

The Evolving Workspace

How shifting demographics, technology innovations, and new employee expectations are shaping the workplace of the future





“

Now that we have achieved what humankind has tried to achieve since it has walked—living longer—we really don’t have a good idea of what to do with all that additional time.

—Dr. Joe Coughlin, MIT AgeLab





- Multidisciplinary research program that works with business, government, and non-government organizations
- Seeks to understand longevity challenges and opportunities
- Invents solutions enabling people to do more throughout their lives
- Aims to improve quality of life for older people and those who care for them



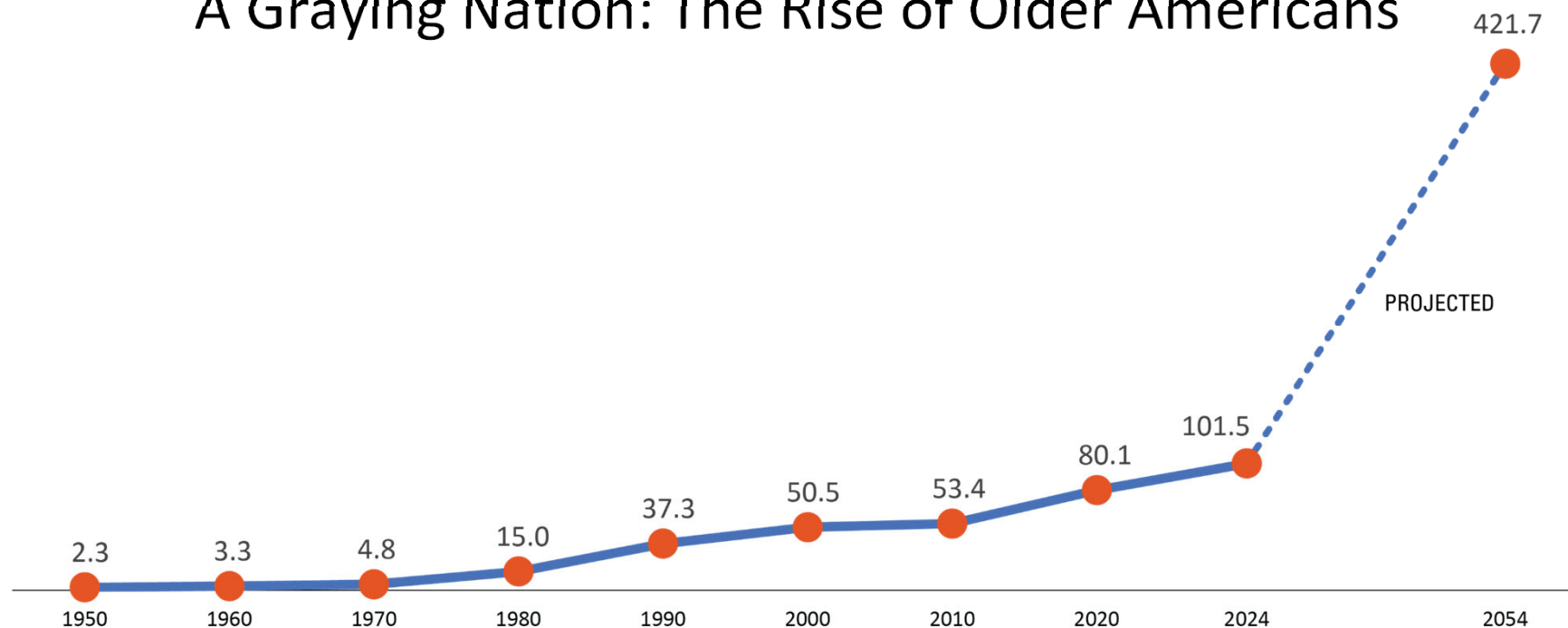
Agenda

- Disruptive Demographics
- How We Work
- A New Social Contract



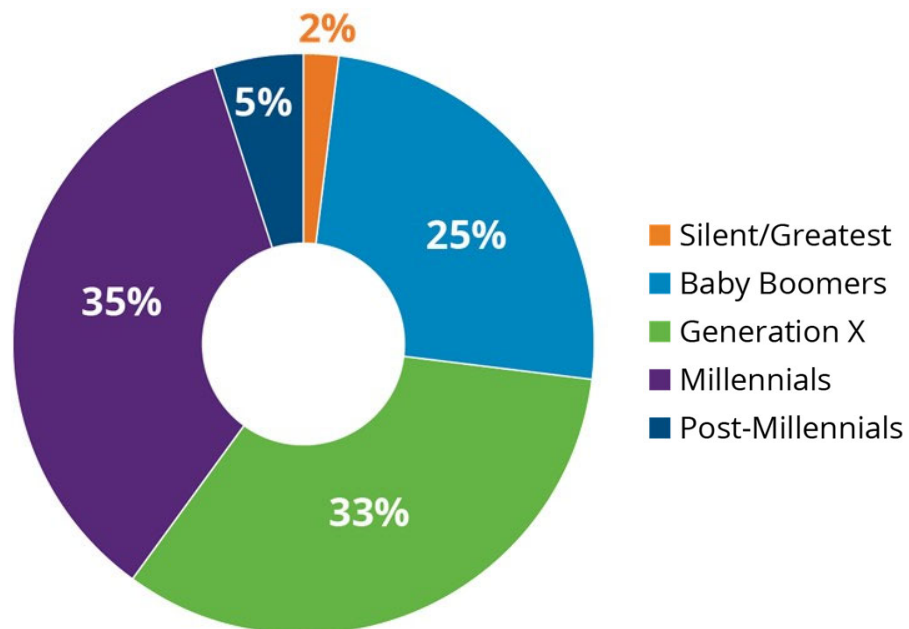
Disruptive Demographics

A Graying Nation: The Rise of Older Americans



Source: US Centenarians Projected to Quadruple in Number by 2054, Pew Research Center, 1/8/24

