

## Waiting for the Age Bubble to Burst

**Several of Washington's industries are facing serious labor shortages in the coming years.** This is largely due to having a relatively high percentage of the workforce getting close to retirement age. The effects will be felt as the Baby Boomer generation begins to buy RVs, kiss the nine to five goodbye, and hit the open road.

**In 2005, 12.2 percent of workers were between the ages of 55 and 64 in Washington.** The five industries we are going to look at in this article had significantly higher percentages. Aging workforce issues for these five industries are compounded as many of the associated occupations<sup>1</sup> require some post-secondary education or technical training.

Top Five Industries Employing Workers Aged 55 to 64, Washington 2005			
Industry	Workers Aged 55 to 64	Industry Employment for All Age Groups	Percent 55 to 64
Education	49,337	238,283	20.7%
Utilities	3,069	15,418	19.9%
Government	23,604	134,108	17.6%
Transportation	14,253	94,917	15.0%
Health Care	43,179	305,982	14.1%
<b>Total All Industries</b>	<b>317,209</b>	<b>2,598,274</b>	<b>12.2%</b>

*Source: [Quarterly Workforce Indicators](#)*

### Education

**Predictably, education requirements are high in the education industry.** Among the top<sup>2</sup> education occupations, bus drivers and teacher assistants are the only ones not requiring a bachelor's degree (the other occupations are elementary, middle, secondary, and vocational school teachers). As an industry with a large proportion of workers between 55 and 64 (21 percent of the workforce), the longer training required in this field means we must deal with this demographic issue sooner rather than later.

It is perhaps fortunate that **an occupation requiring lesser education, bus drivers, is the most top heavy with older workers (30 percent).** This may be in part due to the part-time nature of the work. Nonetheless, the other education occupations also have high numbers of 55 to 64 year old workers.

**As far as current shortages are concerned, it is highest among secondary school teachers,** which posted a vacancy rate<sup>3</sup> of 3 percent. Unfilled openings were relatively low for teacher assistants as well as elementary and middle school teachers.

### Utilities

**Twenty percent of Washington state's utility workers were between 55 and 64 in 2005.** Similar statistics have been derived at the national level by the 2000 Census. However, less than

10 percent of the workforce was over 55 for meter readers, power plant operators, and powerhouse electrical repairers – utility industry occupations for which data are available.

The top occupations in this relatively small industry are electrical power line installers, utility meter readers, power plant operators, powerhouse electrical repairers, and gas plant operators. Surprisingly, with the exception of gas plant operators, these occupations are far from exclusive to the utility industry – less than 40 percent.

In terms of existing vacancies and estimated employment, **the only strong occupation in utilities is electric power line installers** with 28 unfilled positions in April 2006 and nearly 1,600 estimated jobs in the second quarter of 2005. The 28 vacancies represent about 1.8 percent of the occupations' estimated employment.

## **Government**

**Police, postal carriers and sorters, corrections officers, bus drivers, court & municipal clerks, firefighters, and recreation workers were the top government jobs.** Of these, recreation workers was the only occupation with significant representation in other industries.

Some of these jobs are strictly found in federal government (postal workers), while others such as bus drivers are exclusive to local government. Most however, are sprinkled throughout the three levels of government (which also includes state).

**All of these government occupations are projected to have slower than average growth in the long term,** but postal sorters' and carriers' projected growth rate is nearly zero (0.05 percent). Recreation workers, followed by clerks and bus drivers should add jobs at a quicker pace than typical for government.

As previously mentioned, bus drivers are one of the oldest occupations with 30 percent of employees 55+. Clerks and postal workers are also a little long of tooth, whereas firefighters, police, and correctional officers are typically younger.

## **Transportation**

**Truck drivers, ticket agents, flight attendants, cargo agents, and pilots (as well as a catch-all group entitled "transportation workers, all others") are the critical occupations in the transportation industry.** With the exception of truck drivers, a strong majority of each of these occupations are found in transportation. As for truck drivers, despite only 40 percent working in the transportation industry, it was far and away the top transport job with nearly 15,000 employees.

Of these occupations, **truck drivers had the highest proportion of workers 55 or older** – 16 percent. Flight attendants were proportionately the lowest at 10 percent.

Truck drivers and the catch-all "transportation workers, all others" were both relatively hard to fill jobs this year. Both had vacancy rates above the state average of 2.6 percent (3.9 and 2.8 percent respectively).

**One issue in dealing with looming baby boom retirement is retraining.** Of the six occupations discussed above, only pilots typically require education of 4 years or more.

## **Healthcare**

**There are seven healthcare occupations that should be considered critical** – registered nurses (RN), nurses' aides, medical secretaries, dental assistants, medical assistants, licensed practical nurses (LPN), and home health aides. All have at least 80 percent of their respective workforces in the healthcare field, and large workforces of nearly 9,000 or more.

**As things stand, three of these occupations face severe shortages.** RNs (10 percent), LPNs (7 percent), and nurses aides (6 percent) have vacancy rates well above the statewide norm of 2.6 percent in April 2006. These shortages have been consistently documented in the past several years in Washington's Job Vacancy Survey.

Unfortunately, age demographics point to a further worsening of this problem. **As of the 2000 Census, a full 13 percent of RNs were 55 years or older.** It was even higher for LPNs and nurses' aides which had 15 percent being 55+. Dental and medical assistants were the only two critical healthcare occupations with less than 10 percent of their workforces being 55+.

It appears that there is some concerted effort to address these shortages. Between the 2002/2003 and 2004/2005 school years, program completers for RNs rose by 21 percent, LPNs by 31 percent, and nurses aides by 47 percent (according to the Washington State Board of Community and Technical Colleges).

## **Conclusions**

**The aging workforce will pose more problems for some industries than others.** There will be industries that will solve part of the problem through attrition and realignment of their workforce. Others, such as health care, are already experiencing labor shortages that will be further compounded by retiring baby boomers. An additional problem for the health care industry will be the increased demand coming as the boomers reach the period of their lives when they are more likely to use health care services. These problems are still avoidable, though, with diligent planning based on an understanding of the severity of the potential consequences without it.

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<sup>1</sup>*There is some difference in how industries are statistically defined in the table above and the occupational data discussed.*

<sup>2</sup>*Top occupations were determined using the 2006 industry-occupation matrix, based on absolute industry employment and the percent of total workforce working in the given industry.*

<sup>3</sup>*This vacancy rate was derived by dividing the April 2006 Job Vacancy Survey estimated openings by 2<sup>nd</sup> quarter 2005 occupational projections estimates.*