

STATUS OF OLDER WORKERS

March 2022

NO “GREAT RESIGNATION” FOR OLDER WORKERS—MASS JOB LOSS DROVE THE PANDEMIC RETIREMENT SURGE

Barbara Schuster, Siavash Radpour, Eva Conway, and Teresa Ghilarducci

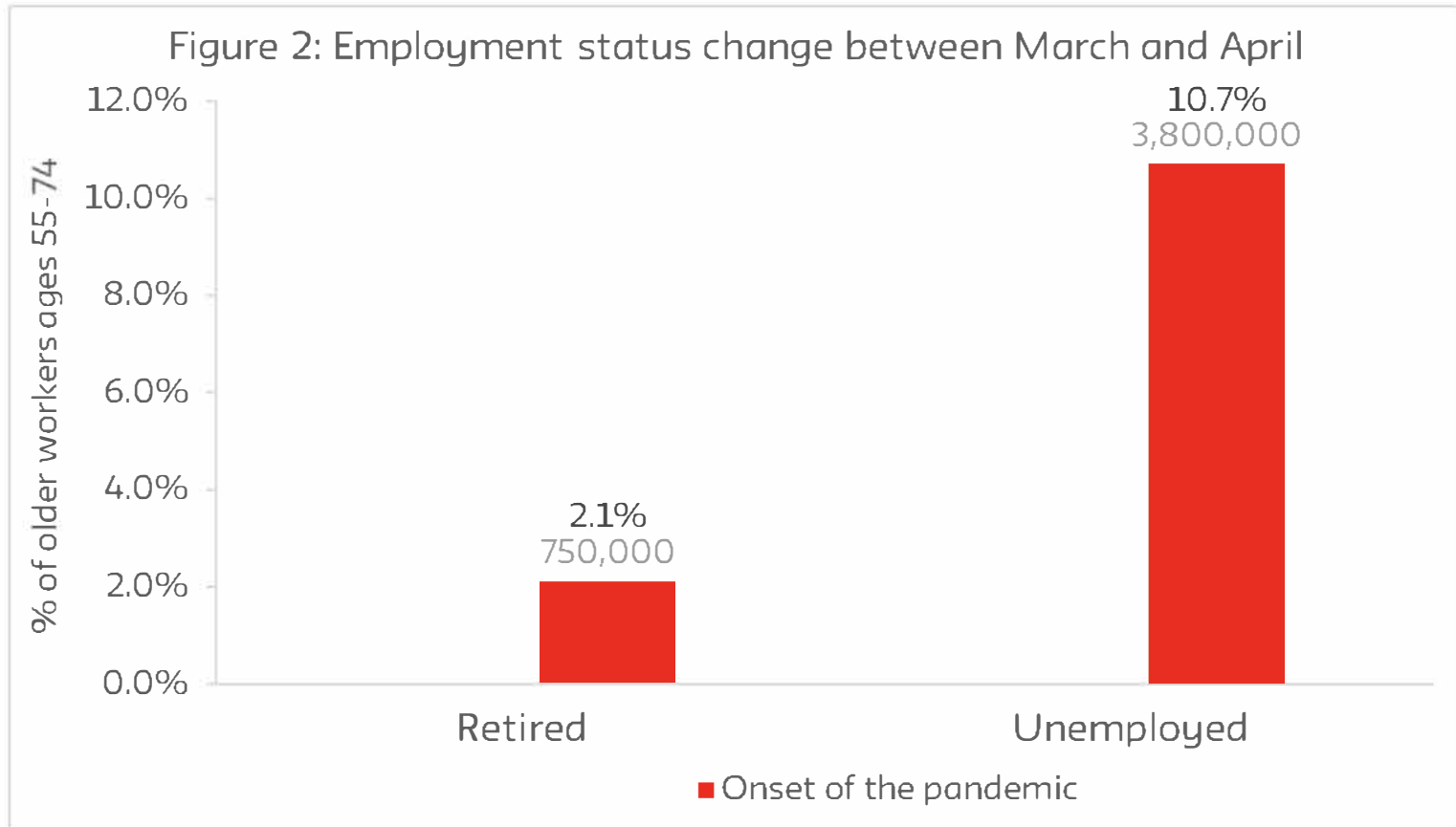
**THE
NEW
SCHOOL**

Schwartz Center for
Economic Policy Analysis

We did not witness a “Great Resignation”

