Equality
Research
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Ageing and Labour Market Participation

Helen Russell and Tony Fahey

THE EQUALITY AUTHORITY
AN tÚDARÁS COMHIONANNAIS

Equality Studies Unit
Measure 33A of the Employment and Human Resource Development Operational Programme

Funded by the Irish Government and part-financed by the European Union under the National Development Plan, 2000 - 2006
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Helen Russell and Tony Fahey

The Economic and Social Research Institute

FOREWORD

Ageing and Labour Market Participation provides a clear and timely insight into the labour market situation of older men and older women. It draws on data that has been available, but underutilised until now, to develop a knowledge base that should inform and shape labour market policy and practice.

The report usefully focuses the attention of policy makers and programme providers on:

- the need to prioritise responses to the labour market needs of unemployed older people, older people experiencing sickness and older people with disabilities
- the importance of holistic responses to the labour market situation of older people that embrace education and training measures alongside health policy and equality policy
- the stress that can be experienced by older people returning to work and the need for targeted support to address this

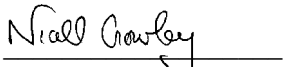
The report has been prepared in a context where the legal work of the Equality Authority provides an indication of the significant barriers posed by ageism for older people in the workplace. In 2002 nearly 10% of the Equality Authority casefiles related to the age ground. The key issues in these claims of discrimination related to recruitment and access to promotion in work. Clearly any response to the labour market situation of older people will need to address the issue of ageism and discrimination.

In the context of the data gathered in this report on the labour market situation of older people it is necessary to highlight the importance of the positive action provision that can be pursued in relation to older people under the Employment Equality Act 1998 and the Equal Status Act 2000. Equally it is necessary to highlight limitations posed by the range of exemptions in this legislation in relation to older people. These include an exemption for employers establishing different retirement ages alongside an upper age limit of 65 for the provisions on the age ground of the Employment Equality Act 1998. It is hoped that the incorporation of the EU Framework Employment Directive will provide an opportunity to review such provisions.

This report has been prepared as part of the work programme of the Equality Studies Unit of the Equality Authority. This Unit seeks to support outcomes for older people, people with disabilities, Travellers and other minority ethnic groups (in particular refugees) from labour market programmes funded under the Employment and Human Resources Development Operational Programme.

It is hoped that the issues identified in this report and the wider knowledge base it provides will shape new responses to the aspirations, experiences and situation of older people in relation to the labour market. The report is part of a wider body of work that seeks to support policy making and programme provision to be sensitive to age diversity and the accommodation required by older people.

We are grateful to Helen Russell and Tony Fahey of the Economic and Social Research Institute for their thorough and expert work on this research. They have made an important contribution to the goal of further evolving labour market policies and programmes with a capacity to be relevant to and achieve outcomes for older people.



Niall Crowley
Chief Executive Officer, Equality Authority
January 2004

ACKNOWLEDGEMENTS

The authors wish to thank Richard Layte at the Economic and Social Research Institute for his valuable contribution to the data analysis. The research draws extensively on the Living in Ireland Panel Surveys. We extend our gratitude to the staff of the ESRI Survey Unit who were responsible for the immense task of designing, administering and coding these surveys, especially Dorothy Watson. We are also grateful to the Central Statistics Office who provided access to the Labour Force Survey and Quarterly National Household Survey micro-data for our analysis. Finally, we thank Fiona Johnston and Anne Timoney of the Equality Authority for their work in bringing the research to publication.

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EXECUTIVE SUMMARY

Objectives

The proportion of people aged 50-69 years in employment rose during the 1990s, thus reversing a long-term downward trend. The purpose of the present study was to examine the components of this upward movement, in the context especially of an interest in the role of public policy in shaping the labour market behaviour of older people. Differences in labour market behaviour by gender and between the Border, Midland and Western region and the Southern and Eastern region were also a concern.

Key Findings

- The rise in older people's employment rates during the 1990s was driven less by a delay in retirement than by an increase in the movement of the formerly non-employed into jobs. This increase was mostly due to women entering jobs from home duties but men entering from unemployment also played a substantial role. Even though older men's employment rates rose slightly in the second half of the 1990s, the proportion that were retired also rose slightly, so that in their case it was possible for employment rates and retirement rates to rise at the same time.

- It was only among the self-employed, and especially among farmers, that there was a notable tendency to work beyond age 65. This aspect of older people's working patterns also gave rise to one of the few marked regional differences observed in the study, namely, the higher incidence of self-employment in the Border, Midland and Western region compared to the Southern and Eastern region.

- Ill-health played an important role as a cause of non-employment among older people, not only among those who reported their main economic status as 'unable to work due to sickness or disability' but also among the unemployed and those who retired early. Those who classify themselves as unemployed or ill/disabled have much lower levels of psychological well-being and are much more dissatisfied with their situation than the retired and those in home duties. This strongly suggests that unemployment and being unable to work due to sickness or disability are not functional equivalents of early retirement. These are qualitatively different situations and represent much more negative exits from the labour market for older workers.

- The significance of not being employed, or of exiting from employment into non-employment, varied greatly according to the type of non-employment entered. Generally speaking, retirement and home duties were experienced positively, even though they often entailed a lower level of income than could be obtained by entering into or staying in employment. Unemployment and being unable to work due to sickness or disability, by contrast, were

experienced as overwhelmingly negative by people in those situations. While overall rates of exit from employment do not differ greatly by social class, the destination of exit does, as those in higher level occupations are more likely to exit to retirement or, in the case of women, home duties, while those in manual occupations have a higher risk of exiting to unemployment than other social classes.

- The likelihood of entering jobs for older people is highest among those with third-level education, yet because few older people have third-level education, most of those entering jobs have only primary or lower second-level education (71%). Reflecting the latter finding, a high proportion of older persons moving from non-employment to employment enter the occupations of service, shop and sales workers (22%), and elementary occupations (28%). The likelihood of entering employment is also strongly influenced by length of time out of employment, particularly in that those who have been out for less than two years have a stronger chance of going back to employment than those who have been out for longer periods. Having good health and having a partner in a job are also positive influences.

- The most general benefit experienced by people who entered jobs from non-employment was a rise in income and a consequent decline in risk of poverty. Men also gained a boost to psychological well-being, as they typically exited unemployment when they entered jobs. Women, by contrast, generally suffered some psychological stress from entering jobs, despite the income boost they obtained, indicating that the transition to employment is of a qualitatively different kind in their case.

Policy Implications

- From the point of view of the welfare of older people, the key problematic aspects of labour market patterns occur in connection with unemployment and being unable to work due to sickness or disability rather than with retirement or being in home duties. To improve the circumstances of older people, therefore, it is necessary for policy to pay particular attention to the problems of older unemployed workers and those who are ill/disabled.

- Health policy has a major role to play in this area alongside labour market policy. Ill health or physical impairment are not only central to the problems of those who report their economic status as unable to work due to illness or disability but are also a common problem among the older unemployed. Equality policy can also play a role here, since discrimination related to disability and gender may amount to a significant influence both on exits from employment and inability to re-enter employment among some categories of older workers. Older workers can also of course be discriminated against on other grounds (for example membership of the Traveller community, sexual orientation and ethnicity) and equality legislation needs to take into account the specific situation, experience and identity within that group. However, given data limitations, such issues are beyond the remit of this particular study.

- Older people enter work as well as leave it, and while entry into jobs has many important positive effects, it can be a stressful transition for older women who take up jobs. Such stress needs to be taken account of in active labour market policies for older people.

- As older people are now being encouraged to remain in or return to the workforce, largely due to economic factors, public policy needs to promote flexible pension arrangements, enhanced employer practices and arrangements and an emphasis on work-life balance that takes into account social and human factors. It has long been recognised that the abrupt ending of working life is not the best approach to retirement and research has revealed that the majority of working older people would like gradual retirement. Therefore promoting the option to retire in a phased way and ensuring older people have access to the labour market on the same basis as other adults are significant policy issues.

- The period examined in the present study was one of exceptional growth in the labour force in Ireland and of high levels of labour demand for all age groups. It is unclear how the slow-down in growth which has emerged since 2002 will alter the patterns observed in the preceding high-growth period. On the one hand, it is likely to hamper opportunities for movement into paid work among older people which were so characteristic of the 1990s. On the other hand, the high level of inactivity found among people in their 50s a decade ago has been lowered since then and leaves the pool of people likely to be interested in such movement considerably smaller. Competition for jobs among older workers may thus be reduced. The net effect of these changes on patterns of labour force participation among older people is difficult to predict.

1

INTRODUCTION

1.1 Background to the Study

Recent equality legislation (the Employment Equality Act 1998 and the Equal Status Act 2000) introduced age as a ground on which direct and indirect discrimination, harassment and sexual harassment are prohibited in employment, vocational training, access to employment and conditions of employment, service provisions, accommodation and educational establishments. The Employment Equality Act 1998 allows positive action measures which help integrate people over 50 into employment and which provide training or work experience for disadvantaged groups (as certified by the Minister). The Equal Status Act allows positive action measures in relation to disadvantaged groups or measures which cater for the special needs of persons. Both Acts contain a number of exemptions (see Appendix A).

Equality concerns in this area arise especially in connection with the barriers facing older women returning to the labour market and the risks of exclusion facing older workers who become unemployed. More generally, as populations age, older workers account for a larger share of the workforce. During Ireland's recent economic boom, economically inactive older people became an important source of new labour and were looked to as a means of overcoming labour shortages. For all these reasons, the labour market position of older people has emerged as a policy concern and has given rise to a need for detailed knowledge of labour market participation patterns among older people.

It is in this context that the Equality Authority has commissioned the present study on the labour market situation of older people. The objectives of the study are:

- to explain why labour market participation falls among older people
- to identify where and how this may be influenced by public policy
- to distinguish, where relevant, between the labour market situation of older men and women
- to consider whether location in the Border, Midland and Western region versus the Southern and Eastern region may be a relevant factor

For the purposes of this study older workers, unless otherwise stated, are defined as those aged 50 to 69. This age group has been chosen as 50 is the age at which positive action may be taken under the provisions of the Employment Equality Act, 1998 and data on labour market activity from age 70 upwards is too limited for statistical analysis. Gender and regional variations are highlighted as cross-cutting issues throughout the study. Although there are other pertinent issues for older workers, such

as membership of the Traveller community, sexual orientation and ethnicity, the data discussed in this particular study does not extend to these grounds.

1.2 Issues for Research

The perception that the overall labour force participation rate of older people is in long-term decline was valid for Ireland up to the mid-1990s. Thereafter, in the wake of increasing demand for labour in the second half of the 1990s, that decline levelled off and turned into a modest upward movement. The upward movement was slight among men and quite pronounced among women, particularly for women up to age 60 (Forfás, 2001). Comparisons with other countries suggest that the scope for continued upward movement in older men's labour force participation rate is limited, and it would be unsurprising if the former long-term downward trend were to reappear in the years ahead. However, older women's labour force participation in Ireland is still low by international standards so there is scope for further significant increases. Such increases are likely to occur in any event with the ageing of younger female cohorts which have higher labour force higher participation rates. In addition, within-cohort increases could arise among older women in response to labour market demand, changing family structures, and policy initiatives of various kinds.

