



Greater Detroit Employment Trends Report

DETROIT

As unemployment dips, employers look to older or returning workers to fill open positions

September presented a “good news/bad news” story for Michigan’s employers. The good news? The state’s unemployment rate fell by a tenth of a percentage point to 4.0 percent. This puts the state of Michigan closer to the national rate of 3.7 percent, which reached a nearly 50-year low last month.

These numbers indicate that the local economy is recovering, employers are adding jobs, and wages, which have long been stagnant, are starting to slowly rise. So, what’s the bad news?

Many employers are struggling to fill open positions created by employee turnover, roles that are newly created in a department or team, and perhaps most important, roles that are now vacant due to employee retirement. This is a situation that will only grow more severe in the coming years. Last year, [Michigan’s Labor Department News](#) reported that nearly one in four jobs are held by workers aged 55 or older. This means that in the not too distant future, almost 25 percent of the current employed workforce will need to be replaced due to retirements and other age-related separations.

Shortages span every industry and job skill level but are acutely felt in industries that employ skilled workers. In this tight labor market, employers are increasingly turning to older workers or returning workers to fill open positions.

According to the [New York Times](#), “In a tight labor market, firms find recent retirees increasingly attractive,” said Kathleen Christensen, who funds research on aging and the American labor market at the Alfred P. Sloan Foundation. “Their skills are up-to-date, they possess critical institutional knowledge, and they can mentor younger workers.”

Some Detroit car companies are leaning into this talent resource as well. [The Detroit Free Press](#) recently noted that General Motors

and Ford Motor Company established programs to reskill and recruit former employees who left the organization for personal commitments such as to raise their family or support a spouse on his or her career journey.

Rehiring retirees or former employees who have been absent from the working world for several years does come with considerations. It’s important to know that these workers often must deal with new technologies, systems, and even technical languages that might not have existed when they exited their previous jobs.

For these workers to successfully transition back into an organization and its culture, employers must start by easing them back in.

Equip returning workers with the skills and training they need to take on their previous positions or new roles and to master new technologies. Investing time and resources upfront can be the difference between success and failure for these workers. If your organization doesn’t have the resources to create its own program, consider partnering with community colleges to help you reskill and retrain them. Employers also need to understand that retirees’ career goals and desires for work/life balance might be quite different from workers at other stages of their careers.

Older workers and workers returning to the workforce offer a lot of upsides for employers in need of skilled workers. Many have a strong work ethic, bring a renewed enthusiasm and commitment to the job, and as mentioned, have institutional knowledge and the experience and ability to mentor younger workers.

Bottom line? Hiring older workers, retirees or those coming back to the market may be an employer’s best move for filling open positions that require skilled workers.

Largest Number of Workers Aged 55 and Older

INDUSTRY	TOTAL EMPLOYMENT	OLDER WORKERS	SHARE OF INDUSTRY EMPLOYMENT GOING TO OLDER WORKERS	INDUSTRY SHARE OF ALL OLDER WORKERS
Educational Services	305,339	82,908	27.2%	9.9%
Professional, Scientific and Technical Services	265,037	60,895	23.0%	7.3%
Hospitals	208,929	50,443	24.1%	6.0%
Ambulatory Health Care Services	191,753	47,329	24.7%	5.6%
Administrative and Support Services	207,753	45,926	22.1%	5.5%

Source: Bureau of Labor Market Information and Strategic Initiatives, State of Michigan

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