



**Legislative Commission on Aging**

*A nonpartisan research and public policy office of the Connecticut General Assembly*

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**Testimony of  
Julia Evans Starr, Executive Director  
Commission on Aging**

**before the Program Review and Investigations Committee  
October 3, 2013**

Good morning Senator Kissel, Representative Mushinsky and esteemed members of the Legislative Program Review and Investigations Committee. My name is Julia Evans Starr and I'm the Executive Director of the Legislative Commission on Aging. On behalf of the Commission, I thank you for this opportunity to comment LPRIC's study on *Reemployment of Older Workers*.

As you know, the Legislative Commission on Aging is the non-partisan, public policy office of the Connecticut General Assembly devoted to preparing our state for a significantly changed demographic and enhancing the lives of the present and future generations of older adults. For twenty years, the Commission has served as an effective leader in statewide efforts to promote choice, wellbeing and economic security for Connecticut's older adults and persons with disabilities.

We, at the Commission on Aging, would like to take this opportunity to share that we hold the work of this committee and its staff in high regard. We regularly refer to a range of studies performed by this Committee. Not unlike the Program Review staff, the Commission on Aging is devoted to assisting policymakers in finding solutions - based on research - to enhance the quality of life of its residents while creating greater efficiencies in state government. (We also make good neighbors to each other as we're both located on the 5<sup>th</sup> floor of the state capitol.)

Thank you for selecting to investigate unemployment and re-employment of older workers. We hope we were helpful to the staff when we met with them on two occasions on this topic and are grateful for that opportunity and this one as well.

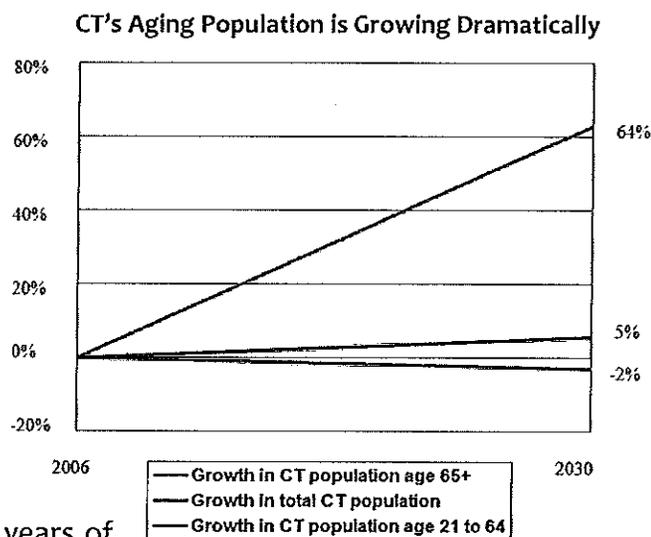
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We, at the CoA, have approached these issues from several different angles over the years. Most notably, the CoA has: 1) provided leadership, established key partnerships and connections and generated a dynamic strategic plan to develop the **direct care workforce** (formal LTSS workers and caregivers). *Many of our recommendations featured in the strategic plan, have been approved by the CT General Assembly and Governor Malloy and implemented; and 2) conducted research and promoted the concept with recommendations of “Redefining Retirement”*. In other words, people may choose to work after the typical retirement age out of desire and/or necessity. It’s clear, we – as a state and nation - need to promote new models of work that can best reflect the times we live in.

The criticality of addressing these workforce issues is driven by demographics, economic security and quality of life.

**DEMOGRAPHICS:** The population in CT, across the country and around the globe is aging dramatically.

- CT is the 6<sup>th</sup> oldest state in the nation (one of only 7 states with a median age above 40 years).
- CT is home to 1 million baby boomers (people born between 1946-1964), representing close to a third of our population.
- People are experiencing unprecedented longevity. We are living longer and having less children.
- Between 2006 and 2030 our 65+ population will increase by 64% while our population age 21 to 64 years of age actually decreases. *The CoA graphic on the right, we fondly refer to as our “alligator chart”, depicts a snapshot in time.*
- Baby boomers are an introduction of what will be a permanent state representing a remarkable shift.
- This is not just an issue for older adults. It will impact all of society.



**ECONOMIC SECURITY:**

- Older Workers are most heavily affected by long-term unemployment. The rate for those in Connecticut aged 55+ was at 61.5% in 2012, the highest of all 50 states. (Among Connecticut’s unemployed youth, one-third (33.6%) have been out of work for more than 26 weeks, above the national rate of 27.7%.) source: CT Voices for Children

- “Older workers’ earning losses six years after job displacement due to mass layoff remain 26% below those who do not experience a layoff”. Source: CT Department of Labor
- “Older workers and those who have to change industrial sectors to find new employment experience larger earnings losses, and this is consistent with the basic theory that workers develop skills that are useful to specific employers or industries and that the value of those skills grows over time”. Source: Department of Labor
- “Thus, when older workers lose long held jobs, they have larger losses of earnings and, when forced to change industries to find new employment, the losses are even worse”.
- Long-term unemployment therefore significantly affects the older workers current and future economic security.

The Commission on Aging with its partners, Wider Opportunities for Women and the Permanent Commission on the Status of Women started work in 2009 on the Elder Economic Security Initiative. As part of the initiative, we published the Connecticut’s Elder Economic Security Index and Policy Brief. According to the Elder Economic Security data, a **significant number of Connecticut’s older residents, including more than 45% of older women, rely almost exclusively on Social Security** for their retirement income. Unfortunately, Social Security pays an average of \$12,600 annually, far short of what is required to meet basic needs. *In fact, the Elder Economic Security Index, demonstrates that those single older adults living on Social Security face an annual gap of about \$7,000 to \$40,000 between income and expenses.*

A policy recommendation of the Elder Economic Security Initiative’s Policy Brief is to support initiatives that **raise income potential for older workers** by encouraging employers, both public and private, to “redefine retirement.” This means providing more flexibility in work options, including pro-rated benefits for part-time workers, telecommuting, and a shorter workweek.

When people hit age 65 “retirement” to many is engraved in stone. Now consider, in 1935 when social security was enacted, that the average life expectancy was age 62 or 3 years less than retirement age. Today, you can expect to live 15 years beyond that retirement age.

So, “redefining retirement” has been an initiative for the Commission and an area of study since 2006. We prepared a series of research reports about how retirement has been and will continue to be redefined, particularly as the Baby Boomers’ age and beyond. Our work and national studies show that retirement is no longer only about golf and relaxation; most retirees want to stay engaged in their communities, and many want or need to continue to work, albeit with a great deal more flexibility.

Focus groups that the Commission conducted in partnership with the state Department of Labor and the Connecticut Employment and Training Commission examined the changing

demographic of the state's public and private workforce. The research showed that older adults are looking for shorter work weeks, durational projects or other flexible options, instead of rigid daily work schedules, five days a week, fifty weeks a year.

Certainly, the employment of older workers is critical on many different levels: 1) to maintain an adequate workforce (remember that alligator chart); 2) to ensure economic security of older adults and in doing so, the less likely they will need various state and federal programs to aid them in their security; 3) to sustain institutional knowledge and expertise that is difficult to replace; and finally 4) to improve the quality of life of our workforce. Note: private companies who have offered flexible schedules for their workers (regardless of age) have seen lower turnover, less use of sick leave, increased employee productivity and improved morale—and significant cost savings.

The Legislative Commission on Aging looks forward to working with this committee in helping to inform and work together on policy initiatives that can help to retain and support the older worker.