

Older Employees in the Workplace

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Background

Advances in public health and medicine and improvements in technology have allowed Americans to increase not only their health, but life expectancy as well, from age 70 to 78 over the past 50 years.^{1,2} This improvement in life expectancy and health brings with it the willingness, and sometimes the financial need, for older adults to work beyond the traditional retirement age of 65 years. Researchers have found that as Baby Boomers – people born from 1946 to 1964, age, they are prolonging their employment and careers, resulting in an increase in the number of older workers in the workplace.

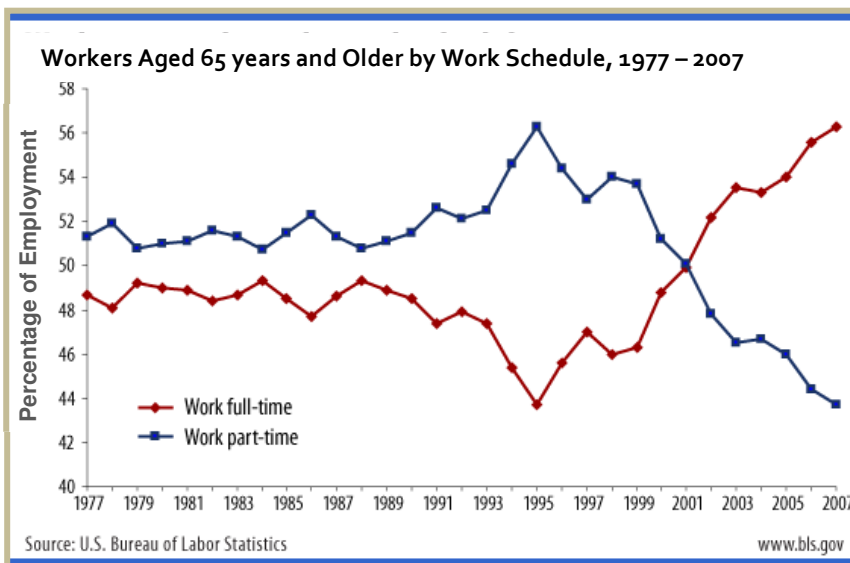
Who are older employees?

The question is not easy to define and there is no consensus defining who is an older worker. Different agencies and organizations use a broad spectrum of ages, ranging from 40–65 years of age, to determine when they consider an employee an “older worker.” For example, The U.S. Department of Labor considers an older worker to be someone aged 55 years or older, whereas the Age Discrimination in Employment Act of 1967 provides protection for anyone in the workplace older than 40 years.

Where are older workers employed and what hours do they work?

Older workers are found in every type of industry, including blue-collar, white-collar, and service industries, with slightly more in white collar industries. Within these industries, older workers are represented in every job category and occupation.³

Until the year 2000, workers 65 years of age or older held more part-time than full-time positions. In 1995, 56% of older workers age 65 years or older held part-time positions and 44% held full-time positions. Since then, there has been a steady increase in full-time positions for these older workers, growing to a complete reversal in 2007, where 56% held full-time positions and 44% part-time.⁴ In 2011, this gap widened further when 77% of workers aged 55 years or older held full-time employment while 23% held part-time employment.⁵



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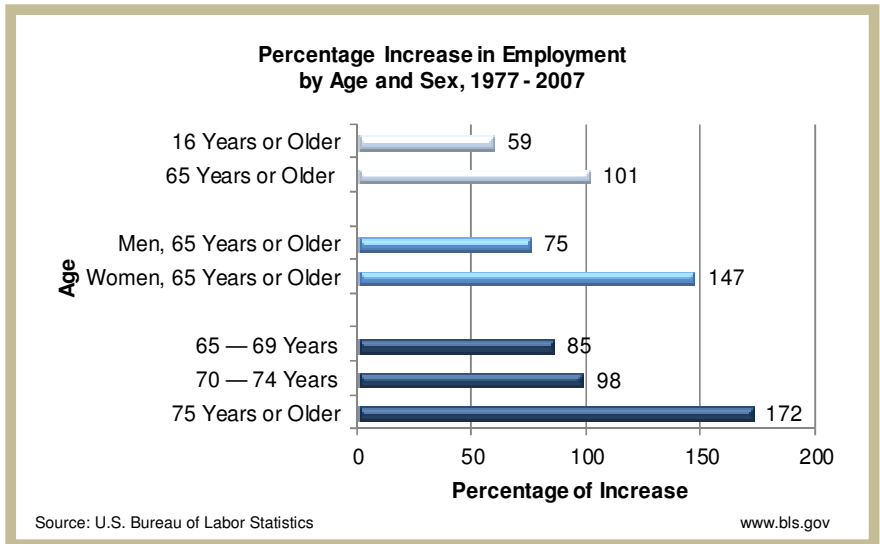
Why is the aging population staying in the workforce?