- Older workers were pushed out of the labor force during the pandemic
- Most pandemic retirements occurred after periods of unemployment and were *involuntary*
- Retirement earlier than planned leads to lower retirement income and falling living standards

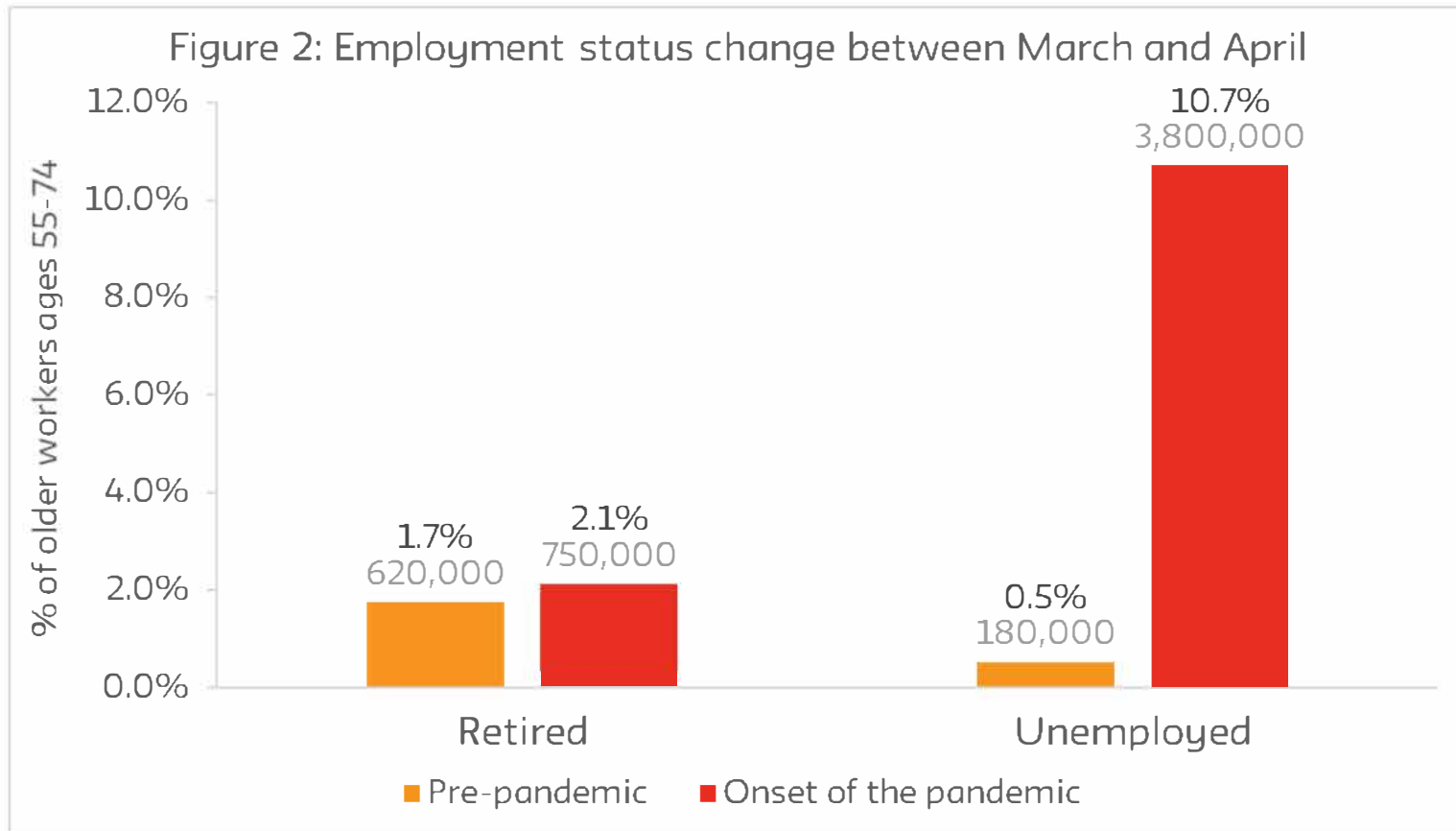
The pandemic led to a sharp increase in unemployment, not retirements



