

The Aging Workforce

The Reality of the Impact of Older Workers and Eldercare in the Workplace

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Abstract

The impact of the aging workforce—particularly in developed countries—is beginning to be felt globally in the economy, in businesses, in communities, and even in people's family life. It is critical that governments, employers, and communities become more aware of the affect of the aging population on society in general and in particular the anticipated labor shortages, greater health care needs for the elderly, and decreased private and public investments with fewer people contributing as the baby boom generation retires. And as worldwide demographic trends continue to show declining fertility rates and a steady increase in life expectancy, the issues of older workers and eldercare come to the forefront.

The Aging Workforce: The Reality of the Impact of Older Workers and Eldercare in the Workplace

Part One: Older Workers

The makeup of the labor force has slowly changed over the past 50 years, and significant changes are coming. This demographic shift has been exacerbated by the trend of early retirement of the baby boom generation. In 1950, there were seven working age people for every elderly person in the United States. By 2030, there will be only three.¹ The aging workforce represents a major economic challenge at home and abroad. The question is—how will society and world leaders address this challenge?

There are several components to be considered. First, many older workers are remaining in the workforce or seeking full- or part-time positions after retiring. Second, to retain older workers with their experience and knowledge base—and offset the skilled labor shortage—legislative changes must be made to allow older workers to continue to work, or return to work, without financial penalty (e.g., changes in social security, pension plans, IRS regulations). And third, to encourage older workers to remain in the workforce, organizations must be willing to make investments in training and offer appropriate benefit options.

Exactly Who Is an "Older Worker"?

Who are older workers? They are full time and part time, temporary and permanent, white-collar and blue-collar. Older workers may be 45, 55, or 65 years old, in their 70s, or even older.

With varying perspectives on what constitutes an older worker, there is no set definition. The Age Discrimination in Employment Act of 1967 (ADEA) applies to individuals aged 40 and over. Using the ADEA definition, the num-

ber of older workers will significantly increase as all baby boomers reach age 40 by 2004.

In the profiles on older workers presented by Georgetown University's Center on an Aging Society, the data suggest that being an older worker starts at age 51.² However, the Committee for Economic Development's *New Opportunities for Older Workers* identifies older Americans as age 45 and older.³ As portrayed in Chart 1, the 2003 SHRM®/NOWCC/CED *Older Workers Survey* shows that human resource professionals widely differ on defining the age of older workers, from ages 40 to 45 to age 70 and older.⁴

Projected Statistics Forecast a Serious Scenario

A significant labor shortage is forecast, with some of the factors being an unprecedented aging workforce, retirement of the baby boom generation, lower birth rates, and fewer skilled younger workers:

- Since 1950, the number of people aged 65 and older in the United States has increased from 8% to 12%.⁵
- In 2002, the total labor force in the United States—including people with jobs and active job seekers—

1 Committee for Economic Development. (1999). *New opportunities for older workers*. Retrieved September 22, 2003, from www.ced.org/projects/older.shtml

2 Georgetown University's Center on an Aging Society. Data Profiles: Young Retirees and Older Workers. Retrieved August 27, 2003, from <http://ihcrp.georgetown.edu/agingsociety/profiles.html>

3 Committee for Economic Development. (1999). *New opportunities for older workers*. Retrieved September 22, 2003, from www.ced.org/projects/older.shtml

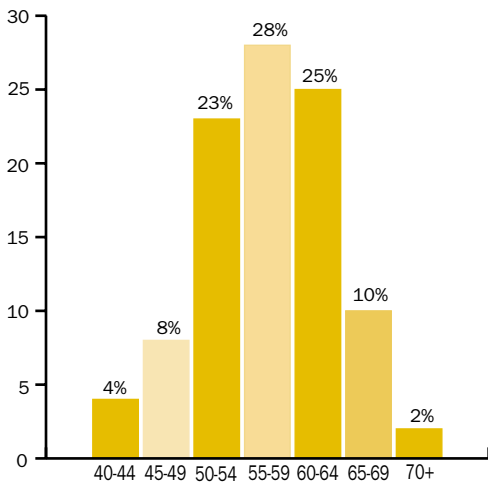
4 Collison, J. (2003, June). *SHRM®/NOWCC/CED older workers survey*. Alexandria, VA: Society for Human Resource Management.

