

Older Women in the Labor Force: Does Human Capital Matter?

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Abstract

The main purpose of this study was to understand how accumulated human capital over the lives of older women influenced their probability of working at old age. Data from the 2010 Rand Health and Retirement Study (HRS) were employed. The human capital variables included in the empirical models were formal education, health status, occupation type, and length of longest job. Out of 1,340 women aged 65 or older in the study sample, 27.9% were working in the labor force. The descriptive results show that among older women in the labor force, 59% of the sample women were working in the service industry, whereas 12.1% and 28.9% were working in the professional/managerial and labor intensive industry, respectively. This study found that older women without high school diplomas were more likely to work in the labor force than older women with college degrees. On the other hand, both women with professional/managerial and service occupations were more likely to be employed later in life, as compared to women with labor intensive occupations. In addition, longer job tenure significantly influenced the likelihood of older women's participation in the labor force. Other than these human capital variables, higher household income, having mortgage debt, and being unmarried significantly increased the likelihood of older women's participation in the labor force.

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