

# *How Has COVID-19 Affected the Labor Force Participation of Older Workers?*

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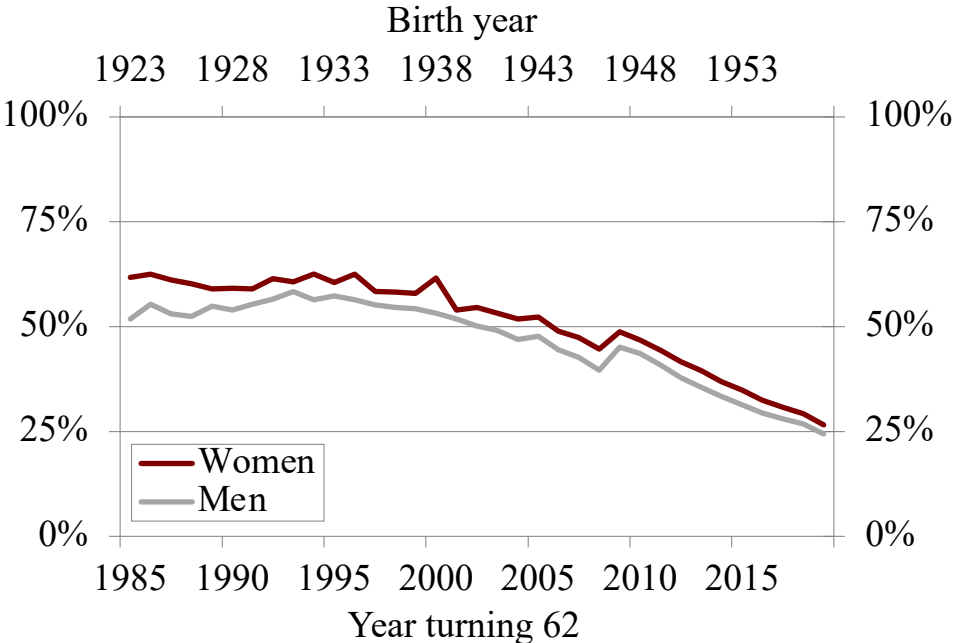
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# Disclaimer

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# Before COVID-19, the percentage of 62-year-olds claiming Social Security was declining. Did the pandemic interrupt this trend?

Percentage of Individuals Turning 62 Who Claimed at 62, by Birth Year



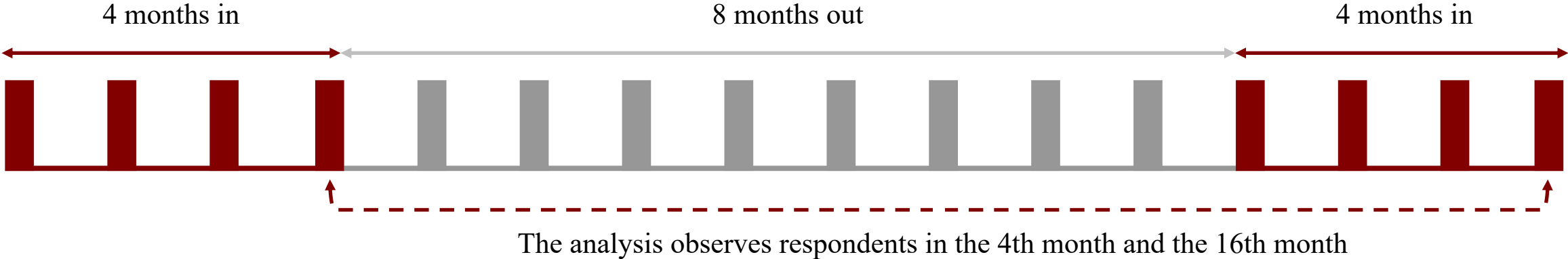
Source: Anqi Chen and Alicia H. Munnell. 2021. "Pre-COVID Trends in Social Security Claiming." *Issue in Brief* 21-9. Center for Retirement Research at Boston College.

To answer this question, we examine the employment transitions of workers ages 55+ before and during the pandemic.

- Did older workers respond to COVID-19 by retiring early?
- Who were these early retirees?
- Will older workers try to re-enter the labor force as the pandemic recedes?

