

**Predicting Retirement
Attrition for a Maturing Workforce**

October 1998



Office of Workforce Analysis

General Points:

- The retirement predictions presented in this package are purely data-derived.
- These predictive numbers indicate probable trends and should aid in workforce planning.
- There are variables that drive retirement decisions that will most likely impact our predictive numbers in the out-year projections.
- Agency and component-level retirement predictions have been developed through 2020.
- OWA's "retirement wave" project has focused on predicting the who, where and when of retirement losses at the Agency and component level.
- This package addresses each Deputy Commissioner level, larger Associate Commissioner level and Office of Operations' regional components.
- The "Other" category of employee referred to in this package represents those employees not in identified key positions.
- SSA will experience higher levels of employee retirement losses over the next decade than previously experienced.

We welcome ideas, comments and questions. We will work with any component that may want to expand this analysis. OWA staff contacts are:

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Retirement Wave Questions and Answers

1. What's included in this package?

This package contains predictive retiree data for SSA's major components by year, region, minority/non-minority status and by key positions.

2. How did OWA develop the predictive numbers?

The methodology for developing predictive data is a seven-step process. That process is:

- Build a database with key employee HR information like DOB, service comp date, retirement plan, work location and position title;
- Sort employee records from the database into pools based on the first year of eligibility for retirement;
- Track actual retirements from past pools to establish historical attrition pattern (we looked at 10 years of data);
- Apply historical attrition pattern to currently eligible workers, and also prospectively to future eligibles—and then do the math;
- Refresh the database and computations after significant events like early out; and
- Always consider moderating the data-derived retirement predictions because of special events—for example, if change was enacted to employee pay or benefits.

3. How can SSA use these numbers?

These numbers should be used for workforce planning. SSA managers may want to examine the retirement predictions for key jobs to:

- Determine how far in advance of the retirement exodus do we need to recruit, hire and train new employees so that we don't experience a decline in our service delivery;
- Look at retirement rates from entry level feeder jobs to determine how extensive the impact will be in those jobs and the impact that will have on the jobs to which entry level employees typically move;
- Adequately staff the feeder jobs or develop alternative sources for internal selection; and
- Determine alternative means of service delivery when office attrition reaches critically low levels due to retirement.

4. Are there any caveats to using the predictive numbers?

These numbers should not be used or taken as absolute determinants of future staffing levels.

5. How confident is OWA with the predictive data?

We are very confident in our predictive numbers, especially the near future predictions. Variables that cannot be foreseen at this point may impact how many people will retire earlier or later than expected.

6. What is known about the variables that may impact the retirement predictions?

At the onset of this project, we conducted a series of eight focus groups with recent SSA retirees and current employees eligible for retirement. They identified variables that impact on when individuals retire once eligible for regular retirement. Some of them are:

- an employee's financial situation;
- the presence of young children or elderly relatives in the house;
- whether the employee's spouse was still working or near retirement;
- the presence of good or bad management practices;
- the availability of early-out or buy-out options;
- actual or rumored changes in legislation affecting retirement requirements (high-5 vs. high-3); and
- the availability of work at home or the availability of part-time employment.

7. Do these retiree predictions include early out retirements?

No. The predictions are derived solely from 10 years of historical data on regular retirements. Thus, our predictive numbers address only those employees who will retire under the regular retirement option. Early out retirements typically account for between 2 to 4 percent of all employees eligible for early out. These percentages are very dependent on the variables identified in our focus group reports as well as the designation of which categories of employees are able to take early out retirement.

8. How accurate are these predictions?

We have validated our predictions against recent retiree patterns and have found that it stands up to close scrutiny. Recent early out retirements have increased the number of retirees in 1998, thus reducing the number of potential retirees in future years. Variables affecting retirement predictions will always occur. We will refresh our predictions periodically to provide updated information that accounts for those variables.

9. Which employees are included in the predictive numbers?

Permanent SSA employees are included in our predictions.

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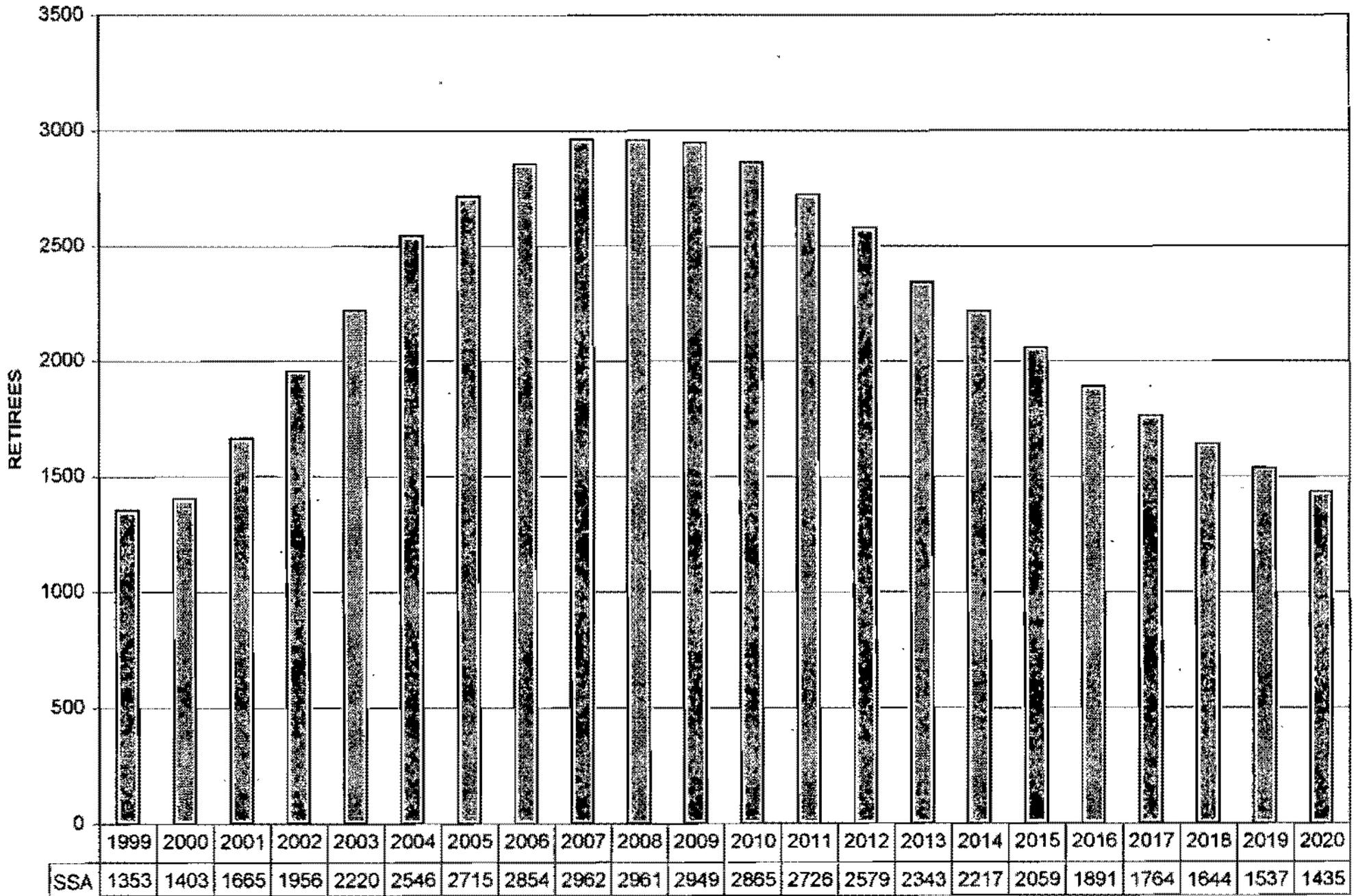
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Divider Title: SSA-wide

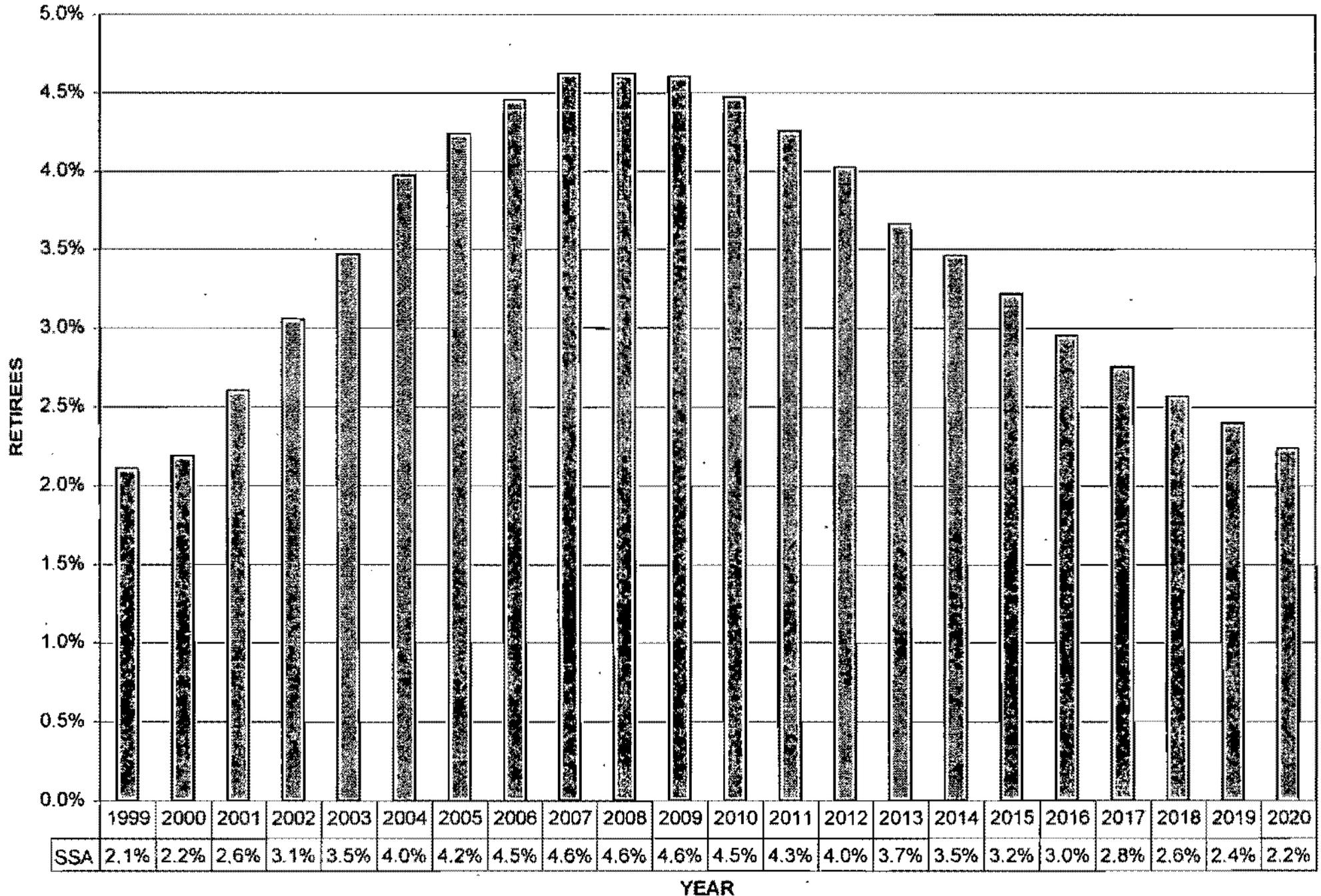
SSA's Number of Retirees Per Year

- SSA's retiree losses begin to ramp up in 2001 and will peak between the years 2007 and 2009

PREDICTED SSA RETIREES



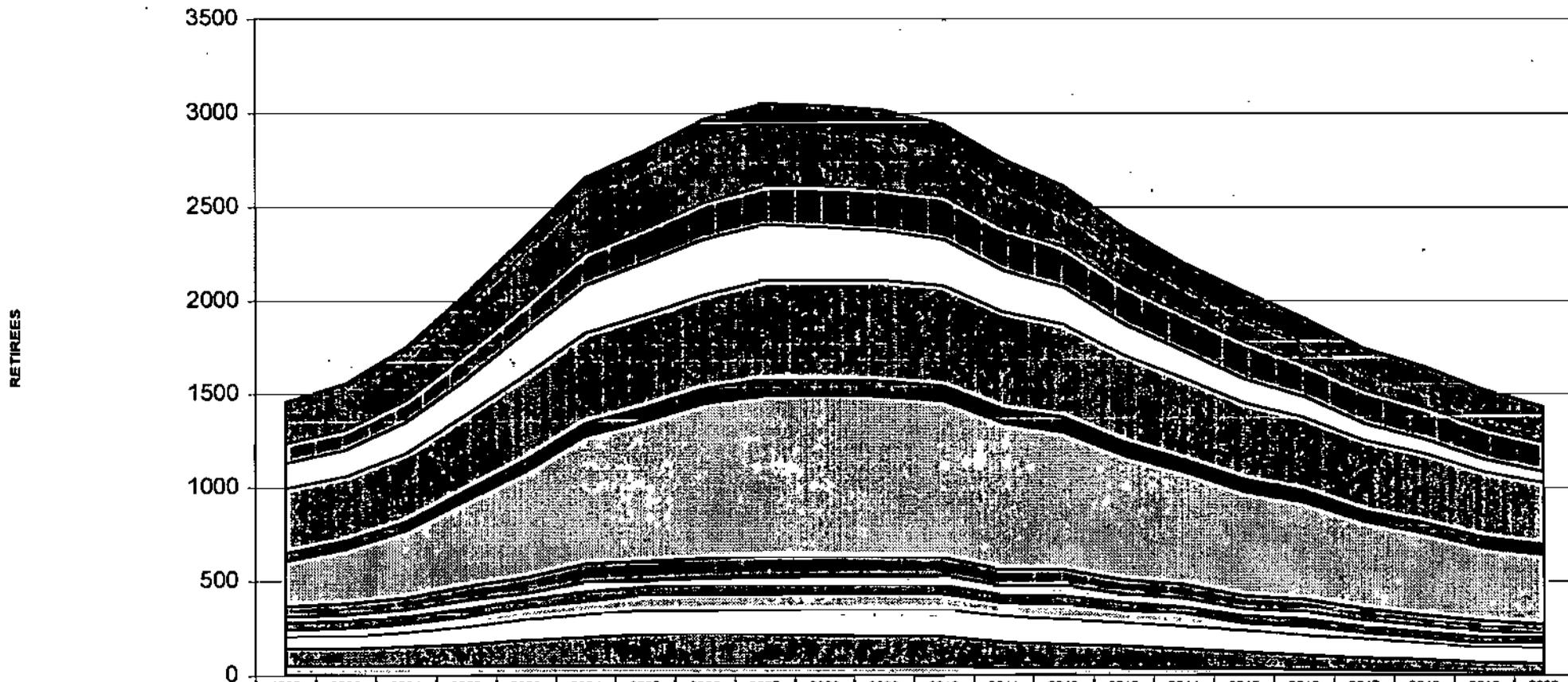
PREDICTED SSA RETIREES



SSA's Number of Retirees in Major Jobs by Year

- Between 2006 and 2010, the Claims Representative position will experience the most retiree losses of SSA's major occupations
- Supervisors, Social Insurance Specialists and Service Representatives will experience increasingly large retirement losses in comparison to other major occupations over the predictive period

PREDICTED SSA RETIREES

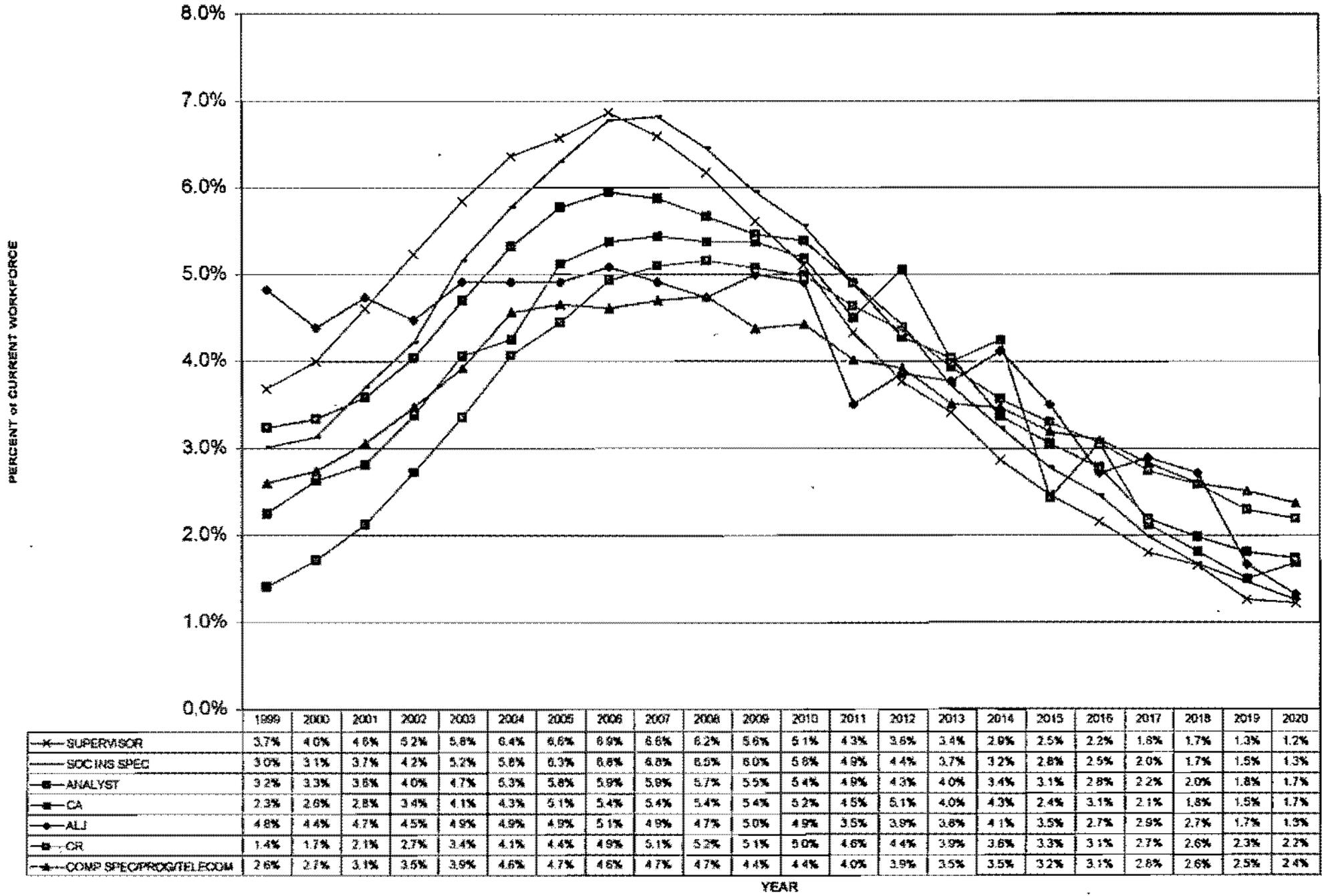


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■ SR	107	112	121	141	154	175	180	196	205	221	223	234	232	221	208	201	203	179	180	172	169	157
■ SOC INS SPEC	132	137	162	185	226	253	276	297	299	283	261	244	215	194	163	142	122	108	87	73	64	55
■ OTHER	346	344	365	407	457	483	498	502	528	523	539	534	520	496	465	437	411	391	378	370	351	331
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■ COMP SPEC/PROG/TELECOM	57	60	67	76	86	100	102	101	103	104	96	97	88	86	77	76	70	68	62	57	55	52
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■ ALJ	55	50	54	51	56	56	56	58	56	54	57	56	40	44	43	47	40	31	33	31	19	15

