Hiring report: Out with the old and in with the new

by Michael_Kinsman

Every year about this time, people look at hiring forecasts for college graduates as a measure of how well the economy is doing.

This spring, the National Association of Colleges and Employers reported that the number ofcollege graduates being hired is soaring. Its most recent study claims that employers will hire 19.2 percent more college grads than last year.

Things must be booming.

But don't get excited just yet.

There are reasons for this hiring surge. While it does show optimism on the part of employers that there are better economic times ahead, it also confirms that employers specifically want to hire young people.

They like young people because they possess the most current skills, will work for lower salaries and, generally, are easier to manage.

But remember, the hiring study includes only 243 of the hundreds of thousands of U.S. businesses and also doesn't look at the other end of the spectrum.

Another study by the outplacement firm Challenger, Gray & Christmas reports that there has been a surge of startup businesses in the past two years and the fastest growing number of self-employed workers are ages 55 to 64.

The study indicates that the number of people 55 and over working for themselves has climbed from 2.1 million to 2.7 million in 2006. A 29 percent increase.

Comparably, over that period the percent of people of all ages working for themselves has risen just 10 percent.

"It may be a foregone conclusion that many baby boomers - either out of desire or necessity - will work beyond the 'retirement age' of 65," says John Challenger, the firm's chief executive. "What some employers may have expected is that a growing number of the these baby boomers are abandoning traditional employment for self-employment."

One reason for this shift is the mounting apprehension in older workers that they will be targeted for layoffs, cutbacks, or other cost-reduction methods in the years ahead. Two decades of eroding job security appears to finally have sunk in with these individuals.

Although changing jobs can be disruptive, starting a business or going to work for yourself as an older worker is not necessarily bad. It makes good sense.

"In many respects, these individuals are better suited than their younger counterparts for entrepreneurship, since they have a deeper foundation in business operations and probably have built a larger network of professional contacts who are critical in drumming up customers," Challenger says.

So when you see that employers are ramping up to hire young people, don't assume they are just being bullish on the economy. The flip side is that employers have to replace some of their oldest and most effective workers who are leaving the fold.

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