

war prices. The surveys show that retired or partially retired workers who were physically able went to work in the war period or had more regular employment than in 1941. This situation supports the presumption that,

as a rule, persons over 65 years of age prefer work to other alternatives open to them, namely, living below their customary standard on their retirement incomes or, if in need, asking aid from relatives or public assistance.

## Factors Influencing Trends in Employment of the Aged

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THE FUTURE COSTS of the old-age and survivors insurance program under the Social Security Act will depend in considerable measure on the extent to which aged persons choose to remain in gainful covered employment rather than to retire and receive an annuity under the insurance system. In turn, the aged worker's decision to retire or to keep on working is influenced by a number of factors. There is evidence that many of the aged now on the benefit rolls are those unable, because of their physical condition, to remain in covered employment. Many other aged workers, however, are able to work and, unless they have other resources, the small average benefit payable under the insurance program, coupled with rising living costs, compels them to continue in employment as long as jobs are available.<sup>1</sup>

As of June 1947, about 800,000 aged workers were receiving retirement benefits under the old-age and survivors insurance program; in addition, approximately a million workers were eligible to receive such benefits but elected instead to remain in covered employment. Despite the large number of aged persons with insured status who preferred active employment to retirement, it is significant that approximately 20 percent of all men 65 years or older were receiving retirement benefits under the old-age

and survivors insurance program or under the related programs of the railroad, civil-service, or State and local retirement systems. An additional 20 percent of the aged men in the population were receiving old-age assistance as of June 1947. Similarly, about 35 percent of the aged women were in receipt of benefits under social insurance and related retirement programs or were receiving old-age assistance.

Long-range planning of the Federal program of old-age and survivors insurance requires estimates of the flow of contributions and benefits and of the growth in reserves for many decades ahead. The distribution of ages at which persons will retire and receive benefits is one of a series of many assumptions that form a component part of these long-range projections.

An understanding of the trends in employment status of the aged over the past decades can be gained only by reference to the many changes that have occurred in demographic factors, in the basic employment structure of the economy, in social policy, and in individual and community attitudes.

The decennial censuses for the period 1870-1940, coupled with the estimates for more recent years by the Bureau of the Census in the *Monthly Report on the Labor Force*, provide a basis for observing the historical trend in the work status of the aged. Since the decennial censuses except that for 1940 were taken at approximately the same level of business activity, they generally furnish a uniform frame of reference for gauging secular employment and industrial

trends.<sup>2</sup> However, between the census of 1870 and the last one in 1940, there were changes in scope, in methods of enumeration and processing of returns, and in methods of presenting resultant occupational statistics. The occupational data used in this study are largely those available from a study made by Alba M. Edwards for the Bureau of the Census,<sup>3</sup> in which occupations listed in the censuses from 1870 to 1930 were arranged as nearly as practicable according to similar data in the 1930 census, with estimates when necessary for underenumeration and for interpolated age groups. The age breaks used here for particular occupations for those years came from unrevised census material, but these data were in turn revised in accordance with Mr. Edwards' estimates for aggregate overenumeration or underenumeration for each of the years.

The data for 1940 are those presented in the 1940 census report on the labor force. These data differ only slightly from the adjusted 1940 figures prepared later by Mr. Edwards.

For female gainful workers and the female labor force, the figures used here exclude unpaid family workers. They were eliminated from the employment data both because they were not "employed" in the same sense as other gainful workers and because their inclusion would have made the data less comparable from census year to census year. A correction for male unpaid family workers was not made, since in the aggregate such workers do not represent a significant proportion of all male workers.<sup>4</sup>

The data as adjusted are summarized in table 1, which shows the num-

<sup>2</sup> Clarence Long, *Size of the Labor Force: Under Changing Incomes and Employment*, rough draft presented to the Conference on Research in Income and Wealth, November 1946.

<sup>3</sup> *Sixteenth Census of the United States, 1940: Population, Comparative Occupation Statistics for the United States, 1870 to 1940.*

<sup>4</sup> Censuses before 1910 had no occupational listing for unpaid family workers. For 1910-30, female unpaid family workers constituted almost the entire group of female farm laborers. Therefore, for the censuses before 1910, female farm laborers are considered in this study as unpaid family workers and subtracted from total employment data for women workers.