Percent of Labor Force by Generation



Source: *Generational Differences in the Workplace*, purdueglobal.edu, 4/19. Most recent data available.

Life in 8,000 Day Segments



LEARNING

8,000 Days



GROWING

8,000 Days



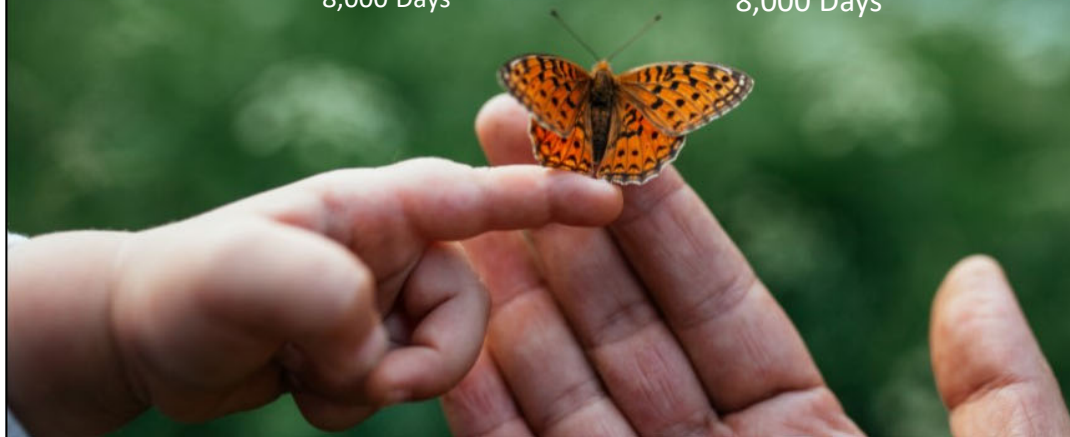
MATURING

8,000 Days



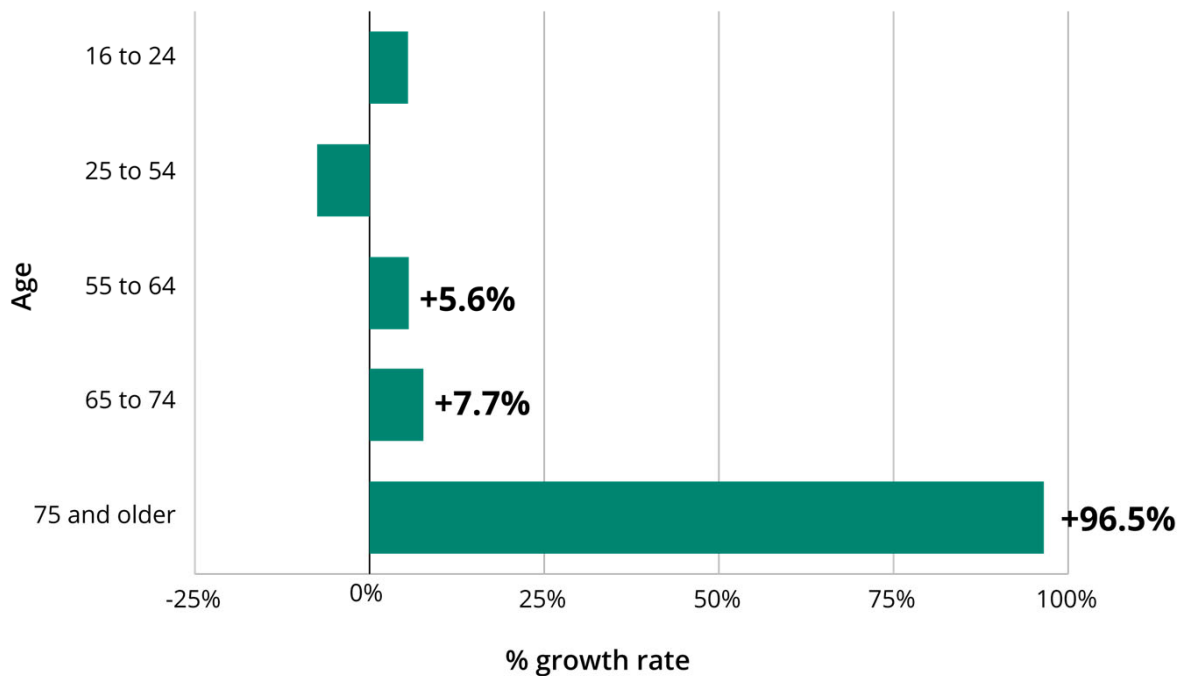
EXPLORING

8,000 Days



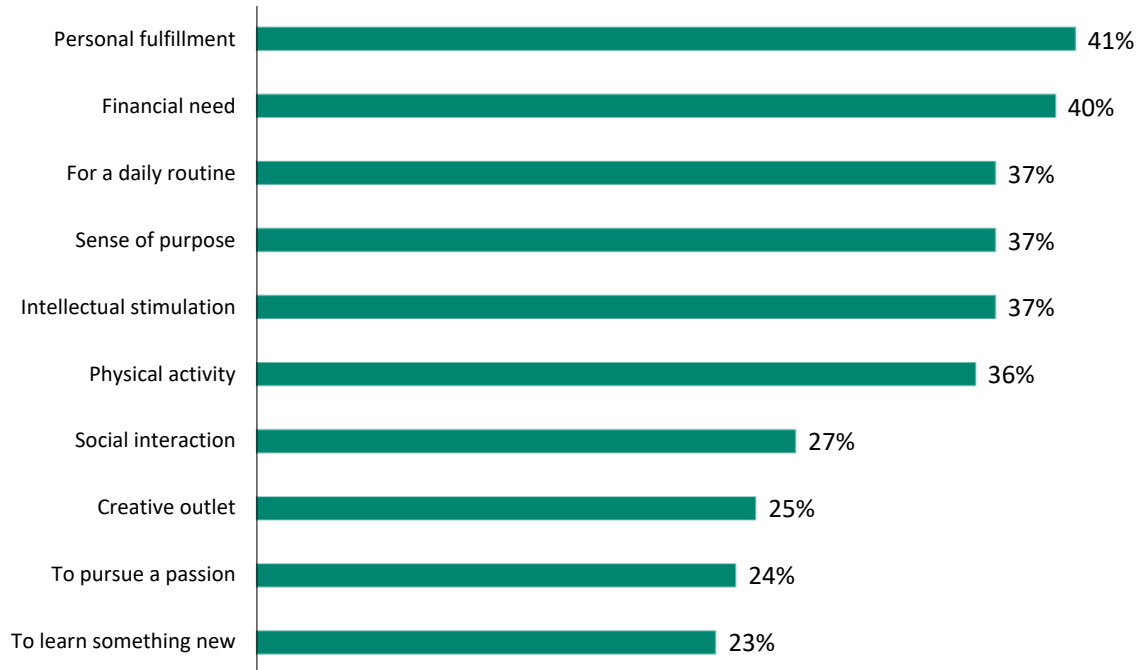
Trending Now: An Older Labor Force

Projected growth rate in labor
force by age, 2019-2030



Source: Number of people 75 and older in the labor force is expected to grow 96.5 percent by 2030, bls.gov, 11/21

Reasons Retirees Continue Working in Retirement



Source: 2024 Retirement Confidence Survey: Results and Insights, EBRI/Greenwald Research, 2024

Employee Advantages of Working Longer

Non-financial benefits still have significant value



Helps avoid social isolation



