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Health and Working Past Traditional Retirement Ages

Americans are living longer than they did in the past, and many more can expect to reach age 85 or older. By 2030, when the last of the large baby boom generation (born 1946 to 1964) has reached their mid-60s, more than 21 percent of the U.S. population is projected to be age 65 or older—up from about 15 percent in 2016.

The greying of America increases the costs of public programs for older adults and shifts the balance between working people supporting those programs and retirees receiving benefits. The old-age support ratio—the number of working-age adults ages 18 to 64 for every adult age 65 or older—is on course to shrink dramatically from 4.1 in 2016 to 2.8 by 2030. To relieve this fiscal pressure, policymakers continue to discuss new financial incentives to encourage people to postpone retirement, such as further raising the eligibility age for Social Security (currently 67 for those born in 1960 and after) and Medicare (now 65).

Working longer can reduce public spending and enable some older workers to enter retirement with more financial security. But are older Americans healthy enough to work longer? Which groups are most likely to approach traditional retirement ages in poor health? And, how does working longer affect the health of older people? This report explores these questions, highlighting recent research on health and work in later years from National Institute of Aging-sponsored investigators and others. These findings can guide policymakers and public health professionals as they plan for an aging population and design strategies to improve the health of older workers.

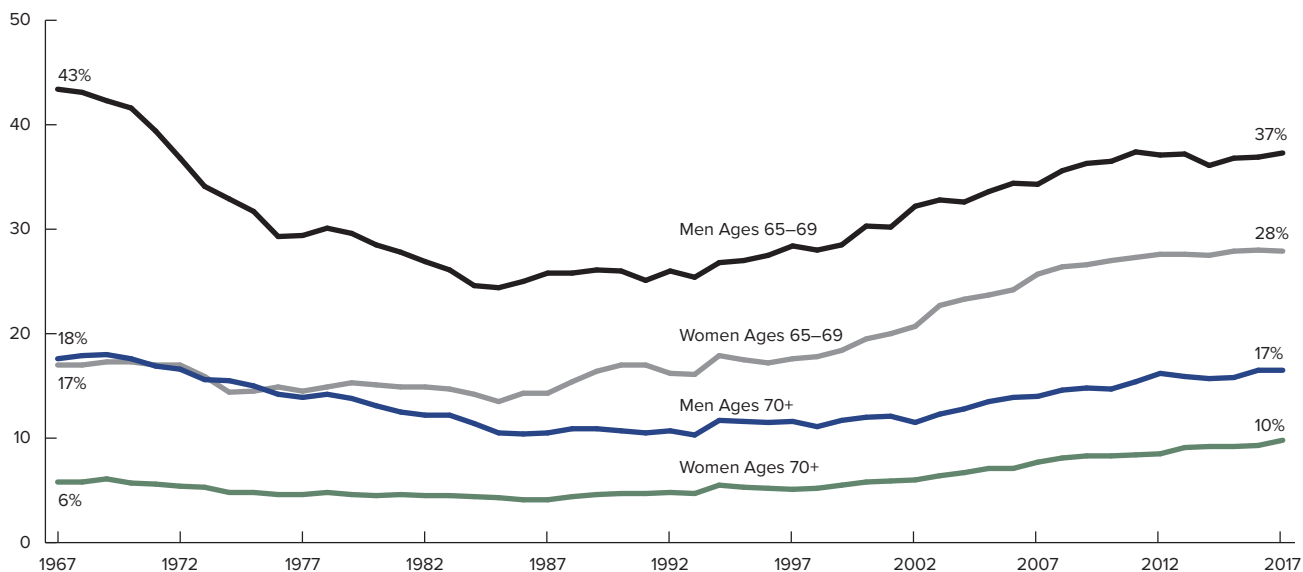
Trends in Working at Older Ages

A growing share of Americans are working beyond their 65th birthday, a reversal that began in the mid-1980s (see Figure 1). Labor force participation rates for men ages 65 to 69 began to drop in the mid-1960s, bottoming out at 24 percent in 1985, but have risen to about 37 percent in 2017. Among women ages 65 to 69, the labor force participation rate increased from 17 percent in 1967 to 28 percent in 2017.

FIGURE 1

More Older Americans Are Working Past Age 65.

Percent of Men and Women Ages 65 and Older in the Labor Force, 1967-2017



Source: Bureau of Labor Statistics, Current Population Survey.

Researchers have identified a variety of factors influencing older people's decisions to postpone retirement over the past 25 years, including the following:

- Increased life expectancy and better health, particularly among those with more education.
- Changes in Social Security program incentives—an increase in the age to receive full benefits, credits for delaying benefit receipt, and a reduced tax penalty for working while receiving benefits.
- The elimination of mandatory retirement ages in most industries.
- A shift in employer-sponsored retirement plans—defined-benefit pensions that provide guaranteed payouts have largely been replaced by 401(k) plans with payouts that depend on how much the retiree saves and how well the investments do.
- Rising education levels—more-educated people are known to remain employed longer.
- Growing numbers of white-collar jobs, which older people are more physically able to perform.
- Declining availability of employer-provided health insurance for retirees.
- More women reaching older ages with longer work histories than previous generations.
- Financial losses and debt related to the Great Recession (2007 to 2009) putting pressure on older workers to stay on the job longer.
- The rising availability of part-time positions—in 2016, about 39 percent of employed adults ages 65 and older worked less than 35 hours per week (U.S. Bureau of Labor Statistics 2017).

