Remaining active in the labour market: Trends, gender and characteristics of the over 50s

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Abstract

Drawing on data from the Quarterly National Household Survey this paper examines the changes in the proportion of people aged over 50 active in the Irish labour market at three points in time 1998, 2007 and 2014. Results indicate that increasingly a greater proportion of workers over the age of 50 remain active due in the main to the dramatic increase in the proportion of older females remaining in the labour force. By 2014 the 50 to 64 age group accounted for almost a quarter of all economically active persons in the labour market between the ages of 15 and 64. Older workers are more likely to be employees and less likely to be employers or self-employed in 2014 compared to 1998 and older workers in lower level occupations, particularly over the age of 60 are more likely to remain economically active. Older males are substantially more likely to report being unable to work due to a disability and older females are more likely to report home duties as their main status. Education level is strongly associated with the likelihood of older workers remaining economically active particularly for the 50 to 59 age group and for females.

Introduction

Across most developed industrialised societies governments are steadily increasing the age for eligibility for the state employment pension. Paradoxically until relatively recently as Taylor (2013:1) observes an 'early exit' culture was pervasive among most industrialised economies. A central driver of this change is the increasing cost of state pensions as people live longer and hence claim for an ever longer period of retirement. Longevity in Ireland has risen substantially in recent years. Life expectancy for males at birth in 1951 was 64.5 years for men and 67.1 for females while by 2011 life expectancy reached 78.3 years for males and 82.7 for females. In Ireland the contributory state pension retirement age will rise to 67 in 2021 and 68 in 2028. For those born on or after 1 January 1955 the minimum qualifying State pension age will be 67 and for those born after 1 January 1961 the minimum qualifying State pension age will be 68. Yet government policy in the public sector has explicitly focused on encouraging employees to retire early since the financial crisis in 2008.

Over future decades, population ageing will induce a substantial "greying" of the working age population in OECD countries. Increasing the labour force and employment of older workers, not least by raising effective retirement ages, could help alleviate the burden of ageing populations by increasing output and curbing increases in spending on old-age pensions, while at the same time generating higher tax revenues to finance them. Indeed there is evidence that higher labour force participation of older workers would be welfare

enhancing in many countries (Duval, 2003). In the future it is hoped that more people will work until state pension age and beyond, and indeed in many countries state pension ages are rising (OECD, 2011).
Aside from the economic argument there is a substantial literature extolling the benefits of a longer working life. Work is perceived as a central part of a person's sense of self and identity with substantial social as well as economic rewards. A longer and healthier life has created a set of positive conditions conducive to working beyond the traditional retirement age of 60 or 65. While there is no agreement on a definition of an 'older' worker, there is a broadly shared view that, in the workplace context at least, one becomes identified as 'older' somewhere between the chronological ages of 50 and 55 years of age (McCarthy et al, 2014). In this paper older workers are defined as those economically active in the labour market between the age of 50 and 64 (the customary retirement age is 65).

The proposed changes to the retirement age imply that the proportion of people active in the labour market over the age of 50 and 60 will increase substantially in the coming years. Yet no systematic empirical evidence is available to guide policy in this area. Drawing on data from the Quarterly National Household Survey (QNHS) this paper examine the changes in the proportion of people aged over 50 active in the Irish labour market at three points in time 1998, 2007 and 2014. This allows us to assess the impact of the financial crisis in 2008. Unemployment increased dramatically after 2008 reaching nearly 15 per cent in 2012 possibly leading to an increase in the retirement of older workers (Coile and Levine, 2007). There is some evidence to suggest that unemployed workers permanently leave the labour force at a significantly higher rate than employed workers (Marmora and Ritter, 2015). Older job seekers who experience difficulties finding work may retire earlier than expected. On balance rising unemployment is likely to increase the probability of retirement (Coile and Levine, 2011).

Additionally using the recent 2014 QHNS survey we focus on the gender, educational and occupational characteristics of those remaining active in the labour market up to the age of 64. Section 1 provides a brief literature review, the research questions addressed and the data and methodology used. Section 2 focuses on the trends in the participation rate of older workers in the labour market. Section 3 explores the characteristics of the economically active older workers and section 4 the characteristics of older people who remain inactive. Section 5 examines the relationship between education and the probability of older people remaining active in the labour market.

