



Will Older Workers in Physically Challenging Jobs Be Able to Retire?

Webinar

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NATIONAL INSTITUTE ON
Retirement Security

Reliable Research. Sensible Solutions.

Agenda

- Speaker Introductions
- Task Force Findings
- Q&A and Roundtable

Discussion



Speakers



William Arnone

CEO
National Academy of Social Insurance



Joel Eskovitz

Director of Social Security and Savings
AARP Public Policy Institute

Task Force Member



Rebecca Vallas

Senior Fellow
The Century Foundation

NASI Board Member and Task Force Member



Tracey Gronniger

Managing Director for Economic Security and Housing
Justice in Aging

Older Workers in Physically Challenging Jobs Need Stronger Social Insurance Supports

- Two-part report released in September 2023
 - Part 1 identifies the population of workers performing physically demanding work and catalogs the type of work conducted
 - Part II identifies policy options aimed at improving retirement security and financial stability
- NASI, in partnership with AARP, has for several years been trying to develop policy options to protect workers harmed by rising retirement age who cannot work deep into their 60s
 - Critically, this is a group that is not necessarily DI-eligible
- Panel chaired by Barbara Bovbjerg and research led by principal investigator Elaine Weiss, featuring 11 members who specialize in Social Security, disability and workforce issues
 - SSA and DOL also reviewed findings

Part I-Types of Work Conducted

- Pre-COVID, this group of workers was largely invisible; now we can point to in-person workers and other essential employees to illustrate at least a portion of this population
- Despite conventional wisdom that Americans are shifting away from manufacturing and other physically demanding blue-collar jobs, physical challenging work is shifting:
 - Rise of home health and gig work (15% of workers 50-65 do these jobs)
 - More warehouse jobs
 - Other jobs that require lots of standing (restaurants, retail)

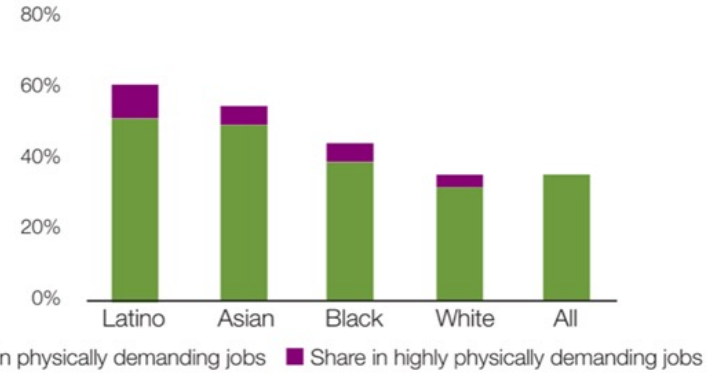
Part I – Who Does This Type of Work

- Limited research, but very conservative estimate from 2013 CEPR paper is 10 million+ workers doing “physically demanding work” that involve “difficult working conditions”
- More women and workers of color, especially Latino workers
- Increase in rural workers, who often have limited job opportunities and lower educational attainment
 - Also corresponds with recent RAND work on early claimers

Disparities by Race, Educational Attainment

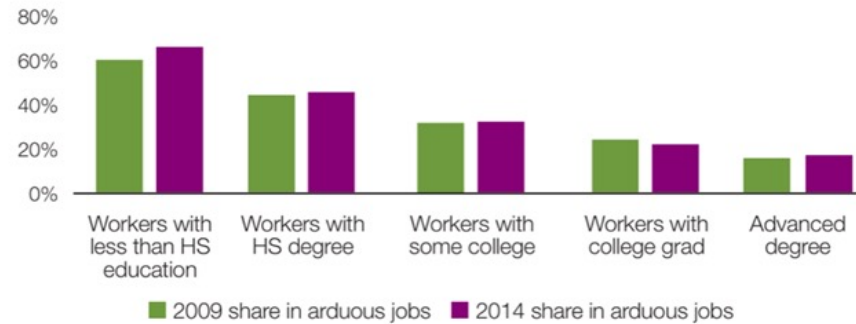
Educational attainment, more than race, is the largest driving factor

Figure 2: Older Workers of Color More Likely to Be in Physically Demanding, Highly Physically Demanding Jobs, by Race and Ethnicity



Source: Baker 2016

Figure 3: The Least Educated Older Workers Disproportionately Work Physically Challenging Jobs



Source: Bucknor and Baker 2016, Rho 2010.

Researchers at CPER categorize physically challenging work in three categories: "physically demanding," "highly physically demanding," and involving "difficult working conditions." Graphic 2 shows the share of older workers in the former two, while Graphic 3 shows the share involved in any or all of those three categories. i.e., any work that would be considered "physically challenging."

Part II – Policy Options: Bridge Benefit

- SS retirement program that does not examine the worker but instead the work
- Application would use DI definitions, some paperwork, but solely aimed at documenting the toll workers have put on their body and not their health condition
 - Matched with prepopulated forms with IRS, payroll data
- No specific formula, but would look at both cumulative work with extra emphasis on work conducted in recent decade
- Does not preclude concurrent DI application but may help reduce some of backlog
- For a person expecting \$1,000 a month with an FRA of 67, it would cut the early penalty in half, recalculating annually so that the person claiming at 62 would see benefits grow:
 - At age 62, \$850 monthly (instead of \$700 if they claimed at 62)
 - At age 64, \$900 monthly (a person claiming at 64 would get \$800)
 - At age 67, full benefit of \$1,000 a month for life, same as if the person claimed at 67

Questions

