

Lengthening Labor Supply of Older Workers—Individuals' Challenges

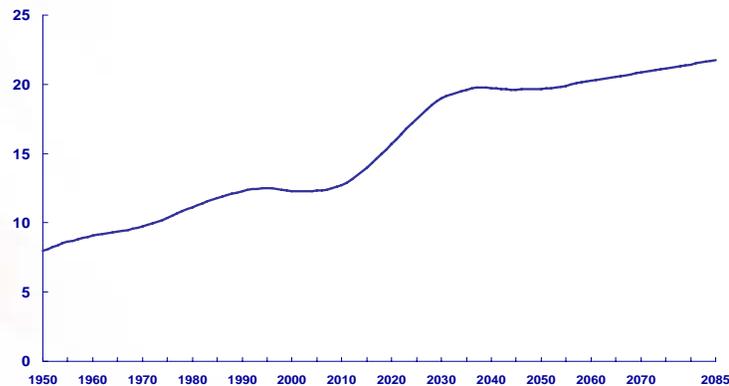
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Aged Population Continues to Grow

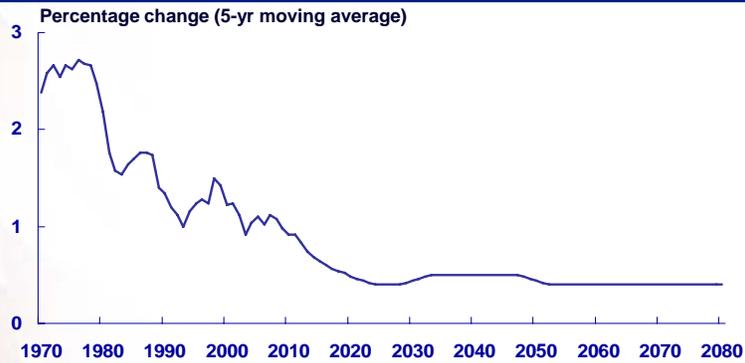
Percent of total population aged 65 and over



Source: Office of the Chief Actuary, Social Security Administration.

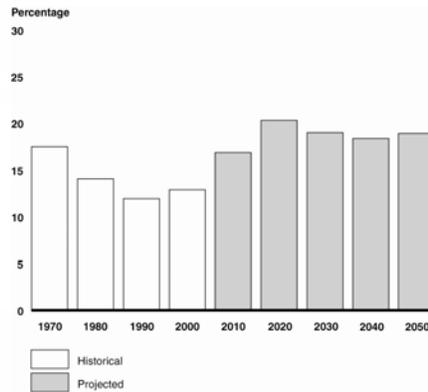
Note: Projections based on the intermediate assumptions of the 2008 Trustees' Reports.

U.S. Labor Force Growth Will Continue to Decline



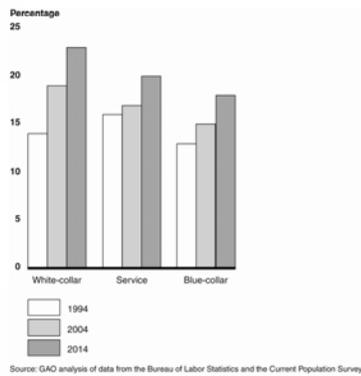
Source: GAO analysis of data from the Office of the Chief Actuary, Social Security Administration.
 Note: Percentage change is calculated as a centered 5-yr moving average of projections based on the intermediate assumptions of the 2008 Trustees Reports.

Percentage of Workforce Aged 55 and Older, 1970-2000 and Projected 2010-2050



Source: Mitra Toossi, "A Century of Change: the U.S. Labor Force, 1950-2050," Monthly Labor Review, May 2002.

All Areas of the Labor Market Are Likely to be Affected



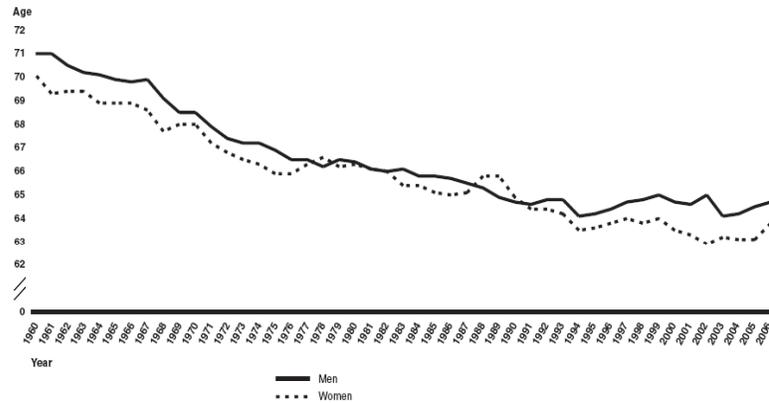
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Working Longer May Help Address the Challenges of an Aging Population

- Impact on the Economy
 - Larger labor force
 - Additional economic growth
- Impact on the Federal Budget
 - Additional tax revenue
 - Reduced expenditures: Social Security & Medicare
- Impact on Individuals
 - Enhanced retirement security and quality of life

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Average Effective Retirement Age Has Been Decreasing, But Now Stabilized



Source: OECD analysis of Census Bureau data.

Note: This is a 5-year moving average based on labor force participation data in the Current Population Survey. For each 5-year period ending in the year shown in the figure, the effective age of retirement corresponds to the average age of exit for all labor force participants initially aged 40 and over who were no longer in the labor force 5 years later.

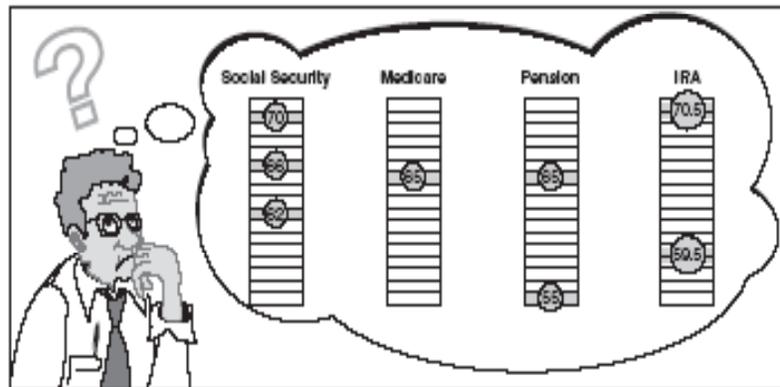
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Why Older Americans Don't Work Longer

- Health concerns and family needs
- Older Americans perceive few employment opportunities
- Most employers do not attempt to hire and retain older workers
- Cultural expectation to retire in mid-60s
- Mixed signals from law and public policy

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Federal Retirement Age-Related Rules



Sources: GAO (analysis); Art Explosion (images).

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Focus Groups with Workers and with Employers Show Little Positive Action

- Workers felt they had few opportunities for partial retirement, and poor potential for new jobs, as well
- Workers claim employers push them out
- Employers say they are willing to recruit and retain older workers, but few do so

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GAO Forum Findings: Strategies That Work

- Flexibility in schedules
- Flexibility in the workplace
- Flexibility in benefits

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GAO Forum Findings: Government Must Take Action

- National campaign to promote work at older ages among workers and employers
- Identify legal barriers and potential changes to promote
- Becoming a model employer itself

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Contact Us

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