

Older workers (1951)

Employment Problems of Older Workers in the United States ...

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Most of our discussion at this meeting has been concerned with the subject of the older worker as a "client." We have deplored his rejection on the basis of chronological age as a useful and productive citizen and as an individual who has fundamental need to continue in productive employment as long as he is able and willing to do so. I certainly concur in this approach, but I think it is also imperative that we, in the United States, look at the potential contributions of the older worker to our national survival, and ultimately to the survival of the democratic institutions of the western world as we know them.

Although it is generally accepted in the United States that our manpower reserves for defense production and the maintenance of an abundant civilian economy are extremely limited, it is apparently not well understood that there has been a marked change in the age distribution of our population which makes the preferences of employers for workers under 45 quite unrealistic and even somewhat ludicrous.

As Dr. Clague has pointed out at this conference, present production plans call for a net labor force increase, by the fourth quarter of 1952, of 3.2 million workers above the total of 65.2 million in the last quarter of 1950. The "normal labor force growth" during this period is estimated at 1.8 million. Therefore, an additional 1.4 million workers must be brought into the labor force during the remaining 5 quarters of 1951 and

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1952 from among various groups such as women, youth, the disabled, minority groups, and older workers. What are the relative prospects of significant labor force increases among these potential reserves?

The first, and most preferred group, are young people. But the youth group will reach its lowest civilian labor potential in 1952 and this potential will not increase significantly until 1958. Potential additions from the youth group are also limited by the possibility of increases in quotas for men under the draft and the possibility of the enactment of some form of continuing universal military training. Furthermore, the Nation is awakening to the importance of keeping young people in school as long as possible in order to maintain and further develop our technological superiority over our possible enemies.

Minority groups, as a potential source of additional manpower, are not faced primarily with problems of unemployment, but rather with problems of underemployment and underutilization of their skills and potentialities. Therefore, in calculating gross labor force changes, we cannot count on any significant increase in the labor force participation of minority groups, even though their more effective utilization might influence significantly some of our shortages in the skilled and professional occupations. Although there is a potential among the physically impaired not now in the labor force, the greatest incidence of disability which prevents an active search for work exists among those disabled persons in the age groups 45 and over, so that increased utilization of this group will require not only more effective and intensive physical restoration and rehabilitation, but a breaking down of age prejudices in rehabilitation and employment practices as well.

Thus it may be said without much argument that the major portion of any projected labor force increases must come from among older workers, and particularly from among older women.

With this background in mind, and with full recognition of the injustice and inhumanity of the trend toward rejection of people in employment on the basis of age, the Department of Labor has been trying for several years to develop basic information and policies that would shed light on the problem and provide practical bases for combatting it. One such effort was the study undertaken by the Bureau of Employment Security in 1950 in collaboration with several State employment services. The objective of the study was to determine: (1) the characteristics and employment problems of older applicants registered in local employment offices; (2) the effectiveness of local office services to these applicants; and (3) how these services might be improved. The purpose of the study was to shed, if possible, some much needed light on the what, why, and how of the employment aspects of aging.

The localities in which the studies took place were New York City; Lancaster, Pennsylvania; Columbus, Ohio; Houston, Texas; and Los Angeles, California. These cities range in size of labor force from about 100,000 in Lancaster to 4,000,000 in New York. The studies covered small, medium-sized, and large communities with labor market conditions ranging from relatively high unemployment to virtually full employment.

Local offices participating in the studies selected from among their older applicants a sample representative of the total applicant group which the office served. This sample was divided into a control and an

experimental group similar in composition with respect to age, sex, length of enemployment, occupational distribution, and handicapped status. The control group received no service they would not have received under any circumstances in the regular course of operations in the local office. The experimental group received intensive employment counseling and placement service exploiting every device within the knowledge and ingenuity of most capable and thoroughly experienced counselors and placement interviewers available in the offices in which the studies were conducted.

The total sample, including all offices and both control and experimental groups, amounted to 8727 cases. Follow-up elicited a better-than-average return, and the offices were often able to supplement information from follow-up forms with information from records, so that final reports of the studies cover more than 50 percent of the sample. This means that there was, contributing to the picture of older workers, partial data on nearly 9000 and complete data on 4657 individuals.