Section 1: Literature and theory

A number of economic and sociological factors can be suggested that are likely to influence older peoples decision to remain economically active. Economic explanations focus on the time preferences of individuals with regard to the trade-off between work and leisure while sociological explanations dwell on the intrinsic rewards of work and associated social status and identity aspects of work. For women the decision to remain active in the labour market is also likely to be influenced by family commitments especially those of a caring nature. Time preferences with regard to leisure and work draw on the concept of marginal utility (Becker (1965; Ghez and Becker, 1975). Utility refers to how valuable or satisfying an item is to the individual. Marginal Utility theory examines the increase in satisfaction the individual gains from consuming an extra unit of a good. Rational individuals are assumed to want to maximise the things they enjoy most. The trade-off between work and leisure means that (i) the more people work the less leisure time available to them and (ii) for a given hourly wage the more workers value maximising earnings the marginal utility for each additional hour worked is likely to lead to longer working hours before the marginal utility for and leisure are equal. If one assumes that people in the labour market value maximising earnings then they are likely to stay working in some capacity.

However the extent to which marginal utility can predict individual preferences is rather limited. People are assumed to want to maximise the outcomes they value and minimise negative outcomes. Secondly people are assumed to have sufficient information to calculate what is in their best interests. Thirdly that valued outcomes can be quantified to a sufficient degree to enable a choice between work and leisure. In practice people are not always certain of what they value, rarely have sufficient information and find it difficult to quantify outcomes. Since people in similar jobs may have different preferences it is only possible to speculate on likely or dominant patterns as to factors that influence older workers to remain economically active. As people get older they may value leisure more highly than work.

Generally it appears that leisure time has increased, particularly in European countries, but also substantially in the United States since the 1960s (Freeman and Schettkat, 2005; Aguiar and Hurst, 2007). For older workers over 50 there is increasingly a possible choice between remaining economically active or retiring and exiting the labour market. Time preferences based on marginal utility of leisure and work would suggest that some workers prefer to remain economically active because the gains from work are greater than the returns from any extra leisure. Preferences to remain economically active may stem from extrinsic instrumental rewards of work or from intrinsic satisfactions from the nature of the work and associated social community at work. As the wage rate rises instrumentally oriented individuals will substitute away from leisure and work more hours to take advantage of the higher wage rate, or in other words substitute away from leisure because of its higher opportunity cost. In addition a number of sociological factors may make work more attractive and encourage individuals to remain economically active as they age. Workers maybe influenced in their preferences by work that is high on intrinsic interest, conveys high status and provides a community of work colleagues in the workplace with whom they identify strongly. There is some evidence to show that older employees compared to younger employees put more emphasis on good relationships with colleagues, while income, advancement opportunities, job security and having an interesting job are less important (Drabea et al, 2015).

In the data used here occupational level is used as a proxy for both the economic and sociological factors that influence individual preferences. Higher level occupations such as the professions tend to be associated with both high instrumental rewards and interesting and high quality work. Alternatively low level occupations tend to be jobs associated with uninteresting work, poor working conditions and low extrinsic rewards. Empirical trends from the United States indicate that at the turn of the 20th century low wage workers worked longer hours than high wage workers but this differential disappeared by the early 1970s and increasingly after 1970 high wage workers worked relatively more hours (Costa, 2000). Consequently it can be expected that workers in higher level occupations are more likely to remain economically active over the age of 50.

Hypotheses 1: workers in higher level occupations are more likely to remain economically active over the age of 50

Alternatively a preference to exit the labour market or remain inactive may arise from a higher value placed on leisure than work. This may be reinforced for the individual by a favourable economic circumstances and the availability of pension entitlements and early retirement opportunities. Workers in higher level occupations are more likely to be in more financially favourable circumstances with pension entitlements than workers in lower level occupations. These advantages for higher level occupations will be particularly salient in older workers over the age of 60. In contrast lower level occupations economic circumstances may preclude early retirement from the labour market.

Hypothesis 2: Older workers in lower level occupations, particularly over the age of 60 are more likely to remain economically active than workers in higher level occupations

However the latter trend may be counteracted by an individual's capacity to remain working due to health and family factors. An individual's circumstances may preclude any choice or preference in cases of illness or adverse family circumstances. Professional workers have a longer life expectancy than unskilled and low level occupations and higher levels of education are associated with a higher life expectancy (CSO, 2010). Thus a higher number of older workers in unskilled and lower level occupations are likely to be forced to retire from working due to long-term illnesses than workers in higher level occupations. Consequently persons with low levels of education who are economically inactive are more likely to have withdrawn from the labour market because of ill health or a disability of some type.

Hypothesis 3: Economically inactive persons over the age of 50 with lower levels of education are ceteris paribus more likely to suffer from long-term illnesses and disabilities than respondents with higher levels of education

Gender and the end of working life

Loretto and Vickerstaff (2015) argue that there has been a remarkable lack of attention paid to the role of gender in extending working lives. Firstly there is little consideration of the relationship between gender and flexible working beyond the child caring phase of life and, secondly the tendency to assume that the end of working life and retirement are gender neutral (see also Calasanti, 1996; Wright and Soutter, 2015). Based on a qualitative study of people aged 50+ in the UK Loretto and Vickerstaff (2015) challenge some of the key assumptions underpinning the utility of flexible work in extending working lives and suggest that the ways in which working in later life is constructed and enacted is different for men and women.