By 2030, the number of people aged 65 years or older in the United States is projected to double to 72 million adults representing 20% of the total U.S. population.⁶ The qualifying age to receive full Social Security retirement benefits has been increasing incrementally since 1998 and will reach 67 years by 2020.⁷ As a result, the average age of the workforce has slowly risen and is projected to continue rising. This increase in workers' age has been attributed to overall health of the older population, the change in eligibility for Social Security retirement benefits, the general economic climate, the need for health insurance, and the availability and design of employer-sponsored benefits, typically transferring greater responsibility to the retiree (e.g., from defined benefits plans and pensions to defined contribution plans and 401Ks).^{4,6,7} Aside from this, a cross-sectional study completed by Susann Rohwedder and Robert J. Willis in 2010 shows that employees who retire in their early sixties have diminished cognitive ability compared with those who retire at or after retirement age due to decreased engagement in mental exercises in the work environment before retirement and the home environment after retirement.⁸ This could also be a contributing factor to older workers deciding to stay in the workforce.



What are employers' perceptions of older workers?

Overall, employers have positive views of older workers. Prior studies revealed that employers report that older workers have greater knowledge of the job tasks they perform than their younger colleagues, willingly learn new tasks quickly, bring wisdom and resilience to work, and are able to keep up with the physical demands their jobs require. All of these elements are widely believed to positively affect productivity.⁹ A study by Dee Edington and others show greater costs are associated with increasing health risk more than increasing age.¹⁰ Despite these findings, the perception still exists among employers that older workers are more costly than younger workers because of higher absenteeism, higher wages, higher pensions, and increased use of health care and other benefits.^{9,11} Regardless of these perceptions, most employers do not find these limitations sufficient to offset the appeal in hiring or keeping older workers in the job.⁹



What barriers do older employees face in the workplace?

Although employers have an overall positive view of older workers and are willing to employ them, these workers still face barriers that hinder their employment prospects, including¹¹:



- **Reduced employment opportunities.** Those who are returning to the workforce or making a career change later in life find it harder to maintain salary and benefit levels comparable to their previous employment, because fewer options are available.
- **Decreased training participation.** When compared to younger workers, older workers are less likely to participate in workplace training activities (35 hours per year for younger workers versus 9 hours per year for older workers).¹¹ Contributing factors to this disparity potentially originate from perceptions of both employers and employees that prolonged tenure means greater level of workplace knowledge or lack of interest. Employees also may feel diminished support from management to participate in training opportunities.
- **Increased discrimination.** Employer anxiety around salary and benefit costs have driven some to avoid interviewing and hiring older workers, even though evidence suggests it would not cut workplace productivity or earnings to employ them.
- **Increased disparities in health.** A decline in overall health, such as developing cardiovascular disease, has been shown to be associated with increasing age. This could result in workplace limitations that intimidate and discourage both the employer and the older employee.
- **More challenging workplace conditions.** When the need arises for older workers to care for aging family members or slowly transition out of the workplace, they may be confronted with inflexible work hours. Flexible work conditions, such as unconventional work schedules or the ability to telecommute, are important for employers to consider when employing older workers.

Opportunity

As stated previously, the overall health of the older population has improved over time because of increased awareness of the basic mechanisms of human health and disease and better self-management. Despite these improvements, a direct relationship still exists between increasing age, increasing health risks, and the associated medical costs. For this reason, employers should not only provide opportunities in areas such as scheduling and training, but they also should consider programs in the worksite for older workers to engage in healthy lifestyle activities. These programs are crucial to the health, longevity, engagement and productivity of older workers and helps employers by decreasing costs, increasing their return on investment, decreasing the companies' benefit expenses, and improving the image of the company in the community.¹²