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<sup>1</sup> See Edna C. Wentworth, "Why Beneficiaries Retire," *Social Security Bulletin*, January 1945, pp. 18-20, and "Why Beneficiaries Returned to Work," April 1945, pp. 12-18.

ber of aged persons in the working population and aged workers as a percent of all aged persons in the country. Over the entire period 1870-1940 the number of men 65 years or older increased at a relatively greater rate than did the total male population, but the proportion of aged men in the working force declined. In 1870, 80.6 percent of the aged men were working; in 1910, 63.7 percent, and in 1940, 41.5 percent. During the same period, percentages of aged women who were working moved somewhat more erratically. Starting from a low in 1870, the percentages rose until 1910, declined from 1910 to 1940, and rose once more for 1947. In absolute numbers there was a rise, in general, for both men and women throughout this period. In April 1947, approximately 2.8 million persons 65 years and over, or 27 percent of the aged population, were in the labor force. Of this number, 2.4 million were men, who comprised 48.4 percent of all aged men. These figures reflect the residue of wartime demands on the civilian population to engage in productive employment and the favorable em-

Table 1.—Men and women 65 years of age and over who were gainfully occupied or in the labor force in the United States, 1870-1947

[See limitations discussed in text]

Year	Aged persons who were gainfully occupied or in the labor force <sup>1</sup>			
	Number (in thousands)		Percent of aged population	
	Men	Women	Men	Women
1870.....	481	34	80.6	5.8
1880.....	665	50	76.7	5.8
1890.....	911	91	73.8	7.7
1900.....	1,064	129	68.4	8.5
1910.....	1,266	168	63.7	8.6
1920.....	1,494	192	60.2	7.9
1930.....	1,939	262	58.3	7.9
1940.....	1,829	268	41.5	5.8
1947.....	2,390	435	48.4	8.0

<sup>1</sup> 1870-1930 data are for gainfully occupied; 1940 and 1947 data relate to the labor force. Excludes unpaid female family workers.

<sup>2</sup> Percents were estimated from trend lines, and applied to population of men and women 65 years of age and over. The 1870 population was corrected for underenumeration (see *Comparative Occupation Statistics for the United States, 1870 to 1940*, p. 91, table 14, footnote 5).

<sup>3</sup> Assuming 5,000 unpaid family workers.

Source: Bureau of the Census. Data for 1870-1940 from *Sixteenth Census of the United States, 1940: Population, Comparative Occupation Statistics for the United States, 1870 to 1940*, and decennial occupation census reports; data for 1947 from supplement to the *Monthly Report on the Labor Force, Population*; MRL No. 59-S, June 3, 1947.

Table 2.—Men and women 65 years of age and over who were gainfully occupied in nonagricultural industries or who were in the nonagricultural labor force, as percent of urban and rural nonfarm population 65 years of age and over, 1920-40

Year	Men and women 65 years of age and over					
	Urban and rural nonfarm population <sup>1</sup> (in thousands)		Gainfully occupied in nonagricultural industries or nonagricultural labor force (in thousands)		Nonagricultural gainfully occupied or labor force, as percent of urban and rural nonfarm population	
	Men	Women	Men	Women	Men	Women
1920.....	1,700	1,847	842	143	49.5	7.7
1930.....	2,424	2,658	1,164	212	48.0	8.0
1940.....	3,272	3,768	1,139	239	34.8	6.3

<sup>1</sup> Census classifications, 1920-40, for urban, rural nonfarm, and rural farm are not strictly comparable.

<sup>2</sup> Excludes unpaid family workers.

Source: Bureau of the Census. *Sixteenth Census of the United States, 1940: Population*, Vol. 2, Pt. 1, U. S. Summary; *Comparative Occupation Statistics for the United States, 1870 to 1940*; and decennial occupation census reports.

ployment opportunities for older workers.

