

AGING AND EMPLOYABILITY

Address by Ewan Clague, Commissioner of Labor Statistics  
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It is now about 40 years since the American people first recognized old age as a special social problem. In the beginning, prior to and during World War I, and afterwards in the 1920's, the condition which commanded public attention was the plight of the old retired or disabled worker who was living out his declining years in poverty and misery. So the first attack on the problem was a drive for reforming the system of caring for the aged poor--on the whole system of poorhouses, county farms and other institutions for the aged. There was a demand for modest pensions on a relief basis paid for out of tax funds. This movement attained some success, and there was an expansion of public assistance for the aged.

The Great Depression of the 1930's widened, deepened, and intensified the problem. Millions of older workers lost their jobs and their self-respect. In the first few, wild, confusing years the problem was obscured to some extent because the aged were only one of many types or classes of workers swept into unemployment and destitution.

However, as the decade progressed a new aspect of the problem began to emerge. Statistics compiled from the pay rolls of the W.P.A., statistics of the special census of unemployment, and other related studies, such as those on the work histories of unemployed workers--all these brought out the fact that it was the older workers and the very young ones who suffered most from unemployment. The National Youth Administration reflected public concern with the problem of youth. The passage of the Social Security Act stemmed in considerable degree from the needs of the old.

As the decade wore on, it became apparent that the older workers (over age 45) were experiencing considerable difficulty in obtaining reemployment. Business recovery left them behind. This gave rise to a resurgence of the pension movement in the form of the Townsend Plan and many other similar schemes. The pressure was in favor of reducing the age limits, and providing some kind of adequate retirement support, for literally millions of older workers who despaired of ever obtaining gainful employment again. Even the early days of the National Defense program did not greatly change this picture. Studies of the unemployed claiming unemployment compensation benefits showed as late as 1941 that the claimants were heavily weighted in the older age groups.

Then came the war itself and a tremendous national labor shortage. With the young men in the Armed Forces, the older men and

women came into their own in the labor market. The older unemployed workers were hired at last. In addition, the expected normal retirements under the Old Age and Survivors Program of Social Security did not take place. Finally, there was an actual shift from retirement back into gainful employment. Statistics from the Social Security Board showed that many thousands of old age beneficiaries dropped the benefits and voluntarily returned to work. Perhaps this development can be summarized in statistical terms as follows: By April 1945 there were one and a half million "extra" workers age 55 years or over, that is, above the normal which would have been expected if prewar trends had continued; about three-fourths of a million workers, eligible for retirement under the Social Security Act, had continued to work; lastly, about 70,000 beneficiaries had returned from retirement to covered employment.

In the postwar period came another situation and another test. With the return of 12,000,000 servicemen from the Armed Forces, it might have been expected that the older workers and the women, who constituted our wartime emergency labor force, would be pulled back or pushed back into retirement. In the case of women this did happen to a considerable extent--some millions of them returned to the home. But with the older workers, men and women both, this was not the case. They have continued to work right down to the present. In wartime it might have been the stimulus of patriotism and public service which brought these people into the labor force; but in the postwar period, it is obvious that some other factors have been at work. Plainly speaking, these older workers clearly prefer to remain in the labor force as long as job opportunities are open to them.

All these recent facts might be taken to indicate that there is no particular problem of aging and employability. Has the problem disappeared? My answer is that it has not. It is partially obscured at the moment by the high employment of our postwar prosperity. The fact that so many older workers are now employed should not blind us to some of the underlying long-range problems. Are these workers happily placed? Are they productive? Do their employers rate them highly?

The answers to these and other questions will be speedily forthcoming, I believe, when our economy "catches up" with its wartime shortages and readjusts to a more normal postwar level. (I am talking only about a readjustment, not a major business depression.) In such a readjustment, I would venture to guess that the unemployment of older workers will again become a serious social problem. Many of them will be laid off in the early stages of an employment downturn, and their numbers (unemployed) will increase persistently during any period of moderate business activity. Furthermore, they will find it more and more difficult to get back into satisfactory jobs. Their unemployment periods will be prolonged and persistent. Then the Nation will find itself face to face with a stubborn and difficult problem of great dimensions. Since the proportion of

older workers in the labor force is growing steadily, this development will create new social, economic and political problems which will test our ingenuity as a Nation to solve.

