

34TH ANNUAL ISCEBS
Employee Benefits

Symposium

Is 75 the New 65?

Michelle Oram, CEBS, ISCEBS Fellow

Director, Product Development

Manulife

Waterloo, Ontario

PARTNERS IN EDUCATIONAL EXCELLENCE

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International Society
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Agenda—Is 75 the New 65?

- The implications of an aging workforce
- Retirement age trends
- Reasons for delaying retirement
- The impact for employers
- What employers can do



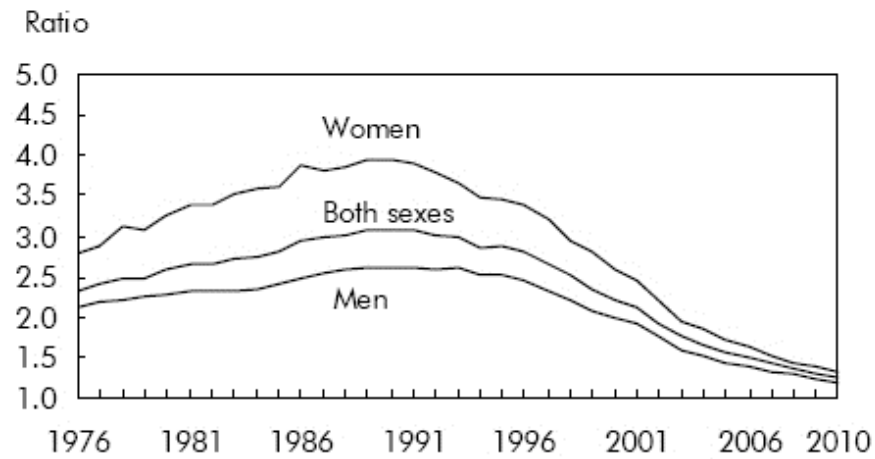
The Implications of an Aging Workforce

- The generation born between 1946 and 1964 have had a large impact on the workplace and society at large through their lives.
- Currently 3 in 10 Canadians¹ and 1 in 4 Americans² is a baby boomer.
- The baby boom was followed by a baby bust:
 - Average number of children per woman during the baby boom was 3.7
 - Fertility rates have held steady over the last few decades at:
 - Canada—approximately 1.6 children per woman.³
 - United States—approximately 1.9 children per woman.⁴

1. Statistics Canada—2011 Census Data
2. U.S. Census Bureau
3. Statistics Canada
4. U.S. Census Bureau

The Implications of an Aging Workforce

- The effects of a large boomer cohort and the smaller cohort that followed are dramatic.

