

## SUPPORTING OLDER WORKERS

HCBS Conference August 30, 2018

#### **Contents**



- Overview & History of SCSEP
- Current National Issues
- (Partner sessions here)

# Background and Overview of SCSEP

#### History of the Program and How it Works



### **Background of SCSEP**



- The only federally mandated job training program that explicitly serves low-income adults, age 55 years and older
- First funded in 1965 as part of a demonstration project called Operation Mainstream
- Operation Mainstream was broader than just older adults, but seniors were one targeted population
- In 1978, the program was redesignated as Title V of the Older Americans Act

### **SCSEP Today**



- SCSEP is housed at the Department of Labor in the Employment & Training Administration
  - The only OAA program not within the Administration for Community Living at HHS
- \$434 million appropriated for SCSEP in FY2016
  - 15 National grantees and every State receive SCSEP funds
  - Funding is divided 78% to national grantees and 22% to states
  - Grant Competition in 2016 (every 4-5 years)
- \$400 million appropriated for SCSEP in FY2017 & FY2018
  - 18 National grantees and every State receive SCSEP funds

### SCSEP Today (cont'd)



- Diverse network of grantees that administer the program
  - A list of grantees is available at <a href="http://bit.ly/2hv6eK6">http://bit.ly/2hv6eK6</a>
  - Find a SCSEP grantee near you at <a href="http://bit.ly/2tRV8nj">http://bit.ly/2tRV8nj</a>
- State flexibility in administration:
  - Most states house SCSEP within their agency on aging, but a number have SCSEP within their labor/workforce agency

#### **SCSEP Basics**



#### Eligibility:

- Age 55 or older
- Family income below 125% of poverty
- Legally eligible to work in the U.S.
- Unable to find a job without assistance or after WIOA services
- Maximum of 48 months in the program (can be waived)

#### Target Populations:

- Veterans
- Age 65+
- Have Disability
- Limited English Proficiency or Low Literacy Skills
- Rural
- Low Employment Prospects
- Homeless or At-Risk for Homelessness

#### **SCSEP Services**



- SCSEP Program Funds can be spent on:
  - Participant wages and Benefits (must account for at least 75% of funds)
  - Participant training
  - Job placement assistance, including job development and job search assistance
  - Participant supportive services (i.e. health and medical costs, transportation, work-related equipment, child care, etc.)
  - Outreach, recruitment and selection, intake, orientation, and assessments

# Community Service Placement



- Participants are often placed in a community service assignments at a host agency, which can be:
  - federal, state, county or city governments; or
  - 501(c)(3) nonprofit organizations
- Placements are generally in a community near the individual's place of residence
- Participants provide needed services to the host agency while developing/improving job skills and establishing relationships in the community
- SCSEP beneficiaries are paid minimum wage for their work, which is subsidized by the SCSEP program funds
- Participants work 20 hours a week on average
- SCSEP participants may also receive On-The-Job experience (OJE)
  - Participant is matched with a for profit employer and trained for a specific position
  - Training can occur up to 29 hours per week for up to 12 weeks
  - Wages are paid from SCSEP budget or reimbursed to employer

### **SCSEP Program Statistics**



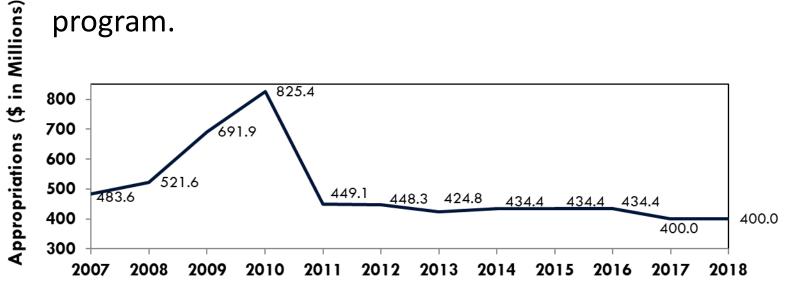
- Program Statistics (July 2015 through June 2016)
  - 65,081 low-income older Americans served
  - 51% entered unsubsidized employment after exiting the program
- Participant Characteristics
  - 88% with family incomes at or below 100% of FPL
  - 49% were a racial or ethnic minority
  - 65% were women
  - 20% had at least one disability
  - 32% were 65 or older, including 13% who were 70 years or older;
  - 18% had less than a high school diploma
  - 39% had a high school diploma
  - 43% had one or more years of college
  - 13% were veterans or qualified spouses

## Current Issues in SCSEP

# Current Issues in SCSEP: Survival



- Effective July 2017, funding was decreased to \$400 million from \$434 million, which continued through FY2018
- Prior budget proposals for SCSEP included recommendations for complete elimination of the program.



