Beyond generations

Surprising insight into our workforce

BY **ERIK LUCKEN** | JULY 2020

I track our national obsession with the millennial workforce as beginning in the early 2010s. The topic of generations at work had been garnering attention for a number of years but tended to focus more broadly on the challenges and opportunities of four generations working together. The spark that I believe shifted our gaze so myopically to millennials was a factoid that began to pop up in articles, blog posts, and presentations around that time: "By 2025, 75 percent of the U.S. workforce will be millennials." Sometimes the date shifted to 2030, but the general thrust of the idea was consistent: in a very short time, a single generation would dominate the workforce and we had all better be ready.

It was a startling statistic and one that got a lot of people's attention, particularly from those of us with a role in providing office buildings and workplace environments. Both exist largely for a single purpose – to support the people who work within them – so understanding the workstyles and space preferences of this future super majority of workers became a prime directive on design projects across the country.

It was never true

The big plot twist in this story is that the 75-percent factoid was never even in the ballpark of reality. The Bureau of Labor Statistics projects that the U.S. workforce in 2026 will be 169.7 million people strong.[1] Were millennial workers to be 75 percent of that number there would have to be

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1 Bureau of Labor Statistics, 2017 [https://www.bls.gov/news.release/pdf/ecopro.pdf]

127 million of them. Right now, just half a decade from their supposed workforce take-over, the total number of millennials in the U.S. is only 73 million.[2]
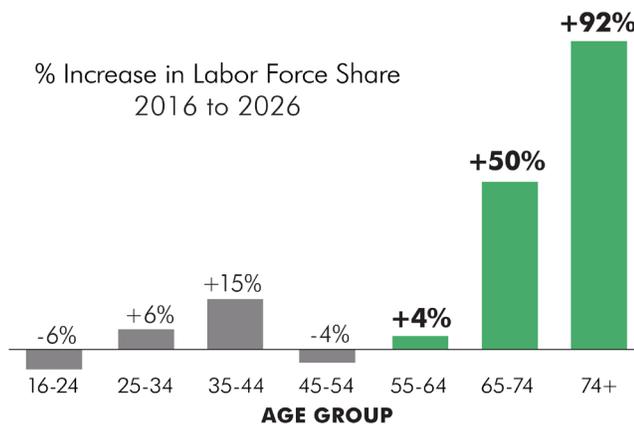
There hasn't been a millennial born in the U.S. since 1996, and while immigration continues to add to the generation's population share, that increase is slight. Keeping in mind that labor force participation is falling in the United States, far from reaching 75 percent, it is very unlikely millennials will ever represent even 50 percent of the U.S. workforce. *The Wall Street Journal* pointed this out as early as 2014[3], but millennial fever had already taken hold; it continues to this day.

WORKFORCE TRANSFORMATION

% Increase in Labor Force Share 2016 to 2026

Workers over 55 are the fastest growing segment of the workforce.

AGE GROUP

U.S. Bureau of Labor Statistics, 2017

True workforce transformation

This story could go down as simply an interesting but benign example of how easily misinformation can become "fact," but there has been a price paid. As we've fixated on the millennial generation, far more interesting and impactful things have been happening at the other end of the workforce, shifts that have largely been ignored.

While countless webinars have trumpeted the growth of the millennial workforce, the fastest-growing age group of workers in the United States is, by a wide margin, quite a bit older: age 75+. As a percentage of the workforce, this segment of people born before 1950 are projected to see a 92 percent increase from 2016 to 2026. The second-fastest growing age group is workers age 65-74, projected to see a 50 percent increase over the same time period.[4] So

pervasive is their combined growth, by 2026, workers age 55+ will make up the largest segment of the U.S. workforce. This demographic shift is without precedent; until now, workers age 55+ have been the smallest segment.

How we got here

This dramatic change in workforce makeup is not linked to any one generation but is, rather, the result of much larger population trends along with a confluence of other factors. While it is starting with baby boomers, it will continue long beyond them.

Perhaps the most significant factor is increased longevity. Average life expectancy in the U.S. today is 78.5 years, nearly a decade gain since 1960.[5] And for those who reach age 65, life expectancy leaps to 85 years.[6] People are also staying healthy longer, maintaining the physical ability to work well past retirement age.