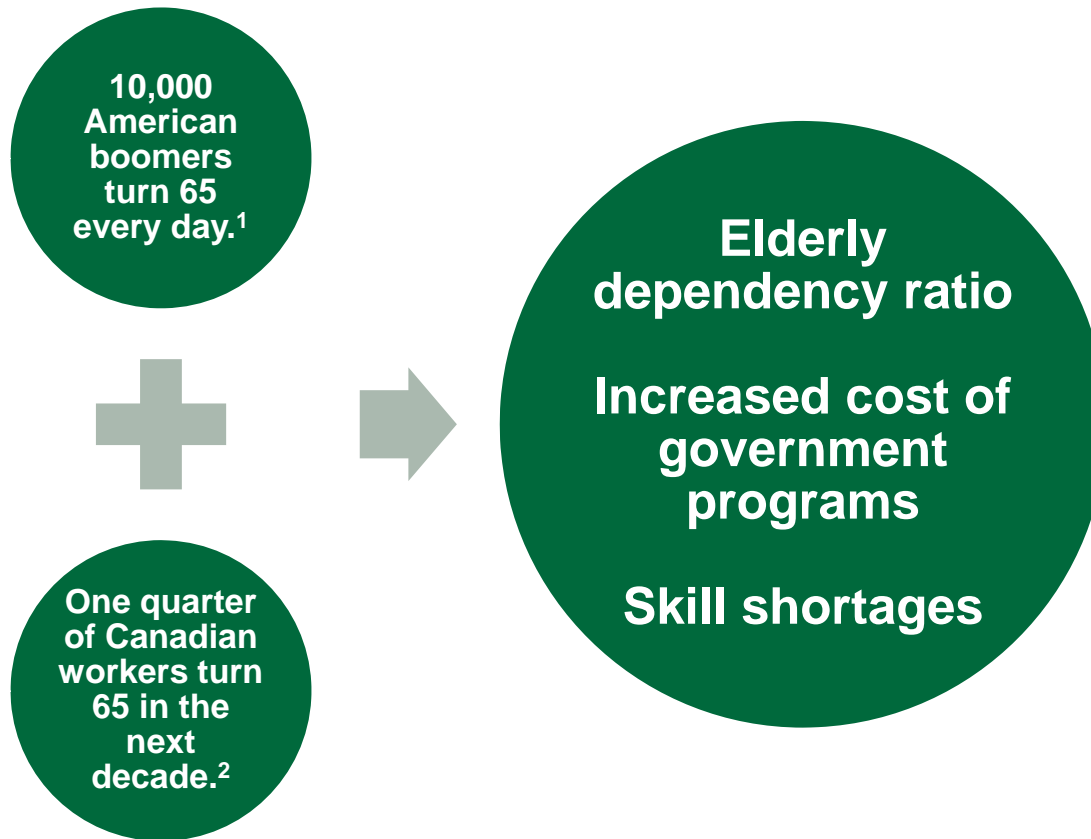


Source: Statistics Canada, Labour Force Survey, 1976 to 2010.

- U.S. ratio fell from 2.2 to 1.0 between 1992-2012.

1. Statistics Canada "Delayed retirement: a new trend?", 2011

The Implications of an Aging Workforce



1. Pew Research Center
2. Statistics Canada

Changing Views of Retirement

Is traditional retirement **realistic?**

16% SAY YES:
You can retire and
LIVE HOW YOU WANT



84% SAY NO:
It's now a
ROMANTIC FANTASY

Source: The Allianz Generations Apart Study of baby boomers and Generation X, January 2015

Baby Boomer Poll

What do you plan to be doing at age 66?

- A. Fully retired
- B. Working part-time—current company
- C. Working part-time—different company
- D. Working full-time



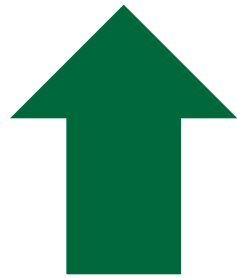
Retirement Age Trends

- Only 27% of Canadian workers expect to be fully retired at age 66.¹
- Less than half of private sector workers eligible to retire in the next 5 years are expected to retire.²
- 12% of Canadian seniors were working in 2012.³
- 33% of workers expect to retire at 65 in 2014.⁴
- 47% of today's retirees have worked or plan to work in retirement.⁵
- 18.5% of American seniors were working in 2012.⁶

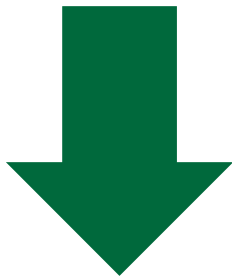
1. Sun Life Canadian Unretirement Index, 2015
2. Conference Board of Canada, 2014
3. Statistics Canada

