

THE BROOKINGS INSTITUTION

WEBINAR

OVERTIME:  
AMERICA'S AGING WORKFORCE AND  
THE FUTURE OF WORKING LONGER

Washington, D.C.

Wednesday, September 21, 2022

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**Keynote:**

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**Motivating Facts:**

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**Panel Discussion:**

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**Policy Conclusions:**

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## P R O C E E D I N G S

MR. BAILY: Good morning, I'm Martin Baily. In my glory days at Brookings I used to have a person who would write notes for me, introductory notes for me, but that is past. So if I stumble a little bit, bear with me.

I'm Martin Baily, a Senior Fellow here at Brookings, and it's a pleasure to welcome everyone to this event, "Overtime and Working Longer" — well, there's a longer title. I have not actually been part of today's project, but I'm going to mention that together with Ben Harris, who is now at the Treasury, we ran a project here at Brookings on retirement policy, and I do want to plug that we have a book on that coming out December 1, also at Oxford Press. And, of course, Bill Gale, here at Brookings, has had a long running project on retirement and we have many experts, like Gary Burtless here, who have done a lot of work in that area.

So retirement is big at Brookings, it's big everywhere. It's a big deal for American families, for companies, for financial markets and, of course, for federal and state policy makers. As this book points out, a favorite solution to the challenge of retirement is for people to work longer. That allows them more years to save, fewer years of retirement to pay for, and it can boost Social Security monthly payments.

Of course an important impetus behind the push for working longer has been changing demographics. The decline in the birth rate has resulted in a population that is much older on average than it used to be, making it much harder to pay for Social Security and Medicare and Medicaid as well. However, one of the themes of this book is that working longer ain't necessarily so easy. Many Americans leave the workforce early in their fifties, many suffer from ill health and are unable to work longer, there's a lot of inequality in the U.S. workforce, the nature of work is changing. Many Americans have to care for relatives, or they choose to care for their own relatives. In addition, firms do very little to address workforce aging in a proactive way. They do more for skilled workers than they do for low skilled workers. Indeed, some of those may be pushed out of jobs before they would like to retire.

However, it's not all gloom. This book is — one of its strengths is it's got a variety of papers and different authors and different viewpoints. Gary Burtless points out that average economic well-being increased from the mid '60s to 2019 for those over 65, however, he also notes income

inequality rose and that the future may not be as bright as that period was for people over 65.

Another aspect of retirement is the uncertainty involved in it. Of course there's a lot of uncertainty. We don't know what returns we're going to get on investments, we don't know what our health is going to be, we don't know how long we're going to live, and so on. Other uncertainties. One of the papers in this points out that there is also a great deal of policy uncertainty. How do we plan how to – middle or age or younger people plan for retirement when they don't know in what ways Social Security is going to be adjusted to the running out of the trust fund.

So lots of important issues. This is a terrific book. I think you will enjoy the discussion today.

Before I leave, I want to introduce our next speaker who is Debra Whitman and someone who is also a keynote speaker at one of the events in Ben Harris and my project, and so it's great to have her here again. Debra is chief public policy officer at AARP.

So let me welcome you to Brookings and this event. (Applause)

MS. WHITMAN: Thanks, Martin, and good morning everyone.

The day before Thanksgiving in 2019 I was invited to present to the leaders of the OECD Global Strategy Group, in a session called "Aging Societies: Responding to the Challenges, Harnessing the Opportunities." I told them that I agreed that it was important to harness the capacity of older workers to help grow their economies, as they so often called for in their policies and papers. But I saved most of my time to explain that simply forcing people to work longer by raising retirement ages or cutting back on social services just wasn't enough. I shared what I thought were some basic facts. Many older workers left the labor force due to health, the physical demands of their work, or caregiving. And far too often workers in the developed world faced the sting of age discrimination, forcing them to leave jobs before they wanted or making it hard to find new ones when they were unemployed. This seemed like new news.

These OECD leaders had never considered that working longer was anything but a choice. Mon dieu, they exclaimed. (Laughter) All of our economic models will have to be change. These basic truths that not everyone can worker longer seemed like a radical departure from their core assumptions about an aging society. So you can imagine how excited I was to read this well researched

book which quantified all of these issues and added a few new ones.

Lisa Berkman, Beth Truesdale, and all of the scholars included in "Overtime," have made a compelling case for rethinking our assumptions about working longer. Let me quickly share three reasons why this conversation is more timely and relevant than ever.

First, with the great retirement and the great resignation, an additional 2.6 million people retired during the pandemic. Now, these workers may have left the labor force permanently or we can use the lessons of this book to help bring them back.

Second, the need for working longer is growing. Even though life expectancy has been dropping and really plummeted during the pandemic, the century-long trend towards longer working lives means longer lives, means individuals have more years to fund, and face many economic uncertainties that Martin highlighted in his opening.

And, lastly, there's an economic imperative for the inclusion of older workers. As workforces around the globe shrink, we know that employers who establish effective policies to support their multi-generational workforces will be rewarded with more engaged and productive employees.

To set the stage for the book and the terrific speakers today, let me reprise what I shared with the OECD ministers back in the fall of 2019, back in the old days, before the time of the pandemic, when COVID had never been heard of. And I'll also share a little bit about what AARP is doing to address these issues. And because we're at Brookings, don't worry, I'll deliver the data.

The benefits of working longer are easy to see. In fact, many people want and need to work longer. Many people want to work longer because they value the social connections and the sense of purpose the work provided them. And evidence is emerging that working improves people's physical and even cognitive health. One study found that working until age 67 slowed the pace of cognitive decline by more than 30 percent. And that was particularly true for work that's mentally stimulating, like analysis and problem solving. But many other people work because they need to. Early retirement can be costly and the longer you work, the less you draw on your savings, if you have any, and the higher your Social Security benefit will be. Claiming your Social Security benefit at the early age of 62 instead of waiting until 67 cuts your benefits by almost 30 percent for the rest of your life. But for some people, claiming early is their only option. Many people lack nest eggs and many people don't even have

emergency funds. Earlier this year, AARP found that one in five workers over 30 had nothing saved for retirement and two in five told us they had no emergency savings.

But it is not easy to live on Social Security. I was particularly struck reading about the struggles of older hospitality workers in the chapter in "Overtime" by Mary Gatta and Jessica Horning appropriately titled "Dying With Your Boots On." They calculated that the retired minimum waged workers receiving Social Security would still have to work 30 hours a week just to afford their basic necessities.

So the assumption that everybody has the ability to work longer is a given in many policy circles, not just at the OECD. I've been in many conversations that assumed working longer was the solution for retirement security and the fiscal challenges of aging society. And maybe that's because the District of Columbia actually has the highest average retirement age of any state in the country — maybe. In fact, nearly every commission on Social Security has recommended raising the retirement age as part of a solvency solution. But this book adds an important caveat to the policy debate. For a great many people, longer work is not a realistic option. Wanting to work and needing to work are often not enough. Many people simply cannot work into their late 60s and 70s. Changes in technology and industries, local labor markets, and the overall economy all can affect whether a mature worker gets a job.

But let me share four areas that are particular barriers to working longer.

First, joblessness is actually very common for older workers who find themselves unemployed decades before they plan to. My friend, Rich Johnson, at the Urban Institute studied workers in their early 50s for over 24 years and he found that more than half of adults in their 50s who were employed full-time lost their jobs involuntarily at least once and only one in ten of those ever made up their previous salaries if they did get a new job. And we know when older workers lose their jobs, it takes them much, much longer to find a new one.

