

# **Age Differences in Job Loss, Job Search, and Reemployment**

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**12<sup>th</sup> Annual Joint Conference of the  
Retirement Research Consortium**

**August 5, 2010**

# Research Objective:

## Compare Older Workers to Younger Workers

- Likelihood of losing their jobs
- Time to reemployment after job loss
- Impact of job loss on characteristics of future jobs
- Job search activities

# Survey of Income and Program Participation (SIPP)

- 1996, 2001, and 2004 panels
- 2½- to 4-year follow-up period
- Spans 1996 to 2007
- Respondents are interviewed every 4 months
  - monthly retrospective data collected at each interview

# Job Loss Analysis

- Person-month observations on wage and salary workers age 18+
  - self-employed workers are excluded
- Remain in the sample until they separate from the original employer
- Lose job if separate from employer because of layoff, slack work, bankruptcy, employer sold firm
- Estimate discrete-time hazard models of job loss
  - controls include demographics, job characteristics, job tenure, interactions with year and age

# Cumulative Probability of Male Wage and Salary Workers Losing Their Jobs, by Age

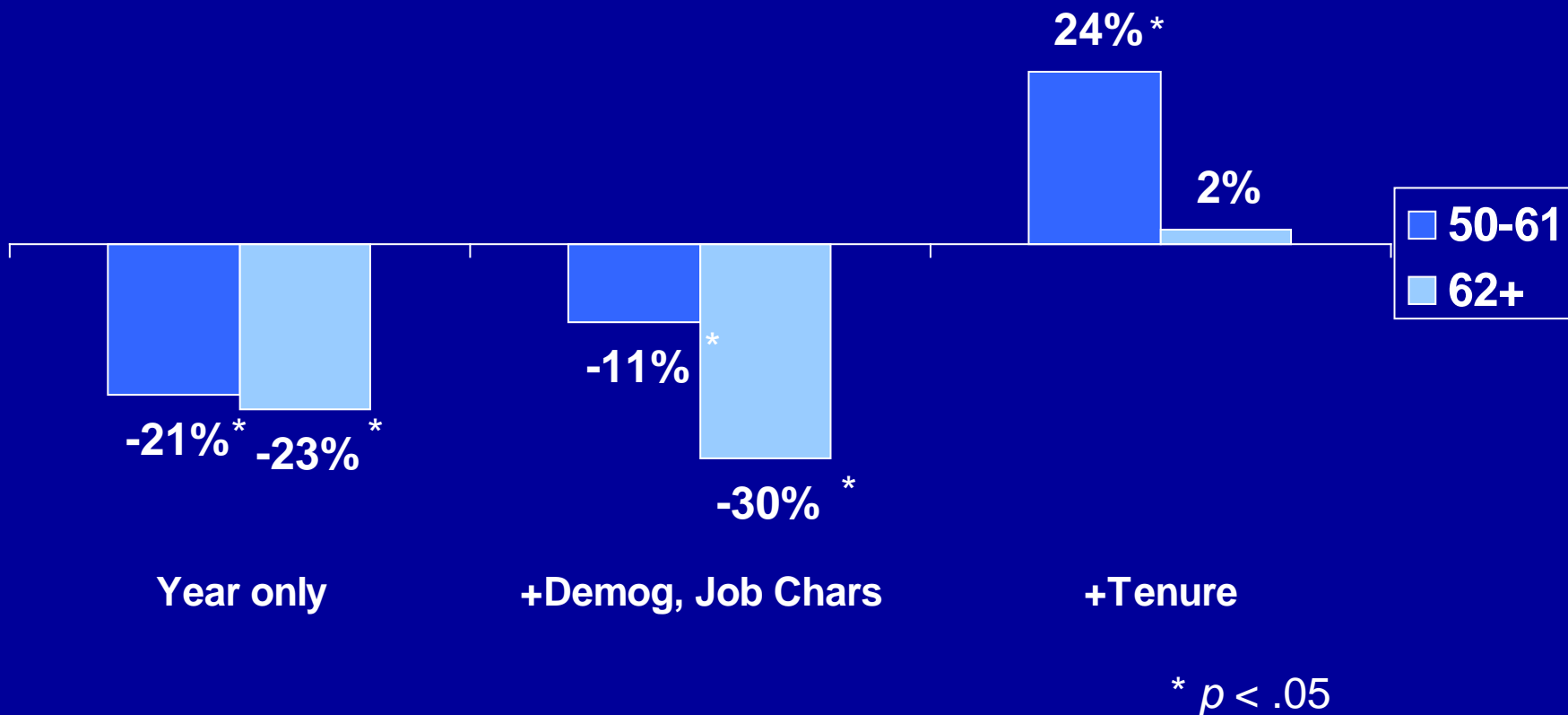


# Cumulative Probability of Female Wage and Salary Workers Losing Their Jobs, by Age



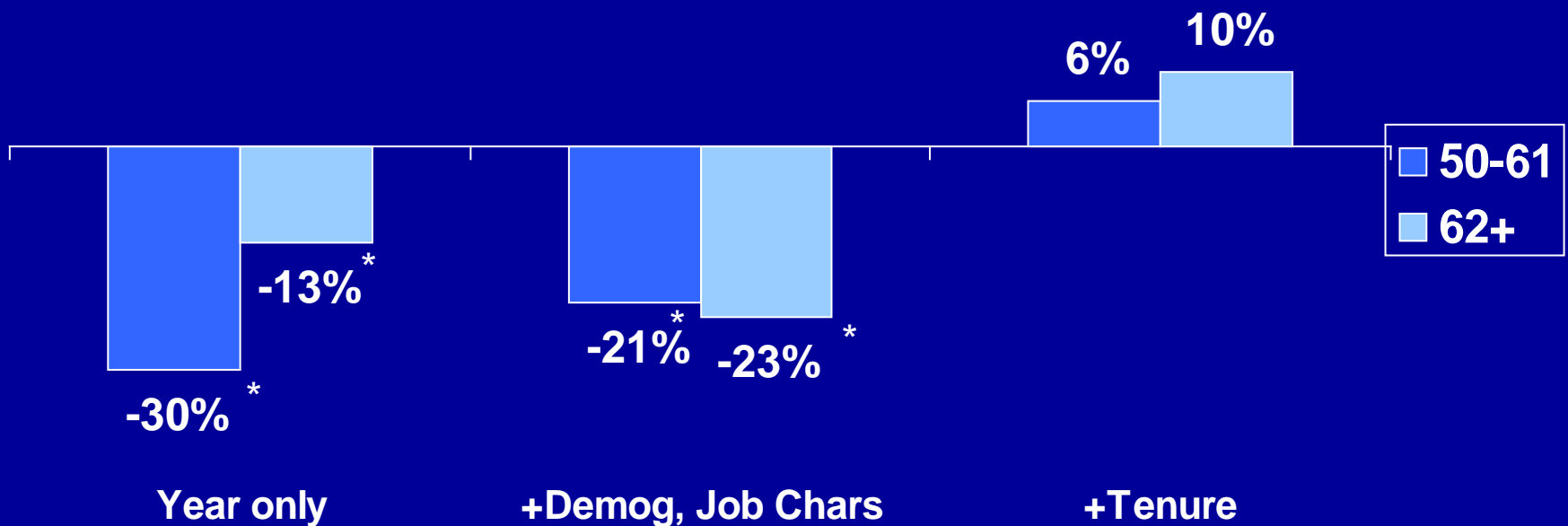
# Age 50+ Workers Are Less Likely to Lose Their Jobs, but Only Because of Job Seniority

Estimated Likelihood of Job Loss Relative to Workers  
Age 25-34, Men, by Presence of Controls



# Results Are Similar for Women

Estimated Likelihood of Job Loss Relative to Workers  
Age 25-34, Women, by Presence of Controls



\*  $p < .05$



# Other Job Loss Results

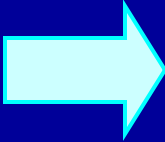
- Job loss is more common among:
  - African Americans
  - Hispanics (women only)
  - those who didn't finish high school (than grads)
  - those with fair or poor health
  - those working for small employers
  - part-time workers

# More Job Loss Results

- Job loss is less common:
  - for college grads (than high school grads)
  - union members (women only)
  - as wages increase
  - as length of service increases
- Being age 50-61 increased job loss chances for men much more in 2001-2003 than earlier years

