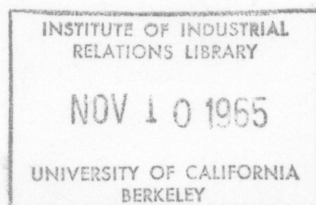


Older workers - California

STATE OF CALIFORNIA
DEPARTMENT OF EMPLOYMENT
and
CITIZENS' ADVISORY COMMITTEE ON AGING

A SURVEY OF THE EMPLOYMENT
OF OLDER WORKERS , 1964 :

A REPORT TO THE
CALIFORNIA LEGISLATURE, 1965 SESSION //



Sacramento, California

January, 1965

Sacramento, California
January 11, 1965

Honorable Jesse M. Unruh
Speaker of the Assembly
State Capitol
Sacramento, California

Dear Mr. Speaker:

We are submitting the accompanying report in response to HR 77 of the 1963 Session of the California Legislature.

The report is a synthesis of four separate but coordinated projects by the Department of Employment and the Citizens' Advisory Committee on Aging to develop factual data and representative viewpoints on problems confronting the older worker striving for labor market recognition. The projects were designed to obtain new insights into the problem and consisted of original research by the Department of Employment staff, interviews with employer and labor union hiring authorities conducted by an independent consultant, interviews with Department specialists and conferences among civic leaders in representative communities throughout the State.

Stemming from these undertakings we have arrived at some conclusions with respect to appropriate actions which need to be taken. Additionally, you will find many other recommendations and viewpoints expressed by those whose views were solicited and received in the course of carrying out the assignment made by HR 77.

ALBERT B. TIEBURG, DIRECTOR OF THE DEPARTMENT OF EMPLOYMENT

WILLIAM D. BECHILL, EXECUTIVE SECRETARY, CITIZENS' ADVISORY
COMMITTEE ON AGING

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TEXT OF RESOLUTION

House Resolution No. 77

Relative to improving employment opportunities of older persons

WHEREAS, Legislation is now pending before the Congress of the United States which would provide new grant programs for experimental and demonstration projects to stimulate employment opportunities for older persons; and

WHEREAS, In California, it is known that many older applicants seeking employment are not placed in proportion to the number of those needing employment; and

WHEREAS, There is a need for more specific information relating to the increasing effects of automation and technological changes affecting employment of older persons; and

WHEREAS, There is a need for current data concerning employer and union attitudes and action in providing employment for older workers; and

WHEREAS, Such data would be valuable in the stimulation of community understanding and support of employment opportunities for older persons; now, therefore, be it

Resolved by the Assembly of the State of California,
That the Department of Employment and the Citizens' Advisory Committee on Aging are requested to undertake jointly a study of how and where employment opportunities for older persons may be improved and expanded throughout the State, and to report their joint findings and recommendations thereon to the Assembly on or before the fifth legislative day of the 1965 Regular Session.

Resolution read, and referred by the Speaker pro Tempore to the Committee on Rules.

House Resolution No. 77 - Relative to improving employment opportunities of older persons.

Resolution read, and adopted.

PART ONE

JOINT RECOMMENDATIONS TO THE
CALIFORNIA LEGISLATURE, 1965 SESSION,
FROM THE CALIFORNIA DEPARTMENT OF
EMPLOYMENT AND THE CITIZENS' ADVISORY
COMMITTEE ON AGING

PART ONE
JOINT RECOMMENDATIONS TO THE CALIFORNIA LEGISLATURE

These recommendations represent the sum and substance of creative ideas from experienced and thoughtful people throughout the State. They indicate that there are real and basic problems facing the older worker in California's economy and that major progress in providing employment opportunities to California's older workers can be achieved by legislative action.

A. AMENDMENTS TO THE PRESENT LAW ON AGE DISCRIMINATION IN EMPLOYMENT

1. That the age limitation of 40 to 64 be eliminated and revised to cover any discrimination in employment solely based on age.
2. That no employer should be exempt from the provisions of the law regardless of the number of employees.
3. That all reference to pensions be stricken from the law.

B. PUBLIC INSURANCE PROGRAMS

1. That income protection be provided, once training is started under Article 1.5, California Unemployment Insurance Code, retraining benefits, by extending weekly benefits throughout the entire period of training even though the regular or extended benefit period may be exhausted.
2. That the Legislature memorialize the Congress to revise the present Social Security Act to provide for a revised concept of the present retirement test and the earnings limitation for persons receiving Social Security retirement benefits to permit beneficiaries to have earnings that would bring their income up to a level consistent with "an adequate standard of living".

C. PRIVATE PENSION PLANS

1. That the Legislature establish a State Portable Pension Act similar to the law in effect in the province of Ontario, Canada; this act to provide for compulsory vesting rights and a funding plan which will assist small employers for the purpose of increasing the mobility of workers by facilitating the transfer of pension credits. We also support the enactment of federal legislation to establish a National Portable Pension Act wherein every worker accumulates credits regardless of his moves within the labor force and where it is mandatory that all pension plans contain vesting rights. We recommend that a resolution to this effect be adopted by the Legislature for submission to the Congress and the Secretary of Labor.

2. That the 1965 Legislature appropriate funds for a comprehensive and scientific study of the actual costs incurred in the hiring of older workers to be conducted by the University of California in cooperation with representatives of agriculture, industry, labor, the Department of Employment, and other interested groups. Such a study should expressly explore ways and means to reduce any additional costs that might be established, especially in the case of smaller employers and firms.
3. That the Legislature adopt legislation similar to that in other states which would regulate and establish standards for private pension plans sold in California relative to their administration, funding, and public reporting and accountability.

D. TRAINING AND RETRAINING

1. We are convinced of the need that training and retraining opportunities must be opened as fully as possible to older workers including the provision for on-the-job training in advance of layoffs or to maintain present older employees and recommend that:
 - a. Local school districts be encouraged to provide full-time adult vocational schools in urban districts, day-time vocational courses for adults in smaller districts, vocational counseling for adults throughout the Adult Education system and make special efforts to compress into the shortest possible time the vocational training for adults.
 - b. In recognition of the obvious need for improved adjustments to such trends as frequent job changes, need for training, gradual retirement, and the use of leisure time upon retirement, the Legislature requests the Bureau of Adult Education, the State Department of Education, the Department of Employment, the Citizens' Advisory Committee on Aging, and other appropriate agencies to jointly develop curriculum that can be utilized by the public adult education schools, labor, government, management, and others in the planning and offering of courses and programs in pre-retirement planning and post-retirement activities.
 - c. The Legislature memorialize the Congress to increase the present funds allocated to the Manpower Development and Training Act in order to expand the present opportunities for training of older adults and to increase the present level of training allowances for persons enrolled in such programs and to continue with the 100 percent federal financing of this program.

E. PART-TIME EMPLOYMENT

1. That efforts be intensified to develop part-time jobs for older persons, especially those in or nearing retirement. Special efforts should be directed to identify part-time job opportunities in all occupations and particularly in the fields of health, education and recreation. All employment agencies in the public and private sectors, including the Department of Employment, trade associations, private agencies, fraternal organizations should place special emphasis on the identification and development of part-time job opportunities for older workers.
2. That the Legislature memorialize the Congress to expand the scope of the Economic Opportunities Act to provide grants to State and local public agencies and nonprofit groups to develop and meet opportunities for part-time employment, specifically, for older persons in such areas as educational, health, welfare and recreational services.

F. OTHER RECOMMENDATIONS

1. That the Citizens' Advisory Committee on Aging conduct a study and report to the 1966 Legislature on any and all government codes, city and county charters, and civil service commission rulings and announcements, job descriptions in the law enforcement field, and requirements for licensing of all vocations and professions that contain any existing references to upper age as a requirement for employment, and that such findings and reasons for such requirements be made public.
2. That the Legislature invite the California State Employment Service and the Citizens' Advisory Committee on Aging to develop plans, in cooperation with unions and management, for studies of job content and relationships between jobs, to establish valid performance requirements with regard to physical demands, education, and other qualifications in occupations where older workers are employed in substantial numbers. The plans developed from these studies should find means of utilizing the skills and abilities of older workers being displaced by automation and other industrial changes.
3. That efforts should be made to expand apprenticeship programs and to identify apprenticeable opportunities for older workers.
4. That efforts should be made to develop industrial diversification with particular attention to tourism, recreation and nondefense industries. Major developments in these fields would provide new jobs for thousands of older Californians in these industries and in related service occupations. At the same time, such a development would serve to answer,

in an organized manner, the growing demand in the economy in public and private service occupations.

5. That an Employer Policy Statement on the employment of older workers be developed by the Citizens' Advisory Committee on Aging and the Department of Employment for the purpose of affirming the principle that the employment of older people should be based on a full consideration of their skills and abilities and without regard to arbitrary factors such as chronological age. As a statement of policy, this statement should be promulgated through the major business, industrial and labor organizations and appropriate state agencies to ensure the widest range possible.

PART TWO
PURVIEW OF REPORT

PART TWO
CHAPTER ONE
BACKGROUND AND SCOPE OF STUDY

House Resolution 77 adopted on July 24, 1963 by the Assembly of the California State Legislature, requested the Department of Employment and the Citizens' Advisory Council on Aging "to undertake jointly a study of how and where employment opportunities for older persons may be improved and expanded throughout the State...".

Four projects were initiated to comply with that request. This study is composed of the project findings and recommendations based on them.

1. The Research and Statistics Section of the Department of Employment surveyed and analyzed existing published and unpublished materials from State and federal sources dealing with historical and projected patterns of older worker population, labor force and economic status.
2. The Department of Employment contracted with an internationally recognized management consultant firm to survey the difficulties encountered by a representative group of employers and unions in the hiring and utilization of older workers.
3. The Employment Service conducted a survey involving 150 older worker specialists, supervisors, and managers, who were interviewed by a representative of the Chief of Employment Service to ascertain difficulties encountered by local offices in placing older workers.
4. The Citizens' Advisory Committee on Aging and the Employment Service conducted community workshops in Eureka, Oakland, Sacramento, Bakersfield, Van Nuys, Pasadena, Long Beach, and San Diego at which representative employers, unions, school authorities and other community groups considered proposals for expanding work opportunities for older persons.

CHAPTER TWO
SUMMARY OF PROJECT REPORTS

A. EMPLOYMENT PATTERNS

California's population 45 and older is expected to increase at a lesser rate than the population as a whole but proportionately faster than the 25-44 year old group in the period 1960 to 1975.

The population aged 65 and over will have increased in number over 1960 by nearly three quarters of a million in 1975, but the rate of growth will be lower than for the general population.

Given the 1960 rate of employment for the aged 65 and over there will be approximately 293,000 aged Californians working in 1975.

A sharp decline in income on retiring and increasing costs of illness prod an older worker to remain in the work force after retirement age.

One out of twenty California jobs held by men in 1960 was in an occupation where men 45 and older predominated and where there was expanded job opportunity as against 1950. Most of these occupations have good growth prospects.

One out of eight California jobs held by women in 1960 was in an occupation where women 45 and older predominated and where job opportunities had expanded since 1950. Private household workers constituted the principal occupation. Prospects for growth of this occupation are uncertain.

Workers 45 and older who filed unemployment insurance claims tended to remain unemployed longer as well as to exhaust their benefits at a higher rate than workers in younger age groups.

Insured California workers aged 45 and over tend to remain in one industry and to have more continuous earnings than the insured work force as a whole.

Although most retirements are still caused by poor health or a mandatory retirement age, voluntary retirements have increased since the changes in statute permitting older workers to draw retirement benefits as early as age 62.

The average income of the full-time worker 65 and over--more than twice that of the aged group as a whole--is a strong incentive for persons reaching retirement age to remain in the labor market.

The income of families headed by women 65 and over exceeds that of aged not living with relatives but falls short of income received by families headed by men.

B. CONSULTANT SURVEY: PROBLEMS ENCOUNTERED IN HIRING THE OLDER WORKER

The study distinguishes between the older worker as an employee, on the one hand, and as an applicant, on the other hand.

1. The Older Worker As An Employee

The employed older worker is frequently preferred over the younger worker. However, union and company evaluations of older employees are tied closely to the kinds of work to be done; nearly all of the employer respondents, for example, expressed several different preferences rather than a blanket opinion for or against older workers. Broadly speaking, older employees are preferred for the more skilled or supervisory positions and for jobs that entail frequent contact with the public on important matters, e.g., those which are expensive, technical or personal in nature. Younger employees, on the other hand, are preferred for unskilled work, work that requires significant physical strength or stamina, and jobs that require frequent, but casual, contact with the public.

Employer and union respondents generally agreed in their evaluation of the older employee. This agreement and the absence of blanket opinions against older employees lead us to believe that most of the respondents show little, if any, conscious bias in their preference.

The nature of the preferences for older employees causes smaller companies to have relatively stronger preferences for older employees than larger companies. Because smaller companies employ fewer people to perform all necessary functions, they have greater need for the breadth of experience that older employees generally have to offer.

2. The Older Worker As An Applicant

There is a sharp contrast between preferences for older applicants and preferences for older employees. While older employees are preferred by employers for many types of work, the same employers are often reluctant to hire older persons for similar work. Underlying this apparent paradox are at least one or two general conditions, as well as twenty-odd specific objections to hiring older applicants, voiced by unions and companies. They are outlined below.

General Conditions Working Against the Older Applicant

Unfortunately, the positive qualities of older employees, namely stability, judgment, skill and experience and low absenteeism, are all adversely affected to some degree simply by virtue of an older employee becoming an older applicant. He is thrust into an unstable position and the value of his judgment, skill and experience and work record

will frequently have less or little value for a new employer. This is particularly true when the older applicant tries to change vocation. Perhaps related to this circumstance is a mild suspicion, held by many respondents, that older applicants are somehow inherently inferior to older employees.

Specific Objections To Hiring Older Applicants

The specific reasons why employers frequently reject older applicants fundamentally reflect the fact that an employment decision is an economic judgment. These reasons, as stated by survey respondents, are grouped into several categories, as follows:

Experience

- Lack of specific experience in a required skill seriously hurts the older applicant.
- Overspecialized experience narrows the older applicant's opportunities.

Physical Strength And Endurance

- Heavy physical labor is performed better by the younger worker.
- Fast work pace is maintained better by the younger worker.

Mental Flexibility

- Older male applicants cannot be easily trained.
- Older female applicants cannot be trained for intricate work.
- Older clerical females seem to be problem employees.
- Older applicants do less well in aptitude tests.
- Older people resist change more than younger people.
- Older applicants are too rigid in their expectations.

Compensation Costs

- Very young female clerical workers are cheaper.
- Higher salary demands militate against the older applicant.

- (Higher costs of fringe benefits are not a significant problem.)

Social Considerations

- Inherent status of age conflicts with actual status of work.
- Older workers assume leadership without authority.
- Younger managements prefer young employees.
- Employers' concern over reduced pension benefits inhibits hiring of the older worker.

Employer And Union Practices

- Promote-from-within and seniority practices lessen opportunities for the older applicant.
- Efforts to maintain a balance of ages work against the older applicant.

Job Search Techniques

- Older applicants are defeatist.
- Older applicants fail to carry out their job searches properly.
- Older applicants do not apply their strengths in the proper channels.

While the major objective of the survey was to determine the difficulties encountered by older job applicants, several approaches to the solution of problems are suggested for consideration.

3. Actions Recommended

The following actions, which could be taken without further fact-finding, are recommended:

- Continue To Provide Individualized Counsel For Older Applicants And Publicize This Service As Widely As Possible
- Emphasize Training Programs To Broaden Existing Skills
- De-Emphasize Training Programs Designed To Impart New Skills To Inexperienced Older Persons

4. Study Areas Recommended

In the following areas studies in depth should be made to determine what action, if any, should be taken:

- Determine The Adequacy Of Present Teaching Methods And The Ability Of Older Persons To Learn New Concepts And Techniques
- Investigate The General Sentiment That Older Applicants Are Somehow Less Capable
- Study The Effect Of Age Status Upon Opportunities For Older Applicants

C. ANALYSIS OF THE OLDER WORKER PROGRAM IN 36 FIELD OFFICES OF THE CALIFORNIA STATE EMPLOYMENT SERVICE

1. Stereotyped thinking of older workers as "problems" may ignore their true capacities for employment. Employment Service staff believe that older workers can be placed in employment at almost any age, even in their 70's and 80's, if they have marketable, up-to-date skills and are able to work. But factors such as obsolescent skills, physical problems, lack of geographic mobility, or the individual's own attitudes, may combine with age to produce an "older worker syndrome" of employment problems.
2. Many employers have a high regard for their older employees because of their demonstrated productivity and dependability, but consider older job applicants as undesirable risks. The employed older worker has some advantage in retaining his job because of his experience and seniority, but if he loses his job he is apt to remain unemployed longer than a young person, and may find it more difficult to get another job.
3. Automation and increasing productivity have tended to keep the number of available jobs in California below the needs of a constantly growing labor force. Labor cut-backs in defense industries have left thousands of production workers jobless, including many aged 45 and over whose skills are no longer usable in the labor market.
4. An older person's attachment to the labor market may vary with his financial needs or his interests. The employment interviewer may find it hard to distinguish between applicants near retirement age who need work and those seeking an activity, paid or unpaid, which will give a sense of purpose to their lives.
5. Local office staff find that most employers are aware of the age discrimination provisions in the California Unemployment Insurance Code, Sections 2070-2078. Few discriminatory orders with age limits are being received by local offices.

However, interviewers feel there is a tendency to evade the provisions of the law at the point of hire. Some screening requirements, such as a stringent physical examination, the possession of a high school diploma, or recent college training, may limit the older worker's job prospects.

6. Local employment offices report there is no general tendency to offer older workers wages lower than the prevailing rate for the occupation. However, some low paid occupations, such as watchman and janitor, are often considered by employers and interviewers to be "older worker jobs". Some domestic employers occasionally try to place orders for household workers at such unrealistic wage rates as 50¢ an hour, or to offer a "good home with board to a pensioner". Employment Service policy permits cancellation of job orders when wages or conditions of employment are below prevailing standards in the community, and this policy is explained to employers who attempt to place such job orders.
7. The cost of retirement and group insurance plans is cited by employment interviewers as one of the most frequent objections on the part of employers to hiring older workers. Employment Service staff feel that these costs are not fully understood and that factual material on such costs, as well as on workmen's compensation experience with older workers, is greatly needed.
8. Job placement services provided to older workers by the Department of Employment are generally in the "mainstream" of office operations. The individual may be referred to the Older Worker Specialist in the local office when he appears to have an employment problem connected with age. Although each Employment Service office has at least one individual designated as an Older Worker Specialist, the current budget for those services is limited. Among 32 local offices visited during the field survey, full-time Specialists were active in only 5 local offices; part-time Specialists were spending from about 3 to 10 hours per week in older worker services outside the "mainstream".
9. The Older Worker Specialists' standard duty statement would provide a well-rounded program of activities to improve employment opportunities and strengthen individual services for older workers. However, many of the Specialists are performing only a portion of the job because of their various other assignments and because of budgetary limitations.
10. Employment counseling is one of the most important services provided to older workers facing the problem of changing occupations or adjusting to different conditions in the kinds of work they know best. However, the volume of counseling interviews with older workers dropped in 1964, even though a recent study shows a large unmet need. The Employment Service is in the process of upgrading the standards for its

employment counselors and is endeavoring to improve both the quality and volume of this service.

11. Although there are many organizations of older persons throughout the State, few have active programs to improve employment opportunities for older workers. Three local offices have established community advisory committees who are concerned with the problem, but similar groups in other communities have become inactive. Community support is needed to explore community needs for services, develop new jobs, extend such successful older worker programs as Family Aides, Senior Repairmen, and support job clinics and pre-retirement planning for older workers.
12. Hiring requirements for some jobs include physical and educational qualifications in excess of the actual job performance requirements. A job analysis approach to establish the true performance requirements of such jobs might permit minor modifications which would open them to older workers or the handicapped. This approach might provide answers to such questions as: (1) Are we maintaining people on welfare who could be self-supporting if physical demands for their occupations were modified? (2) Are workers being retrained needlessly, when with small changes in job requirements they could continue to perform their present jobs or related jobs in the same plant or industry where further training is not necessary?
13. Many retirees and other older workers are in need of part-time employment to supplement their other sources of income. Since self-employment is desired by some older workers, there is a need for better channels of information to acquaint them with the requirements for setting up an independent enterprise.
14. Vocational Education
 - a. Older workers are sometimes reluctant to enter training, particularly if it is lengthy, when they are not sure of employment at its termination.
 - b. Training allowances are sometimes inadequate to maintain a family while the head is undergoing training.
 - c. More flexibility is needed in developing suitable vocational training for adults, particularly as to length of the course and the kinds of teaching methods used. By taking advantage of the older person's experience and abilities, the length and content of some vocational training courses could be reduced.

D. COMMUNITY WORKSHOPS ON EMPLOYMENT OF OLDER WORKERS

A series of community workshops on employment of older workers were held during the spring of 1964, in Bakersfield, Eureka, Long Beach, Van Nuys, Oakland, Pasadena, Sacramento, and San Diego, under the cosponsorship of the Department of Employment, the Citizens' Advisory Committee on Aging, the Institutes of Industrial Relations of the University of California, and a wide variety of community groups. These included local committees on employment of the older worker, local business, industrial, labor and community leaders, and other groups with either general or specific interests in the employment needs of older workers.

Although general responsibility for the organization and planning of the workshops rested with the Department, the Committee, and the Institute, each community was encouraged to assume the primary responsibility for the specific planning of the workshop program and content. Also, similar encouragement was given to develop appropriate community organizations as local cosponsors for each workshop. Both emphases were deemed essential to develop workshop content that was appropriate to their particular experiences and problems.

The role of the Department, the Committee, and the Institute was to provide general guidelines and information about the scope of the entire study, to provide background materials and data for use by workshop participants, and to provide whatever technical assistance that might be requested by the local cosponsoring group or groups. Several preliminary planning meetings were held with these sponsoring groups and, during these meetings, it was made clear that the workshops should encourage wide discussion of community opinions and ideas. There was no effort made on the part of the agencies authorized to conduct the study to superimpose any specific problems or proposals that should be evaluated by community representatives.

As a result, each of the workshops had somewhat different content and sponsorship. For example, in the Bakersfield Workshop, considerable attention was given to the seasonal character of agricultural employment and physical requirements of employment in the petroleum industry and their implications for employment of the mature worker. The Eureka Workshop focused attention on recent change in that area's lumber industry and related this trend to the need for retraining and a more diversified economic basis to provide necessary employment opportunities. As an older community by comparison with most in Southern California, as well as one having a large older and retired population, the Pasadena Workshop included discussion of the actual cost factors of hiring older workers experienced by local employers over the years as well as possible part-time employment opportunities for older men and women. The Van Nuys Workshop was geared to the examination of possible broad action by labor, management, and government to insure improved short- and long-range steps to

maintain and create new jobs for older workers, possibly reflecting the concern in that area for sounder planning in relation to industries affected by termination and decline of defense contracts. Because their sponsorship involved key community organizations concerned with commercial and industrial development, the Long Beach, Oakland, Sacramento, and San Diego Workshops centered much of their content on such subjects as general measures towards more full employment, labor and management attitudes towards the older worker, public insurance and private pensions costs, retraining, and the need for better preparation, transitions, and provisions for satisfactory living and activities in retirement.

PART THREE
REPORTS OF PROJECTS

PART THREE
CHAPTER ONE
EMPLOYMENT PATTERNS

A. HISTORICAL TRENDS

1. In The United States

As a young and rapidly growing nation, the United States throughout most of its history has had a young population.

In 1900:

- . More than half the United States population was under age 25.^{1/}
- . Eight out of every ten individuals were under age 45.
- . One out of 25 persons was aged 65 or older.

Between 1900 and 1950, the population of the United States almost doubled, with most of the gain occurring in the age group of 45 years and over.^{2/} The group aged 45 - 64 tripled in size, and the group aged 65 or more quadrupled. The 1960 Census revealed that:

- . About 1.1 million persons a year had reached their 65th birthday during the decade of the fifties.
- . More than 427,000 persons per year were added to the number aged 65 and over.
- . More than 170,000 of this number were aged 75 and over.

At the mid-point of the century, the nation's population was growing fastest at both the older and younger ends of the age scale. Between 1950 and 1960, the under 25 age group increased by about 26.9 percent, as a sequel to the sharp rise in the birth rate which began after World War II. The 65 and over group grew by about 34.7 percent. The 45-64 group increased about 17.4 percent, at a slightly lower rate than the population as a whole which grew by 18.5 percent during the ten-year interval. The group aged 25-44 grew in numbers by only 3.3 percent, reflecting the low birth rate of the depression and the war years.

Women accounted for 53 percent of the population increase during the decade, with the greatest proportion of growth in the older age brackets. By 1960, there were 103 women per 100 men in the total population, but in the 65-plus group they outnumbered men by 121 to 100. These gains reflected

the greater life expectancy of women, which had lengthened by 23.0 years during the first half of the century compared with an increase of 19.4 years for men.^{3/}

2. In California

The "population explosion" which came to California with the gold rush swelled the number of inhabitants 310 percent in the ten years between 1850 and 1860.^{4/} California has not always been the fastest growing state, but her population has grown at least three times as fast as the total population of the United States in most decades since 1900.^{5/} From that year to 1950, the California population increased six-fold, while the nation's population did not quite double.

In the decade from 1950 to 1960 the older age groups stayed at approximately the same proportion of the total California population while the proportion at younger age levels mounted.

- . Women remained at about 50 percent of the total population, and increased in number by about 49 percent. Unlike the national pattern,^{6/} the greatest rate of increase in the number of women (70.6 percent) was in the under 25 group. ^{7/} Women in the 65-plus group gained in numbers by over 55 percent, attaining a ratio to men of 127 to 100.
- . Although the age group 25-44 grew by about 29 percent in numbers, its proportion to the State's total population dropped from 32.0 percent to 27.8 percent.
- . Similarly, the age group 45-64 gained 37 percent in size, but dropped from 21.6 to 20.0 percent of the State's population.

B. EMPLOYMENT AND UNEMPLOYMENT AMONG OLDER WORKERS

1. United States

Persistent unemployment continues to be one of the nation's most vexing problems. In spite of large increases in output and employment during recent years, an average of 4.2 million persons were unemployed throughout the nation in 1963.^{8/} During that year, the nation's gross national product approached 600 billion dollars^{9/} and the civilian labor force went over the 72 million mark.^{10/} Nevertheless, 5.7 percent of the civilian labor force was unemployed. Another 3.6 percent of the labor force was employed part time, although desiring full-time work.

About a quarter of the unemployed were out of work for 15 weeks or longer during 1963, and more than half a million

individuals were out of work for six months or more. Many of these persons had exhausted their financial resources including unemployment insurance.

Men aged 45 or older had an average unemployed rate throughout the nation of about 4.0 percent in 1963, compared with about 3.9 percent for those in the age group 25-44. In recent years, a fractionally higher rate for older workers has prevailed.

Older workers are often out of work longer when they become unemployed. In 1963, almost half of unemployed men aged 65 and over throughout the nation who were looking for work had been unemployed for 15 weeks or longer, and about two out of five in the age group 45-64 were in a similar situation.^{11/} The duration of unemployment for workers between 45 and 64 increased with age. Studies of shutdowns of several large plants during 1963 showed that the proportion of displaced workers who remained unemployed for more than six months was almost 50 percent higher for those aged 45 and over than for younger workers.

Between the censuses of April 1950 and April 1960, unemployment rates rose for men and women in all age groups, with the highest rates reserved for the youngest age category:

Table 1
Unemployment Rates^{a/} by Age and Sex
United States, April 1950 and April 1960

Age	Total		Female	
	1960	1950	1960	1950
Total 14 years and over	5.1	4.9	5.4	4.7
Under 25	8.7	8.2	8.0	6.9
25-44	4.4	4.0	5.3	4.1
45-64	4.4	4.2	4.2	3.7
65 and over	5.2	4.7	4.4	3.6

^{a/} Per 100 persons in civilian labor force. Not seasonally adjusted.
Source: U.S. Census of Population.
1950, PC1. Table 118.
1960, PC(1) 1D. Table 194.

In the subsequent three-year period, the average annual rate fluctuated from 6.7 percent to 5.6 percent, with rates for women ranging from 7.2 percent to 6.2 percent.^{12/} Highest rates were experienced by the group under age 25, of whom 11.8 percent were unemployed on the average in 1963. For both men and women aged 65 and over, however, the average rate in 1963 dropped below the 1950 average to a recent low

of 4.5 percent for men and 3.2 percent for women. It may be that these low rates for the older group relate to the accelerating dropout of males from the labor force after age 65 as more individuals retire.

Unemployment rates for women reveal less about their true employment situation than do the rates for men. Although the rates for women tend to decrease with age, the extent of their attachment to the labor market is uncertain, as many older women apparently leave the labor market as soon as they become unemployed.

Table 2 shows unemployment trends nationally from 1961 to 1963:

Table 2

Annual Average Unemployment Rates ^{a/} by Age and Sex
United States, 1961-1963

Age	Total			Female		
	1963	1962	1961	1963	1962	1961
Total, 14 years and over	5.7	5.6	6.7	6.5	6.2	7.2
Under 25	11.9	11.0	13.7	12.1	11.1	12.2
25-44	4.5	4.6	5.7	5.9	5.7	6.8
45-64	3.9	4.1	5.1	4.0	3.9	4.9
65 and over .	4.1	4.4	5.0	3.2	4.1	3.9

^{a/} Per 100 persons in civilian labor force.

Source: Employment and Earnings, Feb. 1964.

U.S. Dept. of Labor, Bureau of Labor Statistics.
Tables A-2 and A-11.

Men whose education has been limited have the highest rates of unemployment, particularly those aged 55 and older whose formal schooling stopped short of a high school diploma.^{13/} A study in March 1962, showed that only one-third of male workers aged 55-64 had finished high school and about one-fourth had not completed grammar school. The unemployment rate for those with four years of college was 2.5 percent, but for those with less than five years of school the rate soared to 12.4 percent. Table 3 illustrates clearly the relationship between education and joblessness.

Table 3

Unemployment Rates and Years of School Completed
Males 35 to 44 and 55 to 64 Years Old
United States, March 1962

Year of school completed	Unemployment rate of males	
	35 to 44 years old	55 to 64 years old
Total	4.7	5.3
Elementary schools:		
Less than 5 years(a)	9.0	12.4
5 to 7 years	9.0	6.1
8 years	7.4	5.6
High school:		
1 to 3 years	6.6	4.1
4 years	3.0	3.4
College:		
1 to 3 years	3.3	3.1
4 years or more9	2.5

(a) Includes persons with no school years completed.

Note: Detail may not add to totals because of rounding.

Source: Manpower Report of the President, March 1964.
U.S. Dept. of Labor, Washington, D.C. Page 135.

2. California

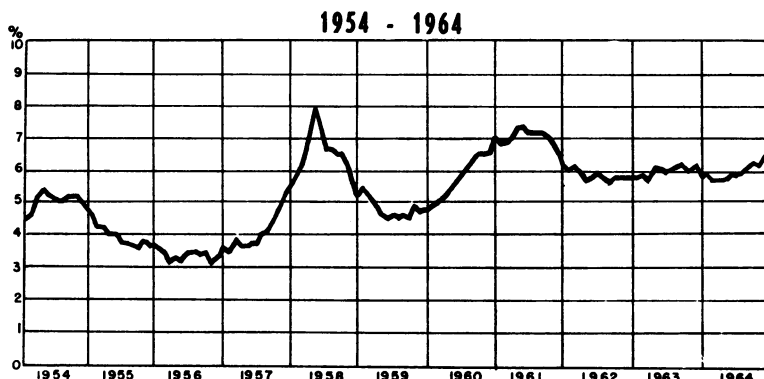
In spite of a growing labor force and rising employment, the rate of unemployment in California has remained at a level above the national average during recent years.^{14/} At the time of the 1950 Census, the number of unemployed Californians was 339,600 or 8.0 percent of the civilian labor force, while the national unemployment rate was 4.9.^{15/} By April 1960, unemployment had increased to more than 373,900 out of the 6.1 million labor force.^{16/} The April 1960 rate of 6.1 percent of the labor force was above the nationwide rate of 5.1 percent. Although conditions improved in 1962 and 1963, unemployment in California hovered around 6.0 percent during both years and well into 1964 as against a national rate of about 5.6 percent during the same period.^{17/}

Although 187,000 new jobs were developed in California during 1963, the labor force grew by 209,000, adding 22,000 to the number of unemployed, which averaged 411,000 for the year.

The chart below shows seasonally adjusted unemployment rates for California from 1954 through 1964. The long-term

upward trend in unemployment is marked by some dips as economic conditions improved in 1956, 1959, and 1962, but the "stepladder" rise in unemployment rates from one recovery period to the next is apparent. During each period of recovery, the unemployment rate has remained at a higher level than in the previous one.

Table 4



Source: Employment and Unemployment in California, December 1964. California Departments of Industrial Relations and Employment.

Unemployment rates at the 1950 Census date reflect heavy unemployment during the early months of the year, before the mid-year acceleration in defense spending which came on the heels of the Korean crisis. As in the rest of the nation, unemployment was highest among the youngest and oldest groups of workers.

In 1960 at time of Census taking, one in ten was unemployed among young people under 25, and more than seven percent of those aged 65 or more were jobless.^{18/} The aged group, however, was relatively small in numbers. Of California's unemployed in 1960, about one-fourth were under age 25, 36 percent were aged 45 or older, and men and women aged 65 or older comprised 5 percent of the total unemployed. In other words, April 1960 found some 94,000 California youth and about 17,600 aged out of work. Unemployment rates by age groups for California in April 1950 and April 1960 are shown in the table below.

Table 5

Unemployment Rates^{a/} by Age and Sex
California, April 1950 and April 1960

Age	Total		Female	
	1960	1950	1960	1950
Total, 14 years and over	6.1	8.0	6.6	8.4
Under 25	10.0	13.3	9.4	12.6
25-44	5.0	6.5	6.3	7.7
45-64	5.7	8.0	5.6	7.2
65 and over	7.2	8.3	5.4	6.0

^{a/} Per 100 persons in civilian labor force. Not seasonally adjusted.
Source: U.S. Census of Population, Calif., 1950, P-C5. Table 66.
1960, PC(1)6D. Table 115.

Table 6 compares the proportion of unemployed aged 45 and over in the national and in the California labor force for April 1950 and April 1960, and the size of this group in relation to the total labor force. During the decade, the older work force expanded proportionately as well as in absolute numbers, with women chalking up a substantial gain. In both years, California showed a higher rate of unemployment than the nation for the older worker group. One-fourth of all unemployed Californians in 1960 were men aged 45 or over, a slight drop from ten years earlier, while the proportion of unemployed older women rose during the decade from 8.4 to 11.4 percent.

