Older and out of work: Employer, government and nonprofit assistance

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OLDER AND OUT OF WORK

Employer, Government and Nonprofit Assistance

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This two part Issue Brief examines the issue of unemployed older workers. This brief, Part Two, examines employer, federal, state, and community-based strategies designed to help older workers obtain new skills and return to work. Part I (Sloan Center on Aging and Work Issue Brief 16) examined the scope and impact of unemployment on older Americans, especially those who must work to support themselves and their families and to maintain health care coverage before becoming eligible for Medicare.

UNEMPLOYED WORKERS, WHETHER YOUNG OR OLD, AND THEIR FAMILIES BEAR THE PRIMARY COSTS OF WORKER DISLOCATION—INCLUDING FINANCIAL STRESS, MENTAL AND PHYSICAL HEALTH PROBLEMS, AND A POTENTIAL SLIDE INTO POVERTY OR HOMELESSNESS. BEYOND THE PERSONAL AND FAMILY IMPLICATIONS, UNEMPLOYMENT HAS BROADER RAMIFICATIONS AS WELL. COMMUNITIES OFTEN SUFFER FROM AN OUTMIGRATION OF RESIDENTS AND FROM A LOSS OF COMMUNITY ENGAGEMENT. LOCAL BUSINESSES AND THE ECONOMY ARE ADVERSELY AFFECTED BY THE LOSS OF PURCHASING POWER. GOVERNMENTS EXPERIENCE DECLINING TAX REVENUES AND RISING SOCIAL COSTS. AS THE NUMBER OF OLDER UNEMPLOYED WORKERS INCREASES, THE NEED FOR EMPLOYMENT SERVICES WILL INCREASE AS WELL. HELP TO THOSE IN NEED MAY BE PROVIDED BY EMPLOYERS, GOVERNMENT AGENCIES, NONPROFITS, AND FOR-PROFIT ENTITIES.

EMPLOYMENT SERVICES AND TRAINING OPPORTUNITIES FOR OLDER UNEMPLOYED WORKERS

Unemployed workers, whether young or old, and their families bear the primary costs of worker dislocation—including financial stress, mental and physical health problems, and a potential slide into poverty or homelessness. Beyond the personal and family implications, unemployment has broader ramifications as well. Communities often suffer from an outmigration of residents and from a loss of community engagement. Local businesses and the economy are adversely affected by the loss of purchasing power. Governments experience declining tax revenues and rising social costs. As the number of older unemployed workers increases, the need for employment services will increase as well. Help to those in need may be provided by employers, government agencies, nonprofits, and for-profit entities.

EMPLOYER ASSISTANCE TO UNEMPLOYED WORKERS

Workers lose their jobs in both weak and strong economic cycles as companies cut jobs because of declining demand for their products or services, or shed workers when they restructure or merge with another company. Before employees are laid off, some employers will consider alternatives, such as retraining their employees for different jobs in other units of their firm. Employers are more likely, however, to provide training and cross-training for younger workers than for later career employees, which may reflect employer age biases.7

Once management determines that job reductions are inevitable, employers must decide when to notify the affected individuals. Research on layoffs and worker dislocation has shown that providing workers pre-layoff advance notice reduces the length of time it takes to find a new job.1 Advance notice also allows state “Rapid Response” teams, required by the federal Workforce Investment Act, to begin to coordinate assistance for workers affected by a layoff. Yet a Heldrich Center national survey found that 38% of...
workers received no advance warning of layoffs, and another 13% received only one-week notice.4

The federal Worker Adjustment and Retraining Notification Act (WARN) requires employers with 100 or more employees to provide at least 60 days advance notice if they plan to lay off 50 or more workers, or more than one-third of the employer’s workforce, whichever is greater. Despite this federal mandate, employers issued WARN notices for only 36% of layoffs in which they were required, according to a 2003 Government Accountability Office (GAO) study.5

While some employers provide severance pay and a range of transition services to laid-off workers, most older American employees do not enjoy these employer-provided benefits. Research by the Heldrich Center and others found that employer-provided post-employment assistance is diminishing as companies face greater financial pressure to reduce costs.

