Maryland Population Research Center

WORKING PAPER

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PWP-MPRC-2015-003 February 2015



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ABSTRACT

While many studies have examined mature workers' attitudes towards working past retirement, this study examined the willingness of nonprofit management to hire mature workers (aged 50+) in the future. Online surveys were completed by Executive Directors of 29 out of 62 nonprofits (47%) contacted from the University of Maryland's Center for Social Value Creation database. Major findings include: mature workers were considered viable candidates for two of their top 3 staffing needs, including fundraising and programs/development. While 50% report that the recruitment/retention of mature workers is not on their radar screen, more than 1/3 of both small and large nonprofits consider the recruitment/retention of mature workers as a strategic goal within their organization. However, 90% of nonprofits reported that they have no strategic plan in place for the impending retirements of their workforce. In general, while non-profits valued the low turnover, professional and managerial skills, as well as the oral and written communications skills of mature workers, they expressed concern about their lack of social networking skills. In terms of incentives that could further motivate nonprofits to employ mature workers, almost half reported that some form of a financial award would work better than either an honorary award or a toolkit of best practices for employing mature workers. Employers' perspectives are critical when considering the viability of a mature workforce. Pragmatic next steps for bridging the gap between mature workers and non-profits are discussed.

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Is There a Market for Encore or Mature Talent Within the Nonprofit Sector?

The percentage of American workers who are aged 55 and older is expected to increase to 25.2 % in 2020, up from 13.1 % in 2000 and 19.5 % in 2010. Furthermore, the labor force participation rate of Americans aged 55 and older has grown from 32.4% in 2000 to 40.2% in 2010 (Hayutin, Beals, & Borges, 2013; Toosi, 2012). These increases coincide with labor force participation rates expected to decline or remain the same for the 16-54 age group, with growth in the workforce coming from the increased participation of the 65 and older group (Eyster, Johnson, & Toder, 2008).

The present study attempts to bridge the gap between this expanding and shifting aging workforce demographic and the employers who could potentially benefit from it. Much data has been collected regarding mature workers' intentions to work past retirement, both out of economic considerations as well as a desire to have "encore careers" defined as positions that combine income, personal meaning, and social impact (AARP, 2003, 2004, 2005; Freedman, 2007; Merrill Lynch, 2005; Merwin, Johnson, & Murphy, 2007; MetLife/Civic Ventures, 2008, 2012; Quinn, 2010). Less is known about the willingness of employers to hire mature workers. Higher pay demands as well as the necessity for health insurance coupled with age bias related to deficits in mature workers' technology and social media skills all have been reported as disincentives for employing mature workers (Conaway, 2013; Tishman, Van Looy, & Bruyere, 2012). Will employers be willing to hire mature workers in the future?

This study takes a first stab at addressing this question by surveying employers in the not-for-profit sector about their willingness to employ mature workers. Many have argued that the nonprofit sector is a logical arena in which to utilize the talent, energy and experience of mature workers. By 2016, Bridgespan estimates that nonprofits will need nearly 80,000 new senior managers per year (Tierney, 2006).

By 2018, economists forecast a labor shortage and at least 5 million potential job vacancies, with nearly half of them in social sector jobs, including in education, healthcare, government, and nonprofit organizations. In addition, there are not enough young workers to meet nonprofit staffing needs in the coming years, making mature workers a logical pool to tap (Bluestone & Melnick, 2010). This study assessed the perspective of nonprofit management on their willingness to insure a pipeline for mature workers' future employment. Specifically the study aimed at providing preliminary answers to whether a real market exists for encore or mature talent in the nonprofit sector.

The study updates research conducted in 2008 and 2009 by the Conference Board and the Sloan Center on Aging & Work at Boston College, which found that "few nonprofits have developed flexible work options or other actions to encourage or accommodate the retention of mature workers" (Piktialis & Casner-Lotto, 2009). Study results also shed light on whether the potential assets of mature workers are being recognized by today's nonprofits and whether the skills found to be in short supply in 2009, including management skills, legal skills, and technical computer skills (Lee, McNamara & Pitts-Catsouphes, 2013) remain so in today's nonprofit's labor force needs. The study results will also expand the knowledge base used to make informed decisions for utilizing the social capital offered by this growing "natural" resource.

Methods

Sixty-two executive directors (EDs) of nonprofit organizations that were part of the University of Maryland's Center for Social Value Creation database were contacted in August, 2012 to complete a 21-question online survey designed to elicit information in three key areas: 1) nonprofit EDs' perceptions regarding the value that mature workers provide to their organizations, 2) nonprofits' staffing needs and strategic plans that addressed mature workers' career progression and succession over the next 3-5 years; and 3) motivators/incentives that nonprofits have in place and/or are willing to offer mature workers.

