



CAN AMERICANS WORK LONGER?

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IN THE 1930s, FRANKLIN D. ROOSEVELT envisioned a program that would alleviate the insecurity of aging in an industrial society. The embodiment of that vision, Social Security, enabled older workers who could no longer perform strenuous physical labor to retire with financial protection. Although Social Security has become an indispensable part of U.S. society, changes in the job market and in the longevity of workers may necessitate tailoring the program to reflect evolving needs.

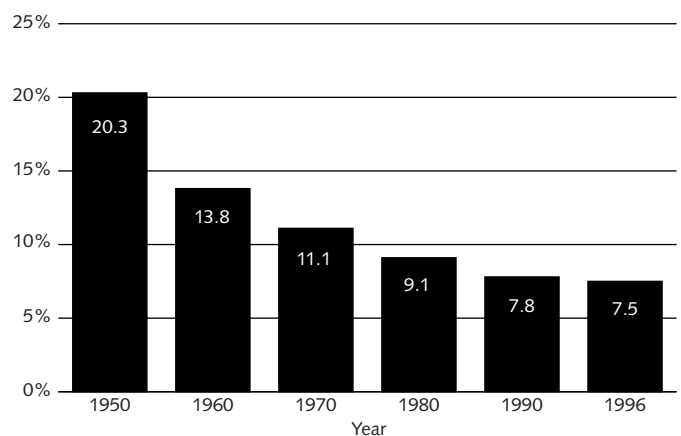
Since FDR's presidency, the manufacturing-based economy has evolved into one increasingly based on technology and services. Jobs are generally less physically demanding today than they were earlier in the century. In addition, life expectancy has increased and the widespread availability of better health care has improved the physical well-being of Americans late in life. Today, people who would have been considered elderly in FDR's time are likely to have many healthy years ahead of them.

In response, policymakers have suggested changes in Social Security. For example, the normal retirement age of 65 is scheduled to increase to 67 by the year 2022 (although 62 will remain the age of early eligibility). Some policymakers have even recommended that this transition be accelerated. Several other proposals—such as further pushing back both the normal and the early retirement ages or indexing the retirement age to increases in life expectancy—are being debated.

These policy debates are based in part on evidence that the labor market can accommodate older workers. Using Labor Department data, we estimate that the percentage of workers in physically demanding jobs has dropped substantially—from about 20 percent in 1950 to almost 8 percent in 1996 (figure 1). (Physically demanding jobs are defined as requiring frequent lifting or carrying of objects weighing more than 25 pounds.) Our estimate probably understates the decline because it does not take into account the possibility that even jobs classified as physically demanding today are less strenuous than jobs in the past. In addition, the drop in the number of workers in physically demanding jobs was most dramatic among older age groups.

Evidence also suggests that the health of Americans between the ages of 55 and 75 has improved over the past 20 years. Researchers at Duke University found that between 1982 and 1994 the prevalence of sickness and disability among people age 65 and over declined

FIGURE 1.
 U.S. Workers in Physically Demanding Jobs



Source: The Urban Institute, 1999. Based on the U.S. Department of Labor, *Dictionary of Occupational Titles* (1977) and the U.S. Bureau of the Census Current Population Survey, 1971, 1981, 1991, and 1997. Data points for 1950 and 1960 are taken from the U.S. Social Security Administration study *Increasing the Retirement Age: Effect on Older Workers in Physically Demanding Occupations or Ill Health*, 1986.

from about 25 percent to 21 percent.* In the 1997 Current Population Survey, only a minority of people in their late 60s and early 70s reported being in poor or fair health (figure 2). Furthermore, reports of poor or fair health rose only moderately with age—until much later in life. Even fewer Americans in their late 60s and early 70s reported having a disability that limits their ability to work.

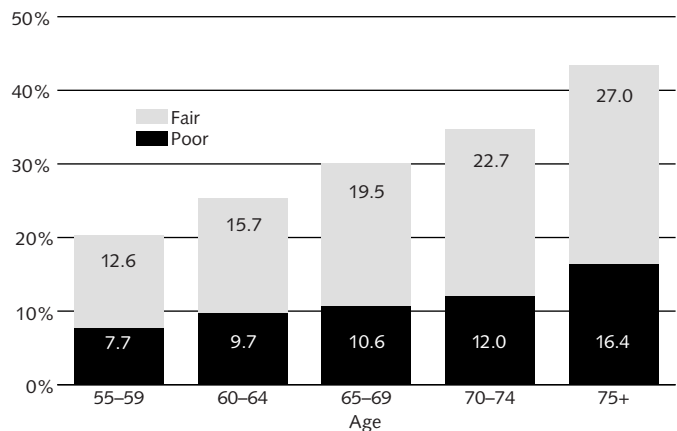
The findings presented here must be approached with caution. For example, older people's reports of their health may be unreliable if they tend to relax their standards of good health as they age. In addition, the data from the Current Population Survey exclude institutionalized respondents, a population more likely to be in poor health.

Nevertheless, the evidence presents a strong case that many people leave the workforce long before their health makes it necessary. An upward adjustment of the retirement age would give a greater share of Social Security benefits to older Americans who are less capable of working. Gradually altering Social Security to meet the needs of such workers would bring the program back in line with Roosevelt's original vision.

*Manton, Kenneth G., Larry Corder, and Eric Stallard. 1997. "Chronic Disability Trends in Elderly United States Population: 1982-1994." *Proceedings of the National Academy of Sciences* 94: 2593-98.

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FIGURE 2.
 Older Americans Reporting Poor or Fair Health, 1997



Source: The Urban Institute, 1999. Based on the U.S. Bureau of the Census Current Population Survey, 1997.

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