

The Evolving Workscape

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



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“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



Life Tomorrow

- **Based within MIT's School of Engineering drawing upon faculty, researchers, & students from MIT Schools of Management, Architecture & Planning, and Humanities, Arts & Social Sciences**
- **Funded by companies & non-profits worldwide**
- **Apply a systems approach to address the challenges and opportunities of longevity**
- **Consumer behavior and decision making**
- **Trends in demographics, technology, and lifestyles**



Disruptive Demographics

How We Work

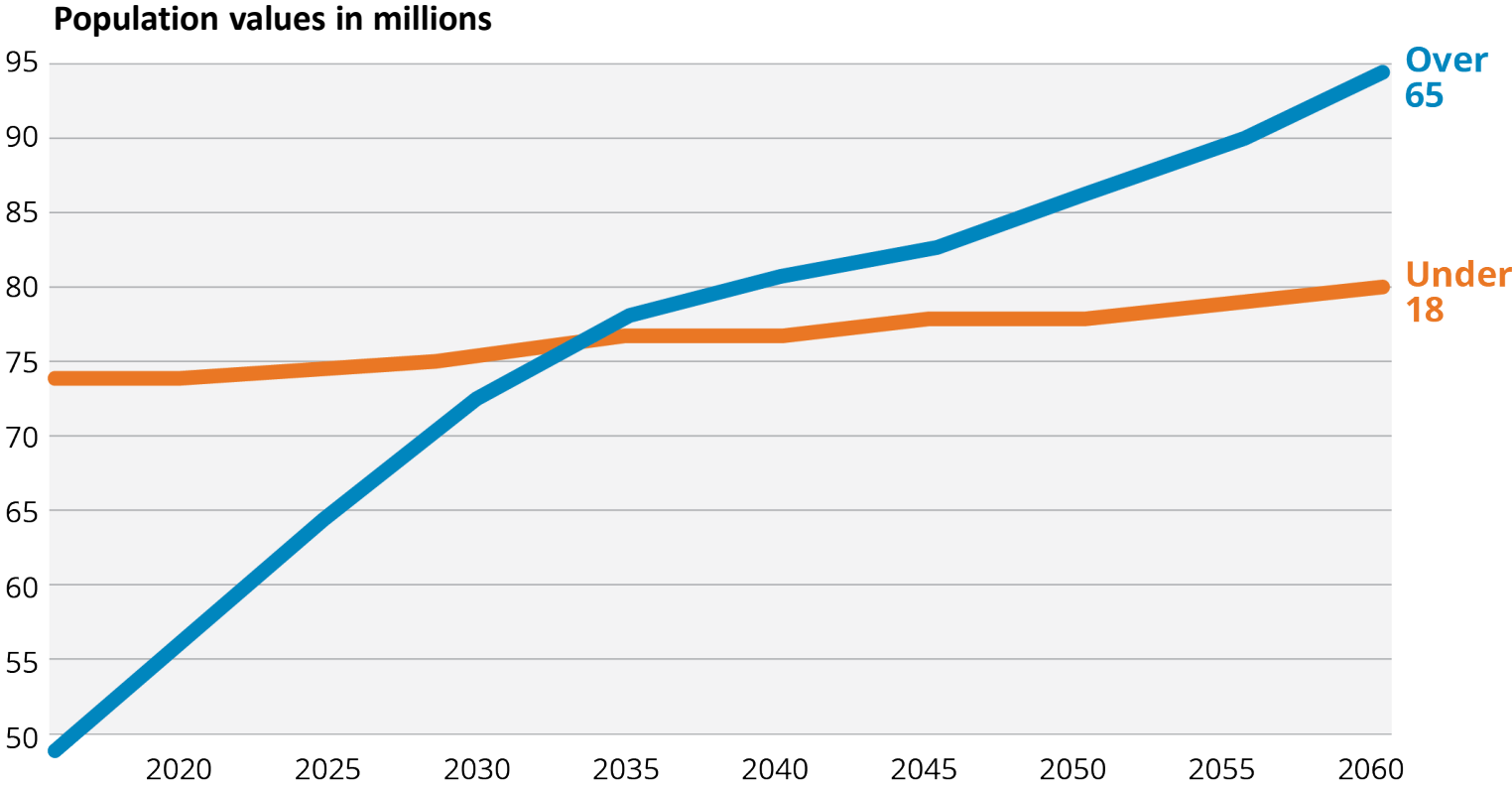
New Social Contract



Disruptive Demographics

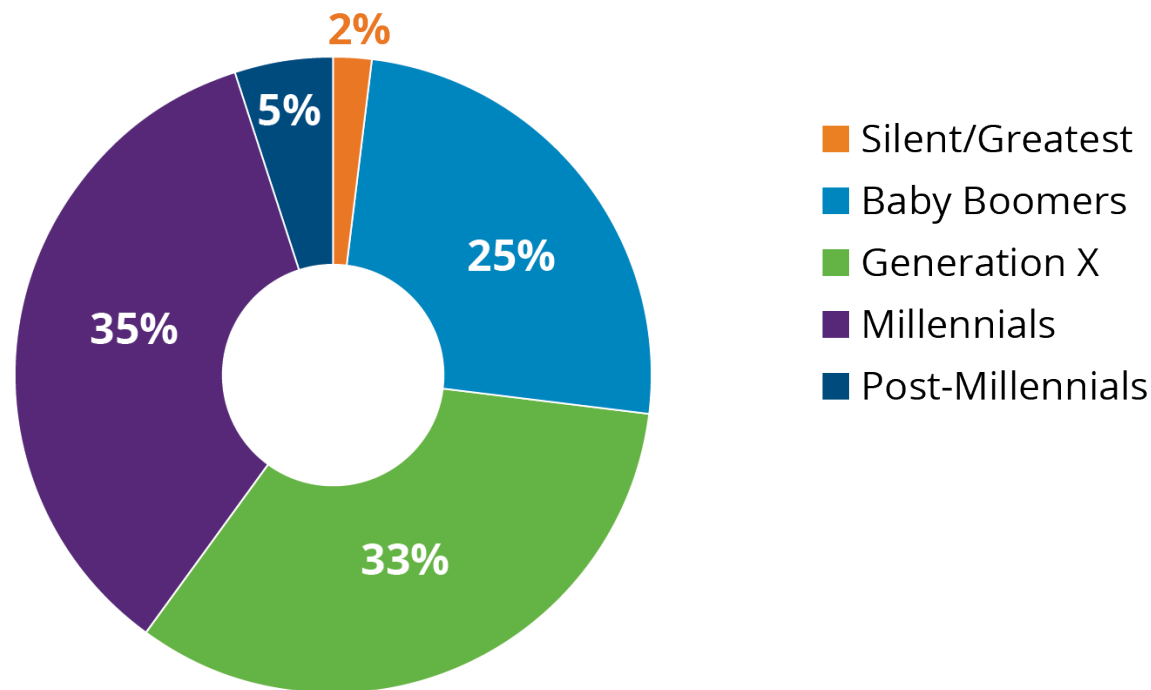
US Population Projection by Age

America is getting grayer



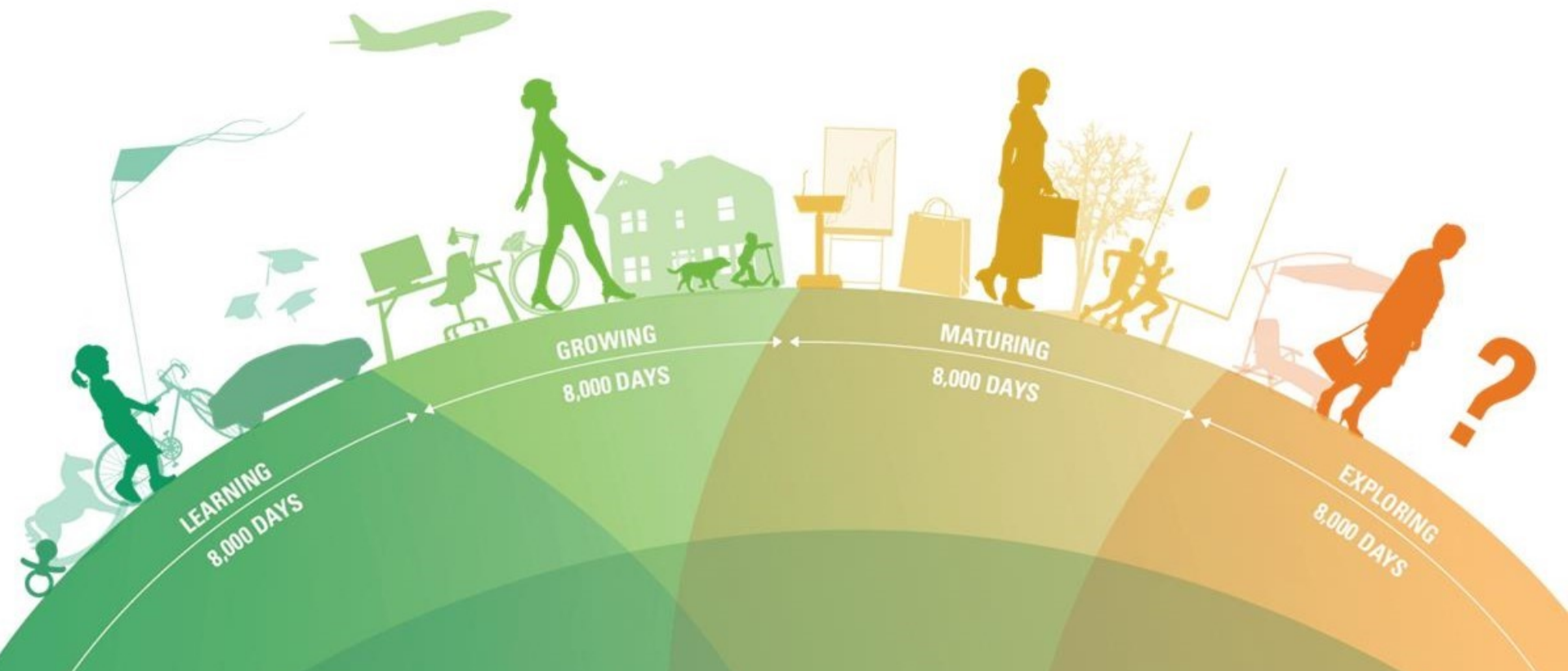
Source: Aging in America, in 5 Charts, usnews.com, 9/19

