

# A Growing Number of Older Workers

Where upcoming retirements could come from

Alaska has a sizable share of workers at or close to retirement age, many of whom hold high-level management positions or jobs that require years of education and experience. An increase in retirements could have a number of economic and policy implications, but one growing concern is there might not be enough experienced workers to fill these vacancies.

Though this article can't predict how retirements will affect the workforce and the economy, looking at the current composition of the workforce and jobs with high numbers of older workers can help identify occupations most likely to be affected by an increase in retirements.

## A growing share of workers

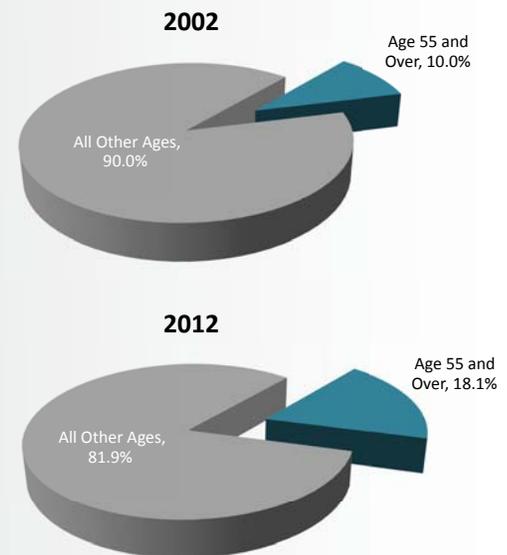
In 2012, 18 percent of Alaska's resident workforce was 55 and older — that's more than 60,000 workers. Ten years ago, 30,648 workers were in this age group, or 10 percent. (See Exhibit 1.)

In addition to the increase in both the number and percentage of older workers, this age group earns a much larger percentage of total wages than they did a decade ago. In 2012, 22 percent of all resident wages, or nearly \$3 billion, went to workers 55 and older. In 2002, it was just 12 percent.

Breaking out workers by age reveals a distribution with two distinct peaks: one for workers in their early-to-mid-50s and another for workers in their early-to-mid-20s. The older peak includes the wave of baby boomers entering their retirement years, and the younger peak encompasses their children's generation. (See Exhibit 2.)

There appears to be a trough between those two peaks, which on its surface could imply a labor shortage but doesn't take into account a number of factors that could change this scenario in the future,

## 1 A Growing Share Over 55 Alaska workers, 2002 vs. 2012



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

including restructuring of organizations and people moving in and out of the state. Future in- and out-migration and how that could affect Alaska's age structure are uncertain.

## Many in state, local government

In Alaska's workforce overall, 71 percent are privately employed, or about 42,000 workers. State and local government combined employ 29 percent, or more than 17,500.<sup>1</sup> (See Exhibit 3.)

Because the private sector is so large, it's not sur-

<sup>1</sup>This figure and the data in this article do not include federal workers, military, or the self-employed, including most fishermen. It also includes only residents.

prising that it employs the highest number of older workers; however, in terms of a percentage, a much larger share of older workers are in state and local government. Just 16 percent of private sector workers are 55 or older, while those percentages are 25.2 and 23.2 respectively for state and local government.

The private sector has a much lower median age, and as Exhibit 4 shows, the percentage of workers in the private sector decreases with age and the percentage of workers in government increases with age. The private sector's median age is 36, nearly 10 years younger than state and local government at 45 and 44 years old respectively.

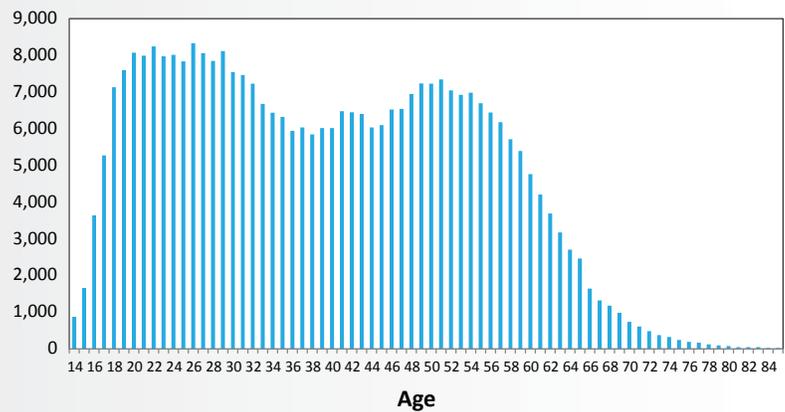
Many young people begin their working lives in the private sector, often working part-time jobs. These workers in their teens and early 20s tend to work mostly in retail or accommodations.