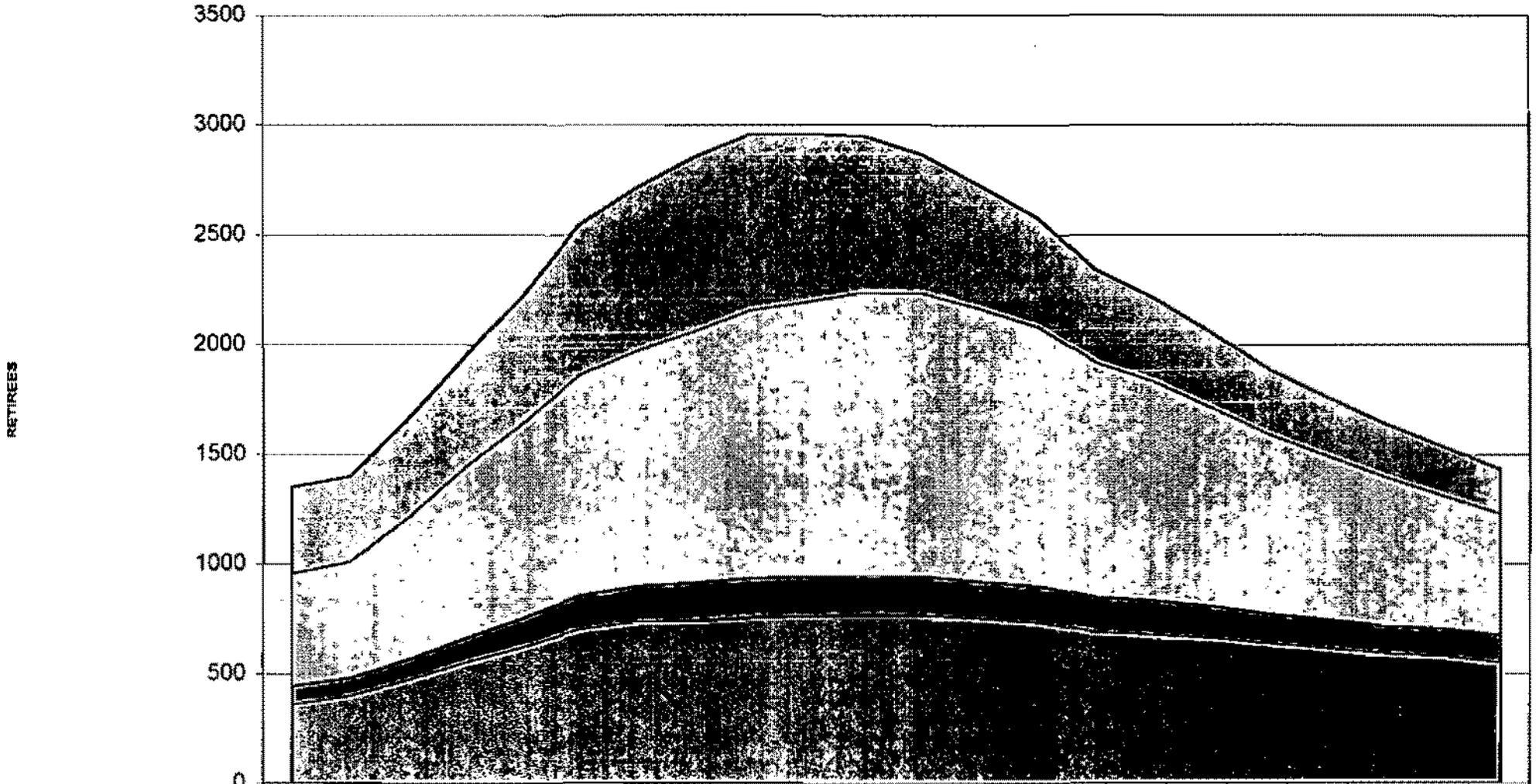
SSA's Percent of Retirees Per Year by Position

- Many of SSA's key positions show peak retirement losses ranging between 5 and 7 percent of their current workforce
- While retirement losses tend to decline significantly after 2007, this trend does not take into account the retirement eligible status of employees who will enter these positions

PREDICTED SSA RETIREES



PREDICTED SSA RETIREES



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
MALE/NON-MIN	396	391	456	513	580	685	743	795	804	764	710	562	499	429	388	347	302	270	248	226	207
FEMALE/NON-MIN	512	528	642	777	883	1002	1069	1142	1218	1252	1287	1241	1179	1064	995	903	816	745	676	606	552
MALE/MIN	84	83	94	113	133	155	164	173	180	180	179	170	169	159	158	146	136	132	125	126	126
FEMALE/MIN	380	401	473	553	624	704	738	744	780	764	773	753	732	691	676	662	637	616	594	579	550

YEAR

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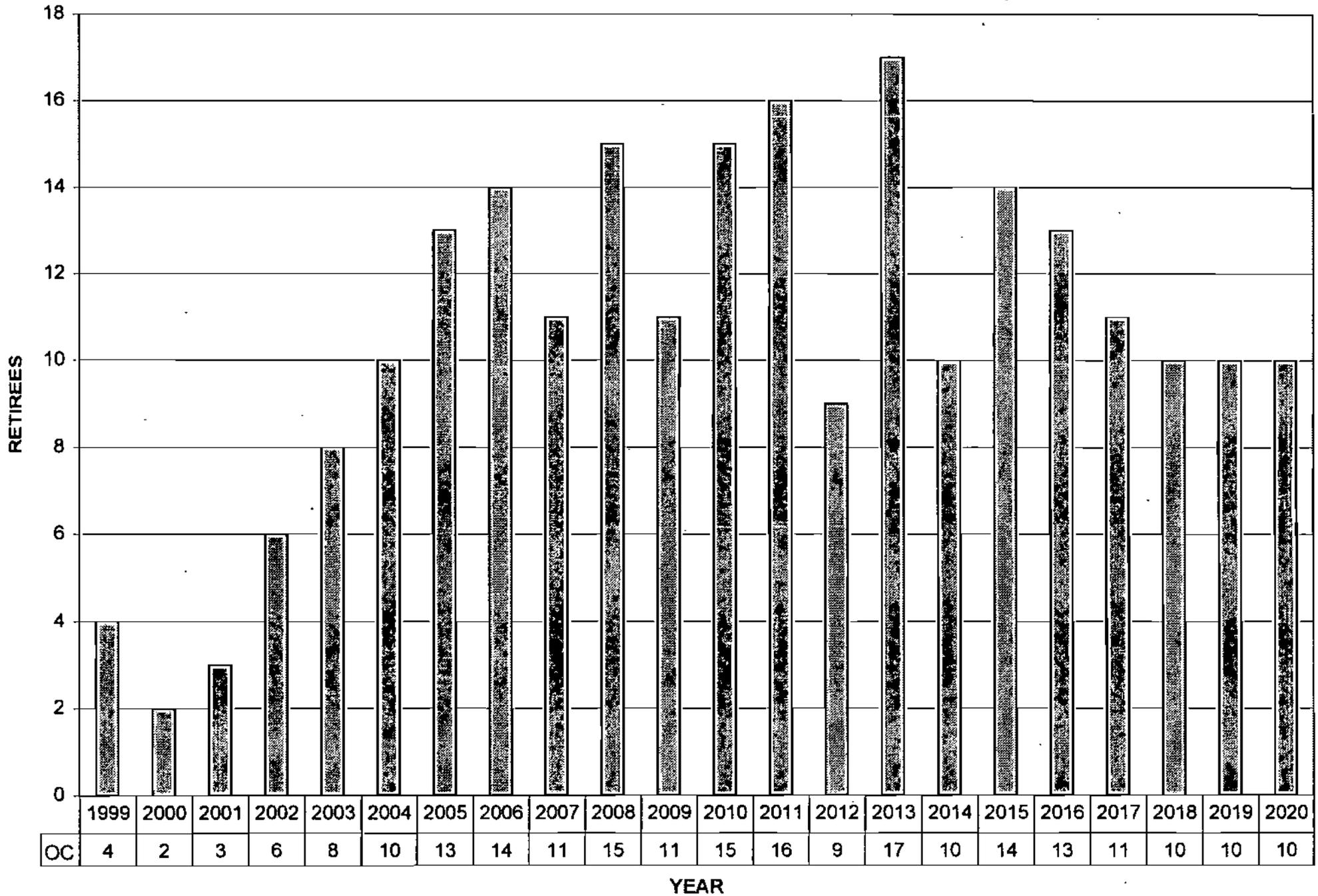
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PREDICTED OFFICE of COMMISSIONER RETIREES



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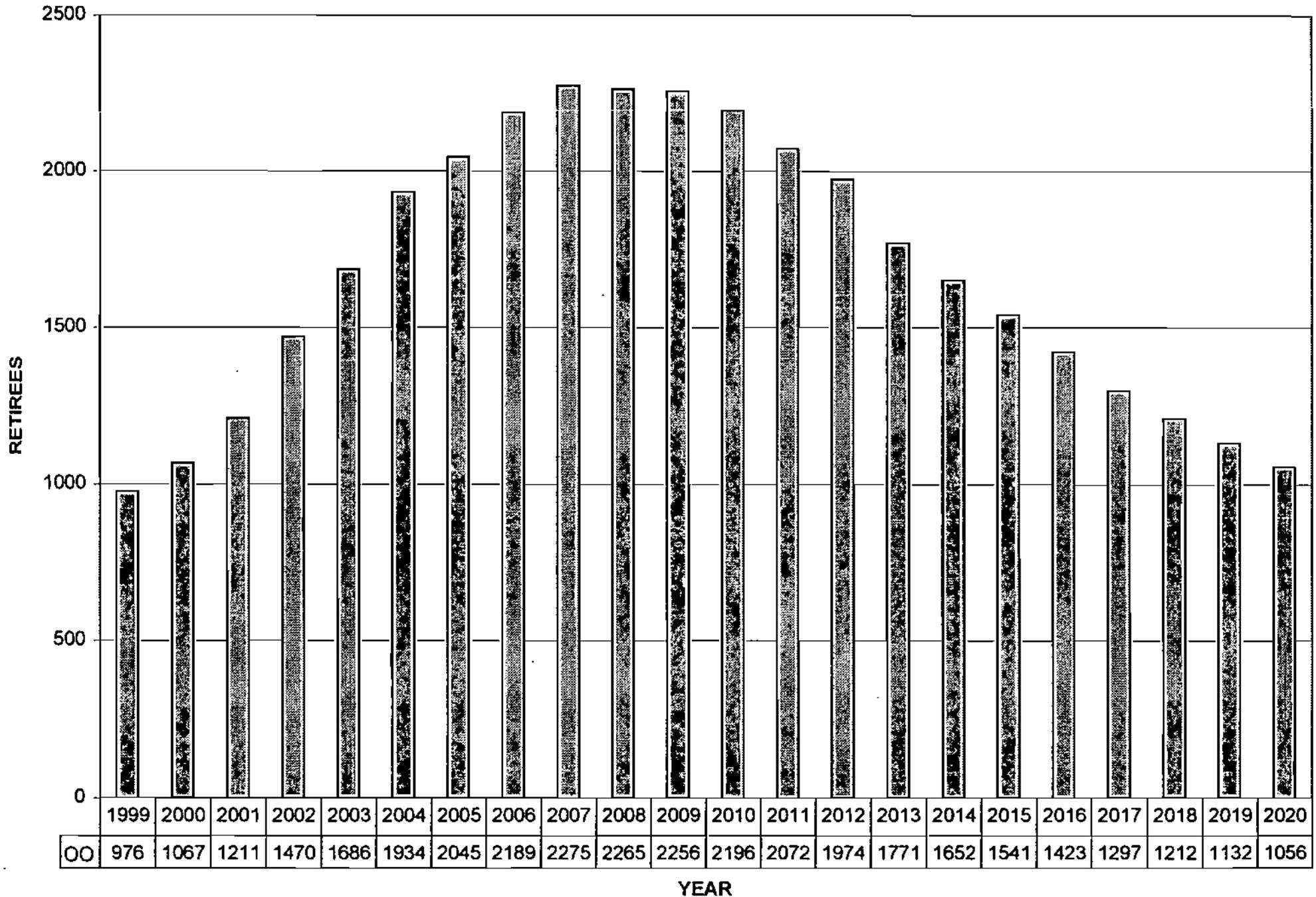
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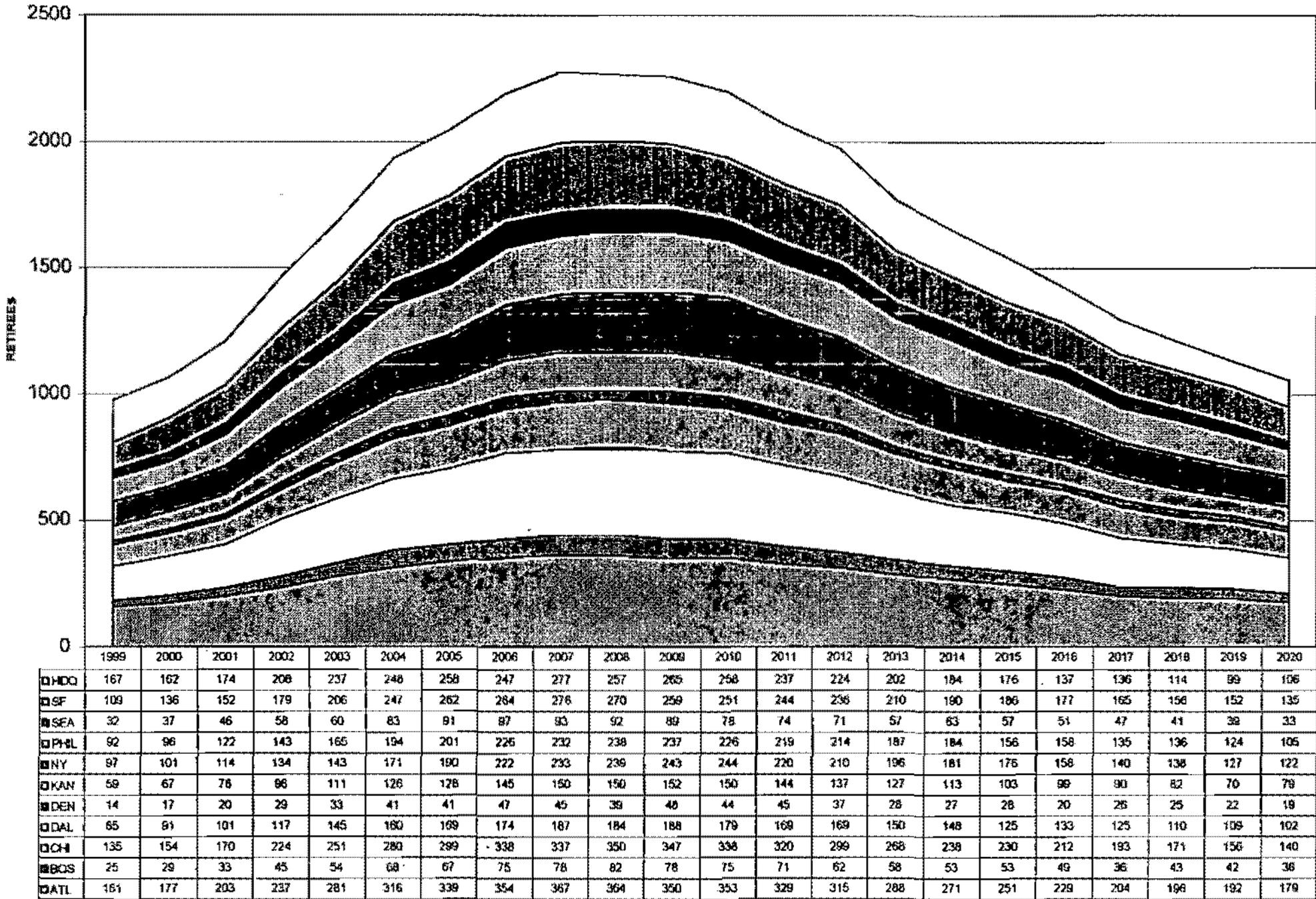
Number of Retirees Per Year Operations-wide

- The predicted retirement losses in Operations mirrors that of the Agency but at a slightly lower level

