

Working Beyond Retirement-Age

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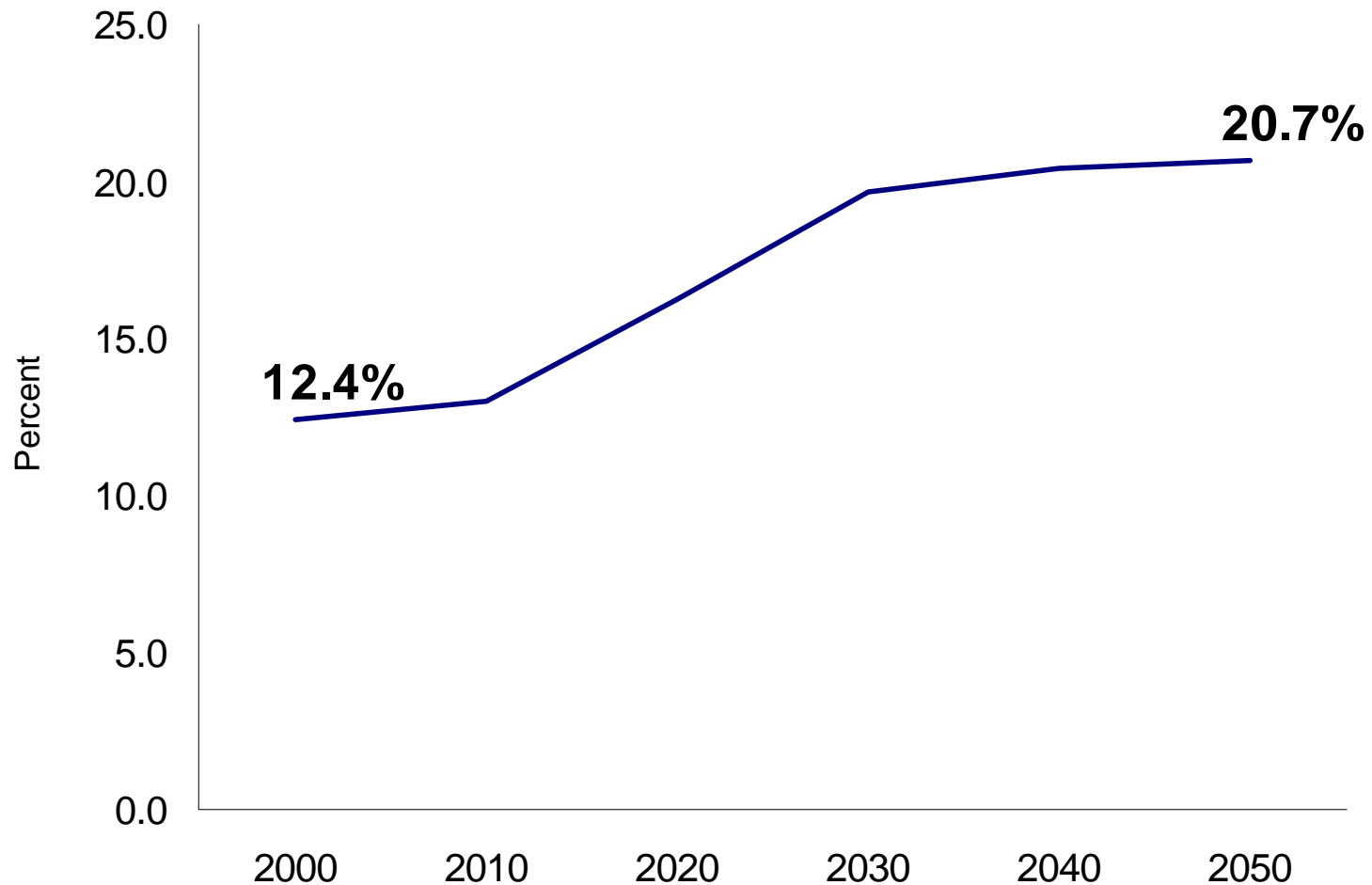
U.S. Census Bureau

Housing and Household Economics Division

Labor Force Statistics Branch

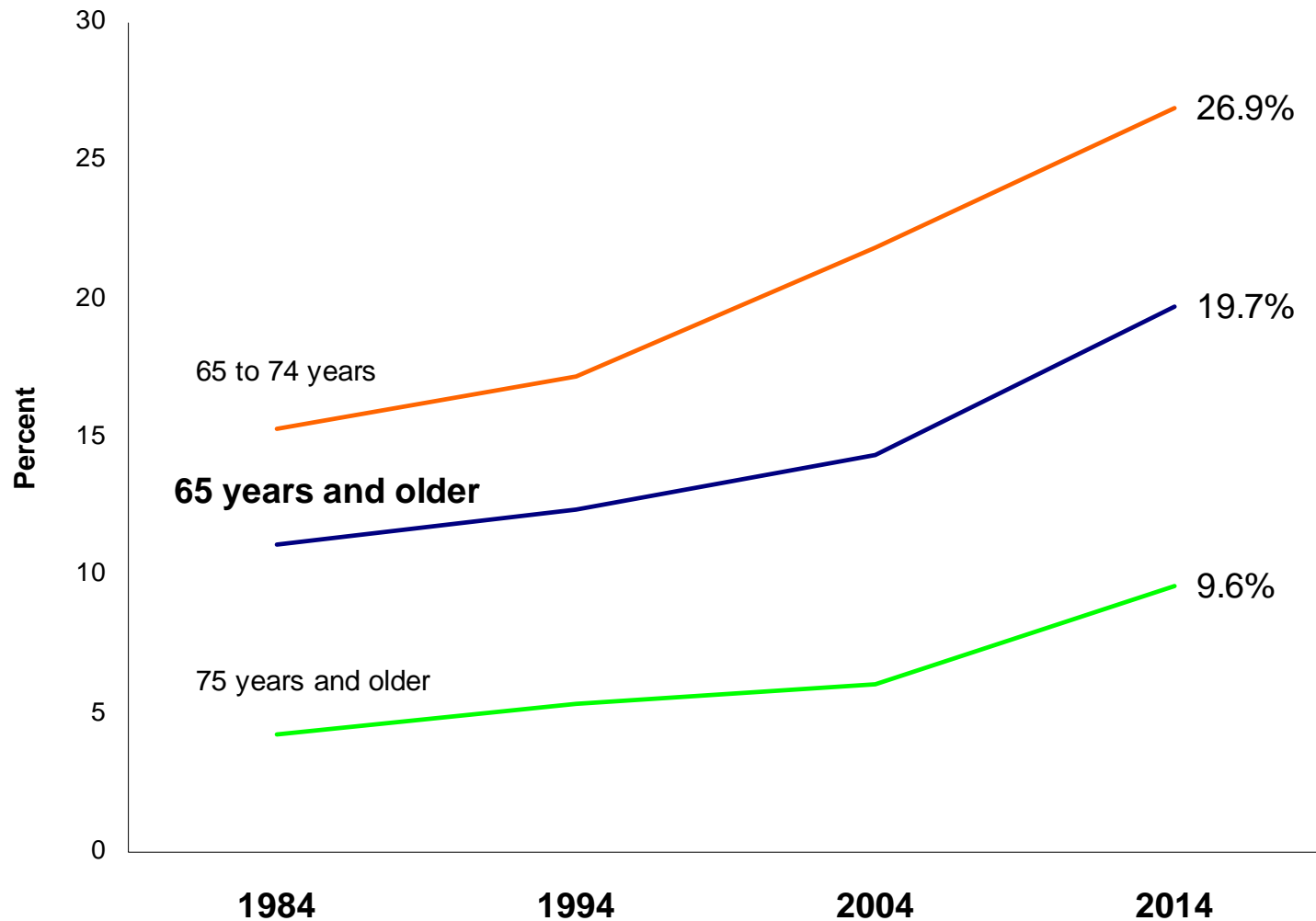
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According to U.S. Census Bureau population projections, **20.7%** of the population will be **65 years or older** by 2050.



