AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

115th Congress
1st Session

SENATE

Report
115–191

AMERICA'S AGING WORKFORCE: OPPORTUNITIES AND CHALLENGES

A REPORT

OF THE

SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE

DECEMBER. 6, 2017.—Ordered to be printed

U.S. GOVERNMENT PUBLISHING OFFICE

79–010

WASHINGTON : 2017

LETTER OF TRANSMITTAL

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, DC, December 6, 2017.

Hon. MIKE PENCE,
President, U.S. Senate,
Washington, DC.

DEAR MR. PRESIDENT: Under authority of Senate Resolution 62 agreed to on February 28, 2017, I am submitting to you a report of the U.S. Senate Special Committee on Aging entitled: America's Aging Workforce: Opportunities and Challenges.

Senate Resolution 4, the Committee Systems Reorganization Amendments of 1977, authorizes the Special Committee on Aging "to conduct a continuing study of any and all matters pertaining to problems and opportunities of older people, including but not limited to, problems and opportunities of maintaining health, of assuring adequate income, of finding employment, of engaging in productive and rewarding activity, of securing proper housing and, when necessary, of obtaining care and assistance." Senate Resolution 4 also requires that the result of these studies and recommendations be reported to the Senate annually.

I am pleased to transmit this report to you.

Sincerely,

SUSAN M. COLLINS,
Chairman.

America's Aging Workforce: Opportunities and Challenges

Special Committee on Aging United States Senate

Senator Susan M. Collins (R-ME), Chairman
Senator Robert P. Casey, Jr. (D-PA), Ranking Member

December 2017

Senate Special Committee on Aging

SUSAN M. COLLINS, *Maine*

ORRIN HATCH, *Utah*

JEFF FLAKE, *Arizona*

TIM SCOTT, *South Carolina*

THOM TILLIS, *North Carolina*

BOB CORKER, *Tennessee*

RICHARD BURR, *North Carolina*

MARCO RUBIO, *Florida*

DEB FISCHER, *Nebraska*

ROBERT P. CASEY, Jr., *Pennsylvania*

BILL NELSON, *Florida*

SHELDON WHITEHOUSE, *Rhode Island*

KIRSTEN GILLIBRAND, *New York*

RICHARD BLUMENTHAL, *Connecticut*

JOE DONNELLY, *Indiana*

ELIZABETH WARREN, *Massachusetts*

CATHERINE CORTEZ MASTO, *Nevada*

Kevin Kelley, *Majority Staff Director*

Kate Mevis, *Minority Staff Director*

EXECUTIVE SUMMARY

From small towns in rural America to the country's bustling metropolitan centers, older Americans are playing an ever-growing role in shaping the nation's economy through work. Whether they work on farms growing produce, in office buildings developing new technologies, or in hardware stores ringing up customers, aging Americans are a critical and expanding share of the nation's workforce every day. With advances in public health and medicine, Americans are living longer and working longer, resulting in an unprecedented transformation of the workplace. The number of Americans over age 55 in the labor force is projected to increase from 35.7 million in 2016 to 42.1 million in 2026, and, by 2026, aging workers will make up nearly one quarter of the labor force. These significant changes will present tremendous opportunities and challenges.

For the 55-year-old paper mill worker in Maine who worked from dusk until dawn every day for the past thirty years at a plant that just closed, training for a new career is a daunting task. For the 62-year-old office manager in North Carolina who has become the primary caregiver to a husband living with Alzheimer's disease, staying at work while caring for an ailing loved one may be unmanageable. For the 57-year-old nurse in Pennsylvania with chronic back pain after a lifetime of physically demanding work, just staying on the job to pay the bills and cover the mortgage can be overwhelming. As the number of older workers steadily grows, so too will the number of aging Americans confronting challenges like these day in and day out.

At work, older Americans are productive. They can offer employers exemplary skills and experience as well as an exceptional work ethic. The business case for hiring, retaining, and supporting older workers is strong. Leading employers have taken it upon themselves to institute policies and practices to harness the strengths of aging workers. From providing employees with ergonomic office equipment and assistive technologies to establishing inter-generational training programs, family caregiver support initiatives, and flexible paths towards retirement, large and small employers who recognize and value the talent of aging workers are taking steps to respond to one of the fastest growing demographic groups at work, older adults.

The United States Senate Special Committee on Aging is committed to understanding, embracing, and addressing the opportunities and challenges facing older workers. The Committee seeks to ensure that older workers are able to thrive at work and adequately prepare for retirement. This report provides a summary of the landscape of the aging workforce and key findings related to aging workers as well as employers. The report concludes with a vision of how aging employees and their employers can work together to ensure that they both prosper.

KEY FINDINGS

The number of older workers is growing at a rate that outpaces the overall growth of the labor force. In 2000, 12.5 percent of those over 65 were working; by 2016, that share had increased to 18.6 percent. Moreover, while the labor force as a whole is projected to grow by an average of just 0.6 percent per year between 2016 and 2026, the number of

workers ages 65 to 74 is projected to grow by 4.2 percent annually and the number of workers ages 75 and above by 6.7 percent annually.

Older workers take increasingly diverse paths to retirement. Fewer older workers are transitioning directly from full-time work to full-time retirement. Many workers transition to part-time positions with their current employer or a new one, while others become self-employed.

Current challenges make it more difficult for older workers to thrive in the workplace. Age discrimination, inadequate training opportunities, working while managing health conditions and disabilities, balancing caregiving responsibilities with work, and preparing financially for retirement are among the main challenges facing an aging workforce.

The business case for age-friendly workplaces is strong. Hiring and retaining older workers can help employers retain valuable skills, address workforce shortages, and increase workplace diversity, which can contribute to improved outcomes.

Most employers acknowledge the trend of the aging workforce; few are taking action. While 80 percent of employers say they are supportive of employees who plan to work past the age of 65, only 39 percent offer flexible scheduling options and only 31 percent facilitate processes for moving from full-time to part-time roles.

A growing group of aging workers are caregivers and some employers are implementing strategies to support them. One out of every four employees over the age of 50 serves as a family caregiver. Employers find that helping these employees balance their work and caregiving roles without sacrificing their personal financial security can reduce some employer costs as well and may attract talent.

Many older workers are struggling to prepare financially for retirement. Roughly one-third of workers do not have access to a retirement plan at work, and many aging workers have not saved enough for retirement and may continue to work beyond when they intended to retire out of financial need.

Work is linked with improved health and well-being. For many aging Americans, work provides a sense of purpose. Research consistently links work with improved physical, emotional, and cognitive health, financial stability and security, and quality of life.

The Senate Aging Committee aims to support the needs of aging Americans, and with this report, seeks to help aging workers and their families achieve the personal and professional goals they set for themselves.

Chapter 1: The Aging American Labor Force

America's labor force is aging. The number of persons working past the age of 55 is at a historic high, and with 10,000 baby boomers turning 65 every day, understanding the implications of the growth and diversification of the aging labor force is becoming increasingly important.[1] In 2000, 12.5 percent of those over 65 were working; by 2016, that share had increased to 18.6 percent.[2] According to the Bureau of Labor Statistics, the number of individuals ages 55 and above in the labor force will grow from 35.7 million in 2016 to 42.1 million in 2026.[3] While in 2006 workers ages 55 and over represented just 16.8 percent of the American labor force, in 2016 they made up 22.4 percent and by 2026 that number will rise to 24.8 percent, accounting for nearly one out of four American workers.

Older workers are shaping the American labor force. While the number of individuals under age 35 in the labor force remained almost unchanged between 1996 and 2016, the number of persons in the labor force ages 55 and above grew by 124 percent.[4] These trends are expected to continue, with the fastest growth expected among the older groups of American workers. While the labor force as a whole is projected to grow by an average of just 0.6 percent per year between 2016 and 2026, the number of workers ages 65 to 74 is projected to grow by 4.2 percent annually, and the number of workers ages 75 and above by 6.7 percent annually.[5]

This transformation of the American labor force is unprecedented and presents unique opportunities and challenges. The changing face of the average American worker will shape preferences about work and retirement, practices implemented by employers, the composition of the economy, and the direction of public policy. Decisions made by employers and policy makers in response to the aging of the labor force will have significant implications for all American workers.

In this chapter, we provide detailed information about the current and future status of America's older workers. Among the key takeaways:

> Older workers' labor force participation has increased in recent decades, and this trend of increasing participation is expected to continue in the near term.
>
> The largest changes in the labor force participation of older workers occur between the ages of 60 and 70, as many workers retire or move to part-time work.
>
> The transition from work into retirement has become increasingly varied as older workers choose to move from full-time work into bridge jobs, second careers, and encore careers, or decide to become self-employed.

---

[1] See, for instance, Pew Research Center, *Baby Boomers Retire*, Fact Tank: News in the Numbers, Washington, DC, December 29, 2009, http://www.pewresearch.org/fact-tank/2010/12/29/baby-boomers-retire/.

[2] Bureau of Labor Statistics, Current Population Survey data from 2000 and 2016, at https://www.bls.gov/cps/.

[3] Bureau of Labor Statistics (BLS) publishes 10-year labor force and employment projections every other year; the most current projections were published in October 2017. Estimates are available at BLS, Employment Projections: Civilian labor force by age, sex, race, and ethnicity, https://www.bls.gov/emp/tables.htm, and details on the BLS projections methodology are available at BLS, Employment Projections: Projections Methodology, https://www.bls.gov/emp/ep_projections_methods.htm.

[4] Authors' calculations using BLS 10-year labor force projections, available at BLS, Employment Projections: Civilian labor force by age, sex, race, and ethnicity, https://www.bls.gov/emp/ep_table_303.htm.

[5] The number of workers ages 55 to 64 is projected to grow by an average of 0.4 percent per year between 2016 and 2026. Available at BLS, Employment Projections: Civilian labor force by age, sex, race, and ethnicity, https://www.bls.gov/emp/ep_table_304.htm.

Older Adults' Labor Force Participation

While the rate at which older Americans participate in the labor force is increasing, older individuals remain less likely to participate in the labor force than those ages 25 to 54 (see Table 1.1).[6] For example, persons ages 55 and above constituted 35.2 percent of the adult population in 2016, but made up only 22.4 percent of the total labor force. Overall, workers ages 55 and above are approximately half as likely to be participating in the labor force as workers ages 25 to 54 (40.0 percent to 81.3 percent).

Table 1.1 Adult Population and Labor Force by Age Group, 2016

	Adult Population		Labor Force		
Age Group	**Number (Millions)**	**Share**	**Number (Millions)**	**Share**	**Labor Force Participation Rate**
25 to 54 years old	125.8	49.6%	102.2	64.2%	**81.3%**
55 years and older	89.3	35.2%	35.7	22.4%	**40.0%**
65 years and older	48.0	18.9%	9.3	5.8%	**19.3%**
75 years and older	19.6	7.7%	1.7	1.0%	**8.4%**
Total adult population (16 years and older)	253.5	100.0%	159.2	100.0%	**62.8%**

Source: BLS, Current Population Survey, https://www.bls.gov/cps/data.htm. Data are for 2016 and represent an annual average of monthly data from January 2016 to December 2016.

Notes: Population refers to the civilian non-institutionalized population, ages 16 years and older. Labor force participation rates are the share of a given population that is in the labor force, i.e., (labor force participants)/(population) x 100%. The labor force participation rates provided in the final column of this table are calculated using raw data, as opposed to the rounded population and labor force data presented in the first and third data columns in this table.

Among workers ages 55 and above, labor force participation rates fall progressively with age. Specifically, the participation rate among individuals ages 55 years and older was 40 percent in 2016; for workers ages 65 years and older and workers 75 years and older, the participation rates were 19.3 percent and 8.4 percent, respectively.[7]

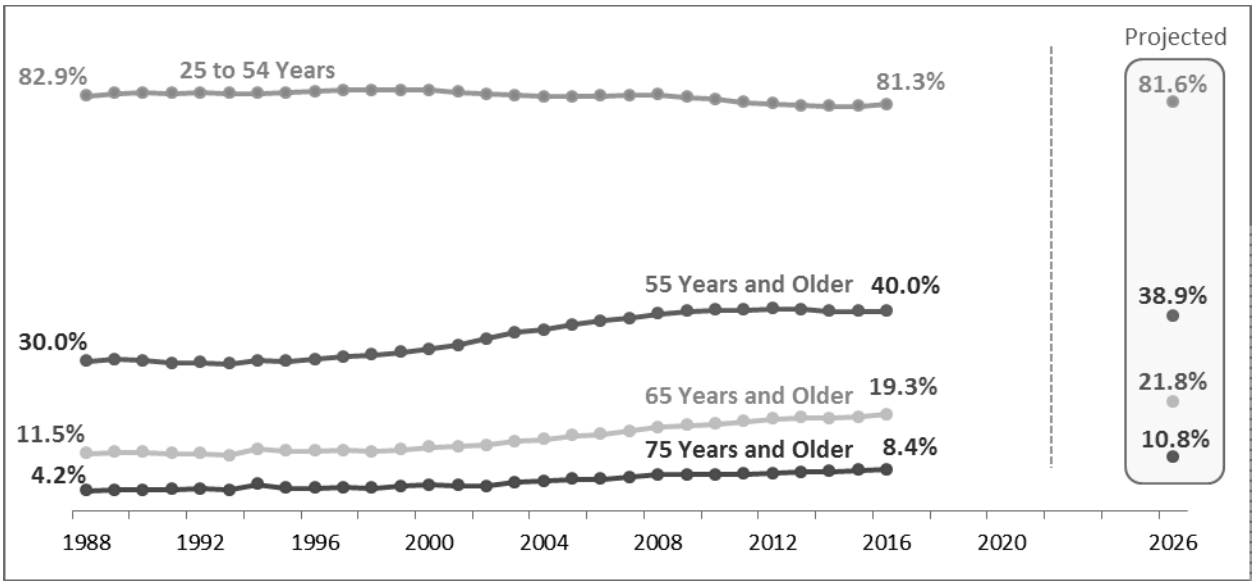
While labor force participation rates drop with age, when viewed over time, older workers' participation rates have increased considerably. Between 1988 and 2016, for example, the participation rate of workers 75 years and older doubled. By contrast, the participation rates of workers ages 25 to 54 fell by more than 1.5 percentage points over that period. Projections of labor force participation rates through 2026 from the Bureau of Labor Statistics (Figure 1.1) suggest that these general trends will continue at a decelerated rate. The participation rate of workers ages 25 to 54 is projected to remain largely unchanged between 2016 and 2026, rising slightly from 81.3 percent to 81.6 percent, while the participation rates of workers ages 55 to 64

[6] The labor force comprises employed and unemployed workers, i.e., workers who currently hold a job (employed) and those without jobs who are actively searching for employed and available to take a job if offered (unemployed).

[7] It is worth reiterating here that the groups examined in this memorandum are overlapping populations. Thus, the gap between the LFPR of the 55 years and older group and the 65 years and older group is driven in part by the larger impact of the low (8.4%) LFPR of the 75 years and older group on the LFPR for persons 65 years and older (i.e., because this oldest group makes up more than 40% of the 65 years and older group, but only 22% of the 55 years and older group).

are also projected to slightly decline. The participation rate of persons ages 65 and above and among persons 75 and above, however, are projected to increase significantly.[8]

Figure 1.1 Labor Force Participation Rates, 1988-2016, and Projections for 2026



Source: BLS, Current Population Survey Program, https://www.bls.gov/cps/cpsaat03.htm and BLS, Employment Projections Program, https://www.bls.gov/emp/ep_table_303.htm.

Notes: Projected labor force participation rates are shaded.

Table 1.2 presents a detailed breakdown of labor force participation rates among different age groups by select demographic characteristics and educational attainment using data from May 2017.[9] Older workers' participation patterns across demographic groups largely mirror those of younger workers, although differences in participation by educational attainment are starker. For example, workers ages 25 to 54 with at least a bachelor's degree are 1.3 times more likely to participate in the labor force than workers in the same age group with less than a high school degree. Among workers ages 55 and above, such workers are more than twice as likely as workers with less than a high school education to participate.

[8] BLS also provides LFPR projections for 2026 by sex. Among ages 25-54 years, the projected rates are 87.6% for men and 75.7% for women (81.6% overall). Among persons 55 years and older, the projected rates are 43.4% for men and 34.9% for women (38.9% overall). Among persons 65 years and older, the projected rates are 25.9% for men and 18.3% for women (21.8% overall). Among persons 75 years and older, the projected rates are 13.6% for men and 8.6% for women (10.8% overall). Labor force projections are available from multiple sources, which base their estimates of future participation on different sets of assumptions about demographic trends, retirement patterns, and labor market conditions (among other factors). For comparison, see Congressional Budget Office projections for 2017-2091 at Congressional Budget Office, *The 2017 Long-Term Budget Outlook*, Supplemental Information, March 2017, www.cbo.gov/publication/52480.

[9] In 2016, the median age of all employed persons above age 16 was 42.2 years; available at BLS, Labor Force Statistics from the Current Population Survey, https://www.bls.gov/cps/cpsaat11b.htm.

Table 1.2 Estimated Population Shares and Labor Force Participation Rates by Selected Worker Characteristics, 2016

	Ages 25 to 54 Years		55 Years and Older		65 Years and Older		75 Years and Older	
	Sub-Population Share	Labor Force Participation Rate	Sub-Population Share	Labor Force Participation Rate	Sub-Population Share	Labor Force Participation Rate	Sub-Population Share	Labor Force Participation Rate
Overall	100.0%	81.3%	100.0%	40.0%	100.0%	19.3%	100.0%	8.4%
Sex								
Female	50.9%	74.3%	53.8%	34.7%	55.4%	15.6%	58.2%	6.0%
Male	49.2%	88.5%	46.2%	46.2%	44.7%	24.0%	41.8%	11.7%
Race								
White	76.2%	82.1%	83.0%	40.2%	84.6%	19.6%	85.9%	8.5%
Black	13.4%	78.9%	10.4%	36.8%	9.2%	16.7%	8.6%	7.4%
Native Indian or Alaskan	1.3%	74.3%	0.7%	36.3%	0.7%	17.2%[a]	0.5%	6.8%[a]
Asian	6.9%	78.6%	4.7%	43.1%	4.5%	20.1%	4.1%	8.2%
Hawaiian or Pacific Islander	0.5%	79.4%	0.2%	46.8%[a]	0.2%	31.9%[a]	0.1%	16.9%[a]
Other	1.8%	80.9%	1.0%	39.7%	0.8%	19.4%	0.7%	9.1%[a]
Hispanic Ethnicity								
Hispanic	18.9%	78.9%	9.4%	41.3%	8.2%	18.1%	7.6%	8.5%
Non-Hispanic	81.1%	81.9%	90.6%	39.9%	91.8%	19.4%	92.4%	8.4%
Educational Attainment								
Less than High School Degree	9.7%	66.2%	12.4%	23.0%	14.4%	11.0%	18.4%	4.3%
High School Diploma	26.7%	77.0%	31.9%	34.6%	32.8%	15.7%	36.7%	6.5%
Some College, No Degree	16.4%	80.5%	16.6%	40.7%	16.0%	19.5%	14.7%	10.0%
Associates Degree	10.7%	84.8%	9.2%	46.7%	7.8%	21.7%[a]	6.2%	9.1%[a]
Bachelor's Degree and Higher	36.5%	87.9%	29.9%	50.4%	28.9%	27.5%	24.0%	12.7%

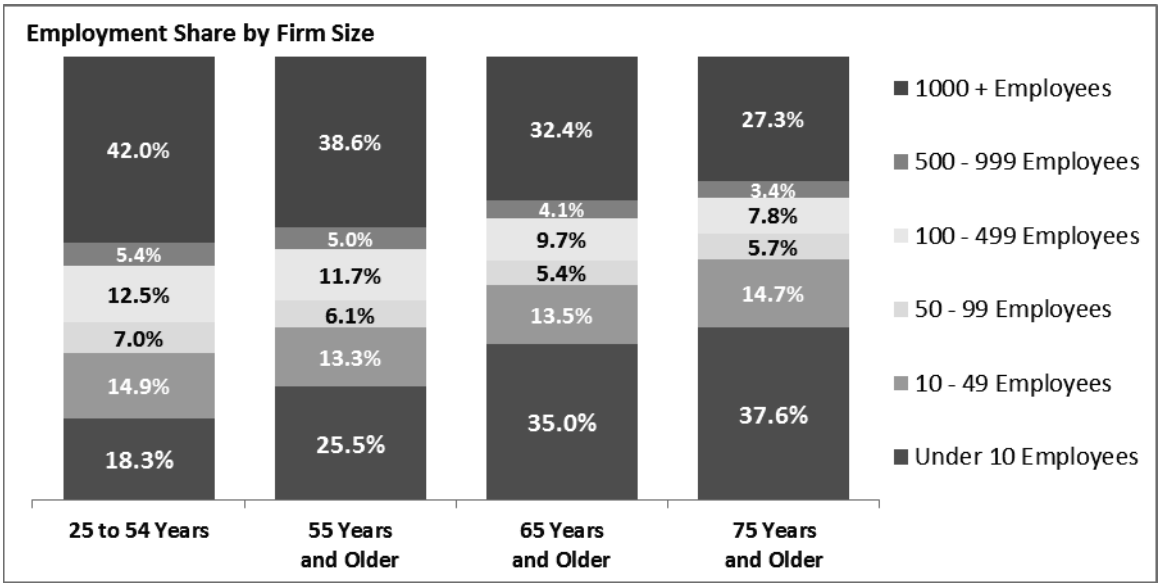
Source: CRS estimates based on Current Population Survey data collected in 2016. Estimates are based on the 12 months of data for 2016, and represent the estimated rates and shares for the average month in that year.

