

# Strategies to Engage Manitowoc’s Baby Boomer Population to Maintain a Thriving Residential and Business Community

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“Baby Boomer” is the name given to the record-breaking 76 million Americans born between 1946 and 1964<sup>1</sup>. Beginning in 2008, the eldest “Boomers” became eligible for Social Security, and will soon reach traditional retirement age. Communities across the United States, including Manitowoc, are facing major challenges as well as new opportunities as this prominent segment of the U.S. population reaches retirement, adapts to new lifestyles, and develops new concerns and priorities. Businesses, too, are presented with unprecedented challenges as large numbers of their workforce approach retirement.

The City of Manitowoc is anticipating these changing demographics and is taking an active step toward addressing the challenges they present, while also exploring the opportunities they create for the community.

As part of the City of Manitowoc Comprehensive Plan, initiated in 2008, the City seeks to continue providing a high quality of life for residents and a vibrant economy for the future by developing strategies to address changing needs of residents and businesses. This paper discusses the aging Baby Boomer population and its local impacts on housing, job growth, and economic development. This paper also suggests strategies to address challenges and leverage new opportunities presented by this major demographic shift.

## City of Manitowoc Comprehensive Plan and Special Area Studies

In 2008, the City of Manitowoc embarked on a Comprehensive Plan & Special Area Studies planning process. **One goal of this process is to develop strategies to maintain the community’s economic growth and quality of life.**

As a critical component of the planning project, a **Snapshot of Economic Assets and Opportunities** was created. The Snapshot weaves together an overview of Manitowoc’s Key Economic Assets, Emerging Great Lakes & State Economic Initiatives, and Place-Based Economic Opportunities to position Manitowoc to successfully compete in the region.

In addressing the impact of aging Baby Boomers, this paper discusses many of Manitowoc’s Key Economic Assets including corporate anchors, a strong mix of businesses, a well-trained workforce, and many quality-of-life amenities. The paper demonstrates ways the City can leverage its Economic Opportunities including engaging Boomers and Zoomers, fostering new business growth, creating momentum from Downtown revitalization, and capitalizing on Lakeshore living.

## Who are Manitowoc’s Boomers?

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The U.S. Census’ American Community Survey indicates that of the City’s estimated 33,704 residents in 2007, more than 17%, or 5,840 residents, were over 65 years of age, while the Boomers – generally those between ages 45 and 64 as of 2008 – comprised 25.5% of Manitowoc’s population, or another 8,445 residents.<sup>2</sup>

Wisconsin DOA population projections provide a longer-term look at population trends at the County-wide level<sup>3</sup>. The County’s 55+ population is projected to increase from 24.8% of the total County population in 2000 to 28.4% in 2010, 33.7% in 2020, and 34.7% in 2030. Meanwhile, the population of children and teens, aged 0 through 19, is projected to decline from 28.1% in 2000 to 25.1% in 2010, 24.0% in 2020, and 23.9% in 2030.

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<sup>1</sup> Gauging the labor force effects of retiring baby-boomers, *Monthly Labor Review*, Bureau of Labor Statistics: January 2000.

<sup>2</sup> American Community Survey 2005 – 2007. U.S. Census Bureau, 2008.

<sup>3</sup> Municipal Population Projections 2005 – 2030. Wisconsin Department of Administration, Demographic Services Center, May 2008.

While the County's older population is, expectedly, spread throughout the County, the City has a greater share of older residents. In 2000, while about 41% of the County's total population lived in the City, over 48% of the County's 65-and-older population lived in the City. This trend results from a variety of factors including the historic pattern and timing of local development, as well as the features of the City's housing stock and neighborhoods that help make the City an accessible and desirable place for aging residents to live.

**In the workforce**, Boomers, possessing years of training, expertise, and institutional knowledge, presently occupy positions in nearly all area businesses. In the area's largest employers, dozens or even hundreds of Boomers may be employed in a single company.

**A Community Survey of Manitowoc residents was conducted during the planning process, in the spring of 2008.** Of survey respondents over age 55, just above 40% had not yet retired. As shown in the text box, they indicated a range of planned retirement ages.

