



**Workforce Investment Board
of Will County**
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**Workforce Indicator Report 01
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Impact of a Maturing Workforce in Will County

Overview

The Workforce Investment Board of Will County has issued this publication to provide specific information on Will County's aging workforce and encourage stakeholders to take action in preparation for the impending shortage of skilled workers that will result from retirement of the Baby Boom generation and a slower labor force growth. The issues related to an aging workforce and shrinking labor force will have an impact on the County's economy. It is critical that efforts be made now to minimize this impact through increased awareness and preparation.

According to a report in the Monthly Labor Review, by the year 2012 approximately 20% of the Workforce will be 55 years old or older and this will demand new talent management strategies. Employers will need to identify and implement creative ways to support maturing workers and create effective inter-generational work environments.

This report will provide specific information on the maturing workforce in Will County and the potential impact that workforce could have on the local economy. In addition, the report makes some comparisons to the workforce in the surrounding area and the impact that the aging trend will have on the regional economy.

The Workforce Investment Board of Will County plays a key role in the workforce and economic development of our County. It brings together a myriad of employment, training, and educational services and transforms them into a comprehensive and easily accessed system that supports the development of a world-class workforce. The Board's activities support industry-based workforce development strategies, labor market analysis, community planning, focused economic development efforts, collaborative partnerships with education and training providers, and improvement of the economic vitality of the County.

Additionally, The Workforce Investment Board of Will County is a member of The Workforce Boards of Metropolitan Chicago, a consortium of nine workforce boards in the Chicago metropolitan region¹. Recognizing that that cross-geographic issues impact the economic vitality of each of their local areas, the Workforce Boards have adopted a regional approach in addressing workforce issues on a regional basis. Through this regional collaboration, the consortium is implementing strategies to ensure that the education and workforce system is aligned with the skills that businesses need in their workforce and support the continued economic strength of the region.

¹ The Workforce Boards of Metropolitan Chicago (Workforce Boards) are a consortium of nine Workforce Boards that include the Chicago Workforce Board, Cook County Workforce Investment Board, DuPage Workforce Board, Grundy Livingston Kankakee Workforce Board, Lake County Workforce Investment Board, McHenry County Workforce Investment Board, River Valley Workforce Investment Board, The Workforce Board of Northern Cook County, and the Workforce Investment Board of Will County.

A maturing labor force

The Baby Boom generation represents 76 million individuals born during the period of 1946 to 1964. In 2011, the oldest of this group will turn 65. They were the largest generation to enter the labor force and are employed in many of the most skilled and senior jobs. And soon, very soon, they will be leaving the labor force *en masse*.

Additionally, the supply of younger workers to replace the Baby Boom workforce is much smaller. The national birth rate declined from three children per woman in the 1960's to two per woman in the 1970's. The influx of women into the workforce during 1950 to 2000 has also leveled off and is expected to remain constant at 48% over the next 50 years. By 2025 labor force

growth is expected to be less than a fifth of what it is today.²

The aging of the population along with slow labor force growth will result in fewer workers to produce goods and provide services. Without a major increase in productivity or higher than projected immigration, low labor force growth will result in slower growth in the economy.

According to projections based on the U.S. Census, an average of 4.6 adults will turn 65 each minute in 2007. In 2025, an average of 8 adults will turn 65 each minute.

The Center on Aging and Work, Boston College
Age and the Labor Force, Fact Sheet 05, 1/07

Figure 1 POPULATION STATISTICS				
	U.S.	Illinois	Metro Chicago Region	Will County
Total Population	288,378,137	12,440,351	8,572,508	642,630
Male	141,274,964	6,090,298	4,205,067	321,251
Female	147,103,173	6,350,053	4,367,441	321,379
< 25 years	9,9427,378	4,360,470	3,054,424	241,231
25 to 34 years	38,785,474	1,745,317	1,245,179	102,320
35 to 44 years	43,237,594	1,861,315	1,331,400	105,776
45 to 54 years	42,045,357	1,792,638	1,224,261	87,580
55 to 64 years	30,121,807	1,244,458	828,907	54,374
> 64 years	34,760,527	1,436,153	888,337	51,349

Source: Economic Modeling Specialists, Inc. – Strategic Advantage data system, 2007.

² Older Workers, Labor Can Help Employers and Employees Plan Better for the Future, December 2005, GAO 06-80, page 5.

