

Labor Force Participation and Work Status of People 65 Years and Older

American Community Survey Briefs

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INTRODUCTION

Some people of traditional working age (16 to 64 years old) dream of the day when they can retire and pursue other interests, while others may plan to continue working past traditional retirement age. Most assume they will be making this choice around the age of 65. Over the past 20 years, the labor force participation rate of people 65 years and older has increased, particularly during the past decade. As with all age groups, the increase in labor force participation of women has been a driving factor for this overall trend.¹

The labor force participation rate increase for those 65 years and older is due to a variety of reasons, including the need for continued participation based on financial responsibilities, as well as the ability to participate given longer life spans.² According to U.S. Census Bureau projections, the 65 and older population will increase by over 67 percent between 2015 and 2040, representing 21.0 percent of the total population by 2040.³ This report presents historical trends and current characteristics of the older workforce using decennial census and American Community Survey data.

¹ According to the Bureau of Labor Statistics, the labor force participation rate for females 16 years and older increased from 33.9 percent in 1950 to 58.6 percent in 2010, a nearly 25.0 percentage point increase. The labor force participation rate for men 16 years and over declined between 1950 and 2010, from 86.4 percent to 71.2 percent. These estimates are from the Current Population Survey, which can be assessed on the Internet at <www.bls.gov/cps/>.

² According to the Employee Benefit Research Institute, of workers delaying retirement in 2011, 13.0 percent gave the reason of having "inadequate finances or can't afford to retire" and 6.0 percent gave the reason of "needing to make up for losses in the stock market." See <www.ebri.org/pdf/surveys/rcs/2012/EBRI_IB_03-2012_No369_RCS.pdf>, (pp. 23–24) and <www.ebri.org/> for further information.

³ U.S. Census Bureau 2012 National Population Projections, Summary Table 2, which can be accessed at <www.census.gov/population/projections/data/national/2012/summarytables.html>.

Labor force participation rate: The labor force participation rate represents the proportion of the population that is in the labor force. For example, if there are 100 people in the population 16 years and over, and 64 of them are in the labor force, then the labor force participation rate for the population 16 years and over would be 64.0 percent.

Civilian labor force: Consists of people classified as employed or unemployed.

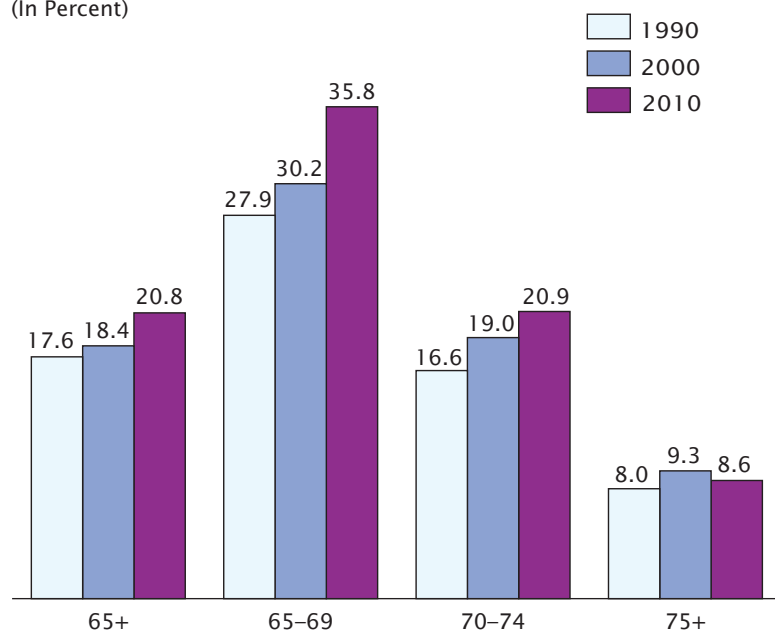
Labor force: All people classified in the civilian labor force plus members of the U.S. Armed Forces (people on active duty with the U.S. Army, Air Force, Navy, Marine Corps, or Coast Guard).

