

self-esteem
competitive pay
enjoy working new skills
technology health benefits
50+ African American Workers:
A Status Report, Implications, and Recommendations
age-friendly
money job security
accomplishment
flexible hours helping others



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The National Urban League is a historic civil rights organization dedicated to economic empowerment in order to elevate the standard of living in historically underserved urban communities. Founded in 1910 and headquartered in New York City, the National Urban League spearheads the efforts of its local affiliates through the development of programs, public policy research and advocacy. Today, there are more than 100 local affiliates in 36 states and the District of Columbia, providing direct services that impact and improve the lives of more than 2 million people nationwide.

The views expressed herein are intended for information, debate, and discussion. These views do not necessarily represent official policies of AARP; The National Urban League; the Urban Institute, its trustees, or its funders; or any of the other contributors named below.

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Rebecca Perron, Research Analyst, AARP Strategic Issues Research, managed this project and may be contacted at rperron@aarp.org or 202-434-6324 with questions. Members of the media should direct questions to Dave Nathan of AARP's Media Relations Department at 202-434-2560.

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Foreword

by Deborah Russell, AARP Director, Workforce Issues and
Valerie Rawlston Wilson, PhD., Vice President of Research,
National Urban League Policy Institute

The tight economy has resulted in a surplus of available labor, but a shortage of jobs—making the job market a tough battle for U.S. employers and workers alike. As the economy slowed down, the demand for goods and services dramatically fell, forcing many employers to significantly cut payrolls or shut down altogether. And, workers have been hit hard from all angles—including high unemployment, struggling industries, housing crises, and costly health care expenses. All of these concerns present a great challenge and make the need to retain and hire reliable, experienced workers very critical.

What's more, sweeping demographic changes have pushed the need for greater employer resources to the forefront. In recent times, America has evolved from what used to be a "melting pot," now to the proverbial "salad bowl." People are living longer and our society has become more culturally diverse. Employers are seeing more and more that their cookie-cutter hiring practices and human resources programs require revamping to achieve the benefits of increased employee retention, strong organizational growth and sustained economic recovery.

As recently as 2008, the population of African Americans over age 50 represented 4.1 million workers, at 10 percent of the 50+ population, and contributing \$160 billion of earnings to the economy. Many Americans have dedicated themselves to building, supporting, caring for and shaping the future of this country, often in "ordinary" positions as laborers, teachers and child care providers, truck drivers, bus drivers and health care workers.

The recession however, presents a case of extremely poor timing for those 50 and older. Home foreclosures, declining housing values and diminished retirement savings have weakened other sources of post-employment income. Add to that, increased health care costs threaten to eat away the purchasing power of what income remains for

older Americans. Many African Americans who had few resources before the recession began find themselves in a particularly precarious position.

Moreover, many older Americans are faced with the choice of either working longer or retiring with less than optimal economic assets. For those who are unemployed, the ability to work longer is contingent upon finding a job in an economy where there are nearly five workers for every job opening.

The best solution to the unemployment realities facing older workers is to get the U.S. economy growing again. Both AARP and the National Urban League are committed to addressing the needs of 50+ African-American workers. Through AARP's Best Employer program, National Employer Team, employer resources and training modules, the nonprofit organizations are working hand-in-hand with employers to meet the needs of 50+ employees. AARP research shows that 50+ workers are increasingly important to the success of most businesses because fewer workers are entering the labor pool as the Baby Boom generation matures. In fact, nearly one in three workers will be 50+ by 2014.

Employers who are "ahead of the curve" are conducting the necessary assessment and planning to determine the prospective demographics of their

workforce; they are also auditing current policies and practices to ensure they meet the needs of their current and future worker pool. One helpful resource is found in the AARP Workforce Assessment Tool. This free and confidential tool helps organizations assess their workforce needs and priorities.

Once an employer completes the process, a customized summary report is automatically generated. The final report maps out the employer's current workplace demographics and practices and provides a series of detailed action items. This tool helps human resource managers evaluate how retiring workers will affect their organization; how to address skill shortage challenges due to staff attrition, and works to assist in creating an environment that attracts qualified workers of all ages. By carefully managing a multi-generational workforce, employers can build a brand that attracts and retains top talent.

The National Urban League knows as well that work is the dominant means by which Americans generate household income. Preparing African Americans to work in the unfamiliar environment of urban America was at the center of the National Urban League's founding in 1910. The National Urban League currently serves this population through its Mature Worker Program, providing job training, placement services, and subsidized employment for low-income adults 55 and older. In six hard-hit locations—Boston, Dayton, Detroit, Newark, Pittsburgh and New York's Westchester County—in 2009, the program provided services to 1,400 unemployed seniors, and placed 350 people in jobs

The National Urban League also has been advancing a set of recommendations for reviving the economy. Its *Plan for Putting Americans Back to Work* encourages a direct investment of

\$168 billion over two years to address the most urgent needs of American families in economic crisis. This year the National Urban League celebrated 100 years of dedication to the dual mission of fighting for civil rights and economic empowerment for historically underserved urban communities.

In conclusion, while the data in the *50+ African American Workers: A Status Report, Implications, and Recommendations* report reflects the realities of the current workforce, the issues described are not unique to the current generation. Many of the barriers result from a legacy of limited access to employment with good wages and benefits and diminished capacity to build and transfer wealth across generations. The impact of the economy also will extend beyond this current generation as retirees will either have to rely more heavily on social welfare programs or their adult children for economic assistance—thus impacting their children's ability to save for the future.

As a nation we will have to find constructive ways to deal with the challenges faced by the current cohort of 50+ workers, while also preparing future generations for a more economically secure future. Given that minorities will account for much of the growth in the future workforce—including Latinos, African Americans and Asians—the economic strength of our nation requires that we prepare America's future workers to succeed in an extremely competitive global economy.

Overall, 50+ workers are a smart solution for businesses. To attract and retain 50+ workers, employers need to adopt a 50+ friendly approach. This includes good benefits, access to training, flexible scheduling, and an accommodating work environment. The world is changing, and being on the rising tide of this change is the key to business success.

Preface

Brief Introduction

In the midst of a jobless economic recovery, it is hard to believe that U.S. businesses may soon be short of workers. But the fact is that in previous recessions, a glut of workers has turned into a labor shortage as the economy rebounds. Despite the slow pace of the recovery, many economists predict that within eight years—by 2018—businesses will once again be fighting over skilled workers. High-growth industries such as health care, government and social services are most likely to be waging TalentWars 2.0.

Why? In January 2011, the first Baby Boomer will turn 65, the traditional age of retirement—and if 77.5 million boomers retire in the same numbers as previous generations, U.S. businesses will be in trouble. The baby bust generations that follow are just too small to fill all the vacancies. To stay competitive on a global scale, businesses must plan now to recruit, train and retain workers of all ages, races, religions and ethnicities. For those businesses that tarry, the consequences could be a mass retirement of skilled workers—and high turnover and additional retraining costs.

Economists tell us the Great Recession is already over and the economy will grow again. It always has. Once that happens, companies that have already assessed future workforce needs, examined current policies and invested in their seasoned workers will reap the rewards of being known as A Great Place to Work.

Highlights and Implications: A Shrinking Workforce Requires All Hands On Deck

Several trends are converging to reshape the country's labor force, creating immediate demand for a skilled multigenerational and multicultural workforce. Forward-thinking companies will take these trends into account as they analyze current and future workplace needs and customer bases.

Graying workforce: Today, nearly 30 percent of the workplace is age 50 or older, the highest level ever recorded. The Census Bureau forecasts the number of age 55-plus workers will grow by nearly 47 percent, five times faster than the overall labor force. Companies prize seasoned older employees for their work ethic, problem-solving and customer service skills. Policies, programs and strategies targeted to older workers' needs and desires will help businesses thrive now and in the future.

Diversity: The other hallmark of the 21st century workplace—guarantees that greater numbers of African Americans, Hispanics and employees of all ages will work side-by-side. Even today, the gray flannel “Mad Men” world of 1960s America is a distant memory. Smart companies will replace that era's one-size-fits-all HR policies and practices with initiatives designed to attract a diverse, age-neutral workforce.

Older African Americans already make up an important part of today's rich mix of workers. They hold backbone-of-the-economy jobs as nurses, teachers, office workers, long-haul truck drivers, supervisors and managers. More than four million age 50+ black employees—nine percent of the mature workforce—contributed \$160 billion to the economy in 2008.

Note on terminology: The terms “African American” and “black” are used interchangeably in this report, while “white” refers to non-Hispanic whites. The term “Hispanic” also includes the term “Latino.”

Indispensable Strategic Planning Resources

Smart managers know that business suffers when just a few mission-critical employees depart. Yet, in a recent AARP survey, three-quarters of senior executives admitted they were aware of looming shortages of skilled workers, but only one in six had formal policies to retain experienced employees.

Plan ahead: AARP's online Workforce Assessment Tool can help organizations analyze current workforce needs and practices, identify job functions and divisions most vulnerable to mass retirement. This free and confidential site also offers talent management and knowledge retention solutions, too.

More workforce-planning help is available at AARP's **Employer Resource Center** that includes employment strategies from organizations named to AARP's list of **Best Employers for Workers Over 50**. This prestigious award honors companies for their effective recruiting, workplace culture, training and development opportunities, alternative work arrangements, health benefits, pensions and retirement savings plans. Many of the programs and practices require only a modest investment for a high return in appeal to age 50+ workers. www.aarp.org/work/employee-benefits/employer_resource_center/

50+ African American Workers: A Status Report, Implications, and Recommendations is the most comprehensive study of older African American workers to date. Policymakers, researchers, media, business leaders and the human resources community will find details on older black workers' occupations and industries, labor force participation rates, wages and benefits, job characteristics, workplace and economic challenges and opportunities for the future. The report also includes recommended strategies to recruit, retain and engage older African American employees as well as policy suggestions that will increase older black workers' contributions to the U.S. economy.

Time is short. It can take years to put new initiatives in place. To stay ahead of global competition, companies must begin planning now to build a workforce of all ages, races, genders and ethnicities. Multiple viewpoints can lead to new markets, products, services and improved customer relations. Updated recruiting and training practices will help businesses hold down labor costs, hang on to valued older workers and stay ahead of the competition for years to come.

A Snapshot of Today's Older Black Worker

50+ African American Workers: A Status Report, Implications, and Recommendations finds that fifty years after the civil rights movement began,

older African Americans have made gains in the workplace, but still face workplace challenges exacerbated by the Great Recession. African American workers have suffered disproportionately from an economic slowdown that left few American households untouched by job losses, falling home values and straightened circumstances.

The recession took the stiffest toll on older black men who often earn less and have higher, longer unemployment rates than whites. More age 50+ black women are working or looking for work than black men, but they earn less than white women, though more than Hispanics. The last few years were toughest on black men and women without a high school diploma working in low-skilled, physically demanding jobs.

Past decades' progress in education and earnings has stalled and many older blacks approach retirement age with a savings shortfall and few benefits. Public policies and innovative business strategies increasing access to education and training, promoting workplace flexibility and supporting family caregivers could improve mature black workers' employment prospects and retirement security.

Where Older African Americans Work Now

The report reveals that large numbers of older African Americans already work in high growth

industries such as health care, social services, education and administrative support—industries that are projected to create the most new jobs by 2018.

Health care and social assistance are expected to grow 24 percent, producing 4 million new jobs by 2018. Mature black workers already hold one in seven jobs in these sectors—much higher than the economy-wide average.

Education and administrative support also employ unusually large numbers of older black workers in education, training and library occupations. They also hold office and administrative support jobs in professional and scientific industries—the two fastest growing sectors, according to the Bureau of Labor Statistics.

Public sector jobs attract a large number of age 50+ African Americans who are much more likely than their white or Hispanic counterparts to work at all levels of government, particularly local government. Although wages are lower in the public sector, jobs are more stable with better fringe benefits.

Finance, insurance, real estate and information industries also rely on older black workers, although fewer are employed in wholesale or retail trade, construction, agriculture, mining, utilities or professional or scientific services.

Older Black Workers Fill All Kinds of Jobs

The report’s findings indicate that many older black men hold blue-collar jobs that businesses depends on—jobs such as drivers, janitors, security guards, laborers and bus drivers. Those physi-

Truck Drivin’ Man

The number one occupation for age 50+ males, black or white, is driver, including truck driver. To attract a multicultural, multigenerational workforce, Schneider National emphasizes diversity in its marketing campaign. The company’s message also stresses the appeal of trucking as a second career that married couples or two partners can enjoy as team drivers.

cally demanding jobs rank in the top five for men, while older black women are likely to hold health care support jobs, ranging from aides to registered nurses. Age 50+ African Americans also work in more highly-skilled positions such as teachers, clergy, retail salespersons and supervisors and managers. One-fifth of older black men and women work in protective services, food preparation, cleaning and maintenance of grounds and buildings.

Retraining of trusted, dependable workers who may lack just a few skills to advance is a low-cost for businesses to expand the talent pool and stay competitive. Fortunately, many jobs in high-growth industries do not require long formal educations—or even a Bachelor’s degree. On-the-job training is sufficient for two-thirds of the top 30 in-demand occupations that older African Americans and other mature workers can fill.

Other employment characteristics of age 50+ African Americans include:

Top Five Occupations for 50+ African American Men and Women

Men	Women
1. Driver/Sales worker; truck driver	1. Nursing/Psych/Home Health Aide
2. Janitor/Building Cleaner	2. Secretary/Admin Assistant
3. Security Guard	3. Elementary/Middle School Teacher
4. Hand laborer/Mover	4. Registered nurse
5. Bus driver	5. Maid/Housekeeping Cleaner

Part-time Jobs. Part-time employment increases sharply with age, as workers phase into full retirement. About 18 percent of older black men work part-time at age 62 to 64, a rate that doubles a few years later at ages 65 to 69. African American women are even more likely than men to work part-time as they get older.

Part-year or Seasonal Employment. Another popular option, working less than 50 weeks per year, is less common than a part-time weekly schedule among older African Americans, but also increases with age for both men and women. **Home Depot**, a member of AARP's National Employer Team, uses both part-time and seasonal schedules to recruit older skilled trades people such as plumbers, electricians, general contractors and others.

Self-employment. Being your own boss is a growing option for many older workers, but less common among mature black workers. Only 10 percent of age 50+ African American men worked for themselves in 2008 and less than five percent of women. The lower number may reflect lenders' current tight loan policies.

Holes in the Safety Net: Wages and Benefits

The AARP/National Urban League report finds that although the nation has made strides in racial equality since the passage of civil rights legislation, a black-white gap in wage earnings continues to hamper older African Americans' economic security.

- » African American men working full-time earn nearly one-third less than their white counterparts, a gap that persists at every age and education level. Older black women also earn about 18 percent less than white women, but 23 percent more than Hispanics.
- » The earnings gap narrowed between 1980 and 2000, perhaps because of African Americans' educational gains as schooling improved and affirmative action programs took hold. But in recent years the earnings gap has widened again for reasons that are unclear.

Some studies indicate that discrimination may

The Flex-time Option

Flexibility may top the list of older workers' dream job attributes, but older African Americans are less likely to hold jobs that allow time off for family obligations or leisure pursuits. Smart businesses and organizations find flexible scheduling and alternative work arrangements are an easy, low-cost way to attract and retain top talent in an age-neutral, multicultural workplace. Employees at **Bon Secours Richmond Health System** can work full-time, part-time and on-call, and move from one schedule to another. Other staffing arrangements include job sharing, compressed workweeks, flexible scheduling, and choice of days, nights, evenings and weekends. Varied scheduling options appeal to mature workers: Bon Secours' oldest employee is an African American nurse in her late 80s.

be a factor in holding down African Americans' wages. Three in ten black workers reported discrimination or unfair treatment in the workplace, according to one recent survey. One in four workers reported such treatment occurred every week.

Pensions & 401(k)s: Employer-Sponsored Retirement Plans

The report also indicates that age 50+ African American workers are less likely to receive health insurance and retirement plans from their employers. In 2008, about two-thirds of full-time African American workers were offered either an employer-sponsored defined benefit pension plan or defined contribution retirement plan.

But even when a 401(k)-type plan is available, older black full-time workers participate less than others. In 2008, just a quarter of age 50+ black employees participated in defined contribution plans. In tight economic times, employees may struggle to set aside a portion of each paycheck for retirement. In other cases, workers may not have worked long enough to be eligible or they may have neglected to fill out paperwork. Even when older black workers do sign up for

an employer-sponsored 401(k), they may make smaller contributions, invest too conservatively, tap into accounts early or spend proceeds when changing jobs.

Pensions are an exception. Nearly a quarter of older black workers belong to unions and many more work in public sector jobs where pension plans still dominate. In this case black workers are just as likely as whites to participate in their employers' plans.

Health Benefits

According to the AARP/National Urban League report, African Americans are more likely to be uninsured or lack access to preventive care due to disparities in the health care system. Perhaps as a result, almost 30 percent of older African Americans describe their health as fair or poor compared with 16 percent of whites and 17 percent of Hispanics. And about 17 percent of older African Americans say they are unable to work at all.

Menu of benefits. More than three-fourths of African American men and slightly more than four-fifths of women receive employer-sponsored health benefits. Organizations offering extensive health benefits, even for part-time workers, reap rewards of less absenteeism and an engaged, energetic workforce. **Bon Secours Richmond Health System**, perennial winner of the Best Employer award, offers extensive health benefits to all employees working at least 16 hours a week. At **Adecco**, the global staffing company, an extensive wellness program provides employees with flu shots, health screenings, health-risk appraisals, health club discounts, weight-loss, smoking-cessation and physical activity programs, stress-management training and health coaching. Employees in the **Brevard Public School** system in Florida recently competed in a weight-loss contest that helped staff shed nearly 4,000 lbs.

Restructuring the Job. Retaining a valued older worker can be as simple as a few accommodations to changing health needs such as assistive technologies, well-lit ergonomic work stations or alternative-work schedules. **Lee Memorial Health System** in Fort Myers, FL, another repeat winner on AARP's Best Employer list, launched a Transitional Work Program to help employees tempo-

rarily or permanently disabled. If the original job can't be modified, the worker is moved to a new position.

When the new health care laws go into effect in 2014, many low-income African Americans may get help in resolving health disparity issues. The law will expand Medicaid and extend insurance coverage to low-income individuals and families.

Impact of the Great Recession

The Great Recession eliminated 8.4 million jobs pushing unemployment to the highest level in 80 years. Almost every American knows a family member, friend or colleague who was laid-off, downsized or forced to take unpaid leave. African Americans, in particular, suffered from rising unemployment, foreclosures and the economic slowdown.

- » About 18 percent of age 50+ African Americans had lost a job in 2009, compared to 10 percent of all age 45 + adults, according to an AARP January 2010 survey. Workers without a high

Easy, Low-Cost Ways to Help with Retirement Plans

Many AARP Best Employers use several tools to help employees manage benefit plans, including automatic enrollment, one-on-one financial counseling, seminars and lunch-and-learns with outside experts or financial services firms. **First Horizon National Corporation** of Memphis offers employees help from certified financial planners, a retirement readiness group and online tools to help full and part-time employees manage their retirement plans. **The YMCA of Greater Rochester** automatically enrolls all full and part-time workers (who work at least 20 hours a week) in a defined-contribution plan. Those over age 50 can make "catch-up" contributions. YMCA staff and outside experts provide financial planning advice and training to all Y employees. At **George Mason University** employees receive one-on-one financial counseling as well as financial-planning seminars, pre-retirement seminars and retirement counseling.

Why Work?

Research shows that financial need is the primary reason individuals choose to work longer. This is true for a majority of older African Americans, who say the only reason they work is they “need the money.” Intangible benefits also rank high such as “enjoyment of job,” “feeling useful” and “socializing.”

school diploma suffered higher rates of joblessness. Job hunts took longer too. Nearly half of out-of-work mature African Americans spent almost six months (25 weeks) job-hunting in 2009, compared to 19 weeks for older whites and 17 weeks for Hispanics.

- » As to foreclosures, nearly 8 percent of African Americans with new mortgages lost homes compared to nearly five percent of whites. By March 2010, almost 22 percent of African American homeowners with mortgages were behind in payments or had begun paperwork for foreclosure.
- » In other signs of the recession’s impact, 44 percent of age 45+ African Americans reported difficulty paying for food and utilities, according to a January 2010 AARP survey. Two-thirds cut back on entertainment and one-third on medications. Thirty-four percent reported stopping contributions to retirement savings and investment accounts in the past year and 26 percent withdrew funds already.

Despite this grim picture, a recent Pew Research Center study indicates African Americans remain resilient and optimistic about the future. The study found that in spite of experiencing paycuts, unpaid leave and reduced work hours, 81 percent of employed blacks agreed that America was still a land of prosperity. They were also more likely than whites to think they were better off than their parents and that their children would live better than they do.

Concerns About Retirement Security

According to the report, over the last 30 years, African Americans have made significant gains

in increasing family income, but still lag behind whites and Hispanics. In 2008, African American median family income was about \$45,500 compared to \$51,700 for Hispanics and \$74,800 for whites.

The upshot is that African Americans approach retirement with less wealth than other groups. In 2004, median household wealth for older African Americans was \$304,000 compared to \$816,000 for whites. African Americans are also more likely to work at smaller firms or in low-wage service jobs with less access to retirement benefit plans and health insurance.

Overall, older black workers retire with fewer assets than whites, are less likely to own their own homes or have large savings accounts and investment portfolios. They also earn less and often support impoverished family members. Many, particularly older retired widows and single women, rely only on Social Security.

Challenges and Opportunities

Despite recent progress, the nation’s legacy of segregation and racial discrimination has created other challenges for retirement-age African Americans. Health status, lack of education, caregiving responsibilities, inability to perform physical work and even discrimination may be barriers to well-paid, meaningful work. Continual retraining, with an emphasis on technological skills, can go a long

Working Longer by Choice or Necessity

Mature black workers may be working longer, even past age 62 when Social Security benefits are available. The number of African Americans age 65 to 74 who continue to work has increased by 40 percent for men and 26 percent for women in recent years. Reasons to delay retirement may include changes in Social Security, the erosion of pension plans and the decrease in the number of employers offering health and retirement plans. Concerns stemming from the economic slowdown are another factor.

way toward helping employers hang on to valued older black workers.

- » Since 1954, when schools were finally desegregated, African Americans have made gains in education, but still lag behind whites. In 2008, 20 percent of older African Americans did not have a high school degree compared to 8 percent of whites. (About two-fifths of Hispanics did not finish high school.) Limited family incomes and disadvantaged backgrounds explain the gap.
- » In recent years, the black-white education gap has narrowed, particularly for “younger” older African Americans, who may have benefited from improved schools and affirmative action programs. The number of African Americans ages 55 to 61 who have at least a Bachelor’s degree has tripled since 1980—boosting their employment prospects.

Implications for Employers

The AARP/National Urban League report suggests that businesses can attract and retain talented older black workers with a number of strategies:

- » **Recruit through appropriate channels.** Use placement agencies for mature job seekers, AARP and other job fairs, targeted media and trusted organizations, volunteer groups, service, civic and religious organizations. **Peace Corps**, voted among the Top Five Small Federal Agencies to Work For, recruits a multicultural/

“Continued Reskilling” is Not Just a Slogan

Companies on the AARP Best Employer list often make ongoing education a key component of workplace culture. The average employee at the **Georgia Department of Human Resources** gets 52 hours of instruction. **Winston-Salem Industries for the Blind, Inc.** provides full and part-time employees with tuition reimbursement and in-house classroom training. Forty percent of all employees participated in at least one of the company’s training and development opportunities.

multigenerational workforce with e-mail blasts of job openings to a 40-page list of organizations. Job announcements reach African American business and professional groups, historically black colleges and universities and their alumni groups.

- » **Flexible work options.** Attract skilled older workers with alternative work arrangements and flexible schedules. Many Best Employer winners find part-time, temporary schedules, job-sharing, flex-time, flex-place and compressed work weeks are the most effective retention tool for seasoned workers.
- » **Mentoring programs.** Create structured mentoring programs to build a leadership pipeline,

Raising the Grandkids

Older African Americans are three times more likely than whites to live with a child younger than age 18. One MetLife study calculates that corporate America loses at least \$11 billion a year because of absenteeism, turnover and lost productivity among employees who are caregivers. On the other hand, they are less likely to be caring for aging parents. Companies with flexible options and benefits for second-generation family members help retain and engage older workers. The **Georgia Department of Human Resources** offers employees paid time off, unpaid time off and long-term leaves of absence to tend to caregiving tasks. **Bon Secours Richmond Health System** extends a lavish menu of family caregiving support to employees with custody of grandchildren who are eligible for on-site daycare, backup and on-site health care, plus a popular summer camp for middle-schoolers who are introduced to careers in health care. Finally, grandchildren can apply for \$15,000 hospital-sponsored college scholarships.

Mature Worker Program Boosts Skills

The National Urban League's Mature Worker Program, funded by a \$13 million Department of Labor grant, provides job training and subsidized employment for low-income older adults. Job readiness training includes counseling, assessment, computer literacy, interviewing and resume help, and job placement. So far the program has helped 1,400 jobless seniors in economically depressed areas, placing 350 in jobs.

reduce the potential of lost knowledge and make use of senior employees' expertise. The **YMCA of Greater Rochester**, another AARP Best Employer, uses a multicultural mentoring program to develop a diversified talent pool for executive positions in its 15 branches. Staffers of color are paired with senior volunteers of color, either Y employees, board members or established members of the community. The program delivers high impact for low cost.

- » **Educational opportunities.** Keep valued older African American workers onboard with re-training, particularly in technology and other up-to-date skills. Age-neutral tuition assistance to private and public sector schools is another welcome option.
- » **Diversity training.** Sensitize managers to company policies and practices in recruitment, hiring, evaluation, training, promotion and termination to check for age discrimination. Negative stereotyping that can lead to unfair treatment.
- » **Employee resource groups.** Establish affinity groups as an informal mechanism for employees to network with colleagues of similar backgrounds and interests. Such groups can be an incubator of ideas and a valuable resource for companies facing labor shortages.

Policy Options to Bolster Older African Americans' Economic Security

50+ African American Workers: A Status Report, Implications, and Recommendations found that many older black employees, (like other mature American workers) must retrain to take advantage of the 21st century's fastest-growing occupations. The following initiatives will help age 50+ African Americans quickly earn the credentials, experience and skills companies require to build a competitive workforce. Completing an associate's degree may deliver twice the labor market returns for women and minorities than for white males (Lakin et al.). Other policy initiatives promoting workplace flexibility and supporting family caregivers could boost mature black workers' opportunities in the workplace.

- » **Community Colleges.** Community colleges enroll half of all post-secondary students age 50 and older intent on bolstering employment credentials. The American Association of Community Colleges recently launched a "Plus 50" initiative to recruit and meet the needs of older students and local employers. In another encouraging sign, the Obama administration is ramping up efforts to boost community colleges' focus on tailoring coursework to local labor markets' needs. Big-name companies (McDonald's, Accenture, United Technologies, P.G.&E) also are developing partnerships with two-year colleges. For-profit post-secondary schools are another avenue for retraining but lately have come under scrutiny for their quality and questionable practices.
- » **One-Stop Career Centers.** These federal/state government training and job search assistance programs can help raise earnings particularly for adult women, African American and Hispanic men and displaced manufacturing workers. One-stops, overwhelmed during the economic crisis, are funded by the Workforce Investment Act, which is up for reauthorization. Changes to the Act could affect older black workers' ability to access services.

- » **Senior Community Service Employment Program (SCSEP).** This program offered at One Stops provides low-income older adults with the training they need to move into the workforce. Since 2007, **CVS Caremark**, has partnered with SCSEP programs and the National Caucus and Center on Black Aged to recruit qualified candidates for the national drug chain. The company has also realigned its internal employment and training programs to attract age 50+ workers to a variety of retail jobs. Currently, the SCSEP program serves approximately 90,000 older adults, only one percent of the eligible population.
- » **Career Ladder Programs.** Programs like Boston Skillworks provide a bridge from entry-level jobs in high-growth industries to better-paying jobs with good benefits. Skillworks, a model for cities across the country, combines the efforts of philanthropy, government, community organizations and employers to help low-income individuals find jobs and businesses find skilled workers.
- » **Workplace flexibility.** Policies promoting workplace flexibility and support for family caregivers, such as paid leave, would also help boost engagement and retention of mature black workers who often care for young children. Broadening of Family and Medical Leave Act would also be helpful.

- » **Automatic Individual Retirement Accounts (IRAs).** This Obama administration budget proposal would require employers that do not offer 401(k)-type plans to set up an IRA for employees and make automatic deductions. Employees could opt out, but a default setting would increase contributions and help bolster older black workers' retirement security.

Summary: Adapting to the New Normal

As the U.S. economy rebounds, businesses may soon be confronted with a shortage of skilled and talented workforce that threatens their viability. To stay ahead of the competition, companies will need to attract a 21st century workforce in which older African Americans play a large part. Smart managers will start now to jettison yesterday's one-size-fits-all programs and policies and create workforce strategies tailored to today's multicultural, multigenerational workplace. The insights included in this report, ***50+ African American Workers: A Status Report, Implications, and Recommendations***, will aid managers in crafting strategic workforce planning tools targeted to mature black workers' needs and help them segue into a secure retirement. Policymakers can use these findings to launch initiatives to improve older African Americans economic security and job prospects. The key is not to procrastinate—the future is now.

Executive Summary

Half a century after the civil rights movement began, African Americans continue to struggle in the workplace. These challenges, magnified by the 2007-09 recession and its legacy of high unemployment, begin when they start working and continue until they retire. Although the status of younger African American workers is regularly studied and debated, the role that African Americans age 50 and older play in the labor force has received little attention, even as employers and policymakers begin to focus on the challenges and opportunities created by an aging workforce.

This report provides the most comprehensive assessment to date of the employment experiences and economic well-being of 50+ African Americans. It describes their health and demographic characteristics, labor force participation rates, earnings, occupation, and other job characteristics, as well as income levels and wealth holdings. It shows trends over time and compares outcomes to those for 50+ Hispanics and non-Hispanic whites. The report also looks to the future, identifying high-growth industries and occupations, considering their suitability for 50+ African American workers, and highlighting ways in which private organizations and public policy might promote employment for African Americans age 50 and older.

Key Findings

Despite some progress over the past three decades, African Americans age 50 and older continue to face significant workplace challenges. African American men age 50+ are less likely to participate in the labor force than both Hispanic and white men. They earn much less than non-Hispanic whites, but more than Hispanics. African American women age 50+ fare somewhat better. They are as likely to work for pay as non-Hispanic white women and more likely to work than Hispanic women. As with men, however, employed 50+ African American women earn less than their non-Hispanic white counterparts but more than Hispanic women. The black-white earnings gap narrowed between 1979 and 1999,

but has recently widened again (although the gap for men remained smaller in 2008 than in 1979). The economic downturn that began in 2007 has further eroded African Americans' employment and earnings.

Because many 50+ African Americans have limited earnings, they often struggle financially. They generally receive less income than both whites and Hispanics. African American poverty rates at age 62 and older have declined over the past three decades, but this trend may not continue. In 2004, before the current economic downturn began, fewer than half of African Americans in their fifties and early sixties had accumulated enough wealth to live as comfortably in retirement as they did while working. Their retirement preparedness is likely worse in 2010, as high unemployment has forced many African Americans to dip into their savings and declines in stock prices and home values eroded wealth holdings.

Labor Force Participation of 50+ African Americans

» 50+ African American men are less likely to participate in the labor force (defined as working or looking for work) than white or Hispanic men. Among men age 55 to 74, 55.9 percent of African Americans participated in the labor force in 2008, compared with 64.9 percent of non-Hispanic white men and 67.5 percent of Hispanic men.

- » 50+ African American women are as likely to participate in the labor force as non-Hispanic whites and more likely than Hispanics. The female participation rate at age 50 to 74 was 53.5 percent for African Americans in 2008, about the same as non-Hispanic whites and about 4 percentage points higher than Hispanics.
- » Labor force participation rates for 50+ adults have increased over the past two decades, but they have grown more slowly for African Americans than for non-Hispanic whites. Between 1990 and 2009, participation rates increased 9 percent for African American men age 50 to 74, compared with 14 percent for non-Hispanic white men. Over the same period, female participation rates at age 50 to 74 increased 27 percent for African Americans and 43 percent for non-Hispanic whites.
- » Labor force participation rates have declined over the past two decades for men in their fifties. Between 1990 and 2009, the share of men age 50 to 59 in the labor force fell 4 percent for African Americans and 2 percent for non-Hispanic whites, apparently because of falling employer demand for low-skilled workers. However, labor force participation among women age 50 to 59 increased since 1990, as young women with higher employment rates than earlier generations grew older.

Unemployment among 50+ African Americans

- » Unemployment among 50+ African Americans soared in 2009 as the labor market weakened. In 2009, the average monthly unemployment rate reached 11.0 percent for African American men age 50 and older, about the same rate as for Hispanic men in the same age group but about two-thirds higher than for non-Hispanic white men. For women age 50 and older, the 2009 unemployment rate averaged 7.8 percent for African Americans, 5.5 percent for non-Hispanic whites, and 8.6 percent for Hispanics.
- » Unemployment remained high among older workers in 2010. In July 2010, the unemployment rate for those age 55 and older reached 10.4 percent for African Americans, 6.4 percent for non-Hispanic whites, and 11.4 percent for Hispanics.
- » Unemployment spells were particularly long in 2009 for out-of-work African Americans age 50 and older. Half spent at least 25 weeks (nearly six months) looking for a job. By comparison, median unemployment durations were 19 weeks for non-Hispanic whites age 50 and older and 17 weeks for Hispanics.

Earnings and Other Job Characteristics of 50+ African Americans

- » African American workers age 50 and older earn substantially less than non-Hispanic workers, but more than Hispanics. Median annual earnings in 2008 for 50+ men employed full-time were 29 percent less for African American men than non-Hispanic white men (\$39,000 vs. \$55,000). However, African American men earned 18 percent more than Hispanic men (\$39,000 vs. \$33,000). African American women earned 18 percent less than non-Hispanic white women (\$32,000 vs. \$39,000), but 23 percent more than Hispanic women (whose median earnings were \$26,000).
- » African Americans earn less than non-Hispanic whites even among workers with the same education. Despite impressive educational gains over the past 30 years, African Americans age 50 to 74 remain much less likely than non-Hispanic whites to have completed four or more years of college (17 percent versus 30 percent), but educational shortfalls do not explain their limited earnings. When earnings are compared only for workers with the same education, the black-white earnings gap shrinks (but does not disappear) for women, and does not change much for men.
- » The black-white earnings gap among full-time workers age 50 and older narrowed between 1979 and 1999, but recently widened again. As a share of median earnings for 50+ non-Hispanic white men, median earnings for 50+ African American men age 50 and older increased from 64 to 74 percent between 1979 and 1999, but then fell to 71 percent in 2008. For women

age 50 and older, median earnings for African Americans relative to median earnings for non-Hispanic whites increased from 83 to 93 percent between 1979 and 1999, before declining to 82 percent in 2008.

- » Employed 50+ African Americans are more likely to work in physically demanding jobs than non-Hispanic whites, but they are not more likely than Hispanics. About two in five (39 percent) older African Americans reported in 2004 that their jobs involved lots of physical effort.
- » Health problems force many African American workers age 50 and older—especially those with limited education—to leave their jobs. Nearly 3 in 10 (29 percent) African Americans who separated from their employer after age 50 between 1992 and 2008 left because of health problems. By contrast, only about one-sixth of 50+ non-Hispanic white job separators and one-fifth of 50+ Hispanic job separators left because of poor health.

Economic Security for 50+ African Americans

- » 50+ African Americans have lower family incomes than whites and Hispanics. In 2008, median annual family income for African American adults age 50 to 61 was about \$44,000, only about 60 percent as much as for non-Hispanic whites and 88 percent as much as for Hispanics. Median annual family income at age 62 and older was \$30,300 for African Americans, compared with about \$34,800 for Hispanics and \$43,100 for non-Hispanic whites. Social Security's progressive benefit formula reduces the black-white income gap after age 62.
- » Older African Americans' relatively low incomes translate into high rates of economic hardship. In 2008, 27.8 percent of African Americans age 62 and older had incomes below 125 percent of the poverty line, compared with 26.4 percent of Hispanics and 8.5 percent of non-Hispanic whites.
- » Economic hardship is especially prevalent among unmarried older African American women. In 2008, the share of African American

women age 62 and older with incomes below 125 percent of the poverty line was 36 percent for those divorced or separated, 38 percent for those widowed, and 39 percent for those who never married. By contrast, only 14 percent of married African American women age 62 and older lived in poverty or near poverty.

