



# Employment Trends among Workers 65 and Over in the Gulf Coast

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*Data Source(s):*

*Data Source(s): EMSI proprietary estimates based on the Quarterly Census of Employment and Wages (QCEW) from the Bureau of Labor Statistics (BLS) and the Bureau of Economic Analysis (BEA).  
Census Bureau: Quarterly Workforce Indicators (QWI)*

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*Workforce Solutions is an affiliate of the Gulf Coast Workforce Board, which manages a regional system that helps employers solve their workforce problems and residents build careers so both can compete in the global economy. The workforce system serves the City of Houston and the surrounding 13 Texas Gulf Coast counties including: Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, and Wharton.*

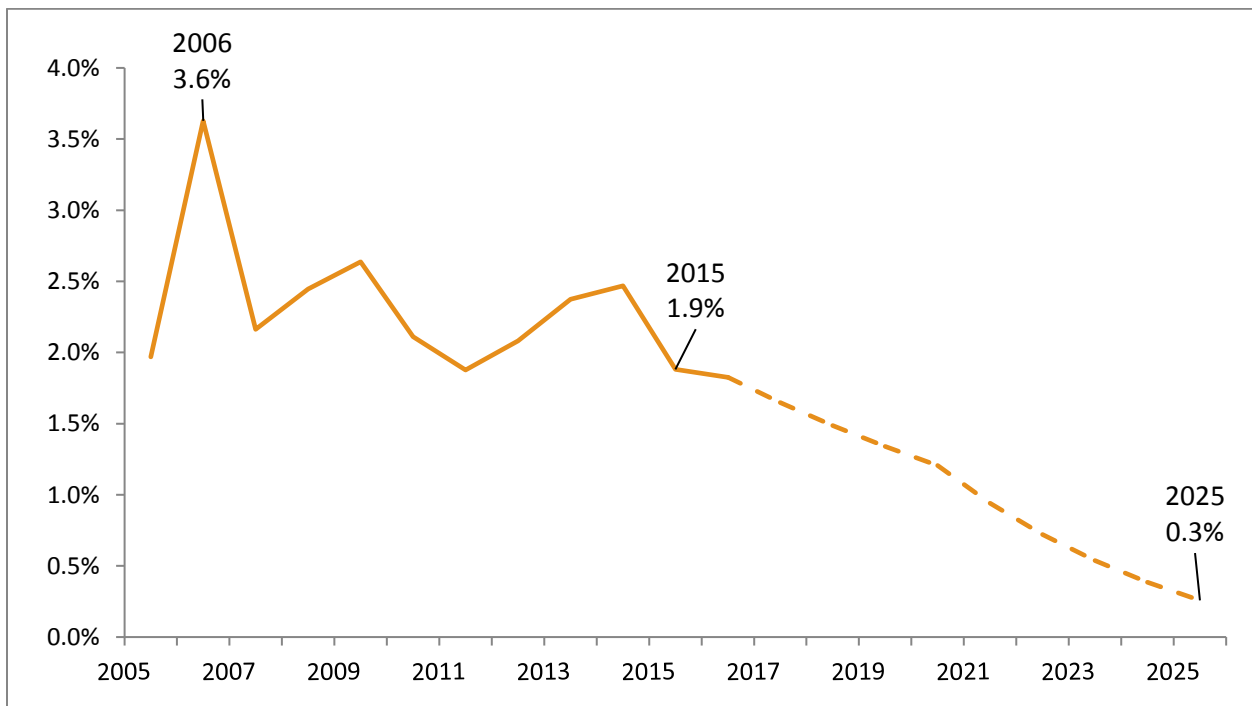
## Overview

One of the most profound implications for the workforce has been the rise in life expectancy over the last century. According to the Centers for Disease Control, average life expectancy in the United States in 1901 stood at 54.4 years. By 1951 this had risen to 68.4 years and by 2011 had reached a high of 78.7 years. Improvements in living conditions and access to higher quality health care has resulted in individuals living longer and therefore remaining in the workforce beyond what has typically been viewed as “retirement age.” Furthermore, the lingering effects of the 2008 recession on retirement savings has prompted many individuals to continue working out of necessity. Given our awareness of these forces, it is important to understand the role of older individuals in the workforce so that we may identify current and future opportunities for this segment of the population.