Full-time, year-round: All people who usually worked 35 or more hours per week for 50 to 52 weeks in the past 12 months.

Labor Force Participation of the Population 65 Years and Older: 1990–2010

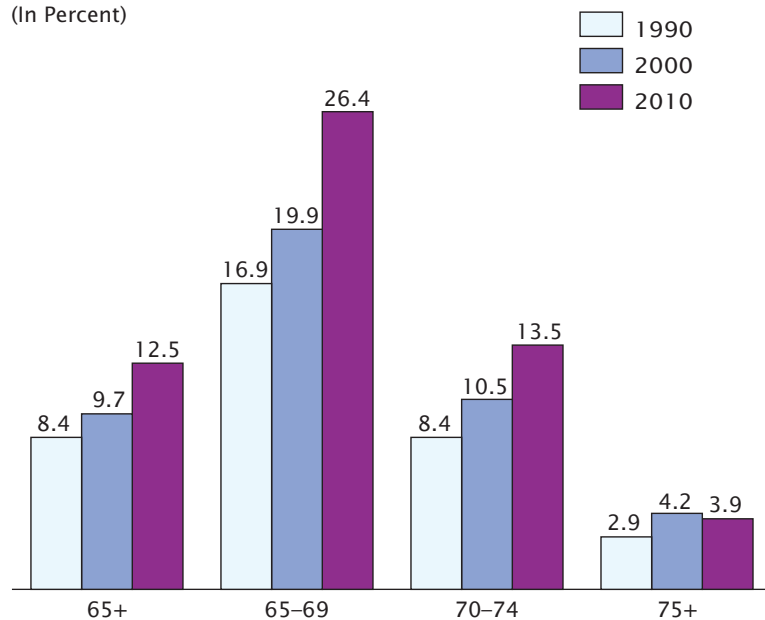
In 1990, 12.1 percent of the population 65 years and older was in the labor force, compared with 75.6 percent for 16- to 64-year-olds during that time. By 2010, the labor force participation rate of those 65 years and older had increased to 16.1 percent, a 4.0 percentage point change. For 16- to 64-year-olds, the national labor force participation rate was 74.0 percent in 2010 (1.6 percentage points lower than in 1990). Within the 65 and over population, 65- to 69-year-olds saw the largest change, increasing from 21.8 percent in 1990 to 30.8 percent in 2010, a 9.0 percentage point increase, compared with a 5.0 percentage point

Figure 1.
Labor Force Participation Rate for Men 65 Years and Older: 1990, 2000, 2010
(In Percent)



Source: U.S. Census Bureau, 1990 and 2000 Decennial Census; 2010 American Community Survey.

Figure 2.
Labor Force Participation Rate for Women 65 Years and Older: 1990, 2000, 2010
(In Percent)



Source: U.S. Census Bureau, 1990 and 2000 Decennial Census; 2010 American Community Survey.

increase for 70- to 74-year-olds and a 1.0 percentage point increase for people 75 years and older.⁴

Men 65 years and older experienced a 3.2 percentage point increase in labor force participation between 1990 and 2010, increasing from 17.6 percent to 20.8 percent. This compares with a 5.2 percentage point decline in the labor force participation rate for men aged 16 to 64 during the same time period (83.4 percent to 78.2 percent). The change was more dramatic for women 65 years and older, whose labor force participation rate rose from 8.4 percent in 1990 to 12.5 percent in 2010, a 4.1 percentage point increase. Women aged 16 to 64 experienced a 1.9 percentage point increase in the labor force participation rate between 1990 and 2010 (67.9 percent to 69.8 percent). This pattern was true for all sub-age groups within the 65 and older population. For example, the labor force participation rate for women 65 to 69 years old increased 9.5 percentage points between 1990 and 2010, compared with a 7.9 percentage point increase for men 65 to 69 years old (Figures 1 and 2).

Current Characteristics of the Older Workforce

In 2011, the national labor force participation rate for those 65 years and older was 16.2 percent, compared with a labor force participation rate of 73.5 percent for 16- to 64-year-olds. Labor force participation rates for people 65 years and over ranged from 22.3 percent in Alaska to 12.5 percent in West Virginia. Twenty-one states and the District of Columbia had a labor force participation rate significantly higher than the national rate of 16.2 percent for people

⁴1990 Census figures were calculated using internal data.