Notes: a. 95% confidence intervals are outside a +/- two percentage point band of the estimate.

Employment Settings and Roles Occupied by Aging Workers

A wide range of organizations employ older workers, and these workers occupy varied roles. For example, older workers are more likely to be employed by very small firms (firms with fewer than 10 employees) than are younger workers. As depicted in Figure 1.2, the share of workers who work for a very small firm rises consistently from 18.3 percent of workers ages 25 to 54 up to 37.6 percent for workers 75 years and older, while the share of large-firm employment (firms with 1,000 or more employees) falls from 42.0 percent to 27.3 percent.

Figure 1.2 Employment Share by Firm Size



Source: CRS estimates based on 2016 Annual Social and Economic supplement to the Current Population Survey.

Notes: These estimates are based on responses to the question "counting all locations where this employer operates, what is the total number of persons who work for X's employer?" which was asked of all workers who indicate working (at least one week) during 2015.

While most American workers, including older workers, are employed in the private sector, older workers are less likely to work in the private sector than are workers ages 25 to 54. As illustrated in Table 1.3, this is both because some groups of older workers (those ages 55 to 64) are more likely than younger workers to be employed in government jobs and because older workers are more likely to be self-employed.[10] Almost one of every four workers over the age of 65 is self-employed.[11] Self-employment may be more common among older workers for multiple reasons, including that older individuals have had more time to acquire the capital and managerial skills to start a business, that the scheduling flexibility self-employment offers may be particularly

[10] Table 1.3 looks at workers ages 55 years and older, 65 years and older, and 75 years and older. The fact that workers ages 55 to 64 are particularly likely to work in government can be seen in that, while workers ages 55 and older are more likely than those ages 25 to 54 to work in government, those ages 65 and older are less likely than workers ages 25 to 54 to work in government. This means that workers ages 55 to 64 are driving the high rate of government employment seen among the broader 55 years and older age group.

[11] Steven F. Hipple and Laurel A. Hammond, "Self-Employment in The United States," (U.S. Bureau of Labor Statistics, March 2016), https://www.bls.gov/spotlight/2016/self-employment-in-the-united-states/home.htm.

attractive to some older workers, and that self-employed workers tend to stay in the labor force longer than other workers.[12]

Table 1.3 Employment Share by Class (%)

	25 to 54 years	55 Years and Older	65 Years and Older	75 Years and Older
Government Employee	14.3	15.5	13.6	12.6
Private Employee	76.6	68.0	62.1	62.8
Self-Employed Worker	9.1	16.4	24.2	24.5

Source: CRS estimates (percent) based on Current Population Survey data collected in May 2017.

Notes: Percentages do not sum to 100% because for a small share class is unknown. Self-employed workers include incorporated and unincorporated self-employed persons.

Among all workers ages 55 and above, the distribution of employment by industry is broadly similar to the distribution of workers ages 25 to 54, with workers concentrated in the health care and social assistance, manufacturing, education services, and retail trade industries. After the age of 65, however, the composition of the labor force changes. The proportion of older workers in the manufacturing sector decreases, whereas the proportion working in retail increases. Workers in the older age groups continue to work in "white collar" professional, scientific, and technical industries; but an increasing number of workers over the age of 65 are employed in "other services," a sector that includes things like equipment repair, philanthropy and advocacy, long-term services and supports, and other industries not categorized elsewhere. Although not an industry with particularly large employment numbers, the agriculture, forestry, fishing, and hunting sectors also show an increasing share of older workers.

Table 1.4 Employment Share by Industry (%)

	25 to 54 Years	55 Years and older	65 Years and older	75 Years and older
Agriculture, Forestry, Fishing, & Hunting	1.5	2.5	4.2	5.4
Mining, Quarrying, and Gas Extraction	0.6	0.5	0.4	0.2
Construction	7.6	6.3	5.3	5.3
Manufacturing	10.5	11.2	7.3	5.4
Wholesale Trade	2.3	2.4	2.5	0.9
Retail Trade	9.3	9.6	11.5	15.3[a]
Transportation and Warehousing	4.3	4.8	3.9	3.0
Utilities	0.9	1.0	0.6	1.6
Information	2.0	1.8	1.7	0.9
Finance and Insurance	5.2	4.7	3.9	4.9
Real Estate, Rental and Leasing	2.1	2.9	3.9	4.2

[12] For discussion of the potential reasons that self-employment is more common among older workers see, for example, Steven F. Hipple and Laurel A. Hammond, "Self-Employment in The United States," (U.S. Bureau of Labor Statistics, March 2016), https://www.bls.gov/spotlight/2016/self-employment-in-the-united-states/home.htm; and Kevin E. Cahill, Michael D. Giandrea, and Joseph F. Quinn, "Self-Employment Transitions Among Older Americans with Career Jobs," Working Paper Series WP-418 (U.S. Bureau of Labor Statistics, April 2008), https://www.bls.gov/osmr/pdf/ec080040.pdf.

Professional, Scientific, and Technical Service	8.2	7.7	9.2	7.5
Management of Companies and Enterprises	0.1	0.1	0.2	0.2
Admin. & Support Services and Waste Mngt & Remediation	4.9	4.1	4.0	3.7
Education Services	9.7	10.4	10.7	9.5[a]
Health Care and Social Assistance	13.9	13.9	12.8	11.6[a]
Arts, Entertainment, and Recreation	2.0	1.9	2.8	3.2
Accommodation and Food Services	5.7	3.6	3.2	3.4
Other Services	4.8	5.6	7.5	9.4[a]
Public Administration	4.7	5.1	4.4	4.6

Source: CRS estimates (percent) based on Current Population Survey data collected in May 2017.

Notes: a. 95% confidence intervals are outside a +/- two percentage point band of the estimate.

The most prevalent occupations for all ages are management positions, office and administrative support jobs, and sales and related jobs.[13] As workers' ages increase, however, employment becomes somewhat more concentrated in these top three occupations, increasing from 32 percent of all workers ages 25 to 54 to 39.9 percent of all workers ages 75 and above. Additionally, within some individual occupations notable aging trends have been seen. For example, between 2000 and 2010, the number college and university faculty over the age of 65 doubled, and the median age of faculty surpassed that of all other occupational groups.[14]

Table 1.5. Employment Share by Occupation (%)

	25-54 Years	55 Years and older	65 Years and older	75 Years and older
Management occupations	12.3	14.3	14.0	14.4[a]
Business and financial operations occupations	5.1	5.5	5.8	4.8
Computer and mathematical science occupations	3.6	2.2	1.4	1.0
Architecture and engineering occupations	2.2	2.2	1.5	0.3
Life, physical, and social science occupations	1.0	1.0	0.7	0.4
Community and social service occupations	1.8	1.9	2.1	2.9
Legal occupations	1.2	1.6	2.3	3.4
Education, training, and library occupations	6.9	6.5	7.6	6.4
Arts, design, entertainment, sports, and media occupations	2.1	2.1	2.7	2.7
Healthcare practitioner and technical occupations	6.5	5.9	5.7	5.5
Healthcare support occupations	2.4	1.7	1.8	1.0
Protective service occupations	2.1	1.4	1.6	2.2
Food preparation and serving related occupations	4.3	2.9	3.0	3.1
Building and grounds cleaning and maintenance	3.8	4.5	4.1	3.8
Personal care and service occupations	3.6	3.9	5.0	5.1

[13] The BLS Occupational Outlook Handbook describes these, and other, occupations. Available at BLS, Occupational Outlook Handbook, https://www.bls.gov/ooh/.

[14] Brian Kaskie, "The Academy is Aging in Place: Assessing Alternatives for Modifying Institutions of Higher Education," *The Gerontologist*, vol. 00, no. 00 (February 2016), p. 1-8.

Sales and related occupations	8.9	10.0	12.0	13.3[a]
Office and administrative support occupations	10.8	12.2	12.3	12.2[a]
Farming, fishing, and forestry occupations	0.8	0.7	0.8	1.1
Construction and extraction occupations	5.8	4.2	3.0	3.8
Installation, maintenance, and repair occupations	3.5	3.0	2.0	1.6
Production occupations	5.7	5.8	4.6	5.3
Transportation and material moving occupations	5.7	6.3	6.2	5.7

Source: CRS estimates (percent) based on Current Population Survey data collected in May 2017.

Notes: a. 95% confidence intervals are outside a +/- two percentage point band of the estimate.

Employment patterns and the composition of the labor force also vary by region and state, and do not always reflect national trends. For example, as shown in Table 1.6, the share of all workers ages 55 and above that are employed (the employment-to-population ratio) in New England is particularly high (45.7 percent) relative to other regions and the nation as a whole. The region with the highest employment among the oldest workers, those ages 75 and above, is the Mid-Atlantic region.

Table 1.6 Employment-to-Population Ratios by Region

	25 to 54 years	55 Years and Older	65 Years and Older	75 Years and Older
New England	81.0%	45.7%	23.1%	6.2%
Middle Atlantic	78.0%	39.9%	20.7%	10.1%
East North Central	79.9%	40.5%	19.4%	8.6%
West North Central	83.5%	42.8%	20.3%	8.0%
South Atlantic	78.7%	37.7%	17.9%	7.8%
East South Central	75.5%	34.3%	16.0%	9.2%
West South Central	77.3%	37.5%	18.1%	7.6%
Mountain	78.7%	37.8%	18.8%	6.6%
Pacific	77.9%	38.2%	18.5%	6.9%
All Regions	78.7%	39.0%	19.0%	8.0%

Source: CRS estimates based on Current Population Survey data collected in May 2017.

Notes: The regions are defined as follows: "New England" is Connecticut, New Hampshire, Maine, Massachusetts, Rhode Island, and Vermont; "Middle Atlantic" is New Jersey, New York, and Pennsylvania; "East North Central" is Illinois, Indiana, Michigan, Ohio, and Wisconsin; "West North Central" is Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; "South Atlantic" is Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; "East South Central" is Alabama, Kentucky, Mississippi, and Tennessee; "West South Central" is Arkansas, Louisiana, Oklahoma, and Texas; "Mountain" is Arizona, Colorado, Idaho, Montana, New Mexico, Nevada, Utah, and Wyoming; and "Pacific" is Alaska, California, Hawaii, Oregon, and Washington.

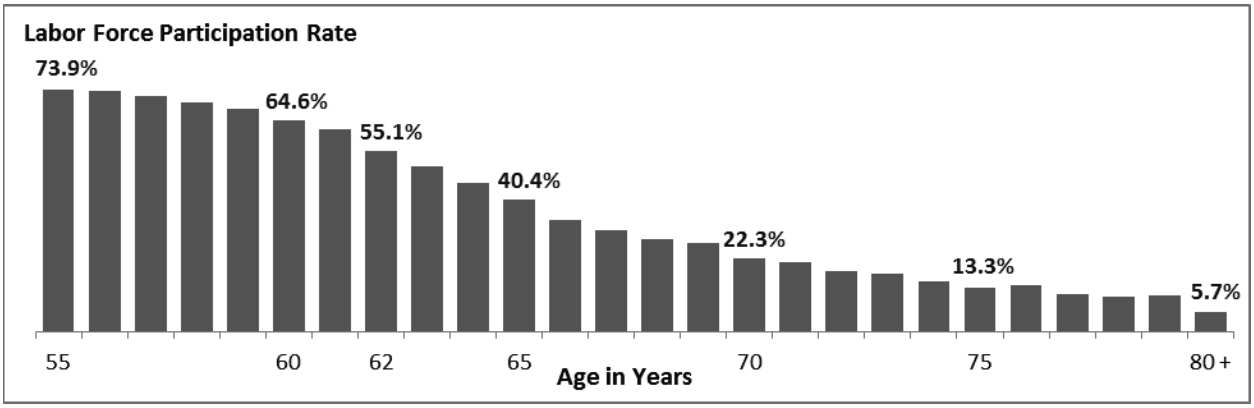
Transitions Out of the Labor Force

While older workers follow a variety of pathways during their later working years, they increasingly expect to work longer than had previous generations. Retirement trends show that

expected probabilities of working full-time at older ages have been increasing over time.[15] In 1992, Americans in their 50's estimated that there was just over a one-in-four chance they would work full-time past the page of 65; in 2004, Americans in the same age group estimated that there was a one-in-three chance. Today, Americans increasingly envision themselves working longer than workers their age envisioned 25 years ago.

At some point, however, most workers do exit the labor force and cease working. Analysis of older workers' labor force participation and hours of work suggest that many workers begin to leave the workforce between ages 60 and 70.[16] Between ages 60 and 70, labor force participation rates decline markedly, and individuals in this age group increasingly report retirement as their primary reason for non-participation. Figure 1.3 plots the labor force participation rates of workers ages 55 and above in 2016 by age and illustrates this trend. The difference in the labor force participation rates of persons 60 years old and 70 years old is 42.3 percentage points.

Figure 1.3 Labor Force Participation Rate by Age, 2016



Source: Unpublished 2016 CPS data provided to CRS by BLS.

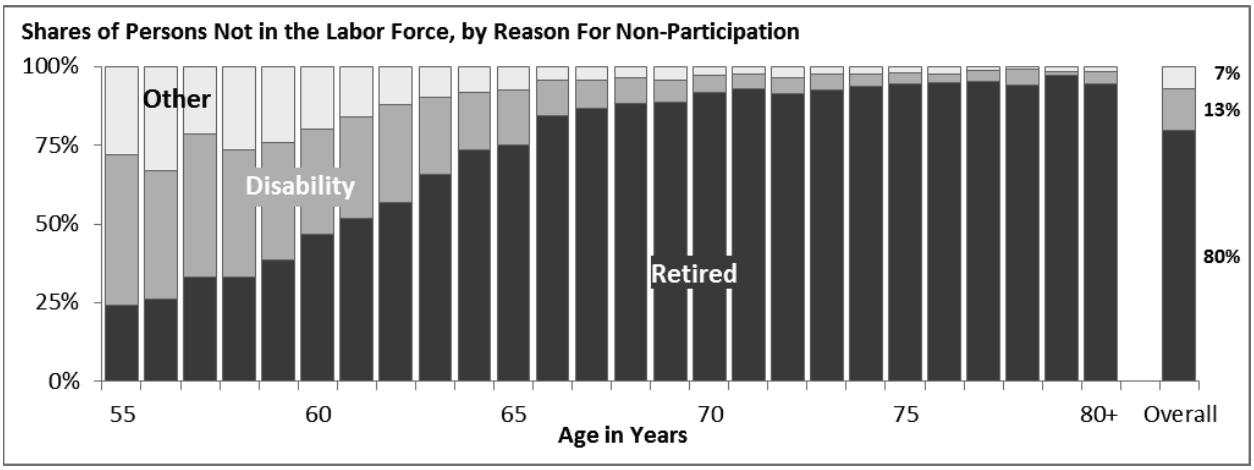
Among individuals not participating in the labor force in May 2017, 80 percent of those who were ages 55 and above reported that they were retired, 13 percent reported that a disability was keeping them from participating, and seven percent reported other reasons (Figure 1.4). When these responses are examined across individual years of age, they suggest:

> The most commonly cited reason for not participating in the labor force among workers ages 55 to 58 is disability. Among individuals age 55 that are not in the labor force, 48 percent report that it was due to a disability.
>
> The share of Americans who cite retirement as the reason for non-participation goes up as individuals get older (24 percent at age 55 to 97 percent at age 79). Retirement becomes the primary reason for non-participation at age 61.

[15] Gordon B. T. Mermin, Richard W. Johnson, and Dan P. Murphy, "Why Do Boomers Plan to Work Longer?" *Journal of Gerontology: Social Sciences*, vol. 62B, no. 5 (2007), pp. S286-S294.

[16] The Organization for Economic Cooperation and Development estimates an "average effective age of retirement" across its member countries and describes this measure as "the average age of all persons withdrawing from the labor force in a given period." The OECD estimation methodology is available at OECD, A method for calculating the average effective age of retirement, http://www.oecd.org/els/emp/39371923.pdf, and estimates are available at OECD, http://www.oecd.org/els/emp/Summary_1970%20values.xls.

Figure 1.4. Reason for Non-Participation, Persons 55 Years and Older



Source: CRS estimates based on Current Population Survey data collected in May 2017.

Research on how individuals transition out of the labor force shows that transitioning permanently into full-time retirement from full-time career employment has become less common.[17] For example, some older workers, instead of retiring when leaving a long-held job, are transitioning to another occupation. One study of workers ages 55 and over found that by age 62, about one-quarter were still in their career occupations, while 17 percent had made a transition to another occupation, and 57 percent had exited the labor force. At later ages (i.e., beginning at age 66), individuals are just as likely to be in a new occupation as they are to be still working in their career occupation (13 percent of all persons falling into each category).[18]

Among the varied paths that older workers now take from full-time work into and out of retirement are bridge jobs, phased retirement arrangements, self-employment, unretirement, and volunteering.

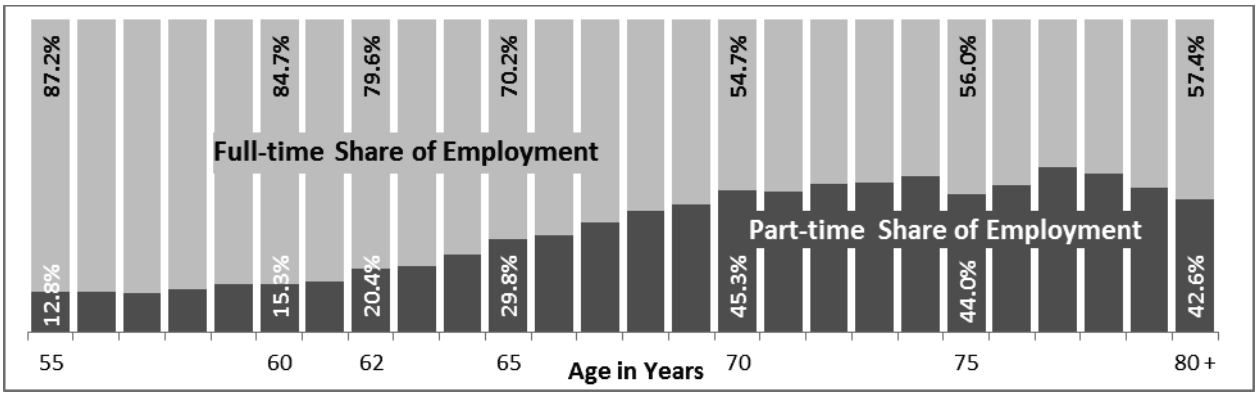
Part-Time Work, Bridge Jobs, and Phased-Retirement

Between the ages of 60 and 70, the share of older workers employed part-time increases significantly (Figure 1.5). These workers are employed part-time for various reasons. Some may transition to part-time work following full-time work, while others move from not working to part-time work (e.g., returning to work after raising children or a period of unemployment). A smaller number prefer full-time hours but may only find part-time work. Data from May 2017 reveal that 13.4 percent of part-time workers ages 55 and above would prefer full-time hours (Figure 1.6).

