

## Labor Force Participation Rates by Age and Gender and the Age and Gender Composition of the U.S. Civilian Labor Force and Adult Population

*By Craig Copeland, Employee Benefit Research Institute*

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### AT A GLANCE

This *Issue Brief* examines the U.S. civilian labor force, using data from the U.S. Census Bureau's Current Population Survey. First, the labor force participation rates by age and gender are discussed. Furthermore, the age and gender composition of the labor force is compared with the age and gender composition of the total adult population. This allows for the identification of key labor force and population trends.

The key findings relating to age and the labor force:

- Labor force participation (LFP) rates of specific ages:
  - For Americans ages 55 or older, the LFP rate increased from 1991 to 2012, at which point it leveled off.
  - The oldest Americans (ages 65 or older) had the largest percentage increases in LFP rates since 1991, even after the leveling off post-2012.
  - For those ages 25-54, LFP rates have been steady to slightly declining since 1991.
  - For those ages 24 or younger, LFP rates declined significantly throughout the 1990s to 2010, at which point the rates leveled off.
- The age distribution of the ages 16 or older population and labor force followed these patterns over the 1991-2017 period:
  - From 1991 to 1994, those ages 55 or older experienced a slight decline in their share of the population and labor force, but after 1994 their share of the population and labor force grew substantially.
  - From 1991 to 1997, those ages 35-54 represented an increasing share of the population—and until 1996 of the labor force—before a significant decline in their share of the population and labor force through 2017.
  - Those ages 16-34 represented a declining share of both the population and labor force until their shares leveled off in the most recent years.
- While the portion of the total labor force ages 55 or older continued to increase since 2007, the uptick has been primarily attributable to the continued aging of the baby boom generation into these ages, and not to an increasing percentage of older workers remaining in the labor force. Before 2007, the increasing share of workers ages 55 or older was due, both to increases in the labor force participation rates for these ages and to the large baby boom generation beginning to reach these ages.
- From the employer perspective, the increase in the share of individuals ages 55 or older in the population and in the labor force means that employers have been, and will continue to be, challenged to provide benefits that meet the needs of these older workers, while still meeting the needs of younger workers who are starting to grow as a share of the labor force.

#### The key findings relating to gender:

- The male LFP rate declined from 1991-2017, while the female LFP rate increased through 1999, then held nearly steady until 2008 before falling.
- For those ages 16 or older, the gender distribution of the population and the labor force shifted in opposite directions over the 1975-2017 period:
  - The percentage of the population represented by women decreased by about 1 percentage point (52.8 percent in 1975 to 51.7 percent in 2017). Conversely, the share of the population that was male increased by about 1 percentage point (47.2 percent in 1975 to 48.3 percent in 2017).
  - From 1975-1999, the female share of the labor force increased by 6.1 percentage points (40.6 percent to 46.7 percent). However, from 2000-2017, the female share of the labor force held relatively steady reaching 46.9 percent in 2017. There was a corresponding decrease in the percentage of the labor force that was male.
  - The increased share of females in the labor force occurred across all ages, with the youngest workers (ages 16-24) being almost equally divided between genders.

#### Implications for the future:

- The share of the labor force that is ages 55 or older will continue to grow in the short term because of the size of the baby boom generation, but will begin to shrink as the next generation of workers reach age 55.
- The share of the labor force represented by workers ages 25-34, which has been increasing slowly, will continue to increase—likely more quickly—as the baby boom generation workers leave the labor force.
- Many employers are likely to be faced with a bimodal labor force distribution across the ages—larger numbers of both older and younger workers with fewer numbers of workers at ages in between—which presents different (and possibly incompatible) compensation and benefit challenges.

Craig Copeland is a senior research associate at the Employee Benefit Research Institute (EBRI). This *Issue Brief* was written with assistance from the Institute’s research and editorial staffs. Any views expressed in this report are those of the author and should not be ascribed to the officers, trustees, or other sponsors of EBRI, EBRI-ERF, or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.

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## Table of Contents

Introduction .....	5
Labor Force Participation Rates Among the Population Ages 55 or Older .....	5
Age and Gender Composition of the Population and Labor Force Ages 55 or Older .....	6
Labor Force Participation Rates Among the Population Ages 16 or Older .....	6
Age and Gender Composition of the Population Ages 16 or Older .....	11
Age and Gender Composition of the Labor Force Ages 16 or Older .....	15
Age and Gender Composition of the Population and Labor Force Ages 16 or Older .....	15
Discussion.....	20
Conclusion .....	20
Endnotes .....	22

## Figures

Figure 1, Civilian U.S. Labor Force Participation Rates for Those Ages 55 or Older, by Gender, 1975-2017 (Unadjusted December of Each Year).....	5
Figure 2, Civilian U.S. Labor Force Participation Rates for Those Ages 55 or Older, by Age, 1987-2017 (Unadjusted December of Each Year).....	7
Figure 3, Civilian Male U.S. Labor Force Participation Rates for Those Ages 55 or Older, by Age, 1987-2017 (Unadjusted December of Each Year).....	8
Figure 4, Civilian Female U.S. Labor Force Participation Rates for Those Ages 55 or Older, by Age, 1987-2017 (Unadjusted December of Each Year) .....	9

Figure 5, Distribution of the Civilian U.S. Noninstitutionalized Population and Labor Force for Those Ages 55 or Older, by Gender, 1975-2017 (Unadjusted December of Each Year) .....	10
Figure 6, Civilian U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Gender, 1975-2017 (Unadjusted December of Each Year) .....	10
Figure 7, Civilian U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Age, 1975-2017 (Unadjusted December of Each Year) .....	12
Figure 8, Civilian Male U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Age, 1975-2017 (Unadjusted December of Each Year) .....	12
Figure 9, Civilian Female U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Age, 1975-2017 (Unadjusted December of Each Year) .....	13
Figure 10, Distribution of the Civilian Noninstitutionalized U.S. Population for Those Ages 16 or Older, by Age, 1975-2017 (Unadjusted December of Each Year) .....	13
Figure 11, Distribution of the Noninstitutionalized Male U.S. Population for Those Ages 16 or Older, by Age, 1975-2017 (Unadjusted December of Each Year) .....	14
Figure 12, Distribution of the Noninstitutionalized Female U.S. Population for Those Ages 16 or Older, by Age, 1975-2017 (Unadjusted December of Each Year) .....	14
Figure 13, Distribution of the U.S. Civilian Labor Force for Those Ages 16 or Older, by Age, 1975-2017 (Unadjusted December of Each Year) .....	16
Figure 14, Distribution of the U.S. Civilian Male Labor Force for Those Ages 16 or Older, by Age, 1975-2017 (Unadjusted December of Each Year) .....	16
Figure 15, Distribution of the U.S. Civilian Female Labor Force for Those Ages 16 or Older, by Age, 1975-2017 (Unadjusted December of Each Year) .....	17
Figure 16, Distribution of the Civilian U.S. Noninstitutionalized Population and Labor Force for Those Ages 16 or Older, by Gender, 1975-2017 (Unadjusted December of Each Year) .....	17
Figure 17, Distribution of the Noninstitutionalized U.S. Population for Those Ages 16 or Older, by Age and Gender, 1975-2017 (Unadjusted December of Each Year) .....	18
Figure 18, Distribution of the U.S. Civilian Labor Force for Those Ages 16 or Older, by Age and Gender, 1975-2017 (Unadjusted December of Each Year) .....	19

# Labor Force Participation Rates by Age and Gender and the Age and Gender Composition of the U.S. Civilian Labor Force and Adult Population

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## Introduction

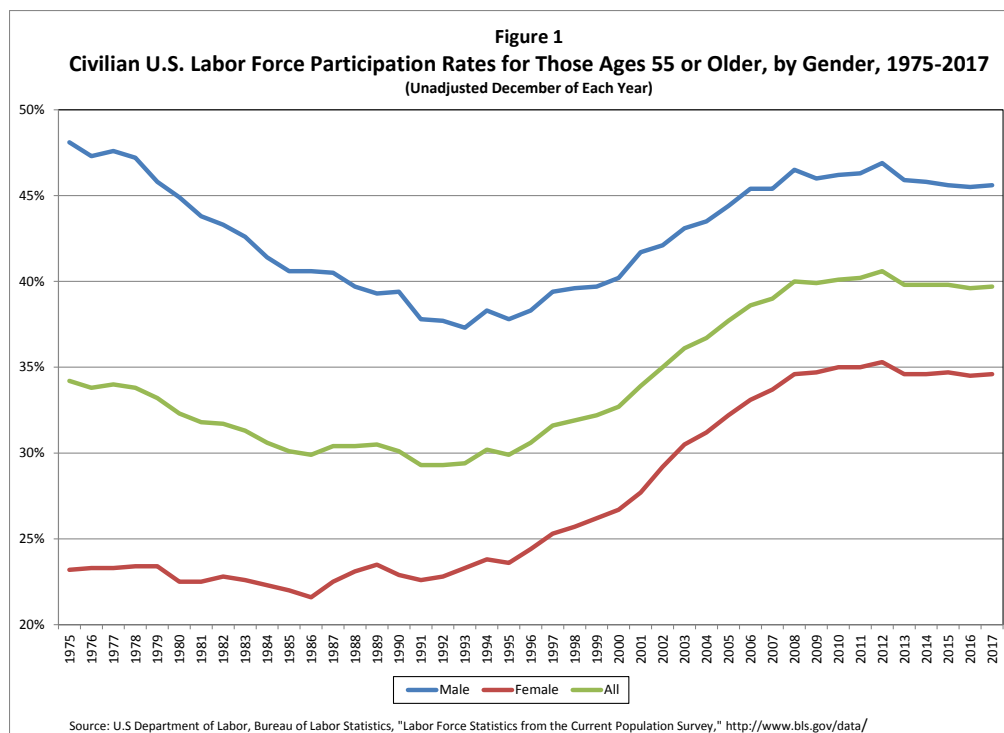
As the baby boom generation<sup>1</sup> has aged, the American labor force as a whole has also grown older. In an attempt to examine the extent of the aging of the labor force, this *Issue Brief* considers several labor force questions relating to the civilian noninstitutionalized American population, including (i) the labor force participation (LFP) rates by age and gender and (ii) the shares of the U.S. population and the U.S. civilian labor force by age and gender.<sup>2</sup> This study focuses on both the period prior to the economic recession in the late 2000s and after the recession.<sup>3</sup> It begins by examining the older population, ages 55 or older, and then expands to examine the full population, ages 16 or older.

An important metric in this study is the *labor force participation rate*, which measures the percentage of individuals within a specific population group (e.g., those ages 55 or older) who are working or *actively* seeking work.<sup>4</sup>

The data on the labor force and the noninstitutionalized population as a whole are for December of each year and are from the U.S. Census Bureau's Current Population Survey (CPS), available from the Bureau of Labor Statistics.

