

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

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The Urban Institute

Research Report

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## FOREWORD

*Older Workers on the Move: Recareering in Later Life* by Richard W. Johnson, Janette Kawachi, and Eric K. Lewis of the Urban Institute takes a close look at the characteristics of workers who change careers later in life. The process of “recareering,” as it is called in this research report, is quite common and may become even more common if the baby boomers—who are fast reaching retirement age—act on their plans to work in retirement. Although many workers might prefer to retire from their long-term career jobs, perhaps phasing into retirement on those jobs, other workers indicate that they want to try something new before fully retiring. Still others may be propelled into making career changes because of poor health or job loss and the inability to find a job in their previous line of work.

Pioneering research by scholars such as Christopher Ruhm and Joseph Quinn has shown that, contrary to what many people assume, the process of retiring does not necessarily involve an abrupt cessation of career employment. Rather, millions of American workers transition from career jobs into new jobs, sometimes in the same line of work and in other cases to something very different from what they had been doing for much of their worklives. The move may be voluntary or involuntary; the work may involve a shift in hours and perhaps a reduction in wages; the new “bridge” jobs may last for years or retirement may come soon after the change.

Relatively little was known about recareering and the circumstances that prompt a change of careers at older ages. The analyses of Johnson, Kawachi, and Lewis shed some light on the extent and nature of recareering on the part of older workers.

Recareering depends in part on why workers leave their last jobs. For example, Johnson, Kawachi, and Lewis report that, controlling for other factors, retirees who take new jobs are far more likely than reemployed workers who had been laid off to move into new occupations. Regardless of the reason for the career change, hourly wages are lower for all career changers, but retirees experience the greatest loss. Recareerers are more likely to lose health benefits than gain them in their new positions, but they are also more likely to have flexible work schedules. Stressful working conditions fall in the new jobs. Despite the drop in wages and loss of health care coverage, there is apparently much to like in the new careers and very few recareerers say they dislike their jobs. A question that remains for future work, however, is the extent to which recareering encourages workers, especially the voluntary changers, to remain in the labor force longer than they would have without the change.

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# TABLE OF CONTENTS

|   |            |
|---|------------|
| <b>FOREWORD</b> .....   | <b>iii</b> |
| <b>EXECUTIVE SUMMARY</b> .....  | <b>ix</b>  |
| Later-Life Employer and Occupational Transitions .....                            | ix         |
| Comparisons between Old and New Jobs.....   | x          |
| Conclusions.....  | xi         |
| <b>INTRODUCTION</b> .....   | <b>1</b>   |
| <b>BACKGROUND</b> .....   | <b>2</b>   |
| Why Do Workers Change Occupations? .....  | 2          |
| Who Changes Occupations? .....  | 3          |
| Occupational Change and the Retirement Transition .....                           | 4          |
| <b>DATA AND METHODS</b> .....   | <b>6</b>   |
| Estimating Recareering Rates .....  | 7          |
| Determinants of Career Change.....  | 8          |
| Comparing Old and New Jobs .....  | 9          |
| Measures .....  | 9          |
| <b>RESULTS</b> .....  | <b>11</b>  |
| Later-Life Employer and Occupational Transitions .....                            | 11         |
| Reasons for Job Separations in Later Life .....                                   | 12         |
| Recareering Rates for Job Leavers .....   | 13         |
| Determinants of the Likelihood of Moving into New Occupations in Later Life ..... | 14         |
| Occupation and Industry of Old and New Jobs for Late-Life Job Changers.....       | 17         |
| Wage and Benefit Changes for Late-Life Career Changers .....                      | 18         |
| Changes in Other Job Characteristics for Late-Life Career Switchers .....         | 19         |
| Prestige of Old and New Jobs for Late-Life Job Changers .....                     | 20         |
| <b>CONCLUSIONS</b> .....  | <b>20</b>  |
| <b>REFERENCES</b> .....   | <b>23</b>  |

## TABLES

|                 |  |    |
|-----------------|--|----|
| <b>Table 1</b>  | Employer and Occupational Transitions between 1992 and 2006 among Workers Employed Full Time and Ages 51 to 55 in 1992, by Personal Characteristics .....  | 27 |
| <b>Table 2</b>  | Employer and Occupational Transitions between 1992 and 2006 among Workers Employed Full Time and Ages 51 to 55 in 1992, by 1992 Job Characteristics .....  | 28 |
| <b>Table 3</b>  | Percentage of Workers Employed Full Time and Ages 51 to 55 in 1992 Who Leave Their Jobs by 2006, by Personal Characteristics and Reason for Separation .....   | 29 |
| <b>Table 4</b>  | Distribution of Job Separation Reasons Given by Adults Who Leave the Job They Held at Ages 51 to 55, by Personal Characteristics .....   | 30 |
| <b>Table 5</b>  | Distribution of Job Separation Reasons Given by Adults Who Leave the Job They Held at Ages 51 to 55, by Job Characteristics .....  | 31 |
| <b>Table 6</b>  | Percentage of Job Leavers Who Obtain New Jobs, Change Occupations, and Change Industries between 1992 and 2006, among Workers Employed Full Time and Ages 51 to 55 in 1992, by Primary Reason for Leaving the 1992 Job .....   | 32 |
| <b>Table 7</b>  | Cross-Tabulation of Occupational and Industry Change, among Workers Employed Full Time and Ages 51 to 55 in 1992 Who Changed Employers between 1992 and 2006 .....   | 32 |
| <b>Table 8</b>  | Percentage of Job Leavers Who Obtain New Jobs, Change Occupations, and Change Industries between 1992 and 2006, among Workers Employed Full Time and Ages 51 to 55 in 1992, by Personal Characteristics .....  | 33 |
| <b>Table 9</b>  | Percentage of Job Leavers Who Obtain New Jobs, Change Occupations, and Change Industries between 1992 and 2006, among Workers Employed Full Time and Age 51 to 55 in 1992, by Job Characteristics.....   | 34 |
| <b>Table 10</b> | Percentage of Retirees Who Obtain New Jobs, Change Occupations, and Change Industries between 1992 and 2006, among Workers Employed Full Time and Ages 51 to 55 in 1992, by Personal Characteristics .....   | 35 |
| <b>Table 11</b> | Estimated Impact of Personal and Job Characteristics on the Risks, Relative to Moving to a New Occupation, of Staying with the 1992 Employer, Leaving the 1992 Employer and Not Working Again, or Moving to a New Job in the Same Occupation, among Adults Employed Full Time and Ages 51 to 55 in 1992..... | 36 |
| <b>Table 12</b> | Estimated Impact of Personal and Job Characteristics on the Risks, Relative to Moving to a New Occupation, of Not Becoming Reemployed and Working Again in the Same Occupation, among Adults Employed Full Time and Ages 51 to 55 in 1992 and Who Leave the 1992 Employer by 2006 .....                      | 38 |

|                  |  |    |
|------------------|--|----|
| <b>Table 13</b>  | Occupational Distribution of Old and New Jobs, for Men and Women Who Change Jobs After Age 51 .....  | 39 |
| <b>Table 14</b>  | Occupational Distribution of New Jobs by Former Occupation, for Men and Women Who Change Jobs After Age 51 .....   | 40 |
| <b>Table 15</b>  | Industry Distribution of Old and New Jobs, for Men and Women Who Change Jobs After Age 51 .....  | 41 |
| <b>Table 16</b>  | Industry Distribution of New Jobs by Former Industry, for Men and Women Who Change Jobs After Age 51 .....   | 42 |
| <b>Table 17</b>  | Wages and Benefits on the Old and New Occupations for Workers Who Change Occupations After Age 51, by Reason for Job Separation.....   | 43 |
| <b>Table 18</b>  | Attributes of the Old and New Occupations, among Workers Who Change Occupations After Age 51, by Reason for Job Separation .....   | 44 |
| <b>Table 19</b>  | Occupational Prestige Scores on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation.....   | 45 |
| <b>Table A-1</b> | Median Hourly Wage on the Former Job and Subsequent Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation.....   | 49 |
| <b>Table A-2</b> | Percentage of Workers with Employer-Sponsored Health Insurance Coverage on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation ..... | 50 |
| <b>Table A-3</b> | Percentage of Workers with Pension Coverage on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation .....                             | 51 |
| <b>Table A-4</b> | Percentage of Workers Self-Employed on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation.....                                      | 52 |
| <b>Table A-5</b> | Percentage of Workers with Flexible Work Schedules on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation .....                      | 53 |
| <b>Table A-6</b> | Percentage of Workers Employed Part Time on Their New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation.....   | 53 |
| <b>Table A-7</b> | Percentage of Workers with Stressful Work Conditions on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation .....                    | 54 |
| <b>Table A-8</b> | Percentage of Workers Who Make Promotion and Pay Decisions on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation .....              | 55 |
| <b>Table A-9</b> | Percentage of Workers Reporting That They Enjoy Their Work on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation .....              | 56 |

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## EXECUTIVE SUMMARY

Recareering or career change is common at older ages. Workers who change careers typically move into jobs that pay less than their previous jobs and are less likely to offer pension and health benefits. On the positive side, new careers tend to offer more flexible employment arrangements, less stressful working conditions, and fewer managerial responsibilities.

This report examines the extent and nature of career change by older workers and its consequences for later-life employment. Using data from the Health and Retirement Study (HRS), the analysis tracks a sample of workers ages 51 to 55 and employed full time in 1992 and computes the percentage who changed employers, occupations, or industries by 2006, when they were ages 65 to 69. In addition, the report measures the impact of personal and job characteristics on the likelihood that older workers switch employers and occupations.

The report also examines how job characteristics such as wages, health insurance coverage, and pension coverage change when older workers move into new careers. Tabulations compare the new and old jobs in terms of occupation, industry, self-employment, flexible work options, part-time work, stressful work conditions, managerial responsibilities, overall job satisfaction, and prestige scores that rank occupations in terms of social standing.

Special attention is paid to the circumstances surrounding later-life job separations that influence career change. Older job changers who say they are retiring from their previous employers are especially likely to downshift into less demanding, more flexible new careers that pay less than their former positions. Laid-off workers and those who simply say they quit their former jobs are more likely than retirees to take new jobs in the same occupation.

For this study, recareering involves a move to a new employer in a new occupation. The terms “occupational change” and “career change” or “recareering” are used interchangeably.

## LATER-LIFE EMPLOYER AND OCCUPATIONAL TRANSITIONS

Many workers change employers and move into new careers in their fifties and sixties.

- More than 8 out of 10 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 left their jobs (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.

The likelihood that older workers change jobs and careers varies by a number of factors, including educational attainment, sex, and pension coverage.

- When other factors are controlled for, older workers who have completed college and those who did not complete high school are significantly less likely to change careers than high school graduates who did not attend college.

- Late-life occupational change is more common among men because women are less likely than men to continue working if they leave an employer in their fifties. Among those who do change jobs, however, women and men are equally likely to change occupations.
- Defined-benefit pension coverage significantly reduces the likelihood that older workers change jobs.

The circumstances under which older workers leave their old jobs partly determine whether they change careers.

- One in four adults ages 51 to 55 and working full time in 1992 lost their jobs due to layoffs or business closings by 2006 (before the 2007–2009 recession began). Seventy-one percent of these became reemployed, the majority in new occupations.
- One in eight older workers say they left their jobs for health reasons. Older workers with health problems are much less likely to move into new jobs or new careers than those in better health.
- Just under half of workers ages 51 to 55 who left their 1992 jobs said they were retiring. More than 3 in 10 retirees took new jobs, and nearly two-thirds of these job changers moved into new occupations.
- When other factors are controlled for, retirees who take new jobs are nearly twice as likely to move into new occupations as laid-off workers who become reemployed.

### **COMPARISONS BETWEEN OLD AND NEW JOBS**

Older workers who change careers, especially those who retire from their previous jobs, tend to move into occupations that are less demanding and pay less than their former occupations. Differences in job attributes are less pronounced for workers who quit or are laid off from their former jobs.

- Hourly wages are substantially lower on new jobs than former jobs for all older career changers. Median wages fell by 57 percent for retirees, 22 percent for those who were laid off, and 5 percent for those who quit their former jobs.
- Nearly a quarter of career changers lose health insurance when they change jobs; only about 10 percent gain insurance.
- Older workers who change careers are most likely to move out of managerial jobs and most likely to move into sales or operator positions.
- Older career changers—especially those who have retired—are more likely to have flexible work schedules on their new jobs than on their old ones.
- Stressful working conditions fall sharply in the new jobs of older career changers.
- The large majority of older career changers say that they enjoy their jobs, but they are more likely to enjoy their new jobs than their old ones. This tends to be the case despite a decline in the prestige score, or social standing, of the new careers.

## CONCLUSIONS

Later-life career change appears to be an important part of the retirement process. Many older workers who change jobs, and especially those who change careers, downshift into part-time work that involves less stress and responsibility and more flexible work schedules than their previous jobs. Many older job changers end up working for themselves. These new careers pay less per hour and are less likely to offer benefits. They also tend to have less social standing than the former jobs held by older workers who make these transitions. More older job changers say they enjoy their new jobs than say they enjoyed their former positions, despite the fact that the new jobs do not pay as well and are less likely to offer benefits such as health insurance. Many older workers appear to place a high premium on escaping from the 9-to-5 grind that their flexible new positions often provide, even if it means a pay cut.

Some older workers may also change jobs in hopes of finding more meaningful jobs that give added purpose to their lives. Although our data do not allow us to identify any particular motivations for voluntary job changes by older adults, our results suggest that financial need may be a more important driver of late-life career change than a desire to find purposeful work. For example, wealthy workers and those with defined benefit plans, which guarantee retirees with a lifelong stream of income, are less likely to change employers or move into new careers than workers with fewer assets and those without pension benefits. Relatively few workers with defined benefit pension coverage continue working after they leave the jobs they held in their early fifties.

Additionally, many late-life career changers appear to be pushed into new lines of work involuntarily following job layoffs or business closings. Many older displaced workers who become reemployed suffer substantial pay losses and benefit cuts on their new jobs.

Workers from all walks of life change careers at older ages, but recareering rates are significantly lower for Hispanics, women, and those who did not complete high school than for other workers. Expanding public workforce development initiatives for older adults with limited skills or little work experience could improve their employment options. More training for older adults with limited education could give them the skills and confidence they need to move into new careers, enabling them to extend their working years, increase their retirement income security, and improve the quality of their lives.

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## INTRODUCTION

As the workforce ages, there are increasing signs that people are beginning to delay retirement and work longer. Between 1993 and 2008, the labor force participation rate at ages 65 to 69 increased from 25.4 to 35.6 percent for men, and from 16.1 to 26.4 percent for women (Bureau of Labor Statistics 2009). On average, workers ages 51 to 56 placed the probability of working full time past age 65 at 33 percent in 2004, up from 27 percent in 1992 (Mermin, Johnson, and Murphy 2007). And 7 in 10 working adults ages 45 to 74 reported in 2007 that they planned to work in “retirement” or never retire (AARP 2008). These trends will result in more workers producing additional goods and services, boosting economic growth, and generating more tax revenue to fund government programs (Butrica, Smith, and Steuerle 2006). Working longer also raises retirement incomes, improving individual financial security in old age.

For many older workers, delaying retirement does not mean continuing in the same jobs they held when they were younger. Instead, many leave their old occupations behind once they reach their fifties and sixties and embark on new careers; that is, they “recareer.” These transitions may involve pursuing employment that is more personally fulfilling but less financially rewarding than previous jobs. They may involve moves from wage-and-salary jobs to self-employment. Or they may represent a gradual shift into retirement, with workers moving from demanding, full-time work into less stressful part-time work.

Despite the prevalence of recareering at older ages, relatively little is known about who changes careers and the circumstances under which these changes occur. Are new career opportunities widely available, or are they restricted to highly skilled, well-educated workers? Do workers generally change occupations to pursue more meaningful work, or are they pushed into new fields by layoffs or poor health? Better information about later-life career changes would improve understanding about employment patterns and opportunities at older ages and could lead to policies that better promote work for all older Americans.

This report examines the extent and nature of recareering or career change by older workers and the consequences for their later-life employment. For this study, recareering involves a move to a new employer in a new occupation. The terms “occupational change” and “career change” or “recareering” are used interchangeably.

Using a large, nationally representative survey of older Americans, this study computes the frequency of employment and occupational change at older ages and examines how rates vary by key personal characteristics, such as sex, race, education, and health status. It also compares hourly wages, fringe benefits, part-time status, work-related stress, self-employment rates, and other job attributes on the new and former positions. The analysis pays special attention to the reasons that workers give for leaving their employers, comparing the effects of seemingly voluntary separations with those of job displacements.

## BACKGROUND

Most workers change jobs frequently over the course of their lives, especially at younger ages. The typical male worker born between 1939 and 1944 held seven jobs during his first 10 years in the labor market, about two-thirds of the jobs in his total career (Topel and Ward 1992). The Bureau of Labor Statistics (2008) reports that the average person born in the later years of the baby boom (1957 to 1964) held 10.8 jobs from ages 18 to 42. Although job tenure generally increases with age, short-duration jobs are now common for workers approaching middle age. About 3 in 10 jobs started by workers ages 38 to 42 now end in less than a year, and nearly two-thirds end within five years (Bureau of Labor Statistics 2008). Workers typically earn higher wages after they move to a new employer, at least when they voluntarily leave the former job. About one-third of early-career wage growth results from job changes (Topel and Ward 1992).

Occupational change is also a common feature of the labor market. Many workers change occupations when they switch employers, but some move into new occupations with the same employer. For example, a secretary may be promoted to office manager by his or her current employer. Other workers remain in the same occupation when they change employers.

Estimated rates of occupational change depend on how analysts define occupations and what data sources they use. The U.S. Census Bureau defines about 500 different three-digit occupational codes, which some researchers aggregate into larger groups. Data from the Census Bureau's monthly Current Population Survey (CPS) show that 7 percent of workers ages 16 and older moved from one three-digit occupation to another between January 2003 and January 2004 (Shniper 2005). Occupational mobility rates are higher in the Panel Study of Income Dynamics (PSID), a recurring survey of about 5,000 households conducted by the University of Michigan.<sup>1</sup> Kambourov and Manovskii (2004) report that the annual rate of occupational change averaged 17 percent for male workers in the PSID between 1968 and 1993, based on narrowly defined three-digit occupational codes. Interestingly, Kambourov and Manovskii exclude government workers from their sample, who are less likely than private sector workers to change occupations (Shniper 2005). Most workers who change occupations appear to perform quite different job activities in their new positions. Kambourov and Manovskii find that their estimated occupational mobility rate declines only modestly, to about 13 percent—about three-quarters of the original rate—when they aggregate the three-digit codes into only nine different categories. Over the five-year period from 1965 to 1970, 39 percent of adult men in the decennial census changed their three-digit occupations (Sommers and Eck 1977).