Though the broad outlines of older people's labour force participation patterns are known, many details remain obscure and the effects of the recent increase in labour demand have been little explored. Observed aggregate outcomes may conceal complex, cross-cutting developments among sub-groups in the population. For example, it is possible that the recent rise in older men's labour force participation is the outcome of a continuing decline in the average age of retirement combined with the re-entry of formerly inactive older men into the labour force. Historically, significant minorities of older men reported themselves as economically inactive due to permanent sickness or disability. Little analysis is available on how this category has responded to recent labour market changes. Reported disability in this context is often regarded as containing a large element of disguised unemployment or discouragement from the labour force and, like unemployment itself, may have provided a hitherto untapped source of supply for additional older male workers in recent years. It is evident, in any event, that factors such as disability and unemployment need to be examined as possible sources of disadvantage in older men's working lives and their interaction with retirement patterns needs to be better understood.

Among women, it is even more likely that a paradoxical combination of earlier retirement patterns and rising labour force participation could underlie recent trends. Women with long work histories are more likely to retire early, but this downward pressure on participation rates is more than compensated for by the large-scale re-entry into paid employment of women in their 50s (and possibly even early 60s) who were formerly in home duties. To the extent that this pattern occurs, it is likely to result in the lowering of the occupational and employment status profile of the older female working population. This is because high-skill full-time older women workers retire early while lower-skill returnees move into the workplace, quite often into part-time jobs in manufacturing, retail and personal services. In consequence, the older female working population may well then have characteristics that make it distinctive in the Irish labour force.

Given this context, more detailed information is needed on patterns and recent trends in labour force participation among older people. It is necessary first to decompose movements in older people's working patterns into their constituent components and second to better understand the significance of these components by examining their antecedents and consequences in older people's lives. The present study aims to explore older people's labour force participation patterns in these terms.

1.3 Data Sources

The principal data sources for the present study are the Quarterly National Household Survey (QNHS), the Labour Force Survey (LFS) and the Living in Ireland Survey (LIS). These data sources have different features and limitations and before turning to the analyses of the data in the chapters which follow, it will be useful here to outline these features of the data sources and the limits they give rise to in present context.

Quarterly National Household Survey and the Labour Force Survey

The QNHS is a large national sample survey carried out by the Central Statistics Office which collects information on 3,000 households every week. The weekly samples are collated into discrete data-sets for each quarter of the year, giving samples of 39,000 households for each quarter, and are reported on that basis. The QNHS was introduced as a replacement for the annual LFS in 1997 and as both are part of a single underlying series we consider them together here. The LFS is now an historical rather than a contemporary source, and is used in the present study as a source of trend data.

The QNHS, like the LFS which preceded it, focuses primarily on labour market indicators, and it supplies the Irish data for Eurostat's Europe-wide labour force reporting. In addition, social modules have been added to a number of quarterly rounds of the QNHS, dealing with issues such as crime victimisation, health status, housing and households, and pension coverage. Only a restricted range of summary information has so far been published from this source, mainly in the form of a brief statistical release from each quarter of the survey. In addition, however, anonymised versions of the micro-data are available to researchers and these provide the main means of access to both the QNHS and the LFS. The most recent micro-data from the QNHS which were available for the present study were those relating to the second quarter of 2002. Micro-data from the LFS are available only for the years 1994, 1995, 1996 and 1997, and data from 1994 and 1997 are used for this report.

Because of the large sample sizes and high data quality in the QNHS, it provides an important source of recent information on particular sub-sets of the population such as older workers and also allows researchers to disaggregate the Irish population by region. Alongside its strengths, however, it has certain limitations from the point of view of the present study. The principal one is the restricted categorisation of certain key variables. Most importantly, the age variable, although collected as a continuous variable, is included in the micro-data release as a categorical variable with eleven categories. The older age-ranges are covered by four of these categories – age groups 45-54, 55-59, 60-64 and 65 plus. This four-fold categorisation of the older age groups makes it impossible to identify the sub-sample of interest to the present study (those aged 50-69) and to establish the fine gradations by age which are critical to the analysis of the labour market behaviour of older people.

A further limitation arises in connection with the variables on current economic status (that is, ILO labour force classification and Principal Economic Status, PES). Among the economically inactive, the ILO economic status variable distinguishes only the 'marginally attached' from 'other not economically active'. It does not identify the retired, those in home duties and those who are inactive due to long-term sickness or disability. The Principal Economic Status variable distinguishes between students, those in home duties and the retired. However, in contrast to the practice adopted in the LFS, the data made available in the public use micro-data set do not identify those who are inactive due to long-term sickness and disability. Rather, they provide a residual category 'other' which may or may not contain the majority of those otherwise likely to identify themselves as long-term ill or disabled.

Living in Ireland Survey

The Living in Ireland Survey (LIS) – the Irish component of the European Community Household Panel Survey – is based on a smaller sample size than the QNHS, but is large by Irish social survey standards with 9905 individuals being interviewed in 4048 households from 1994 onwards. The LIS has information on a wide variety of subject areas including labour market status, socio-demographic characteristics, health status, income and deprivation. Moreover, not only is the number of subject areas covered in the LIS survey greater than in the QNHS, but the level of detail collected is also extremely high, particularly in terms of labour market status, education and training and income situation.

The sampling structure of the LIS and its relatively large size allows us to provide detailed descriptive statistics of the patterns of participation among older persons in Ireland and how this has changed during the economic boom period from 1994 to 2000. We will also use multivariate statistical analyses to isolate the net effects of important variables. For present purposes, the two most important

features of the LIS survey are that all members of the household over 17 are interviewed and that the survey has a panel structure (that is the same people are interviewed each year). These factors are described in detail below:

- **Data on all individuals in the household** – when studying the labour market participation of individuals it is important to be able to situate them within their household context since the activity status of others within the household may have important implications for their own behaviour. The living standard of the household tends to be determined by the joint incomes of all household members, thus if one person's employment situation changes, other members may well change their employment status in response. Social welfare entitlement and taxation rules institutionalise this relationship between individuals in a household and generate structures of incentives and disincentives that influence individual behaviour. This means that we need information on all household members if we are to understand the processes leading to changing labour market participation.

- **Longitudinal information** – the distinguishing feature of the LIS is that it is a panel survey and thus provides data on the same individuals each year for seven years. The longitudinal nature of the data is invaluable for investigating socio-economic processes (including transitions such as the entry into retirement from work or from home duties into work) since we can follow each individual through time. Cross-sectional data (information at a single point in time) allows the researcher to correlate different factors together but cannot provide any insight into the causal sequence of events. Panel analyses, by contrast, allow us to see whether certain changes in behaviour were preceded by particular circumstances or events and to include better controls for individual factors that may confound the analysis. This allows us to identify causal patterns with greater precision and thus to provide a sounder knowledge base for the design of social policy interventions.

The analysis of the LIS in the present study, draws on respondents aged between 50-69 years. An upper age cut-off of 69 is used since labour market activity from age 70 and upwards is too limited in extent to register reliably in samples of this size. In the 2000 round, the LIS survey contained 2618 individuals in this target age range. For parts of the analysis we focus on a smaller sub-sample of respondents within the relevent age range who in the period 1994-2000 made any of the key transitions of interest to the present study. These transitions are: from work to retirement, from work to long-term sickness or disability, from work to unemployment (especially long-term unemployment), from home duties to work, from home duties to retirement, from long-term sickness or disability to work, from long-term sickness or disability to retirement. In the LIS panel, a total of 510 cases can be identified who exited employment and 296 who entered employment. This is a large enough sub-sample to allow for statistically meaningful analysis of the influences on such transition decisions.

The larger sub-sample of the LIS will be used alongside QNHS and LFS data in order to fulfil the descriptive aims of the study, that is, to provide a detailed descriptive account of labour market participation patterns among older people and to look at trends over time. The study will draw primarily on the smaller sub-sample of those who move between employment statuses, backed up where necessary with the larger sub-sample, in order to fulfil it's analytical aims, that is, to explore the causal factors affecting older people's labour market participation patterns, focusing especially on the influence of factors relevant to public policy and how these are mediated by intervening variables such as gender and region.

2

LABOUR MARKET PARTICIPATION PATTERNS

2.1 Introduction

The purpose of this chapter is to provide an overview of labour market participation patterns among those aged 50-69 in Ireland. This is based on both the Quarterly National Household Survey (QNHS) / Labour Force Survey ILO economic status and Principal Economic Status (PES) classifications and the Living in Ireland Survey's labour force status and participation rate classification. The chapter first examines trends in employment rates over time and then looks in more detail at the economic status distributions in recent years of those in the age groups concerned. This is followed by a profiling of the characteristics of 50-69 year olds according to employment status, job characteristics and other socio-demographic features. The final section of the chapter places employment rates of older Irish workers within the wider European context.

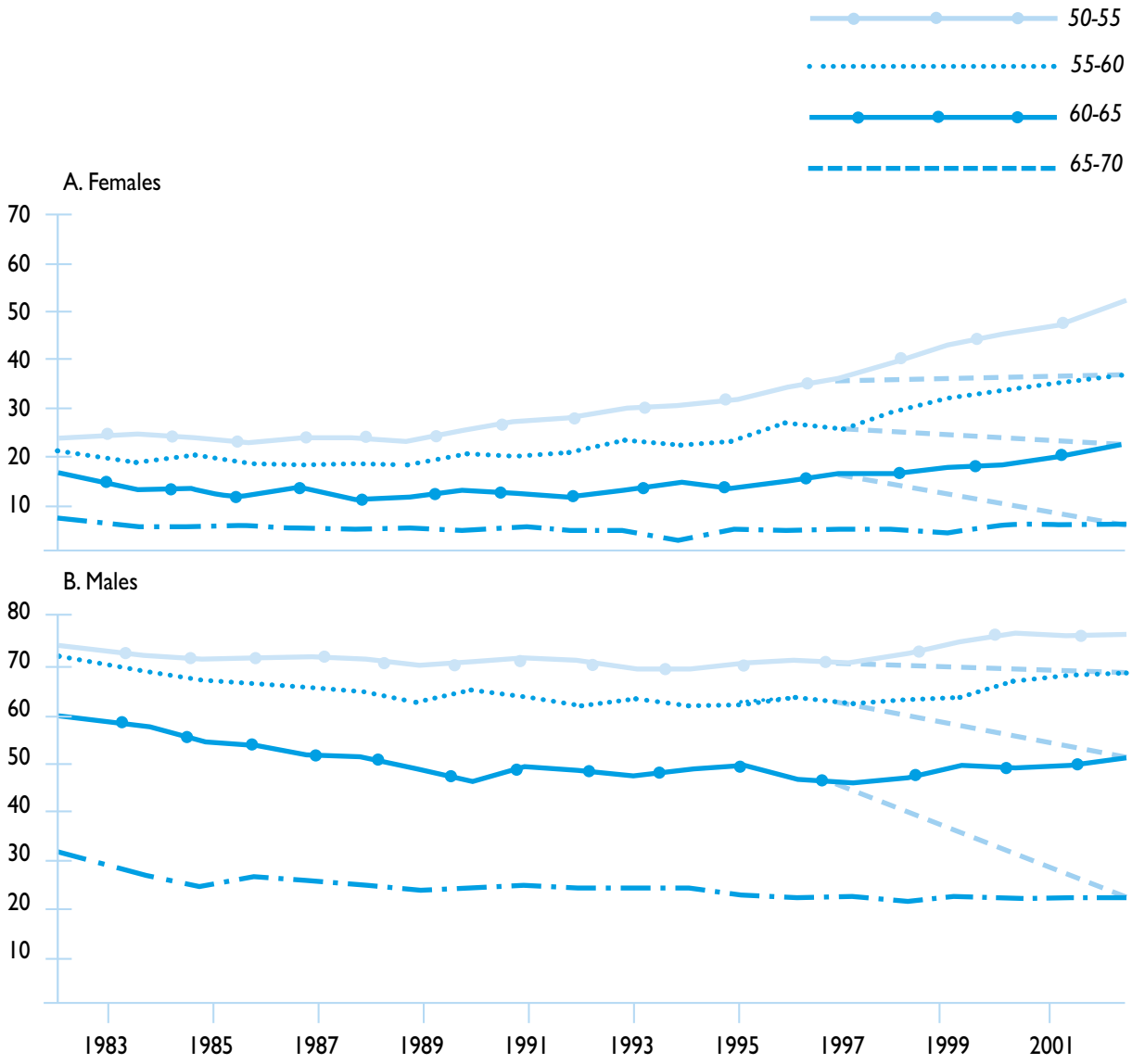
2.2 Trends in Employment Over Time

Recent analyses of employment trends among older workers in Ireland have shown that, during the 1990s, levels of employment among older women workers rose sharply, while among men the former trends towards declining employment rates bottomed out and, for some older age groups, turned into a modest upward movement (Forfás, 2001). More recent data indicate that these trends have continued up to the early part of 2002.