## Labor Force Participation Rates Among the Population Ages 55 or Older

The percentage of civilian noninstitutionalized Americans ages 55 or older in the labor force declined from 34.2 percent in December 1975 to 29.3 percent in December 1992 (Figure 1). Subsequently, the labor force participation rate of this group increased through December 2008 reaching 40.0 percent. After 2008, the labor force participation rate has hovered around 40.0 percent with a high of 40.6 percent in December 2012 to a low of 39.6 percent in December 2016 before going up in 2017 to 39.7 percent.<sup>5</sup>



The labor force participation rate for men ages 55 or older followed the same pattern as the overall population until 2008, falling from 48.1 percent in 1975 to 37.3 percent in 1993 before increasing to 46.5 percent in 2008. But after 2008, the men's LFP rate flattened out, staying around 46.0 percent through 2017, ranging from 46.9 percent in 2012 to 45.6 percent in 2017. While the most recent LFP levels for males were *not* higher than the 1975-1978 levels, they were still higher than the low point in 1993.

The labor force participation rate of women this age followed a different trend: it remained essentially flat from 1975 to 1993 (23.2 percent to 23.3 percent), it increased after 1993 to 34.6 percent in 2008, and then from 2009-2016 it leveled off around 35.0 percent, settling at 34.6 percent in 2017.

Among those ages 55 or older, labor force participation rates increased for many ages from 1987 to 2008 (Figure 2). Starting in 2009, the labor force participation rates for Americans ages 55 or older flattened out or slightly declined through 2017. The rate for those ages 55-59 was in lower in 2017 (72.8 percent) compared with 2008 (73.6 percent), but it has trended up since 2013, when it was at its low point (71.0 percent). Furthermore, in 2017, an upward trend emerged among those ages 60-64 and those ages 70 or older.

Not surprisingly, the labor force participation trends for the same ages, when segmented by gender, differed from each other. For males ages 55-59, the labor force participation rate has held steady after falling from 1990-1993, but has trended slightly up since 2014 (Figure 3). In contrast, labor force participation rate for females ages 55-59 trended upward from 1987-2008, after which it declined from 69.0 percent in 2008 to 66.0 percent in 2017 (Figure 4). Furthermore, before leveling off beginning in 2008, the labor participation rates for females ages 60 or older had much steeper increases than the labor force participation rates for males ages 60 or older. For example, the female labor force participation rate for those ages 60-64 increased from 34.1 percent in 1987 to 49.6 percent in 2008, while the male labor force participation rate increased from 55.8 percent to 61.2 percent. Lastly, among those ages 60 or older, both males and females, except for those ages 65-69, saw an increase in their labor force participation in 2017.

## **Age and Gender Composition of the Population and Labor Force Ages 55 or Older**

The changes in the labor force participation rates of males and females altered the distribution of the males' and females' shares in the labor force.<sup>6</sup> As Figure 5 shows, while the percentage of the female population ages 55 or older decreased from 56.2 percent in 1975 to 53.7 percent in 2017, the percentage of the female labor force ages 55 or older increased from 38.2 percent in 1975 to 46.8 percent in 2017. Thus, females ages 55 or older have not only become more likely to participate in the labor force (see the prior section), but they have also become a larger share of the labor force.

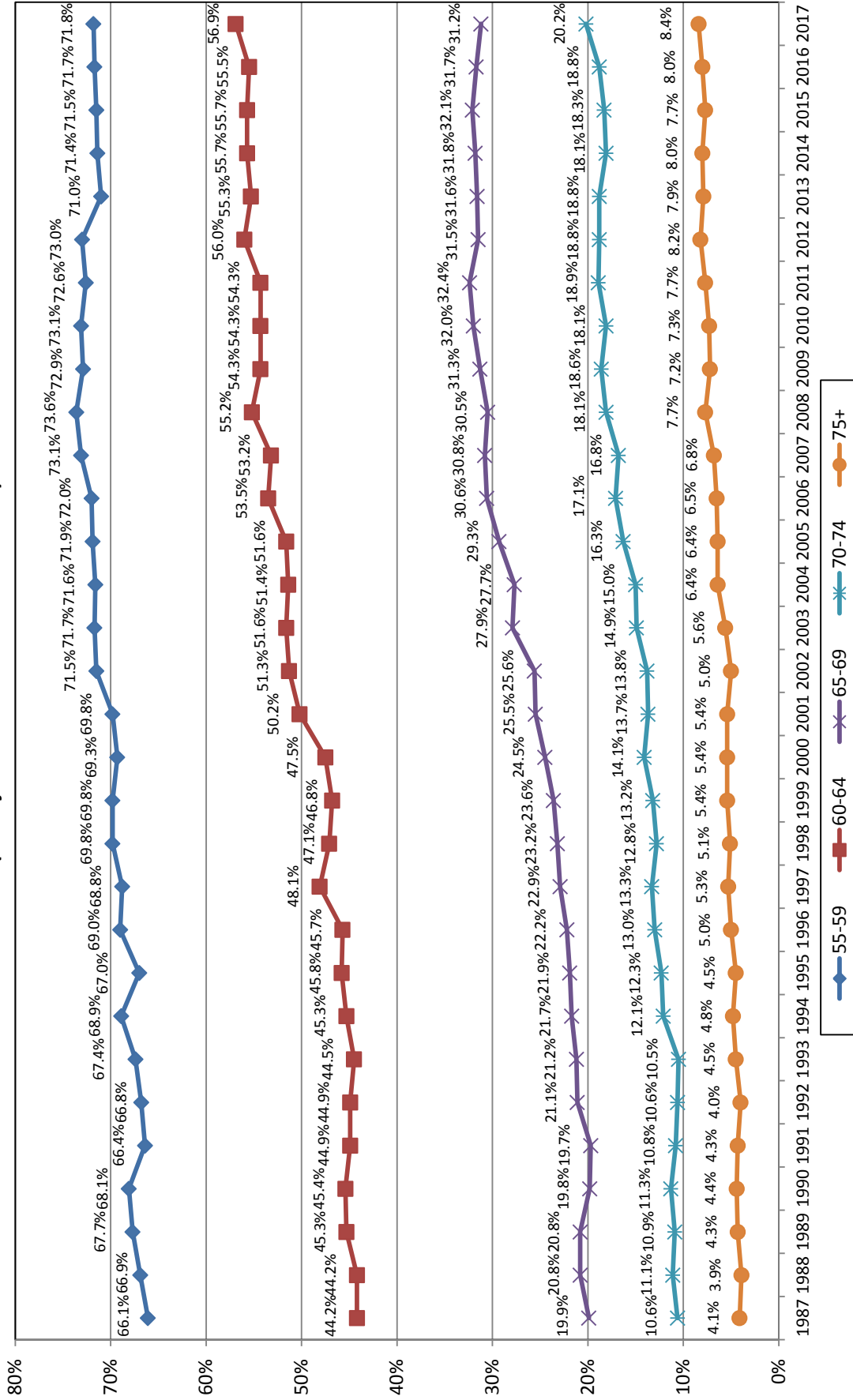
## **Labor Force Participation Rates Among the Population Ages 16 or Older**

The labor force participation rate for the population ages 16 or older increased from 1975 to 1989 before flattening out until 2008 and then declining through 2015 where it has held steady to 2017 (Figure 6). Specifically, the rate went from 60.8 percent in 1975 to 66.3 percent in 1989, where it remained around 66.0 percent through 2008 (65.7 percent in 2008). It subsequently trended downward to 62.4 percent by 2015 where it stayed through 2017.

The labor force participation patterns for males and females of the population ages 16 and older have been different from each other. The labor force participation rate for males ages 16 or older trended downward throughout the 1975-2017 period, going from 76.5 percent to 68.5 percent. In contrast, the labor force participation rate for females ages 16 or older increased from 46.8 percent in 1975 to 60.2 percent in 1999 before heading downward to 56.4 percent in 2014 and slightly upward to 56.7 percent in 2017.

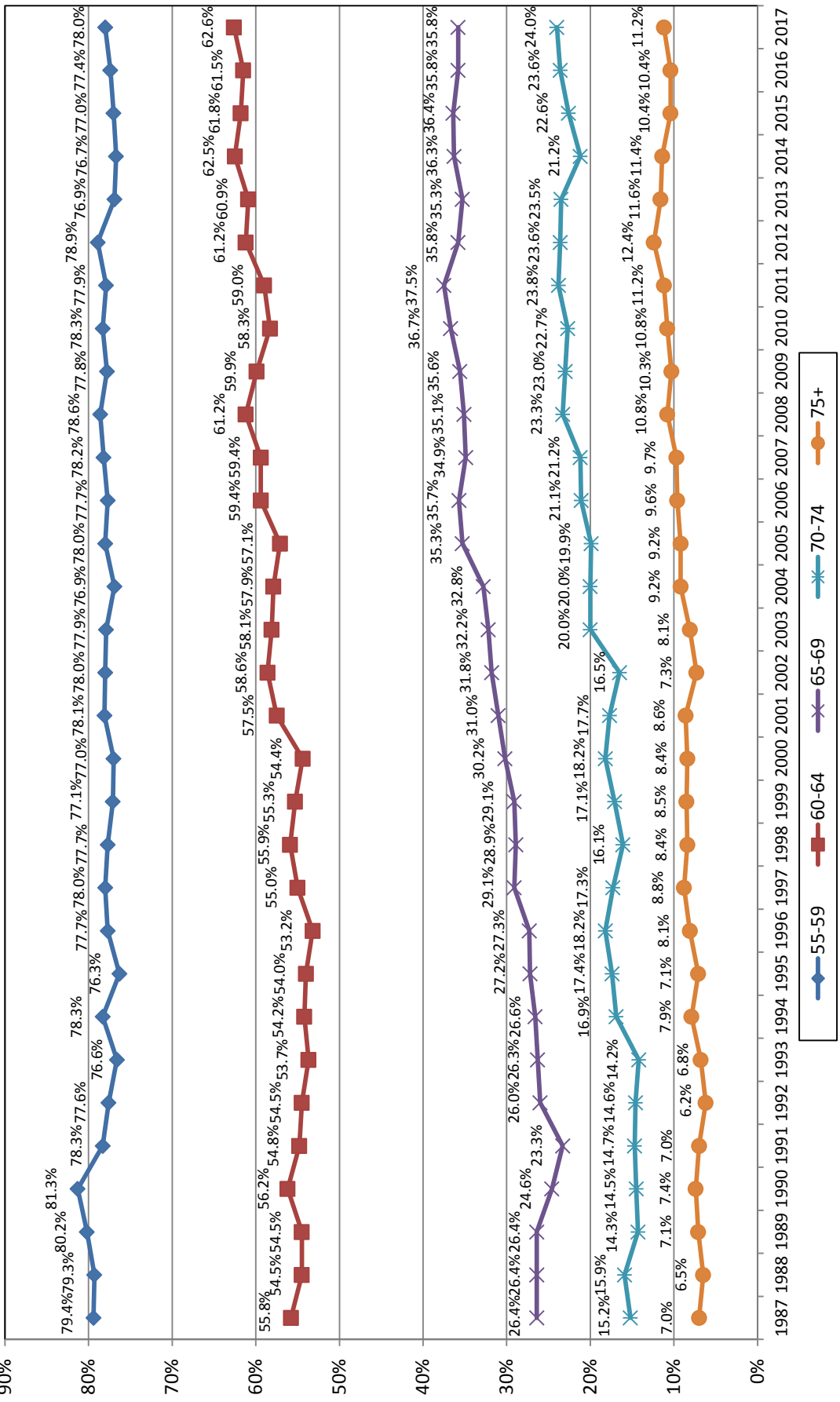
Labor force participation rate trends have also differed by age among the population ages 16 or older. Specifically, the labor force participation rates among those ages 25-54 increased from the 72-75 percent range in 1975 to the 81-85

