

# Adapting to an Aging Workforce

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## **Adapting to an Aging Workforce: The Future of Workers' Compensation Claims**

People are living longer and with this comes a population that is aging.

According to the World Health Organization (WHO), the population of those 60 years of age or older will total two billion by the year 2050. For comparison, in 2015 the 60+ population was 900 million.

But what are the implications for the workforce and how will this impact employers' and workers' compensation (WC) claims?

According to the Pew Research Center, people are now working and planning to work past the average retirement age of 65. The data shows that roughly one in five Americans aged 65 years old, were employed in 2023; The fastest-growing age group in today's workforce, at a rate of 9% of the workforce, is Americans over the age of 74 years old. Pew identifies several reasons that could explain why older adults are continuing to work, including higher education levels, better overall health, involvement of retirement plans, changes in policies, and the discouragement of early retirement.

As people continue to work past the traditional age of retirement, the US workforce will experience a forced transitional period, which will prompt a new conversation of how we can address the changing needs of the older demographic.

One thing we know for sure is that the costs of WC claims increase with age. This is due to the physical changes that occur as people age, leading to situations where workers' health can be affected, unrelated to any activities or injuries that happen at work. Older employees are typically more prone to having pre-existing health conditions than younger employees such as arthritis, reduced range of motion, and loss of muscle and flexibility.

These changes can make physical labor such as bending, lifting, and carrying more difficult and dangerous. As a result, the likelihood of injury increases, as well as the severity of that injury due to the comorbidities identified above. This often leads to higher medical bills and higher costs for WC claims.

The ALS Group works with clients to monitor and evaluate claims to effectively identify trends as well as help to contain the costs of WC claims that have occurred. By directing all aspects of the claim investigation and digging further into medical histories of claimants, we work closely with clients and claim adjusters to successfully identify potential comorbidities for WC claims.

The ALS Group also helps clients implement risk management measures to mitigate any risk-related concerns that may accompany an aging workforce. Through introducing these measures, clients are better equipped to deal with threats to the safety and security of their workforce, leading to a reduction in overall costs.



If you have any questions on claims or incident response or want to discuss your company's claims process, please contact Maggie Ingels, Senior Consultant, Claims and Risk Services, at 732-395-4262 or [mingels@thealsgroup.com](mailto:mingels@thealsgroup.com).