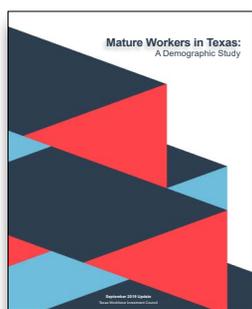


Mature Workers in Texas: A Demographic Study

2019 Update



As an update to a prior report, the Texas Workforce Investment Council (Council) prepared this study on the demographic characteristics of mature workers (age 55 and older) in Texas. While there is much comparative national data in the full report, this document focuses primarily on the key data and analysis necessary to understand the mature workforce in Texas.

Mature labor force participants made up 28.5 percent of the national workforce in recent years. In 2008, individuals born in the first year of the Baby Boom cohort (1946 to 1964) were eligible to receive retirement benefits. Over the course of the next few years, the impending transition of this large segment into retirement and the resulting effects on the workforce could cause both worker and skill shortages.

Analysis indicates that the mature labor force participation rate has increased in the past few decades. Some mature workers choose to keep working or delay full-time retirement because of financial and other considerations. These individuals may require help identifying transferable skills that lead to new career opportunities as well as education and training to upgrade their skills.

Characteristics of Mature Workers in Texas

The number of Texans age 55 and older is increasing and will account for a greater percentage of the population, as can be seen in the chart to the right.

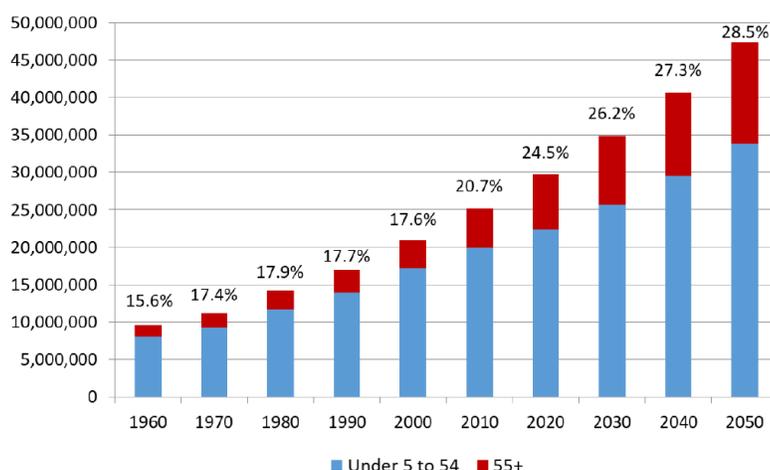
In 2017, according to American Community Survey data (most recent available), the estimated number of mature labor force participants (includes employed individuals and unemployed individuals looking for work) was 2,747,532 individuals. Of the mature labor force participants who were employed (2,652,731 individuals), 81.6 percent worked full time and 20.4 percent worked part time. Approximately 54 percent of the state's mature labor force was male and 46 percent was female.

The average age of a mature labor force participant in Texas was 67. Approximately 44 percent of mature labor force participants were between the ages of 55 to 59, 75 percent were between the ages of 55 to 64, and approximately 25 percent were 65 or older.

More than 86 percent of mature labor force participants in Texas had at least a high school diploma or equivalent in 2017. Approximately 33 percent had a bachelor's degree or higher. Mature workers earned an average salary of \$56,124 (inflation adjusted for 2017).

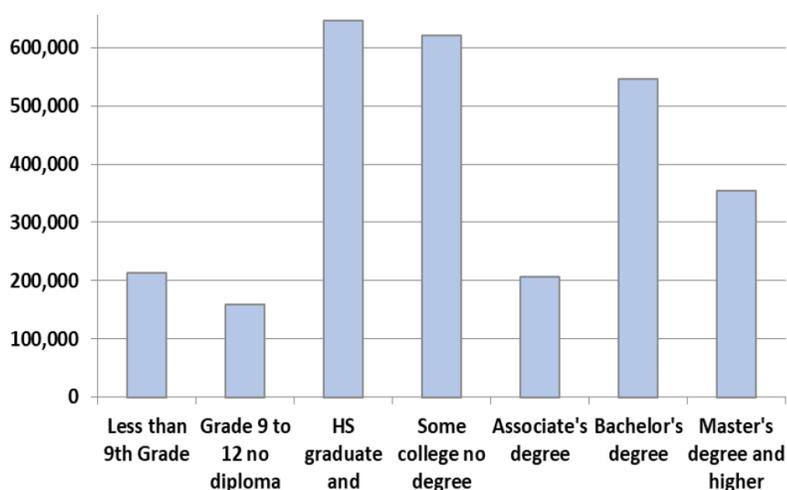
On average, male mature workers earned \$69,274, while female mature workers earned \$42,974. Salaries also varied depending on levels of educational attainment. The highest average yearly salary was earned by mature workers with a master's degree or higher. Average yearly salary also varied between racial and ethnic groups. Additional differences in yearly salaries can be observed when considering gender and race together.