**Figure 2**  
**Civilian U.S. Labor Force Participation Rates for Those Ages 55 or Older, by Age, 1987-2017**  
 (Unadjusted December of Each Year)



Source: U.S. Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

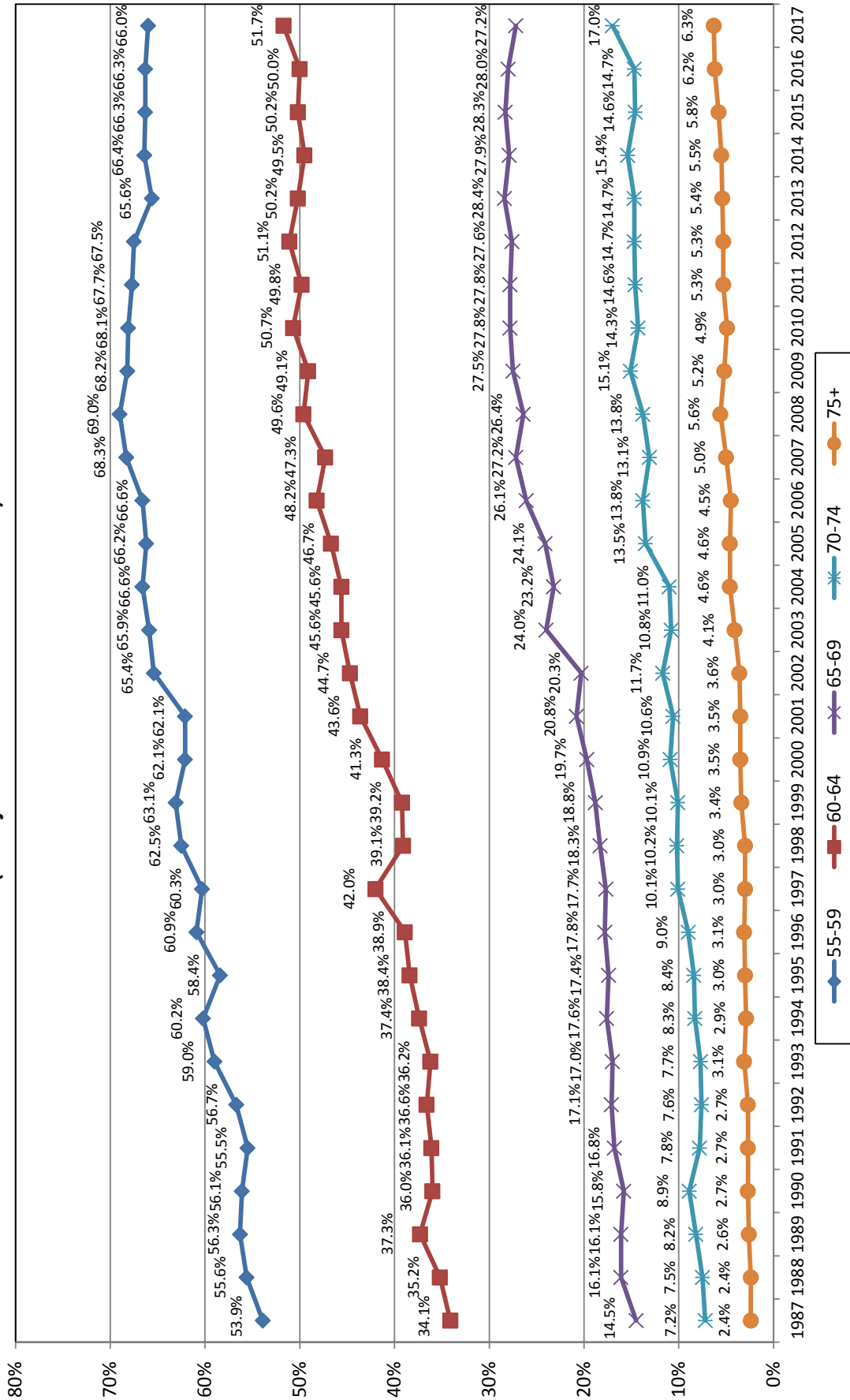
**Figure 3**  
**Civilian Male U.S. Labor Force Participation Rates for Those Ages 55 or Older, by Age, 1987-2017**  
 (Unadjusted December of Each Year)



Source: U.S. Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

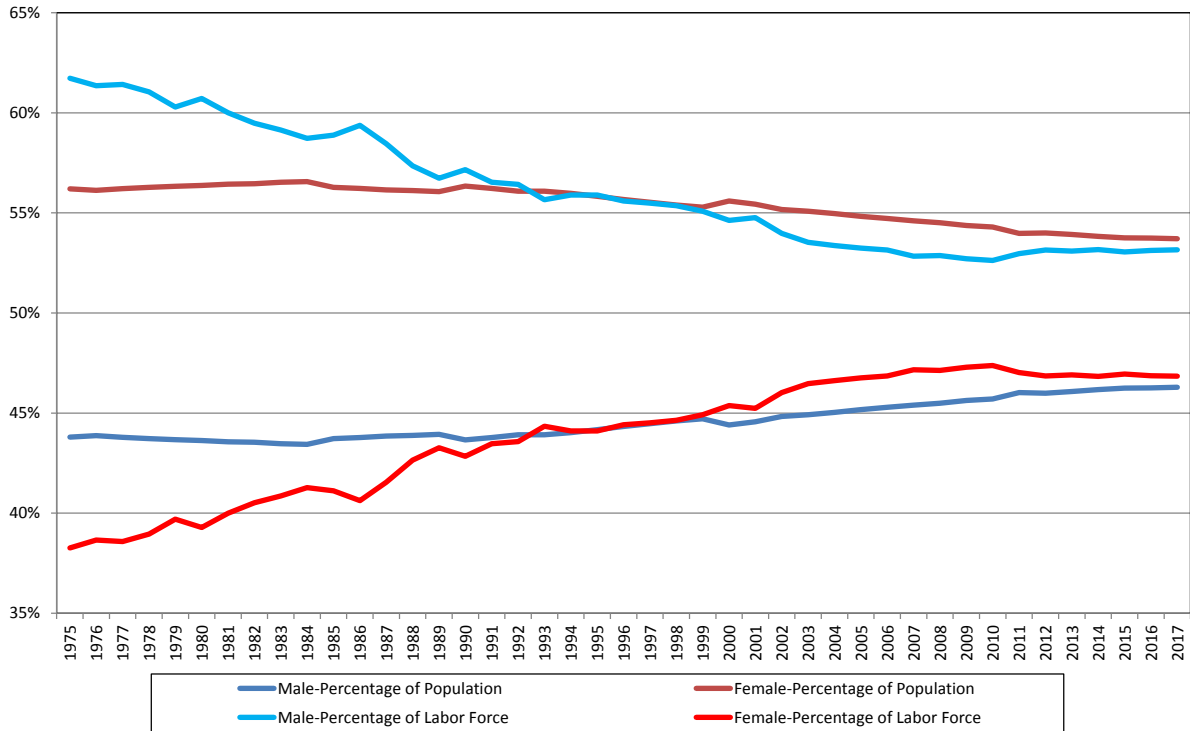


**Figure 4**  
**Civilian Female U.S. Labor Force Participation Rates for Those Ages 55 or Older, by Age, 1987-2017**  
 (Unadjusted December of Each Year)



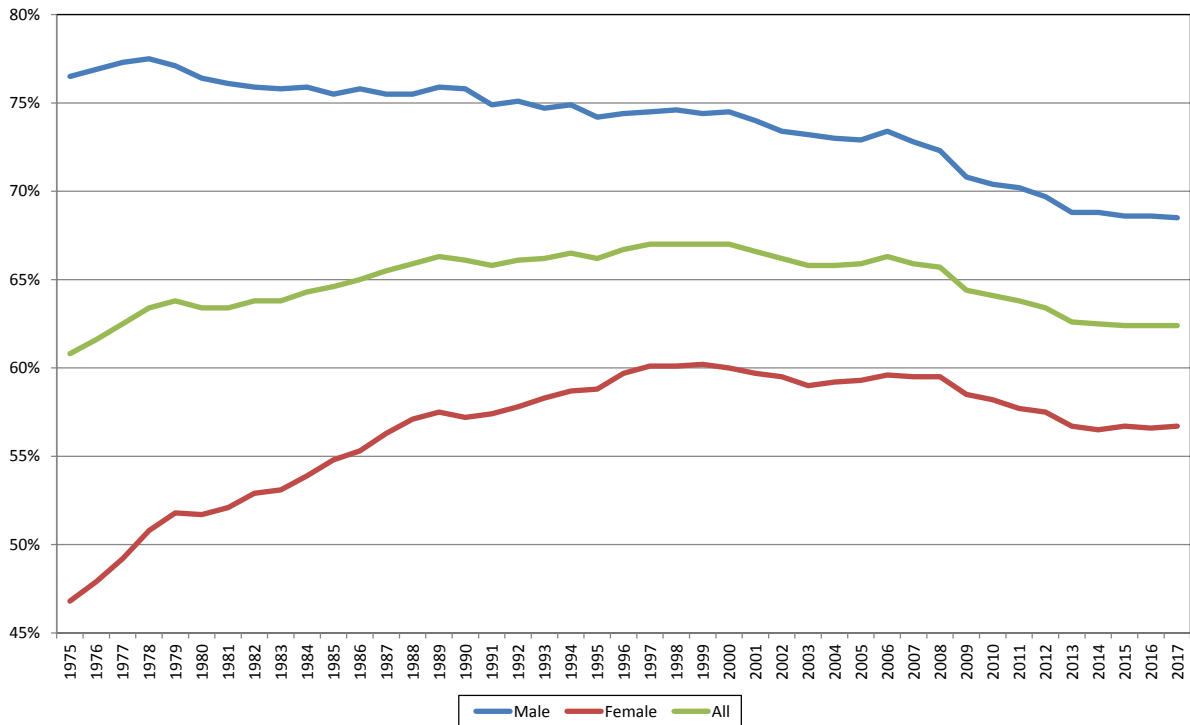
Source: U.S. Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

**Figure 5**  
**Distribution of the Civilian U.S. Noninstitutionalized Population and Labor Force for Those Ages 55 or Older, by Gender, 1975-2017**  
 (Unadjusted December of Each Year)



Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

**Figure 6**  
**Civilian U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Gender, 1975-2017**  
 (Unadjusted December of Each Year)



Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

percent range in 1989 (Figure 7). The rates remained at these levels until 2007, when they began trending downward into the 79-82 percent range until 2015 before trending upward in 2016 and 2017.

