

# Unemployed and Over 50 Need Help

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**MarketWatch Blog** by Alicia H. Munnell



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## *Older individuals suffering long-term unemployment face stiff challenges to finding a job*

Put together being over 50 with extended unemployment and almost 2 million older Americans may never work again in the private sector. Instead of having these people deplete all their resources and arrive in their 60s destitute, the government should establish a program to put them to work.

When the most recent employment report was released, the PBS News Hour presented a segment on a group of people over 50 who had been out of work. The participants said that employers had little interest in even talking to them. Sometimes, when applying for jobs, these older applicants deleted up to 15 years of experience from their resumes to get through the door, but as soon as the interviewers saw how old the applicants were their faces dropped and they cut the interview short. In some sense, as unfair as it sounds, this treatment is not unexpected.

Economists, in a series of studies, have documented that older workers have a much harder time finding re-employment than their younger counterparts. Some of the explanation for the difference is that older people

are less malleable – they are fully formed human beings with a specific skill set – and more difficult to fit into existing slots. Another part of the explanation may be age discrimination. Employers worry whether older people can learn new skills and they are not sure how long they will stay. Age discrimination laws may also work against older job seekers; it is illegal to lay off on the basis of age, so employers may just avoid hiring older workers in the first place.

Add to this mix the results of a recent study that explored the relationship between the number of weeks of unemployment and the likelihood of receiving a callback after submitting an application. The researchers submitted fictitious resumes to real online job postings in each of the largest U.S. metropolitan areas. They sent roughly 12,000 resumes to roughly 3,000 job postings in sales, customer service, administrative support and clerical job categories. They tried to make their fictitious resumes look as close as possible to real resumes posted on job boards. In some cases, the resumes showed the applicant as currently employed, in other cases as unemployed for spells of between 1 to 36 months. They found that the callback rate sharply declined during the first eight months of unemployment – from 7 percent to 4 percent – and then stabilized. This 45-percent decline compares to the results of another study where black-sounding names received 33 percent fewer callbacks than white-sounding names.

This recent study supports earlier work as well as anecdotal evidence of signs saying “unemployed need not apply.” The problem is that when the stigma of being unemployed is added to the stigma of being old, the chance of getting a job is very, very small. This outcome is not only unfair, but also wasteful from a national perspective as a substantial amount of experience and talent goes unused. Extended periods of unemployment also destroy the lives of the individuals affected. They use up their savings, they tap their

401(k)s, they sell their homes, and then they are left with nothing. And the number of older unemployed workers is large. As of 2012, almost 2 million people over 50 were unemployed for more than six months; 1.3 million for a year or more. We need a jobs corp for these individuals and we need it fast.