

Discussion of
“Do Stronger Age Discrimination
Laws Make Social Security Reforms
More Effective?”

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Summary: Specification

- DDD estimator
- 65 year olds compared to 64 year olds
- Before and after NRA increase
- “Strong” vs. “Weak” laws
 - Firm size
 - Remedies
 - Statute of limitations

Summary: Results

In states with stronger laws, when NRA increased, comparing ages caught to those not

- SS claiming ↓
- Employment ↑

Results seem to be driven by firm size limits

- Effects stronger when smaller firms are not exempt

One Nit-Pick

- Call it “Claiming” not retirement!
- Retirement is a huge catch-all term, claiming may or may not be a component of it.

Suggestions for Future Work

- Who is affected?
 - Education quantiles?
- What is the role of firm knowledge?
 - If researchers have trouble finding court cases, can cases affect behavior?
 - Especially pre-web pages
 - Does knowledge differ by firm size?
 - Does knowledge differ by income or wealth?
 - Effect may be small firms unaware at hiring, affected at separation

Suggestions for future work

- Look at “accessions” (hiring) and “separations” (firing)
 - Where is the action happening? Different policy implications.
 - Matched monthly CPS
 - Is movement coming from non-leavers or from people who re-enter?
 - Not perfect because requires a month of non-employment, but provides bounds

Policy Implications

- Is strengthening ADEA the “right” policy prescription?
 - ADEA keeps firms from laying off workers
 - Easier to show firing discrimination
 - ADEA keeps firms from hiring workers
 - Nearly impossible to prove hiring discrimination

Do we want to tie firms’ hands so that they cannot remove marginal older workers or hire qualified older applicants?

Policy Implications

- Not clear that tax receipts go up with policy
 - Firms have a less efficient mix of workers
 - Crowd out of productivity?
- Do we worry about those on margin of layoff or those trying to find work?
 - Employed: Doing pretty well
 - Unemployed: Doing pretty poorly
 - SSI, SSDI
 - More gov't redistribution towards less well-off
 - Gov't dividends from raising up worst off, not helping best off

Alternatives?

- Large scale hiring audits.
 - Would make companies more wary of discrimination at the hiring level
 - Currently nearly impossible to catch
 - Only valid for larger companies
 - Probably not politically feasible

Another alternative

- Figure out why older workers are less attractive
 - Focus efforts on mitigating those areas of discrimination
 - Make older applicants more attractive
 - We WANT
 - firms to hire productive workers at a productive wage
 - firms to keep productive workers
 - firms to be able to remove less productive workers (pace Lazear contracts)

Program Interactions

- Still important!
- What would happen if we increase NRA again?
- Also important: Effects on Medicare? SSI? SSDI? etc.

Thanks!