Second, age discrimination is pervasive, making it hard to find a job, keep a job, or advance in your career. More than three-quarters of older workers have seen or experienced age discrimination in the workplace and those numbers are up during the pandemic. Now, age discrimination doesn't just harm the individual receiving it, it also costs our economy. We lost \$850 billion in GDP in 2018 due to older workers being pushed out of the labor force and having a harder time getting back in. That's talent we just can't afford to waste.

Third, caregiving for an adult family member or friend often forces people to cut back their working hours or quit altogether. Out of more than 50 million family caregivers in America, 6 out of 10 are holding onto paid jobs. And like age discrimination, caregiving is mostly shouldered by women. The need for caregivers is only going to increase in the future as the number of people over 80, who are the most likely to need help, rises dramatically.

Finally, poor health and tough work knocks many people out of the workforce. The incidents of work limiting health conditions and disability rises as we age. And many people stop working because they are not physically able to continue. Working longer is easier for those of us who sit behind a desk, but it is much harder if you have to stand on your feet all day or do heavy lifting. Years of physically demanding work can breakdown bodies and increase the chance of a permanent disability.

And although many people think arduous work is on the decline in America, physically demanding work has become more prevalent in recent years for older workers with less education, especially with the rise in warehouse work and increased need for home healthcare.

Now, we shouldn't have this conversation without talking about the important issue of equity. Age discrimination combines with racism and sexism so that older people of color and women are the most likely to report that they have faced age discrimination in the workplace. People with limited education and skills are more likely to have physically demanding jobs. And disadvantaged communities, including many people of color, face greater health challenges, less access to care, and have higher rates of unemployment overall. And the expectations of working longer isn't always fair to groups who have much shorter life expectancies.

The numbers that came out a few weeks ago, which take the pandemic's devastating impact into account, found that life expectancy for Native Americans is only 65, meaning more than half will never reach the current Social Security retirement age of 67.

So what needs to change? To begin, we need to start on the demand side. Businesses need to understand the value of older workers and there's really plenty of reasons that they should. Experienced workers bring maturity, stability, and institutional knowledge to their organizations. Older workers also offer insights into the increasingly age diverse marketplace we call the longevity economy. In 2019 consumers over age 50 contributed about 40 percent of GDP in this country. And that longevity

economy is going to triple by the middle of the century. Finally, work teams that include different generations have superior performance, according to the OECD. So there's a real business case to be made for embracing our multi-generational workforce.

At AARP we're trying to educate employers about the benefits of supporting older workers. We're working with the OECD, the World Economic Forum, and more than 70 global employers to get the word out. We call the project "Living, Learning, Earning Longer". And through this collaborative, we have encouraged employers to take a variety of practical steps. Here's my top five things that employers can do.

First, they can accommodate people's health challenges throughout their working lives. They can support working caregivers by providing flexible scheduling and paid leave. They can make training and development opportunities available for all workers, no matter their age. They can use age blind hiring practices. And they can include age diversity as part of their diversity, equity, and inclusion strategies.

But this project is just a beginning. There are many other ways that we at AARP have been trying to address these issues. We work to make sure that people are financially secure whenever they retire. This means protecting and improving Social Security so that people get the benefits they've earned. We worked to expand the ability to save for retirement because only a half of U.S. workers can save through their paychecks. We've advocated across the country to set up new state-based retirement plans for workers to save when their employer doesn't offer them a plan. So far six states are up and running and another ten more have passed laws to do the same.

We are partnering to develop new solutions for helping workers who have physically demanding jobs or have work limiting health conditions, but don't qualify for Social Security Disability. Early next year the National Academy of Social Insurance will be releasing the ideas coming from a two-year study we helped to fund.

At AARP we're also fighting to end age discrimination by challenging ageist stereotypes and misunderstandings about older workers and advocating for laws to make it easier to prove age discrimination in court. We work to support family caregivers of all ages by offering them tools and supports. We lobby for tax credits as well as increased funding for long-term services and supports and

the respite care that they need. We also prepare workers with tools and training. We offer them help with resumes, skills training, and even have job fairs.

So these are just a few of the things that we are doing to try and address these issues.

But let me close where I started. Many people want and need to work longer, but encouraging work later in life is only one part of the answer to retirement security. We have to deal with the reality that older workers face real barriers to remaining on the job. We need to talk more about solutions and we need to focus on equity and take a life course approach that also considers the issues of health and education and social support — really all the social determinants of health, which can affect whether an individual remains in the workforce. Researchers, policy wonks, and advocates have a lot of work to do, but this book is a really great start.

Thank you all for having me today. (Applause) And thanks for the prop.

MS. TRUESDALE: It's such a pleasure to be here. I'm Beth Truesdale, one of the co-editors of this volume. And what I want to do about the next seven or eight minutes is just give you a little bit of an introduction to why we thought we needed this book and a few of the things that we found out when we did.

So I think it's no surprise to anybody here, no secret, that population aging profoundly affects the future of work and retirement. The U.S. is in some sense at a crossroads in the way that it's going to deal with an aging workforce and an aging population. Americans live longer on average than they did 50 years ago. People who live longer are going to need income for more years of life. So the critical question is, okay, where is that money going to come from. Well, as you know, employer pensions and private savings are frequently not enough. Social insurance programs, like Social Security, are strained. And so working longer, as you've heard, has become really the standard policy response to population aging. Not only in the U.S. but elsewhere in the wealthy world, most rich nations have raised the state pension age. Here in the U.S. the Social Security full retirement age is in the process of rising from 65 to 67 and you don't get your maximum benefits unless you can wait to claim until age 70.

So the working longer proposition fundamentally assumes that most Americans can indeed delay retirement if they just choose to do so, if they can be persuaded to do so. And there are some reasons to think that this might be the case, that many people could work longer. Some positive



average trends — on average people are living not only longer, they're living healthier lives at older ages than they were say 50 years ago. They have on average more education that might open up different kinds of job possibilities. And on average work is less physically demanding than it was decades ago.

But as Deb said, we need to look at the inequalities as well as the averages. Inequalities are all over the working longer story. And what we really came to realize is we need to be asking the question, who is left behind. And the reality is that delayed retirement is not feasible for everyone. And so if we promote work, longer working lives as really the only solution, then that's going to leave behind those who struggle to maintain paid employment into their mid 60s or beyond. Some of the key reasons you'll find out about in the book are unstable employment, caregiving responsibilities for both older and younger generations, poor health, age discrimination, troubled local labor markets, and the effects of unexpected shocks, like Covid or climate change.

But it's also important to look at the broader context. Retirement security is a systemic problem as well as an individual one. And so part of what the book does is it also looks at some of these broader contexts. During the past four decades we've seen rising income inequality, diminishing worker voice, Social Security funding in need of updating that is hasn't had, and overall an increased shift of economic risk from government and business onto families and individuals.

So what this book aims to do is to explore these problems that are facing us and also to look at some of the potential solutions. And I won't read through all of these because you can look at the book and see them for yourself, but we have been so pleased to have such an outstanding group of collaborators. There's about 30 authors on the book project from all different disciplines. We have economists, sociologist, epidemiologists, political scientists, psychologist, industrial organization folks. It's been a really terrific team.

