Fact Sheet

Older Workers and Part-Time Employment

Jennifer Schramm
AARP Public Policy Institute

✓ Workers ages 65 and older are more than twice as likely to work part time as workers ages 25–64.
✓ Across all age groups, women are more likely than men to work part time.
✓ Reasons for working part time vary by age. Those ages 65 and older are most likely to indicate retirement and/or the Social Security earnings limit as their reason.

As more and more people work longer, in some cases well beyond traditional retirement age, the age demographics of the workforce are changing. In addition to having an influence on the overall age composition of the workforce, the growing share of older workers may also influence trends in how work is carried out because, as a group, older workers differ slightly from their younger counterparts in terms of working hours and class of work (i.e., private, government or self-employment). An example of this is that workers ages 50 and older are more likely to work part time.

Part-Time Work More Common among Workers Ages 65 and Older

The Bureau of Labor Statistics (BLS) projects that employment will increase by 11.5 million people over the decade 2016–26 and that by 2026 there will be almost 170 million people in the US labor force. This includes 42 million people ages 55 and older. The BLS also forecasts that the 65–74 and 75 and older age groups will have faster rates of annual labor force growth than any other age groups.

The US Census Bureau defines a part-time worker as someone who usually works 1 to 34 hours per week. Reasons for working part time vary across the labor force—from economic factors to time constraints stemming from caregiving or other responsibilities. Workers ages 65 and older are more likely to be working part time compared with workers ages 25 to 64. Approximately 44 percent of civilian workers ages 65 to 74 are working part time, compared with 19 percent of those ages 25 to 49 and 22 percent of those ages 50 to 64. Workers ages 75 and older are most likely to work part time (50 percent, as shown in exhibit 1).  

EXHIBIT 1
Work Status by Age

Demographic Differences in Part-Time Work

The highest percentages of both men and women ages 25 and older working part time are in the 65–74 and 75 and older age categories (see exhibit 2). Among all age groups, women are more likely than men to work part time. At the ages of 65–74, 53 percent of women and 37 percent of men who are employed are working part time. At ages 75 and older, 55 percent of women and 46 percent of men who are employed are working part time. Women may be more likely to have higher rates of part-time work across age groups due to a greater likelihood of taking on family and caregiving responsibilities.5

EXHIBIT 2
Part-Time Work by Age and Sex

There is little variation among race/ethnicity categories in the percentages of people under age 65 working part time (as shown in table 1). At ages 65 and older, White non-Hispanics are most likely to work part time (48 percent) compared with Asian non-Hispanic and Hispanic persons, who are least likely to work part time (30 and 32 percent at ages 65 and above, respectively).

Reasons for Working Part Time Vary by Age

The reasons for working part time differ by age (see exhibit 3). The most common reasons workers ages 65 and older work part time6 are retirement (i.e., from full-time employment) and/or the Social Security earnings limit. About 6 in 10 workers in this age group indicate that these were their primary reasons for working part time.7 Other reasons for working part time are more common among those ages 25–49 and 50–64. These include caregiving responsibilities such as child care or caring for adult family members, with 38 percent of those ages 25 to 49 and 26 percent of those ages 50 to 64 specifying caregiving as their reason for working part time. A workweek less than 35 hours and economic reasons, such as unfavorable labor market conditions and/or the inability to find full-time work, are also more common reasons among workers ages 25–49 and 50–64 compared with older age groups. Health or medical conditions are a reason for working part time among less than 9 percent of workers of all age groups.

TABLE 1
Part-Time and Full-Time Work by Race/Ethnicity

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>25–49</th>
<th>50–64</th>
<th>65+</th>
<th>All ages 25+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Part time</td>
<td>Full time</td>
<td>Part time</td>
<td>Full time</td>
</tr>
<tr>
<td>White non-Hispanic</td>
<td>20%</td>
<td>80%</td>
<td>22%</td>
<td>78%</td>
</tr>
<tr>
<td>Black non-Hispanic</td>
<td>19%</td>
<td>81%</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Asian non-Hispanic</td>
<td>16%</td>
<td>84%</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Other non-Hispanic</td>
<td>23%</td>
<td>77%</td>
<td>22%</td>
<td>78%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>19%</td>
<td>81%</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Total</td>
<td>19%</td>
<td>81%</td>
<td>22%</td>
<td>78%</td>
</tr>
</tbody>
</table>

ages. Very few workers ages 50 and older indicate school or training as a reason for working part time.

Job Class of Workers by Age

Across age groups, over half of workers—whether they are working part time or full time—are employed in the private sector. However, part-time workers ages 50 and older are somewhat less likely to work in the private sector compared with their younger counterparts (see exhibit 4). Workers ages 50 and older are more likely to be self-employed (part time or full time) than workers ages 25 to 49. Workers ages 75 and older are most likely to be employed part time. Thirty percent of these workers were self-employed in 2017. Overall, the self-employment rate has trended down over the past two decades.8

Occupational Categories of Part-Time Workers Ages 50 and Older

Part-time workers ages 25 to 49 and 50 to 64 are most likely to be working in service sector occupations (33 and 28 percent, respectively)
followed by professional and related occupations (24 and 23 percent, as shown in exhibit 5).

Part-time workers ages 65 and older are most likely to be working in professional and related occupations (22 percent) followed by service (19 percent); sales; and management, business, and financial (both 17 percent).

Part-time workers ages 50 and older are more likely than their full-time counterparts to be working in the service sector. It may be easier for some workers in this age group to find part-time work in services; some older workers may even transition out of industries in which part-time work is less available into industries, like services, in which they have an opportunity to work fewer hours per week.

Overall, the data on part-time work show differences among age groups both in the percentages working part time and the reasons why. There are also variations by age group in job class and occupational categories of part-time work. These differences suggest that worker needs, preferences, and opportunities may evolve across a career lifespan.

As the share of older workers in the labor market increases, employers may also need to evolve to offer greater time flexibility and/or other working options that will attract and retain this important demographic of their workforce.

### EXHIBIT 5
**Occupational Categories of Part-Time Workers by Age**

![Occupational Categories of Part-Time Workers by Age](chart)

3 While hours are based on the usual number of hours worked from all jobs, some exceptions are made for certain types of workers, who, though they work fewer than 35 hours per week, are considered full-time workers.
4 The only age group more likely than those ages 65 and older to work part time is ages 16 to 24, mainly because of school and training.
6 Social Security is the term generally used to describe the Old Age, Survivors Insurance program, or OASI, created by Title II of the Social Security Act of 1935. The Current Population Survey combines “retirement” and “the Social Security earnings limit” into one survey response option. Therefore, it is not possible to distinguish between these two factors as the main reason for working part time. The Social Security Administration reduces the benefits of workers who have not reached their full retirement age if their earnings exceed a certain threshold. Generally, this reduction in retirement benefits is temporary and amounts withheld because of the earnings limit are repaid over the worker’s life beginning at full retirement age.
Research suggests that the Social Security Retirement Earnings Test (RET) may influence some OASI claimants to retire sooner than they would have otherwise. Looking solely at those ages 62 to 65, whose decision to work part time is most likely to be influenced by the earnings limit, 40 percent are working part time due to retirement and/or the Social Security earnings limit compared with 57 percent of those ages 65 to 74, who are unlikely to be affected by the RET. See Alexander Gelber, Damon Jones, and Daniel Sacks, *Earnings Adjustment Frictions: Evidence from the Social Security Earnings Test* (Cambridge, MA: National Bureau of Economic Research, November 2015), http://users.nber.org/~agelber/papers/adjustment111915.pdf.