At first thought it might seem that this is simply a problem of individual preference for work or retirement. In a free democratic society let those who want to work continue to do so, while those who do not wish to continue working can retire. Of course, as you have discussed elsewhere during this Institute, this would mean some reasonably adequate provision for retirement. During the depression years one of the reasons advanced for the passage of Social Security legislation was that it would encourage retirement of older workers, and thus make room for younger men. However, the actual scale of old age benefits has never provided a reasonable choice to the older workers. Most of the retirements under old age insurance have been forced upon the worker by previous unemployment. In a special field survey conducted by Old Age and Survivors Insurance in 1941-1942, only about 5 percent of the men receiving old age benefits said that they retired and filed for benefits while they were in good health and simply wished to retire. More than half had been laid off by employers, and about one-third quit because of illness or failing health. ✓

With the higher costs of living existing today, these benefits are even less of an inducement to retire. Under the Old Age and Survivors Insurance Program benefits for a retired worker and his wife now average less than \$500 per year. Yet the Social Security Administration has estimated that a family budget for an older couple, at a modest but adequate level of living in 8 selected cities, would cost from \$1,365 in Houston, Texas, to \$1,767 in Washington, D. C. This was at June 1947 prices, and the Consumers' Price Index of the Bureau of Labor Statistics has risen since that time.

Coupled with this is the fact that only a very small minority of the aged can count on income from property or some other source sufficient to close this gap. So retirement for the great majority of workers today would require an extremely low level of living or else dependence upon children or other relatives--or public assistance. It seems clear that a Nation committed to an adequate retirement system will certainly raise the scale of benefits, and bring them more nearly into reasonable relationship with the minimum earning power of older workers. Let us assume that this will actually be done in the not too distant future. When it is done, some of the older workers, at least, will be free to make a reasonable choice as to work or retirement. Some will continue to work, others will voluntarily retire. So far, so good. ✓

But let us not be under any illusions that such an adequate program of old age insurance benefits would meet the problem. What age are we thinking about? Men eligible for re-

tirement at age 65 and perhaps women at 60? This will not begin to touch the problem of the millions of workers age 45 to 64, men and women both. Pushing the age limit for men down to age 60 would create tremendous financial problems, even for a rich Nation like the United States. To talk about retirement ages of 55, 50 or below is literally fantastic. We would be condemning the Nation to a poverty standard of living for us all if any such goal were attempted.

As a matter of fact, this is the form which the issue may take politically. If truly adequate and reasonable benefits are established for the oldest workers (over 65), then there will be pressure to lower the age limits and bring in the unemployed in the next lower age groups. In times of severe unemployment the numbers of these persons may be so great as to constitute a powerful social and political force.

So we are brought to the other alternative: What are the possibilities of these nearly-old workers continuing in gainful employment? In future decades they will constitute a large labor force which could be employed successfully to raise the standard of living of the whole population. As an economic policy, these nearly-old should not be looking forward to speedy retirement but rather to continued productive work. What is the chance of achieving this as a National policy?

The first question that arises in this connection is the true employability of these workers. How do they actually make out in the jobs they are able to hold? A recent study by the Bureau of Labor Statistics provides us some partial answers to this question.

During the war years the Bureau of Labor Statistics, at the request of the Veterans Administration, made an extended study of the work performance of physically impaired workers. <sup>1/</sup> The purpose of that particular study was to analyze the effect of various types of physical impairment upon the worker's capacity to hold down a job. In making that study the Bureau measured the physically impaired workers against a control group of normal workers. Then as a byproduct, the Bureau made a study of this control group from the point of view of age. Some of the results of this study are being published in the Monthly Labor Review for July 1948. <sup>2/</sup> Let me review briefly for you the salient facts discovered in this last study.

First, the records show that absenteeism is generally less frequent among the older workers. Among the men absenteeism was highest (5.2 days lost per 100 scheduled work days) among the youngsters under 20, after which it declined steadily until the

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<sup>1/</sup> Monthly Labor Review, January 1948.

<sup>2/</sup> Absenteeism and Injury Experiences of Older Workers by Max D. Kossoris.

low point was reached in the group age 55-59 (2.8 days lost). There was a slight increase in the rate for men over 65, but even this compared favorably to the absenteeism of the men in their 30's and 40's, and were considerably less than for men in their 20's and teens. Likewise, among the women the lowest absenteeism rate was in the group 55-59. It is most important to note that these rates were obtained in a period of full employment when large numbers of these older workers were on the job.

