

Workforce Demographic Trends

Presented By
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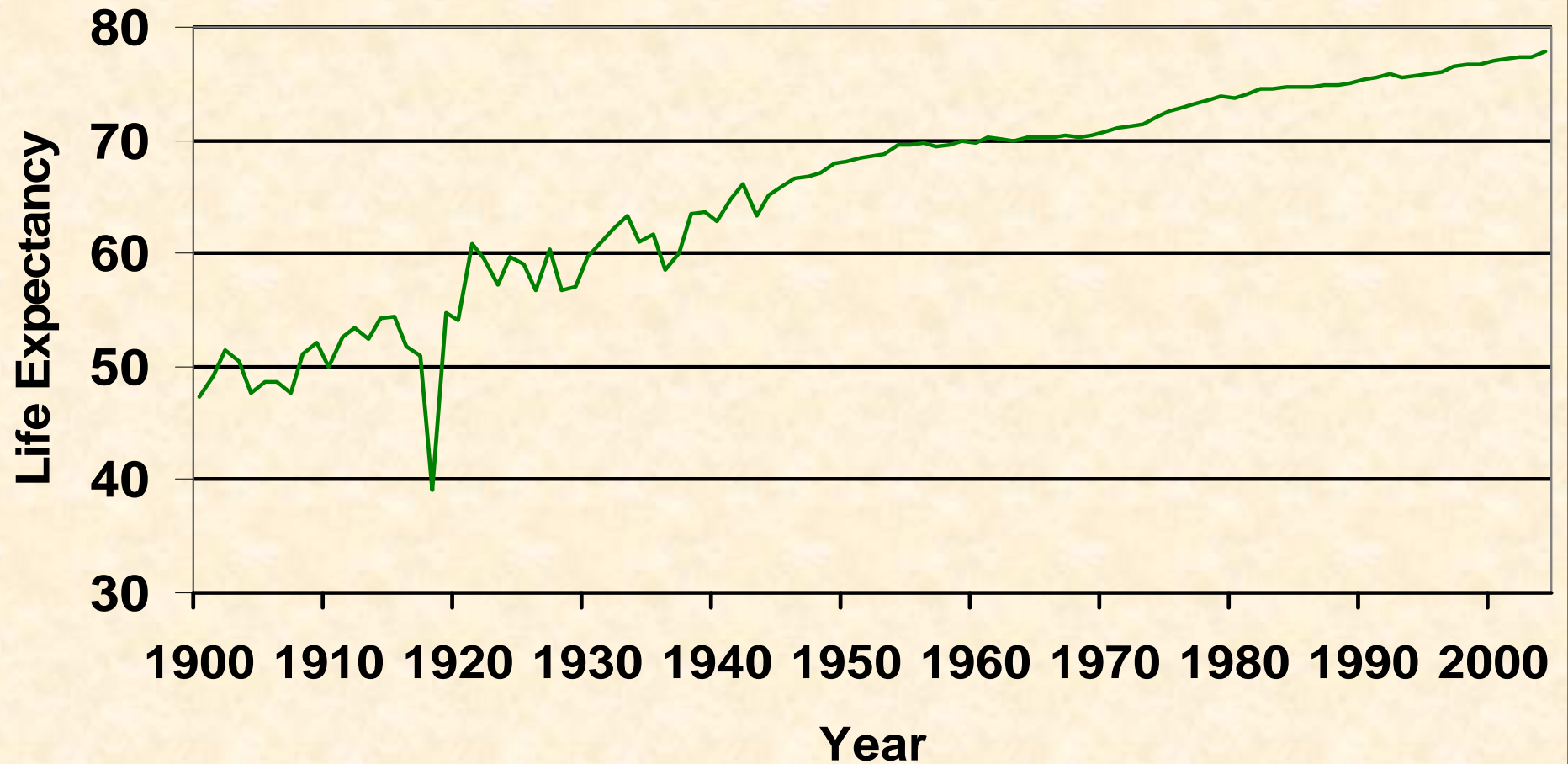


Three Mega Trends

- **Increased life expectancy**
- **Declining Birth rates**
- **“Baby Boom” Generation Reaching Retirement Age**