But researchers disagree on whether the upswing in the share of employed older people will continue as more members of the baby boom generation reach traditional retirement ages.

Some analysts argue that most of the factors above have played themselves out (Munnell 2015). They point out that defined-benefit pensions and employer-provided retirement health insurance are almost entirely absent from the private sector, educational attainment has plateaued among the cohorts approaching retirement age, gains in health and longevity related to declines in smoking and improved medical care are being offset by increases in obesity, and blue-collar jobs have been rare for a generation.

But other researchers argue that high levels of debt remain a powerful force that may contribute to an increasing share of older people postponing retirement. For example, Lusardi, Mitchell, and Oggero (2017) find a “dramatic increase” in the amount of debt carried by older Americans nearing retirement ages, mainly the result of “having purchased more expensive homes with smaller down payments than previous generations.” Using data from the nationally representative Health and Retirement Study (HRS) and the National Financial Capability Study (NFCS), they analyzed the debt of Americans ages 56 to 61 in 1992, 2004, and 2010. They show that the median debt-to-income ratio (the percentage of income that goes to debt payments) climbed from 14 percent in 1992 to 45 percent in 2004, and to 50 percent in 2010. The median amount of debt rose sharply between 1992 and 2004, from \$6,800 to \$31,200 in 2015 dollars.

Their analysis also shows that older adults ages 62 to 66 in 2010 carried more debt than their counterparts from earlier years, though they carried less debt than adults ages 56 to 61 in 2010. “While people’s financial situation does seem to improve with age, the older group is still financially distressed,” they write. “Close to half (47 percent) of those ages 62 to 66 are worried about running out of money in retirement and just over half (55 percent) had planned for it [their retirement].”



The dramatic increase in debt carried by older Americans nearing retirement ages is mainly the result of purchasing more expensive homes with smaller down payments than previous generations.

Researchers disagree on whether the share of employed older people will continue to increase as more members of the baby boom generation reach traditional retirement ages.

In another study using HRS and NFCS data, Lusardi and Mitchell (2016) find that women in their 50s and 60s in recent generations are more likely to say they plan to work to older ages than their peers from the early 1990s. Respondents with plans to delay retirement tend to have higher levels of education, higher divorce rates, and fewer children, but “household finances also play a key role” in retirement decisions, they report. “Older women today have more debt than previously and are more financially fragile than in the past.”

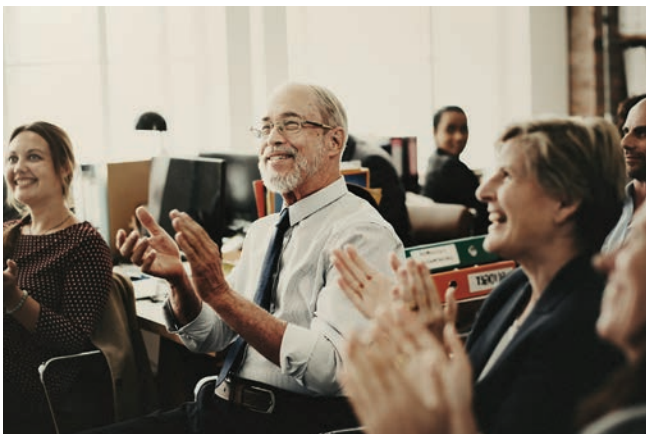
Estimating the Capacity to Work at Older Ages

Researchers have used a variety of approaches to estimate older adults' capacity to work and to answer the question, "Are Americans healthy enough to work longer?" They have also explored this question for older adults in a number of high-income countries (see page 11).

Based on physical limitations. Rehkopf, Adler, and Rowe (2017) use HRS data to divide the older U.S. population into four categories—working, not working with major impairment, not working with minor impairment, and not working without any impairment. Major impairment is defined as having a limitation in one or more activities of daily living (such as getting out of bed, bathing, or eating) or instrumental activities of daily living (such as preparing a meal, managing money, or taking medication). Minor impairment includes being unable to walk several blocks, climb a flight of stairs, sit for two hours, or kneel. Not surprisingly, they find that the share of older adults with major or minor impairments increases with advancing age. However, they also find that 30 percent of the nonworking men ages 65 to 74 between 1992 and 2008 have no impairments. Among nonworking men ages 70 to 74, more than one-half have either one limitation or none. The researchers argue that older people's capacity to continue working will largely depend on future levels of disability and education in the U.S. population.

