

# **Appendix J**

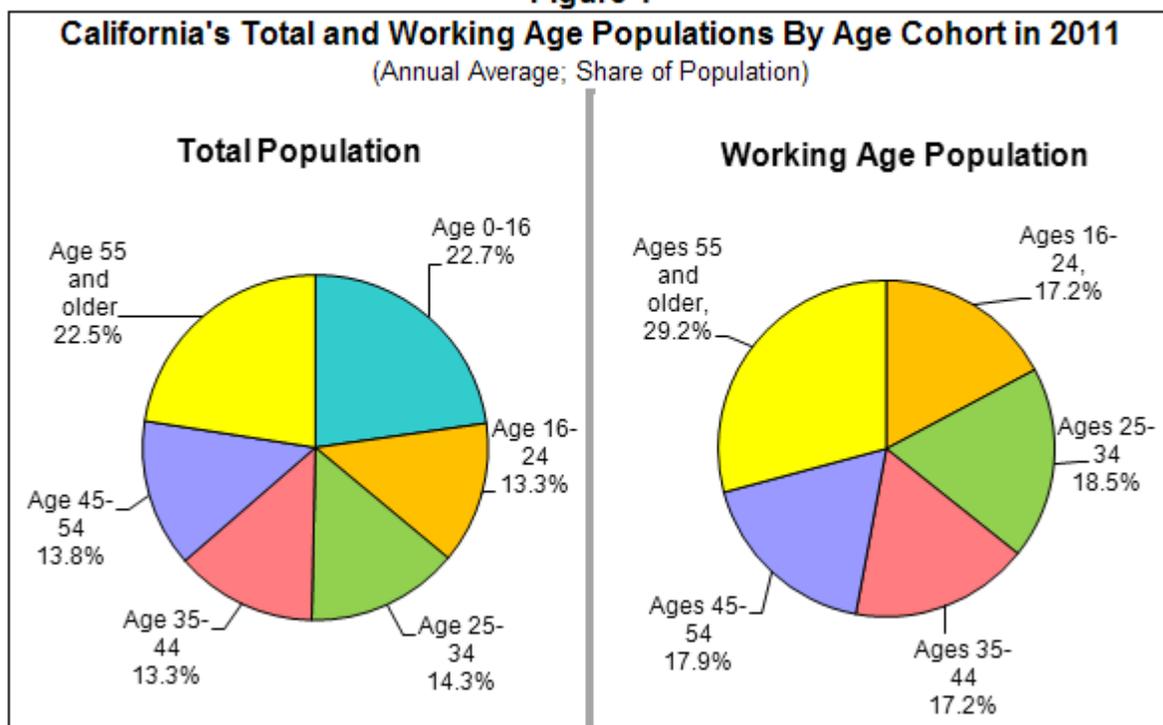
## **Demographic and Labor Market Profile of Californians Age 55 and Older**

**Prepared by  
California Employment Development Department,  
Labor Market Information Division**

## Appendix J: Demographic and Labor Market Profile of Californians Age 55 and Older<sup>1</sup>

According to the Current Population Survey (CPS) of Households, California's population totaled 37.0 million in 2011. The number of Californians age 55 and older totaled 8.3 million, comprising over one-fifth (22.5 percent) of the state's total population. The population of Californians age 55 and older can be further broken down as follows: 4.1 million were age 55 through 64; 2.3 million were 65 through 74, and 1.9 million were age 75 and older. Figure 1 shows the age distribution of California's total and working age populations.

**Figure 1**



**Source:** Current Population Survey of Households.

Older workers made up a much larger share of California's eligible workforce, or the working age population age 16 and over. Nearly three out of every 10 (29.2 percent) of working age Californians were age 55 and older in 2011. The share of older individuals in California's working age population has grown over time. According to the CPS, those age 55 and older comprised less than one-quarter (22.6 percent) of California's working age population in 1991. The increasing share of older workers in the working age population reflects the aging of the baby boomer generation. In 1991, less than one in 10 (9.5 percent) of working age Californians was age 55 through 64. In 2011, one out of every seven (14.2 percent) of working age Californians was age 55 through 64. The demographic wave of baby boomers reaching retirement age is now underway and will intensify over the next 15 years.

<sup>1</sup> Prepared by the California Employment Development Department, Labor Market Information Division

## Demographic Profile of Older Workers

Table 1 summarizes several demographic characteristics of Californians age 55 and older. Data are presented for all persons age 55 and older, as well as for three subgroups of older workers: individuals age 55 to 64 who are approaching but have not reached the traditional retirement age, individuals age 65 to 74 who have reached retirement age, and individuals age 75 and over who have largely retired and withdrawn from the labor force. For comparison purposes, the far right column of the table shows the demographic characteristics of individuals age 25 through 54, which is usually referred to as prime working age population. Generally speaking, California's older population tends to be somewhat less ethnically and racially diverse, disproportionately more female, somewhat less well educated, more likely to be a veteran, and more likely to have a disability than younger populations. In many cases, these differences are accentuated by advancing age.

Whereas Californians of prime working age were evenly divided between men and women, women were a clear majority (53.7 percent) of the age 55 and older population. The proportion of women in the population increased with age. While a little over half (51.4 percent) of Californians age 55 through 64 were women, they represented 54.1 and 58.0 percent of the age 65 through 74, and 75 and older populations, respectively.

Older Californians were much less likely to be single than were younger Californians (7.4 percent vs. 28.1 percent). Only 3.6 percent of Californians age 75 and older had never been married. However, the share of older Californians who were once married—divorced, separated, or widowed—increased with age. Nearly one-third of Californians age 55 and over had once been married compared to just 13.0 percent of prime working age Californians. Nearly half (49.1 percent) of Californians age 75 and older had once been married but were now single.

The population of older Californians was less racially and ethnically diverse than younger populations. A larger majority (78.5 percent) of Californians age 55 and older were white than were prime working age Californians (76.0 percent). However the share of whites increased from 77.0 percent in the age 55 through 64 population to 81.1 percent in the 75 and older population. A slightly smaller percentage of older Californians (55 and older) were African American, Asian, or members of other racial groups than in the prime working age population. The major difference between older and younger Californians was that Hispanics, or Latinos, comprised a much smaller share of older populations than younger populations. While Latinos comprised nearly two-fifths (38.0 percent) of Californians of prime working age, just one-fifth (20.5 percent) of Californians age 55 and over was Latino. The share of Latinos among Californians age 55 through 64 was 22.8 percent, but just 16.6 percent among Californians age 75 and older.

There were only slight differences in educational attainment between older Californians and Californians of prime working age. About the same share of older Californians age

55 and older had attained a Bachelor's Degree or higher as had Californians of prime working age (32.2 percent vs. 32.1 percent). A slightly larger share of Californians age 55 and older than prime working age Californians had attained a high school diploma or had not completed high school (12.9 percent vs. 10.8 percent). However, these differences were more pronounced in the age 65 through 74 and 75 and older populations.

**Table 1**  
**Demographic Characteristics of Californians Age 55 and Over in 2011**  
 (Annual Average of Current Population Survey of Households Data; Percent of Total)

|                               | Californians Age 55 and Older |             |             |                  | Californians of Prime Working Age (25 to 54) |
|-------------------------------|-------------------------------|-------------|-------------|------------------|----------------------------------------------|
|                               | Total                         | Age 55-64   | Age 65-74   | Age 75 and older |                                              |
| <b>Population</b> (Number)    | 8.3 million                   | 4.1 million | 2.3 million | 1.9 million      | 15.3 million                                 |
| <b>Gender</b>                 |                               |             |             |                  |                                              |
| Men                           | 46.3                          | 48.6        | 45.9        | 42.0             | 50.1                                         |
| Women                         | 53.7                          | 51.4        | 54.1        | 58.0             | 49.9                                         |
| <b>Marital Status</b>         |                               |             |             |                  |                                              |
| Married                       | 60.6                          | 65.1        | 63.8        | 47.3             | 59.0                                         |
| Once Married                  | 32.0                          | 24.7        | 30.6        | 49.1             | 13.0                                         |
| Never Married                 | 7.4                           | 10.2        | 5.6         | 3.6              | 28.1                                         |
| <b>Race/Ethnicity</b>         |                               |             |             |                  |                                              |
| White                         | 78.5                          | 77.0        | 78.7        | 81.1             | 76.0                                         |
| African American              | 5.8                           | 6.5         | 6.0         | 4.3              | 6.3                                          |
| Asian                         | 13.4                          | 13.7        | 13.5        | 12.8             | 13.7                                         |
| Other <sup>1</sup>            | 2.3                           | 2.8         | 1.8         | 1.7              | 4.0                                          |
| Hispanic/Latino               | 20.5                          | 22.8        | 19.5        | 16.6             | 38.0                                         |
| <b>Citizenship Status</b>     |                               |             |             |                  |                                              |
| Native-born                   | 69.4                          | 67.7        | 69.5        | 72.8             | 61.7                                         |
| Naturalized                   | 21.4                          | 21.7        | 22.1        | 19.8             | 16.2                                         |
| Foreign-born, Non-Citizen     | 9.2                           | 10.5        | 8.4         | 7.5              | 22.1                                         |
| <b>Educational Attainment</b> |                               |             |             |                  |                                              |
| Did Not Complete High School  | 17.9                          | 15.1        | 18.5        | 23.1             | 17.1                                         |
| High School Diploma/GED       | 23.7                          | 22.2        | 22.3        | 28.5             | 24.2                                         |
| Some College But No Degree    | 17.7                          | 17.9        | 17.6        | 17.2             | 18.0                                         |
| Associate Degree              | 8.5                           | 9.9         | 8.1         | 6.0              | 8.6                                          |
| Bachelor's Degree             | 19.3                          | 21.2        | 18.9        | 16.1             | 21.9                                         |
| Higher than a B.A.            | 12.9                          | 13.8        | 14.6        | 9.1              | 10.2                                         |
| 9 <sup>th</sup> Grade or Less | 12.9                          | 10.8        | 13.5        | 16.6             | 10.8                                         |
| <b>Disabled</b>               | 22.9                          | 13.3        | 20.9        | 45.2             | 5.3                                          |
| <b>Veteran</b>                | 15.1                          | 10.4        | 16.8        | 22.7             | 3.3                                          |

1) The other race category includes American Indians, Alaska natives, Hawaiians, Pacific Islanders, and persons of two or more races.

