

Understanding the Aging Workforce

Defining a Research Agenda

The U.S. population is aging. In fact, by 2030, one-fifth of the population will be over age 65. This shift has significant repercussions for the economy and key social programs. Due to medical advancements and public health improvements, recent cohorts of older adults have experienced better health and increasing longevity, compared to earlier cohorts. These improvements in health enable many older adults to extend their working lives. While higher labor market participation from this older workforce could soften the potential negative impacts of the aging population over the long term on economic growth and the funding of Social Security and other social programs, these trends have also occurred amid a complicating backdrop of widening economic and social inequality that has meant that the gains in health, improvements in mortality, and access to later-life employment have been distributed unequally.

This aging population also has significant implications for the workforce—challenging what it means to work and to retire in the United States. To further examine this issue, the Alfred P. Sloan Foundation requested that the National Academies of Sciences, Engineering, and Medicine convene a committee to assess what is known about the aging workforce in the United States. The resulting committee included experts from economics, psychology, organizational psychology, labor relations, sociology, and social work, and was tasked with identifying gaps in current knowledge about the aging U.S. workforce and making recommendations for future research and data collection efforts.

The committee's report, *Understanding the Aging Workforce: Defining a Research Agenda* offers a multidisciplinary framework for

conceptualizing pathways between work and nonwork at older ages, and it outlines a research agenda that highlights the need for a better understanding of the relationship between employers and older employees; how work and resource inequalities in later adulthood shape opportunities in later life; and the interface among work, health, and caregiving. The research agenda also identifies the need for research that addresses the role of workplaces in shaping work at older ages, including the role of workplace policies and practices and age discrimination in enabling or discouraging older workers to continue working or retire.

OVERARCHING FINDINGS AND CONCLUSIONS

The committee developed several overarching findings and conclusions based on its assessment of available evidence. First, the committee concludes that 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 reflect the impact of both age bias and social and economic inequalities. This bias and these inequalities structure economic opportunity throughout the life course and lead to wide disparities in employment and retirement pathways at older ages.

Second, the experiences of vulnerable older populations remain understudied within the current literature. These populations include women, racial and ethnic minorities, immigrants, those with less education, those who have low income or limited savings and wealth, those living in rural or economically disadvantaged areas, and those with multiple intersecting vulnerabilities. The relative lack of research attention to these populations limits 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.

DEFINING A RESEARCH AGENDA FOR OLDER WORKERS

The committee's overarching conclusions serve as a call to ensure that future research considers the heterogeneity of experiences within the older worker population, including the diverse ways in which work and retirement

outcomes are shaped by broader contexts of age bias and social and economic inequality throughout the life course. Through this lens, the committee identified several areas for future research, as described below.

The Employer-Older Employee Relationship

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' ability to make decisions. These forces include workplace norms, policies, and practices within the context of the employer-employee relationship.

The committee noted the need to consistently and comprehensively conduct research on the effects of workplace norms, policies, and practices. Employers translate public policies into organizational practices, setting the stage for individual decision making, such as workforce participation and retirement. Workplace practices shape the incentives and opportunities for older workers to remain productive and engaged. Understanding the role of these practices in facilitating longer working lives is critical. Important related areas for future research include the implementation of workplace policies, including the roles of employee voice and employer interests; policies and practices that structure work schedules and work environments; and the improvement of measures of age discrimination in order to better understand the role it plays in constraining preferences and opportunities for work at older ages.

Work and Resource Inequalities in Later Adulthood

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 make choices about their work. Less is known about how preferences for work and retirement, expectations about the availability and impact of work and retirement opportunities at older ages, and constraints on work behaviors and

opportunities reflect these differences, intersect with age biases, and translate into different employment patterns at older ages, as well as how they may contribute to social and economic inequality in later life.

