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ABSTRACT

This report examines how the aging of the population of the United States will affect the workplace, and how employers, government, and the older employees themselves will adapt to this societal aging. The report covers issues surrounding the aging of the work force and uses case studies to illustrate how some companies and organizations are dealing with the issues. The report is divided into 17 sections as follows: (1) introduction; (2) report highlights; (3) statistical background; (4) summaries of major reports, studies, and surveys on such issues as health care costs and personnel practices; (5) preretirement planning programs; (6) early retirement options; (7) training and retraining; (8) flexible work arrangements for older workers; (9) rehiring arrangements for companies who hire back employees who have retired; (10) issues surrounding the growing numbers of age discrimination cases; (11) health care cost containment strategies; (12) corporate policies to accommodate physically limited older workers; (13) dependent care for older persons; (14) an annotated resource guide of federal, national, and regional agencies and organizations; and (15) an appendix containing the text of the Age Discrimination in Employment Act, including the 1986 amendments; (16) a 25-item bibliography; and (17) an index. (KC)

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INTRODUCTION

old: *adj*: 5(a) advanced in years or age; 5(b) showing the characteristics of age. *(Webster's New Collegiate Dictionary)*

What do Jane Fonda, Tom Brokaw, President Ronald Reagan, Bill Cosby, Tom Seaver, Robert Redford, Rep. Augustus Hawkins (D-Calif.), George Burns, Gloria Steinem, Rep. Claude Pepper (D-Fla.), Lena Horne, Joan Collins, and Kareem Abdul-Jabbar have in common?

They all are considered "older workers" under the terms of the Age Discrimination in Employment Act (ADEA).

Several of these people, however, would not be classified as old by the U.S. Census Bureau, which identifies four classifications of old people: "older" -- people age 55 and above; "elderly" -- people age 65 and above; "aged" -- people age 75 and above; and "very old" -- people age 85 and above.

By any definition of old, however, one demographic fact remains undisputed: The population of the United States is getting older. The baby boomers -- the more than 70 million people born between 1946 and 1964 -- are approaching middle-age. Population experts estimate that, by the year 2010, nearly half of the workforce in the United States will be composed of people age 40 and older, and that the most rapid rate of growth in the older population over the next 40 years will be in the over-85 age group.

The demographic changes will, no doubt, result in many changes throughout U.S. society. This report examines how the aging of the population will affect the workplace, how employers, government, and the older employees themselves will adapt to this societal aging. At this point, questions abound: How will workers plan for retirement? How will employers help prepare workers for retirement? Will early retirement as a corporate policy slowly disappear? Who will pay retirees' health care costs? Will older people have to work longer than they do now simply because there won't be enough younger workers to take their places? What might it cost employers to keep valued, experienced older workers on the job? What kinds of training might employers have to provide?

This report covers these and other questions and issues, and uses case studies to illustrate how some companies and organizations are dealing with the issues.

The report's highlights are summarized in Chapter II. Chapter III provides a statistical background. Chapter IV summarizes some of the major reports, studies, and surveys on various issues associated with the aging of the population. Preretirement planning programs are discussed in Chapter V, while early retirement options are examined in Chapter VI.

Training and retraining are explored in Chapter VII. Flexible work arrangements for older workers are reviewed in Chapter VIII. Rehiring arrangements -- instances where companies hire back retirees -- are discussed in Chapter IX.

Issues surrounding the growing numbers of age discrimination cases are set out in Chapter X.

Health care cost containment strategies are explained in Chapter XI. Corporate policies to accommodate physically limited older workers are highlighted in Chapter XII, while a topic of growing interest -- dependent care for older persons -- is discussed in Chapter XIII.

A listing of more than 50 resource organizations is found in Chapter XIV. Chapter XV, the Appendix, contains text of the Age Discrimination in Employment Act, including the 1986 amendments.

A selected bibliography appears in Chapter XVI. Chapter XVII contains the Index.

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Stephen J. Cabot, partner in the Philadelphia, Pa., law firm of Pechner, Dorfman, Wolffe, Rounick & Cabot, and Larry Besnoff, an associate at Pechner, Dorfman, and Raymond C. Fay, partner in the Washington, D.C., law firm of Bell, Boyd & Lloyd, wrote articles for Chapter X, *Age Discrimination*.

The following BNA staff correspondents contributed to the report: Neil Gilbride, Martha W. Kessler, Bebe Raupe, Jerry Silverman, Glenn Totten, Julia Whitmore, and Mark Wolski. Gary Taylor, BNA special correspondent, also provided material for the report. Other BNA staff helping to produce this report include Raymond Ertel, who prepared the Index, and Marilyn Modlin, who compiled the material in the *Selected Bibliography*.

Catherine Michael Cooney, Patricia A. Harvey Holmes, Luis Eduardo Martinez, and Karen L. Petronis also provided material for the report.

HIGHLIGHTS

Will you still need me, will you still feed me, when I'm sixty-four?
-- John Lennon and Paul McCartney*

America is graying. Baby boomers have begun to "middle age." Today, older workers include the 40-year-old machinist who is replaced by a robot; the 45-year-old wife and mother who returns to the workforce; and the 48-year-old executive who is axed in a "downsizing" move.

When it comes to older Americans in the workforce, the numbers tell a revealing story. (See "A Look at the Numbers" at the end of this chapter.) Consider the following:

◆ By the year 2010, the Census Bureau estimates that persons age 55 and above will constitute 20 percent of the U.S. population. Twenty years later, they will compose nearly one-third of the population.

◆ The birth rate per woman is now 1.8 children; from 1946 through 1964 -- the so-called baby boom years -- the rate ranged from 3.4 to 3.6 children.

◆ By the year 2010, all of the people born during the baby boom years will be age 45 and older; by the year 2020, the oldest baby boomers will be 75 and the youngest will be 56.

What do these statistics mean for society? Who's going to pay for older worker pensions and health benefits? What will happen to the tax base, to Social Security, to Medicare? Will older Americans feel left out of the action?

What do these developments mean for the workplace? What early retirement options should be offered? What flexible work arrangements can be provided to older workers? What are the best retraining techniques for older workers? How can skyrocketing health care costs for the elderly be contained? What is the best policy on "dependent care"?

This special report takes a look at the challenges facing employers, unions, governments, attorneys, and associations through in-depth, analytical reporting and case studies. The report finds no easy answers to these questions, but provides some general conclusions about older Americans in the workforce:

1. The United States seems unprepared to deal with the complex challenges presented by the unprecedented influx of older Americans into the workforce in the coming decades. In 1986 persons age 40 and above composed 37.8 percent of the workforce. By the year 2010, people age 40 and older are expected to make up close to half of the workforce. While some corporations and governments have initiated "activist" approaches toward older workers, in general, no coherent, coordinated public or private policies have been developed in response to this projected domination of the workforce by older workers.

2. More and more older workers are opting for early retirement. Many companies offer employees the opportunity of retiring before the traditional retirement age of 65. Usually this is done by adding years of service to the normal retirement age to come up with a "magic" number that qualifies the person to retire.

Many companies have offered additional age and years of service incentives to employees to encourage them to take even an earlier retirement. Generally, these incentive programs -- that are usually offered for a specific, limited period of time -- have occurred at a time when the company needs to trim its workforce and wants to avoid involuntary layoffs.

The trend toward early retirement is one of the many causes for the declining labor force participation rate for older men. Data gathered by the Labor Department's Bureau of Labor Statistics (BLS) show that, in the third quarter of fiscal 1986, only 15.8 percent of men age 65 and older were working. Between 1950 and 1986, BLS data show, the workforce participation rate for men in the age 55-59 group had fallen from 92 percent to less than 79 percent.

3. Preretirement planning is becoming a more common employee benefit. Experts say that preretirement programs help workers better prepare for retirement -- financially, psychologically, and socially. Some older-worker advocates assert, however, that these programs often are a smokescreen for a corporate desire to encourage early retirement.

4. More and more workers are "unretiring." Workers who retire and come back into the workforce do so generally for financial reasons, professional needs, social interaction, or all of these reasons. At the same time, employers are finding these former employees bring knowledge, skill, and stability to their workforces.

5. Some employers -- still relatively few -- are offering a variety of flexible working arrangements specifically geared to the older worker. Among the most popular options: job sharing; part-time work; and full time work for a limited time.

6. In general, employers are not developing specialized training and retraining programs for older workers, although surveys indicate that these workers want more training. A 1986 survey of 1,300 workers age 40 and older, including a group of 300 persons age 63 and over, conducted by the Gallup Organization for the American Association of Retired Persons (AARP) found that 47 percent of the workers age 40 and over said that if they had to look for a new job, they would look for a "chance to learn a skill." More than 80 percent of the respondents overall expressed a "wish for training opportunities," according to the survey.

7. The costs of physical accommodation for older workers vary, but much accommodation is inexpensive. Barbara Judy, managing director of the Job Accommodation Network (JAN), said that the results of a survey of network users showed that the average cost per accommodation is less than $1,000. According to experts, there are simple and relatively inexpensive steps that employers can take to adapt the workplace to older workers' physical limitations.

8. More and more age discrimination complaints are being filed, and this trend is expected to continue. According to statistics compiled by the Equal Employment Opportunity Commission, the number of age bias suits filed in 1986 was more than double those filed in 1980. An analysis of EEOC data reveal that employers have coughed up more than $170 million -- as the result of both out-of-court agreements and litigation -- to older Americans who claimed they were discriminated against under the Age Discrimination in Employment Act of 1967 (ADEA).

9. Dependent care may become one of the most important benefit issues of the 1990s. As the U.S. population ages, more older workers will be forced to care for dependent adult relatives or friends. Surveys show that the caregiving burden falls disproportionately on older female employees. Michael Creedon, professor of gerontology at the University of Bridgeport (Conn.), estimates that there are approximately 12 million people providing care for some 6.6 million dependent adults in the United States. Of those caregivers, 75 percent, Creedon -- and others -- say, are women.

10. Many employers do not think that retiree health care costs are out of control. According to a study conducted for Equicor-Equitable HCA Corp., health care costs per capita for retirees were lower than those for active employees. The results of a survey of 500 corporate benefit officers in companies with at least 500 employees; 1,000 current full-time employees in companies with at least 500 employees; and 501 retirees who worked at least five years for a company or non-governmental organization with 100 employees (three distinct national samples) found that the median annual health cost for retirees was $1,113, compared with $1,678 for active employees.

However, a retiree health care issue that poses a major concern to many observers is the huge unfunded liability facing companies that have promised to pay health care costs for retirees in the future. Some estimates are that the total liability may run as high as $100 billion dollars. There may be efforts to encourage employers to prefund these benefits by giving tax incentives to companies that do so.

Chapter-by-Chapter Highlights

Following are chapter-by-chapter highlights from the special report:

Preretirement Planning

A number of companies have begun offering some sort of preretirement planning programs for employees nearing retirement. These programs usually provide information on financial planning; estate planning; time management; future employment or volunteer activities; housing and relocation; health and fitness; nutrition; legal questions; and spousal adjustments to retirement.

Employers offer such programs because they believe the programs demonstrate a commitment to the workforce; are good employee relations tools; and are a fairly low-cost, high-profile benefit.

Although these programs can help workers make a smooth transition from full-time employment to retirement, some older-worker advocates are concerned that employers are using them as a way of encouraging retirement for people who are not financially, or otherwise, ready to do so. These critics also fear that preretirement planning programs can paint too rosy a picture of what retirement.

Case studies on preretirement programs at Giant Food Inc. and Pitney Bowes U.S Business Systems are included.

Early Retirement Options

There is an ongoing trend toward early retirement. Statistics show that the proportion of persons age 65 and above in the workforce fell from 27 percent to 12 percent between 1950 and 1982. A 1986 General Accounting Office report concluded that the total number of people between the ages of 50 and 64 who were receiving pensions had nearly doubled between 1973 and 1983.

Many experts doubt that the future increase in the age of eligibility for Social Security to 67 years old and the removal of the age-70 mandatory retirement cap will have much of an effect on the trend toward early retirement. Experts interviewed for the report said that the wider availability of private pension programs seems to be convincing workers that they are financially able to retire.

In addition, for some employees whose companies are faced with the sudden need to cut down the workforce, the often lucrative incentives that are offered to induce early retirement are just too good to refuse. A 1982 survey by BLS found that nearly 49 percent of all private pension plan participants could retire before age 65 with full benefits if they met certain service requirements. Case studies on the early retirement program at Hewlett-Packard and the transition to retirement program at Varian Associates are featured.

Training & Retraining

There is still a perception by some employers that older workers have limitations -- physical and psychological -- that prevent them from adapting to new technologies and learning new skills. A 1985 survey by Yankelovich, Skelly and White for AARP found that some human resource executives believed that workers age 50 and above were to some degree physically limited.

However, there is research showing that older people retain the capability for learning and for performing work. Anthony Carnevale, vice president for government affairs for the American Society for Training and Development, noted in a 1986 speech that research shows that older people have the "capacity to continue to perform at increasingly high productivity levels at least through 70 and 75 years."

Older people themselves, results of the Yankelovich survey revealed, want access to training/retraining programs.

With the exception of apprenticeship programs, no training program can discriminate against individuals on the basis of age, according to the provisions of the ADEA. Few of the age bias complaints brought to EEOC contain allegations of training/retraining discrimination.

Case studies highlight training/retraining programs at Crouse-Hinds; FOCUS: Hope; and the National Caucus and Center on Black Aged, Inc.

Flexible Work Arrangements

While many persons who are retired say that they would like to work after retirement, the actual numbers of those working do not seem to bear this out. Many experts believe that is because older workers have set fairly strict standards that must be met before they will return to the workforce, standards that are just too hard for employers to meet.

While people age 50 and above are more inclined to work full time, persons who are in the age 65-and-over age bracket tend to work part time. BLS data for 1985 show that 47 percent of the men and 62 percent of the women in the age-65-and-over group worked part time.

The most common types of flexible work arrangements noted in the report include: job sharing; part-time work; and full-time work for a limited duration.

The report includes case studies on flexible working arrangements developed by Georgia Power Company; McDonald's Corp.; Texas Refinery Corp.; and Operation ABLE.

Rehiring Arrangements

Some workers are retiring and then "unretiring" -- going back to work for their previous employer. The employers have found that bringing back workers who have considerable knowledge about the firm and the jobs they held can be good business: The retirees know the company, and the jobs, and do not have to be trained. In addition, by having retirees on whom to call during peak workloads, companies save the money they would otherwise have to spend on an outside employment agency.

A 1986 survey that appeared in *Employment Management Association Reporter* found that 34 percent of the 54 respondents said they maintained a pool of exempt and non-exempt retirees for part-time or temporary work assignments.

In companies that hold government contracts and whose employees need security clearances, bringing back retirees overcomes another hurdle that would have to be addressed if outside people were hired.

The report examines rehiring arrangements of The Travelers Cos.; Grumman Aerospace Corp.; Wells Fargo & Co.; Corning Glass Works; and Aerospace Corp.

Age Discrimination

Age discrimination suits can be costly to companies. Since fiscal 1983, EEOC reports that it has recovered more than $172 million for individuals who have claimed age discrimination by employers. EEOC statistics show that nearly two and one-half times as many age bias suits were filed in fiscal 1986 as in fiscal 1980.

Found in the chapter are articles on recent ADEA developments prepared especially for this report by Stephen J. Cabot and Larry Besnoff of Pechner, Dorfman, Wolffe, Rounick & Cabot, and Raymond C. Fay, of Bell, Boyd & Lloyd.

Health Care Cost Containment

While an increase in the number of retirees who have been promised retiree health care benefits could pose a problem for the vast numbers of employers with unfunded plans, results of a recent survey of corporate benefit officers showed that most believed that retiree health care benefit costs were somewhat or completely under control.

Some studies have shown that the overall cost of health care benefits for retiree families is lower than the cost of benefits for younger employees' families.

The fitness program of CIGNA Corp. is featured in a case study.

Physical Accommodations

Although the perceptions that older people are not physically able to perform and are ill more often than younger employees still exist in some quarters, research shows that older workers, on average, lose fewer sick days than workers in the 18-44 age group.

Should accommodations for older or disabled workers be required, the federally funded Job Accommodation Network (JAN) can help employers make those accommodations as cheaply as possible. JAN operates a toll-free line for employers and service providers to call and get information and ideas about particular problems.

The chapter ends with a case study on the efforts taken by Stouffer's Foods Corp. to accommodate employees with physical limitations by transferring them to slower-paced assembly lines.

Dependent Care

Caring for an ill or disabled relative or friend can constitute another full-time job for some employees. Caring for such dependents, according to much of the research, falls primarily to women.

The stress imposed by such responsibility has led some people to leave the workforce, a decision that can have long-term effects in terms of reduced Social Security and pension benefits.

The dependent care programs at The Travelers Cos. and Aerospace Corp. are featured.

A LOOK AT THE NUMBERS

◆ *47 percent of people over the age of 40 said that if they had to look for a new job, they would look for one that gave them the "chance to learn a skill."* -- **Gallup Organization for AARP**

◆ *35-40 percent of Fortune 500 companies offer some type of formal retirement planning program.* -- **John Migliaccio, Retirement Advisors**

◆ *Per-capita costs for retirement planning programs are only a "few" dollars per year.* -- **John Migliaccio, Retirement Advisors**

◆ *99 percent of all companies that employ more than 50 employees provide health benefits for their full-time employees. Nearly 85 percent of all large companies provide retiree health benefits, while somewhat less than 70 percent of small firms provide such benefits.* -- **Coopers & Lybrand**

◆ *The Department of Labor estimates that 6.9 million retirees and their dependents currently receive health care benefits.* -- **Betty Malroy Stagg for The Conference Board**

◆ *49 percent of all private pension plan participants could retire before age 65 with full benefits if they met certain service requirements.* -- **Bureau of Labor Statistics**

◆ *57 percent of 169 respondents said that avoiding layoffs was the principal reason for offering early retirement incentives.* -- **Hewitt Associates**

◆ *8 percent of The Travelers Cos. employees who care for an elderly relative or friend spend 35 or more hours a week providing that care.* -- **The Travelers Cos.**

◆ *The average number of workdays lost due to all acute conditions (flu; injuries; colds; and so forth) for persons age 18-44 was 3.3 days per year, while for persons age 45 and above, the average was 2.ι workdays per year.* -- **National Center for Health Statistics, Department of Health and Human Services (1985)**

◆ *Settlement of age discrimination claims, through conciliation agree-*

ments and litigation, has cost U.S. employers more than $170 million since 1983. -- **Equal Employment Opportunity Commission**

◆ *There were almost two and one-half times as many complaints of age discrimination filed with EEOC in fiscal 1986 as there were in fiscal 1980.* -- **Equal Employment Opportunity Commission**

◆ *In the age 65-and-over category, 47 percent of men who work and 62 percent of women who work have part-time jobs.* -- **American Association of Retired Persons**

◆ *Nearly 34 percent of a group of 54 companies surveyed for the Employment Management Association maintained a pool of exempt and non-exempt retirees for part-time or temporary work assignments.* -- **EMA Reporter**

BACKGROUND

It's no secret that the population of the United States is getting older. The data present a very clear picture of the "graying of America," as some observers have called the phenomenon.

The U.S. Bureau of the Census projects that persons age 55 and older will constitute 20 percent of the U.S. population by the year 2000, 26.2 percent by the year 2010, and 32.3 percent by the year 2030. In numbers, those percentages translate into 58.8 million, 74.1 million, and 98.3 million people, respectively.

Census data indicate that the total U.S. population is expected to increase by 33 percent from 1982 to 2050, while the number of people age 55 and over is expected to grow by 113 percent.

Persons age 65 and above are expected to make up 13.9 percent of the population in the year 2010 -- 39.3 million people -- but will account for more than 20 percent of the population 20 years later -- 64.3 million people -- Census predicts.

Baby Boom, Then Bust

The large number of persons age 55 and older expected in the first half of the next century is largely the result of the so-called baby boom that occurred from 1946 to 1964. During those years, 76 million children were born.

Because the birth rate has declined dramatically since 1964 -- Martin O'Connell, chief of the Census Bureau's Fertility Branch, notes that the birth rate per woman ranged from 3.4 to 3.6 children from 1946 through 1964, and has since declined to 1.8 children -- the effect that the baby boom has had and will continue to have on the U.S. demographic picture is exaggerated. The combination of the extraordinary number of births between 1946 and 1964 and the dramatic drop in birth rate since then has created a bulge in the demographic picture of the United States. Arnold Goldstein, a demographic statistician in the Population Division of the Bureau of the Census, reports that, in 1986, persons age 56-74 totalled 36.9 million and represented 15.3 percent of the U.S. population. In the year 2020 -- when the youngest of the baby boomers will be reaching age 56 -- persons age 56-74 will total 66 million and will represent about 22 percent of the total population, according to Goldstein.

By the year 2010 all of the people born during the baby boom years will be age 45 and and older; those born in 1946 will be 64. In the year 2020, the oldest "baby boomers" will be 75 and the youngest will be 56. And by the year 2030, the oldest baby boomers will be ready to enter the Census Bureau's category of the "very old" (age 85 and older).

Living Longer

The groups that the Census Bureau predicts will "experience dramatic increases" in numbers are the "aged" (age 75 and older) and "very old" (age 85 and older) categories. In the year 1900, persons aged 75 and above made up only 1.2 percent of the population. By 1950 they constituted 2.6 percent. By 1982, they made up less than 5 percent. By the year 2030, Census predicts, they will represent almost 10 percent of the population, and 20 years later, they will constitute 12 percent of the U.S. population.

By the year 2000, there will be more than 5 million people age 85 and older; by the year 2030, the number will have grown to 8.8 million.

As Census noted in its 1983 report, *America in Transition: An Aging Society* (Special Studies, Series p-23, No. 128), "Because of the increasing number of persons who survive into their eighties, it is increasingly likely that older persons will themselves have a surviving parent."

The life expectancies for men and women in the United States have been increasing and are continuing to increase. The Census Bureau projections noted so far do not take into account medical advances that may increase life expectancy even more.

Robert Butler, founding director of the National Institute on Aging and currently Brookdale professor and chairman of the Gerald and May Ellen Ritter Department of Geriatrics and Adult Development at Mount Sinai Medical Center in New York, describes the increase in life expectancy for the U.S. population as "spectacular." Butler said that life expectancy has increased by an average of 26 years during the last century.

The Census Bureau reports that, as of 1985-1986, life expectancy averaged 71 years for men and 78 years for women.

Butler noted that life expectancy may increase even more as the United States really begins research into aging. Up to now, Butler said, little geriatric research has been conducted, but, despite this, discoveries have been made in a number of areas. Dr. Irving S. White, chairman of the executive committee and founding president of the American Federation for Aging Research (AFAR) -- an organization which raises money to fund medical research into aging -- noted that there have been great advances in the treatment of heart disease, many forms of cancer, infectious diseases, and cataracts.

Effects in the Workplace

The graying of the population is going to affect employers, large and small. Some employers already are dealing with some of the issues attendant to these demographic changes, including:

- whether to encourage or discourage early retirement;
- whether it is more cost effective to retain and retrain experienced workers than it is to hire and train new, younger workers;
- how to manage health care costs, for both employees and retirees;
- how to prepare employees for productive and secure retirement;
- how to attract older workers to hire on and how to keep experienced workers from leaving;
- how to use older workers to train their replacements while facilitating a smooth transition to retirement;
- whether -- by flexible scheduling, benefit option plans, and other means -- to help workers care for older dependents, a situation that large numbers of workers may face in the future.

Staying on the Job

Some observers have predicted the future will witness a greater demand for the older worker to remain on the job. Philip Rones, supervisor of labor economists at the Bureau of Labor Statistics, said he believes that if the economy remains "robust," then the demand for older workers could increase.

The extent to which older workers may be used in the future, other observers say, may depend on any number of factors, including the state of the economy and whether women and minority-group members and even newly legalized immigrants meet the demand for workers. Malcolm Morrison, president of Morrison Associates, retirement planning consultants and an acknowledged expert on aging issues, called predictions of a major increase in demand for older workers "exaggerated thinking." There will be a "slight" increase in the number of younger workers, he noted, concluding that it is "not clear" that there will be "labor shortages" of the "magnitude" that some have predicted.

If there is a demand for older workers to remain in or return to the workforce, what kinds of working conditions will they require. What economic enticements will have to be provided before they return? Will the workers with the necessary skills re-enter or remain in the workforce, or will employers find that they are forced to train workers to perform the jobs? Will retirees who are financially secure want to work? What kinds of benefits will these older workers want or require? These are just some of the questions that may have to be answered if there is a demand for older workers.

Early Retirement Questions

Many people want to retire. Companies over the last decade or so have seized on the idea of offering early retirement incentives, in many cases, when economic problems have forced them to cut their workforces.

However, there is now some movement away from this policy for a number of reasons, among them, the real costs to a company both in money and in a corporate "brain drain." Critics of early retirement contend that companies lose control over the number of people who take advantage of such offers and over who goes and stays.

But another factor that gains in importance when the future demographics are taken into consideration is the problem of what to do with people who do retire early, say, at age 55. By the year 2020 the entire baby boom generation -- almost 76 million people -- will be age 55 or above. Nearly one-third of the nation's population would not be working if all of these people opted for early retirement. Such a phenomenon could have adverse effects on both the Social Security System and the tax base. Fewer people would be paying into Social Security and the tax base would be eroded. Yet the number of people drawing from Social Security and using other government services such as Medicare and Medicaid could be at an all-time high. Companies that promised to provide retiree health benefits could be paying out enormous amounts of money. Some experts note that even if someone were in retirement for only 20 years, health benefits could run into the hundreds of thousands of dollars.

It would seem that public and private entities could benefit by having at least some of these people working -- if only on a part-time basis. Some observers contend that companies should begin now to train, retrain, and provide more flexible working conditions for older workers to encourage them stay on the job.

Experts like Alan Pifer, president emeritus and senior consultant of the Carnegie Corporation, believe that the "third quarter of life," those years between the ages of 50 and 75, should be productive. In a speech at The Travelers Cos. 1986 symposium, "America's Aging Workforce," Pifer noted that it is during that period of life that most individuals undergo major lifestyle changes such as children finishing school and leaving home. It is also during that period of time that many people may begin to feel bored and trapped in their jobs, wanting to make career changes but afraid to because of fear of discrimination or fear of losing their pensions. Pifer notes that these people will compose a significant proportion of the population and asserts that public and corporate policies should begin now to address the need to keep these people productive.

Pension Portability

An idea that might make it easier for some of these people to start new careers and one that seems to be gaining support from many quarters -- including Secretary of Labor William Brock and older person advocates such as the American Association of Retired Persons -- is the concept of pension portability.

Pension portability would allow workers, in essence, to bring their pensions with them as they move from job to job. Currently, unless vested, workers lose whatever money was set aside for their pensions.

According to a Labor Department spokesman, pensions could be of critical importance to people who are missing "one leg" of the "threelegged stool" on which retirement income is based -- Social Security, private investment income, and private pension payments. The people who would benefit from portable pensions are often people, the spokesman said, who may have changed jobs frequently or gone in and out of the workforce (such as women who left the workforce while they were rearing their children). And it is these people who may be missing the second leg of that stool -- private investment income -- and whose only income at retirement would be Social Security. The public sector will be forced to help support these people, he said, calling this a major "threat" to the system over the next 30 to 40 years.

Some observers have predicted that federal government payments to older persons -- Social Security and Medicare -- will amount to about 40-50 percent of the federal budget within 30 years, unless changes are made to the current private pension plan.

With portable pensions, the Labor Department spokesman said, these people could have earned credit for the time that they worked -- even though for different employers -- and would have additional retirement income. Pension portability provisions currently are found in two bills before Congress, H.R. 1961 and S. 249. Although Labor Secretary Brock supports the idea of portable pensions, he has expressed reservations about the proposed legislation, contending that current laws would allow this type of provision. A hearing on the legislation has been held by a House Education and Labor subcommittee. The legislation also has been referred to the House Ways and Means Committee and the Senate Finance Committee.

It is clear that America is facing some major changes. It is also clear that due to population shifts and increases in longevity, there will be a much larger older population. What is not yet clear is how public policy and corporations will respond to these changes. This special report will look at some of these issues and offer examples of some corporate programs designed to address them.

REPORTS, STUDIES, & SURVEYS

Following are summaries of 19 reports, studies, and surveys. Some of these reports were prepared by older-American advocacy groups, and some by business organizations.

The reports are divided into the following categories: Health Care Costs for Older Workers and Retirees; Older Worker and Retiree Profile; and Personnel Practices for Older Workers, Retirees.

A. Health Care Costs for Older Workers and Retirees

1. The Equicor Health Care Survey - VI: Looking to the Future of Retiree Health Benefits. Louis Harris and Associates for Equicor HCA Corporation, 195 Broadway, New York, N.Y. 10027; (212) 618-4998. (1986)

Louis Harris and Associates surveyed 500 corporate benefits officers, 1,000 full-time employees, and 501 retirees to provide baseline information about the prevalence, and present and future costs, of retiree health plans. Some of the findings:

◆ Corporate costs for retiree health benefits are currently under control, but a cost crisis looms for companies committed to providing benefits for future retirees.

◆ Ignorance of, as well as an unwillingness to address, the problem characterize most companies' efforts to manage future costs of retiree health benefits.

◆ Some employers have taken steps to control costs of benefits, but only 25 percent consider those steps to be effective. Employers who wanted to implement changes, but did not, said they feared employee, retiree, or union backlash, or potential lawsuits.

◆ Few retirees or employers consider the possible need for nursing home care, and most will be ill-prepared to meet these costs.

2. *Health Benefits Management for an Aging Workforce: A Dialogue Conducted at the Wye Plantation.* Needham Porter Novelli, 3240 Prospect St., N.W., Washington, D.C. 20007; (202) 342-7000. (1986)

According to the results of this report based on a 1985 conference co-sponsored by the American Association of Retired Persons (AARP); the Employee Benefit Research Institute (EBRI); and the Washington Business Group on Health, "employers are concerned with both cost management and maintenance of quality care for older people."

Many of the thirty-one participants, representing academic, government, and business as well as the health care professions, voiced "substantial concerns about issues related the health care system" in the United States. They agreed there is a need for definitions and stabilization of public policy regarding retiree benefits.

According to the report, the conferees concluded that while older workers needed more information about their health care plans, "younger workers were not perceived as being much more knowledgeable."

Another conclusion reached by the conference attendees was that there was agreement that "the shifting framework of health benefits requirements and the uncertain limits of their own options made the creation and provision of health benefit plans for older workers and retirees an increasingly difficult endeavor." A "theme which echoed" throughout the conference, the report states, was the "need for definitions and stability."

3. *Health Benefit Management for Older Workers and Retirees.* Employee Benefit Research Institute, 2121 K St., N.W., Suite 680, Washington, D.C. 20037; (202) 659-0670. (1986)

EBRI reported the results of several regional conferences sponsored by EBRI, AARP and the New York Business Group on Health. The conference attendees included corporate, legislative, and academic representatives with interests in health care issues for older workers and retirees.

Participants identified issues that required further study, among them: development of a consumer education program to encourage patient assertiveness; health promotion and cost containment measures; study of the potential impact of prefunding of retiree health benefits; and development of communication and education programs for employees and retirees. EBRI concluded that "more needs to be done to understand the implication of an aging work force on the design and management of group health plans."

Participants at the regional conferences cited "limited" research that found that health benefit costs increase with age. Representatives of the various groups forseaw age rating for health insurance. To contain health costs for older workers, many companies have changed their health care plans, EBRI found, noting that participation in health maintenance organizations (HMOs) and preferred provider organizations (PPOs) had expanded. The report noted, however, that focus group studies done prior to these dialogues found that older people were skeptical about HMOs and PPOs.

The report also found that employers see retiree health benefits as a "crisis situation." Because of reduced Medicare payments, EBRI said, retired individuals badly need supplemental insurance coverage. Dialogue participants said, however, that current public policy is discouraging supplementation by employers.

4. Health Care fc Retired Employees, Research Bulletin No. 202. Betty Malroy Stagg, for The Conference Board, 845 Third Ave., New York, N.Y. 10022; (212) 759-0900. (1987)

A major conclusion of this report prepared by Betty Malroy Stagg for The Conference Board is that "employers are spending billions of dollars on health insurance for their retired workers, possibly more than one-quarter of their total health expense."

Potential liability for future costs "has many companies worried about the impact these costs have on their balance sheets," Stagg said, explaining that by most modest estimates, "this liability tops $100 billion" for American industry and "could exceed the net worth of some companies."

The study concluded that retiree health insurance is generally considered the most common non-pension benefit. An estimated "6.9 million retirees and their dependents are receiving such benefits, and that over half of the active workers in major companies have been promised coverage."

The author found that company officials believe that they have the right to reduce benefits, but that they also have an obligation to their employees. To control benefit costs for retirees, companies are investigating cost sharing, and developing new group products such as long-term care insurance and medical costs accounts, Stagg said.

5. *The Miami Lakes Dialogue on Pension Management for An Aging Workforce*. American Association of Retired Persons, Inc., Worker Equity Department, 1909 K St., N.W., Washington, D.C. 20037; (202) 662-4956. (1986)

The 32 dialogue participants -- from the public policy, health care, and academic arenas -- found that overregulation and frequent regulatory changes hamper employers that want to offer benefits to older workers and retirees. They also concluded that some companies consider pension assests in well-funded plans to be a source of funds for financing hostile takeovers, and that this attitude has sometimes encouraged a reduction in funding levels.

In addition, the participants noted that many companies recently have experienced difficult business conditions, which have made taking care of older workers and retirees a "difficult challenge." In light of these conditions, the conferees noted the need for greater worker protection.

The participants noted that 1977 and 1983 Social Security Amendments reducing future benefits increased the responsibility of the employer and individual, creating "a critical need to encourage employees to start saving earlier, and to educate retirees about financial planning for retirement."

It is crucial, the participants agreed, to understand the needs of employers in large and small private companies, as well as in the public sector, and to "develop public policies which will enhance retirement security."

B. Older Worker and Retiree Profile

1. Health and Extended Worklife. Deborah D. Newquist, Andrus Gerontology Center, University of Southern California, for the U.S. Senate Special Committee on Aging, U.S. Government Printing Office, Washington, D.C. 20402-9325; (202) 275-3030. (1985)

In her study, Newquist found that the health profile of the "younger" members of the older population "are healthier than is widely believed." Many of these people are "able-bodied" Newquist found. She noted that the majority of persons over age 45 report no function limitations due to chronic conditions.

Sixteen percent of older persons (45 years of age and older) are partially impaired. Worklife extension for these people might depend on "the economy, and on [whether there is] discrimination in the workplace," Newquist said.

Women frequently reported more health problems than men, and minority-group individuals had more health problems than whites in the same age groups. Newquist concluded that there is a need to help older, partially disabled workers find a job, and to get business "to promote the health and functioning of workers" that can promise opportunities to "prevent or ameliorate functional declines."

2. Korn/Ferry International's Executive Profile: A Survey of Corporate Leaders in the Eighties. Korn/Ferry International, 237 Park Avenue, New York, N.Y. 10017; (212) 687-1834. (1986)

Responses to Korn/Ferry's broad survey of senior executives at the vice presidential level from Fortune 500 industrial and service firms revealed that 53.7 percent were planning to retire before age 65, and 25.6 were going to retire at age 65. Sixteen percent said they wanted to continue working beyond age 65. Four percent of those surveyed said they planned to work until age 70.

Korn/Ferry queried 4,350 executives, of whom 31 percent responded. Twelve percent were in the 60-to-64 age range, and 1 percent were older than 65. Three percent of the executives who responded to Korn/Ferry's 1979 study were over 65, and 16 percent were in the 60-to-

64 age group.

Korn/Ferry concluded that the executives wanted to retire early because they worked long, stressful hours. Hard work was mentioned by 24 percent of the executives as the single most important factor in bringing about success, and their work schedules appeared to confirm that belief: Results of the 1979 survey showed that the executives worked an average of 56 hours per week and took 14 days of vacation per year; in 1985, the respondents worked an average of 53 hours per week and took 16 days of vacation per year.

3. *On the Other Side of Easy Street: Myths and Facts about the Economics of Old Age*. The Villers Foundation, 1334 G St, N.W., Washington, D.C. 20005-3006; (202) 628-3030. (1987)

The report examines the economic status of older Americans, those over age 65. Data were gathered from governmental agencies, congressional committee reports, and academic reports. Although governmental initiatives have "helped to improve the economic position of older" persons, the report concluded, millions of the elderly in America are poor. If poverty among the elderly were defined the same way it is for the non-elderly, "at least 45 percent [of the elderly would be classified as] either poor or economically vulnerable," the report concluded.

Among the other findings of the report:

◆ Elderly women and blacks have the highest poverty rates, with rates of [illegible]4.5 percent and 31.5 percent, respectively.

◆ "Older persons have exceptionally high out-of-pocket health care costs." Today, they spend basically the same proportion of their incomes on health care as they did before the Medicare and Medicaid laws were enacted.

◆ Fewer opportunities exist for older Americans to escape poverty, primarily because most cannot find a job. In 1985, only one out of every seven elderly Americans was employed at any time during the year, the study found.

◆ Social Security is the nation's best defense against poverty among the elderly. Without Social Security benefits, the poverty rate among the elderly would have "jump[ed] from 12.4 percent to almost 47.6 percent in 1984," the report concluded.

4. Retirement Before Age 65: Trends, Costs and National Issues (Vol. 1). U.S. General Accounting Office, Gaithersburg, Md. 20877; (202) 275-6241. (1986)

In this 119-page report, GAO examined information gathered on 110 retirement models that collectively forecast three retirement outcomes: "the costs of federal retirement programs; the retirement behavior of civilian workers; and the levels and distribution of retirement income."

GAO said there was a need for model developers to demonstrate that their work is credible, and concluded that "[a] first step towards achieving this goal is to invest more effort in the model validation and evaluation."

GAO found that:

◆ Documented models exist for all three outcomes, but the model forcasts are lacking in several areas, including the adequacy of documentation, the frequency of model updating, the existence of evaluation, and the quality of the model data.

◆ The amount, completeness, and content of the documentation vary from model to model.

◆ Model updating occurs regularly for program cost models, infrequently for retirement decision models, and intermittently for retirement income models. Lapses of essential data sets mean that the projections "are based on antiquated data."

◆ There are serious lacks of published information on the validity of most models, and of evidence that serious attempts at validation are being made.

5. Retirement Forecasting: Technical Descriptions of Cost, Decision and Income Models, (Vol. 2). U.S. General Accounting Office, Gaithersburg, Md. 20877; (202) 275-6241. (1986)

This 177-page publication is a supplementary volume intended as a source of more detailed information reviewing specific characteristics of the forecasting models in Volume 1. (See above summary.) This report describes and reviews 71 retirement forecasting models, 35 models of retirement and decision behavior, and four models of retirement income. It provides the following information for each model: the model's sponsor; its primary objective and use; and the predicted actions and methods of calculations. GAO notes that some of the models still have inaccuracies.

6. *Workers 45+: Today and Tommorrow*. American Association of Retired Persons, Inc., Worker Equity Department, 1909 K St., N.W., Washington, D.C. 20049; (202) 662-4956. (1986)

AARP concluded in this report that, because of their experience, older managers are capable decisionmakers. AARP also said evidence exists to demonstrate that changes in intellectual performance are less likely the product of age than of a person's attention and physical state.

Older workers bring to their employers "experience, stability, loyalty, and a positive attitude about their work," and have caused many employers to entice them to remain in their jobs longer, AARP said.

The report also found that older workers are at least as productive as younger employees in most jobs, and have attendance records that are equal to or better than those of workers in other age groups.

7. *Work and Retirement: Employees Over 40 and Their Views*. American Association of Retired Persons, Worker Equity Department, 1909 K St., N.W., Washington, D.C. 20049; (202) 662-4956. (1986)

AARP surveyed more than 1,300 workers age 40 and older in a variety of U.S. industries about several employment and retirement issues.

The results revealed that phased retirement options appealed more to the younger respondents. Flextime and part-time work were most often cited as incentives to encourage workers to delay full retirement. Fifty-six percent of the respondents said higher monthly pension payments were much more likely to induce early retirement, while 9 percent said outplacement service would encourage early retirement. Seventy-seven percent of those surveyed said their employers had offered no retirement planning education.

The survey found that two out of three workers reported receiving some job training within the previous three years. Employees age 63 and over, those with lower incomes, less education, and lower-level jobs, such as clerical or sales activities, and those employed by small firms and in the private sector were less likely to receive job training, according to the survey results. More than four out of five respondents expressed a desire for training opportunities.

C. Personnel Practices for Older Workers, Retirees

1. The Age Discrimination in Employment Act: Equal Opportunity or Reverse Discrimination? Clint Bolick, for The Cato Institute, 224 Second St., N.E., Washington, D.C. 20003; (202) 546-0200. (1987)

In his study for the Cato Institute, Clint Bolick maintained that court rulings that have made the underrepresentation of older workers in the workplace evidence of discrimination have resulted in reverse discrimination on behalf of these workers. Bolick contended that many civil rights advocates distort ADEA and other laws to benefit certain groups regardless of market conditions or at the expense of individuals.

Bolick concluded that the "Age Discrimination in Employment Act (ADEA) has been distorted to such an extent that as presently interpreted, it poses a grave threat to the ability of employers to make rational employment decisions." The courts today are interpreting the ADEA to "deny employers the ability to make cost-based decisions," he said.

Business leaders should "predicate a vision based on economic liberty -- on the equal opportunity of every individual to freely participate in the economy, bounded only by the limits of ambition, talent and imagination," Bolick concluded.

2. Personnel Practices for An Aging Workforce: Private Sector Examples. Lawrence S. Root and Laura H. Zarrugh, for the Senate Special Committee on Aging, U.S. Government Printing Office, Washington, D.C. 20402-9325; (202) 275-3030. (1985)

As programs for older employees improve, more and more of these workers will chose to remain employed, Root and Zarrugh contended in this report. Such a shift in behavior "would not only free up public funds so they can be used to support the most needy and frail elderly, but the availability of experienced older workers should prove beneficial to the national economy as well," they argued.

The study included case studies from the files of the National Older Workers Information System (NOWIS). NOWIS is a data base that describes companies that have specific programs for older employees, including part-time placement; training programs; phased retirement; and job redesign and flexible scheduling.

Root and Zarrugh believe that the private sector should be addressing some of the problems of older workers. The companies examined in the case studies use the programs, the authors said, because they work and because they "are symbiotic, offering advantages to both the company and the employee."

3. *Utilizing Retired Employees*. Frank Sanders and Robin Galstad, for the *EMA Reporter*, Vol. 12, No. 8, Employment Management Association, 5 W. Hargett St., Suite 1100, Raleigh, N.C. 27601; (919) 828-6614. (1986)

Nearly 34 percent of 54 respondents to a survey said they maintained a pool of exempt and non-exempt retirees for part-time or temporary work assignments. Only 9.7 percent allowed retirees to share jobs with other employees, while 45.2 percent used retirees on a contractual basis to perform various job duties.

The respondents, representing a broad range of the U.S. industry, indicated a "keen interest in using retired employees," the authors concluded.

Some of the other findings:

◆ Nearly 46 percent of the respondents selected retirees to work because their skills met the job requirements, 18.1 percent reported that the retirees had skills that "can't be replaced internally," and 9.1 percent said the retirees were selected on the basis of pre-retirement job performances.

◆ Almost 46 percent of the respondents said that the pensions of these employees were not affected by the work performed.

◆ More than 36 percent of the respondents cited reduced training time as one advantage of using retirees; the retirees' experience with the company meant they did not have to be extensively trained, these employers said. Loyalty was rated as an advantage by 6.1 percent of the respondents, while stability, punctuality, and accuracy were rated as an advantage by 3 percent.

4. *Wellness for Older Workers and Retirees*. Institute on Aging, Work and Health, Washington Business Group on Health, 229 Pennsylvania Ave., S.E., Washington, D.C. 20003; (202) 547-6644. (1987)

In his report, Robert C. Levin discussed benefits and drawbacks to industry of wellness programs for workers age 40 and above; elements of a successful program; special characteristics of such programs; and how to design programs for workers and retirees, including examples of existing company projects.

Levin found that health promotion programs reflected "an interest by companies in accommodating the needs and concerns of an aging workforce, and burgeoning retiree population," and in the increasing tendency of individuals to develop acute and chronic illnesses as they age. Employers are also concerned about the rising costs of retiree benefits. Wellness activities have been aimed primarily at the younger population, but, Levin said, these programs have received an "enthusiastic reception" from older workers and retirees. Levin also concluded that programs for employees have been successful, but retirees returning to the worksite are "a less captive audience."

5. *Work, Health and Income Among the Elderly*. Edited by Gary Burtless for The Brookings Institution, 1775 Massachusettes Ave., N.W., Washington, D.C. 20036; (202) 797-6000. (1987)

This series of papers addressed policy issues affecting the adequacy of income and food consumption among households of older individuals.

"Work capacity declines as workers age," writes editor Gary Burtless in the introduction and summary of the book. He noted that while the majority of people work when they are 50, "only a comparatively small fraction remain employed when they reach age 70."

In one paper, author Martin Bailey suggested that factors such as Social Security disability insurance and private retirement and disability programs are leading to a rise in self-reported work limitations and disability. Bailey advised maintaining a back-up program of disability insurance for workers in poor health.

Burtless found a connection between a worker's job, industry, and average pay, and the ability to work and retirement age. Using information from approximately 8,000 men who retired during the late 1960s and 1970s, Burtless found, for example, that "a 62-year-old miner is 50 percent more likely to suffer a work limitation than is an average worker, (and) is also about one-third more likely to die in the 10 years after age 60."

Another paper by Jerry A. Hausman and Lynn Paquette found that families of involuntarily retired workers often sharply cut family food buying because of reduced income. "In poorer families where these (retired) men are the breadwinners, food consumption drops about 30 percent . . . But even higher income households experience a significant decline in food purchases under similiar circumstances."

6. *Workers Over 50: Old Myths, New Realities*. Yankelovich, Skelly and White, Inc., for The American Association of Retired Persons, Worker Equity Department, 1909 K St., N.W., Washington, D.C. 20049; (202) 662-4956. (1986)

In this study, AARP examined how older workers were perceived by business, and the business policies and practices regarding these workers. Human resources executives in 400 companies were interviewed. Those surveyed indicated that, on the whole, they felt "very positively" about older workers. Older workers, however, also were perceived negatively in some areas, specifically, competitiveness, flexibility, and adaptability to new skills.

Nonetheless, 83 percent of the employers reported that older workers had valuable problem-solving skills that were based on "knowledge/experience." Almost half (49 percent) of all respondents supported the elimination of mandatory retirement, although only 23 percent of the larger companies supported its elimination. Overt or systematic discrimination against older workers was rare, based on the responses from the employers, and 67 percent of employers agreed that observance of existing laws and regulations "was sufficient to meet" workers' equity needs.