<b>Planned Retirement Age of Non-Retired, 55+ Manitowoc Residents</b>	
<u>Age</u>	<u>%</u>
<b>By Age 60</b>	<b>7%</b>
<b>Age 60-64</b>	<b>42%</b>
<b>Age 65-69</b>	<b>38%</b>
<b>Over Age 69</b>	<b>13%</b>

Across all age groups, two-thirds of respondents indicated that medical expenses and/or health insurance were barriers to their retirement. Among ages 55+, 71% indicated this barrier, as did an even greater amount, 73.6%, of those ages 35-54.

Over one-half of respondents indicated that the need for additional savings or a sustainable retirement income was a barrier to their retirement. Nearly 52% of respondents ages 55+ cited this barrier, as did more than 63% of respondents ages 35-54. (With the national economic recession deepening throughout 2008, these figures may have been greater later in the year.)

Asked if they would consider working past their planned retirement age if they had an opportunity for reduced hours (20-24 hrs/wk) and full medical benefits, 40.6% of respondents aged 55+ said they would, while 8.2% said they would not. About 16% said "maybe", while another 34% said it was "not applicable" – likely indicating they had already retired and did not plan to return to work.

Those in the younger group, aged 35-54, less than two percent of which were already retired, indicated a greater willingness to work past retirement at some capacity. A full 60% indicated they would, while just 6.2% said they would not, with the remaining 27.1% indicating "maybe."

These results indicate an opportunity for businesses to retain workers on a reduced schedule or to engage pending retirees in new ventures. In today's economy, where knowledge and experience are roots of success, engaging the Baby Boomer population in the community's business and civic life can also help drive economic prosperity.

Nationwide, recent reports and studies similarly conclude that many active, healthy 60-somethings are not anticipating leaving the workforce entirely at a traditional age, for a range of reasons including economic necessity, an interest in new opportunities, and more. For example, a recent Merrill Lynch study found 76% of retirees envision themselves working and earning into their retirement.<sup>4</sup>

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<sup>4</sup> Merrill Lynch. "The New Retirement Survey" From Merrill Lynch Reveals How Baby Boomers Will Transform Retirement. <http://www.ml.com>. Accessed 9 September 2006.

## Boomers' Assets and Opportunities for Business

As Boomers wholly- or partially-retire, they take with them a host of skills and resources valuable to the community. A partial list of Boomer retirees and their assets includes:

- **Business Executives and CEO's**, with deep financial resources and connections.
- **High-level Scientists and Engineers**, with advanced technical skills and understanding of local industries.
- **Mid-level Managers and Associates**, with community connections and specialized managerial skills.
- **Trade Workers**, with well-honed skills, understanding of manufacturing processes, and filling many employment sectors in which companies now struggle to find new workers.

As Boomer's age, those remaining active professionally and civically can adopt a host of roles: **investor, entrepreneur, mentor, educator, volunteer, and consumer.**

**In the community**, many Boomers are transitioning into "empty-nest" households and considering their lifestyle options for retirement. The current demographic shift challenges the City to provide appropriate and desirable housing stock to retain retirees and empty-nesters, and to appeal to new families and the incoming labor force.

In the Community Survey, respondents were questioned on their overall quality of life in Manitowoc. Results indicate that in general, the City's residents greatly enjoy Manitowoc's way of life. By supporting appropriate housing and lifestyle opportunities, the City can retain a good portion of its Boomers, and at the same time, promote its appeal to newcomers. Along this line, of survey respondents ages 55+, just 15.6% planned to move within the next three to five years – and of the movers, 75.1% planned to stay within Manitowoc.

How would you rate your overall Quality of Life in Manitowoc?	
<u>"Satisfied" or "Very Satisfied"</u>	
Age 55+	93 %
Age 35-54	86 %
Age 18 - 34	83 %

**However, of residents ages 55+, 64.4% "Agreed" or "Strongly Agreed" that the community needed more housing that specifically meets the need of the elderly.** A lesser percentage, 48.4%, of respondents ages 35-54 responded similarly.