### Which occupations have the most workers age 55 and older

Though the overall workforce shows an increasing share of older workers, they aren't evenly spread among occupations. The jobs with large numbers of older workers as well as high median wages will probably be the hardest to fill after retirements.

In the private sector, these occupations include a combination of highly skilled, highly technical, and top-level management positions. Physicians and surgeons, architectural and engineering managers, and chief executives topped this list. (See Exhibit 5.) What these occupations have in common is their requirement for extensive education and experience.

## 2 Age Structure of Alaska's Workforce 2012



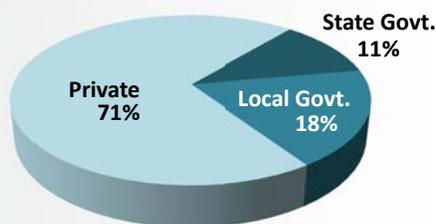
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

State government has a large percentage of older workers, and many of them are retiring now. In fiscal year 2013, the Department of Administration's Retirement and Benefits Division processed a record 2,242 retirements, and it's a trend that's likely to continue with the high percentage of older state workers, many of whom are eligible for full retirement at age 55.

The occupational mix in the public sector looks somewhat different than the private sector. Al-

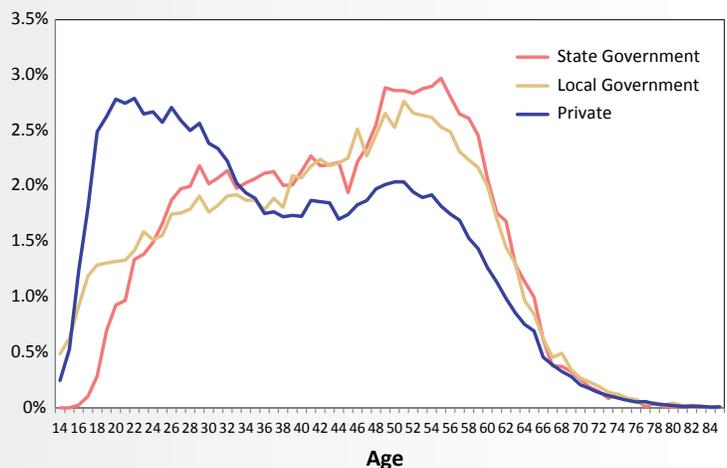
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## 3 Most Workers Are Private All Alaska age groups, 2012



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 4 With Age, Fewer Privately Employed Alaska workers, 2012



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 5 Older Workers in the Private Sector