The increased percentage of mature workers is also partly driven by near-record-low birth rates. U.S. birth rates have been on a steep decline since the 1950s, and today they are below a rate needed to even maintain population size.[7]

2 "Millennials projected to overtake Baby Boomers as America's Largest Generation," Pew Research Center, 2018 [https://www.pewresearch.org/fact-tank/2018/03/01/millennials-overtake-baby-boomers/]
3 "How to tell if a fact about millennials isn't actually a fact," The Wall Street Journal, November 27, 2014 [https://blogs.wsj.com/economics/2014/11/27/how-to-tell-if-a-fact-about-millennials-isnt-actually-a-fact/]
4 "Employment Projections—2016-2026," Bureau of Labor Statistics, 2017 [https://www.bls.gov/news.release/archives/ecopro_10242017.pdf]

5 World Data Atlas, 2017 [Knoema.com/atlas/United-States-of-America/Life-expectancy]
6 Life Expectancy at 65, OECD, 2018 [https://data.oecd.org/healthstat/life-expectancy-at-65.htm]
7 National Vital Statistics Reports, Centers for Disease Control and Prevention, 2017 [https://www.cdc.gov/nchs/data/nvsr/nvsr68/nvsr68_01-508.pdf]

Fewer births means there are fewer people entering the workforce.

Structural change within the economy is another contributing factor. Looking back to the 1960s, about half of all jobs in the U.S. were in manufacturing or agriculture, requiring some level of physical exertion. Today, over 80 percent of jobs are service-oriented, entailing little to no physical exertion.[8] With physical ability less of a factor, these jobs represent viable employment for all ages.

No doubt correlated to living longer, healthier lives, there are also more people who want to delay retirement. This represents a sea change in attitude. As recently as 1996, only 16 percent of people said they intended to work past retirement. Fast-forward to 2017 and that figure leapt to 74 percent[9]; for boomers specifically, the intent to work past retirement age rose to 82 percent.[10]

Not all factors driving the graying of the U.S. workforce are positive. Many people continue to work past retirement age because they don't have the financial resources to do otherwise. Estimates put nearly one-third of baby boomers without sufficient savings to retire.[11] With retirement savings of all age groups of Americans falling short even before COVID-19, more people will likely fall into that category.

Nearly all the factors above are expected to stay the same (birth rates, the service economy) or even increase (longevity, good health) over the coming decades, meaning five generations working together will be our new normal, perhaps expanding to even six generations.

It's a good thing

The increase of workforce participation in workers age 55+ represents a tremendous net positive for both employers and employees. Decades of research by all manner of disciplines – organizational science, psychology, sociology, and economics – have consistently shown the

overwhelming advantage diverse teams offer in delivering innovative ideas and better solutions.[12] This is especially true of age-diverse teams, which bring together different viewpoints, coupling fresh, youthful perspectives with the wisdom and insight that comes with experience.

A 2018 Randstad study confirms that the vast majority of people – 90 percent – prefer to work on age-diverse teams, and 87 percent believe that age-diverse teams perform better. This preference stems from experience, not conjecture; 85 percent of people report that they already work on age-diverse teams today.[13]

People staying in the workforce longer also bolsters the Social Security System by delaying their drawing benefits and continuing to contribute to the fund through income tax. When the first Social Security check was issued 80 years ago, there were about 42 people paying into the system for every one person drawing benefits. Today, there are only three people paying in for every one person drawing benefits, and the old-age dependency ratio is projected to worsen.[14]

Beyond just being good for organizations and the economy, mature workers themselves benefit significantly from an expanded tenure in the workforce. Research shows that working past retirement age boosts physical, cognitive, and emotional health. Staying mentally alert, remaining physically active, and having a sense of purpose were top benefits cited in a survey of people who have continued to work past 65.[15] There is also a marked positive impact on financial well-being.[16]

Designing the age-diverse workplace

A workplace that truly welcomes and supports a greater range of workers is not going to look or function the same way as current office environments. While the changes are going to play out differently for different organizations, industries, and regions, there are six common drivers that I