# Current Issues in SCSEP: Outcomes National Association of State United for Aging and Disabilities Measurement

- The 2016 OAA Reauthorization included some changes to the SCSEP outcome metrics
  - Congress attempted to align the SCSEP outcome measures with WIOA outcome measures
- Originally, the Reauthorization draft included the exact same outcome measures as WIOA programs
  - Strong emphasis on employment placement, educational attainment, credentialing
- Based on feedback, the final bill did not use the exact same measures but did include further alignment with WIOA
  - What are appropriate outcome measures for a program that is partemployment and part-aging services?
- Initial reviews of data indicate that smaller grantees and rural areas may be negatively impacted by the new measures

# Current Issues in SCSEP: Alignment with WIOA



- SCSEP is an optional program for the combined WIOA state plan
  - States can elect, but are not required, to include it in the statewide workforce plan
- SCSEP must coordinate with the workforce system to maximize resources, prevent duplication of services, and increase access for consumers
- What does coordination mean?
  - Full integration?
  - Colocation?
  - SCSEP on-site expert?
  - Shared referrals?
  - Others?

## Current Issues in SCSEP: Where should SCSEP be housed Federally?



- SCSEP has always been administered by the Department of Labor at the Federal level
  - Any change in the location would require legislation from Congress
- The Obama administration proposed that SCSEP be transferred to the Administration for Community Living at the US Department of Health and Human Services in several budget recommendations
  - ACL houses a number of programs, including all of the other OAA programs
  - The recommendation was not adopted, and the Administration did not include the recommendation in its recent FY2017 budget proposal
- NASUAD has supported moving SCSEP to ACL, but other SCSEP stakeholders have opposed it:
  - NASUAD 2018 OAA Reauthorization recommendations include creating a new employment division in ACL with ODEP, SCSEP, and other employment-related initiatives



#### For additional information:

Damon Terzaghi: dterzaghi@nasuad.org

NASUAD
1201 15<sup>th</sup> Street, NW
Suite 350
Washington, DC 20005
www.nasuad.org
202-898-2578

# The Coming Generational Diversity in the Workforce

Eun Jeong Lee
National Asian Pacific Center on Aging
Christine Garland
Senior Service America, Inc.

#### **Short Poll**

- 1. What is one word that comes to mind to describe "older workers"? **Text Your Response to:** EUNJEONGLEE847 to 22333
- 2. What age are you thinking of for your retirement?
  - a. 55-61 years old
  - b. 62-64 years old
  - c. 65 years and older
  - d. 70 years and older
  - e. No retirement planned

**Text Your Response to:** EUNJEONGLEE847 to 22333

- 3. Are you planning to work after retirement?
  - a. Yes
  - b. No
  - c. I don't know

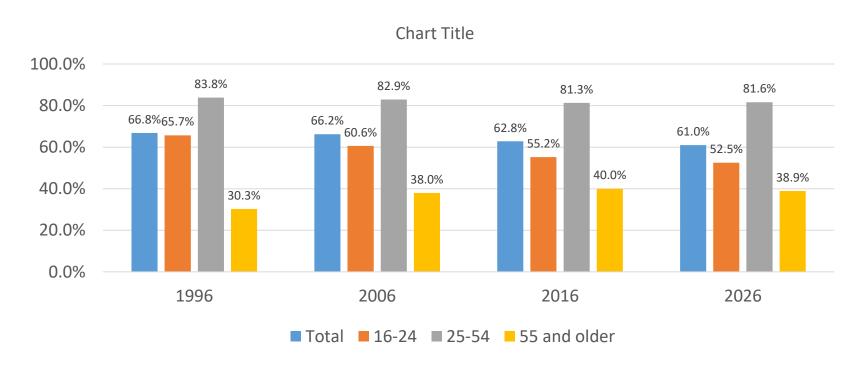
**Text Your Response to:** EUNJEONGLEE847 to 22333

