

# HR Insights



## 7 Workplace Ageism Trends

Ageism refers to the stereotypes, prejudice and discrimination toward individuals based on age. In the workplace, this occurs when an applicant or employee is treated less favorably because of their age. This often includes older workers being terminated or denied employment opportunities, such as job offers or promotions, due to age. Even though the Age Discrimination in Employment Act (ADEA) protects workers over the age of 40 from discrimination based on their age, many older workers report experiencing ageism in the workplace. According to a recent American Association of Retired Persons (AARP) survey, 78% of workers age 50 or older reported seeing or experiencing age discrimination in the workplace.

While older employees are often some of the most knowledgeable and experienced, employers often overlook them in favor of younger, less experienced workers. Many workers in their 50s and 60s have a harder time finding employment, keeping their jobs or advancing in the workplace compared to younger workers due to their age. However, employers who hire or retain older employees may obtain a competitive edge in today's tight labor market because of these employees' extensive backgrounds and experience and their unique perspectives.

This article explores current ageism trends in the workplace.

### 1. Delayed Retirement Leads to an Older Workforce

Older Americans have recently reentered the workforce in large numbers. According to the U.S. Bureau of Labor Statistics (BLS), about 64% of adults between ages 55 and 64 were working as of April 2022. In fact, workers over the age of 65 are the fastest-growing workforce segment, according to the BLS.

There are many reasons why these workers are returning to work, including individuals living longer, changes in retirement benefits and increases in the cost of living. As a result, the average age of expected retirement in the United States has risen from 62 to 66 over the past 20 years, according to U.S. News & World Report. This has led to the risk of ageism becoming increasingly prevalent in more workplaces and for more employees.

### 2. Ageism Remains a Major Workplace Issue

The federal government enacted the ADEA and the Workforce Investment Act to help protect older workers. However, ageist beliefs and actions cost the U.S. economy an estimated \$850 billion, according to a report by the AARP and the Economist Intelligence Unit. In some fiscal years between 1997 and 2021, employers paid over \$90 million for violating the ADEA, according to data from the U.S. Equal Employment Opportunity Commission (EEOC). Additionally, older workers have recovered between \$3 million to \$250 million for individual age discrimination lawsuits against their employers.

Despite federal, state and local legal protections for older workers, ageism continues to be a common issue in the workplace. According to the AARP, 62% of workers ages 50 and above believe older workers face age discrimination while 93% state that ageism is a regular occurrence at work. Both employer and employee preferences have contributed to ageism in the workplace.

### 3. Workers Over 65 Have Fewer Opportunities

As of 2020, workers 50 and older made up over one-third of the U.S. workforce, according to data from the AARP. By 2023, workers over age 55 are expected to make up nearly a quarter of the U.S. workforce. While these statistics may seem promising for older workers, labor force participation drops significantly once workers reach age 65. According to the BLS, labor force participation for workers between 65 and 75 was 26.6% in 2020. Ageist practices can make it difficult for individuals to find or continue working after 65.

### 4. Women File More ADEA Complaints Than Men

Women are more likely to report ageism in the workplace than men. According to the AARP, 72% of women between the ages of 45 and 74 believe ageism is a problem at work compared to 57% of men in the same age group. This has led more women to file reports of ageism than men. While men filed twice as many ADEA complaints as women in 1990, starting in 2010, women began filing more complaints and continue to do so today, according to the EEOC.

## **5. Ageism Leads to Longer Job Searches for Workers**

Age discrimination can often prolong older workers' job search. According to the AARP, 76% of older workers believe their job search will last longer than three months due to ageism. After the Great Recession, it took older workers twice as long to find a new job than younger workers, according to a study by the Urban Institute. Additionally, older workers who were unemployed for six months or more had far worse reemployment outcomes, including more than half making less money than their previous job, according to the AARP. Despite these statistics, older workers typically remain on the job longer than younger employees—millennials typically leave their jobs after three years on average—helping the workplace become more stable and providing employers with a greater return on their investment.

## **6. Ageism May Add Billions to Health Costs**

Ageism can take a significant toll on an individual's finances as well as their health. According to a Yale School of Public Health study, ageism costs \$63 billion per year in health care. The study found that negative age stereotypes can create greater stress, which can impact many health outcomes and lead to serious health events, such as stroke or heart attack. Researchers found that \$1 of every \$7 spent on the eight costliest conditions afflicting those age 60 and older was attributable to ageism.

## **7. Age Discrimination Is More Subtle Than Other Forms of Workplace Discrimination**

Age discrimination tends to be more subtle than other forms of workplace discrimination, which makes it more difficult to prove and root out. Older workers must typically deal with biases such as being difficult to train, resistant to change or technologically incompetent. Additionally, many age-related biases have a direct relation to an individual's ability to perform their job. For example, older workers tend to receive significantly lower ratings than younger workers on job performance even when such ratings aren't warranted.

### **Takeaway**

Ageism continues to be an issue throughout the United States. With more workers delaying retirement and larger numbers of older employees returning to the workforce, age discrimination will likely continue to be a pressing issue for employers. Awareness of these trends can help employers prepare and develop impactful strategies to better integrate older workers into their workforce, which can expand talent pools and decrease the risks of violating legal protections for older employees. Employers are encouraged to seek local legal counsel for specific guidance about age discrimination.

Contact Weadock and Associates, LLC today for more information on workplace trends.

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