8 "Trends over 5 decades in U.S. occupation-related physical activity and their associations with obesity," 2011 [https://www.ncbi.nlm.nih.gov/pubmed/21647427}]
9 Gallup, 2017 [https://news.gallup.com/poll/210044/employed-adults-plan-work-past-retirement-age.aspx]
10 "America's Aging Workforce," Special Committee on Aging, United States Senate, 2017 [https://www.aging.senate.gov/imo/media/doc/Aging percent-20Workforce percent20Report percent20FINAL.pdf]
11 "Retirement Preparedness," Stanford Center on Longevity, 2018 [http://longevity.stanford.edu/sightlinesfinancial-security-special-report-mobile/#retirementpreparedness-report]

12 "How Diversity Makes Us Smarter," Scientific American, 2014 [https://www.scientificamerican.com/article/howdiversity-makes-us-smarter/]
13 "Impact of a Multi-Generational Workforce," Randstad Work Monitor, 2018 [https://workforceinsights.randstad.com/hr-research-reports-workmonitor-q22018]
14 "Saving the Safety Net," Pew Research, 2018 [https://www.pewresearch.org/next-america/#]
15 "New Expectations, New Rewards," Center for Secure Retirement, 2015
16 "The Power of Working Longer" National Bureau of Economic Research, 2018 [https://www.nber.org/chapters/c14180]

think will define the age-diverse workplace.

1. **Flexibility**

   While most people over 55 plan to work past retirement age, the majority of them have no intention of doing so following the prevailing 8-to-5, Monday-through-Friday paradigm.[17] Over 85 percent expect flexibility in how they approach work, particularly in terms of schedule. With the size and bargaining power of this workforce segment, we will see the long-heralded but never-quite-realized end of the traditional work day, benefitting all age groups. This flexibility in when we work will, in turn, opens up new opportunities in where and how we work, all allowing drastically different workplace strategies with little to no assigned seating, a much greater variety of space types, and an emphasis on comfort and amenities.

2. **Learning**

   For well over a century, office workers have followed a standard live/work model with three distinct stages: in the first stage, we are educated; then, sometime in our 20s, we enter the second stage and start our career; and then, sometime in our 60s, we move to the third stage and retire. As our lives and careers grow longer, one early phase of education will prove insufficient. We will need to be re-educated periodically, either to stay relevant in a current role or to start a completely new one. Organizations will increasingly provide those opportunities, taking on a longer-term view of productivity and reimagining themselves as places of learning and growth. This will mean active learning programs but also better support for passive learning, with more transparency and visual connection, spaces and tools to ideate and make work visible, and more and more varied opportunities for effective group work balanced with effective spaces for individual work.

3. **Meaning and purpose**

   Then there's the idea that millennials are unique in wanting meaning and purpose in their work. Research tells a much different story: An expansive study of 26,000 LinkedIn members found older workers most

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likely to prioritize purpose over pay and titles.[18] This is not a generational output as much as one having to do with life stage; the onus of student loans and young families to raise means in many cases the financial elements of a job take on greater significance. But the fact is that people of all ages are looking for work that matters to them, makes a difference, connects them with other people, and offers them opportunities for growth and fulfillment. The workplace has an enormously impactful role to play here in connecting people to each other and to the mission and values of the organization. Environments that provide brand-rich experiences will see significantly better results in business performance while attracting the full age spectrum of workers.

4. **Technology**

   The age-diverse workplace will embrace and embed new technology in every sense – in its design and construction, in its operation, and in its full integration into how work is conducted. Similar to nearly every generational stereotype, the "fact" that older workers are tech-challenged and you must look to millennials or Gen Z for tech-savviness turns out to be incorrect. A 2018 Gartner study found baby boomers scored highest on a Digital Dexterity Index, meaning "the cognitive ability and social practice to leverage and manipulate media,

17 "Most U.S. Employed Adults Plan to Work Past Retirement Age", Gallup, 2017.

18 "Values-led Business," The Guardian, 2016 [https://www.theguardian.com/sustainable-business/2016/sep/14/millennials-work-purpose-linkedin-survey

information, and technology in unique and highly innovative ways."[19] A 2013 study by the Educational Testing Services (the organization behind the GRE) looking at adult job skills also found baby boomers and Gen Xers outperform millennials in "problem-solving in technology-rich environments."[20] So not only will mature workers thrive in tech-rich environments, the younger generations can watch and learn.

