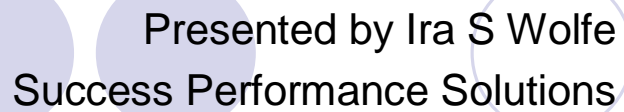


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Impact of Aging Baby Boomers on the PA Workforce

House Aging & Older Adult Services Committee

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Presented by Ira S Wolfe
Success Performance Solutions

January 30, 2008

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Perfect Labor Storm

*Convergence of trends and events
that is reshaping the way
employers will do business.*

*Ira S Wolfe
Author, Perfect Labor Storm 2.0*

What are the trends?

- *Globalization*
- *Technology*
- *Aging Demographics*

Globalization

If Dorothy (Wizard of Oz) lived in PA today, she'd be telling Toto:

"We're not in PA anymore!"

Technology Requires Skills

- *Over 60% of all manufacturing jobs in 1950 required unskilled labor.*
- *Today, less than 15% of all manufacturing positions are unskilled.*
- *Even as recently as 1973, blue-collar workers represented over 60% of the workforce.*
- *Shortly, just 10% of the workforce will be blue-collar.*

Technology Requires Skills

- *As recently as 1991, fewer than 50 percent of U.S. jobs required skilled workers.*
- *By 2015, 76 percent of American jobs will demand highly skilled employees.*

Aging Demographics

- Starting in 2012, nearly 10,000 Americans will turn 65 every day. That's 330 every hour!
- The number of workers age 55 and over is growing four times faster than the workforce as a whole.
- Baby boomers, who in 2006 ranged in age from 42 to 60, currently represent one-half of the U.S. workforce.
- The number of workers age 55 and over is growing four times faster than the workforce as a whole.

Total PA Population

	Census 2000	Census 2030
Population	12,281,045	12,768,184
Ranking by size	6	6
Ranking by growth (state to state)	NA	45th

Source: U.S. Census Bureau, Projections of the Population, by Age and Sex, of States

Median Age by State

1	Maine	41.1
2	Vermont	40.4
3	West Virginia	40.2
4	Florida	39.6
5	Pennsylvania	39.5

Source: U.S. Census Bureau, Projections of the Population, by Age and Sex, of States

Age Dependency Ratio (Under 18 & Over 65/Age 18-64)

1	Florida	66.3
2	Arizona	65.6
3	Utah	63.7
4	South Dakota	62.6
5	Arkansas	62.2
6	Mississippi	62.1
7	Indiana	61.5
8	Pennsylvania	61.3
	United States	58.9

Source: U.S. Census Bureau, Projections of the Population, by Age and Sex, of States

Old Age Dependency Ratio (Over 65/Age 18-64)

1	Florida	27.6
2	West Virginia	23.7
3	Pennsylvania	23.6
	United States	19.7

Source: U.S. Census Bureau, Projections of the Population, by Age and Sex, of States

Resident Population in PA

Ages	July 1, 1995	July 1, 2005	July 1, 2025	Change 1995-2025
0-4	784,000	730,000	750,000	-0.4%
5-17	2,125,000	2,115,000	2,034,000	-0.40%
18-24	1,070,000	1,116,000	1,045,000	-0.28%
25-64	6,177,000	6,453,000	6,195,000	0.00%
65 and up	1,916,000	1,867,000	2,659,000	12.00%

Source: U.S. Census Bureau, Projections of the Population, by Age and Sex, of States

Resident Population 60 and over

Ages	Census 2000	Census 2005	Census 2025	Change 1995-2025
60 and over	2,430,821	2,483,154	3,515,455	44.60%
60 and over	19.80%	20.00%	27.50%	
60 and over	3 rd oldest state	3 rd oldest state	11 th oldest state	

Source: U.S. Census Bureau, Projections of the Population, by Age and Sex, of States

Resident Population 65 and over

Ages	Census 2000	Census 2005	Census 2025	Change 1995-2025
65 and over	1,919,165	1,896,510	2,688,781	40.1%
65 and over	15.6%	15.3%	21.0%	
65 and over	2 nd oldest state	2 nd oldest state	15 th oldest state	

Source: U.S. Census Bureau, Projections of the Population, by Age and Sex, of States



PA Dilemma: Growth with an Aging Population

- Traditional PA jobs (blue-collar) being out-sourced or eliminated
- State economy moving from agrarian-industrial to service-technology
- Many of the jobs require experience and wisdom of older workers but physical wherewithal of youth (roofers, nurses)



PA Dilemma: *Replacement Workers Lack Knowledge Skills*

- 8 percent of PA schools are “dropout factories” – lower than 60 percent graduation rate
- High percentage of High School grads and GEDs in the workforce

Gray Ceiling

- Retaining aging workers longer blocks up and coming Gen X and Gen Y resulting in high turnover and mobility
- Generational clashes raging in the workplace – for the first time in history, four generations working together

Aging Workers Cost More

- Active adults (adults over 60) account for 60% of all healthcare spending.
- Active adults purchase 70% of all prescriptions.
- Active adults purchase 51% of all over-the-counter drugs.

What Must Happen?

- We need to train business owners and managers how to compete on a global basis.
- We need to train business owners and managers how to manage and retain Boomers, Gen X and Gen Y.
- We need to educate our youth and re-educate our adults.
- We must create incentives to retain and hire older workers while we recruit and develop young workers.

Contact Information

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