## Past and Future Population Growth in the Gulf Coast

As of 2015 there were 6.8 million residents within the 13-county Gulf Coast region. 1.4 million of these individuals were added between 2005 and 2015 for 10-year growth rate of 26 percent. Estimates produced by Economic Modeling Specialists International (EMSI) predict that our region will be home to 7.5 million residents by 2025 for an 11-percent increase. This indicates that growth is likely to continue yet at a slower pace than over the previous decade. This is reconfirmed by observing past and predicted year-over-year growth rates which indicate that the fastest growth was recorded in 2006 with a 3.6-percent increase, slowing to 1.9 percent in 2015 and projected to further slow to as little as 0.3 percent by 2025 (see Chart 1).

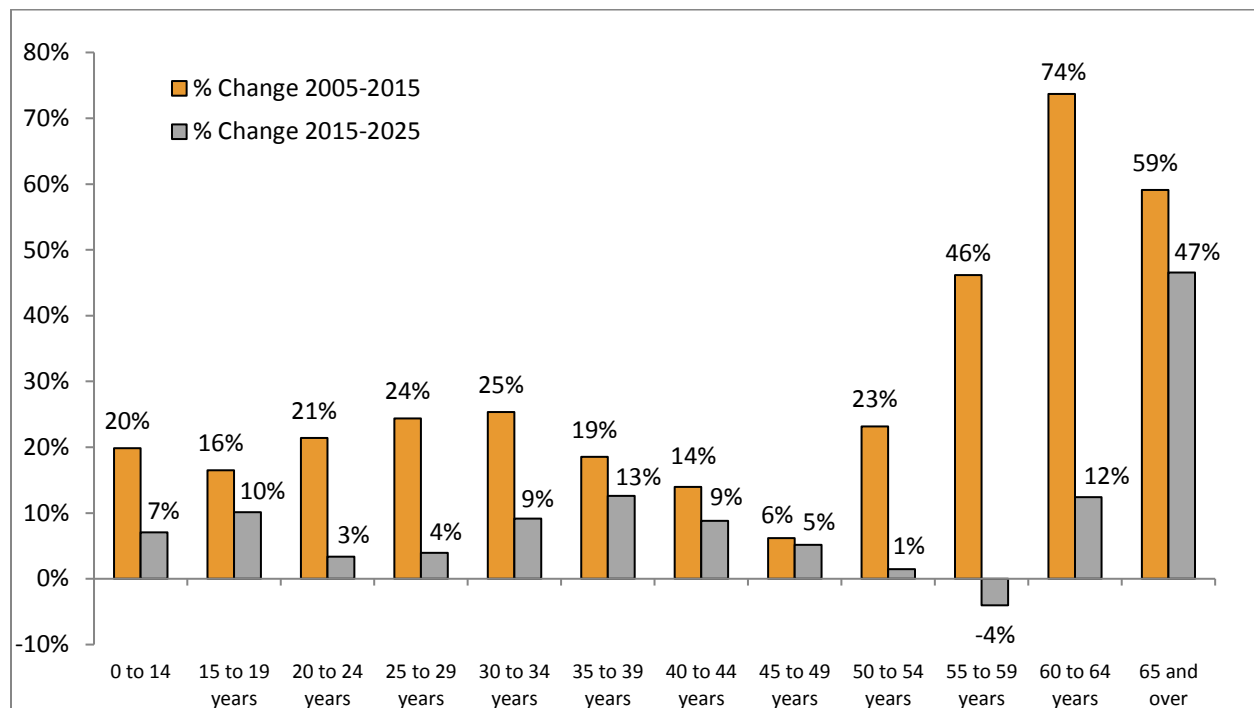
**Chart 1. Gulf Coast Region Year-Over-Year Percent Change in Population, 2005 to 2025**



While overall population growth is projected to slow, a look at past and future growth by age group provides a more nuanced take on this trend. Between 2005 and 2015, the number of residents in the eight age brackets between 0 to 14 years and 50 and 54 years grew approximately 14 percent to 25 percent with the exception of residents 45 to 49. The growth rate of this latter group was the slowest of all, up only 6 percent over the 10-year period. In contrast, individuals 55 to 59 years, 60 to 64 years, and 65 and over grew substantially faster than all other age groups, up 46 percent, 74 percent, and 59 percent, respectively, over the decade.