Based on mortality trends. Coile, Milligan, and Wise (2017a) estimate what the employment rate of today's older Americans would be if they were to work as much as people with similar mortality rates did in the past. Their calculations take into account life expectancy increases by applying the employment rate of somewhat younger people during an earlier period to that of today's older people. For example, 55-year-old men in 2010 have mortality rates similar to 49-year-old men in 1977, so they apply the 1977 employment rate to men in 2010. They show that the share of employed 55-year-olds could be 17 percentage points higher (89 percent instead of 72 percent). Overall, they find that men ages 55 to 69 in 2010 could work an additional 4.2 years beyond the average, which is 7.9 years.

Based on health trends. For the second part of their analysis, Coile, Milligan, and Wise (2017a) use HRS data to estimate how much longer older individuals with a given level of health could work if they worked as much as somewhat younger adults with the same health level. They based their analysis on workers ages 51 to 54 because their employment decisions tend to be unaffected by the availability of Social Security and other benefits. To measure health, they used a 27-variable index that encompasses self-reported health, functional limitations, chronic conditions, medical care use,



White-collar workers with college degrees may find it easier to extend their work lives.

obesity, and smoking history; earlier research shows this index is strongly related to both mortality and future health. Based on the relationship between employment and health, they find that the share of men who are working could be 17 percentage points higher at ages 60 to 64 and 31 percentage points higher at ages 65 to 69; their estimates for women were similar. "Our analysis implies that the average number of years worked between ages 55 and 69, currently 7.9, could rise by at least 2.5 years," they report.

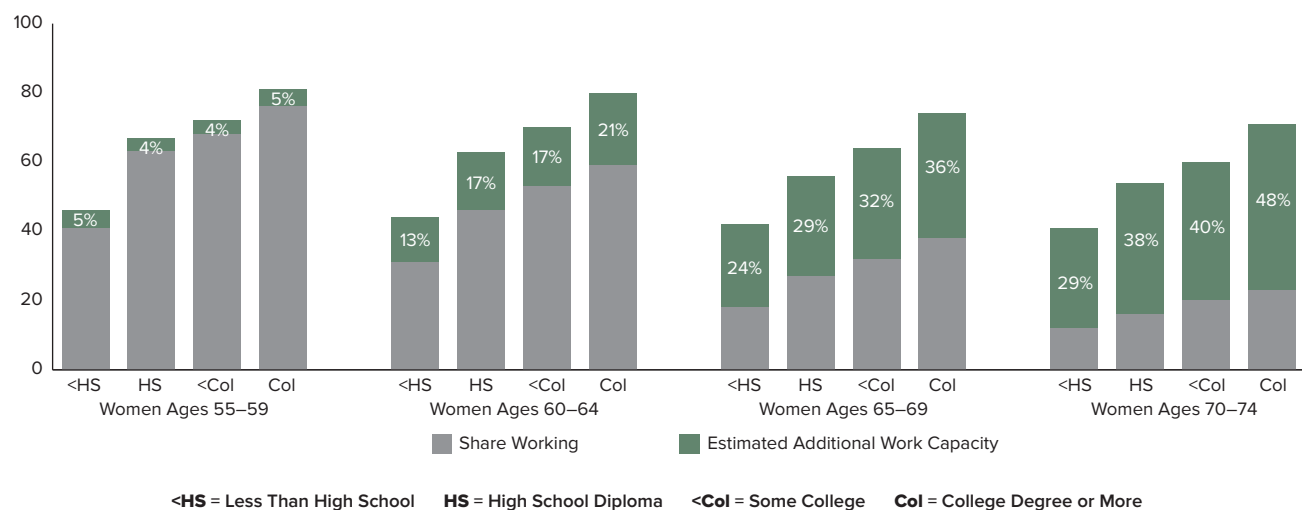
Based on health trends by education level. Coile, Milligan, and Wise (2017a) take the health-based work capacity described above and examine it by education level, finding higher levels of work capacity among more-educated women compared with less-educated women, but smaller differences among men (see Figure 2). They find that improvements in self-reported health (an accurate measure of actual health) between 1972 and 2013 have been concentrated among those with higher levels of education, suggesting that “highly educated individuals may be finding it easier to extend their work lives.”

Coile, Milligan, and Wise (2017a) observe that “employment declines rapidly as workers reach their 60s, while health declines steadily but quite gradually.” They conclude that most older workers are healthy enough “to work another year or two if they must.” But they also point out policymakers will need to provide a well-designed disability insurance program because there will always be a share of the older population too sick to work. They also emphasize the importance of leisure. “All gains in healthy life expectancy need not be translated into additional years of work,” they write. “Our findings support modest changes in Social Security and related policies.”

