Statement of Kerry Hannon

Submitted to the

Senate Special Committee on Aging
before their *HEARING: Work in Retirement: Career Reinventions and the New Retirement Workscape.*

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Chairman Collins, Ranking Member McCaskill, Members of the

Committee…

Thank you for inviting me to testify today before the Special Committee on Aging and for focusing your attention on the challenges Americans over 50 face in the workplace and shining a light on the value of older workers.

I'm **Kerry Hannon** AARP's job expert, a New York Times columnist and author of 10 books, including *Great Jobs for Everyone 50+: Finding Work That Keeps You Happy and Healthy . . . And Pays the Bills* and *Getting a Job After 50 For Dummies* which will be published this fall.

I've spent three decades covering all aspects of business, careers, and personal finance and am increasingly alarmed by the disconnect between employers and older workers.

We're too old to hire, but not ready to retire

Work at an older age is becoming increasingly common.

Yes, some retirees have always taken part-time jobs out of financial need to shore up retirement accounts, or stave off boredom. What's different now is that baby boomers are either continuing to work much longer or approaching work not as an afterthought but as a pillar of their "retirement" plans, as oxymoronic as that sounds.

I'm delighted that Senator Susan Collins is here today. Senator Collins, you have been one of the leading voices for many years in advocating for value of older workers.

Moreover, with Maine's aging population comes an aging workforce, and a significant challenge for employers: Within the next 20 years, nearly half the state's current workers are going to reach traditional retirement age, according to the Maine Department of Labor. At least 40 percent of the current Maine workforce will be 65 or older.

And that segment of the population — 65 and older — is the only one anticipated to grow. The number of people of prime working age — ages 25 to 54 — is expected to decrease through 2030. There are not enough younger workers to fill the gap left by retiring older workers.

And Senator McCaskill, I know you strongly believe that the ability of Missourians to find good-paying jobs is the key to economic success for the state, and have made private sector job growth and better business opportunities a top priority in the Senate.

Meantime, you have supported tax and other incentives to spur investment in renewable energy technology and create "green jobs" that will expand and strengthen our economy. Green jobs, I believe, are a growing field for workers over 50, and one that appeals to those who are looking for jobs with a social purpose and meaning.

I'm looking forward to hearing the testimony of my fellow presenters will also add substance to my argument:

Jim Godwin is Vice President of Human Resources for the Bon Secours Virginia Health System in Richmond and Hampton Roads, which has been recognized by AARP as a Best

Company for Employees Over 50 each year since 2003. About one-third of Bon Secours Virginia's 12,200 employees are 50 or older, with the oldest having recently turned 91, I'm told.

Sue Nordman, the owner of Erda handbags, a small business in Dexter, Maine, knows first-hand the value of older workers. Most of her employers making the Erda bags are over age 60.

Sara E. Rix, is a former senior strategic policy advisor with the AARP Public Policy Institute, has written and spoken on older workers, an aging society, and economic security issues for more than 30 years.

Each of us here today because we deeply believe and are dedicated to the social and economic well-being of Americans over 50 which, of course, converts into national economic well-being.

Keeping older workers on the job is a win all around. Older workers contribute to the economy in a plethora of ways from paying taxes to spending and investing.

The Numbers Tell the Tale

- As the population ages, the workforce is aging right along with it. The trend is rooted not just in longevity, but in the realization that continuing income will help sustain these later years—especially as employer pensions recede into the past.
- U.S. employees 65 and older now outnumber teenagers in the workforce for the first time since 1948. In 2002, workers 50 and older comprised 24.6 percent of the workforce. By 2012, they represented 32.3 percent. And by 2022, they're projected to be 35.4 percent of the total workforce.
- By 2029, when all of the baby boomers will be 65 years and over, more than 20 percent of the total U.S. population will be over the age of 65, according to the U.S. Census Bureau.
- In 1991, just 11 percent of workers expected to retire after age 65, according to the Employee Benefit Research Institute's 2015 Retirement Confidence Survey. Twenty-four years later, in 2015, 36 percent of workers report that they expect to retire after age 65, and 10 percent don't plan to retire at all. At the same time, the percentage of workers expecting to retire before age 65 has decreased, from 50 percent in 1991 to 25 percent in 2015.
- In 2015, Two-thirds of workers said they plan to work for pay in retirement, up from 61 percent in 2001, according to the Employee Benefit Research Institute's Retirement Confidence Survey.
- The nonprofit Transamerica Center for Retirement Studies' report, "Baby Boomer Workers are Revolutionizing Retirement: Are They and Their Employers Ready?" found that sixty-five percent of Baby Boomer workers plan to work past age 65 or do not plan to retire. Slightly more than half (52 percent) plan to continue working after they retire. Given widespread savings shortfalls, it is not surprising that 62 percent of the Baby Boomer workers who plan to work in retirement and/or past age 65 indicate that their main reason is income or health benefits.