What Is the American Community Survey?

The American Community Survey (ACS) is a nationwide survey designed to provide communities with reliable and timely demographic, social, economic, and housing data for the nation, states, congressional districts, counties, places, and other localities every year. It has an annual sample size of about 3.3 million addresses across the United States and Puerto Rico and includes both housing units and group quarters (e.g., nursing facilities and prisons). The ACS is conducted in every county throughout the nation, and every municipio in Puerto Rico, where it is called the Puerto Rico Community Survey. Beginning in 2006, ACS data for 2005 were released for geographic areas with populations of 65,000 and greater. For information on the ACS sample design and other topics, visit www.census.gov/acs/www.

65 years and over (Figure 3). The labor force participation rate for men 65 years and older was 20.7 percent in 2011, significantly higher than the rate for women 65 years and older (12.7 percent in 2011) (Table 1). Alaska was the only state where the labor force participation rate for people 65 years and over was not statistically different between men and women in 2011. Labor force participation rates may vary by state for a number of reasons, such as due to a particular state's demographic characteristics, including the age distribution within the population 65 years and older. In addition, attractiveness to retirees, cost of living, and the desire and ability of residents 65 years and over to participate in the labor force

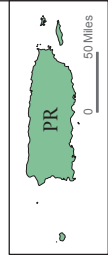
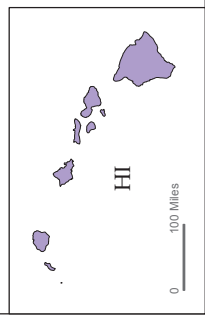
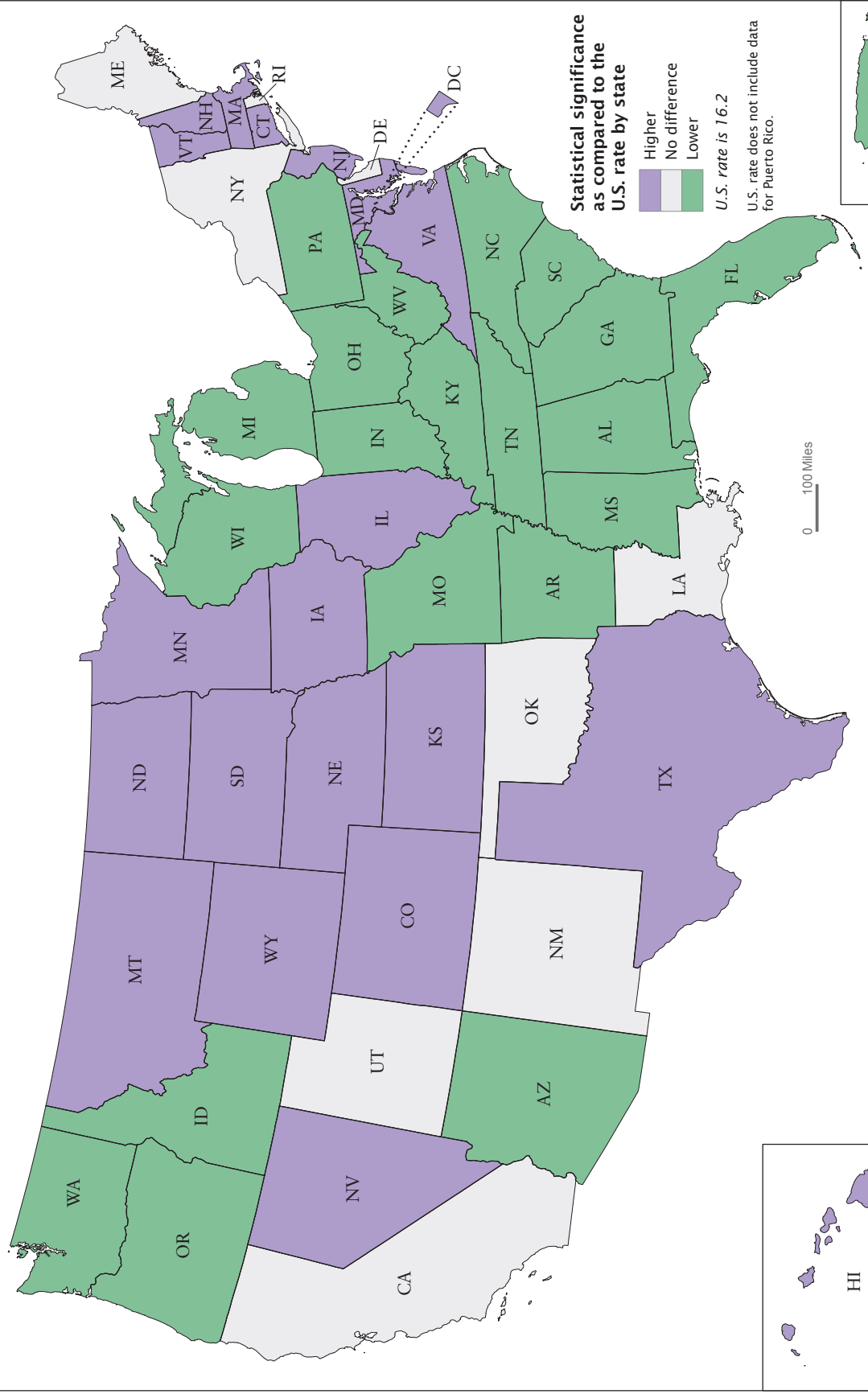
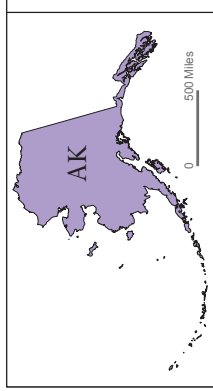
could also impact rates within a particular state.