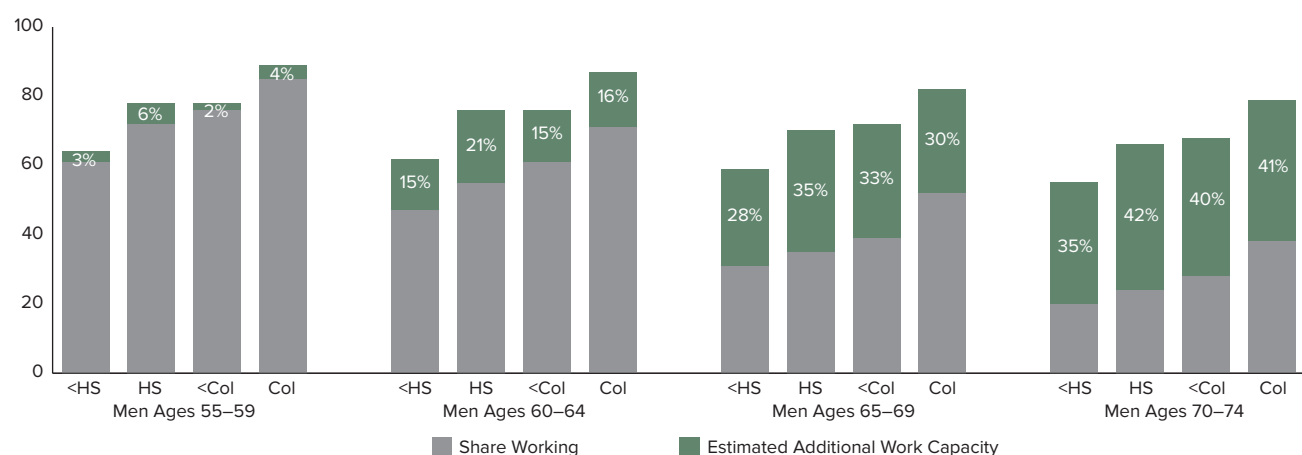
FIGURE 2

Highly Educated Women Have More Additional Work Capacity Than Other Women; Differences Among Men Are Not as Wide.

Percent of Women Working and Estimated Additional Work Capacity, By Age and Education Level, 1994-2011



Percent of Men Working and Estimated Additional Work Capacity, By Age and Education Level, 1994-2012



Source: Courtney Coile, Kevin Milligan, and David Wise, “Health Capacity to Work at Older Ages: Evidence From the U.S.,” in *Social Security Programs and Retirement Around the World: The Capacity to Work at Older Ages*, National Bureau of Economic Research Conference Report, ed., David Wise (Chicago: University of Chicago Press, 2017).

Examining the Fit Between Job Demands and Individual Work Capacity

A mismatch between job demands and a person's physical ability or mental health may prevent older adults from working longer and contribute to their decision to leave the work force early. Sonnega and colleagues (2017) find that having mobility limitations while holding a physically demanding job is more strongly linked to retiring early than having only one of those risks or neither. Similarly, older individuals who report experiencing elevated depressive symptoms and having jobs that involve a lot of stress (defined as low control, high responsibility) are more likely to retire early than those who have just one of those risks or neither.

The researchers point out that work stress may be an important factor in explaining the observed link between depression and early retirement. Their findings provide support for workplace interventions aimed at helping older workers—particularly those for whom changing jobs would be extremely difficult—cope more effectively with work stress.

Health is a key factor in individual workers' assessment of their ability to continue working at their current jobs and plays an important role in retirement decisions, McGonagle and colleagues (2015) show. Along with health, individual workers' sense of control over their lives is "consistently and most strongly related" to their perception of their capacity to work, predicting whether they would retire in the next 1.5 years. That is, respondents who express helplessness and report that "what happens in my life is often beyond my control," are more likely to retire. Among manufacturing workers, the demands of their jobs (physical expectations, time pressure) are as important as their health and sense of control in predicting retirement. The researchers suggest that these findings add additional support for workplace accommodations for older workers and initiatives that help workers maintain or improve their health.

Health Trends Affecting Future Work Capacity

By many measures, Americans ages 65 and older are healthier than previous generations. Older adults are living longer, and disability is less prevalent at the oldest ages (85 and older). But a growing body of research suggests that Americans in their late 50s and early 60s are in poorer health—with more chronic disease and disability—than earlier generations at the same ages, potentially affecting future work capacity.



For manufacturing workers, the physical demands and time pressures of their jobs play key roles in their retirement decisions.

Workers' health and sense of control over their lives are strongly related to how they perceive their capacity to continue working and when they decide to retire.

Beltrán-Sánchez, Jiménez, and Subramanian (2016) analyzed self-reported chronic disease in the 1990s and 2000s using HRS data. They find that in 2004-2010, U.S. older adults ages 51 to 61 had a higher prevalence of six out of eight chronic diseases and conditions than their peers in 1992-1998, including a much higher prevalence of diabetes (37 percent). Older adults nearing traditional retirement ages appear more burdened by health conditions than people at the same ages several decades ago, they argue.

In addition, Crimmins, Zhang, and Saito (2016) find Americans are living longer with more disability when they examined life expectancy trends and disability rates in the 40-year period from 1970 to 2010. Their analysis of U.S. vital statistics finds that the average total lifespan increased for both men and women, but so did the proportion of time spent living with a disability. For people ages 65 and older there is a “compression of morbidity”—that is, a reduction in the proportion of life spent with disability. However, people in their prime working years (ages 20 to 64) experienced increases in the proportion of life spent with a disability. The researchers report that they find “little evidence” of improvements in health and disability levels “that would support increasing the age at retirement.”