Those are some of the chapters, those are some more of the chapters. So I hope you will enjoy them as you look at the book.

What I want to do now is to share about four things that we learned, four takeaways from the book. And, first of all, I want to share a story from the chapter by Mary Gatta and Jessica Horning, which Deb also mentioned. This is based on qualitative research with restaurant workers. And I'm particularly struck by the story of Jim who is Pennsylvania waiter in his late 50s. And Jim says restaurant

work is a young man's game, it's hard to keep up with the physical demands. In his 30s at one of the restaurants he worked at there were two steps from the kitchen to the dining room because the restaurant was busy and he was trying to do his job as fast as he could, he would jump those two steps. And all those years of jumping have years later left him with a chronic Achilles heel injury. So Jim says I'm coming up on 60 years old. I don't know how much longer I can do my job. At my restaurant everything is refillable, bread, soda, soup, salad, pasta — it's like Whac-A-Mole. I just run my entire shift.

So when we look at why Americans retire early, these are some of the reasons. Another one that we want to highlight is that jobs rarely accommodate the caregiving responsibilities that so many Americans have. In the chapter in the book by Sean Fahle and Kathleen McGarry, which discusses caregiving and its impact on people's labor force participation, especially women. This astonishing statistic that sometime during their 50s about a third of women in the U.S. provide intensive giving to parents or parents-in-law. And this is not just like running errands for mom, this is helping with eating, bathing, dressing, the sorts of things that are very hard to schedule around work and other commitments. One of the interesting things too, as you see in this graph, is that this is an instance in which education is not protective. There are actually a higher percentage of highly educated women providing care to parents and parents-in-law than lower educated women. And that's because higher educated women are more likely to have living parents than are women with less education.

If you only remember one graph, remember this one. This is kind of where we started with all of this. These are graphs that look at employment rates across the life course from age 25 to age 70 for men on the left, for women on the right, and broken down by educational levels. So college graduates on the top, high school diploma in the middle, and people with less than a high school degree in the bottom line. And for me there are two things that are so striking about this graph. One is that you see the very large inequalities in employment rates between these educational groups all across the life course. When people with less education hit age 50, their employment rates are much lower to start with than are people with higher levels of education.

But the second thing that is so striking about this is that when you look at the gray band, between ages 50 and 60, and you see how sharp that drop off is in employment rates, it's about a 20-percentage rate drop off in employment rates between age 50 and 60. And that's very similar in absolute

terms across all of these different demographic groups. I think even people who start with all of the advantages can't take working longer and retirement security for granted.

Having looked at the cross-sectional numbers, we looked at some longitudinal numbers, looking at how this evolves for people over the course of their 50s. And we looked at steady employment. You know, are people steadily employed throughout their 50s. And we found that only about half of older U.S. adults were steadily employed all the way from age 51 to 61. This is for me an absolutely stunning statistic and one that I had not anticipated when we began this work. Only about half of older U.S. adults have steady employment all the way through that time. And it's hugely consequential because of people who were steadily employed all the way through their 50s, about 80 percent of them are still working in their early to mid 60s at some point. Of those whose employment was intermittent, only about a third of them are still working in their early to mid 50s.

So for us this suggests both a location of a problem that we haven't been looking at properly, and also a potential place to look for solutions.

I think part of what I have learned during this is that focusing on delayed retirement as the idea of encouraging people to get from 65 to 67 or from 67 to 70, that misses a major part of the story. It misses the part of the story that begins a decade or more earlier in people's lives. And for most people, leaving paid employment in their 50s just means they have less to live on as they age.

You know, as we think about the conclusions that we've come to draw from this, demographic changes to the aging population, this is baked in, this is inevitable, it's happening, but the policy responses that we make to it are a choice. We've learned that labor force policy is retirement policy and vice versa. And these two domains, which are often treated as separate, really need to be looked at together because fundamentally you can't delay retirement if you don't have a job to delay retiring from.

Second, social inequalities in work and retirement, all the issues around this, are very large. But the problems are widespread. Even people who come into this with all the advantages may face a health shock, a dismissal from a job, the need to care for loved ones. And the solutions need to be widespread too.

And, third, the policies to encourage delayed retirement need to be addressing workers

much earlier in their lives. They need to be addressing workers a decade or more before traditional retirement ages.

So I'm going to turn it over next to the panel. My co-editor, Lisa Berkman, is going to lead the panel. I'll let her introduce our panelists who will I think have many interesting things to say about their experiences and what they know about this. (Applause)

MS. BERKMAN: This is a real ode to a wonderful organization on the part of you all. While everybody is seated, I want to say how much I enjoy being here today and how important it is. I'm Lisa Berkman. I'm a professor at Harvard and I'm going to have Gary Burtless, Courtney Coile, and Richard Freeman here, all talking about chapters in the book that they have worked on and some general issues. We could have chosen ten other people as authors, and many of them are in the room today, and we thank you very much. We hope you'll have an opportunity in the roundtables afterward to speak with some people.

But I'd like to start off with just brief introductions by each of you if you could. Just a little bit what you do, what your chapter was, and then we'll turn to some more general questions.

So, Gary, do you want to start us off?

MR. BURTLESS: I'm Gary Burtless. I've been a Senior Fellow here at Brookings for too many years to recall. And I have been working on issues related to income distribution and retirement and old age labor supply and withdrawal patterns for quite a number of years.

MS. COILE: Okay, my name is Courtney Coile. I'm a professor of economics at Wellesley College, also affiliated with the National Bureau of Economic Research where I co-direct the Retirement and Disability Research Center. I have been interested in retirement for a long time. In fact a little profile of me that ran in our alumni magazine many years ago said Courtney Coile is 33 and she thinks about retirement every day. I'm not 33 anymore, but I'm still thinking about retirement every day. And I was just delighted to be part of the project. So thank you both for inviting me.

MR. FREEMAN: I'm Richard Freeman and I'm a professor of economics at Harvard, labor economics. And I originally was not interested in this project because I refuse to admit I'm getting older, and I was convinced by Beth and Lisa that I actually had something to say about the topic. And what most concerns me is the issue that people are planning for retirement under circumstances as if the

economy is going to be full-time employment for everybody, no real crises, and that they are — near retirees, older workers are very vulnerable to tolerable shocks. And of course the shock that occurred taught us all is the Covid shock. And that raises very different questions than I think have traditionally been examined in this area.

MS. BERKMAN: Great. Thanks.

Okay. Well, we'll start off with our first question. We're going to talk a little bit about what do you think are the major barriers that people face when they think about delaying retirement and wanting to work longer. There are any number of them, but in your experience or your work, what do you think is the most important?

And I'm happy to go just sort of down the line and back again, but I'm also happy for us to start to engage if you want to ask each other questions or respond.

MS. FREEMAN: Go ahead, you're the expert.

MS. COILE: Well, actually, I think Deb gave us a great list and Beth kind of hit the same high points. When I think about important barriers to people's ability to work longer, the topics that come to the top of my mind are poor health, poor labor market prospects, and, increasingly, caregiving demands. So unfortunately, it's a lot easier to just name that list than to come up with solutions to each of those, although I think Deb gave us again a sort of inspired list of places to get started. I'm happy to elaborate on any of those, but I'm curious if anyone want to add.