Company size, culture, and values determine the scope of severance pay and transition services employers are likely to offer. Heldrich Center research found that 75% of smaller firms offered no severance pay to employees losing their jobs. By contrast, a Conference Board survey found 96% of the nation’s larger employers (primarily employers with over 1,000 employees) provide severance pay. The outcomes are similar for post-layoff transition services, with half of small firms offering no assistance, but 84% of larger companies surveyed by the Conference Board offering outplacement and/or other assistance (See figure 1).6

Further, workers with less formal education and lower incomes (under $40,000)—arguably the individuals who need help the most—are less likely to receive benefits.7 As a result, individuals are largely responsible for coping with the impacts of layoffs (See figure 2).8

While most workers do not receive much help from the company that lays them off, there are noteworthy exceptions. For example, in 1999, the Kellogg Company closed its Battle Creek, Michigan plant, permanently laying off 500 unskilled workers who had worked for the company an average of 20 years. The company engaged union, state, and community leaders in establishing a transition center that provided career fairs, assessment and counseling, financial planning, and training programs.9 A 2003 Conference Board report on “compassionate downsizing” cited the Exelon Corporation for offering comprehensive education and training counseling during a recent layoff and for providing retraining allowances of $3,000 to affected employees.10

In 2008, IBM launched its “learning account” modeled on 401(k) retirement accounts. IBM contributes 50 cents for each dollar that employees contribute to their learning accounts, up to $1,000 for each year. The accounts are portable; namely, individuals may take learning account savings with them. The funds can be used for any type of education or training that the employees want to pursue. IBM’s approach has been hailed as part of a new “social contract” with workers in a “highly mobile, global economy.”11

Despite these positive examples, the vast majority of older unemployed adults must manage their transitions without employer assistance. As such, they must either rely on using their own savings until they find another job or seek help from government or nonprofit organizations.
figure 1. Employer Provided Layoff Assistance in Small vs. Large Firms


figure 2. Workers Receiving No Severance

OLDER UNEMPLOYED WORKERS AND THE PUBLIC WORKFORCE SYSTEM

The public workforce system has historically underserved older workers compared to their proportion in the labor market. Most federally funded One-Stop Career Centers and other employment and training programs are overwhelmed, under-resourced, and overburdened with serving younger jobless adults, who may be better candidates for quicker, and less expensive, job placements.

Because older workers have not typically been considered a “vulnerable” group, relatively few public services are tailored specifically to their needs. Yet, their long tenure in particular industries or jobs means that they have little or no experience searching for jobs and often need additional assistance in resume writing and interviewing techniques.

As the number of older workers grows, federal agencies have, within the last few years, started paying more attention to this segment of the workforce. In 2005, the federal government funded public awareness campaigns on the value of hiring older workers, and the U.S. Department of Labor produced a “Protocol for Serving Older Workers.” In February 2008, a Taskforce on the Aging of the American Workforce issued an extensive report. At this point, however, major policy and program changes have not yet materialized.

FEDERAL GOVERNMENT PROGRAMS AVAILABLE TO OLDER UNEMPLOYED WORKERS

Although there are dozens of federal programs spending billions of dollars on unemployed workers, the great bulk of federal resources are not designed or reserved for older unemployed workers. Only the modest-sized Senior Community Service Employment Program, with an appropriation of roughly $433 million, is devoted to serving older unemployed adults.

The GAO reported in 2003 that only 12% of the 1.3 million unemployed job seekers aged 55 and over were enrolled in federal employment and training programs. Most of these individuals received subsidized community service jobs or job search assistance; a small number were enrolled in education and training courses.

Over two-thirds (68%) of older unemployed individuals enrolled in federal programs are in the Senior Community Service Employment Program (SCSEP). This program places low-income older adults in part-time minimum wage community service jobs at nonprofit and public facilities. The balance of the 1.3 million unemployed older workers either get help from the Workforce Investment Act (WIA) programs (28%) or through the Trade Adjustment Assistance Act (4%) (See figure 3).

Income Support/Wage Insurance

The federal-state Unemployment Insurance (UI) program is by far the largest public program for unemployed workers. UI provides temporary, partial income replacement to eligible individuals who lose their jobs and are looking for work. Each state determines its eligibility requirements and duration of benefits, which are usually limited to 26 weeks during a one-year period for regular unemployment insurance. Based on
current economic conditions, up to 13 weeks of emergency extended UI benefits are now available in all states.

Even though UI is the largest federal program, nearly two in three workers do not qualify for UI benefits. Excluded from UI benefits are many low-income and part-time workers, voluntary job leavers, re-entrants who previously left the labor force voluntarily, first time job seekers, and self-employed workers. In 2007, 37% of unemployed workers received unemployment benefits. Even for those who qualify, over a third of unemployed workers exhaust their benefits before finding another job.