The trend in the work status of the aged in the nonagricultural sector of the economy is of more direct interest than the aggregate employment trend in evaluating the development of Federal old-age and survivors insurance, since agricultural workers are not as yet covered under that system. There is, however, no adequate way of measuring the employment trends of aged workers in industry and commerce. Although data are available on the employment of aged workers by industry, comparison among industries is difficult because of the movement of retired farmers from farms to towns and cities and the lesser movement of industrial and commercial workers to towns and rural farm areas when they retire.

By way of approximating the trend in employment of aged workers in nonagricultural industries, the number of aged persons engaged in such industries was compared with the nonfarm aged population (table 2). In 1920, 49.5 percent of all aged men in urban and rural nonfarm areas were gainfully employed. Between 1920 and 1930, this proportion declined by only 1.5 percentage points, while the proportion of gainfully employed

women 65 years of age and over in urban and rural nonfarm areas increased slightly—0.3 percentage points. A sharper decline in the employment of the aged occurred by 1940: Census data for that year show a decline of 13.2 percentage points from 1930 in the number of aged men in the nonagricultural labor force and of 1.7 percentage points for aged women workers. These changes parallel those indicated by the data on aged men and women workers in all pursuits shown in table 1.

In evaluating the sharp decline from 1930 to 1940, two major qualifications must be considered, namely, the count of aged in the population and of aged in the labor force. The Sixteenth Population Census gives the following qualification on the count of the aged:

A comparison of the 1940 age data for the United States with a computation of the expected survivors from the 1930 population indicates that the number of persons enumerated in 1940 as 65 years of age and over was appreciably in excess of the number that might be expected to have survived from the group 55 years old and over in 1930. This comparison also indicates that the number of persons 55 to 64 years of age in 1940 was somewhat smaller than the number that might be expected to have survived from the age group 45 to 54 years in 1930. It is possible that the enactment of old-age insurance and old-age assistance legislation during the decade may have led to some overstatement of age in 1940 by persons actually 55 to 64 years old, but it is also possible that persons in this age range may have understated their ages in 1930.<sup>5</sup>

Concerning the aged in the labor force, the Bureau of the Census says:

For persons over 65 years of age, and to some extent for those 55 to 64 years old, the statistics on employment status are less reliable and less meaningful than for younger persons. In these age classes it is difficult to draw the line between able-bodied persons seeking work and disabled and retired persons no longer in the labor force. Moreover, many men in these age groups at the time of the census had been forced into retirement because of their inability to compete with younger workers, although they were still able and willing to work. Many of these prematurely retired workers should be considered as part of the Nation's potential labor supply in periods of labor

<sup>5</sup> *Sixteenth Census of the United States, 1940: Population*, Vol. 4, Pt. 1, U. S. Summary.

shortage, although they were not actively seeking work at the time of the 1940 census.<sup>6</sup>

Because of the lack of census data on the age distribution of urban and rural nonfarm population before 1920, another measure was developed in this study to isolate the influence of farm employment on the employment trends of the aged. For each of the census years 1870-1940 the proportion of aged men to all men gainfully occupied (or in the labor force) was computed separately for agricultural and nonagricultural pursuits. These two percentages for each census year were then applied respectively to modified figures for all males in agricultural and nonagricultural classifications.<sup>7</sup> The resulting numbers of aged men gainfully occupied in the two categories were added together for each census year and then expressed as percentages of the total aged male population (see tabulation). The same procedure was fol-

<sup>6</sup> *Sixteenth Census of the United States, 1940: Population*, Vol. 3, Pt. 1, U. S. Summary.

<sup>7</sup> The modified agricultural gainfully occupied figures were based on the percentage of the total male population engaged in agriculture in 1940 applied to the various total male populations of each census year. Then the modified figures for the nonagricultural gainfully occupied were obtained by subtracting the derived modified figure for agricultural gainfully occupied from the reported total gainfully occupied in the census.

