



1510 Willow Lawn Drive • Suite 10 • Richmond, Virginia 23230 • 804-358-8981 • www.SIRresearch.com

Executive Summary

The *Older Dominion Project* Residents' Study & Business Leaders' Study

March 27, 2008

This document presents highlights of the 2008 *Older Dominion Project* Residents' Study and Business Leaders' Study. The topline *PowerPoint* reports for each study are available on the *Older Dominion Project* Web site, www.olderdominion.org.

RESEARCH OBJECTIVES:

Residents' Study Objectives:

- Understand how much value Virginia residents place on “providing services for the aging population” relative to other community planning initiatives.
- Assess residents' perceptions regarding the age wave and their support for future community planning in this area.
- Understand how concerned Baby Boomers are about aging.
- Assess how prepared Baby Boomers feel they are to address their concerns themselves.
- Identify areas where Virginia's age wave planning could support aging Baby Boomers. What will help them be more prepared?

Business Leaders' Study Objectives:

- Assess Virginia business leaders attitudes regarding pro-aging policies and employment benefits – such as mandatory retirement age, family leave, etc.
- Assess business leaders' perceptions regarding the age wave as a business issue today – the older workforce and impending brain drain (retirement of a large number of workers en mass).

- Understand the impact that employees' eldercare-giving responsibilities have on business.
- Assess current impact that an older workforce and impending retirement of a large number of workers are having on business.
- Understand how prepared business leaders feel they are regarding an aging workforce and possible brain drain. Profile what business leaders are doing to prepare in these two areas.
- Identify areas Virginia's business leaders would like assistance in age wave planning.

RESEARCH METHODOLOGY:

The Residents' Study was conducted by the Southeastern Institute of Research, Inc. (SIR) among households in Virginia, via telephone interviewing, using random digit dialing. The fieldwork took place from February 28 to March 16, 2008. Interviews lasted 20 minutes on average.

A total of 1,200 residents were interviewed, representing a margin of error of +/- 2.8 percentage points at the 95% confidence level. Data were weighted by gender and age to the Virginia statewide adult population (based on U.S. Census data). Quotas were used in the fieldwork for age to ensure sufficient representation from generations were included in the study for subsequent analysis and comparison purposes.

The Business Leaders' Study was conducted by SIR online among senior business leaders across Virginia. The online survey was hosted on SIR's secure Web server. As members of the *Older Dominion Project*, the Virginia Chamber of Commerce and Greater Richmond Chamber of Commerce provided the respondent sample to SIR. The Business Leaders' survey was open February 29 to March 17, 2008. More than 200 business leaders responded. No incentives were offered. The overall margin of error is +/- 6.9 percentage points at 95% confidence level.

Both survey instruments were designed by SIR with considerable input from the *Older Dominion Project* Partners, Community Advisors, and Technical Advisors.

RESIDENTS' STUDY - KEY FINDINGS

The key topline findings from the Residents' Study include:

Boomers think they will live a long time. Three in four Virginia Boomers (77%) expect to live to age 80 or beyond, and 38% say they expect to live to at least 90 years in age.

The majority of Virginia's working Boomers feel their employer is prepared to accommodate older workers. Three in five (59%) are currently employed full time,

and among employed boomers, two in three (65%) say their employer is prepared to accommodate older workers (4 or 5 on a 1 to 5 scale where 1 is “not at all prepared” and 5 is “very prepared.”)

About half of Virginia’s Baby Boomers plan to keep working past traditional retirement age – age 65. Just under half of employed Boomers plan to keep working, either in their current job/field, a new job/field, or by starting their own businesses. Some (9%) simply say they will never retire.

There is a generation gap in how Virginia’s Boomers and seniors view the quality of life of today’s seniors. Overall, two in three (65%) of all residents say quality of life is high in their community. However, perceptions of quality of life for those over 65 vary. Three in five (59%) Silent and GI generation residents rate the quality of life for those over 65 a 4 or 5, but only two in five (44%) of today’s Boomers do.

Many Boomers are experiencing the current aging services infrastructure system and see the challenges first hand. One in five (22%) Baby Boomers have a parent, stepparent, or older relative they or someone in their household cares for or helps to provide care for. On average, caregivers spend 19 hours per week on family care responsibilities.