Percent of Labor Force by Generation



Source: *Generational Differences in the Workplace*, purdueglobal.edu, 4/29/19

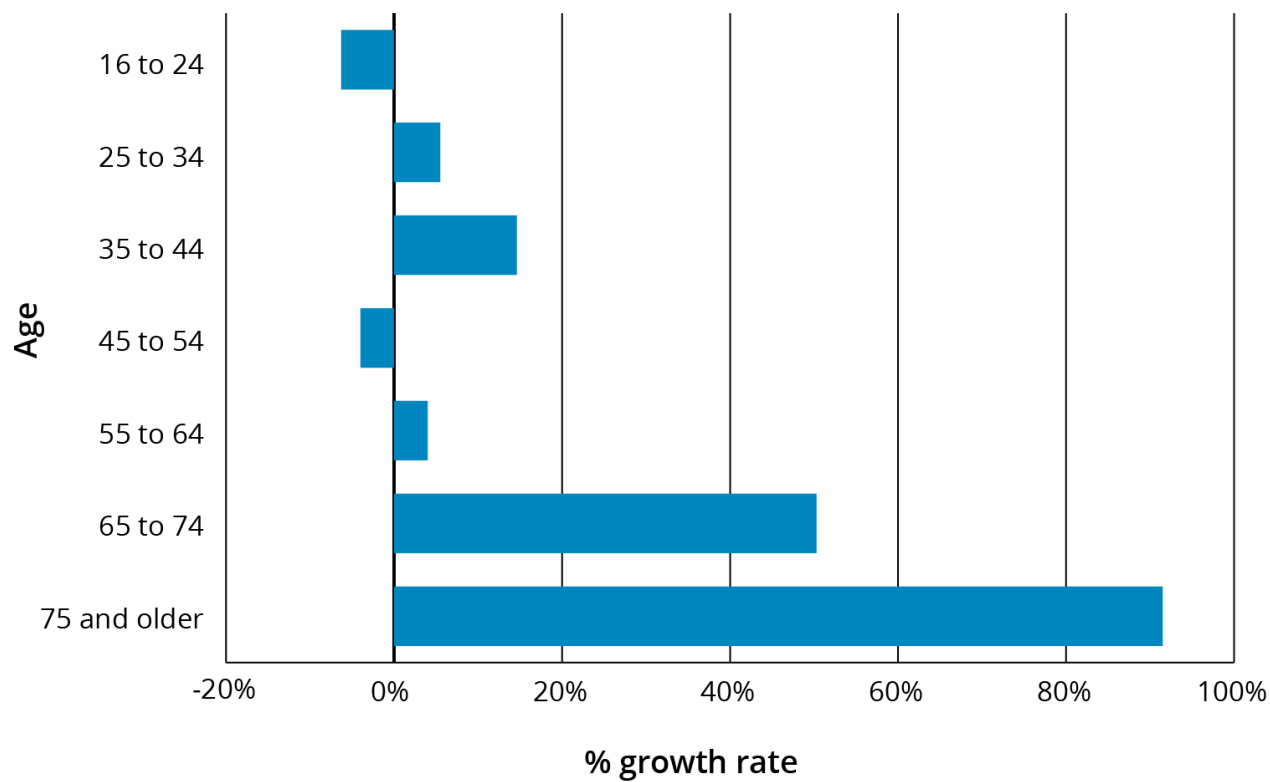
Life in 8,000 Day Segments



Source: *8,000 Days*, MIT AgeLab, 2017

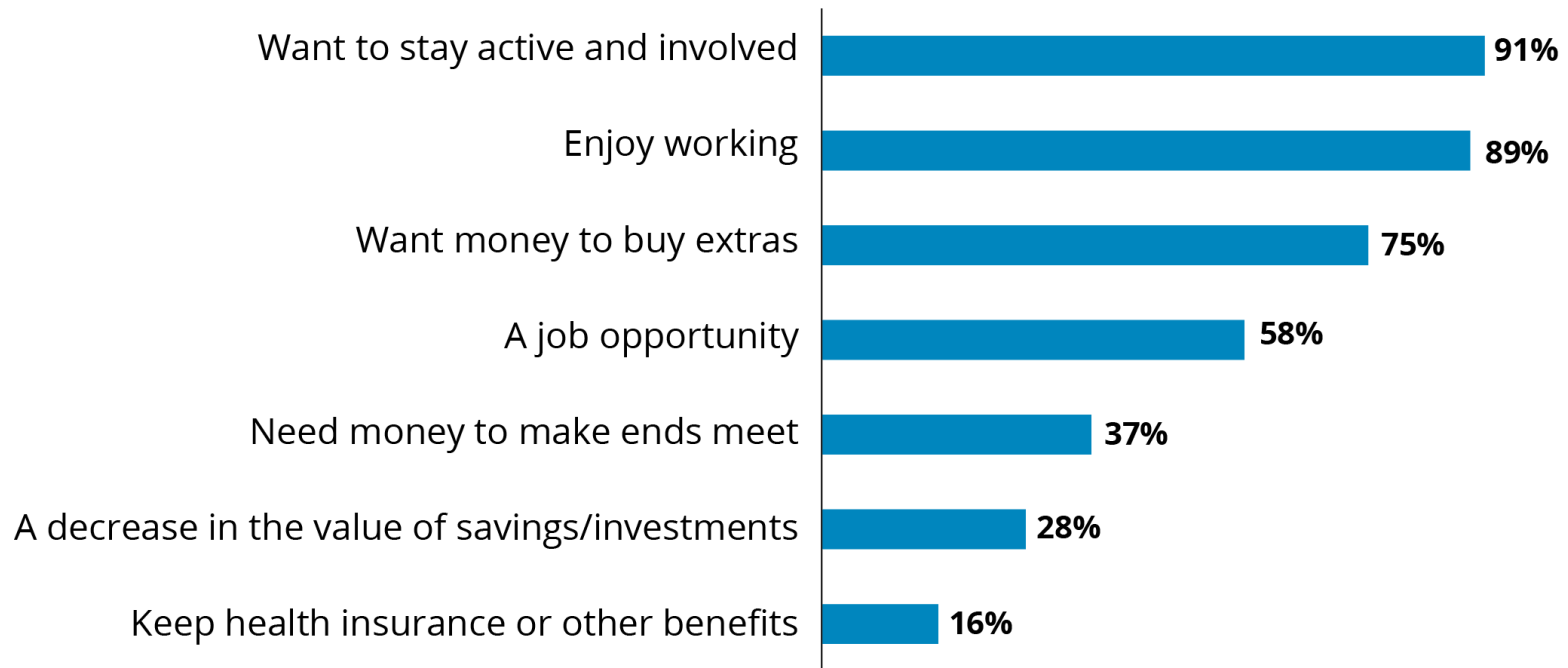
Trending Now: An Older Labor Force

Projected growth rate in labor force by age, 2016-2026



Source: Projections of the labor force, 2016–26, bls.gov, 11/17, most recent data available

Reasons Retirees Continue Working in Retirement



Source: 2019 Retirement Confidence Survey Fact Sheet, EBRI/Greenwald Retirement Confidence Survey, 2019

Employee Advantages of Working Longer

Non-financial benefits still have significant value



Helps avoid social isolation



Provides opportunities for learning and reasoning



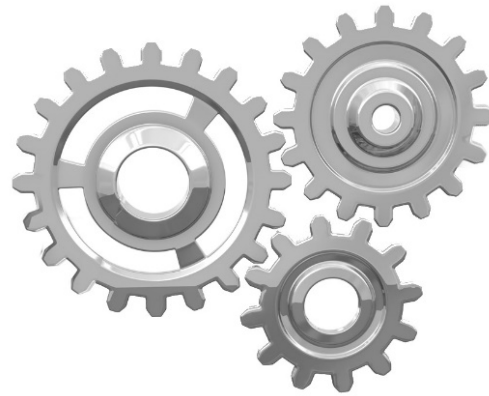
Gives life additional meaning, purpose, and structure



