

Age and the labor force

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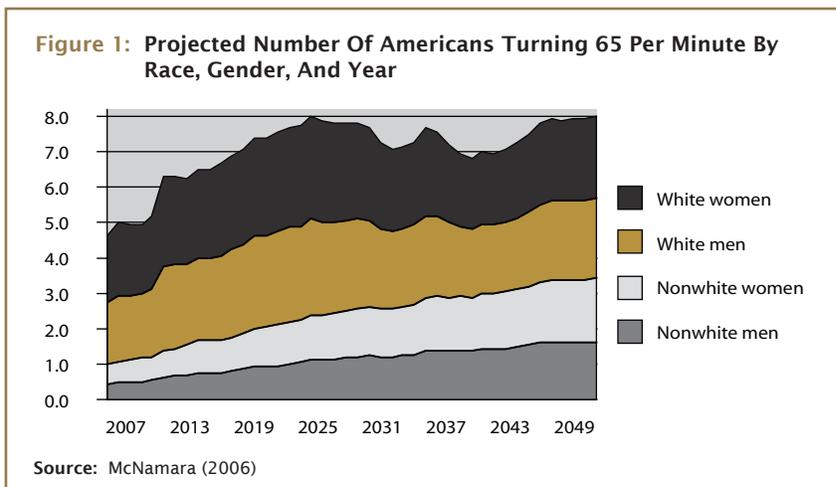
While most developed countries are experiencing some degree of population aging, the aging of the baby boom generation has emerged as a key dimension of these demographic changes in the United States. This fact sheet focuses on the implications of population aging, both in general and for the workplace, within the United States.

Question 1: How quickly is the United States population aging?

- According to projections based on the U.S. Census, an average of 4.6 adults will turn 65 each minute in 2007. In 2025, an average of 8.0 adults will turn 65 each minute. (McNamara, 2006).
- In 1980, individuals age 50 and above represented 26% of the population; in 2003, they represented 28% of the population; and in 2050, they are projected to represent 37% of the population (U.S. Census Bureau, 2005: 12-13).
- In 1980, the median age for the U.S. population (both men and women) was 30; in 2003, it was 35.9.* In 1980, the median age for men was 28.8; in 2003, it was 34.5. In 1980, the median age for women was 31.3; in 2003, it was 37.1. (U.S. Census Bureau, 2005: 12).

* The median age is the age at which half of the population is “younger” and the other half is “older.”

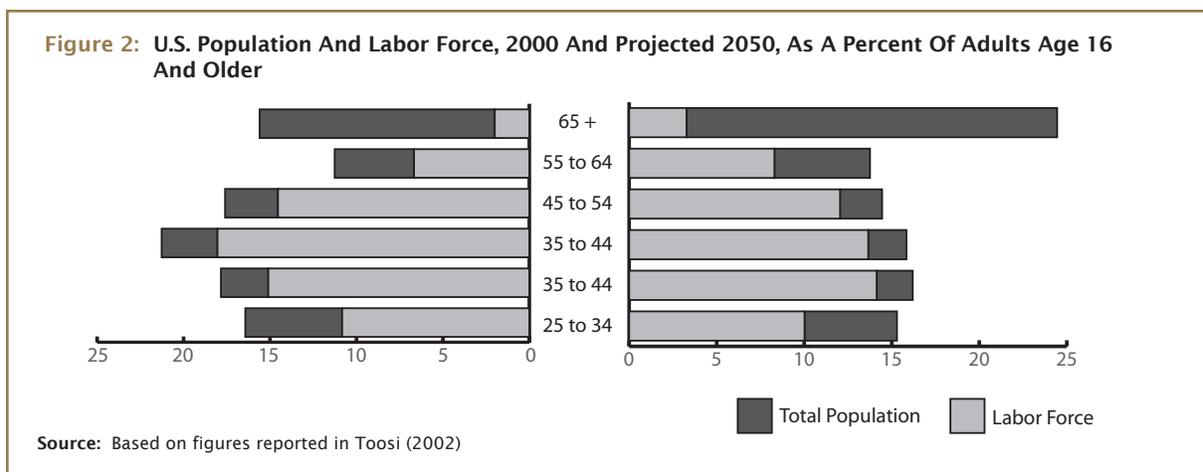
Question 2: How much will the demographic profile of older adults change?



- In 2000, 32% of non-Hispanic / non-Latino whites, 20% of blacks, 21% of Asian Americans and 14% of Hispanics / Latinos were age 50 and above. By 2010, 37% of non-Hispanic / non-Latino whites, 25% of blacks, 28% of Asian Americans and 18% of Hispanics / Latinos will be age 50 or above. (U.S. Census Bureau, 2005: 15-16).
- A projected 78.5% of adults turning 65 in 2007 will be white, compared to 72.8% of those who will turn 65 in 2020 and 57.2% of those who will turn 65 in 2040. (McNamara, 2006).

Question 3: How will the labor force participation rates of older adults change in the next few decades?

- The median age of the labor force was 40.5 years in 1962, “the highest level attained before the Baby Boomers entered the labor force.” It dropped steadily until 1980, and since then it has been rising, to 36.6 in 1990 and 39.3 in 2000. The median age is expected to return to its 1962 level, 40.6 years, in 2010. (Fullerton & Toossi, 2001: 36).
- In 2000, 59.2% of adults ages 55 to 64 and 12.8% of adults ages 65 and older were in the labor force. Projections based on census data indicate that in 2050 those rates will be 60.3% for ages 55 to 64 and 13.4% for ages 65 plus. Given the size of these population groups, this increase in percentage points represents a significant increase in numbers. Despite increasing labor force participation rates projected for nearly all age groups, overall labor force participation is projected to fall from 67.2% (in 2000) to 61.5% (in 2050) . (Toossi, 2002: 22).



- “Projections indicate that by 2020, when all Baby Boomers will be 55 years or older, people in the 55 to 64 age group will represent 15.3 percent of the labor force, and those in the 65-and-older age group will account for 5.0 percent.” (He et al., 2005: 87).
- “It is anticipated that, in 2012, youths will constitute 15 percent of the labor force, and prime-age workers—those between the ages of 25 and 54—will make up 66 percent of the labor force. The share of the 55-and-older age group will increase from 14.3 percent [2002 rate] to 19.1 percent of the labor force.” (Toossi, 2004: 37).

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