Boomers have many concerns when it comes to their own aging. Their top concerns include maintaining health (84%), maintaining independence (83%), maintaining mental abilities (82%) and making sure savings do not run out (79% - 4 or 5 on 1 to 5 scale where 1 is “not at all a concern” and 5 is “major concern.”)

Boomers are starting to prepare for the issues of aging. Four in five Boomers have begun financial planning for retirement (82%) and are eating better/healthier foods (78%). They are also getting more routine screenings/checkups (73%), discussed plans with spouse (69%), started exercising on a regular basis (63%), and have a living will (50%). Some have also discussed plans with extended family (45%) or adult children (42%). Fewer have a durable medical power of attorney (41%), have purchased long-term care or other insurance (37%), or have moved into the place they plan to age (25%). Only 2% of Boomers said they had done nothing.

While Boomers have started to prepare, Boomers’ preparedness for addressing concerns for aging is falling short. There is a gap between how concerned Boomers say they are about aging and how prepared they are to address these concerns themselves. The biggest gaps (based on 5 top box rating on a 1 to 5 scale where 5 is “major concern” and “very prepared”) are for “making sure savings do not run out” (63% major concern versus 36% prepared), “maintaining health” (69% major concern versus 44% prepared), “maintaining mental abilities” (61% major concern versus 49% prepared), and “maintaining independence” (66% major concern versus 54% prepared.)

Just half of all Boomers say they feel prepared to navigate aging. Just over half of Virginia’s Boomers (56%) say they are prepared (4 or 5 on a 1 to 5 scale where 1 is not at all prepared and 5 is very prepared) to navigate the issue of aging themselves. Those who are currently caregivers are more likely to say they are very

prepared than those who are not (24% versus 14% 5 rating.)

Community planning to serve residents as they age has broad support in Virginia. Three in four Virginia residents (73%) say that it is important for communities to plan for serving residents as they age. This broad support is offered by the younger generations – Gen Y and Gen X combined – with 68% saying they support planning for serving residents as they age. Understandably, support for serving residents as they age increases with age, with 78% of Boomers and 80% of the older generations (Silent and GI) saying this is important.

When measuring the importance of community pro-age planning relative to other important long-term planning values that residents have in shaping their communities, not surprisingly, Virginia's Boomers place quality education, safety, security, and quality medical care at the top of the list. Perhaps surprisingly, *"support and services for the older population"* is placed just behind these basic "must have" community-planning areas (education, safety/security, health). While in this second tier of community issues, *"support and services for the older population"* is just as important as transportation, protecting the environment, and affordable housing when it comes to community planning.

Virginia residents, especially Boomers, are willing to help with Virginia's age wave planning efforts. After taking the 20-minute survey, 406 residents agreed to serve on an ongoing online research panel to help explore other age wave planning issues facing Virginia. Nearly 2 in 5 Boomer survey respondents (37%) agreed to participate on this panel, a significantly higher participation rate than other generational cohorts.

Boomers may just change what it is like to grow old in Virginia. The insights from this Residents' Study suggest that Boomers may change what it is like to grow old in Virginia. Applying Boomers' core generational traits of "challenging the status quo" and "being in control" to the generation gap on how Boomers view the quality of life of today's seniors versus how today's seniors view it, it's not a big leap to think Boomers don't like what they see. If *"serving residents as they age"* is virtually even right now between Boomers (78%) and the older generations (80%), it is reasonable to expect Boomers, when they are seniors, may be even more demanding when it comes to asking society to support *"serving residents as they age"*

BUSINESS LEADERS' STUDY – KEY FINDINGS

The key topline findings from the Business Leaders' Study include:

Business leaders rate their community highly as an overall business location and in offering a high quality of life. Four in five (81%) say their community is a good place to locate their business, and three in four (77%) rate the quality of life in their community high. Consequently, 84% are likely to recommend their community as a business location (61% say very likely to recommend – top box).

Many Virginia business leaders are already pro-aging. Nine in ten organizations do not require employees to retire at a particular age, and many business leaders' companies currently offer pro-aging support-related employee benefits, including retirement benefits (78%), family leave time beyond FMLA (41%), an employee assistance program (37%), long-term care insurance (31%), and phased retirement programs (12%). More than half offer some sort of flexible work arrangements.

