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Education Level and Older Americans in the Work Force

WASHINGTON— Is education level a big factor when it comes to the percentage of older Americans who are staying in the work force longer? The data show that yes, it is.

According to the Employee Benefit Research Institute (EBRI), overall, the higher the educational attainment, the higher the labor-force participation rate. For example, in 2009, 63.1 percent of Americans ages 55 or older with a graduate or professional degree were in the labor force, compared with 22.4 percent of those without a high school diploma.

While more educated workers are more likely to want to stay in the work force longer, other key reasons include older workers' need for access to employment-based health insurance and for more years to accumulate assets in defined-contribution (401(k)-type) plans, particularly after the 2008 recession, the study notes.

The analysis is based on the U.S. Census Bureau's data on labor-force participation among Americans age 55 and older, and focuses on what happened to participation trends after the economic recession that started in late 2007–early 2008. Full results of EBRI's research are published in EBRI's February 2011 *Notes* "Labor Force Participation Rates of the Population Age 55 and Older: What Did the Recession Do to the Trends?" The document is available online at www.ebri.org

The EBRI analysis shows that overall labor-force participation for Americans 55 and older has been steadily increasing in recent years, and stood at 40.2 percent in 2010, the highest level recorded since 1975. The overall gain in labor-force participation across each age group was primarily driven by the increases in female labor-force participation rates, as the male labor-force participation rates of those ages 55–59 and 60–64 were lower in 2010 than they were in 1975.

The labor-force participation rates of those age 55 and older showed relatively small changes from 1987–2009 across each educational attainment group. However, individuals with a higher level of education had a slight upward trend, with a flattening out of rates in the most recent years, while those with lower levels of education had a flat-to-slight downward trend. But overall, the higher the educational attainment, the higher the labor-force participation rate.

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