

OVERLOOKED AND UNDERSERVED

The Crisis Facing America's Older Workers



*An in-depth look at the challenges
facing low-income older job seekers.*

Executive Summary • September • 2009

INTRODUCTION:

Overlooked and Underserved

The recession has presented unprecedented challenges to job seekers age 55 and over. In August 2009, there were 1.97 million unemployed workers age 55 and older, an increase of 69 percent since August 2008.

The down economy has been most difficult for low-income unemployed older workers. The job search is much longer for these workers and many are on the brink of homelessness, often having to choose between shelter, food and medicine.

The circumstances keeping these older workers in the job force vary but include loss of retirement savings due to stock market declines and the need for income to cover healthcare expenses. Nearly half of older, low-income job seekers must keep working so they don't lose their homes.

Experience Works, America's largest nonprofit provider of community service, training and employment opportunities for older workers, has completed a study of low-income people age 55 and older who are currently looking for work.

More than 2,000 older job seekers completed the comprehensive written survey. All of the

survey respondents are enrolled in the Senior Community Service Employment Program (SCSEP), a community service and jobs training program for low-income older workers, funded by the U.S. Department of Labor and facilitated by Experience Works.

As part of this first-of-its-kind study, Experience Works also surveyed more than 700 agencies and employers who provide community service opportunities, training assignments and employment for older workers participating in SCSEP.

The study assessed:

- The reasons why older workers must return to the workforce or stay working.
- The specific life events that trigger older people to become job hunters.
- The challenges or barriers these older people face in the job market.
- The impact working has on the lives of older workers.
- The importance of various services made available to older jobless adults.
- Perceptions and attitudes towards older workers.

About SCSEP

The Senior Community Service Employment Program (SCSEP) provides workers 55 or older with subsidized community service and work-based training. Program participants, who are paid the highest of Federal or State minimum wage, are placed in a variety of community service assignments at nonprofit and public facilities.

In addition to providing community services and part-time work-based training, the SCSEP places participants into unsubsidized jobs. Through the SCSEP, Experience Works serves low-income individuals in 30 states and Puerto Rico.

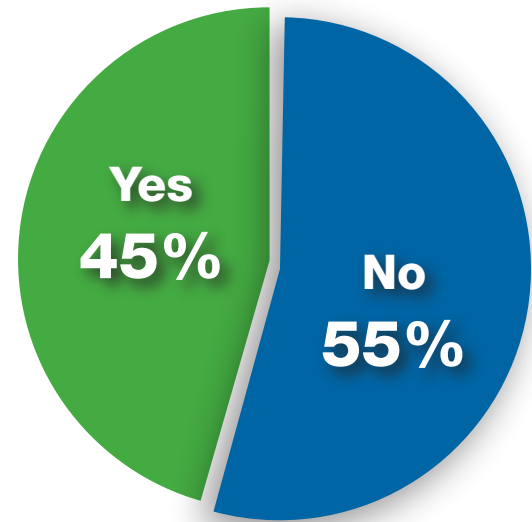
Survey Methodology

- Experience Works surveyed 2,072 job seekers age 55 and over randomly selected from among SCSEP participants in 30 states.
- Experience Works surveyed 787 employers randomly selected from among SCSEP host agencies in 30 states. These agencies/employers provide community service opportunities, training assignments and employment for older workers participating in the SCSEP.

Work: No End in Sight

- Plans have changed for many older Americans; they didn't intend to be looking for work in their 60s, 70s and 80s. Four-out-of-ten older workers surveyed (*45 percent*) planned to be retired by this time in their lives; 38 percent had retired but now they need to go back to work.
- Currently, many of those in the study do not have a specific end in sight for their working years. One-quarter (*25 percent*) do not know at what age they plan to retire, and another eight percent said they never plan to retire.
- For those who do have a retirement timeframe, the average targeted retirement age is 72.
- Retirement is not in the near future for most older workers surveyed. Ninety-two percent see themselves continuing to work in the next five years because they need the money and/or they like to stay active. Only eight percent see themselves being retired for good within the next five years.
- Ninety percent of survey respondents age 76 and older plan to continue working within the next five years.

Had you planned to be retired already?