Source: SCEPA calculations based on Current Population Survey data.

Notes: Pre-pandemic refers to April 2019 and onset of the pandemic refers to April 2020. The sample includes older workers who were employed in March 2019 or 2020, respectively. Flows from employment to “not in the labor force” for reasons other than retirement and unretirement flows are not depicted.

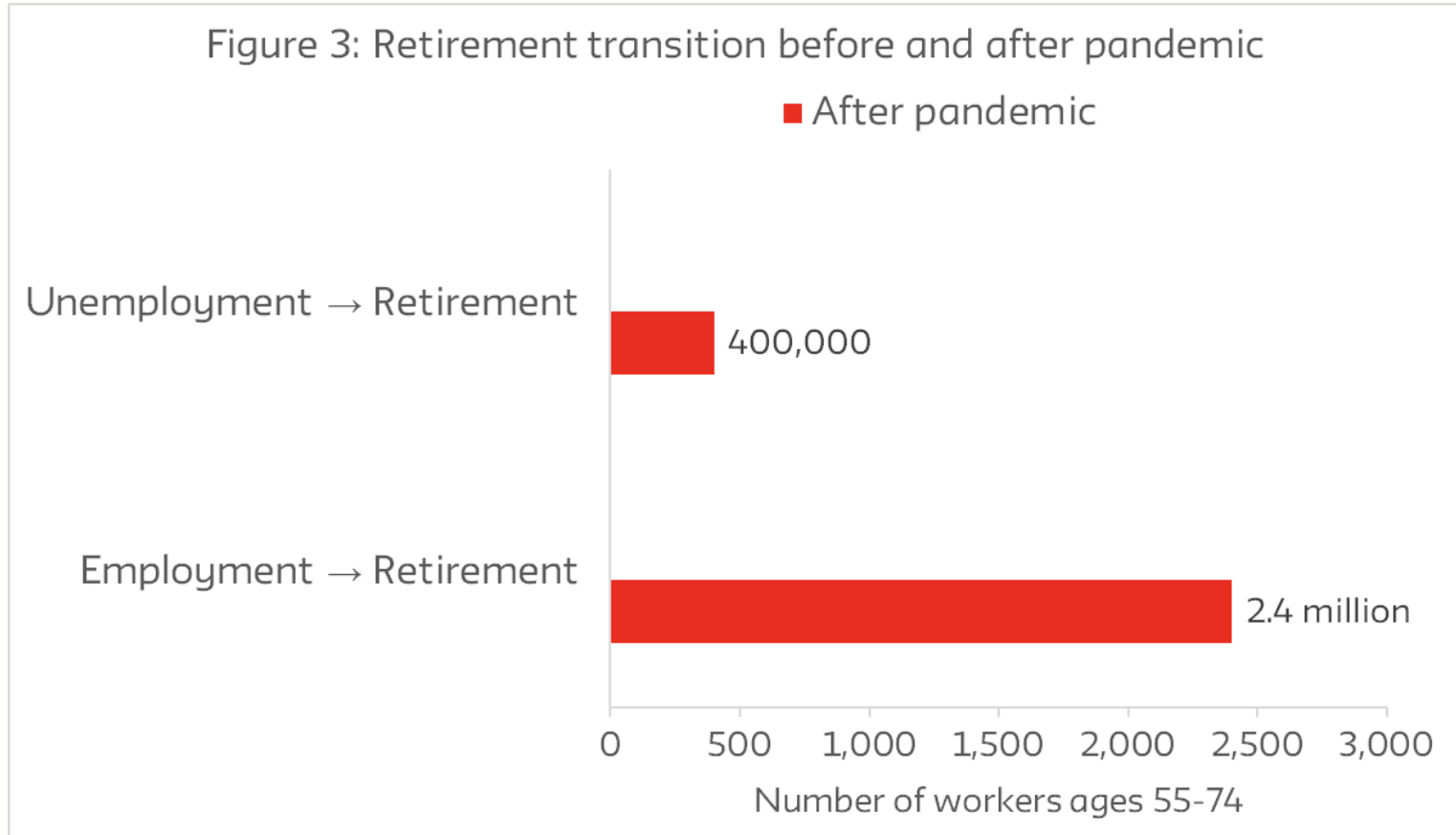
The pandemic led to a sharp increase in unemployment, not retirements



