

**Testimony of
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Special Committee on Aging
U.S. Senate**

**A Changing Workforce: Supporting Older Workers
Amid the COVID-19 Pandemic and Beyond**

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Introduction

Chairman Casey, Ranking Member Scott, and members of the Committee, thank you for the opportunity to speak with you today about the vital need to support older workers during the COVID-19 pandemic and beyond.

I am Ramsey Alwin, President and CEO of the National Council on Aging (NCOA), the oldest national aging organization. For more than 70 years, we have worked to improve the lives of older adults, especially those who are struggling. Working with thousands of national and local partners, we provide resources, tools, best practices, and advocacy to ensure every person can age with health and financial security.

Our vision is a just and caring society in which each of us, as we age, lives with dignity, purpose, and security. We are guided by our Equity Promise—that aging well should be a right, not a privilege, for every American. And our goal is to impact the health and economic security of 40 million older adults by 2030, especially women, people of color, LGBTQ+, low-income, and rural individuals.

The one thing that will happen to every person born in this world is that they will age. By 2030, those of us aged 65 and over will increase from 49 million to 71 million. After a lifetime of working hard, playing by the rules, raising the next generation, and contributing to our community, every older adult deserves the opportunity to age well—regardless of their gender, color, sexuality, income, or zip code.

For millions of Americans, aging well means having the opportunity to work in the years leading up to and beyond the traditional retirement age. The reasons older adults want or need to work are the same as at any age. Work provides meaning, social connections, and much-needed income to pay for daily needs. As longevity continues to climb and many Americans struggle to save enough for retirement, work is also essential to affording a longer life. This is especially true for older adults of color, who experience higher rates of poverty than white seniors, and among rural and LGBTQ+ older adults who face access barriers and discrimination in employment.

Since 1950, older workers have been an important focus of NCOA's program and policy efforts. We recognized early that older adults face unique challenges to remaining in the workforce—including ageism and a lack of training and employment services tailored to their needs. In 1986, NCOA

successfully advocated for legislation to eliminate mandatory retirement. Since 1968, NCOA has been one of several national organizations that administers the U.S. Department of Labor’s Senior Community Service Employment Program (SCSEP). Today, we provide SCSEP services in 11 states and Puerto Rico, including Georgia, New York, North Carolina, and Pennsylvania. This work has given us clear insight into the value older workers contribute to our economy.

Older Workers and the Pandemic

Older adults have felt the devastating impact of COVID-19 on their health, as well as on their employment status and financial security. Millions lost jobs. According to the Urban Institute, in 2020, the average monthly unemployment rate for older workers reached 7.5 percent, the highest annual rate on record. Between February 2020 and February 2021, the labor force participation rate of workers aged 65 and older fell by over 11 percent—the largest 12-month drop in 60 years.¹ Between August 2020 and January 2021, 1.1 million older workers left the labor force, according to The New School Schwartz Center for Economic Policy Analysis. Not surprisingly, these numbers were even more grim for older adults of color. The decline in employment for older Black, Hispanic, and Asian workers was twice that of white older workers.²

In 2017, the Bureau of Labor Statistics predicted that older women would be the fastest-growing demographic in the workforce in the years to come.³ Yet, due to the pandemic, older women have experienced significantly high rates of unemployment, and they are among those most likely to lose their jobs or leave the labor market entirely. Early in the pandemic, older women had some of the highest rates of unemployment. Recent months have shown improvements, but part of that is because so many have dropped out of the labor force entirely.⁴ Women’s disproportionate job losses are due in part to occupational segregation in industries most impacted by the economic and health consequences of the pandemic and caretaking responsibilities related to child and elder care. Regardless of age, Black and Hispanic women experienced the most significant and disproportionate job losses in the pandemic recession.⁵ If we are not intentional in targeting policy

¹ Urban Institute: <https://www.urban.org/urban-wire/will-older-adults-return-workforce>

² The New School Schwartz Center for Economic Policy Analysis: <https://www.economicpolicyresearch.org/jobs-report/the-stalled-jobs-recovery-pushed-1-1-million-older-workers-out-of-the-labor-force>

³ Bureau of Labor Statistics: <https://www.bls.gov/careeroutlook/2017/article/older-workers.htm>

⁴ AARP Public Policy Institute: <https://blog.aarp.org/thinking-policy/covid-19-toll-on-womens-labor-force-participation>

⁵ Economic Policy Institute: <https://www.epi.org/press/jobs-report-shows-more-than-25-million-workers-are-directly-harmed-by-the-covid-labor-market-congress-must-pass-the-full-1-9-trillion-relief-package-immediately/>

solutions that will address these realities, the economic impact of these job losses will further position older women and older women of color to age into poverty.