Work Plans and Motivations in Next Five Years

- Retire
- Work for money
- Work to stay active
- Work for both money and to stay active

All older workers



Ages 55-65



Ages 66-75



76 and older



Survival

Working for Survival

Reasons for Working Now

My retirement income is not enough to live on

68%

So I don't lose my home/apartment

46%

My medical expenses or those of my spouse

24%

Need health insurance benefits

19%

To support my children or grandchildren

11%

Lost retirement savings in stock market

9%

Personal Benefits to Working

■ Somewhat agree ■ Strongly agree

Working provides me with a sense of purpose

16%

83%

Working keeps me active and improves my physical health

19%

78%

I enjoy learning new skills

22%

75%

- For some older workers, it is a combination of circumstances that is causing them to seek work now. For many, there was a specific life event or emergency that has triggered the job search, including being laid off (20 percent); the death of a loved one (16 percent); and large medical bills due to personal illness or illness of their spouse (15 percent). Homelessness triggered the job search for 11 percent of those ages 55-60.
- These older Americans have to keep working to make ends meet; 68 percent said their retirement income is not enough to live on.
- Nearly half (46 percent) said they need to work now so they don't lose their homes/apartments and almost one-quarter (24 percent) said they need to work to cover their personal medical expenses or those of their spouse.
- For many, it's about making difficult decisions; 46 percent say they sometimes have to choose between paying rent, purchasing food or purchasing medication.
- A significant number of older workers are assisting others in their families; 22 percent provide monetary assistance to children or other relatives; 16 percent currently care for their spouses; and 11 percent care for their grandchildren.
- Nearly one-third of men (32 percent) are currently caring for their spouses compared with 10 percent of women.

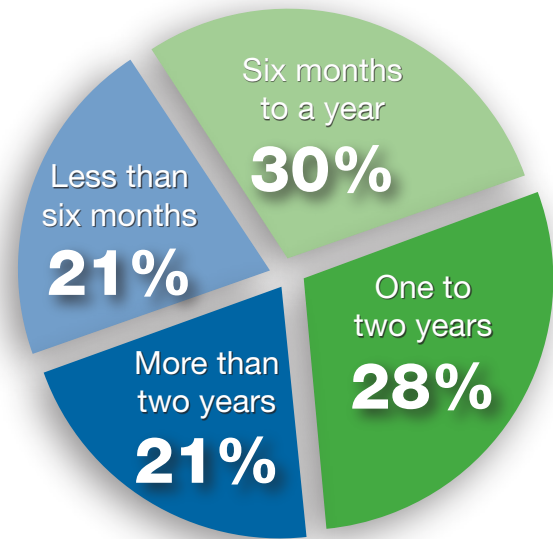
46%

46 percent of older job seekers say they sometimes have to choose between paying rent, purchasing food or purchasing medication.