4. Employee Benefits Research Institute, 2011
5. Merrill Lynch Retirement Survey, 2014
6. Bureau of Labor

Primary Reason for Working in Retirement

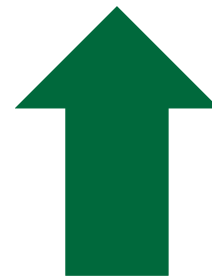


41%
Want To
Work

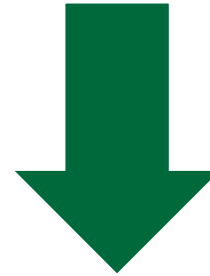


59%
Need To
Work

Sun Life Canadian Unretirement Index, 2015



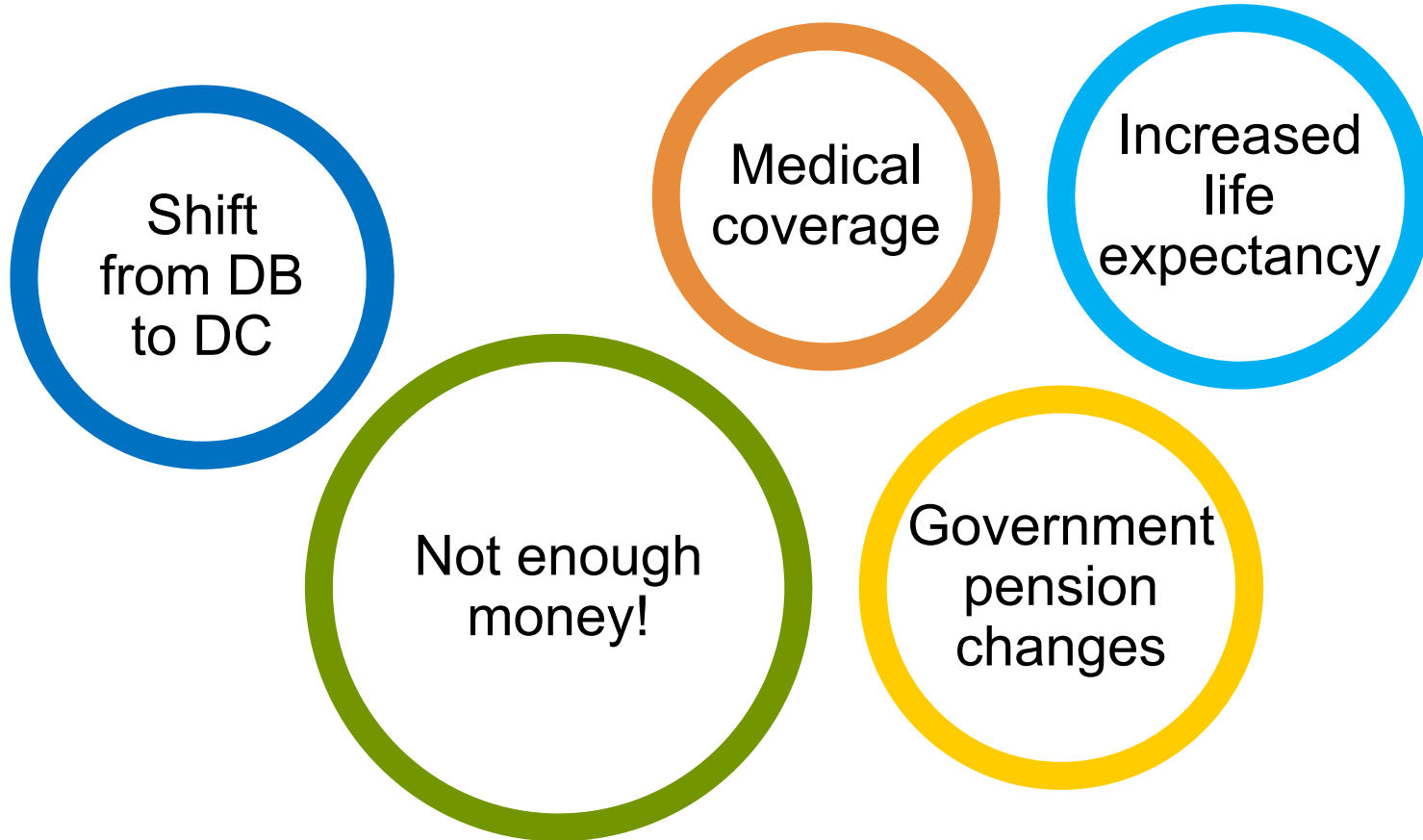
72%
Non- financial



28%
Financial

Merrill Lynch Retirement Survey, 2014

Reasons for Delaying Retirement—Financial



Reasons for Delaying Retirement—Non-financial

Fear of
change

Increased life
expectancy

Social
connections

Enjoy
working

Stay
mentally and
physically
active

The Impact for Employers: Potential Challenges

- Fewer jobs and growth opportunities for younger workers
- Challenges as younger supervisors manage older workers
- Intergenerational conflicts
- Retention and transition of knowledge

