The New Normal

Five Generations Working Side by Side in 2020

TRADITIONALISTS  BOOMERS  GEN X  MILLENNIAL  GEN 2020
Insights from Global Companies on the Multigenerational Workforce

86% identify a multigenerational workforce as valuable to their success and growth.

77% Family Caregiving
85% Lifelong Learning, Education, and Training
83% Financial Planning

Companies are highly interested in information, promising practices related to...

A large majority of companies would be likely to implement the following practices to enhance their multigenerational workforce if given the tools to do so:

75% Unbiased recruiting processes
78% Training and lifelong learning opportunities to employees
72% Purposefully designed mixed-age teams

Source: AARP, January 2020
https://www.aarpinternational.org/initiatives/future-of-work/living-learning-and-earning-longer
Economic Impact

The U.S. missed out on a potential $850 billion in Gross Domestic Product or GDP in 2018.

In 2050, this gap could rise to $3.9 trillion.

Source: AARP & The Economist Intelligence Unit (2020), The Economic Impact of Age Discrimination - www.aarp.org/longevityeconomy
Create, Invest, and Prosper

The Collaborative has identified three dimensions by which to examine inclusive employment
Age Inclusive Corporate Culture Matters

**Greater diversity** drives engagement and performance.

An organization’s diversity practices contribute directly to greater employee engagement.¹ American business units in the top quartile of engagement realize 21% higher profitability than those in the bottom quartile.²

Sources:
2. “Employee Engagement on the Rise in the US.” Gallup, 2018
Getting Started -

1) Remove bias in job descriptions

2) Evaluate the age-inclusiveness of your recruitment practices

3) Ban the box and stop asking prior wage/salary
Invest

What are the standards, policies, and practices to support a well-functioning multigenerational workforce?

• recruitment, hiring, assessment and retention practices
• compensation and benefits
• lifelong learning
• health and wellness benefits
• caregiving services
• physicality of the workspace
• options for flexible work, including phased retirement
Leaders ought to consider the complexity of the multigenerational workforce when evaluating ALL their organization’s practices & polices -

- Chronological age
- Life-events
- Career stage
- Generation
- Accessibility
- Organizational tenure

Source: AARP & The Center on Aging & Work at Boston College (2018), *Creating Quality Jobs: A Framework for a Multigenerational Workforce* - [https://www.bc.edu/content/dam/files/research_sites/agingandwork/pdf/publications/MultigenerationalWorkforce_AARP.pdf](https://www.bc.edu/content/dam/files/research_sites/agingandwork/pdf/publications/MultigenerationalWorkforce_AARP.pdf)
Getting Started -

1) Assess the strengths and weaknesses of your age-inclusive initiatives
2) Develop a plan to strengthen current policies and practices as well as a plan to address “growing edges”
Most people will provide care for a loved one at some point in their lives. Today 73% of your employees are likely providing care for a child and/or an adult in their family, even as they strive to help build your small business. This site provides practical guidance for small businesses to tackle those challenges and create supportive workplaces for caregivers—so both your business and your employees can thrive.

Learn more: https://www.smallbusinesscaregivingguide.org/
Reskilling & Lifelong Learning:
The future of work requires innovations and investments in human capital.

2022 Skills Outlook

Growing
1. Analytical thinking and innovation
2. Active learning and learning strategies
3. Creativity, originality and initiative
4. Technology design and programming
5. Critical thinking and analysis
6. Complex problem-solving
7. Leadership and social influence
8. Emotional intelligence
9. Reasoning, problem-solving and ideation
10. Systems analysis and evaluation

Declining
1. Manual dexterity, endurance and precision
2. Memory, verbal, auditory and spatial abilities
3. Management of financial, material resources
4. Technology installation and maintenance
5. Reading, writing, math and active listening
6. Management of personnel
7. Quality control and safety awareness
8. Coordination and time management
9. Visual, auditory and speech abilities
10. Technology use, monitoring and control

Older adults participate in training far less than younger adults

Share of young adults and older adults participating in job-related training, 2011/12 or 2014/15 (%)

The Corporate Bottom-line

Greater diversity supports higher innovation revenue and profit margins.

Companies with above-average diversity in age, gender, nationality, career path, industry background, and education on their management teams report innovation revenue that is 19 percentage points higher and profit margins that are 9 percentage points higher than companies with below-average diversity.¹

A multigenerational workforce improves employee productivity.

The relative productivity of both older and younger workers is significantly higher in companies that used mixed-age teams than in companies that do not.⁴

A study of 18,000 German companies found that a 10% increase in age heterogeneity at innovative companies increases annual productivity by approximately 3.5%.⁵

Sources:
1. “How Diverse Leadership Teams Boost Innovation.” Boston Consulting Group, 2018
2. “Are personnel measures effective in increasing productivity of old workers?” Labour Economics, 2013
The Economic Opportunity

Spending by people 50-plus amounted to $7.6 trillion in 2018 – accounting for 56 cents (or 56%) of every dollar spent. This cohort is forecast to spend $27.5 trillion by 2050 (61% of total spending).

Source: AARP & The Economist Intelligence Unit (2019), The Longevity Economy™ Outlook - www.aarp.org/longevityeconomy
Potential Global Economic Impact

Giving experienced workers the best opportunities to work would raise GDP per person across the OECD by 19% over the next 30 years.

Source: OECD, January 2020
http://www.oecd.org/employment/ageingandemploymentpolicies.htm
Engage and Learn More…

Living, Learning & Earning Longer - www.aarpinternational.org/lell

AARP Employer Pledge - www.aarp.org/employerpledge

Ramsey Alwin - ralwin@aarp.org