technology-oriented economy; mergers and acquisitions; downsizing and offering "early outs"; salary "max-out" for older workers; job reclassification combined with a reluctance on the part of some older workers to take a pay cut in order to keep their job; the courts upholding the termination of older workers provided that it stems from a company's economic need; an increase in the number of unskilled workers entering the labor market coupled with the various industries' increasing proclivity towards hiring them, which has in turn led to the decline of the pay structure and the overall undermining of the unions; jobs being lost to Mexico; age-base stereotyping, particularly with respect to older workers lacking up-to-date technology based skills; the displacement of U.S. citizen workers by foreign national workers due to the latter being allowed to work in this country (a practice that is often *not* engaged in by other countries); a growing trend towards the use of independent contractors; a general corporate "slash and burn" philosophy with respect to older workers, and particularly "baby boomers," rather than a case-by-case approach to retention or termination; and a reluctance on the part of younger supervisors and managers to direct older workers.

Approximately one-half of the telephone respondents agreed that changes in the business climate in California have had a negative impact on older workers in the state. There seem to be two main reasons for this negative impact. First is the financial issue. With the recent recession in California, many companies have merged and with that comes downsizing. When companies merge, there is a duplication of positions and as a result, many employees are laid off or encouraged to retire. This particular recession has had a different impact than previous recessions in that those workers who have been with the company for many years and are in management level positions have been most affected. One respondent commented, "...the recession has been

different this time. The top end workers, the ones who are being paid more, the management level are being downsized with mergers. When companies merge, you don't need two vice presidents, so it's the older workers who have been with the company longer that are being downsized".

Many companies that merge attempt to reduce financial pressure in the process. One way to do this is to offer older workers, who have higher salaries and are approaching retirement age, retirement packages in order to eliminate these workers and hire younger workers at a lower salary. The following comments made by respondents illustrate this point:

- X In an attempt to cut costs, companies bring in younger workers for less pay in the hopes of getting the same product.
- X Large corporations have used downsizing to get rid of workers who are almost vested and whose pensions are coming due.
- X Longevity tends to be rewarded with higher salaries and when companies downsize, they cut those with the higher salaries, which are older workers.

Participants of the Inland Empire focus groups feel that although many companies did experience downsizing, the impact on older workers was industry specific. Certain professions, such as the legal profession, are not as prone to age discrimination due to the experience that older workers offer. In fact, older workers may be *more* valuable than their younger counterparts. As one participant commented, "In a law firm, older workers become more valuable over time. Twenty-year old lawyers are not as productive. You tend to reach your stride in your 40's and 50's". Many of the participants agreed that the view of the older worker is very different depending on whether the employee is in a profession or in a job such as manufacturing. Older professionals are more likely to be seen as a "valuable resource" whereas older workers in manufacturing are seen as "easily replaceable". On the other hand, it was noted that one Inland Empire accounting firm not only offers early retirement, but also encourages employees over the age of 52 to retire in order to make room for the younger workers.

Although one participant agreed that there is a negative effect of downsizing on older workers, due to their higher salaries, companies are realizing that the younger workers replacing these older employees do not have the same experience and knowledge. As a result, companies are looking toward the older worker as a valuable resource. "With downsizing came a mass exodus. The skills walked out. Companies are looking to get back the older workers. They are seen as a commodity". Another participant commented, "People are walking out and taking the knowledge of the company with them and the company is starting to realize that they need that knowledge that the employees have".

Along with downsizing comes the emotional effect on the older workers. Many of these employees began with a company early in their career and felt they had job security. With the downsizing and "forced" retirement comes a sense of betrayal and feeling that they are less valued than their younger counterparts. One respondent commented, "Emotionally there is a sense of loss, that they're being targeted. They lack job security and they feel betrayed. Their loyalty to the company is diminished and they are constantly looking for other opportunities". Another respondent had this to say, "It (downsizing) hit mid management, white collar workers very hard. People had good paying jobs and they were downsized. They cannot face taking a major pay cut to go back into the workforce. It's a big morale problem, they see it, not just financial, but that they do not have as much value in society".

Another way, according to the respondents interviewed, that business restructuring in California has had an effect on older workers is due to the perception that older workers do not have the necessary technological skills and/or physical capabilities to compete with younger workers. Some of the respondents feel that younger workers have the necessary technological skills to compete in the workforce whereas older workers have skills that are outdated. They feel that, although this has a differential impact on older workers, it is unintentional. As one respondent says, "Technology is changing so rapidly...it's more advantageous for companies to look for young college graduates who are up on the latest computer language and programming language. The older worker may have technological skills too, but they may be obsolete, so the company will hire the younger worker". Another respondent commented, "There has been more industry in California, more high tech companies coming to California and older people don't have the necessary skills for these jobs. The skills they have are obsolete". One participant in the Inland Empire focus group said, "Basic knowledge of computers in older people is lacking". Another commented, "The aging workforce is not trained to do the jobs of today". This has led to a phenomenon known as "technological displacement" where employees, particularly older employees, who do not have the necessary technological skills, move around to various jobs. They often find it difficult to re-enter the workforce after being downsized or replaced because of this lack of technological skills. Some respondents feel that "all workers are resistant to learning new technology" and "younger workers adapt to the new technology better".