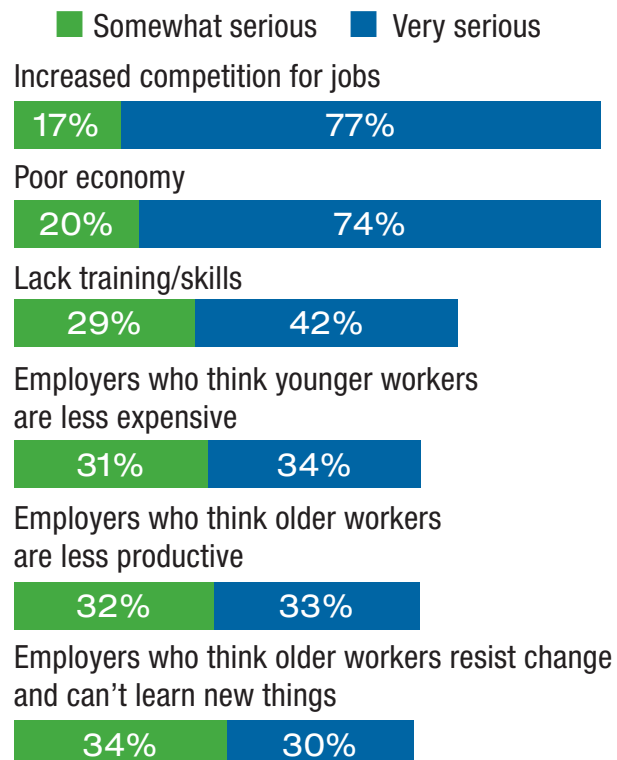
Obstacles: Age and Economy

- Most older job seekers have been looking for work more than six months; nearly half (49 percent) have been on the job search for more than a year.
- Low-income older workers stay unemployed much longer than other workers. On average, these 55+ unemployed workers have been on the job search for an estimated 52 weeks. According to the U.S. Department of Labor, in August 2009, the average duration of unemployment for all unemployed workers was 24.9 weeks.
- Seventy-three percent of older job seekers strongly agree or somewhat agree that their age makes it difficult for them to compete for jobs with younger people; 79 percent strongly agree or somewhat agree that employers prefer younger workers.
- These older job hunters are feeling the squeeze of the slumping job market; 94 percent say the poor economy is a very serious or somewhat serious obstacle for them.
- Sixteen percent of the survey participants did not graduate from high school or receive their General Equivalency Diplomas (GEDs). Of these, 81 percent said their lack of necessary education was a very serious or somewhat serious obstacle for them in seeking employment.

How long have you been looking for work?



Most Serious Obstacles to Employment According to 55 Plus Job Seekers



Needs

Training Builds Skills/Confidence

Importance of Skills Training

■ Somewhat important ■ Very important

Women

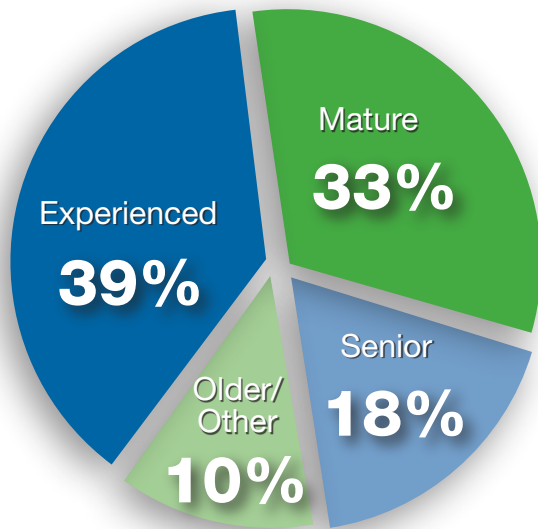


Men



What name best describes someone over age 55?

According to Job Seekers 55 and Older



All of the older workers surveyed are participants in the Senior Community Service Employment Program (SCSEP) facilitated by Experience Works. Through their involvement in Experience Works' programs, older workers report the following personal benefits:

- 83 percent have gained useful experience
- 73 percent have gained new confidence
- 72 percent have learned new skills

Older job seekers say the "whole package" of SCSEP services is important to their job search process.

The following percentages refer to the number of survey participants who named each service as very important or somewhat important for them as they seek employment:

- Providing me with income while I complete my training assignment (96 percent)
- Gaining useful experience in my community service position (95 percent)
- Making meaningful contributions to my community (95 percent)
- Helping me assess my interests, skills, likes and needs (94 percent)
- Providing training to help me develop new talents and upgrade current skills (93 percent)
- Helping me set real job goals (90 percent)
- Connecting me with employers in the community (90 percent)
- Providing me funds for support services such as eye care, dental care, clothing and gas money (87 percent)
- Teaching me how to search for a job (84 percent)
- Helping me with résumé writing, dressing for success and interviewing skills (80 percent)

