

# Understanding the Aging Workforce: Defining a Research Agenda

The Committee on Understanding the Aging Workforce  
and Employment at Older Ages

*The Committee on Population/The Committee on National Statistics  
The Division of Behavioral and Social Sciences and Education*

**We will be starting shortly**

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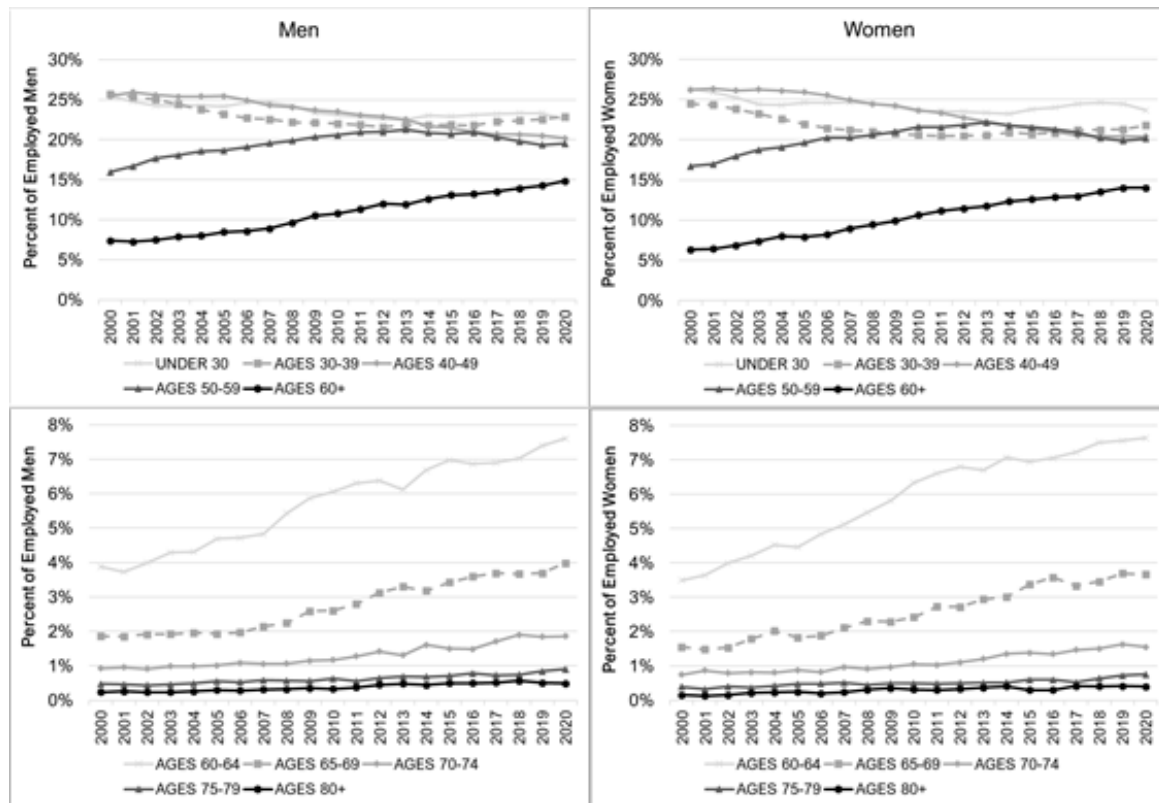
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# Introduction



