



WORKING LONGER: THE DISAPPEARING DIVIDE BETWEEN WORK LIFE AND RETIREMENT

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INTRODUCTION

The traditional picture of leaving the workforce entirely and entering retirement at age 65 is no longer a reality for many older people in the United States, according to a new study conducted by The Associated Press-NORC Center for Public Affairs Research.

A majority of Americans age 50 and older plan to work past the age of 65 or have already stayed in the workforce past this age. A quarter of those who haven't yet retired say they never will. And many of these older workers continue to pursue new opportunities in the later stages of their careers, with 4 in 10 planning to switch career fields in the future and more than a quarter recently completing job training or additional education.

Anxieties about financial preparedness carry considerable weight among those wrestling with decisions about continuing to work in their later years—financial needs are cited as highly important in decisions about when to retire, more so than any other factor.

This information comes at a time when the size of the older population is larger than ever. In the past few decades, the United States has seen a marked increase in the size of the older population. Between 2003 and 2013, the number of Americans age 65 and older rose from 35.9 million to 44.7

Five Things You Should Know From The AP-NORC Center's Working Longer Study

Among Adults Age 50 and Older:

- Fifty-five percent plan to work past the age of 65 or have already done so.
- Nearly two-thirds of those deciding to work past age 65 say they made this choice mostly for financial reasons.
- Twenty-five percent of those who are not retired say they never plan to retire.
- More than a quarter of workers have received job training or additional education in the past five years.
- Forty-one percent have spent at least 20 years working for the same employer, including 18 percent who have spent at least 30 years doing so.

million. In the next quarter century, this number is expected to rise to 82.3 million, and the percentage of the overall population that falls within this group will rise from 14.1 percent in 2013 to 21.7 percent in 2040.¹ As older Americans continue to increase in numbers and also feel healthier and live longer, many are deciding to remain in the workforce as they age. Labor statistics indicate that the rate of growth for

¹ Administration on Aging. 2014. *A Profile of Older Americans: 2014*. http://www.aoa.acl.gov/Aging_Statistics/Profile/2014/docs/2014-Profile.pdf

the group age 55 and older is projected to be over three times the rate for the overall workforce over the next eight years, with the percentage of workers who are 55 and older estimated to reach nearly 25 percent in 2024.²

In 2013, The AP-NORC Center conducted a major study with funding from The Alfred P. Sloan Foundation, investigating issues related to work and retirement facing older Americans.³ The 2013 study provided insight into the shifting notion of retirement, which is not only moving to later in life for many but also no longer represents a complete departure from the workforce. It examined a variety of implications of the trend of working longer, along with the motivations for doing so, both financial and otherwise.

This study extends that research and examines new topics, including older workers' efforts to improve their career skills and their plans to adjust the parameters of work in the later stages of their working life. The survey also tracks a number of attitudes and behaviors that were examined in 2013 surrounding issues facing older workers. The AP-NORC Center, with funding from The Alfred P. Sloan Foundation, conducted 1,075 interviews with a nationally representative sample of Americans age 50 and older.

Among the key findings of the survey summarized below, we find large numbers of older Americans who are currently, or expect to be, working longer. This doesn't necessarily mean that they are simply continuing with their existing employment circumstances for additional years of work. For many, this extension of work involves reducing their hours to part-time status, or working for a new employer or in a new field. While there is evidence that older workers have some autonomy in the choices they make about late career work, we also see evidence that many feel compelled to work longer due to financial concerns and anxiety about retirement.

- A quarter of older workers say they plan to never retire. This sentiment is more common among lower-income workers than higher-income workers, with 33 percent of those earning less than \$50,000 saying they will never retire, compared with 20 percent of those who earn \$100,000 or more.

