

Five smart reasons to hire 50+

AARP® study shows how 50+ workers are critical to your business success.

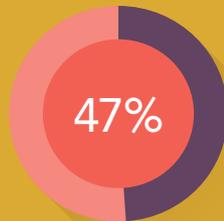


Demand, say "hello" to supply

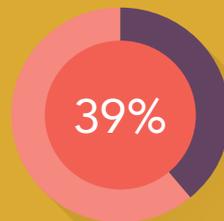
- From 2002 to 2022, the number of workers age 50+ is expected to increase by 62%.¹
- By 2022, the number of workers age 50+ will constitute 35% of the workforce.¹

40% of U.S. employers report difficulty filling jobs.²

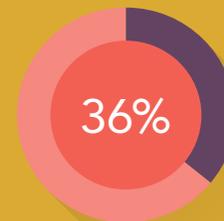
Specifically, they report a talent gap due to:



Candidates lacking
technical competencies/
hard skills



Candidates lacking
workplace competencies/
soft skills



A lack of available
candidates

¹Source: Aon Hewitt analysis of Bureau of Labor Statistics data, and Mitra Toosie, Monthly Labor Review, December 2013

²Source: ManpowerGroup 2014 Talent Shortage Survey

The costs are less than you think

Value

- Workers age 50+ add value to organizations due to their high levels of engagement, stability, productivity, and experience.¹
- 50+ workers are a critical component of a multigenerational workforce.²



Cost

- Recent trends in compensation and benefits have diminished the relationship between age and labor costs to the point that age is no longer a significant factor.³
- Employer-paid health care costs are growing more slowly for 50+ workers. From 2003 to 2011, employer claims costs rose by 8.0% for workers ages 35-39, compared to 5.7% for workers ages 55-59.⁴

¹Source: Establishing the Positive Contributory Value of Older Workers: A Positive Psychology Perspective 2005.

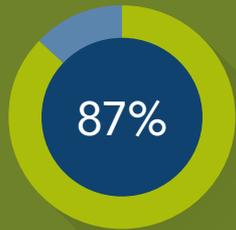
²Source: Wall Street Journal article, "There's No Age Requirement for Innovation"

³Source: Aon Hewitt's Benefit SpecSelect™ database and Aon Hewitt analysis of Truven Health Analytics data

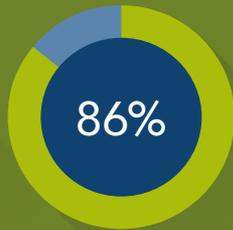
⁴Source: Aon Hewitt analysis of Truven Health Analytics data

Turns out, age ISN'T just a number (it's a lot more than that)

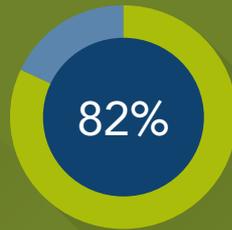
A 2014 survey of more than 700 employers revealed the following beliefs regarding the value of older workers:



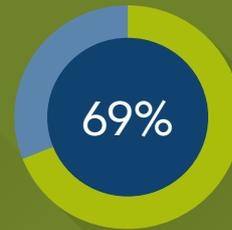
Valuable resource for training and mentoring



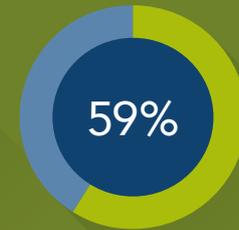
Important source of institutional knowledge



More knowledge, wisdom and life experience



More responsible, reliable and dependable

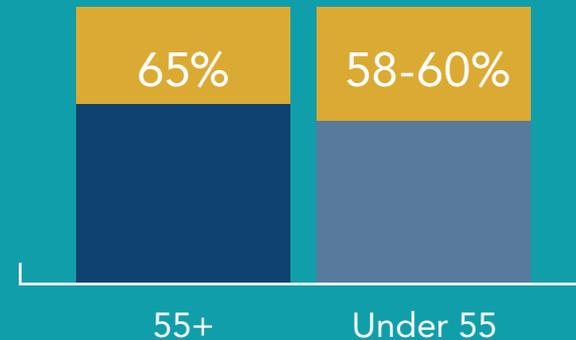


More adept at problem solving

Every day is “bring your commitment to work” day

- 65% of employees age 55+ in large companies are engaged, compared to 58-60% of employees under age 55.¹
- 81% of workers age 55+ are “motivated”— meaning they say that they exert extra effort and contribute more than is normally required in their job — compared to 77% of workers 25-54.¹
- Business or work units that scored in the top quartile on employee engagement are 21% more productive, have 22% higher profitability, and experience 37% less absenteeism when compared to those in the bottom quartile.²

Employee engagement



The result?

Sustained productivity and innovation leads to stronger business results.

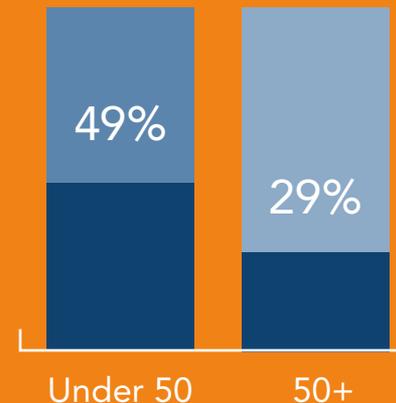
¹Source: Aon Hewitt Engagement Database 2009-2013

²Source: Engagement at Work: Its Effect on Performance Continues in Tough Economic Times, Gallup Inc. 2013

Staying power – the 50+ are sticking around, and not just for financial reasons

- 45% of workers 45+ expect to retire at 65 or younger, compared to 62% in 2004.¹
- 71% of workers 45+ report “enjoying the job” as a major factor in their decision to work, second only to financial reasons.²
- Retaining older workers reduces the one-time costs of turnover that can go as high as \$31,700 or more per employee — in fact, unexpected turnover may cost 1.5 to 2 times more than expected turnover.³

Percentage of workers that pose a risk of unexpected turnover⁴



¹Source: Employee Benefit Research Institute and Greenwald & Associates, 2004 and 2014 Retirement Confidence Surveys

²Source: Staying Ahead of the Curve 2013: The AARP Work and Career Study

³Source: Aon Hewitt estimates

⁴Source: Aon Hewitt Engagement Database 2009-2013; 2014 analysis by Aon Hewitt

Ready to rethink your hiring strategies?

Download the full report at www.aarp.org/businesscaseforworkers50plus.



Questions? Contact Heather Tinsley-Fix at HTinsley-Fix@aarp.org
Source: A Business Case for Workers Age 50+: A Look at the Value of Experience 2015