Figure 2.1 and Table 2.1 present data for the period 1983-2002. The data show that among the youngest age group of women in the present age range (those aged 50-54), employment has risen sharply since 1989. The proportion at work in that age group had reached 50.6% by 2002, having risen from 45.7% in 2000 and 23.6% in 1989. The rate of increase was not as strong among the next two age-groups of women (55-59 and 60-64) but nevertheless continued to trend steadily upwards up to 2002. It was only in the post-retirement age-group (65-69) that the employment trend remained more or less flat over the entire period.

The level of employment for males is much higher in all age groups than for females, despite the rapid growth in the female level in recent years. At the same time, the trends for males show much less movement than for females and mix some downward movement in the early part of the period with some upward movement in the latter part. Thus, among all bar the oldest age group of men (65-69), a small overall decline up to 1997 is followed by 3-4 years of growth. This growth showed signs of tailing off after 2000.

Figure 2.1: Employment Rates (ILO Basis) Among Older Irish People, 1983-2002



Source: Eurostat New Cronos Database

In addition to showing the trends for each age group, the additional dashed lines in Figure 2.1 and the shaded cells in Table 2.1 connect the employment rates of age groups in 2002 back to their employment rates in 1997 five years earlier. These connections enable us to see how the employment rates of age-groups immediately before retirement age evolved over the 5 year period between 1997 and 2002. They indicate that for both women and men the employment rate for 55-59 year olds in 2002 was more or less as it had been when that age cohort was 5 years younger in 1997. This would suggest either that the level of exit from work among those in their 50s was small or that any exit was counterbalanced by new entrants into work. Among older age groups, a clear decline in employment rates occur over the five-year period. This was especially true for men who were aged 60-64 in 1997. By the time they reached age 65-69 in 2002, their employment rate had dropped to 23.6% which was less than half of what it had been in 1997.

2.3 Where Older Workers Came From

Table 2.2 gives an indication of where the extra workers came from during the growth in employment rates between 1994 and 2002. This table focuses on two age-groups, 55-59 and 60-64, since these can be picked out in the QNHS data and compared with earlier data from the Labour Force Survey (LFS). Economic status is measured in this table according to PES conventions, which refer to respondents'

Table 2.1: Employment Rates (ILO Basis) Among Older Irish People, 1983-2002

Age Group	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
					Females					
50-54	24.6	24.7	24.3	23.3	24.7	24.3	23.6	25.5	26.9	27.9
55-59	20.6	19.1	20.5	18.6	19.2	19.2	19.2	20.6	20.8	21.3
60-64	16.5	13.9	13.6	12.1	14	11.8	12.2	13.8	13.3	12.6
65-69	7.2	6.1	6	6	5.4	5.3	5.7	5.4	5.7	5.5
					Males					
50-54	79.7	78.2	76.8	76.9	77.1	77.1	75.9	77.1	77.3	76.1
55-59	76.5	74.3	72.8	71.6	70.5	69.9	67.3	69.6	68.4	66.7
60-64	63.6	62	58.8	57.3	55.4	55	52.9	50.4	52.7	52.1
65-69	31.6	28.4	25.6	28.3	27.5	26.8	25.4	25.7	26.6	25.7

Age Group	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
					Females					
50-54	30.1	30.2	31.4	34.1	36.5	39.6	43.1	45.7	47.8	50.6
55-59	23.3	23	23.6	26.6	26.2	29	31.9	34	34.9	37
60-64	13.6	15.3	14.3	15.5	16.8	17.2	18.7	19.2	20.6	22.7
65-69	5.5	4	5.8	5.6	5.8	5.7	5.5	6.6	6.9	6.4
					Males					
50-54	74.6	74.3	75.9	76.4	75.6	78	80.7	82.7	81.9	82.4
55-59	67.8	66.4	66.6	67.7	66.7	67.6	68.6	71.8	73.5	73.4
60-64	50.6	52.3	53	49.9	49.4	50.4	53.4	52.6	53.6	54.2
65-69	25.6	25.8	24.4	23.8	23.9	23.4	23.7	23.2	23.3	23.6

Source: Eurostat New Cronos Database

normal situation, where the percentage at work in the Table 2.1 was measured according to ILO conventions which refer to respondents' situation during a particular reference week. There are likely to be small differences in the estimates of the proportions at work in these two approaches.

Among women aged 55-59, the shifting distribution across economic status categories in 1994, 1997 and 2002 indicates that the rising numbers at work over the period were drawn mainly from home duties, though in the latter part of the period (from 1997 to 2002) there was also a small decline in the proportion who were retired. Among women in the next age-group (60-64), the rising proportions at work over the period was accompanied by a small increase in the proportion who were retired. This would suggest that exits from work to retirement in this age group increased over the period but were more than counter-balanced by entries into work from other categories, with exits from home duties providing the main source of new workers. It was thus possible for both the employment rate and the retirement rate to rise at the same time.

A comparison of the shaded cells for women in Table 2.2 indicates how those who were 55-59 in 1997 changed their economic status profile by the time they were 60-64 in 2002. The percentage who were retired more than doubled as they made this age-transition (going from 4.1% to 9.6%) while the percentage who were at work declined only by a small amount. Again, this illustrates how the impact of increases in retirement on the size of the workforce in this age group was moderated by inflows to work from home duties, unemployment and the 'others' category.

Table 2.2 Economic Status (PES Basis) Among Females and Males, Age Groups 55-59 and 60-64 in 1994, 1997 and 2002

	Age Group 55-59			Age Group 60-64		
	1994	1997	2002	1994	1997	2002
			Females			
At Work	20.1	23.4	35.4	13.4	15.3	21.8
Unemployed	1.2	1.3	1.8	1.1	0.5	0.6
Student	0.1	-	0.5	-	0.0	0.2
Home Duties	71.9	68.1	56.2	75.9	72.7	65.3
Retired	4.2	4.1	2.8	7.4	8.9	9.6
Others	2.5	3.1	3.2	2.2	2.6	2.5
Total	100	100	100	100	100	100
	Age Group 55-59			Age Group 60-64		
	1994	1997	2002	1994	1997	2002
			Males			
At Work	64.8	64.5	72.6	51.7	48.5	52.8
Unemployed	11.7	9.6	5.6	8.7	6.4	4.4
Student	-					
Home Duties	1.0	0.8	0.5	1.4	1.3	0.3
Retired	12.5	13.1	11.5	26.9	32.3	31.1
Others	9.9	12.0	9.6	11.3	11.6	11.3
Total	100	100	100	100	100	100

Sources: LFS 1994, 1997; QNHS-Q2 2002.
Note: The shaded cells in this table connect the same age-cohort in 1997 and 2002.

Among men also, Table 2.2 shows that the proportions at work increased between 1994 and 2002, though the increases were smaller than among women. The unemployed were the main source of these extra workers in this period. The percentage of men who were unemployed more than halved between 1994 and 2002, dropping from 11.7% to 5.6% among 55-59 year olds and from 8.7% to 4.4% among 60-64 year olds. These declines are significant because in the past older workers have had greater difficulty in exiting unemployment than other groups and therefore have been particularly prone to long-term unemployment. The present data suggest that the phenomenal economic growth experienced in the late 1990s had strong positive effects for the older unemployed. The retired and 'others' (which is likely to include those on long-term sickness and disability) also made some contribution to the increased numbers at work in the 55-59 year old group but did so only after 1997. Prior to 1997, the percentage of 55-59 year old men classified as retired and 'others' increased but it declined slightly thereafter. Among 60-64 year old men, by contrast, the percentage who were retired rose between 1994 and 2002, while the percentage classified as 'other' remained stable. This indicates that all of the slight increase in the percentage at work in this age-group between 1994 and 2002 was due to the fall in unemployment.

Comparison of the shaded cells for men in 1997 and 2002 shows the extent of the move from both work and unemployment into retirement as 55-59 year olds made the transition into their early 60s. The percentage who were retired tripled during this transition (going from 13.1% to 31.1%) while the percentages at work and unemployed declined accordingly. It is notable, however, that there was no change in the proportions classified as 'other'. As we shall see below, this category appears to be a quasi-retirement category which makes the transition into full retirement only after age 65. Its size and characteristics are of particular interest for an analysis of the labour market position of older men.

To sum up these patterns, one could say that for those in their early 60s, the increase in the proportions at work since 1994 did not entail any propensity to delay retirement. Rather, the proportions retired in this age-group rose alongside the increase in the proportions at work. Among women, exits from work to retirement were more than compensated for by new entrants to work from home duties and unemployment, while for men, unemployment on its own played that role. Patterns were somewhat different for those in their late 50s, in that here employment growth did have a moderating effect on the propensity to retire. Again, however, the decline in retirement was less important as a source of increase in the numbers at work than the decline in the numbers in home duties and unemployment.

2.4 Detailed Economic Status Patterns

Looking at economic status across age categories in the Living in Ireland Survey (LIS) in 2000 allows us to look at all age-groups in the age range for the present study (the previous QNHS data allowed only the 55-59 and 60-64 age-groups to be analysed) and also allows separate identification of those who define their status as 'unable to work due to long-term sickness and disability'.

Table 2.3 reveals that the proportion of men in employment drops from 81% among those aged 50-54 years to 30% among those aged 65-69 years. Nevertheless, this means that a substantial number of men continue to work beyond the official retirement age of 65, and the international comparisons below will reinforce this point. Employment among older women is less widespread and drops from over 50% in the youngest age category to only 9% in the oldest age category.

