



HELDRIICH CENTER
FOR WORKFORCE DEVELOPMENT

AGE DISCRIMINATION IN HIRING: HOW CAN WORKFORCE PRACTITIONERS HELP OLDER JOB SEEKERS?

Maria Heidkamp

Director, Program Development & Senior Researcher

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RUTGERS

Edward J. Bloustein School
of Planning and Public Policy

I. Introductions and Background

Heldrich Center & Older Workers: Think & Do

Research and Analysis

- Older workers
- Dislocated workers
- Long-term unemployment
- People with disabilities



New Start Career Network (NSCN)

- Since 2015, NSCN has assisted over 6,000 older (45+), long-term unemployed NJ job seekers using online tools, webinars, and volunteer career coaches
 - 1-on-1 coaching
 - Premium tools
 - <https://www.newstartcareercommunity.org/>

NJ Career Network Online Job Seeker Community (JSC)

- Since 2020, NJCN JSC serves all NJ residents with group & peer support, webinars, in a community-focused online environment.
 - Wellness
 - Share & Support
 - <https://nj-career-network-jobseeker-community.mn.co/>

Current Employment Situation for Older Workers: September 2021

OVERALL U.S. WORKFORCE

- Unemployment rate: 4.8% ↓
- Number of unemployed persons: 7.7 million ↓
- Labor force participation rate: 61.6% ↓
- **Long-term unemployed ages 16–54: 34.2% ↓**

55 AND OLDER U.S. WORKFORCE:

- 36.6 million 55+ workers employed in September ↑
- 55+ unemployment rate: 3.6% ↓
- Number of 55+ unemployed persons: 1.3 million ↓
- 55+ labor force participation rate: 38.6% ↑
- **55+ long-term unemployed: 48.9% ↓**

AVERAGE DURATION OF UNEMPLOYMENT BY AGE

- 20 years+: 30.7 weeks
- 55-64: 40.1 weeks
- 65+: 40.8 weeks

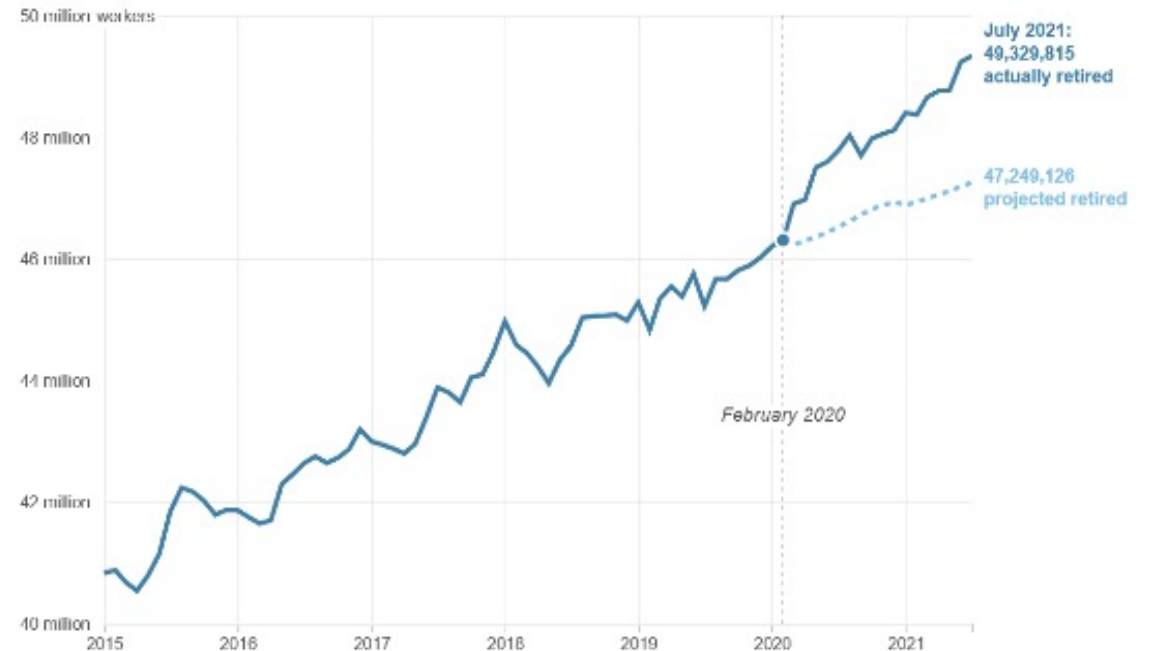
Source: <https://www.aarp.org/ppi/info-2020/employment-data-digest.html>

