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Older Workers Are Growing in Number and Earning Higher Wages

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How we did this

Pew Research Center conducted this study to better understand the growing role and changing demographic characteristics of the older workforce in the U.S. (that is, employed adults ages 65 and older). In addition to wages and hours, we also analyzed other job characteristics such as employer-provided benefits and self-employment.

The analysis in this report is based on two separate data sources. Most of the earnings, hours and employment characteristics comes from the U.S. Census Bureau's Current Population Survey. The findings on employment and retirement and on participation in gig activities are from the Federal Reserve's 2022 Survey of Household Economics and Decisionmaking.

Read more about the [report's methodology](#).

Terminology

An **older worker** refers to an employed person age 65 or older.

A **younger worker** refers to an employed person age 25 to 64.

The **workforce** refers to the employed population ages 16 and older.

The **labor force** includes all who are employed and those who are unemployed but looking for work.

Full-time work is defined as 35 hours a week or more.

References to White, Black and Asian Americans include those who report being only one race and are not Hispanic. Hispanics are of any race. The Current Population Survey did not include Asian as a separate racial category until 2003, and data for Hispanics is not available until 1971.

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Older Workers Are Growing in Number and Earning Higher Wages

Roughly one-in-five Americans ages 65 and older (19%) were employed in 2023 – nearly double the share of those who were working 35 years ago.

Not only are older workers increasing in number, but their earning power has grown in recent decades. In 2022, the typical worker age 65 or older earned \$22 per hour, up from \$13 in 1987.

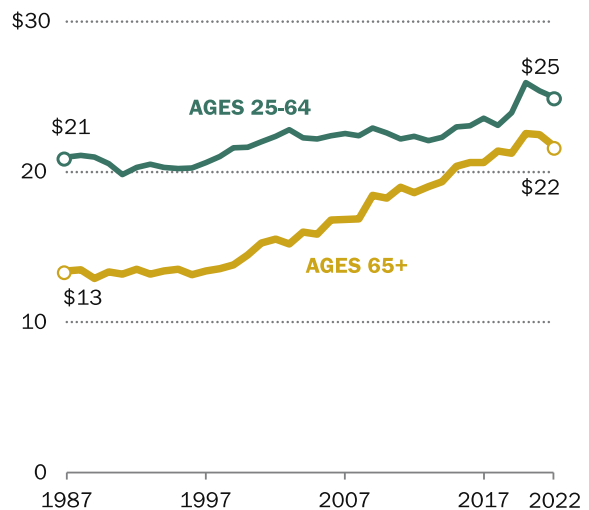
Earnings for younger workers haven't grown as much. As a result, the wage gap between older workers and those ages 25 to 64 has narrowed significantly.

Linked to their higher wages, today's older workers are different from older workers of the past in other important ways:

- **They're working more hours, on average, than in previous decades.** Today, 62% of older workers are working full time, compared with 47% in 1987.
- **They're more likely to have a four-year college degree than in the past.** Some 44% of older workers today have a bachelor's degree or more education, compared with 18% in 1987. That puts them about on par with workers ages 25 to 64.
- **They're more likely than in previous decades to be receiving employer-provided benefits such as pension plans and health insurance.** The same does not hold true for younger workers, whose [access to these employer-provided benefits](#) has decreased in recent decades. For example, among workers ages 65 and older, 36% now have the option to participate in an employer- or union-sponsored retirement plan (either an old-style pension or

Wages of workers ages 65 and older are catching up to those of younger workers

Median hourly earnings, in 2022 dollars



Note: Estimates are for civilian noninstitutionalized full- or part-time employed workers with positive earnings. Samples exclude the self-employed.

Source: Pew Research Center analysis of Current Population Survey outgoing rotation group files (IPUMS).

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a 401(k)-type plan), up from 33% in 1987. Only 41% of younger workers have access to this type of retirement plan at work, down from 55% in 1987.

Continuing a longstanding trend, older workers are more than twice as likely as younger workers to be self-employed (23% are, compared with 10% of workers ages 25 to 64).

Taking all these factors into account – more older adults in the workforce, working longer hours with higher levels of education and greater pay per hour – older workers’ overall contribution to the labor force has grown quite a bit. In 2023, they accounted for 7% of all wages and salaries paid by U.S. employers. That is more than triple the share in 1987 (2%).