Table 3.—Men and women 65 years of age and over: Total number and percent of total population in the United States, 1870-1947

Year	Population 65 years of age and over			
	Number (in thousands)		Percent of total population	
	Men	Women	Men	Women
1870.....	597	595	3.0	3.0
1880.....	868	856	3.4	3.5
1890.....	1,234	1,184	3.8	3.9
1900.....	1,555	1,525	4.0	4.1
1910.....	1,986	1,964	4.2	4.4
1920.....	2,483	2,450	4.6	4.7
1930.....	3,325	3,309	5.4	5.5
1940.....	4,377	4,587	6.6	7.0
1947.....	5,026	5,498	7.1	7.7

Source: Bureau of the Census. Data for 1870-1930 from *Sixteenth Census of the United States, 1940: Population, Comparative Occupation Statistics for the United States, 1870 to 1940*; data for 1940 and 1947 from *Population, Special Reports*, Series P-46, No. 7, Sept. 15, 1946.

Table 4.—Percent of total population gainfully occupied or in the labor force and percent of gainfully occupied or in the labor force, 65 years of age and over, by sex, for the United States, by decennial years 1870-1940, 1947

Year	Percent of total population gainfully occupied or in the labor force		Percent of gainfully occupied or in the labor force, 65 years of age and over	
	Men	Women	Men	Women
1870.....	54.7	7.5	4.4	2.3
1880.....	57.8	8.4	4.5	2.4
1890.....	60.2	11.3	4.7	2.7
1900.....	61.2	12.4	4.5	2.6
1910.....	63.2	14.9	4.2	2.5
1920.....	62.7	15.4	4.4	2.4
1930.....	61.3	16.9	5.1	2.6
1940 <sup>1</sup> .....	60.5	18.9	4.6	2.2
1947 <sup>2</sup> .....	60.4	21.6	5.6	2.8

<sup>1</sup> Represents percents of total population in the labor force and of labor force 65 years of age and over.

<sup>2</sup> Same as footnote 1 except that labor-force data apply to civilians only.

Source: Data for 1870-1940 from *Sixteenth Census of the United States, 1940: Population, Comparative Occupation Statistics for the United States, 1870 to 1940*, and decennial occupation census reports; data for 1947 from supplement to the *Monthly Report on the Labor Force, Population*: MRLF No. 59-3, June 3, 1947; and *Population, Special Reports*, Series P-46, No. 7, Sept. 15, 1946.

lowed to obtain the percents for the aged women who were estimated to be gainfully occupied. The method used assumes that the proportion of aged persons in agriculture and in nonagricultural industries would be the same as those indicated by each census despite the assumed 1940 distribution between industry and agriculture for each census year of employment. On the basis of this analysis, the percents of aged men and women gainfully occupied or in the labor force were as follows:

Year	Men	Women
1870.....	58.7	7.2
1880.....	56.6	6.3
1890.....	62.1	6.5
1900.....	60.2	6.8
1910.....	56.8	7.5
1920.....	56.2	6.6
1930.....	56.1	7.4
1940.....	41.5	5.8

Although by this method the proportion of aged men gainfully occupied or in the labor force is shown to decline, the decline from 1870 to 1930 is small; table 1, on the other hand, indicates a steep and continuous decrease. For women the tabulation would seem to be in agreement with table 1; in both instances the trend values are rather indeterminate.

## Demographic Factors

In the 70-year period from 1870 to 1940, the proportion of aged persons in the population more than doubled (table 3). The proportion of aged men rose from 3.0 percent of the male population in 1870 to 6.6 percent in 1940, and the proportion of aged women in the female population rose from 3.0 percent to 7.0 percent. In the 60-year period from 1940 to 2000 the proportion of the aged in the population is expected to double again—from 6.6 to 11.7 percent for men and from 7.0 to 14.6 percent for women.<sup>8</sup>

The aged have constituted an increasing proportion of the total labor force over the past decades. Although the proportion of aged men who were working has declined over the decades, workers 65 years and over have accounted for a slightly rising percent of the total male labor force (table 4). Women workers aged 65 and over, in contrast, have represented a fairly constant proportion of the female labor force.

The age distribution of persons 65 years and over is an important factor in determining their employment status, since their age determines in part their availability for work.

While the median age of the population rose from 20 years in 1870 to 29 years in 1940, the median age of those aged 65 and over remained almost constant—about 71.2 for men

<sup>8</sup> Bureau of the Census. *Population, Special Reports*, Series P-46, No. 7, Sept. 15, 1946.

