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InformationWeek

BUSINESS INNOVATION POWERED BY TECHNOLOGY

Midcareer Crisis

The world for older IT pros is in flux: Jobs have never felt so precarious, and retirement looks very different. The easy answers--such as retraining--aren't so easy.

By Marianne Kolbasuk McGee, [InformationWeek](#)

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Three years ago, Rich Straka packed his bags and moved 700 miles away from his family to study computer security at the University of Tulsa in Oklahoma. Sounds like just another story about a kid off to college. Except instead of leaving behind Mom and Dad for four years of frat parties, Straka left his own home, a wife, and two sons. Pushing 50 and with only a part-time job, Straka had to start rethinking his career.

After putting in 20-plus years at AT&T Bell Labs and then Lucent Technologies in demanding positions such as being the architect of a computing environment used by 6,000 software developers, who could blame Straka if he had looked forward to mixing work with a little more pleasure time as he entered the zenith of his career? Instead, he felt compelled to accept an early retirement package in July 2001, when Lucent, like other telecom-equipment suppliers, retrenched in the wake of the Internet and telecom-industry bust. He didn't want to leave but worried that his pension benefits would be a lot less lucrative if he stuck it out and then later became a victim of layoffs. The post-9/11 job market in Chicago wasn't rife with other opportunities, though, and Straka knew he had to make a major move. "It was an opportunity I needed to go after," he says.

Across the country, thousands of seasoned IT pros have faced similar career upheavals, or could in the near future. It's happening to their younger counterparts, too, as offshore outsourcing, corporate downsizing, and fast-changing technologies shatter the myth of job stability. Just this month, the Walt Disney Co. disclosed plans to cut about 1,000 IT jobs and outsource the work to other companies. For those IT pros in the second half of their careers--and the latest data compiled by the U.S. Bureau of Labor Statistics indicates there are about 301,000 who are 55 and older--the possibility of having to change gears amid these conditions presents unique challenges.

Eleven percent of the nation's 3.4 million IT professionals--including IS managers, programmers, systems analysts, and database administrators--will reach retirement age during the next 10 years, according to the Bureau of Labor Statistics. But instead of confidently moving forward in their careers, many are concerned about the threat of unemployment before they're ready to leave the workforce--and with that comes psychological stresses, the prospect of going back to school and worries about age discrimination in the workplace. "Some younger people have the attitude that older people 'don't know anything' because they assume the technologies they've worked with are old and irrelevant now," says Geoffrey Best, a 58-year-old independent consultant who was an IT director at Bell Atlantic until the company's merger with Nynex in 1996. At home, older IT pros face the reality of having less time before retirement to boost 401(k) accounts depleted by the economic downturn of the early 2000s.



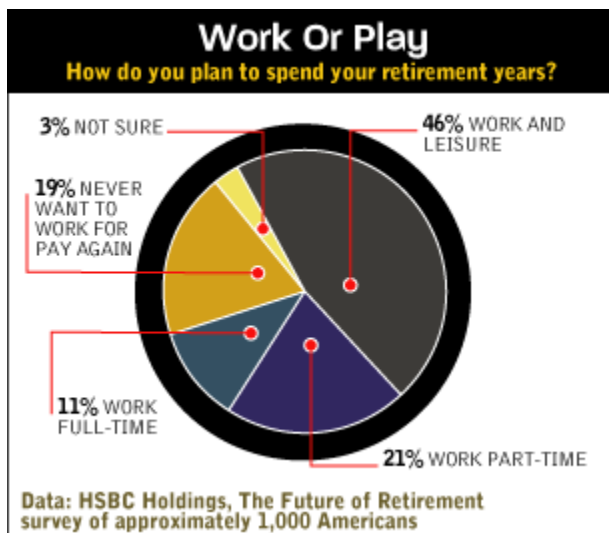
Age has been a factor making it difficult to find

Today, after two years of specialized education, Straka is just back to earning about what he made at the time he left Lucent. For some IT veterans, if they lose their jobs, they may never get back to the wages they were once making. While there isn't IT-specific research, a Bureau of Labor Statistics study covering 2001 to 2003 found that a majority of workers who were laid off didn't return to the pay levels they lost. The study found that 57% of long-tenured workers--those with more than three years on the job--who were working full-time in January 2004 were earning lower wages than before being laid off. One-third lost 20% or more of their pay.

