



*The mission of the California Labor Lab is to extend the pursuit of health and safety for workers in traditional employment to those in a wide range of alternative arrangements in partnership with affected communities.*

# Data Brief #7: Employment through the Working Years, With Special Emphasis on Older Workers

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The California Work and Health Survey (CWHHS) collected information on employment between November 2022 and May 2023 among persons between ages 18 and 70 who were resident in the State during that time. The survey respondents were solicited through a random sample of cell phone numbers. The resulting cohort of respondents, 4014 in all, was then weighted to reflect the demographic characteristics of the approximately 26.7 million Californians in this age range. The CWHHS differed from traditional labor market surveys in asking respondents about their employment in the month as well as week prior to interview. This was done to capture non-standard forms of employment, including independent contractors, on-call labor, employment through a temp agency and situations when work is subcontracted from one employer to another. Non-standard work is often done episodically and would be undercounted if the survey collected information only about employment in the week prior to interview.

## **Employment Status across Working Ages, 18-70**

In this **Data Brief**, we present information on employment across the entire range of working ages, although the emphasis is on older workers, those 55 or over. We include the data on workers younger than 55 because many, particularly those with low levels of education, disabilities, and members of racial and ethnic minorities, begin to experience problems in sustaining employment well before that age is reached.

Overall, among all working age Californians, 67% worked in the week and 71% in the month prior to interview. Expanding the scope of data on employment from a week to a month

increased the capture of people employed by about 4 percentage points, or by 6 percent in relative terms.

## **Highlights of Findings:**

### ***Employment rates peak at a relatively young age range, ages 35-44.***

- As young adults begin to gain a foothold in employment, the percentage of them employed increases from 74 percent among those 18-34 to a peak relatively early in work life of 80 percent among those 35-44.
- After that, the fraction employed begins to decline, falling to fewer than two-thirds among those 55-64 and to less than 40 percent once the traditional age of retirement is reached after age 65.

### ***Work quantity among the employed also peaks prior to normal age of retirement.***

- Mean weeks worked and usual hours worked among the employed increase through the prime working ages, but then decline among those 55-64.
- The proportion working full-time and full-year peaks between ages 45-54, but declines substantially – to fewer than half – among those older than that.

## ***Effects of Gender, Race/Ethnicity, Education, and Disability Status on Employment***

Federal legislation protects workers against discrimination on the basis of gender, race/ethnicity, and disability status as well as age. In the CWHS, disability status is defined by whether the respondent indicates a limitation in activities. In addition to the protected classes of workers, there is concern about employment outcomes of workers with a high school education or less.

- Women have lower employment rates than men through ages 55-64, but higher rates among those 65-70.
- Employment trajectories differ substantially by race/ethnicity.
  - Hispanics and Native Americans experience an earlier fall-off in employment rates so that just over half of each group remains employed through ages 55-64.
  - Non-Hispanic whites, Hispanics, and African Americans are able to sustain employment longer.
- There is a marked education gradient in employment in every age range.
  - Those with a high school education or less see their employment rates peak in the 35-44 age range, a decade earlier than those with more education.
  - Among those with at least some graduate school, almost 70 percent of those 65-70 remain employed.
- Employment among persons with disabilities begins to decline by ages 35-44, much earlier than among persons without disabilities.

## Kind of Employment

The CWHS was designed to provide reliable estimates of the magnitude of alternative ways that workers are hired to do work, the extent to which their jobs are contingent, that is, not expected to last longer than the current year, and are secured through an app, for example rideshare drivers, delivery persons, or those doing odd jobs (this kind of work is sometimes called “gig jobs” but here we refer more explicitly to employment secured through an app connecting clients to the worker).

- Alternative employment
  - A high proportion of older workers are independent contractors, 27 percent of those 55-64 and 39 percent of those 65-70.
  - Workers 18-34 and those 65-70 have higher rates of other forms of alternative employment than those between 35 and 64.
- Contingent employment
  - Contingent employment, like other forms of alternative employment, is more common among workers 18-34 and 65-70 than among those between 35 and 64.
- App-based employment
  - The share of employment secured through an app is highest among workers 18-34 (10 percent) but even among workers 55-64, five percent obtained work through an app.
  - Overall, 8 percent of California’s working age population reported work secured through an app. The most common form of app-based work, affecting 7 percent of workers, is delivery, spanning everything from those delivering packages on contract to those doing meal or grocery delivery.

