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JOBS AFTER FORTY

BY BEULAH AMIDON

Is unemployment greater or less "over 40"?

What part does insurance play in age discrimination?

Are men less efficient after 40?

What can be done about it?

PUBLIC AFFAIRS PAMPHLETS
No. 35 1939

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JOBS AFTER FORTY

By BEULAH AMIDON

JIM MILLER lives in Middleburg. But you can meet his kind, turning away from the hiring gate of any factory. Look up from your desk and you are likely to see him coming out of the office of your firm's personnel man. At the public employment office in your town you will hear him say, "Yeah—I'm sorry, too. Well, thanks for trying, anyway." For Jim is one of millions. Face drawn with anxiety, shoulders sagging, eyes hurt and unbelieving, Jim is a product of the Machine Age—the man who finds himself on the scrap heap at forty, the man who, in the prime of life, is "too old" to work.

The real Jim Miller (not his own name, of course) was once a semiskilled worker in a busy little factory on the edge of Middleburg (a real city in a North Central state, though you cannot locate it on the map by that name). But hard times came, one shutdown after another. Jim and Eva Miller and Sally, Joe, and little Mollie managed as well as they could. When the "good times" ended, they had a backlog in the

This pamphlet was prepared on the basis of materials assembled and prepared by the staff of the United States Department of Labor for the Committee on Employment Problems of Older Workers.

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savings bank, a couple of small life insurance policies, a little bungalow on a modest street (mortgaged, of course, but "ours"), and even a faithful old car. But one by one these anchors went—the bungalow last with the shelves and cupboards Jim had put in, the screened laundry porch he had built for Eva, the smooth lawn and gay flower beds in front, the vegetable garden, sandbox and hammock in the back yard, and the family roots deep in the whole place. Shut down, part time, "back on the job," shut down again. The Miller family had known all the sickening swings and jolts of crash, depression, upturn, recession. They had gotten along, their eyes on the "good times" somewhere ahead. It was the day after fourteen-year-old Sally graduated from the eighth grade, full of the dignity and importance of getting into high school, that Jim came home licked. For the first time, he had lost sight of the "good times." Despair weighted his feet as he climbed the stairs to the stuffy little flat over Lampson's Grocery which was the latest of the many shabby places in which the family had lived since they lost the bungalow. Eva heard those dragging footsteps and met him in the hall, her voice sharp with alarm. "Jim, are you sick?" And how could he tell her? The new personnel manager at the plant, the new rule—"Sorry, of course, Miller. Good record and all that. But this new insurance rule (trying to let him down easy, that was). Fact is, we need some new blood, younger men. Time's come for you to take things easier. (Who wanted things easier? Who wanted anything but a chance to work?) Been looking up records—forty-six your next birthday, Miller. Not so young as you were. Sure, we're hiring again, but this isn't a job for a man over forty. Wish you the best of luck, of course. . . ." Jim could only look at Eva with frightened eyes and mutter, "They won't give me a job—they say I'm too old. . . ."

Forty-six! At forty-six, Jim's father had been "a man in his prime," and his grandfather—why, Grandfather Miller was fifty the day he and his family got to the end of the railroad and started off across the prairie toward their Minnesota home-

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stead. Forty-six! Good Lord, a man didn't begin to know his job much before that. Bitter, bewildered thoughts chasing through Jim's mind. And that was only the beginning. Week after week, one place after another, and always the same—"Too old," "too old," "younger men," "too old."

AGE AS A HANDICAP

THE PROBLEM of the older worker has become increasingly urgent in this country. No detailed nation-wide study of the question has been made. It has been reported that many industries observe hiring-age limits, that no worker over 45, over 40, even over 35 is considered when the working force is being expanded; that age limits for selling, clerical, and even teaching positions are equally general; that in some concerns workers are dismissed on reaching the maximum hiring age. The resulting resentment, fear, discouragement, criticism, debate have been widespread. But the discussion has been carried on with more heat than light.

Gathering the Facts

When the Fourth National Conference on Labor Legislation met in Washington in October, 1937, it asked the Secretary of Labor to study the problem of age discrimination in employment and its causes, and to appoint a National Advisory Committee to help plan the study, to review its findings, and to draw up a list of such recommendations as the situation seemed to require. A committee of twenty members was accordingly appointed, including in its membership industrialists, labor leaders, public officials, economists, with Chancellor Harry Woodburn Chase of New York University as chairman. The committee did not have funds for a field study. However, it brought together a large amount of information which had been collected by other agencies. Included was statistical data from the 1937 Census of Unemployment and the International Labour Office, studies made by the Works Progress Administration, the United States Em-

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ployment Service, and by state labor departments and legislative committees, records of the operating experience of various concerns with workers of various ages, union data and comment, studies made by trade associations and other employer groups. This mass of material was analyzed, appraised, summarized, and on this basis the Committee has defined the problem and drawn up suggestions for dealing with it. The work of this group represents the most ambitious nation-wide inquiry into the employment problem of older workers so far made in this country.

They Tell Their Stories

Most Americans have known someone like Jim Miller. There was turned over to the Committee a folder containing extracts from hundreds of letters written to the Secretary of Labor by men and women who, in middle life, were unable to get jobs because employers considered them too old to work. Here are some of them:

"When times were good I started to buy a house and a barber shop and still owe about 1/3 to H.O.L.C. The business is shot, I am past 45, nobody wants to hire me because of that. I have a wife and a girl of 15, too young to go to work. Can you advise me?"

"I was considered a great machinist just a few years ago, and I could still do the work just as good if I had a chance. . . . I am 51 years old."

"I am 54 and I have had about one year's work since 1931 and now they all say I am too old for working."

"I am 35 years old, an experienced office worker. I am pleading for men 30 to 40 years of age, out of work, and told by great employers they are too old."

"I am a woman in my early forties and must make my own living. I have always done clerical work, but now in spite of good experience and good references, my age is against me."

A highly trained building material specialty salesman gives the details of his successful record, and adds, "even

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though my references are of the best, my age (44) is a barrier against me every way I turn."

"My husband is 45. Because of that, the companies here (a large industrial southern city) won't even take his application. A man that age has children 12 to 20 that need help for school."

"I could have had good positions since March, 1937, when things began to pick up around here, except for my age. I'll take anything from office boy to manager, but they just won't listen if you are over 40, and I am 42."

"I don't believe in this whole state (Middle West) a man of the age of 40, like me, can get back into a job, once he has been laid off, whatever the cause. Hard times or merger or reorganization—it makes no difference that it was a business matter and had nothing to do with the employee. Your record or your references don't help. If you are 40, you are done. And yet in the important government jobs, most of them, in this country we don't think a man is fit to be a candidate until he is over 40, and has that kind of knowledge and experience which you can only get from life."

