



---

# WORK-RELATED INJURIES AND OLDER WORKERS: EARNINGS, LABOR SUPPLY, PROGRAM PARTICIPATION, AND RETIREMENT

*Research conducted by Erin Bronchetti, Swarthmore College and Melissa McInerney,  
Tufts University  
September 2023*

A substantial number of workplace injuries and illnesses are incurred by older workers as they approach retirement age and have little time left in their careers for their labor supply and earnings to recover. This leads to concerns about retirement security for this group and the adequacy of Social Security Old Age and Survivors Insurance (OASI) benefits.

## **Older individuals' work and retirement following a workplace injury**

Despite older workers accounting for a sizable share of the population that suffers serious work-related injuries and illnesses, little is known about the effects of workplace injuries that occur later in workers' careers, as they plan for and approach retirement. This study examines the longitudinal trajectories of injured workers' earnings, labor supply, and program participation in Workers' Compensation (WC), SSDI, and SSI before and after injury onset. How workplace injuries impact the timing of retirement and OASI claiming remains an open empirical question. A work-related injury may make it physically difficult for an individual to continue to work, leading to earlier claiming. However, injuries may also cause reductions in income and wealth, leaving affected workers with less retirement security and prolonging their working years.

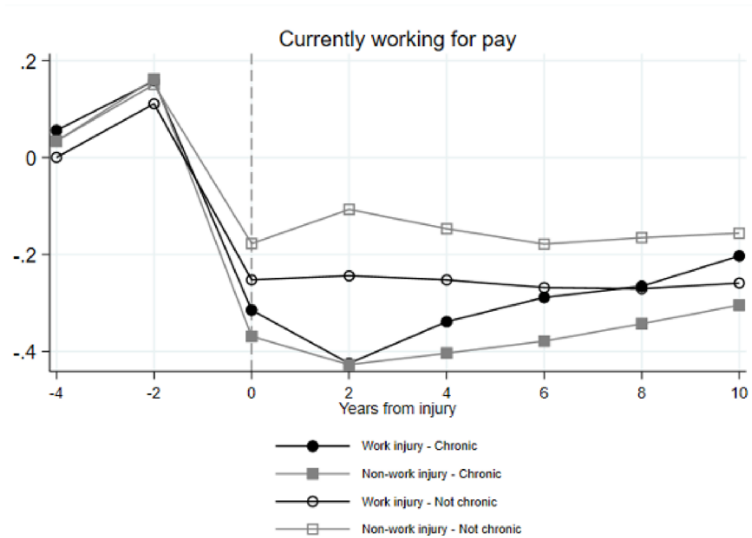
The analysis focuses on a sample of older injured workers from the Health and Retirement Study and classifies injuries according to work-relatedness and persistence (i.e., chronic versus not chronic).

## **Employment and Earnings Decline Immediately**

Older workers who incur work-related injuries experience immediate and dramatic decreases in labor supply and earnings. The patterns of these changes are similar to those experienced by older workers with injuries that did not arise at work. Overall, the persistence of the injury tends to matter much more for workers' post-injury outcomes than whether the injury originated at work, with chronic injuries involving significantly larger detrimental changes.



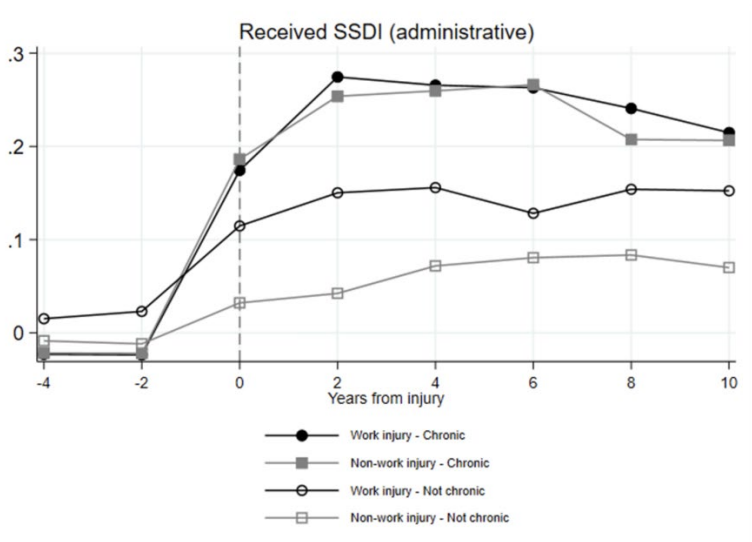
Figure 1: Change in probability currently working for pay, before and after injury onset  
(Sample: HRS, 1992-2018)



## SSDI Participation, Retirement and Early OASI Claiming Increase

The results show that older workers with work-related injuries experience increased participation in SSDI, early OASI claiming, and self-reported early retirement. There is also an increase in WC participation in the first two years following injury. Despite these program supports, decreases in total household income (including program income) suggest these workers might be less financially prepared for retirement than they were several years prior to their injuries.

Figure 6: Change in SSDI receipt, before and after injury onset  
(Sample: HRS, 1992-2018)





---

## Implications

- Workplace injuries that occur later in workers' careers have dramatic consequences, including reduced earnings and labor supply, increased reliance on programs like SSDI, SSI, and WC, and early retirement and OASI claiming. Policymakers should consider retirement security for these workers.
- The implications for OASI adequacy are particularly important to consider both because the OASI benefit is a function of earnings—and workers with injuries experience persistently lower earnings—and because there is a penalty for claiming at ages younger than the normal retirement age—and workers with injuries retire at younger ages.
- This work identifies a new group of workers that should be part of policy conversations concerning benefit adequacy—workers who experience late-in-career workplace injuries.

The research reported herein was performed pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Retirement and Disability Consortium. The opinions and conclusions expressed are solely those of the author(s) and do not represent the opinions or policy of SSA or any agency of the Federal Government. 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.