[17] Kevin E. Cahill, Michael D. Giandrea, and Joseph F. Quinn, "Reentering the Labor Force After Retirement," *Monthly Labor Review*, June 2011, pp. 34-42. Note that other studies have shown that both workers who do not have full-time career jobs as part of their work histories and those that do experience similarly diverse trajectories through job transitions and retirement. See Kevin E. Cahill, Michael D. Giandrea, and Joseph F. Quinn, "Older Workers and Short-Term Jobs: Patterns and Determinants," *Monthly Labor Review*, May 2012, pp. 19-32.

[18] Amanda Sonnega, Brooke Helppie McFall, and Robert J. Willis, Occupational Transitions at Older Ages: What Moves are People Making?, University of Michigan Retirement Research Center (MRCC), Working Paper, WP 2016-352, Ann Arbor, MI, 2016, http://www.mrrc.isr.umich.edu/publications/papers/pdf/wp352.pdf.

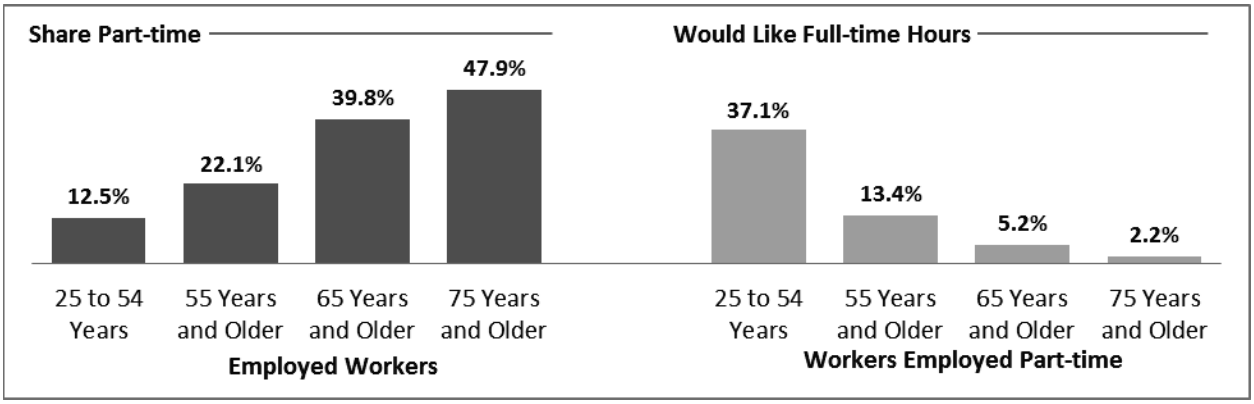
Figure 1.5 Shares of Employed Workers Reporting Part-time and Full-time Hours, 2016



Source: CRS calculations using unpublished BLS data.

Notes: A worker is considered to be employed part-time if he or she reports usually working 34 hours or fewer per week.

Figure 1.6 Share of Employed Workers in Part-time Positions and Share of Part-time Workers Who Would Like Full-time Hours, May 2017



Source: CRS estimates based on Current Population Survey data collected in May 2017.

Notes: A worker is considered to be employed part-time if he or she reports usually working 34 hours or fewer per week. Some workers who are identified as being employed part-time based on reported usual hours of work (i.e., usually fewer than 35) did not respond to the survey question about a preference for full-time work because, despite their reported hours, they view themselves as full-time workers. These workers are not included in the estimated shares of part-time workers who prefer full-time work.

Among those transitioning from full-time work to part-time work are workers taking up bridge jobs, which are generally part-time or less-than-full-year positions with a new employer. Researchers have found that older workers often move into bridge jobs from career full-time positions rather than directly exiting the labor force. One study documented that among workers ages 57 to 74 in 2010, the percentage of individuals who left a full-time career job and moved to a bridge job ranged from 57 to 65 percent among men and 54 to 74 percent among women, depending on the exact group examined.[19] For the majority of older workers, these bridge jobs

[19] This study looked at three age groups: HRS Core (aged 69 to 74 in 2010); War Babies (aged 63 to 68 in 2010); and Early Baby Boomers (aged 57 to 62 in 2010). See study for more details of the differences in bridge job take-up between age groups and genders. Kevin E. Cahill, Michael D. Giandrea, and Joseph F. Quinn, "Retirement Patterns and the Macroeconomy, 1992-2010: The Prevalence and Determinants of Bridge Jobs, Phased Retirement, and Reentry Among Three Recent Cohorts of Older Americans," *The Gerontologist*, vol. 55, no. 3 (2015), pp. 384-403. For additional information on the use of bridge jobs, see also Kevin E. Cahill, Michael D. Giandrea, and Joseph F. Quinn, "Retirement Patterns from Career Employment," *The Gerontologist*, vol. 46, no. 4 (2006), pp. 514-523.

involved part-time employment. Research also shows that transitioning from full-time career jobs to bridge jobs has become more common among more recent birth cohorts.[20]

Also included among those older workers taking up part-time employment are workers taking advantage of phased-retirement arrangements. These arrangements generally allow workers to gradually transition out of their full-time career by accepting a part-time position with the same employer, usually in the same general role.

Self-Employment

Self-employment is more common for older workers compared to younger workers. While only 6.4 percent of all employed workers ages 16 and older were self-employed in 2015, 8.8 percent of workers ages 55 to 64 and 15.5 percent of workers aged 65 and older were self-employed.[21] Transitions into and out of self-employment for older workers who previously had full-time careers are common.[22] Changes in self-employment rates among older workers are somewhat uncertain. Some analyses have found that self-employment rates have risen for certain cohorts of older workers, while other analyses have documented a decline in self-employment rates, more in line with the general decline in self-employment that has occurred among all workers over the last several years.[23]

Labor Force Reentry, or "Unretirement"

Another phenomenon seen among older workers is "unretirement," which is when workers who had previously retired return to employment.[24] In one study that followed retirees for six years, 26 percent returned to work, most commonly returning about two years after retirement. The same study found that the unretirement rate was particularly high (35 percent) among younger retirees (i.e., aged 53-54), and that the majority (82 percent) of unretirement transitions were made by individuals who had stated prior to retirement that they expected to work in retirement.[25]

---

[20] Giandrea, Michael D., Kevin E. Cahill, Joseph F. Quinn, 2009. "Bridge Jobs A Comparison Across Cohorts," *Research on Aging* 31(5), 549-576.

[21] These figures refer to the percent of workers that are unincorporated self-employed. The shares of workers that are incorporated self-employed are 3.7 percent for all workers ages 16 and over, 5.9 percent for workers ages 55 to 64, and 8.6 percent for workers ages 65 and over. See Steven F. Hipple and Laurel A. Hammond, "Self-Employment in The United States," (U.S. Bureau of Labor Statistics, March 2016), https://www.bls.gov/spotlight/2016/self-employment-in-the-united-states/home.htm.

[22] Michael D. Giandrea, Kevin E. Cahill, and Joseph F. Quinn, "Self Employment Transitions Among Older American Workers with Career Jobs," Working Paper Series WP-418 (U.S. Bureau of Labor Statistics, April 2008), http://www.bls.gov/osmr/abstract/ec/ec080040.htm.

[23] For example, one report looked specifically at workers who were between ages 65 and 75 in 2006 and found that, from 2006-2010, the prevalence of self-employment among older workers increased by five percentage points for men (36 percent to 41 percent) and by four percentage points for women (18 percent to 22 percent). See Kevin E. Cahill, Michael D. Giandrea, and Joseph F. Quinn, "New Evidence on Self-Employment Transitions Among Older Americans with Career Jobs," Working Paper Series WP-463 (U.S. Bureau of Labor Statistics, March 2013), https://www.bls.gov/osmr/abstract/ec/ec130030.htm. However, another report documented a decline in self-employment between 1994 and 2012 among a younger group of older workers – those ages 55 to 64. See Bradley T. Heim, *Understanding Self-Employment Dynamics Among Individuals Nearing Retirement*, Small Business Administration Office of Advocacy, No. 422, April 2014, https://www.sba.gov/sites/default/files/files/rs422.pdf. Discussion of the overall decline in self-employment rates among all workers can be found in Steven F. Hipple and Laurel A. Hammond, "Self-Employment in The United States," (U.S. Bureau of Labor Statistics, March 2016), https://www.bls.gov/spotlight/2016/self-employment-in-the-united-states/pdf/self-employment-in-the-united-states.pdf.

[24] Nicole Maestas, "Back to Work: Expectations and Realizations of Work after Retirement," *Journal of Human Resources*, Summer 2010, pp. 719-748.

[25] ibid.

Another study examining retirements of workers ages 50 and above found that between 1992 and 2004, approximately a third of retirements were later reversed.[26] This trend was again found to be more common for younger members of the older worker population, and women were found to be slightly more likely to reenter the workforce than men.[27]

Encore Adulthood, Civic Engagement, and Volunteering

Older adults are also increasingly choosing to engage in meaningful activities other than full-time employment.[28] Sometimes referred to as "encore adulthood," this path may involve less leisure time and offers the opportunity for "continued learning, engagement, and work."[29] For older workers, leaving one's career may involve not only moving to part-time jobs through bridge jobs or phased retirement arrangements, but also civic engagement, such as volunteering or informally helping out family, friends, or others in the community – positions that may include some form of compensation.[30] In fact, older workers going through a retirement transition are more likely to be involved in volunteering than individuals who are not retired.[31]

Research on Factors Influencing Older Workers' Labor Force Decisions

Scholars have identified a number of factors that influence the work and retirement decisions of older workers in the United States. These include both individual-level factors such as characteristics of older workers themselves, as well as other factors such as employer characteristics. The discussion of this research below is not intended to be exhaustive; rather, it summarizes selected recent research to provide an overview of key topics.

Worker Characteristics

Individual-level factors, such as demographic and socio-economic characteristics, are among the most studied topics in the literature focusing on the labor force decisions of older workers, and research focusing on the impact of individual-level health and education is among the most widely discussed.

Research has identified a number of links between older workers' health and their retirement and late career pathways. Older workers who are healthier are more likely to stay in the labor force and be employed.[32] Researchers have also found that healthier older workers are more likely to

---

[26] David F. Warner, Mark D. Hayward, and Melissa A. Hardy, "The Retirement Life Course in America at the Dawn of the Twenty-First Century," *Population Research and Policy Review*, vol. 29, no. 6 (December 2010), pp. 893-919, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3002227/pdf/nihms-197861.pdf.

[27] David F. Warner, Mark D. Hayward, and Melissa A. Hardy, "The Retirement Life Course in America at the Dawn of the Twenty-First Century," *Population Research and Policy Review*, vol. 29, no. 6 (December 2010), pp. 893-919, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3002227/pdf/nihms-197861.pdf. Note that Cahill et al. (2011) also investigated the labor force status of older individuals with full-time career jobs in 1992 using data for the 1992-2008 period. They found that, among older workers who had left the labor force by 2008, about 15 percent of men and 13 percent of women later returned.

[28] Erik Kojola and Phyllis Moen, "No More Lock-Step Retirement: Boomers' Shifting Meanings of Work and Retirement," Journal of Aging Studies, vol. 36 (2016), pp. 59-70.

[29] ibid.

[30] Brian Kaskie, Sara Imhof, and Joseph Cavanaugh, et al., "Civic Engagement as a Retirement Role for Aging Americans," *The Gerontologist*, vol. 48, no. 3 (2008), pp. 368-377.

[31] Fengyan Tang, "Retirement Patterns and Their Relationship to Volunteering," *Nonprofit and Voluntary Sector Quarterly*, vol. 45, no. 5 (August 2015), pp. 910-930.

[32] Kevin E. Cahill, Michael D. Giandrea, and Joseph F. Quinn, "Older Workers and Short-Term Jobs: Patterns and Determinants," Monthly Labor

reenter the labor force after an exit as well as remain in the labor force by transitioning to a bridge job.[33] Other studies have shown that poor health and worsening health are linked to earlier-than-expected retirement for older workers, and have found that disability status is also linked to the labor force participation of older adults.[34]

Education has also been found to be related to the retirement decisions and late career pathways of older workers. For example, some research has found that older individuals with higher levels of education are more likely to participate in the labor force than are those with lower levels of education, and that older workers are more likely to remain in a full-time career job if they have a college education.[35]

Other factors that have been found to have some impact on older workers' career pathways and retirement decisions include workers' gender and family relationships. For example, some research has found that there is more variability in the retirement behaviors of women relative to men, while other research has found that the work and retirement decisions of a worker's spouse can significantly impact the workers' own decisions.[36]

Employer Characteristics

Research has shown that a number of employer characteristics can also impact workers' work and retirement decisions. For example, one study found that older workers who retire early were more likely to be employed by larger organizations.[37] Other studies have shown that certain employer-provided benefits can impact the labor market behavior of older workers. For example, the declining availability of defined benefit (DB)[38] pension coverage has been found to partially explain increased work expectations among older workers.[39] Older workers with no health insurance through full-time career jobs have also been found to be more likely to take bridge

---

Review, May 2012, pp. 19-32.

[33] Kevin E. Cahill, Michael D. Giandrea, and Joseph F. Quinn, "Reentering the Labor Force After Retirement," Monthly Labor Review, June 2011, pp. 34-42.

[34] For findings on how poor and worsening health impacts retirement decisions, see Alicia H. Munnell, Geoffrey T. Sanzenbacher, and Matthew S. Rutledge, *What Causes Workers to Retire Before They Plan?*, Center for Retirement Research at Boston College, CRR WP 2015-22, Chestnut Hill, MA, September 2015. For information on the relationship between disability status and labor force participation, see, for example, Warner et al. (2010) and John C. Henretta, "Uniformity and Diversity: Life Course Institutionalization and Late-Life Work Exit," *The Sociological Quarterly*, vol. 33, no. 2 (1992), pp. 265-279.

[35] Gary Burtless. *The Impact of Population Aging and Delayed Retirement on Workforce Productivity*, Center for Retirement Research at Boston College, CRR WP 2013-11, Chestnut Hill, MA, May 2013; Cahill et al. (2012)

[36] For research relating to the relationship between workers' decisions and gender, see, for example, David F. Warner, Mark D. Hayward, and Melissa A. Hardy, "The Retirement Life Course in America at the Dawn of the Twenty-First Century," Population Research and Policy Review, vol. 29, no. 6 (December 2010), pp. 893-919. For research examining how familial relationships are related to workers' decisions, see, for example, Alicia H. Munnell and Mauricio Soto, *Why Do Women Claim Social Security Benefits So Early?*, Center for Retirement Research at Boston College, Issue Brief No. 35, Chestnut Hill, MA, 2005; Donald C. Reitzes, Elizabeth J. Muran, and Maria E. Fernandez, "The Decision to Retire: A Career Perspective," *Social Science Quarterly*, vol. 79 (1998), pp. 607-619; and Deborah B. Smith and Phyllis Moen, "Spousal Influence on Retirement: His, Her, and Their Perceptions," *Journal of Marriage and Family*, vol. 60 (1998), pp. 734-744.

[37] Chinhui Juhn and Kristin McCue, *Workplace Characteristics and Employment of Older Workers*, Center for Economic Studies, U.S. Census Bureau, CES 12-31, Washington, DC, September 2012.

[38] In defined benefit (DB) pension plans, participants receive monthly payments in retirement that are based on a formula that typically uses a combination of length of service, accrual rate, and average of final years' salary. For example, a plan might specify that retirees receive an amount equal to 1.5% of their pay for each year of service, where the pay is the average of a worker's salary during his or her highest-paid five years. The benefit formulas of DB pensions are designed in conjunction with a specific normal retirement age, at which point participants are eligible to receive their pension benefits. This normal retirement age, therefore, creates incentives to fully retire at that age in order to collect the DB pension. For more information on DB pensions, including current data on worker participation, see CRS Report R43439, *Worker Participation in Employer-Sponsored Pensions: A Fact Sheet* (hereinafter, "CRS Report R43439").

[39] Gordon B. T. Mermin, Richard W. Johnson, and Dan P. Murphy, "Why Do Boomers Plan to Work Longer?" Journal of Gerontology: Social Sciences, vol. 62B, no. 5 (2007), pp. S286-S294.

jobs, and older workers who do not have access to employer-sponsored retiree health benefits at their full-time career job appear more likely to anticipate working to later ages.[40]

Other Factors

Other factors such as the national economy and government policy have also been found to be related to older workers' labor force behavior.

Research on the relationship between the national economy and older workers' behavior has found that both the current economy conditions and the economic conditions workers experiences over their careers can impact their behavior. For example, research has found that poor labor market conditions and increases in national unemployment can negatively affect employment among older workers.[41] Research has also found that different retirement and late career patterns for different U.S. birth cohorts appear to be partially explained by the different economic conditions each birth cohort experienced throughout the entirety of their working lives.[42]

Government policies can also have impacts on older workers' decisions and behavior. To look at a single example, the Social Security program has been found to impact workers' retirement choices.[43] Research has shown that particular aspects of the program, such as the age set as the full-retirement age (FRA), can have a significant effect on when workers choose to retire.[44]

---

[40] ibid.

[41] Till von Wachter. The Effect of Economic Conditions on the Employment of Workers Nearing Retirement Age, Center for Retirement Research at Boston College, CRR WP 2007-25, Chestnut Hill, MA, December 2007; Paul Marmora and Moritz Ritter, "Unemployment and the Retirement Decisions of Older Workers," Journal of Labor Research, vol. 36 (2015), pp. 274-290. Data analyzed in this study came from Survey of Income and Program Participation (SIPP).

[42] Kevin E. Cahill, Michael D. Giandrea, and Joseph F. Quinn, "Retirement Patterns and the Macroeconomy, 1992-2010: The Prevalence and Determinants of Bridge Jobs, Phased Retirement, and Reentry Among Three Recent Cohorts of Older Americans," *The Gerontologist*, vol. 55, no. 3 (2015), pp. 384-403.

[43] Other examples of significant federal policies with implications for the retirement and later career pathways of older workers include health care policies, such as Medicare and the Affordable Care Act, as well as the tax treatment of employer-sponsored benefits, including defined benefit and defined contributions pension plans and health insurance plans.

[44] Luc Behaghel and David M. Blau, *Framing Social Security Reform: Behavioral Responses to Changes in the Full Retirement Age*, Institute for the Study of Labor (IZA), Discussion Paper No. 5310, Bonn, Germany, November 2010, http://ftp.iza.org/dp5310.pdf.

Chapter 2. The Aging Worker: Opportunities and Challenges

Studies show that work and other meaningful activities correspond with increased personal satisfaction as one grows older.[45] Many older Americans define themselves by their work and envision themselves working well past the traditional age of retirement. Others continue to work out of financial necessity that involves meeting day-to-day expenses, a lack of retirement savings, and the expected need for health care in older age.[46]

This chapter describes how remaining in the workforce into older age presents unique opportunities as well as challenges. Key takeaways from this analysis are:

> Older workers can experience benefits from continuing to work, including improved well-being, health, and financial security.
>
> Some older workers experience barriers to finding employment and advancing in their jobs, including workplace discrimination and a lack of training opportunities.
>
> Older workers can also face challenges that make it harder to stay in their jobs, including balancing personal and professional responsibilities and managing health conditions and disabilities.
>
> Preparing financially for retirement is a priority for many older workers although it remains difficult for many to achieve financial security.

Benefits of Continued Employment for Older Workers

Employment can provide older workers with substantial benefits. Continuing to work into older age may have positive impacts on workers' overall well-being, health, and financial security. Research indicates that for older workers, there is a strong link between health and employment. Continuing to work into older age has been shown to have positive impacts on individuals' physical, cognitive, and emotional health.[47] For example, studies have found that persons who continue to work past age 65 are able to sustain their levels of cognitive functioning over longer periods.[48] Continued employment can also help workers' and their families afford medical

---

[45]John Hendricks and Stephen J. Cutler, "Volunteerism and Socioemotional Selectivity in Later Life," *Journal of Gerontology*, vol.59B, no. 5 (2004), p. s215-s257.

[46]Marcie Pitt-Catsouphes and Michael Smyer, "Older workers What keeps them working?" The Center on Aging and Work *Issue Brief 1*, July 2005.