Table 5.—Mean and median age of population 65 years of age and over and median age of total population, 1870-1940

Year	Mean age of the aged		Median age of the aged		Median age of total population	
	Men	Women	Men	Women	Men	Women
	1870.....	72.2	72.7	71.1	71.6	20.2
1880.....	72.0	72.6	71.1	71.7	21.2	20.7
1890.....	72.1	72.6	71.4	71.6	22.3	21.6
1900.....	72.1	72.4	71.2	71.5	23.3	22.4
1910.....	72.1	72.4	71.1	71.5	24.6	23.5
1920.....	72.0	72.6	71.2	71.7	25.8	24.7
1930.....	72.0	72.4	71.2	71.6	26.7	26.2
1940.....	72.1	72.4	71.3	71.6	29.1	29.0

<sup>1</sup> Unrevised population count.

Source: Bureau of the Census. *Sixteenth Census of the United States, 1940: Population*, Vol. 2, Pt. 1, U. S. Summary; and census reports of number of inhabitants, 1870-1940.

and 71.6 for women (table 5). The relative stability of the age distribution among the aged suggests that increasing age has not been a factor in the decline in the proportion of aged in the working force during this period. The intermediate population estimates prepared by the Bureau of the Census, based on earlier National Resources Planning Board estimates, indicate that by the year 2000 the median age of the aged will have increased by about 1 year.

### *Economic Factors*

The gradual transition of the Nation from an agricultural to a primarily industrial economy has had a significant influence on the aggregate trends in the employment status of the aged. With industrialization came mechanization and a rationalization of industrial processes. A variety of such forces reduced the possible areas of work for those 65 years and over. On the other hand, the greater opportunity for employment in consumer services of various kinds and in the professions and the marked reduction in hours of work are factors that should be favorable for the older worker.

The relative decline in agricultural employment over the past decades has undoubtedly had an important influence on the employment status of the aged. Individuals can be useful on the farm to a considerably more advanced age than is possible in industry. The chances for work were accordingly greater when a large segment of the working force of the Nation was engaged in farming than at present, when industrial and commercial pursuits predominate and large-scale enterprise has narrowed the area of effective self-employment.

From 1870 to 1947 the proportion of the male population at work in agriculture dropped more than 70 percent. In 1870, 43.5 percent of all men who were working were employed in agriculture and by 1947, 12.0 percent. In 1870, 6.4 million men were employed in agriculture. The number reached a peak—10.4 million—in 1910 and then declined to 6.9 million in 1947. During the same period, 1870–1947, total male employment increased fourfold.

When unpaid family workers are

excluded, employment of women in agriculture has been relatively insignificant throughout the entire period 1870–1947. In 1870, 0.2 percent of the female population of working age was engaged in agriculture; in 1920, 1.3 percent; and in 1947, 0.6 percent. There was a continued rise in female agricultural employment until 1920, when the figure stood at 500,000. From then until 1940 it declined. During the war, all-time highs were reached, but by April 1947 the number had dropped off to 350,000. Over the period 1870–1947 all female employment rose from 1.5 million to 15.4 million.

The decline in employment opportunities for the aged that accompanied the decline in the importance of agriculture in the economy has been offset, in part, by the growth in other types of occupations in which the aged have been able to engage in productive employment. Nonagricultural self-employment, in which the aged can set their own conditions and pace of work, has shown some increase. Chart 1 illustrates the broad changes in patterns of employment that have occurred from 1910 to 1940. The relative number of professional persons increased about 50 percent. The proportion of proprietors in wholesale and retail trade also went up somewhat. The continued importance of self-employment as an occupation for the aged is illustrated by the fact that 55 percent of all aged men employed in 1940 were employers or "own-account" workers.<sup>9</sup> Other occupations in which there was a concentration of aged workers include the apparel and accessory shops, finance and real estate, and various personal services, as well as the professions.