In coming years, disability levels among older adults may increase because of relatively high disability rates among baby boomers who are now reaching retirement ages. For example, Freedman and colleagues (2012) synthesized the results of five nationally representative surveys and find increasing disability among those ages 55 to 64 between 2000 and 2008 (a group that included the oldest baby boomers). During the same period, disability levels continued to decline among the oldest Americans (ages 85 and older) and held steady among those ages 65 to 84.

A growing body of research suggests that Americans in their late 50s and early 60s are in poorer health—with more chronic disease and disability—than earlier generations at the same ages.

Martin and Schoeni (2012) also document rising disability levels between 1997 and 2010 among middle-age and older Americans (ages 40 to 64). Their analysis, based on National Health Interview Survey data, identifies a link between increasing obesity and rising disability. In a similar study focusing on 55-to-69-year-olds using HRS data for 1998 to 2012, Choi, Schoeni, and Martin (2016) find no improvement in physical functioning and activity limitations during the period, and some evidence of worsening. Obese individuals face a greater likelihood of having physical limitations, they show. Although baby boomers are less likely to smoke, have emphysema, or have heart attacks, they are more likely to be obese or have diabetes or high blood pressure than the previous generation at similar ages, they report.

Obesity is a risk factor for a variety of chronic conditions; it may also increase the likelihood of early retirement related to disability. Using HRS data, Renna and Thakur (2010) show that men and women under age 65 who were obese in 1992 were more likely to have a disability and retire early by 2002. “Obesity can largely impact labor market decisions directly through impairment of bodily functions and indirectly by being a risk factor for various diseases like hypertension, arthritis, etc.,” they write. More than four in 10 Americans (43 percent) in their 40s and 50s were obese in 2015-2016, and thus face an increased risk of disability or poor health that could contribute to early retirement (NCHS 2017).



Obesity may threaten the health and future work capacity of a large share of Americans.

Cognitive Impairment and Work Capacity in Old Age

On a positive note, dementia may be on the decline. While the absolute number of older Americans with dementia is increasing due to population aging, the proportion of the population with dementia may have fallen over the past 25 years (Langa et al. 2017). Analysis of HRS data shows that the share of Americans ages 65 and older with dementia decreased from 11.6 percent in 2000 to 8.8 percent in 2012—representing a 24 percent drop. Researchers say this downward trend may be the result of better brain health—possibly related to higher levels of education and more aggressive treatment of

cardiovascular risk factors such as high blood pressure and diabetes.

The decline in dementia prevalence coupled with longer life expectancy may be contributing to a positive trend, which could expand work capacity: A growing share of older Americans are spending less of their lifetimes with cognitive impairments (Crimmins, Saito, and Kim 2016). Analysis of HRS data and vital statistics shows that gains in life expectancy between 2000 and 2010 represent more time older Americans are spending cognitively intact. The share of Americans 65 and older without cognitive problems increased by 4.5 percentage points for men and 3.4 percentage points for women during the decade. At the same time, the average time older people spent with dementia or cognitive impairment decreased slightly.

Health Trends by Generation

Choi and Schoeni (2017) examined trends in both physical limitations and cognitive impairment to compare the health of adults nearing retirement by generation. They find that adults in their late 50s today are in poorer health than their parents' generation was at the same age, even though the younger group will have to work longer to collect full Social Security benefits.

For this study, they used HRS and National Health Interview Survey (NHIS) data and divided older Americans into five groups based on the age when they can collect full Social Security benefits: Those born in 1937 or earlier (can collect full benefits at age 65); those born 1938 to 1942 (between ages 65 and 66); those born 1943 to 1954 (age 66); those born 1955 to 1959 (between ages 66 and 67); and those born in 1960 to 1962 (age 67).

They find that the younger groups have larger shares of people with at least one limitation on their ability to perform a basic daily living task by themselves, such as walking across a room, dressing, bathing, eating, or transferring into or out of bed (see Figure 3, page 9). They also show that those born later tended to have higher rates of poor cognition, such as impaired memory and thinking ability, in their 50s compared with earlier generations at a similar age. In addition, at age 50, people in the youngest group (born 1960 to 1962) were more likely to rate their own health as “fair” or “poor” than were people in the middle-three age groups when they were the same age.