Eighteen 18 percent of the companies had begun implementing part-time work along with paid benefits for their older workers, while 14 percent implemented paid part-time work without benefits for these people. The study found that 30 percent of the respondents had begun training for them.

7. Work, Aging and Vision. Committee on Vision, National Research Council, 2101 Constitution Ave., N.W., Washington, D.C. 20418; (202) 3343-2000. (1987)

As the middle-aged workforce population grows, employers should be particularly watchful of ways to help older employees cope with vision problems that may affect their job performance, according to the NRC report.

The report contained the discussions of 28 specialists on the subjects of vision impairment, aging, and work performance. This report suggested solutions to better match an employee's visual abilities and job, and examined the scientific, industrial, and political contexts for changes in the field of eye care.

Age-related vision problems such as shrinking of the pupil, which reduces the amount of light reaching the retina; hardening of the lens, which restricts the range of clear vision; and yellowing of the cornea, which reduces contrast perception and increases sensitivity to glare, are discussed in the report.

The report concluded that it can be difficult to pin down exactly how age-related vision problems affect performance of a specific job. "It is one thing to say that an older person may have reduced contrast sensitivity, and another to trace the implications of such impairment to a particular job," the report argued.

The specialists concluded that there is a need for standardized vision screening tests to assess visual functions for certain jobs. These tests should not be used to exclude older workers, but to assure a proper match between employee and job, and to identify work area design and lighting changes to improve worker productivity, they said.

ISSUE: PRERETIREMENT PLANNING

Retirement . . . the word sparks images of leisure activity, travel, time spent with family. For many workers, retirement is what they have spent their lives working toward, the chance to do the things they always wanted to do.

In many cases, however, these images of retirement turn out to be pipe dreams. For some people, retirement brings the unhappy realization that they do not have the money to enjoy a leisurely lifestyle. For others, the sudden elimination of work leads to a loss of identity. Spouses may have difficulty adjusting to spending all day together. Days that used to be crowded with activity during the working years can suddenly seem empty.

For people who plan for retirement, the dream of leisure time can become a reality. A growing number of companies are helping workers make the transition from work to retirement through formal preretirement or retirement planning seminars and other methods.

Preretirement Planning Seminars

One way companies have found to prepare their employees for retirement is the preretirement planning seminar.

Preretirement planning seminars are designed to give employees approaching retirement information about how to face issues that they will have to deal with once they are no longer out working.

Topics that are frequently discussed include: financial planning;

health and fitness planning; nutrition; estate planning; future employment; investments; time management; legal questions; housing; relocation; and spousal adjustment to the retired person being at home, or, if both spouses are retiring, adjusting to spending extra time together.

Frequently these seminars are scheduled during a time when spouses can attend and are held at a location that is convenient. Generally, attendees receive written materials that they can take with them for future reference.

Sometimes, however, companies restrict their preretirement planning meetings to just explaining the firm's retirement benefits and answering questions that employees may have.

Companies and organizations interested in offering a preretirement planning seminar have a wide variety of programs to choose from. Although most programs have certain characteristics that are unique to them, most seem to address similar topics. Some companies use one component from one planning program and combine it with something they like from another.

John Migliaccio, director of special projects for the Retirement Advisors (RAI) Division of Hearst Business Communications Inc., maintained that 35-40 percent of Fortune 500 companies offer some type of formal retirement planning program. Among smaller firms, however, the percentage is much lower, he said, citing a New York Chamber of Commerce survey that found only 16 percent of the small to medium-sized firms in the New York area offering such programs. He estimated that 90-95 percent of all employees that could benefit from such programs (those over age 52) do not have access to them.

The following fact may serve as evidence of the increased interest and concern about retirement preparation. In the mid-1970s, the International Society of Pre-Retirement Planners was established. Today, that organization has more than 700 members that range from corporate benefit departments, retirement planning firms, colleges and universities, and advocacy groups for older workers.

Some Advantages to Companies

Other than for altruistic reasons, why should companies concern themselves with the lives of their employees after they retire?

Migliaccio cited four benefits to companies that offer the programs:

- They demonstrate a "commitment to the workforce."
- They are a good employee relations tool.
- They are good manpower planning tool.
- They are a low-cost, high-profile benefit.

Migliaccio cited a 1985 study by the U.S. Chamber of Commerce that found the average annual per-person, per-benefit cost to be $7,800. In contrast, retirement planning costs companies only a "few" dollars a year per person, he said.

Sol Brandzel, a retired international vice president of the Amalgamated Clothing and Textile Workers Union, believes that preretirement programs are important because of the interrelationship between health and a good mental state. If people are not properly prepared for retirement, then there is the risk that they are going to be lonely and unhappy, he said, which can lead to increased health problems, and thus present a significant cost to the company that has promised to pay health benefits for retirees. In a 1984 Issue Brief, *Employer-Paid Retiree Health Insurance: History and Prospects for Growth*, the Employee Benefit Research Institute (EBRI) estimated that 57 percent of employees in medium-sized and large companies had been promised retiree health benefits.

James Klein, an attorney specializing in employee benefits at the U.S. Chamber of Commerce, said that companies might want to offer these programs because preretirement planning is often seen as another employee benefit that good employers want to give employees as a "reward for years of loyal service." Some firms believe that offering programs that prepare their employees for retirement is as important as having good hiring and personnel policies at the onset of and during their employees' careers, he said. "It reflects well on the company," Klein said.

Companies may just want to help their employees make necessary future plans, Klein suggested. By explaining pension benefits, the firms enable employees to make effective financial arrangements during the years preceding retirement. The seminars can be used to explain retiree health benefits, or to provide information on applying for Medicare.

. . . and Some Problems

There may be disadvantages to offering such programs. Some ot rvers say they worry that preretirement planning seminars can be designed to encourage people to retire before they are ready by presenting too rosy a picture of the future. They support such seminars if they offer a realistic picture of what retirement will mean financially, emotionally, and in other areas.

Migliaccio said that his firm has designed a preretirement program that it uses specifically for companies that offer early retirement incentives. The company uses a somewhat different program if no retirement incentive is being offered, he explained. While he agreed that some programs may paint too rosy a picture, he countered that some others paint "too grim" a view. (See *Early Retirement*.)

Stephen McConnell, minority counsel to the Senate Special Committee on Aging, recounted an experience he had when he worked for Rep. Claude Pepper (D-Fla). Pepper had been asked to speak at a preretirement seminar. McConnell said he told the company representative that Pepper would most likely urge the audience to "keep working." There was a silence at the other end of the telephone and then the company representative said, "Okay, but can he encourage them to keep working someplace else?"

James Klein said that one area of concern for companies may be employer's liability as it relates to providing financial advice. If companies offer their employees advice on how to invest their money and those investments don't pan out, Klein said, a company could be held liable. He was not aware, however, of any specific cases where this has occurred.

William Fitch, a former executive director of both the American Association for Retired Persons (AARP) and the National Council on the Aging (NCOA) and currently senior research coordinator for NCOA, said that his organization avoids the liability problem by refusing to give specific "financial advice." At "no time" does NCOA tell seminar participants how to invest their money, he said. Rather, he said, NCOA explains broad principles of financial planning and includes addresses for certified financial planners, but makes no investment decisions for them even for those participants who want NCOA to do just that.

Shirley Waldrum, a senior program specialist at AARP, said her organization likewise refuses to give specific financial information to members. Its preretirement program relies more on outside "resource authorities" and serves more of a referral function than a financial consulting function. AARP advises sponsors of such programs to find outside resource authorities who "give information but not direction," Waldrum said.

Other problems for companies considering offering these programs, Klein said, particularly for smaller firms, are cost and lack of expertise. Waldrum agreed that cost is sometimes a factor in a company's decision not to offer a retirement planning seminar. Other reasons, she said, could include not having a place to offer the program and not finding a convenient time for employees and their spouses to attend.

When To Offer the Seminars

The decision to offer preretirement counseling leads immediately to a question: To whom should the counseling be offered -- all employees or only those who are close to retirement?

James Klein of the Chamber of Commerce believes the answer depends on the type of program being offered. If the firm simply wants to explain its pension benefits, he said, there is not much value in offering it to employees not close to retirement because they won't remember what they're told. However, if the purpose is to offer ideas on financial security, then it is probably better to let young employees participate.

AARP says it does not advise companies when to offer preretirement planning programs. Generally, companies offer the seminar to people who are two to five years from retirement. But Shirley Waldrum of AARP said it really depends upon each individual company -- its size, availability of space and time, and other factors. AARP reports finding that some companies are reluctant to offer the seminars to employees who are not close to retirement because employees become concerned that they have been targeted for retirement.

A Lifetime of Retirement Planning

A company that encourages employees to begin planning early for their retirement is TRW's Reda Pump Division in Bartlesville, Ok... In a September 1984 issue of the *The Reda News*, the company suggested that employees begin in "their thirties to look ahead to retirement."

The newsletter set out a retirement planning schedule broken down in five-year and 10-year segments from age 35 through age 65. Workers 35 to 45 years old were urged to begin thinking about what they would like to do when they retired and where they would like to live. Workers were advised to use vacations to scout out possible retirement locales. The newsletter also encouraged employees to start saving money as a supplement to their retirement; thinking about health and fitness; and exploring new interests and activities.

Individuals age 45-55 were advised to review their finances regularly; begin narrowing their list of retirement options; and continue a healthy lifestyle.

Employees age 55-60 were advised to attend a retirement planning seminar, and were encouraged to re-examine their financial goals, reduce their debt load, and increase their nest egg; review company and Social Security benefits; explore aspects of early retirement; develop interests that could supplement their incomes; develop in detail a lifestyle plan for retirement; use vacations to study possible retirement sites; and continue good health practices.

Workers age 60-65 should definitely attend a retirement seminar, the newsletter said. In addition, it was recommended that they perform a detailed analysis of their finances; review their pension plans, Social Security benefits and savings, and insurance coverage; have regular medical check-ups; select a retirement date; apply for Social Security and Medicare; and keep in contact with the company retirement specialist who will process benefit papers.

SOME PRERETIREMENT PROGRAMS

Following are descriptions of preretirement programs developed by AARP; Grumman Aerospace Corp.; Judy Watt Associates of Redondo Beach, Calif.; NCOA; Polaroid; and RAI.

AARP

According to Shirley Waldrum, senior program specialist for the AARP Worker Equity Department's Workforce Education Project, the AARP preretirement planning program was started 17 years ago. What became the Worker Equity Department in 1985 was then known as Action for Independent Maturity (AIM).

The program -- originally called AIM's "Retirement Planning Seminar" -- is now termed "Think of Your Future" to better reflect, Waldrum said, the content of the program and to help eliminate the fear some employees had of being targeted for retirement when they were invited to participate in a "preretirement" program.

"Think of Your Future," Waldrum said, addresses a wide range of issues:

◆ Fitness and health;

◆ Attitudes and roles (a discussion of anticipated changes with the view that retirement is a positive move);

◆ How to adjust to each other (helping husbands and wives adjust to having the other spouse at home);

◆ Housing and lifestyle (questions people should ask when deciding whether to relocate);

◆ Challenge of the future (discussion of retirement readiness);

◆ Time (discussion of meaningful use of time for hobbies, volunteer work, jobs, and other activities);

◆ Financial (two-part discussion: Finance I -- sources of income; "haves" and "needs" as far as assets and pensions; the information you need and how to get it; and resource authority. Finance II -- personal financial planning; examination of spending habits; inflation; automobile ownership and use; medical costs);

◆ Working options;

◆ Legal affairs; and

◆ Estate planning (laws and wills).

The AARP retirement planning program uses what Waldrum termed outside "resource authorities," such as bank officers, doctors, certified public accountants, and brokerage representatives.

The organization also has more than 130 volunteers who visit employers nationwide to see whether they already are conducting preretirement seminars, and, if not, to try to interest them in a program such as AARP's. The volunteers also are available as support for companies that decide to use the program.

Companies interested in using AARP's retirement planning package can attend a three-day training conference held at various times and locations around the country. Waldrum said the training session includes course materials, and breakfast and lunch. Among the course materials is the "Think of Your Future" workbook, which covers the 10 subjects examined in the AARP preretirement program and can be used as a self-teaching device. The manual can be purchased separately.

AARP also makes its preretirement planning program available to churches, clubs, community colleges, and other interested organizations, Waldrum said. Some organizations supplement the AARP material with their own information and resources, she said, adding that AARP has no problem with that approach.

Approximately 30,000 people have participated in the program since its inception. Among the companies that use the AARP retirement planning program, according to AARP, are Burlington Industries Inc., Exxon Corp., ITT Corp., Martin Marietta Corp., Spaulding Division of Spaulding & Evenflo Cos., Inc., Texaco Inc., and Union Carbide Corp.

Grumman Aerospace Corp.

Grumman Aerospace Corp., of Bethpage, N.Y., started its preretirement planning program in 1977. It is now a regular benefit provided to employees age 50, 55, and 60 to help them decide when they should retire. Grumman's early retirement program allows retirement at age 50 for workers who have at least 20 years of service. Because employees may modify their retirement plans, the company includes programs for workers at three different ages.

According to Bill Hughes, manager for personnel communications, the program consists of two evening sessions approximately two to three weeks apart for employees and their spouses. The sessions generally are held in April and October each year, and 70 to 75 employees attend each session.

The company offers employees three opportunities to go through the program, Hughes said, because financial plans can change over time, and because the company can use the sessions to alert employees to any changes that have taken place in the tax and retirement laws.

At the first session, Social Security and Grumman company benefits are explained, and the psychological and personal sides of retirement are discussed. At the second session, the employees have an opportunity to discuss financial and estate planning. Hughes said Grumman has found that, before they retire, people are concerned about money, and that after retirement, they become more concerned about having too much free time.

The company "encourages" people to "continue the dialogue" after participating in these meetings, Hughes said, adding that Grumman makes it clear it "will respond to individual couples'" questions.

Hughes said that Grumman's corporate leaders have stressed that this program is not to be "perceived" as an "incentive" to encourage employees to retire and that the seminars are not used as a form "of pressure" to get them to retire.

The company has tried to develop its preretirement planning program so that it can respond to an "entirely atypical workforce," Hughes reported. There is no longer a typical "Grummanite" as in the past -- a male employee with a wife and children at home. Today, the company's workforce includes, for example, two-income families, single parents, and divorced women. "We've tried to introduce as much flexibility" into the program as possible, he said.

Grumman eliminated the mandatory age-70 retirement cap in 1985, one year before the state of New York did. And, Hughes pointed out, the firm rehires retired workers on both part-time and full-time bases. People interested in working after they retire fill out a form, Hughes explained, that lists such things as their skills and whether they would be interested in part-time or full-time work. When the company is operating at "peak time" and needs extra help, it consults the skills bank and hires former employees.

Judy Watt Associates

Judy Watt, president of Judy Watt Associates, a Redondo Beach, Calif., "life planning" company, has been involved in preretirement planning for about 20 years. She told BNA that she had worked with Retirement Advisors in New York and AARP's AIM for several years.

Watt's programs usually begin with a discussion of the psychological impact of retirement, and move on to health matters; housing or where an individual is planning to live after retirement; meaningful use of time; second careers; volunteering and other activities; estate planning; and Social Security. Watt saves financial planning -- often the most popular topic -- for the end because she structures the overall program so that every topic is designed to "flow into" the financial question.

Watt's program format -- a lecture series -- differs from many others. She relies heavily on outside -- and sometimes well-known -- speakers who are paid honorariums. She uses overhead transparencies and has outlines that are distributed to attendees that they can fill out according to their personal situation. She also distributes hand-outs that help attendees use the information they gather at the seminar.

Watt said she has developed a network of attorneys and financial planners throughout California who will provide "free consultation" to attendees.

Watt's programs vary in length, depending upon what a company wants. Some companies want to break up the lectures into several sessions over several weeks, while others prefer one all-day session. Watt said she will accommodate any size group a company wants, but prefers to deal with small groups because they facilitate greater participation.

Some companies prefer having the meetings off-site, while others schedule the programs on-site. Most, she said, seem to prefer on-site meetings on employee time because programs held on employees' free time draw only those workers who are sincerely interested.

The cost of Watt's seminars varies. All fees include honorariums and a facilitator's fee.

Watt ensures that a company representative is present to explain the firm's benefits.

The National Council on the Aging

In 1979, NCOA developed a preretirement training seminar. The 20-hour program is designed for presentation in six "modules":

- Lifestyle planning;
- Financial planning;
- Being healthy;
- Interpersonal relationships;
- Living arrangements; and
- Leisure and work options.

The NCOA preretirement planning program is designed to eliminate the need for outside speakers, according to Senior Retirement Consultant William Fitch. Companies can choose whether they want to put on the program themselves or contract with NCOA to conduct the program at their facility.

Companies that want to put on the program themselves can send a representative to a week-long leadership training program. The cost covers a leader's manual and a full set of participant materials. The Leaders' Guide, according to NCOA, "incorporates step-by-step instructions for organizing and conducting each session" and a participants' manual.

NCOA also has developed, for purchase, audiovisual materials, including nine slide/tape shows; 45 overhead transparencies; 16 poster-size display panels containing financial examples and other materials; 20 sets of Option Game cards; an administrator's guide that contains background information for putting on the program; and a carrying case for storing and transporting the materials. All materials are updated annually at no charge to purchasers if they have been utilized during the last 13 months.

The participants' manual contains more than 200 pages of "readings, exercises, bibliographies and study materials"; five personal planning record books; and a three-ring binder to store the materials. Spouses of attendees can obtain a "spouse's kit" that includes everything except a financial planning workbook. Fitch said that NCOA believes strongly that financial planning should be a shared exercise between spouses, and thus believes that one workbook is sufficient. NCOA encourages spouses to take part in the seminars. It "makes for a much better session" if spouses are involved, Fitch said.

If a company decides to contract with NCOA to put on the program, the firm must pay a consultant fee based on the length of time for the seminar. While the company would not have to purchase the audiovisual presentation materials or pay for the leadership training, it would have to purchase the participants' manuals and the spouses' kits, Fitch said.

Most companies conduct two to three programs per year with an average of 35-40 people in attendance at each program. Merck & Co., a New Jersey health products manufacturer, has engaged NCOA under a five-year contract to conduct the program at its various U.S. sites, Fitch said. Merck anticipates that approximately 400-500 people will go through the program each of the five years, he said.

Fitch said NCOA's program has a great deal of individual participation and "interaction." The rapport between participants is sometimes so strong that groups actually plan "reunions," according to Fitch.

NCOA always asks a company representative to sit in on the financial planning segment of the program to make sure that participants understand the company pension plan and other retirement benefits. It's "amazing," Fitch said, "how few" employees actually understand their company benefits. If individual counseling is necessary, the company representative makes a private appointment. There is no public exchange of private financial information in the group meeting, he noted.

Fitch said approximately 75 companies now use the NCOA program, among them, Alcoa; Atlantic Richfield Co. (ARCO); Boise Cascade Corp.; Equitable Life Assurance Society; Giant Food, Inc. (see related case study, this chapter), GTE Service Corp.; the National Rural Electric Cooperative Association; The Standard Oil Co.; The Travelers Cos.; Weyerhaeuser Co.; and Whirlpool Corporation.

Polaroid Corp.

Polaroid Corp. gives retirees or soon-to-retire employees an opportunity for one-on-one retirement counseling. Joseph S. Perkins, corporate retirement manager, told a workshop of the New England Employee Benefits Council in late 1986 that the value of such counseling is that it gives family members, not just the employees, a chance to participate. He said individual counseling gives employees and retirees information they have to have in plain language and better serves those people who simply will not speak up in a group setting.

Perkins recommended two hours of confidential counseling on company time, in a private location. Half the session, he said, should be devoted to "hard numbers" -- an individual's pension plan and profit-sharing data, projected Social Security income, and annuity survivor benefits. The remaining time should be divided between a discussion of inflation's effects on retirement income and issues such as the transition from work to retirement, retiree medical benefits, life insurance, and leisure time.

According to Perkins, although Polaroid's counseling sessions are offered on company time, some people "insist" on coming on their own time.

A counselor should be aware of the "attitudinal" and the objective sides of counseling, and should not hesitate to call on in-house social workers or other personnel administrators to help in the process, Perkins said.

At a "window-shopping" session "many years prior" to retirement, Perkins said, Polaroid employees learn about the company's various retirement options. Another session is held a couple of years prior to retirement. During the last 12-18 months prior to retirement, Perkins said, it is not "unusual" for an individual to need another four to six hours of additional counseling.

Retirement Advisors

Retirement Advisors (RAI), Division of Hearst Business Communications Inc., specializes in retirement planning.

A New York firm that has been in business for about 30 years, offers several services to companies. It also publishes a variety of material, including a preretirement and a post-retirement newsletter; a series of 12 preretirement booklets; and a retirement portfolio of eight booklets covering retirement-related topics such as attitudes, finances, health, legal issues, and housing. Retirement Advisors offers group retirement planning programs, programs tailored to company needs, and training programs for those doing group seminars.

According to John Migliaccio, director of special projects, about "90 percent" of Retirement Advisors' clients rely on published material sent directly to an employee's home.

RAI suggests the following plan for a company that wants to make use of its complete program: Give employees age 55 the retirement portfolio booklets and invite them to attend a group program. Also give them the series of 12 preretirement booklets, delivered quarterly for three years. Provide employees age 58 with the monthly preretirement newsletter, and send retirees the post-retirement newsletter. Migliaccio noted that clients who use Retirement Advisors' publications can have them sent out using their own company logo.

RAI also has a "reader assistance program" in which individuals who receive the publications can write to Retirement Advisors with questions. He estimated that the company responds to between 8,000 and 10,000 questions a year.

The cost to a company for Retirement Advisors' service will depend on which of the firm's services the company decides to use. There is no limit on the number of employees that can attend the seminars, although Migliaccio said there are usually between 30 and 60 participants.

Migliaccio said that the company recently created a "model" preretirement planning seminar that was designed to help implement an early retirement program. The difference between that seminar and others, in Migliaccio's opinion, was that it was "much more extensive" and was structured to create a "very positive aura [around] the early retirement incentive." The program included a two-day "retirement fair" and clinics, as well as the publications and the group meeting. (See *Early Retirement.*)

Among the companies that use at least some of Retirement Advisors' services, Migliaccio said, are: American Can Co.; Michigan Bell Telephone Co.; New England Teamsters Union; GTE Service Corp.; United Food and Commercial Workers; Clairol Inc.; and the Federal Reserve Bank of Salt Lake.

Retirement Transition Programs

Some companies prepare their employees for retirement by offering what are sometimes called "retirement transition" or "retirement rehearsal" programs during which workers who are approaching retirement age either are given time off to pursue other interests or plan a new career.

Some companies pay tuition costs for courses that will help employees develop new interests, either for hobbies or for new careers. Courses can range from golf and sewing to computer programming and business courses.

Pitney Bowes U.S. Business Systems has what it calls a "retirement education assistance program" or a "second-career program," in which tuition assistance is provided to all employees over the age of 50. (See Pitney Bowes Case Study in this chapter.)

Crouse-Hinds Co. also has a tuition-reimbursement program for older workers and retirees who wish to take college courses. In addition, the company offers a post-career planning program to help retirees "maintain control of their lives." The program focuses on investment and financial counseling. (See Crouse-Hinds Case Study in *Training & Retraining.*)

Some companies -- Polaroid for one -- offer what is known as "rehearsal retirement" programs that enable employees to take up to six months off and return to their previous jobs. Polaroid employees must take the leave without pay and must foot the cost of paying for benefits during the leave of absence.

Other companies, such as Xerox Corp. and Wells Fargo and Co., offer "personal growth" or "social service" leaves. Xerox provides "social service" leave to any employee who has been with the company for at least three years since 1971, according to corporation spokesman Peter Hawes. This program was not designed specifically for older workers and Xerox keeps no figures on the participation rate of older people, Hawes said, although some older workers have taken advantage of the program. There are about 70 applications submitted each year and approximately 12-14 leaves of absences ranging from one to 12 months are approved each year. Participants receive full pay and benefits and can return to their former jobs after they return from the leave, Hawes said.

Individuals choose their own projects, Hawes said, and write their own application. The company requires only that the leave be with a non-profit, non-political, and non-religious organization (although Hawes said that some people do work with church-sponsored projects that are designed to help the community at-large, such as projects for homeless people.

Since 1977, Wells Fargo and Co. has permitted long-term employees to take Personal Growth leave. Employees with 10 or more years service with the firm are eligible for a three-month, fully paid leave of absence to pursue an activity of their choice. They must not choose an activity of purely leisure, such as travel to visit a relative, although travel to pursue an interest is permitted.

According to Nancy Thompson, vice president of the corporate responsibility department, employees who take part in the leave program must plan to return to the company. Thompson said that the leaves, which thus far have been available only to full-time employees, are being made available to regular part-time employees of the company.

The company allocates 15 months of leave time for the program each year. There have been 30 such leaves granted since the program was created.

In 1984, the leave program was suspended for a year during a period of "severe cutbacks in employment," according to Thompson. The company decided it would be insensitive to employees who were being laid off to have other employees being given paid leaves of absences. The program resumed in 1985. Thompson stressed that the program is evaluated each year and that the company has found it to be worth the investment. She said the company created the program because the employees have "given so much to Wells" that it wanted "to give back something to them."

Wells Fargo also allows employees with at least three years of service to apply for six-month "social service leaves" to work with non-profit, non-religious, and non-political companies.

Kollmorgen Corp., a large manufacturer of precision optical instruments with headquarters in both Hartford and Stamford, Conn., permits employees who are one year away from retirement to volunteer their services to the community for a certain percentage of that year. The volunteer work may be performed only for non-profit, non-political, and non-religious organizations.

Grumman Aerospace permits its employees to begin a phased retirement when they reach age 60, Bill Hughes said. People can gradually retire by reducing their workweek. Phased retirement enables the company to gradually replace the retiring worker, avoids the "abrupt" change that takes place when the worker leaves, and, enables prospective retirees to help train their successors.

MONY Financial Services, a New York City-based modified financial services company, has a "preretirement leave program" known as "hobby days." Full-time salaried office employees over the age of 64 with at least 10 years of service can take one paid day off a week during the year prior to retirement. While they may take any day of the week off, the company encourages them to take a Monday or Friday. The purpose of the leave, according to Linda Kramer, assistant vice president for benefits and compensation, is to help them get used to having more free time.

The company also contacts its employees, usually by letter, 16 months prior to normal retirement to give them basic information on the company's retirement benefits, according to Kramer. Three months before retirement, individuals are contacted by the company to discuss specific information related to retirement.

The company also conducts periodically a Post-Career Planning Program that involves discussion of psychological, medical, and financial issues relating to retirement. An outside consultant conducts the two-day group program. The first day is devoted to a discussion of attitudinal issues and the second to financial issues, Kramer said.

CASE STUDIES

Company: Giant Food Inc.

Program: Retirement Planning

Summary: Giant Food Inc. says it operates on the premise that it is a family. "We the people" is a theme that recurs frequently in its communications. Employees -- 22,000 at 145 food and drug stores and other facilities in the District of Columbia, Maryland, and Virginia -- are called "associates." Giant began its retirement program for its older workers seven years ago, using the American Association of Retired Persons (AARP) Action for Independent Maturity (AIM) materials. Today, its

7,300 associates age 40 and older, their spouses, and friends are provided with an abundance of information on retirement. Its free program, offered in the spring and fall, is supplemented by the National Council on the Aging's, Industry Consortium Retirement Planning Program.

In the last 50 years, Giant Food Inc. has grown from a small Kosher butchery in Lancaster, Pa., to a chain of 145 food and drug stores in the District of Columbia, Maryland, and Virginia. In 1985, the company was named one of the Fortune 500 top 50 retailing organizations in the nation. Sales for the 1986 fiscal year were $2.247 billion, up 5.1 percent over sales of $2.139 billion for the prior year.

Giant Food's pledge to make each of its 22,000 associates feel like a contributor to the chain's success is unique only because it works, according to Santa Manfre, director of training and management development.

As evidence of this attitude, in 1980, the company asked Giant retiree Fred Crosley to conduct the company's first Retirement Planning Program (RPP), Manfre said. Crosley used materials purchased through Action for Independent Maturity (AIM) program created by the American Association of Retired Persons (AARP). In 1985, AARP restructured AIM, renaming the program the Worker Equity Department.

Manfre said the company currently feels that the Industry Consortium Retirement Planning Program kit, published by the National Council on Aging (NCOA), offers a more flexible program. NCOA's guidebook requires little use of outside expertise, while providing a wide range of training media -- slides, transparencies, flip charts, games, role plays, workbooks, and sample exercises -- and is adaptable to the company's needs. "We like this package program because we can use our own human resources to supplement it," Manfre explained.

"We have 7,300 associates here at Giant who fall into the '40 years and older' category, thus making them eligible for the program," Manfre said. After looking at the number of people approaching retirement age -- both administrative and other associates -- "we saw the need to expand the program," she added.

Corporate Videos, Retiree Involvement

Manfre noted that a number of campaigns were initiated to promote the RPP. Retirement Planning Seminar flyers were sent to each of the stores for posting and the program was covered in Giant's *INFO Bul-*

letin. "We also sent out announcements to all of our store managers and administrative associates," she added. The company also has a "corporate video program that is sent out with video messages from the president and he's even sent out messages on our retirement program," Manfre said. "We've done a lot to get our older associates involved in the retirement program."

The flyers announcing the seminars emphasize the importance of planning early for retirement. Some general background information on older Americans is included, as well as dates, locations, and times for the seminars. Giant mails out RPP brochures to each older associate who signs up for the session. The brochure also gives some statistical background information on the 35 million or more Americans who are 60 and older, describes the areas of interest covered in the seven-week session, notes the possible class locations, assigns the participant to one of these sites, and provides illustrated maps.

Giant offers the seminars in the spring and fall. The choice of two sessions is given to provide flexibility in choosing a geographic location convenient for the participant, according to Manfre. "We don't determine the location of the seminar until after we've received feedback from those associates who wish to attend," she explained. If a confirmed participant is unable to attend the session, the participant always has the option of signing up at a later date.

Manfre pointed out that the classes are held once a week from 7:00 p.m. to 9:30 p.m. Seven classes are offered in each session, and a number of subjects are covered, including:

◆ *Lifestyle Planning:* Achieving a satisfying lifestyle in retirement;

◆ *Being Healthy:* Motivating plans and actions to improve physical and mental health;

◆ *Interpersonal Relations:* Clarifying the importance of human relationships as a major source of life satisfaction;

◆ *Financial Planning:* Understanding and applying basic personal financial planning skills;

◆ *Community Services:* Identifying the many services offered by most communities and how to use them;

◆ *Living Arrangements:* Showing the relationships between lifestyles and the types of housing and their location;

◆ *New Careers in Retirement:* Demonstrating the benefits and assisting in planning of new work options for retirement;

◆ *Leisure Time:* Identifying and exploring new leisure options.

"We have four staff associates (including Manfre) who volunteer their evenings to supervise the sessions," she noted. "We at Giant feel it's part of our responsibility as upper management to devote our time to this project."

"We limit our classes to 30 participants per session and they are always filled to capacity." she said. The program does attempt "to take into account associates from all phases of the corporate structure and older associates are encouraged to bring along their spouse and friends."

Financial Preparation

The first class, Manfre explained, presents an overview of the entire seminar. "Our associates receive their copy of the NCOA Participant Manual; spouses and friends share with the associate."

The second class focuses on social security and retirement benefits, and pension plans. Manfre emphasized that this is the only class where administrative and other associates are split up "according to union and non-union associates." Representatives from the company's social security and pension offices and from the union are invited to discuss issues of importance with each group, she said. "We try to utilize the resources of our own people; our associates in benefits, wages, and compensation, social security, store managers, and other interested associates. We get a much better response and a higher interest level from our participants when we do," Manfre said.

Classes three, four, and five examine financial issues of particular interest to the participants, Manfre said. A financial consultant addresses issues such as how older associates can "project and estimate" the cost of living after retirement; and how they can "project" the type of lifestyle to which they're accustomed, "yet maintain adequate living arrangement on a pension, Social Security, or investment accumulated."

Manfre felt that the financial broker, invited during the fifth class, has also been helpful in guiding participants on the right road for "investing their money today" to get the "profits" they will need during retirement. "He also gives them financial advice and a few associates have invested with his brokerage," she added.

Work and other retirement options also are discussed in the financial planning classes. Manfre noted that some associates "take part-time jobs to keep busy; others pursue another career; a few even go into their own business, while many just decide to enjoy life."

Good health and maintaining the right eating habits after retirement are covered in the sixth class, and a discussion of living arrangements concludes the last session.

Social security benefits, pension benefits, and financial issues rank highest among the participants, according to Manfre. "They are really concerned about how to invest their money to secure the best returns."

Each RPP participant receives a free subscription to *50 Plus*, a news and service magazine published by Whitney Communications Company that focuses on issues of interest to people 50 years old and older. The magazine has conducted numerous studies on the retirement practices of corporations.

Ongoing Communications

Giant maintains "continual communications with its retired associates through the company's newsletter," which is sent to all retirees, as well as all 22,000 associates, Manfre said. The newsletter "contains announcements and pictures of those older associates who are about to retire," she said.

Evaluating the seminar for both the company and the older associate is an integral part of the preretirement program. At the end of each seminar, each participant is asked to rate (from "strongly agree" to "strongly disagree") the entire seminar, the amount of time scheduled for each class and topic, and the rapport between participants and trainer, and between participants. Participants also are asked to evaluate the trainer and professional presentations, and may comment on the usefulness of the classes, submit ideas for other discussion topics, and suggest ways to improve the program.

Because of the feedback received from one fall seminar, "we've decided to change oe facet of our Social Security and compensation presentations," Manfre said. "We [used to] split the second class between two speakers," she said, but feedback from the questionnaires revealed that participants felt more time should be devoted to the Social Security representative. Manfre noted that, as a result of the comments, the next session would offer "a full class discussion on Social Security."

'People Who Care'

How does Giant benefit from the RPP? "It promotes good will," Manfre answered. "Giant has always been the 'people who care' and this demonstrates to that older associate that the company is not going to just 'write him off' because he's old."

"And it's also a form of education," she explained. "It helps older associates see that if they wait until 60 to plan for retirement, it's too late. These seminars show [an associate] how retirement affects the whole family, even his health and well-being. It's helpful to both the company and older associates because people are better informed about their retirement options."

Manfre acknowledged that some companies think that preretirement programs are costly. However, she said, the costs are not excessive and in fact can be "greatly" reduced when "you look in-house for available resources."

Using Employees, Retirees

To companies thinking about starting their own retirement program, Manfre advised "look[ing] to their own people for support; then talk[ing] to other companies that provide preretirement programs. I can only talk about retailing, but I'm sure there are staff personnel always willing to take part in a retirement plan; these programs are not as expensive as some may think."

Manfre also suggested that an employer could "call people in to determine when, where, and how frequently the program should be held; then have someone at the company attend a retirement seminar already established in the corporate community." Again, she noted that expenses are decreased when in-house staff volunteer their services.

Manfre said she would like to see Giant's program become mandatory for its older associates. As it is now, she said, "only about one percent [of the 7,300 older associates] take part in the program."

Manfre said she plans to make the program mandatory for all new manager trainees as part of their formal training, because, despite their relatively small number, "they are . . . in a position to influence many of their co-associates on the benefits of a retirement program."

Company: Pitney Bowes U.S. Business Systems

Program: Retirement Educational Assistance

Summary: Employees or their spouses who complete a course may receive reimbursement from the company for the cost of tuition, books, and fees associated with the class. There is a $300 annual limit per person with a $3,000 maximum lifetime reimbursement. Employees can continue with their education under the program for two years past their retirement date, or until the $3,000 limit is reached.

The Retirement Educational Assistance Program offered by Pitney Bowes U.S. Business Systems is part of the company's overall effort to ease the transition of its workers from active employment to retirement, explained Marian Patouhas, director of Benefit Planning and Retirement.

The program was started by the company in 1978 in order to "assist employees in getting ready for retirement." The educational assistance or "second-career program," as Patouhas call it, is open to all employees and their spouses over the age of 50. There are no length of service requirements and very few restrictions on what courses an employee or spouse may enroll in.

Employees or their spouses who complete a course may receive reimbursement from the company for the cost of tuition, books, and fees associated with the class. There is a $300 annual limit per person with a $3,000 maximum lifetime reimbursement. Employees may begin taking classes at age 50, and continue with their education under the program for two years past their retirement date, or until the $3,000 limit is reached.

Pitney Bowes U.S. Business Systems, a division of Pitney Bowes, Inc., has its headquarters in Hartford, Conn. The company, which manufactures and markets mailing, copying, and facsimile machines, employs approximately 15,000 in 100 branches in every major U.S. city and abroad.

Any Course but Aunt Tillie's

Correspondence classes are not eligible for reimbursement under the Pitney Bowes program, Patouhas explained, and participants must show that the course is offered by some sort of educational institution, such as a school or continuing education operation. "We don't want someone to take lessons from their Aunt Tillie," she noted, "but otherwise the program is pretty wide open."

Golf has been the most popular class taken under the reimbursement plan, she stated, with real estate classes coming in a close second. Other employees or spouses have enrolled in arts and crafts classes, bartendering schools, and "we even have our annual dancing lesson fellow," she quipped.

Since the program was started in 1978, more than 1,800 persons have taken part in the system, for a total cost to the company of slightly less than $300,000. Patouhas said she is surprised that even more employees have not taken advantage of the program.

Anniversary Vacations

In addition to the educational assistance program, Pitney Bowes offers employees with 25 years of service an anniversary vacation. In their 25th year of employment, employees are eligible for a one-time vacation of five weeks in addition to their existing annual leave of five weeks. Employees are encouraged by Pitney Bowes to use their time to pursue another interest to prepare them for retirement, Patouhas explained. "We want out employees to learn to do something to fill up their time." Employees remain eligible for the five-week anniversary vacation every five years after their 25th year, in addition to their usual annual leave.

However, Patouhas said, under the new tax law, employees who are unable to make use of the extra leave and thus are forced to bank their vacation hours, will find those hours treated as deferred compensation. The company is studying the issue and may have to revise the program in some manner to minimize the impact of the law, she said.

The company has also recently instituted a preretirement counseling program. Pitney Bowes trained a group of retired employees at a series of seminars sponsored by the AARP. These former employees then led seminar discussions for incumbent employees approaching retirement. The sessions focus on the financial and medical aspects of retirement, and the emotional impacts of leaving a job, Patouhas said.

ISSUE:
EARLY RETIREMENT OPTIONS

Golden handshakes . . . Offers too good to refuse . . . 80 and out.

If it's true that people develop the most words to describe the things that mean the most to them, then early retirement has become important to many people.

Statistics bolster this conclusion. According to the Labor Department's Bureau of Labor Statistics, between 1950 and 1982, the percentage of persons age 65 -- the "normal" retirement age -- and over who were in the workforce fell from 27 percent to 12 percent. The number of men retiring at age 65 has dropped steadily, the BLS information shows, while the number of women retiring at age 65 increased through 1970, but has dropped ever since.

According to BLS and Census Bureau data cited in the 1986 report by the Special Committee on Aging -- *Aging America: Trends & Projections* -- the labor force participation rate of older men has been dropping for the last 30 years: In 1950, nearly half of all men age 65 and above were in the workforce; in 1960, only one-third of men in that age category were working; in 1970, only one-fourth were still working; and in the third quarter of 1986, only 15.8 percent of men in this age group were working. In addition, between 1950 and 1986, the BLS and Census data show, the workforce participation rate for men in the age 55-59 group fell from 92 percent to less than 79 percent.

For the third quarter of 1986, BLS reported that 88.9 percent of men age 50 to 54 and 61.5 percent of women of the same age group were in the workforce. However, BLS found, only 69 percent of men age 60 or 61 and 41 percent of women age 60 or 61 were working, and only 10 percent of men age 70 and 4 percent of women that age were still working.

Although there has been a dramatic increase in the proportion of women age 55 to 64 who are in the workforce -- up from 27 percent in 1950 to 42.7 percent in 1986 -- there has not been a corresponding increase in the proportion of women age 65 and over who remain in the workforce, according to the Census and BLS statistics. Of women age 65 and above, 10 percent were in the workforce in 1950, but by 1986, 7.6 percent were still working, the BLS and Census data reveal.

Further indication of the growing trend toward earlier retirement is found in a 1986 General Accounting Office (GAO) report, *Retirement before Age 65 -- Trends, Costs, and National Issues*, prepared for the House Select Committee on Aging. GAO found that the total number of people between the ages of 50 to 64 who were receiving pensions had nearly doubled between 1973 and 1983, and that the growth in "receipt of pensions" has been faster among both men and women at ages less than 65 than it has been among age 65 and over.

A 1978 survey by Lou Harris found that the average retirement age then was 60.6 and that nearly two-thirds of retirees left work before age 65.

Some Reasons for Increase

One reason for this trend is that employers permit it. According to Malcolm Morrison, president of Morrison Associates, a retirement planning firm in Columbia, Md., and a widely respected observer on retirement and older worker issues, early retirement has become embedded in corporate policy. A 1982 BLS study found that approximately 49 percent of all private pension plan participants could retire before age 65 with full benefits if they met certain service requirements.

The 1986 Senate Special Committee on Aging report concluded that early retirement may be a "permanent fixture" in the United States. "Even an increase in the eligibility age for full Social Security benefits and the elimination of mandatory retirement at age 70 [are] likely to have only minimal impact on future retirement ages," the committee stated.

Why do companies offer these incentives? One reason frequently given is that employers see early retirement as a way of avoiding involuntary layoffs, as a less painful and more humane way of trimming their workforces. In terms of public relations, firms see the effect of voluntary retirements as less disturbing than massive reductions in force.

A survey of 100 companies done in late 1985 by the management consulting firm of Towers, Perrin, Forster & Crosby found that 64 of the 100 respondents offered early retirement incentives to "reduce employment levels and costs, and avoid the need for general layoffs." Twenty of the respondents said that early retirement windows (periods of time when eligible employees could choose to accept retirement incentives) were a response to "staff redundancy" resulting from "merger, acquisition or change in business." Four of the respondents said the incentives were offered as a means of opening "career paths for younger employees," while 12 respondents gave some other reason, but "typically," TPF&C said, that reason was a "combination" of the other three.

Results of a 1985 survey by Hewitt Associates that asked 529 companies to rank their reasons for offering early retirement incentives showed that 57 percent of 169 respondents offered the incentive program to avoid layoffs, and that 55 percent offered it in response to "sluggish economic conditions." Corporate restructuring or sale of a business unit was mentioned by 33 percent of the respondents; 20 percent of the respondents said the early retirement window was opened to provide "more career opportunities" for younger workers, while 15 percent said they offered the window because of "technological advances." "Competitive change in [the] marketplace" was noted by 13 percent of the respondents, while 3 percent cited some other reason, such as "reducing payroll expenses."

Another reason for the trend toward early retirement is that traditionally labor unions have sought it in contracts covering their members. Usually, contract language requires that employees attain a specified number of years of service or that they meet some combination of age and years of service before they may retire with full benefits at an age under 65.

Some experts have pointed out that labor force participation rates for older workers vary from job to job. Generally, those who work in jobs that require physical labor are more inclined, if they can afford it, to opt for early retirement. Those in less strenuous jobs may decide to stay longer.

Retirement Options

There are a number of retirement programs now available to workers:

"Normal" retirement: Traditionally, 65 years old -- the age of eligibility for Social Security benefits -- has been considered the "normal" retirement age. Because the Social Security Amendments of 1983 raise the age for eligibility of benefits to 67, in time, it is possible that the "normal" age also may increase.

Early retirement: Retirement before age 65 is generally considered to be early retirement. As noted previously, the number of people who wait until age 65 to retire has been dropping.

Early retirement incentive programs and "open window" programs: Some employers offer incentives to encourage employees to leave early. Generally, such incentives are available for a limited amount of time, -- a window period -- include liberalized pension eligibility benefits, cash offers, or some combination of both. Employers that have offered these early retirement incentives include AT&T, International Business Machines Corp., E.I. du Pont de Nemours, Inc., Exxon Corp., Hewlett-Packard Co., Mellon Bank, Sun Co., and Xerox Corp.

Public employers such as the State of Rhode Island and Westchester and Rockland Counties in New York also have jumped on the open window bandwagon. The results of the 1985 Hewitt Associates survey showed that 72 percent of 169 respondents had offered early retirement incentives; 23 percent of the respondents were from industrial firms; and 22 percent were service organizations.

What incentives do companies offer to induce their workers to leave early? Hewitt Associates found in its survey that 23 percent of those offering open-window programs reported that the incentive was liberalized pension eligibility, while 64 percent said the incentive was an improved pension benefit. Fifty-one percent of the open window plans offered a cash payment, Hewitt found. Continued or improved medical coverage after retirement was an inducement offered by 16 percent of the companies and 12 percent of the respondents said they offered other inducements such as a subsidy for reduced Social Security benefits. More than half of the respondents said they offered a combination of two or more of the above incentives.

What Incentives Do Employees Want?

Are the incentives employers are offering employees the ones that they want? Given the generally large response to these incentives, the answer would seem to be "yes."

A Gallup poll of 1,300 workers age 40 and above conducted for the American Association of Retired Persons (AARP) in 1986, *Work and Retirement: Employees over 40 and Their Views*, found that 56 percent of those surveyed said they were "much more likely" to retire early if a company offered "added funding/higher monthly pension payments" as an inducement. Forty-seven percent of the respondents said that adding years to their length of service, which in turn would qualify them for better pension benefits, would make them consider early retirement. Thirty-three percent of the respondents cited lump-sum cash payments in addition to their regular pensions as sufficient to make them consider early retirement, and 32 percent said that having a "chance to contribute to [the] pension to increase benefits" would be a factor. Job counseling or outplacement services were mentioned by 9 percent as incentives they would like.

Do People Want To Retire?

Do people want to retire? Here are some of the data on that question.

◆ In *Aging America: Trends & Projections*, the Senate Special Committee on Aging cited research by the National Commission for Employment Policy (NCEP) that found that the Social Security Amendments of 1983 may have the effect of raising the average retirement age by the year 2027 -- when 67 becomes the age of eligibility for Social Security benefits -- by only three months. NCEP also found that even reducing early retirement benefits would have "little effect on retirement age," the Senate report related. People base their decisions on a number of reasons: health, availability of private pension benefits, social expectations, and long-held plans, the report said.

◆ The 1986 GAO report, *Retirement before Age 65 -- Trends, Costs, and National Issues*, found that more than half of those who retired before age 55 and one-third of those who retired between the ages of 55 and 61 cited health problems or disability as the "primary reason" for their retirement. (See *Reports, Studies, & Surveys*.)

◆ A 1986 survey by Korn/Ferry International of 4,350 senior managers at Fortune 500 industrial and Fortune 500 service firms found that 53.7 percent of the 1,362 respondents planned to retire before age 65, while 25.6 percent said they planned to retire *at* age 65. Only 16 percent indicated they wanted to work as long as possible. In 1979, 1,708 senior managers responded to a Korn/Ferry survey that asked the same questions. At that time, 47.7 percent said they planned to retire before age 65, 30.9 percent said they hoped to retire *at* age 65, and 17.3 percent of the respondents said they would like to work as long as possible.

