

# Californians 65 and over Labor Force Participation

Representing 11 percent of the state's population, approximately 4.2 million Californians are 65 years old or over (65+). While the majority of these individuals are no longer in the labor force, over the last 15 years an increasing number have participated past the conventional retirement age. This Short Subject presents information about the labor force participation of Californians ages 65+ over the last 30 years, compares participation rates across a variety of demographic characteristics, and identifies variation across California's 58 counties.

## LABOR FORCE PARTICIPATION OVER TIME

The labor force includes the employed and those who are unemployed but seeking employment. The labor force participation rates in Figure 1 represent the percentage of Californians ages 65+ who were in the labor force from 1980 to 2012. Rates are calculated using self-reported labor force status from Current Population Survey data.

While year-to-year fluctuations are a function of real changes in labor force participation and sampling error inherent in the survey data, a clear trend is observable. Whether because of longer life spans, increased financial need, or for other reasons, there has been an increase in the labor force participation of Californians who are ages 65+. In 1980 approximately 13 percent of Californians ages 65+ were employed or seeking employment. That percentage climbed to approximately 19 percent in 2012. This 6 percentage point jump mostly reflects an increase in employment rather than an increase in those who were unemployed and seeking work.

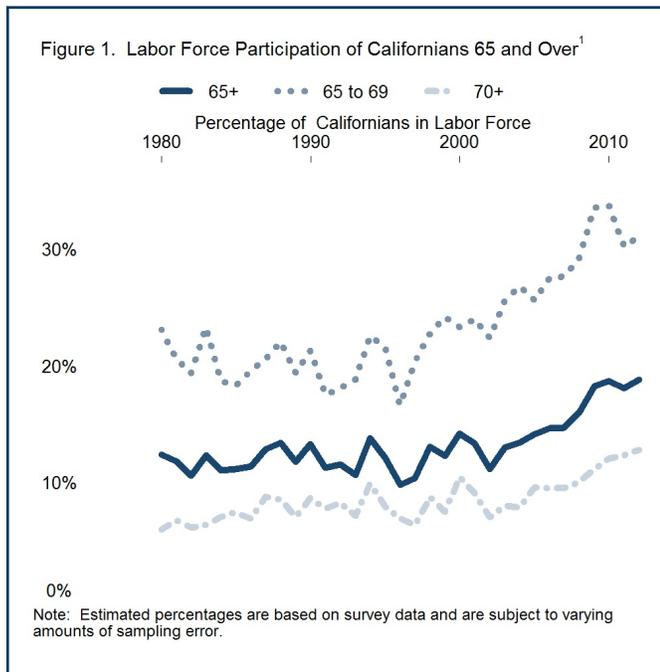
The labor force participation rate varies across age categories. In 1980, 23 percent of Californians age 65 to 69 and 7 percent of those ages 70+ participated in the labor force. In 2012, those rates increased to 31 and over 30 and 13 percent, respectively.

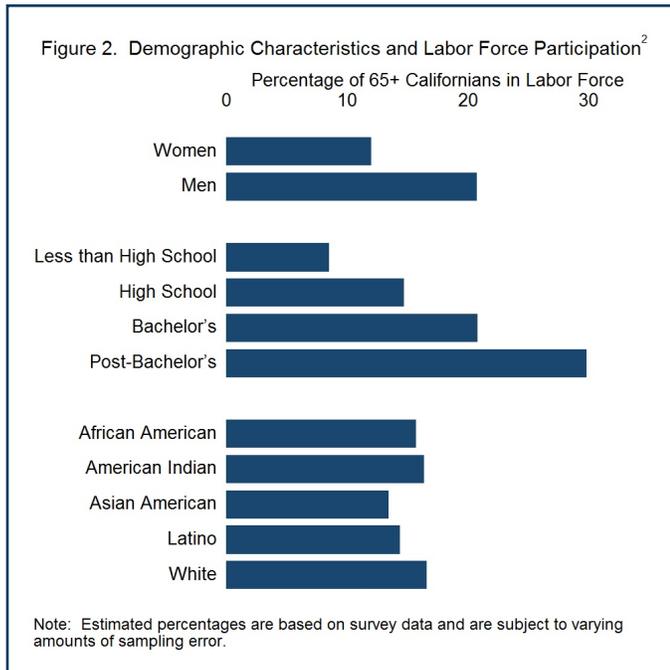
## DEMOGRAPHIC CHARACTERISTICS AND LABOR FORCE PARTICIPATION

Figure 2 presents the average labor force participation rate of Californians ages 65+ broken out according to gender, education, and race/ethnic categories and are calculated from U.S. Census American Community Survey data. Approximately 12 percent of women ages 65+ and approximately 21 percent of similarly aged men were either employed or seeking employment.