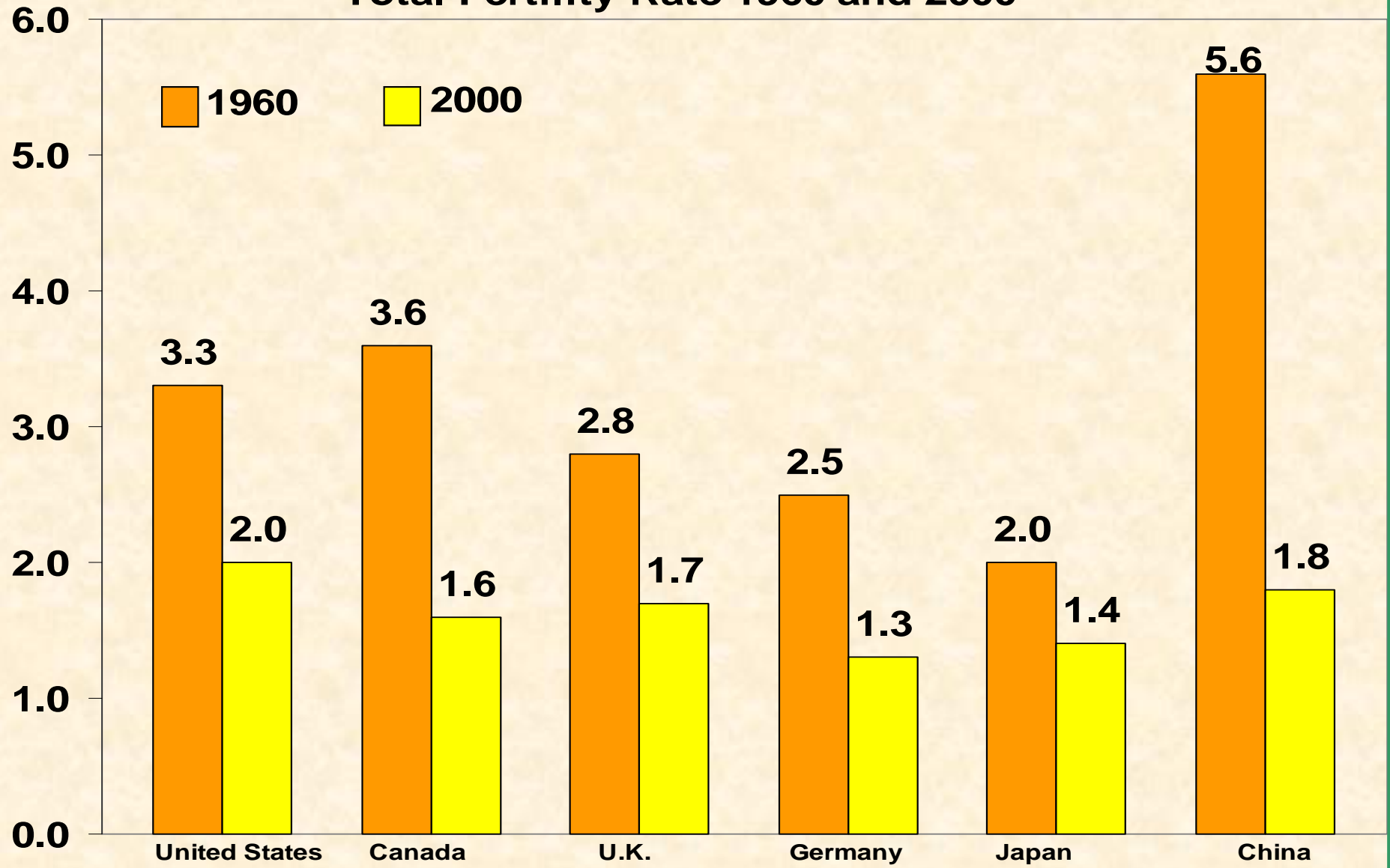
Life Expectancy in the United States 1900 to 2004