This report will primarily focus on the 55 to 64 year old cohort - that portion of the Baby Boom generation that is nearing retirement. Based on the 2005 U.S. census projections, 68.6% of Illinois's population resides in the metropolitan Chicago region. The segment of the population that is 55 to 64 years represents 10% of Illinois's population and a slightly smaller portion of the metropolitan Chicago's population (9.7%). In Will County, the 55 to 64 year cohort represents 8.5% of the County's total population.

For purposes of examining the age of Will County's labor force, statistics for key industries contributing to the County's economic well-being are presented in Figure 2. Those sectors with the highest number of workers in the 55 to 64 cohort in 2006 are manufacturing, education, retail, transportation/warehousing/logistics (TWL), and healthcare. It is important to note that sheer numbers only tell part of the story. The percent this age cohort represents of the total employment in an industry sector is even more important and is discussed below.

In terms of education, it is also worth noting that of the 2,923 workers, 2,046 are employed in elementary and secondary schools.

An examination of the identified sectors over the past five years provides further evidence that the County's workforce is aging (Figure 2). Overall, the 55 to 64 year cohort represented 9.71% of the total County's labor force in 2001 but grew to 11.8% in 2006. The sectors with the largest share of their workers in the 55 to 64 year cohort as of 2006 are education (18.1%), manufacturing (15.2%), transportation/warehousing/logistics (12.8%), healthcare (12.7%), and finance and insurance (12.4%) occupations. The 55 to 64 year cohort in seven of the nine identified sectors represents 10% or more of the sector's labor force as compared to 2001 when only five of the nine exceeded 10%.

The Bureau of Labor Statistics predicts that we'll face a shortage of 10 million workers by 2010.

Gray Matters: Engaging the Older Worker, Manpower

**Figure 2
WILL COUNTY**

Sector	2001	%	2001	2006	%	2006
	55-64	2001 Labor Force			Total	
Construction	1,191	7.7%	15,568	1,454	9.2%	15,759
Education	1,664	15%	11,118	2,923	18.1%	16,168
Finance and Insurance	440	10.8%	4,088	628	12.4%	5,047
Healthcare	1,337	10.1%	13,251	2,256	12.7%	17,768
Hospitality/Tourism	1,305	7.1%	18,277	1,820	7.5%	24,319
Manufacturing	2,259	11.9%	19,055	3,081	15.2%	20,230
Retail	1,687	8.6%	19,683	2,611	10%	26,003
Technology	301	9.3%	3,243	425	11.3%	3,773
Transportation/Warehousing/Logistics	1,354	11%	12,321	2,560	12.8%	19,939
All other sectors	3,082	9.2%	33,584	4,390	11.1%	39,387
Totals	14,620	9.7%	150,188	22,148	11.8%	188,393

Source: Illinois Department of Employment Security, Local Employment Dynamics Program

Within each of the sectors, major occupations were identified. The major occupations are defined as those occupations employing large numbers of the region's workers. The estimated numbers of individuals 50 years and older employed in those occupations are provided in Figure 3³ (Note: Due to data constraints breakout estimates for 55 to 64 years are not available and the 50+ cohort will be used). This provides some indication of the impact of future retirements on occupations employing large numbers of the County's workforce and identifies occupations for which there may be severe shortages of skilled workers in the coming years.

Figure 3 shows the major occupations in each of the industry sectors in Will County. These numbers reflect the age cohorts and occupations of the residents of Will County. Given that more than 50 percent of Will County residents are employed in Will County, these numbers are fairly reflective of the county's employment base as a whole.

In Will County occupations with the highest *percentage* of workers age 50 and older are:

- Insurance Agents (56.8%)
- Physicians (55.2%)
- Supervisors/Managers (54.3%)
- Secondary School Teachers (53.1%)
- Registered Nurses (53%)
- Elementary School Teachers (52%)

Occupations with the *largest number* of workers in the 50 and older cohort include:

- Elementary School Teachers (2,912)
- Truck Drivers (2,094)
- Registered Nurses (1,168)
- Retail Sales Persons (1,087)
- Supervisors/Managers (1,083).

It appears that two sectors in particular may face considerable challenges in replenishing their supply of skilled workers: healthcare and education, which both have large numbers of occupations with 50% or more of the workers aged 50+.

A 2006 survey conducted by the Society of Human Resource Management reported that only 33% of HR professionals have charted their organization's demographic makeup and only 1% has determined future retirement rates.

³ 2000 U.S. Census data was used for employment by occupation and aged appropriately. Census data does not include Kendall, DeKalb, Grundy or Livingston counties. Due to the way data is reported to the U.S. Census Bureau, occupational data may not be unique to the assigned industry sector.