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# Reemployment Analysis

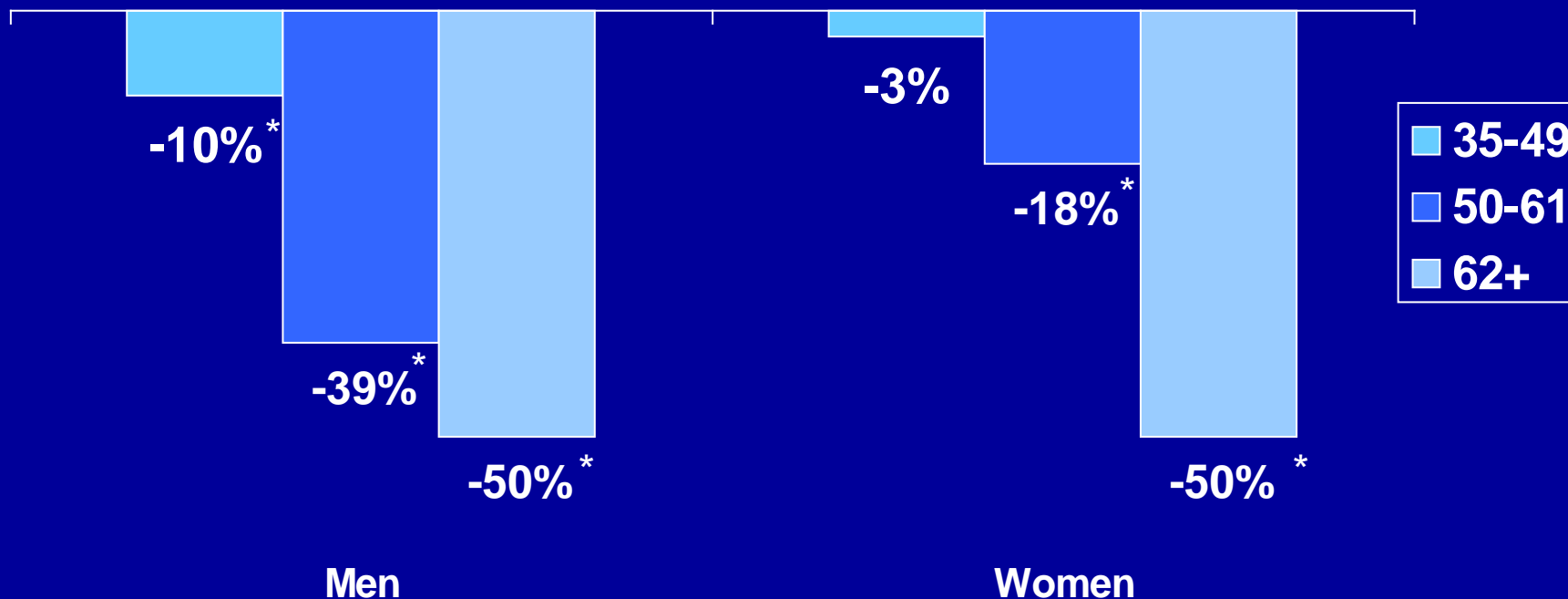
- Person-month observations on displaced wage and salary workers age 18+
- Enter the sample when we observe job loss
- Remain in the sample until they become reemployed or drop out of labor force or survey
- Estimate discrete-time hazard models of reemployment
  - controls include age, other demographics, year, characteristics of former job, economic status, receipt of UI benefits, no. of months unemployed

# Cumulative Probability of Displaced Wage and Salary Workers Becoming Reemployed, by Age



# The Chances of Becoming Reemployed Decline Steadily with Age

## Estimated Likelihood of Becoming Reemployed, Relative to Workers Age 25-34



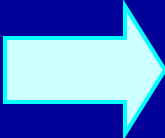
\*  $p < .05$

# Other Reemployment Results

- Reemployment is less common:
  - for African Americans
  - for Hispanics
  - for those receiving UI benefits
  - as months since displacement increase
- Holding other factors constant, there are no significant differences by education