- More than half of older Americans plan to work past the traditional retirement age of 65 or already have worked past age 65. Six in 10 Americans age 50 to 64 plan to work past the age of 65. Nearly half of those who are 65 and older say they already have or plan to work during this later stage of life.
- The members of the workforce who are age 65 and older are not limiting themselves to occasional work—this group reports an average of 31 hours per week in the workplace.
- More than 4 in 10 Americans age 50 and older have spent at least 20 years working for the same employer at some point in their careers. These workers are more excited and less anxious about retirement than those without such long histories with a single employer.
- A majority of older Americans who are planning to remain in or rejoin the workforce are planning to switch either professional fields or employers in the future. Those who are age 65 and older are especially likely to plan a change.
- A sizeable minority of older workers are taking steps to keep their skill sets fresh by pursuing job training or additional education.
- A quarter of adults age 50 and older have looked for a job in the past five years. Many of them are encountering difficulties with the job market, with a third reporting that it has been so difficult that they've given up looking at some point during their search.

These results provide insights for employers navigating new terrain as they face an older workforce, and for policymakers grappling with how to help older Americans with the transition into retirement.

Additional information, including the study's complete topline findings, can be found on The AP-NORC Center's website at www.apnorc.org.

² U.S. Bureau of Labor Statistics. 2015. Labor force projections to 2024: the labor force is growing, but slowly. *Monthly Labor Review*. <http://www.bls.gov/opub/mlr/2015/article/labor-force-projections-to-2024.htm>

³ AP-NORC Center for Public Affairs Research. 2013. *Working Longer: Older Americans' Attitudes on Work and Retirement*. http://apnorc.org/PDFs/Working%20Longer/AP-NORC%20Center_Working%20Longer%20Report-FINAL.pdf

A MAJORITY OF THE OLDER POPULATION PLANS TO WORK PAST THE AGE OF 65 OR IS ALREADY DOING SO, AND A QUARTER OF OLDER WORKERS NOW SAY THEY NEVER PLAN TO RETIRE.

The phrase “working longer” includes working for pay after officially retiring, staying in the workforce for longer than originally planned, or working past the traditional retirement age of 65. Substantial numbers of older Americans are currently, or expect to be, working longer.

Nearly half of Americans age 50 and older are working in some capacity or are looking for work. Over a third are

working and not yet retired, and another 1 in 10 are working after retirement or looking for work. Among those age 50 and older, in general, those in the older age groups are less likely to be working and more likely to be retired than those who are younger. Even so, 20 percent of Americans age 65 to 75 are either working or looking for work.

Nearly half of all Americans age 50 and older are working or seeking employment.

	Percent of Americans age 50 and older	Percent of Americans age 50-64	Percent of Americans age 65 and older
Working and not retired	35	56	6
Working during retirement	7	6	8
Unemployed and looking for work (not retired)	3	4	<1
Looking for work during retirement	1	<1	1
Completely retired	49	24	83
Not working for other reasons	6	9	2

Of those Americans age 50 and older who consider themselves retired, 12 percent are currently working and 1 percent are looking for work. Among older Americans who are currently working and not yet retired, more than half (55 percent) say that it is very or extremely likely that they will do some work for pay during retirement.

Two-thirds of Americans age 50 and older who are working think they will end up working longer than they originally planned. Only a quarter of this group says that the decision to work longer has been mostly positive (25 percent), with the remainder reporting that it has been mostly negative (23 percent) or neither (52 percent).

When asked about working beyond the age of 65 specifically, responses vary depending on current age. Among those who are already age 65 or older, nearly half (47 percent) are currently working or plan to work again. Forty-five percent of this group say their decision is mostly based on financial

reasons. This is compared to 6 in 10 within the group age 50 to 64 who plan to work past age 65. A full three-quarters of this group attribute this decision to mostly financial reasons. Across age groups, the two biggest non-financial reasons given for continuing to work beyond age 65 are the desire to stay active and avoid boredom, and enjoyment of the work.

On average, working Americans age 50 and older now expect to retire when they are 66 years old. Twenty-one percent expect to retire when they are younger than 65, 35 percent expect to retire between the ages of 65 and 69, and 17 percent expect to retire when they are age 70 or older.

Older Americans’ expectations about retirement age are related to their income level. Those who earn less than \$50,000 per year are more likely to say that they will never retire than those who earn \$100,000 or more (33 percent vs. 20 percent).

