RESEARCH REPORT

Workforce Programs Serving Older Workers and Other Populations with Employment Barriers

Older Workers Implementation and Descriptive Study

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Acknowledgments

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Executive Summary

The US Department of Labor’s (DOL’s) Chief Evaluation Office, in collaboration with the Employment Training Administration, has funded the Urban Institute and its partner Capital Research Corporation to conduct the Older Workers Implementation and Descriptive Study. The purpose of this study is to build evidence about the implementation of the Senior Community Service Employment Program (SCSEP) ¹ and other DOL workforce programs serving older workers to inform the continuous improvement of SCSEP. To inform evaluation activities, this report reviews the literature and identifies the state of the evidence on workforce programs, including those that serve older workers and populations with similar employment barriers.

Older Adult Workforce Challenges

Increases in life expectancy (Johnson 2018; Li 2022), improvements in educational attainment and physical health within the older population (Johnson 2018; McGarry 2004), declines in the prevalence of physically demanding jobs (Johnson, Mermin, and Resseger 2011), and increases in the Social Security retirement age (Johnson 2018; Li 2022; Song and Manchester 2007) are among the factors associated with the rise in employment rates among older adults. However, employment rates may understate the desire to work at older ages because those figures do not count people who cannot find jobs or become discouraged in their job searches and drop out of the labor force. According to the Bureau of Labor Statistics, older adults are overrepresented among discouraged workers (adults out of work and not actively looking for work because they believe there are no jobs). In 2019, those ages 55 and older represented 27 percent of discouraged workers but only 23 percent of the labor force. In contrast, younger adults ages 25 to 54 were underrepresented among discouraged workers, representing only 51 percent of discouraged workers but 64 percent of the labor force.²

Employers claim to value older workers’ professionalism and work ethic (Tinsley-Fix and Sauer 2021), yet studies have found that some employers discriminate against older workers in hiring, promotion, and retention decisions (Farber, Silverman, and von Wachter 2017; Lahey 2008; Neumark

2020; Neumark, Burn, and Button 2019). Analysis by Ghilarducci, Webb, and Papadopoulos (2018) suggests that challenges facing older workers are especially pronounced in low-wage jobs, where older workers are increasingly likely to work. Although training might help older adults with low incomes increase their earnings or secure better jobs, studies of other hard-to-employ groups suggest they lack access to and resources for training opportunities (Mikelson and Nightingale 2004; Osterman 2020, 2022).

Workforce Programs Serving Older Adults

Many federal government employment and training programs serve older adults, but only two (SCSEP and the Alternative Trade Adjustment Assistance for Workers programs) specifically target this population. SCSEP is a coordinated program that operates at the national, state, and local levels. Its structure consists of grantees, subgrantees, and host agencies where participants complete their community service assignments (Kogan et al. 2012). Currently, there are 75 SCSEP grantees that include 56 units of state and territorial governments and 19 national nonprofit organizations. The national grantees compete every four years for grant awards, which are only for the first program year. In the remaining noncompetitive years, grantees must apply annually for renewal. In 2020, the most recent national competition year, DOL awarded $156 million in grants that are expected to serve more than 32,000 participants.

Strategies for Addressing Employment Barriers

Research studies and evaluations have identified strategies that are most effective in increasing employment and earnings and that may help eliminate or reduce employment barriers. These strategies include intensively prescreening applicants on their basic skills; providing job-readiness and occupational training; training for jobs that are in high demand; providing individually tailored employment supports and support services; and developing strong employer connections (Katz et al. 2022).

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2020; Schaberg 2020). Additionally, Butrica and Mudrazija (2022) conducted interviews with assessment and training providers and an educational institution who emphasized the importance of training for skills that are unlikely to become obsolete and cannot be easily automated. Although not intended specifically for older workers, these program strategies might help older adults obtain gainful employment.

Knowledge Gaps

Although the evidence base on workforce program outcomes continues to grow, we still have relatively limited knowledge of the effects of changing labor markets and service delivery practices on SCSEP and other programs serving older workers. Future activities conducted under Urban’s Older Workers Implementation and Descriptive Study will build evidence to help address the remaining knowledge gaps.
Introduction

The US Department of Labor’s (DOL’s) Chief Evaluation Office, in collaboration with the Employment Training Administration, has funded the Urban Institute and its partner Capital Research Corporation to conduct the Older Workers Implementation and Descriptive Study. The purpose of this study is to build evidence about the implementation of the Senior Community Service Employment Program (SCSEP) and other DOL workforce programs serving older workers to inform the continuous improvement of SCSEP. This involves (1) a review of existing knowledge and data to inform evaluation activities, (2) an implementation evaluation design, (3) an early implementation study and in-depth implementation study of programs receiving the 2020 DOL SCSEP grants, and (4) an evaluability assessment and future research options for DOL to consider for conducting rigorous studies that will build evidence on the effectiveness of programs serving older workers.

To meet the project’s first goal, this report reviews the literature and identifies the state of the evidence on workforce programs, including those that serve older workers and populations with similar employment barriers. It describes the following:

- the characteristics of older workers
- workforce challenges facing older workers
- the landscape of workforce programs serving older adults
- workforce program strategies
- the impact of program strategies on outcomes
- strategies to address employment barriers
- the impact of COVID-19 on the labor market and workforce programs
- knowledge gaps

Although only two federal workforce programs (SCSEP and the Alternative Trade Adjustment Assistance for Workers program) currently serve older workers exclusively, numerous other workforce programs and strategies address the challenge of increasing skills and finding employment for hard-to-employ workers, such as people with low incomes, veterans, people with disabilities, those with limited literacy skills, people living in rural areas, formerly incarcerated people, homeless individuals, those who are long-term unemployed or underemployed, and dislocated workers. Evidence from these programs and strategies could offer insights into the needs of older workers and effective ways to serve them. Unless otherwise noted, our description of older adults covers those ages 55 and older, the age of SCSEP eligibility.
Who Are Older Workers?

Increases in life expectancy (Johnson 2018; Li 2022), improvements in educational attainment and physical health within the older population (Johnson 2018; McGarry 2004), declines in the prevalence of physically demanding jobs (Johnson, Mermin, and Resseger 2011), and increases in the Social Security retirement age (Johnson 2018; Li 2022; Song and Manchester 2007) are among the factors associated with the rise in employment rates among older adults. Women and people ages 62 and older account for much of the increase in the older workforce. This trend is important because employment helps older workers meet their current financial needs and raises future retirement incomes, especially for lower-income workers (Butrica, Smith, and Steuerle 2007).

Nonetheless, employment rates decline with age for both voluntary reasons (such as the choice to retire) and involuntary reasons (such as disability and job loss). Based on data from the 2019 American Community Survey, table 1 shows declines in employment rates between ages 55 to 61 and ages 70+

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Employment Rates by Gender, Age, Race and Ethnicity, and Educational Attainment, 2019 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Women</td>
</tr>
<tr>
<td>Age</td>
<td>55–61</td>
</tr>
<tr>
<td>All</td>
<td>62.1</td>
</tr>
<tr>
<td>Race and ethnicity</td>
<td>Non-Hispanic white</td>
</tr>
<tr>
<td></td>
<td>Non-Hispanic Black</td>
</tr>
<tr>
<td></td>
<td>Hispanic</td>
</tr>
<tr>
<td></td>
<td>Asian and other</td>
</tr>
<tr>
<td>Educational attainment</td>
<td>No high school diploma</td>
</tr>
<tr>
<td></td>
<td>High school diploma only</td>
</tr>
<tr>
<td></td>
<td>Some college</td>
</tr>
<tr>
<td></td>
<td>Four-year college degree</td>
</tr>
</tbody>
</table>

Source: Author’s calculations using the 2019 American Community Survey Public Use Microdata Sample.

Note: Employment rates exclude the self-employed and those in the armed forces.