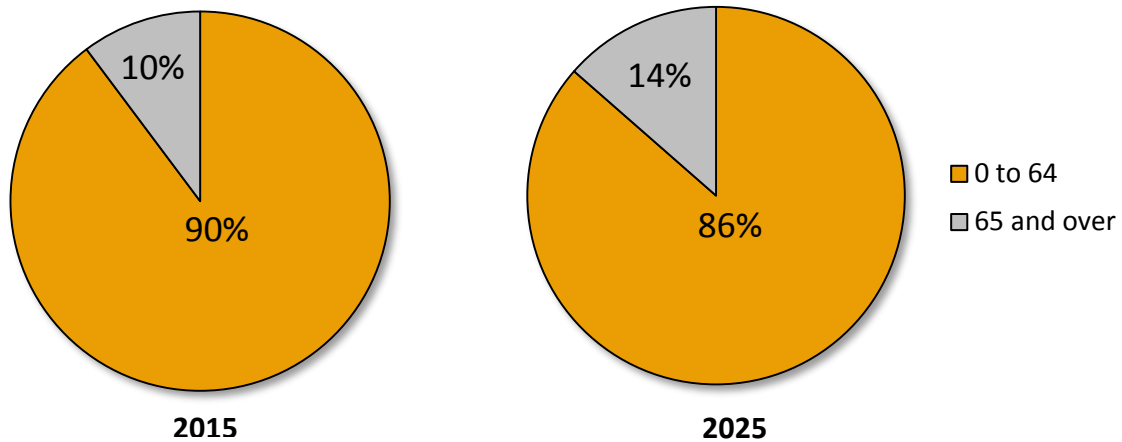
A look at projected growth rates between 2015 and 2025 by age group reveals two trends. First, growth rates for every age group are forecast to be slower than the previous decade with one group, age 55 to 59, predicted to register an absolute decline of 4 percent. Second, the aging of each group into the next age bracket over time shifts the highest growth rate into the oldest cohort, individuals 65 and over. This group’s rate of increase at 47 percent is predicted to outpace the next fastest-growing age group of individuals 35 to 39 by more than three times over the coming decade (see Chart 2).

**Chart 2. Gulf Coast Region Percent Change in Population by Age Group, 2005 to 2015 and 2015 to 2025**



However, despite the prediction that residents 65 and over are to become the *fastest-growing* segment of the Gulf Coast population, their *share* of the total population is not expected to increase dramatically. In 2015, individuals 65 and over comprised 10 percent of the region’s population which equates to approximately 693,000 residents. By 2025 this segment is expected to make up just 14 percent of the population, rising to slightly more than 1 million residents by 2025. Even broadening the scope of analysis to include the two previous age brackets of 55 to 59 and 60 to 64, which roughly correspond to what many consider to be “retirement age,” collectively these residents will only see their share of the population rise from 21 to 24 percent (see chart 3).