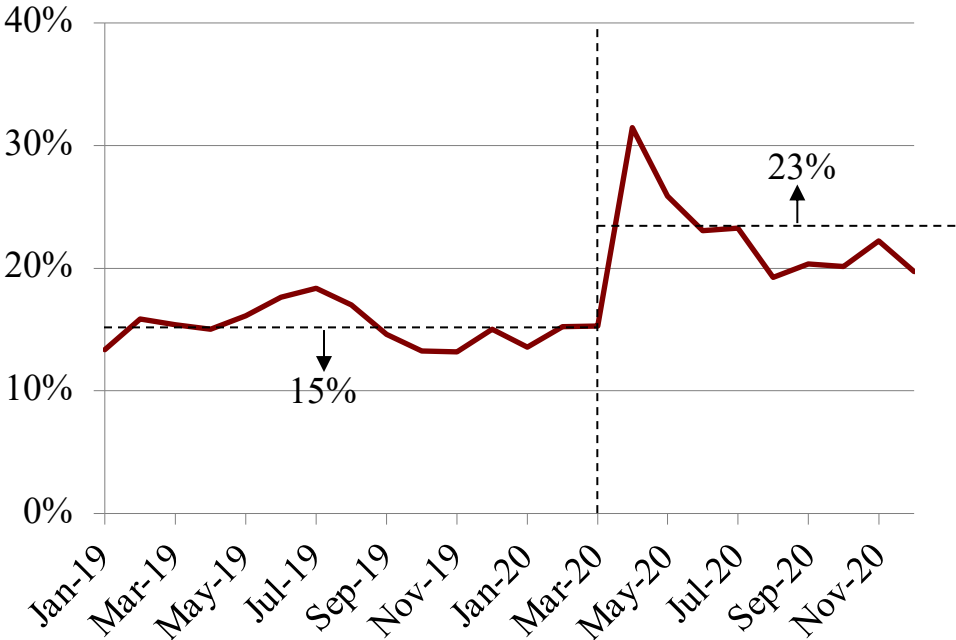
# Data for the analysis comes from the monthly *Current Population Survey*.

Longitudinal Design of the *Current Population Survey*



# Pre-pandemic, 15 percent of older workers left employment over the course of a year; post-pandemic, this share rose to 23 percent.

Share of Workers Ages 55+ Who Leave Their Jobs Over the Course of a Year, 2019-2020



Source: Authors' estimates from the U.S. Census Bureau. *Current Population Survey*, 2019-2020.

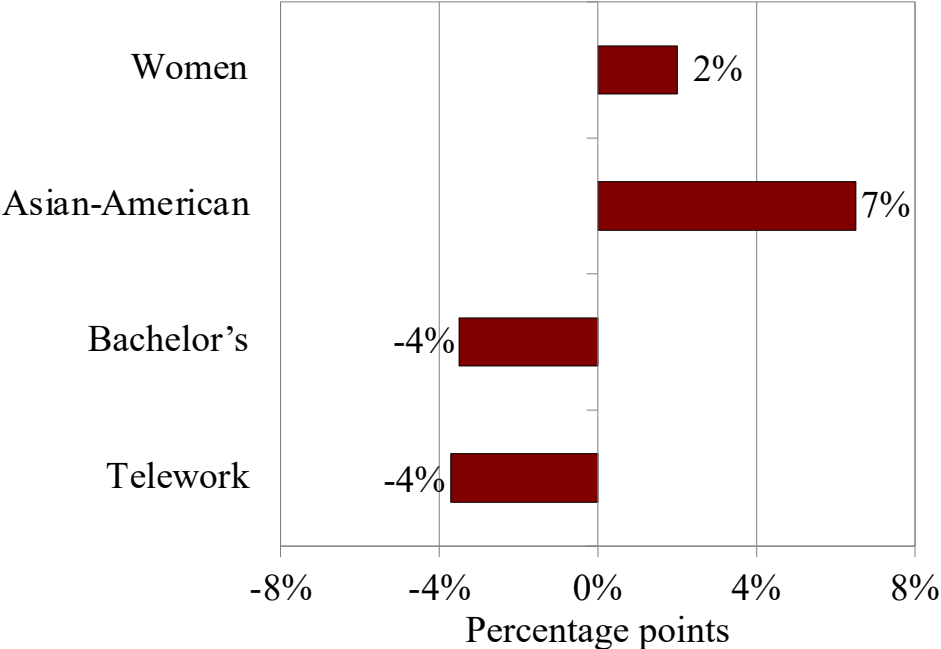
To determine whether certain groups were particularly affected, we consider four categories of worker attributes.

1. Age and health
2. Demographic characteristics
3. Working conditions
4. County pandemic conditions

Regression analysis isolates the impact of each of these factors.