## Economic Impacts

The CWHS asks respondents to report their personal earnings and household income in the year prior to interview. Household income is then combined with household size to determine whether the respondent’s household income meets criteria for income at or below 125% of the Federal poverty standard.

The CWHS includes three measures of financial strain: the report of having at least some difficulty in living on one’s household income, the inability to sustain an emergency expense of \$400 or more, and the expectation of actual hardships in food, housing, or medical care in the next two months.

- Personal Earnings
  - Overall, 40 percent of California’s workers earned \$20,000 or less in the year prior to interview.

- The proportion reporting earnings at this level was highest among those 18-34, 57 percent, but more than a quarter of workers between ages 35 and 65 reported earnings at this level and, among those 65-70, 39 percent did.
- Household Income
  - Overall, 16 percent of California's workers were in households with an income of 125% of the Federal poverty level or lower.
  - The proportion with household income at this level was highest among those 18-34, 22 percent, but at least 10 percent of those in older age ranges also had household incomes at this level or lower.
- Financial strain
  - More than a third of California's working age population report at least some difficulty living on their household incomes, thirty percent that they cannot sustain an emergency expense of \$400 or more, and 19 percent that they expect actual hardships in food, housing, or medical care in the next two months.
  - Rates of these forms of financial strain were higher among those in the youngest age ranges, but 30 percent of those older than 55 reported difficulty living on their household income and at least a quarter that they could not sustain an emergency expense of \$400 or more. Eighteen percent of those 55-64 and 13 percent of those 65-70 expect to experience hardships in food, housing, or medical care in the next two months.

## Summary

Financial well-being in old age is often tied to maintenance of employment longer in work life due to the accrual of savings and pensions late in one's career as well as the ability to delay receipt of Social Security benefits until the age of full entitlement, currently 67 for most workers.

Data from the CWSHS indicate that a substantial fraction of working age adults have left work well in advance of reaching age 65. Several groups are particularly susceptible to this, including Hispanics and Native Americans, persons with low levels of education, and those with disabilities.

A prior study using data from the CWSHS (1) indicated that there are several adverse outcomes to alternative and contingent employment and to work secured through an app. Relatively large fractions of older workers, those 55 or older, are employed as independent contractors and both young and old workers have higher rates of employment in contingent jobs. Work secured through an app is more common among young workers. Even so, five percent of workers 55-64 report this kind of employment.

Household income at or below 125% of the Federal poverty line is less common among workers older than 55 than among those younger. However, at least a tenth of those 55 or older still are at or under this income level. Financial strain is unfortunately quite common among those 55 or older, with 30 percent reporting difficulty living on their household

income, about 25 percent indicating an inability to sustain a \$400 emergency expense, and in excess of 10 percent stating that they expect actual hardships in food, housing, or medical care in the next two months.

Public policy to help individuals sustain employment and protect them from the adverse impacts of early cessation of work has had incomplete success in buffering California's older workers.

## Reference

1. Yelin E, Trupin L, Iley T, Rhee N, Lafrance A, Varghese Mac I. The impact of alternative arrangements, contingent jobs, and work secured through an app on the well-being of working age adults: Results from the California Work and Health Survey. *Am J Ind Med*. 2024;67(8):753-63.