With rare exceptions, unemployed workers may not receive financial support from UI while enrolled in training and education courses. Rather, the program requires individuals to actively seek employment and be available to return to work immediately in order to continue receiving benefits. This requirement disadvantages those older workers who must upgrade their skills before they can obtain another job.

Trade Adjustment Assistance

A special program of wage subsidies, combined with support for retraining, annually the federal Trade Adjustment Assistance (TAA) program serves 50,000 to 70,000 workers who lose their jobs due to foreign trade. In 2003, about 13% of TAA participants, or less than 4,000 individuals, were 55 or older. The GAO estimates that the number of older workers enrolled in TAA equaled about 4% of people aged 55 or older experiencing extended mass layoffs.

In 2002, the Trade Act launched a five-year demonstration project focused on workers 55 and older who agree to forego training and find a job within 26 weeks paying less than their previous wages and under $50,000. Called Alternative Trade Adjustment Assistance (ATAA), the program provides wage subsidies to cover up to half of the difference between a participant’s new and old wages, up to a maximum of $10,000 over two years. According to a 2006 GAO study, low awareness of the program, inability of potentially eligible older workers to find a job in 26 weeks, and individuals not wishing to relinquish training benefits have all contributed to low participation rates. There appears to be little evidence that wage insurance jobs provide transferable skills or other on-the-job training benefits.
EMPLOYMENT AND TRAINING PROGRAMS

In addition to income support for the unemployed, the federal government provides job search assistance and education and training courses for a small percentage of all unemployed workers. As with Unemployment Insurance and the Trade Adjustment programs, these workforce programs are not exclusively reserved for older workers.

Workforce Investment Act

The Workforce Investment Act (WIA) finances a nationwide network of state and locally managed One-Stop Career Centers. These Career Centers offer:

- Core Services—preliminary assessment of skill levels, career counseling, and labor market information;
- Intensive Services—career planning and short-term prevocational services; and
- Training—classroom and on-the-job training.

Core services are available to anyone who visits a One-Stop Career Center. Intensive services and training are only available to individuals who are enrolled in either WIA adult or dislocated worker programs. Priority is given to public welfare recipients and other low-income individuals.

WIA adult and dislocated worker programs serve a small number of older workers, with WIA adult programs enrolling less than 1% of eligible workers aged 55 and older. Moreover GAO analysis found that only 9% of WIA and TAA dislocated worker and adult participants were over 55. An even smaller percentage of older workers received support for training programs.\(^2\)

The low enrollment of older workers in WIA-funded programs is most likely due to several factors. Employment and training program managers say that federally mandated WIA performance measures limit older workers’ access to intensive services and training because their inclusion adversely affects program outcomes. For example, older workers may accept new jobs that pay significantly less than their previous jobs. This “downward” wage mobility negatively affects WIA performance outcomes that track changes in earnings.\(^2\)

Instead, WIA program managers may prefer to steer older workers to the Senior Community Service Employment Program, described below. An official in a state Office of Aging Services commented that the WIA system reserves its limited resources for workers who will be in the workforce the longest. In that state, a survey of 80 workers over 55 years old who visited their local One-Stop Career Center revealed that only three received either intensive services or training.

Senior Community Service Employment Program

The Senior Community Service Employment Program (SCSEP) is reserved for low-income (up to 125% of the federal poverty level) individuals, aged 55 or over. Program participants work in part-time community service jobs at government and nonprofit agencies, such as schools, day-care centers, and hospitals. As noted above, more than two-thirds (68%) of all adults 55 and over who receive any form of federal employment and training service do so in the SCSEP.\(^2\)
While SCSEP funds roughly 60,000 “participant slots” annually, with turnover, the U.S. Department of Labor estimates that 90,000 people are served. The General Accountability Office reports that the SCSEP serves less than 1% of the eligible population. Program funding has been falling in real terms since the 1990s. Several program operators interviewed for this Issue Brief commented that SCSEP is more effective as a community service program than as an employment and training program. Despite recent changes intended to ensure that 30% of participants obtain unsubsidized employment, placements in private-sector jobs remain low.

