

Hard numbers

The rapid aging of the public-sector workforce and the expected surge in employee retirements present an immense human-capital challenge for governments around the world.

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¹ *Ageing and the Public Service: Human Resource Challenges*, OECD Publishing, 2007.

² "Issue brief: Brain drain 2008," Partnership for Public Service, May 2008.

Governments in many nations are facing a human-capital crisis. Across the globe, public-sector workforces are aging rapidly—faster than the overall population—and over the next few years, unprecedented numbers of government employees are expected to retire. Data from a 2007 report¹ by the Organisation for Economic Co-operation and Development (OECD) tell an alarming story. In several OECD member countries, the largest age cohorts in the public services are made up of people aged 40 to 50 and those 50 and older (Exhibit 1). And the demographic trend is accelerating quickly: in Australia, the average age of public-sector employees increases by one year every three years. In Ireland, the same phenomenon takes a mere

15 months. In the United States, from 1995 to 2005, the number of federal workers older than 50 jumped 10 percentage points, to 37 percent.

Although many private-sector organizations are also preparing for a massive wave of retirees, in most countries—including the United States—the public sector has a greater proportion of older workers than the total labor market (Exhibit 2). The average age of federal employees in the United States is 46 and climbing.²

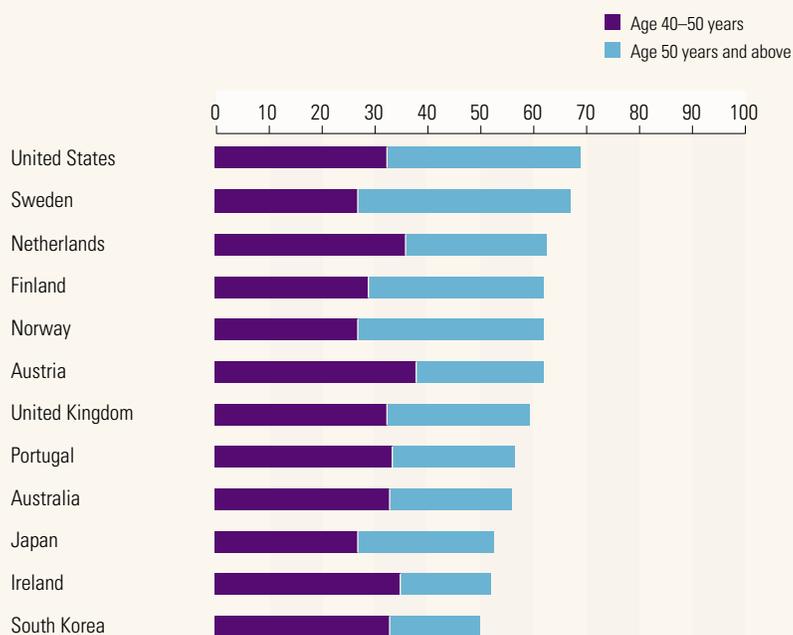
Compounding the talent challenge for governments, employees in the public sector tend to retire earlier than those in the general

Exhibit 1

Aging employees

In many countries, the largest age cohorts among public-sector employees are 40 years or older.

% of employees, 2005



Source: Organisation for Economic Co-operation and Development (OECD)

Exhibit 2

Government's older workforce

The public-sector workforce tends to be older than the total labor force.

% of employees aged 50 years and above, 2005

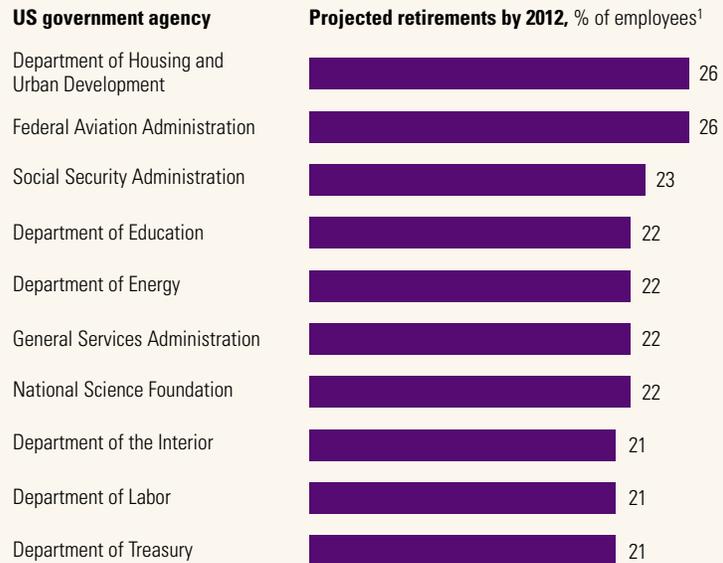


Source: Organisation for Economic Co-operation and Development (OECD)

Exhibit 3

Brain drain

At ten large US agencies, at least 21 percent of employees are projected to retire by 2012.



¹Based on permanent full-time employees on board as of Oct 1, 2006.

Source: "Issue brief: Brain drain 2008," Partnership for Public Service, May 2008.

labor market. Again, the United States is a prime example: the average retirement age is 58.7 in the US government,³ compared with 63 in the overall labor force.⁴ According to forecasts from the US Office of Personnel Management, by 2012, 23 large US agencies will see at least one-fifth of their workforces retire. Exhibit 3 shows the top 10 of these agencies.

Although some government organizations have begun to tackle these challenges, much more remains to be done. The next two articles offer solutions for heading off the retirement crisis. "Planning for the next generation" suggests ways in which governments can ensure that the most suitable people will be available to fill key posts in years to come,

while "Attracting the best" explores how agencies can more effectively recruit high-quality talent at all levels. The articles focus primarily on the United States, but many of the lessons are relevant to government organizations worldwide. ●

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³US Office of Personnel Management, 2004.

⁴Center for Retirement Research, Boston College.