The competitive nature of the California economy may also contribute to the notion that older workers can't keep up in the workforce, either technologically or physically, as seen in this respondent's comment, "There's a magazine called 'Fast Company' that promotes working harder, longer hours and being more fast paced and there is a stereotype that older people can't keep up, and that younger workers have the advantage".

On the other side of the spectrum are the respondents who feel that the impact has been equal for all workers, regardless of age. Some see a balance between older and younger workers in that, although younger workers are more likely to have the necessary technological skills, older workers have higher levels of expertise and experience. One respondent commented, "Some working environments need people with higher levels of experience which tends to benefit the older worker. On the other hand, the extreme and rapid growth of industries provided the need for employees to be adept with the new technology. Older workers have not had the same opportunity to learn these new technologies".

Stereotypes seem to have a negative impact on older workers. While many of the respondents agree that older workers may not have the same technological skills as younger workers, there is a perception that, contrary to many stereotypes, older workers *are* willing and eager to learn these new technologies in order to compete with younger workers, as seen in the following statements:

- X I think people in that age group seem very open to learning new technology and they understand that they need to learn it in order to compete in the business world.
- X It (technology) forces older workers to remain current with their skills.
- X I think the common complaint that the older worker does not keep up is a copout. And we have statistics to back this up. The older worker is more willing to go back to school and keep up with technology, to be re-trained, sometimes spending their own money to do it.

X Among Human Resource Specialists, the stereotype is that older workers are not willing to get the technological training, but studies have shown that older workers are more willing and are getting the training.

There is also a split among respondents as to whether there is equal access to re-training for older workers compared to younger workers. Just over one-half of the respondents feel that there is equal access to re-training for workers of all ages, and that training opportunities are available for all workers to access. The following comments reflect this belief:

X I think there are resources available for all workers across the board.

X There is training out there for anyone who wants it. I teach at Redlands University, and I have students in my class from all ages, 20 to 50 and above. So, if you want the training, it is definitely out there.

X There are always opportunities; whether they take advantage of it...they need to take it upon themselves to take advantage of these opportunities.

X If they are committed to being re-trained, they can get that training. It is very accessible as long as they are willing to make the effort.

Other respondents, on the other hand, feel that there is unequal access to re-training for older vs. younger workers. Among this group, however, four feel there are fewer opportunities for older workers while two feel that there are more opportunities for older workers. Those that feel there are fewer opportunities say that companies offer these opportunities to younger workers in the hopes that they will remain with the company longer, as seen in the following statement, "Companies tend to favor re-training for younger workers because they figure that younger workers will have a longer life-span with the company so they invest their training efforts in younger people".

Others say that while there are programs available for re-training of older workers, they service a very narrow group and have limited funding.

X Supposedly, there are more programs, but they cater to a smaller group of people, typically 55 and older who are economically disadvantaged. And they only have funding to serve 1% of the people. So, the people who are 40-55 are not receiving any assistance.

X One federal program, the Senior Community Service Employment Program (Title V) is well established and well run. But it is limited to people over 55 and economically disadvantaged. There is a JTPA program that trains a smaller percent of older workers. These programs do well, but any other program is non-existent. And these people are expected to use their own money and go out and train themselves. So, these programs are serving less than 1% of the eligible people. And they are limited on money to run these programs.

One respondent said that there is an assumption that there is less access to re-training when in reality there may be more. Others feel that the availability of training opportunities have shifted toward older workers.

X I think there is more available to older workers. In this day and age, people recognize that we have come to the technological era and they need to keep up with their training. And I think it is easier to do that now. There are seminars, colleges, and night school.

X We have made a conscious provision for re-training of older workers.

- X Logically, older workers are let go due to downsizing and they need the re-training and technological upgrades, so they do have more access. Especially more than a 20-30 year old, because what would they need re-training from?

The discussion among the Inland Empire focus group participants regarding training and re-training opportunities for older workers did not center on the availability of opportunities, but the time and money involved in accessing these opportunities, both for the employee and the employer. Some of the participants feel that there is a lack of time for employees to access training opportunities, especially those working for smaller companies. "If a person is out being trained, there is no one at the company to do the work". Many participants feel it is necessary for companies to realize the long-term rewards of investing both time and money to train their employees. One participant suggested that a study should be done to evaluate these long-term rewards, and the cost savings should be emphasized to employers, "We need to show employers that the \$1.00 they spend to train an experienced worker will pay off more in the long run than that same \$1.00 they saved in hiring an entry-level worker".

Because most employers do not invest time and money into training and re-training activities, employees must take the initiative to access these opportunities. Although most respondents and focus group participants agree that training opportunities exist, they also feel that most employees do not know how or where to access these opportunities. Another problem is that technology is changing and evolving so rapidly that training has become a continual process, which requires a tremendous amount of time. Other participants feel that there is always time for training, and both employers and employees need to find the time if they want to be successful. As one participant explains, "people will make the time after work because they know the importance of re-training in order to secure their future". Another participant says, "Fifteen percent of my time is spent on learning new technology. These children don't know what a work day means".