Older Californians were much more likely than younger populations to report having a disability.<sup>2</sup> More than one out of every five (22.9 percent) Californians age 55 and older had a disability, compared to about one out of every 20 (5.3 percent) of Californians of prime working age. The incidence of disabilities increased with advancing age. While just 13.3 percent of Californians age 55 through 64 reported having a disability, close to half (45.2 percent) of Californians age 75 and older reported having a disability. Over half (53.8 percent) of Californians age 80 and over had a disability.

Older Californians were also much more likely than younger populations to have served in the U.S. armed forces. Veterans comprised 15.1 percent of Californians age 55 and over compared to just 3.3 percent of prime working age Californians. The share of veterans in the population increased with age. Nearly one-quarter (22.7 percent) of Californians age 75 and older was a veteran. In contrast, one out of every 10 (10.4 percent) of Californians age 55 through 64 was a veteran.

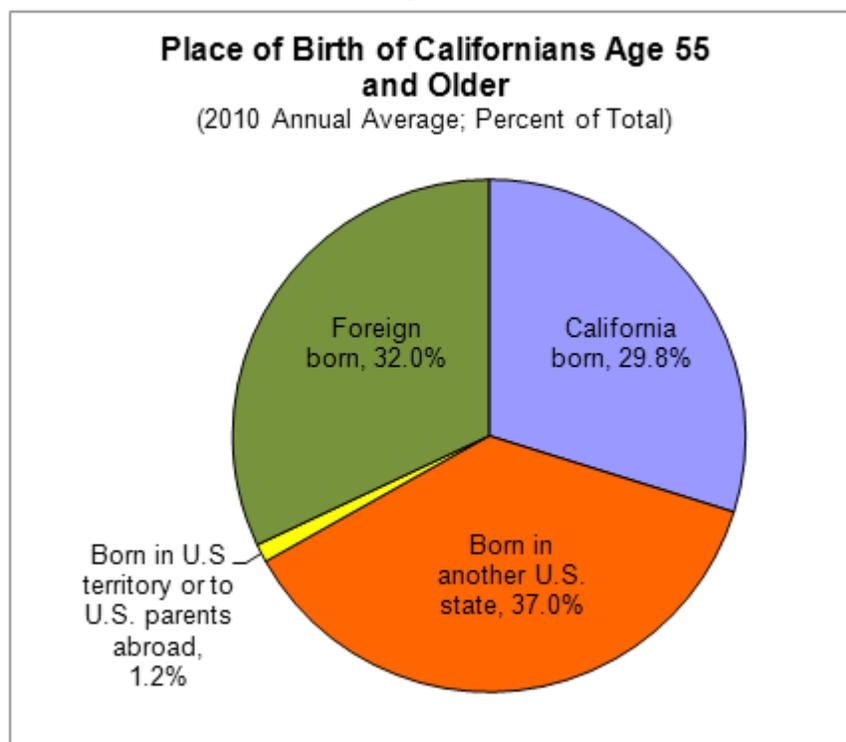
Older Californians were much more likely to be American citizens than were prime working age Californians. Nine out every 10 (90.8 percent) Californians age 55 and older was a U.S. citizen compared to a little more than three-fifths (61.7 percent) of working age Californians. Over one-fifth (21.4 percent) of Californians age 55 and older was a naturalized U.S. citizen. In contrast, 16.2 percent of prime working age Californians was a naturalized U.S. citizen. Over one-fifth (22.1 percent) of Californians of prime working age were foreign-born and not a U.S. citizen. In contrast, just one out of every 11 (9.2 percent) Californians age 55 and older were foreign-born non-citizens.

According to the U.S. Census Bureau's 2010 American Community Survey (ACS), Californians age 55 and older were less likely than Californians of prime working age to be born in California or to be foreign-born, but much more likely to have been born in another U.S. state. Three out of every 10 (29.8 percent) Californians age 55 and older was born in California compared to over two-fifths (42.1 percent) of prime working age Californians. About one-third (32.0 percent) of older Californians was foreign born compared to two-fifths (39.0 percent) of Californians of prime working age. In contrast, nearly two-fifths (37.0 percent) of older Californians had been born in another U.S. state and migrated to California compared to less than one-fifth (17.5 percent) of Californians of prime working age. Figure 2 shows the place of birth of Californians age 55 and older in 2010.

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<sup>2</sup> The U.S. Census Bureau defines the following types of disabilities: difficulty with hearing or deafness, difficulty seeing even with glasses, difficulty in remembering or making decisions, difficulty with walking or climbing stairs, difficulty with dressing or bathing, and difficulty in doing errands.

**Figure 2**



Source: U.S. Census Bureau, 2010 American Community Survey.

Table 2 summarizes data from the 2010 American Community Survey to analyze the English speaking ability of older Californians and Californians of prime working age.<sup>3</sup> Older Californians were less likely than younger Californians to speak a language other than English. According to the ACS, a little more than one-third (34.6 percent) of Californians age 55 and older spoke a language other than English at home in 2010. In contrast, nearly half (47.0 percent) of Californians of prime working age spoke a language other than English at home in 2010.

Of the Californians age 55 and older who spoke a language other than English at home in 2010, nearly two-thirds had limited proficiency in English. In contrast, over half of prime working age Californians who spoke a language other than English at home were proficient in English.

Overall, a little over one-fifth (22.5 percent) of Californians age 55 and older had limited proficiency in English in 2010. This was a slightly lower percentage than among Californians of prime working age. Moreover, the percentage of persons with limited English proficiency was quite consistent across the age 55 through 64, age 64 through 74, and 75 and older age groups. While older Californians were less likely to be non-

<sup>3</sup> The U.S. Census Bureau defines individuals with limited English proficiency as those individuals over the age of 14 who speak a language other than English at home and report that they speak English less than very well. ACS data were analyzed because English proficiency variables are no longer collected in the CPS.

English speakers than individuals of prime working age in 2010, those that did speak a language other than English were more likely to have limited proficiency in English.

**Table 2**  
**English Speaking Abilities of Californians Age 55 and Older in 2010**  
 (Percent of Total)

|                                                                                                          | Californians Age 55 and Older |           |           |                  | Californians of Prime Working Age (25 to 54) |
|----------------------------------------------------------------------------------------------------------|-------------------------------|-----------|-----------|------------------|----------------------------------------------|
|                                                                                                          | Total                         | Age 55-64 | Age 65-74 | Age 75 and older |                                              |
| <b>Language Spoken at Home</b>                                                                           |                               |           |           |                  |                                              |
| English Only                                                                                             | 65.4                          | 64.4      | 64.9      | 68.0             | 53.0                                         |
| Language Other than English                                                                              | 34.6                          | 35.6      | 35.1      | 32.0             | 47.0                                         |
| <b>English Ability</b>                                                                                   |                               |           |           |                  |                                              |
| Percentage of persons in each age group that has at least some difficulty speaking English               | 22.5                          | 22.6      | 23.1      | 21.7             | 24.2                                         |
| Percentage of persons who speak a language other than English at home who do not speak English very well | 65.1                          | 63.5      | 65.8      | 67.7             | 51.6                                         |

**Source:** U.S. Census Bureau, 2010 American Community Survey.

Table 3 summarizes income-to-poverty ratios of Californians age 55 and older and Californians of prime working age. Older Californians tended to be less likely than younger populations to be in or near poverty in 2010. About one out of every 10 (10.2 percent) Californians age 55 and older had an income-to-poverty ratio of 100 or less, with 100 meaning a person's income was equal to the poverty level. In contrast, a little more than one out of every seven (13.5 percent) of Californians of prime working age and nearly one-quarter (23.0 percent) of youths age 16 through 24 had an income-to-poverty ratio of 100 percent or less in 2010.

According to the U.S. Census Bureau, persons living in near poverty have income-to-poverty ratios of 101 through 125 percent. Overall, older Californians were less likely to be living in near poverty than were prime working age Californians. Among older workers, the share of persons living in near poverty increased from 3.6 percent of those ages 55 through 64 to 5.5 percent of those ages 75 and older.

**Table 3**  
**Income-to-Poverty Ratios of Californians Age 55 and Older in 2010**  
 (Percent of Total)

| Income-to-Poverty Ratio         | Californians Age 55 and Older |           |           |                  | Californians of Prime Working Age (25 to 54) |
|---------------------------------|-------------------------------|-----------|-----------|------------------|----------------------------------------------|
|                                 | Total                         | Age 55-64 | Age 65-74 | Age 75 and older |                                              |
| <b>In Poverty</b>               |                               |           |           |                  |                                              |
| 100 percent or less             | 10.2                          | 10.4      | 9.3       | 11.2             | 13.6                                         |
| <b>Near Poverty</b>             |                               |           |           |                  |                                              |
| 101 through 125 percent         | 4.2                           | 3.6       | 4.0       | 5.5              | 4.6                                          |
| <b>Total in or near poverty</b> | 14.4                          | 14.0      | 13.3      | 16.6             | 18.2                                         |
| <b>Not in Poverty</b>           |                               |           |           |                  |                                              |
| 200 percent or more             | 72.3                          | 75.2      | 73.4      | 64.9             | 68.4                                         |
| 300 percent or more             | 57.4                          | 62.2      | 58.2      | 46.3             | 52.9                                         |
| 400 percent or more             | 45.1                          | 50.8      | 45.2      | 33.0             | 40.3                                         |
| 501 percent or more             | 35.2                          | 40.7      | 35.0      | 23.9             | 30.3                                         |

**Note:** The federal poverty level for an individual in 2012 was \$11,170 per year. The near poverty threshold was \$13,963 per year.