The percentage classified as unemployed declines steadily by age among older men but is negligible among women aged over 50. If we consider the unemployment rate (bottom row Table 2.3) we observe relatively high rates for men aged 50-59 and women aged 60-64, in a context when the national unemployment rate stood at 4.4%. The sick/disabled category applies to a significant minority of men aged 50-64. It is substantially lower among women although higher in the younger than in the older age groups. These patterns highlight the way in which self-definition in this aspect of labour market status is influenced by external factors such as social welfare entitlements and possibly also public perceptions as to what is socially acceptable as far as labour market behaviour is concerned. Objectively, one would expect the incidence of poor health and disability to increase with age and to be at broadly similar levels among men and women. Contrary patterns are observed here, where the proportion defining their economic status as unable to work due to sickness/disability is lowest in the oldest age-groups and lower among women than men. Among men this reflects their self-definition of economic status as they reach retirement age rather than objective conditions. The social welfare system is also likely to influence this shift. A significant number of Irish men aged 55-64 are in receipt

Table 2.3: Economic Status of Persons Aged 50-69, 2000

	Men					Women					All
	50-54	55-59	60-64	65-69	Total	50-54	55-59	60-64	65-69	Total	
Employed	81.1	71.7	54.5	30.2	63.5	51.9	34.1	16.1	9.1	31.3	47.4
Unemployed	8.1	6.3	2.4	0.4	5.0	1.1	0.0	1.9	0.0	0.8	2.9
Sick/Disabled	6.5	10.9	10.9	3.3	8.0	5.7	4.1	1.6	0.8	3.4	5.7
Retired	1.3	9.4	31.9	66.1	22.0	0.1	2.2	4.5	16.1	4.6	13.3
Home Duties	2.3	1.8	0.2	0.0	1.3	40.9	57.6	75.1	74.0	59.1	30.2
Other	0.6	0.0	0.2	0.1	0.2	0.4	1.9	0.8	0.0	0.8	0.5
Total	100	100	100	100	100	100	100	100	100	100	100
Actual No.											2226
Unemployment Rate	9.1	8.0	4.2	1.2	7.3	2.0	0.1	10.7	0.0	2.4	5.7

Source: Living in Ireland Survey
Note: Anyone working at least one hour per week is defined as employed, other statuses are self-selected.

of some kind of disability payment (Fitzgerald, 2001), but when those claimants reach the age of 65, it is more beneficial for them to switch to the old age pension.

In contrast, among women those who are not in paid employment are much more likely to describe themselves as engaged in home duties than as retired, unemployed or sick/disabled. The proportion of women aged 60-69 who define themselves as retired is substantially lower than the proportion of 50-59 year olds in employment. This may indicate that many women who have formerly been in employment define themselves in home duties rather than as retired after they pass retirement age. This question can be addressed more accurately when we examine the longitudinal results below.

Regional Economic Status Patterns

Table 2.4 shows economic status patterns for those aged 55-64 in two regional groupings – the Border, Midland and Western region on the one hand and the Southern and Eastern region on the other. This represents a broad division of the country into the less developed (BMW) and more developed (S&E) regions. The table focuses on those aged 55-64 years as this is the age-group within our age range which can be identified in QNHS data (Living in Ireland Survey (LIS) data do not contain a region variable).

Table 2.4: Economic Status (PES Basis) by Gender and Region of Persons Aged 55-64, 2002

	Female			Male		
	BMW	S & E	Total	BMW	S & E	Total
At Work	28.1	29.9	29.5	63.1	64.3	64.0
Unemployed	0.8	1.4	1.3	5.4	5.0	5.1
Student	0.6	0.3	0.4	0.1	0.1	0.1
Home Duties	61.6	59.7	60.2	0.5	0.4	0.4
Retired	5.3	6.0	5.8	18.2	20.6	20.0
Others	3.7	2.6	2.9	12.6	9.5	10.3
Not Stated				0.1	0.1	0.1
Total	100	100	100	100	100	100

Source: Quarterly National Household Survey-Q2

The data indicate that there is remarkably little difference in economic status patterns among older people across these two broad regions, either for men or for women. In the BMW region, the proportions at work among both women and men are marginally lower than in the S&E region, but the differences are so small as to be more or less negligible. The only difference between the two regions that is large enough to warrant mention arises among men in the 'retired' and 'others' category. Men are more slightly more likely to be retired in the S&E region than in the BMW region and are slightly less likely to classified as 'others'.

2.5 Employment Status of Older Workers

Table 2.5 compares employment status characteristics of workers aged 50-69 with those aged under 50. The comparison shows that older workers are much more likely to be self-employed than workers under the age of 50. In total, 30% of older workers are self-employed, compared to 11% of those aged under 50. Just over half of older people who are self-employed are in farming and the remainder in non-agricultural pursuits. Among the self-employed aged under 50, by contrast, less than one-third are in farming. The gender breakdowns in this table shows that while men engage in self-employment much more frequently than women, the difference between the two age groups in levels of self-employment is visible for both sexes.

When we examine employment status characteristics by detailed age categories within the 50-69 age range (Table 2.6) we see that working beyond the standard retirement age of 65 is highly correlated with self employment. Among those aged 65-69 who are still in employment, almost two-thirds (63%)

Table 2.5: Employment Status by Broad Age Group, 2000

	Older Workers (50-69)			Under 50		
	Men	Women	All	Men	Women	All
Employee	61.5	84.8	69.0	83.8	94.4	88.4
Self-employed: Non-agricultural	17.5	7.7	14.3	10.8	4.1	7.9
Self-employed: Farming	20.8	3.5	15.2	4.8	.5	2.9
Relative Assisting	0.3	4.1	1.5	0.5	1.0	0.7
Total	100	100	100	100	100	100

Source: Living in Ireland Survey

are self-employed. The majority of these are involved in farming but non-agricultural self-employment is also common among the 65-69 age group. These figures illustrate the greater discretion the self-employed can exercise over their retirement date, though the decision to continue to work beyond the standard retirement age among the self-employed may not always be a positive choice. Financial circumstances and the lack of private pension arrangements may force some people to continue to work for longer than they would prefer. Research by Fahey and Russell (2001a) found that the majority of late retirees give a positive reason for late retirement, saying the continued because they enjoyed working, or wanted to keep active or want to keep running their own business/farm, but one in five (22%) said that they continued working because of insufficient income.

Table 2.6: Employment Status Among Older Workers, 2000

	50-54	55-59	60-64	65-69
Employee	76.6	72.0	57.3	33.4
Self employed Non-farming	13.4	13.2	18.3	17.3
Self-employed Farming	8.8	14.1	21.6	45.4
Relative Assisting	1.2	0.8	2.8	3.9
Total	100	100	100	100

Source: Living in Ireland Survey

Regional Patterns

Table 2.7 examines differences in employment status among workers aged 55-64 across the two main regions in the country (see Table 2.4 above and accompanying text for rationale for regional division). We saw earlier that these two regions were remarkably similar to each other in the distribution of the population aged 55-64 across economic status categories (at work, unemployed, in home duties and so on). Focusing here on those at work, we see that the distributions across the statuses of self-employed, employee and assisting relative are quite similar for women in the Border, Midland and Western and Southern and Eastern regions but differ for men. Men in the BMW region are more likely to be self-employed and less likely to be employees than in the S&E region.

Table 2.7: Employment Status by Region Among Older Workers, Aged 55-64, 2002

	Female			Male		
	BMW	S & E	Total	BMW	S & E	Total
Self-employed	11.7	12.7	12.5	50.8	35.0	39.2
Employee	84.1	84.7	84.6	48.2	64.7	60.3
Assisting Relative	4.2	2.6	3.0	0.9	0.3	0.5
Total	100	100	100	100	100	100

Source: QNHS-Q2

2.6 Occupational Position and Working Hours

Occupational Position

Looking at the occupational position of older workers reveals that there is again a divergence from the patterns found among younger workers. Some of this divergence follows from the high levels of self-employment noted above. For example Table 2.8 shows that 16% of older workers are defined as 'skilled agricultural workers' compared to only 4% of those aged under 50 years. The other main differences are the higher proportion of older workers in senior and managerial positions, and the lower incidence of clerical, service and sales work among the older age group. Access to the higher managerial positions is often related to seniority which is likely to favour older workers. The differences in routine white collar positions (clerical plus services) is in part due to the sex composition of older workers as evidence by the reduced discrepancies when we compare women of different ages, but this does not appear to be the whole story. There is little evidence of occupational downgrading among older workers except perhaps the higher proportion of women located in elementary occupations. To explore occupational mobility more fully, one needs to track changes in individual careers and this will be investigated in our longitudinal analyses.

Table 2.8: Current Occupational Position Among Older Workers

	50-69			Under 50		
	Men	Women	All	Men	Women	All
Legislators, Senior Officials & Managers	18.1	9.7	15.4	9.3	7.1	8.3
Professionals	14.7	22.6	17.2	12.5	18.7	15.2
Technicians & Assoc Professionals	7.5	9.6	8.2	8.8	13.5	10.8
Clerical	3.7	16.3	7.8	7.4	24.8	15.0
Service, Shop & Sales Workers	3.8	21.3	9.4	9.5	23.7	15.7
Skilled Agricultural Workers	21.3	5.1	16.1	5.8	0.8	3.7
Craft & Related Trades Workers	12.3	0.7	8.6	21.8	1.1	12.8
Plant & Machine Operators	8.8	3.4	7.1	13.6	4.0	9.4
Elementary Occupations	9.2	11.2	9.9	10.3	6.3	8.6
Armed Forces	0.5	0.0	0.4	1.0	0.0	0.6
Total	100	100	100	100	100	100

Source: Living in Ireland Survey 2000

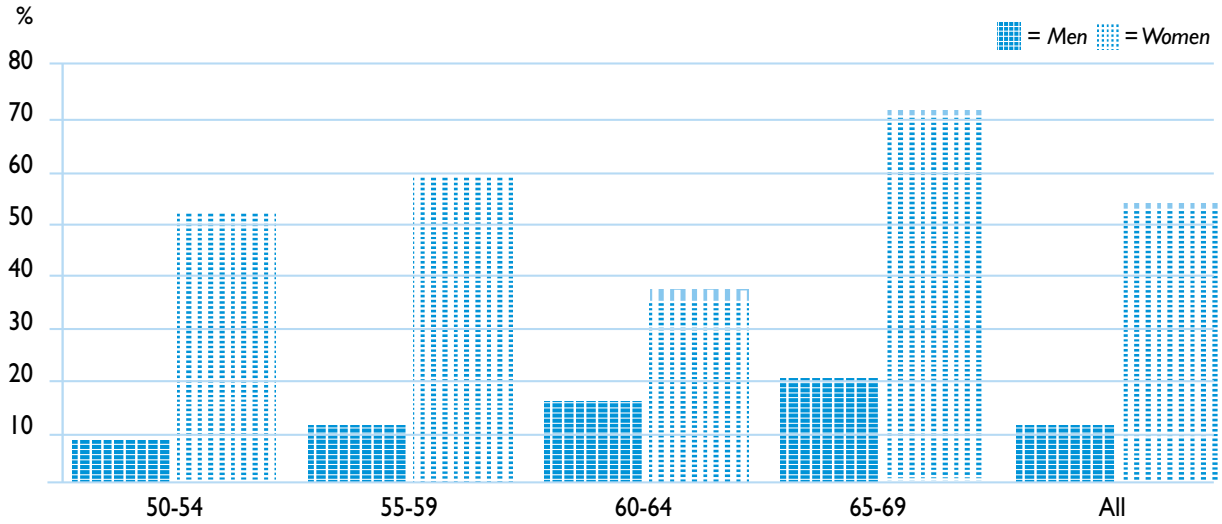
Working Hours

One quarter (24.5%) of older workers are employed part-time, which is defined here as less than 30 hours per week. As with younger workers, part-time employment is much more common among women than men as 53% of older women work part-time compared to 10% of older male workers (see Figure 2.2).

Among men, the incidence of part-time work increases with age, which suggests that some workers switch to part-time work as they approach retirement age and retire gradually. For women the pattern is more erratic, with part-time work being least common among those aged 60-64. The small number of employed women in the older age categories may cause this unexpected pattern as women who do paid work beyond the age of 60 are a very selective group.