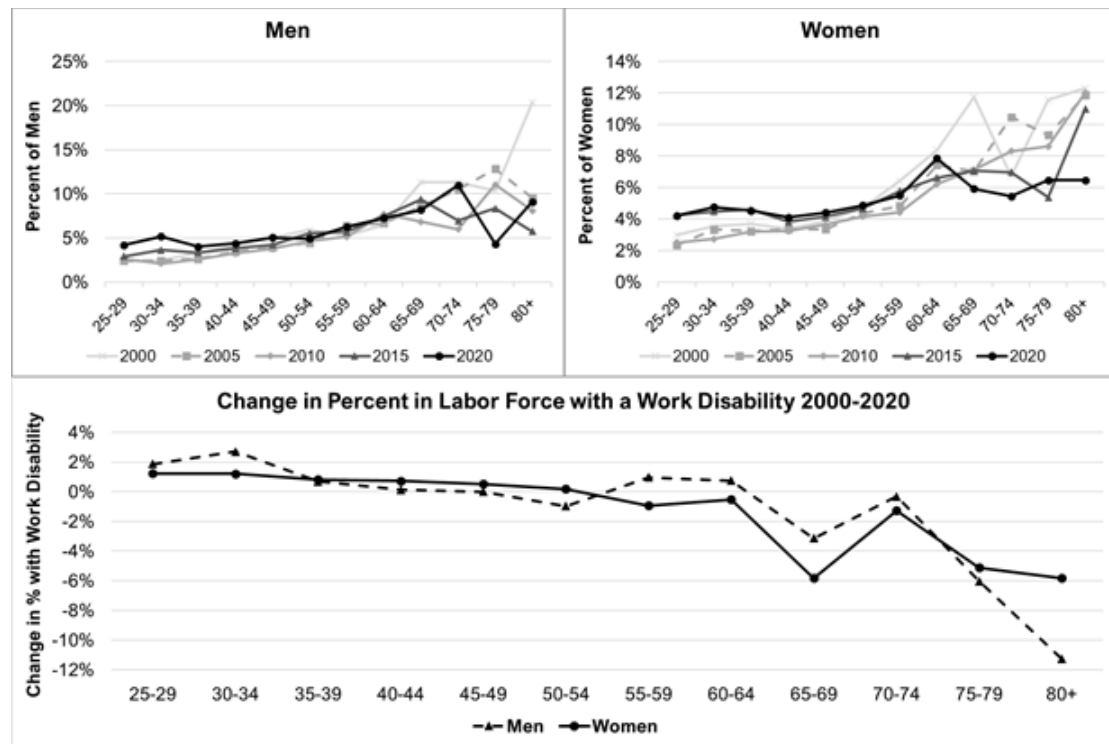
01

# The Aging U.S. Workforce



- Improved health and longevity extended recent cohorts' working lives
- Between 2000 and 2020, the share of employed adults who were over age 60 more than doubled
- Increase occurred for both men and women and within every five-year age group over age 60
- Interrupted by COVID-19 pandemic