◆ In October 1985, AARP and the Employee Benefit Research Institute (EBRI) sponsored the "Miami Lakes Dialogue on Pension Management for an Aging Work Force." At the conference, the results of a survey of a series of focus groups consisting of older workers and retirees that had taken place in September 1985 in Chicago and Nashville were presented. Among the findings: There was a consensus among the group members that they "either were or would be ready to retire by age 65." Those who were planning to work beyond age 65 cited social (needed interpersonal contact) and financial needs as the reasons.

◆ The 1985 AARP Annual Survey of Opinions of Older Americans found that only 16 percent of the older workers surveyed planned to work past age 70. Approximately 18 percent indicated they planned to retire before age 65 -- 5 percent before age 60 and 13 percent between ages of 61 and 64. Twenty-three percent said they planned to retire at age 65, while 4 percent said they planned to retire between the ages of 66-69.

Convincing Workers to Retire

In addition to offering early retirement inducements, some companies try to encourage employees to do more than ponder those inducements. John N. Migliaccio, director of special projects for the New York City-based Retirement Advisors (RAI), noted that his firm handles requests to put on special preretirement planning seminars for employees who have been offered an incentive program. The purpose of these seminars, in addition to preparing employees for retirement, is to encourage these workers to accept the company's incentive, he said.

At one county government that had offered an incentive program designed by his firm, Migliaccio said that the response rate was 50 percent higher than an identical incentive program offered to a neighboring county workforce. The only difference was that the neighboring county did not offer the preretirement planning seminar, he said. The seminar model developed by RAI included a "retirement fair," distribution of publications discussing retirement issues, retirement planning seminars, and a series of special clinics on specific topics. Migliaccio described the model program as "much more extensive" than a regular preretirement planning program. He said his aim was to create a "very positive aura on the early retirement incentive." Often, he said, people don't retire "not because they don't want to" or can't afford to, but because they are "afraid."

How Long to Leave the Windows Open?

Early retirement incentive programs usually are available for only a limited duration. According to research by Phyllis Mutschler, a senior research associate at the Heller Graduate School's Policy Center on Aging at Brandeis University, on average, the early retirement window is open only for periods ranging from 30 days to 90 days.

In its 1985 survey, TPF&C found that while the actual window periods varied, more than 60 percent were found to be in the range of one month to three months: 33 percent said they had a four- to seven-week window period, and 27 percent said they had an eight- to 11-week window period. Seven percent of the TPF&C respondents said their window period was less than four weeks; 13 percent reported having a 12- to 15-week window; 5 percent reported a 16- to 19-week window; 6 percent reported 20-27 week window; 6 percent reported 28 or more weeks; and 3 percent said the window period varied.

TPF&C also found that, generally, the window period started shortly after the early retirement program was announced. Less than two weeks passed, according to 47 percent of the respondents; 28 percent reported there were at least two weeks but less than four weeks; and 23 percent waited more than four weeks to open the window.

Who Is Eligible?

What type of employees are eligible to participate in these programs?

Hewitt Associates survey found that, of the 121 early retirement incentives offered by the 169 respondents to its survey, 29 percent were offered to executives, 44 percent were offered to "other salaried" persons, 7 percent were offered to non-union hourly workers, whereas 5 percent offered the incentive to "others (e.g. union employees)".

More than 36,000 people were eligible for early retirement incentive programs at 112 of the respondent firms, and slightly more than

13,000 (36 percent) accepted the offer, Hewitt said Twenty-seven of the 112 plans (24 percent) had an acceptance rate of more than 75 percent; 40 (36 percent) of the programs had an acceptance rate of between 51 percent and 75 percent; 24 (21 percent) of the programs had an acceptance rate of between 25 percent and 50 percent; and 21 (19 percent) had an acceptance rate of less than 25 percent.

In its survey, TPF&C found that 92 percent of the firms responding did not limit, by either job category or location, the number of people that could accept an open window offer.

Mutschler/Schultz Research

A 1986 study, *Factors in the Retirement Decision*, by Phyllis Mutschler and James H. Schultz, also of the Heller School at Brandeis, looked at one unidentified Fortune 500 firm with 11,000 employees that had offered a series of incentive plans since 1980. The authors surveyed 718 individuals eligible to accept the incentives. Seven percent of the individuals retired in the year prior to the first incentive program; 24 percent retired during the first incentive program; 44 percent retired during the second incentive program; and one-fourth of the surveyed group did not retire.

The research revealed the following:

◆ On average, individuals who retired early left their jobs about two years and five months sooner than they had planned.

◆ Those who decided not to opt for the open window generally had higher earnings than those who retired.

◆ More women and hourly workers left during the first incentive program. Most of the employees who left were married, but more than 40 percent of the women were single, divorced, or widowed.

◆ Although 25 percent of those who retired said they planned to work, nearly 40 percent actually reported looking for a job or working following retirement.

◆ Although most of those surveyed said that they were pleased with their decision to retire, about 10 percent said they were unhappy. Some of the unhappiness could be traced to a personal losses, but some reported that they had not been realistic in planning post-retirement activity or in using the money they received from the incentive plan.

◆ Those who retired most often advised those considering retirement to think carefully about finances and personal interests in order to decide whether they are ready to retire.

◆ Of those retiring, 12 percent said they would give an "unqualified go-ahead" to others who were considering retirement. And some said they wished they had retired even earlier.

Problems

Early retirement incentive programs are not without their problems and their critics.

Critics of early retirement incentives contend that often these so-called "voluntary" programs are not in reality "voluntary" after all. People are sometimes led to believe, these critics say, that if they do not accept the incentive, they will be laid off. As noted above, the reason most frequently for having an early retirement incentive program is to avoid a layoff.

Two early retirement incentive programs are currently being challenged in court:

◆ *Lusardi v. Xerox:* In the early 1980s, Xerox Corp. offered employees a series of early retirement incentive programs that were followed by involuntary layoffs. More than 1,300 of those who lost their jobs -- either voluntarily retiring or after being involuntarily laid off filed a class action suit contending that the firm discriminated against them on the basis of their age. Approximately 370 members of the class -- all of whom Xerox claims "voluntarily" retired -- are contending that their decisions to retire were coerced by the company.

Xerox says the case should not be a "class action" because the complaints involve different Xerox facilities and different company managers. The plaintiffs say that they are challenging a corporatewide policy.

The motion by Xerox to decertify the class and a motion by the plaintiffs to strike Xerox' expert testimony were argued in January and February 1987 before U.S. District Court for the Northern District of New Jersey. (No ruling had been made by the time this report was published.)

Xerox in early 1987 offered another incentive program; the offer was accepted by about 1,000 employees by the time the window closed.

◆ *AARP v. Du Pont:* A Du Pont Co. early retirement incentive program is being challenged by several individual plaintiffs and by the AARP. The program being challenged was offered corporatewide in 1985.

Since 1982, Du Pont has offered selective retirement incentive programs in various units that were overstaffed. However, the 1985 program, according to company spokesman George Palmer, was the first to be offered corporatewide.

Under the terms of the 1985 incentive plan, Du Pont agreed to add five years to eligible employees length of service and five years to their age to help them qualify for retirement. According to Palmer, the company anticipated that 4,000 to 6,000 people would accept the offer. Instead, 11,200 decided to retire. Palmer said that this figure, while a surprise to the company, was much "closer" to the number of people that the firm actually needed to have leave.

Du Pont is being sued by AARP and several individuals over restrictions the company placed on the early retirement incentives. Employees age 70 or above, then the company's mandatory retirement age and those with more than 40 years of service were not offered any extra years as an incentive to leave. For workers who were within five years of reaching either the age-70 or 40-years caps, the incentives were prorated. Palmer explained that an individual who was 68 years old had only two years added to his age, while an individual with 37 years of service received an additional three years of service.

AARP and the plaintiffs say this refusal to add five full years of service or five years to age was discriminatory. The company denies the charge. The case is pending in U.S. District Court for the Eastern District of Pennsylvania.

Du Pont, Palmer said, was "delighted" with the results.

Other sources contacted by BNA disagreed with Palmer's characterization and said that the company had expected far fewer to retire and that the program cost Du Pont millions of dollars because additional employees had to be hired to replace those who quit.

Palmer denied that employees were hired to replace those who retired and placed the after-tax costs at $99 million. This figure, he said, was a one-time cost and the savings to the company by having a "leaner" and more "competitive" workforce have exceeded that amount.

Is There Pressure?

The report of the focus groups to the Miami Lakes dialogue conducted by AARP and EBRI found that some of the older people who participated early retirement incentive prorgams said they felt they had been pressured to retire.

Although they saw themselves as being more reliable and productive than their younger counterparts, they believed that there had been "direct pressure" -- job changes, for example -- and "indirect pressure" -- termination of pension credits at age 65 -- to participate in the early retirement programs.

Christopher Mackaronis, manager for advocacy programs at AARP, told BNA many older people feel they have no choice but to accept a company's offer to take early retirement. He said he has received "scores" of calls from AARP members who say they were led to believe that unless they accepted an early retirement incentive offer, they would lose their jobs.

Mackaronis listed other reasons he felt early retirement incentive programs were problems for employers:

◆ An employer can lose control over the number of people who accept the offer.

◆ An employer can lose control over the quality of people who leave and stay. Mackaronis claimed that these programs don't differentiate between good and bad performers. Some observers say that top-notch performers often may be quick to take advantage of early retirement program incentives open window because they know they can get a job somewhere else -- sometimes with a competitor.

◆ An employer can lose control over the costs for such a program.

Mackaronis said he was troubled by the idea that the principal criterion for many early retirement incentive programs is age. A better idea, he said, would be to offer a lump-sum payment to all workers as an enticement to leave.

Stephen R. McConnell, minority counsel to the Senate Special Committee on Aging, said that from a public policy point of view, early retirement windows make him "nervous." He said that these programs may be mortgaging the future. By giving people a "lucrative option" at an early age, statistics are against them ever re-entering the workforce. The trend toward offering early retirement incentives ought to be discouraged, he proposed.

It appears that some people are starting to rethink their position on early retirement incentives. One senior executive of a Fortune 500 company has said that companies may have looked too closely at the short-term results of these programs at the expense of examining their long-term effects. For one thing, payment of retirement and health benefits for 20 to 30 years can turn out to be costly to employers. This could be an important consideration in any debate about early retirement incentive programs, according to Malcolm Morrison, who believes that the predisposition to early retirement incentive programs is so strong among U.S. firms that, to get them to rethink their position, they will have to be shown that they will benefit from not adopting such programs.

What effect will the trend to early retirement have on the tax base? Some observers predict that in the coming years when older people make up considerably greater percentages of the population, there will be a drain on Social Security, Medicare, and other public and private funding sources. In its 1986 report, GAO attempted to calculate the effect the loss of these retirees from the workforce would have on the tax base. GAO estimated that in 19[illegible], if between 10 percent and 25 percent of the voluntarily retired pension recipients between the ages of 50 and 64, had returned to work "without replacing other workers,"the added tax revenues "could range from $550 million to $1.4 billion."

CASE STUDIES

Company: Varian Associates

Program: Retirement Transition Program

Summary: Varian employees can prepare for retirement by working reduced workweeks starting three years before they actually retire. They usually begin by cutting back to four days per week in the first year, three days per week in the second year, and continue the three-day week or move to half time in the last year before retirement. The program permits employees to "phase into" retirement and gives the company the advantage of retaining key employees who are nearing retirement.

In the electronics industry, highly skilled, experienced employees are vital. Varian Associates, headquartered in Palo Alto, Calif., has found a way to keep that experience while also offering its employees the opportunity for an orderly transition to retirement.

Called the Retirement Transition Program, Varian has been offering this option for 10 years to its 11,600 employees, according to Robert J. Holtcamp, director of human resources. An enthusiastic supporter of the program, Holtcamp speaks in superlatives of it and says employees like it, too.

Converging Interests

The Retirement Transition Program at Varian was started when employees began expressing interest in some kind of phased retirement option, while at the same time corporate management was searching for a way to retain key employees who were nearing retirement. Management also recognized that Varian's workforce was aging, and that it had a large number of long-service employees.

Those converging interests helped create the retirement transition program, and led the procedures staff to draft the program, Holtcamp recalled.

At 39 years of age, Varian is one of the oldest electronics companies in what is now called the Silicon Valley, south of San Francisco, Calif. In addition to its California headquarters, the company has facilities in five other states -- Arizona, Massachusetts, Ohio, Texas, and Utah -- as well as five overseas locations. Varian is a leading manufacturer of electronics products. Sales in 1986 totaled $891 million.

A relatively small percentage of Varian's workforce is involved in the Retirement Transition Program at any given time, Holtcamp said; he estimated that perhaps 200 employees have used it in the last 10 years. The number of employees in the program at a given point in time ranges from about 25 to 50, he said, and all classifications of employees -- from top management to production workers -- have been involved.

Announced in early 1977, first to supervisors and then to all employees, the program initially was limited to employees 60 years of age or older who had at least five years of service with Varian and planned to retire within two years. In 1982, the program was modified. The threshold age was lowered to 55 and employees who planned to retire within three years were allowed to participate.

How It Works

Typically, Holtcamp explained, eligible employees enter the program by applying in writing to supervisors several months before the actual transition is to begin. Applications are reviewed by supervisors and higher management before concurrence by the Personnel Office is sought. If approved, a written authorization spelling out the terms and conditions of the transition agreement is issued.

Employees entering the program for the three-year transition period usually work a four-day week in the first year, a three-day week in the second year, and continue the three-day week or move to half time in the third year. However, Holtcamp stressed, there is a great deal of flexibility in the transition arrangements, both in terms of days worked per week and the length of the transition period.

"I can tell you we've had some people that have gone straight to half time for a couple of years and then retired. I can tell you we've had some people who have gone directly to three days a week and stayed on three days a week for several years and then retired," he said.

While participating in the Retirement Transition Program, employees enjoy full benefits, although benefits that are tied to earnings are reduced in proportion to the actual number of hours worked, Holtcamp said. There is no change in salary rate, he added, and employees remain eligible to receive salary increases. He called the continuance of benefits one of the elements of the program vital to its success.

"Those that are in the plan are absolutely delighted with it," Holtcamp reported. Although he said figures were not available, Holtcamp speculated that males and females are represented in the retirement program in about the same proportion they are represented in the Varian workforce as a whole.

Varian doesn't go out of its way to promote the Retirement Transition Program to employees, Holtcamp said, but it does feature transition retiree profiles in in-house publications distributed companywide and in the publications of each of its 22 highly autonomous divisions. Human resources offices in each of the divisions discuss the retirement program as part of their new employee orientation and may refer to it later with other announcements, he said.

Advantages to Varian

Holtcamp said the Retirement Transition Program benefits Varian in two ways. First, it helps employees progress toward an orderly retirement, mentally and financially preparing them for it, he said. "[Those who have gone through the program] have had a very positive attitude when they reach retirement and they go out with a very positive attitude about Varian and about the program, so that's good for us," he observed.

Second, and of perhaps more direct benefit to Varian, is the company's ability to retain employees with special skills and abilities that would be lost if those employees went immediately from full-time work to full retirement, Holtcamp said. A manager of management development and training who reported directly to him, Holtcamp said, contributed his expertise for four years while he gradually moved toward retirement.

Endorsed 'Without Reservation'

When asked, Holtcamp said he could not think of any drawbacks to the program. "We have yet to find anything wrong with the program," he stated, adding that he would recommend it to other companies "without reservation." Any possible headaches associated with recordkeeping or changes in benefits are handled easily by computer, he explained, and there have been no problems with shifting supervisors who enter the program to other jobs.

At present, the program is not integrated with preretirement planning programs Varian holds in cooperation with nearby Foothill College and is not promoted as an inducement for early retirement. Holtcamp conceded the program has come in handy at times as a means of avoiding layoffs, but the small number of people who participate, relative to the size of the total workforce, means it isn't an important factor, he contended.

Company: Hewlett-Packard Co.

Program: Early Retirement Program

Summary: Employees 55 years old with at least 15 years of experience with Hewlett-Packard are eligible for early retirement. Early retirees receive their retirement amount -- a combination of deferred profit-sharing and pension benefits -- in either a lump sum or an annuity option that will give them their money in monthly installments. Continued group health coverage, as well as a number of other benefits, also is available to early retirees.

One of Hewlett-Packard's employment objectives is to provide security for those individuals who perform their job well. For most, it is employment security: They know the job they left Friday afternoon will be waiting for them Monday morning. But, according to Kitty Tanelian, for the faithful worker who decides not to return to Hewlett-Packard Monday morning, the company aims to provide retirement security through its early retirement program.

Enhancing Employee Loyalty

Tanelian, Hewlett-Packard's communications manager for corporate personnel, said the program is consistent with H-P's goal of enhancing employee loyalty. That loyalty, she said, is based on a philosophy of seeking to provide for those who have helped Hewlett-Packard achieve its success.

While only those employees who are 55 years old and have 15 years of experience with Hewlett-Packard are eligible for early retirement, Tanelian said nearly 2,000 employees have taken advantage of the program in the past 10 years. Although that number includes more than 800 employees who took advantage of a one-time only enhanced early retirement program in 1986, the number of those opting for early retirement has increased steadily since the company began its program, she said.

Accumulating a Retirement Nestegg

According to Margaret Wilson, a Hewlett-Packard systems analyst, an employee's retirement program can begin almost as soon as employment begins. Based on deferred profit sharing, an employee can begin participating in either May or November as soon as they have been with H-P one year. Both employee and company contribute a certain percentage to the employee's account, she said. Wilson said the contributions will allow an employee to be 10-percent vested in four years, 100-percent vested in 13. The percentage of each contribution is determined both by salary and company profits, Wilson said. The company percentage was as high as 10 percent to 15 percent in the 1960s, but now ranges between 2.5 percent and 3 percent now, she said.

Because the company's share was being determined by its profits, to ensure greater retirement security, H-P added a supplemental pension plan into the retirement plan in 1976, Wilson said, after stock prices had slumped. The idea, she said, was to provide a benefit floor for the times when company performance was sub-par. She added that few employees participate in the supplemental plan because of Hewlett-Packard's good economic performance over the last few years.

If they decide to retire early, Wilson said employees have two options: They can either take their retirement amount in a lump sum, or can choose an annuity option that will give them their money in monthly installments. The number of retirees opting for the annuity plan, she said, is relatively small, even though employees can take single or joint and survivor plans.

Several Benefits Retained

Another benefit to early retirees is the continued group health plan. Nancy LaMarca, manager of systems and benefits programs, said employees can continue in the company's program if they wish. It provides lifetime medical coverage to a maximum of $300,000 and is free.

Spouses can be part of the plan, she said, but there is a slight increase in the rates after retirement. Spouse eligibility for the insurance plan, LaMarca said, is determined by the employee's time with Hewlett-Packard. Spouses are eligible for six months' coverage for every year the husband or wife worked for the company, she said. The coverage continues after age 65, she said, but, after that age, Medicare becomes the primary insurer.

While health insurance for spouses can be carried past retirement, LaMarca explained that coverage of children cannot continue.

Other retiree benefits include a $5,000 life insurance policy, and the ability to continue purchasing Hewlett-Packard equipment under the employee purchase plan, LaMarca said. Wilson added that retirees can also make one last stock purchase after they leave the company. They can contribute 10 percent of their last paycheck toward the purchase, with H-P matching up to one-third of that amount.

Just how much each employee benefits from an early retirement varies greatly, Tanelian said. Variables include age, position, salary, and participation in company programs, and the tax laws. However, she said, company regard for its employees and its reputation as an employer keep it keenly interested in providing for its workers.

Retirement Incentives during Downturn

According to Tanelian, it was that regard for employees that led Hewlett-Packard to offer them two incentive programs to leave the company in 1986 when the company experienced a downturn in sales. H-P decided to offer its employees an enhanced early retirement program, as well as voluntary-severance incentives. It could have ordered layoffs, as some other Silicon Valley employers did, she said, but H-P wanted not only to reduce its workforce, but also to keep its reputation for performance-based job security intact.

Of the 1,800 long-service employees to whom the company offered the enhanced early retirement plan, 831 accepted, Tanelian said. Another 769 opted for the voluntary-severance plan. Thus, she commented, while other companies were reporting layoffs, Hewlett-Packard saw 1,600 employees leave of their own accord.

Tanelian said the enhanced early retirement program was offered to all Hewlett-Packard employees who were 55 years old and had at least 15 years of service with the company. Those participating received one-half of a month's salary for each year of service up to a maximum of one year's salary. The retirees also received the funds that had accumulated in their accounts under H-P's regular retirement plan.

The program also provided retirement counseling, which included financial planning advice, Tanelian said. The idea, she added, was to make sure that those who were lured to an early retirement were prepared for one.

Voluntary-Severance Program

While the enhanced retirement program was available only to those 55 or older, the voluntary-severance plan was offered to any employee in H-P's U.S. divisions that had too many people in certain job categories. Those participating received six months' pay, plus one-half month's salary for each year they worked for the company. The maximum compensation an employee could receive was one year's salary.

In addition, employees participating in the voluntary-severance program were also eligible for counseling. Tanelian said counseling in interviewing skills and work-history writing were available.

The two programs were necessitated by the changing composition of the company, Tanelian said. Not only was the electronics market feeling a squeeze, she said, but technology had made what were labor-intensive jobs less so.

With both programs, payment was made in a lump sum, the effect of which put a dent in the company's fourth-quarter earnings for 1986. Company officials, however, said the savings from the plan in 1987 would exceed the near-term cost impact. Tanelian said Hewlett-Packard does not divulge the cost of the plan, nor the savings, to the public. However, she said, H-P will share that information with individual companies.

ISSUE:
TRAINING & RETRAINING

Can older workers trained to perform new jobs or to do their old jobs with new or more sophisticated equipment? Are they physically and mentally sharp enough to learn new skills? Are they psychologically prepared, ready to learn new skills?

There is one school of thought that holds, to use a well-worn phrase, "You can't teach an old dog new tricks." Some employers and human resources specialists believe this. Many observers of older people counter, however, that such a generalization about older workers is no more valid than generalizations about younger workers or any group of people.

Some employers question whether the dollar invested in training or retraining the older worker produces a return equal to the dollar spent on training the younger worker. They reason that the older worker won't be in the workforce long enough for the firm to get an adequate return on the costs. One counter-argument is that younger workers are likely to move frequently from job to job to advance their careers.

Questions about the physical and mental capabilities of older workers are not uncommon when the subject of training or retraining is raised. Clearly, there is a perception in some quarters that older workers have limitations. Forty percent of the 400 human resources executives interviewed for a 1985 survey -- *Workers Over 50: Old Myths, New Realities* -- prepared by the marketing and social research firm of Yankelovich, Skelly and White for the American Association of Retired Persons (AARP) said they believed that older workers (age 50 and older) are to some degree physically limited.

There is research, however, indicating that older people maintain their physical stamina and mental acuity well into their late sixties and seventies. In a 1986 booklet, -- *Workers 45+: Today and Tomorrow* -- AARP cited studies prepared in 1984 for the Department of Health and Human Resources, that concluded that although it may take older employees longer to learn a task, they "learn it effectively."

One reason that there does not seem to be a trend toward training/retraining of older workers may be that many private employers do not think in terms of age when they are designing training programs. According to Sally Coberly of the University of Southern California's Andrus Gerontology Center, when she and Caroline Paul, also of the Andrus Center, several years ago studied training programs for adult workers conducted by high-tech companies, many of the respondents indicated that they did not focus on age as a criterion for entrance into a training program, but rather on other factors such as seniority.

A Resistance to Change

Among the 100 human resource executives interviewed by Yankelovich, about 40 percent viewed older workers as resistant to change. Very few of the respondents (10 percent and 17 percent, respectively) rated older workers "very high" on "feeling comfortable with new technologies" or on the "ability to learn new skills quickly."

However, results of a 1986 survey -- *Work and Retirement: Employees Over 40 and Their Views* -- of 1,300 workers age 40 and over, including a group of 300 persons age 63 and older, conducted for AARP by the Gallup Organization showed that 47 percent of those age 40 and above said that if they had to look for a new job, they would look for a "chance to learn a skill." Thirty-six percent of those in the age 63-and-above group mentioned learning a new skill as something they would like to do.

More than 80 percent of the respondents expressed a "wish for training opportunities," according to the Gallup survey. Of this group, 39 percent wanted training to update current job skills; 36 percent wanted the training to get another job; and about 10 percent cited reasons not related related to their jobs. Only 10 percent indicated they did not want training, although 31 percent of those age 63 and over indicated they were not interested in additional training.

Although the Yankelovich survey results revealed a substantial negative response regarding the physical capabilities of older workers, the survey also showed that more than 70 percent of the respondents said they believed older workers possessed both skill and experience, while nearly 30 percent of the respondents noted the "superior work habits" of older workers.

The results of the Yankelovich survey revealed differences in the attitudes of human resource executives at large and small companies. Executives at larger companies mentioned the problems of older workers in dealing with new technologies more often than their counterparts at smaller firms, but they also more frequently mentioned skill, experience, and knowledge of the business as desirable qualities of older workers than did respondents from small firms.

Training to Supplement Experience

Anthony Carnevale, chief economist and vice president for government affairs for the American Society for Training and Development (ASTD), in remarks at a 1986 Travelers Cos. Symposium on "America's Aging Workforce," asserted that training directed at older people should be designed to take advantage of the experience and knowledge that older workers' already have. Turnover among older employees "is much lower than it is among 25- to 44-year-olds," he said, adding that research on the "cognitive and physical abilities" of older workers, on balance, "suggests that older employees are willing to be trained and developed. And they do have the capacity to continue to perform at increasingly high productivity levels at least through 70 and 75 years."

"What's more," Carnevale said, "older employees, themselves, say over and over again that they want training. What they don't want is formalized training that is not compatible with their prior experience. What they want is training that is delivered in less formalized kinds of medi[a], that is self-directed, concrete and complements their prior experience."

Current Training Programs

Given that some employers question the ability and motivation of older workers, what kinds of training/retraining are actually available to older workers?

Exact data are hard to come by. The Yankelovich survey for AARP revealed that, while nearly half (48 percent) of the respondents said that "skill training for older workers would be effective in increasing their utilization," only about 30 percent had "begun implementing such programs."

"Given the perception that older workers have trouble learning new skills and/or technologies, this leads to an interesting question. Would older workers have an easier time adapting given improved training?" the survey wondered.

The 1986 Gallup poll conducted for AARP found that 66 percent of those responding said they had received job training sometime within the prior three years. Most frequently, it was "on-the-job training provided by the employer and intended to upgrade job skills," the poll showed.

The actual breakdown of those receiving training by different age level reveals a decline in the amount of training offered to workers as they get older: Of those age 40-49, 74 percent said they had received training; of those age 50-62, 61 percent said they were trained; and of those age 63 and above, 50 percent said they were trained. The frequency of training also declined for those with lower incomes, less education, and lower-level jobs, and for those employed by small companies. In addition, the respondents employed by private employers were less likely to have received training.

The survey results also showed that the type of training sought varied with age and income. Whites, males, and those with higher incomes more often mentioned they wanted training to upgrade current skills, while non-whites and women, and those with lower incomes more often wanted training that would enable them to get another job.

How It Went at GE

In 1972, when General Electric Co. switched from digital to analog equipment, it retrained its electrical engineers to understand the new technology. Although this training was not aimed at older workers. many of the participants were older people. GE conducted a similar program in Fort Wayne, Ind., with employees who repaired electric engines when that technology changed.

Joe Usaj, manager of the employee relations at General Electric in Utica, N.Y., said that when GE compared the cost of laying off engineers who had not been trained to use digital equipment and hiring replacements for them to the cost of retraining those engineers, that it decided retraining was the more efficient route.

Usaj said GE now has an engineering support group whose principal responsibility to assess on a regular basis the wave of the future in technology. The group recently concluded that the up-and-coming technology is "infrared electro-optics" (IREO) -- a technology that Usaj described as a sort of "passive radar." GE is convinced, Usaj said, that IREO will be the next "digital" and has undertaken a training program in this new field for some of its engineers. As some of the firm's "mature" contracts or programs near completion, the company is putting some of the engineers who have been working on these projects through an IREO training program it has developed in conjunction with the University of Michigan. The training program lasts six to eight weeks, depending on the skill level of each participant. Usaj said that he expects 50-75 people to go through the program.

Preparing for the Future

U.S. Labor Secretary William Brock, in a speech delivered to the 1987 annual meeting of the National Council on Aging (NCOA), advocated a change in attitude on the part of employers. Noting that few firms make a conscious effort to include workers over age 50 in training and retraining programs, Brock declared that "we need these workers" because of the expected shrinking of the labor force in the next few decades.

"We need to improve our educational programs, improve training, and raise our standards," said Brock, who explained that older workers will grow more important because they have higher skill levels. In addition, he said, 80 percent of new entrants into the workforce between now and the year 2000 will be minority-group members, immigrants, and women -- three traditionally disadvantaged groups with lower rates of literacy.

Some employers have been thinking like Brock for a number of years. In a 1986 booklet, -- *Workers 45+: Today and Tomorrow* -- AARP cited research showing that employers "were finding it in their interest to increase the productivity of older workers by retraining them to work with new technologies." The research, prepared in 1983 for the National Commission for Employment Policy, showed that some employers had established training programs for older workers because it was cheaper "to retrain their employees than to hire new ones when taking into consideration the value of an older worker's experience and knowledge. . . ."

Labor Surplus

One possible reason for the lack of emphasis on training/retraining for older workers may be the current labor surpluses found in many parts of the United States. Many employers, doubting the predictions of a labor shortage, appear to have adopted a "wait-and-see" attitude with regard to the value of training older employers.

According to Anthony Carnevale, ASTD vice president for government affairs, and a speaker at the 1986 Travelers symposium on aging, the current belief of many human resource professionals that "human resources can be bought outside the company in the external labor market more cheaply than they can be made inside the institution" may be precluding the development of strategies for retaining and retraining older workers:

> "Employers and policymakers have been bombarded with estimated problems for some time now. The urban crisis, the energy crisis, the limits to growth crisis, the automation crisis and a dozen other more mundane crises have come and gone, usually with a whimper and not with a bang. That may be part of the reason why the aging of America and the trade and the fiscal deficit crises that are among the current crop offered to us in electronic media and breathless prose are not being responded to agressively by public leadership or private leadership. The current style among public and private laders is to keep one's powder dry, to cross the bridges as they appear, not to fix what ain't broken."

Fear of Failure?

It is stated in some quarters that older workers may themselves be part of the problem. Older workers, some observers say, are reluctant to admit they need training. Paul Mayrand, director of the Office of Special Targeted Programs in the federal Employment and Training Administration, told BNA that some older people, especially those who have been out of the job market for awhile, are reluctant to admit that they need training. However, their views often change after they spend time job hunting and find out that their skills need to be updated to qualify them for a job, he said.

The structure of training programs may account for any hesitancy of older workers to seek training. According to Joyce Welsh, who is NCOA's national director for the Senior Community Service Employment Project (SCSEP), some adults, depending on their education level and the time that has elapsed since they were in school, are much more comfortable with the "little red schoolhouse" type of instruction -- where an "expert" teaches -- than with sort of free-flowing types of discussions that are commonly found in education today. Welsh said she would advise trainers of older people -- and others -- to build on the experience of those being trained or retrained.

'No' to Special Classes

F. Peter Libassi, senior vice president at The Travelers Cos., told a conference on aging held in Washington in 1987, that when the company, as part of its program of hiring retirees, began giving retirees computer training, the firm originally decided to train them in special classes so that if they needed extra help they could get it. Libassi said the company figured special classes would lessen pressure on the retirees. The retirees immediately balked at the idea, he said, insisting that they neither wanted nor expected to be treated differently than any other employees.

Welsh suggested that companies retraining older workers should do so on an age-neutral basis. On the other hand, older individuals who are learning a skill for the first time -- such as displaced homemakers -- might benefit more from specialized training in classes with others of similar skills and work backgrounds.

Paul Mayrand of ETA noted that it is important to differentiate between various ages when talking about older workers. Just as distinctions are often made between 16- and 17-year-olds and 18- and 20-year-olds, distinctions -- in terms of, for example, economic needs and marketability -- must be made between people in their mid-50s and those in their 60s.

Helen Dennis, project director at the Andrus School of Gerontology at the University of Southern California, recently conducted what she described as the first national management training program -- "Age Issues & Management" -- aimed at eliminating age bias. She says that, within three months of completing the program, corporate executives were reporting that they were using what they had learned to make decisions involving retraining and other employment-related matters affecting older workers.

The Matter of Discrimination

Under the Age Discrimination in Employment Act, it is illegal to prohibit anyone from participating in an employment-related training program on the basis of age. It would appear, however, that, based on fiscal 1985 data, the latest available from the Equal Employment Opportunity Commission, age discrimination in training programs is not a significant problem: Of the 24,830 age bias charges filed with the commission, only 421 involved claims of bias in training.

Current EEOC policy exempts bona fide apprenticeship programs from the ban on discrimination. This exemption has generated much controversy over the years, with labor unions historically supporting the exemption. In general, supporters of the current policy reason that apprenticeship programs are more an extension of the education process than they are an employment-related situation.

EEOC recently won a case against brought against a College Park, Md., carpet installation company that denied a man access to an apprenticeship program on the basis of age. The agency, however, does not appear ready to formally announce a change in its exemption policy, although a Commission spokesperson told BNA the agency is now re-examining the policy.

Federally Supplemented Programs

While private sector training programs often exist on an ad hoc basis, there are at least two ongoing federal training programs that help economically disadvantaged older people.

The federal Department of Labor provides funding for the administration of two programs that can provide training for older and economically disadvantaged persons:

◆ Job Training Partnership Act (JTPA), which contains provisions to provide training for economically disadvantaged people age 55 and above. State governors are required to set aside no less than 3 percent of the JTPA funds they receive for older worker training programs. JTPA also contains provisions allowing some funds to be used for non-disadvantaged persons and for displaced workers; in both instances, older workers can benefit from these programs.

◆ Senior Community Service Employment Project (SCSEP), which falls under Title V of the Older Americans Act, and is designed to train and employ economically disadvantaged persons age 55 and older for part-time jobs in community service. The goal of the program is to enable participating individuals to move into private sector, non-federally supplemented jobs. There are community service projects administered by eight national contractors, as well as projects administered by the states (these are usually coordinated by the State Agencies on Aging). The eight national contractors are -- AARP, Green Thumb, National Association of Hispanic Elderly, National Caucus and Center on Black Aged, National Council of Senior Citizens, National Council on the Aging, National Urban League, and the U.S. Forest Service. Host agencies provide the basic on-the-job training, while the contractors or the State Agencies on Aging administer funds. Sometimes training program participants get permanent jobs with the host agency. Among the fields in which training is offered are: clerical work; education; groundskeeping; health; home rehabilitation; housing, nutrition; parks and planning; public works and transportation; and recreation.

The Labor Department has as its goal the transfer of at least 20 percent of the program participants into private employment. During fiscal 1986 DOL expects about 90,000 persons to go through the SCSEP program. The department provides funds for only 63,000 positions, but because of mid-year resignations, job acquisitions by participants, and other events, many more individuals will likely be served. Some states and contractors, DOL says, have a waiting list of people who want to participate.

Following are descriptions of three of the SCSEP programs:

◆ **AARP:** One of the eight contractors that administer 107 projects in 22 states, AARP reports that approximately 8,000 people were enrolled in its training program in fiscal 1986, although, AARP says, the program often accommodates up to 13,000 people in a year. According to AARP records, up through the third quarter of fiscal 1986, 3[illegible] 5 percent of the participants had "graduated" into permanent employment. Although there is a goal to find individuals permanent employment within 18 months, neither AARP nor any of the other contractors forces participants out of program because they haven't been able to find permanent employment, as long as they have met all the performance standards.

◆ **National Council on the Aging:** On April 1, 1987, at NCOA's annual meeting in Chicago, Labor Secretary William Brock awarded a

$346,000 grant to the National Council on Aging to promote the training and placement of older workers. The grant, matched by a $50,000 grant from Exxon Corporation, will implement a program NCOA calls Prime Time Productivity, which aims to develop materials that enable employees, private industry councils (PICs), and state job training coordinating councils to increase reliance on older workers and to more efficiently use Job Training Partnership Act funds for that purpose, according to NCOA President Jack Ossofsky. The grant signifies a major policy initiative by the Department of Labor, Ossofsky said in an interview with BNA at the annual meeting.

Ossofsky said that the heart of the project is an effort to identify, promote, and apply the experiences of private sector employers that have successfully utilized older workers. Program models and effective industry practices will be collected, synthesized, and packaged in popular formats for dissemination to targeted audiences, Ossofsky said in the interview.

Specific program components, he said, include:

-- Three PIC local and three state demonstration projects. In three service delivery areas with high percentages of mature workers and significant recent job dislocations, NCOA will assist employers in forming "employer-to-employer, older worker marketing organizations" to provide information, training, and motivational incentives to encourage PICs to serve older workers.

-- NCOA technical guidance and training assistance to State Job Training Coordinating Councils and operating agencies to aid in adjusting state policies and procedures, and to encourage the use of JTPA incentive and set-aside monies.

-- A manual and training design, based on the demonstration projects, to be produced for national use.

-- A series of 10 technical information, single-page brochures -- called Prime Time Tips -- to be produced by NCOA and targeted to employers and employment and training agencies. Five will be Employer Tips featuring illustrative steps taken by private and public market employers to hire and retain mature workers, and five will be Employment and Training Tips.

-- A major national training conference.

The Exxon matching grant will be used to produce newsletters and other printed materials, Ossofsky said.

Joyce Welsh, director of the NCOA project, hopes to put together a "roving consultant group," consisting of representatives from private employers who will network with other private sector employers.

◆ American Society for Training and Development (ASTD) Project: Another current research project that may yield valuable information about effective training/retraining programs for older workers is "Best Practices: What Works in Training & Development." The project, being conducted for the Department of Labor by ASTD, while focusing on the entire workforce, will seek data on how to provide "remedial training for experienced workers," according to Lee Gainer, director of national affairs.

CASE STUDIES

Company: Crouse-Hinds Co.

Program: CAD-CAM Training

Summary: Crouse-Hinds spent $350,000 over a period of several years to train its workers, more than a third of whom are over 50 years old, how to use computer-assisted design and manufacturing equipment when the company modernized its Syracuse, N.Y., operations. In the words of Julie Walter, manager of training, Crouse-Hinds does not put its "valued employees out on the street. We are retraining them and we're finding it's very successful." The company also sponsors four ongoing training and education programs; a program in preretirement planning, and another that pays for college courses for retirees.

When Crouse-Hinds Co. introduced computer-assisted design (CAD) and computer assisted manufacturing (CAM) at its Syracuse plant some three years ago, many of its older workers were unsure about the complex new technology and how it would affect them. After all, it would completely change the way they had performed their jobs.

But the company made a serious commitment to training its workers -- young and old alike -- and spent some $350,000 over a period of years to show them how CAD-CAM operated.

In explaining Crouse-Hinds' approach to the matter of retraining its older workers, Julie Walter, manager of training, said, "We are not putting our valued employees out on the street. We are retraining them and we're finding it's very successful." Crouse-Hinds has garnered awards for its treatment of older workers from *Modern Maturity* magazine and the U.S. Senate Special Committee on Aging.

Four Major Training Programs

Crouse-Hinds, which manufactures electrical construction materials, has four major training and education programs, including a fully paid tuition reimbursement benefit. Most of its programs are open to all workers, but many courses are dominated by older workers, according to the company.

The average age of the Crouse-Hinds employee is 44, and more than one-third of the firm's 1,450 Syracuse employees are more than 50 years old, according to Ed Dunphy, vice president for employee relations. The average age of company foremen is about 48, Dunphy said.

The training and education programs are intended to give employees the chance to prepare for the introduction of new technologies. Walter said employees know that, should the company bring in new technology, every effort will be made to upgrade their skills to operate the equipment. "They are more capable [and] they are better satisfied," she said.

Walter offers the example of forklift operators who, as the company automates its storage system, are told that "if they want to take training of any type, we will pay for it or assist them in moving their capabilities into a different area."

Walter said all of the programs are aimed at the adult learner. In fact, she said, she simplifies many of the work materials supplied by training companies and then offers workers the opportunity to pursue the subject matter further after completion of the basic training.

The programs are always geared toward specific jobs, so the information is understood more easily, Walter said. And all programs are voluntary. Says Walter: "The responsibility for learning is the individual's. We will make it easily available and financially possible."

Through one in-house education program, foremen and journeymen may earn a two-year college degree, with all tuition, fees, and books paid for by the company. Foremen may get a degree in business management, which includes courses in statistics, accounting, and psychology. Journeymen may earn degrees in technical areas.

"When we first advertised this program, we thought we'd get six or seven people," Walter recalled. "We had 67 people show up."

A key Crouse-Hinds' training program is a 22-week program available only to foremen. The course, which Walter describes as "an interchange of information," is designed to educate foremen about the operations of major departments within the company. The training is given by the heads of the major departments -- purchasing, industrial relations, quality control.

Walter said the company could easily hire outside people with management degrees to fill upper management positions, but instead wants to take advantage of the experience and knowledge of the company that the foremen possess. It is investing time and money in its internal human resources, she said.

Benefits for Older Workers

The company, which has no mandatory retirement age, offers two training/education benefits programs aimed solely at older and retired workers. The first is a preretirement program in post-career planning. The theme of the program, which focuses on investment and financial counseling, is "maintaining control of your life."

Under the other benefit program, the company will pay full tuition -- up to the cost of two courses per semester -- for any retiree who wishes to attend college. The tuition benefit is seldom used, according to the company, which maintains that, regardless of how little the benefit is used, it is indicative of Crouse-Hinds' commitment to older workers.

Training programs cost Crouse-Hinds between $100,000 and $300,000 per year, according to Dunphy. In return, he said the company benefits from higher morale, a highly skilled workforce, and lower turnover. The average length of service in the company is 12-15 years, he said. Walter estimated that some 75 percent of all employees are involved in some sort of training program.

Union Praise, Concern

Jack Normoyle, business manager for Local 2084 of the International Brotherhood of Electrical Workers, the only union representing

Crouse-Hinds' workers, feels the training programs are providing a wide range of opportunities for members to upgrade their skills and adapt to changing technologies. He said older members tend to participate in the company's in-house training programs because they are more job-specific, while the tuition program is primarily used by the company's white collar staff and union members in highly technical jobs.

"They are making an awful lot of programs available," said Normoyle, whose union represents 900 production and maintenance workers. "I can't think of any case where there's been a request for a program that hasn't been made available."

The main concern of the union, however, said Normoyle, is not training programs, but rather layoffs and getting its laid-off members back to work. Crouse-Hinds laid off 300 employees, 155 of which were production and maintenance workers, in 1986, according to Normoyle.

Walter responded to Normoyle's concern by saying that the company's commitment to training sends a message to employees that there will be as few layoffs as possible and that every effort will be made to train and retrain workers.

Organization: Focus: HOPE

Program: Machinist Training Institute

Summary: Retired machinists make up the majority of the instructors at the Machinist Training Institute (MTI), where economically disadvantaged adults are trained to become skilled machinists. Relying on experienced machinists gives the institute a solid "academic" foundation and the retirees a sense of fulfillment, MTI says. As one of the retired instructors put it, "We're not here for the money. We're here for the satisfaction, the chance to contribute. I'd still come in every day even if they didn't pay me."

At the Machinist Training Institute in Detroit, Mich., more than half the instructors are retired skilled tradesmen who want to see a new generation carry on their craft. They are paid $7.65 an hour to teach, but are motivated not by money, but by "the desire to keep their skills from dying with them," according to MTI Dean Suzanne Young, who calls these machinists-turned-teachers "a remarkable resource."

Ranging in age from 62 to 82, these retirees also want to help minority group members and women enter a field long dominated by white men. Many of them have suffered the indignity of discrimination, said Young, and "after years of earning a good living, they feel it is their mission to provide other blacks access" to the job market.

Working at MTI allows them "to be part of the solution," Young said. A project of Focus: HOPE, a local non-profit organization devoted to civil and human rights, the idea for a trade school was conceived six years ago. The purpose was to give economically disadvantaged adults an opportunity to enter the economic mainstream. The program is "a successful answer to unemployment," said Young. By the time trainees complete the eight-month curriculum, they have received 1,220 hours of industry-specific pre-employment training and 610 hours of actual experience operating lathes, mills, grinders, and other major machine tools, and they have the basic skills and knowledge needed to begin a career as a machinist.

In addition to wanting to help unemployed adults, Focus: HOPE wanted to help Michigan maintain its machining pre-eminence, said Young. Michigan, where the heart of the auto industry is located, has traditionally led the nation in machining, she said, yet machinist training has been in short supply since the Henry Ford Trade School closed in the late 1940s, she explained. Without centralized training, the skilled-machinist base has been dwindling and graying, she said, with the median age of journeymen machinists today around 58. Much of the corporate and community support MTI receives has sprung from the awareness "that the loss of the machining trade could dramatically and adversely affect the local economy," she said.

While the Big Three automakers are increasingly "outsourcing" parts production, "there's still the need for skilled machinists," Young said, particularly among suppliers. "And," she added, "the machining trade is not all narrowed into automobiles. Many of our students get jobs with small Mom-and-Pop shops or with other manufacturers."

Teaching in a Work Setting

The MTI program simulates workplace conditions, with students clocking in at 7:30 a.m. and out at 4 p.m. This regimen is an integral part of the training, explained Young, since the average MTI student is coming off 2.7 years of unemployment. "We want to prepare them in every respect for a job that requires 52 to 58 hours a week," she said.

The MTI school day is divided into classroom and shop segments. Classroom instruction covers mathematics, shop theory, blueprint reading, communication skills, and career development. In MTI's 58,000-square-foot shop, students also receive hands-on training in machine tool operation.

Several senior instructors graduated from the Henry Ford Trade School, "so they know how important pre-employment training is," said Young. Most have no formal training as teachers, however, although they generally have worked with apprentices. While some instructors need some training in recordkeeping and evaluation procedures at first, "they're just so eager to share what they know that they're natural teachers," she said.

MTI has 16 instructors, 11 of whom are retirees. Five work full-time, 42.5 hours a week; the others work three or four full days a week. New instructors are either recruited by someone already associated with the program or they come forward after a newspaper or television story on MTI appears, Young said. "One draw is that I let people tell me when they want to work," she explained. "If they want to give of their time and expertise, I'm happy to work up a schedule that accommodates their bowling league, vacations, wives, and grandchildren."

Senior instructors earn $7.69 an hour, a rate of pay which has not changed since MTI first opened in 1981. At the time, school administrators decided this was the top wage retirees could earn over the pilot program's eight-month term without jeapordizing Social Security or pension benefits, said Young. Compensation continued at this rate once MTI became a year-round program, she said, "purely through the generosity of these men." Most do not really need the extra income, she added, but work primarily for the intangible benefits associated with the job.