## WHY DO WORKERS CHANGE OCCUPATIONS?

Much research on career change focuses on upward occupational mobility, based on the assumption that people change their line of work to move into better-paying jobs. Rosen

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<sup>1</sup> The PSID began tracking about 5,000 families in 1968. The survey also tracks households that split off from the households that were originally sampled (i.e., through divorce and home leaving). In 1997, the PSID began interviewing respondents every two years, instead of annually.

(1972), for example, posits that workers change occupations to acquire more training and raise their earnings. His model predicts that workers stay in a particular occupation until they exhaust the training opportunities it offers and then move on to the next, accumulating more human capital. Shaw (1987) maintains that occupational mobility depends on how much workers have invested in occupation-specific skills and how easily these skills can be transferred to other occupations. Sicherman and Galor (1990) view occupations as a hierarchy of better-paying jobs. Workers become eligible for promotion into a better-paying occupation once they have accumulated sufficient experience in the current occupation. Workers denied promotions by their current employers may choose to change employers or occupations if such moves might increase the value of their lifetime earnings.

Other research emphasizes the tradeoff between pecuniary and nonpecuniary jobs traits in worker decisions about career change. Instead of moving into better-paying occupations as they become more experienced, some workers may choose to downgrade, switching to lower-paying occupations that promise less stress and fewer responsibilities, more flexible work options, less physically demanding work, more interesting and personally fulfilling employment opportunities, or better working conditions. These types of transitions may appeal particularly to mothers and dual-career couples struggling to balance work and family responsibilities (Moen and Dempster-McClain 1987; Wharton and Blair-Loy 2002). For example, Connolly and Gregory (2007) find that about one-quarter of women moving from full-time to part-time work in Great Britain between 1991 and 2001 shifted to an occupation that required fewer qualifications than their previous position. Occupational downshifting may also appeal to older workers, especially those with substantial savings or those already collecting retirement benefits who can afford to reduce their earnings.

Not all occupational transitions are voluntary choices by workers, and involuntary transitions affect workers differently than voluntary transitions, whether driven by pecuniary or nonpecuniary motives. About 13 percent of workers who changed occupations between January 1986 and January 1987 did so following the loss of their previous job (Markey and Parks 1989).<sup>2</sup> About half of workers displaced between 1983 and 1988 who were reemployed ended up in occupations different from those they previously held (Markey and Parks 1989).

### **WHO CHANGES OCCUPATIONS?**

Occupational mobility is especially common among young workers. According to 2004 CPS data, annual occupational mobility rates fall from 19.9 percent at ages 20 to 24, to 5.9 percent at ages 35 to 44, to 2.7 percent at ages 55 to 64, to 1.6 percent at ages 65 and older (Shniper 2005). The roughly one-third of workers who were younger than 35 in 2004 accounted for about three-fifths of all career changers. Older workers have generally spent more time in their occupations and have accumulated more occupation-specific skills than younger workers. Thus, they tend to forgo more human capital when

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<sup>2</sup> This estimate does not include workers who lost their jobs between January 1986 and January 1987 and were not reemployed until after January 1987.

they change careers than younger workers do. Older career changers also have less time to accumulate new skills in their new occupations.

The impact of education on occupational mobility is less clear. PSID-based studies that control for age and other factors find that education tends to reduce occupational mobility for men (Kambourov and Manovskii 2004; Parrado, Caner, and Wolff 2007). CPS data, however, reveal a more complex relationship between educational attainment and occupational change (Markey and Parks 1989; Shniper 2005). Workers in the CPS with high school diplomas who did not complete four years of college are more likely than either those without high school diplomas or college graduates (especially those with graduate and professional degrees) to change occupations. High school dropouts might be unable to garner job offers because they lack access to job networks or the basic skills that employers value. Well-educated workers, especially those with graduate degrees, have likely invested much time and money developing occupation-specific skills, which they might lose if they change careers.

Women tend to change occupations more frequently than men. CPS data show that 7.7 percent of women changed occupations between 2003 and 2004, compared with 6.8 percent of men (Shniper 2005).

Occupational mobility appears to have increased in the 1970s and 1980s (Kambourov and Manovskii 2004; Parrado, Caner, and Wolff 2007). Between 1968 and 1993, for example, the annual occupational mobility rate for men in the PSID increased from 16 to 19 percent, based on three-digit occupational codes (Kambourov and Manovskii 2004). However, the likelihood that a worker of a given age changes occupation has grown faster over time than this figure indicates, because the U.S. population has been aging and older workers are less likely to change occupations than younger workers. Holding age constant, the occupational mobility rate for male workers increased from 16 to 21 percent between 1968 and 1993 (Kambourov and Manovskii 2004). Evidence of increased occupational mobility is consistent with the notion that the labor market is becoming more turbulent, with heightened job churning and shorter job tenures (Brown, Haltiwanger, and Lane 2006; Neumark 2000). Occupational mobility appears to have declined somewhat since the mid-1990s, however. According to CPS data, the overall share of workers changing occupations during the previous 12 months fell from 11 percent in 1996 to 7 percent in 2004 (Shniper 2005). The rate also fell within all age groups examined.

## **OCCUPATIONAL CHANGE AND THE RETIREMENT TRANSITION**

Retirement is now a process for many workers, not an abrupt transition. Permanent, one-time moves directly out of the labor force from full-time work are relatively infrequent. Instead, many older workers move from long-term careers to short-term jobs that serve as bridges to retirement before exiting the labor force completely (Cahill, Giandrea, and Quinn 2006; Ruhm 1990). Additionally, about one-quarter of workers who retired during the 1990s eventually returned to work (Maestas 2004). Many of these job changes may involve transitions into new careers. For example, Johnson and Kawachi (2007) report that 77 percent of job changes by older workers leaving long-term jobs (with 10 or more years of tenure) involved a move into a different occupation, and 73 percent involved a move into a different industry.

Like adults of all ages, older Americans work in a wide variety of occupations. About 36 percent of workers ages 65 and older are employed as managers or professionals, 17 percent work in service occupations, 15 percent work in sales, and 14 percent work in office and administrative support occupations (Mermin, Johnson, and Toder 2008). Another 17 percent work in blue collar occupations, including construction, manufacturing, and transportation jobs. Older workers are generally distributed across broad occupational groups in similar proportions as workers of all ages, except that younger adults are more likely than older adults to work in blue collar occupations, and older employees are more likely to work in sales. Older workers are also more likely than younger workers to be managers. Retail salespersons, farmers and ranchers (which are agricultural management positions), and the immediate supervisors and managers of retail sales workers are the three occupations that employ the most adults ages 65 and older (Mermin, Johnson, and Toder 2008). However, little is known about how many workers move into these jobs as they grow older or how many spend their entire careers in these occupations.

Recent labor market developments may bolster job prospects for older workers, improving opportunities to change careers. The continuing occupational shift from manufacturing to services—which generally features lower entry barriers, more flexible work options (such as part-time, temporary, and consulting positions), and less physically demanding work—likely increases the availability of jobs that appeal to older workers. Between 1971 and 2006, the share of jobs involving high physical demands (such as strength, bending, or reaction time) declined from 8.8 to 7.3 percent, and the share involving moderate or high physical demands (such as standing, walking, or repetitive motion) declined from 56.5 to 46.0 percent (Johnson, Mermin, and Resseger 2007). Older workers are now better educated than in the past, improving their ability to acquire skills that are transferable across jobs and boosting their appeal to prospective employers. Many companies appear especially interested in recruiting and retaining highly skilled older workers, who bring with them a lifetime of work experience and knowledge (Government Accountability Office 2007). Wealth and high educational attainment also make it easier for older workers to pursue self-employment, a popular option at older ages (Karoly and Zissimopoulos 2004).

The likelihood that workers change occupations at older ages and the nature of their transitions likely depend on why older workers switch jobs. Many older workers say they want to phase into retirement gradually—reducing their hours and responsibilities and enjoying more flexible work options, but remaining at work (AARP 2005). For many workers, this type of downshifting would likely require a change in occupations. For example, managers would likely have to step down to a nonsupervisory position to reduce their work responsibilities. People who leave their jobs to accommodate declining health may also tend to move to new, less-demanding occupations.

Some older workers change occupations to embark on new professional adventures after reaching midlife and becoming successful in their careers. These occupational transitions may lead to encore careers, as Freedman (2007) has coined them, that typically pay less than their former occupations but offer work that is more personally fulfilling and meaningful. Typical encore careers involve work in education, health care, and social services. According to one estimate, nearly 10 percent of Americans ages 44 to 70 may be currently employed in encore careers, and about half of those who are not say they are interested in transferring to such fields as education, health care, government, and

nonprofits (Civic Ventures 2008). Nonpecuniary factors of the job appear to be especially important for older workers, who seem particularly willing to enter occupations that pay less if they find the work enjoyable or if it offers flexible employment arrangements (Haider and Loughran 2001).

Many older workers may change occupations after losing their jobs. Although the unemployment rate among older adults falls below the rate for younger adults (Johnson, Soto, and Zedlewski 2008), job losses are not uncommon at older ages. For example, nearly one-fifth of people ages 51 to 61 in 1992 were laid off between 1992 and 2002 (Johnson, Mermin, and Uccello 2005). Job losses became more common in 2008 and 2009 as the economy entered a recession and the senior unemployment rate soared (Bureau of Labor Statistics 2009). Displaced older workers often face long spells of unemployment, especially those leaving jobs in the manufacturing sector, likely forcing many to change careers because they cannot find employment in their lifelong professions (Chan and Stevens 2001; Couch 1998). Others accept early retirement packages from employers before they are ready to leave the labor force. Employers became increasingly likely to offer these retirement incentives throughout the 1990s, and workers accepted more than one-third of early retirement offers (Brown 2002).

Thus, a variety of different factors—some pushing older workers out of their current occupations and others pulling them into new ones—promote recareering at older ages. For some workers, burnout from an existing job or the desire to face new challenges or connect to longtime interests after a lifetime of hard work drives the response. For others, it's about having the skills, experience, and motivation to take up new, lucrative opportunities simply because they exist, where previously they did not. Still others have change thrust upon them—they are fired, downsized, or bought out by an enticing early retirement package before they are prepared to retire fully.

## DATA AND METHODS

To fill some of the gaps in our understanding of career change after age 50, we examine data from the 1992 to 2006 waves of the Health and Retirement Study (HRS). Designed by the University of Michigan for the National Institute on Aging, the HRS is a nationally representative longitudinal survey of older Americans. It began in 1992 by interviewing 9,607 men and women ages 51 to 61 (known as the HRS cohort) and reinterviewing them every two years. Two new cohorts of respondents were added in 1998—the Children of the Depression cohort (ages 68 to 74 in 1998) and the War Babies cohort (ages 51 to 56 in 1998).<sup>3</sup> The most recent available data are from 2006.

At each interview the survey asks respondents about their work status and the attributes of their current jobs. Available job information includes earnings, occupation, industry, number of years on the job, employer pension and health insurance coverage, coverage by a union contract, usual weekly work hours, and self employment. The survey also asks

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<sup>3</sup> New cohorts were added in 2004, but we do not include these respondents in our study because there are not yet enough observations beyond 2004 to evaluate occupational changes. Additionally, in 1993 the survey began interviewing respondents ages 70 and older, who were 83 by 2006, but we also exclude them from the analysis.

workers about their job responsibilities and requirements (such as levels of physical effort and concentration, responsibility for pay and promotion of staff, and on-the-job stress), the flexibility of their work schedules, and how much they enjoy their jobs. Additionally, respondents indicate whether they continue to work at the same job they held at the previous interview. Those who leave their jobs are asked why they separated.

## **ESTIMATING RE CAREERING RATES**

The analysis begins by following a sample of 1,705 workers who are ages 51 to 55 and employed full time in 1992 and computing the percentage that change employers, occupations, or industries by 2006, when they are ages 65 to 69. We also compute these percentages for the subset of 1,466 workers who leave the 1992 employer by 2006. For this initial set of tabulations that compute recareering rates, we exclude workers older than 55 in 1992, because some of them may have already changed careers after age 55 before we can first observe them in 1992. The analysis excludes part-time workers because they are less likely than full-time workers to be on their long-term career jobs and more likely to have begun the retirement process. We restrict this sample to respondents who remain in the survey every wave, so that the analysis will record most employment transitions.<sup>4</sup> Otherwise, our estimates would understate the true rate of occupational change at older ages, because we would classify respondents who change occupations after dropping out of the sample as never having switched. This restriction may bias our estimates somewhat, because those who remain in the sample every wave tend to earn more than those who leave, and are more likely to be white, well-educated, and in good health (Kapteyn et al. 2006). The differences are not large, however, so the bias should be minimal.

The analysis records only those new jobs that respondents hold at the time of a survey interview, and thus misses some transitions into very short-term jobs. For example, the analysis does not count the reemployment of a respondent who leaves the 1992 job after the 1996 interview, say, takes another job, but then leaves this new job before the 1998 interview and never again holds a job at the time of a survey interview. Consequently, the analysis may understate transition rates into new, short-term jobs and careers at older ages.

We devote special attention to the circumstances surrounding later-life job separations, which likely influence career change. For example, older workers who leave their jobs to retire may be less likely to change careers than those who quit their jobs, because job quitters may be more likely to take other jobs. Conversely, retirees may be more likely to change careers than those who leave their jobs for health reasons, because people with health problems are less likely to continue working. We group separations into five mutually exclusive categories: retirements (based on respondents' self-reports, not on more objective measures, such as benefit receipt, earnings reductions, or hours reductions), quits (including workers who leave their employers for "better jobs"), job layoffs (including business closures and workers who report being "let go"), separations for health problems, and separations for other reasons (including relocation, family or

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<sup>4</sup> There are 4,676 respondents ages 51 to 55 in 1992, 2,840 of whom work full-time. Only 1,906 of these respondents are observed in every wave through 2006. We drop another 201 observations that are missing information on other attributes.

child care responsibilities, marriage, spouse's preferences, personal problems, and dissatisfaction with work hours or length of commute). These distinctions are not always clear-cut, and more than one factor may motivate certain separations. For example, some workers choose to retire because of declining health, and it is not obvious how those people would describe their reasons for leaving the job. Nonetheless, as the results later in the report show, recareering patterns vary systematically with reasons for job separations, suggesting that these distinctions are meaningful.

We compute the share of older workers who ever leave jobs for each of these reasons between ages 51 to 55 and 65 to 69. We also show the share of job leavers who separate for various reasons. The sample of job separators used for this second set of estimates consists of the 2,099 HRS respondents ages 51 to 55 and working full-time in 1992 who leave the employer by 2006. Because this sample includes some respondents who drop out of the survey over time, it is larger than the group of 1,705 respondents interviewed at every wave that we use to compute overall recareering rates.<sup>5</sup> Additional tabulations report recareering rates by reason for job separation. Standard techniques are used to determine whether group differences in employer and occupation change are statistically significant.

## **DETERMINANTS OF CAREER CHANGE**

To evaluate the determinants of various personal and job characteristics on the likelihood of recareering at older ages, we estimate multivariate models of the decision to switch employers and occupations in later life. These models measure the impact of selected factors on the outcomes of interest while holding other factors constant. This feature of multivariate models is important because many of the factors that appear to influence recareering—such as education, race and ethnicity, and the availability of fringe benefits—are correlated with each other. It is impossible to identify the particular factors that drive recareering decisions by examining only simple bivariate tabulations.

We estimate a set of multinomial logit models of employer and occupational change for workers employed full-time and ages 51 to 55 in 1992. The first model shows the impact of personal and job characteristics on the likelihood of remaining in the 1992 job through 2006, the likelihood of leaving the 1992 job and not working elsewhere, and the likelihood of changing employers but remaining in the same occupation, all relative to the likelihood of moving to a new job in a *different* occupation. Explanatory variables include age, sex, education, race and ethnicity, health status, household wealth, union membership, defined benefit pension coverage, defined contribution pension coverage, and health insurance, as measured in 1992.

The second model is restricted to workers employed full-time and ages 51 to 55 in 1992 who leave the 1992 job by 2006. It shows the impact of various factors on the likelihood of leaving the labor force upon separation from the 1992 job and not working again, and the likelihood of taking another job but remaining in the same occupation as the 1992 job,

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<sup>5</sup> This sample includes respondents who eventually drop out of the survey, so as to maximize the number of job separations we observe. Because we are not computing rates of occupational change over time, it is not necessary to observe the respondent's entire work history between 1992 and 2006.

relative to the likelihood of entering a new occupation. In addition to the set of explanatory variables that enters the first model, the second model also includes controls for the reason for the job separation. All explanatory variables in this model are measured at the time of the job separation, which may better predict labor market behavior than the 1992 values. For example, health status at the time of job separation is likely a better predictor of reemployment than health status several years earlier.

## COMPARING OLD AND NEW JOBS

The final set of analyses compares characteristics of the old and new jobs. The sample consists of 3,324 workers who change jobs after age 51 and who worked full time on the former job, and the subset of 1,951 workers who change occupations. These tabulations use data for all respondents from the HRS cohort (ages 51 to 61 at the 1992 baseline), the Children of the Depression cohort (ages 68 to 76 at the 1998 baseline), and the War Babies cohort (ages 51 to 56 at the 1998 baseline) who change jobs (but excludes spouses outside of these age ranges). This expanded sample maximizes the number of observations we can use to compare jobs.<sup>6</sup> The analysis considers only the first job change observed during the sample period and uses data through 2004.<sup>7</sup> We compare old and new jobs by occupation, industry, median hourly wage, employer-sponsored health insurance coverage, employer-sponsored pension coverage (of any type), self-employment, the availability of flexible work schedules, part-time status, stressful work conditions, whether workers make promotion and pay decisions for others, whether they enjoy their jobs, and the occupation's prestige score. Our measures are described in the next section. We also examine how these comparisons vary by the reason for job separations and by whether job changers move into new occupations.