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1 The American Community Survey is an annual, nationwide survey administered by the US Census Bureau to collect information on Americans’ social, economic, housing, and demographic characteristics. See “About the American Community Survey,” US Census Bureau, accessed July 26, 2022.
and older. By ages 70 and older, only 7.2 percent of women and 11.1 percent of men were still working. Additionally, differences in employment between white and Black men are smaller at ages 70 and older than at ages 55 to 61. Educational differences in employment increase at the oldest ages. Among those ages 70 and older, 9.5 percent of women and 14.8 percent of men with a college degree were employed compared with only 3.6 percent of women and 6.9 percent of men without a high school diploma.

Table 2 describes the characteristics of adults ages 55 and older by age and employment status. The findings are somewhat mixed. On the one hand, disability rates are roughly two to five times higher, depending on age, for those not working than for those who work. On the other hand, pension income is substantially more prevalent among nonworkers than workers, especially at younger ages. Other indicators, however, suggest that many older adults who do not work are economically disadvantaged: larger segments of this population collect Social Security benefits before the program's early retirement age of 62, receive Supplemental Security Income (SSI), and have family incomes below 100 percent of the federal poverty level (FPL) or below 250 percent of the FPL.

Table 3 describes the characteristics of workers ages 55 and older by age and family income. Compared with higher-income older workers (defined as family income at or above 250 percent of the FPL), older workers with low incomes are disproportionately women, people of color, those who are unmarried, and those with disabilities. Percentages of older workers with college degrees and those receiving pensions are also lower for those with low income than for those with higher income. At ages 70 and older, the typical low-income older worker earns only $9,000 and has a family income of $28,000, while their higher-income counterpart earns $28,000 and has a family income of $92,000. Social Security benefits can supplement the incomes of low-income older workers, but only 76.3 percent receive Social Security benefits compared with 89.5 percent of those with higher incomes.

Johnson and Wang (2017) reported on trends in labor market outcomes from the Current Population Survey. Between 1995 and 2016, they found that the share of workers ages 65 and older who were employed full time nearly doubled for men and more than doubled for women. In contrast, full-time work among those ages 25 to 44 and those ages 45 to 54 declined for men and increased only slightly for women. In a report on America’s aging workforce for the Senate Special Committee on Aging, Collins and Casey, Jr. (2017) cited statistics showing that after age 65 the proportion of workers employed in manufacturing declined and the proportion in retail sales increased. While management, office and administrative support, and sales were the most common occupations for all age groups, they were even more common at older ages. Together they accounted for 32 percent of workers ages 25 to 54 and 40 percent of those ages 75 and older.
<table>
<thead>
<tr>
<th>Age</th>
<th>55–61</th>
<th>55–61</th>
<th>62–69</th>
<th>62–69</th>
<th>70+</th>
<th>70+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Status</td>
<td>Working</td>
<td>Not Working</td>
<td>Working</td>
<td>Not Working</td>
<td>Working</td>
<td>Not Working</td>
</tr>
<tr>
<td>Mean age (years)</td>
<td>57.9 (58.3)</td>
<td>64.6 (65.7)</td>
<td>74.3</td>
<td>78.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female (%)</td>
<td>49.7 (59.7)</td>
<td>49.4 (57.6)</td>
<td>47.2</td>
<td>59.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Race and ethnicity (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Hispanic white</td>
<td>68.9 (63.7)</td>
<td>72.1 (70.1)</td>
<td>77.0</td>
<td>75.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Hispanic Black</td>
<td>11.1 (14.7)</td>
<td>10.6 (11.9)</td>
<td>9.4</td>
<td>8.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td>12.8 (14.5)</td>
<td>10.4 (11.5)</td>
<td>8.1</td>
<td>9.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asian and other</td>
<td>7.1 (7.1)</td>
<td>6.9 (6.5)</td>
<td>5.6</td>
<td>5.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational attainment (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No high school diploma</td>
<td>8.4 (18.2)</td>
<td>7.7 (13.5)</td>
<td>9.3</td>
<td>17.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school diploma only</td>
<td>27.3 (33.9)</td>
<td>25.9 (30.8)</td>
<td>26.9</td>
<td>33.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some college</td>
<td>30.6 (28.3)</td>
<td>30.7 (29.7)</td>
<td>27.9</td>
<td>24.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Four-year college degree</td>
<td>33.7 (19.6)</td>
<td>35.7 (26.0)</td>
<td>35.9</td>
<td>25.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unmarried (%)</td>
<td>34.5 (46.3)</td>
<td>35.6 (39.8)</td>
<td>42.1</td>
<td>49.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has a disability (%)</td>
<td>8.2 (38.6)</td>
<td>11.1 (29.7)</td>
<td>20.1</td>
<td>44.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has pension income (%)</td>
<td>8.1 (24.2)</td>
<td>20.8 (42.0)</td>
<td>43.7</td>
<td>51.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has Social Security income (%)</td>
<td>1.0 (21.7)</td>
<td>30.4 (72.7)</td>
<td>87.4</td>
<td>89.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has SSI income (%)</td>
<td>0.5 (14.4)</td>
<td>0.8 (6.3)</td>
<td>1.8</td>
<td>5.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family income below 100 percent of FPL (%)</td>
<td>2.8 (25.7)</td>
<td>2.0 (14.9)</td>
<td>1.9</td>
<td>11.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family income below 250 percent of FPL (%)</td>
<td>16.9 (51.8)</td>
<td>15.6 (40.7)</td>
<td>16.0</td>
<td>39.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median earnings ($ thousands)</td>
<td>50</td>
<td>0</td>
<td>40</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median family income ($ thousands)</td>
<td>100</td>
<td>50</td>
<td>91</td>
<td>56</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s calculations using the 2019 American Community Survey Public-Use Microdata Sample.

Notes: SSI = Supplemental Security Income. FPL = federal poverty level. Estimates are restricted to adults ages 55 and older and exclude the self-employed and those in the armed forces. Family income includes wage and salary income, Social Security benefits, SSI, other cash benefits, income from assets, and other income types received by all family members.
## TABLE 3
Characteristics of Workers Ages 55 and Older by Age and Family Income, 2019

<table>
<thead>
<tr>
<th>Age</th>
<th>55–61</th>
<th>55–61</th>
<th>62–69</th>
<th>62–69</th>
<th>70+</th>
<th>70+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low Income</td>
<td>Higher Income</td>
<td>Low Income</td>
<td>Higher Income</td>
<td>Low Income</td>
<td>Higher Income</td>
</tr>
<tr>
<td>Mean age (years)</td>
<td>57.9</td>
<td>57.9</td>
<td>64.5</td>
<td>64.7</td>
<td>74.9</td>
<td>74.2</td>
</tr>
<tr>
<td>Female (%)</td>
<td>55.2</td>
<td>48.6</td>
<td>56.9</td>
<td>48.0</td>
<td>61.1</td>
<td>44.5</td>
</tr>
<tr>
<td>Race and ethnicity (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Hispanic white</td>
<td>50.7</td>
<td>72.6</td>
<td>55.2</td>
<td>75.3</td>
<td>65.9</td>
<td>79.0</td>
</tr>
<tr>
<td>Non-Hispanic Black</td>
<td>17.9</td>
<td>9.7</td>
<td>17.6</td>
<td>9.3</td>
<td>13.7</td>
<td>8.6</td>
</tr>
<tr>
<td>Hispanic</td>
<td>23.6</td>
<td>10.6</td>
<td>19.6</td>
<td>8.7</td>
<td>15.1</td>
<td>6.8</td>
</tr>
<tr>
<td>Asian and other</td>
<td>7.8</td>
<td>7.0</td>
<td>7.7</td>
<td>6.7</td>
<td>5.2</td>
<td>5.6</td>
</tr>
<tr>
<td>Educational attainment (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No high school diploma</td>
<td>20.4</td>
<td>6.0</td>
<td>18.4</td>
<td>5.7</td>
<td>19.4</td>
<td>7.4</td>
</tr>
<tr>
<td>High school diploma only</td>
<td>37.3</td>
<td>25.3</td>
<td>36.1</td>
<td>24.0</td>
<td>36.2</td>
<td>25.1</td>
</tr>
<tr>
<td>Some college</td>
<td>28.8</td>
<td>30.9</td>
<td>29.9</td>
<td>30.8</td>
<td>28.6</td>
<td>27.8</td>
</tr>
<tr>
<td>Four-year college degree</td>
<td>13.5</td>
<td>37.8</td>
<td>15.6</td>
<td>39.4</td>
<td>15.8</td>
<td>39.7</td>
</tr>
<tr>
<td>Unmarried (%)</td>
<td>60.9</td>
<td>29.1</td>
<td>61.9</td>
<td>30.7</td>
<td>65.0</td>
<td>37.7</td>
</tr>
<tr>
<td>Has a disability (%)</td>
<td>14.1</td>
<td>7.0</td>
<td>16.6</td>
<td>10.1</td>
<td>24.6</td>
<td>19.2</td>
</tr>
<tr>
<td>Has pension income (%)</td>
<td>4.8</td>
<td>8.7</td>
<td>11.3</td>
<td>22.5</td>
<td>20.0</td>
<td>48.3</td>
</tr>
<tr>
<td>Has Social Security income (%)</td>
<td>2.5</td>
<td>0.7</td>
<td>35.3</td>
<td>29.5</td>
<td>76.3</td>
<td>89.5</td>
</tr>
<tr>
<td>Has SSI income (%)</td>
<td>1.4</td>
<td>0.3</td>
<td>1.4</td>
<td>0.7</td>
<td>2.1</td>
<td>1.7</td>
</tr>
<tr>
<td>Median earnings ($ thousands)</td>
<td>20</td>
<td>57</td>
<td>16</td>
<td>50</td>
<td>9</td>
<td>28</td>
</tr>
<tr>
<td>Median family income ($ thousands)</td>
<td>32</td>
<td>114</td>
<td>30</td>
<td>103</td>
<td>28</td>
<td>92</td>
</tr>
</tbody>
</table>