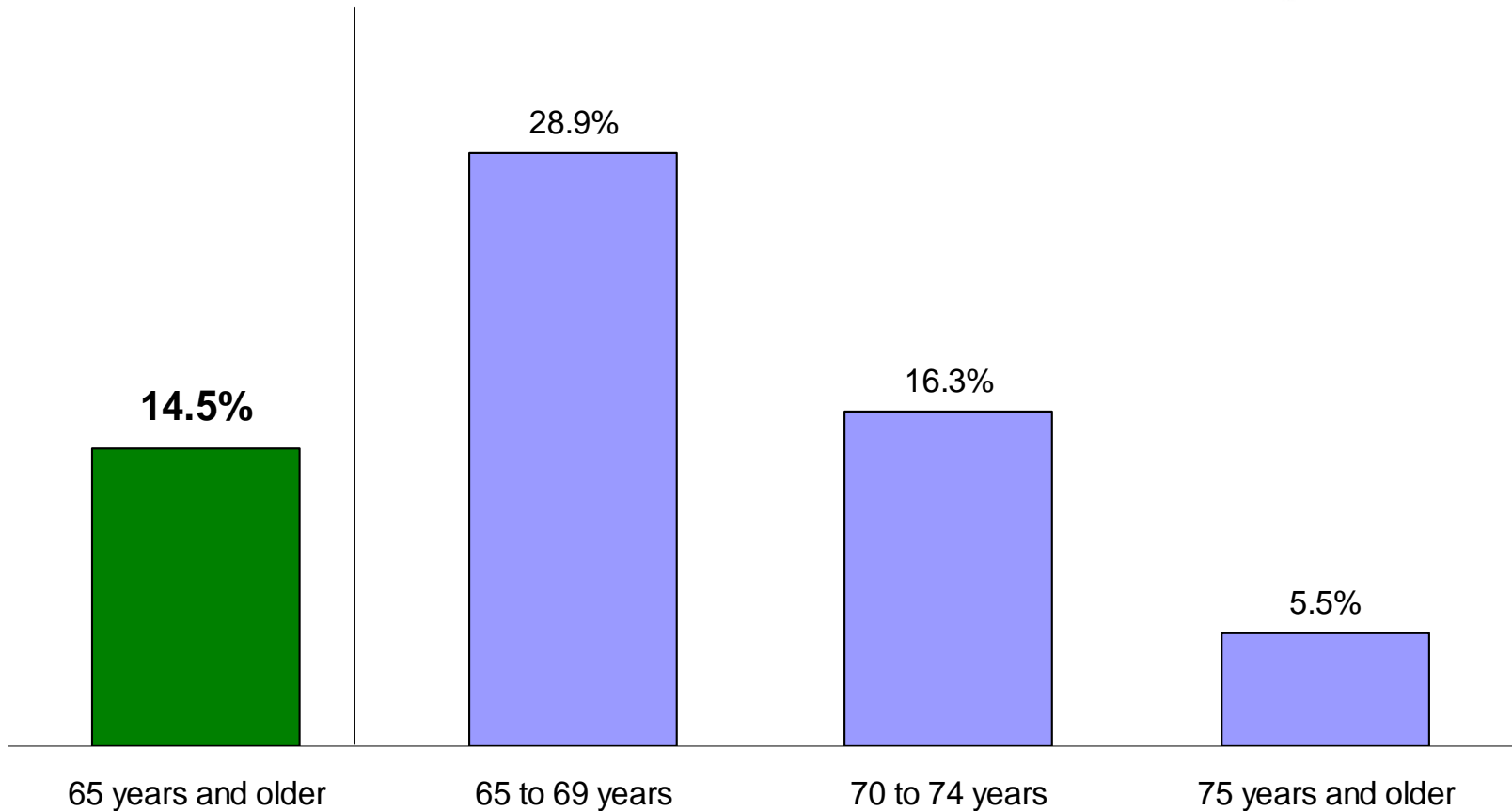
Source: U.S. Census Bureau, "U.S. Interim Projections by Age, Sex, Race, and Hispanic Origin" (2004)

The Bureau of Labor Statistics projects the labor force participation rates for the population 65 years and older will increase through 2014.



Source: Bureau of Labor Statistics, "Labor force projections to 2014: retiring boomers" (2005)

About **15 percent** of people over the traditional retirement age were still in the labor force in 2006.



Why might people be working beyond retirement-age?

- High cost of health insurance & decline in employer retiree health benefits
- More years will be spent in retirement as life expectancy increases
- Lower rates of traditional defined-benefit pension coverage
- Desire to accumulate more Social Security or other retirement savings wealth
- Improve emotional well-being and physical health by remaining active
- Work promotes social integration and social support

(Source: The Urban Institute, *"The Retirement Project"*, 2006)

About the Data

Data Source: 2006 American Community Survey (ACS)

The dataset consists of weighted estimates representing **37.2 million** people aged 65 and older, of which **5.4 million** were workers.

DEFINITIONS:

Older Workers = 65 years and older

Younger Workers = 16 to 64 years old

Retirement-age = 65 years and older

Workers = people who are either employed or unemployed

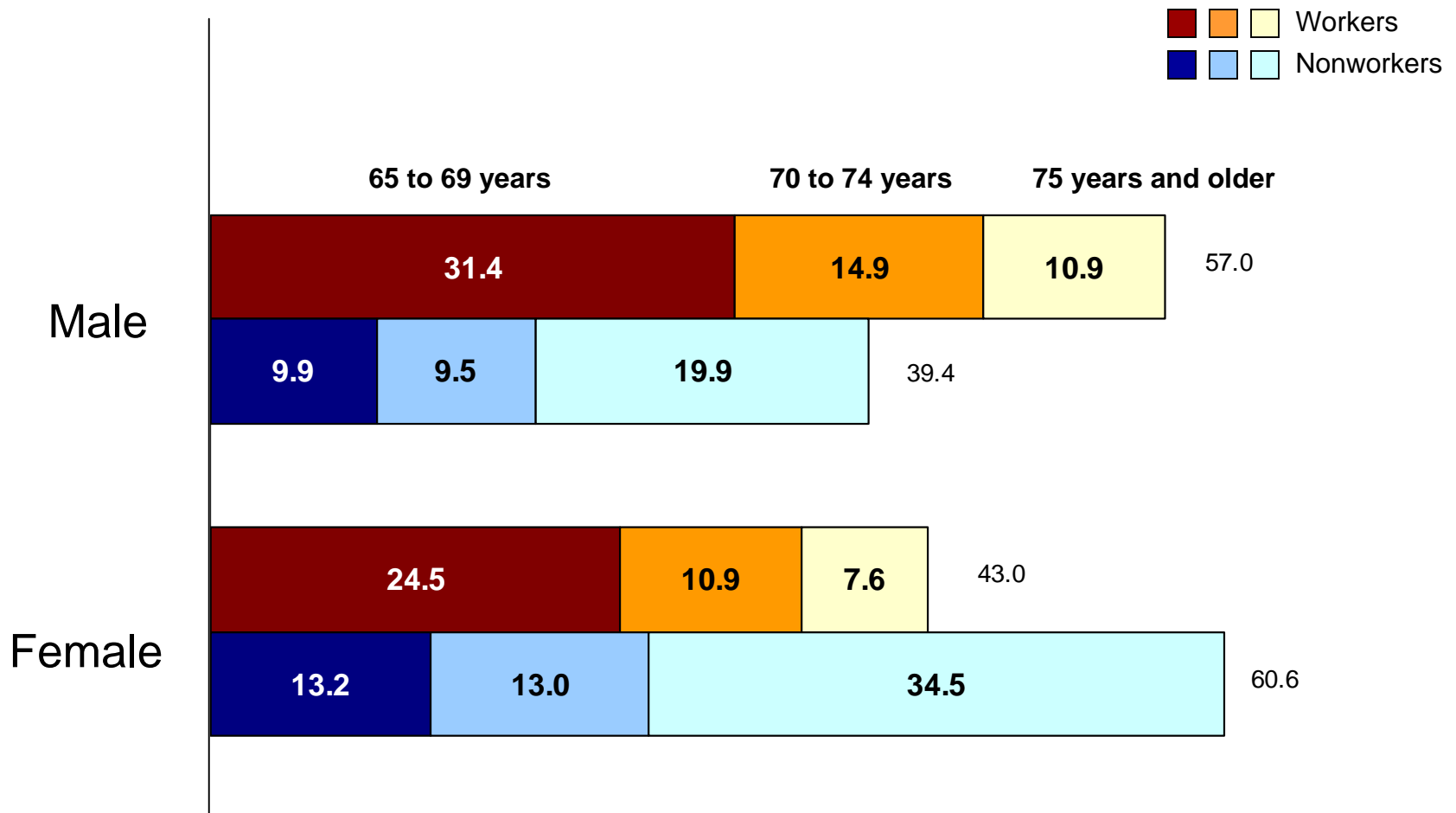
Nonworkers = people no longer part of the labor force

Retirement-Age Population

The following slides show the characteristics of workers and nonworkers 65 years and older.