[47]For examples of such research and discussion of these relationships, see: Esteban Calvo, "Does Working Longer Make People Healthier and Happier?" Center for Retirement Research at Boston College, (2006), available at http://crr.bc.edu/wp-content/uploads/2006/02/wob_2.pdf; Linda Hoffman and Erin Andrew, "Maximizing the Potential of Older Adults: Benefits to State Economies and Individual Well-Being," National Governors Association for Best Practices, (2010), available at https://www.nga.org/files/live/sites/NGA/files/pdf/1004OLDERADULTS.PDF; Jessica Johnson et al., "Quality of Employment and Life-Satisfaction: A Relationship that Matters for Older Workers," Sloan Center on Aging & Work, (2008), available at https://dlib.bc.edu/islandora/object/bc-ir:100070/datastream/PDF/view. Will Maimaris, Helen Hogan, and Karen Lock, "The Impact of Working Beyond Traditional Retirement Ages on Mental Health: Implications for Public Health and Welfare Policy," *Public Health Reviews*, vol. 32, no. 2, (2010); Christopher Farrell, "Working Longer May Benefit Your Health," *New York Times*, March 3, 2017, at https://www.nytimes.com/2017/03/03/business/retirement/working-longer-may-benefit-your-health.html.

[48]Centers for Disease Control and Prevention (2016) Continuing to work can provide workers with additional social interaction which logically may help stave off social isolation. Some research has pointed to such a potential positive effect among specific groups of workers. For example, see Eleonora Patacchini and Gary Engelhardt, "Work, Retirement, and Social Networks at Older Ages," Center for Retirement Research at

treatment by providing access to employer-sponsored health insurance. A significant share of older workers report that access to health insurance influences their decision to continue to work.[49] Some employers also offer wellness programs, which may provide additional health benefits.

This relationship between health and work goes both ways, as individuals' health also affects their likelihood of working to begin with. Research has shown that workers who are healthy are more likely to stay in the workforce and that healthier workers are more likely to reenter the workforce after an exit.[50] Health conditions may make it particularly difficult for older workers in physically demanding jobs to continue working.[51]

In addition to being associated with better health outcomes, regular employment also has the potential to stave off social isolation among older individuals and to improve older workers' overall well-being and quality of life.[52] Older workers are more likely than younger workers to report that their job provides personal fulfillment and a sense of being needed and valued, as well as opportunities to learn new skills and remain physically, cognitively, and socially active.[53] Older adults may also appreciate the chance to share wisdom and experiences with younger employees, and may value intergenerational exchanges. One national survey of adults ages 45 to 74 found that roughly eight in ten older workers said that feeling useful was a reason they were working or looking for work, and aging workers were more likely to be engaged in their work than younger employees.[54]

Boston College, (2016), at http://crr.bc.edu/wp-content/uploads/2016/11/wp_2016-15.pdf which finds that continued labor force participation raises the size and density of social networks for women and persons with higher levels of education. For an example of research linking continued working to improved mental health outcomes, see Will Maimaris, Helen Hogan, and Karen Lock, "The Impact of Working Beyond Traditional Retirement Ages on Mental Health: Implications for Public Health and Welfare Policy," *Public Health Reviews*, vol. 32, no. 2, (2010). Note that workers' expectations of whether or not they will continue working at older ages may also affect the impact continued working has on their mental health. See, for example, Tracy Falba, William Gallo, and Jody Sindelar, "Work Expectations, Realizations, and Depression in Older Workers," *Journal of Mental Health Policy and Economics*, vol. 12, no. 4, (2009), available at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3434685/.

[49]Fronstin, P., *Sources of health insurance coverage: A look at changes between 2013 and 2014 from the March 2014 and 2015 Current Population Survey*, Employee Benefit Research Institute (EBRI Issue Brief No. 419), 2015; AARP, "Staying Ahead of the Curve 2013: The AARP Work and Career Study," (2014), at https://www.aarp.org/content/dam/aarp/research/surveys_statistics/general/2014/Staying-Ahead-of-the-Curve-2013-The-Work-and-Career-Study-AARP-res-gen.pdf.

[50]Kevin E. Cahill, Michael D. Giandrea and Joseph F. Quinn, "Reentering the Labor Force After Retirement," *Monthly Labor Review* (June 2011), p. 34-42.

[51]For document on the prevalence of physically demanding work among older workers and how health may impact the career of decisions of individuals engaged in such work differently than they may other workers, see Hye Jin Rho, Hard Work? Patterns in Physically Demanding Labor Among Older Workers, Center for Economic and Policy Research, August 2010, at http://cepr.net/documents/publications/older-workers-2010-08.pdf and Richard Johnson, Jannette Kawachi, Eric K Lewis, Older Workers on the Move: Recareering in Later Life, AARP Public Policy Institute, 2009, at https://assets.aarp.org/rgcenter/econ/2009_08_recareering.pdf.

[52]Continuing to work can provide workers with additional social interaction which logically may help stave off social isolation. Some research has pointed to such a potential positive effect among specific groups of workers. For example, see Eleonora Patacchini and Gary Engelhardt, "Work, Retirement, and Social Networks at Older Ages," Center for Retirement Research at Boston College, (2016), at http://crr.bc.edu/wp-content/uploads/2016/11/wp_2016-15.pdf which finds that continued labor force participation raises the size and density of social networks for women and persons with higher levels of education. For an example of research linking continued to working to improved mental health outcomes, see Will Maimaris, Helen Hogan, and Karen Lock, "The Impact of Working Beyond Traditional Retirement Ages on Mental Health: Implications for Public Health and Welfare Policy," *Public Health Reviews*, vol. 32, no. 2, (2010). Note that workers' expectations of whether or not they will continue working at older ages may also impact continued working has on their mental health. See, for example, Tracy Falba, William Gallo, and Jody Sindelar, "Work Expectations, Realizations, and Depression in Older Workers," *Journal of Mental Health Policy and Economics*, vol. 12, no. 4, (2009), at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3434685/.

[53]Aon Hewitt, "A-Business-Case-Report-for-Workers Age 50Plus", AARP, 2015, at https://www.aarp.org/content/dam/aarp/research/surveys_statistics/general/2015/A-Business-Case-Report-for-Workers%20Age%2050Plus-ES.pdf

[54]AARP, "Staying Ahead of the Curve 2013: The AARP Work and Career Study," 2014, at

Working into older ages can also improve the financial security of individuals and families. Continuing to work not only provides a source of reliable income to pay rent, buy groceries, and afford medications, but it can also provide more time to save for retirement. By continuing to work, seniors may also have access to continued employer benefits that can improve their financial security, such as employer-sponsored retirement plan contributions and health insurance.

Continuing to work and delaying retirement can also increase the monthly payments seniors receive from Social Security upon retirement. Monthly Social Security payments are calculated based on a formula that accounts for an individual's earnings history and the age when an individual starts to claim benefits (the earliest a worker with no disability can begin claiming benefits is age 62). In many cases, adding more covered earnings to an individual's earnings history could increase expected monthly benefits. Regardless of the specifics of their earnings history, however, workers who delay claiming their benefits after they reach age 62 will receive a larger monthly check when they do begin claiming them. This is true for every month a worker delays claiming benefits between ages 62 and 70.[55]

How workers respond to these potential benefits of continued employment will depend on their personal circumstances, preferences, and goals. For some, exiting the labor force sooner rather than later may prove possible and preferable, while others may not be able to participate in the labor force due to circumstances beyond their control. For growing numbers of aging Americans, however, continued employment can offer a great number of benefits and opportunities.

Challenges Faced by Aging Workers

Taking advantage of the benefits and opportunities accompanying continued employment can be complicated by challenges that disproportionately affect older workers. These challenges include factors that make it more difficult for older workers to find employment, advance in their careers, remain in the workforce, and transition into retirement. As the workforce ages, these obstacles will likely impact a growing share of American workers. Significant challenges are discussed below.

Age Discrimination

Some individuals experience workplace discrimination based on their age. This discrimination can take many forms, from older workers being treated differently in hiring, firing, promotion, and layoff decisions, to being systematically offered inferior benefits, job assignments, and training opportunities. Researchers have shown that age discrimination in the hiring process is a particularly significant challenge for older workers and may be undermining their ability to transition between jobs or reenter the workforce.[56]

---

https://www.aarp.org/content/dam/aarp/research/surveys_statistics/general/2014/Staying-Ahead-of-the-Curve-2013-The-Work-and-Career-Study-AARP-res-gen.pdf

[55]For description of impacts on Social Security benefits of delaying retirement, see Melissa Knoll and Anya Olsen, "Incentivizing Delayed Claiming of Social Security Retirement Benefits Before Reaching the Full Retirement Age," *Social Security Bulletin*, vol. 74, no. 4, (2014), at https://www.ssa.gov/policy/docs/ssb/v74n4/v74n4p21.html.

[56] For an example of such research, see David Neumark, Ian Burn, and Patrick Button, "Age Discrimination and Hiring of Older Workers", Federal Reserve Bank of San Francisco (2017), at http://www.frbsf.org/economic-research/publications/economic-letter/2017/february/age-

In 1967, 50 years ago, the Age Discrimination in Employment Act (ADEA) made employment discrimination against individuals 40 years of age and older illegal. The ADEA outlawed blatantly discriminatory hiring practices such as posting job openings that explicitly bar older workers from applying or forcing older workers to retire at specific ages.[57]

While ADEA made discrimination based on age illegal, such discrimination still exists.[58] For example, modern age discrimination in the workplace can take the form of an older worker being denied training opportunities made available to younger workers because an employer assumes that the older worker is not tech-savvy enough for the training. It can also take the form of an older worker being denied a promotion in favor of a younger worker because an employer assumes that the older worker will not be with the company for much longer.
Some employers have found ways to circumvent requirements of the ADEA in order to hire younger workers over older ones. For example, while the ADEA makes it illegal to "fail or refuse to hire" individuals on the basis of their age, some prospective employers do specify a maximum number of years of experience that eligible job applicants can have or require all eligible applicants to be "digital natives," meaning that they grew up using technology from an early age.[59] Other practices include online job applications that make it impossible to apply for a job without filling in one's year of birth or graduation year, as well as application sites that use drop-down menus for these fields that only include years dating back to, for example, the 1970s.[60] Despite not explicitly eliminating older workers from consideration, these practices can systematically screen out older workers in a discriminatory manner.[61]

Recent studies and surveys have repeatedly illustrated how certain practices significantly disadvantage older workers in today's labor market. According to one 2013 AARP survey, nearly two thirds of workers ages 45 to 74 reported that based on what they had seen or experienced, they believed workers still face age discrimination in the workplace today.[62] This included a significant majority of male employees (57 percent) and nearly three quarters of female employees (72 percent) in this age group.[63] Further, multiple experimental studies have documented significant discrimination against older workers in the hiring process, including one recent study that sent out similar resumes to over 13,000 lower-skill positions in 12 cities across

---

discrimination-and-hiring-older-workers/.

[57]Note that a limited number of professions are exempt from the ADEA's prohibition of mandatory retirement ages, such as pilots and public safety workers. For additional discussion of the prevalence of blatant form of age discrimination previous to the passage of the ADEA, see Laurie McCann, "The ADEA @ 50 – More Relevant Than Ever," Testimony to US Equal Employment Opportunity Commission, June 14, 2017, at http://www.aarp.org/content/dam/aarp/aarp_foundation/litigation/pdf-beg-02-01-2016/AARP-Testimony-ADEA50-EEOC.pdf

[58] For an example of research identifying the continued pervasiveness of age discrimination in a particular employment sector, see David Neumark, Ian Burn, and Patrick Button, "Age Discrimination and Hiring of Older Workers", Federal Reserve Bank of San Francisco (2017), at http://www.frbsf.org/economic-research/publications/economic-letter/2017/february/age-discrimination-and-hiring-older-workers/.

[59]Laurie McCann, "The ADEA @ 50 – More Relevant Than Ever," Testimony to US Equal Employment Opportunity Commission, June 14, 2017, at http://www.aarp.org/content/dam/aarp/aarp_foundation/litigation/pdf-beg-02-01-2016/AARP-Testimony-ADEA50-EEOC.pdf.

[60]ibid.

[61]Note that the EEOC has not yet clarified whether the use of the term 'digital native' in job postings constitutes a violation of the ADEA, although the EEOC has generally held that the inclusion of language in job postings that discourages protected classes of workers from applying is illegal.

[62]AARP, "Staying Ahead of the Curve 2013: The AARP Work and Career Study," (2014), at https://www.aarp.org/content/dam/aarp/research/surveys_statistics/general/2014/Staying-Ahead-of-the-Curve-2013-The-Work-and-Career-Study-AARP-res-gen.pdf.

[63]ibid.

11 states, totaling 40,000 applicants, to see if employers were less likely to respond to the resumes of older workers than to the resumes of younger workers.[64] The study found that employers were significantly less likely to call back older applicants and that older women appeared to be discriminated against more frequently than older men.

Discriminatory practices can affect all types of older workers. This includes unemployed older workers looking for needed work, workers happy in their jobs attempting to stay in their positions as long as possible, older workers looking to advance in their organization, and workers looking to switch from their current jobs to a part-time or bridge job before retiring completely. In FY 2016, the Equal Employment Opportunity Commission (EEOC) received more than 20,000 claims of age discrimination, and over the last 20 years, more than 20 percent of all charges filed with EEOC have included an age discrimination claim.[65] Most of these claims concern age discrimination in the workplace against employed individuals as opposed to hiring discrimination, which reflects the fact that it is harder for job applicants to determine why they were not hired than it is for current employees to determine an injustice in an employment action. Over the last ten fiscal years, approximately one in every six of these claims has resulted in an outcome favorable to the charging party.[66]

Combating age discrimination in the workplace has become more difficult in recent years. A 2009 Supreme Court ruling held that age discrimination claimants must now prove that discrimination on the basis of age was not just one motivating factor in an adverse employment decision, but that it was the sole or overriding factor behind the decision.[67] This additional requirement means that workers alleging age discrimination now face a higher burden of proof in court than do workers alleging discrimination on the basis of race, sex, national origin, or religion. While discrimination on the basis of age may not always be as easy to see as it was in the decades before the ADEA, it remains a barrier to older workers and hinders their ability to find employment and advance within the workplace.

Skills Development and Training

Many older workers find themselves in the position of needing to improve their professional skills or learn new ones in order to keep up-to-date with the requirements of their current job, receive a promotion, or find a new job. These workers may face challenges in acquiring new skills and training, which may significantly hinder their ability to succeed in the workplace or search for employment. Older workers encountering these challenges can face prolonged periods of unemployment, and some may leave the labor force altogether.

---

[64]David Neumark, Ian Burn, and Patrick Button, "Age Discrimination and Hiring of Older Workers", Federal Reserve Bank of San Francisco (2017), at http://www.frbsf.org/economic-research/publications/economic-letter/2017/february/age-discrimination-and-hiring-older-workers/.

[65]Christina Smith FitzPatrick, "Fact Sheet: Age Discrimination," AARP, 2014, at http://www.aarp.org/content/dam/aarp/ppi/2014-10/age-discrimination-fact-sheet-aarp.pdf. US Equal Employment Opportunity Commission, Age Discrimination in Employment Act (Charges filed with EEOC), FY 1997- FY 2016, at https://www.eeoc.gov/eeoc/statistics/enforcement/adea.cfm.

[66]This figure refers to the share of all resolutions arrived at between fiscal years 2007 and 2016 that were considered 'merit resolutions.' Merit resolutions are defined by the EEOC as "Charges with outcomes favorable to charging parties and/or charges with meritorious allegations" including "negotiated settlements, withdrawals with benefits, successful conciliations, and unsuccessful conciliations." US Equal Employment Opportunity Commission, Age Discrimination in Employment Act (Charges filed with EEOC), FY 1997- FY 2016, at https://www.eeoc.gov/eeoc/statistics/enforcement/adea.cfm.

[67]Gross v. FBL Financial Services, Inc., 557 U.S. 167 (2009). Legal Information Inst., Cornell University Law School, at https://www.law.cornell.edu/supct/html/08-441.ZS.html.

When older workers encounter periods of unemployment, it can be particularly difficult for them to find new jobs. On average, older workers' unemployment intervals last longer than those of younger workers, and older workers are more likely to fall into the ranks of the long-term unemployed (defined as being unemployed for 27 weeks or longer).[68] For example, while the average duration of unemployment for all workers ages 16 and older was approximately 27.5 weeks in 2016, the average duration of unemployment for workers ages 55 to 64 was 38.5 weeks and for workers ages 65 and above it was 39.3 weeks.[69] Older workers are also disproportionately represented among workers displaced from long-held jobs and older displaced workers appear to have more difficulty in finding new employment.[70] By January 2016, 73 percent of workers between the ages of 25 and 54 who had been displaced from a long-tenured job sometime between 2013 and 2015 were working again, while only 60 percent of displaced workers ages 55 to 64 and 27 percent of displaced workers ages 65 and over had found employment.[71] Many older workers appear to simply exit the labor force entirely, rather than look for a new job.[72]

Velma

In April 2017, 59-year-old Velma, a former technology teacher with 20 years of experience, enrolled in the Senior Community Service Employment Program in the Clark County Las Vegas Project Office. She had been unable to find employment and her retirement savings were almost exhausted. In May, Velma was assigned to a host agency, Nevada Partners, Inc., as a clerical assistant. In July, after only 60 days in the program, Velma was hired full-time as an executive assistant to the Executive Director at $22.00 an hour with benefits.

Skills and training deficits can make the search for work especially difficult. According to one survey, 40 percent of adults age 50 and above who looked for a job during the previous five years felt that they lacked the skills for available jobs and 35 percent stated that they did not have

[68]While workers ages 55 and above comprised 16.7 percent of all unemployed workers in 2016, they made up 22.1 percent of the long-term unemployed. See US Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Table 31: 2016 Annual Averages, at https://www.bls.gov/cps/cpsaat31.htm.

[69]U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Table 31: 2016 Annual Averages, at https://www.bls.gov/cps/cpsaat31.htm.

[70]While workers ages 55 and above comprised 23 percent of the labor force in January 2016, they made up 34 percent of workers displaced from long-tenured positions. BLS defines displaced workers as "persons 20 years of age and older who lost or left jobs because their plant or company closed or moved, there was insufficient work for them to do, or their position or shift was abolished." See Bureau of Labor Statistics, "Worker Displacement: 2013-15," 2016, at https://www.bls.gov/news.release/pdf/disp.pdf.

[71]U.S. Bureau of Labor Statistics, "Worker Displacement: 2013-15," (2016), available at https://www.bls.gov/news.release/pdf/disp.pdf.

[72]Among individuals aged 25 to 54 who had been displaced workers sometime between 2013 and 2015 in January 2016, 10.4 percent had exited the labor force, compared to 24.9 percent of workers ages 55 to 64 and 62.8 percent of workers ages 65 and above. Bureau of Labor Statistics, "Worker Displacement: 2013-15," 2016, at https://www.bls.gov/news.release/pdf/disp.pdf.

the right education or degree.[73] Some of this perceived skills and credentials disparity is due to individuals being unfamiliar with new technologies or standards of practice in particular industries or occupations, while another portion is simply the product of changing educational opportunities and trends. For example, younger workers tend to have comparatively higher average levels of formal education relative to older workers due to changing societal and professional expectations and increased access to higher education. In 2015, 36.1 percent of individuals ages 25 to 34 had a bachelor's degree compared to 32.0 percent of individuals ages 45 to 64 and 26.7 percent of individuals ages 65 and above.[74]

Workers from sectors such as manufacturing and mining displaced from their current fields of work may face particularly significant challenges in finding new employment opportunities due to a mismatch between their skills and the skills required for new employment opportunities in their area.[75] In some cases, such workers may have industry- or occupation-specific skills that are not as easily transferable to other types of employment.

Michael

In September 2016, 62-year-old Michael was accepted into Rhode Island's Platform to Employment program, which is funded by the Rhode Island Department of Labor and Training and helps long-term unemployed individuals rejoin the workforce. Michael had been unemployed for 11 months after his company was bought out and his senior sales positon was eliminated. After receiving individual behavioral counseling, job coaching, and resume and interview assistance, Michael began applying for jobs. In March 2017, he applied for a senior sales position at a local company and proposed a business plan. After several more meetings, the owner decided to hire him, not as a sales person, but as the company's president.

On-the-job training can help currently employed older workers improve their skills. Some employers, however, may be reluctant to invest in older worker training. These employers may be concerned that the employee is more likely to leave or retire before the employer can see a return on investment. In one 2013 survey, nine percent of workers ages 50 and over reported that

[73]Jennifer Benz et al, "Working Longer: Older Americans' Attitudes on Work and Retirement," Associated Press-NORC Center for Public Affairs Research, 2013, at http://www.apnorc.org/PDFs/Working%20Longer/AP-NORC%20Center_Working%20Longer%20Report-FINAL.pdf.