Business leaders currently feel a direct impact from employees' care-giving responsibilities for an aging relative, and see it increasing in the future. One in five say the care of an aging relative or family member by employees currently affects absenteeism (19%) and productivity (17%, 4 or 5 on a 1 to 5 scale where 5 is very much impacts organization.) Additionally, over half (54%) feel the impact of employees' family care responsibilities will increase in the future.

Business leaders feel workforce concerns related to aging issues will increase in the future. Recruitment (34%), retention (12%) and training (18%) are the greatest workforce-related concerns today; however, aging work force (7%) makes the list. When it Comes to "*The Workforce of Tomorrow*" (5 to 10 years out), Aging Workforce/Retiring is the second most mentioned issue, with 14% saying it is their biggest long-term concern behind recruiting (30%).

There is no question; Virginia business leaders see the age wave as a real business issue. Employers see the "aging workforce" and the "impending retirement of a large number of workers in the future" as a serious issue for the economy and their own organizations. Two-thirds (65%) say the "aging workforce" is a serious issue for the economy, and two in five (41%) say it is a serious issue for their organization. Additionally, two-thirds (64%) feel that the "impending retirement of a large number of workers in the future" is a serious issue for the economy and one in three (35%) feel that the impending retirement of a large number of workers in the future will have a significant impact on their organization.

About half of Virginia business leaders feel their organization is prepared when it comes to accommodating older workers today. Half of business leaders (47%) feel their organizations are prepared to accommodate older workers today. Virginia business leaders are harder on themselves than Virginia workers are on their employers when it comes to assessing employers' older worker preparedness (65% say their employer is prepared to accommodate older workers).

The majority of business leaders say their companies are not prepared for the brain drain. Only two in five (42%) say they are prepared when it comes to knowledge transfer and 13% say they are "very prepared" (when it comes to knowledge transfer from one generation of workers to the next.) Among companies currently addressing impending retirement of a large number of workers, mentoring programs and centralized data storage are the leading initiatives. Two in five (39%), however, are not currently doing anything to address this.

Business leaders support community age-wave planning. Three in five (63%) say planning efforts are important to ensure their community is prepared for the aging

population, with 25% saying planning efforts are “very important.” As with residents, planning for aging services is a second-tier issue.

Nonetheless, a third of the business leaders want to stay involved in age-wave related issues and welcome assistance with business age-wave planning. Almost two in five (38%) would find information and assistance helpful, particularly information on “retaining corporate knowledge” and “aging workforce.”

Across the board, business leaders’ personal experience as a caregiver correlates to greater concern for all of the age-related business issues. Business leaders’ personal caregiver experience lifts appreciation of issues, including concern for addressing needs of an aging workforce, concern for employees with adult care responsibilities, belief that employee eldercare responsibilities will increase in the future, belief that the aging workforce is concerned for the economy and company, and belief that impending retirement of large number of workers is a concern for the economy and company. The eldercare-experienced business leaders are also more likely to be doing something to address the impending retirement of a large number of workers.

ABOUT THE SOUTHEASTERN INSTITUTE OF RESEARCH, INC. (SIR):

The Southeastern Institute of Research, Inc. (www.sirresearch.com), a full-service marketing research firm headquartered in Richmond, Virginia, conducted these two *Older Dominion Project* research studies.

SIR is a 43-year old full-service marketing research company that has conducted over 13,000 marketing research studies. SIR, through its Boomer Project (www.boomerproject.com), regularly conducts studies on Baby Boomers, age-related services and community age-wave readiness.

SIR’s research experience comes from helping organizations like AARP, AT&T, Electrolux, Goodyear, GE, National Kidney Foundation, Polaroid, John & Johnson, Lincoln Financial, Home Instead, Owens & Minor, PayPal, Media General, American Chemical Society, Verizon, plus many smaller, niche organizations and companies whose names are not widely known.

FOR MORE INFORMATION ON THESE STUDIES:

For more information on these two studies, contact John W. Martin, President & CEO of the Southeastern Institute of Research at 804-358-8981 or jwm@sirresearch.com.

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