# Research Objective:

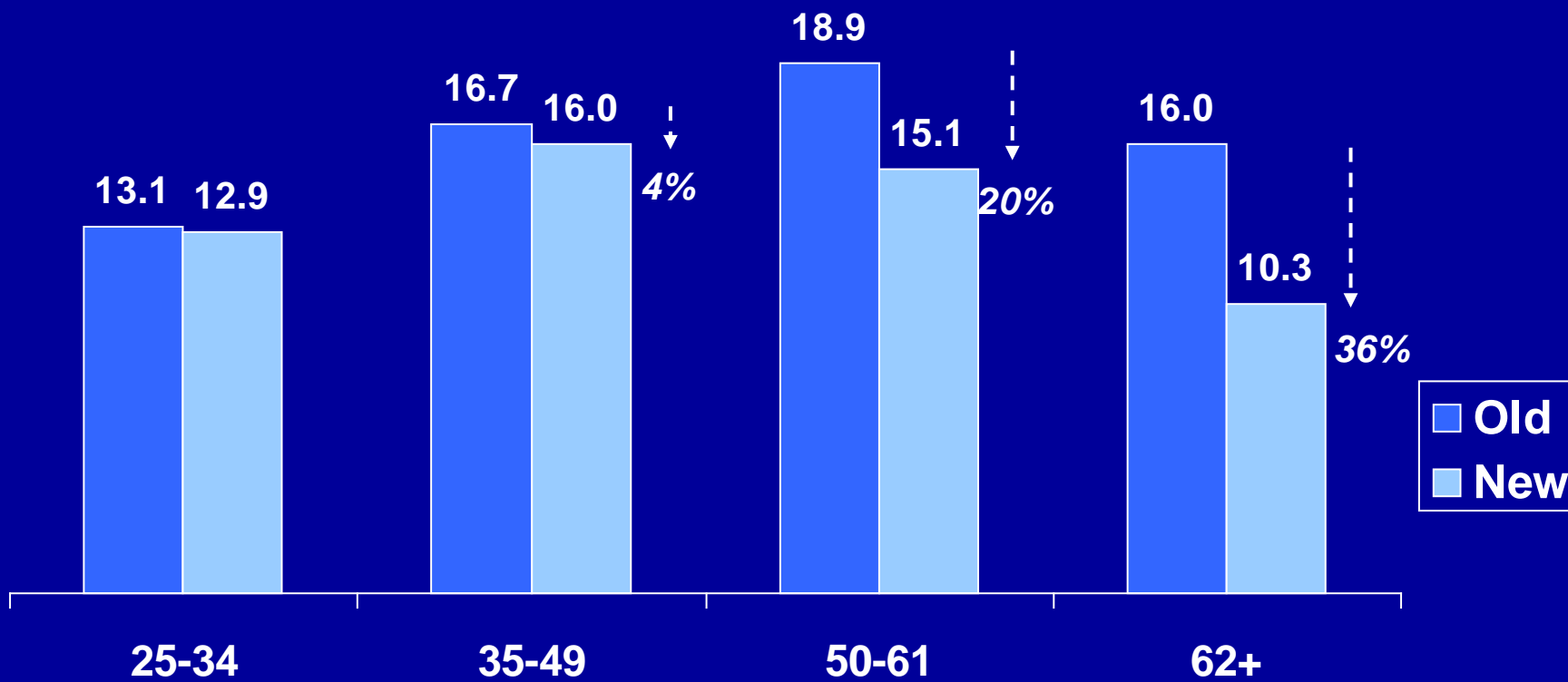
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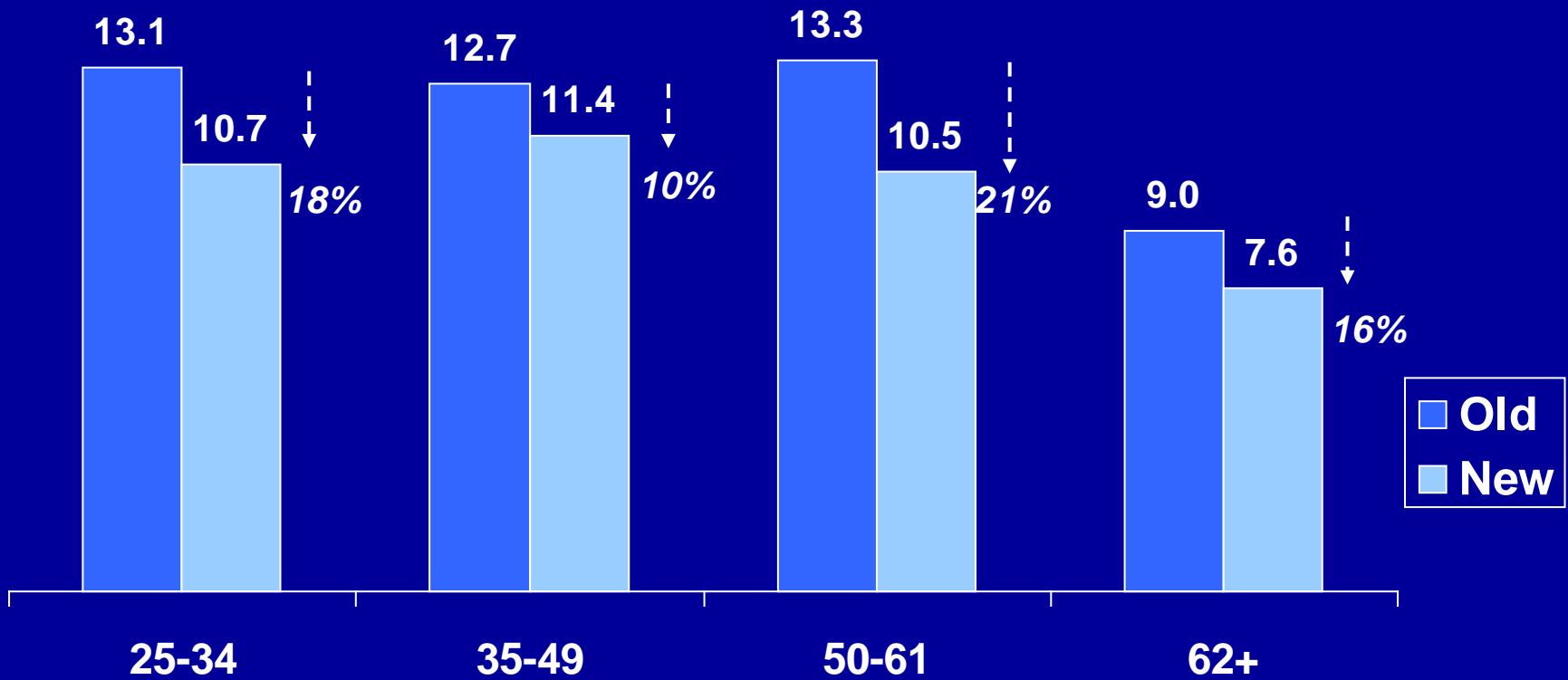
# When Reemployed, 50+ Displaced Male Workers Experience Large Wage Losses