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## About the Survey

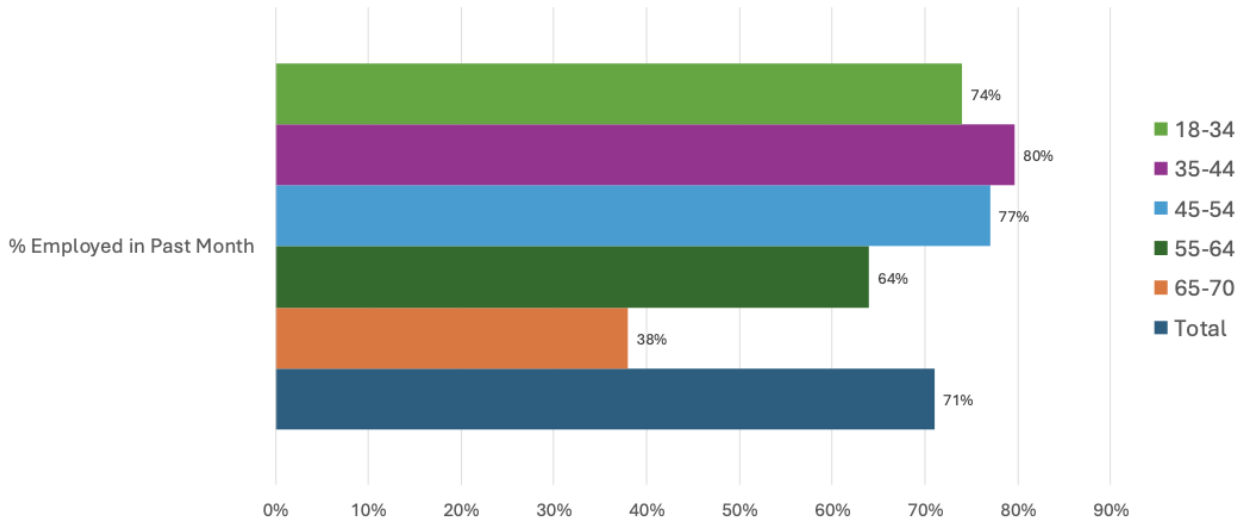
*The California Work and Health Survey (CWHHS) used a random sample of cell phones to develop its study cohort of 4,014 working age Californians. The CWHHS was administered between November 2022 and May 2023 by telephone interviewers or completed on-line at the respondents' choice. Both the telephone-administered and on-line surveys could be completed in English or Spanish. The survey covered current employment status, working conditions among the employed, health status, and economic well-being. The results were weighted to reflect known characteristics of the working age population of California.*

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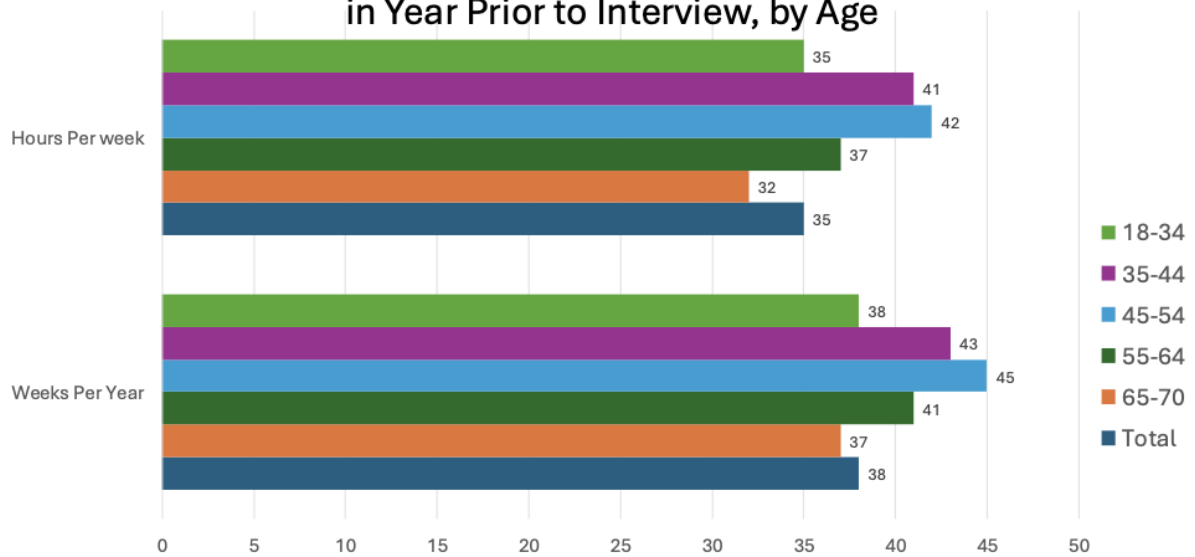
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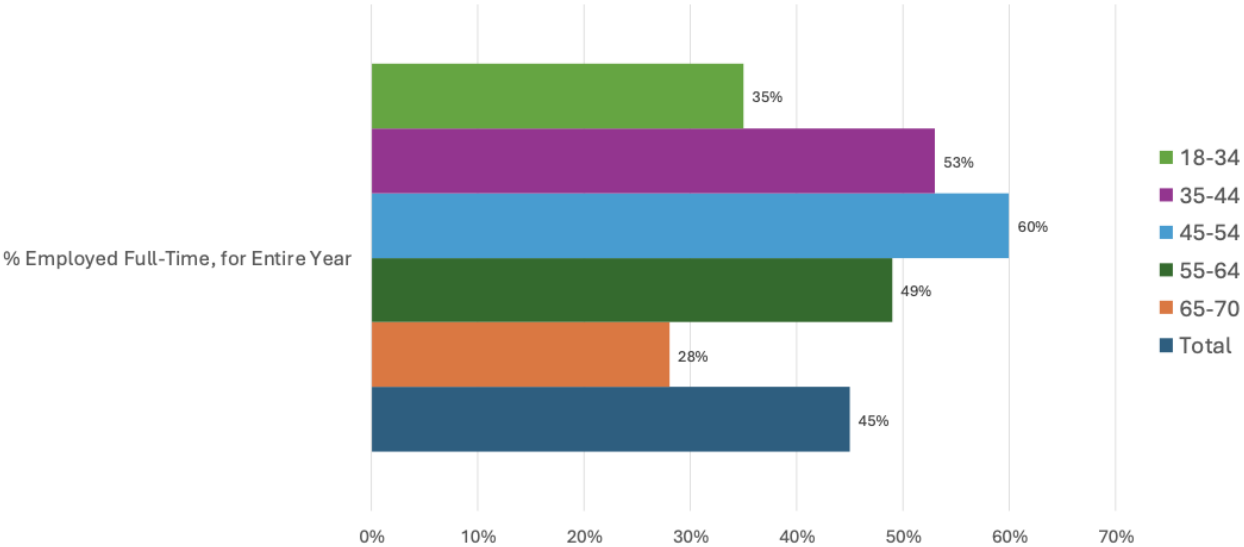
Employment Rate in Past Month, by Age