The Teachers

"It makes you feel real good to know you've helped someone find success," said Claude Harvard, 73, who has been teaching blueprint reading at MTI since the program began. Harvard had been in retirement for three years when Father William T. Cunningham, Focus: HOPE's executive director, asked him to teach. Although doubtful Cunningham could find jobs for MTI graduates, Harvard felt the program just might be able to help blacks combat job discrimination by providing them with marketable skills.

Harvard knows about discrimination first-hand: one of the first blacks to complete the Henry Ford Trade School, he was the only 1932 graduate who did not automatically receive a journeyman's card. He never did get the card, but the experience taught him "to work harder and smarter," a practical lesson he passes along to students. Their ability to get jobs -- MTI says it places about 85 percent of all graduates -- keeps Harvard in the classroom. "When they go out and better their lives, I feel I have to stay here and train them," he said.

Having a skilled trade made a great difference in the life of Dan Stephens, 82, who heads up MTI's lathe shop. The first black to work in the Ford Motor Co.'s toolroom, Stephens' trade gave him security, a nice home, and the ability to put his children through college. Today, he relishes seeing this same kind of change coming into the lives of his students, many of whom "are discouraged and almost hostile when they first start."

Along with basic operating procedures, Stephens teaches his students the importance of professionalism and cooperation, two characteristics he found invaluable during 40 years with Ford. He retired from there 20 years ago, but he plans to keep teaching for "as long as I'm physically up to it. Sometimes I think about quitting, then a student will get a job where they've never hired minorities before and it feels good knowing I helped make that difference."

Working with minorities has changed the way mill shop instructor Bob Wood, 73, looks at the world. "Everybody my age has ideas about black and white," he said, "but working here has taught me to see the person, not their color." Wood said he enjoys helping younger people develop their abilities and appreciates the chance to keep his own skills sharp. "We're not here for the money. We're here for the satisfaction, the chance to contribute," he said. "I'd still come in every day even if they didn't pay me."

Young considers all of MTI's senior instructors exemplary employees. "Each one is still gladly getting up at 6 a.m. and putting forth their best every day," she said. In her opinion, much of the school's success stems from its symbiotic relationship with these older Americans: By tapping "this tremendous treasure chest of knowledge," MTI provides students with seasoned, real-world instruction, while giving these retirees an arena in which to be productive.

From where Young sits, the only downside to employing machinist retirees "is that we can't multiply every one of them by 10."

Organization: The National Caucus and Center on Black Aged, Inc. (NCBA)

Program: Senior Employment Program

Summary: NCBA provides a number of employment opportunities for seniors ranging from child care and clerical positions to van drivers, food service workers, recreation aides, and Head Start aides. NCBA says SEP operates in 10 states and provides jobs for between 1,600 and 2,000 people. The New Careers in Housing Services for Older Workers, a program that consists of a 26-week training course covering nine areas of housing management, prepares participants to pass the Department of Housing and Urban Development-mandated certification exams for housing manager positions. Through Senior Environmental Employment (SEE), another NCBA-sponsored program, NCBA serves as an employment agency for part-time positions in the federal Environmental Protection Agency.

NCBA is a non-profit, interracial membership organization that was formed in 1970 by the late Hobart C. Jackson Jr. to address the economic needs and improve the quality of life for elderly minority-group people.

The organization provides training and employment opportunities for a wide range of older people. The group does not limit its services to black or minority-group people and a substantial number of program participants are not minority-group members. The staff of the organization is multi-racial.

According to Department of Labor data, in 1983, blacks were nearly three times as likely as whites to be unemployed. During that year, the unemployment rate for blacks age 65 and older was 9.3 percent while the rate for whites was 3.2 percent. The median weekly pay for a full-time black wage earner age 65 and older was $199.91 in 1983, while the median weekly earning for whites in the same age bracket was $261.06.

NCBA is headquartered in Washington, D.C., but has 54 state and local chapters with 30,000 members. Staffed field offices are located in Alabama; Arkansas; the District of Columbia; Florida; Georgia; Illinois; Mississippi; North Carolina; Ohio; and Pennsylvania.

Samuel J. Simmons, former assistant secretary of the Department of Housing and Urban Development and a member of the Board of Directors of the Federal National Mortgage Association, currently is the president of NCBA.

NCBA's Senior Employment Program

NCBA, along with seven other national contractors and the 50 state governors, helps operate the Senior Community Service Employment Project, which is funded under Title V of the Older Americans Act and is administered by the Department of Labor. SCSEP aims at helping older, low-income individuals get training and part-time jobs in community service. However, the ultimate goal is that the program participants obtain permanent, non-subsidized employment. NCBA says its Senior Employment Program (SEP) operates in 10 states and provides jobs for between 1,600 and 2,000 people. The organization receives $8.5 million in funding to operate the program.

According to Larry Crecy, SEP vice president for employment and training, the program provides jobs starting at $3.35 per hour. Program participants may work a maximum of 20 hours per week.

Crecy says that whatever success the program has had is attributable to aggressive recruiting. NCBA does not just run advertisements in the classified advertising section of the newspaper, he said, but goes to community meetings, churches, and social organizations to actively look for people, and thus there is a long waiting list of people wanting to get into the program.

Crecy said that NCBA trains and finds jobs for seniors in a wide variety of jobs -- from child care and clerical positions to van drivers, food service workers, recreation aides, and Head Start aides.

While initially the jobs are publicly subsidized, the SEP seeks to find better-paying private sector jobs for program participants, Crecy said. There is no time limitation on program participation, he said. The main requirements are that participants be age 55 or over and have incomes no greater than 125% of the poverty threshold.

Housing Services Program

One facet of the SEP is the New Careers in Housing Services for Older Workers, a program that consists of a 26-week training course covering nine areas of housing management. Participants who successfully complete the course will be prepared to pass the HUD-mandated certification exams using either the Institute for Real Estate Management (IREM), the National Association of Housing and Redevelopment Officials (NAHRO), or the National Center for Housing Management (NCHM) systems. They will also be qualified to receive a HUD-certified Housing Manager designation and can be placed as housing managers or assistant housing managers. Since 1981, HUD has required that all public housing managers of 75 or more units have certification from an approved organization. Although private housing organizations do not necessarily require such certification, having it is a plus for the individuals. NCBA will provide coaching for the trainees for the exams and will pay initial test fees.

The training program also prepares participants for other housing-related jobs as management aides, rental clerks, maintenance supervisors, and property inspectors. The average wage gain for those who complete this program is about $7 an hour, Crecy said.

The training consists of 240 hours of classroom learning and 240 hours of on-the-job experience at a host housing agency. The host agencies do not have any financial commitment; NCBA takes care of paying the participants while they are being trained. The host agencies, NCBA notes, gain the advantage of additional personnel for three months without cost to them.

The training program, according to an NCBA description, "provides participants with the skills and practical experience to successfully become certified housing managers." Moreover, the NCBA report said, participants who follow through on the "continuing education portion of the program [can] acquire the expanded knowledge" they will need to "rise to higher management positions within housing organizations."

A key facet of the program is the role that NCBA plays in placing the trainees in permanent private or public jobs. The agency begins marketing the people as soon as they are selected. NCBA reports that during the Washington, D.C., pilot program, one host agency requested permission to hire a trainee prior to completion of the program. The on-the-job training facet provides the trainee with marketable experience that should aid them in finding permanent employment.

NCBA also encourages graduates of the programs to get continuing education in relevant courses.

NCBA provides six months of follow-up counseling for program participants after they have been placed in a permanent job. If work-related problems arise, NCBA will attempt to resolve them. In the event that a participant needs to transfer from a job, the agency will set up interviews with prospective employers. Crecy said that a new building maintenance program with 40 slots is underway in Cleveland, Ohio.

NCBA also constructs housing developments for elderly people, and is working on developing a housing development in the Washington, D.C., area for elderly Korean people.

EPA Jobs Program

Senior Environmental Employment (SEE) is another NCBA-sponsored program. NCBA, through a cooperative agreement with the federal Environmental Protection Agency, serves as a placement agency for temporary jobs with EPA at four locations in Washington, D.C., and one in Research Triangle Park, N.C.

Jobs include environmental engineer, chemist, computer programmer, laboratory technician, and various support staff. EPA funds the program at approximately $1,600,000 and there are generally jobs available for about 40 people.

Participants must be age 55 or above, but do not have to be in a low-income bracket. Pay ranges from $5.75 an hour to a high of about $18 an hour. SEE workers receive benefits that are required by law, such as workers' compensation, unemployment insurance, federal holidays, and sick leave and vacation leave.

NCBA believes EPA benefits in at least two ways from this program: First, the agency gets the workers it needs, and second, the federal government gains by having an outside agency responsible for handling the administrative tasks associated with hiring, recruiting, firing, and processing employees into the system.

NCBA has written a handbook of personnel practices and policies for program participants that sets out their rights and responsibilities. Program participants are required to sign a statement attesting to the fact that they received a copy of the handbook.

Job Placement Study

NCBA is involved in a survey of job placement systems for older workers, being done for the U.S. Administration on Aging and the U.S. Department of Labor and scheduled to be released in June 1987.

The survey looks at a "representative sample" of 12 such state programs. Final results of the survey will be compiled into a "technical assistance manual" to be distributed to State Offices on Aging, Area Agencies on Aging, and other interested organizations.

Field Hearings

In 1986, NCBA, along with the House Select Committee on Aging, sponsored a series of forums throughout the United States that focused on the unique problems of the black elderly. According to NCBA President Simmons, "Aged blacks are the poorest of the poor. No other major aged racial or ethnic group has a higher poverty rate than older blacks -- not aged Hispanics, not elderly Indians, not older Asians, and not any other group."

In 1985, according to Simmons, 31.5 percent of all blacks age 65 or above lived in poverty, compared with 11.0 percent of whites age 65 and older. Because retirement income is based in large part on the income earned during working years, and because many elderly blacks have had a sporadic work history, due in part to discrimination, and have often earned less than their white counterparts, the retirement income available to them is lower.

The forums focused on income, employment, health, crime, services, and the federal budget. The Select Committee on Aging also held field hearings in Detroit, Memphis, and Washington, D.C.

NCBA plans to publish a report analyzing the major findings of the hearings. The report is also expected to include a blueprint for national policy recommendations aimed at improving the plight of aged blacks.

ISSUE: FLEXIBLE WORK ARRANGEMENTS

When asked, older workers often say they would like to work after they retire. An examination of the statistics, however, shows that not many actually do work. Why? Is discrimination against retirees a factor? Do employers refuse to hire older people? Do the retirees change their minds and decide that retirement was better than what they expected?

Any or all of these could be factors that lead to the relatively small number of retirees working. However, some observers assert that retirees' requirements for jobs they will take cannot be met, and that, as a result, they eliminate themselves from consideration. Often, these observers say, retirees are looking for the "ideal" job -- one that is part time, pays high wages, and is conveniently located.

Many Older Workers Already

There are a significant number of older people already in the workplace. The Bureau of Labor Statistics estimated that in 1985 (the most recent year for which statistics are available) approximately 55 percent of men in the age-50-and-older group worked sometime during the year. BLS also reported that 32.9 percent of older women worked sometime during that year. Of those who worked, 85.8 percent of the men and 65.5 percent of the women were employed full time, and the remainder worked part time.

As workers get older, they tend to work more part-time jobs. According to *Workers 45+: Today and Tomorrow*, a report from the

American Association of Retired Persons, in the age 65-and-over category, 47 percent of men who work and 62 percent of women who work have part-time jobs.

Unpublished data from the Bureau of Labor Statistics cited in the AARP report show that older people most often work in the following types of jobs, listed in descending order of frequency: technical, sales, and administrative positions; managerial and professional positions; operators', fabricators', and laborers' jobs; production, craft, and repair jobs; and service jobs. However, the BLS data also show that, regardless of age, men and women continue to predominate the same occupational category throughout their working lives. For men, that category is "managerial, professional," while for women, the category is "technical, sales, administrative."

The following charts, prepared by BNA based on the AARP material, show by occupational category the concentrations of women and men by age group. ["1" indicates the category with the highest concentration and "7," the category with the lowest concentration.]

The occupational breakdown for women is:

Age 45-54	Age 55-64	Age 65+
1. Tech/sales/admin	1. Tech/sales/admin	1. Tech/sales/admin
2. Manager/prof	2. Service	2. Service
3. Service	3. Manager/prof	3. Manager/prof
4. Oper/fabric/labor	4. Oper/fabric/labor	4. Oper/fabric/labor
5. Prod/craft/repair	5. Prod/craft/repair	5. Farm/forest/fish
6. Farm/forest/fish	6. Farm/forest/fish	6. Prod/craft/repair
7. Armed Forces	7. Armed Forces	7. Armed Forces

The occupational breakdown for men is:

Age 45-54	Age 55-64	Age 65+
1. Managerial/prof	1. Managerial/prof	1. Managerial/prof
2. Prod/craft/repair	2. Prod/craft/repair	2. Tech/sales/admin
3. Oper/fabric/laborers	3. Tech/sales/admin	3. Farm/forest/fish
4. Tech/sales/admin	4. Oper/fabric/labor	4. Service
5. Service	5. Service	5. Prod/craft/repair
6. Farm/forest/fish	6. Farm/forest/fish	6. Oper/fabric/labor
7. Armed Forces	7. Armed Forces	7. Armed Forces

Note:
Farm/forestry/fish = Farming/forestry/fishing;
Prod/craft/repair = Production/craft/repair;
Managerial/prof = Managerial/professional;
Oper/fabric/labor = Operators/fabricators/laborers;
Tech/sales/admin = Technical/sales/administrative.

Types of Flexible Work Arrangements

Some older workers, especially those 60 and above, appear to prefer part-time work because it affords them the opportunity to be with their friends and former colleagues; keep their skills updated; and earn extra money -- without jeopardizing their right to Social Security and other retirement income.

Some employers hire their older workers directly, while others work through employment agencies or community agencies such as Operation ABLE. (See Case Study later in this chapter). Some employers hire the workers as independent contractors to perform a specific assignment.

There are a variety of flexible working situations. Some of the most common include:

- Job sharing (two people share the duties of one full-time job);
- Part-time work; and
- Full-time work (usually for a specific period of time -- i.e. six months).

At Campbell Soup Co., the New Jersey-based, food manufacturer, the job of "executive secretary" to the company president is held by two people, both older women. One woman works two days one week and three days the next week, and the other works the reverse schedule. The company also employs a retiree from the New Jersey state library system to catalogue exhibits and artifacts in the corporate museum. The woman works five days a week from 9:00 a.m. to 12:00 p.m.

Part-time Weatherizers

Since 1982, Georgia Power Company, the Atlanta-based utility company, has hired senior citizens, including a few of its own retirees, to weatherize the homes of other senior citizens in the state.

According to David Kee, administrator of the program, known as "Senior Citizens Lending a Helping Hand," older workers have weatherized nearly 36,000 homes. Georgia Power pays the costs of the materials and the salaries of the older workers, who are paid about $6 per hour and work approximately 15-18 hours a week. However, Kee noted that the company no longer pays the workers directly, as it did when the program began, it did. Now Georgia Power contracts with an outside vendor, Enercom, a division of Equifax Corp., to pay the retirees. Kee writes a check out once a month to Enercom.

The requirements to be eligible to have a home weatherized are as follows: participants must be age 60 or older and retired; they must be retail customers of Georgia Power; and they must live in and own their homes. Handicapped persons of any age who own and live in their homes also are eligible.

Weatherization includes such things as: caulking; installing weatherstripping around windows and doors; replacing cracked or broken glass; covering windows with protective plastic; insulating electric water heaters; adjusting thermostats on electric water heaters; and providing and installing smoke alarms.

The main qualification for the workers is that they be physically capable of doing the work, Kee said. Although there are no age requirements, he said, older workers are targeted to participate. There are some people in the program who are 58 or 59, but most are in their mid-60s to mid-70s, he said. Currently, he said, probably less than 1 percent of the participants are Georgia Power retirees.

Women have participated in the program, although no women are now doing weatherization work, Kee said. The women who are working in the program are "division coordinators" and are handling paperwork, ordering materials, and handling timecards and employees' pay.

Kee estimated that there are currently 135 to 145 older workers participating.

CASE STUDIES

Organization: Operation ABLE

Program: Referral, Placement, Training Program

Summary: Founded 10 years ago, Operation ABLE in Chicago, Ill., has been trying to accomplish three goals: first, to find jobs for older workers; second, to build community networks that address the needs of senior citizens as well as create public awareness of those needs; and third, to work closely with the business community. Because of its success in Chicago, the Operation ABLE program has been adopted in several other cities.

Operation ABLE is a Chicago-area job clearinghouse for a network of community-based agencies that provide referrals, training, and placement of older workers. Established in June 1977 with funds from the Chicago Community Trust and Field Foundation, Operation ABLE now receives funding from 40 corporations and 12 government units. With financial assistance from the Mott Foundation of Flint, Mich., the agency's structure has been replicated in seven other cities: Boston, Detroit, Lincoln, Neb., Little Rock, Ark., Los Angeles, New York, and San Francisco.

Operation ABLE, with an annual budget of approximately $2 million and 70 full-time and part-time employees, places about 5,000 older workers annually. It is the largest Illinois recipient of Job Training Partnership Act funds under the 3 percent set-aside for workers over 65.

Threefold Goal

According to Executive Director Shirley R. Brussell, who is also the current chair of the National Association of Older Worker Employment Services, a constituent unit of the National Council on the Aging, the goals of Operation ABLE are threefold: first to find jobs for older workers; second, to build community networks that address the needs of senior citizens as well as create public awareness of those needs; and finally, to work closely with the business community.

Businesses with job openings call ABLE's job hotline, and the vacancies are entered into ABLE's listing. Local social services and job placement agencies pay a membership fee to subscribe to the clearinghouse. The range of jobs extends from executive level to blue collar, Brussell said, but the greatest need is for clerical help.

The agency maintains a temporary services agency, ABLE's Pool of Temporaries (APT), which bills itself as "APT to fit your needs."

For older workers themselves, ABLE offers counselling and job skills training, new career counselling, job development, and outplacement services for executives.

"We are not simply a direct service agency. Our mandate was also to broaden community services," Brussell said.

Working with the Media

ABLE works closely with the media to broaden public awareness of what older workers can offer. A local media council meets regularly with ABLE staff. Operation ABLE and WMAQ-TV, the local NBC affiliate, co-sponsor an annual awards luncheon for older workers, called the Claude Pepper Distinguished Service Awards. This year's winners will be featured by WMAQ in seven 30-second public service advertisements during the next several months. The agency's slogans: "Experience Works," and "55 is a Speed Limit, Not an Age Limit," can be found on T-shirts and posters.

Older people have an economic and psychological need to be part of the mainstream, Brussell asserted. "The need to be with . . . the younger people can be very compelling." In turn, "young people need role models." ABLE tries to communicate needs between employers and older workers so that communities can create mechanisms to fill the needs of both groups, she said.

Company: McDonald's Corp.

Program: McMasters Program

Summary: As part of its outreach to workers over 55 years of age, McDonald's in January 1986 created the McMasters program, which provides on-the-job skills training and job placement in cooperation with individual state employment agencies. McDonald's shares the cost of training, so state or local agencies pay only $300 to $500 for placement and retraining of each worker, the company says. McDonald's says 70 percent of the workers trained in the program stay on the job at its restaurants.

McDonald's Corp., the Oakbrook, Ill.-based fast food giant, has long encouraged the hiring of older employees, both directly in the one-quarter of McDonald's stores that are company owned, and indirectly in the remaining three-quarters of its stores that are owned and operated by franchisees, according to Vivian L. Ross, home office director of labor relations.

But as an additional part of its outreach to workers over 55 years of age, McDonald's in January 1986 instituted the McMasters program, which provides on-the-job skills training and job placement in cooperation with individual state employment agencies. So far, McMasters projects have been established in Dallas, Tulsa, Oklahoma City, Washington, D.C., Seattle, and in four Maryland locations, Ross told BNA in an interview.

'Partnership' with State Agencies

The program, which Ross describes as "a partnership with a state agency for a special employment initiative," has achieved impressive results so far, she said: a retention rate for workers of 70 percent, exceptional in the fast food industry, where estimates of annual turnover rates for counter crews range from 100 percent to 300 percent. Also, since McDonald's shares the cost of training, state or local agencies pay only $300 to $500 for placement and retraining of each worker, compared with costs of between $1,500 and $3,500 each for other jobs, Ross said.

The company will not disclose how many workers have completed the program, nor will it disclose their salaries, except to say that generally McMasters participants are paid more than the regular starting salary for crewman. Ross said that this salary in many parts of the country is higher than the minimum wage. All McMasters employees work in company-owned stores.

Candidates initially are interviewed and referred by the participating agency, usually the state or local Department of Aging. The company conducts no pre-employment tests or screens, Ross said. Eight to 10 trainees work in a store under the direction of a McMasters job coach, who is a part of McDonald's management. They work 15 to 20 hours weekly for four weeks, learning whatever tasks they feel comfortable with. At the conclusion of the four weeks, they are "mainstreamed" into the restaurant's staff.

So far the program has included a broad cross-section of workers, including retired executives, housewives, and former mechanics. They work in a variety of positions, ranging from making biscuits or salads to repairing equipment to operating the cash register directly behind the counter or manning the drive-through window, Ross said.

Advancing to Other Jobs

"As they become more comfortable in restaurants, many work their way up to jobs they initially felt they could not do," such as straight counter work at lunch time, Ross points out. The company accommodates any physical limitations they might have, such as inability to stand for long periods, she said.

Several have become McMasters job coaches after completing the course, and several also have begun swing-shift management trainee work, the company's bottom rung on the management scale. In keeping with most of its workforce, McMasters graduates usually work five to 20 hours a week. Sick leave and other benefit provisions are not applicable because of their part-time status. McDonald's says it welcomes interest in additional jobs by McMasters graduates, she said.

The McMasters program has been greeted enthusiastically by state employment and training agencies, and the company will continue during 1987 to roll out the program in other geographical locations on a selective basis, Ross said. She stressed that it is a special program, not to be confused with periodic recruitment drives among all groups which make up McDonald's customer base, including housewives, students, and senior citizens. The company also runs a McJobs programs which trains and hires handicapped workers, and McVip, for visually impaired individuals.

Ross said about 20 state agencies have expressed interest to McDonald's in establishing a McMaster's program.

Opportunity or Exploitation?

To some groups, the use of older workers as a pool of part-time workers who are paid rates near the minimum wage without fringe benefits is repugnant. Jack Ossofsky, president of the National Council on the Aging, said his organization "doesn't want to be a funnel for the replacement of one group of exploited workers -- immigrants, or teenagers, for example -- with another."

"There are some companies now receiving a great deal of favorable publicity for new initiatives in hiring older workers," he declared. "We at NCOA will not be a party to any program which exploits older workers and maintains them at the minimum wage with no opportunities for upgrading or fringe benefits, and regards them as a group, ultimately, as teenagers," Ossofsky told BNA in an interview.

NCOA has repeatedly discussed these concerns with McDonald's and other companies with similar programs, he said, insisting that appropriate orientation of middle management to the potential resources and value of older workers is crucial to the success of senior-hiring initiatives, he said.

A number of companies have told NCOA that they will support long-range training and hiring of older workers, Ossofsky said. He pointed out that while workers over 65 may want to limit income because of concerns over Social Security benefit eligibility, most "displaced workers" -- those between 55 and 65 -- are most in need of full-time work and benefits because they are not yet Medicare-eligible.

A spokesman for McDonald's said the company is aware of NCOA's concerns and is taking them "under advisement."

Company: Texas Refinery Corp.

Program: Older Workers as Sales Representatives

Summary: The company, a large manufacturer and marketer of building protectants and heavy-duty lubricants, seeks out for hire and retains older sales representatives in its 2,000-member sales force, and believes it has prospered under the philosophy "that you never put a man out to pasture."

Rejecting any notion of putting age restrictions on its nationwide network of contract sales representatives, Texas Refinery Corp. (TRC) of Fort Worth, Texas, maintains that it does not retain its older workers simply for humanitarian reasons.

"We've prospered under the philosophy that you never put a man out to pasture," said Jim Peel, a vice president at TRC. "I see older people now who have more energy than a lot of younger people. And they're more dedicated."

TRC is a large manufacturer and marketer of building protectants and heavy-duty lubricants. With facilities in Texas, Mexico, Luxembourg, and Canada, it is an international company with a permanent workforce of just 300 people. Its protective coatings division specializes in roof coatings and industrial roof repair materials. Its lubricants division sells heavy-duty lubricants to industrial customers. All sales are handled through "cold calls" or referrals, with the sales representatives following up to maintain steady customers.

'Sizzling Sixties Club'

The use of older workers as sales representatives is nothing new to the 65-year-old company. Since 1954, Peel said, TRC has boasted of its "Sizzling Sixties Club," a program to recognize the efforts of its contract workers 60 years or older. About 500 of its sales representatives (on average, the company has some 2,000) fit that category, but Peel noted that 53 percent of the sales force was age 50 and older in the last survey the company compiled.

"We have a lot of people who come with us part-time while in their fifties," he explained. "They're preparing for their retirement."

The commission income comes in handy, but many find more than a supplement to Social Security. Some find a new career with TRC. One such individual is Al Cornelius of Baraboo, Wis. Cornelius, who turned 80 in August 1986, told BNA he is still earning a comfortable living with $60,000 to $70,000 in commissions annually.

Cornelius started at TRC in 1954 when he was 47 years old. A former car salesman, he joined TRC as a part-time sales representative to supplement income from a launderette he was starting. Three years later he decided to make TRC his full-time job and he's been with it ever since.

Peel said that some of the company's contract sales representatives have earned more than $200,000 in commissions in a single year. And he pointed to the top sales producers of recent years as evidence that the older workers help the company. Last year's top producer was 58 and in the two years before, the top sales generators were in their 70s, reported Peel.

"People trust an older person," said Peel. "Our most successful sales people are in the 55-plus age bracket. It's been a plus for our company. Building owners would rather have an older person call on them. They seem more knowledgeable."

Cornelius is an example of one older worker who is pleased with the arrangement. Having worked his territory -- Wisconsin, Minnesota, and Illinois -- for more than 30 years, he's well established among his customer lists. He said he spends very little time really hustling for sales and enjoys the chance to travel the area.

"I'm making a real handsome living, plus!" he says. "I like to meet people. And I'm not spending a lot of time. I like to be active and I could very well afford to take a rocking chair, but that wouldn't be for me. I guess I'll be with TRC as long as God is willing to let me get up every morning."

ISSUE:
REHIRING ARRANGEMENTS

You've worked for 30 years for a company. You have your retirement dinner and you get the gold watch. Good-byes are said to your friends and colleagues, and you fade off into the sunset of leisurely retirement, perhaps visiting the old company once in awhile -- maybe to attend a retirement party for one of your former colleagues.

For lots of retirees, this is the scenario they've waited for, but for a substantial number of others, something different is happening. Many employees retire and then they "unretire."

There are several reasons for this phenomenon. Companies are finding out that it is good to have a stable, knowledgeable, and skillful workforce to call on when they need temporary help. Retirees already know and understand company operations, as a well as the jobs they are doing.

Retirees, in turn, are finding that working part time for their previous employer gives them extra money, helps them to continue to feel useful, and affords them the opportunity to be around colleagues and friends.

Some Firms That Rehire

Retirees are hired back on a variety of terms. Some return to work on an hourly-pay basis, some are rehired as "consultants," while others are rehired on a "contract" basis. They return to work at a variety of jobs, from computer operators and data processors to engineers, clerical workers, security guards, and teachers. They work on both part time and full time, and even share jobs with other retirees. The rate of pay often depends on the type of job.

Results of an employer survey done by the Employment Management Association in 1986 showed that 33.8 percent of 54 companies kept a "pool of exempt and non-exempt retirees for part-time or temporary work assignments." The results also revealed that 9.7 percent of the firms permitted the "retirees to job share with other employees." Slightly more than 45 percent reported using their retirees "on a contractual basis to perform various job duties."

Following are brief descriptions of rehiring practices at Wells Fargo & Co.; Grumman Aerospace Corp.; The Travelers Cos.; and Corning Glass Works.

Wells Fargo & Co.

Wells Fargo & Co. has instituted the "Retired Temporary Workforce Program" in which company retirees are rehired as hourly employees.

Gail Abel, assistant vice president and manager of employee and retiree relations for Wells Fargo & Co. reported that the retirees who participate in the program are pleased. They are hired, she said, to work "very short workweeks" or on a temporary basis to complete a given assignment. They can work as many hours as they want, although the program is so popular, she said, that there are more retirees signed up to participate in the program than there are jobs available.

The rehired retirees retain their Wells Fargo pension and health benefits, Abel said.

Some of the jobs that have been held by retirees, Abel said, include "tellers, receptionists, secretaries, accountants, and data processing."

Abel said that Wells Fargo does not keep track of how many people have taken part in the program since it was instituted a "few" years ago.

Grumman Corp.

Grumman Corp., headquartered in Bethpage, N.Y., hires its retirees on either a part-time or full-time basis, depending on the type of work that needs to be done. The corporation holds a number of government contracts, and often needs workers to fill peak-time needs.

As a matter of course, when Grumman employees retires, they are given an opportunity to sign up for the company's "skills bank," said Bill Hughes, manager of personnel communications. Retirees interested in working fill out a form that indicates the type of work they would be interested in; whether they would like to work part time or full time; and their skills. These forms are available to any department in the company, although Hughes said that very often the retirees are hired by the department where they used to work.

The corporation makes an effort to publicize this program with its employees. It is discussed during the preretirement planning program, and needs for specific kinds of workers are made known to Grumman's retiree clubs.

The retirees are hired as "job shoppers" through an outside "job shop" or employment agency, Hughes said. By using an outside agency rather than just rehiring the worker as a Grumman employee, the retirees are able to preserve their pension and retiree health benefits because they are paid through the job shop, rather than directly by Grumman.

However, he said, there are a few cases when retirees have been hired back regular employees. Retirees have come back on a full-time basis for a long-term project, and some, such as security guards, work part time for 20 hours a week all year long.

Lacking any hard data on the number of retirees that have been rehired by Grumman, Hughes estimated that at any given time about 150-200 retirees may be back at work.

Hughes said Grumman became interested in rehiring its retirees in the early to mid-seventies when many of the people who had been with the company since its creation in the 1930s were reaching retirement age. As the company began to "feel the impact of losing experienced people," the idea to rehire some of the retirees began to take shape, he said.

Initially, Hughes said, most of the retirees who were hired were "shop" types of employees. It was only later that the company expanded its retiree network to include professionals, such as engineers. Since the corporation's work load is often cyclical the concept of having a knowledgeable and skilled workforce available to work as needed appeals to the corporation.

The job types covered and the pay levels range across-the-board, Hughes said. Although there is a variance in the age range, generally most of the retirees are in their 60s.

It is to the corporation's benefit, he added, to have these employees, in part because they pass on "bit of the corporation's long-term culture" to younger employees.

Hughes said most of the rehired retirees work because they "want to," not because they "have to" to meet financial demands. They want the social interaction or the opportunity to keep their professional skills and contacts.

Although best known for its aerospace manufacturing division (particularly military aircraft), Grumman has a data systems division, a recreational boat division, and a truck division that builds, among other things, fire trucks and recently began manufacturing a long-life postal service truck. The company also has made wings for the space shuttle orbiter and subcontracts with other firms to make parts for commercial airliners.

The Travelers Cos.

The Travelers Cos. 15 years ago decided to set up an "unretirement" program. First, only the company's office of consumer information participated. Today, said F. Peter Libassi, senior vice president of the firm, in a speech before a recent conference on productive aging, there are 16 retirees handling telephone inquiries from an estimated 50,000 customers a year. Libassi said that customer relations requires good judgment, good customer relations skills, and knowledge of the company and its products -- qualifications that make older workers the "best people" for this job.

Following the success of that experiment, Libassi said, The Travelers then eliminated mandatory retirement (before Congress did); amended the company's pension plan so that retirees could work up to 960 hours a year without loss of pension and retiree health benefits; and started the "retiree job bank" through which retirees are rehired for temporary and part-time work.

Libassi said that Travelers' retiree job bank -- with 300 retirees signed up -- has been a "great success," and is popular with supervisors. In fact, the program was such a great success that there were not enough Travelers retirees to fill all the temporary and part-time assignments. So the company decided to open the job bank to non-Travelers retirees in

1985. In his remarks at the conference, Libassi quipped that the company realized that "Travelers retirees are not unique," and added, "We derived some pleasure from the thought we'd be hiring the expertise of other Hartford-based insurers' retirees!"

To recruit the other retirees, Travelers held an "unretire" party in the form of a job fair. Out of approximately 700 people who attended, the company managed to sign up 300 additional retirees.

Libassi described the program as a "win-win situation." He said that retirees earn more working for Travelers than they would for an outside temporary agency. The company personnel department estimated that each year the firm saves nearly $1 million by bypassing outside employment agencies and having its own pool of workers. But, said Libassi, the $1 million figure does not take into account the value to the company of the retirees' experience, reliability, and productivity. And when the two types of workers are rated, Libassi said, the retirees "are by far" rated higher than the outside temps.

Corning Glass Works

Corning Glass Works, Corning, N.Y., for some time has rehired, on an as-needed basis, some retirees to do perform contract work. Retirees are hired on the basis of the need for the skills that they hold, according to J. Edwin O'Brien, Jr., director of human resource planning and development.

Although this has been a company practice for sometime, O'Brien said, over the last five to seven years, more and more retirees have been hired.

Some of the retirees, O'Brien explained, work on international contracts. For example, he said, the company is getting into the television industry in China. U.S. plants no longer make the components that are needed to construct black-and-white picture tubes, but a Chinese plant needs just those components. Corning has turned to its senior workers and retirees, who possess the skills and know the technology, to help produce these picture tubes.

O'Brien said Corning also has sent retirees to work in Korea and Brazil. Before sending the retirees to a foreign country, they receive language instruction and information about the country's culture, he explained.

Corning tries to make the assignments on a short-term basis, generally for a few weeks or few months, but there have been some instances when some people have gone abroad for up to a year, O'Brien said.

Other retirees, he said, are brought back to "stabilize" the domestic workforce. If the company gets a six-month contract, rather than hiring and training new people (who might have to be let go at the end of the contract or reassigned), the company uses its retirees to meet what O'Brien termed these "blips in demand."

The amount of time a retiree works depends on the type of job. For example, O'Brien said, the company might contract with a retired glass mixer and melder just to come in one day a week to check the process and offer guidance. Another retiree might work full time for several months.

O'Brien estimated that there are "several hundred" retirees working. A couple of their "best inventors and scientists" have worked "well into their 70s," he said. Normally, however, fairly recent retirees are hired most often, since their skills are current.

Although usually the retirees that are rehired are professionals, sometimes retirees in the "administrative and technical level" are hired back for a limited period of time, O'Brien said. Occasionally, someone with an accounting background might come in at the end of the period to help close the books, he added.

Corning hires the retirees directly on a contract basis. The rate of pay usually is based -- at least as a starting point -- on what the person was paid when they retired from Corning, O'Brien said.

CASE STUDY

Company: Aerospace Corp.

Program: Retirement Transition Program

Summary: Aerospace has been rehiring its retired workers for some 10 years. Under the three-part Retirement Transition Program, employees nearing retirement age may take a leave of absence, switch to part-time work before they retire, and return to the company after retirement as "casual" employees.

At Aerospace Corporation, the rehiring of retired employees has changed in name but not in form over the last 10 years. Beginning in the mid-1970s, returning retirees were considered "consultants"; subsequent changes in the tax laws and the corporation's pension plan have produced their current status: "casual" employees.

Aerospace, a privately owned, not-for-profit corporation established in 1960, is a federally funded research and development center for national security programs. More than 90 percent of Aerospace's work is for the U.S. Air Force's Space Division. The corporation provides general systems engineering and integration for satellites and launch vehicle systems, but they does not manufacture any of the the equipment. Aerospace's "product" is the skill and experience of its employees, which includes technical oversight of the federal contractors actually building the satellite and launch system apparatus.

Approximately 4,100 persons now work at Aerospace, located just south of Los Angeles in El Segundo, Calif. The corporation is known both for rehiring retired employees and having an older workforce in general, said Denise Jessup, Aerospace's retiree relations administrator. In 1986, more than 40 percent of Aerospace's workforce was age 50 or over; 15 percent was age 60 or over, the same percentage that was age 30 or under, Jessup said. Currently, 3 to 4 percent of the workforce is age 65 older.

Many Long-Term Employees

Jessup, who has a master's degree in industrial gerontology from the University of Southern California, said that Aerospace has a significant number of long-term employees. When the company celebrated its 25th anniversary in 1985, 200 employees celebrated 25 years of employment with Aerospace. The older workforce is the result of that long-term employment, which developed from the extended nature of Aerospace's projects. Half of all its employees are engineers or scientists, Jessup noted, and older technical employees with highly developed skills bring critical continuity to long-term projects. This broad base of knowledge is especially important in systems engineering, Jessup said.

Prior to 1981, retired employees returned to Aerospace as "consultants," called in when they were needed. No formal tracking of these retirees was maintained, but one especially positive experience with such consultants is very familiar to Jessup. Aerospace had been deeply involved in the Atlas booster rocket program. Following two unprecedented rocket failures in 1980, Aerospace put together a technical review team, which included three retired employees "who did most of the work," said Jessup. She stressed that the retirees brought with them a considerable level of expertise with the Atlas program, but more importantly, because they were not directly involved with the program at the time, they could maintain the high level of objectivity that is critical to the efforts of an effective review team.

Retirement Transition Program

After 1981, changes in the tax laws made "consultant" arrangements unworkable for Aerospace retirees. Resulting changes in the corporation's pension plan, however, allowed them to return as "casual" employees. This status was formalized in 1984 when Aerospace instituted its three-part Retirement Transition Program. In part one, employees nearing retirement age may take a leave of absence for up to three months to gain a feel for retirement and explore what they would like to do. In part two, employees may switch to part-time work prior to actual retirement if it meets the needs of their department. Part three of the program allows employees to return to their old jobs as "casual" employees after formal retirement.

No major event led to the formalization of the Retirement Transition Program in 1984. For the most part, Jessup said, it "simply got written down," but did not change from the previous practice.

In many instances, Jessup explained, casual employees never actually leave the project on which they're working. When employees retire -- early retirement at Aerospace is available at age 55 while full pension benefits may begin at age 62 -- they may elect to return the next day as casual employees. The limits on this option are imposed by the employee's department -- which decides whether having a casual employee is necessary or meets its needs -- and by the tax laws -- which limit employment time to 999 hours per year before benefits are affected. If they stay under the limit, Jessup said, these casual employees collect full pension and life insurance benefits.

Except for the actual paperwork, Jessup described the system for rehiring retirees as "very informal." While most of the employees on casual status have been self-planned phase-outs, there have been occasions when project managers have gone directly to specific retirees and asked them to return to a project. Currently, Aerospace has on its employment roll 102 casual employees whose annual hours range from zero to 999, the oldest of whom is age 76. In 1986, of the 74 technical staff retirees, 21 returned as casual employees. Aerospace maintains a flexible yet stable work force by rehiring its retirees, Jessup said.

Retiree Skills Bank

In addition to the Retirement Transition Program, Aerospace is developing a retiree skills bank for those employees who do not wish to return immediately. Jessup views the skills bank as a way to fill shorter-term staffing needs of the corporation. She has found that employees who are interested in returning usually do so immediately, while those who retired five years ago "probably aren't interested in returning."

Most of Aerospace's casual employees are members of the technical staff, but, Jessup indicated, others return as well. She provided the following examples:

◆ An engineer from the space test directorate had been working on an experiment planning guide that would insure compatibility between equipment manufacturers. The employee retired last year, but returned immediately on casual status to complete the guide. In addition, he traveled to a project test site as Aerospace's resident test engineer. Jessup said the project manager stresses that this was not "make work" for the casual employee, but was based on the corporation's needs at the time.

◆ Approximately five years ago, Aerospace discovered that it was more cost effective to rehire retired security personnel than to locate temporaries. Of the three rehired at the time, two are still working. Aerospace has found them to be more reliable than temporaries, and more anxious to work. Although retirees are often thought to be less flexible about the hours they work, Jessup noted, just the opposite happened with the rehired security retirees, who are subject to 24-hour availability. In addition, the corporation benefits from the fact that former security personnel already have the necessary security clearance and know the property well.

◆ In the physical plant department, Aerospace employs two casual employees in novel capacities. On a scheduled basis, one retiree goes in to check and maintain the fire extinguishers, while another has taken over the task of painting the stripes in the parking lot.

◆ Appropriately, Jessup noted, the former personnel department employee who started the preretirement program returns to conduct preretirement planning sessions. Jessup said that of those who retired in the past two years, 93 percent went through the preretirement program.

An 'Age-Neutral' Company

Jessup said that the casual employee program works well at Aerospace because the corporation is "age neutral." This is demonstrated programatically, she explained, in that there is no stereotypical "older" or "younger" worker, nor is there any reason to "expect one thing or another from either age group."

Of both immediate and long-term concern to Aerospace is the shrinking pool of younger applicants in technical fields like engineering, Jessup said, a concern that is shared by other employers that require a high percentage of specialized professional employees.

Aerospace's casual employee program has served the corporation well, Jessup said, but she stressed that if an employer anticipates taking up the slack caused by a small younger applicant pool by bringing in retirees, it should be prepared to do significant planning and integration with its pension plan well in advance. Such planning resulted in a "win-win situation for both Aerospace and its returning casual employees," she said. Aerospace benefits from the return of competent employees who possess broad institutional knowledge and experience and who are familiar with the corporation's work and cultural environments. Further, the program is selectively controlled by management to insure that present needs are fulfilled without an excess of inappropriate manpower. The retiree, meanwhile, experiences a "legitimate return to the workplace" through productive employment.

It's "more than just a visit for casual employees," Jessup said; "they know they're there because they are needed."

ISSUE:
AGE DISCRIMINATION

Age discrimination cases can be costly to employers. Since fiscal year 1983, the Equal Employment Opportunity Commission has collected from employers more than $172 million for individuals who have claimed they have been victims of discrimination or who have prevailed in age discrimination suits. According to EEOC spokesperson Renee Devine, monies collected through conciliation agreements (out-of-court settlements) include the following:

- 1983 - $35,382,000
- 1984 - $8,380,000
- 1985 - $21,401,000
- 1986 - $18,050,000

Total - $83,213,000

The breakdown for monies collected as result of litigation is:

- 1983 - $24,702,380
- 1984 - $11,251,397
- 1985 - $16,998,719
- 1986 - $36,626,862

Total - $89,579,358

Dramatic Growth in Number of Age Bias Cases

EEOC data show that the number of age bias complaints has been increasing dramatically over the last several years. In fiscal year

1986, nearly two and one-half times as many age bias charges were filed with EEOC and state fair employment practice agencies as were filed in fiscal year 1980. The year-by-year breakdown is as follows:

- 1980 - 11,076
- 1981 - 12,710
- 1982 - 16,102
- 1983 - 23,719
- 1984 - 21,635
- 1985 - 24,830
- 1986 - 26,549

The Age Discrimination in Employment Act of 1967 (ADEA) is the federal law that prohibits discrimination on the basis of age in hiring for persons age 40 and above. In a 1986 amendment to the ADEA, Congress removed the age 70 cap that had existed for coverage under the Act.

EEOC statistics show that age bias charges constituted about 18 percent of all charges filed with the Commission during the fourth quarter of fiscal 1986; of the 50,645 charges filed, 6,947 alleged age discrimination, and 2,159 were ADEA charges filed concurrently with charges filed under Title VII of the Civil Rights Act of 1964 (such as race, color, sex, religion, or national origin discrimination).

* * *

For this section, BNA asked attorney Stephen J. Cabot of Pechner, Dorfman, Wolffe, Rounick & Cabot to present an employer's perspective of the Age Discrimination in Employment Act, and Raymond C. Fay of Bell, Boyd & Lloyd to present an employee's perspective of the ADEA. Mr. Cabot's response contains an eight-point ADEA checklist for employers. Mr Fay's response explains the legal rights employees under ADEA. Those responses begin on the next page.

Employer Perspectives on the New Amendments to the Age Discrimination in Employment Act

By Stephen J. Cabot, Partner, Pechner, Dorfman, Wolffe, Rounick & Cabot, and Larry Besnoff, Associate, Pechner, Dorfman

Now that employers have had some experience with Congress' 1986 amendments to the federal Age Discrimination in Employment Act (ADEA), which removed the upper limit in the law's proscription against age discrimination, it is time to sit back and review their effects. The amendments barred covered employers from discriminating against applicants or employees because they are over the age of 40. Prior to the amendments, the "protected age group" included only individuals between the ages of 40 and 70.

Nothing To Fear From Amendments

With proper planning and a few precautions, employers should have nothing to fear from this latest legislative change.

Before the age cap was actually lifted, the business community made some dire predictions. Some companies voiced fears about the effect of an ever-increasing workforce of older Americans who would continue to work until they were 80, 90, 100 years of age and above. Employers wondered out loud how they were going to train and keep younger employees if the positions they aspired to fill were occupied by aging workers who showed no interest in retiring.

At least one federal district court judge has ruled that employers must continue to make pension contributions for employees who work past the normal retirement age of 65. The court valued the benefits at $450 million a year.

On a different level, many human resource managers felt that the renewed media attention on the ADEA protections would make every employment act they took with respect to an employee over 40 years of age automatically suspect. For example, many corporations systematically rotate their "bright stars" or "fair-haired" employees from department to department and from job to job to broaden their experience. This system appears to work well in some environments. However, employees must be willing to be mobile for the system to work. When applied to more static workers, the plan often backfires.

A Pattern to Cases

A number of recent ADEA lawsuits have a startling similar factual pattern: Company "X" takes an employee who has been in a position for a number of years and, without reason, moves that employee to a new position with new job requirements. The employee fails to meet the standards of the new job and is discharged. Despite the corporation's protestations that promoting or transferring the older employee is the same practic followed with younger employees, juries too often have found that the transfer of the older employee to a job that management knew he couldn't perform was merely a pretext for moving the older employee over -- and out. These decisions could make corporations afraid to transfer their people to new positions even if the reason is to maximize employees' experience and skills.

Another perceived problem occurs when an employee who has many years of experience and appears to be proficient fails to master the job after changes caused by computerization alter the method and means by which the job is performed. Although it may sound stereotypical, Pechner, Dorfman recently defended an employer from an equal employment opportunity charge brought by an employee in the protected age group who refused to learn how to operate new, computerized equipment. The employee claimed that she was given inadequate training, although she had received as much, if not more, training than the other employees.

Despite these potential problems, employers should not overreact to the ADEA. Managers must continue to operate their businesses and hire, fire, reassign, or discipline workers as they see fit. A corporation that loses its ability to manage because it fears the potential for an administrative charge or a court lawsuit loses more than its competitive edge; employee morale also is affected.