Provides opportunities for learning and reasoning



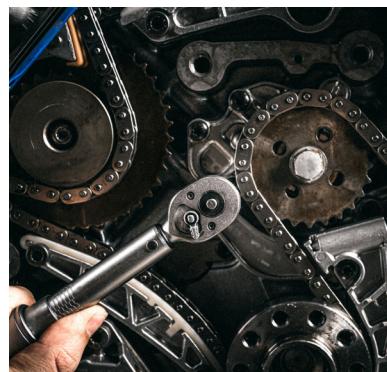
Gives life additional meaning, purpose, and structure



Provides social and community engagement

Source: *Working Longer Solves (Almost) Everything: The Correlation Between Employment, Social Engagement and Longevity*, Tim Driver and Amanda Henson, 7/20

An Unprecedented Labor Shortage



Job Openings Still Outnumber the Jobless

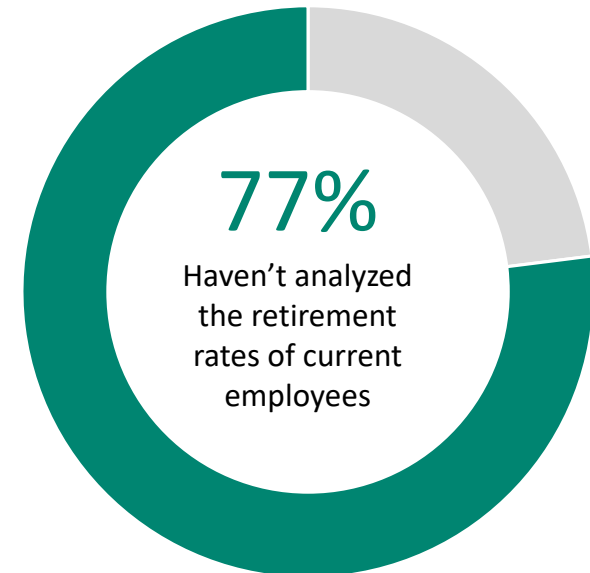
$$\begin{array}{ccccc} 8.0 & \div & 6.4 & = & 1.6 \\ \text{million} & & \text{million} & & \text{unfilled positions} \\ \text{job openings} & & \text{unemployed} & & \text{for every job seeker} \end{array}$$

Source: U.S. Job Openings Drop to Lowest Level Since February 2021, Statista.com, 6/24

Brain Drain: Lack of a Knowledge Succession Plan

A 2017 survey of 75 executives at midsize-to-large U.S.-based companies...

