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TAKING A LOOK AT THE AGE FACTOR IN EMPLOYMENT : address

by

Phyllis H. Moehrle  
Industrial Relations Division  
National Association of Manufacturers

I think the New York League is to be commended on their forward-looking choice of subject for this evening's discussion because, while the problem of the older worker is one of which we are most conscious at the present time, it will become increasingly significant in the next few years.

Recent advances in medical science have played a major part in increasing life expectancy in this country. The infant mortality rate has been lowered, the problems of so-called degenerative diseases have been eased, sickness epidemics have been checked. Since 1920, life expectancy has increased more than 7 years.

This means a constantly growing population with higher and higher numbers in the upper age brackets. It has been estimated that this country will have not less than 163 million persons by the end of 1980. Of these, 21 million will be 65 years of age or older.

NAM PROGRAM

Interest in this question seems to be spreading. This interest is not new on the part of manufacturers. The NAM has long been active in promoting interest in the subject of better job opportunities for the older man and woman. Let me give you a little of the background.

Back in 1929, our Employment Relations Committee engaged in serious and constructive study of the question and at our annual meeting, an entire evening was set aside for discussion.

Ten years later in 1939, we conducted a special survey to determine employer practices with regard to the age factor in employment. Some of the major findings of this survey were:

1. No companies discharged workers when they reached 40.
2. Less than 1% of companies indicated that they gave preference to younger workers when it was necessary to make layoffs.
3. 89.1% of companies had no maximum hiring age limit.
4. Companies who gave preference in hiring to workers below 40, did so because of the training and apprenticeship requirements, and because of the physical demands made by certain tasks.
5. Work performance of employees 40 and over compared favorably with that of younger employees.

The Board of Directors of the Association, at its meeting in February 1938, adopted the following resolution:

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"The National Association of Manufacturers is opposed to the employment in industry of children under 16 years of age, and to the establishment of arbitrary upper age limits in the hiring or employment of workers below any which might be fixed for permanent retirement. It urges its members to carefully review their employment policies to see that no such arbitrary age limits are practiced in their companies, and instruct their respective employment officers to employ persons according to their qualifications without regard to any maximum age."

For many years, we have been on record against discrimination in employment because of age and in December 1947, our Board of Directors passed a resolution reaffirming this position, and urging industrialists to see that their employment policies give full recognition to individual qualifications without discrimination of any kind, and calling for the elimination of any conditions of employment which are not related directly to qualifications for satisfactory job performance, safety and security.

We have continuously urged employers to analyze all jobs in the plant in terms of mental and physical requirements. When this is done and applicants are appraised in terms of their ability to meet these requirements, it is readily seen that an older applicant may be able to fill the job as well - or better - than a younger person. Age becomes irrelevant, with emphasis on ability.

There is evidence to show that age limitations have already been broken down to a larger extent than is generally realized. Age deadlines were pretty thoroughly broken down by the war and will stay broken in many fields. During the wartime labor shortage, older people showed what they could really do, and many employers are not forgetting the excellent record they turned in as steady, dependable, capable workers. In fact, in the last 6 years, more than 3 million middle-aged workers have been added to the nation's payrolls.

But in spite of this good record, the NAM feels that a great deal remains to be done. Industry has a major responsibility to hire as many older people as possible.

In this connection, it's well to remember that opportunities for utilization of the skills and services of older workers are to be found not only in manufacturing industry, but also in the fields of trade, commerce, finance, insurance and the expanding fields of personal service which, in the aggregate, give employment to the vast majority of gainfully employed people in the United States.

In order to enhance, so far as possible, the entire field of occupational opportunity in America, the NAM and the United States Chamber of Commerce - which together represent a high percentage of employers in this country - last fall joined forces in a campaign to interest employers in the problem of physically handicapped and older workers, and the importance of making every possible effort to provide increased employment opportunities for these groups of our citizens. We have discovered that while there is a very wide interest in the subject, there is also very little information as to the problems involved, and as to the present policies and practices of industry in such matters. This program, therefore, is attempting to find out:

1. What is being done? What are the accomplishments?
2. What are the obstacles?

One of our first undertakings in conjunction with the United States Chamber of Commerce is the making of a preliminary survey of practices and problems in the field.

A second undertaking is the conducting of some pilot clinics - small round-table conferences to which we invite both large and small manufacturers - a few at a time - to sit down around the table and interchange experience and techniques - tell us what they're doing and what the problems and obstacles are.

We have already found in our conferences with employers, an intense interest and willingness to do whatever lies within the realm of possibility. We have been happily surprised at the extent to which company personnel programs are already being adjusted to older workers. We've also learned something about the serious problems.

This is not a program of publicity, but a "Paul Revere" job of education, research and study for the purpose of promoting the interest of employers everywhere in seeing to it that maximum job opportunities for older workers are provided.

The subject has been assigned as a major project for the NAM's Industrial Relations Committee, which will devise ways and means of implementing the program. Educational activities to promote fuller opportunities for these people in industry, and to illustrate the desirability of hiring and retaining such workers will constitute a major part of our effort.