Older adults face inequities in health, employment opportunities, and financial resources that limit their ability to make choices about employment. These inequities do not suddenly emerge at older ages, but build and accumulate throughout the life course in ways that reflect underlying economic inequality in opportunity by gender, race-ethnicity, socioeconomic status, and geography. Viewing the work experience of older adults through the conceptual lens of the life course—understanding the ways in which current opportunities have been shaped by social, economic, and political experiences and environments at younger ages—can promote a better understanding of disparities in later adulthood by improving understanding of the processes that lead to inequality in retirement.

The Work-Health-Caregiving Interface

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. While many studies have confirmed that individuals who are in poor health retire at earlier ages, the mostly commonly used measures of health in this research are self-reported health status and the presence of a work-limiting disability. These are useful measures that are frequently available in survey data, but they are largely focused on physical health and ignore mental and cognitive health, which are important for continued employment at older ages. Thus, little is known about the relationship between mental health and work at older ages.

Another data gap includes how the health and caregiving needs of family members constrain opportunities and shape preferences for work at older ages. This

interrelationship between caregiving and labor force participation is dynamic and complex and has not been sufficiently studied.

Finally, although research has addressed the role of technological change in spurring labor market changes that can lead to job loss among older workers, much less is known about how technological change can extend working lives through workplace accommodative practices. Moreover, little is known about how recent declines in health at midlife and younger ages—particularly among those with less education—or the long-term effects of COVID-19 will affect labor force participation and worker needs for accommodative practices in the future. These issues take on greater urgency given the growing number of adults at midlife and at younger ages with poorer health, the long-term effects of the COVID-19 pandemic, and recent increases in midlife mortality.

CONCLUSION

Work and retirement decisions are the result of individual preferences for work, expectations about the future, and constraints on work behaviors within the larger contexts of social and economic change. 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.

Despite substantial research on older workers over the past several decades, 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. Thus, to address these gaps, there is a need for future research to explore contemporary—and changing—experiences of work and retirement and the conditions that are shaping health and well-being.

**COMMITTEE ON UNDERSTANDING THE
AGING WORKFORCE AND EMPLOYMENT AT
OLDER AGES**

Susan T. Fiske (Chair)

Princeton University

Emma Aguila

Sol Price School of Public Policy,
University of Southern California

Peter B. Berg

School of Human Resources and Labor
Relations, Michigan State University

Axel Börsch-Supan

Munich Center for the Economics of
Aging; Survey of Health, Ageing and
Retirement in Europe; Max-Planck-
Institute for Social Law and Social Policy

Courtney C. Coile

Wellesley College

Ernest Gonzales

Silver School of Social Work, New York
University

Jacquelyn B. James

Sloan Research Network on Aging &
Work, Lynch School of Education, Boston
College

Phyllis E. Moen

University of Minnesota

David Neumark

Center for Population, Inequality, and
Policy; University of California, Irvine

Mo Wang

Warrington College of Business,
University of Florida

STUDY STAFF

Tara Becker

Study Director

Mary Ghitelman

Senior Program Assistant

Malay K. Majumdar

Director, Committee on Population

FOR MORE INFORMATION

This Consensus Study Report Highlights
was prepared by the Committee on
Population based on the Consensus
Study Report *Understanding the Aging
Workforce: Defining a Research Agenda
(2022)*.

The study was sponsored by the
Alfred P. Sloan Foundation and
the National Academy of Sciences'
W.K. Kellogg Foundation Fund. Any
opinions, findings, conclusions, or
recommendations expressed in this
publication do not necessarily reflect
the views of any organization or agency
that provided support for the project.

This Consensus Study Report is
available from the National Academies
Press | (800) 624-6242 | <https://www.nap.edu/catalog/26173>.

To read the full report, please visit
<https://nap.nationalacademies.org/catalog/26173>

Division of Behavioral and Social Sciences and Education

**NATIONAL
ACADEMIES** Sciences
Engineering
Medicine

The National Academies provide
independent, trustworthy advice
that advances solutions to society's
most complex challenges.

www.nationalacademies.org