Source: US Census Bureau



Total Fertility Rate 1960 and 2000



Fertility Rate = # of births per woman of childbearing age

Source: United Nations Population Division

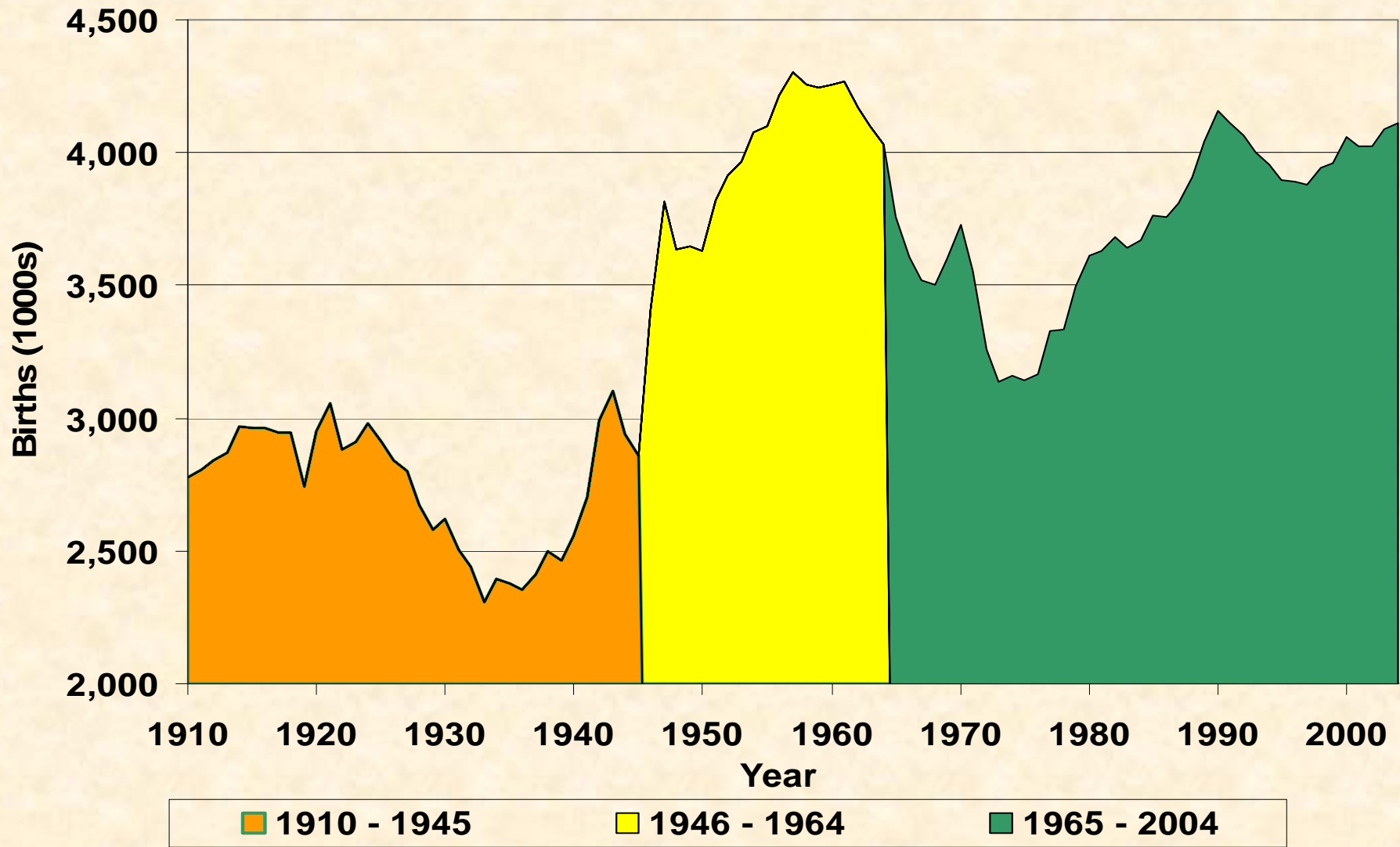


Baby Boom Generation

- Born Between 1946 and 1964
- This Year the Oldest Baby Boomers turn 62 years old
- 1/3 of all Americans