Photo by David Deal

IT unemployment is low today--about 4%--but that doesn't necessarily translate into meaningful opportunities for people who have been axed. Looking at 6,531 managerial and professional workers laid off between 2001 and 2003, the Bureau of Labor Statistics found one in five still unemployed in January 2004; 11% had left the workforce entirely.

Predictably, older workers have the toughest time. Sixty-nine percent of people ages 25 to 54 who lost jobs in 2001 to 2003 were re-employed when interviewed in January 2004, but just 56% in the 55 to 64 range were employed, and 20% had dropped out of the labor force. The problem is likely exacerbated in the IT industry. "More so than other industries, the tech field is a young field," says John Challenger, CEO of executive search firm Challenger, Gray & Christmas. "There's no question that older IT professionals face additional obstacles, but they aren't insurmountable."



Steve Janigian's experience shows just how difficult bypassing those obstacles can be. He landed a job six weeks ago as an IT project specialist at a security equipment company after being out of work more than two years. He suspects his age--now 54--played a big role in his difficulty finding work. "Most of the hiring managers were in their mid to late 30s, maybe early 40s," and many were "looking for younger, cheaper" job candidates, he says. To look for work, Janigian a year ago moved from Akron, Ohio, to Fresno, Calif., where he grew up, and he lived with his mother while his wife and four kids stayed in Ohio. The new job is a blessing, but a mixed one. The pay is decent, but it's not as much as what he was making as an IT project manager back in Ohio, California is a lot more expensive, and his wife is miserable living so far from her own hometown. Not that they'd have a house to go back to there--the bank foreclosed on the family's mortgage.

Mention IT job jitters, and "retraining" pops to the lips as the ready answer. But moving into a hot skill area--like security--is tougher than it sounds.

Looking back, Straka says he made the right decision to enroll in Tulsa's government computer-security program, commonly known as Cyber Corps, which was launched during the Clinton administration and has grown larger as a result of 9/11. He graduated in 2003 and got a job as a security architect for the Department of Defense in Maryland, where he relocated. "National security, that's not something you can outsource offshore," he says. His later-in-life career makeover has positioned him for the future, but it required sacrifices. For nearly two years, Straka was a resident student at Tulsa, taking five graduate-level classes at a time. Being so far from his family in Chicago was the biggest challenge, even more than readjusting to homework and tests. "Most of the time, I didn't have much else do to but study," he says. After his first semester, Straka had company: His older son enrolled in the same program.

Straka didn't have to face what's often a deal-breaker for people considering retraining: the cost. The government paid for everything, including tuition and room and board. The investment, which Straka estimates was about \$60,000, would have been "a big hurdle" for Straka's family finances, he admits.

Financially, Straka now will be able to retire at 65 if he chooses. That's no small thing. People are living longer and healthier, and some want to work beyond age 65--but for others, IT pros included, work will be a necessity. Social Security faces long-term challenges, while more



Straka had to make a dramatic move, so he returned to college, joining the government-sponsored Cyber Corps.

and more companies have cut their pension programs to stem losses, with the U.S. Department of Labor estimating that private pensions are underfunded by \$450 billion. Toss in the fact that total household borrowing stands at a record \$10 trillion, up from \$5.1 trillion in 1997, according to the Cambridge Consumer Credit Index, and it's clear that a large swath of people are going to need to stay employed as long as they can.

The answers about how to do that aren't necessarily new, but they're not as black and white as they've often been presented either. Retraining, for instance, is just a piece of a bigger puzzle.

