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# ACCESS TO PAID SICK LEAVE AND THE EMPLOYMENT OF OLDER ADULTS

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*There is political pressure to raise the age for retirement benefit claims, despite many American workers detaching from the labor market in their 50s and early 60s (Berkman & Truesdale, 2022). If the eligibility age for retirement claims is extended, older workers will require support to sustain employment and meet their retirement goals. This study focuses on the potential of paid sick leave (PSL) to support older workers to maintain employment intensity by offering workers the flexibility to address health and caregiving needs. Understanding the role of work-family policies to support workers as they age might illuminate critical strategies.*

## **The Role of Workplace Benefits in Supporting Older Workers Labor Force Participation**

Americans are working later into older age: the Bureau of Labor Statistics predicted that between 2016 and 2026, the number of workers age 65 and older would rise by 57.6% (Bureau of Labor Statistics, 2019). While workers can begin to receive Social Security retirement benefits as early as age 62, the Social Security Administration incentivizes recipients to delay claims (Social Security Administration, 2023). Maintaining employment through experiences of health shocks may be particularly important for older workers, who face increased difficulty finding a new job and lower median wages if they can return to work (Johnson & Mommaerts, 2010), increasing the probability that older workers who lose their jobs will retire prematurely. Research shows that paid family and medical leave programs increase the ability of workers to respond to emergent caregiving needs while maintaining employment (Anand et al., 2022). Paid sick leave offers flexibility to address short-term health and caretaking needs.

Using data from the 2010-2018 National Health Interview Survey, accessed via IPUMS (Blewett et al., 2023), I examine the relationship between access to paid sick leave and employment among older adults and explore the association between access to paid sick leave and the employment intensity – the number of hours worked per week and months worked per year – of older workers.

I find that access to sick leave grew more quickly for younger workers than older workers during the study period and is associated with greater employment intensity in terms of hours and months worked. On average, older workers tend to be employed in industries with higher levels of sick leave coverage. However, many remain in lower coverage industries and lack access to sick leave at this critical juncture in their lives. Among workers over age 62, access to paid sick leave is associated with working around one full day more per week. Notably, the association between access to sick leave and the number of hours worked per week grows stronger as workers age, with a more stable – though positive association – for the number of months worked per year. Stratified analyses found that paid sick leave was more strongly associated with



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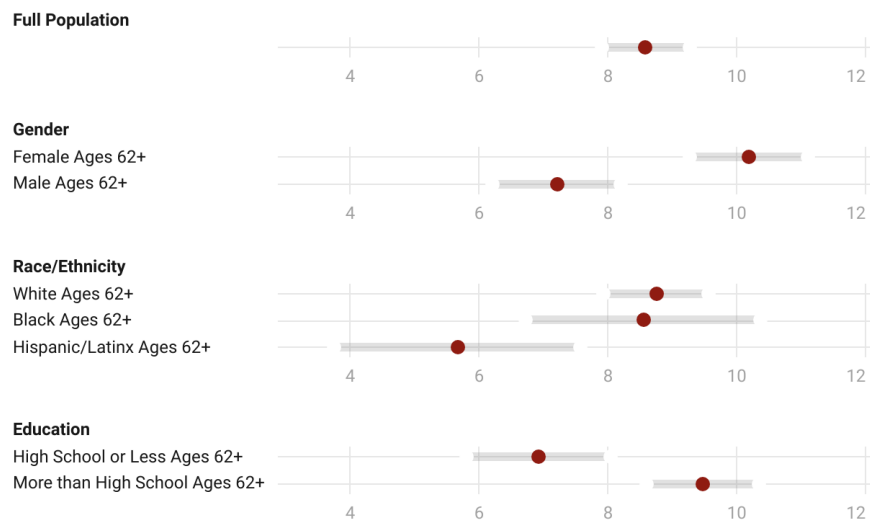
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employment intensity among female workers than male peers and for those with more than a high school education. Focusing on older workers, who may have an increased need for workplace flexibility due to medical and caregiving needs, this study contributes to the growing literature on the role of paid sick leave in supporting employment later in life and delaying benefit claims when possible.

## Access to paid sick leave is strongly associated with increased working hours among those eligible for early retirement benefits

Among older workers, access to paid sick leave is strongly associated with working more hours. These associations are stronger among workers older than the early retirement eligibility age of 62 than among those ages 55-61. The association is significantly stronger among women and those with education beyond a high school degree.

### Association between access to paid sick leave and usual hours worked by subgroup of workers older than 62 years



Source: NHIS 2010-2018. Notes: Each dot presents the regression co-efficient for the number of hours worked per week stratified by subgroup compared to workers without access to paid sick leave. Models control for demographic, household, and health characteristics and year and region fixed effects. 95% confidence intervals are presented as gray bars.

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## Implications

- On average, older workers tend to be employed in industries with higher levels of sick leave coverage, though many remain in lower coverage industries and lack access to sick leave at this critical juncture in their lives.
- Access to paid sick leave is associated with greater employment intensity. The association between access to sick leave and the number of hours worked per week grows stronger as workers age, with a more stable – though positive association – for the number of months worked per year.



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- A universal paid sick leave program may support access to workers historically excluded from paid sick leave, which may be particularly relevant to retirement preparedness and economic security in retirement given the potential for paid sick leave to increase work intensity.

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