

# FH BOOM

**Boomer Wanted:  
The Next Great Workplace Revolution**  
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### **Summary**

For the first time in our country's history, four generations are at work in the American workplace, vying for recognition, compensation and power. The Ikes, those born between 1932 and 1945, are finishing up the work of their Greatest Generation. Generations X (1965 – 1979) and Y (1980 and beyond) are claiming their places and carving out their niches.

But it's the Boom Generation—the 78 million Americans born between 1946 and 1964; the healthiest, wealthiest and most educated generation in history—that will dominate for the next 18 years.

For business, this unprecedented confluence of four generations signals challenges never before faced. Central among them is the “gray ceiling” that those of Generations X and Y feel they're bumping up against because of the baby boomers.

But ceilings can be raised. Instead of intergenerational conflict, there can be cross-generational cooperation. It's possible to have a win/win/win/win among the four generations in the workplace, and it is the baby boomers, themselves, who hold the key. As they have in all phases of their lives, the boomers will redefine the future of the life cycle of work—and in the process, continue to redefine the dynamics of the workplace, now and for decades to come.

\* \* \*

## *Will you still need me...when I'm 64?*

**Lennon and McCartney**

It was a powerful image. When we were children, the popular culture view of the arc of work life went like this: after graduating from college you got a job (at least men did). You got married, worked hard to support your family, put some savings away as you rose in the company and built up your pension. After 40 years or so, you retired, spending the few remaining years left supported by that pension and Social Security, enjoying hobbies and grandchildren, while the younger colleagues who you had trained took over your old job.

As it turns out, that image wasn't as "traditional" as we thought at the time. To be sure, the world-renowned physician William Osler gave a famous speech back in 1905, saying that the years between 25 and 40 in a worker's career are the "15 golden years of plenty," and after age 60 the average worker was "useless" and should be put out to pasture.<sup>1</sup> But it was only in 1935, with the passage of the Social Security Act, that the idea of retirement at age 60 or 65 began to take hold in the United States. It was cemented in the public mind 10 years later, as World War II ended, when millions of G.I.'s flooded back into the workforce. To open up jobs for them, one of the greatest PR campaigns in history was launched aimed at motivating older folks to step aside in the name of duty and loyalty.

As the boom generation grew older, social and economic change forced some changes of direction on that traditional work-life path. Women joined men in the office or on the worksite. More people became or stayed single. Boomers changed jobs much more often than their

parents did, and shifts in the economy gradually made lifetime pensions (especially at corporations) a thing of the past. But the notion of retirement at age 60, 65, or 67 has continued to have a powerful hold on public thinking, and public policy—until now.

Boomers, who have defied expectations about every stage of life they have experienced, are redefining the aging process and revolutionizing the role of older Americans in the workplace. This dramatic change—like others boomers have led—is due in part to the sheer size of that generation, but more importantly to the choices boomers are making and the specific life challenges that generation faces.

This latest “revolution” could help America meet one of the biggest challenges to our economic future: workplace shortages unlike anything the nation has faced in its history. A dangerous talent gap is already beginning to take a toll on the economy. It threatens to grow bigger and more severe as companies and organizations struggle to cope with the population dip that follows the boomer generation. Putting off retirement and holding on to their power, boomers may well be dominating the American workplace for close to two decades. But what might be a blessing for boomers could be seen as a curse by some, particularly those Gen Xers and Gen Yers who are already butting up against “the gray ceiling.”

Creating a new role for retirement-age boomers in the workplace while keeping Gen X and Gen Y active and involved won't be an easy balancing act for companies, organizations and individuals. To get ready for it, the first step is to take a clear-eyed look at what's coming.

## FROM MISSILE GAP TO TALENT GAP

*The confluence of a bulging aged population and a shrinking supply of youth is unlike anything that has happened since the dying centuries of the Roman empire.”*

**Peter Drucker, “The Next Society,” *The Economist*, November 1, 2001**

One of baby boomers' earliest political memories is of then-candidate John F. Kennedy raising the alarm about what he called the "missile gap." Kennedy scared voters by claiming that the Soviet Union had a big lead in ICBMs. In a speech to the American Legion, he said that gap "leaves us in a position of potentially grave danger."<sup>2</sup>

As it turned out (and as he later admitted), candidate Kennedy was wrong.