When we examine the usual hours worked in Table 2.9, we see that older men work an average of 44 hours per week (average 42.9 for all men) and older women work an average of 29 hours (average 32.8 for all women). This figure for men is high in both an Irish and a European context and suggests that far from winding down to retirement older male workers are putting in longer working weeks than younger workers. This is partly a consequence of the high proportion of self-employed among the older age categories.

Figure 2.2: Percentage of Older Workers Working Part-Time (< 30 Hours Per Week)



Source: Living in Ireland Survey 2000

Table 2.9: Average Number of Hours Worked Per Week

	Men		Women		All	
	Hours	No.	Hours	No.	Hours	No.
50-54	43.9	267	29.2	177	38.4	444
55-59	43.1	213	29.3	125	38.9	338
60-64	43.4	158	34.9	39	38.1	197
65-69	42.8	66	29.4	19	39.0	85
All 50-69	43.5	704	29.4	360	39.0	1064

Source: Living in Ireland Survey 2000

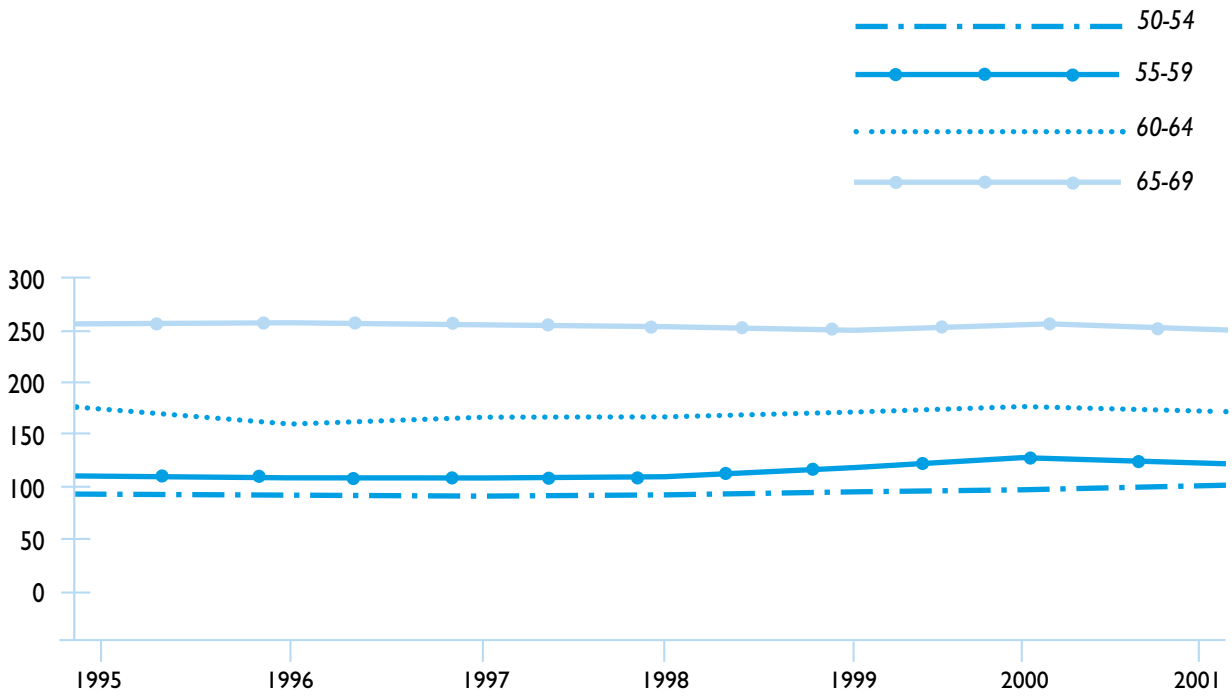
2.7 Irish Patterns in a Comparative Context

The European Council at Lisbon set employment targets which include the promotion of higher employment rates for older workers and envisaged moving from the current level where 37% of older workers are in employment to a level of 50% by 2010.

Employment rates among older men have been in long-term decline in all developed countries over recent decades (Gruber and Wise, 1998). However, the decline tapered off in the mid-1990s and in some countries there has been an increase in employment in the late 1990s. While the broad pattern of change has been quite similar in EU countries, the absolute levels of employment among older men vary enormously across the EU. Among men aged 60-64 in 2002 for example, France had the lowest labour force participation rate at 12% while Sweden had the highest at 60%. The EU average is 34%. Generally, as Figure 2.3 shows, employment rates among older Irish men are high by EU standards, particularly among men aged over 60, and have shown little change in this regard in recent years.

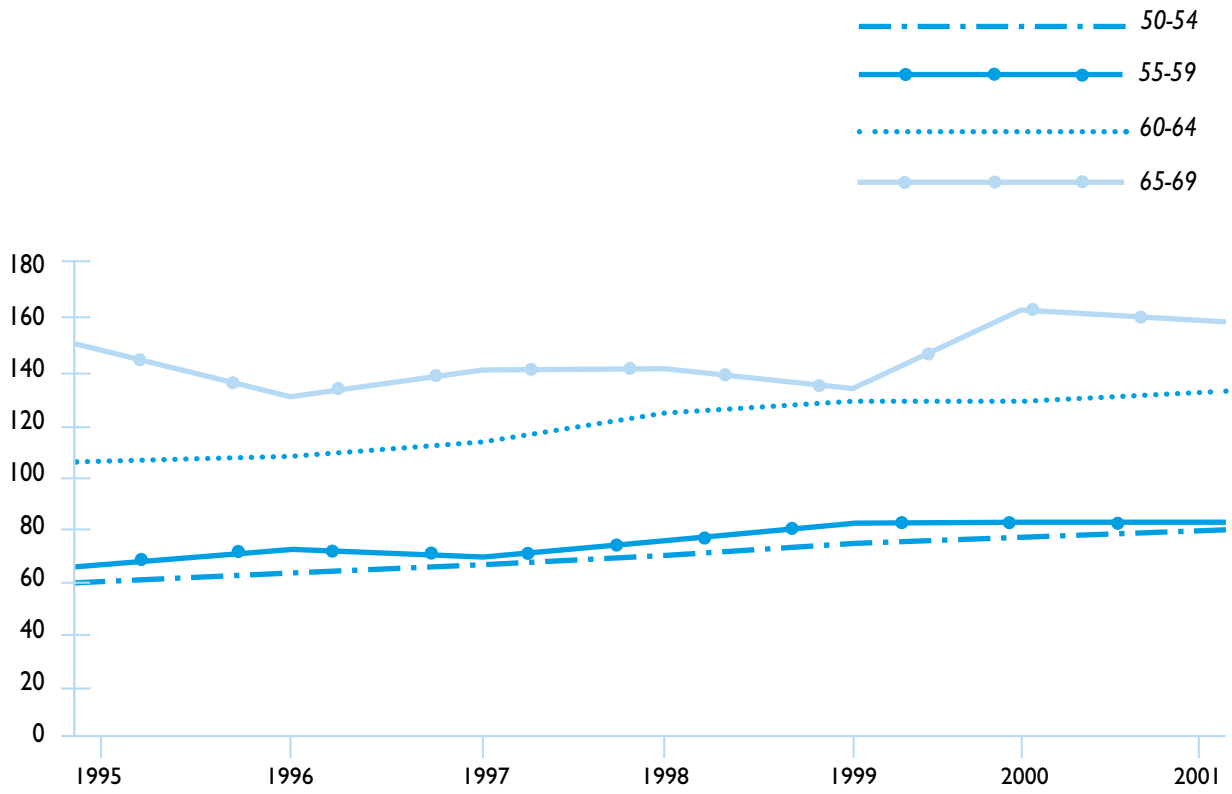
Among older women, labour force participation rates in most EU countries have been low but stable over recent years. Figure 2.4 shows that employment rates in Ireland are comparatively high by EU standards for women aged over 60 but are below the EU average for women in their 50s. Among women aged 50-59 the sharp rise in employment in Ireland since the mid-1990s increased their employment rate compared to levels in the EU as a whole but still left them at only 80% of the EU average in 2001.

Figure 2.3: Employment Rates by Age Group Among Older Irish Men as % of EU Average



Source: European Labour Force Surveys, New Cronos

Figure 2.4: Employment Rates by Age Group Among Older Irish Women as % of EU Average



Source: European Labour Force Surveys, New Cronos

Based on comparisons such as these, an analysis of labour supply by Forfás (2001) suggested that there is little scope for increasing the labour supply among older men or among women in their 60s, given the already high activity levels of these groups by EU standards. The situation is different for women in their 50s, given their relatively low labour force participation rates compared to the EU mean. Their activity rates may thus have some scope for further increase in the future. Such increase may occur in part because of carry-over effects of higher employment rates among younger age-cohorts of women, though such carry-over effects could be cancelled out if younger age-cohorts of women already in jobs opt for earlier retirement ages than are evident at present. In this vein, Forfás (2001) calculated that an additional 18,000 women in the 50-54 age group could be added to the labour market and an additional 8,600 women could be added in the 55-59 age group. However, EU averages are not necessarily a reliable guide to what will happen in any particular country so the degree to which these changes will come about is uncertain.

2.8 Summary

The main points from this chapter can be summarised as the following:

- Levels of employment among older women workers rose during the 1990s and the rate of increase was strongest for those in the 50-54 age group from 1989 (23.6%) to 2002 (50.6%).
- Levels of employment among older men stopped declining between 1989 to 2002 and, for some older age groups, there was a modest upward movement.
- The rising numbers of older women workers were drawn mainly from home duties.
- The unemployed were the main source of extra older male workers .Within the 55-59 age group levels of unemployment dropped from 11.7% (1994) to 5.6% (2002) and dropped from 8.7% to 4.4% respectively in the 60-64 age group.
- A substantial number of men continue to work beyond the official retirement age of 65. In 2000, 30% of men in the 65-69 age group were in employment compared to 9% of women.
- The percentage classified as sick and/or disabled is lowest in the oldest age group and lower among women than men. Since morbidity usually increases with age (at this end of the age distribution) this result is likely to reflect shifts in peoples self definitions from sick/disabled to retired when they reach official retirement age.
- There is little difference in people's definitions of their employment status in the Border, Midland and Western and Southern and Eastern regions.
- Older workers are much more likely to be self-employed than workers under 50 (30% of older compared to 11% of younger people were self-employed in 2000) this is, in part, due to a higher propensity for agricultural work.
- Almost a quarter of older workers (24.5%) in 2000 were in part-time employment with 53% of women compared to 10% of men.
- Older men work an average of 44 hours per week which is high in comparison to other EU countries and younger people, older women work an average of 29 hours.
- The employment rate of Irish older men is high by EU standards, and is also high for Irish women aged over 60. Among women in their 50s, by contrast, labour force participation rates are still below the EU average, despite the sharp rise during the 1990s, and it is here that there is greatest scope for further increase in employment in the years ahead.

3

SITUATION OF OLDER PEOPLE OUTSIDE PAID EMPLOYMENT

3.1 Introduction

In this chapter we explore the situation of all those in the 50 to 69 age groups who are outside employment. This consists of four main groups: the retired, the unemployed, long-term sick/disabled and those in full-time home duties. We will examine the respondents' employment histories and the age they exited employment. We also explore how satisfied the non-employed are with their current situation in a number of ways. First we will compare respondents' satisfaction with 'work or main daily activity', second we will measure satisfaction more indirectly by looking at individual's general psychological well-being. We will compare the satisfaction and well-being scores of the non-employed to their contempories still in employment. Thirdly we examine whether individuals are actively trying to change their situation by seeking employment. In the final sections we look at the health status, benefit status and financial well-being of the non-employed and examine how these differ across non-employed groups, again those still in work will provide a basis of comparison.