As we start to recover from the pandemic, the news is mixed for older workers. As of March 2021, over 1.7 million workers aged 55 and older remain unemployed. More than half (54 percent) have experienced long-term unemployment of 27 weeks or more. The rate of long-term unemployed, as well as the average duration of unemployment, are significantly higher for older adults than for younger workers.⁶ History shows that the nearly one million older workers experiencing long-term unemployment now are likely to receive lower wages once re-employed.⁷ Meanwhile, those who have exited the workforce and opted to tap reduced Social Security benefits are risking their financial security for years to come.

History also tells us that older adults are likely to face significant hurdles to regaining their financial footing after this setback. NCOA analysis shows that many older adults struggled to recover from the Great Recession in 2008, and the effects on their financial security endured for years. Increases in the poverty rate and decreases in net wealth and assets were more pronounced for older adults of color.⁸

To support older workers during the pandemic and beyond, we must address several long-standing systemic issues. We believe the time is long overdue to: 1) strengthen federal age discrimination protections and enforcement, 2) expand job placement and training services, and 3) ensure equitable access to quality job opportunities.

Solution: Strengthen Federal Age Discrimination Protections and Enforcement

Ageism is one of the last socially acceptable forms of discrimination in our society—and it remains stubbornly ingrained in too many workplaces. A 2018 survey conducted by AARP found that 3 in 5 workers aged 45 and older had seen or experienced age discrimination in the workplace, and three-

⁶ AARP Public Policy Institute: <https://www.aarp.org/content/dam/aarp/ppi/2021/04/march-2021-employment-data-digest.pdf>

⁷ Urban Institute: <https://www.urban.org/sites/default/files/publication/25431/412574-age-disparities-in-unemployment-and-reemployment-during-the-great-recession-and-recovery.pdf>

⁸ National Council on Aging: <https://www.ncoa.org/article/potential-financial-impacts-of-covid-19-on-older-adults>

quarters blamed age discrimination for their lack of confidence in being able to find a new job.⁹ The 2019 Hiscox Ageism in the Workplace Study revealed that age discrimination charges filed with employers and the Equal Employment Opportunity Commission (EEOC) doubled between 1990 and 2019, yet only 40 percent of those surveyed who experienced age discrimination filed a charge or complaint.¹⁰

It's time to treat age discrimination the same as every other unlawful bias in the workplace. Senator Casey's Protecting Older Workers Against Discrimination Act (POWADA) is a great start, and we applaud him and Sen. Collins for supporting this bipartisan endeavor. The Act would strengthen protections in the Age Discrimination in Employment Act (ADEA) by permitting plaintiffs to sue for age discrimination even if age was not the sole cause of the challenged employment decision. The Act would reverse a 2009 Supreme Court decision (*Gross v. FBL Financial Services, Inc.*, 557 U.S. 167) that required age to be the sole reason an employer fired or changed a worker's job in order for the worker to win an age discrimination claim.

While this is progress, we cannot stop there. Discrimination in hiring is also prevalent. In 2019, the 7th U.S. Circuit Court of Public Appeals (*Kleber v. CareFusion Corp.*, No. 17-1206) ruled that ADEA protections apply only to current employees and do not extend to external applicants. Legislation such as the Protect Older Job Applicants Act championed by Rep. Sylvia Garcia would go a long way toward reinforcing and expanding the rights of older workers. In addition to the Act's language prohibiting use of birth dates on job applications, NCOA strongly recommends prohibiting employers from requesting graduation dates and requesting prior salary history. These seemingly minor administrative requests can significantly harm an older worker's prospects for employment during the hiring process. According to the Center for American Progress, "as of December 2020, 19 states—as well as Washington, D.C., Puerto Rico, and 20 localities—all had some version of a salary history ban in place. Major companies—including Bank of America, Cisco Systems, Lands' End, Starbucks, and more—have already pledged to limit their use of salary history."¹¹

⁹ AARP: https://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2020/impact-of-age-discrimination.doi.10.26419-2Fint.00042.003.pdf

¹⁰ Hiscox: <https://www.hiscox.com/documents/2019-Hiscox-Ageism-Workplace-Study.pdf>

¹¹ Center for American Progress: <https://www.americanprogress.org/issues/women/reports/2021/03/24/497475/salary-history-bans-matter-securing-equal-pay/>

We hope that bipartisan support for POWADA, the President’s call for strengthening workforce discrimination protections, and greater awareness of the struggles of older adults during the pandemic will finally move the needle on restoring age discrimination protections and enforcement as Congress intended decades ago.