By contrast, the labor force participation rate trends for the oldest and youngest ages (ages 16-24 and ages 55 or older) were different not only from the trend for those ages 25-54, but also from each other. Indeed, the trends for the oldest and youngest groups moved in different directions. For those ages 55 or older, the labor force participation rates declined throughout the 1980s and then increased until 2008, when the rate for those ages 55-64 leveled off through 2017 and the rate for those ages 65 or older still increased but at a much slower pace. But for those ages 16-24, the labor force participation rates were mostly flat until around 2000, when they started declining. The labor force participation rate for those ages 20-24 fell from 77.2 percent in 2000 to 70.0 percent in 2009 and has remained right at that level through 2017. For those ages 16-19, the rate dropped sharply from 50.1 percent in 2001 to 31.5 percent in 2013 and then slightly rebounded to 32.5 percent by 2017.

Males and females had very dissimilar labor force participation rate trends. The labor force participation rates for each male age group trended downward overall from 1975-2017, except for those ages 65 or older (Figure 8). The steepest decline was in the rate for males ages 16-19 (53.8 percent in 1975 to 31.1 percent in 2017). The LFP rate for males ages 20-24 also had a sizable but smaller drop than the youngest ages, while males of other ages below age 65 had gradual overall declines. For example, the labor force participation rate for males ages 45-54 decreased from 91.9 percent in 1975 to 87.3 percent in 2017. For males ages 65 or older, after declining throughout the 1980s, the labor force participation rate began an upward trend in the early 1990s and reached 23.2 percent in 2017 compared with 20.2 percent in 1975.

The labor force participation rates for females ages 25-54, rose from 1975 through about 1988, when the rates plateaued (Figure 9). In contrast, the labor force participation rates for females ages 55-64 continued upward until they flattened out after 2008. For the oldest females, those ages 65 or older, the rate was basically flat until the mid-1990s, when it gradually moved upward through 2017 (going from less than 10 percent to 15.6 percent). The labor force participation rates for females ages 16-19 had a similar steep decline to that of the males this age, while the rate for females ages 20-24 initially increased through the late 1980s before declining overall by 2017, but not by as much as for the males ages 20-24.

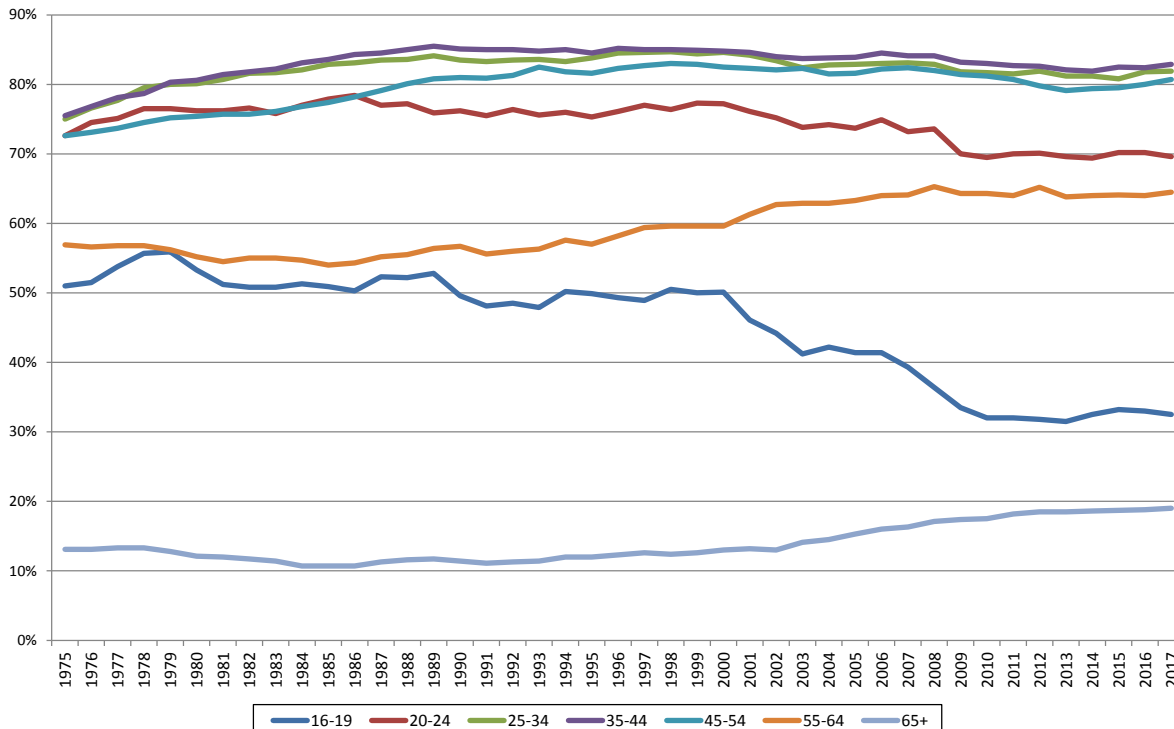
Despite the downward trends in the labor force participation rates for males younger than age 65 and the overall increases in labor force participation rates for most female age groups, the rates for males ages 20 or older remained above the rates for the comparable aged females. For example, the labor force participation rate for females ages 55-64 increased from 41.3 percent in 1975 to 58.9 percent in 2017, while the rate for males ages 55-64 was 70.6 percent in 2017, which was down from 74.7 percent in 1975.

## **Age and Gender Composition of the Population Ages 16 or Older**

The baby boom generation wave—created as the generation has moved into and out of the various ages—can easily be seen by looking at the distribution of the American population by age over the 1975-2017 period. In 1975, the largest share of the population ages 16 or older was those ages 16-24, at 22.9 percent (Figure 10). By 1986, those ages 25-34 had the largest share of the population at 23.1 percent. The continued movement of the baby boom generation into the next ages can be seen in 1997 when those ages 35-44 had the largest share of the population at 21.6 percent and again in 2008 when those ages 45-54 had the largest share at 18.8 percent. Similarly, in 2017, those ages 55-64 moved into the second largest share of American population *under age 65* after being the smallest share of population from 1985-2012.

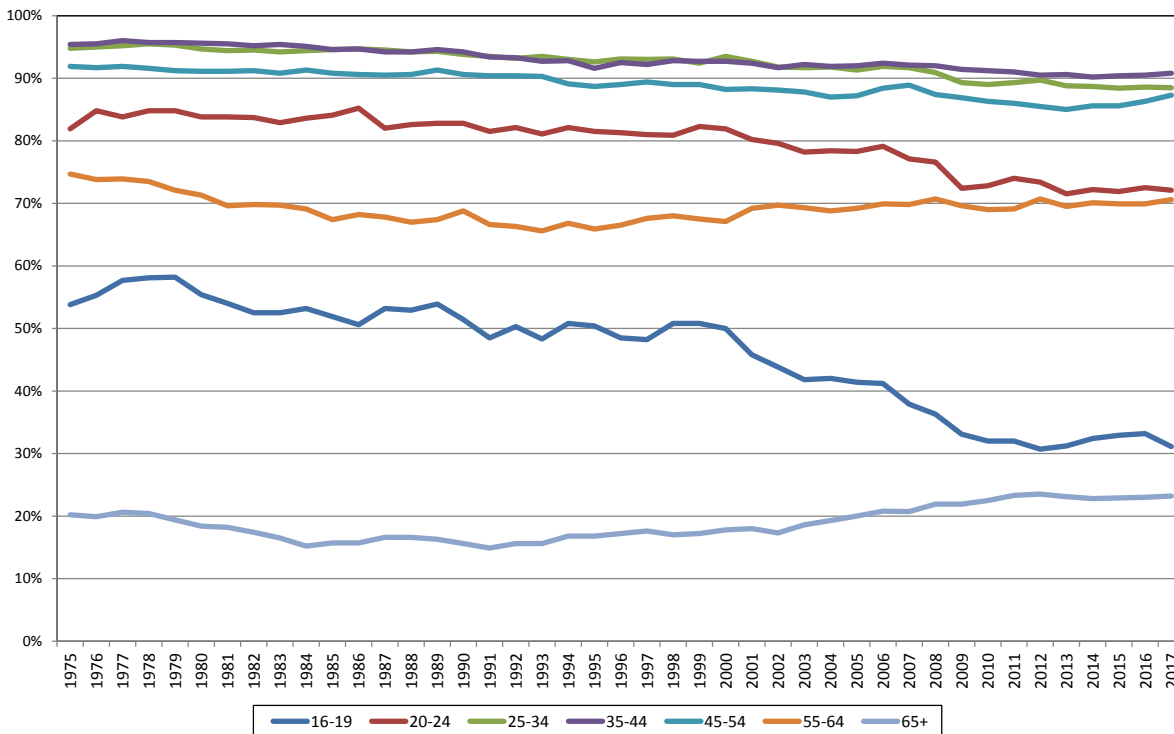
The share of the total population represented by those ages 65 or older has already overtaken all other ages due to the increases in longevity of the prior cohorts. Now, with the continued movement of the baby boom generation to ages 65 or older, the population of the oldest adults will only increase more. This continued increase will be driven by remainder of the large baby boom generation reaching age 65 and the increased longevity of those already over age 65.