Almost 50 years later, America faces a very different kind of gap. This one, however, is real. And it could be extremely dangerous to our economic future and national well-being. It's a yawning gap in talent, caused largely by the vast difference in size between the boomer generation and the generation behind it, Generation X. HR directors are already beginning to see the gap's effects, and many are alarmed it could become much more severe over the next decade. To understand what the nation is facing, we have to start with some statistics.

Demographics may not be destiny, but the sheer size of the boomer generation—78 million people born between 1945 and 1964—has forced changes in American institutions as that generation moved from one life stage to the next—as the popular metaphor goes—like a pig being digested by a python. The unprecedented number of postwar babies forced the nation to develop new forms of childcare and adopt new approaches to child rearing. As millions of baby boomers reached school age, cities and states had to build new schools and create new forms of schooling. With record numbers of people going on to higher education, the boomers revolutionized college life. Then they redefined men's and women's roles in the family and the workplace, changed music and social mores and so many other aspects of American life.

Now that demographic bulge is approaching retirement age, and the statistical signs are everywhere, and not just in the United States.

- Every day in America 10,000 baby boomers turn 55.<sup>3</sup>
- By 2014 more than 44 million Americans will be 65 or older.<sup>4</sup>

- The number of workers in the 55-and-older group is projected to grow by 49.3 percent over the next eight years, four times the 12-percent growth projected for the overall labor force.<sup>5</sup>
- In Japan, almost 50 percent of the entire population will be 60 or older by 2025.<sup>6</sup>
- In Canada, one-third of the population is in the baby boomer generation.<sup>7</sup>

But the most powerful demographic engine of the expanding talent gap stems from the fact that there was one thing the boomers did not do: have children, at least not at the same rate their parents did. In the United States, the birth rate declined dramatically between 1965 and the 1980's, producing a "baby bust."<sup>8</sup> Estimates for the size and cut-offs of the Gen X demographic range from 46 million born between 1965-1980 to 65 million born between 1965-1982. Even taken at the larger end of the estimate, as Matt Thornhill of the Boomer Project notes, Gen X is about 18% smaller than the boomer generation "meaning that for every 5 boomers leaving a job, only 4 Gen Xers will be available to take those spots."<sup>9</sup> The result is that Generation X, the successor generation born between 1965 and 1987, is only about 50 million strong.<sup>10</sup>

The math is pretty simple, but very scary. The 50 million Gen Xers simply can not replace 78 million boomers in the workplace. That means with every passing year corporations, nonprofits and government will not only face a shortage of employees, but a major loss of expertise, talent, and institutional memory—if boomers follow the traditional path and retire in their 60s. Some industries are already facing serious talent shortages, and certain sectors will be hit harder than others.

- By 2010, American businesses will face a labor shortage of more than 10 million workers.<sup>11</sup>
- By 2030, the gap will grow to 35 million.<sup>12</sup>
- Over next five years, nearly half of all federal workers will become eligible to retire<sup>13</sup>

- 70% of senior managers
- 58% of supervisory workers
- 42% of nonsupervisory workers
- 42% of Homeland Security managers and analysts
- 94% of SSA administrative law judges
- The average age of the federal workforce is 46 and climbing.
- Two-thirds of employers in the health care and oil and gas industries say the retirement of workers over the next five to 10 years is a significant problem.<sup>14</sup>

To bridge this gaping talent gap, America and other industrialized countries will have to start making some major changes in the workplace. And they have to start *now*. They have to begin by throwing the traditional view of retirement on the trash heap of history. Corporations, government organizations and nonprofits will have to put up their “boomer wanted” signs and keep them up for quite a while longer. Most important, they will have to find trail-blazing ways to keep boomers working longer than their parents did.

Will that happen? It certainly *can* happen. For their part, boomers are ready to redefine retirement. Most boomers are able to work well past their 60s and want to. Many others may have to work past 60 to afford their longer lives.