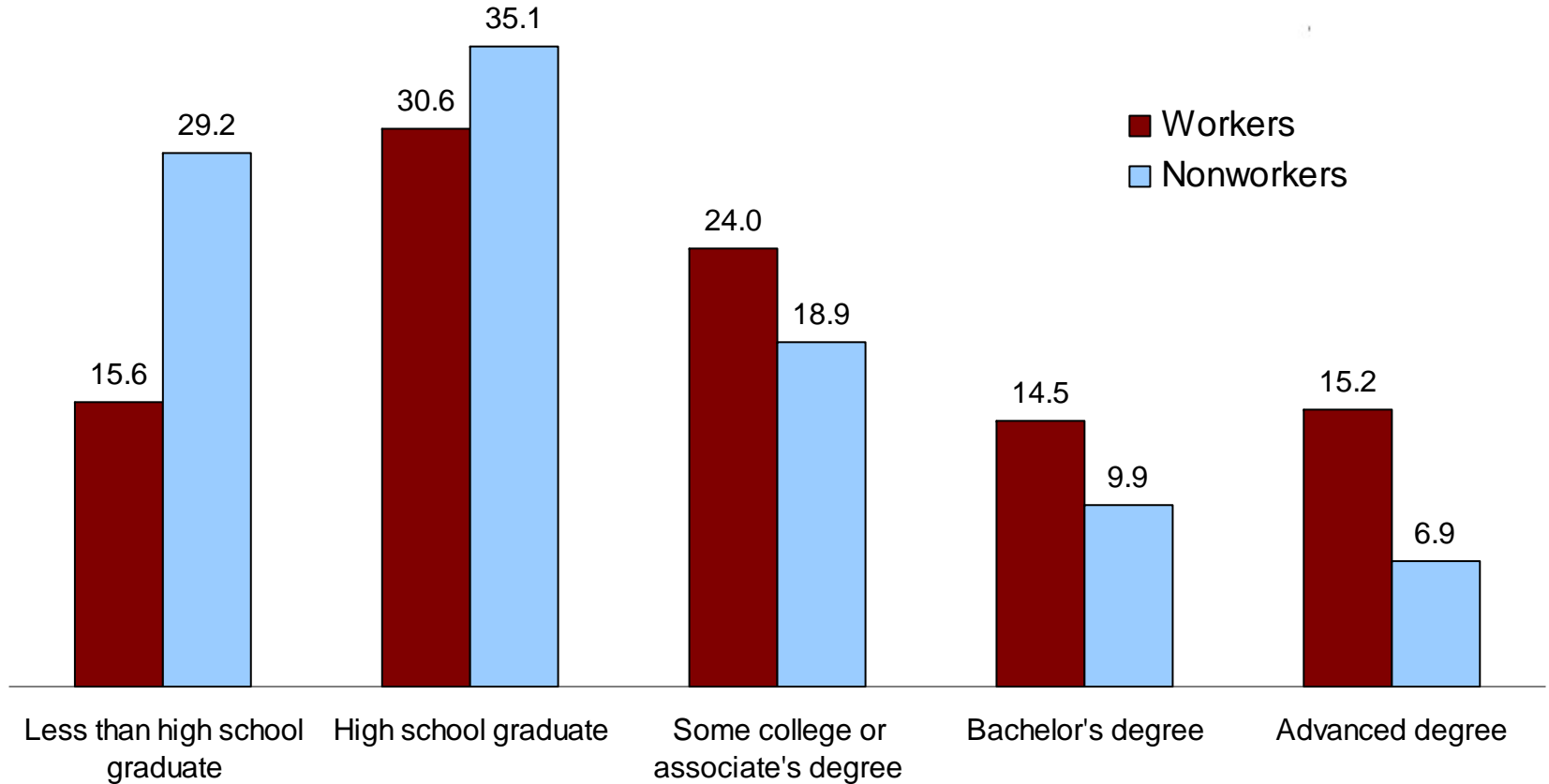
Over half of all older workers were **men**.
 Most older workers were between the ages of 65 and 69 years.

(Percent distributions of sex and age by employment status)



Older workers had higher educational attainment overall than older nonworkers.

(Percent distributions of educational attainment by employment status)

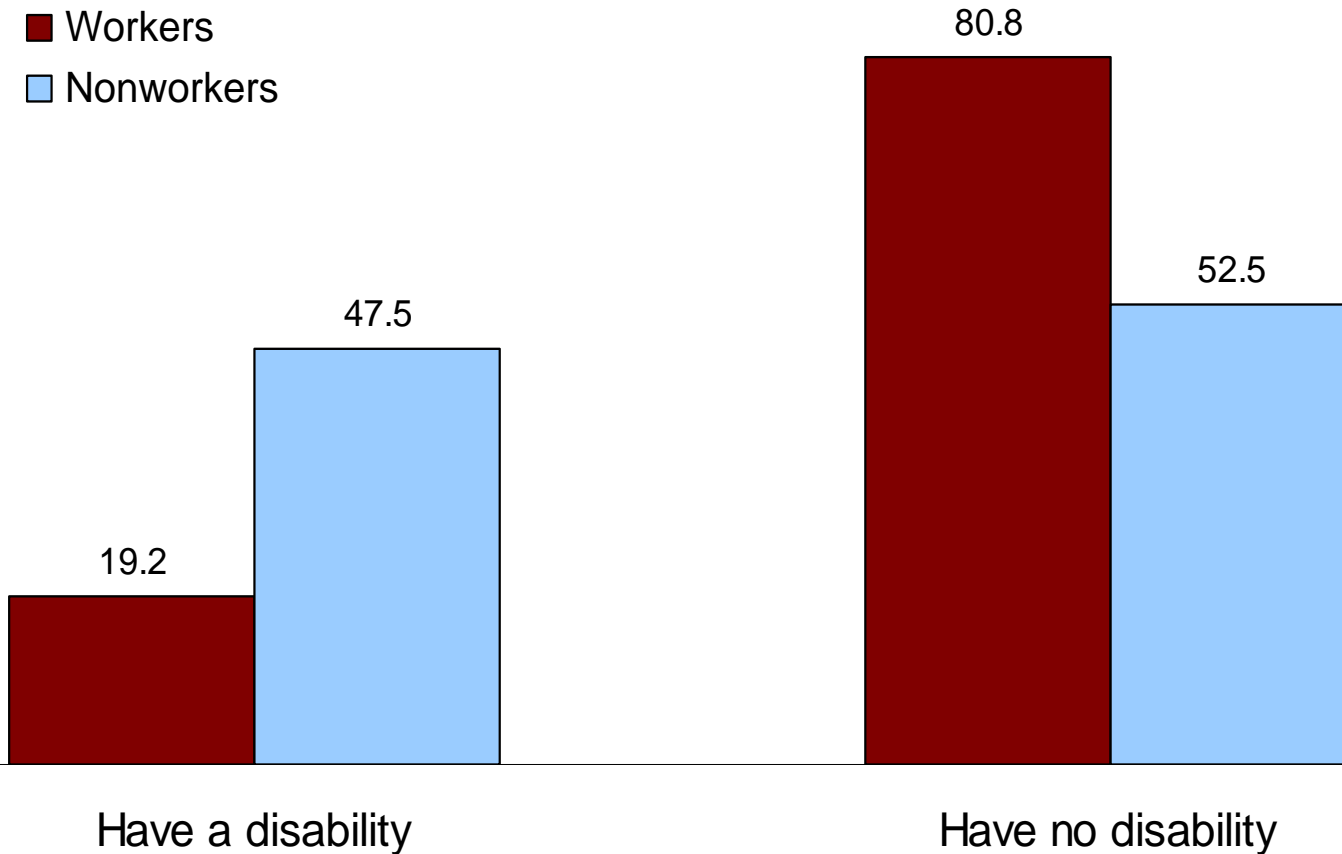


The labor force participation rate for older workers with advanced degrees (**27%**) was about three times as high as the rate for older workers with less than a high school education (**8%**).

Workers were less likely to have any type of **disability**.