Births in the United States 1910 to 2004



Source: US Census Bureau

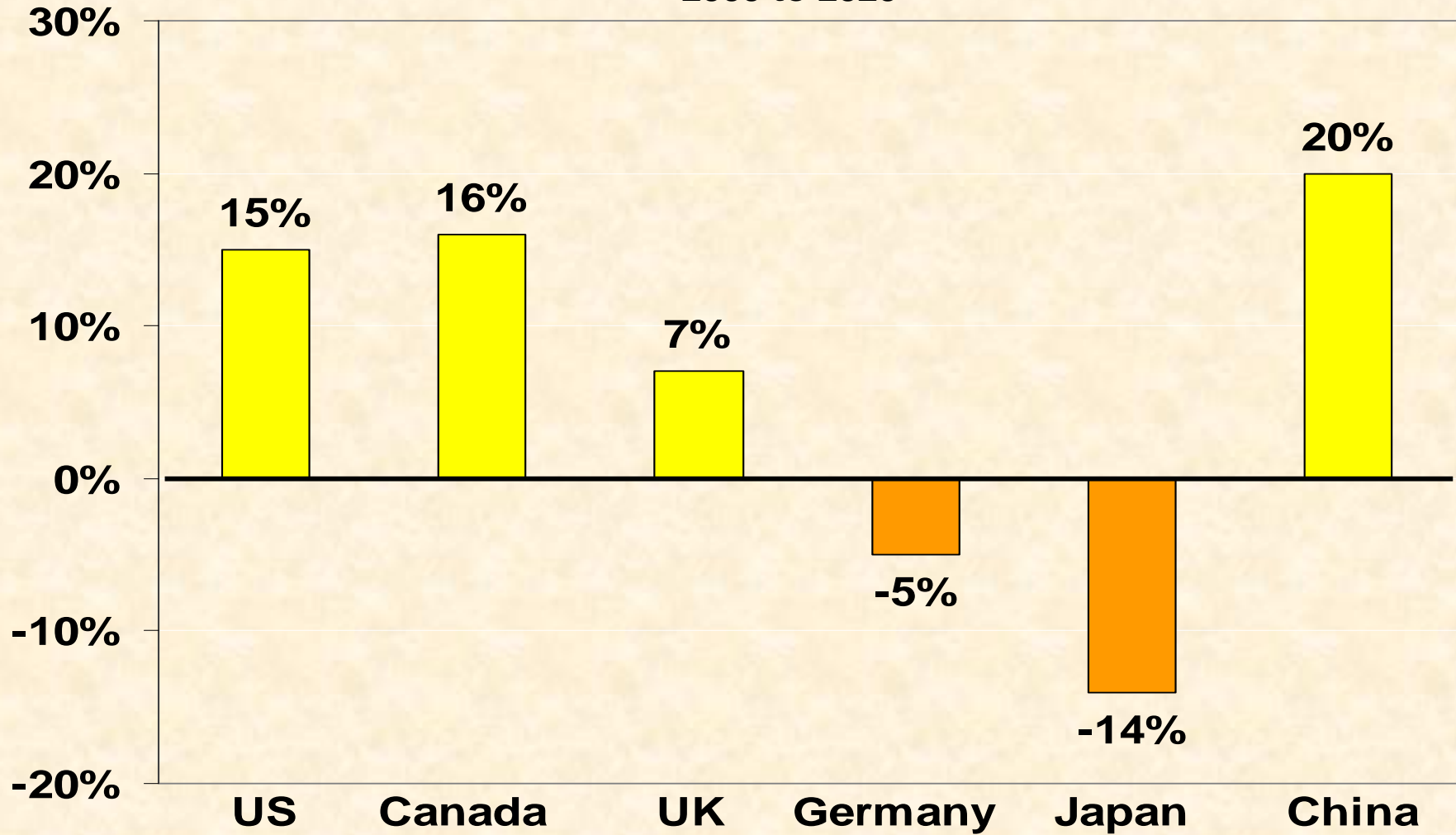


The Aging Workforce

- **The Composition of the Workforce will be changing**
- **Dramatic Shift Toward a Higher Proportion of Older Workers**