## MEASURES

We generally define occupational change as movement between 2 of 17 broad occupational categories and industry change as movement between 2 of 13 broad industry categories.<sup>8</sup> Our analysis focuses on workers who move into jobs that differ substantially from their previous positions. Earlier studies have found that most workers who change occupations move into quite different careers (Kambourov and Manovskii 2004; Shniper 2005). We define a career changer as a worker who moves to a new employer in a different occupation, and we use the terms occupational change and career change

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<sup>6</sup> Our examination of recareering rates does not use this expanded sample because our aim in the analyses is to measure the likelihood that workers change occupations after their early- to mid-fifties. Thus, we restrict the sample for those analyses to workers ages 51 to 55 at baseline who respond to the survey at every wave (so we do not miss any career changes). We also need a longer follow-up period than is available for respondents who are first observed in 1998, so we restrict the sample to those who are ages 51 to 55 in 1992.

<sup>7</sup> We do not include 2006 data in these tabulations because, as we discuss later, the detailed occupational information they rely on is available only through 2004.

<sup>8</sup> The 17 broad occupational categories consist of managers; professionals and technical support; sales; clerical; private household services; protection services; food preparation services; health services; personal services; farming, forestry, and fishing; mechanics and repair; construction; precision production; machine operators; transport operators; handling operators; and members of the Armed Forces. The 13 broad industry categories consist of agriculture, forestry, and fishing; mining and construction; nondurable manufacturing; durable manufacturing; transportation; wholesale trade; retail trade; finance, insurance, and real estate; business and repair services; personal services; entertainment and recreation services; professional and related services; and public administration.

interchangeably. The analysis does not require that workers move out of long-term jobs or into long-term jobs for the transition to qualify as a career change. Many older workers who change occupations, in fact, were not in long-term career jobs before they moved to a different occupation (Johnson and Kawachi 2007). However, our measure misses workers who change occupations with their current employers.

Our comparisons of old and new jobs distinguish between job changers who move into a different broad occupation (as defined by the 17 categories described in footnote 8), those who stay within the same broad occupational category but move into a different narrowly defined occupational category, and those who stay within the same narrowly defined occupation. The narrow occupations are defined by the roughly 500 three-digit U.S. Census Bureau occupational codes.<sup>9</sup> However, because the detailed occupational codes are available to us only through 2004 and are missing in 1994, we focus on the broader occupational definitions that are available in every survey wave.

Our measures of occupational change are necessarily imperfect. They might classify as career changers some workers who did not really move into a new line of work, and they might exclude others who really did change occupations. For example, the Census Bureau's classification system includes a category of miscellaneous managers and administrators within the managerial occupation group, but also includes supervisor categories within the sales, clerical, services, farming, and precision production occupation groups. Some workers who hold the same occupation at two different survey interviews might be considered managers at one interview and supervisors at another, and thus be misclassified as occupational changers. Nonetheless, we believe our measure provides a reasonable approximation of career change late in life.

Occupational prestige scores, developed by Nakao and Treas (1994), are based on ratings by respondents to the 1989 General Social Survey, who were asked to rank occupations in terms of social standing. The scale, developed for the three-digit census occupation codes, ranges from a low of 1 to a high of 100. Occupations with high scores include physicians (86), lawyers (75), college professors (74), clergy (69), and elementary school teachers (64). Occupations with low scores include car wash attendants (19), maids (20), messengers (22), bartenders (25), and cashiers (29).

We base other job attributes on worker responses in the HRS survey. We classify a job as stressful if respondents agree or strongly agree with the statement that their job "involves a lot of stress." We classify a job as having flexible work hours if respondents say they could reduce the number of hours in their regular work schedule. Job responsibilities are based on the worker's response to the question, "On your job, do you make decisions about the pay and promotion of others?" Workers who report that their jobs require physical effort all or almost all of the time or most of the time are considered to have physically demanding jobs. The analysis classifies respondents as enjoying work if they agree or strongly agree with the statement, "I really enjoy going to work." Part-time work is defined as fewer than 35 hours of work per week.

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<sup>9</sup> We obtained special permission to use these detailed occupational codes from the University of Michigan, which restricts access to them on privacy grounds. We have access to these codes in the 1992 and 1996 to 2004 surveys.

All financial amounts reported in the study are measured in constant 2007 dollars, as adjusted by changes in the Consumer Price Index. Household wealth includes the net value of the home, other real assets, and financial assets, but excludes the value of expected future payments from defined benefit pension plans and Social Security.

## RESULTS

This section summarizes our findings on employer and occupational transitions at older ages. It shows how recareering rates vary by personal characteristics and the circumstances surrounding job separations. Tables also describe how various factors affect the likelihood of changing careers, holding other factors constant. The section concludes by comparing job attributes on former and new jobs for workers who change jobs late in life.

### LATER-LIFE EMPLOYER AND OCCUPATIONAL TRANSITIONS

Table 1 reports employer and occupational transitions between 1992 and 2006 for workers employed full time and ages 51 to 55 in 1992. Most workers leave their 1992 employers by 2006 (when they are ages 65 to 69); only about 14 percent remain with their baseline employer. About half of workers who leave their 1992 employers (or about 43 percent of the entire group of older workers) are not reemployed, whereas the other half find work elsewhere. Nearly two-thirds (63 percent) of workers who change employers after their early- or mid-fifties move into different occupations, broadly defined. About 27 percent of workers overall change occupations after their early or mid-fifties.

Late-career occupational change is more common among men than women, and less common among wealthy workers and those with either very limited or very extensive education. About 29 percent of men working full time in their early fifties have moved into new occupations by the time they reach their mid- to late sixties, compared with only about 24 percent of women. Women are less likely to work after leaving their 1992 employer, which accounts for the sex difference in occupational change. Among those who change jobs, women are just as likely as men to switch occupations. Barely one-fifth of full-time workers in their early and mid-fifties with more than \$300,000 in household wealth go on to change careers. About 20 percent of older workers with graduate or professional degrees and about 23 percent of older workers who did not complete high school change occupations. Recareering is likely costly for highly educated people who work in specialized fields and have accumulated skills that cannot be easily transferred to other occupations. Recareering rates are low for workers without high school diplomas because they are less likely than better-educated people to work after leaving their 1992 employer.

The characteristics of the jobs workers hold in their early and mid-fifties, especially the availability of retirement and health benefits, appear to influence the likelihood of subsequent career change. Nearly one-third (about 32 percent) of full-time workers ages 51 to 55 without retirement benefits on the current job change occupations by their mid- to late sixties, compared with nearly one-quarter (about 23 percent) of those with defined benefit pension plan coverage on the current job (table 2). One reason for the relative infrequency of late-life career change among older workers with traditional pension

coverage is that few change employers. Although nearly all of them leave their 1992 employer by 2006, only about 40 percent move to new jobs. The majority stop working after leaving the job they held in their early to mid-fifties. Similarly, relatively few older workers with access to retiree health benefits change careers because the majority stop working once they leave their age-51-to-55 employer. People with traditional pension plans and retiree health benefits can generally afford to leave the labor force earlier than those without these benefits, many of whom work into old age for financial reasons (AARP 2008). Interestingly, the likelihood of career change does not vary significantly with the hourly wage on the job held in the early fifties.

## REASONS FOR JOB SEPARATIONS IN LATER LIFE

Table 3 reports the percentage of workers employed full time and ages 51 to 55 in 1992 who leave jobs for particular reasons by 2006, when they are ages 65 to 69. (The table shows the primary reason workers cite for leaving the job.) More than one-third (about 35 percent) leave jobs involuntarily—because of layoffs, business closures, or health problems—during the 14-year period. About 24 percent lose their jobs following business closures or because of layoffs, and about 12 percent leave their jobs because of health problems.<sup>10</sup> Non-Hispanic blacks are about twice as likely as non-Hispanic whites to leave a job for health reasons, but layoff rates do not vary significantly by race or ethnicity. The likelihood of losing a job because of a layoff or business closing does not vary much with education for workers without graduate degrees, but workers with graduate degrees are only about one-half as likely to experience a layoff as workers with less education. The chances of losing a job because of health problems fall rapidly with education. About 45 percent of older workers without a high school diploma, who account for about one in six full-time workers ages 51 to 55 in 1992, involuntarily leave their employers after their mid-fifties, compared with only about 33 percent of older workers with some college or bachelor’s degrees and 18 percent of older workers with graduate degrees.

Less than half (46 percent) of workers employed full time at ages 51 to 55 ever cite retirement as the principal reason for leaving a job by ages 65 to 69. Men are more likely than women to separate for retirement reasons, and workers who did not complete high school are less likely than those with more education to say they have retired. Many workers who give other reasons for leaving jobs, however, eventually describe themselves as retired, especially if they never work again. For example, computations not reported in the table reveal that 63 percent of HRS respondents employed full time at ages 51 to 55 call themselves retired at ages 65 to 69, even though less than half said at the time they left their jobs that they were retiring. About 18 percent of full-time workers ages 51 to 55 “quit” a job by ages 65 to 69 (including workers who say they are leaving to take a “better job”), and another 16 percent leave for other reasons, including relocation, family or child care responsibilities, marriage, spouse’s preferences, personal problems, and dissatisfaction with work hours or length of commute.

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<sup>10</sup> Some workers leave multiple jobs over the period for different reasons, so the sum of the shares of workers leaving a job for various reasons exceeds 100 percent. Similarly, the sum of the share of workers experiencing layoffs or business closures and the share with health problems exceeds the share who leave for either reason.

Tables 4 and 5 consider only workers who leave the full-time job they held in 1992 (when they are ages 51 to 55) by 2006 and present the principal reasons they give for separating.<sup>11</sup> Among those who eventually leave, about 40 percent say they separate to retire, 15 percent say they quit, 23 percent report being laid off (or say the business where they worked closed), and 13 percent cite health problems (table 4). The remaining 9 percent give other reasons. Retirement is a more frequent reason for job separation among men than women, and among those with graduate degrees than those with less education. The likelihood of citing health problems as the reason for job separation declines as educational attainment increases and is higher among non-Hispanic blacks than non-Hispanic whites. Among older workers who separate from their jobs, about 48 percent of those without high school diplomas leave involuntarily, citing layoffs or health problems as the reason, compared with only about 31 percent of those who attended college but did not earn a graduate degree and 19 percent of those with graduate degrees.

The share of workers who attribute job separations to retirement, layoffs, or health problems varies with certain job characteristics. For example, workers with access to defined benefit pension plans or retiree health benefits on the current job are more likely to retire than workers without these fringe benefits (table 5). Self-employed workers who leave their jobs are less likely than departing wage and salary workers to retire and more likely to leave for health reasons. Similarly, separating workers in physically demanding jobs are less likely to retire and more likely to leave for health reasons than workers in jobs with lower physical demands. The hourly wage also seems to matter. About 29 percent of workers earn more than \$28 per hour (in 2007 inflation-adjusted dollars) when they separate. These high-wage workers are more likely to leave because of retirement and less likely to leave because of layoffs or health problems than workers with lower earnings. In fact, nearly half (about 49 percent) of separating workers earning less than \$9 per hour—who account for about 1 out of every 10 separating workers—leave because of layoffs or health problems, compared with only about 23 percent of workers earning more than \$28 per hour.

## RECARERING RATES FOR JOB LEAVERS

About half (49.6 percent) of adults working full time at ages 51 to 55 who leave their jobs by 2006—when they are ages 65 to 69—move into new jobs, and nearly one-third move into new occupations (31.3 percent) or new industries (32.3 percent) (table 6). Thus, almost two-thirds of workers who change jobs at older ages move into new industries, and nearly as many move into new occupations (broadly defined).<sup>12</sup> Not surprisingly, workers who quit and those who are laid off are more likely to find new jobs and move into new occupations than those who retire or leave their employers for health reasons. More than 7 in 10 workers who lost their former jobs and nearly 9 in 10 workers who quit their former jobs are reemployed. Nonetheless, nearly one-third of workers (about 32 percent) who leave their jobs to retire obtain new jobs, and about one-fifth change occupations (or nearly two-thirds of those who change jobs). Because retirement is the

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<sup>11</sup> Table 3, by contrast, includes some workers who have not left their jobs by 2006.

<sup>12</sup> As in tables 1 and 2, the analysis here defines occupational change as movement between 2 of 17 broad categories, and industry change as movement between 2 of 13 broad categories. See footnote 8 for a list of the categories.

most common reason for job separations at older ages, about as many retirees as older job quitters and older displaced workers change careers. Each of these three groups accounts for nearly 30 percent of all late-life career changers.

About one-half of older job leavers who obtain new jobs move into both new occupations and new industries (table 7). Only about 13 percent change occupations within the same industry, and only about 14 percent change industries but hold the same occupation on the new job and the old job.

Recareering rates among those who leave jobs at older ages vary by sex, race and ethnicity, education, wealth, and health status (table 8). Older men are more likely than older women to change occupations when they leave their jobs, primarily because men are more likely to continue working. Recareering rates are lower among those who did not complete high school (primarily because they are less likely to work after leaving a job at older ages) and those with graduate degrees (especially after controlling for reemployment rates) than for high school and college graduates. As noted earlier, graduate-degree holders are likely to have accumulated specialized knowledge and skills that may be difficult to utilize fully in new careers. Occupational change is also relatively uncommon among Hispanics, workers with health problems, and those with more than \$300,000 in household wealth (measured in 2007 inflation-adjusted dollars).

Later-life recareering rates among job leavers also vary by the hourly wage and fringe benefits available on the old job (table 9). Full-time workers who leave jobs with defined benefit pension plans or retiree health benefits are less likely to move into new occupations or industries—partly because they are less likely to move to new employers, probably because they can afford to withdraw from the labor market—than workers who leave jobs without these benefits. Older full-time workers who leave jobs that pay less than \$9 per hour (in constant 2007 dollars) are more likely to change occupations or industries than higher-paid workers. Also, workers who separate with fewer than 10 years of service are more likely to change occupations than workers with more seniority, because less-senior job leavers are more likely to take new jobs.

Table 10 reports recareering rates among retirees—adults working full time at ages 51 to 55 in 1992 who cite retirement as the primary reason for separating from the 1992 job when they eventually leave. The likelihood of obtaining new jobs after retirement increases significantly with educational attainment. About 41 percent of retirees with graduate degrees and 39 percent of those who attended college but earned no more than a bachelor's degree move into new jobs after they retire, compared with only about 28 percent of those with no more than a high school diploma. However, the probability that retirees move into new occupations or industries does not vary significantly with education. Conditional on working after retirement, retirees who attended college are less likely to move into new occupations than retirees who did not go beyond high school. Similarly, retirees who worked as managers before they retired are more likely to work after retirement than those who worked in clerical jobs or in mechanical or operator occupations, but they are not significantly more likely to move into new occupations.

### **DETERMINANTS OF THE LIKELIHOOD OF MOVING INTO NEW OCCUPATIONS IN LATER LIFE**

To evaluate the determinants of various personal and job characteristics on the likelihood of recareering at older ages, we estimate multivariate models of the decision to change

employers and occupations in later life. Table 11 reports results from a multinomial logit model for all adults working full time in 1992, when they are ages 51 to 55. The first column in the table shows the impact of personal and job characteristics on the risk of remaining with the 1992 employer through 2006, relative to moving into a different occupation (broadly defined) with a new employer. Values less than 1 mean that the characteristic reduces the likelihood of staying with the 1992 employer, holding other factors constant, and values greater than 1 mean that the characteristic increases the likelihood. The second column reports impacts on the risk of leaving the 1992 employer and not taking another job, and the third column reports impacts on the likelihood of moving to a new job within the same broad occupation, both relative to changing occupations.

The results confirm the important role played by education in influencing career changes. The last column of the table shows that older workers without high school diplomas are 52 percent more likely than high school graduates to move to new employers and remain in the same occupation, rather than move to new employers and change occupations. Bachelor's, graduate, and professional degrees especially discourage career changes. Workers with advanced degrees, for example, are nearly twice as likely as workers with only high school diplomas to move to a new employer but stay in their former occupation, rather than move to a new occupation. Many well-educated workers have developed specialized skills that are not easily transferable to new occupations, and older high school dropouts may lack the general skills or access to job networks needed to move into a new line of work. Older workers who did not complete high school are much more likely than high school graduates to stay with their 1992 employer through 2006 or leave that employer and never work again, rather than change occupations with a new employer. Workers with advanced degrees are also more likely than high school graduates to remain with their 1992 employer, perhaps because many well-educated workers appear to enjoy their jobs (Haider and Loughran 2001).

Age in 1992, health status in 1992, sex, and race and ethnicity affect the likelihood that older workers move to new employers, but they do not significantly influence recareering probabilities. Not surprisingly, older workers are less likely than their relatively younger counterparts to stay with their 1992 employer through 2006, and more likely to leave their 1992 employer and not become reemployed. Additionally, fair or poor health status in 1992 increases the odds that older workers leave the labor market by 2006. Men are more likely than women to move to another employer, whereas Hispanics are less likely than non-Hispanic whites to do so.

Interestingly, 1992 household wealth reduces the likelihood that older workers change occupations, controlling for other factors. This result suggests that few older workers face financial barriers to recareering. Other research has found limited evidence that a lack of financial capital discourages older workers from starting their own businesses (Karoly and Zissimopoulos 2004). Because many older workers who change occupations move to self-employment (as we will see later), the finding that wealth reduces recareering chances is somewhat surprising. It may suggest that financial need drives many older workers to change careers so they can extend their working lives.

Job characteristics also influence employer and occupational change at older ages. Pension coverage, especially from traditional plans, substantially increases the odds that older workers leave their 1992 employers and do not move to other jobs. Traditional

employer plans generally create strong incentives for workers to retire early (e.g., Stock and Wise 1990) and guarantee a lifetime benefit stream, providing many older adults with the financial security they need to withdraw permanently from the labor force. Union members are also more likely than nonmembers to leave the labor force after they separate from the 1992 employer, perhaps because workers covered by union contracts tend to earn more than their nonunion counterparts, and thus generally can afford to stop work.

Table 12 reports results from a multinomial logit model of the decision to move to a new employer and a new occupation for older workers who leave their 1992 employers. The first column shows the impact of personal and job characteristics and job separation reasons on the risk of withdrawing from the labor force, relative to moving into a different occupation with a new employer. The second column shows impacts on the risks of taking a new job in the same occupation, relative to changing occupations. Unlike the explanatory variables in the model described in table 11, the explanatory variables in this model are measured at the time the worker leaves the 1992 employer. This approach will likely generate more precise estimates of the impact of characteristics that vary over time, such as age, health status, and income.

Many of the results in table 12 confirm earlier findings. Highly educated workers and those who did not complete high school are less likely than high school graduates to change occupations when they change jobs at older ages. Older men are more likely than older women to take a new job after leaving the 1992 employer, but there are no significant sex differences in the likelihood of recareering among those who take new jobs. As we saw in table 11, household wealth reduces the likelihood that older job separators take new jobs or move into new occupations, and union membership reduces the chances that they remain in the labor force.