COVID and Older Worker Unemployment

- 5.7 million workers age 55+ lost jobs in spring of 2020
- From August 2020 to January 2021, 1.1 million older workers exited the workforce completely; among older workers of color, the dropout rate was 2x white workers.
- 48% of households headed by an individual age 55+ have no retirement savings.
- With higher unemployment rates for older Latino and Black workers, COVID-19 recession is “exacerbating existing racial gaps in retirement security.”

2 Million More Workers Than Expected Have Retired In The Pandemic

Based on pre-pandemic trends, more than 47 million workers age 55 or older were projected to be retired* as of this July. More than 49 million are actually retired.



Notes:

* For each month after February 2020, the projected retired population is calculated using a corresponding projected retirement rate among people who are 55 or older. These rates are linearly estimated using actual ones from January 2015 to February 2020.

Source: Current Population Survey data from the U.S. Census Bureau and Bureau of Labor Statistics. Extracted from IPUMS-CPS, University of Minnesota.

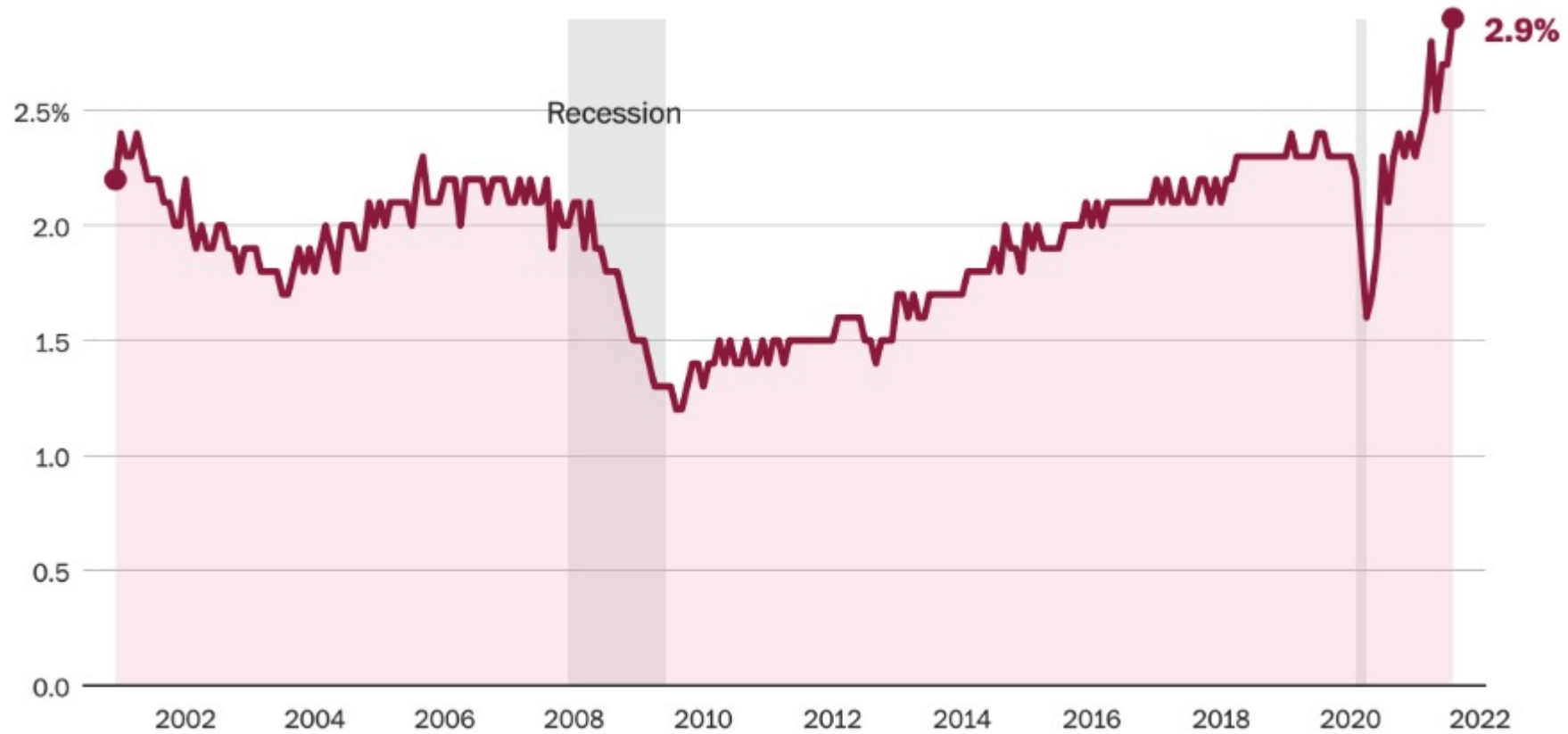
Credit: Data analysis by Owen Davis/Schwartz Center for Economic Policy Analysis. Graphic by Day Nguyen/NPR.