STATE GOVERNMENT AND PRIVATE NONPROFIT PROGRAMS FOR UNEMPLOYED OLDER ADULTS

Due in part to the paucity of significant federal programs for older unemployed workers, a growing number of state governments, nonprofits, faith-based organizations, and private-sector organizations are addressing the needs of these workers. These initiatives often draw upon one or more sources of public and private dollars, such as WIA dislocated worker funds, private foundations, United Way grants, private individual or business donations, and fees. What these initiatives have in common is the desire to help unemployed older workers find another job.

State Governments

Customized Training

Forty-seven states financed customized training grants to individuals and companies in 2006. While these programs do not exclusively target them, older workers are often the beneficiaries of these initiatives. Most of these state programs have strong linkages to economic development (19 states) and/or community colleges (17 states). In 2006, these programs spent $571 million (nearly 20% of WIA funds) and trained about one million workers. Over half (58%) of those enrolled in state customized training programs were incumbents who were receiving training either to avert layoffs or better prepare them for a new job.

For example, Michigan has begun accepting applications for its “No Worker Left Behind” program, which over the next three years, may train up to 100,000 adults in high-demand occupations or help them set up new businesses. Michigan’s program is not geared exclusively to older workers. Rather, it is targeting unemployed or dislocated workers, as well as low-income (under $40,000) employed individuals. Participants will receive up to $5,000 per year for two years to cover tuition at any Michigan community college, university, or other approved training program. The program’s roughly $128 million funding includes federal WIA, Temporary Assistance for Needy Families, vocational training funds, National Emergency Grant, and TAA funds. A $40 million appropriation from the state’s general fund has been requested, of which $10 million was approved. As of July 31, 2008, the program had 37,575 individuals enrolled in training, and 5,700 on a waiting list.

In more than 40 states, there are examples of workforce training programs tied to economic development strategies that focus on specific industries or occupational clusters, according to the National Network of Sector Partners. The majority of these
initiatives are operated by nonprofit and community-based organizations; others are run by community colleges, business associations, local Workforce Investment Boards, and labor-management partnerships. For example, in 2006, Massachusetts established the Workforce Competitiveness Trust Fund, which is a three-year project to help older workers, low-wage workers, workers with disabilities, incumbent workers, and unemployed citizens access education and skills necessary for career paths and jobs in targeted critical industry sectors, which vary by region. The Trust Fund is also now launching an Older Worker Retention Strategies initiative to help employers retain their over-50 workers.

### Enhanced Services for Older Workers

In 2007, the National Governors Association, with support from The Atlantic Philanthropies, initiated a project entitled “Civic Engagement: Engaging Seniors in Volunteer- and Employment.” The “policy academy” includes Alabama, Arkansas, Colorado, Florida, Maine, New Mexico, Ohio, and Wyoming. Six more states—Idaho, Illinois, New York, Massachusetts, Pennsylvania, and Maryland—joined the academy in 2008. Teams of state policymakers representing governors’ offices, workforce development, aging, and other agencies, as well as leaders from community-based organizations such as state AARP offices are developing strategic plans and raising public awareness in order to encourage greater civic engagement by senior citizens. The participating states are emphasizing various approaches to achieving civic engagement, which includes both volunteerism and paid employment. For example:

- **Florida** is attempting to engage older adults within the context of the state’s healthcare profession.
- **Wyoming** is positioning the state government as a model employer for older workers, encouraging flextime and job-sharing as well as strategies to encourage retirees to return to work.
- **Alabama’s** strategy is driven by the pressure of very low unemployment and very high job growth. The state is encouraging employers, including small businesses, to rethink retention strategies. The Alabama Department of Aging is also collaborating with regional Rural Action Commissions and the United We Ride program to expand access for seniors and other individuals in rural areas to training and jobs.
- **Colorado** has developed an employer toolkit with information on retaining and re-engaging older adults in employment.
- **Ohio**, with a large population of older dislocated workers, is striving to increase services for older workers within the workforce development system. The state held a Governor’s Conference on Aging called “The Untapped Resource: Seniors in the Workplace.”