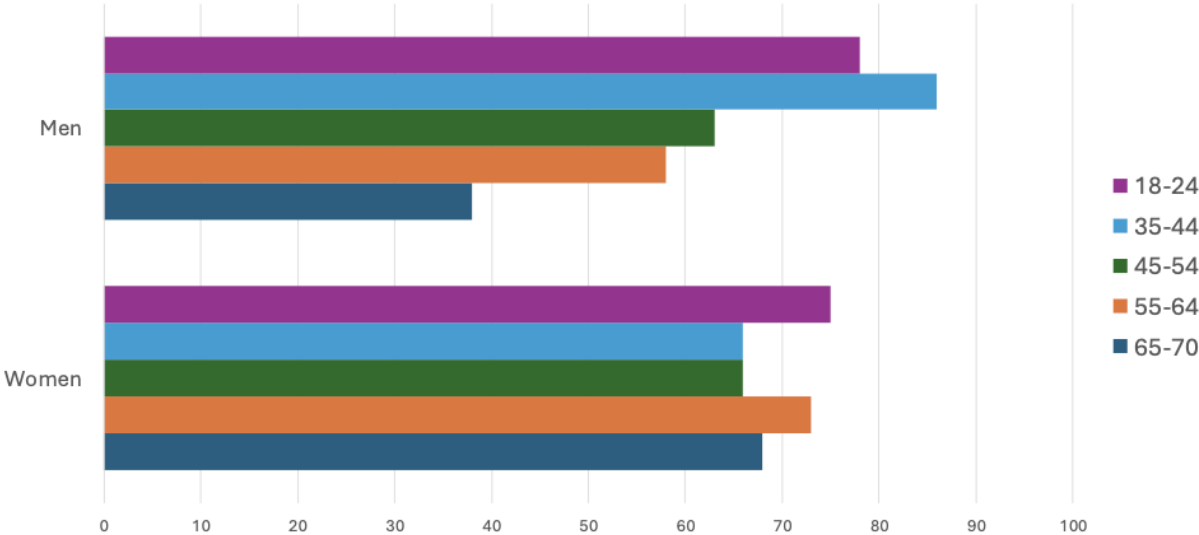
Hours Per Week and Weeks Per Year among those Employed in Year Prior to Interview, by Age