Are these scattered complaints, or do they represent general unfairness to the middle-aged worker in American business and industry? What part of those "able and willing to work," employed and unemployed, are in the "over 40" age groups? Are middle-aged and older workers unable to get jobs solely because of their age? Is age more of a handicap in some occupations than in others? Are men and women equally affected? The facts brought together by the Committee on Employment Problems of Older Workers throw light on all these questions.

Census Facts

The most up-to-date source of nation-wide information about the employment and unemployment of American workers is the Unemployment Census of 1937. Although this was voluntary, its figures are generally accepted as reliable. This census showed that unemployment is most acute among young people between the ages of 20 and 24. Here is a grave national problem and this discussion does not seek in any sense to

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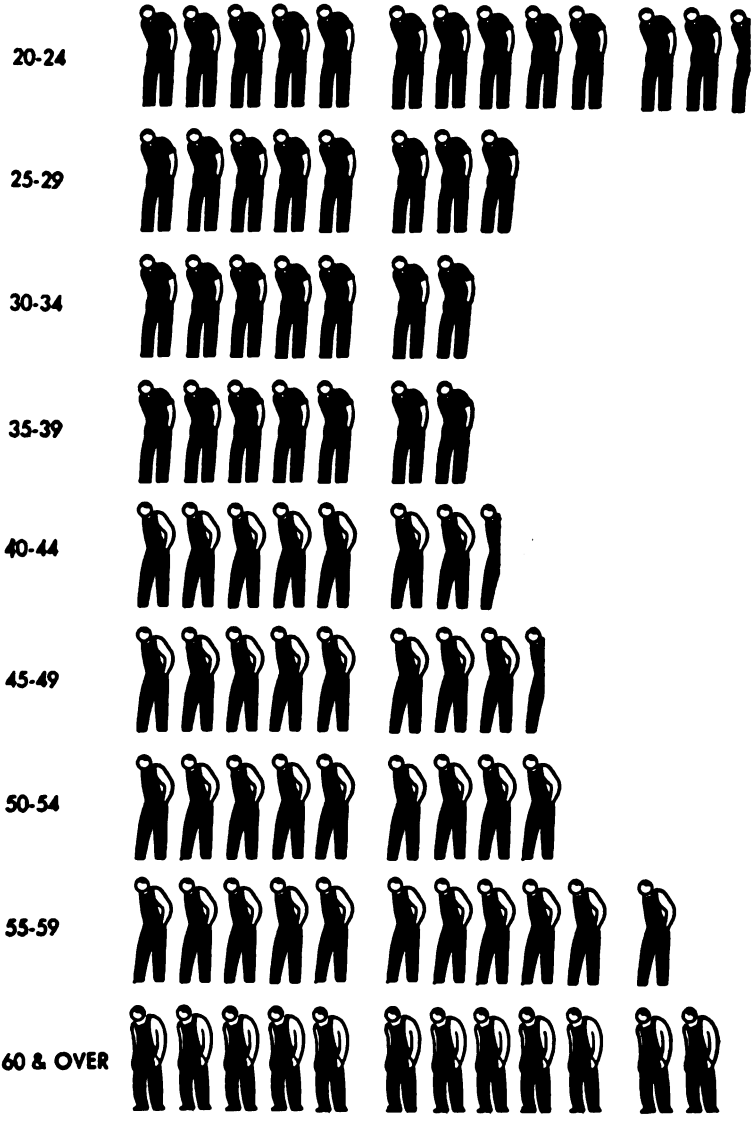
PERCENT OF NON-FARM WORKERS TOTALLY UNEMPLOYED (OR EMPLOYED IN EMERGENCY WORK, 1937)



Each figure represents 2 percent of all employable men of age group

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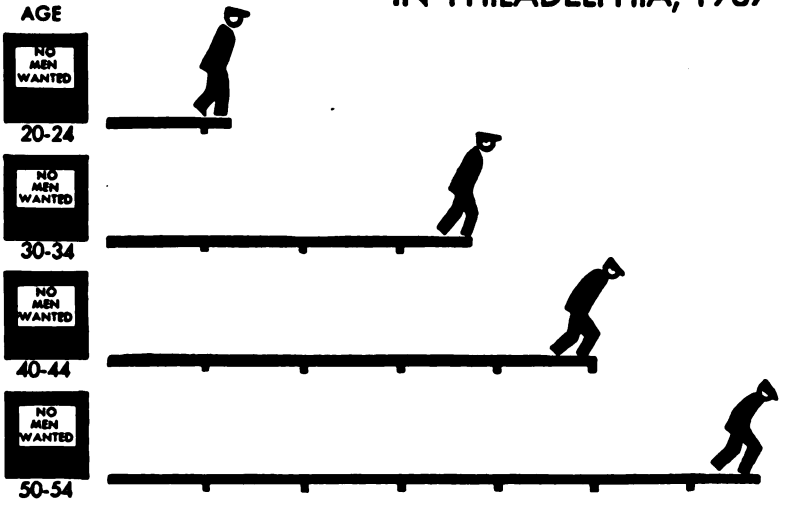
turn attention from it. But the census figures also underscore the problem of the older worker. Of all men in their early twenties, 25.2 per cent are totally unemployed or employed on emergency work. This figure drops to 16.3 per cent for those between 25 and 29, to 13.8 for those 30 to 34. It is in the early 30's that Americans who want jobs are most likely to find them. But from the age of 35, the percentage of those unemployed begins to climb again—14.0 for those 35 to 39; 15.0 for those 40 to 44; 16.7 for those 45 to 49; and 20.3 for those between 50 and 59.

The figures for women show that they are even harder hit. The increase in the proportion of unemployed sets in at 30 instead of 35; and they show a higher proportion of unemployed in all age groups except that between 20 and 24. While only 15 per cent of the men between 40 and 44 were unemployed, 23.3 per cent of the women were jobless. Part of this difference may represent discrimination against married women.

At the time of the 1930 Census, 30 per cent of the gain-

DURATION OF UNEMPLOYMENT OF MEN IN PHILADELPHIA, 1937



Each section represents 6 months of unemployment

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fully employed population was 45 years of age and over. Yet in November, 1937, 41 per cent of those eligible for relief were in the "over 45" age groups. This was about 35 per cent more than the proportion of those "over 45" in the employed population. A W.P.A. study showed the average age of W.P.A. workers to be 42.2 years. And it showed that those who lose their jobs in middle life remain unemployed much longer than younger workers. The records show that those who find "regular jobs" after leaving the W.P.A. rolls are, on the average, ten years younger than those who are unable to get back into private employment.

