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:

- 47% Candidates lacking technical competencies/hard skills
- 39% Candidates lacking workplace competencies/soft skills
- 36% A lack of available candidates

² Source: 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

---

² Source: Wall Street Journal article, "There’s No Age Requirement for Innovation."
³ Source: Aon Hewitt’s Benefit SpecSelect™ database and Aon Hewitt analysis of Truven Health Analytics data
⁴ Source: 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:

- 87% Valuable resource for training and mentoring
- 86% Important source of institutional knowledge
- 82% More knowledge, wisdom, and life experience
- 69% More responsible, reliable, and dependable
- 59% 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

- 65%
- 58-60%

55+ Under 55

The result?
Sustained productivity and innovation leads to stronger business results.

¹ Source: Aon Hewitt Engagement Database 2009-2013
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

<table>
<thead>
<tr>
<th></th>
<th>Under 50</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>49%</td>
<td>29%</td>
</tr>
</tbody>
</table>

¹ Source: Employee Benefit Research Institute and Greenwald & Associates, 2004 and 2014 Retirement Confidence Surveys
² Source: Staying Ahead of the Curve 2013: The AARP Work and Career Study
³ Source: Aon Hewitt estimates
⁴ Source: 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