[74]Camille Ryan and Kurt Bauman, "Educational Attainment in the United States: 2015," US Census Bureau, 2016, at https://www.census.gov/content/dam/Census/library/publications/2016/demo/p20-578.pdf.

[75]See discussion in Carl Van Horn, Kathy Krepcio, and Maria Heidkamp, "Improving Education and Training for Older Workers," AARP Public Policy Institute, 2015, at http://www.aarp.org/content/dam/aarp/ppi/2015/improving-education-training-older-workers-AARP-ppi.pdf. Note that among all workers who had been displaced from a long-tenured position in January 2016, workers in the mining industry were substantially more likely to be unemployed than were workers in other industries. Among all displaced workers, 15.9 percent were unemployed, while among displaced workers in the mining industry, 33.4 percent were unemployed. See Bureau of Labor Statistics, "Worker Displacement: 2013-15," 2016, at https://www.bls.gov/news.release/pdf/disp.pdf.

they thought they had been denied training or an opportunity to acquire new skills due to their age.[76] This type of discrimination can significantly hinder older workers' ability to advance within their organization and prevent them from acquiring qualifications that would help them pursue other employment opportunities.

Outside of the workplace, there are several avenues for workers to acquire new skills, including public and private colleges; trade and proprietary schools; private employer associations and labor unions; and non-profit community-based organizations.[77] There are also federal and state programs that primarily help unemployed and dislocated workers acquire new skills and train for new careers, including the Workforce Innovation and Opportunity Act (WIOA) adult and dislocated worker programs, the Senior Community Service Employment Program (SCSEP) program, and the Trade Adjustment Assistance (TAA) program.

Federal Programs Providing Training and Skills Development to Older Workers

WIOA Adult and Dislocated Worker Programs: Under Title I of the Workforce Innovation and Opportunity Act (WIOA), the federal government provides funding to states and localities to offer career and training services to adult (ages 18 and above) and dislocated workers. Career services and training programs include a broad range of services, such as skills assessments, job search assistance, career counseling, on-the-job training, occupational skills training, and adult education and literacy programs, among others.[1]

Trade Adjustment Assistance (TAA) Program: Via the TAA program, the federal government provides funding to states and localities to provide assistance to workers who have lost their jobs due to foreign competition. Benefits provided by the program include training and reemployment services, income supports for workers currently in a training program but no longer receiving unemployment benefits, wage insurance for older workers taking jobs that pay less than their previous jobs, and health care coverage tax credits.[1]

Senior Community Service Employment Program (SCSEP)**:** SCSEP is the only federally mandated job program explicitly targeting low-income older adults. The Department of Labor program provides training, job placement assistance, and other support services to unemployed low-income adults ages 55 and above. The program places older adults with local partner organizations where they can gain work experience and acquire job skills, and subsidizes their wages until they exit the program.[1]

While these sources of training and assistance are currently available to older workers and can be extremely beneficial, a number of factors continue to limit the extent to which older workers can effectively take advantage of them. Many older workers lack information on exactly what skills would be most beneficial to acquire and the best and most affordable means of acquiring them.[78]

---

[76]Jennifer Benz et al., "Working Longer: Older Americans' Attitudes on Work and Retirement," Associated Press-NORC Center for Public Affairs Research, 2013, at http://www.apnorc.org/PDFs/Working%20Longer/AP-NORC%20Center_Working%20Longer%20Report-FINAL.pdf.

[77]For discussion of the options available to older workers, see Carl Van Horn, Kathy Krepcio, and Maria Heidkamp, "Improving Education and Training for Older Workers," AARP Public Policy Institute, 2015, at https://www.aarp.org/content/dam/aarp/ppi/2015/improving-education-training-older-workers-AARP-ppi.pdf.

[78]See discussion in Carl Van Horn, Kathy Krepcio, and Maria Heidkamp, "Improving Education and Training for Older Workers," AARP Public Policy Institute, 2015, at https://www.aarp.org/content/dam/aarp/ppi/2015/improving-education-training-older-workers-AARP-ppi.pdf.

Additionally, many workers may not be able to afford particular programs or may not feel they can take the time to acquire certifications or degrees that can sometimes take two to four years to complete.[79] Further, certain programs – apprenticeships, for one – and forms of government financial assistance have traditionally not been geared towards older workers.[80]

Working While Managing Health and Disability

As Americans age, the likelihood that they have a work-limiting health condition increases. While only 6.3 percent of adults ages 18 to 44 describe their overall health as just "fair" or "poor," this rises to 18.7 percent among 55 to 64 year olds and 21.8 percent for individuals age 65 and above.[81] Older individuals are also significantly more likely to have one or more chronic conditions such as hypertension, arthritis, and diabetes. Approximately 40 percent of individuals ages 55 to 64 and 62 percent of individuals ages 65 and above have two or more chronic conditions, compared to seven percent of individuals ages 18 to 44.[82]

Relatedly, the likelihood of having a disability, defined as an impairment that substantially limits one or more major life activities, also increases with age.[83] Disabilities can be the result of a variety of factors, including injuries, illnesses, or chronic physical or mental health conditions. While approximately six percent of individuals ages 18 to 34 have a disability, this percentage increases to 13 percent of individuals ages 35 to 64, 25 percent of individuals ages 65 to 74, and 50 percent of individuals ages 75 and above.[84] In individuals ages 65 and above, having difficulty walking or climbing stairs is the most common type of disability, self-reported by 67 percent of individuals with a disability. Other common disabilities that may impact work include difficulties with hearing (40 percent), cognition (29 percent), and vision (19 percent).[85]
Health and disability status affect individuals' work and retirement decisions, which in turn can have significant implications for individuals' economic security.[86] Research shows that as individuals' health worsens, it can become more difficult to remain at work or return to the labor force after an absence.[87] A 2017 survey conducted by the Employee Benefits Research Institute found that 41 percent of workers who left the workforce earlier than planned cited health problems or disability as the reason.[88] In 2016, only 12.1 percent of persons age 55 and over with

---

[79]ibid.

[80]ibid.

[81]U.S. Department of Health and Human Services, "Health, United States, 2016," 2017, at https://www.cdc.gov/nchs/data/hus/hus16.pdf#045.

[82]ibid.

[83]Maria Heidkamp and Jennifer Christian, "The Aging Workforce: The Role of Medical Professionals in Helping Older Workers and Workers with Disabilities to Stay at Work or Return to Work and Remain Employed," National Technical Assistance and Research Leadership Center, 2013 at https://www.dol.gov/odep/pdf/NTAR-AgingMedicalProfessionals.pdf.

[84]U.S. Census Bureau."American Community Survey 2015" 2015, at https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_1YR_S1810&prodType=table. See also Harriet Komisar, Donald Redfoot, and Carlos Figueiredo, "Disability and Employment," AARP Public Policy Institute, 2014, at http://www.aarp.org/content/dam/aarp/ppi/2014-10/disability-and-employment-fact-sheet-aarp.pdf.

[85]Percentages are rounded. Wan He and Luke Larsen, "Older Americans With a Disability: 2008-2012," National Institute on Aging and US Census Bureau, 2014, at https://www.census.gov/content/dam/Census/library/publications/2014/acs/acs-29.pdf.

[86]Alicia H. Munnell, Geoffrey T. Sanzenbacher, and Matthew S. Rutledge, *What Causes Workers to Retire Before They Plan?*, Center for Retirement Research at Boston College, CRR WP 2015-22, Chestnut Hill, MA, September 2015.

[87]See, for example, Warner et al (2010) and John C. Henretta, "Uniformity and Diversity: Life Course Institutionalization and Late-Life Work Exit," *The Sociological Quarterly*, vol. 33, no. 2 (1992), pp. 265-279.

[88]Lisa Greenwald, Craig Copeland, and Jack VanDerhei, "The 2017 Retirement Confident Survey: Many Workers Lack Retirement Confidence and Feel Stressed About Retirement Preparations," Employee Benefit Research Institute, 2017, at https://www.ebri.org/pdf/briefspdf/EBRI_IB_431_RCS.21Mar17.pdf.

a disability were employed compared to 46.5 percent of persons without a disability.[89] As illustrated in Figure 1.4, 13 percent of adults ages 55 and above who are not in the workforce cite disability as the reason, making disability the most common cause of not working among adults ages 55 and above.[90]

Robert

Robert is 60 years old and went to Pennsylvania's Office of Vocational Rehabilitation (OVR) for assistance with retaining his employment as a fork lift operator. After 42 years of employment, his hearing ability had declined, causing safety concerns. OVR provided vocational counseling and guidance to Robert and sent him for diagnostic testing which determined he needed hearing aids. OVR was then able to assist Robert in purchasing hearing aids. OVR services made it possible for Robert to perform his job duties safely and effectively, enabling him to keep his job.

Having a disability can also impact how much older workers earn. In 2012, among workers age 50 to 64 who worked full-time for a full year, those with a disability earned $40,000 compared to those without a disability who earned $50,000.[91] Over time, such a difference can add up and place workers with disabilities at a significant financial disadvantage. Similarly, in 2012, 17 percent of full-time workers with a disability between the ages of 50 and 64 had an income below 200 percent of the federal poverty line, compared to ten percent of workers without a disability.[92]

Workplace barriers can prevent individuals with certain health conditions and disabilities from having an equal opportunity to participate in the labor force. While many aging workers with a health condition or disability already occupy and can perform jobs without accommodation, others are unable to apply for, accept, or maintain jobs due to a health condition or disability barriers that may not always be obvious to managers and coworkers. Examples of these barriers include physical barriers, such as inaccessible work locations and equipment, as well as workplace procedures or practices, such as rules pertaining to when work can be performed or when breaks can be taken.[93]

---

[89]Authors' calculations using CPS data from US Bureau of Labor Statistics, "Employment status of the civilian noninstitutional population by disability status and selected characteristics", 2016, at https://www.bls.gov/news.release/disabl.t01.htm.

[90]See analysis in Chapter 1.

[91]Christina Smith FitzPatrick, "Fact Sheet: Labor Market Discrimination Against Older People with Disabilities," AARP Public Policy Institute, 2014, at http://www.aarp.org/content/dam/aarp/ppi/2015/labor-market-discrimination-against-older-people-disabilities-AARP-ppi-econ-sec.pdf; Harriet Komisar, Donald Redfoot, and Carlos Figueiredo, "Disability and Employment," AARP Public Policy Institute, 2014, at https://www.aarp.org/content/dam/aarp/ppi/2014-10/disability-and-employment-fact-sheet-aarp.pdf.

[92]Harriet Komisar, Donald Redfoot, and Carlos Figueiredo, "Disability and Employment," AARP Public Policy Institute, 2014, at http://www.aarp.org/content/dam/aarp/ppi/2014-10/disability-and-employment-fact-sheet-aarp.pdf.

[93]EEOC, "Enforcement Guidance: Reasonable Accommodation and Undue Hardship Under the Americans With Disabilities Act," 2002, at https://www.eeoc.gov/policy/docs/accommodation.html#general.

To prevent such barriers from limiting the employment prospects of individuals with disabilities and to ensure that all persons with disabilities are able to fully participate in society and the labor market, Congress passed the Americans with Disabilities Act (ADA) in 1990 and significantly strengthened the law in 2008. The ADA requires that employers provide reasonable accommodations to employees and job applicants with disabilities, unless doing so would cause undue hardship. The three major categories of reasonable accommodations outlined in the law are:

(i) "modifications or adjustments to a job application that enable a qualified applicant with a disability to be considered for the position such qualified applicant desires; or

(ii) modifications or adjustments to the work environment, or to the manner or circumstances under which the position held or desired is customarily performed, that enable a qualified individual with a disability to perform the essential functions of that position; or

(iii) modifications or adjustments that enable a covered entity's employee with a disability to enjoy equal benefits and privileges of employment as are enjoyed by its other similarly situated employees without disabilities."[94]

While the ADA has had a positive impact on the ability of individuals with disabilities to participate in the workplace, a number of these barriers still exist. Workers and job seekers with disabilities whose employers refuse to make legally required accommodations or who are discriminated against in other ways on the basis of their disability can file claims with the EEOC just as workers facing discrimination on the basis of age can. Approximately 28,000 such ADA claims were filed in 2016,[95] and they were disproportionally from individuals age 50 and above.[96] The most common claim type involves discrimination as a result of orthopedic disabilities, followed by heart and cardiovascular issues, diabetes, depression, and cancer.[97]

Caring For Loved Ones While Working

Workers of all ages find it challenging to balance work with caring for loved ones, and this balance is a particularly salient challenge for older workers. As the country ages and caregiving needs increase, growing numbers of older workers will be challenged to care for their aging parents, spouses, and other loved ones while also continuing to work and earn enough money to cover their personal costs and remain financially secure.

An estimated 43.5 million Americans, or nearly one in every five American adults, serve as unpaid family caregivers.[98] As of 2013, family caregivers provided an estimated $470 billion in uncompensated long-term care.[99] These caregivers are most likely to be caring for a parent or

---

[94]EEOC, "Enforcement Guidance: Reasonable Accommodation and Undue Hardship Under the Americans With Disabilities Act," 2002, at https://www.eeoc.gov/policy/docs/accommodation.html#general.

[95]U.S. Equal Employment Opportunity Commission, Age Discrimination in Employment Act (Charges filed with EEOC), FY 1997- FY 2016, at https://www.eeoc.gov/eeoc/statistics/enforcement/adea.cfm.

[96]Christina Smith FitzPatrick, "Fact Sheet: Labor Market Discrimination Against Older People with Disabilities," AARP Public Policy Institute, 2014, at http://www.aarp.org/content/dam/aarp/ppi/2015/labor-market-discrimination-against-older-people-disabilities-AARP-ppi-econ-sec.pdf.

[97]Christina Smith FitzPatrick, "Fact Sheet: Labor Market Discrimination Against Older People with Disabilities," AARP Public Policy Institute, 2014, at http://www.aarp.org/content/dam/aarp/ppi/2015/labor-market-discrimination-against-older-people-disabilities-AARP-ppi-econ-sec.pdf.

[98]AARP Public Policy Institute, "2015 Report: Caregiving in the U.S.,"2015, at http://www.aarp.org/content/dam/aarp/ppi/2015/valuing-the-invaluable-2015-update-new.pdf.

[99]ibid.

parent-in-law, but among the oldest caregivers, those age 75 and above, caring for a spouse is more common than caring for a parent or parent-in-law.[100] The majority (53 percent) of these caregivers are age 50 and above, with 34 percent of all caregivers falling between the ages of 50 and 64.[101] Many of these caregivers continue to work while providing care to a loved one, with 21 percent of caregivers age 65 and above reporting that they are employed.[102] Working full-time is more common among the younger of these two groups, with 60 percent of working caregivers ages 50 to 64 working full time compared to 33 percent of working caregivers age 65 and above.[103]

As the population continues to age, the demand for informal caregiving will increase and aging workers increasingly will be faced with balancing work and caregiving roles. According to one estimate, roughly 40 percent of adults over the age of 50 have parents or parents-in-law that may require care, and approximately 20 percent have parents already in poor health.[104] A 2012 survey also found that 59 percent of adults in their 50s and 38 percent of adults ages 60 and above said it seemed very or somewhat likely that they will have to care for an older family member in the future.[105]

While the aging of America's population will result in more workers caring for elderly family members, the Senate Special Committee on Aging held a hearing in March highlighting that a new trend is also emerging: the need to care for children left behind by the opioid epidemic.[106] Approximately 2.6 million children nationwide are being raised by grandparents or other extended family or friends because their parents are unable to care for them, and the number of children in this situation is increasing.[107] The opioid epidemic has caused upheaval in families across the nation and has resulted in a number of older Americans taking responsibility for their grandchildren.[108] Grandparents have reported returning to work after retirement, or staying in the workforce longer to pay for the unanticipated costs of raising grandchildren. Some of these grandparents also serve double caregiver roles, caring for both their grandchildren and, in many cases, for another older individual, such as an aging spouse.

Caregiving is rewarding; however, it can also place significant emotional, physical, and financial stress on caregivers. Researchers show that caregiving is associated with increased depression,

---

[100]ibid.

[101]ibid.

[102]ibid.

[103]ibid.

[104]Note that the 2012 survey also found that 59 percent of adults in their 50s and 38 percent of adults ages 60 and above said it seemed very or somewhat likely that they will have to care for an older family member in the future. See Kim Parker and Eileen Patten, "The Sandwich Generation: Rising Financial Burdens for Middle-Aged Americans," Pew Research Center, 2013, at http://www.pewsocialtrends.org/2013/01/30/the-sandwich-generation/.

[105]Kim Parker and Eileen Patten, "The Sandwich Generation: Rising Financial Burdens for Middle-Aged Americans," Pew Research Center, 2013, at http://www.pewsocialtrends.org/2013/01/30/the-sandwich-generation/.

[106] U.S. Congress, Senate Special Committee on Aging, *Grandparents to the Rescue: Raising Grandchildren in the Opioid Crisis and Beyond*, 115th Cong., 1st sess., March 21, 2017 (Washington, DC: GPO, 2017).

[107]Estimate is derived from CPS data from years 2014-2016 and can be found at Kids Count Data Center, "Children in kinship care," 2016, at http://datacenter.kidscount.org/data/tables/7172-children-in-kinship- care?loc=1&loct=1#detailed/1/any/false/1564/any/14207,14208.

[108] Generations United, "State of Grandfamilies in America: 2016. Raising the Children of the Opioid Epidemic: Solutions and Support for Grandfamilies" 2016, at https://dl2.pushbulletusercontent.com/qdCNUO2JMMZKzKRjyIlwbgjMtf39xkKa/16-Report-SOGF-Final.pdf.

anxiety, sleep problems, pain, weakness, low energy, and exhaustion.[109] Caregivers also often face substantial out-of-pocket costs related to caregiving, with one recent study estimating that family caregivers spend an average of nearly $7,000 on such costs per year.[110] Working while providing care to a loved one can exacerbate these challenges. According to one 2015 survey, approximately half of working caregivers who are caring for an adult report having to go in late, leave early, or take time off as a result of caregiving. In addition to disruptions in the work schedule, 15 percent of family caregivers report taking a leave of absence and 14 percent report reducing work hours or taking a less demanding job.[111] Cutting back on work or giving it up because of caregiving can lead to reduced income and reduced access to employer benefits such as health care coverage, as well as long-term reductions in Social Security and pension benefits.[112]

Preparing for the Transition into Retirement

A primary challenge faced by workers preparing to leave the workforce is ensuring that they have adequately prepared themselves financially for retirement. Many workers spend their entire careers saving for retirement, which can be complicated due to factors including low wages, household expenses, health emergencies, and economic factors. How prepared an older worker is for retirement and what financial challenges they may face in retirement can significantly impact their decisions about whether and for how long to stay in the labor force.

In a 2016 Transamerica survey, when respondents were asked what their greatest financial priority was right now, the most commonly cited answer for both Baby Boomer responders (39 percent) and Gen X responders (31 percent) was "saving for retirement."[113] When looking at older workers' confidence in their financial situation heading toward retirement, while majorities consistently say they do feel prepared, the share of workers who express a lack of confidence is substantial. For example, a January 2017 *USA Today* poll found that among workers ages 45 to 65, 59 percent say they were very or somewhat prepared for retirement. However, 41 percent indicated that they were not confident they were prepared.[114] Similarly, a 2016 poll from the Employee Benefits Research Institute found that while 65 percent of workers ages 50 and above felt they were either "somewhat" or "very confident" that they would have enough money to live

---

[109]See Brenda Spillman et al., "Informal Caregiving for Older Americans: An Analysis of the 2011 National Study of Caregiving," 2014, at https://aspe.hhs.gov/report/informal-caregiving-older-americans-analysis-2011-national-study-caregiving; discussion in Department of Labor, "Navigating the Demands of Work and Eldercare," 2017, at https://www.dol.gov/sites/default/files/NavigatingTheDemandsOfWorkAndEldercare.pdf.

[110]Chuck Rainville, Laura Skufca, and Laura Mehegan, "Family Caregiving and Out-of-Pocket Costs: 2016 Report," AARP, 2016, at http://www.aarp.org/content/dam/aarp/research/surveys_statistics/ltc/2016/family-caregiving-cost-survey-res-ltc.pdf.