## Median Hourly Wage on Old and New Jobs for Displaced Male Workers Who Become Reemployed



# Age Patterns of Wage Loss Are Less Consistent for Reemployed Displaced Women

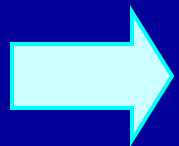
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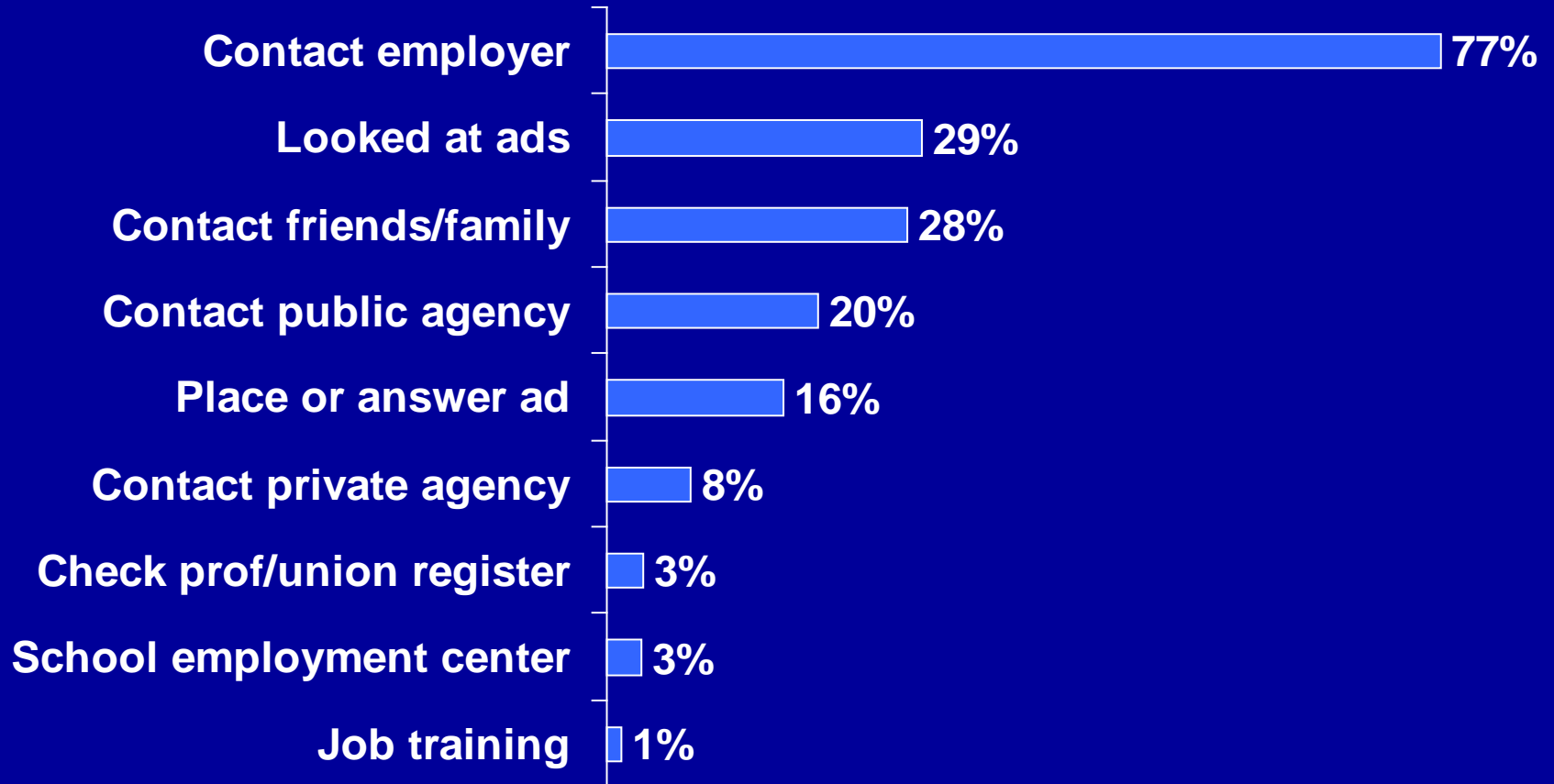


