

Older workers (1949)

U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
Washington 25, D. C.

HOW LONG DO OUR WORKERS LAST?

Statement by Ewan Clague, Commissioner of Labor Statistics,
U.S. Department of Labor
before the
New York State Joint Legislative Committee on Problems of the Aging
New York, New York
December 8, 1949

I have been asked to appear before your Committee today to present some facts on the length of working life of American workers. This is a highly important field of inquiry for those concerned with the economic and social problems of older workers in our modern economy. For, by comparing the ages at which workers cease gainful activity with their total life expectancy, we have a significant measure of the magnitude of the problem of old-age dependency as it affects the individual worker.

In order to make available basic data on this aspect of manpower utilization, the Bureau of Labor Statistics has taken the actuarial techniques of the conventional life insurance tables and adapted them to the measurement of working life. These tables show the ages at which men enter the labor force, the ages at which they stop working either because of death or retirement, and the average number of years of working life remaining to them, at given ages. These materials will be published, in detail, in a forthcoming Bureau study. I shall refer briefly here to a few of our major findings.

Under 1940 conditions of mortality and of labor force participation, the average male worker aged 20 could expect to remain in the labor force--either working or seeking work--for an additional 41.3 years, or to age 61. However, he could expect to live for an additional 46.8 years, or until age 67. So, on the average, he could anticipate a gap of $5\frac{1}{2}$ years between his working life and his total life span.

I would like to stress two things about these figures. First, they are averages. They include men who "die in the saddle," as well as men who are exposed to protracted periods of retirement, after they have stopped working. Under 1940 conditions, about half of all men workers could in fact expect to continue working until death or fatal illness. For the remainder, the period of retirement was much greater than the average. If we assume the life expectancy of retired men at any age to be the same as for all men at that age, the average life span in retirement for men retiring at ages 60 or later, was approximately 11 years.

Secondly, as in the case of the standard life insurance tables, the estimates of working life simply describe what would happen if an existing pattern of mortality and retirement prevailed throughout the life history of a generation of workers. They are not forecasts and do not attempt to predict, for example, the conditions a young man will in fact be exposed to in the course of the next four or five decades.

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By comparing the pattern of working life of 1940 with that prevailing in other periods, we can however gain valuable insight into the factors underlying the growth of the present problem of old-age dependency. A century ago, or even more recently in our history, there was very little difference between a man's working life span and his total life span. Life expectancy was short and only a small proportion of the population survived until ages which are now considered conventional for retirement. Moreover, we were predominantly an agrarian economy. As an independent farmer or craftsman, the older worker was often in a position to continue in an active, productive role until the very end. For most workers, there was no sharp break in employment, but rather a tapering off. Retirement, as we know it today, was the exception rather than the rule.

Let us consider the work-life pattern of men in 1900, since comparable data for prior periods are not readily available. At the beginning of the century, the 20-year old white man had an average life expectancy of 42.2 years, or about 5 years shorter than his counterpart in 1940. His working life expectancy of 39.4 years was, however, only 2 years less than in 1940. On the average, therefore, he could expect slightly under 3 years outside of the labor force, as compared with $5\frac{1}{2}$ years in 1940.

From this simple comparison we can diagnose two of the basic elements in the long-term economic problem of the aged. On the one hand, the advances of medical science enabled a growing proportion of the population to survive into old age. On the other hand, employment opportunities did not keep pace with this increase in the aged population. There was a steady shift from agriculture and the small handicraft trades to large-scale urban industry, with its emphasis on speed, its rigid work schedules and its dilution of skills. The older worker was no longer able to slow down gradually on the job, but at some stage--often at some fixed chronological age such as 65--he was forced to make a complete break with employment. As a result, there was a long-term downtrend in the average age of retirement and a widening gap in the period of old-age dependency.

This basic problem was, moreover, intensified by the great depression of the Thirties. The burden of unemployment fell heavily on the older workers, who--once laid off--found it increasingly difficult to secure reemployment. By 1940, after a decade of severe unemployment, there were many older workers, in their fifties and sixties, who were still able to work and willing to work, but who, after prolonged unemployment, had given up the search.

But with wartime mobilization and postwar prosperity, came ample evidence that many of these older workers were in fact capable of productive employment. Large numbers reentered the wartime labor force while others postponed their retirement. This pattern moreover has continued into the postwar period, so that substantially greater numbers of older workers are now in the working force, than would be expected from prewar trends.

These changes have had a pronounced effect on the pattern of working life. As a result of further advances in medical science and the general improvement of living standards, the 20-year old male worker, under 1947 conditions, could expect to live an additional 48.2 years, a gain of almost $1\frac{1}{2}$

years over 1940. At the same time, his average work life expectancy also increased by $1\frac{1}{2}$ years, to 42.8 years, largely due to the increased proportions of older men, in their late fifties and sixties, who were found in the postwar labor force. Thus, in contrast to the long-term trend, there has been no further widening in the retirement gap during the current decade.

These comparisons suggest alternative patterns for future trends in the work life span. A resumption of prewar trends, on the one hand, would mean a rapid widening of the period of dependency and would correspondingly add to the economic burden of old-age dependency. Under this assumption, the gap between total life expectancy and working life expectancy will widen to almost 10 years in 1975, as compared to $5\frac{1}{2}$ years in 1947 and less than 3 years in 1900. On the other hand, if we can maintain the current pattern of labor force participation, the increase in life expectancy will be added mainly to the period of productive life. Even under these conditions, there will, however, still be an increase of about $1\frac{1}{2}$ years in the average period of retirement, due simply to the fact that under the improved mortality conditions projected for 1975, a larger proportion of young men are likely to survive to retirement age.

