



## Older Adults' Labor Force Participation since 1993: A Decade and a Half of Growth

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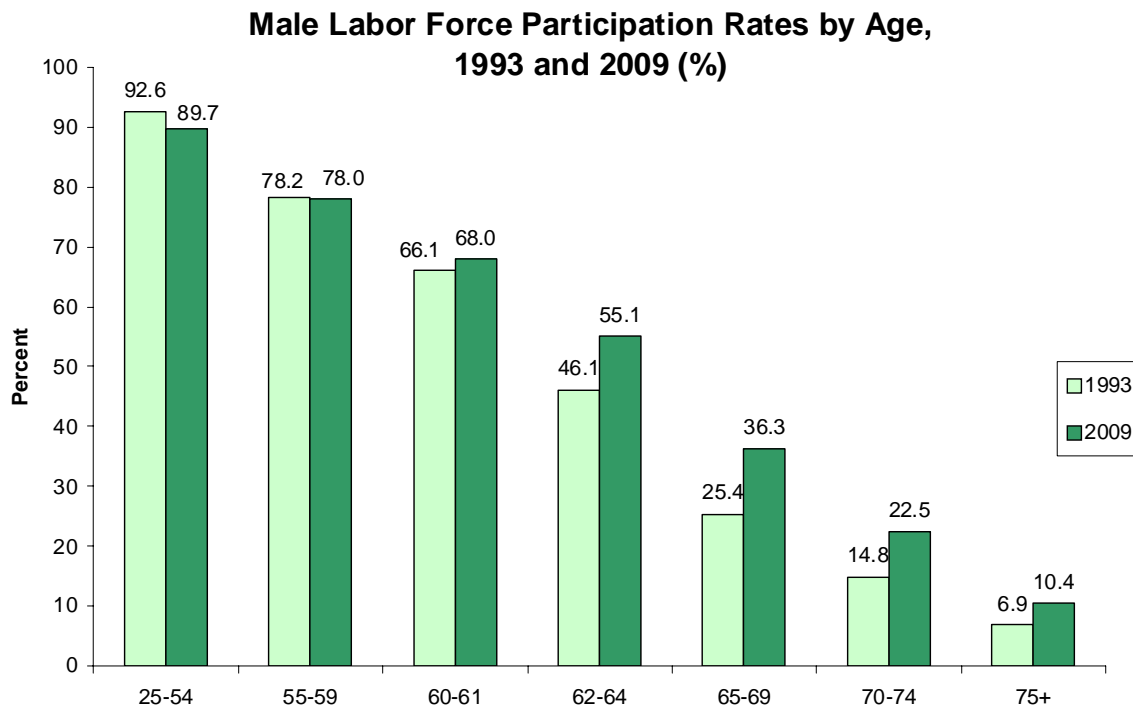
The charts on the following pages show that labor force participation rates—the percentage of adults working or looking for work—increased sharply for older men and women between 1993 and 2009.

- In 2009, adults age 55 and older made up 19 percent of the labor force, the highest share since the Bureau of Labor Statistics (BLS) began tracking age-specific participation rates in 1948.
- Between 1993 and 2009, participation rates for men age 62 to 74 increased 10.7 percentage points, from 27.3 to 38.0 percent, a relative increase of 39 percent.
- Female participation rates at age 62 to 74 increased 11.2 percentage points, from 16.9 percent in 1993 to 28.1 percent in 2009, a relative increase of 66 percent.
- The growth in senior participation rates added 3.2 million adults age 62 and older to the nation's workforce in 2009, compared with the number who would have participated if rates had remained at their 1993 levels.
- Participation rates for both men and women age 62 and older increased in 2009, despite the weak labor market that reduced participation rates for adults younger than 62 and pushed the unemployment rate to its highest level since 1983.
- Increased work incentives, improved health, and heightened concerns about the affordability of retirement boosted participation rates for older Americans.
  - Traditional employer-sponsored pension plans that usually encourage early retirement by failing to reward work at older ages have mostly disappeared in favor of age-neutral 401(k)-type plans.
  - Employer-sponsored retiree health plans are also disappearing, raising the cost of retiring before Medicare eligibility begins at age 65.
  - Recent Social Security reforms that increased the full retirement age, eliminated the retirement earnings test for workers past the full retirement age, and boosted credits for those who delay retirement also increased incentives to work longer.