**Chart 3. Gulf Coast Region Share of Workers 65 and Over as Percentage of All Workers, 2015 and 2025**



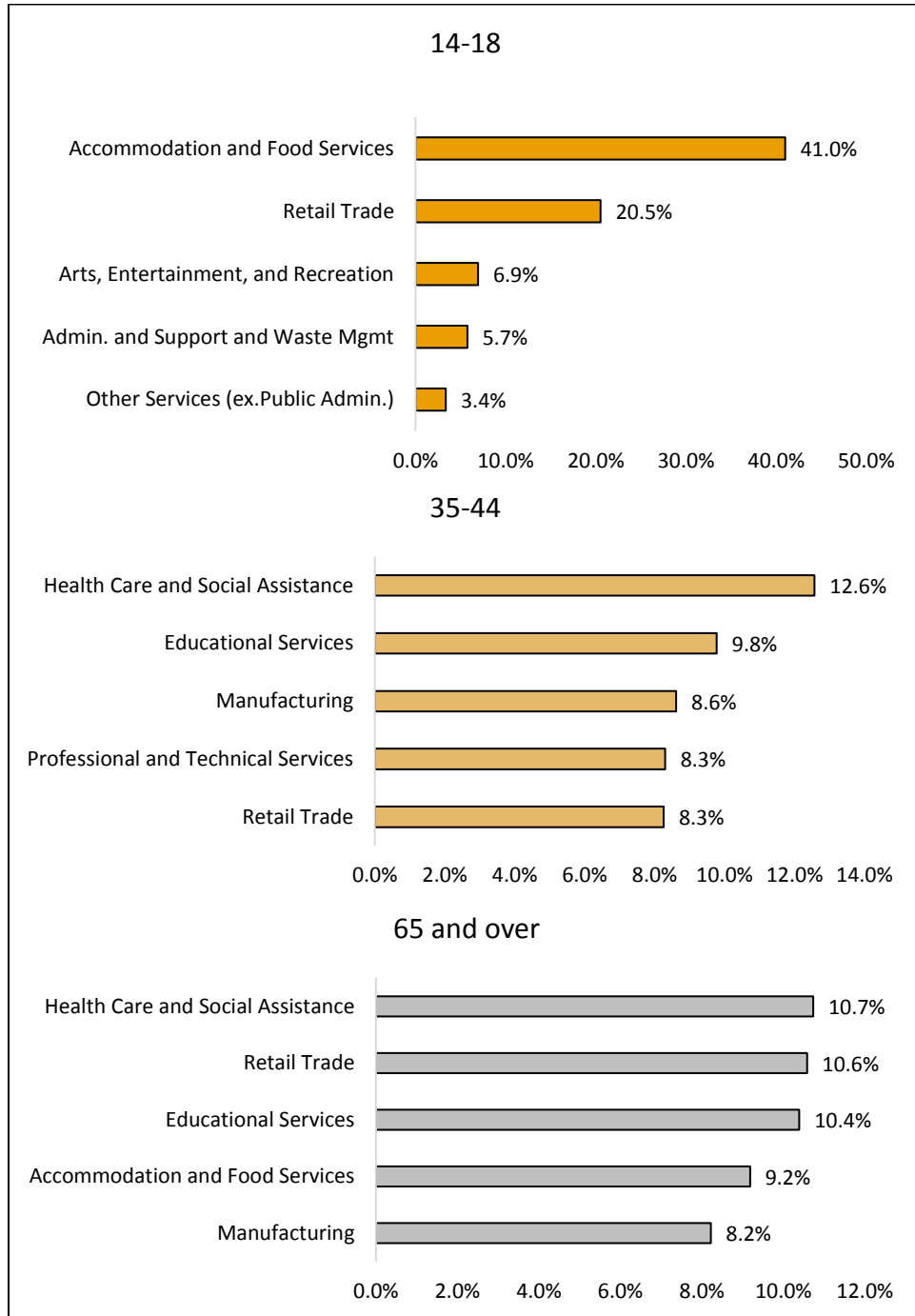
### **Industry Employment Trends among Workers 65 and Over**

As noted, increased life expectancy has resulted in individuals living longer and healthier, which has in turn extended their participation in the workforce. However, the industries in which an individual might be employed varies over time. For example, in 2015 the majority of workers aged 14 to 18 in the Gulf Coast were concentrated in just two industries: Accommodation and Food Services (41 percent) and Retail Trade (21 percent). This is to be expected given these industries relatively low educational and skill requirements. Naturally as workers acquire more skills, the range of employment opportunities increases dramatically and this is reflected in mix of industries in which we find workers aged 35 to 44. Here in the Gulf Coast nearly 13 percent of workers in this mid-career age group were employed in Health Care and Social Assistance followed by Educational Services both public and private (9.8 percent), Manufacturing (8.6 percent), and Professional and Technical Services and Retail Trade, which tied for 4<sup>th</sup> place with 8.3 percent of total employment. Accommodation and Food Service ranked several spots lower for this age cohort at 7<sup>th</sup> place and in contrast to workers 14 to 18. Note that these distributions more closely mirror those of the overall workforce in the Gulf Coast regardless of age.