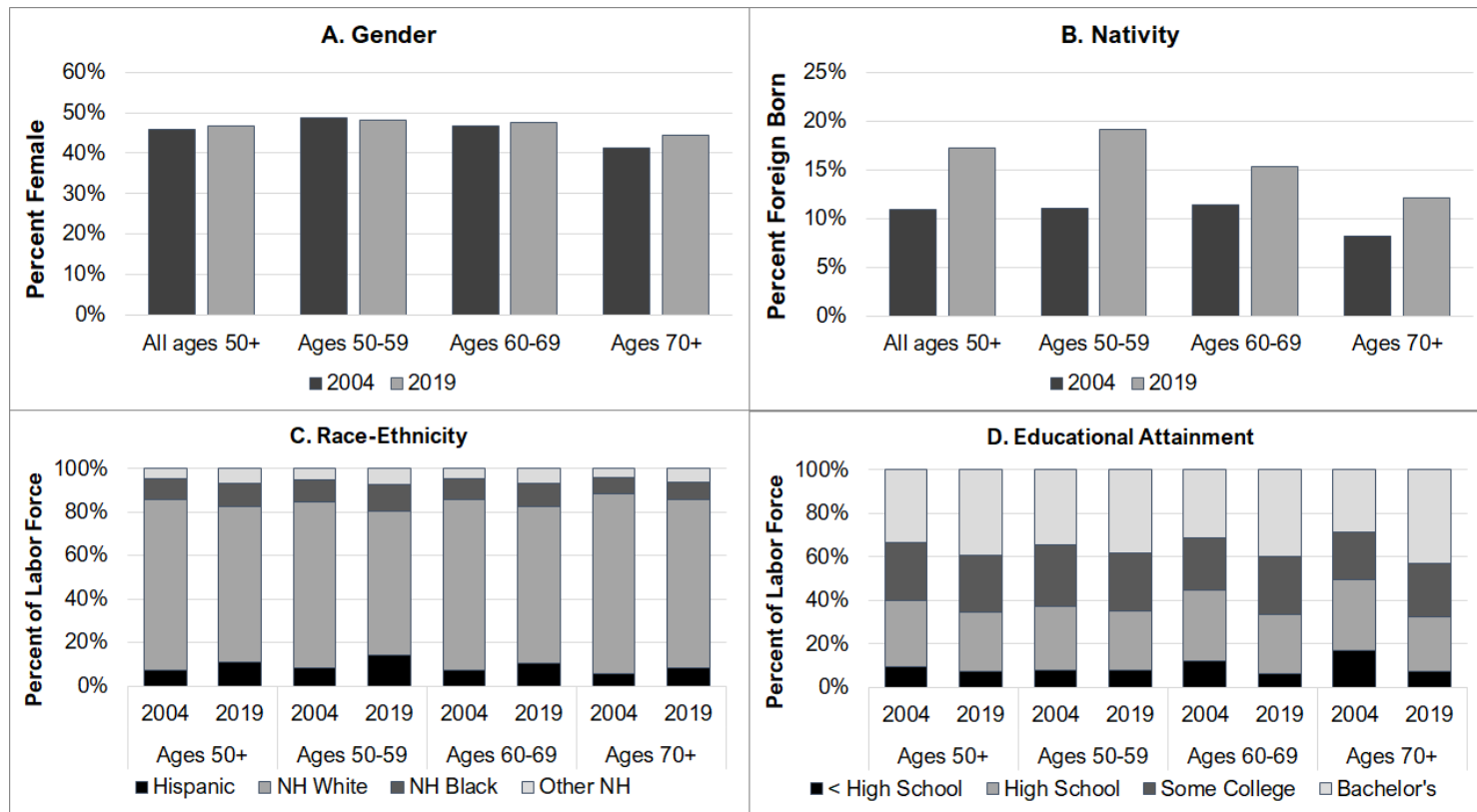
# The % of the Older Workforce with a Work Disability (2000-2019)



- Among older workers, the percentage with a work disability declined between 2000 and 2019, even as their labor force participation increased
- At the same time, work disability became more prevalent among women under age 50 and men under age 40



# The Older Workforce Has Become More Diverse



# Economic Inequality and Extended Working Lives

- Although the U.S. population is aging, ***higher labor market participation from this older workforce could soften the potential negative impacts of population aging*** over the long term on economic growth and the funding of Social Security and other social programs
- However, these trends in population aging and healthier longevity have occurred ***alongside widening economic inequality*** in which many older adults face constraints on their working and retirement behaviors.
- These constraints fall along lines defined by social and economic inequalities such as gender, race-ethnicity, immigration status, socioeconomic status, and geographic region
- Their effects ***cumulate over the life course***, affecting health and determining the resources and opportunities available for retiring or reducing employment in later life, and are further compounded by ***well-documented discrimination***.
- An aging and diversifying workforce, mounting inequality, new technologies, and higher economic and job precarity mean ***work arrangements among older adults are in flux***.

The National Academies of Sciences, Engineering, and Medicine will undertake a study that will review and ***assess what is known*** about the aging workforce in the United States, ***identify gaps*** in current knowledge and data infrastructure, and make ***recommendations for future research*** and data collection efforts. The study will focus on the individual-level **human capital** and demographic characteristics associated with decisions to continue working at older ages; and on the social and structural factors, including workplace policies and conditions, that inhibit or enable employment among older workers.