Working longer can help provide for a secure retirement

Planning to stay on the job a few years longer can make a huge difference for financial security as we age.

As I travel around the country speaking to audiences of 50-plus who are actively looking for jobs, I see a palpable fear in their eyes that they will outlive their money.

For many people, the mixture of longer lives, meager savings and no idea what their ongoing healthcare and other expenses will be down the road is daunting. Simply put, they need to work.

When it comes to re-entering the workforce after a bout of unemployment, the reality for many older workers is that they may make less money in their next job, at least initially.

In the recent survey "The Long Road Back: Struggling to Find Work After Unemployment," AARP's Public Policy Institute found that almost half of people ages 45 to 64 who were unemployed for some time during the past five years, are making less. And more than half (53 percent) had an occupation different from the one they had before becoming unemployed, according the survey

And for those workers who do currently have a job, it's a struggle to hang on, as they inch towards the age 65 line in the proverbial retirement sandbox.

Ageism is alive and well in the workplace.

I'm not going to sugarcoat it.

More than half the people aged 50 and older who participated in a recent AARP survey said they had either experienced or witnessed age discrimination in the workplace.

James S. Kunen, 66, teaches English as a second language at the Center for Immigrant Education and Training at LaGuardia Community College in Queens. When he was let go as the director of corporate communications at Time Warner during a round of layoffs, Mr. Kunen confronted the core questions: What is it he could do? Where did his skills translate to a job? And who would hire him, given his age?

Many older job seekers know age discrimination, although tough to prove, is a fact of life. But increasingly they are finding jobs at smaller organizations, including nonprofits, start-ups, small trade associations and niche educational programs. Typically, these are employers that operate with a spare staff and depend on the experience and expertise that comes with age.

"When I initially sent out résumés to commercial language schools, the only school that responded was one run by a person as old as I was," said Mr. Kunen, "And I was interviewed by 30-year-olds who totally didn't 'get' me," he said. "You can sense it immediately; it's like being on a bad blind date."

For Mr. Kunen, patience and persistence paid off. Today, he spends 16 hours a week in the classroom teaching two courses. "It gives me an income that makes a significant difference when added to my pension and Social Security."

Like Mr. Kunen, even people with retirement savings see earning some income as a safety net as they age. "In my research, the first thing I hear from older workers looking for a job is that they need to work," said Ofer Sharone, an assistant professor at the MIT Sloan School of Management, author of "Flawed System/Flawed Self: Job Searching and Unemployment Experiences" and founder of the nonprofit Institute for Career Transitions.

"They may be over 60 and very close to traditional retirement age, but they feel they don't have the resources to retire. And many are feeling healthy. They're at the top of their game and wanting to make a contribution," Mr. Sharone said.

But the older a person is, the harder it is to get a job.

"With each decade the length it takes to get re-employed is longer," he said. The average duration of unemployment for those over 55 is nearly a year, compared with seven months for someone younger.

Employers hesitate for myriad reasons, and some of their assumptions may not be valid.

"Most of these turn out not to be accurate when you do the research. But nonetheless they are tenaciously held," Mr. Sharone said.

Some employers believe older people only want to work for a short time, compared with younger people. "When researchers look at that question, it is actually the opposite," Mr. Sharone said. "The older worker tends to be more loyal and stick around longer than the younger worker. The younger worker is moving around to acquire new skills."

Another obstacle is the perception that older worker are less productive and energetic. "Older workers are as productive as any other age group," Mr. Sharone said. "The variations are between workers, not age groups."

