

In the second place, many Americans—contrary to popular opinion—are not born poor. They become poor. They become poor very frequently as a result of economic changes in our society—changes that affect a worker's job-finding chances when his employer moves, reduces his work force, or closes down permanently. These economic changes take place all the time in a dynamic economy. While we do not want to prohibit such changes, neither should we ask the employee to pay a disproportionate price for them.

Typically it is the older worker who pays this price. We have done a number of studies, especially one in Detroit and more recently one in Pennsylvania and we find this is the case typically.

Study after study has shown that once the older worker becomes unemployed, his chances for finding a new job are much less than for younger unemployed workers, and the longer the duration of his unemployment. For administrative and research purposes, we usually choose age 45 and older as a convenient definition of the "older worker," although this figure may vary by industry and occupation.

Mr. DENT. Would the gentleman yield at that point for a question?

Dr. SHEPPARD. Yes, sir.

Mr. DENT. Much of the testimony and much of the discussion in this area tend to show that perhaps age 45 is not the lower limit at which age discrimination becomes prevalent. It appears that 40 is closer to the age at which discrimination really starts, especially in the areas of junior executives, for instance, and for the unskilled worker. The craftsman is still very much needed in the market because of the fact there are a limited number of craftsmen, but the unskilled worker on the one hand and the junior executive on the other hand, from our observation, are becoming increasingly affected to the point where 45 seems unrealistic.

Dr. SHEPPARD. It varies from occupation to occupation, from industry to industry. How you will work that out, I have not given much thought to, but I know bureaucrats like a simple figure to work with.

Mr. DENT. You said simple figure, not simple bureaucrats.

Dr. SHEPPARD. You said that; I won't comment on that. I once was a bureaucrat, as Congressman Hawkins might remember. I was among those trying to get something done in his area in Los Angeles before the riots.

Mr. HAWKINS. I think I gave him so much trouble he left.

Dr. SHEPPARD. Well, that is another story. It does vary but the main point is the high risk of long-term unemployment means a higher risk of becoming poor and then remaining poor.

To repeat my main point, many people are not born poor, but become poor and they remain poor and we are concerned about what happens to them in the long term.

Over the past several years, an increasing proportion of the long-term unemployed are older men and women. The Manpower Report for 1967 indicates that more than one-half of the adults unemployed for more than 6 months are men and women 45 years of age or older. The older an unemployed person is, the higher the chances for long-term unemployment.

Among adult groups, even if we exclude those over the age of 65, we find that after the age of 45 the rate of poverty among heads of families is directly related to being older. Among unrelated individuals