

# LIVING, LEARNING & EARNING LONGER

A COLLABORATION FROM

AARP  
OECD  
WORLD ECONOMIC FORUM

## Living, Learning, and Earning Longer (LLEL) Collaborative February 2022 Meeting Summary

On February 16, 2022, the Living, Learning and Earning Longer (LLEL) Collaborative hosted its first meeting of the year to discuss trends and research related to the Great Resignation. We were pleased to hear presentations from Nick Bunker, Head of Research, North America, Indeed Hiring Lab and Yvonne Sonsino, Global Co-Leader, Next Stage, Mercer. Additionally, Collaborative members learned about the ongoing research projects of AARP and the OECD on career transitions and worker retention.

### **Main Takeaways:**

1. The demand for workers far exceeds the amount of available workers across several industries, creating a 'war for talent.' Given that it is also less expensive to retain than to replace workers, many employers are investing more in reskilling and training programs for current employees. These pressures are further forcing companies to reassess their employee value propositions (i.e. wages, benefits, and flexible work arrangements, etc.).
2. The Great Resignation has given workers a tremendous amount of agency in the workplace. It put workers in a stronger position to negotiate salary and benefits and caused them to re-evaluate their relationship with work.
3. Amidst the Great Resignation, we are also witnessing the Great Retirement. Since the pandemic began, the number of older workers leaving the workforce increased exponentially, with some opting for early retirement. Reasons for leaving include concern for their health and feeling rejected by the workforce.
4. Many workers who left or are planning to leave their current jobs feel confident about their decision to leave. They are now searching for a job that offers better salary and benefits, in addition to a stronger sense of fulfillment.

**The following is a summary of the discussion.**

## **LLEL Welcome Message**

*Jean Accius II, PhD - Senior Vice President, Global Thought Leadership, AARP*

Jean highlighted ongoing AARP surveys about the labor market impacts of the Great Resignation and the COVID-19 pandemic. The most recent survey collected over 4,000 responses from workers ages 50+. Some of the key findings include:

1. Nearly 38% of respondents indicated that they would have never retired, left a job nor considered leaving a job if the pandemic had not happened. This demonstrates how the pandemic has led people to reassess their priorities and values related to work.
2. For those that did retire from work, nearly half did so because they found another job with better pay and benefits or because they left the labor market altogether for health concerns.
3. Nearly half (49%) of respondents found it 'difficult' to find job openings that matched their skill sets and experience. This tells us that there is an opportunity for closing the skills gap.
4. Nearly half of respondents indicated that we are experiencing a war on talent as employees now have a tremendous amount of agency and power within the labor market.

## **Update from the OECD**

*Shruti Singh, Project Lead, Ageing and Employment Practices, OECD*

Shruti outlined upcoming research initiatives from AARP, the World Economic Forum and the OECD. The research will analyze how trends of new technology, globalization, and global aging will influence the availability of talent, job stability, and job changes, as well as the extent to which COVID-19 has accelerated some of these trends. The OECD also wants to examine what drives workers to leave their jobs, what is attracting them to new roles and what is encouraging them to stay in their current roles. Finally, the OECD wants to use this research to identify policy solutions and best practices that enable companies to retain talent of all ages and reskill their workforces.

## **Making Sense of the Great Resignation**

*Nick Bunker, Head of Research, North America, Indeed Hiring Lab*

Nick Bunker presented recent research from the Indeed Hiring Lab. Nick spoke of some of the labor market trends taking place within the U.S. Those highlights include:

- The labor force participation rate in the United States is lower now than before the pandemic despite high demand for workers and record high job openings.
- There was a massive labor turnover in the spring of 2020. As time went on, the sources of labor turnover changed from pandemic era layoffs and discharges (i.e. businesses closing and laying off workers) to workers voluntarily leaving their jobs. This supports the idea that workers are re-evaluating their relationships with work and reassessing their values within the labor market.
- Another trend that emerged throughout the last year was the astronomical increase in demand for workers once vaccines become more widely available and government stimulus tapered off.
- Industries that have been most highly impacted by the Great Resignation include hospitality and retail. Even though these sectors reopened and the demand for workers is high, few workers are returning to these industries. Some pandemic era trends, such as the preference for products over in-person services have persisted, and the amount of available workers does not match the demand.
- Many workers that have left their jobs in the last year have done so to find new work, sometimes in completely different industries. This has netted job switchers in some cases with higher wages and better benefits.

There is much more to learn about these emerging trends in the workforce as we begin to reach the end of the pandemic, but what we do know is that workers are reevaluating their priorities in the labor market and this will affect some industries more adversely than others.

### **Living, Learning and Earning Longer - The Great Resignation**

*Yvonne Sonsino, Global Co-Leader, Next Stage, Mercer*

Yvonne Sonsino provided a brief overview of trends in the UK labor market and highlighted actions that employers can take to support and retain talent. Highlights from her presentation include:

- The Great Resignation in the UK is similar to that in the U.S. In somewhat of a surprise, larger companies and organizations saw higher rates of departures than smaller companies. These departures were more common early in the pandemic.
- Mercer's research revealed that about a quarter of British workers are planning to change employers in the next 3-6 months and 69% of workers feel confident about changing jobs in the next few months. This is compared to an 11% move in previous years.

- Is the current phenomenon a Great Resignation, or a Great Retirement? In the U.S., it was found that a third of workers who quit their jobs in August 2021 retired, many of them opting for an early retirement. At the same time, older workers in the U.K. reported feeling rejected by the labor market, citing challenges to finding new work. These workers not only left their jobs, but they left the workforce entirely, no longer seeking work.
- The U.K. is aging, and there has been a significant increase in the amount of older workers. In spite of this, for the first time in 10 years, we're seeing a decline of older workers who are active in the workforce.
- In addition to the Great Retirement, many workers are quitting in search of new opportunities. Blue collar workers are feeling disillusioned with the lack of flexibility their roles allow and find themselves in search of a career that offers more flexibility and better pay.
- Effects of these trends on the labor market:
  - Since it is much more expensive to replace than it is to retain workers, employers are considering offering raises or retraining programs to retain key talent.
  - Employers have begun promoting what is known as an Employee Value Proposition (i.e. wages, benefits, and flexible work arrangements, etc.).
  - Companies are initiating more creative benefits offerings, especially ones that support the wellbeing of employees. Some companies have done this by offering 'lifestyle funds' that would support the wellbeing of employees and creating a healthier work-life balance.
  - Employers are also implementing more flexible working policies to attract and retain talent.

There are trends across the global labor market that suggest older workers are leaving at higher rates than other workers, and that they feel rejected by the labor market. In addition, workers of all ages find themselves in search of something greater, whether it be more flexibility, higher pay or better benefits, or a sense of purpose through their careers. These trends are causing employers to reevaluate what makes them competitive and what strategies they employ to retain talent.

### **Question & Answer Session**

Following presentations from Nick and Yvonne, members of the Collaborative participated in a brief Q&A session.