Some employers also believe older job applicants expect high salaries or are overqualified. "Most people are happy and willing to go back to a position they had a few years ago, if it gets them back doing work they're qualified to do and want to do," Mr. Sharone said.

Moving into a new arena as Mr. Kunen did can sidestep that issue. It makes sense to an employer that someone who does not have experience will work for less, Mr. Sharone said.

A lack of technology aptitude is a common worry. "People over 60 are often perceived as technophobes," said Nancy Collamer, a career coach and author of "Second-Act Careers: 50+ Ways to Profit From Your Passions During Semi-Retirement."

Career coaching can pay off.

"You want someone who understands the obstacles and can help guide and motivate you," Mr. Sharone said. The federally financed One-Stop Career Centers typically provide free counseling. Many local colleges and community libraries also offer free workshops with career coaches.

"Academic research also convincingly shows that more than half of all jobs come through a network," said Chris Farrell, the author of "Unretirement: How Baby Boomers Are

Changing the Way We Think About Work, Community and the Good Life." "My suspicion is that the percentage is even higher for 60-plus workers."

For some older workers, it makes sense to explore consulting and contract work.

"There does not seem to be much discrimination in the part-time, temporary, project-based and seasonal job hiring areas," said Art Koff, founder of a job board, RetiredBrains.com.

Tallying the Benefits of Staying in the Workforce

Here are three money-wise reasons for workers to stay in the workforce as long as they can:

1. The more earning years when you can build savings in a defined contribution plan like a 401(k) or an Individual Retirement Account (IRA), the better off you'll be down the road. Your monthly Social Security payment will grow, too, the longer you work (until age 70).

2. The longer you work, the longer you delay tapping retirement funds, which can continue to grow.

3. It can provide income to pay for health insurance until you're eligible for Medicare at 65. Fewer employers are offering their retired workers medical benefits, and those who do are ramping up the amount retirees must contribute to the cost of coverage. Even better, you might even find a job that offers you access to a health plan.

Non-monetary benefits of working longer

Money aside, there's another big reason you may want to keep working in some adaptation: a sense of "well-being," according to Marcie Pitt-Catsouphes, director of the Sloan Center on Aging and Work at Boston College. The Center's 2012 report, Life & Times in an Aging Society, found that for people over 50, it's important to be engaged—not just involved.

Work gives us a sense of purpose, feeling connected and needed. It makes us feel relevant. It's hard to pin a precise paycheck to that, but it's real.

Moreover, it keeps our minds sharper. Researchers from the RAND Center for the Study of Aging and the University of Michigan published a study showing that cognitive performance levels decline faster in countries that have younger retirement ages.

Older people who do paid or volunteer work are found to have significantly lower levels of depression. A French study revealed strong evidence of a link between retirement postponement and decreased risk of developing dementia.

Today's 60-year-old might reasonably plan to work at least part-time for another 15 years, figures Marc Freedman, author of The Big Shift: Navigating The New Stage Beyond Midlife and founder and CEO of Encore.org, a nonprofit that promotes second acts for the greater good. "That changes the entire equation about what you want to do, what's possible to do, and whether it is worth investing up front for additional education," he says.

"The entire concept of you work and then retire is over for most people," Kevin Cahill, an economist with The Sloan Center on Aging & Work at Boston College, explained to me.

"Retirement is a process. People gradually fade out of the workforce. About 60 percent of the career workers take on a job after exiting their main career. We call these bridge jobs."

Noting a change in the current workforce

Many CEOs are increasingly aware that they need to have 50-plus workers on board.

Employers are getting worried about their future workforce. In a recent survey by the Society for Human Resource Management (SHRM), one-third of HR professionals predicted that the loss of talent resulting from retirements or departures of workers age 55 and older would be either a problem or a crisis for their organization in the next six to ten years.

The Manpower Group 2014 Talent Shortage Survey found that 40 percent of U.S. employers reported difficulty in filling jobs. The day is coming when employers are going to embrace the value of older workers. They don't have a choice. There are, however, some sober challenges, which I discuss below.

Employers say they plan to hire retired employees as consultants or temporary workers, offer flexible work arrangements and design part-time positions to attract older workers, according to the report. But most aren't doing anything–yet.