5. **Health and well-being**

While we are remaining healthy longer, there are physical implications to growing older in terms of balance, vision, hearing, and ability. The support of health and well-being will take on stronger urgency in our workplaces, particularly in lighting, acoustics, ergonomics, and wayfinding. We will have to rethink some approaches – for example, centralized trash cans have gained popularity as a way to force people to get up and move more during the work day, as have "intentional inefficiencies" like putting the coffee station at a distance from the work floor. Age diversity means we will need to look at well-being strategies more holistically. Technology will help. Not only will it allow greater accessibility, but with advances like virtual reality, designers will be able to better understand how it feels to move through space as an older person and provide better solutions.
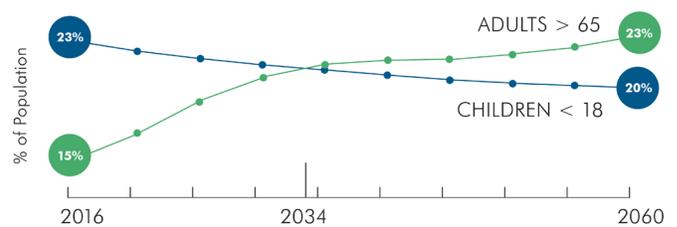
6. **An inclusive design process**

Underlying all the drivers above is the need for a much more inclusive design process, age being just one of the fuller spectrum of diversities that must be given a voice.

A HISTORIC DEMOGRAPHIC CROSSING

In 2034, for the first time in U.S. history, adults over 65 are projected to outnumber children.

U.S. Census Bureau, 2017

The ubiquitous "next-generation" focus group needs to go away and in its place explorations into all generations present. And there should targeted efforts specifically to engage mature workers. Decades of time spent in office environments makes them super users; their insights and experiences are invaluable, yet I have seen far too many design teams dismiss them as being resistant to progress. That prejudice doesn't hold up to scrutiny either: a 2018 survey by Commercial Café, found little to no difference between boomers, Gen X and millennials in terms of space-type preferences or the importance of spatial conditions like privacy and noise control.[21]

A brighter future

Our interest in generations springs from good intention: a desire to understand the different needs and preferences of the groups of people who occupy our office buildings and workplaces so we can create environments that support them. But generations have always been a product of popular culture more than science, and there is an uneasy leap of faith required by the generational lens: you have to somehow believe that sharing a subset of adjacent birth years imparts shared values, attitudes, and behaviors more strongly than other points of connection like race, ethnicity, gender, personality type, or cultural background.

19 "Digital Dexterity by Employee Age," Gartner, 2018 [https://www.gartner.com/en/newsroom/pressreleases/2018-06-20-gartner-says-too-few-organizationshave-the-digital-dexterity-to-adopt-new-ways-of-worksolutions]
20 "America's Skills Challenge: Millennials and the Future," ETS, 2015 [https://www.ets.org/s/research/30079/ascmillennials-and-the-future.pdf]
21 "Workplace Survey: Office Workers Pick Privacy as Most Craved Perk," Commercial Cafe, 2018 [https://www.commercialcafe.com/blog/workspace-survey-officeworkers-pick-privacy-craved-perk/]

Designing our office buildings and workplaces to support generational preference is just too reductive, as if the breadth of diversity in our workforce can be sorted into five neat generational buckets. Compounding the problem, the youth bias in the United States means just a couple of those generational buckets get attention. It's time to put generations behind us. By opening our design process to wider and more diverse perspectives – of which age is just one – we have the opportunity to define a richer environment.

Since I first started researching this topic about eight years ago, there have been signs of progress. Harvard Business Review's "The Case for Hiring Older Workers," and Deloitte's "No Time to Retire: Redesigning Work for Our Aging Workforce" speak to a growing awareness of the shift, and their focus on age, not generation, is promising. But

platforms within the workplace design industry are largely silent on the opportunity, instead now looking to Gen Z with such zeal it may even exceed millennial mania.

We should care about the younger people entering our workplaces, but we should also care about what's happening on the other end. Fortunately, it's not an either/or choice.

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