But boomers will stay in the workplace longer only if the nation is able to shed the last vestige of the traditional view of retirement. Employers have to start taking seriously the need to hire boomers and adopt programs to keep them onboard. HR directors and other executives must be willing to embrace new ways of thinking.

And then comes the hard part—finding ways for four generations to work together well.

## **ABLE AND WILLING**

The good news for employers staring at the actuarial tables is that the boomer generation is more willing and able to work past 60 than any generation that has come before them. Just 10 years ago, the typical age of retirement of American workers was 60. Today it has risen to 62 and is heading upwards.<sup>15</sup>

At age 64, Bob Drucker could be living the traditional retirement dream, relaxing in the pool behind his five-bedroom house. But the CEO of RxUSA, an online pharmacy he founded in Port Washington, N.Y., says, “The only way you can get me out of here is to carry me out. I love work, and I cannot imagine sitting home, virtually doing nothing.”<sup>16</sup>

Almantha Maine is 62, has always had a job and is not about to stop. An AT&T retiree who now works for Atlanta’s L-3 communications, she says, “I’ve always worked. I don’t know how not to. I enjoy working.”<sup>17</sup>

When 66-year-old Clayton Brown takes a cruise, he doesn’t go looking for a deck chair. He retired a few years ago from DuPont, where he worked in the company’s safety consulting practice. Now he works on contract for DuPont, taking working cruises where he trains a cruise line’s employees on safety.<sup>18</sup>

Drucker, Maine and Brown are far from alone. Research by AARP found that 69 percent of working people between the ages of 45 and 74 plan to work in some capacity during “retirement.”<sup>19</sup> A study by the Society for Resource Management found that 68 percent of workers still on the job between the ages of 50 to 70 said they plan to work in some capacity during their retirement or never retire.<sup>20</sup> Merrill Lynch even found that 13 percent of boomers plan to start a business during their 60s or after.<sup>21</sup>

It is also clear that boomers are very *able* to work beyond the traditional retirement age. Health statistics tell part of the story. Life expectancy has gone up dramatically in the last century. At the beginning of the twentieth century, life expectancy was 44 years. At the beginning of the twenty-first, the average boomer has another three, four or more decades ahead of him or her. In 1950, the average man retiring at age 65 could expect to live another 13 years, and a 65-year-old woman another 15 years. Today, men average an additional 17 years and women another 20 years.<sup>22</sup>

Boomers’ lives are not just longer. They are healthier, as well. In a 2007 interview Leo M. Cooney Jr., 63, chief of geriatrics at Yale University School of Medicine, noted, “There have

been a series of studies over the past 20 years which show that people in their 70s, 80s and 90s are functioning at a substantially higher level than they were only 20 years ago, and there is a much lower percentage of disability in older people than there was 20 years ago.” When Cooney was asked when he planned to retire, he replied, “I hope to be able to continue teaching and seeing patients probably until I'm 70 or so.”

Better health seems due to better life style choices by boomers. A recent study by Harvard economists found that for people age 55–74, the probability of dying within 10 years has fallen from 25.7 percent to 21.7 percent in the last 25 years, largely because boomers have cut smoking and controlled blood pressure better.<sup>23</sup>

The study did warn that increased obesity increased risk, a strong signal to boomers to stay active. And many are doing just that. CNN reports that 37 percent of health club members are 55 or older, and that doesn't count people who work out at retirement homes. The average age of personal training clients also is going up, from 36.5 in 1998 to 42.4 in 2006.<sup>24</sup>

It is also clear that boomers are not just physically healthy enough to work longer, they have the knowledge, experience and capabilities to do the job in their 60s and 70s. In fact, they may bring to the table talents that are harder to find among younger workers.

To be sure, their younger colleagues are physically stronger. Let's face it. There aren't many Jack Lalanne's out there. Workers over 50 or over 60 don't usually have the strength or manual dexterity of younger workers. But the stunning growth of the knowledge economy has dramatically increased the proportion of jobs that requires relatively little physical effort. Brain power, people skills, and communication skills are more important than ever—all of them abilities that can improve with age.<sup>25</sup>

A recent study of 50+ workers by the management consultant firm Towers Perrin for AARP found that “talented experienced workers have distinct performance advantages in roles that require advanced skills, training, experience and knowledge of a company's business processes, people or customers.”