A [recent Pew Research Center survey](#) found that workers ages 65 and older are more satisfied with their jobs overall than younger workers. They’re also more likely to say they find their job enjoyable and fulfilling all or most of the time, and less likely to say they find it stressful.

In addition to the key findings covered in this overview, the two sections that follow provide more detail on:

- [The growth of the older workforce](#)
- [Annual earnings of older workers](#)

Gender, race and the older workforce

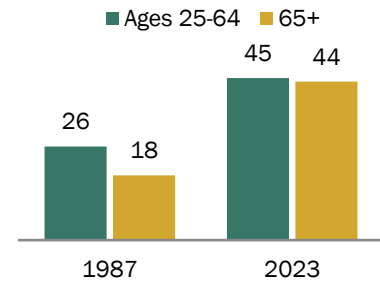
The demographic makeup of the U.S. workforce overall has changed substantially in recent decades. Some of those changes reflect broader societal shifts – like more women entering the labor force and going to college. Others are tied to the changing racial and ethnic makeup of the country. These trends can be seen across the older and younger workforces.

By gender

Women make up a larger share of the older workforce than they have in the past. Today, women represent 46% of all workers ages 65 and older. By comparison, their share was 40% in 1987 and 33% in 1964.

Today’s older workers are as likely as younger ones to have a four-year college degree

% of employed adults who have completed at least a bachelor’s degree



Note: Samples include employed adults working full time or part time.

Source: Pew Research Center analysis of the 1987-2023 Current Population Survey Annual Social and Economic Supplement (IPUMS).

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This trend mirrors the pattern seen among younger workers: Women now make up 47% of employed adults ages 25 to 64, up from 44% in 1987 and 33% in 1964.

In addition, older women who are working today are much more likely than their predecessors to have a four-year college degree: 42% do, compared with only 12% of working older women in 1987. Within the older workforce, women are now about as likely as men to have a bachelor's degree or more education: 42% and 45% do, respectively.

When it comes to the younger workforce today, women are more likely than men to have a bachelor's degree or more education. Among workers ages 25 to 64, 49% of women have a four-year college degree, compared with 41% of men.

In years past, men were more likely than women to have a college degree within both the older and younger workforces.

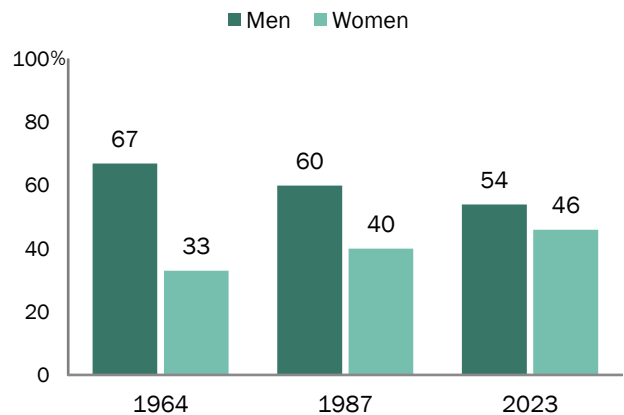
Overall, educational attainment gains among women in the older and younger workforces are likely attributed to [growing shares of women getting a four-year college degree](#) over the past few decades. In fact, there are now [more women than men among all college-educated workers](#).

By race and ethnicity

The young adult population is at [the forefront of racial and ethnic change in the U.S.](#), and the demographics of the labor force reflect that.

The gender gap within the older workforce has shrunk significantly in recent decades

Among employed adults ages 65 and older, % who are ...



Note: Samples include employed adults working full time or part time. Source: Pew Research Center analysis of the 1964-2023 Current Population Survey Annual Social and Economic Supplement (IPUMS). "Older Workers Are Growing in Number and Earning Higher Wages"

