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Occupational choices of the elderly

This article compares the separate occupational distributions of U.S. male and female workers who are 45 to 65 with those over 65 (the "elderly") to test a series of simple conjectures about the different occupational structures of the two age groups. The conjectures relate to strength and educational requirements of the work, scheduling flexibility, the availability of part-time work, and mastery of new technology.

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From 1990 to 2010, the U.S. civilian labor force showed a substantial increase in average age. Over this 20-year period, the percentage of workers in the labor force ages 65 and older rose at an average annual rate of 3.4 percent, in contrast with a 0.9-percent average annual increase for those under 65. This difference was due partly to the difference in average annual population growth for the two age groups, 1.4 percent for the 65-and-older group and 1.1 percent for the under-65 group. But it was due largely to the increase in the labor force participation rate of the 65-and-older group: from 11.8 percent in 1990 to 17.4 percent in 2010. This increase contrasts with a slight decline in the labor force participation rate for those under 65: from 76.6 percent in 1990 to 73.9 percent in 2010. As a result, the percentage of older workers grew from 2.8 percent to 4.6 percent, even as their unemployment rate remained below that of younger workers. Similar increases for elderly workers are projected to continue at least through 2020.[1] What impact does this aging of the labor have on the structure of occupations?

Background

The data in this study come from the Current Population Survey (CPS) of March 2014. The CPS is a monthly survey conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics. This survey sampled roughly 68,000 members of the civilian noninstitutional labor force in 22 occupational groups.

In the discussion that follows, the term "elderly" is used to describe workers over 65 years of age. Throughout this article, the elderly group is compared with the 45–65 age group. The latter group was chosen as the comparison

group for two reasons: (1) to minimize the possible impact of younger workers selecting new occupations on the basis of changes in technology and (2) to account for shifts in the overall structure of domestic production.[2]

This article focuses on what type of work elderly workers are doing. In particular, it compares the occupational structure of elderly workers with that of workers aged 45 through 65. The analysis goes through some of the common beliefs about the type of work elderly workers choose and then examines how the data either confirm or undercut those beliefs. Ultimately, the article compares the elderly with younger workers on the basis of how the two age groups are distributed among the major occupational groups, their propensity for part-time employment and self-employment in those occupational groups, their gender distribution, and their educational attainment.

Analysis

On an *a priori* basis, one might conjecture a number of hypotheses on differences in the occupations of elderly and younger workers. For example, because of the deterioration in health that generally accompanies aging, one might expect the elderly to be less represented in jobs that require above-average physical exertion. For the same reason, one might expect to find fewer elderly workers in positions that have inflexible work schedules or that demand mastery of new skills, such as computer proficiency. In regard to required skills, one might also expect to find a higher share of the elderly in low-skilled occupations (by those who need the extra income) and a higher share in high-skilled occupations. This, of course, would mean a lower share of elderly workers in middle-skilled jobs. Finally, because of the higher mortality rates for men and the increasing acceptance of women in the labor force, one might expect a rising share of elderly women in the labor force. Most, but not all, of these conjectures are examined next, and their support is quite mixed.[3]

Table 1 shows the share of workers from the elderly and 45–65 age groups in the major occupational groups. Among the occupational groups, the one with the greatest difference (both absolute and relative) in the share of workers from the two age groups is the food preparation and serving related group: 25.3 percent of the elderly work in this group, while only 3.1 percent of 45–65-year-olds do. Occupations in the group employ predominantly women, have a large share of part-time employment, and require relatively little education or strenuous activity. The group with the second-greatest absolute difference in the share of workers from the two age groups is management. Surprisingly, this occupational group has considerable part-time employment for the elderly (but not for younger workers).

Table 1. Shares of elderly (over 65) and 45–65-year-old workers, by occupational group

Occupational group	Number of cases		Percent share	
	45–65	Over 65	45–65	Over 65
Management	3,529	332	13.5	9.4
Business and financial operations	1,289	139	4.9	3.9
Computer and mathematical sciences	687	36	2.6	1.0
Architecture and engineering	525	45	2.0	1.3
Life, physical, and social sciences	256	30	1.0	.8
Community and social services	493	59	1.9	1.7
Legal	374	48	1.4	1.4
Education, training, and library	1,620	184	6.2	5.2

See footnotes at end of table.