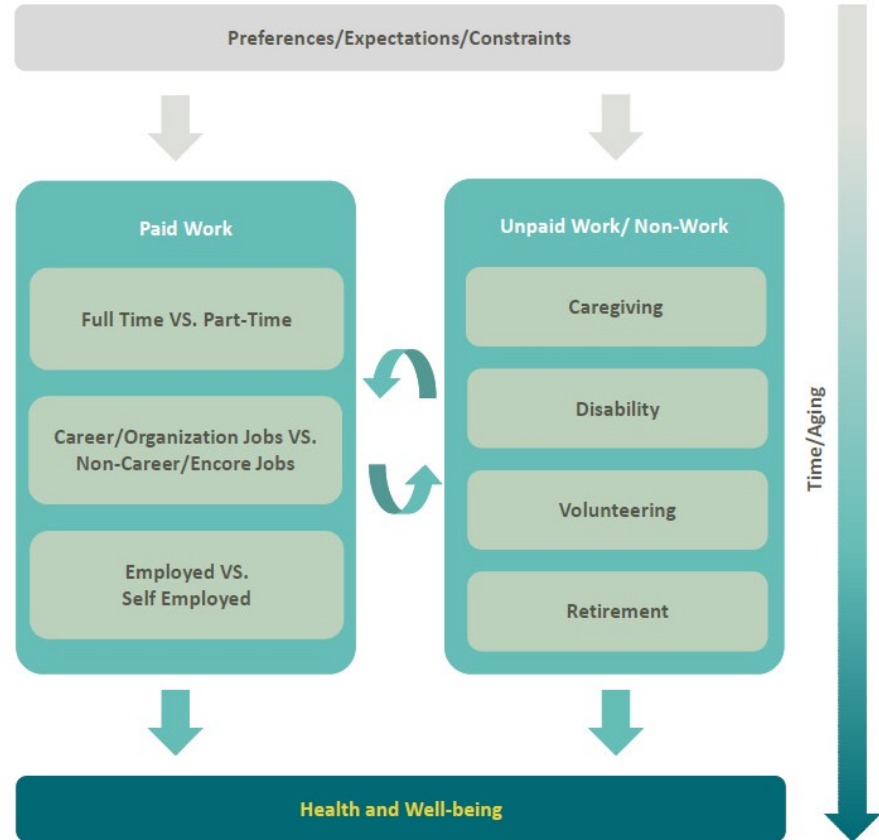
## Committee Statement of Task

# A Framework for Understanding Work and Retirement Pathways



02

- Older workers may make **multiple transitions** between paid work and unpaid work/non-work states
- These transitions are influenced by:
  - Individual **preferences** regarding both work and non-work activities
  - Individual **expectations** regarding their own capacity to continue working, the benefits they will derive from work (and non-work) activities, and the availability of work and other opportunities
  - Individual, organizational, and structural **constraints** on their work-related behaviors
- Preferences, expectations, and constraints are shaped by social and economic characteristics and inequalities whose effects ***cumulate throughout the life course***



# Overarching Conclusions to Guide Future Research



03

# Two Overarching Conclusions

## CONCLUSION I:

Older workers' preferences for work and specific work arrangements, their expectations about available work opportunities and financial stability, and the constraints on their work opportunities and behaviors ***all reflect the impact of both age bias and social and economic inequalities*** that structure economic opportunity throughout the life course and lead to ***wide disparities in employment and retirement pathways*** at older ages.

## CONCLUSION II:

The experiences of ***vulnerable older populations***, including women; racial and ethnic minorities; immigrants; those with less education, low income, or limited savings and wealth; those living in rural or economically disadvantaged areas; and those with multiple intersecting vulnerabilities ***remain understudied*** within the current literature. This limits our understanding of the ways in which inequality in retirement and work opportunities and outcomes contributes to broader social and economic inequality that affects the well-being of older adults.