5 Committee for Economic Development. (1999). *New opportunities for older workers*. Retrieved September 22, 2003, from www.ced.org/projects/older.shtml

increased by approximately 720,000 people, as compared to 950,000 in 2001. The increase is primarily due to people aged 55 and over.⁶

- By the end of 2002, the number of older workers in the labor force aged 55 to 64—employed or seeking work—increased to 62.9%, the highest level during the postwar era.⁷
- According to the U.S. Bureau of Labor Statistics, more than 25% of the working population will reach retirement age by 2010, resulting in a potential worker shortage of nearly 10 million.⁸
- According to the U.S. Census Bureau, the number of people aged 55 and older will increase to 73% by 2020, while the number of younger workers will grow only 5%.⁹
- By 2030, with the last of the baby boom generation turning age 66, an unprecedented 20% of the population will be over age 65.¹⁰

Chart 1 Age Employees Considered to be an Older Worker



Source: 2003 SHRM® /NOWCC/CED Older Workers Survey

Law and Older Workers

In the United States, older workers are protected from discrimination in the workplace under the ADEA. This law prohibits age discrimination in employment for persons aged 40 and over. The ADEA applies to private and public employers with 20 or more employees, employment agencies, labor organizations with 25 or more members, and apprenticeship and training programs. With some exceptions in academic institutions, the ADEA forbids mandatory retirement based on age and limiting or classifying employees in any way that

adversely affects their status due to age (e.g., discontinuing pension accruals after age 65). Other exceptions to the ADEA may occur with bona fide occupational qualifications reasonably necessary to an organization's operation or special rules under the 1988 Employee Retirement Income Security Act (ERISA).

Many companies circumvent the ADEA by using the Older Workers Benefit Protection Act (OWBPA). As explained in the August 2003 issue of *HR Magazine*, "most companies inoculate themselves against age complaints by asking dismissed older workers to sign releases and confidentiality agreements in exchange for retirement with incentives, severance and buy-outs." As a result, many older workers' issues are not brought to the surface.

Ageism—Or "the Gray Ceiling"

Ageism, sometimes called "the gray ceiling," is one of the major barriers for older workers (see **Figure 1**). According to the Education Resources Information Center, older workers have a greater fear of discrimination than fear of change.¹³

As pointed out in *Update on the Older Worker: 2002*, age discrimination in the workplace is a reality. Although exact figures of age discrimination are not available, age is a significant barrier for many older men and women, as evidenced by the longer time required to find employment, the lower salaries many older workers experience, and the amounts awarded by courts to victims of age discrimination.¹⁴ Furthermore, according to research published in the *Industrial & Labor Relations Review*, access to jobs for older workers is even more challenging due to the entry barriers associated with occupations with pension benefits, steep wage profiles, and computer usage.¹⁵

6 Rix, S. E. (2003, June). *Update on the older worker: 2002*. Washington, DC: AARP Public Policy Institute.

7 Weller, C. E. (2003, July 16). *Economic snapshots: Older workers staying in the labor force*. Economic Policy Institute. Retrieved August 27, 2003, from www.epinet.org/printer.cfm?id=1485&content_type=1

8 Bureau of Labor Statistics, <http://stats.bls.gov>

9 U.S. Census Bureau. *Age data*. Retrieved August 27, 2003, from www.census.gov/population/www/socdem/age.html

10 Committee for Economic Development. (1999). *New opportunities for older workers*. Retrieved September 22, 2003, from www.ced.org/projects/older.shtml

11 U.S. Equal Employment Opportunity Commission. (1967). *The age discrimination in employment act of 1967*. Washington, DC: Author. Retrieved August 26, 2003, from www.eeoc.gov/laws/adea.html

12 Grossman, R. J. (2003, August). Are you overlooking older workers? *HR Magazine*, 48, 8, p. 44-45.

13 Imel, S. (1996). *Older workers: Myths and realities*. Educational Resources Information Center. Retrieved August 26, 2003, from <http://ericacve.org>

14 Rix, S. E. (2003, June). *Update on the older worker: 2002*. Washington, DC: AARP Public Policy Institute.

15 Hirsch, B. T., Macpherson, D. A., & Hardy, M. A. (2000, April). Occupational age structure and access for older workers. *Industrial & Labor Relations Review*, 53, 3, 401-408.

Figure 1 Barriers to Older Workers

- Private and public workplace policies (e.g., pension plans, social security policies) that encourage retirement through financial incentives.
- Workplace discrimination—age bias in hiring, training and retention decisions.
- Limited opportunities for advancement.
- Negative stereotypes in the workplace.
- Inadequate training opportunities.
- Attitudes of older workers (e.g., disillusioned, discouraged, depressed).
- Health of older workers.