The “great, gray mystery”: With so many open jobs, why are so many older workers unemployed?

- *I feel that a lot of employers use the pandemic as a once-in-a-lifetime opportunity to get rid of older workers that they didn't want in the first place.*
 - Teresa Ghilarducci on NPR’s [The Indicator from Planet Money](#)
- Some employers began [using Covid-19 as an excuse to get rid of older workers](#), bringing younger workers back from furlough faster than older ones.
 - Paycheck Protection Program required employers to keep the same **number** of workers, but not the **same** workers.
- A [December 2020 AARP survey](#) found **78% of workers have either seen or experienced age discrimination** in the work place—AARP’s highest reported
 - Rates are similarly high across gender and race/ethnicity

Americans are quitting their jobs at the highest rates on record

Rate at which employees are voluntarily quitting



Note: seasonally adjusted

Source: [Bureau of Labor Statistics via FRED](#)

THE WASHINGTON POST

Great Resignation / Great Reassessment

- *4.3 million workers quit jobs in August 2021—20 million total back to April 2021*
 - *Healthcare concerns, caregiving/school challenges*
 - *COVID burnout / psychological toll leading workers to reassess priorities – “pandemic epiphanies”*
 - Pew survey: 66% of jobless workers “seriously considered” changing their field—much higher than during the Great Recession
 - 8 million unemployed workers; 10 million job openings – chance to be pickier about jobs
- Hourly wages are rising in some sectors – but employers “appear reluctant to make other changes to attract workers, like flexible schedules and better benefits.”

“Striketober”

- Workers demanding better conditions
 - John Deere, Kaiser Permanente, Kellogg’s
- But... eventually workers will have to go back. Will employers have the upper hand?
- Use more technology, get by with fewer workers
 - Few workers in unions

II. Ageism / Age Discrimination

Age Discrimination in Employment Act (ADEA)

- Prohibits age discrimination—treating workers or applicants less favorably because of their age—from all aspects of the workplace for those age 40+:
 - hiring, firing, pay, job assignments, promotions, layoff, training, benefits, and any other term or condition of employment
- ADEA was enacted in 1967 to help change “unfounded and outdated assumptions about age and ability”—the kinds of persistent “ageist stereotypes” that employers often rely on.
- ADEA’s legal protection does NOT cover employees of smaller companies; businesses with fewer than 20 employees are exempt (Threshold for ADA and Title VII: 15 employees)

Source: https://www.eeoc.gov/reports/state-age-discrimination-and-older-workers-us-50-years-after-age-discrimination-employment#_ftnref9

While Illegal, Age Discrimination—Especially in Hiring—is Difficult to Prove

For older jobseekers and workers, age discrimination is the biggest barrier to both getting employed and staying employed.... A key reason age discrimination in the workplace remains stubbornly persistent is because ageism in our culture remains stubbornly entrenched. Quite possibly, ageism is one of the last acceptable forms of prejudice in our society.

