CAEL
Linking Learning and Work

Tapping Mature Talent:
Policies for a 21st Century Workforce

SUMMARY POLICY RECOMMENDATIONS

Published by CAEL with support from The Atlantic Philanthropies

2012

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POLICIES FOR A 21ST CENTURY WORKFORCE

Demographic and other trends indicate that the U.S. will be seeing more mature workers actively engaged in the labor market, whether out of financial need or out of continued ability and preference. These workers are, and will continue to be, an important part of the labor force upon which our economy depends. Yet many of these mature workers will need help navigating a complex labor market, identifying career pathway opportunities, and determining needed education and training for greater employability and contributions to the workplace.

Recognizing these challenges, the U.S. Department of Labor supported a three-year Aging Worker Initiative (AWI) between 2009 and 2012. This initiative acknowledged the importance of mature workers to the economy and the need to provide them with help in preparing for new jobs and careers. The AWI funded 10 sites to test new models of serving mature workers (see box).

Over the course of this three-year initiative, the Council for Adult and Experiential Learning (CAEL) has overseen technical assistance to these sites under a grant from The Atlantic Philanthropies. The experiences of the 10 sites have underscored for us the importance of supporting the labor force participation of mature individuals in a deliberate way. They have also helped to inform a set of policy change ideas for policy makers and employers to support mature workers.

At a national summit on May 3, 2012, held at the National Press Club and co-sponsored by CAEL and the National Governors Association, a range of policy ideas – including the recommendations from our work with the AWI sites and from four commissioned papers – was discussed by more than 120 attendees representing organizations focused on aging issues, workforce development organizations, federal agencies, workforce investment boards, economists, and other advocates for the mature worker. These discussions helped identify priority areas for policy change and other action at the national, state and local levels.

The 10 Aging Worker Initiative Sites

Tecumseh Area Partnership, Inc., Indiana

Quad Area Community Action Agency, Inc., Louisiana

Coastal Counties Workforce, Inc., Maine

Baltimore County Office of Workforce Development, Maryland

Macomb/St. Clair Workforce Development Board, Inc., Michigan

South Central Workforce Investment Board, Pennsylvania

Goodwill Industries of Houston, Inc., Texas

Vermont Associates for Training and Development, Inc., Vermont

Seattle-King County Workforce Development Council, Washington

Fox Valley Workforce Development Board, Wisconsin

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Summary Policy Recommendations

The policy recommendations are presented in three areas: raising awareness, inspiring change, and improving the workforce system for all workers.

Raising Awareness

1. **Governors or state agencies should create a statewide or regional task force focused on the issues of older workers.** Comprised of a diverse range of stakeholders, including employers, the task force would oversee research on the mature workforce in that state, particularly the size of the mature workforce, the industries in which they currently work, and the skills they have. In addition to advancing the other policy recommendations presented below, the task force can use collected data to correct misperceptions about mature workers and make a business case for hiring and retaining mature workers. The task force could also calculate the impact on the local economy of investments in the mature workforce — analysis that is needed but has not yet been done.

   A similar focus on the mature worker is also needed at the **federal level**, where a task force would include representatives from various agencies, such as the departments of Labor, Education, Commerce, and Health and Human Services. This task force would ensure that coordinated, multi-agency efforts support the diverse needs and goals of the mature workforce.

2. **Employers, the workforce system, and other public and nonprofit agencies should educate the mature workforce on the financial realities of retirement.** Given that financial literacy programs prompt many mature workers to begin to develop their own plans for human capital investment, employers and public officials should support the development of financial literacy programs to assist workers in understanding how to plan for their futures. Employers and the public workforce system should be urged to provide such information on a systematic basis, as should nonprofit organizations that regularly interact with older people.

3. **Public officials, public agencies and advocates should educate business and industry on the reality of the aging workforce.** Since employers are a key partner for ensuring the successful labor force participation of mature workers, and many employers do not yet recognize the reality of the aging workforce, leaders should identify credible 'messengers,' such as leaders of industry associations, who can provide general awareness about the demographic changes, while also conveying to business some of the potential benefits and opportunities associated with the aging of the workforce. It may be particularly important to reach employers in industry sectors most affected by the aging workforce, such as finance, utilities, construction, and manufacturing.

