The Impact of Covid-19 on Older Workers' Employment and Social Security Spillovers

Gopi Shah Goda, Emilie Jackson, Lauren H. Nicholas, Sarah See Stith

The COVID-19 pandemic introduced a major health and economic shock with broad repercussions for older Americans' employment and participation in Social Security programs. Older and disabled workers are more likely to become sick and die from COVID-19, but they simultaneously are more likely to be eligible for other forms of financial support outside of employment, such as retirement and disability benefits. Since the beginning of the pandemic, our team has been tracking outcomes among older and disabled workers using the Current Population Survey, Social Security administrative data on applications for retirement and disability benefits, and Google Trends data to assess the impact of COVID-19 on older adults. We find that older adults are less likely to be employed than would have been predicted prior to the pandemic, though retirement benefit claiming levels remain relatively flat and overall rates of Social Security Disability Insurance and Supplemental Security Income remain depressed during the first 9 months of the pandemic.

The decreased employment of older adults coupled with a lack of increase in Social Security benefit claiming suggests that many older workers may be relying on temporary programs such as stimulus payments and Pandemic Unemployment Assistance. Expiration of these programs in the coming months, coupled with increased vaccination and return to face-to-face work suggest that we may see increased demand for Social Security benefit claiming. Alternatively, older workers may respond to COVID-19 by delaying retirement in an effort to recover lost earnings and wealth, patterns which have also been observed in previous downturns. We will continue to use event study methods with CPS, administrative and Google Trends data to understand employment and benefit claiming trajectories of older workers.