**Source:** Author’s calculations using the 2019 American Community Survey Public-Use Microdata Sample.

**Notes:** SSI = Supplemental Security Income. FPL = federal poverty level. Estimates are restricted to adults ages 55 and older and exclude the self-employed and those in the armed forces. Low income is defined as family income below 250 percent of the FPL. Higher income is defined as family income at or above 250 percent of the FPL.
Older Adult Workforce Challenges

The increase in employment at older ages has not been evenly distributed across the population. Johnson, Mudrazija, and Wang (2016) analyzed data from the US decennial census and American Community Survey and found that labor force participation rates between 1980 and 2014 grew more slowly for Black and Hispanic adults ages 65 and older than for their white counterparts. Johnson and Wang (2017) reported data from the Current Population Survey showing that gains in labor force participation between 1995 and 2016 by adults ages 65 and older were concentrated among college graduates. Labor force participation rates may underestimate the desire to work at older ages because they do not count people without jobs or who become discouraged in their job searches and drop out of the labor force.

According to the Bureau of Labor Statistics, older adults are overrepresented among discouraged workers (adults out of work and not actively looking for work because they believe there are no jobs). In 2019, those ages 55 and older represented 27 percent of discouraged workers but only 23 percent of the labor force. In contrast, younger adults ages 25 to 54 were underrepresented among discouraged workers, representing only 51 percent of discouraged workers but 64 percent of the labor force.

Recessions may further exacerbate this issue. Using data from the Survey of Income and Program Participation, Johnson and Butrica (2012) found that during and immediately after the Great Recession adults ages 50 and older who lost their jobs spent more time out of work than younger displaced workers and suffered larger wage losses once they found new jobs, even though older workers were less likely to lose their jobs. Only 65 percent of unemployed workers in their fifties were reemployed within 18 months compared with 77 percent of those ages 25 to 34. Moreover, median monthly earnings declined 23 percent upon reemployment for workers ages 50 to 61 compared with 11 percent for those ages 25 to 34.

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2 Employment rates at ages 75 and older declined for Blacks and Hispanics but increased for whites.
Employers claim to value older workers’ professionalism and work ethic (Tinsley-Fix and Sauer 2021), yet studies have found that some employers discriminate against older workers in hiring, promotion, and retention decisions (Farber, Silverman, and von Wachter 2017; Lahey 2008; Neumark 2020; Neumark, Burn, and Button 2019). A recent study by Neumark (2020) found that when age was revealed during the application process, older job candidates were less likely than younger job candidates to get interviews. In contrast, when age was omitted during the application process, older applicants were as likely as younger applicants to get interviews, and only after the interviews were older adults less likely than younger adults to get job offers. In another study, 24 percent of older workers reported that their employer gave preference to younger employees in promotion decisions (Johnson 2018). Analysis of a nationally representative survey of older adults by Johnson and Gosselin (2018) found that 56 percent of workers in their early fifties experienced an employer-initiated involuntary job separation at some point before age 65. The authors attribute this finding to possible age discrimination in the workplace. Similarly, one in four retirees in a MetLife (2020) survey reported retiring because they were offered early retirement incentives, their jobs were eliminated, or they felt forced to retire—actions that can be construed to reflect, at least in part, age discrimination.

Technological innovation requires many of today’s workers to use computers and to operate computer-controlled machines (Elvery 2019; Hecker and Loprest 2019). The rapid pace of technological change may contribute to employers’ discriminatory behavior against older workers by reinforcing employers’ perceptions that older adults lack digital skills and have more difficulty acquiring them than younger people (Hecker, Spaulding, and Kuehn 2021). These negative stereotypes are sometimes misplaced. Some older workers may already have the skills employers need and only require help in marketing those skills or demonstrating them during the hiring process. Other older workers not only lack basic digital and other high-demand skills, but they are also losing their jobs to automation. These older workers may need to retrain for their current or prospective job because their skills have become outdated, their jobs have become obsolete, or they have lost their

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5 The author compared a restaurant chain’s hiring of older workers between 2010 and 2016 using two hiring procedures. Under the first one, applicants were selected for interviews using in-person paper applications. Under the second one, applicants were selected for interviews using age-blind online applications. The analytic sample included 8,485 paper applications and 47,667 electronic applications.

6 These include IT skills such as programming, cloud computing, data analysis, systems and networks, and machine learning, plus business development, sales management, account management, accounting, and sales operations, among others. See “What Employers Want: 38 In-Demand Skills.” Business News Daily Editor, May 4, 2020.

7 Using data from the Current Population Survey, Belbase and Chen (2019) found that between 1979 and 2017, the share of workers in jobs performing routine tasks declined from 55 to 36 percent as computers replaced these tasks and the workers performing them.
skills because of declining physical or cognitive health. The lack of digital skills is particularly common among older Black and Hispanic workers (Hecker, Spaulding, and Kuehn 2021), who also are concentrated in occupations at high risk of being automated (Broady et al. 2021).

Because employers may be reluctant to hire or retain older workers, many workers shift from wage and salary work to self-employment as they age (Abraham, Hershbein, and Houseman 2021). Self-employment also usually offers more flexible work arrangements than wage and salary employment, which many older workers value (Abraham, Hershbein, and Houseman 2021). In 2019, 15 percent of employed men were self-employed at age 55, while nearly 30 percent were self-employed among those ages 70 and older (figure 1). Self-employment also increases with age for employed older women, although not as dramatically as for men. College graduates, both men and women, are more likely to be self-employed at older ages than those with less education (Johnson and Wang 2017); however, the rise in gig work could change the composition of self-employed older workers over time (Abraham, Hershbein, and Houseman 2021).

**FIGURE 1**

Self-Employment Rates of Workers Ages 55 and Older, 2019

Source: Author’s calculations using the 2019 American Community Survey Public Use Microdata Sample.

Note: Estimates are restricted to workers ages 55 and older and exclude those in the armed forces.