Table 6

Employment Status of Persons Aged 45 and Over
United States and California, April 1950 and April 1960
(Thousands)

	1950			1960		
	Total	45 and Over		Total	45 and Over	
		Total	Female		Total	Female
Civilian labor force						
United States ...	58,646	20,512	4,912	68,144	26,589	8,658
California	4,235	1,492	404	6,135	2,296	768
Unemployed						
United States ...	2,858	880	183	3,505	1,188	362
California	340	120	29	374	134	43
Unemployment rate ^{a/}						
United States ...		4.3	3.7		4.5	4.2
California		8.0	7.1		5.8	5.6

^{a/} Unemployed persons aged 45 and over as a percent of persons aged 45 and over in the civilian labor force. Not seasonally adjusted.

Source: U.S. Census of Population
U.S., 1950, P-C1. Table 118 and
1960, PC(1)1D. Table 194.
Calif. 1950, P-C5. Table 66 and
1960, PC(1)6D. Table 115.

Table 7 shows the percentage of workers by age group in employment covered by provisions of the California Unemployment Insurance Code;

Table 7

Percentage Distribution of California Workers In
Insured Employment, By Age, 1960-1962
[Subject to the Unemployment Insurance Provisions
of the Code]

Age	All workers with wage credits during the year		
	1960	1961	1962(a)
Total	100.0	100.0	100.0
Under 25	20.6	21.1	22.1
25-34	23.2	22.9	22.9
35-44	23.1	23.0	23.1
45-54	17.7	17.8	17.8
55-64	9.3	9.5	9.6
65 and over	2.7	2.6	3.0
Age unknown	3.4	3.1	1.5

(a) A change in the method of obtaining age, race, and sex data by the Social Security Administration resulted in a reduction in the age, race, and sex unknown category between 1961 and 1962.
Source: California Department of Employment. Report 364 #18 and 19.
Table 1. Data for 1962 obtained from tabulation.

The percentage of the unemployed who filed claims for unemployment insurance during the years 1960-63, is shown in Table 8. Those aged 45 and over constituted a higher proportion of the insured unemployed than of insured employment. For instance, in 1962, workers aged 55-64 constituted 9.6 percent of all those in insured employment, but accounted for 14.7 percent of the number who filed claims. Those 65 and over were only 3.0 percent of the insured group, but 5.2 percent of all claimants.

Table 8

Annual Average Percent Distribution of the
Insured Unemployed by Age
California, 1960-1963

Age	Percent			
	1960	1961	1962	1963
Total, 14 and over	100.0	100.0	100.0	100.0
Under 25	13.1	14.2	13.6	15.9
25-34	22.6	22.5	21.6	21.4
35-44	24.5	23.6	23.4	23.6
45-54	21.7	21.1	21.5	20.0
55-64	13.5	13.8	14.7	14.5
65 and over	4.6	4.8	5.2	4.6

Source: ES-203: Characteristics of the Insured Unemployed.
January 1960 - December 1963.
Department of Employment

At the same time older workers who filed unemployment insurance claims tended to remain unemployed longer. During 1963, 18.8 percent of claimants aged 45 and over experienced 15 or more weeks of unemployment, compared with 17.5 percent of those under 45. This disparity prevailed during the preceding three years as well.

A study of unemployment insurance claimants who filed initially in 1960 shows that 30.4 percent of the claimants aged 45-64 exhausted their benefit rights as against 27.4 percent of all claimants establishing benefit rights in that year (Table 9).

Table 9

California Unemployment Insurance Program
Number of Claimants, Average Number of Weeks
Compensated In Benefit Year
And Percent Who Exhausted^{a/} All Benefit Rights
Benefit Years Established 1960

	Total claimants	Average number of weeks compensated in benefit year	Percent of claimants who exhausted ^{a/} all benefit rights
Total	856,663	12.1	27.4
Under 25 ...	119,790	10.4	21.2
25-44	403,352	11.9	26.6
45-64	262,138	13.0	30.4
65 and older	26,677	18.2	57.5
Age unknown	44,702	10.1	16.8

^{a/} A claimant who drew all of his benefits except a fraction of his weekly benefit amount is included as an exhaust claimant.

Source: Department of Employment, Report 416 #5.
Unemployment Insurance Claimants Who Established Benefit
Years in 1960.

While the older worker group tended to file claims out of proportion to its numbers in the insured work force, those who were employed showed less mobility and stronger labor market attachment than other age groups.

The insured wages for a group of 2,421 workers who had wages reported both in 1953 and 1962 were recorded over the ten-year period. Each worker was identified by an industry code for each year in which he had earnings.

Table 10 indicates the extent of industry attachment for the major age groupings of workers in this study:

Table 10

Proportion of Insured Workers in One Industry
During the Ten-Year Period, 1953-62, by Age
For a Sample With California Earnings in Both 1953 and 1962

Age in 1953	Percent	
	Total	In the same industry throughout the period
Total	100.0	27.3
25-44	100.0	27.2
45-64	100.0	37.3
All other	100.0	19.0

Source: Department of Employment Tabulation of Continuity Study
Cards, DE 4234.

It is fairly evident that a stronger tendency existed for the workers in the 45-64 age group to remain in the same industry than for insured workers as a whole or for younger workers. A less pronounced but nevertheless distinct tendency for these workers to maintain their employment status is shown in Table 11. Two-thirds of the younger worker group had insured earnings in more than 35 quarters of the ten-year period, whereas over 70 percent of the 45-64 year-old group experienced this work attachment.

Table 11

Proportion of Insured Workers With More
Than 35 Quarters of California Earnings
For a Sample With California Earnings in Both 1953 and 1962

Age in 1953	Percent	
	Total	36-40 quarters earnings
Total	100.0	61.3
25-44	100.0	66.5
45-64	100.0	70.5
All other	100.0	40.9

Source: Department of Employment Tabulation of Continuity Study
Cards, DE 4234.

C. OUTLOOK FOR EMPLOYMENT OF OLDER WORKERS

About 58 percent of the population aged 14 and over are in the nation's total labor force. Between 1959 and 1962 the labor force increased by an average of 912,000 persons annually to 75 million.^{19/} In 1963, the annual increase stepped up to 1 million persons, partly because of improving economic conditions and partly because the first wave of a postwar generation of tidal proportions reached working age. As more and more of these younger workers mature, the total labor force will grow at an accelerating pace to reach a total of 93 million in 1975.^{20/}

A number of important changes are expected to occur in the nation's total labor force by 1975:

- . Between 1960 and 1975, it is expected to grow from about 73 million to more than 93 million--a 27 percent increase. The most striking gains will be among younger workers of both sexes and women aged 45 to 64.
- . Close to 8 million young people under age 25 will enter the labor market between 1960 and 1975, and almost 40 percent of these will be women.
- . By 1975, more than 32 million women will be in the labor force--a gain of 36 percent over 1960. The group of women workers aged 45 to 64 will increase by 38 percent during the 15 years; half of all American women in this age range will be in the 1975 labor market. Women will comprise more than a third of the labor force, a somewhat higher proportion than now.
- . Almost 70 percent of the population aged 25 to 64 will be in the labor force. The number of male workers at these ages will increase less than the overall growth of the work force--partly because of lower birth rates in the 1930's and partly because of the increasing number of retirements before age 64.
- . The sharp dropout from the work force by men at age 65 will tend to accelerate. About one out of four men aged 65 or over will remain in the work force by 1975, and the proportion of aged women will continue to be about one in ten.

While California population trends do not indicate an increase in the proportion of Californians aged 45 and over, their numbers will increase substantially by 1975. Whereas the proportion of those persons aged 65 and over to total population will decrease fractionally, best estimates indicate a numerical growth of better than 700,000 between 1960 and 1975, or an increase of 54 percent. (Table 12) .

Table 12

California Civilian Population by Age
1960 and 1975

(In thousands)

	Total civilian population		Percent change
	1960	1975	1960-1975
Total	15,417	24,584	59.5
Under 25	6,673	11,148	67.1
25-44	4,289	6,422	49.7
45-64	3,080	4,903	59.2
65 and over .	1,375	2,111	53.5

Source: California Population, 1963.
Dept. of Finance, Table 8.

Women are expected to maintain the present proportion of about 50 percent of the total State population. At 65-plus, their ratio to men will be 137 to 100 in 1975. In the oldest age group, the 80-plus population, there will be 177 women for every 100 men.

Table 13

California Female Civilian Population By Age
1960 and 1975

(In thousands)

Age	Civilian Population		Percent change 1960-1975
	Female 1960	Female 1975	
Total	7,876	12,538	59.2
Under 25	3,348	5,527	65.1
25-44	2,203	3,253	47.7
45-64	1,557	2,536	62.9
65 and over	768	1,222	59.1

Source: California Population, 1963.
Department of Finance, Table 8.

At the time that lengthening life expectancy is enlarging the aging component of California population, two other factors are reducing the working life of the labor force. They are the tendency to remain in school longer and the tendency to retire early because of liberalized public and private pension plans. Both

influences are expected to continue and intensify. The tendency to remain longer in school is shown by the following distribution; the younger age groups have clearly remained longer than those who were of school age 40 and 50 years ago.

Table 14

Median Years of School Completed by Persons 14 and Over
California, 1960

Age	Median school years completed
Total 14 years and over	11.9
Male	11.7
25-29 years	12.5
50-54 years	11.0
65-69 years	8.7
Female	12.0
25-29 years	12.4
50-54 years	11.7
65-69 years	9.0

Source: U.S. Census of Population.
California, 1960, PC(1)6D, Table 103.

Almost half of California's population 14 years of age and older in 1960 had completed high school.^{21/} Less than half of the group aged 65-69 in 1960 had completed one year of high school, whereas those who will be aged 65-69 in 1975 (i.e., were 50-54 in 1960) had averaged slightly more than 11 years of schooling. This suggests a delay in entering the full-time labor market of approximately two years on the part of the latter group as against their elders.

The other factor tending to shorten the work life of individuals is the progressive liberalizing of pension provisions.

A study of retirement patterns among aged men in 1963, made by the Social Security Administration, revealed that voluntary retirements are increasing.^{22/} Poor health and compulsory retirement at a fixed age continue to cause most retirements as shown in Table 15.

Table 15

Reasons for Retirement
Of OASDI Beneficiary Men^{a/}
Aged 65 and Over

Reason for Retirement	1951	1963
Total	100%	100%
Own Decision	54	61
Poor Health	41	35
Other Reasons ^{b/}	13	26
Employer's Decision	46	39

a/ For 1951 survey, includes only wage and salary workers who became beneficiaries within the preceding 5 years and were full-time beneficiaries; for 1963 survey, includes only those who had stopped working at full-time jobs within the preceding five years and were full-year beneficiaries.

b/ Includes a few who quit job to find other work.

Source: Social Security Bulletin, Aug. 1964, U.S. Dept. of Health, Education, and Welfare, Table 5.
Methodology quoted in July, 1964 issue of Social Security Bulletin, pp. 26-28.

In 1961, OASDI benefits were made available (although at actuarially reduced rates) to men retiring at aged 62-64. Since then, male retirements before age 65 have increased rapidly. In January 1964, some half-million men were beneficiaries under this provision, and another 126,000 aged 62-64 were receiving OASDI disability benefits. Male beneficiaries aged 62-64 made up about 28 percent of the total population in this age group.

These factors are considered in the forecasts of attachment to the California labor force in years to come. The impact of the lengthened period of education is taken into account in the forecast of a decline of civilian labor force participation rates for men aged 20-24 by 2 percent to 84.6 percent by 1975.

On the other hand the effect of broadening pension coverage is reflected by the declining labor market attachment of men 65 and over, which is expected to change from 28 percent of that age group in 1960 to an estimated 22.4 percent by 1975. Despite the historical tendency for participation of women in the labor force to increase, a fractional decline in rate is also projected for the 65 and over group by 1975.

Table 16

**California Civilian Labor Force and Participation Rates
By Age and Sex, 1960 and 1975
(In thousands)**

Age Group	Civilian labor force 1960	Partici- pation rate 1960	Civilian labor force 1975	Partici- pation rate 1975
Total, 14 years & over ..	6,190	56.3%	10,101	55.9%
Under 25	960	43.8	2,099	45.3
20-24	566	63.5	1,273	63.9
25-44	2,917	67.6	4,391	68.4
45-64	2,069	66.4	3,295	67.2
65 and over	244	17.8	316	15.0
Male, 14 years & over ...	4,135	78.3%	6,660	76.3%
Under 25	596	56.8	1,339	58.1
20-24	352	86.5	821	84.6
25-44	2,000	95.4	3,021	95.3
45-64	1,371	89.1	2,101	88.8
65 and over	168	28.0	199	22.4
Female, 14 years & over .	2,055	36.0%	3,441	36.8%
Under 25	364	31.9	760	32.6
20-24	214	44.1	452	44.2
25-44	917	41.3	1,370	42.1
45-64	698	44.2	1,194	47.1
65 and over	76	9.9	117	9.6

Source: Unpublished estimates, Departments of Industrial Relations and Employment.

Notwithstanding the proportionate decline of aging workers in the labor force, in 1975 the number of aging persons in the California labor force is expected to increase by 30 percent over the 1960 figure. If the same proportion of the aged labor force is employed in that year as in 1960 there will be 293,000 Californians over 65 at work in 1975.

Table 17 indicates California occupations which grew numerically between 1950 and 1960 and in which more than half the men were 45 years or older in 1960. These occupations accounted for over five- and one-half percent of the men employed in California in 1960. Most of the occupations shown have reasonable to good growth prospects in the remainder of this decade.

Table 17
Growing Occupations of Males
Median Aged 45 and Over
California, 1960

Occupation	Median age 1960	Number 1960	Employment percent change from 1950
Total Employed Men	40.1	3,858,815	+40.1
Pharmacists	45.8	6,983	+12.5
Officials & Inspectors State, Local Admin.	45.7	14,578	+51.1
Real Estate Agents & Brokers	50.8	28,566	+39.0
Millwrights	45.7	2,676	+37.0
Painters (Construction) Paperhangers, Glaziers	45.1	40,736	+ 9.4
Barbers	45.8	15,322	+ 3.5
Janitors, Porters	48.1	62,828	+52.5
Cooks, Nonhousehold	45.2	26,707	+18.0
Guards & Watchmen	51.7	17,685	+22.5

Source: U.S. Census of Population.
 California, 1960, PC(1)6D. Table 123, and
 1950, PC5, Table 76.

California jobs in which older women outnumbered the younger in 1960 and which showed a numerical increase in the preceding decade are listed in Table 18. Over twelve and one-half percent of California working women in 1960 were employed in these occupations. The prospects for expansion in these occupations varied from excellent in the case of librarians and practical nurses to uncertain in the case of private household workers. In the nation as a whole, private household workers were fewer in 1960 than in 1910 although numbering more in 1960 than in 1950.

Table 18

Growing Occupations of Females
Median Aged 45 and Over
California, 1960

Occupation	Median age 1960	Number 1960	Employment percent change from 1950
Total Employed Women	40.4	1,902,618	+65.7
Librarians	45.9	7,028	+55.3
Nonfarm Mgrs. & Officials (Buyers, Credit Mgrs., Bldg. Mgrs., Govt. Officials)	48.6	21,272	+39.0
Managers, Officials, and Proprietors-self-employed ^{a/}	51.3	14,117	+11.4
Insurance & Real Estate Agents and Brokers	48.7	14,327	+70.0
Foremen-Machinery, Textile, Other Nondurable Mfg.	45.1	6,182	+56.1
Private Household Workers	45.6	115,965	+51.2
Charwomen and Janitors	47.5	12,086	+71.9
Nonhousehold Cooks	47.5	22,217	+58.6
Housekeepers & Stewards, exc. Pvt. Household	47.8	10,160	+58.2
Practical Nurses	50.8	17,935	+46.6

^{a/} Excluding managers in eating and drinking places, and
wholesale and retail trade.

Source: U.S. Census of Population.

California, 1960, PC(1)6D. Table 123, and
1950, PC5. Table 76.

D. PRESSURES CAUSING PEOPLE PAST RETIREMENT AGE
TO SEEK WORK

1. Deficient Retirement Income

The more readily demonstrable incentives for older workers to remain in the labor market past retirement age are of an economic nature. This is quite clearly indicated by the sharp

disparity of income received by those beyond retirement age as against the income of those in younger age brackets.

For most of the nation's population, earnings from employment are the greatest source of income. Out of a personal income figure of \$463 billion in 1963, wages and salaries accounted for \$312.3 billion or two-thirds of the total, as against \$15.3 billion or less than 3 1/2 percent from old age and survivorship benefits.^{23/}

At retirement, the individual finds his income reduced to half or even a third of his accustomed earnings, while he is entering a period when medical and hospital expenses may increase, and at the same time the purchasing power of his retirement dollars may not keep pace with rising costs for the necessities of life.

In 1963 for the nation as a whole, the median income of men aged 25 and over showed this pattern:

Table 19
Annual Money Income of Males by Age
United States, 1963

Age group	Median income all males 1963	Median income year-round full-time male workers
25-34	\$5,470	\$6,078
35-44	6,233	6,704
45-54	5,828	6,279
55-64	4,901	5,845
65 and over	1,993	4,661

Source: "Consumer Income", Current Population Reports, Sept. 29, 1964, Series P-60, No. 43. U.S. Dept. of Commerce, Bureau of the Census, Table 20.

The foregoing table illustrates the income of males by age group, and also the relationship between income of men working full time and the male population in general, whether in or out of the labor force. In all cases, men who worked full time the year round had greater income, with the most striking difference in the 65-plus group. The income of aged male full-time workers was 1-1/3 times greater than that for all men aged 65 and over.

Women did not fare as well as men in terms of income. The disparity between the income of year-round full-time workers and the average income for those over 25 is even greater. In 1963, the median income of women nationwide showed the following pattern:

Table 20

Annual Money Income of Females by Age
United States, 1963

Age group	Median income all females 1963	Median income year-round full-time female workers
25-34	\$1,856	\$3,740
35-44	2,145	3,704
45-54	2,311	3,709
55-64	1,774	3,645
65 and over	920	2,482

Source: "Consumer Income", Current Population Reports, Sept. 29, 1964, Series P-60, No. 43. U.S. Dept. of Commerce, Bureau of the Census. Table 20.

In California, whereas half of the men between the ages of 25 and 64 had income in excess of \$5,800 a year in 1959, the latest year for which this information is available, half those aged 65 and over received less than \$2,000. Half of California women in the younger age bracket had incomes in excess of \$2,400 whereas roughly half of those aged 65 and over depended on an income of \$1,200 or less.

Table 21
Median Income of California Population
Aged 14 and Over
1959

Age	Median income	
	Male	Female
14 and over	\$4,968	\$1,798
25-64	5,860	2,451
65 and over	1,980	1,199

Source: U.S. Census of Population Calif., 1960,
PC(1)6D, Table 134.

The purchasing power of Social Security benefits not only lags behind that of income in general but benefits awarded in earlier years lag behind those of the recently retired. Table 22 shows that between 1940 and 1962 per capita disposable personal income rose by 59 percent, the purchasing power of old age benefits for all retired workers, by 56 percent, but the purchasing power of old age benefits for those retiring in 1940 rose by only 13 percent.

Table 22
Average Monthly Old Age Benefit Under OASDI
and Disposable Personal Income
United States, 1940, 1950, 1960, and 1962

Year	Workers who retired in 1940 (1962 dollars)	All retired workers in current pay status (1962 dollars)	Monthly per capita disposable personal income (1954 dollars)
1962	\$55.00	\$76.19	\$153.42
1960	56.00	75.40	146.58
1950	50.30	53.30	126.92
1940	48.70	48.70	96.58

Source: Social Security Bulletin Annual Stat. Supp. 1962,
U.S. Dept. of Health, Education, and Welfare Table 8.
Dept. of Commerce Bureau of the Census 1960, P. 305
and 1964, P. 324.

The trend of payments under the old-age assistance program has been similar to that for retired workers in current pay status under Social Security over the twenty-two year period.

2. Family and Marital Status

In 1960, there were 4.8 million husband-wife families in the United States in which the husband was aged 65 or older.^{24/} But, almost half the aged, or some 7.7 million persons, were widowed, single, or divorced. The number of aged women in these categories increased 32 percent between 1950 and 1960, while the number of unmarried men gained only 8 percent. Women without a husband constitute about 34 percent of the entire aged population, and only one-fifth of all the aged are married women.

In California about 65.8 percent of the men aged 65 and over, but only one-third of the women, shared a household with a spouse in 1960.

Table 23 summarizes the marital status of the 65-plus California population in 1960:

Table 23

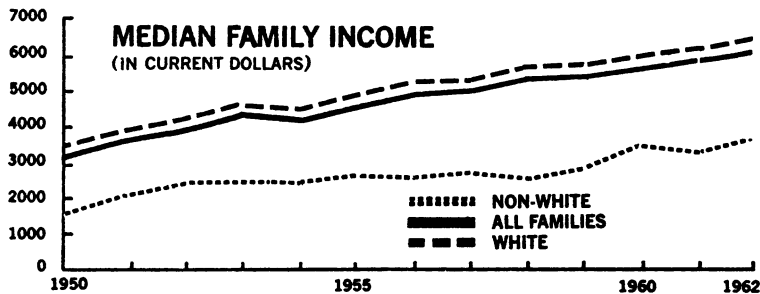
Marital Status of California Population Aged 65 and Over 1960

Marital Status	Total	Male	Female
Total	100.0%	43.9%	56.1%
Married (spouse present)	47.6	28.9	18.7
Single, widowed, divorced, married (spouse absent)	52.4	15.0	37.4

Source: U.S. Census of Population
Calif., 1960, PC(1)6D. Table 105.

The financial position of the aged individual depends to a large degree on his family status. The following chart shows income trends for U.S. families from 1950 to 1962. Median income for all families almost doubled during the period, rising from about \$3,000 to more than \$6,000.

Table 24



Source: Converging Social Trends-Emerging Social Problems, U.S. Department of Health, Education, and Welfare, Welfare Administration, Publication No. 6, Washington, D.C., 1964. P. 16.

Family income varies by size of family, since it may represent the income of other family members in addition to that of the family head, as well as by type of family group and the sex and age of the family head. Table 25 shows the range of family incomes nationally during 1963 by age and sex of family head.

Table 25

Median Income of Families
By Selected Characteristics
United States, 1963

Family type	Median Income	
	All families	Family head 65 and over
All families	\$6,249	\$3,352
Male head	\$6,561	--
Married, wife present	6,593	--
Other marital status	5,710	--
Female head	3,211	--

Source: "Consumer Income", Current Population Reports Sept. 29, 1964, Series P-60, No. 43. U.S. Dept. of Commerce, Bureau of the Census.

Families headed by women had the lowest income in 1963, \$3,211, as contrasted with the median income of \$6,593 for husband-wife families, which was 105 percent greater. Median family income rose to a peak of \$7,415 in family groups where the head was aged 45 to 54, and dropped to \$3,352 in families headed by a person aged 65 years or over.

Lower income of families headed by women results partly from the lower wages paid to women, and also from their lower rate of full-time employment. In 1963, about 26 percent of women were full-time year-around workers, as compared with about 70 percent of males heading husband-wife families. The presence of young children in the home also affects women's rate of employment, particularly in the ages 25-44. A sizable proportion of families headed by women receive most of their income from social insurance or public assistance.

Although detailed information on the income of the population aged 65 and over is not yet available for 1963, earlier studies show significant differences between the income of aged couples (defined as one in which the male member is 65 years of age or older), and the unmarried aged.^{25/} A study of 1962 incomes among the aged group showed the medians to be:

\$2,875 for aged couples.
\$1,365 for nonmarried men.
\$1,015 for nonmarried women.

In contrast with the nearly 4 million California families in 1960 there were 1 1/2 million individuals living alone or in a household consisting of unrelated individuals. Almost half of these individuals subsisted in 1959 on an income of \$2,000 or less. The aged men in this category for the most part received an annual income of less than \$1,600, whereas more than half the aged women of comparable status sustained themselves on less than \$1,400 a year.

Table 26 dramatically illustrates the substandard financial position of this component of the California population.

Table 26

1959 Income of California Families
And Unrelated Individuals
By Age and Sex of Family Head

Family Type	Number of families	Median income
All Families	3,991,509	\$6,726
Husband-Wife	3,521,358	7,013
65 and over	381,828	3,681
Other Male Head	102,661	6,118
65 and over	17,857	4,458
Female Head	367,490	3,586
65 and over	60,995	4,121
Unrelated Individuals	1,568,455	2,037
Male	837,122	2,397
65 and over	127,018	1,574
Female	731,333	1,813
65 and over	273,578	1,376

Source: U.S. Census of Population
Calif., 1960, PC(1)6D. Table 139.

The solitary aged with limited financial resources or minimal coverage under social security or private pension plans presents one of the gravest problems faced by the aging population.

3. Longevity and Health Requirements

Not only can the aging person anticipate reduced income, but increasing longevity tends to deplete resources accumulated over the individual's working life.

A male child born in 1950 can expect, other things being equal, to live 65.7 years--a gain of almost 20 years over what he might have hoped for if he were born in 1900.^{26/} A girl child would have fared even better, with a life expectancy in 1950 of 71.3 years at birth--a gain of 23 years over 1900. The child born in the final quarter of this century may have a life span of close to 80 years, and some predict that in the course of the next 30 or 40 years the average individual's life expectancy may go to 125 years.

Women fare better than men in length of life, both in actuality and in expectation. At all ages, males have a higher mortality rate than females. Of all live births, boys

outnumber girls by 105 to 100.^{27/} But by age 80, there are 1.34 women to each man in the United States,^{28/} and California women outnumber the men in the State by 1.48 to 1.^{29/} Elderly widows in California outnumbered widowers at ages 80 and over by more than three to one in 1960--over three women out of every four, as compared to scarcely four men out of 10 who had lost their mates.

In California, the age group of 80 and over will number about 410,000 persons in 1975, an increase of 100 percent since 1960.^{30/}

Claimants under the California Temporary Disability Insurance Program show a striking disparity in duration of nonoccupational disability as between age groups. Men under 50 years of age who initiated a claim in 1961 averaged less than five weeks of disability, whereas men 50 years and over averaged nearly eight weeks.^{31/} For younger women the average duration was under seven weeks, compared with almost eight and one-half weeks for women aged 50 years and over.

Almost half of disability insurance claims terminated in 1963 represented individuals aged 45 and over. Table 27 below shows the age distribution for those whose claims terminated in 1963.

Table 27

California State Plan Disability Insurance
Basic Claims Terminated By Age, 1963

Age	Percent
Total	100.0
Under 22	3.9
22-44	47.6
45-64	43.8
65 and over	4.7

Source: Workpapers for Department of Employment Report 1061 #2.

Since claims terminating in 1963 were largely based on earnings in 1962, claimants in 1963 would have been among the insured wage earners in 1962. The distribution by age of all workers with earnings in employment covered by the Disability Insurance State Plan during the last quarter of 1962 and of the two preceding years follow:

Table 28

Workers Covered^{a/} by California State Plan Disability Insurance
By Age, 1960-1962

Age	Percent		
	1960	1961	1962
Total	100.0	100.0	100.0
Under 25	18.7	19.0	20.0
25-44	46.2	45.9	46.3
45-64	29.9	30.3	29.8
65 and over	2.8	2.6	2.8
Unknown	2.4	2.2	1.1

^{a/} With fourth quarter earnings in employment covered by the State Plan. Agricultural coverage excluded from these data.

Source: Department of Employment Report 364 #18 and 19.
Data for 1962 from unpublished tabulation.

As shown above, workers aged 45-64 represented less than 30 percent of insured employment during 1962, but filed almost 44 percent of the claims. Once retired from the labor market these individuals are completely divested of this financial protection against accidents and illness.

The impact of increasing disability with advancing age is aggravated by the fact that the cost of medical care is advancing more rapidly than the cost of living generally. While the Consumer Price Index increased by 27 percent from 1950 to 1963, Table 29 shows that the component, cost of medical care, rose by nearly 60 percent in the thirteen-year period, a significant added drain on the limited resources of the aged population.

Table 29

U.S. Consumer Price Indexes for All Items and Medical Care
1950, 1960, 1963
(1957-59=100)

Year	All items	Medical care
1963	106.7	117.0
1960	103.1	108.1
1950	83.8	73.4

Source: Department of Labor, Monthly Labor Review quoted in
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CHAPTER TWO CONSULTANT SURVEY

It seems important and feasible to make certain general statements summarizing what our interviews* reveal about the role and problems of the older worker. These statements, offered below, discuss the older worker in two basic and very different roles: first, as an employee; and, second, as a job applicant.

A. THE OLDER WORKER AS AN EMPLOYEE

The employed older worker is preferred over the younger worker in many instances. Few employers, however, prefer to have either older or younger persons performing all, or nearly all, of the kinds of work necessary in a given company. Rather, preferences for the older or younger employee are closely related to the types of work to be done. In the skilled trades, for example, older employees are usually preferred. Employers believe that excellence in these trades continues to grow with experience and that the older experienced person is the most useful employee. On the other hand, younger females are generally preferred for unskilled clerical work. Such work usually requires no particular experience beyond a high school education. The younger female can do the work and she is preferred because she will accept the low beginning salary.

When contact with the public is important, as in the selling of expensive or highly technical products and personal items such as lingerie or cosmetics, the older worker is preferred for his knowledge, confidence, dependability, maturity and general handling of customers. Similarly, older workers are preferred for discussing loan applications or financial trust services and for servicing appliances. Where the contact with the public concerns such activities as selling products that are routine or impulse items or acting as a receptionist or bank teller, the older worker is at a disadvantage: younger employees are preferred.

For management positions, older workers are generally preferred because of their experience. Younger employees are generally preferred for such activities as unskilled production and material handling.

Where the younger worker is preferred, such preference seems to be based on the fact that experience and maturity are not essential to the work, and the amount of training required is normally small. Further, in certain activities the physical demands are greater than those in other types of work. Thus, the most positive qualities of the older employee, namely, his experience and skill,

*Hiring authorities of 36 firms and 15 unions.

stability and maturity, have little value in these instances while his major lacks, physical strength and stamina, are sometimes necessary to perform the work.

Nearly all of the employer respondents related their preferences for older workers in terms of the types of work within their companies. This led to the conclusion that employers in general do not hold a conscious bias against older workers. Overt discrimination or prejudice could be suspected if a significant number of employers had expressed across-the-board preferences for younger workers. Discrimination could also be suspected if union and company respondents had differed sharply in appraisals of older or younger workers' fitness for given activities. In general, neither of these conditions occurred; employers seemed objective in using older and younger workers in the jobs for which they are best suited.

It should be noted, however, that preference for the older employee generally decreases as company size increases. Larger companies recognize the qualities of the older employee but cannot utilize to the same extent as small companies the breadth and depth of experience that the older employee has to offer. Large companies have relatively more junior and unskilled positions to fill and the range of tasks assigned to any one person is likely to be far more specialized than in a smaller organization. For example, the typical accountant in any of the large companies interviewed performs tasks that are related to a single phase of accounting such as accounts payable or payroll. In these companies, the younger person is preferred for such a position since the work requires little experience and the position is typically at or near the bottom of the promotion ladder. In contrast, a certain medium-sized business prefers older persons as accountants. There are only four such positions in the company and each employee must not only be thoroughly familiar with project accounting but must have experience in all phases of accounting that apply to company operations. The company has found that younger employees cannot satisfy these requirements and it will not even consider applicants under 35.

In summary, the older employee is frequently preferred. His role generally seems to vary with the kind of work to be done and the size of the company involved. By and large, survey respondents appeared quite genuine and objective in their preferences; there was virtually no evidence of conscious discrimination or prejudice against the older employee.

B. THE OLDER WORKER AS AN APPLICANT

The status of the older applicant is in sharp contrast to that of the older employee. While older employees actually on the job are accepted and even preferred by employers for many types of work, the same employers are often reluctant to hire older persons for similar work. A number of reasons for this seeming contradiction have been expressed.

The difficulties faced by older applicants are best understood when they are reviewed in the context of where and why the older employee is preferred.

This chart lists the qualities most frequently indicated on the interview checklist by survey respondents as favoring the employed older worker. Also, it compares them with those factors most frequently cited as favoring the younger employee.

EMPLOYEE QUALITIES MOST FREQUENTLY IDENTIFIED*

POSITIVE FOR THE OLDER EMPLOYEE

<u>Qualities</u>	<u>Number of Times Identified</u>
Stability, dependability	35
Judgment	35
Absenteeism	30
Attitude toward work	29
The necessary skill or training to perform the work available	26

POSITIVE FOR THE YOUNGER EMPLOYEE

<u>Qualities</u>	<u>Number of Times Identified</u>
Physical strength	32
Flexibility; adaptability to working conditions, supervision, etc.	31
Speed in production operation; the ability to keep up; volume and pace	30
Manual dexterity	30
Speed of learning	26

*Source: Checklists completed by union and employer respondents.

Not surprisingly, most of the qualities favoring older employees--stability and dependability, attitude and judgment, experience and skill--connote maturity while the factors favoring younger employees--physical strength, flexibility, speed in production, manual dexterity, and speed of learning--identify the physical attributes of youth and an ability to master change.

Unfortunately, the older applicant cannot necessarily capitalize on the recognized attributes of the older employed worker. In the first place, and possibly through no fault of his own, he may get little credit for stability: his position is hardly stable while he is unemployed. Further, his judgment, experience and skill have necessarily been gained elsewhere and, under certain circumstances, will have less or little value for a new employer. The devaluation of these qualities is particularly true where the older applicant is seeking to change his vocation. Finally, his attitude toward work may have been excellent in familiar surroundings but

is unknown and even suspect in a new environment. Thus, the major strengths of the older worker are compromised by the fact that he is an applicant.

Perhaps related to this circumstance is an employer attitude which, though not strongly avowed, was expressed in many interviews. More than half of the companies surveyed indicated a vague feeling of uncertainty about the qualifications of older applicants. The nature of this suspicion tended to assume one of two forms. On the one hand, several respondents commented that "if they were better people, they would not be looking for work". Other respondents commented, with regard to openings for junior positions that "I probably would not hire the older person because a man should be doing better at 45 or above. If he isn't, he probably isn't a very good potential employee". The first of these sentiments is questionable since many older applicants seek work through no fault of their own. The second sentiment seems to voice the recognized fact that a person screening applicants can never be absolutely sure of his choice and must necessarily make intuitive judgments. Again, the condition of being an applicant tends to devalue the positive qualities which are associated with an older person already employed.

Overshadowing the general circumstances which make it difficult for many older applicants to exploit their inherent strengths are several specific reasons why employers frequently reject them. Fundamentally, these reasons reflect the fact that an employment decision is an economic judgment. The employer seeks that person whom he can most effectively utilize on the job, both at present and in the future. In this context, nearly all of these reasons seem to make sense, given the employers' particular situations.

The following pages present the various reasons given by companies and unions (generally in agreement) as to why older applicants are not hired.