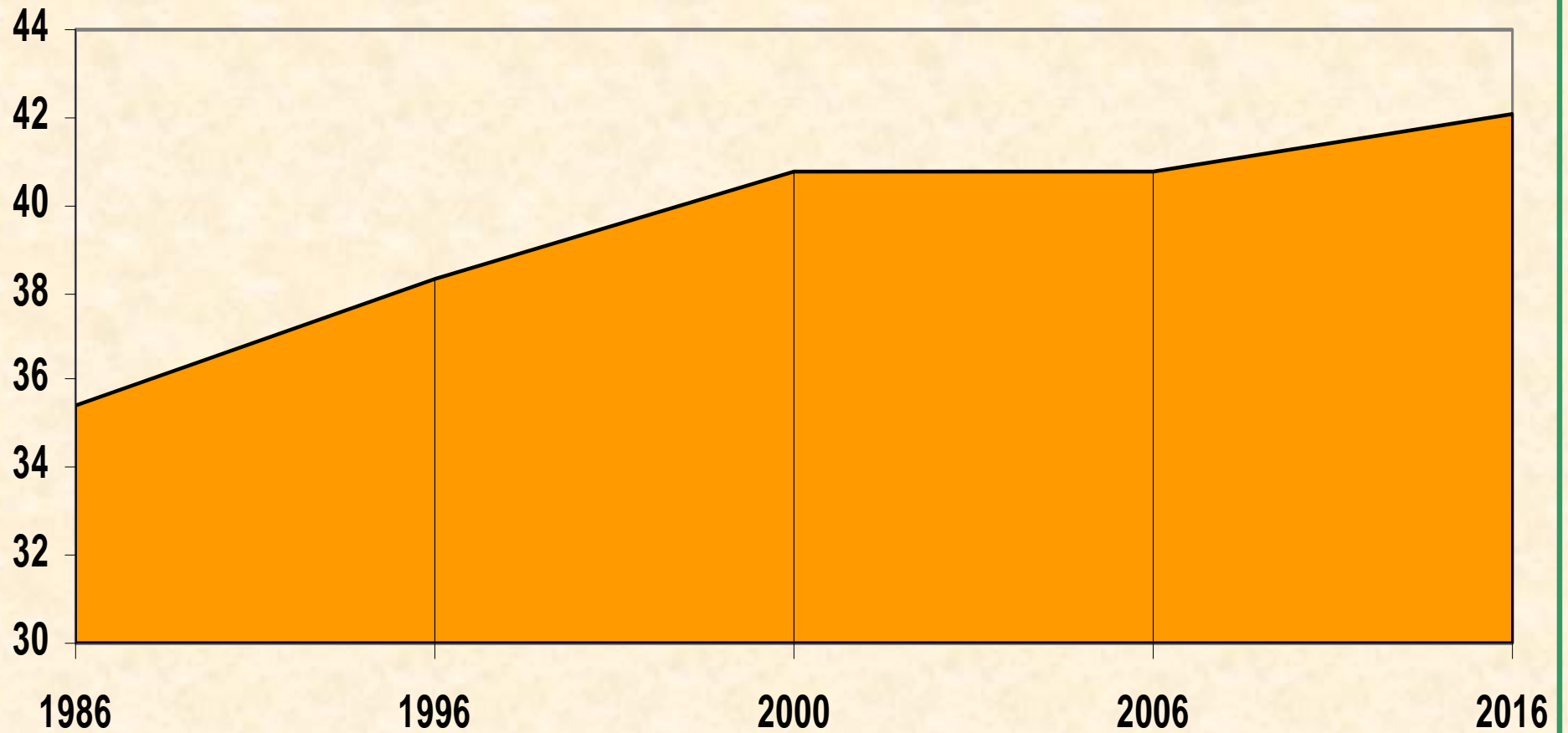


Percent Change in Working Age (20-64) Population 2000 to 2020





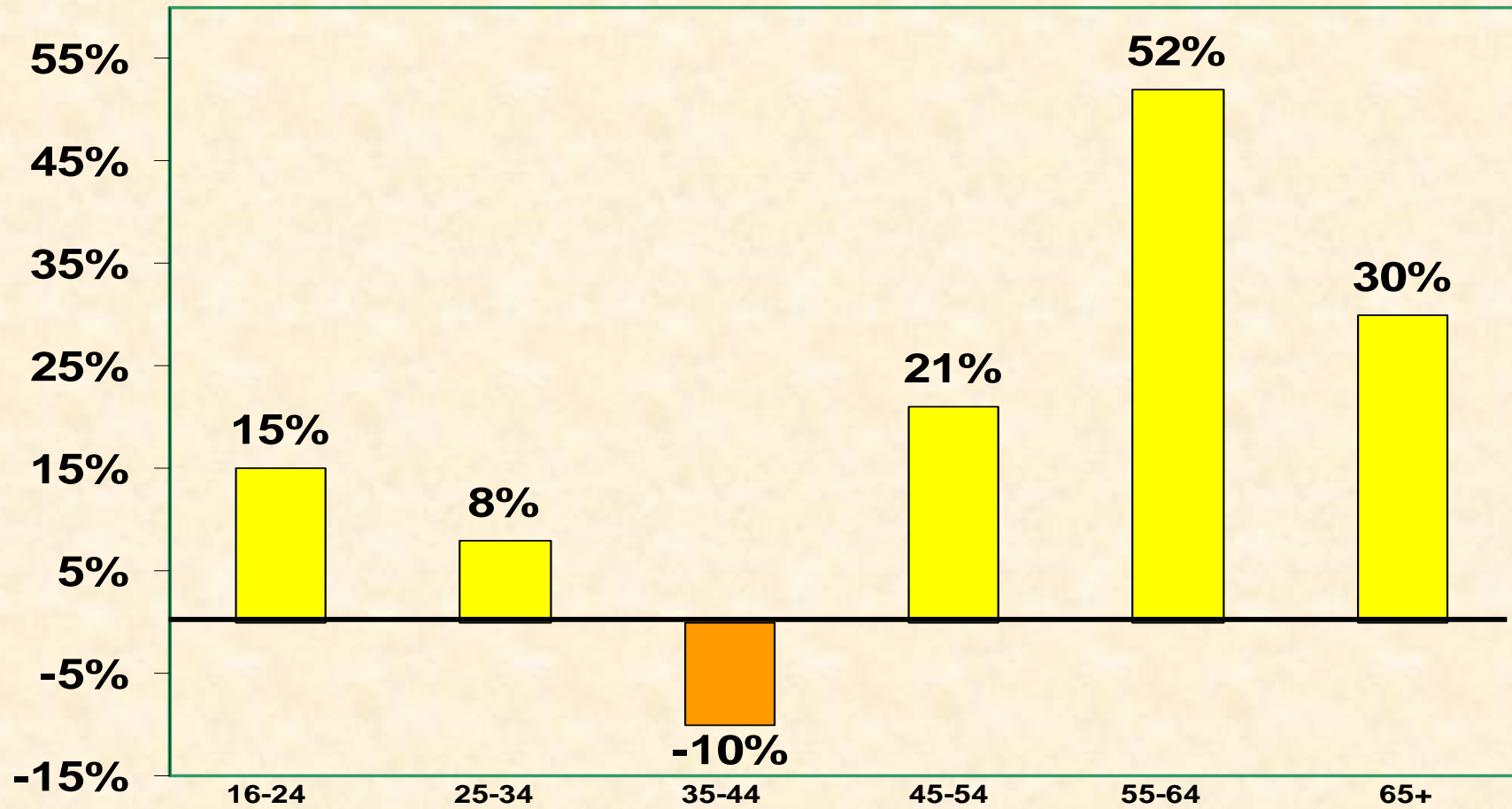
Median Age of the U.S. Labor Force, 1986 to 2016 (Projected)