- Workers must show not only that age discrimination was a motivating factor in how they were treated but prove it was a critical, “but-for motive”—a “much higher and tougher standard of proof.”
- Gross decision said in effect that age discrimination “isn't as wrong, or as unlawful, as other forms of discrimination.”

– Laurie McCann, Testimony to House Education and Labor Committee, March 18, 2021

Key Research on Age Discrimination

- **2005 audit study: resumes with matched qualifications but varied ages sent to 4,000 employers**
- **Findings:**
 - Older women (50+) significantly less likely to receive interviews than younger women for an entry-level job
 - Younger workers 40% more likely to be offered an interview

Source: Lahey, Joanna, 2005. Age, Women, and Hiring: An Experimental Study. NBER Working Paper No. 11435

Lahey later reported (2020):

- Age discrimination kicks in around 35 for white women; around 50 for white men
- For Black workers, age discrimination is highest for the youngest, falls in middle age, and rises as they near retirement.
 - Black workers are less likely than white to be hired with the same experience; gap closes in middle age
 - Employers may avoid older Black workers because of concerns about “well-documented” health challenges
 - Black workers with less education may have more physical jobs

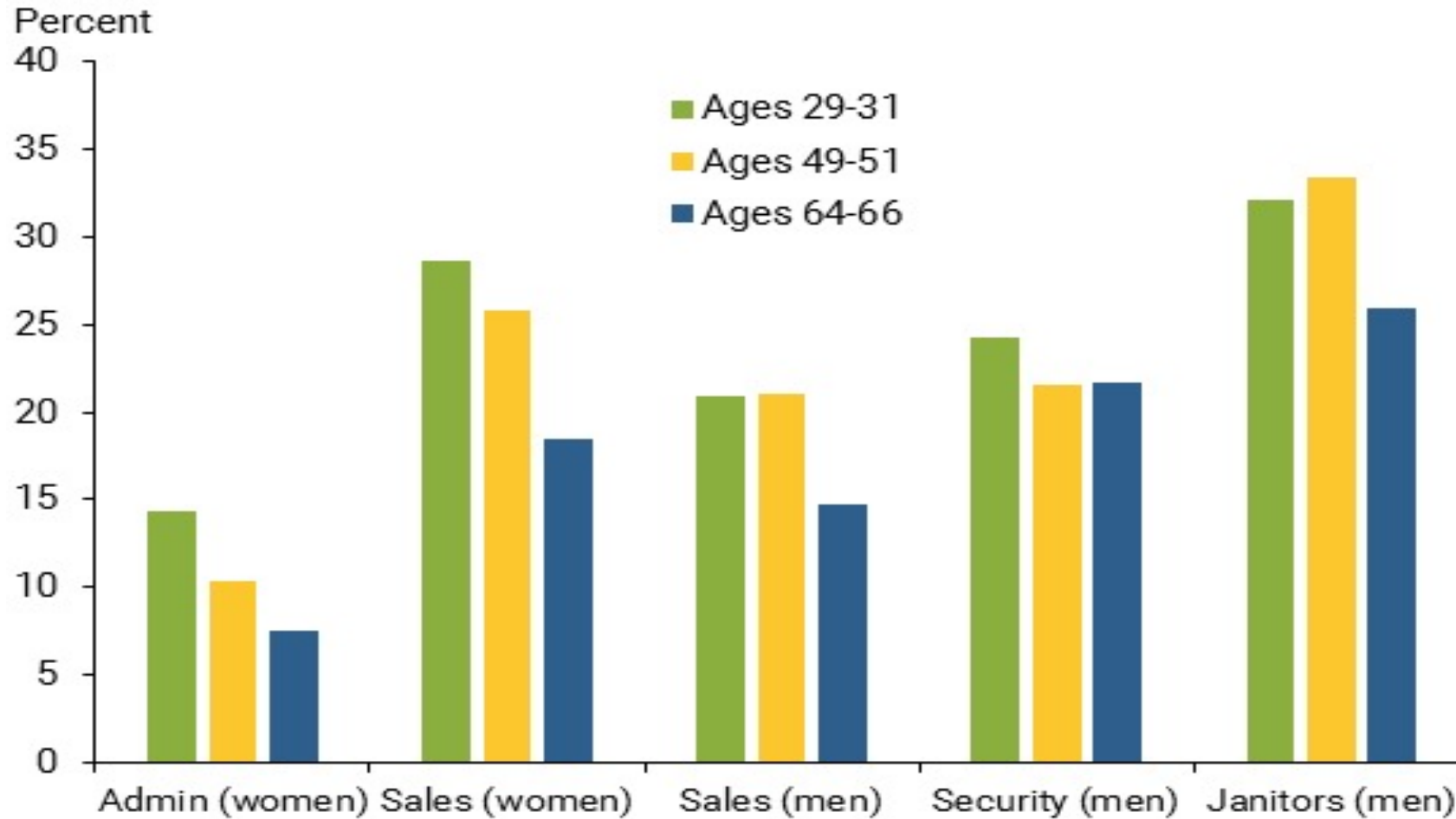
Sources: <https://www.washingtonpost.com/business/2021/05/14/age-discrimination-black-workers/>; <https://onlinelibrary.wiley.com/doi/epdf/10.1002/pam.22281>