#### The Dramatic Aging of the U.S. Labor Force: 2004-2024

#### Between 2004 and 2024:

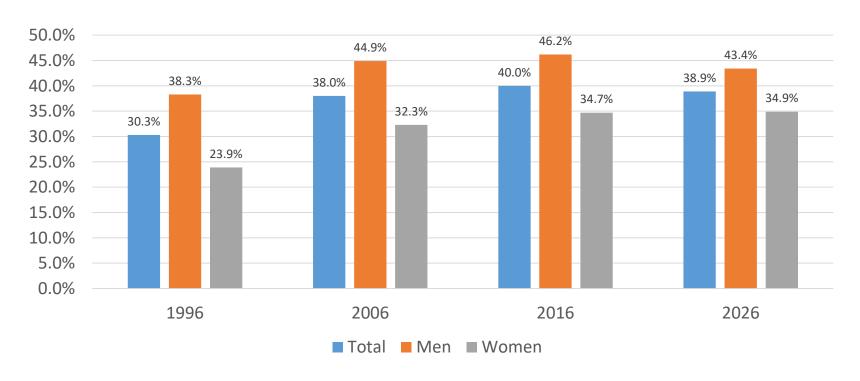
- The number of workers ages 55+ will double to nearly 41 million.
- The older labor force will grow 1.5 times faster than the age 55+ population.
- The number of older workers will increase 76%, compared to an 11% increase for the total labor force.
- The proportion of older workers in the labor force will nearly double, rising from 15.6% to 24.8% of all workers.

## Labor Force Participation (%) by age group between 1996-2026



https://www.bls.gov/emp/tables/civilian-labor-force-participation-rate.htm

## Labor Force Participation (%) by gender between 1996-2026



https://www.bls.gov/emp/tables/civilian-labor-force-participation-rate.htm

#### Reasons for staying on the job longer

- Financial Security, such as delaying Social Security benefits or supporting other family members.
- Health Insurance Benefits.
- Active longer so able to work longer and staying engaged helps you stay health.
- Social Connections.

https://www.cbsnews.com/news/why-older-workers-keep-staying-on-the-job/

#### **JUNE 2018**

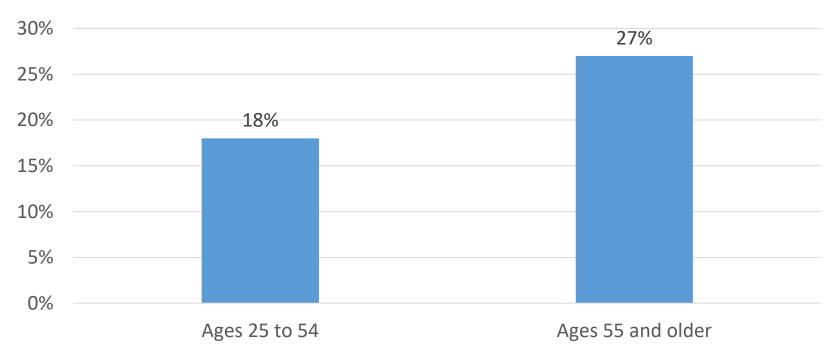
OVERALL	AGES 55+
213,000 jobs added in June total nonfarm payroll employment	36.2 million number employed ages 55 +
4.0 percent unemployment rate	3.1 percent unemployment rate
6.6 million number of unemployed persons	1.2 million number of unemployed persons
62.9 percent labor force participation rate	40.1 percent labor force participation rate
18.1 percent long-term unemployed ages 16-54	27.9 percent long-term unemployed ages 55 +