Source: Bureau of Labor Statistics



U.S. Workforce By Age: Percent Growth 2000-2010



Source: Bureau of Labor Statistics



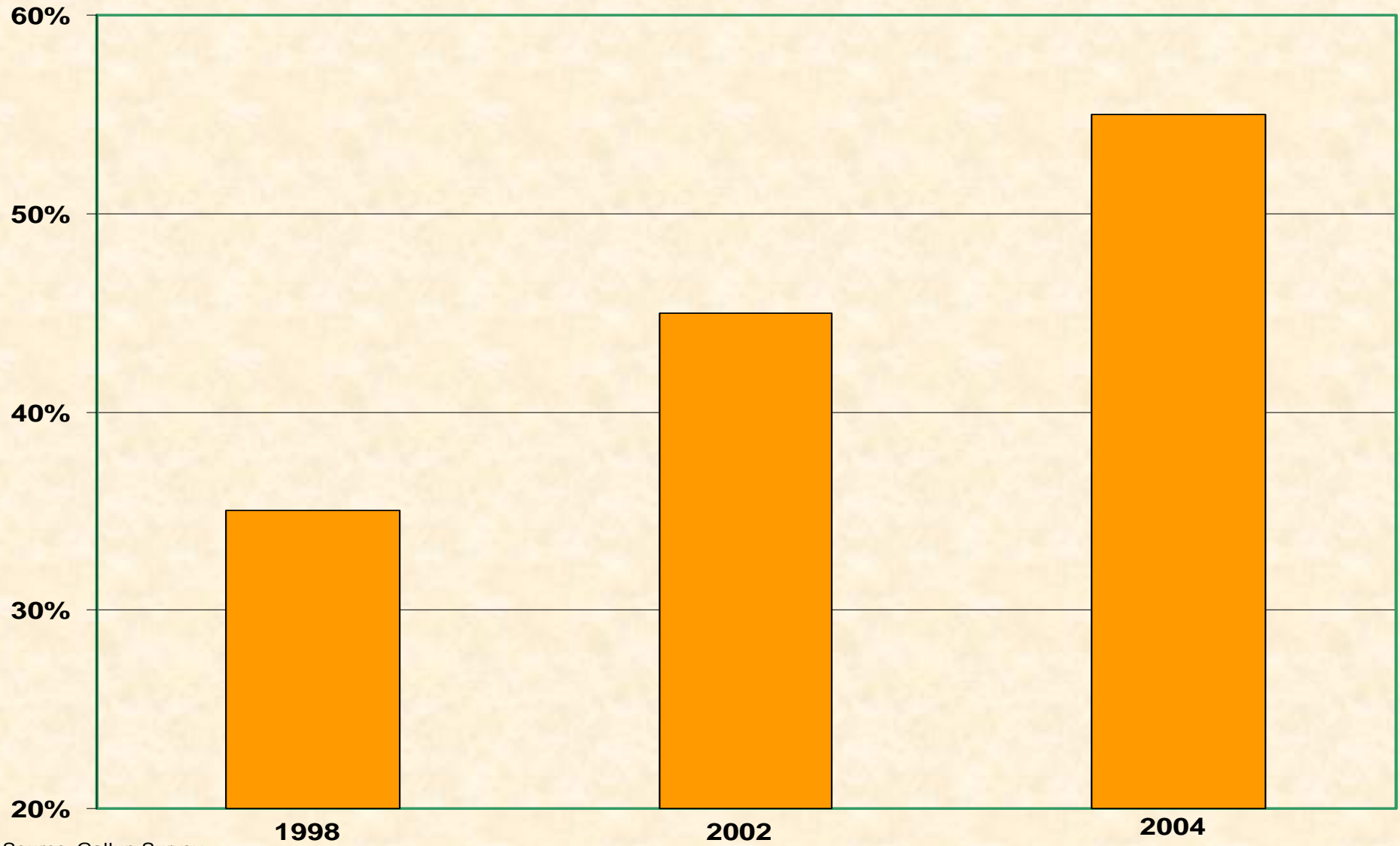
Getting Older and Working Longer?

65 year olds now expect to live another 20 years.