Table 1. Shares of elderly (over 65) and 45–65-year-old workers, by occupational group

Occupational group	Number of cases		Percent share	
	45–65	Over 65	45–65	Over 65
Arts, design, entertainment, sports, and media	435	67	1.7	1.9
Healthcare practitioner and technical	1,439	153	5.5	4.3
Healthcare support	568	59	2.2	1.7
Protective service	471	51	1.8	1.4
Food preparation and serving related	806	896	3.1	25.3
Building, grounds cleaning, and maintenance	1,225	110	4.7	3.1
Personal care and services	732	130	2.8	3.7
Sales and related	2,480	346	9.5	9.8
Office and administrative support	3,326	350	12.7	9.9
Farming, fishing, and forestry	196	22	.7	.6
Construction and extraction	1,338	87	5.1	2.5
Installation, maintenance, and repair	923	59	3.5	1.7
Production	1,685	131	6.4	3.7
Transportation and material moving	1,756	203	6.7	5.7
Total civilian	26,153	3,537	100.0	100.0

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Several occupational groups that require considerable physical exertion, including construction and extraction; installation, maintenance, and repair; and production, show fairly disparate shares of workers from the two age groups, with a far greater share of 45–65 year olds in each occupational group. But for other strenuous occupations, such as those in the farming group and the transportation group, there is much less difference between the two age groups. Many of these occupations do not show great scheduling flexibility, as manifested by their lack of part-time employment.

As expected, occupational groups with high shares of jobs that require mastery of new technology, such as computer and mathematical sciences; architecture and engineering; and life, physical, and social sciences, show the greatest relative decline in the share of elderly in the labor force. However, such a relative decline does not appear in the healthcare practitioner and technical occupational group.

Part-time employment, shown in the first two columns of table 2, references those in the labor force who work less than 35 hours a week. For the elderly, such part-time employment amounts to about 30 percent of total jobs and is more than twice the share of part-time employment for those in the 45–65 age group. Possible explanations for this disparity are that (1) part-time employment serves as a useful bridge to full retirement in later years and (2) part-time employment is preferred to full retirement by elderly workers who want more income but either do not wish to or cannot work full time. Similar arguments can be also be made for self-employment, although some occupations, such as protective services, are not suitable for self-employment.

Table 2. Elderly (over 65) and 45–65-year-old workers classified by part-time employment, self-employment, gender, and educational attainment

Occupational group	Part-time employment (percent)		Self-employment (percent)		Gender ratio[1]		Educational attainment ratio[2]	
	45–65	Over 65	45–65	Over 65	45–65	Over 65	45–65	Over 65
Management	6.3	31.9	9.6	14.6	1.38	1.28	4.19	4.07
Business and financial operations	10.2	34.7	8.0	25.4	1.57	1.47	4.37	4.36
Computer and mathematical sciences	4.5	16.2	5.6	11.8	1.27	1.21	4.65	4.78
Architecture and engineering	2.4	30.9	3.4	9.3	1.10	1.00	4.55	4.66
Life, physical, and social sciences	7.8	30.3	7.1	27.4	1.40	1.41	5.40	6.33
Community and social services	15.0	30.3	4.3	9.4	1.63	1.40	4.92	5.31
Legal	8.0	22.0	14.0	14.5	1.55	1.26	5.72	6.53
Education, training, and library	19.5	42.3	5.5	10.4	1.75	1.60	5.17	5.31
Arts, design, entertainment, sports, and media	21.0	50.7	27.6	37.6	1.42	1.58	4.31	4.37
Healthcare practitioner and technical	16.8	39.3	6.8	8.5	1.76	1.62	4.91	5.14
Healthcare support	26.1	45.4	8.3	7.5	1.92	1.84	2.81	2.92
Protective service	10.2	46.3	4.6	0.0	1.22	1.28	3.40	3.15
Food preparation and serving related	28.0	47.1	3.2	0.0	1.63	1.58	2.38	2.15
Building, grounds cleaning, and maintenance	24.6	47.1	13.2	16.4	1.45	1.49	2.19	2.20
Personal care and services	33.8	55.3	27.7	18.2	1.80	1.72	2.94	2.75
Sales and related	16.7	44.9	12.5	20.1	1.48	1.42	3.41	3.45
Office and administrative support	14.2	38.4	2.5	6.1	1.78	1.79	3.20	3.09
Farming, fishing, and forestry	15.6	15.5	9.7	4.5	1.36	1.13	2.04	2.07
Construction and extraction	13.4	29.0	18.4	22.8	1.03	1.02	2.40	2.53
Installation, maintenance, and repair	5.7	1.8	6.6	1.2	1.03	1.02	2.76	2.76
Production	7.1	29.7	3.6	10.2	1.28	1.45	2.76	2.20
Transportation and material moving	12.1	42.0	6.4	7.0	1.17	1.14	2.49	2.80
Total civilian	13.9	29.8	8.6	10.6	1.48	1.12	3.55	2.85