In the preceding case handled by Pechner, Dorfman, the employee who refused to learn to operate the computerized machinery had been regularly "bailed out" by the other employees. When she was eventually discharged, the other employees breathed a collective sigh of relief because they were tired of having to correct her mistakes and redo her work. Keeping an employee on the rolls just because "he's always been here" or "he used to be an acceptable worker" is not always justifiable in today's economy.

No Flood of New Charges

Contrary to expectations of some observers, the Equal Employment Opportunity Commission (EEOC) has not experienced a flood of new administrative charges from individuals over the age of 69 since Congress removed the age cap. The average age for retirement can be expected to continue to fall, not rise, in spite of the existence of the ADEA and numerous similar state laws. In short, employers need not fear a torrential onslaught of claims. Most workers seem content to retire between age 60 and 65, with 63 being the average. The individuals who desire to work beyond age 69 will continue to be a small minority.

It usually takes a Supreme Court case to alert the general employee complement to major changes in the law. It will be several years before there will be an increase in charges by employees over the age of 69.

Severance Pay and Pension Benefits

This does not mean that employers can ignore the ADEA. There are still some serious issues to be decided. One concerns a layoff situation where employees are denied severance pay when they also are eligible for early pension benefits. The EEOC has been relentless in its attempts to force employers to pay both severance pay and pension benefits to employees who qualify for both. The Commission contends that both are accrued, earned benefits, and that denial of severance pay solely because of eligibility for pension is impermissible age discrimination.

Employers have countered that employees actually take home more money if they only receive pension benefits. They also claim that severance pay, which is funded out of current earnings, is not an accrued benefit. Finally, employers argue that using entitlement to early retirement benefits as the determining factor for eligibility for severance pay is not age-related.

The Commission, however, has been unusually successful in winning these cases.

An ADEA Compliance Checklist

The following is a brief checklist to help employers ensure that they continue to comply with the ADEA:

1. Review and revise personnel policies.

Now is the time to double-check all employment-related documents, including applications, tests, handbooks, and benefit plans. Look out for application forms that request date of birth or year of graduation from high school. While not inherently illegal, documents containing age-related information can be cited by a discharged employee as evidence of discriminatory intent. Make sure that age is neither requested nor used as a factor in any employment decisions. Length of service or seniority can always be used as a determining factor.

2. Educate managers and supervisors.

In age discrimination claims, the plaintiff invariably brings forth witnesses who will testify that key company managers and supervisors made discriminatory comments, such as, "We need new blood," "We've got to get rid of the old boys," "Mr. 'X' is too old to do the job properly," and "How soon do you plan to retire?" Managers must be warned that these often harmless-sounding comments, jokes, or asides can come back to haunt the company at a fact-finding conference or in a federal court lawsuit. When such an incident occurs, it is essential for the company to immediately remedy the situation by calling in the manager and the employee affected and letting them both know that no such comments will be tolerated. It is imperative that the employer insert a memo in the employee's personnel file explaining the corrective action that was taken.

3. Evaluations must be accurate.

A common question raised in age discrimination cases is: How could an employee receive good to excellent performance evaluations for 25 and then, within six months, begin to receive such low performance ratings that the employee deserves discharge? The managers in question usually admit that the evaluations for the past 24 years were not accurate or that everyone in the department was given the same "acceptable" rating despite the fact that it was not appropriate. Obviously, juries will not believe these lame excuses, even if they are true. If performance evaluations are to have any merit, they must be consistently realistic and accurate. No juror or judge is going to believe that an employee who received 25 years of excellent evaluations, periodic raises, and promotions walked in to work one day and couldn't perform properly.

4. Tell the employee the real reason.

Many employers are just too nice to tell employees that they cannot do the job properly. Instead, they fabricate excuses about lack of business or business reorganizations to justify a discharge. When it comes time for trial, these made-up reasons fall apart. Sometimes, discharged employees are angrier at the way they are discharged or at being given an obviously false reason for the discharge than they are for being discharged from their positions. Honesty is essential because a jury that thinks a company gave a false reason for discharge is going to be more likely to award liquidated damages -- twice the compensatory damages -- for a willful violation.

5. Prepare an attractive, voluntary, early retirement package.

Nothing in the ADEA prevents an employee from voluntarily retiring. Those employers that prepare and make available attractive early retirement packages will be the employers that reach their goal of reducing the employee complement. The package should contain benefits over and above what the employee is already entitled to receive under existing policies. Some companies add on such enticing benefits as outplacement services, paid educational tuition for one to two years, an extra month's salary for each year employed, 100% pension vesting even though only partial vesting may be provided for under the pension plan, and continuation of medical insurance coverage. Of course, voluntary retirement is really involuntary and unlawful when an employee is given the "choice" of discharge, demotion, or transfer to Siberia unless he "voluntarily" agrees to retire.

6. Release forms can be binding.

The Equal Employment Opportunity Commission has now stated that it will accept as valid any release that it is entered into knowingly and voluntarily by an employee. The release should be as comprehensive as possible and should specifically state that the employee is knowingly and voluntarily giving up rights under the Age Discrimination in Employment Act. In order for a release to be binding, there must be additional legal "consideration," which is over and above what the employee is entitled to receive. The additional consideration need not be extravagant and can be a nominal sum, such as one day's or one week's worth of additional salary.

One way to prevent an employee from returning at a later date and trying to invalidate a release on the basis of duress or confusion is to insist the employee take the release home to examine it or have it reviewed by an attorney. The release should always be witnessed and/or notarized. Having the employee's attorney sign the release and acknowledge that the terms and conditions have been reviewed with the employee is the best insurance.

7. Ensure uniformity of treatment.

Proving an age case is like proving any other equal employment opportunity case. As soon as you deviate from a set oral or written policy, you invite an equal employment opportunity charge. This is especially true for age cases because the employees tend to have many years of service and many years of familiarity with the company's policies and practices.

8. Plan well in advance.

Although the ADEA should not encumber an employer from managing its workforce, there is no reason for an employer to invite problems by hastily making a decision and carrying it out without planning.

In conclusion, when the threat of an administrative complaint or a court lawsuit lies behind every employment decision affecting every employee over the age of 40, employers have the right to be cautious. They should not, however, be crippled by fear in making rational decisions. With the proper planning and education of employees and managers, even employers that undergo major reductions-in-force can escape the frustration, time, and expense of age discrimination claims.

The ADEA: The Employee's Perspective

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The 1986 Amendments to the Age Discrimination in Employment Act of 1967 (ADEA)[1] expanded the ADEA's coverage for the nation's older workers in two significant respects: (1) the ADEA was "uncapped" to remove the upper age limit of 70 for the Act's coverage of workers in the private sector, 29 U.S.C. Section 631(a) *as amended by* Pub. L. No. 99-592, Section 2(c) (1986); and (2) Congress made explicit the requirement that employers continue pension credits, contributions, and accruals for employees working beyond the "normal" retirement age, usually age 65, 29 U.S.C. Section 623(i) *as amended by* Pub. L. No. 99-509, Section 9201 (1986). From the employee's perspective, these changes show that, after 20 years on the books, the ADEA itself has come of age and has become a powerful enforcement tool for the rights of older workers.[2] When used with other claims not under discussion here, such as wrongful discharge or defamation, the ADEA is potentially even more powerful.

I. Growth of ADEA Claims

A decade ago ADEA lawsuits were not numerous. They focused predominantly on the termination of individual employees, usually in one of two settings: Either the employer denied any discrimination and said that the individual was terminated for legitimate, non-discriminatory reasons, or the employer admitted age discrimination, but claimed that the discrimination was justified under one of the Act's exceptions. The two principal exceptions invoked were the "bona fide occupational qualification" (BFOQ) defense, 29 U.S.C. Section 623(f)(1), and the "bona fide retirement plan" exception, 29 U.S.C. Section 623(f)(2). Under the former exception, employers imposed maximum hiring age limitations and mandatory retirement ages for such positions as bus drivers and airline pilots, assertedly for safety reasons relating to aging and health.[3] Under the latter exception, employers set mandatory retirement ages based on provisions in their pension plans that required or permitted such retirements.[4]

The burgeoning of administrative complaints and lawsuits began after the 1978 ADEA Amendments.[5] Congress made two principal changes in the ADEA by those amendments: (1) It raised the minimum mandatory retirement age for private sector employees from 65 to 70; and (2) it clarified the "bona fide retirement plan" provision so that employers could no longer force employees to retire on the basis of age pursuant to provisions in pension plans.[6] Following the amendments, administrative charges of age discrimination filed with the Equal Employment Opportunity Commission (EEOC) almost doubled -- to 17,000 annually -- from 1981 to 1985.[7] Litigation under the ADEA has quadrupled since the 1978 ADEA Amendments. Prior to 1980, 524 ADEA cases were cited. Since then, almost 2,000 have appeared.[8]

The increase in the number of ADEA agency complaints and lawsuits undoubtedly came about because of a combination of factors. First, the Act's coverage was expanded by the 1978 Amendments. Second, as the ADEA matured, the public's awareness of it grew. As more employees became aware of the law, more asserted their rights under it. Third, the number of American workers covered by the Act increased significantly in the 1980s.[9] Fourth, the transfer of enforcement responsibility from the Department of Labor to the EEOC in 1978[10] in itself may have caused an increase in the number of ADEA charges. Since the EEOC has jurisdiction over both Title VII of the 1964 Civil Rights Act and the ADEA, and since the EEOC charge form allows more than one box to be checked listing the type of discrimination alleged, a charging party whose principal claim is sex discrimination might also claim age discrimination in the same charge without having to visit a separate agency. Finally, as examined in more detail below, claims under the ADEA have grown not only in number, but also in variety.

II. Types of ADEA Claims Expanded

As the decisional law under the ADEA has evolved in the past decade, three discernible trends have developed. First, the courts have applied the models of proof that have been applied in cases arising under Title VII of the Civil Rights Act of 1964. Second, group actions, as opposed to individual actions, have expanded. And third, claims for damages and other relief have become more expansive.

A. Application of Title VII Principles to ADEA Cases

Although the substantive prohibitions in the ADEA are derived word-for-word from Title VII, *Lorillard v. Pons*, 434 U.S. 575, 584 (1978), courts did not uniformly apply Title VII models of proof to ADEA cases in the early period of the ADEA's development. Eventually, however, almost all courts recognized that the Title VII model of proof in *McDonnell Douglas Corp v. Green*, 411 U.S. 792 (1973), is adaptable to ADEA cases.

The *McDonnell Douglas* formula is used in ADEA cases involving intentional discrimination where direct evidence is absent. *See, e.g., Loeb v. Textron*, 600 F.2d 1003, 1014-1019 (1st Cir. 1979). According to the *McDonnell Douglas* formula, the employee may make out a *prima facie* case of discrimination inferentially by showing: (a) membership in the protected class; (b) qualification for the job at issue; (c) exclusion from the job; and (d) continued availability of the job to others. *McDonnell Douglas*, 411 U.S. at 802 To overcome the *prima facie* case, the employer need only "articulate" a legitimate non-discriminatory reason for its actions. *Texas Dept. of Community Affairs v. Burdine*, 450 U.S. 248, 253-55 (1981). This step transfers the burden to the employee to demonstrate that the reasons stated are a "pretext," because the reasons either are unworthy of belief or are a mask for discrimination. *Id.* at 256. The burden of persuasion at all times is on the plaintiff, who is responsible for proving the ultimate issue of "discrimination *vel non*." *United States Postal Service v. Aikens*, 460 U.S. 711, 715 (1983).

Even as the *McDonnell Douglas* formula gained acceptance in ADEA cases generally, some courts applied it -- despite a contrary admonition from the Supreme Court, *Furnco Constitution Corp. v. Waters*, 438 U.S. 567, 577 (1978) -- ritualistically or mechanically to the detriment of employees asserting ADEA claims. For example, the fourth element of the *McDonnell Douglas* formula, which usually requires replacement by someone outside the protected class, makes sense in its original context of a racial discrimination in hiring case. In the age discrimination context, however, where there is a continuum from "older" to "younger" workers, an employer can express an age-based preference even among employees within the protected age group. Yet some courts have insisted that the replacement employee be outside the protected class, *i.e.*, under age 40. *Price v. Maryland Casualty Co.*, 561 F.2d 609, 612 (5th Cir. 1977). Similarly, courts deciding early reduction-in-force cases sometimes applied the *McDonnell Douglas* formula too rigidly. Despite the impossibility of proving a one-for-one replacement in many workforce reduction cases, some early ADEA plaintiffs lost because of such failure of proof. Today most courts sensibly adapt the *McDonnell*

Douglas formula to the realities of reduction-in-force cases, and either drop the fourth element or require some other indicia of discrimination. *See, e.g., Williams v. General Motors Corp.*, 656 F.2d 120, 128 (5th Cir. 1981), *cert. denied*, 455 U.S. 943 (1982).

Another hurdle for employees seeking to vindicate their rights under the ADEA arose when courts lost sight of the original purpose of the *McDonnell Douglas* formula. Although the *McDonnell Douglas* formula was developed in recognition of the difficulty of proving intentional discrimination with a "smoking gun" or other direct evidence, some courts required plaintiffs to adhere to the rigors of the formula even where there was direct evidence of discrimination. *See, e.g., Air Line Pilots Association International v. Trans World Airlines, Inc.*, 547 F. Supp. 1221, 1229 (S.D.N.Y. 1982). The Supreme Court settled the matter by stating that "the *McDonnell Douglas* test is inapplicable where the plaintiff presents direct evidence of discrimination." *Trans World Airlines, Inc. v. Thurston*, 469 U.S. 111, 121 (1985).

The *McDonnell Douglas* model of proof is not in the statute itself, but is instead a court-created method of proceeding with proof in cases involving intentional discrimination, or "disparate treatment."[11] Another fundamental court-made principle of Title VII law that has been applied to ADEA cases is that of "disparate impact." Disparate impact arises where a policy or practice, otherwise neutral on its face, falls more harshly on those in the protected group, and is not justified by "business necessity." Once the plaintiff shows disparate impact, usually by statistical analysis, the burden is on the employer to show that the given employment requirement has a "manifest relationship" to the job in question. *Griggs v. Duke Power Co.*, 401 U.S. 424, 432 (1971). The plaintiff may still prevail by showing that the employment objective can be achieved by a less discriminatory alternative. *Harriss v. Pan American World Airways, Inc.*, 649 F.2d 670, 673 (9th Cir. 1980). Proof of intent need not be made in a disparate impact case. Courts have allowed cases to proceed, however, on the same set of facts under both disparate treatment and disparate impact theories. *EEOC v. Borden's Inc.*, 724 F.2d 1390, 1393 (9th Cir. 1984); *see Monroe v. United Air Lines, Inc.*, 736 F.2d 394, 404 (7th Cir. 1984), *cert. denied*, 470 U.S. 1004 (1985).

The disparate impact doctrine first arose in the context of eligibility testing requirements. *Griggs v. Duke Power Co.*, 401 U.S. 424 (1971). More recently, it has been applied in cases where the employment selection criteria are more "subjective," an application which is still the subject of disagreement among the courts. *See Atonio v. Wards Cove Packing Co.*, 810 F.2d 1477 (9th Cir. 1987). Under the ADEA, the disparate impact doctrine has gained gradual acceptance, and most courts of appeals now have adopted it.[12] Although many technical issues remain regarding the use of statistics in age discrimination cases, the embodiment of the disparate impact principle in ADEA cases has added a strong arrow to the quiver of the employee.

B. Group Actions Under the ADEA

Single plaintiff or small plaintiff group cases still compose the vast majority of ADEA actions, but several factors, not all of which are favorable from the employee's perspective, have accounted for an increase in the number of large plaintiff group ADEA actions in recent years. If a companywide policy or practice is subject to challenge under the ADEA, obviously it is to the advantage of the employee to participate in a large group action, if possible.

Large group actions under the ADEA have increased, in great part, because of business decisions employed in times of economic downturn. Large-scale reductions-in-force have severely affected older workers. Some employers engage in age discrimination by selecting out older workers by terminating those eligible for retirement. *EEOC v. Baltimore & Ohio R.R.*, 632 F.2d 1107 (4th Cir. 1980), *cert. denied*, 454 U.S. 825 (1981). Still others deprive older workers of severance pay or layoff benefits if they are eligible for a pension. *EEOC v. Borden's Inc.*, 724 F.2d 1390, 1392 (9th Cir. 1984); *EEOC v. Westinghouse Electric Corp.*, 725 F.2d 211 (3d Cir. 1983), *cert. denied*, 469 U.S. 820 (1984); *EEOC v. Great Atlantic and Pacific Tea Co.*, 618 F. Supp. 115, 121 (N.D. Ohio 1985); *EEOC v. Babcock & Wilcox Co.*, 42 E.P.D. (CCH) 36,904, at 46,357 (E.D.N.C. 1987).

Another device is the retirement or other "exit" incentive offered to employees to induce them to leave the workforce. Older workers can be affected adversely by these programs if the incentive is offered in greater measure to younger workers than to older ones. These programs are sometimes mislabeled "voluntary separation programs." If the program is offered when an involuntary termination is likely to follow a refusal of the incentive, or if the program is offered under other circumstances calling into question its *bona fides*, the program will be subject to challenge under the ADEA. *See Paolillo v. Dresser Industries, Inc.*, 813

F.2d 583 (2d Cir. 1987) (petition for rehearing pending).

Other types of companywide policies, not necessarily of recent vintage, are also subject to challenge by larger groups of employees than in the past. For example, as noted above, the BFOQ exception has been the subject of such ADEA litigation since the Act's early days. While single plaintiff and small plaintiff group BFOQ cases are still being brought, at least one BFOQ case has included more than 100 plaintiffs. *Monroe v. United Air Lines, Inc.*, 736 F.2d 394 (7th Cir. 1984), *cert. denied*, 470 U.S. 1004 (1985)

Developments in the law have assisted plaintiffs in banding together to bring group actions. These developments have occurred, however, with full recognition of a limitation in ADEA cases that does not exist in other civil rights cases. Under the ADEA, traditional class actions under Rule 23 of the Federal Rules of Civil Procedure may not be brought. Instead, ADEA cases are governed by the "opt-in" procedures of the Fair Labor Standards Act, 29 U.S.C. Section 216(b). The principal differences between ADEA group actions and traditional class actions are that each ADEA plaintiff must consent to join the action separately, and no one is bound by the judgment unless he opts in.[13]

Courts have made it easier for plaintiffs to opt in to ADEA group actions by recognizing that each opt-in plaintiff need not fulfill the EEOC and state agency charge filing requirements as long as those requirements are fulfilled by a "representative" plaintiff within applicable time limits.[14] Thus, potential plaintiffs who have missed the 180-day or 300-day limitation for filing the ADEA charge, which is otherwise a prerequisite to suit, may join in a pending action without filing a charge.

Another device that has assisted plaintiffs in bringing group actions is a notice to similarly situated prospective plaintiffs advising them of the pendency of the action and of the opportunity to join by filing their written consent. Notices have been authorized in a variety of cases under the ADEA and FLSA.[15] Even courts that have not permitted court-authorized notices have recognized that plaintiffs or plaintiffs' counsel[16] can disseminate the same information on their own.[17]

Some employers may fear that the opt-in and notice procedures could awaken the claims of plaintiffs who have "slept on their rights" or who would not sue without being "stirred up." These views are not a fair assessment of the realities of large-scale ADEA litigation, and they also can turn out to be shortsighted and ultimately against the employer's own interests.

The ADEA is remedial and humanitarian legislation. *Dartt v. Shell Oil Co.*, 539 F.2d. 1256, 1260 (10th Cir. 1976), *aff'd per curiam by an equally divided court*, 434 U.S. 99 (1977). Controversies under the Act should therefore be resolved to include as many of the affected individuals as possible. Employees who respond to a notice by opting in to an ADEA suit may have failed to assert their rights earlier for a variety of reasons. Some simply may not have been aware of the ADEA or of their rights under it. Others may have taken no action because of a lack of resources. Still others may fear retaliation if they are currently employed. Perhaps the majority are passive because they feel that individual action against a large employer would be futile. In any case, the fact that individuals did not join in legal action until they could obtain the financial and psychological security of a large group action does not mean that they were either malingering or uninjured beforehand.[18]

Maximization of plaintiff participation in ADEA group action cases may also work to the employer's advantage. If the legality of a company policy -- such as a retirement incentive program -- is at issue, the employer may desire to bind as many affected employees as possible by the result of the case. Encouraging plaintiffs to opt in to an existing case not only avoids expensive, duplicative satellite cases, but may also forestall follow-up cases, which are more costly because greater damages have occurred over time, if the employees are successful in the basic case.

Bringing as many plaintiffs as possible into the core case also may enhance the prospects for settlement. This is an important consideration for employers, since most ADEA cases are settled. If a large percentage of affected individuals have joined as plaintiffs and settle for a compromise amount, the employer's residual exposure to liability is reduced. Furthermore, if the time limit has passed for filing ADEA charges and all charging parties already have opted in as plaintiffs to the lawsuit, the employer can reduce exposure to liability substantially by settling the case and by having all charges withdrawn so that no additional employees may benefit from the original charges. *See* 29 C.F.R. Section 1626.7(b).

C. Damages and Other Relief

The ADEA authorizes successful plaintiffs to recover "amounts owing" for violations of the law. 29 U.S.C. Section 626(b). Because the ADEA incorporates by reference the remedial scheme of the FLSA, these amounts are "deemed to be unpaid minimum wages or unpaid overtime compensation" for enforcement purposes. *Id.* Although under this structure the ADEA is essentially a "back pay" statute, ADEA plaintiffs also are able to recover other lost benefits, including in some cases "front pay" in lieu of reinstatement.

ADEA plaintiffs have recovered as damages lost pension benefits, *Marshall v. Arlene Knitwear, Inc.*, 454 F. Supp. 715 (E.D.N.Y. 1978); replacement insurance costs, *Berndt v. Kaiser Aluminum & Chemical Sales, Inc.*, 604 F. Supp. 962, 967 (E.D. Pa. 1985), *aff'd*, 789 F.2d 253 (3d Cir. 1986); and other amounts representing tax loss or inflation factors, *Blim v. Western Electric Co.*, 731 F.2d 1473, 1477 (10th Cir. 1984), *cert. denied*, 469 U.S. 874 (1984). Courts also have allowed the award of prejudgment interest in cases where liquidated, or double, damages are not awarded. *Berndt v. Kaiser Aluminum & Chemical Sales, Inc.*, 604 F. Supp. 962 (E.D. Pa. 1985), *aff'd*, 789 F.2d 253 (3d Cir. 1986). Two courts of appeals have allowed both prejudgment interest and liquidated damages in the same case. *Criswell v. Western Air Lines, Inc.*, 709 F.2d 544, 556-67 (9th Cir. 1983), *aff'd*, 472 U.S. 400 (1985); *Lindsey v. American Cast Iron Pipe Co.*, 810 F.2d 1094, 1102 (11th Cir. 1987).

Perhaps the most significant advancement in the area of damages has been in the award of "front pay" in lieu of reinstatement. Reinstatement remains the preferred and presumptive remedy to make whole a victim of age discrimination. *EEOC v. Prudential Federal Savings & Loan Association*, 763 F.2d 1166, 1172 (10th Cir.), *cert. denied*, 106 U.S. 312 (1985). In some cases -- for example where a unique job has been refilled, or where hostility remains -- reinstatement is impractical, however. *Dickerson v. Deluxe Check Printers, Inc.*, 703 F.2d 276, 280-81 (8th Cir. 1983). In these cases, a growing number of courts have allowed the successful ADEA plaintiff to collect "front pay." *Whittlesey v. Union Carbide Corp.*, 742 F.2d 724 (2d Cir. 1984); *Davis v. Combustion Engineering, Inc.*, 742 F.2d 916 (6th Cir. 1984); *Cancellier v. Federated Department Stores*, 672 F.2d 1312 (9th Cir. 1982), *cert. denied*, 459 U.S. 859 (1982); *Berndt v. Kaiser Aluminum & Chemical Sales, Inc.*, 604 F. Supp. 962 (E.D. Pa. 1985) *aff'd*, 789 F.2d 253 (3d Cir. 1986); *McNeil v. Economics Laboratory, Inc.*, 800 F.2d 111 (7th Cir. 1986), *cert. denied*, 55 USLW 3743 (U.S., May 4, 1987)(No. 86-1466). Earlier "front pay" cases authorized payment to age 65. *Koyen v. Consolidated Edison Co.*, 560 F. Supp.

1161 (S.D.N.Y. 1983). A recent case awarded "front pay" to age 70 on the basis of the employee's stated intention to work to that age. *Essenburg v. Reub Williams & Sons, Inc.*, 42 E.P.D. (CCH) 36,918 (N.D. Ind. 1987). It remains to be seen how far "front pay" awards will extend now that the age 70 limitation has been lifted from the ADEA.

III. Recent Supreme Court ADEA Cases

Supreme Court decisions are not an accurate barometer of trends in the law under any given statute, especially a relatively new statute such as the ADEA, because the Court rarely provides sufficient guidance to cover all substantive questions that arise. Nevertheless, it is useful to look at the recent Supreme Court cases brought under the ADEA to see what important principles have evolved.

Before 1985, the Court had decided only four ADEA cases. The first, *United Air Lines, Inc. v. McMann*, 434 U.S. 192 (1977), upheld the employer's mandatory retirement of an employee under a pension plan, a result Congress almost immediately overturned in the 1978 ADEA amendments. The second, *Lorillard v. Pons*, 434 U.S. 575 (1978), upheld the right to a jury trial under the ADEA, a result the Congress made explicit for "any issue of fact" in the 1978 ADEA Amendments. 29 U.S.C. Section 626(c)(1). In the third, *Oscar Mayer & Co. v. Evans*, 441 U.S. 750 (1979), the Supreme Court confirmed the need to file state age discrimination charges, and ordered that a federal lawsuit be held in abeyance (rather than dismissed) to give the state an opportunity to pass on the complaint. In the fourth, *EEOC v. Wyoming*, 460 U.S. 226 (1983), the Court turned aside a challenge to the constitutionality of the application of the ADEA to state and local governments.

In 1985, the Supreme Court unanimously decided three ADEA cases in favor of employees. Two, *Western Air Lines, Inc. v. Criswell*, 472 U.S. 400 (1985), and *Johnson v. Mayor and City Council of Baltimore*, 472 U.S. 353 (1985), involved the BFOQ exception in the law as applied to commercial airline flight engineers and local firefighters. In each, the Court stressed the narrowness of the exception in the statute, and the unacceptability of deferring to an employer's "reasonable" safety determinations to set age limits in disregard of the statutory standard of "reasonably necessary." In both cases, the Court rejected the employer's attempt to rely on age limitations for other positions -- commercial airline pilots and federal firefighters -- not directly in issue.

Trans World Airlines, Inc. v. Thurston, 469 U.S. 111 (1985), like *Criswell*, dealt with airline pilots transferring to the position of flight engineer at 60, the age after which they were disqualified by FAA rule from serving as captains. Unlike Western, however, TWA did not have a total ban on transfers upon reaching age 60, but rather allowed them (1) if there was a vacancy, and (2) if the pilot secured the vacant position under contractual bidding procedures undertaken before turning 60. Those pilots who failed to secure a vacancy before reaching age 60 were forced to retire.

Plan Discriminatory on its Face

The Court found TWA's transfer policy "discriminatory on its face," 469 U.S. at 121, because 60-year-old captains were the only pilots who were both disqualified from their jobs and not allowed to "bump" less senior flight engineers. All younger pilots, whether disqualified for medical, economic, or disciplinary reasons, were afforded bumping privileges.

The significant principle in *Thurston* is that, whereas TWA was not required to allow any pilot the right to bump junior pilots, once it did so it could not dole out the benefit in a discriminatory fashion. *Id.* The failure to allow age 60 captains the same transfer benefits as younger pilots deprived them of "privileges of employment" under ADEA Section 4(a), 29 U.S.C. Section 623(a).

The Supreme Court in *Thurston* also largely resolved the dispute among lower courts regarding the proper standard to be used in awarding liquidated, or double, damages under the ADEA. These damages are available if the employee proves a "willful" violation. 29 U.S.C. Section 626(b). The Court approved a definition of willfulness that rested on whether the employer "knew or showed reckless disregard for the matter of whether its conduct was prohibited by the ADEA." 469 U.S. at 126.

The verdict is not yet in on how employees have fared under the *Thurston* willfulness standard, because lower courts are still interpreting the standard. Preliminary indications are that employees are not being awarded liquidated damages in overwhelming numbers. From the time of the decision in *Thurston* through February 1987, a computerized search showed 20 appellate cases in which the court had reached a final decision on the liquidated damages issue. In only five cases were liquidated damages awarded to the plaintiff and upheld.

IV. The 1986 Amendments to the ADEA

A. The Age 70 Amendment

The principal change in the ADEA Amendments of 1986 is the "uncapping" of the age 70 limitation in the Act. Pub. L. No. 99-592, Section 2(c). Effective January 1, 1987,[19] all ADEA protections now apply to most private sector workers above age 40. Perhaps more significant than the number of employees over age 70 who will be added to the workforce -- an additional 200,000, the Labor Department estimates, H.R. Rep. No. 99-756, 99th Cong., 2d Sess., *reprinted in* 1986 U.S. Code Cong. & Admin. News 5628, 5631 -- is the number of employees already working past age 70. Approximately 800,000 such employees now are under the ADEA's protections. *Id.*

As with previous amendments to the ADEA, Congress carved out exceptions to the changes. State and local governments with maximum hiring age limitations or mandatory retirement ages as part of a *bona fide* plan in effect as of the date of the Supreme Court's 1983 decision in *EEOC v. Wyoming*, 460 U.S. 226 (1983), are permitted to enforce those practices, Pub. L. No. 99-592, Section 3(a), adding Subsection 4(i) to the ADEA,[20] against firefighters and police officials until the end of 1993. Pub. L. No. 99-592, Section 3(b). Meanwhile, the Secretary of Labor and the EEOC are to conduct a study to determine whether physical and mental fitness tests are valid measures of ability to perform. The study is to be the basis for recommendations as to which tests should be adopted by EEOC guidelines to be proposed by the end of 1991. Pub. L. No. 99-592, Section 5.

Another exception makes the age 70 cap permissible for an additional seven years for tenured university faculty. Pub. L. No. 99-592, Section 6. The EEOC and the National Academy of Sciences are to conduct a study to analyze the potential consequences of the elimination of mandatory retirement on institutions of higher education. Pub. L. No. 99-592, Section 6(c).

B. Older Americans' Pension Benefits

For years, the treatment of pension benefits for those working beyond normal retirement age (usually age 65) has been the subject of debate. In 1979, the Department of Labor issued an interpretation that generally allowed employers to cut off pension contributions, credits, and accruals at normal retirement age. *See* Interpretative Bulletin formerly codified at 29 C.F.R. Sections 860.120(f)(1)(iv)(B)(1)-(7) (1986). The EEOC opposed that approach as inconsistent with the ADEA, but took no official action to overturn the Labor ruling until ordered to do so by a federal judge in February 1987. *AARP v. EEOC*, 655 F. Supp. 228, 234, 242 (D.D.C. 1987). Although the Labor ruling has been rescinded and employers can no longer rely on it to escape liability under the ADEA (52 Fed. Reg. 8448), which is in itself a significant achievement for employees, the EEOC continues to resist publishing a new rule that would mandate pension buildups after age 65. *AARP v. EEOC, appl. pending*, No. 87-5060 (D.C. Cir. oral argument held May 12, 1987).

Congress was aware of the debate under the ADEA and ERISA regarding the post-normal-retirement-age pension issue, 132 Cong. Rec. at H. 11457 (daily ed., Oct. 17, 1986) (Rep. Clay); H. Rep. No. 99-1012, 99th Cong., 2d Sess. 382 (1986), and dealt with the matter prospectively in the Omnibus Budget Reconciliation Act of 1986 (OBRA) Pub. L. No. 99-509, 100 Stat. ____ (1986). There Congress amended the ADEA to require continued contributions, credits, and accruals under defined benefit plans and defined contribution plans for service beyond normal retirement age (OBRA Section 9201), and made parallel changes to ERISA and the Internal Revenue Code (OBRA Section 9202). Non-discriminatory service or benefit caps are permitted, however (OBRA Section 9201, ADEA Section 4(i)(2)). Furthermore, under defined benefit plans, employers may offset against the benefit accrual requirement any benefits paid during service after the normal retirement age, or any actuarial increase in normal retirement benefits. ADEA Section 4(i)(3). These latter changes will provide employers flexibility in meeting the new law's requirements and, in many instances, merely will codify already existing practice. Another change in the law is that employees hired within five years of normal retirement age may not be excluded from participation in defined benefit plans. OBRA Section 9203. Instead, employers may "float" the normal retirement age for such individuals to coincide with their fifth anniversary in the plan. OBRA Section 9203(b).

The amendments generally are effective for plan years beginning after Jan. 1, 1988, and only for employees in service after the effective date. The effective date for collectively bargained plans is as late as 1990, depending on the expiration date of the collective bargaining agreement. OBRA Section 9204(a). As long as employers conform their practices to the amendments, they may delay amending their plans until 1989. OBRA

Section 9204(b).

The pension amendments will provide substantial additional benefits to those working beyond normal retirement age. It is estimated that employees over age 65 are losing up to $450 million in benefits annually under current practice. *AARP v. EEOC*, 655 F. Supp. at 229.

V. Conclusion

In the 20 years since its passage, the ADEA has matured into an integral part of the nation's civil rights legislation. Although substantial numbers of employees still may be unaware of their rights under the ADEA, an increasing number are taking advantage of the Act's protections. Increased activity under the ADEA also heightens employers' awareness of the requirements of the law, which in itself may provide a prophylatic effect. Employers also are likely to take notice because prospective ADEA litigants -- unlike many of their counterparts under other civil rights statutes who complain about exclusion from entry-level positions -- often are seeking to preserve a position of long tenure and substantial compensation and benefits.

An employee with a possible ADEA claim must be apprised of the realities of litigation, however. Aside from expense, the employee must face the odds of losing. In one study of approximately 400 ADEA cases concluded between 1978 and 1986, three-fourths were won by the defendant. One-half of the cases were resolved by pre-trial motions, and defendant won 95 percent of those. The results for the remaining cases were approximately even, although the plaintiff retained a 60-40 edge in cases tried to a jury.[21]

Footnotes:

1. 29 U.S.C. Sections 621-634, 81 Stat. 602 (1967).

2. By contrast, state age discrimination laws, now enacted in almost every state, have not been an independently strong force against age discrimination in employment. Although Congress encouraged the states to continue their own programs, even where they afforded stronger protection than federal law, Letter from Secretary of Labor Wirtz *quoted in* S. Rep. No. 95-493, 95th Cong., 1st Sess. 6 (1977), the pattern has been weak enforcement and few litigated state claims. As a practical matter, for many age discrimination claims the state agency

proceeding has become a bothersome -- but necessary -- whistle stop on the way to federal court. *See* 29 U.S.C. Section 633(b).

3. *See Hodgson v. Greyhound Lines, Inc.*, 354 F. Supp. 230 (N.D. Ill. 1973), *rev'd*, 499 F.2d 859 (7th Cir. 1974), *cert. denied*, 419 U.S. 1112 (1975); *Usery v. Tamiami Trail Tours, Inc.*, 531 F.2d 224 (5th Cir. 1976); *Murnane v. American Airlines, Inc.*, 667 F.2d 98 (D.C. Cir. 1981), *cert. denied*, 456 U.S. 915 (1982); *Smallwood v. United Air Lines, Inc.*, 661 F.2d 303 (4th Cir. 1981), *cert. denied*, 456 U.S. 1007 (1982).

4. *See Zinger v. Blanchette*, 549 F.2d 901 (3d Cir. 1977), *cert. denied*, 434 U.S. 1008 (1978); *Marshall v. Hawaiian Telephone Co.*, 575 F.2d 763 (9th Cir. 1978); *Minton v. Whirlpool Corp.*, 569 F.2d 1012 (7th Cir. 1978).

5. Pub. L. No. 95-256, 92 Stat. 189 (1978).

6. Congress added the following to ADEA Section 4(f)(2): "and no such seniority system or employee benefit plan shall require or permit the involuntary retirement of any individual specified by section 12(a) of this Act because of the age of such individual." By the amendment, Congress overruled the result in *United Air Lines, Inc. v. McMann*, 434 U.S. 192 (1977).

7. EEOC Compliance Activities Report, 1976-84; *Aging News Service*, July 17, 1986, p. 109.

8. Westlaw search, "Age Discrimination in Employment Act and date (before/after 1979)," *Allfeds* library (April 30, 1987).

9. Prior to the 1986 ADEA Amendments, approximately 28 million workers were covered by the ADEA. "Working Americans: Equality at Any Age," hearing before the Senate Special Comm. on Aging, 99th Cong., 2d Sess. 110 (1986) (Aging Comm. staff report).

10. Reorg. Plan No. 1 of 1978, 43 Fed. Reg. 19807 (1978), set out in Appendix 1 to Title 5, U.S.C.

11. Although the *McDonnell Douglas* formula is recited and followed in the vast majority of judicial opinions under the ADEA, it is perhaps unnecessary and inappropriate for use in a jury case under the ADEA. Since the plaintiff always has the burden of persuading the jury on all issues except affirmative defenses, it makes no sense to mire the jury in the intricacies of the *McDonnell Douglas* formula's shifting burdens and "articulations." A simple set of instructions placing the burden on plaintiff to prove discrimination by preponderance of the evidence -- direct or circumstantial -- will suffice.

12. *See Arnold v. United States Postal Service*, 649 F. Supp 676

(D.D.C. 1986) (collecting cases).

13. *Woods v. New York Life Ins. Co.*, 686 F.2d 578 (7th Cir. 1982); *Kinney Shoe Corp. v. Vorhes*, 564 F.2d 859 (9th Cir. 1977); *LaChapelle v. Owens-Illinois, Inc.*, 513 F.2d 286 (5th Cir. 1975),; *Johnson v. American Airlines, Inc.*, 531 F. Supp 957 (N.D. Tex. 1982); *Lusardi v. Xerox Corp.*, 99 F.R.D. 89 (D.N.J. 1983).

14. *Bean v. Crocker Nat'l. Bank*, 600 F.2d 754 (9th Cir. 1979); *Mistretta v. Sandia Corp.*, 639 F.2d 588 (10th Cir. 1980); *Johnson v. American Airlines, Inc.*, 531 F. Supp. 957 (N.D. Tex. 1982).

15. *Braunstein v. E. Photo Lab.*, 600 F.2d 335 (2d Cir.), *cert. denied*, 441 U.S. 944 (1979); *Woods v. New York Life Ins.*, 686 F.2d 578 (7th Cir. 1982); *Johnson v. American Airlines, Inc.*, 531 F.Supp 957 (N.D. Tex. 1982); *Pirrone v. North Hotel Assocs.*, 108 F.R.D. 78 (E.D. Pa. 1985); *Lusardi v. Xerox Corp.*, 99 F.R.D. 89 (D.N.J. 1983); *Monroe v. United Air Lines, Inc.*, 90 F.R.D. 638 (N.D. Ill. 1981).

16. *United States v. Cook*, 795 F.2d 987 (Fed. Cir. 1986); *Dolan v. Project Constr. Corp.*, 725 F.2d 1263 (10th Cir. 1984).

17. In light of recent authority regarding the ethics of communications with prospective litigants, *see Zauderer v. Office of Disciplinary Counsel*, 471 U.S. 626 (1985); *Adams v. Attorney Registration and Disciplinary Comm'n.*, 801 F.2d 968 (7th Cir. 1986), cases that have forbidden notice and at the same time frowned on private communications are of doubtful continued vitality.

18. If a certain plaintiff who opts in has an meritless claim for special reasons unrelated to the employer's defense against the group as a whole, the employer is not precluded from asserting a separate defense as to that plaintiff. Unlike Title VII pattern-and-practice class action discrimination cases governed by Rule 23, ADEA cases require the adjudication of each plaintiff's claims because of the FLSA opt-in procedures incorporated in the ADEA.

19. The amendments do not apply to employees subject to a collective-bargaining agreement that was in effect on June 30, 1986, and contains a provision that would be superseded by the amendments, until the termination of the collective bargaining agreement or Jan. 1, 1990, whichever occurs first. Pub. L. No. 99-592, Section 7(a).

20. Subsection 4(i) was also assigned to an amendment made by the OBRA, Pub. L. No. 99-509, Section 9201.

21. "Working Americans: Equality at Any Age," *supra*, at 87-91 (testimony of Raymond C. Fay).

ISSUE: HEALTH CARE COST CONTAINMENT

The wave of change in the U.S. health care system in the United States may be at its crest.

Proposals currently under consideration by Congress and the Administration -- such as insurance coverage for catastrophic illness; prefunding of health insurance benefits; and requirements that employers provide some form of retiree and non-retiree health benefits -- might help to address some of the factors driving the changes, including the increasing number of retirees and older workers. While many of the proposals are supported in principle by business organizations, such as the National Association of Manufacturers and the U.S. Chamber of Commerce, these groups are not sanguine about any proposals or legislation that would require employers to grant some of the additional benefits. Passage of any of these proposals is far from assured, but it appears to many observers that eventually some legislative changes affecting the health care system will be adopted

Providing the Benefits

At least some of employees' health care costs are routinely paid by most large public and private employers. According to information compiled for this special report by the New York accounting firm of Coopers & Lybrand (C&L), "surveys indicate that 99 percent of all companies that employ more than 50 employees provide health benefits for their full-time employees." C&L also found that health benefits are "less prevalent" in companies employing "fewer than 50 employees," and that part-time employees often are excluded from coverage. However, the accounting firm said it "anticipates that the non-discrimination rules of the Tax Reform Act of 1986 are likely to cause employers to reevaluate both the design and coverage of health plans." This reassessment may "lead to the coverage of many part-time employees who work more than 17-1/2 hours a week," C&L said.

In addition, many employers pay, or have promised to pay, at least a portion of the health costs of their retirees. In fact, C&L found that "increasing numbers of employers" are providing retiree health benefits. Nearly 85 percent of large companies provide retiree health benefits, while somewhere less than 70 percent of small firms provide such benefits, C&L reported. C&L cited U.S. Department of Labor statistics from 1984 and 1985 that showed 63 percent of medium-sized and large companies provided retiree health care coverage in 1984, while 73 percent supplied retiree health benefits in 1985. However, the accounting firm predicts a slowing in the growth in the number of firms providing such benefits due to "increased attention" to retiree health plan liabilities and security.

The Employee Benefit Research Institute (EBRI), in a 1985 report, found a smaller percentage of retirees have been promised health care benefits than Coopers & Lybrand. In 1984, EBRI said, 56.6 percent of workers in medium-sized and large establishments had been promised employer-sponsored health insurance. That figure, EBRI said, represented a drop from 59.6 percent in 1980.

A 1987 study written by Betty Malroy Stagg for The Conference Board -- *Health Care for Retired Employees* -- cited a Labor Department estimate that 6.9 million retirees and their dependents currently receive such benefits.

Louis Harris Survey

A survey conducted by Louis Harris and Associates for Equicor-Equitable HCA Corp. and published in early 1987, found that 45 percent of the companies surveyed contributed to the costs of health benefits for employees who retire before age 65 and 38 percent did so for retirees past age 65. Surveyed were three distinct national samples: 500 corporate benefit officers in companies with at least 500 employees; 1,000 current full-time employees in companies with at least 500 employees; and 501 retirees who worked at least five years for a company or non-governmental organization with at least 100 employees.

The Harris survey found that only 25 percent of the companies surveyed were prefunding their retiree health benefits. Few, however, seemed to be cutting back on their benefits: Only 7 percent of the respondents said they had taken steps during the last three years to limit the number of future retirees eligible for health benefits, while 6 percent said they planned to do so in the next three years; only 2 percent had stopped covering some of the cost of retiree health benefits since 1983.

In noting that 69 percent of the companies had conducted financial projections beyond 1986 to "measure future health costs for retirees and their dependents," the report criticized companies for failing to take more steps to address the problem of managing the future costs. "Ignorance, and an unwillingness to address the problem, characterize most companies' efforts to manage the future cost of retiree health benefits. A head-in-the-sand approach toward managing future liability for these costs appears to be the norm among corporations," the report concluded.

With Medicare not kicking in until a person becomes 65, and with more and more workers choosing early retirement, many employers are finding that they must pay health insurance costs for retirees for long periods of time -- up to 15 years for a person who retires at age 50. The 1987 study by The Conference Board predicted that early retirement may be reexamined in light of the soaring health care costs facing companies, and that firms may start to emphasize the retention of older workers instead.

Does Older Mean Sicker?

As the time approaches when older people will compose a significant portion of the population, employers must wonder about the effect this will have on their health care costs.

Do older people have higher health care costs than younger persons? There are two answers to that question: Yes and no. Yes, in the sense that many times when older people get sick, the illness is often chronic and requires repeated doctor's visits and hospitalization. The answer is no, however, when the costs of health care for an older worker are compared to the same costs for a younger, married worker with several children. The results of a 1985 survey by Yankelovich, Skelly and White, Inc., for the American Association of Retired Persons revealed that when human resource executives were asked to "evaluate the relative expenditures for several 'typical' employee types . . . only 16% of the [executives] rated a 55 year old employee as extremely or very costly to insure." One in three of the executives, however, judged "a 30-year-old with two dependents . . . to be expensive." Yankelovich concluded, "This difference is even more dramatic in the large companies: gatekeepers [the human resources executives] were almost three times as likely to attribute high health insurance costs to young employees with dependents as they were to 50-plus employees, although fewer large companies (49%) consider the health care costs for older workers to be 'insignificant' than do companies in general (62%)."

A 1985 information paper, *Health and Extended Worklife*, prepared for the Senate Special Committee on Aging, concluded that health problems are "more common among older persons" (age 65 and above) than they are among persons age 45 to 64. However, the report said, "in several areas these differences are not pronounced," asserting that while health problems "increase gradually across groups of increasing age, in numerous cases only small differences were found between adjacent age groups."

"Large numbers of middle-aged and older people are able-bodied, as indicated by the fact that the majority over age 45 report no functional limitations, no work disabilities, no hospital episodes during a 1-year period, and perceive their health as good or excellent," the report found. "Some functional declines which accompany aging can be attributed to health behaviors rather than the process of aging itself. Health promotion activities promise opportunities to prevent or ameliorate functional declines."

Robert Levin, program manager of the Institute on Aging, Work & Health at the Washington Business Group on Health, an organization that represents the health care interests of business in formulating federal policy, told BNA that older workers as individuals are larger consumers of health care benefits than other workers as "individuals." There is some anecdotal evidence, however, Levin said, that when you compare the "family" costs of an older worker with the "family" costs of a younger worker with dependents, the costs may be less for the "older worker family." He cited research by Caroline Paul of the Andrus Gerontology Center at the University of Southern California, comparing the health care costs of women of child-bearing age with the costs of women age 50. Paul's research, he said, showed the younger women's costs were higher than the older women's costs.

