

## **Increasing the contribution of older Americans to the economy**

**Raphael T. Haftka ([haftka@ufl.edu](mailto:haftka@ufl.edu))**

**University of Florida, Gainesville, Florida 32611**

**Abstract:** With increasing life expectancy, all developed countries are facing a demographic crunch of decreased percentage of the population in the labor force. Research is needed on how to motivate older Americans to work longer, and how to take full advantage of their unique strengths.

**The problem:** With increasing life expectancy, all developed countries are facing a demographic crunch of decreased percentage of the population in the labor force. For the United States the UN predicts that the elderly dependency ratio (ratio of 65+ population to 15-64 population) will increase from 19% to 32% by 2030. The economic well being of the United States may depend on how successful we are in motivating older Americans to keep working, whether for pay or as volunteers. Research is needed on how to motivate older Americans to work longer, and how to take full advantage of their unique strengths. These two questions are likely to be strongly correlated.

According to the Bureau of Labor Statistics ([http://www.bls.gov/emp/ep\\_table\\_303.htm](http://www.bls.gov/emp/ep_table_303.htm)), in 2008, 16.8% of Americans 65 and older participated in the civilian labor force. About 24% of the same population performed volunteer labor in non-profit organizations, but they averaged only 90 hours per year, so that this volunteer labor represents only a small increment to the paid labor force. The Corporation for National and Community Service (CNCS) noted in 2008 (<http://www.volunteeringinamerica.gov/assets/resources/VolunteeringbyOccupation.pdf>) that most volunteers do not perform service activities that relate to their professional or occupational skills. This represents not only a loss of potential contribution to the economy, but CNCS also found that volunteers who use their skills when they serve are more likely to continue serving year to year.

**Proposed research:** The following are some of the research areas that are likely to contribute to increased participation of older American in the paid or volunteer labor force.

- Identifying the strengths and weaknesses of older people who participate in the labor force. This can draw on past and present research on the effect of age on skills, experience, and wisdom (e.g. Ardelt, M. (in press). Are older adults wiser than college students? A comparison of two age cohorts. *Journal of Adult Development*, 15. doi: 10.1007/s10804-009-9088-5)
- The retention of older Americans in the work force varies greatly by profession, and researching the reasons for the differences is likely to help.
- Some older workers are pushed out of the work force because their pay has increased with seniority, but their value to the employer has not increased enough (or even decreased because of age). Research into flexible compensation mechanisms (including partial pension payments) that would keep these workers attractive to their employers is needed.

- Finding why organizations do not take full advantage of the professional skills of volunteers and how to address this problem is also important. From personal experience with people I know, it appears that matching, recruitment, and threats to job security of the paid personnel in non-profit organizations may be part of the problem.

This work is licensed under the Creative Commons Attribution-NoDerivs 3.0 Unported License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nd/3.0/> or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California, 94105, USA.