Nationally, 44.3 percent of those 65 years and older who worked in 2011 worked full-time, year-round. For 16- to 64-year-olds, 62.3 percent worked full-time, year-round in 2011. The percentage of workers 65 years and older who worked full-time, year-round was highest in the District of Columbia (62.2 percent). Fourteen states and the District of Columbia had a higher proportion of full-time, year-round workers 65 years and older than the national rate. In 2011, 49.1 percent of men 65 years and older worked full-time, year-round, compared with 38.2 percent of women aged 65 years and older.

SOURCE AND ACCURACY

The data presented in this report are based on the ACS sample interviewed in 2011. The estimates based on this sample approximate the actual values and represent the entire household and group quarters population. Sampling error is the difference between an estimate based on a sample and the corresponding value that would be obtained if the estimate were based on the entire population (as from a census). Measures of the sampling errors are provided in the form of margins of error for all estimates included in this report. All comparative statements in this report have undergone statistical testing, and comparisons are significant at the 90 percent level unless otherwise noted. In addition to sampling error, nonsampling error may be introduced during any of the operations used to collect and process survey data such as editing, reviewing, or keying data from questionnaires. For more information on sampling and estimation methods, confidentiality protection, and sampling and nonsampling errors, please see the 2011 ACS Accuracy of the Data document located at www.census.gov/acs/www/Downloads/data_documentation/Accuracy/ACS_Accuracy_of_Data_2011.pdf.

Figure 3.
**Labor Force Participation Rate of People 65 Years and Over
 for the United States and Puerto Rico: 2011**



Source: U.S. Census Bureau, 2011 American Community Survey, 2011 Puerto Rico Community Survey.

Table 1.