- » However, hardship rates for older African Americans have fallen sharply over the past three decades. In 1979, 44.7 percent of African Americans age 62 and older had incomes that fell below 125 percent of the poverty line, about three-fifths higher than in 2008.
- » The economic downturn that began in 2007 intensified the financial problems facing many 50+ African Americans. In a 2010 survey, 44 percent of African Americans age 45 and older reported difficulty paying for essential items such as food and utilities because of the downturn, and 34 percent stopped contributing to their 401(k), IRA, or other investment accounts. African Americans have also been hard hit by the foreclosure crisis, with many having lost their homes.

Future Employment Prospects for 50+ African Americans

- » African Americans appear to be well positioned to take advantage of the job opportunities likely to emerge in the fastest-growing industries once the economy recovers. Between 2008 and 2018, the health care and social assistance sector will generate more new jobs than any other sector, and the industry now employs a disproportionate share of 50+ African Americans. Many high-growth jobs pay relatively well and do not require a Bachelor's degree, making them potentially accessible to workers with no more than a high school diploma.
- » The community college system provides training opportunities that might be particularly valuable to 50+ African Americans in need of additional skills and credentials. Community colleges can usually accommodate the part-time schooling schedules of working adults who cannot afford to temporarily drop out of the labor force to further their education.

Implications for Employers and Public Policy

Redesigned employer recruitment and retention strategies and new public policy initiatives could boost employment and earnings for 50+ African Americans and improve their economic security. For example, employers could use recruiting channels that are likely to reach African Americans, including media outlets and organizations that serve this population and that they trust. They could better train managers to embrace diversity in the workplace, and create mentoring and retraining programs to help 50+ workers in physically demanding jobs move into managerial positions or other jobs that require less physical exertion. Providing flexible work options

and caregiving information could be especially attractive to 50+ African Americans, because many serve as primary caregivers to young grandchildren.

Policy options aimed at increasing access to education and training, promoting workplace flexibility, and supporting family caregivers could improve employment prospects for 50+ African Americans. Health care reform, Social Security reforms that protect benefits for low-income seniors, efforts to boost private retirement savings, increased availability of unemployment insurance, and support for homeowners at risk of foreclosure could also improve economic well-being for 50+ African Americans.

INTRODUCTION

Half a century after the civil rights movement began, African Americans continue to struggle in the workplace. African American men are less likely to participate in the labor force than non-Hispanic white men, those who participate are more likely to be unemployed, and those with jobs tend to earn relatively low wages. Many African American women participate in the labor force, but they generally earn less than non-Hispanic white women. Low employment rates and limited earnings curtail African Americans' economic well-being. Median household income is only about three-fifths as high for African Americans as non-Hispanic whites, and African Americans are nearly three times as likely to live in poverty (U.S. Census Bureau 2010a).

The economic downturn that began in 2007 has exacerbated the labor market challenges confronting African Americans. The Great Recession, as it has come to be known, eliminated 8.4 million jobs between December 2007 and December 2009 (Bureau of Labor Statistics [BLS] 2010a) and pushed unemployment to its highest level in decades. African Americans have been especially hard hit. In August 2010, about one in six African American workers was unemployed (BLS 2010b), nearly double the share unemployed in mid 2007. By comparison, only about 1 in 11 white workers was unemployed in August 2010.

The difficulties that many African Americans face in the labor market begin when they start working and continue until they retire. In fact, the disadvantages are just as serious for workers age 50 and older as for their younger counterparts. Eligibility for Social Security retirement benefits does not begin until age 62, so most households headed by adults age 61 and younger must rely on what they earn at the workplace to make ends meet. Work also confers important financial benefits to older adults eligible for Social Security. By extending their careers beyond the Social Security early eligibility age, workers earn more, allowing them to save more in 401(k) plans and other savings vehicles, and they accumulate more Social Security credits, boosting future benefit payments. Perhaps most important, workers who retire later shorten the period over which their savings must be spread, significantly improving their retirement security (Butrica, Smith, and Steuerle 2006).

Work provides older adults with nonfinancial benefits as well. Employment can keep people physically active and mentally sharp. It can add purpose and meaning to one's life. And it can provide fulfilling social networks and rewarding personal relationships. As a result, some studies suggest that working longer improves emotional well-being and even physical health (Calvo 2006; Everard et al. 2000; Glass et al. 2006; Herzog et al. 1998; Llana-Nozal, Lindeboom, and Portrait 2004; Luoh, and Herzog 2002).

Increased employment by older adults also benefits employers and the economy. Although the Great Recession created a temporary surplus of workers in 2010 and likely beyond, employers will need greater contributions from older adults once the economy recovers because population growth at younger ages is stagnating. Over the next decade, the U.S. population age 25 to 49 will increase only 4 percent, while the population age 50 to 74 will increase 20 percent (U.S. Census Bureau 2008). Without the increased participation of older workers, productivity might slow and labor shortages might develop in certain specialized fields. Expanding the older workforce would also increase the number of workers paying income and payroll taxes, boosting government revenue that could fund promised benefits for retirees and other government

services. The workforce has been aging steadily over the past two decades as the older population has expanded and the labor force participation rates of older adults has increased. Adults age 50 and older now make up 30 percent of the workforce, the highest level ever recorded in the U.S.¹

Although both employers and policymakers are beginning to focus on the challenges and opportunities created by an aging workforce, the role of African Americans age 50 and older in the nation's labor force has received little attention. African Americans made up about 9 percent of the 50+ workforce in 2009.² Their labor force participation has been increasing recently, but, as we show in this report, they continue to lag behind older Hispanics and non-Hispanic whites. Limited educational attainment, physically demanding work, health problems, caregiving responsibilities, and discrimination may all contribute to their early retirements. African Americans are also much more likely to be unemployed in the current economic downturn than non-Hispanic whites and earn significantly lower wages than non-Hispanic whites when employed. These employment challenges weaken African Americans' economic security in the second half of life.

This report provides the most comprehensive assessment to date of the employment experiences and economic well-being of African Americans age 50 and older. It begins by describing their educational attainment, marital status, health status, and caregiving responsibilities, all of which influence employment and economic status. We then show how many 50+ African Americans work, how much they earn, where they work, and the characteristics of their jobs. We also describe how 50+ African American workers fared in the 2007-09 recession. The next section of the report focuses on economic status, examining income and wealth and assessing retirement preparedness. We then look to the future, identifying high-growth industries and occupations, and consider how suitable they are for 50+ African American workers. We also explore how older African Americans might improve their skills to boost their employment prospects. The final section of the report draws out policy implications, highlighting possible ways in which the public and private sectors might promote employment for African Americans age 50 and older.

Methods and Data Sources

Much of the report is based on our analysis of several nationally representative household surveys collected or funded by the federal government, including the American Community Survey (ACS), Current Population Survey (CPS), Health and Retirement Study (HRS), National Health Interview Survey (NHIS), Survey of Income and Program Participation (SIPP), and the decennial censuses. These surveys are described in Appendix A. The analysis relies on several different data sources because no single survey provides a complete profile of 50+ African Americans. The report focuses on outcomes in 2008, because few surveys had yet released more recent data when we completed the analysis in the summer of 2010. We do, however, use later data to show the impact of the Great Recession on employment and use earlier data to show trends in selected outcomes.

The analysis compares African Americans' characteristics and employment outcomes to those for Hispanics and non-Hispanic whites, separately by sex whenever our samples are large enough to allow meaningful comparisons. We classify survey respondents as African American if they report their race as African American or black, even if they also describe themselves as Hispanic. (Our Hispanic group excludes those who report their race as African American or black.) The analysis includes all workers age 50 and older. When comparing labor force participation rates across groups and the characteristics of potential workers, however, we focus on adults age 50 to 74, because few people age 75 or older work. We also examine outcomes within various narrow age groups, because the likelihood of working and the characteristics of jobs held change as people grow older. All differences discussed in the text are statistically significant.

Overview of Findings

Despite some progress over the past three decades, African Americans age 50 and older continue to face significant workplace challenges. African American men age 50+ are less likely to participate in the labor force than both Hispanic and white men. They earn much less than non-Hispanic whites, but more than Hispanics. African American women age 50+ fare somewhat better. They are as likely to work for pay as non-Hispanic white women and more likely to work than Hispanic women. As with men, however, employed 50+ African American women earn less than their non-Hispanic white counterparts but more than Hispanic women. The black-white earnings gap narrowed between 1979 and 1999, but has recently widened again (although the gap for men remained smaller in 2008 than in 1979). The Great Recession has further eroded African Americans' employment and earnings.

Because many 50+ African Americans have limited earnings, they often struggle financially. They generally receive less income than Hispanics and much less income than non-Hispanic whites. African American poverty rates at age 62 and older have declined over the past three decades, but this trend may not continue. In 2004, before the current economic downturn began, fewer than half of African Americans in their fifties and early sixties had accumulated enough wealth to live as comfortably in retirement as they did while working. Their retirement preparedness is probably much worse in 2010, as high unemployment has forced many African Americans to dip into their savings and declines in stock prices and home values eroded wealth holdings.

Public policy initiatives and changes to employer recruitment and retention strategies could boost employment and earnings for African Americans and improve their economic security. Employers could use recruiting channels geared toward African Americans, implement mentoring or retaining to help 50+ workers in physically demanding jobs move into positions that require less physical exertion, and better train managers to embrace diversity in the workplace. Public policy options include more government funding for workforce development and training, tax credits for employers that hire low-wage workers, more support for family caregivers, and initiatives that encourage retirement savings.

DETAILED FINDINGS

Health and Demographic Characteristics of 50+ African Americans

Health and demographic characteristics significantly affect employment at all stages of one's career. Health problems, which become more prevalent and severe as people approach old age, reduce the likelihood of work and often limit work hours for those who remain employed. Education generally boosts workers' productivity, increasing the wages and benefits that employers are willing to pay. Well-educated workers also tend to retire later than those with less schooling because they are less likely to work in physically demanding jobs that become increasingly difficult at older ages. Marriage affects labor supply, especially for women. Although employment rates for married women surged over the past generation, married women are less likely to work for pay than their single counterparts, because they generally have substantial family responsibilities and their husbands are usually employed. Finally, caregiving responsibilities often limit paid work. Employment is difficult and sometimes impossible for those providing care to young children and grandchildren, frail parents, and disabled spouses.

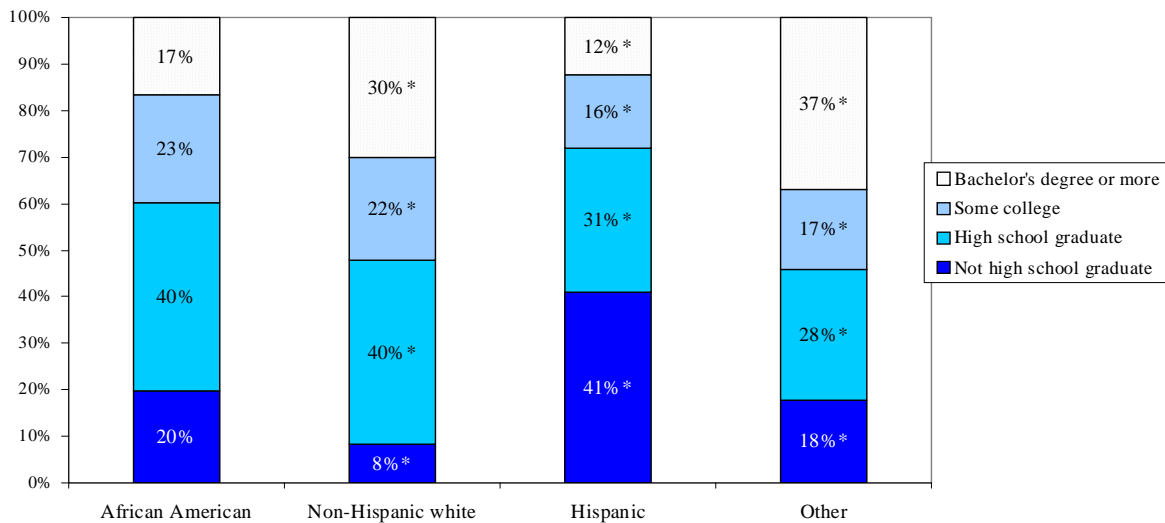
These factors also affect economic status. Their influence is felt primarily through their impact on employment, but they sometimes have direct effects. Health problems, for example, often increase out-of-pocket medical expenses, draining families' financial resources. Married couples are generally wealthier than single adults, partly because shared living arrangements are more efficient than living alone. Marriage is also a valuable type of insurance, providing financial protection in the event of job loss or the onset of health problems because spouses can often enter the labor force or increase their work hours to replace some lost earnings.

Health disparities and differences in demographic characteristics between population groups, then, may lead to divergent employment outcomes and economic inequality. African Americans' demographics and health status are crucial to understanding their labor market success and identifying options to improve outcomes for those age 50 and older.

Education

Older African Americans generally have less education than older non-Hispanic whites. In 2008, 20 percent of African Americans age 50 to 74 had not completed high school, compared with only 8 percent of non-Hispanic whites (figure 1). Additionally, non-Hispanic whites in this age group are nearly twice as likely as their African American counterparts to have earned at least a Bachelor's degree (30 vs. 17 percent). However, African Americans age 50 to 74 are better educated than Hispanics, about two-fifths of whom lack a high school diploma. Unlike Hispanics and non-Hispanic whites, African American women age 50 to 74 are somewhat more likely to have completed at least four years of college than their male counterparts (17.3 vs. 15.8 percent) (appendix tables 1 and 2).

Figure 1. Educational Attainment of Adults Age 50 to 74, by Race and Hispanic Origin, 2008



Source: Authors' computations from the 2008 American Community Survey (ACS).
 Note: The Hispanic group excludes those who report their race as African American or black. Those with some college did not obtain a Bachelor's degree. Estimates are based on a sample of 77,545 African American adults, 689,060 non-Hispanic white adults, 59,160 Hispanic adults, and 38,888 of another race. An asterisk indicates that estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Although African Americans continue to lag non-Hispanic whites in educational attainment in every age group, the black-white educational gap has narrowed over the past three decades. Educational gains have been especially impressive for African Americans born in the 1930s, 1940s, and early 1950s. Between 1980 and 2008, for example, the share of African Americans age 55 to 61 with at least a Bachelor's degree tripled for both men and women (appendix tables 1 and 2). These gains partly reflect improvements in educational opportunity for African Americans in the wake of the landmark 1954 U.S. Supreme Court decision, *Brown v. Board of Education*, that outlawed segregated schools, as well as later affirmative action efforts by colleges and universities (Garibaldi 1997). Educational attainment also increased for other groups, but somewhat more slowly, at least among men. Over the same period, the share of Hispanic and non-Hispanic white men age 55 to 61 with at least a Bachelor's degree doubled. (Among women age 55 to 61, the share with a Bachelor's degree more than tripled for non-Hispanic whites and nearly tripled for Hispanics.)

Despite these gains, African Americans continue to face significant educational shortfalls. In 2008, African Americans age 25 to 34 were more than twice as likely as their non-Hispanic white counterparts to lack a high school diploma, and only half as likely to have completed four or more years of college. As a result, racial differences in educational attainment at older ages will persist for decades. Limited family incomes and disadvantaged backgrounds appear to explain much of the gap. Many young African American students still attend segregated schools with limited resources as many neighborhoods have remained or become increasingly stratified along racial lines (Orfield et al. 1997). The achievement gap emerges even before school begins, and persists beyond secondary school. African Americans and Hispanics often enter kindergarten with lower cognitive scores than non-Hispanic whites (Lee and Burkham 2002). Interestingly, African Americans do not lag non-Hispanic whites in cognitive skills at nine months of age, but fall significantly behind by age two, partly because African American children are more likely to grow up in single-parent and economically stressed households (Fryer 2010).

Their parents often have little time to read to them or engage in other developmentally enriching activities and generally have less money to spend on educational resources. Youth from poor families are less likely to enroll in college than their more affluent peers, and those who enroll are less likely to complete their degrees (Ellwood and Kane 2005; Haskins 2008; Haskins, Holzer, and Lerman 2009; Kane 1994; Perna 2000). The complexity of student financial aid programs limit their impact on college enrollment among low-income students, and the net cost of attending college continues to increase despite the growth in financial aid (Baum and Ma 2008; Dynarski 2003).

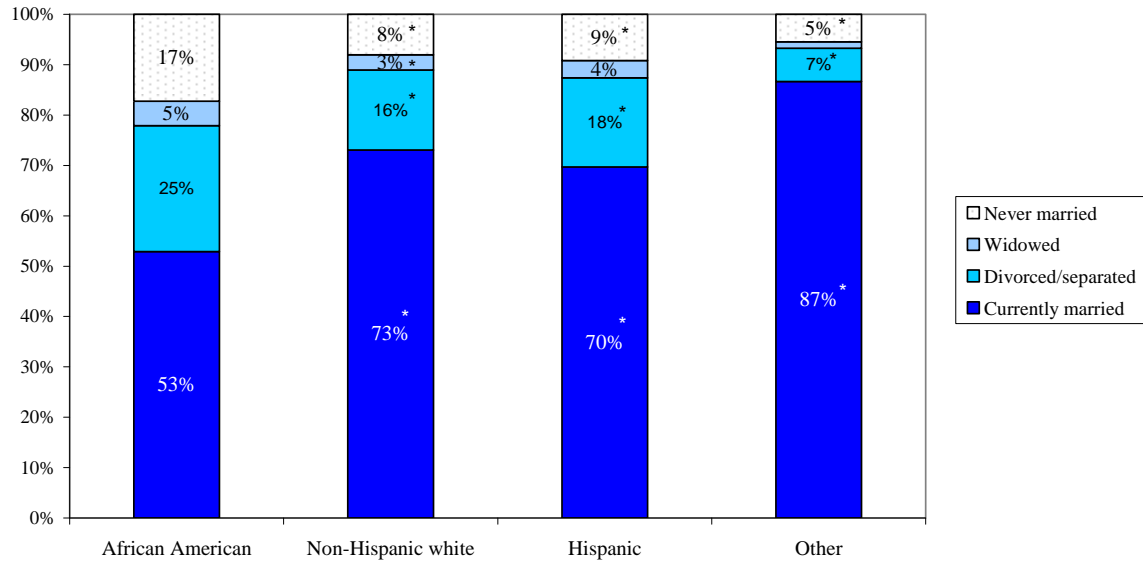
An encouraging sign for workers age 50 and older of all race and ethnic groups is that the educational gap between older and younger workers has disappeared. In 1980, adults in their late twenties were much better educated than those in their fifties. As this well-educated generation aged, adults in their fifties today are just as well educated as those in their late twenties. The growth in educational attainment at younger ages has ceased, however, raising concerns about the quality of the future workforce. For adults age 25 to 29, high school attainment has increased only modestly since 1990, while college attainment has not grown since about 2000 (Crissey 2009). Educational trends are particularly alarming for younger men. In 1980, among African Americans, Hispanics, and non-Hispanic whites age 25 to 49, men were more likely than women to have attended college (appendix tables 1 and 2). By 2008, the pattern had reversed.

Marriage

African Americans are significantly less likely to marry than Hispanics and non-Hispanic whites, and those who do marry are more likely to divorce. In 2008, only 53 percent of African American men age 50 to 74 were currently married, compared with 73 percent of non-Hispanic whites and 70 percent of Hispanics (figure 2). Racial differences are even more dramatic for women at age 50 to 74: only 35 percent of African American women were currently married in 2008, compared with 64 percent of non-Hispanic whites and 54 percent of Hispanics (figure 3). The low share of African American men and women currently married partly reflects their relatively high divorce rates. For example, 30 percent of African American women age 50 to 74 were divorced or separated (and not currently married), compared with 19 percent of non-Hispanic whites and 24 percent of Hispanics. African Americans are also less likely than other groups to ever marry. At age 50 to 74, African American women in 2008 were three times as likely as non-Hispanic white women to have never married, and twice as likely as Hispanic women. African American women are also more likely to be widowed than other groups.

Marriage rates are lower for African Americans than non-Hispanic whites and Hispanics at younger ages as well. At age 25 to 34, white and Hispanic men were about 60 percent more likely to be married in 2008 than African American men, and white and Hispanic women were more than twice as likely to be married as African American women (appendix tables 3 and 4). Nearly two-thirds of African American women age 25 to 34 had never been married in 2008, compared with only about a third of whites and Hispanics.

Figure 2. Marital Status of Men Age 50 to 74, by Race and Hispanic Origin, 2008

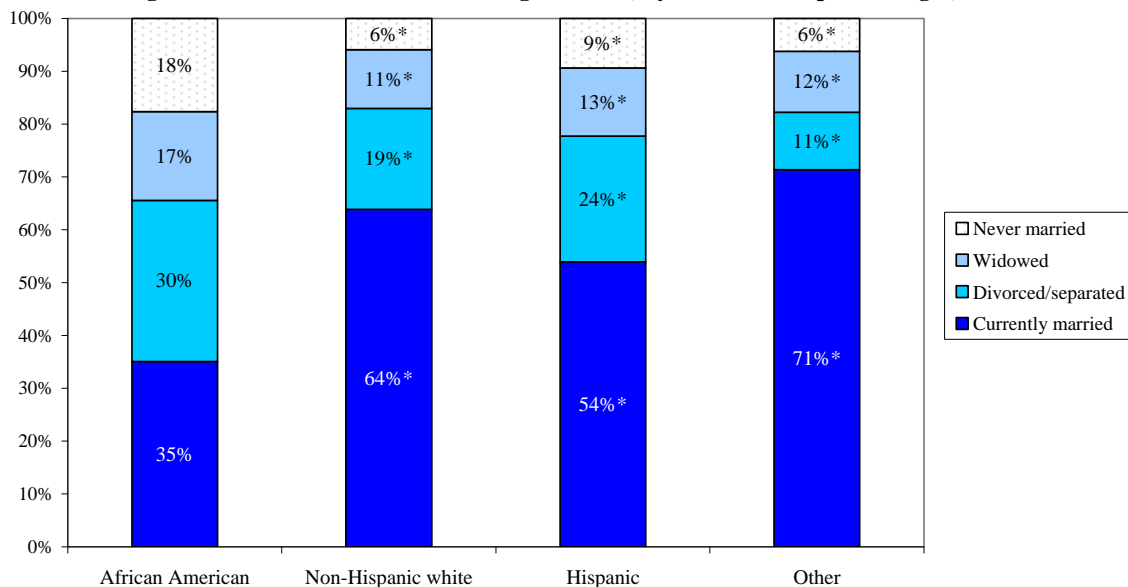


Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: The Hispanic group excludes those who report their race as African American or black. Estimates are based on a sample of 32,959 African American men, 329,057 non-Hispanic white men, 27,700 Hispanic men, and 20,609 men of another race. An asterisk indicates that estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Marriage rates among African Americans have declined sharply over the past three decades. Between 1980 and 2008, the share of African American women currently married fell 44 percent at age 25 to 34 and 19 percent at age 50 to 74. The portion of women age 50 to 74

Figure 3. Marital Status of Women Age 50 to 74, by Race and Hispanic Origin, 2008



Source: Authors' computations from the 2008 American Community Survey (ACS).

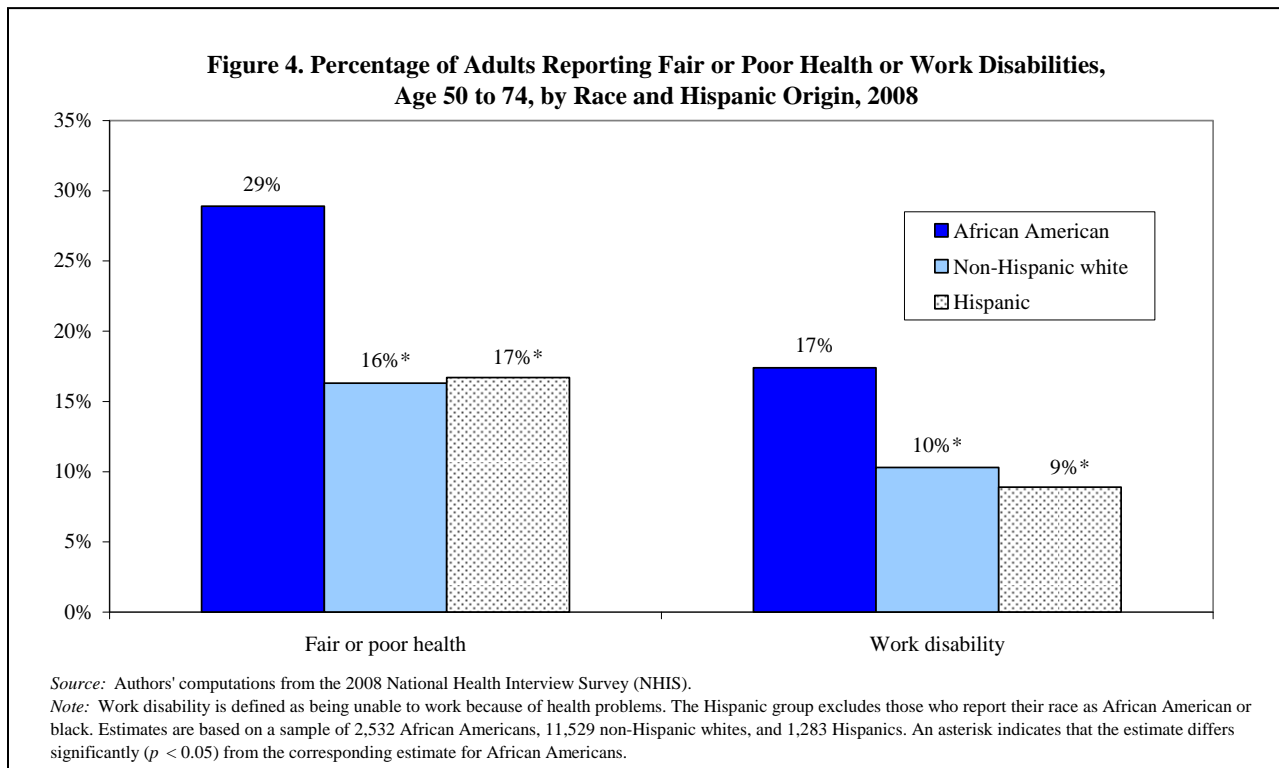
Note: The Hispanic group excludes those who report their race as African American or black. Estimates are based on a sample of 42,982 African American women, 354,822 non-Hispanic white women, 31,708 Hispanic women, and 24,816 women of another race. An asterisk indicates that estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

who had never married nearly tripled over the period. Possible explanations for African Americans' low and falling marriage rates include the declining availability of men with stable employment and the stress that low economic status and racism place on relationships (Dixon 2009; Fosset and Kiecolt 1993; Pinderhughes 2004; Stevenson and Wolfers 2007; Tucker and Mitchell-Kernan 1995; Wilson 1987). Because research shows that marriage promotes physical health, emotional well-being, and financial security (Waite and Gallagher 2001), concern is growing about how the decline in marriage will affect children and families (Haskins, McLanahan, and Donahue 2005; Sears 2007). It also creates economic challenges at older ages. However, marriage tends to reduce employment for women, so the decline in marriage may boost African American women's employment rates (although employment differences between married and unmarried women have narrowed sharply over the past 30 years across all educational groups).

Health Status

Health deficits create additional challenges for African Americans age 50 and older, particularly with regard to employment. Good health is one of the strongest predictors of work at older ages, and health problems often lead to early retirements.

African Americans are much more likely than Hispanics and whites to report poor health and work disabilities. In 2008, 29 percent of African Americans age 50 to 74 described their health as fair or poor (instead of excellent, very good, or good), compared with only 16 percent of non-Hispanic whites and 17 percent of Hispanics (figure 4). African Americans age 50 to 74 were also about three-quarters more likely than others to report being unable to work (17 percent, compared with 10 percent for non-Hispanic whites and 9 percent for Hispanics).



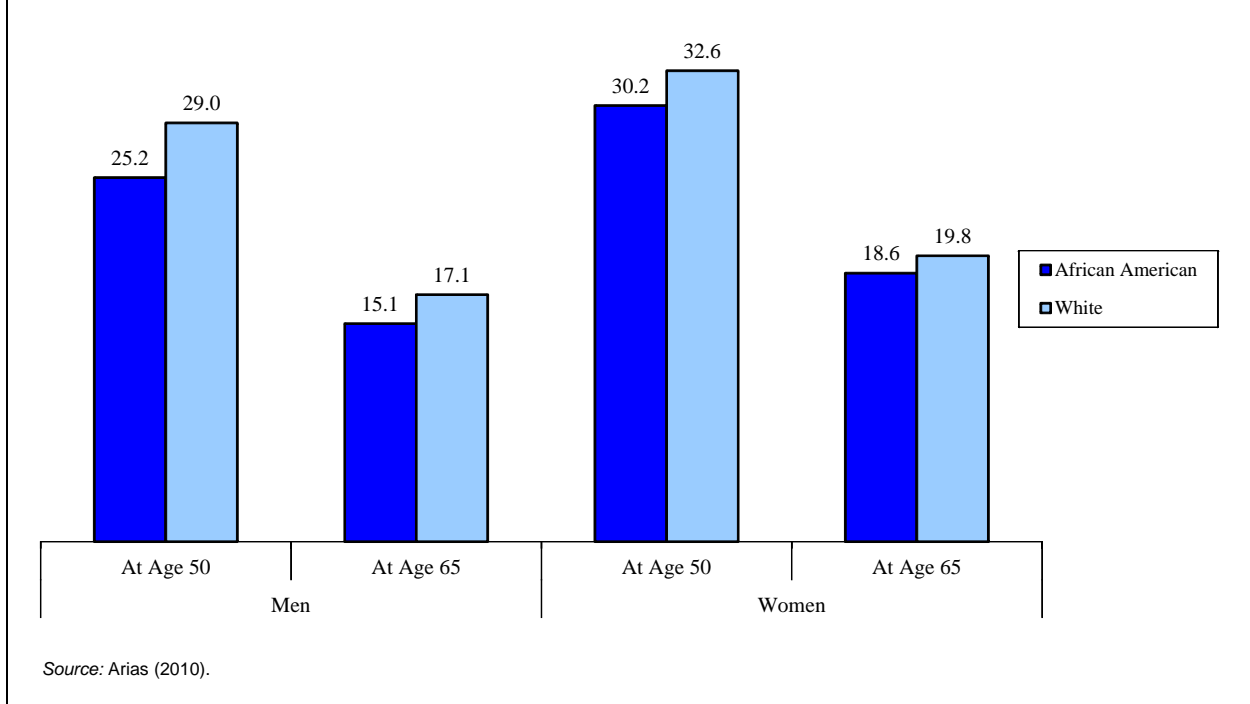
How reliable is self-reported health status? What one person considers a significant health problem may be viewed as a mere inconvenience by others, and these perspectives may vary systematically by race. Also, nonworking adults may overstate their health problems to interviewers so as to provide a socially acceptable justification for their decision not to work. Nonetheless, self-reports of fair or poor health are strong predictors of future mortality (Benyamini and Idler 1999), suggesting that these reports contain real health information and are useful indicators of work ability.

The presence of chronic medical conditions provides another indicator of health problems that sometimes interfere with employment, although many people with medical problems are able to remain employed with proper medication and other treatments. Among adults age 50 to 74, African Americans were significantly more likely than non-Hispanic whites to have been diagnosed with certain medical conditions in 2008, such as diabetes, stroke, asthma, and hypertension (appendix table 5). However, they were less likely than non-Hispanic whites to have been diagnosed with other conditions, such as cancer and high cholesterol, or to have experienced lower back pain during the previous three months. About four in five African Americans age 50 to 74 reported at least one of ten conditions (heart problems, stroke, cancer, diabetes, hypertension, high cholesterol, asthma, chronic bronchitis, arthritis, lower back pain) in 2008. Non-Hispanic whites were just as likely to have one of these ten conditions, but Hispanics were significantly less likely to report any of these conditions. Of course, differences across groups in reported chronic conditions may reflect differences in access to health care. Undiagnosed health problems may be more prevalent among African Americans (and Hispanics) than non-Hispanic whites because they are more likely to be uninsured and thus less likely to receive medical care (Brown et al. 2000).

Being overweight increases the risk for chronic disease, including type-2 diabetes, cardiovascular disease, hypertension and stroke, and certain forms of cancer (World Health Organization 2010). Federal guidelines for healthy weight are based on body mass index (BMI), defined as the ratio of one's weight in kilograms to the square of one's height in meters.³ Adults are considered overweight if their BMI equals or exceeds 25, and obese if their BMI equals or exceeds 30. In 2008, 70.1 percent of Americans age 50 to 74 were overweight, and 35.5 percent were obese. Weight problems are even more prevalent among African Americans age 50 to 74, with 77.0 percent overweight and 43.6 percent obese.

Perhaps the most reliable indicator of African Americans' health deficits is their relatively high mortality rates, based on death records that are not subject to respondent bias. Although death sometimes arrives suddenly and unexpectedly, it is usually preceded by a period of poor health that makes work difficult or impossible. African Americans have substantially lower life expectancy at age 50 and age 65 than whites (figure 5). White men can expect to live about four years longer than African Americans at age 50 (29.0 years versus 25.2 years) and two years longer at age 65 (17.1 years versus 15.1 years). The racial gap in longevity is smaller for women. White women can expect to live for about two years longer than African American women at age 50, and about one year longer at age 65.

Figure 5. Expected Remaining Years of Life at Age 50 and 65, by Race and Sex, 2006



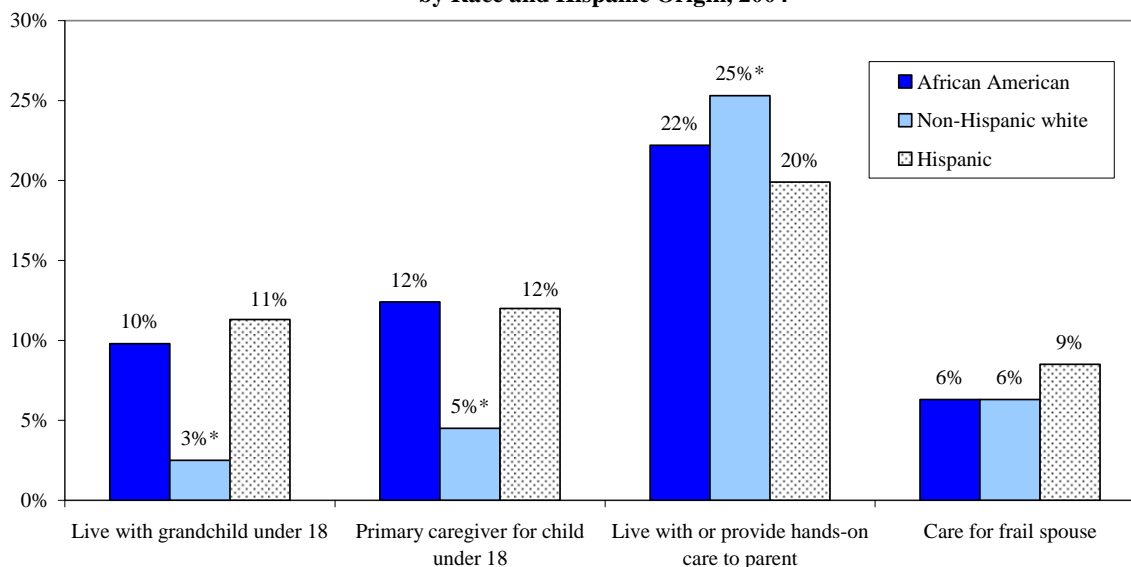
There is a long literature examining racial disparities in health status, which have persisted for decades (Williams 1999). Research shows that multiple factors contribute to African Americans' health deficits, including socioeconomic factors (such as education, employment, and income), social environments, lifestyle behaviors (such as physical activity, diet, and alcohol intake), and access to preventive health care services (Fuller-Thomson et al. 2009; Williams and Jackson 2005; Williams et al. 2010). Racism and discrimination and the stress they cause may also play a role (Williams et al. 1997).