MR. FREEMAN: What I take away from this project is that the working longer covers perhaps half of the workforce. And we have no real policies for the other half and the other half consists of blue-collar people whose bodies get worn down, people who face diseases that — unexpected in the Covid kind of situation. And the caretakers that you mentioned — I'm a health woman and it's my parents who get ill or my husband gets ill, why a lot of burden falls on the women.

So I would just say this policy only holds for half of the workforce and we have grievously ignored the other half.

MR. BURTLESS: While I was listening to the discussion, it occurred to me that there is a feature of human life that is very hard to debate, and this is that the older we get, the increased risk that we will be struck down by some disease, serious disease, perhaps long-lasting disease, or become

injured in a way that makes it impractical for us to continue our career or only continue it if we have an accommodative employer. And this is a particular problem in a society where health insurance is still mainly provided through employment with generous employer subsidies to make health insurance affordable to people. So that means that employers are placed in a position of having to consider when they're going to hire someone, when they're going to promote someone, when they're going to keep someone on the job and lay someone else off, they have to be cognizant of the fact, how much of a burden is this person going to represent for our health insurance program.

So a really serious problem for the United States not shared by many other rich countries is the simple fact that disease is costly, injuries are costly, and an employer insurance plan is going to be left with bearing a lot of those costs. Of course the families are going to be left with a lot of the risk too, but this arrangement pushes employers to consider how expensive someone is when they hire them or when they dismiss them.

And so it seems to me that one of the reforms that would help this particular problem is health insurance provided in such a way that it is not linked to employment. That's number one.

Number two, a lot of the people that Beth pointed to that had either intermittent or not career earnings when they're in their 50s, Social Security is not going to be a very good remedy for those people because of the way it replaces some share of your lost earnings when you get old. If you haven't had earnings for a substantial part of your career, you cannot expect very much from a system that rests on that particular logic.

So we do need to have I think a Supplemental Security Income program that is much more linked to what modern costs are and hand out people's eligibility for that kind of benefit in a way that is more up to date than the system that we currently have.

And, finally, I would say — and I would agree that there should be mandatory offers of participation in a workplace retirement plan for private employers. Almost all public employers already have this, but that is another issue for people who have a sustained career but do not accumulate any rights to retirement benefits in addition to Social Security.

MS. COILE: If I could just piggyback on a couple of those points real quick.

MS. BERKMAN: Yeah, yeah, go ahead.

MS. COILE: So I completely agree with your first point about the disadvantage of setting up our healthcare system in such a way that health insurance is employer dependent. And I just wanted to sort of add a little grace not there that it's literally a matter of life and death. Some of the research that I've done with colleagues at Wellesley, Phil Levine and Robin McKnight, which you guys were kind enough to cite in the introduction, shows that when people experience late career employment shocks, job loss, or the kind of things that we've been talking about here, that is actually associated with shorter longevity, right, with earlier mortality. And so the mechanism that we point to in that research is the loss of income, but it's also the loss of health insurance and access to healthcare when people in their late 50s and early 60s, a time when as we all know a lot of people are dealing with chronic conditions or new cancer diagnoses or things where timely access to healthcare is literally a matter of life and death.

And to your last point about retirement savings, again, couldn't agree more. I mean my point to the example of the UK where they've implemented mandatory — the kind of thing again that Deb was talking about that some U.S. states have done, where all employers are required to have a kind of auto IRA program that they enroll their employees into meant to hit that half of the workforce that historically has not had an employer sponsored pension. They rolled that out in the UK starting with larger employers and all the way down to firms of two. So it can be kind of I think if you point to their example, you can see that this can really be done successfully in firms of all sizes if it's a policy that we choose to adopt.

MS. BERKMAN: Richard, do you want to add?

MR. FREEMAN: Yeah. I was thinking as — talking that this society is the most unequal of any advanced country by far. We're looking at this through period 50 to 65, if you get there, and I just wonder if any institutional reforms in a society that is so unequal is actually going to be able to solve the problem of the people who are in the lower half of the income distribution — or whatever it would be. And that the real solution to this — the discussion of insurance, health insurance, do we need a national health insurance as the — that starts from the very beginning, doesn't just cover older — something special for older people in some supplemental way — do we need something to reduce the income inequality or else every policy we're going to come up with is not going to make the boat. And that's a bit of a scary thought because to get the U.S. through from the lowest — virtually the highest in the Western

world to just the middling point would cause — I don't know — sort of semi revolution. And then we're just going to be troubled by this and there's going to be the people who die at 65, paid all their Social Security and taxes, they were working, they got caught, something happened to them. And they really got ripped off. And then we got the people who couldn't work up to the period and they don't get any Social Security and we're trying to get something to help their lives, which we should. But it's just not going to solve the problem until the whole national problem is solved.

MS. BERKMAN: I think the issue of inequality is fundamental to all of this. I mean I think it's probably what motivated the book as we started to look at the statistics in many ways, is that there's almost this cratering of the middle. You know, when you have such rising inequality with many people on the very wealthy end and a large number of people in the lower distribution end, almost this kind of crater volcano of people in the middle that it's very hard to think about tackling the problem without fundamentally doing that.

I really like that the discussion has focused on solutions. We're going to keep going that direction.

I think one of the things that is so common in many of these reports is that as economists and social scientists and epidemiologists we've gotten really good at describing the problem with acute — you know, a lot of technical skill and we've got it kind of nailed in terms of describing it but thinking about what the solution is somehow the ball gets passed but it doesn't always get taken up. And so I don't mind at all that we conjecture here and actually, Gary, when you mentioned the health insurance I was thinking, you know, for somebody in public health that's so fundamental. And I think we actually underplayed that in the book. And, in fact, it is clearly an underlying fundamental issue for us to be thinking about.

But if we think now, if we think about if the policy goal is to make working longer a better option in midlife, you know, that we recognize, as Beth showed, that the issue is to keep people, and it may be part of the answer to the inequality issue as well, is the idea is to be able to enable people in their 40s and 50s and early 60s to be working at jobs. And we'll talk about later — or I'll talk later about what good jobs are, what fair jobs are.

Like what are some of the options that we have that you can think about that would



enable Americans to stay in the labor force? Like what do you think are the key elements that go into that?

MR. FREEMAN: I would say for the 40–50-year-old physical laborers or people — it's got to be better technology. That we need to do some serious R&D about how to make the jobs of these people easier. And that's what technology is necessarily all about, right. The technology is what makes the most profitable things. Some of those things do help people. You know, having a big machine that you can just sit and you could run even from your house, construction machine of some kind. That's possible and it may be profitable and good, but I would be encouraging a whole set of technologies. And we also do some technology things on disabled people. We do try to get it more I think tuned at younger people. So a disabled person can indeed contribute to society, have a job, and make a reasonable living.

But more money to go to that and, you know, around some goal that we want to make these jobs better for people.

MS. BERKMAN: So your goal is — or your hypothesis is that technology will enable people to work, not drive people out of the labor force.

MR. FREEMAN: yes.

MS. BERKMAN: Which is part of the flip coin of this.

MR. FREEMAN: Yes. Yes. Yes.

MS. BERKMAN: Other thoughts?

MR. BURTLESS: A number of years ago, in a book that I helped edit, Martin Baily did research on what proportion of jobs have heavy physical requirements. And over the long haul, you know, over a very lengthy period of time, the proportion of such jobs has declined. It's not disappeared, we still clearly have a lot of jobs that require physical effort and so forth. But the trend has been toward requiring less. But my impression from reading a lot of my colleagues who study working longer is that the intellectual demands of jobs have tended to rise and that has adversely affected the employment prospects with less schooling, less skill, less intellectual capacity to deal with complicated kinds of jobs.