Source: Committee for Economic Development, www.ced.org

As noted in *New Opportunities for Older Workers*, "discriminatory practices contribute to a sense on the part of older Americans that the employment deck is stacked against them."¹⁶ In response, some older workers' reaction is to withdraw from the workforce. Research in *Human Resource Management Journal* substantiates this reaction, explaining that older workers who feel discriminated against are more likely to retire early.¹⁷

Ageism is also a social bias. As discussed in *HR Magazine's* article, "Are You Overlooking Older Workers?" there is subtle discrimination against older workers in the workplace.¹⁸ While comments, such as a joke or offhand remark, are not a violation of the ADEA, over time they can lead to discriminatory perceptions that may adversely impact an older worker.

Why Older Workers Remain in, or Return to, the Workforce

Older workers continue to work and retirees return to work for financial reasons, socialization, and wanting to contribute/feel valued. However, with personal savings significantly lower than in the past, the most compelling reason to work for older Americans is economic.

16 Committee for Economic Development. (1999). *New opportunities for older workers*, page 33. Retrieved September 22, 2003, from www.ced.org/projects/older.shtml

17 Shape, E., & Redman, T. (2003). Too old or too young? The impact of perceived age discrimination. *Human Resource Management Journal*, 13, 1, 78-89.

18 Grossman, R. J. (2003, August). Are you overlooking older workers? *HR Magazine*, 48, 8, p. 46.

19 The Conference Board. (2002). *Voices of experience: Mature workers in the future workforce*. New York: Author.

In the 2002 *Life Planning Survey*, key information regarding work and life priorities of older workers (identified as "mature workers" in this survey) is documented. The data indicate that fewer than half of respondents plan to retire within five years. Although the majority of older workers remain in their jobs for economic reasons, many stay because they want to be active. Two-thirds of respondents indicate they want additional training and leadership development opportunities. At the same time, it is interesting to note that the survey results do not concur with the belief that many older workers retire due to work/life concerns. Rather, older workers remain in the workforce to have the financial means to handle eldercare needs.¹⁹ The 2003 SHRM®/NOWCC/CED *Older Workers Survey* results reflect many of the reasons identified in the 2002 *Life Planning Survey*.

While most research on older workers focuses on individuals approaching traditional retirement ages of 55 to 65, there has been little research on the labor supply

Figure 2 Resources—Older Workers

- AARP: www.aarp.org
- AgeSource Worldwide: http://research.aarp.org/general/agsource_about.html
- Center on an Aging Society: <http://ihcrp.georgetown.edu/agingsociety/profiles.html>
- Center for Retirement Research at Boston College: www.bc.edu/crr
- Committee for Economic Development: www.ced.org
- Equal Employment Opportunity Commission: www.eeoc.gov
- Facts About Age Discrimination: www.eeoc.gov/facts/age.html
- Federal Interagency Forum on Aging Related Statistics: www.agingstats.gov/
- Global Action on Aging: www.globalaging.org
- National Academy on Aging Society: www.agingsociety.org
- Organization for Economic Cooperation and Development (OECD): www.oecd.org
- SHRM®/NOWCC/CED Older Workers Survey: www.shrm.org/hrresources/surveys_published/
- The Conference Board: www.conference-board.org
- The Center for Organizational Research, *Human resource challenges raised by the aging workforce: An annotated bibliography of resources for employers*: www.cfor.org
- The Century Foundation: www.tcf.org
- The National Council on Aging: www.ncoa.org
- U.S. Census Bureau: www.census.gov/populations/www/socdemo/age.html

Figure 3 Ten Reasons to Hire Older Workers

1. More willing to work different schedules.
2. Serve as mentors.
3. Invaluable experience.
4. Stronger work ethic.
5. More reliable.
6. Add diversity of thought/approach.
7. More loyal.
8. Take work more seriously.
9. Have established networks.
10. Higher retention rates.