Caregiving Responsibilities

The need to provide care to family members is often a substantial barrier to employment. African American adults age 50 to 74 were more than three times as likely as non-Hispanic whites to live with a grandchild younger than 18 (10 percent vs. 3 percent) in 2004 (figure 6). As a result, they were also much more likely to be the primary caregiver for a child younger than 18, regardless of their relationship to that child. The chances of 50+ African Americans providing primary care to their grandchildren have surged over the past three decades, as the number of young African American adults unable to care for their own children because of unemployment, incarceration, substance abuse, and other problems has increased (Burnette 1997; Minkler 1999).

Older African Americans are not significantly more likely than their Hispanic or non-Hispanic white counterparts to provide care to frail parents or disabled spouses. For example, 22 percent of African Americans age 50 to 74 lived with their parents or provided hands-on care to them in 2004, compared with 25 percent of non-Hispanic whites and 20 percent of Hispanics.

Figure 6. Caregiving Responsibilities for Adults Age 50 to 74, by Race and Hispanic Origin, 2004



Source: Authors' computations from the 2004 Health and Retirement Study (HRS).

Note: The Hispanic group excludes those who report their race as African American or black. Estimates are based on a sample of 2,204 African American adults, 10,086 non-Hispanic white adults, and 1,418 Hispanic adults. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

African Americans are less likely than non-Hispanic whites to provide care to parents because they are less likely to have a surviving parent, and they are no more likely to care for spouses because they are less likely to be married.

Summary

The demographic characteristics and health status of African Americans age 50 to 74 create some employment challenges and threaten economic security at older ages. Education generally raises employment prospects and earnings, but African Americans tend to have less education than non-Hispanic whites. African Americans age 50 to 74 are more likely to have work disabilities than their non-Hispanic white counterparts and serve as the primary caregiver for young children (especially their own grandchildren), both of which often make paid employment difficult. African American women are less likely to be married than Hispanics and whites, which tends to boost labor force participation rates but often increases the risk of falling into poverty at older ages. An encouraging development, however, is that the current generation of 50+ African Americans is better educated than earlier generations and that the educational gap between younger and older adults has disappeared, boosting employment prospects for older workers.

Labor Force Experiences of 50+ African Americans

In 2008, 4.4 million African Americans age 50 and older belonged to the labor force, including 2.0 million men and 2.4 million women.⁴ The vast majority—4.1 million—were employed. Economists typically use workers' earnings to approximate the value of their output, because the two measures should be roughly equal when labor markets are competitive. Under this assumption, 50+ African American workers contributed \$160 billion to the economy in 2008.

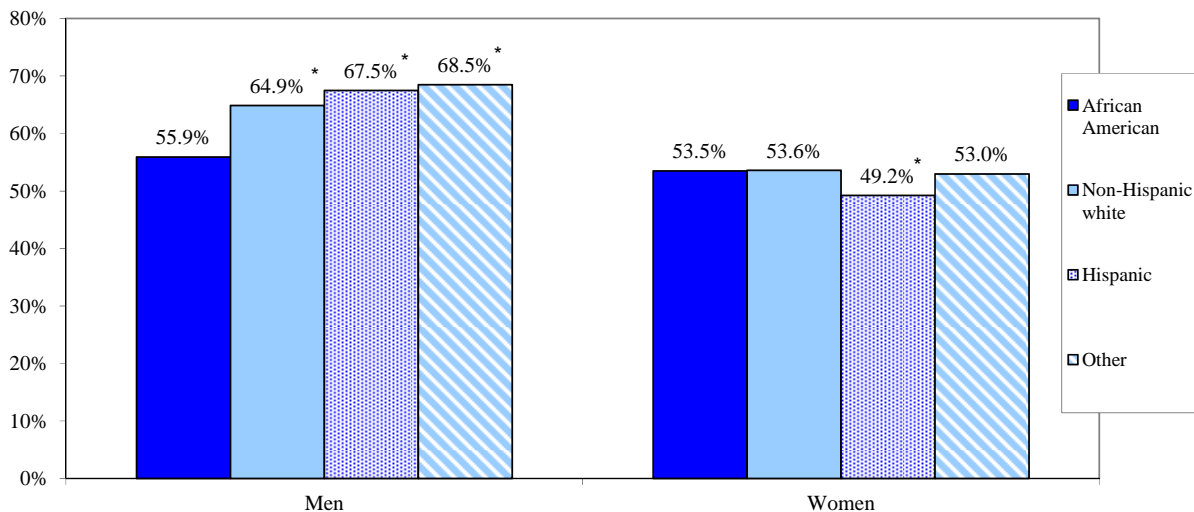
This section describes how African Americans age 50 and older fare in the labor force. We show the share who work, how much they earn, and how employment and earnings have changed over time. We also compare other job characteristics for 50+ African Americans, non-Hispanic whites, and Hispanics, including benefits, hours of work, industry and occupation of employment, and self-employment. Additionally, we show how the reasons job separators age 50 and older give for leaving their employer vary by race and Hispanic origin. Most of our data are for 2008, and African Americans' employment experiences differed in 2010, in the wake of the 2007-09 recession. The section concludes by describing how the Great Recession has affected African American employment.

Current Labor Force Participation

Older African American men are significantly less likely to participate in the labor force (defined as working or looking for work) than older Hispanic men or older non-Hispanic white men. In 2008, 55.9 percent of African American men age 50 to 74 participated in the labor force, compared with 64.9 percent of non-Hispanic white men and 67.5 percent of Hispanic men (figure 7). However, older African American women are as likely to participate in the labor force as older non-Hispanic white women, and more likely to participate than older Hispanic women. Female participation rates at age 50 to 74 were 53.5 percent for African Americans in 2008, about the same as non-Hispanic whites and about 4 percentage points higher than Hispanics. For all groups except African Americans, older men are much more likely to be in the labor force than older women.

African American men lag substantially behind Hispanics and non-Hispanic whites in labor force participation throughout the lifecycle, except after age 75 when participation rates for all groups are quite low (figure 8). Compared with non-Hispanic whites, they are 14 percent less likely to participate in the labor force at age 25 to 34, 16 percent less likely at age 50 to 54, and 19 percent less likely at age 65 to 69. Because education and good health strongly promote labor force participation, African American men's lower levels of education and worse health account for much of the shortfall in participation, but not all of it (Murphy, Johnson, and Mermin 2007). At nearly every age group we examined except for those age 75 or older, non-Hispanic white men were more likely to participate in the labor force in 2008 than African American men with the same level of education (appendix table 6).⁵ The black-white gap in participation rates is generally smaller at high levels of education, nearly disappearing among college graduates. This same pattern of lower participation for African American men within education and age groups also holds for Hispanics and other non-Hispanics, with only a few exceptions.

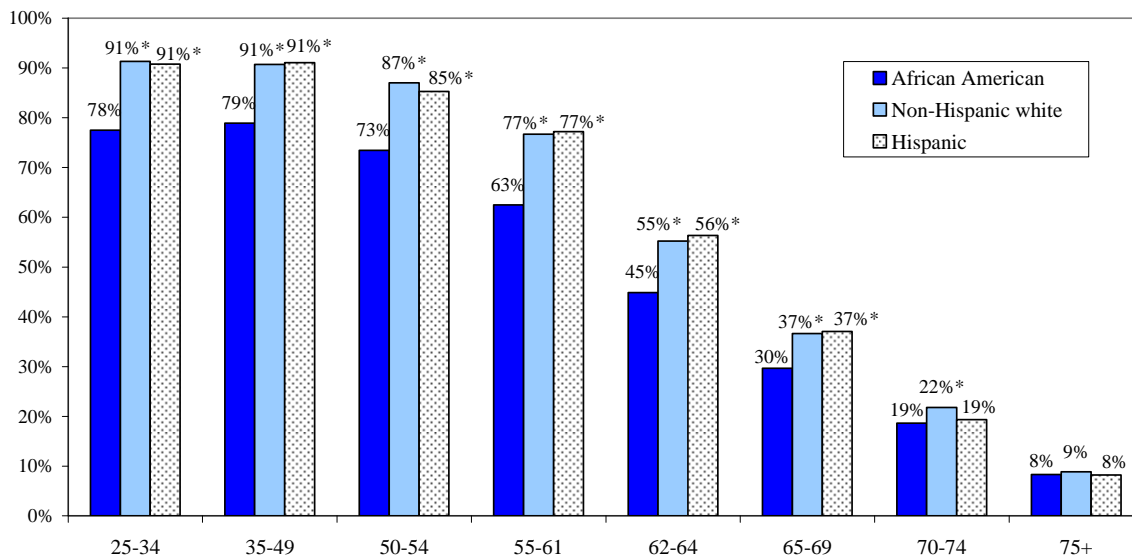
Figure 7. Labor Force Participation Rates for Men and Women Age 50 to 74, by Race and Hispanic Origin, 2008



Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: The labor force participation rate is the percentage of the population working or looking for work. The Hispanic group excludes those who report their race as African American or black. Estimates are based on a sample of 75,967 African American adults, 673,066 non-Hispanic white adults, 57,995 Hispanic adults, and 38,200 of another race. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

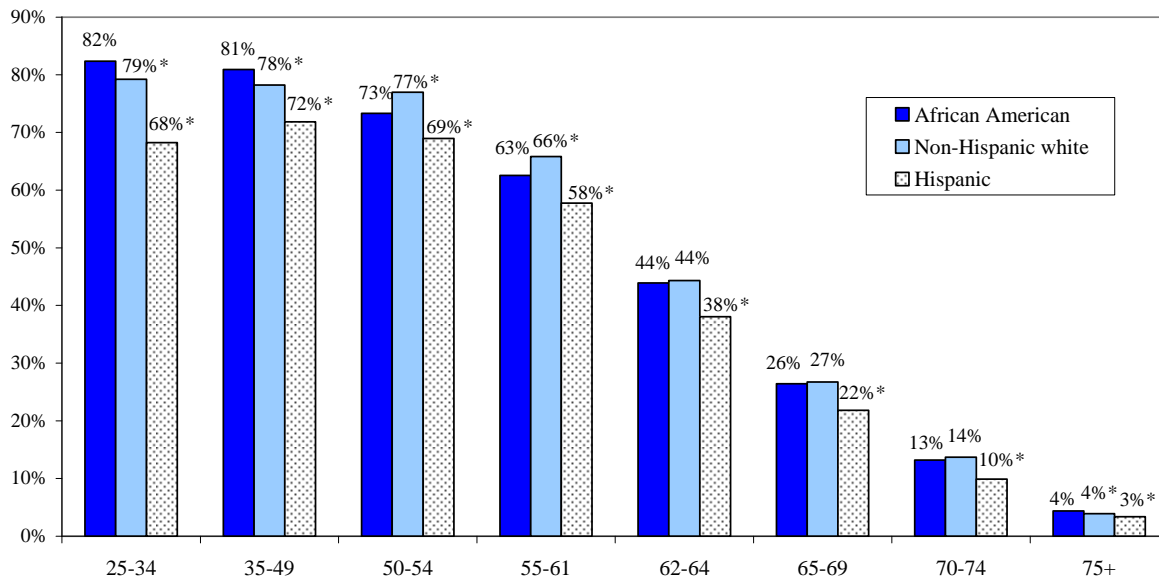
Figure 8. Labor Force Participation Rates for Men Age 25 and Older, by Age, Race, and Hispanic Origin, 2008



Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: The labor force participation rate is the percentage of the population working or looking for work. The Hispanic group excludes those who report their race as African American or black. Estimates are based on a sample of 87,523 African American men, 735,875 non-Hispanic white men, and 99,827 Hispanic men. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Figure 9. Labor Force Participation Rates for Women Age 25 and Older, by Age, Race, and Hispanic Origin, 2008



Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: The labor force participation rate is the percentage of the population working or looking for work. Estimates are based on a sample of 109,592 African American women, 810,560 non-Hispanic white women, and 104,950 Hispanic women. The Hispanic group excludes those who report their race as African American or black. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from that corresponding estimate for African Americans.

Labor force participation patterns are more complicated for African American women. Before age 50, they were more likely to participate in the labor force in 2008 than non-Hispanic whites and especially Hispanics (figure 9). At age 50 to 61, African American women were less likely to belong to the labor force than their non-Hispanic white counterparts, with Hispanics lagging behind both groups. At age 62 and beyond, when Social Security retirement benefits are available, African American and non-Hispanic white women were about equally likely to participate, with Hispanics again exhibiting lower participation rates.

African American women's relatively high labor force participation rates are particularly striking because they tend to have less education than non-Hispanic white women and participation rates increase with education. Within every age group we examined, participation rates among women with at least a Bachelor's degree and among women who did not complete high school were higher in 2008 for African Americans than non-Hispanic whites (appendix table 7). Participation rates among high school graduates were also generally higher for African Americans than non-Hispanic whites, except at age 50 to 61. Although African American women are less likely than others to be married and married women are generally less likely to work for pay than unmarried women, marital status does not explain African Americans' high participation rates. Among married women, African Americans are more likely to participate in the labor force than non-Hispanic whites, across all education groups and at both younger and older ages (appendix table 8). Black-white differences in participation rates are much smaller among unmarried women. Interestingly, married African American women are *more* likely to participate in the labor force than their unmarried counterparts, the opposite of the pattern observed among Hispanic and white women.

Financial need appears to be an important driver in African Americans' decisions to work at older ages. In a 2007 survey of workers age 45 to 74, 72 percent of African Americans agreed that the *only* reason they continued to work was because they “need the money,” including 59 percent who strongly agreed (AARP 2008). By comparison, 72 percent of Hispanics agreed (including 55 percent who strongly agreed) that they worked only because of financial concerns, as did only 57 percent of non-Hispanic whites (including 37 percent who strongly agreed). The second most common “major factor” in African Americans' decision to work was “need to maintain health insurance coverage”, which was selected by 73 percent of African Americans, 77 percent of Hispanics, and 60 percent of non-Hispanic whites. These responses likely reflect the importance of financial concerns for older workers, rather than a commitment to stop working if they had all the money they needed. For example, in response to another question on the same survey, 71 percent of African Americans age 45 to 75 (plus 85 percent of Hispanics and 69 percent of non-Hispanic whites) said that their enjoyment of the job was a “major factor” in their decision to work. “It makes me feel useful” was also cited as a major reason for working by 64 percent of African Americans, 68 percent of Hispanics, and 50 percent of non-Hispanic whites. Additionally, 54 percent of African Americans, 65 percent of Hispanics, and 45 percent of non-Hispanic whites cited the ability to interact with others as an major factor in the work decision.

Trends in Labor Force Participation

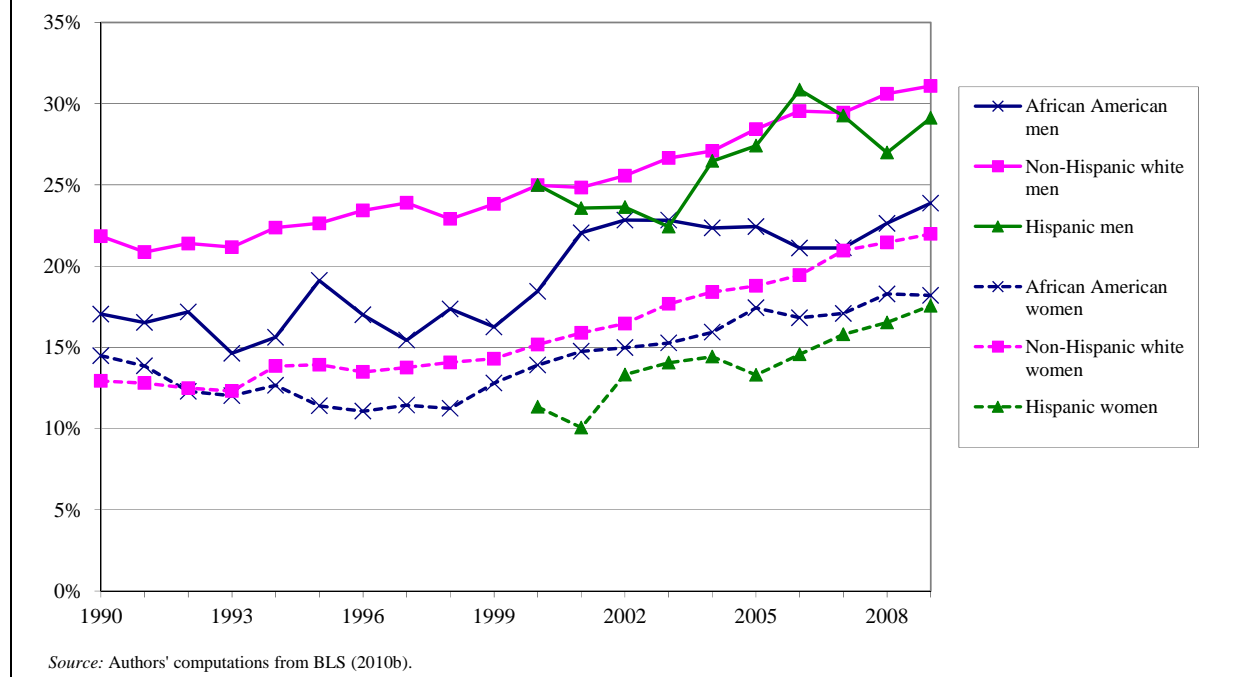
Labor force participation rates have increased since 1990 for men and women age 50 to 74 among African Americans, whites, and Hispanics, but they grew more slowly for African Americans than for others. Between 1990 and 2009, participation rates increased 9 percent for African American men age 50 to 74, compared with 14 percent for non-Hispanic white men.⁶ Over the same period, female participation rates at age 50 to 74 increased 27 percent for African Americans and 43 percent for non-Hispanic whites.⁷ Many women entering their sixties today had spent much of their lives in the workforce, unlike previous generations of older women. This generational change contributed to the especially large growth in older women's labor force participation observed over the past two decades.

The share of men and women working at age 65 and older has been increasing especially rapidly. Male labor force participation rates at age 65 to 74 increased 40 percent for African Americans and 42 percent for non-Hispanic whites between 1990 and 2009 (figure 10). Among women age 65 to 74, participation rates increased 26 percent for African Americans and 70 percent for non-Hispanic whites over the same period.

Factors driving the increase in labor force participation at older ages

The recent increase in labor force participation among adults eligible for Social Security retirement benefits appears to reflect changes in public policy and employer practices that have boosted work incentives, improved employment prospects for older workers, and increased concerns among workers about retirement income security (Johnson, Butrica, and Mommaerts 2010; Mermin, Johnson, and Murphy 2007). The most dramatic change in the retirement environment over the past few decades has probably been the erosion of employer-sponsored defined benefit pension plan coverage, the traditional retirement plans that typically pay retirees benefits based on earnings and years of service that last until they die. Between 1980 and 2009,

Figure 10. Labor Force Participation Rates for Men and Women Age 65 to 74, By Race and Hispanic Origin, 1990-2009



the share of private-sector workers participating in defined benefit plans fell from 39 to 20 percent, while the share participating only in 401(k)-type defined contribution retirement plans increased from 8 to 31 percent (BLS 2009; Pension and Welfare Benefits Administration 2001–2002).

This shift significantly encouraged workers to delay retirement, because defined benefit pension plans—unlike 401(k) plans—generally penalize work at older ages. Participants in defined benefit plans forego a year of benefits for each year that they work past the age at which they can first draw a pension. Additional work usually raises the annual benefit that retirees eventually receive (by increasing years of service, for example), but not generally by enough to offset the benefits they forfeit by remaining at work. These pension losses are especially severe in plans that cap the number of service years that enter the benefit formula or the share of pre-retirement earnings that the plan replaces in retirement. Many studies have found that workers respond to the incentives embedded in defined benefit pension plans by retiring at relatively young ages (e.g., Friedberg and Webb 2005; Lumsdaine, Stock, and Wise 1996; Samwick 1998; Stock and Wise 1990).

Another important change is the declining share of employers offering retiree health benefits to their employees (Kaiser Family Foundation and Health Research and Educational Trust 2009), which has led many 50+ workers who might otherwise have retired to stay on the job. Retiree health benefits allow workers to continue their employer health insurance coverage after they retire until they qualify for Medicare at age 65, and sometimes supplement Medicare benefits after age 65. These plans substantially reduce the cost to workers of retiring because they provide a much cheaper alternative to the expensive nongroup health insurance market, and induce many workers to leave the labor force early (Blau and Gilleskie 2001; Johnson, Davidoff,

and Perese 2003; Rogowski and Karoly 2000). The erosion of these plans has increased labor force participation rates among adults in their early sixties.

Social Security reforms implemented over the past 30 years, especially the past 10 years, have further boosted work incentives at older ages. Beginning with those who turned 62 in 2000, the full retirement age—the age at which individuals may begin collecting their full retirement benefits—has been gradually increasing. It is 66 for those age 62 in 2010, and it will increase to 67 for those who turn 62 in 2022 and beyond. Retirees may still claim Social Security at age 62, the early entitlement age, but those who face a higher full retirement age are penalized more. When the retirement age is 66, for example, those who begin collecting retirement benefits at age 62 receive only 75 percent of their full benefits, whereas those facing a retirement age of 65 receive 80 percent of their full benefits when they begin collecting at 62.

Social Security rewards those who retire later, and these benefit bonuses have increased sharply in recent years. In 1972, Social Security increased monthly benefits by 1 percent for each year that the beneficiary waited beyond the full retirement age to begin collecting. After several rounds of increases, the system now raises monthly benefits for those who turned 62 in 2005 and beyond by 8 percent for every year they delay collecting benefits (but only up to age 70).

Another important Social Security reform was the Senior Citizens' Freedom to Work Act of 2000, which eliminated the retirement earnings test above the full retirement age. Before 2000, the retirement earnings test reduced Social Security benefits by \$1 for every \$3 of earnings above a certain threshold, discouraging work at older ages. The elimination of the retirement earnings test above the full retirement age has encouraged many older adults in their mid to late sixties to remain at work (Friedberg 2000; Haider and Loughran 2008; Song 2004; Tran 2004).

While changes in employer pensions, health benefits, and Social Security policy have boosted work incentives, they also appear to have contributed to concerns about retirement security. As defined benefit pension plan coverage has declined in the private sector, fewer retirees will receive guaranteed retirement benefits to supplement Social Security in the future. Reductions in retiree health plans and expected growth in health care costs will raise retirees' out-of-pocket medical spending (Johnson and Mommaerts 2010b), and the increase in Social Security's full retirement age will reduce monthly Social Security benefits for future retirees unless they work longer. Growing concerns about the future solvency of Social Security, the collapse in the housing and stock markets that began in 2007, and the rapid increase in unemployment rates in 2009 intensified many workers' unease about their future retirement incomes. These concerns have likely prompted many workers to delay retirement.

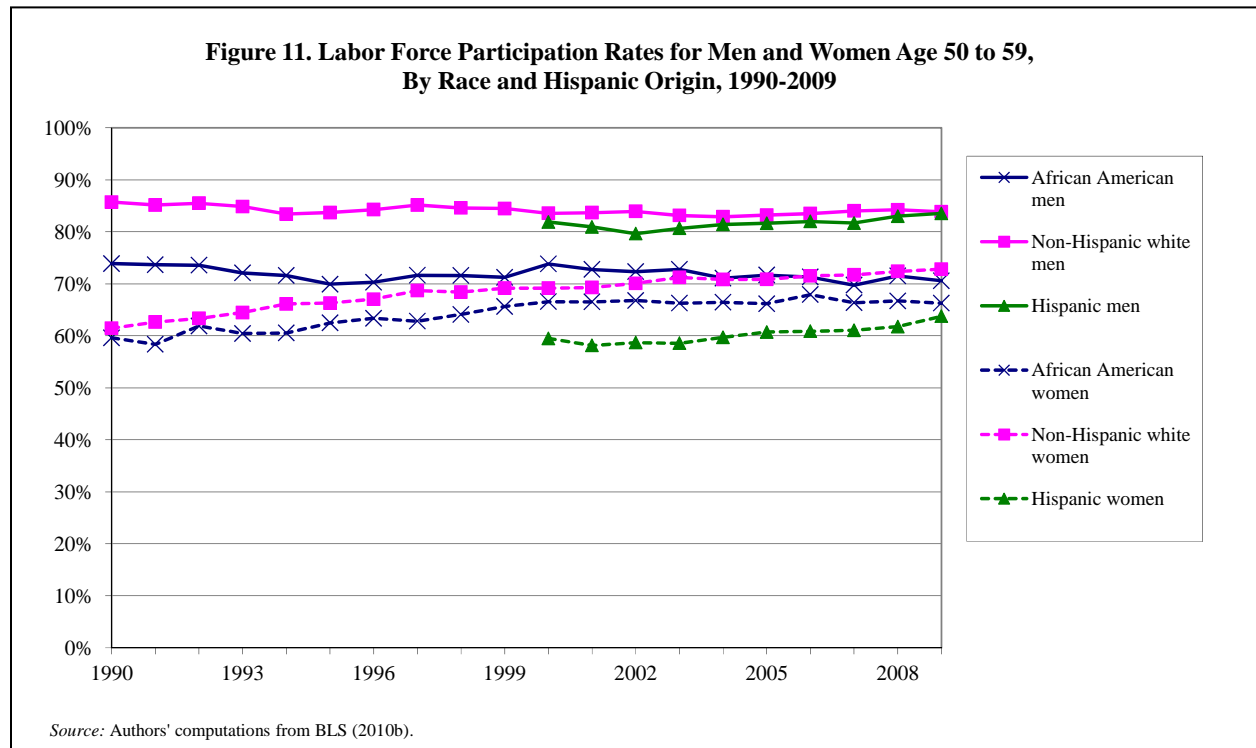
Finally, more older adults are physically able to work today than in the past because fewer jobs involve strenuous physical labor. Between 1971 and 2006 the share of workers in blue-collar occupations fell from 36 to 24 percent, while the share of workers in management, the professions, and services increased from 38 to 51 percent (Johnson, Mermin, and Resseger 2007). As the economy moved away from manufacturing to service and technology-based jobs, fewer Americans engaged in physically demanding work. The share of jobs involving high physical demands (such as strength, bending, or quick reaction time) declined from 8.8 to 7.3 percent between 1971 and 2006, while the share involving moderate or high physical demands (such as standing, walking, or repetitive motion) declined from 56.5 to 46.0 percent (Johnson,

Mermin, and Resseger 2007). Between 1992 and 2002, the share of workers age 55 to 60 in jobs that never or almost never involved much physical effort increased by nearly one fifth (Johnson 2004). The decline in physically demanding jobs, combined with improvements in health status and educational gains, have increased the share of older adults able to work. Nonetheless, about two in five workers age 50 and older continue to face physical demands in the workplace (Johnson, Mermin, and Resseger 2007), and as we show below, African American workers are more likely to hold physically demanding jobs than non-Hispanic whites.

Labor Force Participation Trends for Adults in their Fifties

Although labor force participation rates have increased over the past two decades for adults age 62 and older, they have declined for men in their fifties. Between 1990 and 2009, the share of men age 50 to 59 working or looking for work fell 4 percent for African Americans and 2 percent for non-Hispanic whites (figure 11). Participation rates have increased among women age 50 to 59, however, as young women with higher employment rates than earlier generations grew older.

Male employment declines were concentrated among men with limited education (Johnson and Kaminski 2010) and those with health problems (Burkhauser et al. 2002). Some of the drop appears related to the growth in Social Security disability benefits after 1985, following Congressional reforms that made it easier for people suffering from severe pain or depression to obtain benefits (Autor and Duggan 2003; Bound and Waidmann 2002). As disability benefits became more readily available, some low-skilled workers with health problems may have chosen to drop out of the labor force instead of remaining in low-paying jobs. However, many adults age 50 and older with disabilities are still unable to get benefits (Johnson, Favreault, and Mommaerts 2009), and few disability insurance beneficiaries are able to work much (Bound 1989; Chen and

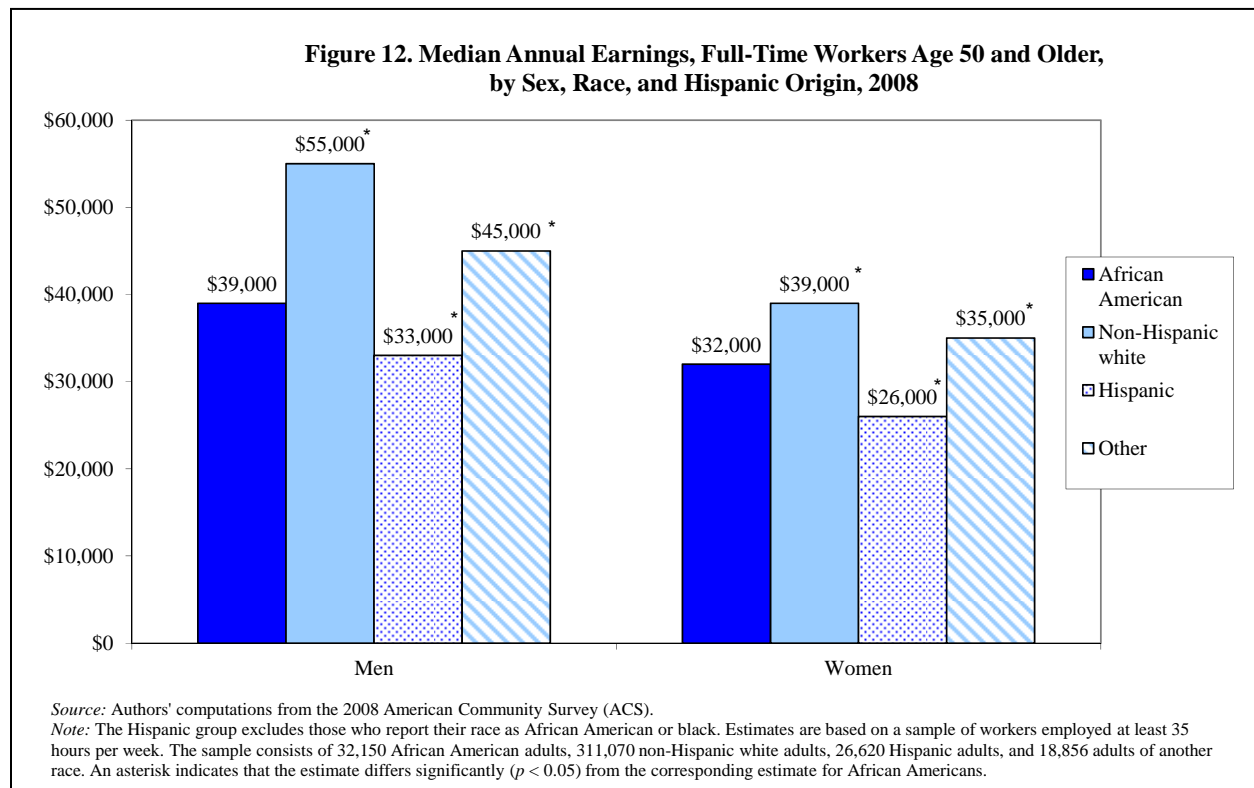


van der Klaauw 2008), so it seems unlikely that disability benefit growth played the leading role in reducing employment rates among men in their fifties. Instead, these declines appear to be driven more by falling demand for low-skilled workers. Technological change and the growing capacity to outsource production to other countries have made employers increasingly reluctant to employ workers with limited education (Bound, Lindner, and Waidmann 2010; Johnson 1997).

Compensation

African American workers age 50 and older earn substantially less than non-Hispanic workers, but more than Hispanics. Figure 12 shows median annual earnings for 50+ men and women employed full-time (at least 35 hours per week) in 2008. African American men earned 29 percent less than non-Hispanic white men (\$39,000 vs. \$55,000). However, African American men earned 18 percent more than Hispanic men (\$39,000 vs. \$33,000). Women age 50 and older working full-time earned substantially less than their male counterparts, but the racial patterns were similar for men and women. African American women earned 18 percent less than non-Hispanic white women (\$32,000 vs. \$39,000), but 23 percent more than Hispanic women (whose median earnings were \$26,000).

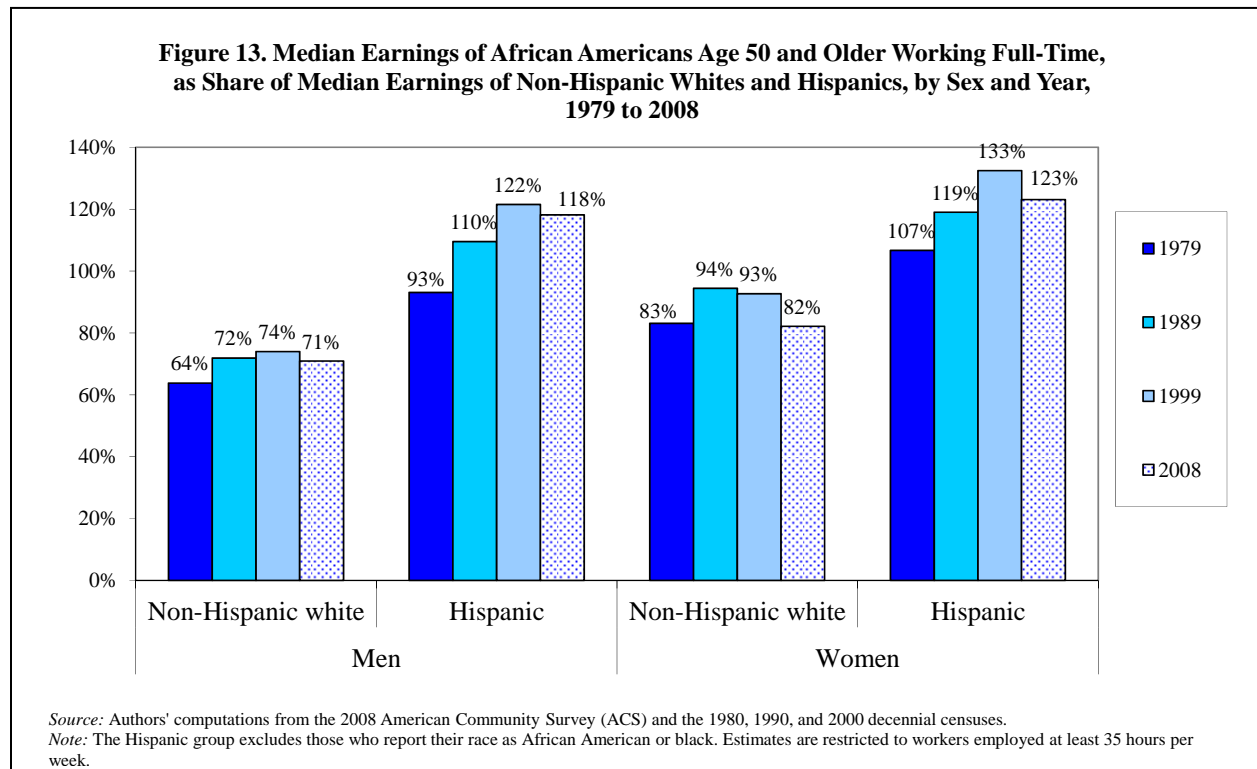
Earnings increase with education, but the black-white earnings gap cannot be explained by African Americans' more limited education. For both men and women age 50 and older working full-time, college graduates earned nearly twice as much as high school graduates in 2008, and more than two-and-a-half times as much as those who did not complete high school (appendix tables 9 and 10). Yet, African American men working full-time earned less in 2008 than their non-Hispanic white counterparts at nearly every age and education group we



examined. The only exception was among workers age 70 and older. (Among men, African Americans age 70 to 74 with some college education but less than four years of college earned more than their non-Hispanic white counterparts, but every other group earned less.) When we compare full-time earnings at age 50 and older holding education constant, the black-white gap shrinks (but does not disappear) for women, but it does not change much for men. The gap at age 50+ is somewhat larger for college graduates than those with less education, especially for men.

When we compare full-time earnings for African Americans and Hispanics within educational groups, African Americans' advantage shrinks substantially. Median full-time earnings are generally higher for African Americans than Hispanics among those who did not complete high school, but the gap disappears among college-educated men age 50 and older, and nearly disappears among college-educated women.

The black-white earnings gap among 50+ full-time workers narrowed between 1979 and 1999, but widened again in more recent years. Figure 13 shows the 1979 to 2008 trend in median earnings for African American men and women age 50 and older employed full-time as a share of median earnings for full-time non-Hispanic whites and Hispanics. Median earnings for African American men age 50 and older increased from 64 percent of median earnings for non-Hispanic white men in 1979 to 74 percent in 1999, but then fell to 71 percent in 2008. For women age 50 and older, median earnings for African Americans relative to median earnings for non-Hispanic whites increased from 83 to 93 percent between 1979 and 1999, before declining to 82 percent in 2008. Median earnings for African Americans age 50 and older employed full-time also increased relative to their Hispanic counterparts between 1979 and 1999, but fell somewhat between 1999 and 2008.