The following graphs are based on data from the Current Population Survey, conducted monthly by the U.S. Census Bureau for the BLS. Detailed tables showing participation rates between 1948 and 2009 are available in the [data appendix](#).

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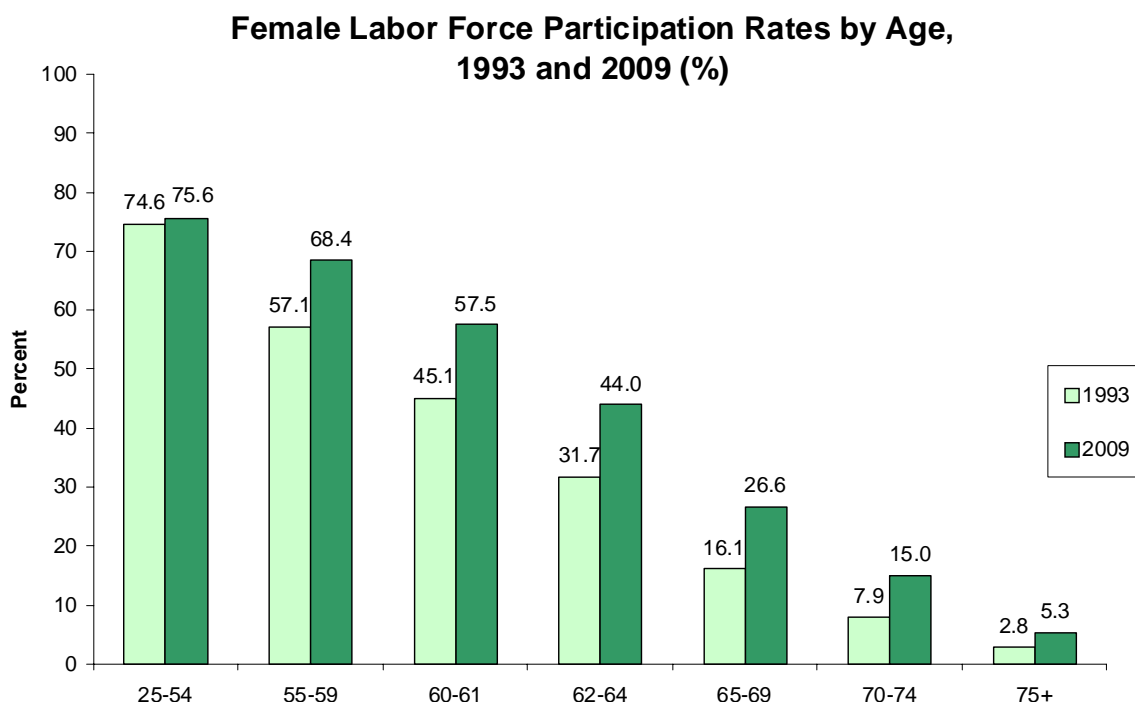
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Source: Authors' computations from BLS (2010).

Note: The labor force participation rate is the share of the civilian noninstitutionalized population that is working or actively seeking work.

- Although labor force participation rates are higher at younger than older ages, participation rates have been growing rapidly for men age 62 and older. Between 1993 and 2009, male participation rates increased 9 percentage points at age 62 to 64, a 20 percent relative increase. They increased 43 percent at age 65 to 69, 52 percent at age 70 to 74, and 51 percent at age 75 and older.
- The increase in older men's participation rates added 1.52 million men age 62 and older to the nation's workforce in 2009, compared with the number who would have participated if rates had remained at their 1993 levels.
- This growth reversed decades of declining labor force participation rates for older men. Between 1948 and 1986, for example, the share of men age 65 and older participating in the labor force fell from 47 to 16 percent.
- Younger men's participation rates have been slowly declining since the mid-1950s. Between 1955 and 2009, the share of men age 25 to 54 in the labor force fell from 97 to 90 percent.



Source: Authors' computations from BLS (2010).

Note: The labor force participation rate is the share of the civilian noninstitutionalized population that is working or actively seeking work.