And so we have a — at the same time a set of trends that is making it easier for people to work with less effort, but on the other hand, harder for them to work if they have less skills to address that work. So what can we do about that? I don't know, but it seems to me that a lot of the solutions that

we look for, or we have to look for, for people who are not going to enjoy improvements in their living standards as a result of overall technical progress is to make, you know, something like guaranteed income, which is what the Supplemental Security program is supposed to do for the disabled and for the aged. But that program just unfortunately has not been reexamined very much over the last 40 years and the result is that the eligibility standards to get benefits under the program are keeping many, many people who probably need help from getting that kind of help.

You can expect a program like Social Security, that is aimed at replacing a generous proportion of your earned income for low earners, to provide generous income protection for people who have very low earnings because 80 percent or 85 percent of a very low salary or average salary is not going to be a very good standard of living in old age.

MS. BERKMAN: That's very helpful. Both of those are good ideas.

Courtney, do you have thoughts about this?

MS. COINE: Well, I was going to say my own inclination would be to take the conversation a little bit of a different direction, talk a little bit about age discrimination, but I'm just going to ask, if you don't mind me turning to you, I really loved the policy chapter that you all wrote at the end of the book. And I was thinking any time I'm at a thing where I need to talk about policy stuff, I'm just going to reread this chapter and there's a lot of really great stuff in here. And one of the themes was about just promoting good jobs, jobs that are good for older workers, are good for younger workers. And I think that's a lot of the answer.

So, if it's okay, would you remind us of some — for the people who haven't seen the chapter, some of the bullets of what's a good job? And then I'd be happy to —

MS. BERKMAN: Yes. Sure, sure.

I can go into it a little bit. Now, I'm actually planning on —

MS. COINE: You may be — okay, well, I don't want to —

MS. BERKMAN: Going to do it at the end.

MS. COINE: Yeah. Okay.

MS. BERKMAN: Because it is sort of — the way that we had sort of thought about this is that we would have the panel, we would sum this up, deal with some questions, and then end with

potential solutions. But I do think the essence — a lot of the essence is good jobs —

MS. COINE: Yeah.

MS. BERKMAN: — and the creation of good jobs. So one thing that I would push back a little bit is — or have some more discussion about — is about the technology, because we have a project currently now with Erin Kelly at MIT, where she's leading this actually in warehouses. And one of the issues is not so much that it's really heavy labor of lifting, it's not like physically labor, but the timing and the pace and the pressure of it is quite demanding. It makes a very, very demanding job, the hours of the job. But in this case, technology is half a friend and half an enemy for workers. I think that's how they — that's what their perspective is. And I wondered, you know, that there is a monitoring system and an expectation and, you know, the original concept of job demands actually had to do with pacing on a floor as there was kind of widgets coming out and whether somebody could pull the whistle and stop the machine and make it flow or whether they could control the pace of work. And I think part of what happens with technology now is it has the potential to make the pace of work very challenging and make it physically demanding when it's not actually the — you know, it's not lifting, it's not like from taking cars off boats to containerization, which actually was a very good technology, right, and made jobs much easier. It's something that has a mix. It has a mix to it.

And so I guess I wonder what your thoughts are about this technology a little bit more in terms of both the risks — you know, the upside and the downside. I guess that's kind of the reality that I'm wondering about.

MR. FREEMAN: There's an interesting shift in some of the robotic stuff. When you just phrased it about some of the issue may be — I wasn't going to say may not be right. But I would have said before I heard your comments that have what they all co-bots, which are much more like tools that a worker uses. They're not a big giant physical thing, which also engages people's — because if it goes wrong, it's — it can fall on somebody or whatever. So it's much more like having a better tool. And now you're a blue-collar person and, yeah, you want to work with better tools. You control the tool and so that's the push on the co-bots. They've been growing quite a bit because it turns out workers prefer that to some big machine that looks like it's replacing them, to having a tool that makes them more productive.

What I don't know is the speed — and I sort of thought of it as being it's almost like the

worker has a little computer, he's telling the arm or whatever it is, okay, bang this down ten times, et cetera. And I thought that as being an easier job, but if it is the speed requires that the worker be super attentive and they're getting older and then they can't be as good a driver as somebody younger, their reflexes just aren't going, so I supposed we just have to look for the technologies that accentuate their reflexes, help them do an activity, as opposed to obviously replacing them. And I'm not sure now where the co-bots stand.

MS. BERKMAN: Yeah, yeah. But I think clearly enabling technologies have the capacity to be really helpful. Probably the issue is control, and scheduled control and controlling the pace of it. You know, it's sort of who sets up the demand and the pace in this.

But I also think this issue of Supplemental Security is in some ways also really fundamental. That there are some ways in which not everybody will be able to be fully employed and we still need a way to provide financial security for them. I mean I think that probably is the common goal. So that's helpful.

So let's turn for a minute to retirement policy. I mean I think this is the way that most people approach the whole topic and don't even think about the jobs kind of side.

So when you think more directly about improving retirement security and you think about the solutions that are really promising — I think, Gary, you started to mention some of them and certainly employer based contributions, apart from Social Security are key — but what are some of the things that you think of both in terms of Social Security as well as other potential sources of retirement income and solutions for Americans?

MR. BURTLESS: One way to think about the objective is if some portion of the population did work longer, it reduces the burden of the general population for supporting old age programs. So that is actually fairly — the mathematics of that is fairly clear. Now, the gains in the United States do not come automatically because if people retire at older ages at the moment any time between 62 and 70, the fact of the matter is they receive a higher benefit that is approximately the same in value is what they'd given up as a result of the delay. So there's very little net benefit for the Social Security system of people working later. There is a gain for the economy at large, there's a gain for the income tax system. The income tax system raises more revenue from earned income than it does from Social

Security benefits, but it's not automatic.

But for the general fiscal situation of the country, if we had a larger population employed between 60 and 70 or 72, that does lessen the burden of population aging compared with what it would be if everyone's retirement behavior were the same as we observed back in 1990, let's say. Since 1990 there has been a very sizable increase in the percentage of people past 62 that are working. That's true for men, even though if you look at me between the ages of 25 and 54, so called prime age men, participation rates, employment rates have declined over that period. But for men who are passed 62 there have been sizable increases in employment rates and the same has been true for women.

So whatever it is, whatever the magic is that is pushing people in that direction, people are — there's an important segment of the population that is working later and I think it's good and I think most of the people who are working longer think it's good. There's a notion that a lot of people are working, you know, in salt mines and they can get out that would make them happy. But that's not really what the statistics look like. What the statistics look like it's well-educated people who presumably do have some choice, they don't need to retire later in life, but they welcome the opportunity and they do work longer.

The way we've reformed Social Security has increased the incentives to do that because nowadays if you wait until 70 to claim Social Security pension, you're receiving a pension that is considerably bigger, like 80 percent bigger than it would be if you claimed it at the earliest claiming age, which is 62.

So there's a real financial payoff to you, but there's this wider fiscal benefit that society has also gained from people working later in life.

MS. BERKMAN: That's great. I think you pointed to the importance of the heterogeneity of this.

MR. BURTLESS: Yes, yes.

