Working Beyond Retirement-Age

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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.

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

Source: 2006 American Community Survey
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.

<table>
<thead>
<tr>
<th>DEFINITIONS:</th>
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</thead>
<tbody>
<tr>
<td>Older Workers = 65 years and older</td>
</tr>
<tr>
<td>Younger Workers = 16 to 64 years old</td>
</tr>
<tr>
<td>Retirement-age = 65 years and older</td>
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<tr>
<td>Workers = people who are either employed or unemployed</td>
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<tr>
<td>Nonworkers = people no longer part of the labor force</td>
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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)

<table>
<thead>
<tr>
<th>Sex</th>
<th>65 to 69 years</th>
<th>70 to 74 years</th>
<th>75 years and older</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>31.4%</td>
<td>14.9%</td>
<td>10.9%</td>
</tr>
<tr>
<td></td>
<td>9.9%</td>
<td>9.5%</td>
<td>19.9%</td>
</tr>
<tr>
<td>Female</td>
<td>24.5%</td>
<td>10.9%</td>
<td>7.6%</td>
</tr>
<tr>
<td></td>
<td>13.2%</td>
<td>13.0%</td>
<td>34.5%</td>
</tr>
</tbody>
</table>

Source: 2006 American Community Survey
Older workers had higher **educational attainment** overall than older nonworkers.

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**
  - Have a disability: 19.2%
  - Have no disability: 52.5%

- **Nonworkers**
  - Have a disability: 47.5%
  - Have no disability: 80.8%

Source: 2006 American Community Survey
64% of older workers were **married** compared with 51% of older nonworkers.

(Percent distributions of marital status by employment status)

Source: 2006 American Community Survey
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)

<table>
<thead>
<tr>
<th>Workers</th>
<th>$56,692</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonworkers</td>
<td>$30,721</td>
</tr>
</tbody>
</table>

Source: 2006 American Community Survey
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)

Source: 2006 American Community Survey
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)

- Social Security or Railroad Retirement: 92.6% (Workers) vs. 93.4% (Nonworkers)
- Interest, dividends, net rental, royalty, estate & trust: 38.8% (Workers) vs. 33.4% (Nonworkers)
- Retirement, survivor, or disability pensions: 32.3% (Workers) vs. 40.9% (Nonworkers)
- Other: 6.1% (Workers) vs. 9.5% (Nonworkers)
- Supplemental Security: 1.0% (Workers) vs. 5.2% (Nonworkers)
- Public assistance or welfare: 0.4% (Workers) vs. 1.3% (Nonworkers)

Source: 2006 American Community Survey
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.

Source: 2006 American Community Survey
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)*

Source: 2006 American Community Survey
Older workers tend towards less physically-demanding **industries** and **occupations**.

(Percent distributions of occupation by age group)

Source: 2006 American Community Survey

- **Management, professional**
  - 65 years and older: 34.3%
  - 16 to 64 years: 32.6%

- **Sales, office**
  - 65 years and older: 29.4%
  - 16 to 64 years: 25.6%

- **Service**
  - 65 years and older: 17.2%
  - 16 to 64 years: 16.8%

- **Production, transportation**
  - 65 years and older: 12.1%
  - 16 to 64 years: 13.2%

- **Construction**
  - 65 years and older: 5.4%
  - 16 to 64 years: 10.2%

- **Farming, fishing, forestry**
  - 65 years and older: 0.9%
  - 16 to 64 years: 0.7%

- **Military jobs or unemployed**
  - 65 years and older: 0.6%
  - 16 to 64 years: 0.9%

**Source:** 2006 American Community Survey

**Helping You Make Informed Decisions**
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.

Source: 2006 American Community Survey
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.
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.

Source: 2006 American Community Survey
Maps
Percentage of the population 16 years and older who are retirement-age

Source: 2006 American Community Survey
Labor Force Participation Rates
for the retirement-age population

Source: 2006 American Community Survey
Ratio of older workers to older nonworkers

**Median household income**

Legend:
- 1.2 to 1.5
- 1.6 to 1.8
- 1.9 to 3.0
- National 1.8

Source: 2006 American Community Survey
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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