1. Experience

Where experience is a prerequisite, it is one of the biggest advantages of the older applicant. Without this advantage, however, his value, compared to the younger applicant, is sharply reduced and often eliminated. The following examples were mentioned by several respondents.

a. Lack of Specific Experience in a Required Skill Seriously Hurts the Older Applicant

In the trades, for example, experience is of paramount importance to employers and the older employee is specifically preferred. Applicants, however, must be qualified in the appropriate skill. Unqualified older applicants cannot obtain jobs in these fields and, more importantly, they cannot become qualified.

Qualification is proved through possession of a journeyman rating. Where trade unions are involved, a man cannot become a journeyman until he has completed an apprenticeship. Not one of the trade unions interviewed in this survey will admit a man over 40 into an apprenticeship program and most unions limit such admittance to men under 27 or some lesser age. Thus, a nonjourneyman over 45 can never become a journeyman. These restrictions are eased somewhat where skilled trade work is exercised under the jurisdiction of an industrial union. In such cases, a man can become a journeyman either through completion of an apprenticeship or by possession of ten years' experience in lieu of apprenticeship. Theoretically, therefore, an older person could become a journeyman. In practice, however, few workers over 45 are ever issued journeyman cards by the industrial unions interviewed because the companies concerned hire young persons for beginning work as a result of seniority provisions or promotion-from-within policies. Most employees accumulate the necessary ten years' experience long before they are 45.

The inability of the older applicant to match his experience to the needs of a potential employer is a problem also for older applicants for white-collar positions. Several of these companies, for example, utilize accounting conventions and methods unique to their industries. Unless the background of an accounting applicant includes such specialized experience, it has little value for these companies. If he seeks to gain the necessary experience, an older applicant finds himself competing with younger persons for junior positions. In this competition he is at a decided disadvantage.

b. Overspecialized Experience Narrows the Older Applicant's Opportunities

Sometimes even experienced older skilled tradesmen find themselves at a disadvantage. Such persons are likely to become quite specialized where they have worked for some period in an organized trade. For example, machinists working for a large company may become thoroughly skilled on only one or two types of machine tools. When such specialists seek new jobs with a smaller firm they may find that their experience is of limited value because the smaller organization requires employees who are skilled generalists. This situation is particularly unfortunate since, as previously noted, smaller companies in general offer the older applicant his greatest opportunity for employment.

2. Strength and Endurance

The requirement for strength, per se, is generally considered to be of declining importance as a consideration of employment. Many respondents indicated that increasing mechanization continues to reduce the need for hard physical labor and not one employer indicated that requirements for strength were increasing. Further, strength is seldom a consideration where female applicants are concerned because State laws restrict the weights which they can lift or carry. Nevertheless, the older worker is at a disadvantage in these areas.

a. Heavy Physical Labor Is Performed Better by the Younger Worker

There is no question that employers generally prefer younger employees for heavy physical labor and recognize strength as a prime asset of the younger employee. Respondents who indicated acceptance of older employees in work of this nature, or even a preference for such persons, indicated that experienced older persons "know how to handle weight and are in good shape. They don't hurt themselves or the merchandise." Older men who are experienced in hard physical work evidently tend to retain physical vigor longer than their more sedentary contemporaries. As a result, experienced older applicants are sometimes rated equal to younger applicants for work of this nature. The inexperienced older applicant is never favored, however, and he cannot gain the experience and physical condition which might improve his chances.

b. Fast Work Pace Is Maintained Better by the Younger Worker

Stamina, apart from absolute physical strength and particularly in the sense of maintaining a rapid work pace, continues to be an important employment consideration. In fact, it is perhaps becoming more important as mechanization increases and processing speeds are raised to maintain or lower unit costs. Speed in production was identified as a major asset of younger workers; consequently employers prefer the younger applicant where a fast, high-pressure production pace must be sustained. This is true even where the average ages of the work groups concerned suggest that older persons can maintain the pace. There are one or two explanations for this seeming contradiction.

First, many of the companies interviewed tend to transfer older persons who have "slowed down" to less demanding work. The person, however, often remains within the same functional group and hence the average age for all

employees does not indicate the ages of persons working "on the line". Second, as with physical strength, there is some evidence that experience enhances and extends the ability to maintain work pace. Older employees who know their jobs are satisfactory while inexperienced older persons cannot keep up. Many employers have found that such persons cannot accustom themselves to a fast work pace. Also, their manual dexterity appears either inferior to that of the inexperienced younger person or is more difficult to harness. Perhaps more important, their mental flexibility seems far lower than that of the younger person. For example, inexperienced older females seem to have particular difficulty in becoming accustomed to a rapid work pace. Employers believe this problem stems from unfamiliarity with sustained pace, which in turn creates anxiety over lack of skill and possible embarrassment in the presence of younger associates.

3. Mental Flexibility

As indicated in the preceding exhibit, employers value younger employees for their adaptability to working conditions and speed of learning. In contrast, employers tend to question the mental flexibility, speed of learning and general outlook of older applicants. These are basic employment considerations, of course, since any newcomer must become productive in his new environment as rapidly as possible. Older newcomers seem frequently to experience difficulty in making the necessary adjustment, according to employer reports. The difficulty becomes apparent in several different ways.

a. Older Male Applicants Cannot Be Easily Trained

Three of the companies involved in discussing the mental outlook of older persons, noted that older males do not readily assimilate on-the-job training. These companies believe that such problems stem from a general reluctance of older males to assume a trainee status rather than a lack of aptitude. This seems particularly true for men who have occupied supervisory or managerial positions. Respondents did not mention such a pattern among blue-collar workers, and three of the unions noted that a great majority of the members attending periodic skill updating courses were older persons.

b. Older Female Applicants Cannot Be Trained for Intricate Work

Another condition that causes some employers to question the mental flexibility of older workers, females in particular, concerns training. The electronics companies and related unions interviewed both state that older

females inexperienced in work requiring precise manual dexterity cannot be trained for electrical assembly work. One union reported that washout rates among older females taking such training are twice the rates for trainees in general. Two companies, which employ large groups of females on other precise tasks, reported the same training problem.

c. Older Clerical Females Seem to Be Problem Employees

Employers feel that the mental outlook of older applicants is frequently open to question. Four companies, for example, noted that newly hired, older clerical females seem to be problem employees. These persons too frequently tend to remold existing practices around the experience they have gained elsewhere. They also sometimes assume unwarranted authority on the strength of age status alone. Whatever the specific problem created, such persons, we are told, generate unrest and require more administrative attention than younger clerical females.

d. Older Applicants Do Less Well in Aptitude Tests

Older persons generally do not score as well as younger applicants on pre-employment aptitude tests according to about half of the employers with whom testing was discussed. Some of these employers believe that an applicant's ability to handle these tests is related to the length of time since he last practiced the mental skills required. (Two companies compensate by lowering the minimum acceptable score for older persons.) Most of these employers believe that such difficulties reflect a possible lack of mental flexibility under pressure. Accordingly they have restricted employment opportunities for older applicants in individual cases.

e. Older People Resist Change More Than Younger People

Four companies reported that older clerical personnel already employed tend to resist changes in office methods and that, based on such experience, they were reluctant to employ older applicants for clerical work.

f. Older Applicants Are Too Rigid in Their Expectations

By way of illustration, eight companies commented that older applicants frequently specify conditions of employment that the company either cannot satisfy or is unwilling to satisfy.

By and large, concern over mental flexibility and outlook is focused obviously on older applicants rather than older employees. Older employees do not have to prove

themselves by taking employment aptitude tests or by learning a new job while trying to adapt to a strange environment. An appreciation of such differences may make it easier to understand how employers can prefer older employees and be reluctant to hire older applicants for the same work.

4. Compensation Costs

Since employment decisions hinge largely on economic factors, relative compensation costs for older workers are important.

a. Very Young Female Clerical Workers Are Cheaper

As was mentioned in the first section of this chapter, large employers generally prefer very young females for unskilled clerical work and seek such applicants, particularly for positions where routine contact with the public is frequent. As the amount of skill required increases, a preference for older employees becomes stronger. (It should be noted, by the way, that employers in general seem to consider 30 to 35 as "older" when discussing female clerical workers.) In larger companies, preference for the older employee is usually satisfied through promotion from within while small companies frequently fill senior clerical positions by hiring older applicants from the outside.

It is difficult to say to what extent a preference for young females is due to economics and to what extent it is due to the glamour factor. Several companies stated that young females "brighten the office" and are preferred for that reason. Representatives of one union also stated flatly that employers preferred young women because of attractiveness. Most companies and unions indicated, however, that appearance was a factor primarily for receptionists and counter service personnel only and that, in general, cost was the primary consideration.

Most large companies and a few others said that they preferred young girls simply "because they're cheaper". Medium-sized and small companies, however, generally approached the problem of cost by favoring female clerical employees and applicants between 25 and 35 or 40. Preference for the latter is based on a stated desire to avoid the consistently high and expensive turnover of the very young female employee groups. Employers who do prefer younger females for clerical work consider that the low salary cost of such employees, coupled with their working flexibility and attractiveness, outweigh the problem of turnover; they often have simplified and

subdivided clerical routines so as to reduce the training expense that heavy turnover would otherwise generate.

b. Higher Salary Demands Militate Against the Older Applicant

Wage or salary costs are considerations which contribute directly to an employer's disinclination to hire older persons even for tasks which older employees do well. Excluding certain organized trades, older employees command generally higher salaries in return for the experience and maturity upon which they draw in performing their work. However, a portion of the older employee's experience and maturity is of value only because it has been gained within the company concerned. As a result, experienced older applicants usually do not have as high a value for the employer as their employed contemporaries, and inexperienced older applicants are at a far greater disadvantage. This devaluation of experience becomes more acute when seniority practices or promotion-from-within policies have the effect of opening only the more junior positions to applicants. In such situations, the greater experience of the older applicant has virtually no immediate value for the employer.

Since employers are seldom if ever willing to pay for age alone, the salaries offered older applicants are usually lower than their previous earnings. Where the applicant's background has little if any value at the time of hiring, the difference can be great. Applicants are naturally reluctant to accept reduction in earning power and status. Further, although the sentiment was never stated directly, it is believed that offering a low salary to an experienced applicant is sufficiently distasteful to the employer, that he may prefer to avoid the situation altogether by simply not considering the older applicant for work in which the latter's experience cannot be fully utilized. Both the applicant's reluctance and the employer's desire to avoid a mutually embarrassing situation have the effect of shutting off opportunities for the older applicant.

This problem has another aspect. Nearly all companies in the survey indicated that they would feel "uncomfortable" in hiring an older person at a salary well below his previous earnings level because they would suspect that acceptance of the lower salary pointed to an undetected weakness in the person's background.

The only exception to this concern over mating an older applicant to a lower salary occurs when the applicant reveals some other source of income. Retired military

personnel, for example, need not rely upon their salaries for total income and do not present the employer with problems of the nature discussed.

c. **Higher Costs of Fringe Benefits Are Not a Significant Problem**

Before this survey was undertaken the opinion was expressed that the added cost of fringe benefits for older age groups would be a significant deterrent to hiring older applicants. This view has not been substantiated. Costs of fringe benefits are generally not a factor working against the older applicant. In fact, many survey respondents seemed unaware that fringe benefit costs might be affected by employee age. Actually the cost of fringe benefits is related to the average age of the work group covered. For most companies interviewed, however, this average is unlikely to increase significantly as a result of hiring older persons, because the work group covered is large enough to "insulate" the average. Where employees are covered by union programs, employers contribute an equal amount for every hour worked by each union employee regardless of his age and thus are not directly concerned with actuarial factors. Several companies reported an increase in fringe benefit costs because of advancing employee age but only one company considered this increase to be a penalty rather than simply a cost of preferring older employees. Furthermore, it is apparently considered by many companies that a reasonable increase in costs of a fringe benefit program would represent only a small part of total compensation costs.

Added pension costs specifically are not a consideration in hiring older applicants. All of the companies interviewed have pension plans which relate to years of service and most of these plans require a minimum number of prior service years for each participant. This requirement, coupled with a mandatory retirement age or cessation of service credits at 65, generally excludes from the plan those new workers 50-55 and older. Consequently the addition of older workers is not a significant problem with respect to company pension costs.

5. **Social Considerations**

Up to this point, the types of difficulties discussed--experience, physical capabilities, mental flexibility, wage and fringe costs--have been closely related to the economics of hiring the older job applicant. There are also certain important social considerations which affect the position of the older applicant. While certain of these considerations have an economic impact, employers seem to consider them as

problems associated with relationships between human beings rather than matters of profit and loss.

a. Inherent Status of Age Conflicts With Actual Status of Work

In many circumstances, age is accepted by society as a positive status element: the older a person becomes, the more respected he should be. This can create problems for the older applicant. For example, eight companies indicated that they are extremely reluctant to hire older persons into young work groups unless the newcomer is to occupy a supervisory position. These companies have found that frictions develop when an older person joins such a group as an equal. Although the respondents did not say so, we believe these frictions result from the imbalance between the accepted status of age and the actual status of work, and that people of widely differing age are not always comfortable working as equals.

b. Older Workers Assume Leadership Without Authority

A closely related problem that appears to stem from the same cause was noted by nine of the companies. Older persons in these companies have at times created tensions by attempting without authority to assume senior or lead responsibilities over their work groups. Most of these persons have been females and these companies consequently do not hire older females for functions performed largely by younger persons.

c. Young Managements Prefer Young Employees

Another manifestation of the age and status concept was noted primarily in small organizations directed by younger persons. Eight companies indicated a preference for younger employees and applicants for all or specific functions, because "we are a young company--we want young people around" or "that manager is young and wants young people working for him". From these comments, it would appear that young managers prefer to have younger persons as subordinates, particularly in organizations which are so small as to require frequent contact between management and worker.

d. Employers' Concern Over Reduced Pension Benefits Inhibits Hiring of the Older Worker

Another social consideration that affects the status of the older applicant is his eligibility for pension benefits. Employers are concerned about the standard of living

which their retirees will be able to maintain, and a few mentioned the consequent company image in the community.

As was noted in the discussion of pension costs, most plans adopted by respondent companies require a minimum number of service years, generally 10 or 15. If coupled with a mandatory retirement policy this means that a person hired at 50 or 55 receives no pension at all. Even where there is no mandatory retirement age, workers in all but one organization interviewed cease to accrue pension benefits at age 65. Moreover, substantial pension benefits generally require many more service years than the minimum.

The net result of these aspects of the various pension plans is that new employees over 45 are unlikely to build the pension benefits necessary to maintain a satisfactory retirement living standard, presuming that social security will provide their only other significant source of income. Where other sources of retirement income are provided, as with military retirees, considerations of pension eligibility do not apply. Two companies specifically cited eligibility for only minimum benefits (or noneligibility) as one of their principal reasons for preferring not to hire older applicants. Several other respondents indicated that pension eligibility of older applicants was evaluated in the screening process but was not considered a major stumbling block in hiring them.

6. Employer and Union Practices

Opportunities for older applicants can be vitally affected by certain company and union practices. These appear to reflect what management and labor believe to be the best course in the light of their experience with older workers and within their particular economic and social environments. The frequent result, however, is the restriction of opportunities for older applicants even though older employees are accepted or preferred for the work concerned.

a. Promote-From-Within and Seniority Practices Lessen Opportunities for the Older Applicant

Probably the most serious restrictions are caused by the company practice of promotion from within and union stipulation of preferential treatment of employees according to their seniority. Regardless of whether these practices stem from management philosophy or union contract clause, they have the effect of limiting the vast majority of job openings to the junior positions in a given function or company. As a result, the experience

possessed by older applicants is generally of little value to the employer and the beginning salary level is likely to be well below the applicant's expectations. Since the older applicant is thus likely to be mismatched to the majority of positions open, an offer by the employer and acceptance by the applicant are both unlikely.

Practices requiring preferential treatment of employees by seniority were encountered in surveyed companies of all sizes and representing various industry classifications. Generally, such practices stemmed from union contract provisions although, as exemplified by one company, such provisions sometimes were simply a codification of a management philosophy which predated any union representation of employees. Strongly applied promotion-from-within policies were found mainly in larger companies or mentioned by unions dealing with larger employers. Only one of the medium-sized companies surveyed adhered closely to promotion from within. This pattern is not surprising since a promote-from-within policy seems particularly suited to the larger organization.

b. Efforts to Maintain a Balance of Ages Work Against the Older Applicant

Many employers are concerned with maintaining a balance of ages within their work forces. This is particularly true for the larger companies included in the survey. Evidently, the most desirable situation is to have a flat distribution of employee age from 25 to 55 with fewer employees at the age extremes. This is exemplified by one company in particular. Employers believe that such distribution provides very desirable flexibility in filling positions and protects a company against a sudden loss of capability through a wave of retirements and against a lack of innovation through absence of youth. Unfortunately, maintenance of such a balanced distribution requires that most new employees be younger persons since all employees automatically age with time and turnover among younger persons is much higher than among older groups.

7. Job Search Techniques

Older persons displayed three major weaknesses in applying for employment, as discussed below.

a. Older Applicants Are Defeatists

The most frequently cited weakness is a defeatist attitude about age. Evidently, concern over their age causes applicants to be either much too assertive or much too

defensive. They apparently lack confidence and over-compensate for their feelings of inferiority. In the opinions of both employer and union respondents, this sense of defeatism also seems to cause older applicants to become careless of their appearance. Furthermore, many fail to display desirable mental alertness and physical vigor even though they may possess these qualities in abundance. As survey respondents agreed that they seek "50 years' experience at age 25", older applicants must apparently attempt to satisfy this need by emphasizing their capacities for mental and physical activity.

b. Older Applicants Fail to Carry Out Their Job Searches Properly

According to several respondents, older applicants frequently have not sought employment for many years and seem to have forgotten that the process is essentially a sales campaign. As a result, they do not inventory their strengths and then investigate and analyze prospective employers to determine where those strengths will be of maximum utility. This lack of preparation and strategy is most obvious to employers when older applicants being interviewed stress their need for employment and pay scant attention to exploring how their experience can be of value to the employer. In addition, three companies noted that older applicants seem not to realize that experience is their prime asset and that it will be thoroughly investigated. These companies have had some problem with older persons either failing to document their experience adequately or exaggerating their recitation of experience beyond the normal bias that employers have come to expect of any applicant.

c. Older Applicants Do Not Apply Their Strengths in the Proper Channels

The final weakness in the conduct of older applicants relates to their perception of their competitive position in comparison to younger applicants. As noted, the competitive advantages of older persons consist mainly of their stability, judgment, skill and experience. Even though his stability may seem compromised by the fact that he is an applicant, the older person can frequently achieve his goal by restricting his search to work where his judgment, skill and experience will be of full value. Several respondents commented, however, that older applicants seem too prone to change vocations. They thus seriously reduce their ability to capitalize on their major attributes and eliminate much if not all of their extra value to the employer.

The respondent for one company, in speaking to the point of the competition between younger and older applicants, offered a comment with which other large employers would probably agree. He thought that older applicants generally cannot expect to enter large organizations at a level comparable to their previous employment unless their skill is unique or in particularly short supply. Unfortunately, older applicants usually do expect to maintain their previous level and the denial of this expectation generates frustration and even anger. Such reactions in an interview weaken the applicant's acceptability, particularly in relation to the younger applicant whose expectations are more easily satisfied.

8. Recommendations

From the outset, the major objective of this survey has been to determine the difficulties encountered by older applicants in seeking employment. The focus therefore has been in that direction and not on recommendations for overcoming such difficulties. Nevertheless, in the process of conducting the survey several possible approaches to solving the problems of the older applicant have been developed and are offered here for consideration.

Suggested recommendations are grouped in two categories: (1) actions which might be taken without further fact finding; and (2) areas which require study in depth in order to determine what action, if any, should be taken.

9. Actions Recommended

- a. Continue to Provide Individualized Counsel for Older Applicants and Publicize this Service as Widely as Possible

As has been noted the conduct of older persons in seeking employment is a major cause of their difficulty. Older applicants need a maximum of instruction in how to conduct a job hunting campaign. They must learn to inventory their strengths and then to seek employment with those companies which are most likely to place a value on these strengths.

Older persons should be coached in how to present themselves to a prospective employer so that the advantages of a carefully prepared plan are not lost during the interview. Above all, every effort should be made to dispel any tendency of the older applicant to assume a defeatist attitude.

Judging from the frequency with which respondents commented on weaknesses displayed by older applicants,

many of the latter are in need of additional counseling and may be unaware of the assistance available to them. This situation should be corrected since it is presumably easier to guide an individual applicant into a more fruitful search than it is to alter the economic and social realities against which employers evaluate the older person.

b. **Emphasize Training Programs to Broaden Existing Skills**

Smaller employers appear to prefer the older applicant much more frequently than large organizations. At the same time, smaller companies require a greater breadth of skill from each employee because there are fewer people available in the company to exercise all the variations of skill required. Older applicants can capitalize on this favorable situation (or offer a full range of skill in other situations) only to the extent that they have not become overspecialized in their basic skill during prior employment. Consequently, it would appear that programs enabling older applicants to expand their specialized talents into more general capabilities in the same fields and also to bring themselves up to date on changing technology, would improve their potential value to employers.

c. **De-Emphasize Training Programs Designed to Impart New Skills to Inexperienced Older Persons**

Inability of the inexperienced person to gain the training necessary to become a skilled operator is a major problem for older applicants. Generally, this inability is a direct reflection of union or union-employer age limitations on apprentice programs. However, it is also true that union and employer respondents alike voiced doubt as to whether a person over 45 without related experience could assimilate the training necessary to become skilled, even though an apprenticeship was not required to achieve skilled status.

In view of these doubts, it is suggested that training inexperienced older persons in completely unfamiliar skills should be de-emphasized or deferred until more is learned about the teaching of older workers and the older worker's ability to absorb training.

10. **Study Areas Recommended**

a. **Determine the Adequacy of Present Teaching Methods and the Ability of Older Persons to Learn New Concepts and Techniques**

The frequently expressed thoughts about the older applicant's mental flexibility and learning ability, in

comparison to the younger applicant's, call for reliable corroboration or refutation. The attitudes of union and company respondents are based upon specific instances which constituted real problems for them. The effect of these doubts upon general opportunities for older applicants may be unfair, however. It is entirely possible, for instance, that older women might be able to learn electronics assembly skills easily if taught in a certain way. Similarly, a particular kind of indoctrination not attempted by the respondents may be required to accclimate older persons to an unfamiliar, rapid work pace.

Answers to these problems must come, we believe, from research conducted by experts under controlled conditions so that there can be no question as to the validity of the results. If such study indicates that there is no basic lack of mental flexibility among older applicants, appropriate programs should be developed to publicize that fact and to open employment opportunities now closed to older persons because they seem slow to adjust and to learn.

- b. Investigate the General Sentiment That Older Applicants Are Somehow Less Capable

It is to be questioned whether the majority of older persons seeking work are in fact inferior to older employees doing the same work. Any objective evidence that could be developed to dispel employers' suspicions, by shedding additional light on why older persons seek new employment and how their capabilities compare to older employed persons, should improve opportunities for older applicants.

- c. Study the Effect of Age Status Upon Opportunities for Older Applicants

As noted previously, problems that appear to result from the conflict between the inherent status of older age and the actual status of the job can be a major factor in the closing off of employment opportunities for older applicants. If basic social concepts of age do lie at the root of these problems, it is entirely possible that very broad educational programs for many elements of society may be required to correct the situation. It is possible, however, that a study in depth would identify some working situations in which conflicts resulting from mismatched age and work status are inevitable and other areas in which these conflicts can be either avoided or overcome. Such a study should be undertaken to clarify the situation and, hopefully, to improve employment opportunities for older applicants accordingly.

CHAPTER THREE
ANALYSIS OF THE OLDER WORKER PROGRAM
IN 36 LOCAL OFFICES OF THE CALIFORNIA
STATE EMPLOYMENT SERVICE

A. INTRODUCTION

1. Scope of the Analysis

In accordance with HR 77, the Department of Employment surveyed 36 of its field offices during March through May 1964 to study services to older workers, and explore difficulties encountered in placing them in employment. The study was concerned with: (1) employment problems presented by older workers; (2) employer attitudes and hiring practices as encountered by local office staff; (3) the organization and staffing of the older worker program, including the kinds of services being performed for older workers; (4) relationships of local offices with community groups interested in employment problems of older workers; and (5) training needs of older workers.

In the course of the study, a State staff representative of the California State Employment Service interviewed about 150 individuals, including placement interviewers, Older Worker Specialists, local office managers, field supervisors responsible for groups of local offices, and other managerial and technical staff. The offices visited included the four area administrative offices in the Division of Public Employment Offices and Benefit Payments, and 32 local offices. The sample comprised about one-third of local employment offices throughout the State, other than those devoted solely to farm placement. In the sample were small, medium-sized, and large "full-functioning" offices (those performing both employment service and unemployment insurance functions), as well as large specialized offices in the Los Angeles and San Francisco Metropolitan areas serving professional, commercial, industrial, and service occupations. Communities chosen for the study typified, as far as possible, the wide range of economic conditions and industries throughout California, including agricultural, light and heavy industrial, and "supporting" or bedroom communities which provide service facilities for residents who work elsewhere. Booming, declining, and static economies were represented.

2. Who Is An "Older Worker" ?

For convenience in statistical reporting, a person is considered to be an "older worker" if he has reached his 45th birthday. But chronological age alone does not make an "older worker". Aging may progress at different rates for different individuals. Even a slight decline in physical capacity may end the professional career of a baseball player in his early 30's. At the other extreme, there is virtually no retirement

age for the lawyer or doctor whose general health is adequate to the demands of his practice. Chronological age may have "side effects", as when long experience in a declining occupation plus lack of recent training combine to impair the job prospects of an individual who becomes unemployed at the age of 40 or 45.

In this report, the term "older worker" refers to the age group of 45 and over, and the term "aged" is applied to individuals aged 65 and over. However, in its operations the State Employment Service recognizes the broad range of age-connected problems which affect employment and defines an older worker as "a person who is encountering, or may be expected to encounter, difficulty in getting or keeping a job principally because of his age." (California State Employment Service Operations Manual, Section 5302.) In the placement policy of the Employment Service, it is possible for a person under age 45 to receive special older worker services.

B. EMPLOYMENT PROBLEMS OF OLDER WORKERS

1. The Problem Can Start Early and Last Long

The competition for jobs in a complex and rapidly changing labor market may be grueling, even for a man in his 30's. A man ten years older may find himself with handicaps related to age, even though his physical and mental capacities may be at their peak. He may have had less formal and less recent education than the younger man, and his job training may be outdated in terms of current job requirements. He may be in a declining occupation or industry which formerly offered good prospects for a lifelong career. The locomotive engineer, the blacksmith, and the elevator operator are well-known examples of occupations fast disappearing from the scene. While these occupations may involve relatively few people, technological changes in production processes affect thousands of individuals with limited skills, who may be thrown into a labor market where their skills are no longer in demand.

The employed older worker has some advantage in keeping his job, because of experience, seniority, and dependability. When he becomes unemployed, he is apt to remain out of work longer than a young person and he may find it much harder to get another job. Even if he has skills needed in the labor market, the age barrier of prejudice may be raised against him. He may be stamped as "too old" at age 40 or 60, regardless of his real capacity to perform on the job.

The costs of pension plans and insurance are often cited as reasons for refusing to hire workers in the older age brackets, even though the actual costs may not be fully understood. Compulsory retirement ages written into some pension plans

close the door not only to workers nearing that age, but sometimes to younger persons who are too old to complete the stipulated years of service which would qualify them for benefits.

The individual aged 55 to 64 who becomes unemployed is probably among the most severely disadvantaged members of the work force. He may never find his way back into the labor market or if he does, it may be at lower pay and at a lower skill. Although a few pension plans provide limited retirement benefits to persons under age 60, the individual in the 55 to 60 age group will in most cases have no available income from pension or retirement credits.

Although jobs may be available in another community or another State, older workers may be unable to finance a move to a new location or they may hesitate to break up family ties of home ownership, children in school, and friends in the community.

The individual who must continue to support himself and his family may be willing to settle for almost any job that will bring some income, particularly after a long period of unemployment. Such downgrading may sacrifice valuable skills and experience which are needed in the economy. An even greater loss occurs when the older person becomes discouraged at the futile search for work, and simply withdraws from the labor market. Even though the individual may be able to finance his own livelihood from a pension or from savings often depleted by a long search for work, his potential production is lost, his purchasing power is decreased, and he may become a burden on his family or on the community instead of continuing as an active and productive member of society.

The following sections describe some problems of older workers which are most frequently encountered by local office employment interviewers and Older Worker Specialists. Some of the problems arise from the changing nature of jobs and skills, others from attitudes and opinions about the older worker, including his own. The President's Council on Aging noted that there is "a range of problems that are specifically associated with age--some founded in reality, others quite unfounded but no less real--that require special efforts to overcome."^{1/}

2. Age Is Not the Only Problem--There Is Always Something Else

Most older workers are not "problems", as long as they have skills which are needed in the labor market. Age in itself need not be a handicap. Numerous studies show that most older workers are stable and capable employees, whose performance as a group compares favorably with that of younger workers and may even be superior in some types of work.^{2/}

Comments were made in every local office visited, that age is not a great problem in employment for the fully qualified worker with needed skills and recent work experience. Many job orders call for a mature and stable worker, particularly in clerical and highly skilled jobs. Local offices cite placements of workers in their 70's and even 80's.

But when the older worker is out of a job, problems tend to cluster. The "older worker syndrome" has been described as "age plus something else"--physical problems, obsolescent skills, lack of mobility, or the individual's own attitude toward himself. There are many factors which may interfere with the older worker's reemployment. Age may be the last straw which puts him into the problem group.

a. Problems of Skills

Local office staff believe that older workers can be placed at almost any age if they have marketable, up-to-date skills and are able to work.

The journeyman in most crafts and trades, whose skills are needed in the labor market, has good employment prospects. But the 60-year-old man who has worked for years as a carpenter in production line jobs may have never fully qualified as a Finish Carpenter or in other skilled jobs. If continuous and heavy production pressure begins to tax his strength, he may find few opportunities for other employment in his occupation.

However, skills alone are not always a guarantee of employment. In some white-collar occupations, older workers with long experience and unquestioned proficiency may find that employers' age preferences whether overtly expressed or not, as well as changes in educational or professional requirements, may outweigh experience.

One local office reports a "hard-core" situation which is becoming common in many communities:

"We have no large 'production' type operations, but there is a large supply of workers with limited skills, including minority group members, whose main experience has been in such jobs. This group and our unskilled labor supply is growing through immigration, while job opportunities in production are decreasing. Not much industry is coming in. Several large firms have moved out, as have several small electronic firms.

"With the older group, education and literacy are a problem for our local unskilled labor supply. Also, the kind of experience they have is not in heavy

demand. The men have worked as janitors, custodians, in the warehouse, and as construction laborers. Some of this work is available, but we have an oversupply of applicants. The women have mostly worked in the canneries, and as assemblers. Many have a low educational level and marginal skills and abilities.

"We also have a supply of female clerical workers with low skills, many of them in the older worker group. Although there is a need for General Office Clerks, these women do not qualify without further training. Sometimes, there are also problems of appearance and personality."

Major industrial changes, such as the cancellation of the Skybolt program and drastic reductions of airframe production in Southern California, have left thousands of production workers jobless--some of them with years of experience in performing one job which no longer exists. Geographic relocations of plants, such as the move of the Marchant Company from Oakland to North Carolina, have had the same effect. The worker with excellent but limited skills may find no market for them.

b. Problems of Training

Problems of skills and training are closely related. Many changes in entry requirements, especially academic requirements, have occurred since older workers began their careers. These changes have a great impact on older workers, particularly those in professional fields. One academic degree may not be enough. In social work, an unemployed individual with 25 years of responsible and well-paid experience, but without a Master of Social Work degree, may find it almost impossible to obtain a comparable job in her profession.

The arbitrary requirement of high school education which many employers now make hits particularly hard at older workers in many occupations where this was not a requirement when the individual first started to work. Older workers who do not recognize that lack of academic training may affect their prospects of continuing in employment may be little inclined to go back to school for further academic training which is not directly related to an occupation, and which may be of long duration.

Those whose basic education was even more limited are at a severe disadvantage. An office in an agricultural area reports: "Lots of the local people came here from other states and have a 3rd or 4th grade education. They're only semiliterate. Slow reading is probably the commonest difficulty in counseling and testing. Most of

the men haven't had to use whatever reading skills they acquired in school, having worked at hard labor most of their lives. The women are a little better."

Many older workers are products of depression schooling. Some had to quit school to go to work, took the first available job, and "stayed with it". In the kind of work they are doing, they could see no reason to gain more education.

c. Problems of Mobility

The ability to "go where the jobs are" is at a premium in our rapidly shifting labor market. Some older workers have sacrificed mobility for other values--the establishment of roots in the community or retirement to a remote vacation area or a "Leisure Town". Others with marginal budgets cannot afford to move their household in pursuit of employment, or even to pay the costs of lengthy commuting. For the aged, health problems may rule out long drives to the job. Individuals who have established pension rights with an employer may hesitate to change jobs, although the effects of pensions on worker mobility are not fully known.^{3/}

Some communities have a magnetic power to draw and hold residents. A Los Angeles office comments:

"Los Angeles applicants are inclined to be immobile. Many individuals who have been attracted to this community because of its glamorous reputation want to stay. Working wives affect the situation--many husbands and wives are both in skilled or professional occupations. A move for one means a move for both. The best applicant supply, particularly for jobs in other parts of the State, is among workers coming into the community who have not yet established roots. In a recent recruitment for auditors, where travel was required, local applicants did not wish to travel."

Younger workers "follow the jobs" into such dynamic areas as the Peninsula and the San Fernando Valley, and older job applicants who are already there must compete with this influx of new blood. They have an advantage in being on the scene, even though economic competition is severe. A retiree in Redding or Carlsbad may find himself remote from job opportunities in his field.

In some areas, jobs continue to move farther away from the settled worker, as firms change their locations for low-cost land and plant space, cheaper taxes, or other advantages. For instance, some manufacturing firms have moved from Oakland, out of reach of workers in Vallejo who formerly commuted to Oakland.

The more skilled older workers are often willing to spend as much as an hour a day commuting to well-paying jobs in other communities. Even with the length of time involved, it is worthwhile financially. Less skilled and lower-paid workers may be reluctant to take on this expense.

Commuting and transportation difficulties give rise to other problems, as a metropolitan office notes:

"Because of the size of our territory, it is a real problem to maintain continuity of service to the applicant. It is hard to keep them coming to us if they don't have car fare, which is an expensive item in the metropolitan area. Some of them do not have cars. We find they often do not come back unless they have a claim, so that counseling which may have been started sometimes is not continued. We lose contact with them, and do not always know whether they are still in the labor market."

d. Health and Physical Capacity

"When a laborer gets a backache or other physical ailments and can no longer perform in his usual occupation, he has very limited resources for other work. Our greatest problem with sawmill workers is severe physical disability."