MS. BERKMAN: That there is not one size here that's —

MR. BURTLESS: Your chapter with Beth and Alexandra is the best one, making that heterogeneity plain to people who read the book and read your chapter.

MS. BERKMAN: Well, thanks. But, yeah, I think that was in some ways a — you know,

like we were shocked at how big the differences were in some ways.

Courtney?

MS. COINE: Just to add on a few things.

So I mean one thing that we can and should do and maybe pointing to the chapter in the book that talks about the uncertainty that younger people and middle aged people feel about the future of Social Security and this date of Trust Fund exhaustion draws ever closer and Social Security does not quite seem to have made it to a front burner policy issue right at the moment, although it seems like that date must be come soon. I mean that it will be back on the front burner.

MS. BERKMAN: That's for sure, right.

MS. COINE: I don't know what we'll do when it gets there. But, you know, that that's a — you know, of course you and have all these silly studies that say people think it's more likely that we're going to have an alien invasion than they're going to receive Social Security benefits. None of us think that's true, but it does point to the fact that people have a lot of probably confusion and anxiety about this. So that's not changing the — or I mean it could be changing the system, but that's just kind of giving people more confidence about the benefits to which they're actually legislatively entitled, but currently the means don't exist to pay what's legislatively entitled. That seems like kind of a — not an easy task, but for sure a place to start.

And then once changes are being made, I think there has been a lot of talk, for instance, about boosting — like having some kind of minimum — more robust minimum benefits. So it does open up the possibility to tinker I guess I would say with the kind of system in a way that maybe benefits those that are the least well served I guess by the current system.

MS. BERKMAN: Great. So you hold out the option that actually the bottom line could increase, that people could get paid more?

MS. COINE: Well, I guess it's a question if you're going to boost up the bottom how are you paying for that, right. Are you paying for that by making some other adjustments in the formula elsewhere that is effectively going to be taking from people who are a different group in terms of lower benefits or increased tax revenues or — you know, obviously it's something to work out politically how we're going to pay for getting the system more solvent.

But I think coming back to the idea that in OECD a lot of these countries have raised retirement ages as we have. I think it's not something that — I don't think any — I don't want to speak for other people — but that anyone's sort of inherently hostile to because there is that logic, if we're living longer these years have to be paid for somehow and maybe you don't want to assume a year of life means a year more of work life. But some fraction of that does maybe seem reasonable for the average —

MS. BERKMAN: To think about.

MS. COINE: You know, we see the fall off in people's work in their 60s is so much more dramatic than the fall off in their health. It's not — you know, a lot of retirement that's happening in the 60s is not —

MS. BERKMAN: Yeah, it's clearly more than health.

MS. COINE: — health related. Yeah.

MS. BERKMAN: I think we came in with a lot of the expectation that health was like the driver in this and left with the thought that it is a driver of this.

MS. COINE: A lot of people have —

MS. BERKMAN: But a lot of other issues go on.

MS. COINE: Yeah. And a lot of people have the health capacity to work longer and for them —

MS. BERKMAN: Yeah. Yeah.

MS. COINE: And maybe even benefit in some ways by working longer. I mean it depends the kind of work you do, so.

MS. BERKMAN: Yeah.

MR. FREEMAN: I keep thinking about the working longer is great for the highly educated, white collar people who in the crisis can work at home and were protected and so on and so forth. And it just isn't the right way to think of the other people. And the heterogeneity point is I think critical. Imagine that we took a bunch of people, and we had somebody — your restaurant worker — okay — and we went back said and what could we have done, first, just historically for this worker so he would have a reasonable retirement, you know, period. And then it is the minimum thing that you said,

and I think it has got to be taxes on wealthy people — excuse me, maybe taxes on capital — excuse me — because if it's going to be taxes on equally poor younger people, you're not solving the problem.

And what I'm thinking of, and I wish I thought of this while the research was ongoing, but I didn't, was somebody could do a serious simulation model of here's the heterogeneous people and now let's take a few of these people out and take a look. What policy would make this guy better off. And it could be a policy in the 50s and the 60s, could have been a policy earlier on. Now, think of a government that's more obtrusive than ours, so maybe it's got to be private organizations that do this. But if it was an all-seeing government, it could say, okay, restaurant workers, you get to 40, no, you're gone, it's a young — we do — I mean in athletics we of course allow people to go on as long as they want, but by age 40 they're almost all gone, and they look for something else. We don't have that kind of a message to people. Fine, do this manual stuff and — and also the athletes of course get very high pay, and they don't have to worry about their retirement.

But to think it about differently, would be very helpful because the heterogeneity is so important from everything in this book and all the research.

MS. BERKMAN: So are you holding out the possibility of other jobs? I mean one of the

—

MR. FREEMAN: Yes.

MS. BERKMAN: — issues is that people really do experience more than one job in their lives and even if they're trained to do one thing, whether you're a car mechanic or a doctor, you need to get retrained to do something else. And athletes and certain people will wear out —

MR. FREEMAN: Yes.

MS. BERKMAN: — body parts and need to do something else.

MR. FREEMAN: So what program would we have for the restaurant guy? At what point would we go to him — we being society, and say look, this job is going to put you in the grave or in the hospital of your heel — or I thought his knees were going to go on when you — and we think and we can prove with some evidence that that's going to be a big burden on the society and you're going to have a miserable life. And so what we want to do is offer you free — or we'll even pay you to be trained to go to another job. Then you could shift some of these people to working longer, but they have to be trained or



retrained.

And I think the Danes do a lot of this with unemployed people where you — okay, you're unemployed, now we offer you a training program for the kind of job that we think you can do, because it's got to be personalized to you. And then that's the way we're going to move you along and switch the people from the half that cannot benefit from working longer to people who could benefit.

MS. BERKMAN: All right.

Gary, you're taking notes. Do you have another comment?

MR. BURTLESS: Well, the age discrimination is very tough to do anything about because it's very, very tough to police the criteria that employers use to discharge workers or to hire workers. But it's worth reminding you, yes there is age discrimination in hiring and it's been I think richly confirmed in many, many randomized trials that show that this is a genuine phenomenon, that employers are less likely to call back job applicants who are older than job applicants who are younger, holding constant the qualifications they describe in their resumes.

But there's something that's a little less mentioned in these kinds of talk, and that is what happens to people who get fired. Now, you might assume that the people who get fired are going to be the older workers. I don't think that that's really borne out by the statistics on job turnover. And I think the reason is that along with your age comes your job tenure. And longer job tenure in the United States often gives you a presumption of your going to keep your job if they have to lay off some people.

So it is certainly the case that in the Great Recession it took longer for people who were older to find new jobs and age discrimination probably was a pretty good explanation for that. But they also were less likely to lose their jobs. They certainly saw a jump in how often they lost their jobs, but that jump was not the same as the jump we saw among 20-year-old workers, 30-year-old workers, and 35-year-old workers. So they were somewhat protected by one of the institutions of employment in the United States, which is we tend to keep on people. If we're faced with a choice, we have got to reduce the staff by 10 percent, we tend to fire the people that were hired more recently because they firms feel like some loyalty to the most long —

MS. BERKMAN: Senior.

MR. BURTLESS: The most senior workers.

MS. BERKMAN: That's very interesting. It also points out another area for work.

So I'd like to — there were a lot of questions that were submitted to Brookings, and we don't have time to go through all of them. But there was an absolute cluster that circled around like what do other countries do better or what are some of the solutions that we might look at from other countries.