While somewhat cautious about future costs, many firms appear to be continuing to offer retiree health benefits. Unlike the 1985 EBRI report, Coopers & Lybrand, found no trend toward eliminating these benefits. C&L concluded from its data that, while there has been "considerable discussion about companies terminating" retiree health benefits, "there is little evidence that financially sound companies are taking such action."

Differing Perspectives on the Costs

The actual cost for retiree health care benefit plans differs among companies, and is based, in part, on plan design and the benefits offered. The Louis Harris survey for Equicor found the median annual health cost for retirees to be $1,113, compared with $1,678 for active employees.

Lawrence Root, a University of Michigan professor who has written widely on older worker issues, notes that since passage in 1982 of the Tax Equity and Fiscal Responsibility Act (TEFRA), more of the burden for paying for retiree health care has shifted to employers. Under TEFRA employers must pay, first, for health care expenses before Medicare kicks in to pay any remaining costs for employees age 65-69. Thus, Root maintained, the costs of employing older workers have "jumped."

Coopers & Lybrand concluded that "the unfunded retiree medical plan obligation for most U.S. corporations is likely to be significantly greater than unfunded pension benefit obligations." This means that companies must draw from their annual operating costs to pay the health care benefits of employees and retirees. The Deficit Reduction Act of 1984 (DEFRA) "narrowed employer options for funding these liabilities on a tax-deferred basis," according to the 1985 EBRI report. DEFRA imposed regulations that federal tax had to be paid on investment earnings from these prefunded retiree benefits that were held in funded welfare benefit plans. Developments that could have an impact on this issue include the proposal by the Financial Accounting Standards Board to require "the cost of retiree health and life insurance to be accrued over the working lives of the employees," according to the 1987 Conference Board report. The report noted that while "many employers support the concept of accrual accounting, there is much concerning about moving the unfunded liability for these benefits onto the corporate balance sheet."

The Conference Board study found the more than $100 billion of accrued liability that these promised health benefit represent for firms to be a "serious concern." This accrued liability, study author Betty Malroy Stagg found, exceeds the net worth of companies in some cases.

The corporate benefit officers interviewed in the Louis Harris survey expected the number of retirees covered by company health plans to double during the next 10 years. However, most of the corporate benefit officers surveyed felt that retiree health costs were somewhat or completely under control. Total retiree health benefit costs average about 16 percent of corporate health costs, these corporate executives said. Only 23 percent of the benefit officers responding to Harris survey said retiree health costs are growing at a faster rate than active employee health costs.

Results of the Harris survey showed that 40 percent of all corporate benefits officers believe that companies have the right to cancel a retiree health plan, while 91 percent believe that employers have the right to impose on retirees the same cost containment measures that are imposed upon active employees.

Cost Containment Devices

Employers have developed a number of ways to curb their skyrocketing health care costs. Among them are:

◆ Utilization review;

◆ Pre-admission certification;

◆ Mandatory second opinions;

◆ Checking and rechecking hospital bills and insurance claims. As an incentive, some companies have offered rewards to employees who discover errors in hospital bills or insurance claims.

◆ Co-payment of the benefits. Coopers & Lybrand estimated that "nearly 50 percent" of the companies that provide retiree health care benefits require user contributions. This figure is expected to rise in the future, C&L said, as hospital and medical costs continue to increase.

◆ Education of workers and encouragement of workers and dependents to enroll in health maintenance organizations (HMOs) and preferred provider organizations (PPOs). HMOs and PPOs are perceived to cut costs because of their emphasis on preventative medicine and wellness.

◆ Reduction of retiree benefits. When it has been challenged, this strategy generally has not been well received by the courts -- especially when done by financially sound companies. Some employers, nevertheless, continue to use it.

◆ Sponsorship of various fitness and wellness programs. Employers that have tried this approach believe that employee physical fitness and health will reduce the amounts of illness and in turn cut costs. A fairly small but increasing number of companies are making special efforts to encourage their older workers and retirees to participate in these programs, since some of the current research on the aging process seems to indicate that many of physical problems associated with aging can be mitigated or avoided through lifelong fitness programs.

The Harris survey results revealed that in the past three years, 41 percent of the employers made changes in retiree health plans to contain inflationary costs. Only 25 percent of the companies, however, said the measures were very effective in controlling retiree health costs, while 61 percent considered them somewhat effective. Changes instituted most often were a requirement for a second opinion (52 percent); higher deductibles (43 percent); and utilization reviews (34 percent).

Retirees surveyed by Louis Harris demonstrated much less willingness than active employees to accept increased cost sharing and other health plan cost controls. The only change garnering strong retiree support was wellness programs, favored by 69 percent.

'Self-Care'

Dr. Donald Vickery, president of the Center for Corporate Health Promotion, based in Reston, Va., is an advocate of the types of programs that promote disease prevention and fitness -- what he calls "self-care" -- especially when combined with some of the abovementioned "old-fashioned" means of controlling health care costs. Vickery told BNA that "self-care" can help to bring down the costs of managing chronic diseases such as arthritis and heart disease.

Education and communication are extremely important components of self-care, said Vickery, and information on such things as nutrition and exercise can have an impact on controlling conditions such as high blood pressure and diabetes, which are often aggravated during the aging process.

Vickery said the adage "use it or lose it" is a "biological principle" that applies to people of any age and includes physical, intellectual, and mental well-being. The "entire spectrum" of a person must continue to be stimulated and nourished as a means of promoting good health and lower health costs, he said.

The results of a Washington Business Group on Health survey in 1985 showed that 67 percent of its members had wellness programs for their employees. At that time, however, only 15 percent of the group encouraged their retirees to participate in these programs. In a recent interview with BNA, WBGH's Levin said he had anecdotal evidence that that figure has gone up since 1985.

CASE STUDY

Company: CIGNA Corp.

Program: Preventive Medical Program

Summary: CIGNA provides an extensive physical fitness facility and a number of health and fitness classes and programs. Preference in membership in the physical fitness facility is given to employees over the age of 40 because of their higher health risk factors.

To reduce health care costs, CIGNA Corp. provides a fully equipped fitness center and offers a series of "healthy lifestyle" programs to its 4,500 employees at its Philadelphia, Pa., headquarters. "We like to think we touch the lives of almost every employee some way or other during the course of the year," said Stuart Beltz, manager of CIGNA's Preventive Medical Program.

The centerpiece of the program is a 7,000-square-foot exercise center in the headquarters building that contains state-of-the-art equipment, including machines that measure the heart rates and energy levels of employees as they work out. The equipment includes 12 electronic exercycles, nine motorized treadmills, three rowing machines, a cross-country ski machine, and a stair-climbing machine. The center is open from 6:45 a.m. when the first commuter trains begin to arrive in central

Philadelphia, to 7 p.m. It has a maximum capacity of approximately 700 employees and there is a long waiting list. Preference is given to employees over the age of 40 because of their higher health risk factors, said Beltz. The center is open to all full-time employees and those who use it regularly range from building security personnel to CIGNA Chairman Robert D. Kilpatrick, said Beltz. Participants are as young as 24 and as old as 72 with the average age about 43, he said.

"The population of moderate to high risk tends to be the middle-aged group," Beltz said. "The goals of the program are basically to reduce cardiovascular risk factors, which we know are going to lead to serious health risks in the future. We are controlling risks and reducing risks for the financial benefit of the company and the health of the individual employees." The short-term benefits, he added, are increased production, improved employee morale, and less absenteeism.

The corporation declines to discuss the costs of the fitness program, which are shared by employees, and has not yet quantified financial savings in health care costs. "We are trying to put some figures together," said Beltz, who has directed the program for six of the eight years since the center was opened in 1979. "The literature has clearly shown that for every $1 invested in prevention, there is a $2 to $3 payback in health insurance savings and lost time on the job," he added. "The company can pay for prevention up front or medical costs down the road. The costs for prevention are nothing in comparison with astronomical health care costs we are seeing today. That sector of the economy is almost out of control," he said.

CIGNA Convinced of the Value

While actual cost savings and health benefits are "something everyone in the industry is asking for," CIGNA and its employees are convinced of the value of the program even without precise data, Beltz said. "The testimonials of employees are more powerful than any physiological data. We have seen people's lives change through exercise and healthy lifestyle changes. They are the best salesmen for the program," Beltz said.

"People in this program say things I wouldn't even dare think. It has overwhelming support. Employees have said things like, 'It is the finest benefit the company has to offer,' that 'It changes your life,' and that 'I wouldn't be alive today if it wasn't for this program.' There are people who literally have seen their lives change. One gentleman lost over 100 pounds and did things he didn't do even as a youth."

Citing a recent study of 20,000 Harvard alumni indicating that physically active people live two to three years longer, Beltz said, "For every hour you exercise you can expect to live that hour over, and perhaps live it over again two or three times."

Accepting the Benefits

Determining actual financial and physical benefits, he added, is the job of cost accountants and health experts. "The company has accepted these benefits and has gone ahead," Beltz added. "The company subsidizes the program and the employees also contribute. Costs are shared. Employees are quite willing to pay for the program. There is a waiting list of people eager to get into this facility, use it, and pay for it," he said. "The facility can't accommodate every employee." The waiting list is long because there is no time limit on participation. "We are looking for lifetime change," Beltz said. "We want people to stay physically active. If someone is not using it, they still pay for it. People self-select themselves out," he said.

Accessibility is the key to the heavy use of the fitness center, Beltz said. "It is right in the major office complex. Employees don't even have to go outside. Other companies offer discounts at health clubs but, for marginal exercises, employees may not be able to go out of their way to a health club," he added. "We supply all the exercise clothing, shoes, towels, hair dryers, toiletries, and other amenities," Beltz said. "There are no excuses. All you have to do is show up."

After screening by the corporate medical staff for an appropriate exercise program, participants can jump rope, jog, lift weights, work out on Nautilus resistance equipment, and 12 Universal weight machines, and tone up at a ballet bar. Aerobic exercises and classes are held most afternoons. "There is a lot of emphasis on cardiovascular exercise and burning the calories," Beltz said.

Beltz hopes to expand the facility to accommodate more employees. "Certainly that is our long-term objective. We hope that as the insurance industry looks to prevention more and more as a means of cost reduction and health care cost control, not only CIGNA but insurance companies as a whole will be able to have this type of program," he said. "I foresee it as the way companies do business before the turn of the century. We are going to pay eventually so we might as well pay a few dollars up front and save a lot of expenses and consequences later."

Health Education Classes

In addition to the fitness center, CIGNA regularly conducts programs on smoking cessation, stress management, nutrition education, cardiopulmonary resuscitation (CPR) training, aerobic exercises, and general fitness. "If you add them all up, they reach a lot of other segments of the company population," Beltz said, noting that more than 400 employees participated in a companywide fitness test, more than 500 attended a recent nutrition program, and stress management talks typically draw several hundred. In other measures to encourage healthier lifestyles of employees, CIGNA's cafeterias list the calorie content of all meals and every cafeteria has a salad bar. "The medical director [Dr. Thomas E. Evans] encourages people holding meetings to serve not only coffee and donuts, but to offer decaffinated beverages, fruit juices, and bran muffins as alternatives," Beltz added. In vending machine areas, he said, "We have juice machines next to the soda machines and healthy snacks like fruit and nuts, not just candy bars."

CIGNA also has a policy that limits smoking to certain times and specific areas designated by management. Smoking is prohibited in areas of general employee access, such as the auditorium, rest rooms, elevators, hallways, training and conference rooms, cafeterias, and employee lounges, Beltz explained. Employees also may designate their offices as no-smoking areas.

ISSUE: PHYSICAL ACCOMMODATIONS

One of the negative stereotypes about older workers is that physically they are unable to perform certain jobs.

A 1985 survey of "executive[s] with senior responsibility for making human resource decisions" conducted for the American Association of Retired People (AARP) by Yankelovich, Skelly and White, Inc. found that many employers believe that older workers have physical limitations that are detrimental to them in the workplace. Health problems and "limited energy" were two of the limitations mentioned in the survey.

"Physical limitations" and "resistance to change" were mentioned as the leading weaknesses of older workers by almost 40 percent of the respondents, whom the survey described as company "gatekeepers."

Some older people have physical limitations and the onset of the aging process can bring on physical problems that people didn't have when they were younger, such as eyesight and hearing problems, and a decrease in physical agility.

Statistics, however, show that older workers actually tend to use less sick leave than their younger counterparts. According to data gathered in 1985 by the National Center for Health Statistics in the Department of Health and Human Services, the average number of workdays lost due to all acute conditions (i.e., flu; injuries; colds; and so forth) for persons age 18-44 was 3.3 days per year, while persons age 45 and above took only 2.6 workdays per year.

A 1986 report by AARP, *Workers 45+: Today and Tomorrow,* cited a 1984 HHS study finding that persons age 55 and above had only 9.7 percent of the workplace injuries even though at that time they composed 13.6 percent of the workforce.

Legal Obligations

Should physical problems eliminate older workers from jobs -- especially those that require a certain amount of physical stamina or agility?

Under the provisions of the Rehabilitation Act of 1973, unless a physical disability or handicap affects a person's ability to perform a job, an employer may not discriminate against an individual on the basis of handicap. Under Section 503 of the Act, federal contractors are required to take affirmative action to hire disabled individuals. Recipients of federal funds, including schools and hospitals, are covered under Section 504 of the Act. The law also requires an employer to make a "reasonable accommodation" for an individual's handicap. "Reasonable accommodation" has been defined quite broadly, and has usually been defined as not including anything that does not involve great expense. However, many state statutes impose greater obligations on employers than the federal statute.

Some of the accommodations that employers may have to make include installation of ramps for wheelchairs and railings along walkways; installation of strobe lights to warn hearing impaired persons of fire or some other dangers; and use of braille numbering and lettering on elevators for blind people.

Falls, Back Problems

One workplace problem frequently associated with aging is falls. Employers can take some fairly simply steps to prevent falls, steps that can benefit the entire workforce, including posting signs to alert people that there are hazards such as holes or wet spots, or installing friction tape on stairs.

Another physical problem often associated with older people is back problems. Middle-aged and older women can have difficulty standing for long periods of time. For women who are assembly-line workers, a simple accommodation might be to provide stools to sit on, even if only for short periods of times. People with back problems who have to sit all day could be encouraged to vary the height of their chairs and take breaks to get up and walk around.

JAN: Information for Employers

There is a source of ideas for employers who are attempting to accommodate some physically limited person in their workplace. In 1984, under the sponsorship of the President's Committee on Employment of the Handicapped, and with funding from the National Institute on Disability and Rehabilitation Research in the Department of Education, the Job Accommodation Network (JAN) was established. The network, through a toll-free number, enables employers and service providers to get information about possible accommodations they can make for employees with physical "limitations."

According to Barbara Judy, manager of JAN, since its inception JAN has handled about 6,000 requests for information. On average, she said, JAN receives about 240 calls per month. Judy stressed that JAN is not set up to place people in jobs, but will refer physically limited persons to agencies that do such placement.

'Groups of One'

In a telephone interview with BNA, Judy noted that accommodations generally "come in groups of one." Employers often have a limited number of persons who need an accommodation and sometimes because of building design or other factors, an accommodation that worked for one employer may not be practical for another. However, Judy mentioned several kinds of accommodations that might have widespread applicability:

◆ For people lacking physical stamina who have jobs that require much walking, employers may provide three-wheeled motor scooters that easily allow employees to get from one end of a building to the other. Judy said she often advises skeptical employers to rent one of these devices from a health care products company for a period of time to determine its feasibility before putting out the money to purchase the equipment.

◆ For VDT users whose eyesight is failing, some employers have used "enhancers" that change the color of the display screen and "magnifiers" that slip over the screen that enlarge the letters. These accommodations she said, are available for about $[illegible]00, she said.

◆ For employees who have hearing problems, telephone amplifiers are a fairly inexpensive accommodation, Judy said.

◆ For persons with shoulder problems whose jobs require sitting, Judy recommends chairs with armrests to take some of the stress off of the shoulders. Simple adjustments such as tilting the video display terminal and adjusting the height of the chairs can also make a difference to persons with arthritis or back ailments. Judy said that signs to notify persons of hazards on the floor or warning tape on steps can help to prevent accidents. Simply putting a bar on a door can make it easier to open, she said.

◆ Some other accommodations that JAN has recommended in certain instances are changing work breaks from one 15-minute break to several five-minute breaks. In some instances, she said, she has suggested that employers not require older employees to work overtime.

Judy noted that business owners can also qualify for a tax deduction of up to $35,000 under the Architectural Barriers Removal Act if they make some architectural change to a building or equipment for public transportation

In April 1987 an evaluation of JAN was conducted. The purpose of the survey was to get responses from employers and employees who had used the network. The survey looked at the costs and benefits for the different types of accommodations that JAN has recommended in the two and one-half years the network has been in operation.

The survey of 587 network users revealed that for "every dollar spent," the amount realized in benefits to the employers is about "$9". Thirty-one percent of the employers reported that the average accommodation can be completed with "no cost"; 88 percent said the cost would be "less than $1,000." About 78 percent of the employers reported that the "real value of the accommodations" was in terms of eliminating costs of hiring and training replacements for the people who are accommodated. The respondents also said that the accommodations provide a sense of "job security among co-workers": Other workers may feel that if the employer takes steps to preserve the job of someone with physical limitations, their own jobs also are secure.

At least 44 percent of the employees responding to the survey said that the accommodations made them more productive, less tired, and more self-confident, and made their jobs easier.

JAN operates Monday through Friday from 8 a.m. to 8 p.m. After 8 p.m. and on weekends there is a telephone answering service to receive calls. The toll free number outside of West Virginia is: 1-800-

JAN-PCEH. In West Virginia the number is 1-800-JAN-INWV. The address is: JAN, West Virginia University, 809 Allen Hall, Morgantown, W.Va. 26506-6122.

'Aging in America/Project with Industry'

"Aging in America/Project with Industry" is a program designed to help disabled persons over age 45 find jobs. Aging in America Inc. Vice President Ellen Sax explained that the program grew out of a realization that, although nearly 60 percent of persons over age 45 had some kind of disability, state and local agencies designed to serve disabled persons were reaching only 15 percent to 20 percent of them.

Aging in America Inc., a non-profit gerontological center headquartered in New York, was established with the intent to help older people remain active and independent. The organization operates a variety of both traditional and non-traditional programs, such as Meals-on-Wheels, a senior center, a respite care program, and training for geriatrics professionals across the country.

The Aging in America/Project with Industry began in 1981. The project operates in some form in 10 cities in New York State and 16 other cities across the country, and involves about 200 employers of varying sizes. The project receives federal funding from the Rehabilitation Services Administration of the Department of Education.

In New York City, the project with industry provides direct services to disabled older people and to employers. Sax said the project assesses candidates' skill requirements; helps them with job search skills, in particular, "confidence-building," she said; helps them find positions; and follows up on the placements.

For employers, Aging in America assesses their personnel needs; provides suitable job candidates; and follows up to make sure the candidates fill the needs.

1,000 Placements

Since 1981, the Project with Industry in New York State has found jobs for approximately 800 disabled older people. A total of 1,000 people have been placed in jobs in all 26 cities, Sax said. The average salary, according to Sax, has been $13,500, but has gone as high as $40,000.

Most of the workers are blue-collar, low-skilled individuals, Sax said, although a large number of candidates have been placed in clerical, bookkeeping, and mailroom types of jobs. Sixty-eight percent of the candidates are placed, she said.

For 1986 placements, the retention rate was 97 percent, Sax said. The per-person cost for job placement has averaged about $500, she said, asserting that this cost is lower than in some other job placement programs. The lower cost may in part be attributed, she said, to the fact that the Project with Industry does not emphasize training as much as preparing people to use their existing skills to find jobs and placing them in jobs.

Aging in America also provides "technical assistance," Sax said to organizations interested in placing disabled older people in jobs. The organization conducts a three-day training program in which the process of skills assessment, job placement, and follow-up is explained.

Sax said the goal of the project is to improve the interaction between the "rehabilitation" and "older person" networks by building on their respective strengths. She noted that the rehabilitation network is usually excellent at assessing the strengths and skills of disabled individuals, while the older person network has an excellent record at job placement.

CASE STUDY

Company: Stouffer's Foods Corp.

Program: Accommodating Workers' Abilities

Summary: Stouffer's tries to match production workers with jobs that do not exceed their physical abilities, and transfers employees at their requests or at the request of a supervisor to appropriate production lines.

Stouffer's Foods Corp., a leading manufacturer of frozen prepared foods, that produces more than 100 products, including such brand names as "French Bread Pizza," "Dinner Supreme," and "Lean Cuisine" frozen foods -- wants to keep its older workers on the payroll, and tries to accommodate their needs and physical abilities.

Marguerite Tremelin, senior communications specialist, noted in a telephone interview with BNA that the company's efforts to accommodate older workers is part of the firm's "strong sense of the value of experience." Stouffer's emphasizes productivity and quality, she said, and thus believes it is important to "have people who understand where we've been" in terms of corporate history and culture. The company is "people-oriented," she said, and wants to keep its employees as long as possible.

The company's Solon, Ohio, production plant of company, which serves as its headquarters, is one of its oldest plants and many of the workers there have been with the company since the 1950s and 1960s. As its workforce began to age, the company began to take an interest in issues that affect older workers, according to Tremelin. In 1978, the company formed a task force to look into aging in the population in general and its possible effects on the company's workforce. As a result of the task force findings, some programs -- such as preretirement planning and gradual retirement -- were developed.

The company also developed a program that tries to match production line workers with jobs they can physically perform. When the company realized that some of its workers -- including some older workers -- were having trouble keeping up with high-speed production lines, the company decided to transfer to slower-paced production lines those people who could not keep. Tremelin told BNA that the company, in conjunction with Michigan State University, developed a muscle strength test to help determine whether an employee needed to be transferred to a slower production line.

Transferees are not required to take any cut in pay, Tremelin said. Employees also can ask to be transferred to the slower production line or supervisors may suggest a transfer if there is a problem with their productivity. According to Tremelin, in the "majority" of cases, the employee requests a transfer.

Tremelin said that the speed of a production line depends on the product being manufactured. Macaroni and cheese, for example, she said, is a product that doesn't require a lot of individual attention, so it can be produced on a faster production line. However, the company's "Lean Cuisine" line of frozen foods requires more individual attention and is made on a slower line. The slowest production lines, Tremelin said, are those that manufacture food sold to hospitals and hotels and other food service companies.

All of the programs for older workers are companywide, Tremelin said, including, in addition to its Solon plant, a plant in Gaffney, S.C., opened in 1980, and another in Springville, Utah, opened in January 1987. The firm employs more than 4,000 people.

ISSUE: DEPENDENT CARE

Caring for an elderly relative or friend away from work can constitute a second job for a full-time worker.

The results of a Travelers Cos. survey conducted in 1985 revealed that 8 percent of its employees who care for an elderly person spend 35 or more hours a week providing that care -- just two and one-half hours less than the normal workweek of Travelers' employees. That's 72.5 hours of "work" per week, without taking into account the amount of these so-called caregivers spend managing their own households.

The Travelers' survey also revealed that 69 percent of the primary caregivers were women, a finding supported by much of the other current research.

12 Million Caregivers

Michael Creedon, a professor of gerontology at the University of Bridgeport (Conn.) and soon to be director of corporate programs at the National Council on the Aging, estimates that there are about 6.6 million dependent adults and about 12 million caregivers in the United States. Nearly three-fourths of these caregivers are women, Creedon -- and others -- say.

In *Exploding the Myths -- Caregiving in America*, a report released in 1986 by the House Select Committee on Aging, Robyn Stone of the National Center for Health Services Research found that there were 2.2 million caregivers for 1.2 million persons age 65 and above in the United States. Both Creedon and Alice Quinlan, director of public policy for the

Older Women's League, said Stone's figures would have been much larger if dependent adults in the age 50-to-64 bracket had been included.

Corporate Eldercare Project

Creedon recently directed the Corporate Eldercare Project, which gathered information on caregivers who worked at three Connecticut firms: Pitney Bowes, Peoples Bank, and Remington Products. The research was funded by the federal Administration on Aging and the Area Agencies on Aging.

Creedon surveyed workers over the age of 40. 504 employees at the three firms responded to the survey, he said. Of the respondents, 25-30 percent categorized themselves providers of care for the elderly. Creedon found that people in the age 40-45 bracket most often provided care for a parent, while persons in the age 55-60 bracket more often provided care for a spouse or a sibling, Creedon said.

Baby Boomers with Dual Dependents

Members of the "baby boom generation are going to be highly vulnerable to having dual dependents," Creedon concluded. Many women in the baby boom generation put off having children until they were in their 30s and, thus, Creedon said, are more likely to have two sets of dependents as they enter their 40s -- children under the age of 12 and their parents.

Creedon said his research showed that people who were caregivers had "significantly higher health problems" than those who did not provide such care. Those health problems most often included depression; weight loss/gain; sleeplessness, and other general health care problems. Creedon concluded that caregivers' health care problems could have an impact on corporate health care costs, although these costs "won't show up in the health care budget" because the afflicted people won't go to the corporate employee assistance program to get help for these stress-induced health problems -- they will go to their doctors.

While acknowledging that women bear the large part of the "hands-on" caregiving burden, Creedon asserted that men often provide other types of care, such as "providing financial support, managing of wills and trusts; and handling the sale of houses."

Caregivers Prefer To Go It Alone?

Much of the research that has been done on adult caregiving has found that caregivers, for the most part, provide the care willingly and prefer to go it alone unless there is a crisis of some sort.

Stone concluded that "in general, caregivers only ask for assistance when the responsibility of elder care becomes too difficult. More often than not, the request is for respite services rather than for financial help. And where formal services are used, little evidence has been found to substantiate the concern that caregivers will substitute formal services for their care."

Creedon's Corporate Eldercare Project included installation and operation of a "hotline" at the University of Bridgeport, which employees with caregiving problems could call. He found that response to the hotline was lukewarm, with people calling mainly when they were in a "crisis situation" -- such as when someone needed to find a nursing home, was fighting depression, or needed to get home care for an elderly relative.

He told BNA, however, that recently some of the employee assistance program managers at the firms have reported getting increasing numbers of calls. He has concluded that a hotline would be most effective if there were "heavy promotion" of its existence. He also said that employees appear to be very reluctant to share information about their caregiving problems with their supervisors or other corporate officials. This leaves companies in a sort of "catch-22" situation: Firms say there is no problem because they don't hear about problems; at the same time, employees for a variety of reasons don't want their supervisors to know they have a problem.

As part of the Corporate Eldercare Project, lunchtime seminars and support groups were conducted. Creedon noted that the support groups generally were sparsely attended (13-14 people), but that the attendees all carried "quite heavy burdens" of dependent care.

Caregiving in 'Nascent' Stages

Creedon and his associates also conducted a "random survey" of the "top 1,000 corporations" to find out how many had instituted formal programs to help caregivers. Of 115 respondents, only 3 percent had such programs, and 15 percent said they had "considered" instituting such programs.

Creedon concluded that the idea of establishing caregiving programs in corporations is clearly in the "nascent" stages. However, as the number of young people entering the workforce remains "flat" over the decade, companies that experience labor-force shortages may want to bring middle-aged women back into the employment setting, Creedon said, reasoning that since many of these women may have dual caregiving companies and may feel compelled to address some of these issues.

As flexible-benefit programs become more popular at companies, Creedon said, the three surveyed companies will be likely to include some sort of benefit for eldercare.

While many companies have initially been reluctant to offer "adult day care" as a benefit because of fear of liability, Creedon believes that such programs may be "piggybacked" onto day care for children.

The results of Creedon's research are now available in a briefing book, *Issues for An Aging America: Employees and Eldercare*, which can be ordered through the National Council on the Aging.

What Is Involved?

What kinds of tasks are involved in providing care for dependent adults? Cooking; personal grooming; providing transportation; taking care of finances; cleaning; making telephone calls; taking care of legal and other personal business matters; picking up prescriptions; administering medication; doing laundry; shopping for groceries and other necessities. In short, the caregiver is often the arms, legs, eyes, ears, and mouth of the person who is needs assistance.

Taken separately, some of th ·ities appear to be rather simple -- and they are. And there is no question that in a good many cases the type of care being given may involve only a few tasks requiring a brief amount of time.

Caring for older people could be a temporary activity -- it might be for just a few weeks or a few months while an individual recovers from an illness -- or it could be for the rest of their lives if they suffer from some permanently incapacitating illness.

Many experts and observers have estimated that 80 percent of disabled elderly people who need care, receive it at home from a family member. Financial reasons, not just compassion, may play a part in the decision to care for the person at home. First, many older people do not want to be institutionalized in nursing homes, especially if they are not bedridden. A visit to any nursing home reveals these are a substantial number of people capable of living at home if they had some type of assistance in taking care of themselves and their homes.

Second, it is cheaper to care for a frail elderly person at home than to pay an institution to tend to the person. Nursing homes can be very costly and currently Medicare and Medicaid cover only a small part, if any, of nursing home expenses.

A Women's Issue?

Although both men and women serve as caregivers, in large part the duty falls to women. Approximately three-fourths of the caregivers in Robyn Stone's study were women -- spouses, daughters, and daughters-in-law. According to the study, almost half of these women -- 44 percent -- were in the paid workforce, but 14 percent of the wives and 11 percent of the daughters had to quit working to become full-time caregivers. About one-third of the wives and daughters had rearranged their work schedules to be able to meet their caregiving responsibilities, while one-quarter worked fewer hours to give care to an elderly person.

While there are no statistics on what it costs women to provide care for elderly individuals, it is "clear" that if someone actually drops out of the workforce for a year to care for an elderly parent, that is one less year of Social Security benefits that individual has earned. If a woman worker has not yet vested in her firm's pension plan, and quits work to provide care, she is likely to lose that pension benefit, Alice Quinlan, director of public policy for the Older Women's League noted.

Some help for working caregivers might be forthcoming from the Congress, which is considering the proposed Family and Medical Leave Act (H.R. 925). The bill contains a provision that would permit employees to take up to 18 weeks of unpaid leave for taking care of elderly parents.

NAAAA Surveys on Caregiving

The National Association of Area Agencies on Aging (NAAAA), in conjunction with Wang Laboratories and the Elder Services of Merrimack Valley (Mass.), conducted exploratory surveys of a group of women employed at Wang and in the Merrimack Valley of Massachusetts.

The survey of 77 women (40 from Wang and 37 from other businesses in the valley) was conducted in the late spring of 1986. The survey results were similar for both groups; the following description of those results, however, deals only with the responses of the women who worked for Wang. Pamela Larson, the project director, said the survey, *Adult Day Health Services as an Employee Benefit: Supporting Workers Who Have Elderly Dependents*, was conducted by Janice L. Gibeau and Jeane W. Anastas. This survey is being used as a springboard for an ongoing national survey of the caregiving experiences of employees from some 20 companies

The employees participating in the Wang/Elder Services survey worked at companies that had responded to an earlier NAAAA survey regarding the benefits they provided to caregivers. The NAAAA survey asked some 1,500 employers, among other things, to identify the benefits they provided. Results from the employer survey have not yet been released, while complete results from the employee survey are expected to be ready sometime during the summer of 1987. The total number of respondents from the 20 companies is expected to reach 7,000.

NAAAA hopes these surveys will help to increase employer awareness of some of the problems experienced by their employees who provide care. In the event companies cannot increase their employee benefits to help caregivers, NAAAA hopes that companies will help to disseminate information to employees on community and other services available to them. NAAAA has put together for employers a packet that lists local resources and encourages employers to participate in a caregiving workshop put on by a local agency on aging.

Results from Wang Employees Survey

Results of the survey of the 40 female employees at Wang show that most of them spent about 12 hours a week providing care for an elderly dependent and 26 hours per week taking care of their homes. When the dependent adult lived with the caregiver, a combined 35 hours was spent in caring for the dependent and the home. "For many women," the study concluded, "the combination of family responsibilities and employment in the labor force constituted two full-time jobs. For some, the accumulative hours were the equivalent of three jobs."

Most of the women interviewed for the survey had worked full-time for between 20 and 24 years. More than 40 percent had some caregiving responsibilities when they entered the workforce. Most said they had been caregivers for about five years, while some had been caring for an adult dependent 10 years or more.

The average age of the women in this survey was 52.5 years. All worked full time. Thirty-three were daughters and seven were daughters-in-law of the person receiving care.

Most -- 33 of 40 -- lived in separate households from the dependent adult. Seventy-eight percent were married and nearly half (48 percent) had children who still lived at home. Their average earnings were $14,000 per year (or nearly half of the household income). On average, the adult they cared for was 82 years old and lived alone. Nearly half of the dependent adults had incomes of less than $5,000 and 33 were widows.

On average, these working women reported missing about 50 hours of work per year because of caregiving responsibilities, with the totals ranging from five to 300 hours. Most often, they said, they missed work to take the elderly person to a doctor's appointment. Other reasons for missing work included taking someone to the hospital and visiting the person while in the hospital.

'Work and Caregiving Conflicts'

Most of the women (78 percent) said they had experienced "work and caregiving conflicts," while one-fourth reported they had thought about leaving the workforce.

Many of the women said they suffered from emotional strain and fatigue as a result of their combined duties. Twenty percent of the women credited existing community services with saving them from having to quit work to be a full-time caregiver and 60 percent said that without these services their work would be "negatively affected."

Some of the women said their work environment was "supportive" to their situations, while other felt just the opposite. Most of them said that the ease with which they could take leave depended on the "attitude of the supervisor."

Most of the women surveyed relied on employee benefits that allowed them to take leave from work -- supervisors "who permitted it" -- and on "friends with whom they could talk about common experiences."

The study concluded that supervisors "can and do play a significant role in the activities women identify as supports or obstacles they face in managing their work lives" as it relates to caregiving.

Two-thirds of the surveyed women reported using vacation time, sick leave, personal leave, family illness days, and other types of paid and unpaid leave to care for their adult family members.

Benefits That Would Help

When asked what company sponsored benefits would make their caregiving responsibilities easier a majority of the women favored the following benefits and 91 percent of the women said they would be willing to "co-pay" in order to receive such benefits:

- Cafeteria benefits
- Respite Care
- Elder Day Care Centers
- Flextime Scheduling
- Job Sharing.

Many of the caregivers stressed that there is a continuing need for community services, such as Meals on Wheels or home health aides. The study found a need for enhanced education for caregivers to alert them to the services that are available. "These women are also in the position of relying on services which may be threatened in the wake of cutbacks in the funding of human resources. Because they are not aware of the sources of funding, they may not be able to advocate for their preservation as effectively as they might if armed with specific facts," the study concluded.

The study concluded with several recommendations:

- When designing services for dependent adults, consideration should be given to the needs of the caregiver.
- The hours of operation for health care providers should be expanded to include evenings and weekends.
- Health and social services should be accessible.
- In the workplace, there be increased communication of what benefits are available to employees with caregiving responsibilities.
- Employers should play a more significant role in enabling employees to care for adult dependents.
- Cost sharing of employee benefits should be considered.
- Employee assistance programs should be broadened to include "counseling and case management services."

Retirement Advisors

Retirement Advisors (RAI), a New York-based retirement consulting firm that is a division of Hearst Business Communications Inc., in 1986 conducted a survey of caregivers.

The firm surveyed 144 preretirees age 50-68 and found that nearly 30 percent were currently caregivers for an adult dependent, while another 9 percent believed that in the "near future" they would be providing such care.

The survey results showed that about 33 percent of the primary caregivers were women, and that another 33 percent of the primary caregivers were a "husband and wife team." One-fourth of the primary caregivers were men, and in 8 percent of the cases, some "other family" member served as the principal caregiver.

Of those receiving care, 68 percent were either mothers or mothers-in-laws, while 12 percent were aunts; 20 percent were fathers and fathers-in-law. The recipients ranged in age from 73 to 91, with the average age being 85.

RAI also found that providing care for an elderly relative was considered very rewarding, but also represented a "considerable cost to caregivers in terms of time, money, and emotional stress [which] has a profound effect upon their personal lives and job performance."

RAI concluded that the study's findings are "strohg indications that eldercare is going to be one of the critical social issues during the remainder of this century."

Providing care for an elderly dependent person "creates a new dimension in retirement planning," RAI said. "Financial obligations toward the support of the older relative can make it difficult or impossible to retire. And plans for travel and relocation must often be postponed or cancelled."

Company Actions

A small -- but slowly increasing -- number of companies are beginning to take various steps to help employee caregivers.

A 1987 survey of the BNA *Personnel Policies Forum* members -- a cross section of employers nationwide -- showed that, aside from providing dependent coverage options in medical insurance plans, few employers offered financial assistance to caregivers. Of 424 companies surveyed, 15 offered flexible spending accounts that allowed employees to use pre-tax dollars to care for elderly and disabled adult dependents. Two other companies said they had a program other than medical insurance to assist employees in adult dependent care. A "large Southern state government" permitted its employees to use sick leave to take care of adults and children, while a small electronics firm in the South offered counseling and referral services for employee adult caregivers.

EAPs, Lunchtime Seminars

Employee assistance plans in some firms provide counseling and referral. Professional counseling can be helpful in dealing with the stress and guilt that can be associated with having total responsibility for providing care for elderly parents. A counselor can sometimes help caregivers to balance the needs of the dependent with their own needs.

Other companies offer lunchtime seminars for discussion of topics of interest to caregivers -- dealing with stress; obtaining legal and financial assistance; and finding community services. The companies may offer referral services to direct caregivers to organizations that can provide assistance. But the study done for the National Association of Area Agencies on Aging, *Reaching the Nation's Elderly*, noted that while education about some of the issues was desirable, often caregivers don't have time to attend group meetings on the subject.

Some companies permit employees who are caregivers to arrange their schedules to meet both the needs of the dependent elderly person and the company, and a few companies have instituted on-site, or co-sponsored off-site, adult day care.

According to Dana Friedman, senior research associate at The Conference Board, said, the "increased attention" being paid to all aging issues is prompting increased corporate interest in eldercare. "The concept of dependent care rests easily on the minds of managers," Friedman told BNA. By combining adult dependent care and child care, it makes child care more "palatable" and enhances "receptivity" to both types of benefits, she said. Another reason senior executives are receptive to dependent care is that they are likely to have had some personal experience in caring for an elderly person, she said.

Friedman also suggested that supervisors are more understanding of an employee's request for time off to take care of a sick parent than a sick child. With a sick parent, people are likely to think, "Uh oh, this is it," while with a sick child, they are more likely to say, "Oh, she'll recover," she suggested.

The Travelers Co.: An Activist Employer

The Travelers Cos., the Hartford, Conn.-based insurance firm, has been actively dealing with the issue of eldercare.

In June 1985, The Travelers surveyed 1,412 employees, more than 20 percent of its home office workforce, age 30 and above. Fifty-two percent of those 1,412 (or about 734) responded to the survey. Of the respondents, 28 percent -- more than 200 -- said they had caregiving responsibilities.

While the vast majority (73 percent) of the Travelers' caregivers had responsibility for only one dependent, 19 percent provided care for two and 8 percent were responsible for three or more adult dependents.

The caregivers spent a significant amount of time providing care. More than 40 percent said they had daily contact with the dependent adult, while 35 percent said they made contact "a few times a week." The average amount of time spent by employee caregivers was 10.2 hours, the greatest number of hours reported was 80. Female caregivers reported an average of 16.1 hours per week while, male caregivers 5.3 hours.

Eighty percent of the respondents indicated that their caregiving responsibilities interfered in some way with "social and emotional needs and family responsibilities." For some of the caregivers, the demands of providing care made it difficult to take vacations "away from their caregiving responsibilities." Eighteen percent had not had a break from caregiving in more than two years, while 10 percent had not had a break in more than one year. Still, 30 percent of the respondents said they could continue providing the care "as long as necessary," but would appreciate "additional help." One-fourth of the respondents weren't sure they could continue to provide care or said they could not continue without additional help.

The Travelers' Responses

One of the first responses of the survey was an April 1986 "caregivers fair" sponsored by the company. Travelers contacted 20-25 outside agencies that deal with some aspect of caregiving, according to Alice Simon, media relations specialist for the company. These outside experts set up display tables near of the company headquarters' cafeteria and distributed information to approximately 700 people.

The company has since established, in conjunction with the firm's employee assistance plan, a support group for about 12 caregivers who receive counseling and share experiences and problems.

Travelers also established a lunchtime seminar series. The first group of seminars began in the Fall 1986 and another series was scheduled for Spring/Summer 1987. Some of the topics include housing; coping with mental changes; family decisionmaking; and some intergenerational topics, Simon said, because many of the caregivers also have children still living at home.

Getting out information about available community services has also been a priority for the company. In the lobby of its headquarters, it set up video kiosks that broadcast telephone numbers of community agencies and interviews with experts on a variety of topics including caregiving.

The Travelers also has established 'flexible spending account" (FSA) so that caregivers can deposit "up to 5,000 pre-tax dollars" into a special account for dependent care. The one drawback to the FSA program, Simon said, is that under federal IRS regulations, the definition of a "dependent adult" includes only people who live in the same household, so the money cannot be used for nursing home care or for support care for a relative who lives in a separate home. However, a "couple of years" ago, Simon said, The Travelers instituted flextime scheduling, which may benefit more workers than the FSA. The firm also allows its personnel to take up to four weeks of unpaid personal leave each year, she said.

Gatekeeper Program

A program launched in April 1987 and being coordinated on a national level by the National Association of State Units on Aging (NASUA) may assist some caregivers. The Gatekeeper Program trains employees of companies who might have day-to-day contact with elderly persons on how to detect the signs that someone may be in physical or financial stress.

The program was first started by the Puget Sound Power & Light Co. in the State of Washington. The firm, in conjunction with the Washington State Aging and Adult Services Administration and the federal Administration on Aging, developed a training package for companies that wanted to participate. If an employee of a company participating in the program detects signs that an older customer needs assistance, the employee "Gatekeeper" contacts a special state aging office that sends a trained professional to assess the situation.

Most of the 70 programs now participating in the Gatekeeper Program are utility firms (telephone, electric, water, or gas companies). There are programs in 50 states. Other kinds of companies that NASUA has targeted include banks, pharmacies, and grocery stores.

CASE STUDY

Company: Aerospace Corp.

Program: Aging Parents Group

Summary: Members of the Human Development Club, an employees' group, at Aerospace Corporation, El Segundo, Calif., formed an Aging Parents Group to provide information and support to employees and retirees with responsibility for elderly relatives. In cooperation with AARP and Caregivers in the Workplace, the group sponsored a Caregivers Fair in July 1986.

Employees who belong to the Human Development Club at Aerospace Corporation, El Segundo, Calif., have formed an Aging Parents Group to provide information and support to employees and retirees with responsibility for elderly relatives.

In conjunction with the Caregivers in the Workplace pilot program of the American Association of Retired Persons, the Aging Parents Group sponsored a Caregivers Fair in July 1986. The event featured representatives from 31 community organizations that provide services for seniors, including the Social Security Administration and Medicare, a visiting nurse's association, a sample retirement community, AARP, a sample nursing home, local senior centers, an ombudsman for the elderly, and a legal service organization that represents low-income elderly. In addition, the fair featured information sessions on topics such as what aging means, mental changes in the elderly, housing needs, time management for caregivers, and recognition of the caregiver's needs.

Not only did the fair demonstrate the range of available services, said Aerospace's Retiree Relations Administrator Denise Jessup, it also provided a unique networking opportunity for the participating organizations. Jessup estimated that about 300 employees attended the lunch-hour fair.

Aerospace does not provide any direct financial allowance for employee caregivers, but does administer individual flexible spending accounts for employees who must bear the cost of care for dependent relatives. Through a payroll deduction, employees may "bank" pre-tax dollars, which they draw on by submitting receipts for expenses they incur, she said.

RESOURCE GUIDE

This chapter lists public and private organizations concerned with older workers and their needs and problems. There are four categories: Federal Government Agencies; organizations in the Leadership Council of Aging Organizations; Other National Organizations; and Selected Private Regional Organizations. Each entry is accompanied by a short description of the organization and/or its goals and activities. Descriptions were provided either by the organizations themselves or were obtained from material published by the American Association of Retired Persons.

A. FEDERAL GOVERNMENT AGENCIES

ADMINISTRATION ON AGING
Department of Health and Human Services
330 Independence Ave., S.W.
Washington D.C. 20201
(202) 245-0720
Carol Fraser Fisk, Commissioner on Aging

AOA is the federal agency with sprincipal responsibility for carrying out the provisions of the Older Americans Act. AOA helps states and communities develop an extensive, coordinated service system for older Americans, working through state and area agencies, and approximately 2,500 service providers. AOA does extensive research on the aging.

EMPLOYMENT AND TRAINING ADMINISTRATION
Department of Labor
200 Constitution Avenue, N.W.
Washington D.C. 20210
(202) 523-6050
Roger Semerad, Assistant Secretary for Employment and Training

ETA administers the various federally funded training programs. Several of these affect older Americans, such as an anti-discrimination program, but only the Senior Community Service Employment Program (SCSEP) is designed specifically for the benefit of older Americans. SCSEP places seniors in part-time positions in public sector or non-profit organizations, giving them a chance to refresh their skills and an opportunity to move on to unsubsidized private sector jobs.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
2401 E Street N.W.
Washington D.C. 20507
(202) USA-EEOC
Clarence Thomas, Chairman
R. Gaull Silverman, Vice Chairman

EEOC, established in 1964, is the federal agency responsible for enforcing Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Equal Pay Act, and Section 501 of the Rehabilitation Act of 1973. The Age Discrimination in Employment Act protects workers 40 and above from discrimination based on age. EEOC provides educational and technical assistance to help employers understand the law and the responsibilities it imposes upon them.

FEDERAL COUNCIL ON AGING
200 Independence Avenue, S.W.
Washington D.C. 20201
(202) 245-2451
Ingrid Azeedo, Chairman

The Federal Council on Aging acts as an advocacy group, reviewing, evaluating, and making recommendations on federal policies regarding the aging. The council also conducts conferences and workshops on various issues of interest to older Americans.

HEALTH CARE FINANCING ADMINISTRATION
Department of Health and Human Services
Room 4231, North Building
330 Independence Avenue, S.W.
Washington D.C. 20201
(202) 245-6161
Dr. William Roper, Administrator

HCFA was created to bring together under one administrator the Medicare and Medicaid programs. HCFA's mandate is to ensure the effective administration of those programs, make certain that eligible individuals are aware of the services available and that they are accessible, and ensure that its policies promote quality and efficiency.

NATIONAL INSTITUTE ON AGING
National Institutes of Health
9000 Rockville Pike
Building 31
Room 5C35
Bethesda, Md. 20892
(301) 496-1752
Dr. T. Franklin Williams, Director

NIA, a federal agency established in 1974, conducts and supports biomedical, social, and behavioral research and training on the aging process, and diseases and other special problems and needs of the aged. The study of Alzheimer's disease is a priority project at NIA. The institute's Gerontology Research Center in Baltimore, Md., is conducting a study to determine which effects of aging are normal and which are signs of disease. NIA awards research grants on issues and questions about aging and the aging process to universities and medical schools.