The differences in the age distribution of workers in different industries suggest a variety of factors that influence job opportunities for aged persons or those approaching retirement age. These include such factors as the historical influx of various national groups into specific industries, such as that of Jewish immigrant workers into the clothing trades at the turn of the twentieth century,

<sup>9</sup> *Sixteenth Census of the United States, 1940: Population, The Labor Force* (Sample Statistics), table 11.

the effects of seniority provisions and union and industry restrictions on the training of new workers in skilled trades, the physical requirements of an occupation in relation to the capacity of the older worker, and the importance of skills that permit the aged to keep their jobs in specific industries. Table 6 shows the median age of the employed labor force, excluding emergency workers, for industries in which at least 5 percent of the workers were aged 65 or over. Of this group, agriculture was by far the most important, with 41 percent of all employed men 65 years of age and over. The median age of all men engaged in agriculture was 39.4 years. The second most important group, from the standpoint of employment of the aged, was insurance and real estate, which accounted for 3 percent of the aged employed men in 1940; the median age of the men in this industry was 43.2 years. As a whole, the table reflects the concentration of aged men in services, trades, professions, and agriculture. In only three industries—agriculture, hotels and lodging places, and certain non-profit organizations—did aged women account for as much as 5 percent of all the women employees.

Employment opportunities for the aged are affected not only by the general patterns of employment but also by the changes in industrial processes. The dilution of skills reflected in the relative growth in the number of semiskilled workers as compared with the relative decline in the number of skilled workers has lessened the opportunity of skilled older workers to compete for jobs. Along with the dilution of skills, the increasing speed of industrial processes has acted as a deterrent to the employment of older workers.

However, increased mechanization of industry and the application of mass production techniques have been accompanied by a steady reduction in working hours. From 1870 to 1940 the average weekly hours of employment dropped more than one-third, from 66.3 to 43.0 hours.<sup>10</sup> While, thus far, the reduction in the workweek has not seemingly altered the declin-

<sup>10</sup> J. Frederic Dewhurst and Associates, *America's Needs and Resources*, p. 23, table 3. (Twentieth Century Fund.)

ing trend in employment of persons aged 65 and over, with further reduction in the workweek, workers may find continued employment possible even after reaching age 65.

The chances of aged persons' finding jobs are tied in very closely with the national employment situation. The influences of cyclical fluctuations on employment trends of the aged are sharply revealed by the situation of older workers in 1940 and that in subsequent years. In the depression of the 1930's many aged persons lost their jobs and were forced into retirement. These withdrawals are re-

flected in the sharp drop in the proportion of aged workers in the labor force in 1940. The favorable economic climate during the war created employment opportunities for the aged as well as for other workers, and the proportion of the aged in the labor force increased and in 1947 was above the 1940 level. The Nation is committed to a policy of fostering maximum production, purchasing power, and employment through the cooperative efforts of industry, agriculture, labor, consumers, and government. The continued enjoyment of a high level of production and employment

would maintain favorable job opportunities for the aged. A prosperous Nation, however, can afford the luxury of allowing its aged citizens to choose between gainful employment and retirement and leisure.

### Socio-Economic Policies

Protective Federal and State legislation relating to minimum wages, working conditions, accident prevention, lighting, sanitation, and rest periods also influences the conditions surrounding employment and both the suitability of aged persons for work and their decisions to remain on the job.