Source: SCEPA calculations based on Current Population Survey data.

Notes: Pre-pandemic refers to April 2019 and onset of the pandemic refers to April 2020. The sample includes older workers who were employed in March 2019 or 2020, respectively. Flows from employment to “not in the labor force” for reasons other than retirement and unretirement flows are not depicted.

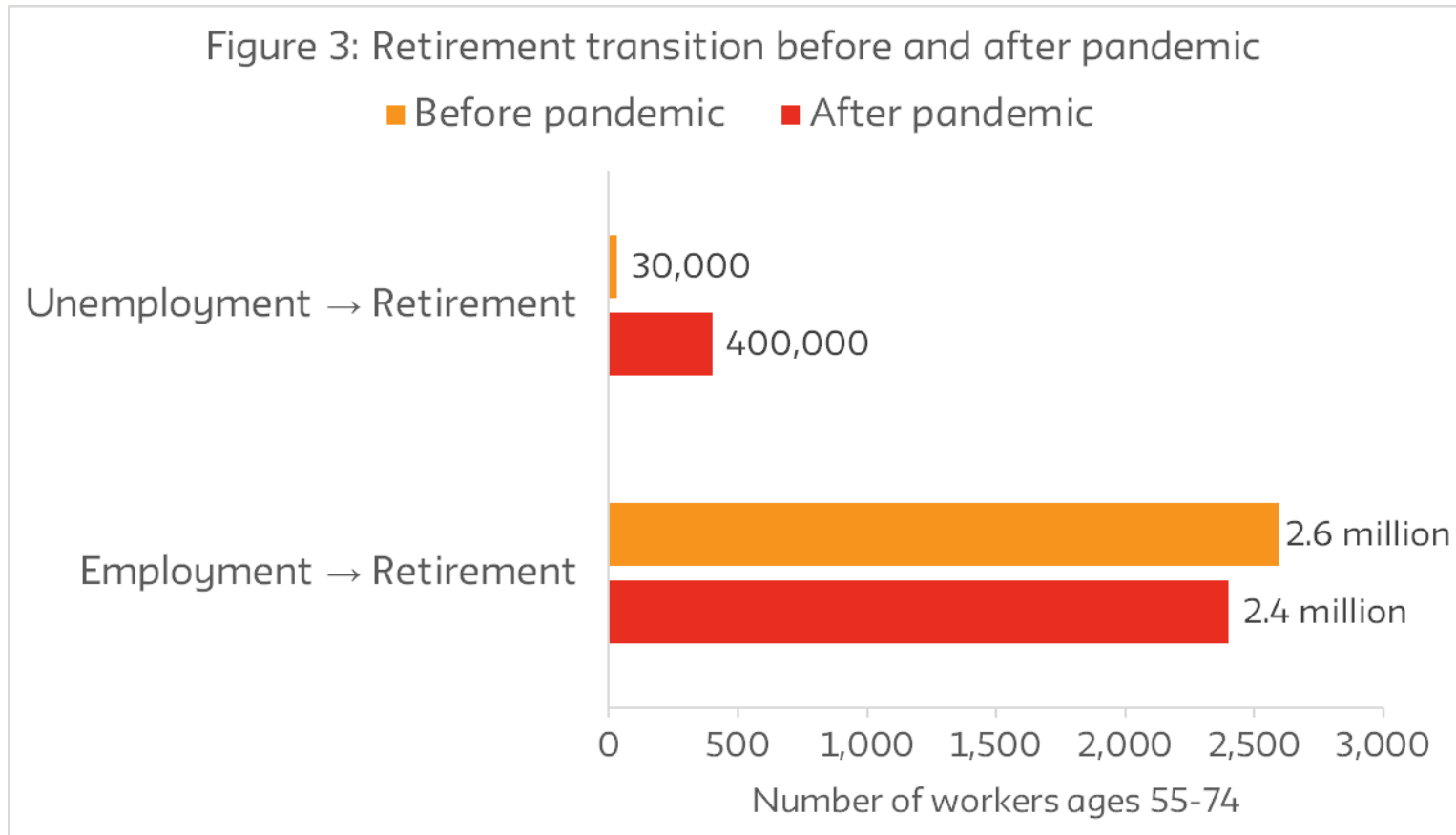
The number of older workers retiring out of unemployment increased drastically