**Source:** U.S. Census Bureau, 2010 American Community Survey.

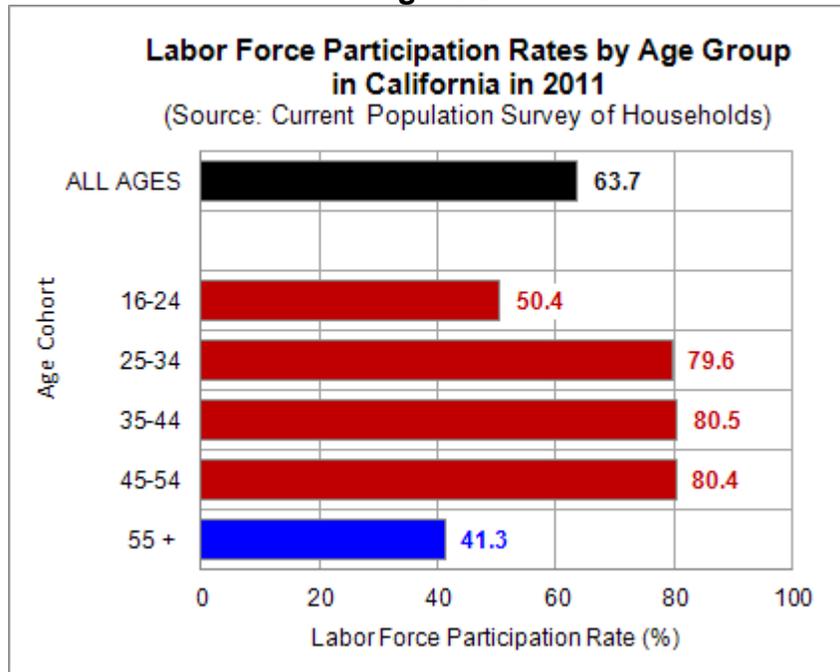
At the opposite end of the income spectrum, older Californians were more likely than prime working age Californians to earn more than five times the poverty level in 2010 (35.2 vs. 30.3 percent). However, more than two-fifths (40.7 percent) of Californians age 55 through 64 had income-to-poverty ratios of 501 percent or more, compared to less than one-quarter (23.9 percent) of workers age 75 and older.

### Older Californians in the Labor Force

A distinguishing feature of older Californians is that their participation in the labor force decreases dramatically with advancing age, and more particularly, after they have become eligible to receive retirement benefits. According to the CPS<sup>4</sup>, California's overall labor force participation rate (LFPR) was 63.7 percent in 2011. Labor force participation was highest among Californians of prime working age (age 25 through 54), four-fifths of whom participated in the labor force. Labor force participation rates were considerably lower for youths age 16 through 24 (50.4 percent) and workers age 55 and over (41.3 percent). Figure 3 shows the labor force participation rates of different age groups in California in 2011.

<sup>4</sup> Unlike the official unemployment rate which employs several data inputs and is published monthly, labor force data for age groups are derived solely from CPS data. A 12-month average is used to control for seasonality and data variability associated with the comparatively small size of California's CPS sample.

**Figure 3**

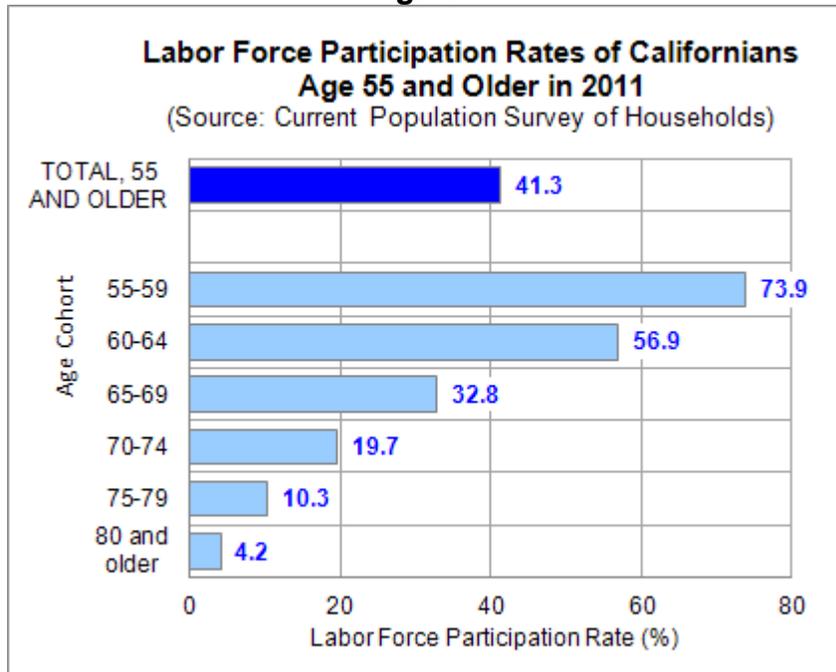


Labor force participation among older Californians plummets with advancing age. Figure 4 breaks down the LFPRs of Californians age 55 and older in five-year increments. Nearly three-quarters (73.9 percent) of Californians age 55 through 59 participated in the labor force in 2011. However, labor force participation rates drop sharply from age 60, falling to 56.9 percent among individuals age 65 through 69. Less than one-third (32.8 percent) of Californians age 65 through 69 participated in the labor force and slightly less than one-fifth (19.7 percent) of Californians age 70 through 74 did so. In 2011, only one out of every 15 (6.5 percent) Californians age 75 and older participated in the labor force.

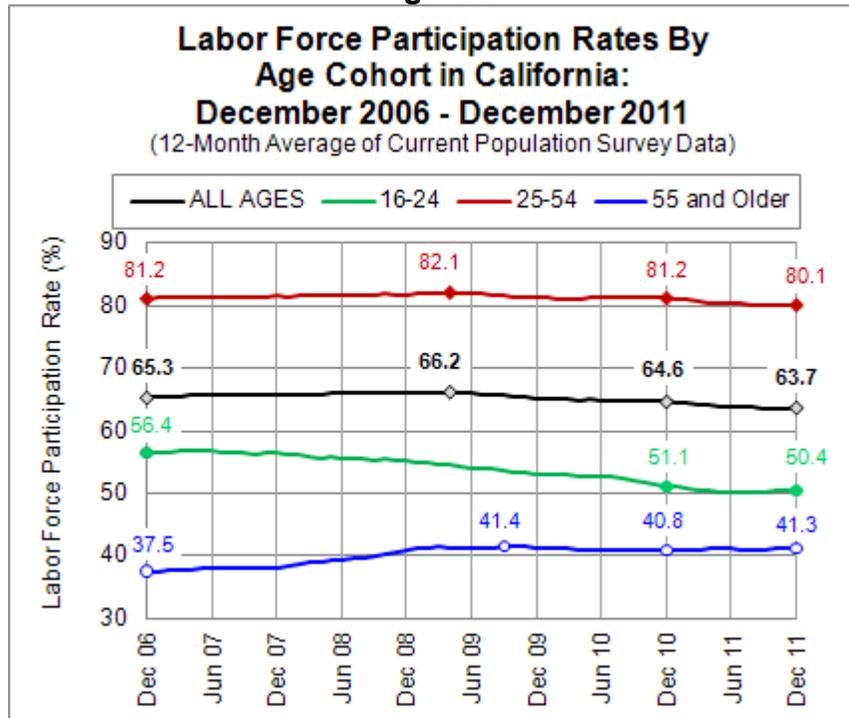
Figure 5 shows the five-year labor force participation rate trends of all working age Californians, youths age 16 through 24, Californians of prime working age, and older Californians age 55 and older over the period ending in December 2011. From December 2006 through December 2011, overall labor force participation in California fell 1.6 percentage points, with most of the decline occurring during the recession. The largest decrease in labor force participation was among California youths age 16 through 24 who experienced a 6.0 percentage point decrease in their LFPR over the five-year period. The LFPR of prime working age Californians also fell over the five-year period, but by only 2.0 percentage points. In sharp contrast, labor force participation among Californians age 55 and older increased 3.8 percentage points.

A similar pattern held over the year ending in December 2011. The overall LFPR fell 0.9 percentage point over this period. The LFPR of individuals of prime working age and youths fell 1.1 and 0.7 percentage points, respectively, over the year. In contrast, the LFPR of Californians age 55 and older rose by 0.5 percentage point.

**Figure 4**



**Figure 5**



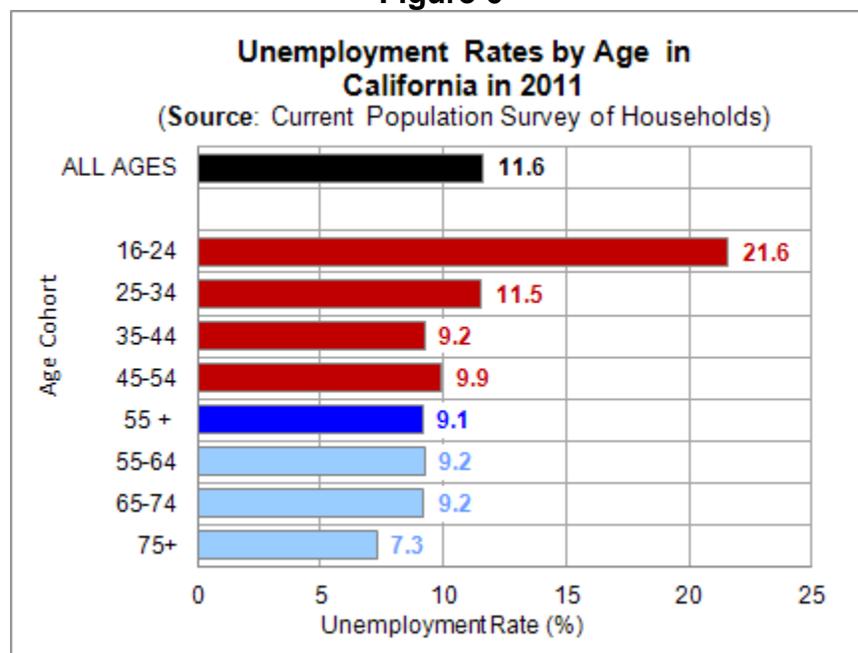
Together, these LFPR trends suggest that younger populations have responded differently to the economic recession and its aftermath than have older populations. While difficult economic and labor market conditions appear to have caused many younger workers to leave the labor force entirely due to discouragement or to pursue

non-work alternatives, these same conditions appear to have pressured many older Californians to enter or re-enter the labor force.

A more detailed analysis of the age data revealed that the trend of increasing labor force participation among older Californians was most pronounced among Californians age 65 through 74, whose LFPR increased by 4.3 percentage points from December 2006 through December 2011 and by 1.4 percentage points over the year ending in December 2011. In contrast, the LFPR of Californians age 55 through 64 rose by 2.3 percentage points over the five years ending in December 2011, and by 0.7 percentage point over the year ending in December 2011. The LFPR of those 75 and older rose by 0.2 percentage point over the five-year period and by 0.1 percentage point over the year. While changing lifestyles such as healthy individuals deferring retirement until later in life might explain at least part of the trend of rising labor force participation among older Californians, there is little doubt that pressures to supplement retirement incomes that were eroded by recession and the collapse of the housing market are also at play.