Few older men appear to avail of flexible work options, particularly part-time working. Most men work full-time and then retire with little evidence for gradual retirement (Hofacker, 2010: 84–99). The most common form of flexibility is part-time working and women are markedly more likely to have worked part-time across their life-course (Hofacker and Konig: 2013) (refs here!!!). Typically many women stopped work to raise children when their first child was born and then returned to work, often different work, on a part-time basis as the family grew. Often many women modified their hours in later life to undertake caring for elderly parents, an ailing partner or grandchildren (Loretto and Vickerstaff, 2015). Such flexible part-time work is often associated with low skilled, low-paid jobs with few prospects particularly for the over 60s in Anglo-Saxon countries (Kalleberg et al, 2000; McGovern et al., 2004; Lain, 2012).

Hypothesis 4: Males over 50 are likely to have significantly lower levels of part-time working than women over 50

Hypothesis 5: Among the economically inactive women over are significantly more likely to be inactive because of home duties than men

Given that women are more likely to work part-time and many of these jobs are of low quality and poorly paid often involving flexible Zero type contracts there may be a strong propensity to escape into retirement if at all affordable compared to men in full-time work. Indeed it has been argued that part-time working in practice may actually inhibit temporal flexibility on the part of the employee who feel they have to be available 'on-call' all the time (Dick, 2010; Rigby and O'Brien-Smith, 2010).

Hypothesis 6: Women over the age of 50 are more likely to exit the labour market than men over 50

Data and Methodology

The data analysed comes from the Quarterly National Household Survey (QNHS). The QNHS is a large-scale, nationwide survey of households in Ireland. It is designed to produce quarterly labour force estimates that include the official measure of employment and unemployment in the state. The survey began in September 1997, replacing the annual April Labour Force Survey (LFS). A field force comprising 12 field co-ordinators and 152 field interviewers interview 39,000 households each quarter. To explore the characteristics of older persons both economically active and inactive we rely on the QNHS at three different points: 1998 (Quarter2), 2007 (Q2) and 2014 (Q4). This allows a comparison between 1998 and 2014, a period of 16 years and any possible effects from the financial crisis in 2008. All descriptive data and regressions are run using the standard weight provided by the Central Statistics Office used to gross up the number of respondents.

The focus in this paper is confined to people of working age (between 15 and 64) who are either employed or actively looking for work. The participation rate or economically active is the number of people in the labor force divided by the size of the adult population between the ages of 15 and 64. The non-labour force or the economically inactive includes those who are not looking for work, those unable to work and stay-at home spouses. Persons economically active are calculated here using the main ILO employment status measure[1]. Active persons include four categories: In Full-time work; In part-time work; Seeking full-time employment/Future job starter/ Seeking employment as self-employed; Seeking part-time employment. Inactive persons include the following categories: Actively seeking not

[1] An alternative measure used to calculate the economically active is to use the respondents main status which classifies people as active in the labour market by combining the 'at work' and the 'unemployed'. We believe the ILO measure to be a more sensitive measure and the number returned as economically active using the ILO measure is slightly higher than the 'main status' measure.

available (inc Passive job-seekers, Job starting in less than 3 months not available, Job starting in more than 3 months); Available not seeking; Not available and not seeking because is in education or training; Not available and not seeking because of all other reasons; Does not want job; Persons aged 75 or over; Not applicable (Person aged less than 15 years).

Occupation is a central measure used in our analysis. The Central Statistics office categorises jobs hierarchically using the UK standard occupational classification into nine broad occupational groupings: 1. Managers/Senior administrator occupations; 2. Professional; 3. Associate professional; 4. Clerical and secretarial; 5. Craft and related; 6. Personal and protective services; 7. Sales; 8. Plant and Machine operatives; 9. Other. For reasons of parsimony the nine occupational groups are aggregated into three main occupational groups in our analysis as follows:

(1) Higher professional level occupations composed of (i) Managers/Senior (ii) Professional occupations and (iii) Associate professional jobs

(2) Middle level occupations composed of (i) Administrative/routine white collar jobs (ii) Craft and technically skilled occupations

(3) Lower level occupations that includes (i) Personal and protective services (ii) Sales (iii) Plant and Machine operatives (iv) Other (usually manual jobs).

(see appendix 1 for a more detailed breakdown of the jobs in each broad occupational group).