- Labor force participation rates have increased over the past 16 years for women of all ages, but gains have been particularly striking for older women. Between 1993 and 2009, female participation rates grew 12.3 percentage points at age 62 to 64, a 39 percent relative increase. They increased 65 percent at age 65 to 69, 90 percent at age 70 to 74, and 89 percent at age 75 and older.
- The increase in older women's participation rates added 1.68 million women age 62 and older to the nation's workforce in 2009, compared with the number who would have participated if rates had remained at their 1993 levels
- The growth in older women's labor force participation rates partly reflects earlier increases in younger women's employment. Women approaching retirement age today are more likely to have worked when they were younger than previous generations of older women.
- However, recent participation gains among older women lag behind gains achieved when they were younger. At age 35 to 44, participation rates were 39 percent higher for women born between 1945 and 1954 than those born 15 years earlier. At age 55 to 64, however, participation rates were only 23 percent higher for the younger cohort than the older cohort.
- The growth in younger women's employment has slowed. Between 1993 and 2009, participation rates by women age 25 to 54 increased only 1 percent.

### Labor Force Participation Rates by Education, Men Age 65–69, 1993 and 2009

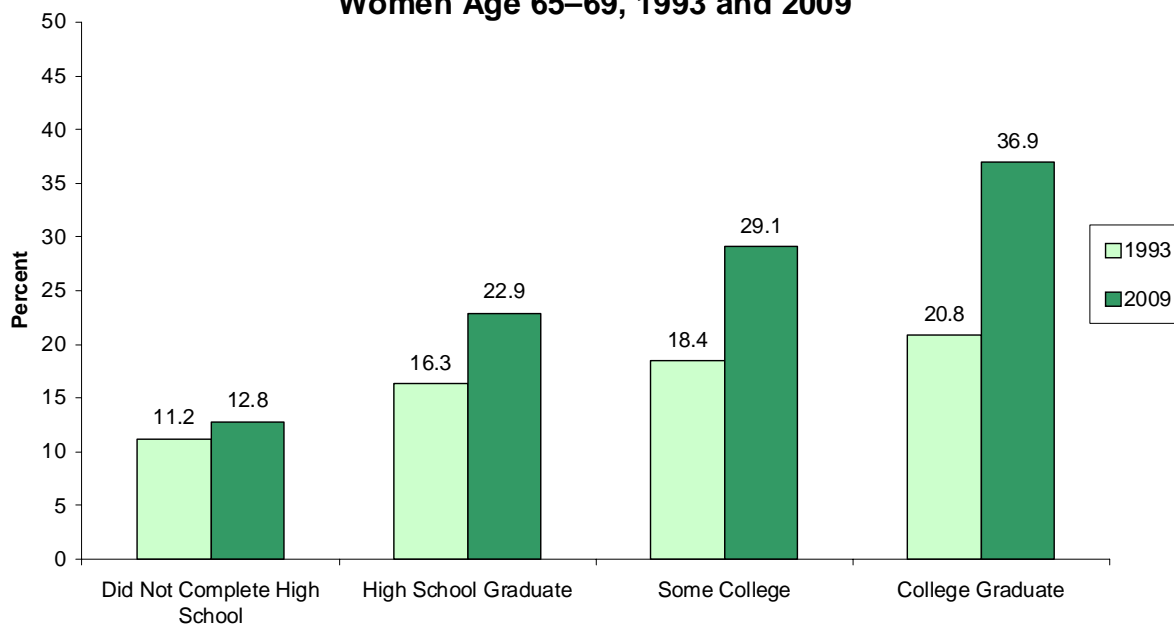


Source: Authors' computations from the Annual Social and Economic Supplement to the Current Population Survey.

Note: The labor force participation rate is the share of the civilian noninstitutionalized population that is working or actively seeking work. Adults with some college education includes only those who did not complete four years of study.

- Well-educated older men are more likely to participate in the labor force than their less-well-educated counterparts. In 2009, male college graduates age 65 to 69 were 58 percent more likely than high school graduates to participate in the labor force and nearly twice as likely as those who did not complete high school.
- Participation rates have recently grown more rapidly for older men with limited education than those who completed college. Between 1993 and 2009, participation rates at age 65 to 69 increased 68 percent for men who did not complete high school, 27 percent for men with high school diplomas who never attended college, and 12 percent for men who completed four or more years of college.
- However, participation rates at age 55 to 61 declined for men who did not complete college while increasing slightly for male college graduates.