PREDICTED OFFICE of OPERATIONS RETIREES



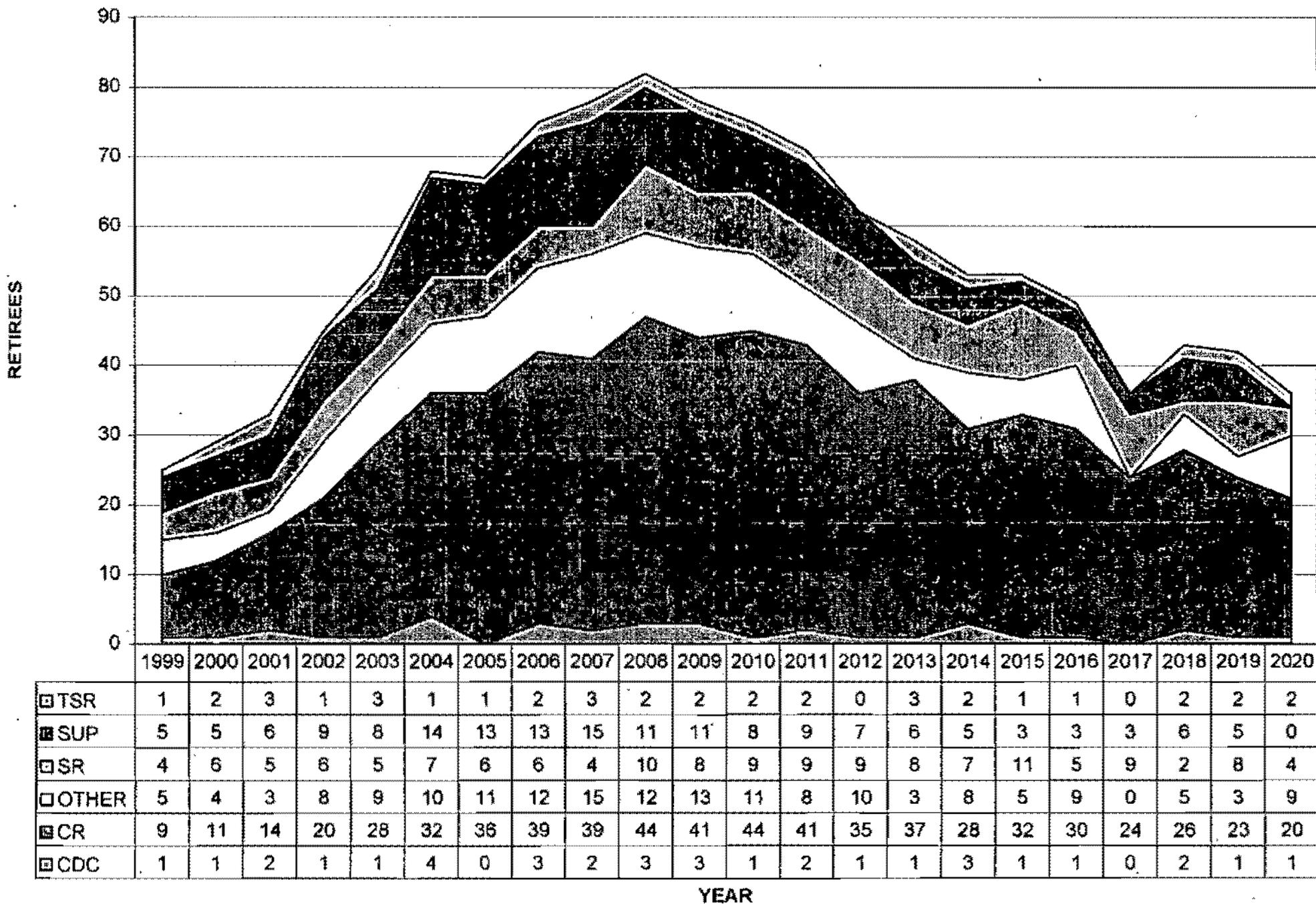
PREDICTED OFFICE of OPERATIONS RETIREES



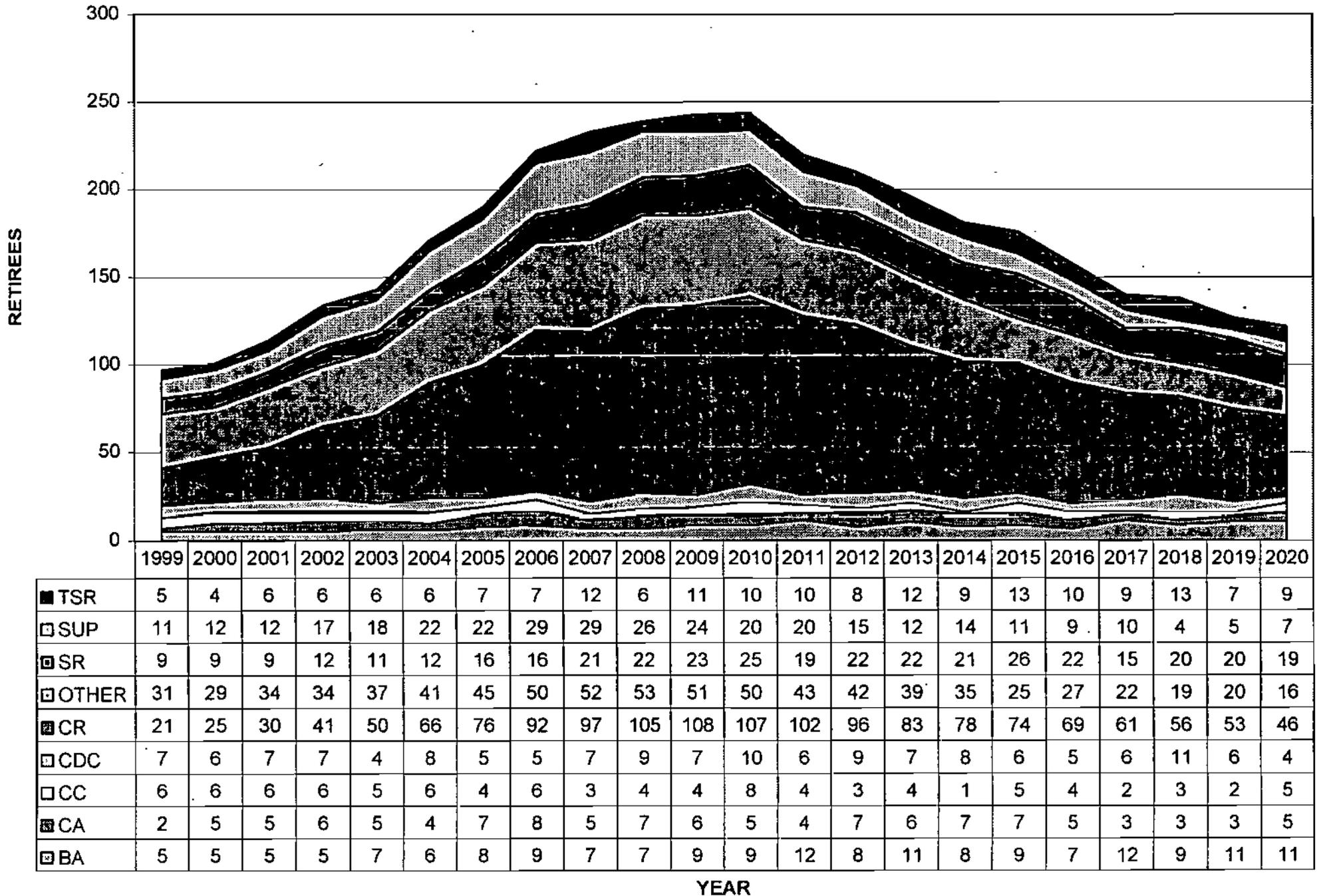
Consolidated Number of Retirees Per Year by Position in Operations

- The Claims Representative position shows the largest number of retirement losses, with the peak periods being 2006 to 2011
- Supervisor and Service Representative positions are predicted to show significant losses between 2005 and 2010