The Impact for Employers: The Value of Older Workers

- Depth of knowledge and experience
- Strong work ethic
- Less likely to leave for greener pastures
- Older customers may prefer older workers
- Strong interpersonal and communication skills
- Loss of speed offset by better judgment



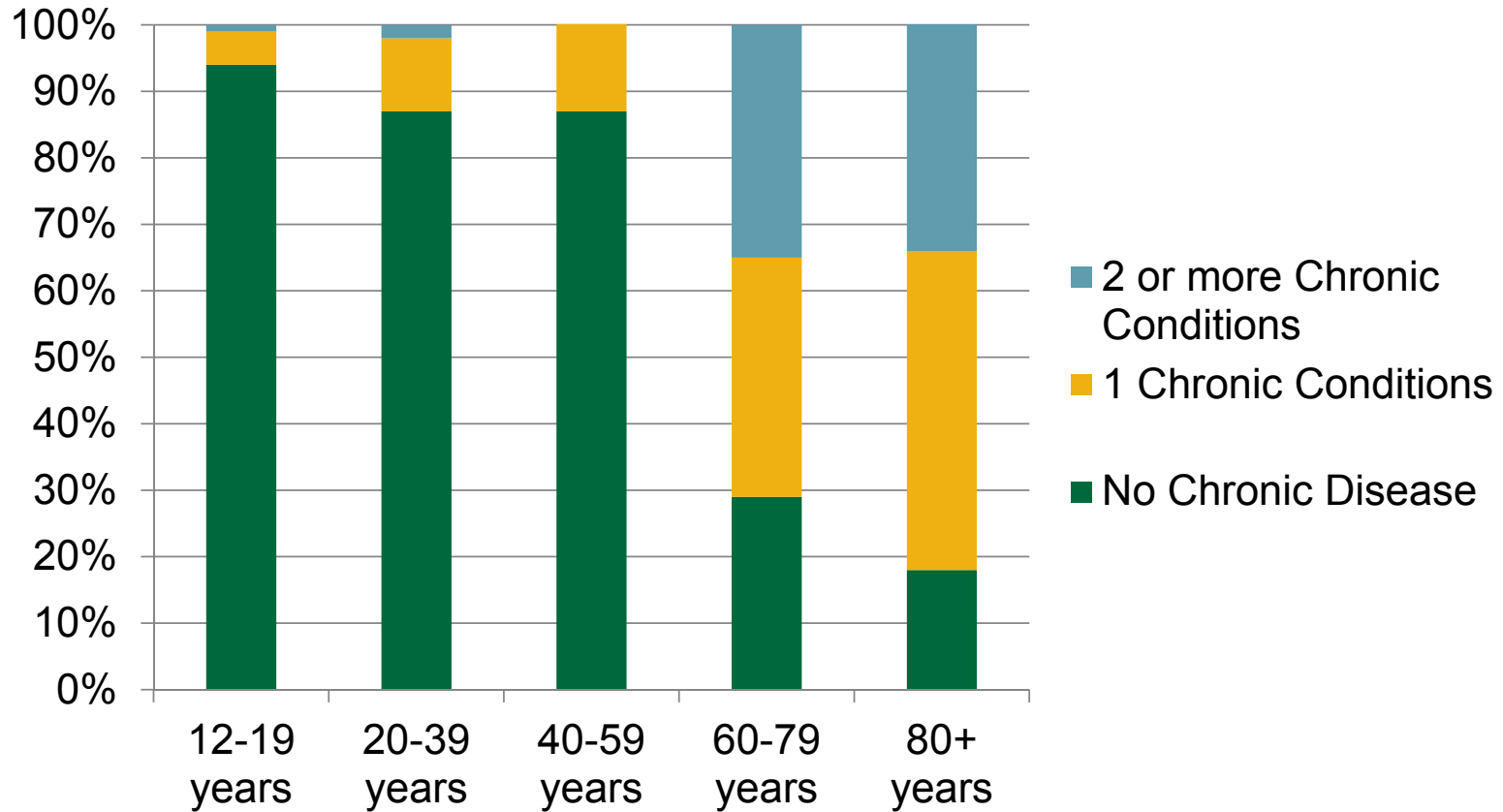
The Impact for Employers

