Suitability Index by Aggregate Occupation

This data file contains a suitability index measuring how well-suited older workers are to different occupations. Occupations are evaluated by how old their retirement ages tend to be in practice; how likely workers are to file for disability; and the extent to which the required skills for the occupation decline with age. These three characteristics capture different dimensions of older workers' ability to do different occupations. Each characteristic is then correlated with projected job growth to assess whether older workers will be able to do the jobs of the future. Finally, the three characteristics are combined into a single index of suitability of occupations for older workers.

Variables

"final" is the final set of occupations. These categories are created by linking CPS occupations codes to SOC occupation codes. The groups are further coarsened so that no occupation is smaller than 2% of the population. The final categories closely resemble two-digit level SOC codes.

"pc1_norm" is the normalized suitability index. This index is the first principal component of susceptibility, SSDI applications, and average retirement ages. Susceptibility, an index measuring how likely the abilities important to an occupation are to decline with age, is taken directly from Belbase, Sanzenbacher, and Gillis (2017). SSDI applications and average retirement ages are calculated from the SIPP and HRS respectively. To give this measure meaningful units, it is standardized such that 0 represents an occupation of precisely average suitability for older workers, and a 1-unit change in the index corresponds to a 1-standard deviation change in suitability. Furthermore, the index is declining in suitability; that is, a higher value of the index indicates an occupation that is less suitable for older workers.

"pc1" is the non-normalized suitability index.

If you have any questions about the file or how it was prepared, please contact Gal Wettstein at wettsteg@bc.edu

References

Belbase, Anek, Geoffrey T. Sanzenbacher and Christopher M. Gillis. 2017. "Beyond Blue and White Collar: Age-Related Decline, Occupation, and Retirement Timing." *Journal of Retirement* 5(2): 26-41.

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