Interestingly, defined contribution pension plan participation reduces the chances that job changers move into new occupations. Most workers with defined contribution plans receive lump sum payments when they leave their employers, and we expected that access to these funds would ease the transition into a new career. Instead, it appears that the relative financial security that comes with access to retirement accounts reduces the likelihood that these workers are driven by financial need to change occupations.

Workers who leave their 1992 jobs at older ages are less likely to take another job than those who leave at younger ages. Among workers who change jobs, however, separation age does not significantly affect the likelihood of moving into a new occupation. This finding is somewhat surprising, because older job changers have less time to accumulate the skills needed to succeed in a new line of work than younger workers.

The likelihood of taking a new job or moving to a new occupation varies systematically with the circumstances surrounding the departure from the previous job. Workers who leave their employers because they are laid off or the business where they worked closes or who say they simply “quit” their previous jobs are much more likely to take a new job than those who retire from their previous position, whereas those who separate because of health problems are much less likely than retirees to take a new job. Among separating workers who take new jobs, however, those who retire from their previous jobs are much more likely to change careers than those who are laid off or who quit their former positions. For example, older job changers displaced from their previous jobs are about

94 percent more likely to remain in their former occupations than retirees who change jobs.

### **OCCUPATION AND INDUSTRY OF OLD AND NEW JOBS FOR LATE-LIFE JOB CHANGERS**

The occupational distribution for new jobs held by older workers who change employers after age 50 does not differ much from the occupational distribution for their former jobs. Workers who change jobs after age 51 tend to move out of managerial jobs and into service occupations (table 13). For example, 25 percent of men working full time who change jobs after age 51 are originally employed as managers, but only about 18 percent work as managers on their new jobs. About 7 percent of older male job changers work in services on their old jobs, compared with about 10 percent who work in services on their new jobs. For full-time working women who change jobs after age 51, the share in managerial occupations falls from about 16 percent on the old job to about 14 percent on the new job, and the share in services increases from about 15 percent to about 22 percent.

The relative stability of the overall occupational distribution for older job changers masks offsetting moves in and out of various occupational groups. For example, only about 40 percent of older male managers and 41 percent of older female managers continue as managers after they change jobs (table 14). The exodus from managerial occupations is consistent with the notion that many older career changers downshift into less demanding, more flexible jobs as they grow older and approach full retirement. About 16 percent of male managers move into sales, and another 15 percent move into professional occupations. (The corresponding percentages for female managers are similar.) Other occupations tend to be more stable. For example, about 55 percent of older male professionals continue in some type of professional occupation after they change jobs, about 55 percent of men employed as operators continue working as operators, and about 52 percent of men in sales remain in sales. The most stable occupations for women are service, professional, and clerical jobs. About 69 percent of older women in service jobs, 63 percent in professional jobs, and 60 percent in clerical jobs remain in these occupational groups after they change jobs.

The distribution of industries that employ older job changers is also quite similar before and after job transitions. Older job changers tend to move out of manufacturing and into services industries (table 15). For example, about 21 percent of men and 15 percent of women working full time who change jobs after age 51 are originally employed in manufacturing, but only about 15 percent of men and 10 percent of women work in manufacturing on their new jobs. The share of older job changers in all services industries (business, repair, entertainment, recreation, and professional) is about 6 percentage points higher on the new job than the old job for men and about 8 percentage points higher for women. Although these aggregate distributions do not reveal much change, many older job switchers move into different industries. For example, only 36 percent of older men and about 39 percent of older women working in manufacturing remain in the industry after they change jobs (table 16). These exits from manufacturing may reflect older job changers' preferences for less physically demanding work or for more flexible employment arrangements than manufacturing jobs typically offer. The industry's contraction over the past several decades may also push many older workers out of manufacturing. The industries that retain the largest shares of older job changers

include mining and construction and professional services. About 64 percent of older women who work in the professional services industry and change jobs after age 51 continue to work in professional services on their new jobs.

### **WAGE AND BENEFIT CHANGES FOR LATE-LIFE CAREER CHANGERS**

Table 17 reports the median hourly wage and the share of workers with employer-sponsored health insurance and pension coverage on the old job and new job for workers who change occupations (broadly defined) after age 51. (Results for all older job switchers, including those who do not change occupations, are reported in appendix tables.) The median wage, measured in constant 2007 dollars, is \$6 lower on the new job than the old job (about \$11 versus \$17), a decline of about 36 percent. Older workers who change careers following retirement tend to experience larger wage declines than career changers who are laid off from their previous jobs or who simply quit their previous jobs. Median wages fall by nearly \$13 (or 57 percent) following retirement, by about \$3 (or 22 percent) following layoffs, and by less than \$1 (or 5 percent) following quits.

Older career changers are less likely to have employer-sponsored health insurance coverage on the new job than the old job, regardless of why they leave the old job. About 70 percent of workers who change occupations after age 51 receive health benefits from their employers on the old job, compared with only about 56 percent on the new job. Nearly one in four older career changers move from a job that offers health benefits to one that does not, while only about 1 in 10 move from a job without benefits to one with benefits. The loss of health benefits is especially common following retirement or layoffs, when coverage rates decline by about 20 percentage points. Many retirees may have access to health benefits through Medicare, spousal coverage, or retiree health insurance from former employers. Coverage rates are nearly identical on the new job and the old job for career changers who quit their previous jobs.

Not surprisingly, many older workers lose pension coverage when they switch careers. The employer-sponsored pension coverage rate for workers who change occupations after age 51 falls from about 61 percent on the old job to about 20 percent on the new job. The decline is even more dramatic for older adults who change careers following retirement; the coverage rate for these workers falls from 90 percent on the old job to only 8 percent on the new job. Coverage rates also fall sharply following layoffs, from 57 percent to 22 percent. About 26 percent of older career changers who quit their former jobs lose pension coverage, but another 16 percent gain pension coverage when they move to a new job.

Appendix tables compare wages and benefits on new and old jobs for older job changers who move into new occupations and those who stay in their original occupations. The median wage falls by only about \$1 for older job changers who work in the same detailed occupation on both the new and old jobs, only about one-sixth of the decline experienced by job changers who move into new occupations, broadly defined (table A-1). Wages may decline more when workers change occupations because they may be unable to utilize some of the occupation-specific human capital (skills and knowledge) on the new job that they accumulated on their former job. Alternatively, wages might fall because workers who change occupations tend to move into less demanding jobs that pay less, an issue we explore below. However, career change does not substantially affect the chances that older job changers lose health or pension benefits (tables A-2 and A-3).

## **CHANGES IN OTHER JOB CHARACTERISTICS FOR LATE-LIFE CAREER SWITCHERS**

Older workers often become self-employed when they change occupations, especially after retiring from a former job. About 24 percent of all workers who change careers after age 51 are self-employed on their new jobs, whereas about 12 percent are self-employed on their old jobs (table 18).<sup>13</sup> Self-employment rates rise more sharply after retirement than after quits or layoffs. About 31 percent of career changers who describe themselves as having retired from their previous jobs move from working for someone else to working for themselves.

Many workers who change occupations in their fifties and sixties appear to be gradually shifting into retirement, pursuing flexible work schedules and reducing their hours, work responsibilities, and on-the-job stress. About 45 percent of all workers who change careers after age 51 have flexible work arrangements on their new jobs, compared with only 27 percent on their old jobs. Older adults who move into new careers following retirement are especially likely to pursue flexible work arrangements. Nearly half (about 46 percent) of older career changers who retire from their previous jobs move from a position with little flexibility to one with greater flexibility, compared with fewer than one-quarter of older career changers who describe themselves as quitting or being laid off from their previous jobs.

Workers often move from full-time work to part-time work when they change occupations at older ages. About one-half of older career changers who worked full time on their previous jobs work fewer than 35 hours per week on their new jobs, including about 7 in 10 job changers who retire from their former jobs. Workers who change occupations for other reasons are less likely to move to part-time work than those who retire. Nonetheless, nearly one-third (about 32 percent) of older career changers who are laid off from their former jobs work part time on their new jobs, perhaps because some of them are unable to find full-time employment.

Many older workers shed their managerial responsibilities when they change occupations at older ages. About 22 percent of older career changers make promotion and pay decisions on their former jobs, but only about 14 percent make these decisions on their new jobs. These results are consistent with our earlier findings that many job changers leave management positions at older ages. However, older career changers who say they quit their previous positions, as opposed to retiring or being laid off, are somewhat more likely to assume responsibility for pay and promotion decisions on their new jobs than on the old jobs.

Many older workers also appear to seek less stressful jobs when they recareer, especially those who retire from their old jobs. About 65 percent of workers who change occupations at older ages report stressful work conditions on their old job, but only about 36 percent report stressful conditions on the new job. The decline in work-related stress is more pronounced for retirees who move into new occupations. Fewer than one quarter of retirees who change occupations describe their new jobs as stressful. Almost half of older

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<sup>13</sup> Appendix tables report results for all older job changers, including those who do not change occupations.

career changers who retire from their previous jobs say that their old job is stressful and their new job is not. Older career changers who are laid off from their former jobs or simply quit their old positions report less reduction in stress.

Perhaps because older workers tend to move to less stressful employment situations when they change occupations, they tend to enjoy their new jobs more than their old jobs. About 91 percent of older career changers agree or strongly agree with the statement, “I really enjoy going to work,” on the new job, compared with 79 percent on the old job. Older career changers who retire, quit, or are laid off from their former jobs are all more likely to enjoy their new job than their old job. Preferences for new jobs are especially striking for older career changers who retire from their old jobs; the share of these job changers who enjoy the new job exceeds the share enjoying the old job by about 21 percentage points. In addition to the fact that new careers often provide older workers with flexible work options and low-stress environments, many older career changers may prefer their new line of work because they are able to secure positions that they find interesting and personally fulfilling.

Attributes of the old and new job do not generally differ much for workers who switch employers at older ages but remain in their former occupations. In fact, the shares of older job changers who are self-employed, have flexible work arrangements, work part time, make pay and promotion decisions, and enjoy their work on the new jobs do not differ significantly from the shares with these attributes on the old jobs (tables A-4 through A-9). Thus, it appears that most workers must change careers to secure less stressful, more flexible, and more enjoyable work as they grow older.

### **PRESTIGE OF OLD AND NEW JOBS FOR LATE-LIFE JOB CHANGERS**

Another way to examine the implications of recareering in later life is to compare the social standing of occupations before and after career changes, based on the prestige scores developed by Nakao and Treas (1994). Workers tend to move into less prestigious occupations when they change jobs at older ages, especially when they retire from their former jobs. Overall, the mean prestige score for jobs held by all older job changers falls from 45.7 on the former job to 43.1 on the new job (table 19). For retirees who change jobs, the mean prestige score falls from 48.3 to 43.3. About 55 percent of retirees lose occupational prestige when they change jobs; only about 30 percent gain prestige. The share of retired job changers with prestige scores below 37 is 14 percentage points higher on the new job than the old job. Job changers who are laid off from their former jobs also lose workplace prestige, although the loss is smaller than for retirees. Job changers who say they simply quit their previous job experience no significant decline in occupational prestige. These results are consistent with other evidence in this report that many older workers shift into less demanding but less financially rewarding occupations when they change jobs, especially when they retire.

### **CONCLUSIONS**

Many workers change jobs and move into new careers as they approach retirement. More than two-fifths (43 percent) of Americans working full time at ages 51 to 55 subsequently change employers, and nearly two-thirds (63 percent) of these job changers move into new occupations. Overall, more than one-quarter (27 percent) of adults working full time

at ages 51 to 55 change careers by ages 65 to 69. Although it is difficult to compare these results with earlier studies, our findings seem broadly consistent with the literature. According to 2004 CPS data, about 2.7 percent of workers ages 55 to 64 change occupations over a 12-month period (Shniper 2005). This annual rate implies that over a 10-year period (about the time the typical worker in our sample remained at work), about 24 percent of older workers would change occupations at least once (accounting for the probability that some workers will change careers multiple times and assuming that recareering probabilities are completely random and do not depend on past outcomes).

Later-life career changes often appear to be part of a gradual transition into retirement. Many older workers who change jobs, and especially those who change careers, move to part-time work that involves less stress and responsibility and more flexible work schedules than their previous jobs. Many older job changers end up working for themselves. These new careers pay less per hour and are less likely to offer benefits. They also tend to have less social standing than the former jobs held by older workers who make these transitions. Many workers who change careers, for example, move out of management positions and into service occupations. Despite the relatively low compensation and lack of prestige, however, more older job changers say they enjoy their new jobs than say they enjoy their former positions. Many older workers appear to place a high premium on escaping from the 9-to-5 grind that their flexible new positions often provide, even if it means forgoing some earnings.

The high rates of job and career change at older ages may seem surprising. Many older workers amass substantial amounts of experience and specialized knowledge on long-term careers, developing highly specialized skills. Although some of these skills are generally transferable and can be utilized in new positions, most workers are unable to make full use of everything they learned from their previous jobs in their new jobs. This loss of human capital can erode productivity and reduce wages. (Of course, some job changes, especially those at younger ages, can boost productivity by moving workers into jobs that better fit their skills and interests.) Many older employees who wish to cut back on their work effort and responsibilities might be better off if they could remain with their current employers, who would also benefit by retaining access to the skills and experience of their most senior workers.

Why do so many workers switch jobs at older ages? A major reason might be the challenges older workers often encounter when they attempt to downshift their careers with their current employers. Many workplaces may have difficulty accommodating senior workers wishing to shed their managerial responsibilities. For example, the presence of a former manager could disrupt office dynamics and complicate lines of authority. Some employers might not be able to accommodate part-time work or flexible schedules. In fact, few employers currently offer formal phased retirement programs allowing older workers to reduce their work effort and responsibilities, although many employers say they are willing to make informal arrangements on a case-by-case basis (Hutchens and Grace-Martin 2006). Employers' reluctance may stem partly from legal concerns about programs aimed at workers in their late fifties or early sixties that would deny benefits to younger workers who are age 40 or older and thus protected by federal age discrimination laws (Toder et al. 2008). If population aging soon makes younger workers scarce and raises employer demand for older workers, more employers may be willing to offer phased retirement options in coming years.

Some older workers may also change jobs in hopes of finding the excitement and intellectual stimulation often associated with moving into new lines of work. Some may be looking for more meaningful jobs that give added purpose to their lives (Freedman 2007). Although our data do not allow us to identify any particular motivations for voluntary job changes by older adults, our results suggest that financial need may be a more important driver of late-life career change than a desire to find purposeful work. For example, wealthy workers and those with defined benefit plans, which guarantee retirees a lifelong stream of income, are less likely to change employers or move into new careers than workers with fewer assets and those without pension benefits. Relatively few workers with defined benefit pension coverage continue working after they leave the job they held in their early fifties.

Additionally, many late-life career changes are related to seemingly involuntary job separations. About 3 in 10 late-life career changes follow job layoffs or business closings. Many older displaced workers who become reemployed appear to have downshifted in their new careers, although not as much as retirees and perhaps not voluntarily. For example, workers laid off from their former jobs are less likely to have health benefits and pension coverage on their new jobs than their old jobs, they are less likely to work under stressful conditions or make pay and promotion decisions for others on their new jobs, and they are more likely to work part time and have flexible work schedules on the new jobs. They also tend to enjoy their new jobs more than their old jobs, although their hourly earnings decline by about one-fifth.

Workers from all walks of life change careers at older ages, but recareering rates are significantly lower for Hispanics, women, and those who did not complete high school than for other workers. Expanding public workforce development initiatives for older adults with limited skills or little work experience could improve their employment options. More training for older adults with limited education could give them the skills and confidence they need to move into new careers, enabling them to extend their working years, increase their retirement income security, and improve the quality of their lives.

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**Table 1**  
**Employer and Occupational Transitions between 1992 and 2006**  
**among Workers Employed Full Time and Ages 51 to 55 in 1992,**  
**by Personal Characteristics**

|  | Characteristics of Workers (%) | Remain with 1992 Employer (%) | Leave 1992 Employer        |                                 |                           |
|--|--------------------------------|-------------------------------|----------------------------|---------------------------------|---------------------------|
|  |                                |                               | And Are Not Reemployed (%) | Move to New Job                 |                           |
|  |                                |                               |                            | And Stay in Same Occupation (%) | And Change Occupation (%) |
| <b>All</b>                             | 100.0                          | 14.2                          | 43.3                       | 15.7                            | 26.9                      |
| <b>Sex</b>                             |                                |                               |                            |                                 |                           |
| Male                                   | 57.4                           | 14.2                          | 40.6*                      | 16.5                            | 28.8*                     |
| Female <sup>§</sup>                    | 42.6                           | 14.1                          | 47.0                       | 14.7                            | 24.3                      |
| <b>Race/Ethnicity</b>                  |                                |                               |                            |                                 |                           |
| Non-Hispanic black                     | 7.9                            | 10.6                          | 51.7*                      | 14.7                            | 23.0                      |
| Hispanic                               | 5.3                            | 15.1                          | 52.0*                      | 16.7                            | 16.2                      |
| Non-Hispanic white, other <sup>§</sup> | 86.9                           | 14.4                          | 42.0                       | 15.7                            | 27.8                      |
| <b>Education</b>                       |                                |                               |                            |                                 |                           |
| Did not complete high school           | 15.1                           | 13.5                          | 49.3                       | 14.5                            | 22.7*                     |
| High school graduate <sup>§</sup>      | 53.9                           | 12.9                          | 45.0                       | 13.1                            | 29.0                      |
| College (bachelor's degree or less)    | 18.4                           | 15.1                          | 36.6*                      | 19.6*                           | 28.7                      |
| Graduate/professional degree           | 12.6                           | 18.6                          | 38.9                       | 22.3*                           | 20.2*                     |
| <b>1992 Health Status</b>              |                                |                               |                            |                                 |                           |
| Excellent or very good <sup>§</sup>    | 66.5                           | 16.5                          | 38.4                       | 16.9                            | 28.2                      |
| Good                                   | 25.6                           | 10.4*                         | 52.3*                      | 13.6                            | 23.7                      |
| Fair or poor                           | 8.0                            | 5.2*                          | 58.8*                      | 11.8                            | 24.3                      |
| <b>1992 Household Wealth</b>           |                                |                               |                            |                                 |                           |
| Less than \$50,000                     | 19.2                           | 12.1*                         | 42.1                       | 14.8                            | 31.0*                     |
| \$50,000 to \$150,000                  | 26.8                           | 12.2*                         | 42.2                       | 14.9                            | 30.7*                     |
| \$150,000 to \$300,000                 | 24.4                           | 13.3                          | 43.2                       | 16.1                            | 27.5*                     |
| More than \$300,000 <sup>§</sup>       | 29.6                           | 17.7                          | 44.9                       | 16.7                            | 20.7                      |

**Source:** Authors' calculations from the 1992 to 2006 waves of the Health and Retirement Study.

**Note:** The sample consists of 1,705 full-time workers ages 51 to 55 in 1992 who remain in the survey every wave until 2006. All financial amounts are expressed in constant 2007 dollars, as adjusted by the change in the Consumer Price Index. Occupational change is based on the following 17 broad occupational categories: managers; professionals and technical support; sales; clerical; private household services; protection services; food preparation services; health services; personal services; farming, forestry, and fishing; mechanics and repair; construction; precision production; machine operators; transport operators; handling operators; and members of the Armed Forces. Totals do not always sum to 100 percent because of rounding.