Section 2: Trends in the economically active in persons aged 50 to 64

Between 1998 and 2014 the labour market participation rate of the 50 to 64s increased from 52 to 66 per cent of all eligible people driven in the main by the substantial increase in the participation rate of females in the 50 to 64 age category (table 1). Most of the increase occurred between 1998 and 2007. Males are significantly more likely to participate in the labour market than females. Nevertheless the rate of increase in the participation of women from 31 per cent in 1998 to 55 per cent in 2014 is substantially greater than the change for men from 72 to 76 per cent by 2014. The financial crisis in 2008 slowed the rate of increase with a modest increase from 2007 to 2014 of three per cent solely as a result of increased female participation.

Disaggregating the older workers into five yearly categories indicates a general between 1998 and 2014. However the proportion of people active in each age category in 2014 declines from 77 per cent of the 50 to 54s to 69 per cent of the 55 to 59s and 48 per cent or less than half of the 60 to 64s. The increase in the participation rate for men in all age categories between 1998 and 2014 was positive thought relatively modest. In 2014 the proportion active in the 50 to 54 age group was 87 per cent, 79 per cent in the 55 to 59 group and 59 per cent in the 60 to 64s. By contrast there was a significant increase in the proportion of women active in each age category between 1998 and 2014. The proportion of economically active females increased between 1998 and 2014 from 42 to 67 per cent in the 50 to 54 group, 30 to 58 per cent in the 33 to 59 category and more than doubled from 17 to 38 per cent in the 60 to 64s. There appears to be no support for hypothesis 6 that women over the age of 50 are more likely to exit the labour market than men over 50. In 2014 the fall in the proportion of economically active males and females over the three age categories from 50 to 64 was relatively similar.

Over the period 1998 to 2014 there was a small increase in the economically active in the 65 to 69 age category of four percentage points with males and females increasing by three and seven percentage points respectively. Even so slightly less than a fifth of the 65 to 69 age group were economically active in 2014.

Table 1: Persons active in the labour market 1998 and 2014 (Includes employed and unemployed)

	Active in labour force				**Men**				**Women**			
Age	**1998 (Q2)**	**2007 (Q2)**	**2014 (Q4)**	**Change 1998-2014**	**1998**	**2007**	**2014**	**1998 to 2014**	**1998**	**2007**	**2014**	**1998 to 2014**
	%	%	%		%	%	%		%	%	%	
50-64	**52**	**63**	**66**	**+14**	**72**	**76**	**76**	**+4**	**31**	**49**	**55**	**+24**
50-54	64	75	77	+13	85	87	87	+2	42	64	67	+25
55-59	51	63	69	+18	72	78	79	+7	30	49	58	+18
60-64	35	46	48	+13	53	61	59	+6	17	31	38	+21
65-69	15	19	19	+4	24	27	27	+3	5	10	12	+7

In 1998 the 50 to 64 age group accounted for 17 per cent of all economically active persons in the labour market between the ages of 15 and 64 and 24 per cent by 2014 or just over half a million workers (table 2). While the proportion of males increased by 6 percentage points between 1998 and 2014, females in the 50 to 64 age category increased by 11 percentage points. Thus by 2014 males accounted for 26 per cent of all economically active males between the ages of 50 and 64 and females for 23 per cent of all females participating in the labour market.

Comparatively an increase in the older workers occurred in all 27 European Union states with the exception of Romania and Portugal between 2000 and 2010 in the 55 to 64 age group (Eurofound, 2012). By 2010 Ireland recorded above average rates of participation for the 60 to 64s and about average rates for the 55 to 59s (Eurofound, 2012). However based on OECD figures Irish males and females had above the average participation rates for the EU15 countries in 2010 (Taylor, 2013: 3-5).

Table 2: 50 to 64s as a proportion of the economically active (15 to 64)

	1998			2014		
	All %	**Male %**	**Females %**	**All %**	**Male %**	**Females %**
50 to 64s as % of total active 15 to 64s in LM	17	19	12	24	26	23
N	**268090**	187989	80101	**508990**	292564	216426

The proportion of the economically active working full-time in 2014 remained stable for the 50 to 54 and 55 to 59 age categories at 70 per cent and declined to 62 per cent for the 60 to 64 age category. Part-time work accounted for 16 to 17 per cent of 50 to 59 year olds increasing for the 60 to 64 age category (table 3). Those seeking full-time and part-time work hovered around the 6 to 8 per cent for the 50 to 64 ages.

There were marked differences in the distribution of full-time and part-time jobs of males and females. Only a small proportion of males worked part-time - rising to 10 per cent for the 60 to 64 age group of the economically active. Part-time work was significantly more prevalent among females in the 50 to 64 age groups at 33 per cent of 50 to 54 year olds, 29 per cent of the 55 to 59 age category and 46 per cent of the 60 to 64 group. This provides substantial support for hypothesis 4 that males over 50 are likely to have significantly lower levels of part-time working than women over the age of 50.

