

Older workers (1950)

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PROBLEMS OF THE AGING WORKER

Summary of Address by Ewan Clague, Commissioner of Labor Statistics
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A highly encouraging expansion in business activity, and a greater-than-seasonal reduction in unemployment, have featured employment developments during the past several months. However, there is evidence that a selective hiring process may be under way and that considerable numbers of workers past age 45 may be left behind in the general recovery. The reappearance of the employment problem of older workers underscores the necessity for long-range programs to promote the vocational fitness of this large and growing sector of the labor force in the years ahead.

A strong revival in general business conditions this spring has brought the first signs of a significant downtrend in the numbers of unemployed workers since unemployment levels began their rise late in 1948. In February 1950, unemployment totalled 4,700,000--a postwar peak. By April, unemployment was down to 3,500,000--a reduction of 1,200,000 in two months. This reduction was about twice the normal seasonal decline in unemployment, and indicates that a marked revival in hiring is under way in key sectors of industry. Major factors in this upturn have been the current record-breaking housing boom, the high rate of consumer spending, and the demand on the part of business resulting from the need to replenish depleted inventories.

There are several facts, however, that should temper our optimism about the unemployment situation. Despite the recent decline in unemployment, the number of unemployed workers in April still was about 1-1/3 million higher than in the same month of 1948. Even more significant, however, was the fact that the reduction in total unemployment was not accompanied by any decline in the number of long-term unemployed. In April, those seeking work 15 weeks or more totalled 1,200,000--one-third of all the unemployed and three times as many as in April 1948. Moreover, of these workers, nearly a half million had been unemployed more than 6 months. This points to a selective hiring process under way in the labor market, with particular groups of workers encountering special difficulty in finding jobs.

Older workers--particularly men over 45--apparently are one of the main groups that might be left behind in a general recovery in employment levels. They were, as a group, hardest hit by the rise in unemployment after 1948. Between April 1948 and April 1950 the numbers of unemployed men aged 45 and over rose by over 100 percent, compared with a rise in total unemployment of about 60 percent. Moreover, there is evidence that the duration of unemployment has been much higher for older men; once they were laid off, they have had particular difficulty in finding new jobs.

The special employment problems of the older worker, moreover, transcend the ups and downs of the business cycle. Even in 1948, when total unemployment was at minimum levels, men 45 and over had somewhat higher unemployment rates--and a longer average duration of unemployment--than did men aged 25-44.

The persistence--through good times and bad--of a special employment problem among older workers reflects, primarily, their inability to meet the pace demanded by modern, mass production industry. As long as the aging worker is continuously employed by a single firm, both seniority rules and the employer's feeling of responsibility toward him may protect him from layoff; he may, for example, be shifted to a less-exacting job within the company. However, if he should be laid off--for example, if the firm goes out of business--he has a particularly hard time in finding another job. Both the seniority system in other plants and the desires of employers to take care of their own aging workers by reserving lighter jobs to them then operate to his disadvantage.

Retirement on a pension provides a solution for many workers past age 65. Where social security payments are supplemented by private pension plans (for those workers with long service with a particular industry or firm), the amount of retirement income comes close to meeting basic living costs for aged persons. However, the problem for those aged 45-64 is not a pension problem, but rather a job problem.

This problem, moreover, is likely to continue to grow in dimensions, as the average age of the population and labor force increases. In 1900, only about one in 25 persons was 65 years and over, and only about one in ~~seven~~ ⁷ ~~seven~~, were in the age group 45-64. At present, the proportion of the aged (65 years and over) has increased to about one in ~~eight~~ ¹³, and one out of five persons is in the age group 45-64 years. This trend is likely to continue in the years ahead. Unless measures are undertaken to increase the effective utilization of older workers on the job, there will be a danger of a pernicious rise in unemployment among workers past middle-age, and of a resulting pressure for old age benefits of the "ham and eggs" variety, and at progressively earlier ages of retirement.

Even in our increasingly productive economy, we can ill afford the loss of productive manpower which would result if these trends materialized, or the equally important human costs, in terms of the frustration of individual older workers, who find themselves prematurely cast aside. To avoid this, we must plan, now, for a broad-gauged program, in which government, industry and labor all have a vital role. More flexible hiring practices by industry will be needed, in which artificial barriers based on chronological age, rather than fitness for the job, must be lifted. A start has already been made, by many employers, in the direction of shifting their aging employees to jobs which they are adapted for: much more remains to be done. Labor has an important contribution to make, too, in facilitating job transfers of older employees and protecting them against arbitrary retirement. The government, in cooperation with industry and labor groups will have a

major responsibility for assembling and making available the needed facts, and in adapting the programs of the public employment service to the special problems of counseling and placement of workers past middle age.

Economics of the nursing profession

In the discussion thus far attention has been centered on the general employment situation. You, as nurses, may be interested in the outlook for your particular profession. The following is a brief review of the present outlook.

In 1949, there were around 300,500 active registered professional nurses and a reservoir of about 205,500 inactive nurses; there were also 88,800 student nurses. About 51 percent of the employed nurses were in hospitals, schools of nursing, or other institutions; about one-fifth were in private practice; the remainder were public health, industrial, or office nurses.

There is a shortage of professional nurses, despite the fact that there are now more nurses than ever before. The shortage has resulted from a demand for nursing service which has increased at a greater rate than the supply. Many factors have caused this accelerated demand, among them are: a growing number of hospital patients, increased membership in prepayment health plans, the effects of health education programs which emphasize early treatment, preventive medicine, the use of clinical facilities and periodic check-ups. In addition, a growing population, as well as a population with a larger number of older people, the use of new drugs and treatments, and the extension of nursing services in government service and the fields of industry, psychiatry and public health, have added to the demand for professional nurses.

Factors which created the shortage of professional registered nurses will probably continue to operate for some years. By 1960 it has been estimated that about 500,000 professional registered nurses will be required to maintain current standards of nursing. Yours, therefore, is one of the occupations which seems most likely to grow steadily for many years to come.