# Centering The Role of Social and Economic Inequality in Future Research

- The committee's two over-arching conclusions highlight the need for future research to **center the role of social and economic inequality**.
- Individuals' preferences and expectations for work as well as their ability to realize these preferences are **constrained by the opportunity structures** in which they live and are the result of social and economic inequalities that shape economic and health outcomes throughout the life course.
- Because **older workers who remain in the labor force are on average more affluent** than older adults in the population, data and research that focuses on older workers will reflect the relative affluence of this population and may not represent the experiences of less affluent populations that face a more restrictive opportunity structure.
- We need to better understand the **heterogeneity** within the older worker population to ensure that the experiences of vulnerable populations are well-represented in research and policy discussions.



# Work and Resource Inequalities throughout The Life Course



04

# WORK AND RESOURCE INEQUALITIES IN LATER ADULTHOOD

## CONCLUSION 2

Much of the research on older workers focuses on the experiences of socially and **economically advantaged workers**, because they are more likely to work longer. Historically **disadvantaged subgroups are less likely to have control** over when, where, and how much to work or the resources and opportunities to enact their preferences for work at older ages. **But less is known** about how preferences, expectations, and constraints reflect these differences, intersect with age biases, and translate into **different employment patterns** at older ages and how this contributes to social and economic inequality in later life.

# A Life Course Perspective on Inequality

- The processes underlying work outcomes at older ages can be understood as the result of a **lifetime of experiences that shape opportunity** in later life
- A life course conceptual lens could promote a better understanding of disparities in later adulthood by emphasizing the contexts within which work transitions occur
  - Views work transitions as occurring within trajectories of experience that give them shape and meaning
  - Can identify how historical structural inequalities continue to affect inequality in work outcomes at older ages by shifting the research focus to how early experiences and contexts influence older workers' current preferences, expectations, and constraints on opportunities for work
  - Views individuals as embedded within social relationships of mutual interdependence within families and social networks, as well as within historical and social contexts
- Failure to consider these contexts may lead scientists to put too much emphasis on the effects of individual characteristics and miss the ways in which these effects are constrained by the contexts in which individuals are embedded

# Inequality in Work Opportunities

- Though research has documented education-based differentials in the effects of automation, globalization, and geographic disparities on employment opportunities, less is known about their specific impact on older workers or about public policies that could mitigate their adverse impact.
- Current measures of work provide only a limited understanding of the complex employment experiences of less affluent older adults and do not adequately capture:
  - simultaneous participation in formal- and informal-sector jobs, involuntary job separations leading to early labor force withdrawal, and barriers to work
  - low-income older adults' sources of income, multiple occupations, sporadic jobs, access to healthcare and other labor benefits, and eligibility for and take-up rates of supplemental income support programs
- Social networks and social capital may play an especially important role in identifying employment opportunities for older adults who have more tenuous and less formal contact with the labor market, but less is known about this relationship

# Inequality in Financial Security

- Financial security is one of the most important considerations workers face in forming preferences and expectations about retiring or continuing to work
- Although there remains considerable debate regarding whether older adults have adequate savings for retirement, there is a consensus that workers today face growing challenges in saving adequately for retirement.
- Financial security in old age is more tenuous for members of historically disadvantaged groups due to their lower wealth
  - More research is needed to understand the ways in which life-time earnings, saving, wealth accumulation, and social programs affect pathways to retirement and income security in old age for historically disadvantaged groups, including lower-skilled vulnerable workers with discontinuous work histories and multiple or sporadic jobs

# The Work-Health- Caregiving Interface



05

# THE **WORK-HEALTH-CAREGIVING** INTERFACE

## CONCLUSION 3

Although the relationship between physical health and work at older ages has been well established, less is known about other aspects of the relationship between health and work at older ages, such as the role of own mental health; the health and caregiving needs of family members; and how accommodative practices can enable working longer. Moreover, little is known about how recent declines in health at midlife and younger ages, particularly among those with less education, will affect labor force participation and worker needs for accommodative practices in the future.