(Percent distributions of disability status by employment status)

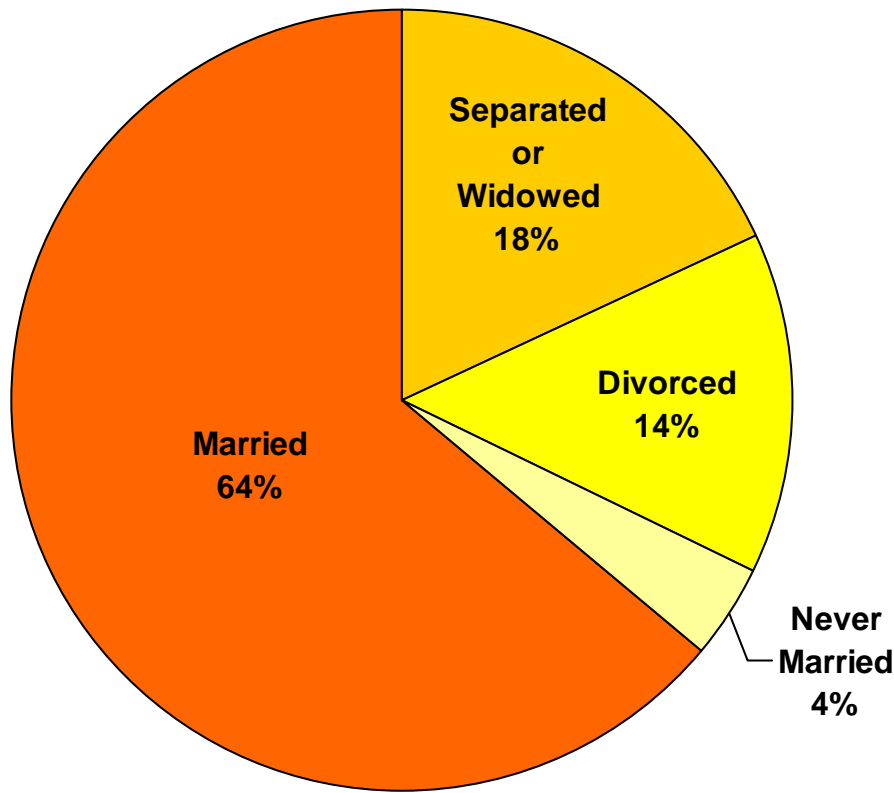
■ Workers
■ Nonworkers



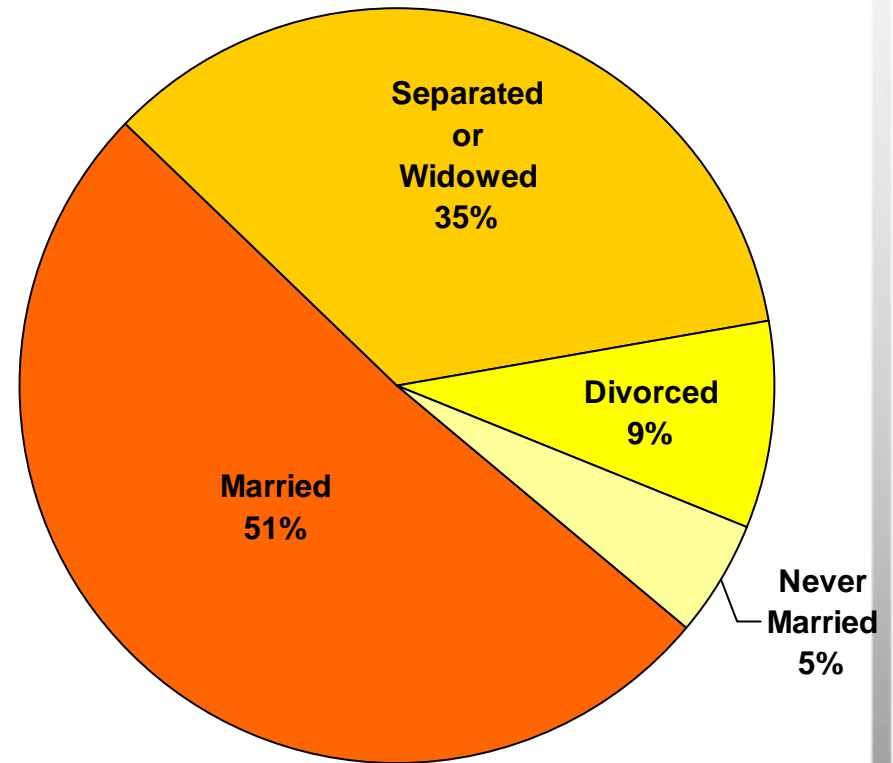
64% of older workers were **married** compared with **51%** of older nonworkers.

(Percent distributions of marital status by employment status)

Older Workers

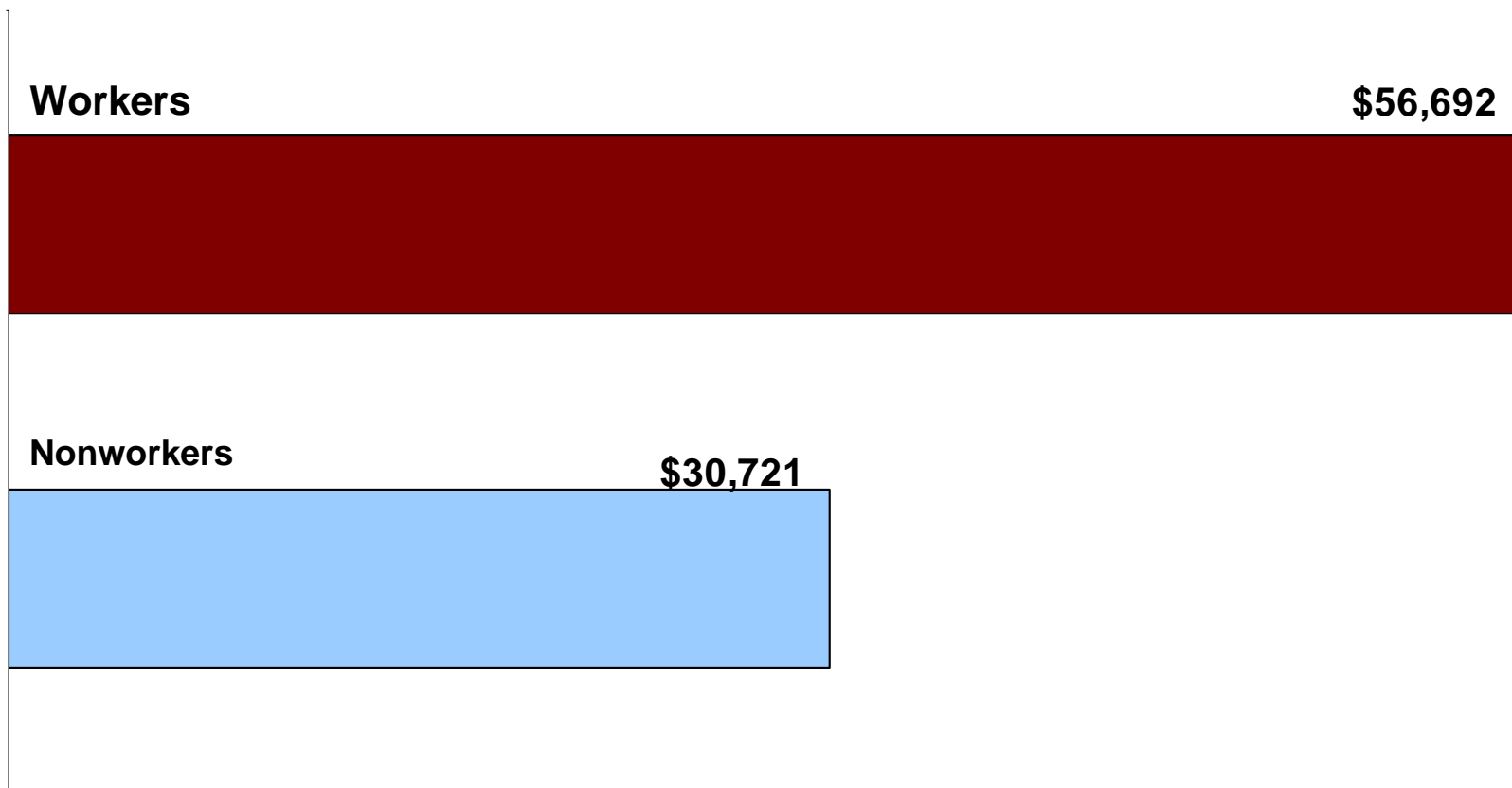


Older Nonworkers



The **median income of households** with ***at least one*** older worker was about **\$26,000 higher** than that of households where everyone retirement-age or older did not work.

