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Age-friendly and intergenerational workplaces are better for everyone in Colorado

INTRODUCTION

By 2035, older adults are projected to outnumber children in the United States for the first time in history.¹ Projections also indicate that U.S. children born in 2007 or later are likely to live to 100.² Meanwhile, the U.S. fertility rate is the lowest in 30 years.³ As a result, the United States—like most countries—will see a dramatic reversal in the ratio of older adults to young people, inevitably changing our society.

THE OPPORTUNITY

How can Colorado leverage the benefits of this longevity dividend? Research shows that the paradigm of working from age 25 to 65 and then retiring is becoming obsolete. Colorado has the opportunity to be an innovator and laboratory for this demographic change, to the benefit of the entire state.

This white paper examines *how Colorado can improve its economy and help older adults increase self-sufficiency by **strengthening its strategies, policies and approaches to older adults remaining active in the workforce.***

Data show that it is better for society when older adults remain in the workforce, and with the right opportunities, older adults are more willing to continue working. Nearly one in four workers in the United States are ages 55 and up.⁴

Older adults are healthier, more able to work and less dependent than previous generations. Someone who is 70 today has the same health profile of a 60-year-old in a previous generation.⁵

Older Americans are now much better educated and tech savvy than they once were. More than

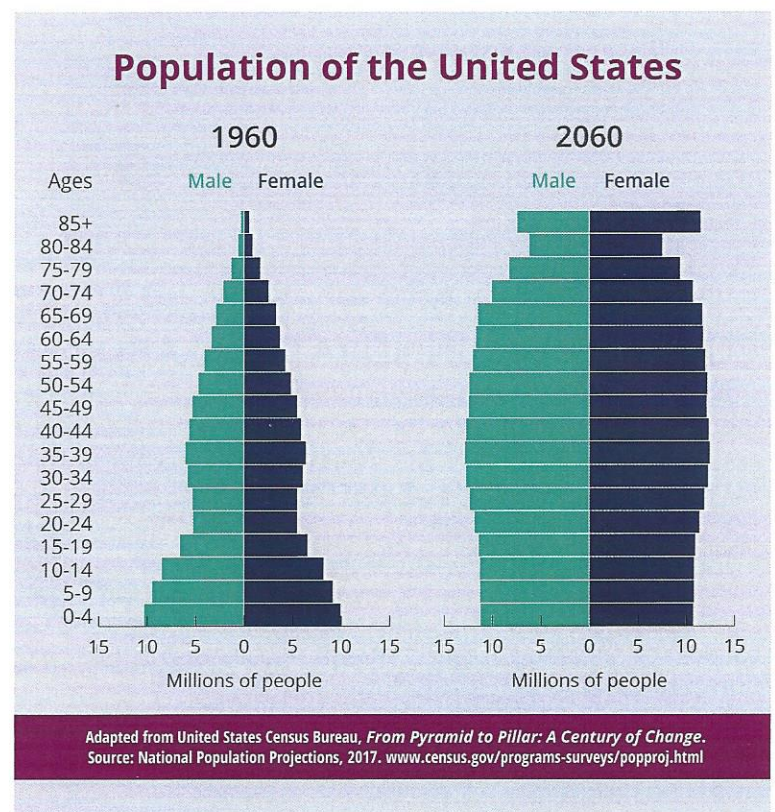




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25% of people 65 and older have a bachelor's degree or more—up from just 5% about a generation ago.⁶ Assumptions that older workers are digitally incompetent are just stereotypes. In fact, a survey of 4,000 IT workers found that those over age 55 used more devices and were less stressed using technology in the workforce than younger workers.⁷

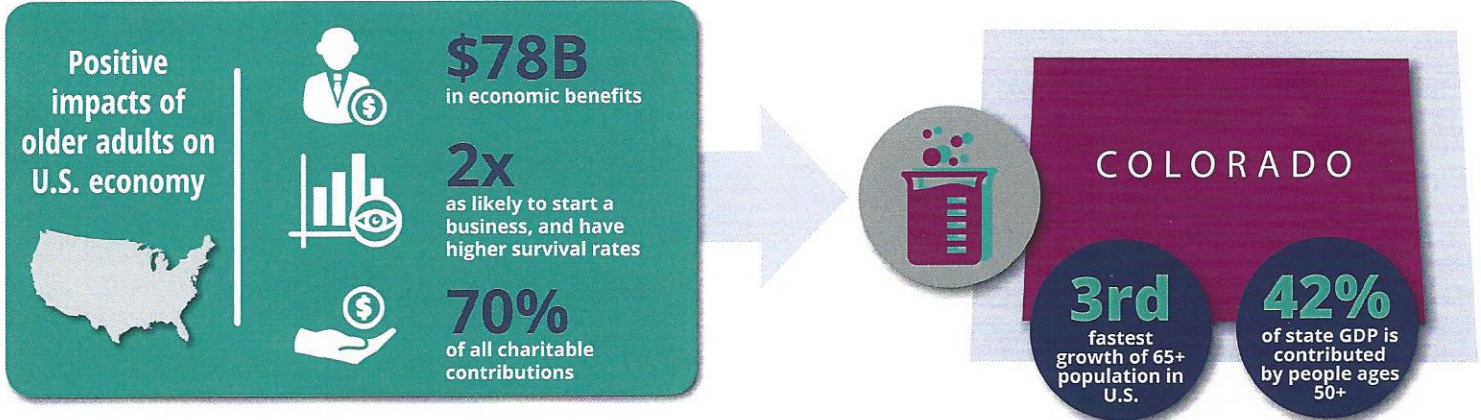
Continuing to work offers many benefits—to individuals and their employers. Working longer improves health and delays the onset of dementia,⁸ prolonging self-sufficiency. To the benefit of employers, older workers tend to be more loyal and more motivated to exceed expectations, and have higher levels of engagement, better communication skills and stronger networks of professional contacts than their younger counterparts.⁹