One challenge is that it's hard to get people to reach outside of their comfort zone unless they're forced to by external conditions, such as approaching layoffs, and by then it may be harder to do. IT pros, particularly those who've been doing the same type of work for a while, should take a page from the book of Larry Hamilton. As an IT director at a large automaker a few years back, Hamilton took company courses that included application development, IT architecture and infrastructure, and Web development. He wasn't required to take the training and didn't do work that used much of what he learned, but Hamilton wanted to keep his

knowledge fresh. "The courses had a lot more technology than I needed to know, but they were very helpful," says Hamilton, who is a partner at Executive Search Partners LLC, a headhunting firm specializing in IT job placement in the Detroit area.

Polishing up skills and knowledge by attending industry conferences or getting training "on your own dime" are all good investments, says Jeri Sedlar, a speaker, researcher, and co-author of *Don't Retire, Rewire!* (Alpha Books, 2002). But training by itself isn't a panacea, says Dan DePrez, a 52-year-old IT professional who's been working in the industry since 1975. About five years ago, DePrez, whose career has included work on scientific systems, inventory control, database administration, and security, earned certifications in Microsoft and Cisco Systems technologies. Those newer skills can help "get you in the door, but [they don't] keep you there," says DePrez, who now consults.

THE UPSHOT

Pressure is mounting on thousands of U.S. IT professionals who'll hit retirement age in the next decade

Offshore outsourcing, corporate downsizing, and fast-changing technologies are impacting job security

Older workers who are laid off have a tough time finding new jobs, and those that do find work often take a pay cut

Meanwhile, Social Security, pensions, and 401(k)s are all being squeezed

The bottom line? Many IT pros in their 50s and 60s have to rewire their careers to stay on track

What can give you an advantage? Not just having a certificate but demonstrating you actually can use those skills is a good start. The best way to do that is to get in on cutting-edge projects, which can position mid- or late-career workers to be considered for future assignments in the company rather than for a pink slip. The boss may not naturally think of someone who's spent years working with legacy Digital Equipment Corp. VAX systems to work on a job that requires a new skill set, even if that person has just been certified in Microsoft's .Net. That may mean volunteering for new projects and potentially partnering with or reporting to a Gen-X colleague, Sedlar says. If time permits, there also are opportunities for IT pros who can volunteer at nonprofits.

Of course, experienced IT pros should be valued on more than programming languages and certifications. The big-picture perspective they bring to the workplace--including business and decision-making skills--also are important, and they may need to market these assets. "Being a subject expert in something like supply chain is valuable, knowing all the business processes involved," Hamilton says. "Knowing how to code the supply-chain program is not as valuable." (For more on the coming talent gap as baby-boomers leave the IT workforce or are forced out of it, see story, [Generation Gap: Who Will Step Up As IT Vets Retire?](#)).

The good news is that even when taking these steps fails to secure an existing job or lead to new full-time employment, compared with other lines of work, such as marketing and human resources, "IT has a leg up in contract work," says Sedlar.

"There's more flexibility for IT professionals transitioning into consulting work, including with a domestic-based outsourcing services firm." The bad news is a contract gig may not pay anything close to what seasoned IT pros used to make.

Best has seen both sides of the contractor's life. He took a buyout after the Bell Atlantic-Nynex merger nearly a decade ago and spent the next few years riding the 1990's high-tech wave, working as a well-paid full-time consultant for three large IT-services firms, specializing in telecom and customer-relationship management in the Philadelphia area. Then the wave crashed and much of the IT-services business dried up, leaving him unemployed.

His age has been a big factor in his difficulty finding full-time work, says Best, who has worked with mainframes, minicomputers, PCs, and telecom during a 30-year career. During the boom years, "I paid more in taxes than I'm getting paid now," he says. Best didn't have much luck even getting calls for IT job interviews until he reworked his resumé, downplaying or excluding information that might give away his age. "Leave out anything that's more than 10 years old," he advises. (For more on resúmes, see story, [Getting Resumé Writing Right](#)).

Such experiences make it hard to put a positive spin on the outlook for older IT pros. But as the generation of people who built their careers in tandem with the tech industry's gestation and evolution, these veterans have plenty to draw from and to offer as they enter the final years of their IT careers. Just be prepared for some rewiring.

Continue to the sidebars:

[Generation Gap: Who Will Step Up As IT Vets Retire?](#),
and [Getting Resumé Writing Right](#)



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