**Arizona** launched one of the more ambitious initiatives to aid older workers in 2005. Known as the Governor’s Mature Workforce Initiative, its goal is to increase the employment of workers over age 50. The effort commenced with a several “mature workforce summits” involving over 300 employers. The initiative does not have dedicated funding but rather relies upon leveraging, community partnerships, and philanthropic grants to partner organizations. A regional Center for Workforce Transition pilot project opened in April 2008 and a month later, the governor launched a statewide mature worker job and resource bank. Also in May, the state began the process of certifying “mature-worker friendly” employers. Arizona has already achieved its goal of increasing WIA services for over-50 workers. And, the state has deployed Elder Services Specialists and trained staff on aging worker issues to some of its One-Stop Career Centers and will eventually place Specialists in every One Stop in the state.
Several other states have expanded services for older workers by tapping into federally funded workforce development systems. For example, the Connecticut Department of Labor highlights five industries that are “financially healthy, actively hiring and age diverse industries for older careerists.” Included are health care, education, residential services, products and services for the aging population, and business-to-business services. One-Stop Centers in Connecticut also host job development sessions for older workers, such as the “Over 40 and Looking for Work” sessions at the Danbury CTWorks Center.

In July 2008, the Minnesota Department of Employment and Economic Development (DEED) received $2 million from the U.S. Department of Labor for a pilot project to build the entrepreneurship skills of 500 dislocated workers who are 50 and older. Minnesota’s WorkForce Centers (One-Stops), in partnership with Small Business Development Centers, educational institutions, and other independent nonprofit agencies, will provide financial and technical resources to the would-be entrepreneurs. To qualify for aid, an individual must be at least 50 and a dislocated worker. Minnesota has found that people over 50 represent a large and growing proportion of their dislocated worker population and have a hard time finding new jobs relative to younger dislocated workers.

Several other states are relying upon the Internet to reach older workers. Tennessee’s Department of Labor hosts a Boomer Careers homepage, which has information for workers 40 and over. Minnesota's Workforce Center website features job search information for over-55 “experienced workers.” Colorado and Wyoming have also developed websites to help older adults access information about education, training, and employment.

In north central Indiana, a 14-county region participating in the U.S. Department of Labor’s Workforce Innovations in Regional Economic Development project established “older workers” as a strategic component in its plan to transform the region’s economy. A Lifelong Learning Taskforce recommended that the region promote lifelong learning for incumbent and older workers, including a virtual lifelong learning system (www.MaturityMatters.org). These efforts build on work undertaken by the North Central Indiana Workforce Investment Board, Workforce Development Solutions, Inc., which has published a number of studies including Career Options for Workers 60 Years and Older in North Central Indiana.

Community Colleges

Throughout the nation, community colleges are designing programs to meet the needs and interests of older adults. These colleges recognize that older workers will make up a larger share of the community college student body in the future. Older students are twice as likely to attend a community college as a four-year college or university, according to the Center for Community College Policy.

Community colleges have discovered that their older students typically enroll in classes in order to gain skills needed for new careers. For example, Portland (Oregon) Community College reported that four out of five older students are taking courses in order to upgrade their skills or re-enter the workforce in new careers. PCC, in collaboration with AARP, the State of Oregon, and the Portland area Workforce Investment Board supports older workers and assists businesses that are trying to retain older workers. PCC offers older worker transition workshops and
short-term skills training. At the three Portland area One-Stop Career Centers managed by PCC, weekly job search support groups are available for older workers.43

PCC is also revising its traditional educational programs to meet the special needs of its older student population. Thus, skills training courses at PCC are offered in compressed formats so people can return to work quickly. Courses are linked to high-demand occupations and the college provides credit for both prior learning and workplace-based learning to make it easier for adults to attain credentials.

Some other recent noteworthy community college initiatives include:

► Ten community colleges around the nation are developing strategies to match Baby Boomers’ experience, skills, and interests to “encore” careers in critical fields facing labor shortages. These efforts are supported by the MetLife Foundation through Civic Ventures Encore Grants.44

► The American Association of Community Colleges (AACC) encourages the expansion of programs that target older adults in learning, training or retraining, and/or volunteer or civic activities. Called AACC Plus 50, the effort is funded by The Atlantic Philanthropies and is providing grants to 5 mentor colleges and 10 demonstration colleges.45

► Connecticut offers residents who are 62 and older the opportunity to attend the state’s public colleges and universities free of charge, on a space available basis, through its Senior Citizen Tuition Waiver Initiative.