Twenty-nine (47%) of those contacted completed the survey. The majority (72%) of participating nonprofits were located in the Eastern region of the US. Most (84%) reported having both paid full-time and part-time staff and all but two of the organizations reported using volunteers. In terms of size, 66% of the organizations reported having fewer than 50 employees and 51% had an annual operating budget of \$500,000 or less. Thirty-one percent reported budgets of more than \$1 million.

As shown in Figure 1, organizations were classified into the following sectors, based on the 990 tax code categories: Public/Societal Benefit (33.3%), Health/Human Services (24.2%), Education/Research (21.2%), Arts/Culture/Humanities (9.1%), Environmental/Wildlife (9.1%), and International (3.0%).

[Insert Figure 1 about here.]

*= Sectors based on 990 tax code categories

Missions of the organizations ranged from "empowering youth activists" to "providing humanitarian aid and community building" to providing community treatment facilities and assistance to homeless men.

Results

Are Mature Workers Valued by Non-profits?

Executive Directors were asked to give their perceptions on the value of mature workers. Figure 2 shows the top three reasons reported for including mature workers in the surveyed non-profits' workforces: 1) the desire to maintain an intergenerational workforce, 2) the desire to retain key employees and prevent a "brain drain," and 3) existing availability of in-house talent over the next 5 years. Organizations with an older workforce, where 25% or more of the employees were over 51 years old were more aware of the value of older workers. The "desire to have time to transfer knowledge to younger employees" was a key consideration for these organizations. However, neither the projected short-term or long-term

workforce shortages appear to play a role for including mature workers in their workforces.

[Insert Figure 2 about here].

Executive Directors were also asked to rate their agreement with several statements regarding characteristics of mature workers. As shown in Figure 3, 83% of EDs agreed with the statement: *Mature workers are reliable with low turnover*. Greater agreement with this statement was reported by larger non-profits, in terms of size and budget. Figures 3 also shows that more than 60% of EDs also valued both the professional and managerial skills (66%) and the oral and communication skills (62%) of mature workers. There was no difference in this response between organizations in terms of the age of the workforce.

Executive Directors expressed the least favorable views of mature workers' knowledge of technology and their ability to learn new skills. The results in Figure 3 show that only 10% of the organizations agree with the statement: *Mature workers are savvy about new technology including social networking*. Larger organizations, in terms of budget and number of employees have the most negative views about mature workers, with 78% of EDs of firms with budgets over \$1 million disagreeing with the statement.

[Insert Figure 3 about here]

Follow-up open-ended questions probed both advantages and barriers that presently existed within the surveyed nonprofits. Among the most cited advantages for employing mature workers were: bringing "a great deal of experience and wisdom to the table," "better with time management" and "better work ethic." The ED of a nonprofit that trains workers as seasonal tax preparers commented that he saw a better return on the investment of their training dollars for mature workers, as they were more likely to return for seasonal work vs. younger workers who would leave after one season and find new jobs. Barriers most often cited included unfamiliarity with current IT practices and use of social media, "slow at learning

new things," and resistance to change. The physical demands of the job, the high cost of providing health insurance to mature workers, and the inability to pay compensation commensurate with the experience level of mature workers were also mentioned.

Do Nonprofit Executive Directors Know Why Mature Workers Want to Work for Nonprofits?

Executive Directors have quite accurate perceptions of why mature workers want to work for non-profits as they match the reasons given by mature workers in other surveys (Merrill Lynch, 2005; MetLife/Civic Ventures, 2008, 2011). As shown in Figure 4, a mature worker's desire to make a contribution to the non-profit's mission, to remain mentally active, and to provide needed income due to inadequate savings were reported by EDs as top reasons. The desire for flexibility in terms of work schedule and the need for health insurance were reported less frequently.

[Insert Figure 4 about here.]

Where Do Executive Directors See Mature Workers Fitting in with Their Organizations?

Reflecting the current economic climate in 2012, 64.5% of the organizations reported at the time of the survey that they were not recruiting for any positions. However, with regard to projecting their staffing needs in the next 3-5 years, the top three needs as shown in Figure 5 included the areas of: 1) fundraising, 2) communications/marketing/creative, and 3) programs/development. As shown in figure 5, mature workers were reported to be viable candidates for all three areas in addition to administrative areas.

[Insert Figure 5 about here.]