Analysis by Ghilarducci, Webb, and Papadopoulos (2018) suggests that the challenges facing older workers are especially pronounced in low-wage jobs, where older workers are increasingly likely to
work. The authors observed that nearly a quarter of older workers ages 62 and older were in unstable and low-wage jobs in 2015, an increase from 14 percent in 2005. Although training might help older adults with low incomes increase their earnings or secure better jobs, studies of other hard-to-employ groups suggest they lack access to and resources for training opportunities. Survey data on training shows that workers who have less education or are Black or Hispanic (groups who tend to be overrepresented in low-wage jobs; Ross and Bateman (2019) receive less employer training than workers who have more education or are white (Mikelson and Nightingale 2004; Osterman 2020, 2022). Economists speculate that low-wage and low-skilled workers receive less employer-sponsored training because employers may perceive these employees as having higher turnover rates (Lynch 2004) or because employers may undervalue them (Osterman 2019, 2022). Alternatives to employer-sponsored training are available, such as job training through community colleges or online courses. However, when Osterman (2022) surveyed workers and asked them to describe obstacles to training on their own, nearly half reported lack of time and two-thirds reported cost. Some researchers also suggest that older adults’ participation in training may be associated with the type of training offered (Simpson, Greller, and Stroh 2002). Using a qualitative grounded theory approach to examine the training preferences of younger and older workers, Urick (2017) found that on-the-job training and mentorship development efforts that were integrated into work and self-paced were better suited to older workers than more formal instructor-led training approaches. Simpson, Greller, and Stroh (2002) analyzed data on adult education from a national education survey and found that older workers participated less frequently than younger workers in general skills training but more frequently than younger workers in career and job-related training. Using employee records to analyze the determinants of training participation, Zwick (2015) also found that older workers got higher returns from on-the-job training and self-determined training than from seminars and formal training. The authors all suggest that training tailored to the needs and learning styles of older workers could increase the training’s effectiveness and the chances that older adults will participate.

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8 Interviews were conducted with 28 younger workers born between 1976 and 1987 and 28 older workers born between 1934 and 1965.
Landscape of Workforce Programs Serving Older Adults

This section provides an overview of workforce programs that serve older workers, with a focus on the major federal programs, including their purpose, eligibility requirements, and participation levels by older adults. Additional information may be found in Heidkamp and Van Horn (2008), Heidkamp, Mabe, and DeGraaf (2012), and Wandner, Balducchi, and O’Leary (2015, 2018).

Federal Programs

The federal government funds numerous employment and training programs. A US Government Accountability Office (2019) report identified 43 such programs administered across nine agencies in fiscal year 2017, with the majority sponsored by DOL. Some of these programs target specific populations, such as youth, women, veterans, people with disabilities, those who are homeless, and people of Native American descent. Many federal government employment and training programs serve older adults, but only two (SCSEP and the Alternative Trade Adjustment Assistance for Workers programs) specifically target this population. The programs provide crucial services to older workers, especially those with low wages who are least likely to have training opportunities and whose jobs are most at risk of being lost to automation.

The Senior Community Service Employment Program was established by the Older Americans Act of 1965. It is one of only two federal programs that provide job training and placement services specifically targeted to older adults. The program serves adults ages 55 and older who are unemployed and whose family income is no more than 125 percent of the FPL. It gives priority to the following people:

- veterans
- qualified spouses
- those ages 65 and older

9 DOL’s Aging Worker Initiative was a former program that also exclusively served older workers.
those who are homeless or at risk of becoming homeless

those who have a disability, low literacy skills, or limited English proficiency

those with poor employment prospects or those who failed to find employment after receiving services through other programs established by the Workforce Innovation and Opportunity Act (WIOA) of 2014 and the American Job Centers (AJCs)

those who live in rural areas

those who were once incarcerated

SCSEP regulations require grantees to conduct certain activities for program participants. SCSEP staff create individual employment plans for program participants that reflect their existing skills; employment barriers and support service needs; training needs; and occupational preferences, goals, and timeline. SCSEP places program participants in paid, part-time, community service assignments to obtain work experience, skills, or job training to prepare them to transition into unsubsidized employment. In addition to job training and placement services, SCSEP often provides participants with support services or referrals. The goal of SCSEP is to help participants obtain employment, improve their economic situation, and become self-sufficient.

SCSEP is a coordinated program that operates at the national, state, and local levels. Its structure consists of grantees, subgrantees, and host agencies where participants complete their community service assignments (Kogan et al. 2012). Currently, there are 75 SCSEP grantees that include 56 units of state and territorial governments and 19 national nonprofit organizations. The national grantees compete every four years for grant awards, which are only for the first program year. In the remaining noncompetitive years, grantees must apply annually for renewal. In 2020, the most recent national competition year, DOL awarded $156 million in grants that are expected to serve more than 32,000 participants.

Although not targeted to older workers, DOL’s other workforce programs also serve older adults. The Wagner-Peyser Act of 1933 established a system of public employment offices, known as the Employment Service, to help people get back to work after they lost their jobs during the Great

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Depression (O'Leary and Eberts 2008). These services are available to all job seekers, although veterans receive priority and disabled veterans receive the highest priority. Since then, several federal workforce development statutes have been enacted, beginning in the 1960s.\textsuperscript{15}

Today's public workforce system is authorized under \textbf{WIOA}, which took effect on July 1, 2015. A key feature of WIOA is the coordination of workforce activities, including employment, training, and education, among multiple stakeholders to ensure that a skilled workforce exists to support local industries and the economy (Bradley 2021). WIOA Title I includes three programs that separately target adults, dislocated workers, and youth. The WIOA Title I Adult Program is for workers ages 18 and older and gives priority to veterans and eligible spouses, low-income individuals, and those with basic skills deficiencies. The WIOA Title I Dislocated Worker Program is for those who have been laid off or have received notice of termination from employment, are self-employed but unemployed due to general economic conditions, are spouses of active-duty members of the armed forces who are unemployed due to relocation for permanent duty reassignment, or are displaced homemakers. Older adults may be eligible for services under each of these programs.

The \textbf{Unemployment Insurance (UI) program}\textsuperscript{16} is a joint state-federal program that provides cash benefits to eligible workers who lose their jobs through no fault of their own. Generally, benefits are based on a percentage of claimants' earnings over a recent 52-week period. Each state administers its own UI program, but all states follow guidelines established by federal law. Additionally, each state sets its own requirements for benefits eligibility, amounts, and duration.\textsuperscript{17}

Table 4 presents the age distribution of DOL workforce program participants ages 25 and older in program year (PY) 2019.\textsuperscript{18} In the WIOA adult program, 8.2 percent of participants were ages 55 to 59 and 7.8 percent were ages 60 and older. The WIOA dislocated worker and the Wagner-Peyser programs served a larger share of older adults: 12.4 percent of WIOA dislocated worker participants were ages 55 to 59 and 13.1 percent were ages 60 and older, and 11.2 percent of Wagner-Peyser participants were ages 55 to 59 and 13.2 percent were ages 60 and older. In the SCSEP program, which is available only to those ages 55 and older, 30.5 percent were ages 55 to 59 and 69.5 percent.


\textsuperscript{17} “Unemployment Insurance,” US Department of Labor, accessed July 12, 2022.

\textsuperscript{18} PY 2019 ran from July 1, 2019 to June 30, 2020, and includes participants who may have started before the program year.
were ages 60 and older in PY 2019. Among UI claimants, 12.2 percent were ages 55 to 59 and 16.1 percent were ages 60 and older. Combined, over 1.3 million adults ages 55 and older participated in these programs in PY 2019, with the largest number served by Wagner-Peyser.

### TABLE 4
**Percentage and Number of Workforce Program Participants by Age and Program**
_Ages 25 and older, Program Year 2019_

<table>
<thead>
<tr>
<th>Age</th>
<th>SCSEP (%)</th>
<th>Wagner-Peyser (%)</th>
<th>WIOA Adult (%)</th>
<th>WIOA Dislocated Worker (%)</th>
<th>Unemployment Insurance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25–44</td>
<td>52.8</td>
<td>64.4</td>
<td>49.9</td>
<td>24.7</td>
<td>48.3</td>
</tr>
<tr>
<td>45–54</td>
<td>22.8</td>
<td>19.5</td>
<td>12.4</td>
<td>12.2</td>
<td>23.4</td>
</tr>
<tr>
<td>55–59</td>
<td>30.5</td>
<td>11.2</td>
<td>8.2</td>
<td>13.1</td>
<td>16.1</td>
</tr>
<tr>
<td>60+</td>
<td>69.5</td>
<td>13.2</td>
<td>7.8</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Number served</td>
<td>47,414</td>
<td>2,939,286</td>
<td>291,738</td>
<td>241,081</td>
<td>1,660,666</td>
</tr>
</tbody>
</table>

**Sources:** Author’s computations from (1) Department of Labor (DOL) Employment & Training Administration (ETA), WIOA Title I and III Annual Report Data Program Year 2019; (2) DOL ETA, SCSEP Nationwide Quarterly Progress Reports Program Year 2019; and (3) Department of Labor ETA, Characteristics of Unemployment Insurance Claimants: Total Claimants, December 2019.