- Job search activities

# Exploration of Job Search Activities

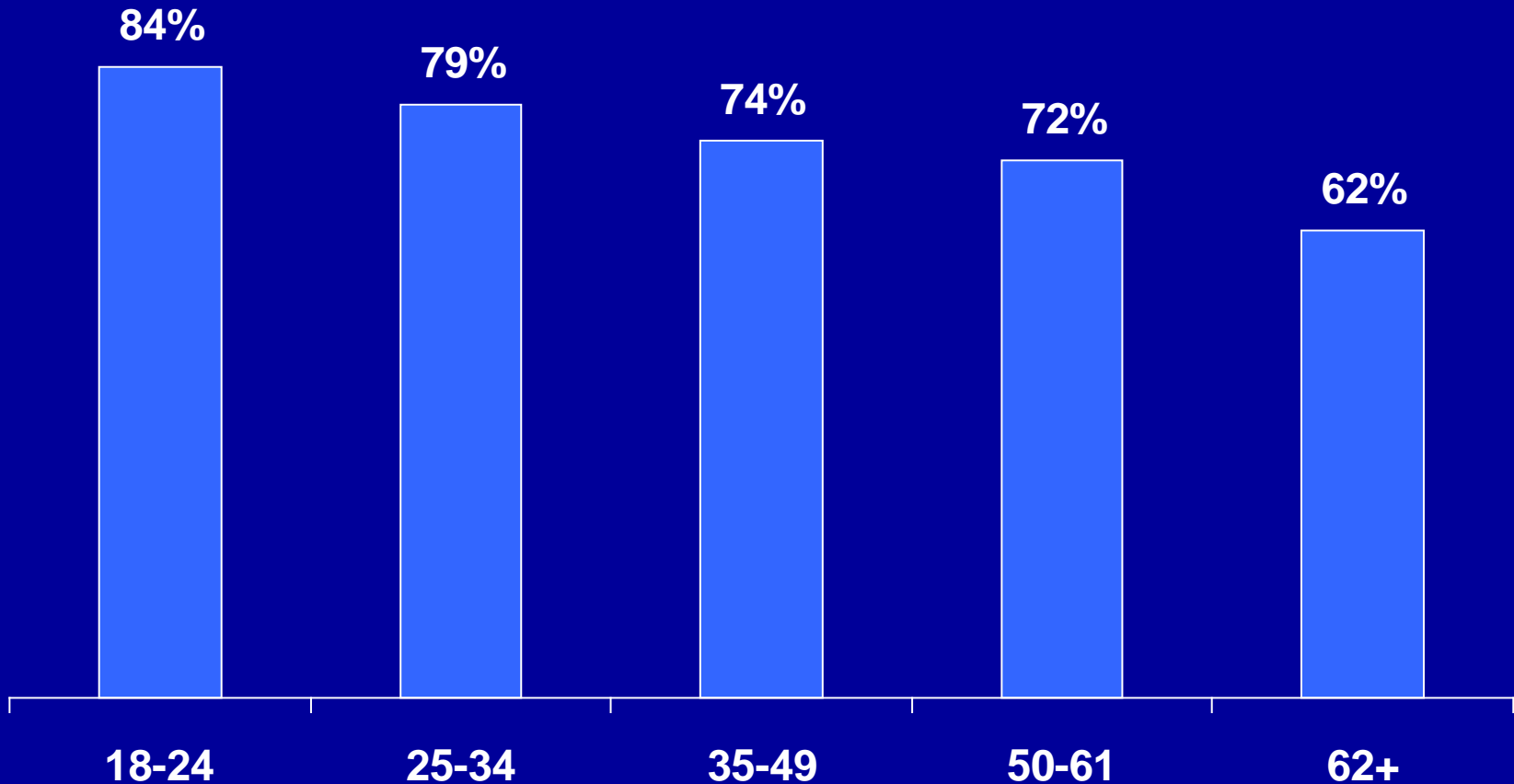
- Current Population Survey data
- Respondents report various job search activities over the past four weeks
- Pool data from March, April, May, and June surveys in 2010

# Percentage of Unemployed Workers Engaged in Various Job Search Activities



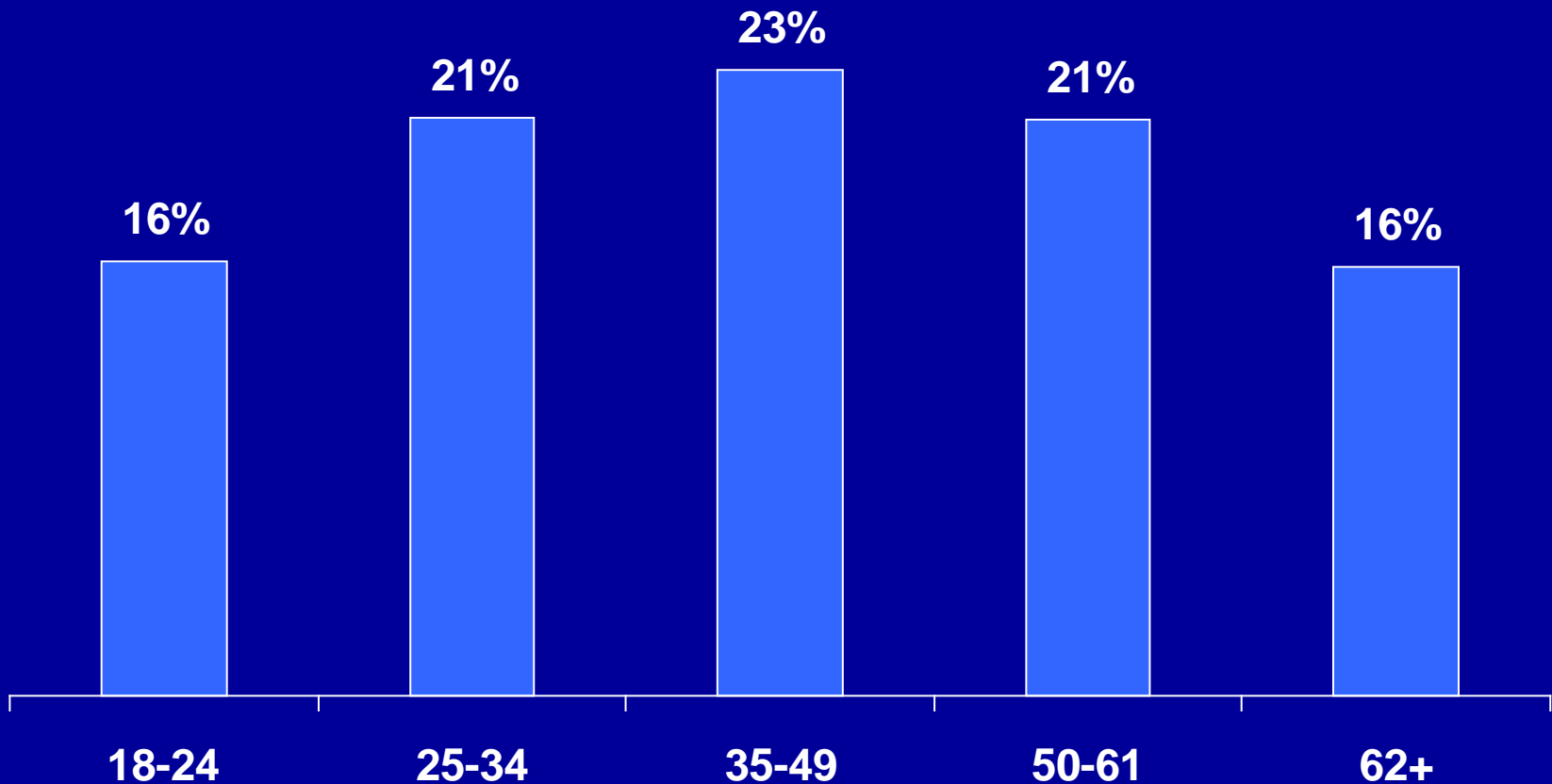
*Source:* Authors' computations from the March–June 2010, CPS