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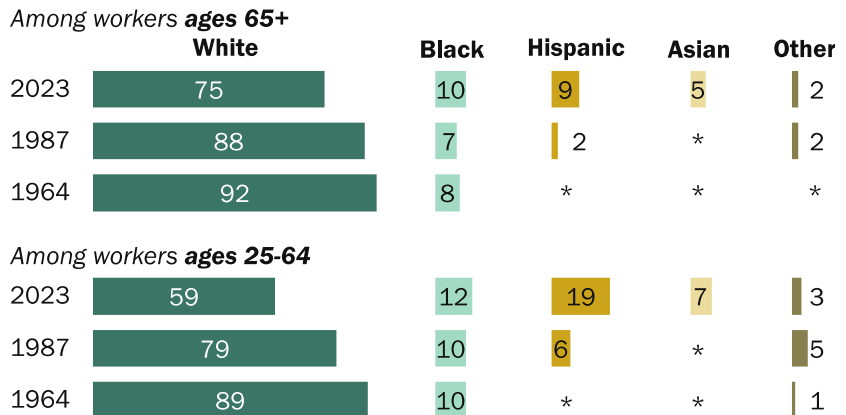
Majorities of both the older and younger workforces are White, but those shares have declined from previous decades. Meanwhile, shares of Black and Hispanic adults have risen within both workforces since 1987.

Still, the younger workforce remains more racially and ethnically diverse. Today, 59% of workers ages 25 to 64 are White, compared with 75% of those 65 and older. And 19% of workers among the younger workforce are Hispanic, compared with 9% of older workers.

In addition, a greater share of younger workers today are foreign born: 20%, compared with 16% of older workers. (Data on shares of foreign- and native-born adults is not available prior to 1994.)

The older workforce has gotten more racially and ethnically diverse, but still trails the younger workforce

Among employed adults, % who are ...



* Data for Hispanic adults is available from 1971 onward, and data for Asian adults is available from 2003 onward.

Note: Samples include employed adults working full time or part time. White, Black and Asian adults include those who report being only one race and are non-Hispanic. Shares of White and Black adults in 1964 include the Hispanic portion of those groups. Shares may not add up to 100% due to rounding.

Source: Pew Research Center analysis of the 1964-2023 Current Population Survey Annual Social and Economic Supplement (IPUMS).

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1. The growth of the older workforce

Numbering roughly 11 million today, the older workforce has nearly quadrupled in size since the mid-1980s. The increase is driven in part by [the growth of the 65-and-older population](#).

The bulk of the Baby Boom generation has now reached that threshold.

But, as [prior Pew Research Center analysis](#) has shown, the growth in the older workforce is driven by more than sheer numbers.

The share of older adults holding a job today is much greater than in the mid-1980s. Some 19% of adults ages 65 and older are employed today. In 1987, only 11% of older adults were working. Today's share is similar to that of the early 1960s, when 18% of older Americans worked.

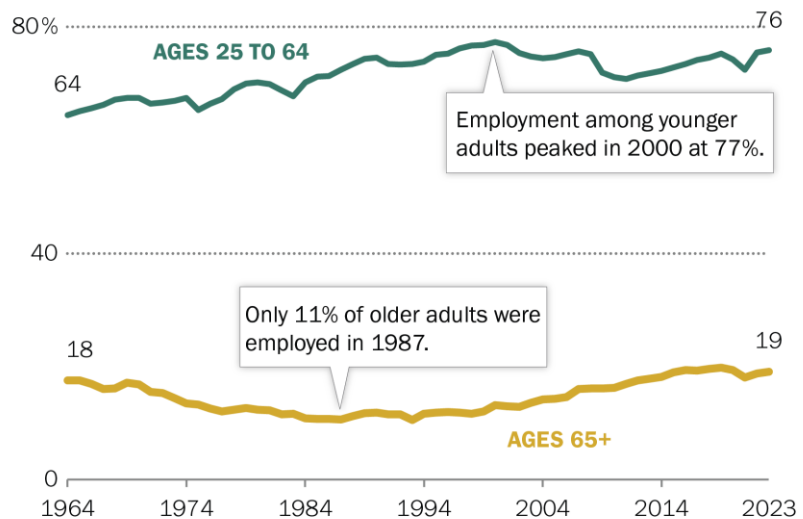
As the employment rate among older adults has gradually risen since the 1990s, employment among younger workers has followed a different pattern. Jobholding among 25- to 64-year-olds peaked at 77% in 2000, fell during the Great Recession and has rebounded somewhat since then.

[Employment among men ages 25 to 54 has been sinking](#) for decades, according to the Council of Economic Advisers. Until 2000, this was offset by rising employment among women. [Women's employment rates peaked around 2000](#), so overall jobholding among the younger population has not returned to its 2000 level.

