# Addressing the Impact of an Aging Workforce

**Thursday 24 August, 2023**

The global population is ageing. People are living longer and birth rates are dropping. That's great, you may think, but it's both a blessing and a curse for economies worldwide. In the workplace, older STEM professionals offer invaluable expertise, honed over long careers. But they won't stick around forever.

Thousands of baby boomers across the globe (those born between 1946 and 1964) are hitting retirement age every day, with many leaving their jobs. The impact of their exodus from the global labour force, compounded by the pandemic, is a risk that needs very careful handling.

As recruiters, we know all too well the pain this can cause a business. Employers are losing precious skills and experience when older workers pack in their profession. It's a heavy blow that has the power to exacerbate an already large skills gap. Yes, it's been softened by a growing tendency towards working later in life. But this demographic shift is one of the biggest megatrends affecting global markets. It is also a key driver in the exponential growth for specialist STEM talent.

The World Health Organization predicts that by 2030, one in six people will be aged 60 or over (that's 1.4 billion people). By 2050, this figure is expected to hit 2.1 billion. It's not just today and tomorrow we need to think about. The next decade and beyond will be critical in securing sustainable workplaces that can thrive without the boomer generation.

**Attitudes to an ageing workforce**

Of course, it's not just employers who are affected by such a seismic shift in labour forces around the world. It is also the third biggest challenge likely to affect STEM professionals' careers. In our new SThree study, How the STEM World Evolves, we examined the needs and motivations of STEM professionals when it comes to work. Our deep dive included exploring the impact our ageing population and retiring workforce will have on current specialists across different points of their careers. The report is much more than just a snapshot; it really is a ground-breaking study, based on more than 2,300 permanent and contract workers in STEM disciplines.

We are all curious about what the future holds, including whether the robots really are going to take over. This study gives us unique insight into the minds of STEM professionals, so we can better understand what the future holds for the world of STEM. From the UK to the US, Germany, the Netherlands and Japan, we see a picture of insecurity among workers. They worry about staying relevant in a world of technological advances moving at lightning speed. But among their top concerns is also an ageing workforce, so it's not just employers who are losing sleep over it.

Our report also shows that more than half (58%) of STEM professionals aged between 50 and 65 are much less likely to look for a job in the next 12 months compared to their younger counterparts. With job-hopping less common for late-career professionals, it's possible these people may stay in their current positions until retirement. So, it matters more than ever that employers are focusing on how to harness and protect their valuable skills and experience.

The research also pinpointed a mismatch between what matters to these professionals in their jobs and how happy they are with these elements. We call it the 'satisfaction-importance gap' and what we have found can help employers turn the ageing workforce challenge on its head. Overall, STEM professionals aged over 50 are more likely than younger colleagues to be dissatisfied with parts of their working life, including how engaging and inspiring they find their role. But there are other career perks that 50 to 65-year-olds care more about where employers are falling short: salary and rates, benefits, job and contract security. This age group also wants to see bosses do a better job at pay transparency and fairness (only 15% of these respondents are happy with the commitment they see).

**Subverting a skills loss crisis**

The global skills gap is already huge and it's holding us back from making progress. Employers ought to contemplate bridging this divide by passing on the knowledge and wisdom of seasoned professionals to the emerging workforce. This strategy could serve as an effective means of preserving unique, specialised skills. Moreover, it's crucial for the younger generation to feel valued, supported, and engaged in their careers in the foreseeable future. If businesses and experienced STEM professionals can foster enduring alliances, it would facilitate keeping these individuals in the workforce well beyond their retirement age. This will help retain their specialized skill sets. Additionally, implementing upskilling

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initiatives or knowledge transfer programmes for the broader workforce could provide immeasurable benefits.

**Solutions to the exodus**

For some STEM specialists who have worked their whole lives towards retirement, they can't wait for the downtime. But we also live in a world where a lot of older people need more financial security because they're living longer, while others prefer the idea of staying busy and useful as it gives them a continued sense of purpose and belonging. With so many people open to working past state pension age, you have a real opportunity here as employers. But you've still got to make a role or contract more attractive to keep hold of these specialists for longer.

Older workers need to feel that their bosses are really listening to what they want; so better pay and the cognitive challenges of more interesting work, for example, are more likely to appeal. They will also feel more inspired to mentor, guide and pass on their expertise, rather than having one foot already out of the door. This allows for a longer lead time for their invaluable knowledge to be absorbed by future generations.

We know it's crucial too for younger workers to feel truly understood if businesses are to retain and bolster the STEM talent pipeline and stave off the worst effects of an ageing population. With multi-generational workforces, the priorities won't be the same. But if employers can get it right for each demographic, and tune into what different generations want from their roles and in the workplace – both now and later in life – it shows a commitment to delivering on their needs, and a solution to the growing skills loss crisis.

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