Source: SCEPA calculations based on Current Population Survey data.

Notes: Before pandemic refers to observations of adults who were retired in March 2020 and shows their employment status in March 2019 conditional on being employed in February 2019. After pandemic illustrates the employment status in April 2020 conditional on employment in March 2020 for individuals who were retired in April 2021.

The number of older workers retiring out of unemployment increased drastically



Source: SCEPA calculations based on Current Population Survey data.

Notes: Before pandemic refers to observations of adults who were retired in March 2020 and shows their employment status in March 2019 conditional on being employed in February 2019. After pandemic illustrates the employment status in April 2020 conditional on employment in March 2020 for individuals who were retired in April 2021.

Will retirees return to the labor force?

- If there is demand for older workers, they will return to the labor force
- “Un-retirements” are expected given the low rates of retirement readiness
- Some workers are returning but these flows do not match the mass of pandemic retirements
- Low wage growth for older workers implies lack of demand for their skills and experience

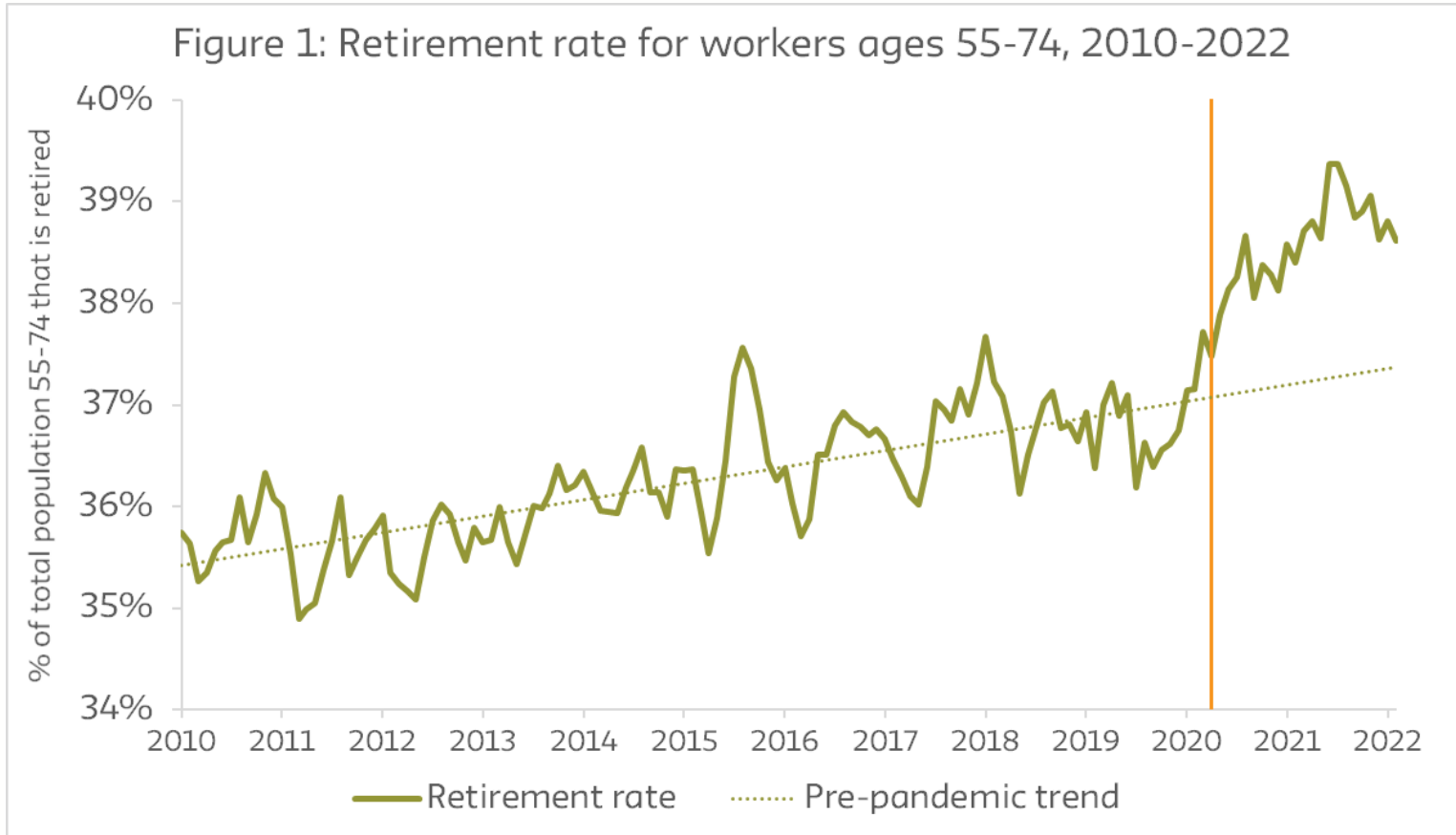
THANK YOU

**THE
NEW
SCHOOL**

The logo for The New School, featuring the words "THE NEW SCHOOL" in a bold, sans-serif font, stacked vertically. Below the text are two horizontal lines.