Perhaps the greatest source of variation in participation rates, after accounting for age, is the educational attainment of individuals. Only 9 percent of Californians 65+ with less than a high school diploma participated in the labor force compared to 20 percent of those with Bachelor's degrees and 30 percent of those with post-Bachelor's degrees.

There are small differences in participation rates across race and ethnic category. With labor force participation rates of 13 and 14 percent, respectively, Asian Americans and Latino/as ages 65+ were least likely to

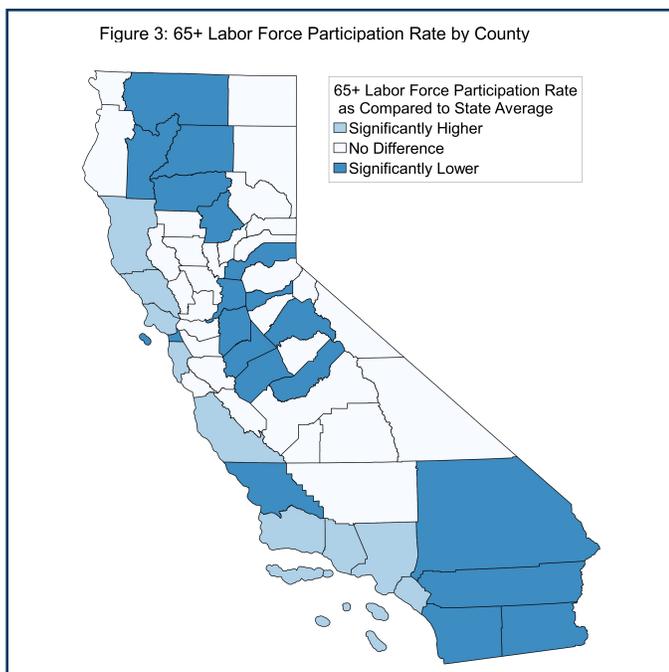




have been employed or have been seeking employment. California American Indian/Alaska Natives, African Americans, and Whites in the same age group had the highest rates of labor force participation at 16 to 17 percent.

## CALIFORNIA COUNTIES AND LABOR FORCE PARTICIPATION

The map included in Figure 3 compares county-level labor force participation rates of those 65 and over to the state rate of 16 percent and identifies counties where rates are significantly different at a 90 percent confidence level. Labor force participation varies



considerably across counties from a low of 8 percent to a high of 24 percent.

Of those counties with significantly greater participation rates, Orange, Mendocino, and Marin counties have the largest percentage of their 65+ population in the labor force (18, 19, and 24 percent, respectively). The lowest participation rates are found in Trinity, Imperial, and Amador counties (8, 10, and 10 percent, respectively).

While explaining the variation in California counties' 65+ labor force participation rates is beyond the scope of this Short Subject, we do note that participation rates tend to be higher in counties with greater median incomes and home values, lower poverty and unemployment rates, and higher rates of college education. Counties where financial, scientific, and professional occupations make up a larger share of the economy also have higher participation rates. This finding is consistent with results from individual-level data that suggest those who are 65+ with college degrees are more likely to participate in the labor force.

## FURTHER READING

Braedyn Kromer and David Howard, *Labor Force Participation and Work Status of People 65 Years and Older*, American Community Survey Briefs, United States Census Bureau, 2013.

## REFERENCES

- 1 U.S. Census Bureau, 1980-2012 Current Population Survey Internet and Computer Use Supplement Public Use File, 2012.
- 2 U.S. Census Bureau, 2007-2011 American Community Survey Public Use Microdata, 2012.
- 3 U.S. Census Bureau, 2007-2011 American Community Survey Summary Files, 2012.

*This Short Subject was requested by Assembly Member Mariko Yamada, Chair of the Committee on Aging and Long-term Care.*

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