Intergenerational employment is not a zero-sum game. Longer workforce engagement does not take

jobs from younger people exiting college—the unemployment rate of those age 25–34 is near historic all-time lows.¹⁰ **Rather, intergenerational work teams offer substantial benefits,** including older adults mentoring and sharing their knowledge with younger workers and improving team problem-solving and creativity.¹¹

Older adults also are very entrepreneurial. In 2016, one in three businesses in the United States had been started by someone 50 or older.¹² People in their 50s and 60s start businesses at nearly twice the rate of those in their 20s, and they see higher start-up survival rates.¹³

The “longevity dividend,” or the economic benefit of older adults remaining active in society, helps the economy. In 2017, Americans 55 and older contributed \$78 billion in economic benefits; those age 50 or older make nearly 70% of charitable contributions, averaging \$100 billion per year; and researchers forecast \$58.1 trillion in transfers from older adults to their heirs between 2007 and 2061, which they term “the largest wealth transfer in American history.”¹⁴



COLORADO AS INNOVATION LABORATORY

Colorado is well positioned to be a leader in the longevity economy. Between 2010 and 2015, Colorado's growth in its 65+ population was third-fastest in the United States, at over 29%.¹⁵ By 2030, Colorado's 65+ population is expected to be 77% larger than it was in 2015 (719,000 to 1.27 million).¹⁶ Today, adults age 50 and over make up 32% of the population and provide 42% of economic contributions to the state GDP.¹⁷ In fact, older adults' (age 55+) paid and unpaid contributions to the Denver metro area totaled \$10.6 billion in a 12-month period last year—up from \$6.8 billion in 2010.¹⁸

With metro Denver's unemployment rate hovering between 2–3% for the past year, filling positions is a concern for local employers. The Colorado Business Economic Outlook 2018 projected a slow in economic growth due to worker shortage,¹⁹ and a recent survey of business executives indicates a shortage of talent is affecting companies' ability to grow.²⁰

Bringing older adults back into the workforce could be one answer to the short-term talent void, while also preparing Colorado to adapt to the longer-term change of an older society—a trend that looks here to stay and impact us all.

OPPORTUNITIES FOR ACTION

These are examples of things other companies, states and countries have done to leverage the benefits of older adult talent:



Creating or updating company diversity, equity and inclusivity (DEI) strategies to include age. In an AARP study, more than nine in 10 older workers see **age discrimination as common**, and 12% of older adults had been passed up for a promotion or advancement because of their age,²¹ yet research shows only 8% of companies include age in their DEI strategies.²²



Removing age data in application processes, such as graduation date or other age markers. In blind studies where the same resume was sent to companies but the age was changed, equally qualified older applicants were 40% less likely to receive callbacks than younger applicants.²³



Training HR managers in implicit bias. Studies show that when people are made aware of implicit bias, it reduces the feeling that prejudices are acceptable and decreases ageism.²⁴ More and more companies are implementing implicit bias trainings, including Starbucks and Silicon Valley companies like Google and Facebook.



Offering flexible work arrangements to meet the needs of all generations. In an AARP survey, 66% of older adults prioritized flexible work. Yet in a recent Transamerica survey of employers, only 39% of companies offered flexible schedules, only 31% allowed workers to transition from full-time to part-time work, and just 27% allowed transition to a less demanding or stressful position.²⁵ Research shows both younger and older workers prioritize some of the same things—part-time, flexible hours; ability to work remotely; and in the case of older adults, ability to stay on as a contractor or consultant during retirement.²⁶



Investing in older workers to maintain their productivity through training and upskilling. In the AARP survey, 7% of older workers had been denied access to training because of their age. Yet upskilling and training is good for all employees and organizations—84% of employees at the best-performing organizations said they are getting the training they need, compared with 16% at the worst-performing ones.²⁷



Facilitating knowledge transfer between older and younger workers through cross-mentorship, which is shown to have numerous career benefits for both the mentor and mentee, including higher salary and promotions after five years.²⁸ Cross-mentorship also offers benefits to the company, particularly the exchange of valuable institutional wisdom, which is significant because Gen-Xers and Millennials typically remain at jobs only two to five years²⁹ and more young workers will need to fill leadership roles in the coming years. Reverse-mentorship—where younger workers teach older workers about new skills and technologies—is also on the rise.³⁰



Sponsoring legislation to increase age discrimination protections. In an AARP survey, over 90% of respondents (ages 45+) agree that laws should be stronger³¹; experts indicate that the Age Discrimination in Employment Act of 1967 has been weakened by court rulings and currently does not do enough to protect older adults.³²



Advocating for incentives for older workers to stay in the workforce, such as phased half-retirement options for those who want it. This also includes expanding the saver's tax credit and allowing part-time workers to contribute to retirement plans.



Sponsoring legislation for tax benefits for employers to hire older workers. Many other developed countries have used changes in tax policy to make hiring older workers more attractive to employers. This is key to offsetting the perceived higher salary and/or insurance costs an older adult might carry.



Using Reframing Aging language to cut down on inadvertent and overt age discrimination. Reframing examples include viewing older adults as “us” rather than “them,” as well as eliminating dismissive terms such as seniors, elderly, anti-aging, etc. (Find more information at [Changing the Narrative](#), an initiative right here in Colorado).

In conclusion, **our economy and society benefit when people remain in the workforce longer.** Workers continue to pay income taxes, have more disposable income to spend, support public investments, and delay withdrawals from tax-supported benefits. With demographic changes here to stay, **Colorado can be on the forefront** of a paradigm shift of people working longer and continuing to contribute to our economy and to future generations.

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