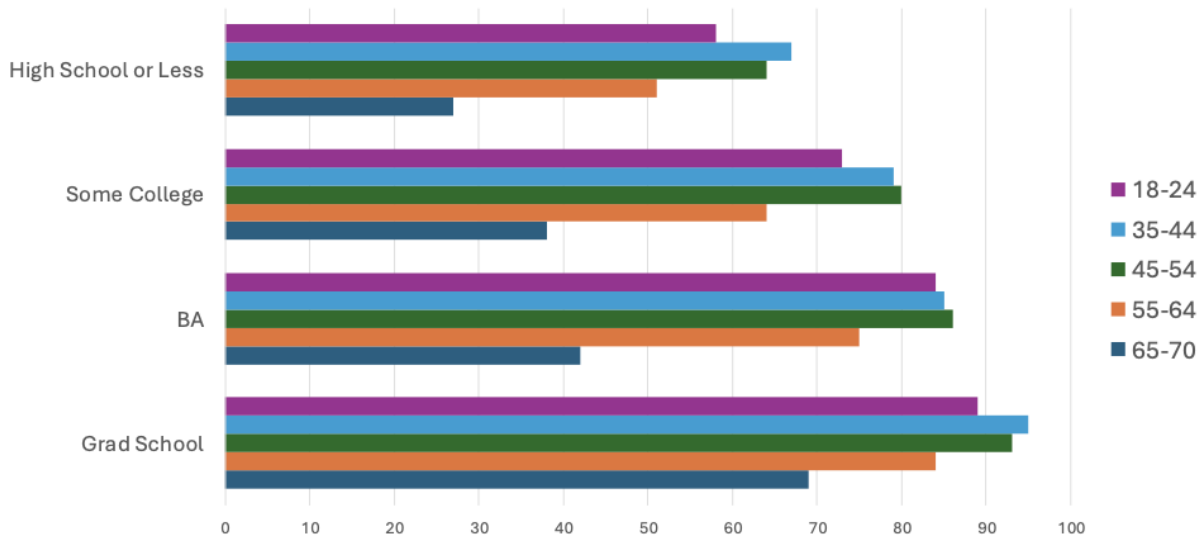
Percent of Workers Employed Full-time for Entire Year



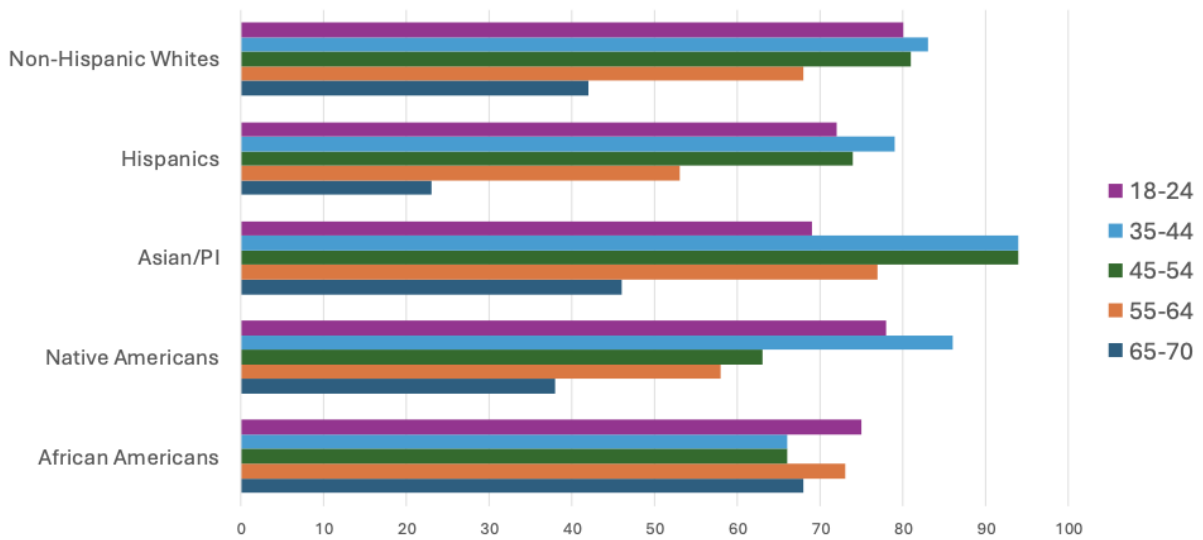
Employment Rates in Past Month, by Gender and Age