Solution: Expand Job Placement and Training Services

Older workers—particularly low-income individuals with significant barriers to employment—have traditionally been left behind by public workforce systems and strategies. That needs to change.

Many older workers, such as those served through SCSEP, have been out of the workforce due to caregiving responsibilities, health and disability challenges, and age discrimination. For most, the traditional 40-hour week and year-round employment placement envisioned in Workforce Innovation and Opportunity Act (WIOA) and other public workforce programs are not appropriate. These systems also lack the targeted, one-on-one counseling and assistance many older workers require for successful training and re-employment. And they are missing the income supports and wraparound services that can ensure they achieve financial security. We recommend several solutions.

First, SCSEP should receive significant investments. SCSEP is the only federal job training program focused exclusively on helping older Americans return to the workforce—prioritizing services to veterans, individuals with disabilities, those living in rural communities, and other most-in-need older adults who have low job prospects and significant barriers to employment. Significant majorities of participants have incomes below the poverty line, are women, and are people of color. The program enables them to develop new skills and add work experience through subsidized community training assignments with local nonprofit organizations.

SCSEP offers a tangible return on investment, yet funding is woefully inadequate. Current funding levels help 55,000 older workers from every state and nearly all U.S. counties. Yet, this represents far less than one percent of the low-income adults aged 55 and older with incomes below \$16,100 who are eligible. Those who do secure unsubsidized employment through SCSEP earn more in their first year than the annual SCSEP training costs, and 7 in 10 remain on the job more than one year

after leaving the program. There are dozens of stories of how SCSEP has turned lives around. Here are just two examples:

***Georgia:** Mr. Hawkins, an Airforce veteran, moved to Savannah for a fresh start after struggling with addiction. After a year living at the Salvation Army, he decided to set goals for himself to attain employment and make a better life for himself. He joined SCSEP, and as he progressed through the program, he became more open, confident, and self-motivated. By the end of the second week, he had obtained full-time employment. Today, Mr. Hawkins has transportation and permanent housing. "I now live life to the fullest as compared to just existing. I can look forward to good things happening in my life," he said.*

***Ohio:** V.G. was 61 years old when she decided she needed a change in her life. After years of working as a patient care advocate, V.G. turned to SCSEP for help. Once enrolled, she was placed at a training site where she could see a future and begin to learn new skills. She was ready and more confident than ever to step back into the workforce. Battling with anxiety, panic attacks, and no family nearby when COVID-19 hit, she found herself isolated and overwhelmed. "The one bright light during COVID was the weekly wellness calls that SCSEP did to make sure I was safe and in good health ... It seemed like I had someone who cared about my safety and well-being," she said.*

But for every success story we have, there are thousands of financially vulnerable older job seekers who need help. From the woman in Virginia who juggles daily direct care for her ailing father and job training, to the man in Maumee, Ohio, who couldn't afford the transportation required to get to a new job with Amazon in Toledo 10 miles from his home, to the woman in New York for whom the social isolation of the pandemic has taken its toll on her confidence in finding work.

SCSEP funding has not kept pace with the need. The FY21 SCSEP appropriation of \$405 million is \$60 million *less than* the funding nearly three decades ago. Minimum wage increases in 29 states and the District of Columbia and a lack of additional federal funding to account for them has further limited the number of individuals SCSEP programs can reach. At a minimum, the FY22 appropriation should equal the \$480.9 million level approved in the 2020 reauthorization with bipartisan support, and significant recovery investments of at least \$500 million should be included in the upcoming infrastructure legislation. We applaud the dedication of Congressional SCSEP

champions who lead the Dear Colleagues in support of annual appropriations—the House Democratic Caucus Task Force on Aging and Families, particularly Reps. Doris Matsui and Jan Schakowsky, and Sen. Chris Murphy.

Second, Congress must explicitly include and target older workers in new job training proposals. We applaud the President’s call for a \$100 billion investment in proven workforce development programs and a focus on underserved communities. Support for registered apprenticeships, new dislocated worker strategies, sector-based training, and a new subsidized employment program will expand access to existing and innovative efforts to put Americans back to work.

NCOA is pleased to join with Heartland Alliance and many other national organizations in calling upon Congress to include an equity-centered national subsidized employment program in the pandemic recovery legislation currently in development. We applaud the work that has gone into crafting the framework for this bold, transformative initiative to empower those excluded from economic opportunity and hit hardest by economic downturns to secure employment.

But older workers, particularly those who are low-income or struggling with long-term unemployment, must be explicitly included in these efforts. Their eligibility must be specifically detailed in the legislation, along with targeted interventions and supports that set them up for successful transitions back to the workforce.