Corporate executives and policy makers would be wise to focus on how they can keep older workers productively on the job longer.

Here's why. As the economy gains momentum, plenty of jobs will be created between now and 2030, and there will not be enough younger workers to fill the need as millions of boomers leave the workforce.

Workplace experts predict that there will be a future shortage of trained workers for key jobs in a broad swath of professions from education to engineering to healthcare and beyond. Older workers will need not only to stay on the job, but have core training to stay relevant.

Here are some challenges:

Who is going to pay for that training? Most labor market experts I have interviewed say the government and private employers need to ramp up more training programs for older workers and create workplaces that make it easier for them to do their jobs.

Employers don't want to spend for it, especially small businesses. They've already cut to the bone to stay competitive globally in recent years and this kind of spending is a tough sell.

Conceivably, as I discussed in a speech at a Future of Workforce Development Conference held by the Federal Reserve Banks of Kansas City and Atlanta, one way to provide the needed training is through the community college system. The coursework could be offered at an affordable cost for the worker. Depending on who foots the bill, employers or employeees could receive tax incentives to ease the tuition bill.

What skills will we need? There's a palpable need for employers to provide a roadmap, so we're all pulling in the same direction. The key will be for employers to cast an eye to the future and identify what skills need to be ramped up so older workers can stay on the job productively.

The training disconnect already exists. I speak frequently to 50+ workers around the country about the need to keep their skills up-to-date and to constantly being adding to their toolkit to keep a toehold in the workplace.

Many are willing to add the training at their own cost, but have no idea what they should be concentrating on, where the demand will be, and how much they should invest in their future.

Who will pay for the cost of retaining older workers? Contrary to common perception, workers age 50-plus don't cost significantly more than younger workers, according to the report "A Business Case for Workers Age 50+: A Look at the Value of Experience 2015," commissioned by AARP and conducted by Aon Hewitt.

One savings that immediately comes to mind: firms often don't have the time to squander while a younger worker ramps up skills and knowledge. Companies are slowly realizing that to stay competitive, it's smarter to seek out and hire experienced workers, who can step in and do the job right now and solve an existing problem. And it can save money. Depending on a worker's position and industry, the total cost of replacing someone can range from thousands of dollars to as much as one-and-a-half times your annual salary.

Retaining older workers reduces the one-time costs of turnover, which range from $7,400 to $31,700 or more per employee, according to AARP's most recent survey. This cost includes the time and money that go hand- in- hand with recruiting and advertising your job, bringing people in for an interview, and training a new hire.

The Aging Workforce survey, part of a three-year national Aging Workforce Initiative by SHRM and the SHRM Foundation and funded by the Alfred P. Sloan Foundation, also found that the top advantages of older workers were having more work experience (cited by 77 percent of respondents), being more mature/professional (71 percent), and having a stronger work ethic (70 percent).

In addition, an international report came out last week that caught my attention and may be instructive to our thinking about the older worker issue in the U.S. Golden Aging Prospects for Healthy, Active, and Prosperous Aging in Europe and Central Asia is authored by Maurizio Bussolo, Johannes Koettl, and Emily Sinnott. Maurizio Bussolo is Lead Economist in the Office of the Chief Economist for Europe and Central Asia at the World Bank.

"More often than not, the aging of a population is a source of concern, given the potential for higher health care and pension costs, increasing dependency, lower growth, unsustainable fiscal deficits, and intergenerational tensions," the authors write. "Demographic trends are frequently viewed as unstoppable and as an inevitable cause of increasing economic costs. However, individuals and firms change their behavior in response to changing conditions, and policy can help or hinder adaptation to demographic shifts."