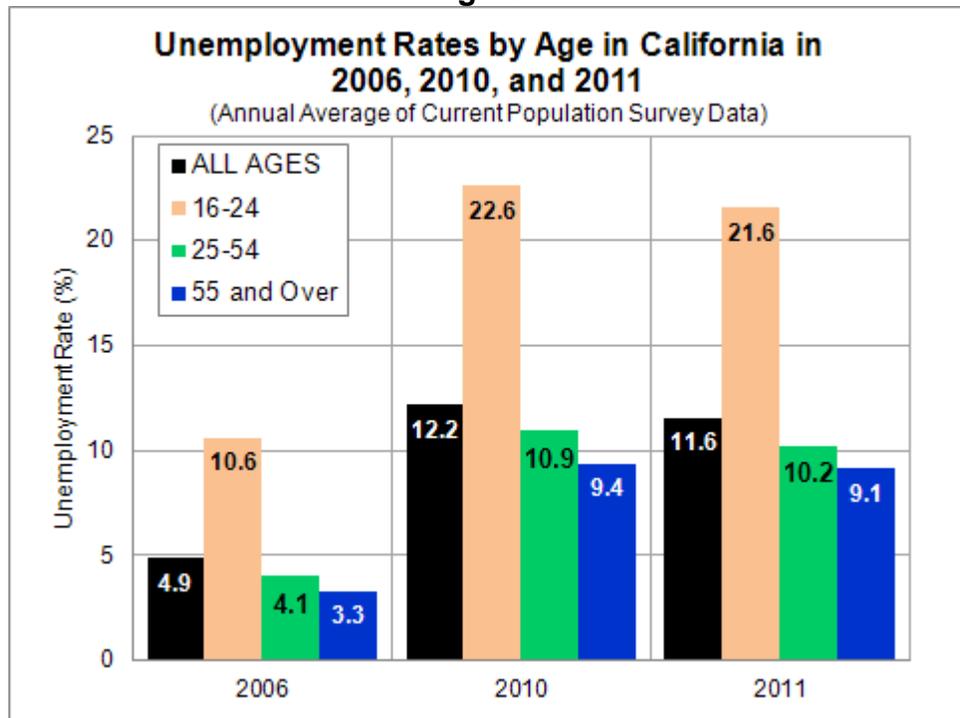
According to 12-month average CPS data, the overall unemployment rate among Californians of working age was 11.6 percent in 2011. Unemployment rates tended to be higher among younger workers than for older workers. Youths age 16 through 24 had the highest unemployment rate at 21.6 percent, followed by workers age 25 through 34 with an unemployment rate of 11.5 percent. The unemployment rate among workers age 55 and older was lower than the overall average at 9.1 percent. The unemployment rate among workers age 55 through 64 and 65 through 74 was 9.2 percent, but just 7.3 percent for workers age 75 and older. Figure 6 shows unemployment rates by age in California in 2011. The blue shaded bars show the unemployment rates among workers age 55 and older.

**Figure 6**



California's unemployment rate was only slightly above its pre-recession peak in December 2006, matched its peak in December 2010, and then began to fall through the end of December 2011. As such comparing unemployment rates in 2006, 2010, and 2011 is a good approximation of unemployment trends during the current business cycle. Figure 7 shows the unemployment rates for all age groups, youths age 16 through 24, those of prime working age (age 25 through 54), and workers age 55 and older in 2006, 2010, and 2011.

**Figure 7**



The overall unemployment rate rose by 7.3 percentage points to 12.2 percent from 2006 through 2010. The unemployment rate increased across age groups, but was most pronounced among individuals age 16 through 24, whose rate soared by 12.0 percentage points to 22.6 percent from 2006 through 2010. The unemployment rate among workers of prime working age increased by 6.8 percentage points over the period to 12.9 percent. The unemployment rate among Californians age 55 and older also rose steeply, but by a lesser amount, rising by 6.1 percentage points to 9.4 percent from 2006 through 2010.

California's overall unemployment rate in 2011 was 0.6 percentage point lower than in 2010. Youths experienced the largest drop in their unemployment rate (1.0 percentage point), but their unemployment rate remained high. The unemployment rate among Californians of prime working age fell by 0.7 percentage point over the year. The unemployment rate among Californians age 55 and older fell by just 0.3 percentage point from 2010 to 2011, but remained lower than those of other age groups.

While the unemployment rate among older Californians has remained consistently lower than those of other age groups over the course of the business cycle, older Californians have disproportionately experienced unemployment of long duration. Nearly three-fifths (58.4 percent) of unemployed Californians age 55 and older in December 2011 had been unemployed for over half a year. This compares to a little less than half (48.8 percent) of Californians of prime working age, and less than one-third (30.7 percent) of youths age 16 through 24. Nearly half (44.9 percent) of unemployed Californians age 55 and older had been unemployed for one year or more, compared to less than two-fifths (36.8 percent) of Californians of prime working age and one-fifth (20.7 percent) youths age 16 through 24.

### **Older Californians at Work**

According to CPS there were 16.1 million working Californians in 2011, of whom 3.1 million (19.4 percent) were age 55 and older. The number of workers age 55 through 64 totaled 2.4 million in 2011, comprising over three-quarters of all working Californians age 55 and older. In contrast, the number of workers age 65 and older totaled 701,000, of whom only 118,000 were age 75 and older.

Employment levels among older Californians decrease with advancing age. Many people age 65 and older have retired, either by choice or other factors such as poor health. Many others were displaced by the recent recession, and, finding it difficult to find work, may have opted to accept social security earlier than they had planned.

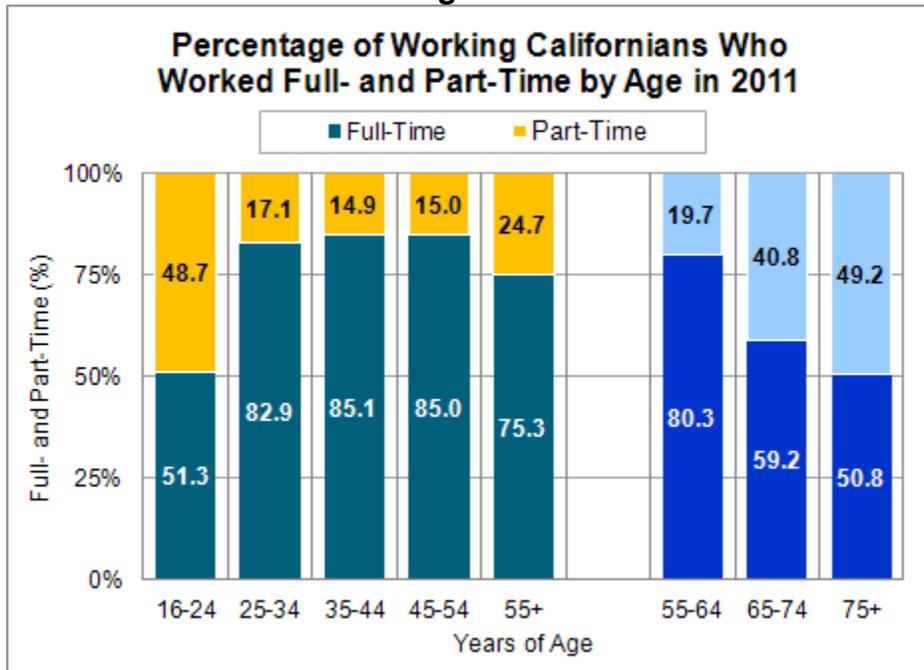
As workers get older they tend to work fewer hours. In 2011, one-quarter (24.7 percent) of California workers age 55 and older worked part-time or 34 hours or less per week. In contrast, the share of workers of prime working age who worked part-time ranged from 14.9 percent amongst those age 35 through 44 to 17.1 percent amongst workers age 25 through 34. Figure 8 shows the shares of workers who work full- and part-time by age group. The blue shaded bars at the right of the chart show the shares of workers age 55 through 64, 65 through 74, and age 75 and older who work full- and part-time.

The share of workers who work part-time rises steeply as older workers age. One-fifth (19.7 percent) of workers age 55 through 64 worked part-time in 2011, a share that wasn't much different from workers of prime working age. In contrast, over two-fifths (40.8 percent) of workers age 65 through 74, and about half (49.2 percent) of workers age 75 and older worked part-time.

Figure 9 shows breaks part-time employment into finer detail, showing the shares of California workers by age who worked 20 hours or less in 2011. More than one out of every seven (13.4 percent) of older Californians worked 20 hours or less in 2011, compared to about one out of every 14 (7.0 percent) of prime working age persons. Whereas about one out of every 10 (9.7 percent) of California workers age 55 through 64 worked 20 hours or less, over one-quarter (26.1 percent) of workers age 65 through

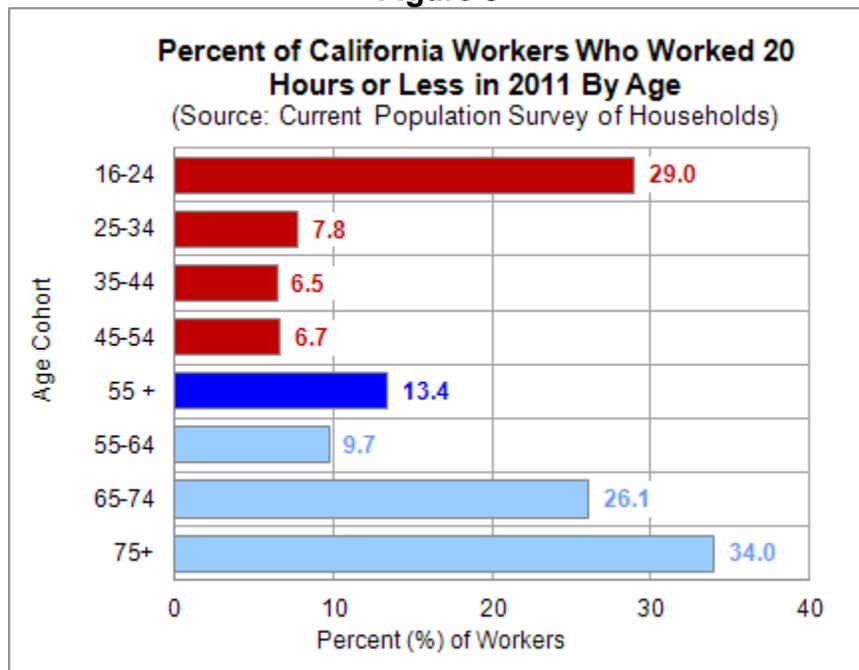
74 and one-third (34.0 percent) age 75 and older did so. In fact, about one out of every six (17.2 percent) workers age 75 and older and one out of every 11 (10.6 percent) workers age 65 through worked 10 hours or less in 2011, compared to just 3.0 percent of workers age 55 through 64.