Regarding the chances for promotions for older workers, again there is an almost even split, with just under one-half of the respondents saying there are no differences because of one's age, and the rest saying there are differences in chances for promotions for older workers vs. younger workers. The majority of the latter believe that younger workers have the advantage over older workers in being considered for a promotion due to the fact that they are likely to remain with the company for a longer period.

- X I think employers unconsciously look at longevity and when they promote someone, they want to invest their time and energy in someone who is young and will stay with the company longer.

- X Companies want someone who will be with the company for a long time. They want to train them and have them move up the ranks. The closer you are to retirement age, the less likely you are to get promoted.

- X I think regardless of age discrimination laws, there is some sort of implied ceiling and the rate of progression flattens, as one gets older.

- X Youth appears to be an advantage when up for a promotion.
Although some feel there is a general age bias among employers when considering an employee for a promotion, others said that older workers have more to offer the company, and they have the advantage due to longevity and experience

- X There is a definite age bias depending on the type of company and type of person. The closer you get to 50, it is the kiss of death. But in reality, they (older workers) have more to give.

- X Some people are promoted simply because of longevity.
- X I think older workers have more opportunities for promotions because of their experience and skills”.

QUESTION #2: *Nationally, there has been a decrease in the number of age discrimination complaints filed over the last decade, yet in California the rate has almost tripled. Why do you think this has been the case?*

OVERVIEW: Many of the respondents gave several responses to this question. The majority of them believe that the reason for the dramatic increase in the rate of age discrimination claims in the state compared to the rest of the nation is due to the litigious nature of California. They do not necessarily believe that there is actually *more* discrimination in California, but that attorneys in the state encourage people to file lawsuits. Another reason cited for the increase in discrimination claims is the fact that the recession hit California harder and had a different impact than on the rest of the nation. Many military and aerospace industries were greatly affected by the recession, and many of those companies resided in California.

One of the reasons that respondents feel there is an increased rate of age discrimination complaints in California is the result of the litigious nature of the state. They feel that the higher number of attorneys in California along with the role of the media contributes to the increasing number of complaints being filed in the state.

- I think the media has a lot to do with it. There is more and more in the news about lawsuits and large awards, so that has an influence.
- X This is speculative, but California is an overly litigious state. I have talked to employers in other states and we get sued for things they have never even heard of.
- X Because we live in an extremely litigious state. We have too many attorneys in California and they encourage people to sue in order to make their living.

They also think that this may not accurately reflect the amount of actual discrimination in California compared to the rest of the nation, as seen in these statements, “I think California is a litigious state. I think you would find that whereas they have more filings, you probably aren’t finding more actual discrimination than in other states”; “I think more liberal laws, there are incentives to filing age discrimination complaints. Many people in California are well versed in the nuances of the law. I don’t think there are more discriminatory offenses in California”.

A couple of respondents commented that the laws in the state of California make it difficult for business to function, which increases the likelihood that employees will file lawsuits. “California is a difficult place to run a business because of the laws”; “California is very pro-employee. It has instituted regulations that have placed more burden on employers and granted more benefits or protections to employees”.

Almost one-half of the respondents say that the recession hit California harder than the rest of the nation, thereby having a differential impact on the number of age discrimination complaints in the state. The recession forced many companies in California to merge with other companies, which resulted in downsizing and the elimination of managerial positions that were traditionally held by older workers. The following comments illustrate this point:

- X We were heavily hit by the recession and that age group got hit hard.
- X California took longer to get out of the recession than the rest of the nation.

X The recession hit California differently than in other parts of the nation, so maybe that has something to do with it.

Others feel that the recent recession had a greater impact on California than other states due to the type of industry in the state. California is a heavy military state, and this sector was hit particularly hard by the recession. This forced major downsizing which had an impact on other companies and industries as well as the military, including the private sector. One respondent commented, “We got hit hard and the impact is not just on the military jobs, but the other companies who deal with the military. It has had an impact on a lot of older workers. So maybe they felt mistreated or singled out because of this”.

Another aspect of the type of industry in the state has to do with the number of companies with a high technology base. These companies tend to favor youth because they have more recent and current training and skills in these areas. Older workers may feel they were being singled out or discriminated against if they did not have the necessary skills to compete.

X In California, we are highly technology based and the younger population is more valued.

X I think because of the diminishing aerospace industry and the rise of technology. It attracts a more youthful clientele and older workers feel displaced.

X The technology in California. A lot of corporations have their headquarters in California.

One respondent felt that the entertainment industry, which is very youth oriented, contributes to a higher number of age discrimination complaints in California, as compared to other states, as illustrated in this comment, “There are more industries out here that are very age biased. The entertainment industry for one, the movie industry; we have many youth industries in California”.

A couple of respondents had different ideas as to why the number of age discrimination complaints has increased in California over the last 10 years. One said that we simply have a larger aging population as compared to the rest of the nation. Another said that California is a trendsetter, and that as the national population ages, we can expect to see the number of age discrimination complaints increase nationwide.

According to the “Forty Plus” focus group participants; they felt that while the number of complaints has almost tripled, the numbers of cases where a judge or jury find for the plaintiff are rare. There is a tendency for the courts/juries to discount plaintiff’s claims.