- 78% agree losing business-critical expertise is a bigger threat than five years ago
- 62% believe retirements will result in skilled-labor shortages over the next five years



Source: *This is How Severe Boomers Have Made Company Brain Drain*, inc.com, 9/20/17. Most recent data available.

Baby-Boomer Brain Drain

When employees retire,
“tacit knowledge” goes
with them

29
Million

Boomers Retired
in 2020¹

81%

Say They’re Willing
to Mentor The
Next Generation²

Only 4%

Employers
Encouraged
Participation In

Succession
Plan

Training &

Mentoring²

¹The pace of Boomer retirements has accelerated in the past year, [pewresearch.org](https://www.pewresearch.org), 11/20

²Column: Employers are failing to stop the baby boomer brain drain, [pbs.org](https://www.pbs.org), 1/19

The Uncountable Costs of Replacing Retirees

It's more than dollars and cents



Institutional knowledge:

- Products and processes
- Strategy
- Relationships
- Work ethic
- Culture carriers

Productivity:

- Top performers often required to train new employees
- Other staff members take on additional responsibilities

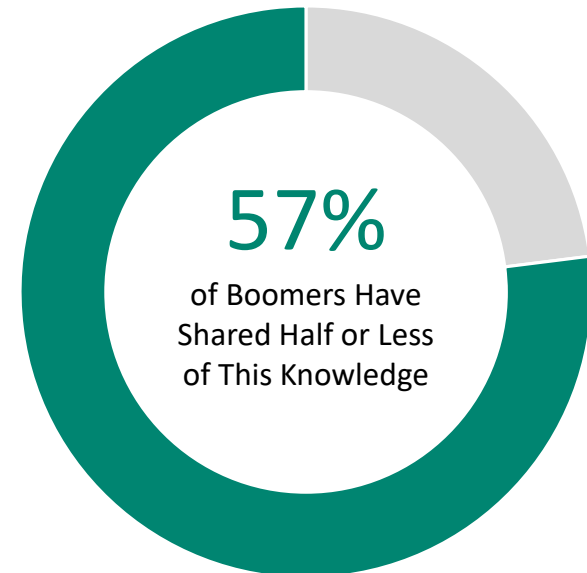
Source: What Is the True Cost of Employee Turnover to Your Business?, helioshr.com, 10/21

A Knowledge Transfer Plan Is Critical

Few employers are proactively addressing the issue

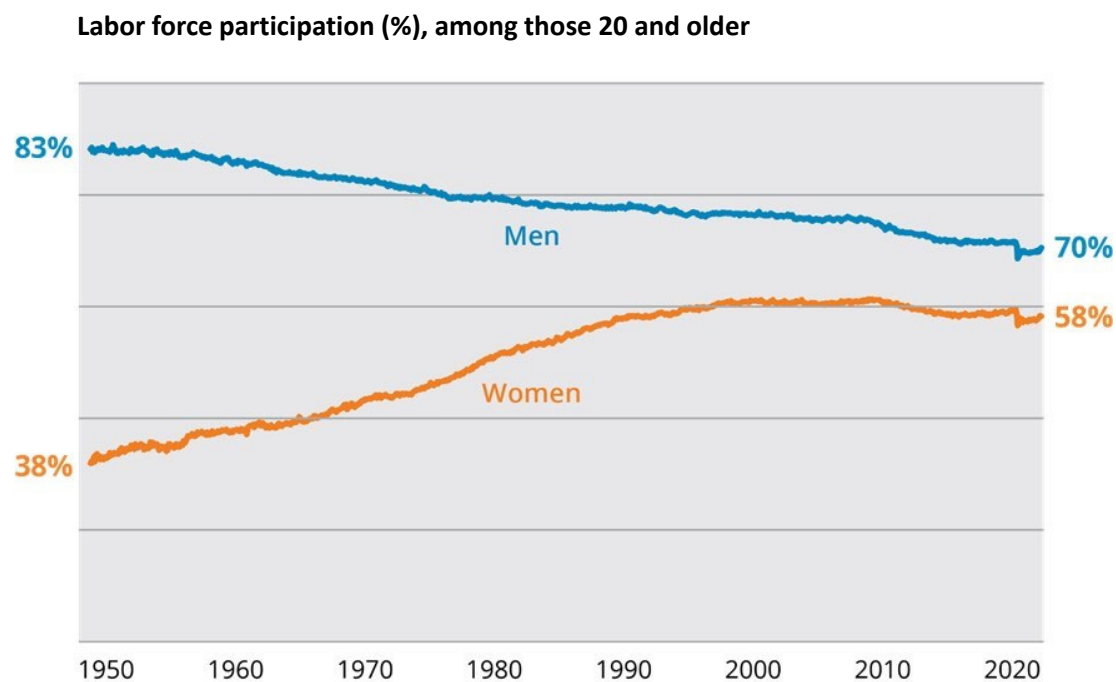
Aspects of a Job That Need to Be Shared

- What steps are involved in my process
- How what I do affects the larger process
- Who else is involved in the process
- Where potential problems might arise
- How to troubleshoot/identify issues
- Where to find information



Source: *Boomer Brain Drain: The Big Mistake Employers Are Making*, forbes.com, 1/19. Most recent data available.