**Figure 3
AGING OF WORKERS IN MAJOR OCCUPATIONS/WILL COUNTY**

	50+	Total Workers	% Workers 50+
Construction			
Carpenters	927	2,385	38.9%
Construction Laborers	569	1,870	30.4%
Electricians	873	1,805	48.4%
Pipe fitters	511	1,165	43.7%
Education			
Elementary School Teachers	2,192	4,215	52%
Janitors and Cleaners	977	2,390	40.9%
Secondary School Teachers	833	1,570	53.1%
Teacher Assistants	634	1,295	49%
Finance and Insurance			
Insurance Agents	324	570	56.8%
Loan Officers	128	280	45.7%
Securities, Commodities, & Financial Services Agents	63	240	26.3%
Tellers	125	670	18.7%
Healthcare			
Registered Nurses	1,168	2,205	53%
Nursing Aides, Orderlies & Attendants	490	1,450	33.8%
Licensed Practical & Licensed Vocational Nurses	235	465	50.5%
Physicians	243	440	55.2%
Hospitality/Tourism			
Combined Food Preparation & Serving Workers, Including Fast Food	139	500	27.8%
Cooks	311	1,640	19%
Waiters & Waitresses	329	1,985	16.6%
Manufacturing			
Machinists	439	910	48.2%
Supervisors/Managers	1,083	1,995	54.3%
Team Assemblers	397	1,075	36.9%
Retail			
Cashiers	891	4,005	22.2%
Retail Sales Persons	1,087	3,735	29.1%
Stock Clerks & Order Fillers	494	2,065	23.9%
Technology			
Customer Service Representatives	855	2,405	35.6%
Sales Representatives	392	865	45.3%
Telecommunication Equipment Installers & Repairers	80	260	30.8%
Transportation/Warehousing/Logistics			
Laborers & Freight, Stock & Material Movers, Handlers	678	2,735	24.8%
Sales Representatives	877	2,080	42.2%
Truck Drivers	2,094	4,615	45.4%

Source: 2000 U.S. Census

Recognizing that we depend on a mobile labor force and that not all of our residents work in the County, we have examined the aging of the labor force in neighboring counties. (Figure 4). This provides some indication as to the competitive environment employers will face in identifying skilled workers to replace retiring Baby Boomers in future years.

All neighboring counties with the exception of Kendall have a higher proportion of their labor force in the 55 to 64 year cohort in 2006. Therefore, it is unlikely that Will County can rely on neighboring counties to supply skilled workers to meet its hiring/replacement needs.

**Figure 4
EMPLOYMENT BASE
WILL AND SURROUNDING COUNTIES**

County	2001 55-64	% 2001 Labor Force	2001 Total	2006 55-64	% 2006 Labor Force	2006 Total
Cook	275,591	10.3%	2,671,828	326,265	13.8%	2,577,305
DuPage	56,810	9.4%	604,435	73,505	12.1%	606,548
Grundey	1,404	9.6%	14,661	1,926	12.6%	15,220
Kane	18,974	9.6%	197,483	25,508	12.1%	210,031
Kankakee	4,535	10.4%	43,570	5,830	13.4%	43,442
Kendall	1,234	8.8%	13,962	1,985	10.6%	18,797
Will	14,620	9.7%	150,188	22,148	11.8%	188,393

Source: Illinois Department of Employment Security, Local Employment Dynamics Program, 3rd quarter data for 2001 and 2006

Preparing for the inevitable

Many employers are facing the prospect of losing a disproportionate share of their experienced workers and not having an adequate supply of qualified workers to step into the jobs that will be vacated. Just as important, when these workers walk out the door, they will be taking a wealth of knowledge with them - both explicit knowledge that can easily be explained and documented as well as tacit knowledge that is much harder to capture because it includes experiences, impressions, and creative solutions.

Numerous studies report that while employers are well aware of their situation, little has been done to prepare for the inevitable. Efforts to manage both the number of individuals leaving the workplace as well as the loss of institutional

knowledge have been minimal. Following are three recommended steps for preventing “brain drain”.⁴

1. Identify vulnerabilities. By doing an age profile of workers by work unit or function, a company can determine the average age of employees and identify who is most like to retire or leave the company for other reasons.
2. Identify types of knowledge at risk. Using interviewing and social networking analysis software will enable a company to identify knowledge that is most valuable and determine where to focus knowledge retention efforts.

⁴ Beating the Boomer Brain Drain Blues, www.cio.com, January 2005, pg.62.

