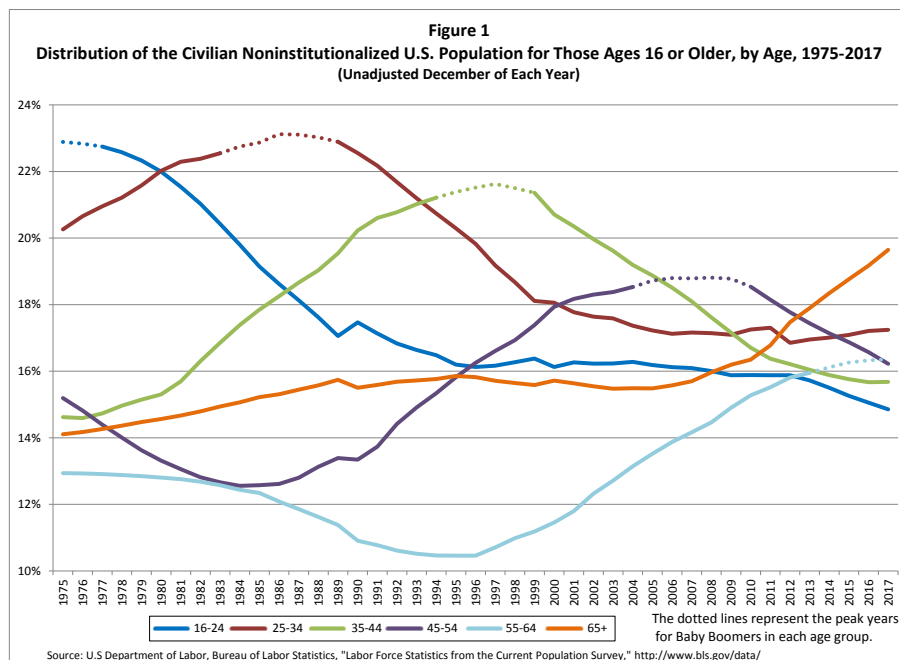


Evidence of an Aging American Workforce: the Impact of the Baby Boom Generation

The American labor force has grown older. Using data on the labor force and the noninstitutionalized population as a whole from the U.S. Census Bureau's Current Population Survey (CPS), EBRI found that the labor force participation rate of civilian noninstitutionalized Americans ages 55 or older rose from 34.2 percent in 1975 to 39.7 percent in December of 2017. Moreover, the portion of the labor force who were ages 55-64 and ages 65 or older were both at their largest levels in the 1975-2017 period in 2017. In 1975, the portion of the labor force that was ages 55 or older was 15.1 percent, compared with 22.9 percent in 2017.

Baby Boomers have been a driver of workforce demographics for more than four decades, and are behind the aging of the workforce. Figure 1 shows how this generation has moved into and out of the various age groups of the total population (not just the workforce) over the 1975-2017 period.

- In 1975, the largest share of the age 16 and older population was the 16-24 age group, at 22.9 percent.
- By 1986, the 25-34 age group had the largest share of the population at 23.1 percent.
- The continued movement of the Baby Boom generation into the next age group can be seen in 1997 when the 35-44 age group had the largest share of the population at 21.6 percent.
- Again, in 2008 those ages 45-54 had the largest share at 18.8 percent.
- Similarly, in 2017, those in the 55-64 age group moved into the second largest share of the American population under age 65 after being the smallest share of population from 1975-2012.



Consistent with the total population observations, the Baby Boom generation moved through the age groups of the labor force over the 1975-2017 period as this generation aged, with the oldest age groups (ages 55-64 and 65 and older) still increasing in 2017, as the last of the Baby Boom generation reaches these ages.

All of this has important future implications. First, the proportion of the labor force that is ages 55 or older is going to continue to increase even if the percentage that stay in the labor force remains the same because of the sheer size of the Baby Boom generation relative to the younger generations. However, the younger working cohort's share of the labor force will begin to increase as the Baby Boom generation workers finally do leave the labor force.

This means employers--particularly those in the private sector--will be faced with challenges on how to manage their workforce and provide employee benefits to serve the needs of the many workers that are close to retirement age and the growing share of workers just starting out, while retaining the experience of workers in the middle.

The EBRI report, "Labor Force Participation Rates by Age and Gender and the Age and Gender Composition of the U.S. Civilian Labor Force and Adult Population" is published as the May 1, 2018, *EBRI Issue Brief*, and is available online [here](#).

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