The Manitowoc Comprehensive Plan indicates that between 1990 and 2000, there was a noticeable increase in the number of single-family units in the City. In the 2008 survey, those who "Agreed" or "Strongly Agreed" the City needed additional single-family homes included just 31.4% of respondents ages 18-34, 24.4% of those ages 35-54, and 21.7% of those ages 55+.

The Manitowoc Comprehensive Plan includes population projections calculated by the Wisconsin Department of Administration (DOA), as well as housing unit demand projections based on those DOA projections. **These projections show that over the planning period, between 10 and 15% of new housing units constructed should be oriented towards seniors**, which correlates to the development of about 105 new senior-oriented housing units (of 842 total new housing units) between 2010 and 2020, and about 71 new senior-oriented housing units (of 566 total new housing units) between 2020 and 2030.

## **Maintaining a Quality Workforce and Vibrant Economy in Manitowoc**

For decades, companies enjoyed an influx of young, skilled, and able-bodied labor. However, like many parts of the nation, the City faces an unprecedented brain drain and a reduction in the growth of our workforce as the Boomers retire. Employers are now challenged to best capture their employees' skill, years of training, established networks, and expertise.

Home to numerous major global and regional companies, nearly a dozen corporations in Manitowoc County employ greater than 250 persons; these companies will likely struggle most to fill the roles of their many retiring Boomers. By 2012, nearly 20% of U.S. workers will be 55 or older and therefore eligible for retirement in the next 10-20 years.<sup>5</sup>

Large employers admit that they are not prepared for the labor and knowledge shortfall. A recent survey by Ernst & Young, LLP found that 85% of large companies had no formal programs to retain key employees. Due to learning curves, lost knowledge, and contacts, the cost of replacing an employee is estimated at 1.5 times his or her salary.

Locally, these retiring Boomers will take the talents developed in manufacturing, food processing, business, and other key fields with them if they leave the company and especially if they leave the community. The result may be a decrease in the high level of skill, productivity, and innovation currently sustained in the region.

Engaging Boomers in their businesses and community can help mitigate the dramatic changes Boomers' retirement will inflict on their former employers, neighborhoods, community, and local economy.

### **How do we engage the Boomers and retain a vibrant local economy?**

As the City faces this demographic shift with great implications for the local economy, an opportunity is emerging to engage and unleash this Boomer talent. Manitowoc should focus on the following initiatives to ensure that Boomer knowledge is fully utilized into retirement and the local economy remains vibrant:

#### **Encourage Businesses in Manitowoc to Maintain Boomer Knowledge**

There are many creative and mutually beneficial ways in which businesses can plan to avoid future knowledge shortfall. After analyzing their risk, businesses can consider steps such as facilitating pre-retirement networks; initiating one-on-one and "brown-bag lunch" mentoring opportunities; and exploring apprenticeship opportunities where incoming workers can be hired in advance of a Boomer retirement, so they can learn on-the-job.

Large businesses can also craft options to retain staff in the workforce longer, including:

- Allowing flexible schedules, job sharing, partial retirements, or leaves of absence;
- Maintaining an 'on-call' consultant relationship with retirees;
- Providing a retention bonus for a veteran employee that engages in substantial job shadowing with an identified successor.

Efforts to assist businesses in this realm are often led by local economic development groups, such as the Economic Development Corporation of Manitowoc County.

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<sup>5</sup> U.S. Census Bureau, 2000. US DOA Forecasts, 2005-2030.

### **Enhance the Existing Boomer Networks**

In addition to networking organizations such as SAIL – Young Professionals Network in Manitowoc County, “Boomer Networks” should be developed that focus on keeping retired and semi-retired residents plugged into the business community. This concept can build off of entrepreneurial entities at local institutions. The Network could help connect Boomers with opportunities that fit their specific skill set, share opportunities for capital investment, and serve as a resource network for retirees and would-be entrepreneurs.

### **Retain Boomer Investment Capital**

Many Boomers have accumulated financial wealth, leaving them seeking smart investment and business opportunities that provide new sources of income, creative control, or freedom from the constraints of corporate life.<sup>6</sup>

The City needs Boomers to invest in Manitowoc to help strengthen the local economic base, to grow businesses that complement and expand the area’s existing economy. Through a Boomer Network of “Angel Investors,” local investment opportunities can be identified that may appeal to the Boomer’s level of risk tolerance, professional expertise, liquidity, interests, and geography.

