

A Business Case For Employer Engagement In Retirement Planning

Boomers Are On The Move

Boomers are the 'pig moving through a python' and now the big bulge is soon to be over 60, if it's not there already. Every new phase that the Boomer children enter explodes out of proportion in population and influence to all previous generations - or to any generation since!

The Baby Boomers are the members of the generation born between 1946 and 1964. At 79 million people, they're the largest US generation in history. The oldest Boomers will turn 65 in 2011 and many of them are currently considering early retirement or at least beginning to consider their next chapter. The decisions they are making will result in the loss of service and wisdom of millions of highly skilled

workers. Retaining key management talent and intellectual capital is the biggest concern of C-Suite executives and boards of directors according to a survey of HR executives who participated in Ernst & Young's *2007 Aging U.S. Workforce Survey: Challenges and Responses – An Ongoing Review*.

While organizations from the AARP to the U.S. government are busy addressing these trends, lobbying for pension plan reforms and phased retirement programs, most U.S. companies have yet to plan for the impact of the retiring baby boomers. Although human resource executives at the top Fortune 1,000 companies expressed concern about losing the talents and knowledge of their aging Boomer workforce, few have studied the actual impact on their business or developed a strategy to mitigate it, according to the Ernst & Young study.

With all the talk of Baby Boomer's mass exodus from the workplace, there is far more commentary on the problem than there are potential solutions. Considerable debate exists over whether labor shortages will exist as boomers retire.

Therefore, organizations should consider and plan for the possibility that they may face a loss of critical knowledge, expertise and experience.

Organizational Demographics

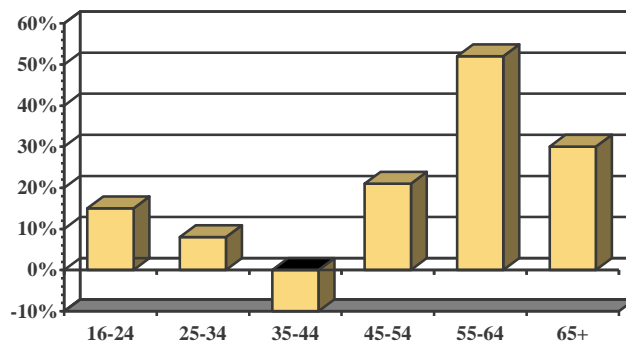
Organizations that understand the immediacy of the baby boom exit, and thoughtfully prepare for it, will be in the best position to plan for smooth transitions thus, remaining resilient and competitive. To help you think through potential strategies for your organization, ask the following question:

What are the retiring demographics of my workforce?

If you can't answer that question conduct a workforce assessment. Questions to answer include:

- Who in your organization is eligible to retire in the next 10 years?
- What are your retirement policies? Is early retirement encouraged or discouraged?

**Growth of U.S. Workforce
2000-2010
U.S. Department of Labor**



- How many senior managers are eligible for retirement?
- How many knowledge connectors are eligible for retirement?
- What skills do employees approaching retirement possess?
- What is the market availability of required replacement skills?
- What key client relationships do employees approaching retirement own?
- Who is ready to take on the departing employees responsibilities?
- What mechanisms and programs must be put in place now to capture key competencies and critical work knowledge of employees who will be retiring?
- Demographic trends indicate you may be faced with large groups of both very young workers and very old workers. Will these two groups have different learning needs? Are you prepared to customize your current programs?
- Who would your competitors recruit for consulting work or employment opportunities?

Why Should Employers Engage In and Support Retirement Planning?

Employers armed with knowledge of the retirement trends of their organization are better able to design proactive strategies that engage their workforce in open communication around their pending retirement plans. Working with employees at this stage of the employment life cycle is equally as important as the time invested in the on-boarding and training stage for new employees. Employers who offer retirement planning support and coaching do so primarily to ensure that they are not just receiving thermometer readings on their organizations retiring workers. Rather, they have their fingers on the thermostat, with the ability to manage retirement against the climate and needs of the business.

Outcomes from employee sponsored retirement coaching lead to:

- Retention of institutional knowledge and specialized skills
- Phased retirement
- Planned knowledge transfer strategy
- Improved succession planning
- Boost in productivity and employee loyalty
- Happy alumni more willing to take on project work and less likely to build a portfolio business with your competitors as their clients.

Where is the pig in the python in your organization, do you have your fingers on the thermostat?

About Career Curve

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