Labor Force Characteristics of the Population 65 Years and Over: 2011(For information on confidentiality protection, sampling error, nonsampling error, and definitions, see www.census.gov/acs/www/)

State	Men		Women		Men		Women		Total	
	Labor force participation rate	Margin of error ¹	Labor force participation rate	Margin of error ¹	Full-time, year-round percentage of workers ²	Margin of error ¹	Full-time, year-round percentage of workers ²	Margin of error ¹	Mean age of population 65 years and over	Margin of error ¹
United States	20.7	0.1	12.7	0.1	49.1	0.4	38.2	0.4	75.0	0.1
Alabama	*18.9	1.0	*11.2	0.8	*55.1	2.7	39.1	3.0	*74.5	0.1
Alaska	23.5	3.0	*21.1	4.1	49.2	8.2	38.8	10.6	*73.2	0.1
Arizona	*16.5	0.9	*11.0	0.8	47.4	3.7	39.3	4.0	*74.5	0.1
Arkansas	*18.2	1.2	12.2	0.8	49.1	4.2	41.0	4.4	*74.7	0.1
California	21.0	0.4	12.6	0.3	*51.5	1.2	38.2	1.2	*75.1	0.1
Colorado	*23.3	1.2	*15.0	0.9	47.4	2.6	39.9	2.8	*74.5	0.1
Connecticut	*26.0	1.1	*16.1	0.8	46.8	2.6	38.2	3.0	*75.6	0.1
Delaware	22.6	2.4	13.6	1.8	49.6	6.9	35.8	8.3	*74.6	0.1
District of Columbia	*28.1	3.0	*17.2	2.4	*61.8	7.9	*62.6	6.2	75.1	0.1
Florida	*18.5	0.5	*10.8	0.3	*45.5	1.7	39.7	1.6	*75.2	0.1
Georgia	20.6	0.9	*11.2	0.5	*53.4	2.9	40.5	3.8	*74.0	0.1
Hawaii	*22.8	1.4	*16.1	1.7	*56.2	4.9	43.0	6.6	*75.4	0.1
Idaho	*18.0	1.7	12.2	1.7	*44.0	4.9	*29.1	6.0	*74.4	0.1
Illinois	21.3	0.6	*13.3	0.5	48.1	1.5	37.6	2.1	*75.2	0.1
Indiana	20.0	1.0	*11.8	0.7	*40.3	2.5	35.7	2.8	*75.1	0.1
Iowa	*23.1	1.1	13.4	0.8	*44.6	2.9	*30.6	3.1	*75.8	0.1
Kansas	*26.6	1.4	*14.5	0.9	*53.6	2.7	38.9	3.5	*75.5	0.1
Kentucky	*18.4	1.1	*10.8	0.7	46.8	3.0	34.8	3.9	*74.5	0.1
Louisiana	20.9	1.3	13.2	0.9	*55.7	3.4	*48.2	3.4	*74.6	0.1
Maine	*22.4	1.5	12.7	1.2	*37.7	4.3	36.4	4.7	75.0	0.1
Maryland	*26.4	1.1	*16.3	0.9	*54.6	2.4	*42.7	3.0	*74.9	0.1
Massachusetts	*24.7	1.1	*15.4	0.6	47.1	2.7	*33.9	2.0	*75.6	0.1
Michigan	*15.8	0.6	*10.0	0.4	*39.5	2.1	*32.8	1.9	*75.1	0.1
Minnesota	20.9	0.7	*13.6	0.6	*41.0	2.0	*30.5	2.5	*75.3	0.1
Mississippi	*19.1	1.4	*10.5	0.7	*53.7	4.4	*46.5	4.9	*74.6	0.1
Missouri	*19.0	0.7	12.6	0.7	48.0	2.2	*34.4	3.1	*75.1	0.1
Montana	22.1	2.1	*14.4	1.5	46.8	5.4	*32.8	5.3	74.9	0.1
Nebraska	*28.1	1.9	*17.0	1.1	*55.0	3.2	38.0	4.1	*75.7	0.1
Nevada	21.4	1.6	*14.5	1.4	52.3	5.6	41.2	5.2	*73.9	0.1
New Hampshire	21.9	1.9	*16.2	1.5	47.3	4.0	*26.3	5.0	74.9	0.1
New Jersey	*25.6	0.7	*14.8	0.6	50.9	2.0	39.9	1.8	*75.4	0.1
New Mexico	19.5	1.6	*14.6	1.4	48.1	4.6	38.3	5.7	*74.5	0.1
New York	*21.7	0.5	12.6	0.4	*51.2	1.5	*41.4	1.3	*75.4	0.1
North Carolina	20.3	0.9	12.1	0.6	*45.8	2.4	*35.2	2.9	*74.5	0.1
North Dakota	*26.2	2.1	*14.7	2.0	51.0	6.3	35.8	7.8	*76.3	0.1
Ohio	*18.8	0.6	*11.6	0.5	*43.5	1.8	*34.2	1.9	*75.2	0.1
Oklahoma	21.1	1.1	13.2	0.8	*55.4	3.4	*42.3	3.1	*74.7	0.1
Oregon	*17.6	1.1	12.3	0.8	47.1	3.2	*33.9	4.0	74.9	0.1
Pennsylvania	*19.8	0.6	12.3	0.4	*44.7	1.6	*35.2	1.6	*75.7	0.1
Rhode Island	22.3	2.2	12.9	1.5	46.9	5.7	35.3	6.5	*75.9	0.1
South Carolina	*19.2	1.2	*11.7	0.8	46.3	3.7	*34.2	3.4	*74.1	0.1
South Dakota	*27.4	2.4	*16.1	2.3	*56.3	5.7	37.5	6.5	*75.9	0.1
Tennessee	*17.8	1.0	*11.6	0.7	48.6	2.6	36.3	3.1	*74.5	0.1
Texas	*23.0	0.6	*13.4	0.4	*57.1	1.3	*45.2	1.9	*74.4	0.1
Utah	22.0	1.6	12.3	1.1	49.9	4.3	38.3	4.8	*74.7	0.1