So I wonder if we could spend a couple of minutes on that before we end the panel.

MS. COINE: Let me jump in and just off the top of my head, I mean still on the age discrimination point, I think one thing would be to look at other countries' models there and see if there are stronger age discrimination protections. Not something I'm an actual expert in per se, but I have — I'm working with some colleagues in the UK and they — I trust that they understand the UK age discrimination quite well and they assured me that this is sort of not a thing there, that they've had some recent reforms and that labor demand is sort of not a reason why people — preventing people from working longer. So kind of trying to understand maybe some of the differences. Because to stay on age discrimination for one second and add to something Gary said, we have really good evidence, as he said, about the hiring piece, but it's really much harder to peer inside the employment relationship and understand what's happening at sort of other points besides hiring. You know, we have workers very strongly believing that they're treated in ageist ways, and we have evidence of ageist stereotypes. So you have kind of like all these pieces that are strongly suggestive that there's age — and I'm not saying there isn't, but it's just much harder to get the kind of same compelling evidence that we have on the hiring.

So, anyway, I think that would be an interesting piece.

You know, some countries have things that allow people to combine work and partial pension receipt more easily than we have. But I'm not sure whether that is something that I would recommend or not. It tends to kind of work both ways. It can induce some people who might have sort of otherwise kept working full-time up to age X to exit the labor force earlier and begin to receive that partial pension. So it's sort of a mix whether that actually increases labor supply. But it might be an option that some people would appreciate.

MS. BERKMAN: Great. I would just add that we have a chapter on corporate policies and directly addressing age discrimination in the book — Peter Berg — and he's not here today, but it's

worth taking a look at that. It's a qualitative kind of look at in part on the kinds of experiences that he's had at firms.

MR. BURTLESS: Well, I would like to speak up for the United States.

MS. BERKMAN: Okay. (Laughter)

MR. BURTLESS: In this instance, I think the United States was the first country to reform its old age pension — first rich country to reform its old age pension system to give people incentives to work until later in life. Before the 1983 amendments really the Social Security benefit formula was very anti work after age 65 and some people would even claim was anti work from 62 to 65, but I would hesitate to say that. And what was special about 1983? Well, 1983 was the end of one of the — well, was the end of the worst recession up to that time in the post war era, not just in the United States, but also in Europe. And the European response to this great crisis — you know, employment crisis — was to try to push their older workers out of the labor force, which they thought and hoped would open up more positions for young people to find employment. And of course that would have been a very strange notion for the United States at the same time. So we had this terribly high unemployment rate, and we scheduled in changes in the system that greatly increased the payoff to delaying when you retire.

And I think with a lag, the European countries followed that pattern. They thought more — they took a harder nosed attitude. What would be fair to reward people for working longer, because after all, they were being robbed of — people who delayed retiring after a certain age in Europe often just — they lost the benefit and there was no compensation to them. So I think in this score, the United States actually has been more — has given some guidance to other countries notwithstanding the fact that we still leave many people who've had checkered work histories up through the time they retire. We leave them with very low living standards in old age.

But in terms of the living standards of the elderly versus the non-elderly, the United States actually ranks pretty well in terms of how well off our middle-income older people — they're pretty well off in the United States. It's the notion that there's a lot of destitution. Look at the 1959 poverty statistics for the United States, look at the 1969 or even '79 statistics about what the distribution of the elderly was compared to the non-elderly. Compared to those statistics, the elderly fair very well in the United States compared with non-aged households.

MS. COINE: It's certainly true that as Social Security grew over the 20th century that's been associated with the dramatic decrease in poverty. And child poverty is a bigger issue than elderly poverty. I agree with everything that you said that actually a lot of other countries have reformed their systems to look more like ours.

It did occur to me, one other little way in which we could maybe take a lesson from some other countries. As I was speaking before about the challenge of dealing with the solvency issues and kind of the tendency of politicians to kick that can down the road, a couple of countries, Sweden and Germany come to mind, have made — when they did a reform to their system, they did it in such a way that — there are built in adjustments that happen automatically going forward as life expectancy changes or as the solvency of the system changes. I mean obviously you have to think carefully about what those adjustment mechanisms are because it could be that you've agreed to a formula that's going to kind of like make the benefit, you know, really, really dwindle over time or something. But the idea of kind of doing the painful thing once and then kind of having it adjust automatically rather than kind of having politicians need to come back. Because when the 1983 amendments were passed, the system was going to be balanced for 75 years, but we're almost 40 years past that and that's — now we're into a window where the system isn't balanced.

So that's just to get around some of the political challenge of coming back.

MS. BERKMAN: No, those points are both true and well taken.

MR. BURTLESS: We do have national health insurance in the United States, I neglected to say. We have it for people who are 65 or older.

MS. BERKMAN: Yes, yes. Absolutely.

Okay, Richard.

MR. FREEMAN: Yeah, I just think the value of these gradual changes is very important. And if you ask for the U.S., we've done reasonable there by allowing people to work a certain number of hours as part of their — and not lose their Social Security.

MR. BURTLESS: Or even anything.

MR. FREEMAN: Yeah. So in any policy thing, if — make a zero one, is sharp and painful. And it's always better to do something that is more gradual, and it's built in as part of the process.

And then it turns out the world has changed in a tremendous way. It's again better to make gradual changes than to suddenly tell people, nope, we're going a completely different direction.

And I'm not sure how politically, you know, what these — because then you're turning things over to the statistics and to the agencies, their expertise, and you're saying, okay, you guys make the decisions within this bound of possibility. But I mean almost any economist would say that's a better way to make policy than jumpy policies.

MS. BERKMAN: Excellent. Okay. Well, thank you all. I want to close our panel now but thank you for a really stimulating discussion and I would say a not hopeless one that often these discussions start and end in a rather dismal way, even for an economist (laughter). In this case I think we are pointing to lots of potential solutions and lots of common ground, I think, of understanding where solutions lie.

So I thank you very much. And I thought at this point I would step off and just talk a little bit about policy solutions and sort of the end of the chapter, which Courtney so nicely and unplantedly led off with. So thank you very much. (Applause)

So this has been really a great discussion and very helpful I think for all of us. I missed actually of the three of you speaking, I kept thinking, oh, well there's this chapter and there's this chapter, and you ought to look at it. So without giving a totally shameless plug for the book, I actually want to give a shameless plug for the book because it really actually complements I think many of the discussions that we have.

But I want to close a little bit with a discussion of policy options. And I want to say at the beginning that we had a long talk about whether we should have a chapter about policy at the end, that often these books end with a lot of really good detail, and I said a lot of description that's quite accurate and really leads you towards understanding what the problem, but not so many solutions.

So Beth and I got together, and we actually started to think about how to shape this policy chapter. And we went through a couple of things about whether it should be a consensus of all the authors or not and we actually decided that this wouldn't represent a consensus, that we want to acknowledge that there was a real diversity and wonderful conversation through this book that made it one of the most stimulating experiences that I've had. Like it's just wonderful to disagree with the folks

around the table as we were doing these chapters.

I also want to say we have a lot of common ground. It's not like we had huge disagreements about this. I would say we agree almost unanimously about what the problem is, and I think it's really fair to say that there is a lot of really good discussion about what the solutions are, that nobody exactly knows what the solutions are. So what we've tried to do is really take a crack at what we think are some possible solutions, understanding that we've done this based on the best evidence that's out there. Sometimes we did it quite systematically, sometimes it's not as systematic and we've just taken what's out there. And we want to acknowledge that there's real diversity here.