With respect to work injuries the study indicates that older workers have a record that is at least as good and even somewhat better than for younger workers. Disabling injuries are those which require an employee either to sustain a permanent impairment or to be disabled for work for at least one full shift. For this type of injury the frequency rate (per million hours worked) was 9.7 for all age groups, but generally lower than this for workers over 50, with a rate of 7.8 for those 50-54, and a peak of 10.1 for those 55-59. No age group over 50 had rates as high as the group 35-44 years. Nondisabling injuries are those which usually require only first aid. With respect to these, the rates are highest for workers in the 20's and lowest for those over 40. The frequency rate for all groups of workers over 50 range from a half to a quarter of the rate for workers in the 20's. On the other hand, it was noted in the study that the older workers require more time for their injuries to heal--the average days which the disability lasted was somewhat longer in the older age groups.

Lastly, the study recorded the medical visits made by employees for minor aches and pains not directly related to work accidents: Difficulties such as headaches, colds, digestive discomforts and menstrual pains. Again the record shows that both for men and for women the older workers made fewer medical welfare visits than the younger age groups.

The conclusions we can draw from this study are simply that older workers in certain very tangible respects can hold up their end of the work so far as absenteeism, accidents and various disabilities are concerned. This seems to show that some of the prejudice against older workers is not based on fact. There seems to be clear evidence of a greater willingness and zeal to keep on the job.

Of course, this study provides only a partial answer to our question. There are still other areas of employability which require exploration. The most obvious one is productivity--do these workers keep up the pace and produce as well as the younger groups? The Bureau was not able to obtain any comparison of output by age groups. Such data would be difficult to obtain because comparison would have to be based on appreciably large numbers of workers in the same or similar jobs--a situation that would be hard to find. So more work will have to be done to determine whether low productivity or poor quality output lessen the employability of older workers.

There are some studies from the United States Public Health Service which provide some hints on this side of the problem. These studies seem to show that the onset of chronic disabilities is a gradual process; it is not concentrated in any particular age group. For example, the National Health Survey (1935-1936) showed a progressive increase in the incidence of chronic disabilities, from 27 per hundred in the age group 45-54 to 34 per hundred for the group 55-64, and to 51 per hundred among those 65-74 years old. Chronic disability in this sense is not directly comparable with inability to work. Many persons with disabilities or impairments may continue to work for years. However, the data are indicative of the process of slowing down and deterioration of the human organism with age.

Yet, on the other hand, it is noteworthy that even among persons 65-74 years of age almost half were not affected by any chronic disability or impairment. Moreover, only a small proportion of the population, even at the upper age extreme, are so disabled that they are clearly "permanently disabled" for all employment. Thus, even in the age group 65-74, only 5 out of every 100 persons were classified as invalids (that is, disabled for 12 months or more).

Just the other day I came across a newspaper report (N.Y. Herald-Tribune, July 18, 1948) of a medical staff conference at the De Courcy Clinic in Cincinnati, Ohio. These medical specialists come to the startling conclusion that "years alone have no effect in bringing about degenerative disorders. Anyone who thinks that because he or she is getting along in years loss of vigor, debilities or degenerative disorders should be experienced, is suffering from a 'time neurosis' which may be more effective than physical conditions in producing the effects they fear." In other words, you are old only because you think you are. They go on to say "All those who develop a time neurosis subscribe to the prevalent superstition that time is in some way a poison exerting a mysterious cumulative action. The obsession itself may be the cause of definitely premature aging. Confidence and hope are diminished; continual worry decreases efficiency and increases nervousness and irritability. Life assumes a somber hue. Imaginary symptoms are noted with increasing frequency. The mind or the heart may seem to be failing. Morbid attention is given to every phase of physiology of which the patient may be aware. Morbid conditions then ensue."

I think we must all know personally many older people who fit this picture--who worry themselves into ill health because of imaginary fears and handicaps.

Where does all this leave us? I suggest that the present state of our knowledge (which is admittedly incomplete) points to the following general conclusions: (1) Many old people retain their full faculties and vigor to an advanced age and can successfully hold a job or practice an occupation far beyond the normal time of retire-

ment; (2) many other old people experience some accident, disability, debility or simple decline in powers which lessens their capacity for their previous jobs but which does not make them at all unemployable; (3) some old people (an actual minority) become permanently ill or disabled (not at any fixed age but at varying ages) so that they cannot or should not be required to earn their own living.

What then is the basic unsolved problem of aging and employability? It is the problem of class (2) above--the workers with declining powers who continue for years to possess a high degree of employability. These workers could remain in employment if there could be a gradual readjustment of the work to fit their changing capacities.