When we look at workers aged 65 and over, we observe a mix of industries that shares similarities with both of the aforementioned age groups. As with workers 35 to 44, Health Care and Social Assistance was where we find the largest share of workers 65 and over in the Gulf Coast, albeit just barely, at 10.7 percent of total employment. However, like the youngest cohort of workers, those aged 14 to 18, Retail Trade was also the second-largest industry for older worker with 10.6 percent. Educational Services remained a top industry for workers 65 and over at 10.4 percent followed by Accommodation and Food Services (9.2 percent) and Manufacturing (8.2 percent). Note that a key industry in the Gulf Coast frequently associated with oil and gas and where many mid-career individuals aged 35 to 44 are found, Professional and Technical Services, drops to 7<sup>th</sup> place for workers 65 and over. In the case of Accommodation and Food Service and Retail Trade, it appears that these industries, thanks to their tendency towards part-time work arrangements and relatively low barriers to entry, re-emerge as

important sources of employment as workers enter their later years. In contrast, Health Care, Educational Services, and Manufacturing remain fairly constant whether mid or late-career. Given the moderate to highly specialized training needed for many occupations in these latter industries, it is likely that individuals already employed in these areas continue to work even after the age of 65 rather than select them for new careers (see chart 4).

**Chart 4. Gulf Coast Region Percentage of Total Workers in Age Cohort by Industry, 2015**



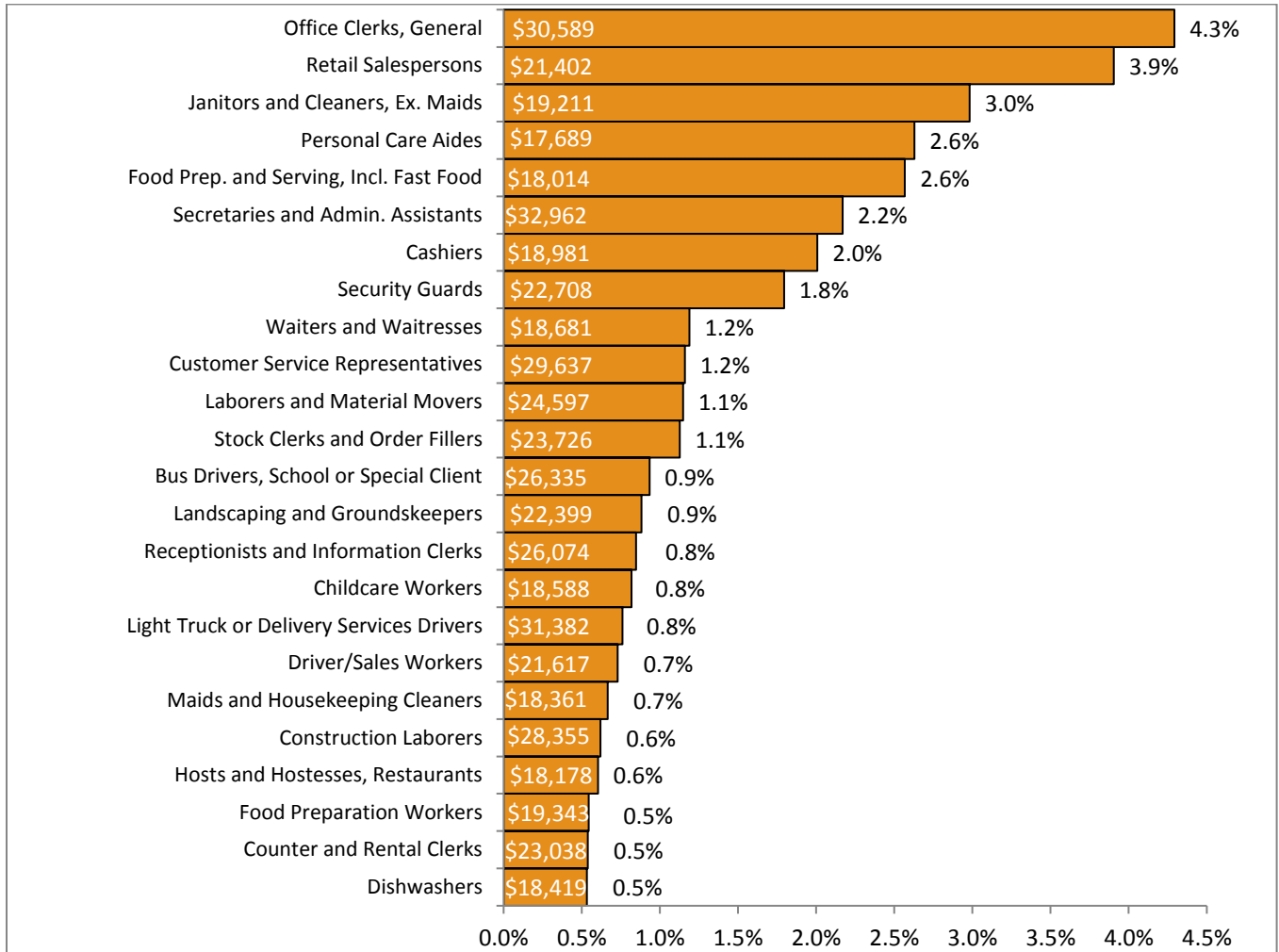
## Occupational Employment Trends among Workers 65 and Over