The narrowing in the black-white earnings gap between 1979 and 1999 for workers age 50 and older likely reflects African Americans' educational gains, particularly in the quality of the schooling they received, between the 1920s and 1960s (O'Neill 1990; Smith 1984). School resources provided to African American children in the South increased dramatically between 1920 and 1953, which appears to have significantly increased earnings for African American men (Card and Krueger 1992).

Discrimination has also become less widespread than in the middle of the 20th century, partly because of civil rights legislation passed since 1964, further reducing the black-white earnings gap (Fryer 2010; O'Neill 1990). Nonetheless, studies suggest that discrimination remains a potent force that continues to depress African American wages (Darity and Mason 1998). In a 2007 nationwide survey 3 in 10 African American workers reported they have experienced discrimination or unfair treatment in the workplace, and about one in four reported that it happens every week (CareerBuilder.com and Kelly Services 2007).

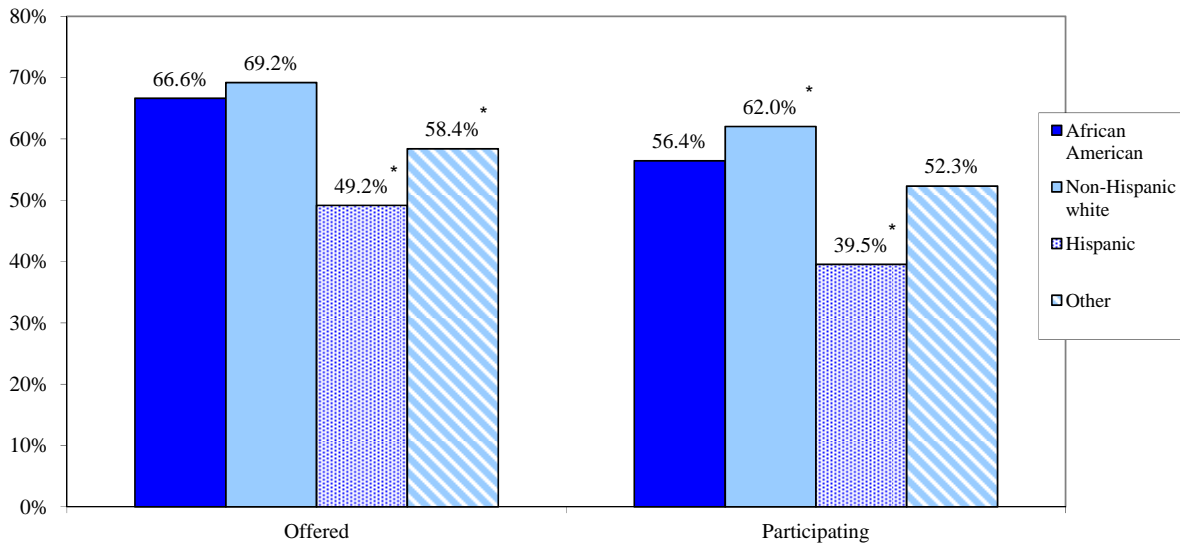
Employer-Sponsored Retirement Plans

Benefits, especially retirement plans and health insurance, are an important component of compensation. Most 50+ workers receive retirement and health benefits from their employers, but African Americans are less likely to receive benefits than non-Hispanic whites, and Hispanics are even less likely than African Americans.

About two-thirds of African Americans age 50 and older employed full-time were offered either a defined benefit pension plan or defined contribution retirement plan by their employer in 2009 (figure 14). Non-Hispanic white workers were a bit more likely than African Americans to be offered some type of retirement plan. However, fewer than half of full-time Hispanic workers age 50 and older were offered a plan by their employer.

Disparities are more pronounced when we examine participation rates in employer-provided pension and retirement plans. Some workers whose employers offer plans do not participate because they are not eligible (perhaps because they have not been with the employer long enough to qualify for the plan), they choose not to make the required contributions to the plan, or they have not enrolled in the plan for some other reason (such as failure to complete the necessary paperwork). Although few private-sector employees are required to contribute to defined benefit pension plans, employee contributions are often required to participate in defined contribution plans. About 90 percent of non-Hispanic white workers offered some type of retirement plan by their employers chose to participate in 2009, compared with 85 percent of African Americans and 80 percent of Hispanics. As a result, only 56.4 percent of all full-time African American workers and 39.5 percent of all full-time Hispanic workers participated in some type of work-based retirement plan, compared with 62 percent of their non-Hispanic white counterparts.

Figure 14. Percentage of Full-Time Workers Age 50 and Older Offered Retirement Plans by Their Employers and the Percentage Participating, by Race and Hispanic Origin, 2009



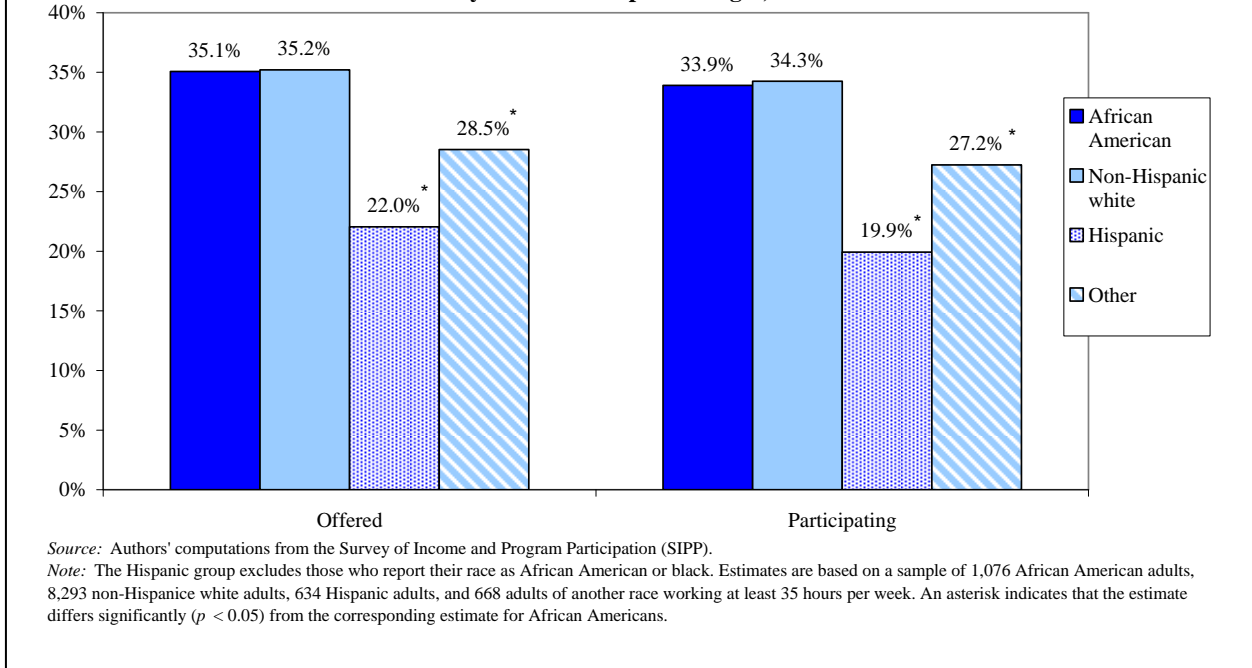
Source: Authors' computations from the Survey of Income and Program Participation (SIPP).

Note: The Hispanic group excludes those who report their race as African American or black. Estimates include both defined benefit pension plans and defined contribution retirement plans. Estimates are based on a sample of 1,076 African American adults, 8,293 non-Hispanic white adults, 634 Hispanic adults, and 668 adults of another race working at least 35 hours per week. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Although full-time 50+ African American workers are somewhat less likely than their non-Hispanic white counterparts to participate in any type of employer-provided retirement plan, they are just as likely as non-Hispanic whites to participate in a defined benefit pension plan. As noted earlier, these plans generally pay participants a set monthly benefit from the time they retire until they die (and usually continue payments to surviving spouses). Benefits are typically based on years of service and earnings received near the end of the career. About a third (34 percent) of 50+ African Americans and non-Hispanic whites employed full-time participated in a defined benefit pension plan in 2009 (figure 15). By contrast, only a fifth of full-time Hispanic workers age 50+ were covered by a defined benefit plan. Because required contributions are so rare in defined benefit plans and most employers automatically enroll workers into these plans as soon as they become eligible, nearly all workers offered a defined benefit pension plan participate.

Several factors explain why so many 50+ African American workers participate in defined benefit pension plans. Large, unionized employers are especially likely to offer defined benefit plans, and a disproportionate number of African Americans work for these employers. In 2009, slightly more than half of African American wage and salary workers age 25 to 59 worked for employers with more than 1,000 employees, compared with about two-fifths (42.9 percent) of non-Hispanic whites and about one-third (32.9 percent) of Hispanics (Butrica and Johnson 2010). About 23 percent of full-time African American workers age 50 and older belonged to unions in 2008, compared with 18 percent of non-Hispanic whites and 21 percent of Hispanics.⁸ Additionally, as we will see later in this section, African Americans are disproportionately employed in the public sector, where defined benefit plans still dominate.

Figure 15. Percentage of Full-Time Workers Age 50 and Older Offered Defined Benefit Pension Plans by Their Employers and the Percentage Participating, by Race and Hispanic Origin, 2009

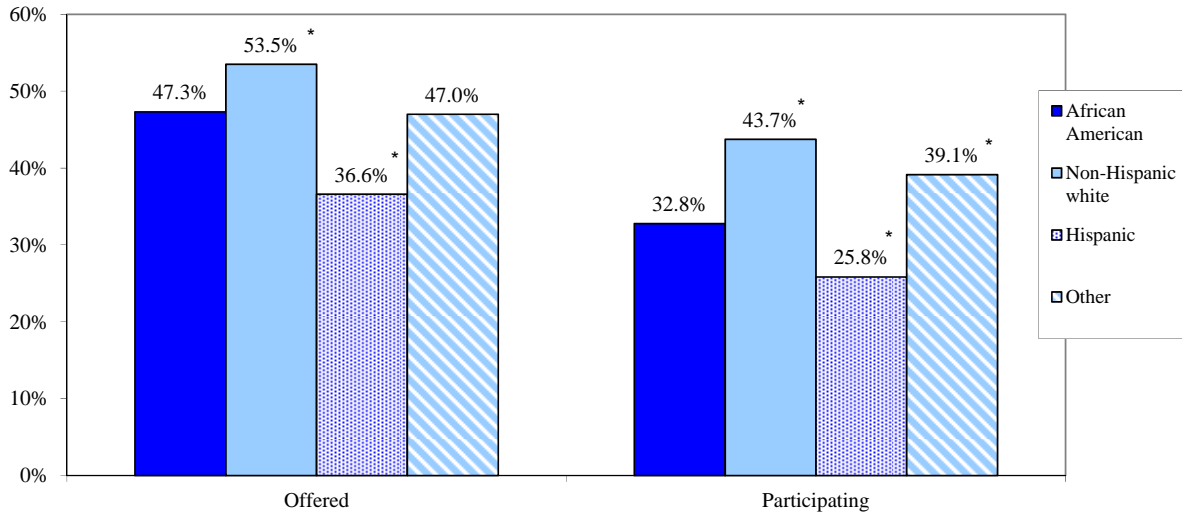


African Americans lag substantially behind non-Hispanic whites in terms of participation in defined contribution retirement plans. Unlike traditional defined benefit plans, these 401(k)-type plans do not pay lifetime retirement benefits based on a formula linked to earnings and years of service. Instead, participants contribute each period to their retirement plan account. Employers also usually contribute, often matching a portion of the employee's contribution. Account balances are invested and accumulate, and workers gain access to them when they retire. African Americans are less likely than non-Hispanic whites to be offered a defined contribution retirement plan by their employer, and less likely to participate when offered. As a result, only about one-third (32.8 percent) of 50+ African American workers employed full-time in 2009 participated in a defined contribution plan, compared with 43.7 percent of their non-Hispanic white counterparts (figure 16). Again, 50+ full-time Hispanic workers fared even worse, with only about a quarter participating in an employer-sponsored defined contribution plan in 2009.

Part of the reason for African Americans' low participation rates in defined contribution retirement plans is their relatively low salaries. Few low-wage workers can afford to put aside part of their earnings each period for retirement. However, low earnings does not explain the entire black-white difference in 401(k)-type retirement plan participation. Even when we control for earnings, African American workers are significantly less likely than non-Hispanic whites to participate in defined contribution retirement plans (Butrica and Johnson 2010).

The race and Hispanic origin differentials observed in retirement plan coverage at age 50 and older also generally prevail at younger ages, as shown in appendix table 11. At age 25 to 34, for example, 29.7 percent of African Americans working full-time participated in a defined

Figure 16. Percentage of Full-Time Workers Age 50 and Older Offered Defined Contribution Retirement Plans by Their Employers and the Percentage Participating, by Race and Hispanic Origin, 2009

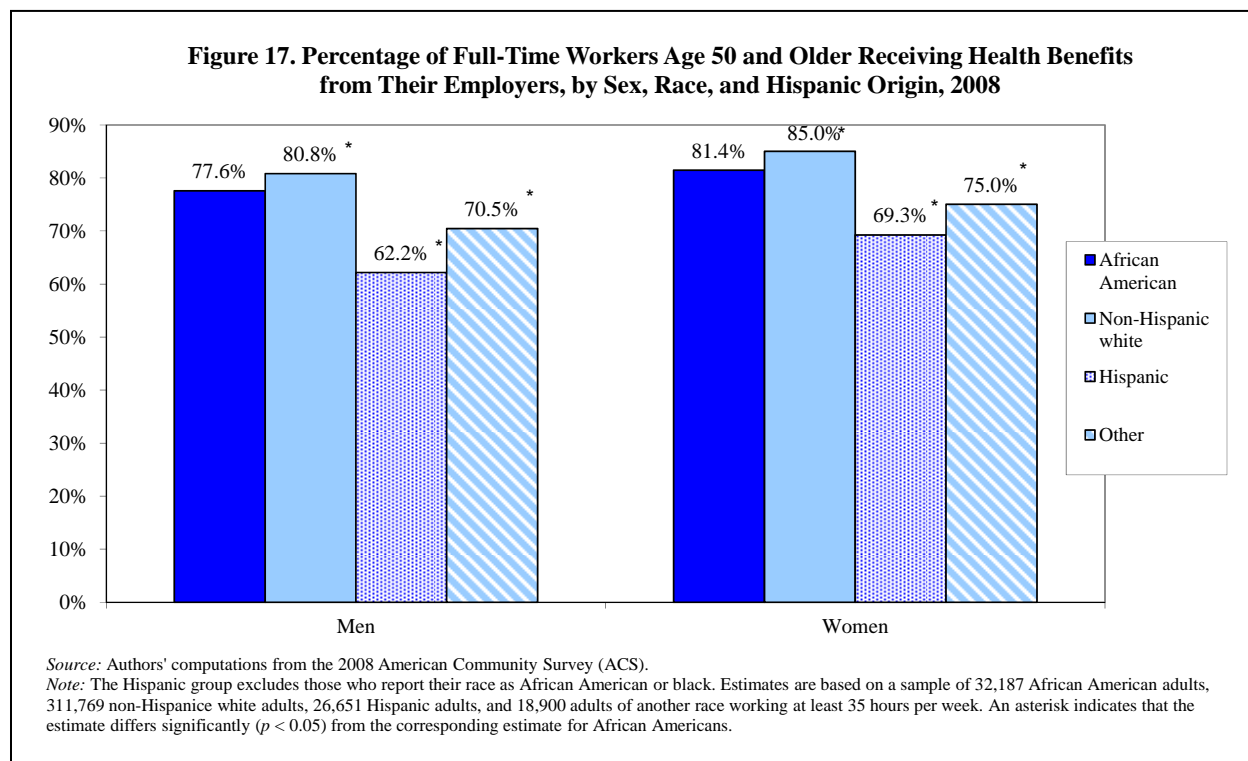


Source: Authors' computations from the Survey of Income and Program Participation (SIPP).

Note: The Hispanic group excludes those who report their race as African American or black. Estimates are based on a sample of 1,076 African American adults, 8,293 non-Hispanic white adults, 634 Hispanic adults, and 668 adults of another race working at least 35 hours per week. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

contribution plan in 2009, compared with 41.1 percent of non-Hispanic whites and 21.2 percent for Hispanics. Unlike the pattern observed among 50+ workers, however, African Americans age 25 to 34 are somewhat *less* likely than non-Hispanic whites to be offered a defined benefit pension plan, and are also somewhat less likely to participate when offered. For both African Americans and non-Hispanic whites, workers age 25 to 34 are less likely to participate in defined benefit pension plans than those age 50+, consistent with other data showing declines over time in the number of employers offering defined benefit plans.

For workers offered 401(k)-type defined contribution plans by their employers, participation in the plan is not sufficient to ensure adequate retirement benefits. In addition to participating, workers must make sizable contributions each period, invest their accounts wisely, and refrain from borrowing from their accounts or spending the proceeds when they change jobs before retiring. Evidence suggests that each step leaves African Americans less well prepared for retirement. For example, a recent study using 2007 401(k) records from 57 large U.S. employers found that employee plan contributions averaged 6.0 percent of earnings for African American plan participants, compared with 7.0 percent for non-Hispanic whites and 6.3 percent for Hispanics (Ariel Investments and Hewitt Associates 2009). African American participants are also more likely than others to withdraw funds from their accounts or borrow from them before retirement. For example, 11.8 percent of African American plan participants withdrew funds between 2004 and 2005, compared with 9.0 percent of Hispanics and 7.4 percent of non-Hispanic whites (Butrica, Zedlewski, and Issa 2010). In 2007, 39 percent of African Americans participating in 401(k) plans at 57 large employers had outstanding 401(k) loans, compared with 29 percent of Hispanics and 21 percent of non-Hispanic whites (Ariel Investments and Hewitt Associates 2009).



African Americans also tend to invest more conservatively than whites and Hispanics. According to one recent study, African Americans invested 66 percent of 401(k) funds in stocks in 2007, compared with 72 percent for non-Hispanic whites and 70 percent for Hispanics (Ariel Investments and Hewitt Associates 2009). Because stocks have outperformed fixed-income investments in the long run (despite the recent stock market crash), those who invest very conservatively will generally accumulate less wealth than those willing to invest in equities.

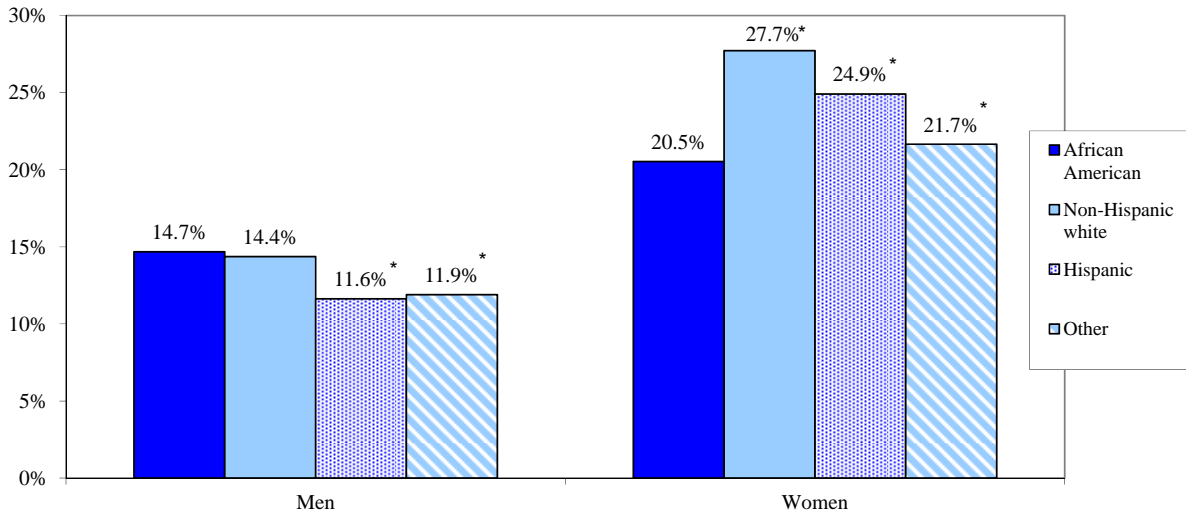
Health Benefits

Most 50+ Americans working full-time receive health benefits from their employers, including slightly more than three-fourths of African American men and slightly more than four-fifths of African American women in 2008 (figure 17). Non-Hispanic whites were a few percentage points more likely than African Americans to receive health benefits, but Hispanics were much less likely. For all groups, women were more likely to receive health benefits on the job than men.

Hours of Work

Part-time work is a common feature of employment at older ages. Many older workers prefer part-time work, especially those already receiving Social Security or pension benefits, because it allows more time to pursue other interests or deal with family responsibilities. However, part-time workers earn less, even on an hourly basis, than those who work a full-time schedule.

Figure 18. Percentage of Workers Age 50 and Older Working Part-Time, by Sex, Race and Hispanic Origin, 2008



Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: The Hispanic group excludes those who report their race as African American or black. Part-time work is defined as fewer than 35 hours per week. Estimates are based on a sample of 39,636 African American adults, 396,546 non-Hispanic white adults, 32,682 Hispanic adults, and 22,740 adults of another race. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

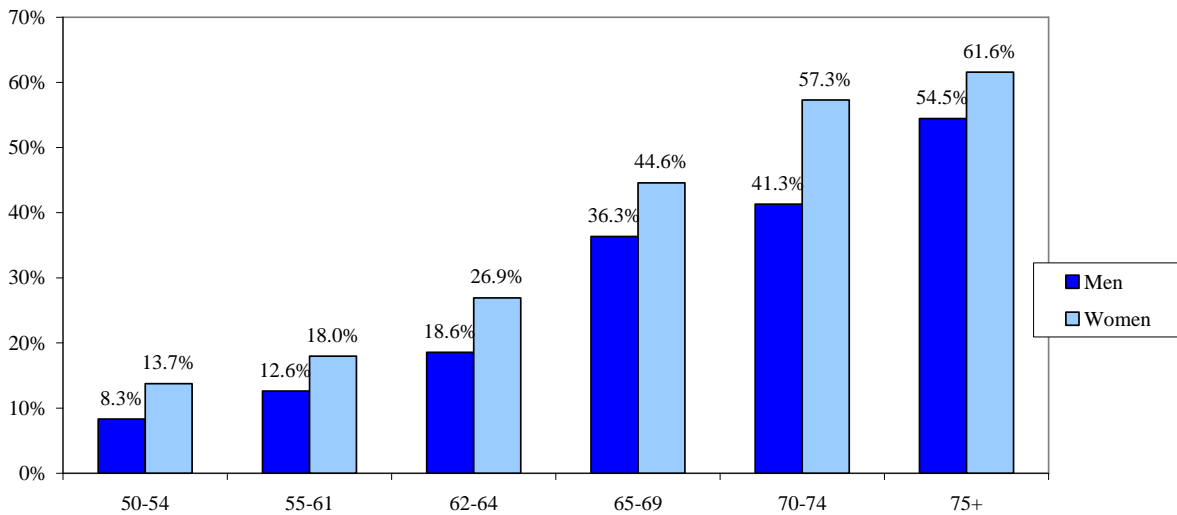
Overall, 14 percent of employed men age 50 and older and 26 percent of employed women worked fewer than 35 hours per week in 2008.

Part-time employment by workers age 50+ varies by race and Hispanic origin, especially among women. Only 20.5 percent of employed African American women worked part-time in 2008, compared with 27.7 percent of non-Hispanic white women and 24.9 percent of Hispanic women (figure 18). Employed African American men age 50 and older were about as likely as their non-Hispanic white counterparts to work part-time, but somewhat more likely than Hispanic men.

Part-time employment rates increase sharply with age among 50+ workers. Figure 19 shows how 2008 rates changed with age for 50+ African American workers. For African American men, part-time rates increased steadily from 8.3 percent at age 50 to 54, to 18.6 percent at age 62 to 64. They then nearly doubled to 36.3 percent at age 65 to 69, and reached 54.5 percent at age 75 and older. African American women are consistently more likely to work part-time than men, but the age patterns are quite similar. The share of employed African American women working part-time increased sharply from age 62 to 64 to age 65 to 69, when more than two in five worked part-time. Among employed women age 75 and older, more than three-fifths worked part-time.

Part-year employment is another alternative to the standard full-time, full-year work schedule. Overall, 14 percent of employed men and 18 percent of employed women age 50 and older worked fewer than 50 weeks in 2008. This share varied only slightly by race and Hispanic origin among women, and was especially stable among men (figure 20). African American women were somewhat less likely than non-Hispanic whites and Hispanics to work part-year

Figure 19. Percentage of African American Workers Age 50 and Older Working Part-Time, by Sex and Detailed Age, 2008

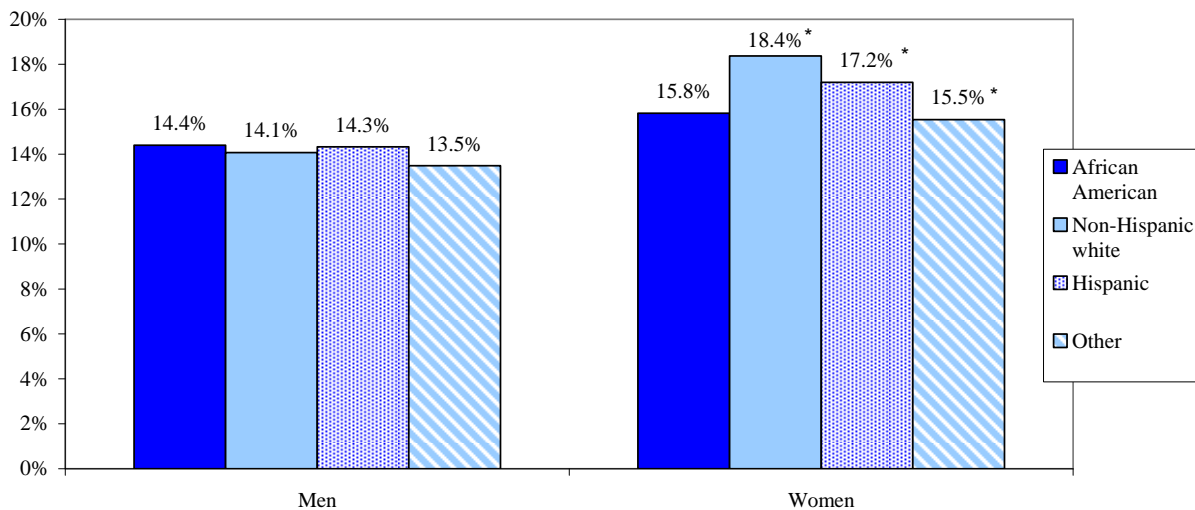


Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: The Hispanic group excludes those who report their race as African American or black. Part-time work is defined as fewer than 35 hours per week. Estimates are based on a sample of 39,636 African American adults, 396,546 non-Hispanic white adults, 32,682 Hispanic adults, and 22,740 adults of another race. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

(15.8 percent, compared with 18.4 percent for non-Hispanic whites and 17.2 percent for Hispanics). Part-year employment increases with age, but not nearly as dramatically as part-time weekly schedules do. For African American men employed in 2008, the share working fewer than 50 weeks per year increased from 13 percent at age 50 to 54, to 28 percent at age 75 and older. For employed African American women, part-year employment ranged from 13 percent at age 50 to 54 to 24 percent at age 75 and older.

Figure 20. Percentage of Workers Age 50 and Older Working Only Part of the Year, by Sex, Race, and Hispanic Origin, 2008



Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: The Hispanic group excludes those who report their race as African American or black. Part-time work is defined as fewer than 50 weeks in a year. Estimates are based on a sample of 39,636 African American adults, 396,546 non-Hispanic white adults, 32,682 Hispanic adults, and 22,740 adults of another race. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Sector and Industry of Employment

African Americans age 50 and older are much more likely than their Hispanic and non-Hispanic white counterparts to work in the public sector, at all levels of government. Government employment is often more stable than private-sector work and provides better fringe benefits, but generally pays lower wages (Bender and Heywood 2010). In 2008, 27 percent of employed 50+ African Americans worked for the federal, state, or local governments, compared with 17 percent of non-Hispanic whites and 16 percent of Hispanics (figure 21). About half of African Americans age 50 and older who work in the public sector are employed by local governments. African Americans work disproportionately in the public sector partly because of the limited employment prospects they face in the private sector and the more regularized pay schemes that prevail in government (Burbridge 1994; Llorens, Wenger, and Kellough 2008). Interestingly, the share of 50+ African American workers employed in the public sector has not changed much since 1980.⁹

Table 1 shows the distribution of workers age 50 and older across broad industries. Men and women tend to work in different industries. Men are much more likely than women to work in construction, transportation and warehousing, agriculture, forestry, mining, utilities, and (to a lesser extent) manufacturing. Women are more likely to work in the educational, health, and social services fields. However, the distribution of workers does not differ much by race or Hispanic origin. African Americans age 50 and older are more likely than non-Hispanic whites and Hispanics to work in public administration, reflecting their high employment rates within the public sector. They are also more likely than non-Hispanic whites and Hispanics to work in transportation and warehousing or in educational, health, and social services. African Americans age 50 and older are less likely than other 50+ workers to be employed in wholesale or retail trade, construction, agriculture, mining, utilities, or professional or scientific services.

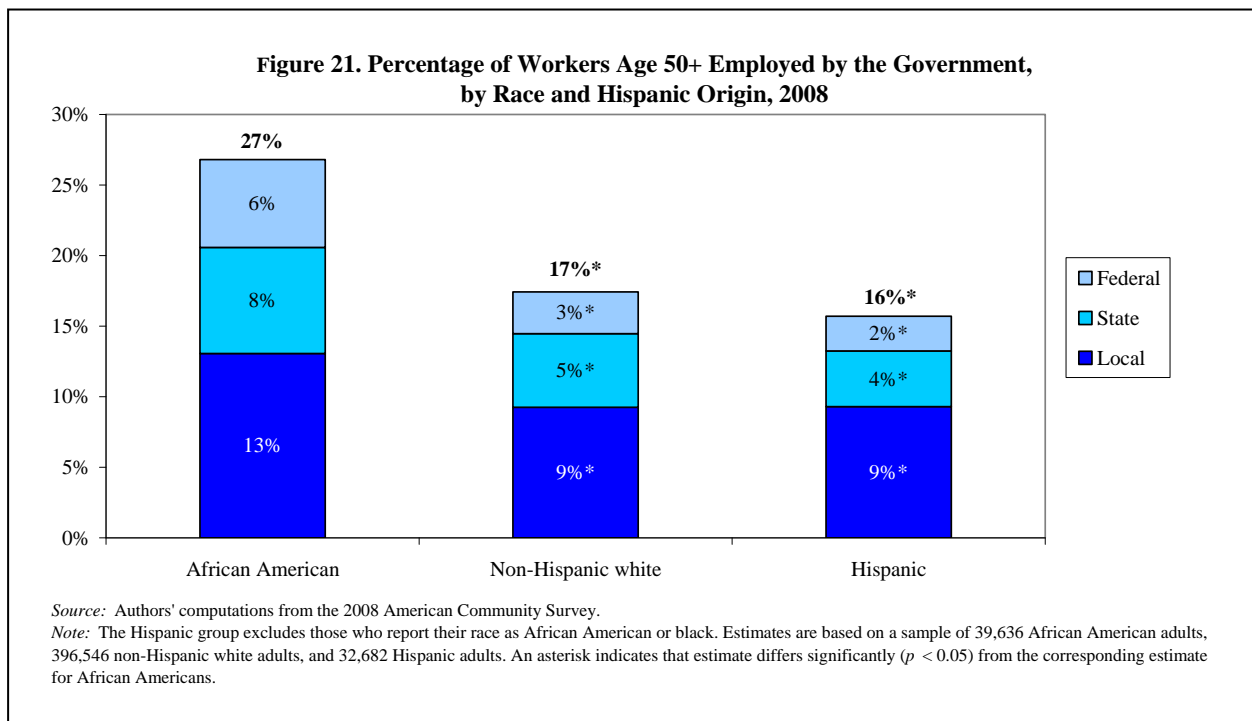


Table 1. Industry Distribution of Employed Men and Women Age 50+, by Race and Hispanic Origin, 2008 (%)

	Men			Women		
	African American	Non-Hispanic White	Hispanic	African American	Non-Hispanic White	Hispanic
Manufacturing	14.0	16.6 *	16.7 *	7.0	7.1	10.2 *
Construction	7.9	10.4 *	13.5 *	0.5	1.6 *	0.9 *
Agriculture, forestry, mining, utilities	3.3	4.9 *	5.5 *	0.7	1.2 *	1.6 *
Trade	10.0	14.5 *	12.9 *	7.8	13.7 *	12.4 *
Transportation and warehousing	13.0	6.7 *	7.8 *	4.0	2.4 *	2.6 *
Finance, insurance, real estate, information	6.8	9.0 *	5.9 *	7.7	11.2 *	6.6 *
Public administration	7.8	5.4 *	3.9 *	9.1	5.2 *	4.6 *
Educational, health, and social services	17.0	12.3 *	10.0 *	46.8	37.7 *	35.3 *
Professional and scientific services	10.1	12.5 *	11.3 *	6.7	10.2 *	8.5 *
Other services	10.5	8.6 *	13.0 *	10.2	10.5	17.8 *

Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: Estimates are based on a sample of 39,636 African American adults, 396,546 non-Hispanic white adults, and 32,682 Hispanic adults. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

They are also less likely than non-Hispanic whites (but more likely than Hispanics) to work in the finance, insurance, real estate, and information industries.

Occupation

Occupational differences between 50+ African American workers and 50+ non-Hispanic white workers are more pronounced than industry differences. In 2008, slightly more than two-fifths of employed African American men age 50 and older were employed in blue collar jobs (which include production, construction, extraction, installation, maintenance, repair, transportation, and agricultural work), compared with fewer than one-third of 50+ non-Hispanic white men (table 2). About a fifth of African American men and women worked in service jobs (which include protective services, food preparation, and building and ground cleaning and maintenance), compared with about a tenth of non-Hispanic white women and less than a tenth of non-Hispanic white men. African American women were also more likely than non-Hispanic white women to work in health care support jobs. Non-Hispanic whites were substantially more likely than African Americans to work in management and business operations (especially among men), scientific occupations, and sales.

Table 2. Occupational Distribution of Employed Men and Women Age 50+, by Race and Hispanic Origin, 2008 (%)

	Men			Women		
	African American	Non-Hispanic White	Hispanic	African American	Non-Hispanic White	Hispanic
Management	7.8	16.5*	7.3	6.6	9.3*	5.4*
Business operations and financial specialties	2.7	5.1*	2.2*	4.2	5.3*	2.7*
Scientific	3.4	7.5*	2.9*	1.6	2.5*	1.1*
Healthcare practitioners/technicians	2.1	3.3*	1.8	8.1	9.0*	3.9*
Other professional	7.7	9.2*	4.6*	14.0	16.7*	10.4*
Healthcare support	1.2	0.3*	0.5*	8.6	2.7*	4.9*
Services	19.5	8.3*	19.5	20.4	10.6*	30.3*
Sales	5.5	12.3*	6.8*	6.1	11.3*	8.2*
Office & administrative support	8.6	5.9*	6*	21.5	26.5*	18.9*
Blue collar	41.4	31.6*	48.5*	9.0	6.1*	14.1*

Source: Authors' calculations from the 2008 American Community Survey.

Note: Estimates are based on a sample of 39,636 African American adults, 396,546 non-Hispanic white adults, and 32,682 Hispanic adults. Blue collar jobs include production, construction, extraction, installation, maintenance, repair, transportation, and agricultural work. Service jobs include protective services, food preparation, and building and ground cleaning and maintenance. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Occupational differences are less pronounced between 50+ African American workers and Hispanics, but some differences stand out. Hispanic women were much more likely to work in services in 2008 (which employed nearly a third of 50+ Hispanic women) than were African American women. African American women were more likely than Hispanic women to work as healthcare practitioners and technicians, whereas Hispanic men were more likely than African American men to work in blue collar jobs.

