

Older Workers' Employment and Social Security Spillovers through the Second Year of the COVID-19 Pandemic

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Key Findings and Policy Implications

This paper examines employment outcomes and OASDI applications during the second year of the COVID-19 pandemic, following up on a predecessor study that focused on the first year of the pandemic. It uses data from the Current Population Survey, SSA's State Monthly Workload Data, and SSA's Monthly Data for Retirement Insurance Applications. The study finds that:

- In the second year of the pandemic, there were continuing improvements in employment outcomes among older workers in the labor force, along with sustained higher levels in the share no longer in the labor force.
- Applications for Social Security disability benefits remain depressed, particularly for Supplemental Security Income.
- The expiration of expanded unemployment insurance is associated with a drop in older adult unemployment rates and an increase in Social Security Disability Insurance claiming.
- Social Security retirement benefit claiming has rebounded to pre-pandemic levels but has shifted from offline to online applications.

The COVID-19 pandemic triggered a large and immediate drop in employment among US workers, along with major expansions of unemployment insurance and work from home. Unlike prior recessions, however, where older workers turned to Social Security retirement or disability insurance benefits, the drop in employment in the first year of the COVID-19 pandemic was accompanied by a decline in applications for disability insurance, and no significant change in retirement applications. This follow-up study identifies the impacts that have persisted into the second year of the pandemic, notably depressed SSDI applications, and those that have trended back toward pre-pandemic levels.

The research reported herein was performed pursuant to grant RDR18000003 from the US Social Security Administration (SSA) funded as part of the Retirement and Disability Research Consortium. The opinions and conclusions expressed are solely those of the author(s) and do not represent the opinions or policy of SSA, any agency of the Federal Government, or NBER. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of the contents of this report. Reference herein to any specific commercial product, process or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply endorsement, recommendation or favoring by the United States Government or any agency thereof.