**Figure 7**  
**Civilian U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Age, 1975-2017**  
 (Unadjusted December of Each Year)



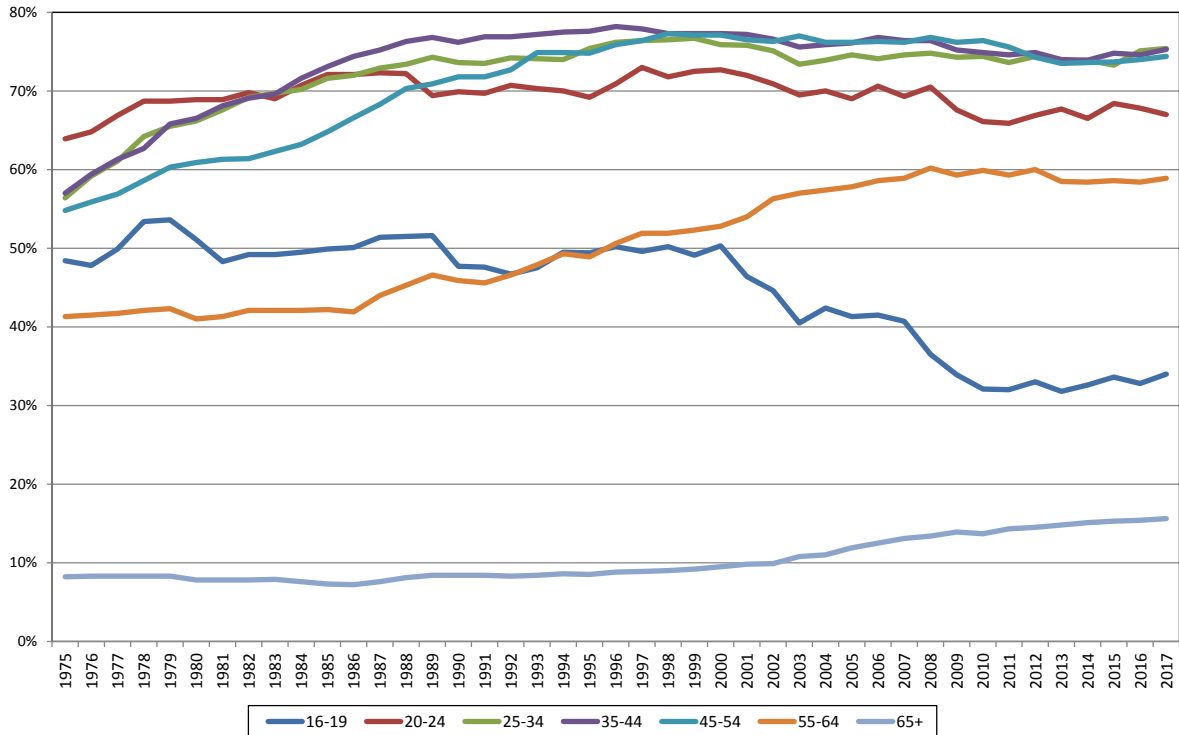
Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

**Figure 8**  
**Civilian Male U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Age, 1975-2017**  
 (Unadjusted December of Each Year)



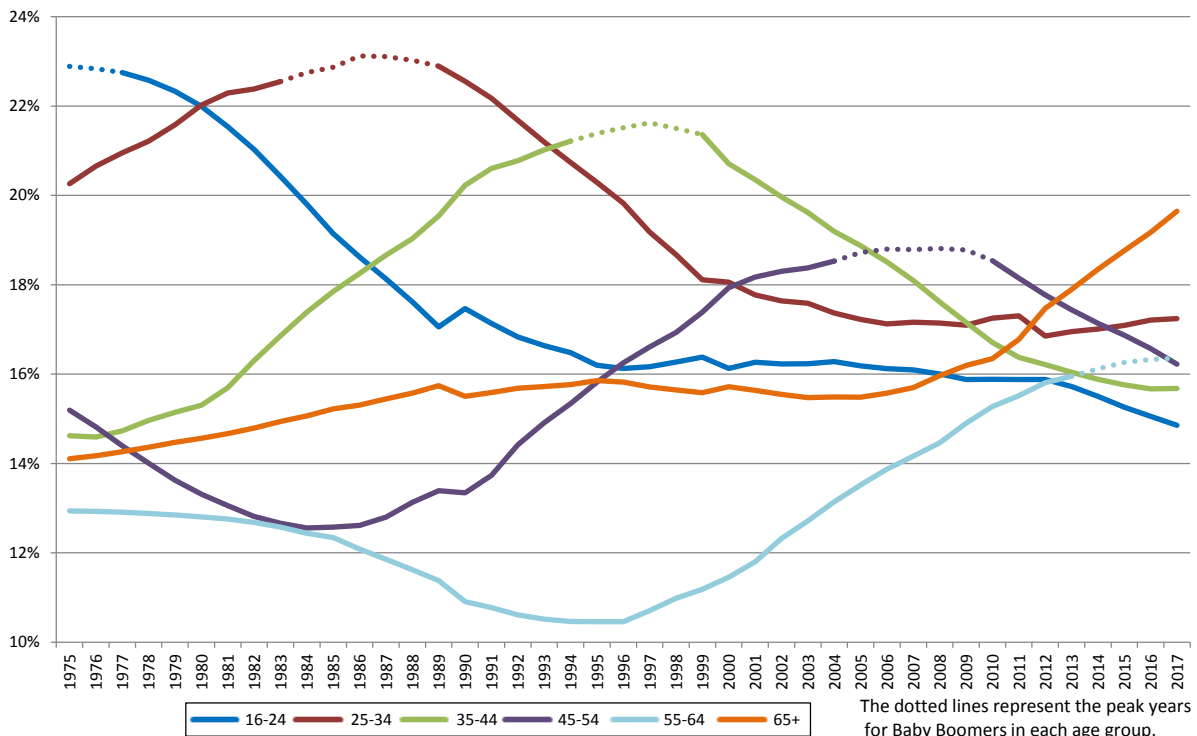
Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

**Figure 9**  
**Civilian Female U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Age, 1975-2017**  
 (Unadjusted December of Each Year)



Source: U.S. Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

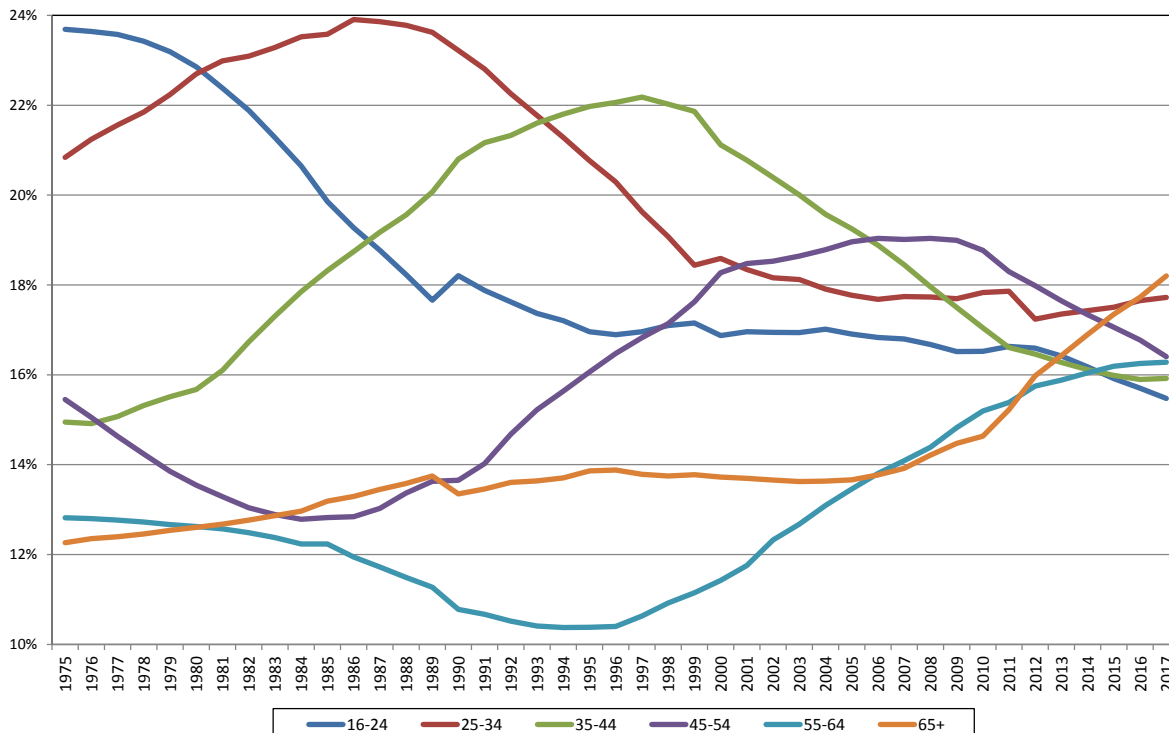
**Figure 10**  
**Distribution of the Civilian Noninstitutionalized U.S. Population for Those Ages 16 or Older, by Age, 1975-2017**  
 (Unadjusted December of Each Year)



The dotted lines represent the peak years for Baby Boomers in each age group.

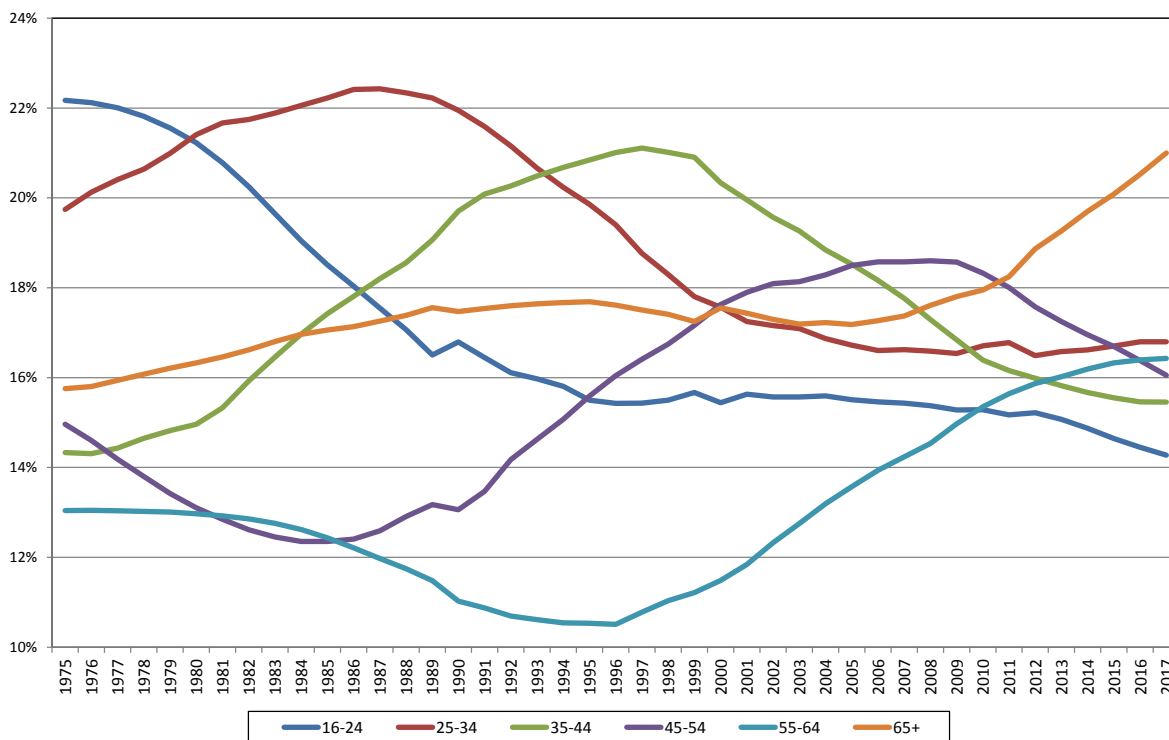
Source: U.S. Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

**Figure 11**  
**Distribution of the Noninstitutionalized Male U.S. Population for Those Ages 16 or Older, by Age, 1975-2017**  
 (Unadjusted December of Each Year)



Source: U.S. Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

**Figure 12**  
**Distribution of the Noninstitutionalized Female U.S. Population for Those Ages 16 or Older, by Age, 1975-2017**  
 (Unadjusted December of Each Year)



Source: U.S. Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

Examining by age and gender within the population ages 16 or older reveals a slower growth in the percentage of older adults for males than for females (Figures 11 and 12). Both the male and female populations showed peaks consistent with the overall movement of the baby boom generation as it has moved through various ages. However, in 2017, the share of the male population ages 16 or older that was ages 65 or older had the largest share of the male population for the first time, whereas females ages 65 or older has had the largest share of the female population since 2011 and was significantly larger than any other ages. Furthermore, those ages 55-64 had the fourth largest share of the male population but the third largest share of the female population. The two smallest shares of both the male and female populations were those ages 16-24 and ages 35-44.