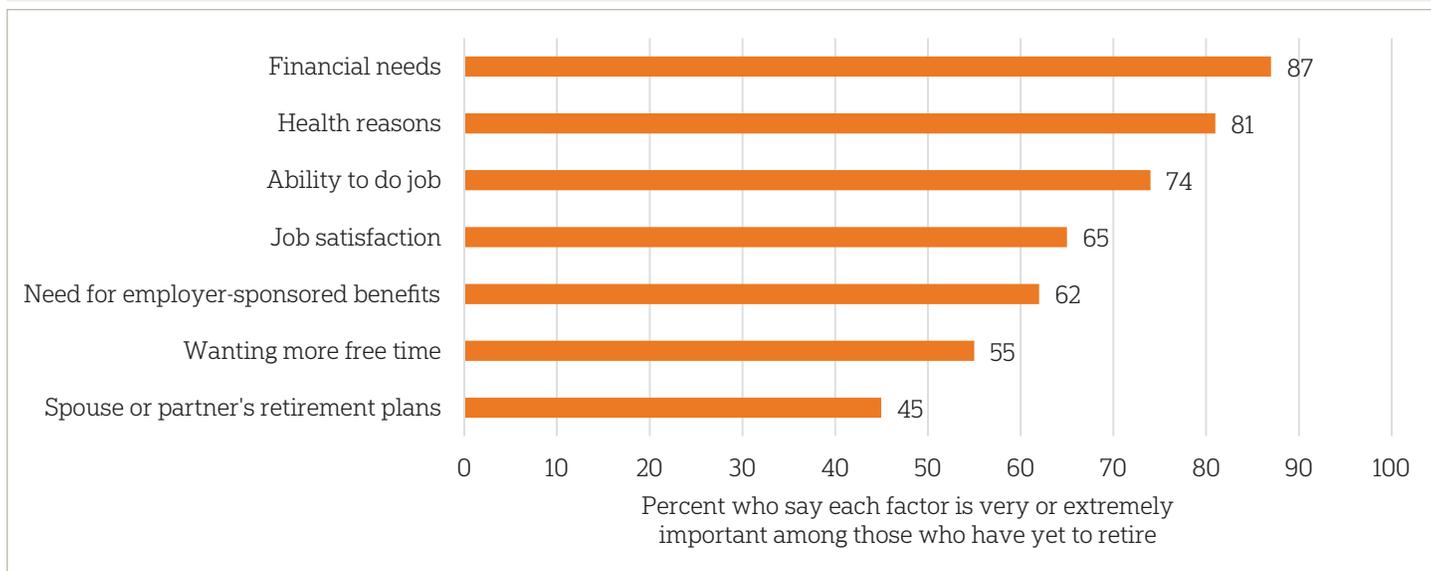
FOR MANY, THE DECISION TO WORK LONGER IS RELATED TO ANXIETY ABOUT RETIREMENT AND FINANCIAL CONCERNS.

Among adults age 50 and older who are working and not yet retired, a majority (53 percent) say they feel more anxious about retirement, while 41 percent say they are more excited.

This group also cited finances as more important than any other factors in the decision about when to retire. Eighty-seven

percent say that financial needs are extremely or very important, which is higher than health reasons (81 percent), their ability to do their jobs (74 percent), job satisfaction (65 percent), need for employer-sponsored benefits (62 percent), wanting more free time (55 percent), and spouse or partner’s retirement plans (45 percent).

Nearly 9 in 10 older Americans who are working and not yet retired say their financial needs are important to the timing of their retirement.



Question: [Of those not yet retired] How important will each of the following factors be in your decision about when to retire?

A MAJORITY OF THOSE AGE 50 AND OLDER WHO EXPECT TO REMAIN IN THE WORKFORCE PLAN TO SWITCH EITHER CAREER FIELDS OR EMPLOYERS IN THE FUTURE.

Among older Americans who are currently working, looking for work, or retired but expecting to do some work during their retirement, about 4 in 10 say they plan to change career fields,

while nearly half say they expect to work for a different employer at some point in the future. More than half say they expect to make at least one of these changes.

Many older adults plan to make employment changes in the later years of work.