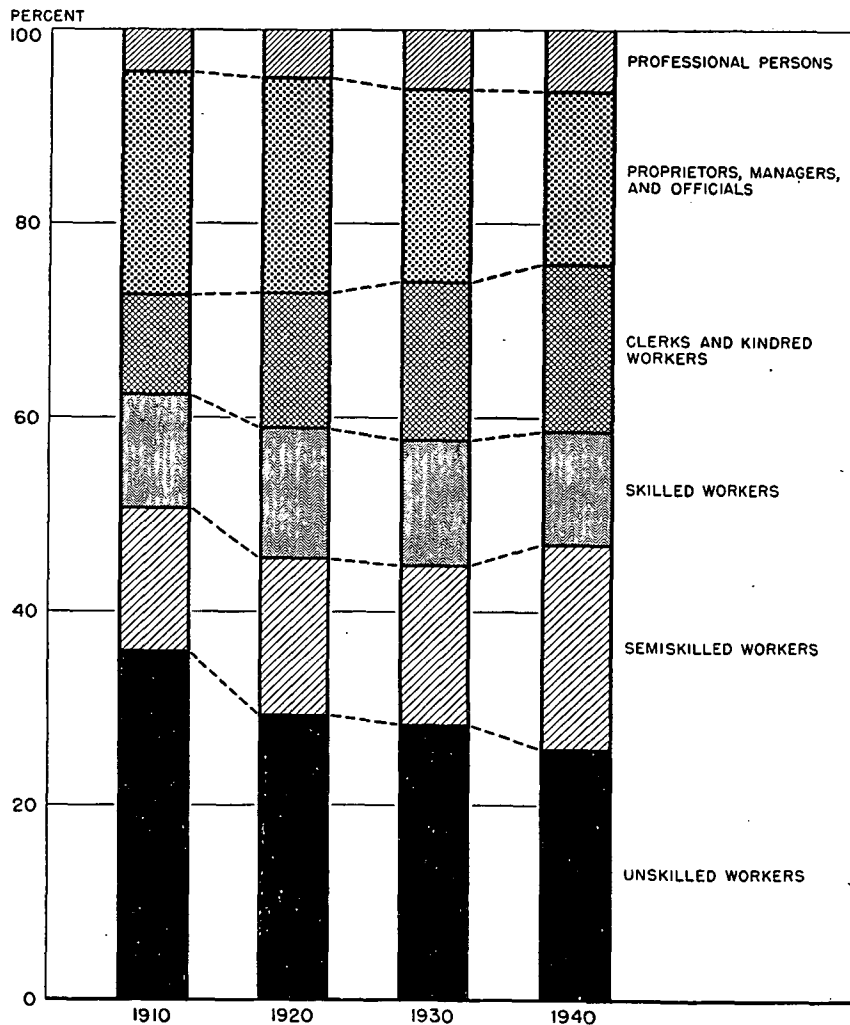
With the growth in labor-union organization, seniority provisions established by labor-management agreements have assumed increasing importance in recent years. These provisions generally operate to safeguard the jobs of older workers during periods of lay-offs and rehiring. This is especially true since older workers are generally less mobile; labor turnover among the upper age groups tends to be substantially lower than that in the younger age groups.

The rapid development and extension of retirement plans in the past decade or so have undoubtedly influenced retirement practices. Private industrial pensions for the aged were first introduced about 1875. In its initial stages the pension movement grew rather slowly; by 1900 only about a dozen plans had been set up, by 1920 about 270 were in force, by 1935 there were approximately 750 voluntary pension plans in operation. The majority of the workers covered by these plans were employed in the large heavy industries, however, and at no time before 1935 were more than 15 percent of the employees in industrial, commercial, and transportation establishments covered.<sup>11</sup> In 1935, Federal legislation set up retirement programs for all workers in industry, commerce, and rail transportation. In 1946, 41.5 million workers had insured status under the old-age and survivors insurance program,<sup>12</sup> 1.75 million jobs were

<sup>11</sup> Committee on Economic Security, *Social Security in America*, pp. 172-173.

<sup>12</sup> Excluding veterans insured under section 210 of the 1946 amendments to the Social Security Act.

Chart 1.—Percentage distribution of persons aged 14 and over gainfully occupied in 1910, 1920, and 1930 and in the labor force in 1940, by social-economic groups



Source: Bureau of the Census. *Sixteenth Census of the United States, 1940: Population, Comparative Occupation Statistics for the United States, 1870 to 1940.*

Table 6.—Percentage distribution of all aged employed men and women and median age of employed men and women (excluding emergency workers) in industries in which 5 percent or more of the workers were aged 65 and over, 1940