- Workers compensation trends:
 - Risk of falls
 - Higher severity of injuries
 - 50% higher medical costs
 - 25% longer recovery time
 - Workplace fatality rate 3x higher
 - Treatment more complex due to other medical problems
 - Additional complications



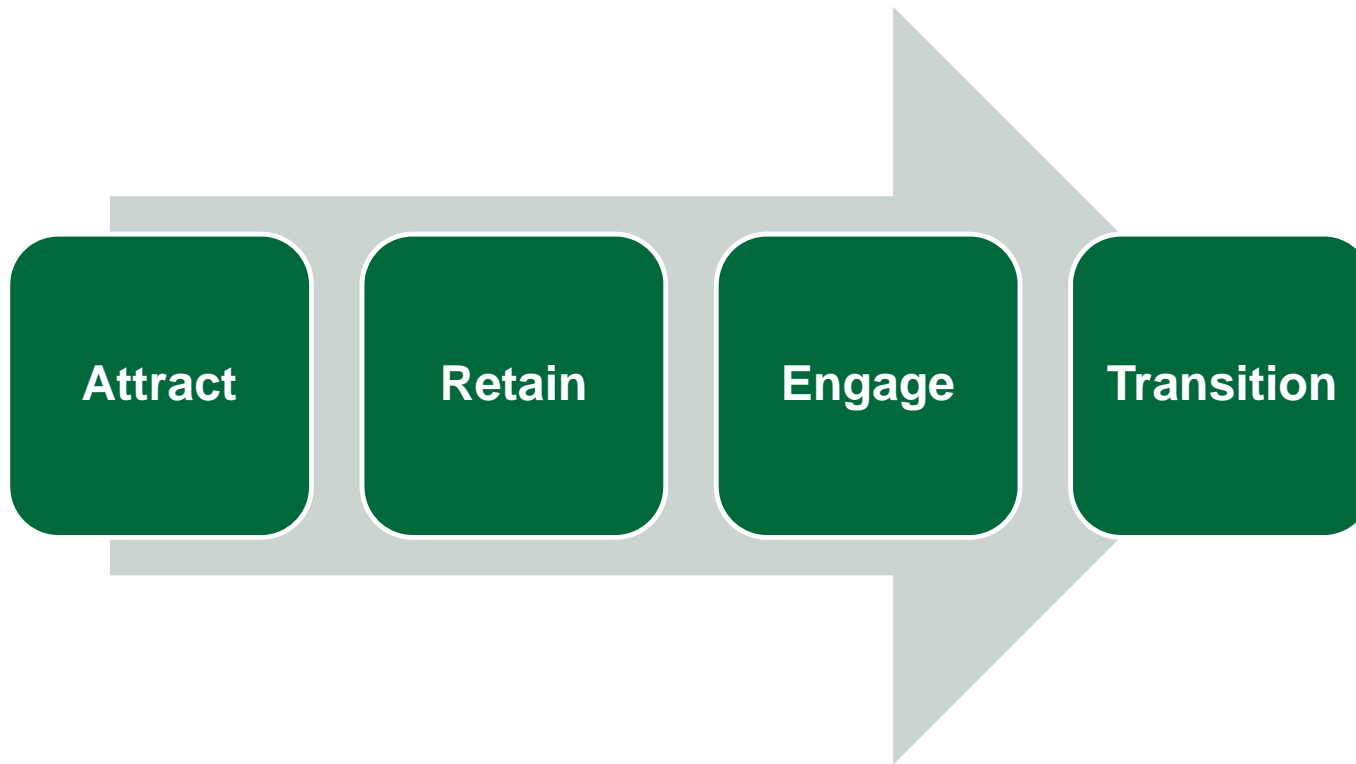
Source: Case Management Society of America

