

NewsRelease

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FORGOTTEN BOOMERS AGAIN LOOKING TO RETIREMENT POST-RECESSION *That's bad news for employers who've neglected succession planning, says MRINetwork®*

(Philadelphia) - The first of 78 million baby boomers turned sixty four years ago, and 2008 was supposed to see a huge number of retirements. But then the economy faltered, housing values plummeted, retirement portfolios shrank, and boomers who thought they had planned for financial security decided to postpone retirement for a few years. Now that those boomers are turning 64 and the economy is recovering, employers better start giving serious thought to the wave of retirements that is sure to come – if not this year, soon, predicts **MRINetwork®**, one of the world's largest search and recruitment organizations.

“When the first boomer began to draw benefits, the Social Security Administration dubbed it the start of ‘America's silver tsunami,’” says Tony McKinnon, president of **MRINetwork**. “It didn’t happen at that time, but it may be happening soon. And while it may not be a tsunami, it will surely cause some major turbulence in the workforce.”

McKinnon observes that the recent preoccupation with a struggling economy and high unemployment rates has obscured the fact that demographics affecting the workplace haven’t changed. “As far back as 1960, the American economy has benefited from the strong growth of the 20-to-64 age group, historically considered the primary source of the labor force,” he says. “A demographic shift, however, is already underway that will result in a large increase in the 65-and-over age group and a decline of the 20-to-64 age group.”

The U.S. Bureau of Labor Statistics (BLS), McKinnon notes, projects a labor force of 162.3 million individuals in 2012 and expects that the economy will require 165.3 million jobs to be filled, which translates into a significant shortage of workers. “This will have a huge impact on hiring in the years ahead,” says McKinnon. “Companies need to be aware of this and take action as the search for top talent becomes highly competitive once again.”

Statistics are already coming in from a variety of industries saying that large numbers of their senior management will be retiring soon. The C-suites of several large financial institutions have been replaced over the last couple of years, for example, and many senior executives of regional and community banks across the country have already been in their positions for some time. By 2016, it’s expected that more than half of today’s bank CEOs will be retired. It’s unclear whether succession plans are in place to ensure seamless transitions.

Companies that come up with the right questions now and craft a long-term comprehensive strategy now will not only survive the wave of boomer retirements, but will more importantly have the potential to ride its crest, says McKinnon. “Understanding the immediacy of the baby boom exit and thoughtfully preparing for it will put them in the best position to achieve success.” He suggests that organizations ask the following questions:

- What are your company’s demographics (age, gender, position, years in position and anniversary date)?
- What are your company’s retirement policies? Is early retirement encouraged or discouraged?
- What mechanisms and programs must be put in place now to capture key competencies and critical work knowledge of employees who will be retiring?

- Demographic trends show that you may be faced with large groups of both very young workers and very old workers. Will these two groups have different learning needs? Are you prepared to customize your current programs?
- What is the gender breakdown by position? Do specific positions have gender imbalances? Are there programs to correct these imbalances?
- Will your organization need to increase its reliance on new immigrants?
- If your organization is offshoring, what is the age breakdown of your overseas partners?
- Will your offshoring partners face a labor shortage that may impact their ability to provide services?
- Is your organization positioned to meet the needs of the over-65 customer segment? How will this change your business? What new skills and competencies will this change require?

“Most people don’t want to work forever,” concludes McKinnon. “They may have been forced to stay around for a few extra years, but planning on people to remain after retirement isn’t a succession plan.”

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