Within the Administration’s proposed \$10 billion targeted to those with the greatest challenges, a portion should be committed to SCSEP and other strategies specifically designed to assist older workers. To truly reach this population, the new subsidized jobs program must explicitly note older worker eligibility rather than relying on long-term unemployment status.

Now is also the time to re-evaluate what full employment means for older adults. We support short-term recovery initiatives that offer new strategies for workforce investment policy into the future. There is much to be learned, for example, from supporting part-time work or pre-retirement “bridge” job programs with wraparound income and social supports for those with health and caregiving responsibilities. Specifically, part-time work should be fully recognized in publicly supported job training programs.

To better support older workers as we rebound from the pandemic and longevity trends continue, we may look globally for promising practices. One example is Japan’s Silver Human Resource Center (SHRC) program, which provides part-time, paid employment to retirement-aged men and women regardless of income level. According to the Longevity Center in Japan, “Silver Human Resources Centers aim to create dynamic communities and to support meaningful and fulfilling lifestyles for older persons through the provision of appropriate work opportunities for people generally age 60 or over who desire to participate in society through a work style that suits them. The first Silver Human Resources Center was established in Tokyo in 1974, and it was a new framework for older persons to work in the community. Centers were opened throughout the nation with the amendment of the Law concerning Stabilization of Employment of Older Persons in 1986. Today there are Silver Human Resources Centers in about 1,600 municipalities throughout Japan. Each Center is contracted by corporations, households, public organizations, and others and then it allots the work to its registered members based on the work content, frequency, and volume. Older participants receive a financial disbursement from the Center calculated based on the content of the work they performed and the number of hours they spent. The financial disbursement paid to members as work compensation averages about 50,000 to 60,000 yen a month.”¹² This program provides a national infrastructure to support job placement services for any older adults looking to switch careers to re-enter into the workforces after at 60. This national commitment to engaging older workers has successfully allowed Japan to tap into their vast wealth of experience.

Solution: Ensure Equitable Access to Quality Job Opportunities

As Congress and the Administration seek to restore and strengthen the U.S. economy, job creation—whether focused on brick-and-mortar projects or technology—must be universally accessible, regardless of age, race, color, ethnicity, gender, or health/disability status.

Many individuals across the lifespan, particularly women, face challenges working in jobs that do not include wraparound supports. Lack of affordable transportation and accessible broadband continue to be barriers to in-person and remote work. A crucial lesson from the pandemic is that caregiver and family leave supports must be expanded—not just for individuals but also for the economy to thrive. A report by AARP found that if family caregivers aged 50 and older have access

¹² International Longevity Center Japan: http://longevity.ilcjapan.org/f_issues/0702.html

to support in the workplace, the potential economic contribution could increase by \$1.7 trillion in 2030.¹³

First, we must highlight successful initiatives and provide employer incentives. Identifying and amplifying proven workplace strategies for older adults and providing incentives for employers to hire or retain older workers are important pieces of the puzzle. Many employers recognize older workers' strengths, including institutional knowledge, education, work experience, a mature perspective, dedication, loyalty, and enthusiasm. Companies use return-to-work programs to tap high-potential professionals who have taken career breaks for eldercare, childcare, health issues, or expat or military spouse experiences. Some of the programs also target people who are “unretiring” along with veterans transitioning to civilian roles. Notably, 28% of the Fortune 50 companies have created in-house return-to-work programs. But less than 6% of the broader Fortune 500 have.¹⁴

The federal Work Opportunity Tax Credit (WOTC) is available to employers that hire individuals from specific targeted groups who have faced significant barriers to employment. NCOA endorsed legislation proposed during the Great Recession to expand WOTC target groups to include low-income older workers, and we believe this proposal is also appropriate now. We also applaud Sen. Casey for introducing the Disability Employment Incentive Act (S. 630), which would extend the WOTC to individuals with disabilities and promote accessible workplaces, and we are pleased to endorse that legislation, as well.

The tax code also could be leveraged to incentivize flexible work opportunities. NCOA endorsed legislation introduced in 2010 to create a tax credit for those who employ older adults in part-time work and provide a qualified pension plan, health insurance coverage, and pay at least 60 percent of the health insurance premiums.