State Figures

These national figures are borne out by studies made in the states. In New York State in 1930, the rate of factory unemployment was found to be lowest in the 30 to 34 age group; but from 35 to 64, the trend was markedly and steadily upward. Massachusetts made a state-wide census of unemployment in 1934. This showed that one-fourth of the men and one-fifth of the women 45 to 64 years of age able to work and eager to work were unable to find jobs. In Michigan, employment and unemployment figures for 1937 show that the chances for men finding work appear to be favorable up to age 45, but decline rapidly thereafter. For women, age becomes a problem a decade earlier, being a handicap from 35 on.

The whole problem is made more serious because men live longer than they used to. Jim Miller will probably live 25 more years. The average man of 55 will live another 18 years. They will not be eligible, at best, for old-age pensions until they are 65. Many wage earners do not work in jobs covered by the Social Security Act, or were too old when the Act went into effect to accumulate substantial reserves. Unemployment insurance lasts only three or four months at most. How are they to live?

Not a Temporary Problem

When Jim Miller, permanently laid off from the job which

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for a dozen years he had regarded as "his," started the round of employment possibilities in Middleburg, then in Otter Falls across the river, and even in Bartondale, fifty miles "down the line," he was exploring the chances in an area of numerous industries, many of them using materials and processes with which he had been familiar most of his working life. It was a search which finally became an ordeal. Industrial activity in that area was temporarily on the rise. A good many plants were calling back men and hiring new workers. But there seemed to be no place for Jim Miller. At some plants, he was bluntly told, "Sorry—you're too old." At others, he was informed that there was "no opening at present," though increasingly he saw behind even the most plausible refusal, the specter of his age. He registered with the public employment office in Middleburg, as he was required to do to qualify for his unemployment insurance benefits. But though he reported regularly, the office seemed to have no calls for workers with his abilities. Jim Miller's experience was that of thousands of others his age. The report of the United States Employment Service covering the year from January, 1936, to January, 1937, showed that although the number of vacancies filled rose steadily in each quarter for workers under 35, the number remained fairly stable for workers between 35 and 45, and fell steadily for workers of 45 and older. An analysis of applicants and job possibilities at a public employment office in 1934, showed that, in securing employment, "the most important single factor is age."

There is a difference in the effect of age on the job chances of unskilled, semiskilled and skilled workers. An analysis of applicants registered with the United States Employment Service shows a high rate of placement for skilled men until the age of 60. Unskilled laborers, on the other hand, "find it increasingly difficult to obtain work after the age of 45." Production workers, like Jim Miller, and clerical workers are between these two groups in employability. Their best ages, especially in machine jobs such as Jim's, appear to be from 20 to 34. Forty-five seems to be the turning point beyond

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which chances for a job drop steadily. Like men factory workers, women workers get jobs most easily up to the age of 34, but their ability to re-enter industry, once they are laid off, narrows five years earlier—at 40 instead of 45. The report comments, "This . . . holds good for workers in all types of occupation, though the more highly trained are probably in a somewhat less unfavorable position than others."

Employment Practices

The new personnel manager who gave Jim Miller "the gate" might have denied, if questioned, that the firm had an "age limit." He would probably have insisted that "each case is judged on its merits." The National Association of Manufacturers issued a report in 1938 based on 2,585 replies to a questionnaire, sent in by employers in 43 states. This report states that none of these 2,585 companies discharges workers when they reach 40, and "89 per cent of the companies have no maximum hiring limits; 7.5 per cent have such limits; 3.4 per cent do not answer on this point." The report adds, however, that 38 per cent of the companies give preference in hiring to workers below 40, "principally because of training and apprenticeship requirements, and because of the physical demands made by certain tasks." A study undertaken by a committee of the American Management Association in 1928 showed that, at least among large corporations, hiring was largely restricted to young and inexperienced applicants. In defense of this practice it was said that all the openings for older persons were being filled by long-service employees, as a result of making promotions within the organization, and the need for finding appropriate light jobs for the superannuated. An inquiry by the Bureau of Labor Statistics in 1932 showed that a maximum limit for hiring, ranging from 40 to 46 or over, had been set by about a third of the companies covered. In plants which did not have a definite age limit, it was admitted that not many workers over 50 would be hired.

A Massachusetts employment study, using figures for Oc-

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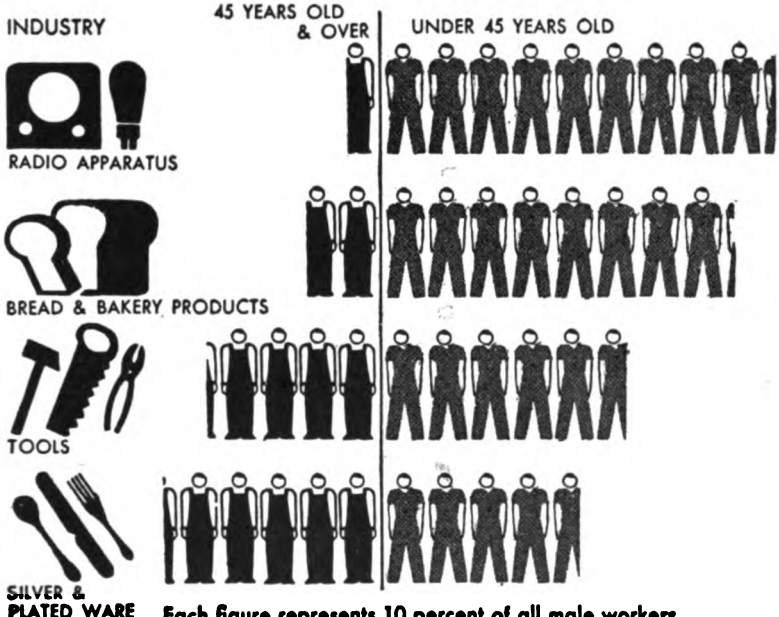
tober, 1935, showed that although 36 per cent of the men and 15 per cent of the women were "45 and over," great differences in practice occurred, particularly in the employment of women. The percentage of men over 45 employed in factories ranged from 53 per cent in the manufacture of silver and plated ware to 7 per cent in a new industry like radio apparatus. For women it ranged from 40 per cent in the paper and wood pulp industry to 1 per cent in radio apparatus.

AGE OF MEN WORKING IN MASSACHUSETTS FACTORIES



Each figure represents 10 percent of all male workers

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The same sort of differences were found in other kinds of work. For instance, 29 per cent of the men and 19 per cent of the women employed in independent retail stores were 45 years of age or older, but only 15 per cent of the men and 2 per cent of the women in chain stores were this old. Similarly, 37 per cent of the men employed in banks were found to be

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45 years of age or older, and 17 per cent of the women; but only 23 per cent of the men employed by insurance companies and 9 per cent of the women had reached this age.