[111]AARP Public Policy Institute, "2015 Report: Caregiving in the U.S.," 2015, at http://www.aarp.org/content/dam/aarp/ppi/2015/caregiving-in-the-united-states-2015-report-revised.pdf.

[112]See discussion in Department of Labor, "Navigating the Demands of Work and Eldercare," 2017, at https://www.dol.gov/sites/default/files/NavigatingTheDemandsOfWorkAndEldercare.pdf. For one example of potential financial impact of caregiving for older workers, see MetLife Mature Market Institute, "The MetLife Study of Caregiving Costs to Working Caregivers: Double Jeopardy for Baby Boomers Caring for Their Parents," 2011, at http://www.caregiving.org/wp-content/uploads/2011/06/mmi-caregiving-costs-working-caregivers.pdf.

[113]In this survey, 'Baby Boomers' refers to individuals born between 1946 and 1964, 'Gen X' refers to individuals born between 1965 and 1978, and 'Millennials' refers to individuals born between 1979 and 2000. See Catherine Collinson, "Perspectives on Retirement: Baby Boomers, Generation X, and Millennials," Transamerica Center for Retirement Studies 2016, at https://www.transamericacenter.org/docs/default-source/retirement-survey-of-workers/tcrs2016_sr_perspectives_on_retirement_baby_boomers_genx_millennials.pdf.

[114]Paul Davidson, "Older Workers Feel on Track for Retirement. Are They?" *USA Today*, January 31, 2017, at https://www.usatoday.com/story/money/2017/01/31/older-workers-feel-track-retirement-they/97162652/.

comfortably throughout retirement, 35 percent said they were "not too" or "not at all confident."[115]

Many older workers are particularly concerned about whether they will have enough money to last through retirement and be able to afford health care expenses. While all Americans age 65 and over qualify for Medicare coverage, workers also are aware of the substantial out-of-pocket medical costs that they can incur, as their period of retirement can last up to 30 years or more. According to one recent survey, 63 percent of people age 50 and above listed their greatest retirement worry as not being able to afford health care and long-term care costs, making it the top retirement-specific concern identified.[116]

The realities of workers' financial situations chiefly shape concerns about being financially prepared for retirement. While some older workers have been able to accumulate enough in earning to save sufficiently for retirement, many have not been able to do so. According to a 2015 Government Accountability Office (GAO) report analyzing 2013 data, 29 percent of households age 55 and over have neither retirement savings in an account like a 401(k) or individual retirement account (IRA) nor a defined-benefit pension.[117] Among those with savings, the median value saved was $104,000 for households ages 55 to 64 and $148,000 for households ages 65 to 74.[118] Having savings or pensions is positively associated with income, education, health, and employment status.[119] Studies generally estimate that between one-third to two-thirds of workers of all ages are at risk of not having enough money to maintain their standard of living in retirement.[120]

Many individuals also report a lack of confidence in their own ability to manage their assets and successfully navigate their transition into retirement. According to one 2016 survey, only 57 percent of workers age 50 and above report that they have tried to calculate how much they would need to save for a comfortable retirement, and only 35 percent have attempted to estimate how much money they would need to cover health expenses in retirement.[121] According to 2017 data, among all workers age 25 and above, 52 percent say they are very or somewhat confident

---

[115]Note that data from the Employee Benefits Research Institute survey was analyzed by AARP. See Alicia Williams and Eowna Young Harrison, "2016 Retirement Confidence Survey," AARP, 2016, at http://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2017/2016-rc-report-res-econ.pdf.

[116]Nanci Hellmich, "Top Retirement Financial Concern: Health Care Bills," *USA Today*, September 12, 2014, at https://www.usatoday.com/story/money/personalfinance/2014/09/12/health-care-costs-retirement/15348233/.

[117]Government Accountability Office, "Retirement Security: Most Households Approaching Retirement Have Low Savings," 2015, at http://www.gao.gov/assets/680/670153.pdf.

[118]ibid. See also Board of Governors of the Federal Reserve System, "Report on the Economic Well-Being of U.S. Households in 2016," 2017, at https://www.federalreserve.gov/publications/files/2016-report-economic-well-being-us-households-201705.pdf.

[119]Government Accountability Office, "Retirement Security: Most Households Approaching Retirement Have Low Savings," 2015,at http://www.gao.gov/assets/680/670153.pdf; Board of Governors of the Federal Reserve System, "Report on the Economic Well-Being of U.S. Households in 2016," 2017, at https://www.federalreserve.gov/publications/files/2016-report-economic-well-being-us-households-201705.pdf.

[120]Note that the methodologies and assumptions utilized by these studies can vary significantly, which in turn can produce significantly different estimates. For more details of these estimates, see Government Accountability Office, "Retirement Security: Most Households Approaching Retirement Have Low Savings," 2015, at http://www.gao.gov/assets/680/670153.pdf.

[121]Alicia Williams and Eowna Young Harrison, "2016 Retirement Confidence Survey," AARP, 2016, at http://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2017/2016-rc-report-res-econ.pdf.

they know how to protect accumulated retirement savings.[122] Among workers with at least some assets in a self-directed retirement plan (like a 401(k) plan or IRA), 53 percent report they are either not comfortable or only slightly comfortable making investment decisions in these accounts.[123] Despite Social Security being one of the most critical sources of retirement income for many retirees, more than a third of workers age 50 and above report that they have not attempted to estimate the amount they will receive in Social Security at their planned retirement age.[124]

Contributing to this uncertainty is the fact that many Americans have a difficult time navigating the financial system and have low levels of financial literacy. Studies conducted by the Social Security Administration have found that households or individuals who are less financially literate are less likely to have a checking account, maintain an emergency fund, invest in stocks, or have a retirement plan.[125] However, just as low levels of financial literacy appear to lead to poorer financial outcomes, there is also evidence that assistance with financial planning can lead households to better financial outcomes and more wealth accumulation.[126] For example, retirement counseling programs have been shown to increase household savings, although many Americans lack access to such programs.[127]

The concerns and uncertainty many workers face can influence their decision-making and how and when they choose to move out of the workforce. Americans who feel unprepared for retirement or who are concerned about their ability to cover expenses, such as out-of-pocket health expenditures, may continue working later in life than they would have otherwise, or remain employed by an employer offering particular benefits instead of changing jobs. A 2014 survey found that of workers who intended to delay retirement beyond their target retirement age, the second most oft-reported reason for doing so was "inadequate finances or can't afford to retire" (18 percent of respondents), which trailed only "the poor economy" (25 percent of respondents).[128] Another 12 percent cited "needing to pay for health care costs" and 8 percent cited "wanting to make sure they have enough money to retire comfortably." Multiple studies,

---

[122]Note that this information is from is the 2017 iteration of the Retirement Confidence Survey. The 2016 iteration was previously cited, but not all questions were identical in the two versions of the survey, which is why both are being used and not only the most recent iteration. Lisa Greenwald, Craig Copeland, and Jack VanDerhei, "The 2017 Retirement Confidence Survey: Many Workers Lack Retirement Confidence and Feel Stressed About Retirement Preparations," Employee Benefit Research Institute, 2017, at https://www.ebri.org/pdf/surveys/rcs/2017/IB.431.Mar17.RCS17..21Mar17.pdf.

[123]Lisa Greenwald, Craig Copeland, and Jack VanDerhei, "The 2017 Retirement Confident Survey: Many Workers Lack Retirement Confidence and Feel Stressed About Retirement Preparations," Employee Benefit Research Institute, 2017, at https://www.ebri.org/pdf/briefspdf/EBRI_IB_431_RCS.21Mar17.pdf; Board of Governors of the Federal Reserve System, "Report on the Economic Well-Being of U.S. Households in 2016," 2017, at https://www.federalreserve.gov/publications/files/2016-report-economic-well-being-us-households-201705.pdf.

[124]Alicia Williams and Eowna Young Harrison, "2016 Retirement Confidence Survey," AARP, 2016, at http://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2017/2016-rc-report-res-econ.pdf.

[125]William Gale, Benjamin Harris, and Ruth Levine, "Raising Household Saving: Does Financial Education Work" Social Security Administration, 2012, at https://www.ssa.gov/policy/docs/ssb/v72n2/v72n2p39.html.

[126]Justine Hastings, Brigitte Madrian and William Skimmyhorn, "Financial Literacy, Financial Education and Economic Outcomes", National Institutes of Health, April 2013, available at http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3753821/.

[127]William Gale, Benjamin Harris, and Ruth Levine, "Raising Household Saving: Does Financial Education Work" Social Security Administration, 2012, at https://www.ssa.gov/policy/docs/ssb/v72n2/v72n2p39.html.

[128]Employee Benefit Research Institute, "2016 RCS Fact Sheet #2: Expectations About Retirement," 2016, available at https://www.ebri.org/files/RCS_16.FS-2_Expects1.pdf.

however, have found that while many workers may intend to continue working well into old age or while retired for a variety of reasons, much smaller shares end up actually doing so.[129]
The aging of America's workforce presents great opportunities for workers, and also brings to the forefront a number of issues faced by older workers that ought to be appropriately addressed if all older workers are to be able to meet their personal goals and achieve financial security. As employers, workers, and policymakers across the country find new and innovative ways to address these challenges and meet the unique needs of older workers, individuals, families, employers, and the national economy as a whole will benefit.

[129]Lisa Greenwald, Craig Copeland, and Jack VanDerhei, "The 2017 Retirement Confident Survey: Many Workers Lack Retirement Confidence and Feel Stressed About Retirement Preparations," Employee Benefit Research Institute, 2017, at https://www.ebri.org/pdf/briefspdf/EBRI_IB_431_RCS.21Mar17.pdf; Government Accountability Office, "Retirement Security: Most Households Approaching Retirement Have Low Savings," 2015, at http://www.gao.gov/assets/680/670153.pdf.

Chapter 3: Employer Responses to the Aging Workforce

The aging American workforce presents a novel development to employers. While employers are aware of this phenomenon, and a significant share consider their workplaces age-friendly, most have not yet modified internal policies or adopted practices in response to the changing demographics of their employees.

In 2017, in responses to the U.S. Senate Special Committee on Aging's request for comments, stakeholders noted that there is a large and growing gap between what aging workers aspire to do and what they actually do.[130] This discrepancy between the inclinations of America's aging workers and the lack of adaptions among employers and other organizations is partially the result of "structural lag." A classic example of structural lag occurred when the Baby Boom generation entered the nation's elementary school system and necessitated a change in structures and processes to meet the demands of a larger and more diverse student body (e.g., need to hire more teachers, build more classrooms, etc.).[131] As Baby Boomers and successive generations continue to work into older age, we again face a structural lag as employers and other organizations are presented with new demands and opportunities to alter structures and processes that support aging employees.

This chapter describes how employers are already responding to the aging of the workforce and highlights what types of employer programs and policies can be particularly beneficial to older workers. Among the key takeaways from this analysis are:

> The aging workforce presents opportunities to employers, and the business case for accommodating the aging workforce is well-established.
>
> Several employers have developed viable responses and best practices which are diverse in their structure and implementation.
>
> Organizations that are responding to the aging workforce have human resource professionals who are knowledgeable about the aging of the workforce and trained in aging-related matters.

The Opportunities Presented by an Aging Workforce

The continued aging of the American workforce presents employers with a number of opportunities. As highlighted in Chapter 1, the size of the older workforce is expected to grow substantially in the next several years while the size of the younger workforce will remain comparatively dormant. Employers will be increasingly drawing on older workers to address

---

[130] J. Rogers, Vice President of Government Affairs, AARP. Letter Submitted in Response to the Senate Special Committee on Aging July 31, 2017.

[131] For an explanation of the structural lag concept, see Janet Wilmoth, "Aging Policy and Structural Lag," in *The New Politics of Old Age Policy*, 2nd ed. Robert B. Hudson, (Baltimore, MD: Johns Hopkins Press, 2010), pp. 42-63.

their workforce needs and can benefit from older workers' experience, productivity, and engagement.

There are a number of benefits to hiring and retaining older workers.[132] In a national survey of large and small firms across several industries, seven out of every ten human resource professionals identified older workers' experience, maturity, and work ethic as the main advantages of employing persons age 55 and above.[133] Another advantage cited by over six in ten human resource professionals is older workers' ability to serve as mentors to younger workers.[134] Mentoring and sharing of knowledge and skills between employees can help organizations meet current demands and better prepare for the future by reducing the amount of institutional knowledge that is lost when older workers retire.

Another valuable characteristic of older workers is the high levels of workplace engagement they display. Engagement can be described in different ways, but generally refers to employees' personal involvement and connection with their job. Older workers consistently show high levels of engagement at work, which have been associated with improved employer outcomes such as lower turnover and increased productivity.[135]

The Business Case

When the opportunities and challenges are contrasted, a strong business case for employing aging workers remains, and recruiting and retaining older workers can be critical to employers' success. One such case model is based on five key points: (1) the aging workforce is growing at a time when 40 percent of employers report having difficulty filling jobs, and recruiting and retaining older workers may address these workforce shortfalls; (2) the increased levels of engagement among older worker corresponds with increased revenue for the firm; (3) resource commitments to aging workers and other workers can be largely indistinguishable (4) aging workers stay longer in their positions and expect to remain in the workforce longer, and (5) employers increasingly have found that strategies developed to recruit and retain older workers

---

[132] For discussion of "soft" organizational benefits of hiring and retaining older workers, see (AARP, *Business Executives' Attitudes Toward the Aging Workforce: Aware But Not Prepared, October 2006*, at https://assets.aarp.org/rgcenter/econ/aging_workforce.pdf; Cheryl Paullin, "The Aging Workforce: Leveraging the Talents of Mature Employees," SHRM Foundation, *Effective Practice Guidelines Series*, 2014, at https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/Aging-Workforce-Talents-Mature-Employees.pdf.

[133] Society for Human Resource Management, "*SHRM Survey Findings: The Aging Workforce – Basic and Applied Skill*," 2015, at https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2014-Older-Workers-Survey-Overall-Results-Part3-Basic-and-Applied-Skills.pdf.

[134] ibid.

[135] For examples of measurements of employee engagement and discussion of its connection to employer outcomes, see, for example: Roselyn Feinsod and Erika Illiano, *A Business Case for Workers Age 50+: A look at the Value of Experience*, a report prepared for AARP by Aon Hewitt, (2015), at http://www.aarp.org/content/dam/aarp/research/surveys_statistics/general/2015/A-Business-Case-Report-for-Workers%20Age%2050Plus-res-gen.pdf; Marcie Pitt-Catsouphes and Chrstine Matz-Costa, *Engaging the 21st Century Multi-Generational Workforce*, Sloan Center on Aging & Work, (2009), at https://www.bc.edu/content/dam/files/research_sites/agingandwork/pdf/publications/IB20_Engagement.pdf; Jim Harter and Sangeeta Agrawal, *Older Baby Boomers More Engaged at Work Than Younger Boomers,* Gallup, (2015), at http://www.gallup.com/poll/181298/older-baby-boomers-engaged-work-younger-boomers.aspx; Susan Sorenson, *How Employee Engagement Drives Growth,* Gallup, (2013), at http://www.gallup.com/businessjournal/163130/employee-engagement-drives-growth.aspx; Francine Tishman, Sara Van Looy, and Susanne Bruyère, *Employer Strategies for Responding to an Aging Workforce*, National Technical Assistance and Research Leadership Center, (2012), at https://www.dol.gov/odep/pdf/NTAR_Employer_Strategies_Report.pdf.

spillover and can be applied to their entire workforce.[136] The bottom line is that the benefits of recruiting and retaining aging workers can be significant.

Employer Policies and Programs for Older Workers

Employers can and are developing a range of policies and programs to support the increasing number of older workers they employ. These policies and programs can facilitate opportunities as well as address the challenges facing older workers described in Chapter 2, including helping workers receive training and acquire new skills, continue to work while managing physical limitations, work while meeting caregiving responsibilities, and prepare financially for retirement.[137] Such efforts range from health initiatives aligned with employee health insurance benefits, wellness programs, and employee assistance programs to the active promotion of increased retirement savings and provision of financial education. Employers can also help facilitate successful transitions from work into a second career or into retirement via educational programs, training programs, and other workplace supports to retain and attract older workers, and arrangements to enable older employees who wish to move from full-time positions to more flexible, part-time positions to do so.[138] An in-depth discussion of the ways in which employers are responding to the needs of their older workers is presented below.

Training and Skill Development

Employers can play a critical role in helping their older employees improve their knowledge base and acquire new skills so as to stay up-to-date with the requirements of the modern labor force. Employer programs can range from on-the-job training programs for current employees, to supporting employees receiving education or training outside of work. Still, a recent survey of 1,731employers revealed that only 42% have increased their training and cross-training efforts in response to the aging workforce.[139]

Alternatively, employers more often rely on and sometimes partner with government, labor unions, non-profits, or other organizations to improve the skills of their current and prospective employees. Such programs are not only beneficial to older workers themselves, but can also

---

[136] Roselyn Feinsod and Erika Illiano, *A Business Case for Workers Age 50+: A look at the Value of Experience*, a report prepared for AARP by Aon Hewitt, (2015), at http://www.aarp.org/content/dam/aarp/research/surveys_statistics/general/2015/A-Business-Case-Report-for-Workers%20Age%2050Plus-res-gen.pdf.

[137] Lauren Eyster, Richard W. Johnson, and Eric Toder. *Current Strategies to Employ and Retain Older Workers*, The Urban Institute, January 2008, at https://www.urban.org/sites/default/files/publication/31531/411626-Current-Strategies-to-Employ-and-Retain-Older-Workers.PDF.

[138] For an example on how institutions of higher education are educating employees about successful work transitions, see Conrad S. Ciccotello, E. Jill Pollock, and Paul J. Yakoboski, "Understanding the Reluctant Retiree on Campus: Helping Individuals Make the Right Retirement Decision," TIAA-CREF Institute, *Trends and Issues*, July 2011, at https://www.tiaainstitute.org/sites/default/files/presentations/2017-02/ti_reluctantretirees_0711a.pdf; TIAA-CREF Institute, *Creating a Path Forward for Reluctant Retirees*, 2014, https://www.tiaa.org/public/pdf/C21232_Creating-a-path-forward-for-reluctant-retirees.pdf. For information on how employers can facilitate employees' transition to flexible work arrangements, Cheryl Paullin, "The Aging Workforce: Leveraging the Talents of Mature Employees," SHRM Foundation, *Effective Practice Guidelines Series*, 2014, at https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/Aging-Workforce-Talents-Mature-Employees.pdf.

[139] Society for Human Resource Management, "*SHRM Survey Findings: The Aging Workforce – Basic and Applied Skill*," 2015, at https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2014-Older-Workers-Survey-Overall-Results-Part3-Basic-and-Applied-Skills.pdf.

benefit employers that use such programs to improve the productivity of the workforce and retain employees who value such training opportunities.

Outside of the workplace, there are several opportunities for aging workers to enroll in education and training programs, and acquire new skills. Such programs have become commonplace at local senior centers, community colleges, private employer associations and labor unions, and nonprofit community-based organizations.[140]

For example, the American Association of Community Colleges 50+ initiative, in which community colleges have developed education and training programs to increase skills among older adults, grew from 13 participating colleges in the 2008-09 school year to 88 in the 2013-14 school year. In addition, the United States Department of Labor created the Aging Worker Initiative and provided grants to ten organizations that proposed to develop education and training programs as well as job referral services for aging workers. A formal evaluation of these programs indicated that nearly half of the program participants secured paid employment upon completion.[141] Researchers have suggested that one challenge to the success of such training and education efforts is the lack of jobs in the geographic areas in which aging persons live. Another challenge is the lack of interest among aging workers in taking positions that pay a lower wage or require traveling or relocation.[142] One way to address these challenges would have education and training efforts tied directly to an employer that would be likely to retain the participant through an apprenticeship or internship.[143]

Employers and Third Parties Offering Education and Training

Pitney Bowes, a global technology company with 14,000 employees, headquartered in Connecticut, offers an educational subsidy, the Retirement Education Assistance Program. This subsidy totals $3,000, and increases the skills of older individuals in handling newer technologies.
Proctor & Gamble and Siemens, large national and multi-national corporations, offer reverse mentoring programs where younger employees teach managers and executives, who tend to be mid-career or older workers, about new technologies.
Central Florida Community College (CFCC) offers "Program for 55 and Better," which includes job search assistance, training, and work experience. Older workers are able to participate in activities to maintain their current employment, embark on second or third careers, find temporary or part-time work, or become an entrepreneur. CFCC also partners with area employers to encourage the hiring of older workers.