OFFICE FOR SPECIAL CONSTITUENCIES
National Endowment for the Arts
1100 Pennsylvania Ave., N.W.
Washington D.C. 20506
(202) 682-5530
Paula Terry, Director

The Office for Special Constituencies attempts to make the arts accessible to all Americans, and, in that capacity, serves as an advocate for and provides technical assistance to people who are older, disabled, or living in institutions. It publishes *Expansion Arts*, a listing of regional companies that provide employment, training, or workshops in art, dance, or acting to senior citizens.

PENSION BENEFIT GUARANTY CORPORATION
2020 K Street, N.W.
Washington D.C. 20006-1806
(202) 778-8800
Kathleen Utgoff, Executive Director

PBGC, a federal agency, administers two insurance programs that, under certain conditions, guarantee the payment of basic retirement benefits to retirees whose emloyers' plans have been terminated.

U.S. HOUSE SELECT COMMITTEE ON AGING
300 New Jersey Ave., S.E.
House Annex 1, Room 712
Washington D.C. 20515
(202) 226-3375
Rep. Edward Roybal (D-Calif), Chairman

The Select Committee on Aging, established in 1974, examines and conducts studies on issues affecting or problems of the elderly, including income, health maintenance, housing, welfare, employment, and recreation. The committee encourages the adoption of government policies, as well as public and private programs, promoting the inclusion of the elderly in both the workforce and the community. The committee reviews policy, develops policy recommendations, and informs other House committees about new programs. There also are two task forces: Social Security and Women, and the Rural Elderly. The committee publishes reports and transcripts of its hearings, as well as other material on the subject of aging.

U.S. SENATE SPECIAL COMMITTEE ON AGING
Hart Building, Room 628
Washington D.C. 20510
(202) 224-5364
Sen. John Melcher (D-Mont), Chairman

The Senate Special Committee on Aging holds hearings on issues affecting older Americans. The committee makes available information on topics dealing with aging, as well as reports and transcripts of its hearings.

B. LEADERSHIP COUNCIL OF AGING ORGANIZATIONS

LCAO, formed in 1981, now comprises 30 national organizations concerned about the aging. Membership in the leadership council is restricted to people 55 and over and to service providers for the elderly. LCAO serves as a forum for information sharing and as an advocacy group.

LCAO is chaired by Cyril F. Brickfield, executive director of the American Association of Retired Persons.

Following is a listing of the LCAO member organizations and their functions:

AFL-CIO DEPARTMENT OF OCCUPATIONAL SAFETY, HEALTH AND SOCIAL SECURITY
815 16th Street, N.W.
Washington D.C. 20006
(202) 637-5000
Bert Seidman, Director

The Department of Occupational Safety, Health and Social Security coordinates, provides information on, and studies issues pertaining to occupational safety and health, as well as Social Security, pensions, unemployment compensation, welfare, programs for the elderly and disabled, food stamps, and nutrition. The department is involved in evaluating and providing testimony on behalf of legislation in these areas.

AMERICAN ASSOCIATION FOR INTERNATIONAL AGING
1511 K Street, N.W.
Suite 1028
Washington D.C. 20005
(202) 638-6815
Helen K. Kerschner, Executive Director

AAIA was established in 1983 to focus on the needs of aging people in developing countries as well as in the United States. The association believes that the aging have special needs, but often are poorly used as a resource in the community and throughout the economy as a whole. AAIA emphasizes the provision of economic support and technical assistance where necessary, as well as the education of the American public, and the private and corporate sectors about the needs and assets of older people.

AMERICAN ASSOCIATION OF HOMES FOR THE AGING
129 20th Street, N.W.
Suite 400
Washington D.C. 20036
(202) 296-5960
Sheldon Goldberg, Executive Director

AAHA is a national organization of non-profit, community-sponsored housing and health-related facilities. AAHA tries to identify and solve members' problems, and to protect the interests of elderly residents using the facilities. AAHA also provides training for housing administrators.

AMERICAN ASSOCIATION OF RETIRED PERSONS
1909 K Street N.W.
Washington D.C., 20049
(202) 662-4956
Cyril Brickfield, Executive Director
David Gamse, Director of the Worker Equity Department

AARP is a membership organization of people 50 years old and older -- retired and working -- with more than 22 million members.

AARP serves its more than 22 million members through information, educational and community service programs, legislative representation, and direct membership benefits. Through its Worker Equity Initiative, the association is seeking to increase the employment opportunities and options for older people. Department staff work with employers to develop new approaches and innovative programs to improve employment prospects for older individuals, and educate older workers as to their legal rights under federal and other laws and regulations.

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES' RETIREE PROGRAM
1625 L Street, N.W.
Washington D.C. 20036
(202) 429-1274
Steve Regenstreif, Director

The AFSCME Retiree Program, established in 1980, includes 20 retiree chapters nationwide and more than 67,000 retired public employee members. The program addresses issues of interest to retired AFSCME members, including protection and improvement of pension, health, and insurance benefits. The program offers a series of educational and legislative programs and social activities, and coordinates its programs with community programs. At the national level, the program is involved in efforts to protect and improve the Social Security and Medicare programs.

AMERICAN SOCIETY ON AGING (ASA)
833 Market Street
Suite 516
San Francisco, Calif. 94130
(415) 543-2617
Gloria H. Cavanaugh, Executive Director

ASA is a national, non-profit organization whose members include educators, researchers, and medical professionals. Consumer information and publications are available.

ASOCIACION NACIONAL PRO PERSONAS MAYORES
2727 West 6th Street
Los Angeles, Calif. 90057

(213) 487-1922
Carmela G. Lacayo, President and Executive Director

ANPPM represents the needs of elderly Hispanics, encourages them to take advantage of social service programs, and conducts research.

ASSOCIATION FOR GERONTOLOGY IN HIGHER EDUCATION
600 Maryland Avenue, S.W.
West Wing 204
Washington D.C. 20024
(202) 484-7505
Elizabeth B. Douglass, Executive Director

The association, a national organization with more than 200 member colleges and universities accross the country, acts as an information clearinghouse for institutions of higher education that conduct research, training, and education in gerontology. AGHE also strives to increase public awareness of the need for, and promotes, education and training in the field of gerontology.

CATHOLIC GOLDEN AGE
1012 14th Street, N.W.
Suite 1003
Washington D.C. 20005
(202) 737-0231
(800) 233-4697 (headquarters office in Scranton, Pa.)
Thomas D. Hinton, President

Catholic Golden Age, established 10 years ago, is principally a parish ministry to older and disabled people, although it is not exclusively an organization for Catholics. In cooperation with Catholic Charities USA, the organization is sponsoring a major study to determine housing needs of Catholic dioceses. The group works closely with the Center on Aging at Catholic University in Washington, D.C., and sponsors conferences on a variety of aging issues. Catholic Golden Age also offers a number of benefits to its members such as travel and prescription discounts.

GERONTOLOGICAL SOCIETY OF AMERICA
1411 K Street, N.W.
Suite 300
Washington D.C. 20005
(202) 393-1411
John M. Cornman, Executive Director

The Gerontological Society of America is committed to improving the living conditions of older people through research and education, and produces a number of publications, including *The Gerontologist*.

GRAY PANTHERS
311 South Juniper Street
Suite 601
Philadelphia, Pa. 19107
(215) 545-6555
Margaret Kuhn, National Convenor

The Gray Panthers, founded by Margaret Kuhn in 1970, is a coalition young and old people working together to combat "ageism." The organization acts to assist, advise, and organize local groups working on age-related issues of their own choosing.

NATIONAL ASSOCIATION OF AREA AGENCIES ON AGING
600 Maryland Ave., S.W.
Suite 208
Washington D.C. 20024
(202) 484-7520
Raymond C. Mastalish, Executive Director

The goal of NAAAA is to help elderly Americans remain independent in their own homes and communities. The association works on a limited basis with employers and the general public to represent the interests of its 672 member agencies nationwide. The area agencies plan, develop, coordinate, monitor, and fund programs for the elderly at the local level.

NATIONAL ASSOCIATION OF FOSTER GRANDPARENTS PROGRAM DIRECTORS
100 North Winchester Boulevard
Suite 295
Santa Clara, Calif. 95050
(408) 243-3001
Betty Manley, President

NAFGPD is a membership organization consisting of Foster Parent Program Directors who meet several times a year to discuss their various concerns, and attempt to find solutions to their problems.

NATIONAL ASSOCIATION OF MEAL PROGRAMS
204 E Street, N.E.
Washington D.C. 20024
(202) 547-6157
Richard Mastbrook, President

NAMP serves as an umbrella organization for the nationwide Meals on Wheels program and other such meal programs that offer home delivery or group meals to people unable to provide food for themselves. NAMP includes volunteers from 600 organizations and receives some funding from the federal government. The organization offers a continuing education program for directors of local meal-provision chapters, and helps direct older people to other community services.

NATIONAL ASSOCIATION OF NUTRITION AND AGING SERVICES PROGRAM
2663 44th N.W.
Suite 205
Wyoming, Mich. 49509
(616) 531-8700
Connie Benton-Wolfe, Executive Director

The organization claims more than 600 members who provide nutrition and other services to older Americans. NANASP also tracks legislation on the matter of nutrition for older people and sponsors an annual conference.

NATIONAL ASSOCIATION OF OLDER AMERICAN VOLUNTEER PROGRAM DIRECTORS
1148 Bingham Terrace
Reston, Va. 22091
(703) 860-9570
Fran Butler, Washington Representative

The National Association of Older American Volunteer Program Directors is the umbrella organization for three other LCAO groups, the National Association of Senior Companion Directors, the National Association of RSVP Directors, Inc., and the National Association of Foster Grandparents Program Directors.

NATIONAL ASSOCIATION OF RSVP DIRECTORS, INC.
c/o ACTION
806 Connecticut Ave., N.W.
Washington, D.C. 20525
(202) 634-9380
Freddie Winifred Dowling, President

The National Association of RSVP Directors is an umbrella organization for the Retired Senior Volunteer Program (RSVP) that is funded in part by grants by ACTION, the federal domestic volunteer agency. The purpose of the RSVP project is to provide meaningful volunteer opportunities for individuals over age 60 in non-profit, and educational and cultural settings. Each RSVP project focuses on the needs of the community in which it is located. The program has 400,000 volunteers nationwide and has agencies in more than 700 communities.

NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES
1533 New Hampshire Avenue, N.W.
Washington D.C. 20036
(202) 234-0832
Steve Morrisey, President

NARFE helps federal employees navigate their way through the federal retirement system, and promotes the welfare of retired federal workers and their families through lobbying and its own programs.

NATIONAL ASSOCIATION OF SENIOR COMPANION PROJECT DIRECTORS
P.O. Box 1510
Opelousas, La. 70570
(318) 948-3682
Berryl Thompson, President

NASCP, an organization of some 180 nationwide chapters, uses "older people to help older people." Federally funded, the program pays volunteers age 60 and older a stipend of $2.20 per hour to serve as companions for other older people.

NATIONAL ASSOCIATION OF STATE UNITS ON AGING
600 Maryland Ave., S.W.
Suite 208
Washington D.C. 20024
(202) 484-7182
Daniel Quirk, Executive Director

NASUA is a national public interest organization, and works closely with its member units, providing information, technical assistance, and professional development support. NASUA helps state and local older worker programs increase their effectiveness in recruiting, training, and placement of older people in jobs, and operates a national clearinghouse on state and local older worker programs. NASUA sponsors workshops, seminars, and conferences on topics relating to older people in the workforce, and provides information on training, placement, and recruitment strategies.

NATIONAL CAUCUS AND CENTER ON BLACK AGED, INC.
1424 K Street, N.W.
Suite 500
Washington D.C. 20005
(202) 637-8400
Samuel J. Simmons, President

NCBA, a non-profit organization with more than 30,000 members in 54 regional chapters nationwide, was founded in 1970 to improve the quality and standard of living of the black elderly. NCBA is involved in research, training, employment, housing, and professional training.

NATIONAL COUNCIL OF SENIOR CITIZENS
925 15th Street, N.W.
Washington, D.C. 20005
(202) 347-8800
Jacob Clayman, President

The National Council of Senior Citizens (NCSC), founded in 1961, is a non-profit, non-partisan, political organization that works for state and federal legislation that benefits the elderly.

NATIONAL COUNCIL ON THE AGING, INC.
600 Maryland Avenue, S.W.
100 West Wing
Washington D.C. 20024
(202) 479-1200
Jack Ossofsky, President

NCOA is a non-profit membership organization. Its members are: private individuals, professionals, and organizations relating to the aging field. NCOA is involved in conducting research and programs that serve the elderly. Also, it is a training center, providing information and advising professionals and organizations involved in services for the elderly.

NATIONAL INTERFAITH COALITION ON AGING
Convent Village
9201 West Broward Boulevard
Plantation, Fla. 33324
(202) 723-2472
Dr. J.H. Kyles, D.C. Representative

The National Interfaith Coalition on Aging, Inc. (NICA) is a national non-profit coalition including representatives from the Roman Catholic, Jewish, Protestant, Orthodox, and other faiths. Other members are organizations and individuals involved in aging issues. NICA's primary goal is to introduce cooperative services and research that will involve different religious faiths with aging people.

NATIONAL PACIFIC/ASIAN RESOURCE CENTER ON AGING
2033 6th Avenue
United Airlines Building
Suite 410
Seattle, Wash. 98121
(206) 448-0313

NP/ARCA works towards improving the availability and delivery of social and health services to the Pacific/Asian elderly community. It also focuses on ensuring that the Pacific/Asian elderly can have a secure, meaningful, and dignified existence.

NATIONAL SENIOR CITIZENS LAW CENTER
2025 M Street N.W.
Washington D.C. 20036
(202) 887-5280
1052 West 6th Street
Los Angeles, Calif. 90017
(213) 482-3550
Burton D. Fretz, Executive Director, Washington D.C.
Neal S. Dudovitz, Deputy Director, Los Angeles

NSCLC was established in 1972 to help protect older Americans from poverty. The Center pursues this goal through a staff of attorneys that practice in support of legal services programs, and on behalf of elderly impoverished clients and client groups. NSCLC attorneys are familiar with a wide range of legal areas that affect the security and welfare of elderly people on a limited income. The Center also publishes numerous manuals, materials, and periodicals dealing with legal problems of the elderly poor.

OLDER WOMEN'S LEAGUE
1325 G Street N.W.
Lower Level B
Washington D.C. 20005
(202) 783-6686
Victoria Jaycox, Executive Director

OWL, a non-profit organization with more than 20,000 members and more than 100 chapters across the United States, focuses solely on the needs and concerns of mid-life and older women. OWL strives to attain social and economic equity for older women, and provides a forum for mutual support. OWL chapter workshops are conducted on topics such as employment of older women and housing. OWL also provides educational material and training for both members and policymakers.

UNITED AUTO WORKERS'
RETIRED MEMBERS DEPARTMENT
8731 East Jefferson Avenue
Detroit, Mich. 48214
(313) 926-5231

The department handles the needs and concerns of UAW retirees, maintains an ongoing relationship with other senior citizen groups, and keeps abreast of developments that are of interest to the retirees.

VILLERS ADVOCACY ASSOCIATES
1334 G Street, N.W.
Suite 3
Washington D.C. 20005
(202) 737-6340
Ronald F. Pollack, Executive Director

Villers Advocacy Associates is a non-profit organization that promotes legislation benefiting older people and provides grant money for projects helping older people. It also publishes reports and other materials relating to older people.

C. OTHER NATIONAL ORGANIZATIONS

ALLIANCE FOR AGING RESEARCH
601 Indiana Ave., N.W.
Suite 500
Washington, D.C. 20004
(202) 393-2472
Daniel Perry, Executive Director

The Alliance promotes and supports research on the human aging process. The organization, founded in 1986, unites scientists, business and foundation executives, and federal officials in endorsing a policy that supports gerontological research and preventive geriatrics. The Alliance aims to become the leading source of expertise on aging research in the United States, and to serve Congress, the media, and the general public.

AMERICAN BAR ASSOCIATION
Commission on Legal Problems of the Elderly
1800 M Street N.W.
Washington D.C. 20036
(202) 331-2297
Charles P. Sabatino, Associate Staff Director

The Commission on Legal Problems of the Elderly, formed by the ABA in 1978 to develop ways to meet the legal needs of elderly people in the United States, focuses on issues such as Social Security, housing, and age discrimination, and services such as the availability of effective legal services for older Americans. The commission serves as a resource for law firms and private attorneys, and promotes pro bono, reduced-fee, community-based programs for senior citizens.

AMERICANS FOR GENERATIONAL EQUITY
318 4th Street, N.E.
Washington D.C. 20020
(202) 546-3131
Paul Hewitt, Executive Director

Established in 1985, this 1,000-member research and education organization serves as a clearinghouse for research on the elderly, some of which is made available to the public. AGE also sponsors public conferences on issues that affect or will affect the elderly, such as the U.S. budget deficit.

AGING IN AMERICA
1500 Pelham Parkway
New York, N.Y. 10461
(212) 824-4004
John Grozier, President

AIA, founded in 1978, seeks to develop affordable ways of sustaining older people in community life, and offers a variety of services in the field of care for the elderly, including Meals on Wheels, a self-governing senior center, and transportation services. In its Projects with Industry program, AIA assists disabled older workers secure and hold jobs.

AMERICAN FEDERATION FOR AGING RESEARCH
335 Madison Avenue
New York, N.Y. 10017
(212) 570-2090
Fred Thompson, Chairman

AFAR is a national organization that encourages and supports basic and clinical biomedical research in the field of aging, and tries to develop public support for such research.

AMERICAN HEALTH CARE ASSOCIATION
1200 15th Street, N.W.
Washington D.C. 20005
(202) 883-2050
Eugene Bishop, President

AHCA is a non-profit membership organization founded to promote the interests of health care providers. Members include organizations and facilities that provide care to some 800,000 elderly and frail elderly people in approximately 9,000 licensed nursing homes. AHCA sponsors in-service and management training.

INTERNATIONAL SOCIETY OF PRE-RETIREMENT PLANNERS
11312 Old Club Rd.
Rockville, Md. 20852
(800) 327-ISPP; in Maryland and D.C., 881-4113
Malcolm Rodman, Executive Director

ISPP can refer interested organizations to firms or groups that have developed preretirement planning programs. The more than 700 members of ISPP include employee benefits sections of large corporations, private preretirement planners, colleges and universities, and advocacy and senior citizen groups.

D. SELECTED REGIONAL PRIVATE ORGANIZATIONS

BEVERLY FOUNDATION
841 South Fair Oaks Avenue
Pasadena, Calif. 91105
(818) 792-2292
Carroll J. Wendland, President

The Beverly Foundation is committed to the promotion of creative aging, and is involved in research, community service, and education projects, as well as professional education and training.

BROOKDALE CENTER ON AGING
Hunter College/CUNY
425 East 25th Street
New York, N.Y. 10010
(212) 481-4426
Rose Dobrof, Executive Director

The Brookdale Center on Aging was established in 1974 as a multi-disciplinary gerontology center. The Training Division provides education and training to those who deliver services to the elderly. The Center's Institute on Law and Rights of Older Adults serves as its advocacy arm. The Research Division has conducted major studies on topics such as the older job seeker and self-employment in late life.

CASE MANAGEMENT PROJECT
Community Outreach for the Elderly
George Washington University
(202) 676-4731
B. Soniat, Director

Case Management is a program aimed at helping the very frail elderly to avoid institutionalization. Prospective clients apply to Case

Management and when they are accepted they receive a complete assessment of their needs by doctors, psychiatrists, social workers, and other professionals. Case Management offers a wide range of services; home care, dental care, and mental health to name a few.

FOCUS: HOPE
1355 Oakman Boulevard
Detroit, Mich. 48238
(313) 883-7440
Father William Cunningham, Executive Director

Focus: HOPE, formed in 1968, is a civil rights organization. It has expanded to include a wide variety of training programs for the public and is active in the employment of senior citizens, including the Machinist Training Institute, offering training in precision machining and metalwork to those who qualify by retirees from the metalworking craft.

GENERATIONS TOGETHER
William Pitt Union
University of Pittsburgh
Pittsburgh, Pa. 15260
(412) 648-7150
Dr. Sally Newman, Executive Director

Generations Together, established by and part of the University of Pittsburgh's Center for Social and Urban Research, seeks to develop the roles of older people in the community, improve the mental and physical well-being of the frail elderly, increase the understanding between the young and the old, and create links between community agencies serving the young and those serving the old. Generations Together develops programs that provide opportunities for young people to interact with older ones in different forums.

OPERATION: ABLE
36 South Wabash
Suite 1133
Chicago, Ill. 60603
(312) 782-3335
Shirley R. Brussel, Executive Director

Operation: ABLE, established 10 years ago, finds employment for older workers, promotes networks and public awareness of the needs of the elderly, and works with the business community. Operation: ABLE is a job clearinghouse for a network of area agencies that provide referrals, training, and placement of older workers in jobs ranging from blue collar to executive status. The organization also runs a temporary services agency, and has placed approximately 5,000 older workers annually. The organization's structure has been copied by organizations in Boston, Detroit, Los Angeles, New York, Little Rock and Lincoln, Neb., and San Francisco.

PROJECT EARN
Covenant House
10969 Schuetz Road
St. Louis, Mo. 63103
(314) 432-1617
Deborah Bonham, Coordinator

Project Earn is a free job counseling and placement service for people 55 years of age and older. In business for more than nine years, Project Earn's primary objective is job placement, and vocational counseling is offered to all clients to assess their experience, abilities, and interests. Clients are then matched with available jobs, at no charge to client or employer.

SENIOR CITIZENS SERVICES, INC.
1750 Madison Ave.
Suite 350
Memphis, Tenn. 38104
(901) 726-0211
Buckner Wellford, President

SCS is a 26-year-old non-profit organization offering a wide variety of services to older Americans. The principle behind its services is that age should not be the sole criteria considered when determining needs or abilities. SCS has several senior employment programs, among them: Hire-A-Senior, an employment agency for anyone 55 and older; the Senior Community Service Employment Program, which provides part-time employment to those who meet the income guidelines of Title

V of the Older Americans Act; Project Power, which provides training in job search skills to anyone 55 and older who meets the requirements of the Job Training Partnership Act; and Project COPE (Computer Operation in Preparation for Employment), which provides computer skills training.

APPENDIX

Text of the Age Discrimination in Employment Act of 1967, as amended

Age Discrimination in Employment Act of 1967

Following is the text of the Age Discrimination in Employment Act of 1967, P.L. 90-202, effective June 12, 1968. The Act, codified as 29 U.S.C. 621 et seq., reads as amended by P.L. 95-256, effective April 6, 1978, except insofar as The Act specifies that a section will take effect at a later date; by Federal Reorganization Plan No. 1 of 1978, 92 Stat. 3781, 43 FR 19807; by P.L. 97-248, effective January 1, 1983; by P.L. 98-369, effective January 1, 1985; by P.L. 98-459, effective October 9, 1984; by P.L. 99-272, effective May 1, 1986; P.L. 99-592, effective January 1, 1987, and by P.L. 99-509, effective January 1, 1988. Bracketed citations refer to Title 29 of the United States Code.

STATEMENT OF FINDINGS AND PURPOSE

Sec. 2. [29 USC §621] (a) The Congress hereby finds and declares that—

(1) in the face of rising productivity and affluence, older workers find themselves disadvantaged in their efforts to retain employment, and especially to regain employment when displaced from jobs;

(2) the setting of arbitrary age limits regardless of potential for job performance has become a common practice, and certain otherwise desirable practices may work to the disadvantage of older persons;

(3) the incidence of unemployment, especially long-term unemployment with resultant deterioration of skill, morale, and employer acceptability is, relative to the younger ages, high among older workers; their numbers are great and growing; and their employment problems grave;

(4) the existence in industries affecting commerce of arbitrary discrimination in employment because of age burdens commerce and the free flow of goods in commerce.

(b) It is therefore the purpose of this Act to promote employment of older persons based on their ability rather than age; to prohibit arbitrary age discrimination in employment; to help employers and workers find ways of meeting problems arising from the impact of age on employment.

EDUCATION AND RESEARCH PROGRAM

Sec. 3. [§622] (a) The Secretary of Labor shall undertake studies and provide information to labor unions, management, and the general public concerning the needs and abilities of older workers, and their potentials for continued employment and contribution to the economy. In order to achieve the purposes of this Act, the Secretary of Labor shall carry on a continuing program of education and information, under which he may, among other measures:

(1) undertake research, and promote research, with a view to reducing barriers to the employment of older persons, and the promotion of measures for utilizing their skills;

(2) publish and otherwise make available to employers, professional societies, the various media of communication and other interested persons the findings of studies and other materials for the promotion of employment;

(3) foster, through the public employment service system and through cooperative effort, the development of facilities of public and private agencies for expanding the opportunities and potentials of older persons;

(4) sponsor and assist State and community informational and educational programs.

(b) Not later than six months after the effective date of this Act, the Secretary shall recommend to the Congress any measures he may deem desirable to change the lower or upper age limits set forth in section 12.

PROHIBITION OF AGE DISCRIMINATION

Sec. 4. [§623] (a) It shall be unlawful for an employer—

(1) to fail or refuse to hire or to discharge any individual or otherwise discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's age;

(2) to limit, segregate, or classify his employees in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's age; or

(3) to reduce the wage rate of any employee in order to comply with this Act.

(b) It shall be unlawful for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, any individual because of such individual's age, or to classify or refer for employment any individual on the basis of such individual's age.

(c) It shall be unlawful for a labor organization—

(1) to exclude or to expel from its membership or otherwise to discriminate against, any individual because of his age;

(2) to limit, segregate, or classify its membership, or to classify or fail or refuse to refer for employment any individual, in any way which would deprive or tend to deprive any individual of employment opportunities, or would limit such employment opportunities or otherwise adversely affect his status as an employee or as an applicant for employment, because of such individual's age;

(3) to cause or attempt to cause an employer to discriminate against an individual in violation of this section.

(d) It shall be unlawful for any employer to discriminate against any of his employees or applicants for employment, for an employment agency to discriminate against any individual, or for a labor organization to discriminate against any member thereof or applicant for membership, because such individual member, or applicant for membership, has opposed any practice made unlawful by this section, or because such individual, member, or applicant for membership has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or litigation under this Act.

(e) It shall be unlawful for an employer, labor organization, or employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to employment by such an employer or membership in or any classification or referral for employment by such a labor organization, or relating to any classification or referral for employment by such an employment agency, indicating any preference, limitation, specification, or discrimination, based on age.

(f) It shall not be unlawful for an employer, employment agency, or labor organization—

(1) to take any action otherwise prohibited under subsection (a), (b), (c), or (e) of this section where age is a bona fide occupational qualification reasonably necessary to the normal operation of the particular business, or where the differentiation is based on reasonable factors other than age or where such practices involve an employee in a workplace in a foreign country, and compliance with such subsections would cause such employer, or a corporation controlled by such employer, to violate the laws of the country in which such workplace is located;

(2) to observe the terms of a bona fide seniority system or any bona fide employee benefit plan such as retirement,

pension, or insurance plan, which is not a subterfuge to evade the purpose of this Act. except that no such employee benefit plan shall excuse the failure to hire any individual, and no such seniority system or employee benefit plan shall require or permit the involuntary retirement of any individual specified by section 12(a) of this Act because of the age of such individual.

(3) to discharge or otherwise discipline an individual for good cause.

[Editor's note: Section 4(f)(1) was amended to include the language on overseas employees by Public Law 98-459. effective October 9. 1984. Section 4(f)(2) was amended effective April 6. 1978. for employees under age 65. and effective January 1. 1979. for employees age 65 through 69. An exception to the effective date was made in the case of employees covered by a collective bargaining agreement in effect on September 1. 1977. which was entered into by a labor organization as defined by section 6(d)(4) of the 1938 Fair Labor Standards Act. and which would otherwise be prohibited by the 1978 amendments. For those employees. the exception was effective until the termination of the agreement or on January 1. 1980. whichever occurred first.]

(g)(1) For purposes of this section, any employer must provide that any employee aged 65 or older and any employee's spouse aged 65 or older shall be entitled to coverage under any group health plan offered to such employees under the same conditions as any employee, and the spouse of such employee under age 65.

(2) For purposes of paragraph (1), the term "group health plan" has the meaning given to such term in section 162(i)(2) of the Internal Revenue Code of 1954. [Section 4(g) was added by Section 116 of Public Law 97-248, effective January 1, 1983, and was amended by Section 2301(b) of Public Law 98-369 effective January 1, 1985, and by Section 9201(b) of Public Law 99-272, effective May 1, 1986. The most recent amendment removed an age-69 upper limit for health care coverage of employees and their spouses, effective May 1, 1986.]

[Editor's note: "Group health plan" is defined in Section 162(i)(2) of the Internal Revenue Code as "any plan of. or contributed to by. an employer to provide medical care . to his employees. former employees. or the families of such employees or former employees. directly or through insurance. reimbursement, or otherwise."]

(h)(1) If an employer controls a corporation whose place of incorporation is in a foreign country, any practice by such corporation prohibited under this section shall be presumed to be such practice by such employer.

(2) The prohibitions of this section shall not apply where the employer is a foreign person not controlled by an American employer.

(3) For the purpose of this subsection. the determination of whether an employer controls a corporation shall be based upon the —

(A) interrelation of operations.

(B) common management.

(C) centralized control of labor relations, and

(D) common ownership or financial control, of the employer and the corporation. [Sec. 4(h) was added by Public Law 98-459, effective October 9, 1984. Due to a drafting error in Public Law 98-459, the numbering of this section originally duplicated a preexisting section 4(g), which was added by earlier laws. A technical amendment in Public Law 99-272 corrected the error by redesignating this section as 4(h), effective May 1, 1986.]

(i)(1) Except as otherwise provided in this subsection, it shall be unlawful for an employer, an employment agency. a labor organization, or any combination thereof to establish or maintain an employee pension benefit plan which requires or permits—

(A) in the case of a defined benefit plan, the cessation of an employee's benefit accrual, or the reduction of the rate of an employee's benefit accrual, because of age, or

(B) in the case of a defined contribution plan, the cessation of allocations to an employee's account, or the reduction of the rate at which amounts are allocated to an employee's account, because of age.

(2) Nothing in this section shall be construed to prohibit an employer, employment agency, or labor organization from observing any provision of an employee pension benefit plan to the extent that such provision imposes (without regard to age) a limitation on the amount of benefits that the plan provides or a limitation on the number of years of service or years of participation which are taken into account for purposes of determining benefit accrual under the plan.

(3) In the case of any employee who, as of the end of any plan year under a defined benefit plan, has attained normal retirement age under such plan—

(A) if distribution of benefits under such plan with respect to such employee has commenced as of the end of such plan year, then any requirement of this subsection for continued accrual of benefits under such plan with respect to such employee during such plan year shall be treated as satisfied to the extent of the actuarial equivalent of in-service distribution of benefits, and

(B) if distribution of benefits under such plan with respect to such employee has not commenced as of the end of such year in accordance with section 206(a)(3) of the Employee Retirement Income Security Act of 1974 and section 401(a)(14)(C) of the Internal Revenue Code of 1986, and the payment of benefits under such plan with respect to such employee is not suspended during such plan year pursuant to section 203(a)(3)(B) of the Employee Retirement Income Security Act of 1974 or section 411(a)(3)(B) of the Internal Revenue Code of 1986, then any requirement of this subsection for continued accrual of benefits under such plan with respect to such employee during such plan year shall be treated as satisfied to the extent of any adjustment in the benefit payable under the plan during such plan year attributable to the delay in the distribution of benefits after the attainment of normal retirement age.

The provisions of this paragraph shall apply in accordance with regulations of the Secretary of the Treasury. Such regulations shall provide for the application of the preceding provisions of this paragraph to all employee pension benefit plans subject to this subsection and may provide for the application of such provisions, in the case of any such employee, with respect to any period of time within a plan year.

(4) Compliance with the requirements of this subsection with respect to an employee pension benefit plan shall constitute compliance with the requirements of this section relating to benefit accrual under such plan.

(5) Paragraph (1) shall not apply with respect to any employee who is a highly compensated employee (within the meaning of section 414(q) of the Internal Revenue Code of 1986) to the extent provided in regulations prescribed by the Secretary of the Treasury for purposes of precluding discrimination in favor of highly compensated employees within the meaning of subchapter D of chapter 1 of the Internal Revenue Code of 1986.

(6) A plan shall not be treated as failing to meet the requirements of paragraph (1) solely because the subsidized portion of any early retirement benefit is disregarded in determining benefit accruals.

(7) Any regulations prescribed by the Secretary of the Treasury pursuant to clause (v) of section 411(b)(1)(H) of the Internal Revenue Code of 1986 and subparagraphs (C) and (D) of section 411(b)(2) of such Code shall apply with respect to the requirements of this subsection in the same manner and to the same extent as such regulations apply with respect to the requirements of such sections 411(b)(1)(H) and 411(b)(2).

(8) A plan shall not be treated as failing to meet the requirements of this section solely because such plan provides a normal retirement age described in section 3(24)(B) of the Employee Retirement Income Security Act of 1974 and section 411(a)(8)(B) of the Internal Revenue Code of 1986.

(9) For purposes of this subsection—

(A) The terms "employee pension benefit plan", "defined benefit plan", "defined contribution plan", and "normal retirement age" have the meanings provided such terms in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002).

(B) The term "compensation" has the meaning provided by section 414(s) of the Internal Revenue Code of 1986. [Added by Section 9201 of Public Law 99-509, effective with respect to plan years starting on or after January 1, 1988. For collectively bargained plans, it is effective on the earlier of (1) January 1, 1990 or (2) the later of January 1, 1988 or the expiration date of the last contract. EEOC is required to issue final regulations on Section 4(i) before February 1, 1988.]

[Editor's note: Both the previous section and the following section were designated as Section 4(i) by the language of the public laws that added them.]

(i) It shall not be unlawful for an employer which is a State, a political subdivision of a State, an agency or instrumentality of a State or a political subdivision of a State, or an interstate agency to fail refuse to hire or to discharge any individual because of such individual's age if such action is taken—

(1) with respect to the employment of an individual as a firefighter or as a law enforcement officer and the individual has attained the age of hiring or retirement in effect under applicable State or local law on March 3, 1983, and

(2) pursuant to a bona fide hiring or retirement plan that is not a subterfuge to evade the purposes of this Act. [The preceding section was added by Public Law 99-592, effective January 1, 1987, through December 31, 1993. It does not apply to any causes of action arising under ADEA as in effect before January 1, 1987. Section 5 of Public Law 99-592 directed EEOC and the Labor Department to conduct a study and make recommendations on the use of physical and mental fitness tests to measure the ability and competence of police officers and firefighters. In addition, by November, 1991, EEOC must propose guidelines for the administration and use of such tests.]

STUDY BY SECRETARY OF LABOR

Sec. 5(a)(1). [§624(a)(1)] The Secretary of Labor is directed to undertake an appropriate study of institutional and other arrangements giving rise to involuntary retirement, and report his findings and any appropriate legislative recommendations to the President and to the Congress. Such study shall include—

(A) an examination of the effect of the amendment made by section 3(a) of the Age Discrimination in Employment Act Amendments of 1978 in raising the upper age limitation established by section 12(a) of this Act to 70 years of age;

(B) a determination of the feasibility of eliminating such limitation;

(C) a determination of the feasibility of raising such limitation above 70 years of age; and

(D) an examination of the effect of the exemption contained in section 12(c), relating to certain executive employees, and the exemption contained in section 12(d), relating to tenured teaching personnel.

(2) The Secretary may undertake the study required by paragraph (1) of this subsection directly or by contract or other arrangement.

(b) The report required by subsection (a) of this section, shall be transmitted to the President and to the Congress as an interim report not later than January 1, 1981, and in final form not later than January 1, 1982.

[1978 Amendments: Subsections (A), (B), (C), and (D) were added to redesignated Section 5(a)(1), formerly Section 5 of the Act. Subsections (2) and (b) were also added to provide for a study of the effects of the 1978 Amendments.]

ADMINISTRATION

Sec. 6. [§625] The Secretary shall have the power—

(a) to make delegations, to appoint such agents and employees, and to pay for technical assistance on a fee-for-service basis, as he deems necessary to assist him in the performance of his functions under this Act;

(b) to cooperate with regional, State, local, and other agencies, and to cooperate with and furnish technical assistance to employers, labor organizations, and employment agencies to aid in effectuating the purposes of this Act.

RECORDKEEPING, INVESTIGATION, AND ENFORCEMENT

Sec. 7. [§626] (a) The Equal Employment Opportunity Commission shall have the power to make investigations and require the keeping of records necessary or appropriate for the administration of this Act in accordance with the powers and procedures provided in sections 9 and 11 of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 209 and 211).

(b) The provisions of this Act shall be enforced in accordance with the powers, remedies, and procedures provided in sections 11(b), 16 (except for subsection (a) thereof), and 17 of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 211(b), 216, 217) and subsection (c) of this section. Any act prohibited under section 4 of this Act shall be deemed to be a prohibited act under section 15 of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 215). Amounts owing to an individual as a result of a violation of this Act shall be deemed to be unpaid minimum wages or unpaid overtime compensation for purposes of sections 16 and 17 of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 216, 217): Provided, that liquidated damages shall be payable only in cases of willful violations of this Act. In any action brought to enforce this Act the court shall have jurisdiction to grant such legal or equitable relief as may be appropriate to effectuate the purposes of this Act, including without limitation judgments compelling employment, reinstatement or promotion, or enforcing the liability for amounts deemed to be unpaid minimum wages or unpaid overtime compensation under this section. Before instituting any action under this section, the Equal Employment Opportunity Commission shall attempt to eliminate the discriminatory practice or practices alleged, and to effect voluntary compliance with the requirements of this Act through informal methods of conciliation, conference, and persuasion.

(c)(1) Any person aggrieved may bring a civil action in any court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this Act: Provided, that the right of any person to bring such action shall terminate upon the commencement of an action by the Equal Employment Opportunity Commission to enforce the right of such person under this Act.

(2) In an action brought under paragraph (1), a person shall be entitled to a trial by jury of any issue of fact in any such action for recovery of amounts owing as a result of a violation of this Act, regardless of whether equitable relief is sought by any party in such action.

[1978 Amendments: Section 7(c) was redesignated Section 7(c)(1) and was amended to include subsection (2), entitling persons to a jury trial on issues of fact.]

(d) No civil action may be commenced by an individual under this section until 60 days after a charge alleging unlawful discrimination has been filed with the Equal Employment Opportunity Commission. Such a charge shall be filed—

(1) within 180 days after the alleged unlawful practice occurred; or

(2) in a case to which section 14(b) applies, within 300 days after the alleged unlawful practice occurred, or within 30 days after receipt by the individual of notice of termination of proceedings under State law, whichever is earlier.

Upon receiving such a charge, the Commission shall promptly notify all persons named in such charge as prospective defendants in the action and shall promptly seek to eliminate any alleged unlawful practice by informal methods of conciliation, conference, and persuasion.

[1978 Amendments: Section 7(d) was amended to substitute the filing of a charge, rather than notice of intent to sue, with the Secretary. Section 7(d)(1) takes effect with respect to civil actions brought after the date of enactment of the Amendments.]

(e)(1) Sections 6 and 10 of the Portal-to-Portal Act of 1947 shall apply to actions under this Act.

(2) For the period during which the Equal Employment Opportunity Commission is attempting to effect voluntary compliance with requirements of this Act through informal methods of conciliation, conference, and persuasion pursuant to subsection (b), the statute of limitations as provided in section 6 of the Portal-to-Portal Act of 1947 shall be tolled, but in no event for a period in excess of one year.

[1978 Amendments: Section 7(e) was redesignated Section 7(e)(1) and was amended to include subsection (2). Section 7(e)(2) applies to conciliations commenced by the Secretary of Labor after the date of enactment of the Amendments.]

NOTICES TO BE POSTED

Sec. 8. [§627] Every employer, employment agency, and labor organization shall post and keep posted in conspicuous places upon its premises a notice to be prepared or approved by the Equal Employment Opportunity Commission setting forth information as the Commission deems appropriate to effectuate the purposes of this Act.

RULES AND REGULATIONS

Sec. 9. [§628] In accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, the Equal Employment Opportunity Commission may issue such rules and regulations as it may consider necessary or appropriate for carrying out this Act, and may establish such reasonable exemptions to and from any or all provisions of this Act as it may find necessary and proper in the public interest.

CRIMINAL PENALTIES

Sec. 10. [§629] Whoever shall forcibly resist, oppose, impede, intimidate, or interfere with a duly authorized representative of the Equal Employment Opportunity Commission while it is engaged in the performance of duties under this Act shall be punished by a fine of not more than $500 or by imprisonment for not more than one year, or by both: Provided, however, that no person shall be imprisoned under this section except when there has been a prior conviction hereunder.

DEFINITIONS

Sec. 11. [§630] For the purposes of this Act—

(a) The term "person" means one or more individuals, partnerships, associations, labor organizations, corporations, business trusts, legal representatives, or any organized groups of persons.

(b) The term "employer" means a person engaged in an industry affecting commerce who has twenty or more employees for each working day in each of twenty or more calendar weeks in the current or preceding calendar year: Provided, that prior to June 30, 1968, employers having fewer than fifty employees shall not be considered employers. The term also means (1) any agent of such a person, and (2) a State or political subdivision of a State and any agency or instrumentality of a State or a political subdivision of a State, and any interstate agency but such term does not include the United States, or a corporation wholly owned by the Government of the United States. [As amended effective May 1, 1974.]

(c) The term "employment agency" means any person regularly undertaking with or without compensation to procure employees for an employer and includes an agent of such a person; but shall not include an agency of the United States. [As amended effective May 1, 1974]

(d) The term "labor organization" means a labor organization engaged in an industry affecting commerce, and any agent of such an organization, and includes any organization of any kind, any agency, or employee representation committee, group, association, or plan so engaged in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment, and any conference, general committee, joint or system board, or joint council so engaged which is subordinate to a national or international labor organization.

(e) A labor organization shall be deemed to be engaged in an industry affecting commerce if (1) it maintains or operates a hiring hall or hiring office which procures employees for an employer or procures for employees opportunities to work for an employer, or (2) the number of its members (or, where it is a labor organization composed of other labor organizations or their representatives, if the aggregate number of the members of such other labor organization) is fifty or more prior to July 1, 1968, or twenty-five or more on or after July 1, 1968, and such labor organization—

(1) is the certified representative of employees under the provisions of the National Labor Relations Act, as amended, or the Railway Labor Act, as amended; or

(2) although not certified, is a national or international labor organization or a local labor organization recognized or acting as the representative of employees of an employer or employers engaged in an industry affecting commerce; or

(3) has chartered a local labor organization or subsidiary body which is representing or actively seeking to represent employees of employers within the meaning of paragraph (1) or (2); or

(4) has been chartered by a labor organization representing or actively seeking to represent employees within the meaning of paragraph (1) or (2) as the local or subordinate body through which such employees may enjoy membership or become affiliated with such labor organization; or

(5) is a conference, general committee, joint or system board or joint council subordinate to a national or international labor organization, which includes a labor organization engaged in an industry affecting commerce within the meaning of any of the preceding paragraphs of this subsection.

(f) The term "employee" means an individual employed by an employer except that the term "employee" shall not include any person elected to public office in any State or political subdivision of any State by the qualified voters thereof, or any person chosen by such officer to be on such officer's personal staff, or an appointee on the policy-making level or an immediate adviser with respect to the exercise of the constitutional or legal powers of the office. The exemption set forth in the preceding sentence shall not include employees subject to the civil service laws of a State government, governmental agency, or political subdivision. The term "employee" includes any individual who is a citizen of the United States employed by an employer in a workplace in a foreign country. [As amended by Pub. L. 98-459, effective Oct. 9, 1984]

(g) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any place outside thereof; or within the District of Columbia, or a possession of the United States, or between points in the same State but through a point outside thereof.

(h) The term "industry affecting commerce" means any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce and includes any activity or industry "affecting commerce" within the meaning of the Labor-Management Reporting and Disclosure Act of 1959.

(i) The term "State" includes a State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and Outer Continental Shelf Lands defined in the Outer Continental Shelf Lands Act.

(j) The term "firefighter" means an employee, the duties of whose position are primarily to perform work directly connected with the control and extinguishment of fires or the maintenance and use of firefighting apparatus and equipment, including an employee engaged in this activity who is transferred to a supervisory or administrative position.

(k) The term "law enforcement officer" means an employee, the duties of whose position are primarily the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of a State, including an employee engaged in this activity who is transferred to a supervisory or administration position. For the purpose of this subsection, "detention" includes the duties of employees assigned to guard individuals incarcerated in any penal institution. [Sections 11(j) and (k) were added by Public Law 99-592, effective January 1, 1987, but do not apply to any causes of action arising under ADEA as in effect before January 1, 1987.]

LIMITATION

Sec. 12. [§631] (a) The prohibitions in this Act (except the provisions of 4(g)) shall be limited to individuals who are at least 40 years of age. [As last amended by P.L. 99-592, effective January 1, 1987]

(b) In the case of any personnel action affecting employees or applicants for employment which is subject to the provisions of section 15 of this Act, the prohibitions established in section 15 of this Act shall be limited to individuals who are at least 40 years of age.

(c)(1) Nothing in this Act shall be construed to prohibit compulsory retirement of any employee who has attained 65 years of age, and who, for the two-year period immediately before retirement, is employed in a bona fide executive or a high policymaking position, if such employee is entitled to an immediate nonforfeitable annual retirement benefit from a pension, profitsharing, savings, or deferred compensation plan, or any combination of such plans, of the employer of such employee, which equals, in aggregate, at least $44,000. [As last amended by Public Law 99-592, effective January 1, 1987]

(2) In applying the retirement benefit test of paragraph (1) of this subsection, if any such retirement benefit is in a form other than a straight life annuity (with no ancillary benefits), or if employees contribute to any such plan or make rollover contributions, such benefit shall be adjusted in accordance with regulations prescribed by the Equal Employment Opportunity Commission, after consultation with the Secretary of the Treasury, so that the benefit is the equivalent of a straight life annuity (with no ancillary benefits) under a plan to which employees do not contribute and under which no rollover contributions are made.

(d) Nothing in this Act shall be construed to prohibit compulsory retirement of any employee who has attained 70 years of age, and who is serving under a contract of unlimited tenure (or similar arrangement providing for unlimited tenure) at an institution of higher education (as defined by section 1201(a) of the Higher Education Act of 1965). [Added by Public Law 99-592, effective January 1, 1987 through December 31, 1993. Section 6 of Public Law 99-592 required EEOC to arrange for a study to analyze the potential consequences of eliminating mandatory retirement on institutions of higher education.]

[**1978 Amendments:** Section 12 was amended to raise the age of coverage of the Act from 65 to 70 and to provide for exemptions from coverage for certain executive employees and tenured teaching personnel. Sections 12(a), (c), and (d) took effect on January 1, 1979. Section 12(b) took effect on September 30, 1978. Section 12(d), permitting compulsory retirement of tenured employees in higher education, was repealed, effective July 1, 1982.]