**Note:** SCSEP = Senior Community Service Employment Program, WIOA = Workforce Innovation and Opportunity Act. The sum of the categories does not add to 100 percent due to rounding.

Several other DOL programs not represented in table 4 serve older workers. The **Reemployment Services and Eligibility Assessment (RESEA)** program assists UI claimants in reemployment by providing in-person assessments and reemployment services through AJCs. The **Trade Adjustment Assistance for Workers (TAA)** program provides assistance to eligible workers who have been displaced by foreign trade, including training, job search and relocation allowances, income support, and other reemployment services. The **Alternative TAA**, which is specifically for workers ages 50 and older, provides a temporary wage subsidy that allows older workers to accept reemployment at a lower wage than they previously earned.

**American Job Centers (AJCs),** which are federally funded but managed by state and local workforce development boards, are the cornerstone of the public workforce system. They provide

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employment services for job seekers and workers. An institutional analysis of AJCs by Brown and Holcomb (2018) found that all AJCs provided resource rooms where customers could find job listings, online tools, assessments, and labor market information, and use the internet, printers, and telephones. Although the resource rooms were typically staffed by representatives of the Employment Service, Adult Program, and Dislocated Worker Program, most of the services provided were self-directed. According to the study, the overall level of assistance in resource rooms ranged from offering no assistance to offering assistance only when asked, to automatically offering one-on-one assistance to everyone. In addition to resource rooms, AJCs helped customers with other services such as education, training, and work supports. After on-site staff determined eligibility, participants received education and training from off-site training providers and community colleges, while support services were provided on-site or off-site by program partners, depending on location.

The federal government also provides funds for employment programs not specifically targeted to older workers. Block grants from the Temporary Assistance to Needy Families program (often called TANF) provide funding for states to use at their discretion to deliver basic assistance and other services and supports, such as offering work and training programs to needy families with children. The Supplemental Nutrition Assistance Program (SNAP) Employment and Training program offers SNAP recipients the opportunity to receive career coaching, job placement assistance, job training, and other employment-related services. The Carl D. Perkins Career and Technical Education Act, which was reauthorized in 2018 under the Strengthening Career and Technical Education for the 21st Century (Perkins V) Act, provides federal support to state and local secondary and postsecondary education career and technical education programs (Granovskiy 2018).

Other Workforce Programs

Although AJCs are at the center of service delivery for the federally funded public workforce system, other organizations also provide education, training, and employment services (Eyster et al. 2016).

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24 Block grants are funds that the federal government provides to state and local governments to assist them in addressing broad purposes such as community development, social services, public health, and law enforcement (Jarosck, Lawhorn, and Dilger 2020).
These might include community-based organizations, faith-based organizations, and other nonprofits, including Catholic Charities, Salvation Army, the YMCA, and others (Eberts and Hobbie 2008). For example, Catholic Charities of Tennessee and East End Cooperative Ministry in Pittsburgh offer programs that train participants to use sewing machines to help them secure sewing jobs (Urban Manufacturing Alliance 2021). Community colleges also play an important role in workforce development by providing education and training for the skills and credentials that employers demand (Holzer 2021). Many of the types of organizations mentioned above are part of local workforce systems and often partner with each other and with employers to provide a more holistic approach to service delivery (Eyster et al. 2016). As with the federal programs, relatively few of these workforce programs target their services specifically to older adults. Some of those who do are also SCSCEP grantees.
Program Strategies

Organizations have developed various strategies to support workers. In this section, we describe a few of the more common strategies and the organizations using them. They include job search assistance, sector-focused training programs, subsidized job programs, and wraparound services. Although not intended specifically for older workers, these program strategies might help older adults obtain gainful employment.

Job Search Assistance

Many organizations deliver job search assistance to help people find jobs and provide basic workforce preparation. These services can include providing job listings, resume support, and interview training, as well as nontechnical skill development needed for employment, such as teamwork, conflict resolution, and communication (Eyster et al. 2016; Wandner, Balducchi, and O’Leary 2015). Service providers include AJCs, local workforce service providers, faith- and community-based organizations, public libraries, and nonprofits. Since 2013, AARP Foundation’s BACK TO WORK 50+ program provides job search resources and support to assist adults ages 50 and older with obtaining full-time employment. They work with key partners to integrate local workforce services, public benefits application assistance, and employer engagement efforts to connect older job candidates to specific in-demand jobs in their communities. In 2020, the program served 13,950 older adults.

Sector-Focused Training Programs

Through partnerships with employers, community colleges or other training providers, and workforce intermediaries, sector-focused training programs are designed to train workers for skills and jobs that are in high demand (Eyster et al. 2016; Holzer 2015). These programs generally target high-growth industries that offer competitive wages, full-time employment, and advancement opportunities. They balance the interests of job candidates and employers and refer individuals to new training pipelines.

developed for specific industry sectors. In most cases, participants receive occupational skills training that leads to industry-recognized credentials (Schaberg 2020). Apprenticeships, for example, are a form of sectoral training that combine classroom learning with paid on-the-job training from experienced mentors and provide an industry-recognized credential upon completion (Lerman, Loprest, and Kuehn 2019). Although apprenticeships are typically designed for youth and young adults, they could also serve older adults.30

Opportunity@Work31 and Merit America,32 two nonprofits with missions to improve the labor market opportunities of adults without college degrees, have developed their own sectoral training programs. Analyzing data on job demands from O*NET and worker characteristics from the Current Population Survey, Opportunity@Work found that tens of millions of low-wage workers without a traditional college degree—close to half of whom are over the age of 45—possessed the skills required for better-paying jobs (Blair et al. 2020; Opportunity@Work and Accenture 2020). Their program identifies which workers already possess the requisite skills to thrive in the labor market and only need help connecting with potential employers and which workers need help with upskilling and additional education to increase their job prospects. Merit America also uses labor market data to identify high-demand occupations and to understand the competencies and skills required for those jobs. It then identifies and partners with employers to create talent pipelines. Holzer (2021) identified several other sector-focused programs that were the best evaluated to date, including (1) Project QUEST, a San Antonio-based program that trains workers for jobs in health care, information technology, and manufacturing; (2) Per Scholas, a program originally based in New York City that trains workers for jobs in information technology; (3) the Wisconsin Regional Training Partnership, a Milwaukee-based program with a primary emphasis on the construction trades and manufacturing; and (4) Jewish Vocational Services-Boston, which has a strong focus on health care.

Community colleges not only serve as partners that provide training in sector-focused training programs, but they also lead their own sector-focused training programs. Some of these programs align closely with career pathway strategies offering credentials that are sequenced and connected to facilitate career progression and advancement (also known as stackable credentials).33 Because of

30 “Best of Both Worlds—Apprenticeships for Older Adults.” Center for Workforce Inclusion, accessed July 12, 2022.
32 Merit America, accessed July 12, 2022.
33 Career pathway strategies emerged as a way to define advancement paths (King and Hong 2019) and fix “leaky educational pipelines” (CLASP 2016) for workers in sector-focused training programs. Although they are
their scale, existing infrastructure, expertise, and industry relationships, as well as their dual role of offering both traditional degrees and workforce development programs, community colleges are often early adopters and leaders in implementing skills-based programs (Butrica and Mudrazija 2022). They provide training in either credit or noncredit courses for about 12 million students who are disproportionately low income and the majority of whom are employed (Butrica and Mudrazija 2022; Neumann and Fitzpayne 2020; Osterman 2020). Between 2001 and 2018, community college–led sectoral-focused training initiatives included the Job Ready, Willing, and Able initiative 34 and the TAA Community College and Career Training grant program. 35 Although most community college students are ages 25 or younger, 36 older adults could also participate in community college career and technical education programs (Cummins 2015).

