
The impact of employer's characteristics on the willingness to hire older workers: Evidence from a stated preferences experiment

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Abstract

This paper makes use of a vignette study to investigate employer's willingness to hire older job applicants. We focus on the extent to which the hiring probability of older job applicants is related to various characteristics of the applicants, and simultaneously investigate the role of employer's characteristics such as age and gender, and their assessment of older workers' wage, productivity and skills compared to that of younger workers. The evidence indicates that the probability of being hired decreases substantially with the age of the job applicant. Other things equal, a 60-year-old job applicant has a 44%-point lower probability of being hired compared to a 35-year-old applicant. Having 10 years of related work experience increases the hiring probability by 29%-points relatively to applicants with no experience, while substantial training needs decreases the hiring probability with 53%-points. Our estimates show that the hiring probability of older job applicants depends significantly on the age of the employer. Job applicants aged 60 years have a 10%-points higher probability of being hired when the employer him-/herself is older than 55 years of age than when the employer is aged 35 years or less. We furthermore find that positive assessments of employers on older workers' relative wage costs, productivity, and skills increase the hiring probability, but that the significant interaction effect between the age of the job applicant and that of the employer does not disappear when we control for these assessments. This is consistent with taste-based theories of discrimination.

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