

Chairman Don Beyer – Prepared Remarks

“Building a Better Labor Market: Empowering Older Workers for a Stronger Economy” February 9, 2022

Recognitions

This hearing will come to order. I would like to welcome everyone to the Joint Economic Committee’s hearing titled “Building a Better Labor Market: Empowering Older Workers for a Stronger Economy.”

I want to thank each of our truly distinguished witnesses for sharing their expertise today. Now, I would like to turn to my opening statement.

Opening statement

Without question, older workers are vital to our collective prosperity.

They support families and communities nationwide, and they bring decades of earned experience and wisdom to businesses and marketplaces, large and small.

Prior to the pandemic, older Americans contributed 40% of the national economic output despite making up just 35% of the population. And over the last twenty years, the share of older workers has almost doubled—a trend that is set to continue even after the pandemic.

As the United States continues its strong recovery, a primary task before us in Congress must be answering how we can build a stronger and more resilient economy, where the benefits from economic growth are broadly shared. Key to such an economy is a better labor market that ensures all

workers, including older workers, have access to quality jobs that meet their needs and are free from discrimination.

Over the past year, the U.S. economy has experienced record job growth, with over 6.6 million new jobs created in 2021, and almost half a million more in January alone.

This robust labor market recovery, thought unimaginable in the spring of 2020, when unemployment was nearing 15%, is a testament to the American Rescue Plan, other emergency pandemic relief, and the widespread availability of vaccines and testing.

But even as we recognize the record-breaking economic accomplishments of the last year, we must also address the ways our recovery has not yet reached everyone—including older workers.

Older workers have long faced unique challenges in the workforce, and these challenges were exacerbated by the coronavirus pandemic. Decades of diminished bargaining power, stagnant wage growth, diminishing returns from additional years of working, and increasingly strenuous and dangerous jobs have contributed to widespread economic insecurity among older workers and constricted broad-based economic growth.

The pandemic has also shined new light on the inadequacy of our care infrastructure to help older workers navigate work and care responsibilities. This has been particularly harmful to older Black and Hispanic women, who shoulder significant caregiving responsibilities.

For example, one-third of home health aides are aged 55 and older, yet care industry wages are low and care work is physically demanding. This creates an untenable situation for aging providers as they are simultaneously less physically able to continue their work but also financially unable to save and retire securely.

Further, more than one in five workers aged 45 to 64 reports being a caregiver to a parent. Yet the United States does not guarantee any workers the right to paid leave, and older workers are even less likely than their younger counterparts to have access to paid sick days. This forces many older workers to make the impossible choice between caring for themselves or a loved one and getting a paycheck, which harms workers, businesses, and the broader economy.

Today, we are seeing these decades-long trends impacting older workers come to a head. Just as companies have historically used downturns to prune workplaces of older workers, the same appears to be true of the coronavirus recession. At least 1.7 million more older workers than expected retired due to the pandemic recession, and the effects have been particularly harmful for older Black workers and those without a college degree.

Despite media coverage of high-income older workers choosing retirement to spend more time on hobbies and with their families, evidence shows this is not the reality for many older workers.

The reality is that over the course of the pandemic, many older workers have been forced out of jobs to live on insufficient retirement income. For the first time in 50 years, the unemployment rate for older workers was higher than that of mid-career workers, and while rates have stabilized, older workers remain overrepresented among those who are currently long-term unemployed.

Because our retirement system has not kept up with the needs of the aging workforce, the typical worker in the United States has zero retirement savings—that's right, no retirement savings at all. Among those that do, the amount is wholly insufficient to sustain a pre-retirement standard of living.

As those who have been forced into early retirement may look to be rehired, research shows they will experience significant barriers.

Particularly in recessionary periods, older workers face discrimination and stigma from periods of long-term unemployment, both of which limit their re-employment opportunities.

No worker should be forced into early retirement. And at the same time, no one should be forced to work long into their golden years because of insufficient retirement savings.

As members of Congress, addressing these challenges in order to help build a better labor market for older workers and create a stronger economy is central to our work.

I look forward to this discussion and learning from our witnesses today.