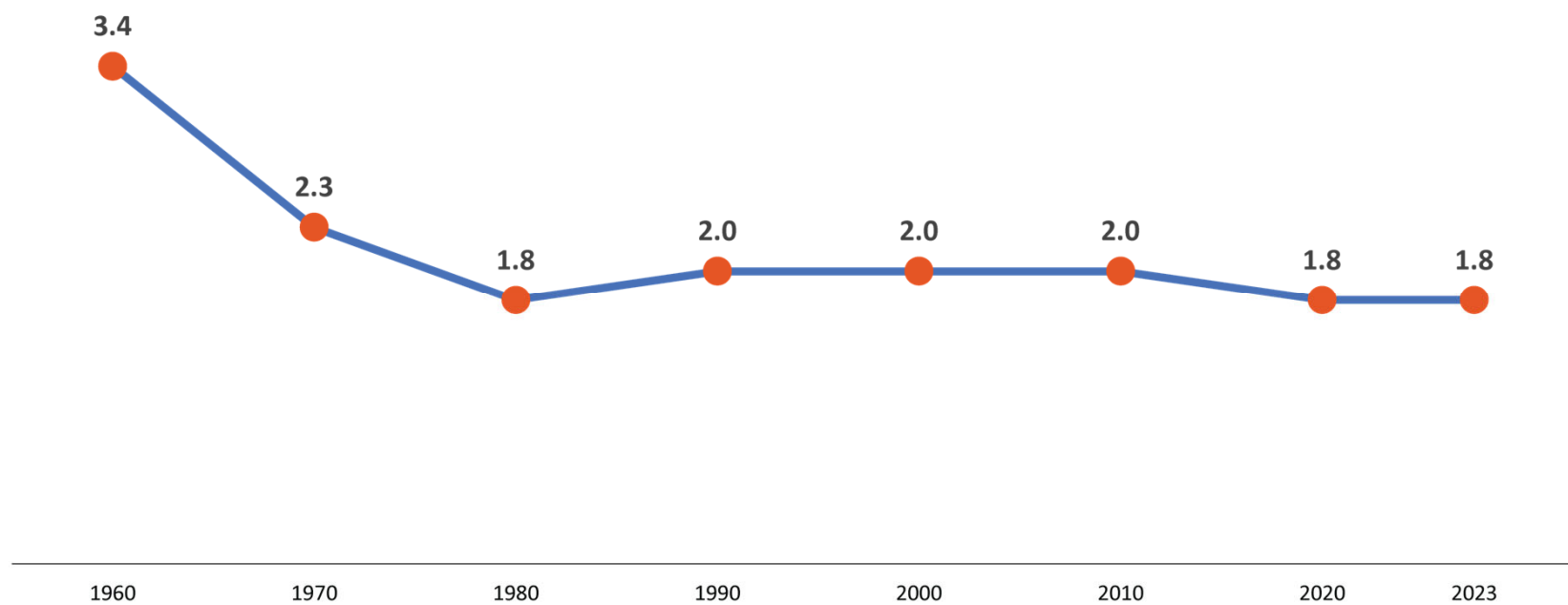
Labor Force Participation Rate Has Risen for Women, Fallen for Men