There is some particularly good news for government organizations, which could be especially hard hit by the population gap between the baby boomers and Gen X. While the federal government, for example, is facing the loss of more than one-third of the full-time permanent workforce, boomer help could be on the way. Some 58 percent of people now in their 50s want to do work that will help improve the quality of life in their communities, now and in retirement.<sup>26</sup> Government service offers that chance.

The baby bust has created a serious national problem. But the boomers' desire to work, as well as their training and life experience and life choices can help the nation's corporations, nonprofits and government organizations close the looming talent gap.

## **WHEN THE FINANCIAL PUSH COMES TO SHOVE**

From all the TV ads and internet sites offering boomers advice on what to do with their excess cash, it is easy to get the impression that the biggest challenge the generation faces is whether to retire on an island or on a sailboat in the Caribbean. But the truth is that many boomers will have no choice but to stay on the job. Their finances will force them to work much longer than their parents did.

Almost two-thirds of boomers believe they don't have enough money put away for retirement.<sup>27</sup> And no wonder. Only about 40 percent of working people in their late 40s and 50s are on a financial path that will provide them enough money to cover even basic living expenses in retirement.<sup>28</sup> In Canada, one-third of people 60 and over are worried that they'll outlive their money, and half say they're working because they need the money.<sup>29</sup>

Part of the problem is that boomers, like other Americans, have simply not managed to save enough. The typical boomer moving toward retirement has only two or three times annual salary put away. That's enough to last just seven or eight years. Forty-one percent of boomers are even worse off: they have saved less than \$25,000 for retirement.<sup>30</sup>

Another part of the problem is that many boomers may still be facing big life expenses, such as college tuition for their children or health care for aging parents. In 2005, *U.S. News &*

*World Report* reported on the challenges facing Paul Eberts, age 48, and his wife Margaret, 47, of West Chester, Pa. They have four kids between the ages of 10 and 16. Between 2007 (when their oldest starts college) and 2017 (when their youngest is expected to finish up), the Eberts' biggest financial obligation will be paying for college. "It's going to be a real question mark whether we'll be able to contribute the max to our retirement plans," said Paul.

The biggest challenge, however, is that baby boomers can no longer rely on the resources their parents' generation did to fill the retirement gap: Social Security and private pensions. The troubles of the Social Security system are well known, and few boomers will be able to support themselves by relying on it alone. "The nightmare I have is the vision of people...outliving their retirement income and being down to Social Security," says pension expert Brooks Hamilton. He warns that will not only hurt individual boomers, but could weaken the economy because it will sap consumer spending.<sup>31</sup>

The traditional pension, which employees used to receive along with their gold watch after years of faithful service, is a thing of the past, too. Today half of the nation's workers in the private sector have no employer-sponsored retirement plan at all. Among the 50 percent who do have a plan, twice as many have contribution plans, like a 401(k), than have the "old-fashioned" lifetime plans their parents enjoyed. In 2004, the average amount a boomer held in a 401(k) was only \$60,000, which is definitely not enough to support a boomer for 20 retirement years.<sup>32</sup>

That means that boomers are having to contribute a lot more of their own money to retirement than previous generations did. Thirty years ago, employees put in only 11 percent of the total contributions to retirement plans, with companies covering the rest. By 2000, employees were funding more than half, and the percentage was rising.<sup>33</sup> Even having a traditional pension is no guarantee, as companies like United Airlines go into Chapter 11 bankruptcy to get rid of their obligations to retirees.

Rising health care costs are squeezing baby boomers from two directions, adding to the pressure to keep working. Guaranteed health care for retirees is rapidly vanishing, as more and

more companies work to escape their obligations in the face of soaring costs. Financial analysts predict that a boomer couple retiring today at age 60 will need more than \$200,000 to cover future medical expenses.<sup>34</sup> If boomers don't have money set aside to pay those costs, they will have to stay on the job.