Sex and Industry	Median age	Percent of all aged employed men or women
All employed men aged 65 and over	38.3	100.0
Agriculture	39.4	41.0
Leather and leather products except footwear (manufacturing)	38.4	.3
Apparel and accessories stores	41.4	1.0
Hardware, farm implements, and building material retailing	39.1	1.1
Other retail stores	38.7	2.2
Finance, insurance, and real estate:		
Insurance and real estate	43.2	3.3
Business and repair services, except automobiles	39.7	1.2
Personal services:		
Domestic service	40.3	1.1
Hotels and lodging places	39.0	.9
Miscellaneous personal services	42.6	1.3
Professional and related services:		
Medical and other health services	41.5	2.0
Legal, engineering, and miscellaneous professional services	41.2	1.1
Charitable, religious, and membership organizations	45.8	1.6
Government (not elsewhere classified)	41.9	2.7
All other industries		40.2
All employed women aged 65 and over	32.3	100.0
Agriculture	35.4	12.2
Hotels and lodging places	43.3	7.9
Charitable, religious, and membership organizations	39.0	3.2
All other industries		76.7

Source: Bureau of the Census. *Sixteenth Census of the United States, 1940: Population, Vol. 3, The Labor Force, Pt. 1, U. S. Summary, table 80.*

covered under railroad retirement, 2.25 million under Federal civil-service and related systems, and 2 million under State and local retirement plans. In addition, many private industry plans have been adopted or amended to provide supplementary retirement benefits for their employees. In 1946 there were about 7,500 such plans in operation, or 10 times the number in effect in 1935.

Retirement plans meet an essential need for security of workers in their old age if they are unable to work or if they lose their earnings through unemployment. Such programs facilitate the retirement of older persons whose continued employment might lead to inefficiency in production processes or, as in the railroad industry,

might be hazardous to public safety. These plans also provide a basic income to aged individuals who retire voluntarily.

### Psychological Factors

More intangible influences affecting trends in employment of the aged are the psychological and social factors that determine the availability of the aged for gainful employment. Most people want to be one of the group and to act as the other members of the group do; if most of the older members of the community have jobs, the jobless old person feels he is the "odd" one and out of his group's activities. Community sentiment, the attitude of society, opinions of friends and family all contribute to shaping the motivation of the older worker to seek or continue in employment. The wartime delay in retirement and the return of many aged workers to employment after they had retired demonstrated the importance of community sentiments on the employment of the aged. Patterns of thought concerning the work status of the aged generally evolve slowly and are conditioned in turn by earlier experiences. The declining trend in employment of the aged over the past 70 years occurred within the framework of an age distribution of population in which the aged, though increasing in relative importance, represented only a small percent of the total population. In another four or five decades, when the aged are expected to represent more than 13 percent of the population, the increase in their relative importance may alter their attitude toward remaining in the labor market, and the attitude of industry toward fostering favorable work conditions for aged persons may also alter, thereby encouraging a larger participation of the aged in employment.

Contributing to the desire for employment on the part of the aged, along with the necessity of family and self-support, are the desire for self-expression and the need to make a contribution to society. On the other hand, with increased leisure time resulting from the shortening of the workweek, recreation habits and hobbies take on greater importance in the normal life of adults. Habits

of leisure and established hobbies, when they exist, reduce the pressure on older persons to maintain active interests through gainful employment and accordingly make the environment for retirement more favorable.

### Summary

The proportion of all aged persons who are engaged in gainful employment has declined fairly steadily over the past seven decades. This decline was interrupted by the demand for rapid expansion of the labor force during two world wars but was accelerated by the depression of the 1930's. Many factors—demographic, economic, social, and psychological—are reflected in this historical trend. As older citizens become an increasingly large proportion of the total population, however, the earlier trend may very possibly be reversed. Employment policies and practices that were satisfactory when only 3 percent of the population was 65 years and over and the median age of the population was about 20 may prove unsatisfactory when more than 13 percent of the population is in the older ages and the median age of the population rises to 37 or 38 years. In the past, job opportunities for the aged diminished with the relative decline in agricultural employment, the growth of large-scale industries, and the development of mass-production techniques. However, many factors—including the growth in professional employments and in employment in the trades and service industries, the shortening of the workweek, and the improvement in working conditions—may create a more favorable environment for employment of the older worker. Improved health of the population and of the aged would increase the availability of the aged for work. The growth in application of seniority rules in industries and in provisions for retirement annuities for the aged, as well as changes in psychological and community sentiments toward their employment, will also have a profound influence on their employment status in the future. Whatever changes occur in the proportion of the aged employed in the labor force will significantly affect the costs of the old-age and survivors insurance program.