## And wages, by Alaska occupation, 2012

Occupation	Total resident workers	Workers age 55+	Median annual wages	Percent age 55+
Physicians and Surgeons, All Other	247	76	\$212,619	30.8%
Architectural and Engineering Managers	309	94	\$139,195	30.4%
Chief Executives	1,197	506	\$115,045	42.3%
Designers, All Other	154	47	\$111,767	30.5%
Pharmacists	295	76	\$109,557	25.8%
Occupational Health and Safety Specialists	224	56	\$102,567	25.0%
Construction Managers	930	274	\$96,084	29.5%
Supervisors of Construction and Extraction Workers	816	238	\$93,209	29.2%
Personal Financial Advisors	157	45	\$91,142	28.7%
Dentists, General	162	47	\$88,714	29.0%
Electrical Engineers	230	59	\$86,750	25.7%
Crane and Tower Operators	99	28	\$83,764	28.3%
Labor Relations Specialists	90	25	\$83,018	27.8%
Physician Assistants	366	106	\$79,712	29.0%
Cost Estimators	219	56	\$79,075	25.6%
Human Resources Managers	248	70	\$77,902	28.2%
Purchasing Managers	146	44	\$76,933	30.1%
Financial Managers	933	240	\$76,615	25.7%
First-Line Supervisors of Mechanics, Installers, and Repairers	503	138	\$76,383	27.4%
Nurse Practitioners	197	52	\$75,992	26.4%
Telecommunications Equipment Installers and Repairers, Except Line Installers	780	195	\$75,940	25.0%
First-Line Supervisors of Production and Operating Workers	443	129	\$75,357	29.1%
Construction and Building Inspectors	132	56	\$74,076	42.4%
Commercial Pilots	605	164	\$71,568	27.1%
First-Line Supervisors of Transportation and Material-Moving Machine and Vehicle Operators	177	45	\$70,756	25.4%
Medical and Health Services Managers	820	241	\$70,731	29.4%
Managers, All Other	2,138	603	\$67,445	28.2%
Management Analysts	170	59	\$66,476	34.7%
Purchasing Agents, Except Wholesale, Retail, and Farm Products	320	86	\$62,501	26.9%
General and Operations Managers	3,672	997	\$62,500	27.2%
Registered Nurses	4,023	1,020	\$61,816	25.4%
Tank Car, Truck, and Ship Loaders	225	92	\$61,212	40.9%
Respiratory Therapists	136	42	\$60,301	30.9%
Medical and Clinical Laboratory Technologists	209	56	\$57,229	26.8%
Public Relations and Fundraising Managers	181	48	\$54,977	26.5%
Training and Development Specialists	182	52	\$54,540	28.6%
Wholesale and Retail Buyers, Except Farm Products	73	25	\$50,357	34.2%
Machinists	151	39	\$49,773	25.8%
Atmospheric and Space Scientists	62	33	\$49,425	53.2%
Social and Community Service Managers	292	100	\$46,165	34.2%
Paralegals and Legal Assistants	286	78	\$45,480	27.3%
Legal Secretaries	331	96	\$43,418	29.0%
Instructional Coordinators	112	32	\$43,270	28.6%
Editors	76	25	\$42,669	32.9%
Printing Press Operators	99	27	\$42,363	27.3%
Lodging Managers	214	54	\$41,589	25.2%
Vocational Education Teachers, Postsecondary	74	31	\$41,490	41.9%
Licensed Practical and Licensed Vocational Nurses	413	117	\$41,005	28.3%
Mental Health Counselors	285	74	\$39,552	26.0%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 5 Older Workers in the Private Sector, continued

### And wages, by Alaska occupation, 2012

Occupation	Total resident workers	Workers age 55+	Median annual wages	Percent age 55+
Property, Real Estate, and Community Association Managers	370	106	\$36,570	28.6%
Captains, Mates, and Pilots of Water Vessels	358	109	\$35,982	30.4%
Legal Support Workers, All Other	111	39	\$35,940	35.1%
Community and Social Service Specialists, All Other	646	174	\$35,890	26.9%
Substance Abuse and Behavioral Disorder Counselors	313	93	\$35,644	29.7%
Medical Transcriptionists	109	28	\$30,035	25.7%
Directors, Religious Activities and Education	57	26	\$29,217	45.6%
Adult Basic and Secondary Education and Literacy Teachers and Instructors	154	49	\$27,554	31.8%
Residential Advisors	98	34	\$21,450	34.7%
Laundry and Dry-Cleaning Workers	386	99	\$20,927	25.6%
Interviewers, Except Eligibility and Loan	113	31	\$20,829	27.4%
Bus Drivers, School or Special Client	923	374	\$19,667	40.5%
Postsecondary Teachers, All Other	99	42	\$18,400	42.4%
Motor Vehicle Operators, All Other	157	48	\$16,419	30.6%
Transportation Attendants, Except Flight Attendants	466	132	\$15,870	28.3%
Taxi Drivers and Chauffeurs	256	67	\$15,662	26.2%
Bus Drivers, Transit and Intercity	373	144	\$14,538	38.6%
Tax Preparers	222	69	\$9,481	31.1%
Self-Enrichment Education Teachers	100	40	\$7,677	40.0%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

though the top occupations within state and local government also include a number of technical and specialized positions, management and teaching jobs are more prevalent.

