

What do we know about programs, policies, and other strategies that support and help improve employment for older workers?

The employability of older workers is growing in importance as life expectancy increases and the retirement income system contracts. Working longer is often hailed as the best way to increase retirement income (Munnell & Sass, 2008). This strategy, however, depends crucially on older workers' ability to hold onto their current jobs or find new work. Once older workers lose their jobs, they have more trouble than their younger counterparts finding work (Johnson and Mommaerts, 2011). Employers can benefit from having employees who are in the later stages of their career because they tend to have higher levels of firm specific skills and experiences (Pitt-Catsouphes et al., 2007).

Federal and state governments and employers have developed interventions, including a broad range of programs, policies, and other strategies, to support and improve the employment prospects and financial security of older workers (Table 1). Additional workforce interventions not specifically directed toward older workers may also help them. A Clearinghouse for Labor Evaluation and Research (CLEAR) systematic evidence review examined causal research on the impacts of such interventions on the employment, earnings, and public benefit receipt of workers age 40 and older.^{1,2} The review captured the key findings from all causal studies identified and assigned a quality rating to describe the strength of the evidence (as high, moderate, or low).³ The rating system indicates how confident one can be that a study's findings reflect the true impact of an intervention, rather than other factors. The systematic review identified a total of 43 causal studies published between 2005 and 2017 and conducted in the United States.^{4,5} This brief synthesizes the findings from the review.

Key takeaways

- ▶ **Although most workforce programs serve older workers, few specifically focus on this population, and research has not evaluated their impacts.** CLEAR identified only two workforce programs specifically designed to serve older workers—the Senior Community Service Employment Program (SCSEP) and the Aging Worker Initiative (AWI). SCSEP is an ongoing Department of Labor grant program that plays an important role in providing subsidized, immediate employment opportunities for older workers to promote their longer-term employability and earnings. AWI was a Department of Labor grant program that aimed to expand the workforce investment system's understanding about how to design targeted service models to best serve older workers. Only descriptive or implementation studies have been conducted on SCSEP or AWI, so little is known about the effectiveness of these programs on supporting employment of older workers.
- ▶ **Studies that examined the impact of broader workforce programs, such as the Workforce Investment Act Dislocated Worker program, did not focus on older workers.** Many of these studies included younger workers in the analyses, so they were not eligible for review under the CLEAR older workers evidence review.
- ▶ **Firms that allow flexible work schedules appear to have lower rates of early retirement among older workers.** However, the limited research on workplace flexibility policies and strategies, and the low causal evidence ratings of these studies, suggest that the results should be interpreted with caution.

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¹ For more information on CLEAR, including how CLEAR conducts systematic reviews, see <https://clear.dol.gov/>

² Using age 40 as the lower bound is consistent with the Age Discrimination in Employment Act, which prohibits employment discrimination against people age 40 and older.

³ See the CLEAR Causal Evidence Guidelines, Version 2.1 (<https://clear.dol.gov/reference-documents/causal-evidence-guidelines-version-21>) for information on the evidence guidelines used to determine the causal evidence ratings.

⁴ See the CLEAR Employment and Training Review Protocol (<https://clear.dol.gov/reference-documents/employment-and-training-topic-area-review-protocol>) to learn more about the literature search parameters and the specific criteria used to determine which studies were eligible for inclusion in the systematic review.

⁵ Each study examined a separate implementation of an intervention; for example, one report evaluated an employment training intervention for older workers in six states that constituted six distinct studies.

Table 1. Key features of interventions examined in the older workers topic area

Intervention category	Key features
Workforce programs focused on older workers	The Senior Community Service Employment Program offers subsidized work opportunities for older workers and helps participants gain post-program employment opportunities. The Aging Worker Initiative funded development of program models for local workforce investment areas to provide better, more expansive services to older workers.
Anti-discrimination policies	These policies prohibit discrimination against older workers and workers with disabilities in any aspect of employment, including hiring, firing, pay, job assignments, promotions, layoff, training, benefits, and any other terms or conditions of employment.
Social Security retirement benefits	This category includes three policy changes to the Social Security retirement benefits program that were passed as part of a 1983 law and went into effect in 2000. The changes provide incentives for working longer and delaying benefit claiming.
Health insurance policies	The provision of health insurance through employers encourages labor force participation. Health insurance coverage expansions, such as the Affordable Care Act, the expansion of veterans' health insurance, and reforms to Medicare affect labor force participation and employment by reducing job lock, that is, an employee's inability to leave a job because of fear of losing benefits.
Workplace flexibility strategies and programs	These strategies and programs aim to increase employees' control over when they start and end their workday and how many hours they work.
Other government policies, employment programs, initiatives	Other policies, programs, and strategies that aim to provide employment support to workers include income tax, Supplemental Security Income, Unemployment Insurance, workforce programs, and firm-specific training programs.

Key takeaways, continued

► **Changes to the Social Security retirement benefits have important impacts on older workers' decision making.** Research shows that older workers responded to increases in future retirement benefits by increasing their employment to obtain those benefits.