It has been argued that in some cases long-term sickness and unemployment among older workers are simply alternative forms of early retirement and the size of these categories are largely shaped by welfare policy. In Ireland the only way the majority of workers without occupational pensions can stop working before 65 and receive any income support is through the disability benefits system, the unemployment system and related pre-retirement pensions. By exploring the experiences of non-employed groups we can establish whether these really are distinct groups or whether the non-employed have more to unite than separate them.

3.2 Previous Employment and Age of Exit

We first examine the employment background of those who are not in employment. The Living in Ireland 2000 survey contains information on whether respondents have ever been in paid employment (or self-employed) for at least 15 hours a week and if so, when they stopped working in their last job. From this information we can estimate the age respondents stopped working. Table 3.1 indicates that more than 1 in 5 (22%) of non-employed women in this age group have never had a paid job of more than 15 hours per week compared to 6% of non-employed men.

Table 3.2 outlines the age of entry into non-employment. We can see that the pattern is quite different for the four non-employed groups. Both the type of exits and the age of exit were gendered: 98% of those in home duties were female compared to 31% of the ill/disabled, 18% of the retired and 15% of the unemployed. Over 90% of those who stopped work before age 40 were female, compared to 45% of those who stopped work in their 40's, 36% of those who stopped between 50 and 65 and 14% of

Table 3.1: Previous Employment, Non-Employed, Aged 50-69

	Men	Women	All
Yes	94.0	80.1	84.9
No	6.0	22.0	16.5
Total	100	100	100
N	370	786	1156

Source: Living in Ireland 2000
Note: The numbers (N) reported in all tables in this chapter reflect the unweighted number of respondents.

those who stopped work at over 65. The majority of those in home duties had either never been employed or had exited paid employment before the age of forty, during the family formation period of the life cycle. Those classified as sick/disabled are also shown to have a high incidence of permanent non-employment and early exit from paid employment: 31% had never worked, 20% stopped work before age 40 and a further 23% left before age 50. The majority of the unemployed stopped working between the ages of 40 and 49, but 18% stopped before age 40, which suggests that there were a number of very long term unemployed among the group. The results for the unemployed are also influenced by the age distribution outlined in Chapter 2 (Table 2.1), which showed that within the sample group the unemployed tend to be younger.

Finally, we examine the age of exit of the retired. It should be noted that by selecting the age-group 50 to 69 we will capture a greater proportion of early retirees and a smaller proportion of late retirees than if we took a random sample of all retired individuals. The results outlined in Table 3.2 show that two-thirds of the group stopped working before age 60, 5% stopped working before age 40, and of these the majority were women.

Table 3.2: Age Stopped Working Among Non-Employed, Aged 50-69

	Unemployed	Ill/Disabled	Retired	Home Duties	Total
Never worked	0.3	30.7	1.9	22.5	16.6
Under 40	18.1	19.9	4.6	54.8	35.8
40-49	56.0	23.2	7.2	9.4	12.5
50-59	17.2	25.0	54.1	10.4	24.3
60-65	8.5	1.1	30.3	2.8	10.1
66 plus			2.1	0.1	0.6
	100	100	100	100	100
Number	54	79	324	672	1144

Source: Living in Ireland 2000

Overall then, the patterns of age of exit from employment are quite distinct for the different non-employed groups. However for some of the early entrants to 'retirement' and some of the late entrants to home duties it is likely that the difference between retirement and home duties is a matter of self-definition.

Respondents with previous employment experience also provided information on why they stopped work. Again the pattern of responses differs substantially across the non-employed groups, see Table 3.3 and across age groups in Table 3.4. Among the unemployed, the most common reason for exiting work was the ending of a temporary contract, this suggests that unemployment was preceded by a history of insecure work. Sickness is also a factor prompting unemployment, which suggests an overlap between this and the ill/disabled group. As expected, health reasons predominate among the ill/disabled and family responsibilities are significant among those in home duties.

Table 3.3: Reason for Stopping Work by Economic Status

	Unemployed	Ill/Disabled	Retired	Home Duties	Total
Retired at Normal Age			27.5	0.3	9.6
Obliged by Employer*	9.4	4.9	21.6	8.5	12.6
End Temporary Job	44.3		2.1	0.8	4.0
Family (Marriage, Children, Caring)		13.4	5.5	72.2	37.9
Own Sickness	22.8	81.7	26.0	7.7	21.9
Retired and Live off Private Means			11.6	1.4	4.5
Other	23.5		5.8	9.1	9.5
Total	100	100	100	100	100
N	53	69	314	501	937

Source: Living in Ireland 2000
Note: *Includes: Redundancy, Dismissal, Involuntary Early Retirement.

Table 3.4: Reason for Stopping Work by Age

Age Stopped Working	Under 40	40-49	50-59	60-65	66 Plus
Retired at Normal Age	-	-	9.2	38.2	46.7
Obliged by Employer*	2.9	7.4	25.2	16.8	10.7
End Temporary Job	0.5	7.1	4.1	10.5	-
Family (Marriage, Child, Caring)	87.8	13.8	4.0	4.2	-
Own Sickness	4.7	53.8	35.4	10.9	31.6
Retire and Live off Private Means	-	-	8.8	11.4	-
Other	4.1	17.8	13.4	8.0	11.0
Total	100	100	100	100	100

Source: Living in Ireland 2000
Note: *Includes: Redundancy, Dismissal, Involuntary Early Retirement.

However, for at least 9% of those in home duties withdrawal was involuntary (that is obliged by employer/end of contract), which suggests there is hidden unemployment among this group. Some women in this age group may also have been obliged to leave employment because of the marriage bar which forced women to give up their jobs on marriage which was the situation in the early 1970s. Given the lack of state services for childcare and elder care, some other withdrawals for family reasons may also have been involuntary. The retired express the greatest variety of reasons for stopping work. Again a relatively high proportion stopped work involuntarily (22% were obliged by employer). There may also be some who feel that retiring at the 'normal retirement age' was forced upon them. Stopping work due to sickness is also common among the retired and accounted for over a quarter of these exits. Voluntary retirement, as captured by the option 'wanted to retire to live off private means', accounted for 12% of responses.

These results in Table 3.3 again suggest that the routes into non-employment are quite different for the four groups. However, there are also important commonalities, the most significant of which is the frequency of exits due to ill health. This was a factor for exiting employment for 22% of the total group. Involuntary exits due to employer decisions are also relatively common across all groups, amounting to 17% overall.

As might be anticipated the reasons for stopping work tended to vary by the age at which that transition was made. Family reasons predominated among those who had stopped work before the age of 40, a group which was mainly composed of women. This reflects the pattern of women leaving employment when they married or had children. The most common reason for exits in the 40-49 age

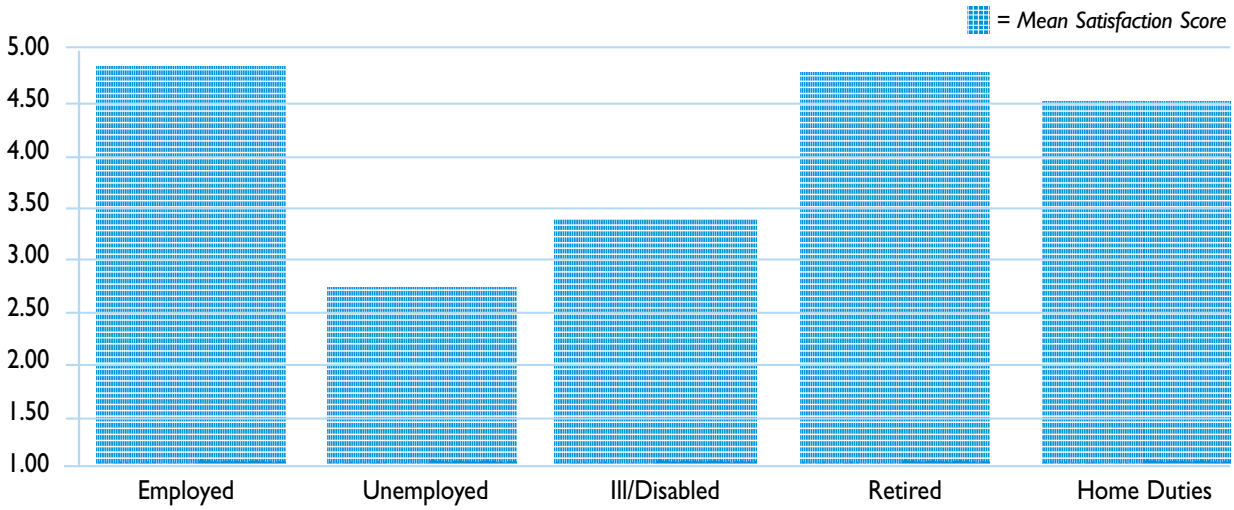
group and in the 50-59 age group was deteriorating health. Involuntary exits initiated by an employer were also relatively common among the 50-59 age group accounting for a quarter of exits. Only among those who left work at age 60 and over do factors such as reaching retirement age and voluntary exits appear with any frequency among the reasons for leaving.

Table 3.5: Satisfaction with Work or Main Daily Activity by Economic Status

	Employed	Unemployed	Ill/Disabled	Retired	Home Duties
1 Not Satisfied At All	1.2	21.4	20.4	1.5	2.2
2	1.6	12.8	5.3	4.7	6.4
3	6.0	39.4	25.5	9.9	12.3
4	22.3	23.0	26.3	17.0	24.9
5	39.8	3.4	7.8	29.4	23.6
6 Fully Satisfied	29.0	0.0	14.7	37.7	30.6
Total	100	100	100	100	100
Mean Satisfaction Score	4.85	2.74	3.40	4.81	4.53

Source: Living in Ireland 2000

Figure 3.1: Satisfaction with Work or Main Daily Activity (Score 1 to 6) by Economic Status



Source: Living in Ireland 2000

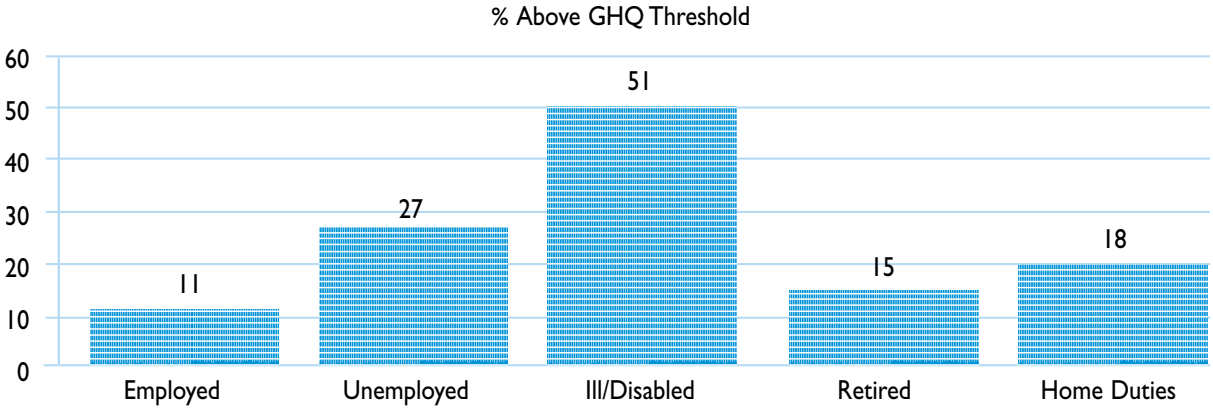
3.3 Satisfaction with Current Situation Among the Non-Employed

In this section we explore how satisfied the non-employed are with their current situation using both direct and indirect measures. If the categories unemployed, ill/disabled, retired, and home duties reflect distinct groups as opposed to reflecting differences in access to private and public sources of income, we would expect to find corresponding differences in the levels of satisfaction.