Respondents were asked if they have personally seen the number of age discrimination complaints increase, decrease or remain about the same over the last ten years. One-half of them said they did not know or had no personal experience with it. Among the remaining half, five said that they have seen the number of complaints increase and four said that they have remained the same. None of the respondents said that complaints have decreased over the last 10 years.

X Personally, I have seen complaints increase over the last 10 years. People are very angry due to downsizing. I am not sure how many of them follow through with lawsuits.

X There has been an increase in the clients I work with. They have trouble getting re-employed after being downsized and they start to look at why there were let go and what it was based on. Then they look at their age and think, “that is it”.

X Absolutely it has increased, I would support that figure. I can think of 1,000 personal contacts that would attest to it in writing, that they have been affected by age discrimination.

- X We have always had a low level of complaints, and it has stayed the same over the past decade.
- X I personally have not seen it in our company.
- X I think its stayed about the same.

QUESTION #3: From your vantage point, do you see any particular industries or business sectors where older workers are particularly prone to discrimination? Unemployment? Underemployment?

OVERVIEW: Businesses and industries that require a high level of technical skills and those with physical requirements are seen as the most prone to age discrimination, unemployment and underemployment. Also, unique to California, is the entertainment industry, which is described as very “youth oriented”.

Eight of the telephone respondents indicated that businesses requiring high technical skills would most likely be the areas where older workers are prone to discrimination. They said the reason for this is because many young workers are just coming out of college and have been trained on the latest technology, are more creative and better able to adapt to the quickly changing environment. There is a perception that older workers are not as well trained, are not as open to re-training, and are more “set in their ways” than younger workers.

- X They need to stay on the cutting edge and remain creative. Those workers who are coming out of an educational institution are typically better trained and more creative in their thinking and they therefore have the advantage. Older workers, from what I have seen, tend to get stuck in old ways of doing things and they do not keep up.
- X There is a lot of new technology and programming language. The older workers have been trained on the mainframe; they are mainframe people and their being effected. They need to keep up on their education and stay current. If they do not keep current in this field, they will be affected.
- X With technology, it changes so quickly and again there is a perception that younger workers can keep up and adapt more easily to change.

Another business sector that was frequently mentioned by respondents as being more prone to age discrimination are the labor intensive or high production occupations, such as construction. This is largely due to the physical nature of those occupations and the belief that older workers are not physically capable of doing the job.

- X Production is so physical and there is the perception that older workers cannot keep up. They may work smarter, but physically, people believe they cannot keep up with younger workers.
- X The younger workers are more able to hack it [the physical jobs].
Although many of the more physical occupations seem to employ younger workers because of the perception that they are physically better equipped, respondents do not feel this is discrimination, but rather more practical for the company.
- X The physical requirements, there are limitations for older workers and more opportunities for younger workers. I do not think its out and out discrimination, but physically more practical.

A few respondents also mentioned the entertainment industry, but unlike the other industries, this applies primarily to the state of California itself. It is seen as a very youth oriented occupation, as seen in the following comment, “Older actors and writers don’t get hired. There are limited opportunities for older people in the advertising industry and particularly the entertainment industry”.

Other business sectors that were mentioned by respondents as being prone to age discrimination include engineering, the medical community, the banking industry and sales. A few respondents said that age discrimination is seen throughout all industries, and you cannot focus on one in particular.

As for business sectors that are more prone to unemployment or underemployment, most of the respondents did not feel they had adequate information to answer or speculate on this question. Among those who did, they tend to cite the same industries as those that are prone to age discrimination, such as those requiring high technical skills, the production or labor intensive occupations, and the entertainment industry. They cite these industries as being prone to unemployment and underemployment for the same reasons that they are prone to age discrimination.

Interestingly, with age discrimination, respondents feel that those occupations that require higher technological skills are more likely to discriminate against older workers; for unemployment and underemployment, they tend to see the occupations requiring *lower* technological skills as having more of an impact on older workers. This is due to the replacement of human labor with technology.

X I used to be in banking, banks are now getting rid of many tellers with new technology, and most of those positions were filled with older workers. So, as they reduce the number of tellers, this has an effect on older workers.

X The seasonally adjusted industries, such as agriculture...because they have been there the longest and they have the least technology. For example if you have an assembly line worker and an instrument technician at a company and the company goes automated, you’re going to need and keep the technician over the assembly line worker. And the assembly workers tend to be older and the technicians tend to be younger.

According to the “Forty Plus” focus group participants, industries and sectors where the emphasis is often on a youthful image are particularly prone to age discrimination. Areas that demand creativity as well as those that particularly look for “fresh faces” tend to favor younger workers. Some other examples include the advertising, retail clothing, and entertainment industries, and specific job functions such as public relations.

QUESTION #4: *Have you seen a trend toward different levels of discrimination and problems for older workers who are also members of a particular minority group? How about for men vs. women?*

OVERVIEW: More respondents saw differential impacts of age discrimination with regard to gender as opposed to ethnicity. Among those who reported differences based gender, about half felt the impact was greater for men, and the other half thought it was greater for women.

The vast majority of telephone respondents and focus group participants did not feel there were any differences in discrimination for older workers based on ethnicity. One participant of the

“Forty Plus” group said that “California is more of a ‘melting pot’ than other states, and as such, widespread or otherwise blatant discrimination (based on ethnicity) may not be as prevalent here as elsewhere”.