When asked specifically about the impending retirement of mature workers, 90% reported there is no strategic plan in effect. Furthermore, 50% reported that the recruitment/retention of mature workers was not on their radar screen. These

findings are consistent with other surveys (Preparing for an Aging Workforce, SHRM, 2014). Barriers reported for generating such a strategic plan included the normal constraints of limited personnel, time, and money. Other reasons for not engaging in such an activity included that they had "plenty of labor and access to labor" and if necessary they would "deal with it when it happens."

Organizations were also asked if any external incentives would serve as motivators for employing mature workers. Almost half of the organizations (48.3%) reported that a financial incentive or award (e.g., tax credit) vs. name recognition by a state or national entity or a toolkit providing best practices would have the most impact on employing mature workers in the future.

What Current and Future Employee Incentives Might Non-profits Consider to Attract Mature Workers?

Organizations were asked about both present and future incentives or perks offered to employees. As shown in Figure 6, the two most often reported incentives offered presently were flexible work hours, including part-time work (86%) and on-the-job training (79%). Internships and working from home were also provided by more than two-thirds of the organizations. Less than 30% of the organizations reported any future incentives they would consider to attract mature workers including such options as extended leave for caregiving, job-sharing, and sabbaticals.

[Insert Figure 6 about here].

Is There a Role for Mature Workers as Volunteers/Interns?

A separate section of the survey explored non-profit organizations' use of volunteers and internship opportunities. Ninety-seven percent reported they presently use volunteers including mature workers to carry out their mission. The age of volunteers ranged from 19-75 years old with 45 years old being the most frequently reported average age. While 90% of the organizations reported they would entertain unpaid internships for mature workers, 40% reported they would

also entertain paid internships. Additionally, 45% of the organizations reported they could provide personnel to mentor mature workers. This commitment varied from 2-10 hours per week.

Conclusion

While researchers and policy makers may view the aging workforce demographic as a more productive and resourceful population than in the past (Myers & Degges-White, 2007; Tishman et.al., 2012), and terms such as successful aging and healthy aging are being used rather than terms associated with decline (Anhus & Reeve, 2006), are these positive views being shared by nonprofit management?

This exploratory study provides information from nonprofit managements' perspective in three areas: 1) Are the potential assets of mature workers being recognized by today's nonprofit management? 2) Are mature workers considered viable candidates for nonprofits' staffing needs in the next 3-5 years? and 3) What present and future incentives are nonprofits considering to attract mature workers?

Value of Mature Workers

The results from the present study are encouraging. Executive Directors from nonprofit sectors in which 50+ers (mature workers) have voiced a desire to work, reported that they see real value in maintaining an intergenerational workforce. The benefits and need for an intergenerational workforce are critical for not only retaining workers of all ages but for maintaining the optimum functioning of future workforces (Tishman et. al., 2012). In addition, those employers who recognize the benefits of a multi-generational workforce are in a better position to recognize emerging "talent management opportunities." (Snyder& Barth, 2013).

Survey participants also recognized the potential for a "brain drain" caused by the mass retirements of older workers. This loss of "institutional memory and

proprietary practices" is a consequence of loss of experienced staff. Nonprofits should consider engaging in bi-directional knowledge transfer throughout the careers of employees, so that it just doesn't occur upon the employees' exits.

While economists have forecasted workforce shortages, especially in the organizational sectors that were included in this study, neither short nor long-term workforce shortages, appear to be factors in managements' reasons for including mature workers in their workforce. Furthermore, 90% of the surveyed organizations reported no strategic plan in place for the impending retirement of their workforce and 50% reported that neither the recruitment nor retention of mature workers was a concern at the time.

These findings substantiate previous research that indicates that organizations have been lax in analyzing their workforce demographics. In fact, only 12 % reported in a 2007 study that they had done so "to a great extent." In addition, over one-third had made no projections about retirement and less than one-third had adopted practices to recruit employees of diverse ages to a "great extent" (Pitt-Catsouphes, Smyer, Matz-Costa & Kane, 2007). These findings are also consistent with The Society for Human Resource Management (SHRM) survey reporting that only 4% of organizations reported having a formal strategy for retaining older workers and only 3% reported a formal strategy for recruiting older workers (Preparing for an Aging Workforce, SHRM, 2014). Forums aimed at making executives aware of these workforce shortages may aid in placing greater value on both recruiting and retaining mature workers.

Management also recognized the positive attributes that mature workers contribute to the workforce. The greatest agreement was with the statement, "Mature workers are reliable with low turnover". Research has shown repeatedly that older workers have less absenteeism, less turnover, more experience, interpersonal skills and self-discipline (Pitt-Catsouphes & Matz-Costa, 2009; Hayutin et. al., 2013). Management

also valued mature workers' professional and managerial skills as well as their oral and written communication skills.