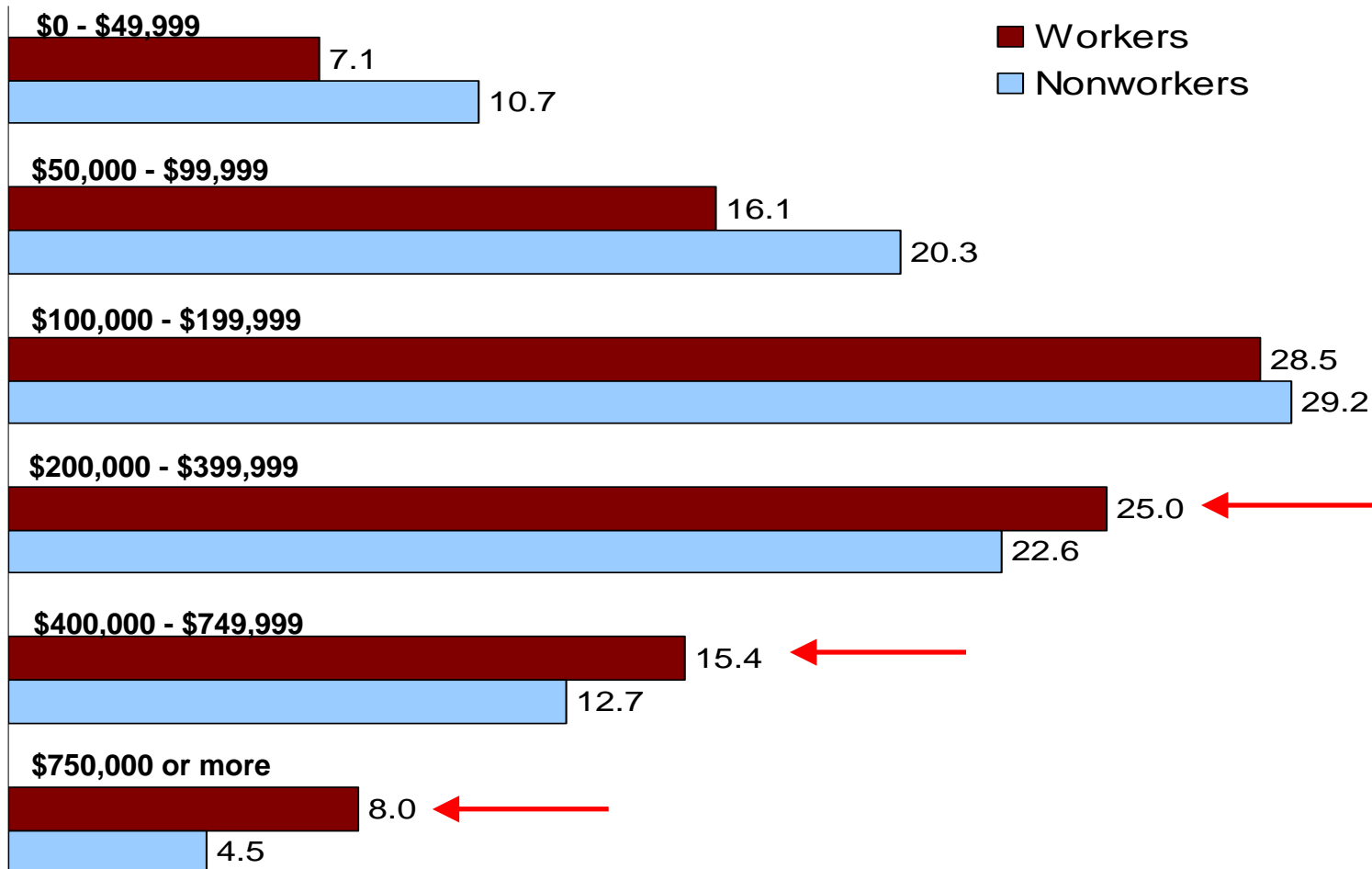
(Median household income in 2006 inflation-adjusted dollars)



50% of older workers who owned their properties carried a mortgage, compared with **30%** of older nonworkers.

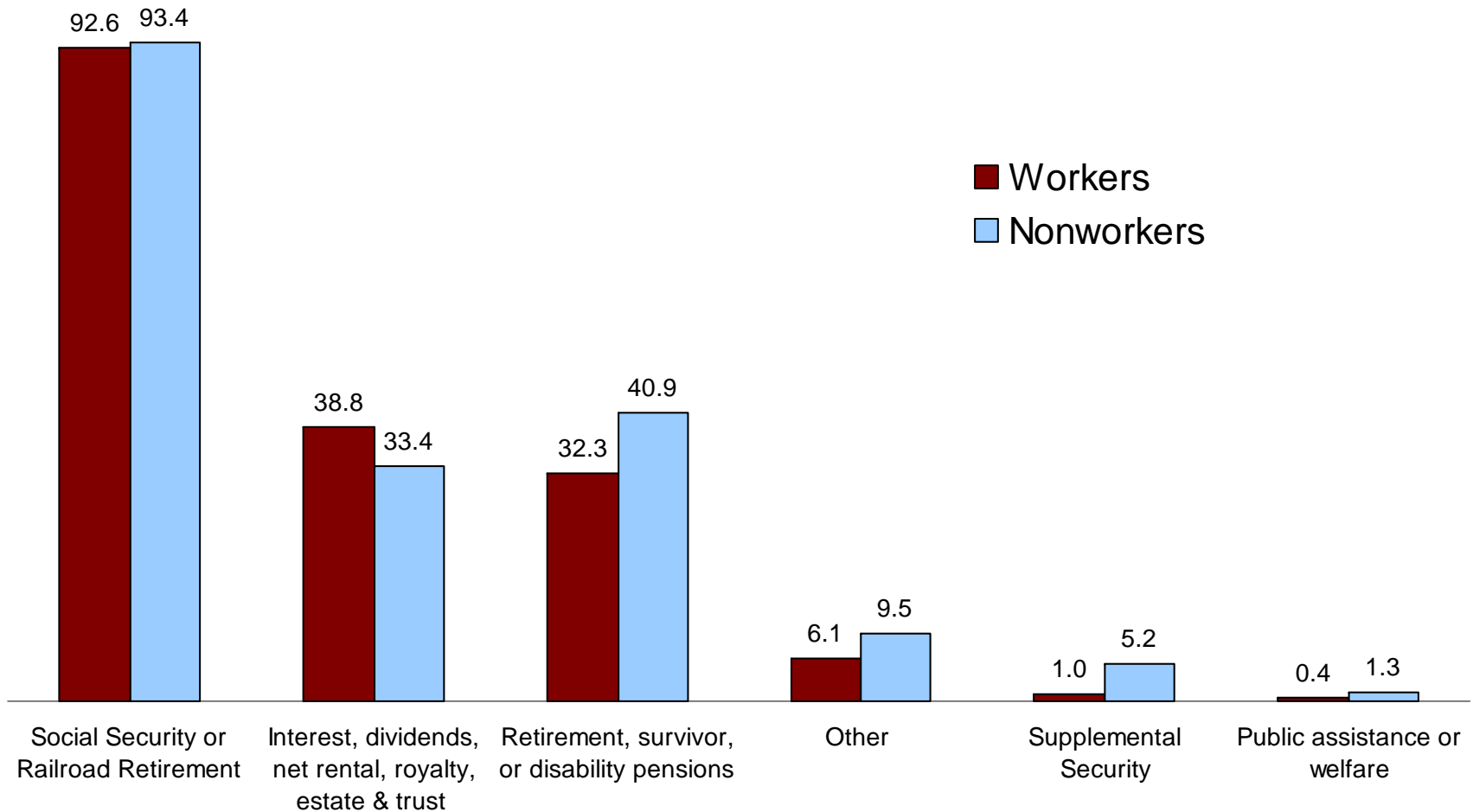
Older workers also had higher property values than nonworkers.

(Percent distributions of property values by employment status)



The majority of the retirement-age population had some source of household income besides earnings at their disposal. Only **11%** of workers and **4%** of nonworkers reported **no other source of income**.

(Proportion of workers and nonworkers with some source of income by income type)