Percent of Americans age 50 and older who are still in the workforce or plan to rejoin it

Plan to switch career fields	41
Plan to switch employers	49
Plan to switch both career fields and employers	33
Plan to switch either career fields or employers	58

Questions: Do you plan to stay within the same field for the rest of your career, or do you have plans to switch to a different field in the future? / Would you stay within the same field for work you would do during retirement, or do you have plans to switch to a different field during retirement?

Do you plan to stay with the same employer for the rest of your career, or do you have plans to work for a new employer in the future? / Would you stay with the same employer for work you would do during retirement, or do you have plans to work for a new employer during retirement?

Plans about employment changes vary with age, as older respondents are more likely to report they will change career fields or employers. Thirty-seven percent of those between age 50 and 64 say they plan to change career fields in the future, compared to 50 percent of those 65 and older who say the same. Similarly, 43 percent of those age 50 to 64 say they plan to change employers, compared to 62 percent of those 65 and older.

Over a quarter of those age 50 and older say they have looked for a job in the last five years. Age is relevant here as well, with older respondents being much less likely to have searched for a job than younger respondents.

Many older Americans are still finding that job searching is difficult, and this has not improved since 2013. This finding is not surprising given the context of the American economic

recovery over the past several years. A majority (60 percent) of those who have tried looking for a job in the past five years say it was either moderately difficult or very difficult to find one. A new question added for 2016 reveals that a third of older job seekers say that it was so difficult they stopped looking at some point during their search.

Older job seekers are fairly evenly split when assessing whether their age is an advantage or disadvantage in the job market. Forty-two percent say their age is an advantage, while 38 percent say their age is a disadvantage and 19 percent say their age doesn't matter when looking for work.

OLDER AMERICANS STRIVE TO KEEP UP WITH JOB TRAINING AND EDUCATION.

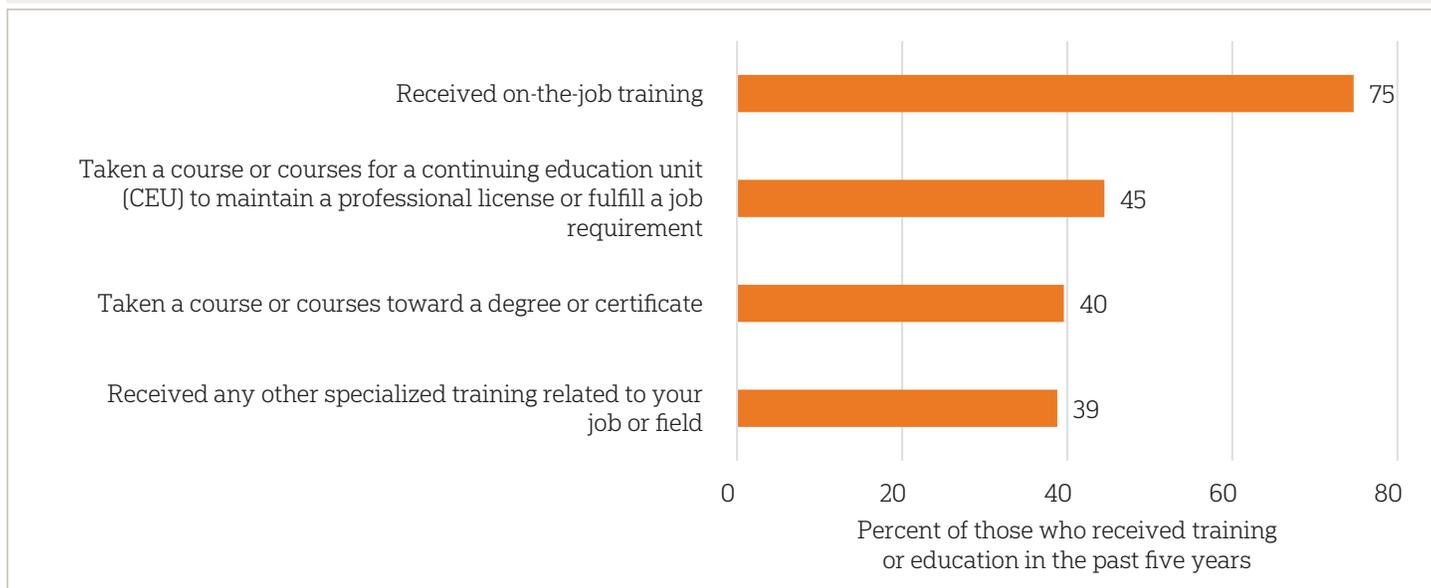
Older Americans who sought jobs in the past five years lack confidence in their job skills. Only 31 percent say they are extremely or very confident they have the necessary skills to compete for jobs, while the remainder say they are somewhat confident (38 percent), not very confident (19 percent), or not at all confident (10 percent) they have the necessary skills.

