

As boomers near retirement, a brain drain is feared in government

City, county, state all face uncertainties as those born 1946-64 leave their jobs in less experienced, younger hands.

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For years, Christian Smith has worried that the graying hair among his Travis County co-workers could signal a problem on the horizon. As the county's chief budget and planning officer, Smith has been saying the organization should prepare for a "brain drain" when the baby boomers running the place retire.

That brain drain is looming. Many of the county's six department heads and managers who work for them could retire with full benefits next year. A quarter of the 4,000 employees will be eligible to retire within five years.

Most departments have not lined up successors or groomed younger employees for management, said Smith, who has been urging Travis County commissioners to deal with the possible wave of retirements more aggressively.

"Or you may wish to just let it happen," he wrote to the commissioners in a memo last year. "Either way — it is going to happen."

It is about to happen around the country, at all levels of government and in much of corporate America, according to researchers and human resources professionals.

Baby boomers — usually defined as those born between 1946 and 1964 — are top managers at many institutions in this country. If they retire in waves, observers warn, they could leave unprepared organizations scrambling to find qualified executives and middle managers.

Some observers worry particularly about government.

Baby boomers, many of them inspired by President Kennedy's call to service, rode a wave of government hirings in the 1960s and 1970s to careers as civil servants. The following generation produced far fewer government workers, a trend that continues to this day, experts say.

One result is an aging work force.

The Texas State Auditor's Office listed that among its key findings in a 2006 annual work force report. The City of Austin is trying to get ahead of the problem by exploring measures to deal with baby-boomer retirements.

There's little chance everyone will retire at once. No one is warning that society will crumble when the boomers step down and sometimes, as Smith notes in his Feb. 6 memo, new blood brings needed ideas and energy.

But at the county, like many levels of government, there have been no organizationwide discussions about how to handle the transition. Worst-case scenario, according to observers: Valued knowledge is lost, government efficiency diminishes, and tax dollars are wasted.

"We may, as the English like to say, muddle through," Smith said in an interview. "But well-run organizations do more than muddle through."

Third of work force near retiring

The approximately 75 million baby boomers make up about a third of the nation's work force. A 2005 University of Michigan study mirrored earlier research in finding that most boomers plan to work past 62, when people until recently have become eligible for full Social Security benefits. Also, the country may not need as large a work force, with industries such as farming and auto manufacturing having shed, automated or outsourced jobs.

But researchers say that certain fields almost certainly face a crunch. Among them: commercial airline pilots, teachers and industrial engineers, according to the federal Bureau of Labor and Statistics. Government is among the most worrisome to experts.

That's partly because government workers tend to be older. About two-thirds of local, state and federal employees are over 40, according to the Census Bureau. Government also offers its workers the opportunity to retire relatively early. Many governments allow employees to retire with full pensions by age 55 or earlier with 30 years of service, often leaving those employees to receive about 60 percent of their peak earnings for the rest of their lives.

"For these reasons," Arlene Dohm, an economist in the Bureau of Labor Statistics, wrote in a 2000 report, "government occupations will be among the first to experience the surge in retirements of baby boomers."

Among Texas' 145,000 full-time state employees, the average age jumped from 41.9 in 2002 to 43.5 in 2006, according to the auditor's office.

That alone is not cause for alarm, State Auditor John Keel said. Although a third of the state's employees are over 50, roughly the same number of employees retired in 2002 and in 2007, and the only spike in between was because of extra retirement incentives offered in 2003.

Retirements now account for only about 12 percent of people leaving state agencies, Keel said. "Retaining (younger) employees," he said, "is a much bigger deal than retirements."

But Stuart Greenfield, a retired state economist who writes regularly of a "looming human-resources crisis," said the aging work force is troubling when combined with a lack of young employees.

In 2007, employees under age 30 made up just 14 percent of state workers but 34 percent of the departures, according to the auditor's office. This trend, Greenfield worries, will leave the state without young talent in key positions.

When Daniel Bradford took a job out of law school writing legal opinions for the state attorney general's office, only one of the 28-year-old's co-workers was within a decade of his age. The rest were between 20 and 30 years older. He said it's the same at the Travis County attorney's office, where he now handles open records and property transactions.

"It's difficult to get into a job you want in government work," said Bradford, now 33. "There are a lot more openings in the private sector. In Austin, I know a lot of people who just keep going back to school, because they can't get good jobs" in the public sector.

Experts say younger workers are also choosing flexible schedules, autonomy and challenging work over the long-term job security often offered by government. Bob Morrison, a researcher for the Concours Group, a Kingwood-based consulting firm and co-author of the book "Workforce Crisis," said government agencies have not adapted to those preferences.

"Most younger workers don't want their parents' careers," Morrison said. "They don't want the eight-to-five office jobs where a boss is looking over their shoulder."

Adjusting to young workers' preferences, he said, could also help in retaining older workers and avoiding a brain drain.

Retirees enlisted as part-timers

Morrison said the most common solution has been hiring retirees back as part-time workers. Federal law limits most people collecting a pension to part-time work, but the restriction does not apply to government employees.

In Texas, that arrangement has infuriated taxpayer advocates. In 2003, some agencies offered early-retirement packages and promptly rehired employees into their jobs with full pensions. Critics say employees should not be collecting salaries and pensions simultaneously.

Other governments, including the City of Austin, are trying to find the right mix of solutions. Only 21 percent of the city's 12,000 employees could retire in the next 5 years with full benefits.

But 44 percent of the managers could, said Karen Sharp, an assistant director of human resources. "That's the statistic that alarms me."

Sharp said the city is putting together a formal succession plan for managers and difficult-to-fill positions and is trying to keep younger workers by accommodating switches between departments.

Austin Energy is testing another program. The 1,600-employee city-owned utility recently purchased a \$350,000 software system designed to identify looming personnel holes and help both managers and their workers match skills with jobs.

Travis County had no successor when Mike Trimble, head of the Criminal Justice Planning Department, stepped down two years ago. The county is still looking for his replacement amid talks of a new courthouse and possible jail expansions.

County Judge Sam Biscoe said that lag is hurting Travis' operations and should not be repeated. "Most of our executive managers have indicated they want to stick around for a few more years," Biscoe said. "But when you get to be around 60, you start thinking, 'If I don't take this trip or do this thing, I may not get the chance.'"

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