



# Recruiting and Retaining Older Workers, Especially Low-Wage Employees, is a Must for U.S. Businesses. Here are Tools Employers Can Use.

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Shifting demographics in the U.S. workforce indicate that businesses located here are probably going to need to recruit, train, and retain older workers to ensure their companies remain competitive. Yet workplace surveys indicate that most firms are currently not prepared to find and welcome workers who are 50 years of age or older.

Older workers today account for roughly 35 percent of the U.S. workforce, up from about 20 percent near the turn of the century, according to data from the U.S. Census Bureau's Current Population Survey. They now account for nearly 90 percent of the growth in the US labor force, the Urban Institute's director of retirement policy and senior fellow Richard W. Johnson told a private convening on older workers co-hosted by **AARP** and **WorkRise** last year.

Many U.S. businesses are going to need to change the ways in which they recruit and hire new employees and retain current employees. Making these changes will be key to employers' success as the U.S. labor force not only ages but also tightens further as older workers age out of the workforce. U.S. employers have plenty of opportunity to reform their hiring practices because many older workers are willing to work into their 60s, 70s, and 80s. Often, older adults need to work because of **pressing socioeconomic trends**, such as the decline in traditional defined-benefit pensions, better health and longer life spans, and the **dearth of retirement savings** faced by low- and middle-income earners.

Fortunately, a broad array of evidence-based hiring and talent development strategies are at the ready for U.S. employers. These strategies draw from a **recent and comprehensive review** of employer practices and their influence on economic security and mobility for U.S. workers who experience structural disadvantages and exclusion from opportunity in the labor market.

This landscape report, commissioned by WorkRise from a multidisciplinary team of researchers at the Massachusetts Institute of Technology Sloan School of Management, was then workshopped with several large employers representing various industries in a mini-methodology preview. WorkRise's **staff** and **Leadership Board** and AARP also identified several promising new directions to build knowledge and advance policies and practices that support older workers' mobility in the labor market.

**Three specific areas of focus were identified to attract and retain older workers, particularly low-wage older workers:**

- Recruitment and Hiring
- Scheduling and Flexibility
- Training and Career Development

The evidence-backed strategies highlighted in these workshops—tools that can enable U.S. employers to retain their market competitiveness by matching their workforce needs to workforce demographics—are specifically aimed at attracting and retaining older workers. The end goal: for these workers to remain competitive over the next several decades.

**Recruitment and Hiring: Success through tapping networks of existing employees**

Most low-wage older workers are at a disadvantage when looking for employment in the U.S. labor market. Over the course of the private workshop series, employers engaged with evidence-backed practices for building and supporting access to online job search and application skills and necessary digital skills for older workers, especially in individualized settings. Similarly, employers examined how other recruiting channels and mechanisms, such as deep social networks, employee referrals, and personal contacts remain key components in hiring practices that often benefit older workers.

These **kinds of practices** currently play a role in roughly half of all hires—and their effectiveness suggests that they could play an important role in shaping the future of work for adults 50 and older. In fact, a **wealth of evidence demonstrates** that referrals result in high-quality employment matches that are beneficial to firms. Three key connected takeaways for employers to consider as they plan for ways to leverage this segment of the workforce are as follows:

- Engage directly with older employees in developing their digital skills.
- Seek out the social networks in which older workers operate to find the best recruiting matches.
- Lean into current or former employees and their online connections to identify these social networks.

**Scheduling and Flexibility: A winning recipe for employee and employer**

Research and workplace practices on scheduling and flexibility are **robust** and **deep**. Employers in these workshops drilled down on workplace practices with the employer participants. The evidence is especially powerful vis-à-vis the power of scheduling predictability, flexibility, and access to adequate hours as both recruiting and retention tools and as key stabilizing forces for workers' economic lives.

But the current level of support from the C-Suite for these practices varies across firms, especially when it comes to applying these practices to those who are in lower-paying positions. Evidence from research on scheduling practices, and, more generally, on how to effectively change culture in firms, points repeatedly to strong buy-in from leadership as a key evidence-backed element of successful policy change.

Moreover, emerging issues for older workers, especially low-wage workers, are not garnering the same support in workplaces. For instance, participants in the workshops generally agreed that workers' ability to have meaningful input into their working hours is a labor practice that is still emerging as an important objective for HR leadership.

Importantly, employers found these workplace scheduling and flexibility practices to be the most actionable. This is because at the manager level in HR departments, the relationship between productivity, management practices, and human capital development is strong—particularly in remote work situations for well-managed businesses.

## **Training and Career Development: Investing in older workers pays off**

Scholars broadly agree that training and career development, both within firms and within industries, are the two least-developed workforce development strategies in U.S. workplaces. Employers in the WorkRise- and AARP-sponsored workshops agree: If businesses are going to do better at hiring and keeping their older workers, then they also need to do far better at training and career development. Most workers aged 50 and over have a decade or two left in their careers. Training and career development opportunities for older workers cannot be an afterthought, and human capital development needs to be a lifelong journey.

**Registered apprenticeships** are among the strongest evidence-backed practices deployed by businesses. But these programs are generally geared toward younger workers. At the other end of the practice spectrum, employer-funded credentialing and non-credentialing training and career development programs have very little solid evidence to back up their efficacy vis-à-vis outcomes for workers or for employers. Credentialing, however, is an **increasingly promising pathway to opportunity**, though the quality of programs and credentials is still highly variable in terms of the outcomes they deliver, and determining what works, for whom, and in service of which outcomes all remain contested questions.

For employers looking to double-down on business practices that build their talent from within, the evidence on the efficacy of on-the-job training programs—especially those that allow employees to cross-train across specific tasks to build flexible skills and expanded social networks—points toward a growth area. This is an especially good thing for older workers who have been stuck in their current roles and may be considering retirement in the absence of future mobility opportunities.

Importantly, employers at the workshops emphasized that buy-in from key C-suite leaders and empowered HR departments determined how well these training and career practices are implemented in U.S. workplaces. For businesses, then, it seems clear what kind of leadership is required to help find and retain the older workers they are going to need to remain competitive in over the next two decades.

Moreover, building out and further developing these practices is a work in progress. While some employers have pioneered and embraced strategies for recruiting and retaining older workers as a key aspect of their success, many opportunities remain. WorkRise plans to share these and other findings alongside AARP later this year. If your firm, advocacy organization, or research institute or university or college is interested in joining up, please let me know.

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