# COVID-19 particularly impacted women, Asian-Americans, workers without a college degree, and those unable to telework.

Differential Impact of COVID-19 on the Likelihood of Leaving Employment, 2019-2020

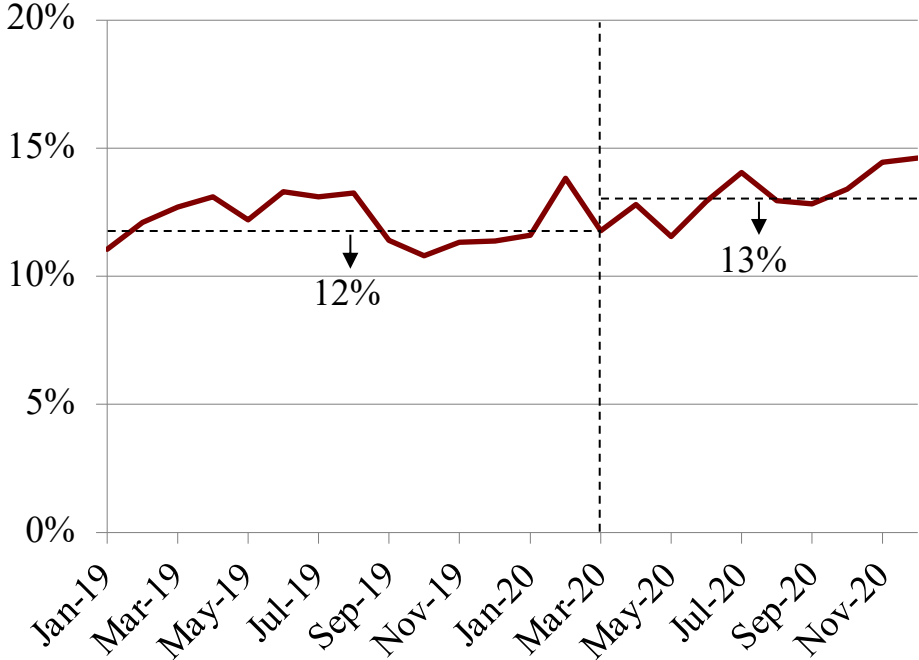


Source: Authors' estimates from the U.S. Census Bureau. *Current Population Survey*, 2019-2020.



# However, the share of workers who self-reported moving to retirement was only 1 percentage point higher post-COVID.

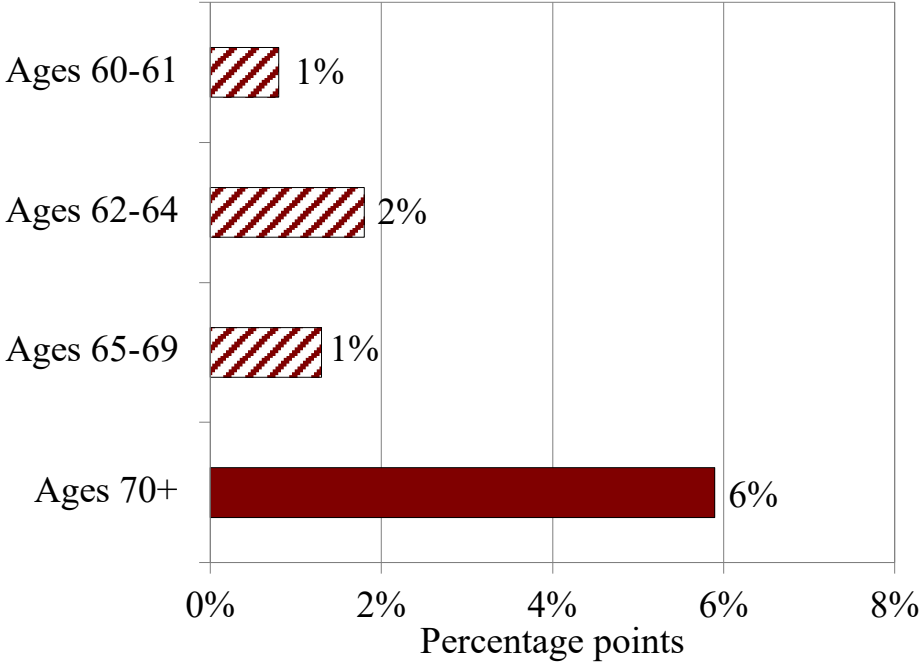
Share of Individuals Ages 55+ Who Self-Report Moving to Retirement Over the Course of a Year, 2019-2020



Source: Authors' estimates from the U.S. Census Bureau. *Current Population Survey*, 2019-2020.