Comparison of Callback Rates by Age

- **2015 study: 40,000 “fictitious-but-realistic” young, middle-aged, and older applicants applied for 13,000+ real job openings in 11 states; compared interview callback rates.**
- **Findings:**
 - Age discrimination in hiring for both women and men
 - Middle-aged and older face discrimination; worse for those near retirement age (64-66).
 - Women face more discrimination than men—“sex-plus-age”
 - Age discrimination affects senior men (age 65+) more than middle-aged (around 50)
 - Age discrimination rose during and after Great Recession: increased EEOC claims, long-term unemployment, media.

Source: Neumark, David, Ian Burn, and Patrick Button. 2017. "Age Discrimination and Hiring of Older Workers" Federal Reserve Board of San Francisco Economic Letter # 2017-06

Comparison of Callback Rates by Age



Source: Neumark, Burn, and Button (2017), using data from Neumark, Burn, and Button (2015).

Age Discrimination Varies by Industry

“Age-based stereotypes are even more prevalent in certain industries. As the EEOC has heard, for example, there is substantial evidence that age discrimination in hiring is unconcealed and rampant in the high-tech industry; the entertainment industry is also well-known for its flagrant age discrimination in hiring.”

Source: Written Testimony for the EEOC’s June 14, 2017 meeting, The ADEA@50--More Relevant Than Ever, from Laurie McCann, Senior Attorney, AARP Foundation Litigation



Intersectional Discrimination

- Current laws do not fully address intersectional discrimination.
 - ADEA covers age; Title VII of the 1964 Civil Rights Act covers sex, race, ethnicity or nationality, among other characteristics.
 - With sex and age in different laws, courts may not allow individuals to present intersectional discrimination cases—such as older and female—effectively forcing a choice
- Prejudice against older coworkers persists even among those who openly oppose racism and sexism.
 - Researchers measured attitudes about ageism; older workers seen as “opportunity blockers”
 - Many anti-prejudice advocates found ways to legitimize age bias.
 - When they are told older workers can’t afford to retire, younger workers showed more empathy

Age Discrimination Rises in Recessions

Researchers conducted two tests:

- 1) Studied firing and hiring discrimination charges filed with the EEOC before, during, and after the Great Recession. **Findings: Actual and reported discrimination against older workers increased during the Great Recession.**
- 2) Repurposed data from a correspondence study to analyze how older female job applicants fare when unemployment is higher. **Findings: 1% increase in unemployment leads to a 15% decrease in the relative likelihood of receiving a callback. Further, when an older woman is in direct competition with an additional two younger applicants, her callback rate falls by 54%.**
- **Conclusion: Negative labor demand shocks increase employment discrimination against both current and prospective older employees.**