The New York State study (1933) showed that of the new workers hired during a three-month period by manufacturing concerns, only one out of six was 40 years of age or older, while two out of three were under 30. The situation was somewhat better for workers applying to firms where they had previously been employed. Somewhat more than one-fifth of those rehired were 40 years of age and older, though 70 per cent were under 30, even among the re-employed. This same New York study showed that the likelihood of a definite hiring-age limit increased with the size of the firm. This, perhaps, is because large firms tend to have fixed hiring rules handed down from above. In any event less than half of the factories with fewer than 25 employees maintained a policy of hiring according to age, but 95 per cent of the large factories with 1,000 or more employees reported such a policy.

Government agencies are often more rigid than private employers in setting age limits. Civil service is expanding, and tends to extend these rules. In many communities, teachers are carefully selected on an age basis. Even where no formal age limit is set, the evidence shows that older applicants are definitely handicapped.

Age a Real Handicap

Thus what was once "the prime of life" has become a period of increasing employment handicaps for workers in both factory and white collar jobs. For men, the downhill road in employability seems to begin at age 45, for women five to ten years earlier. The skilled worker is most likely to hold his job beyond middle age, to find a new job if he is laid off. The unskilled worker is the most handicapped by his age. Semiskilled workers are somewhere between the two. Age is a more serious handicap to a woman, whatever her skill, than to a man. Policy and practice in regard to older workers vary widely as between occupations, industrial and

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business groups, and individual employers. In general, age is more likely to be a factor in large than in small concerns. While few employers have a rigid "firing age," discharging all workers who have reached a given age, the hiring-age policies of large companies make it far more difficult for an older than for a younger worker to get back into employment if a merger, a slack season, a reorganization, or some other situation beyond his control causes him to lose his job.

Responsibilities Greatest in Middle Age

An age limit which affects workers of 45 or 50 years of age cuts across the breadwinner's life at the time of heaviest family responsibility. When Jim Miller was permanently laid off, his fourteen-year-old daughter had just reached high school, his son was eleven, and his younger daughter only nine. In the state in which the Millers live, the compulsory education law fixes the school leaving age at 16. Therefore, Sally was required to stay in school two more years, Joe five more years, and Mollie seven years. And statistics show that the chance of their getting jobs, particularly good ones, would be greatly increased if they could have several years' training beyond the compulsory limit. Like most American parents, the Millers are ambitious for their children, eager to see them well prepared for adult activities and responsibilities. But as any family budget will show, the 'teens are increasingly expensive, with costs of clothing, education, and normal social experience mounting year by year until the youth is able to take over his own support. Today less than half of our young people find jobs before they are 18. Many are still dependent on their parents at 21 or 22.*

The fact of heavier responsibilities in the 40 to 50 decade than in earlier or later years is as general for women wage earners as for men. Recent studies have exploded the theory that "women work only for pin money," and have shown that the majority of employed women have young children, or

* See *Youth in the World of Today*. Public Affairs Pamphlet, No. 22 (Revised), 1939.

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sick, handicapped or otherwise helpless adults wholly or partially dependent on their earnings.†

Special Problems of Older Women

Thus Eva Miller's unmarried sister, who was for fourteen years bookkeeper in a grocery store in a smaller town near Middleburg, had supported an orphaned nephew from his babyhood, and maintained the home in which she, her widowed mother, and the child lived. When the store was taken over by a chain, Miss Jenkins was given a week's notice and, at 42, found herself out of a job. You probably know Miss Jenkins' counterpart—the legal secretary who was "no longer needed" after 17 years of faithful work, when the senior partner died and the firm was reorganized; that tense woman who came to your office with a letter of introduction from your pastor and hers—her long record as stenographer, secretary, assistant office manager indicated competence and loyalty. She mentioned "my invalid husband," and assured you she was "willing to take any honest work within my powers." You let her down as gently as you could, but with one glance, with no particular consideration of record and ability, you almost automatically ticketed her "too old."

You would see an almost unending procession of such women if you could be an invisible eavesdropper at interviews in the "domestic help—female" division of your local employment office—women frightened, defiant, apologetic, tearful, according to individual temperament, seeking household work in which they seldom have any real interest, experience or skill. "I gotta get something, and what else is there if you ain't just a kid?" "Of course, I've always done factory work, but I can't hide it no more that I'm over 40." "Well, set my age down 40 if you have to. I've tried every office in town, I guess. Lots of them want stenographers, and I'm a good, quick, accurate stenographer if I do say so. But my age. . . ." The background and the outlook may differ, but again and again you would hear the story of anxiety, not for the wage earner's own

† See *Why Women Work*. Public Affairs Pamphlet, No. 17, 1938.

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future, but for those dependent on her earnings: "My children are both in high school." "My sister is in a sanitarium, and there's no one else to look after her. I lost my job when the home office closed this branch in June a year ago, and I've looked everywhere." "My husband's heart is bad. He can't ever work. We have four children, the oldest 15. I used to work in a store, but I'll do anything. I've tried all the stores—they won't take you if you're in your 40's."

The plight of the middle-aged worker is not the plight of one man or one woman thrown out of a job and unable to scramble back into employment. It is far more likely to be the plight of the wage earner in the peak years of responsibility, facing a disaster which involves the safety and well-being of the very young, the handicapped, the very old.

WHY YOUTH IS PREFERRED

FIVE REASONS for the discrimination against older workers are usually advanced: (1) that, as compared with younger men and women, older workers produce less, (2) that they are more prone to have accidents, (3) they add to the costs of group insurance, (4) they weaken private pension plans, and (5) they are less adaptable personally, and on the job. These five arguments seem worth examining in some detail.

Are Older Workers Less Efficient?

