

## Older Workers on the Move: Recareering in Later Life

**Recareering or career change is common at older ages. Half of older workers who left their career jobs by the time they were ages 65 to 69 moved to a new employer; nearly two-thirds of those who changed jobs were recareerers. For many, this meant downshifting to less demanding jobs with lower wages and fewer benefits but more flexibility. Workers overwhelmingly enjoyed the new jobs.**

Retirement for many people is not what it was once thought to be. Millions of Americans are not abruptly leaving the labor force at retirement age but seeking new careers—sometimes in the same line of work but frequently in an entirely new field. They are staying in the labor force for a variety of reasons—they want to remain active; they hope to make a contribution; they value the social networks work provides; and they often need the money or access to health care.

Delaying retirement doesn't necessarily mean remaining in a long-term or career job. Once they reach their 50s and 60s, many workers opt for new careers that may offer less stress and more flexibility. Others get pushed into searching for work as a result of job loss.

More than eight out of ten full-time workers ages 51 to 55 in 1992 had left their 1992 employer by 2006 (when they were ages 65 to 69). Half of workers who did so (and 43 percent of all older workers) had a new employer by 2006.

Nearly two-thirds of workers who changed jobs (and 27 percent of all older workers) switched occupations.

Workers from all walks of life change careers or jobs at older ages, but the rates for recareering—moving to a new

employer in a new occupation—are significantly lower for Hispanics, women, and those who didn't finish high school. Expanding public workforce development initiatives for older adults with limited skills could open up employment opportunities. More training for these populations could give them the confidence to move into new careers and help them achieve more financial security.

### **Some workers might prefer to remain with their long-term employer but often find that difficult or impossible.**

- Current employers may not be willing or able to accommodate a manager's wish for less responsibility.
- Some employers cannot provide the part-time hours or flexible schedules that many older workers want.
- Layoffs or business closings may force older workers to reevaluate their job situation. About three in ten late-life career changes are the result of layoffs or failing businesses. One in four adults ages 51 to 55 who were working full time lost their jobs because of layoffs or business closings by 2006, even before the current recession began.

Typically, older workers take new jobs that pay less: The median wages of recareerers fell by 57 percent for retirees, 22 percent for those who had been laid off, and 5 percent for those who had quit their jobs. Nearly a quarter of those who change careers lose health insurance, and they rarely receive pension benefits.

### **But there are benefits to recareering.**

Older workers, especially retirees, who downshift into part-time work end up in less stressful jobs. In addition,

- Recareerers are likely to have more flexible work schedules than they had in their former jobs.
- The large majority of career changers say they enjoy their new job more than their old one even though the new job may not offer benefits.
- Many older workers appear to place a high value on escaping from the 9-to-5 routine of their former jobs or careers.
- Some workers may seek more meaning and purpose in a new job or career. However, financial need appears to be a more powerful driver of late-life career change.

Despite the large number of workers finding new jobs or careers at an older age, relatively little is known about who is likely to make the switch and under what circumstances. Questions for further research include the following: Are new career opportunities widely available, or are they restricted to highly educated and highly skilled workers? Do workers pursue new occupations for more meaningful work, or are they

pushed into new fields because of layoffs or poor health?

Better information about these life changes would help us understand employment patterns and opportunities for older workers and could lead to policies that promote work for workers of all ages.

### **About the Data**

This research report uses data from the Health and Retirement Study to track a sample of workers ages 51 to 55 who were employed full time in 1992. The report shows the percentage of workers who changed employers, occupations, or industries by 2006, when they were 65 to 69 years of age.

The report compares new and old jobs in terms of occupation, industry, self-employment, flexible work schedules, overall job satisfaction, and prestige scores that rank occupations in terms of social standing. It also examines how wages, health insurance, and pension coverage change when older workers transition to new employment.

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