Table 3: Breakdown of active workers (ILO measures) 2014

All persons	**Fulltime Work %**	**Part-time work %**	**Seeking fulltime work %**	**Seek Part-time %**	**Total active %**	**Total in active %**
50-54	70	17	6	7	76	24
55-59	70	16	5	9	68	32
60-64	62	24	7	7	48	52
Males						
50-54	82	4	4	10	87	13
55-59	79	6	4	11	79	21
60-64	75	10	7	8	58	42
Females						
50-54	55	33	8	4	66	34
55-59	59	29	7	5	58	42
60-64	44	46	6	4	37	63

Section 3: Characteristics of the economically active

In this section some of the characteristics of the economically active of the 50 to 64 age category are examined. Employers as a proportion of the economically active in the 50 to 64 age category have declined between 1998 and 2014 from 11 per cent in 1998 to seven per cent in 2014 (table 4). The proportion of self-employed active in the labour market has also declined for this age group from 22 to 17 per cent in the same period while the proportion of employees of those active in the labour market increased from 67 to 76 per cent. Thus those classed as employees have increased substantially as a proportion the economically active in the 50 to 64 age group. As a proportion of the economically active, employees aged 50 to 54 increased from 71 to 80 per cent between 1998 and 2014, 66 to 76 per cent in the 55 to 59 group and 57 to 67 per cent in the 60 to 64 category. Even so those classed as employers and self-employed tend to increase as a proportion of the economically active in the older age categories particularly in 1998. Overall the trends indicate that increasingly older workers are more likely to be employees and less likely to be employers or self-employed in 2014 compared to 1998.

Table 4: Proportion of employees, self-employed and employers 1998 and 2014

	Employer			**Self-employed**			**Employees**		
Age	**1998 (Q2)** %	**2014 (Q4)** %	**Change 1998-2014**	**1998** %	**2014** %	**Change 1998-2014**	**1998** %	**2014** %	**Change 1998-2014**
50-64	**11**	**7**	**-4**	**22**	**17**	**-5**	**67**	**76**	**+9**
50-54	10	6	-4	19	14	-5	71	80	+9
55-59	11	7	-4	23	17	-6	66	76	+10
60-64	13	9	-4	30	24	-6	57	67	+10

In table 5 occupations are sorted into three main groups: professional jobs, routine white collar and skilled jobs and lastly into lower service and manual type jobs. Professional type jobs for all the economically active from 15 to 64 increased from 36 to 38 per cent between 1998 and 2014, middle level jobs remained stable and service/manual type jobs declined from 38 to 36 per cent. However the trend for 50 to 64s reflects a different pattern with professional type jobs among this age category decreasing from 47 to 35 per cent of all occupations. Alternatively middle levels jobs as a proportion of all jobs have increased from 19 per cent in 1998 to 31 per cent in 2014 while service /manual type jobs have remained at 34 per cent over this period. This provides scant support for hypothesis 1 that workers in higher level occupations are more likely to remain economically active over the age of 50. Indeed while the proportion active in lower level occupations remained stable the proportion active in professional type jobs declined by a significant amount.

In 2014 the decline in the proportion of professional type jobs is greatest for the 60 to 64 age category. The proportion in middle level jobs increased substantially while the proportion of service/manual jobs also increases moderately with age in 2014. These patterns provide some support for hypothesis 2 that older workers in lower level occupations, particularly over the age of 60 are more likely to remain economically active than workers in higher level occupations.(though not to the same extent as middle level occupations).

Table 5: Occupational shares 1998 and 2014

	PROFESSIONAL			**WCSKILLED**			**SERVICE/MANUAL**		
	1998 %	**2014** %	**Trend**	**1998** %	**2014** %	**Trend**	**1998** %	**2014** %	**Trend**
15 - 64	**36**	**38**	**+2**	**26**	**26**	**0**	**38**	**36**	**-2**
50 - 64	**47**	**35**	**-12**	**19**	**31**	**+12**	**34**	**34**	**0**
50 - 54	44	36	-8	21	29	+8	35	35	0
55 - 59	48	36	-12	17	31	+14	35	33	-2
60 - 64	53	29	-24	17	35	+18	29	36	+7

Flexible working patterns

It is generally held that older workers favour more flexible forms of work as they move towards retirement. The most common form of flexible work is part-time working. The trend in part-time working has increased for the 50 to 64 age category from 21 per cent of employees (excluded are employers and the self-employed) in 1998 to 28 per cent in 2014 (table 6). This increase is associated with a rise in the proportion of men working part-time from 8 to 13 per cent while the proportion of women remained relatively stable at just over 40 per cent.