- Too long a period of reduced income
- Too long a period for unstructured free time
- Rising health care costs
- Less secure pension plans
- Shift from defined benefit to defined contribution retirement plans
- Age for full social security benefits creeping up



Percent Planning to Put Off Retirement Until After Age 62



Source: Gallup Survey

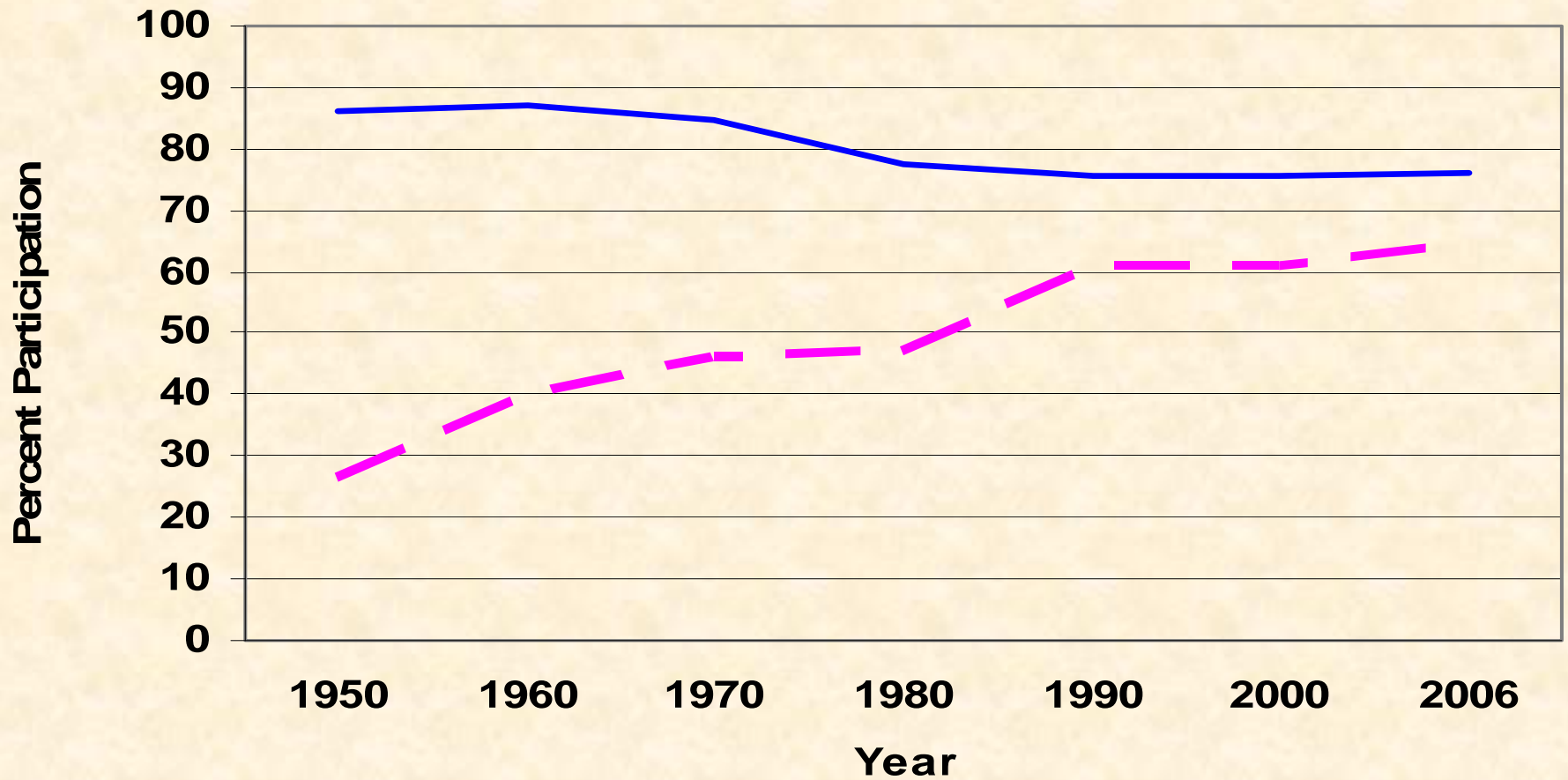


Labor Force Participation Rate

- Men – Peaked at 86.6% in 1948
- Women – Peaked at 60% in 1999
- Older Workers – Increased Significantly since the late 1980's



Labor Force Participation Rate in the United States 1950 to 2006: Ages 50 to 64



Source: Int'l. Labour Org.

— Men — Women



Skills Gap Next Decade:

**Only 30% of Americans are
Expected to Hold College Degrees
at 30 Years Old**

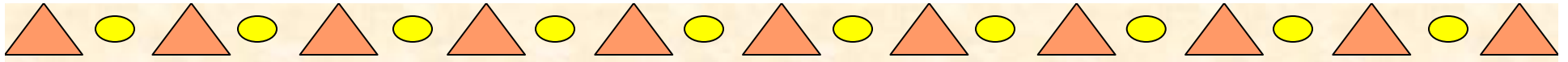
BUT

**Many More of the New Jobs Being
Created Will Require a College
Education**




**“80% of Impending Labor
Shortage
Will Involve Skills, Not
Number of Working
Available”**

Ken Dychtwald



**Enrollment in Bachelor's Programs
in Computer Science Dropped
40% from 2001 to 2006***

**Some Students Are Shying Away
From Computer Science Degrees
Because of The Rising Risks For Job Loss in IT**
(e.g. Offshoring)**