See footnotes at end of table.

Table 1.

Labor Force Characteristics of the Population 65 Years and Over: 2011—Con.(For information on confidentiality protection, sampling error, nonsampling error, and definitions, see www.census.gov/acs/www)

State	Men		Women		Men		Women		Total	
	Labor force participation rate	Margin of error ¹	Labor force participation rate	Margin of error ¹	Full-time, year-round percent of workers ²	Margin of error ¹	Full-time, year-round percent of workers ²	Margin of error ¹	Mean age of population 65 years and over	Margin of error ¹
Vermont	*24.4	2.0	*14.8	1.8	*38.8	5.0	33.7	6.3	*74.7	0.1
Virginia	*23.5	1.1	*14.3	0.7	*55.7	2.5	*42.6	2.7	*74.6	0.1
Washington	*19.3	0.9	*11.6	0.7	49.0	2.4	37.0	3.0	*74.7	0.1
West Virginia	*14.2	1.3	*11.1	1.0	48.0	5.6	41.4	4.6	*74.7	0.1
Wisconsin	*19.4	0.9	12.4	0.6	*41.2	2.3	*27.1	2.5	*75.4	0.1
Wyoming	*24.5	2.8	*16.6	2.5	42.0	7.4	*49.1	9.0	*74.2	0.1
Puerto Rico	*9.3	1.0	*4.4	0.6	*57.6	4.9	*55.4	6.0	*74.4	0.1

*Statistically different from the 2011 U.S. figure at the 90 percent confidence interval, calculated using unrounded margins of error.

¹ Data are based on a sample and are subject to sampling variability. A margin of error is a measure of an estimate's variability. The larger the margin of error in relation to the size of the estimate, the less reliable the estimate. When added to and subtracted from the estimate, the margin of error forms the 90 percent confidence interval.² Full-time, year-round workers include those who usually worked 35 hours or more per week for 50 to 52 weeks in the past 12 months. For this table, the term worker refers to anyone who worked in the past 12 months.Note: For additional labor force data by state, see the Bureau of Labor Statistics' (BLS) Local Area Unemployment Statistics at <www.bls.gov/lau/> and <www.bls.gov/lau/table14full11.pdf>. For additional full-time, year-round statistics, see the BLS' Work Experience of the Population report at <www.bls.gov/news.release/work.toc.htm>.

Source: U.S. Census Bureau, 2011 American Community Survey and 2011 Puerto Rico Community Survey.