## **Age and Gender Composition of the Labor Force Ages 16 or Older**

Comparing the composition of the population to the composition of the labor force by age, initially shows that while the labor force ages 16 or older has a much greater share of younger people than the total population ages 16 or older (Figures 10 and 13), the portion of the labor force ages 16 or older who are ages 55-64 and ages 65 or older are both at their largest points in the 1975-2017 period.

In 1975, the percentage of the labor force that was ages 55 or older was 15.1 percent (summing those ages 55-64 with those ages 65 or older), compared with 22.9 percent in 2017. However, this percentage fell from 1975 until 1993, reaching a low of 11.7 percent, before increasing to its nearly doubled level in 2017.

At the same time, as late as 1981, over 50 percent of the labor force was under age 35. Yet, due to the dramatic decline in the share of the labor force ages 16 or older represented by workers ages 16-24 (23.9 percent in 1978 to 13.1 percent in 2010, before reaching 12.7 percent in 2017), the percentage of the labor force ages 16-24 and ages 25-34 (combined) had fallen to between 35.0 and 36.0 percent in 2012-2017.

Consistent with the total population observations, one can also see the baby boom generation moving through the various ages of the labor force over the 1975-2017 period as each successive age bracket reaches a peak then falls, with the oldest ages (ages 55-64 and ages 65 or older) still increasing in 2017. However, the shares of the total labor force represented by the youngest ages are beginning to stabilize, so we can expect that as the baby boom generation continues to age and move out of the labor force, the share of the total labor force represented by younger workers will grow.

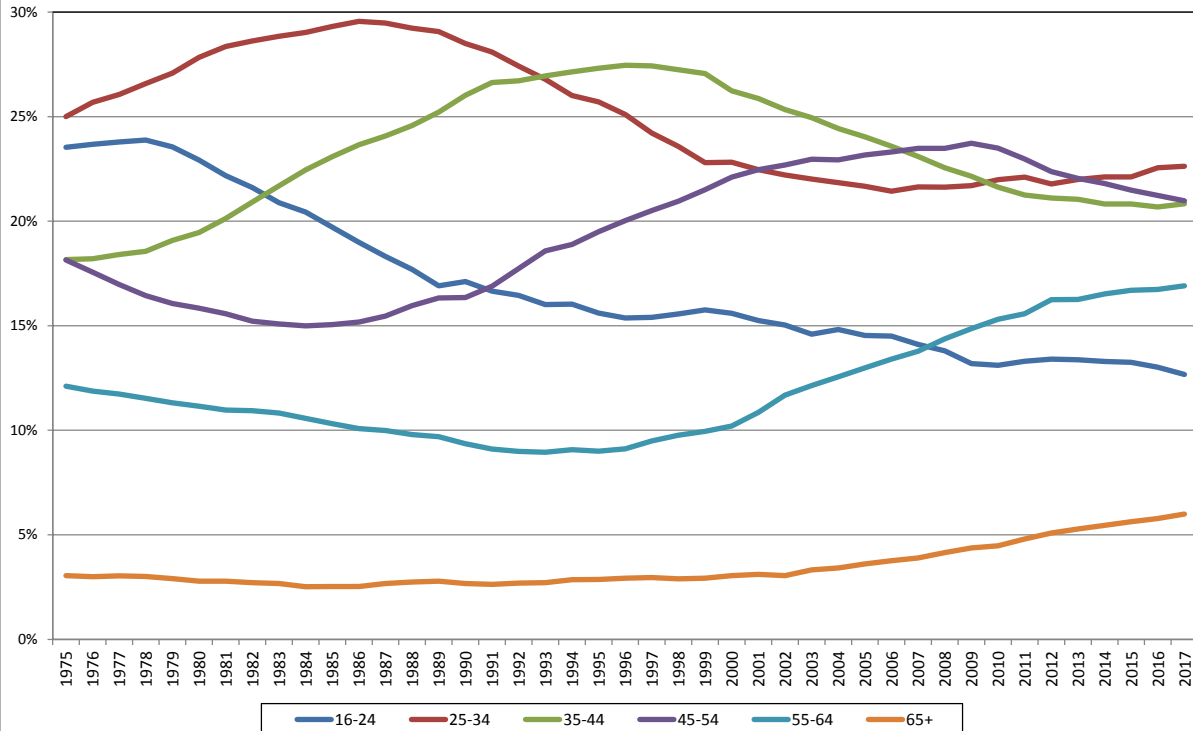
The trends for the males and females across various ages are very similar to the overall trends, except that the largest share of the female labor force in the late 1970s was those ages 16-24 (Figures 14 and 15). However, by 2017, the age distributions of the male and female labor forces were very close. For example, the shares of the male and female labor forces ages 55 or older was 23.0 percent for males and 22.9 percent for females in 2017. Furthermore, 35.1 percent of the male labor force was under age 35 in 2017, compared with 35.5 percent for females.

## **Age and Gender Composition of the Population and Labor Force Ages 16 or Older**

The same general trends across the population and labor force ages 16 or older can be seen when examined by age and gender. As Figure 16 shows, the American population has moved closer to a 50/50 split between the genders (males 47.2 percent vs. females 52.8 percent in 1975, to males 48.3 percent vs. females 51.7 percent in 2017). Likewise, the share of the labor force that is male vs. female has also converged over this same period (Figure 16). The male share of the labor force ages 16 or older was 59.4 percent in 1975, and the female share was 40.6 percent in 1975. In 2017, males made up 53.1 percent of the labor force while females made up 46.9 percent.

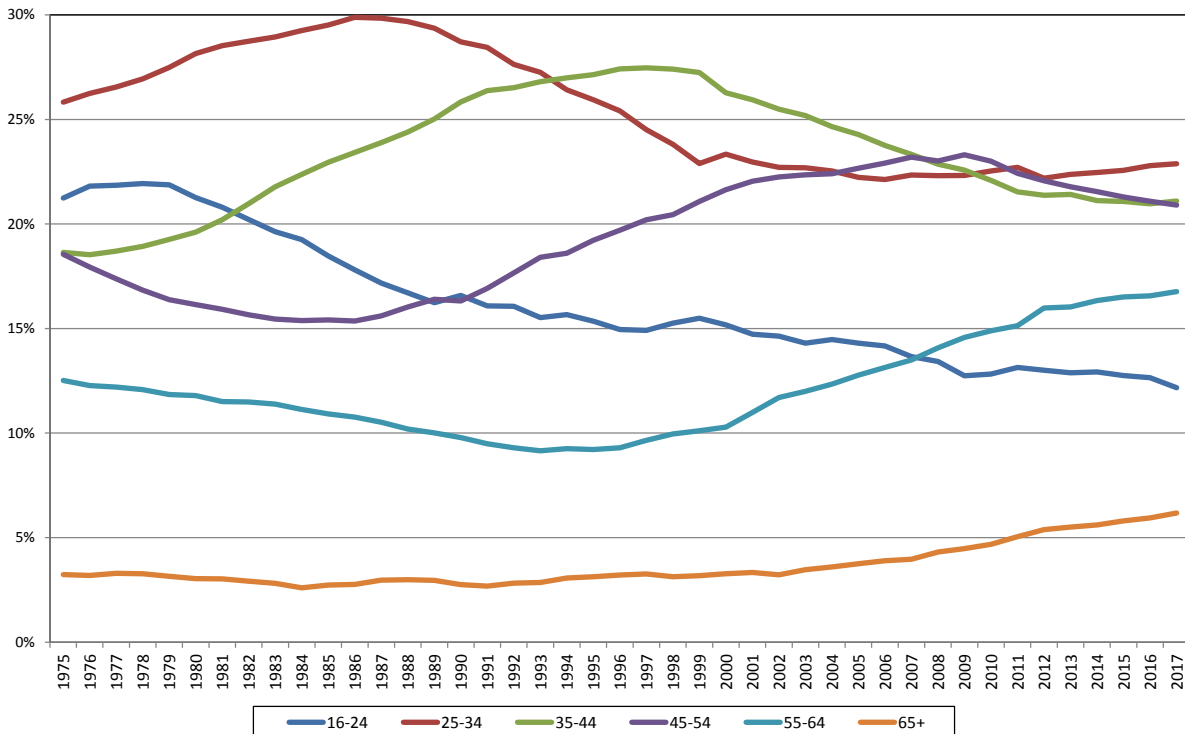
The percentage of the population that was female at each age was larger than the comparable percentages for males, except for those ages 16-24 after 1994, when the female percentage dropped below the male percentage after 1994 and remained just below the male percentage for these ages through 2017 (Figure 17). Notably, the overall population of males ages 65 or older was significantly smaller than the female population ages 65 or older.