Before discussing some of the findings of the studies, it is necessary to define terms and at the same time answer the question: "When is a worker old?" When quantitative data are presented, the term "older worker" includes all those 45 and over. But this is little more than a statistical convention. The age at which a worker encounters employment problems connected with his age varies with the occupation, the industry, and the locality in which he lives. A worker in one occupation or industry such as retail specialty sales may encounter difficulties at 35, when another worker at 60 may have no problem in finding and holding a job. In New York City, a floor-girl in the needle trades is "old" at 40, but

at 65 a patternmaker is often preferred to a younger worker. So much depends on the kind and degree of skill involved, the industry, the prevailing conditions of the labor market, the degree of unionization, and the personal qualifications of the individual job seeker, that a single grouping of workers over 45 is unrealistic, though useful statistically.

A point of view held by many is that full or, at least, expanding employment provides the only solution, and indeed a complete solution to the employment problems of older people. This, the studies show, is an over-simplification and, like most generalizations, it is compounded of about equal parts of truth and error. While the absolute size of the problem diminishes under such conditions, it remains true that the older worker, as compared to other workers, faces greater difficulties in securing new employment. Fewer workers over 45 become unemployed, but generally speaking, those who do lose their jobs remain unemployed for longer periods. This is true even though the studies showed that a high proportion of those over 45 go back to work within one month after losing their last job. This may well be due to the fact that they have some kind of seniority protection and are called back to their former positions. But--and this is most important--if they do not quickly locate some job, their unemployment tends to protract itself well beyond the average of younger workers. Unemployment of more than 20 weeks duration was not unusual among workers over 45 who had failed to go back to work during the first 4 weeks of unemployment. Further, there is conclusive evidence that, in all occupational groups aside from the unskilled, workers over 45 are placed less frequently than their representation in these groups would

warrant. For example, in one office 23 percent of all those registered for clerical and sales jobs were over 45. The experience of this office was that placements of workers over 45 constituted only 2 percent of the total placements made in clerical and sales occupations. This disadvantage was apparent despite the general improvement in performance resulting from special counseling and placement services, and despite the transition, during the course of the study, from a loose to a relatively tight labor market.

The studies also show that, for older workers, the public employment service is of pivotal importance as a source of placement. This was true for both the control and the experimental groups, although the control groups received no special services, and benefited from no special efforts at placement. Statistical analysis of those employed at the time of follow-up shows that almost 40 percent had been placed by the employment service, with the percentage by office ranging from 21 percent in New York City to 67 percent in Columbus, Ohio. For the experimental groups, the employment service was usually the prime source of placement; e.g., in Columbus, 56 percent of the experimental group was employed, and 48 percent had been placed by the employment service. But even for the control groups, placements through the employment service usually ranked second only to callbacks. Employment through relatives, friends, ads, private employment agencies, and even unions was negligible. The prominence of the employment service as a source of placement of older workers is remarkable because for the general run of applicants, employment agencies, both public and private, rank well below other sources of employment.

The fact that in the studies the employment service ranked so high as a source of placement for older workers apparently results from the need of these applicants for intensive counseling and placement services to assist them in securing and retaining employment. State-by-State and city-by-city, it is safe to say that the employment service has better facilities for providing these services than does any other source of placement open to workers. There may be isolated examples of outstanding performance by some private agency or institution, but nowhere else can workers obtain the comprehensive information and assistance which the employment service can provide, if it will extend itself, to help them arrive at a realistic appraisal of their own capacities and of the ways in which they can adjust themselves to existing labor market conditions.

Assistance and advice in changing occupations is one specific type of service which older workers often require and which the employment service is well equipped to provide. The studies show that a large number of workers with prior work histories of great stability find it necessary to change their occupations upon becoming unemployed after age 45. Changes in occupation among the older workers involved in the samples studied ran high in all localities; about 24 percent of those who found employment had changed occupations. Another type of problem requiring special service develops when it is necessary for the worker to learn what demands he can make in seeking employment. Significant numbers of older workers (29 percent) found it necessary to accept lower wages than they have customarily received, even though a fair percentage (16 percent) secured work at higher than their usual wage. Incidentally, somewhat more older workers in the experimental groups studied changed occupations, but the effect on level of wages was not significantly different.

In Pennsylvania it was found that of those who shifted occupational fields, 60 percent of the experimental placement group shifted to higher fields (as from unskilled to semiskilled) and only 25 percent to lower fields. The opposite was true in the control group. In this group, which had not received special services, only 17 percent shifted to higher fields and 83 percent to lower fields.