Source: https://www.nber.org/system/files/working_papers/w27581/w27581.pdf

III. Age Discrimination in the Workplace

Discriminatory Employer Practices

- Specifying maximum number of years' experience (“no more than 10 years of experience”) in job postings
- Recruiting only on university campuses or requiring a college-affiliated email address to apply
- Seeking “digital natives” and not “digital immigrants”
- Using other ageist language (“cultural fit,” “tech savvy,” “energetic”)
- Online applications that screen out or discourage older applicants (requiring date of birth, graduation year, etc.)
- Use of “big data” by robo-recruiting algorithms; one study found age was biggest predictor of interview callbacks under these systems

Rise in Applicant Tracking Systems (ATS) and Automated Hiring Platforms

- Platforms (like Facebook) can use proxies that bar older job applicants from access to advertised jobs and to glean prohibited age information.
 - “Age-based targeting” denies opportunities to potentially qualified job seekers based on their age.
- Redlining older job seekers into lesser positions, part-time work, or “careers for seniors.”
- Growing use of robots and AI-based assessments of digital interviews that use algorithms to compare job seekers’ tone of voice, word use, and “micro facial expressions” with current workers who are considered high performers.
 - If “lack of gaps in employment” is associated with a cultural fit, automated hiring platforms can screen for that, potentially discriminating against women, caregivers, or older, LTU job seekers.
 - 3/4s of U.S. employers and 99% of Fortune 500s use automated hiring software; nearly half reject job seekers with 6 month or longer employment gaps.

Findings from An AARP December 2020 Survey

- In 2020, 41% of older job seekers were asked—either on an application or in a job interview—to provide their birth date, graduation date(s), or other age-related information.
- 90% of older job seekers voluntarily submitted age-related information to prospective employers:
 - 81% Number of years spent on previous jobs
 - 66% High school or college graduation dates
 - 39% Age or date of birth

Source: <https://doi.org/10.26419/res.00445.003>

IV. Older Job Seeker Challenges

Why does it take older workers longer to find new jobs?

- Older displaced workers typically experience longer durations of unemployment, and if they find a new job, replace less of their former wages, than younger workers.

Factors in addition to age discrimination may include:

- Higher reservation wages
- Preference for full time jobs with benefits
- More likely to work in declining industries and face more challenging transitions

Challenges For Older LTU Job Seekers

- **Stigma of long-term unemployment**—LTU job seekers are passed over by employers, even when they have the requisite skills, credentials and experience
- **Age discrimination**—combination of age/LTU especially challenging
- **Diminished confidence**—after months/years of unsuccessful job search, LTU job seekers suffer from low self-esteem and lack of confidence; can result in poor presentation, especially in interviews
- **Depression, anger, anxiety**—also **overwhelmed** by financial and emotional stress, impacting mental and physical health, executive function.
- **Isolation and weak social networks**—many are ashamed and retreat, believe they have exhausted opportunities to ask former co-workers, friends, family for help

