



Highlights of [GAO-07-438SP](#), a GAO forum.

Why GAO Convened This Forum

In the future, older Americans are expected to be a larger share of the U.S. population, live longer, and spend more years in retirement than previous generations, and by 2025 labor force growth is expected to be less than a fifth of what it is today. Without major increases in productivity or immigration, low labor force growth will ultimately lead to slower economic and federal revenue growth. This in turn will accentuate the overall pressure on the federal budget, which will face increased claims for Medicare and Social Security benefits while relatively fewer workers pay into the benefits systems. Moreover, the possible loss of many experienced workers as the baby boomers retire could lead to further adverse effects.

If older Americans were to remain in the labor force longer, it could ease some of the pressures on Social Security, supplement individual retirement incomes, and help finance health care. However, researchers have suggested that barriers may impede some older workers who want or need to work.

GAO convened this forum to address the issues surrounding engaging and retaining older workers. Participants included experts representing employers, business and union groups, advocates, researchers, actuaries, and federal agencies. These highlights do not necessarily represent the views of any one participant or the organizations that these participants represent, including GAO.

www.gao.gov/cgi-bin/getrpt?GAO-07-438SP.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barbara Bovbjerg at (202) 512-7215 or bovbjergb@gao.gov.

HIGHLIGHTS OF A GAO FORUM

Engaging and Retaining Older Workers

What Participants Said

Forum participants discussed obstacles, best practices, and lessons learned from programs to help those older workers who can to work longer and better prepare for retirement. Participants also considered strategies for encouraging organizations to implement practices that will result in more opportunities for older workers.

Key Obstacles

- Some employers' perceptions about the cost of hiring and retaining older workers are a key obstacle in older workers' continued employment; total compensation and training costs were seen as primary concerns.
- Workplace age discrimination, the mismatch of workers' skills and availability of jobs because of changes in the economy, as well as the need to keep skills up to date, are all challenges facing older workers.
- There is a more limited pool of interested workers because of financial incentives to retire as soon as possible, workers' desire to retire or change careers, and some jobs' requirements that make continued work unappealing or unfeasible because of health issues.
- Legal and regulatory requirements hinder hiring and retaining older workers.

Best Practices and Lessons Learned

Participants shared examples of best practices and lessons learned, such as

- Use nontraditional recruiting techniques such as partnerships to help identify and recruit older workers.
- Employ flexible work situations and adapt job designs to meet the preferences and physical constraints of older workers.
- Offer the right mix of benefits and incentives to attract older workers such as tuition assistance, time off for elder care, and employee discounts.
- Treat all employees in a fair and consistent manner and employ a consistent performance management system to prevent age discrimination complaints.
- Provide employees with financial literacy skills to ensure they have a realistic plan to provide for retirement security.

Strategies

- Conduct a national campaign to help change the national mindset about work at older ages.
- Hold a national discussion about what "old" is to help change the culture of retirement.
- Strengthen financial literacy education to help workers prepare to retire.
- Create a clearinghouse of best recruiting, hiring, and retention practices for older workers.
- Make the federal government a model employer for the nation in how it recruits and retains older workers.
- Create a key federal role in partnerships to implement these strategies.
- Consider specific legislation or regulations to increase flexibility for employers and employees to create new employment models.