\* signifies that estimate differs significantly ( $p < .05$ ) from estimate for row identified by §.

**Table 2**  
**Employer and Occupational Transitions between 1992 and 2006**  
**among Workers Employed Full Time and Ages 51 to 55 in 1992,**  
**by 1992 Job Characteristics**

|   | Characteristics of Workers (%) | Remain with 1992 Employer (%) | Leave 1992 Employer        |                                 |                           |
|---|--------------------------------|-------------------------------|----------------------------|---------------------------------|---------------------------|
|   |                                |                               | And Are Not Reemployed (%) | Move to New Job                 |                           |
|   |                                |                               |                            | And Stay in Same Occupation (%) | And Change Occupation (%) |
| <b>All</b>  | 100.0                          | 14.2                          | 43.3                       | 15.4                            | 26.9                      |
| <b>Hourly Wage in 1992</b>                              |                                |                               |                            |                                 |                           |
| Less than \$9   | 10.7                           | 15.5                          | 40.2                       | 12.2                            | 32.1                      |
| \$9 to \$18   | 35.2                           | 14.1                          | 41.3                       | 15.9                            | 28.7                      |
| \$18 to \$28  | 29.5                           | 11.6                          | 47.1                       | 15.6                            | 25.7                      |
| More than \$28 <sup>§</sup>                             | 24.6                           | 14.1                          | 40.6                       | 18.5                            | 26.8                      |
| <b>Pension Coverage on 1992 Job</b>                     |                                |                               |                            |                                 |                           |
| None <sup>§</sup>                                       | 30.4                           | 21.2                          | 31.8                       | 15.2                            | 31.8                      |
| Defined benefit plan                                    | 48.2                           | 8.8*                          | 51.7*                      | 16.1                            | 23.4*                     |
| Defined contribution plan only                          | 21.4                           | 14.9*                         | 42.2*                      | 16.2                            | 26.6                      |
| <b>Health Insurance in 1992</b>                         |                                |                               |                            |                                 |                           |
| No employer-sponsored plan <sup>§</sup>                 | 15.1                           | 19.7                          | 32.7                       | 15.6                            | 32.0                      |
| Coverage on own job, continues into retirement          | 53.2                           | 9.5*                          | 50.9*                      | 15.7                            | 23.9*                     |
| Coverage on own job, does not continue into retirement  | 15.4                           | 16.7                          | 36.2                       | 17.3                            | 29.9                      |
| Coverage from spouse's employer                         | 16.3                           | 19.1                          | 43.0*                      | 15.3                            | 22.7*                     |
| <b>Self-Employed in 1992</b>                            |                                |                               |                            |                                 |                           |
| Yes   | 11.2                           | 34.4*                         | 33.6*                      | 7.6*                            | 24.4                      |
| No <sup>§</sup>   | 88.8                           | 10.7                          | 44.9                       | 17.1                            | 27.3                      |
| <b>Years of Service on Job, 1992</b>                    |                                |                               |                            |                                 |                           |
| Less than 10  | 45.7                           | 13.7                          | 34.7*                      | 19.5*                           | 32.1*                     |
| 10 or more <sup>§</sup>                                 | 54.3                           | 14.5                          | 50.5                       | 12.6                            | 22.5                      |
| <b>Physical Demands of 1992 Job</b>                     |                                |                               |                            |                                 |                           |
| Always, almost always, or most of the time <sup>§</sup> | 35.3                           | 13.8                          | 46.1                       | 11.4                            | 28.7                      |
| Some of the time  | 30.2                           | 14.1                          | 45.2                       | 17.0*                           | 23.7                      |
| Never/almost never                                      | 34.6                           | 14.6                          | 38.9*                      | 18.6*                           | 27.9                      |

**Source:** Authors' calculations from the 1992 to 2006 waves of the Health and Retirement Study.

**Note:** The sample consists of 1,705 full-time workers age 51 to 55 in 1992 who remain in the survey every wave until 2006. All financial amounts are expressed in constant 2007 dollars, as adjusted by the change in the Consumer Price Index. Occupational change is based on the following 17 broad categories: managers; professionals and technical support; sales; clerical; private household services; protection services; food preparation services; health services; personal services; farming, forestry, and fishing; mechanics and repair; construction; precision production; machine operators; transport operators; handling operators; and members of the Armed Forces. Totals do not always sum to 100 percent because of rounding.

\* signifies that estimate differs significantly ( $p < .05$ ) from estimate for row identified by §.

**Table 3**  
**Percentage of Workers Employed Full Time and Ages 51 to 55 in 1992**  
**Who Leave Their Jobs by 2006,**  
**by Personal Characteristics and Reason for Separation**

|  | Characteristics of Workers (%) | Reported Reason for Leaving Employer (%) |        |                     |        |      |       |
|--|--------------------------------|--|--------|---------------------|--------|------|-------|
|  |                                | "Involuntary" Separations                |        |                     | Retire | Quit | Other |
|  |                                | Layoff/<br>Business<br>Closing           | Health | Layoff or<br>Health |        |      |       |
| <b>All</b>                             | 100.0                          | 24.4                                     | 11.9   | 35.2                | 45.6   | 17.9 | 16.3  |
| <b>Sex</b>                             |                                |  |        |                     |        |      |       |
| Male                                   | 57.4                           | 24.2                                     | 11.2   | 34.3                | 48.4*  | 17.4 | 15.6  |
| Female <sup>§</sup>                    | 42.6                           | 24.6                                     | 12.9   | 36.4                | 41.8   | 18.5 | 17.3  |
| <b>Race/Ethnicity</b>                  |                                |  |        |                     |        |      |       |
| Non-Hispanic black                     | 7.9                            | 20.9                                     | 20.7*  | 39.3                | 40.9   | 15.3 | 16.4  |
| Hispanic                               | 5.3                            | 26.8                                     | 16.4   | 42.1                | 35.7*  | 16.8 | 16.3  |
| Non-Hispanic white, other <sup>§</sup> | 86.9                           | 24.5                                     | 10.9   | 34.4                | 46.6   | 18.1 | 16.3  |
| <b>Education</b>                       |                                |  |        |                     |        |      |       |
| Did not complete high school           | 15.1                           | 24.9                                     | 22.4*  | 44.6*               | 36.8*  | 17.5 | 10.3* |
| High school graduate <sup>§</sup>      | 53.9                           | 26.5                                     | 12.2   | 37.5                | 45.2   | 18.0 | 16.9  |
| College (bachelor's degree or less)    | 18.4                           | 25.9                                     | 7.2*   | 33.1                | 44.4   | 21.3 | 20.2  |
| Graduate/professional degree           | 12.6                           | 13.3*                                    | 5.8*   | 18.3*               | 58.3*  | 13.1 | 15.5  |

**Source:** Authors' calculations from the 1992 to 2006 waves of the Health and Retirement Study.

**Note:** The sample consists of 1,705 full-time workers ages 51 to 55 in 1992 who remain in the survey every wave until 2006. The analysis considers only the principal reason for leaving the job. Some workers leave multiple jobs over the period for different reasons, so the sum of the shares of workers leaving a job for various reasons exceeds 100 percent. For similar reasons, the sum of the shares who leave because of layoffs or health problems exceeds the share who leave for either reason. The sample also includes workers who do not leave any jobs. The estimated racial composition of the workforce does not total 100 percent because of rounding.

\* signifies that estimate differs significantly ( $p < .05$ ) from estimate for row identified by §.

**Table 4**  
**Distribution of Job Separation Reasons Given by Adults**  
**Who Leave the Job They Held at Ages 51 to 55,**  
**by Personal Characteristics**

|  | Characteristics of Workers (%) | Reported Reason for Leaving the 1992 Employer (%) |        |                        |        |       |       |
|--|--------------------------------|---|--------|------------------------|--------|-------|-------|
|  |                                | "Involuntary" Separations                         |        |                        | Retire | Quit  | Other |
|  |                                | Layoff/<br>Business<br>Closing                    | Health | Layoff<br>or<br>Health |        |       |       |
| <b>All</b>                             | 100.0                          | 23.3  | 13.1   | 36.4                   | 39.7   | 15.3  | 8.6   |
| <b>Sex</b>                             |                                |   |        |                        |        |       |       |
| Male                                   | 58.7                           | 23.6  | 12.5   | 36.1                   | 42.8*  | 13.6* | 7.5*  |
| Female <sup>§</sup>                    | 41.3                           | 22.8  | 13.9   | 36.8                   | 35.4   | 17.6  | 10.3  |
| <b>Race/Ethnicity</b>                  |                                |   |        |                        |        |       |       |
| Non-Hispanic black                     | 8.9                            | 19.3  | 19.4*  | 38.7                   | 36.6   | 15.1  | 9.6   |
| Hispanic                               | 6.3                            | 33.5*   | 16.7   | 50.1*                  | 26.2*  | 12.5  | 11.1  |
| Non-Hispanic white, other <sup>§</sup> | 84.8                           | 22.9  | 12.2   | 35.1                   | 41.1   | 15.5  | 8.3   |
| <b>Education</b>                       |                                |   |        |                        |        |       |       |
| Did not complete high school           | 16.9                           | 27.4  | 20.8*  | 48.2*                  | 31.3*  | 14.2  | 6.3   |
| High school graduate <sup>§</sup>      | 54.8                           | 24.3  | 13.5   | 37.8                   | 38.7   | 15.2  | 8.3   |
| College (bachelor's degree or less)    | 17.2                           | 23.0  | 8.2*   | 31.2*                  | 37.5   | 18.6  | 12.8  |
| Graduate/professional degree           | 11.2                           | 12.7*   | 6.6*   | 19.3*                  | 61.2*  | 12.2  | 7.3   |
| <b>Health Status</b>                   |                                |   |        |                        |        |       |       |
| Excellent or very good <sup>§</sup>    | 51.8                           | 25.2  | 6.4    | 31.6                   | 42.2   | 18.1  | 8.1   |
| Good                                   | 27.8                           | 20.9  | 16.2*  | 37.0*                  | 40.6   | 13.7* | 8.7   |
| Fair or poor                           | 13.7                           | 20.1  | 31.2*  | 51.3*                  | 30.5*  | 9.8*  | 8.3   |

**Source:** Authors' calculations from the 1992 to 2006 waves of the Health and Retirement Study.

**Note:** The sample consists of 2,099 full-time workers ages 51 to 55 in 1992 who leave their employer by 2006. The sample includes some workers who drop out of the survey after they separate from their 1992 employer. The analysis considers only the principal reason for leaving the 1992 job. Personal characteristics are measured at the time of job separation. Totals do not always sum to 100 percent because of rounding.

\* signifies that estimate differs significantly ( $p < .05$ ) from estimate for row identified by §.

**Table 5**  
**Distribution of Job Separation Reasons Given by Adults**  
**Who Leave the Job They Held at Ages 51 to 55,**  
**by Job Characteristics**

|   | Characteristics of Workers (%) | Reported Reason for Leaving Employer (%) |        |                        |        |       |       |
|---|--------------------------------|--|--------|------------------------|--------|-------|-------|
|   |                                | “Involuntary” Separations                |        |                        | Retire | Quit  | Other |
|   |                                | Layoff/<br>Business<br>Closing           | Health | Layoff<br>or<br>Health |        |       |       |
| <b>All</b>  | 100.0                          | 23.3                                     | 13.1   | 36.4                   | 39.7   | 15.3  | 8.6   |
| <b>Hourly Wage</b>                                      |                                |  |        |                        |        |       |       |
| Less than \$9   | 10.7                           | 29.9*                                    | 18.7*  | 48.6*                  | 4.2*   | 34.3* | 13.0  |
| \$9 to \$18   | 29.7                           | 30.9*                                    | 16.6*  | 47.5*                  | 23.6*  | 20.2* | 8.7   |
| \$18 to \$28  | 30.7                           | 22.0                                     | 15.7*  | 37.7*                  | 45.0*  | 12.0  | 5.2   |
| More than \$28 <sup>§</sup>                             | 28.9                           | 17.1                                     | 6.3    | 23.4                   | 59.6   | 9.6   | 7.4   |
| <b>Pension Coverage</b>                                 |                                |  |        |                        |        |       |       |
| No pension <sup>§</sup>                                 | 35.8                           | 29.0                                     | 15.9   | 44.9                   | 18.5   | 23.5  | 13.1  |
| Defined benefit plan                                    | 44.4                           | 17.8*                                    | 11.7*  | 29.6*                  | 57.1*  | 8.6*  | 4.7*  |
| Defined contribution plan only                          | 19.8                           | 24.5                                     | 11.3*  | 35.8*                  | 38.8*  | 15.6* | 9.7   |
| <b>Health Insurance Coverage</b>                        |                                |  |        |                        |        |       |       |
| No employer-sponsored plan <sup>§</sup>                 | 15.4                           | 28.2                                     | 14.1   | 42.4                   | 17.2   | 25.8  | 14.6  |
| Coverage on own job, continues into retirement          | 48.6                           | 19.0*                                    | 11.1   | 30.0*                  | 54.7*  | 9.8*  | 5.5*  |
| Coverage on own job, does not continue into retirement  | 20.6                           | 29.0                                     | 13.6   | 42.6                   | 34.2*  | 16.1* | 7.1*  |
| Coverage from spouse’s employer                         | 15.5                           | 24.2                                     | 15.2   | 39.4                   | 27.6*  | 21.7  | 11.3  |
| <b>Self-Employed</b>                                    |                                |  |        |                        |        |       |       |
| Yes   | 10.4                           | 16.6*                                    | 21.4*  | 38.0                   | 17.2*  | 19.6  | 25.3* |
| No <sup>§</sup>   | 89.6                           | 23.9                                     | 12.0   | 35.9                   | 42.7   | 15.1  | 6.3   |
| <b>Years of Service on Job</b>                          |                                |  |        |                        |        |       |       |
| Less than 10  | 32.9                           | 35.7*                                    | 12.7   | 48.4*                  | 12.0*  | 30.2* | 9.4   |
| 10 or more <sup>§</sup>                                 | 67.1                           | 17.0                                     | 13.0   | 30.0                   | 53.9   | 8.4   | 7.7   |
| <b>Physical Demands of Job</b>                          |                                |  |        |                        |        |       |       |
| Always, almost always, or most of the time <sup>§</sup> | 35.8                           | 23.8                                     | 18.6   | 42.5                   | 33.0   | 16.2  | 8.2   |
| Some of the time  | 29.6                           | 21.0                                     | 12.9*  | 33.9*                  | 42.7*  | 14.4  | 9.1   |
| Never/almost never                                      | 34.6                           | 24.3                                     | 7.0*   | 31.3*                  | 45.0*  | 15.9  | 7.8   |

**Source:** Authors’ calculations from the 1992 to 2006 waves of the Health and Retirement Study.

**Note:** The sample consists of 2,099 full-time workers ages 51 to 55 in 1992 who leave their employer by 2006. The sample includes some workers who drop out of the survey after they separate from their 1992 employer. The analysis considers only the principal reason for leaving the 1992 job. Characteristics are measured at the time of job separation. Some comparisons are based on smaller sample sizes because of missing data on job characteristics. All financial amounts are expressed in constant 2007 dollars, as adjusted by the change in the Consumer Price Index. Totals do not always sum to 100 percent because of rounding.

\* signifies that estimate differs significantly ( $p < .05$ ) from estimate for row identified by §.

**Table 6**  
**Percentage of Job Leavers Who Obtain New Jobs, Change Occupations,**  
**and Change Industries between 1992 and 2006,**  
**among Workers Employed Full Time and Ages 51 to 55 in 1992,**  
**by Primary Reason for Leaving the 1992 Job**

|                                 | Characteristics of<br>Workers | Obtain New Job | Change<br>Occupation | Change<br>Industry |
|---------------------------------|-------------------------------|----------------|----------------------|--------------------|
| <b>All</b>                      | 100.0                         | 49.6           | 31.3                 | 32.3               |
| <b>Retired<sup>§</sup></b>      | 44.0                          | 32.2           | 20.3                 | 21.0               |
| <b>Quit</b>                     | 14.5                          | 88.9*          | 60.6*                | 64.1*              |
| <b>Laid off/business closed</b> | 21.6                          | 71.0*          | 42.3*                | 46.6*              |
| <b>Health problems</b>          | 11.5                          | 20.5*          | 13.6*                | 14.9               |
| <b>Other</b>                    | 8.4                           | 52.1*          | 31.7*                | 23.0               |

**Source:** Authors' calculations from the 1992 to 2006 waves of the Health and Retirement Study.

**Note:** The sample consists of 1,466 full-time workers ages 51 to 55 in 1992 who leave their employer by 2006 and are interviewed in every wave through 2006. All job characteristics are measured at the time of first job separation, and financial amounts are expressed in constant 2007 dollars, as adjusted by the change in the Consumer Price Index. Occupational change is based on the following 17 broad categories: managers; professionals and technical support; sales; clerical; private household services; protection services; food preparation services; health services; personal services; farming, forestry, and fishing; mechanics and repair; construction; precision production; machine operators; transport operators; handling operators; and members of the Armed Forces. Industry change is based on the following 13 broad categories: agriculture, forestry, and fishing; mining and construction; nondurable manufacturing; durable manufacturing; transportation; wholesale trade; retail trade; finance, insurance, and real estate; business and repair services; personal services; entertainment and recreation services; professional and related services; and public administration. Totals do not always sum to 100 percent because of rounding.

\* signifies that estimate differs significantly ( $p < .05$ ) from estimate for row identified by §.