Nonprofit Agencies

Nonprofit agencies and faith-based organizations have historically been an important part of the decentralized national network of employment and training service providers. Combining public and private resources from foundations, charitable donations, and religious groups, they provide employment services to help individuals find jobs, improve skills, or access other social or emergency services.46

The AARP Foundation supports several initiatives that are expanding employment services for older adults. AARP was motivated in part by the fact that the federally funded Senior Community Service Employment Program does not have sufficient resources to serve unemployed workers who earn more than 125% of the federal poverty level. In the fall of 2007, the AARP Foundation launched its WorkSearch Assessment System at 20 locations. This web-based assessment system, geared to low-income, low-skilled job seekers, offers online assessments and local job and career information to job seekers over 40. Services also include access to employment and training opportunities, including over 1,200 online courses. As of September 2008, roughly 40,000 individuals had registered in the WorkSearch system, half of whom were ineligible for SCSEP programs.47

The U.S. Department of Labor is also supporting some of the training components of AARP’s WorkSearch system, including community-based training and on-the-job training. To be eligible for training, individuals must be over age 40, at or below the median income in their communities, hold a high school or equivalent degree, and be seeking jobs for which there is a clear demand in the regional economy. Identi-
fied industries include construction, education, energy, finance, health care, hospitality, retail, customer service, transportation, information technology, and call centers.

The AARP Foundation piloted another older worker training program in 2007. Called the Women’s Scholarship Program, it is available to women 40 and older who are in “dead-end” jobs, with no benefits, or who had been out of the workplace for five years. The AARP Foundation received over 2,000 applications for the 100 slots funded in the first round in early 2008 and will award a second round of 100 scholarships later in the year.

The International Association of Jewish Vocational Services (IAJVS) is also managing several significant employment assistance programs for older workers. Among its varied initiatives, IAJVS has added a separate link for Services to Baby Boomers on its website—one that is distinct from its Services to Older Workers and the Elderly. As part of its Baby Boomer services, a number of JVS affiliates offer “2Young2Retire” courses, which are available for a modest fee. The courses are a “transitioning how-to guide” including workshops on health and wellness, financial planning, volunteerism, lifelong learning, community involvement, and career transitions.48 Another JVS initiative, offered in Los Angeles, is called MaturAbility, a 10-session course that helps people assess their skills and employment goals and obtain additional computer skills.

JVS MetroWest in New Jersey manages a program for older workers (45 and older), known as Maturity Works. Launched with a start-up grant from the Healthcare Foundation of New Jersey in 2003, Maturity Works is now supported by the United Jewish Communities of MetroWest. The program offers resume writing and interview workshops, and peer counseling from older workers who have recently completed job searches. A JVS MetroWest program director observed that many of the participants had been forced into an early retirement they could not afford. Most had never been unemployed before. JVS MetroWest also furnishes WIA-funded services to older workers under contract with the East Orange One-Stop, which refers clients to them for job development, interviewing skills, resume writing, and English as a Second Language courses.49

A program in Boston, known as Operation A.B.L.E., provides counseling, access to job listings, occupational and computer skills training, job search workshops, and job fairs for mature workers—defined as those 45 and older. While some services are free, others are available for a modest fee. One program prepares workers 45 and older for customer contact and administrative positions in financial, health care, hospitality, retail, and other industries. Operation A.B.L.E. also markets services to employers trying to “target and recruit skilled, competent mature workers,” including mature worker job fairs, newsletter and website advertising, and training for employers on techniques to retain mature workers.50

Since 2001, the Council on Adult and Experiential Learning (CAEL) has supported the establishment of Lifelong Learning Accounts (LiLAs), starting with a pilot project in the Chicago restaurant industry. Under this initiative, individual workers contribute to a training account that may be matched by the employer and/or a third-party funder (as in the case of the CAEL pilots). Funds from the training account are available to finance education and training expenses. During the first three LiLA demonstrations, nearly half of the participants were over 40 years old and nearly half earned less than $30,000. A preliminary evaluation report found that those employees enrolled in LiLAs received more promotions and higher salaries in their current jobs. Nearly half of the participants were not planning to take courses prior to setting up their LiLAs, thus supporting the notion that LiLAs encourage individuals to pursue further training.51
With support from the Lumina Foundation for Education, CAEL has initiated LiLA pilots in several states and communities, including Washington, Maine, Illinois, San Francisco, Chicago, northeast Indiana, and Kansas City. The San Francisco pilot, managed in collaboration with Jewish Vocational Services, estimates that more than half of those it serves will be older workers, many of whom will also be low-income and minority individuals.

