



Could Your Business Benefit from the Increase in Older Workers?

Older workers are flooding the employment market. Discover how you may be able to take advantage of this shift for your company.

By Julie Bawden Davis | August 05, 2016

Over the last two decades, the definition of retirement for older workers has changed significantly. Retired workers used to leave the workforce completely, but the new “normal” is far different.

According to a 2016 [Associated Press-NORC Center for Public Affairs Research study](#) on 1,075 adults age 50 and older from across the United States, one-quarter of the survey participants said that they don’t plan on ever retiring. This is significant, because according to the [Administration on Aging \(AoA\), Administration for Community Living, U.S. Department of Health and Human Services](#), the number of Americans over 65 is expected to rise from 44.7 million in 2013 to 82.3 million by 2040.

“The trend toward older workers staying in the workforce is now a structural factor, with no reversal in sight,” says certified financial planner Benjamin Lupu, president of [Kensington A.M.I.](#) “Many older workers are employed because of economic need, but many also work because they understand that employment can be healthy both physically and psychologically. Work gives you purpose and a place in the world and keeps you engaged in life.”

It’s not surprising that the share of workers 65 and older continues to steadily rise, adds Thomas O’Connell, president of [International Financial Advisory Group](#). “We’ve experienced two major market corrections where workers have lost between 30 to 50 percent of their net worth each time, and a Great Recession, which has stymied their ability to get back ahead from where they fell,” he says. “The creation of the 401k plan and simultaneous demise of the defined benefit plan has also destroyed any kind of guaranteed pension income for retirees.”

Andrew Rafal, president and founder of [Bayntree Wealth Advisors](#), agrees. "Many retirees have faced a perfect storm over the past quarter century as it relates to their income in retirement. Life expectancy has been increasing (which is a positive), yet the majority of those retirees do not have a pension like previous generations. Add in the tech bust in the early 2000's, the Great Recession of 2007-2009 that decimated the retirement assets across the globe and ultra low interest rates on bonds, savings accounts and CDs and you have a generation where many are forced to go back to work."

How Older Workers Can Benefit Small Businesses

They may be continuing to work, but older workers are not necessarily staying at the same jobs or even in the same fields, according to the NORC Center study. That means they may be able to bring their talents to small businesses.

Claire Roberts is CEO of [Lice Clinics of America](#), which has clinic owners in their fifties, sixties and even seventies. "With the influx of older workers, small businesses can find loyal, hardworking employees with a wealth of knowledge," says Roberts. "We've found that operating one of our clinics as an owner or technician is a position well-suited to older individuals, who tend to have a wonderful bedside manner when it comes to calming down frantic families."

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The senior workforce offers "incredible depth of knowledge and a wealth of experience," agrees O'Connell. "As the Baby Boomer generation continues to age, but not leave the workforce, this pool of incredible resources will continue to grow and small businesses will have increased access to the knowledge, experience, common sense and understanding of the world from older workers. It may also be less expensive to hire older workers, because when you reach age 65, your primary health insurance typically becomes Medicare and that is dramatically less expensive for the employer."

The benefits of hiring older workers are many, believes Lupu. "Older workers can offer a more grounded, less individualistic work ethic as compared to millennials and other younger workers. They tend to have a clearer understanding that they need to comply with policies, be punctual and tend to stick with their jobs, as opposed to younger workers who are often looking toward their next opportunity. Their life experience has also given them people skills, better manners, more historical perspective and better cultural literacy. These skills can be quite useful to small businesses, especially when dealing with older customers, who may have difficulty relating to younger point-of-service workers."

Take Advantage of Older Workers' Experience

Michael Houlihan and Bonnie Harvey, founders of the Barefoot Wine brand, “retired” and sold their business. But they continue to work as speakers, teachers and [authors](#). They share the various ways a small business may benefit from employing older workers.

- **Vast experience.** “There’s a treasure trove of experience, know-how and old-fashioned wisdom to be had when you put a senior player on your team,” say Houlihan and Harvey. “The been-there-done-that advantage can save you tons of time and money. Their counsel can make the difference between success and failure.”
- **Liaison.** “Your company can now select senior workers who’ve had experience in the kinds of organizations you depend upon for production, compliance or support,” say Houlihan and Harvey. “Having that inside knowledge can improve your inter-organizational relations, contracts and sales.”
- **Training.** Senior employees often enjoy giving new employees orientation and training. “Older workers can provide the kind of patient, engaged mentorship you need to build a knowledgeable and efficient team,” say Houlihan and Harvey. “Young folks will appreciate the attention of older, experienced teachers dedicated to their success.”

Small-business owners may want to tap older employees who have worked in larger environments for advice and insight, believes David Lewis, CEO of [OperationsInc](#). “The older worker’s experience may even be far broader than the owners.”