#### Problems and Experience

In the utilization of older workers, industry encounters many real and difficult problems not generally understood by the public. Older workers are frequently not physically up to many kinds of heavier factory work. In addition, although most pension plans of today do not generally operate to bar employment of older people, the financial soundness of these programs, their advantage to industry and the real benefits to workers themselves require retirement from active employment at a definite age - usually around 65. In light of the exacting nature of modern industrial work, this is not an unreasonable retirement age, and does not necessarily involve reduced opportunities for employment. In many cases, it leads to a chance for retired persons to engage in other and less exacting employment.

Why does a business concern adopt a pension plan with the heavy costs it involves? It's because they feel a force of able, long-service, loyal employees is a concern's greatest asset, and a pension plan is an important factor in maintaining such a force. When a retirement occurs, a young employee is given an opportunity and if a supervisor retires, promotion may be given to several persons. Good management does not think it is fair or good business to let out a long-service employee without some provision for assisting him to maintain a reasonable standard of living.

An adequate pension plan also has a stimulating effect on morale, as both young and older workers can look forward to retirement age with less worry about their economic security.

It's something of an anomaly that the very effort of industrial companies to help in providing income for employees after they have reached a retiring age

should come to be represented in the public mind as an unwarranted discrimination against the hiring of men over 45 or 50. We plan to explore with top insurance men the extent, if any, that employee benefit and pension plans restrict or curtail employment opportunities for older people.

Another problem is the attitude of employees and of unions. This often constitutes a real difficulty, and there is need for greater education and better understanding and cooperation from both unions and employees.

Sometimes extra expenditures are called for - there is a cost factor, involving installation of special plant facilities and alterations in equipment.

There is also the problem of the individual who is slowing up. This sometimes occurs between 55 and 65 when an individual may not be efficient enough on his present job to keep him, but his pension would be too small, and the company doesn't want to let him go.

#### Findings of Pilot Clinics

Some very interesting views have been expressed to us by employers, and some pertinent facts brought out in these meetings we've had with small groups of employers. I'd like to run through a few of these because I think they'd interest you.

1. Men often don't become really useful until an elderly age - workers between 45 and 55 are at their best because of the knowledge they've gained through experience.
2. The older person himself must be more willing to assume the responsibility for his adjustment - to accept different kinds of work, to accede to changes in pay, to undertake training or retraining - to learn the idea of good old-fashioned thrift.
3. A definite trend toward eliminating or relaxing arbitrary age limits where they still exist is now evident. Even where pension plans exist, a man who is hired at 60 may get a termination allowance in lieu of a pension, or he participates in the pension plan with retirement payment bearing direct relationship to the years of service.

But apart from the pension question, many employers feel they have a right to look forward to at least 10 years of service before taking an applicant in any job where training or high skills is required. They feel that 55 is a reasonable age limit for new employees.

4. Employers generally have a high regard for the older workers on their payroll. They are taking good care of the employees grown old in service - and are making the necessary adjustments and transfers needed to take care of the man or woman who has spent years with the company.

Many companies review regularly with older workers their pension situation, and attempt to prepare them for retirement. Indicative of the new importance of human relations is the growing consciousness that management has an obligation to prepare the individual for retirement.

Some companies have programs which include:

1. Cultivation of gainful hobbies - either formalized or by keeping employees conscious of the future through plant publications.
2. Setting up committees with the responsibility of preparing employees for careers after 65.
3. Easing off of duties to prepare individual for retirement years.

A successful retirement cannot be based on financial considerations alone. A happy and interesting retirement depends on how well the individual adjusts himself to a mode of life which, in many cases, will be radically different from his former one.

Industry is doing a number of things to help individuals prepare for and adjust to the problems of retirement. For example, Shell Oil has been running in their employee publications - "Shell News" - a series of articles on gerontology. Other companies are engaged in similar efforts.

After retirement, many companies make constant checks on their retirement systems and find this works to the advantage of both management and personnel. This frequently results in the granting of supplementary allowances for special needs. Several companies have granted cost of living adjustments to pensioners at the same time they make such an allowance to active employees. Sometimes, pensioners checks are mailed to investigators or company nurses who make personal calls on the recipient to make sure all is well with him.

Companies have some difficulty with the newly-employed older worker who is hired for temporary work. Even when he's hired with the explicit understanding that the work is temporary, he resists the layoff. Some difficulty is experienced with the man who's hired at 60 even though it's been made clear that he'll have to leave at 65.

This doesn't apply to the man who's been with the company over a period of years. Very few companies have trouble in getting these people to retire at 65. In fact, almost as many retire a year or two before the time, as wait until their 65th birthday. Especially when they're in good health at retirement age, do they look forward to being on their own.