At the same time, today's employers are shifting a growing share of their rising health insurance costs to employees in the form of greater premium contributions, higher deductibles, larger copayments, and slower wage increases. Some employers are simply dropping coverage altogether. The rising out-of-pocket health care costs are proving to be an especially heavy burden for boomers, because their per capita health care expenditures are more than twice those of younger adults.<sup>35</sup> Many have to spend money on health care today, instead of saving it for retirement tomorrow.

In short, for a lot of boomers, retirement is not an option. Eileen Masters, 70, an assistant principal at a parochial school in Maryland, had planned to retire. But her marriage dissolved and one of her sons became too ill to work. "I purchased a townhouse pretty recently, so the payments are still high," she said. "Also, I worry a lot because my son doesn't have health insurance. If I didn't have these situations, I'd have retired by now."<sup>36</sup>

## **DON'T STAND IN THE DOORWAY**

Boomers, then, certainly *should* be a major part of the solution to the talent gap— boomers are healthy and talented enough to work well past 60. Many want to work during the traditional retirement years, and many others will have to. However, there is a problem. Three powerful barriers stand in the way of that happening: false premises, popular stereotypes, and lack of preparation by companies, government organizations and nonprofits.

Let's start with one of the most powerful false premises about boomers: that their advancing age will make them a burden, not a boon to the economy.

Christopher Buckley's satirical novel, *Boomsday*, takes this notion to logical extreme, depicting a presidential candidate who wins popularity by proposing government incentives to people to kill themselves by age 75.

Less dramatic but still worrisome, it's hard to avoid headlines about the burdens the boomer generation will inflict on younger workers. Even Federal Reserve Chairman Ben Bernanke got into the act in early 2007, warning that the aging of baby boomers means the costs of federal programs will rise sharply over the next few decades. He added that "the U.S. economy could be seriously weakened, with future generations bearing much of the cost."<sup>37</sup> A 2007 headline in *USA Today* put it more bluntly: "Benefits for seniors eating up kids' share."<sup>38</sup>

Some financial analysts also warn that as baby boomers become eligible for retirement they will cause a stock "meltdown." The fear is that boomers will try to sell off their stocks and bonds to finance their retirement. However, because there will be fewer Gen Xers and Gen Yers to buy these assets, the price of bonds and securities will drop and could plummet, sending the economy into a tailspin.<sup>39</sup>

These boomer doomsday scenarios have been effectively refuted by other experts. The General Accounting Office recently found, for example, "A wide range of academic studies have predicted that the boomers' retirement will have a small negative effect, if any, on rates of return on assets. Similarly, financial industry representatives did not expect the boomers' retirement to have a big impact on the financial markets, in part because of the globalization of the markets."

Nevertheless, the false boomer-as-burden premise could make it difficult for retirement-age people to find jobs or make it difficult to develop connections with younger colleagues in the workplace.

What about stereotypes? Again, we can start with satire. The satirical newspaper the *Onion*, once ran an article with the headline, "Long-awaited baby boomer die-off to begin soon, experts say."

The text was more of the same.

*Before long, tens of millions of members of this irritating generation will achieve what such boomer icons as Jim Morrison, Janis Joplin, Timothy Leary and John Kennedy already have: death. Before long, we will live in a glorious new world in which no one will ever again have to endure tales of Joan Baez's performance at Woodstock...The ravages of age will take its toll on boomer self-indulgence, and the curtain will at long last fall on what is regarded by many as the most odious generation America has ever produced."*

Stripped of the satire, it's easy to find this stereotype in the popular media. The notion is that baby boomers are forever stuck forever in the 1960s, fated to a life that swings between narcissism and self-indulgence.

*Time* magazine famously quoted Ralph Whitehead, Jr., a public service professor at the University of Massachusetts, saying, "The baby boom was a self-absorbed generation, a generation that defined itself not through sacrifice as its parents had, but through indulgence." The magazine followed that up with the thoughts of a vice president at a giant advertising firm, who said, "Whining baby boomers are mourning the fact that those rules they understood just don't apply anymore."<sup>40</sup>

Such views conveniently overlook the fact that, as American University professor Leonard Steinhorn points out, "Millions of boomers fought bravely in a war their parents handed them, and millions more risked arrest, uncertainty and ostracism for protesting what they believed to be the pointlessness and duplicity of that war."<sup>41</sup> Boomers also did not meekly accept the injustices of the world they grew up in. Instead, they made sacrifices that were necessary to change society's views on gender equality, race relations, tolerance, the environment and a host of other issues.