This comment from an interviewer in a small rural office points up a hazard which may suddenly come upon any person. Loss of physical capacity, with attendant medical expense, lowered income, and problems of family care, may be a disaster. If the husband loses all capacity to work, the wife may have to assume the burden.

The same interviewer commented: "Women seem to live with their physical disabilities better than men. Their worst problem is when they are thrown on the labor market unexpectedly, by the husband's death or illness. Some of them have had very little work experience or training. They can't get into occupations with the same pay scale as the husband's."

While older workers are in general less prone to industrial accidents than younger ones,⁴ some do encounter severe health problems with advancing age. Less serious physical problems may also be troublesome:

Hearing defects may hamper placement in jobs where use of the telephone is important.

Bifocals may cut down job prospects for a pipefitter who has been used to working overhead or in cramped quarters, or for a machinist who has worked to fine tolerances.

Varicose veins may make it difficult for the worker to be on his feet for prolonged periods.

The older worker who has had a long illness may be considered a dubious employment risk by an employer.

The excellent attendance record and low absenteeism rate of older workers as a group have been demonstrated in numerous studies.^{5/} They belie the assumption of some employers that hiring older workers will necessarily increase the costs of health and other group insurance. Nevertheless, ES interviewers report this is a common objection to acceptance of older workers.

3. Attitudes of Older Workers

The older worker's own appraisal of himself in relation to the labor market can greatly affect his employment prospects. An individual who takes a realistic view of his own capacities as well as his limitations, and who is strongly motivated to work, offers good potential to the employment interviewer. One who lacks self-confidence or fails to recognize personal traits which may be objectionable to employers may hamper his chances for employment by his own attitudes.

Some older worker attitudes which present difficulties in placement relate to personal problems, resistance to change, unrealistic job or financial goals, and attachment to the labor market.

a. Personal Problems

People tend to stereotype older workers on the basis of preconceived notions. They are said to be "talkative," "set in their ways," "hard to supervise". Although such assumptions may have little basis, in fact, some older workers do exhibit negative traits in the course of an employment or counseling interview. It is sometimes hard to help the individual recognize and correct personal problems of attitude.

Grooming may be a problem in clerical and other occupations where appearance is important. To quote one counselor, "Older people sometimes get careless about their appearance. Even a well-qualified and experienced older person with skills currently in demand may appear in the local office wearing attire not suitable for a job interview or for the occupation."

Lack of self-confidence and a general defeatist attitude may develop in the individual who is unaccustomed to job seeking, especially after several rejections by employers. Many need help in learning how to apply for a job. Older women who have been out of the labor market for some time are often uncertain whether they can perform successfully if they return. One older woman, who was placed in a typist job, came back to the local office after she was hired to express her concern about going to work. The employer was getting an electric typewriter for her, and she did not want him to "go to all that trouble" because she was afraid she could not do the job.

The older worker who expresses the feeling that he is "too old" may fail to recognize some of his other problems. Even though an employer may have other reasons for not hiring at a particular time, an older worker who did not get the job is apt to blame his failure on age.

b. Resistance to Change

Some workers, displaced in mass layoffs, have refused to accept the fact that there is no prospect of work for them in their former jobs. They have clung grimly to the hope that "something will turn up" and they will be called back by the former employer. The man with 20 years of seniority at the plant, who owns a home and has children in school, does not want to pull up stakes and head for a new community where job prospects may be better. As unemployment lengthens and resources dwindle, the family may not be able to afford such a change. The head of the family may hesitate to train for a new occupation, for fear he cannot succeed in the job. Even if he reluctantly decides to seek training, he may find that training allowances are inadequate to meet the financial needs of his family.

Individuals in these extreme circumstances would seem to have sufficient motivation for major changes in their employment patterns, yet some resist. Others with marginal skills sometimes exhibit negative attitudes towards taking training or trying to do a different job. Some may eke out a living with the help of unemployment insurance or welfare assistance.

Pensioners who need additional income may be afraid of jeopardizing social security or other pension rights. They fear that if they get "off the pension" they cannot get back on.

Prestige is important to the professional worker and the former executive. Said one interviewer, "Professional employees seem more willing to take a cut in pay than

in prestige." The individual who has had a job with some supervisory authority may develop emotional problems when faced with the prospect of having to accept a subordinate job if he expects to continue working.

c. Unrealistic Goals

The desire to maintain an accustomed standard of living may result in unrealistic financial demands. A worker who has reached the top of his pay bracket when he loses his job may not realize that the going rate of pay for most jobs in his occupation is far lower. A legal secretary who retired while making \$650 per month but is willing to come back at \$550 per month may still be priced out of the labor market.

Older workers sometimes have unrealistic occupational goals. A man who worked 30 years for the same company may think of the labor market as it was when he began his career, and assess his own capacities as they were at that time. A construction laborer, who has worked around engineers for 35 years, and whose back is beginning to trouble him, may decide that he wants to be a construction engineer, even though he lacks a high school diploma.

d. Attachment to the Labor Market

Older workers continue to work for three main reasons:

- (1) They need full-time work to support themselves and their families;
- (2) they need to supplement retirement income; and
- (3) they "want to have something to do."

The first group is generally determined to remain in the labor market, but workers in the other two groups may come and go.

A task force assembled by the Bureau of Employment Security in 1961 to consider older worker problems made this recommendation which can still serve as a goal:

"Techniques are needed to distinguish those older applicants, particularly those at or near retirement age, who genuinely want work from those who are really searching for an activity which will keep them busy. Such techniques would help the ES identify those individuals desiring remunerative jobs and those whose needs could be met by non-vocational community services."

C. EMPLOYER ATTITUDES AND HIRING PRACTICES

1. Is There Age Discrimination?

"Employers are in business to make money. Some of them feel that they make more money from younger workers. Even employers who are receptive to hiring older workers don't want to get all of their employees in one age group." This comment reflects a general feeling by local office staff that employers are more concerned with production than with the problems of the aging. As one interviewer expressed it, resistance to hiring older workers is "like the minority problem--it's below the surface. It doesn't show, but you know it's there."

Most employers are aware of the anti-age discrimination law (Sections 2070-2078 of the California Unemployment Insurance Code). Consequently, few age-discriminatory orders are being received statewide. Occasionally, a small employer or one who wishes to hire a domestic will attempt to place an age limit on the order, but interviewers say they can easily be persuaded to remove it. However, local offices report that some employers do not place an order and terminate the conversation when the ban on age limits is mentioned.

Local office placement staff feel strongly that age limitations in employer and private agency advertising, now permissible under the law, (i.e., "Typist-Age 18-50"), obviate efforts to obtain relaxation of age requirements on job orders placed with the local office. Many interviewers said, in effect: "If the employer can recruit the age groups he wants through advertising, why should he give his job order to the Employment Service, which is bound by the age discrimination law in its advertising and placement practices?"

The language in Section 2072 concerning "bona fide" pension plans has caused problems of interpretation. Local office staff would like to see it eliminated. They would also like to see the present law strengthened by specific measures for enforcement of anti-age discrimination provisions in the California Unemployment Insurance Code, including methods of processing complaints, an appeals procedure, and a compliance or mediation service. The present lack of adequate enforcement provisions makes it almost impossible to determine the nature or volume of complaints, since few are filed and local authorities maintain no records on the subject.

Although local office staff in general made few suggestions about how enforcement provisions should be administered, the Department of Employment has previously recommended that a compliance service should be established for this purpose within the Fair Employment Practices Commission.^{6/}

ES placement staff also suggest concentrated effort at State and Area levels to encourage Federal, State, county and municipal public agencies to modify physical and age-hiring requirements. County and municipal civil service and government agencies are considered by some local offices to be the most restrictive, some having upper age limits of age 50 for clerical and other jobs. Recruitment for some Government classifications tends to emphasize recency of education and age, regardless of actual job requirements.

2. Employer Objections

Some employer objections to hiring workers over age 60 were reported by a Bay Area office:

- a. Promotion from within--employers do not wish to hire and train an experienced person at the entry level.
- b. They do not want to train workers for "just a few years".
- c. Recency of experience: Some professional jobs require a college degree, and there is a local tendency to demand three to five years of recent experience. There are many highly technical jobs in this area, where earlier experience or training may not be related to the immediate job requirements.
- d. Some employers do not want "heavy nonrelated experience." Some comments of employers on the "over-qualified" applicant are reported by the same office:
 - (1) "Applicants with too much experience can be 'trouble makers'."
 - (2) "They want to tell you how to do it."
 - (3) "We want individuals who can be hired at a job comparable to the one which they have had during the past 5 years."

The employer's desire for trainees who will remain with the firm and are promotable was frequently mentioned:

"In one occupation, Management Trainee, you know there is an age limit but the employer does not mention it. They want people who will stay with them for a long time, and they just do not hire people over a certain age. They don't put the age specification on the order. If we refer 6 or 7, they know they don't have to hire the one that may be the older worker."

Even so, some local offices report successful placements of older workers as Management Trainees.

3. Physical Examinations

Stringent physical examinations may screen out the older worker with any medical history. Even some of the younger workers cannot pass the physicals--on one order 12 people were rejected, most of them under 40. Local office staff feel that physical requirements for some jobs are too rigid, and constitute a form of "hidden discrimination" against the older worker.

The following comment by the manager of a local office in a mountain community is typical of areas where physical capacity is at a premium in the labor market.

"The industry here is lumber. Mills will keep their help up to age 60--this is not in the union contract--because of the insurance. The worst thing here is back injuries. If a man injures his back, he is just out of the labor market. They sometimes lead to long, involved workmen's compensation cases, and the employers don't like that."

4. Wages

In general, wages offered to older workers are at the going rate for the occupation, and in fact premium wages may be offered to a worker with long and specialized experience. However, usual rates of pay are low for some jobs which employers and interviewers alike tend to consider as "older worker occupations"--for instance, room clerk, custodian, building watchman, or parking lot attendant. Low wages for domestic workers in some locations affect the earning capacity of many older women.

Older Worker Specialists feel that some placement interviewers tend to consider a job paying \$1.25 per hour as "something for the older worker". This was borne out by the response of many interviewers to the question: "In which jobs do you find it easiest to place older workers?" Low-paid service occupations for both men and women were almost invariably mentioned, while professional jobs were generally cited as among the most difficult for the placement of older workers.

Most local offices receive some substandard orders, and on some of these employers are undoubtedly angling for the older worker. In one medium-sized community with a large number of retired professional people, but few job openings in these classifications, the comment was made that "some employers think a pensioner should work for less money. They want to pay \$200 a month for a \$700 man." Some employers make special arrangements with pensioners to keep their earnings under the amount allowed by Social Security.

Occasionally, employers endeavor to place job orders for domestic workers at 50 cents per hour, or offer "room and board and a good home" to a pensioner in return for domestic work. Employment Service policy permits cancellation of job orders when wages or conditions of employment are below prevailing standards in the community, and this policy is explained to employers who attempt to place such job orders.

Employment Service-sponsored programs such as Senior Repairman and Homemaker lead to employment at going wage rates, and under acceptable working conditions. Other programs such as Experience Unlimited, which offers placement assistance to professional and managerial personnel, and job clinics for mature women planning to enter or re-enter employment, help older workers to compete in the labor market on more equal terms.

However, the full extent of the older worker's economic problem is only partially revealed in the operations of the Employment Service. Of the more than 1 million Californians aged 65 and over in 1963, only about 22,000 filed new applications for work with the California State Employment Service. The extent to which employment may be needed by the balance of this group, or the prevalence of substandard wages and working conditions among those who find jobs through sources other than the State Employment Service, can only be surmised. The median income for the aged, cited on pages 38 and 39, shows that half the 65-plus group are subsisting at poverty or near-poverty levels, generally defined as an annual income of \$3,000 or less for a family of four, and \$2,000 or less for the single individual living apart from a family group.

5. Retirement and Group Insurance Plans

Interviewers feel the effect of retirement and group insurance plans on employers' hiring practices is not fully understood. The following comments are summarized from the remarks of a number of local office staff:

"We need more factual information on the effect of age on employers' group insurance for life and health. Can we show employers that their rates will not rise if they hire older workers? Similarly, we need more information about retirement plans--what are modern practices? What about plans which permit the worker to take his retirement from one employer to another?"

"State, Federal, and local government retirement plans should be reviewed in terms of employment possibilities for older workers. They have some built-in restrictions. Some retirement plans now have a top of age 62, and some have age 60. Some union pension plans have built-in age requirements. These age limits have an effect on our placement of older workers."

Some large employers will waive retirement provisions for key employees. Many professional applicants are nonunion, and do not come under union agreements concerning retirement.

An increase in "financial incentive" plans offering special benefits at ages 58 to 62, to induce early retirement, was reported in the Bay Area. Major oil companies are among firms with such plans. However, local offices are uncertain of the effects on local employment.

Several suggestions were made by CSES staff on retirement and pension plans:

- a. Encourage government and industries to arrange a sliding scale of reduced hours in connection with long-range pre-retirement planning. Opportunities should be explored for "2-for-1" jobs where two older workers might share the same job assignment on four-hour shifts.
- b. In line with the need to create more job opportunities, pension plans which combine a retirement rate based on the three or five years of highest earnings, plus longevity on the job (such as the State Employees Retirement System) might also include provision for reduced hours or earnings after the employee has achieved his earnings peak. Some older workers would welcome the opportunity to take a reduction in present earnings if they could stay on the job longer and improve final retirement benefits by added years of service.
- c. The legislature should enact a California Portable Pension Act, similar to Canadian legislation now in effect. The law should provide for compulsory vesting rights in California and for funding pension costs of small employers.

6. The Garment Industry

The garment industry deserves special mention as one of the brightest spots in the employment picture for California's older workers. While the work is hard, the pay is good and in the metropolitan areas where the industry is concentrated operators can continue into their 80's if they still meet production standards.

When asked why employers in the garment industry are so receptive to older workers, staff of the Los Angeles Apparel Office made the following comments:

"Many garment employers are small--they do not have a big personnel set-up or big personnel problems. Many are partnerships, some of these were production workers themselves, and they are inclined to be paternal with

older workers. Some employers feel a sense of loyalty to their older workers. They will put them on odd jobs if the worker cannot do the regular piece work.

"Employers don't care much about age for sewing machine operators, as long as they can do the work. But after age 45, it may be hard to place trimmers, folders, and floor girls (entry jobs).

"Tailors find no problems at any age, as long as they are physically able. Cutters do need physical strength, as some exertion is involved. There is no 'second line' outlet for them. The entry job to this occupation is spreader.

"Much of the work is piece work and if the employee is producing, the employer is not suffering. He has nothing to lose. Personal appearance and voice are not important in placing workers in garment occupations. These workers do not have to meet standards which might apply in commercial or other kinds of occupations. If they can still 'make production', employers have no objection. There is a great deal of pressure in this industry, and some workers become 'older workers' at an early age because of the pressure of the production line. Much of the work is on a piece-work basis."

D. ORGANIZATION OF OLDER WORKER SERVICES

1. "Mainstream" Services

Most services to older workers are provided in the "mainstream" of local employment office operations. Older workers who file their applications for work are interviewed, assigned occupational classifications, and considered for referral to job openings or individual job development warranted by their qualifications. They may be sent to the employment counselor for special help with job problems. They are given information about local job prospects and those in other areas, and briefed on wages, hours and working conditions in occupations for which they might qualify. When skills are rusty or job prospects in former occupations are poor, they may be considered for retraining under the Manpower Development and Training Act and State programs offering training allowances, and for possible referral to other job-related training (for sales work, as Family Aides, and similar local programs).

2. Special Services to Older Workers

The urgent and growing problems of employment for older workers have for years been a matter of grave concern to the Employment Service. In strengthening efforts to deal with these problems, the Employment Service in 1959 designated

Older Worker Specialists in each of its local employment offices. The job of the local office Older Worker Specialist was outlined in a duties statement released to the field by Division Notice 2080 Q, dated March 11, 1959. A copy of this statement appears on page 84.

An older worker may be referred to the Older Worker Specialist from any point in the office, including the claims section, when the interviewer recognizes an employment problem connected with age. The "Older Worker" Guide Card, DE 4751A, is available as a source of clues to the need for special services. (A replica appears below.)

"OLDER WORKER" GUIDE CARD

DEFINITION:

An older worker is a person who is encountering, or may be expected to encounter, difficulty in getting or keeping a job principally because of his age.

Clues for Identifying His Need for Special Services

1. Long, specialized experience-suitable job opportunities are lacking because:
 - a. Technological changes.
 - b. Industry declined or left area.
 - c. Job does not exist in small establishments.
 - d. His experience is no longer required.
 - e. Lack of job orders in his occupation.
2. Unrealistic demands-wages, working conditions, etc.
 - a. No longer qualifies for previous position.
 - b. Relates demands to needs rather than abilities.
 - c. Long, unsuccessful search for employment.
3. Type of work too heavy, too fast, or makes excessive physical demands.
 - a. Lost last job for one of these reasons.
 - b. VQ'd last job for reasons of health.
 - c. Cannot meet production standards for this work.
4. Lacks marketable skills or skills rusty.
 - a. Re-entering labor market after long absence, or no previous work experience.
 - b. Retired, or out of labor market for long time.
5. Unusual difficulty in getting or keeping job.
 - a. Unemployed three months before registering.
 - b. Repeatedly rejected by employers.
 - c. Several recent short-term jobs.
6. No successful referral by L.O. within reasonable time.
 - a. Three months in L.O. without referral.
 - b. Repeated unsuccessful referrals.
7. Does not understand reasons for unemployment.
 - a. Furloughed, not rehired with others.
 - b. Not rehired after accident or illness.
 - c. Rejected for jobs without plausible reasons.
8. Seriously discouraged, lost confidence, low morale.
9. Appearance and attitude make him a poor referral.
10. Referred for assistance by another agency.

DE 4751A (4-61)

RECOMMENDED DUTIES OF LOCAL OFFICE SPECIALIST
ON SERVICES TO OLDER WORKERS

Job Summary

Under the direction of the Employment Service Supervisor, serves as local office specialist responsible for giving functional supervision to local office services to older workers.

Duties

- A. Assists line supervisors in conducting reviews of application taking, counseling, job development, placement, and other local office services to older workers, and determining improvements needed.
- B. Trains, or assists in training, local office personnel in the program of services to older workers, with, or under the direction, of the State Supervisor of Services to Older Workers.
- C. Follows through on training given by making periodic checks on actions taken to assure effective service to older workers.
- D. Assists employment counselor in resolving unusually difficult counseling problems presented by individual older workers.
- E. Participates in staff clinics and on case evaluation teams to assist in resolving special problems of unusually hard-to-place older workers.
- F. Cooperates with employer relations representatives, the veterans employment representative, the selective placement interviewer, and other staff members in developing job openings for unusually hard-to-place older workers.
- G. Cooperates with order taking, selection and referral, employer relations, and the appropriate State office staff in attempting to obtain relaxation of restrictive age specifications.
- H. Reviews or assists in reviewing active application files periodically to identify those older workers who remain unemployed for a considerable length of time, and assists in determining the services needed to facilitate their employment.
- I. Stimulates, plans, and participates in the local office promotional and public relations program (1) to present facts about employability of older workers and to minimize restrictions in hiring because of age, and (2) to inform older workers of services available to them through the local office.

- J. Conducts educational institutes, forums, demonstrations, and other types of meetings to increase management, labor and community acceptance of qualifications of older workers.
- K. Serves as liaison representative with all cooperating agencies and organizations providing services to older workers.
- L. Stimulates the development of refresher, educational, and skill broadening training courses for older workers.
- M. Performs related duties as required to facilitate suitable employment of older workers.

a. Budgetary Limitations

Since 1959, automation and changes in the economy have greatly increased the number of older workers who need intensive help in finding employment. There is an immediate and pressing need to improve the quality and expand the volume of special employment services to these workers. In its proposed budget for Fiscal Year 1965, the Department of Employment requested 44 positions for older worker services, of which only 20 were approved. This request included positions for one State Supervisor of the program and four full-time Area Coordinators, with the balance for local office use. The staffing pattern would have provided a full-time specialist in large offices and at least part-time service in all offices. The budget request proposed to finance program improvements along the following lines:

- (1) A change in the concept of the job of the Older Worker Specialist from primary responsibility for direct services to individual applicants, to one in which the major portion of the time is spent on developmental, community and analytical work.
- (2) Extension of special programs such as Homemaker-Family Aide, Experience Unlimited, Maintenance Gardener, Senior Repairman into additional local offices, and development of other special placement programs designed for older workers.
- (3) Regular analyses by the Older Worker Specialist of the applicant file, daily intake, and closed orders.
- (4) Follow up on orders closed because an employer refused to lift an age restriction, with a personal call on the employer by the Older Worker Specialist.

b. Present Status of Program

At the time of the field survey, attempts to extend and improve the program along the foregoing lines were

severely limited by lack of staff time. Two of the four Area Coordinators were performing other duties in addition to their older worker assignments. One resigned in mid-1964, and the position remained unfilled for several months. Only one Area Coordinator was attempting to make full-scale evaluations of the older worker program in individual local offices.

Of the 32 local offices surveyed, nine had a "full-time" Older Worker Specialist but four of these also performed other duties, mainly in counseling applicants other than older workers, in regular job development and placement, or in contacting employers to promote the use of the Employment Service. One local office had no individual designated as OWS, because of recent personnel transfers. Among the offices with part-time specialists, there were various combinations of duties with the OWS assignment. Some typical combinations were OWS-Counselor-placement, OWS-Employer Relations Representative (ERR)-placement, and OWS-ERR-Veterans Employment Representative (VER).

Others were:

- . Counseling, employer relations, assistance to parolees, and regular placement.
- . Counseling, selective placement, regular placement.
- . Placement, employer relations, parolees, completion; occasionally collects material for industrial and occupational briefs.
- . Claims supervisor (one office only).
- . Counseling, youth program, selective placement, employer relations, placement.

Combinations of duties which seemed to be most compatible were OWS-VER, OWS-Counseling if the individual is a trained counselor, and OWS-ERR with emphasis on contacts with community organizations and promotion of older worker employment. One OWS suggested a "one out--one in" team of combination OWS-ERR's, so that one individual would continue developing job prospects in the field without interrupting full-time older worker services in the office. The OWS-ERR combination, when there is no other part-time OWS in the office, cuts down the amount of time available for older worker activities within the local office.

The OWS duties statement contains in the Job Summary section the wording, "responsible for giving functional

supervision to local office services to older workers." However, it did not appear in any of the local offices visited that the Older Worker Specialist was actually giving functional supervision to the program, either by coordinating efforts of other staff members, by training other local office personnel in the program of services to older workers, or by assisting line supervisors in conducting periodic reviews of these services to determine improvements needed. Most Older Worker Specialists have so many other assignments in addition to their OWS duties, that the amount of time available to them for these activities would be very limited.

3. Employment Counseling

Employment Counseling is one of the most pressing needs of older workers who are out of a job, when faced with the problem of changing occupations or adjusting to different conditions in the kinds of work they know best. It is one of the most important services that local offices can provide older workers.

Despite the need and importance of counseling for older workers, it appears that the volume of service is decreasing. In Fiscal 1964, older workers constituted 12.7 per cent of the employment service initial counseling load, a drop from 14.2 per cent during the preceding fiscal year. This drop undoubtedly is due to budgetary restrictions. We presently have about 270 counselors; we estimate that almost 550 are required to meet total counseling needs, including older workers.

Local office personnel believe that the older worker should be brought into counseling earlier, before he has exhausted his unemployment insurance and other resources, and that the counseling should be more intensive. His problem should be more fully explored: Does he want full-time employment, or part-time employment to supplement retirement income? What additional skills and interests does he have which can be built upon if he must make a change of occupation? How can he be motivated to take training, if it is needed? What information does he need on other jobs and on labor market conditions in general?

Pre-retirement counseling is greatly needed but few communities have active programs, according to Older Worker Specialists. They believe the California State Employment Service should work with educational authorities to develop and extend facilities for this type of counseling. An examination of successful programs should help to identify essential content and effective methods so that the programs can be extended into communities not now providing this service. Many OWS's remarked on the need to approach pre-retirement counseling even at the high school level, in connection with

vocational guidance. The young person starting out in life today should know that he may have to make a dozen or more major occupational changes during his working years.

Many older workers do not need counseling in terms of the usual definition--choice of an occupation, adjustment to their occupation or job, or change of occupation. An unemployed older worker may need considerable reassurance about applying for work even in his usual occupation. He may find it hard to accept the fact that he may not command the same rate of pay on a new job. He may need intensive briefing on the labor market--the kinds of jobs available, where they are located, what they pay. Helping an older worker regain his place in the labor force may involve a great deal of time and the use of counseling techniques, but the activity may not fall into the present definition of counseling. The amount of time required for these services may be obscured in the morass of "services not elsewhere classified", or it may add to the placement unit time if indeed a placement does result. In any event, it is an expenditure of hours which present budget methods tend to bury.

E. COMMUNITY ORGANIZATION

1. Community Involvement

There is a dearth of community organizations with active programs to improve employment opportunities for older workers. Community advisory committees on employment problems of the aging were active in three large local offices; similar groups in several other communities were inactive. Older Worker Specialists have found it difficult to organize community groups or keep them going. One problem is to find specific local projects within the resources of the committee, where accomplishments can be seen. Lack of funds is generally a problem. Local groups need help in formulating projects for which funds could be obtained from government or foundation sources.

Several women's organizations--such as Altrusa, the Business and Professional Women's Club, the Soroptimists, and the YWCA--have cooperated in programs to help mature women re-enter the labor market. However, the activity varies from one community to another. "Job clinics" have been among the programs which these organizations helped to sponsor. Adult education authorities have been cooperative in providing staff and facilities for such projects and in setting up a variety of short-term training classes.

Senior Citizens' groups tend to be interested in recreation or problems of health insurance and pensions, rather than employment. Community Welfare Councils and similar organizations concerned with older people's problems have not

stressed employment. A representative of one Community Welfare Council in a large city expressed the opinion that older workers' employment problems are outside the welfare field, and that the State Employment Service should take the initiative in organizing community efforts to deal with them.

There is a question as to who in the CSES should spearhead attempts for developing active local programs to improve older workers' employment opportunities. Local offices feel hampered by limitations of time and staff. In the metropolitan areas, community groups may cut across local office boundary lines. Although communications may be maintained at the area level, some local Older Worker Specialists feel strongly that they need closer personal contact with key individuals and organizations.

2. Operations of a Community Employment Committee

An example of an effective Older Worker Advisory Committee is the organization in Bakersfield, one of the few communities where such a committee is active. The Older Worker Specialist in this local office has been extremely successful since 1959 in maintaining the interest of the group in the employment problems of older workers. Basic local employment problems continue to be a lack of new industry, and the surplus of older workers with limited skills. The committee has no budget and there are continuing questions of "who pays and who doesn't", in connection with the preparation and mailing of meeting notices, postage, phone calls, preparation and duplication of programs, and other operating details. The local OWS feels that the committee must have a full-time co-ordinator if an effective, continuing, long-term program is to be developed and carried out. He has devoted much overtime to this activity. He feels that some means should be found to finance the nominal costs of operations and that the State should pay some of the expenses involved in special activities such as the recent Older Workers' Workshop.^{7/}

The local committee was set up following previous attempts to secure co-operation through the Community Council and other local organizations. Follow-up on the recent workshop was planned largely at the instigation of a representative of one large employer who said, "If we don't do something, the government will tell us what to do."

The local OWS feels that for any effective committee it is essential to:

- a. State objectives specifically.
- b. Develop a constitution and by-laws.
- c. Identify and engage in long-term projects.

An effective part of the local committee program has been a Speaker's Bureau. Experienced public speakers who were members of the committee volunteered to appear before community groups in support of services to older workers. Letters were sent to community groups, offering the speakers. Although this activity is not currently being conducted, it might be revived.

Members of the committee have felt that a film could be useful.

The local committee is interested in sponsoring something like the "Little House" project currently active in Palo Alto.

Programs such as the "Family Aide" project and "Senior Repairman" program have been brought to the committee's attention with the reaction that there was no need in this community for such programs. The OWS feels that these projects might be again presented to the local committee.

Problems related to retirement and pension plans might be of interest to the local committee as a long-term project. The OWS planned to bring these problems to the attention of his group.

3. Employer Policy Statement

An "employer policy statement" on the employment of older workers was suggested by some local office staff members as a means of strengthening the efforts of a Community Advisory Committee. Such a statement should include a declaration that the company makes every effort to build a balanced work force and seeks to recruit individuals qualified for specific jobs with full consideration for their skills and abilities, and without regard to arbitrary factors such as age.

The statement might cover:

- . The company's willingness to assume its share of the total community responsibility for providing work consistent with efficient and profitable production.
- . The company's agreement to consider older workers on an individual basis and to hire mature workers when they meet the full requirements of the job.
- . The company's policy to assemble a work force of qualified persons who perform their individual jobs competently and who can maintain high quality and efficient production.

A statement of this nature, prepared for statewide use, should be promulgated by the Citizens' Advisory Committee on Aging,

the State Chamber of Commerce, State and local employment advisory committees, community groups, and all other available outlets.

4. Special "Action Projects"

Among numerous studies of older workers' employment problems, two "action projects"--one in operation, the other a proposal by CSES staff--deserve special mention. The first project, which is currently underway in San Francisco, is beamed toward improving techniques for helping the "60-plus" worker find and adjust to a job. The second is a proposal for identifying the actual performance requirements of jobs in which many older workers could be employed with some relaxation of hiring or performance requirements.

a. Project "60"

A research project in San Francisco was begun in 1964, to determine the employment needs and attachment to the labor market of "over 60" workers, and the special services, including training, which they require to "stay employable". About 2,000 job applicants registered in the San Francisco Employment Service offices are involved. Physical and mental examinations, needed social services, and job development will be provided through the cooperation of several community agencies, including the California State Employment Service. The project is expected to last about two years, and will be partially financed by OMAT and grants of funds from outside sources.

The research will go to such fundamental sociological questions as: What are the reasons for seeking work at this age? How willing are applicants to accept suitable jobs and how serious are their efforts to seek work? What are the employment opportunities for these older workers compared with their qualifications? How does the length and frequency of unemployment of older workers compare with that of younger workers? What health problems or handicapping conditions do these older workers have which are related to their employment potentials? For those who are seeking work to attain a satisfactory standard of living, what percentage of this desired living standard is currently being met by income from the Federal Social Security program, from private pension plans, and from other sources?

The program should develop tested techniques that are effective in finding employment for workers in the older age groups, particularly group counseling and job development and training for groups, experience in how to staff and organize effective employment service for older people, realistic data on the cost of providing the kind of

employment service needed by people in their 60's, and guidance for other agencies and communities on ways to solve the employment problems faced by persons in the upper age groups which may be useful also in services to younger groups.

b. Analysis of Actual Job Performance Requirements

Examination of the real performance requirements of many jobs would reveal that physical demands and educational qualifications are often overstated. The requirement of a high school diploma, for instance, may be merely a screening device with little or no relationship to the actual job requirements. Similarly, physical demands may be set higher than necessary for successful job performance.

It has been suggested by CSES staff members that the California State Employment Service and the Citizens' Advisory Committee on Aging develop a plan for making job analysis studies in selected plants of large employers who have already expressed an interest in hiring older workers and the physically handicapped to establish valid job performance requirements in occupations where older workers are employed in substantial number or where their skills could be utilized with some changes in hiring requirements. Firms such as Lockheed, Hughes and Litton have been among leaders in utilizing the handicapped and other special applicant groups, and their advice and experience would be extremely valuable in formulating plans for such studies and in enlisting the support of other employers. Trained job analysts of the CSES could be used to make the on-the-job studies.

The Employment Service already has available hundreds of job specifications, as well as studies made in connection with the Manpower Development and Training Act, which could provide resource material. Studies made in connection with the automation project should also provide a background of guide material. However, it should be borne in mind that job specifications and job orders in most instances embody requirements as stated by the employer and may set a standard higher than needed for actual job performance. An essential part of the job analysis project proposed would be to secure the interest and support of employers and unions, who in the past have been somewhat resistant to any suggestion of job modification. The matter of job modification, in which the elimination of one or two tasks may remove hazards or physical requirements which might prevent older workers or the handicapped from performing the job, should be thoroughly reviewed with union leadership for possible impact on job pricing and wage scales.

The job analysis approach to the establishment of true performance requirements might provide answers to such questions as:

- . Are we maintaining people on welfare who could perform successfully and support themselves if physical demands for their jobs were modified?
- . Are we retraining workers needlessly when with small changes in job requirements they continue to perform their present jobs or be moved to related jobs in the same plant or industry where further training is not necessary?

These studies could also explore job relationships and lines of transfer which would make it possible to utilize the skills and abilities of older workers being displaced by automation or who can no longer function on their former jobs. At the State level, industrywide committees enlisting both management and unions could lend essential support to these efforts and could encourage employers to find alternate employment within the plant, when possible, for older workers facing layoff because their skills are no longer in demand. They could also give needed impetus for on-the-job retraining.

F. TRAINING

1. California Retraining Benefits Programs (SB-20)

This allows claimants for unemployment insurance who are in declining occupations to enroll in approved courses of training, if the training will make them able to compete again in the labor market. The Department of Employment determines the eligibility of the trainee. The claimant may receive the unemployment insurance benefits for which he is eligible during the training period.

With additional financing for counseling, testing, selection and referral activities, this program could be extended to additional claimants. During 1963, only 2,746 individuals were trained statewide under this program, of whom 512 or 18.6 percent were older workers.^{8/}

A wide variety of training is available through adult education divisions, offering the trainee many vocational goals. However, training under this legislation has been spotty throughout the State. Some local offices reported only one or two trainees. In San Bernardino during May, four persons aged 45 or over were taking training under SB-20. Their changing occupational goals illustrate the movement out of aircraft and aerospace production line employment:

<u>Age & Sex</u>	<u>Former Occupation</u>	<u>Goal</u>
Age 45, female	Stock Control Clerk	Stenographer
Age 53, female	Electronic Bench Assembler	Sewing Machine Operator
Age 45, female	Aircraft Assembly	Nurse, Staff
Age 47, male	Jet Aircraft Serviceman	Accountant, General

2. Manpower Development and Training Act of 1962

The adequacy of allowances, eligibility provisions and procedures of this Act have proven somewhat restrictive. Financing of training programs under MDTA has met with difficulties when funds were not available in time for schools to plan curricula and set up the training. Allowances have been inadequate to meet the needs of some family heads. It has been difficult in many local offices to bring together a large enough group to train, or to insure that jobs would be available when the training was completed. On-the-job training has been limited under MDTA, although it is provided for by the Act.

During 1963, there were 6,095 referrals to MDTA training statewide, of whom 1,102, or 18.0 percent, were aged 45 or over.⁹

Of these 1,102 older worker referrals

957 enrolled in institutional training or 17 percent of the total in this type of training

51 enrolled in on-the-job training, or 26 percent of OJT trainees.