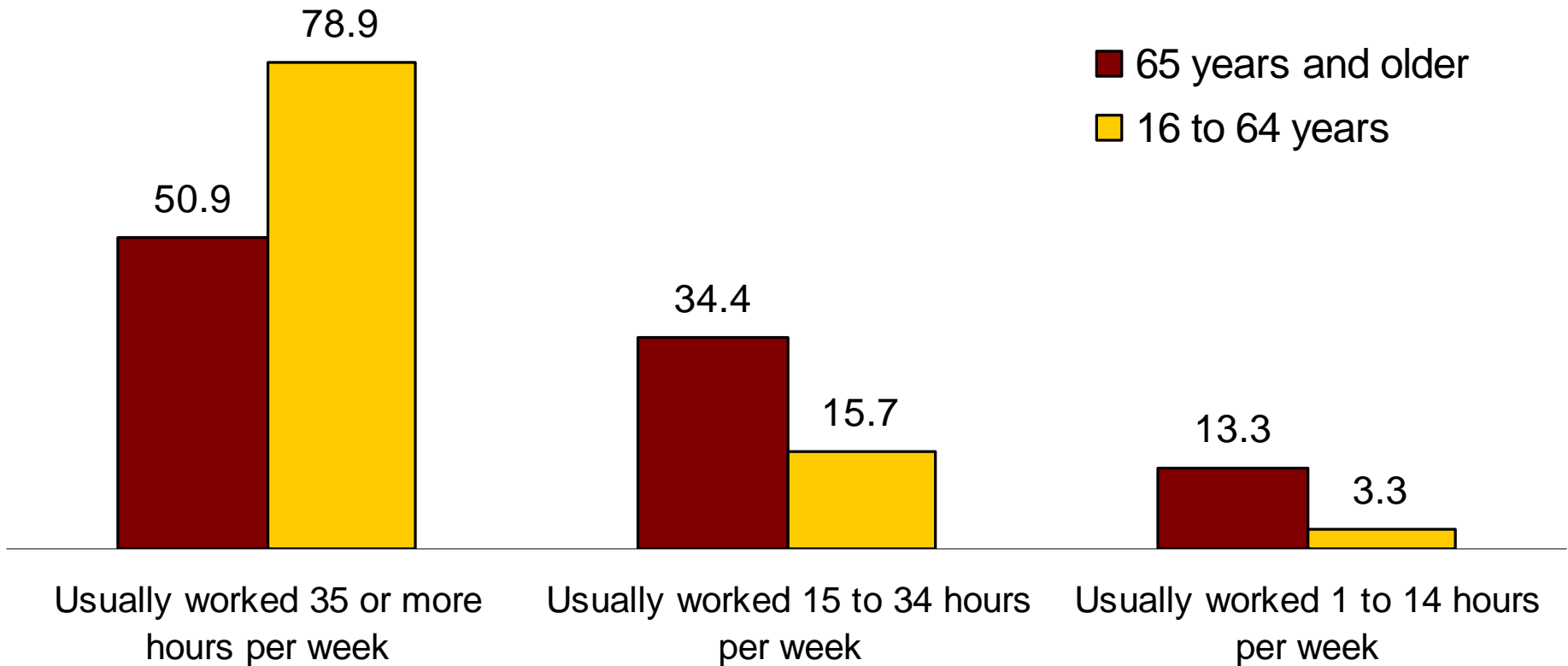


Older Workers and Younger Workers

The following slides show the characteristics of workers 65 years and older and workers age 16 to 64 years.

Older workers worked slightly fewer weeks per year and significantly less hours per week than younger workers.

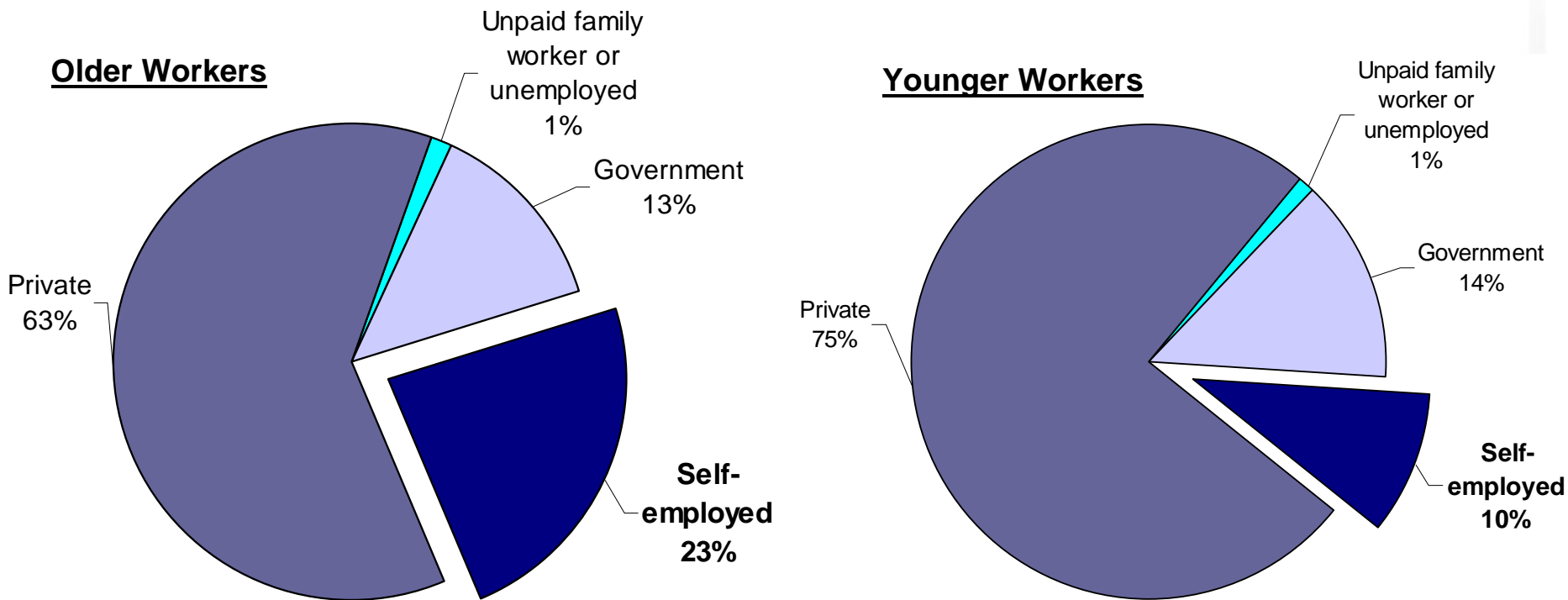
(Percent distributions of hours worked by age group)



Older workers may move from **full-time** work to **part-time** work to bridge the gap between career jobs and retirement.

The **class of worker** differed between the older and younger populations. 23% of older workers were self-employed compared with 10% of younger workers.

(Percent distributions of class of worker by age group)

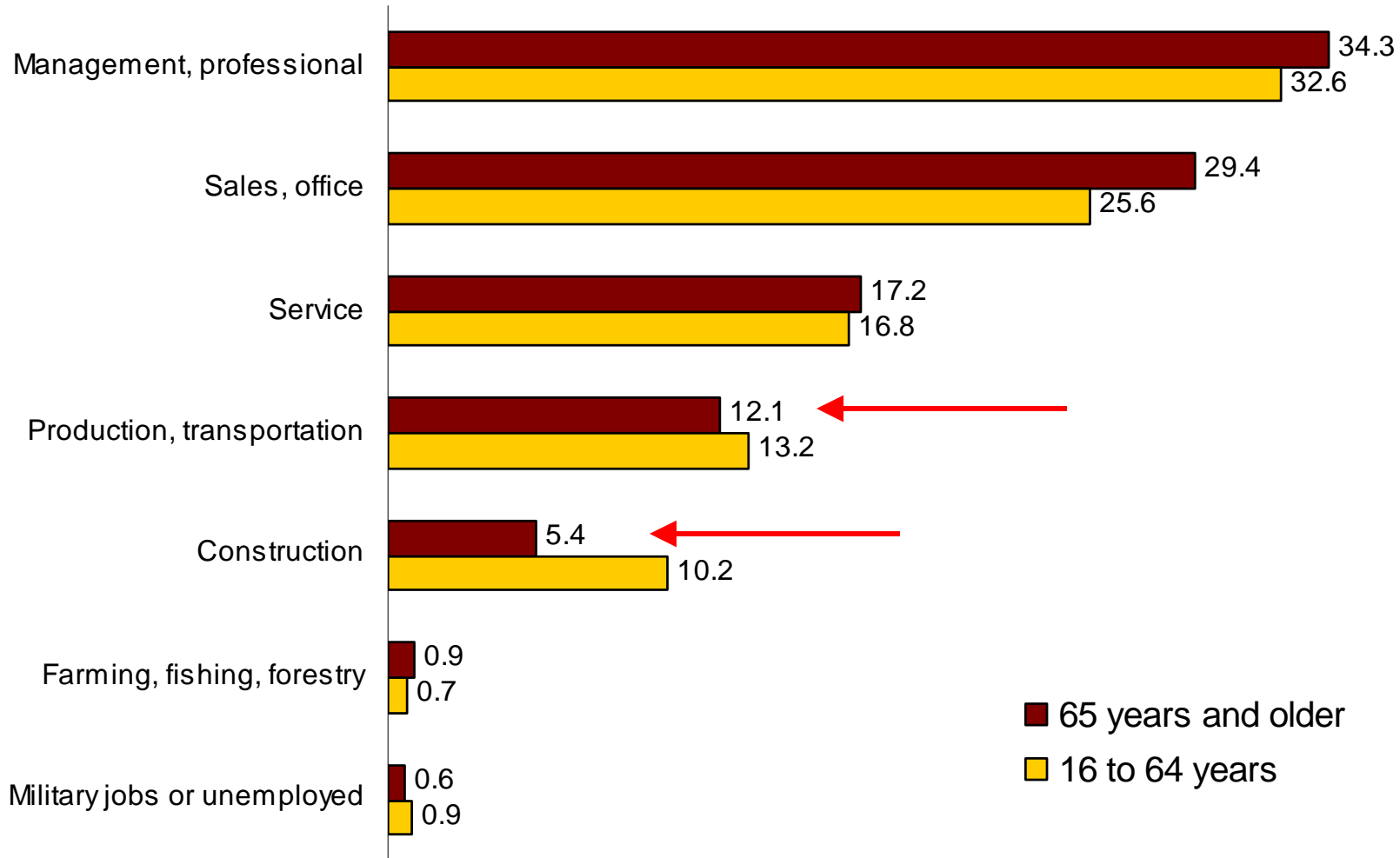


According to the Kauffman Foundation, Americans 55 to 64 years old form small businesses at a higher rate than any other age group.