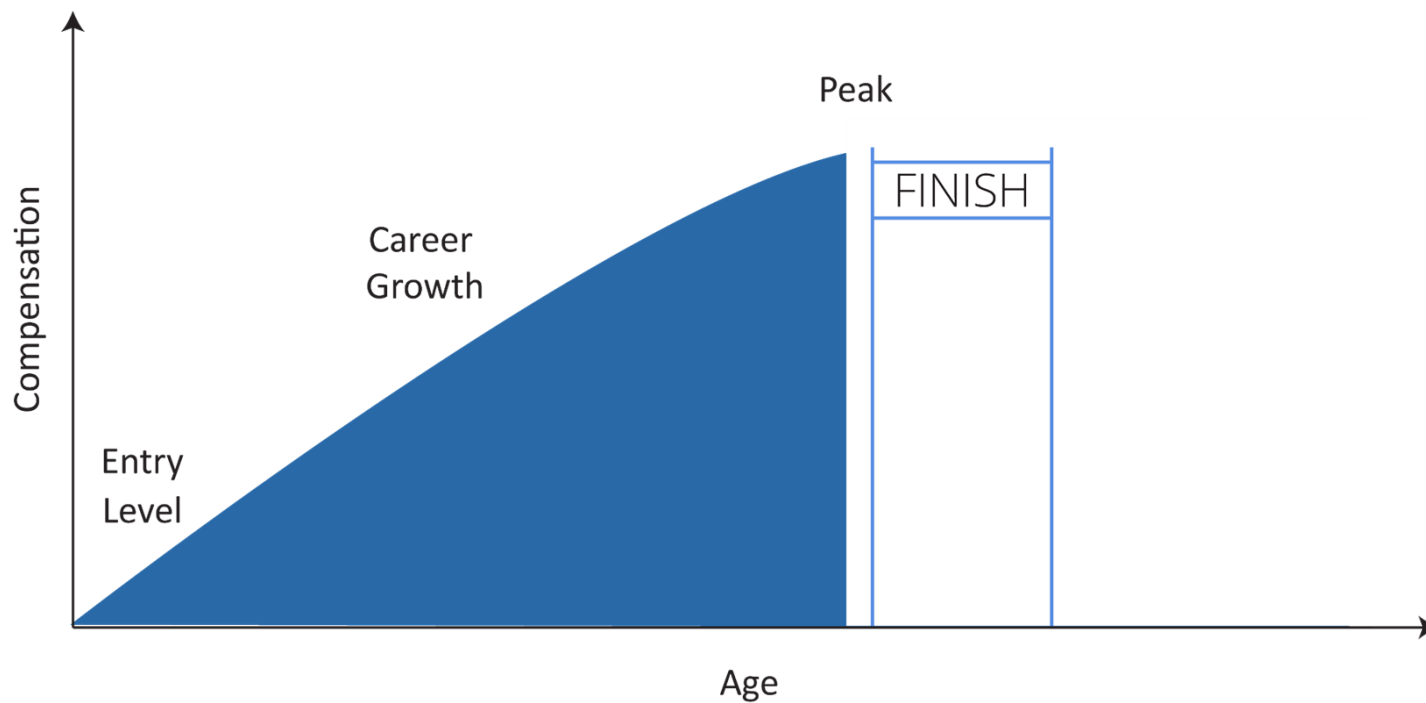
¹10 charts that show how employment, education, and business ownership have changed for women over the years, businessinsider.com, 3/22

Who's Going to Fill the Workforce Gap?

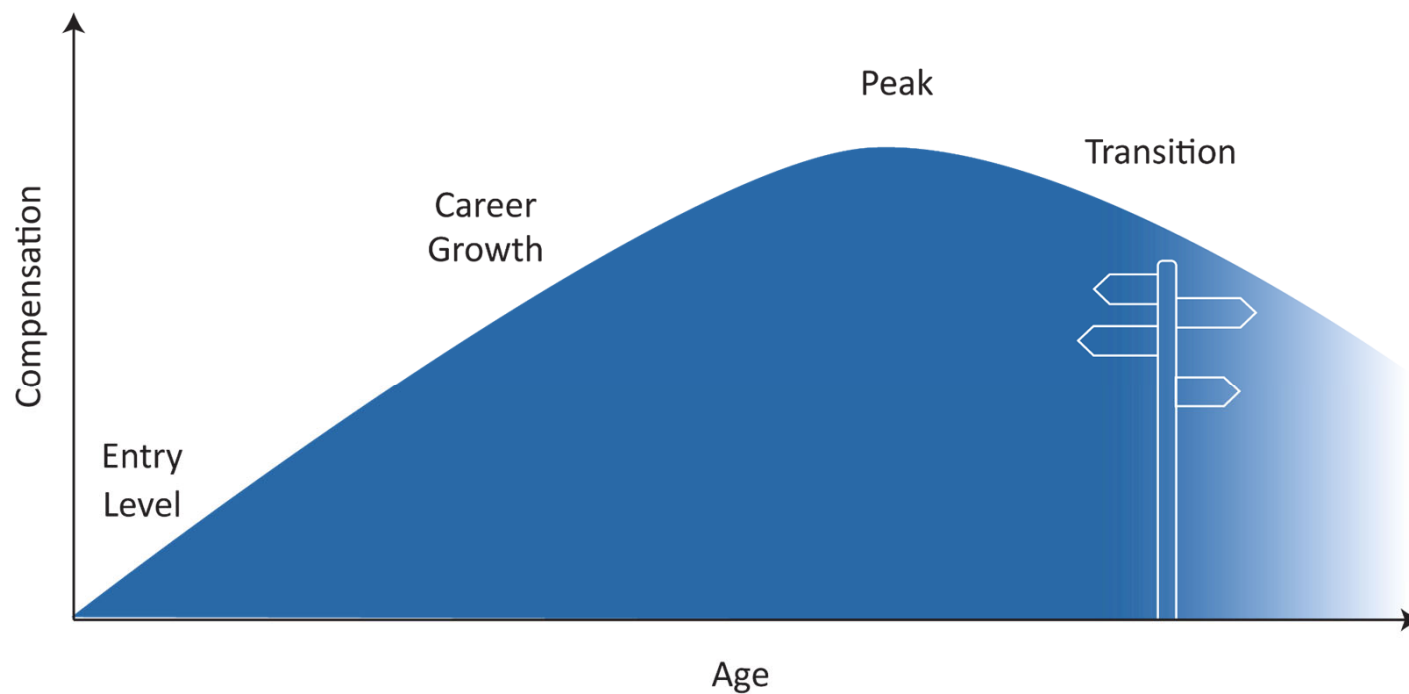
US Birth Rates Per Woman



The Traditional Career Cycle...