Several factors have contributed to the growing share of older adults who are working. Among them:

Since the early 1990s, a rising share of older Americans are working

% of population who are employed



Source: Pew Research Center analysis of Current Population Survey Annual Social and Economic Supplement (IPUMS).
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- **Today’s older Americans tend to have higher education levels than older workers did in the past.** Adults with higher levels of education are [more likely to be employed](#) than adults with less education.
- **Older adults are healthier and less likely to have a disability than in the past,** making it possible to extend their working lives.

The 75-and-older workforce

Workers ages 75 and older are the fastest-growing age group in the workforce, more than quadrupling in size since 1964. Some 9% of adults ages 75 and older are employed today, about twice the share who were working in 1987 (4%). Workers ages 75 and older are paid slightly less than older workers overall (\$20 per hour at the median vs. \$22 for all workers ages 65 and older). Still, they have experienced similar wage growth since 1987 as workers ages 65 and older.

- **Retirement plans have evolved.** Employers have shifted their retirement plan offerings [toward defined contribution plans](#) such as 401(k)s and away from defined benefit plans. The old-style pensions incentivized workers to retire at a specific age, whereas [defined contribution plans do not encourage early retirement](#).
- **Policy changes have discouraged early retirement.** [Changes to the Social Security system](#), which raised the age that workers receive their full retirement benefits from 65 to 67, likely have encouraged older adults to delay retirement and continue working, according to labor economists.
- **The nature of jobs has changed.** Older workers [strongly prefer jobs that entail less strenuous physical activity](#) and allow for greater independence and more flexible work schedules. Recent research shows that many occupations, on average, have [become more “age friendly”](#) since 1990. Among the most age-friendly jobs are guide, insurance salesperson, proofreader and financial manager, none of which involve heavy physical exertion.

For some older adults who are working, their job or career may be different from what they did when they were younger. Some even consider themselves retired. Economists often refer to these post-retirement jobs as [“bridge jobs.”](#)

A recent [Federal Reserve survey](#) found that 45% of employed older adults consider themselves to be retired. Retired older workers are much more likely to work part time than their nonretired counterparts. And many older workers (25%) are receiving income from retirement accounts, pension plans or annuities (not including Social Security).

What might the future hold for older workers?

[U.S. Bureau of Labor Statistics \(BLS\) projections](#) show that the role of older workers will continue to grow over the next decade. Adults ages 65 and older are projected to be 8.6% of the labor force (those working and looking for work) in 2032, up from 6.6% in 2022. Older adults are projected to account for 57% of labor force growth over this period.

Older adults are one of the few age groups that are expected to increase their labor force participation rate over the decade. The BLS projects that 21% of older adults will be in the labor force in 2032, up from 19% in 2022. The only other age group projected to increase its labor force participation rate is 55- to 64-year-olds.

Older adults are less likely to perform gig activities

Most of this report focuses on traditional employment measures – that is, working for pay or profit – and does not capture participation in the “gig economy.” A [recent Federal Reserve survey](#) asked adults if they engaged in any gig activities over the prior month. Gig activities include selling items at a garage sale or online marketplace, short-term rentals of property, and freelance gig work such as ride-sharing.

- About 10% of adults ages 65 and older said they performed any gig activities in the previous month, compared with 17% of younger adults.
- Most gig workers do not receive the majority of their income from gig activities. Only 7% of older gig workers say that more than half their income from the previous month came from gig activities. This compares with 12% of gig workers ages 25 to 64.

2. The annual earnings of older workers

Today, the average annual earnings of older workers lag behind those of younger workers, but the gap is nowhere near what it once was. In 1964, the average annual earnings of workers ages 65 and older were 19% of the average earnings of workers ages 25 to 64: \$5,200 vs. \$26,900, respectively. (Figures in this analysis are in 2022 dollars.)