Source: Adapted from the 2003 SHRM®/NOWCC/CED Older Workers Survey

of individuals aged 65 and older, sometimes referred to as "the elderly." The Center for Retirement Research at Boston College's (CRR) *Elderly Labor Supply: Work or Play* notes that "the labor supply of the elderly is concentrated among the healthiest, wealthiest, and most educated individuals, and yet they earn very low wages. Nearly 70% of individuals aged 70 and above earn wages in the bottom quintile of the overall wage distribution of those aged 50 to 61."²⁰

Further, with Americans living longer, there are increased concerns about social detachment and isolation. Work as a social outlet has become increasingly important. In the workplace, older workers have a sense of accomplishment and responsibility. Therefore, older Americans may be more willing to continue working past traditional retirement age.

Attitudes and Beliefs About Older Workers: Some Contradictions

The literature reveals varying attitudes and beliefs about older workers. Although much of the research on older workers has been published in the past five years (see **Figure 2**), as early as 1978 research asserted that the fears regarding older workers are not based in fact, specifically noting that the performance of older workers is as good, if not better, than younger workers,

20 Haider, S., & Loughran, D. (2001). *Elderly labor supply: Work or play?* Chestnut Hill, MA: Center for Retirement at Boston College.

21 Sonnenfeld, J. (1978, November/December). Dealing with the aging workforce. *Harvard Business Review*, 56, 6, 81.

22 Imel, S. (1996). *Older workers: Myths and realities*. Educational Resources Information Center. Retrieved August 26, 2003, from <http://ericacve.org>

23 Collison, J. (2003, June). *SHRM®/NOWCC/CED older workers survey*. Alexandria, VA: Society for Human Resource Management.

24 The Conference Board. (2002). *Voices of experience: Mature workers in the future workforce*. New York: Author.

25 Goldberg, B. (2000). *Age works: What Corporate America must do to survive the graying of the workforce*. New York: The Free Press.

with older workers tending to have better work attitudes as well.²¹

As pointed out in *Older Workers: Myths and Realities*, some research characterizes attitudes and beliefs as "ambivalent" while other research views older workers as having both positive and negative attributes. When compared with younger workers, the perspective regarding older workers is positive with valued traits such as loyalty, motivation, and a solid work ethic.²²

In the 2003 SHRM®/NOWCC/CED *Older Workers Survey*, HR professionals indicate mixed feelings about older workers. As listed in **Figure 3**, HR professionals identify a number of positive reasons to hire older workers. The top three advantages are their willingness to work different schedules, ability to serve as mentors, and the invaluable experience they bring to the workplace. In contrast, there are a number of disadvantages, with the top three cited as not keeping up with technology, causing expenses to rise, and being less flexible. It is interesting to note that the responses—positive and negative—are contradictory regarding "flexibility." Overall, the majority of HR professionals indicate the advantages of hiring older workers outweigh the disadvantages.²³

From the older worker's perspective, being valued in the workplace is important. However, the 2002 *Life Planning Survey* indicates that supervisory relationships are a key derailment factor for older workers, resulting in their selecting retirement rather than remaining in the workforce. One-third of respondents indicate that younger mature workers (under age 55) who plan to retire do not feel respected by their organizations and that one out of five anticipate making a career change.²⁴

How Are Companies Preparing for Older Workers?

Few business communities and HR leaders are planning ahead for the future workforce changes. In her book, *Age Works: What Corporate America Must Do to Survive the Graying of the Workforce*, Beverly Golderg (vice president of The Century Foundation, a New York-based think tank devoted to economic policy and domestic issues) believes that the business community's challenge will be finding ways to hold on to talented individuals and questions how prepared companies will be.²⁵

In the 2003 SHRM®/NOWCC/CED *Older Workers Survey*, the data suggest that most employers are not yet taking the anticipated labor shortage seriously. "Interestingly, although the respondents indicate that the average age of retirement in their organizations is

Figure 4**Twelve Strategies to Manage a Mature Workforce**

1. Determine the average age and retirement intentions of your workforce.
2. Include aging and generational issues as components of diversity training.
3. Identify the training needs of mature workers.
4. Examine policies and practices to ascertain whether they penalize or exclude mature workers.
5. Base rewards on performance, not tenure.
6. Promote health and wellness initiatives.
7. Create alternative career paths.
8. Provide opportunities for knowledge transfer.
9. Adopt a life cycle work/life approach.
10. Provide extended leave arrangements.
11. Assist employees in making informed retirement decisions.
12. Engage "alumni" workers.