Excluding those who are completely retired, 29 percent of Americans age 50 and older say they have received job training or have gone back to school in the past five years. Those who have looked for a job in the past five years are more likely to report having received job training or going

back to school (37 percent), compared to those who have not searched for a job recently (23 percent). Younger respondents are more likely than older respondents to have received job training or gone back to school in the past five years: 34 percent of those age 50 to 54 say they have done this, compared to 19 percent of those 65 and older who have done the same.

The most common type of training or education that adults age 50 and older report is on-the-job training. Completion of continuing education units and courses toward degrees or certificates is somewhat less common among this age group.

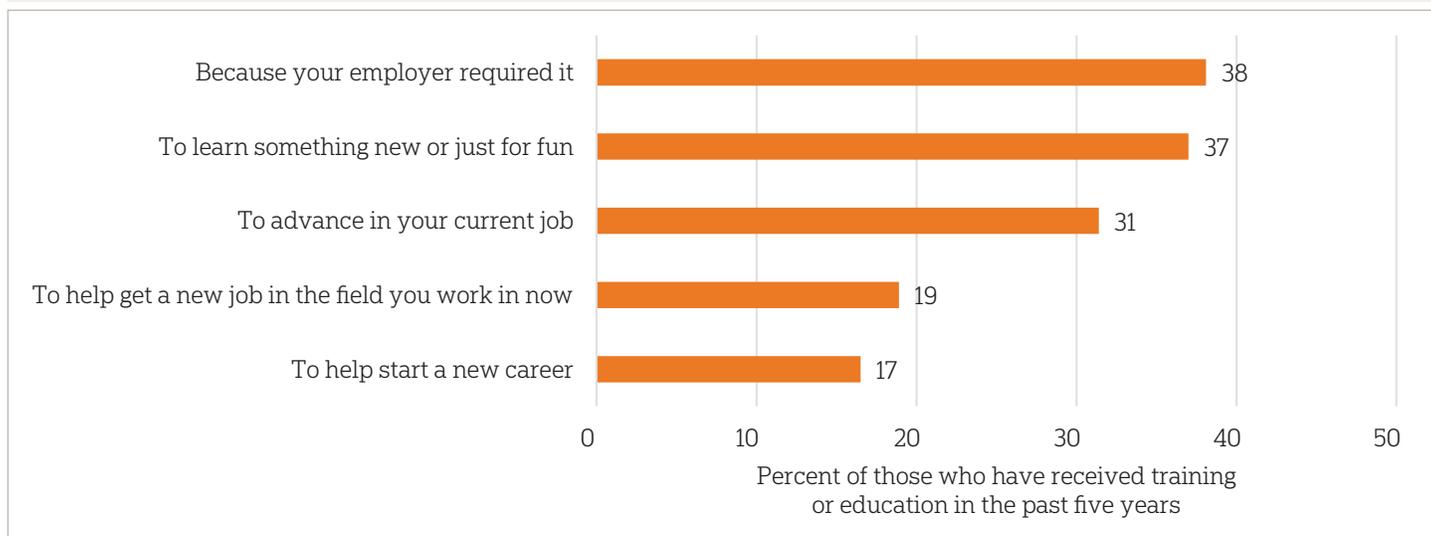
On-the-job training is the most common type of additional training or education that older workers report.



Question: Which of the following types of training or education have you gotten in the past five years? Have you...?

The most common reasons for receiving additional education or training are related to an employer requirement or to generally learn something new or fun. Notably, despite the fact that a majority of those 50 years of age and older plan to switch career fields or employers, few who have received recent training or education did so for purposes related to helping start a new career.