It is clear from these comparisons that we are faced with a major and growing problem of old-age dependency, even under relatively favorable assumptions. However, if we fall short of our full employment goals and if we fail to provide adequate work opportunities to those older men and women who want to and are able to work, the problem will be greatly magnified. There will be mounting pressures for an expansion of old-age benefits and growing demands for a progressive broadening of the eligibility conditions. The increased span of enforced idleness in old age will place a heavy financial burden, not alone on the aged themselves, but on those in the labor force who will be contributing to their support, either directly as individuals, or by increased levies on their current earnings.

There is, however, nothing inevitable about these long-term trends. I believe that you, as legislators, who are in a position to determine public policy, can do a great deal, in conjunction with labor and management, in promoting employment opportunities for the older workers and extending their working life span.

As a guide to constructive action, you will, of course, need much more detailed information than I have thus far presented. The public health specialist has available detailed statistics on the incidence of disease and the causes of death, to guide him in formulating an effective health program. In similar fashion, we must know much more about the types of workers who are at present most vulnerable to premature and involuntary retirement, about their occupation and industry and their geographical location. We also need direct information as to the specific causes of their withdrawal from gainful activity. At present this area is still largely unexplored from a statistical viewpoint.

On the basis of our present knowledge of the American labor market and of conditions in various occupations, it is possible, however, to focus on certain broad sectors of the labor force, where the problem is likely to be most severe. First, we know that the working-life span is shorter for the city worker than for the farmer. Secondly, in the nonagricultural sector of the economy, the period of retirement is likely to be longer for the wage or salaried employee than for the man working on his own account, as a business man or an independent professional.

In this broad area of nonagricultural employment there are wide differences, too, in the severity of the employment problem of older workers. There are many employees of mature age, in executive, supervisory and professional positions, whose experience and judgment render them increasingly useful to their firm. However, in the great mass of industrial and clerical jobs, which bulk so large in our modern economy, the opposite is more frequently the case.

For many of these workers, the major threat to a full well-rounded working career is the gap between the individual's occupational working life and his total potential working life. The most obvious illustration is in the case of those jobs which involve very high physical requirements. Professional athletes or airline pilots or other men engaged in hazardous or strenuous activities are required to be in perfect or near-perfect physical condition. At some stage, and well before the end of their normal working life, men in these jobs--even though a select group, to begin with--are compelled to shift to a less exacting type of work.

The situation of airline pilots, though extreme, may serve to point up the problems which may be encountered under these circumstances. Airline pilots as a group are predominantly young men--both because of the very stringent physical qualifications they must meet under the Civil Air Regulations, and because of the very recent growth of the occupation. Thus, since 1940, the number of pilots employed by the scheduled airlines has tripled. Although there have, of course, been individual problems of superannuation for pilots, there has not as yet been a mass problem. But within the coming decade or two, a large proportion of the present pilots will be in their forties and fifties; clearly many of them will no longer be able to meet the current physical standards. Where will they go? The types of ground jobs on the airlines for which they may qualify or which they are likely to consider suitable, are necessarily limited. Retirement also is not the solution for them. The only alternative for many will be a completely new occupational orientation.

Less spectacular, but of much wider significance, is the situation of many other workers, who find that as they grow older and slow down, they can no longer meet the pace of modern industry, although they may still be capable of gainful employment. If they retain their jobs with their employer, this problem--though still a real one--may be dealt with in a quiet, unobtrusive fashion. In many industries, seniority gives the older worker a substantial measure of security. And, apart from this form of protection, many employers have adopted policies to shift their older employees to lighter, less exacting duties.

However, in our dynamic economy, there is the ever-present danger that these workers may get stranded in the middle of their working life. Periodic business recessions, or simply the normal turnover of business establishments, may cast them in the role of a jobseeker. Technological or style changes may depress their industries or render their skills obsolete. Shifts in consumer demand and the changing pattern of industrial location may also have the same effect.

Once the man past his forties is forced into the labor market, his problem of adjustment may prove to be a difficult one. Many employers are reluctant to hire older workers, unless they have some special qualifications. The very seniority rules which protect him on the job work to his disadvantage when he is on the outside. And the prospect of "starting all over again," to a man of mature years and responsibilities is not a very appealing one.

What can we do about this dilemma of the older worker? I will not presume here to attempt to spell out any detailed solution. From this brief review it is apparent that we are dealing with a highly complex problem. It is a problem that we are approaching with all too meager factual resources, although your Committee has performed an outstanding service in this respect, in assembling and evaluating the available data. It is, moreover, a problem which is growing in dimensions each year, and which will command the combined resources of the Federal and State and local governments, of labor and management, and of many community groups, if it is to be dealt with effectively.

In conclusion, I would, however, like to refer to one general course of action which merits your consideration. You are all familiar with the general theme of "physical fitness." Institutions such as life insurance companies, particularly, have a strong and obvious interest in promoting improved health standards, proper diet, adequate exercise and other hygienic measures which will have the effect of extending the average life expectancy. The community at large has an interest, too, in extending the period of working life. To this end, we should inaugurate a program of "vocational fitness," designed particularly to meet the needs of middle-aged workers. We must first, of course, determine what particular types of jobs are adapted to their background and abilities, by careful studies of the job requirements, the conditions of entry, the productivity of older workers on these jobs and other pertinent information. We must, at the same time, improve our technical know-how in testing and counselling older workers. With this type of information, we may be in a position to conduct an effective campaign to encourage mature workers to undertake adult education and vocational retraining programs. Preferably, these programs should be conducted, not when the worker is out of work, but when he is still on the job. In order to be effective, these programs must obtain the wholehearted cooperation of labor and management groups and must be part of a broader campaign to expand employment opportunities for the older worker.

All this may seem like an ambitious project, but if it succeeds in extending the period of productive life for even a fraction of our labor force, it will prove to be a sound investment.