Provides social and community engagement

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

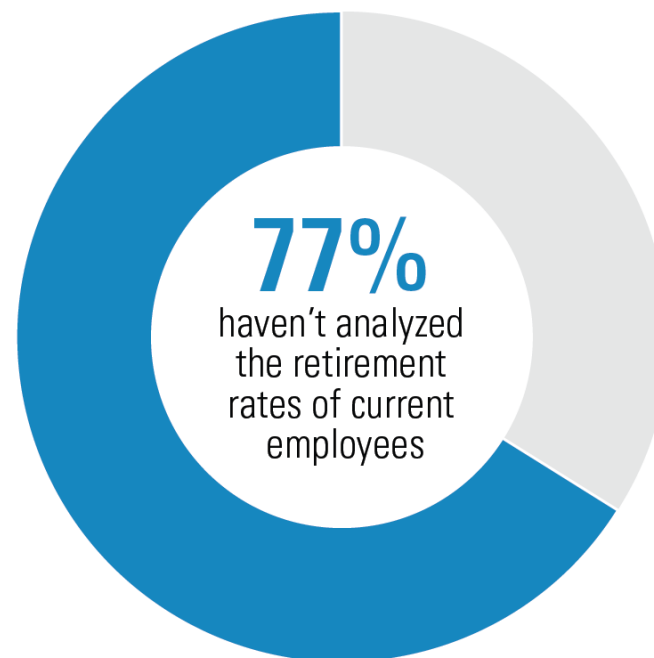
The Looming Labor Shortage



Brain Drain: Lack of a Knowledge Succession Plan

In a 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

4 MILLION

BOOMERS A YEAR LEAVE
THE WORKFORCE

81%

SAY THEY'RE WILLING
TO MENTOR THE
NEXT GENERATION

ONLY 4%

OF EMPLOYERS
ENCOURAGED
PARTICIPATION IN

**SUCCESSION
PLANNING**

TRAINING &

MENTORING

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: *5 Hidden Costs of Employee Turnover*, insperity.com, retrieved 6/20/18, most recent data available

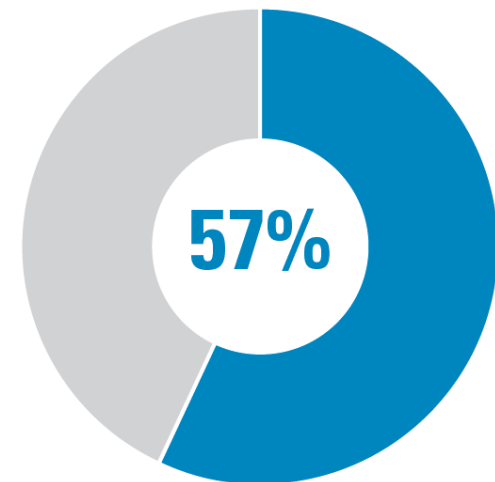
A Knowledge Transfer Plan Is Critical

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

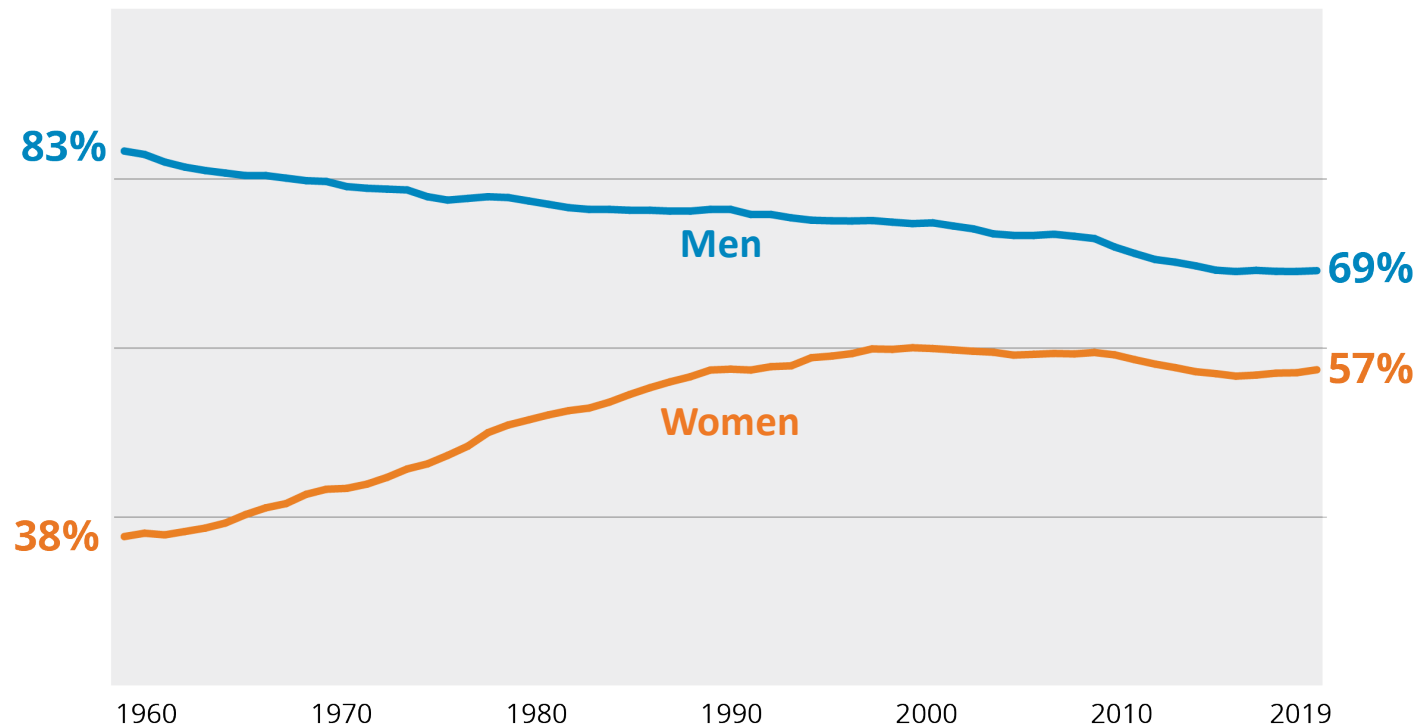
**57% of Boomers Have Shared
Half or Less of This Knowledge**



