

Testimony on Mature Workers

Betsy Bishop, Vermont Chamber of Commerce

House Commerce Committee

2/1/2022

Context

- Our labor force participation rate is about 61%, down from a 10-year high of about 70%.
- That's about 310,000 people working and about 8200 unemployed and looking for work and we have about 25,000 jobs open.
- The unemployed number is in line with pre-pandemic numbers
- BUT the number of people working is not.
- That number pre-pandemic had about 10,000 more workers.
- Where did they go?

Mature Worker

- The Great Resignation is real – impacting 55 plus who are using the moment to retire
- But they are also reviewing what they want to do over the next 20+ years and often part of that answer is to find meaningful work – often that is in a part-time capacity
- We all need to think the mature worker as part of the answer...employers, workers, society, and older Vermonters themselves
- We have many still working (see chart)
- The [data in this chart](#) highlights the importance of the issue right now and the impending amplification of the problem in Vermont's near-term future.
 - The 45-54 or 55-64 age brackets are the largest segment of the workforce in 13 out of 14 counties with Chittenden County being the exception.

- Deconstructing barriers for willing and able retirees to participate in the workforce not only helps to address current workforce shortages, but such action would set up Vermont's economy to be more resilient in the next 10-20 years as well.
- Vermont businesses need older workers to stay in the workforce or return to it. There just aren't enough young workers!
- For the older workers, their participation is a good way to share their experiences, provide leadership for businesses, and to stay socially connected to the community.

Solutions

- So how do we get this done?
- Like with so many issues, there is no easy fix – we are seeing shrinking workforce participation in the sector that serves older Vermonters but also in construction, restaurants, office workers, manufacturing – it's everywhere and there is no solution, no way to manufacture more people immediately
- We are advocating to keep doing what we are doing with training, certification, second chance hiring, etc.
- There are lots of good programs just not enough people to fill them.
- Our three suggestions are:
 1. Encourage your towns to sign the Declaration of Inclusion. As we approach 50% of towns, it will show that Vermont is a more welcoming state and demonstrate our sense of inclusion and belonging. I will include the [DOI website](#) with my testimony or you can contact me, and I will connect you to Al Wakefield who is in charge of this effort for more information.
 2. We need a robust and sustained marketing effort to encourage people to move here for jobs. We don't have big corporate magnets here to attract new workers, so we have to be deliberate about recruiting and retaining new workers. Part of that messaging should include mature workers. The data shows people retire here. Let's

encourage those that are here to keep working and those that come here that there are opportunities.

3. Remove the income tax on military retirement benefits. These people usually retire at a time in their lives when they are ready to start a civilian career. As one of only a few states that has this tax, we should remove this barrier and welcome these skilled people into our workforce.

COVID Perspective

- The pandemic has changed how we work and where we work but it has also impacted how employers hire.
- Remote work, higher wages and greater flexibility have all been benefits over the last two years. While much has been made about this is what millennials want, the same things are desired by mature workers.
- We don't need a policy change as much as society – employers, co-workers, customers, embracing this thinking.