Source: Voices of Experience: Mature Workers in the Future Workforce, www.conference-board.org

65, few organizations are currently preparing for the loss of knowledge and experience when workers aged 55 and over retire." More than one-third of respondents do not know the state of preparation of their organizations regarding the large percentage of retirement in their workforce. Only 35% are just becoming aware of this critical issue. In addition, fewer than 30% of respondents are making changes in their policies and practices on recruiting, retention, and management in response to the increasing age of their workforce. Furthermore, the survey reveals that fewer than 50% of respondents attempt to capitalize on and incorporate the experience of older workers. Yet while 65% of respondents indicate they are not taking any specific actions to retain older workers, some companies are quietly preparing for the possibility of a worker shortage. Some organizations use a variety of practices to retain older workers, such as flexible schedules (24%), continuous skills training (17%), reduction in work hours (17%), and asking older workers what they want (5%).²⁶

When the labor supply begins to diminish, employers will seek "nontraditional" sources—including older

26 Collison, J. (2003, June). *SHRM®/NOWCC/CED older workers survey*. Alexandria, VA: Society for Human Resource Management.

27 Costello, C. (1997). *Changing work in America series: Training older workers for the future*. Cambridge, MA: Radcliffe Public Policy Institute.

28 Maurer, T. (2001). Career-relevant learning and development, worker age, and beliefs about self-efficacy for development. *Journal of Management*, 27, 2, 123-140.

29 Global Action on Aging. (2003). *What's happening to older workers globally?* Retrieved August 27, 2003, from www.globalaging.org/resources/incomesupport/kinsella.htm

30 Committee for Economic Development. (1999). *New opportunities for older workers*. Retrieved September 22, 2003, from <http://www.ced.org/projects/older.shtml>

workers—to augment the labor shortage (see **Figure 4**). According to the Radcliffe Public Policy Institute's *Changing Work in America Series: Training Older Workers for the Future*, training is one of the most important measures a company can take to prepare for the upcoming labor shortage.²⁷ However, as noted in the *Journal of Management*, a factor for organizations to consider is that with age older workers may have less self-confidence for career-relevant training.²⁸

The Global Arena and Older Workers

The aging workforce is a global concern. As Kevin Kinsella (chief, Aging Studies Branch, International Programs Center at the U.S. Census Bureau) explained in a presentation sponsored by Global Action on Aging, there is mixed information available to compare trends regarding older workers between developed and developing countries. "We should all be very aware of the fact that even when you see a formalized, published labor participation rate, it may or may not reflect the reality of that country. In spite of the best efforts of the United Nations to prompt countries to broaden their definitions of labor force or economic activity, there's still an enormous variation around the world."²⁹

In some developed countries, however, the aging trends will be more dramatic sooner than in the United States. For example, in 2020, Japan will have the same share of its population over age 65 as the United States will in 2030. Among the Organization for Economic Cooperation and Development (OECD) countries, by 2030 Germany will experience the most significant growth in its elderly population with 28% of its population over age 65 as compared to the United States that year with 20% over age 65.³⁰

The critical challenges for developed countries are twofold: a fiscal imbalance in national pension systems due to fewer workers providing benefits for a greater number of retirees and the potential economic strain from a skilled worker shortage. The U.S. General Accounting Office's (GAO) *Older Workers: Policies of Other Nations to Increase Labor Force Participation* describes the high levels of older worker labor force participation in Japan, Sweden and the United Kingdom in the past and how they are now implementing policy reforms to emphasize the importance of older workers. Of these three countries, Japan is facing the most severe aging trend, with its median population age projected to be 28% higher than that of the United States in the coming decades. "However, although incentives to work to later ages have been created through reforms to their national- and employer-provided pension systems, officials from each nation stressed that these policy changes must be accompanied by labor market reforms and economic growth to

provide job opportunities to older workers if they are to be effective."³¹

Take a Proactive Stance

The aging workforce is a worldwide challenge that will not quickly be resolved. Among the top priorities for older workers are legislative reform (e.g., retirement and pension programs) and professional development/training. By taking the necessary steps now to prepare their organizations for the future labor shortage and establishing strategic plans for recruitment, training, and knowledge transfer, human resource leaders will enable their companies to move forward in difficult times.

Part Two: Eldercare

"Eldercare may well be the benefit of the early 21st century that makes a company competitive for attracting and keeping reliable and productive employees."³²

As the population ages, eldercare—for employers and employees—will become an important issue in the coming years. With baby boomers beginning to reach age 50, many employees are finding themselves dealing with older parents. Although the profile of a typical caregiver is a woman age 46, married, employed full time, and spending 18 hours a week on caregiving, eldercare in the workplace is primarily a hidden problem. Unlike other issues (e.g., childcare), employees are not comfortable discussing eldercare because they see it as a private family matter. (For resources on eldercare, see **Figure 5**.)