For classes completed during 1963, there were 3,038 enrollees and 748 dropouts. Those 45 and over numbered

576 enrollees, or 28.9 percent of the total

125 dropouts, or 11.6 percent of the total

The dropout rate for the 45-plus trainees was 21.7 percent as compared to an average for the entire group of 24.6 percent. Although the number of older trainees was small, they demonstrated a capacity to stay with the training slightly greater than that of the group as a whole.

Typical courses in which older workers have participated include Licensed Vocational Nurse, Drafting, Custodian, Hospital Orderly, Stationary Engineer, and stenographic and clerical refreshers.

The MDTA program should afford more opportunities following recent changes modifying eligibility requirements and permitting referral to on-going classes. Approval of basic education courses under MDTA should benefit older workers with literacy problems.

Both MDTA and California retraining are too short to serve as a refresher in most professional occupations. Study for an advanced degree may take two or more years. Although there are scholarships available in some fields, the individual may not always be able to afford the additional expenses involved in a long period of training. Also, he may find much competition to get back in the occupation, even after he has completed academic training. There is a need for funds providing college and university training for professional individuals who lack current academic requirements for employment.

3. Area Redevelopment Act of 1961

This Act provides for establishing retraining classes in areas of substantial and persistent unemployment, if it will help workers acquire skills suited to new job opportunities being created under the Area Redevelopment Act. Up to the present time, there has been little training in California under this Act. With the inclusion of the Oakland area under this program, there will be more ARA training. These possibilities should be explored for older workers.

4. Job Corps (Economic Opportunities Act)

The possibility of employing older workers as teachers or in other capacities in connection with the youth camps established under this Act should be considered. This is an opportunity to bring together the group which needs training with the older group which has the needed experience and knowledge.

5. Vocational Education

Vocational education facilities need to be expanded and directed towards adults who lack education and skills which will help them to compete in today's labor market. The Governor, in his Economic Message for 1964, points out that although there were 23,700 apprentices in training in California, during 1964, this number should be four times as great to meet anticipated needs. In expanding apprenticeship programs, present age restrictions should be modified so that qualified older persons who need to change their vocations

could benefit from this valuable program. At present, this training is directed principally towards persons under age 25, ignoring the potential of those aged 45 and older who may still be able to perform in the occupation for 20 years or more. In view of the limited number of apprentices now being trained to meet anticipated needs, the possibilities of this program for older workers should be re-examined.

6. Local Office Suggestions on Training

Local office and other CSES staff made a number of suggestions on training for older workers, related to problems mentioned in the preceding paragraphs, and to recommendations elsewhere in this report. Their suggestions are summarized as follows:

- a. Education authorities should develop and use training methods suited to older workers' needs. Courses should be kept as short as possible to reduce the period of time in which an older person must subsist on his retraining allowance, and also in recognition of the fact that many mature individuals learn rapidly and can build on a background of experience which could reduce the length of the training.
- b. Structure more training for older people under MDTA, taking into account not only course content but also problems of personality and attitude including the older worker's difficulties in adapting to an unfamiliar school situation.
- c. Provide adequate training allowances to encourage older workers to enter retraining, particularly in cases where the training may be lengthy and may involve extra expense, such as transportation, child or nursing care for the family members, and moving costs. Relocation allowances should be made available when necessary to encourage the movement of unemployed defense workers caught in mass layoffs to areas where employment opportunities exist.
- d. For older workers with limited literacy, short-term training in basic reading, writing and arithmetic should be made available under MDTA or California retraining. Such training should not be tied in with training for a specific occupation.
- e. The California State Employment Service should endeavor to develop part-time supportive jobs, when possible, to help finance the trainees.
- f. Some means should be found to finance advance academic training of more than 52 weeks' duration for professional workers such as engineers, social workers, and others

who may lack the needed degree or certificate to remain in their occupation. The possibilities of modifying existing legislation, or providing other legislative means to finance such training, should be considered. In spite of continuing demands for teachers and social workers, the files of the Department of Employment contain hundreds of applications from individuals with long experience in these occupations who do not have a Master of Arts, Master of Social Work, or other advanced degrees essential to their continued employment in these fields.

- g. Tailor a short course for retired military personnel as Parole Officers or in work connected with the prevention of juvenile delinquency. Set up a program through the State colleges to prepare qualified military retirees for teaching.
- h. Provide daylight training classes for older women at adult education facilities, as many of them will not go out alone at night. This has been successfully accomplished in a number of locations, such as Berkeley and other schools in the Bay Area.
- i. The CSES should cooperate with local schools in developing "work exploratory" programs for older workers, to help them identify occupations and industries where they might find a place. Many older people know little about jobs outside the fields in which they have had experience or training. Such courses should be short term and should constitute an orientation to the current labor market in terms of wages, hours, working conditions, and potential locations of employment.

G. REFERENCES

- 1/ Page 69: President's Council on Aging, Report to the President, Washington, D. C., 1964.
- 2/ Page 69: Appendix A.
- 3/ Page 72: Appendix B.
- 4/ Page 73: Appendix A.
- 5/ Page 74: Appendix A.
- 6/ Page 77: Transcript of Proceedings of the Assembly Interim Committee on Industrial Relations, Los Angeles, California, September 19-20, 1963.
- 7/ Page 89: The Older Workers' Workshop held in Bakersfield, March 14, 1964, is reported in Chapter Four.

- 8/ Page 93: Figures on training under the California Retraining Benefits Program (SB-20) were taken from DE 3422 B reports received in the Department of Employment's Research and Statistics Section, January-December, 1963.
- 9/ Page 94: Source: Department of Employment Research and Statistics Report 513 M #2, July 21, 1964.

CHAPTER FOUR
COMMUNITY WORKSHOPS ON
EMPLOYMENT OF OLDER WORKERS

A. PURPOSES OF THE WORKSHOPS

As the result of initial planning by the staffs of the California State Employment Service, the Citizens' Advisory Committee on Aging, and the Institute of Industrial Relations, it was decided to design the workshops to serve the following purposes:

1. To seek basic information regarding the extent and kind of activities engaged in by those elements of the community most directly concerned or involved in employment of older people;
2. To encourage the review of existing public and private programs already functioning in the field and an evaluation as to their performance and effectiveness;
3. To explore, principally with local business, industrial, labor and community leadership, their specific suggestions and ideas for ways to expand and improve present employment opportunities for older people;
4. To compile information as to labor and management policies, as well as those of governmental agencies or programs, which have a bearing on hiring practices of older men and women;
5. To encourage analysis of what new or additional steps need to be taken through both administrative, legislative, or voluntary action that would result in improved employment opportunities for the older person.

The workshops' main thrusts were to have a positive orientation which focused upon solutions and action rather than merely to identify the obstacles that exist with respect to employment of the older person.

B. THE WORKSHOP CALENDAR

<u>PLACE</u>	<u>DATE</u>	<u>LOCAL SPONSORS</u>
BAKERSFIELD	March 14, 1964	Kern County Advisory Committee for Mature Workers
EUREKA	April 16, 1964	Division of Social Sciences, Humboldt State College
LONG BEACH	May 28, 1964	Senior Citizens Committee, Long Beach Community Council, Long Beach Chamber of Commerce, Division of Business and Technology, Long Beach City College

<u>PLACE</u>	<u>DATE</u>	<u>LOCAL SPONSORS</u>
OAKLAND	May 21, 1964	Industrial Development Commission, City of Oakland
PASADENA	June 10, 1964	Jobs After Forty Committee of Pasadena
SACRAMENTO	May 5, 1964	Sacramento City-County Chamber of Commerce
SAN DIEGO	May 8, 1964	San Diego Personnel Management Association, San Diego State College, Community Welfare Council of San Diego, San Diego County Labor Council, International Association of Machinists, University of California Extension, San Diego
VAN NUYS	April 15, 1964	San Fernando Valley Committee for the Mature Worker

C. WORKSHOP HIGHLIGHTS

1. Bakersfield

Mr. Karl Kunze, Personnel Director, Lockheed Aircraft Company, and Assemblyman Joseph M. Kennick were the principal workshop speakers. In his keynote address, Mr. Kunze presented a thoughtful summary of recent studies conducted on the employability of older people and described the experiences of the Lockheed Company as a major employer in employing and hiring the older person in various occupations. He emphasized that Lockheed's experience had not shown older workers to be inflexible to transferring to various jobs. He urged workshop participants to consider ways to develop more accurate information on the characteristics of older workers, improved vocational counseling of older displaced workers, and more specific information on occupations suitable for older workers within the community.

Assemblyman Kennick's address "Our Inescapable Duty to End Discrimination Against Older Workers" emphasized the interest of the Legislature to have a program of action developed from the study and included some specific proposals for attacking the problem of age discrimination in employment. (See Appendix).

Main proposals developed by discussion groups of the workshop stressed the importance of broader publicity and education of the general community regarding the qualifications of older workers; developing new fields of part-time employment

for retired persons; broader community-based programs of counseling and training and retraining for the unemployed older worker; and a more concerted effort to inform employers of the desirability of employing qualified mature older workers.

2. Eureka

Principal speakers were Mr. Samuel S. Johnson, President, Jefferson Plywood Company, Redmond, Oregon; and Mr. Paul W. Little, Chief, Public Employment Offices and Benefit Payments, California Department of Employment. Mrs. A. M. G. Russell, Chairman, Citizens' Advisory Committee on Aging, summarized the results of four group discussions in a final address.

Mr. Johnson's keynote address was provocative and stimulating since he cautioned against the development of large-scale programs to assist the older worker operated by government but, instead, encouraged government to request both labor and management to remove existing obstacles that discriminate against the older worker such as arbitrary upper-age restrictions, misconceptions about the work characteristics of older people, and inflexible public insurance and private pension plans that mitigate against employing older people.

Mr. Little's address was a clear description regarding the problems faced by workers 45 and over in California's labor force and the role of the Department of Employment in meeting these problems throughout California. To improve the Department's ability to meet its present responsibilities to older workers, he mentioned the need for industry to develop some system for "early warning" when jobs are to be eliminated and reduced, improved counseling and guidance services to the older worker by the Department, and improved surveys of labor market areas in the State that provide clearer current and projected information on job trends, job obsolescence, new jobs, and skill requirements, so that manpower needs can be merged with economic development.

Several worthwhile proposals emerged from the discussion groups of the workshop. Among these were possible legislation to make apprenticeship programs available to older workers needing to enter new occupations and for relocation allowances of workers involved in retraining programs with relocation to be a choice of the individual and not by force of law. In addition, there were general recommendations for more realistic physical examinations with respect to older employees rather than one fixed standard of physical capacity that prevents selective placement of new employees according to physical ability and the need for a local skill survey of the Eureka labor market area which could be a useful base in finding solutions to the employment problems of older workers. It was also suggested that a community committee be established to work with the Eureka Employment Service Office in an effort to educate and encourage hiring of older people.

3. Long Beach

Mr. James C. O'Brien, Executive Director, Retired Workers Committee, United Steelworkers of America, AFL-CIO, Washington, D.C., keynoted the Long Beach Workshop. He presented the experiences and thinking of the United Steelworkers regarding its recent contract with the steel industry as it affects retirement policies and programs and employment of the older worker. He urged consideration and development through both collective bargaining and legislation of portable pension plans to insure greater mobility of the labor force, joint labor-management programs of preretirement education to aid in the often difficult transitions from a work to retired status, and implied that part of the concern with employment of the older worker is the fact that America is a "work-oriented" nation which has not yet been able to satisfactorily adjust to the use of leisure time.

The Long Beach Workshop included discussion groups on the subjects of counseling and retraining, job development and the local economy, and insurance costs and the older worker, and preparation for retirement. Each discussion group developed specific recommendations including such proposals as modification of the present retirement test of the social security program as an incentive to those wishing to continue work, encouragement of portable pension programs, study of workmen's compensation and disability insurance claim experiences of older workers, legislative action to give direct responsibility to public schools and colleges to develop counseling programs for older workers, improve programs of public education and information for both employers and employees regarding the abilities of older workers, community encouragement and assistance to the development of small businesses operated by older men and women, similar support of part-time employment for semiretired or retired persons interested in employment and broad action at the community level in developing suitable preretirement programs.

4. Oakland

This workshop reflected in its content and participation the sponsorship of the City of Oakland and its Industrial Development Corporation which resulted in excellent attendance from key management and industrial leadership in the East Bay Area. Mr. Curtis B. Gallenbeck, Marketing Manager, School System, Inland Steel Products Company, Milwaukee, Wisconsin, and Mr. Nathaniel Brooks, Consultant, Older and Retired Workers Department, International Union of United Automobile, Aircraft, and Agricultural Implement Workers of America, Detroit, Michigan, were the principal speakers. Mr. Brook's address "A Model for Action on All Fronts to Improve and Expand Employment Opportunities" was one of the most detailed presentations of specific steps that might be taken in developing sound employment policies and opportunities for

older people to be found. It is included almost in its entirety elsewhere in this report. Mr. Gallenbeck listed, for workshop participants, the fundamental problems concerning employment of older workers and described several specific steps which any community could take in maintaining and increasing employment opportunities for their older work force.

The Oakland workshop also featured five group sessions asking:

- "What the Community Can Do? "
- "What Can Employers Do? "
- "What Can Organized Labor and Individual Workers Do? "
- "What Employment Services and Labor Market Information Is Needed? "
- "What Basic and Vocational Education Is Needed? "

Due to the breadth of proposals developed in these workshops, the excellent summary made during the final session of the workshop by Dr. Margaret S. Gordon, Associate Director, University of California, Berkeley, is included in its entirety in the Appendix.

5. Pasadena

Held under the auspices of the Jobs Over Forty Committee of Pasadena, this workshop's main highlights were an excellent keynote address by Mr. R. N. Rives, General Personnel Manager, Northern Area, Pacific Telephone and Telegraph, and four group sessions on "What Is the Local Experience in Hiring the Older Worker". "The Qualified Older Worker", "Are There Cost Factors That Militate Against Hiring the Over 40 Worker", "Is There a Need for Community Programs to Promote the Acceptance of the Older Worker", and "What Changes or New Legislation Should Be Recommended to Encourage Older Worker Employment, or Is Education and Research the Answer? ".

The keynote address spotlighted four problem areas which industry needs to give attention in employing older workers:

- a. Overcoming management resistance to hiring the older worker;
- b. Recognizing the older employee's need for training and retraining;
- c. Supporting counseling services by community agencies when there is a conflict between the job and the applicant's domestic situation; and

- d. Examination by management of current job requirements, procedures, and personnel and training policies to make sure that their standards are not geared solely to younger workers.

The workshop's group sessions produced a number of ideas and proposals including more emphasis on helping older workers find full- or part-time employment in retail trades, selling, and seasonal work; support for a study to determine if private insurance or pension costs could not be arranged on an industry-wide basis; continued emphasis and strengthening of training programs and counseling services; support of additional training and counseling services for older persons by the Department of Employment and public schools; and a legislative appropriation for a comprehensive study of the actual costs incurred by employers when hiring the older worker. Assemblyman Frank Lanterman of Canada concluded the meeting with a brief statement reflecting interest of the Legislature in finding workable ways to help older workers maintain or find employment.

6. Sacramento

Held under the local cosponsorship of the Sacramento City-County Chamber of Commerce, this workshop featured informal discussion groups that examined job opportunities for older workers in professional, technical, and management fields, the clerical and sales fields, and skilled and unskilled production jobs. As in other workshops, there was recognition of the need for broader public and employer education about older workers, more adequate economic and social policies regarding eventual retirement, examination by employers of hiring policies which may arbitrarily discriminate against workers because of their age, and some feeling that smaller industries and concerns offer better employment prospects, in general, for the older workers who must change their employment.

Another focus of the workshop was on management-labor attitudes towards the older worker. Mr. E. P. James, Manager, Professional Placement, Industrial Relations Division, Aerojet-General Corporation, Sacramento, discussed the topic, "Management Looks at the Older Worker", and Mr. Don Vial, Research Director, California Federation of Labor, AFL-CIO, San Francisco, discussed "Labor Looks at the Older Worker". Both speeches are included in the Appendix of the report.

7. San Diego

Under a broad spectrum of community cosponsorship, and held at La Jolla Campus, of the University of California, the San Diego Workshop was one of the most comprehensive of the entire series. Main speakers included Mayor Frank Curran of San Diego; Dr. Oscar Kaplan of San Diego State College, Member, Citizens' Advisory Committee on Aging; Mr. Gerald

Parrish, Regional Director, U. S. Employment Service, Department of Labor, San Francisco; Mr. James Sweeney, Secretary, Employers Benefit Committee, Pacific Telephone Company; and Mr. Robert Spears, Vice President, San Diego Labor Council. In addition, each of the eighty workshop participants were provided with an excellent analysis of the income, occupational, and educational characteristics of older people living in the San Diego County area.

San Diego's workshop featured four group sessions, each of which were assigned the general topic "What Are the Employment Problems of Older Workers in San Diego County and What Are Some Suggested Solutions to These Problems". Inasmuch as possible, each workshop was composed of representatives from management, labor, employment services, and community organizations. Each session developed specific recommendations for community, employer, and employee consideration. In addition, specific recommendations were developed regarding desirable expansions of the present services of the State Employment Service to older workers.

8. Van Nuys

The Van Nuys Workshop featured discussion of a wide range of topics and proposals for action. Principal speakers included Mr. Karl Kunze, Director of Personnel, Lockheed Aircraft; Assemblyman Charles Warren of Los Angeles; and John Allard, Coordinator, Region Six, United Automobile Workers of America, Los Angeles. Dr. Abbott Kaplan, Director, Extension Service, University of California, Los Angeles, summarized the workshop's findings in the final general session.

The speakers alone produced several highlights. Mr. Kunze's remarks debunked the emphasis placed on chronological age in hiring older people and said employers should take five factors of "age" into consideration in hiring, namely, physical, emotional, educational, intellectual; and chronological age together. Assemblyman Warren speaking on "Legislative Interest in the Older Worker" presented several proposals for consideration in the workshop. He also urged workshop participants to "reject no idea - the Legislature wants a series of alternatives to consider". Mr. Allard suggested that the pressures on older workers to continue employment were largely resulted fears about economic insecurity upon retirement and in adjusting to retirement itself. He urged consideration of preretirement preparation programs, phasing out of retirement, and improved public and private retirement income and health care plans as ways of alleviating these fears.

Four group sessions were held as part of the workshop. One session titled "The Qualified Worker vs. Pension and Insurance Costs" voted to recommend that the Legislature appropriate funds for a comprehensive study of the actual pension

and insurance costs employers face in hiring older persons. Also, there was concern expressed in a session on "Counseling and Retraining" on the need to reexamine present retraining programs as there is some likelihood that we might be training people for some jobs that will not exist by the time retraining is completed.

Another proposal called for new ways to employ older people in such fields as health, recreation, and welfare, since traditional types of work are declining, but great needs exist in these fields. Business and labor participants also called for an accelerated education program on the problems of the older worker directed towards both employers and employees.

In, perhaps, the most provocative summary of the entire workshop session, Dr. Kaplan presented some sweeping new concepts in dealing with unemployment. He stated that the problem, as it applied to all age groups, should be approached by developing immediate, short-range, and long-range objectives. He predicted that the long-range objectives might have to be based on such future possibilities as a workweek of from 10 to 15 hours, a much smaller work force than exists now, perhaps made up of only ten percent of the potential labor force but capable of producing all the goods and services needed by the economy. If these future conditions emerged, it was felt that society should be prepared to change its present concepts of work and create new jobs that would engage most people in jobs of "services to society", many of which would include services that either could be performed by or are needed by older people.

D. PROPOSALS FOR ACTION

The following proposals are a composite of the major themes which emerged from the entire series of workshops. In presenting them, no effort is made to suggest that there was unanimous consent of individual proposals by workshop participants. Yet, there was general agreement that the areas described below are the crucial areas for future study and action if any realistic expansion of employment opportunities for older workers in California is to occur. Workshop participants felt that it is feasible to undertake immediate changes in both current policies and programs affecting employment of older workers.

Among the major areas given consideration in workshop discussion were:

1. The Effects of Public and Private Pension and Insurance Programs

A persistent theme in nearly every workshop was that certain aspects of public and private pension and insurance programs are militating against the employment of older persons.

Major concern and consideration was given to the development of private pension arrangements that contain vesting rights that would protect the equity of the employee and enhance job mobility and transferability. Proposals were made that called for standardization of private pension plans under legislation that would establish definite standards for pension plans in California and also permit pooling arrangements by insurance carriers to spread whatever costs effects a single company might experience in hiring an older worker as needed incentives. Other proposals stressed legislative consideration of such approaches as legislation to permit small employers to pool pension and other insurance costs; to make it possible for the individual older worker to pay for the difference in costs to the employer, if such costs can be established; or for the specific creation of reinsurance programs funded by government to pay such costs; again as an incentive to hiring the older worker. Also, there was strong concern about the obstacles to continuing employment caused by private pension plans which forbid a retired person to engage in any employment deemed competitive to the business from which he has retired or by pension plans that require mandatory retirement prior to age 65, thus forcing the individual to seek employment elsewhere and/or accept actuarially reduced Social Security benefits.

While realizing that the merits of the above approaches will require possible refinement and study, there was a general consensus that the Legislature should authorize funds for a scientific and thorough study of the actual cost figures in providing private pension coverage and benefits to the State's older work force. This would give all concerned the type of factual base needed to resolve the "half-myth - half-facts" aura which now surrounds this issue to such an extent.

Modification of existing public insurance programs were also proposed in order to provide a more favorable climate of opportunity for the older and retired worker. The proposal was made that it is urgent for Congress to provide for a revised concept of the retirement test and the earning limitation for persons receiving Social Security benefits. It was felt that this concept should, at least, permit the worker receiving Social Security to bring his income up to the level of a modest and adequate standard of living. On the State level and in the area of Unemployment Insurance, improvements were felt needed to better serve the needs of older workers and others who are involved or need to be involved in training or retraining programs to reenter employment. On this point, such measures were proposed as broadening of training courses to include basic education and academic courses rather than be limited exclusively to vocational courses, extension of weekly UI benefits throughout the period of training, and some system of incentive payments over and above the regular weekly benefits to those individuals engaged in training programs.

Another proposal regarding Unemployment Insurance was to permit employers to employ any worker 45 or over on a 30-day trial basis without adverse effect on the employer's experience rating or unemployment insurance reserve account. It was felt that this would obviate against adverse experience rating by employers willing and wanting to employ older persons, but at the same time, avoid penalty to the employer where the employee is discharged through no fault of his own or the employer's during the trial period.

In Workmen's Compensation, several changes were proposed. Growing out of an extensive discussion by labor and management representatives in one workshop was an interesting proposal to change the basic concept of the present "second injury" provisions of the program as they relate to the hiring of an individual who has been previously injured. The proposal would entail the underwriting of the costs of physical examinations incurred by employers on the part of such applicants for employment; the changing of the present law to permit the employee to waive benefits under the "second injury" provisions; this protection would be replaced by eligibility for such benefits, if reinjured, from a special fund operated with State funds. It was argued that such a plan would provide a real incentive to employers to hire older workers with previous injuries, and, at the same time, provide continued protection in the event of later injury or disability.

2. Training, Retraining, and Counseling

Proposals made clearly indicated the need for much broader programs of training, retraining, and counseling services than now exist to help older people maintain or find new employment. Many believed present programs and facilities are not geared as much as they should be to the individual needs of older people for such training or the needs of employers or a rapidly changing economy. There were several suggestions that a real upgrading of the content of existing training or retraining programs could be accomplished for older workers if fuller use was made of educational programs in public schools and colleges and of adult education programs. Similar suggestions were made regarding modification of certain requirements which act to restrict older people from enrolling in certain educational programs, to develop new and appropriate classes for older adults, or the employment of qualified retired persons as instructors in such programs.

There was considerable concern that steps be taken to provide a more acceptable climate for retraining, especially on the part of unemployed older men and women who have major family responsibilities. This concern expressed itself in such proposals as supplementation of training payments under either Unemployment Insurance or expansion of the Manpower Development and Training Act, relocation allowances after

training, or incentive payments or tax credits to employers willing to provide on-the-job training to older persons.

Improved counseling services to the older worker, on the part of industry, labor, the public schools, and such state agencies as the Department of Employment and Department of Education was considered essential to help older workers and employers faced with changing job requirements or demands. As was the case with retraining, there was general consensus that present counseling methods and services should be upgraded with emphasis on both individual and group counseling and closer liaison between counselors and potential employers.

3. Improved Public Understanding and Broader Public Information About the Employment of Older Persons

The need for improved public understanding of the abilities and potentials of older workers was underscored as basic to any solution to the many complexities of the employment problems of the older worker. It was consistently pointed out that many of the barriers and obstacles to hiring the older worker are based upon the generally held beliefs that older workers lack flexibility, are difficult to train, are slower, cannot meet physical requirements of a job, or are difficult to supervise. It was felt that the basis for such beliefs was often due to misconceptions and broad generalizations that were not grounded in fact.

To meet this problem, there was consistent support for development of broad programs of general and specific education and information by government, labor, and industry to continually disseminate factual information based on valid research and study that could be used to break down many of the myths and stereotypes that adversely act against the older worker. Although there was some division of opinion regarding whether the primary leadership for improved understanding should rest primarily with government or by joint management-labor cooperation, it was generally held that both labor and management must play a major role to generate the needed support and understanding at the community level.

The basic elements of a broader educational and informational program were viewed as including more current and precise data and reporting on job trends, new jobs, job obsolescence, and skill requirements as major tools needed for more effective counseling and placement; studies and research on a carefully designed basis regarding the actual job performance of older workers; and development of a series of proficiency, intelligence, achievement, and personality tests that have been standardized on the basis of successful job performance rather than on solely academic standards for use by employers in testing the abilities of older applicants and employees. To give immediate impetus to a broad scale program of public education, a proposal was made for legislation to establish

a state committee to solely focus on the problems of the older worker and encourage appropriate action toward their solution by labor, management, and communities acting in cooperation with government.

4. Strengthening of Public Employment Services to the Older Worker

A wide range of suggestions and proposals were made to strengthen the existing role and services to the older worker provided by the California Employment Service and the Department of Employment. Although there were different degrees of support, specific proposals made included suggestions to upgrade and improve the present status and qualifications of Older Worker Specialists, an increase in the number of Older Worker Specialists, to provide more comprehensive and individual job counseling and placement, more extensive listing of job opportunities available to older people by the Department and local Employment Service offices, and funds for the establishment of strengthened activity and projects by the Department to increase the opportunities in part-time employment for persons primarily 60 years of age and over.

Also, it was proposed that the present legislation which is designed to combat discrimination in employment be strengthened by the establishment of a formal conciliation service within the Department where complainants and employers can be brought together when charges of alleged discrimination are made to settle differences. Another proposal was legislation to eliminate date of birth or age from application blanks. It was argued that often the older worker is screened out on the basis of age alone and if such factors were eliminated, prospective employers would hire or reject on more valid factors than age.

5. Management-Labor Action

There was acceptance that the basic decisions regarding the employment and hiring of older workers essentially rests with management and labor, and basically, in all instances, with employers whether in the fields of private or public employment. The suggestion was frequently made that employment opportunities for older workers could be substantially improved by establishment of better understanding between management and labor in this area. Joint action by both around common objectives was viewed as preferable to unilateral action by either that can produce friction, misunderstanding, and rejection of a specific policy affecting older employees. The suggestion was made for the Legislature to invite both labor and management, in cooperation with other interested groups, to form joint committees at a community level to explore together the advisability of establishing maximum and minimum educational requirements, physical requirements, and the actual duties of each job in the community. Many felt that this approach would

be a major tool in meeting the manpower needs of a community on a rational basis. Also, it would permit the redesigning of some jobs to make better use of the productive skills of the older worker and also permit clearer identification of training and retraining needs in individual companies or industries.

6. Expansion of Part-Time Employment Opportunities for Older Persons

In a majority of workshops, there was substantial support that increased job opportunities could and should be developed for older persons in the field of part-time employment. It was felt that a strong emphasis in this area alone could generate many additional job opportunities for older persons, especially those in or nearing retirement. This expansion was seen as possible in the service and sales trades, in household services, and in the fields of health, education, and recreation. As an example, it was held that training older persons for jobs of lesser skills in several fields of professional services could release professionals in these fields of certain nominal duties and allow them to use their full time on their professional duties and tasks. A specific suggestion was for training and employing older persons for part-time work in services needed by many older people themselves such as homemaker services, home health aides, nursing home aides, or recreation and crafts instructors. Another suggestion was part-time employment that would preserve the trades and skills of the past, but at the same time, meet a growing consumer demand for custom-made products.

This objective of increased part-time employment opportunities was related as appropriate to such possible factors as a possible shorter workweek or weekday in future years. This goal was based on the recognition that many persons either economically or psychologically need to work even after normal retirement; as a possible part of a planned program of "phased retirement"; and the increasing demands for personal, health, education, recreation, and welfare services by California's rapidly expanding population.

Among measures proposed to stimulate such a program in California were legislation and financing of a special project within the State Employment Service to specifically develop part-time employment opportunities for persons 60 and over; grants to nonprofit agencies to discover and develop part-time jobs in private business and industry, government, and educational institutions; reduction of unemployment insurance and other payroll taxes on employers hiring part-time workers aged 50 and over; and establishment by the State Employment Service of a statewide clearing house for part-time jobs to be made available to all interested communities and organizations.

7. Attitudes Towards and About Retirement

Certain workshops directly related some of the pressures for employment by many older workers to the concerns of many about financial security, personal adjustment, and purpose in retirement. There was agreement that often such concerns were valid in view of the growing use of fixed retirement and the lack of more flexible policies other than those based on chronological age alone for determining the time of retirement. There was an accompanying opinion that these pressures could be lessened if policies were developed that permitted a gradual transition from work to retirement, accompanied by a systematic program of retirement planning, education, and counseling about the various aspects of retirement.

A basic point made was that retirement must include adequate financial security and be made more attractive by creating for the retiree a role and place in his community. The opinion was expressed that proper planning and support of both preretirement preparation and suitable post-retirement activities should be more broadly encouraged than it is now by employers, labor, and government. It was felt that a basic responsibility in this area rested with the State's adult education system, and one workshop proposed that the Legislature request the State Department of Education to undertake the development of curricula that would meet this need, and that courses developed as a result be implemented at the earliest date in co-operation with local adult education programs and other key groups at the state and community levels.

8. Community Support and Organization

Virtually every workshop felt that community support or understanding was vital to any specific solution to the expansion of employment opportunities for older persons. Considerable concern was expressed regarding the lack of an adequate community organization at the local level which could serve to mobilize community support and understanding. The proposal was made that such an organization should consist primarily of members drawn from employers, labor, public and private employment services, older persons themselves, and those involved in training programs. A specific recommendation was that a position should be established within the Employment Service which could exclusively function to organize such community committees and work cooperatively with them in encouraging improved programs of education, information, and job developments for older persons.

9. Other Proposals and Suggestions

Many other specific proposals and suggestions were weighed in individual workshops. Several are related to the areas already described, including consideration of the possible transfer of basis of protection in Workmen's Compensation

from private carriers to a state administered fund; that job retraining programs should be a main subject of negotiation in collective bargaining; that the problem of older adults who withdraw from job retraining programs be the subject of intensive study to ascertain the actual reasons for withdrawal; that the present upper-age limits in apprenticeship training be eliminated, where and when possible; that a "manpower obsolescence" allowance be established, and with such an allowance, companies involved provide training and retraining of the present work force; and that Legislature strongly affirm their support of the principle that all persons 65 and over, who are able and want to work, be permitted that opportunity.

PART FOUR
APPENDICES

APPENDIX A

EMPLOYMENT WORKSHOP SERIES

SELECTED SPEECHES

1. "OUR INESCAPABLE DUTY TO END DISCRIMINATION AGAINST OLDER WORKERS"
by Assemblyman Joseph M. Kennick, Long Beach
at Bakersfield Workshop, March 14, 1964.
2. "EXPANDING EMPLOYMENT OPPORTUNITIES FOR THE OLDER WORKER IN NORTHERN CALIFORNIA"
by Samuel S. Johnson, President, Jefferson Plywood,
Redmond, Oregon at Eureka Workshop, April 16, 1964.
3. "EMPLOYMENT OPPORTUNITIES FOR OLDER PERSONS IN THE CONTEXT OF THE EXPANDING ECONOMY OF THE STATE OF CALIFORNIA"
by Paul W. Little, Assistant Director-Manpower, California
Department of Employment at Eureka Workshop, April 16, 1964.
4. "SUMMARY OF EUREKA WORKSHOP"
by Mrs. A. M. G. Russell, Chairman, Citizens' Advisory
Committee on Aging, at Eureka Workshop, April 16, 1964.
5. "A MODEL FOR ACTION TO IMPROVE AND EXPAND EMPLOYMENT OPPORTUNITIES FOR OLDER PEOPLE"
by Nathaniel Brooks, Consultant, Older and Retired Workers
Department, International UAW-CIO, Detroit at Oakland
Workshop, May 21, 1964.
6. "SUMMARY OF OAKLAND WORKSHOP"
by Dr. Margaret S. Gordon, Associate Director, University
of California, Berkeley at Oakland Workshop, May 21, 1964.
7. "LABOR LOOKS AT THE OLDER WORKER"
by Don Vial, Research Director, California Federation of
Labor, AFL-CIO, San Francisco at Sacramento Workshop,
May 5, 1964.
8. "MANAGEMENT LOOKS AT THE OLDER WORKER"
by E. P. James, Professional Placement Manager, Aerojet
General Corporation at Sacramento Work Shop, May 5, 1964.
9. "THE AGE FACTOR AND EMPLOYMENT"
by Mr. Karl Kunze, Personnel Director, Lockheed Aircraft
Corporation, at both Bakersfield Workshop and Van Nuys
Workshop, March 14 and April 15, 1964.
10. "SUMMARY OF SAN DIEGO WORKSHOP"
by Community Welfare Council at San Diego Workshop,
May 8, 1964.

"OUR INESCAPABLE DUTY TO END
DISCRIMINATION AGAINST OLDER WORKERS"

by Assemblyman Joseph M. Kennick, Long Beach

As I read the list of authorities who have come here to address you upon the various phases of the problems of the older worker, and note the leadership provided by the workshop held this morning and yet to be held this afternoon, I find myself asking: "What am I doing here anyhow?" It couldn't be my age, naturally, and I make no pretense of being an authority. Presumably, then, I am here because of my long-standing dedication to the social and economic well-being of my fellow man; and because, from my first term in the California Legislature until now, I have sought to translate this concern into legislation and, in every possible way, to encourage constructive governmental and community action.

It was in keeping with this line of thought that I introduced in the 1963 Session of the Legislature, House Resolution Number 77, directed to the improvement of employment opportunities of older persons. This resolution, pursuant to the terms of which we are meeting here today in this first of a series of workshops to define and seek solutions to this pressing problem of our time, reads as follows:

"Relative to improving employment opportunities of older persons.