Second, we must advance flexible work opportunities for older adults. Working longer can take many forms for older adults who want and need to work longer. NCOA fully supports investing in the redeploying the vast human capital among older workers to help address many of our societal challenges while providing a stipend. NCOA recommends full funding and leveraging of programs such as the AmeriCorps seniors programs (Senior Companion Program, Foster Grandparent

¹³ AARP: https://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2021/longevity-economy-working-caregivers.doi.10.26419-2Fint.00042.006.pdf

¹⁴ Harvard Business Review: <https://hbr.org/2020/06/how-the-pandemic-has-created-new-demand-for-older-workers>

Program, and RSVP), as well as expanding successful demonstrations. For instance, the award-winning EnCorps STEM Teachers Program created by Sherry Lansing has worked to address the shortage of STEM teachers in California since 2007.¹⁵ EnCorps has demonstrated the ability to recruit and train a corps of older workers in technology, engineering, computer science, and mathematics professionals to become STEM teachers to disadvantaged students. Scaling such a program nationally would create a formidable initiative to transform both public education for children and the workforce needs for older adults. The pandemic has highlighted the disparities that exist in public education, leaving millions of children behind due to distance learning, and the devastating impact it has had on older adults' ability to work. The EnCorps' innovative and intergenerational solution could be scaled nationwide, helping to facilitate transitions for older adults to meaningful, quality jobs while helping younger generations gain critical skills.

Flexible work can also mean self-employment or independent contract work, gig work, and entrepreneurship. Research shared by the U.S. Chamber of Commerce shows that older adults who start businesses are as successful as younger entrepreneurs, if not more so.¹⁶ Ranking Member Scott is currently drafting legislation to create a program that mirrors the Small Business Administration Emerging Leaders Initiative to provide targeted training and support to older entrepreneurs. We are encouraged that this proposal heeds our call to shape current federal policy to explicitly serve older adults, and we look forward to continued dialogue as the bill moves forward.

NCOA's focus is on older adults who are struggling, so we are also mindful of the barriers these individuals face in taking full advantage of entrepreneurship, self-employment, and flexible work. Many have had careers of low-wage work, and they do not have the capital to support a business venture. Nor have they accumulated savings to allow them to take on part-time or gig work, even though their health or caregiving issues make full-time work unrealistic.

The largest group of self-employed workers aged 50 and older (75 percent) work independently in jobs like freelancer and gig worker, according to researchers at the Center for Retirement Research

¹⁵ EnCorps: <https://encorps.org/>

¹⁶ U.S. Chamber of Commerce: <https://www.uschamber.com/co/grow/thrive/middle-aged-entrepreneurs-success>

at Boston College.¹⁷ Their average earnings are low—\$18,000 a year—and they are more likely to be women or Hispanics. The other 25 percent are primarily white men and are evenly divided between business owners and managers who work on a contract basis. Low-paid independent workers dominate jobs like caregiver, cleaner, farmer, artist, and beauty industry worker. Many of these workers view themselves as retired and say they would rather not work, but they need to supplement their retirement income.¹⁸ For flexible work arrangements to be available to more Americans—especially those with limited means—income supports and wraparound services are crucial.

Conclusion

As Americans live longer, older workers will continue to play an even more vital role in our economy. We believe that increased federal leadership is needed to bring about the systemic change required to support them in their journey to work for as long as they want and need. An Older Workers Bureau, which is elevated to look holistically at older worker issues across the federal government and is housed at the Department of Labor, could identify and coordinate existing federal resources, identify and work to eliminate barriers to working longer, and disseminate promising employment and training practices. Along with dedicated involvement of the Domestic Policy Council and National Economic Council, establishment of an Older Workers Bureau would mobilize the resources of the federal government and promote public-private innovation. A Bureau with the mandate to be focused and intentional about maximizing the labor force participation of older adults in the U.S. is good for older adults, families, employers, the economy, and society. Specifically, the nation could increase gross domestic product (GDP) by almost 15% if we were to maximize older worker labor force participation, according to the Organization for Economic Cooperation and Development.¹⁹

¹⁷ Center for Retirement Research at Boston College: <https://crr.bc.edu/working-papers/new-insights-on-self-employment-of-older-adults-in-the-united-states/>

¹⁸ Center for Retirement Research at Boston College: <https://squaredawayblog.bc.edu/squared-away/older-and-self-employed-a-diverse-lot/>

¹⁹ Organization for Economic Cooperation and Development: https://www.oecd-ilibrary.org/sites/59752153-en/1/3/1/index.html?itemId=/content/publication/59752153-en&csp_=270c75b903927d7f9f26dfd168516cca&itemIGO=oecd&itemContentType=book



We recognize that many of these proposals are not new and have been put forth for many years. This demonstrates that during times of both economic crisis and economic growth, the employment barriers facing older workers remain unaddressed. We appreciate the opportunity to raise these issues and solutions with the Committee, and we look forward to continued dialogue and collaboration to support older workers during the pandemic and beyond.