...and the New Career Cycle





How We Work

New Perspectives on Remote Work

The office isn't dead—but a hybrid model may have its advantages

Employees	Employers
▪ Allows greater work-life balance	▪ Increases employee satisfaction
▪ Promotes employee well-being	▪ Reduces absenteeism
▪ Saves employees money	▪ Saves company money
▪ Aren't restricted by location	▪ Expands talent pool
▪ Meets demand for flexibility	▪ Makes employer more competitive

Sources:

The benefits of remote work—for both employees and managers, [wework.com](https://www.wework.com), 5/20 and *Will working remotely change how we communicate?*, [retailwire.com](https://www.retailwire.com), 4/20

The Benefits of Working From Home, [flexjobs.com](https://www.flexjobs.com), retrieved 12/22

What Does This Mean to You?

“We need to get this project done.”

We Need to Get This Project Done

Older Boomers: Urgency; immediate action

Younger Boomers: An order

Gen X: An observation, not necessarily a command—nor immediate

Gen Y: Call for discussion and collaboration



Wellness Is More Than Financial

Physical



Financial



Social



HOW WE WORK

"A person has to have a reason to get up in the morning."

For some that means continuing to work full- or part-time, while others believe that volunteering for a cause they care about brings joy and meaning.

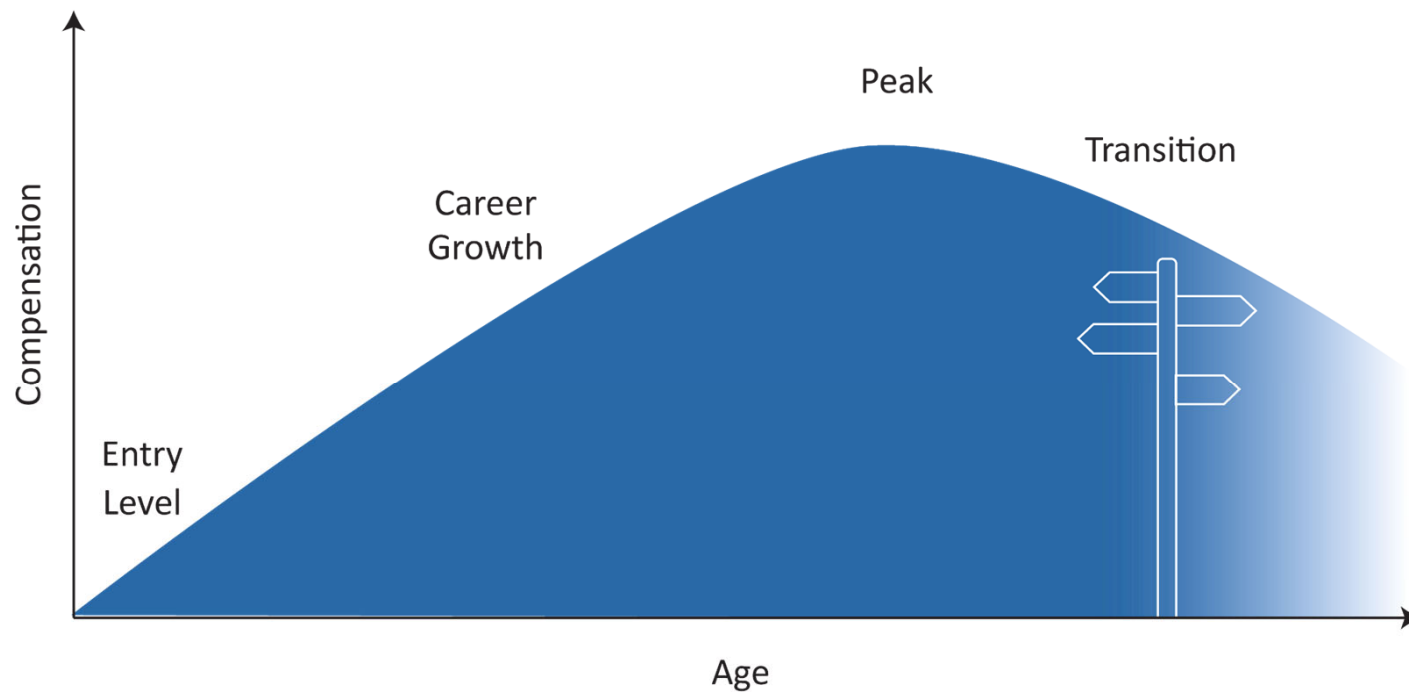
—The Cardinal & Gray Society



A New Social Contract



Compensation Packages: One Size Does Not Fit All



Personalized Benefits Packages

A menu of benefits that reflect different ages and lifestyles



93%

of employees say the ability to customize their benefits is a must –or nice-to-have option

72%

say it would increase their loyalty to their current employer

Source: MetLife's 17th Annual U.S. Employee Benefit Trends Study 2019, metlife.com