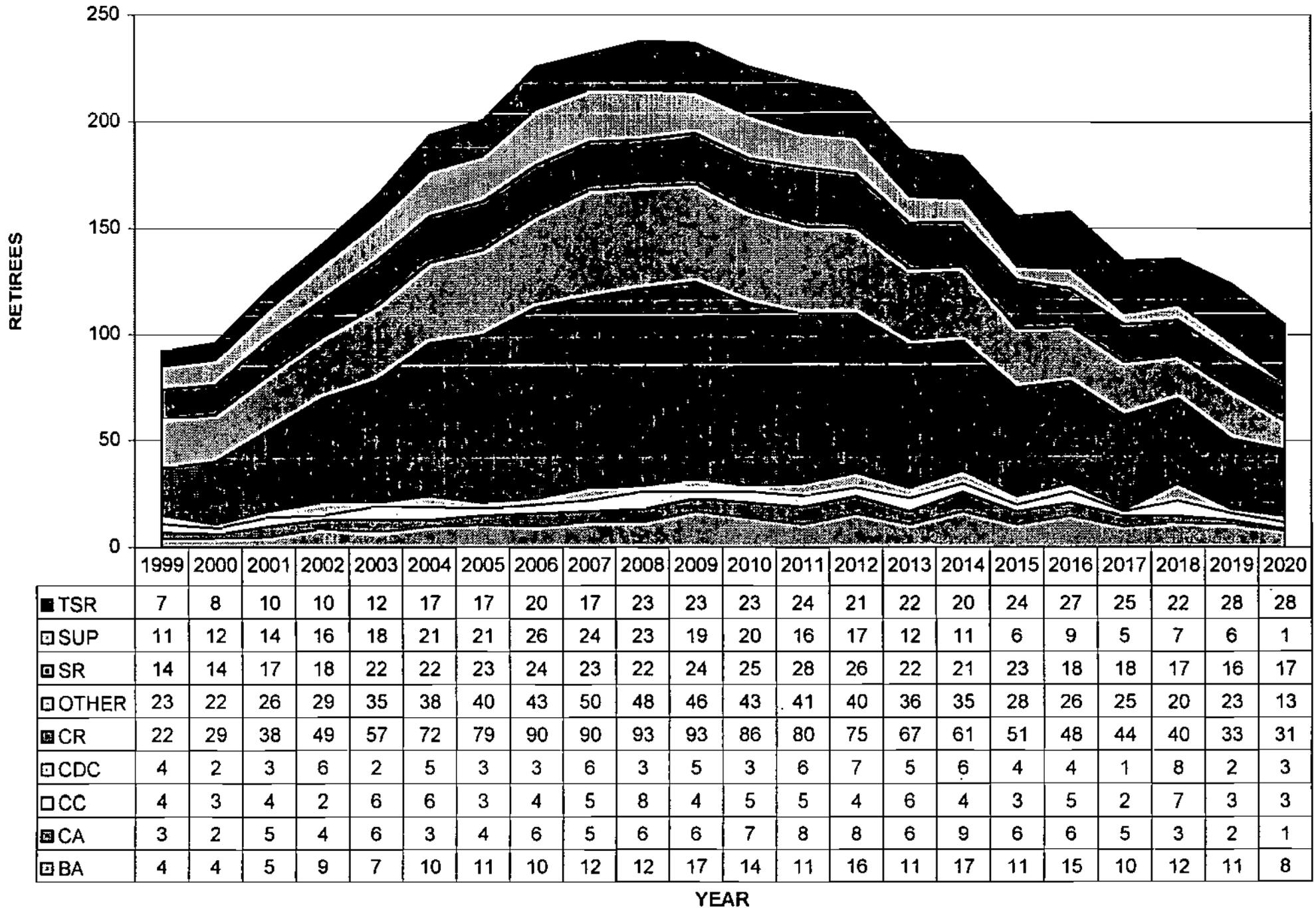
PREDICTED BOSTON REGION RETIREES



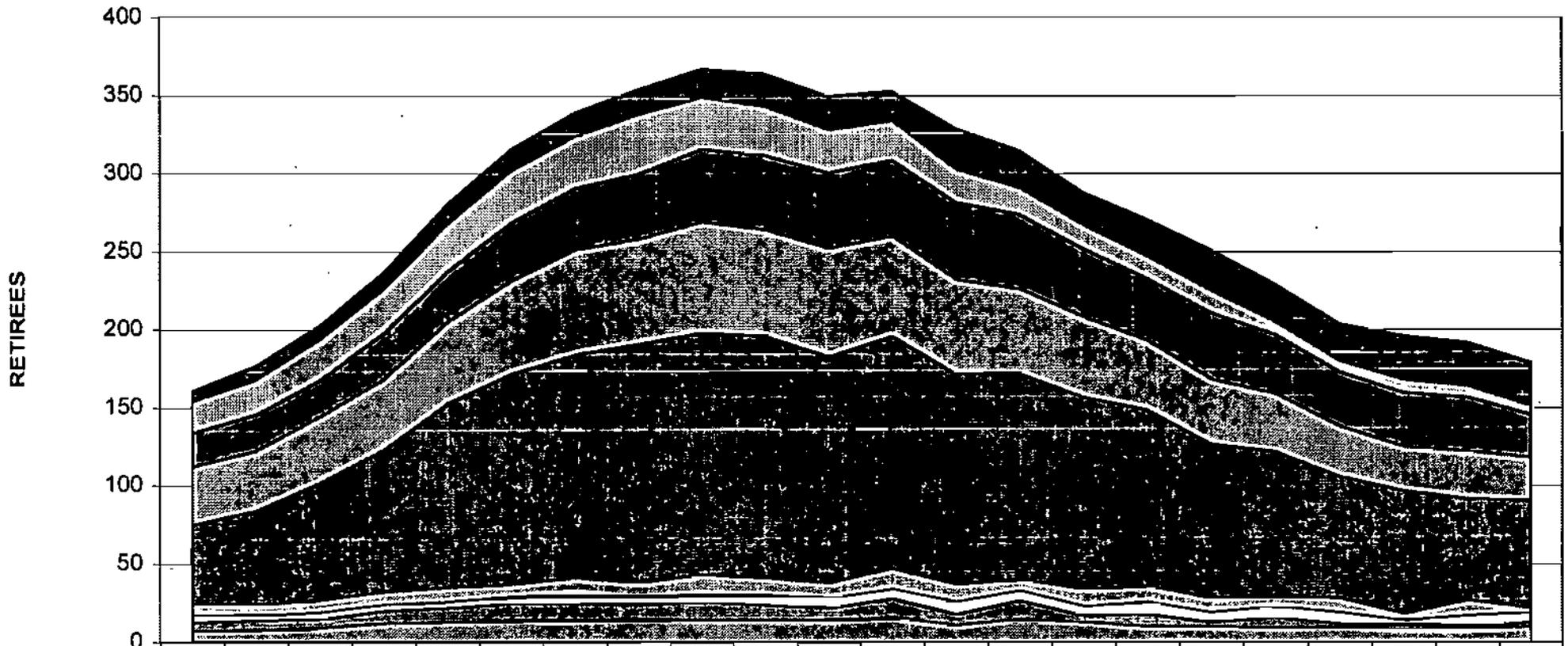
PREDICTED NEW YORK REGION RETIREES



PREDICTED PHILADELPHIA REGION RETIREES



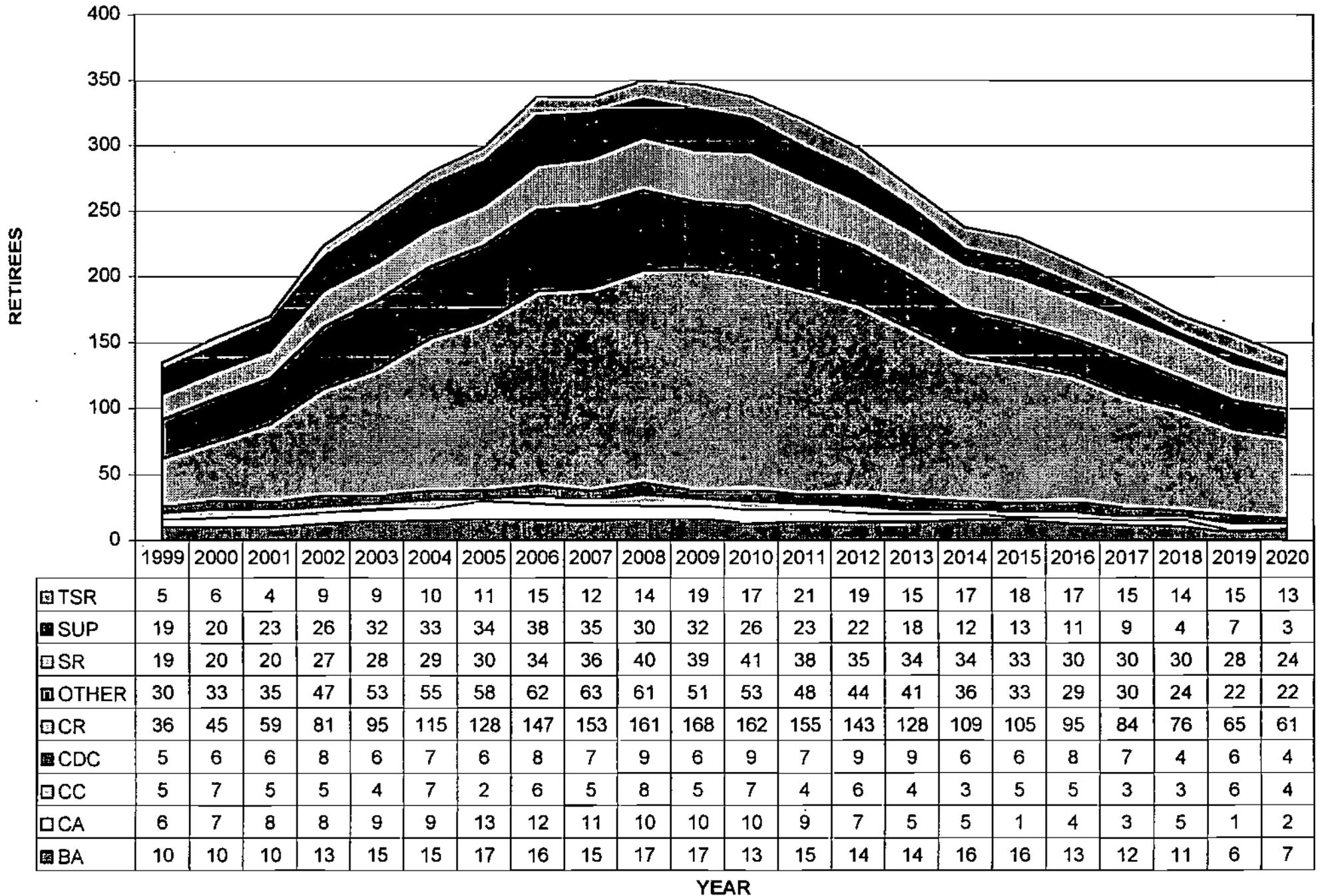
PREDICTED ATLANTA REGION RETIREES



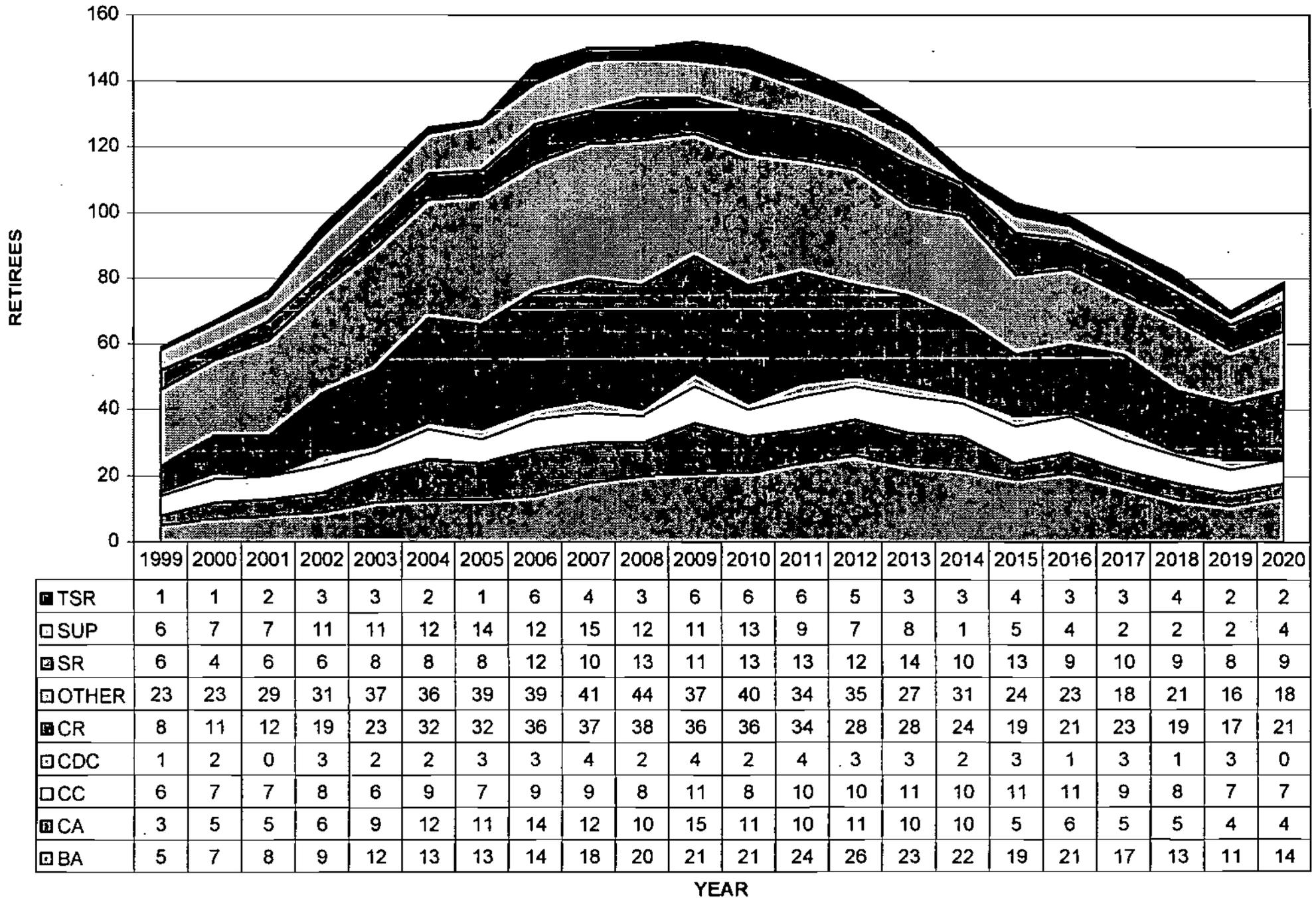
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□ SUP	20	22	26	28	30	33	33	38	33	31	27	25	21	17	15	14	14	8	7	8	7	5
▣ SR	22	24	24	30	33	38	40	42	47	48	49	49	50	48	44	40	43	38	35	35	35	28
▤ OTHER	37	38	42	45	52	59	67	67	71	68	69	64	60	54	51	44	41	37	32	28	30	27
■ CR	50	60	75	91	118	135	143	153	155	155	145	149	135	132	123	113	99	92	78	79	65	69
▣ CDC	8	7	8	8	9	8	10	10	12	11	10	13	11	7	11	10	9	7	9	4	10	3
□ CC	4	3	4	4	4	4	6	4	5	6	6	6	8	6	6	8	6	7	7	3	7	6
▣ CA	6	6	6	8	9	11	11	9	12	10	8	12	7	12	4	8	3	7	2	3	2	3
▣ BA	7	8	9	12	13	14	14	15	14	14	14	16	11	15	13	10	10	9	10	8	8	10

YEAR

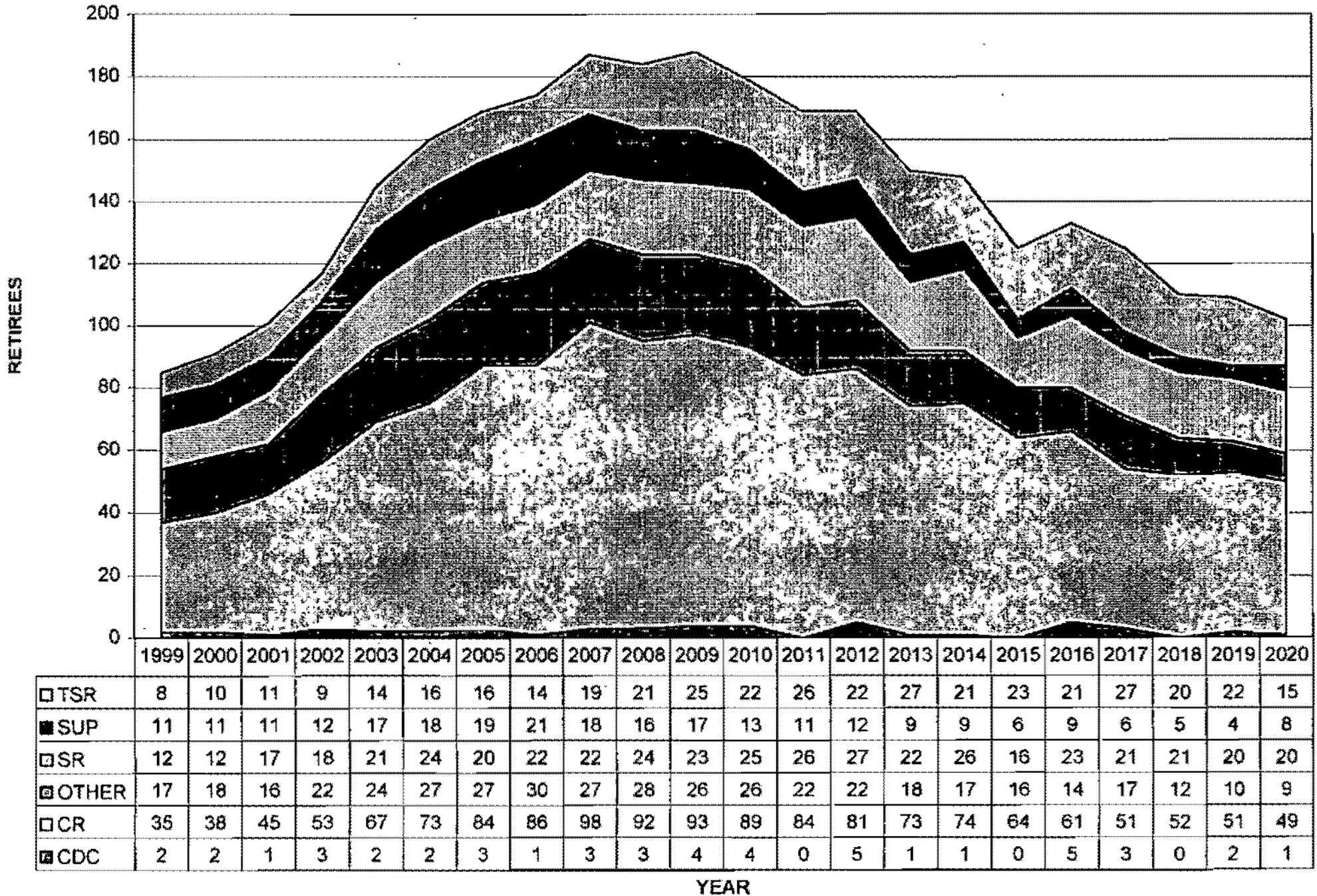
PREDICTED CHICAGO REGION RETIREES



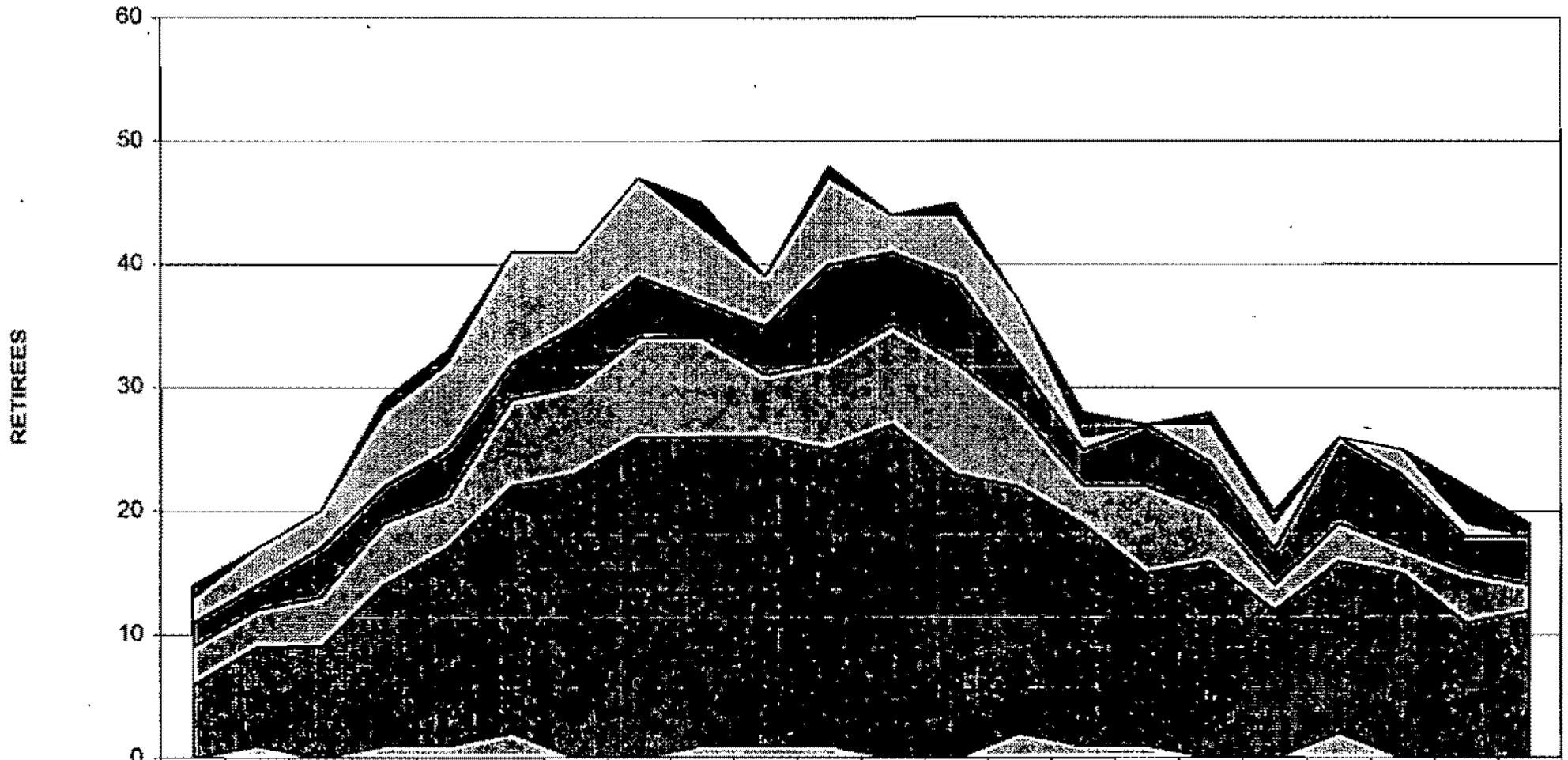
PREDICTED KANSAS CITY REGION RETIREES



PREDICTED DALLAS REGION RETIREES



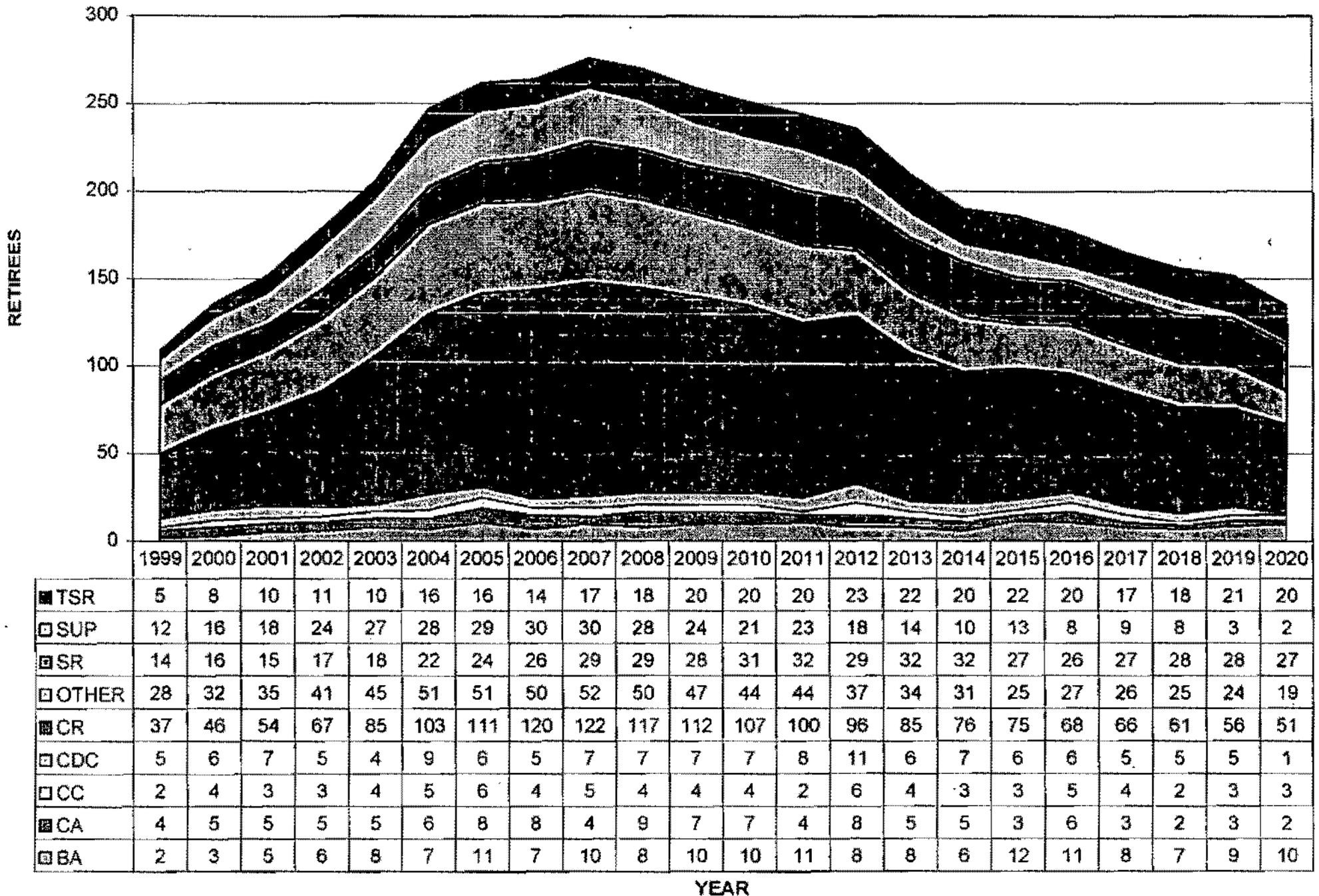
PREDICTED DENVER REGION RETIREES



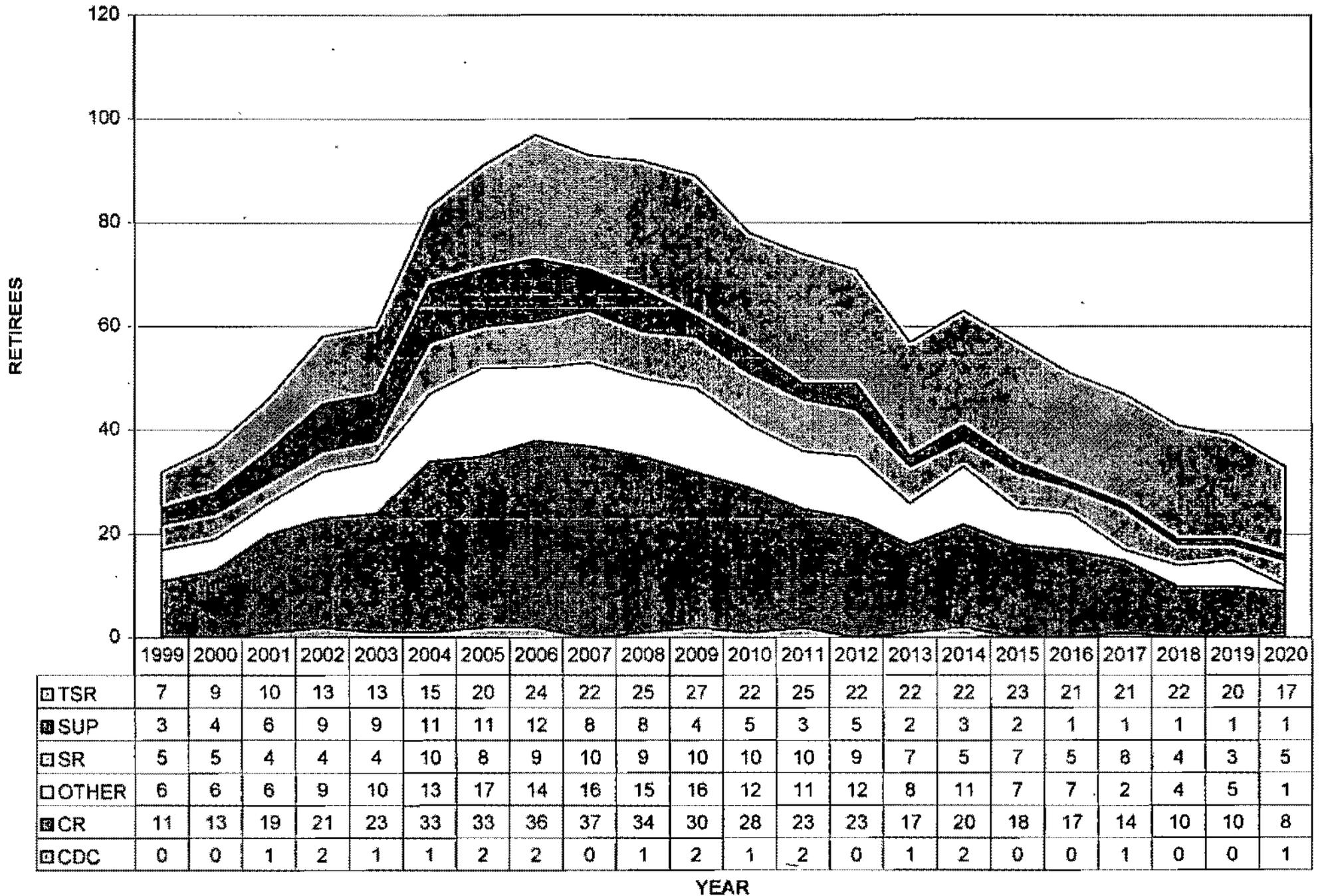
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▣ SR	2	2	4	3	4	3	5	5	3	4	8	6	7	4	3	5	4	3	7	6	3	4
□ OTHER	3	3	4	5	4	7	7	8	8	5	7	8	9	6	3	7	4	2	3	2	4	2
▣ CR	6	8	9	13	16	20	23	26	25	25	24	27	23	20	18	14	16	12	14	15	11	12
□ CDC	0	1	0	1	1	2	0	0	1	1	1	0	0	2	1	1	0	0	2	0	0	0

