



## Older Workers: Opportunities and Challenges

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July 2010

Improved health, educational gains, and declines in physically demanding work have improved older adults' employment prospects, yet significant challenges remain.

### Older workers are a growing share of the nation's labor force.

- In 2009, 29.0 million Americans age 55 and older were working or looking for work. The vast majority were employed, including 27.1 million age 55 and older and 6.1 million age 65 and older.
- Between 1999 and 2009, the share of the workforce age 55 and older increased from 12 to 19 percent, the greatest proportion since 1948 (when records began). If participation rates continue to grow at this pace, adults age 55 and older will account for 25 percent of the workforce in 2019.

### Adults age 62–74 are much more likely to be in the labor force today than in the mid-1990s.

- Between 1993 and 2009, participation rates for men 62–74 grew from 27.3 to 38.0 percent, an increase of 39 percent. This growth reversed decades of falling participation, but older men remain less likely to work today than 60 years ago.
- Participation rates since 1993 for women 62–74 rose more rapidly, climbing from 16.9 to 28.1 percent, a 66 percent increase.
- Participation rates did not increase for men 55–61, but they did increase for women in that age range.

### The health of older Americans is better now than it was a generation ago, improving work ability.

- Between 1983 and 2007, the share of adults 55–64 in fair or poor health declined from 25 to 19 percent.
- The share of adults 65–74 in fair or poor health declined over the same period from 33 to 22 percent.
- However, nearly all of the improvement occurred before 1998, casting doubt on the sustainability of these health gains. In 1998, 18 percent of adults 55–64 reported fair or poor health.

### As the manufacturing sector contracts, fewer jobs are physically demanding today than in the past.

- In 2006, 46 percent of all American workers held physically demanding jobs, involving such activities as heavy lifting, bending, quick reactions, repetitive motions, or standing for long periods. In 1971, 57 percent of jobs were physically demanding.
- Still, 39 percent of workers age 50–61 held physically demanding jobs in 2006.
- Between 1971 and 2006, the share of all workers in cognitively demanding jobs increased from 26 to 35 percent. These jobs require such skills as reasoning, writing, and decisionmaking.

### Older adults are much better educated now than in the past, improving their employment prospects.

- Between 1989 and 2009, the share of adults age 55–64 who attended college for four or more years doubled, increasing from 16 to 32 percent.
- Over the same period, the share of adults 55–64 not completing high school fell from 31 to 11 percent.
- These gains have eliminated the educational gap between older and younger workers.

### Labor force participation rates remain low for older adults with limited education.

- For men age 62–69 in 2009, 29 percent of those who did not complete high school and 38 percent of high school graduates worked or looked for work, compared with 56 percent of college graduates.
- For women 62–69, 19 percent of those without a high school diploma and 30 percent of high school graduates participated in the labor force, compared with 44 percent of college graduates.

### **Unemployment rates hit record highs for older workers in 2009.**

- At age 55–64, the 2009 unemployment rate reached 7.2 percent for men and 6.0 percent for women.
- At age 65 and older, it was 6.7 percent for men and 6.1 percent for women.
- Unemployment rates were especially high for older adults with limited education and older minorities.

### **Unemployment increased at older ages partly because fewer older workers retired and many of those who lost their jobs continued searching for employment.**

- Between 2007 and 2009, men's labor force participation rates increased from 51.7 to 55.1 percent at age 62–64 and from 34.3 to 36.3 percent at age 65–69.
- Women's rates rose from 41.8 to 43.9 percent at age 62–64 and from 25.7 to 26.6 percent at age 65–69.
- Because participation rates increased so rapidly, the share of the older population employed grew slightly during the recession (despite rising unemployment). Between 2007 and 2009, employment rates increased from 40.5 to 41.4 percent for men 62–69, and from 31.6 to 32.0 percent for women 62–69.

### **Job loss has serious repercussions at older ages.**

- In June 2010, unemployed adults age 55–64 had been out of work for 41.3 weeks, on average, compared with 34.3 weeks for those age 25–34 and 36.9 weeks for those age 35–44.
- On average, laid-off male workers 50–61 who become reemployed earn 15 percent less on the new job than the old job, and those age 62 and older earn 21 percent less. By contrast, reemployed laid-off men age 35–49 average only 3 percent less per hour on the new job than the old job.
- For reemployed laid-off women, hourly pay cuts average 11 percent at age 35–49, 16 percent at age 50–61, and 23 percent at age 62 and older.

### **Age discrimination persists.**

- In 2008, 15 percent of workers age 55–61 reported that their employers give preference to younger workers over older workers in promotion decisions.
- Low-skilled older men are especially likely to report this type of discrimination: 29 percent of men who did not complete high school and 20 percent of high school graduates claimed that their employers preferred younger workers, compared with 13 percent of men who had attended college.

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This fact sheet was supported by the Alfred P. Sloan Foundation. The views expressed are those of the author and should not be attributed to the Urban Institute, its board, or its funders.