**Figure 13**  
**Distribution of the U.S. Civilian Labor Force for Those Ages 16 or Older, by Age, 1975-2017**  
 (Unadjusted December of Each Year)



Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

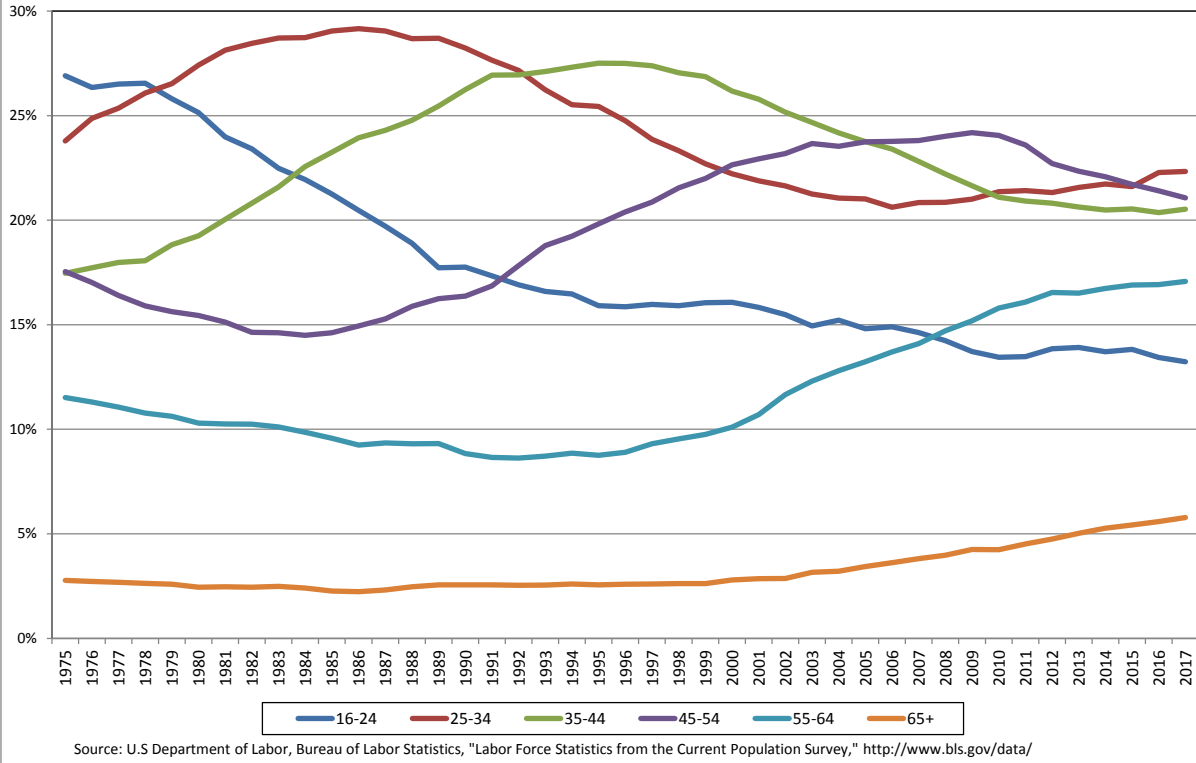
**Figure 14**  
**Distribution of the U.S. Civilian Male Labor Force for Those Ages 16 or Older, by Age, 1975-2017**  
 (Unadjusted December of Each Year)



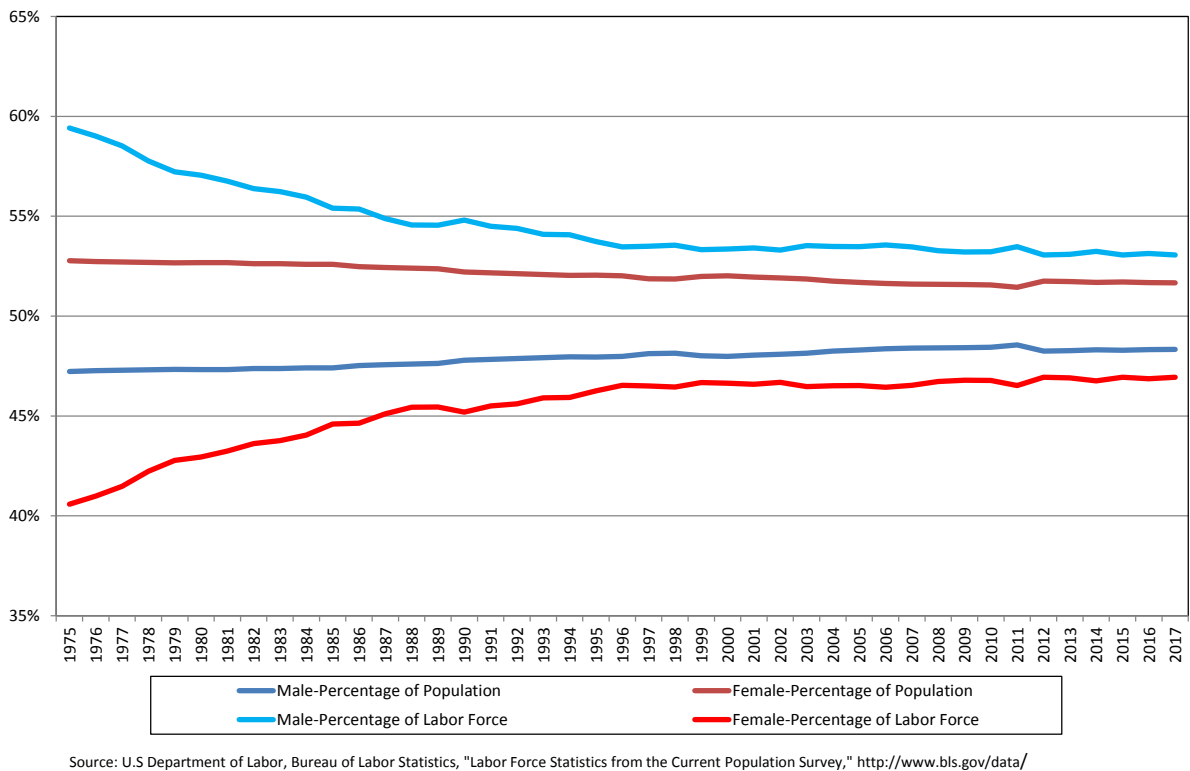
Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>



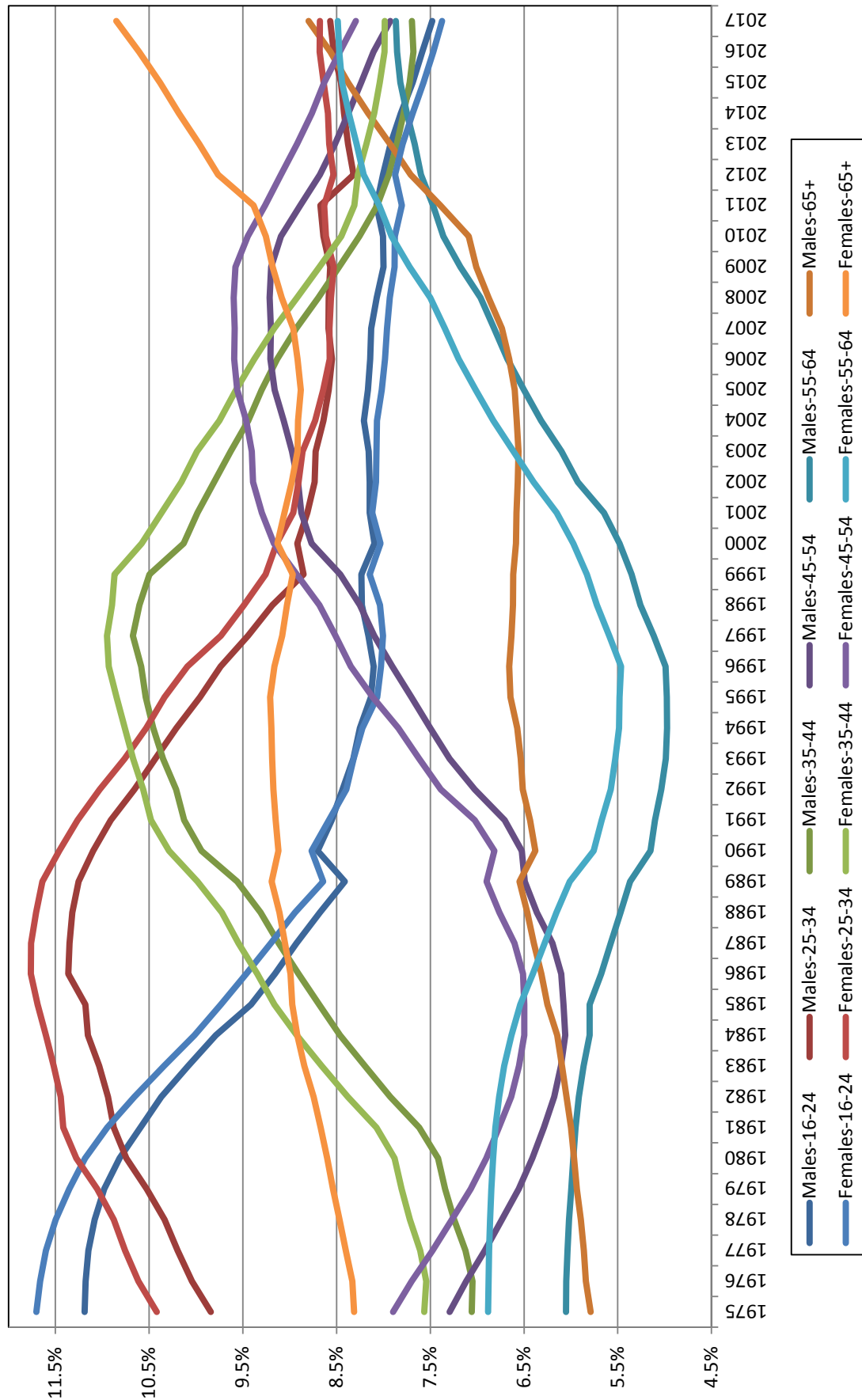
**Figure 15**  
**Distribution of the U.S. Civilian Female Labor Force for Those Ages 16 or Older, by Age, 1975-2017**  
(Unadjusted December of Each Year)



**Figure 16**  
**Distribution of the Civilian U.S. Noninstitutionalized Population and Labor Force for Those Ages 16 or Older, by Gender, 1975-2017**  
(Unadjusted December of Each Year)