# And only those ages 70+ saw a substantial increase in the likelihood of retiring.

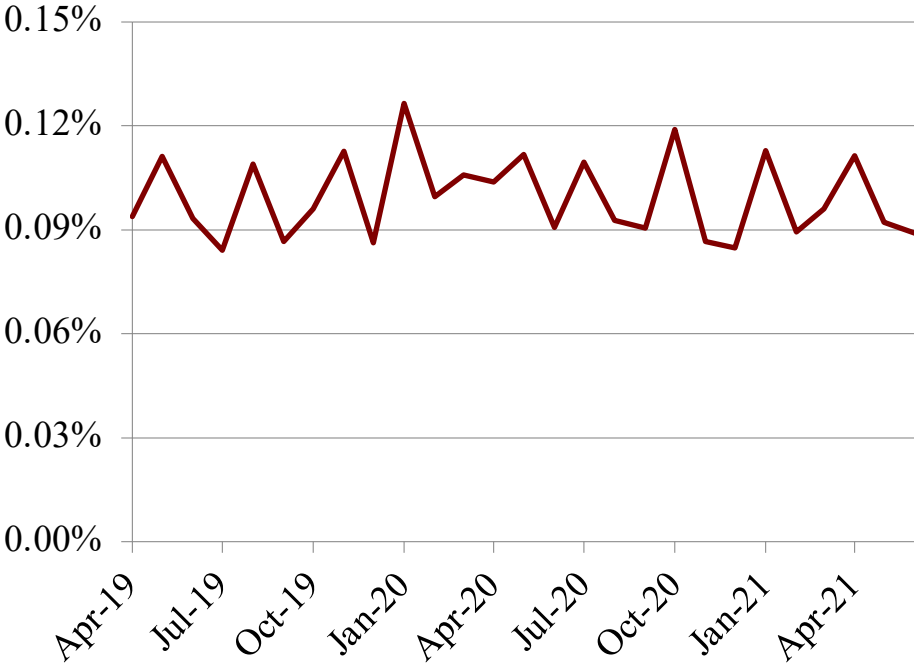
Impact of COVID-19 on the Likelihood of Moving to Retirement, Relative to Ages 55-59, 2019-2020



Note: Solid bars are statistically significant.  
Source: Authors' estimates from the U.S. Census Bureau. *Current Population Survey*, 2019-2020.

# Consistent with this story, claiming rates for Social Security retirement benefits have not increased.

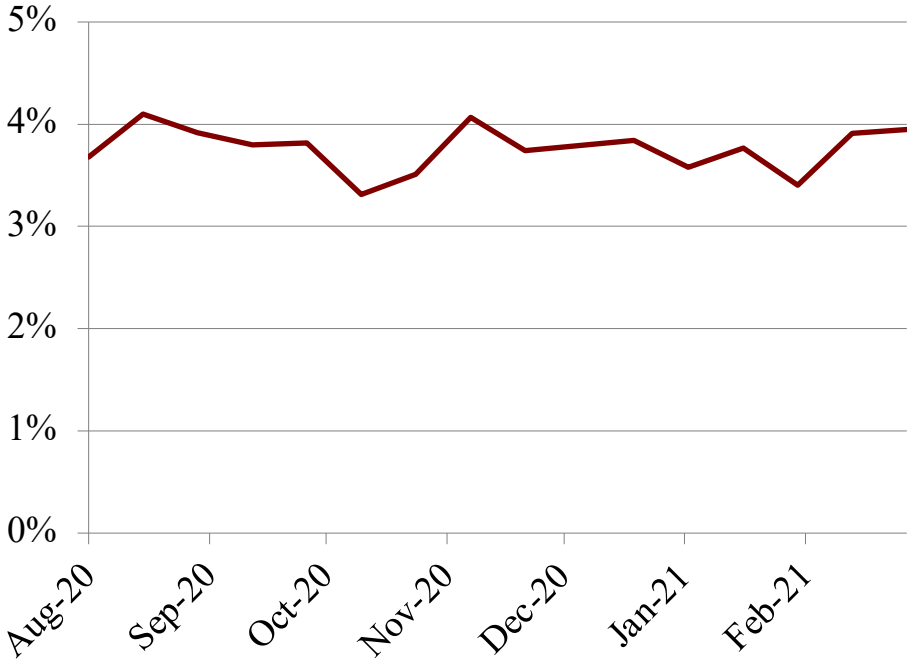
Monthly OASI Benefit Applications, Relative to the Population Ages 55+, 2019-2020



Source: Authors' calculations from the U.S. Social Security Administration. 2019-2021. Claims Data.

# And the share of workers expecting to claim retirement benefits in the next year was also flat.

Share of Older Individuals Expecting to Claim OASI Benefits Within a Year, 2019-2020



Source: Authors' calculations from the U.S. Census Bureau. *Household Pulse Survey*, 2020-2021.

These findings suggest that some older workers may try to re-enter the workforce after the pandemic has eased.

- Some may have always planned to continue working, and their outcomes depend on their ability to find a new job post-pandemic.
- Others may have planned to retire but delayed claiming Social Security because they had alternative sources of income in the short run.

# Conclusion

- Many older workers left their jobs because of COVID-19.
- We do not yet know how this disruption will affect their outcomes in retirement.
  - Some may turn to Social Security once alternative sources of income run out.
  - Others will try to find new jobs, but will they succeed?
- It may take a few years until we know the answer.