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

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

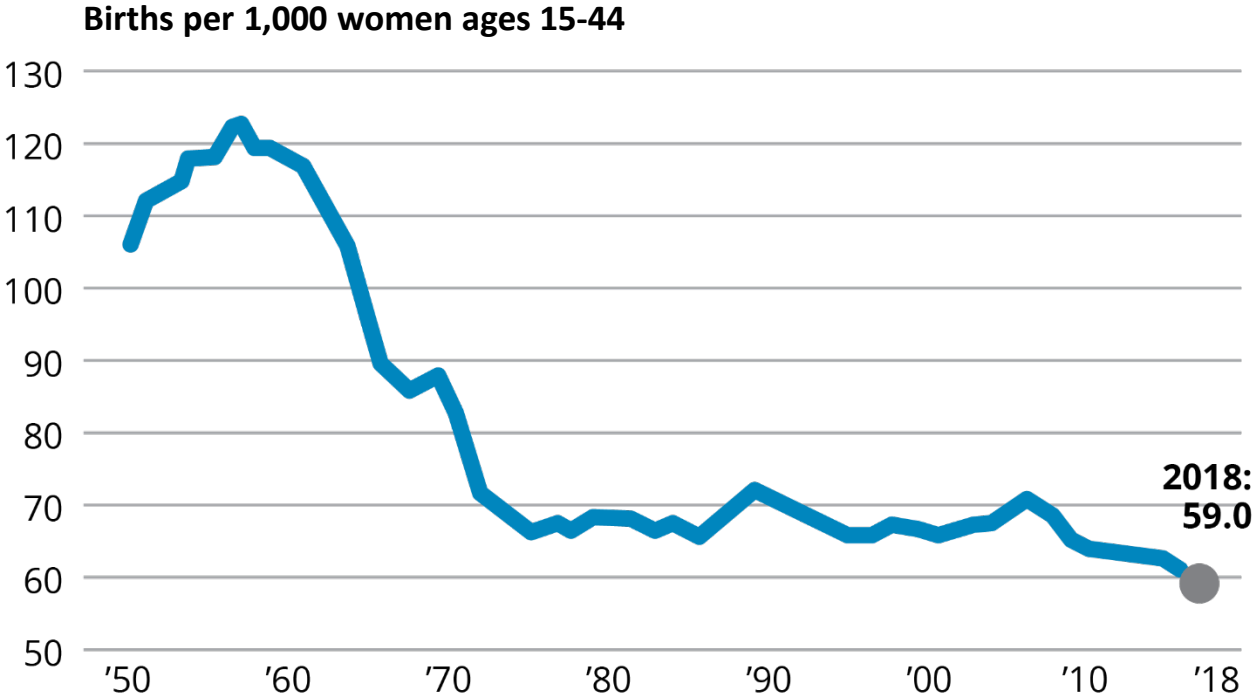
Labor force participation (%), among those 16 and older



¹Labor force participation rates – United States, data.worldbank.org, 6/20

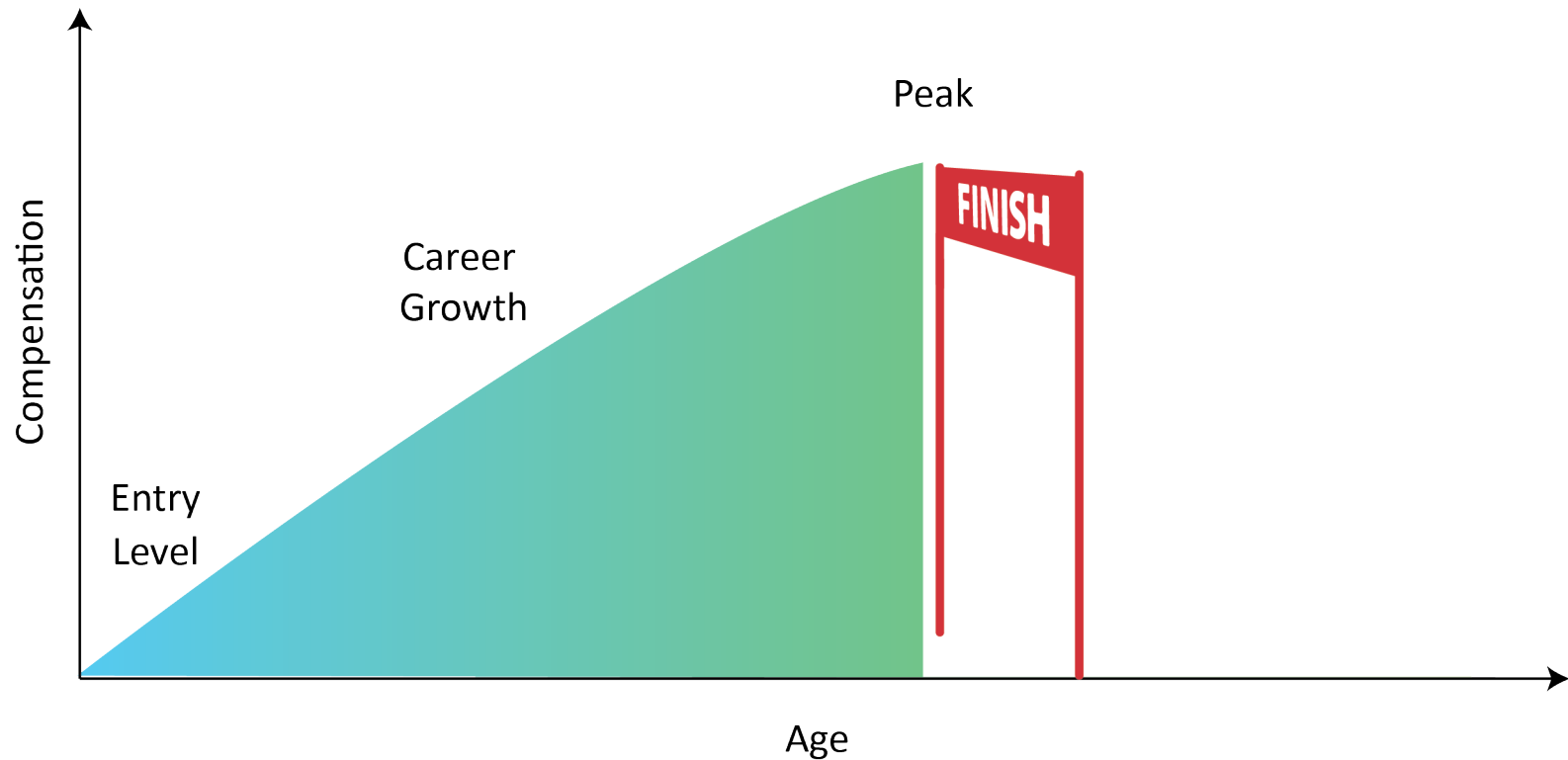
Who's Going to Fill the Workforce Gap?