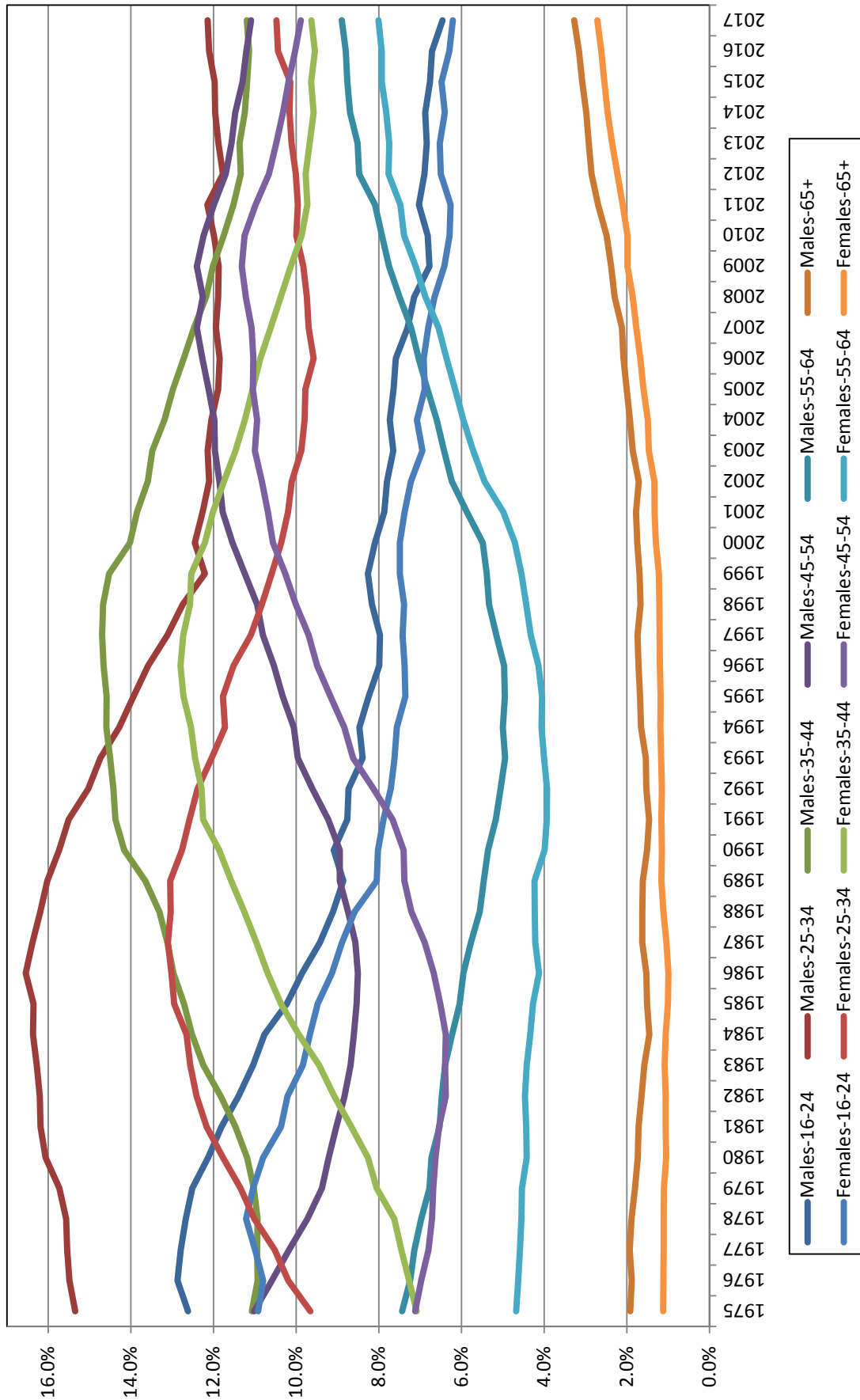


**Figure 17**  
**Distribution of the Noninstitutionalized U.S. Population for Those Ages 16 or Older, by Age and Gender, 1975-2017**  
 (Unadjusted December of Each Year)



Source: U.S. Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

**Figure 18**  
**Distribution of the U.S. Civilian Labor Force for Those Ages 16 or Older, by Age and Gender, 1975-2017**  
 (Unadjusted December of Each Year)



Source: U.S. Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>

The baby boom generation wave across the population ages groups was also reflected across ages and genders. The share of the total male and female population represented by those ages 65 or older sharply increased after 2005, where it will continue to increase due to the remainder of the baby boom generation moving into these ages and to the increased longevity of Americans already this age.

In contrast to the overall population, the shares of the male and female labor force represented by the male age groups were larger than the female age groups across all of the age groups (Figure 18). The difference between the male and female age groups narrowed during the 1975 to 2017 period, but the higher male shares persisted.

From 1975-1993, males ages 25-34 had the highest share of the labor force, before giving way to the males ages 35-44. In 2013, males ages 25-34 regained its position as the largest share of the labor force, where it has stayed through 2017. Yet, the share of the labor force represented by males ages 25-34 was much lower than before 1994 due to the much higher share represented by females ages 45-64.

## Discussion

The upward trend in labor force participation by older workers during the 1990s and into the 2000s has commonly been perceived as being a result of the need for either continued access to employment-based health insurance; for more years of earnings to accumulate savings in defined contribution (401(k)-type) plans; or for making ends meet due to not having had access to other means of support in retirement outside of Social Security. However, financial incentives have not been the only drivers of this higher percentage of older workers participating in the labor force. Many older Americans have had an increased desire to work longer, particularly among those with higher educational levels for whom more jobs are available that are meaningful and can be performed well into older ages (less physically demanding occupations).<sup>7</sup>

The labor force participation rate increase among those ages 55 or older from the late 1980s through the late 2000s coincided with a higher incidence of more highly educated people reaching these ages. The share of workers ages 55 or older with bachelor's and/or graduate degrees increased from 1987 through 2012 (19.4 percent in 1987 to 36.0 percent in 2008 to 36.7 percent in 2012).<sup>8</sup> However, the increase in the percentage of workers who are college graduates reaching this age cohort has leveled off at the same time as the labor force participation rate leveled off (36.6 percent in 2014). Yet, in 2015 and 2016, there was an uptick in college graduates reaching 37.6 percent in 2015 and 38.1 percent in 2016, potentially portending another increase in the labor force participation rate of those ages 55 or older after 2017.<sup>9</sup>

Regardless of the cause of this increase in the labor force participation rate among those ages 55 or older from the 1990s–2000s, its impact has been profound on the age distribution of the labor force. In particular, two results are clear. First, the labor force participation rates of younger workers began to decline in the late 1990s when the rates for older workers began increasing. Second, the relative number of older workers (ages 55 or older) in the labor force to younger workers increased steadily from 1993 to 2017. Consequently, these concurrent trends raise a couple of important the questions: Are older workers filling the void in the labor force or are they displacing opportunities for younger workers?<sup>10</sup> Will older workers be able to continue to find employment going forward as the percentage of younger workers is increasing?<sup>11</sup>

Furthermore, some younger age cohorts are increasing in size at the same time as older Americans continue to work. Consequently, employers—particularly those in the private sector—will be faced with tough 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 also retaining the experience of workers in the middle.

## Conclusion

The labor force participation rates for those ages 55 or older rose throughout the 1990s and into the 2000s, when those rates leveled off following the 2007–2008 economic downturn through 2017. However, the percentage of the

U.S. noninstitutionalized civilian labor force that is ages 55 or older has continued to grow even with the leveling off of the labor force participation rate. Consequently, the increased share of those ages 55 or older in the labor force post 2008 is due to the increased share in the overall population of those ages 55 or older as opposed to the choice to work by a higher percentage of workers these ages. More older workers in the labor force is a result, most recently, of the larger size of the generation reaching ages 55 or older as well as the increased longevity of those that have already reached these ages.

This fact has some 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. However, the younger working cohort's share will begin to increase as the baby boom generation workers leave the labor force. Furthermore, this younger workers' share will increase faster if the labor participation rate of individuals in the baby boom generation does not begin to increase again.

Second, the thought that individuals will stay in the labor force at higher and higher rates into older age in order to have more assets and/or higher Social Security benefits does not seem to be materializing for the oldest Baby Boomers. Consequently, the implementation of a highly discussed solution for retirement income inadequacy of working into older ages appears to not be materializing and will be more difficult with growth in certain younger cohorts of Americans.

## Endnotes

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<sup>1</sup> The Baby Boom generation is defined by the cohort of individuals born from 1946-1964. In 2018, the youngest of them will turn 54 and the oldest 72.

<sup>2</sup> The civilian noninstitutionalized population excludes those Americans in the military or institutions such as prisons or for health care needs like nursing homes, mental institutions, etc.

<sup>3</sup> This article updates and adds to prior Employee Benefit Research Institute studies on the U.S. labor force participation of those ages 55 or older. See Craig Copeland "Labor Force Participation Rates of the Population Ages 55 or Older, 2013" *EBRI Notes*, no. 4 (Employee Benefit Research Institute, April 2014): 9–17 for the most recent prior study.

<sup>4</sup> The labor force participation rate is a measure of those in a particular group working or *actively pursuing* work, not the share of those actually working who fall into a specific category.

<sup>5</sup> All of the numbers for this study are for December of the respective year. The remainder of the article only the year will be used, but it should be understood that it means December of that year. Furthermore, they are *not* seasonally adjusted (unadjusted).

<sup>6</sup> The CPS only has male and female categories for gender.

<sup>7</sup> See Lisa Greenwald, Craig Copeland, and Jack VanDerhei. "The 2017 Retirement Confidence Survey: Many Workers Lack Retirement Confidence and Feel Stressed About Retirement Preparations." *EBRI Issue Brief*, no. 431 (Employee Benefit Research Institute, March 21, 2017), where 90 percent of retirees working in retirement said they did so because they want to stay active and involved and 82 percent said they enjoy working (respondents could provide more than one answer for reasons working).

<sup>8</sup> See Copeland (2014, Endnote 3).

<sup>9</sup> Unpublished Employee Benefit Research Institute estimates from the 2014-2017 March Current Population Surveys.

<sup>10</sup> See news articles such as Matt Sedensky, "Are Older Workers Taking Jobs From Young?" *USA Today*, January 4, 2014 (<http://www.usatoday.com/story/money/business/2014/01/04/will-surge-of-older-workers-take-jobs-from-young/4305187/>) and Alicia Munnell and April Yanyuan Wu, "Are Aging Baby Boomers Squeezing Young Workers out of Jobs?" *Brief* no. 12-18 (Center for Retirement Research at Boston College, October 2012) ([http://crr.bc.edu/wp-content/uploads/2012/09/IB\\_12-18-508.pdf](http://crr.bc.edu/wp-content/uploads/2012/09/IB_12-18-508.pdf)) for further discussion and analysis of this topic.

<sup>11</sup> See Greenwald, Copeland, and VanDerhei (2017, Endnote 7), which found from the 2017 Retirement Confidence Survey that the percentage of workers saying they planned to work for pay in retirement was 79 percent, while just 29 percent of retiree respondents reported that they had worked for pay in retirement. See Gary Burtless, "Can Educational Attainment Explain the Rise in Labor Force Participation at Older Ages?" *Brief* no. 13-13 (Center for Retirement Research at Boston College, September 2013) ([http://crr.bc.edu/wp-content/uploads/2013/08/IB\\_13-13.pdf](http://crr.bc.edu/wp-content/uploads/2013/08/IB_13-13.pdf)) for an analysis of future labor force participation of older workers. Also see Gary Burtless, "Labor Force Dynamics in the Great Recession and Its Aftermath: Implications for Older Workers." *CRR WP 2016-1* (Center for Retirement Research at Boston College, July 2016) [https://www.brookings.edu/wp-content/uploads/2016/07/wp\\_20161.pdf](https://www.brookings.edu/wp-content/uploads/2016/07/wp_20161.pdf) for a discussion of how job turnover affects workers of different ages and educational levels on future employment.

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