Notes:

[1] For this ratio, male workers are assigned the value 1 and female workers are assigned the value 2. The closer the value is to 1.0, the more males are represented in the group. The closer the value is to 2.0, the more females are represented in the group.

[2] For this ratio, workers with no high school diploma are assigned the value 1, workers with a high school diploma are assigned the value 2, workers with some college are assigned the value 3, workers with an associate's degree are assigned the value 4, workers with a bachelor's degree are assigned the value 5, workers with a master's degree are assigned the value 6, and workers with a doctorate or professional degree are assigned the value 7. Higher values represent a higher average educational attainment among the workers in the group.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

The most unexpected results concern the share of women. For both the labor force as a whole and individual occupational groups, the share of women remained roughly the same as the share of men in the two age groups. Exceptions included the arts, design, entertainment, sports, and media occupations (in which the relative share of women increased) and the legal and educational occupations (in which the relative share decreased).

Finally, the educational attainment of elderly workers overall is not as high as that of workers in the 45–65 age group. However, for those occupations with both the least and most educated elderly workers, the relative share of elderly workers actually increased, compared with the 45–65 age group. Two possible explanations come to mind. For the least educated workers, we can speculate that they were the lowest paid and chose to continue working

because they needed the money. For the most educated elderly workers, we can speculate that they chose to continue working because they enjoyed their jobs and were highly paid. Unfortunately, at the present time, neither of these speculations can be tested without survey data on attitudes toward work and retirement.

Conclusion

Elderly workers are becoming an increasingly important part of the labor force, and with the rise in part-time employment among those in this group, the dividing line between retirement and employment has become more and more porous. Although the occupational distributions of the elderly and the 45–65 age group are somewhat different because of differences in health and education, the gender ratio for both groups has remained roughly the same. The share of elderly in occupations with middle-range wages and salaries has decreased, while the share of elderly in occupations with relatively high or relatively low wages and salaries has increased.

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NOTES

1 The data in this paragraph are calculated from data found in Mitra Toossi, “Labor force projections to 2020: a more slowly growing workforce,” *Monthly Labor Review*, January 2012, pp. 43–64, https://www.bls.gov/opub/mlr/2012/01/art3full.pdf, and “Are there more older people in the workforce?” *Spotlight on Statistics* (U.S. Bureau of Labor Statistics, July 2008), https://www.bls.gov/spotlight/2008/older_workers/.

2 Ian D. Wyatt and Daniel E. Hecker, “Occupational changes during the 20th century,” *Monthly Labor Review*, March 2005, pp. 46–57, https://www.bls.gov/mlr/2006/03/art3full.pdf.

3 It would be useful to test other conjectures dealing with age, but unfortunately, almost all labor force age data aggregate those 75 and older into one category. Participation ratios of those over 65 roughly halve every 6 or 7 years.

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