Source: Bureau of Labor Statistics

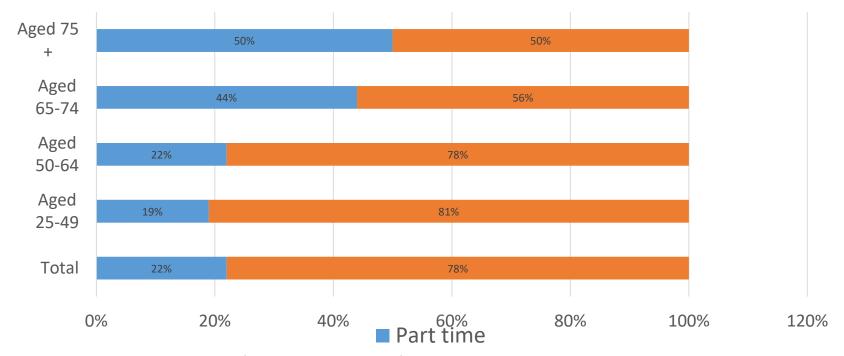
Arrows denote directional change from the prior month.

- Total nonfarm payroll employment increased by 213,000 in June, and the unemployment rate rose to 4.0 percent, the U.S. Bureau of Labor Statistics reported today. Job growth occurred in professional and business services, manufacturing, and health care, while retail trade lost jobs.
- Note the 27.9 % of long-term unemployed aged 55+, compared to 18.1 % among aged 16-54.

# Part-time employment of workers ages 25 to 54 and ages 55 and older, 2016 (percent)



https://www.bls.gov/careeroutlook/2017/article/older-workers.htm

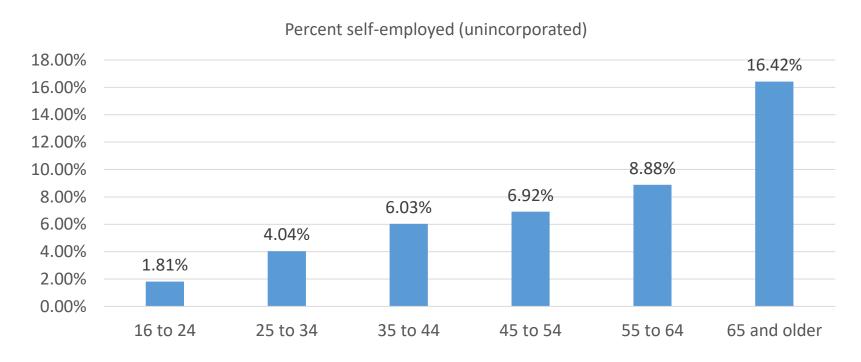


U.S. Census Bureau, March 2017, Current Population Survey; https://www.aarp.org/content/dam/aarp/ppi/2018/part-time-older-workers.pdf

# Common Reasons older workers 65+ work part-time

- Retirement (cannot retire)
- Social Security earning limit
- Caregiving for family members
- Unfavorable labor market condition
- Inability to find full time work
- Health and medical conditions
- Transportation

#### Percent of self-employed by age group



Source: U.S. Bureau of Labor Statistics; https://www.bls.gov/careeroutlook/2017/article/older-workers.htm

## Challenges older workers face in the labor market

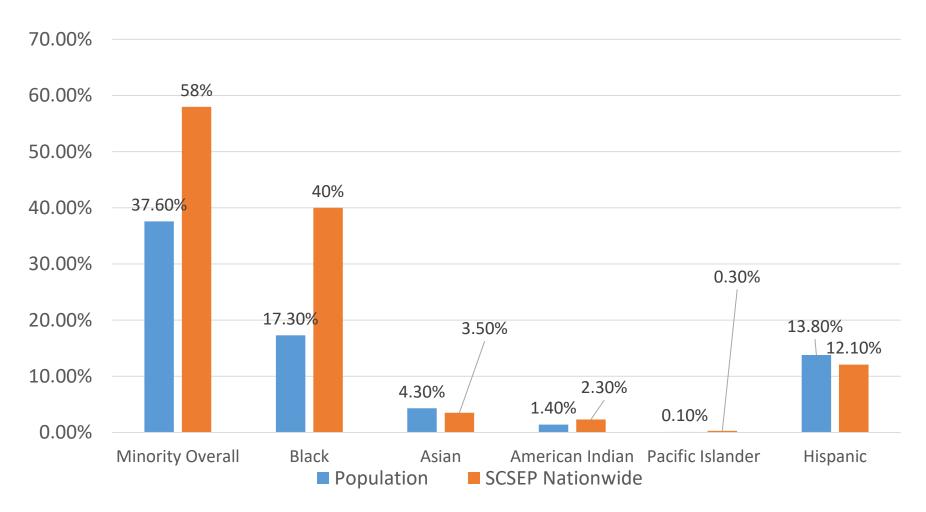
- Perceived/real age discrimination
- e.g. Longer callback rate for job interviews, compared to younger applicants; less training services at WIOA (Workforce Innovation and Opportunity Act), compared to other age groups
- Online job sites & Online applications
- Training opportunities geared to younger job seekers
- Heath & Caregiving issues
- Generational & cultural gaps between older and younger employees