This is not the way it is generally done in industry today. There are notable exceptions, of course, and in many firms and occupations quiet adaptation of the job to advancing age occurs unobtrusively. But in the main the worker who is growing old fights vigorously to retain his position and status on the job until the final break comes--then he is laid off, can't get another job, and is mentally and physically crushed.

This struggle of the older worker to hold his place is reflected strongly in trade union policies. Efforts are made in the collective bargaining agreements with employers to obtain clauses providing to older workers security of employment and protection of earning opportunities.

The most important results of these union efforts are seniority rules and practices which afford protection to employees in accordance with length of service. The seniority principle in general means that preference in promotions, better assignments, avoidance of lay-offs, and reemployment after lay-off depend primarily on the number of years of service. Since years of service are very closely related to age, the observance of seniority rights implies preferential treatment for the older worker.

In the building trades, particularly, agreements sometimes specifically require employment of a certain number of older persons. The requirement is most frequently that there shall be at least one superannuated worker, or man of the age of 55 or over, among each 5, 7, or 10 journeymen employed. The following clause is illustrative:

"On jobs where seven or more members of the union are employed one member of more than 60 years of age shall be employed for every seven younger members."

Occasionally, agreements contain prohibitions on termination of employment because of age, as in the following clause:

"The Company agrees that no employee's service will be terminated solely because of age."

A few agreements specifically prohibit any restrictions as to age limits in the hiring of new employees, as in the following clause:

"The Company agrees that there shall be no maximum age limit in the hiring of men."

Although unions insist on rigid adherence to the wage standards set forth in the agreement for all regular employees, a tolerance is sometimes allowed for aged or handicapped workers. If these employees cannot maintain the production standards, lower rates may be negotiated at the time the agreement is signed or subsequently as cases arise. Some agreements specify a special minimum rate below which wages of substandard workers may not fall. Aged workers and those who for other reasons are unable to perform their regular work are sometimes assured transfers to other types of work. An illustrative clause dealing with this problem follows:

"An employee who has given long, faithful service and has become unable to handle heavy work or work required in his classification to advantage, shall be given preference in such work as he may be able to perform at a commensurate rate of pay agreed to between the Company and the union."

The difficulty is that these protections through collective bargaining agreements or company rules generally break down in times of severe unemployment. Businesses fail; new inventions make old occupations obsolete; lay-offs of older workers do occur; attachments to previous jobs are broken. The constructive long-run solution of the problem is the development of jobs and occupations which can be adequately filled by older workers.

In this respect the situation is not getting better. Agriculture is an industry which always gave substantial employment to even the very old. There are always jobs around a farm which a partially employable person can do. In the cities the self-employed worker (whether a business proprietor, a professional or an artisan) is in a better position to continue his activity while "tapering off" the work in his old age. The proportion of employers and self-employed workers among urban men in 1940 rose sharply from less than one-fifth of the total among men 45-54 years of age to two-fifths among men 75 years or over. However, only a minority of the older industrial workers fall in those classes of occupations which generally give rise to self-employment.

The major attack on the problem will have to come within industry itself, which employs the vast proportion of the labor force. With agriculture declining (in employment) and urban self-

employed being limited in numbers, the real job is to discover how industry itself can provide gradual self-adjusting employment for older workers.

I have no intention here of saddling businessmen and employers generally with this problem. Industry has a responsibility but it is not its sole responsibility. The worker himself has a distinct responsibility of his own--to accept different kinds of work, to accede willingly to changes in pay for such work, and to undertake any training or retraining which might be required to keep up his employability. The community itself, with all its numerous agencies (which I shall not take the time here to mention) has a great responsibility for providing the facilities for assisting industry and the workers to make these adaptations. This means training and retraining facilities, an adequate public placement service, educational opportunities for older people, and all the other kinds of professional assistance which will have to be provided if this job is to be accomplished on a Nationwide scale. This will be one of the great future challenges to the schools of the Nation.

All this may seem to those who are "realists" much too visionary and idealistic. I do not believe it is. The choice which this Nation will face in the next few decades is a very hard one. If unemployment and destitution are chronic among the millions of older men and women in this country, they will be numerous enough to force us to some kind of social action. What we may get from such pressures may be very unsatisfactory--socially, economically and politically. If, on the other hand, we can use these millions of willing and able men and women as part of the productive labor force of the Nation, we may raise the standard of living of Americans to levels far beyond our present dreams. In the process we shall also be helping to make ourselves a happier people and a much better economic society.