But one of the things that is really clear and will end with the retirement, but I want to say that the surprise of the book has been that really, as Beth said in the beginning, that labor policy is retirement policy, that often these things sit in two different worlds with two different sets of people, like this is the group that does retirement, this is the group that are like labor economists looking at jobs, and they don't really get together to talk about how we can come up with a solution. And so fundamental to understanding how people can work longer in the United States is to understand what a good job is and to create more good jobs. And this I think at this time and in this place in American history has to be both a private and a public sector responsibility that corporations are essential to join in and understand this. And in many ways, since a lot of my job during the day these days is actually working on the corporate side looking at how businesses can have workplace redesign, is that often this turns out to be better for the bottom line. I don't think it will unilaterally be better for the bottom line. I don't think out of that it's absolutely said that there's still a role for regulation and NIOSH and all the groups that have regulated places. But it is surprisingly congruent with good practices that lead to better productivity.

So I want to say that often people throw out fair pay and benefits. We've talked about health insurance and retirement benefits as two of the essential things. And physically safe working environments as fundamental and basic. So we take that as a starting point. We don't dispute that, that's kind of given. But we want to say that there's more to a good job than these benefits. And as we've done work on this, and it's very collaborative work with Sloan School of Management at MIT and Erin Kelly in particular, we've come up with some dimensions of what creates good jobs that we think are really essential. And we want to talk about — I want to talk about each of them a little bit.

So control at work. So we've talked about this technology actually as both an up and a down. Having an autonomy, task variety, and increasingly this understanding of schedule control, turns out to be fundamental to what a good job is. When we talk about the Covid experience, often people talk about lack of schedule control as being one of the fundamental reasons that they left the labor force. Giving employee voice is another one. Paid leave is obviously an easy way that the public sector could have policies if there were a national paid leave policy. That would be helpful in this regard. But even on the corporate side there are many of these kind of issues, especially schedule control. I want to say issues around over work and under work, precarity, very unclear schedules, or where you're just in time asked to leave, asked to come. Those things wreak havoc on workers and workers' families. And so schedule control has become very fundamental.

The second are working on taming excessive work demands. So reducing time pressure turns out also to be a very big thing at work. Just in time scheduling, we talked about the warehouses, rapid pace of work is very hard, having long working hours. We've done research in a call center and IT industries that are global and, in those cases, where people are — especially during the time they were working at home — this idea of being on 24/7, of never being off or there's somebody awake in India and you're in the United States and they're on call and you're looking at emails and expected to respond quickly.

This 24/7 kind of mentality is also a pervasive one. And so taming work demands is really important. And there are a number of ways to do it. One of them is actually on the resource side, which is giving people more resources. The other is actually reducing the demands and the expectations themselves. And when people talk about burnout in occupations it often comes from this demand side, when the demand side is not sufficiently resources to be able to do this.

And third is improving social relationships at work. So often this was talked about originally as supervisor support. You know, you should have a boss who understands your situation and supervisor support is really important. It's a narrow way of viewing all the social relationships that we have at work. And incredibly, as work has gone on in this area — and there's a lot of work on health, on the impact of social networks on health, on both conflict and social isolation on health, that those work relationships are increasingly important. So co-worker relationships, building teamwork, especially for

people who are maybe older workers or marginalized workers, or underrepresented employees turns out to be very important. And for all of the service industries in the world, which are growing, there's a recognition, including all of healthcare, that client and employee relationships are really important. So if you ask people in nursing homes what it's like to work in a really hostile environment where people are angry at them all the time, or if you've ever worked in a store, a front-line store, retail and people get angry at you, managing client relationships is huge. So I think the world of social relationships is much more important in a larger sense than we've come to recognize.

And again, we have done work — I'm referring to this work well-being initiative, which is a study that was funded by Robert Wood Johnson, and in the end, we did a tool kit of best practices for employers, for corporate America to look at. So if you wanted to look at well, what do we know is the best design out there, here are the studies that actually were randomized studies that were kind of effectiveness and we could really evaluate.

So these are the three things that I think are really important when we think about good jobs. And I just want to emphasize that good jobs are critical obviously, but they're not enough. We've recognized that the other side of the coin is the retirement system and I think as a lot of people have mentioned — Gary talked about disability insurance systems or additional Social Security — that there are a lot of other things that we need to do to bolster having a secure financial retirement. And here we have outlined a couple. I should note that it's here where I would say we have a variety of opinions about what the solutions are for making Social Security more solvent. I think last night we had some discussion — John Shoven wrote a book on — wrote a chapter in our book on retirement that was really excellent. And it's really important to know that — you know, like Social Security isn't going bankrupt, but we — you know, if you ask my children, they think they're never getting Social Security. Like they're ill informed, they don't — you know, they go on some gut, but they think they will never get Social Security. And that what we really have is a solvency problem and a solvency problem is a solvable problem I we turn our heads to it.

So working longer has been, as best said in the beginning, the kind of gut reaction to how we can do that, and it's certainly a part of it. I think Gary is completely correct that a lot of people can work longer and should. And that goes a way towards doing it. We've also noted that there are other



places, like you could increase revenues rather than stopping taxation or keeping the tax level equal for earners above \$147,000. If you increase the taxation, you would actually make a huge dent in the solvency sort of issues. So if we had — if everybody paid the same amount and not the wealthy stop paying the same amount on their earnings, that might also help. That would undoubtedly help Social Security.

So we have a number of ways of helping to solve the Social Security solvency problem other than just by making everybody work longer. Like not doing it on the backs of people who are really unable to work longer.

The other thing that actually came up was to create universal, automatic, and portable I think is really key, retirement savings plans. Some unions have this, some workers have this, some companies allow this, but it is far from universal in the United States. And Social Security, as all of you in the room, was never meant to be the only retirement system that we had, but to create some kind of universal retirement savings plan would be another option, which Deb also pointed out too.

The other thing is to implement early interventions to help injured or ill workers remain attached to the labor force. And here again there are a number of ways to think about this. It's linked a little bit to improved Social Security Disability Insurance to minimize the insecurity and loss of work capacity. Here, as well as with this update on Supplemental Security Income, I think as Courtney pointed out, there are real debates about how this plays out. You know, whether this is a benefit, if we loosened up disability and allowed people to work some and claim some disability, or retire some and work some, would this turn out to be beneficial or not. And I think the jury is out, but certainly putting this on the table is a really important policy solution that would get us towards securing financial security for all Americans.

So those are some of the policies that we had. And I just want to say by conclusion and thanking everybody, that retirement policy and labor force policy are flip sides of the same coin, as we've said a couple of times now. Working longer is important, but an incomplete response to population aging. Nobody says we shouldn't have people work longer, that everybody who wants to work longer and can and is in an engaging job, people like us around the room, I think all want to work past 65 or 67 or 70 maybe, or even more than that. And it would be great to be able to do that. But social and economic inequalities put working longer in jeopardy for many — I think as Richard said, for half probably of the

population. It really becomes a precarious way.

And robust retirement and disability policies are essential complements to working longer policies and working longer policies must be supported by really good jobs policies.

So thank you very much for coming today and we look forward to having continued conversations. (Applause)

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

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Expires: November 30, 2024