Employment Rates in Past Month,  
by Education and Age

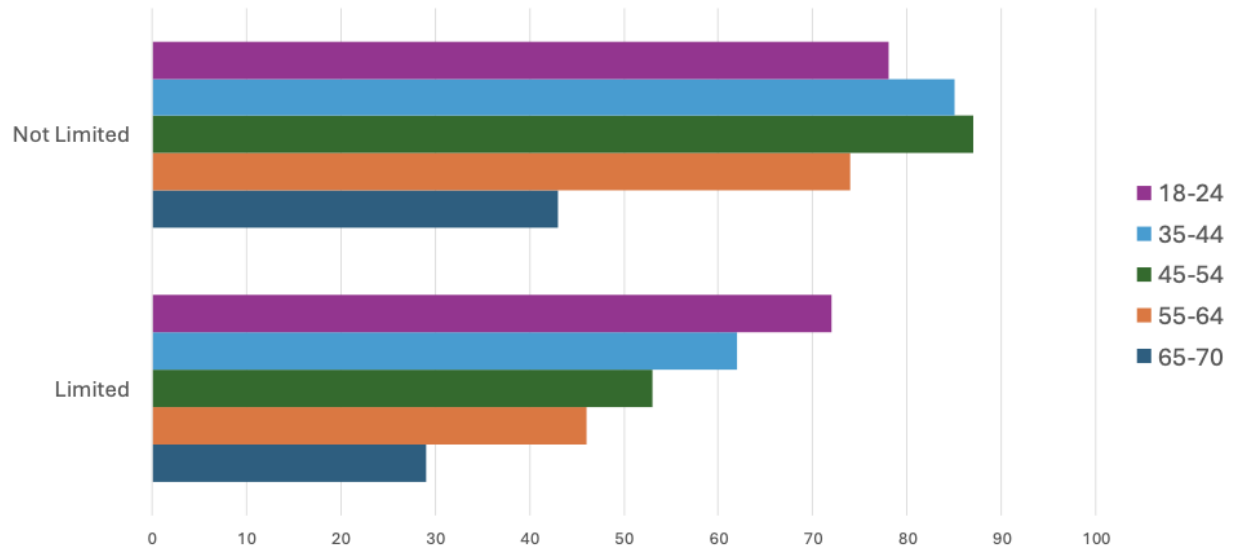


Employment Rates in Past Month,  
by Race and Age

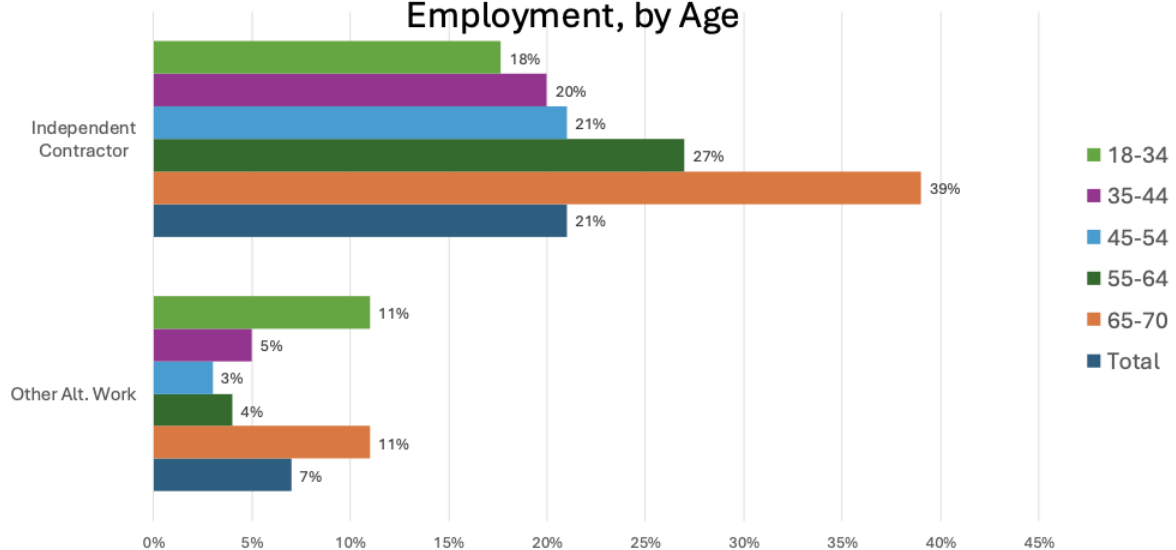




## Employment Rates in Past Month, by Disability and Age

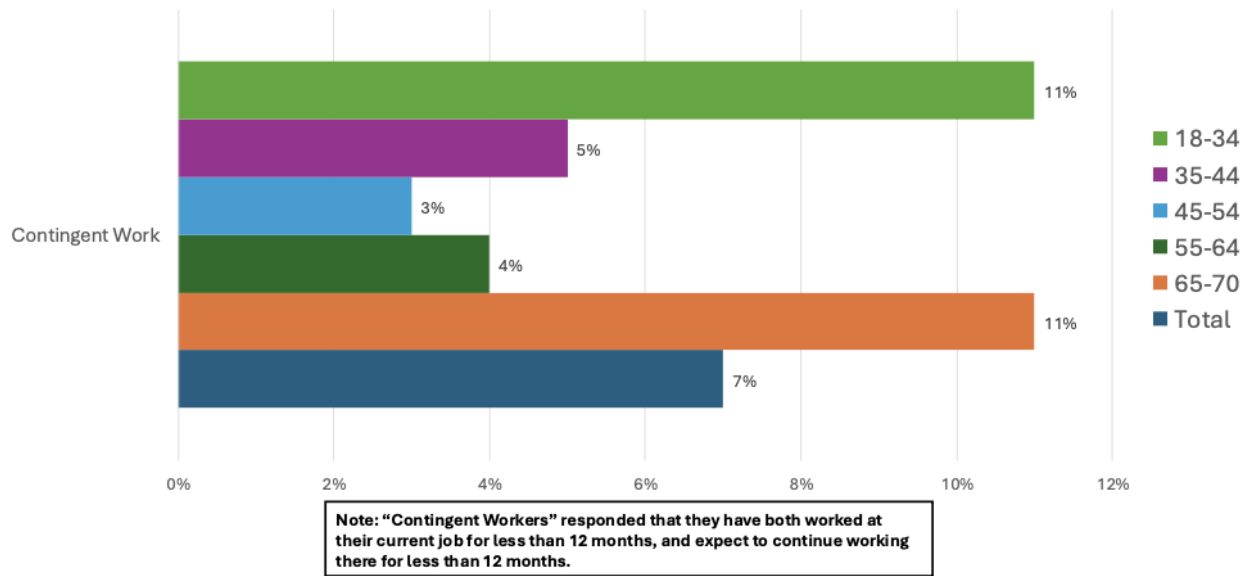


