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Aging workers and the experience of job loss



Lora A. Phillips Lassus*, Steven Lopez, Vincent J. Roscigno

Department of Sociology, Ohio State University, 238 Townshend Hall, Columbus, OH 43221, United States

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ABSTRACT

Aging workers experience the longest unemployment spells of any segment of the labor force and are much more likely than their younger counterparts to drop out of employment entirely. Yet, we still know little about aging workers' struggles to regain employment following job loss. Do they see themselves as structurally disadvantaged? And, what are the consequences for self-perceptions, notions of fairness, and even mental health? We fill this gap by drawing on 52 semi-structured qualitative interviews with workers aged 40–65 who lost jobs during the Great Recession and have been attempting to find work since. Notable is their keen awareness of both age-specific labor market disadvantages and processes complicating re-employment for all unemployed workers during this period. Respondents articulate sophisticated analyses of how employer biases, credentialism, the job search process, and changes in the economy present very real barriers to reemployment. These perceptions and experiences, our materials suggest, have far-reaching social-psychological consequences, including loss of belief in meritocracy within major institutions; questioning of self-worth; and feelings of isolation, hopelessness and depression—consequences to which stratification scholars should devote more attention, especially since many aging workers become discouraged and eventually drop out of the labor force.

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Aging workers are disadvantaged. Relative to their younger counterparts, they are more likely to be displaced and, after displacement, remain unemployed for longer (Bendick, 1983; Couch, 1998). These long-standing patterns were exacerbated by the Great Recession. For instance, between June 2008 and June 2009 the unemployment rate for workers aged 55 and over increased 106 percent, compared to an increase of 70 percent nationally. Additionally, the average duration of unemployment for workers aged 55 and over ballooned to 30 weeks, compared to an average of 22 weeks nationally (Rothenberg & Gardner, 2011). Such inequalities, especially when considered alongside the demographic “graying” of the labor

force (Bureau of Labor Statistics 2012), are reason for both concern and more scholarly attention.

It is indeed striking how little we know about aging workers' perceptions and experiences during unemployment. Prior work tends to focus on the discrete “bookend events” of unemployment: initial job loss and then eventual reemployment (e.g., Roscigno, Mong, Byron, & Tester, 2007). There is also a growing literature that examines the material and health consequences of unemployment for aging workers. This literature often adopts an employee-oriented approach, focusing narrowly on particular long-term outcomes (see, e.g., Brand, Levy, & Gallo, 2008; Haider & Stephens, 2001). Little work to date, however, elucidates efforts toward re-employment between the bookend events. Specifically, it is unclear whether (and, if so, how and with what consequences) aging workers perceive labor market disadvantages. Notable exceptions include the recent work by Sharone (2013) and Gabriel,

* Corresponding author. Tel.: +1 6142921618.
E-mail address: lassus.1@osu.edu (L.A.P. Lassus).

Gray, and Goregaokar (2010), who analyze the perceptions of all unemployed workers, including those who are aging and higher status. We build on their insights but extend them to the experiences, perceptions, and subjective assessments of aging workers across the socioeconomic spectrum. Perceptions and subjective assessments are of core importance for scholarly interpretations of inequality (Hirsh & Kornrich, 2008; Nielsen & Nelson, 2005) and possible legal rights mobilization (Felstiner, Abel, & Sarat, 1981; Hirsh & Lyons, 2010).

We draw on 52 unique and in-depth qualitative interviews with individuals aged 40 and over who lost jobs since the beginning of the Great Recession and who continue to seek reemployment. These interviews—a subsample from a larger study of job loss experiences—allow us to analyze general and age-specific barriers to re-employment, as well as their consequences. Results suggest that unemployed aging workers hold relatively sophisticated views on how employer biases, credentialism, the job search process, and changes in the economy present very real and ongoing barriers. These experiences, in turn, have far-reaching social-psychological implications for belief in meritocracy, sense of self-worth, and feelings of loss, isolation, hopelessness, and depression. These results offer insight into why aging workers are much more likely to drop out of the labor market and inform workplace inequality research more broadly by highlighting less tangible but quite meaningful consequences of job loss.