**Figure 8**



Source: U.S. Census Bureau, Current Population Survey of Households.

**Figure 9**

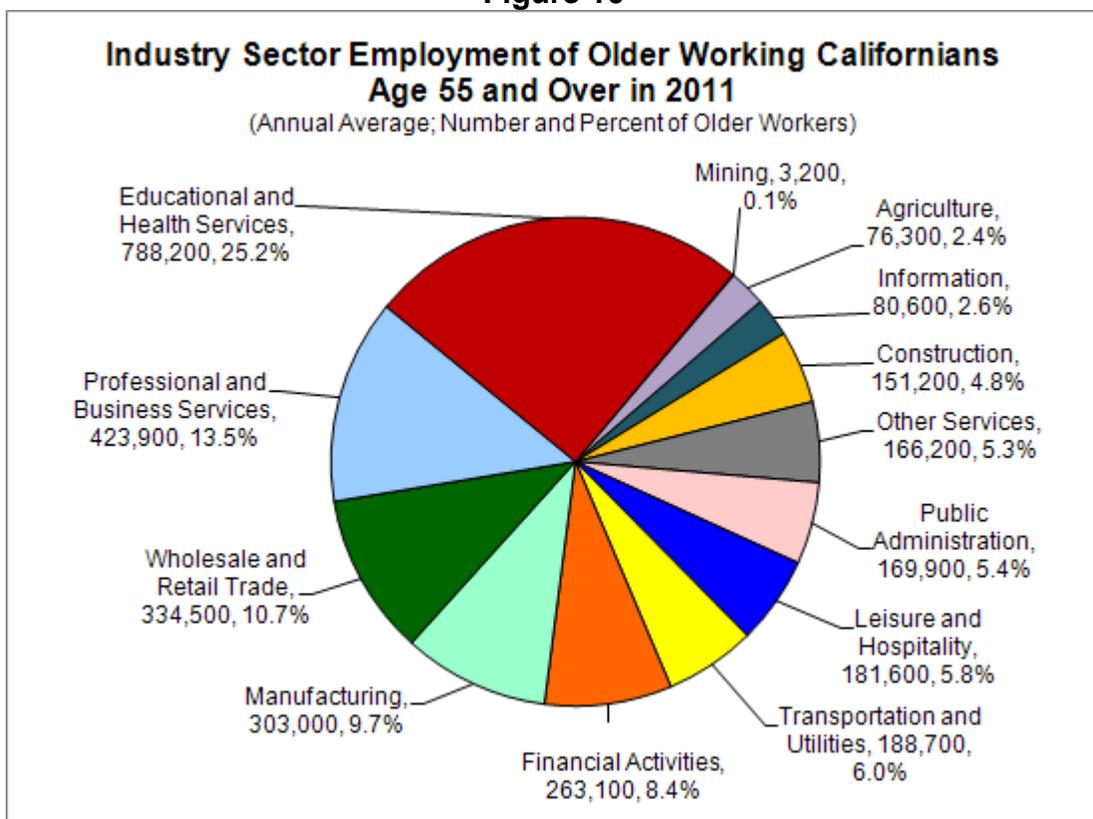


Older Californian workers were also more likely to be self-employed than were younger working populations. According to the CPS, slightly more than one out of every six (15.9 percent) of working Californians age 55 and older was self-employed in 2011 compared to one out of every 12 (8.4 percent) working Californians of prime working age. Among older working Californians, the share who were self-employed rose from 13.5 percent of those age 55 through 64, to 22.1 percent of those age 65 through 74, to 32.8 percent of those age 75 and older.

### Industry Sector Employment of Older Californians

Figure 10 shows the employment of older working Californians in 2011 in the 12 industry sectors that are used by the CPS. The largest concentration of older working Californians was in the educational and health services sector, which employed one-quarter (25.2 percent) working Californians age 55 and older, followed by the professional and business services (13.5 percent of older workers), and wholesale and retail trade (10.7 percent) sectors. These three sectors combined employed about half (49.4 percent) of older working Californians in 2011.

**Figure 10**



Source: U.S. Census Bureau, Current Population Survey of Households.

Table 4 compares the industry percentages, or shares, of workers of prime working age and older working Californians in greater detail in order to identify different employment patterns between older and younger workers. The industry subsectors in Table 4 have

been ranked according to the differences in the employment shares between workers age 55 and older and those of prime working age.

**Table 4**  
**Differences in Industry Subsector Employment Patterns among**  
**Younger and Older California Workers in 2011**

| <b>Industry Subsector</b>                                                                                        | <b>Percent of Workers of Prime Working Age (25-54)</b> | <b>Percent of Workers of Age 55 and Older</b> |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------|
| Industry Subsectors that Employed a Larger Percentage of Workers Age 55 and Older than Prime Working Age Workers |                                                        |                                               |
| Educational Services                                                                                             | 8.4                                                    | 11.6                                          |
| Real Estate, Rental, and Leasing                                                                                 | 1.9                                                    | 4.3                                           |
| Health Care and Social Assistance                                                                                | 12.4                                                   | 13.6                                          |
| Transportation and Warehousing                                                                                   | 4.1                                                    | 4.9                                           |
| Professional and Technical Services                                                                              | 8.5                                                    | 9.2                                           |
| Arts, Entertainment, and Recreation                                                                              | 2.1                                                    | 2.6                                           |
| Durable Goods Manufacturing                                                                                      | 5.0                                                    | 5.4                                           |
| Public Administration                                                                                            | 5.0                                                    | 5.4                                           |
| Agriculture, Forestry, Fishing, and Hunting                                                                      | 2.1                                                    | 2.4                                           |
| Private Households                                                                                               | 0.7                                                    | 1.0                                           |
| Other Services (Excluding Private Households)                                                                    | 4.0                                                    | 4.3                                           |
| Utilities                                                                                                        | 0.9                                                    | 1.1                                           |
| Industry Subsectors that Employ a Smaller Percentage of Workers Age 55 and Older than Prime Working Age Workers  |                                                        |                                               |
| Mining                                                                                                           | 0.2                                                    | 0.1                                           |
| Finance and insurance                                                                                            | 4.3                                                    | 4.1                                           |
| Information                                                                                                      | 3.3                                                    | 2.6                                           |
| Wholesale Trade                                                                                                  | 3.3                                                    | 2.5                                           |
| Management, Administration, and Waste Services                                                                   | 5.6                                                    | 4.3                                           |
| Nondurable Goods Manufacturing                                                                                   | 3.8                                                    | 2.4                                           |
| Retail Trade                                                                                                     | 9.7                                                    | 8.2                                           |
| Construction                                                                                                     | 6.9                                                    | 4.8                                           |
| Accommodation and Food Services                                                                                  | 5.8                                                    | 3.2                                           |

**Source:** Current Population Survey of Households

The data highlight that older workers were more likely than prime working age workers to work in the educational services, real estate and rental and leasing, and health care and social assistance subsectors, each of which employed more than a full percentage larger share of older workers than prime working age workers. Older workers were somewhat more likely than younger workers to be employed in the transportation and warehousing; professional and technical services; and arts, entertainment, and recreation subsectors, each of which employed at least a 0.5 percentage point larger share of older workers than younger workers.

In contrast, older workers were less likely than prime age workers to work in construction and accommodation and food services. The share of prime working age workers employed in each of these sectors was more than 2.0 percentage points higher than that of older workers. The difference in the employment shares of prime working age workers in comparison to workers was more than 1.0 percentage point in retail trade; nondurable goods manufacturing; and management, administrative, and waste services subsector.

Earlier it was shown that the labor market characteristics of older workers who have not reached retirement age, or those age 55 through 64, differed from those who have reached retirement age, or those age 65 and older). While workers age 55 through 64 are approaching retirement age, they continue to maintain high labor force participation rates. In contrast, most workers age 65 and older have retired and do not actively participate in the labor force.

Table 5 shows the percentages of workers age 55 through 64, or pre-retirement age workers, and workers age 65 and older, or retirement age workers, in California industry subsectors to identify differences in the industry employment patterns of each group. Once again, the industry subsectors have been ordered to highlight the differences in employment shares between the groups. However, it should be cautioned that a large statistical error may accompany estimates for small subpopulations within the CPS such as retirement age workers, particularly when further broken into even smaller subgroups. Nevertheless, the estimates have been included in the analysis because of the differences in employment patterns they suggest, but they should be treated as being indicative rather than absolute.

Focusing on retirement age workers only, one out of every eight (12.4 percent) of working Californians age 65 and older worked in the professional and technical services, and more than one-fifth (22.4 percent) worked in either the healthcare and social assistance (11.5 percent of workers) or educational services subsectors (10.9 percent). These three industry subsectors combined employed over one-third (34.8 percent) of working Californians age 65 or older. Four additional industry subsectors employed at least 5.0 percent of retirement age workers: retail trade (8.3 percent); real estate, rental, and leasing (7.4 percent); durable goods manufacturing (5.8 percent); and management and administrative and waste services (5.3 percent). Together, these four subsectors employed over one-quarter (26.8 percent) California's retirement age workers.

Workers age 65 and older were much more likely to be employed in the professional and technical services subsector than were pre-retirement age older workers (12.4 to 8.3 percent). Other industry sectors that employed a 0.8 percentage point or greater share of retirement age workers than pre-retirement age workers were: arts, entertainment, and recreation; agriculture, forestry, fishing, and hunting; management and administrative and waste services; and finance and insurance.