It is obvious that there must be a certain standard of efficiency. No employer can hope to stay in business long if he makes a practice of paying wages to workers who cannot do their jobs well. The question as to whether a worker or a group of workers is able to maintain a reasonable standard —taking into account quality as well as quantity—is clearly the first thing which will decide who gets a job. A distinction must be made, therefore, between the worker who is barred from a job solely because he has passed a stated age, and one who is barred because he is no longer effective. Age in itself is an unreliable standard. Man goes through a life cycle of birth,

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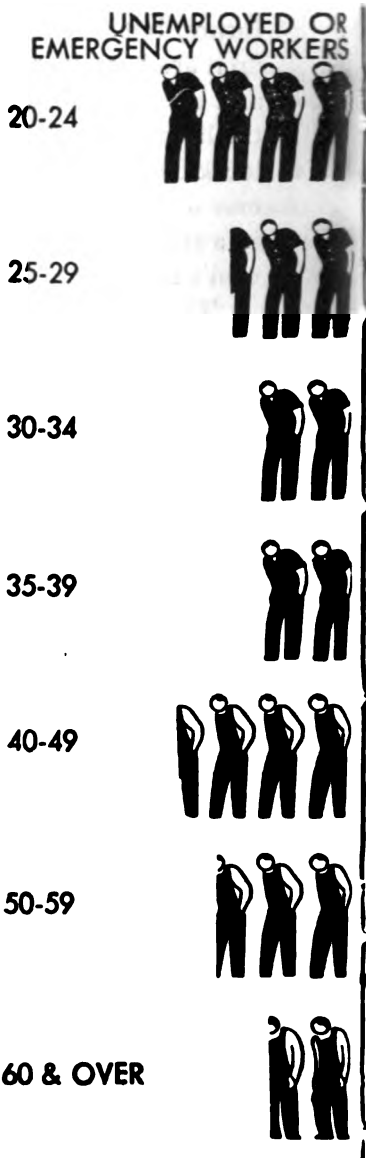
AGE AND EMPLOYMENT IN U. S. A., 1937



Each figure represents 500,000 employable workers

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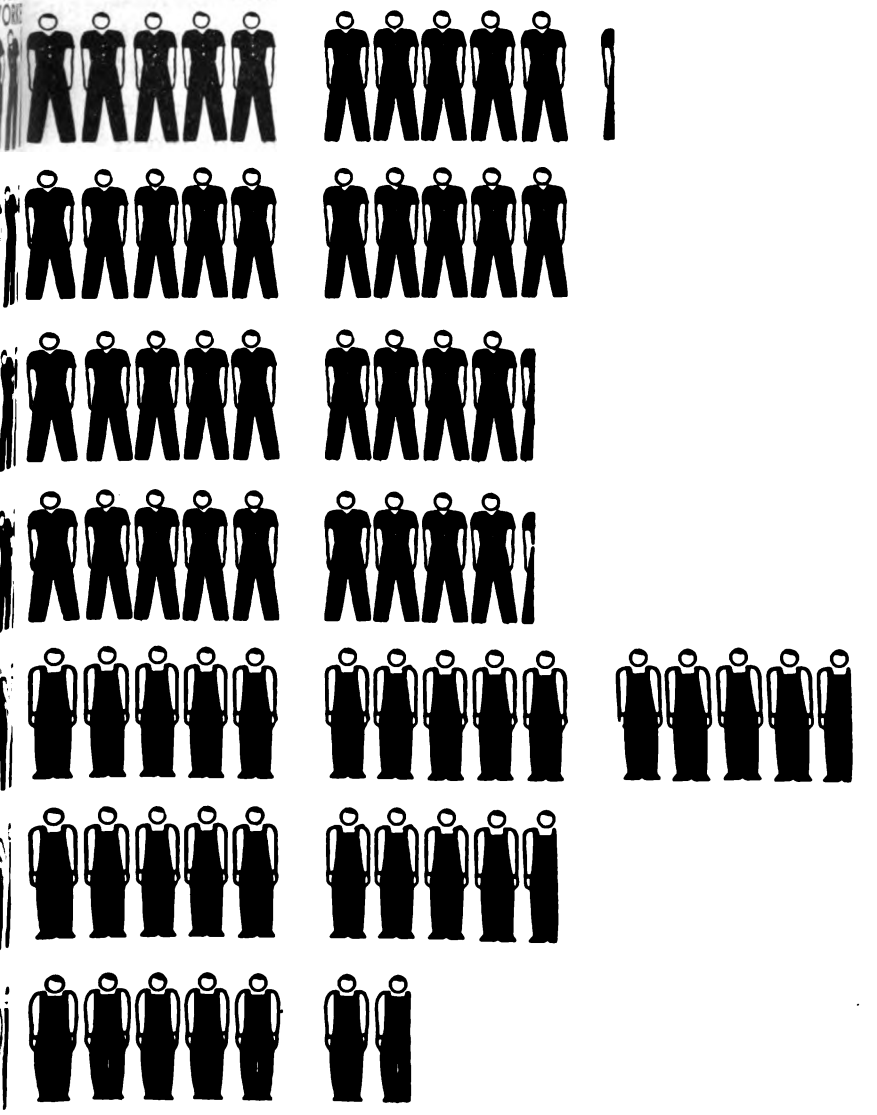

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growth, decay and death. In a preliminary report, submitted to its Governing Body in 1938, the International Labour Office summarizes scientific findings to the effect that "after 45 the physiological efficiency of the average person begins to decline." But as to how this affects his productivity, the report hastens to add, it is difficult to say. The changes that mark the beginning of the road downhill from the peak of powers to decay are, after all, not a matter of the "average man," but of each individual. Your progress and your neighbor's along the "life cycle" are determined not by "averages," but by such highly individual factors as heredity, early environment, education, accidental injury, disease, standard of living, habits of work and play, medical care, responsibilities, and so on. Efficiency depends on all these factors and on many more, including the demands of his job upon the individual.

There is not much scientific information on productivity at different age levels. But a survey made by the California Department of Industrial Relations in 1930 showed that most employers felt that "age had little relation to efficiency, although some jobs were more appropriate for older men than others." The statement was frequently made by these employers that "workers over 40 or over 50 in good health are as efficient as younger workers." Many employers reported that they prefer middle-aged and older workers in positions calling for experience and judgment, and on jobs where quality is more important than speed; further, that older workers are apt to be more stable than younger men, and so reduce labor turnover.

The report of a W.P.A. study of brick and stone masons, carpenters, and painters working on construction projects in seven cities shows that, with some significant exceptions, "those workers who were given excellent grades with respect to quantity of work done were oldest, those given passable grades, next oldest, and those given inferior grades, youngest. The average age of all workers adjudged excellent in quantity of work turned out was 46.6 years; the average age of those

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adjudged passable, 44.6 years; and the average age of all those adjudged inferior, 41.6 years."

Not in the Auto Industry

Automobile Facts reports that in the motor industry, where wages are largely on a piecework basis, and high-speed production is the rule, earnings reach their peak in the group between 50 and 55 years of age. The average annual earnings of that age group in a 1938 period of full production were $1,680. Men over 60 showed average annual earnings of $1,595, which was approximately the figure for those 40 to 45 years of age. Workers past 40 constitute about 28 per cent of the total number employed in the industry.