(The Kauffman Index of Entrepreneurial Activity, 1996-2004)

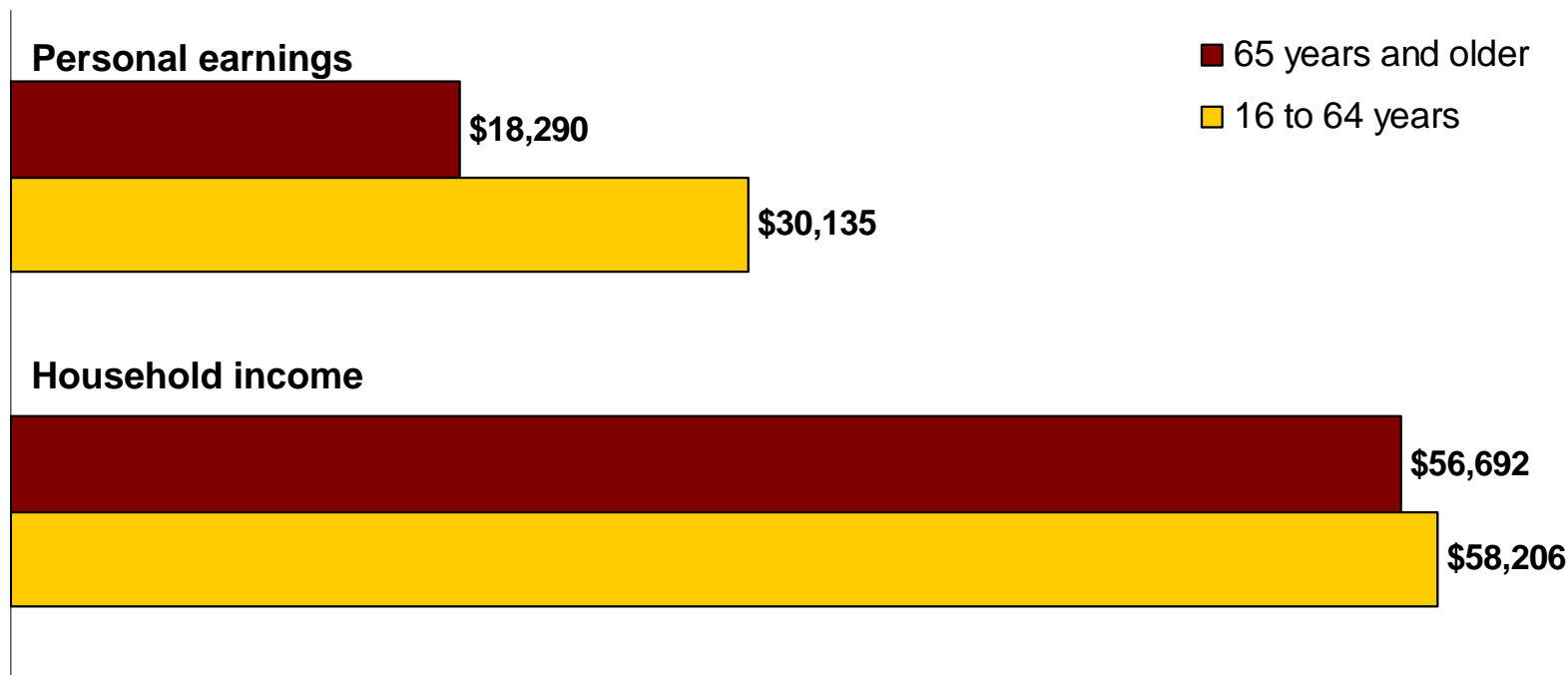
Older workers tend towards less physically-demanding industries and occupations.

(Percent distributions of occupation by age group)



The **median personal earnings** of older workers were \$12,000 less than that of younger workers, while the **median household incomes** were only \$2,000 less.

(Median earnings & median income in 2006 inflation-adjusted dollars)

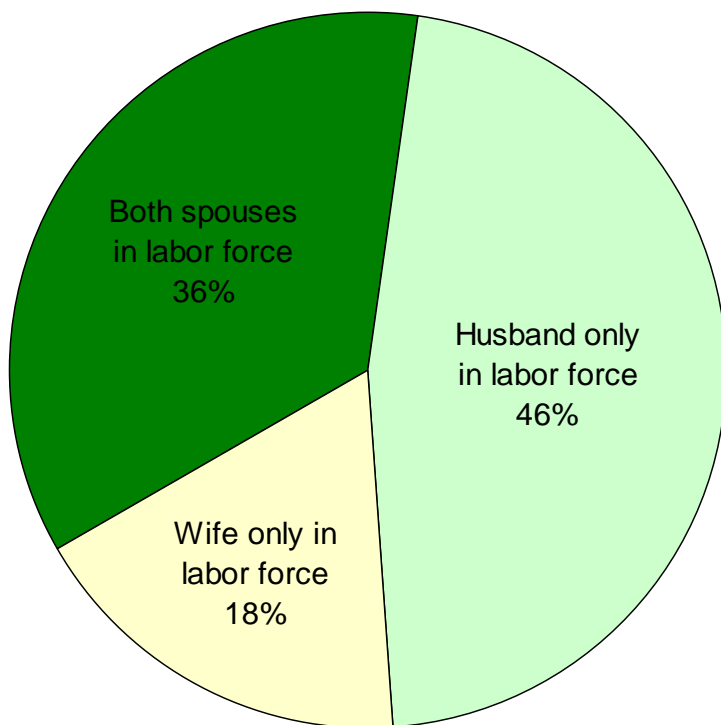


While they may earn less than younger workers, **89%** of workers 65 years and older have some other source of income, such as pensions and Social Security, compared with **22%** of workers 16 to 64 years old.

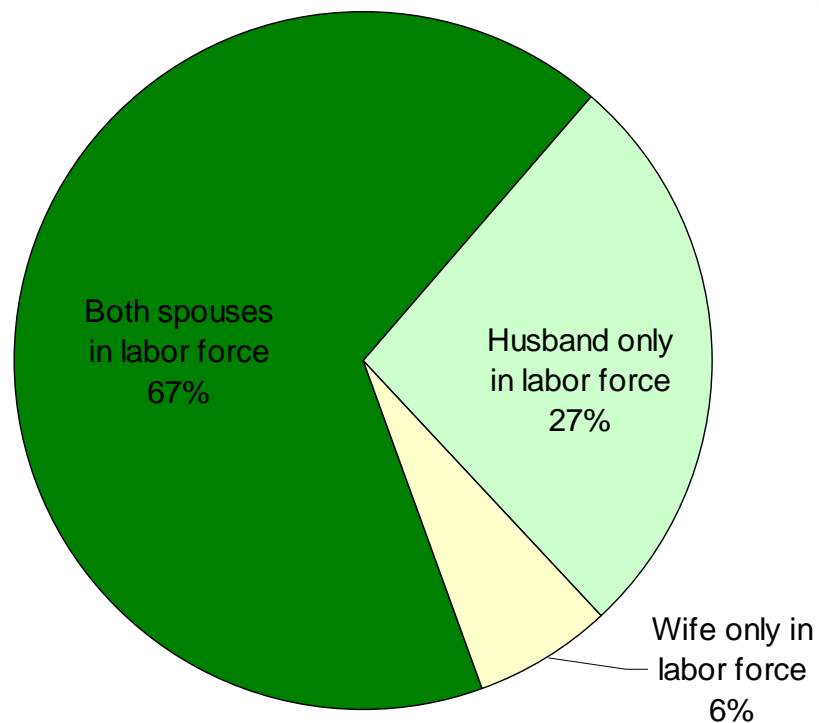
Employment status of married-couples

In couples where **at least one** person was 65 years or older and in the labor force, only **36%** had **both spouses** in the labor force compared with **67%** of younger couples.