Fertility rates have hit an all-time low

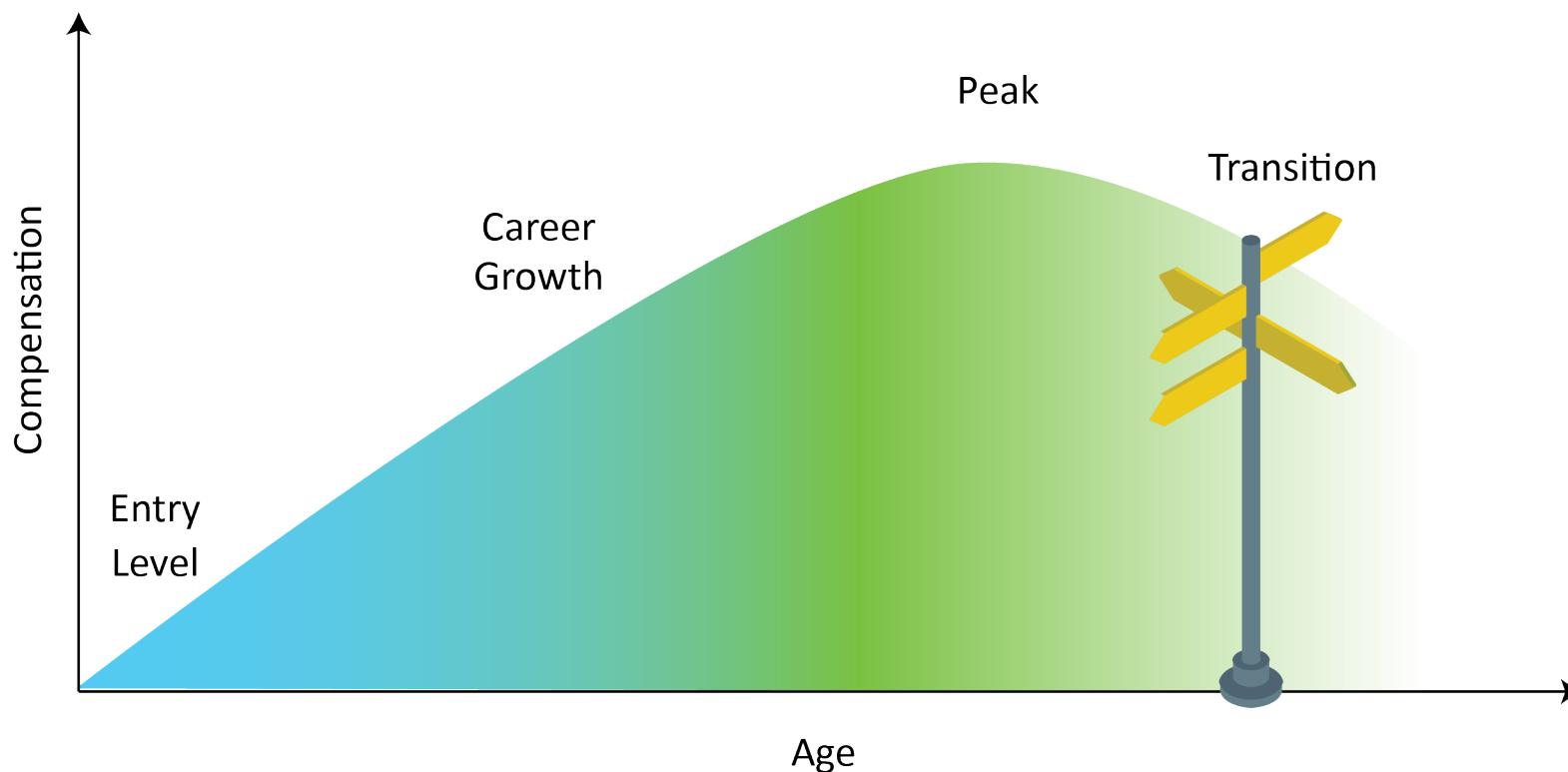


Source: U.S. fertility hit an all-time low in 2018 ... and 2006, pewsocialtrends.org, 5/19

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
<ul style="list-style-type: none"> Allows greater work-life balance 	<ul style="list-style-type: none"> Increases employee productivity
<ul style="list-style-type: none"> Promotes employee well-being 	<ul style="list-style-type: none"> Reduces absenteeism
<ul style="list-style-type: none"> Communication is more efficient 	<ul style="list-style-type: none"> Saves company money
<ul style="list-style-type: none"> Aren't restricted by location 	<ul style="list-style-type: none"> Expands talent pool
<ul style="list-style-type: none"> Meets demand for flexibility 	<ul style="list-style-type: none"> Makes employer more competitive

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

Gig Jobs Offer Flexibility

66%

of Uber and Lyft drivers
wanted to be independent
contractors¹

20%

of Airbnb hosts
are over 60²

UBER



¹Lyft & Uber Driver Survey 2019, The Ride Share Guy, 11/19/19

²Airbnb, 2020

Generational Styles

- Work style
- Motivational style
- Interaction style
- Leadership style
- Communication style

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 & collaboration



Wellness Is More Than Financial

Physical



Financial



Social



“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 in causes they care about brings joy and meaning.