Potential access to investment capital through a Boomer Network could encourage emerging businesses to try developing their businesses locally before considering other locations where capital may be more available.

Many of the top talent retiring from local companies also have gained deep institutional knowledge in product development over their careers. These Boomers can help new companies grow through their expertise and professional connections. For instance, they could help connect innovators with underutilized corporate intellectual property (IP) which could create new businesses and new royalty streams for parent companies.

Initiatives of entities including The New North, the Northeast Wisconsin Regional Economic Partnership, the Manitowoc County Economic Development Corporation, and the Manitowoc Chamber of Commerce have jumpstarted some of these efforts, such as compiling resources for new and growing businesses and creation of the Northeast Wisconsin Business Plan Contest.

### **Engage Boomers in Education and Philanthropy**

As the Boomers retire, many will want to give back to their community. Through the Boomer Network opportunities could be identified that utilize the time and talents of retirees appropriately and effectively. These opportunities may be in schools or charitable organizations, ranging from a few hours of occasional mentoring or teaching to larger commitments including serving as teachers, coaches, adjunct-professors, board members, and executive directors.

### **Leverage Local Educational Institutions**

Manitowoc is fortunate to be home to several higher-educational institutions, UW-Manitowoc, Lakeshore Technical College, and Silver Lake College, which focus on

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<sup>6</sup> Charity pledges smash all US records. *Financial Times*. <http://www.ft.com> Accessed 3 Jan 2007.

developing the knowledge and skills of the local labor force and addressing the workforce needs of growing area industries.

The City should encourage these institutions to continue programs well-aligned with City and regional demand in traditional fields, such as nursing or welding, as well as emerging demands, such as Lakeshore Tech's Associate Degree in Wind Energy Technology.

Programs can be developed at the high school level as well. Depending on the skills demanded by a particular field, efforts could range from basic career fairs to targeted skills-training courses.

By fostering collaborative relationships between educational institutions and local industries, the City also helps assure new businesses that the City and local education systems are responsive to businesses' workforce needs and committed to ensuring a well-trained local workforce.

### **Develop Apprenticeship and Advancement Opportunities**

On-the-job training, for new hires as well as to develop advanced skills in established employees, will become increasingly important for businesses as Boomer retirement looms. Major corporations as well as small businesses will need to ensure they have succession and personnel advancement strategies in place for "white-collar" employees, as well as apprenticeship programs for trade and factory employees.

Businesses will need to be proactive in anticipating upcoming retirements to leverage the amassed skills of the Boomers before they retire. Honest and clear communication between employers and employees will clearly be essential to ensure that Boomers see their skill and knowledge is respected and understand their role in their company's continued success, yet do not feel threatened or pushed out of their job. The Boomer Network could also play a role here, encouraging Boomers to remain engaged in their companies as a potential on-call or part-time resource to their former employers.

## How do we Address Changing Housing Demand?

Manitowoc has much to offer as a great place for all ages to live. The City benefits from serving as the County seat, offers downtown living and activity; provides health care options; and offers concentrated jobs and educational opportunities. Other advantages include access to Lake Michigan and the Manitowoc River; recreation and cultural opportunities; transportation choices, including sidewalk networks and bus transit; and many other amenities that are not available in many communities. These features play an integral role in ensuring the demand for housing in Manitowoc remains strong, and also allows Boomers to spend their leisure time and discretionary spending within the community.

With the Boomer's shift in the distribution of population, toward more older-adult households, the housing market will likely see declining demand for large single-family homes. Further intensifying this trend, while many Boomers plan to remain in their homes after retirement, other empty-nesters are seeking to downsize to a smaller home or more urban lifestyle, to reduce the time and cost of home maintenance, and put them closer to shopping, church, health care, transportation, and more.

Single-Family	23.0 %
Age-Restricted Active Adult	14.6 %
Senior Assisted Living/ Nursing Home	12.6 %
Condo	12.4 %
Apartment	6.9 %
Affordable/Subsidized	7.0 %
Townhouse	1.4 %
n/a	27.3 %

Respondents to Manitowoc's Community Survey aged 55+ indicated that if they planned to move within Manitowoc over the next three to five years, there are a wide range of housing types preferred as detailed in the text box. To address the changing housing demand, the following options could be explored.