**Self-Directed Job Search Websites, Networking Clubs, Fee-for-Service Programs**

A plethora of private businesses and nonprofit organizations are marketing services to unemployed older workers. Businesses include small entrepreneurs (such as individuals who offer career coaching, resume preparation, personality testing, and job leads on a fee-for-service basis) as well as large outplacement firms that are specifically marketing their services to workers aged 40 and older. In addition, there are a growing number of online networks targeting older workers, which generally enable individuals to scan job openings and post resumes.

Local job search and networking clubs are also emerging. Some are open to all job seekers and others have prerequisites for joining. For example, 40Plus clubs, which started in 1939, are now available in a number of communities across the nation. These “clubs” are nonprofit, self-help, volunteer organizations that offer training, peer support, and networking opportunities to professionals in job and career transitions. Individuals pay a fee to take an initial course and become 40Plus members. Among the membership requirements for 40Plus of Greater Washington are: prior employment in a professional, managerial, or executive position; three personal or professional references; having earned or capable of earning at least $40,000 annually; enrollment and completion of the 40Plus Training Course; and approval by the 40Plus Operating Council.

**CONCLUSIONS**

A growing number of older Americans will need to continue working well past the traditional retirement age of 65. Given the increasing frequency of layoffs, many more older workers will find themselves looking for new jobs. Only a small percentage of these older unemployed workers will receive post-layoff assistance from their former employer. Finding that next job is likely to be difficult and time consuming—considerably more so than for younger job seekers—and may require them to prepare for a new career in a new industry.

Older workers with long job tenure usually have limited experience searching for jobs. Their education and skills may no longer be relevant to current labor market demands. Older workers seeking a new job may also encounter employers who regard such workers as less productive and effective, less healthy, yet more expensive than younger workers.

**Implications for Employers**

Research has documented the advantages to employers of well-managed or “compassionate” downsizing. These include evidence that handling layoffs humanely can affect the corporate bottom line by improving employee morale and sustaining productivity during the transition. Offering transition benefits can result in dislocated workers getting back to work faster, thus lowering costs employers may face in UI and other
benefits, while also helping to maintain the company’s reputation in the community. Some primarily large employers do provide employees sufficient advance notice of a layoff and access to a range of outplacement and other services; others may want to learn from these examples.

All employers may want to consider the findings of a recent AARP survey that reported that workers aged 50 and older are “highly receptive” to training opportunities, especially training aimed at improving specific business and technical skills; 77% of respondents expressed an interest in work-related education. This data would seem to dispel the myth that older workers are reluctant to learn new skills and may encourage employers to increasingly consider older workers for cross-training opportunities, reducing the chances of their facing layoffs. Employers may also want to follow the examples being set by IBM—as well as the various small and large employers participating in other lifelong learning accounts and related activities. These initiatives may enable employers to avoid some layoffs that would otherwise occur and may contribute to improved outcomes for dislocated workers of all ages.

Small and mid-sized employers may not have the resources to offer post-layoff benefits. They may need to seek opportunities to partner with government and nonprofit agencies in order to provide assistance to their older workers targeted for layoff. These opportunities may include participating in regional talent and skills alliances and sector strategies. It also includes working with state Rapid Response teams, which can offer pre-layoff assistance.

**Implications for Policymakers and Nonprofits**

Unemployed older workers and especially those with limited education and resources will increasingly seek help from an already overwhelmed and under-resourced public workforce system or local community service provider. If they can afford it, these workers may purchase help from the private—and unregulated—industry that provides advice and other services to those looking for work.

Neither the federal Unemployment Insurance nor the Workforce Investment Act programs are well positioned to adequately serve older unemployed workers. UI reaches a small proportion of unemployed adults and the percent of older UI claimants who exhaust benefits before finding a job is rising. Older workers are also not well served by the WIA-funded One-Stop Career Centers, though new efforts to target services to older clients may result in improvements.

Federal programs specifically designed for older job seekers—the Senior Community Service Employment Program and the Alternative Trade Adjustment Assistance Program—receive modest federal funding and are only available to individuals with very low incomes. The narrow range of services provided by these programs does not meet the needs of many older workers.

In the absence of major federal programs for older workers, a number of states, community colleges, national nonprofits, and community-based agencies have initiated strategies that serve older unemployed workers. Some of these efforts are aimed at reducing employer biases against older workers. Others marshal public or private foundation resources to help older adults access labor market information, career counseling, training, and education courses.
The private for-profit sector is also marketing fee-based services for older unemployed workers who can afford them. Without “consumer report cards” on the myriad private consultants and outplacement firms, individuals seeking such services may be especially vulnerable to poor or deceptive practices. Government or national nonprofits should consider developing guidance for individuals considering purchasing these career transition services.