**Subsidized Employment Programs**

Subsidized employment programs are designed to provide income support, improve the employment prospects of hard-to-employ job seekers, and provide short-term support during economic downturns (Meyer 2021). Public funds are used to pay some or all of workers' wages. Enhanced subsidized job programs may include longer-term subsidies (12 to 24 months) or income support paired with support services such as child care, transportation, skill development, or computer training (see “Wraparound Services” below). There are numerous examples of subsidized employment programs, including SCSEP. In their review of 40 years of these programs, Dutta-Gupta et al. (2016) observed that none of the programs targeted older adults disconnected from the labor market. Moreover, relatively few older adults participated in the programs they were eligible for. The authors distinguished SCSEP from other subsidized employment programs for its community service component, and they identified and described two other such programs, both in Chicago. The first was the Parent Mentor Program, which was started more than 20 years ago and places parents with employment barriers in volunteer roles in their community classrooms. Parents receive a stipend at the end of each semester, and experienced parent mentors are often referred to jobs and other opportunities within the schools. The second was

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Project Match, through which public housing residents receive a monthly stipend for volunteering in community activities and schools, including safety patrols, grounds keeping crews, and community gardens.

Wraparound Services

Finally, wraparound services (also known as supportive services) can increase access to workforce programs by providing support services—such as transportation, child care, tutoring, and others—to remove barriers to program participation and success. Workforce programs often provide or help participants gain access to support services. SCSEP grantees, for example, are required to provide or arrange for support to facilitate participants’ success in the program. Their grant applications must describe how they will coordinate services with partners to provide support services, which may include but are not limited to transportation, health and medical services, special job-related or personal counseling, and incidentals. Hess et al. (2016) described several other job training initiatives and programs that provided support services through integrated service delivery or organizational partnerships.

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37 Supportive services are those “that are necessary to enable an individual to participate in activities authorized under WIOA.” See 20 CFR §680.900, accessed July 12, 2022.


Impact of Program Strategies on Outcomes

In this section, we present evidence on the effects of the workforce program strategies described in the previous section on outcomes such as employment and earnings. Lessons learned could inform program strategies for serving older workers.\(^{40}\)

Job Search Assistance

Job search assistance has shown some positive impacts on employment and earnings in the short term, but impacts often fade over time and earnings are not high enough to promote long-term self-sufficiency (Autor, Houseman, and Kerr 2017; Azrin et al. 1980; Dyke et al. 2006; Fortson et al. 2017; Klerman et al. 2012; Navarro, Azurdia, and Hamilton 2008). However, job search services that are staff assisted and intensive (such as those providing career readiness strategies) have shown longer-term positive effects on employment and earnings (Fortson et al. 2017; Heinrich, Mueser, and Troske 2008; Heinrich et al. 2013). Heinrich et al. (2013) found that intensive services for adults and dislocated workers funded by the Workforce Investment Act of 1998 (WIA) increased employment and earnings; however, benefits were substantially lower for the Dislocated Worker program than for the Adult program. Additionally, in their gold standard evaluation of these programs, Fortson et al. (2017) used an experimental design to evaluate outcomes and confirmed that WIA-funded intensive services increased earnings relative to WIA core services (Fortson et al. 2017). In their review of public sector strategies that support older workers, Heidkamp (2012) and Heidkamp, Mabe, and DeGraaf (2012) surmised that intensive job search strategies could be particularly effective for older adults, many of whom may not have needed to conduct a job search in recent years. However, findings from Johnson and Butrica (2012) on older dislocated workers suggest that many experience wage losses in their new jobs.\(^{41}\)

\(^{40}\) DOL et. al (2014) provides a helpful synthesis of the evidence on job training for adults.

\(^{41}\) The authors found that median monthly earnings declined 23 percent upon reemployment for workers ages 50 to 61 compared with 11 percent for those ages 25 to 34.
Sector-Focused Training Programs

The evidence on the effectiveness of sector-focused training programs is somewhat mixed. Several studies report large, long-term positive impacts on employment and earnings (Katz et al. 2020; Hendra et al. 2016; Holzer 2021; Maguire et al. 2010). Using a randomized controlled trial considered the gold standard in program evaluation, Maguire et al. (2010) found that two years after their participation, program participants in the Sectoral Employment Training Study were more likely to be employed and earned more, on average, than members of the control group. WorkAdvance is another sector-specific training model that includes intensive applicant screening, preemployment and career readiness services, occupational skills training, job development and placement services, and post-employment retention and advancement services. In a randomized controlled trial, Hendra et al. (2016) found that WorkAdvance significantly impacted employment across all providers and earnings for three out of four providers, although the size of the impacts varied. Finally, promising evidence from Reed et al. (2012) also suggests that apprenticeships can substantially increase career earnings.

Other studies have found mixed outcomes from sector-focused training programs, but these programs tend to focus on career pathways strategies (Deutsch, Allison-Clark, and Yañez 2021). Using quasi-experimental propensity score matching analysis, Anderson et al. (2017) evaluated the Accelerating Opportunity and TAA Community College and Career Training grants in four states and found that these programs improved credential attainment but had inconsistent effects on employment and earnings. The authors suggest that the findings are possibly due to weak relationships between training providers and employers. A randomized controlled trial of the Health Profession Opportunity Grants program by Peck et al. (2019) found that the program increased the

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42 The analytic sample size ranged from 479 to 698 participants across four providers.

43 Accelerating Opportunity is a Jobs for the Future initiative launched in 2012 to fund community and technical colleges to develop or modify college programs to emphasize career pathways for in-demand occupations. TAA Community College and Career Training, funded by the DOL from 2011 to 2018, was aimed at helping community colleges increase their capacity to provide innovative education and training programs for in-demand jobs.

44 The analytic sample for the evaluation across four states was 42,647, with 4,361 in the treatment group and 38,286 in the comparison group. Only Kansas career and technical education students (not Kansas adult education students) and Kentucky adult education students (not Kentucky developmental education students) had positive and persistent employment and earnings outcomes.

45 Funded by the Department of Health and Human Services since 2010, the Health Profession Opportunity Grants program uses the career pathways framework to provide recipients and other low-income individuals with education and training for health care occupations.
likelihood of employment by only 1 percentage point and had no detectable impact on earnings. A randomized controlled trial of the Pathways for Advancing Careers and Education study by Gardiner and Juras (2019) found that seven (of nine) programs had a significant impact on their intermediate outcomes objectives, including six programs that increased education-related outcomes and one program that increased earnings. Those that did not achieve gains did not provide support services as extensively as the successful programs (Gardiner and Juras 2019).

An implementation evaluation of DOL’s Aging Worker Initiative by Kogan et al. (2013) also found mixed results. The Aging Worker Initiative focused on providing training and services that resulted in employment or advancement with a focus on high-growth sectors. Grantees trained older adults for jobs in health care, energy, advanced manufacturing, specialized construction and skilled labor, green construction, engineering, architecture, transportation, information technology, accounting and financial services, and administrative support services. As part of their evaluation, Kogan et al. (2013) analyzed participant and outcome data from the Common Reporting Information System and found that half of the participants obtained unsubsidized employment. However, the employment rate was slightly lower for those who received training than for those who did not. The authors hypothesized that this finding reflects the importance of employment-related services other than training (e.g., case management, career counseling, and job placement services) on employment outcomes.

Katz et al. (2020) reviewed evidence from four randomized evaluations of sectoral training programs and observed that the programs with the largest and most persistent earnings gains prescreened applicants on their basic skills, provided occupational and career-readiness training, provided wraparound services, and had strong connections to employers. Notably, the authors found that earnings gains resulted from finding participants better paying jobs rather than from increasing employment rates. Schaberg (2020) reviewed the evidence from seven randomized evaluations of sector strategies and had similar observations regarding the program characteristics associated with better outcomes.

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46 The analytic sample size included 13,716 participants, with 8,672 in the treatment group and 5,044 in the control group.

47 The Pathways for Advancing Careers and Education study, funded by the Department of Health and Human Services between 2007 and 2018, was a multisite, random assignment evaluation of innovative career pathways programs for increasing employment and self-sufficiency among low-income families.