Having examined the industries where we find the highest concentrations of workers 65 and over, it is not surprising that we find workers concentrated in occupations that reflect these industries. As before, it is instructive to compare older workers to early and mid-career individuals as context. Roughly half of all workers 65 and over were found in 41 out of a possible 800 or so occupations. In contrast, half of all workers aged 14-18 were found in just 7 occupations, echoing the limited range of opportunities available to this group, while workers 35-44 were relatively more dispersed with around half concentrated in 49 occupations.

A recurring challenge when analyzing large numbers of occupations is choosing the appropriate criteria for categorizing them. In the previous section we noted that workers 65 and over tend to be concentrated in two to three types of industries, low-skill and high-skill services and to a lesser extent Manufacturing. We also noted that the educational and skill requirements for these industries vary widely. For workers in the early to mid-stages of their careers, the educational requirements needed to enter a profession are an important consideration as they often dictate the type and amount of education pursued. However, for older workers who likely have many years of experience, the amount of on-the-job training required is a more useful means of evaluating occupations followed by education.

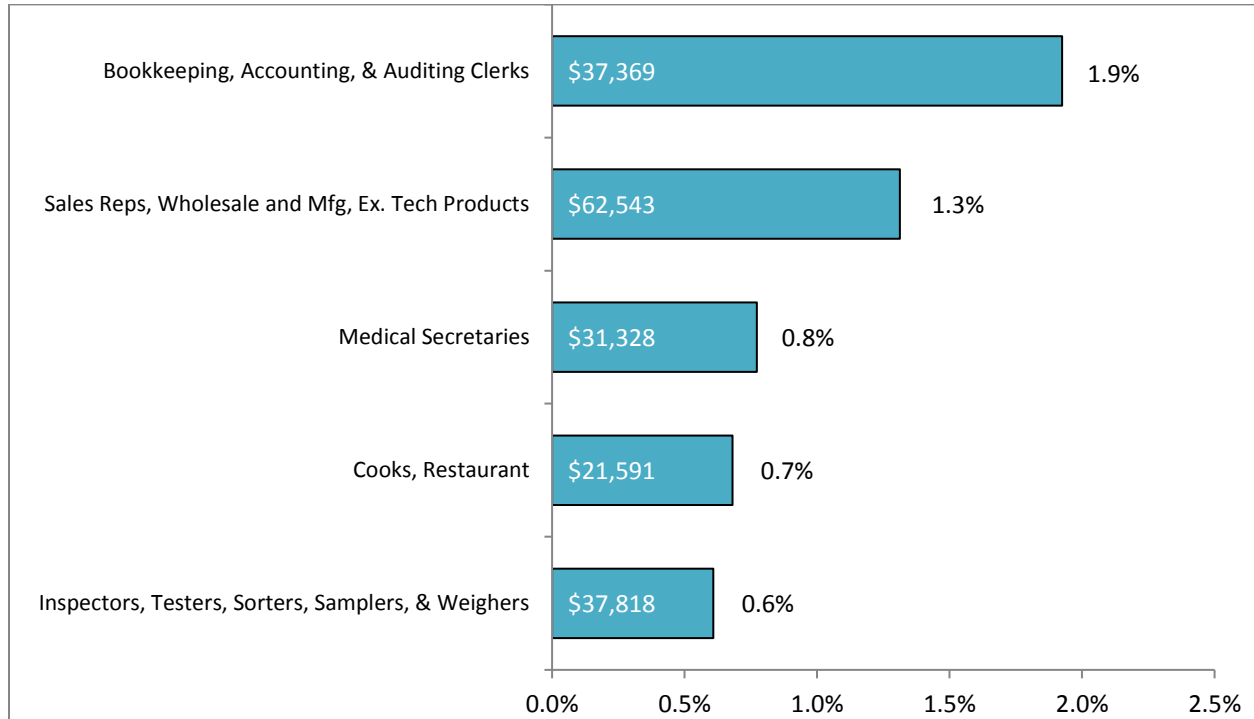