## First Time Ever 5 Generations in the Workforce

- iGen, aka Generation Z: born 1996 and after
- Millennials, aka Generation Y: born 1977 to 1995
- Generation X: born 1965 to 1976
- Baby Boomers: born 1946 to 1964
- Traditionalists: born 1945 and before

Makes Workplace Interesting

# Comparison of SCSEP served in incidence in population, Nationwide, 2016-2017



## Addressing Challenges in an Aging Workforce: Programs to Leverage Opportunities for Older Workers

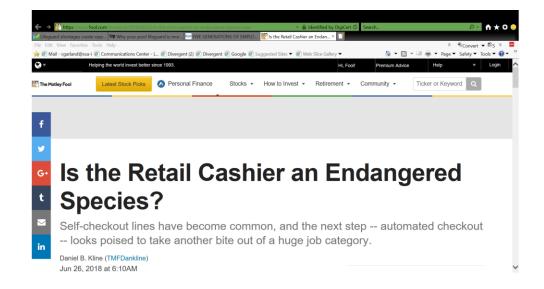


## 2017 McKinsey Report - Three Key Findings

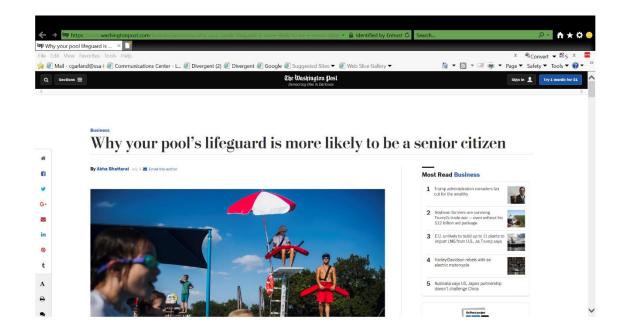
- Automation is a global force that will transform economies and the workforce.
- 60% of all occupations have at least 30% of their activities that can be automated.
- Routine and repetitive activities are most likely to be automated.

### Example from June 2018

 Walmart, Dollar General and other major retailers are moving towards cashier free stores



There are also opportunities for older workers



#### The Future of Work

#### In order for workers to thrive in this new environment they must:

- Have the ability to adapt their skills to the changing needs of the workplace
- Have a dynamic workforce development system in place to meet these changing skills needs
- Have business/employers that understand their value

#### An Employment Paradox

What can we do to ensure that people are trained and competitive for the required job skills of the 21st century?





More than 50% of global CEOs are concerned that key skills gaps in the workforce could limit their growth prospects.

#### Workforce Development

There is already a shortage of trained workers, with some placements going unfulfilled because of the lack of investment in continued skills training.



By 2022, workers ages 50 and over will make up roughly one-third of all workers, according to the Department of Labor.



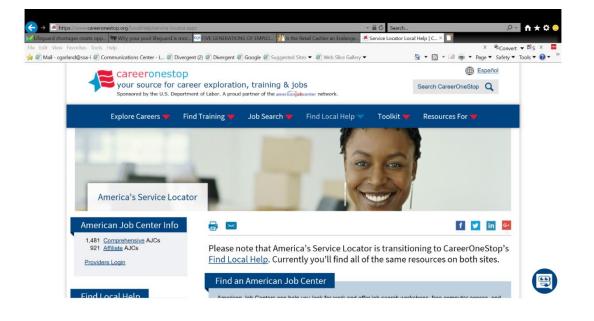
Older Americans who remain in the workforce serve as an economic engine to depressed communities.