#### Factors of Importance in an Effort to Understand the Relations of Age to Employment

1. The employer who wishes to fulfill his obligation to older people has generally picked his replacements from younger applicants in order that his working force does not become too heavily loaded with older people.
2. It must be remembered that the passage of time alone will increase the average age of the work force. If no hiring or firing takes place, the average age of the working force would increase by 1 year every 12 months.

Only by hiring young people can any stability of average age be maintained.

3. While younger workers may be chosen for the majority of vacancies let's not forget that in a period of curtailment, it's the younger workers who bear the brunt of the layoff. The older workers generally enjoy an advantage in retaining jobs during a layoff.
4. Many studies have been made of the relative virtues of older vs. younger workers, and younger workers have often come out second best. Younger people may have the edge on the older ones in their willingness and ability to learn new operations, but several studies seem to indicate that older workers may be superior in actual ability, in attendance, conscientiousness, and stability. They generally are more stable, have better work habits, and are less apt to be distracted.

#### Solutions

1. There are no panaceas, no formulas. One of the most important things is to change public concepts about age. There is an educational job to be done in eradicating false ideas which people have about the influence of age on ability.
2. It is an individual problem. There is nothing to indicate any correlation between physical and chronological age.
3. Full employment offers the most effective solution. Adequate employment opportunities for all is the answer, but this can't be achieved without increasing industrial activity and an atmosphere in which business can function.
4. An undue or artificial pressure in behalf of the older aged will result in senseless discrimination against youth. There is no point in merely transferring the problem from one group of workers to another. Young people need work opportunities as well, and industry also has an obligation to the veteran. We can't set one group against another.

But with a healthy economy and expanding job opportunities for all, we'll come closest to our goal.

4. There is no doubt that progress is being made. Although American employers are today employing a higher percentage of older people than ever before, we recognize that the growing trend toward longevity in our population coupled with management's constant need for a competent and stable work force, is pointing toward the desirability of an even greater utilization of the talents, capacities and experience of older persons -- and we intend to do our part to encourage the fullest possible employment and retention of older workers, consistent with their abilities and with sound company retirement practices.

While we have no control over the employment policies of our members, we have consistently tried to exercise leadership, and hope that through this campaign, we can create a better attitude toward the older person in the places where people work.

We know that older workers represent an immensely valuable asset not only because of their maturity of judgment and experience, but because of their seasoned skill and stability. We're talking very plainly to our members. We're urging them to examine their employment picture anew, and to take cognizance of the rich source of skilled manpower which older aged workers afford, and to rework their employment and personnel policies to make better use of these people.

The NAM is acutely conscious of the fact that we all have a stake in making the best possible use of qualified people - both for the sake of the individual who must achieve satisfaction through our economic system, and for the sake of a productive economy toward which mature men and women have a definite and important contribution to make.

We want our system to work for everybody, and we believe that every American is entitled to an opportunity equal to his abilities.

Maybe some of you saw the statement made by Morris Sayre - President of the Corn Products Refining Company, and former President of the NAM - in the August 1948 issue of The Reader's Digest, in an article entitled "We've Got to Make Business Act Human":

"For Americans to earn a good living by creating enough wealth to meet this country's needs, management must drive itself to build more opportunities and incentives for everybody who has ability. For example, what about workers over 40 or 50? Isn't there enough ingenuity in American management to open up employment to these people whose experience often more than makes up for some of the bounce that the years have taken out of them?"

5. There are two parts to the problem:

- a. the employer must be ready to hire - and we're working on this aspect with renewed vigor; and
- b. the unemployed must be qualified to be hired, and he must make as great an effort as ever to sell his abilities.

A man's past should be a stepping stone to his future - not a stone tied around his neck.

He should assess his particular qualifications, and perhaps prepare a portfolio giving evidence of his ability and accomplishments. Such a presentation as this enables the interviewer to gain a better understanding of the contribution he can make.

I suppose you've heard the old story of Pat and Mike, and their discussion of socialism.

Pat asked Mike what he meant when he said he was a Socialist and Mike answered, "Sure and it means that I'll give you half of everything I've got".

"Do you mean that?" says Pat.  
 "Sure" says Mike.

"Do you mean if you had two houses you'd give me one?"

"Sure", says Mike.

"And if you had 2 cows, you'd give me one cow?"

"Sure I would" Mike says.

"And if you had 2 pigs you'd give me one?"

"Ah, begorra and shush up now, You know I've got 2 pigs".

The principle of that story applies here. Your viewpoint will vary depending on where you sit. If you're over 45 and looking for a job, you won't see things the same way as if you're an employer. I've tried to be objective, and to demonstrate to you that industry has a sincere interest in this whole problem. We hope that as a result of the combined NAM-U.S. Chamber of Commerce campaign, many thousands of productive jobs in offices, shops and stores all over this country will be opened up to men and women past 40. We have the feeling that employers generally are becoming more sympathetic with the problem, and I think you will see new progress being made in acceptance of older people as employees.

I am well aware of the fact that industry has a long way to go, but perhaps there is ground for encouragement in the fact that the Association which I represent has a real and vital concern with this subject and is seeking equitable solutions.

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