Table 3 shows the 20 occupations that employed the most African American, non-Hispanic white, and Hispanic men age 50 and older in 2008. Together, these jobs accounted for about two-fifths of total 50+ male employment. Most of the top occupations for 50+ African American men involve relatively physically demanding, low-skilled work. For example, the top five occupations include drivers (including truck drivers), janitors, security guards, laborers and movers, and bus drivers. Only eight of the top occupations are relatively high skilled, such as teachers, clergy, retail salespersons, and supervisors and managers, and employ only 10 percent of all 50+ African American male workers.

The top 20 occupations are similar for 50+ Hispanic men. Again, low-skilled, relatively physically demanding jobs dominate. The top five jobs for Hispanic men consist of janitors, drivers (including truck drivers), ground maintenance workers, construction laborers, and agricultural workers. The importance of the construction industry to 50+ Hispanic men's employment is evident. In addition to construction laborers, the top occupations include carpenters, welders, and painters. Only five of the top 20 occupations, employing just 7 percent of the 50+ Hispanic male workforce, do not involve rank and file workers in blue collar or relatively low-skilled service jobs.

The occupations that employ the most 50+ non-Hispanic white men look quite different from those that employ the most African American and Hispanic men. Although drivers (including truck drivers) is the largest single occupation for 50+ non-Hispanic white men (as it is for 50+ African American men), most jobs require substantial education and training or management skills. The only other relatively low-skilled or physically demanding occupations in the top 20 jobs among non-Hispanic white men are janitors and hand laborers, and these three occupations employed only 8 percent of non-Hispanic white men age 50 and older in 2008 (compared with about 14 percent of African American and Hispanic men age 50 and older). Unlike the list of top jobs for 50+ African American men, the top 20 for 50+ non-Hispanic white men includes chief executives, lawyers and judges, accountants and auditors, and physicians and surgeons.

Table 4 shows the top 20 occupations in 2008 for women age 50 and older. These occupations employ more than half of 50+ African American and Hispanic working women, and nearly half of 50+ non-Hispanic white working women. African American women are more likely than non-Hispanic white women to be employed in low-skilled service and office support occupations, but high-skilled jobs employ many older African American women. The top occupation for 50+ African American women is the relatively low-skilled occupation of nursing and home health aides, followed by secretaries and administrative assistants, school teachers, and registered nurses, all of which are relatively highly skilled. Maids and housekeepers, a low-skilled and physically demanding occupation, round out the top five. By comparison, the top five occupations for non-Hispanic white women age 50 and older include secretaries, school teachers, registered nurses, bookkeepers, and retail salespersons. Relatively low-skilled service and office support jobs in the top 20 occupations employ only 14 percent of non-Hispanic white women, compared with 27 percent of African American women.

Hispanic women age 50 and older are more likely than African Americans or non-Hispanic whites to work in low-skilled service or office support jobs. The top occupation in 2008 for 50+ Hispanic women was maids and housekeepers, which employed 7.5 percent of that workforce. The second largest occupation was secretaries, followed by janitors, child care workers, and nursing and home health aides. All told, the top 20 occupations for 50+ Hispanic women include jobs in education, nursing, sales, management, and relatively high-level office support that employed about 15 percent of Hispanic women age 50 and older.

Table 3. Top 20 Occupations Among Men Age 50+, by Race and Hispanic Origin, 2008

African American		Non-Hispanic White		Hispanic	
Occupation	Pct. of 50+ Workforce		Pct. of 50+ Workforce		Pct. of 50+ Workforce
Driver/sales wrks; truck drivers	6.7	Driver/sales wrks; truck drivers	4.8	Janitors/building cleaners	5.8
Janitors/building cleaners	5.7	Managers (general)	3.9	Driver/sales wrks; truck drivers	5.6
Security guards	3.0	Supervis./mngr of retail sales	2.4	Grounds maintenance workers	3.1
Hand laborers, movers	2.5	Chief Executive/Legislatures	2.3	Construction laborers	3.0
Bus Drivers	2.4	Janitors/Building Cleaners	2.3	Misc. agricultural workers	2.9
Managers (general)	2.0	Retail salespersons	2.2	Hand laborers, movers	2.5
Production workers (general)	1.7	Sales Reps, wholesale & manuf.	2.1	Managers (general)	1.9
Taxi Drivers & Chauffeurs	1.5	Lawyers & judges	1.7	Carpenters	1.8
Grounds maintenance workers	1.4	Supervis./Mngr of constr, trade	1.6	Production workers (general)	1.7
Industrial Truck & Tractor Ops.	1.4	Farmers & Ranchers	1.5	Supervis./Mngr of retail sales	1.5
Construction laborers	1.4	Carpenters	1.5	Retail salespersons	1.4
Retail Salespersons	1.4	Supervis./Mngr of nonretail sale	1.5	Cooks	1.3
Elementary/Mdle school teachers	1.4	Postsecondary Teachers	1.4	Auto service techs/mechanics	1.2
Clergy	1.2	Accountants and Auditors	1.4	Security guards	1.2
Stock Clerks and Order Fillers	1.2	Construction Managers	1.3	Supervis/Mngrs of production	1.1
Supervis/Mngrs of production	1.1	Hand laborers, movers	1.3	Supervis./Mngr of constr, trade	1.1
Supervis/Mngrs, office & admin	1.1	Supervis/Mngrs of production	1.3	Welders	1.1
Cooks	1.0	Elementary/Mdle school teacher	1.2	Painters (construction, maint.)	1.1
Supervis./Mngr of retail sales	1.0	General/operations managers	1.2	Stock clerks, order fillers	1.1
Postsecondary teachers	0.9	Physicians & surgeons	1.2	Bus drivers	1.0
Pct of 50+ workforce in top 20 occupations	40.0	Pct of 50+ workforce in top 20 occupations	38.1	Pct of 50+ workforce in top 20 occupations	41.4

Source: Authors' computations from the 2008 American Community Survey.

Note: Estimates are based on a sample of 17,405 African American men, 209,716 non-Hispanic white men, and 17,672 Hispanic men. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Table 4. Top 20 Occupations Among Women Age 50+, by Race and Hispanic Origin, 2008

African American		Non-Hispanic White		Hispanic	
Occupation	Pct. of 50+ Workforce		Pct. of 50+ Workforce		Pct. of 50+ Workforce
Nursing, psych, home health aides	7.2	Secretaries, admin assts	8.2	Maids/housekeeping cleaners	7.5
Secretaries, admin assts	5.0	Elementary/middle sch. teacher	5.3	Secretaries, admin assts	5.0
Elementary/middle sch. teacher	4.4	Registered nurse	4.9	Janitors/building cleaners	3.9
Registered nurse	3.6	Bookkeeping, accounting clerk	3.1	Child care workers	3.9
Maids/housekeeping cleaners	3.6	Retail salespersons	2.7	Nursing, psych, home health aides	3.7
Personal and home care aides	2.6	Cashiers	2.0	Personal and home care aides	3.1
Child care workers	2.5	Supervis/mngr, office & admin	2.0	Elementary/middle sch. teacher	3.0
Cooks	2.4	Managers (general)	1.9	Cooks	2.4
Janitors/building cleaners	2.3	Supervis./mngr of retail sales	1.9	Retail salespersons	2.3
Licensed practical nurse	2.0	Accountants, auditors	1.8	Teacher assistants	2.1
Customer service rep	1.9	Receptionists	1.7	Cashiers	2.0
Teacher assistants	1.8	Nursing, psych, home health aides	1.6	Registered nurse	1.8
General office clerks	1.7	General office clerks	1.6	Bookkeeping, accounting clerk	1.6
Social workers	1.6	Customer service rep	1.6	Supervis/mngr, office & admin	1.5
Retail salespersons	1.6	Teacher assistants	1.4	General office clerks	1.5
Supervis/mngr, office & admin	1.6	Postsecondary teachers	1.2	Supervis./mngr of retail sales	1.4
Cashiers	1.6	Real estate brokers	1.2	Customer service rep	1.4
Education administrators	1.5	Education administrators	1.2	Misc. assemblers/fabricators	1.3
Managers (general)	1.4	Maids/housekeeping cleaners	1.2	Receptionists	1.3
Receptionists	1.3	Child care workers	1.2	Stock clerks, order fillers	1.2
Pct of 50+ workforce in top 20 occupations	51.7	Pct of 50+ workforce in top 20 occupations	47.9	Pct of 50+ workforce in top 20 occupations	51.8

Source: Authors' computations from the 2008 American Community Survey.

Note: Estimates are based on a sample of 22,231 African American women, 186,830 non-Hispanic white women, and 15,010 Hispanic women. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Self Employment

Self-employment is common among older workers, with the share of employed adults who work for themselves increasing with age as people enter their fifties (Karoly and Zissimopoulos 2004). Many 50+ workers value self-employment because it often provides more flexible work options than wage and salary employment. However, self-employment rates are much lower among 50+ African Americans than non-Hispanic whites. In 2008, only 10.0 percent of African American men age 50 and older in the labor force worked for themselves, compared with 20.4 percent of non-Hispanic white men and 13.1 percent of Hispanic men (table 5).¹⁰ Black-white differences are similar for women: 4.8 percent of African American women age 50 and older in the labor force were self-employed, compared with 10.6 percent of non-Hispanic white women. However, employed 50+ Hispanic women worked were more likely to work for themselves (11.3 percent) than their African American and non-Hispanic white counterparts. Self-employment rates increased steadily with age, but African Americans were significantly less likely to work for themselves at every age group after 50 that we examined. Low rates of self-employment for African Americans may reflect difficulty gaining access to the financial capital needed to start a new business.

Table 5. Self-Employment Rates Among Men and Women Age 50 and Older Participating in the Labor Force, by Age, Race, and Hispanic Origin, 2008 (%)

	50+	50-54	55-61	62-64	65-69	70-74	75+
Men							
African American	10.0	9.0	9.4	10.9	14.0	16.0	16.1
Non-Hispanic white	20.4 *	17.2 *	19.3 *	23.2 *	27.2 *	30.5 *	33.1 *
Hispanic	13.1 *	12.2 *	12.5 *	13.4	15.3	20.2	26.4 *
Women							
African American	4.8	3.8	4.5	5.8	7.2	10.2	10.5
Non-Hispanic white	10.6 *	9.3 *	10.2 *	12.0 *	13.9 *	15.4 *	17.1 *
Hispanic	11.3 *	10.3 *	11.6 *	12.1 *	12.4 *	15.9 *	16.8

Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: These estimates include self-employed workers with either incorporated or unincorporated businesses. Estimates are based on a sample of 39,636 African Americans, 396,546 non-Hispanic whites, and 32,682 Hispanics. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans. The Hispanic group excludes those who report their race as African American or black.

African American workers age 50 and older were more likely to be self-employed in 2008 than 1980, when 8.0 percent of employed 50+ African American men and 3.3 percent of employed 50+ African American women worked for themselves (appendix table 12). Self-employment rates also increased between 1980 and 2008 for 50+ Hispanic men and women and 50+ Hispanic men, but not for 50+ non-Hispanic white men.

Other Job Characteristics

Table 6 reports selected other characteristics of jobs held by workers age 50 and older. In 2004, about 9 in 10 workers age 50 and older, regardless of race or Hispanic origin, reported that they really enjoyed going to work. African American workers age 50 and older were somewhat less likely than their non-Hispanic white counterparts to say their job involves lots of stress (51.8 percent vs. 59.3 percent). However, they were somewhat more likely than both non-Hispanic whites and Hispanics to report that their job required intense concentration and skill in dealing with others. Additionally, about two in five older African Americans claimed in 2004 that their jobs involved lots of physical effort, significantly higher than the share of non-Hispanic whites claiming physically demanding work (but not significantly different from the share of older Hispanic workers).

Table 6. Selected Job Characteristics of Workers Age 50+, by Race and Hispanic Origin, 2004

	African American	Non-Hispanic White	Hispanic
Pct. agreeing or strongly agreeing with the following statement:			
"I really enjoy going to work"	90.8	90.7	92.9
"My job involves lots of stress"	51.8	59.3 *	48.2
Pct. reporting that the following statements are true all or almost all of the time:			
"My job involves lots of physical effort"	39.0	30.1 *	46.6
"My job requires intense concentration"	87.0	82.1 *	81.1 *
"My job requires skill in dealing with others"	94.1	86.9 *	87.8 *
Pct. reporting they could reduce their work hours if they wished	33.6	39.2 *	26.1
Pct. reporting that they make pay and promotion decisions at work	11.9	16.1 *	9.9

Source: Authors' estimates from the Health Retirement Study (HRS).

Note: Estimates are based on a sample of 1,672 African American adults, 7,711 non-Hispanic white adults, and 1,076 Hispanic adults. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

African American workers age 50 and older were less likely than their non-Hispanic white counterparts to hold jobs with flexible hours or that involved management responsibilities. In 2004, 33.6 percent of 50+ African American workers reported that they could reduce their work hours if they wished, compared with 39.2 percent of non-Hispanic whites. And 11.9 percent of 50+ African American workers reported that they made pay and promotion decisions at work, compared with 16.1 percent of non-Hispanic whites.

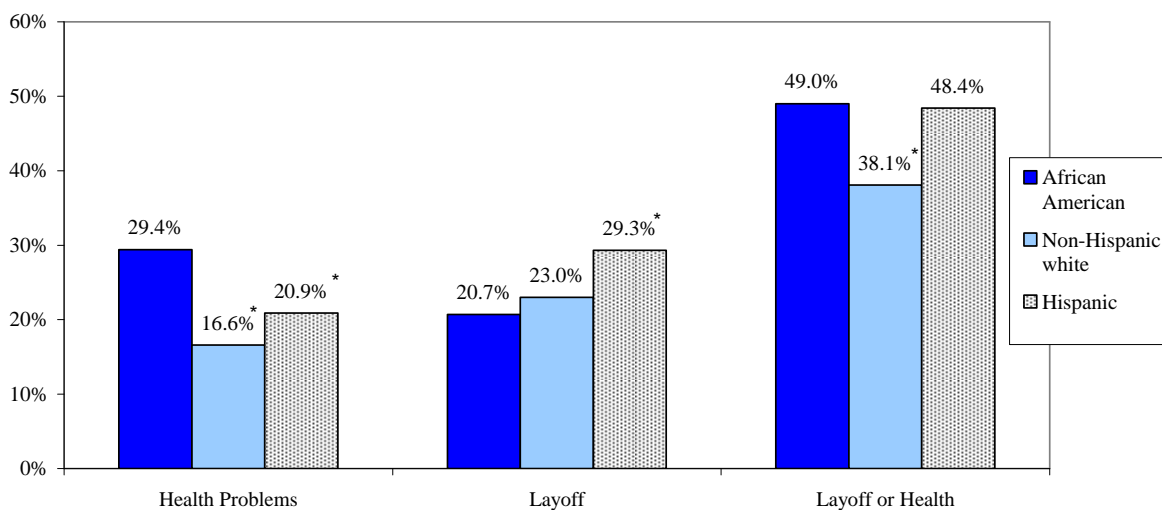
Job Security

Layoffs and the onset of work disabilities are the two primary risks to continued employment confronting 50+ workers. These shocks disrupt careers, interrupt retirement savings, and threaten economic well-being. Fewer than half of workers who develop serious health problems in their fifties and early sixties ever receive any public disability benefits, and disability onset triples the risk of falling into poverty (Johnson, Favreault and Mommaerts 2010). Workers age 50 and older are less likely to lose their jobs than younger workers, but those who become unemployed after age 50 spend an especially long time out of work (Johnson and Mommaerts 2010a). Moreover, older unemployed adults who find work typically end up earning much less than they did on their former jobs.

Health problems force many African American workers age 50 and older to leave their jobs. Nearly 3 in 10 African Americans who separated from their employer after age 50 between 1992 and 2008 left because of health problems (figure 22). By contrast, only about one-sixth of 50+ non-Hispanic white job separators and one-fifth of 50+ Hispanic job separators left their employer because of poor health. African Americans were no more likely than non-Hispanic whites to have been laid off from a job, and significantly less likely than Hispanics (21 vs. 29 percent).¹¹ Black-white differences in involuntary job separations are especially stark when we combine layoffs and separations for health reasons. Nearly half (49 percent) of African Americans who separated from an employer after age 50 had been laid off or left because of poor health, compared with only 38 percent of non-Hispanic whites. (The rate for Hispanics was 48 percent).

Layoffs and separations because of poor health are especially common among those with limited education (appendix table 13). Among African Americans who separated from an employer after age 50, about 61 percent of those who did not complete high school had been laid off or left because of poor health, compared with 43 percent of those with four or more years of college. Nearly half of African Americans with four or more years of college, but only about a third of those who did not complete high school, said they left their employer because they had retired.

Figure 22. Percentage of Workers Leaving a Job after Age 50 Who Separate Because of Layoffs or Health Problems, by Race and Hispanic Origin, 2008



Source: Authors' computations from the 1992 to 2008 waves of the Health and Retirement Study (HRS).

Note: The sample is restricted to respondents who separated from a job between 1992 and 2008 after age 50. It consists of 1,202 African Americans, 5,598 non-Hispanic whites, and 617 Hispanics. Layoffs include business closings. Hispanic group excludes those who report their race as African American or black. An asterisk indicates that estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Impact of the Great Recession

The recession that began in late 2007 and has come to be known as the Great Recession sent unemployment rates to near record highs in 2009 and 2010. More than 15 million Americans were out of work and looking for a job at the end of 2009. Monthly unemployment rates averaged 10.3 percent for men in 2009 (BLS 2010b), the highest average rate for a calendar year since BLS began keeping records in 1948. The 2009 unemployment rate was only slightly lower for women, averaging 8.1 percent over the calendar year. High unemployment continued into 2010. In August 2010, 10.6 percent of male workers and 8.6 percent of female workers were unemployed (BLS 2010b).

The recession has hit African Americans particularly hard. The 2009 unemployment rate averaged 14.7 percent for African American men age 25 and older, nearly twice as high as for non-Hispanic white men and more than one-third higher than for Hispanic men (appendix table 14). For women age 25 and older, the unemployment rate averaged 10.1 percent in 2009 for African Americans, 9.9 percent for Hispanics, and only 5.8 percent for non-Hispanic whites. Unemployment rates were particularly high for relatively young African American men with limited education. The average monthly 2009 unemployment rate reached 19.9 percent for African American men age 25 to 34, 22.5 percent for those with only a high school diploma, and 34.5 percent for those who did not complete high school.¹²

The official unemployment count generally understates the number of people who want to work but cannot find a job because it includes only those people who are not working at all for pay and who actively looked for work over the past four weeks. It does not count people who drop out of labor force after becoming discouraged by their poor employment prospects or those who are employed part-time but want to work full-time. Adding these groups to the unemployed count generates an “underemployment” rate, which was substantially higher than the official

unemployment rate in 2009. The average monthly underemployment rate in 2009 was 15.1 percent for men age 25 and older and 13.2 percent for women (appendix table 15). It was higher for African Americans (21.9 percent for men and 17.4 percent for women) than non-Hispanic whites (12.6 percent for men and 11.1 percent for women). As with the official unemployment rate, the underemployment rate was higher among younger than older African Americans. Employment prospects in 2009 were especially bleak for African American men age 25 to 34 who did not attend college, with the underemployment rate reaching 33.4 percent for those with only a high school diploma and an incredible 48.6 percent for those who did not complete high school.

Although African American workers age 50 and older were less likely to lose their jobs than younger African Americans, the Great Recession did not spare older workers. In 2009, the average monthly unemployment rate reached 11.0 percent for African American men age 50 and older, about the same rate as for Hispanic men in the same age group but about two-thirds higher than for non-Hispanic white men (figure 23). For women age 50 and older, the 2009 unemployment rate averaged 7.8 percent for African Americans, 5.5 percent for non-Hispanic whites, and 8.6 percent for Hispanics. As with younger workers, the underemployment rate was substantially higher than the official unemployment rate, reaching 17.6 percent for African American men age 50 and older and 14.8 percent for their female counterparts (appendix table 15). According to an AARP survey conducted in January 2010, 18 percent of African Americans age 45 and older had lost a job during the previous 12 months, compared with 10 percent of all adults age 45 and older (AARP 2010). Unemployment remained high among older workers in 2010. In July, the unemployment rate for those age 55 and older reached 10.4 percent for African Americans, 6.4 percent for non-Hispanic whites, and 11.4 percent for Hispanics (Johnson, Mommaerts, and Park 2010).

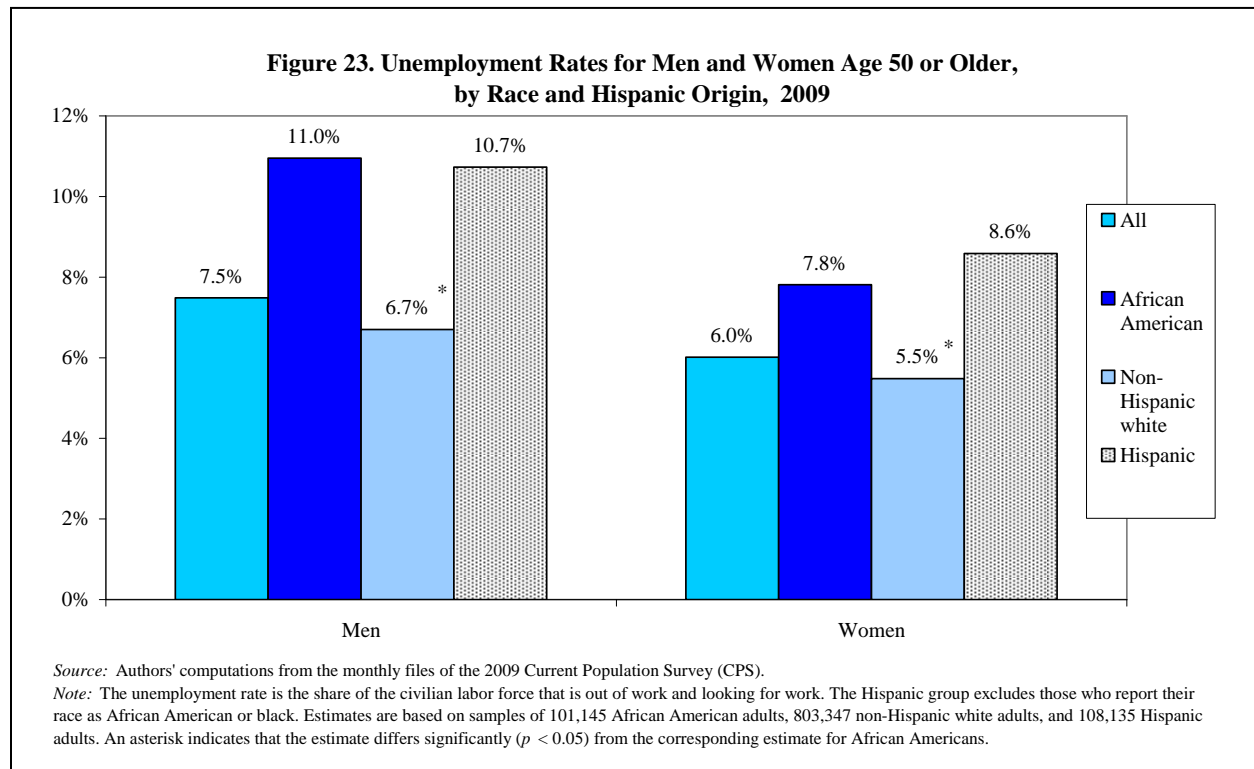
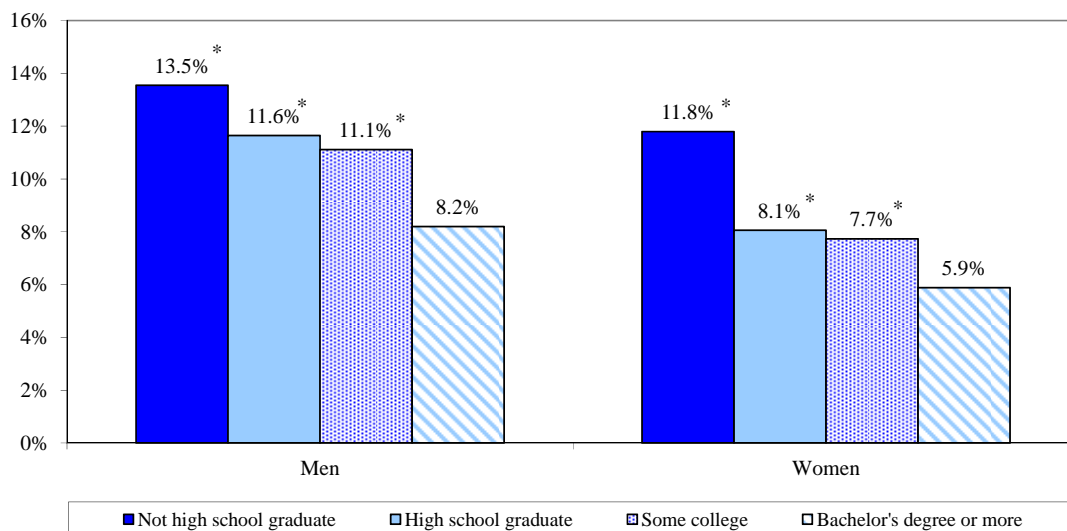


Figure 24. Unemployment Rates for African American Men and Women Age 50 or Older, by Educational Attainment, 2009



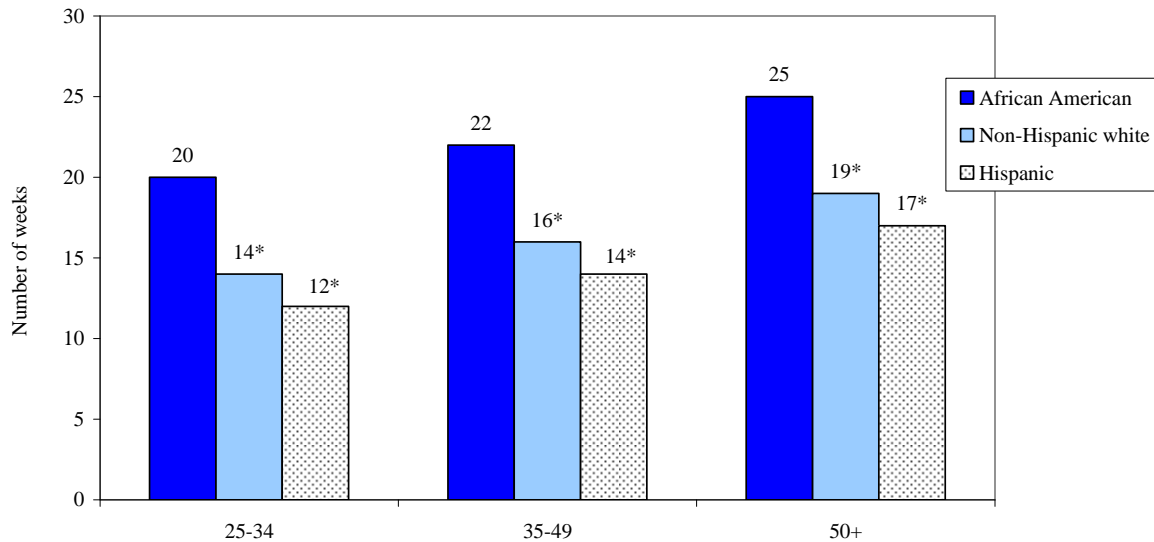
Source: Authors' computations from the monthly files of the 2009 Current Population Survey (CPS).

Note: The unemployment rate is the share of the civilian labor force that is out of work and looking for work. Estimates are based on samples of 101,145 African American adults, 803,347 non-Hispanic white adults, and 108,135 Hispanic adults. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for those with a Bachelor's degree or more.

Unemployment in 2009 was especially prevalent among African Americans age 50 and older with limited education. Among 50+ African Americans who did not complete high school, the average 2009 unemployment rate was 13.5 percent for men and 11.8 percent for women (figure 24). The underemployment rate was about twice as high among those without high school diplomas, reaching 25.8 percent for men and 25.2 percent for women (appendix table 15).

When older workers lose their jobs, it takes them much longer than younger workers to become reemployed (Johnson and Mommaerts 2010a). Unemployment spells were particularly long in 2009 for out-of-work African Americans age 50 and older. Half spent at least 25 weeks (nearly six months) looking for a job (figure 25). By comparison, median unemployment durations were 19 weeks for non-Hispanic whites age 50 and older and 17 weeks for Hispanics. Younger unemployed workers also spent a long time out of work in 2009, although not quite as long as those age 50 and older. For example, half of unemployed African Americans age 25 to 34 spent 20 weeks or more out of work, and half of those age 35 to 49 spent 22 or more weeks out of work. As with those age 50 and older, unemployed non-Hispanic white workers and Hispanic workers in these younger age groups spent less time out of work than their African American counterparts.

Figure 25. Median Unemployment Duration in Weeks for Unemployed Workers, by Age, Race, and Hispanic Origin, 2009



Source: Authors' computations from the monthly files of the 2009 Current Population Survey (CPS).

Note: The Hispanic group excludes those who report their race as African American or black. Estimates are based on samples of 101,145 African American adults, 803,347 non-Hispanic white adults, and 108,135 Hispanic adults. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Summary

African Americans age 50 and older generally fare worse in the workplace than their non-Hispanic white counterparts, but better than their Hispanic counterparts. African American men age 50+ are less likely to participate in the labor force than both Hispanic and non-Hispanic white men, even among those with the same level of education. African American women age 50 and older, however, are as likely to work as non-Hispanic white women and more likely to work than Hispanic women. Employed African Americans work disproportionately in physically demanding blue collar jobs. They generally earn substantially less than non-Hispanic whites, but more than Hispanics. The black-white earnings gap shrunk between 1979 and 1999, but has recently widened again. African Americans are more likely than whites and Hispanics to leave a job because of health problems. The Great Recession has hit African Americans especially hard, greatly expanding the number without jobs. A positive characteristic of 50+ African American's employment is that they are about as likely as non-Hispanic whites to participate in defined benefit pension plans. Many work for the government or for large, unionized employers, which are especially likely to offer these plans.

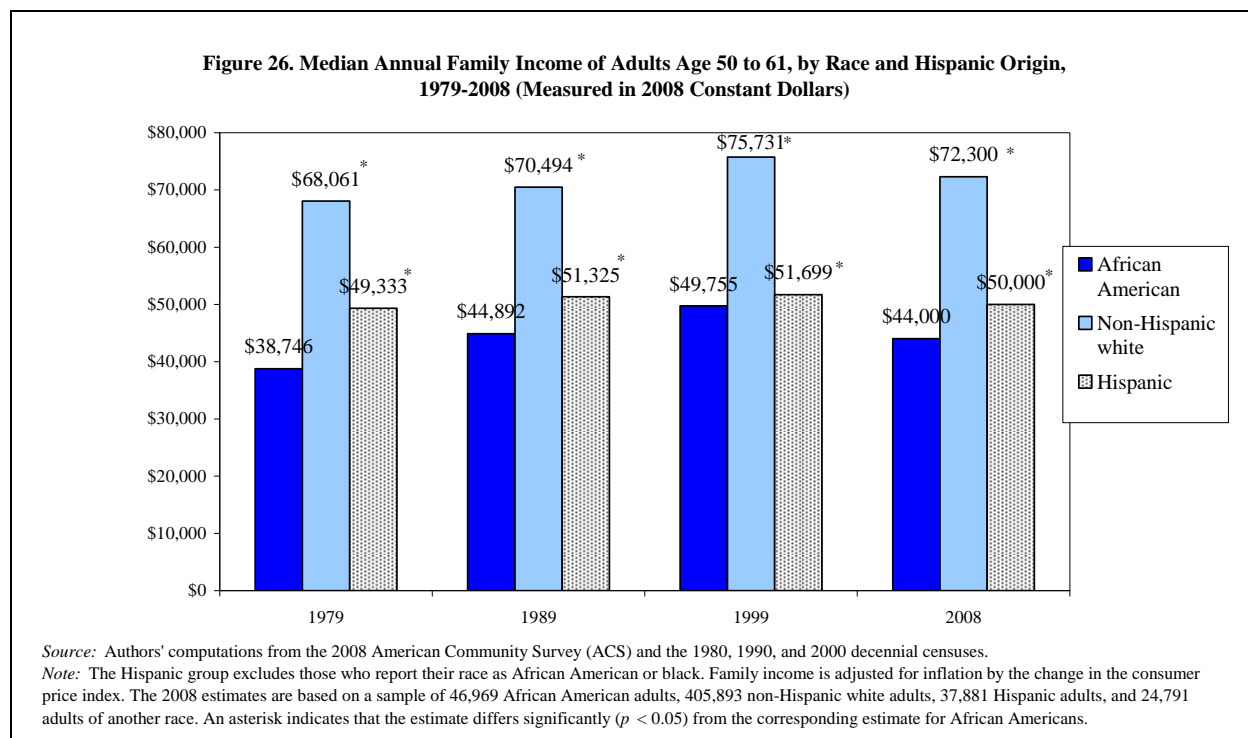
Economic Security of 50+ African Americans

Economic status is closely related to current or past employment. For adults younger than 62 and thus too young to qualify for Social Security retirement benefits, earnings account for the vast majority of income. Social Security and (to a lesser extent) employer-sponsored pension benefits dominate for retirees, and both of these income sources depend on how long recipients worked earlier in their lives and how much they earned. This section reports incomes received by African Americans at age 50 to 61 and age 62 and older, assesses the adequacy of their retirement savings, and discusses the impact of the Great Recession on their economic well-being.

Income at Age 50 to 61

African Americans in their fifties and early sixties have lower family incomes than their Hispanic and non-Hispanic white counterparts. In 2008, median annual family income for African American adults age 50 to 61 was about \$44,000, only about 60 percent as much as the corresponding figure for non-Hispanic whites, which stood at about \$72,300 (figure 26). African Americans do not fare as poorly when compared with Hispanics. The median African American received 88 percent as much income in 2008 as the median Hispanic, whose median annual family income was about \$50,000.

Part, but not all, of African American's income shortfall can be explained by their relatively low marriage rates. As we saw earlier, African Americans are less likely to be married than Hispanics or non-Hispanic whites, and married couples generally have higher incomes than unmarried adults. Median annual family income for married African Americans age 50 to 61 was

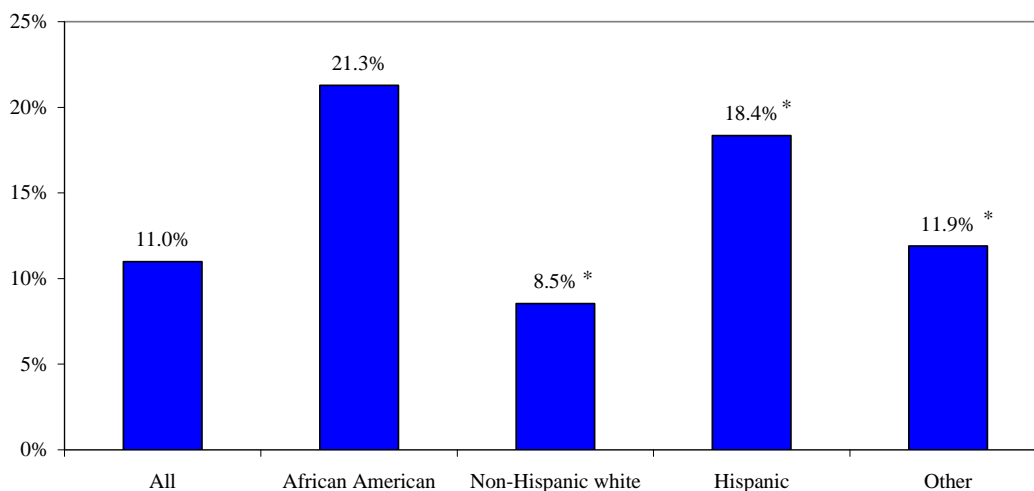


\$68,000 in 2008, about a tenth higher than the median for married Hispanics and only about a quarter less than the median for married non-Hispanic whites (see appendix table 16 for details). Among widowed, divorced and separated, and never married adults, however, African Americans in their fifties and early sixties received lower incomes than Hispanics and non-Hispanic whites.