Among the four telephone respondents who said they had seen a difference based on ethnicity, two of them said the white males are the most affected by downsizing and that they are the angriest.

X The number one group that is being affected is white males over 40, followed by any male over 40, followed by any person over 40.

X From what I have seen and experiences, the anger comes from the white male about 40, 45 or 55 years of age. There is a perception that they are being targeted, singled out or picked on. Definitely, the white male is the angriest. Especially if workers from another minority group are not downsized.

For the other two respondents, they felt that it is not necessarily discrimination, but a language barrier that has affected older Hispanic workers.

X I think older Hispanics might have limited English skills and this has an impact on them.

X The major problem is not by ethnicity, but immigrants. They may be equally skilled but there is a language barrier there.

Three participants of the Inland Empire focus groups felt that older minority’s are being disproportionately affected by age discrimination because they are more likely to be in entry-level positions.

According to telephone respondents, there is more of a trend toward different levels of discrimination and problems for older workers based on gender rather than ethnicity, although there is a lack of consistency among respondents as to whether this is more of a problem for men or for women.

About one-third of them feel that older men have been more affected by business restructuring and downsizing, primarily because men have been in the workforce for a longer period of time and therefore have more time vested in a particular company. Respondents felt that older men had more to “lose” than women when they are replaced by younger workers, as seen in these comments:

X Men typically have higher salaries, they have been in the workforce longer than women and they have more vested time. It has only been recent that women have been in the workforce. I think men have more to gain from staying on, so they have been affected.

X Men are more likely to work and especially older men, you see more of them in the workforce than older women.

On the other hand, a few feel that older women are more prone to discriminatory workplace policies. This is due in large part to the belief that there is a perception among employers that women in general are less valuable than men in the workplace, and older women are dealing with dual discrimination.

X I think women are less valued and older women are probably more of a target.

X Some employers are just more chauvinistic in their thinking, but that is not an industrial issue, that is an employer issue.

X I think that older women have a double jeopardy. In California, it has been well established that women do not make as much money as men and there is sexism and ageism. When you put the two together, women have it rough.

QUESTION #5: *Do you see any particular regions within the state where older workers are particularly prone to discrimination? Unemployment? Underemployment?*

OVERVIEW: The majority of respondents did not feel they were familiar enough with the various regions of California to comment on this question. Of those who did, most thought the Silicon Valley is more prone to age discrimination due to the technological nature of the industries in the area. Also mentioned was the Hollywood area, due to the entertainment industry, and rural areas because of more traditional stereotypes that are often seen in these areas as compared to larger cities.

Thirteen of the eighteen telephone respondents interviewed did not feel they were knowledgeable enough about the different regions within the state to comment on this question. One respondent indicated that proportionately, it seems equal statewide, “We get cards and letters from all over the state...from Eureka to San Diego. There may be regions that are more prone to it, but I’m not seeing it”.

Among the five telephone respondents who commented as to which region(s) in California are more prone to age discrimination, three of them said the Silicon Valley due to the high-tech industries. Younger workers tend to have an advantage over older workers in careers that require advanced technological skills, and there is a perception that older workers cannot compete with the younger workers in these fields. Participants of the “Forty Plus” focus group echoed the perception that the Silicon Valley is more prone to age discrimination due to its technological orientation.

- X Silicon Valley for age discrimination. The technological companies do not believe that older workers can keep up with younger workers.
- X I would have to say the Bay area, particularly South Bay...Silicon Valley. I have friends there and they say the turnover rate is high and the jobs are geared toward youth and mobility.
- X Silicon Valley...because of the rapid advances in technology. Workers need to stay current.

One respondent thought the Los Angeles region, particularly the Hollywood area, is more prone to age discrimination and unemployment for older workers due to the entertainment industry being located there, and the youthful nature of this industry.

Another mentioned the rural areas of California, such as Trinity County and Eureka. According to the respondent, people in rural areas tend to be less tolerant of people from a different ethnicity and/or age group, and are more likely to act on those stereotypical ideas than people who reside in larger cities. “I’ve heard people talk in rural areas, they are more stereotypical about various groups of people, and I just think they might be acting out on some of these biases”.

QUESTION #6: *Now looking toward the future, how do you see California’s aging workers faring in the early 21st century?*

OVERVIEW: The majority of respondents feel that the future looks brighter for older workers due to increased exposure to technological and computer skills. This will narrow the gap that currently exists between older and younger workers. Employers will also

recognize that older workers bring experience and maturity to the workplace, and that coupled with necessary technological skills, will have a more positive impact on older workers in the next century. A few respondents, however, feel that the stereotypes that currently exist regarding older workers will continue to have a negative effect, and that education is the key to reversing this trend.

On the positive side, the majority of respondents feel that older workers will fare better in the early 21st century than they do today. As the workforce ages, technology will cease to be a major barrier for older workers, as they will have been trained in technology and computers for most, if not all, of their career. One respondent commented, “Although computerization will undoubtedly continue to revolutionize the world of work, the older workers of, say, 2010, will have been exposed to computers for most of their working lives and so will not be at as great a disadvantage as older workers may have been in the 1980s and 1990s”.