Based on the above criteria, a slight majority of the 41 occupations where we find half of all workers 65 and over require only short-term on-the-job training, which is defined as one month or less needed to acquire proficiency. The single-largest occupation for this age group of workers was General Office Clerks at 4.3 percent. Overall, many of these occupations are variations of clerical, retail, food preparation, and maintenance jobs and therefore wages are relatively low ranging from \$18,000 per year to \$33,000 per year. Nonetheless, for older individuals seeking to re-enter the workforce on a part-time or otherwise limited basis, these occupations may be worthy of consideration given their comparatively minimal time and skill investment in order to achieve proficiency (see chart 5).

**Chart 5. Gulf Coast Region Percentage of Total Workers Aged 65 and Over by Occupation Requiring Short-term On-The-Job Training, and Average Annual Wages - 2015**



The next group of occupations consists of those requiring “moderate on-the-job training.” Proficiency in this category of jobs typically requires more than one month up to a maximum of 12 months. Among all 800 or so official occupations, there are very few denoted as requiring this particular amount of training and this remains true for the subset examined here pertaining to workers 65 and over. In this instance there were only five occupations with Bookkeeping, Accounting, and Auditing Clerks as the largest at 1.9 percent. Excluding Wholesale and Manufacturing Sales Representatives, wages in this group were somewhat higher compared to those requiring short-term on-the-job training, ranging from \$22,000 per year to \$38,000 per year.

**Chart 5. Gulf Coast Region Percentage of Total Workers Aged 65 and Over by Occupation Requiring Moderate On-The-Job Training, and Average Annual Wages - 2015**