6 95%

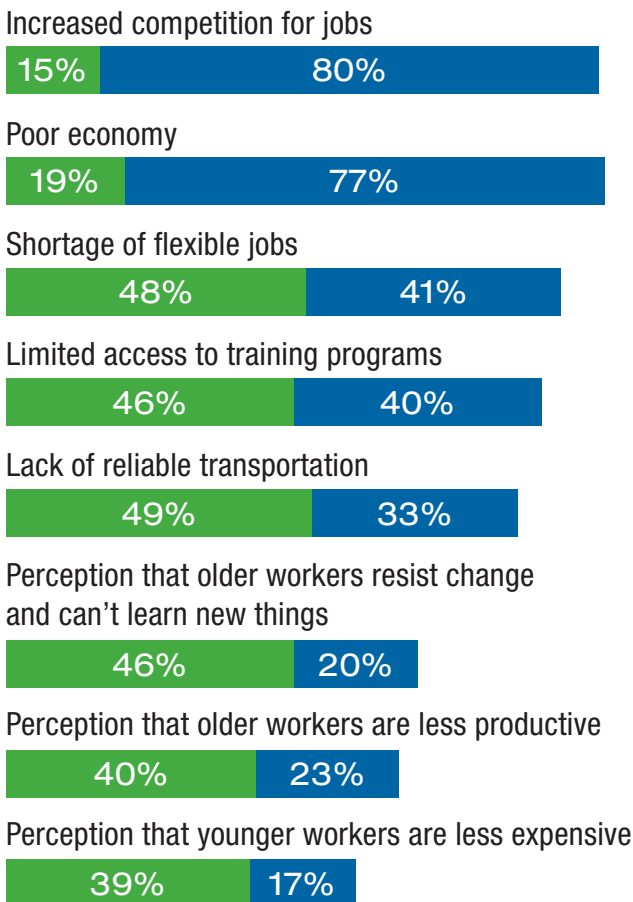
95 percent of SCSEP participants say it is very important or somewhat important for them to make meaningful contributions to their communities.

Employers Call for Training

- Employers say the top disadvantage for older job seekers is that many lack the skills for today's job market.
- Most employers (98 percent) strongly agree or somewhat agree that it is important to expand programs that train, retrain or provide job search skills for older people.
- Nearly all employers surveyed (95 percent) strongly agree or somewhat agree there is a need to educate employers to the benefits of hiring and retaining older workers.
- The recession is by far the largest obstacle facing older people who need to find work, according to employers. Specifically, they say the combination of the bad employment market and increased competition for jobs has hit older job seekers hardest.
- Employers say a mix of services is important to helping older people become employed, including skills training, income during training, and practical experience through work-based community service.

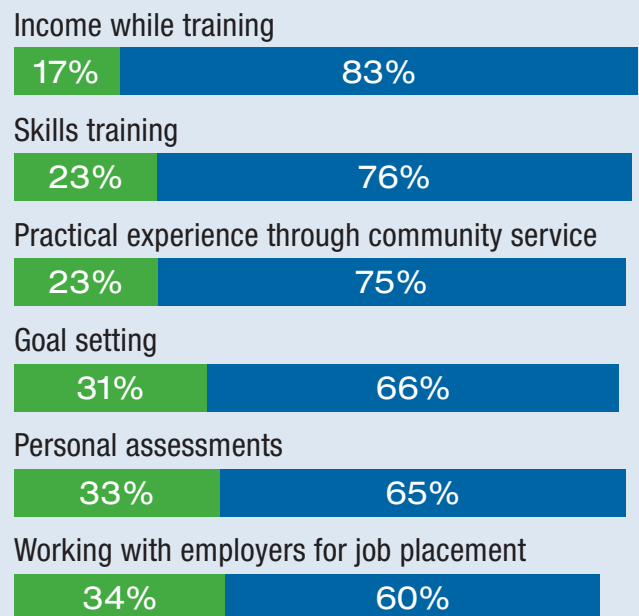
Most Serious Obstacles for Older Job Seekers According to Employers

■ Somewhat serious ■ Very serious



Most Important Services for Older Job Seekers According to Employers

■ Somewhat important ■ Very important



Value

Employers Value Older Workers

Priority Traits When Hiring Older Workers According to Employers

■ Somewhat high priority ■ Very high priority

Reliability/strong work ethics

22% 75%

Lifetime of experience

33% 63%

Role models for younger workers

34% 57%

Increased productivity

42% 48%

Actions Taken by Employers to Meet the Needs of Older Workers

Created more flexible work schedules

86%

Created training better suited for older people

38%

Made changes to our physical workspace

25%

- A vast majority of employers (99 percent) strongly agree or somewhat agree that older people are of value in the workplace and employers should do everything they can to keep them on the job.
- Employers place high priorities on specific traits associated with older workers. These traits include a lifetime of experience, reliability, strong work ethic, and increased productivity.
- Many employers surveyed have made changes to their workplaces to accommodate the needs of older workers. These changes have included offering more flexible work schedules and creating training tailored to the needs of older workers.
- Nearly nine-out-of-ten employers (88 percent) strongly agree or somewhat agree that employing more older people should be a key solution for employers who face future workforce shortages as older workers retire and fewer young people enter the workforce.



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