Many respondents echoed the need for older workers to not only receive the technological training they need, but to remain current in that training in order to be successful in the next century.

X I think the opportunities are wide open for older workers as long as they can compete with technological skills and physical requirements.

X This problem with the aging workforce and re-training is not a one-time issue. It is a continuous issue that will need to be faced again and again as technology evolves and changes.

X If older workers can maintain their health and their level of competence and can keep up with the new technology and new ways of doing things, they will do well.

X As long as they are able to acquire the technical skills, they will be fine.

X We all need to keep current and up to date on our education. We need to continue our education and training to strengthen our skills to make ourselves more marketable. If we do not, we will all fare poorly.

A few respondents commented that in the next century, as the “Baby Boom” generation approaches retirement age, there will be a growing labor shortage and a diminishing pool of qualified younger workers. Because of this, business leaders and employers will recognize that older workers offer more experience and expertise than younger workers, and are an important resource to be utilized.

X If industries are aware that when these workers in the good positions retire, they are going to have no one to replace them, they will bring these older workers back from retirement...we cannot replace the skilled workforce.

X We will see the energy and exuberance of youth and adaptability and this will be tempered by the extra life and work experience of the older workers. I think it will all come into balance.

X The younger worker pool is getting smaller and they see that the older worker group is the one they need to choose from. Companies will realize that older workers have the skills, abilities and the work ethic.

X This is an automatic solution to discrimination towards the aging workforce. Employers will need to keep their older workers employed in order to keep their workforce up. They will have no choice.

Two of the telephone respondents along with a few focus group participants feel that older workers can use this demand for qualified workers along with their experience and expertise

to their advantage by working as independent consultants. This way, they can have a more flexible work schedule and potentially see an increase in their income, as reflected in this comment, “The older workers find their niche in independent consulting. I have counseled people to become independent contractors and they can be extremely successful. I’ve seen their income levels go up tremendously, so there is a positive side”. But in order to be successful, they will need to be flexible, willing to travel and able to work with a variety of companies.

On the other side are those respondents who think older workers will continue to experience the same difficulties into the next century. They feel that, although opportunities may increase for older workers, the ideas and stereotypes that work against them will continue, and that education needs to take place in order to change those stereotypes.

- X I think we need active marketing to show that older workers are sharp and adaptable, but that will be a challenge.
- X They should have more opportunities, but I am not certain how they’ll do because of ageism. I think they still may have problems. Just because there are more job opportunities, there is still ageism.
- X I see it as a cultural, economic and social struggle and there will be the same problems in place regarding older workers regardless of the generation.

According to the “Forty Plus” focus group participants, the older worker will become increasingly vulnerable to age-based discrimination in the 21st century, particularly as California continues to move from an industrial to an information processing/services oriented economy. As technology continues to automate many of the routine tasks normally filled by workers, managers (particularly middle managers) will increasingly become less necessary. Also, the movement continues to be away from that of “craftspersonship”, and towards more of a “mechanic” or “order taker” philosophy, whereby knowledge of “how” and “whether” the system (particularly the computer/technology-based system) works takes precedence over the honing of one’s knowledge regarding the goods or services that are actually being produced/provided. Older workers *must* avail themselves, even in the face of an employer reluctance to re-train them, of any and all training and continuing education resources available so as to keep their skills as current as possible. As the unrelenting pace of technological advancement continues to increase, younger workers too are likely to find even *their* recently acquired skills becoming obsolete.

QUESTION #7: What are your recommendations for policies that could be introduced to help mitigate the negatives or emphasize the positives for older workers?

OVERVIEW: The most commonly cited policy recommendations include education, for both employers and employees; a more flexible working environment for older workers such as tele-commuting, flex-time and part-time schedules; tax incentives for businesses and employers who hire, train and provide continuing education to older workers; and a restructuring of the benefits and insurance packages offered by employers to older workers. (For a complete list of all suggestions and recommendations made by telephone respondents and focus group participants, please see Appendix C).

According to telephone respondents and focus group participants, education and training is the key to creating a more positive working environment for older workers. Respondents feel that employers and human resource directors need to be educated regarding older worker issues,

which will lead to increased sensitivity of a diverse workforce. Some of the stereotypes associated with older workers need to be addressed, such as the idea that older workers do not have the necessary technological skills and they are unwilling to be trained on those skills. This education needs to be a component of the organizational training that employers and human resource personnel receive. As one respondent commented, “We need more seminars which discuss older worker issues at Human Resource conferences. I’ve been to a lot of conferences that have covered a variety of topics and how to work with various groups of people, but I have never seen a seminar that addresses issues such as how to attract and motivate older workers”.

Education should also focus on encouraging employers to recognize older worker issues, how much experience and knowledge older workers provide and to realize the important resource they have in older workers.

