

Outside the Box

It's time we pay attention to these ignored older workers

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By Kerry Hannon

These workers did all the right things, but it didn't pay off

I have a confession to make.

I'm guilty of focusing much of my reporting and writing on older workers who have the education, financial security, and, often the tech ability, to pursue encore careers and explore their passions.

I relish the human stories of second acts and talking to people who love their jobs. I confess that I simply haven't spent adequate time telling the stories of low-wage workers over 50 and their challenges.

And that's shameful. More than 53 million people—44% of all workers aged 18-64—are low-wage workers, according to a report by The Brookings Institution. They earn median hourly wages of \$10.22 and median annual earnings of \$17,950. These 53 million workers earn less than our hourly earnings threshold of \$16.03 at the national level, adjusted for cost of living differences by region, ranging from \$12.54 in Beckley, W. Va. to \$20.02 in San Jose, Calif.

So when Cindy Hounsell, the founder and president of the Women's Institute for a Secure Retirement introduced me to Mary Gatta, Sociology Professor at City University of New York (CUNY) and author of several books, including *Waiting on Retirement: Economic Insecurity in Low Wage Work*, I snapped to attention.

Hounsell put the two of us together as authors on a panel this fall at her conference on women and retirement security: *Moving Forward: Building, Expanding and Strengthening Women's Retirement Security: A Symposium on Financial Solutions for Women*.

What I heard from Gatta pushed me to reach out to learn more about her research on older workers, who are not as likely to have access or the skills conducive to career shifts and the funds, or access, to the skills training that could make that a reality to improve and extend their working lives.

"These workers take great pride in their work," Gatta says. "They enjoy working. Although, many are working because it is the difference between food on the table and not on the table."

I spoke with Gatta about her book and her views of the challenges facing older low-wage workers post-Covid. The highlights of our conversation are below and have been edited and condensed.

Why did you write the book “*Waiting on Retirement: Economic Insecurity in Low Wage Work*”?

We know a lot about retirement among high-earning older Americans—from encore careers and finding one’s passions after retirement, to delaying retirement as long as possible. Dr. Fauci, for example, just celebrated his 80th birthday on Christmas Eve and will be joining the Biden Administration in January. We know much less about these phenomena among lower-wage workers. What are the experiences of older low-wage workers? Can they realistically work longer in jobs that are often physically draining? Can they ever retire? These were questions I wanted to find the answers.

How did you go about answering these questions?

I spent years talking with older low-wage workers in the restaurant industry. These were workers that did all the right things according to the American Dream—they worked consistently, they worked hard (some several jobs at once), and they tried to make ends meet.

However, they did all this within the United States’ increasingly fragile do-it-yourself retirement system that puts the burden on individuals to figure out their own retirement. With the decline of defined benefit plans and the increase of “gig” work, workers have increasingly been asked to prepare for and plan for their retirement themselves, while dealing with a decreased social safety net during their work lives. Many of the workers I met did not have health insurance or were woefully underinsured for much of their working lives.

So what did you learn?

Many of these workers are in economically precarious positions. The workers I met faced many challenges include physically demanding jobs, age discrimination, and the demand for “aesthetic labor” in low-wage service sector work. For many older workers their bodies may physically be unable to perform the work as they had in the past.

And ageism may surface in a variety of ways in low wage work, as workers may not fit the “look” or aesthetic labor that employers desire. This is particularly true of customer facing jobs in hospitality and retail. These challenges are barriers to continuous work during working years and create difficulties to work well into traditional retirement years.

Yet they also did not have the financial security to retire—the low wages they earned throughout their working years did not translate into economically secure Social Security income or savings.

The truth is that for the workers I met in my book, and the millions like them, there likely will be no retirement. They will need to continue working in order to live.

What is the impact of COVID-19 on older workers?

The COVID-19 pandemic has spotlighted and amplified many of the challenges faced by older workers, and particularly the older low wage workers I met in my research. Many experts have aptly noted that not only are older workers at higher risk for serious and dire health impacts of COVID-19, they are also in jobs such as janitors, restaurant work, retail/grocery workers and home health aides, which put them at greater risk for catching the virus. This double threat is further impacted by the changing labor market.

And a global pandemic notwithstanding, the reality of working longer for older low wage workers requires workers to be healthy enough to continue working way past traditional retirement age in jobs that are often characterized by intense physical demands.

Where do we go from here?

We have to improve jobs and retirement security. The workers in my book did all the right stuff—but their work did not pay off for them as they aged. We need to improve jobs so they offer wages that provide for economic security, benefit packages, and career ladders that offer real advancement. This requires the development and improvement of jobs that offer fair living wages and adequate benefit packages. Buffers for crises along the way such as paid family leave and paid sick days are also important, as are career ladders that offer real advancement over workers' lives.

And we need to ensure that there is retirement security when workers either chose to leave the workforce, or are forced to because of health or other factors. Social Security needs modernization, including by the institution of a minimum benefit level to ensure no American lives in poverty upon retirement — and improved benefits for those at the lowest levels. In addition, the program needs to remove current care-giving penalties for those who must take time out of the labor force to care for family members.

Healthcare is a prominent theme in your book. What are your recommendations there?

We must ensure that affordable health care during one's working years and retirement years is available and financially viable. Health care policy must rest on the premise that health care is a right, not a privilege. This helps to level the playing field for workers in jobs that are traditionally excluded from health care benefits.

And for older workers, particularly as a result of COVID-19, the need for Medicare is more important than ever. President-elect Biden recommends lowering the Medicare age to 60. This is a start, but it really is not enough.

Many older workers have lost their jobs as a result of the pandemic, may find themselves underemployed or in gig jobs that do not offer benefits. While lowering the Medicare age to 60 is certainly better than what we have currently, it will still leave so many older workers uninsured.

If we can't get universal healthcare for all, I believe, we need to talk about lowering the Medicare age to 50 years old. We need to decouple employment and health insurance. The reality is that access to Medicare one of the best ways we can help older workers.

The pandemic intensified the labor market inequities older workers faced in securing jobs. It is quite probable that COVID-19 will force many workers in their 50s into an early retirement or gig jobs.

Unless we make changes in our policies, they will be doing so without health insurance or Social Security benefits, forcing them to deplete whatever savings they may have accumulated. This is untenable.

About the Author

Kerry Hannon is a personal-finance columnist for MarketWatch. She is the author of "Never Too Old to Get Rich."