# The Causal Relationship between Work and Health

- Although establishing the causal relationship between work and health is challenging, this relationship has been well-established in the current literature.
  - The mostly commonly used measures of health in this research are self-reported health status and the presence of a work-limiting disability.
  - Mental and cognitive health may also be important for continued employment at older ages, but little is known about this relationship
- In recent years, a growing number of adults at midlife and at younger ages have reported poorer health and more chronic health conditions, while mortality has increased, factors that have been exacerbated by the COVID-19 pandemic.
  - These trends are most pronounced among those with less education who already face barriers to work at older ages
  - Workers in poor health may be less productive, require disability accommodations, or generate higher health care costs for employers, which could lead to lower demand for older workers.
  - Understanding the reasons underlying this erosion in the health of younger cohorts trend may provide insights into future trends in work at older ages



# The Role of Caregiving

- Much of the current research on health has focused on the effects of own health on employment, but the health and caregiving needs of family members also affect work and retirement decisions
- The intensity and duration of providing care to family members often conflicts with employment and often leads to part-time work and forced retirement
- More research is needed to understand how, when and for whom caregiving responsibilities affect work transitions in later life.
  - It is likely that there are interaction effects between the health, social, and economic status of the informal caregiver and that of the care receiver
  - Little is known about how interactions between working conditions, employment policies, and employment practices shape resources for caregiving
  - These dynamics are further shaped by state and federal policies, such as paid family and medical leave.

# The Role of Workplace Policies and Practices



06

# THE EMPLOYER-OLDER EMPLOYEE RELATIONSHIP

## CONCLUSION 1

Retirement is too often viewed as an **overly individualized** process of workers stimulated or constrained by macro-level forces. However, **other forces** shape work and retirement pathways by constraining or increasing older workers' agency in making decisions. These forces include **workplace norms, policies, and practices, within the employer-employee relationship.**

# Interests and Institutions shape Workplace Policies and Practices

- Employer and employee interests can differ or can align
  - Employer interests often focus on productivity and developing high skill employees
  - Employee interests often focus on flexible work arrangements or retirement options.
  - Institutions such as forms of employee voice (collective bargaining, works councils) can influence types of practices, expand the options available to employees, and encourage access to flexibility practices.

# Implementation of Workplace Policies and Practices: Age-Specific vs. Age-Neutral Practices

- Age-specific practices
  - Practices that are tailored to older workers
  - Can be useful for meeting their specific needs
  - May stigmatize older workers and encouraging discrimination against them
- Age-neutral practices
  - Practices that are designed for all workers
  - Avoid age-based stigmatization
  - When the needs of older workers differ from those of younger workers, such practices may be less effective than practices specifically designed for older workers
- The relative effectiveness of age-specific and age-neutral practices in improving outcomes for older workers has not been adequately examined and additional research is needed to assess the tradeoffs between the costs and benefits of each.

# Workplace Policies and Practices Affect Work and Retirement

- Workplace practices, such as flexible work schedules, the introduction of accommodative technologies and innovations, and worker training programs, have been proposed as ways to improve the retention of older workers, but the effectiveness of these practices is ***not yet empirically established***.
- **Flexible work arrangements**
  - Can involve flexible work hours, time off, or remote work
  - Can be voluntarily chosen by employees or involuntarily imposed by employers
- **Technology in the workplace**
  - Can reduce the physical or cognitive demands of work and make jobs safer
  - Can eliminate the need for some types of workers
- **Workplace training programs**
  - Older workers are less likely to take part in training programs, but the underlying reasons for this are not clear