- X Employers need to focus on the fact that they have focused their attention, trained and invested time in older workers and they are letting go of a knowledgeable resource.
- X Companies need to develop a selection process with an element built in where workers are not being pushed out due to their age. They need to avoid pulling older workers out and bringing younger people in. They can redirect them to other positions within the company. Once employers realize that there will be an increasing lack of qualified workers in the 21st century and that they have a valuable commodity in older workers, they need to be informed of the long-term benefits of investing time and money into the training and re-training of older, more experienced workers.
- X I would like to see more community and state agencies offer more training programs and for them to work with business to create programs.
- X We need to inform businesses of decreased workforce today so that they are aware and maybe they will decide on their own that re-training the aging workforce would be beneficial to them in the long run.
- X We need a federal government funded training and re-training program.

Once employers are aware of older worker issues, they need to adopt policies that incorporate the needs of older workers and enable them to be more flexible and productive in their career. Such policies include the increased use of flextime and tele-commuting opportunities, phased retirement and part-time schedules for older workers.

Another component of education is to provide training and life-long learning opportunities to the older workers themselves in the latest technology in order to enhance their skills. It is believed that this would benefit not only the older workers, but also the employers and the workforce in general.

- X Subsidize continuing education...Encourage companies to train workers and keep their skills current. I would prefer to do it through tax incentives, not through government programs or national dollars.
- X If legislature could encourage life-long learning and access to improve the skills and knowledge of older workers.
- X We need to offer more advantages to employers to provide education and training opportunities for older workers...to become certified in certain fields, getting the training necessary.
- X Companies need to put in time, effort and money into their employees to enable them to perform all of the tasks of their job description.

One way to enable employers to offer educational opportunities is to provide companies with tax incentives in order to hire, educate and train older workers. Stipends could be offered to companies for each employee over the age of 40 in order for that employee to receive the necessary training.

X I think we need to offer tax incentives to hire older workers...promoting legislation for tax incentives.

X Provide tax incentives to help train and keep older workers, to keep their skills current...nothing motivates businesses like tax incentives.

X Tax incentives for employers to do this. They are so profit oriented, we want to make it profitable for them to hire older workers and make it worth their while.

Between both the “Forty Plus” and the Inland Empire focus group participants, the problem of age discrimination may be one that is rooted in sociological causes. Age and wisdom tend to be discounted and devalued in our society and with that comes a commensurate discounting and devaluation of older workers. Therefore, attempting regulate age discrimination may not be as feasible as approaching the problem more from an economic perspective. For example, a general tax restructuring, and specifically a lowering of the tax rates could, among other things, facilitate the startup of more smaller businesses who in-turn may be more predisposed towards hiring and retaining older workers than the larger corporations.

Another component that is associated with tax incentives is the economic aspect of employing older workers. Many employers believe that it is more costly to employ older vs. younger workers. In addition to older workers typically have higher salaries than their younger counterparts, it is often believed that it cost more to provide benefits to older workers.

X There is a struggle between experience and responsibility and the bottom line which is money, and there needs to be a balance between the two. The first step is in making the balance between the economic bottom line and the social good.

X They [companies] are so profit oriented...it all comes down to money. We should stop penalizing companies for having older workers in terms of their insurance rates and workers compensation rates. There is the idea that it cost them more to have an older worker because they take more sick/vacation time, will need workers comp. But there are no stats to back this up.

X If companies would allow them to buy into Medi-care early. That is the drawback of hiring older individuals...it is expensive to carry insurance. If companies had affordable health insurance, this would allow older workers to take jobs that they otherwise would not take.

Employers should be encouraged, whether through opportunities such as tax breaks or other incentives, to adopt a policy of making training and re-training available to everyone, and not just to their younger workers.

APPENDIX C - POLICY RECOMMENDATIONS

Qualitative Telephone Interviews:

Policy Experts

- ◆ Tax incentives for employers to [hire from the wealth of experienced workers we currently have]. We want to make it profitable for them to hire older workers and make it worth their while.
- ◆ We should stop penalizing companies for having older workers in terms of their insurance rates and workers compensation rates.
- ◆ The State and local government needs to adopt a proactive stance on hiring and retaining older people.
- ◆ More employers are adopting pension policies where there is an incentive to retire early, because the longer they stay with the company, the less money they get. We need to look at the relationship between the hiring of older employees and the policies that force them into early retirement.
- ◆ Policies, which do not encourage early retirement, are critical.
- ◆ Life-long learning opportunities so that employees can stay current on their skills.
- ◆ Legislation to help Human Resource Specialists and employers see that older workers are a viable choice. I think we need to offer tax incentives to hire older workers.
- ◆ Socially, I think we need to raise the age of the “older worker” to 45 and above and change age discrimination to people 50 and above.
- ◆ Increased use of flextime and telecommuting, phased retirement, part-time work options that are well integrated into the corporate job structure. All of these options would benefit workers of all ages, and would strengthen the status and the image of older workers as well.
- ◆ I believe very strongly in utilizing education as a tool for change. If the assembly could provide educational incentives and have aging as part of the organizational training, I think this would lead to sensitivity of a diverse work force.
- ◆ If the legislature could encourage life-long learning and access to improve the skills and knowledge of older workers, people would be more understanding of older workers and this would lead to more sensitivity and a change in behavior.
- ◆ There is a struggle between experience and responsibility and the bottom line, which is

money. There needs to be a balance between the two. FB26 was a bill signed into law that overturned a recent court decision that said you could fire workers based on economics alone. Now, if this has a disproportionate impact on older workers, it must be based on something more than economics. The first step is in making the balance between the economic bottom line and social good.