Flexibility Is a Must-Have For Today's Job Applicant



+



98%

of workers expressed the desire to work remotely, at least part of the time

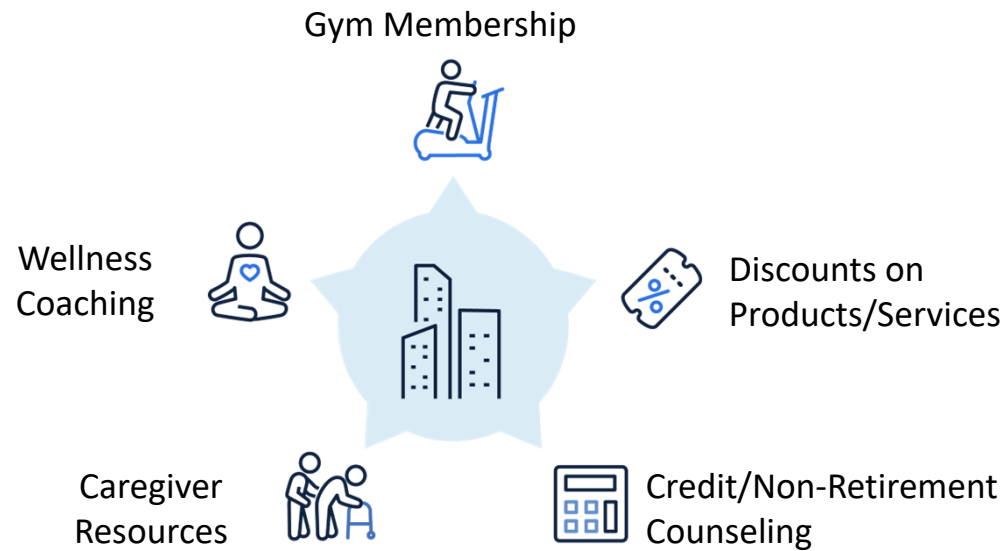
71%

of remote workers said that remote work helps balance their work and personal life

Source: Remote Work Statistics and Trends in 2025, Forbes.com, 06/2023

Serve as a Solutions Hub

Be a connector and facilitator of services



Flex Time and Flexible Work

New policies may be necessary to keep valuable employees

- Working remotely
- Part-time work
- Job sharing
- Position redesign
- Phased retirement

76%

of employers believe that many employees plan to continue working either full-time or part-time in retirement, but only

18%

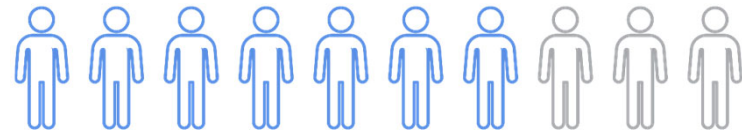
have a formal phased retirement program.

Source: Enhancing Retirement Security for Older Workers, Center for Workforce Inclusion, 8/24

Brain Gain vs. Brain Drain

Create a culture that values continuous learning

- Sharing knowledge and expertise
- Reverse-mentoring
- Coaching by senior employees
- Rotational assignments
- Intergenerational collaboration



7 out of 10

Workers say they like working with generations other than their own

Source: *Mentorship and the Value of a Multigenerational Workforce*, aarp.org, 1/19. Most recent data available.

Multiple Jobs and Careers

Maintaining longevity and resilience in the workplace



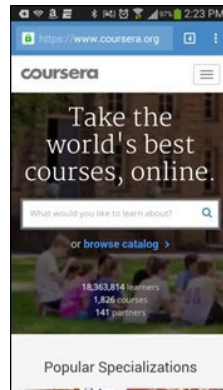
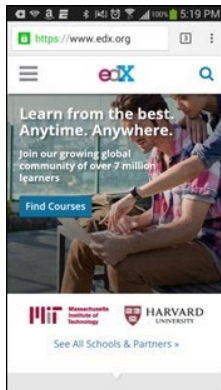
A NEW SOCIAL CONTRACT

Employers

School Is Never Out

MOOCs

(Massive Open Online Courses)

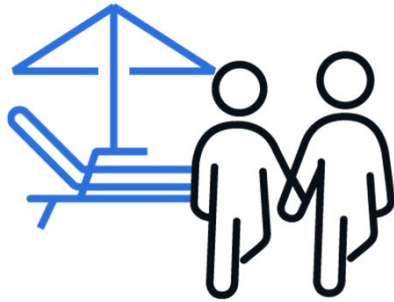


- Coursera
- EdX
- Khan Academy
- One Day University
- Udacity

Additional Ways to Learn and Build Skills

- YouTube
- Podcasts
- MITx MicroMasters
- TedTalks
- Osher Lifelong Learning Institute
- LinkedIn Learning

Transition Planning vs. Retirement Planning



Summary

■ Disruptive Demographics

The workforce makeup is changing

■ How We Work

New workforce culture and dynamics

■ A New Social Contract

Flexibility is key





“

...by having the insights, it's not just going to be a better place to work that fosters wellbeing and community, it'll be a more productive workplace and, therefore, a more *profitable* workplace.

—Dr. Joe Coughlin, MIT AgeLab



Next Steps

1. Evaluate your organization's retirement transition process
2. Download our corresponding plan sponsor workbook at hartfordfunds.com
3. See pages 3-4 of the workbook for strategies that promote learning and help avoid brain drain

Hartford Funds Distributors, LLC, Member FINRA. Hartford Mutual Funds may or may not be invested in the companies referenced in this presentation. No particular endorsement or recommendation of any product or service is being made.

This material is for informational (or educational) purposes only.

The MIT AgeLab is not an affiliate or subsidiary of Hartford Funds. REP_WORKSCAPE_0125 4144764