**Table 5**  
**Differences in Industry Subsector Employment Patterns among**  
**Pre-Retirement Age and Retirement Age Older Workers in California in 2011**

| Industry Subsector                                                                                             | Percent of Pre-Retirement Age Workers (Age 55–64) | Percent of Retirement Age Workers (Age 65 and older) |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------|
| Industry Subsectors That Employ a Larger Percentage of Retirement Age Workers than Pre-Retirement Age Workers  |                                                   |                                                      |
| Professional and Technical Services                                                                            | 8.3                                               | 12.4                                                 |
| Real Estate, Rental, and Leasing                                                                               | 3.4                                               | 7.4                                                  |
| Arts, Entertainment, and Recreation                                                                            | 2.2                                               | 4.0                                                  |
| Agriculture, Forestry, Fishing, and Hunting                                                                    | 2.1                                               | 3.5                                                  |
| Management, Administrative, and Waste Services                                                                 | 4.0                                               | 5.3                                                  |
| Finance and Insurance                                                                                          | 3.9                                               | 4.7                                                  |
| Other Services, Except Private Households                                                                      | 4.2                                               | 4.7                                                  |
| Private Households                                                                                             | 1.0                                               | 1.1                                                  |
| Retail Trade                                                                                                   | 8.2                                               | 8.3                                                  |
| Industry Subsectors That Employ a Smaller Percentage of Retirement Age Workers than Pre-Retirement Age Workers |                                                   |                                                      |
| Wholesale Trade                                                                                                | 2.5                                               | 2.4                                                  |
| Mining                                                                                                         | 0.1                                               | 0.0                                                  |
| Information                                                                                                    | 2.6                                               | 2.4                                                  |
| Accommodation and Food Services                                                                                | 3.3                                               | 2.7                                                  |
| Educational Services                                                                                           | 11.8                                              | 10.9                                                 |
| Utilities                                                                                                      | 1.3                                               | 0.5                                                  |
| Nondurable Goods Manufacturing                                                                                 | 2.6                                               | 1.5                                                  |
| Transportation and Warehousing                                                                                 | 5.2                                               | 3.9                                                  |
| Durable Goods Manufacturing                                                                                    | 7.7                                               | 5.8                                                  |
| Construction                                                                                                   | 5.3                                               | 3.3                                                  |
| Public Administration                                                                                          | 5.9                                               | 3.8                                                  |
| Health Care and Social Assistance                                                                              | 14.2                                              | 11.5                                                 |

**Source:** Current Population Survey of Households.

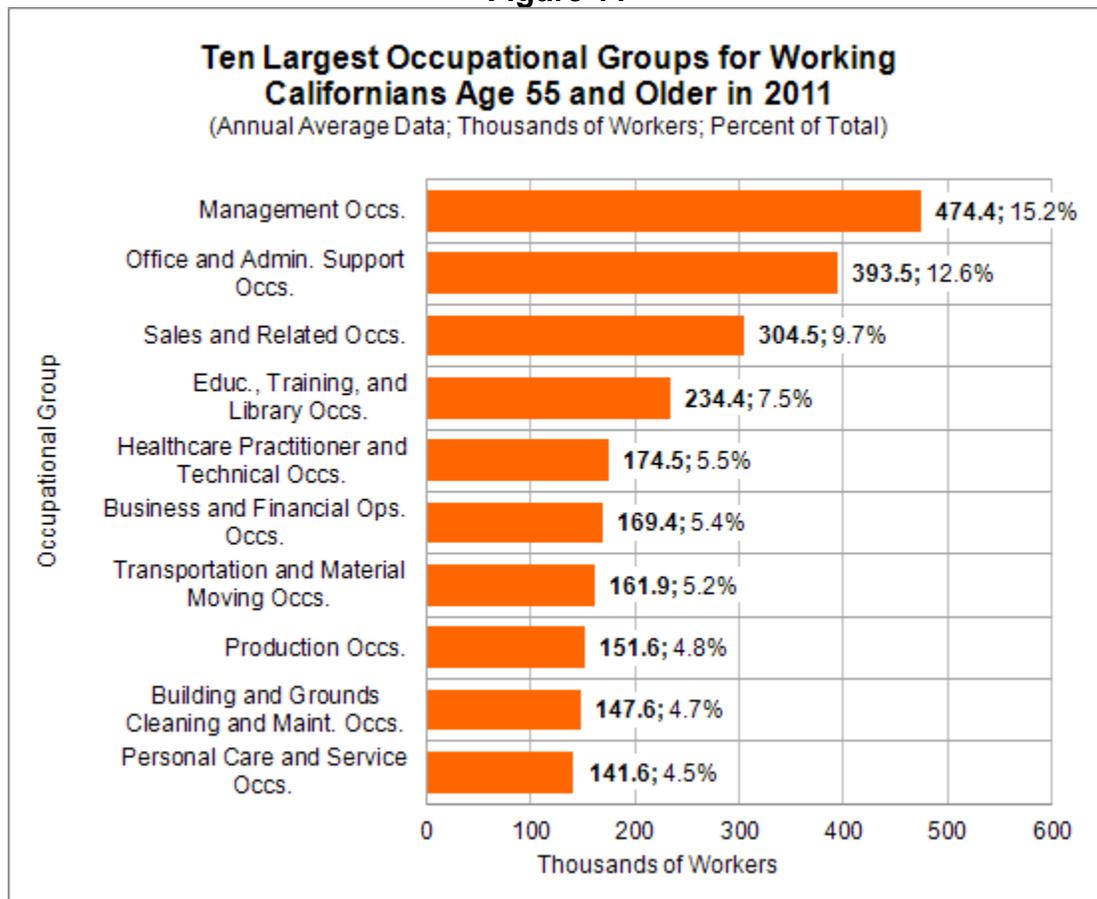
### **Occupational Employment Patterns among Older California Workers**

Industry sectors are comprised of occupational groups, and many occupational groups are concentrated in specific industry sectors. Occupational groups are typically concentrated in specific industries but may be spread across all industries, such as the management occupational group. Of the 22 detailed occupational groups provided by the CPS, Figure 11 displays the ten occupational groups with the greatest employment of working Californians age 55 and older in 2011. Together, these 10 occupations employed three-quarters (75.2 percent) of older working Californians in 2011.

The largest number and share (15.2 percent) of older Californian workers was employed in the management occupational group, followed by office and administrative services (12.6 percent); sales and related (12.6 percent); and educational, training, and

library (7.5 percent) occupational groups. Together, these four occupational groups employed over two-fifths (44.9 percent) of older Californians workers in 2011. The five next largest occupational groups employed three out of every 10 (30.2 percent) of older Californian workers, with each group employing over 4.5 percent of older workers. They were the healthcare practitioner and technical, business and financial operations, transportation and material moving, production, building and grounds cleaning and maintenance, and personal and care and service occupational groups.

**Figure 11**



**Source:** Current Population Survey of Households.

Six additional occupational groups each employed over 2.0 percent of older Californian workers, with employment totaling between 66,700 and 83,600 workers in each. They were the construction and extraction; installation, maintenance, and repair; food preparation and serving related; arts, design, entertainment, sports, and media; architecture and engineering; and legal occupational groups. One out of ten older Californians was employed in one of the seven remaining occupational groups, each of which employed between 1.2 and 1.8 percent of older Californians. They were the computer and mathematical science; protective service; community and social service; healthcare support; life, physical, and social service; and farming, fishing, and forestry occupations.

Table 6 compares the percentages, or shares, of workers of prime working age and older working Californians in detailed occupational groups in order to identify different employment patterns between older and younger workers. The occupational groups have been ranked according to the differences in the employment shares between workers age 55 and older and those of prime working age.

**Table 6**  
**Differences in Occupational Employment Patterns among**  
**Younger and Older California Workers in 2011**

| Detailed Occupational Group                                                                                     | Percent of Workers of Prime Working Age (25-54) | Percent of Workers of Age 55 and Older |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------|
| Occupational Groups that Employ a Larger Percentage of Workers Age 55 and Older than Prime Working Age Workers  |                                                 |                                        |
| Management Occupations                                                                                          | 10.1%                                           | 15.2%                                  |
| Education, Training, and Library Occupations                                                                    | 5.1%                                            | 7.5%                                   |
| Healthcare Practitioner and Technical Occupations                                                               | 4.4%                                            | 5.6%                                   |
| Business and Financial Operations Occupations                                                                   | 4.5%                                            | 5.4%                                   |
| Legal Occupations                                                                                               | 1.2%                                            | 2.1%                                   |
| Life, Physical, and Social Service Occupations                                                                  | 1.0%                                            | 1.5%                                   |
| Architecture and Engineering Occupations                                                                        | 2.1%                                            | 2.4%                                   |
| Building and Grounds Cleaning and Maintenance Occupations                                                       | 4.4%                                            | 4.7%                                   |
| Community and Social Service Occupations                                                                        | 1.5%                                            | 1.8%                                   |
| Personal Care and Service Occupations                                                                           | 4.3%                                            | 4.5%                                   |
| Occupational Groups that Employ a Smaller Percentage of Workers Age 55 and Older than Prime Working Age Workers |                                                 |                                        |
| Healthcare Support Occupations                                                                                  | 1.8%                                            | 1.7%                                   |
| Office and Administrative Support Occupations                                                                   | 12.7%                                           | 12.6%                                  |
| Farming, Fishing, and Forestry Occupations                                                                      | 1.6%                                            | 1.2%                                   |
| Arts, Design, Entertainment, Sports, and Media Occupations                                                      | 3.0%                                            | 2.5%                                   |
| Protective Service Occupations                                                                                  | 2.3%                                            | 1.8%                                   |
| Installation, Maintenance, and Repair Occupations                                                               | 3.2%                                            | 2.6%                                   |
| Transportation and Material Moving Occupations                                                                  | 5.8%                                            | 5.2%                                   |
| Production Occupations                                                                                          | 5.5%                                            | 4.8%                                   |
| Computer and Mathematical Science Occupations                                                                   | 3.2%                                            | 1.8%                                   |
| Sales and Related Occupations                                                                                   | 11.6%                                           | 9.7%                                   |
| Construction and Extraction Occupations                                                                         | 5.3%                                            | 2.7%                                   |
| Food Preparation and Serving Related Occupations                                                                | 5.4%                                            | 2.6%                                   |

**Source:** Current Population Survey of Households.

Older workers were much more likely than prime working age workers to work in the management occupational group, which employed a 5.0 percentage point greater share of older workers than prime working age workers. The educational, training, and library

occupational group was the only other group that employed a more than 2.0 percentage point larger share of older workers than prime working age workers. Four additional occupational groups employed a 0.5 percentage point or larger share of older workers than younger workers: healthcare practitioner and technical occupations; business and financial operations occupations; legal occupations; and life, physical, and social service occupations. Notably, the occupational groups that employed larger shares of older workers than younger workers were professionally-oriented occupations, which place a premium on specialized knowledge, skills, and experience.

In contrast, older workers were less likely than younger workers to be employed in food preparation and serving, construction and extraction, sales and related, and computer and mathematical science occupations. Each of these occupational groups employed a 1.0 percentage point or greater share of prime working age workers than older workers. Older workers were somewhat less likely than younger workers to be employed in the production; transportation and material moving; installation, maintenance, and repair; protective services; and arts, design, entertainment, sports, and media occupational groups. Each group employed at least a 0.5 percentage point larger share of prime worker age workers than older workers. With the exception of computer and mathematical science, the occupational groups that employed comparatively small shares of older workers either involved physical labor for which older workers are at a disadvantage, or required less skill or specialized knowledge, implying that older workers had to compete with workers across the age spectrum in these occupations.