"WHEREAS, Legislation is now pending before the Congress of the United States which would provide new grant programs for experimental and demonstration projects to stimulate employment opportunities for older persons; and

"WHEREAS, In California, it is known that many older applicants seeking employment are not placed in proportion to the number of those needing employment; and

"WHEREAS, There is a need for current data concerning employer and union attitudes and action in providing employment for older workers; and

"WHEREAS, Such data would be valuable in the stimulation of community understanding and support of employment opportunities for older persons; now, therefore be it

"RESOLVED BY THE ASSEMBLY OF THE STATE OF CALIFORNIA, That the Department of Employment and the Citizens' Advisory Committee on Aging are requested to undertake jointly a study of how and where employment opportunities for older persons may be improved and expanded throughout the State, and to report their joint findings and recommendations thereon to the Assembly on or before the fifth legislative day of the 1965 Regular Session."

That resolution was passed and that is the task before us today. And this will remain our task until hammered out upon the anvil of creative exploration and fitted into the structure of our political and economic life.

To rephrase our problem in simple terms so that we may hammer upon it more intelligibly, we are dealing with clearly discernible economic discrimination against those among us who have the good fortune to live beyond that so often saluted annual point in life's unfoldment when we keep telling ourselves life is supposed to begin. And, since this discrimination occurs without respect to race, religion, or the country of origin involved, we should be able to analyze it and to seek ways and means of resolving it dispassionately.

Legislatively, we have done relatively little to combat employment discrimination because of age. The Legislature, it is true, did take a bold step in the right direction - but only a step - when in 1961 it passed Assembly Speaker Jesse M. Unruh's "Employment for Older Worker's Act", now codified as Chapter 9.5 of the Unemployment Insurance Code, making it unlawful for employers of six or more persons to discriminate, solely on the basis of age, in hiring, firing, or promoting persons between the ages of 40 and 64.

That was it. We took a step and then sat down to contemplate our temerity, and there, except for my 1963 resolution to conduct these studies preparatory to more effective measures, legislative and otherwise, we still sit. I should note, of course, that programs are being conducted by various administrative agencies of government, particularly the Department of Employment - commendable programs - giving invaluable service to older workers and their employers. Commendable efforts, too, have been and are being made by union labor and employer contracts which seek to retain senior citizens in employment by protecting seniority rights.

This latter program, as helpful as it may be, is only a finger-in-the-dike measure in that less than 50 per cent of our older workers are covered by either union contracts or the equivalent protection of civil service rules. It is limited in its effectiveness, also, to retaining the already employed beyond the age of no return. It does nothing for those seeking initial or re-employment. No. Much more needs, and must yet be done in the interest of fair play to all our people.

An examination of the reasons offered by potential employers for their reluctance to hire older citizens, while indicating some islands of fact, also discloses a sea of myth. Older workers in general, they say, are physically incapable of performing as efficiently on the job as those in the younger age brackets. Making due allowance for specific, isolated functions which make primary demands upon physical strength rather than skill, coordination and know-how, this just is not so, and many studies are on the books to prove it not so. "There is always a greater risk of either industrial or nonindustrial disability on the part of older workers", the employer is prone to say. Statistics say otherwise - and I do not mean deliberately manipulated statistics when I say this.

In terms of nonindustrial disability, the older worker has fewer "short-term" disabilities than the average citizen. This is particularly true in the case of women workers. It is true, of course, that the older worker, by the very nature of things, is more liable to long-term or

fatal disabilities than the average worker, but I hasten to add that when we concede this fact we also must note that it is applicable only to those at the top of the older worker category; and, further, we must add that, under most contracts and sick leave policies, this factor is of relatively little significance to the employer involved.

Another often stated but unsubstantiated allegation is that older workers are unable to adapt to new production methods, that only youth is capable of change. Such presumed proof as is preferred usually consists of citing isolated cases which, upon examination, proves to involve other factors than the age of the employee in question. Again, when older workers are evaluated as a group rather than by these exceptional instances, study after study has shown this inability to adapt ideas to be largely a myth composed of prejudice rather than fact. Whether myth or fact, however, is beside the point. These and other presumed reasons result in a high level of continuing unemployment for older workers who are ready, willing, able and desperate for an opportunity to prove their competence to perform.

What can we do about this unfortunate condition of things? Well, that is what we are here to find out, and the final effective answers will undoubtedly evolve as we proceed in our cooperative search, but there are some guidelines or points of attack which may well be suggested.

Volunteer agencies and organizations of older workers themselves have had some degree of success - but that success has been related primarily to the executive levels of employment and is, of necessity, peripheral when weighed against the problem as a whole. It is a good approach and should be encouraged to the utmost, but it is not a final answer.

Another approach may well be in the area of alleged employer fears of incurring a heavy cost factor in terms of so-called fringe benefits (such as vacation and pension payments) by employing older workers. While, as I have previously stated, this fear may be based largely upon a supposition that older workers are incapable of steady, full-time employment - a proven fallacy - the fear exists and must be dealt with.

It could conceivably be met head on by stipulations in employment contracts that an employer would not be required to pay such fringe benefits until a worker had actually performed forty hours in a single month. This would protect the employer's interest on the one hand, and, at the same time, give the employee an opportunity to prove his ability to carry his load. It would provide, in short, a probationary period during which the matter of an older worker's employability could be proven to be either a fiction or fact. Prejudice as a basis for hiring and firing would be eliminated.

Employers, further, might either be relieved of Unemployment Insurance Tax on "intermittent" or part-time employees, or be allowed to offset wages paid to older workers for less than forty hours a month against their benefit charges for unemployment insurance. Adequate

safeguards against the use of such a provision as an "out" to escape statutory or contractual responsibilities would have to be provided, and, in all probability, federal legislation would be essential if such measures were to be carried out.

Another suggested approach at the state level might well be for the Legislature to enact a statute prohibiting any inquiry as to a prospective employee's age or date of birth until 30 days subsequent to the commencement of his period of employment. This would break that all but unsurpassable barrier of "company policy" against hiring anyone over a specified age. It would, again, provide a period of time for the older worker to prove his ability to perform regardless of his age and eliminate prejudice as a basis for denying him an opportunity to earn his way. Such a measure would of necessity have to be given backbone by the incorporation of enforceable penalties for violation and the provision for adequate administration, but it bears within it, I would think, the potential of possible amelioration if not ultimate solution to our problem.

These are offered only as suggested ideas to be weighed, measured, analyzed, studied, from all points of view until some measure of tangible workability is found in them or in the directions toward which they point.

We must not forget why we are here. We meet not just to study, in the words of my Assembly Resolution, "how and where employment opportunities for older persons may be improved and expanded throughout the state", but to create from this study, positive programs of effective action to combat this destructive economic and social disease of discrimination in hiring, solely because of age. It is an indefensible practice. It is inconsistent with our American philosophy of life. It must be stopped! Let us here and now resolve that the inalienable rights of the older citizen shall be restored, preserved, and protected.

"EXPANDING EMPLOYMENT OPPORTUNITIES FOR
THE OLDER WORKER IN NORTHERN CALIFORNIA"

by Samuel S. Johnson, President,
Jefferson Plywood, Redmond, Oregon

In accepting the invitation to speak on "Employment for Older Workers" I did not fully appreciate the complexities of the problems to be discussed. The enormous backlog of research, investigation and theories, as well as current forecasts, will continue to be made, as a large percentage of our population moves into the aged category. There are many compelling reasons why all citizens should work to identify and solve problems of the unemployment of older people.

One is economic, and necessary in order to keep our Nation, State and Region productivity high and their economics prosperous. Another reason is social in that everyone must help bear government costs. The third is human and we must do it to keep individuals independent and free from direct government subsidy. There is nothing constructive for the individual, or our way of life, in large numbers of citizens being dependent upon the Federal Government provided that they are physically and mentally capable of self-determination and support.

It is interesting to note that approaches to these problems are being made by a variety of groups, both public and private, and recommendations are being implemented. Our presence here today, in response to House Resolution 77 passed by the 1963 California Legislature, is evidence of the concern which will produce supportable programs.

Before proceeding, we should establish some guidelines. Who is the elderly worker? How old is he, measured in terms of functional years. Is he the person beyond normal retirement years who wants or needs employment? Is he the middle-aged older worker who is slowing down? Is he the mature worker too vigorous to retire and wishing to continue in his job but facing compulsory retirement? Is he the older worker who through automation, relocation or change over in products, such as saw-milling in this area, is seeking employment? Does he want part-time or full-time employment, additional training or retraining in order to qualify for new employment? What are the job barriers which keep him out of the labor force? How many of these are based on hiring practices, retirement policies or pension plans? How many are created by a national tendency to glorify youth and minimize the values of maturity? How many problems are created by the older worker himself through refusal for re-education; not keeping abreast of technical skills; by unwillingness or inability to change location when retired; by reluctance to accept new positions at less salary; by a lack of ability to sell themselves or by discouragement and bitterness through a forced period of lengthy unemployment?

How many job restrictions are based upon faulty assumptions such as more injuries of the older worker, mental confusion if the work pace accelerates, frequent absenteeism, and sight and hearing changes

creating safety problems. The problem is a combination of several factors, thus increasing the difficulty of finding a single solution.

It is important to note the magnitude of the increasing numbers of aged persons as percentages of the total population. Forty years ago the average life expectancy of an urban worker was 46.6 years. Today this figure approaches 69 years. In 1900 about 65% of the men over 65 years were in the labor force and by 1960 the percentage had fallen to 35% even though the number of men over 65 had increased 500% in those years. A more striking change has been the increased number of women workers and particularly those over 45.

B. V. H. Schneider -- "The Older Worker" makes the following predictions for the next 15 years:

1. "An increased supply of middle-aged and very young workers, but nevertheless -
2. "A continued shortage of 25 to 44 year old workers, and
3. "A slight increase in the proportion of the population 65 and over.

At the same time most likely there will be:

1. "A further increase in the proportion of clerical, sales, professional and technical jobs, and
2. "An increased demand for those white collar skills which normally are acquired by women and college graduates."

It is important to keep these developments in mind and to consider the implications for individuals, employers and the community in being concerned with three groups of elderly workers:

The first is those who have retired voluntarily while in good health.

The second group is that group who are between 45 and 65 years of age and are employed.

Finally, the third group with whom we do not have to concern ourselves is the group 65 years of age and older who are employed.

Those who are retired continue to pay their bills, their taxes, buying household goods while serving their communities and enjoying leisure time as well. The group with which we are concerned is the older unemployed, the about-to-be involuntarily retired, the disabled, the unskilled, the dislocated. The question to consider either as an individual or at some government level is who is responsible in this matter. We must adopt an attitude in solving the problem of finding "what older people can do for themselves, first, if they are permitted and second, if they are encouraged".

Industry has been in the thick of this subject because it cannot afford otherwise. Industry exists for profit as well as having tax and community obligations, indicating that problems of the older worker are a tremendous economic and political force. Many companies have taken a humanitarian approach to re-employment problems giving assistance to older workers through preretirement counseling, retraining and re-educating programs and relocation of workers. Aside from the humanitarian interest, industry has reckoned with the economic power of these older workers.

The problem of finding employment for older workers is a part of the larger problem of finding employment for all who wish to work and are capable of doing so. How to stimulate the economy so as to provide more jobs and increase productivity has been the motivation for the recent tax cut, the recent Area Redevelopment Action for the Manpower Development Training Act and so on. In many cases, the social experimental laws have little economic value and are sometimes misused through the support of those who want to see problems resolved quickly at almost any cost.

I do not want to leave the impression that such a law as the Manpower Retraining Act is bad or unwarranted as I advocate retraining when needed, by self or by government. This type of law can be well used but results are difficult to measure and can be misused if left to irresponsible administrators.

When the older worker loses his job where are his chances for employment? If competing with younger workers, he will tend to be more skilled, will have completed less years of school and has more chance of having some physical handicap. Despite favorable factors, he will usually lose out in competing with a younger man. This, in spite of studies showing that older workers have as good or better attendance records than younger workers, that their turn-over rates are lower, safety records better and that they are more reliable, conscientious and possessive about their jobs.

Their most serious re-employment obstacle is the hiring age limit. There is considerable evidence that discrimination against older job applicants through such factors as career policy, promoting from within their employees, claiming that older people are inflexible and difficult to train and that older workers increase pension and insurance costs, all tend to discourage the employment of older persons seeking employment. However, the pension issue is diminishing through the increase of social security benefits, increased individual insurance and annuity protection, the retention of pension rights from former jobs and the fact that companies have found that older workers included in pension plans do not add as much to costs as anticipated.

Union managements are unable to offer any more help to the older job seeker than nonunion managements. Through the system of seniority the unions must protect their own members and most of the union contracts require specific retirement. Society is requesting both union and nonunion management to develop their apprentice programs more fully which also puts the older worker at a disadvantage.

In setting minimum hourly wage standards, State and Federal laws have sometimes been responsible for loss of jobs by older workers who require longer time to do an adequate job and could not justify the higher hourly pay. When higher hourly wages were made mandatory, some smaller employers were forced to cut down the numbers employed who, in many cases, were older persons. It is clear that there are many challenges to action on the part of the employers, employees, unions, Federal, State, and local government, private employment agencies, churches, schools and families in attempting to meet the difficulties in finding such solutions.

The Federal Government can serve best by providing statistics and analyses, by encouraging research, by prodding and encouraging industry and labor unions to cooperate in planning appropriate action to provide employment for older workers. To encourage older workers to look to the Federal Government for care and support adding the burden of additional costs for broad government assistance to the shoulders of the working public, in my judgment, would weaken the whole fiber of the economic system. To force an aged individual who is capable and wants to work on the public and private pension roles and then seek to find working substitutes to fill the void seems a very poor approach.

Action is needed on the part of employers and employer organizations such as Chambers of Commerce, Manufacturer's Associations, Industry Associations, Labor Unions, etc. - especially in the promotional and educational area. Union employment contracts should be examined and hiring practices reviewed to insure against barriers to hiring middle-age and older persons.

I am surprised that there is no concentrated effort to modify the present social security regulation in order to encourage greater employment after retirement age. I would hope that in developing some definite proposals you would give serious consideration to endorsing the general principle stated by Dwight S. Sargent, Chairman of the Employment and Retirement Section of the National Committee on Aging, "that individuals who are able to work beyond age 65 and who want to work and for whom there is a job, be permitted to work, and that self-support in terms of capacity and desire is good for the individual and good for the economy".

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"EMPLOYMENT OPPORTUNITIES FOR OLDER PERSONS
IN THE CONTEXT OF THE EXPANDING ECONOMY
OF THE STATE OF CALIFORNIA"

by Paul W. Little, Assistant Director-Manpower
California Department of Employment

Discussion of job opportunities and the economy as related to older workers is an opportunity to give out with the statistics which in this field are voluminous.

I am included, however, to weave my remarks around people as people, not as statistics. To me the percentages, parabolic curves, trends and tabulations mean something only when they focus attention on a worker who:

1. Has been laid off and finds he needs training to compete in the labor market, yet has a fear of returning to the classroom and a fear of tests.

Or a worker who:

2. Has retired and wants again to re-enter the labor market but only on a part-time basis.

Or a worker who:

3. Is faced with layoff unless he can receive training which will upgrade him in his skill, yet who has resisted opportunities to take training after hours or declined to make himself available to take training provided by the foreman.

Or a worker who:

4. Is unemployed but unwilling to work under a younger supervisor or to accept a job at less pay after an extended period of joblessness.

Or a worker who:

5. Receives notice of possible impending layoff with possible transfer to another firm but refuses to believe the layoff will actually happen or who is laid off but declines to relocate, grimly holding on to the hope he will be recalled.

Statistically these are numbers of workers, broken down by age, who are displaced by technological change. They are percents of our labor force who are unemployed. They are the number of potential trainees for OJT or institutional training under MDTA, ARA or some other retraining program. Or they are those who push the curve of period of joblessness to its peak because once they're unemployed they have a tougher time getting another job than do younger segments of the work force. They are disabled veterans, parolees, military retirees, handicapped, members of minorities and others who have been on this earth a half century or so.

But regardless of what statistical slot they fall into, they present themselves to us as whole individuals. Individuals with feelings of defeatism, insecurity, confusion and discouragement. Individuals with courage, determination and hope. Individuals who have been misinformed, and individuals with valuable skills underwritten by maturity and capacity for achievement.

And it is our mission, through our family of manpower services, including counseling, testing, retraining, job development and placement, to provide facts to these workers about the labor market, encourage and motivate them into a specific course of action, convince them to objectively appraise the marketability of their skills, and to provide these services on the basis that it is ability which counts and not the race, handicap, religion, age, or point of national origin of the worker.

Within the framework of this approach that services to older workers must be people oriented, perhaps we can briefly profile some basic facts which point to current and prospective labor force participation.

California's population has doubled every 20 years since 1860. By next year our population will reach 18 1/2 million, and our labor force 7.3 million. Currently our population is increasing by about 600,000 each year with 2/3 coming from immigration. These trends give us a population of 25 million by 1975 and almost 30 million by 1980.

Now as I give these projections I am moved to point out that I felt the Legislature showed great wisdom in drafting HR77. Certainly the information which will be gathered and analyzed will lead not only to decisions which must be made to meet the current needs of our older workers but to decisions which will be responsible to the needs of these workers in the foreseeable future. We in the Department of Employment are very pleased to join hands with Mrs. Russell and the Citizens' Advisory Committee on Aging in achieving the purpose of this Resolution.

To recall my life and experiences in 1955 seems to me to recall events of only yesterday. Certainly the prospective needs of our older workers in 1975 are only a few short moments away.

What about our older workers today and a few brief moments from now? Today workers over 45 in California number 2 1/4 million or 37% of our civilian labor force. A few brief moments from now in 1975 they will number 3.7 million or about a 65% increase in absolute numbers.

As it is with the State and the Nation, so is rapid growth characteristic of Eureka. In population, in the 50's, you've grown at a faster rate than that of the State. Older workers constitute almost the same proportion of your work force-36%-as that of the State as a whole, and surely your projections of growth are comparable to that of the State.

You, along with your State, are experiencing the paradox of our growing technology; namely, the existence of economic growth side by side with that of high rates of unemployment.

So now we come to grips with a key question. Are we truly losing 2 million jobs to automation and technological change in this nation each year? Are there and will there be enough jobs to go around? Is it true that unemployment is essentially one of economic growth? Well I'll leave that question up to Dr. Walter Heller and his School of Economists. Must we look forward to a society in which we must break the link between job and income? I'll leave that question up to our English friend Dr. Robert Theobald and his School of Economists.

Right now I am impressed by a number of considerations which bear, I believe, a bit more realistically on jobs for older workers:

1. First our semimonthly statewide job inventory carries from 1500 to 2000 job openings. Occupationally these are heavily weighted in professional, scientific and technical pursuits, coupled with shortages in nurses, clerks, skilled craftsmen, and machine operators. I would observe that a vacant job is one of the most wasteful circumstances in our society. Wasteful to the employer in terms of lost production and services, and wasteful to the worker in terms of lost income. And our inventory covers only those jobs which employers are seeking to fill by out of town or area recruitment. Goodness knows what the inventory of vacant local jobs is at any point of time.
2. Workable machinery is now in effect which can train and retrain workers, bringing to them either new skills or upgrading them in old. These retraining programs are no longer a dream of manpower experts. They are a proven fact. More and more jobs are emerging in business, commerce and industry which require a worker to go through frequent training and retraining periods. Training facilities are being made available where the course is sharply job oriented and where subsistence, transportation and relocation allowances are available. In California about 60.7% of our population 45 years or older has had less than 12 years of schooling and on the average the education was acquired 28 or more years ago. Studies also indicate that 21.6% of the 45-plus workers have less than an eighth grade education. A large segment of unemployed older workers is composed of individuals who lack such education.
3. One of the fastest growing job opportunities in our labor markets is that of the part-time job. Careful appraisal should be made of the extent to which these opportunities can meet the job needs of some of our older workers.
4. California employers have assembled a labor force of tremendous professional and technical competence. There is an awareness in business, commerce and industry that our future growth must be based on diversification and the development of new markets and products. It is a reasonable assumption to make, that job opportunities of the future will be rooted in this type of growth and will require a higher level of education, knowledge and technical competence. Many of these jobs will require the worker to undertake frequent training experiences during his job life. In the converse,

present and projected manpower requirements seem to impose severe penalties on those with low adaptability to changing occupational requirements.

5. With over 1/4 of California's annual timber cut, your Humboldt County area leads the State in this activity. Expansion of lumber manufacturing, such as that contemplated by one of your leading establishments and its feeder plants and subcontractors, seems to provide somewhat brighter job prospects for this area than has been the case in the past. Perhaps California's growth and that of the Pacific slope states will provide markets and construction activities which will give you steadily increasing levels of employment.

This then is a brief glimpse of the job opportunity picture in our expanding economy both in the State and here in the Northwest; jobs, many of which will require increasing levels of training and skill.

Whether there are and will be enough jobs to go around I can't say. But I would observe that (1) a competent, well-trained and efficient work force increases production and the opportunity to forge new markets, (2) there is machinery for providing needed skills through training and retraining, and I would observe that (3) there is need, community by community, to assess the job picture and plan to meet job needs now and in the future.

On our part, we in the Department of Employment need to:

1. Develop new techniques which will cut the lapse of time between the vacated job and the providing of a competent replacement. We are now experimenting with Telex and EDP storage and retrieval equipment which holds great promise for greatly increasing our recruitment and screening services without commensurate increases in budget expenditures.
2. Improve our counseling and guidance services to enable us to understand and motivate the older worker to a sensible course of action which will result in full use of his skills. That is why we are now engaged in substantially raising the academic and experience qualifications of our vocational counselors.
3. Extend the successful group guidance clinic approach, such as the job clinic for middle-aged women who wish to re-enter the labor market when their family responsibilities permit them to work. They need pointers on how to look for a job, pointers on personal appearance, attitude and how to overcome lack of confidence. These clinics have been especially successful when jointly sponsored by the Business and Professional Women's Clubs, Altrusa, Soroptimists and YWCA; or the Job Clinic for men called "Experience Unlimited" where executives and managers caught in plant mergers and other displacements get together and hammer out solutions to their job problems.

4. Improve our knowledge of the labor market so that we can provide current and projected information on job trends, job obsolescence, new jobs, patterns of skill requirements, etc.

It is on this note I would conclude. I have reviewed the economic surveys and related documents prepared by the Chambers of Commerce in the Humboldt region. I am pleased Jeanette Rollison and her staff were able to assist in providing the employment tabulations and the Wage and Salary Schedules for these studies and with her report on "Characteristics of the Eureka Labor Market". By the publication of these documents, you show you recognize the need for a frank appraisal of the facts, facts critical to your economic growth and development. I suggest if this splendid outline of what makes your county tick economically is now supplemented with a skill survey, you will be in a position to merge manpower needs with economic developments. In this climate of facts about our current and projected manpower needs, we can join hands with you to better serve the unemployed worker who finds a mountainous barrier to employment at an age when he has the greatest need for employment in order to house, support and educate his children and to accumulate assets for his retirement years. And in this climate we can provide business, commerce and industry with a competent worker, rich in maturity, fully trained and responsive to the demanding needs of our new technology.

"SUMMARY OF EUREKA WORKSHOP"

by Mrs. A. M. G. Russell, Chairman
Citizens' Advisory Committee on Aging

Our purpose in meeting here today has been mentioned specifically -- and as an underlying thought -- as we have talked. To again quote our very able Legislators' resolution, Assemblymen Belotti and Kennick stated that "the meeting is relative to improving the employment opportunities of older persons -- it is part of a study of how and where employment opportunities for older persons may be improved and expanded throughout the state." And perhaps we might add the thought of our keynote speaker -- that we also find out what older people can do for themselves.

We have seen today that we need to look more at the total picture in order to find workable solutions. The employment of the older worker in the future is only one part of long run total labor requirements -- it is dependent on the rate of economic growth in output per manhour. It is also dependent on the size of the total product and what that product is. It is difficult to tell whether the demand may not change from goods produced by machines to goods which require large amounts of labor or vice versa. For certain, rapid technological changes will undoubtedly continue to confront the older workers in the future with the threat of occupational and educational obsolescence.

What are we doing to help the situation -- true, we are looking at it today, but looking is not enough -- and it is not enough to find one solution and work at this -- the situation is complex and requires attack from many angles. We must find immediate solutions for the older worker today and we must take preventive steps for the future.

Some steps have been taken. We have an "Employment for Older Workers Act" passed in 1961, which makes it unlawful for employers of six or more persons to discriminate, solely, on the basis of age, in hiring, firing, or promoting persons between the ages of 40 and 64. Today there have been suggestions that the age should be lowered, also that enforcement policies should be reconsidered.

We have the statewide program of the Department of Employment -- each office has an older worker specialist who gives services to older workers -- provides counseling, job development-retraining, placement.

Under the Manpower Development and Training Act of 1962, older workers can be retrained along with younger ones -- good percentages of retrainees are in the over-45 group. California workers are permitted (by legislative action, 1961) to attend school while drawing unemployment benefits -- providing the worker is leaving an occupation where the demand for workers is diminishing and trains for an occupation where workers are in demand. This program utilizes the Adult Education program on an individual need basis. During 1963, of 2746 enrolled under the program, 18.7% were over 45.

Unions attempt to protect the rights of seniority of their members. Attempts have been made by older people to solve their own problems. Such groups as 40 Plus, Experience Unlimited, and management groups contributed to the employment total. Efforts have been made to make employers aware of the fact that the older worker is adequate, steady, seldom ill, loyal, and that pension costs, vacations, and insurance costs need not be a barrier.

Preparation for retirement is another area which is receiving attention. This fosters the concept that the individual who plans for retirement, who attempts to learn about the social and psychological aspects of aging, who includes plans for meaningful and constructive use of leisure time, along with financial planning, will not have to make as great an adjustment in retirement -- may not wish or have to work -- or if it is necessary from an income standpoint, will be aware of a probable need for retraining and the need for mobility.

At a national level, the President's Council on Aging has made some recent recommendations for enlarging the employment opportunities for older people. The Council repeats the premise that "the problem of employment for older workers is but part of the larger problem of employment opportunities for all who wish to work and are capable of doing so. The solution depends heavily upon the success of measures to stimulate economic growth and to expand total employment."

As we have discussed today, the need for a part-time employment service that would concern itself with discovering and developing part-time employment in private business and industry, government and institutions was recommended. Legislation for relocation allowances was recommended for workers displaced by economic shifts -- as long as they had a bona fide offer in another area. (This cost would be small when compared with extended unemployment compensation.)

Expansion of training and educational opportunities were recommended along with the development of projects for special forms of training and related services for particular groups of older workers such as those with health problems or patterns of nonwork. It was recommended that there be measures taken to avoid and ease the impact of layoffs on the older worker, such as manpower planning, reassignments, plant retraining, broader seniority districts, and early notification of layoffs. Development of public service employment opportunities for the aged was recommended.

The Council also recommended that severance pay be on the basis of years of employment, that gradual retirement programs be inaugurated, that there be expansion of opportunities for volunteer service -- and that the Social Security System be improved so that long periods of unemployment, when registered for work, will not decrease benefits.

At the recent National Council on Aging meeting in Chicago in February, one speaker proposed educational leaves, financed by the employer, the employee, and the government -- and directly related

to the percent of unemployment which exists. The effect being that not only would it help unemployment but it would also enhance the future employability of the person who received the training or education. This is not a new idea -- just an expanded or extended one.

One of the most repeated recommendations made today has been that a community committee be established to promote opportunities for older workers. It was suggested that this committee would be able to consider the labor market information for the area and could work with labor unions, employers, Adult Education, Welfare Departments, as well as with the Department of Employment.

Development of new jobs has been suggested -- or new industries -- that will require the kinds of services which older people can give. Many have been mentioned that have to do with services in the home -- home aides for the ill, homemakers, shoppers, nursing services for the homebound. These have been successful in many places. The supplying of a party aid -- someone trained to help with a party in your home -- has proved to be a successful venture in several places.

There are many other jobs that we can think of -- we can also think of the older person as a consumer and cater to his requirements. If you remember the baby-boom of the forties and all the shops that sprang up and the change in kinds of garments made for babies -- and then growing children -- we might translate some of this to the boom we are beginning to have in numbers of older people. The next few years will see increasing numbers of older people -- with spendable income. To start big -- why don't we have cars designed so that older people may get in and out easily. Transportation is a real problem in most places -- there ought to be ways to overcome this by design of small conveyances or by planning for group transportation.

Clothes for the older woman are badly designed and there are very few. We still like clothes as we get older, but it is very discouraging to have to hunt and then find only something that will do. This is a field for future economic endeavor indeed.

Food -- both shopping and cooking are problems for many in their later years -- yet we have very few "meals on wheels" programs and most of those that we have must be subsidized because the costs are so high. Surely there must be a way to provide nutritional meals for people in their homes at reasonable costs. The local employment office presently lists 56 unemployed cooks. There could be some opportunity for them in this field.

Housing for older people is a field we are beginning to learn a great deal about. Older people are telling us where they want their homes and what kinds they want -- building them is good business both for the builders and the communities. This area will benefit more than most from this.

I spent several summers in this area when I was in school. I learned to fish in the Eel River. A few years ago I flew up here in the winter

in a small plane, over the snow-covered redwoods -- it was quite beautiful. You certainly have one of the most natural and beautiful areas of California -- more visitors are intrigued into spending vacation time here during the summer. Wouldn't it be possible to expand the tourist season.

We do know that even with California's expanding economy there are changes which will have to take place if there are going to be adequate employment opportunities for all those who wish to work. Our meeting today has great value in that it has focused attention on the older person. We shall not lose sight of that older person; our Citizens' Advisory Committee on Aging and the Department of Employment will see that the suggestions and recommendations of this meeting will be implemented insofar as we are able to do so.

"A MODEL FOR ACTION TO IMPROVE AND EXPAND
EMPLOYMENT OPPORTUNITIES FOR OLDER PEOPLE"

by Nathaniel Brooks, Consultant,
Older and Retired Workers Department,
International UAW-CIO, Detroit

What we want to talk about today is the older and retired workers, primarily the older worker and how we help this older worker not only to look busy but to be busy. Actually, concern with the plight of the older worker is not new in our country. Many years ago, Carl Sandburg wrote very feelingly of the 40-year-olds in the steel industry in Chicago back at the turn of the century who were found to be too old to work every time that there was a seasonal layoff in the industry and then, of course, the great depression of the 30's was also a period and particularly a period of dramatic experience for the older worker.

During the 1930's when Frances Perkins became Secretary of Labor, the U. S. Department of Labor established a study committee on a national basis to do something about the problem of the older worker. As a matter of fact the Social Security Act was passed primarily in an effort to remove the older worker from the job market and to provide him some income for not working. Now, when World War II came along, of course this obscured, and in a large measure reversed, the manpower problem of the older worker. In World War II there were practically 12 million young men under arms and almost all of them had to be replaced either by older men and women of all ages, physically disabled and even some of those who had already retired. This experience in World War II and to a lesser and still a significant degree in the Korean War has left many of us to the overall, oversimplified conclusion that the solution to the problem of the older worker is full employment.

Full employment is obviously a solution but if it is achieved only in an allout mobilization for war, is it in any sense a practical and desirable solution to the problem? We believe that we must seek other and less expensive solutions to the problem so while we are most enthusiastic about the need and desirability of full employment under peacetime conditions, we also think that it is necessary to face the economic reality today and look further and deeper beneath the surface of this problem to find real and lasting solutions which can begin to take effect prior to the time that we are able to achieve full-time employment. It was in request of such solutions that the U. S. Employment Service and the U. S. Department of Labor undertook studies, in depth, of the older worker problem. This was done in 1947, '49, '50, '52, '55 and again in 1957. All of these studies led to about the same conclusions. We may summarize these as follows:

First: That there is widespread discrimination against older workers in the hiring and employment practices of employers large and small, public, private and voluntary.

Second: That this discrimination is incurred at different age levels, sometimes even at ages 30 and 35 depending upon the sex and

occupation of the worker and the industry in which he or she seeks new employment.

Third: Employers have a high regard for the older worker who is still in their employ. But, this high regard disappears and it is replaced by discrimination once the older worker loses his job and tries to find a new one.

Fourth: Employers have a number of reasons, most of which are only myths or half truths on which they justify their preferences for younger workers. Among these myths or half truths are the idea that pensions, insurance and Workmen's Compensation costs are going to be very much greater in the case of the older worker, allegations with regard to lower productivity, greater absenteeism, inability to keep pace with younger workers, inability to adjust to changes, to accept training, supervision, discipline, etc.

Fifth: Unions also tend to reflect some of these attitudes, particularly in response to the pressure caused by layoffs and unemployment and particularly in regard to their long-term unemployed membership. The union which has a long-time layoff of many of its workers begins frequently to assume a very defensive kind of attitude - to develop certain attitudes which in a sense excuse them from meeting the very unpleasant reality of their relative inability to do anything about it on their own. Perhaps, they would like to think that they have it within their power, and they certainly like their members to think they have it within their power, to help them in any contingency. The fact is that this is one of the problems labor unions alone have been unable to deal with.

On the other hand, alongside of the sometimes negative or resistance attitude on the part of unions there have been some positive activities to protect the rights of the older worker. Seniority systems of course are a prime example of this. In some plants there is the reservation of jobs either by contract or through informal arrangements between union and management whereby jobs which are especially suitable for the older worker are more or less set aside and identified as such and saved for the older worker who can no longer operate on his previous job. Other unions, particularly in the building phase have worked out a system of hiring ratios whereby a certain proportion of the workers employed during a given time on a given project must be in the upper-age bracket.

Sixth: The U. S. Department of Labor shows that older workers themselves tend to create some of their own problems by an unwillingness to accept a change in occupation, change in industries, rate of pay, or in location of employment, and finally, it was found that private and public employment agencies and personnel and employment managers are themselves contributing to the problems by their failure to deal with applicants and employees as individuals with interests, ability, experience and capacity which are individual and certainly do not conform to all these myths.

Now, since the problem is so complex, it is also obvious that solutions will also have to be complex. We do not believe that there is any single simple solution to the problem of the older worker. First of all, we believe that we can do a better job through the existing mechanisms, procedures and techniques which are currently involved in the employment problem. We can, for example, in a corporation establish a clear and unequivocal policy on hiring and retention on the basis of ability and without regard to age. Now, many companies and unions claim to have adopted such a policy, but how many have really tried to implement such a policy through very direct, written and spoken interpretation to supervisory personnel, managers, foremen, and the personnel officers of the corporation?