Although African Americans have less income in the years leading up to traditional retirement ages than Hispanics or non-Hispanic whites, they have made significant gains over the past 30 years. Between 1979 and 2008, median annual family income increased 14 percent for African Americans age 50 to 61 when inflation is taken into account, compared with 6 percent for non-Hispanic whites and 1 percent for Hispanics. All of the income growth for African Americans, however, occurred in the 1980s and 1990s. Between 1999 and 2008, median annual family incomes fell 12 percent for African Americans age 50 to 61, while declining only 5 percent for non-Hispanic whites and 3 percent for Hispanics. Although more recent data were not available when we completed this report in late August 2010, it is clear that the Great Recession, combined with declines in the stock and housing markets in 2009 and 2010, has further depressed family incomes since 2008.

Given African Americans' relatively low incomes, it is not surprising that they are more likely than Hispanics and especially non-Hispanic whites to struggle financially in the years leading up to retirement. Figure 27 shows the percentage of adults age 51 to 61 with incomes below 125 percent of the federal poverty line in 2008. The poverty line is designed to measure the minimum amount of income needed by an American family to make ends meet. It varies by family size and differs for those younger and older than 65. We focus on people with incomes below 125 percent of the poverty line rather than the poverty line itself because the poverty line is quite low and many people with incomes slightly above it struggle financially. For those younger than 65 in 2008, 125 percent of the poverty line amounted to \$14,001 for single adults

Figure 27. Percentage of Adults Age 50 to 61 with Incomes below 125% of the Federal Poverty Line, by Sex, Race, and Hispanic Origin, 2008



Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: The Hispanic group excludes those who report their race as African American or black. Estimates are based on a sample of 46,969 African American adults, 405,893 non-Hispanic white adults, 37,881 Hispanic adults, and 24,791 adults of another race. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

living alone and \$18,111 for a married couple with no dependent children.

More than one in five (21.3 percent) African Americans age 50 to 61 had incomes that fell below 125 percent of the poverty line in 2008. By comparison, only about 1 in 12 (8.5 percent) non-Hispanic whites and about one in six (18.4 percent) Hispanics had incomes that left them in or near poverty. Mirroring African Americans' income gains, these economic hardship rates have declined over the past three decades for African Americans. Since 1979, when 28.6 percent of African Americans age 50 to 61 had incomes below 125 percent of the poverty line, the share in or near poverty declined by about a quarter through 2008 (see appendix table 17 for details). Economic hardship rates did not decline as much for Hispanics, and did not decline at all for non-Hispanic whites. However, poverty and near poverty rates will almost certainly increase in 2009 and 2010 for African Americans age 50 to 61 (as well as Hispanics and non-Hispanic whites) once more recent data become available.¹³

Income at Age 62 and Older

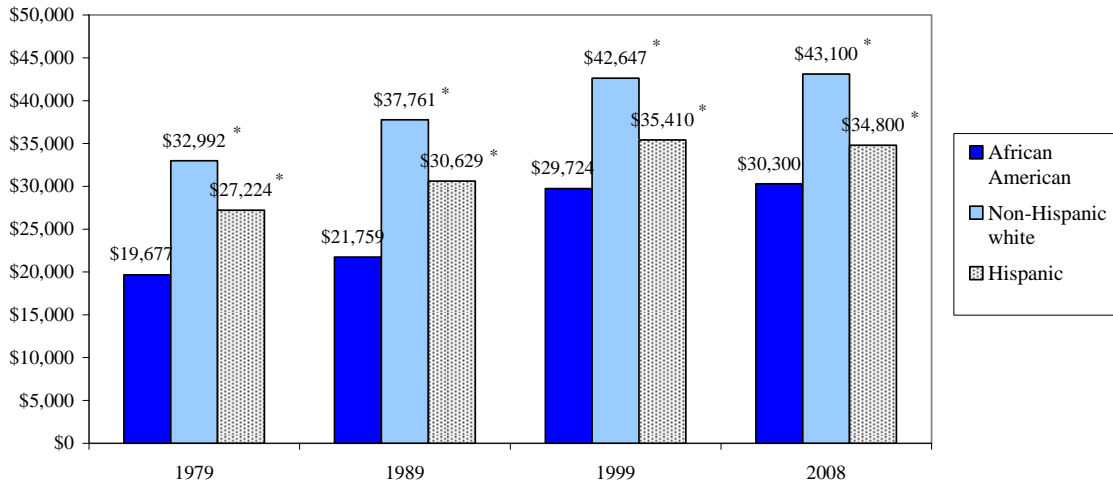
Economic status in retirement generally mirrors economic status earlier in life. Those who earn more during their working years accumulate more future benefits in Social Security benefits, are more likely to participate in retirement plans at work, accumulate more benefits in employer-sponsored defined benefit pension plans, and are better able to save for retirement through 401(k) plan contributions and other means. African Americans' relatively low labor force participation rates, their high unemployment rates, and the low wages they earn when employed reduce their economic well-being in later life. Their relatively high rate of defined benefit pension plan coverage is one encouraging sign for African Americans' retirement security, but it is not enough to offset other retirement income challenges, especially as their generally low earnings reduce the pension benefits they receive.

African Americans age 62 and older (who are generally eligible for Social Security retirement benefits) have significantly lower incomes than their Hispanic and non-Hispanic white counterparts. In 2008, median annual family income was \$30,300 for African Americans, compared with about \$34,800 for Hispanics and \$43,100 for non-Hispanic whites (figure 28). The median African American adult age 62 and older received only 70 percent as much income as the median non-Hispanic white. Although substantial, this income gap was somewhat narrower than at age 50 to 61, reflecting the equalizing influences of Social Security, which replaces a larger portion of pre-retirement earnings for low-earning beneficiaries than high-earning beneficiaries.

As we saw at age 50 to 61, the income shortfall for African Americans age 62 and older is magnified by their low marriage rates. Median family incomes are more than twice as high for older married African Americans than their single counterparts (appendix table 16), yet relatively few older African Americans are married. The black-white income gap is much narrower for older married adults than older single adults, and median income for older married African Americans exceeds that for older married Hispanics.

Real incomes have increased substantially over the past three decades for Americans who have reached retirement age, especially for African Americans. Between 1979 and 2008, median annual family income among adults age 62 and older increased 54 percent for African

Figure 28. Median Annual Family Income of Adults Age 62 and Older, by Race and Hispanic Origin, 1979-2008 (Measured in 2008 Constant Dollars)



Source: Authors' computations from the 2008 American Community Survey (ACS) and the 1980, 1990, and 2000 decennial censuses.

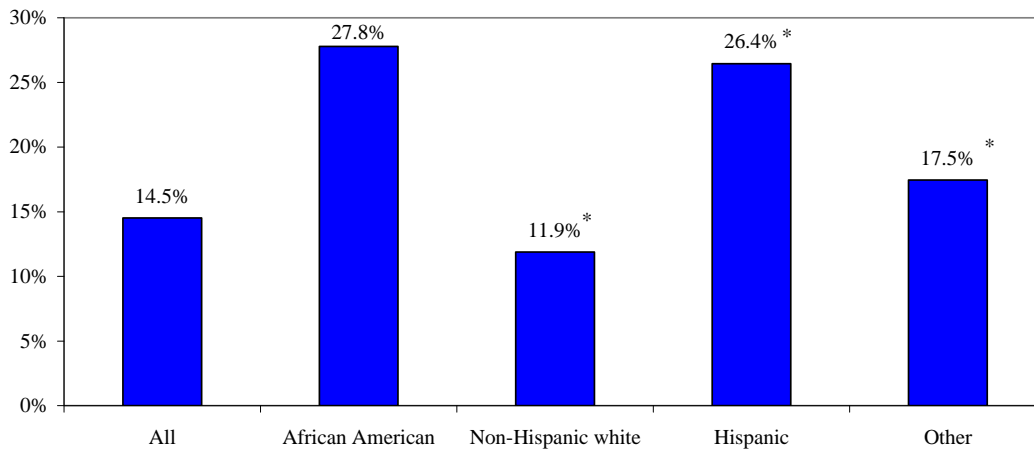
Note: The Hispanic group excludes those who report their race as African American or black. Family income is adjusted for inflation by the change in the consumer price index. 2008 estimates are based on a sample of 41,303 African American adults, 449,873 non-Hispanic white adults, 30,382 Hispanic adults, and 20,000 adults of another race. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Americans, 31 percent for non-Hispanic whites, and 28 percent for Hispanics when consumer prices are held constant. Incomes grew slightly in the 2000s for 62+ African Americans and non-Hispanic whites, and fell slightly for Hispanics.

Older African Americans' relatively low incomes translate into high rates of economic hardship. In 2008, 27.8 percent of African Americans age 62 and older had incomes below 125 percent of the poverty line, compared with 26.4 percent of Hispanics and 8.5 percent of non-Hispanic whites (figure 29).¹⁴ However, hardship rates for older African Americans have fallen sharply over the past three decades. In 1979, 44.7 percent of African Americans age 62 and older had incomes that fell below 125 percent of the poverty line, about three-fifths higher than in 2008 (appendix table 17). Hardship rates in 1979 were 57 percent higher than 2008 rates for older non-Hispanic whites and 27 percent higher for older Hispanics. However, all of these estimates likely understate the true share of older Americans with inadequate incomes because the poverty line does not account for out-of-pocket health care spending, an important expense for many seniors (Butrica, Murphy, and Zedlewski 2008).

Poverty and near poverty rates are especially high for unmarried older African American women. In 2008, the share of African American women age 62 and older with incomes below 125 percent of the poverty line was about 36 percent for those divorced or separated, 38 percent of those widowed, and 39 percent for those who never married (figure 30). By contrast, only about 14 percent of married African American women age 62 and older lived in poverty or near poverty. The marital status differential in economic hardship was also pronounced among non-Hispanic whites and Hispanics (although hardship rates were much lower for non-Hispanic white women in all marital status groups).

Figure 29. Percentage of Adults Age 62 and Older with Incomes below 125% of the Federal Poverty Line, by Sex, Race, and Hispanic Origin, 2008

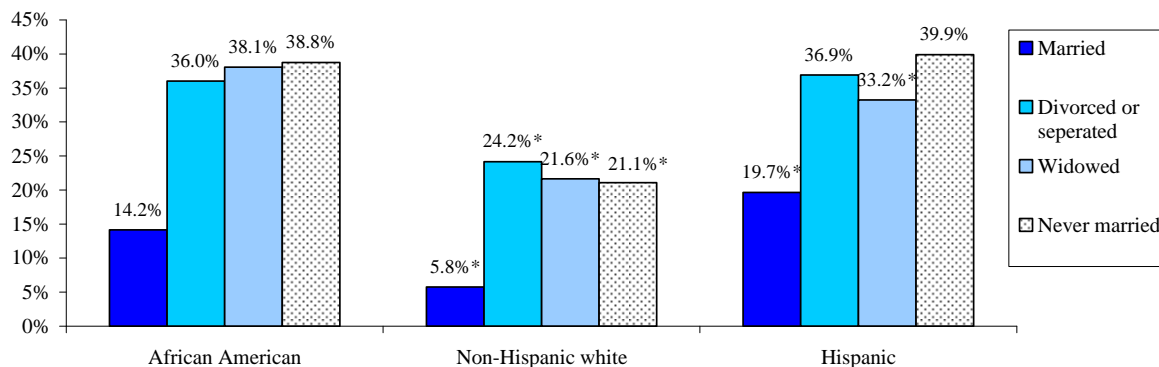


Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: The Hispanic group excludes those who report their race as African American or black. Estimates are based on a sample of 41,303 African American adults, 449,873 non-Hispanic white adults, 30,382 Hispanic adults, and 20,000 adults of another race. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Divorced and widowed women are at greater risk of poverty in old age than married women because women who become divorced or widowed generally have lower incomes before their marriage ends than those whose marriages remain intact, and because women generally forfeit at least some of their husband's income when the marriage ends (Weir, Willis, and Sevak 2002). Although Social Security survivor benefits aim to protect spouses financially when they become widowed, the surviving spouse receives only between half and two-thirds of the monthly benefit that the couple received together when both were alive.¹⁵ Most retirees receiving defined benefit pensions from their past employers choose payout options that continue to make payments to the surviving spouse after the retiree's death, but the surviving spouse usually

Figure 30. Percentage of Women Age 62 or Older with Incomes below 125% of the Federal Poverty Line, by Marital Status, Race, and Hispanic Origin, 2008



Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: The Hispanic group excludes those who report their race as African American or black. Estimates are based on a sample of 33,437 African American adults, 373,383 non-Hispanic white adults, 24,382 Hispanic adults, and 15,851 adults of another race. An asterisk indicates that estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

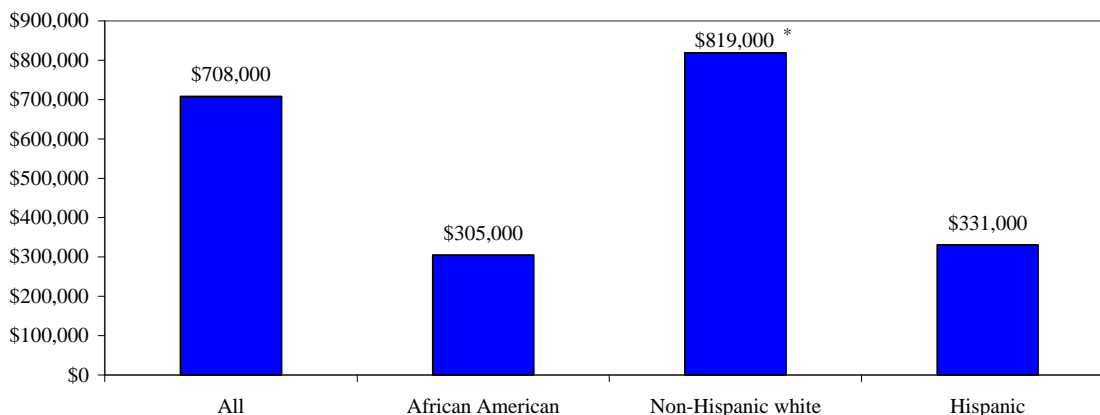
receives only half as much as the couple received when both spouses were alive (Johnson, Uccello, and Goldwyn 2005). These income declines push many widows (and some widowers) into poverty, because the official poverty line implies that consumption needs fall by only about a fifth (21 percent) when one spouse in a couple living alone dies. The U.S. Census Bureau's computations assume that living costs decline sharply when people share living arrangements, so that a couple living together needs only a little more income than one person living alone.¹⁶

Wealth Accumulation

African Americans nearing retirement have generally accumulated much less wealth than non-Hispanic whites, which will lead to lower retirement incomes in coming years. The broadest measure of household wealth includes the value of the future stream of benefits that people can expect to receive from Social Security and defined benefit employer pensions, as well as the value of their home, other real estate, and financial assets (including those invested in 401(k) plans). Using this broad measure, we find that median household wealth for African Americans age 51 to 61 in 2004 was \$304,000, compared with \$816,000 for non-Hispanic whites (figure 31). The median value of household wealth for Hispanics did not differ significantly from the value for African Americans.

Most of the wealth held by African Americans approaching traditional retirement age comes from Social Security. In 2004, Social Security accounted for 61 percent of the wealth held by “typical” African Americans age 51 to 61 (figure 32), where we define the typical adult as one in the middle of the wealth distribution (between the 40th and 60th percentiles). Housing accounts for 16 percent of total wealth for the typical African American and employer pensions account for 14 percent. Other financial assets account for just 1 percent of wealth. The

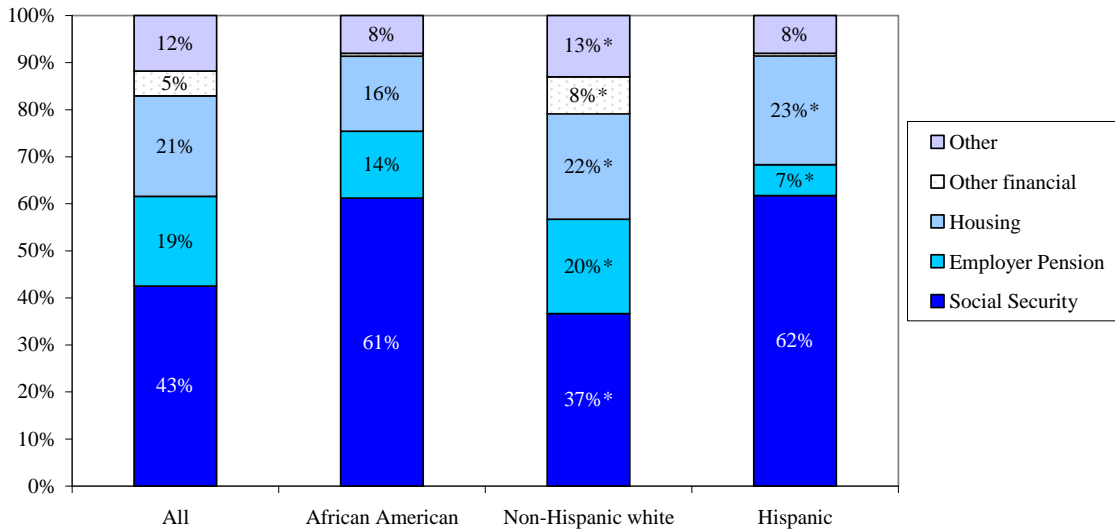
Figure 31. Median Household Wealth for Adults Age 51 to 61, by Race and Hispanic Origin, 2004
(Amounts are Expressed in 2008 Dollars)



Source: Authors' computations from the Health Retirement Survey (HRS).

Note: Household wealth includes the value of housing, other real estate, businesses, and 401(k), IRA, and other financial assets owned by the household, plus the expected value of future Social Security benefits and defined benefit pension benefits. Amounts are expressed in constant 2008 dollars. Estimates assume that adults will continue working until age 62 and receive earnings equal to a weighted average of their earnings over the previous five years. The present value calculations assume a real interest rate of 2.9 percent. The Hispanic group excludes those who report their race as African American or black. Estimates are based on a sample of 783 African American adults, 3,579 non-Hispanic white adults, 551 Hispanic adults, and 161 adults of another race. An asterisk indicates that the estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Figure 32. Percentage of Total Household Wealth from Various Sources for Adults Age 51 to 61 in the Middle of the Wealth Distribution, by Race and Hispanic Origin, 2004



Source: Authors' computations from the Health and Retirement Study.

Note: Estimates show wealth shares for the middle fifth of the wealth distribution. The Hispanic group excludes those who report their race as African American or black. Estimates are based on a sample of 157 African American adults, 718 non-Hispanic white adults, and 111 Hispanic adults. An asterisk indicates that estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

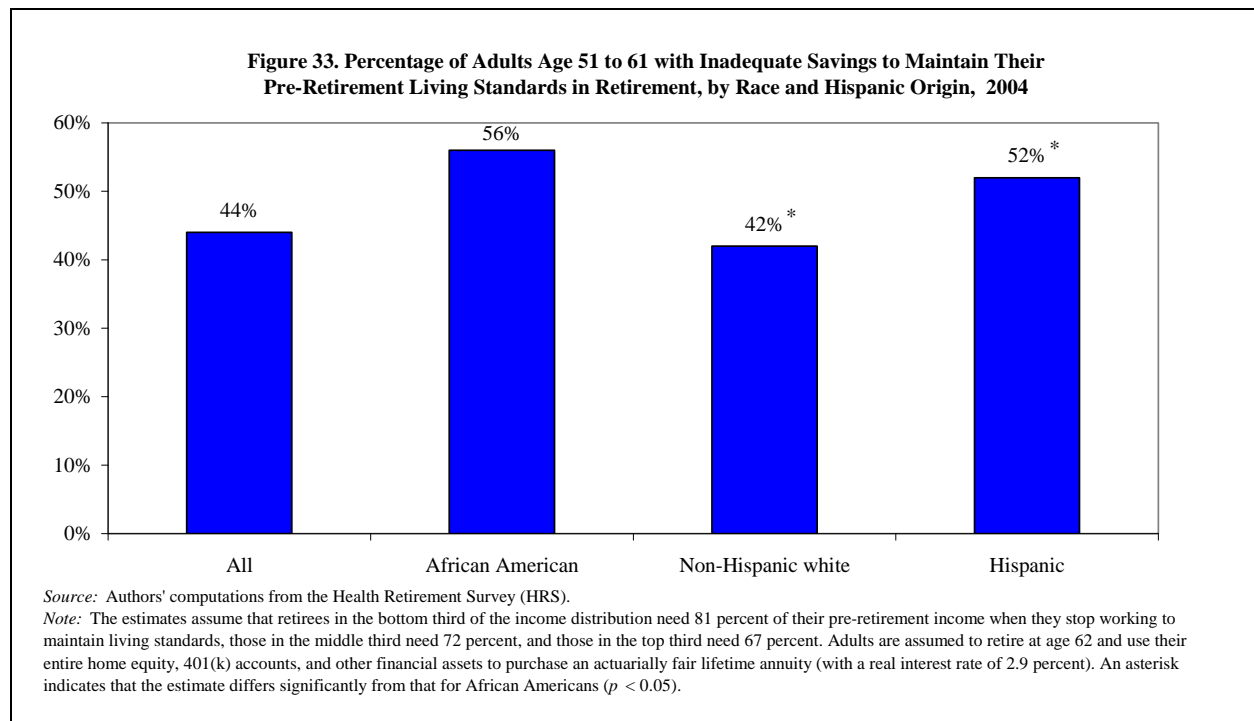
composition of wealth is similar for typical Hispanics and typical African Americans, although employer pensions are much less important for Hispanics and housing is more important. By contrast, Social Security plays a much smaller role for non-Hispanic whites. Combined, housing and employer pensions account for a greater share of total household wealth than Social Security for typical non-Hispanic whites. Other financial assets are also significant for non-Hispanic whites, accounting for 8 percent of wealth.

Because most African Americans approaching retirement have accumulated few assets, many run the risk of being unable to live as comfortably in retirement as they did while they were working. We estimate retirement preparedness by assessing whether adults in their fifties and early sixties have accumulated enough retirement resources in future Social Security and employer pension benefits, retirement accounts, home equity, and other saving vehicles to maintain their pre-retirement living standards when they stop working. Retirees generally need less income than they did while working, although it is difficult to say exactly how much less they need. For example, retirees pay less in taxes, they do not need to save for retirement, they generally no longer have dependent children, and many have already paid off their mortgages. Income needs generally decline more after retirement for high-income adults than lower-income adults, who at younger ages usually save less for retirement, pay lower taxes, and are less likely to be homeowners with mortgage payments. Following Munnell, Webb, and Delorme (2006), we assume that those in the bottom third of the income distribution need 81 percent of their pre-retirement income to maintain living standards in retirement, those in the middle third need 72 percent of their pre-retirement income, and those in the top third need 67 percent of their pre-retirement income.

Fully 56 percent of African American adults age 51 to 61 in 2004 had not accumulated enough wealth in their homes, Social Security benefits, or employer pensions and retirement plans to meet these income replacement targets and thus are likely to see their living standards decline when they retire (figure 33). Hispanics were only somewhat better positioned for retirement, with 52 percent failing to meet their wealth targets. Non-Hispanic whites fared best, but more than 4 in 10 (42 percent) had inadequate wealth and will likely see their living standards decline. These 2004 estimates precede the sharp declines in housing prices and stock values that began in 2007. As we describe in the next session, African Americans in their fifties and early sixties are likely much less prepared in 2010 than they were a few years earlier.

Impact of the Great Recession and Financial Crisis

The economic downturn that began in 2007 and has continued through at least 2010 has created additional financial problems for many African Americans age 50 and older. Millions of Americans lost their jobs as unemployment soared. The stock market collapsed, driving the Standard and Poor’s 500 stock index down 29 percent between August 2007 and August 2010 and wiping out trillions of dollars in wealth. The housing bubble burst, leaving home values across the country 14 percent lower in June 2010 than at their peak in April 2007. Home values fell even more rapidly in certain parts of the country, such as Arizona and Florida (both down 40 percent between April 2007 and June 2010), California (down 35 percent), and Nevada (down 50 percent) (Weicher 2010). As home values plummeted and job layoffs reduced incomes, home foreclosures soared, totaling 2.5 million between January 2007 and December 2009 (Bocian, Li, and Ernst 2010).



Although the data on how growing unemployment, slumping housing values, and stagnating stock prices have affected family finances were still incomplete as this report was being written in August 2010, the available evidence suggests that many families have suffered financially. Between the end of the third quarter of 2007 and the end of the first quarter of 2009, retirement accounts lost \$2.8 trillion, 32 percent of their value (Butrica and Issa 2010). A Pew Research Center survey found that 26 percent of those employed in May 2010 had experienced at least one spell of unemployment since December 2007, and 55 percent of these reemployed workers reported that their family finances were worse in May 2010 than before the recession started (Pew Research Center 2010). In a continuing monthly survey conducted by RAND, 36 percent of households had fallen behind in their mortgage payments, seen their homes go into foreclosure or the value of their homes fall below the amount owed on the mortgage, or experienced unemployment by the household head or spouse at some point between November 2008 and April 2010 (Hurd and Rohwedder 2010).

African Americans and Hispanics have been hit especially hard by the foreclosure crisis. Among homeowners with mortgages that originated between 2005 and 2008, 7.9 percent of African Americans and 7.7 percent of Hispanics lost their homes to foreclosure, compared with 4.5 percent of non-Hispanic whites (Bocian, Li, and Ernst 2010). Many more foreclosures are coming. At the end of March 2010, 21.6 percent of African American homeowners with mortgages and 21.4 percent of Hispanics had begun the foreclosure process or were 60 days or more behind on their mortgage payments.

Many of the financial challenges associated with the recession and financial crisis were less common among older households, because older adults are less likely to become unemployed than younger adults and are more likely to have accumulated substantial housing equity, reducing the likelihood that their mortgage will end up underwater. The four symptoms of financial distress measured in the RAND survey afflicted only 16 percent of households headed by adults age 50 to 59, 8 percent of those headed by adults age 60 to 69, and 3 percent of those headed by adults age 70 and older.

Nonetheless, the recession and financial crisis have had serious repercussions for many Americans approaching retirement, especially African Americans. In a January 2010 AARP survey, 44 percent of African Americans age 45 and older reported that they had problems paying for essential items such as food and utilities because of the recent changes in the economy, compared with only 23 percent of the general population age 45 and older (AARP 2010). Two-thirds (67 percent) of 45+ African Americans cut back on entertainment spending and nearly a third (31 percent) cut back on medications. African Americans were about twice as likely as the general population to have borrowed money over the past 12 months to pay everyday living expenses (30 vs. 14 percent). These ongoing financial pressures could undermine future retirement security: 34 percent of African Americans age 45 and older reported that they had stopped contributing to their 401(k), IRA, or other investment accounts during the past year, and 26 percent had withdrawn funds from those accounts before retirement. By contrast, only 18 percent of the general population age 45 and older had withdrawn funds early.

Summary

Many African Americans age 50 and older struggle financially. They generally receive less income than Hispanics and much less income than non-Hispanic whites. The income gap narrows once Social Security becomes available at age 62, reflecting the program's equalizing effects. Social Security replaces a greater share of pre-retirement earnings for low-income beneficiaries than for those with more income. Even after age 62, however, African Americans are much more likely to experience economic hardship than non-Hispanic whites. The share of older African Americans living in or near poverty is especially high for widowed, divorced, and never married women. Although poverty rates at age 62 and older have declined over the past 30 years, this trend may not continue. In 2004, before the economic downturn began, fewer than half of African Americans in their fifties and early sixties had accumulated enough wealth to live as comfortably in retirement as they did while working. Their retirement preparedness is probably much worse in 2010, as high unemployment has forced many African Americans to dip into their savings and declines in stock prices and home values eroded wealth holdings.

Future Employment Prospects for 50+ African Americans

Probably the most important factor influencing the employment outlook for African Americans age 50 and older (as well as all other groups) is how quickly the labor market recovers from the Great Recession. Although it is impossible to predict the future course of the economy with any certainty, most analysts agree that the recovery will be slow, and that it will likely take years to for all the jobs lost in the downturn to return. According to a May 2010 survey by the National Association for Business Economics (2010), for example, economists predict that the unemployment rate will remain above 8 percent through the end of 2011.

As the unemployment rate drops, employment prospects for 50+ African Americans will also depend on how well suited they are for future jobs, and whether they can easily obtain any of the necessary skills they lack for these jobs. This section identifies those occupations and industries that will grow most rapidly over the next 10 years, assesses their suitability for older African American workers, and discusses reskilling opportunities.

High-Growth Jobs

Every other year, BLS projects employment growth by industry and occupation for the next 10 years. The latest projections, covering the period 2008 to 2018, were released in late 2009 (Bartsch 2009). They assume that the labor market will have fully recovered from the Great Recession by 2018 and that the economy will be operating at full employment. Because of the substantial job losses that occurred in 2008, the projections show faster job creation than they would have if the economy had grown in 2008.

Table 7 shows projected employment growth from 2008 to 2018 for each industry and the number of 50+ African American workers that each employed in 2008. In relative terms, the fastest growing industries are professional and scientific services (which is projected to grow 34 percent because of rising demand from business restructuring needs) and health care and social assistance, expected to grow 24 percent as the population ages (Bartsch 2009). The expected

Table 7. 50+ African American Employment in 2008 and Total Projected Employment Growth from 2008 to 2018, by Industry

Industry	African-American Workers Age 50+ in 2008 (thous)	African Americans as Share of the 2008 Workforce (%)	Total Employment		Job Growth	
			in 2008 (thous)	in 2018 (thous)	(thous)	(%)
Professional and Scientific Services	114	4.1	7,830	10,486	2,657	33.9
Health Care and Social Assistance	870	14.5	16,845	20,862	4,017	23.8
Construction	157	6.0	7,215	8,552	1,337	18.5
Admin Support, Waste Mngmt, Remediation Svcs	205	13.1	8,054	9,485	1,431	17.8
Arts, Entertainment, Recreation	53	6.7	1,970	2,274	304	15.4
Other Services (Except Public Administration)	224	9.6	5,528	6,232	704	12.7
Education	509	10.7	13,471	15,154	1,683	12.5
Real Estate Rental and Leasing	83	7.4	2,130	2,366	236	11.1
Transportation and Warehousing	332	15.1	4,505	4,950	446	9.9
Accommodation and Food Services	149	10.9	11,489	12,327	838	7.3
Public Administration and Active Duty Military	355	14.7	11,039	11,827	788	7.1
Management of Companies and Enterprises	2	5.1	1,895	1,997	102	5.4
Finance and Insurance	141	7.1	6,015	6,337	322	5.3
Wholesale Trade	70	5.0	5,964	6,220	256	4.3
Retail Trade	292	6.6	15,356	16,010	654	4.3
Information and Communications	77	8.4	2,997	3,115	118	3.9
Manufacturing	419	7.9	13,431	12,225	-1,206	-9.0
Utilities	41	9.2	560	501	-59	-10.5
Mining	8	3.5	717	613	-104	-14.5
All	4,099	9.4	137,010	151,534	14,524	10.6

Source: Authors' computations from Woods (2009) and the 2008 American Community Survey (ACS).

Note: Excludes agriculture, forestry, fishing, and hunting.

rebound from the current recession is expected to propel 2018 employment in the construction industry 19 percent above its 2008 level. Other industries expected to grow faster than average between 2008 and 2018 include administrative support services; arts, entertainment, and recreation; education; and real estate rental and leasing.

Relative growth rates tell only part of the story, however. An industry that is growing rapidly from a low base may not provide many new job opportunities, whereas a large industry that grows more modestly could add many more jobs. From the perspective of total job growth, health care and social assistance is expected to generate about 4 million new jobs between 2008 and 2018, nearly twice as many as professional and scientific services (which will generate the second-highest number of new jobs). Education, administrative support services, and construction are each expected to create more than a million new jobs over the 10-year period.

Despite the labor-market disadvantage evident in 50+ African American workers' relatively low earnings and high unemployment rate, they generally appear to be well positioned to take advantage of the job opportunities likely to emerge in the fastest-growing industries.

African Americans made up about 9.4 percent of the 50+ workforce in 2008. Those industries in which more than 9.4 percent of workers age 50 and older were African American are all expected to experience employment growth of at least 7 percent between 2008 and 2018. Of the eight industries that will generate the most new jobs over the 10-year period, 50+ African American workers are overrepresented in six of them.

Job prospects for African Americans may be best in health care and social assistance, which will generate the most new jobs between 2008 and 2018 and where about one in seven workers age 50 and older in 2008 were African American, much higher than the economy-wide average. The education and the administrative support industries also employ disproportionate shares of 50+ African Americans and will generate many new jobs in the coming years. However, older African Americans are not well represented in professional and scientific services, another important source of job creation.

Occupations Within High-Growth Industries

Within high-growth industries, certain occupations are expected to grow faster than others, and at this level of detail the outlook for older African American workers is mixed. For example, 50+ African American workers are underrepresented in two of the fastest growing occupations in the health care and social assistance sector—computer and mathematical occupations and life, physical, and social science occupations, both of which are expected to grow at least 50 percent between 2008 and 2018. African Americans age 50 and older are well represented, however, in other fast-growing occupations in the sector, such as healthcare support occupations and personal care and service occupations, both of which are expected to grow more than 30 percent (table 8). The largest occupations for older African American workers in the health care and social assistance industry are also those with the largest net job growth, especially healthcare support and healthcare practitioners and technical occupations.

In the professional and scientific services industry, three occupational groups dominate predicted job growth. Of those three, office and administrative support and business operations and financial specialists are also the two leading occupational groups for older African American workers (table 9). The occupation group that will generate the most new jobs in the professional and scientific services industry is predicted to be computer and mathematical occupations, which was only the fifth largest occupation within the industry for older African Americans in 2008. (The third and fourth largest occupations are management and legal occupations, which are each predicted to generate fewer than half as many jobs as each of the three occupations mentioned above).

Within the education and manufacturing industries, occupational profiles simply reflect industry-wide trends. African Americans age 50 and older in the education industry work mostly in education, training, and library occupations, and those in manufacturing work mostly in production occupations. These professional groups will likewise see the bulk of the job gains and losses in the two industries.

Table 8. Projected Employment Growth from 2008 to 2018, for the Five Occupations in the Health Care and Social Assistance Industry Employing the Most African Americans Age 50 and Older in 2008

Occupation	African-American Workers Age 50+ in	African Americans as a Share of the 50+ 2008 Workforce	Total Employment		Job Growth	
	2008 (thous)	(%)	2008 (thous)	2018 (thous)	(thous)	(%)
All, Health Care & Social Assistance	870	14.5	16,845	20,862	4,017	23.8
Healthcare Support	200	27.3	3,344	4,408	1,064	31.8
Healthcare Practitioners and Techs	187	9.1	5,562	6,835	1,273	22.9
Office and Administrative Support	99	11.0	2,760	3,301	541	19.6
Personal Care and Service	99	19.4	1,091	1,537	445	40.8
Building and Grounds Cleaning and Maintenance	58	24.0	469	461	-8	-1.7

Source: Authors computations from Lacey and Wright (2009) and the 2008 American Community Survey (ACS).

Suitability of Growing Occupations for 50+ African Americans

The number of 50+ African Americans who will be able to take advantage of fast growing occupations in coming years will depend partly on whether they have the appropriate educational credentials and other relevant experience that employers demand. Fortunately, some of the largest job gains in the next decade are expected to occur in professions that do not require long periods of specific formal education to enter.

Table 9. Projected Employment Growth from 2008 to 2018, for the Five Occupations in the Professional and Scientific Services Industry Employing the Most African Americans Age 50 and Older in 2008

Occupation	African-American Workers Age 50+ in	African Americans as a Share of the 50+ 2008 Workforce	Total Employment		Job Growth	
	2008 (thous)	(%)	2008 (thous)	2018 (thous)	(thous)	(%)
All, Professional & Scientific Services	114	4.1	7,830	10,486	2,657	33.9
Office and Admin. Support	29	6.0	1,885	2,402	517	27.4
Business Op and Financial Spec. Management	20	4.0	988	1,451	462	46.8
Legal	14	3.6	557	737	181	32.4
Computer and Mathematical	12	3.0	612	739	127	20.8
	10	4.3	1,121	1,649	527	47.0

Source: Authors computations from Lacey and Wright (2009) and the 2008 American Community Survey (ACS).