Older Americans get additional training and education for a variety of reasons, including employer requirements and personal interests.



Question: Why did you get more training or education? Was it...?

OLDER AMERICANS' WORK EXPERIENCES ARE VARIED AND EVOLVE AS THEY AGE.

Forty-one percent of Americans age 50 and older have spent at least 20 years working for the same employer at some point in their careers, including 18 percent who have spent at least 30 years doing so. The length of time spent working for the same employer is related to age, income, and feelings of anxiousness or excitement about retirement. Over half of those age 65 or older have worked for the same employer for over 20 years, compared to one third of those age 50 to 64.

Older adults who have lower household incomes tend to report shorter amounts of time spent working for the same employer than those with higher incomes. Ten percent of those with incomes below \$50,000 report that the longest they have worked for the same employer was less than five years, compared to 3 percent of those with incomes of \$50,000 and higher. Finally, while nearly half of those who say they are more excited about retirement have worked for the same employer for at least 20 years, only a third of those who are more anxious about retirement have worked for the same employer for this long.

While most older workers have not received any incentives to change the timing of their retirement, there are variations based on length of employment. A large majority of workers (85 percent) report their employer has not offered any incentives to either retire early or delay retirement. Only 7 percent of older workers say they have been offered

incentives to retire early, and 5 percent say they have received offers to keep working and delay retirement.

Employment incentives are tied to how long Americans have worked for the same employer. Adults age 50 and older who have worked at the same employer for at least 20 years are more likely than those who have worked less time with the same employer to have received offers to retire early (11 percent vs. 6 percent) and delay retirement (10 percent vs. 2 percent).

It is possible that these older workers with long tenures may be viewed two different ways by employers. Some older workers with very specialized or unique skills are encouraged to delay retirement because they would be difficult to replace. Others have more general skillsets and perform tasks that could be easily handled by younger workers with lower pay rates, so they are offered early retirement packages by companies looking to lower costs.

Over half of Americans age 50 or older who are currently working and have not yet retired say that their pay has increased over the past five years, whereas 33 percent say their pay has remained the same and 12 percent say their pay has decreased.

In contrast to those who are working and have not yet retired, only 31 percent of those who are both retired and working report an increase in income over the past five years, while

nearly as many, 26 percent, say their pay has decreased. Forty-four percent of older Americans who are both retired and working report their pay has stayed about the same. This result is largely explained by the fact that the majority of those in this group (85 percent) are working part time as opposed to full time.

Compared to those who feel more anxious about their retirement, older Americans who feel more excited about retirement are more likely to report their pay has increased over the past five years (58 percent vs. 45 percent).

Those who are currently working and not yet retired work about 39 hours per week on average, and most say this is about the same as it was five years ago. Those who are retired and working put in an average of 24 hours per week, and a majority say this is a decrease compared to five years ago.

Adults who are 65 and older and working in any capacity (retired or not) tend to be putting in quite a few hours, with an average of 31 hours per week. Over 4 in 10 say this is about the same as it was five years ago, while another 4 in 10 say their hours have decreased.

Most older workers are working at least half time, even those who consider themselves retired or are age 65 or older.

Age group	Work status	Average number of hours worked per week	Change in hours worked per week compared to five years ago		
			Percent increased	Percent about the same	Percent decreased
50+	Working and not yet retired	39	16	60	24
50+	Retired and working	24	18	31	51
50-64	Working in any capacity	38	16	58	26
65+	Working in any capacity	31	16	44	40

Questions: How many hours per week do you work on average?

Compared to five years ago, has the number of hours that you work per week increased, decreased, or stayed about the same?

Overall, more than a quarter of those who are currently working say their hours have decreased, and of those, two-thirds say this decrease was their own decision, while a third say it was their employer's decision. Among those who are retired and working, about half say their hours have decreased, and more than 8 in 10 of those who have decreased their hours say this was their own decision.

About 3 in 10 Americans age 50 or older say they have tried to take on fewer physically demanding tasks at work in the last five years, while less than 20 percent say the same about mentally demanding tasks.