# Age Discrimination



07

# Age Bias in Attitudes, Preferences, and Beliefs

- Explicit attitudes and preferences: overt biases
  - Can be measured directly, although reports may be affected by civility norms or social desirability
  - On average, explicit attitudes towards older people are moderately negative, but overt expressions of ageism have become less acceptable over time
- Implicit attitudes and preferences: unconscious biases
  - Measured indirectly through in-group/out-group associations with positive and negative concepts
  - On average, implicit associations with “old” are negative and have been stable over time
- Stereotype content: explicit descriptive beliefs based on group membership
  - Stereotypes of older workers are ambivalent or mixed, but more negative than positive
    - Ambivalent stereotypes are harder to detect because they mix positive and negative traits
- Prescriptive ageism: controls on behavior to elicit cooperation
  - Intergenerational tensions over resources (e.g., jobs) can create negative affect toward older adults who refuse to comply with expected behaviors



# Assessing the Accuracy of Ageist Stereotypes: Cognitive Capacity

- Central Questions:
  - When and whether declines start to occur (with few if any effects on performance)
  - When such declines may affect performance, but can be compensated for with training or other accommodations
  - When such declines are irreparably detrimental to performance
- Research on cognitive aging shows wide variability across individuals and that declines in healthy aging have been exaggerated.
  - Fluid intelligence (identifying patterns and relationship, information processing, working memory, and speed) tend to decline
  - Crystallized intelligence (knowledge acquired over time, vocabulary, experience) remains stable
- Current cognitive tests do not assess many job-dependent cognitive skills, such as employees' domain knowledge of job requirements, critical thinking, reading and writing skills, and individual motivation for engaging the work.

# Assessing the Accuracy of Ageist Stereotypes: The Measurement of Productivity

- Productivity is hard to measure, causally ambiguous, sensitive to level of aggregation, and distinct by job type
- Measures of employee performance and productivity can be biased in ways that negatively affect both formal and informal assessments of older workers' contributions
  - The evidence that older workers have lower productivity than younger workers is mixed and dependent on measures used to assess productivity
  - The most common measures omit dimensions on which older workers outperform younger workers, such as organizational citizenship behaviors.
- More research is needed to evaluate how this exclusion affects researcher, supervisor, and peer estimates of worker productivity, workplace performance, and the value of retaining older workers.

# Evidence of Age Discrimination: The Missing Link of Discriminatory Behavior within Workplaces

- Current research suggests that **older workers experience age discrimination** in hiring, promotion, performance evaluation, and workplace opportunity and climate; however, the quality of evidence varies
  - The strongest evidence of age discrimination comes from **audit studies of hiring discrimination**
  - Most on-the-job measures rely on **either self-reported attitudes or stereotypical beliefs** about older workers or **perceived discrimination reported by the target**
  - More subtle forms of bias, as well as discrimination that is unseen by the target, are not captured
- The **causal chain of evidence is incomplete** because it lacks evidence of coworkers' and managers' reported and observed discriminatory behavior toward older people

# Evidence of Age Discrimination: The role of organizational culture and practices

- The Office of Personnel Management describes organizational inclusion as a collective commitment to connection, collaboration, flexibility, fairness, diversity, and opportunity.
- Two general practices: 1) ensure the same treatment across employees, while 2) simultaneously acknowledging employees' individual differences
- Age discrimination can operate through organizational culture and practices, which need **better conceptual and operational definitions**

# The Impact of Age Discrimination

- Although reports of discrimination have been linked to **lower job satisfaction and retention and to negative health outcomes**, the causal link has yet to be established
- An age-discrimination climate within an organization collectively undermines affective commitment (attachment, belonging) and damages the organization's performance
- Age discrimination can constraint opportunities for work at older ages and force an individual to enter retirement when they would prefer to work
  - After a break in employment, older workers longer periods of unemployment and larger declines in wages when rehired
- Age discrimination is covered by the Age Discrimination in Employment Act (ADEA), which limits the compensation a complainant can be awarded
  - The ADEA does not recognize discrimination that is based on age in conjunction with another protected characteristic (e.g., gender, race/ethnicity) and systematic work examining the effects of discrimination on those at the intersection of multiple disadvantages is needed

