



Highlights of [GAO-08-630T](#), a testimony before the Senate Special Committee on Aging

## Why GAO Did This Study

The federal workforce, like the nation's workforce as a whole, is aging. As experienced employees retire, they leave behind critical gaps in leadership and institutional knowledge, increasing the challenges government agencies face in maintaining a skilled workforce. We and others have emphasized the need to hire and retain older workers as one part of a comprehensive strategy to address expected labor shortages. The Office of Personnel Management (OPM), as the government's central personnel management agency, is responsible for helping agencies manage their human capital.

The Chairman of the Senate Special Committee on Aging asked GAO to discuss (1) the age and retirement eligibility trends of the current federal workforce, (2) the strategies federal agencies are using to hire and retain older workers, and (3) our observations on how these strategies position federal agencies to engage and retain older workers.

To address these objectives, we analyzed demographic data from OPM's Central Personnel Data File, and interviewed officials at OPM and selected federal agencies.

OPM is taking action to address past recommendations related to better assisting agencies in using personnel flexibilities. GAO is making no new recommendations at this time.

To view the full product, including the scope and methodology, click on [GAO-08-630T](#). For more information, contact Barbara D. Bovbjerg at (202) 512-7215 or [bovbjergb@gao.gov](mailto:bovbjergb@gao.gov) and Robert Goldenkoff at (202) 512-6806 or [goldenkoffr@gao.gov](mailto:goldenkoffr@gao.gov).

## OLDER WORKERS

### Federal Agencies Face Challenges, But Have Opportunities to Hire and Retain Experienced Employees

#### What GAO Found

Governmentwide, about one-third of federal career employees on board at the end of fiscal year 2007 are eligible to retire between now and 2012. Many of these workers are concentrated in certain agencies. For example, nearly half of employees on board at the end of fiscal year 2007 at the Departments of Housing and Urban Development and Transportation, and at the Agency for International Development and the Small Business Administration, will be eligible to retire by 2012. The proportion of workers eligible to retire is also expected to be high in certain occupations, including those considered mission critical, such as air traffic controllers and customs and border protection agents, where more than half of the employees will be eligible at that time. Retirement eligibility will be especially pronounced among the agencies' executives and supervisors—over 60 percent of career executives are projected to be eligible by 2012.

Federal agencies have a variety of flexibilities at their disposal to help them recruit and retain older workers, including using temporary hires to address short-term needs and rehiring retired federal workers. However, we found that agencies have not always been aware of the full range of available flexibilities. One agency we reviewed—the Social Security Administration—is particularly at risk of losing a substantial portion of its workforce to retirement and has used a variety of strategies to hire and retain older workers, including offering recruitment, retention, and relocation bonuses. Other agencies, such as the Environmental Protection Agency, have developed alternative approaches to attract experienced workers to meet their mission needs. Moreover, certain governmentwide flexibilities, such as flexible and part-time schedules, while not focused directly toward older workers, are particularly attractive to them.

Overall, the federal government already has a number of characteristics that appeal to all employees and is making progress toward becoming a model employer of older, experienced workers. For example, federal employees can telecommute, work flexible hours, and receive health and retirement benefits that older workers find especially attractive. OPM and Congress are taking steps to minimize some challenges that agencies face, but opportunities for improvement remain. For example, OPM has developed online decision support tools to provide agencies with guidance on how to use available hiring flexibilities and retention strategies. Congress has legislation pending that incorporates OPM's proposals to enhance agencies' ability to hire and retain older workers by giving agencies the authority, without OPM approval, to rehire retirees without penalty. Agencies have a shared responsibility to pursue the full range of flexibilities and authorities available and to communicate this information within their own agencies. Collectively, these measures will help make federal agencies more competitive in the labor market for all demographic groups.