Table 10 reports educational criteria and median wage levels for the 30 occupations projected to generate the most new jobs between 2008 and 2018, according to the BLS. Only 6 of the top 30 occupations require a Bachelor's degree. Fully two-thirds of the top 30 occupations can be accessed through on-the-job training rather than a formal degree (Bartsch 2009). Although many occupations with low entry barriers pay correspondingly low wages, several that do not require a Bachelor's degree offer wages that exceed the median (or in the BLS terminology, "high" or "very high" wages). The registered nurse occupation is expected to generate the most new jobs. It pays "very high" earnings and requires only an associate degree (although many registered nurses have more education). Licensed practical and vocational nurses also make the list of top growing occupations, and pay "high" wages—above the median but outside the top quarter. Although carpenters, maintenance and repair workers, and truck drivers are similarly well compensated without requiring any college education, some older workers may have difficulty with the physical demands these jobs impose. (Nursing jobs are also often physically demanding.) Employment opportunities are also growing for executive secretaries and administrative assistants and for the supervisors of office and administrative support workers, which both pay well. In addition to these higher wage occupations, the list also includes some lower-wage entry points into high-growth industries and occupations mentioned above, as well as potential career ladders into the high-growth specific occupations on the list.

Reskilling Opportunities

What resources exist to help 50+ African Americans meet the educational and credentialing requirements necessary to take advantage of employment opportunities in growing occupations and industries? The community college system and a recent boom in private sector (for-profit) higher education provide potential sources of education and training. Several new and existing programs are also modifying the content and format of the training they provide to better meet the needs of today's students and employers.

The community college system provides many of the credentials necessary to enter fast-growing occupations, and can usually accommodate the part-time schooling schedules of working adults who cannot afford to temporarily drop out of the labor force. In fact, community colleges enrolled half of all postsecondary students age 50 and older in 2005, but only a third of those younger than 25 (Lakin et al. 2008). The American Association of Community Colleges recently began a "Plus 50" initiative to explore new ways of recruiting older students and better meeting their needs. Older community college students appear more likely to complete their degrees than younger students with the same ability (Calcagno et. al. 2007). Moreover, the labor market returns to completing an associate's degree may be as much as twice as large for women and minorities than for white males. These findings suggest that the community college system may provide a particularly appropriate setting to train 50+ African-Americans.

Increasingly, for-profit educational institutions compete with community colleges, and students may see the two as close substitutes (Cellini 2009). They are attractive to older students for some of the same reasons as community colleges, and enrolled 7 percent of post-secondary students age 50 and older in 2005, compared with only 2 percent of those younger than 25 (Lakin, Mullane, and Robinson 2008). Because concerns have been raised about the quality and

Table 10. Employment, Median Wages, and Educational Requirements for the 30 Occupations with the Largest Projected Job Growth, 2008 to 2018

Occupation	Employment (thousands)		Change, 2008–18		Number of Workers Age 50+, 2008 (thousands)		Median Wage	Postsecondary Education or Training
	2008	2018	Number (thousands)	Percent	All	African American		
Registered nurses	2,619	3,200	582	22.2	1,007	85	VH	Associate degree
Home health aides	922	1,383	461	50.0	582	192	VL	Short-term OJT
Customer service representatives	2,252	2,652	400	17.7	477	55	L	Moderate-term OJT
Food preparation and serving workers	2,702	3,096	394	14.6	58	6	VL	Short-term OJT
Personal and home care aides	817	1,193	376	46.0	320	63	VL	Short-term OJT
Retail salespersons	4,489	4,864	375	8.4	1,007	64	VL	Short-term OJT
Office clerks, general	3,024	3,383	359	11.9	389	44	L	Short-term OJT
Accountants and auditors	1,291	1,570	279	21.7	653	40	VH	Bachelor's degree
Nursing aides, orderlies, and attendants	1,470	1,746	276	18.8	582	192	L	Postsec. vocational
Postsecondary teachers	1,699	1,956	257	15.1	528	32	VH	Doctoral degree
Construction laborers	1,249	1,505	256	20.5	296	28	L	Moderate-term OJT
Elementary school teachers (exc. special ed)	1,550	1,794	244	15.8	1,182	113	H	Bachelor's degree
Truck drivers, heavy and tractor-trailer	1,798	2,031	233	13.0	1,124	128	H	Short-term OJT
Landscaping and groundskeeping workers	1,206	1,423	217	18.0	274	29	L	Short-term OJT
Bookkeeping, accounting, and auditing clerks	2,064	2,276	212	10.3	611	30	H	Moderate-term OJT
Executive secretaries, admin. assistants	1,594	1,799	204	12.8	1,520	115	H	Experience in related occ
Management analysts	747	925	178	23.9	261	10	VH	Bachelor's degree & experience
Computer software engineers, applications	515	690	175	34.0	161	8	VH	Bachelor's degree
Receptionists and information clerks	1,139	1,312	173	15.2	348	32	L	Short-term OJT
Carpenters	1,285	1,450	165	12.9	336	18	H	Long-term OJT
Medical assistants	484	648	164	33.9	160	18	L	Moderate-term OJT
Super/mngrs of office & admin. support wkrs	1,457	1,618	160	11.0	572	54	H	Experience in related occ.
Network systems & data analysts	292	448	156	53.4	59	3	VH	Bachelor's degree
Licensed practical & vocational nurses	754	909	156	20.7	237	48	H	Postsec. vocational
Security guards	1,077	1,229	153	14.2	334	73	L	Short-term OJT
Waiters and waitresses	2,382	2,533	152	6.4	158	10	VL	Short-term OJT
Maintenance and repair workers	1,361	1,509	148	10.9	180	17	H	Moderate-term OJT
Physicians and surgeons	661	806	144	21.8	345	14	VH	Professional degree
Child care workers	1,302	1,444	142	10.9	340	62	VL	Short-term OJT
Teacher assistants	1,313	1,448	135	10.3	307	43	L	Short-term OJT

Source: Authors' computations from Lacey and Wright (2009) and the 2008 American Community Survey (ACS).

Note: VH = very high (\$51,540 or more), H = high (\$32,390 to \$51,530), L = low (\$21,590 to \$32,380) and VL = very low (under \$21,590). OJT = on-the-job training.

cost-effectiveness of for-profit higher education, there may be a role for government to enforce quality or transparency standards. Benefits from enhanced government regulation would accrue partially to the many older African-American workers who could gain from changing careers but who may require flexibility in course availability or scheduling beyond what their local community colleges can provide.

Financial barriers may prevent some older African American workers from continuing their education. In addition to the means-tested aid that is generally available to students (such as Pell grants), more targeted assistance is available for workers who have lost (or are about to lose) their jobs. Evidence suggests that technical training may significantly improve earnings for displaced workers (Jacobson, Lalonde, and Sullivan 2004). Although older displaced workers are less likely to take advantage of retraining, these programs appear just as beneficial to older participants as younger ones (Jacobson, Lalonde, and Sullivan 2003).

Government interventions to help workers and the unemployed find jobs and acquire new skills, collectively known as active labor market policies, have existed in the United States and all other industrialized countries for many years, but the United States currently spends an extremely small (and, since 1980, shrinking) fraction of its gross domestic product on active labor market policies (Holzer 2008b). Such policies typically include public or private sector subsidized employment, job search assistance, and training.

Evaluations of multiple programs across many years in the United States suggest that these active labor market policies have had small but significant and persistent effects on the earnings of participants (Holzer 2008b). Because costs per participant have typically been small, these programs have usually generated relatively high returns on investment. Although youths have not generally benefited much from these programs, adult participants have often experienced significant earnings gains, especially for women, nonwhite men, and displaced manufacturing workers (Greenberg, Michalopoulos, and Robins 2003). Evidence suggests that some of the larger programs in Europe have not been very effective, partly because they often take the form of public-sector job creation, which is less likely to generate long-term gains than training and job search assistance programs (Kluve 2006). A recent review of published research from Europe and the United States further concludes that many programs may have medium and longer-term benefits two or three years after program completion that are missed by shorter-term evaluations (Card, Kluve and Weber 2010). On balance, the evidence suggests that reversing the funding decline for active labor market policies could especially benefit 50+ African American workers, particularly those attempting to move into higher-growth industries.

Current active labor market policies in the United States largely come under the Workforce Investment Act and are administered by the U.S. Department of Labor (DOL). A fair amount of federal funding for workforce training is split up among different agencies, however, and consolidating these programs may improve efficiency and increase take-up (Holzer 2008a). To consolidate service delivery, the DOL administers its workforce programs through a network of One Stop Career Centers. Through the first point-of-contact at the One Stop Career Centers, workers and job seekers have access to DOL-sponsored training referrals, career counseling, job listings, and related employment services. These One Stops may be able to provide more useful services in the future by coordinating better with efforts at the state and local levels, and by

unifying access to federal programs outside of the DOL, such as the Pell grants for higher education administered by the Department of Education (Holzer 2008a).

The Senior Community Service Employment Program (SCSEP) provides training opportunities for low-income older African Americans looking to gain entry into the labor market.¹⁷ Authorized by the Older Americans Act and available at One-Stop Career Centers, SCSEP places participants in subsidized minimum-wage community service jobs at non-profits and public facilities. The program's goal is that the training and work experience provided by subsidized jobs will enable participants to move into unsubsidized jobs. SCSEP is available only to workers age 55 and older with incomes no more than 125 percent of the poverty line. The program enrolled about 89,000 participants in 2009, just a small fraction, approximately one percent, of those who are eligible and could benefit (U.S. DOL 2010). However, it gives preference to minorities, who accounted for 48 percent of participants in 2009.

Several small-scale efforts at the state and local level deliver coordinated labor market services, particularly as part of “employer-focused strategies” that seek deeper integration with business practices and employer needs. These strategies include incumbent worker training, sectoral programs, and career ladders (Holzer 2008a, b; Martinson 2007). Most of these programs are too new to have been carefully evaluated, however, so it is not yet clear how effective they have been.

Several states partner with employers to create innovative programs designed to improve job skills for both incumbent workers and job seekers. Incumbent worker programs bring formal training provided by community colleges and others into the workplace, often during regular work hours, making these programs more useful and attractive to workers with family responsibilities or multiple jobs and to those without easy access to transportation. Since 2005, state training funds in New Jersey and Pennsylvania have matched employer funds (provided as paid time for employees to participate) for incumbent worker programs that provide training and basic skills education (Martinson 2007).

Sectoral programs, which often operate at a more local level, involve tailoring curriculums of community colleges and other training providers to the specific needs of local businesses in targeted growing sectors. These programs can benefit sectors in which individual employers lack the scale necessary to justify in-house incumbent worker programs of their own. In health care, for example, labor unions in Los Angeles and Philadelphia have established sectoral programs that coordinate training and educational opportunities (including tie-ins with local community colleges) with job placements (Martinson 2007; National Network of Sector Partners 2009).

Career ladder programs focus particularly on formalizing requirements for career progression within a high-growth industry, and making it easier to combine modularized credit and non-credit training in a smooth progression designed to enable career growth. An early example was Boston Skillworks, which operates career ladder programs in fields such as health care, community health services, and the hospitality industry (Martinson 2007). The Skillworks program has inspired similar efforts in Baltimore, New York, and San Francisco, as well as the National Fund for Workforce Solutions (Skillworks 2010). The BLS job growth estimates cited earlier bear out the overall conclusion that “middle-skilled” work opportunities will continue to

multiply (Holzer and Lerman 2007), including opportunities at multiple levels within an industry and occupation that can be targeted by career ladder programs. Given the existence of growth opportunities at multiple skill levels within high-growth industries, career ladder programs present a special opportunity for 50+ African Americans. They provide a bridge from realistic, entry-level jobs in high-growth industries to the longer term goal of high-paying jobs that offer good benefits.

Time will tell whether these employer-focused initiatives can be replicated and expanded. Some have already achieved relatively impressive scale and results (Holzer 2008a, b; Martinson 2007). For example, nearly 10,000 participants in partnerships sponsored by the National Fund for Workplace Solutions, which supports career ladder and other programs, received educational or training credentials in 2009 (up from 4,132 the year before), and 4,058 unemployed participants received job placements (up from 893 the year before) (Baran et al. 2009). In tandem with existing formal apprenticeship programs, which currently benefit at least 500,000 American workers (Lerman 2009), these programs have the potential to make transitions to, and career growth within, various high-growth industries and occupations more accessible to today's 50+ African American workforce.

Summary

African Americans appear to be well positioned to take advantage of the job opportunities likely to emerge in the fastest-growing industries. Between 2008 and 2018, the health care and social assistance sector will generate more new jobs than any other sector, and the industry now employs a disproportionate share of 50+ African Americans. Many high growth jobs pay relatively well and do not require a Bachelor's degree, making them potentially accessible to workers with no more than a high school diploma.

SUMMARY AND POLICY IMPLICATIONS

This review of 50+ African Americans' demographics, employment experiences, and economic well-being highlights several workplace and financial challenges that they face. They generally have less education than non-Hispanic whites, limiting their employment prospects and earnings capacity. Additionally, they are more likely to experience work disabilities and serve as the primary caregiver for young children (especially their own grandchildren), both of which make employment difficult. African Americans age 50 and older have fewer disadvantages when compared with Hispanics. African Americans tend to have more health problems than their Hispanic counterparts, but they are no more likely to provide care to young children and on average have much more education.

It is not surprising, then, that African American men age 50 and older are much less likely to participate in the labor force than their non-Hispanic white counterparts. What is more surprising, however, is that they are less likely to participate than Hispanics. Moreover, 50+ African American men are less likely to participate in the labor force than 50+ white and Hispanic men with the same educational level and health status. By contrast, African American women age 50 to 74 are more likely to participate in the labor force than their Hispanic counterparts and about as likely to participate as their non-Hispanic white counterparts.

Among both men and women, employed 50+ African American workers earn much less than non-Hispanic whites. Educational deficits among African Americans account for part (but not all) of the earnings shortfall for women, but they account for very little of the gap for men. Older African American workers generally earn more than older Hispanics, primarily because they are better educated. African Americans are more likely than whites and Hispanics to leave their jobs after age 50 because of poor health.

The relatively low wages earned by many African Americans limit their economic well-being at age 50 and older. Family incomes tend to be much lower for African Americans than Hispanics and non-Hispanic whites, and African Americans are more likely to live in or near poverty. Economic hardship is especially common among unmarried African American women age 62 or older, more than a third of whom lived in households with incomes less than 125 percent of the poverty level in 2008. Many members of the next generation of African American retirees are also likely to struggle financially. In 2004, fewer than half of African Americans age 50 to 61 had accumulated enough wealth in their homes, their employer pensions and retirement plans, and the Social Security system to maintain their pre-retirement living standards after they retire.

Making matters worse, the economic downturn that began with the collapse in home values in 2007, continued with a stock market crash in 2008, and led to historically high unemployment rates in 2009 and 2010 is likely to derail retirement savings plans for many African Americans. The 2009 unemployment rate averaged 11 percent for African American men age 50 and older and 7.8 percent for women. Half of unemployed African Americans age 50 and older spent at least 25 weeks looking for a job in 2009. In January 2010, about a third of African Americans age 45 and older reported that they had stopped contributing to their 401(k), IRA, or other investment accounts over the past year, and about a quarter had withdrawn funds from those accounts before retirement.

Despite these challenges, there are some encouraging signs for 50+ African American workers. Workers age 50 and older today are much better educated than previous generations. Labor force participation rates have increased over the past two decades for African American men and women age 62 and older (as well as for whites and Hispanics). African Americans age 50 and older working full-time are just about as likely as non-Hispanic whites (and more likely than Hispanics) to participate in defined benefit pension plans at the workplace. The black-white gap in earnings and family income at age 50 and older narrowed between 1979 and 2008, reflecting educational gains by African Americans in earlier decades and reduced racial discrimination. The share of 50+ African Americans with income below or near the poverty line declined sharply between 1979 and 2008. Additionally, African Americans appear to be well-positioned to take advantage of emerging job opportunities in fast-growing industries such as health care and social assistance, which currently employ a disproportionate share of 50+ African Americans.

Not all of the recent trends are encouraging, however. Labor force participation rates have been declining for African American men age 50 to 61. Between 1999 and 2008, the black-white earnings gap for full-time 50+ workers widened (although it remained narrower than in 1979) and real median family income for African Americans age 50 to 61 declined.

Public policies and private practices designed to boost employment and earnings for African Americans age 50 and older could significantly improve their economic well-being. Once the demand for workers picks up, these policies could also help employers meet their staffing needs as the workforce ages and the growth in the available pool of younger workers slows. Other policy reforms could improve the economic security of 50+ African Americans.

Implications for Employers

Employers can modify their recruitment and retention strategies to better target 50+ African Americans and increase their representation in the workforce. Examples include the following:

- Use recruiting channels that are likely to reach African Americans, including media outlets and organizations that serve this population and that they trust.
- Offer flexible work options, caregiving information, or other benefits that may be particularly useful to workers with caregiving responsibilities. Such benefits may be especially attractive to 50+ African Americans because many serve as family caregivers.
- Implement mentoring or retraining programs to help 50+ workers in physically demanding jobs move into managerial positions or other jobs that require less physical exertion. Such programs could help employers retain 50+ African American workers and other older workers with knowledge and experience critical to the organization. Training in the use of technology may be especially useful in helping workers make this transition.
- Offer educational opportunities to employees or job seekers who appear to be a good match with the employer except that they lack a few skills. Training for workers with a proven track record of hard work and dependability may be especially valuable.

- Better train managers to encourage them to embrace diversity in the workplace. These efforts would educate managers about cultural differences and the value that diverse viewpoints can bring to an organization. Such training may limit hostile and discriminatory behaviors that often hurt employment prospects of African Americans and other minorities. Most employers provide diversity training, but increasing the share of African Americans in management generally requires employers to establish organizational responsibility for diversity (Kaley, Dobbin, and Kelly 2006).
- Organize employee resource groups as an informal mechanism for employees to develop networks with colleagues with similar interests or backgrounds. Employers may find that African American employee resource groups help recruit and retain African American workers.

Public Policy Implications

Policy initiatives aimed at increasing access to education and training, promoting workplace flexibility, and supporting family caregivers could improve employment prospects for 50+ African Americans. Health care reform, Social Security reforms, efforts to boost private savings, changes in the availability of unemployment insurance, and support for homeowners at risk of foreclosure will also influence economic well-being.

Education and training

Policy reforms designed to help the low-skilled workforce could benefit African Americans because many have limited education. The Workforce Investment Act of 1998 (WIA) provides federal funding to One-Stop Career Centers, which provide workers with employment and training services. WIA is up for reauthorization, and how Congress amends the law could affect 50+ African Americans' ability to access services. One concern with the existing arrangement is that performance appraisal standards may discourage centers from serving older workers (General Accounting Office 2003). Workforce development programs should also be redesigned to promote partnerships between education providers and employers in key industries, and should systematically identify labor-market opportunities in growing sectors of the economy in each state (Holzer 2008a). It is important that programs offer participants financial supports, such as modest stipends, to improve access to education and training. Otherwise, those who need training most would not generally be able to afford it.

To really improve employment opportunities for low-skilled workers, however, these programs need much more funding. Government funding for training has declined nearly 70 percent since the late 1970s (Holzer and Martinson 2008). The potential demand for SCSEP, a federal program that provides training and subsidized employment to low-income adults age 55 and older, substantially exceeds the available program slots, which totaled approximately 89,000 in 2009 (U.S. DOL 2010). The program only has the current capacity to serve one percent of those eligible.

Initiatives to promote education among younger African Americans could boost employment at younger ages and eventually translate into gains for older African Americans as the beneficiaries of these efforts age. Examples include increased public investments in improving early education opportunities, reforming school practices in the K-12 years, and improving access to higher education (Heckman 2008; Jacob and Ludwig 2009).

Workplace Flexibility and Help for Family Caregivers

African American workers age 50 and older would likely benefit from policies that promote workplace flexibility and provide better support to family caregivers, because many provide care to family members, especially young children. These care responsibilities often interfere with paid employment. Somewhat more than half (57 percent) of employed caregivers report that they sometimes have to go to work late, leave early, or take time off to attend to their care duties, and 17 percent said they had to take a leave of absence (National Alliance for Caregiving and AARP 2004). Few employers offer flexible work arrangements that would help employees balance workplace and family responsibilities. For example, only slightly more than one-third of employers with 50 or more employees allow all workers to periodically change their starting or quitting times, within some range of hours (Galinsky, Bond, and Sakai 2008). Various labor laws could be reformed to promote workplace flexibility. For example, existing provisions of the National Labor Relations Act of 1935 discourage employers and employees from working together to create flexible employment options (Workplace Flexibility 2010 undated).

Few programs now support family caregivers. The Family and Medical Leave Act (FMLA), enacted in 1993, guarantees workers up to 12 weeks of unpaid leave in any 12-month period to care for a newborn child (or newly adopted child); care for an ill child, spouse, or parent; or deal with one's own health problems. However, the law covers only workers in firms with 50 or more employees who have worked for the employer for at least 12 months and at least 1,250 hours that year. As a result, only about 47 percent of private-sector workers qualify for FMLA leave (Waldfogel 2001). One-sixth of all employees participating in a 2000 survey took leave for family or medical reasons in the 18 months prior to the survey (Waldfogel 2001). Only 11 percent of leave takers used it to care for ill parents, and only 6 percent used it to care for an ill spouse. Most use leave to deal with their own health problems or to care for a newly born or adopted child.

Extending FMLA protections to a larger segment of the workforce would help 50+ African Americans, but providing paid leave would help even more, because few can afford unpaid leave. California is the only state with a comprehensive paid family and medical leave insurance program (Johnson 2007). Funded solely by employee contributions, the program pays workers up to 60 percent of their wages when they take leave to care for newborns, newly adopted children, newly placed foster children, or seriously ill family members or domestic partners. Workers can receive up to six weeks of paid leave per year.

Public assistance to caregivers is provided through the National Family Caregiver Support Program (NFCSP) and Medicaid, but services are limited. NFCSP provides states with funding to provide caregivers with individual counseling and training, respite care for temporary relief from care obligations, and information about community services. It also funds limited

supplemental services, such as emergency response systems and home modifications, to supplement family care. The program's funding, however, has been inadequate, limiting its impact (Wisendale 2008). Medicaid supplies the majority of public funding for home and community-based care, mainly through its waiver programs. These joint federal-state programs focus on the care recipient, but indirectly sustain family members in their caregiver roles. However, eligibility criteria are strict, disqualifying many families who need assistance, and funding constraints limit services even for those who qualify (Johnson 2007). Expanding these programs could help 50+ African American caregivers remain employed.

Access to Health Benefits

As our review revealed, 50+ African Americans are more likely to have work disabilities than Hispanics and non-Hispanic whites, and 50+ African American workers are less likely to obtain health insurance from their employers than non-Hispanic whites (but more likely to do so than Hispanics). Additionally, about one in five African Americans of all ages (21 percent) were uninsured in 2009 (along with about one in three Hispanics), compared with only about one in eight non-Hispanic whites (U.S. Census Bureau 2010a). Lack of health insurance limits preventive care, which can lead to serious health problems.

The Patient Protection and Affordable Care Act, signed into law by President Obama in March 2010, will likely increase health insurance coverage for 50+ African Americans. It establishes health exchanges, a regulated marketplace where uninsured adults will be able to compare health insurance policies. More importantly, the federal government will subsidize premium and cost-sharing expenses for individuals and families with incomes up to 400 percent of the poverty level and require that all policies cover key preventive services. The legislation also substantially expands Medicaid, extending eligibility to all individuals with incomes below 133 percent of the poverty line, regardless of age, sex, or parental status. Many of these health reforms do not go into effect until 2014, however.

Retirement Security

Because relatively few African Americans in their fifties are saving enough for retirement, policy reforms focused on retirement security could substantially improve economic well-being in later life. Several initiatives to boost private savings have been proposed. In its 2011 budget, the Obama Administration proposed creating automatic Individual Retirement Accounts (IRAs). This initiative would require employers that do not offer 401(k) or other retirement plans to establish an IRA for their employees and automatically deduct contributions from their paychecks. Employers would not be required to contribute. Employees could opt out of the arrangement, but setting participation as the default option would likely increase the share of workers who contribute.

The 2006 Pension Protection Act (PPA) made it easier for employers to automatically enroll workers in 401(k) plans, which substantially increase participation rates (Choi et al. 2004; Gale, Iwry, and Orszag 2006). Although automatic enrollment has increased sharply in recent years, in 2009 only about a third of employers with 401(k) plans automatically enrolled workers (Charles Schwab 2010).

Expanding the saver's tax credit could also boost savings for low-income adults, including many African Americans. This federal government program matches up to 50 percent of the first \$2,000 in retirement savings by low-income adults. The government contribution, however, comes as a nonrefundable tax credit and thus does not benefit savers who do not earn enough to pay taxes. Providing a refundable tax credit would help low-income savers more.

Changes to Social Security will also affect retirement income security for future generations of African Americans. The latest projections show that in 2015 Social Security will begin permanently paying more in benefits than it collects in taxes, and that by 2037 the system will only be able to pay about three-quarters of scheduled benefits (Board of Trustees 2010). This long term financing challenge may soon lead to some combination of benefits cuts and tax increases. How Congress chooses to fix Social Security will significantly affect African Americans' well-being. Benefit cuts would hit African Americans particularly hard because they rely heavily on Social Security and many receive low benefits (based on their relatively lifetime earnings, despite Social Security's progressive formula). African Americans account for nearly a third of Social Security beneficiaries born between 1930 and 1939 receiving benefits less than the poverty level (Favreault 2010). Among all Social Security beneficiaries in that birth cohort (regardless of benefit level), only 1 in 12 are African American.

Additional Supports

Various policy initiatives could boost employment and earnings for African Americans age 50 and older. Wage subsidies, which have successfully increased employment for low-income workers in Germany (Stephan 2009), are one option. They can take various forms, but they typically provide tax credits to employers for hiring workers. Subsidies could be limited to particular groups, such as certain sociodemographic groups that have historically had difficulty finding work, but these targeted approaches appear to stigmatize participants and limit their employment options (Burtless 1985). A better alternative would be general wage subsidies that capped the subsidy for each worker or that slowly phased out as the wage increased (Katz 1998). The 2009 American Recovery and Reinvestment Act provided some federal funds that localities could use to subsidize wages, but the funding was limited and temporary. A broader, permanent system of wage subsidies could significantly raise employment prospects for 50+ African Americans. Other policy options include raising the minimum wage and extending living wage laws (which exist in certain localities and require employers that receive government contracts to pay above-market wages). Continued vigilance in detecting and eliminating workplace discrimination would also help protect African Americans rights, as would greater availability of subsidized legal services.

With near-record numbers of 50+ African Americans out of work in 2010, their economic security depends partly on the continued availability of income supports for unemployed workers. In the summer of 2010, unemployment insurance was available for eligible workers for up to 99 weeks, but as this report was being completed in August these benefit extensions were scheduled to end on November 30, 2010. With no sign that the unemployment rate will fall substantially in coming months, the loss of extended joblessness benefits could leave thousands of 50+ African Americans with inadequate incomes to meet basic living expenses.

With many African Americans at risk of losing their homes to foreclosure, additional help for homeowners struggling to make their mortgage payments is crucial. The Obama Administration's Home Affordable Modification Program (HAMP) is designed to reduce homeowner payments to an affordable level. Relatively few homeowners are being helped, however. Only about 500,000 home loans were modified in the second quarter of 2010, while 5.5 million home loans were in foreclosure or more than 60 days delinquent (Center for Responsible Lending 2010). Additional protections from predatory lending practices would also benefit many African Americans.

These types of public policy initiatives, along with changes to employer recruitment and retention strategies, could boost employment and earnings for 50+ African Americans and improve their economic security. Despite recent gains for African Americans, racial disparities in the workplace persist. Employed 50+ African Americans continue to earn substantially less than their non-Hispanic white counterparts, reducing their incomes both before and after retirement. Efforts to combat these disparities could boost African Americans' economic well-being and allow 50+ African American workers to realize their full potential.

NOTES

¹ This estimate is based on data from BLS (2010b).

² This estimate is based on our calculations of data from the December 2009 Current Population Survey.

³ There is growing concern that BMI is not a very good predictor of weight problems, because it ignores waist size (a clear indicator of obesity) and makes no allowance for the relative proportions of bone, muscle, and fat in the body.

⁴ These estimates are based on our computations from the 2008 ACS.

⁵ The one exception among men younger than age 75 was high school graduates age 70 to 74. Within this group, African Americans were more likely than non-Hispanic whites to participate in the labor force (20.7 vs. 18.7 percent).

⁶ These estimates are based on our analysis of the CPS.

⁷ Data for Hispanics age 50 to 74 are readily available only since 2000. Between 2000 and 2009, participation rates increased 3 percent for African American men age 50 to 74, compared with 7 percent for non-Hispanic whites and 6 percent for Hispanics. For women age 50 to 74, participation rates between 2000 and 2009 increased 11 percent for African Americans, 15 percent of non-Hispanic whites, and 17 percent for Hispanics.)

⁸ This estimate is based on our analysis of the 2008 SIPP.

⁹ Our estimates from U.S. Census data show that 29 percent of employed African American workers age 50 and older were employed by federal, state, or local governments in 1980.

¹⁰ These estimates include self-employed workers who have incorporated their businesses.

¹¹ As we will see in the next section, however, 50+ African American unemployment rates are as high as for 50+ Hispanics and much higher than for 50+ non-Hispanic whites. Unemployment rates are relatively high for African Americans but their layoff rates are low because they are more likely than Hispanics and whites to drop out of the labor force at relatively young ages and they tend to be out of work for an extended period when they lose their jobs.

¹²Rates were even higher for African American men younger than 25.

¹³Census data released in September 2010 show that between 2008 and 2009 the poverty rate for individuals of all ages increased from 24.7 to 25.8 percent among African Americans, from 8.6 to 9.4 percent among non-Hispanic whites, and from 23.2 to 25.3 percent among Hispanics (U.S. Census Bureau 2010a).

¹⁴For those age 65 and older, 125 percent of the poverty line in 2008 equaled \$12,908 for single adults living alone and \$16,288 for married couples with no dependent children.

¹⁵Married retirees may claim Social Security benefits based on their own lifetime earnings or their spouse's lifetime earnings. If they choose to collect based on their spouse's earnings, they receive half of the spouse's benefit. When beneficiaries become widowed, they may choose to receive survivor benefits, equal to their spouse's full Social Security benefit, instead of benefits based on their own earnings. Thus, household Social Security benefits would decline by a third when a beneficiary receiving spousal benefits become widowed. They would decline by more than a third and as much as a half when a beneficiary receiving benefits based only on her own earnings becomes widowed.

¹⁶Some experts believe that these assumed savings are overstated (Citro and Michael 1995).

¹⁷The AARP Foundation is one of the national contractors that administers SCSEP for DOL.

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APPENDIX A: Data Sources

Our data come primarily from six surveys: the American Community Survey (ACS), decennial censuses, Current Population Survey (CPS), Survey of Income and Program Participation (SIPP), Health and Retirement Study (HRS), and National Health Interview Survey (NHIS). The ACS is a nationwide household and institutional survey that collects information on demographic, housing, social, and economic characteristics. Begun in 2005, it interviews about 2 million households every year. We use the 2008 ACS data to measure educational attainment, marital status, labor force participation, health benefits, part-time and part-year employment, self-employment, government employment, industry, occupation, earnings, and income. The ACS asks respondents to report income received over the previous 12 months, which we treat and describe as 2008 income. We also use the 1-in-100 samples of the 1980, 1990, and 2000 decennial censuses to examine trends in some of these outcomes. Each census collected income data for the previous year, generating income measures for 1979, 1989, and 1999.

Tabulations of 2009 unemployment rates and the average duration of unemployment spells are based on the CPS, a nationally representative monthly household survey conducted by the U.S. Census Bureau for the Bureau of Labor Statistics (BLS). Each month, it collects information from about 100,000 respondents in about 50,000 households on demographics, employment, and job search activities. It is the basis each month for the official unemployment rate.

The HRS is a national, longitudinal survey of older Americans. Conducted by the University of Michigan with primary funding from the National Institute on Aging, it began in 1992 by interviewing about 12,600 adults age 51 to 61 and their spouses. These respondents have been re-interviewed every other year. Additional cohorts were added to the study in 1998 and 2004, so that the HRS now collects data every two years from more than 22,000 adults older than age 50. It oversamples African Americans and Hispanics. Among other topics, the HRS collects information on family relationships, caregiving responsibilities, job characteristics, the reasons workers give for leaving their jobs, and household wealth (including estimates of the value of future Social Security and employer-sponsored defined benefit pension benefits, based on linkages to administrative earnings records and pension information gathered from employers). Data are now available through 2008, allowing us to track employment histories for 16 years. However, the 2008 wave includes only respondents age 55 and older, because the youngest interview cohort was age 51 to 55 when it was added to the survey in 2004.¹ In addition to using the HRS to examine employment transitions at older ages, we use it to tabulate caregiving responsibilities, wealth, and job characteristics. Those computations use data from 2004, however, so we can observe outcomes for adults as young as age 51.

The SIPP is our information source for employer-sponsored retirement plan coverage. It is a nationally representative longitudinal household survey conducted by the U.S. Census Bureau that collects data on employment, job characteristics, income, assets, program participation, health status, demographics, and other topics. Households are surveyed every four months for between two-and-one-half years and four years. The SIPP is useful for our purposes because it asks workers whether their employers offer them a retirement plan and whether they choose to participate. It also collects information about both defined benefit plans and defined contribution plans. We use data from the recently released 2008 panel, which collected pension data in 2009.

Our final data source is the NHIS, which collects a wide range of health information on the civilian non-institutionalized population. Fielded by the Census Bureau for the National Center of Health Statistics, it surveys about 87,500 respondents in 35,000 households, and oversamples African Americans, Hispanics, and Asians age 65 or older. We use information from the 2008 survey, the most recent year available, to compare medical conditions, overall health status, and work disabilities.

Appendix A Note

¹ Another generation of respondents age 51 to 55 was added to the HRS in 2010, but those data are not yet available.

APPENDIX B: Data Tables

Appendix Table 1. Educational Attainment by Age, Race, and Hispanic Origin, Men Age 25 and Older, 1980 and 2008 (%)

	25-34	35-49	50-74	50-54	55-61	62-64	65-69	70-74	75+
1980									
African American									
Not high school grad	26.8	43.1	72.5	62.1	69.7	77.1	81.5	85.4	87.9
High school grad	39.2	32.6	16.0	21.9	17.8	13.6	10.9	8.1	6.7
Some college	22.6	14.6	6.4	9.2	7.1	5.2	4.1	3.2	2.8
4 or more yrs of college	11.4	9.7	5.1	6.8	5.4	4.1	3.6	3.3	2.7
Non-Hispanic white									
Not high school grad	11.9	21.1	43.5	34.3	38.3	45.3	53.2	59.7	68.3
High school grad	34.7	36.5	29.5	32.3	32.7	31.0	25.6	19.9	15.0
Some college	24.2	16.9	11.7	13.4	12.6	11.1	9.8	9.2	7.5
4 or more yrs of college	29.2	25.4	15.3	20.0	16.4	12.6	11.4	11.2	9.3
Hispanic									
Not high school grad	42.2	54.3	69.9	64.4	68.2	71.8	77.5	81.2	83.5
High school grad	27.8	22.6	15.9	18.1	17.0	15.5	12.2	10.5	8.9
Some college	19.0	12.9	7.2	9.3	7.5	6.0	4.7	3.6	3.3
4 or more yrs of college	10.9	10.1	7.0	8.2	7.2	6.7	5.6	4.7	4.4
2008									
African American									
Not high school grad	14.3	13.0	21.3	16.5	17.7	25.1	28.4	37.3	49.4
High school grad	42.9	44.7	40.5	42.1	40.6	39.1	40.0	36.7	30.0
Some college	26.8	25.3	22.3	24.8	24.6	19.5	17.6	14.9	10.8
4 or more yrs of college	16.0	17.0	15.8	16.6	17.0	16.3	14.0	11.0	9.9
Non-Hispanic white									
Not high school grad	6.9	6.9	8.5	6.7	6.5	9.3	11.2	14.7	20.7
High school grad	36.1	37.4	36.3	38.4	32.9	35.0	38.5	39.5	39.4
Some college	26.0	23.1	21.8	23.2	24.0	20.2	18.8	17.1	14.3
4 or more yrs of college	30.9	32.7	33.4	31.6	36.6	35.6	31.4	28.7	25.6
Hispanic									
Not high school grad	35.0	36.5	40.8	37.3	37.9	45.7	47.2	49.9	55.2
High school grad	37.5	34.2	30.0	31.4	30.4	27.8	28.5	27.4	26.8
Some college	17.6	16.2	15.7	17.4	17.0	13.7	12.2	11.4	7.4
4 or more yrs of college	9.9	13.1	13.6	14.0	14.7	12.8	12.1	11.3	10.7

Source: Authors' computations from the 1980 decennial census and 2008 American Community Survey (ACS).