Percentage of Population 55 Years and Older in Texas, 1960-2050



Source: U.S. Census Bureau data and Texas Demographic Center projections.

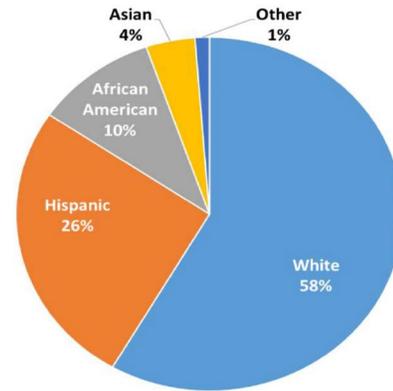
Educational Attainment of the Mature Labor Force in Texas



Source: 2017 ACS PUMS (microdata).

The chart to the right illustrates that 58 percent of the mature labor force in Texas was white, 26 percent was Hispanic, 10 percent was African American, and four percent was Asian in 2017. Whites are the oldest racial group in the state and Hispanics are the youngest. According to census data, the median age was 35.8 for whites, 35.5 for Asians, 33.2 for African Americans, and 28.7 for Hispanics.

Racial and Ethnic Composition of the Mature Labor Force in Texas



Source: 2017 ACS PUMS (microdata).

The 2050 Texas population will be even more racially and ethnically diverse. Projections from the Texas Demographic Center indicate that approximately 29 percent of the 2050 Texas population will be white, 43 percent will be Hispanic, 13 percent will be African American, and 16 percent will be in the "other" category.

The Mature Labor Force in Texas

Approximately 40 percent of the Texas population age 55 and older was employed in civilian occupations in 2017. The industry that employed the greatest percentage of mature labor force participants was elementary and secondary school education, as can be observed in the table below.

Top 10 Industries Employing Mature Labor Force Participants in Texas

Industry	Number	Percent
Elementary and Secondary Schools	213,196	7.8%
Construction	208,623	7.6%
Hospitals	116,652	4.2%
Real Estate	69,848	2.5%
Restaurants and Other Food Services	67,440	2.5%
Colleges, Universities, and Professional Schools, including Junior Colleges	63,213	2.3%
Insurance Carriers and Related Activities	51,912	1.9%
Home Health Care Services	51,627	1.9%
Truck Transportation	47,156	1.7%
Religious Organizations	43,291	1.6%

Source: 2017 ACS PUMS (microdata).

The unemployment rate for mature individuals has been lower than for prime-age workers (age 25 to 54). However, mature individuals have consistently experienced longer durations of unemployment than younger workers since the Great Recession. Although mature individuals were less likely to lose their jobs than prime-age workers, those who did lose their jobs had greater difficulty finding employment.

According to the Special Committee on Aging,

fewer older workers are transitioning directly from full-time employment to full-time retirement than at any other point in history. For many of these mature workers, technological innovations may result in the need to upgrade skills. Focus groups conducted by the Government Accountability Office in 2012 identified out-of-date skills as an important reemployment barrier for mature individuals. However, a 2017 American Association of Retired Persons survey indicated that mature workers are among the most engaged employees and bring advantages to the workplace, including their experience, professionalism, work ethic, lower turnover, and knowledge. The same survey results acknowledged that access to training and skills retraining programs may be limited for these workers.

Observations

Analyses of the Texas population yield four relevant trends: the growth of the state's population, the increase in the state's racial and ethnic diversity, the greater number of individuals in the older age categories, and the percentage growth of mature workers' continued participation in the labor market.

The Texas population age 55 and older will account for a greater percent of the workforce in the future. This may have a significant impact on workplaces and organizations. Understanding the implications for worker and skill shortages that could be associated with the impending retirement of the Baby Boomers, as well as the benefits of hiring and retaining mature labor force participants, will be critical for the state's employers.