Statistics Reveal Hidden Costs of Eldercare

"Because informal caregiving does not involve market transactions and it is generally socially and politically invisible, its economic value to society is largely ignored."

Source: Rose M. Rubin, *The Economic Costs of Informal Elder Caregiving*.

As noted in *HR Magazine*, the need for eldercare will hit critical mass in 2012 when the first wave of the baby boom generation turns age 65, and "individuals and organizations cannot afford to wait another

31 U.S. General Accounting Office. (2003, February). *Older workers: Policies of other nations to increase labor force participation* (GAO-03-307). Washington, DC: Author.

32 Walston, M. R. (1995). Eldercare benefits offered by the best companies to work for in America. *Health Marketing Quarterly*, 13, 1, 37-50.

33 Gerbman, R. V. (2000, May). Elder care takes America by storm. *HR Magazine*, 45, 5, p. 51.

34 Metropolitan Life Insurance Company. (1997). *The MetLife study of employer costs for working caregivers*. www.caregiving.org/metlife.pdf

Figure 5 Resources—Eldercare

- AARP: www.aapr.org
- Administration on Aging—Elders & Families: www.aoa.gov/eldfam.asp
- Alzheimer's Association: www.alz.org
- American Association of Homes and Services for the Aging: www.aahsa.org
- Centers for Medicare and Medicaid Services: www.medicare.gov
- ElderCare Locator: www.eldercare.gov
- Family Caregiver Alliance: www.caregiver.org
- Hospice Foundation of America: www.hospicefoundation.org/
- National Alliance for Caregiving: www.caregiver.org
- National Council on the Aging: www.ncoa.org
- National Family Caregivers Association: www.nfca.org
- NOCA Benefits Checkup: www.benefitscheckup.org
- Taking Care of Yourself as a Caregiver: www.careguide.com
- U.S. Administration on Aging: www.aoa.gov

decade to start addressing eldercare concerns."³³ An overwhelming proportion of employees are "informal caregivers," yet few employers track eldercare costs. As revealed in the *1997 MetLife Study of Employer Costs for Working Caregivers*, statistics show the annual cost of eldercare to employers:³⁴

- Absenteeism: \$397 million
- Partial absenteeism: \$488 million
- Workday interruptions: \$3.7 billion
- Eldercare crises: \$1 billion
- Costs associated with supervising caregivers: \$805 million
- Replacement costs for employees who quit annually: \$4.9 billion
- Productivity: \$11.4 to \$29 billion

Stresses of Eldercare on Employees

Eldercare takes a number of forms—from direct caregiving and handling medical issues to financial and legal issues. No matter the level of involvement, the stress of eldercare places employees at risk. The emotional stress—sadness and grief, fear and worry, anger, guilt, fatigue, and isolation—is ongoing, continues for years, and builds over time. Women are usually the caregivers, and with many women marrying later in life, they often care for children and elders

at the same time. To complicate matters, many employees are long-distance caregivers.

The employee cost of eldercare is not only emotional, it is financial. The 1999 *MetLife Juggling Act Study* documents that employees must often take time from their workday—or even quit their jobs—to handle eldercare responsibilities. The study indicates that 64% of employees take sick days or vacation time, 33% decrease their work hours, 22% take leaves of absence, 20% change their job status from full to part time, 16% quit their job, and 13% retire early.³⁵

Impact of Eldercare on Employers

Employers—whether they believe it or not—are paying for eldercare through lower productivity, increased absenteeism, and higher turnover. Even eldercare of one hour per week drains employee productivity, according to the 1997 study by the Metropolitan Life Insurance Company.³⁶ As explained in the July 2003 issue of *HR Magazine*, eldercare also directly impacts employers when employees decline intercompany transfers that would relocate them farther away from aging relatives.³⁷

The Society for Human Resource Management's (SHRM) 2003 *Eldercare Survey* reveals that one out of seven employees are currently facing eldercare issues. Yet this information may be an understatement, with one out of four U.S. households involved with the care of an older relative or friend. The study also suggests that human resource professionals may not be aware of the extent of their employees' involvement with eldercare. While almost 50% of respondents have seen an increase in employees dealing with eldercare issues in the last several years, only 5% of respondents strongly agree that employers have an obligation to provide resources and assistance for employees facing eldercare issues. Yet 92% agree that over the next five to 10 years, the number of employees who provide eldercare will increase.³⁸

35 Wells, S. J. (2000, May). The elder care gap. *HR Magazine*, 45, 5, 38-46.

36 Speer, T. L. (1996, June). The unseen cost of eldercare. *American Demographics*, 18, 6, 20-23.

37 Frase-Blunt, M. (2003, July). Respecting the elders: Moving an employee to another city may affect three generations. *HR Magazine*, 48, 7, 89-92.