YEAR

PREDICTED SAN FRANCISCO REGION RETIREES



PREDICTED SEATTLE REGION RETIREES



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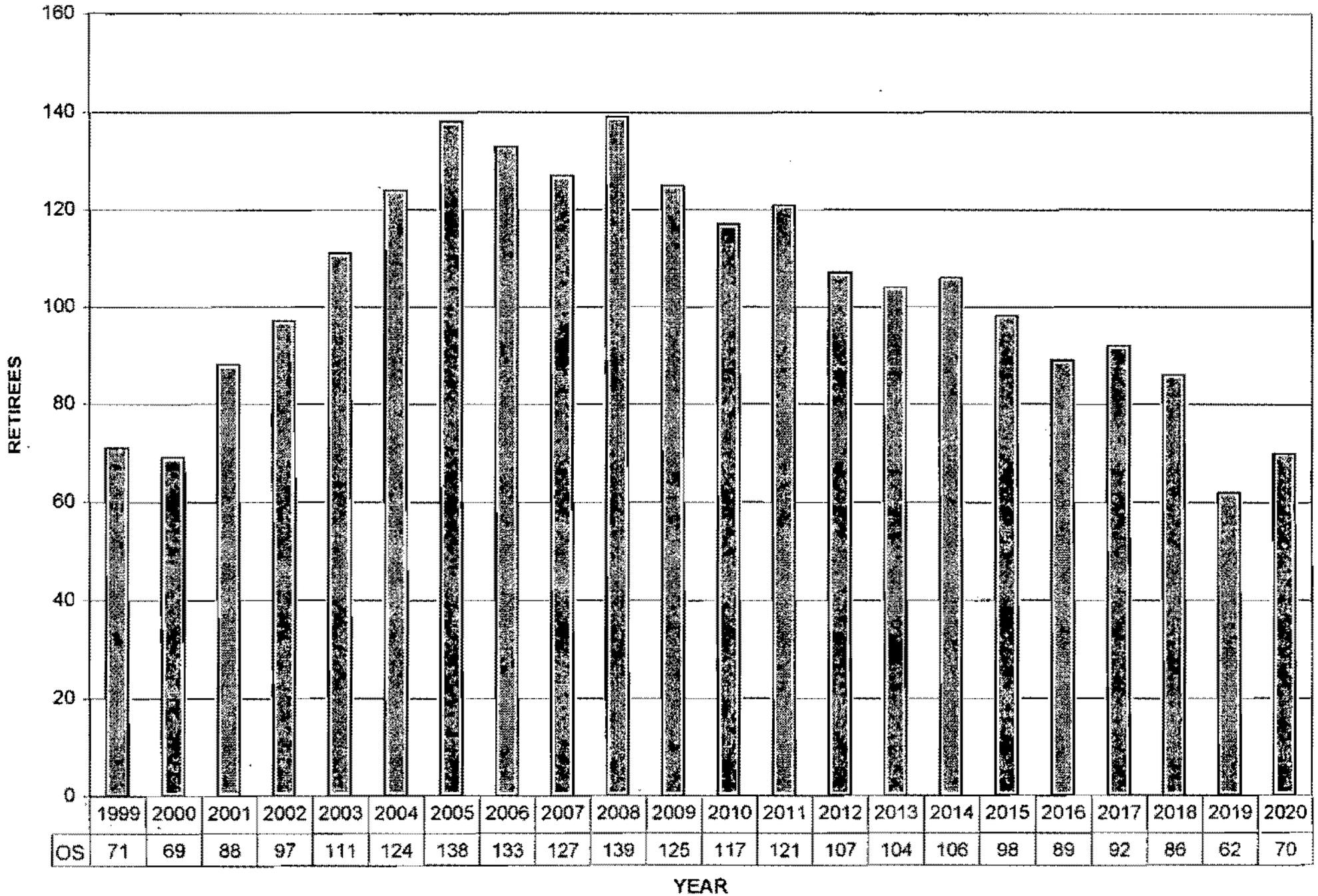
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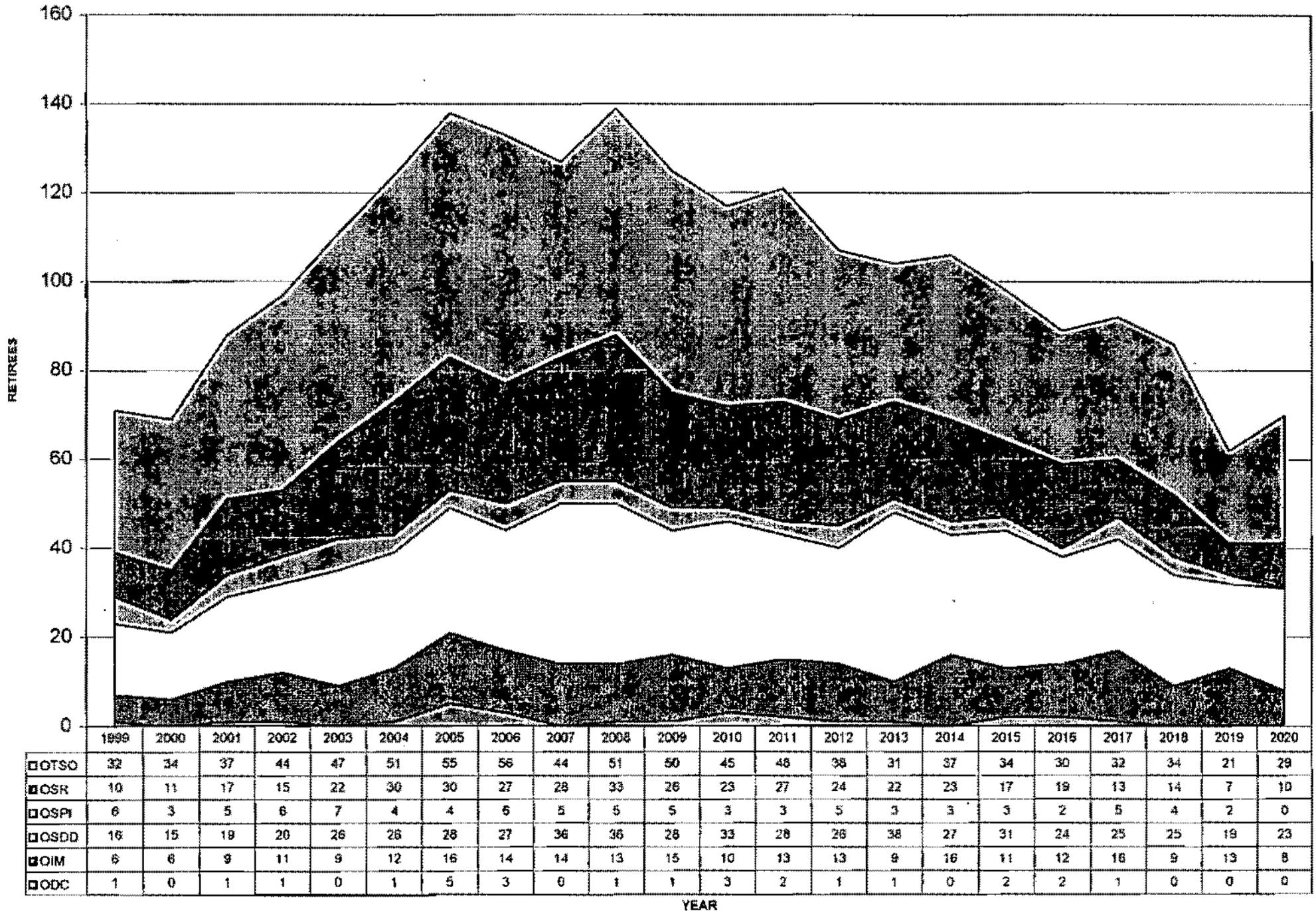
Number of Retirees Per Year in the Office of Systems

- Peak retirement periods in the Office of Systems will be between 2005 and 2008 with the Office of Telecommunications and Systems Operations losing the most staff

PREDICTED OFFICE of SYSTEMS RETIREES



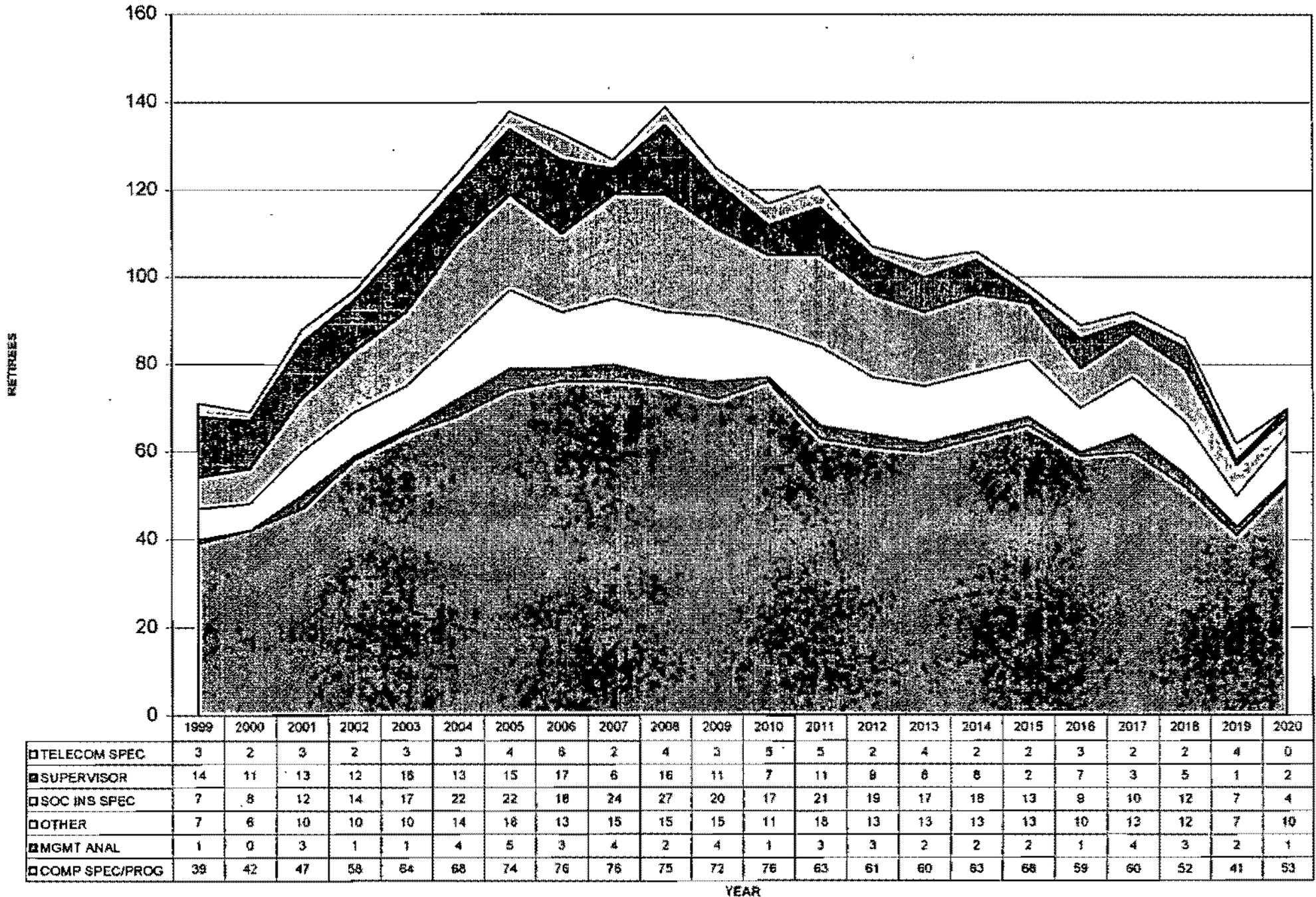
PREDICTED OFFICE of SYSTEMS RETIREES



Number of Retirees Per Year by Position in the Office of Systems

- The Computer Specialist and Programmer positions are predicted to lose the most staff to retirement

PREDICTED OFFICE of SYSTEMS RETIREES



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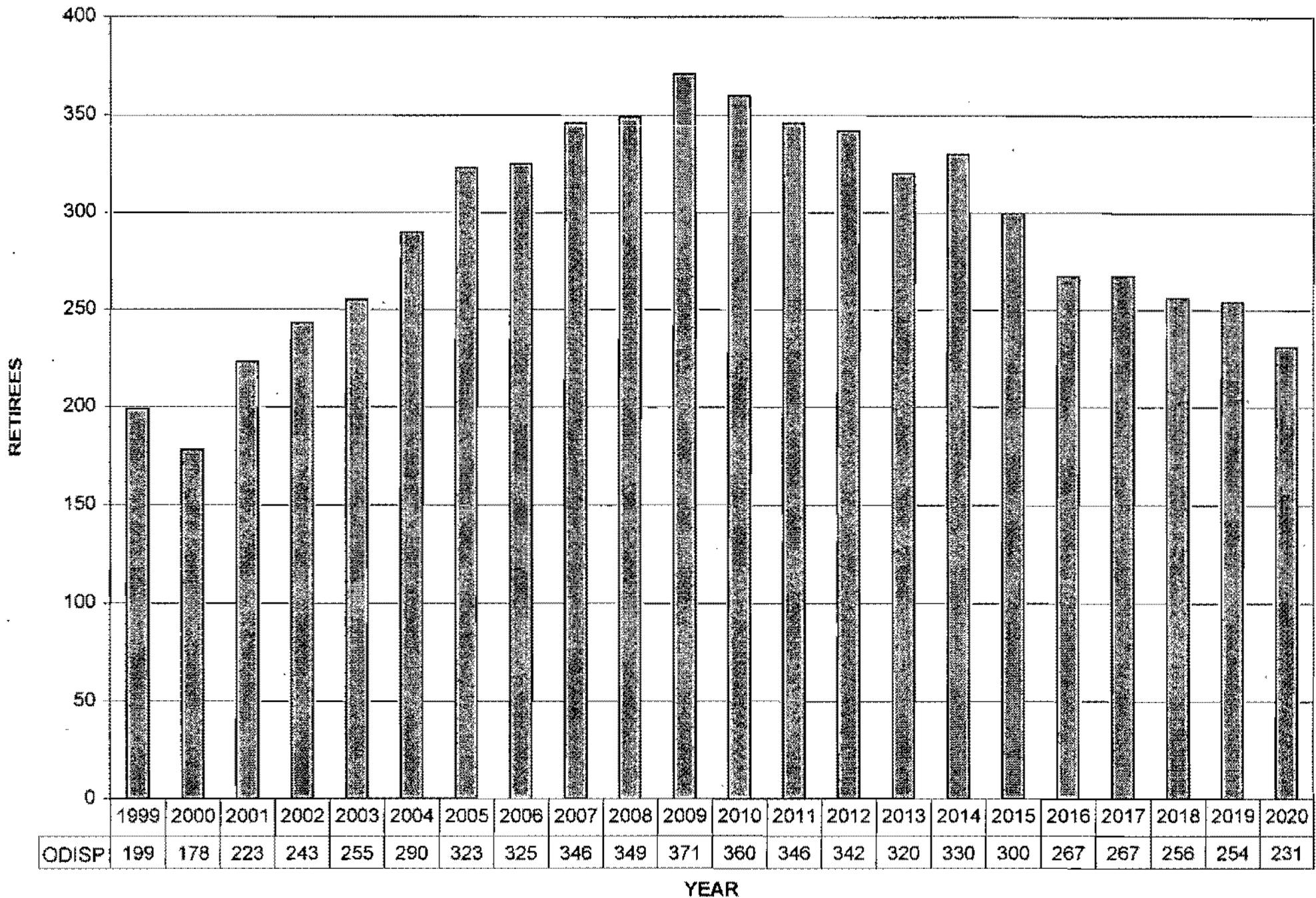
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Divider Title: ODISP