Part-time working tends to be highest for the 60 to 64 age group rising from 26 per cent of the 50 to 59s to 29 per cent for the 60 to 64s. For men there was a steady increase across the age categories from 9 per cent for the 50 to 54s to 21 per cent for the 60 to 64s in 2014. By 2014 over 50 per cent of female employees in the 60 to 64 age group worked part-time – an increase of six percentage points since 1998. While the data again supports hypothesis 4 that older male workers are less likely to work part-time nevertheless there has been a modest increase of older men working part-time particularly in the over 60s.

Table 6: Gender and part-time work 1998 to 2014 (Employees only)

	Part-time employees			**Male part-time**			**Female part-time**		
	1998 %	**2014 %**	**Trend**	**1998 %**	**2014 %**	**Trend**	**1998 %**	**2014 %**	**Trend**
50 - 64	**21**	**28**	**+7**	**8**	**13**	**+5**	**43**	**42**	**-1**
50 - 54	21	26	+5	8	9	+1	42	41	-1
55 - 59	21	26	+5	9	13	+4	42	38	-4
60 - 64	23	29	+6	10	21	+11	49	55	+6

Section 4: Characteristics of the Inactive

Table 7 shows the main status as indicated by respondents aged 50 to 64 who are economically inactive. A majority of those in the 50 to 64 category give their main activity as home duties (41%) 23 per cent are retired and 22 per cent unable to work. For the 50 to 59 age group who are inactive home duties is the main status reported, 55 and 44 per cent respectively for the 50 to 54 and 55 to 59 groups. In the same age groups a quarter of respondents report being unable to work due to a disability of some sort. For the 60 to 64 and retirement is the dominant reason for not being active in the labour market while home duties still figures as a principle factor for a third of respondents.

The pattern is starkly different for males and females. A noticeable factor accounting for being inactive among males is the large proportion in each category especially the 50 to 59 category who report being unable to work due to a disability. Few report home duties as a reason for being inactive. By contrast a much smaller proportion of females report being unable to work due to a disability and a significantly larger proportion (over 50 per cent) report home duties as their main status. These results provide substantial support for hypothesis 5 that inactive women over 50 are more likely to report home duties as their main status compared to men.

Table 7: Main status of those <u>inactive</u> persons 45 to 64 (derived by the proportion of each category as a percentage of the relevant number of inactive persons for each age category) – QNHS 2014

All inactive persons	Student %	Retired %	Unable to work %	Home duties %	Other %	Total* %	N Inactive (weighted)
50-64	**1**	**23**	**22**	**41**	**2**	**89**	**269387**
50-54	2	6	23	51	3	85	69314
55-59	2	17	27	42	2	90	80971
60-64	0	38	18	35	1	92	119279
Males							
50-64	**1**	**37**	**37**	**2**	**2**	**80**	**93036**
50-54	3	13	46	3	4	68	19087
55-59	2	26	46	3	3	80	26751
60-64	0	54	28	1	1	84	47197
Females							
50-64	**1**	**16**	**14**	**62**	**2**	**93**	**176351**
50-54	2	3	14	70	2	92	50227
55-59	1	13	17	61	2	94	54220
60-64	0	27	12	57	1	97	72082

* While the totals should add up to 100 per cent, a small proportion of respondents classed as inactive nevertheless return their main status as working and an even larger proportion indicate being unemployed. These respondents have been omitted from the table.

Mean educational levels of the 50 to 64 of the inactive age group vary significantly by status. As predicted the mean educational levels of those reporting an inability to work because of sickness or disability of some type are the lowest and retired workers the highest (table 8). This is largely the case for both males and females who report their main status as being unable to work due to sickness/disability with males having slightly lower mean educational levels. Thus there is substantial evidence for hypothesis 3 that economically inactive persons over the age of 50 with lower levels of education are more likely to suffer from long-term illnesses and disabilities than respondents with higher levels of education. In addition the mean educational levels for those indicating home duties as their main status are also low, particularly for females.

Table 8: Mean educational levels* of inactive persons aged 50 to 64 QNHS 2014

Main status	All	Males	Females
Student	3.32	3.43	3.27
Retired	3.37	3.17	3.61
Unable to work	2.00	1.94	2.08
On home duties	2.36	2.60	2.36
Other	2.57	2.83	2.38
Total mean	2.52	2.47	2.55

* Educational level is coded 1=No or primary education; 2=Junior secondary level; 3=Leaving certificate level' 4=Post leaving certificate level; 5=Higher certificate and diploma level; 6=Honours degree, Masters, and PhD level.