Challenges For Older LTU Job Seekers

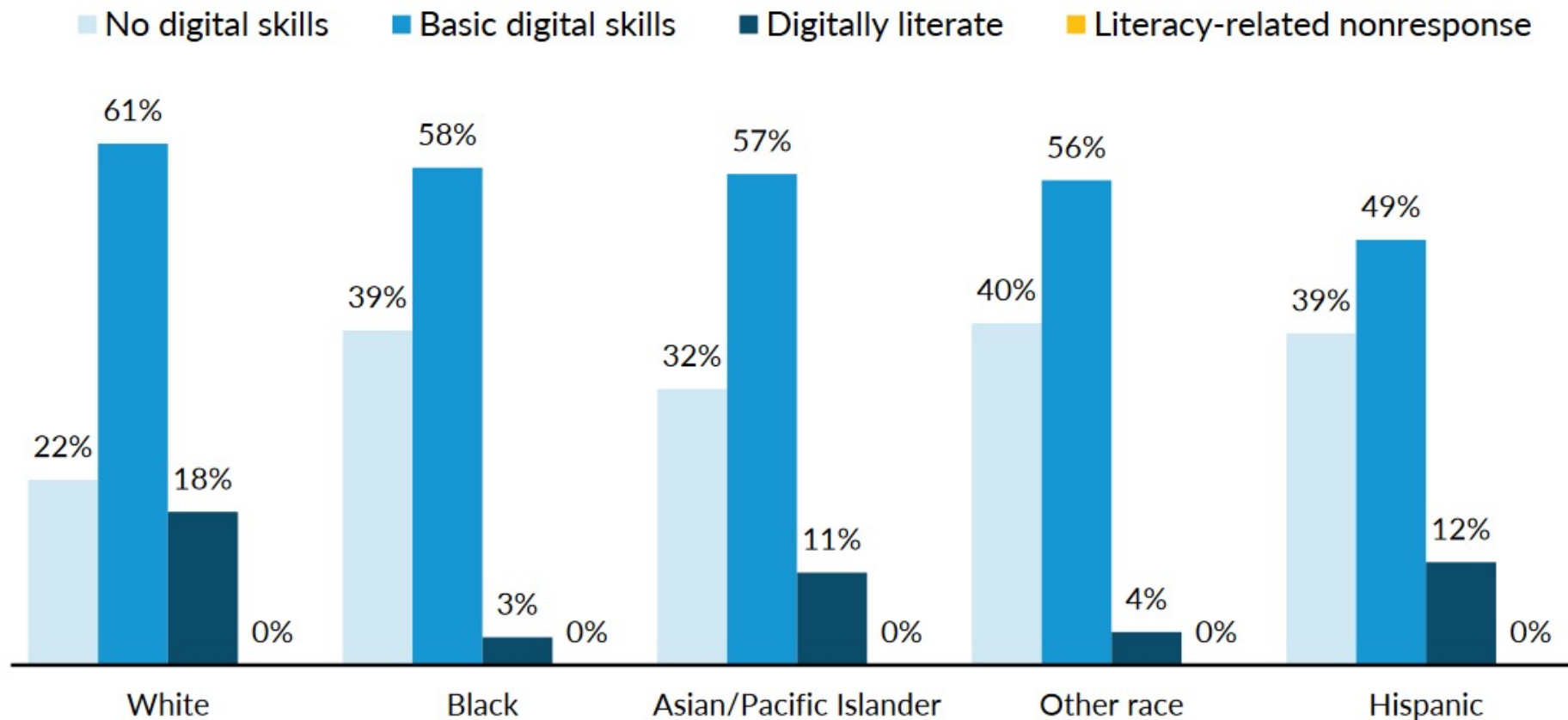
- **Outdated credentials and/or skills; weak computer skills**
- **Outdated or ineffective job search techniques**—many addicted to the computer for job search but are not using social media or networking effectively
- **Unrealistic expectations**—though the longer they are unemployed, the more they are willing to compromise. Goal: full-time job with benefits at similar salary. **Reality: growth in “alternative work, gigs, freelance jobs.”**
- **Job Search Paradox**—it’s easier to get a job when you have a job.
 - Employed job seekers receive offers with hourly wages 48% higher than unemployed
 - 63% of offers received by the unemployed come without benefits vs. 40% for the employed

Older Workers and Digital Skills

- COVID reinforced need for digital skills and access (remote work, school, etc.)
- Digital skills gaps disproportionately large for those with other challenges (limited English proficiency, limited education, poverty)
- Older Americans (50+) have lower digital skills levels than younger Americans
- Older people of color and women have lower digital skills levels than whites:
 - Older white Americans most likely (18%) / Black Americans least likely (3%) to be digitally literate.
- Older workers with more digital skills have significantly higher earnings than those with less and are better positioned to compete for the jobs of the future.

Source: https://www.urban.org/sites/default/files/publication/104771/digital-skills-and-older-workers_1.pdf

Digital Skills by Race and Ethnicity among Adults Age 50 and Older



Source: Author calculations using data from the Programme for the International Assessment of Adult Competencies.