1. Aging workers and unemployment: causes and consequences

It is well-documented that aging workers are more likely than younger workers to become displaced and, on average, experience lengthier job searches (Bendick, 1983; Couch, 1998; Rothenberg & Gardner, 2011). Fig. 1 illustrates the percentage of displaced workers by age who were either reemployed, still unemployed, or out of the labor force in January 2012, after becoming displaced during the two prior years. Workers aged 55 and over were much less likely than those under 55 to be reemployed and much more likely to have left the labor force altogether. Collapsing into one category those who are unemployed or out of the labor force reveals a notable, age-based inequality: 54

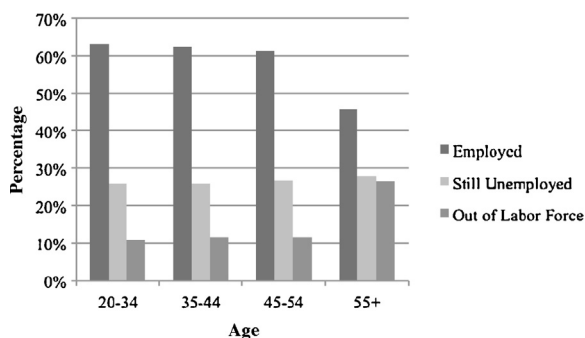


Fig. 1. Reemployment of displaced workers by age, 2012.

Source: Bureau of Labor Statistics.

percent of displaced workers aged 55 and older were not reemployed within two years.

Several structural barriers may be driving these trends. One such barrier is widespread employer abandonment of the traditional social contract, which has allowed market risk to be transferred to employees (Breen, 1997; Cappelli, 1999). This shift occurred in response to several decades of broad labor market and economic change, and it was facilitated by a contemporaneous decline in employee power (Kalleberg, 2009; Quadagno, 1999; Smith & Rubin, 1997). As a result, job security and stability have declined. This has been especially pronounced for aging workers in once strong but now stagnating or declining occupational sectors (Adler & Hilber, 2009; Hutchens, 1988; Kalleberg, 2009; Neumark, 2000).

Discriminatory employer preferences and practices at the individual, occupational, and industry levels may also be partially to blame. Policies and decisions targeted towards aging workers are often influenced by pervasive negative stereotypes about this group (Hedge, Borman, & Lammlein, 2006; Roscigno, 2010; Rosen & Jerdee, 1976), despite widespread evidence that these stereotypes tend to be misperceptions (for reviews see Ng & Feldman, 2008; Posthuma & Campion, 2009; Rhodes, 1983). They are also influenced by the common belief that aging workers cost more in wages and fringe benefits than younger workers do, despite some evidence to the contrary (Lippmann, 2008; Rutherglen, 1995; Schrank & Waring, 1989). Although discrimination against workers aged 40 and over was outlawed by virtue of the Age Discrimination in Employment Act of 1967, it persists throughout the employment process (Loretto & White, 2006; Roscigno, Mong, Byron, & Tester, 2007).

A separate body of literature examines the material and health consequences of these patterns. Materially, reemployed aging workers tend to experience a significant decline in pay (Couch, Jolly, & Placzek, 2009; Couch, 1998; Koeber & Wright, 2001), which persists into the future (Chan & Stephens, 2001). Other forms of compensation also decline, including health insurance and pension value (Couch, 1998; Haider & Stephens, 2001; Scott, Berger, & Garen, 1995). Regarding physical health, aging workers who experience job loss face an increased risk of smoking or smoking relapse (Falba, Teng, Sindelar, & Gallo, 2005), as well as an increased risk of heart attack and stroke within the subsequent decade (Gallo et al., 2006).

Research examining social-psychological consequences of job loss tends to focus on mental health broadly conceived or, most often, depression. Unemployed aging workers experience a substantial decline in mental health, above and beyond that of their younger counterparts (Creed & Watson, 2003; Gallo, Bradley, Siegel, & Kasl, 2000; Warr & Jackson, 1984). They also face an increased risk of depression, particularly if the job loss is due to a lay-off or blocks the fulfillment of retirement expectations (Brand et al., 2008; Falba, Gallo, & Sindelar, 2009). Further, unemployed aging workers face an elevated risk of suicide compared with their younger counterparts (Kposowa, 2001). While the discrete experience of job loss contributes to depression, the daily experience of being unemployed is also a major contributing factor (Frese & Mohr, 1987).

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