- ◆ Policy decisions must be social decisions. Realize that the economy is multi-faceted. We cannot assume that we get the same product with younger workers. There needs to be social and cultural changes.

Human Resource Directors and Specialists

- ◆ I do not think you can legislate business. The only way to do it is to market the older worker in a new light and change the stereotypes. Education needs to be targeted toward the 30 year-old leaders to challenge them to see older workers in a different way.
- ◆ Employers need to focus on the fact that they have focused their attention, trained and invested time in older workers and they are letting go of a knowledgeable resource.
- ◆ First of all, education. We need to get on the education track. Encourage companies to train workers and keep their skills current.
- ◆ Provide tax incentives to help train and keep older workers, to keep their skills current. Subsidize continuing education. I would prefer to do it through tax incentives, not through government programs or national dollars. Nothing motivates businesses like tax incentives.
- ◆ How companies promote their employees, whether they go inside or outside for promotions. If they stay within the company, it will be more positive for the older employees because of the skills they bring to the job.
- ◆ I do not want to see more laws putting policy restrictions on businesses. I would like to see more community and state agencies offer more training programs and for them to work with business to create programs.
- ◆ I would like to see community outreach to understand the needs of older workers. More seminars that discuss older worker issues at Human Resource conferences.
- ◆ Flexible scheduling for older workers.
- ◆ Doing a study of those individuals who are being displaced or downsized and highlight those who are 40+ and are making significant contributions to the California economy. If there are negative impacts, look at the numbers, what industries they are in, compare them to the people who are 40 and above, and are working. Do a statistical study.

- ◆ Companies need to develop a selection process with an element built in where workers are not being pushed out due to their age. They need to avoid pulling older workers out and bringing younger people in. They can re-direct them to other positions within the company. They need to select panels that promote diversity and equitable treatment of all workers.
- ◆ We need to offer more advantages to employers to provide education and training opportunities for older workers such as tax breaks and incentives. Stipends for each employee over the age of 40 to receive training, to become certified in certain fields, getting the necessary training.
- ◆ We need to recognize that they are not as quick as the younger generation. Some of the older workers are at the top with new equipment training. Companies need to put in time, effort and money into their employees to enable them to perform all of the tasks of their job description. They cannot expect the older group to pick up new technology on the fly. They need to ensure that everyone is on the same page with new technology.

Focus Groups:

- ◆ Baby boomers are going to retire in 7 years. This ends age discrimination because the workforce will be depleted and employers will find the need to keep their older workers.
- ◆ [Government funded] basic training. Give people more current training. Take the already educated group and train them on new tools.
- ◆ This is not the employer's problem or the aging workforce problem. It is society's problem and on site training should be provided.
- ◆ When the military downsized the middle managers received special training so they could obtain jobs outside the military. The same should be done for civilians when downsizing occurs. We need to inform business of decreased workforce today so that they are aware and maybe they will decide on their own that retraining the aging workforce would be beneficial to them in the long run.
- ◆ Begin partnerships with educators, business leaders, and government to retrain the aging workforce.
- ◆ Programs that can be utilized to find jobs, identify people for the jobs, and train them for the jobs.
- ◆ We need to create some sort of demonstration program. Focusing on small things to get a handle on. Publicize the findings and give politicians credit so they will carry the message to the legislature.
- ◆ We need a federal government funded training and retraining program.

- ◆ One problem is the term limits on legislature. To get them to tackle long-range problems is difficult because short-term problems show results that get them re-elected.
- ◆ Identify political leaders and get them involved along with their staff.
- ◆ [Employees] get over fear of computers. People are afraid of computers.
- ◆ Have upgrading sites at local malls.
- ◆ Computer laboratory in local libraries.
- ◆ Focus the training on what employers need. Academic training is different than what employers need.
- ◆ Short-term, industry specific training. Either on-site or possibly, use University facilities over the summer for short-term training.
- ◆ Incentive for employers to hire and train older workers.
- ◆ Tax incentives provided by the government to hire and train older workers.
- ◆ Conduct a study or an analysis of data that shows long-term rewards to employers of training an existing worker rather than replacing them with an entry-level worker at a lower salary.
- ◆ A general tax restructuring, or a lowering of the tax rates in order to facilitate the startup of smaller businesses who may be more pre-disposed to hiring and retraining older workers.

Additional Comments/Recommendations from final stage of Delphi:

- ◆ “I have a concern about a tax incentive policy to hire older workers. It suggests that they are a less than adequate group and hiring them is a social service. I would rather see the emphasis on preparing the mature worker to perform well in the new work environment where flexibility, team work, decisiveness, technology skills, working with many generations, etc. are valued.”
- ◆ “I would recommend economic incentives to include aging in management training programs. Although we cannot enforce how people think about age, we can influence them through effective education and training. This was my experience in the 1980's when we launched a national management education program to prevent age discrimination in the work place and encourage effective use of older workers. Our follow-up results indicated that the training had some impact on attitudes and behaviors. In general, age is underrepresented in most diversity programs.”

- ◆ “A study by Mercer indicated the cost of turnover. Perhaps this fits into the economic rationale for retaining workers, including older workers.”