Section 5: Education and remaining economically active

In table 9 the impact of gender and different levels of education on the likelihood of people being economically active in the labour market after the age of 50 is assessed. Respondents home region is also included (only 2 regions available). Education is measured using six different levels: Primary or lower level of education; junior certificate level; Leaving certificate level; Post leaving certificate; Higher certificates and diplomas and Higher education levels (honours degree, postgraduate degrees and PhDs. In the logistic regression primary or lower education is the referent measure. For the 50 to 64s as a whole, males are 2.9 times more likely to be active controlling for region and education. Region is significant but relatively minor. In general increasing levels of education are associated with a greater the likelihood of being active in the labour market. Compared to respondents with primary or lower people with a higher education level are 6.2 times more likely to be active while those with higher certificates and diplomas are four times more likely to be active. Educational level is a stronger predictor for females of the likelihood of being active in the labour market. Females with a post leaving certificate qualification are 5 times more likely to be active while males are only twice as likely. Higher level educational qualifications are particularly salient. Females with higher level qualifications are 8 times more likely to be active compared to females with none/primary education with males 5 times more likely to be active.

For the 50 to 54s this pattern is stronger with males four times more likely than females to be active and those with a higher level of education 13 times more likely to be active than respondents with only primary or lower education. However the impact of education and to a lesser extent gender declines for the 55 to 59s and particularly the 60 to 64 age group. Indeed respondents with higher education levels in the latter category are only twice as likely to be active compared to those with primary and lower education Levels. This implies that, though still more likely to be active, those with higher education levels are exiting the labour market between 55 and 64 at a faster rate than respondents with lower levels of education.

Table 9: Association between levels of education and remaining active (Dependent variable: 1=Remaining active; 0=Not active. Odds ratios and significance reported in the table).

	Binary logistic regression					
	50 to 64	**50 to 64 Females**	**50 to 64 Males**	**50 to 54**	**55 to 59**	**60 to 64**
Being male	**2.9****	**/**	**/**	**4.1****	**3.1****	**2.5****
Living in region 2	**1.1****	**1.2****	**1.06****	**1.1****	**1.1****	**1.1****
Having Junior cert	**1.8****	**1.5****	**2.3****	**1.8****	**1.8****	**1.4****
Having Leaving cert	**3.1****	**3.2****	**2.9****	**2.8****	**3.5****	**2.2****
Have post leaving ed	**3.9****	**5.3****	**2.2****	**7.5****	**3.8****	**1.7****
Have higher certs/diplomas	**4.0****	**4.7****	**3.2****	**7.0****	**4.9****	**1.6****
Have higher educ levels	**6.2****	**7.7****	**4.7****	**12.9****	**7.3****	**2.3****
Referent level: Primary or lower educational level						
Nagelkerke R^2	**0.14**	**0.12**	**0.06**	**0.19**	**0.16**	**0.1**
Chi.Sq.	**82846****	**35373****	**14822****	**39161****	**30049****	**15499****
% correctly predicted	**70%**	**65%**	**76%**	**77%**	**72%**	**60%**
N (unweighted)	**8888**	**4548**	**4340**	**3249**	**2958**	**2681**

Significance levels: * < .01 ** < .001

Conclusion

Increasingly a greater proportion of workers over the age of 50 remain active in the labour market increasing from 52 per cent in 1998 to 66 per cent in 2014. Although males are more likely to remain active there has been a dramatic increase in the proportion of older females remaining in the labour force. In 2014 the fall in the proportion of economically active males and females over the three age categories from 50 to 64 was relatively similar. Consequently there was no support for the proposition that women over the age of 50 are more likely to exit the labour market than men over 50. Significantly by 2014 the 50 to 64 age group accounted for a quarter of all economically active persons in the labour market between the ages of 20 and 64. Men accounted for 26 per cent of all economically active males, women for 23 per cent of all economically active females between the ages of 20 and 64.
The most common form of flexible work is part-time working and the incidence of part-time working increased modestly for the 50 to 64 age category between 1998 and 2014 mainly associated with a rise in the proportion of men working part-time while the proportion of

women remained relatively stable. Even so part-time working remains overwhelmingly the preserve of females with older male workers significantly less likely to work part-time. This provided substantial support for the proposition that males over 50 are likely to have significantly lower levels of part-time working than women over the age of 50. Given the prevalence of high levels of part-time working among women of all ages it can hardly be considered an innovative flexible practice to facilitate retaining older women in the labour market. Flexible work is often low quality and zero hour type contracts are not particularly flexible for the employees involved (Chalmers et al, 2005; Kalleberg, 2009).