Government, business, education, nonprofit, and community leaders should address the growing gap between the need and the supply of affordable, quality assistance for older unemployed workers. This can be achieved by:

- Allocating more resources to existing programs that demonstrate their effectiveness,
- Better integrating government and community-based reemployment services,
- Better integrating government benefits with employer-funded benefits, and
- Redesigning programs to fit the needs of older workers.

Implications for Research

At present, there is insufficient information available about the scope and availability of public and privately funded older worker programs. Even less is known about which strategies are most effective in assisting older workers. More research is needed in order to develop evidence about which program models best meet the needs of “younger” older workers, who are not eligible for Social Security or Medicare versus the needs of “older” older workers. Innovative service models supported by national and community-based nonprofits as well as existing federal programs should be carefully examined and evaluated. Policymakers and funders also need more information about which interventions work best at helping people find and retain new jobs that enable them to support themselves and their families.

REFERENCES

1 There is no consensus about the definition of what constitutes an “older worker.” The Age Discrimination in Employment Act includes protection to workers who are 40 or older. The U.S. Department of Labor sets the floor at 55 years of age for its older worker programs. The Census Bureau defines older workers as 55 and older but breaks down its data into several age ranges: 55-64, 65-74, and 75 and up. The current full (normal) retirement age when older workers can start to collect Social Security is 65 but rising to 67. AARP membership is available to adults when they reach 50, yet several new AARP older worker initiatives are open to adults who are 40 and older. The data and programs described in this Issue Brief reflect this myriad of definitions. See our Issue Brief 4, How Old are Today’s Older Workers? for a discussion of this. (@ www.bc.edu/agingandwork)


http://www.bc.edu/agingandwork


A. Alongi, personal interview, August 14, 2008.


Ibid.


C. Ford, personal interview, February 20, 2008.


Issue Briefs
Issue Brief 1: Older Workers: What Keeps Them Working?
Issue Brief 2: Businesses: How Are They Preparing For the Aging Workforce?
Issue Brief 3: Getting the Right Fit: Flexible Work Options and Older Workers
Issue Brief 4: How Old Are Today’s Older Workers?
Issue Brief 5: One Size Doesn’t Fit All: Workplace Flexibility
Issue Brief 6: Down Shifting: The Role Of Bridge Jobs After Career Employment
Issue Brief 7: Civic Engagement: Volunteering Dynamics and Flexible Work Options
Issue Brief 8: Does Health Insurance Affect The Employment of Older Workers?
Issue Brief 9: The 21st Century Multi-Generational Workplace
Issue Brief 10: Today’s Multi-Generational Workforce: A Proposition of Value
Issue Brief 11: Responsive Workplaces for Older Workers: Job Quality, Flexibility and Employee Engagement
Issue Brief 12: Generational Differences in Perceptions of Older Workers’ Capabilities
Issue Brief 13: Quality of Employment and Life Satisfaction: A Relationship that Matters for Older Workers
Issue Brief 14: The Interlocking Careers of Older Workers and Their Adult Children
Issue Brief 15: Self Employment As A Step in The Retirement Process
Issue Brief 16: Older And Out Of Work: Trend in Older Worker Displacement

Research Highlights
Research Highlight 1: Context Matters: Insights About Older Workers From the National Study of the Changing Workforce
Research Highlight 2: The Diverse Employment Experiences of Older Men and Women in the Workforce
Research Highlight 3: The Benchmark Study, Phase I of The National Study of Business Strategy and Workforce Development
Research Highlight 4: The National Study, Phase II of The National Study of Business Strategy and Workforce Development

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The Sloan Center on Aging & Work at Boston College was founded in 2005 with a multi-million dollar grant from the Alfred P. Sloan Foundation. The Center partners with workplace decision-makers in evidence-based research on employer and employee responses to the increasingly global multi-generational workforce. These collaborations focus on quality of employment with the aim to inform employers with research data to attract, engage and retain high quality industry talent. As of 2008, the Center has three research streams – the US National Initiatives, the State Initiatives and the Global Initiatives. Their collective mission is to gather information and collaborate with leaders in the public, non-profit and business sectors in an effort to leverage today’s multi-generational workforce and globalization as competitive advantages in the 21st century economy.