

The 2008-2009 Great Recession & Employment Outcomes among Older Workers

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Introduction

- ❖ The 2008-2009 Great Recession affected all workers, including older workers.
- ❖ Recessions have negative effects on labor force participation and on job quality.
- ❖ Recession's consequences were unequal across countries.

Objective:

To examine whether and how economic changes related to the 2008-2009 Recession affected the employment status and job quality among older workers.

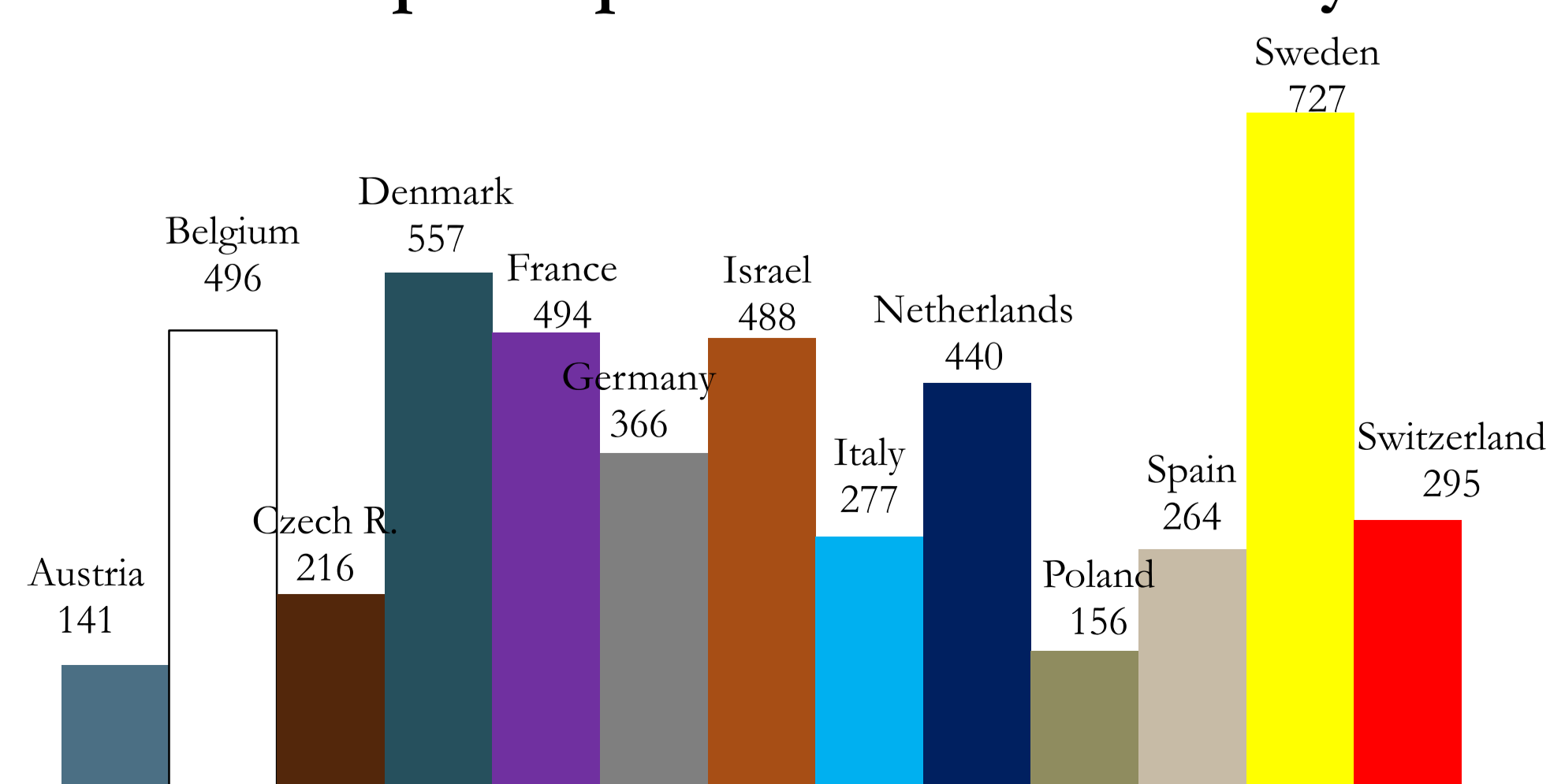
Methods

Data: Waves 1, 2, 4 & 5 of the SHARE (Survey of Health, Ageing and Retirement in Europe), and OECD data on GDP per capita, unemployment rates and life expectancy.