Notes: There is also a “missing race or ethnicity” category that is omitted from this graph. Ninety-three percent of those whose reported race/ethnicity was “missing” were also missing a digital level because of literacy-related nonresponse.

Source: https://www.urban.org/sites/default/files/publication/104771/digital-skills-and-older-workers_1.pdf

V. Strategies for Workforce Practitioners

Increase Focus on Coaching

Case Management

- **Roles**—Case Manager (CM) as “expert”/ instructor
- **Goals**—Find barriers to employment, “place” job seeker
- **Strategies**—One-on-One, CM gives instructions for job seeker to follow; CM works to control the process.

Counseling

- **Roles**—Employment, Career, or Vocational Counselor. (Also licensed mental health therapist, social worker)
- **Goals**—Help clients identify career options based on aptitude, personality assessments
- **Strategies**—One-on-One; Counselor may interview job seeker, administer and evaluate assessments, provide results

Coaching

- **Roles**—Coach as partner / facilitator, catalyst for action
- **Goals**—Find and build on strengths, build job seeker skills, and support team for ongoing career development
- **Strategies**—Group and 1-on-1, questions, helping job seeker problem-solve and learn from

actions

Coaching has been found effective in helping job seekers improve motivation, self-efficacy, employment, and education outcomes, but **HCWD national Work Trends research found only 13% of unemployed job seekers report they met with a job coach or counselor.**

A More Comprehensive Model of Support for Job Seekers

- Work in a Real-World Context: Acknowledge the collapse of demand
- Work with an Equity Lens: How do racial and gender equity affect job seekers' experience and opportunities?
- Work with the Whole Person: Acknowledge other aspects of people's lives
- Work in Community with a Focus on Building Relationships, dealing with isolation and loneliness

- Trauma Informed Support: Recognize the negative impact of trauma & chronic stress
- Support Executive Function: Understand how stress affects the brain and ability to execute job search activities
- Deploy High Touch/High Tech Strategies
- Provide Information to Support Effective Decisions: actionable and presented in context

Source: Martin, Michele. [Effective Job Search Support in the Time of Covid](#). March 2021.

Three-tier Model of Job Search Support



Source: Martin, Michele. [Effective Job Search Support in the Time of Covid](#). March 2021.

Help Older Job Seekers to:

- Understand **job search can take longer than they expect**; set realistic expectations
- Focus on **particular kinds of jobs** for which they are qualified
- Focus on **relationship-building** to find new opportunities
- **Customize every resume/cover letter and use tools to get feedback on ATS**
- Target **nonprofits, small/medium** companies
- Focus on **competence, values, technical and occupational skills, energy and excitement** about job—not dates/lists of past experience
- Give examples of how they have **stayed current**
 - Highlight volunteer work, recently acquired skills (including digital)
- Approach interviews as a way to **show curiosity and a learning mindset**
- Demonstrate humility and willingness to **support teams**, not take them over
- Have **stories of success**, problem solving, and working in diverse teams

Encourage Employers to:

- **Reject older worker stereotypes**, just as they would reject stereotypes based on sex, race, ability, religion, national origin, etc.
- **Understand that older workers do not cost significantly more than younger workers** thanks to changes in the structure of benefits and compensation that have created more age-neutral distributions of labor costs
- **Include older workers in diversity, equity and inclusion initiatives**; studies have found that multigenerational, mixed age workplaces can increase productivity, improve performance, lower turnover
- Recognize that older and older, long-term unemployed workers often face an **“opportunity gap” – not a skills gap**
- Appreciate **soft skills older workers have**—interpersonal, communication skills, mentoring abilities, and that research shows they are willing to learn digital and other skills
- Offer **flexibility and accommodations** that benefit all workers
- **Undertake equity audits**—review their hiring, training, promotion, and firing decisions and processes for age (and other) biases that discriminate against talented potential and incumbent workers.



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QUESTIONS AND COMMENTS

Thank you!

Maria Heidkamp
heidkamp@rutgers.edu