"There is already some evidence that active older individuals today have better health and maintain their cognitive skills longer than their inactive counterparts and older individuals of previous generations. Productivity does not inevitably decline with age, and skills shift with aging." Some highlights from the report:

- Adjustments in labor and pension laws and improved incentives to keep investing in human capital throughout an individual's working life would facilitate increased participation and productivity of the elderly in the labor market.
- To offset these steps, the biggest savings can be achieved by reducing the incentives for early retirement and making it attractive to work beyond 65, or to a level where there are about 15 years of remaining life expectancy at the age of effective retirement.
- For clues about what policies keep older people employed, it is useful to look at Iceland, which has the highest employment rates for older people in Europe and among OECD countries (Eurostat). First, the pension system has lower future benefits for workers who retire early, a high retirement age (67 for both men and women over the past three decades), and strong incentives to work even longer. Training rates for older workers are among the highest in the world: among workers aged 55–64, 40 percent have participated in informal education
- Firms can also help improve the productivity of older workers. Some effective mechanisms include workplace adjustments, reassignment to age-specific tasks, mixed-age working teams, reduced work time, and well-designed lifelong learning.

We need more flexible work options

Telecommuting employees are happier and more loyal, and they have fewer unscheduled absences, according to a survey by outplacement firm Challenger, Gray & Christmas. My research and interviews with hundreds of workers have clearly shown a similar finding.

Workers over 50, like me, need and want to work, but we face caregiving demands, from elderly parents or ailing spouses. Family-friendly practices such as flextime and shared or part-time jobs are possible solutions.

- More than three quarters of employers in the United States report allowing at least some workers to periodically change their starting and quitting times, although just a quarter of employers say that they allow most of their employees to do so, according to "Work-Life Balance and the Economics of Workplace Flexibility," a June 2014 report by the Council of Economic Advisers.

- A company that encourages work-life balance practices for its employees can boost productivity, according to a study of more than 700 firms in the United States, the United Kingdom, France, and Germany, the Council of Economics Advisors reported. The authors say that this correlation could be driven by a third factor—good management. Well-managed firms have higher productivity and tend to embrace flexible workplace practices.

- Twenty-nine percent of employers reported allowing some workers to share jobs, and 36 percent reported allowing at least some to move from full-time to part-time work and back again while remaining at the same position or level, according to the 2014 National Study of Employers..

- More than half of employers allowed at least some workers to phase into retirement by working reduced hours, and 18 percent allowed most or all of their employees to do so, according to the National Study of Employers.

- A Sloan Center on Aging and Work at Boston College study on flexible work arrangements found that only 20 percent of companies offered a variety of flexible options to most of their workers.

- In the United States, President Barack Obama signed a Presidential Memorandum in June 2014 urging every agency in the federal government, as much as possible, to expand flexible workplace policies and give federal workers the right to request a flexible work arrangement without fear of retaliation.

We need more employers to offer phased retirement programs. "This vision of a flexible, phased transition to retirement cannot be accomplished without employers having programs and employment practices in place to facilitate it," according to Catherine Collinson, president of the nonprofit Transamerica Institute and its Transamerica Center for Retirement Studies division.

The Transamerica study survey found a deep disconnect between Baby Boomer workers' expectations and employers' retirement realities: Only 48 percent of employers have practices in place to enable shifting from full-time to part-time and even fewer (37 percent) allow taking on new positions that are less stressful or demanding.

We need employers to examine their policies in regard to demographic change.

Many CEOs these days give lip service to the notion of keeping workers on board as they slide over into what was once considered retirement age.

The Society for Human Resource Management (SHRM) found that organizations are unprepared for an aging workforce, with just over one-third of organizations examining policies and practices to address the demographic change.

SHRM's The Aging Workforce Survey found that an additional 20 percent of organizations had examined their workforce and determined that no changes in policies and practices were necessary.

The survey of HR professionals, part of a three-year national Aging Workforce Initiative by SHRM and the SHRM Foundation and funded by the Alfred P. Sloan Foundation, reported that one-half of survey respondents said they track the percentage of their workers eligible to retire within the next one to two years, and 10 percent of employees would be eligible within two years.

About one-half of HR professionals did not think the potential loss of talent during the next one to two years would have an impact on their industry or organization. But one-third thought it would be a problem or a crisis for their industry and organization in the next six to 10 years.

For years, AARP has shined a light on firms that value older workers and offer these kinds of programs. For example, one of my favorites is Scripps Health, where employees can elect to participate in a formal phased retirement program. Full-time employees are eligible to move to part-time work on a permanent or temporary basis, and if you work 16-plus hours per week receive individual and family medical coverage and more.

