Age and Productivity: Evidence from car manufacturing and financial services

Dr. Matthias Weiss
*Munich Center for the Economics of Aging (MEA)*

We study the relation between workers’ age and their productivity in work teams, based on a new and unique data set that combines data on errors occurring in the production process of a large car manufacturer with detailed information on the personal characteristics of workers related to the errors. We correct for non-random sample selection and the potential endogeneity of the age-composition in work teams. Our results suggest that productivity in this plant which is typical for large-scale manufacturing does not decline at least up to age 60. In addition, we present preliminary results from a large insurance company with very similar age-productivity-profiles.