While these stereotypes are specific to the "Woodstock generation," boomers now also have to face stereotypes about older workers in general, despite clear evidence that they don't hold true.

*Older workers don't perform.* We noted above the research showing that, except for strenuous physical labor, older workers can perform better, especially in jobs that require advanced skills, training, experience and knowledge

*Older workers "check out" as they count down to retirement.* On the contrary, research shows that older workers do a lot more than the minimum necessary to hang on to a job. A 2003 Towers Perrin study of about 35,000 employees at midsize and large U.S. companies found that employees over age 50 were more motivated to exceed expectations on the job than were younger workers.<sup>42</sup>

*Older workers aren't creative.* There is no evidence to support the notion that older workers are more stuck in their ways than younger ones. In fact, a University of Chicago study shows that older workers are better at experimental innovation, finding new ideas that are drawn from current practice.<sup>43</sup>

*Older workers cost more.* At first glance, this would seem obvious. Older workers tend to have higher salaries, more vacation, and higher health costs than younger ones. But a Towers Perrin report points out that there are high costs associated with letting more experienced workers go: the loss of advanced skill, training, experience and knowledge. The study argues that the additional costs of retaining older workers was balanced and often outweighed by the benefits of retention.

As Melanie Holmes, vice president for corporate affairs at Manpower, Inc., says, "There are stereotypes that we're resistant to change and that we need more training. Employers are afraid that people haven't kept up with the changes. There's an education that has to take place to make sure companies understand the great benefit and great positive impact older workers can have. They show up on time, they get the work done, and they're emotionally mature. Those far outweigh the marginal extra costs older workers might bring."<sup>44</sup>

**READY...OR NOT**

False assumptions and stereotypes may be contributing to what could be the most worrisome obstacle to closing the talent gap: Far too many organizations are doing far too little to find and keep the boomers they need.

The problem does not seem to be that corporate executives are unaware that the pending retirement of baby boomers could cause a talent gap. Many surveys of HR directors and others in the C-suite report concerns about what the loss of baby boomer talent could mean. An Ernst & Young survey of HR executives, for example, found that almost two-thirds of corporate America expects pending retirements will create a “brain drain.”<sup>45</sup>

But then comes the disconnect. Survey after survey also shows that very *few* companies have started to put in place policies to deal with the coming gap. That same Ernst & Young study also finds that more than three-fourths of the companies surveyed did not consider the growing talent gap to be “strategically very important.”<sup>46</sup>

It’s not a surprise, therefore, that the vast majority of companies—more than three-quarters—haven’t even started planning how to keep boomers on.<sup>47</sup> More than a quarter, in fact, have not even analyzed the demographics of their workforces at all. More than 80 percent have not bothered to survey their mature workers to find out about their future work plans or preferences.<sup>48</sup>

The logical consequences of so many companies wearing blinders about the talent gap, is that few have policies in place to retain boomers. Only 37 percent of employers have adopted strategies to encourage late-career workers to stay past the traditional retirement age, and only 15 percent have formal retention policies in place.<sup>49</sup>

It’s an equally dismal story when it comes to recruiting new workers who are past retirement age. Only 18 percent of companies have a strategy for recruiting older workers.<sup>50</sup>

## **CORPORATE CONSCIOUSNESS RAISING**

Strangely, corporate America, which is already experiencing the leading edge of the talent gap and could be hurt so badly by it, seems less aware of the dangers than other parts of society.

Demographers have been raising the alarm, of course, but so have growing numbers of experts on business and HR. Even our political leaders are getting worried about what's coming. In 2007, Senator Gordon Smith (R-NH), a member of the Senate Special Committee on Aging, warned that the aging of the boomers amounted to a "demographic tsunami." He gave voice to the views of many of his colleagues when he said, "We must find ways to help older Americans who want to remain in the labor force longer."