The reason for not offering this kind of program I suspect is because it's a pretty expensive perk to offer an employee-fewer hours and full benefits. Even fewer hours and some access to health and retirement plans for a period of time isn't economically feasible for many small firms and nonprofits who aren't likely to forget the tailspin that 2008 recession unleashed.

The federal government is modeling how it can be done. A new federal-employee phased retirement program began accepting applications last fall. Federal employees who take phased retirement will work 20 hours a week and receive half their pay and half their retirement annuity payout. A requirement: to devote 20 percent of their time mentoring other federal employees, who will probably take over the reins from them when they finally move on.

This will be a slow moving show though. As Chris Farrell, my respected colleague and author of the insightful new book wrote in a PBS Next Avenue post, the Congressional Budget Office estimates that 1,000 workers will take advantage of the program initially, a small fraction of the federal government's two million-person workforce.

Still, forecasts are that the phased retirement will become available for many federal near-retirees in 2015 and 2016 and "the impact could eventually be huge."

The hope is that this program will be a model for private companies to add formal phased retirement initiatives to their benefits offerings.

Private sector examples to applaud:

At Herman Miller in Zeeland, Mich., where about a quarter of the company's workforce is 55+, the company has instituted programs with built-in flexibility. Workers can take six to 12 consecutive weeks off during the year. They aren't paid during that time, but keep their benefits and length of service toward their pension.

The firm also has a "flex retirement" plan, allowing an employee who's 60 or over and has at least five years of service at the company to plan an exit over six months to two years. The flex-retirement employee puts together a plan to teach the ropes of his or her job to a replacement.

Another example is AGL Resources, a natural gas distribution company based in Atlanta, Ga., lets its retired workers return on a part-time or project basis and participate in company benefits, such as its 401(k) plan.

We need to create more corporate programs to help employees shift to second careers in both nonprofit and for-profit enterprises.

There are plenty of innovative ways to offer phased in retirement that I know can percolate up with some elbow grease, if employers are willing to put their muscle behind their mouth.

Intel Corporation, for instance, is offering its retirees an innovative way to segue to work in a nonprofit while holding their hand via paid health benefits and an internship.

Two years ago, the company introduced the Intel Encore Career Fellowship — a program that pays a one-year, $25,000 stipend to help retiring employees transition into post-retirement careers with a nonprofit organization. So far, 200 retiring Intel employees have become Encore Fellows," said Julie Wirt, Intel's global human resources retirement design manager. "And the momentum for the program is clearly building," she said. "It's not only a retirement benefit for our employees, it's having an impact on communities around the country."

Intel isn't the only company to test this kind of transition program. There have been Encore Fellows at an increasing number of businesses. Hewlett-Packard, for example, is a founding sponsor of the Encore Fellow program, and Goldman Sachs Urban Investment Group has also participated. Nonprofit groups that have participated include organizations like the Roadrunner Food Bank of New Mexico, Habitat for Humanity, the Brevard Zoo in Melbourne, Fla., and the Center for Fathers and Families in Sacramento.

Last year, Intel also started a pilot program that pays the tuition for retiring employees to go back to school through UCLA Extension continuing education certificate programs and a small-business incubator that offers mentoring and business planning advice for those pondering entrepreneurship.

Some other innovative programs:

When he was 5 years old, Steven Elson built pretend skyscrapers out of blocks. It was the start of a love affair with buildings.

At 60, his passion hasn't subsided. Today, after being laid off from a top commercial real estate job in Connecticut in 2008, he is working in the nonprofit sector, overseeing the development of affordable housing projects.

For the reconstruction of his career, Mr. Elson can partly thank EncoreHartford, a 16-week fellowship program he completed last summer. Begun by the University of Connecticut's Nonprofit Leadership Program and now in its fifth year, it has helped more than 100 unemployed corporate professionals, mostly older than 50, make the transition to professional and managerial jobs in the state's nonprofit sector. The average salary: $50,000.

WHEN she was just 10 years old, Mary Jackson began her teaching career on the back porch of her family's home in Easley, S.C.

It was there that she set up her chalkboard and led her imaginary classroom. "I would use my yardstick to tap my make-believe students who misbehaved, or didn't get the right answer," Ms. Jackson said. Her passion led her to earn a teaching degree at the University of Virginia in 1977, but her career took a detour when, after graduation, she accepted a position at IBM.