This indicates that effective counseling can really assist older workers to make suitable job shifts which directly improves their placement possibilities, whereas, if they are not counseled, or are left to make their own adjustments without help, they tend "to stand in the way" of their own reemployment. The older worker may need to change to a related occupation or seek a completely new vocational choice or he may be making unrealistic demands for lack of insight as to his own assets and limitations in relation to existing opportunities. Without help in working out his individual problems, he may remain idle indefinitely. These are matters in which occupational information, counseling and special placement efforts are needed. In fact, the studies showed that the need for counseling was three times as great among older workers as among all applicants for work using the facilities of the public employment service.

Traditional attitudes toward older people as workers are a major problem in their placement. Every local office participating in the study indicated that personnel workers, including employment service staff members, share and sometimes magnify these attitudes as they believe them to exist among employers and the public. Actually, the biases and stereotypes which are found often give way before individualized approaches.

That is, an employer may not want a worker over a certain age, but when he considers an individual with respect to a specific job, the stereotype dissolves. Since the studies showed that the employment service was a prime source of placement for older workers, the necessity of overcoming prejudicial attitudes on the part of its staff members is of the greatest importance.

As part of the studies, surveys were made of the attitudes of employers toward hiring workers 45 and over. This was followed by analysis of the actual placements made with these employers. Pennsylvania's findings are supported by the results in other communities. Pennsylvania examined the 702 new placements occurring over a month's period among the employers who stated their policy on age. Among employers who stated their policy was not to hire workers over 45 year of age, 4.4 percent of the actual hires were in that age group; only 3.9 percent of workers hired by employers who claimed no age restrictions were 45 or over. It is apparent that whatever their stated policy, employers do not adhere to it very strictly. It is, therefore, safe to tell counselors and employment interviewers that they need have no hesitation in suggesting qualified applicants whose age is above that specified by the employers.

From the findings of all the studies, and particularly those in the Houston report, which dealt at length with problems of internal management, a general conclusion is that special attention to the older worker is essential for his effective placement. However, this does not mean that separate organizational and staffing arrangements are required. Our experience has been that separation all too frequently results in segregation

which is precisely the problem that the services should be attempting to overcome. The special services necessary consist of intensive individualized treatment frequently involving counseling and employer solicitation and other services already available to applicants in local employment offices. The techniques employed are very similar to those used in service to youth, the handicapped, and other groups, and perhaps to a greater degree than for any other special group, the total facilities of the office are necessary for effective service to older workers. To carry out this nation-wide basis, the Bureau of Employment Security has issued a special section of its manual dealing with service to older workers. We are also working on a handbook for distribution to employers, unions, and the general public which describes the older worker studies in detail and which outlines policies, methods and techniques that should aid in facilitating the employment of older people.

In addition to the problems already mentioned, the older worker in the United States faces the following broad categories of problems which stem directly from traditional hiring and employment policies and practices:

1. Many private retirement pension plans at present undoubtedly do interfere with the hiring of older workers and their retention beyond certain ages, although not to the extent which is commonly supposed by employers;
2. Some modern labor-management practices, beneficial to most workers and to the older worker so long as he remains employed, are an obstacle to the unemployed older worker. For example, the policy of promotion from within leaves vacancies only in low paid, unskilled beginning jobs;

- seniority, too, may keep filled the majority of jobs offering pay rates and requiring skills appropriate to older unemployed workers;
3. Economic considerations complicate the problem of obtaining a new job. These include dependents, homes, and financial obligations which prevent acceptance of job involving downgrading, low pay, or mobility;
 4. The majority of older workers who become unemployed need intensive help in finding new jobs; they have not sought work for long periods and do not know how to go about finding new jobs; some are unfamiliar with the current labor market conditions; others lose their self-confidence; many need help in choosing and planning for entrance into new occupations;
 5. Although older women are the largest single source of potential labor supply, their absorption into the labor force is often particularly difficult. First, because they are considered "older workers" at an earlier age than men; and second, because they enter the labor market after a long interruption or entirely without training or familiarity with the business environment. As a result, they present special problems in counseling, placement, training, and adjustment.

If these problems are to be surmounted and defense production-manpower goals met, it is obvious that certain basic policies must be adopted and implemented forcefully by management, labor, and government. Among the policies that should be given serious consideration are the following:

1. Maximum hiring age limits, which bar many qualified workers from employment, should be eliminated and jobs should be filled on the basis of individual ability to perform the job, regardless of age.