Number of Retirees Per Year in the Office of Disability and Income Security Programs

- The years 2007 to 2012 are the peak retirement years in the Office of Disability and Income Security Programs

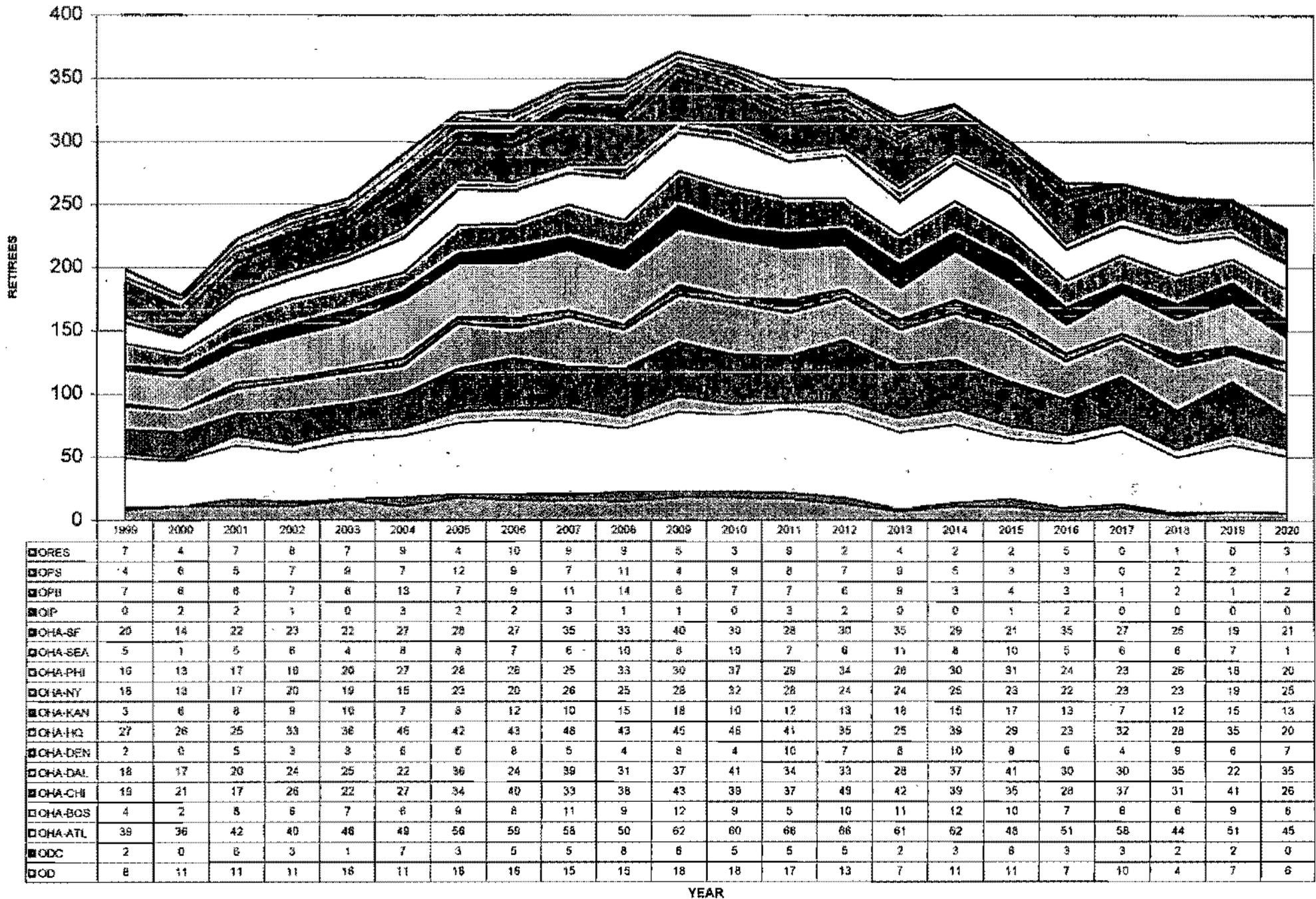
PREDICTED OFFICE of DISABILITY and INCOME SECURITY PROGRAMS RETIREES



Number of Retirees Per Year by Component in the Office of Disability and
Income Security Programs

- The largest OHA Regions and OHA's Headquarters component are predicted to have more retiree losses than any other Office of Disability and Income Security Programs component

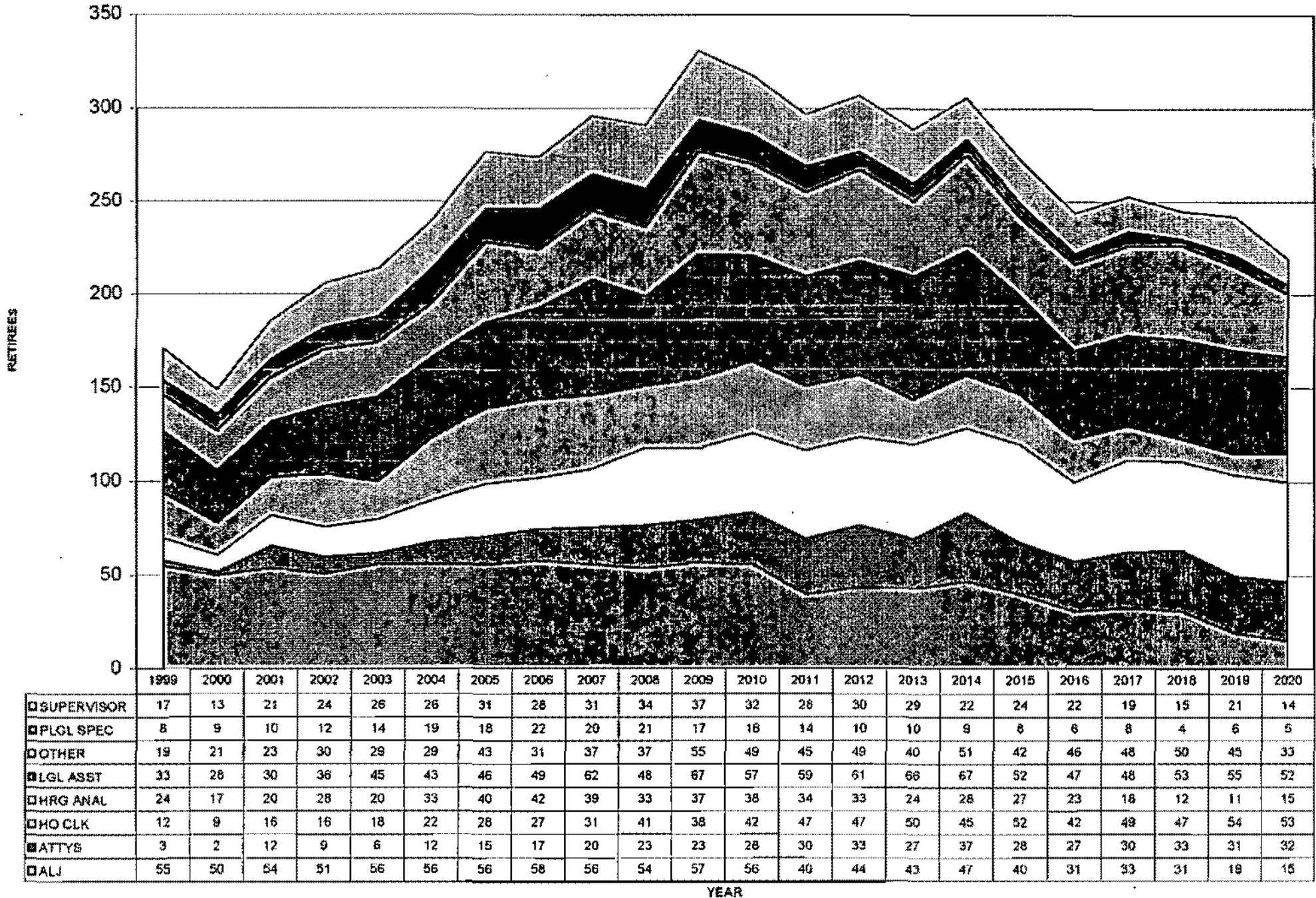
PREDICTED OFFICE of DISABILITY and INCOME SECURITY PROGRAMS RETIREES



Number of Retirees Per Year by Position in the Office of Hearings and Appeals

- Administrative Law Judges are predicted to retire in large but diminishing numbers from 1999 through 2008. Historically, candidates selected as new ALJs are closer to satisfying retirement eligibility criteria than most SSA new hires. Predictions of ALJ retiree losses, in the out years, may be higher than presented when vacancies are filled
- Supervisors and Legal Assistants will retire in increasingly high numbers, with their retirement numbers peaking in 2009

PREDICTED OFFICE of HEARINGS and APPEALS RETIREES



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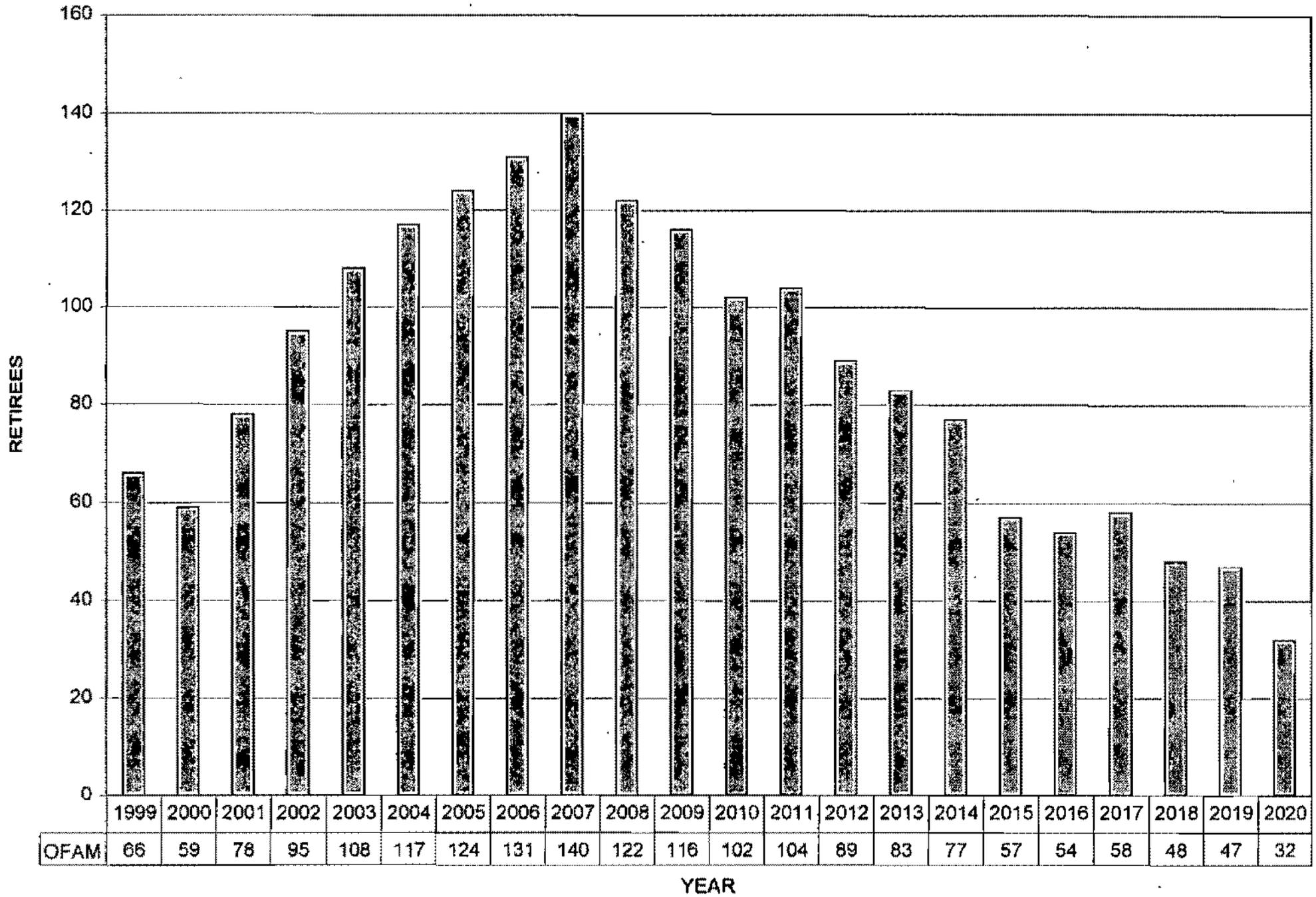
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Divider Title: OFAM

Number of Retirees Per Year in the Office of Finance, Assessment and Management

- Retirements in the Office of Finance, Assessment and Management will generally rise each year beginning in 1999 and peak in 2007, where retirement losses will then typically decline each year after that

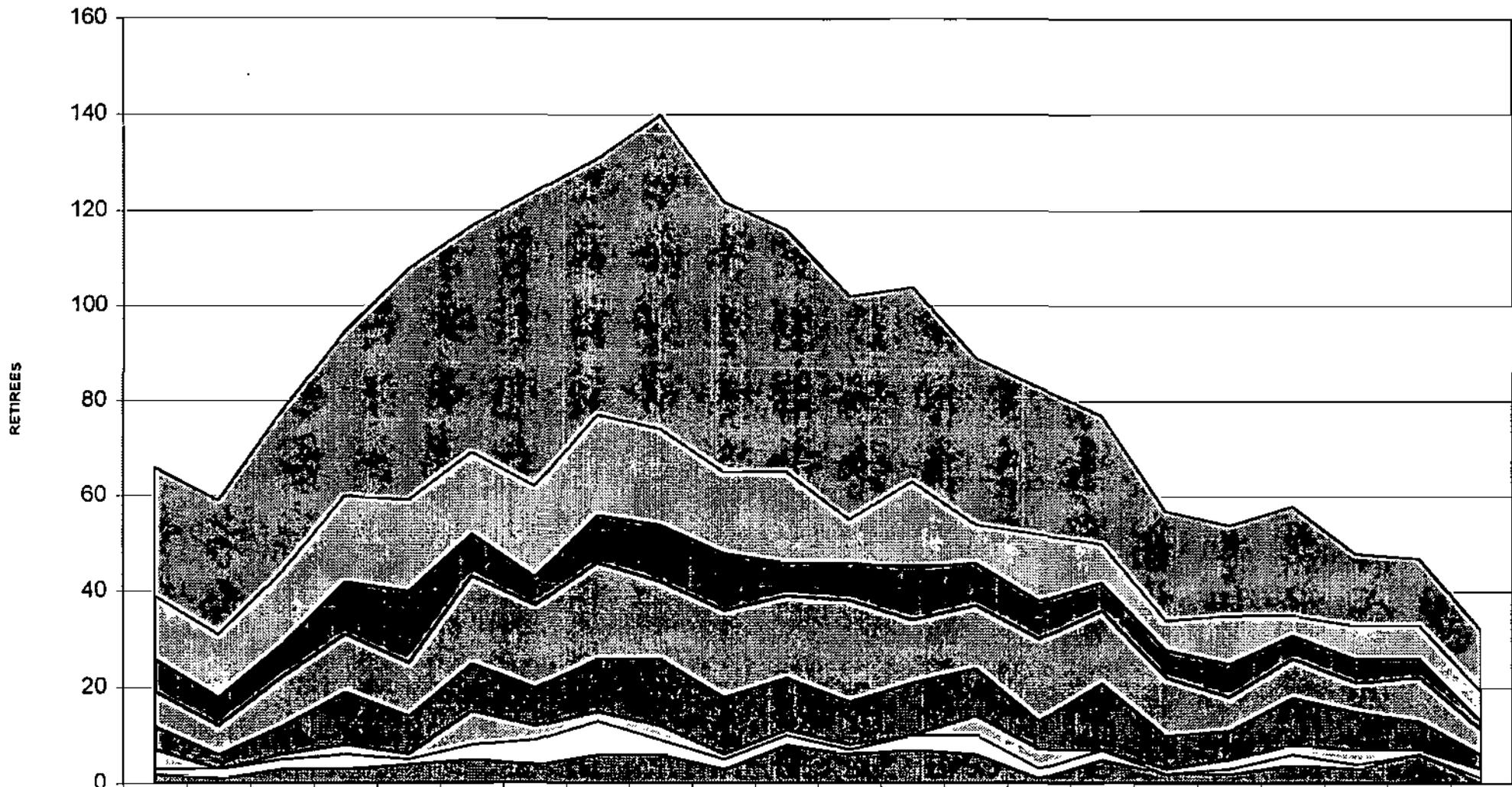
PREDICTED OFFICE of FINANCE, ASSESSMENT and MANAGEMENT RETIREES



Number of Retirees Per Year by Component in the Office of Finance,
Assessment and Management

- The Office of Quality Assurance's field structure will experience the largest number of retiree losses, with the peak periods being 2005 through 2007