Participants: 4,917 participants, ages 50-70, from 13 countries (16,090 observations). Employed, self-employed or unemployed, when first participated in the survey.

Statistics: Difference-in-differences model, which compares employment conditions within a country before and after the economic crisis, and across countries during the same time period.

Number of participants from each country



Main Results

The impact of economic recession on older workers employment status (N=16,090)

	Employed	Unemployed	Retired
GDP/ 10K	0.16 (0.37)	-1.37 *** (0.50)	2.57 *** (0.75)
Life expectancy	-1.64 *** (0.22)	-0.52 * (0.28)	2.21 *** (0.39)
Unemployment rate	0.02 (0.04)	0.05 (0.04)	0.02 (0.06)
Age (baseline age 50-55)			
Age 55- < 60	0.97 *** (0.20)	1.07 *** (0.23)	1.18 (1.04)
Age 60-< 65	0.13 (0.28)	1.09 *** (0.34)	2.26 ** (1.08)
Age 65-<70	-2.09 *** (0.42)	-1.07 * (0.57)	4.13 *** (1.15)
Tenure (in years, range between 0 and 56)	0.08 *** (0.01)	-0.09 *** (0.01)	-0.05 *** (0.01)
Civil servant	1.69 *** (0.22)	-2.06 *** (0.63)	-1.29 *** (0.33)
Health (scale ranging from excellent (1) to poor (5))	-0.18 *** (0.07)	0.02 (0.08)	-0.11 (0.11)
Depressive symptoms	-0.05 (0.04)	0.11 *** (0.04)	-0.10 * (0.05)

- ❖ Decreases in GDP were associated with increases in the likelihood of being unemployed and decreases in the likelihood of being retired.
- ❖ Higher life expectancy was associated with a lower likelihood of being employed or being unemployed and a higher likelihood of being retired.

The impact of economic recession on employment outcomes of employed older worker (N=7,121)

	Hours worked per week	Poor prospects for job advancement	Poor job security	Job satisfaction	Adequate earning
GDP/ 10K	0.84 (0.98)	0.09 (0.08)	-0.07 (0.09)	-0.01 (0.06)	0.03 (0.07)
Life expectancy	-2.14 *** (0.10)	0.04 (0.06)	0.02 (0.05)	-0.05 (0.04)	0.02 (0.05)
Unemployment rate	0.15 * (0.10)	0.02 ** (0.01)	0.03 *** (0.01)	0.01 * (0.01)	-0.01 (0.01)
Age 55- < 60	1.02 ** (0.49)	-0.03 (0.05)	-0.07 * (0.05)	0.07 ** (0.03)	0.05 (0.04)
Age 60-< 65	1.06 (0.76)	-0.07 (0.09)	-0.16 ** (0.08)	0.08 * (0.05)	0.05 (0.07)
Age 65-<70	-2.27 * (1.25)	-0.02 (0.16)	-0.22 * (0.13)	0.14 * (0.09)	-0.01 (0.12)
Civil servant	1.23 *** (0.46)	0.05 (0.07)	-0.17 ** (0.08)	0.05 (0.05)	-0.05 (0.06)
Depressive symptoms quintiles	0.08 (0.10)	0.03 *** (0.01)	0.03 *** (0.01)	-0.03 *** (0.01)	-0.03 *** (0.01)
quintiles	0.38 *** (0.11)	-0.004 (0.01)	-0.01 (0.01)	0.02 *** (0.01)	0.01 (0.01)

Significance levels: * p < 0.1, ** p < 0.05, *** p < 0.01

- ❖ Higher unemployment rates were associated with poorer prospects for job advancement, poorer job security and higher job satisfaction.
- ❖ Older age was associated with a lower number of hours worked per week, improved job security, and improved job satisfaction.

Summary

- ❖ Economic changes related to the Great Recession are associated with employment outcomes among older European workers, and with measures of job quality.
- ❖ Better health conditions at older ages, being a civil servant, higher income quintile and longer tenure can limit the negative employment consequences.

Conclusion

Policy makers may highlight the association between the physical and social environment at work, and implement work-based policies, leading to improved well-being among older workers.

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