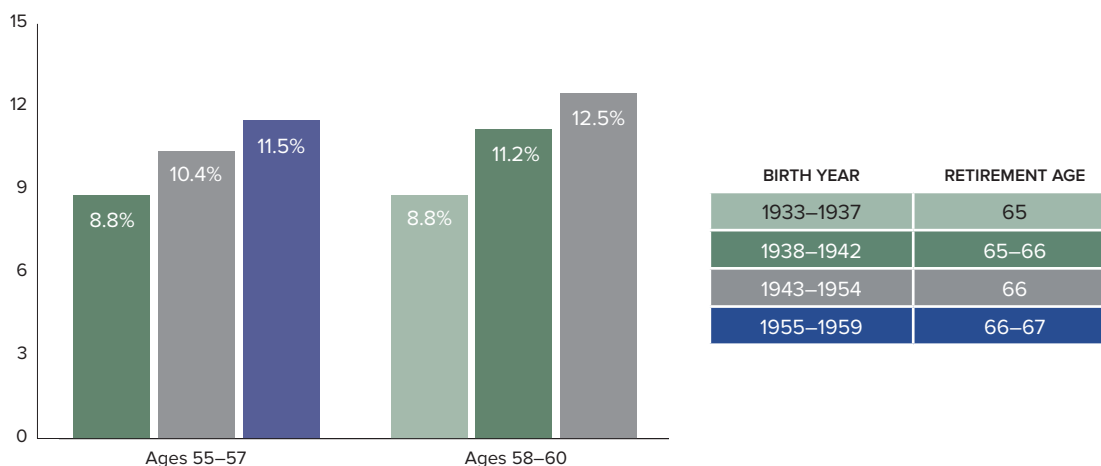
The researchers suggest that an increase in the share of workers in their 50s and 60s who are in poor health will create significant challenges for them and their employers, including more applying for Social Security disability payments. “Given the recent changes in health among the cohorts now approaching typical retirement age, further increases in the normal retirement age would place a substantial and disproportionate burden on these cohorts,” they argue.

The health of Americans in their 50s today will shape labor force participation rates among the older population in the future. Research suggests that the prevalence of chronic disease and physical impairments may be higher among younger baby boomers than earlier generations. Obesity levels appear to threaten the health and potential future work capacity of a large share of older Americans. Understanding and monitoring these trends will be key as policymakers consider incentives to work longer and plan for future increases in the cost of public programs for older people.

FIGURE 3

Younger Baby Boomers Are More Likely to Have Activity Limitations Than Members of Older Generations at the Same Ages.

Percentages of People With Limitations in Activities of Daily Living at Ages 55-57, and Ages 58-60, by Retirement Age for Full Social Security Benefits



Note: Activities of daily living include walking across a room, dressing, bathing, eating, and transferring into or out of bed. Retirement age for full Social Security benefits is also known as “normal retirement age,” and varies by birth year.

Source: HwaJung Choi and Robert Schoeni, “Health of Americans Who Must Work Longer to Reach Social Security Retirement Age,” *Health Affairs* 36, no. 10 (2017): DOI 10.1377.

The Impact of Working Longer on Health

Working at older ages appears to keep people mentally sharp, physically active, and socially connected, some research shows. But other studies suggest that retirement may reduce health-threatening stress and give older people more time to prioritize exercise and healthy eating.

Researching the pros and cons of working past traditional retirement ages is complicated: People who start to experience declines in their health and mental capacity may retire early, leaving only the healthiest segment of the older population employed and skewing the results. Taking these dynamics into account, several recent studies try to sort out the benefits of working in later years and of retiring.

“Use it or lose it,” may apply to cognitive function, hypothesize Rohwedder and Willis (2010). They compare HRS participants’ memory tests scores with the scores of Europeans participating in comparable studies in 12 countries. Scores are higher in the United States where a greater share of older adults remain in the labor force into their late 60s, and lower in countries where most people retire much earlier. Because most people tend to retire when they are eligible for their countries’ public social security benefits, these findings provide support for the advantages of working longer, the researchers argue. A lack of mental stimulation in retirement, which they call “mental retirement,” may contribute to cognitive decline, they suggest.

An international team of scholars (Dufouil et al. 2014) offers additional support for the “use it or lose it” hypothesis. They show that self-employed French workers who retire at older ages have a much lower risk of developing dementia than early retirees. To weed out people who may have retired when early signs of cognitive impairment emerged, the researchers excluded from their study workers diagnosed with dementia within five years of retirement. “Our results indicate the potential importance of maintaining high levels of cognitive and social stimulation throughout work and retiree life,” they write.

Shrinking social networks may help explain how early retirement accelerates cognitive decline, Börsch-Supan and Schuth (2014) suggest. Using comparable data from 19 European countries, they demonstrate an association among early retirement, the size and composition of older people’s social networks, and cognitive decline. “Social contacts, especially with friends, decline gradually after retirement,” particularly with early retirement, they point out. “Social contacts are a side effect of employment that keeps workers mentally agile,” they argue.

Other studies based on European populations, however, find retirement may be related to improved physical health and may bolster blue collar workers’ cognitive functioning, perhaps through more opportunities for intellectual stimulation than their workplaces (Coe and Zamarro 2011).

Similarly, a study based on U.S. HRS data shows that retirement may improve health, related in part to retirees using their additional leisure time to practice better health habits such as smoking less and exercising more (Insler 2014).



A lack of mental stimulation in retirement may contribute to cognitive decline.

In retirement, some older people practice better health habits such as smoking less and exercising more.