Between 1998 and 2014 those classed as employees increased substantially as a proportion of the economically active in the 50 to 64 age group while the self-employed and employers have declined as a proportion of the labour force. Overall the trends indicate that increasingly older workers are more likely to be employees and less likely to be employers or self-employed in 2014 compared to 1998. While professional type jobs for all the economically active from 15 to 64 increased between 1998 and 2014, these occupations declined as a proportion of all occupations for older workers above 50 providing little support for the proposition that workers' in higher level occupations are more likely to remain economically active over the age of 50. Alternatively the proportion in middle level jobs increased substantially while the proportion of service/manual jobs also increases moderately with age in 2014 providing some support for the hypothesis that older workers in lower level occupations, particularly over the age of 60 are more likely to remain economically active.

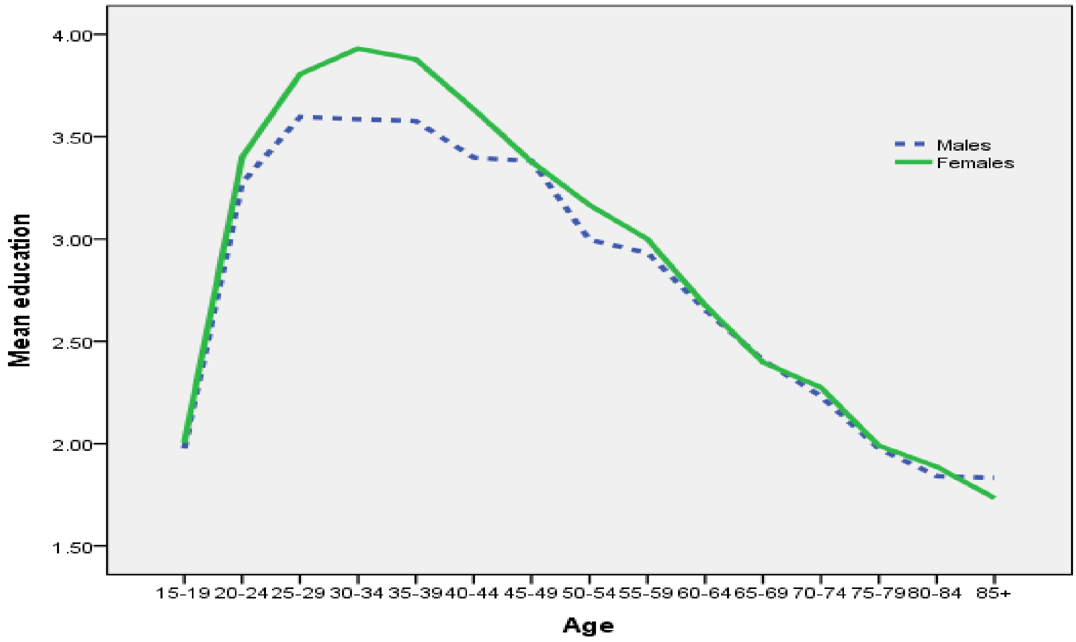
A majority of those economically inactive in the 50 to 64 category give their main status as home duties followed by retirement and being unable to work due to sickness. However there are stark differences between males and females. Older males are substantially more likely to report being unable to work due to a disability. Few males report home duties as a reason for being inactive. By contrast a much smaller proportion of females report being unable to work due to a disability and a significantly larger proportion indicate home duties as their main status. These results provide substantial support for the proposition that inactive women over 50 are more likely to report home duties as their main status compared to men.

Mean educational levels in the inactive age group of the 50 to 64s varied significantly by status. As predicted those economically inactive persons over the age of 50 with lower levels of education were more likely to suffer from long-term illnesses and disabilities than respondents with higher levels of education**.** Education level is strongly associated with the likelihood of older workers remaining economically active. Higher levels of education increase the chances of remaining active compared to those with lower levels of education. The impact of education on the likelihood of remaining active is greater for the 50 to 59 age group and for females than males**.**

Policy significance

From a public policy perspective the increase in the proportion of older workers participating in the labour market is a positive development. However at 66 per cent of the 50 to 64s in 2014 there is still room for improvement. For example participations rates for females in the 55 to 64 age group was substantially higher in 2010 in Iceland, Norway and New Zealand (Taylor, 2013: table 1.1). The positive correlation found between educational level and participation in the labour market augers well for the future. Educational levels are significantly higher for the age categories up to 45 and ceteris paribus this should eventually translate into higher levels of participation (Fig.1).

Fig.1: Age and mean educational levels 2014



Nevertheless less than half of the 60 to 64 age group and a fifth of the 65 to 69 category remained active in the labour market based on the QNHS figures from the fourth quarter in 2014 (table 1). Given that the effective qualifying age for the contributory state pension is now 66 rising to 67 by 2021 there is a considerable way to go to ensure that people remain in the labour market up to the state retirement age.

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