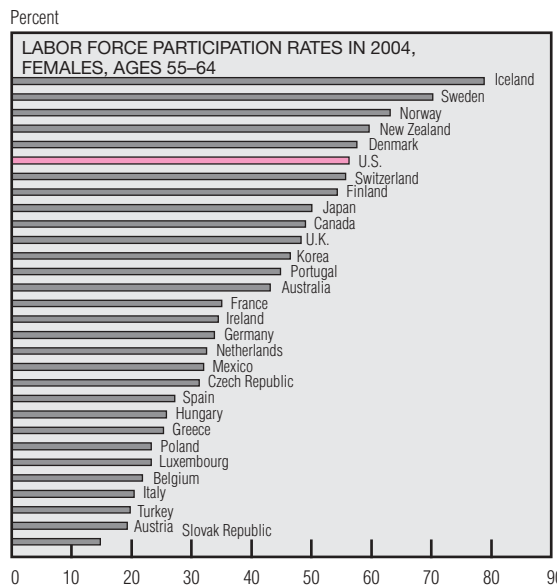
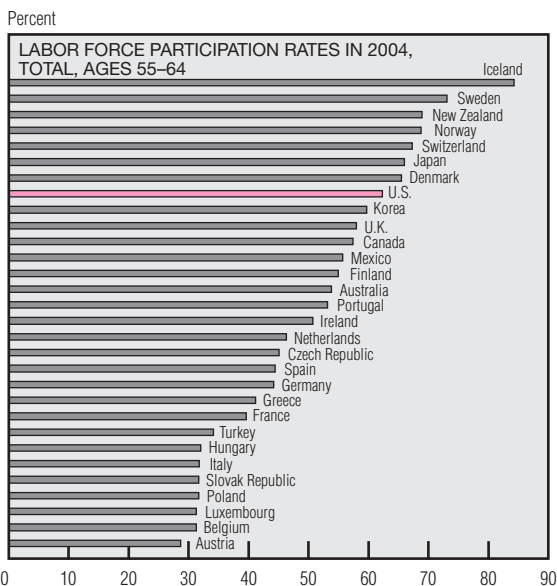
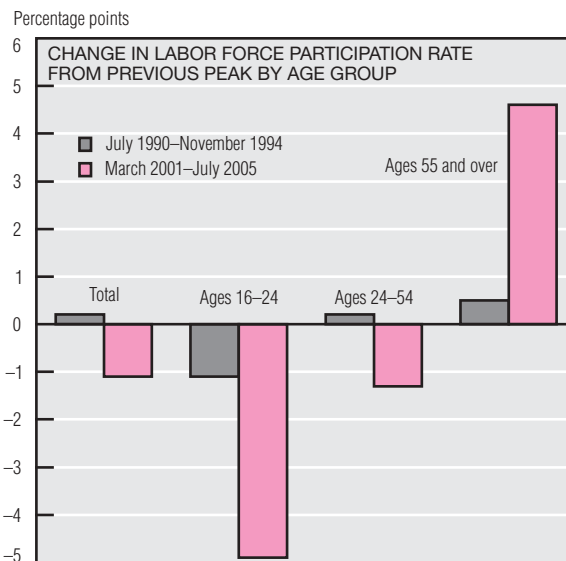
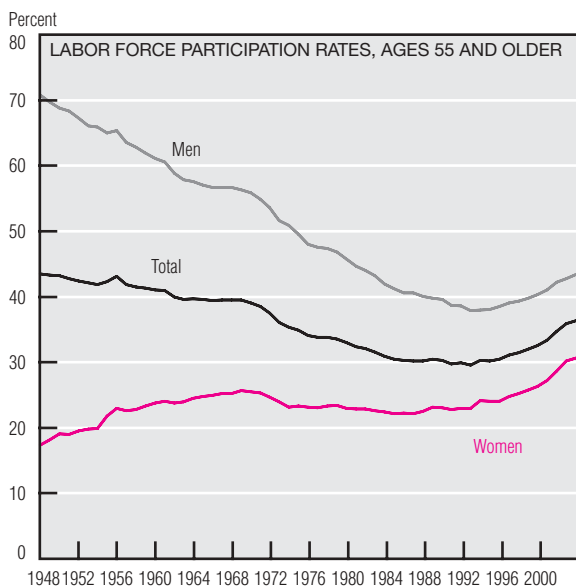


# Older Americans in the Workforce



SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; and Organisation for Economic Co-operation and Development, *OECD Employment Outlook 2005*.

Labor force participation among workers 55 and older declined significantly from the late 1940s to the mid-1990s. Participation rates for older males dropped from roughly 70% in 1948 to about 38% in 1993, possibly because rising wealth has allowed them to retire earlier. Accordingly, the average retirement age fell from around 71 in 1960 to around 64 in 1993. In contrast, older women's participation rose 6 percentage points, reflecting the increased presence of women generally in the labor force.

Since the mid-1990s, however, older workers' participation has picked up. The increase after the last recession was dramatically higher than in the last recovery: Their participation has jumped nearly 5 percentage points since March 2001. This trend can be partly explained by a change in the composition of the work force as the baby boomers age. However, while older workers' participation rate has risen, the youngest group's rate has dropped nearly 5 percentage points, and even the rate for ages 24–54 has fallen since the recession.

This suggests a substantial change in older Americans' preferences.

Despite its long-term downward trend, the participation of older workers is higher in the U.S. than in most OECD countries. This is the result of older women's comparatively high participation rate in the U.S. In addition, many of the countries with lower participation rates are in Western Europe, which are more likely to have relatively older populations, subsidized early retirement, and more generous welfare programs.