Workforce development of older adults is a need, as most programs fail to train in essential skills, serving as job search provider rather than preparing older Americans for the workforce.

#### SCSEP Approach is Successful Because...

- Applying over 50 years of experience in workforce development
- Covering all United States, including U.S. territories
- Job training in in-demand careers (we're starting to shift to careers of tomorrow)
- Generational diversity is creating value for employers (pull the best from 5 generations)
- Positive economic impact
- Competitive advantage for our partners
- Pipeline of trained, talented and loyal employees



# How do you find SCSEP near you? Career OneStop

 https://www.careeronesto p.org/LocalHelp/servicelocator.aspx



"I finally put something aside for my retirement. I put aside my plans to retire."

Eun Jeung Lee, Ph.D.

National SCSEP Director, NAPCA

Email: ejlee@napca.org

Christine "Chris" Garland, MSW National SCSEP Director, Senior Service America, Inc.

Email: <a href="mailto:cgarland@ssa-i.org">cgarland@ssa-i.org</a>



This Photo by Unknown Author is licensed under <u>CC BY-NC-SA</u>



MASSACHUSETTS OVERVIEW OF WIOA AND SCSEP INTEGRATION
OLGA YULIKOVA, MASSACHUSETTS EXECUTIVE OFFICE OF ELDER AFFAIRS
AUGUST 30, 2018

## Washington, DC National WIOA Convening Winter of 2016





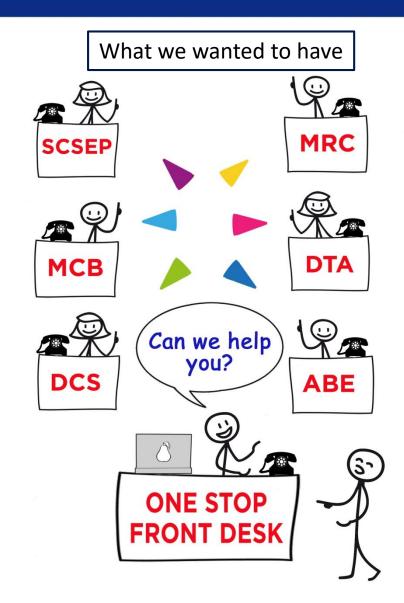
#### Massachusetts' Vision



What we had







#### **Project Charter**



#### **Team Basic Principles**

**Trust** 

**Consumer First** 

**Support from state** leadership

#### **WIOA Vision**

Collaboration

- Focus on disadvantaged populations
- Clear Benchmarking

#### **Project**

- oals
- **Shared Service Approach**
- **Shared Funding Approach**
- 3 Enablers -
- **Service** Sustainability

**Getting it Done** 

#### Shared Service Approach



#### **Consumers Needs**

- Individual Employment Plan (IEP) development
- Skill Training
- On the Job Community
   Service Training

#### **How WIOA Partners Can Help**

- Assessments and Career Readiness
- Labor Market Information
- Real time job openings

**Long-Term Job Retention** 



#### Shared Funding Approach



### SCSEP Goal: Provide training and job placement for 55+ job seekers

- Decrease dependency on public benefits
- Decrease length of unemployment/underemployment (re-training)

#### **System Goals: Well-paid jobs for Massachusetts residents**

- Older Workers have an 18% higher starting wage (\$27.74 versus \$23.33) than younger workers
- Title I
- Workforce Competitiveness
   Trust Fund and the Health
   Care Workforce
   Transformation Fund
- Apprenticeship

#### **Enablers**





#### Service Sustainability

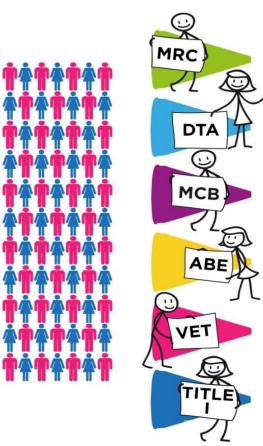


#### **Today**



One SCSEP program slot per 77 candidates

#### **Tomorrow**



But if all partners work together...







One SCSEP program slot per limited number of shared customers



## Contact Olga Yulikova Olga.Yulikova@state.ma.us