U.S. Health and Work Capacity Compared With Other High-Income Countries

Americans live longer than they did in the past, but U.S. life expectancy continues to lag behind that of many other high-income countries. Lower life expectancy in the United States reflects, in large part, early deaths related to higher rates of tobacco use and obesity, according to recent analysis by the National Research Council (NRC) (NRC 2011; NRC and Institute of Medicine 2013).

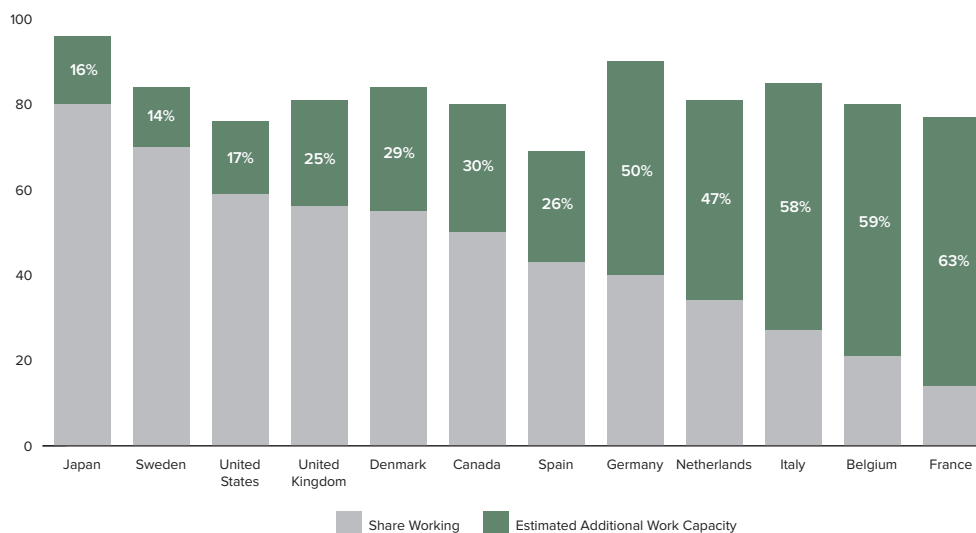
Solé-Auró and colleagues (2015) explore health differences between the United States and Europe, focusing on five countries (Denmark, France, Italy, the Netherlands, and Spain). Using HRS and comparable European data for 2004 through 2006 for people ages 50 to 79, they analyze incidence, prevalence, and mortality related to heart disease, stroke, lung disease, diabetes, hypertension, and cancer. Overall, they find a higher prevalence of disease among older Americans compared with older Europeans and note that the differences are evident before age 50. Their analysis shows higher disease prevalence at older ages in the United States is not because Americans are surviving longer with chronic conditions, rather it is the result of “higher prevalence earlier in life and, for some conditions, higher incidence between ages 50 and 79.”

Health differences among countries do contribute to the level of additional work capacity at older ages in high-income countries but the main driver is the variation in the average retirement ages across countries, report Coile, Milligan, and Wise (2017b). They use a model based on the relationship between health and employment for those ages 50 to 54, and the actual health of those ages 55 to 69. Their findings show that additional work capacity in France is four times larger than in the United States for men ages 60 to 64 (63 percent versus 17 percent) because only 14 percent of French men are working at those ages compared with 59 percent in the United States (see Figure 4). Retirement age is strongly influenced by the social security incentives within each country, they note. Their results also show health differences among countries: Germany and Japan have the largest shares working or able to work (90 percent and 96 percent, respectively), and Spain and the United States have the smallest shares (69 percent and 76 percent, respectively).

FIGURE 4

Compared With Men in Many Other High-Income Countries, the Share of U.S. Men Ages 60 to 64 Who Are Working Is High and Their Additional Work Capacity Is Low.

Percent Working and Estimated Additional Work Capacity by Country, Men Ages 60 to 64



Note: Most data are from 2004-2013 except Canada (2001-2012), Japan (2007-2012), United Kingdom (2002-2013) and United States (1994-2012).

Source: Courtney Coile, Kevin Milligan, and David Wise, “Introduction,” in *Social Security Programs and Retirement Around the World: The Capacity to Work at Older Ages*, National Bureau of Economic Research Conference Report, ed., David Wise (Chicago: University of Chicago Press, 2017).

Socioeconomic and Racial Differences in Health Shape U.S. Work Capacity

A large body of research finds stark health gaps by race, income, and education level, potentially shaping work capacity at older ages.