## Percentage of those Employed in Past Month Working as Independent Contractors or in Other Forms of Alternative Employment, by Age

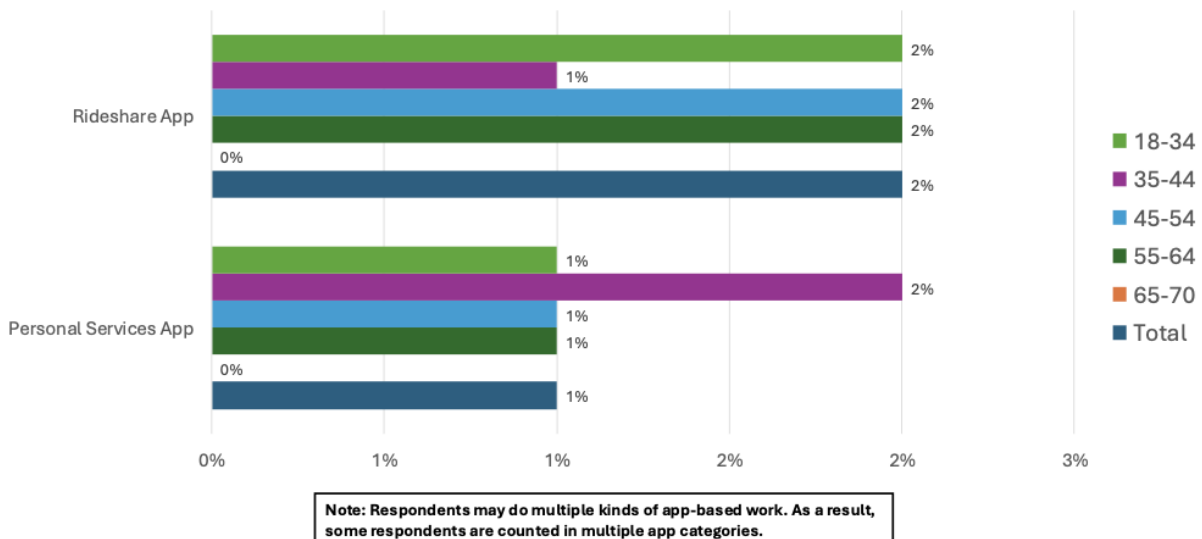


Note: "Other Alt. Work" includes employment at a temp. agency, on-call work, and/or work subcontracted to another company.

