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## ASK ANNIE

### Are You Ready for When Baby Boomers Retire?

*Companies can't afford to lose the expertise that 76 million retiring baby boomers will take with them, says one expert. Here's what to do about it. Plus: how younger employees can take advantage of the opportunities.*

By Anne Fisher



As baby boomers retire, there will be a mass exodus of millions of experienced workers over the coming decade—and many U.S. companies are unprepared for it, says David DeLong, head of the workforce unit

at the Age Lab, a think tank at MIT that studies the effects of demographic change. To explore the problem, and offer some solutions, he wrote an intriguing book, *Lost Knowledge: Confronting the Threat of an Aging Workforce* (\$24.95, Oxford University Press). Some excerpts from our recent conversation:

**Q. Companies have always lost some knowledge when people retired, so why is that a bigger threat today?**

A. It's partly the sheer numbers of people who will be leaving the full-time workforce. But in addition, the past 25 years have brought amazing advances in technology, and almost every job has gotten much more specialized and complex. So people who are leaving jobs today—and it's only just starting; the first boomers turn 60 this year—are taking with them new types of knowledge that didn't exist a generation ago.

**Q. I've heard some managers say, "Well, so many boomers can't afford to retire anyway, even if they are old enough, so we don't need to worry about it." How do you respond to that?**

A. It is true that people are working longer now, and that's going to continue, for a number of reasons, including financial factors. The important thing to realize is, many people will not stay in the same job or stick around at the same company. They'll take whatever retirement package they can pull together and then go design a new career somewhere else. So their knowledge and expertise is still lost to the company they're leaving. By the way, the amount

of really critical knowledge that people have varies a lot even within the same company. It's important to figure out who has the know-how that you really can't do without. I've spoken with many organizations, for instance, where the average age of the people in the R&D department is 54. Obviously, those companies are headed for trouble if they don't start doing some serious planning now.

**Q. Let's say I'm a manager whose employer hasn't really got this problem on the radar screen yet. How do I start to plan?**

A. The first thing is to figure out where you're most vulnerable. A study by the Conference Board shows that 66% of U.S. companies don't have an age profile of their workforce. That means they really have no idea how many retirements they might suddenly be facing. Smart companies have started developing attrition profiles, so they know where and when they are most likely to lose people. Along with that, it's important to analyze the real costs of not having specific information on hand when it's needed, and develop ways for older employees to pass their expertise along to younger ones.

**Q. Obviously we're talking about a huge demographic shift in the years ahead, and that has implications for individual employees' careers. What will be the main impact?**

A. Older employees who have accumulated decades of critical knowledge will be more valued, and companies will have to come up with creative strategies to retain them, at least part time. For younger employees, opportunities are going to be tremendous, especially in core areas that are harder to outsource. If you're a Gen Xer who happens to be an R&D person at a pharmaceutical company, for example, you'll see many more chances to get increased responsibility and move up.

**Q. So the next few years could turn out to bring some interesting career opportunities?**

A. Enormous change usually does. The main thing is to spot them in time, and be ready to step up and take advantage of what's happening around you.

No argument there!

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