However, the majority of management held negative perceptions about mature workers in terms of their technological and social networking skills. These findings as well as open-ended responses citing mature workers' resistance to change and the need for higher compensation, both in terms of wages and increased health insurance costs, have been reported as obstacles for hiring and retaining older workers (Taskforce on the Aging of the American Workforce, 2008; Conaway, 2013). These negative perceptions of older workers need to be addressed, through additional training to strengthen these skills. In addition, training supervisors about age discrimination and the need to focus on performance, not age, could prove beneficial.

The study results also indicated that management's views were much aligned with mature workers' reasons for working with nonprofits. Past studies have found that mature workers' driving force for "encore careers" is to make a contribution to a worthy mission. Mature workers are in fact willing to accept reduced compensation for the opportunity to contribute to a worthy cause.

Mature workers, however, have also ranked greater flexibility as very high on their list

(James, Swanberg & McKechnie, 2007; Hayutin et. al., 2013). Only half of the organizations in this study ranked, "desire for flexibility in work schedule" in the top three reasons. Employers who address mature workers' motivation for accepting lower income in return for greater flexibility could lead to more productive ways for both recruiting experienced workers and structuring staff positions. Many argue that new work models and new infrastructures are needed that abandon a one-size-fits-all model and that recognize the need for flexibility. Work flexibility should be broadened to include not only reduced hours as in part-time work but career flexibility (on/off ramps that include leave time and phased retirement) as well as

work schedule flexibility (e.g., compressed work week), place flexibility (e.g., remote work and work from more than one location), flexibility in the employment relationship (e.g., project work and/or temporary work) and benefit flexibility (e.g., keeping benefits during retirement) (Tishman et. al., 2013.)

Staffing Needs in the Next 3-5 Years

In addition to holding mostly positive attitudes towards mature workers, management also reported that mature workers were viable candidates for their future staffing needs. The majority of Executive Directors perceived mature workers as most suitable for their highest ranked need of fundraising. Future research needs to explore the type of positions considered to be administrative which was ranked fourth overall for staffing needs, but second as positions that could be filled by mature workers. Past studies have shown that mature workers are most interested in contributing to mission-driven activities including programs/development, communications/marketing, and research/education projects, rather than fulfilling administrative tasks.

Incentives to Attract Mature Workers

The question of incentives for attracting and retaining mature workers has been raised as an issue that requires more research. Getting rid of financial disincentives is not enough. The majority of surveyed nonprofits presently offer flexible work hours, including part-time work, on-the-job-training, internships, and work from home. In addition, while 90% reported offering unpaid internships, 40% responded that they would also consider paid internships, specifically for mature workers. Since traditional volunteering is not what a sizable number of mature workers have in mind, paid internships offer a means for both the employer and employee being able to test the waters to see if there is a good match leading to part or full-time positions.

Few of the organizations provided responses to incentives they would consider in the future. Future research will need to examine whether extended leave for care giving, sabbaticals, and job sharing as well as wellness programming, tuition reimbursement, and on-site family care are realistic incentives that will be made available to all workers, including mature workers.

Concluding Thoughts

The purpose of this study was to add to what is known about nonprofit managements' views on the aging workforce. Limitations of the study include the small, non-random sample of mostly small to mid-ranged organizations, in terms of budget and number of employees. While larger-scale employer surveys need to be conducted to determine the generalizability of these results, findings from the recent large-scale survey of 1,913 human resource professionals undertaken by the Society for Human Resource Management (SHRM) are consistent with those reported in this study (Preparing for an Aging Workforce, 2014). Schramm (2015) reports that the SHRM findings reveal that many organizations are both unprepared for and unaware of the impact that this demographic change will have on their workforces.

More research will shed additional light on whether employers who are aware of the forecasted skill shortages are also more likely to offer a greater variety of flexible work initiatives, as reported by Lee, McNamara, & Pitt-Catsouphes (2013). Additional studies will aid in reshaping workplace models that optimize the skills, talents and sense of mission that mature workers bring to the nonprofit workforce.

Workforce shortages are and will continue to affect critical service sectors, including healthcare and social services, in which nonprofits are heavily represented. In

addition, government's increasing reliance on nonprofits to deliver public services will continue to contribute to the growth of the nonprofit sector. Mature workers who remain in the workforce have the potential of contributing to reducing the federal deficit and debt by decreasing draws on both Social Security and Medicare. Mature workers should be viewed as a valuable resource to minimize the labor shortages in the nonprofit sector.

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