### **Provide a Variety of Housing Options, including Boomer-oriented Choices**

Researchers foresee an upcoming excess of large-lot, single-family housing and untapped demand for more diverse housing choices. A March 2008 article in *Atlantic Monthly*<sup>7</sup> reported on research by the Metropolitan Institute at Virginia Tech which calculated a projected 22 million home surplus of large-lot homes by the year 2025. The projections were explained by United States' changing household trends, including the fact that when Boomers were children, over one-half of all U.S. households had children. By 2000, only one-third of households had children, and by 2025, closer to one-quarter will. Locally, at the 2000 Census, just 28.6% of Manitowoc households included children under age 18. The need for diverse housing choices to appeal to the soon-to-be retirees and empty-nesters, as well as childless singles and couples, is evident for Manitowoc as it is elsewhere.

In Manitowoc, demand may grow in the area's well-located older neighborhoods, which generally include the City's smaller single-family homes, and downtown, which lends itself to new mixed-use and multi-family developments and redevelopments. These areas provide a variety of housing choices in a walkable, accessible, vibrant environment.

<sup>7</sup> Leinberger, Christopher B. *The Next Slum*. *The Atlantic*, March 2008.

As they age, Boomers will need the spectrum of aging-in-place living options. Although a physically active group, with a long life-expectancy compared to earlier generations, Boomers claim the unpredictable cost of illness and healthcare causes their greatest fear<sup>8</sup>. Quality, affordable health care, as well as a range of housing options (retirement communities, assisted living centers, and nursing homes) will likely be in demand. Given the Boomers' range of ages (a 20-year span) and range of health concerns, a one-size-fits-all approach cannot be taken. Boomers will want the flexibility to accommodate a range of physical abilities, financial means, and medical needs along with other amenities including accessibility to services, transportation, and recreation.

### **Ensure City Zoning Code Reasonably Accommodates Boomer Housing**

City Zoning Code should be reviewed to ensure it allows for neighborhood specialized care facilities or intergenerational group housing in appropriate locations. Adequate standards for parking, traffic mitigation, neighborhood design, and other issues will need to be considered.

### **Assure City Zoning and Building Code Accommodates Accessibility Improvements**

City Codes should be reviewed for their reasonable accommodation of accessible design improvements (e.g. addition of ramps or lifts); home rehabilitation (e.g. opening/widening interior spaces); and renovation (e.g. addition of in-law-suites).

### **Encourage Accessible Design for New Homes and Neighborhoods**

In new developments, the City could encourage accessible home design and construction, as well as highly-livable neighborhoods that include a mix of uses, such as shopping and services, diverse housing stock, and transit access.

### **Support Reinvestment in Older Neighborhoods**

The City could explore home repair/rehab assistance, such as forgivable or low-interest loans. The City could also encourage creation of a local volunteer or youth corps program, perhaps organized through local churches, schools/universities, or non-profits, to provide modest home maintenance, repair, and renovation to elderly or low-income residents.

### **Promote New Developments**

Working with developers and engaged local groups such as the Economic Development Corporation of Manitowoc County, and Mainly Manitowoc, the City should promote new development projects. Tours could be arranged, and informational displays made available at civic gathering places, as a way to introduce long-time residents to new housing choices such as senior-oriented facilities, condominiums, or townhomes.

## **Conclusion**

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The Boomer generation's impact on housing, the workforce, and the local economy necessitate proactive planning and implementation by the City and businesses to ensure residents and businesses can continue to thrive in Manitowoc. The recommendations in the City's Comprehensive Plan and Downtown & Riverwalk Plan are designed to address this growing issue and ensure that the City's residents of all ages continue to enjoy a high quality of life in Manitowoc.

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<sup>8</sup> Merrill Lynch, LLP. *"The New Retirement Survey" From Merrill Lynch Reveals How Baby Boomers Will Transform Retirement.* <http://www.ml.com>. Accessed 9 September 2006