# Percentage of Unemployed Workers Who Contacted Employer Directly



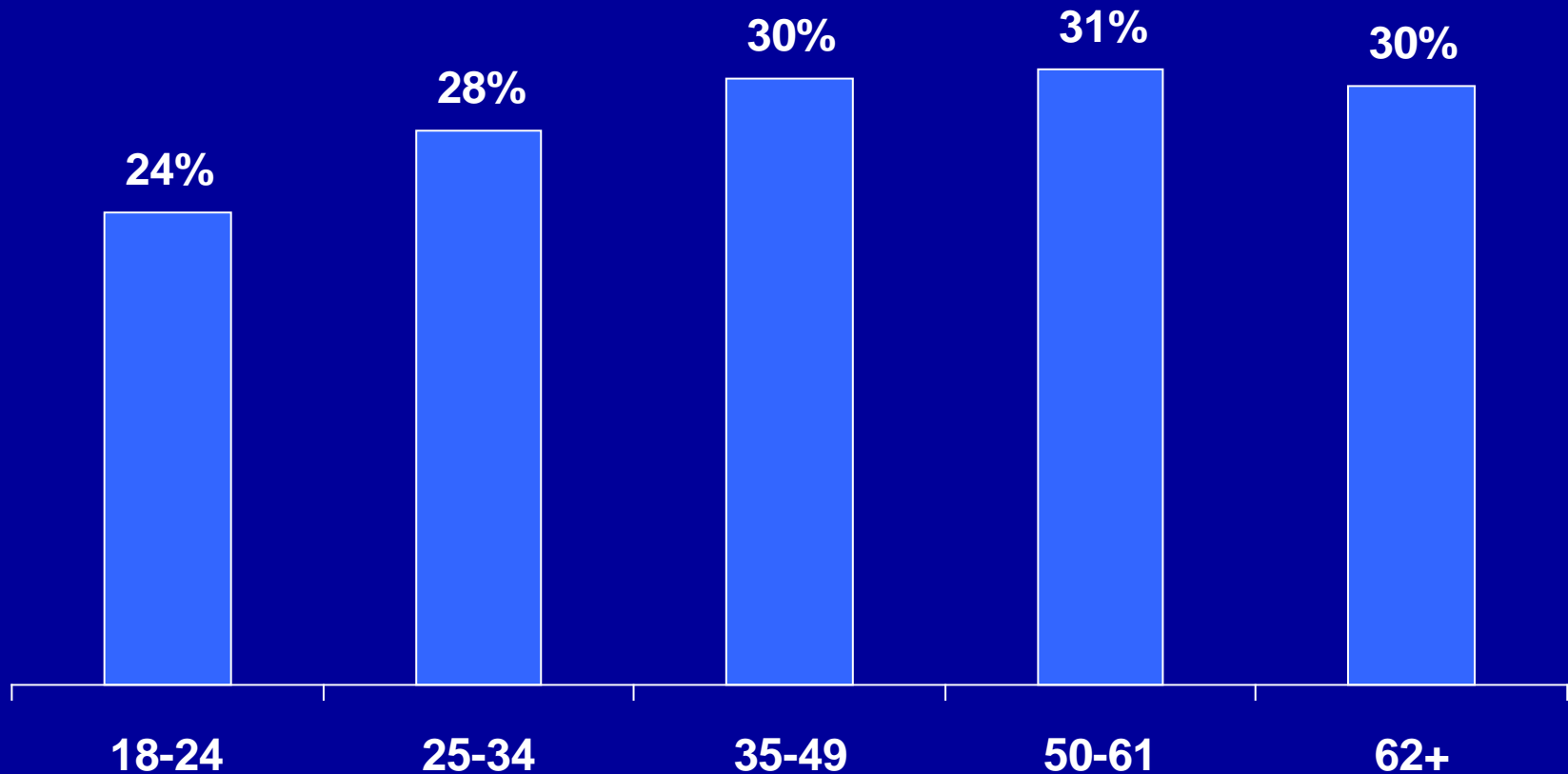
Source: Authors' computations from the March–June 2010, CPS