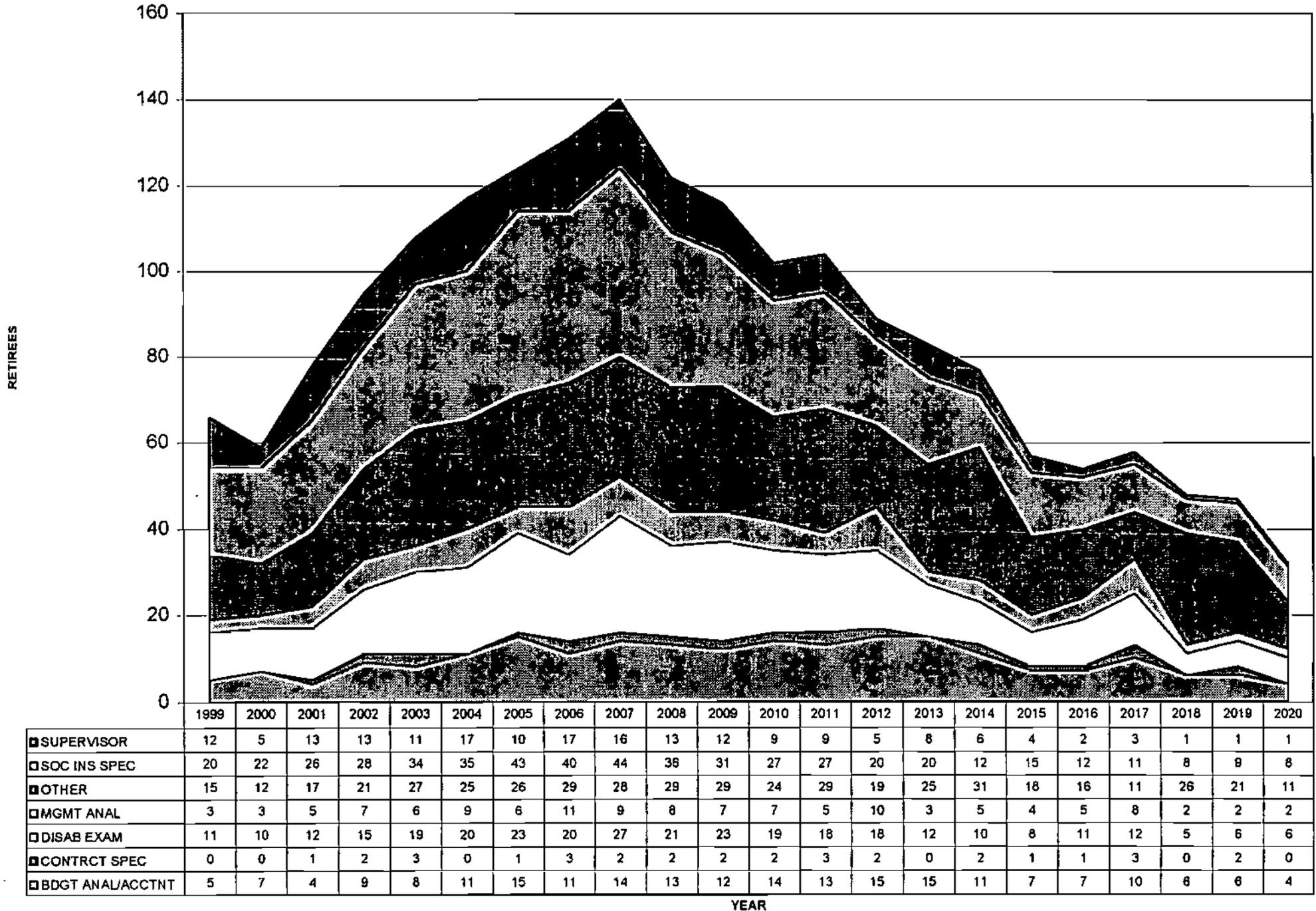
PREDICTED OFFICE of FINANCE, ASSESSMENT and MANAGEMENT RETIREES



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YEAR

PREDICTED OFFICE of FINANCE, ASSESSMENT and MANAGEMENT RETIREES



Number of Retirees Per Year by Position in the Office of Finance,
Assessment and Management

- Social Insurance Specialists and Disability Examiners will experience the largest retirement losses with the peak occurring between 2005 and 2009

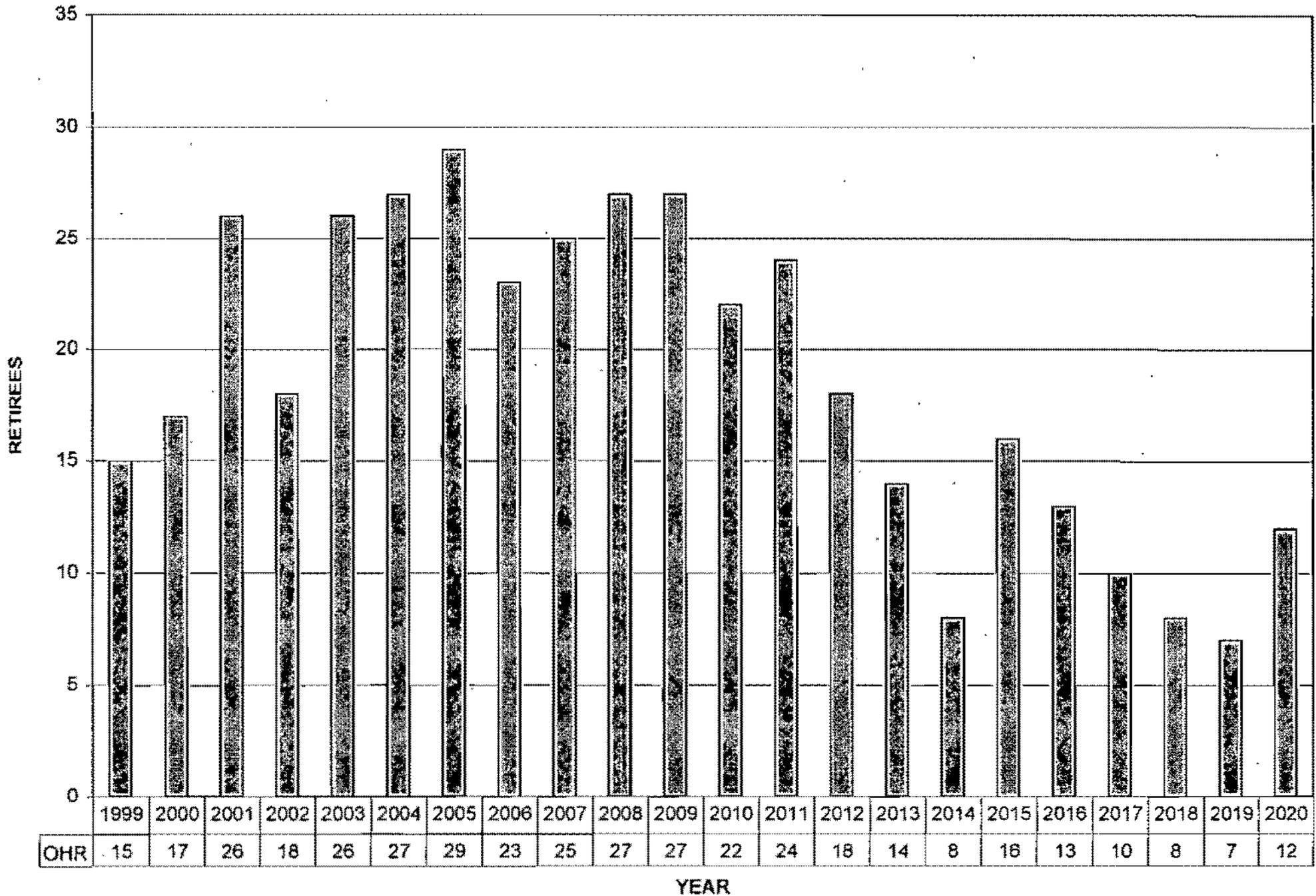
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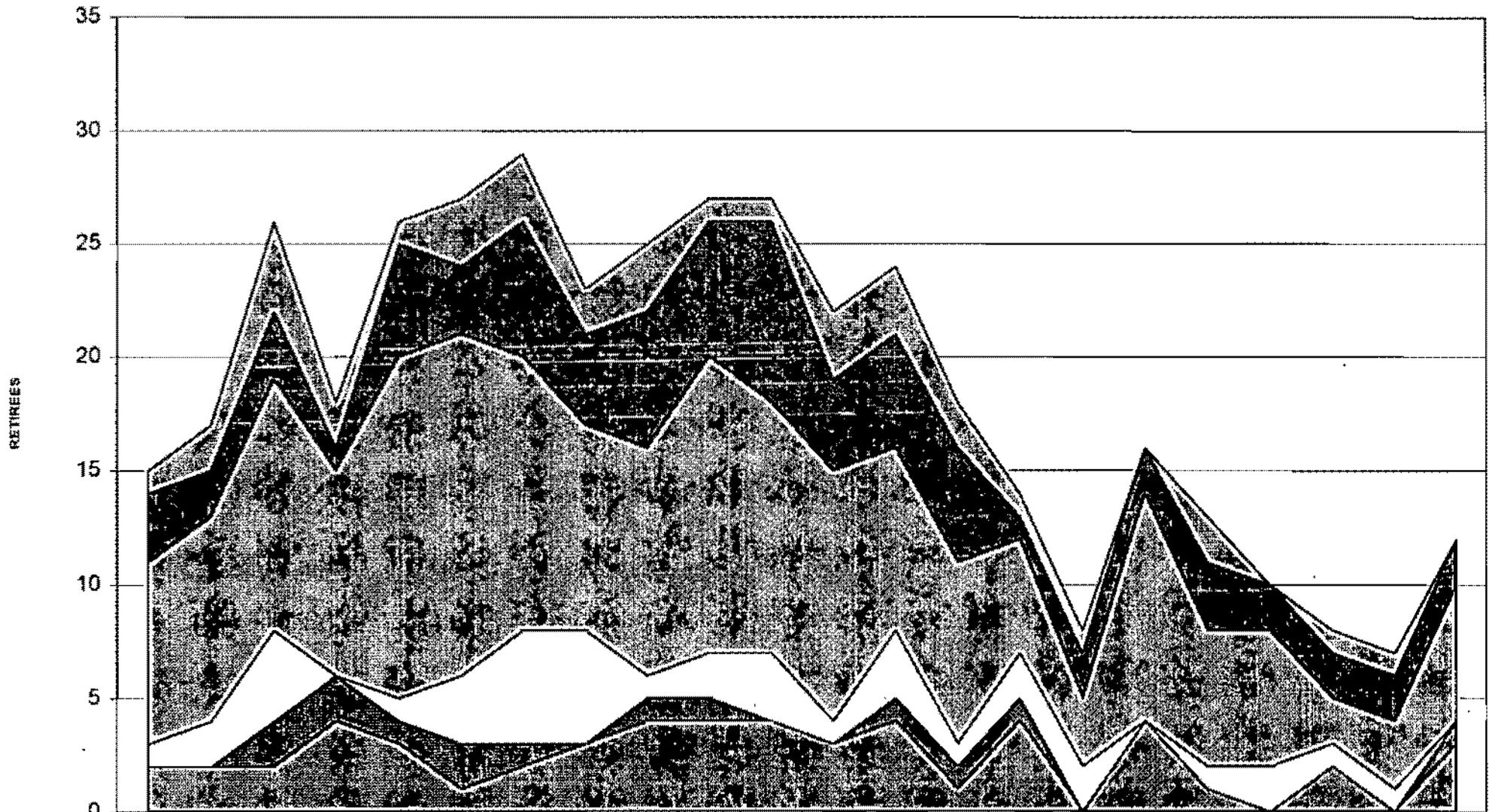
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Divider Title: OHR

PREDICTED OFFICE of HUMAN RESOURCES RETIREES



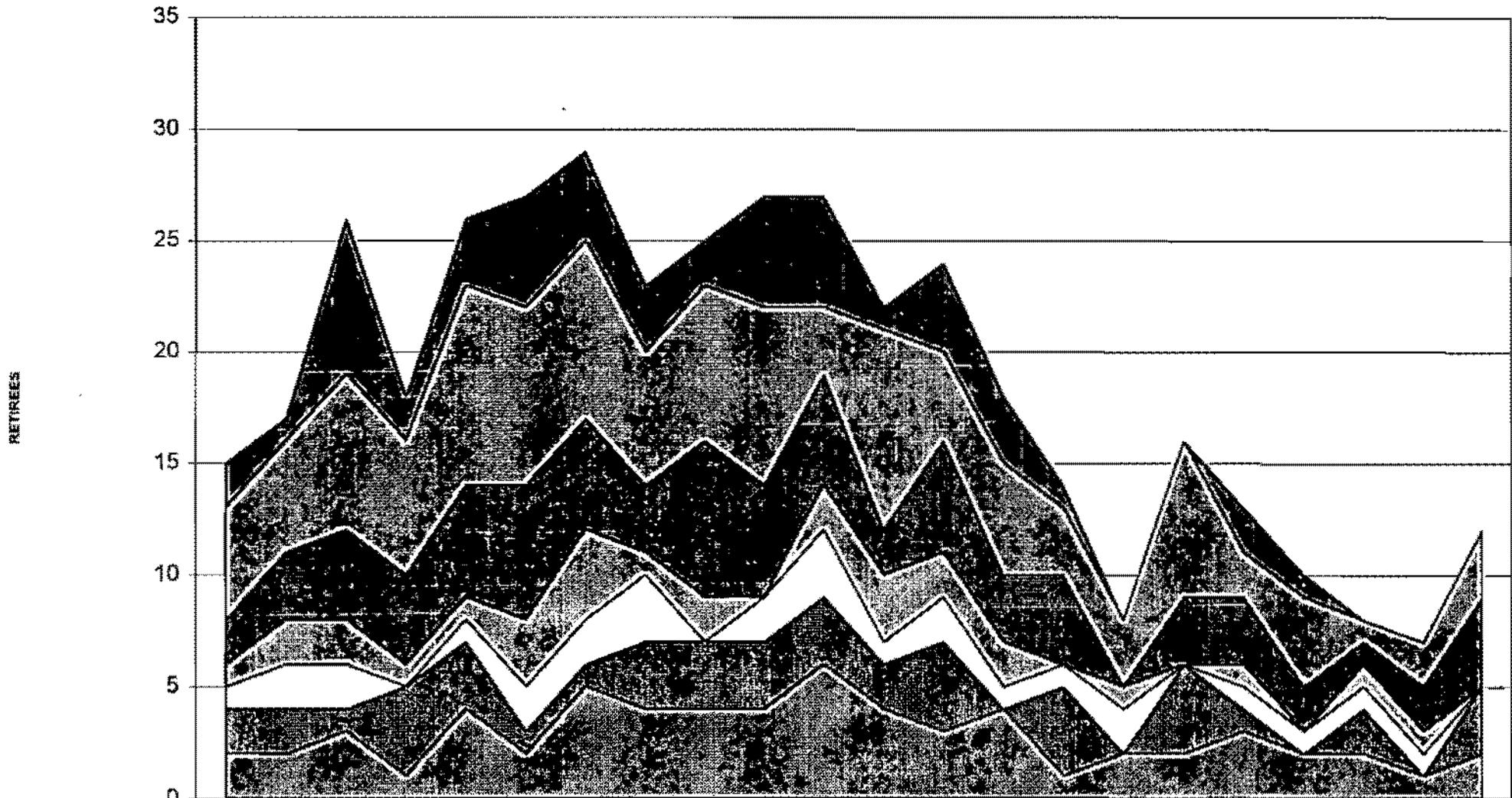
PREDICTED OFFICE of HUMAN RESOURCES RETIREES



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
□OWA	1	2	4	2	1	3	3	2	3	1	1	3	3	2	1	1	0	2	0	1	1	0
■OT	3	2	3	1	5	3	6	4	6	6	8	4	5	5	1	2	2	3	2	2	2	2
□OPE	8	9	11	9	15	15	12	9	10	13	11	11	8	8	5	3	10	6	6	2	3	6
□OLM+ER	1	2	4	0	1	3	5	5	1	2	3	1	3	1	2	2	0	1	2	1	1	0
■ODC	0	0	2	2	1	2	1	0	1	1	0	0	1	1	1	0	0	0	0	0	0	1
□OCREO	2	2	2	4	3	1	2	3	4	4	4	3	4	1	4	0	4	1	0	2	0	3

YEAR

PREDICTED OFFICE of HUMAN RESOURCES RETIREES



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
■ SUPERVISOR	2	1	7	2	3	5	4	3	2	5	5	1	4	3	1	0	0	2	1	0	0	0
□ PERS MGMT SPEC	5	5	7	6	9	8	8	6	7	8	3	9	4	5	3	3	7	2	4	1	2	3
■ OTHER	2	3	4	4	5	6	5	3	7	5	5	2	5	3	4	0	3	3	2	1	2	4
□ MGMT ANAL	1	2	2	1	1	3	4	1	2	0	2	3	2	2	0	1	0	1	0	1	1	0
□ LBR REL SPEC	1	2	2	0	1	2	2	3	0	2	3	1	2	1	1	2	0	1	1	1	1	0
■ EQ EMP SPEC	2	2	1	4	3	1	1	3	3	3	3	2	4	0	4	0	4	1	0	2	0	3
□ EMP DEV SPEC	2	2	3	1	4	2	5	4	4	4	6	4	3	4	1	2	2	3	2	2	1	2