Corporations may be ignoring the looming gap because they don't see how urgent it is. William Arnone, a practice leader with the Human Capital Practice of Ernest & Young says, "Right now HR professionals are focusing on other things they consider more pressing, such as governance and compliance issues."<sup>51</sup>

But companies could pay a high price for letting the problem slide. "Companies that do not plan for this aging workforce may find themselves suddenly faced with a loss of labor, experience and expertise that will be difficult to offset, given the relatively small pool of new workers and competition for new talent likely to result with so many companies facing the same problem," said Mick Smyer, codirector of the Boston College Center on Aging and Work.<sup>52</sup>

There are promising strategies companies can use to hire or retain the boomer workers needed to prevent a shortage of talent, brains, and experience. But clearly, the first thing managers and executives need to do is to raise the alarm—to make sure that the leaders of their companies and organizations understand how real, urgent and threatening the talent gap is.

The fundamental fact of work life for the next three decades is that our workplaces need boomers to stay engaged, heading off leadership and worker shortages in the years to come that would otherwise damage our worker productivity and economic output. This is an issue

that goes to the very heart of our economy, and both private industry and the public sector need to wake up to the central role boomers will continue to play.

The missile gap was an illusion. The talent gap is real and becoming more urgent every day as those 10,000 more boomers turn 55. Unless leaders of private industry and the public sector begin to take it seriously now, leadership and worker shortages in the years to come will take a serious toll on worker productivity and economic output.

## AND NOW FOR THE HARD PART....

*“Increasingly, younger workers are finding that no matter how many hours they put in or how much their bosses rave about their work, they’re just plain stuck. An entire generation is bumping against something no amount of youthful vigor can match. Call it the Gray Ceiling.”*

Ann Fisher, *Fortune*, August 15, 2006<sup>53</sup>

Let’s assume that business, nonprofit, and government leaders start looking at the numbers and taking them seriously. They face facts and decide that keeping boomers in the workplace has to be one their highest priorities. Now comes the hard part.

To bridge the talent gap, they will have to perform a finely tuned balancing act. On the one hand, they will have to find ways to keep their younger, Gen X and Gen Y, managers and employees on the job and happy in the face of the unretired boomer tide. On the other, they will have to develop innovative ways to keep baby boomers working. If executives err on one side or the other, the result could be a train wreck. The challenge is to retain, redeploy and utilize the knowledge, skills and perspective that boomers represent, while empowering younger workers to fulfill their leadership potential.

Gen X and Gen Y are already worried. These younger employees were brought up with the traditional view of the arc of work life. They expected that as they left their 30s behind, the older folks would have retired, opening up ways for them to rise. But—surprise—the boomers may not be going anywhere. The result could be a logjam at the top.

The term “the gray ceiling” apparently first appeared in an article by Anne Fisher, a writer for *Fortune* magazine, in a 2006 article.

Fisher recounted the stories of executives in their late 20s and early 30s who faced situations like this: “The head of his division was 50, easily a decade or more away from retirement. The six managers who reported to the division were all in their mid-40s and had settled into their jobs for the long haul.”

Janet Shubert, associate director of the Center for Women’s Business Leadership at Babson College told *Fortune*, “The glass ceiling is being replaced by a Gray Ceiling of baby-

boomers. Those of us who've spent decades paying our dues are finally reaping the rewards, both psychological and financial, and we don't see any reason to step aside now."

"Generation X," Fisher warned, "is in danger of turning into the Prince Charles of the American workforce: perpetual heirs awaiting the keys to the kingdom.

And it's not just true in the corporate world. Government agencies are beginning to experience the gray ceiling, too. One young manager in a federal agency summarized the complaints of colleagues by noting, "Only one position opens in 10 years, and so people are around forever: You hear a lot of 'When we tried that in the Carter administration.'" Another said, "There's no career track structure here. Nobody moves up because no one retires, so people are stuck."<sup>54</sup>

Already a challenge, getting Gen X and Gen Y employees unstuck is sure to become more complicated, if organizations don't start doing all they can to attract more baby boomers.