Older Couples



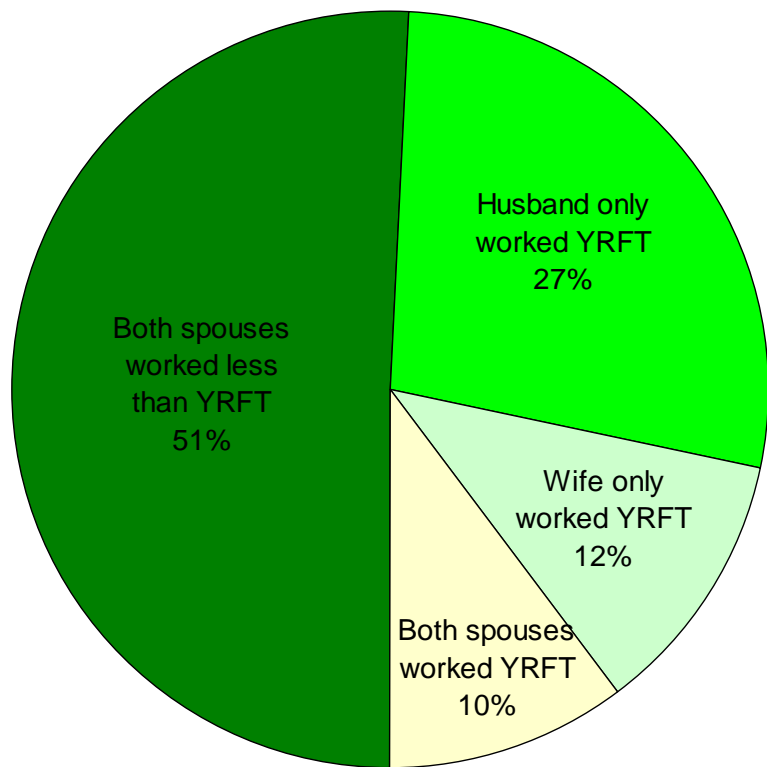
Younger Couples



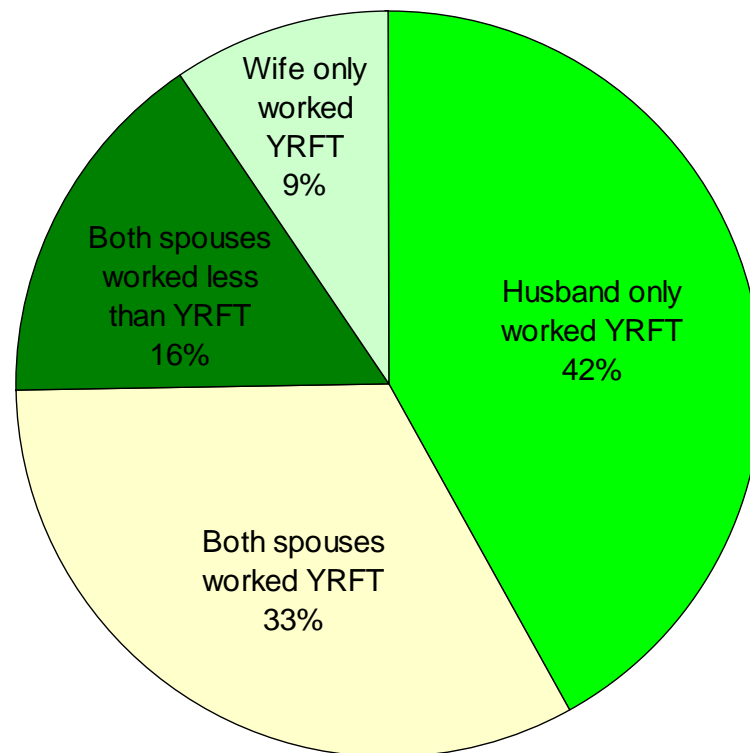
Work status of married-couples

In **half** of the couples where **at least one** person was 65 years or older and in the labor force, **both spouses** worked less than year-round full-time compared with **16%** of younger couples.

Older Couples

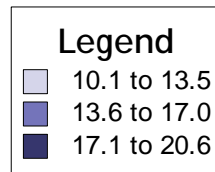
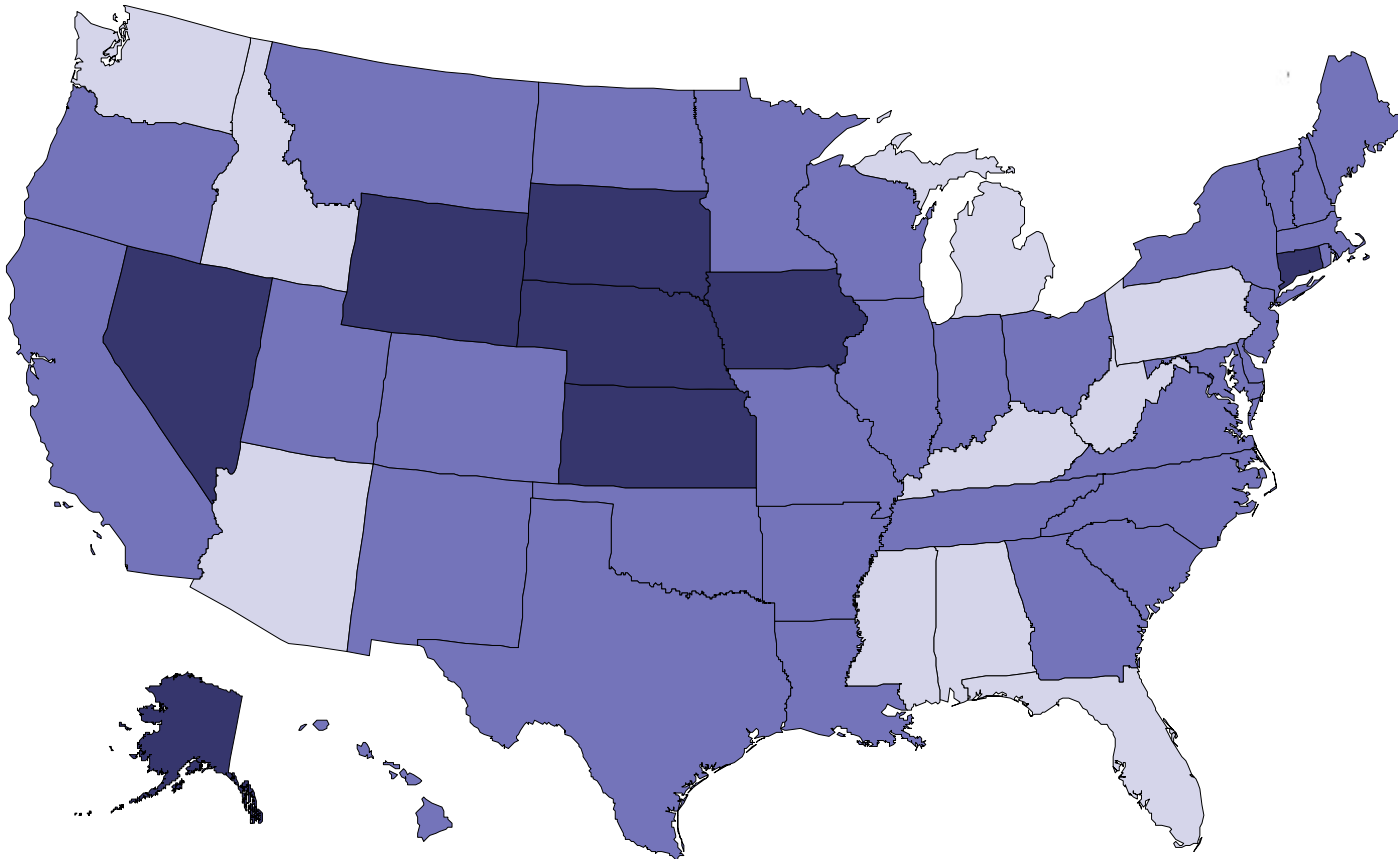


Younger Couples



Maps

Labor Force Participation Rates for the retirement-age population



Summary of graphs

WORKERS 65 years and older are more likely to be:

- Men
- More educated
- Married
- In better health
- Financially better-off

Compared with
NONWORKERS
65 years and older

WORKERS 65 years and older are more likely to be:

- Part-time or part-year employees
- Self-employed
- In sales or management jobs
- In single-earner couples

Compared with
WORKERS
16 to 64 years old

Summary of Maps

High Labor Force Participation Rates

Agricultural states in the Great Plains

Government-rich job market in District of Columbia

Low Labor Force Participation Rates

Traditional retirement states in the Sun Belt

States that are actively recruiting retirees

States that rank high on “Best Places to Retire” listings

Median Household Income

The largest disparities between median household incomes for workers and nonworkers are generally in southern states and states with high costs of living.

Contact Information

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Housing and Household Economic Statistics Division
Labor Force Statistics Branch*

301-763-3230