# Public Policy



09

# The Role of Policy

- A wide range of government policies affect the ability of individuals to remain in the work force at older ages as well as their need to do so
- Some policies aim to **support work** at older ages. This set of policies includes **non-age-specific policies** with special relevance for older workers and **age-specific policies**
  - Non-age-specific: legal protections for disabled workers (Americans with Disabilities Act), family and medical leave, worker's compensation
  - Age-specific: legal protections for older workers (Age Discrimination in Employment Act), (end of) mandatory retirement, gradual retirement policies, job training programs for older workers
- Other policies aim to **support financial security** of disabled or retired individuals
  - This set of policies includes large federal government programs – Disability Insurance, Social Security, and Medicare – as well as retirement savings policies
  - Some policies focus on low-income individuals – e.g., Supplemental Security Income, Medicaid
  - These policies can make retirement possible and affect the timing of retirement

# The Role of Policy

- Many of these policies may be viewed as loosening **constraints** and enabling workers to achieve a work-to-retirement path more in line with their **preferences**
  - For example: legal protections increase work opportunities; family leave allows a worker to maintain employment; access to health insurance outside of employment allows a worker to retire
  - Policies can also **create constraints**, like needing to work until the Social Security retirement age
- Policies are part of the **disparities in retirement experiences**
  - Policies available to all may be used more by some groups – higher-income individuals have more retirement savings, less-educated individuals more likely to receive disability benefits
- More research is needed on: the effect of non-age-specific policies on older workers; the adequacy of the safety net for very-low-income elderly; the racial wealth gap; the recent decline in Social Security Disability Insurance enrollment; the impact of Medicare and the Affordable Care Act on employment at older ages; and use of policies to weather the COVID-19 crisis.



# Conclusion



10

# New Data Collection Strategies: Life Course Work and Resource Inequalities

- Addressing these key issues will require the following improvements to current data infrastructure:
  - Incorporation of life-history, relational, and contextual data in order to be able to embed respondents within the historical and social contexts in which they live
  - Measures that capture the full range of diversity of the work experiences of vulnerable populations, such as participation in the informal labor sector or in precarious, sporadic, or “gig” work
  - Oversamples of vulnerable older populations, such as low-income, racial-ethnic minority, and immigrant populations and those living in rural and economically disadvantaged geographic areas.

# New Data Collection Strategies: Workplace Practices and Policies

- Addressing the research gaps with respect to the workplace practices outlined here requires gathering data that:
  - provides information about the organizational context and the perspectives of managers and older workers within the employment relationship
  - matches employer and employee information
  - is longitudinal to allow for evaluation of change over time
- **Nationally representative longitudinal panel, sampling U.S. workplaces, also containing multilevel matched data between employers and workers**, does not currently exist, but such a panel would be invaluable for advancing research on the role of employers and workplaces on older workers' employment experiences

# Conclusion

- Work and retirement decisions are the result of the interrelated effects of individual **preferences** for work, **expectations** about the future, and **constraints** on work behaviors within the larger contexts of social and economic change.
- But these individual preferences, expectations, and constraints operate within **complex systems of social and economic inequality** that develop throughout the life course, and thus they may be specific to the historical circumstances in which individuals enter their adulthood and, later, their retirement ages.
- We know too little about the **well-being of older workers** and of those who are not working but may wish to do so under certain conditions, as well as of those who are working despite a preference to retire.
- Much of what we know about the later work course comes from studies of **earlier cohorts**, people who confronted very different demographic, technological, social, and economic forces, as well as from different private-sector and public-policy regimes.
- The research agenda proposed in this report is a roadmap to begin exploration of contemporary—and changing—experiences of work and retirement.

# Thank you

For more information about this report, please contact:

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