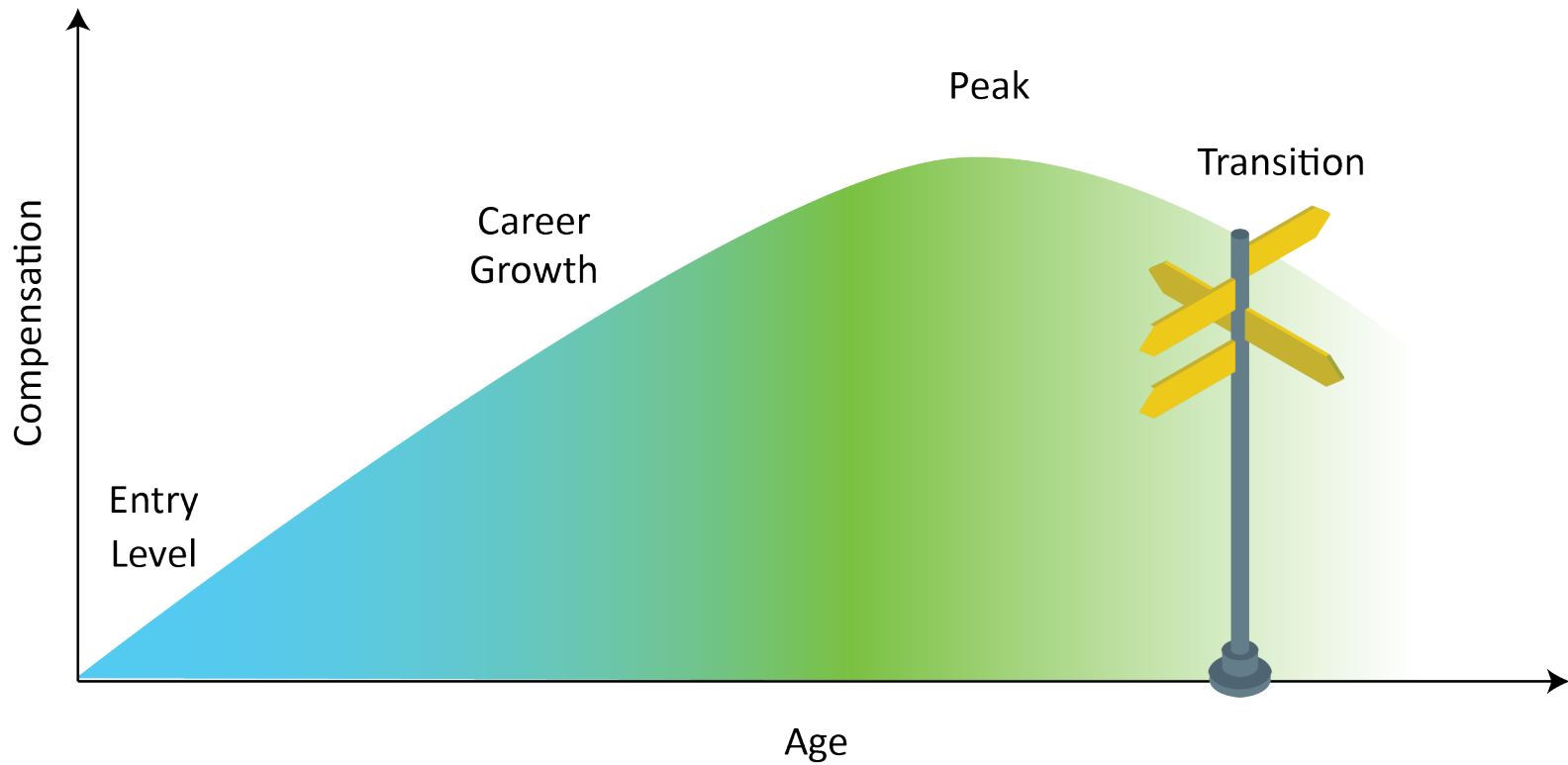
—The Cardinal & Gray Society





A New Social Contract

Compensation Packages: One Size Does Not Fit All



Employers

Personalized Benefits Packages

A menu of benefits that reflect different ages and lifestyles



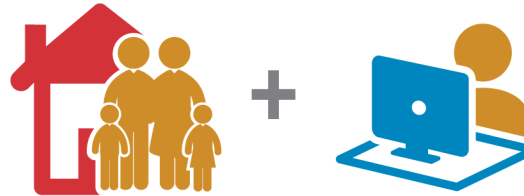
93% of employees say the ability to customize their benefits is a must- or nice-to-have option

72% say it would increase their loyalty to their current employer

Employers

Be Life-Stage Friendly

Work and personal responsibilities aren't entirely separate



69% said flexibility is most important when evaluating a job prospect

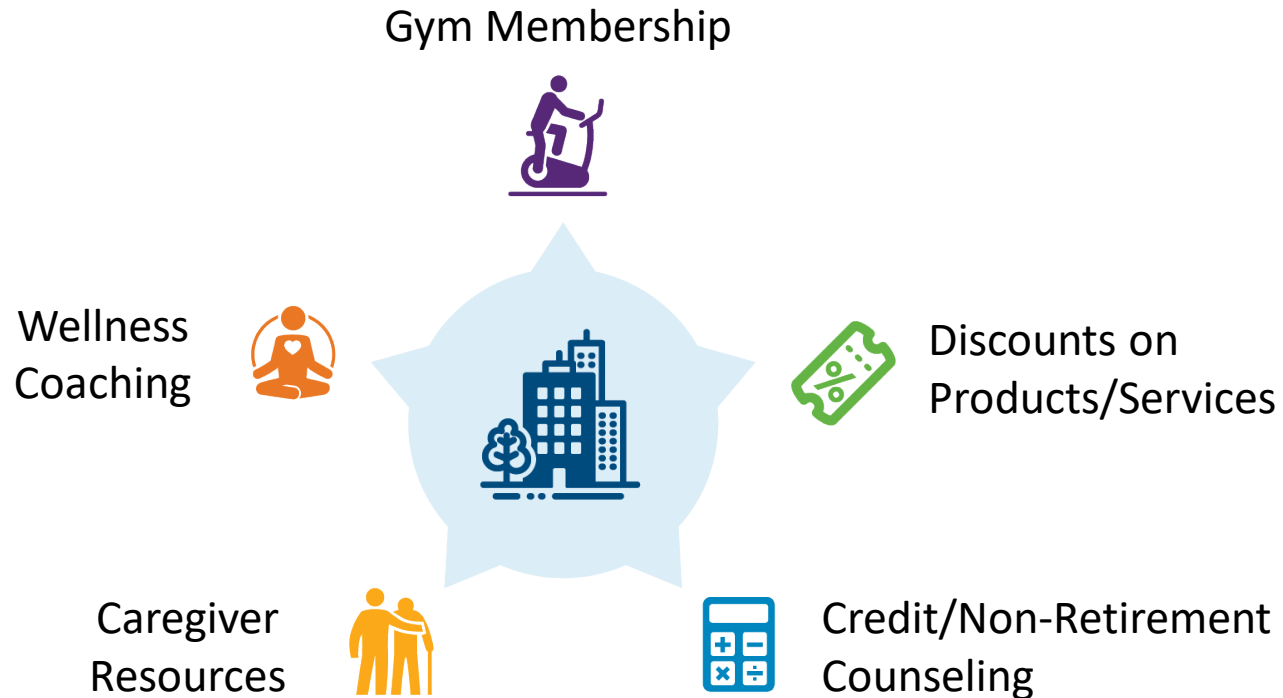
30% of resignations happening due to lack of work flexibility