Table 7 shows the percentages of workers age 55 through 64, or pre-retirement age workers, and workers age 65 and older, or retirement age workers, in detailed California occupational groups in order to identify differences in the occupational employment patterns of each group. Once again, the occupational groups have been ordered to highlight the differences in employment shares between the groups. Early cautions about using CPS data for such an analysis apply.

**Table 7**  
**Differences in Occupational Employment Patterns among**  
**Pre-Retirement Age and Retirement Age Older Workers in California in 2011**

| Detailed Occupational Group                                                                                    | Percent of Pre-Retirement Age Workers (Age 55–64) | Percent of Retirement Age Workers (Age 65 and older) |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------|
| Occupational Groups that Employ a Larger Percentage of Retirement Age Workers than Pre-Retirement Age Workers  |                                                   |                                                      |
| Management Occupations                                                                                         | 14.4%                                             | 17.8%                                                |
| Sales and Related Occupations                                                                                  | 9.0%                                              | 12.1%                                                |
| Education, Training, and Library Occupations                                                                   | 7.1%                                              | 9.0%                                                 |
| Arts, Design, Entertainment, Sports, and Media Occupations                                                     | 2.2%                                              | 3.8%                                                 |
| Business and Financial Operations Occupations                                                                  | 5.1%                                              | 6.5%                                                 |
| Protective Service Occupations                                                                                 | 1.6%                                              | 2.4%                                                 |
| Personal Care and Service Occupations                                                                          | 4.4%                                              | 4.9%                                                 |
| Legal Occupations                                                                                              | 2.1%                                              | 2.3%                                                 |
| Farming, Fishing, and Forestry Occupations                                                                     | 1.2%                                              | 1.3%                                                 |
| Life, Physical, and Social Service Occupations                                                                 | 1.5%                                              | 1.5%                                                 |
| Occupational Groups that Employ a Smaller Percentage of Retirement Age Workers than Pre-Retirement Age Workers |                                                   |                                                      |
| Architecture and Engineering Occupations                                                                       | 2.5%                                              | 2.3%                                                 |
| Computer and Mathematical Science Occupations                                                                  | 1.9%                                              | 1.5%                                                 |
| Building and Grounds Cleaning and Maintenance Occupations                                                      | 4.8%                                              | 4.3%                                                 |
| Community and Social Service Occupations                                                                       | 1.9%                                              | 1.4%                                                 |
| Healthcare Support Occupations                                                                                 | 1.9%                                              | 1.2%                                                 |
| Installation, Maintenance, and Repair Occupations                                                              | 2.8%                                              | 2.0%                                                 |
| Food Preparation and Serving Related Occupations                                                               | 2.8%                                              | 1.9%                                                 |
| Healthcare Practitioner and Technical Occupations                                                              | 5.9%                                              | 4.6%                                                 |
| Transportation and Material Moving Occupations                                                                 | 5.5%                                              | 4.0%                                                 |
| Construction and Extraction Occupations                                                                        | 3.0%                                              | 1.5%                                                 |
| Production Occupations                                                                                         | 5.2%                                              | 3.5%                                                 |
| Office and Administrative Support Occupations                                                                  | 13.2%                                             | 10.2%                                                |

**Source:** Current Population Survey of Households.

Focusing first on retirement age workers only, roughly one out of every five (17.6 percent) working Californians age 65 and older worked in management occupations. About one out of every eight (12.1 percent) worked in sales and related occupations, one out of every 10 (10.2 percent) worked in office and administrative support occupations, and one out of every 11 (9.0 percent) worked in education, training, and library occupations. These four occupational groups combined employed about half (49.1 percent) of working Californians age 65 and over. Five additional occupational groups each employed 4.0 percent or more of all retirement age workers: business and financial operations (6.5 percent), personal care and service occupations (4.9 percent),

healthcare practitioners and technical occupations (4.6 percent), building and grounds cleaning and maintenance occupations (4.3 percent), and transportation and material moving occupations (4.0 percent). Combined, these five occupational groups employed one-quarter (24.3 percent) of working Californians age 65 and older.

Retirement age Californians were much more likely than pre-retirement age older workers to work in management occupations and sales and related occupations. Both of these occupational groups employed a 3.0 percent larger share of retirement age workers than pre-retirement age workers. Three additional occupational groups employed a 1.4 percentage point or larger share of retirement age workers than pre-retirement age workers: education, training, and library occupations; arts, design, entertainment, sports, and media occupations; and business and financial operations occupations. Protective service occupations and personal care and service occupations were the only other occupational groups that employed a 0.5 percentage point or greater share of retirement age workers than pre-retirement age workers.

The occupational groups that employed disproportionately larger shares of retirement age workers than pre-retirement age workers included several professional occupations—management, education, and business and financial operations--in which experience and specialized knowledge and skills are at a premium. Retirement age workers in these occupations who wish to continue working appear to have a better chance of deferring retirement than retirement age workers in other occupations. However, several occupational groups with comparatively high concentrations of retirement age workers required less experience and fewer skills: sales and related occupations; arts, design, entertainment, sports, and media occupations; protective service occupations; and personal care and service occupations. These are the occupations that appear to either provide insufficient earnings for some workers to retire or offer retirement age workers who wish to supplement their retirement income the best opportunities for employment.

More detailed occupational data are available from the American Community Survey (ACS), which, unlike the CPS, has a large enough sample for this type of analysis. The most current ACS data are from 2010. Table 8 lists the 20 occupations that employed the greatest numbers of working Californians age 55 and older in 2010. These 20 occupations employed over one-third (36.0 percent) of older working Californians in 2010.

**Table 8**  
**Twenty Occupations in California That Employ the Largest**  
**Numbers of Older Workers in California**

| Occupation                                                          | Number |
|---------------------------------------------------------------------|--------|
| Misc. Managers, including Funeral Service Managers and Postmasters  | 90,600 |
| Secretaries and Administrative Assistants                           | 79,200 |
| Elementary and Middle School Teachers                               | 78,100 |
| Retail Salespersons                                                 | 70,100 |
| Registered Nurses                                                   | 64,000 |
| Personal Care Aides                                                 | 63,000 |
| Driver/Sales Workers and Truck Drivers                              | 61,400 |
| First-Line Supervisors of Retail Sales Workers                      | 56,400 |
| Janitors and Building Cleaners                                      | 56,300 |
| Accountants and Auditors                                            | 52,400 |
| Chief Executives and Legislators                                    | 49,500 |
| Postsecondary Teachers                                              | 45,500 |
| Bookkeeping, Accounting, and Auditing Clerks                        | 43,500 |
| Real Estate Brokers and Sales Agents                                | 41,900 |
| Lawyers, and Judges, Magistrates, and Other Judicial Workers        | 41,300 |
| Maids and Housekeeping Cleaners                                     | 40,300 |
| Nursing, Psychiatric, and Home Health Aides                         | 36,800 |
| First-Line Supervisors of Office and Administrative Support Workers | 34,000 |
| General Office Clerks                                               | 33,400 |
| Wholesale and Manufacturing Sales Representatives                   | 32,900 |

**Source:** U.S. Census Bureau, 2010 American Community Survey.

Table 9 shows the median wages and educational and training levels of each of these 20 occupations. The occupations are grouped according to required education and training levels and ranked by median hourly wage. Unfortunately, the occupational titles of the ACS differ from those of the U.S. Bureau of Labor Statistics' (BLS) Standard Occupational Classification (SOC) system.<sup>5</sup> The SOC occupations listed in Table 9 represent the best occupational match possible with the ACS occupations in Table 8, but result in 25 detailed occupation titles.

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<sup>5</sup> The differences reflect a slightly different pattern in how SOC-coded occupations are aggregated and disaggregated in the ACS data.

**Table 9**  
**Largest Occupations for Working Californians Age 55 and Over by Wage and Education and Training Level**

| <b>Occupation</b>                                                                                 | <b>Median Hourly Wage<sup>1</sup></b> | <b>Median Annual Salary<sup>1</sup></b> | <b>Education and Training Level<sup>2</sup></b> |
|---------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------|-------------------------------------------------|
| <b>Higher-Paying Occupations that Require a High Level of Education, Training, and Experience</b> |                                       |                                         |                                                 |
| Chief Executives                                                                                  | <b>N/A</b>                            | N/A                                     | Bachelor's degree and some work experience      |
| Judges, Magistrate Judges, and Magistrates                                                        | <b>N/A</b>                            | N/A                                     | Bachelor's degree and some work experience      |
| Postsecondary Teachers (Biological Sciences)                                                      | <b>N/A</b>                            | \$79,697                                | Master's or doctoral degree                     |
| Legislators                                                                                       | <b>N/A</b>                            | \$48,131                                | Bachelor's degree and some work experience      |
| Elementary School Teachers                                                                        | <b>N/A</b>                            | \$63,198                                | Bachelor's degree                               |
| Middle School Teachers                                                                            | <b>N/A</b>                            | \$63,488                                | Bachelor's degree                               |
| Lawyers                                                                                           | <b>\$69.09</b>                        | \$143,705                               | Professional degree                             |
| Managers (All Other)                                                                              | <b>\$55.14</b>                        | \$114,699                               | Bachelor's degree and some work experience      |
| Registered Nurses                                                                                 | <b>\$41.61</b>                        | \$86,547                                | Associate degree                                |
| Accountants and Auditors                                                                          | <b>\$33.03</b>                        | \$68,694                                | Bachelor's degree                               |
| <b>Occupations that Require a Moderate Level of Education, Training, or Experience</b>            |                                       |                                         |                                                 |
| Real Estate Brokers                                                                               | <b>\$32.78</b>                        | \$68,185                                | Work Experience in a Related Occupation         |
| Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products      | <b>\$27.25</b>                        | \$56,673                                | Moderate-Term On-the-Job Training               |
| First-Line Supervisors/Managers of Office and Administrative Support Workers                      | <b>\$26.15</b>                        | \$54,388                                | Work Experience in a Related Occupation         |
| Executive Secretaries and Administrative Assistants                                               | <b>\$23.11</b>                        | \$48,067                                | Moderate-Term On-the-Job Training               |
| Real Estate Sales Agents                                                                          | <b>\$20.86</b>                        | \$43,398                                | Postsecondary Vocational Education              |
| Bookkeeping, Accounting, and Auditing Clerks                                                      | <b>\$18.82</b>                        | \$39,133                                | Moderate-Term On-the-Job Training               |
| First-Line Supervisors/Managers of Retail Sales Workers                                           | <b>\$18.24</b>                        | \$37,938                                | Work Experience in a Related Occupation         |
| <b>Lower-Paying Occupations that Require Limited Level of Education, Training, or Experience</b>  |                                       |                                         |                                                 |
| General Office Clerks                                                                             | <b>\$14.45</b>                        | \$30,050                                | Short-Term On-the-Job Training                  |
| Psychiatric Aides                                                                                 | <b>\$12.28</b>                        | \$25,537                                |                                                 |
| Janitors and Building Cleaners                                                                    | <b>\$11.59</b>                        | \$24,103                                |                                                 |
| Personal and Home Care Aides                                                                      | <b>\$10.37</b>                        | \$21,563                                |                                                 |
| Retail Salespersons                                                                               | <b>\$10.28</b>                        | \$21,391                                |                                                 |
| Home Health Aides                                                                                 | <b>\$10.26</b>                        | \$21,358                                |                                                 |
| Maids and Housekeeping Cleaners                                                                   | <b>\$10.16</b>                        | \$21,131                                |                                                 |
| Drivers and Sales Workers                                                                         | <b>\$9.98</b>                         | \$20,759                                |                                                 |

N/A: Median wage and salary data are not available for these occupations.