► **Changes in health insurance policies have mixed or small impacts on older workers' employment outcomes.** Researchers have examined a wide range of health insurance policies. These interventions vary widely, and effects of these interventions also vary across studies.

Overview

What we know based on existing research, as summarized in Table 2, includes the following:

- Across the broad range of interventions examined, fewer than one-third of studies were rated as providing moderate-quality evidence (14 of 43 studies, see column 1), and none was rated as providing high-quality evidence.
- No causal studies of workforce programs specifically focused on older workers.
- The majority of the causal studies examined policies on health insurance and changes of Social Security retirement benefits (11 and 9 studies, respectively; see column 1).
 - Studies on Social Security retirement benefits showed that an increase in the full retirement age and the removal of the earnings test increased employment for older workers (the numbers in the green boxes in column 2), but Social Security statements that provide estimates of possible future Social Security benefits have mixed impacts on older workers' labor supply (the numbers in the orange boxes in column 2).
 - Studies on anti-discrimination policies showed unfavorable or mixed impacts on the employment of older workers (the numbers in the orange and red boxes in column 2) but delayed claiming of Social Security retirement benefits (the numbers in the green box in column 4). These studies examined different aspects of anti-discrimination policies and found that some features of anti-discrimination policies may have unintended outcomes. For example, firms in states allowed by the federal government to have a relatively easier filing procedure for an age discrimination claim sought to avoid litigation by not employing older workers.
 - Most studies of expansions in health insurance indicated no impacts on employment (see numbers in grey boxes in column 2). The health insurance policies examined varied substantially. For instance, studies found that the Affordable Care Act has not affected older workers' employment.

- Other federal programs including Supplemental Security Income and Unemployment Insurance serve many older workers. However, few strong causal studies evaluated their impacts on older workers (see column 1).

Table 2. Overview of all studies reviewed for the older workers systematic review

Intervention category	1	2				3			4	
	Number of studies by rating	Employment outcomes				Earnings outcomes			Public benefit outcomes	
Workforce programs focused on older workers	0 Moderate									
	0 Low									
Anti-discrimination policies	3 Moderate			1 ^c	2 ^d		1 ^b		1 ^a	
	2 Low			1 ^c	1 ^d					1 ^b
Social Security retirement benefits	4 Moderate	3 ^a		1 ^c			1 ^b		1 ^a	1 ^d
	5 Low	2 ^a		2 ^c	1 ^d	2 ^a		2 ^d		
Health insurance policies	5 Moderate	1 ^a	3 ^b		1 ^d			1 ^d		
	6 Low	1 ^a	3 ^b		3 ^d					1 ^b
Workplace flexibility strategies and programs	1 Moderate				1 ^d					
	3 Low	2 ^a	1 ^b							
Other government policies, employment programs, and initiatives	1 Moderate	1 ^a				1 ^a				
	13 Low	6 ^a	2 ^b	1 ^c	4 ^d	3 ^a				1 ^b

^a **Favorable impact:** Indicates the number of studies that found at least one statistically significant favorable impact in the outcome domain and no statistically significant unfavorable impacts.

^b **Null:** Indicates the number of studies that found no statistically significant impacts in the outcome domain.

^c **Mixed impact:** Indicates the number of studies that had some statistically significant favorable and some statistically significant unfavorable impacts in the outcome domain.

^d **Unfavorable impact:** Indicates the number of studies that found at least one statistically significant unfavorable impact in the outcome domain and no statistically significant favorable impacts.

Gaps in the research on the employment and trainings of older workers

- **More causal research is needed on programs that specifically serve older workers**, including SCSEP. SCSEP is significant in its reach. In 2015, more than 65,000 older Americans with low incomes received subsidized training from the SCSEP program, and 51 percent obtained post-program employment (National Council on Aging, n.d.). The process and outcome study of SCSEP (as well as the implementation study of AWI) provides valuable information on how sites implemented these programs, program feasibility, potentially promising program components, and outcome measures. However, no impact evaluations have been conducted to assess the effectiveness of SCSEP or other interventions to support older workers in the job market. Moreover, a review of non-causal studies on these important programs could be helpful to reveal the program features that older workers respond to.
- **Little is known about how broad workforce interventions affect older workers specifically.** Although CLEAR has examined the impact of workforce programs on the general population in other topic areas, impacts may differ for older workers with different priorities and skills. Moreover, by their early 60s, one in four workers has experienced a work-limiting health condition (Johnson et al., 2007), and nearly four in five adults has a chronic health condition (Smith, 2003). Research on how older workers benefit from interventions helping people with disabilities succeed in the labor market could provide important information for improving outcomes among older adults with work-limiting conditions.
- **It is important to understand which aspects of health insurance, anti-discrimination, and workplace flexibility interventions improve older workers' employment and earnings.** In particular, the interventions themselves vary, and the effects of these interventions also vary across studies and outcomes. Research could examine whether changing individual components of these complex interventions produces beneficial effects and helps uncover policy

and program changes that could support older workers.

CLEAR's systematic evidence review for the Older Workers topic area identifies studies that use a causal design—that is, studies that can credibly estimate program impacts. These types of studies, when they are of sufficient quality, can answer questions about how well an intervention worked.

References

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