# Percentage of Unemployed Workers Who Contacted a Public Employment Agency



Source: Authors' computations from the March–June 2010, CPS

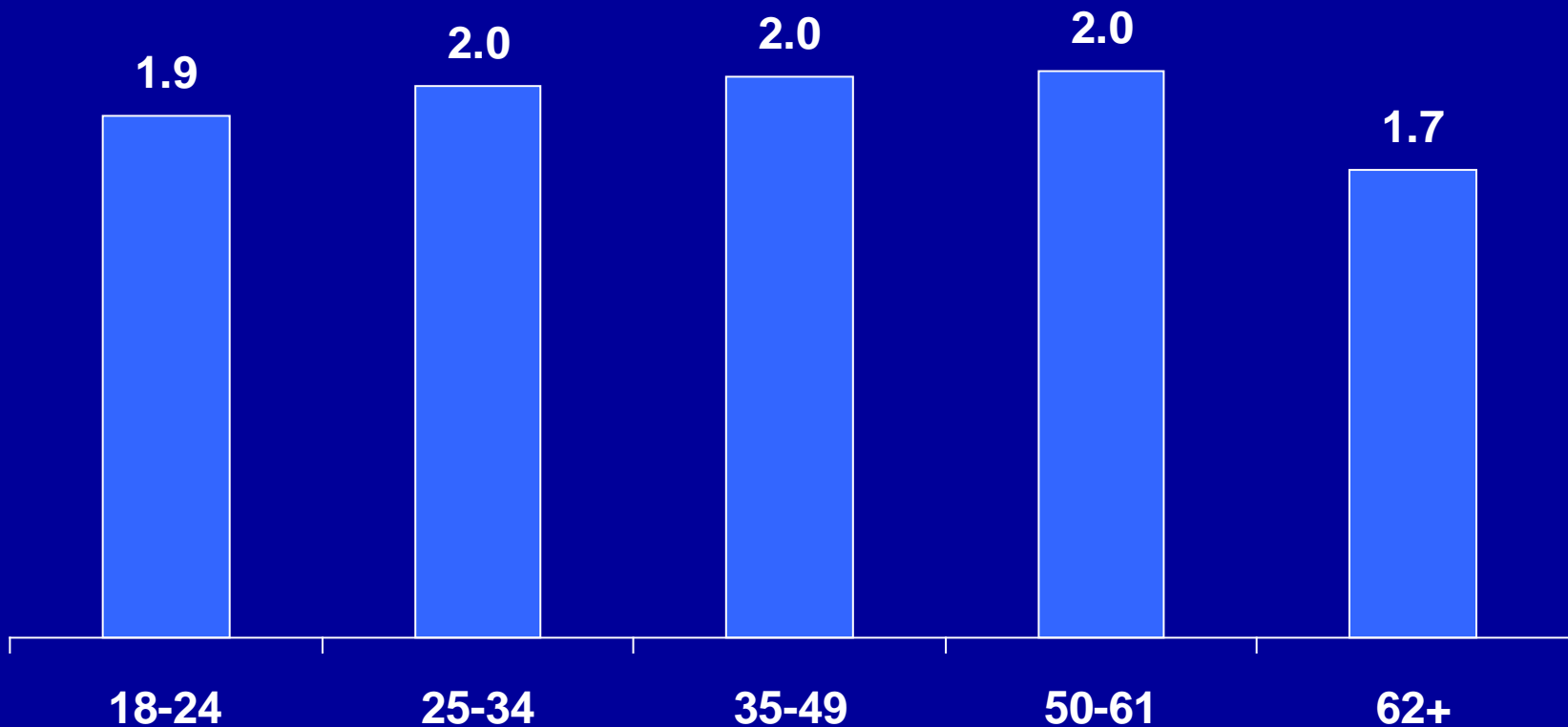
# Percentage of Unemployed Workers Who Contacted Friends or Relatives



Source: Authors' computations from the March–June 2010, CPS



# Mean Number of Job Search Methods Used by Unemployed Workers



Source: Authors' computations from the March–June 2010, CPS

# Summary

- Workers age 50+ are less likely than younger workers to lose their jobs, but only because of their longer years of service with the employer
- When workers age 50+ lose their jobs, it takes them longer than younger workers to become reemployed
- When displaced men age 50+ find work, they suffer greater wage losses than younger men
- Unemployed workers age 50-61 appear to search for work as actively as younger workers