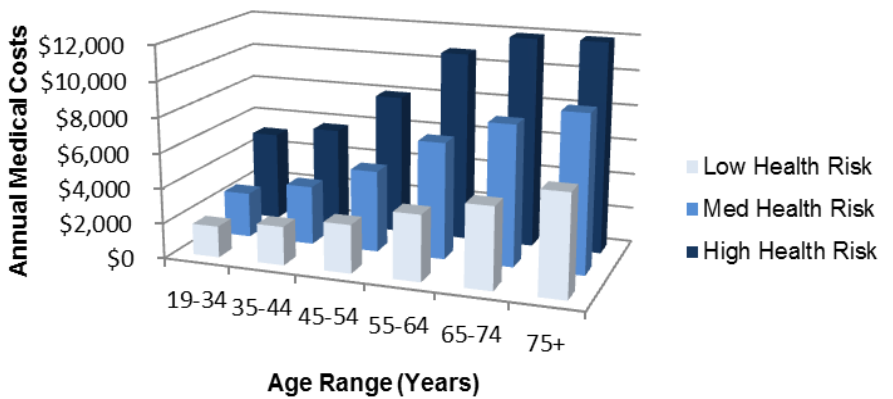
Why should employers care?

Employers pay a large share of costs associated with health risks and chronic disease. The risk and numbers of chronic conditions a person lives with increases as we age. Age itself is a health risk factor, but one that you cannot modify. Modifiable risk behaviors (i.e., tobacco use, physical inactivity, and poor nutrition) can be targeted and prevented. It is never too late to address both modifiable individual risk factors and environmental risk factors like exposure to toxic chemicals or extreme noise. Health risks appears to have more effect on employer costs than simply getting older. For example, in the table shown above, a person who is 65 years of age with low health risk has lower annual medical costs than a person who is 45 years of age with medium health risk.¹⁰

Beyond direct medical costs, which most employers focus on, indirect productivity-related costs of poor health, such as worker's compensation and short-term disability, can be 2 to 3 times higher than direct medical costs. Because of this, the workplace is an excellent place to make an impact and reduce employees' risks. Worksite health programs can make a difference in employees' health and quality of life. Some of the benefits associated with worksite health programs are¹²

- Improved employee health and well-being.
- Lower employee health risks and improved health status can lower health care costs.
- Ability to affect workers' compensation-related expenses through integrating safety and health promotion.
- Reduction in absenteeism and presenteeism (the measurable extent to which health symptoms, conditions, and diseases adversely affect the work productivity of individuals who choose to remain at work¹³) and increased productivity.

Medical Costs Associated with Age and Health Risk



Source: Edington. AJHP. 15(5):341-349, 2001



Kaiser Family Foundation and Health Research & Educational Trust

Employer Health Benefits 2011 Annual Survey²¹

Large Firms (200 or more employees)	Small Firms (3-199 employees)
<ul style="list-style-type: none">• 26% offered health benefits to retirees• 31% that employ more older workers (≥35% employees 50 years or over) offered retirement health benefits versus 23% that employ fewer older workers.• Among those large firms which offered health benefits to retirees, 91% offered post retirement health benefits to early retirees under age 65 versus 71% which offer them to Medicare eligible retirees	<ul style="list-style-type: none">• 6% offered health benefits to retirees

Source: Kaiser Family Foundation and Health Research & Educational Trust Employer Health Benefits 2011 Annual Survey

What are the best practices for maintaining older employees' health, safety, and productivity?

Effective interventions in employee health, safety, and productivity have been shown to improve the efficiency of older workers by reducing absenteeism and presenteeism.^{12,14} After the age of 30, maximum strength diminishes and by age 65 maximum oxygen intake is reduced by 30%. That means older workers are more often working closer to capacity than younger workers. But while this can inhibit their performance in the most physically demanding work, it is important to consider the non-physical advantages older workers bring to the worksite—experience, knowledge, and dedication.³ Moving older workers into positions that will allow them to mentor and train younger workers is often an asset to the workplace. This strategy allows the employer to retain the experience and knowledge base of the older worker, while enabling the employee to continue contributing to the workplace.¹⁵

Potentially life-saving age appropriate clinical preventive services can be critically important in preventing or detecting disease early when treatment is most effective. These services can be offered through the employer health benefits plan to active employees as well as retirees and early retirees not yet eligible for Medicare. According to the Kaiser Family Foundation, many large employers (26%) are currently offering these benefits to not just current employees but retirees.

