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**New Research from EBRI:**

**Higher Percentage of Older Workers in the Work Force in 2010**

WASHINGTON—New findings from the nonpartisan Employee Benefit Research Institute (EBRI) show there was a higher percentage of people age 55 and older (40.2 percent) in the work force in 2010—the highest level in 35 years—even after the 2008–2009 recession.

The increase is likely to continue as full benefits from Social Security continue to come at later ages; Medicare premiums continue to climb; non-Medicare-covered health costs continue to climb; recognition of longer life spans and issues of long-term care increase as workers care for their aged parents; and the number “very confident” of their ability to maintain their lifestyle in retirement remains low.

“Older Americans, particularly those who worked in the private sector, increasingly have considerably less access to guaranteed levels of income such as pensions or health insurance benefits when they retire,” said Craig Copeland, EBRI senior research associate and author of the report. “And staying in the work force longer will allow them to either build up, or rebuild, their assets.”

The full report is published in the February 2011 *EBRI Notes*, “Labor Force Participation Rates of the Population Age 55 and Older: What Did the Recession Do to the Trends?” and is available online at [www.ebri.org](http://www.ebri.org)

The study found that the percentage of Americans age 55 or older who were in the labor force declined from 34.6 percent in 1975 to 29.4 percent in 1993. But since then, the overall labor-force participation rate has steadily increased, reaching 40.2 percent in 2010.

Additionally, for workers near retirement age (55–64), the labor-participation rate increased almost solely because of the increase of women in the work force, as the rate for men was flat to declining. However, the rates for men and women age 65 and older increased. EBRI also found that education is a big factor for older individuals staying in the work force: Those with higher levels of education are more likely to stay at work than those with lower levels of education.

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 trends after the economic recession that started in late 2007–early 2008. The first section uses annualized data on labor-force participation from the Current Population Survey (CPS), while the second section uses data from the March 2010 Supplement to the CPS.

Other findings in the report:

- **Race/Ethnicity:** Work force participation has increased across each race and ethnicity group examined since the middle 1990s. White Americans and those falling in the “other” category had higher rates of labor-force participation in the most recent years. Black Americans’ rate was just below that of white Americans, with Hispanic Americans having the lowest labor-force participation rate. In 2009, the participation rates continued to increase for white Americans and those in the “other” category, while declining for both black and Hispanic Americans.
- **Educational Level:** Individuals with a higher level of education had a slight upward trend in labor-force participation (although rates flattened out in the most recent years), while those with lower levels of education had a flat-to-slight downward trend. Overall, the higher the educational attainment, the higher the labor-force participation rate. For example, in 2009, 63.1 percent of individuals with a graduate or professional degree were in the labor force, compared with 22.4 percent of those without a high school diploma.
- **Race/Ethnicity and Age:** Labor-force participation increased for almost all age/race/ethnicity groups examined from 1987–2009, with white and other Americans having the higher rates. While the labor-force participation rates of black and Hispanic Americans age 55 and older lagged below those of white and other Americans, their rates still increased from 1987–2009. In 2009, only those in the “other” American category had rate increases across all age groups, with white, black, and Hispanic Americans having increases and decreases across the age groups but not in a consistent pattern.
- **Educational Level and Age:** Within each age group, the labor-force participation rate increases as the level of educational attainment increases. In most cases, the trend within each age and educational group was relatively flat to increasing from 1987–2009, with various age and educational combinations having small decreases. For example, among those ages 55–64 without a high school diploma, the labor-force participation rate trended downward from 1987–2009. In contrast, among those ages 55–69 with some college or a bachelor’s degree, the participation rate trended upward. Only those ages 65–74 had a consistent pattern of increases in the labor-force participation rate across each educational group. Otherwise, within an age group, educational attainment did not show a consistent trend in the labor-force participation rate from 1987–2009.

EBRI is a private, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions.

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