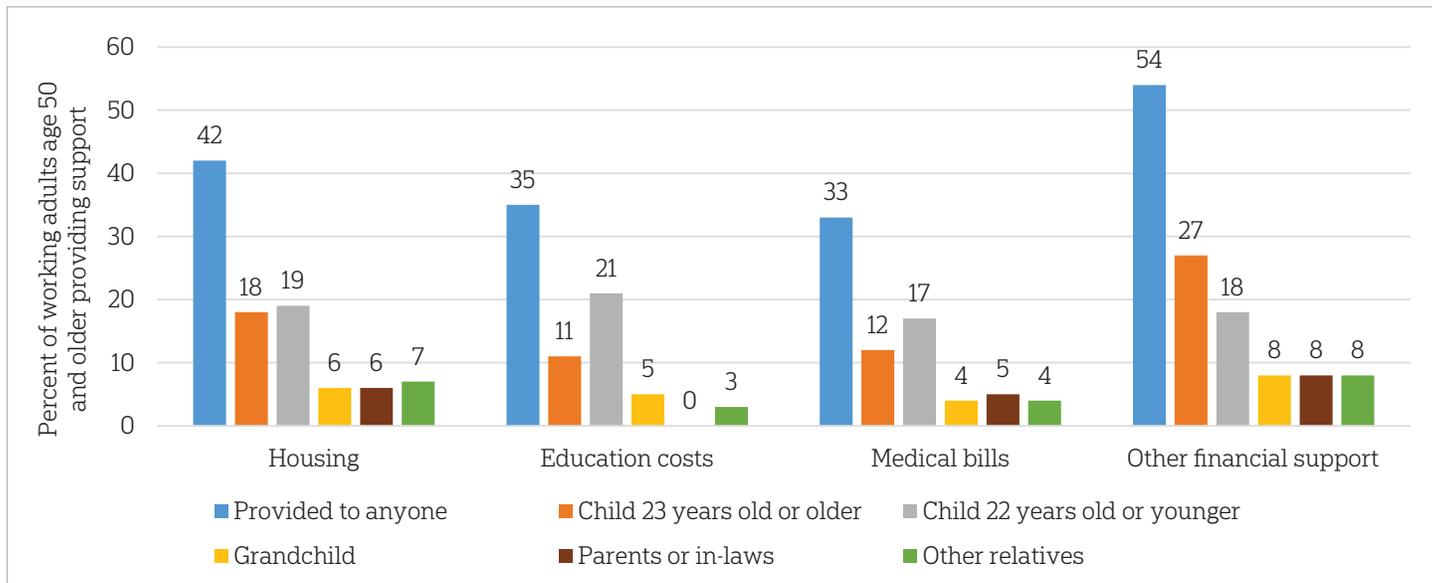
MOST OLDER WORKERS CONTINUE TO NEED TO BALANCE FAMILY AND CAREER.

Two-thirds of adults age 50 and older who are in the workforce report providing a family member or someone else besides their spouse some type of financial support in the last year.

More than 4 in 10 older workers (43 percent) provide housing to a person besides their spouse, and more than a third help with education costs (35 percent) or medical bills (34 percent). Fifty-four percent of older workers give some other type of financial support to a person besides their spouse.

The bulk of this support goes to children (including children who are beyond traditional college age) and grandchildren. Fewer report providing financial assistance to either another relative (13 percent), a parent (12 percent), or someone else (7 percent).

Many Americans age 50 and older who are in the workforce are providing financial support to children or grandchildren.



Question: Have you provided the following types of support to anyone other than a spouse or partner in the past 12 months? If so, who did you provide that support to? Please select all that apply.

A majority of Americans age 50 and older are parents, and many have taken time out of the labor force to raise children. Two-thirds of adults age 50 and older are parents, and about 1 in 3 of them say they have taken at least three months off to raise children. Half of women took time off to raise their children, compared to only slightly under 1 in 10 men.

Among those parents who took time off, 21 percent took less than a year, 20 percent took between one and five years, 23

percent took between five and 10 years, and 35 percent took 10 or more years. The average break from work was seven years.

Among those parents who took time off, 72 percent do not think it had any impact on their careers, while 17 percent report it had a negative impact and 10 percent say it had a positive impact.