### Labor Force Participation Rates by Education, Women Age 65–69, 1993 and 2009

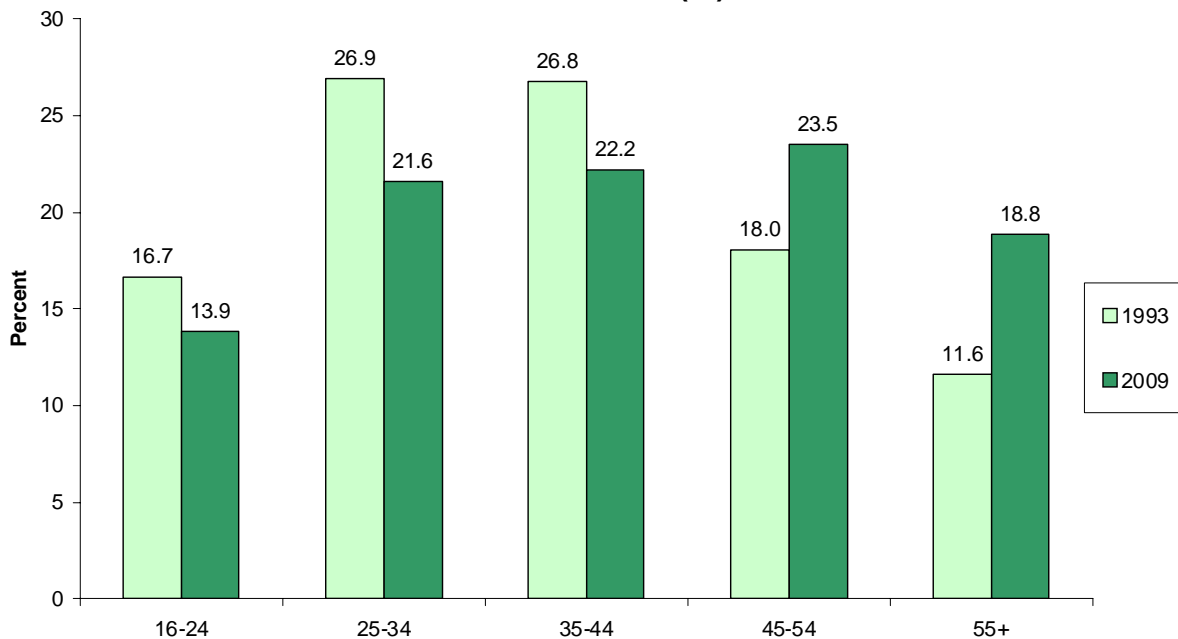


Source: Authors' computations from the Annual Social and Economic Supplement to the Current Population Survey.

Note: The labor force participation rate is the share of the civilian noninstitutionalized population that is working or actively seeking work. Adults with some college education includes only those who did not complete four years of study.

- Labor force participation rates for older women increase with education. In 2009, female college graduates were 61 percent more likely than high school graduates to participate in the labor force at age 65 to 69 and nearly three times as likely as those who did not complete high school.
- Participation rates have recently grown more rapidly for well-educated older women than for those with limited education. Between 1993 and 2009, participation rates at age 65 to 69 increased 14 percent for women who did not complete high school, 40 percent for women with high school diplomas who never attended college, and 77 percent for women who completed four or more years of college.

### Age Distribution of the Labor Force, 1993 and 2009 (%)



Source: Authors' computations from BLS (2010).

- Between 1993 and 2009, the number of Americans age 55 and older participating in the labor force increased 93 percent—to 29 million—as the population aged and participation rates increased at older ages.
- Over the same period, the number of Americans younger than age 55 in the labor force increased only 10 percent.
- In 2009, adults age 55 and older made up 18.8 percent of the labor force, the highest share since 1948 when these records began.

#### Reference

Bureau of Labor Statistics (BLS). 2010. "Labor Force Statistics from the Current Population Survey." <http://data.bls.gov/PDO/outside.jsp?survey=ln>.