

# Disadvantaged workers face more challenges in retirement, too

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American workers with limited job opportunities during their working years face obstacles in retirement too, perpetuating inequities among demographic groups. That's according to research conducted by Emma

Aguila, a USC Price School associate professor and expert on the economics of aging.

Aguila's research, which was reported in a recent study for the National Academy of Sciences, Engineering and Medicine, sheds light on some of the challenges many older Americans face in planning for retirement or seeking to work longer into their lives.

As Healthy Aging Month comes to a close, the study documents the varied work pathways of America's increasingly diverse older workforce. Disadvantaged [older workers](#) are more likely to be forced into involuntary retirement due to job loss or disability, for example. They may take on informal gigs that don't contribute to the Social Security system, such as nannying. Hispanic and Black Americans in mid-skilled jobs have been particularly affected by automation, as well.

Additionally, historically disadvantaged groups are less likely to have control over where, when and how much they work at older ages.

Despite the growing diversity of the aging workforce, much of the existing research on older workers has focused on the experiences of economically and socially advantaged groups, the study concluded.

"I think we've been analyzing the population as if they all behave the same, like they all have full-time jobs and they follow this career path and then they retire," Aguila said. "But I think what we really need to consider is the heterogeneity across the population."

Take pensions, for example. Employer-sponsored plans covered about two-thirds (64.6%) of non-Hispanic white workers, 55.7% of Black workers, and just over one-third (38.4%) of Hispanic workers, Aguila reported.

## Occupational segregation

Those differences can be explained in large part by occupational segregation. Whites are more likely to work at larger firms that provide pensions, while Blacks are more likely employed in the public sector, which often offers pensions, too. Hispanics, by contrast, are more likely to work at smaller firms or part time—jobs that are less likely to include employer-sponsored retirement plans.

Disparities like this, along with other inequities such as health and education, further perpetuate [income inequality](#) come retirement. "The more advantaged workers, they not only have Social Security, but they will have other sources of income" like savings or pensions, Aguila noted. "So the inequality continues."

The National Academy tapped Aguila to analyze existing data and research on vulnerable older workers, as part of a broader report published in May examining the aging American workforce. She reported that there is not enough literature on the experience of these populations, limiting insight into how inequality in retirement and [work opportunities](#) affects older adults.

Aguila recommended that future research take a "life course perspective" on inequity in work and retirement. Gathering such data would require following people over time to better understand inequalities in later adulthood. Doing so is necessary because the causes of unequal work and [retirement](#) pathways begin long before age 50, she explained.

## Pandemic effect

Aguila conducted her research just as the COVID-19 pandemic swept the country, putting older adults at heightened risk of serious illness or

death, while prompting employers to lay off workers or send them home to work remotely. In many ways, the pandemic and the ensuing turmoil in the job market underscore the issues Aguila studied.

Still, she said it's too early to know whether the pandemic exacerbated the problems she highlighted in her study.

"More research will come out," Aguila said of the pandemic's impact on older workers. "We will be able to understand better whether these issues were exacerbated."

**More information:** Understanding the Aging Workforce:  
[nap.nationalacademies.org/cata...ng-a-research-agenda](https://www.nap.edu/catalog/58476/understanding-the-aging-workforce)

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