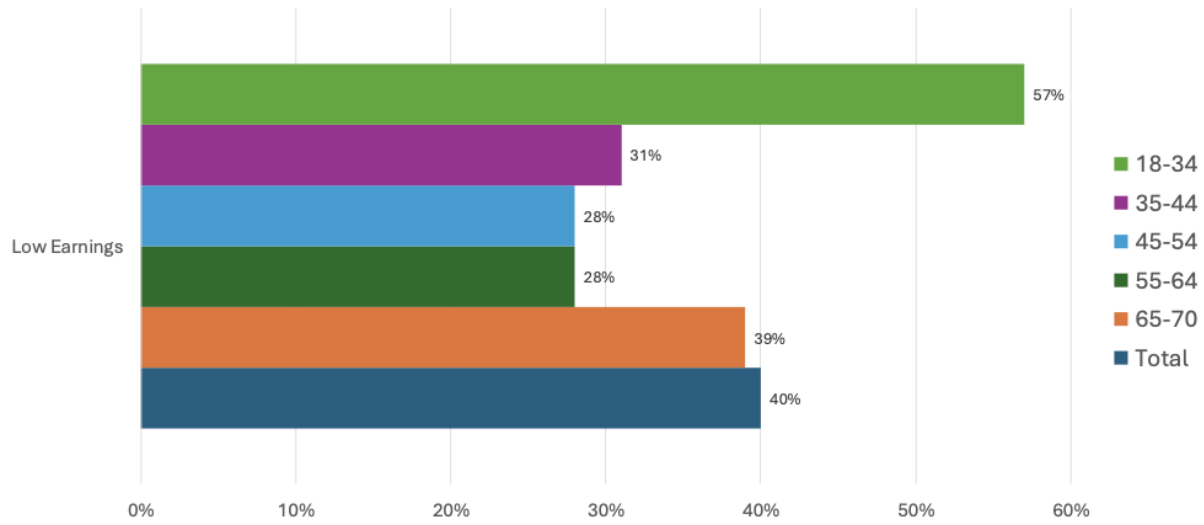
## Percentage of those Employed in Past Month Working in Contingent Jobs, by Age



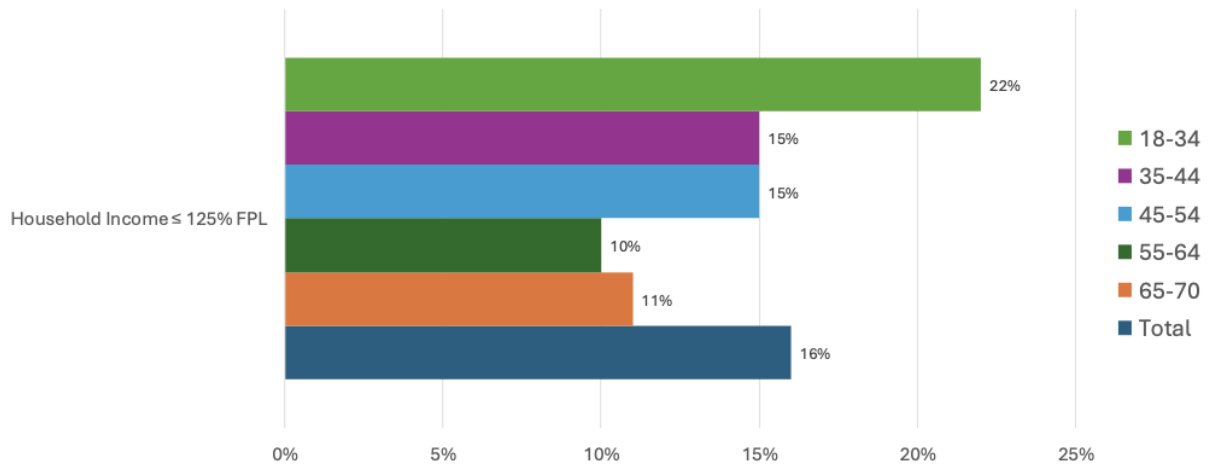
## Percent of those Employed in Past Month Using Rideshare and Personal Services Apps to Obtain Work, by Age



Earnings at or below \$20,000 in Past Year, by Age



Household Income at or below 125% of Federal Poverty Level, by Age



Percent of those Employed in Past Month Reporting Difficulty Living on Income, Inability to Sustain \$400 Emergency Expense, or Being at Risk of Food, Housing, of Medical Care Hardship in Next Two Months

