

A Fondness For Gray Hair

In a reversal, it's a better time to be a mature job seeker

By Kim Clark

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Age and wisdom may finally be gaining the advantage over youth and beauty in the workplace.

Despite the toughest job market in a decade, Americans 55 and over are holding more jobs and are now becoming targets for corporate recruiters. Employment among the 55-plus set jumped nearly 3 million in the past three years, with more than 2 million of that gain in full-time jobs. And in what AARP describes as the first salvo in a new recruiting war for the gray-haired, Home Depot recently announced an alliance--the first of its kind--with the group. AARP's 35 million members are being encouraged to apply for the retail giant's 140,000 anticipated openings this year.

Meanwhile, employment of Americans ages 25 to 54 fell by 1.1 million in the same period, and the number working full time has dropped by nearly twice that. That's a marked reversal from previous recessions: Employment of older workers fell by more than half a million from 1989 through 1992, while employment of younger workers leapt by almost 3 million. "It is remarkable," says Joseph Quinn, a Boston College economist who has been studying older Americans' work habits for decades. "A 100-year-old trend towards earlier retirement is over."

Not so rosy. At first glance, this new arrangement seems to offer hope to anyone planning to keep working into their 70s. But economists, workers, and employers alike point out that while more companies are eager to hire the gray-haired, age discrimination remains rampant. Workers over 40 are filing federal job bias claims at near-record levels, and it takes, on average, an unemployed 60-year-old eight weeks longer to find a new job than it does a 30-year-old.

And the jobs older workers accept often pay less than their previous ones and less than those offered to younger workers. Studies show that workers in their mid-60s earn at least 10 percent less than those in their mid-50s with similar qualifications and work hours. And earnings drop by more than 25 percent between the 60s and 70s.

The new elderly-friendly job market is a result of a change in the supply-demand equation. Increasingly, older workers are finding they need or want extra income, and businesses,

meanwhile, are finding cheaper, more reliable, and more flexible labor. Changing demographics and attitudes have increased the supply of older workers. The pool of Americans over 55 is skyrocketing, as the leading edge of the baby boom will turn 58 this year. That means that while the number of older Americans grew by just 810,000 a year during the '90s, it is now growing at an annual rate of 1.4 million.

Many of these older Americans simply have to keep working. Corporate pension cutbacks, elimination of retiree health insurance, and battered 401(k)'s have forced millions of older Americans to keep scrambling for a paycheck. One out of four workers 45 and older has reported delaying retirement. Many, like 58-year-old steelworker Ken Cummings, have had to cancel retirement plans altogether. Cummings of Brunswick, Ohio, had been dreaming of retiring to the warmth of Florida. But in 2002, his employer, LTV, declared bankruptcy, canceled its retiree health insurance, and handed over its pension plan to the federal insurer, which cut Cummings's promised monthly payout of about \$3,500 to \$1,500. Cummings applied for more than 100 jobs before finally getting work as a contract courier for about \$1,200 a month. That's nowhere near enough to pay for his sick wife's rising medical bills, he says. "I thought I'd be retired at the end of this year," says Cummings. "Now I'll have to work till I die."

Others just don't want to retire to the rocking chair just yet. Not only are today's older Americans much healthier and more able to work than their parents, but they are keener on the idea. Almost half of those over 50 surveyed by AARP last year wanted to keep working into their 70s to stay active and productive. Though her parents seemed glad to retire at age 65, Evelyn Stewart found she couldn't stand sitting around her apartment when she reached that age. She recalls "rearranging the furniture for the 100th time and stretching cleaning the apartment to six hours, when it really only takes two hours," out of boredom. So in January, Stewart, 65, marched into the CVS store near her Peekskill, N.Y., home and asked for a job. "The pay is not the greatest," she concedes of her 20-hour-a-week job in the greeting card section, but the money doesn't matter so much as making new friends at work. "Even if I won the lottery, I'd probably still work."

Bargain basement. Even though CVS says it pays its older workers the same as its younger employees, workers like Stewart are proving to be irresistible bargains. For one thing, their benefits cost less, says company spokesman Stephen Wing. CVS has found workers over 50 use less health insurance than younger employees, who are often running their kids to the doctor, he says. In addition, the older workers boost sales because customers are often too embarrassed to discuss health problems with, and ask for remedies from, younger employees. CVS, which now employs more than 110,000 people, raised the percentage of its workers over 50 from 7 percent

to 17 percent last year in order to make each store's staff look more like its clientele. And Wing expects the ratio to climb even higher. "We're not doing it out of the goodness of our heart," says Wing. "It is a business reason."

Indeed, that's a rationale that appeals to many employers, who have themselves learned a thing or two since the go-go hiring of the 1990s. Alisa Rogers, co-owner of Optical Air Data Systems in Manassas, Va., decided last fall she was probably overpaying a young computer programming subcontractor, who was billing more than \$100 an hour. Even with her company's generous benefits, she figured she could save money by making a permanent hire. So when 59-year-old Harry Watkins, who'd been laid off from a similar job at Northrop Grumman in 2001, asked for what she thought was a reasonable salary, she hired him on the spot. If anything, Watkins's maturity was a bonus. Though she didn't know exactly how old he was (while it's not illegal to ask a job applicant's age, most employers don't ask for fear of raising discrimination concerns), Rogers, who turns 50 in October, says she could identify with Watkins. "I know a lot more now than I did when I was 23," she says.

Watkins, who believes he was turned down for other jobs because of his age, was thrilled that this time it worked in his favor. He doesn't feel at all guilty about underpricing a younger worker, since his new job represents a big step up from the \$10-an-hour church-cleaning job he took just to scrape a little money together.

Neil Lebovits, president of Ajilon Professional Staffing, a subsidiary of temp giant Adecco, says such stories are being repeated across the country. "Older workers will work for less," says Lebovits. "The pendulum has swung. Two years ago, generation X-ers were insisting on the world, and a lot of companies gave in to them. Now they are being replaced with older workers who are much more easygoing and flexible."

Hard-eyed financial calculations were also behind Home Depot's tie-up with AARP. In today's slack job market, Home Depot has no shortage of applicants for its \$7-to-\$20-an-hour jobs, but older workers are more amenable to odd schedules, have lower absenteeism, and stay twice as long on the job, says Cindy Milburn, senior director of staffing. "Their benefits far outweigh their costs," she adds.

Several other employers, including carmakers, government agencies, and other retailers, are now negotiating for a chance to solicit applications from AARP members this year, says Emily Allen, assistant national director of the group's job training program. And she's optimistic that demand for older workers might eventually start to outstrip supply--driving wages back up, since the Department of Labor has predicted a labor shortage by 2010.

If she's right, with their longer life expectancies, today's older workers just might live long enough to give a whole new meaning to the phrase "golden years."

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