## **WHAT ABOUT MY NEEDS**

The other part of the balancing act is keeping boomers in the workforce, which poses its own special challenges, too. While some boomers will work because they have to, many will not join up just because they see a "Boomers Wanted" sign. Understanding, connecting with and motivating boomers require new approaches, because their values and self-identity are distinct from previous generations.

But wait, there's more. Companies, nonprofits and government agencies will have to create a delicate balance while fiercely competing with each other for top boomer talent.

And that's not all. For the first time in history they will have to manage four-generation workplaces: Along with boomers, Gen X and Gen Y, the "Ikes," those born between 1932 and 1945 are finishing up the work of the Greatest Generation.

Now for the good news. As daunting as the multilayered challenges of the talent gap may be, pioneering research and frontline business practices show clearly that a quadruple win is possible. Organizations can keep the motivated, talented boomers they need in the

workplace, while meeting the needs of the other generations boosting the performance of companies, nonprofits and government agencies.

Many of our best minds have begun a boomer-centric management model that can produce that triple win. The cornerstones are what we refer to as — “the Four R’s”, retention, redeployment, recruitment, retirement, topped by the hot “S” button of succession.

Retention. In some cases, organizations may be able to bridge the talent gap by retaining their boomer employees who are at or past the traditional retirement age. However, because three-quarters of companies haven’t even started planning how to keep boomers on, the first step is to understand the scope and urgency of the problem organizations face. Once organizations do that, they will need to do the research necessary to find out what their employees are planning to do after age 60 and what factors might encourage them to stay on the job. For those under financial pressure, the promise of a job will be enough. The same could be true for those who love the job they are doing and simply want to keep doing it. But for those weighing options, companies will have to develop innovative ways to re-recruit their boomers.

Redeployment. Although boomers have changed jobs much more often than their parents did, as they enter or approach their 60s, most have had the same career for at least several decades. Many are ready for change. In particular, because many of them came to age in the 1960s, they want to return to an idea from that era—doing something “meaningful” with your life. For some that means volunteerism, for others it means working for government or nonprofits, and for others it means finding companies that are good corporate citizens. A great many want to try new ways of working—as independents, as part-time professionals, as telecommuters, and so on.

Recruitment. The pool of boomers is big, but almost every company, nonprofit, and government agency will be competing to find the boomer talent they need. While some boomers will be grateful for the opportunities, others will pick and choose. Employers will have to recruit boomers just as hard as they recruit younger workers. But they won’t be able to use the same

methods they use for Gen X and Gen Y. Above all, they will have to go beyond the stereotypes to understand who boomers are and what they want at this next stage in their lives.

Retirement. Although most boomers are rejecting the traditional definition of retirement and retirement age, most will at some point move out of the workplace and move on with their lives. (Although, Professor Janell Shubert says, “My little joke is, ‘I’ll try not to die in the classroom because it might upset the students.’”) Organizations need to start planning for that eventual transition now, to ensure they are not caught by surprise, and take the steps necessary to ensure they retain the institutional memory and replace the talents of the boomers as they leave. At the same time, the need to think about the transition of power within the organization.

Succession. Gen X and Gen Y will have their chance to lead. Forward looking companies will use the next decades of boomer dominance in the workplace to find ways boomers can help share knowledge with their younger cohorts and help prepare them to take over.

## **KNOWLEDGE IS POWER**

Once companies are aware of the intergenerational challenge they face, they can begin to move toward a triple win by first placing the “curse” and the “promise” of boomer dominance in historical and sociological context.

Because boomers are defying the stereotypes of aging and dominating the workplace for nearly another two decades, American businesses, both public and private sector, will need boomers perhaps more than they know.

The challenge for the next eighteen years will be in finding ways to retain and use the knowledge, skills and perspective that boomers bring to the table, while empowering the younger generations to fulfill their leadership potential. It will require new management platforms, with policies and procedures that can adapt to the inter-generational dynamics. It will also mean recognizing the value that activities such as mentoring bring to the bottom line and placing real value – such as monetary reward – upon it.

Motivating boomers requires new approaches because both their past and their future are markedly different from those of previous generations. It's not only necessary to take these approaches – it's possible. The potential is there for a win-win-win- many times over.

And know this. Whatever your generation, the best is yet to come.

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