3. Choose appropriate methods. If the focus is to transfer tacit knowledge or experience that is hard to document, mentoring programs or communities of practice that bring older and younger workers together for extended periods are effective. If there is a need to document information quickly before key employees retire, creating databases and other repositories are most effective.

While initiatives aimed at retaining and transferring knowledge are excellent first steps, most technical skills are acquired and mastered over time. Many companies are recognizing that retaining older workers in either a reduced or contractual capacity is a viable solution for “buying” extra time for new workers to mature in their jobs. A number of studies have indicated that flexible work arrangements are one of the most effective strategies for retaining older workers. Flexible work arrangements might include:⁵

- Choices regarding the number of hours an employee can work (e.g., full time, reduced hours, job sharing, phased retirement) and when those hours are worked (e.g., flexible scheduling, compressed work week).
- Choices regarding places where the employee can work (tele-work or alternative work locations).
- Choices regarding job/task assignments (redesign of job based on worker’s experiences, abilities and preferences).

According to a Cornell Retirement and Well-Being Study, 79% of older workers (55 – 74) prefer to remain working but most of them do not want to work full time.

The Center on Aging and Work, Boston College
One Size Doesn't Fit All: Workforce Flexibility,
Issue Brief 05, 3/06

Positioning for the next generation of workers

In the future businesses will be competing more than ever for skilled workers given the shrinking labor pool. The smartest businesses, those intending to recruit and retain a highly skilled workforce, are taking steps to understand what their future workforce will want and likely demand.

Generation Y, born between 1982 and 1993, will become the largest population group since the Baby Boomer generation to enter the workforce. Between 2005 and 2025, Generation Y as a percentage of the working population will increase from 12 to 23 percent in the United States.⁶

Companies who form partnerships with educational institutions to recruit Generation Y-ers before they complete their educational programs and offer internships during the summer months will be positioned to access their future workforce. Those companies that are successful in transforming their business culture and practices to accommodate Generation Y will have a competitive advantage (Figure 5).

⁵ One Size Doesn't Fit All, Issue Brief 05, The Center on Aging and Work, Boston College, March 2006, pg. 3.

⁶ Managing the Talent Crisis in Global Manufacturing, Strategies to Attract and Retain Generation Y, Deloitte, 2007, page 8.

**Figure 5
HOW TO ATTRACT AND ENGAGE GENERATION Y**

Gen-Y Needs/Wants	Implications for Employers
Long-term career development and multiple experiences within a single organization	<ul style="list-style-type: none"> • Create personal development plans (PDPs) • Align PDPs with organizational roles and goals • Enable career mobility to allow individuals multiple experiences • Chart clear and transparent career paths • Invest in training and developing the workforce • Ensure that the workplace is open to the application of skills developed • Cultivate strong social networks
Sense of purpose and meaning in work	<ul style="list-style-type: none"> • Enable individuals to find what is meaningful to them • Create an organization that allows individuals to pursue these high-purpose goals in an effective and productive way • Define and communicate visions around which people can rally • Cultivate an environment of hope and possibility • Help people focus on their strengths
Availability and access to mentors and other company champions	<ul style="list-style-type: none"> • Offer formal and informal mentoring approaches that are aligned with strategic aims • Engage Gen Y-ers during their education and early in their careers
Work/life flexibility	<ul style="list-style-type: none"> • Encourage Gen Y-ers' input • Offer work arrangements and benefits programs that align individual and organizational needs in flexible ways
Tech-savvy work environment	<ul style="list-style-type: none"> • Employ online recruiting tools • Offer multiple communication platform options • Offer gaming simulations as a learning tool
Open social networks that embrace open/honest communications	<ul style="list-style-type: none"> • Balance hierarchy and organizational agility • Communicate corporate goals clearly and transparently (i.e., no corporate speak) • Institute channels for employee feedback on corporate goals • Design office space in a flexible way that reflects how Gen Y-ers work • Develop social infrastructure to share ideas • Reduce geographic barriers, develop channels to communicate globally in a seamless way

Source: Generational Talent Management, Strategies to Attract and Engage Generation Y in the U.S. Banking & Securities Industries, Deloitte, page 6.

The bottom line

There is no one size fits all strategy to ensure that companies can continue to have the workforce necessary for them to remain competitive in our global economy. Companies need to assess their current workforce and seek out creative strategies to ensure that they can maintain the knowledge

base of their workforce and attract new workers to their industry. One certainty is that given the maturing of the workforce, companies do need to acknowledge the changes and begin to plan for the future.