

Ageism Robs Older Workers and Our Economy

Each year, my retirement-finance practice brings me into contact with hundreds of people who are considering leaving the workforce for good. For most it's a happy milestone; they look forward to that time of life we call the golden years.



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Increasingly of late, however, there is a different kind of retiree. The good folks in this category didn't really leave the workforce; it's more a case of the workforce leaving

them.

They've been thrust into retirement as victims of what might be termed America's last permissible form of bigotry: ageism.

The term was coined by Robert Butler, first director of the National Institute on Aging and author of a 1975 book with the despairing and somewhat prophetic title, "Why Survive? Being Old in America."

For present purposes we can define ageism as overt or (more often) covert discrimination against older workers. This a national issue with strong regional implications as the massive baby boom ages.

Pennsylvania is one of the most rapidly graying states. In the Lehigh Valley, the median age went from from 38.3 in 2000 to 39.4 in 2010 and now tops 40, according to Census data. More and more workers are grappling with ageism, or

soon will be.

'FORCED RETIREES'

The "forced retirees" I meet are among millions of Americans whose formerly smooth path to retirement took a sudden detour when the economy tanked in 2008.

Many were in middle management with decent salaries. Top brass at their former employers saw their layoffs as an easy way to shed overhead. Their lives since have consisted of a desperate attempt to find their way back to something like employment stability.

Either they can't get hired at all or they've had to take a succession of relatively menial jobs that help put food on the table but don't address the overall problem. (Two-thirds of older workers lucky enough to have found new jobs are earning less than they did in their previous job.)

In short, they have not been able to pick up where they left off, thus putting their attempts to accumulate a viable retirement nest egg further behind schedule.

Worse, many are raiding their 401k's or other retirement funds just to get by. Still others have filed for Social Security years before they planned to do so. Of course, this permanently freezes their benefits at a lower rate.

TOO OLD, TOO EXPENSIVE

These unfortunates have no illusions about why this is happening. According to CareerBuilder's latest survey, more than 90

percent of individuals older than 55 see their age as at least a contributor in their ongoing unemployment.

In a separate AARP study, almost half of respondents were convinced that they'd faced outright discrimination in their job search.

Their decades of experience translate to recruiters as “too old.” And too expensive. Again and again these luckless job-seekers have heard themselves described as overqualified, or were told they wouldn't be a good fit.

UNWELCOME

A younger interviewer may use hip lingo in front of older candidates that makes them feel awkward. They may be introduced to prospective supervisors who are decades their junior.

Bottom line, they get the coded message: They're unwelcome.

The stats bear out such cynicism. According to the U.S. Department of Labor, in 2013 the average duration of unemployment for Americans 55 and over was 53 weeks, compared to about 30 weeks for people 25 - 54.

GIVEN UP THEIR SEARCH

Nor can one dismiss the statistical impact of the very phenomenon we're talking about, wherein older Americans simply give up, take retirement and cease to be counted in unemployment rates.

These so-called discouraged workers over 55—who would love a job but have basically stopped looking—topped out at 272,000 last December.

There's a second group in this same sad boat: people who retired willingly before 2008 but then sustained devastating losses in the financial markets and needed supplemental income—but can't find work.

DIFFICULT TO PROVE DISCRIMINATION

This is a crime. Literally, in many cases, under the Age Discrimination in Employment Act of 1967.

But it's a crime that's hard to make stick unless employers leave themselves open in an absurdly transparent way. Most don't.

Although the number of age discrimination claims filed with the U.S. Equal Employment Opportunity Commission was up almost 45 percent between 1997 and 2012, very few claims prevailed. A Federal Reserve Bank study also shows state and local measures offer scant relief.

GRAY RIGHTS

Society today is all about women's rights and gay rights.

But what about gray rights?

These Americans fulfilled their part of the bargain. They have the experience, the desire.

Not a few of them slogged their way through the leech-infested rivers of Vietnam and returned home to a nation in no mood for parades that are now commonplace. But veterans and civilians alike made it through one of the most turbulent periods of social upheaval in American history.

Included, too, are the first bloc of what we then called career women. They built professional lives that continue to have value, regardless of what some relative upstart in human resources may think.

America needs their talent. And they need for America to need them.

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