Secondly, we believe progress can be made by examining carefully the hidden forms of age discrimination which may be found in various corporations. By hidden forms, I mean certain arbitrary and generalized educational requirements which automatically eliminate a considerable proportion of the 45 or over applicants who have, say less than 8 grades of formal schooling, or a corporation could re-examine the arbitrary physical requirements which it may set for new employees. Physical requirements which may discriminate against older workers who are not at all disabled in a job sense even though some may have minor disabilities which, in the eyes of the company doctor, may be classified as disabling from the point of view of employment with their company. Or, we can take a hard look at the psychological screening devices which are used by many companies which automatically rule out many older workers since they were standardized on a new generation of students and they were not necessarily standardized on successful job performance. In other words, what we are saying is that the devices which are used to screen out so-called undesirables or potentially unproductive employees may have a hidden factor of age discrimination which really has no reality as far as the individual worker is concerned and it is only in the study of arbitrary requirements rigidly applied that this discrimination comes to light. Furthermore, corporations could make studies of the pensions and insurance requirements which are frequently referred to involving the older worker on cost grounds. In the past, studies have shown that the cost of employing an older worker in the 40's and 50's need not be a very significant factor to the corporation.

Now, aside from the question of discrimination on the age basis itself and its elimination, another major approach to a solution of the older worker problem is to help prevent it by doing a better job of training and utilizing the worker who is already on the payroll. It is frequently recognized by management that the middle-aged worker who is passed over several times for promotion and/or upgrading in skills suddenly becomes either frightened or disillusioned and cynical about his place and status. His morale begins to fall and he looks down the hill to retirement instead of up the hill to further advancement and progress in the organization. Opportunities for training, retraining or even a complete change of assignment become important considerations in this phase of the problem. You may know, for example, of the practice of Bell Telephone Company in the case of their linemen, who at a certain age become ill-suited for the continuance of their

particular work in the company. The company has developed a transfer of these men, using the knowledge which they have acquired and with the help of some additional training, to the salvage shops where they now do maintenance work of a much more sedentary and less taxing nature. This is an example of the kinds of steps which might be taken by corporations. In the case of Bell Telephone, an act which expresses moral responsibility to the worker who has been in their employ also represents a profit plus for the corporation in being able to take advantage of the experience which the workers gained in their earlier work as linemen.

Now, a third major approach to the problem of the older worker is to deal with the problem of employment for older workers by helping to make retirement more attractive and to increase the number of available jobs and reduce the competition among older workers for the jobs for which they may be well suited. Therefore, a corporation which would improve its retirement plan, if it needs improvement, to make it relatively easier and respectable for the older worker who is no longer able to keep up to retire with dignity and without regrets would be a very helpful contribution to the problem of the older worker.

Now, many companies resist early retirement. They resist fuller investing and a more flexible approach in dealing with disability retirement because they are afraid of the cost which may be involved in retiring a disabled worker at an earlier age than the normal retirement age. But, it has been shown that it is less costly to the company to make it easy for the less productive older worker to retire than it is to keep him on just killing time until he can reach the fixed age basis which is sometimes the only basis for retirement (unless there is a complete and total disability). Is it not time also to re-examine many of our preconceived notions about when to retire and to consider the whole question of flexibility in regard to retirement? Does retirement have to be a total retirement? Does it need to take place on one day from a full-time worker to a full-time retired person? Not necessarily, and thought should be given to the possibility of a flexible retirement program to make it possible for the older worker to gradually make a transition from full-time worker to full-time retiree, without drastic financial losses and income. The UAW at present has this under consideration, and will discuss with the corporations the possibility of a plan which would provide for as much as a five-year pay retirement between the period of age 60 to 65 with a guarantee of continuing income, a gradual withdrawal from full employment, culminating in full retirement. If arrangements of this sort can be worked out they would do much to reduce the pressures of the older worker problem.

Another phase of making retirement more attractive is a systematic program of retirement planning, education and counseling. Periodic and planned distribution of literature, and well-planned small group discussions are all important dimensions to a good retirement planning program. Yet, most companies and most unions pay only lip service to the idea of retirement preparation, if they have any program at all, and then they wonder why, in the face of a very inadequate and unattractive program the program is rejected and resisted by many of the older employees. The UAW itself has been very active in developing

together with the help of a number of universities what we consider a useful kind of preretirement education program, and we have attempted to secure the cooperation of the companies in jointly operating this kind of a retirement education program for the older worker and providing a program during the working hours, providing some released time on a periodic basis for older workers so that one does not face the problem of how he is going to bring back an older worker at the end of a long day's work. Its applicability to the problem of employment of older workers is that as the older worker on the job has the benefit of preretirement education or preparation, he frequently will begin not to fear retirement. He will begin to have a realistic and hopefully - if we provide the proper income and services surrounding retirement - a positive attitude toward impending retirement and this, of course, is quite an encouragement to voluntary retirement.

Another important way to make retirement more desirable is to take an interest in making the community a place that will accept and find a place for the older worker and the retired worker. Labor and management both have a long way to go in this field of activity. For, while we are proud of our participation in the voluntary giving and fund-raising activities and the money it provides for community services, we too often have not seen to it that a fair share of the money raised goes into services to those groups who are among the most in need of services - the older people who are living in poverty or on its edge, who are isolated, and as they grow older cannot shop effectively for the health and welfare services which they need and too frequently don't get.

In addition to these basic steps, there also is a role of responsibility in the public sector which requires attention. Certainly, the efforts of the public employment service in the field of job counseling, job development and selective placement need to be accelerated and this costs money for staff and the training of staff. Certainly, much more can be done in adult vocational education and under the Manpower Development and Training Act to retrain and refurbish the skills of the middle-aged and older workers who have been displaced by technology, by mergers or by the closing of plants, who are too old to work by employers' standards but who are too young to retire. Certainly, much needs to be done through meetings of this sort to change public and employer attitudes toward the older worker and toward the unemployed in general.

To bring about public awareness and concern to stimulate education and a change of attitudes we frequently need controversial discussions of legislative issues which will affect the status quo. This is one reason why we have favored anti-age discrimination legislation which would provide strong penalties against employers and unions that arbitrarily bar people from employment on the basis of age. States with such laws, and New York and California are among them; are doing a better job of placing older workers because age discrimination is no longer overtly practiced and because the very consideration of the law itself and the passage of the law by the Legislature caused discussion and a reconsideration of present and past policies and

practices in regard to the hiring of older workers. But, in addition to this legislation we need a broad range of intensive and comprehensive efforts in the public sectors which need also the help of both labor and management if these efforts are to succeed. Such effort is especially needed, it seems to us, in the manpower development and training field, and in the job redesign field, the efforts to accommodate the work to the available unused or underused labor supply.

Here we would like to present simply as examples for your discussion a few broad areas for consideration. First, can we develop a comprehensive diagnostic testing and counseling program tied in with vocational schools where unemployed older workers can not only be tested and counseled but can also try on various kinds of training situations for size before they are actually committed to a long-term training and vocational objective? A second idea that you might want to discuss: can we develop extensive literacy training and other forms of prevocational education for those older persons who cannot learn new skills because they lack basic mastery tools such as reading, writing and arithmetic? Can we develop sheltered employment of a restorative nature or a rehabilitative nature, perhaps which will help to develop the work habits and tolerance of people who have fallen out of the labor market, in order to bring older workers along to a point where they can re-enter the competitive labor market? Can we develop extensive on-the-job training opportunities as an integral part of the manpower development program? The Canadians are doing this, by the way, in that the government provides a subsidy to an employer who will hire a worker 45 years or older as an on-the-job trainee and the payments are continued until such time as the worker reaches normal production on the job.

Another thought: is it possible to train middle-aged and older people to provide the many kinds of service, technical and semiprofessional jobs which are involved in serving older people themselves - jobs in nursing homes, homes for the aged, recreational and counseling programs, housing projects of various sorts for older people? These are jobs of which many do not get done because there are no qualified and trained people to fill these jobs. Might not older workers themselves provide a group of people who could be trained for this purpose? Is it possible to organize and develop the part-time and odd-job market for the middle-aged, older and even perhaps the retired worker who may feel it necessary to supplement his retirement income? Can we not develop a senior volunteer service corps in which older people can serve their community, getting some satisfaction and perhaps a small reimbursement of expenses or compensation for the services which they may give to others who may need the benefit of their wisdom, their experience and talent? Have we fully explored the potential of expanding the service occupations and training people to fill jobs in nursing, in home care, homemaker services and various other kinds of needs which are very ill met to a considerable extent because there is not a supply of trained personnel? Many of these kinds of jobs it seems to us could be filled by middle-aged and older people if they were properly trained. Now, these are a few of the possible ways in which we can extend ourselves to help middle-aged and older people to find work and opportunities for useful activities

and services. They are not necessarily applicable in all communities and perhaps some of them are not applicable anywhere. However, these are ideas which are projected to you which you may want to consider in the discussion groups. The point is that we really need to stretch our thinking to develop new methods and approaches to deal with the growing and the persistent problems of employment of the older worker.

In the years ahead, we have several alternatives. One is to ignore the problem and hope that it will go away, or we can look to the over-all panaceas, or we can face up to the fact that the problem will not go away and will not be solved by panaceas. The problem is here to stay, and if anything, it is going to grow in size and complexity in the coming years and it will require vigorous and concerted action on a number of fronts.

In summary, we would like to suggest there are basically four component parts of a total program which ought to be developed. The first is in the area of training workers who are not employed so that they will be qualified for jobs which may become available. A second area is to eliminate discrimination against older workers, both in its overt and covert forms. A third major area is to help keep the older worker on the job, productively on that job, so that he does not need to be released; and, lastly, to make retirement more attractive and thereby take some of the pressures off the job market for the older worker.

"SUMMARY OF OAKLAND WORKSHOP"

by Dr. Margaret S. Gordon, Associate Director,
University of California, Berkeley

I'd like to start out by expressing my congratulations to the Industrial Development Commission of Oakland for organizing this meeting. It is encouraging to see the prestige of the Industrial Development Commission behind a well-planned effort to bring management, labor and representatives of public employment agencies together. Perhaps the most valuable part of today's experience was the opportunity for these groups to come up against the point of view of the other groups involved and to exchange opinions.

I also found the talks by the two main speakers very interesting and thought-provoking. Without attempting to recapitulate what either one of them said, I do want to refer very briefly to a few points and then will direct my attention to what seemed to come out of group discussions. Mr. Brook's paper represented a very comprehensive summary of the problems, but I would like to quarrel with him a bit on what I thought was a lack of strong enough emphasis on the importance of achieving full employment as the only framework in which we can make much progress towards resolving employment problems for the older worker. It is true that the only time in recent history when the long-run decline in the proportion of elderly men in the labor force was reversed was during World War II. This was a situation of very tight manpower and what economists would call over-full employment. Now in a peacetime full employment situation, which I think we can achieve with appropriate measures, the decline in the proportion of elderly men in the labor force is not likely to be reversed, but it stands to reason that with a lower overall unemployment rate the unemployment problem of older workers will be somewhat diminished. This does not mean that we do not also need other kinds of approaches and measures, but these other approaches stand a far better chance of success in an environment of full employment.

Now let us turn to the discussion in the workshops. I sometimes think there are no new ideas in this area, but I did hear some interesting new ideas today. Group I was concerned with the question, "What Can the Community Do About This Problem"? The chairman in introducing the discussion emphasized the importance of the community approach, with which I fully agree. Despite the need for full employment, we still need efforts at the local community level. There was a reference to a labor-management committee which has been formed in San Fernando, California, to concern itself with employment problems of older workers at the local level. There was also some discussion to the effect that perhaps a committee concerned exclusively with employment problems would be more effective than a broader committee on aging with many different interest groups involved, so that there would be little time to concentrate on employment problems. There were also various specific suggestions that came out of Group I. One was that the Department of Employment should have a citizens' advisory committee on older worker problems made up of all segments

of business and labor. Secondly, it was suggested that the Department of Employment should correlate and make resumes of existing programs relating to the employment for older workers. These were individual suggestions and not the final recommendations of the group. It was also suggested that the State Department of Employment should have responsibility for coordinating training and retraining efforts and that information should be provided to employers on what was going on.

The question was also raised of various legal impediments to the hiring of older workers. Out of that discussion came a recommendation for further liberalization of the retirement test under the Social Security Act, which many older people feel limits their opportunities for employment. As to the role of the Industrial Development Commission with its emphasis on attracting industry to the area, the suggestion was made that we are entering a period in which there will be rapid expansion of health activities, recreational industries, other types of service industries, some which may conceivably provide more employment opportunities for the older workers than the kind of industry which we traditionally think of in this connection.

Group II was concerned with what employers can do. There was emphasis on the need for the creation of more adequate understanding on the part of employers, of the advantages and disadvantages of older workers, educating first-line supervisors so that they would not have prejudiced attitudes against hiring older workers, and improvement of pension plans in various ways. Some members of the group thought that companies should take responsibility for retraining older workers, but this view was not unanimously accepted. There were some who felt that it was the individual's responsibility to keep his skills at prime level.

There was a good deal of discussion of the problem of compulsory retirement, with emphasis on the fact that the very widespread adherence to a fixed retirement age was attributable primarily to the problems of communication that were created by a more flexible system. The need to keep promotional opportunities open for younger workers was also emphasized. But it was suggested in this connection that "phasing-out" plans under which people could retire gradually could be worked out in such a way that they would not interfere with promotional opportunities for younger people. Older employees who were being phased out could be shifted to job assignments which did not interfere with lines of promotion.

Group III was concerned with what unions can do, and quite a number of constructive ideas came out of this discussion. It was suggested that unions should negotiate for more realistic hiring practices on the part of employers and that unions have a role to play in encouraging shifts to more appropriate job assignments for older people. There was a very interesting example given of the practice of part of the Alameda-Contra Costa Transit Company of shifting older drivers into jobs as dispatchers which they apparently handled very well. However, there were not enough dispatcher jobs to take care of the need, which is frequently the problem in trying to work out shifts of this

kind. There was quite a bit of emphasis on the need for labor-management committees in particular industries, which would continually concern themselves with identifying appropriate shifts in job assignments for older workers, preparing workers psychologically for these shifts, and with preparation for retirement programs. On the question of reserving certain jobs for older workers there was some disagreement. There was also reference to the need for wage adjustments, in some cases in which older workers were shifted to lower rated jobs or in which the older worker's productivity declined, but again there was a good deal of disagreement. There was some mention of the need for greater effectiveness of the anti-age discrimination legislation. There was also discussion of the need for improvement in pension plans, job redesign, and educational programs for union leaders on problems of the aged.

Questions were raised about whether the low age limits on entry into apprenticeship programs were appropriate in all cases and whether we need to reconsider the length of apprenticeship training. This may seem a little remote from the problems of older workers, but it is actually part of the whole problem of preparing the labor force for adaptability and adjustment. It was also suggested that physical exams in industries sometimes screen out older workers unnecessarily through too rigid standards and that educational requirements sometimes exclude older workers unnecessarily from jobs that do not require much education.

In addition, there was some discussion of what the individual worker can do. He needs to be encouraged to be adaptable and to prepare himself for possible job shifts and changes in assignments. We must recognize, however, that we need to think in terms of a continuing process of adult education in a world of rapid technological changes.

Group IV, (led by Dr. Huntington) was concerned with the question of what the Employment Service can do. Practically the entire discussion in the morning meeting of that section was on the existing law in California relating to age discrimination in hiring. Suggestions were made, but there was considerable disagreement. Among the changes discussed were proposals that the law should be amended to cover all firms regardless of size, that the law should be extended to cover newspaper ads.

(VOICE: Other ads as well?)

It was also proposed that the law should be strengthened with respect to its enforcement procedures which are now practically nil. Among several possibilities mentioned was a conciliation procedure, and it was pointed out that the Department of Employment does have a sort of informal conciliation procedure now. It was also suggested that age be eliminated from application blanks for employment, in much the same manner that information on race or religion has been outlawed.

The afternoon discussion in Group IV was concerned more directly with employment services, particularly with the older worker

specialist program. The question was raised as to whether the present staff of older worker specialists -- I think there are 48 in the State as a whole -- was large enough to meet the problem. The point was made that in a small office the person assigned the duty would not usually have enough time. However, the general feeling was that there were enough older worker specialists, but that they did not have enough community support. One of the essential features of this particular assignment is the creating of a climate of understanding on the part of management and labor of the problems facing older workers. There was much discussion of the problem of counseling, with division of opinion as to whether all counselors needed special training for their role. The general consensus here was that counseling should be conducted by persons with special training and that further efforts should be made to increase the training available.

There was also discussion of whether the Manpower Development and Training Act was geared to help older workers, with emphasis on the fact that the program is demand oriented, i.e., oriented toward training people for occupations in which there is a scarcity of workers. Another difficulty is that many jobs require more than 52 weeks of training. It was felt that we really don't have a program that is geared toward the needs of the unemployed and it was suggested that the MDTA be re-examined in terms of improved possibilities for older workers.

If I may take just a moment, I would like to comment on this because it is something that interests me very deeply at this point. I have been engaged for the last 16 months in a comparative study of remaining programs in the United States and Europe, and I think we should not dismiss the possibility of retraining older workers too quickly. There have been some successful programs for training older workers in a few of the European countries. It is also interesting to note that in Sweden they are beginning to feel that special retraining programs for older workers may not be desirable because there is too much frustration involved when the entire group consists of older workers. The Swedes are now trying to include older workers in a more normal training situation with younger trainees. Another question raised was whether there should be a special division in the employment service for part-time and temporary jobs, and apparently it was felt that it was desirable to investigate the feasibility of establishing a nonprofit agency that would work on this problem, which is so important for the older person seeking work. It was pointed out that the wage level needed to be protected in this connection.

Now we come to Group V, which had some very interesting discussions with respect to the role of adult education. There was a great deal of emphasis on the inadequacy of our provision for vocational counseling and on the fact that very few people get access to good vocational counseling. It must be more individually oriented if it is to be effective. I was interested in a suggestion made by a teacher from Contra Costa Junior College who is recommending to the State Department of Social Welfare that the college be authorized to provide two counselors who would go out into the deprived neighborhoods in old clothes, making themselves part of the neighborhood, and trying to

locate people who could benefit from vocational counseling in this informal way. Our vocational educational program is much too limited according to the discussion in this group. There is a problem in this country--and I think not exclusively in this country--of adverse attitudes toward vocational education because of the high premium placed on white-collar work.

There was also emphasis on the fact that we sometimes have to help people learn how to learn before they can go on to vocational education. The Manpower Development Training Act is developing, as most of you know, a new program aimed at what might be called prevocational or multioccupational training to get at this kind of problem. There was quite a lengthy discussion of the program of training for housekeeping at Oakland City College. Here is an occupation for which some older displaced people might be qualified, but there are various obstacles. People who have a reasonably adequate level of education look with great disdain on this kind of work. On the other hand, unqualified people are not likely to learn about this kind of training opportunity. One man mentioned the fact that if you live in Hayward or Richmond you could not get your travel expenses paid under MDTA to come to Oakland for this kind of program. This brings up what I think may be one deficiency in our MDTA policies.

In this connection, some years ago, I was a member of the Alameda County Committee on Aging which was set up under the Federation of Community Services. One of the things we attempted was to develop a homemaker service in which older people, among others, could be recruited and trained to care for elderly and disabled people in their homes. This was a fine idea but the money just was not there to develop it, and it was a question of seeking an allocation from the Community Chest. I am not sure whether this has been accomplished yet or not, but it brings out a point which is very important in this connection.

One can talk about developing programs and trying to create types of jobs in which older people could perform a valuable service in the community, but the money must be found either through private or public sources. Group V also recommended a manpower development commission in the local community. The manpower development commission would be analogous to the Industrial Commission but would concern itself with manpower requirements and supply. In addition, there were a few other things mentioned, such as the question of whether the provisions in the California law for extended unemployment compensation for persons who are willing to undergo training are adequate and whether, and to what extent, dropouts from training programs are attributable to inadequate training allowances.

In conclusion, I have done my best to pull together what you can see is a combination of broad suggestions and very specialized suggestions. I have tried to mention a few examples of the more specialized suggestions, because they help us to see that there are many useful small things that can be done as well as broader efforts. But, again, let me say that this experience has been very valuable and I hope that

out of it will come some type of community organization or committee which will provide a basis for continuous interchange of information and attack on these problems.

"LABOR LOOKS AT THE OLDER WORKER"

by Don Vial, Research Director,
California Federation of Labor, AFL-CIO,
San Francisco

I. Introduction

We can all stipulate at the outset that there is a serious employment problem concerning older workers.

Like other progressive organizations we have supported and continue to support a program of increased aids to older workers to enhance their employment opportunities. We supported, for example, the legislation enacted in 1961 outlawing age discrimination and providing for the development of special services and placement aids within the Department of Employment.

The value of this legislation has been demonstrated in the increased placement of older workers by the Department of Employment, although the two percent decline in placements in 1963 reported by the Department recently should serve as a warning to all that we have barely begun to scratch the surface of the problem.

Indeed, we believe the State's ban on age discrimination needs an enforcement agency to process complaints administratively, rather than relying on the present totally ineffective misdemeanor enforcement procedure. But such enforcement, even if it were legislatively feasible, should not be viewed as any kind of a panacea.

The truth of the matter is that many of our older workers -- especially those with little formal education and few skills -- are caught in an "economic vise" that is squeezing them right out of their jobs.

They are being held in place in the "vise" by the structural rigidities of the labor market that work against their adjustment to technological change; but it's the failure of the economy to provide enough jobs to go around that is doing most of the squeezing.

We are deluding ourselves if we think that we can really penetrate the problem merely by breaking down "stereotyped" attitudes toward job performance and the ability to learn of older workers, or by expanding training and retraining efforts in combination with better counseling and placement services under an effective ban on older worker discrimination. All of these are necessary, of course. We can well afford to allocate more of our resources to overcoming these structural barriers -- and we must.

But, as in the case of our special efforts to help minority groups and the youth, our objective must have a higher purpose than

merely to provide for a better distribution of "empty stomachs" without regard to race, creed, color, national origin, or age.

In short, a program of aids to older workers has meaning only within the context of economic policies to restore full employment by effectively relating our needs as individuals and as a society to the production potential of the nation. This may well mean some basic socio-economic reforms that are long overdue.

- II. There is no denial of the structural aspects of the older worker problem. However, this does not mean that it is getting worse.

Some figures developed by U.C. Professor R. A. Gordon that I have seen which attempt to measure whether the structural problem is getting worse indicates that the magnitude of the problem has not changed much during the post-war period.

The statistical procedure employed is to allocate the percentage of total unemployment in the nation to age groups during the post-war years of lowest unemployment.

The rate of unemployment in the 45-64 age group as compared to the total national unemployment rate in the years 1948, 1953, 1956, 1959, 1962, and 1963 is expressed as as a ratio, and then multiplied by the percentage of the total labor force in the age group for each of these years. This gives the percentage of unemployment that is attributable to the 45-64 age group.

For males, the 45-64 age group accounted for 16.6 percent of total unemployment in 1948 as compared to 15.5 percent in 1963 -- a drop of one percentage point. The movement was from 16.6 percent in 1948 to 19.4 percent in 1953; 17.5 percent in 1956, 17.8 percent in 1959; 17 percent in 1962; 15.5 percent in 1963.

For women, the 45-64 age group accounted for 5.7 percent of total unemployment in 1948; then increased to 6.7 percent in 1953 and 8.7 percent in 1956. Since 1956, the amount has remained almost stable, declining slightly to 8.4 percent in 1963.

As indicated, these figures are not cited to imply that we have no problem. On the contrary, we have a very severe problem that is going to require a lot more than a few programs to remove structural barriers to skill development and job placement for older workers.

To me, the figures indicate several things:

First, the percentage of total unemployment attributable to workers in the 45 to 64 age group is consistently less than the percentage of this age group in the labor force. This means that the problem lies not with the group as a whole, since it is faring better as a

group than other age groups, but with those who happen to get caught in the "economic vise" I described earlier. We have to be careful in our generalization about the older worker; the problem is largely an individual one and has to be handled as such.

Second, we need to keep as many as possible out of the job destroying "economic vise" not only by keeping our purchasing power high to provide enough jobs to go around, but also by structuring some of our demand for goods and services -- perhaps especially the services -- to create jobs that meet social needs that at the same time utilize the skills that have been acquired or developed by displaced older workers.

Third, programs to remove structural barriers for those who get caught in the "economic vise" may require, not only better training programs, better counseling, and better "early warning" systems on job displacement, but also a number of reforms in socio-economic programs.

III. We might look at some of these reforms:

It is frequently argued that fringe benefit costs are higher for older workers than younger workers and that these costs pose employment barriers to otherwise qualified persons who might be able to acquire employable skills after being displaced. Unions tend to catch the blame because they are primarily responsible for the advancements in fringe benefits.

This is somewhat akin to going after the goose that laid the golden egg.

In the first place, the collective bargaining contract has been the greatest source of economic security for the older worker through operation of the seniority principle, health care plans, pensions, severance pay provisions, automation funds, etc. The problem lies with the older worker for whom these protections turn out to be "not enough" that is, the older worker who loses his job and benefits for reasons beyond the reach of the collective bargaining contract or collective bargaining system.

For the older worker who is eventually displaced, it may be that he will be considered an "adverse risk", medically, in the health care plan of a potential employer. It may be the case also that the older worker will cost a new employer more than a younger worker under the pension plan negotiated with the union.

Pooling arrangements have been suggested in health and welfare programs to provide for broader sharing of risks. Vesting rights in pensions are advanced as partial answers to the pension cost problem.

Apart from these suggested arrangements, it is to be noted that organized labor did not venture into these fringe benefit areas necessarily as a matter of preferred choice. The money that goes for health and welfare and pensions comes out negotiated money that would otherwise be available for wage increases.

Unions started negotiating health and welfare plans after labor was unable to secure approval of either a national or state prepaid health care plan. The negotiated plans were the "second best" that could be obtained. The older worker problem, in this sense, is a reminder that perhaps the time has come to reconsider a national or state health care plan. If not, then let's not blame unions for doing the next best thing available to workers.

The same applies to pensions. Labor would prefer to see an adequate federal social security program that would make negotiated pensions unnecessary.

These are some of the reforms that we ought to be thinking about. Let's keep our eyes on the main tent when we talk about older workers' problems in these areas.

IV. Training Problems

Early warning systems are not easy to negotiate. Employers fear loss of competitive positions when bargaining with unions on these issues.

Information on new technologies well in advance of introduction is vital to the whole field of skill development, if coordinated community approaches to job training are to be undertaken.

Retraining of older workers has no chance of achieving substantial success unless young workers coming into the labor force have the basic training they need for the development of employable skills. Otherwise, they are vying against the older worker in areas of diminishing labor requirements, as much as possible, for older workers.

Early warning systems and projections of new technologies may require a lead time, sufficient not only to acquire the skills, but also to pick up the basic skills that may be necessary for an older worker to pass an aptitude test to qualify for the training.

In some cases it may be desirable long before the new technology is introduced to provide the financial means whereby an older worker may undertake such basic training without loss of pay.

V. Conclusions

1. Older worker problems stem primarily from our basic unemployment problem.
2. We must work at the structural barriers while combining an effective demand program with socio-economic reforms to expand older worker employment opportunities. Our fiscal tools -- especially public expenditure programs to meet community needs -- should be used with a rifleman's precision. There should be more structuring of "demand" in this regard to utilize the skills of older workers in areas of pressing social need. This also "buys time" in coming to grips with skill development problems presented by the advance of technology.
3. In the long run, also, we must come to grips with the problem of equating our production potential to our goals in terms of leisure as well as the provision of goods and services. Leisure, potentially, could be one of the greatest products of the free society, provided it is related in a meaningful manner to our national goals in the production of goods and services and their distribution. This has vast implications for older members of our work force, and we are not facing up to them.

"MANAGEMENT LOOKS AT THE OLDER WORKER"

by E. P. James, Professional Placement Manager,
Aerojet General Corporation

Today's employment manager is deluged with requests and pressures from all directions to give special attention to various segments of society in his hiring policies. These pressures come from various sources -- billboards, organizations, radio and television, newspapers, and magazines:

Hire the handicapped!
Hire minority groups!
Hire college students!
Provide summer employment programs!
Develop retraining programs!

and now -- Hire the older worker!

These pressures are constantly increasing -- to the point where the poor employment man feels the only way out is to hire a blind, 50-year-old, Negro, college student, and then, retrain him.

The employment man's first responsibility is to his employer -- to hire the man or woman who is best qualified to do the particular job at hand. The success of any business or industrial firm rests to a large degree on the competency of its employment staff -- the better the employment office does its job, the better qualified are the people brought into the organization, and therefore the better are the firm's chances for successful operation.

If you are in a profit-making business, as most of you are, you understand all too well that to stay in business you must produce and grow on the basis of sound business principles. You don't employ people just to get them off the unemployment or welfare lists -- you hire them because they have the skills and experience you need to get a particular job done.

As we evaluate hiring policies, we must realize that the nation has yet to learn how to utilize its human resources adequately. It would almost seem that the well-worn statement -- people are our most precious asset -- has an empty ring when one considers the number of older workers who cannot find suitable employment. Interest in the older worker has more than an economic dimension. The loss of opportunity to make a living is more than a loss of income or the loss of a productive citizen in the community. We are concerned not only with the economic problem, but with the capacities and opportunities of our older citizens to maintain a worthwhile existence socially, psychologically, and physiologically.

In the census projections of population for 1955 to 1975, the age group 25 to 44 will increase by 13 per cent, but the age group 45 and

over will increase 34 per cent. Therefore, the time is at hand when we must give serious attention to the older worker.

PROBLEMS OF HIRING OLDER EMPLOYEES

The older person who is seeking employment encounters major difficulties and roadblocks. Some of these are real difficulties -- some are imagined. All too frequently employment opportunities for older workers are denied because of prejudices on the part of employers. I would like to look for a moment at some of the prevailing attitudes of employers for not hiring older workers:

1. Older workers are inflexible -- they are too set in their ways, they resist change; are difficult to train, lack versatility, etc.
2. They don't keep up with changing technology. From the time of Moses to the Victorian Age, change was slow, and age was revered because it implied wisdom. Today the emphasis is on youth, and technological advances are rapidly dissipating the value of the older worker's experience.
3. They are unable to maintain normal production standards -- are slower and more prone to make errors.
4. Older workers frequently cannot meet the physical requirements of the employer. They are more susceptible to arthritis, rheumatism, heart disease, etc.
5. They cause the employer's cost for fringe benefits to be increased -- pension and insurance costs are greater.
6. Some companies are just set against hiring older workers: Charles W. Ufford, Director of Industrial Relations for Warner & Swasey Co., a Cleveland machinery maker, states: "We like to hire our workers young and let them work themselves up the ladder. This policy is good for our younger workers, and it's good for the older workers who started with us. But it's not so good for the older fellow who's outside trying to get in."
7. Companies with a rigid retirement policy of 65 are reluctant to hire a man over the age of 55 because they cannot provide retirement benefits for those with less than 10 years of service. Robert N. Sprague, program director in employment and retirement for the National Council on Aging says that the overall trend in industry is not toward flexible retirement but rather toward more rigid mandatory retirement policies. Compulsory retirement at age 65 is often necessary to make room for promotions at regular intervals.

These problems just cited are some of the major reasons given by employers for not wishing to hire older workers. Let us remember that many of these so-called reasons are possibly generalizations and have no widespread basis in fact.

REASONS WHY OLDER EMPLOYEE IS VALUABLE

There are many studies available that refute some of the misconceptions held by employers relative to the hiring of older workers. I would now like to look at some of the reasons why the older worker can be valuable to business and industry:

1. PRODUCTIVITY -- a study by the Bureau of Labor Statistics concluded that productivity of older blue-collar factory hands is generally as good as or better than that of younger workers, except in jobs requiring considerable strength or high-speed work on an assembly line. Another study examined the relationship between age and work performance for about 2,200 workers in eight footwear and men's clothing manufacturing establishments. The data showed that output per man-hour remained fairly stable through age 54 and declined slightly for the 55 to 64 age group. However, many individual workers in the older age group (55 to 64) had a higher output than younger persons doing comparable work. These data emphasize the point that an employer should evaluate the potentialities of each individual applicant rather than draw conclusions from his chronological age.
2. EXPERIENCE -- middle-aged and elderly workers generally have sufficient experience to preclude the necessity for lengthy training sessions. From my own employment office experience with Aerojet during its rapid build-up of personnel from 1956 to 1963, I know that the emphasis in hiring was on experience -- we were a new industry and there was no time for extensive training -- we needed people who already possessed developed skills. Another example -- in the field of selling, a number of studies have shown that older, experienced salesmen make more impressive records, than the seemingly capable but inexperienced younger salesmen.
3. ABSENTEEISM -- older workers are actually absent less because they don't take off for social and personal reasons like the under-50 age group. When they are out for illness, however, they may require a somewhat longer recovery period than the younger group. Most studies indicate that there is no significant relationship between attendance rates and age.
4. TURNOVER RATE -- in a study of turnover rate among its female employees, a life insurance company found that of the women hired between the ages of 30 and 40 in the previous ten years, only one in three was still on the job. In the 40-50 age bracket, half had stayed. Of those hired in the 50 to 65 bracket, not one had left.
5. LOYALTY -- in general, older employees exhibit a higher degree of loyalty to the company than the younger age group.
6. GUIDANCE -- older workers can provide considerable guidance for the younger employees.

7. JOB ATTITUDE -- several studies have shown the past-50 age group to be more cheerful, cooperative, and conscientious than the younger employees. Other studies indicate that there is no appreciable difference in the job attitudes of the age groups.
8. FLEXIBILITY -- the idea that you can't teach an old dog new tricks doesn't necessarily apply to the older worker. Dr. Leland P. Bradford, Director of the National Training Laboratories states, "Learning ability for adults does not fall off to any marked degree -- except speed of learning. By and large, a properly motivated older employee can learn anything as well as an equivalent younger person." Older persons can and do learn new techniques. In a rate performance task by age groups, it was found that some persons in their 50's and 60's required more trials, made more errors, and required more time to complete the task than did persons in their 20's. However, significant variations occurred between individuals in the higher age groups. Some of the 50- and 60-year-olds were learning just as readily as the majority in the younger age ranges. Although some of the older people were slower to grasp, once they did, they followed up better and were more reliable.
9. FRINGE BENEFITS -- some authorities claim that many employees have an exaggerated idea of the cost of fringe benefits in relation to the older worker. According to one insurance expert, premiums for group life insurance and medical coverage are likely to be higher for a group of 25-year-old workers than for a group of 45-year-olds. While life insurance rates naturally go up with age, the heavy maternity benefits paid many younger workers lift their medical claims above those of workers in their midforties. Even for a group of employees 55 years old, an age when medical bills are beginning to rise again, premium costs run only 20 per cent or so above those for a work force of 25-year-olds. In 1956, the Secretary of Labor invited a group of experts from the pension and insurance fields to participate in a series of discussions to clarify the issue of pension and insurance costs on hiring policy and practice. In its report, the committee stated, "It is abundantly clear that pension and insurance costs need not stand in the way of the traditionally sound personnel policy of hiring on the ability to do the job, regardless of age or other nonperformance specifications."
10. HEALTH -- although older workers usually find it more difficult to meet an employer's physical requirements, we must realize that a number of older people are quite fit physically. It is important to consider the physical demands of each particular job in relation to the health of the employee being considered. High inflexible standards should not be required of all workers for all jobs.