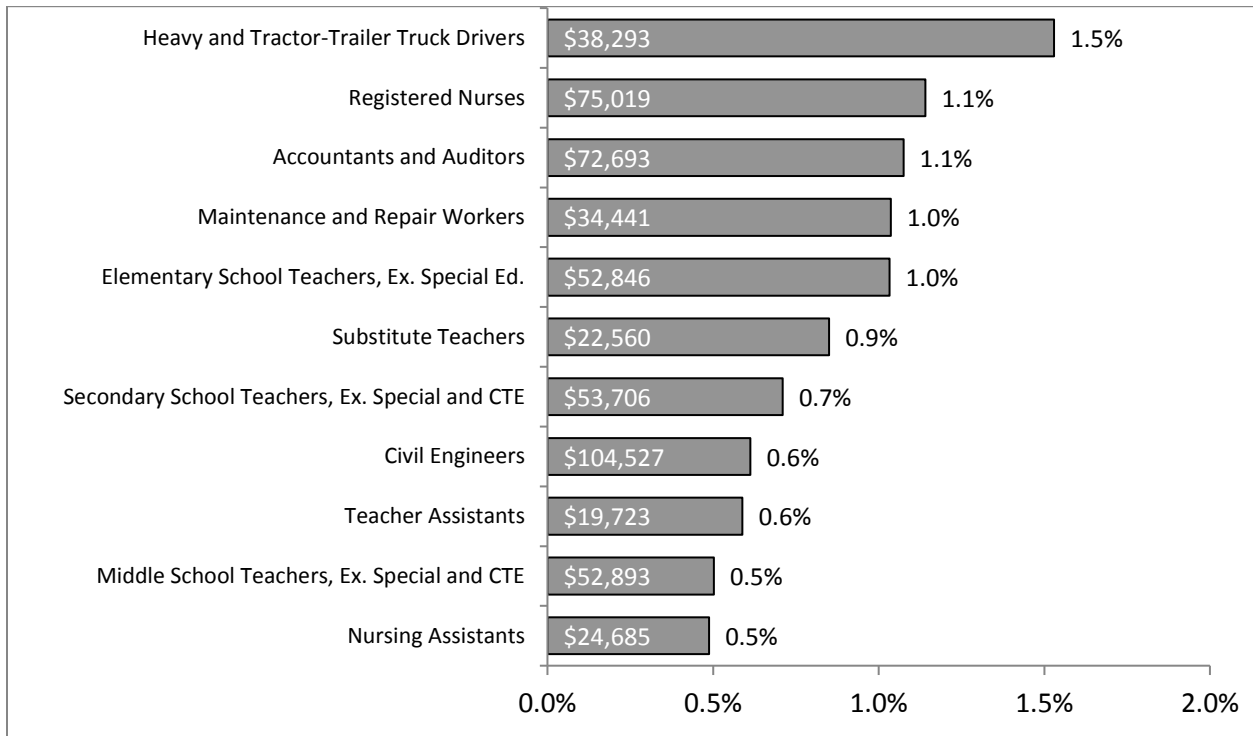


Occupations requiring long-term on-the-job training, defined as more than 12 months to attain proficiency, and/or some postsecondary education comprised the third and final category. Heavy and Tractor-Trailer Truck Drivers were the largest occupation in this group with 1.5 percent of all workers 65 and over in the Gulf Coast. Other occupations included two related to health care and five related to primary and secondary education with the remaining three representing a more diverse collection, namely Accountants and Auditors, Maintenance and Repair Workers, and Civil Engineers. Excluding the latter occupation given that its wages represent an outlier, wages for the other jobs in this category ranged from \$20,000 per year to as much as \$75,000 per year.

As noted previously, the relatively high concentrations of workers 65 and over in some of these occupations is likely the result of industry professionals continuing in their corresponding fields beyond the age of 65 rather than individuals entering them for the first time. This may also be true of the aforementioned education-related occupations however it is important to acknowledge the shift towards alternative teaching certificates. As an increasingly common tool used to address teacher shortages, these credentials allow for individuals to immediately begin teaching while simultaneously completing required training. As a result, the opportunity cost of achieving gainful employment versus the time spent in training is partially avoided. For workers 65 and over with many years of experience, this may allow them repurpose a lifetime of skills for a new career requiring a relatively short investment of time and resources.



**Chart 5. Gulf Coast Region Percentage of Total Workers Aged 65 and Over by Occupation Requiring Long-term On-The-Job Training, and Average Annual Wages - 2015**



## Conclusion

As mentioned, there were nearly 700,000 residents in the Gulf Coast region age 65 or older in 2015. Of these, 167,000 were employed. As life expectancy continues to rise, we can expect both of these figures to increase accordingly. While many employers anticipate large waves of retirements in near to medium-term, the reality is that many older workers are fully capable of continuing in their existing careers, have a desire to explore new careers, or simply choose to work in order to remain active and/or supplement their retirement savings. For this reason, it is important to identify the industries and occupations where older workers are currently found as basis for determining where existing as well as future opportunities may lie for this growing segment of population.