48 The analytic sample size varied across the nine programs and ranged from 499 to 2,539 participants.
Subsidized Employment Programs

The evidence on the impact of subsidized employment programs is mixed. Features of effective programs include strong employer engagement, support services, and longer-term post-placement services (Dutta-Gupta et al. 2016). Enhanced subsidized job programs have shown positive effects on both short- and long-term earnings and employment for some groups (Barden et al. 2018).49 Of the subsidized employment programs with a community service component, none have been rigorously evaluated (Dutta-Gupta et al. 2016). However, Kogan et al. (2012) conducted a process and outcomes evaluation of SCSEP. The study included interviews and site visits with a subset of SCSEP national and state grantees and subgrantees, informal interviews and focus groups with SCSEP participants, and analyses of SCSEP program data and a customer satisfaction survey. Among other findings, the study showed that the program had a higher-than-average American Customer Satisfaction Index score50 than other federal programs. Participant focus groups also showed that most participants were happy with their community service assignments; however, those with education levels beyond a high school diploma were less satisfied because they were not learning new skills. The study also found significant variation in employment across subgrantees. The overall employment rate was 46 percent; however, 10 percent of subgrantees had placement rates below 18 percent, while the top 10 percent of subgrantees had placement rates that exceeded 69 percent. Moreover, most SCSEP participants obtained low-wage jobs,51 often without health benefits. The average starting hourly wage was only $9.89, which, when annualized, was only slightly higher than the SCSEP eligibility level of 125 percent of the poverty level. Based on program data and interviews with SCSEP staff, host agencies, participants, and employers, the study found that the highest-performing subgrantees more often than other SCSEP subgrantees (1) directly provided job search instruction or job clubs; (2) arranged for participants to use AJC job search services; (3) stationed SCSEP staff at an AJC; and (4) rotated participants to a new community service assignment within six months.

49 Among formerly incarcerated individuals and individuals who were not noncustodial parents, the study found statistically significant differences between the program and control groups only for earnings in the 30-month follow-up period. The study did not find differences in longer-term earnings or in employment outcomes, except that the higher employment rates in the last year observed for formerly incarcerated individuals were marginally statistically significant.

50 The American Customer Satisfaction Index is an internationally recognized indicator of customer satisfaction with goods and services.

51 The study characterized low-wage as average annualized earnings around 125 percent of the poverty threshold, which is SCSEP’s income eligibility criteria.
In previous research on strategies for improving the employment prospects of low-income incumbent older workers, the Urban Institute interviewed six SCSEP program staff members and found that they (1) are particularly knowledgeable about strategies to address low-income older workers’ needs; (2) have well-developed networks of training providers offering low-cost, subsidized, or free services; (3) have strong connections with employers and detailed knowledge about regional, state, and local labor markets; and (4) are knowledgeable about the unique employment barriers facing older unemployed workers (Mikelson 2017; Mikelson and Butrica 2016). The strategies that SCSEP staff developed to address these and many other issues unique to low-income older individuals could provide valuable information to other workforce programs serving a substantial number of these individuals.

Wraparound Services

As previously mentioned, many of today’s workforce programs provide wraparound services. Among those considered promising for their impact on employment and earnings were the Health Profession Opportunity Grants and the Accelerating Opportunity programs, which provided support services within a career pathways approach (Myers, Harding, and Pasolli 2021). Additionally, wraparound components—including counseling, financial assistance, remedial instruction, and referrals to social services agencies—were an important feature of Project QUEST (Elliott and Roder 2017). One challenge for evaluating the effectiveness of wraparound services is disentangling the effects of support services from the training itself.
Strategies to Address Employment Barriers

As described above, many older adults, particularly those with low incomes, face employment barriers. They may have years of work experience, but may lack credentials (e.g., degrees or industry certifications), in-demand skills, and a basic digital skillset that today’s employers value (Abraham and Houseman 2020; Hecker, Spaulding, and Kuehn 2021). Moreover, many low-income older workers do not have resources to develop their skills because they are not offered on-the-job training, cannot afford to participate in offsite training, do not have transportation to travel to training sites, have family caregiving responsibilities,52 or lack free time outside of work. Importantly, older workers are a diverse group. Even those with academic degrees and industry-recognized credentials may have difficulty advancing in their jobs or finding new jobs after a certain age because of employer age discrimination (Farber, Silverman, and von Wachter 2017; Lahey 2008; Neumark 2020; Neumark, Burn, and Button 2019). Additionally, older job seekers may find the job search process difficult to navigate if they haven’t had to look for a new job in many years. They could become discouraged from participating in the workforce and retire early. One study found that between 2008 and 2014, just over half of retirees left their last job involuntarily.53 With the appropriate interventions and supports, these retirees might choose to delay retirement and remain in the labor force.

The research studies and evaluations described above have identified strategies that are most effective in increasing employment and earnings and that may help eliminate or reduce employment barriers. These strategies include intensively prescreening applicants on their basic skills; providing job-readiness and occupational training; training for jobs that are in high demand; providing individually tailored employment supports and support services; and developing strong employer connections (Katz et al. 2020; Schaberg 2020). Additionally, Butrica and Mudrazija (2022) conducted interviews with assessment and training providers and an educational institution who emphasized the importance of training for skills that are unlikely to become obsolete and cannot be easily automated.

52 One study found that 22 percent of adults ages 45 and older provide care to a friend or family member with a health problem or disability (CDC 2018). Including child care, another study found that close to 40 percent of adults ages 55 and older provide regular care for a family member, including own children, grandchildren, spouses, parents, and parents-in-law (Johnson and Schaner 2005).

Although not intended specifically for older workers, these program strategies might help older adults obtain gainful employment.

Armed with the knowledge of strategies that have been successful in combatting these employment barriers, workforce programs have adopted new approaches. In the public workforce system, for example, the WIOA expanded on its predecessor, the WIA, with new recommendations for local activities that include providing training services that are linked directly to in-demand local industries or occupations, establishing networks with smaller employers, and establishing sector or industry partnerships (National Skills Coalition 2014). These requirements appear to reflect the evidence on the importance of sectoral training, and AJCs appear to be incorporating them into their services. For example, access to real-time labor market information in AJCs (Brown and Holcomb 2018) is indispensable for job seekers and AJC staff in determining which occupations are in high demand and what skills are required to perform those jobs (Dorrer 2016; Vollman 2010). Additionally, WIOA now requires local providers to prioritize those with basic skills deficiencies and to develop practices that encourage providing services to individuals with barriers to employment who may require longer-term services (National Skills Coalition 2014).\(^{54}\) These requirements recognize the difficulty of finding employment for those without basic skills and for the long-term unemployed. Finally, regarding one-on-one coaching, several studies have suggested the importance of dedicated staff for serving older workers and have recognized SCSEP as the only public workforce program doing this (Cummins, Taylor, and Kunkel 2015; Kogan et al. 2012; Wandner, Balducchi, and O’Leary 2015, 2018).

Funding limitations challenge the public workforce system’s ability to provide services and training to address employment barriers. Although WIOA funding has slightly increased since 2015 (Bradley 2021), it has declined in real dollars,\(^{55}\) limiting training dollars (Nightingale and Eyster 2018; Wandner, Balducchi, and O’Leary 2018). Moreover, individual programs often face restrictions in how they can use their funding. SCSEP, for example, requires grantees to pay 75 percent of their funding directly to participants in the form of wages and benefits, which limits the funds available for training and support services (Kogan et al. 2012; Mikelson 2017).

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\(^{54}\) "What You Need to Know About the New Workforce Development Bill," Urban Institute, accessed July 22, 2022.