A study made in 1938 by the industrial relations section of the Massachusetts Institute of Technology found in a group of New England plants "no tendency for output and earnings to diminish materially with age except possibly above 60." Thus among a group of cotton textile weavers, age had little effect on earnings between 25 and 55. "They were slightly higher for men aged 45 to 49, and 50 to 54, than for either older or younger workers." For women weavers, earnings were highest from 30 to 34 years of age, and "showed a tendency to be lower for women under 30 and over 50." Similarly, among cotton spinners, "variations in average earnings by age groups were so small as to be unimportant."

What Science Says

Drs. Henderson, Dill, and MacFarland of the Harvard Fatigue Laboratory find that the assumption that there is a rapid decline after 40 years of age in the quality and quantity of work is "a social myth which, though in some respects not misleading, is in general grossly inconsistent with the evidence." Summarizing several studies, these scientists state: "First, the rate of decline in the capacities of the industrial worker after 45 years of age has been greatly exaggerated. Secondly, the evidence relative to the changes in abilities of the older worker must be considered in terms of a particular

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set of circumstances. In some instances, the decline is quite large; in others it is of small magnitude, while there are many conditions of work which indicate that the older man is a distinct asset. Thirdly, the problem is so complicated, with so many ramifications in human physiology and psychology, that at the present time there is little reason for taking the position as a ground for action that *in general* men over 45 years of age are less effective than others in industrial occupations."

Accidents and Age

The question of the relation between job accidents and age is less complicated. Accident figures have been widely gathered and analyzed, and produce a fairly clear-cut picture. Studies of the number of accidents suffered by wage earners, both in this country and abroad, show that accidents happen most often in the 20 to 24 age group. Youth's impatience, inexperience, and lighthearted willingness to "take a chance" result in a large number of accidents in relation to the number of hours worked by younger workers. In 5,000 compensated accident cases in New York State, the number of accidents was highest for workers from 20 to 24 and from 25 to 29. Similar findings were obtained in a Wisconsin study, and in a study of steel plant operation made by the United States Bureau of Labor Statistics. But although the older workers suffer fewer accidents, in proportion to hours worked, the severity of accidents, measured by time lost, increases with age. This longer recovery period is probably due in part to diminished powers of recuperation as age advances. The New York State compensation cases mentioned above showed a steadily increasing average length of disability per accident from 7.3 weeks in the 20 to 24 age group, to 16.6 weeks for those 55 to 59. A careful study of the experience of the Swiss National Accident Insurance Fund between 1930 and 1934 bears out these findings. But it also showed that the greater severity of accidents to the older workers was counterbalanced "to a remarkable degree" by the smaller number of

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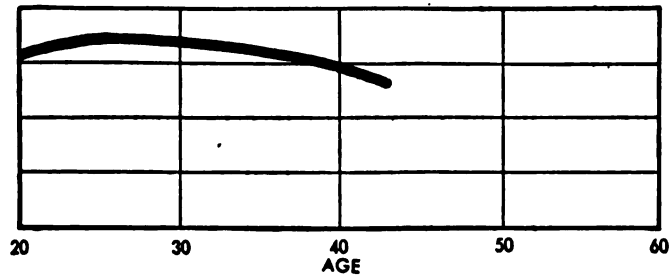
AGE AND PERFORMANCE

ABILITY TO LEARN

From E. L. Thorndike, Adult Learning



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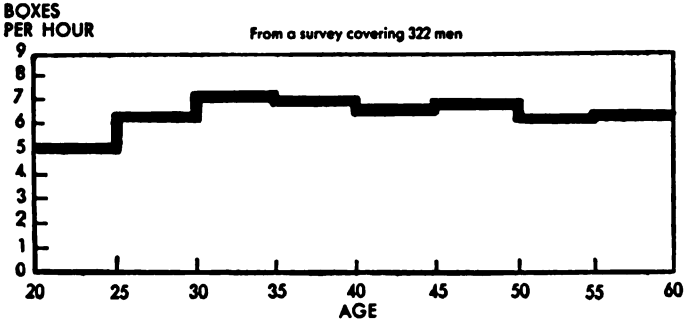
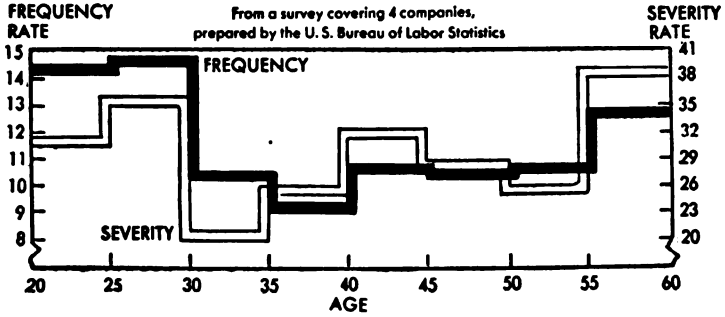


FREQUENCY AND SEVERITY OF ACCIDENTS



(SEVERITY FOR TEMPORARY INJURIES)

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accidents which they suffered. As a result the accident insurance premiums remained almost constant for ages between 20 and 64.

Costs of Compensation

A number of employers have insisted that the hiring of older workers would increase their accident compensation costs. Actually, as the New York Legislative Committee states in its preliminary report, "The middle-aged employee does not cost the employer more for compensation insurance than the younger employee . . . in fact, the middle-aged worker costs the employer less to employ from the standpoint of compensation cost than the younger employee." Contrary to the general impression, the age of the employee is not a factor in fixing compensation rates. Testifying before the Legislative Committee, Leon S. Senior, general manager of the Compensation Insurance Rating Board, said: "We base our rates partly on the physical hazards of the employer's plant . . . and partly on the experience of risk, which might cover a period of four or five years, but . . . we pay no attention at all to age." This argument against employing older workers is, as Mr. Senior pointed out to the Legislative Committee, "an erroneous idea."

Expense of Group Insurance

Insurance costs enter the picture again in the case of group policies and old age pensions. The custom of taking out group life insurance policies has grown up in this country over the last quarter century as a substitute for the compulsory widows' and orphans' insurance provided in other countries. At the beginning of 1939, it was estimated that nearly fourteen billion dollars' worth of such policies were in force, covering more than eight and a half million American workers. Spokesmen for the insurance companies have made detailed reports indicating that the costs of group insurance policies should not cause any employer to set age limits. Nevertheless, the

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increasing cost of group insurance with an increased average age of those employed has been widely used as an argument against taking on the "40 and older" worker. For example, the California study referred to earlier showed that 18 per cent of the employers who carried group insurance (but not private pension schemes) had maximum hiring-age limits, while only 10 per cent of those with no group insurance had a definite policy against taking on older workers. Thus it would seem that group insurance is a factor.