1) Wages are from the first quarter of 2011 and do not include self-employed or unpaid family workers.

2) BLS-defined occupational training and education classifications.

**Source:** California Employment Development Department.

There is a clear correlation between wage and salary earnings and education and training levels in each occupation. Higher paying occupations typically require at least a bachelor's degree and often several years of experience in the same field as their occupation. In contrast, lower-paying occupations typically require only minimal on-the-job training.

Although no wage data is available for chief executives; or legislators, magistrate judges, and magistrates, one would expect the earnings of individuals in these occupations to be at least comparable if not higher than those of other occupations with similar education and training requirements. The salary levels of postsecondary teachers vary by academic discipline. Table 9 displays the median wage of biological science postsecondary teachers because they are representative of most postsecondary teachers. However, the median annual salaries of postsecondary teachers of computer science and engineering exceed \$100,000. Similarly, the managers (all other) occupational title captures a wide range of management occupations with a similarly wide range of median wages or annual salaries. Although the BLS indicates that registered nurses require at least an associate degree, it is not uncommon for registered nurses in California to hold bachelor's degrees. Registered nurses with bachelor's degrees often may earn a higher income level than a registered nurse with an associate degree.

The moderate skill and training level occupations in Table 9 typically require postsecondary vocational education, some work experience in a related occupation, or moderate on-the-job training. A postsecondary vocational education usually refers to a 2-year vocational degree or certification from an accredited vocational program. The term "work experience in a related occupation" indicates that work experience in a related occupation is often considered by employers to be a necessary requirement for entry into the occupation, or is a commonly accepted substitute for formal types of training. The BLS defines moderate-term on-the-job training as the necessary skills a worker acquires through 1 to 12 months of combined on-the-job experience and informal training. Since the training is occupation-specific rather than job-specific, skills can be easily transferred to another job in the same occupation. The Moderate-term on-the-job training category also includes employer-sponsored training programs.

Employers of these middle tier occupations usually require an applicant to have at least a high school diploma or a general education diploma (GED) in addition to meeting education and training level requirements. Only one occupation, real estate agents, requires a postsecondary vocational education. First line supervisors or managers of both retail sales workers and office and administrative support workers are experience-dependent occupations, requiring prior work experience in a related occupation. Wholesale and manufacturing sales representatives, executive secretaries and administrative assistants, and bookkeeping, accounting, and auditing clerks require moderate-term on-the-job training. These occupations likely provide a sufficient wage for full-time employment for some older Californians, giving them a choice to retire or continue working be it by choice or out of economic necessity. It is also likely that some

older workers re-enter the workforce into these occupations if they have the required education, training, and experience.

The lower-paying occupations in Table 9 all require only short-term on-the-job training. Many employers of these occupations prefer an applicant to have a high school diploma or a GED, but it is typically not a formal requirement. Short-term on-the-job training is defined by the BLS as the skills needed for a worker to attain competency in an occupation that can be acquired during one month or less of on-the-job experience and informal training. Training is occupation-specific rather than job specific. As a result, therefore, skills learned can be transferred to another job in the same occupation. This on-the-job training category also includes employer sponsored training programs.

Table 10 compares the 20 occupations that employed the largest numbers of pre-retirement workers age 55 and older and retirement age workers age 65 and older in 2010 in order to compare employment patterns between the two age groups. While there is a large degree of overlap between the two age groups, different patterns emerge.

The 20 occupations that employ the largest numbers of pre-retirement age Californians age 55 through 64 largely parallels that of all older workers overall (Table 8), albeit with differences in rankings. The primary difference is that first-line supervisors of non-retail sales workers displace wholesale and manufacturing sales representatives in the top 20 amongst pre-retirement workers. The similarity in occupational employment patterns between pre-retirement workers only and all working age Californians is not surprising given that pre-retirement age workers comprise nearly four-fifths (78.8 percent) of older working Californians.

As shown previously, the labor force participation rate of pre-retirement workers age 55 and 64 is high and not very different from prime working age workers, and pre-retirement age workers are employed throughout the economy. However, pre-retirement age workers tend to cluster more in occupations in which experience, specialized knowledge, and specialized skills are at a premium than in lower-paying and less skill-demanding occupations in which they must compete with other workers of all ages or which involve physical or manual labor.

In contrast, labor force participation rates among older workers plummet after they reach retirement age. Not only do many workers age 65 and older no longer work because they are eligible to receive retirement benefits, but greater numbers of retirement age workers are unable to work due to the aging process itself. Earlier, it was shown that those workers of retirement age who continue to work tend to be either experienced professionals in good health who defer retirement or less skilled, lower income workers who work because they lack financial means to retire or wish to supplement their retirement income. As seen in Figure 10, this bifurcated pattern is more pronounced among retirement age workers age 65 and older than it is for all workers age 55 and older.

**Table 10**  
**Twenty Occupations That Employed the Largest Numbers of**  
**Pre-Retirement Age and Retirement Age Workers in California in 2010**

| <b>Pre-Retirement Age Workers<br/>(Age 55 through 64)</b>           |               | <b>Retirement Age Workers<br/>(Age 65 and Older)</b>               |               |
|---------------------------------------------------------------------|---------------|--------------------------------------------------------------------|---------------|
| <b>Occupation</b>                                                   | <b>Number</b> | <b>Occupation</b>                                                  | <b>Number</b> |
| Misc. Managers, including Funeral Service Managers and Postmasters  | 71,400        | Retail Salespersons                                                | 20,100        |
| Elementary and Middle School Teachers                               | 66,600        | Misc. Managers, including Funeral Service Managers and Postmasters | 19,200        |
| Secretaries and Administrative Assistants                           | 62,700        | Secretaries and Administrative Assistants                          | 16,500        |
| Registered Nurses                                                   | 53,600        | Postsecondary Teachers                                             | 14,900        |
| Retail Salespersons                                                 | 50,000        | Personal Care Aides                                                | 14,500        |
| Driver/Sales Workers and Truck Drivers                              | 49,900        | Chief Executives and Legislators                                   | 14,200        |
| Personal Care Aides                                                 | 48,500        | Real Estate Brokers and Sales Agents                               | 14,100        |
| Janitors and Building Cleaners                                      | 44,700        | Lawyers, and Judges, Magistrates, and Other Judicial Workers       | 12,700        |
| First-Line Supervisors of Retail Sales Workers                      | 44,000        | First-Line Supervisors of Retail Sales Workers                     | 12,400        |
| Accountants and Auditors                                            | 40,700        | Accountants and Auditors                                           | 11,800        |
| Chief Executives and Legislators                                    | 35,400        | Janitors and Building Cleaners                                     | 11,600        |
| Maids and Housekeeping Cleaners                                     | 33,400        | Driver/Sales Workers and Truck Drivers                             | 11,500        |
| Bookkeeping, Accounting, and Auditing Clerks                        | 33,300        | Elementary and Middle School Teachers                              | 11,500        |
| Postsecondary Teachers                                              | 30,600        | Registered Nurses                                                  | 10,400        |
| First-Line Supervisors of Office and Administrative Support Workers | 29,200        | Bookkeeping, Accounting, and Auditing Clerks                       | 10,300        |
| Lawyers, and Judges, Magistrates, and Other Judicial Workers        | 28,600        | Physicians and Surgeons                                            | 10,200        |
| Nursing, Psychiatric, and Home Health Aides                         | 28,200        | Wholesale and Manufacturing Sales Representatives                  | 9,000         |
| Real Estate Brokers and Sales Agents                                | 27,800        | Property, Real Estate, and Community Association Managers          | 9,000         |
| First-Line Supervisors of Non-Retail Sales Workers                  | 27,100        | Nursing, Psychiatric, and Home Health Aides                        | 8,700         |
| General Office Clerks                                               | 25,500        | Grounds Maintenance Workers                                        | 8,600         |

**Source:** U.S. Census Bureau, 2010 American Community Survey.

The higher paying, professional and experience-dependent occupations that employ the largest number of workers age 65 and older include: miscellaneous managers; postsecondary teachers (often tenured positions); chief executives and legislators; lawyers and judges, magistrates, and other judicial workers; first-line supervisors of retail sales persons; accountants and auditors; elementary and middle school teachers; registered nurses; and physicians and surgeons. Many workers age 65 and older work in real estate as real estate brokers and sales agents; or property, real estate, and

community association managers, or in offices as secretaries and administrative assistants; bookkeeping, accounting, and auditing clerks.

The less skilled, lower wage, and less experience-dependent occupations in which the most retirement age workers are employed include: retail salespersons; personal care aides; janitors and building cleaners; driver/sales workers and truck drivers; nursing, psychiatric, and home health aides; and grounds maintenance workers. While not included in Table 10, the next five occupations with the largest number of retirement age workers also fit with these occupations: security guards and gaming surveillance officers (8,400), general office clerks (7,900), cashiers (7,900), maids and housekeeping cleaners (7,000), and childcare workers (6,600). These less-skill and experience-dependent occupations likely provide the best opportunities for lower income older Californian workers to continue working or re-enter the workforce on either a full or part time basis. They are also the most likely occupations in which older Californians with limited English proficiency might find employment.