RECENT TRENDS IN EMPLOYING THE AGED

As reported in the February 1963 issue of Management Review, Labor Department studies underscore the wider acceptance of older employees. In 1956, a study of job openings in five U. S. cities showed that

58 per cent carried upper-age limits. In 1961, the agency found that only 39 per cent of the openings in the same cities carried maximum age limits.

Let's take a look at what some businesses and companies are doing to employ more older workers.

1. Department Stores -- when Dallas' new Medallion discount department store began hiring its work force in 1962, it announced there was no maximum age limit. As a result, when the store opened, the average age of the 200 employees was 52 -- some 12 years above the average for a typical new store. One of the employees was 74 years old. Says the Medallion's President of his store's hiring policy: "We're not doing this to be humane. Our reasons are entirely selfish. We're taking on these people because we expect them to do more for us than younger employees." Thousands of people past 50 have found gainful and gratifying employment through the opportunities in department stores throughout the country. A cross-section survey of some of these stores shows an approximate 20 to 40 per cent of the employees to be past 50 and a small percentage past 65.
2. International Shoe Company, Hartford, Illinois, hires no one under 45. Their Vice President says, "We found older workers to be of better quality. They've got more interest in what they're doing."
3. International Telephone and Telegraph Communication Systems, Inc., Paramus, New Jersey, receives significant mileage from a policy that permits the hiring of technical specialists over the age of 65. Discussing the guiding philosophy of the hiring policy, ITT's personnel manager says the main criterion is that the applicants be physically fit and able to make a significant contribution.
4. The Industrial Chemical Division of Stepan Chemical Co., in Northfield, Illinois, has launched a new program that offers retired chemists an opportunity to work in the laboratory on their own projects at their own rate and under their own direction. The men are not hired, nor are they paid. They work in a well-equipped laboratory separate from the company's other operations. In return for use of the facilities, Stepan Chemical asks these men for first opportunity to purchase from them any marketable ideas or products they develop.
5. Hastings College of Law (affiliate of the University of California) provides a classic example of the re-employability of older men. A shortage of professors led the school to recruit oldsters. So much success was experienced with their performance that the school set 65 as a minimum hiring age.
6. The Peace Corps is recruiting as many older people as it can possibly get. Their performance has been found to be outstanding, and they are valued for their greater tact as well as experience.

7. Republic Steel Corporation in Cleveland has set up a training program where workers over 60 have first crack. Instead of teaching new techniques as such, instructions focus on existing operating procedures. This program is successful in enhancing the older worker's value to the company and in providing him renewed challenge.
8. IBM has instituted a company-wide policy aimed at motivating older employees to plan methodically for their retirement. The company realized that fear of what retirement holds was damaging to the performance of workers over 55. Their morale was low, affecting their output and dependability, and making them resist change. Therefore, IBM now has a preretirement program that helps the older employee begin planning systematically at age 55 for his retirement at 65.
9. Aerojet-Sacramento. Because I was curious to know just how Aerojet stands in its employment of older workers, I checked the records and learned that we had at the Sacramento Plant as of April 1, 7,643 employees over the age of 40 -- this means that 39 per cent of our labor force at the Sacramento Plant is 40 years or older.

5,211 are between the ages of 40 and 50.

2,048 are between the ages of 50 and 60.

384 are between the ages of 60 and 70.

In discussing these current trends of companies employing older people, we must realize that the examples given referred to older workers having at least some skills and a number of employees having formal educations. We did not discuss the worker who is 45 or over and who has relatively little education and virtually no skills. Extended periods of unemployment are particularly frequent for these workers. This is an area where we especially need to find methods for utilizing the older labor force.

OLDER EMPLOYEES MUST BE WILLING TO HELP SELVES

If the older worker is to find satisfactory employment, he may be called upon to make certain sacrifices. Management cannot do everything -- it is a two-way street. The older worker must be willing to:

1. Rectify deficiencies in his training or experience.
2. Change his residence, in some cases.
3. Accept work other than in his regular or usual occupation.
4. Take a possible cut in pay.
5. Actively seek out channels to help him locate a job. Many older employees become discouraged after one or two tries at finding employment and fail to attack the problem with a continued degree of

urgency. Workers should make direct application to employers where possible -- also should use such channels as mass media advertising, State Employment Service, and private employment agencies. Must be tenacious.

POSSIBLE SOLUTIONS FOR IMPROVING THE
EMPLOYMENT PROSPECTS FOR OLDER WORKERS

In conclusion, (1) let us reaffirm the importance of management's appraising a worker's adaptability on the basis of individual capacity and aptitudes rather than on age. The potentialities of each individual applicant must be evaluated on the basis of the job opening that is to be filled. (2) let us be prepared to revise some of our hiring practices and policies where rigid limitations now exist. (3) let us consider redesigning some of our jobs to make them more suitable for older people who are still productive employees. And finally, (4) let us examine critically the whole area of retirement. Retirement on a mass scale is a relatively new phenomenon in American life. It is the by-product of an industrial society with social insurance and industrial pensions. It could perhaps well stand some refinements and modifications.

"THE AGE FACTOR AND EMPLOYMENT"

by Mr. Karl Kunze, Personnel Director,
Lockheed Aircraft Corporation

First, I would like to discuss the concept of age and the older worker. In reality, every person has many ages. For example, he has a physiological age which is measured by strength and vitality, by sensory acuity, reaction time, coordination and general physical fitness. Physiologic age can be considered the product of three factors: Time elapsed since birth; second, wear and tear to which his physiology has been exposed; and, three, the extent of reparation, that is, the degree to which a person has maintained good physical condition. He also has an emotional age and for this age the scale runs from emotional immaturity, such as impulsiveness, imbalance to emotional maturity, deliberativeness or balance. As we know, emotional age is not directly related to chronological age. Undoubtedly you have seen some young people who are very mature emotionally and some adults who act like children so that you don't have a direct relationship between emotional age and chronological age.

We have an educational age which is simply years of schooling plus training courses taken and there is a much closer relationship here between chronological age and educational age than one might imagine. Older people generally have less education than their younger counterparts today. As an example, at Lockheed, twenty years ago the average educational age of our work force was eight years, it is now 12 years and this means that 50% of our people have more than 12 years' education and this level is rising slightly every year.

We have an intellectual age or one's total mental resources or the acquisition of intellect as exhibited by the use to which it is put. Intellectual age does not mean intelligence. Intellectual age actually is intelligence plus the extent to which we have exercised our intelligence plus the degree to which we are using it. All of these add up to intellectual age.

Then we come to chronological age which is simply the time elapsed since birth. And this is the age that is getting all the attention. And this is the age which I do not think should get all of the attention because of these other ages that I have described.

Now, there are many definitions of the older worker. We consider the older worker primarily to be the person who is 40 or over or is having difficulty securing employment for age reasons. In industry, an executive is considered old if he chases his secretary around the desk in the process forgets why he is chasing her. During the years, much evidence has accumulated suggesting that chronological age is a deceptive, misleading and unreliable indicator of employability. All of you have witnessed older people who have much reserve energy to spare. You have also seen younger people who are running out of steam. This is not unusual, this is not the exceptional case and we

should not discount the fact that older people are more susceptible to illness and do have health problems. On the other hand, we also know that older people develop compensations as an outgrowth of the aging process, such as high dependability and good work habits.

I would like to comment on some research findings on the performance of older workers. Most of the earlier studies were conducted in Great Britain, and the reason is that Great Britain had manpower shortages during World Wars I and II and had to make use of their older people. These studies had more to do with specific aspects of work than they did total work performance. However, it was found that many physiologic changes become manifest at a relatively early age, in the mid-twenties. Vision, hearing, and eye-hand coordination are examples of this, and fortunately, most of these are correctable or compensations can be devised for such limitations.

However, these specific aspects correlate very poorly with work performance, and certainly this form of deterioration does not mean that older people are less successful in industrial work. We know that skills can be maintained at an age well beyond that which they are learned, at a reasonable pace. And this is particularly true among skilled workers and a good example of that would be stenography.

Studies of absenteeisms, accidents and turnover put the older worker in a relatively good light. The older worker usually has fewer absences, but when ill, takes more time to recuperate. They also have fewer accidents, but when injured, have a longer recuperative time. Occupational mobility is greatest among younger workers. Older workers are more apt to stay with a company. However, there are industrial and occupational differences. In some industries this distinction does not take place. Especially in industries where the work requires a higher expenditure of effort. In a study at Lockheed, we found that the morale level of workers was high in about the 20's. It dropped consistently to age 40 and then rose from 40 through 65 to a point beyond the morale level of workers 20 years of age. Now this study has been confirmed by others in the field of attitudes.

There are a few other interesting highlights from our research. Older workers seem to work best in small groups and under stress-free conditions and they are better in jobs emphasizing accuracy rather than speed. We feel, at Lockheed, that it is unfortunate that there is so much attention paid to chronological age and this happens despite the fact that we know that people react differently to the passage of time. However, I must be quick to point out that the average ages vary considerably from one occupation to another in our company and I think this gives some pretty good insight to one of the problems of the employment of the older person.

Let me mention some average ages by occupation. For example, the average age of our apprentices is 21. We hire apprentices right out of high school or junior college, train them for four years when they become journeymen, after which time they practice in their trade and serve American industry. We have people in electrodata programming work.

This is working with electronic computers. Their average age is 27. This is a relatively new field requiring recently developed and specialized competence. Only those who entered the work force within the last 10 years are apt to have the requisite abilities for these jobs so that this occupation does have a low relative age. In contrast, the median age of our toolmakers is 47. The toolmaker is a product of years of experience and training and the job requires a wide range of mechanical skills and particularly requires experience. Experience in a field that is not moving too rapidly, at least it has not been up to now, and we regularly hire toolmakers in their 60's. The average age of our guards is 53. Here we look for stability, mature judgment, a sense of responsibility. Since our retirement income plan went into effect we have had four retirement counselors. Their average age has been approximately 68. The most important requisite to this job is firsthand knowledge of the problems of leaving work and entering retirement. I have selected these men. They are in my department and whenever I need a retirement counselor, I try to find somebody who has retired successfully.

Also, the question is sometimes asked "What does industry do when an employee for one reason or another reaches an age where he can no longer carry the full load of his assigned occupation"? We certainly do not have all the answers to this, but we do have courses of action that can be taken if we feel that inflexibility is not a unique characteristic of the older person, that there are flexible and inflexible people throughout the entire age range. I think this is an important point. I am going to repeat it. We feel that inflexibility is not a unique characteristic of the older person, that there are flexible and inflexible people throughout the entire age range. This is something that I think that maybe you should talk about in your workshops. Maybe not as a theme but as a point to be brought out to potential employers.

We have found the transfer of older people to different lines of work often can be accomplished quite successfully. For example, Lockheed has an occupation called wire fabricator. It is a relatively low scale and does not require real strenuous effort, but it does require patience and requires good attention. The incumbents in this occupation have a median age of 53 years. That means that 50% of the women, and these are largely women in this occupation, are more than 53 years of age. Forty-five of the 62 incumbents were transferred into this occupation at one time or another from some other more demanding job. The average age at the time of such transfer was 49. Through transfer policies like this we can minimize age placement problems.

"SUMMARY OF SAN DIEGO WORKSHOP"

by the Community Welfare Council

Problems Concerning Employment
of Older Employees

Community

1. Insufficient positive leadership in efforts to implement solutions to the problem.
2. Lack of agreement within the community on the type of new opportunities that should be developed to promote additional employment in this area.
3. Oversupply of skills not currently in demand.
4. Myths about the older employee.
5. No central clearinghouse for part-time jobs or jobs specifically designed for older workers.
6. Lack of community concern in the development of training or retraining classes for the older worker who is now de-skilled.

Employer

1. Lack of knowledge of performance potentials of older workers.

Suggested Solutions for Problems
of Employment of Older Employees

Community

1. Provision of an adequate community organizational vehicle to implement recommendations at the local level - membership: management, labor, public and private employment services and older employees.
2. (same as above)
3. Expansion of the Manpower Development Training Act to develop needed skills. Creation of new jobs through vigorous and imaginative development of natural resources within our area or other industries.
4. General education program for total community on the problems.
5. State Employment provides clearinghouse for part-time jobs and jobs specifically designed for older employees.
6. (same as #4)

Employer

1. Increase of State Employment Services staff for extension of work with employers.

Employer - continued

2. Inadequate counseling for worker unable to continue on current job.
3. Insufficient efforts to transfer employee to different job within the company, at time of inability to continue former job.
4. Outdated "hiring and firing" practices.
5. Unemployment insurance, when rating and reserve accounts are involved.
6. Pension plans not geared to hiring older employee -- often costly and inflexible.
7. Higher rates for health plans.
8. Costs of providing classes for upgrading skills of employees.

Employer - continued

2. Prepare person for change by prelayoff interview.
3. Additional publicity on available testing programs to evaluate potential of employee for change within company.
4. Education of employer through #1.
5. State legislation to permit the employer to hire any worker on a thirty-day trial basis without adverse effects on his unemployment insurance reserve account where the employee is discharged through no fault of his own or his employer's. (This would obviate adverse experience ratings.)
6. Vested pension rights (when transferred from one corporate entity to another, carries forward pension credit); program on national level to bring uniformity into pension plans.
7. The differential cost of health plans involved in the hiring of the older or younger employee to be paid by the employee.
8. Provide the employer with a tax credit when employees participate in a program provided by the employer for the upgrading of their skills.

Employee

1. Motivation -- insufficient felt need for, or fear of, retraining.
2. Inflexibility regarding geographical location of job.
3. Fear of change in status accompanying change in type of job -- shelter and security of one skill difficult to leave.
4. Lack of imagination about other types of work.
5. Physical disabilities of older years.

Employee

Through individual counseling by State Employment, employer, union, and self-help clubs (covering all levels of employment).

1. Interpretation of realistic need for retraining.
2. Education on the geographic forecast of the need for specialized skills.
3. Exploration of the meaning to the individual of the proposed change of employment.
4. Suggestions of other types of employment; descriptions of jobs and skills needed.
5. Consideration of jobs that can be filled within physical limitations.

Recommendations to
California State Employment Service

1. Sponsor employment counseling groups for various levels of employment.
2. Increase publicity concerning available testing programs for determination of alternate areas of employment.
3. Further extend listing of job opportunities.
4. Strengthen activity in the area of part-time employment.
5. Increase in counseling staff in order to provide more comprehensive and individual counseling. Further provision for liaison between counselors and employment sources.
6. Expand general community education program on total problem.
7. Establish position within the Employment Service to serve as staff for community committees and work cooperatively with committees on problems of employment of older employees.
8. Improve methods of educating employers and employees.

APPENDIX B
JOB PERFORMANCE CHARACTERISTICS OF
OLDER WORKERS

JOB PERFORMANCE OF OLDER WORKERS

Among factors important in measuring a worker's success on the job are his attendance, his ability to meet production standards, his flexibility in learning new operations and adjusting to changing job conditions, and his cost to the employer in terms of job accidents, insurance and pensions. In all these fields, older workers compare favorably with the general working population in spite of some prejudices to the contrary.

Attendance

The older worker is more likely to be on the job than workers in younger age groups. Studies made by the United States Bureau of Labor Statistics after World War II covering about 18,000 workers in manufacturing industries showed that the absenteeism rate was lower among workers over age 50. BLS studies in 1955 and 1957 in the footwear, clothing, and furniture industries showed negligible differences in attendance by age groups. ^{1/}

A recent study of attendance in a group of 88 women production workers aged from 18 to 64 was made in the general packaging department of a large manufacturing plant. ^{2/} About 60 percent of the women were under 45 years of age and 40 percent were 45 years of age or older, with a range of age distribution from age 18 to age 64. The absence record of each worker for a one-year period was reviewed. Those under 45 years of age had an average absence of 10.2 days for the year vs. 7.9 days for the older group.

Among the older group, 32 percent lost no days during the year while only 22 percent of the younger had equally good attendance. The older group was absent less frequently for "personal" reasons than the younger group, although the difference was slight. Also, the younger group visited the plant hospital for first aid twice as often as the older group, although the larger number of machine operators in the younger group probably affected this result. Comparing the machine operators in both groups, however, the older ones visited the plant hospital on the average of 1.6 times each during the year, while the younger ones visited 2.6 times.

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- ^{1/} a. U. S. Department of Labor, Bureau of Labor Statistics.
Comparative Job Performance by Age. Study of Workers in
Men's Footwear and Household Furniture Industries.
Bulletin 1223. Washington, U. S. Govt. Print. Off., 1957.
60 p.
- b. U. S. Department of Labor, Job Performance and Age--A Study
in Management. Bulletin 1203. Washington, U. S. Govt.
Print. Off., 1956. 72 p.
- ^{2/} Sellett, Lucien R., "Age and Absenteeism," Personnel Journal,
June, 1964, Pages 309-313.

Some investigations suggest that illness may be a minor reason for absences. Several recent studies found that as much as 80 percent of absences were caused by such things as hangovers, lack of transportation, looking for other jobs, shopping, poor working conditions, etc. ^{3/}

It may be that the better attendance record of older people results from better work habits and a greater sense of responsibility. Older workers may, in general, have more control of their alcoholic intake, be less inclined to acquire another job, or spend less time in shopping.

There is ample evidence that the older workers are less likely to change jobs. In the furniture and footwear plants studied by the BLS, more workers aged 45 to 64 remained on the job throughout the period of study. In the BLS study of 18,000 manufacturing workers, workers aged 45 and over had a better attendance record than the younger group. The frequency of disabling injuries was highest in the 35- to 44-year-old group. Even excluding workers aged 60 and over, who tend to work in less hazardous occupations, the record of the group aged 45 to 59 showed fewer injuries and minor disabilities such as colds and headaches.

Even though older workers may take longer to recover from an illness, they are apt to be ill less frequently. Older people, too, often have developed immunities to infections which plague the younger group. The aging process does produce physiological changes, but for most people, the changes are not incapacitating. The BLS has found from studies of unemployed workers that older persons do not have a higher rate of physical disabilities constituting vocational handicaps than younger persons. (In the Employment Service, a handicapped worker is one who has a physical, mental, or emotional condition which may require the applicant to change or modify his occupation, restrict his job opportunities, or require special consideration in placement.)

Productive Capacity

BLS on-the-job studies of productivity in the footwear and furniture industries showed that:

1. Output per man-hour rose from the under 25 age group to the 25-34 group and then declined gradually up to age 65, when a sharper decline occurred. However, differences between adjacent age groups up through age 64 were small. Taking the group aged 35 to 44 as a base and assigning the value of 100.0 to its production, all other age groups were within 8 percentage points.

3/ a. Jackson, J. J., "Factors Involved in Absenteeism," Personnel Journal, 1944, Vol. 22, Pages 289-295.

b. Bethel, L. L., Et Al., Industrial Organization and Management, McGraw-Hill, New York, 1945, Page 481.

2. Individual differences in average output were greater within each age group than between different age brackets. Substantial proportions of older workers performed better than the average for younger groups. Among the women in the 45-54 age group, 47 percent produced more than the average of the women in the 35-44 group. Even among the group aged 55 to 64, about one-third of the men and women performed better than the average for those aged 35 to 44.

Another study of office workers by the Bureau of Labor Statistics ^{4/} covered about 6,000 employees of five Federal Government Agencies and 21 companies in private industry. Occupations included typing, secretarial work, filing and record maintenance, key punch, and operation of business and duplicating machines. The study produced three important findings:

- a. The difference in output per man-hour between age groups was for the most part insignificant. Taking the group aged 35 to 44 as the standard, all other groups were within two percentage points in output, except those under 25 who dropped 7.6 percent below the base. Lack of experience appeared to be the main reason for the younger workers' lower performance. Workers aged 45 and over produced as much as the younger ones with an equal degree of accuracy. Those aged 65 and over generally averaged as high as any of the others.
- b. There was considerable variation among workers within age groups, as in the industrial studies. A large proportion of older workers exceeded the average performance of the younger groups.
- c. Workers in the older age groups had a steadier rate of output, with less variation than workers in the younger age groups. Frequently, an individual would produce at least twice as much as some other workers in the same age group. About 45 percent of those aged 45 and over had a higher rate of output than the average of those aged 35 to 44.

These findings are in line with the results of a study by the Canadian Department of Labor. In two large department stores, the records of sales employees showed that the older ones performed as well as the younger ones, and sometimes better. Workers hired over 40 tended to out-perform those hired below 30.

Another BLS study of Federal mail workers' job performance in 1961 confirmed earlier findings that differences in output by age are slight, and there is greater consistency of performance in the older age groups. Older workers performed at a steadier rate with less variation than did those in the younger age groups, and those aged 60 and over were 60 percent more consistent than those under 25. The index of

^{4/} U.S. Department of Labor. Comparative Job Performance by Age-- Office Workers. Bulletin 1273. Washington, U.S. Govt. Print. Off., 1960. 36 p.

consistency was related to experience and length of service. The mail sorting studies showed that the average performance of older and younger age groups were within 4 percent of the base groups' score. As in the office study, there was little decline in performance up to age 60 and a minor decline from 60 to age 65. While production dropped a little more at age 65, the high consistency of performance among the workers aged 60 or over is an important factor to consider in hiring for operations requiring a constant flow of work. ^{5/}

Work Attitudes

The older worker's strong desire to work is reflected in his job stability, the duration of his employment and relatively fewer job changes, and his attitude of responsibility which is recognized by employers when they request "mature, experienced, and stable" employees. A poll by the National Association of Manufacturers covering 3,000 companies showed that 50 percent of the employers rated the attitudes of older workers superior, and 49 percent rated them equal to the job attitudes of the younger workers.

Ability to Learn

Changing jobs and industrial processes have put a premium on learning ability. The speed and ease of learning a new job are important to employers in any situation where a new worker must be hired.

Intelligence tests have not proven to be good indicators of differences in learning ability by age. Most tests have been standardized on young persons, and there is evidence that cultural and educational differences may affect the results of intelligence tests, with possible increases in the score at older ages when the individual's background experiences have been broadened. However, most authorities agree that an individual experiences no decline in intelligence as he ages.

Tests of learning ability have indicated that the peak learning age is 22, and that the ability to learn at ages 50 and 60 is about equal to that at ages 16 and 14. By age 80, there may be some slight decline in the speed of learning. ^{6/}

A formal test situation sometimes places an additional strain on an older worker who has had little experience with such tests, and whose schoolroom experience is far in the past. Limited literacy of some older workers may affect test results. But given the basic aptitude for learning, the older worker has the advantages of experience, motivation, judgment and reasoning ability, to help him adjust or learn in a

^{5/} Walker, James F., "Job Performance of Federal Mail Sorters," Monthly Labor Review, March, 1964.

^{6/} Schneider, B. V. H., The Older Worker. Institute of Industrial Relations, University of California, Berkeley, 1962.

job situation. These factors, plus the older worker's tendency to focus on accuracy, compensate on many jobs for the physiological effects of age.

The Nuffield Unit for Research Into Problems of Aging conducted a 10-year series of studies in Britain to measure changes of performance from young adulthood to old age. Their achievement tests showed that there was some slowing of performance with age, starting in the twenties, but there were increasing differences between individuals as people grew older. In actual job tests, some difference in performance did occur for both young and old at times of peak demands or heavy work pressure. The conclusion was that changes in capacity, even at an advanced age, were comparatively unimportant as long as the job was within the worker's ability to perform. ^{7/}

^{7/} Ibid.

APPENDIX C
PENSION PLANS AND GROUP INSURANCE

PENSION PLANS AND GROUP INSURANCE

The Cost of Pension Plans and Group Insurance

The costs of pensions and group insurance are frequently cited by local office staff as reasons given by employers for refusing to hire older workers. While more factual information is needed on this subject, many employers do not have a true picture of their labor force costs. Pensions and insurance are only one aspect of labor expense, and should be priced out in relation to other factors. As one authority puts it, "The dollar value of workers to an employer depends on productivity, absenteeism, turnover, adaptability, as well as on the costs of pension, insurance, and fringe benefits. Evaluations by age, either of individuals or groups, should include consideration of all such factors." ^{1/}

The cost of pensions for younger workers tends to be underestimated. With lowering mortality rates, the length of payment may increase. Lowered retirement ages would extend the period of retirement more for young persons who are hired at an early age, than for workers who join the plan after age 40. The importance of labor turnover costs is frequently ignored. "Turnover savings", which are contributions left in the fund by a worker without vesting rights who quits before his pension is payable, are sometimes thought to be more likely with young workers. However, the costs of turnover for termination, recruitment, training, and other hiring expenses may cancel out the savings on young, short-term workers. Many employers are only vaguely aware of the real costs of turnover. Vesting provisions tend to limit turnover savings, and give the older worker an advantage since he is less likely to be rejected because he cannot work long enough to qualify for a pension. Also, the cost differential between younger and older workers is being narrowed by early retirement and disability benefit provisions. The latter may add to the cost for the younger group.

Two types of pension plans now in limited use need have no cost differences by age:

1. Multi-employer plans by industry or geographical area. Such plans provide a flat rate benefit and one fund into which all employers contribute. Contributions may be based on the length of time worked or a flat percentage of the payroll. The size of benefits may be lowered if the average age of the covered work force is rising, and the rate of retirements is increasing. In such case, benefits may have to be lowered or contributions may need to be raised. Plans of this type have been negotiated by industry for coal miners, teamsters, and western maritime workers, and by area for construction, typographical, and garment workers.

^{1/} Schneider, B. V. H., The Older Worker. Institute of Industrial Relations, University of California, Berkeley, 1962. Page 64.

2. "Money Purchase" Plans. These plans do not depend on cost differences by age. Contributions are a fixed percentage of the employee's annual pay. The size of benefits depends on how much the employer has contributed to the worker's account by the time of retirement.

The costs of pensions can be lowered by raising the normal retirement age above 65. A raise of one year can reduce costs by as much as eight percent, since the longer the worker is employed, the shorter the period of retirement will be. Even when added pension credit is given for work past 65, "increased probability of mortality combined with the continued interest return on funds held tend to more than balance out the value of additional pension credit."^{2/}

The Cost of Other Group Insurance

Misconceptions are frequent about the costs of such group insurance as workmen's compensation, life and health coverage.

Workmen's Compensation: The costs of this insurance are based on previous accident experience of the group covered and the type of work. Rates may be higher for occupations where hazards are involved. Age is not a factor in the costs.

Group Life Insurance: The cost is based on the average age of the group covered at a given time within the year. Age at entry into the system is not important. The cost varies little unless there is a large change in the age distribution within the group - for instance, a rise of three years in the average age might increase the cost a few pennies per worker per week. The costs are high when such insurance is carried into retirement, but in general, benefits are reduced sharply instead.

Health Insurance: Costs are based on the group's experience, the number of women included, and the benefits provided. Older workers may have longer illnesses, as some sources indicate, but younger people have more dependents and their coverage increases the costs of the group. Women are generally more expensive than men, and experience indicates that young women are more expensive than older workers if maternity benefits are included. In retirement, benefits may be reduced or the retired worker may assume all or most of the costs.

Coverage of Pension Plans

Two-thirds of all workers in a study by the Bureau of Employment Security in seven labor market areas were employed in firms with fifty

^{2/} Ibid.

or more employees covered by pension plans. ^{3/} Coverage was highest in finance, insurance, real estate, and durable goods manufacturing, and lowest in service employment and construction. Coverage was about the same for workers through age 64, but from age 65 it was much lower in all industries.

In the 1956 study, it was concluded that an older worker was more likely to be hired in a job not covered by a private pension plan. Workers 45 years of age and over accounted for 25 percent of the hires in employment not covered by pension plans, as compared with 14 percent in jobs with this coverage.

A recent report by the Bureau of Labor Statistics, Labor Mobility in Private Pension Plans, June 1964, ^{4/} explored the provisions of 25,000 plans filed with the U. S. Department of Labor under the Welfare and Pension Plans Disclosure Act of 1959. The study included data on 1961 coverage of plans registered through 1960. The report emphasizes the relative recency of private pension movements. In 1961, only about 1.2 million workers were receiving benefits from the plans studied, and about half this number were estimated to have been receiving benefits five years earlier. The study noted that private pension plans have slowed in growth, although their coverage may double between 1960 and 1980. Multi-employer plans resulting from collective bargaining have declined in growth since the late 1950's.

Pension Plans and Worker Mobility

Although the U. S. Department of Labor studies ^{5/} did not directly explore the effect of pension plans on worker mobility, they noted the influence of pension plans on the willingness of middle-aged workers to change jobs. Among the elements of the private pension structure which seem to relate to worker mobility, the following were mentioned in the 1964 study:

1. Because pension plans are relatively new, many workers still do not fully realize the value of the pension credits they are accumulating. Also, plans now tend to be concentrated in certain industries and groups of workers. The real effect of pension rights on the individual worker's motivation to stay with an employer or change jobs is not fully understood.
2. Vesting privileges were included in two-thirds of the plans covering three-fifths of the workers. Vesting may not give the mobility advantages which have been imputed to these provisions because (a) long continuous service and attainment of middle age, usually

^{3/} Older Worker Adjustment to Labor Market Practices - An Analysis of Experience in Seven Major Labor Markets. U.S. Department of Labor, Bureau of Employment Security, Bulletin No. R151, September 1956. Page 27.

^{4/} Labor Mobility in Private Pension Plans, BLS, Washington, 1964.

^{5/} Ibid.

- 40 or older, are generally required for vesting; (b) a worker who is approaching the point of "vesting" may be less inclined to change jobs because he is close to gaining an important asset; (c) some plans limit vesting to involuntary terminations.
3. Early retirement provisions help qualified workers retain their equity in a pension plan. They can provide a means of moving older workers into full retirement or less demanding work. The report notes that pressures of rapid technological change may hasten the extension of special early retirement provisions, when it appears that mass layoffs or major manpower adjustments are imminent. However, plans which provide full retirement or even an increased allowance for retirement at an age before 65 may greatly increase the cost to the employer.
 4. Portable pensions within the scope of a multi-employer plan may permit the worker to move within an industry or occupation. Nevertheless, about half the workers in such plans are limited by their provisions to a single occupation or industry in a single locality. One possible effect of multi-employer plans without vesting or early retirement provisions is "to hold an unemployed member to the plan in a declining industry or craft at a time when voluntary job changes are desirable." ^{6/}
 5. As the worker accumulates more service and advances in years, he is less likely to be able to qualify for a pension with another employer if he changes jobs. The young worker who does not yet fully realize the value of his accumulating pension credits is probably more willing to change jobs than the older worker who is coming closer to realizing these benefits.

The report notes that more than two-thirds of workers in private pension plans would need to remain in the plan for 15 years or more before they could qualify for vesting or retirement benefits. About a fourth would qualify within 10 years. One-sixth of the workers would have to remain with the plan until age 65 to keep their pension rights, while another tenth would first qualify at age 60. Some 45 percent of the workers in this study were in private plans which would not qualify the worker hired at age 25 for a benefit by age 50.

The BLS 1964 study concludes with the following observation:

"Not all multi-employer bargaining groups now without a plan are capable of supporting and working out such a program, unless small groups are combined into larger plans. Most of the groups of multi-employer plans in the immediate future can be expected to come from an increased coverage of existing plans, particularly those in service, trade, and other industries in which employment is expanding. Because multi-employer plans are relatively new, they may be expected to undergo substantial changes as they mature. The pressures

^{6/} Ibid.

to extend the scope of coverage through reciprocity agreements, mergers, and other devices will mount where worker dislocation becomes a problem. Similar pressures may also stimulate the extension and liberalization of vesting and early retirement provisions."

APPENDIX D
THE JOB MOBILITY OF OLDER WORKERS

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Although the older worker has often been praised for stability, this desirable trait may be accompanied by a diminished job mobility, either geographic or occupational.

Migratory patterns among a sample group of men 18 to 64 were studied recently by the Bureau of Labor Statistics, during the period from March 1962 to March 1963.^{1/} The study found that men aged 45 and older were only half as likely to move across a county line, or further, as the general average for the group. Married men were less willing to move than the others whether or not they had children, probably because of family ties, home ownership, or the job of the wife.

Other general findings of the study applied generally to both older and younger workers. For instance, professional and technical workers were more apt to move than the others. Some with skills in nationwide demand were more likely to get job offers from a distant location or to be transferred by their company. Having high incomes and better employment prospects, they were financially able to make major geographic moves.

Half the group moved either to take a job, to look for one, or to make a job transfer. Unemployed workers were more likely to migrate than the employed, and in general did better than those who did not move. About 72 percent of those unemployed in March 1962, who migrated during the next year, were employed in the following March, compared to only 55 percent of those who stayed at home. It would appear that the older workers' reluctance to move seriously impeded their chances of re-employment.

Most migrants remained in the same occupational group, no matter where they moved, except for nonfarm laborers. Of the laborers in the sample, only 35 percent were still laborers in March 1963, while 30 percent had become operatives, eight percent were craftsmen, and 18 percent had become white-collar workers.

The older worker's lack of occupational mobility was noted in a study by the United States Department of Labor in seven labor market areas^{2/} which showed the pattern of job stability increasing after age 45, and most sharply at age 65. In areas where manufacturing employment was important, holders of one job became more numerous with advancing age than elsewhere. The average duration of jobs also increased with

^{1/} Saben, Samuel, "Geographic Mobility and Employment Status, March 1962 - March 1963," Monthly Labor Review, August 1964, Pages 873 - 881. (This article is also summarized in Business Week for October 3, 1963.)

^{2/} U. S. Department of Labor, Bureau of Employment Security, Older Worker Adjustment to Labor Market Practices: An Analysis of Experience in Seven Major Labor Markets. BES No. R151, Washington, D. C., 1956.

age. In a group of unemployed older workers, one-third aged 45 to 54 had held their jobs on an average for four or more years during the past 15-year work period, as had three-fourths of those 65 and over. Almost half of the older group had had an average job duration of 12 years or more during the 15-year period. About two out of three had held jobs in only one locality during the previous fifteen years.

Most of the older job seekers showed attachment to the industry in which they had held their longest job in the preceding fifteen years. The workers in this study showed no strong pattern of job changes by industry, when they did change.

Older women made fewer job changes than younger ones. Although women move in and out of the labor force more frequently than men, there were relatively fewer job shifts among the women in the BES study. Older women had more trouble finding a job, when they became unemployed, than did the older men, and were typically employed for shorter periods and unemployed for longer periods, though not unemployed as often.

Three out of four job seekers aged 45 and over in the seven-area study had most recently worked in an occupation similar to their longest job in the past fifteen years. Four out of five applicants in the 45 and over group whose most recent job was professional, managerial, or skilled, had worked longest at a similar type of job.

However, only half those formerly in professional and managerial work had their last jobs in similar occupations. According to the BLS, "These figures suggest that workers over age 45 have considerable difficulty in holding to professional or managerial functions if once separated from them. They move into all other occupational fields but most noticeably into clerical and service jobs - over one in five had their last jobs in these areas of work. One in ten moved over into a skilled manual trade, and as many moved down to semiskilled and unskilled jobs." ^{3/}

^{3/} Ibid.