The average cost of group insurance is, however, only about 1 per cent of total wages. The minimum cost of group life insurance in New York State is $7.85 per $1,000 for a group averaging 40 years in age. This cost rises to $13.78 per thousand if the average age is ten years higher. If, for example, the average annual earnings of the insured workers were $1,000, the annual premium would amount to .785 per cent of the annual wage bill in the first case, 1.378 per cent in the second. Although the second cost is 75 per cent higher than the first, the real difference is very small indeed.

An employer who bases his hiring-age limit on the rise in group insurance costs has pointed out that while the cost varies only four cents a month per $1,000 from 20 to 25, one cent from 25 to 30, three cents from 30 to 35, it varies 60 cents between 35 and 50, and $1.15 from 35 to 55. Nevertheless, if the employees pay the customary 60 cents a month per $1,000 group insurance, the employer would not have any cost unless he had an unusual proportion of his workers over the age of 40, at which age the cost is 67 cents per $1,000. G. Powell Hamilton of the Equitable Life Assurance Society answered the argument in an address before the National Metal Trades Association in 1934: "The normal turnover in the younger ages tends to keep the cost of group insurance at a very low figure. Indeed, many employers find their contributions to group life insurance so inconsequential that they continue the coverage to pensioned employees sometimes to ages considerably above 80. I am afraid the cost of group insurance is only an excuse."

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Effect of Pension Plans

Private pension plans were started in this country because, unlike other industrial nations, the United States has had until recently no national compulsory old-age insurance scheme. The cost of maintaining such plans is often given as a reason for refusing to hire middle-aged workers. The private pension plans are unstandardized. Some call for contributions from both employers and employees, others are carried by the employer alone. In general, the plans provide an old-age allowance for workers reaching the specified retirement age, usually 65 years, and in many cases, a given period of service is required. The California inquiry showed that such plans have more effect on age limits than group insurance. Nearly half of the California firms with pension plans have maximum hiring ages. Only 10 per cent of those without such schemes had age limits for hiring.

Two surveys of large industrial enterprises with pension schemes, one made in 1924 and the second in 1929, showed that about 40 per cent had fixed hiring-age limits. The reasons generally advanced for refusing to take on middle-aged workers was that an older person cannot complete the number of years required under many of the pension plans. Insurance experts have pointed out that the type of pension plan in which the size of the pension is related to the number of years of service need not have entrance age limits or minimum service requirements. They have also pointed out that a scheme to which both worker and employer contribute assures the worker a return of his contribution where he does not qualify for a pension. Thus such a scheme is less likely to lead to discrimination against the "40 and over" age groups. Since the passage of the Social Security Act, many private pension schemes have become supplementary to the government insurance. With the beginning of social security old-age payments in 1940, employers should have less hesitation in taking on a worker who is already too old to qualify for an old-age pension under any private plan the company may have.

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In any case, some perspective should be kept. Pensions and group insurance plans are useful and should be encouraged as an aid to good personnel relations. But jobs are more important than insurance, and care should be taken to see that these plans do not do more harm than good.

Personality Factors

Perhaps the most widely accepted argument against the older worker is that he has become "set in his ways," and cannot adapt to changing conditions. This is probably the view of the new personnel man who turned Jim Miller away from the Middleburg plant. And it is rather generally held. A survey made by the American Management Association, including 75 concerns in eleven states (Middle West, South, and New England), brought out many comments such as these:

> "Older workers in many cases are not adaptable, as easy to train or as readily fitted into new work."
>
> "Personal peculiarities of older applicants often make it difficult to place such applicants, even though otherwise well qualified. This is particularly true of executives and clerical workers."
>
> "It is difficult to get an older person to work as a subordinate to a younger person. . . . Older people often have more characteristics hard to adjust to a new organization."
>
> "One of the chief difficulties encountered in hiring mature people, particularly for high production jobs, is that unless they are specially trained for the kind of work they are to take up, they are apt to be unwilling to take the time to learn the job sufficiently well to make satisfactory wages."

But these views are far from unanimous. Quite a number of the employers cooperating in this inquiry expressed a contrary view:

> ". . . older applicants have certain advantages, so far as personal qualities are concerned, over younger applicants. The older applicants are more stable, more interested and appreciative of their job and working conditions, and form the backbone of an organization."
>
> "The physical examination, of course, offers a greater

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obstacle on the average to the older man than to the younger man. Aside from this, however, personal peculiarities do not seem to enter into the question."

We have no clue as to the type of the plants covered by the inquiry above; nor to the kind of jobs held by older workers. And yet discussion of the employment of middle-aged and older workers frequently turns on this question, the chief point being the impossibility of "teaching an old dog new tricks."

A study of this factor was made in Germany in 1927, using unskilled workers, street car conductors and locomotive drivers between the ages of 20 and 60 as "guinea pigs." These tests showed that "sensory alertness and physical dexterity" began to fall off after 45, "while the mental faculties began to exhibit increasing unwieldiness." The conclusion drawn was that "on daily routine work the older workmen up to 60 gave as good results as the young men of 20, but as soon as they were confronted with a change of conditions, they had more difficulty in adapting themselves."

The three scientists from the Harvard Fatigue Laboratory came to an opposite conclusion from two studies, one made at Stanford, the other at Columbia University. The Stanford study "showed quite clearly that mature mental abilities vary with age but not uniformly," and that while physical speed and effort are likely to fall off in middle life, this loss is largely compensated by gains in judgment. This study also found that "standards of excellence, when once established, tended to persist to the end of the life span." In the course of the Columbia study, groups of subjects were tested in their ability to learn a variety of new skills, including typewriting, a foreign language, retaining a body of complex logical material, and so on. The ability to learn in relation to age showed a rapid rise in the early years, and the decline between 30 and 45 was very slight. In a middle-aged person, failure to learn something new, the Columbia experts decided, is not due to lack of ability because of age, but to other traits such as insufficient effort or fear of ridicule.

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Machines vs. Men

The effect of machines on the problem of the older worker is also open to debate. Mechanization has been defined as "supporting, reinforcing, supplementing and replacing" physical labor by mechanical processes. So viewed, mechanization would seem to be an aid to the older worker, by shifting heavy labor from man to the untiring machine. Some evidence is available to support this view. Thus, figures given out by the Iron and Steel Institute show that the average age of steel workers increased by two years (from 36 to 38) between 1930 and 1937, a period of steady mechanization. In 1937, two out of five of the men working in the steel mills were 41 years of age and over, and almost half of these were 50 years of age or older.