The Living in Ireland survey respondents were asked to rank their satisfaction with work or their main daily activity on a scale from 1 to 6, where six indicates full satisfaction and 1 is 'not satisfied at all'. The phrasing of the question in this manner means that it is likely that some of the non-employed, particularly the unemployed, will be expressing their dissatisfaction with their lack of work rather than with their current activities per se. In Table 3.5 we present the responses of the four non-employed groups and those of the employed as a point of comparison and Figure 3.1 reveals mean scores of satisfaction across the groups. The results show that the unemployed and the ill/disabled express a much higher degree of dissatisfaction than the other non-employed groups and the employed. More than 20% of these two groups are not at all satisfied with their work situation. Conversely none of the unemployed and only 15% of the ill/disabled are fully satisfied with their work situation.

The retired and those in home duties express higher levels of satisfaction with their main daily activity. In fact, the retired group have the highest proportion of respondents who are fully satisfied 38% compared to around 30% of those in home duties and the employed. The mean satisfaction scores confirm that the employed and the retired are the most satisfied with 'work or main daily activity' followed closely by those in home duties.

Figure 3.2: GHQ Psychological Distress by Economic Status, Aged 50-69



Source: Living in Ireland 2000

Respondents' satisfaction with their current circumstances is also likely to be reflected in their psychological well-being or distress. Psychological distress is measured using the General Health Questionnaire (GHQ12). Details of the items in the measure are contained in Appendix B. This is a broader measure than work satisfaction and is likely to be influenced by a range of life domains. The GHQ12 is a well validated measure and previous research has shown that psychological distress is strongly linked to employment status among the general population (Whelan et al, 1991; Ensminger and Celentano, 1990; Harding and Sewel, 1992). For this presentation we have calculated the proportion of each employment group who score above the threshold which has been established as indicating an abnormally high level of distress (Layte et al, 1999).

Levels of psychological distress are by far the highest among the ill/disabled group (see Figure 3.2), which is consistent with other research which shows that psychological distress scores are strongly influenced by chronic sickness (Layte et al, 1999:114). Elevated levels of distress are also noticeable among the unemployed. Over a quarter of this group are above the distress threshold. All four non-employed groups record higher levels of distress than the employed. This may arise because the employed tend to be a younger and healthier group on average, it may also relate to difference in financial well-being between the employed and non-employed (in chapter four we examine the connection between employment status and mental health longitudinally).

These results suggest that unemployment and long-term sickness are not functional equivalents of early retirement. Those who classify themselves as unemployed or ill/disabled have much lower levels of psychological well-being and are much more dissatisfied with their situation than the retired and those in home duties. This strongly suggests that these are qualitatively different situations and represent much more negative exits from the labour market, even for older workers.

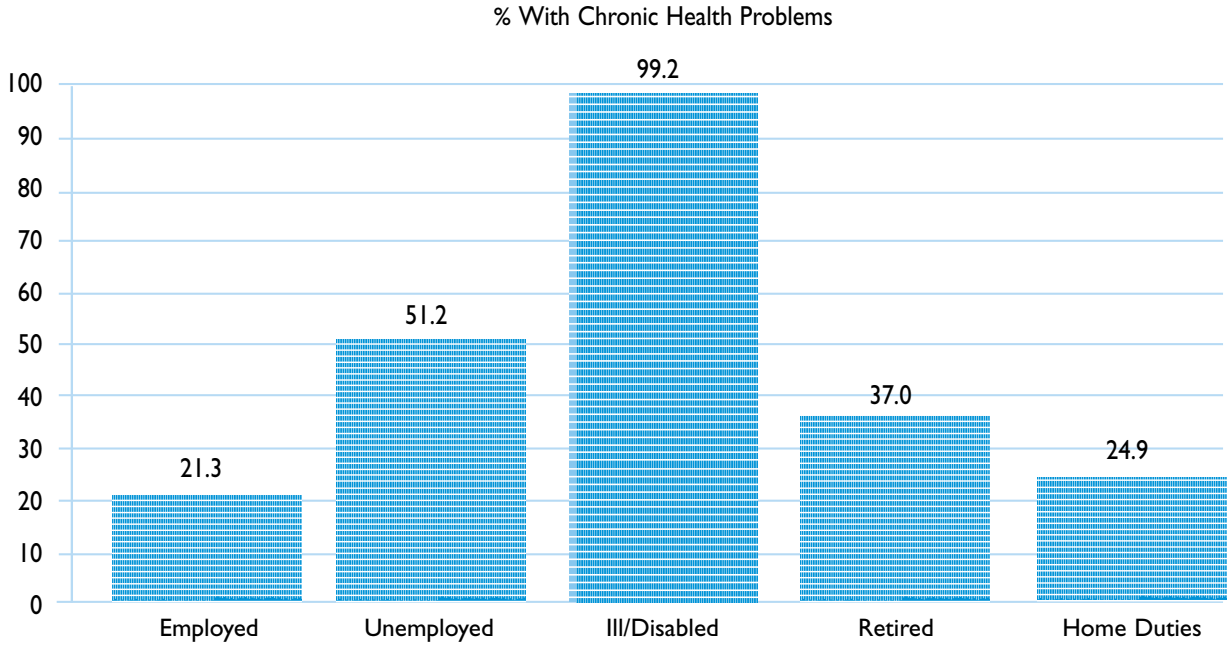
Finally, we examine whether the non-employed have taken any steps to change their current situation. Only 3.2% (39) of the non-employed say that they are searching for work. A further 1% say that they are not searching because they believe there is no work available and so would be classified as discouraged workers. The majority of those seeking work, 61%, are in the unemployed group, 21% are in home duties and 18% are retired. Among those who classify themselves as unemployed, 40% are searching for work. In the context of the satisfaction and GHQ results, the lack of job search activity cannot safely be interpreted as revealing a preference for non-employment among the unemployed and ill/disabled group. Instead it may reflect a realistic assessment of the (low) chance of re-employment.

3.4 Health Status of the Non-Employed

In this section we examine the physical health status of the non-employed groups and compare them to those aged 50-69 who are still in employment. Here we draw on respondents' answer to the question 'do you have any chronic physical or mental health problem, illness or disability?' This differs from the information used to identify the ill/disabled category among the non-employed which is based on people's definition of their main activity and their reasons for not looking for work. Figure 3.3 reveals the 4 non-employed groups are highly differentiated. Among the ill/disabled almost 100% report a chronic physical or mental health problem, which suggests that this status category is capturing a distinctive group and is not simply a matter of self labelling. The incidence of chronic sickness is also high at 51% among the unemployed. The retired have a higher incidence than those in employment, 37% versus 21%. However those in home duties have only marginally higher levels of ill health than the employed.

It might be argued that the poorer health status of the non-employed groups compared to the employed group may be primarily due to age differences. Therefore we divide the respondents into two age groups to examine whether the differences remain intact. Among the older age group the differences between the employed, retired and those in home duties are reduced, but the ill/disabled group remain highly distinctive. Among 60-69 year-olds the unemployed are least likely to have a chronic health problem but the sample numbers in this group are too small to draw any conclusions. Among the younger age group – those aged 50-59 years – the difference between the employed and the retired group remain wide (whereas the small difference between the employed and those in home duties has disappeared). This reinforces the results below (Table 3.6) which suggests that ill health plays a significant role in early retirement (see also Fahey and Russell, 2001b).

Figure 3.3: Proportion of Persons Aged 50-69 with Chronic Physical or Mental Health Problems by Economic Status



Source: Living in Ireland 2000

Table 3.6: Chronic Health Problems by Economic Status and Age Group

	Employed	Unemployed	Sick/Disabled	Retired	Home Duties
		% With Chronic Health Problem			
50-59	19.1	60.0	98.8	37.3	20.4
60-69	28.9	13.1	100	37.0	29.1

Source: Living in Ireland 2000

3.5 Benefit Status of the Non-Employed

Finally we outline the types of benefits that the older non-employed receive from the state. The results in Table 3.7 show that almost half (48%) of the older non-employed are not in receipt of any state income support. The highest level of non-coverage is among those in home duties, two-thirds of whom receive no state benefits. The most common benefit among those working in the home are survivor's benefits (that is widow's contributory and non-contributory pensions), which are obtained through husband's entitlements. These results underline the continued economic dependency of many women in this age group, which other research has found to lead to gender inequality in income and poverty in old age (Ginn and Arber, 1994 and 1998; Layte et al, 1999).

It is also of interest that a third of the retired group are not in receipt of any state benefits. Many of these may have income from private occupational pensions. Further analysis found that three quarters of the retired who are not receiving state support are under the age of 65 and therefore mostly early retired. As expected the majority of the ill/disabled are dependent on sickness or disability related payments. The majority of those who define themselves as unemployed (63%) are in receipt of Unemployment Benefit or Unemployment Assistance but a further 30% per cent receive sickness/ disability benefits, which again confirms the overlap between these two groups.

Table 3.7: Benefit Status of the Non-Employed, Aged 50-69

	Unemployed	Ill/Disabled	Retired	Home Duties	All
None	2.5	3.2	34.4	67.1	48.2
Pensions	1.1	1.5	48.7	7.8	17.5
Unemployment Payments	63.1	2.4	0.1	1.0	4.0
Sick/Disability and Injury	30.3	91.0	10.5	5.1	17.1
Survivors Benefits	3.0	0.4	6.3	12.3	8.9
Lone Parents		1.3		2.1	1.6
Family Income Support				4.0	2.3
Social Welfare Schemes*		0.2		0.5	0.4
Total	100	100	100	100	100
N	54	80	328	679	

Source: Living in Ireland 2000
Note: *26 claimants were in receipt of supplementary social welfare benefits in addition to their main benefits with six being in receipt of two of the main payments – they are classified by the first benefit they reported.

3.6 Summary

The main points from this chapter concerning the situation of all those in the 50 to 69 age groups who are outside employment can be summarised as the following:

- Health status, levels of satisfaction with current situation, reasons for stopping work and previous employment experiences and age of exit are highly differentiated across the four non-employed groups who consist of the unemployed, retired, those who are ill/disabled and those in home duties.
- One fifth (22%) of non-employed older women have never had a paid job of more than 15 hours per week compared to 6% of men.
- Two-thirds of the retired group stopped work before the age of 60, 5% stopped working before age 40, and of these the majority were women.
- Reasons for stopping work among the non-employed groups included family responsibilities (38%), ill health (22%) and exits due to employer decisions/temporary contracts (17%).
- More than 20% of the unemployed and those who are ill/disabled are not at all satisfied with their current situation – the employed and retired are most satisfied followed closely by those in home duties.
- Levels of psychological distress are highest among the ill/disabled (51%) and all the non-employed groups recorded higher levels than their employed counterparts.
- Only 3.2% of the non-employed are searching for work which may reflect a realistic assessment of low chances of re-employment.
- Almost 100% of those who are ill/disabled report chronic health problems (which suggests they are a distinctive group rather than self-labelling) followed by 51% of those who are unemployed. The retired in the 50-59 age group were more likely to report chronic health problems (37%) than the employed (19%) which suggests ill health plays a significant role in early retirement.
- Almost half (48%) of the non-employed are not in receipt of state income supports and this is predominantly the case for those in home duties and underlines the economic dependency of women which has been linked to gender inequality in income and poverty for older people. A third of the retired group are not in receipt of any state benefits. These are mainly people who have not reached the age of entitlement to state pensions.