In state government, ship engineers topped the list of high-paying occupations with a large share of older workers, followed by postsecondary education administrators and postsecondary engineering teachers. In local government, elementary and postsecondary education administrators, medical and health services managers, and financial managers ranked high. (See Exhibits 6 and 7.)

### More factors than just retirements

How the labor market will respond to vacancies left by retirees will vary across the public and private sector and industries. Many organizations are already facing an increase in retirements as the first wave of baby boomers reach that age, and how they'll respond depends on their size and structure as well as the complexity of their occupations.

One major factor in determining the effects of vacancies will be the rate at which these workers retire. Not all who are eligible will retire at once; many will continue to work, whether out of neces-

sity or a desire for more years.

When people haven't saved sufficiently for retirement or have otherwise come up short, maintaining their full-time job or re-entering on a part-time basis could be necessary to maintain a certain standard of living. In other cases, workers eligible to retire may stay on the job because they love what they do or want to supplement their retirement incomes.

Some employers, facing a loss of institutional knowledge, will encourage or entice older workers to stay or come back on a contract basis. Another possibility is that employers will be forced to promote much younger workers who wouldn't have been considered fully qualified under other circumstances.

However, filling all the high-paying positions left by retirees with younger workers would assume staffing patterns and structures would remain the same, which is unlikely. Employers facing many vacancies may streamline, for example, by asking whether they really need that many managers. Some may determine they can get by with less, shift responsibilities, and rely on restructuring rather than refilling. The combination of answers to these questions will be specific to each employer.

# 6 State Government's Older Workers

## And wages, by Alaska occupation, 2012

Occupation	Total resident workers	Workers age 55+	Median annual wages	Percent age 55+
Ship Engineers	108	38	\$93,588	35.2%
Education Administrators, Postsecondary	145	62	\$90,533	42.8%
Engineering Teachers, Postsecondary	104	37	\$89,388	35.6%
Computer and Information Systems Managers	121	34	\$83,424	28.1%
Agricultural Sciences Teachers, Postsecondary	49	26	\$83,183	53.1%
General and Operations Managers	148	55	\$80,635	37.2%
Financial Managers	97	25	\$73,578	25.8%
Natural Sciences Managers	163	62	\$67,620	38.0%
Health Specialties Teachers, Postsecondary	47	27	\$67,587	57.4%
Registered Nurses	329	126	\$65,314	38.3%
Administrative Law Judges, Adjudicators, and Hearing Officers	64	30	\$61,386	46.9%
Administrative Services Managers	392	115	\$60,686	29.3%
Psychiatric Technicians	83	31	\$59,501	37.3%
Vocational Education Teachers, Postsecondary	110	50	\$59,014	45.5%
Urban and Regional Planners	80	29	\$58,878	36.3%
Medical and Health Services Managers	133	55	\$58,682	41.4%
Legal Support Workers, All Other	115	38	\$58,237	33.0%
Education Teachers, Postsecondary	97	43	\$56,535	44.3%
Sailors and Marine Oilers	191	63	\$55,803	33.0%
Managers, All Other	148	38	\$55,574	25.7%
Instructional Coordinators	123	39	\$54,337	31.7%
Detectives and Criminal Investigators	140	44	\$53,726	31.4%
English Language and Literature Teachers, Postsecondary	96	38	\$53,662	39.6%
Art, Drama, and Music Teachers, Postsecondary	66	30	\$52,904	45.5%
First-Line Supervisors of Office and Administrative Support Workers	224	59	\$51,676	26.3%
Mathematical Science Teachers, Postsecondary	121	47	\$50,832	38.8%
Compliance Officers	205	64	\$47,991	31.2%
Business Operations Specialists, All Other	436	123	\$47,952	28.2%
Maintenance and Repair Workers, General	542	188	\$46,848	34.7%
Procurement Clerks	147	43	\$41,172	29.3%
Eligibility Interviewers, Government Programs	595	162	\$38,599	27.2%
Community and Social Service Specialists, All Other	156	39	\$37,531	25.0%
Food Preparation Workers	162	49	\$33,131	30.2%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	401	108	\$33,008	26.9%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	187	76	\$31,451	40.6%
Education, Training, and Library Workers, All Other	83	29	\$25,276	34.9%
Business Teachers, Postsecondary	244	102	\$21,560	41.8%
Computer Science Teachers, Postsecondary	84	48	\$16,130	57.1%
Postsecondary Teachers, All Other	464	220	\$13,735	47.4%
Political Science Teachers, Postsecondary	74	34	\$12,915	45.9%
Office and Administrative Support Workers, All Other	880	238	\$7,567	27.0%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 7 Local Government's Older Workers

