



National Association
of Professional Employer Organizations

EMBARGO UNTIL MARCH 15

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Many Workers at Small Businesses Are Staying on Past 65, a Survey by the National Association of Professional Employer Organizations Finds

— Many Stay Because They Have To —

WASHINGTON, D.C. (March 15, 2007) – Almost a fifth of the small businesses in a recent survey say their older workers are staying on past the usual retirement age of 65.

More than a third of these businesses reported employees are still working because they can't afford to retire.

To be sure, twice that many said employees were staying past 65 because they liked working or enjoyed the extra income.

“Either way, these older employees represent both an opportunity, thanks to their valuable experience, and a huge challenge, because small businesses have to start getting ready now for the graying work force,” said Milan P. Yager, executive vice president of the National Association of Professional Employer Organizations.

The trade association surveyed almost 400 of the small businesses its members serve for a timely and unusual glimpse of how they're contending as the baby boomers approach retirement, transforming the labor market, the economy and even the quality of life for millions of Americans.

Five percent of American workers are between 60 and 64 years old, or almost 7 million people. That number jumped nearly a quarter from five years ago. Many, experts say, have not saved enough to retire.

Small businesses, of course, face the same problems, the survey shows – but with fewer resources. Almost 16 percent of the small businesses responding to the NAPEO survey said 5 percent or more of their employees are between 60 and 64. That, too, jumped from five years ago, when it was 9 percent.

Nearly three-quarters of the 390 companies reported having a 401(k) plan, the main retirement savings plan for many Americans these days, far better than usual for small companies. And 53 percent contribute to it.

Professional employer organizations, or PEOs, handle time-consuming and complicated human-resource chores for small and medium-sized businesses, from payroll to administering 401(k) retirement investment plans to helping companies plan for an aging work force.

To see the full survey, “Older and Wiser: As the Work Force Ages, Small Businesses Change, Too,” go to www.napeo.org.

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