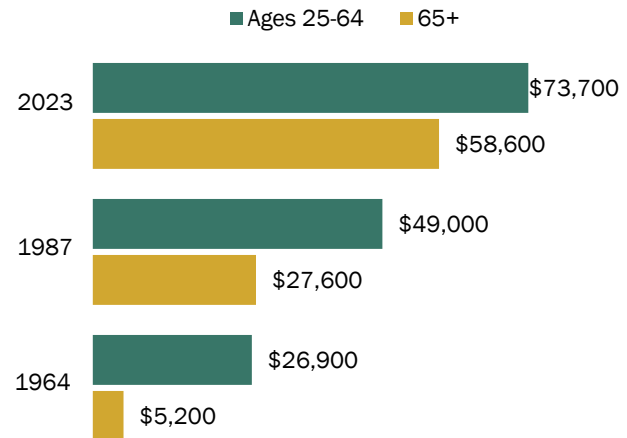
By 1987, the earnings gap had narrowed to 56%. And today, the average older worker earns 80% of the average annual earnings of younger workers (\$58,600 vs. \$73,700).

The earnings gap has narrowed in part because older workers are working more hours than they used to. In 1964, 56% of older workers worked full time. By 1987, that share had fallen to 47%. Today about 62% of workers ages 65 and older work full time.

Over the course of a year, the average older worker works 1,573 hours, up from 1,213 hours in 1987. Younger workers are also working more hours than they used to, on average, but this increase has been more modest.

The annual earnings gap between older and younger workers has narrowed in recent decades

Mean annual earnings, in 2022 dollars



Note: Based on civilians ages 25 and older who worked in the previous year, either part time or full time. Respondents reported earnings from the prior calendar year. Dollar figures were rounded to the nearest hundred.

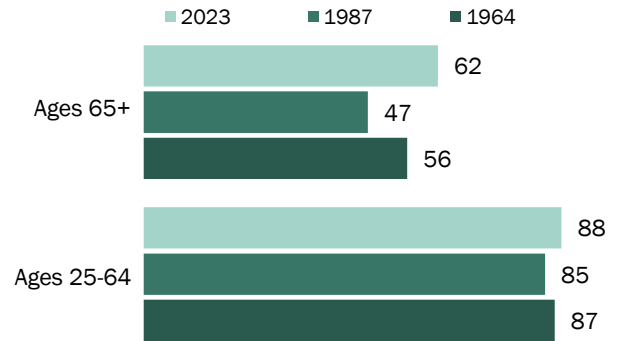
Source: Pew Research Center analysis of Current Population Survey Annual Social and Economic Supplement (IPUMS). "Older Workers Are Growing in Number and Earning Higher Wages"

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The annual earnings gap has also narrowed because the hourly wage gap between older workers and younger workers has narrowed.

Today’s older workers are more likely to be working full time than in the past

% of employed adults who work full time



Note: Based on civilians ages 25 and older who worked in the previous year.

Source: Pew Research Center analysis of Current Population Survey Annual Social and Economic Supplement (IPUMS).

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Methodology

Current Population Survey methodology

Most of the analysis of the characteristics and growth of the older workforce is derived from the [Current Population Survey](#) (CPS). Administered jointly by the U.S. Census Bureau and the Bureau of Labor Statistics, the CPS is a monthly survey of approximately 60,000 occupied households that typically interviews about 50,000 households. It is the source of the nation’s official statistics on unemployment and is explicitly designed to survey the labor force. It is representative of the civilian noninstitutionalized population.

The CPS does not ask all the same questions to all respondents every month. The [Annual Social and Economic Supplement](#) (ASEC) of the CPS is conducted in March of every year. The ASEC survey typically features an expanded sample of more than 75,000 households with about 70,000 interviews. The ASEC collected in 2023 had about 57,000 households.

Questions on worker’s earnings are asked of a quarter of the sample each month, referred to as the outgoing rotation group.

The CPS microdata used in this report is the [Integrated Public Use Microdata Series](#) (IPUMS), provided by the University of Minnesota. The IPUMS assigns uniform codes, to the extent possible, to data collected in the CPS over the years. [Read more about the IPUMS](#), including variable definition and sampling error.

The estimates of the hourly pay gap between older and younger workers use the same methodology that Pew Research Center employs to estimate the gender wage gap. Refer to [“How Pew Research measured the gender pay gap”](#) for more details.

Survey of Household Economics and Decisionmaking methodology

Information on retirement status and pursuit of gig activities is derived from the 2022 [Survey of Household Economics and Decisionmaking](#) (SHED). The Federal Reserve has fielded the SHED annually in the fourth quarter of each year since 2013. The SHED sample is representative of the adult civilian noninstitutionalized population. The 2022 SHED had 11,667 respondents, of which 678 were employed adults ages 65 and older.

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