Schwartz Center for
Economic Policy Analysis

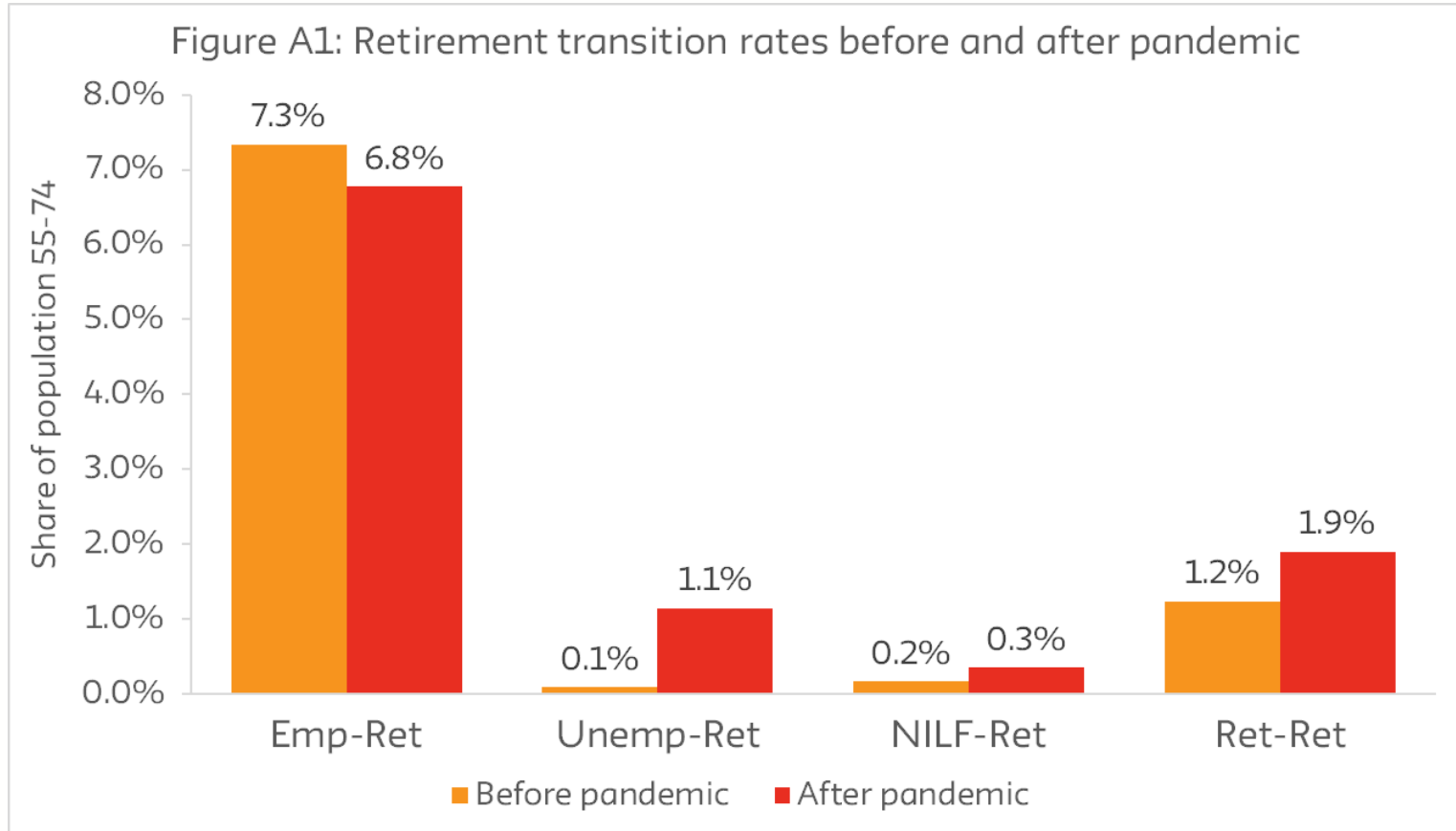
Appendix: Retirement rate for workers ages 55-74 rose sharply in 2020



Source: SCEPA calculations based on Current Population Survey data.

Notes: The dotted green line shows the predicted retirement rate based on the pre-pandemic trend. The orange line marks the start of the pandemic in April 2020.

Appendix: Retirement transition rates before and after pandemic in detail



Source: SCEPA calculations based on Current Population Survey data.

Notes: Before pandemic refers to observations of adults who were retired in March 2020 and shows their employment status in March 2019 conditional on being employed in February 2019. After pandemic illustrates the employment status in April 2020 conditional on employment in March 2020 for individuals who were retired in April 2021.

Appendix: Policy recommendations

- Create a federal Older Workers Bureau
- Enforce anti-discrimination laws
- Lower Medicare eligibility age to 50 & make Medicare first payer
- Advance workers' bargaining power
- Make work more age-friendly