[**1984 Amendments:** Section 12(c) was amended by Public Law 98-459, effective October 9, 1984, to raise the amount of annual retirement benefits necessary to permit compulsory retirement of high-level executives from $27,000 to $44,000.]

[**1986 Amendments:** Section 12(a) was amended by Public Law 99-272, effective May 1, 1986, to specify that the then-effective age-70 upper limit for coverage under the Act did not apply to the provisions of Section 4(g) (relating to group health plan coverage).]

[**1987 Amendments:** Section 12(a) and 12(c) were amended by Public Law 99-592, effective January 1, 1987, to remove the age-70 upper limit on coverage under the Act. Section 12(d) was also added by Public Law 99-592, to establish a seven-year exemption from the ban on mandatory retirement for tenured college professors aged 70 and older. An exception to the January 1, 1987, effective date was made in the case of employees covered by a collective bargaining agreement which was in effect on June 30, 1986, which terminates after January 1, 1987, which was entered into by a labor organization as defined by section 6(d) of the Fair Labor Standards Act, and which would otherwise be prohibited by the 1987 amendments. For those employees, the 1987 amendments do not apply until the agreement terminates or January 1, 1990, whichever occurs first.]

ANNUAL REPORT

Sec. 13. [§632] The Equal Employment Opportunity Commission shall submit annually in January a report to the Congress covering its activities for the preceding year and including such information, data, and recommendations for further legislation in connection with the matters covered by this Act as it may find advisable. Such report shall contain an evaluation and appraisal by the Commission of the effect of the minimum and maximum ages established by this Act, together with its recommendation to the Congress. In making such evaluation and appraisal, the Commission shall take into consideration any changes which may have occurred in the general age level of the population, the effect of the Act upon workers not covered by its provisions, and such other factors as it may deem pertinent.

FEDERAL-STATE RELATIONSHIP

Sec. 14. [§633] (a) Nothing in this Act shall affect the jurisdiction of any agency of any State performing like functions with regard to discriminatory employment practices on account of age except that upon commencement of an action under this Act such action shall supersede any State action.

(b) In the case of an alleged unlawful practice occurring in a State which has a law prohibiting discrimination in employment because of age and establishing or authorizing a State authority to grant or seek relief from such discriminatory practice, no suit may be brought under section 7 of this Act before the expiration of sixty days after proceedings have been commenced under the State law, unless such proceedings have been earlier terminated, provided that such sixty-day period shall be extended to one hundred and twenty days during the first year after the effective date of such State law. If any requirement for the commencement of such proceedings is imposed by a State authority other than a requirement of the filing of a written and signed statement of the facts upon which the proceeding is based, the proceeding is based. the proceeding shall be deemed to have been commenced for the purposes of this subsection at the time such statement is sent by registered mail to the appropriate State authority.

NONDISCRIMINATION ON ACCOUNT OF AGE IN FEDERAL GOVERNMENT EMPLOYMENT

Sec. 15. [§633a] (a) All personnel actions affecting employees or applicants for employment who are at least 40 years of age (except personnel actions with regard to aliens employed outside the limits of the United States) in military departments as defined in section 102 of title 5, United States Code, in executive agencies as defined in section 105 of title 5, United States Code (including employees and applicants for employment who are paid from non-appropriated funds), in the United States Postal Service and the Postal Rate Commission, in those units in the government of the District of Columbia having positions in the competitive service, and in those units of the legislative and judicial branches of the Federal Government having positions in the competitive service, and in the Library of Congress shall be made free from any discrimination based on age.

(b) Except as otherwise provided in this subsection, the Equal Employment Opportunity Commission is authorized to enforce the provisions of subsection (a) through appropriate remedies, including reinstatement or hiring of employees with or without backpay, as will effectuate the policies of this section. The Equal Employment Opportunity Commission shall issue such rules, regulations, orders, and instructions as it deems necessary and appropriate to carry out its responsibilities under this section. The Equal Employment Opportunity Commission shall—

(1) be responsible for the review and evaluation of the operation of all agency programs designed to carry out the policy of this section, periodically obtaining and publishing (on at least a semiannual basis) progress reports from each department, agency, or unit referred to in subsection (a);

(2) consult with and solicit the recommendations of interested individuals, groups, and organizations relating to non-discrimination in employment on account of age; and

(3) provide for the acceptance and processing of complaints of discrimination in Federal employment on account of age. The head of each such department, agency or unit shall comply with such rules, regulations, orders, and instructions of the Equal Employment Opportunity Commission which shall include a provision that an employee or applicant for employment shall be notified of any final action taken on any complaint or discrimination filed by him thereunder. Reasonable exemptions to the provisions of this section may be established by the Commission but only when the Commission has established a maximum age requirement on the basis of a determination that age is a bona fide occupational qualification necessary to the performance of the duties of the position. With respect to employment in the Library of Congress, authorities granted in this subsection to the Equal Employment Opportunity Commission shall be exercised by the Librarian of Congress.

(c) Any person aggrieved may bring a civil action in any Federal district court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this Act.

(d) When the individual has not filed a complaint concerning age discrimination with the Commission, no civil action may be commenced by any individual under this section until the individual has given the Commission not less than thirty days' notice of an intent to file such action. Such notice shall be filed within one hundred and eighty days after the alleged unlawful practice occurred. Upon receiving a notice of intent to sue, the Commission shall promptly notify all persons named therein as prospective defendants in the action and take any appropriate action to assure the elimination of any unlawful practice.

(e) Nothing contained in this section shall relieve any Government agency or official of the responsibility to assure non-discrimination on account of age in employment as required under any provision of Federal law.

(f) Any personnel action of any department, agency, or other entity referred to in subsection (a) of this section shall not be subject to, or affected by, any provision of this Act, other than the provisions of section 12(b) of this Act and the provisions of this section.

(g)(1) The Equal Employment Opportunity Commission shall undertake a study relating to the effects of the amendments made to this section by the Age Discrimination in Employment Act Amendments of 1978, and the effects of section 12(b) of this Act, as added by the Age Discrimination in Employment Act Amendments of 1978.

(2) The Equal Employment Opportunity Commission shall transmit a report to the President and to the Congress containing the findings of the Commission resulting from the study of the Commission under paragraph (1) of this subsection. Such report shall be transmitted no later than January 1, 1980.

[1978 Amendments: Section 15(a) was amended to add the phrase "who are at least 40 years of age" after "All personnel actions affecting employees or applicants for employment" and to add the phrase "personnel actions" after "except." Subsections (f) and (g) were added to Section 15. Subsection (f) took effect on September 30, 1978. Subsection (g) took effect on the date of enactment of the Amendments.]

EFFECTIVE DATE

Sec. 16. This Act shall become effective one hundred and eighty days after enactment (except (a) that the Secretary of Labor may extend the delay in effective date of any provision of this Act up to an additional ninety days thereafter if he finds that such time is necessary in permitting adjustments to the provisions hereof, and (b) that on or after the date of enactment the Secretary of Labor is authorized to issue such rules and regulations as may be necessary to carry out its provisions).

APPROPRIATIONS

Sec. 17. [§634] There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act.

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ABSTRACT

This report examines the issues surrounding working fathers and the changing expectations of fatherhood that are creating the necessity for changes in the workplace. Issues examined include the following: (1) fathers are torn between employers expecting super employees and mothers expecting super fathers; (2) a few companies are taking note of the needs of fathers and are making policy changes to ease the conflict; (3) although more companies have paternity leave today, few fathers take advantage of more than a few days of it; (4) more fathers are taking a little time off around the birth of a child; (5) employees would like flexible time arrangements to provide a better balance between work and home life; and (6) awareness has grown, but a revolution in work policies is not expected. The report contains case studies of four companies that are especially sensitive to the needs of working fathers, explaining how their policies have been implemented. An appendix summarizes results of Catalyst's survey on policies for fathers. A 30-item bibliography concludes the document. (KC)

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INTRODUCTION

You've heard it all before:

The employee needs the day off to stay home with a sick child.

The employee needs the morning off to attend a child's school play.

The employee needs to leave at 5 p.m. on the dot to make it home in time to relieve the babysitter.

And, finally...The employee wants to work part-time for a few years while the children are young, so they do not spend so much time in the care of a substitute parent.

Yes, you've heard it all before. The only difference is, the employee is a man.

Expected by employer to be superemployee and expected by Mom to be superdad, it is no wonder that fathers of the 1980s—like their female counterparts—are feeling torn in both directions, and stressed out in the middle.

Gone are the days of Ozzie and Harriet when Mom was at home running the household and Dad brought home the bacon, had dinner (sometimes) with the family, and then relaxed while Mom cleaned up the kitchen and put the kids to bed.

With only 3.7 percent of American families today made up of a working father and stay-at-home mother, and more than half of all women with children younger than six in the workforce, the scenario is more likely to be: Both Mom and Dad rushing home to get dinner on the table, "quality time" worked in, and bath and bedtime for the kids, before Mom and Dad collapse, exhausted from another day of trying to make it through work and family demands.

Fathers Are Torn

So where has all this left Dad? Expected by employer to be superemployee and expected by Mom to be superdad, it is no wonder that fathers of the 1980s—like their female counterparts—are feeling torn in both directions, and stressed out in the middle.

But unlike the working mother, who stirs up sympathetic images of a woman trying to be all things to all people in her life, the working father evokes no such sympathetic images. People expect a father to work, and now more and more people expect the father to be intimately involved in his children's lives. Perhaps more significantly, the father himself now often wants to be more involved with his children and is not willing to give that up for the sake of his work.

People expect a father to work, and now more and more people expect the father to be intimately involved in his children's lives.

"My main bottom line is, it's an evolution, not a revolution....But there has been a gradual increase in men's participation in their children's lives. There is no men's movement, or father's movement, comparable to the women's movement...But that doesn't mean nothing's happening," said James Levine, director of the Fatherhood Project at Bank Street College of Education in New York.

A smattering of fatherhood seminars, a small increase in the number of men taking parental leave, and a lot of talk are indications that many men are beginning to question their traditional working role, experts told BNA.

In this report, BNA interviewed experts on changes affecting work, family, and fathers today. The report also looks at four employers that are paying attention to the fathers in their work force: Merck & Co., NCNB Corp., the Los Angeles Department of Water and Power, and Du Pont Co.

Appendix materials for this report are "Policies for Fathers," reprinted by permission of Catalyst from the report, *The Corporate Guide to Parental Leaves*, and a bibliography of related articles.

This special report is the 18th in a series produced by the BNA Special Projects Unit. Drew Douglas, managing editor for special projects, coordinated the report. Publishing consultant Marcy Swerdlin wrote this report. Staff editor Steven Teske served as copy editor. Staff researcher Loretta Kotzin served as production editor. Karen Cargill, editorial assistant in the Special Projects unit, and Marilyn M. Bromley, online services librarian in the BNA Library, prepared the bibliography.

FATHERHOOD 1989

If we have this same discussion [about the working father] 10 years from now, it's hardly going to seem like a revolution took place, but it's not going to seem as newsworthy as it does now.

—James Levine, Director, Fatherhood Project

On the last Father's Day in the 1980s, many young fathers are redefining their role vis-a-vis their work and their family, and companies are just beginning to examine the issue of accommodating fathers.

"Fathers still define themselves primarily in the family as the provider," but in addition they're saying they want to be with the kids, said Stephen Segal, president of Family Partners, a Philadelphia firm developing products for working families. Mothers still see themselves "by and large as responsible for the home, but in addition, they're saying, 'I want to work.' Both are moving, in different directions, toward the center."

"Fathers still define themselves primarily in the family as the provider," but in addition they're saying they want to be with the kids...

From 1981 to 1985, Segal's former company, Resources for Parents at Work, conducted seminars for working parents that drew several thousand people. Such firms as Bankers Trust Co., Exxon, and Philip Morris hired Segal to do in-house training programs for men and women focusing on particular ages of children and the problems facing parents. A special session was offered for fathers only.

Awareness, Not Action

"My own perspective is that while there's been a tremendous amount of awareness around working parents...the awareness by and large has not translated into practice yet," Segal said.

"Both fathers and mothers want to be involved significantly on both fronts [work and family]. The desire is there...But the kinds of support in terms of social and psychological support that are required, by and large are not there," Segal said.

"Fathers are connecting with their kids, their young kids, in a stronger way, and there are expectations for them to connect in a stronger way than their fathers had, and that sets up the conflicts for the father as he moves through his career," said Segal, who has three children, ages 14, 12 and 8. He worked part-time until his eldest was 5.

The issues, he said, become fitting the expectations men shouldn't get too involved with their kids with a feeling that their first responsibility is to the family. All of this adds up to conflicts with work, Segal said, because it's "not altogether socially acceptable for men to stay home when their kids are sick and such."

Companies Taking Note

Companies increasingly are thinking about working fathers, according to Levine of the Fatherhood Project. In the last three months, for example, he has done seminars on fatherhood for Time Inc., American Express and Ortho Pharmaceutical.

In the seminars, which Levine said are a good first step toward understanding the working father issue, he sometimes does exercises to help participants examine their own lives as working fathers.

There's the guilt issue: "We tend to think working moms have a monopoly on guilt, but it's not true," said Levine, the father of two children ages 18 and 14.

Fathers want to be with their kids, but they're feeling "tremendous pressure" at work, he said. "They're feeling that they're repeating the same pattern of their own fathers, not being around enough." On top of that, "they're feeling pressure from their wives to get involved with their children, but 'do it my way.' "

The Fatherhood Project, formed in 1981, conducts research and seminars on fatherhood and acts as a national clearinghouse on the issue. It currently is updating its 1984 book, *Fatherhood U.S.A.: The First National Guide to Programs, Services, and Resources For and About Fathers*. The new resource guide should be published later this year, Levine said.

"A large part of my role is to get people to discuss these things openly, so that men who might not be talking about these things see that others are," Levine said.

All of this adds up to conflicts with work, Segal said, because it's "not altogether socially acceptable for men to stay home when their kids are sick and such."

Very Early Stages

Some companies are in the "very early stages" of thinking about the impact of work and family concerns on their male employees. "Most attempts at family-friendly policies have been aimed at women. Companies are just starting to realize that there are guys in this position too," Levine said. And sometimes it's "the guy in the high position who is feeling it personally."

Flexible benefit plans at most companies are open to men as well as women. But what needs to be studied is what keeps men from using these policies, Levine said. According to Levine, no national numbers exist on how many men take advantage of flextime, part-time work or any of the other flexible work arrangements.

Barney Olmsted, co-director of the San Francisco-based New Ways to Work, said it seems more men are using alternative work schedules and taking some time off around the birth of a child than in the past. A generation ago, she said, men did not stay home when their children were born. "It never would have occurred to me or my friends that that was even possible."

... it seems more men are using alternative work schedules and taking some time off around the birth of a child than in the past. A generation ago... men did not stay home when their children were born.

But today Olmsted said she's convinced more men will take paternity leave if it is offered. "It will top off at some point," she said, but to get the ball rolling, "they need a few role models."

Men Not Immune

"Men are not immune to the problems associated with combining work and family life," according to a research paper recently presented by Ellen Galinsky and Dana Friedman, co-presidents of the Families and Work Institute. More than half of working men have wives who work, and working parents comprise about 40 percent of the workforce, Galinsky and Friedman said.

They cited a study done by AT&T that found that, among employees with children under 18, 73 percent of the men and 77 percent of women had dealt with family issues while at work. AT&T also found that 25 percent of the men and 48 percent of the women spent "unproductive time at work because of child care issues."

Men also are participating more in housework, according to other studies cited by Galinsky and Friedman. One study, for example, found that men were doing 30 percent of the work in 1986, up from 20 percent in 1980. Another found that 53 percent of the men with children aged six to 12, compared with 62 percent of the women, said they shared child care responsibilities equally. Yet another study found that 36 percent of men and 46 percent of women using out-of-home child care reported stress associated with that care.

A paper on child care and productivity prepared by Galinsky in March for the Child Care Action Campaign said women at the highest and lowest job levels had the most work/family conflicts, while "for men, the lower the income, the more likely they were to have conflict. Likewise, studies have found that lower paid employees, particularly men, are more likely to have child care related absenteeism."

A possible explanation for this is that men in lower-income families take on more child care responsibilities, Galinsky said.

Supervisor Sensitivity

Another issue experts point to is the need for supervisors to be sensitive to work and family conflicts. Research by Bank Street College has found that "having a non-supportive supervisor is predictive of greater work/family conflict," according to Galinsky.

For a long time, women thought that women had to be the solution to work and family issues, according to Fran Rodgers, president of Massachusetts-based Work/Family Directions. But now there is much more balancing and sharing between men and women of family responsibilities.

Many men are joining women in beginning to seek a balance between work and family responsibilities, Rodgers said. They don't want to work overtime, they don't want to relocate, and they don't want their performance measured in terms of hours put in on the job. "The intensity of the feelings is greater for women, but they're there for both" men and women, she said.

Progressive companies are providing the same flexible benefits for men and women, Rodgers said. Whether the corporate culture has reached the point where men can really take advantage of the policies often "depends on your boss or your unit."

There is a "little bit more pressure" from men to see changes made for family reasons, Rodgers said, but overall there is a "huge difference" between the family man 35 or younger and his older colleagues.

A Different Generation

Some men want to pare down their 60-hour weeks to more manageable 30- or 40-hour weeks. For both men and women, "part-time work is probably the major thing that needs to happen," Burud said.

"This generation is a different kind of male," according to Sandra Burud, president of Burud & Associates, Inc., a child care benefits consulting firm in Pasadena, Calif. Fathers today "want to be more involved with their children." And as their wives start to earn more, the men will be able to afford to do this. "That will determine it," Burud said.

But it still is "not safe for men to talk about their desires" when it comes to work and family concerns, Burud said. Some men want to pare down their 60-hour weeks to more manageable 30- or 40-hour weeks. For both men and women, "part-time work is probably the major thing that needs to happen," Burud said.

Burud sees men getting more involved in child care, both at home and in transporting their children to day care. "As more companies have child care centers, it's becoming more often that men are taking their kids" back and forth, she said.

Information and referral services are especially good for helping men to get involved, Burud said. Also helpful are support groups and consulting services through employee assistance plans. "Men are having a difficult time making the switch from breadwinner" to being a dad of the '80s, "just like women are having trouble with switching their roles," Burud said.

Not Just A Women's Issue

Balancing work and family responsibilities is becoming a total work force issue, not just a women's issue, Burud said.

Carol Ann Rudolph, president of Child Care Management Resources, a Bethesda, Md.-based consulting firm, sees increasing similarities between men and women in the work and family area.

Men are spending more time with their kids, and men and women are sharing the time they're staying home with sick children, she said. More men are taking their children to the pediatrician, and more are handling the transportation to and from day care centers, she said. But when child care arrangements break down, it still is the woman who misses work more often than the man, Rudolph said.

Men as well as women want to be able to work at home and have flexible hours, although men don't seem to be as interested in part-time work as women do, according to Rudolph. Then again, men, especially those in top positions, probably have always had more flexibility in their jobs than the female secretary who has less job security, she said.

Isolated Cases

Another authority, Patricia Divine Hawkins, child care specialist with the U.S. Department of Health and Human Services, sees the father issue being addressed by companies in only a few isolated cases.

There are the anecdotes—her stockbroker took a month paternity leave and worked some at home during that time—but overall, she said, "I don't see it."

While "fathers are becoming more interested in having fatherhood become a major part of their daily lives, I don't see the corporate atmosphere that is amenable to it," Hawkins said. "You either have to be in a very senior position where you can call your own shots, or be a specialist" like the stockbroker.

While "fathers are becoming more interested in having fatherhood become a major part of their daily lives, I don't see the corporate atmosphere that is amenable to it...You either have to be in a very senior position where you can call your own shots, or be a specialist" like the stockbroker.

Companies are starting to give men and women equal treatment in terms of flexible policies, but "very few offer maternity leave, and even fewer offer paternity leave," she said. "The attitudes I hear young men expressing are more of a kind of an awakening period...there's not much happening."

But according to Levine, "fathers are being brought into the discussion in a serious way. That will unfold in a much more serious way in the 1990s."

Parental Leave

Two small-scale studies of parents, one in fall 1987 and the other one year later, found that the number of fathers taking time off from work following the birth of a child is increasing.

In the first study, which queried 40 mothers of preschool children, 55 percent said their husbands had taken time off from work, averaging 5.6 working days, when their last child was born. A year later, when 44 fathers of preschool children were surveyed, 93 percent of the fathers said they had taken off an average 6.6 days after the birth of their child.

These studies were conducted by Joseph Pleck, Henry Luce professor of families, change and society at Wheaton College in Norton, Mass. Pleck said he plans to follow up the studies with a spring 1990 survey of fathers closer to the time their children are born. This survey, like his other two, will be conducted in the southeastern Massachusetts area.

Two small-scale studies of parents... found that the number of fathers taking time off from work following the birth of a child is increasing.

"My overall conclusion is that the message about paternity leave...is that while there is a relatively large number of companies with paternity leave, hardly any fathers take advantage of it," Pleck said.

Short-Term Leave Prevalent

"At the same time, quite a large proportion of fathers are taking short amounts of time off at the time of the birth of their children."

To some extent, Pleck said, they can do this because they have sick and vacation time available. "The reality is that for a lot of workers who don't schedule their own days off, taking a sick day is kind of a big deal," Pleck said.

In fact, in his fall 1987 survey, 14 percent of the mothers reported that the fathers had taken some paid sick days, and 28 percent said some had taken paid vacation after the birth of their children. Pleck did not ask this question in his 1988 survey.

Instead, men usually take off a day or two upon the birth of a child and call the time vacation, personal, or family crisis leave, according to Catalyst.

Leave Not Publicized

The last national study of paternity leave, published by Catalyst in 1986, showed that 114 firms, or 37 percent of 384 surveyed, offered unpaid leave for new fathers. But, Catalyst found, 90 percent of the companies offering this benefit called it personal leave and did not publicize its availability for new fathers.

In addition, as pointed out by Pleck and other experts, Catalyst found that "very few men" use parental leave. Instead, men usually take off a day or two upon the birth of a child and call the time vacation, personal, or family crisis leave, according to Catalyst.

The research organization suggested several reasons for this, including that the availability of parental leave may not be made clear to employees; that men aren't sure how they could care for a new baby; and that men often fear that taking parental leave could hurt their careers.

When Catalyst asked the companies how much parental leave was "reasonable" for men to take, 62.8 percent said none, and 17.4 percent said no more than two weeks.

A similar survey done today would find even more companies offering parental leave to fathers, Pleck said, and "My sense is that's going to increase."

Company Size Determines Policy

The bigger the company, the more likely it is to offer parental leave, Pleck said. If you looked at the Dow 30, for example, it would be 100 percent, and if you looked at the Fortune 500, it would be maybe 80 percent, Pleck said. "But as the company gets smaller," the less likely it will be to offer parental leave to fathers.

His "overall conclusion is that surprisingly, although longer kinds of leave are offered, a large proportion of fathers, in a very sort of quiet and underground way, are taking short periods of time off following the birth of a child."

"Short periods of time off, that's where the action is," he concluded. The reasons for this are several: There is indeed still a stigma attached to men taking time off to be with their children; plus, there are economic concerns – if the father takes off, he loses pay.

When fathers take longer periods of time, he said, it's generally for a special situation, such as health of the mother or gaps in child care.

The Economic Issue

Some also question whether it's really necessary for both parents to be home for extended periods after the birth. A two-worker couple is probably already losing one income and probably can't afford to lose the other, Pleck said.

As it is, with large numbers of men taking off an average a week and a half, they are there for that initial adjustment period, a time together that both mothers and fathers consider important and valuable, Pleck said.

When fathers take longer periods of time, he said, it's generally for a special situation, such as health of the mother or gaps in child care.

Although Pleck said he couldn't document it, he strongly feels that the high proportion of fathers taking short periods of time off is a "relatively recent phenomenon."

Pleck's prediction for the 1990s is that "it will become the dominant pattern for fathers to take one to two weeks off and that the proportion of fathers who take longer periods of time off will grow, but at a slow rate, and it will not become the majority pattern."

"It is one of our social trends...for fathers to be more involved in the family and in the raising of their children," Pleck said. This growth in fathers taking time off to be with their new babies "is just one manifestation of this trend," he said, and a logical outgrowth of the dramatic change in the participation levels of fathers in childbirth.

In just 10 years, the percentage of fathers present for the birth of their children has soared from 0 to 95 percent, he said, and this is "really dominant, not just in the upper middle class."

When Pleck's first child was born nearly two years ago, he said, he negotiated a three-week leave, which he said was great, but "more would have been better."

MERCK & CO., INC.

At Merck & Co., Inc., men are taking advantage ot work and family programs as much as women, with one exception—parental leave, according to Art Strohmer, executive director of human resources.

At the company's child care centers, for example, "it's my impression that there are as many, if not more, men dropping off children," Strohmer said. And at the company's Family Matters workshops, participants often are evenly split between men and women, he said.

"The whole work and family issue is by no means a women's issue anymore," said Strohmer. With all the dual career families, men are getting as involved as women in this area, he said.

"We're beginning to hear males saying similar things as women have: 'I'm not that interested in geographical moves because I don't want to uproot my kids'; 'I'm interested in flextime...' "

Similar Interests Expressed

Sixty-two percent of Merck's 17,000 U.S. employees are men, many of whom are considering how their jobs affect their families, Strohmer said. "We're beginning to hear males saying similar things as women have: 'I'm not that interested in geographical moves because I don't want to uproot my kids'; 'I'm interested in flextime,' " Strohmer said.

In fact, Strohmer said, family concerns are becoming a larger factor in men's decisions not to move for a new job. And, he said, as many men as women use flextime at Merck.

Likewise, he said, men use the firm's child care resource and referral program to a great degree. And while husband or wife is allowed to use the program, Strohmer said it is his impression that men are making the calls, and "men are finding the child care."

Parental Leave

Parental leave was extended to men a decade ago at Merck. The provision allows men and women to take up to six months unpaid leave while continuing full benefits and seniority, and having their job held for them. Employees can opt to take another 12 months after that with full benefits, although the company only will promise such employees return to a job at a similar level.

Nonetheless, only about 10 men have used the parental leave provision, and only one has taken the full six months, according to Strohmer. Many more men probably are taking off time upon the birth of a child, but most likely are taking vacation time since that is paid leave.

Increase in Leave Expected

Strohmer expects to see a "small increase" in the number of paternity leaves. "I don't think it will really ever snowball, not due to the perception problems of men taking leave, but due to economic factors."

It's a practical consideration that most men simply cannot afford to take that kind of leave without pay, Strohmer said. And, he added, there is, after all, "still some stigma attached" to men taking paternity leave.

Family Issues Seminars

And, he added, there is, after all, "still some stigma attached" to men taking paternity leave.

For the past three years, Merck has sponsored lunchtime seminars on such family issues as dealing with teenage or preschool children, the problems of infancy, and elder care. The seminars, held at corporate headquarters in Rahway, N.J., and at the pharmaceutical firm's West Point, N.Y., location, are limited to 15 participants each and have drawn several hundred participants—equally split between males and females—since they began, Strohmer said.

When a child is sick, Strohmer said, he suspects that women still are the ones to stay home more often than men. But, he pointed out, this is becoming a situation of who has what job, rather than a gender issue. At Merck, employees must take a personal leave or vacation day to stay home with a sick child.

Individual Needs Issues

Strohmer said the company is looking at a sick child-policy. Merck also is contemplating establishing a resource and referral service for elder care, he added.

These work and family issues are becoming issues of individual needs, and often are not gender related, Strohmer said. Companies are attempting to respond to individual lifestyles and individual needs, Strohmer said, "and the sooner that happens, the sooner there will be true equity."

NCNB CORP.

At NCNB Corp., a bank holding company based in Charlotte, N.C., that also has a long list of work and family programs, "the only thing that's happening is that one man took a two-week paternity leave," according to Karen Geiger, NCNB vice president and career development director. The employee, the only NCNB man to take advantage of parental leave so far, is a vice president on the fund management floor, a fairly heavily male dominated area, Geiger said.

Despite the fact that men are not rushing to take paternity leave, Geiger sees many positive signs in men's attitude toward family. They are "a lot more permissive in how they feel in just talking about it. Men drop by and talk about equity at home more."

Eventually, she said, "it will be seen as a normal thing" for men to take time off to be with their families.

What's Acceptable

Eventually, she said, "it will be seen as a normal thing" for men to take time off to be with their families. But first, we'll see men taking paternity leave for some logistical reason, like a gap between when their wives return to work and the au pair arrives in town. Taking the leave for a logistical reason "is still more acceptable than doing it just because he wants to be with the baby," said Geiger, a full-time working mother with two boys ages 2 and 4.

NCNB also has one man working four days a week—but four 10-hour days—because he commutes from Asheville, N.C., and wants to spend an extra day with the family that he doesn't want to uproot. Lots of men take "piecemeal time" off for family reasons, Geiger said, plus anyone can arrange to work at home sometimes, arrangements which she may be unaware of.

Mostly Female Firm

NCNB, like the rest of the banking industry, is predominantly female. Just a fourth of the 15,000 employees in its Southeastern banks are male, although half of the officers are men, Geiger said.

Geiger said she "absolutely" has seen a change in men in recent years, particularly in the level of understanding about dual career couples with children. "My boss has a working wife and two kids, and I just tell him that I have to go home because of a babysitter problem, and he understands." This understanding makes NCNB "a nice place to work."

L.A. DEPT. OF WATER AND POWER

One employer making an effort to do something especially for men is the Los Angeles Department of Water and Power (DWP). This utility, the largest municipally owned utility in the United States, has close to 11,000 employees, 80 percent of whom are male, according to Beverly King, director of human resources.

In a 1984 employer survey, DWP found that many men expressed interest in child care, King said. This made the utility realize that work and family issues concerned both men and women.

DWP subsidizes employees who use two nearby child care centers to bring the cost "down to an affordable level," King said. In addition, another 350 DWP children have been placed in day care centers near their own homes through the utility's resource and referral service.

King said "increasing numbers" of fathers tour the child care centers without their wives, and these men are "clearly making the decision on what the nature of their child care should be." The child care directors find that men have different kinds of questions than women touring the centers have, questions about late charges and what kind of notice the centers need if the parent will be working late, but also the men have more questions about child safety and the steps taken in an emergency situation, according to King.

King said "increasing numbers" of fathers tour the child care centers without their wives, and these men are "clearly making the decision on what the nature of their child care should be."

Men's Questions Differ

While the mothers tend to ask more general questions on curriculum, DWP fathers – many of whom are engineers – ask more precise information on how many minutes, for example are spent on motor skills or in creative learning, King said.

And about 750 parents – evenly split between men and women – regularly attend parenting classes held for the past three years in work sites before and after work. The classes, held four times a month, are on such topics as "Back-to-School Blues" and "Is There Life After Teenagehood?"

This year DWP is hosting a Father's Day luncheon for which 50 people signed up a month in advance. Normally, King said, 25 people sign up for a given small-group session. The luncheon, an offshoot of a program the utility has for expectant families, will feature a speaker on fathering, King said.

The parenting classes also include sessions on parenting for fathers after divorce, and there are single fathers' programs as well, she said.

In the expectant parents program that DWP offers, "fathers are carrying through on the program as well as mothers." In this program, DWP parents are told about company benefits that will be of interest to them as parents. One hundred people attended the most recent program, King said.

DWP offers parental leave without pay of up to one year for natural or adoptive parents, during which time the employee retains his position and his benefits, although he must pick up the cost of the benefits.

In the past year, King said, two fathers have taken the paternity leave, one for two months and one for three months. But, she said, she does not anticipate an increase in fathers taking this sort of leave.

Few Use Parental Leave

In the past year, King said, two fathers have taken the paternity leave, one for two months and one for three months. But, she said, she does not anticipate an increase in fathers taking this sort of leave.

"The trend for workers in general is to utilize the existing child care" rather than take lengthy leaves for parenting, King said. Mothers are returning to work two months after birth on the average, and "the availability of quality infant care has been a substantial factor in returning people to the workplace," King said.

But, she added, both fathers and mothers are visiting the infants they place in the DWP-subsidized child care during the work day.

DWP, like many companies, is experiencing something of a baby boom. Whereas five years ago the utility had 60 births a year, now it has double that number, King said.

King said she does not expect men to push for job sharing or part-time work, but she does see men, as well as women, pressing for working at home and flexible working conditions. She added, however, that she sees these trends not just as a matter of family needs, but as quality-of-work issues.

DWP has a pilot telecommuting program in which four women are doing customer service work out of their homes.

King said she sees men getting "more and more concerned about child care," not only for their own needs, but because they are directly affected by absenteeism and tardiness of other workers.

"Child care is a program that affects all of your workers, not just women, because it affects our bottom line," King said, adding that absenteeism is probably at least a third higher among workers with small children than among others. And that problem is only exacerbated if the child care is unreliable. she said.

Thus, with trends for "leaner, meaner organizations," companies are finding that they "can do that better, and can increase productivity, by earmarking child care as an issue."

DU PONT CO.

Earlier this year, the Du Pont Co. released findings of a study showing that men as well as women are thinking about family in making their career plans. Included among the findings:

- Men comprise nearly half of those who use or plan to use child care.
- More than a fifth of Du Pont employees who use child care, both men and women, said they avoid jobs calling for travel and relocation.
- A quarter of the men, and nearly half the women, said they have thought about leaving Du Pont for another company that might offer more flexibility.
- Employees want increased and more flexible parental leave, professional part-time work, flexible hours, and to be able to work at home.

Employees want increased and more flexible parental leave, professional part-time work, flexible hours, and to be able to work at home.

The study, Du Pont's second major one on work and family, showed that family concerns are having an increasing impact on men's attitude toward work. A higher percentage of men reported work/family problems in the 1988 study than in the 1985 study, and the gap narrowed between men's and women's feelings about business travel, relocation, and care for sick children, according to Du Pont.

The fact that Du Pont is studying work and family concerns is unusual in that the majority – 76 percent – of its 100,000 U.S. employees are men.

"We are not at this point a company driven by demographics" to work on this issue, said Faith Wohl, director of the work force partnering division of Du Pont's employee relations department and co-chair of the company's work and family committee. That's why it was important that the company found these issues to be of paramount importance to men as well as women, Wohl said.

New Stress For Men

While the stress of being a working parent has always been apparent for the mother, for the father this has only been realized recently. "For men in some ways it's more difficult, because it's new," Wohl said. Fathers today "have a desire to be an active parent, but are troubled by the impact they see on their careers."

"This introduces a different level of stress," Wohl said. "These men are walking in unchartered territory. It's harder for them to deal with this new phenomenon."

As more men are affected by stress, Wohl sees men as well as women being more interested in flexibility in their work environment and less so in business travel and relocation.

And given the realities of today's work force—the overall tightening of the labor market and the increasing numbers of working women—companies are going to have to become more flexible, Wohl said.

As more men are affected by stress, Wohl sees men as well as women being more interested in flexibility in their work environment and less so in business travel and relocation.

Du Pont is working on implementing 23 recommendations that came out its work and family study, one of which, an extension to six months of unpaid parental leave, was just announced several weeks ago. This period can also be used for a gradual re-entry to full-time work, with mother or father working part-time for part of the six months. In any event, full benefits continue throughout.

Prior to this new policy, Du Pont had a two-month parental leave that was instituted in January 1986. According to Wohl, perhaps about a dozen fathers took an average of less than a month off.

Parental Leave Will Increase

"To many men," Wohl said, taking time off to be with a new child "is still a new idea. I'm confident that as time goes on, more fathers will take advantage of it." Indeed, fathers who have taken parental leave "are very positive about it," she said.

Still, Wohl acknowledged that there remains a social stigma to dad taking off time from work to be with baby. She suspects that many men at Du Pont, as at other companies, are taking off shorter amounts of time about the birth of a child, but taking it as paid vacation time.

That "doesn't require explanation," she said, and it doesn't mean any loss of income. Du Pont keeps no track of such numbers, but "intuitively, I would think a lot of that is going on," Wohl said.

Prior to 1986, an employee could request up to a year of unpaid leave, but permission had to be negotiated with the supervisor and was contingent on business needs. Under such conditions, it was unlikely that men would put themselves in the position of trying to get parental leave, Wohl said. So in 1986, Du Pont made the two-month unpaid parental leave automatic, making the whole idea "more of a given," Wohl said.

More Flexibility

Just as valuable, or perhaps more so, as the time off is the option to work part time, Wohl said. "Reduced work hours are what many people want," she said.

Now that the leave conditions have been made more flexible, Wohl suspects more fathers will take advantage of them, "but it will be a while before there is wholesale use of it" by men.

With the 1988 survey showing that more than 90 percent of the firm's dual-career families planned to start a family within three years, the company can expect to see "very active use" of parental leave, she said.

Just as valuable, or perhaps more so, as the time off is the option to work part time, Wohl said. "Reduced work hours are what many people want," she said.

While Du Pont has "quite a few" permanent part-time employees, the company, with more than 100 major work sites, does not keep track of those numbers centrally, according to Wohl. Interest is growing in part-time professional jobs, although this seems to be mostly women wanting to cut back for family reasons, she said.

Men Using Flextime

There is increasing use of flextime at Du Pont sites, with both men and women working flexible hours for family, as well as other, reasons.

"Flexible hours are going to be the way to meet family and personal needs," Wohl said.

Du Pont has had some isolated experience with job sharing, but this is not a widespread practice at the diversified chemical firm, Wohl said.

The firm also is doing some workplace seminars, with parenting seminars drawing a mixed male/female audience, she said.

What's Ahead

What does the future hold? "People have a lot of trouble envisioning what things will be like in five years," Wohl said. "There is a point beyond which companies can't change the fact that it's simply hard" to juggle work and family, she said. "We can make it better, but we can't take away a lot of the stresses."

Moreover, she said, much attention is being paid now to the first five years of life as they relate to work and family demands. "We haven't thought through the whole spectrum."

For example, she said, "What greater stress is there than dealing with the teenage child in a drug crisis?" And then there's the whole problem of latchkey children.

Concluded Wohl: "We're just starting to see the implications of an entire population working."

■ ■ ■ ■

APPENDIX

POLICIES FOR FATHERS

CATALYST SURVEY FINDINGS: PATERNITY LEAVES

- **37% of Catalyst's survey participants offered child care leaves to new fathers.**
- **Survey findings and follow-up interviews indicated that very few men take advantage of this option.**
- **Leaves for new fathers are rarely called parental, paternity or child care leaves.**
- **Fully 90% of companies offering leaves of this type designated them "personal leaves" and made no effort to publicize the fact that they were available to new fathers.**

Concern about legal and equity issues has prompted a growing number of companies to provide parental leaves for men. These leaves tend to be comparable in length and benefits to the unpaid leaves offered to women following disability for childbirth. Few fathers, however, apply for parental leave. Men generally absent themselves from work for a day or two when their children are born and describe this time off as vacation, personal days or family crisis leave. There are a number of explanations for this:

1 The availability of child care leaves may not be clearly communicated. Catalyst survey results indicate that companies rarely give leaves for fathers such clearly recognizable names as parental leave or child care leave. Fully 90 percent of companies offering leaves to men categorize them as "personal leaves." As a result, many new fathers don't realize their eligibility for parental leaves.

   In one company, a male employee learned of the option through word of mouth—he was unable to find it in his employee policy manual since it was listed under "emergency leave." "Most of my fellow employees are totally unaware of this benefit," he says. "It should be mentioned specifically in a child care section."

   Another company offering parental leaves to fathers as well as mothers sent special letters to female employees informing them

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of company policy, but sent no such letters to men.

2. Many men have little understanding of the role they might play as caregivers to a new baby. A Catalyst focus group conducted in the Midwest provided an interesting glimpse of this phenomenon. When asked if he had considered taking a leave when his son was born, one man replied, "Why should I? How long could I work on the house?"

3. Men tend to feel that taking a child care leave will have a negative impact on their careers. Catalyst's findings corroborated men's fears. Although many companies' policies offered leaves to men, management invariably took a dim view of the practice. When asked how much leave time for men was reasonable, 62.8 percent of survey respondents replied "None," while 17.4 percent suggested a maximum of two weeks.

Interviews with human resources professionals revealed company discomfort with—and in many instances, disapproval of—the notion of men taking parental leaves. As a human resources manager at a major Southern manufacturing company put it, "If a man requested a leave for this purpose, his career would take a dive." A Midwestern manufacturing firm with a long-standing paternity leave policy has witnessed slim interest in the idea: "I suppose it's because leaves for men aren't culturally acceptable," says the firm's human resources director.

CATALYST SURVEY FINDINGS: CORPORATE ATTITUDES TOWARD PATERNITY LEAVE

One hundred fourteen companies offered unpaid leave to new fathers. Of these 114 companies, 99 answered a subsequent question about the length of unpaid leave considered reasonable for new fathers. Forty-one percent of these companies considered no leave time reasonable for new fathers, although they offered such leaves.

This opinion was borne out by the experience of a male employee at a Northeastern communications company. When he requested the three months of unpaid parental leave spelled out in the firm's policy, he was told that such leaves were intended only for low-level employees, not for men who wanted to move ahead in their careers.

MEN'S GROWING ROLE IN CHILD CARE

Although men have been slow to avail themselves of extended parental leaves, Catalyst's interviews and focus groups with women across the country indicate that fathers are playing a larger role in day-to-day child care. Men often share responsibility for taking children to doctors' appointments or to and from child care centers or family day care providers. In one focus group, for example, when questioned about the greatest area of conflict in a two-career family, a father replied, "Deciding who's going to stay home when our son is sick."

CHILD CARE LEAVE FOR NEW FATHERS

Larry Lopez, a communications manager at an Eastern communications company, was the first father in his department to apply for the paid emergency child care week that can be used by new fathers. "My wife and I discussed my leave at the same time we discussed hers," Lopez explains. "I did think about taking more than a week but it was a busy period in my job and I was needed in the office."

Lopez notified his supervisor of his intentions two to three months before his wife gave birth. At that time he began planning his workload so he would be prepared to start his leave as soon as she went into labor. His arrangements called for working at home and keeping in touch with the office by phone.

In retrospect, Lopez thinks that a single week was too short and wishes he had supplemented it with some vacation time or unpaid leave. His wife was very tired after the delivery and could have used his help for another week. Lopez's wife is currently expecting another baby. This time he hopes to take a longer leave since managing two youngsters will be that much harder.

Lopez shares child care responsibilities equally with his wife. "We take turns dropping off and picking up our daughter at the sitter's and getting up with her in the middle of the night," he says.

Although some men fear that taking time off when their wives give birth and sharing a substantial amount of child care will have a negative impact on their careers, Lopez disagrees. "My coworkers shared my excitement about my leave and my new role," he says. "And I honestly believe that the whole experience has made me a better manager and a happier person. I handle difficult situations better and I'm easier to work with in a crisis."

In many two-income households, it is no longer taken for granted that the mother is the parent who will stay home when a child falls ill. More parents are dividing up the job by taking alternate or half days off. In some families, the responsibility is determined by which parent has the more urgent reason to be at work that day.

In other Catalyst studies, professional women who are mothers have noted that sharing child care duties with their husbands contributes to their success by allowing them the scheduling flexibility needed for a demanding career. A human resources planner at a leading technological company believes that a woman's work will suffer if she cannot count on this type of sharing. "Women who have total responsibility for their children have a much harder time getting their jobs done," she notes.

MEN'S ATTITUDES TOWARD PARENTAL LEAVE

Male responses to paternity leaves will undoubtedly be slow to change. Nevertheless, at least one company reports that younger male employees are beginning to inquire about leave policies. This particular company is not yet ready to provide leaves for new fathers, but is monitoring their interest level.

A new generation of fathers may well display more positive attitudes toward parental leave. It is also possible that companies which discourage such leaves will begin to discover three of their advantages:

- Entitling men to parental leaves may mean that the length of women's leaves can be reduced, and women can return to work with fewer worries about child care.
- The spouse with the higher level of responsibility at work can return to the job promptly while the other remains at home with the baby.
- Many companies invest considerable time and effort in finding and training women employees. As these women rise through the ranks and assume increasing responsibility, the wise policy will be one that encourages men to play a larger domestic role.

These advantages are likely to be most appreciated by companies whose staffs are bolstered by a significant number of married couples. Other companies' policies may be more influenced by the efforts of employees themselves to promote change.

SHARED PARENTAL LEAVES
AT&T BELL LABS
NEW JERSEY

In 1981, Pam and Dennis Norgaard, both of whom worked for AT&T Bell Laboratories in Whippany, New Jersey, wanted to participate equally in their child's upbringing. Since Pam, at the time a member of the Serving Area Studies Group, was on a two-year rotational assignment from Northwestern Bell, they felt it was important for her to get back to work as soon as possible after their son's birth in August 1981. With this in mind, both spouses decided to take advantage of the AT&T option whereby couples can share parental leave. Pam stayed home from August until October, at which point Dennis, a member of the Loop Systems Planning and Application Department, began a leave of absence that lasted through December. Other parents employed by AT&T Bell Laboratories have worked out similar arrangements to let the spouse with the greater job responsibilities return to work sooner.

(Based on a February 16, 1982 article in *AT&T Bell Labs News*, an in-house publication for employees.)

SWEDEN OFFERS CHILD CARE LEAVES
TO NEW MOTHERS AND FATHERS

Under Sweden's current parental insurance policy, new parents are entitled to 12 months leave which can be divided between them. For jobs in the public sector, the first nine months are fully reimbursed, while in the private sector, they are reimbursed 90 percent up to a stipulated maximum. In both the public and private sectors, the final three months are paid for according to a fixed allowance. Parents may use their leave time before childbirth or, if they prefer, take some portion of it later on—perhaps when a child begins school.

Under Swedish policy, if a man chooses to take a leave while his wife works, her leave time is automatically reduced. Thus when fathers take leaves, mothers return to work sooner.

Although Sweden's parental insurance policy would seem to be an ideal option for new fathers, Swedish men have been in no hurry to stay home. Utilization rates have only recently begun to climb and thus far have reached only 25 percent. In addition, a preponderance of the leaves are short.

Continued

According to Dr. Joseph Pleck, the associate director of the Wellesley Center for Research on Women, in *The Father's Role: Applied Perspectives* (John Wiley & Sons Inc., 1986) there are a number of reasons why a full 75 percent of Swedish men are reluctant to take parental leaves. They include:

- Lack of motivation.
- Women's unwillingness to share their leave time.
- The fact that husbands tend to be higher wage earners.
- Negative corporate attitudes.

Although Swedish law prohibits sanctions by employers against men who take parental leaves, managerial disapproval is harder to legislate. In 1980, Dr. Philip Hwang of the University of Goteburg, Sweden conducted a survey of 50 fathers who took one month or more of parental leave, and a survey of a small sample of employers, all in Goteburg.

According to Hwang, "A substantial proportion of both fathers and employers reported that employers do in fact view leave-taking fathers negatively and may penalize them in many ways."

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