Appendix Table 2. Educational Attainment by Age, Race, and Hispanic Origin, Women Age 25 and Older, 1980 and 2008 (%)

	25-34	35-49	50-74	50-54	55-61	62-64	65-69	70-74	75+
1980									
African American									
Not high school grad	24.8	41.4	69.6	58.9	67.1	73.0	78.2	81.7	84.0
High school grad	41.8	35.6	18.5	25.1	20.5	16.6	12.9	10.1	8.6
Some college	21.6	14.0	6.4	9.0	6.9	5.3	4.6	4.0	3.7
4 or more yrs of college	11.7	8.9	5.4	6.9	5.5	5.1	4.3	4.2	3.7
Non-Hispanic white									
Not high school grad	12.2	21.3	41.6	31.2	36.3	43.6	50.5	55.6	63.6
High school grad	42.9	47.1	37.2	44.4	42.0	37.4	30.6	24.8	20.0
Some college	22.5	16.9	12.3	13.9	13.1	10.9	10.8	11.1	9.6
4 or more yrs of college	22.4	14.7	8.8	10.5	8.6	8.1	8.0	8.5	6.7
Hispanic									
Not high school grad	43.4	56.9	73.3	67.0	72.5	76.9	79.1	81.8	84.3
High school grad	33.4	27.2	17.3	21.0	17.8	15.0	13.7	12.3	10.5
Some college	15.5	9.9	5.4	7.2	5.5	4.3	3.6	3.2	2.4
4 or more yrs of college	7.7	6.0	4.1	4.7	4.2	3.7	3.6	2.7	2.8
2008									
African American									
Not high school grad	10.1	9.8	18.4	12.5	15.1	20.5	25.8	33.3	46.5
High school grad	34.7	37.8	40.3	39.1	40.3	41.7	42.1	40.1	33.3
Some college	33.2	31.6	24.0	29.5	25.4	21.7	18.5	13.7	10.5
4 or more yrs of college	22.0	20.8	17.3	18.8	19.2	16.1	13.6	12.9	9.7
Non-Hispanic white									
Not high school grad	5.3	4.9	7.9	5.1	5.8	8.4	11.1	14.7	21.4
High school grad	28.0	33.6	42.6	38.1	39.6	44.8	48.1	51.1	51.3
Some college	28.2	26.8	22.6	26.1	23.9	21.0	19.6	17.0	13.8
4 or more yrs of college	38.5	34.7	26.9	30.8	30.7	25.8	21.1	17.2	13.5
Hispanic									
Not high school grad	28.4	31.9	41.0	33.9	38.9	44.7	49.4	54.3	61.2
High school grad	33.9	33.0	32.4	32.6	32.9	34.1	31.9	29.0	25.6
Some college	22.7	19.7	15.6	20.3	16.0	11.7	10.9	9.5	6.8
4 or more yrs of college	15.0	15.5	11.1	13.2	12.2	9.5	7.8	7.2	6.4

Source: Authors' computations from the 1980 decennial census and 2008 American Community Survey (ACS).

Appendix Table 3. Marital Status by Age, Race, and Hispanic Origin, Men Age 25 and Older, 1980 and 2008 (%)

	25-34	35-49	50-74	50-54	55-61	62-64	65-69	70-74	75+
1980									
African American									
Married	51.1	65.6	65.4	66.2	66.8	65.5	64.1	61.7	52.4
Divorced or separated	15.2	20.4	16.9	19.9	17.9	16.3	14.2	12.0	8.8
Widowed	0.4	1.6	9.8	4.5	7.2	11.0	14.9	20.3	32.7
Never married	33.4	12.4	7.9	9.4	8.2	7.2	6.9	6.0	6.0
Non-Hispanic white									
Married	67.8	83.4	84.4	85.2	85.7	85.2	83.3	80.0	66.4
Divorced or separated	9.7	9.6	6.1	7.8	6.3	5.5	5.0	4.3	3.4
Widowed	0.1	0.5	4.3	1.5	2.7	4.3	6.5	10.4	24.7
Never married	22.4	6.5	5.3	5.5	5.2	5.0	5.2	5.3	5.5
Hispanic									
Married	68.8	81.1	80.4	82.6	82.2	80.1	76.0	73.0	61.1
Divorced or separated	9.3	10.2	9.1	9.3	9.0	8.9	9.7	8.2	6.0
Widowed	0.2	0.7	4.6	1.8	3.2	5.8	7.9	12.7	26.5
Never married	21.8	8.0	6.0	6.3	5.7	5.1	6.4	6.0	6.4
2008									
African American									
Married	28.0	46.1	52.9	48.9	52.7	56.0	57.4	57.8	48.6
Divorced or separated	7.2	18.8	25.0	24.4	26.7	26.7	24.1	20.4	14.7
Widowed	0.2	0.9	4.9	2.2	3.7	4.9	8.7	13.4	29.0
Never married	64.6	34.3	17.2	24.5	16.9	12.4	9.9	8.3	7.7
Non-Hispanic white									
Married	46.2	65.6	73.0	68.5	72.9	75.6	77.1	76.8	67.6
Divorced or separated	7.9	16.0	15.9	18.5	17.0	15.4	13.0	10.5	6.7
Widowed	0.1	0.5	3.0	1.2	1.9	3.1	5.0	8.3	21.7
Never married	45.8	17.9	8.0	11.9	8.2	5.9	4.9	4.3	4.1
Hispanic									
Married	45.2	65.4	70.1	67.7	70.8	71.4	73.1	71.0	62.9
Divorced or separated	6.6	13.0	17.2	18.2	17.8	16.5	15.6	13.8	10.3
Widowed	0.2	0.6	3.5	1.4	2.3	4.5	6.3	10.4	22.0
Never married	47.9	21.0	9.2	12.6	9.1	7.6	5.0	4.8	4.8

Source: Authors' computations from the 1980 decennial census and 2008 American Community Survey (ACS).

Appendix Table 4. Marital Status by Age, Race, and Hispanic Origin, Women Age 25 and Older, 1980 and 2008 (%)

	25-34	35-49	50-74	50-54	55-61	62-64	65-69	70-74	75+
1980									
African American									
Married	44.9	51.6	43.1	50.3	47.4	43.0	36.3	28.5	14.9
Divorced or separated	23.7	30.0	19.0	25.6	21.3	17.0	13.5	10.5	6.7
Widowed	1.7	6.8	31.4	16.9	24.8	33.9	44.4	55.5	73.0
Never married	29.7	11.6	6.4	7.3	6.6	6.1	5.9	5.5	5.4
Non-Hispanic white									
Married	72.8	80.3	65.1	78.2	72.6	64.3	55.3	42.9	20.8
Divorced or separated	12.5	12.6	7.6	9.9	8.3	7.1	6.0	5.0	3.3
Widowed	0.5	2.5	22.2	7.7	14.6	23.5	32.8	45.4	68.5
Never married	14.1	4.7	5.1	4.1	4.5	5.2	5.9	6.7	7.4
Hispanic									
Married	68.6	72.5	57.1	67.5	60.8	53.0	46.0	35.4	19.1
Divorced or separated	15.0	17.2	15.3	17.6	16.0	14.3	13.2	10.3	6.0
Widowed	0.9	3.2	21.1	8.7	16.7	25.6	33.8	47.5	68.4
Never married	15.4	7.1	6.6	6.1	6.5	7.1	7.0	6.8	6.5
2008									
African American									
Married	25.1	37.6	35.1	38.0	36.1	35.6	31.6	27.9	14.6
Divorced or separated	10.5	24.9	30.5	31.7	33.3	30.2	27.7	22.2	13.5
Widowed	0.3	2.1	16.8	6.1	12.3	20.3	29.5	41.0	65.0
Never married	64.1	35.3	17.6	24.2	18.3	14.0	11.2	8.8	6.8
Non-Hispanic white									
Married	54.9	67.9	63.9	67.4	66.5	64.0	60.5	53.6	29.3
Divorced or separated	11.0	19.0	19.1	21.0	20.6	19.8	17.1	13.1	7.7
Widowed	0.3	1.4	11.1	3.4	6.5	11.4	18.4	29.8	58.8
Never married	33.7	11.7	5.9	8.2	6.3	4.8	4.0	3.6	4.1
Hispanic									
Married	52.4	62.5	54.0	58.8	56.2	51.8	48.4	42.2	24.6
Divorced or separated	10.9	19.5	23.8	25.1	25.3	23.6	21.1	18.7	12.0
Widowed	0.5	1.8	12.9	4.8	8.9	16.3	23.0	33.1	55.6
Never married	36.1	16.1	9.4	11.3	9.7	8.3	7.6	6.0	7.8

Source: Authors' computations from the 1980 decennial census and 2008 American Community Survey (ACS).

Appendix Table 5. Percentage of Adults Age 50 to 74 with Selected Medical Conditions, by Race and Hispanic Origin, 2008

	All	African American	Non-Hispanic White	Hispanic
Ever diagnosed with				
Heart condition	10.8	9.9	11.7	6.0 *
Stroke	4.2	5.8	4.0 *	4.2
Cancer	12.8	7.6	14.6 *	5.9
Diabetes	15.7	21.8	13.6 *	22.6
Hypertension	47.0	60.5	45.4 *	45.2 *
High cholesterol	42.1	35.3	43.5 *	40.6
Has asthma	7.6	9.4	7.3 *	7.1
Diagnosed with chronic bronchitis in last 12 months	5.7	5.5	6.2	2.2 *
Limited due to arthritis	38.0	38.4	37.0	45.4
Lower back pain, last 3 months	30.9	27.5	31.8 *	29.3
Any of these diagnoses or symptoms	79.1	79.8	79.6	74.0 *
Overweight	70.1	77.0	69.2 *	78.5
Obese	35.5	43.6	35.1 *	38.2

Source: Authors' computations from the 2008 National Health Interview Survey.

Note: Estimates are based on a sample of 1167 African American adults, 5084 non-Hispanic white adults, and 863 Hispanic adults. Adults are classified as overweight if their body mass index (BMI) equals or exceeds 25 and as obese if their BMI equals or exceeds 30. An asterisk indicates that estimate differs significantly ($p < 0.05$) from the corresponding estimate for African Americans.

Appendix Table 6. Labor Force Participation Rates by Education, Age, Race, and Hispanic Origin, Men Age 25 and Older, 2008 (%)

	25-34	35-49	50-54	55-61	62-64	65-69	70-74	75+
All								
Not high school grad	78.9	77.1	68.1	58.5	40.1	25.2	14.6	5.5
High school grad	87.0	86.5	82.9	71.2	49.0	32.4	18.8	8.1
Some college	92.2	91.8	87.4	76.8	54.8	37.7	23.3	9.9
4 or more years of college	94.8	96.5	94.0	84.3	66.5	45.9	28.5	12.4
African American								
Not high school grad	46.1	51.8	50.2	45.5	34.3	21.4	13.4	5.8
High school grad	74.6	76.0	71.9	60.4	42.7	28.5	20.7	9.1
Some college	88.6	87.7	79.1	66.6	47.8	35.3	22.0	11.1
4 or more years of college	94.5	94.2	92.1	79.4	62.8	42.4	25.0	15.1
Non-Hispanic white								
Not high school grad	75.6	70.6	63.1	52.3	36.0	24.0	14.6	5.5
High school grad	89.1	88.0	84.5	72.3	49.0	32.4	18.7	7.9
Some college	93.3	92.6	88.5	77.6	55.4	37.7	23.5	9.9
4 or more years of college	95.8	96.8	94.1	84.5	66.3	45.7	28.6	12.4
Hispanic								
Not high school grad	89.1	89.0	82.5	73.7	51.8	31.7	15.7	6.1
High school grad	90.4	90.4	82.5	76.4	56.2	37.8	18.8	9.6
Some college	93.0	92.7	88.9	81.1	57.5	41.5	23.3	10.0
4 or more years of college	94.2	96.3	94.4	83.4	72.1	52.0	33.0	14.2
Other								
Not high school grad	75.0	78.8	75.0	69.6	41.2	23.2	14.3	3.0
High school grad	85.3	87.0	86.0	74.4	55.5	34.1	17.4	9.3
Some college	87.0	91.2	87.6	79.3	56.3	39.4	21.4	6.7
4 or more years of college	90.2	96.1	93.8	86.6	69.9	47.8	26.1	8.3

Source: Authors' computations from the 2008 American Community Survey (ACS).

Appendix Table 7. Labor Force Participation Rates by Education, Age, Race, and Hispanic Origin, Women Age 25 and Older, 2008 (%)

	25-34	35-49	50-54	55-61	62-64	65-69	70-74	75+
All								
Not high school grad	52.9	56.1	50.5	40.7	26.9	15.6	7.6	2.1
High school grad	72.1	75.6	72.4	61.5	42.1	25.4	12.9	3.9
Some college	81.2	81.7	79.6	68.8	48.2	30.3	17.3	5.9
4 or more years of college	85.9	82.6	84.5	74.3	51.7	33.1	17.3	5.5
African American								
Not high school grad	60.4	53.5	46.6	40.4	29.1	18.8	8.9	2.5
High school grad	78.1	77.6	69.3	60.7	45.4	26.3	13.4	4.9
Some college	86.6	86.0	79.6	67.1	45.6	30.9	17.2	7.5
4 or more years of college	92.7	92.0	89.6	77.7	56.6	35.2	19.2	8.0
Non-Hispanic white								
Not high school grad	52.6	50.7	46.3	37.6	25.6	15.4	8.0	2.1
High school grad	72.2	76.0	73.3	61.7	41.9	25.3	12.9	3.8
Some college	80.7	81.1	79.7	69.0	48.6	30.0	17.3	5.6
4 or more years of college	87.0	82.0	84.5	73.9	51.2	32.8	17.2	5.3
Hispanic								
Not high school grad	50.8	59.9	55.3	44.2	29.2	14.4	6.8	2.3
High school grad	67.8	72.7	70.3	60.9	41.2	26.0	12.7	4.6
Some college	80.0	81.1	80.2	70.6	50.4	35.2	15.9	7.8
4 or more years of college	84.7	82.8	83.6	75.7	53.1	33.1	14.4	4.5
Other								
Not high school grad	55.0	61.9	57.5	43.8	22.7	14.4	4.1	1.3
High school grad	69.0	72.0	71.4	60.5	40.2	22.2	10.1	4.6
Some college	73.3	75.7	76.6	67.1	44.6	28.7	18.7	7.5
4 or more years of college	74.2	78.1	80.3	73.8	51.0	35.3	18.0	6.5

Source: Authors' computations from the 2008 American Community Survey (ACS).

Appendix Table 8. Labor Force Participation Rates by Marital Status, Education, Age, Race, and Hispanic Origin, Women Age 25 and Older, 2008 (%)

	Married				Unmarried			
	25-34	35-49	50-74	75+	25-34	35-49	50-74	75+
All								
Not high school grad	45.2	54.7	31.2	2.3	60.8	59.6	29.1	2.2
High school grad	65.6	74.0	47.7	3.7	77.9	78.1	50.8	4.0
Some college	75.1	78.8	59.3	5.2	87.3	86.3	62.6	6.2
4 or more years of college	80.1	78.4	63.7	5.5	93.0	93.0	68.9	5.6
African American								
Not high school grad	59.0	62.3	37.1	3.4	62.5	51.6	28.1	2.4
High school grad	78.2	79.6	53.3	6.8	78.1	76.6	50.5	4.6
Some college	83.3	85.3	63.6	7.1	88.1	86.7	62.8	7.2
4 or more years of college	90.3	90.5	70.6	7.6	93.9	93.6	69.6	7.9
Non-Hispanic white								
Not high school grad	46.1	51.6	27.0	2.2	59.2	52.4	25.0	2.1
High school grad	66.4	74.8	47.0	3.5	78.4	78.5	50.5	3.9
Some college	75.0	78.7	58.4	5.2	88.0	86.3	62.5	5.8
4 or more years of college	81.8	78.1	63.0	5.2	94.3	92.9	68.9	5.4
Hispanic								
Not high school grad	43.1	54.8	35.4	2.7	61.6	70.3	37.0	2.4
High school grad	59.8	68.2	49.8	5.5	76.5	79.9	55.6	4.2
Some college	73.4	76.5	65.2	3.3	86.0	88.2	67.0	10.0
4 or more years of college	79.2	77.8	66.7	5.1	90.6	93.5	70.7	4.5

Source: Authors' computations from the 2008 American Community Survey (ACS).

Appendix Table 9. Median Annual Earnings for Full-Time Workers, by Education, Age, Race, and Hispanic Origin, Men Age 25 and Older, 2008 (Thousands of Dollars)

	25-34	35-49	50+	50-54	55-61	62-64	65-69	70-74	75+
All									
Not high school grad	22.0	28.0	29.0	30.0	29.0	30.0	27.8	24.0	22.0
High school grad	30.0	40.0	40.0	42.0	40.0	40.0	35.0	30.0	30.0
Some college	36.0	50.0	50.0	50.0	50.0	50.0	42.6	33.0	33.0
4 or more years of college	50.0	75.0	77.0	80.0	75.5	77.0	75.0	60.0	52.0
African American									
Not high school grad	20.6	25.0	27.0	27.0	27.5	27.0	26.0	23.8	21.0
High school grad	26.0	32.0	33.3	33.0	35.0	38.0	26.2	30.0	25.9
Some college	30.0	40.0	40.0	41.0	40.0	40.0	35.0	35.8	28.0
4 or more years of college	42.0	57.0	56.0	56.0	56.0	60.0	51.0	60.0	31.0
Non-Hispanic white									
Not high school grad	27.0	34.0	35.0	35.0	35.0	37.0	32.4	25.0	25.0
High school grad	33.0	42.0	43.0	45.0	43.0	41.6	37.1	31.6	30.0
Some college	40.0	50.0	51.0	54.0	50.0	50.0	45.0	33.3	35.0
4 or more years of college	50.0	80.0	80.0	84.0	80.0	80.0	78.0	61.0	55.0
Hispanic									
Not high school grad	20.0	25.0	25.0	25.0	25.0	24.0	21.0	21.0	19.7
High school grad	26.0	32.0	33.0	35.0	33.1	32.0	26.0	24.0	26.0
Some college	33.0	41.0	44.0	45.0	45.0	37.3	40.0	30.0	25.0
4 or more years of college	45.0	58.0	56.0	55.0	60.0	60.0	50.0	40.0	36.0
Other									
Not high school grad	24.0	26.0	24.0	24.0	24.0	27.0	26.8	20.0	23.1
High school grad	30.0	34.0	31.7	33.0	32.0	30.0	28.2	21.9	31.7
Some college	35.0	45.0	45.0	46.0	45.0	39.2	35.0	25.0	60.0
4 or more years of college	59.0	80.0	67.0	71.0	63.0	65.0	65.0	54.0	41.3

Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: Estimates are restricted to workers employed at least 35 hours per week.

Appendix Table 10. Median Annual Earnings for Full-Time Workers, by Education, Age, Race, and Hispanic Origin, Women Age 25 and Older, 2008 (Thousands of Dollars)

	25-34	35-49	50+	50-54	55-61	62-64	65-69	70-74	75+
All									
Not high school grad	16.6	19.0	20.0	20.0	20.0	21.0	20.0	19.0	20.0
High school grad	24.0	28.0	30.0	30.0	30.0	30.0	27.2	24.6	22.7
Some college	29.0	35.0	36.4	37.5	37.0	36.6	33.0	28.0	26.0
4 or more years of college	41.6	52.0	54.0	55.0	55.0	52.0	50.0	40.0	35.8
African American									
Not high school grad	17.0	20.0	20.9	21.0	20.8	23.0	20.0	21.0	12.2
High school grad	23.0	27.0	27.0	26.4	27.6	26.0	26.0	25.1	20.0
Some college	27.0	33.0	34.0	34.1	34.1	33.0	30.0	25.0	35.5
4 or more years of college	40.0	49.0	50.0	51.0	51.0	48.1	40.0	40.0	39.8
Non-Hispanic white									
Not high school grad	19.0	21.0	22.0	22.0	22.9	24.0	21.0	20.0	21.0
High school grad	25.0	30.0	30.0	30.0	30.0	30.0	28.0	24.3	24.0
Some college	30.0	36.0	38.0	39.0	38.0	38.0	34.0	29.0	25.2
4 or more years of college	41.5	54.0	55.0	55.0	55.0	53.0	50.0	40.0	35.0
Hispanic									
Not high school grad	15.6	17.0	18.0	18.0	18.0	18.0	16.8	15.6	20.0
High school grad	22.7	24.9	25.0	25.0	25.5	26.0	20.8	22.2	18.0
Some college	28.0	31.2	32.0	33.0	33.0	31.0	30.0	35.0	20.0
4 or more years of college	40.0	45.0	48.0	47.1	50.0	43.0	52.0	32.0	62.0
Other									
Not high school grad	18.0	20.0	20.0	20.0	20.0	23.0	19.5	20.0	20.0
High school grad	24.4	26.0	26.0	26.4	26.0	25.0	23.0	30.0	19.5
Some college	30.0	35.0	35.0	35.0	35.0	36.0	39.0	13.0	38.6
4 or more years of college	50.0	57.0	51.0	52.0	50.0	50.0	48.0	36.0	30.0

Source: Authors' computations from the 2008 American Community Survey (ACS).

Note: Estimates are restricted to workers employed at least 35 hours per week.

Appendix Table 11. Retirement Plan Participation Among Full-Time Workers Age 25 or Older, by Age, Race, and Hispanic Origin, 2009 (%)

	25+	25-34	35-49	50+	50-54	55-61	62-64	65+
DB Plans								
All Race and Ethnicity								
Offered plan	30.3	25.3	30.4	33.8	34.4	35.7	32.3	23.2
Participate in plan	29.0	23.8	28.9	32.7	33.7	34.7	30.7	20.7
Participate, among those offered	95.6	94.3	95.0	96.8	97.8	97.1	95.2	89.4
African American								
Offered plan	32.2	25.6	34.0	35.1	35.7	35.6	35.2	28.5
Participate in plan	30.3	23.3	31.9	33.9	34.7	34.0	35.2	27.7
Participate, among those offered	94.1	90.8	93.8	96.7	97.2	95.4	100.0	97.1
Non-Hispanic white								
Offered plan	32.2	27.8	31.6	35.2	36.2	37.2	33.5	23.5
Participate in plan	31.0	26.5	30.4	34.3	35.6	36.4	32.0	20.9
Participate, among those offered	96.4	95.1	96.1	97.3	98.2	97.9	95.6	88.8
Hispanic								
Offered plan	20.5	15.7	22.8	22.0	20.9	24.7	18.6	18.9
Participate in plan	18.8	14.4	21.1	19.9	19.7	21.6	14.4	17.0
Participate, among those offered	91.9	92.1	92.5	90.4	94.2	87.7	77.5	90.0
DC Plans								
All Race and Ethnicity								
Offered plan	52.7	52.6	54.0	51.2	54.0	51.0	54.1	35.9
Participate in plan	40.5	36.5	42.4	41.0	43.6	40.9	43.5	26.8
Participate, among those offered	76.8	69.4	78.4	80.1	80.8	80.1	80.4	74.7
African American								
Offered plan	50.1	50.3	51.8	47.3	46.8	48.8	53.7	36.9
Participate in plan	32.9	29.7	34.8	32.8	31.7	33.5	42.8	26.5
Participate, among those offered	65.7	59.1	67.2	69.3	67.7	68.6	79.8	71.8
Non-Hispanic white								
Offered plan	56.4	57.0	58.7	53.5	57.7	52.8	55.0	37.0
Participate in plan	44.8	41.1	47.8	43.7	47.7	43.3	43.6	28.6
Participate, among those offered	79.5	72.2	81.4	81.7	82.7	82.0	79.1	77.4
Hispanic								
Offered plan	36.6	35.7	37.1	36.6	35.0	38.4	44.9	31.9
Participate in plan	24.0	21.2	25.1	25.8	25.7	26.2	43.1	12.3
Participate, among those offered	65.8	59.3	67.6	70.6	73.3	68.2	96.1	38.7

Source: Authors' computations from the Survey of Income and Program Participation (SIPP).

Note: Estimates are restricted to workers employed at least 35 hours per week.

Appendix Table 12. Self-Employment Rates Among Men and Women Age 50 and Older Participating in the Labor Force, by Race and Hispanic Origin, 1980-2008 (%)

	1980	1990	2000	2008
Men				
African American	8.0	8.9	9.7	10.0
Non-Hispanic white	20.9	21.9	21.4	20.4
Hispanic	11.3	13.8	13.5	13.1
Women				
African American	3.3	4.6	5.6	4.8
Non-Hispanic white	7.8	10.4	11.1	10.6
Hispanic	5.2	8.3	10.3	11.3

Source: Authors' computations from the 2008 American Community Survey (ACS) and the 1980, 1990, and 2000 decennial censuses.

Note: These estimates include self-employed workers who have incorporated their businesses.

Appendix Table 13. Reasons for Job Separations Among Workers Who Left a Job After Age 50, By Education, Race, and Hispanic Origin (%)

	Layoff or Health			Retire	Family Concerns	Quit	Other
	Layoff	Health	Total				
All							
All	23.4	18.2	40.0	47.1	5.8	16.1	4.4
Not high school grad	27.2	29.5	54.3	35.5	4.8	14.2	3.4
High school grad or some college	23.6	19.1	40.8	46.4	6.7	16.9	3.6
4 or more years of college	21.8	13.3	34.2	51.9	5.6	16.1	5.3
African American							
All	20.7	29.4	49.0	41.6	3.5	12.5	4.7
Not high school grad	25.3	37.7	60.9	32.8	3.9	8.8	4.2
High school grad or some college	17.7	27.9	44.8	43.8	3.4	13.8	4.8
4 or more years of college	19.6	23.4	42.6	47.3	3.4	14.7	5.2
Non-Hispanic white							
All	23.0	16.6	38.1	48.7	5.9	16.9	4.2
Not high school grad	24.1	29.3	51.0	38.6	4.4	16.1	2.5
High school grad or some college	24.1	18.2	40.2	47.0	6.8	17.4	3.6
4 or more years of college	21.9	12.0	33.1	52.7	5.6	16.8	5.2
Hispanic							
All	29.3	20.9	48.4	36.4	8.0	12.7	6.1
Not high school grad	38.2	22.0	58.2	27.4	7.4	13.3	6.2
High school grad or some college	28.4	23.1	50.4	39.9	7.5	14.4	1.5
4 or more years of college	13.7	16.2	28.0	50.2	9.7	9.6	10.5

Source: Authors' computations from the 1992 to 2008 waves of the Health and Retirement Survey (HRS).

Note: The sample is restricted to respondents who separated from a job between 1992 and 2008 after age 50.

Estimates do not sum to 100 percent because some workers leave more than one job and report multiple reasons for separating. Layoffs include business closings.

Appendix Table 14. Average Monthly Unemployment Rates by Sex, Education, Age, Race, and Hispanic Origin, 2009

	25+	25-34	35-49	50+	50-54	55-61	62-64	65-69	70-74
MEN									
All	8.8	10.9	8.5	7.5	8.2	7.3	6.6	7.2	6.9
Not high school grad	14.9	17.4	15.0	12.0	13.4	12.4	11.2	9.9	8.5
High school grad	11.0	14.3	10.5	9.0	9.8	8.8	8.2	7.7	7.2
Some college	8.8	10.7	8.2	7.9	8.3	7.6	7.1	8.6	8.6
4 or more yrs of college	4.7	4.9	4.5	4.9	5.0	4.9	4.4	5.4	5.3
African American	14.7	19.9	13.6	11.0	12.0	10.2	9.3	10.5	12.9
Not high school grad	23.9	34.5	26.4	13.5	12.6	14.8	16.5	12.9	15.9
High school grad	16.2	22.5	14.9	11.6	14.1	9.5	9.3	8.0	7.7
Some college	14.4	18.8	13.1	11.1	11.6	10.0	12.1	11.5	12.0
4 or more yrs of college	8.2	9.8	7.1	8.2	8.2	8.9	3.0	11.0	17.1
Non-Hispanic white	7.5	9.2	7.4	6.7	7.4	6.5	6.0	6.9	6.1
Not high school grad	15.2	20.5	16.0	11.5	15.4	10.6	7.6	10.6	6.2
High school grad	10.1	13.3	9.8	8.4	9.0	8.4	8.0	7.6	6.6
Some college	7.7	9.0	7.2	7.3	7.6	7.0	6.9	8.5	8.6
4 or more yrs of college	4.3	4.5	4.1	4.4	4.4	4.4	4.3	4.9	4.5
Hispanic	10.8	11.5	10.2	10.7	11.1	11.4	9.3	8.4	6.5
Not high school grad	13.2	13.8	13.1	12.5	12.3	13.4	14.7	8.1	9.0
High school grad	10.9	12.3	9.4	11.2	12.5	11.3	8.0	7.9	13.4
Some college	9.4	9.3	9.3	9.7	9.8	11.9	4.7	7.8	0.0
4 or more yrs of college	5.9	5.0	5.8	7.2	7.5	7.2	2.6	10.2	0.0
WOMEN									
All	6.9	8.6	6.7	6.0	6.0	6.0	5.9	6.3	5.6
Not high school grad	14.2	21.2	13.8	9.9	12.1	10.0	7.4	8.3	6.3
High school grad	8.0	11.4	8.0	6.4	7.0	6.4	5.0	5.4	5.6
Some college	7.1	8.9	6.6	6.5	5.9	6.8	7.3	7.7	5.9
4 or more yrs of college	4.5	4.7	4.4	4.4	4.0	4.3	5.0	5.2	4.9
African American	10.1	13.8	9.3	7.8	9.0	7.3	5.7	6.4	6.1
Not high school grad	18.6	29.4	17.6	11.8	13.7	13.8	5.5	10.2	8.0
High school grad	11.5	16.8	10.9	8.1	11.8	4.9	7.1	3.0	5.5
Some college	9.4	13.2	7.8	7.7	7.2	9.0	4.1	11.9	4.0
4 or more yrs of college	6.7	6.7	7.3	5.9	6.3	5.9	5.9	1.7	6.5
Non-Hispanic white	5.8	6.8	5.6	5.5	5.2	5.6	5.7	6.2	5.1
Not high school grad	12.8	22.0	13.3	8.4	10.7	9.7	5.0	7.8	4.1
High school grad	7.0	9.5	7.2	6.0	5.9	6.2	5.0	6.0	5.6
Some college	6.4	7.6	5.9	6.2	5.7	6.3	7.7	7.0	5.4
4 or more yrs of college	4.0	4.2	3.7	4.1	3.5	4.1	4.7	5.3	4.4
Hispanic	9.9	10.9	9.8	8.6	9.0	8.8	6.6	7.0	5.7
Not high school grad	14.3	18.1	13.9	11.5	13.4	10.1	11.0	8.1	5.2
High school grad	9.6	11.8	8.9	8.0	8.5	10.1	2.6	1.5	6.3
Some college	8.7	8.7	9.1	7.7	6.3	8.3	6.3	12.1	0.0
4 or more yrs of college	5.3	4.8	5.6	5.3	5.1	5.0	4.0	10.0	7.7

Source: Authors' computations from the monthly files of the 2009 Current Population Survey (CPS).

Note: The table reports the average of the monthly unemployment rate from January through December, 2009. The unemployment rate is the share of the civilian labor force that is out of work and looking for work. The Hispanic group excludes those who report their race as African American or black.

Appendix Table 15. Average Monthly Underemployment Rates by Sex, Education, Age, Race, and Hispanic Origin, 2009

	25+	25-34	35-49	50+	50-54	55-61	62-64	65-69	70-74
MEN									
All	15.1	18.7	14.4	13.1	13.8	13.0	11.9	13.2	12.2
Not high school grad	28.1	33.3	27.9	23.1	25.1	23.7	23.2	20.3	16.7
High school grad	18.6	23.7	17.8	15.5	16.6	15.4	13.7	15.1	11.9
Some college	14.6	17.5	13.7	13.4	13.3	13.4	12.8	14.7	14.4
4 or more yrs of college	7.9	8.4	7.2	8.3	7.8	8.6	7.9	9.1	9.8
African American	21.9	29.1	19.7	17.6	17.7	18.0	15.8	16.1	18.8
Not high school grad	36.8	48.6	38.4	25.8	24.5	29.4	27.0	22.9	21.7
High school grad	24.1	33.4	21.6	18.1	20.2	17.2	15.1	12.1	11.0
Some college	20.9	26.7	18.9	17.3	16.2	17.5	18.3	17.4	28.0
4 or more yrs of college	12.1	15.1	10.0	12.2	11.8	13.2	8.2	14.8	20.4
Non-Hispanic white	12.6	15.3	12.1	11.6	12.2	11.5	10.6	12.3	11.3
Not high school grad	25.4	33.5	26.3	19.8	24.3	18.9	17.0	18.6	14.3
High school grad	16.8	21.4	16.3	14.6	15.3	14.7	13.5	14.7	11.4
Some college	13.1	15.2	12.2	12.6	12.6	12.5	12.3	14.3	13.9
4 or more yrs of college	7.1	7.5	6.4	7.6	6.9	8.0	7.6	8.6	9.1
Hispanic	21.9	23.8	20.9	20.4	21.2	20.6	19.3	20.1	13.7
Not high school grad	28.6	31.1	27.7	26.1	26.0	26.9	30.0	22.4	19.5
High school grad	21.4	23.5	19.9	20.6	23.5	19.4	12.8	20.8	17.8
Some college	16.9	17.2	16.8	16.5	16.5	18.5	12.6	14.7	3.8
4 or more yrs of college	11.5	11.5	11.3	11.8	11.6	11.4	8.7	18.2	6.7
WOMEN									
All	13.2	15.6	13.0	11.8	12.1	11.8	11.3	11.3	11.4
Not high school grad	28.8	38.2	29.1	22.2	27.2	22.5	18.2	15.0	14.6
High school grad	16.0	21.6	16.2	12.9	14.2	13.3	9.9	10.6	11.0
Some college	13.2	16.0	12.4	12.2	11.7	12.3	13.5	12.6	12.6
4 or more yrs of college	8.0	8.0	7.7	8.2	7.5	8.1	9.1	9.6	9.6
African American	17.4	22.1	16.1	14.8	15.8	14.9	12.3	10.8	14.0
Not high school grad	33.5	45.7	32.9	25.2	28.4	30.3	14.3	14.9	14.0
High school grad	20.5	27.7	19.3	15.9	19.4	13.8	15.6	6.7	11.7
Some college	16.2	21.0	13.7	14.7	14.4	15.2	12.3	15.8	20.5
4 or more yrs of college	10.0	9.9	10.6	9.1	9.1	9.4	7.2	7.0	10.5
Non-Hispanic white	11.1	12.5	10.8	10.5	10.5	10.5	10.5	10.7	10.2
Not high school grad	24.0	36.0	25.8	17.1	23.4	18.7	12.6	11.1	10.2
High school grad	13.9	18.7	14.4	11.7	12.4	12.1	9.2	10.9	10.9
Some college	12.0	14.2	11.2	11.4	11.1	11.3	13.5	11.8	10.6
4 or more yrs of college	7.2	7.3	6.5	7.8	7.1	7.8	8.7	9.4	8.9
Hispanic	21.1	22.1	21.2	19.7	20.4	20.4	17.5	15.7	16.9
Not high school grad	31.7	36.9	31.2	27.5	30.0	25.8	28.5	20.6	26.5
High school grad	21.5	24.1	20.6	19.4	19.8	23.6	11.5	9.0	15.5
Some college	16.6	16.3	17.0	16.0	15.2	17.0	11.6	20.1	7.2
4 or more yrs of college	10.8	10.1	11.6	10.3	9.9	9.6	12.6	12.9	14.1

Source: Authors' computations from the monthly files of the 2009 Current Population Survey.

Note: The table reports the average of the monthly underemployment rate from January through December, 2009. The underemployment rate is the share of the civilian labor force that is out of work and looking for work, working part-time because they cannot find full-time employment, and those who stopped looking for work because they became discouraged.



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601 E Street, NW
Washington, DC 20049
www.aarp.org/research

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