After three decades with Big Blue, she retired, and now Ms. Jackson, a 59-year-old former IBM project management executive, is finally in the classroom, and not just imagining it. She teaches math and science to fifth graders at Lockheed Elementary in Marietta, Ga.

Ms. Jackson credited her move to a second career as a teacher, in part, to the support of IBM's Transition to Teaching program, begun in 2006. The program reimbursed $15,000 of her expenses to become certified as a teacher (or, in her case, recertified), a task she accomplished while still at IBM. The program also allowed her to work with her manager to adapt her class work to her day-to-day job responsibilities, and even provided networking assistance to help her get a foot in the door for her initial job interview with the school district.

And Ms. Jackson's initial teaching salary was about one-third of her ending salary with IBM, or around $47,000. But she does have health and retirement benefits.

We need employers to offer opportunities for a range of career moves within an organization.

In her book, "The Career Lattice: Combat Brain Drain, Improve Company Culture, and Attract Top Talent," author Joanne Cleaver explores how unlike up-or-off ladders, lattices are diagonal frameworks that offer a range of potential next moves for workers. On the lattice, when you make a lateral move, you aren't being pushed aside. Instead, you're getting a chance to cultivate new, related skills and experiences that can position you for a traditional promotion or a different job altogether. In other words, "over" is the new "up." The research that grounds her book indicates that about 30 percent of American employers currently offer some sort of purposeful lateral career moves, even if they don't use the term "lattice."

Late-career lateral moves are developing as a way to free up sought-after promotions for younger workers while using the experience of older workers.

Herb Johnson, 61, has spent his entire professional life in the tire industry, logging more than three decades at Michelin, where he was a former director of the brand's motorsports division and director of community relations. Now he's the chief diversity officer, responsible for making the firm's internal employee relations stronger, building loyalty, and motivating employees to be part of the company's mission. Johnson has had several career transition talks with his bosses during his decades at the firm. Each time, he got the green light to change course—and a jolt of fresh energy, he told me in an interview for my book: *Love Your Job: The New Rules for Career Happiness*.

Changing focus for Johnson didn't mean downshifting to easier work. At Michelin, if you're interested in a change in assignment, you talk to your immediate supervisor," he told me. "In Michelin's HR department, however, we all have been assigned a "career manager" we work with from our first day at work to build our careers. The company's aim is to adapt to your career aspirations and to implement your plan over time. So I consulted with my career manager about whether it was a possible move for me, and how I should get my name into the field of those who were being considered for the position. Then I made it a point to express my interest to others within the organization."

We need employers to offer more educational and career development opportunities. Some of those reluctant retirees want, or need, to keep working in some fashion, but to get hired, they must first expand their skill set. The need to offer more educational options that can lead to jobs for older adults is gaining traction.

- Around half of employers offer education assistance, and you might not even need to be studying something directly linked to your work. Generally, you don't have to pay federal income tax on the first $5,250 of assistance.

We need more programs like the American Association of Community Colleges' Plus 50 Initiative.

It's designed to help students 50-plus train for new jobs. Instead of ending education in our teens or 20s, let's help people gain new skills in their 40s… 60s… and 80s as well. Education providers need to get creative about offering practical content in user-friendly, flexible arrangements.

In March, deans, provosts and vice presidents from 22 institutions, including Arizona State University, Columbia University, Community College of Vermont, Cornell University, Denison University, Tulane University, U.C.L.A. and the University of Washington, held a daylong summit at New York University spearheaded by Encore.org to discuss future curriculums and collaborations. Their mission was to work together on ways to create intergenerational, age-friendly institutions and build a network to help students who want to reboot to service-oriented work.

Among the challenges are how to provide courses for those in an aging population who lack the time or financial resources for full-blown degree-based programs.

"It makes no sense, however, to have an educational system that ends in the 20s when people are likely to be working into their 80s," said Laura L. Carstensen, founding director of the Stanford Center on Longevity. "We need to rethink these things."