Studies have shown that older workers have fewer injuries, but when one does occur, it tends to be more severe and involves a longer recovery.³ Musculoskeletal injuries, such as lower back pain, carpal tunnel syndrome, and tendinitis, are more common in older workers; therefore, maintaining musculoskeletal health is important. Having a safe, well-designed workplace will reduce the risk of injuries for all workers, including the older population. Work stations and job tasks need to be matched to the capacity of each worker. There should be no conflict between ergonomic principles (practices that prevent musculoskeletal injuries because of repetitive or forceful movement or maintaining awkward or constrained postures) and reasonable accommodations (a change made to enable a person with a disability to perform the essential functions of the job).^{3, 16-17} The benefit that accrues to the employer is higher productivity and lower morbidity.²

While best practices to improve occupational safety and health outcomes are still being developed and studied by researchers, suggestions for allowing older workers to stay on the job, avoid injury, or return to the job after illness or injury do exist. These include slower and more self-paced work, more rest breaks, less repetitive tasks, avoidance of static posture, better illumination, less glare, and more adjustable seating. In addition to ergonomic modifications, health modifications for older workers with chronic illness may include flexible work schedules to accommodate medical care and periods of decreased work ability. These changes are often economical and designed for the needs of older workers with specific abilities and limitations.¹⁸

Success Stories

University of Illinois-Chicago Comparison of Two Health-Promotion Programs for Older Workers

Dr. Susan Hughes and her team conducted a comparative study of two workplace interventions and a control group, targeted at workers aged 40 years and older, to assess health behaviors and outcomes related to diet, physical activity, stress, smoking, and body mass index, over a 12-month period. The first was the COACH Intervention that used a combination of Web-based assessments and individual assistance from a coach with a Master of Public Health education.

The second was the RealAge Intervention that used a Web-based assessment to determine a person's health risk behaviors and generate a healthy lifestyle plan to follow. The control group was offered health education, where participants were given personally handed printed health-promotion materials. These materials included a listing of health-promotion programs and services offered by the university and other community-based organizations.

The team found that when compared to the health education control, COACH participants showed an increase in fruit and vegetable consumption and participation in physical activity, and a lower percentage of energy from fat, and RealAge participants showed a reduction in waist circumference. While both interventions provided some benefit to the participants, Dr. Hughes' team found that COACH participants were twice as likely to use the COACH intervention as RealAge participants were to use the RealAge intervention. The difference in the uptake of the intervention may have been because of the relatively modest personal coaching of the COACH intervention that encouraged participants to continue using the plan.¹⁴ Employers may want to consider using a personal coaching intervention as part of a worksite health program to improve the participation and health outcomes among older workers.

BMW

In 2007, BMW implemented a pilot project to improve work conditions for older workers on an assembly line that included a worksite health initiative and changes to the work environment. The project team, which consisted of management staff, assessed the employees during kickoff workshops. Using the feedback from employees, the company implemented 70 changes investing approximately \$50,600 to do so. Among changes were

- Replacing cement floors with wooden platforms to reduce the impact on knees.
- Barbershop chairs were installed to allow workers to sit at workstations.
- Orthopedic footwear to reduce the strain on feet.
- Adjustable worktables to reduce physical strain and facilitate personnel rotation during shifts.

In the first year they experienced a 7% increase in productivity that rivaled that of lines staffed by younger workers, they have since reported zero defects and a reduction in absenteeism from 7% to 2%. BMW has continued making similar adjustments in other plants with input from line workers at the worksites.¹⁹ This example demonstrates that a modest financial investment to changes in the work environment can have a positive impact on increasing productivity and reducing absenteeism which employers may consider as part of their overall worksite health program.

Resources

The Centers for Disease Control and Prevention's National Institute for Occupational Safety and Health implemented the Total Worker Health™ Program in 2011. The program integrates occupational safety and health protection with health promotion to prevent worker injury and illness and to advance health and well-being.

The [Total Worker Health](#) Web site offers a number of resources, tips, and toolkits related to diverse topics including the Aging Workforce. Listed below are a few of the resources related to the Aging Workforce. All of these and more can be found at.²⁰

- [National Academies of Sciences Report on Older Workers: Health and Safety Needs of Older Workers](#)
- [Healthy Aging for a Sustainable Workforce](#)
- [Older Drivers in the Workplace: Crash Prevention for Employers and Workers](#)
- [Safety and Health: A Guide to Managing an Aging Workforce](#)
- [Designing the Age-Friendly Workplace, University of Washington](#)

Others to consider:

- [Sue Hughes podcast on COACH and RealAge](#)
- [American College of Occupational and Environmental Medicine Health and Productivity Management Toolkit](#)

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