2. Qualified older persons who are available for employment should be absorbed before workers outside the labor market or less readily available manpower resources are recruited.
3. Older women should be given equal consideration with men for employment, on the basis of individual ability to perform the job.
4. Older workers who are eligible for retirement should be encouraged to continue working at jobs for which they are qualified.
5. Retired workers who possess needed skills in critical occupations should be encouraged to return to work to the greatest extent possible.
6. No worker should be automatically retired or dismissed on reaching a specified age, without regard to continuing usefulness at his regular job or a less exacting one, if necessary.
7. Good labor standards, including health and safety measures, and equal wage rates for equal work regardless of age, should be promoted as an effective means of increasing employment and utilization of older workers.
8. Arbitrary upper age limits should be eliminated in determining eligibility for public vocational rehabilitation services.

Once these broad policies are accepted by the appropriate authorities, specific steps to implement them should be taken along the following lines:

1. To establish facts regarding the performance of older workers in paid employment and regarding problems arising in connection with their employment, management and labor groups and government agencies should undertake further comprehensive studies of the type conducted by the National Association of Manufacturers, Chamber of Commerce, the Bureau

of Labor Statistics and the Bureau of Employment Security of the Department of Labor. Specifically, studies should include comparisons of performance of older and young workers in the same occupations.

2. To provide sound bases for improvement in programs and techniques in selection, placement, testing, counseling, and retirement of older workers, public and private agencies, especially those in medicine, psychology and related fields, should extend their researches in the aging processes and, specifically, should determine what changes affecting work performance typically occur with age, and arrive at some practical methods of appraising the functional capacities of individual older people for use in the employment process.
3. To combat the unrealistic and unwarranted attitudes regarding the hiring and retention in employment of older workers, labor and management groups and public agencies, particularly as represented by regional and area manpower committees, and the various bureaus of the Labor Department and the Federal Security Agency, should conduct continuous programs of education among Federal, State, and local agencies, employers and labor groups.
4. To assist older workers in making critical transitions in their working life, management and those agencies and individuals concerned with personnel policies and practices should extend and improve their selection and placement, job analysis, and counseling programs so as to insure that effective services are available to older person when they are seeking work, are poorly adjusted in work, or are preparing to retire.

5. To permit and encourage older persons to continue working so long as they are willing and able, public and private organizations and agencies concerned with insurance should investigate the possibilities of revising pension plans so as to eliminate compulsory retirement ages, provide for the pooling or transfer of earned benefits, liberalize restrictions on maximum earnings in retirement, and otherwise insure that pension plans are a protection to the worker rather than an impediment to his employment.
6. To take the lead in actions effectuating sound policies in the employment of older persons, governmental agencies--Federal, State, and local--should examine their hiring and retirement practices and remove unnecessary and arbitrary age restrictions.

American thought patterns have evolved in a youth-oriented society which has recognized childhood and adolescence as periods of the greatest importance in preparation for maturity, but which has ignored later maturity and old age. Our society, in its concentration upon the young, is wasting its human resources as surely as, during its period of predominantly agricultural economy, it exhausted soil resources in intensive cultivation and then moved on to virgin lands. When the aging formed only a small proportion, this waste of human resources may have seemed negligible, just as the abandonment of the first few exhausted farms may have seemed so. But we must begin now to value our total human resources at least as highly as we value our natural resources. This should not be too difficult to do in a society which holds as one of its principal ideals, belief in the worth of the individual.

The Korean situation and subsequent mobilization planning and action has only increased the vital importance of concentrated study and action of the problems of the older worker and other phases of the aging problems of our population. A country which has embarked upon a long-term program of preparation for defense, not only of its own, but of international interests in peace, cannot afford to overlook the contribution which any segment of its population can make to the total effort. We need now, more than ever before, to broaden all our socio-economic concepts to give all members of our society a sense of belonging and participation. In the past, we have tended to view the aging person primarily as someone who needed our help. Today, I think it would be more accurate and realistic, from a manpower point of view, to say, "We will need them, just as much, or maybe even more, than they need us!" Let us hope that this fact becomes apparent to employers and the general public so that the fruitless and unrealistic search for the preferred younger groups does not disrupt and delay needlessly our defense production program.