[140] For discussion of the options available to older workers, see Carl Van Horn, Kathy Krepcio, and Mario Heidkamp, "Improving Education and Training for Older Workers," AARP Public Policy Institute, *Future of Work@50+*, March 2015, at http://www.aarp.org/content/dam/aarp/ppi/2015/improving-education-training-older-workers-AARP-ppi.pdf.

[141] Deborah Kogan et al., *Evaluation of the Aging Worker Initiative*, Social Policy Research Associates, March 2013, at https://wdr.doleta.gov/research/FullText_Documents/ETAOP_2013_19_final_Report.pdf.

[142] Gary Koenig, Lori Trawinski, and Sara Rix, "The Long Road Back: Struggling to Find Work after Unemployment," AARP Public Policy Institute, *Future of Work@50+*, March 2015, at https://www.aarp.org/content/dam/aarp/ppi/2015-03/The-Long-Road-Back_INSIGHT.pdf.

[143] Stephen Wandner, David Bulducchi, and Christopher O'Leary, "Selected Public Workforce Development Programs in the United States: Lessons Learned for Older Workers," AARP Public Policy Institute, *Future of Work@50+*, March 2015, at https://www.aarp.org/content/dam/aarp/ppi/2015/aarp-selected-public-workforce-development-programs.pdf.

Health, Wellness, and Disability Accommodation

Promoting employee health and enabling workers with work-impacting health conditions and disabilities to succeed in the workplace can also benefit both older workers and their employers. Employer programs and policies addressing these needs can range from providing quality health insurance to employees, to putting in place programs that actively promote good health among those who wish to participate, to appropriately accommodating workers' disabilities.

A 2017 study reported that 79 percent of employers offer health insurance to their employees,[144] and access to health insurance is particularly important to older employees. As noted in Chapter 2, older workers on average have poorer health and more complex medical conditions than do younger workers, which makes access to affordable health insurance coverage particularly important to them. For employers, employer-provided health insurance has been shown to correlate with increased work output and reduced disability leaves.[145] Via their health plans, employers can also offer benefits that are particularly relevant to older workers such as access to free vaccinations and programs designed to prevent, manage, or delay the onset of age-related disease and disability.[146] Older individuals who do not have access to stable coverage through their employers may compensate in a variety of ways, including taking bridge jobs or working to later ages.

American Express, the financial services company headquartered in New York, offers the Healthy Living Program, which supports employees of all ages, including older workers. The program seeks to improve employee and dependents' health with coaching, screenings, wellness centers, activity rooms, and other offerings. The program also provides mental health support. Employees of all ages are encouraged to lend a sympathetic ear and participate in the "I Will Listen" campaign.

Accommodating the needs of workers with work-impacting health conditions and disabilities is another step that employers take to help older workers and the employer succeed. Although older workers are more likely to have one or more conditions associated with a disease or disability, these conditions do not need to prevent them from working.[147] Research shows that employers and maturing workers may benefit from strategies designed to support those workers with health needs and with disabilities.[148] Employers also have a legal obligation under the ADA to provide reasonable accommodation to workers with disabilities, and failing to do so can result in punitive action and leave employers vulnerable to lawsuits.

---

[144] Catherine Collinson, *All About Retirement: An Employer Survey*. TransAmerica Center for Retirement Studies, August 2017, at https://www.transamericacenter.org/docs/default-source/employer-research/tcrs2017_sr_employer_research.pdf.

[145] Kenneth Pelletier, "A review and analysis of the clinical and cost- effectiveness studies of comprehensive health promotion and disease management programs at the worksite: Update VI 2000– 2004," American College of Occupational and Environmental Medicine, *Journal of Occupational and Environmental Medicine*, Vol. 47, No. 10, (October 2005).

[146] Lauren Eyster, Richard W. Johnson, and Eric Toder. *Current Strategies to Employ and Retain Older Workers*, The Urban Institute, January 2008, at https://www.urban.org/sites/default/files/publication/31531/411626-Current-Strategies-to-Employ-and-Retain-Older-Workers.PDF.

[147] Francine M. Tishman, Sara Van Looy, and Susanne M. Bruyere, *Employer Strategies for Responding to an Aging Workforce*, The NTAR Leadership Center, March 2012.

[148] Judith Mitchell, Rodney Adkins, and Bryan Kemp, "The Effects of Aging on Employment of People With and Without Disabilities," *Rehabilitation Counseling Bulletin*, Vol. 49, No. 3, pp. 157-165, (2006).

Well-designed voluntary employer-sponsored wellness programs may support aging employees as well. While such programs must be carefully structured so as to ensure they do not discriminate against any employee, studies suggest that effectively targeted wellness programs can provide benefits to workers and correspond with cost savings for employers. In one large study of 373,478 employees, implementation of comprehensive workplace cardiovascular health initiatives was found to correspond with reductions in health risks and incidence of cardiovascular disease, as well as decreased medical expenditures.[149] In another study, Medicare-eligible beneficiaries who participated in a comprehensive workplace wellness program that offered more than a standard health risk assessment were shown to have lower out-of-pocket health care costs.[150] Employers, however, have been slow to develop wellness programs. A 2017 survey found that only 45 percent of employers consider such wellness programs to be important, and less than one of every four employers actually offer such programs.[151]

Helping Workers who are Family Caregivers

Employers can also develop employee assistance programs that address older workers' caregiving needs and help them balance their professional and personal responsibilities. Such programs can include providing unpaid or paid leave, offering flexible work arrangements, or providing information and referrals to formal supportive services for those employees who are engaged as informal caregivers.[152]

Many employers recognize the impact that caregiving can have on their employees and believe that caregiving-related issues will become more important to their organizations in the near future.[153] In addition to helping workers remain in the labor force and remain financially secure while serving as caregivers, caregiving supports and programs can also provide significant benefits to employers. Employees with unmet caregiving needs are more likely to alter their roles in the workplace or leave their positions altogether to care for a loved one.[154] The costs of providing caregiver support can be small relative to the expenses associated with the employee's decreased productivity or finding a replacement.[155]

---

[149] Ron Goetzel, et al., "Workplace Programs, Policies, And Environmental Supports To Prevent Cardiovascular Disease," Project Hope, *Health Affairs,* Vol. 36, No. 2, pp. 229-236, (2017), at https://healthmetrics.heart.org/wp-content/uploads/2017/10/Workplace-Programs-Policies-and-Environmental-Supports.pdf.

[150] Ronald Loeppke, et al., "Advancing Workplace Health Protection and Promotion for an Aging Workforce," American College of Occupational and Environmental Medicine, *Journal of Occupational and Environmental Medicine*, Vol. 55, No. 5, (May 2013).

[151] Catherine Collinson, *All About Retirement: An Employer Survey*. TransAmerica Center for Retirement Studies, August 2017, at https://www.transamericacenter.org/docs/default-source/employer-research/tcrs2017_sr_employer_research.pdf.

[152] M. Andersson, et al., "Strapped for Time, Stressed Out or Both? Predictors of Work Interruptions and Unmet Needs for Workplace Supports," *Journal of Aging and Health*, (2017).

[153] See for example, AARP, Solutions Center, and Northeast Business Group on Health, *Caregiving and the Workplace: Employer Benchmarking Survey*, July 2017, at https://nebgh.org/wp-content/uploads/2017/07/NEBGH-AARP_CaregivingSurvey_2017.pdf.

[154] M. Andersson, et al., "Strapped for Time, Stressed Out or Both? Predictors of Work Interruptions and Unmet Needs for Workplace Supports," *Journal of Aging and Health*, (2017).

[155] See for example, Heather Boushey, *Finding Time: The Economics of Work-Life Conflict*, Washington Center for Equitable Growth, (Cambridge, MA: Harvard University Press, 2016); See discussion in U.S. Department of Labor, *Navigating the Demands of Work and Eldercare*, at https://www.dol.gov/sites/default/files/NavigatingTheDemandsOfWorkAndEldercare.pdf.

L.L. Bean, a retail company headquartered in Maine, employs more than 5,000 individuals ranging from 16 to 91 years old. L.L. Bean believes its aging workers are a great benefit, and aspires to be known as an employer with "ageless appeal." The L.L. Bean headquarters feature an exercise room and the company offers seminars and classes geared toward aging employees and retirees. Given that nearly one out of every six employees who contacted its Employee Assistance Program were experiencing a challenging issue related to providing care to an aging parent, the company established a variety of targeted supports including a quarterly "Eldercare Seminar" and a leave-of-absence policy that extends beyond typical family leave of six to 12 weeks. In addition, the company offers full- and part-time positions with flexible scheduling options and varied statuses such as seasonal and active retiree. L.L. Bean allows for telecommuting and working from home. The company also offers other information and education focusing on more general retirement issues such as Medicare and estate planning.

For example, one study found that nearly one out of every four employees over the age of 50 was involved in an informal elder caregiving relationship, and these individuals often experienced negative outcomes that were also detrimental to their employer (e.g., phantom absences, increased use of personal health care).[156] When employers addressed the unmet needs of elder caregivers, for instance, by offering caregiving specific information and counseling and by offering flex time, negative individual outcomes and corresponding organizational costs were reduced.[157] Some employers also believe offering caregiving supports can help them attract talent. In one 2017 survey of benefits managers at mostly large U.S. employers, 75 percent of those surveyed either "agreed" or "strongly agreed" with the statement "Being a more 'caregiving-friendly' workplace would attract and retain talent."[158]

Formal supports for caregivers, however, are not commonplace and can take a variety of forms. For example, many employers offer unpaid leave that can be used for caregiving, such as federally mandated FMLA leave, or have policies allowing employees to use annual or sick leave for caregiving, but only 13 percent of private-sector workers have access to paid family leave at work.[159] According to one survey looking specifically at employers' approaches to individuals with elder caregiving responsibilities, less than one of every ten human resource

[156] Julie Robison, et al., "A Broader View of Family Caregiving: Effects of Caregiving and Caregiver Conditions on Depressive Symptoms, Health, Work, and Social Isolation," *Journal of Gerontology: Social Sciences,* Vol. 64B, No. 6, pp. 788-798, (November 2009), at http://dx.doi.org/10.1093/geronb/gbp015.

[157] M. Andersson, et al., "Strapped for Time, Stressed Out or Both? Predictors of Work Interruptions and Unmet Needs for Workplace Supports," *Journal of Aging and Health*, (2017).

[158] See for example, AARP, Solutions Center, and Northeast Business Group on Health, *Caregiving and the Workplace: Employer Benchmarking Survey*, July 2017, at https://nebgh.org/wp-content/uploads/2017/07/NEBGH-AARP_CaregivingSurvey_2017.pdf.

[159] BLS, Employee Benefits Survey, Leave Benefits: Access, at https://www.bls.gov/ncs/ebs/benefits/2017/ownership/private/table32a.htm. Paid family leave is defined in the National Compensation Survey as leave that "is granted to an employee to care for a family member and includes paid maternity and paternity leave. The leave may be available to care for a newborn child, an adopted child, a sick child, or a sick adult relative. Paid family leave is given in addition to any sick leave, vacation, personal leave, or short-term disability leave that is available to the employee." See BLS, Employee Benefits Survey, National Compensation Survey: Glossary of Employee Benefit Terms, at https://www.bls.gov/ncs/ebs/glossary20162017.htm.

professionals surveyed had written a formal policy concerning elder caregiving, and less than half offered any sort of program (e.g., caregiver referral) or support (e.g., allowing for flex time) for employed informal elder caregivers.[160] Additionally, even when supports are provided, many employees may not be aware that such supports are available to them. One study of university faculty and staff found that less than 30 percent over age 50 were aware of such age-relevant options, and even fewer actually participated.[161]

Central Florida Health Alliance
Central Florida Health Alliance (CFH) is a locally owned and operated, 626-bed non-profit health care system and the largest provider of health care services in Central Florida. CFH prides itself on its age-diverse workforce, and approximately 40 percent of CFH's workforce is over 50 years old. To meet the needs of its employees, CFH offers flexibility in scheduling and work hours, and provides other benefits such as assistance with coordinating care of aging parents and other issues that impact the lives of many older workers.

Saving for Retirement

In the current retirement savings system, employers play a substantial role in helping their employees prepare for retirement. As many older workers struggle to amass enough savings for retirement and exhibit anxiety about their future financial security, there are many ways in which employers can and are helping their employees financially prepare for retirement.

Many employers provide retirement plans. Increased savings in employer-based retirement plans has been shown to correlate with a decreased need to work past the age of 65.[162] The plans offered by employers include both traditional defined-benefit (DB) plans in which employers manage plan assets and provide retirees set benefits for the entirety of workers' retirements, as well as defined-contribution (DC) plans, like 401(k)s, in which workers manage their own money and spend down whatever money they have accumulated themselves in retirement. In recent decades the latter have come to largely displace the former in most private-sector settings, which has resulted in a large transfer of risk from employers to workers as workers have become increasingly responsible for managing their own savings and figuring out how to make sure they will have enough in retirement.[163] This transition from DB plans to DC plans also appears to

[160] Catherine Collinson, *All About Retirement: An Employer Survey*. TransAmerica Center for Retirement Studies, August 2017, at https://www.transamericacenter.org/docs/default-source/employer-research/tcrs2017_sr_employer_research.pdf.
[161] Brian Kaskie, "The Academy is Aging in Place: Assessing Alternatives for Modifying Institutions of Higher Education," The Gerontological Society of America, *The Gerontologist*, pp. 1-8, (February 2016).
[162] Nari Rhee & Ilana Boivie (2015) The Continuing Retirement Savings Crisis National Institute on Retirement Security Washington, DC.
[163] In defined benefit (DB) pension plans, participants receive monthly payments in retirement that are based on a formula that typically uses a combination of length of service, accrual rate, and average of final years' salary. For example, a plan might specify that retirees receive an amount equal to 1.5% of their pay for each year of service, where the pay is the average of a worker's salary during his or her highest-paid five years. The benefit formulas of DB pensions are designed in conjunction with a specific normal retirement age, at which point participants are eligible to receive their pension benefits. This normal retirement age, therefore, creates incentives to fully retire at that age in order to collect the DB pension. For more information on DB pensions, including current data on worker participation, see CRS Report R43439, *Worker Participation in Employer-Sponsored Pensions: A Fact Sheet*, by John J. Topoleski, at https://fas.org/sgp/crs/misc/R43439.pdf.

have resulted in workers expecting to work longer, and there is evidence that workers with DC plans are more likely to reenter the workforce after an exit than those with DB plans.[164]

When workers have access to retirement plans, most will make contributions, but not all employers offer retirement plans.[165] Approximately a third of workers do not have access to a retirement plan at work, including roughly half of those who work for businesses with fewer than 100 employees.[166] More employers offering retirement plans and/or taking advantage of available state-based retirement programs could significantly increase access to retirement savings vehicles and information. Other proactive steps that can be taken by employers to help older workers better prepare for retirement using retirement plans include expanding access to retirement plans they offer to part-time workers, putting in place plan features such as auto-enrollment that encourage greater employee participation, and working to ensure plan fees are as low as possible.

Providing comprehensive retirement counseling can also be beneficial to older workers. Counseling offers information about retirement savings and benefit payouts, health and long-term care insurance, family and social support issues, and the psychological aspects of retirement.[167] While some employers outsource such counseling to financial services companies that administer retirement saving programs, others engage in their own efforts to address the nonfinancial aspects of work and retirement.[168] Interventions provided for employees in the workplace have been shown to have positive effects on household savings, which suggests that counseling programs seeking to increase financial literacy can improve people's engagement with retirement accounts.[169]

---

[164] In defined contribution (DC) plans—of which 401(k) plans, 403(b) plans, 457(b) plans, and the Thrift Savings Plan (TSP) are the most common—workers contribute a percentage of their wages to an individual account established by the employer. Employers may also contribute a match to the DC plan, which is an additional contribution equal to some or all of the worker's contribution. The account accrues investment returns and is then used as a basis for income in retirement. For more information on DC pensions, including current data on worker participation, see CRS Report R43439, *Worker Participation in Employer-Sponsored Pensions: A Fact Sheet*, by John J. Topoleski, at https://fas.org/sgp/crs/misc/R43439.pdf.

[165] American Benefits Council, *401(k) Fast Facts*, October 2017, at http://www.americanbenefitscouncil.org/pub/e613e1b6-f57b-1368-c1fb-966598903769.

[166] BLS, Economic News Release: Retirement Benefits: Access, Participation, and Take-up Rates, March 2016, at https://www.bls.gov/news.release/ebs2.t01.htm.

[167] James Kirk and Robert Belovics, "Recommendations and Resources for Counseling Older Workers," *Journal of Employment Counseling*, Vol. 42, No. 2, pp. 50-59, (June 2005).

[168] Audrey Williams June, "College Leaders Discuss One Last Faculty Transition: Retirement," *Chronicle of Higher Education*, July 2011, at http://www.chronicle.com/article/College-Leaders-Discuss-One/128190.

[169] William G. Gale, Benjamin H. Harris, and Ruth Levine, "Raising Household Saving: Does Financial Education Work?," Social Security Office of Retirement and Disability Policy, *Social Security Bulletin*, Vol. 72, No. 2, (2012), at https://www.ssa.gov/policy/docs/ssb/v72n2/v72n2p39.html.

Michelin, the tire manufacturer with U.S. headquarters in South Carolina, has a focus on supporting older workers. Nearly 40 percent of the company's workforce is 50-plus, and they have an average tenure of nearly 24 years. Initiatives for older workers include a strong emphasis on wellness, training, and intergenerational mentoring. The company also has a new program aimed at extending employees careers by supporting a gradual ease into retirement, including transitions into part-time work. This phased process helps workers adjust to retirement, and also allows them to pass on their knowledge and expertise, as mentors to younger employees.

The need and demand for such programs and services appears to be high. One study revealed that the most common source of information about retirement was friends and colleagues rather than a trained professional.[170] Few aging workers appear to engage in any formal planning and preparation for what they might do when the time comes to transition from full-time work. While older adults indicate that they would like to use counseling services, there also appears to be a lack of awareness for those who have access. One study of university faculty and staff found that less than half of the employees are aware of employer-sponsored retirement counseling programs available through their employer.[171]

While employers are recognizing the need to offer such information, currently relatively few offer any sort of educational program related to retirement savings. One 2017 survey found that while 44 percent of employers stated that they value the importance of financial counseling for retirement planning, only 16 percent actually offered access to such a program.[172] In addition, only 27 percent of employers encouraged pre-retirement succession planning, training, and mentoring, and fewer than half of all employers provided information and education about Medicare and Social Security. [173]

Retirement Pathways

Employers can work with employees to develop pathways to retirement that are mutually beneficial to both parties. Many employers have recognized that growing numbers of aging employees are not transitioning from full-time work to full-time retirement, and some are actively taking steps to present their employees with other options that better align with employee preferences.

One approach that some employers take is restructuring job roles to allow workers to shift from full-time to part-time work instead of simply retiring, often referred to as phased retirement. These arrangements can take many forms, including employees gradually reducing their

[170] The Johnson County Iowa Consortium on Successful Aging, *Successful Aging Report*, September 2006.
[171] Brian Kaskie, "The Academy is Aging in Place: Assessing Alternatives for Modifying Institutions of Higher Education," The Gerontological Society of America, *The Gerontologist*, pp. 1-8, February 2016.
[172] Catherine Collinson, *All About Retirement: An Employer Survey*. TransAmerica Center for Retirement Studies, August 2017, at https://www.transamericacenter.org/docs/default-source/employer-research/tcrs2017_sr_employer_research.pdf.
[173] ibid.

workloads over time or even job sharing between employees. Despite their potential to provide employers benefits related to worker retention, knowledge transfer, retirement transitions, and workforce planning, formal phased retirement programs remain relatively rare, although data on their uptake is limited.[174] Employers that are more likely to adopt such programs tend to be larger, and these programs are most common among more technical or professional workforces (e.g., in the education, consulting, and high-tech industries).[175] Outside of formal programs, however, other employers sometimes provide more informal arrangements and find ways for workers to gradually reduce their hours on an ad hoc basis.[176] In a survey of 1,802 employers, the majority recognized the retirement pathway preferences of aging workers but only 39 percent offered flexible scheduling options and 31 percent facilitated processes for moving from full-time to part-time roles.[177]

A foundational study of the establishment of such programs looked at a program put in place by the University of North Carolina (UNC) three campus system in the late 1990s.[178] Until 1996, UNC had no formal mechanism to reduce the workload of full professors, and even though aging professors may have preferred to work in part-time positions, they rarely volunteered to do so because moving to part-time resulted in a significant reduction in their pension payout. In response, UNC developed a phased retirement program that allowed full-time professors to move into part-time positions without penalty to their pensions. The program was observed over a two-year period and researchers found while the number of faculty who transitioned from full-time status to full-time retirement remained constant, a significant number of full-time faculty chose to enter the phased retirement program. The researchers indicated that if the phased retirement were not offered, the professors would have remained in full-time positions, collecting full salary and benefits.