**Table 7**  
**Cross-Tabulation of Occupational and Industry Change,**  
**among Workers Employed Full Time and Ages 51 to 55 in 1992**  
**Who Changed Employers between 1992 and 2006**

| Occupation       | Industry    |                  | Total<br>(%) |
|------------------|-------------|------------------|--------------|
|                  | Same<br>(%) | Different<br>(%) |              |
| <b>Same</b>      | 22.5        | 14.4             | 36.9         |
| <b>Different</b> | 12.5        | 50.6             | 63.1         |
| <b>Total</b>     | 35.0        | 65.0             | 100.0        |

**Source:** Authors' calculations from the 1992 to 2006 waves of the Health and Retirement Study.

**Note:** The sample consists of 717 full-time workers ages 51 to 55 in 1992 who change employers by 2006 and are interviewed in every wave through 2006. Occupational change is based on the following 17 broad categories: managers; professionals and technical support; sales; clerical; private household services; protection services; food preparation services; health services; personal services; farming, forestry, and fishing; mechanics and repair; construction; precision production; machine operators; transport operators; handling operators; and members of the Armed Forces. Industry change is based on the following 13 broad categories: agriculture, forestry, and fishing; mining and construction; nondurable manufacturing; durable manufacturing; transportation; wholesale trade; retail trade; finance, insurance, and real estate; business and repair services; personal services; entertainment and recreation services; professional and related services; and public administration.

**Table 8**  
**Percentage of Job Leavers Who Obtain New Jobs, Change Occupations,**  
**and Change Industries between 1992 and 2006,**  
**among Workers Employed Full Time and Ages 51 to 55 in 1992,**  
**by Personal Characteristics**

|  | Characteristics<br>of Workers | Obtain New<br>Job | Change<br>Occupation | Change<br>Industry |
|--|-------------------------------|-------------------|----------------------|--------------------|
| <b>All</b>                             | 100.0                         | 49.6              | 31.3                 | 32.3               |
| <b>Sex</b>                             |                               |                   |                      |                    |
| Male                                   | 57.4                          | 52.7*             | 33.5*                | 35.2*              |
| Female <sup>§</sup>                    | 42.6                          | 45.3              | 28.2                 | 28.2               |
| <b>Race/Ethnicity</b>                  |                               |                   |                      |                    |
| Non-Hispanic black                     | 7.9                           | 42.1*             | 25.7                 | 29.6               |
| Hispanic                               | 5.3                           | 38.7*             | 19.0*                | 17.6*              |
| Non-Hispanic white, other <sup>§</sup> | 86.9                          | 50.9              | 32.5                 | 33.4               |
| <b>Education</b>                       |                               |                   |                      |                    |
| Did not complete high school           | 15.1                          | 43.0              | 26.3*                | 27.4               |
| High school graduate <sup>§</sup>      | 53.9                          | 48.3              | 33.3                 | 33.6               |
| College (bachelor's degree or less)    | 18.4                          | 56.9*             | 33.8                 | 34.2               |
| Graduate/professional degree           | 12.6                          | 52.2              | 24.8*                | 29.4               |
| <b>Health Status</b>                   |                               |                   |                      |                    |
| Excellent or very good <sup>§</sup>    | 57.2                          | 56.6              | 35.7                 | 37.3               |
| Good                                   | 28.8                          | 42.4*             | 27.9*                | 27.3*              |
| Fair or poor                           | 14.0                          | 36.0*             | 20.4*                | 21.8*              |
| <b>Household Wealth</b>                |                               |                   |                      |                    |
| Less than \$50,000                     | 13.0                          | 57.6*             | 37.1*                | 37.8*              |
| \$50,000 to \$150,000                  | 14.7                          | 52.3              | 35.4*                | 34.5               |
| \$150,000 to \$300,000                 | 22.1                          | 50.0              | 34.0*                | 33.1               |
| More than \$300,000 <sup>§</sup>       | 50.1                          | 46.5              | 27.3                 | 29.8               |

**Source:** Authors' calculations from the 1992 to 2006 waves of the Health and Retirement Study.

**Note:** The sample consists of 1,466 full-time workers ages 51 to 55 in 1992 who leave their employer by 2006 and are interviewed in every wave through 2006. Financial amounts are expressed in constant 2007 dollars, as adjusted by the change in the Consumer Price Index. See the note to table 7 for the definitions of occupation and industry change. Health status and household wealth are measured at the time of first job separation. Totals do not always sum to 100 percent because of rounding.

\* signifies that estimate differs significantly ( $p < .05$ ) from estimate for row identified by §.

**Table 9**  
**Percentage of Job Leavers Who Obtain New Jobs, Change Occupations,**  
**and Change Industries between 1992 and 2006,**  
**among Workers Employed Full Time and Age 51 to 55 in 1992,**  
**by Job Characteristics**

|  | Characteristics of<br>Workers | Obtain New<br>Job | Change<br>Occupation | Change<br>Industry |
|--|-------------------------------|-------------------|----------------------|--------------------|
| <b>All</b>   | 100.0                         | 49.6              | 31.3                 | 32.3               |
| <b>Hourly Wage</b>   |                               |                   |                      |                    |
| Less than \$9  | 9.2                           | 59.6*             | 42.4*                | 42.8*              |
| \$9 to \$18  | 26.7                          | 57.0*             | 34.9                 | 38.3*              |
| \$18 to \$28   | 27.2                          | 43.9              | 29.4                 | 28.5               |
| More than \$28 <sup>§</sup>                                | 36.9                          | 48.5              | 28.6                 | 29.2               |
| <b>Pension Coverage</b>                                    |                               |                   |                      |                    |
| No pension <sup>§</sup>                                    | 29.2                          | 58.3              | 39.4                 | 39.8               |
| Defined benefit plan                                       | 48.8                          | 42.6*             | 25.3*                | 28.2*              |
| Defined contribution plan only                             | 22.0                          | 53.6              | 33.0                 | 31.0*              |
| <b>Health Insurance Coverage</b>                           |                               |                   |                      |                    |
| No employer-sponsored plan <sup>§</sup>                    | 14.1                          | 59.2              | 39.5                 | 37.9               |
| Coverage on own job, continues<br>into retirement          | 49.4                          | 44.0*             | 27.6*                | 27.7*              |
| Coverage on own job, does not<br>continue into retirement  | 18.7                          | 55.4              | 34.0                 | 38.7               |
| Coverage from spouse's<br>employer                         | 14.3                          | 46.1*             | 28.5*                | 31.7               |
| <b>Self-Employed</b>                                       |                               |                   |                      |                    |
| Yes  | 11.2                          | 48.8              | 37.1                 | 33.3               |
| No <sup>§</sup>  | 88.8                          | 49.7              | 30.5                 | 32.1               |
| <b>Years of Service on Job</b>                             |                               |                   |                      |                    |
| Less than 10   | 30.2                          | 68.8*             | 43.5*                | 48.6*              |
| 10 or more <sup>§</sup>                                    | 69.8                          | 41.2              | 25.9                 | 25.0               |
| <b>Physical Demands of Job</b>                             |                               |                   |                      |                    |
| Always, almost always, or most<br>of the time <sup>§</sup> | 34.8                          | 47.2              | 32.6                 | 33.0               |
| Some of the time   | 30.2                          | 49.6              | 28.6                 | 30.8               |
| Never/almost never   | 35.1                          | 51.8              | 32.2                 | 32.9               |

**Source:** Authors' calculations from the 1992 to 2006 waves of the Health and Retirement Study.

**Note:** The sample consists of 1,466 full-time workers ages 51 to 55 in 1992 who leave their employer by 2006 and are interviewed in every wave through 2006. Some comparisons are based on smaller sample sizes because of missing data on job characteristics. All job characteristics are measured at the time of first job separation, and financial amounts are expressed in constant 2007 dollars, as adjusted by the change in the Consumer Price Index. See the note to table 7 for the definitions of occupation and industry change. Totals do not always sum to 100 percent because of rounding.

\* signifies that estimate differs significantly ( $p < .05$ ) from estimate for row identified by §.

**Table 10**  
**Percentage of Retirees Who Obtain New Jobs, Change Occupations,**  
**and Change Industries between 1992 and 2006,**  
**among Workers Employed Full Time and Ages 51 to 55 in 1992,**  
**by Personal Characteristics**

|   | Characteristics of<br>Workers | Obtain New<br>Job | Change<br>Occupation | Change<br>Industry |
|---|-------------------------------|-------------------|----------------------|--------------------|
| <b>All</b>                                    | 100.0                         | 32.2              | 20.3                 | 21.0               |
| <b>Sex</b>                                    |                               |                   |                      |                    |
| Male  | 62.6                          | 34.2              | 20.9                 | 22.3               |
| Female <sup>§</sup>                           | 37.4                          | 28.8              | 19.2                 | 18.6               |
| <b>Race/Ethnicity</b>                         |                               |                   |                      |                    |
| Black and Hispanic                            | 10.3                          | 25.7              | 14.1                 | 18.4               |
| Non-Hispanic white, other <sup>§</sup>        | 89.7                          | 32.9              | 21.0                 | 21.2               |
| <b>Education</b>                              |                               |                   |                      |                    |
| No more than high school diploma <sup>§</sup> | 63.9                          | 27.5              | 19.0                 | 19.2               |
| College (bachelor's degree or less)           | 17.2                          | 39.4*             | 22.6                 | 19.5               |
| Graduate/professional degree                  | 18.9                          | 41.4*             | 22.3                 | 18.1               |
| <b>Selected Occupations</b>                   |                               |                   |                      |                    |
| Managerial <sup>§</sup>                       | 19.0                          | 42.7              | 26.4                 | 25.7               |
| Professionals and technical support           | 24.9                          | 35.5              | 18.5                 | 21.3               |
| Clerical                                      | 16.0                          | 28.8*             | 16.7                 | 18.9               |
| Mechanical and operators                      | 26.7                          | 22.8*             | 17.3                 | 17.4               |

**Source:** Authors' calculations from the 1992 to 2006 waves of the Health and Retirement Study.

**Note:** The sample consists of 617 full-time workers ages 51 to 55 in 1992 who retire from their 1992 employer by 2006 and are interviewed in every wave through 2006. See the note to table 7 for the definitions of occupation and industry change. Totals do not always sum to 100 percent because of rounding.

\* signifies that estimate differs significantly ( $p < .05$ ) from estimate for row identified by §.

| <b>Table 11</b>  |                                 |   |  |
|--|---------------------------------|---|--|
| <b>Estimated Impact of Personal and Job Characteristics on the Risks,<br/>Relative to Moving to a New Occupation, of Staying with the 1992 Employer,<br/>Leaving the 1992 Employer and Not Working Again,<br/>or Moving to a New Job in the Same Occupation,<br/>among Adults Employed Full Time and Ages 51 to 55 in 1992</b> |                                 |   |  |
| <b>Stay</b>  | <b>s with<br/>1992 Employer</b> | <b>Leaves 1992<br/>Employer,<br/>No New Job</b> | <b>Moves to New<br/>Job, Same<br/>Occupation</b> |
| <b>Age in 1992</b>   | .813***<br>(.049)               | 1.131***<br>(.049)                              | .974<br>(.054)                                   |
| <b>Male</b>  | .719*<br>(.125)                 | .596***<br>(.076)                               | .784<br>(.129)                                   |
| <b>Education</b>   |                                 |   |  |
| Did not complete high school   | 1.784**<br>(.435)               | 1.551**<br>(.282)                               | 1.520*<br>(.369)                                 |
| [Reference: high school graduate]  | ...                             | ...   | ...  |
| Some college, but less than bachelor's degree  | .849<br>(.342)                  | .795<br>(.239)                                  | 1.344<br>(.483)                                  |
| Bachelor's degree  | 1.364<br>(.339)                 | .895<br>(.173)                                  | 1.685**<br>(.386)                                |
| Graduate/professional degree   | 1.612*<br>(.425)                | 1.083<br>(.224)                                 | 1.995***<br>(.487)                               |
| <b>Race and ethnicity</b>  |                                 |   |  |
| Non-Hispanic black   | .832<br>(.227)                  | .933<br>(.170)                                  | .773<br>(.198)                                   |
| Hispanic   | 2.291**<br>(.748)               | 1.566*<br>(.408)                                | 1.550<br>(.513)                                  |
| [Reference: non-Hispanic white or other]   | ...                             | ...   | ...  |
| <b>Health status in 1992</b>   |                                 |   |  |
| [Reference: excellent/very good]   | ...                             | ...   | ...  |
| Good   | .737<br>(.153)                  | 1.441**<br>(.205)                               | 1.268<br>(.234)                                  |
| Fair/poor  | .330***<br>(.138)               | 1.807***<br>(.396)                              | 1.008<br>(.319)                                  |
| <b>Household wealth (\$10,000) in 1992</b>   | 1.017***<br>(.006)              | 1.011**<br>(.006)                               | 1.016***<br>(.006)                               |
| <b>Union membership</b>  | 1.264<br>(.298)                 | 1.427**<br>(.216)                               | .978<br>(.202)                                   |
| <b>Pension coverage in 1992</b>  |                                 |   |  |
| Any defined benefit plan   | .912<br>(.234)                  | 2.751***<br>(.516)                              | 1.398<br>(.332)                                  |
| Defined contribution plan only   | 1.379<br>(.342)                 | 1.875***<br>(.368)                              | 1.418<br>(.343)                                  |
| [Reference: none]  | ...                             | ...   | ...  |

| <b>Table 11 (continued)</b>   |                                 |   |  |
|---|---------------------------------|---|--|
| <b>Stay</b>   | <b>s with<br/>1992 Employer</b> | <b>Leaves 1992<br/>Employer,<br/>No New Job</b> | <b>Moves to New<br/>Job, Same<br/>Occupation</b> |
| <b>Health insurance coverage in 1992</b>  |                                 |   |  |
| [Reference: coverage on own job, does not continue into retirement]   | ...                             | ...   | ...  |
| Coverage on own job, continues into retirement  | .638*<br>(.163)                 | 1.104<br>(.211)                                 | 1.100<br>(.274)                                  |
| Coverage from spouse's employer   | .900<br>(.266)                  | 1.493*<br>(.352)                                | 1.322<br>(.401)                                  |
| No employer-sponsored coverage  | .789<br>(.243)                  | 1.179<br>(.303)                                 | 1.432<br>(.457)                                  |
| <b>Pseudo R<sup>2</sup></b>   |                                 | .066  |  |
| <b>Chi squared statistic (60 d.f.)</b>  |                                 | 283.700   |  |
| <b>Prob &gt; Chi<sup>2</sup></b>  |                                 | .000  |  |
| <p><b>Source:</b> Authors' calculations from the 1992 to 2006 waves of the Health and Retirement Study.</p> <p><b>Note:</b> The table reports relative risks from a multinomial logit model of employer and occupational change, with standard errors in parentheses. A value less than 1 indicates that the personal or job characteristic reduces the likelihood of the specified outcome, relative to the likelihood that the worker changes occupations. The models are estimated on a sample of 1,705 adults working full time in 1992, when they are ages 51 to 55, and who are followed through 2006. Explanatory variables are measured in 1992. Occupational change is based on 17 broad categories, described in the note to table 1. The model also includes controls for missing data on union membership, pension coverage, and health insurance coverage. Household wealth is measured in constant 2007 dollars and divided by two for married adults. Asterisks denote statistically significant effects (* .05 ≤ p &lt; .1; ** .01 ≤ p &lt; .05; *** p &lt; .01).</p> |                                 |   |  |

| <b>Table 12</b>  |                                    |   |
|--|------------------------------------|---|
| <b>Estimated Impact of Personal and Job Characteristics on the Risks,<br/>Relative to Moving to a New Occupation, of Not Becoming Reemployed<br/>and Working Again in the Same Occupation,<br/>among Adults Employed Full Time and Ages 51 to 55 in 1992<br/>and Who Leave the 1992 Employer by 2006</b> |                                    |   |
|  | <b>Does Not Take a<br/>New Job</b> | <b>Takes a New Job<br/>in the Same<br/>Occupation</b> |
| <b>Age</b>   | 1.153***<br>(.021)                 | 1.029<br>(.021)                                       |
| <b>Male</b>  | .545***<br>(.065)                  | .920<br>(.124)  |
| <b>Education</b>   |                                    |   |
| Did not complete high school   | 1.375**<br>(.222)                  | 1.376*<br>(.258)                                      |
| [Reference: high school graduate]  | ...                                | ...   |
| Some college, but less than bachelor's degree  | .906<br>(.262)                     | 1.932**<br>(.549)                                     |
| Bachelor's degree  | .955<br>(.182)                     | 1.475*<br>(.294)                                      |
| Graduate/professional degree   | 1.101<br>(.218)                    | 2.184***<br>(.472)                                    |
| <b>Race and ethnicity</b>  |                                    |   |
| Non-Hispanic black   | .896<br>(.148)                     | 1.135<br>(.214)                                       |
| Hispanic   | 1.387<br>(.306)                    | 1.149<br>(.289)                                       |
| [Reference: non-Hispanic white or other]   | ...                                | ...   |
| <b>Health status</b>   |                                    |   |
| [Reference: excellent/very good]   | ...                                | ...   |
| Good   | 1.669***<br>(.225)                 | 1.022<br>(.159)                                       |
| Fair/poor  | 2.116***<br>(.384)                 | 1.422*<br>(.304)                                      |
| <b>Household wealth (\$10,000)</b>   | 1.006**<br>(.003)                  | 1.010***<br>(.003)                                    |
| <b>Union membership</b>  | 1.407**<br>(.209)                  | 1.292<br>(.234)                                       |
| <b>Pension coverage</b>  |                                    |   |
| Any defined benefit plan   | 1.582**<br>(.311)                  | 1.141<br>(.239)                                       |
| Defined contribution plan only   | 1.302<br>(.269)                    | 1.418*<br>(.296)                                      |
| [Reference: none]  | ...                                | ...   |
| <b>Health insurance coverage</b>   |                                    |   |
| [Reference: coverage on own job, does not continue into retirement]  | ...                                | ...   |
| Coverage on own job, continues into retirement   | 1.109<br>(.184)                    | 1.300<br>(.256)                                       |
| Coverage from spouse's employer  | 1.816***<br>(.400)                 | 1.426<br>(.352)                                       |
| No employer-sponsored coverage   | 1.127<br>(.276)                    | 1.373<br>(.354)                                       |