STUDY METHODOLOGY

This survey, funded by [The Alfred P. Sloan Foundation](#), was conducted by The Associated Press-NORC Center for Public Affairs Research between the dates of March 8 and March 27, 2016. Staff from NORC at the University of Chicago, The Associated Press, and The Alfred P. Sloan Foundation collaborated on all aspects of the study.

Interviews for this survey were conducted with adults age 50 and older representing the 50 states and the District of Columbia. The majority of the data were collected using AmeriSpeak®, which is a probability-based panel designed to be representative of the U.S. household population. During the initial recruitment phase of the panel, randomly selected U.S. households were sampled with a known, non-zero probability of selection from the NORC National Sample Frame and then contacted by U.S. mail, email, telephone, and field interviewers (face-to-face). Panel members were randomly drawn from AmeriSpeak®, and 739 completed the survey via the web and

320 completed via telephone. The unweighted survey completion rate is 40.6 percent, the weighted panel recruitment rate is 36.9 percent, and the weighted household panel retention rate is 94.3 percent, for a cumulative response rate for the AmeriSpeak® sample of 14.1 percent.

In addition to the interviews completed using AmeriSpeak®, which were all conducted in English, 16 telephone interviews were conducted in Spanish with households that were re-contacted for this study after previously participating in a 2015 AP-NORC Center study and being identified as Spanish-speaking households. This previous study used a random digit dial sample of both landlines and cell phone numbers, as well as a list sample of Hispanic adults. The sample was provided by a third-party vendor, Marketing Systems Group, and this study screened for older adults. We only re-contacted households in which a respondent had completed the previous study in Spanish and indicated that they were at

least 49 years of age in 2015. When re-contacting households for the present study, if we encountered households with more than one adult age 50 and older, we used a process that randomly selected which eligible adult would be interviewed. The sample included 9 respondents on landlines and 7 respondents on cell phones. Cell phone respondents were offered a monetary incentive for participating, as compensation for telephone usage charges. The response rate for this sample is 20.8 percent.

The total number of interviews completed for this study was 1,075, including 1,059 from the AmeriSpeak® panel, and 16 from the re-contacted sample. All telephone interviews were completed by professional interviewers who were carefully trained on the specific survey for this study. The combined response rate is 14.2 percent. The overall margin of sampling error is +/- 3.9 percentage points at the 95 percent confidence level, including the design effect. The margin of sampling error may be higher for subgroups.

Once the sample was selected and fielded, and all the study data were collected and made final, a weighting process was used to adjust for the study-specific sample design and any survey nonresponse. Study-specific base sampling weights were derived using a combination of the AmeriSpeak® final panel weight and the probability of selection associated with the sampled panel members. Since not all sampled panel members responded to the interview, an adjustment was needed to account for interview nonrespondents. This adjustment decreased potential nonresponse bias associated

with sampled panel members who did not complete the interview for the study. The 16 completes from the re-contacted sample were added with appropriately assigned initial weights, which was approximated by the mean nonresponse adjusted weights of the Hispanic interview completes in the AmeriSpeak® panel. Furthermore, the interview nonresponse adjusted weights for all 1,075 eligible sampled completes were adjusted via a raking ratio method to population totals associated with the following socio-demographic characteristics: age, sex, education, race/ethnicity, and Census region. At this stage of weighting, any extreme weights were trimmed, and then weights were re-raked to the same population totals. The weighted data, which reflect the U.S. population of adults age 50 and older, were used for all analyses

All analyses were conducted using STATA (version 14), which allows for adjustment of standard errors for complex sample designs. All differences reported between subgroups of the U.S. population are at the 95 percent level of statistical significance, meaning that there is only a 5 percent (or less) probability that the observed differences could be attributed to chance variation in sampling. Additionally, bivariate differences between subgroups are only reported when they also remain robust in a multivariate model controlling for other demographic, political, and socioeconomic covariates. A comprehensive listing of all study questions, complete with tabulations of top-level results for each question, is available on The AP-NORC Center for Public Affairs Research website: www.apnorc.org.

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The complete topline data are available at www.apnorc.org.

For more information, visit www.apnorc.org
or email info@apnorc.org