63% are managing family and caregiving responsibilities

Employers

Serve as a Solutions Hub

Be a connector and facilitator of services



Employers

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

ONLY
6%

of employers
offer phased
retirement
programs

As Flexibility Increases, Compensation May Decrease

Flexibility



28%

of employees surveyed would take a pay cut in exchange for flexibility¹

¹FlexJobs 2019 Annual Survey: Flexible Work Plays Big Role in Job Choices, flexjobs.com, 8/19

Employers

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

Employers

Multiple Jobs and Careers

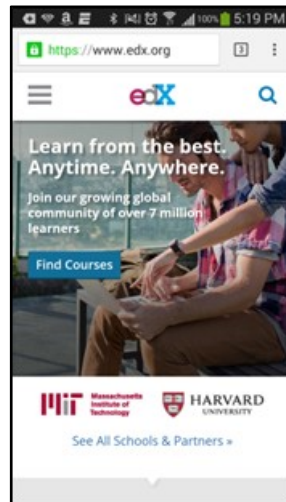
Maintaining longevity and resilience in the workplace



School Is Never Out

MOOCs

(Massive Open Online Courses)



Transition Planning vs. Retirement Planning



Disruptive Demographics

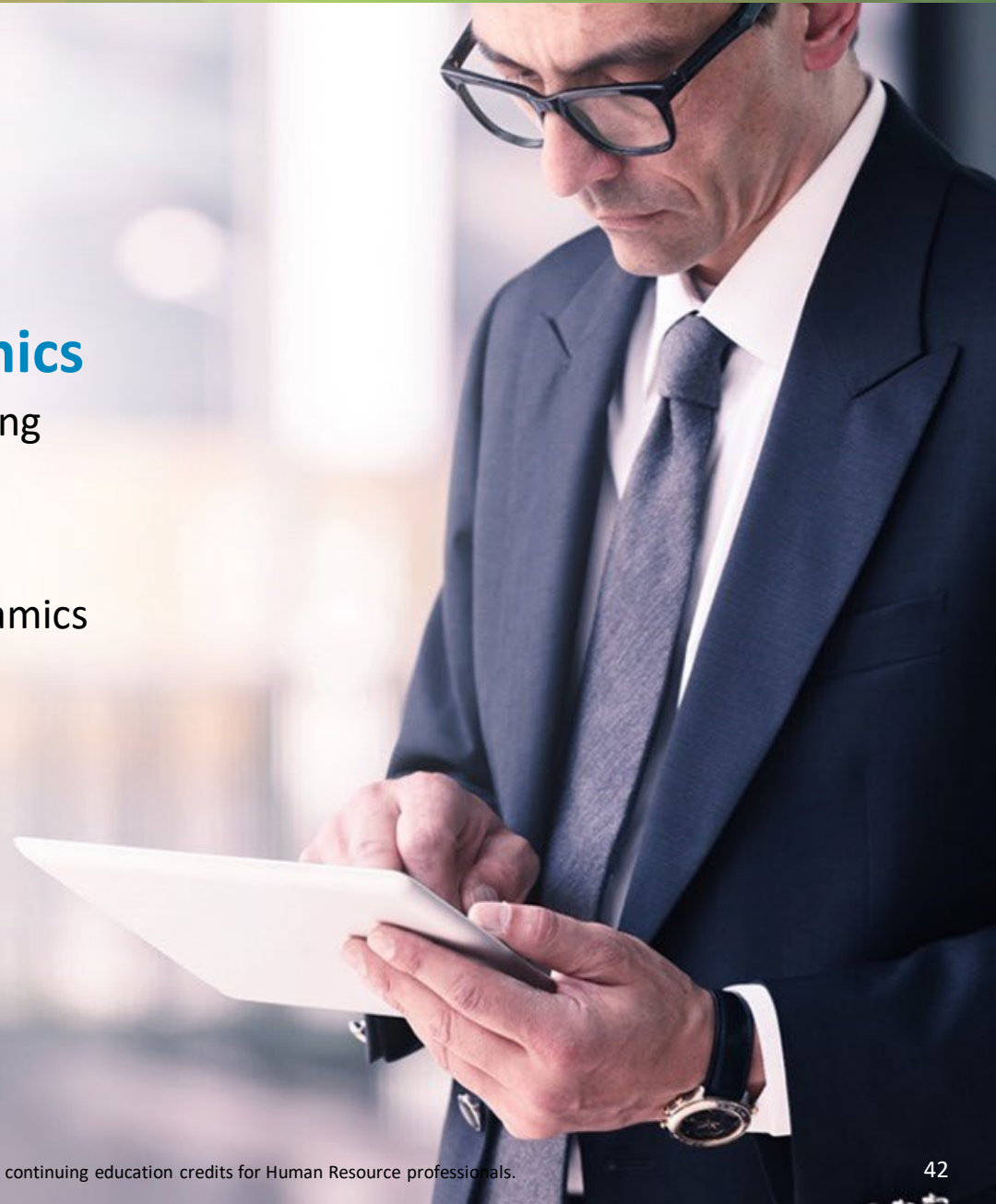
The workforce makeup is changing

How We Work

New workforce culture and dynamics

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. Assess your workforce demographics
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

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