But there is also evidence to support the opposite viewpoint: that mechanization has increased the problem of the older worker by creating new types of work, performed at a speed which is so exhausting that older workers cannot stand the strain. The 1933 study in New York declared that, "mechanization has led to the replacement of good by quick work, and the substitution of alertness for skill as desirable qualities."

Similarly, in clerical jobs the introduction of machines seems in general to have been unfavorable, since their use cuts down the value of accuracy and experience which are the special assets of the older worker. It is in the highly skilled lines of work, particularly positions carrying heavy responsibility, that maturity seems to be an asset and not a liability. On the railroads, for example, the more desirable positions (carrying higher earnings) can be reached only by older men who have been thoroughly trained and tested by years of exacting experience. Thus the engineers of the "crack trains" are almost invariably men approaching the retirement age of 70.

On highly mechanized processes, calling only for speed and alertness, the younger worker is preferred by most em-

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ployers. And in selecting men for new processes, the choice similarly seems to favor younger men, though most of the available scientific data point to the equal "teachability" of American workers, at least up to the age of 45.

No one can say definitely whether personality difficulties do or do not increase with age. The American Management Association inquiry indicates that the "40 and over" worker is generally regarded by employers as being somewhat more prone to such handicaps than are the younger workers. In contrast, only one employer out of six, responding to the National Association of Manufacturers' inquiry, considered the adjustment of the older worker to new situations more difficult than for younger workers; almost exactly half of them said age made no difference; while one out of three felt that older workers adjusted more easily.

The Balance Sheet

This suggests that the personnel man in the Middleburg plant was on doubtful ground when he weeded out Jim and the other "over 45" job applicants because of age. The facts are on the side of the older as compared with the younger worker, at least until after the age of 50 as to productivity; the presence of a large group of older workers does not add to accident costs; the argument that older workers increase compensation insurance premiums is groundless. Similarly, the cost of group insurance is increased only by an almost negligible amount by older workers; the cost of private pension plans increases only when the plans are not drawn in line with the best insurance practice. On the adaptability of the older worker, and his alleged "personality difficulties," the evidence is meager and fragmentary. Only the Scotch verdict, "not proved," can now be entered.

WHAT CAN BE DONE ABOUT IT?

NO AGENCY which has so far studied the problem of the older worker has offered a detailed, over-all "solution." In

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many respects it is but part of the general problem of unemployment. Anything which makes for recovery will help the older worker. Yet at best there will be a fierce competition for jobs in the years immediately ahead. Since many of these jobs are new ones, the older workers are certain to be handicapped. Certain things clearly need to be done: First, there should be much broader and more thorough study and research in this field; second, there is need for considered, long-range efforts on the part of individual workers, labor unions, employers and employer organizations, and government agencies, to correct wrong impressions, to define and use the special abilities of the older worker, and to wipe out unjust discrimination against the "over 40" wage earner.

Things an Individual Can Do

To bring about an adequate solution of the problem, there are some things that the older worker himself can do. Jim Miller came home from his final interview at the plant with understandable bitterness and discouragement. But these are emotions Jim can ill afford. If you are past 40 and looking for a job, you dare not take an abused attitude on the job-hunt. It kills your chances. Job-hunting requires intelligent, persistent effort; candid self-analysis of your aptitudes, abilities, interests, skills, experience; attention to your appearance and mannerisms, your adaptability, not only to working conditions, but to change in status and earnings; and, above all, concentration on the employer's needs, not on your own.

As a member of a labor union, an individual can stimulate and participate in educational campaigns to correct misunderstandings as to the abilities of the older worker. Unions can also take the lead in securing reasonable seniority rules for the protection of the older worker, and in bringing pressure for the abolition of hiring-age limits, for training or retraining opportunities for older workers, and for the passage of legislation barring discriminatory practices.

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Possible Government Action

The report of the Committee on Employment Problems of Older Workers suggests possible contributions by the federal government. First, the Federal Civil Service Commission and the government appointing officers should "abolish age limits for entrance into the government service, except for positions requiring physical strength and endurance." The government already gives a larger share of the available jobs to older workers than does private industry, but both federal and state governments have age limits for many positions. The Committee holds that the practice of fixed hiring-age limits constitutes "an artificial and unjustifiable limitation," and sets a bad example to private employers. The Committee suggests a change in the method of holding and rating examinations, using new types of examinations which can be quickly graded, to cut down the cost of examining the increased number of applicants in case the age limits were removed. Second, the Committee recommends that the United States Employment Service make special studies of the types of jobs most suitable to middle-aged workers, and "give special attention to the qualifications, experience, and aptitudes of middle-aged applicants." Following such a survey, the United States Employment Service might make special effort to place the middle-aged workers on its rolls. This would help counterbalance the normal advantages of the younger workers. As an emergency measure, the W.P.A. might give special preference to men over 45. This has already been done in many localities.

The Employer's Role

The employer must take an important part in the effort if the problem of the older worker is to be met adequately. Firms having private pension plans have been urged by insurance experts to re-examine their schemes, and, if necessary, to do away with minimum service requirements and limitations on age. The employer's share in group insurance cost is in most cases so small that it should not influence hiring policies. However, if the small sums involved are a matter of concern

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to the employer, he should arrange to cover them by increasing the share paid by his workers, or by introducing a variation in the rates paid by employees of various ages. Such changes would work little or no hardship on the workers, and are a much better way of reducing group insurance costs than denying jobs to the middle-aged.

Employers should also study their hiring policies with regard to older workers. An honest survey of the information available today will dispel the idea—often unthinkingly accepted—that there is any significant relationship between age and costs. This should convince most fair-minded employers that the idea that "workers are through at 40" is based on inadequate information and mistaken impressions. Such employers will join with the Committee on Employment Problems of Older Workers in urging the discontinuance of the policy of hiring-age limits, or of giving preference to young people to the exclusion of the "over 40" applicants. Further, such employers might well look over their establishments to see what jobs are most suitable for older workers—positions in which faithfulness, accuracy, experience and responsibility are more important than physical strength and speed. Finally, employees, employers, unions, and public agencies can join in providing training facilities which will enable the older worker to adapt his skills and experience to new job opportunities.

The Responsibility of the Public

The future of Jim Miller himself, of his dependents, and of hundreds of thousands of American families facing a similar situation, does not rest wholly with the worker and his employer. To break down unreasoning prejudice, to make use of the older worker's ability, to preserve his morale, to afford him and his dependents "a fair break," is not alone "the problem of the older worker." Here is a situation in which we all share. You and I must help foot the relief bill if Jim Miller is shouldered out of a job; and, far more costly, we stand to lose the work which might be accomplished by men and women scrapped in their useful maturity.

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First Printing, September, 1939

Printed in the United States of America

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