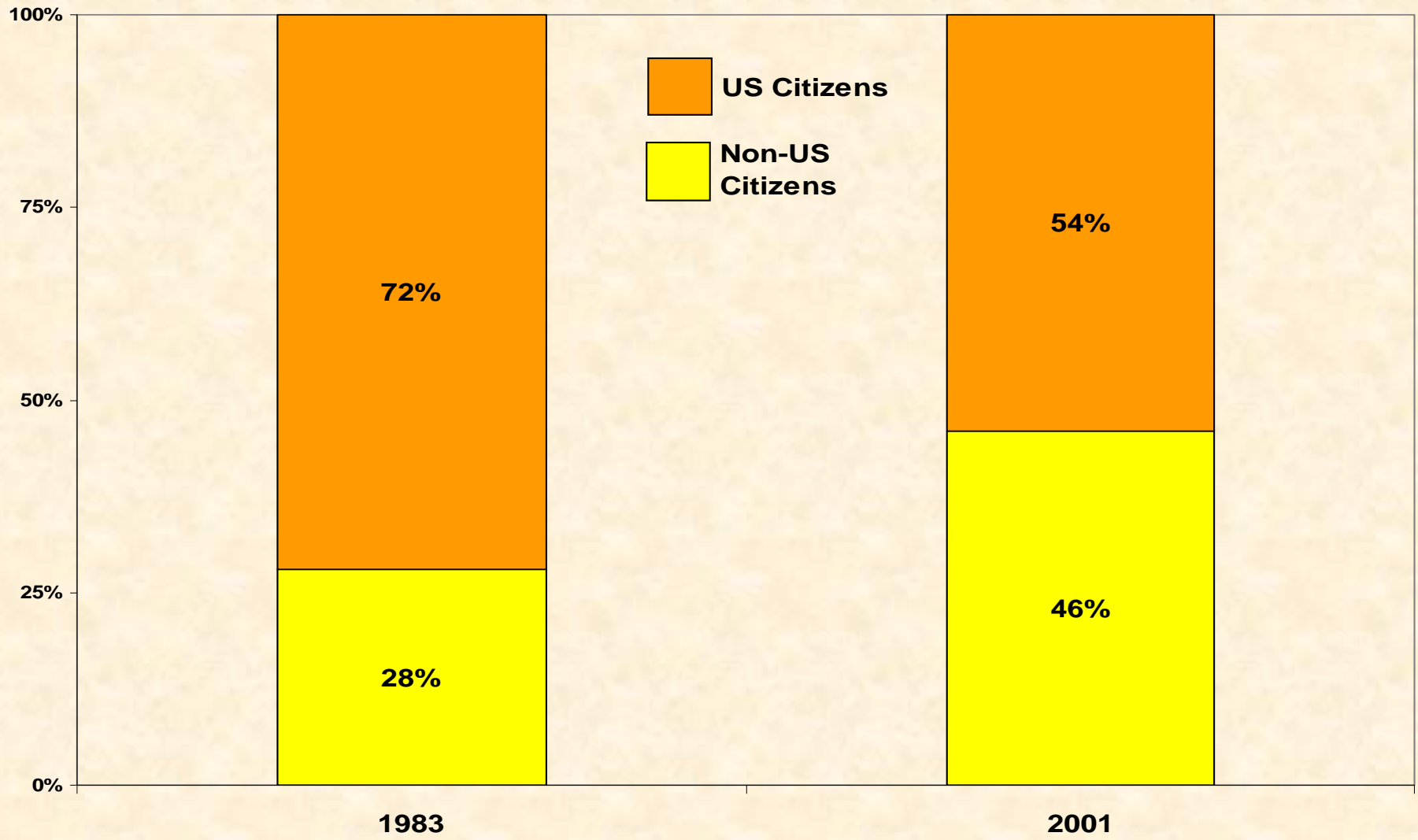


“Demand for specialized technical skills has long exceeded the supply of native-born workers with advanced degrees, and scientists and engineers from other countries fill this gap. This issue has reached a crisis point.”

Bill Gates



US Graduate Degrees in Mathematics, Engineering and Physical & Computer Science



Source: National Science Foundation



Other Factors That May Impact Impending Labor Shortage

- Recession
- Productivity Increases
- Net Export of Jobs
- Changes in Immigration Policies



Solutions

1. Rethink Corporate Retirement Policies

Encourage talented individuals who want to work past traditional retirement age to stay.

2. Create Bell Shaped Career Path's

Create “downshifting” opportunities to retain talented individuals.

- Less Responsibility
- Less Intensity
- New Challenges



Solutions

3. Create cyclic work schedules for project oriented positions

- 3 months on/3 months off
- Flexible Schedules

4. Create Lateral Career Opportunities

- To enhance learning and interest levels and avoid burnout and boredom