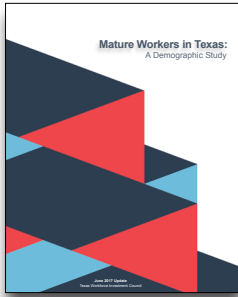


Mature Workers in Texas: A Demographic Study

2017 Update



As an update to its 2012 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 21.7 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.

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.

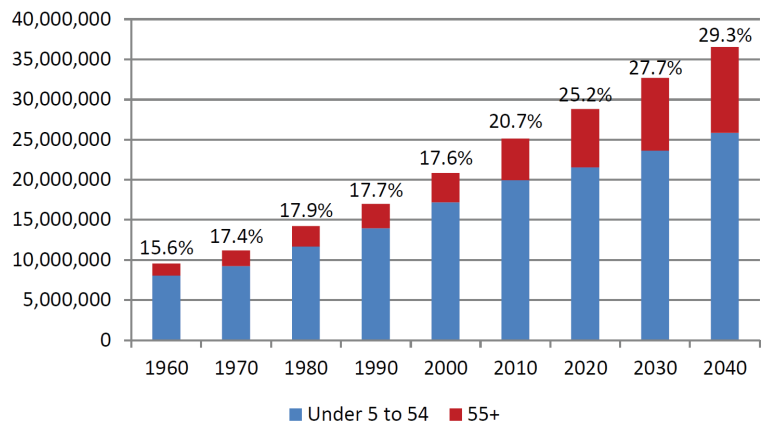
In 2015, the estimated number of mature labor force participants (includes employed individuals and unemployed individuals looking for work) was 2,499,692 individuals—18.6 percent of the state's total workforce. Of the mature labor force participants who were employed (2,411,694 individuals), 80.6 percent worked full time and 19.4 percent worked part time. Approximately 55 percent of the state's mature labor force was male and 45 percent was female.

In 2015, the average age of a mature labor force participant in Texas was 61.4. Approximately 45 percent of mature labor force participants were between the ages of 55 to 59 and almost 76 percent were between the ages of 55 to 64, with 24 percent 65 or older.

Approximately 86.7 percent of mature labor force participants in Texas had at least a high school diploma or equivalent in 2015. Thirty-three percent had a bachelor's degree or higher. Mature workers earned an average salary of \$47,323.40 (inflation adjusted for 2015).

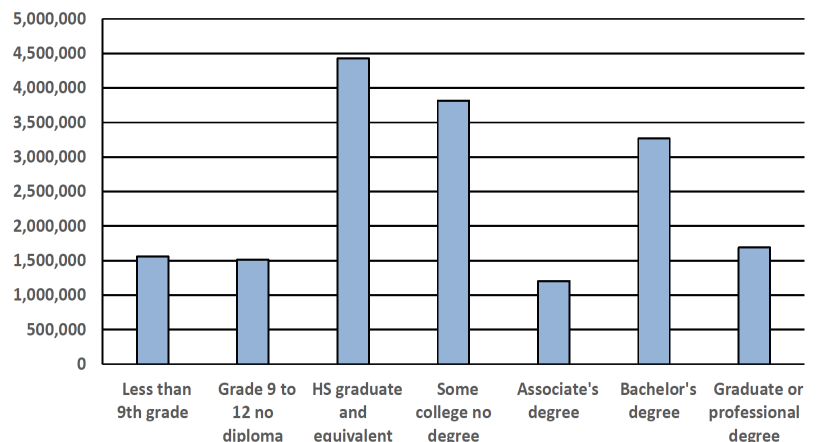
Numerous differences exist between different demographic categories. On average, male mature workers earned \$58,515.11, while female mature workers earned \$36,131.69. Salaries also varied depending on levels of educational attainment. The highest average yearly salary was earned by mature workers with 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, 1960-2040



Source: Census data.

Educational Attainment of the Mature Labor Force in Texas



Source: 2015 ACS.

The chart to the right illustrates that 60.5 percent of the mature labor force in Texas was white, 24.2 percent was Hispanic, 10.1 percent was African American, and four percent was Asian in 2015. Whites are the oldest racial group in the state and Hispanics are the youngest. According to census data, the median age was 42.1 for whites, 35.1 for Asians, 32.9 for African Americans, and 28.2 for Hispanics.

The 2040 Texas population will be even more racially and ethnically diverse. Projections from the Texas Demographic Center indicate that 31.7 percent of the 2040 Texas population will be white, 49.5 percent will be Hispanic, 10.6 percent will be African American, and 8.2 percent will be in the “other” category.

The Mature Labor Force in Texas

Approximately 39 percent of the Texas population age 55 and older was employed in civilian occupations in 2015. 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
Education - elementary and secondary schools	190,203	7.61%
Construction	171,524	6.86%
Medical - hospitals	102,495	4.10%
Finance - real estate	66,428	2.66%
Education - colleges and universities	56,746	2.27%
Entertainment - restaurants and food services	51,521	2.06%
Finance - insurance carriers and related	49,547	1.98%
Medical - home health care services	43,458	1.74%
Extraction - support activities for mining	43,400	1.74%
Professional - architectural, engineering, and related	43,017	1.72%

Source: Data are from ACS 2015.

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 recession of 2007 to 2009. Although mature individuals were less likely to lose their jobs than prime-age workers, mature individuals who did lose their jobs had more difficulty finding employment.

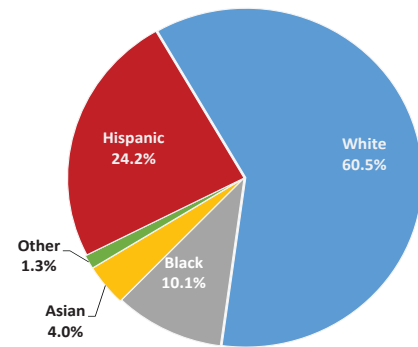
For many of these mature workers, technological innovations may necessitate skills upgrading. Focus groups conducted by the Government Accountability Office in 2012 identified out-of-date skills as an important reemployment barrier for mature individuals. However, a 2015 American Association of Retired Persons survey indicated that mature workers are among the most engaged and bring advantages to the workplace, including their experience, professionalism, work ethic, lower turnover, and knowledge—although access to training and skills retraining programs may be limited.

Observations

Analyses of the Texas population yield three relevant trends: the growth and youth of the state’s population, the increase in the state’s racial and ethnic diversity, and the continued progression of Baby Boomers into the older age categories.

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. Employers must understand 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.

Racial and Ethnic Composition of the Mature Labor Force in Texas



Source: 2015 ACS.

If a large portion of these mature workers retire, the workforce could be substantially reduced. Manufacturing, healthcare, education, and the utilities sectors, as well as others with large mature worker populations, could lose the specific skills, experiences, and institutional knowledge that these retirees developed over the course of their careers.

A 2012 Charles Schwab survey found that three-quarters of workers over 50 wanted to remain in their current job because they enjoyed working, and 27 percent said that their present situation was the happiest time in their working career. Recent explanations for the increased labor force participation of mature individuals have also included the need for greater financial savings to provide for longer periods of retirement due to increased longevity.