Inspiring Change to Support Mature Workers

4. **Policy makers should create incentives for employers to hire and train mature workers.** One common myth is that mature workers are more costly to employers than younger workers. While there is research to suggest otherwise, employers may nevertheless need financial incentives to hire mature workers. Policy makers should also consider additional incentives for employers to provide training to mature workers, or to co-invest in training through Lifelong Learning Accounts (LiLAs), which are portable, employee-owned and employer-matched accounts used to finance education and training.

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a) Government agencies should be model employers. As large employers of mature workers, government agencies should find ways not only to retain but also to hire mature workers and provide flexible work options that include part-time work and job sharing.

5. **Economic developers, employer associations and other business advocates should develop and provide employers with simple-to-use tools and low-cost approaches for assessing organizations' talent management situations.** Talent management assessments can drive employers to take action steps that make better use of experienced and competent older workers. Employer associations should encourage the use of such assessments and assist in the analysis.

6. **All levels of government should remove policy and regulatory barriers.** All levels of government should examine federal and state policies and regulations to determine if they set up unnecessary age barriers to work, and then determine how to remove the barriers facing mature individuals who want to work for pay. Examples at the federal level include the following:

   - The Workforce Investment Act's (WIA's) performance measures for adult programs include average quarterly earnings of the participants after exiting the program. This creates a disincentive to place mature workers in part-time employment, even if that is what a mature worker would prefer. Similarly, WIA's performance measures for dislocated workers compare the wages after exiting the program to the wages earned prior to program. This creates an incentive for the workforce system to steer workers to jobs where the new wage is as high or higher than what was earned previously, not accounting for situations in which a mature worker may be interested in pursuing a new career in a different industry.

   - The National Council on Aging has noted that another needed federal policy change would be extending the availability of COBRA health coverage for workers aged 62+ who phase down their work hours, thus bridging coverage gap between full-time employment and Medicare eligibility.

7. **State and federal agencies and policy makers should provide incentives for postsecondary institutions to support mature workers and their learning needs.** Strategies and programs may include: working with employers to provide internship or apprenticeship opportunities designed for mature individuals seeking to change industries or pursue an "encore career," accelerated programming, flexible start dates for programs, modularized courses, stackable credentials, prior learning assessment that awards credit for what mature workers already know, and support services to help mature students integrate into campus life.

Improving the Workforce System for Mature Workers – and All Workers

8. **Advocates should continue, and improve, efforts to transform our culture to value workforce development.** Part of the challenge in supporting the mature worker is that national and state leaders often treat job training and workforce development as social service programs rather than as economic development programs. Other developed countries do understand the importance of the workforce to our knowledge-based economy and, as a result, invest in the workforce at much higher levels than we do in the U.S. Advocates need to continue, and improve upon, efforts to help our leaders understand that our economy depends upon a highly-skilled workforce. Further, our leaders need to understand that education and training investments are critically needed for incumbent workers and the unemployed, and not just for young entrants to the labor force.

Advocates should implement new message campaigns connecting workforce development to economic development. They should also invest in research that calculates the impact of workforce development on our economy – not just in terms of improved tax revenues that derive from higher wages, but also in terms of improved performance in the workplace and ability to fill high-skilled job openings that help business and industry grow and thrive in a global economy.

9. **Policy makers and agencies should restructure the public workforce system (currently funded primarily through the Workforce Investment Act) to serve all workers and job seekers better in an ever-changing labor market.** Given the changes in our economy, the workforce system needs to have a dual role. First, it must provide a safety net for individuals who require income support, literacy, and education and retraining as a result of unemployment, poverty, and long spells out of the labor market. Second, it must be a system that provides access to high quality, affordable, and labor market driven education and training to help adults of all ages prepare for and remain in the labor market. Specific changes needed include the following:

   - Better alignment among the workforce system, the economic development system, and higher education, with strategies deeply grounded in state and local labor market intelligence and data.
   - A focus on education, training, and skill attainment, not short term interventions and job placement.
   - More creative delivery of training, focusing on career pathways models, as well as other flexible, blended, integrated, and accelerated education and training approaches, with an emphasis on programs that lead to high-demand credentials. Workforce development programs should also recognize what workers may have already learned outside of the traditional classroom – in their work lives, in the military, in volunteer work, through self-study, etc. Programs need to utilize established prior learning assessment methods that evaluate a person's life-learning for college credit.
   - Stronger career advising, navigating, and counseling available to job seekers by well-trained workforce professionals, including information about labor market data, the costs and benefits of different training programs, demands for different credentials by employers in the labor market, and prospects for entrepreneurship.
   - Recognition that mature workers are a significant population served by the public workforce system. Advising needs to take into account how the work-life stage of the job seeker affects barriers, goals, and work preferences. This may require additional training of advising and counseling staff.
   - Access to and financial support for an array of flexible supports for other wrap-around services necessary for all individuals in training regardless of whether they are tied to any particular income support program such as TANF (Temporary Assistance for Needy Families) or Unemployment Insurance. These services may include short-term income support; transportation, including car repair; child or elder care; food and housing assistance; legal assistance; support for educational materials; and access to mental health services.
   - Better use of technology and social media to improve the efficiency and effectiveness of service delivery system and access to quality assistance for job seekers.

10. **Policy makers should provide consistent, adequate, and flexible funding to support the public workforce development system.** The public workforce system has struggled with limited resources for years, and current funding flows through more than 40 different programs, all of which place different restrictions on funding uses. The American Recovery and Reinvestment Act (ARRA) provided a temporary boost in funding, combined with clear policy guidelines and increased flexibility in the provision of training. However, as ARRA funds dried up, the challenge of maintaining these training investments returned. Funding uncertainty works against a consistent, systemic approach to workforce development. A stable base of flexible funding for the workforce system is needed.

Conclusion

As we approach the conclusion of the Aging Worker Initiative, we have identified a number of steps that policy makers and employers could take to provide greater support to the continued labor force contributions of mature workers. These derive partly from the experiences of the AWI demonstration sites, partly from recommendations suggested by the four papers commissioned for this report, and partly from the attendees of the Tapping Mature Talent summit.

The recommendations include raising public awareness about the need for and value of mature workers, establishing incentives to support their labor force participation, supporting critical changes to the public workforce system that are needed for the entire workforce. These changes will support not only the mature worker, but also strengthen the entire workforce system and our country's economic future.

Additional CAEL Resources for Tapping Mature Talent

For Employers:

Just Add the Seasoning: A Business Case for Tapping Mature Talent – by CAEL (supported by The Atlantic Philanthropies), 2012. http://www.cael.org/pdfs/2012_TMT_Employer_Paper

For State Policy Leaders:

State Strategies to Support the Maturing Workforce: A Paper for CAEL's Tapping Mature Talent Initiative – by CAEL (supported by The Atlantic Philanthropies), 2011. http://www.cael.org/pdfs/2011_TMT_State_Policy_email

For Those Interested in the Direct Experience of Mature Workers:

Maturity in the Workplace: Stories of Workers Aged 55+ on Their Journeys to New Work and Careers – by CAEL (supported by The Atlantic Philanthropies), 2011. http://www.cael.org/pdfs/2011_TMT_Profiles_for_email

Earlier Publications from Tapping Mature Talent:

Developing the Workforce as It Matures – by CAEL and the Council on Competiveness (supported by The Atlantic Philanthropies), 2011. This monograph describes the work of the U.S. Department of Labor's Aging Worker Initiative grantees and emerging practices at the mid-point of the project. http://www.cael.org/pdfs/TMT-Monograph

Regional Economic and Workforce Strategies: A Focus on the Mature Workforce New Opportunities for Meeting Skill Needs - by CAEL and the Council on Competitiveness - (supported by Atlantic Philanthropies), 2009. http://www.cael.org/pdfs/115_regionaleconomicandworkforcestrategies_final

To read a summary of all the papers in this series and the final set of TMT policy recommendations to support mature workers, please see http://www.cael.org/pdfs/TMT-Executive-Summary.

For additional TMT publications, please visit http://www.cael.org/How-We-Help/Older-Workers

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We advocate and innovate on behalf of adult learners to increase access to education and economic security. We provide adults with career guidance and help them earn college credit for what they already know. We equip colleges and universities to attract, retain, and graduate more adult students. We provide employers with smart strategies for employee development. We build workforce organizations' capacity to connect worker skills to employer demands.

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