38 Burke, M. E. (2003). 2003 *eldercare survey*. Alexandria, VA: Society for Human Resource Management.

39 Walston, M. R. (1995). Eldercare benefits offered by the best companies to work for in America. *Health Marketing Quarterly*, 13, 1, 37-51.

40 Collison, J. (2003, June). *SHRM®/NOWCC/CED older workers survey*. Alexandria, VA: Society for Human Resource Management.

41 Ibid.

42 Buglass, K. (1989, September). The business of eldercare. *American Demographics*, 11, 9, 32-38.

What Are Companies Doing About Eldercare?

At this time, eldercare benefits are not commonly offered by employers. A mid-1990s survey revealed that the top 100 companies to work for in America offered benefits for eldercare that focused on flexibility (e.g., time off, flextime, leave, and flex place).³⁹ SHRM's 2003 *Eldercare Survey* shows that few companies offer benefits, outside those with flexible options, which directly address eldercare. While 76% of organizations indicate they make exceptions to formal policies to provide more flexibility to employees with eldercare needs, only 6% of respondents have a specific policy or policies for eldercare and only 23% have paid time policies that specifically include eldercare.⁴⁰

According to SHRM's 2003 *Eldercare Survey*, the four most common benefits that consider eldercare needs are bereavement leave, FMLA leave, unpaid family leave, and leave without pay options. Of these four, only bereavement leave is paid. Yet since bereavement leave does not address ongoing caregiver concerns, it cannot be considered a true eldercare benefit. Further, bereavement leave policies limit to whom the policy can be applied. In addition, as eldercare responsibilities often place a financial burden on employees, benefits that are unpaid add to the employee's financial hardship. Finally, as the survey points out, some organizations provide other programs for eldercare needs, with the employee assistance program being most commonly offered (69%). Less frequently offered are eldercare referral services (23%), long-term care insurance (16%), employee leave sharing (13%), and legal services for eldercare issues (13%).⁴¹

The New Trend—Eldercare and Business Development

Health care is a business, with eldercare being one of its newest business developments. There are now businesses for eldercare planning, eldercare services, long-term care insurance, eldercare attorneys, eldercare specialists, Web-based networks, and referral services. Employee assistance programs increasingly cover eldercare. And as pointed out in "The Business of Eldercare," entrepreneurs are responding to market needs, with some companies offering personal response systems to help elderly people stay in their homes as long as possible.⁴²

The Global Arena and Eldercare

From a global perspective, the literature shows that eldercare is now a concern on the expatriate front and a growing international public policy issue. For the first time since its initial publication 10 years ago, the *GMAC Global Relocation Services* in 2002 documents that eldercare issues are now a factor in whether an international

assignment is accepted. A recent article, "Expats With Elderly Parents to Care For: How is HR Responding?" states that expatriates are requesting their employers provide home leave to address eldercare. The September 2003 issue of SHRM's *Global Perspectives*, "What About My Parents? Expats and Elder Care" suggests that eldercare be a key part of the international assignment planning process.⁴³ And on October 22, 2003, AARP's Global Aging Program hosted the International Forum on Long-Term Care in Washington, D.C.

Conclusion

The aging workforce brings together two significant and interconnected issues: older workers and eldercare. In the years to come, employers will be grappling with how to attract and retain older workers as the baby boom generation retires. Training and professional development will be key for older workers to maintain their edge in the workforce. Substantial change is necessary regarding pension plans and social security so older workers will not be financially penalized. And while older workers are dealing with their own career, they will likely have responsibility for older parents or relatives. Eldercare is a growing workplace concern that will not go away but rather will become a significant issue for employees and employers alike. Over time, the dual challenge of older workers and eldercare will be increasingly present in the workforce. ●

43 Minehan, M. (2003, September). What about my parents? Expats and elder care. *Global Perspectives*, www.shrmglobal.org/publications/perspectives/articles/0903a.asp

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