- The government can help people finance later-life education by changing federal loan rules to support part-time, non-degree programs.
- Sometimes older students can negotiate for a fast-track degree by getting the college to waive some required courses because of work and life experience. In recent years, community colleges have reached out to adults interested in practical continuing education.
- If President Obama's proposal for free tuition at community colleges becomes law, even more older students are likely to participate.
- We need more older-student grants scholarships or fellowships.
- We need more free or discounted college tuition**.** Nearly 60 percent of U.S. colleges and universities let older students take classes either tuition-free or at rock-bottom prices.

The Emerging Gray Jobs Market.

As the population ages, jobs like senior fitness trainer and other jobs in health care, housing and other areas are on the rise. By 2050, according to Pew Research projections, about one in five Americans will be over 65, up from 13 percent of the United States population now. This demographic shift is already creating new fields and opportunities for workers of all ages.

"As tens of millions of people live into their 80s and 90s, we'll need millions of others in their 50s and 60s and 70s to help care for them — not just within families, but through second careers," said Encore.org's Freedman. "They'll be able to fill millions of positions we will need to fill — as nurses, home health aides, health navigators and roles we've yet to even define," he said.

Certain workers are already clearly in demand, including fitness coaches people who modify homes to make them safer, certified financial planners and people who can offer monthly help with finances and bill-paying.

Foster Senior Entrepreneurship

In 2009, the Ewing Marion Kauffman Foundation report "The Coming Entrepreneurship Boom" predicted that the United States would soon see an entrepreneurship boom, "not in spite of an aging population but because of it." Entrepreneurs ages 55 to 65 accounted for 26 percent of all startups in 2014, up from 15 percent in 1996, according to the Kauffman Index of Entrepreneurial Activity.

With life expectancy rising, Boomers continue to be an important economic force for years to come.

A Senate hearing last February, titled "*In Search of a Second Act: The Challenges and Advantages of Senior Entrepreneurship*," explored issues like illegal age bias by lending organizations and the need to develop tax incentives for senior start-ups. One idea discussed was expanding initiatives like the State Employee Assistance Program to allow long-term unemployed older adults to use their unemployment benefits to start a business.

"It makes sense to consider reforms to the unemployment insurance program that would help people get back to work," said Senator Susan M. Collins, Republican of Maine, of the Senate Special Committee on Aging. "This could be through assistance to help people start their own businesses."

And a variant of traditional family businesses: so-called legacy partnerships. The partnerships are started at or near the older partner's retirement from a lifelong career, so two generations bring complementary assets to a new business. The assets are typically capital and experience from the older partner and energy, technical expertise or online marketing skills from the younger.

"Many seniors are creating legacy businesses alongside a younger member of their family," said Elizabeth Isele, co-founder of Senior Entrepreneurship Works, a nonprofit that helps workers over 50 start businesses. "It's a winning formula for both generations."

In some demographic groups, too, multigenerational start-ups are leading the way, Ms. Isele said. For example, Hispanic entrepreneurs are creating more legacy businesses than any other demographic, according to Yanira Cruz, head of the National Hispanic Council on Aging. "The economic downturn hit this population very hard," Ms. Cruz said. The result has been family members working together to create small retail businesses like florist shops, restaurants and other businesses in the food industry, and service businesses like cleaning companies."

We need to improve access to finance, support matching and networking of investors and entrepreneurs, provide grants for business startups where loans are not feasible, and to develop tax incentives for seniors starting businesses.

Summary

Finally, I've recently returned from my fellowship at Columbia University's Robert N. Butler Columbia Aging Center Age Boom Academy. Twenty of us heard experts from organizations such as the World Health Organization, the United Nations, Columbia, the International Longevity Center and New York City's Health & Human Services Department share their research and thinking about aging.

One of of my takeaways:

"There's a lot of doom and gloom and crepe hanging about the aging population," said Linda P. Fried, Dean, Mailman School of Public Health, Columbia University. "How can we create benefits from longer lives?," she asked. "Why are we not looking at the consequences of early retirements?"

Fried added: "We must invest in education to keep older workers engaged. They will stay healthier and there will be less demand on health system."

Her final message that clings to me: "Let's build a society where we want to get old."

I could go on, but my time is up. Again, I want to thank the committee for inviting me to be here today to weigh in on this vital issue.

Kerry Hannon,

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