| Table 12 (continued)  |                            |  |
|---|----------------------------|--|
|   | Does Not Take a<br>New Job | Takes a New Job<br>in the Same<br>Occupation |
| <b>Reason for leaving job</b>   |                            |  |
| [Reference: retire]   | ...                        | ...  |
| Laid off or business closed   | .335***<br>(.056)          | 1.935***<br>(.380)                           |
| Health problems   | 2.837***<br>(.558)         | 1.145<br>(.364)                              |
| Quit  | .178***<br>(.041)          | 2.345***<br>(.497)                           |
| Other   | .647*<br>(.151)            | 2.926***<br>(.759)                           |
| <b>Pseudo R<sup>2</sup></b>   |                            | 0.177  |
| <b>Chi squared statistic (54 d.f.)</b>  |                            | 773.0  |
| <b>Prob &gt; Chi<sup>2</sup></b>  |                            | .000   |
| <b>Source:</b> Authors' calculations from the 1992 to 2006 waves of the Health and Retirement Study.  |                            |  |
| <b>Note:</b> The table reports relative risks from a multinomial logit model of employer and occupational change, with standard errors in parentheses. A value less than 1 indicates that the personal or job characteristic reduces the likelihood of the specified outcome, relative to the likelihood that the worker changes occupations. The models are estimated on a sample of 2,099 adults working full time in 1992, when they are ages 51 to 55 and leave their employer by 2006. Explanatory variables are measured at the time they leave their 1992 job. Occupational change is based on 17 broad categories, described in the note to table 1. The model also includes controls for missing data on union membership, pension coverage, and health insurance coverage. Household wealth is measured in constant 2007 dollars and divided by two for married adults. Asterisks denote statistically significant effects (* .05 ≤ p < .1; ** .01 ≤ p < .05; *** p < .01). |                            |  |

| Table 13<br>Occupational Distribution of Old and New Jobs,<br>for Men and Women Who Change Jobs After Age 51  |                            |                       |                            |                       |   |
|---|----------------------------|-----------------------|----------------------------|-----------------------|---|
|   | Men                        |                       | Wome                       |                       | n |
|   | Job Held in<br>1992<br>(%) | Subsequent Job<br>(%) | Job Held in<br>1992<br>(%) | Subsequent Job<br>(%) |   |
| <b>All</b>  | 100.0                      | 100.0                 | 100.0                      | 100.0                 |   |
| <b>Managerial</b>   | 25.0                       | 17.7*                 | 16.4                       | 13.6*                 |   |
| <b>Professional, technical support</b>  | 16.8                       | 15.3                  | 18.1                       | 17.9                  |   |
| <b>Sales</b>  | 11.5                       | 13.4                  | 9.9                        | 12.1                  |   |
| <b>Clerical</b>   | 3.8                        | 5.5                   | 29.0                       | 25.9                  |   |
| <b>Services</b>   | 7.1                        | 10.3*                 | 14.9                       | 21.6*                 |   |
| <b>Mechanical</b>   | 16.5                       | 15.2                  | 3.5                        | 2.4                   |   |
| <b>Operators</b>  | 15.9                       | 18.7*                 | 8.1                        | 6.1*                  |   |
| <b>Other</b>  | 3.6                        | 3.9                   | 0.1                        | 0.4                   |   |
| <b>Source:</b> Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.  |                            |                       |                            |                       |   |
| <b>Note:</b> The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. Totals do not always sum to 100 percent because of rounding. |                            |                       |                            |                       |   |
| * signifies that estimate for the new job differs significantly (p < .05) from estimate for the old job.  |                            |                       |                            |                       |   |

| <b>Table 14</b>   |          |   |         |              |       |          |          |            |          |       |
|---|----------|---|---------|--------------|-------|----------|----------|------------|----------|-------|
| <b>Occupational Distribution of New Jobs by Former Occupation,<br/>for Men and Women Who Change Jobs After Age 51</b> |          |   |         |              |       |          |          |            |          |       |
| <b>Former Jobs</b>  | <b>N</b> | <b>Occupational Distribution of Subsequent Jobs (%)</b> |         |              |       |          |          |            |          |       |
|   |          | All   | Manager | Professional | Sales | Clerical | Services | Mechanical | Operator | Other |
| <b>Men</b>  |          |   |         |              |       |          |          |            |          |       |
| Manager   | 323      | 100.0   | 40.2    | 15.1         | 15.8  | 5.0      | 6.8      | 7.6        | 7.3      | 2.1   |
| Professional  | 226      | 100.0   | 18.2    | 54.5         | 6.9   | 7.5      | 1.4      | 4.7        | 4.6      | 2.4   |
| Sales   | 173      | 100.0   | 13.9    | 3.9          | 52.1  | 5.6      | 5.8      | 6.6        | 9.4      | 2.6   |
| Services  | 108      | 100.0   | 7.7     | 3.6          | 3.6   | 8.5      | 45.4     | 17.2       | 12.4     | 1.5   |
| Mechanical  | 250      | 100.0   | 5.4     | 4.7          | 3.8   | 2.7      | 11.5     | 51.5       | 17.1     | 3.4   |
| Operator  | 260      | 100.0   | 4.2     | 2.9          | 7.3   | 4.3      | 11.8     | 9.5        | 54.9     | 5.1   |
| <b>Women</b>  |          |   |         |              |       |          |          |            |          |       |
| Manager   | 174      | 100.0   | 40.6    | 13.9         | 15.0  | 22.8     | 5.4      | 0.3        | 1.9      | 0.0   |
| Professional  | 190      | 100.0   | 16.4    | 62.5         | 2.2   | 10.2     | 8.7      | 0.0        | 0.0      | 0.0   |
| Sales   | 104      | 100.0   | 4.3     | 10.3         | 47.8  | 10.0     | 20.7     | 0.5        | 5.5      | 0.9   |
| Clerical  | 334      | 100.0   | 6.1     | 8.2          | 9.9   | 59.6     | 12.4     | 0.9        | 2.8      | 0.2   |
| Services  | 202      | 100.0   | 8.3     | 4.0          | 6.8   | 8.5      | 68.5     | 0.5        | 2.5      | 0.9   |
| Operator  | 112      | 100.0   | 1.1     | 3.9          | 6.3   | 5.7      | 29.2     | 15.4       | 38.1     | 0.3   |

**Source:** Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.

**Note:** The sample consists of full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. Occupational categories that include fewer than 100 male or female respondents in 1992 are excluded from the analysis. Totals do not always sum to 100 percent because of rounding.

**Table 15**  
**Industry Distribution of Old and New Jobs,**  
**for Men and Women Who Change Jobs After Age 51**

|   | Men                  |                    | Women                |                    | n |
|---|----------------------|--------------------|----------------------|--------------------|---|
|   | Job Held in 1992 (%) | Subsequent Job (%) | Job Held in 1992 (%) | Subsequent Job (%) |   |
| <b>Agriculture, forestry, fishing</b>     | 3.8                  | 3.8                | 0.4                  | 0.5                |   |
| <b>Mining, construction</b>               | 10.9                 | 12.3               | 1.4                  | 1.9                |   |
| <b>Manufacturing</b>                      | 20.7                 | 14.5*              | 15.1                 | 10.3*              |   |
| <b>Transportation</b>                     | 10.0                 | 8.8                | 4.9                  | 2.7*               |   |
| <b>Trade</b>                              | 16.4                 | 17.4               | 16.1                 | 17.1               |   |
| <b>Finance, insurance, real estate</b>    | 5.3                  | 7.2                | 10.9                 | 9.8                |   |
| <b>Business, repair services</b>          | 8.6                  | 11.3*              | 5.5                  | 8.1*               |   |
| <b>Entertainment, recreation services</b> | 2.0                  | 4.0*               | 6.6                  | 10.0*              |   |
| <b>Professional services</b>              | 16.5                 | 17.7               | 34.7                 | 36.6               |   |
| <b>Public administration</b>              | 5.9                  | 3.0*               | 4.4                  | 3.0                |   |

**Source:** Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.

**Note:** The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. Totals do not always sum to 100 percent because of rounding.

\* signifies that estimate for the new job differs significantly ( $p < .05$ ) from estimate for the old job.

**Table 16**  
**Industry Distribution of New Jobs by Former Industry,**  
**for Men and Women Who Change Jobs After Age 51**

|                                       |     | Industry Distribution of Subsequent Jobs (%) |                                      |                         |                    |                     |       |                                       |                                 |  |                          |                  |
|---------------------------------------|-----|--|--------------------------------------|-------------------------|--------------------|---------------------|-------|---------------------------------------|---------------------------------|--|--------------------------|------------------|
| Former Jobs                           | N   | All  | Agriculture,<br>forestry,<br>fishing | Mining,<br>construction | Manu-<br>facturing | Trans-<br>portation | Trade | Finance,<br>insurance,<br>real estate | Business,<br>repair<br>services | Personal,<br>entertain.,<br>recreation<br>services | Professional<br>services | Public<br>admin. |
| <b>Men</b>                            |     |  |                                      |                         |                    |                     |       |                                       |                                 |  |                          |                  |
| Mining,<br>constr.                    | 170 | 100.0  | 1.8                                  | 62.9                    | 7.0                | 3.6                 | 9.7   | 5.5                                   | 1.8                             | 1.4  | 5.6                      | 0.6              |
| Manufact.                             | 307 | 100.0  | 4.1                                  | 6.1                     | 36.0               | 8.7                 | 14.7  | 4.2                                   | 10.0                            | 2.3  | 12.7                     | 1.3              |
| Transport.                            | 152 | 100.0  | 2.4                                  | 6.0                     | 8.6                | 34.3                | 10.6  | 4.6                                   | 12.2                            | 5.8  | 11.0                     | 4.6              |
| Trade                                 | 239 | 100.0  | 2.3                                  | 6.8                     | 13.6               | 2.9                 | 50.2  | 4.8                                   | 7.4                             | 4.0  | 5.9                      | 2.0              |
| Business,<br>repair svcs.             | 102 | 100.0  | 1.5                                  | 5.0                     | 11.2               | 9.4                 | 13.5  | 7.9                                   | 38.3                            | 1.7  | 9.5                      | 1.9              |
| Prof. svcs.                           | 224 | 100.0  | 1.3                                  | 4.8                     | 5.8                | 3.6                 | 6.8   | 7.3                                   | 8.3                             | 3.8  | 54.6                     | 3.6              |
| <b>Women</b>                          |     |  |                                      |                         |                    |                     |       |                                       |                                 |  |                          |                  |
| Manufact.                             | 192 | 100.0  | 0.4                                  | 2.1                     | 39.2               | 2.0                 | 14.2  | 6.6                                   | 7.4                             | 8.2  | 17.5                     | 2.5              |
| Trade                                 | 188 | 100.0  | 0.6                                  | 0.5                     | 11.0               | 2.4                 | 53.7  | 3.2                                   | 5.5                             | 9.2  | 13.6                     | 0.5              |
| Finance,<br>insurance,<br>real estate | 105 | 100.0  | 0.0                                  | 6.5                     | 1.2                | 1.8                 | 10.5  | 42.9                                  | 7.7                             | 4.1  | 21.7                     | 3.6              |
| Prof. svcs.                           | 392 | 100.0  | 0.2                                  | 0.1                     | 3.5                | 0.3                 | 7.5   | 4.4                                   | 8.4                             | 6.7  | 64.1                     | 4.6              |

**Source:** Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.

**Note:** The sample consists of full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. Industry categories that include fewer than 100 male or female respondents in 1992 are excluded from the analysis. Totals do not always sum to 100 percent because of rounding.

**Table 17**  
**Wages and Benefits on the Old and New Occupations**  
**for Workers Who Change Occupations After Age 51,**  
**by Reason for Job Separation**

|   | All Retire | Quit  | Layoff |
|---|------------|-------|--------|
| <b>Median hourly wage (\$)</b>                          |            |       |        |
| Old job   | 16.86      | 22.17 | 14.50  |
| New job   | 10.86      | 9.64  | 11.34  |
| <b>Employer-sponsored health insurance coverage (%)</b> |            |       |        |
| Old job   | 69.6       | 87.4  | 70.6   |
| New job   | 55.8*      | 63.7* | 51.0*  |
| Old job, not new job                                    | 23.6       | 28.2  | 26.9   |
| New job, not old job                                    | 9.7        | 4.5   | 7.3    |
| <b>Employer-sponsored pension coverage (%)</b>          |            |       |        |
| Old job   | 61.4       | 90.1  | 56.9   |
| New job   | 19.9*      | 7.6*  | 21.8*  |
| Old job, not new job                                    | 49.3       | 83.1  | 41.7   |
| New job, not old job                                    | 7.8        | 0.7   | 6.5    |

**Source:** Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.

**Note:** The sample consists of 1,951 full-time workers who leave their employer and move to a new occupation after age 51. The analysis considers only the first observed job change. Wages and benefits on the old job are measured at the last interview at which the respondent is observed on that job, and wages and benefits on the new job are measured at the first interview at which the respondent is observed on the subsequent job. Occupations are defined by 17 broad categories, as described in the note to table 1. Wages are expressed in constant 2007 dollars. We do not test for significant differences in median wages.

\* signifies that estimate for the new job differs significantly ( $p < .05$ ) from estimate for the old job.

**Table 18**  
**Attributes of the Old and New Occupations,**  
**among Workers Who Change Occupations After Age 51,**  
**by Reason for Job Separation**

|   | All (%) | Retire (%) | Quit (%) | Layoff (%) |
|---|---------|------------|----------|------------|
| <b>Self-employed</b>                    |         |            |          |            |
| Old job                                 | 11.5    | 3.0        | 11.8     | 8.3        |
| New job                                 | 23.6*   | 31.5*      | 16.2     | 19.3*      |
| Old job, not new job                    | 10.2    | 2.1        | 11.6     | 7.4        |
| New job, not old job                    | 22.3    | 30.6       | 16.2     | 18.4       |
| <b>Flexible work schedules</b>          |         |            |          |            |
| Old job                                 | 27.0    | 19.2       | 30.2     | 31.1       |
| New job                                 | 45.1*   | 59.1*      | 34.7     | 38.3       |
| Old job, not new job                    | 13.9    | 5.8        | 20.2     | 14.6       |
| New job, not old job                    | 32.0    | 45.7       | 24.6     | 21.8       |
| <b>Part-time work on new job</b>        |         |            |          |            |
|   | 50.6    | 69.9       | 28.5     | 32.1       |
| <b>Make pay and promotion decisions</b> |         |            |          |            |
| Old job                                 | 22.3    | 26.8       | 14.7     | 25.9       |
| New job                                 | 14.4*   | 14.7*      | 20.1     | 12.5*      |
| Old job, not new job                    | 11.9    | 13.6       | 7.4      | 15.5       |
| New job, not old job                    | 4.0     | 1.4        | 12.8     | 2.1        |
| <b>Stressful work conditions</b>        |         |            |          |            |
| Old job                                 | 64.7    | 67.4       | 60.8     | 66.2       |
| New job                                 | 36.3*   | 23.7*      | 45.7*    | 43.5*      |
| Old job, not new job                    | 36.6    | 46.9       | 29.4     | 31.4       |
| New job, not old job                    | 8.2     | 3.2        | 14.2     | 8.8        |
| <b>Enjoy their work</b>                 |         |            |          |            |
| Old job                                 | 79.0    | 74.3       | 78.0     | 79.4       |
| New job                                 | 91.3*   | 94.9*      | 86.2     | 88.8*      |
| Old job, not new job                    | 5.4     | 3.8        | 8.4      | 6.9        |
| New job, not old job                    | 17.7    | 24.4       | 16.6     | 16.3       |

**Source:** Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.

**Note:** The sample consists of 1,951 full-time workers who leave their employer and move to a new occupation after age 51. The analysis considers only the first observed job change. Attributes of the old job are measured at the last interview at which the respondent is observed on that job, and those of the new job are measured at the first interview at which the respondent is observed on the subsequent job. Occupations are defined by 17 broad categories, as described in the note to table 1.

\* signifies that estimate for the new job differs significantly ( $p < .05$ ) from estimate for the old job.

**Table 19**  
**Occupational Prestige Scores on the Old Job and the New Job,**  
**among Workers Who Change Jobs After Age 51,**  
**by Reason for Job Separation**

| A  | II    | Retire | Quit | Layoff |
|--|-------|--------|------|--------|
| <b>Mean Prestige Score</b>                           |       |        |      |        |
| Old job  | 45.7  | 48.3   | 46.0 | 43.3   |
| New job  | 43.1* | 43.3*  | 45.4 | 41.1*  |
| Difference   | 2.6   | 5.0    | 0.6  | 2.2    |
| <b>Distribution of Prestige Score on Old Job (%)</b> |       |        |      |        |
| 26 or less   | 6.3   | 5.8    | 6.1  | 7.3    |
| 27–36  | 21.9  | 18.6   | 21.2 | 25.0   |
| 37–46  | 22.7  | 17.3   | 24.6 | 23.4   |
| 47–56  | 28.4  | 27.1   | 26.0 | 32.5   |
| 57–66  | 15.2  | 25.8   | 13.7 | 10.0   |
| 67 or more   | 5.4   | 5.3    | 8.4  | 1.9    |
| <b>Distribution of Prestige Score on New Job (%)</b> |       |        |      |        |
| 26 or less   | 10.6  | 11.7   | 8.4  | 10.5   |
| 27–36  | 27.1  | 26.6   | 22.2 | 31.3   |
| 37–46  | 21.9  | 23.1   | 17.9 | 24.2   |
| 47–56  | 24.5  | 19.5   | 31.9 | 25.1   |
| 57–66  | 10.1  | 13.2   | 12.6 | 5.5    |
| 67 or more   | 5.8   | 5.9    | 7.4  | 3.4    |
| <b>Distribution of Change in Prestige Score (%)</b>  |       |        |      |        |
| Decrease of 15 or more points                        | 17.2  | 25.6   | 10.5 | 15.2   |
| Decrease of 1 to 14 points                           | 25.7  | 29.3   | 22.7 | 25.7   |
| No change  | 26.9  | 15.5   | 36.2 | 28.4   |
| Increase of 1 to 14 points                           | 22.0  | 20.8   | 21.8 | 23.1   |
| Increase of 15 or more points                        | 8.2   | 8.7    | 8.8  | 7.6    |

**Source:** Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.

**Note:** The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change.

\* signifies that the mean prestige score for the new job differs significantly ( $p < .05$ ) from estimate for the old job.