Most researchers agree that education, income, access to health care, and health behaviors such as smoking interact in complex ways to create racial and ethnic health disparities. While there is no consensus on which factors matter the most, there is some general agreement on the dynamics (Pollard and Scommegna 2013). These include:

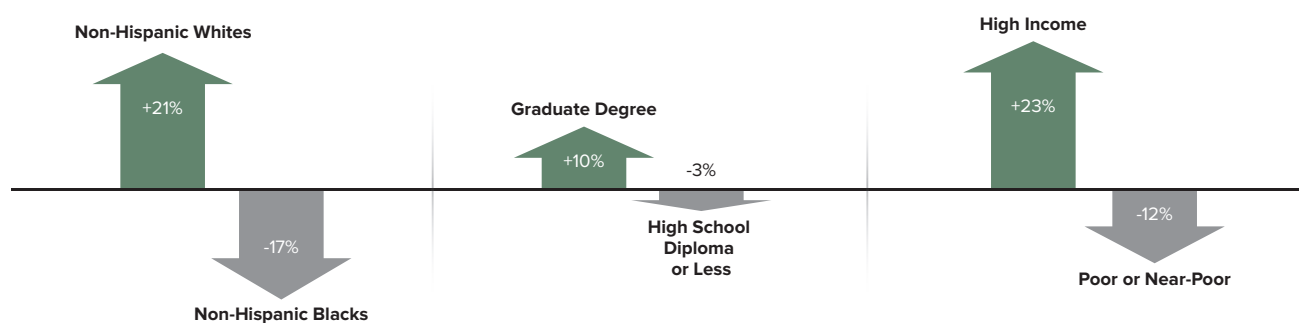
- More-educated people are less likely to be exposed to hazardous or physically demanding jobs that can take a toll on health.
- Higher levels of education shape health directly through higher incomes that provide greater access to health insurance and better nutrition, but also indirectly through better cognitive skills and a greater sense of personal control over their lives.
- Lower-income people may have limited access to health insurance and poorer quality health care.
- Psychosocial factors—especially higher stress related to poverty and discrimination—may also play a key role in health differences.

Recent research underscores the health disparities by race/ethnicity, income, and education in older Americans. The share of older Americans reporting they were in “excellent” or “very good health” increased from 42 percent to 48 percent between 2000 and 2014, with most of the gains concentrated among the wealthiest, most highly educated, and whites, report Davis and colleagues (2017) (see Figure 5). They tracked the twice-yearly responses of adults ages 65 and older to the Medical Expenditure Panel Survey, accounting for age and gender. When health trends are broken down by education, race, and income, the widest disparities are visible when comparing educational attainment. Because adults age 65 and older have access to health care through Medicare, the researchers argue that the widening gap implies that more than just access to health care is needed to address the disparities.

FIGURE 5

Health Gains for Older Americans Concentrated Among Those Who Are Wealthy, Highly Educated, or White.

Rate Change in Reporting “Very Good” or “Excellent” Health Between 2000 and 2014



Note: Data reflect self-reported health—that is, respondents reporting that they are in “very good” or “excellent” health, which research shows is an accurate measure of actual health.

Source: Matthew A. Davis et al., “Trends and Disparities in the Number of Self-Reported Healthy Older Adults in the United States, 2000 to 2014,” *JAMA Internal Medicine* 177, no. 11 (2017): 1683-84.

Disabilities tend to be more prevalent among older people in minority groups than among their non-Hispanic white counterparts. Estimates from the National Health and Aging Trends Study (NHATS) show that blacks and Hispanics are more likely than non-Hispanic whites to be among the 10 percent of Medicare enrollees ages 65 and older who became disabled in some way before their 65th birthday (Spillman 2012; Freedman and Spillman 2016). Focusing on foreign-born workers reveals different patterns: Among all older U.S. workers, those who are foreign-born are substantially less likely than native-born Americans to report work disability (Engelman et al. 2017). U.S. workers from Africa, Northern Europe, Canada, and parts of Asia receive work disability benefits at the lowest rates among the foreign-born; those from Southern Europe, Western Europe, the former Soviet Union, and the Caribbean have the highest rates.



Older minorities and people with low education levels are more likely to have conditions that limit their ability to work.

Choi and Schoeni (2017) find dramatic differences in physical and cognitive health among people with different levels of education in their study of adults nearing retirement by generation. For example, about 25 percent of people born 1943 to 1954 without a high school diploma reported at least one health-related life limitation when they were in their mid-50s. But among their peers with a college degree, only about 7 percent had at least one such limitation.

Conclusion

The increase in life expectancy in recent years has also been accompanied by an increase in older Americans living with more chronic conditions. Compared with their parents' generation, baby boomers must work longer to be eligible for full Social Security retirement benefits, but there are signs that they are in worse health. While projections based on past health trends suggest that most people are healthy enough to work an extra year or two, obesity may contribute to rising levels of disability and chronic disease, limiting work capacity in the future. Certain groups are more likely to reach their 60s in poor health and unable to work, including minorities and people with low levels of education and income.

The research explored here offers several key takeaways for policymakers and program planners considering further increases in the eligibility ages for Social Security and Medicare benefits:

- Additional work capacity exists within the older U.S. population, particularly among people with higher levels of education.
- Obesity and disability threaten the health and work capacity of Americans nearing retirement ages.
- Disability benefits will be important to a large share of the population unable to work.
- Workplace accommodations and programs aimed at stress reduction and health promotion may address the mismatch between job demands and individual capacity, enabling some older people to remain on the job longer.
- Working longer may provide social connections and intellectual stimulation that helps some people maintain their cognitive functioning. ■

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