\(^{55}\) Author’s calculations using funding amounts reported in Bradley (2021) and the Bureau of Labor Statistics Consumer Price Index for all Urban Consumers (CPI-U). Between 2015 and 2021, WIOA appropriations increased 10 percent in current dollars but declined 4 percent in real 2021 dollars.
Outside of the federally funded public workforce system, many organizations providing employment and training services use real-time labor market information to identify high-demand occupations and the optimal job skills that job seekers should develop. For example, Opportunity@Work and Merit America focus on providing in-demand skills for adults without college degrees. Other organizations, such as the Chamber of Commerce Foundation and the Markle Foundation, also support and promote similar efforts.\textsuperscript{56}

\textsuperscript{56} The US Chamber of Commerce Foundation has the Talent Pipeline Management initiative (Tyszko and Sheets 2019) and the Markle Foundation has the Rework America Alliance, formerly Skillful, initiative.
Impact of COVID-19

The labor market challenges facing low-wage older workers, and older workers more generally, became especially apparent during the COVID-19 pandemic. As with the Great Recession (Johnson and Butrica 2012), the COVID-19 recession increased unemployment rates more for workers ages 55 and older, especially women, than for those ages 25 to 54 and pushed more older workers out of the labor force. Between April 2019 and April 2020, unemployment rates increased 552 percent for older women and 380 percent for older men, compared with 396 percent for younger women and 297 percent for younger men (table 5). Between December 2019 and December 2020, employment rates fell 7.9 percent for older women and 7.5 percent for older men but only 5.5 percent for younger women and 4.9 percent for younger men. In addition to older women, the pandemic hit Black, Hispanic, and Asian older workers especially hard, with a decline in employment more than twice that of white older workers (Davis et al. 2021).

TABLE 5
Unemployment Rates (UR) and Employment Rates (ER) by Age and Gender, 2019 and 2020

<table>
<thead>
<tr>
<th>Age Group</th>
<th>UR %</th>
<th>ER %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ages 25–54</td>
<td>Apr 2019 (7)</td>
<td>Apr 2020 (13)</td>
</tr>
<tr>
<td>Women</td>
<td>2.7</td>
<td>13.4</td>
</tr>
<tr>
<td>Men</td>
<td>3.0</td>
<td>11.9</td>
</tr>
<tr>
<td>Ages 55+</td>
<td>UR %</td>
<td>ER %</td>
</tr>
<tr>
<td>Women</td>
<td>2.3</td>
<td>15.0</td>
</tr>
<tr>
<td>Men</td>
<td>2.5</td>
<td>12.0</td>
</tr>
</tbody>
</table>


Teleworking, which increased during the pandemic (Dalton and Groen 2022), somewhat mitigated the negative effect of the health emergency on employment (Adams-Prassl et al. 2020; Dey et al. 2020); however, working from home was not an option for many workers. Dey et al. (2020) estimated that more than half of workers—including 89 percent of those without high school diplomas, 71 percent of Hispanic workers, and 61 percent of Black workers—worked in jobs where telework...
probably was not feasible. In contrast, only 33 percent of college graduates and 51 percent of non-Hispanic whites likely could not work from home. Although the authors estimated that similar proportions of adults ages 25 to 54 and those ages 55 and older were able to work from home, they found that younger workers were more likely to telework than older workers. The ability to telework significantly impacted employment rates during the pandemic. The same authors found that overall employment declined 16 percent between February and April 2020, but these declines ranged from only 7 percent for workers in nonexposed industries who were able to telework to 42 percent for workers in exposed industries who were unable to telework. Among workers in exposed industries who could telework, employment rates declined 22 percent.

The ongoing pandemic has impacted the way people interact and work, increasing the importance of online services and service delivery (McClain et al. 2021). At the start of the pandemic, most AJCs had to close their physical locations. Local workforce development boards adjusted by delivering services virtually, including enrollment, career assessment, and advising; training programs; and remote workshops for interviewing, high school equivalency preparation, and resume and job preparation (NASWA 2021). Goger (2020) describes how local workforce development boards in Indianapolis, San Diego, and Austin implemented creative strategies to adapt to the pandemic and help those who lost their jobs, including texting UI applicants to offer career services and building a mobile-accessible technology hub where individuals could learn about available services that were tailored to their specific interests and needs. Partner4Work, which delivers workforce solutions for Pittsburgh and Allegheny county, reported that they delivered virtual reemployment services and offered a hybrid Learn & Earn summer youth employment program. AARP Foundation’s BACK TO WORK 50+ program presented their workshops virtually and adjusted the content to reflect the challenges of looking for jobs while social distancing.

Because SCSEP serves only older adults—a population especially vulnerable to COVID-19—SCSEP grantees used paid sick leave provisions to continue paying participants while temporarily suspending their community service assignments. Participants were also invited, but not required, to use online services through the SCSEP portal.

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57 The authors used information from the Occupational Information Network (O*NET) to determine the feasibility of telework for given occupations and then used the American Time Use Survey to estimate the proportion of workers in those occupations who teleworked.

58 Exposed industries include restaurants and bars, travel and transportation, entertainment, personal services, and certain retail and manufacturing industries.


job skills training programs (Halvorsen and Yulikova 2020). As the pandemic revealed, those without internet access can be excluded from many daily activities (e.g., health care and shopping) and opportunities (e.g., education and business) that those with internet access take for granted. Although access to the internet, smartphones, and tablets has increased over time for all segments of the population, including older adults, some SCSEP grantees relied on teleconference meetings because not all their SCSEP participants had these devices, were comfortable using video conferencing platforms, or had internet access (Halvorsen and Yulikova 2020).

The evidence described above suggests that workforce programs adapted their service delivery strategies to the constraints imposed by the pandemic. Which of these strategies are temporary and which will become permanent remains to be seen.

61 Olga Yulikova, MA, has directed the Senior Community Service Employment Program in the Massachusetts Executive Office of Elder Affairs for more than 11 years.
Knowledge Gaps

Among the workforce programs discussed in this report, SCSEP is the only program specifically targeted to older adults, but it has not been rigorously evaluated. Although the evidence base on workforce program outcomes continues to grow, we still have relatively limited knowledge of the effects of changing labor markets and service delivery practices on SCSEP and other programs serving older workers. Remaining questions include, but are not limited to, the following:

- Given changing labor market demand, what are promising practices for improving older workers' employment opportunities, including transferring skills, increasing digital skills, and supporting remote work?

- Can SCSEP and other workforce programs increase low-wage older workers' earnings enough for them to achieve economic self-sufficiency?

- As one of the only federal programs subsidizing community jobs, what strategies or approaches embedded in SCSEP seem to be important generally and specifically for older workers?

- What combination of strategies, components, and changes to service delivery models work best for older workers, especially given innovations in virtual service delivery? Do these differ for certain groups based on gender, race and ethnicity, disability, and other characteristics, and how can programs make outcomes more equitable?

- What are promising practices adopted by SCSEP and other workforce programs to address employers' misperceptions and general age, race, and gender biases around hiring older workers?

Although the unique labor market challenges of older workers are longstanding, the COVID-19 pandemic has both exacerbated and highlighted the employment difficulties that older workers face. At the same time, the pandemic presents opportunities to examine new approaches and innovations that can provide older workers with new skills, support them in the digital world, and close equity gaps in employment related to age as well as to race, ethnicity, and gender.

Finally, and perhaps most important, the question remains: even if older workers had the skillsets that employers are seeking, would employers hire them?
Conclusion

This targeted review of existing knowledge and data identifies the unique workforce challenges facing older workers and other populations with similar employment barriers; describes SCSEP and other workforce programs serving older workers; provides important context on the environment that these programs operate in, both before and during the pandemic; and highlights promising approaches and service strategies. However, further information and analysis are needed to fully inform the continuous improvement of SCSEP and other workforce programs serving these populations. Future activities conducted under Urban’s Older Workers Implementation and Descriptive Study will build evidence to help address the remaining knowledge gaps.
References


About the Author

Barbara Butrica is a senior fellow at the Urban Institute, with more than two decades’ experience researching the economics of aging, including older workers, pensions and retirement plans, Social Security, and retirement security. Her recent studies have examined the role of debt on labor force participation and Social Security benefit claiming; the retirement prospects of workers in alternative work arrangements; how caregiving affects work and retirement savings; the impact of the Social Security, pension, and tax systems on work incentives at older ages; the effect of the Great Recession on 401(k) participation and contributions; and strategies for improving the employment prospects of low-income incumbent older workers.

Before joining Urban, Butrica held positions as an analyst at Mercer Human Resource Consulting and an economist at the Social Security Administration. She has a BA from Wellesley College and a PhD from Syracuse University, both in economics.
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