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## **APPENDIX TABLES**

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| <b>Table A-1</b>   |                     |                        |                      |                        |
|--|---------------------|------------------------|----------------------|------------------------|
| <b>Median Hourly Wage on the Former Job and Subsequent Job,<br/>among Workers Who Change Jobs After Age 51,<br/>by Reason for Job Separation</b>   |                     |                        |                      |                        |
|  | <b>All<br/>(\$)</b> | <b>Retire<br/>(\$)</b> | <b>Quit<br/>(\$)</b> | <b>Layoff<br/>(\$)</b> |
| <b>All</b>   |                     |                        |                      |                        |
| Old job  | 17.33               | 22.47                  | 14.21                | 15.43                  |
| New job  | 12.41               | 10.38                  | 13.61                | 12.52                  |
| <b>Workers who do not change detailed<br/>occupation</b>   |                     |                        |                      |                        |
| Old job  | 16.77               | 21.71                  | 17.13                | 14.78                  |
| New job  | 15.58               | 18.19                  | 19.45                | 13.18                  |
| <b>Workers who change detailed occupation, but<br/>not broad occupation</b>  |                     |                        |                      |                        |
| Old job  | 19.15               | 24.97                  | 16.70                | 16.18                  |
| New job  | 14.11               | 12.96                  | 15.31                | 13.68                  |
| <b>Workers who change broad occupation</b>   |                     |                        |                      |                        |
| Old job  | 16.86               | 22.17                  | 12.58                | 14.50                  |
| New job  | 10.86               | 9.64                   | 11.98                | 11.34                  |
| <b>Source:</b> Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.   |                     |                        |                      |                        |
| <b>Note:</b> The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. The hourly wage on the 1992 job is measured at the last interview at which the respondent is observed on that job, and the wage on the new job is measured at the first interview at which the respondent is observed on the subsequent job. Wages are measured in constant 2007 dollars. Broad occupations are defined by 17 different categories, described in the note to table 1, and detailed occupations are defined by about 500 different categories. |                     |                        |                      |                        |

| <b>Table A-2</b>   |       |        |       |        |
|--|-------|--------|-------|--------|
| <b>Percentage of Workers with Employer-Sponsored Health Insurance Coverage on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation</b>  |       |        |       |        |
| A  | II    | Retire | Quit  | Layoff |
| <b>All</b>   |       |        |       |        |
| Old job  | 68.8  | 84.3   | 59.8  | 68.8   |
| New job  | 54.1* | 63.9*  | 54.6* | 49.1*  |
| Old job, not new job   | 22.6  | 25.5   | 18.8  | 25.8   |
| New job, not old job   | 8.0   | 5.1    | 13.5  | 6.1    |
| <b>Workers who do not change detailed occupation</b>   |       |        |       |        |
| Old job  | 62.7  | 82.9   | 56.6  | 67.5   |
| New job  | 52.7* | 56.0*  | 59.9  | 46.6*  |
| Old job, not new job   | 19.8  | 33.3   | 11.1  | 27.1   |
| New job, not old job   | 9.9   | 6.3    | 14.4  | 6.2    |
| <b>Workers who change detailed occupation, but not broad occupation</b>  |       |        |       |        |
| Old job  | 76.2  | 82.1   | 76.3  | 73.9   |
| New job  | 62.9* | 67.4*  | 61.3* | 58.4*  |
| Old job, not new job   | 20.2  | 22.7   | 20.6  | 23.1   |
| New job, not old job   | 6.8   | 8.1    | 5.6   | 7.7    |
| <b>Workers who change broad occupation</b>   |       |        |       |        |
| Old job  | 69.6  | 87.4   | 55.3  | 70.6   |
| New job  | 55.8* | 63.7*  | 56.7  | 51.0*  |
| Old job, not new job   | 23.6  | 28.2   | 16.9  | 26.9   |
| New job, not old job   | 9.7   | 4.5    | 18.3  | 7.3    |
| <b>Source:</b> Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.   |       |        |       |        |
| <b>Note:</b> The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. Health insurance coverage on the old job is measured at the last interview at which the respondent is observed on that job, and coverage on the new job is measured at the first interview at which the respondent is observed on the subsequent job. Broad occupations are defined by 17 different categories, described in the note to table 1, and detailed occupations are defined by about 500 different categories. |       |        |       |        |
| * signifies that estimate for the new job differs significantly ( $p < .05$ ) from estimate for the old job.   |       |        |       |        |

| <b>Table A-3</b>  |          |               |             |               |
|---|----------|---------------|-------------|---------------|
| <b>Percentage of Workers with Pension Coverage on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation</b>   |          |               |             |               |
| <b>A</b>  | <b>B</b> | <b>Retire</b> | <b>Quit</b> | <b>Layoff</b> |
| <b>All</b>  |          |               |             |               |
| Old job   | 60.2     | 89.3          | 46.2        | 57.3          |
| New job   | 26.1*    | 13.2*         | 33.9*       | 28.0*         |
| Old job, not new job  | 41.5     | 77.0          | 24.7        | 35.8          |
| New job, not old job  | 7.3      | 0.9           | 12.4        | 6.6           |
| <b>Workers who do not change detailed occupation</b>  |          |               |             |               |
| Old job   | 57.5     | 86.7          | 53.1        | 55.4          |
| New job   | 34.0*    | 25.2*         | 34.7*       | 35.9*         |
| Old job, not new job  | 31.3     | 61.5          | 27.7        | 27.5          |
| New job, not old job  | 7.8      | 0.0           | 9.3         | 8.0           |
| <b>Workers who change detailed occupation, but not broad occupation</b>   |          |               |             |               |
| Old job   | 68.0     | 91.0          | 55.5        | 64.9          |
| New job   | 31.9*    | 20.6*         | 33.8*       | 38.1*         |
| Old job, not new job  | 41.4     | 71.8          | 26.9        | 35.2          |
| New job, not old job  | 5.3      | 1.3           | 5.2         | 8.4           |
| <b>Workers who change broad occupation</b>  |          |               |             |               |
| Old job   | 61.4     | 90.1          | 42.6        | 56.9          |
| New job   | 19.9*    | 7.6*          | 32.1*       | 21.8*         |
| Old job, not new job  | 49.3     | 83.1          | 26.3        | 41.7          |
| New job, not old job  | 7.8      | 0.7           | 15.8        | 6.5           |
| <b>Source:</b> Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.  |          |               |             |               |
| <b>Note:</b> The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. Pension coverage on the old job is measured at the last interview at which the respondent is observed on that job, and coverage on the new job is measured at the first interview at which the respondent is observed on the subsequent job. Broad occupations are defined by 17 different categories, described in the note to table 1, and detailed occupations are defined by about 500 different categories. |          |               |             |               |
| * signifies that estimate for the new job differs significantly ( $p < .05$ ) from estimate for the old job.  |          |               |             |               |

| <b>Table A-4</b>   |            |               |             |               |
|--|------------|---------------|-------------|---------------|
| <b>Percentage of Workers Self-Employed on the Old Job and the New Job,<br/>among Workers Who Change Jobs After Age 51,<br/>by Reason for Job Separation</b>  |            |               |             |               |
|  | <b>All</b> | <b>Retire</b> | <b>Quit</b> | <b>Layoff</b> |
| <b>All</b>   |            |               |             |               |
| Old job  | 12.7       | 4.3           | 10.4        | 8.3           |
| New job  | 20.8*      | 30.7*         | 15.2*       | 15.2*         |
| Old job, not new job   | 10.5       | 2.5           | 9.4         | 7.1           |
| New job, not old job   | 18.6       | 28.9          | 15.2        | 14.0          |
| <b>Workers who do not change detailed occupation</b>   |            |               |             |               |
| Old job  | 15.2       | 10.8          | 5.6         | 7.9           |
| New job  | 17.8       | 26.4*         | 13.8        | 10.1          |
| Old job, not new job   | 11.6       | 3.7           | 5.1         | 5.9           |
| New job, not old job   | 14.2       | 19.3          | 13.2        | 8.0           |
| <b>Workers who change detailed occupation, but not broad occupation</b>  |            |               |             |               |
| Old job  | 12.4       | 4.0           | 12.7        | 8.9           |
| New job  | 21.9*      | 32.3*         | 21.7        | 16.5          |
| Old job, not new job   | 8.9        | 1.8           | 8.5         | 6.6           |
| New job, not old job   | 18.3       | 30.1          | 17.5        | 14.2          |
| <b>Workers who change broad occupation</b>   |            |               |             |               |
| Old job  | 11.5       | 3.0           | 11.8        | 8.3           |
| New job  | 23.6*      | 31.5*         | 16.2        | 19.3*         |
| Old job, not new job   | 10.2       | 2.1           | 11.6        | 7.4           |
| New job, not old job   | 22.3       | 30.6          | 16.2        | 18.4          |
| <b>Source:</b> Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.   |            |               |             |               |
| <b>Note:</b> The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51 (or who move into a new line of work while self-employed). The analysis considers only the first observed job change. Broad occupations are defined by 17 different categories, described in the note to table 1, and detailed occupations are defined by about 500 different categories. |            |               |             |               |
| * signifies that estimate for the new job differs significantly ( $p < .05$ ) from estimate for the old job.   |            |               |             |               |

| <b>Table A-5</b>   |            |               |             |               |
|--|------------|---------------|-------------|---------------|
| <b>Percentage of Workers with Flexible Work Schedules on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation</b> |            |               |             |               |
|  | <b>All</b> | <b>Retire</b> | <b>Quit</b> | <b>Layoff</b> |
| <b>All</b>   |            |               |             |               |
| Old job  | 26.6       | 18.6          | 29.3        | 29.3          |
| New job  | 41.3*      | 56.8*         | 33.0        | 35.7*         |
| Old job, not new job   | 13.5       | 6.1           | 17.8        | 14.8          |
| New job, not old job   | 28.1       | 44.2          | 21.4        | 21.2          |
| <b>Workers who do not change detailed occupation</b>   |            |               |             |               |
| Old job  | 30.2       | 23.0          | 28.0        | 32.8          |
| New job  | 36.2       | 64.7*         | 26.8        | 32.3          |
| Old job, not new job   | 15.3       | 7.6           | 17.7        | 16.5          |
| New job, not old job   | 21.3       | 49.3          | 16.5        | 16.0          |
| <b>Workers who change detailed occupation, but not broad occupation</b>  |            |               |             |               |
| Old job  | 24.8       | 12.7          | 29.1        | 34.6          |
| New job  | 42.4*      | 49.0*         | 36.8        | 43.2          |
| Old job, not new job   | 10.8       | 4.7           | 12.0        | 18.4          |
| New job, not old job   | 28.4       | 41.0          | 19.7        | 27.0          |
| <b>Workers who change broad occupation</b>   |            |               |             |               |
| Old job  | 27.0       | 19.2          | 30.2        | 31.1          |
| New job  | 45.1*      | 59.1*         | 34.7        | 38.3          |
| Old job, not new job   | 13.9       | 5.8           | 20.2        | 14.6          |
| New job, not old job   | 32.0       | 45.7          | 24.6        | 21.8          |

**Source:** Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.

**Note:** The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. Broad occupations are defined by 17 different categories, described in the note to table 1, and detailed occupations are defined by about 500 different categories.

\* signifies that estimate for the new job differs significantly ( $p < .05$ ) from estimate for the old job.

| <b>Table A-6</b>   |           |               |             |               |
|--|-----------|---------------|-------------|---------------|
| <b>Percentage of Workers Employed Part Time on Their New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation</b> |           |               |             |               |
| <b>A</b>   | <b>II</b> | <b>Retire</b> | <b>Quit</b> | <b>Layoff</b> |
| <b>All</b>   | 39.8      | 70.3          | 16.3        | 22.2          |
| <b>Workers who do not change detailed occupation</b>   | 19.3      | 58.3          | 4.6         | 9.0           |
| <b>Workers who change detailed occupation, but not broad occupation</b>  | 42.1      | 74.9          | 16.5        | 17.2          |
| <b>Workers who change broad occupation</b>   | 50.6      | 69.9          | 28.5        | 32.1          |

**Source:** Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.

**Note:** The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. Broad occupations are defined by 17 different categories, described in the note to table 1, and detailed occupations are defined by about 500 different categories.

**Table A-7**  
**Percentage of Workers with Stressful Work Conditions on the Old Job**  
**and the New Job, among Workers Who Change Jobs After Age 51,**  
**by Reason for Job Separation**

| A   | II    | Retire | Quit  | Layoff |
|---|-------|--------|-------|--------|
| <b>All</b>  |       |        |       |        |
| Old job   | 66.6  | 71.5   | 65.3  | 64.0   |
| New job   | 44.4* | 32.4*  | 50.9* | 49.5*  |
| Old job, not new job  | 31.1  | 43.0   | 26.8  | 25.5   |
| New job, not old job  | 8.9   | 3.9    | 12.5  | 11.1   |
| <b>Workers who do not change detailed occupation</b>                    |       |        |       |        |
| Old job   | 69.5  | 84.2   | 69.8  | 62.7   |
| New job   | 59.9* | 64.5*  | 53.6* | 61.4   |
| Old job, not new job  | 18.4  | 20.5   | 23.0  | 14.9   |
| New job, not old job  | 8.8   | 0.7    | 6.8   | 13.5   |
| <b>Workers who change detailed occupation, but not broad occupation</b> |       |        |       |        |
| Old job   | 71.7  | 80.9   | 69.4  | 62.7   |
| New job   | 45.0* | 41.3*  | 47.2* | 46.5*  |
| Old job, not new job  | 35.6  | 45.5   | 36.9  | 24.6   |
| New job, not old job  | 8.9   | 5.9    | 14.6  | 8.4    |
| <b>Workers who change broad occupation</b>                              |       |        |       |        |
| Old job   | 64.7  | 67.4   | 60.8  | 66.2   |
| New job   | 36.3* | 23.7*  | 45.7* | 43.5*  |
| Old job, not new job  | 36.6  | 46.9   | 29.4  | 31.4   |
| New job, not old job  | 8.2   | 3.2    | 14.2  | 8.8    |

**Source:** Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.

**Note:** The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. Broad occupations are defined by 17 different categories, described in the note to table 1, and detailed occupations are defined by about 500 different categories.

\* signifies that estimate for the new job differs significantly ( $p < .05$ ) from estimate for the old job.

| <b>Table A-8</b>   |                   |       |             |               |
|--|-------------------|-------|-------------|---------------|
| <b>Percentage of Workers Who Make Promotion and Pay Decisions on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation</b>   |                   |       |             |               |
|  | <b>All Retire</b> |       | <b>Quit</b> | <b>Layoff</b> |
| <b>All</b>   |                   |       |             |               |
| Old job  | 23.5              | 25.7  | 24.7        | 21.9          |
| New job  | 16.6*             | 14.3* | 23.9        | 11.8*         |
| Old job, not new job   | 10.7              | 13.1  | 9.3         | 12.1          |
| New job, not old job   | 3.8               | 1.7   | 8.5         | 2.1           |
| <b>Workers who do not change detailed occupation</b>   |                   |       |             |               |
| Old job  | 26.9              | 32.5  | 27.7        | 18.1          |
| New job  | 23.7              | 18.1* | 28.4        | 15.5          |
| Old job, not new job   | 7.0               | 16.2  | 5.1         | 4.6           |
| New job, not old job   | 3.7               | 1.9   | 5.7         | 2.0           |
| <b>Workers who change detailed occupation, but not broad occupation</b>  |                   |       |             |               |
| Old job  | 23.0              | 19.4  | 36.0        | 17.9          |
| New job  | 16.3*             | 10.9* | 27.7        | 8.8           |
| Old job, not new job   | 10.5              | 10.0  | 15.0        | 11.7          |
| New job, not old job   | 3.7               | 1.4   | 6.7         | 2.7           |
| <b>Workers who change broad occupation</b>   |                   |       |             |               |
| Old job  | 22.3              | 26.8  | 14.7        | 25.9          |
| New job  | 14.4*             | 14.7* | 20.1        | 12.5*         |
| Old job, not new job   | 11.9              | 13.6  | 7.4         | 15.5          |
| New job, not old job   | 4.0               | 1.4   | 12.8        | 2.1           |
| <b>Source:</b> Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.   |                   |       |             |               |
| <b>Note:</b> The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. Broad occupations are defined by 17 different categories, described in the note to table 1, and detailed occupations are defined by about 500 different categories. |                   |       |             |               |
| * signifies that estimate for the new job differs significantly ( $p < .05$ ) from estimate for the old job.   |                   |       |             |               |

| <b>Table A-9</b>   |                   |             |               |       |
|--|-------------------|-------------|---------------|-------|
| <b>Percentage of Workers Reporting That They Enjoy Their Work on the Old Job and the New Job, among Workers Who Change Jobs After Age 51, by Reason for Job Separation</b>   |                   |             |               |       |
|  | <b>All Retire</b> | <b>Quit</b> | <b>Layoff</b> |       |
| <b>All</b>   |                   |             |               |       |
| Old job  | 81.8              | 76.1        | 82.1          | 82.8  |
| New job  | 91.4*             | 92.5*       | 91.5*         | 90.2* |
| Old job, not new job   | 4.9               | 3.6         | 5.3           | 6.8   |
| New job, not old job   | 14.6              | 20.1        | 14.8          | 14.2  |
| <b>Workers who do not change detailed occupation</b>   |                   |             |               |       |
| Old job  | 88.6              | 87.0        | 86.1          | 87.6  |
| New job  | 91.6              | 88.2        | 94.3          | 88.2  |
| Old job, not new job   | 5.1               | 6.1         | 2.5           | 9.8   |
| New job, not old job   | 8.2               | 7.2         | 10.6          | 10.3  |
| <b>Workers who change detailed occupation, but not broad occupation</b>  |                   |             |               |       |
| Old job  | 79.9              | 72.7        | 82.5          | 83.8  |
| New job  | 91.7*             | 87.1*       | 95.3          | 95.5* |
| Old job, not new job   | 3.5               | 2.1         | 4.7           | 4.2   |
| New job, not old job   | 15.3              | 16.5        | 17.5          | 15.9  |
| <b>Workers who change broad occupation</b>   |                   |             |               |       |
| Old job  | 79.0              | 74.3        | 78.0          | 79.4  |
| New job  | 91.3*             | 94.9*       | 86.2          | 88.8* |
| Old job, not new job   | 5.4               | 3.8         | 8.4           | 6.9   |
| New job, not old job   | 17.7              | 24.4        | 16.6          | 16.3  |
| <b>Source:</b> Authors' calculations from the 1992 to 2004 waves of the Health and Retirement Study.   |                   |             |               |       |
| <b>Note:</b> The sample consists of 3,324 full-time workers who leave their employer and take a new job after age 51. The analysis considers only the first observed job change. Broad occupations are defined by 17 different categories, described in the note to table 1, and detailed occupations are defined by about 500 different categories. |                   |             |               |       |
| * signifies that estimate for the new job differs significantly ( $p < .05$ ) from estimate for the old job.   |                   |             |               |       |