In 2006, Congress passed the Pension Protection Act, which amended the law to permit employers to design their defined-benefit pension plans to allow employees to receive in-service distributions from the plan as early as age 62.[179] Now, some older employees who otherwise would have chosen to continue working full time until reaching the plan's normal retirement age might instead reduce their work schedule and supplement their earnings with pension income. Additionally, in 2012, Congress approved offering full-time employees covered by the Civil Service Retirement System or the Federal Employees' Retirement System the option of moving to a part-time work schedule while simultaneously receiving partial retirement benefits. This plan allows for the retention of qualified federal workers while reducing costs associated with training new employees. Moreover, by increasing the availability of flexible work schedules, they promote greater employee engagement, lower perceptions of work overload, better physical and mental health and greater satisfaction with work-family balance.

---

[174] U.S. Government Accountability Office, "*Older Workers: Phased Retirement Programs, Although Uncommon, Provide Flexibility for Workers and Employers*," GAO-17-536, June 2017, at http://www.gao.gov/assets/690/685324.pdf.
[175] ibid.
[176] ibid.
[177] Catherine Collinson, *All About Retirement: An Employer Survey*. TransAmerica Center for Retirement Studies, August 2017, at https://www.transamericacenter.org/docs/default-source/employer-research/tcrs2017_sr_employer_research.pdf.
[178] Linda S. Ghent, Steven G. Allen, and Robert L. Clark, "The Impact of a New Phased Retirement Option on Faculty Retirement Decisions", Sage Publications, *Research on Aging*, Vol. 23, No. 6, pp. 671-603 (November 2001); Robert Clark and P. Brett Hammond, *To Retire or Not? Retirement Policy and Practice in Higher Education*, Pension Research Council of the Wharton School of the University of Pennsylvania, (Philadelphia: University of Pennsylvania Press, 2001), pp. 21–38.
[179] Pension Protection Act of 2006, 29 USC §§ 1001, at https://www.congress.gov/109/plaws/publ280/PLAW-109publ280.pdf.

First Horizon National Corporation, a bank holding company based in Tennessee, offers several options for employees to prepare employees for retirement. One program allows employees within three years of retirement to reduce their schedules to between 20 and 30 hours a week if they commit to mentoring their successors, and commit to staying on for one to three years along with alternative workplace arrangements. Another program centers on formal mentoring to support the development of employees, regardless of age, who desire leadership, coaching and career progression.

Another employer response to the aging of the workforce, seen particularly among employers of white collar workers, has been offering early retirement to those who already were thinking about leaving.[180] This option may be particularly attractive for employees already thinking of transitioning out of the career job into retirement or a bridge job, and for employers the costs to administer early retirement programs can be lower than the potential financial benefits.[181] However, the long-term impacts of this employer strategy are less clear. One study found that in the three years following early retirement offers, workplace exit rates actually fell below the pre-program averages, suggesting that the early retirement programs may only slightly alter exit patterns of those who were about to retire anyway.[182] Additionally, such programs appear to be available only to those workers with higher earnings and education levels, and are likely minimally beneficial to individuals who continue working for personal or financial reasons. This particular approach to managing the aging workforce also has come under increasing scrutiny relative to the Americans with Disabilities Act and the Age Discrimination in Employment Act.

Employer Activation

Many employers are aware of the phenomenon of an aging workforce, and many consider their workplaces age-friendly. In addition, many program and policy options exist for employers to support their older workers. Still, most employers have not modified their internal policies and practices.

In one survey of human resource professionals representing for-profit firms across the United States, 71 percent responded that their workplaces were "age-friendly."[183] Four of five employers say that they are supportive of employees who plan to work past the age of 65, and they are aware many of these employees prefer to gradually transition from full-time positions into part-time, seasonal or consultant roles. Employers are taking the first steps in acknowledging that the workforce is aging; however, there appears to be a long road ahead to

---

[180] *Heidi Hayden and Diane M. Pfadenhauer, Implementing Early Retirement Incentive Programs: A Step-by-Step Guide,* Society for Human Resources Management, at https://www.shrm.org/hr-today/news/hr-magazine/documents/7328_article_1192.pdf.

[181] John Pencavel, *Faculty Retirement Incentives by Colleges and Universities*, Stanford Institute for Economic Policy Research, May 2004, at http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.520.2810&rep=rep1&type=pdf.

[182] Brian Kaskie, "The Academy is Aging in Place: Assessing Alternatives for Modifying Institutions of Higher Education," The Gerontological Society of America, *The Gerontologist*, pp. 1-8, February 2016.

[183] Catherine Collinson, *All About Retirement: An Employer Survey*. TransAmerica Center for Retirement Studies, August 2017, at https://www.transamericacenter.org/docs/default-source/employer-research/tcrs2017_sr_employer_research.pdf.

prepare and respond adequately, especially as the aging workforce continues to grow and diversify.

According to a nationally representative study, only 36 percent of human resource professionals have made any changes to their managerial practices relative to aging workers.[184] Less than five percent of all employers have considered aging as part of their workplace diversity initiatives, developed a formal strategy to retain aging workers, or prepared a formal recruitment strategy. Less than ten percent of employers included "employee age" as a factor in developing organizational workforce recruitment and retention strategies.[185] Few human resource professionals appear to consider issues pertaining to the "aging workforce" as an organizational concern.

In one study focusing on human resource professionals' responses to the aging workforce across 187 academic institutions, researchers found that 12 percent of the institutions implemented three or more efforts focused on aging employees, and another 25 percent had developed one or two programs.[186] The majority of institutions have not done any strategic planning in regard to offering health and wellness programs tailored for aging employees, counseling services about retirement, or providing varied work-to-retirement pathways.

In another study, researchers found nearly three out of every four human resource professionals from academic institutions had little to no knowledge about age-related issues, and even fewer had completed any sort of formal training in aging as to be sufficiently aware of what might constitute a viable response to the continued aging of the workforce.[187] Human resource professionals are instrumental in creating culture and climates as well as written organizational policies concerning discrimination in the workplace, and some researchers suggest they should be doing more to plan for an aging workforce, educate leaders and individual employees, and develop tailored policies and practices.[188]

Whether employers initiate policies and programs addressing older workers differs by industry. For example, human resource professionals representing government employers were statistically more likely to have begun planning for an aging workforce (73 percent versus 46 percent of all other employers), and they were more likely to have initiated training efforts as well as adjusted their retention and recruitment efforts relative to aging employees (49 percent versus 41 percent).[189] This may be in part due to the fact that the government workforce is considered to be the "oldest" in the country, as 30 percent of employees currently are over the

---

[184]Society for Human Resource Management, "*SHRM Survey Findings: The Aging Workforce – Basic and Applied Skill*," 2015, at https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2014-Older-Workers-Survey-Overall-Results-Part3-Basic-and-Applied-Skills.pdf.

[185]Society for Human Resource Management, "*SHRM Survey Findings: The Aging Workforce – Recruitment and Retention*," 2015, at https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2014-Older-Workers-Survey-Overall-Results-Part2-Recruitment and Retention.pdf.

[186] Brian Kaskie, Mark Walker, and Matthew Andersson, "Efforts to Address the Aging Academic Workforce: Assessing Progress Through the Three Stage Model of Institutional Change", Innovations *in Higher Education*, Vol. 42, No. 3, pp. 225-237, (October 2016).

[187] Brian Kaskie, "The Academy is Aging in Place: Assessing Alternatives for Modifying Institutions of Higher Education," The Gerontological Society of America, *The Gerontologist*, pp. 1-8, February 2016.

[188] Cheryl Paullin, "The Aging Workforce: Leveraging the Talents of Mature Employees," SHRM Foundation, *Effective Practice Guidelines Series*, 2014, at https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/Aging-Workforce-Talents-Mature-Employees.pdf.

[189] Society for Human Resources Management, *Preparing for an Aging Workforce: Government Industry Report*, 2015, at https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/Preparing_for_an_Aging_Workforce-Government_Industry_Report.pdf.

age of 55.[190] Government organizations may also be more likely to recognize the legal obligation to uphold federal and state policies related to the Americans with Disabilities Act and the Age Discrimination in Employment Act.[191]

In comparison, while 29 percent of persons who are working in finance, insurance, and real estate companies are over the age of 55, human resource professionals representing these firms were significantly less likely to be doing anything in regard to the aging workforce.[192] Similarly, human resource professionals representing other professional, scientific and technical services including accountants and lawyers, were significantly less likely than all other employers to examine policies and practices pertaining to aging employees; were less likely to conduct any sort of formal analysis of workplace retirement patterns; and were more likely to resolve that their firm needed to make no changes in addressing the aging workforce.[193] Given that such professions are occupied by more well educated, healthy and financially secure employees, the employers simply may have less interest in developing a formal response. Instead, these employers appear to address aging issues on an as-needed basis, engaging in executive search firms to solve staffing challenges or transitioning aging employees into consultant or other roles that can be categorized as "self-employed."[194]

Moreover, even though the health and social service occupations (e.g., registered nurses, personal care aides) are projected to be among the fastest growing in the next decade, human resource professionals from these industries were not any more likely to formally consider the aging of the workforce than any other industry. They also were less likely to offer apprenticeship programs to recruit and retain aging workers. [195] The retail and hospitality industry, which has the lowest proportion of workers over age 55, is significantly less likely than all other industries to have considered aging workers in strategic planning or implemented any specific policies or practices, and are less likely to assign a higher value to the experience, knowledge, and skills of aging workers.[196] These types of firms may simply not be large enough to possess the resources needed to develop such targeted planning efforts or support the types of benefit structures that are most desired by aging workers.[197]

In contrast, as the mining and manufacturing industries both experience decreasing growth, they are more likely to be aware of issues concerning the aging workforce and have developed specific retention and recruitment practices. For example, human resource professionals from

---

[190] ibid.

[191] ibid.

[192] Society for Human Resources Management, *Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report*, 2015, at https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/Preparing_for_an_Aging_Workforce-

[193] Society for Human Resources Management, *Preparing for an Aging Workforce: Professional and Technical Services Industry Report*, 2015, at https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/Preparing_for_an_Aging_Workforce-

[194] Society for Human Resources Management, *Preparing for an Aging Workforce: Finance, Insurance and Real Estate Industry Report*, 2015, at https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/Preparing_for_an_Aging_Workforce-Finance_Insurance_and_Real_Estate_Industry_Report.pdf.

[195] Society for Human Resources Management, *Preparing for an Aging Workforce: Health Care and Social Insurance Industry Report*, 2015, at https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/Preparing_for_an_Aging_Workforce-

[196] Society for Human Resources Management, *Preparing for an Aging Workforce: Retail and Hospitality Industry Report*, 2015, at https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/Preparing_for_an_Aging_Workforce-

[197] Cheryl Paullin, "The Aging Workforce: Leveraging the Talents of Mature Employees," SHRM Foundation, *Effective Practice Guidelines Series*, 2014, at https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/Aging-Workforce-Talents-Mature-Employees.pdf..

manufacturing firms were significantly more likely to use employment agencies to assist in their efforts to retain and recruit older workers relative to all other employer organizations.[198]

University Examples

Western Washington University. The average age at the university is over 50, and the majority of employee assistance programming is designed with wellness of aging workers in mind. For example, the university provides targeted support and training to those aging workers who are returning after a hiatus and counseling for chronic health issues.

University of Pennsylvania provides Quality of Work-Life Programs that offer flexible hours, opportunities to work from home, compressed work schedules, part-time work, job sharing, as well as ergonomic modifications that support workers of all ages, including those over 55.

The Cost of Not Addressing the Aging Workforce

The lack of preparation for an aging workforce can result in unintended consequences. While an aging workforce brings many opportunities, failing to prepare can threaten workplace dynamics.[199] Failing to treat older workers fairly and failing to make legally required accommodations for workers with health conditions and disabilities can also result in more employers violating the Age Discrimination in Employment Act and Americans with Disabilities Act, which in turn could result in an increase in charges filed against employers as more workers are protected by these laws.

Perhaps most important, however, employers that do not acknowledge and prepare for the changing demographics of the workforce may find themselves at a competitive disadvantage when it comes to attracting and retaining talented workers. As the average worker becomes older, employers that are able to anticipate and best address the needs of older workers will be better positioned to recruit and maximize the potential of their preferred labor pool.

[198] Society for Human Resources Management, *Preparing for an Aging Workforce: Manufacturing Industry Report*, 2015, at https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/Preparing_for_an_Aging_Workforce-Manufacturing_Industry_Report.pdf.

[199] Melissa J. Bjelland, et al., "Age and Disability Employment Discrimination: Occupational Rehabilitation Implications," *Journal of Occupational Rehabilitation*, Vol. 20, No. 4, pp. 456-471, (December 2010), at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2980632/.

Conclusion

The number of Americans who are working past age 55 is at a historic high. The United States Senate Special Committee on Aging is committed to understanding the growth and diversification of the aging workforce and to supporting older Americans in their journeys through work and retirement. Aging workers experience substantial benefits through work, including improved well-being, health, and financial security. They also experience challenges, such as health conditions and disabilities that develop with age, caregiving responsibilities, maintaining employment or returning to work after being out of the labor force, and workplace discrimination. Other older workers do not have access to training opportunities that maintain and develop new skills or lack support in developing retirement pathways best suited to them. Too many older Americans have not accumulated sufficient savings for retirement, and a significant number continue to work into older ages out of financial need.

Many employers are aware of the phenomenon of the aging American workforce. They consider their workplaces age-friendly, and some have developed appropriate policies and practices in response to the changing demographics of their workforces. Most employers, however, have not yet modified internal policies or adopted new practices, and some employers have little capacity or inclination to do so, despite the fact that the aging workforce presents several potential benefits to employers and the business case for addressing the aging of the workforce is well-established.

For more than three decades, the federal government has led the way in understanding the aging of the American workforce, largely through research initiatives. The National Institute on Aging has supported research examining labor force participation and retirement patterns among aging Americans.[200] The Center for Retirement Research at Boston College, supported by the Social Security Administration, continues to advance research on retirement income and savings.[201] The National Institute on Occupational Safety and Health, under the Centers for Disease Control and Prevention, established the National Center for Productive Aging and Work. This center is advancing efforts to identify best practices, such as ergonomic office designs to meet the needs of aging employees.[202] In addition, the Bureau of Labor Statistics, the Congressional Research Service, and the Government Accountability Office have conducted several analyses and investigations concerning the aging labor force. These efforts range from charting prolonged spells of unemployment among aging workers,[203] to forecasting career pathways for aging workers,[204] to investigating formal phased retirement options offered by

---

[200] U.S. Department of Health and Human Resources, National Institute on Aging and National Institutes of Health, *Growing Older in America: The Health & Retirement Study*, March 2007, at https://www.nia.nih.gov/sites/default/files/2017-06/health_and_retirement_study_0.pdf.

[201] Steven A. Sass, *The Research Contributions of the Center for Retirement Research at Boston College*, Social Security Administration, Office of Retirement and Disability Policy, Social Security Bulletin, Vol. 69, No. 4, 2009, at https://www.ssa.gov/policy/docs/ssb/v69n4/v69n4p35.html.

[202] Centers for Disease Control and Prevention, The National Institute for Occupational Safety and Health, *Productive Aging and Work*, at https://www.cdc.gov/niosh/topics/productiveaging/default.html.

[203] CRS Report R41559, *The Trend in Long-Term Unemployment and Characteristics of Workers Unemployed for Two Years or More*, by Gerald Mayer, at https://fas.org/sgp/crs/misc/R41559.pdf.

[204] Mitra Toossi and Elka Torpe, *Older Workers: Labor Force Trends and Career Options*, Bureau of Labor Statistics, Career Outlook, May 2017, at https://www.bls.gov/careeroutlook/2017/article/pdf/older-workers.pdf.

employers.[205] These federally supported studies and initiatives provide a foundation for our understanding of the opportunities and challenges of the aging American workforce and define corresponding policy issues.

In 2005, the Senate Special Committee on Aging convened the Task Force on the Aging American Workforce that identified key policy issues related to supporting the aging workforce. The taskforce considered how employers were responding to the aging workforce, identified opportunities for employment among aging workers, and illuminated corresponding legal and regulatory issues. Since that time, both Congress and the executive branch have pursued a variety of responses that address the challenges and opportunities presented by an aging workforce. Most recently, positive steps have included the Workforce Innovation and Opportunity Act of 2014,[206] the Older Americans Act Reauthorization of 2016,[207] and the Workforce Innovation and Opportunity Act Final Rules of 2016.[208]

These efforts have helped to lay the groundwork for addressing the aging of the labor force, but sustained progress will only be possible if employers and employees work together and prioritize the issues illuminated in this report and take action. Older workers and their employers must continue to close the gaps that have made it harder for individuals to self-determine their career and retirement paths.

State governments and non-governmental organizations are also examining the opportunities and challenges presented by an aging workforce. For example, in 2017, the Tri-State Learning Collaborative on Aging convened a workshop called "Grey is the New Green," calling together more than 170 employers from New Hampshire, Maine, and Vermont to identify and promote strategies for recruiting and retaining older workers. Through the "Back to Work 50 Plus" program, AARP engages community colleges in training older adults to maintain and develop new skills; connects older adults who are looking for work with information, support, training, employer opportunities, and retirement planning; and also assists employers with designing more age-friendly workplace cultures. The Society of Human Resources Management (SHRM) Foundation recently completed a three–year national effort to highlight the value of older workers and to identify best practices for an aging workforce. Many other organizations are also taking proactive steps to assist older workers and help employers best meet older workers' needs in the workplace.

Looking Ahead

The continued aging of the American population has significantly altered the labor force landscape. Not only are an increasing number of aging Americans working into older ages, but the manner in which they are choosing to do so has also expanded beyond a straightforward

---

[205] U.S. Government Accountability Office, *Older Workers: Phased Retirement Programs, Although Uncommon, Provide Flexibility for Workers and Employers*, GAO-17-536, June 2017, at https://www.gao.gov/products/GAO-17-536.

[206] Workforce Innovations and Opportunity Act of 2014, 29 USC §§ 3101, at https://www.congress.gov/113/plaws/publ128/PLAW-113publ128.pdf.

[207] Older Americans Act Reauthorization Act of 2016, 42 USC §§ 3001, at https://www.congress.gov/114/plaws/publ144/PLAW-114publ144.pdf.

[208] U.S. Department of Labor, Employment and Training Administration, "Workforce Innovation and Opportunity Act," 81 Federal Register 56071, August, 19, 2016, at https://www.federalregister.gov/documents/2016/08/19/2016-15975/workforce-innovation-and-opportunity-act.

transition from full-time work into retirement. Older workers have much to offer employers, and employers often benefit from older workers' accumulated experiences, intellectual and social capital, and skill sets. Still, the preferences and needs of numerous aging workers remain unmet, and most employers simply have not responded to the unique phenomena presented by the aging workforce. Many still rely on conventional organizational policies and practices that do not address the issues presented by an aging workforce.

Looking ahead, policies must be responsive to an aging workforce. Supportive policies can help workers leverage benefits and overcome the challenges in ways that benefit not only workers and their families, but their employers, their communities, and the nation overall. Such policies should:

- Allow for the flexibility of individuals to carve their own career paths and determine for themselves when and how they retire.
- Value and respect the decisions of older adults to continue working, to volunteer, or to find another way to achieve their personal and professional goals.
- Help workers remain financially secure while confronting challenges that may arise with age, such as caregiving responsibilities or health conditions.
- Allow employers the flexibility to creatively meet the individual needs of their workers while ensuring that employees are provided ample opportunities to grow and thrive in the workplace.

This report serves as a foundation for such policies, as the Senate Special Committee on Aging continues its legacy of supporting today's aging Americans and future generations of older workers.