## And wages, by Alaska occupation, 2012

Occupation	Total resident workers	Workers age 55+	Median annual wages	Percent age 55+
Education Administrators, Elementary and Secondary School	562	164	\$88,789	29.2%
Medical and Health Services Managers	92	38	\$81,528	41.3%
Financial Managers	131	50	\$74,613	38.2%
Education Administrators, All Other	94	35	\$74,062	37.2%
Managers, All Other	360	124	\$70,601	34.4%
Construction Managers	91	35	\$64,816	38.5%
General and Operations Managers	403	157	\$63,963	39.0%
Appraisers and Assessors of Real Estate	89	38	\$62,951	42.7%
Career/Technical Education Teachers, Secondary School	136	42	\$62,655	30.9%
Urban and Regional Planners	86	30	\$62,459	34.9%
Speech-Language Pathologists	169	50	\$61,472	29.6%
Chief Executives	191	92	\$61,424	48.2%
First-Line Supervisors of Mechanics, Installers, and Repairers	83	26	\$61,073	31.3%
Business Operations Specialists, All Other	234	84	\$60,085	35.9%
Teachers and Instructors, all other Multi-level except post-secondary	156	51	\$59,935	32.7%
Special Education Teachers, Secondary School	224	61	\$57,663	27.2%
Bus and Truck Mechanics and Diesel Engine Specialists	102	27	\$57,329	26.5%
Instructional Coordinators	191	48	\$56,987	25.1%
Special Education Teachers, Kindergarten and Elementary School	378	103	\$56,119	27.2%
Teachers and Instructors, All Other	1,424	385	\$54,424	27.0%
Operating Engineers and Other Construction Equipment Operators	293	76	\$54,290	25.9%
Registered Nurses	469	185	\$54,214	39.4%
Librarians	247	92	\$52,960	37.2%
Bus Drivers, Transit and Intercity	199	81	\$49,804	40.7%
Installation, Maintenance, and Repair Workers, All Other	127	41	\$47,001	32.3%
Executive Secretaries and Executive Administrative Assistants	663	207	\$36,905	31.2%
Administrative Services Managers	160	43	\$31,325	26.9%
Information and Record Clerks, All Other	142	47	\$29,357	33.1%
Bus Drivers, School or Special Client	184	71	\$23,881	38.6%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	1,957	551	\$22,447	28.2%
Social and Human Service Assistants	106	27	\$22,116	25.5%
Special Education Teacher Assistants	1,567	428	\$21,935	27.3%
Library Assistants, Clerical	344	118	\$20,904	34.3%
Library Technicians	105	43	\$20,897	41.0%
Cooks, Institution and Cafeteria	243	63	\$19,056	25.9%
First-Line Supervisors of Food Preparation and Serving Workers	149	46	\$18,174	30.9%
Combined Food Preparation and Serving Workers, Including Fast Food	126	38	\$13,729	30.2%
Cooks, All Other	214	56	\$13,290	26.2%
Substitutes, Teachers and Instructors, Multi-level except postsecondary	1,897	767	\$4,950	40.4%
Legislators	158	84	\$1,475	53.2%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section