

Legislative Program Review and Investigation Committee

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SCOPE OF STUDY

Reemployment of Older Workers

Focus

This study will examine challenges facing older unemployed workers (ages 50 and older), including the competing demands to have an income while completing needed job-related training. The programs and strategies available to assist with reentry into the workforce will also be assessed. Besides identifying how older workers with transferrable skills may be aligned with current job shortage areas, the availability of relevant educational and training programs at community colleges and other resources will be explored.

Additionally, the study will evaluate the state's technical high schools as a resource for reemployment of older workers.

Background

Keeping workers employed at older ages can benefit the individuals as well as the state as a whole – allowing workers to cover living expenses and avoid debt accumulation, loss of homes and retirement savings; helping employers deal with labor shortages; and contributing to the state's economic growth while also reducing social service costs.¹

Since the beginning of the recession in late 2007, the number of older workers experiencing long-term unemployment has increased significantly. More than half (53 percent) of unemployed workers ages 50 and older nationally have been out of work for longer than six months—a higher percentage than any other age group.² This raises concerns about reemployment prospects and financial security.

Despite Connecticut's somewhat higher overall unemployment rate (8.0 percent versus a national rate of 7.6 percent³), some of the state's employers are unable to find qualified candidates for current job openings. Future workforce projections predict an even greater shortage of qualified workers as a result of Connecticut's aging workforce. These demographic trends have implications for employers and the state as a whole remaining economically competitive.

In an effort to address workforce concerns, the Appropriations Committee recently held two Results-Based Accountability Job Summits (January 2012 and April 2013) to review the progress of 23 programs related to job creation and employment training in Connecticut. Although none of the programs focused specifically on this older age group, the summits emphasized the need for workers to upgrade their skills in order to succeed in a fast changing, technology-driven setting.

¹ U.S. Government Accountability Office, *Older Workers: Some Best Practices and Strategies for Engaging and Retaining Older Workers*, GAO-07-433T (Washington, D.C.: Feb. 28, 2007).

² Evangelist, Mike and Anastasia Christman, "Scarring Effects: Demographics of the Long-Term Unemployed and the Danger of Ignoring the Jobs Deficit," *National Employment Law Project*, April, 2013.

³ State of Connecticut Department of Labor, "Labor Force Data for the State of Connecticut & United States (LAUS)," March 2013.

Areas of Analysis

- 1) Describe older workers (ages 50 and older) in Connecticut who became unemployed within the past three to five years (target population) including:
 - occupations and employment sector areas
 - skill sets
 - demographics
 - impact of job loss on target population
- 2) Identify workforce shortage areas in Connecticut and alignment with the target population, addressing:
 - job vacancies by occupation and sector
 - shortage areas and/or entrepreneurial opportunities that align with the target population's existing skills
 - shortage areas that could be met by the target population following acquisition of new, or enhancement of, existing skills
- 3) Review barriers to reemployment related to:
 - skill-set deficits of the target population
 - competing demands of need for income vs. the time and cost required for additional training
 - perceptual challenges faced by the target population, such as retirement expectations, higher salary expectations, and more costly health care benefits
- 4) Assess programs and systems to promote reemployment of older workers including:
 - mechanisms to match unemployed older workers with the current and projected workforce needs of the state's employers
 - degree of coordination, collaboration and communication between the various entities trying to support reemployment for older adults (e.g., DOL, OWC, CETC, Governor's Jobs Cabinet, Regional Workforce Development Boards, DECD, community colleges)
 - determine efficiencies and cost-saving measures that could be taken to better align the retraining of older workers and employment
 - program participation rates for the target population and subsequent outcomes
- 5) Evaluate the role of the state's community colleges in assisting this target population including:
 - gaps in the workforce development system
 - cost-effective programs or efforts
- 6) Review potential use of state's technical high schools as a resource for this target population including:
 - after-hours for retraining older workers
 - opportunities to collaborate with other entities involved in reemployment of older workers
- 7) Identify best practices/models used successfully in other states for reemployment of older workers

Areas Not Under Review

The study will not examine efforts to address the chronically unemployed (who have little/no work history).

PRI STAFF ON STUDY

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