YEAR

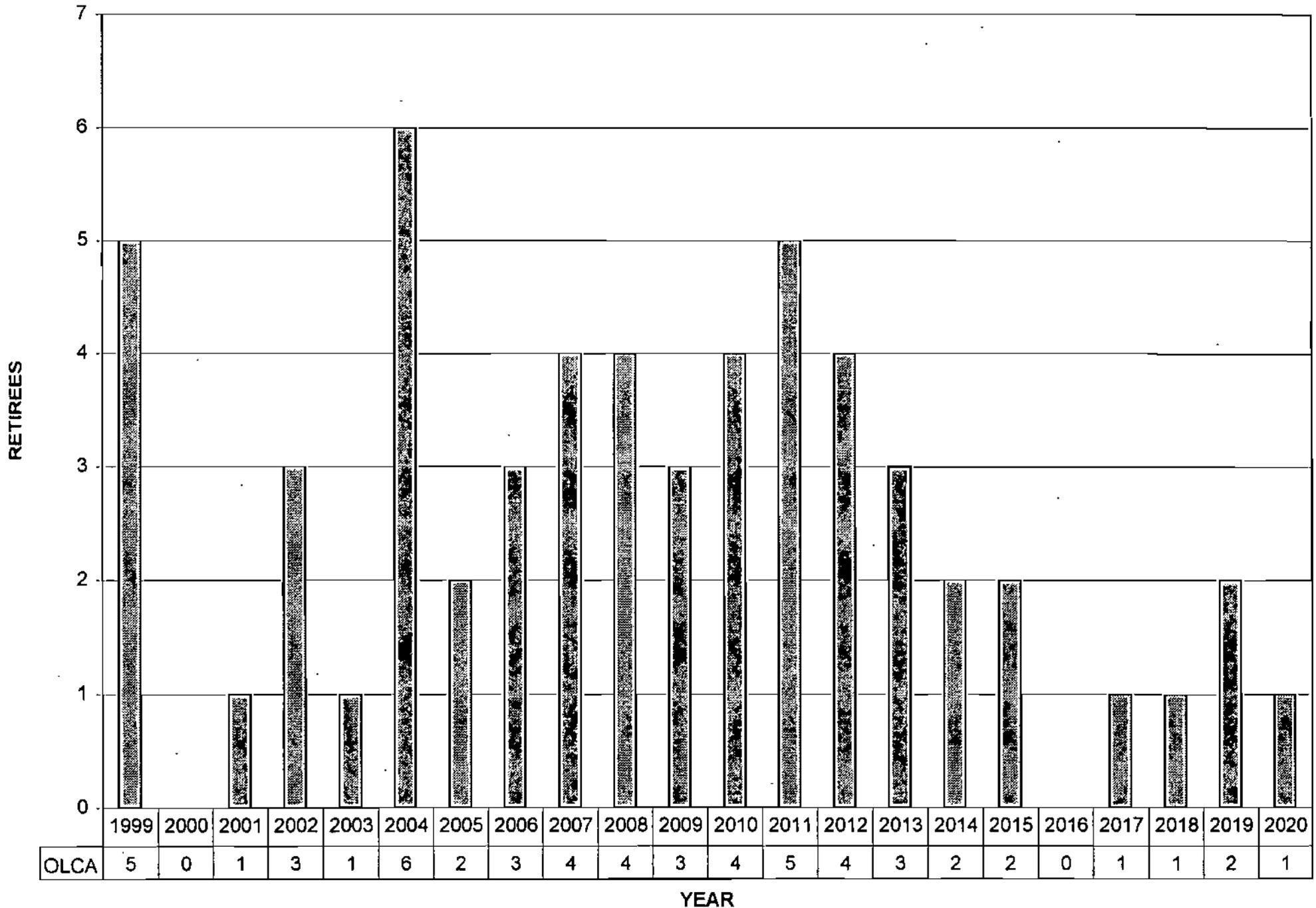
Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: OLCA

PREDICTED OFFICE of LEGISLATION and CONGRESSIONAL AFFAIRS RETIREES



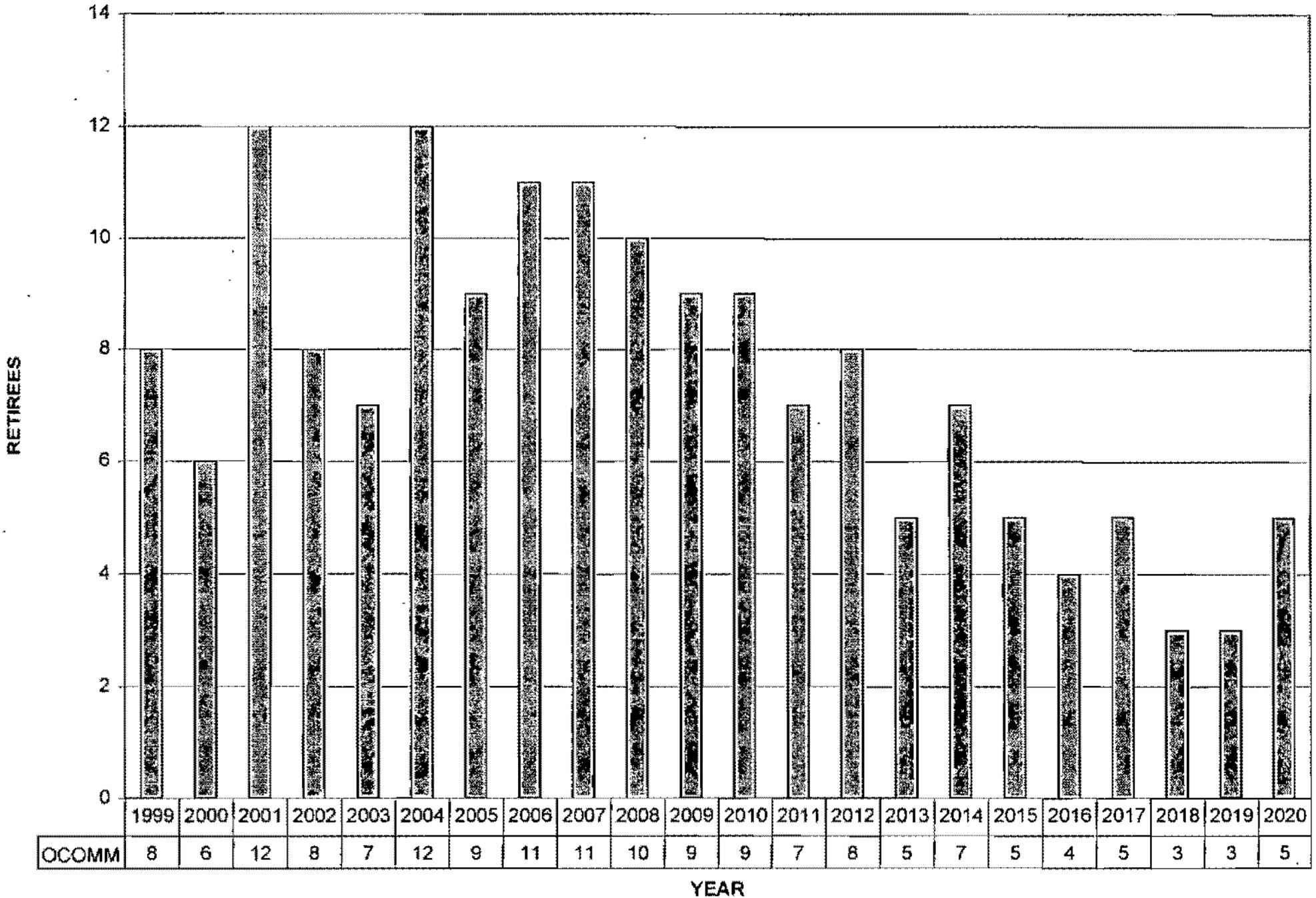
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Divider Title: O COMM

PREDICTED OFFICE of COMMUNICATIONS RETIREES



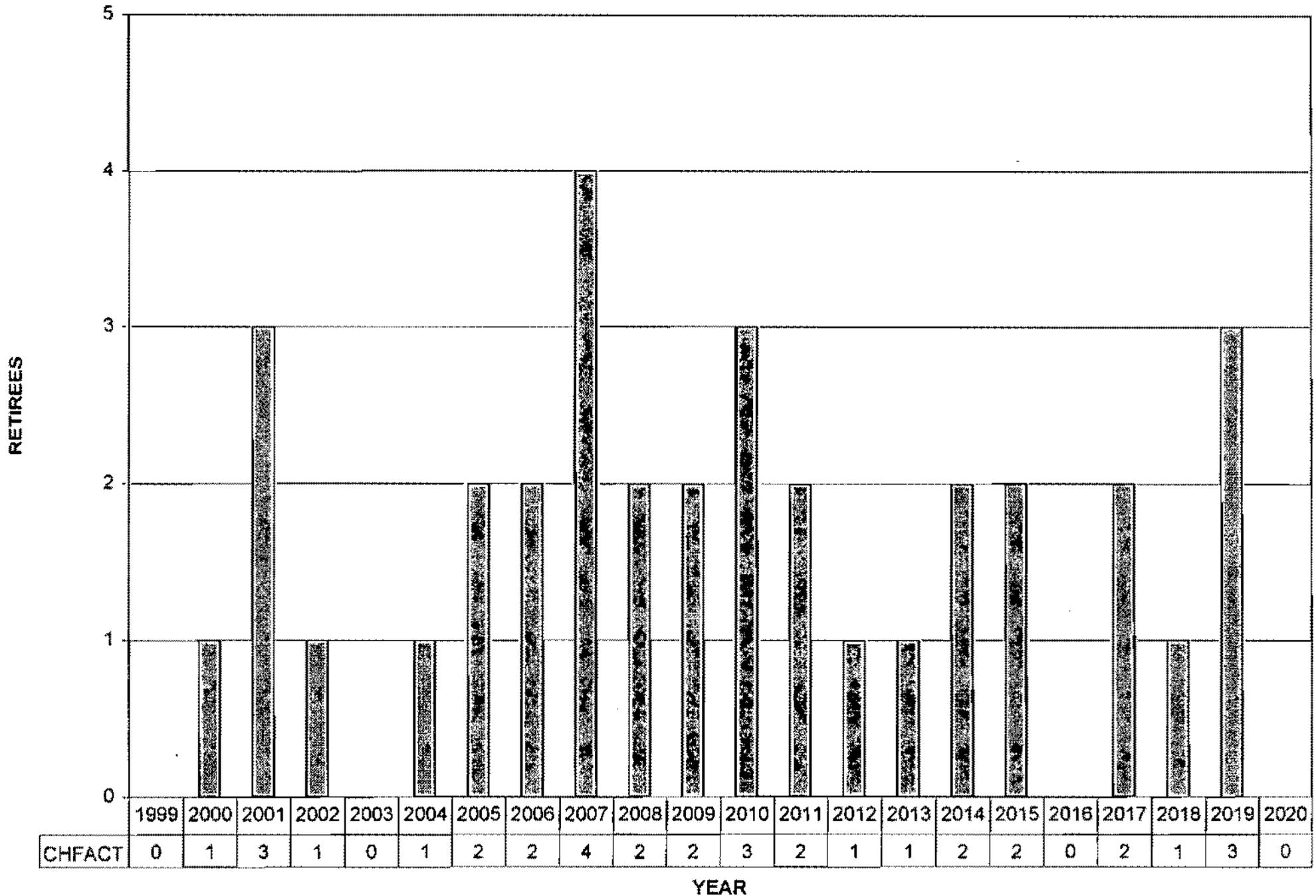
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Divider Title: OACT

PREDICTED OFFICE of CHIEF ACTUARY RETIREES



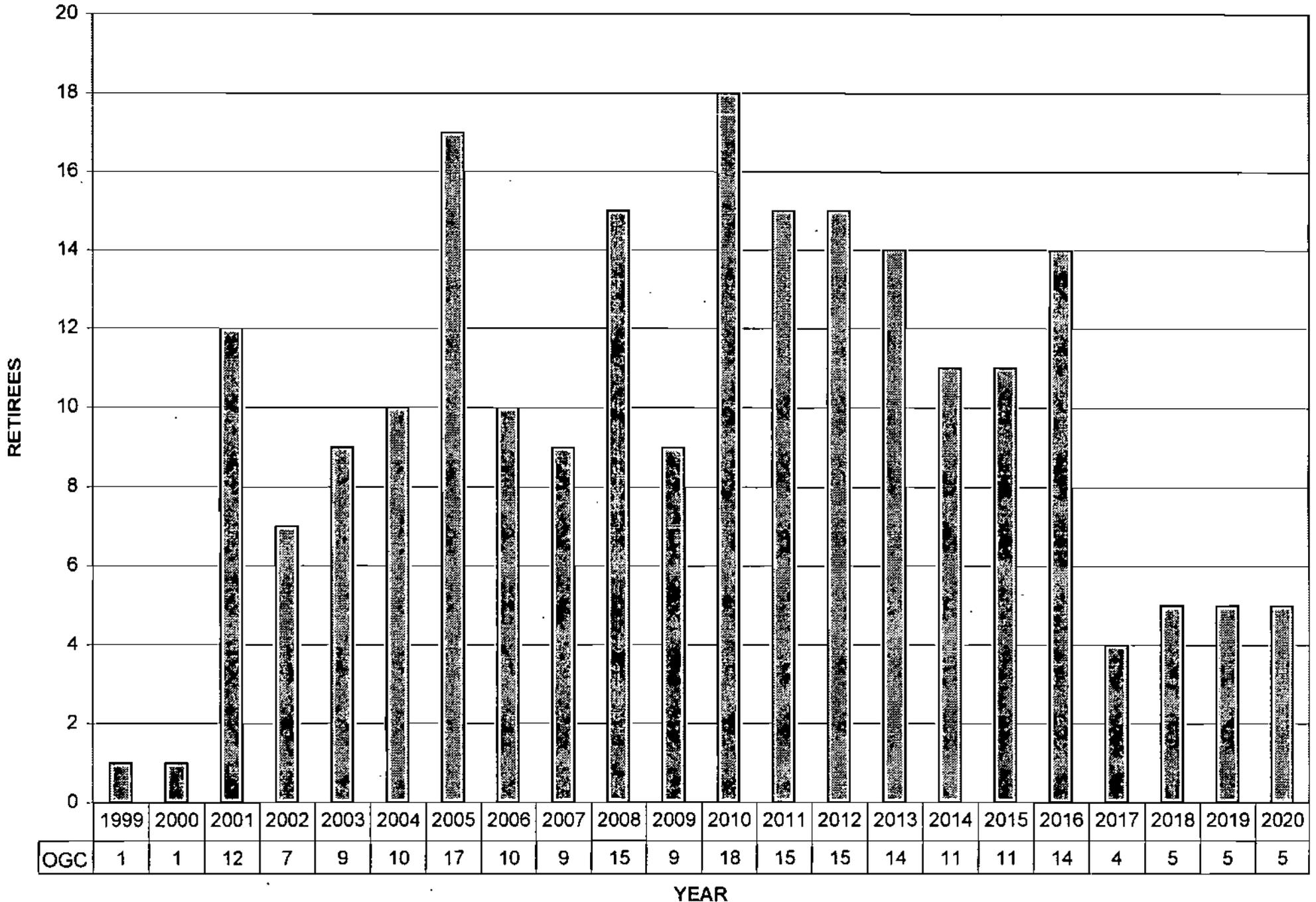
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Divider Title: OGC

PREDICTED OFFICE of GENERAL COUNSEL RETIREES



OGC	1	1	12	7	9	10	17	10	9	15	9	18	15	15	14	11	11	14	4	5	5	5
-----	---	---	----	---	---	----	----	----	---	----	---	----	----	----	----	----	----	----	---	---	---	---

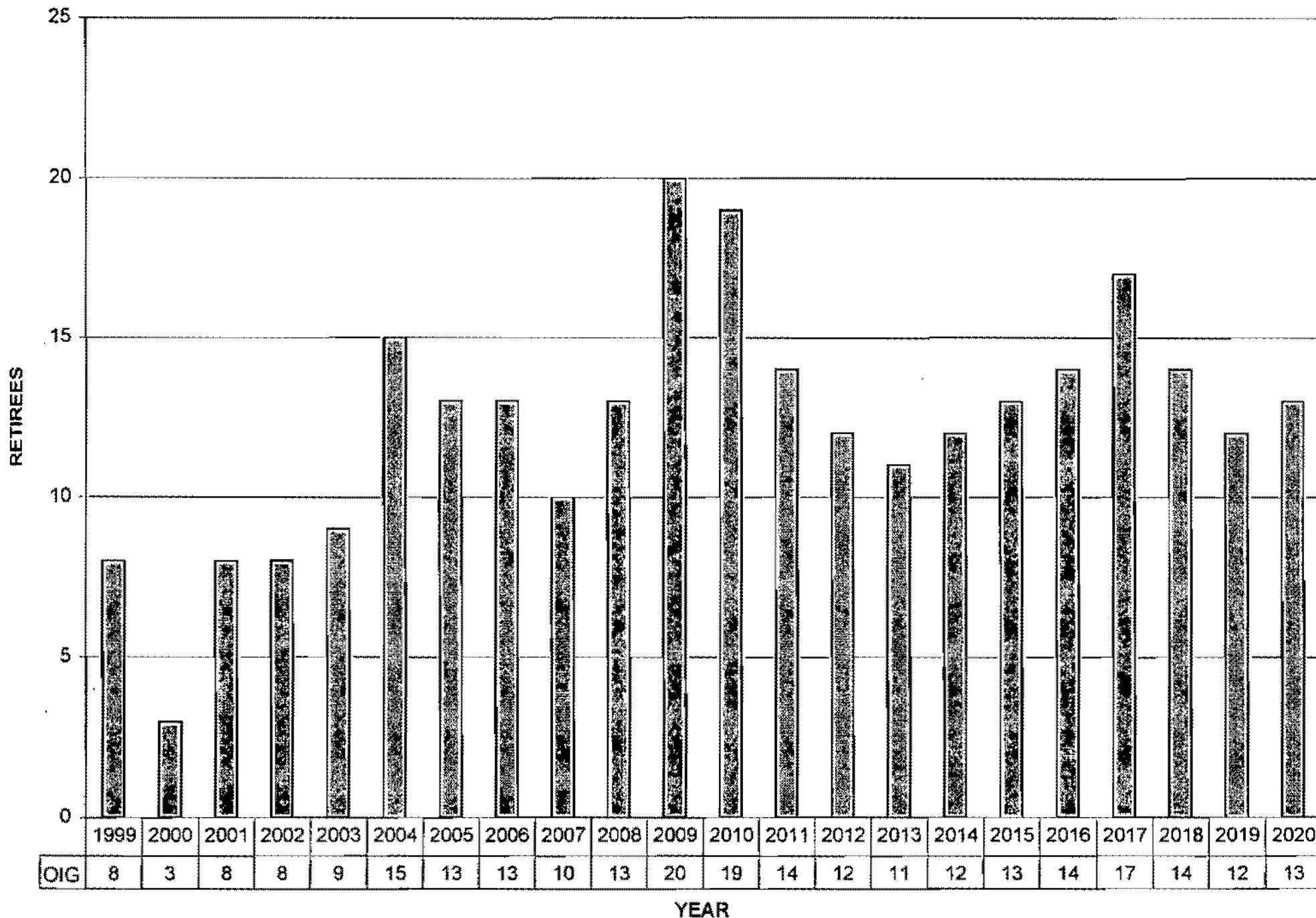
Clinton Presidential Records Digital Records Marker

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Divider Title: DIG

PREDICTED OFFICE of INSPECTOR GENERAL RETIREES



Clinton Presidential Records Digital Records Marker

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Divider Title: Recommendations

Recommendations

- SSA should explore creative methods in the hiring and training processes, targeting our key positions that will be impacted by the predicted retiree attrition
- In order to maintain our service delivery standards, desired staffing levels in key positions should occur well before experiencing peak retiree losses