The Impact for Employers



Source: MaRS Discovery District Business of aging: wellness solutions for our aging workforce April 2012

The Impact for Employers: Rethinking the Talent Strategy



Keep younger workers engaged.

What Employers Can Do

Flexibility

- Allow the older employees to take their skill set and use it in other parts of the business
- Part time employment and phased retirement
- Flexible work options
 - Compressed work week
 - Telecommuting
 - Job sharing
 - Contract work
 - Leave of absence
 - Additional vacation time



What Employers Can Do

Improve communication and culture

- Equip managers with the information they need to:
 - Understand issues around aging
 - Effectively lead older workers
 - Improve communication
- Working life of older employees should be flexible



What Employers Can Do

Training

- For the older worker:
 - Helps employees keep skills current
 - Improves productivity
 - Supports retention
- For all employees:
 - Working in a multigenerational workforce



What Employers Can Do

Mentorship

- Encourages retention
- Reduces turnover costs
- Improves productivity
- Creates professional development opportunities for both the older and younger employee
- Supports succession planning



What Employers Can Do

Maintain and enhance benefits

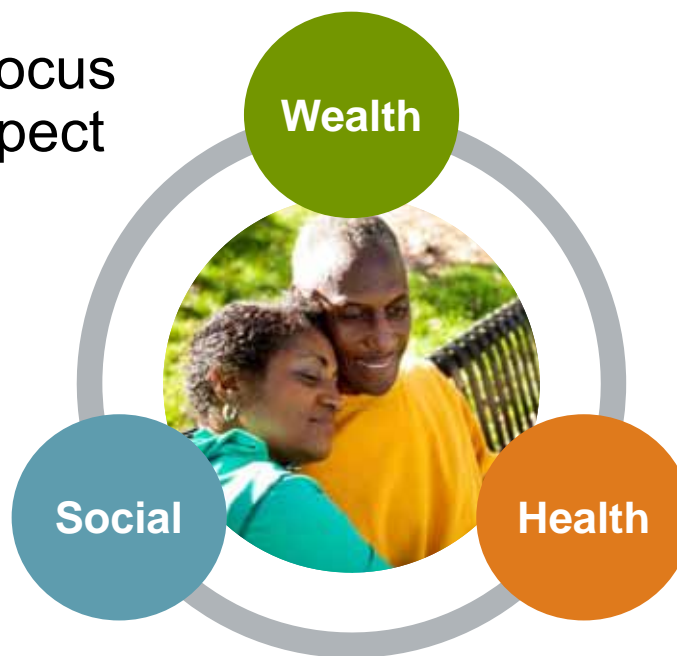
- Health care coverage for part-time workers
- Coverage for workers over 65
- Group protection products:
 - Critical illness
 - Long-term care
- Wellness programs
- EAP services
- On-site clinics



What Employers Can Do

Programs to help employees prepare for retirement

- Retirement savings programs
- Financial advice
- Education and services that focus on more than the financial aspect of retirement



Key Takeaways

- Retirement is changing
- It's about more than a pay cheque
- Facilitate the transition of knowledge
- Prepare employees for all aspects of retirement

What to Focus on

- Each workplace is going to need to be:
 - Flexible
 - Proactive
 - Knowledgeable about their employees



Some Closing Thoughts

64 Laura Ingalls Wilder published her first book

65 Winston Churchill became prime minister

70 Benjamin Franklin signed the Declaration of Independence

82 Christopher Plummer won an Oscar

Thank You

