

James M. Jeffords Center's  
*Vermont Legislative Research Service*



Impact of Baby Boomer Retirement

The Baby Boomer generation, those born between 1943 and 1964, is now in their  
ages of 51 to 68 years, comprises approximately 27% of the current total U.S. population.  
“Defined by its personality type, this generation is somewhat different from the group  
defined simply by the well-known demographic fertility bulge (1946-1964)

will not  
go unnoticed. Vermont is the nation’s second oldest state measured by median age (after  
Maine), and by 2030 it is expected that those aged 65 and older will make up 24% of  
Vermont’s population.<sup>2</sup>

This report examines the effects of this aging population both nationally and in the state of  
Vermont. The first section details the economic impacts of the retirement of the Baby

demographics is seen in the dependency ratio for Vermonters, which is the number of non-working age youths and elderly divided by the working age population (see Figure 1). The dependency ratio is expected to shift from consisting predominantly of child dependents to an overwhelming amount of dependents over 64 years old.

**Figure 1: Vermont Dependency Ratios 1900-2030**

Note: This figure depicts Vermont historical dependency ratios and after 2000, projected dependency ratios.

Source: T

Further adding to the strain on the government is the lower-than-expected wealth of Baby Boomers following the collapse of the housing bubble and the recent recession. “The projections suggest that Baby Boomers are less likely than current retirees to have enough postretirement income to maintain their preretirement living standards.”<sup>7</sup>

While there seems to be much pessimism about the economic effects of the retirement of the Baby Boomers’ retirement, the Baby Boomers could potentially prove to positively impact Vermont’s economy through utilizing their skills for volunteer efforts.

### **Political Impact**

The political impact of Baby Boomers due to their voting behavior and participation is likely to be substantial. According to Boston College Professor John B. Williamson of the Sociology Department and the Center for Retirement Research at Boston College, “[w]hile vigorous forms of political involvement tend to decline during late life, more passive forms of political involvement persist well into old age. This includes voting and contacting public officials.”<sup>8</sup> Figure 2 presents the national and regional voting rates from the U.S. Census Bureau by age for the 2008 election.<sup>9</sup> The turnout rates for Vermonters by age category are presented in Figure 3.

Figures 2 and 3 indicate that the Baby Boomers provide a substantial contribution to not only the national voting rates, but also to Vermont’s voting rates. A progressive increase in voting rates occurs through age groupings. The nature of the Boomer’s increase in political activism is evolving towards “checkbook activism” and “cyber activism,” whereby technological advancement will allow boomers access to much easier to use forms of the internet, which will facilitate efforts to organize and mobilize the Boomers.<sup>10</sup>

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## **Baby Boomer Engagement**

Baby Boomers are more culturally diverse, healthy, educated, financially secure, and active than any previous generation.<sup>11</sup> It is anticipated that 51% of retired Baby Boomers will be involved in some sort of formal volunteering.<sup>12</sup> An increasingly large part of the Baby Boomer generation indicates interest in volunteering now or in the future suggesting that the 51% volunteer rate may be a conservative estimate.<sup>13</sup> Approximately 30% of people aged 55 to 64 and 25% percent of people 65 and over are engaged in formal volunteer activities.<sup>14</sup> In Vermont, 39% of Baby Boomers, including those working and retired, volunteer. This places Vermont as having the 9<sup>th</sup> highest percentage of Baby Boomer volunteers, a figure that will likely increase as more Boomers retire.<sup>15</sup>

A few important factors that affect volunteerism include levels of education, income, and the rth

the primary inducement to volunteering is being asked by a friend or family member, which suggests that volunteering is widely considered a part of one's social life, not a function separate from it.<sup>21</sup> The Independent Sector's biennial national survey, *Giving and Volunteering in the United States*, found that nearly seven in ten (68%) older adults who do not volunteer were never asked to serve. When personally asked, older adults become five times more likely to volunteer; raising the rate of volunteerism to 8 out of 10 older adults (81%).<sup>22</sup> A survey by VolunteerMatch shows that the primary factors affecting interest in volunteering include: working on causes that matter to the individual (56%), using their skills (35%), the convenience of volunteering (43%), and flexible scheduling (46%).<sup>23</sup> According to volunteer Canada, "When Baby Boomers volunteer, they want mission-linked, productive, satisfying work that allows them to use their skills and experience. They want short-term work, flexible schedules at convenient locations – including opportunities to volunteer online. To effectively engage Baby Boomers, organizations must think about volunteer roles and responsibilities and adapt to meet their needs while meeting the needs of the organization."<sup>24</sup>

### **Baby Boomers as a Resource**

reported that volunteers help prevent costs.<sup>28</sup> According to the National Council on Aging, top performing organizations engage nearly six times as many 55+ volunteers in senior executive roles, project leader, manager, and fundraiser roles.<sup>29</sup>

The Governor of Ohio signed an executive order creating the Ohio Senior Civic Engagement Council. The goal of the Council is to collect data on the involvement of older adults in various types of employment and volunteer positions as well as the impact the involvement has upon individuals. The Council will work with the Ohio Workforce Policy Board on policies and practices to increase the job opportunities for older adults.<sup>33</sup>

States such as Colorado, Wyoming, California, and Pennsylvania have created toolkits to increase awareness among private-sector employers regarding the benefits of hiring older workers. Each state's toolkit offers lists of the best practices and examples for engaging older adults as well as resources for attracting and effectively using their skills. The toolkits also list the resources offered by the state to assist employers in the process.<sup>34</sup> The Pennsylvania toolkit discusses ways to 're-skill' older workers, how to manage generational differences, and how to understand the unique issues faced by older workers.<sup>35</sup>

New York and California have created new cabinet-level positions to address the facilitation of community and national service. Both have helped raise awareness of the benefits of volunteering for employers and volunteers and to meet the community and state needs for those volunteers.<sup>36</sup>

In Ohio, the Board of Regents has created the Lifelong Learning Initiative to encourage higher education for older adults by offering convenient class times, online courses, discounts, and topics geared towards their interests. Alabama policymakers are working with the state's Rural Action Commission to focus on reducing transportation barriers for older adults through its United We Ride plan, a federal initiative to coordinate funding and programs to lessen such barriers. Finally, Arizona's Department of Public Safety has two volunteer programs that allow older individuals to donate their time to the state. The Sworn Reserve and Civilian Volunteer programs saved the department \$348,000 during the 2006-2007 fiscal year by having volunteers work in patrol operations, assist officers, work on collision investigations, as well as in other areas.



## **Conclusion**

As the Baby Boomer cohort approaches retirement a number of economic effects are expected, namely an increase in the national dependency ratio and a decrease in the working age population. In terms of political impact, an increase in voting activity is expected in those ages 45 to 64 years, thus increasing this cohort's effect on the vote not only through voting percentages, but also through an increase in interest group membership and spending. In addition to political engagement, there is an expected increase in Boomer volunteerism, indicative of levels of education, income, and community involvement. Vermont currently ranks 9<sup>th</sup> in the nation for highest percentages of Boomer volunteers, maintains a 32% college educated Boomer population, and surpasses the national average of non-profit organizations per 1,000 residents with a reading of 9.24. Thirty percent of Vermont's population is comprised of Baby Boomers.