4

EXITS FROM EMPLOYMENT

4.1 Introduction

In this chapter we focus on the process of exiting the workplace for older workers (50 to 69 years). For this analysis we rely on the panel element of the Living in Ireland Survey (LIS). The panel was started in 1994 and seven waves of data collected up to 2000 were available to the present study for analysis. We can therefore follow a group of older workers and explore their transitions out of the labour market over this seven year period. Not all respondents completed the full seven questionnaires: some dropped out of the survey due to moves, deaths and non-response. Others joined the survey in the year 2000, when an additional sample was taken to supplement the panel. For the analysis of exits from the labour market we include all those in the relevant age group who were in employment in any year and completed an interview the following year. We can therefore follow each respondent for a minimum of two years. Our dependent variable is whether or not the respondent exited work between any two interviews.

First we look at the characteristics, destinations and types of exit for older workers. We then focus on the consequences of exits from work and the health status of older workers who have exited work. The remainder of the chapter uses statistical analysis to look at possible explanatory variables for exits and destinations. This includes job and family characteristics, rural or urban location and year of transition.

4.2 Characteristics, Destinations and Types of Exit

Over the time period we observe 510 transitions out of employment among the older workers of which 54% are observed among men and 46% among women. Table 4.1 shows the timing of these exits. It is interesting that these are not particularly clustered around age 64-65 but are more evenly spread across the age distribution. This is partly because the analysis also includes non-permanent exits. However if we look at the number of exits as a proportion of individuals who are in employment at that age, then the age at exit is more structured as shown in Table 4.2. Viewed this way, exits peak at age 64 and remain high between age 65 and 68.

Not all these exits from employment are classified as retirement. Table 4.3 outlines the destinations of older workers who left employment during the panel: 13% exit to unemployment, 36% to home duties, 44% to retirement and 7% define their economic status as unable to work due to sickness or disability. These destinations vary by sex as 77% of older women leaving employment define themselves as in home duties whereas virtually none of the male respondents describe their status in this way. Unemployment is much a more common form of exit for men than women. Men leaving the labour market are most likely to define themselves as retired.

Table 4.1: Exits from Employment by Age

Age	%	N	Age	%	N
50	6.5	33	61	5.3	27
51	5.9	30	62	3.9	20
52	3.5	18	63	5.5	28
53	6.3	32	64	7.5	38
54	4.9	25	65	5.9	30
55	5.5	28	66	3.7	19
56	6.3	32	67	3.5	18
57	5.5	28	68	2.4	12
58	4.7	24	69	1.2	6
59	6.1	31			
60	6.1	31	Total	100	510

Source: Living in Ireland 1994-2000
Note: The numbers (N) reported in all tables in this chapter reflect the number of transitions.

Table 4.2: Proportion Exiting Employment by Age

Age	Exit	Stay	N
50	6.8	93.2	488
51	6.5	93.5	465
52	4.1	95.9	434
53	8.0	92.0	402
54	6.6	93.4	377
55	7.9	92.1	354
56	9.4	90.6	341
57	9.7	90.3	290
58	8.6	91.4	279
59	12.0	88.0	258
60	14.0	86.0	222
61	13.1	86.9	206
62	10.1	89.9	199
63	15.2	84.8	184
64	24.4	75.6	156
65	22.9	77.1	131
66	19.2	80.8	99
67	22.0	78.0	82
68	20.0	80.0	60
69	9.8	90.2	61

Source: Living in Ireland 1994-2000

The type of exit from employment is also patterned by age-group as illustrated by Table 4.4. Those leaving employment before age 60, are much more likely to exit to unemployment or home duties, whereas those aged 60 to 69 years are most likely to exit to retirement.

Table 4.3: Destination of Those Exiting Employment

	All	Men	Women
Unemployed	12.9	20.1	4.7
Sick/Disabled	6.9	10.2	3.0
Retired	44.1	68.6	15.7
Home Duties	35.9	.7	76.7
Total	100	100	100
N	510	274	236

Source: Living in Ireland 1994-2000

Table 4.4: Type of Exit by Age Group

	50-54	55-59	60-64	65-69
Unemployed	17.4	21.7	7.6	0.0
Sick/Disabled	8.7	8.4	6.9	1.2
Retired	17.4	30.1	65.3	75.3
Home duties	56.5	39.2	20.1	23.5
Total	100	100	100	100
N	138	143	144	85

Source: Living in Ireland 1994-2000

The way in which older workers exit employment is also strongly influenced by their occupational class position as revealed in Table 4.5. Those in the professional, managerial or technical positions are most likely to retire (64%). Previous research has shown that this group of workers are more likely to have occupational pensions (Hughes and Nolan, 2000) and therefore have greater choice over when and how they exit the workforce. This group also have the lowest rates of exit to sickness/disability. However, even among this most privileged group we see that almost 10% of exits are due to involuntary unemployment.

Those in clerical and sales/personal service positions have a high rate of exit to home duties (56%). This pattern of transitions is driven by the gender composition of these occupations, which are predominantly female as amongst the 50 to 69 age group women make up 24% of the workforce but represent 64% of the clerical and sales category and a higher proportion (43%) are in the unskilled category. The majority of skilled agricultural workers leave the workforce through retirement. This occupational group is mostly self-employed (95%), who we have seen tend to have a distinctive pattern of labour market participation in old age. The transitions of the self employed are explored in greater detail below.

Skilled and semi-skilled manual workers have the highest rate of exit through unemployment. This reflects the decline of traditional manufacturing sector jobs where older manual workers are more likely to be employed. Skilled and semi-skilled manual workers also have a higher rate of exit through sickness and disability, which accounts for almost 13% of departures. Finally, the unskilled group have a high proportion of transitions to unemployment and home duties, the latter effect is again due to the high representation of women in these occupations.

Table 4.6 shows the destination states of those exiting employment by their employment status. We separate employees, non-agricultural self-employed, farmers and relatives assisting, this latter group are

Table 4.5: Type of Exit by Occupational Group

	Managerial Professional, Technical	Clerical, Sales	Skilled Agricultural	Skilled Manual and Semi-Skilled	Unskilled
Unemployed	9.6	10.3	5.0	23.6	17.4
Disabled	1.5	7.2	7.5	12.5	7.4
Retired	63.7	26.8	62.5	54.2	19.8
Home Duties	25.2	55.7	25.0	8.3	55.4
Total	100	100	100	100	100
N	135	97	80	72	121

Source: Living in Ireland 1994-2000

Table 4.6: Type of Exit by Employment Status

	Employee	Non-Agricultural Self-Employed	Farmer	Relative Assisting
Unemployed	15.8	17.5	4.5	0
Disabled	8.2	4.8	7.6	0
Retired	45.3	41.3	65.2	13.5
Home duties	30.4	36.5	22.7	86.5
Total	100	100	100	100
N	329	63	66	52

Source: Living in Ireland 1994-2000

people (mostly women, 89%) who work *unpaid* in a family business or farm. The status of relatives assisting is ambiguous because they are unpaid. Throughout our analysis of the LIS we have included this group among the employed. The small numbers involved means their inclusion will not change the overall results. We can see that while the destination states of the non-agriculture self-employed are very similar to those of employees, farmers have a more distinctive pattern, with a higher rate exiting to retirement. The vast majority of relatives assisting move to home duties reflecting the gender composition of this group. It is interesting that a significant proportion of the non-agricultural self –employed describe themselves as unemployed when they give up work. This suggests that despite the potential for greater control not all of these exits are voluntary.

4.3 Consequences of Exits from Employment

This section looks at the consequences of different transitions out of the labour market and considers issues such as psychological wellbeing, financial impact and health changes. In the last chapter we saw that the unemployed and ill/disabled had higher General Health Questionnaire (GHQ) distress levels than other non-active and employed older people. Here we can measure respondents' GHQ scores before and after the transition and so can establish the causal direction of the relationship.

Psychological Well-being

Our hypothesis is that exits to unemployment and sickness will have a more negative impact on respondents' psychological well-being than retirement or exits to home duties, as these former types of exit represent more involuntary and negative push factors. For this analysis we use the GHQ measure described in the previous chapter and in Appendix B. In this analysis we use the full range of scores rather than dichotomizing the results into cases above and below a specific threshold as in the previous chapter.

Table 4.7 presents the changes in GHQ for those who remained in employment in both years and those who moved from employment to a range of destinations. There is no change in the psychological distress levels of those who stayed employed, however, there is a substantial increase in the distress levels of those who have entered unemployment or disability/sickness. In contrast those who have retired show an improvement in their psychological wellbeing which suggests that retirement is good for one's psychological health. Transitions to home duties lead to a marginal increase in distress scores.

Table 4.7: Change in GHQ Distress Scores, Exits from Employment

Change	Mean	Number
Stayed Employed	-0.02	3725
Unemployed	1.54	54
Disabled	0.56	27
Retired	-0.27	186
Home Duties	0.15	165
Total	0.00	4157

Source: Living in Ireland 1994-2000

Financial Impact

Different types of exits from the labour market among older people are also likely to have different consequences for the economic well-being for the households in which they reside. Those retiring will usually have access to pensions (public and less frequently occupational and private) while those unable to work due to sickness or disability are likely to be relying on other welfare payments. Table 4.4 shows that most of these latter moves occur before aged 65 and therefore those involved will not qualify for state pensions. In Table 4.8 we outline the proportion of respondents in each category whose households fall below 3 different poverty lines.

Household income is calculated using information on all sources of income for each household member, this total household income is then adjusted for household size using the revised OECD equivalence scale. There are a wide range of different poverty line measures available and the decision of where to place the line can have implications for both the number and type of households that are defined as being poor (Whelan et al, 1999). The only 'solution' to this problem is to calculate a range of income poverty lines. Here we calculate 3 poverty lines; one at 60% of median household income, one at 50% of mean household income and one at 60% of mean household income.

Table 4.8: Household Poverty in Year Two by Type of Exit from Employment (Three Poverty Lines)

	Stayed in Employment	Unemployed	Disabled	Retired	Home Duties	All
<60% Median Household Income	8.4	39.0	33.3	22.5	21.1	10.1
<50% Mean Household Income	9.1	44.1	36.7	23.6	21.1	10.8
<60% Mean Household Income	15.2	62.7	53.3	30.4	28.3	17.2

Table 4.8 shows that those who have recently exited employment are much more likely to fall below the poverty line on all 3 measures than those who remain in employment. The type of exit from the labour market also influences the risk of poverty. Rates of household poverty among those who exit to unemployment or disability/sickness are considerably higher than for those exiting to retirement or home duties. This is particularly evident on the third poverty line (60% mean income) where poverty rates among the unemployed and disabled are almost double those of the other non-employed groups. The elevated rates of poverty among those who have entered home duties

compared to those remaining in employment highlights the importance of older women's earnings in their households, countering the view that only the exits of male breadwinners will be influential.

We cannot tell from the figures in Table 4.8 whether the household poverty observed preceded the changes of employment status or whether it followed this change. The impact of exits from employment on household poverty are explored more directly in Table 4.9, where we examine the proportion of households who *enter* poverty over the same time period the respondent exits employment. However, it is also possible that other events in the household may have contributed to this entry to poverty.

Using the 60% median poverty line we see that only 5% of respondents who remained in employment entered poverty, however of those who exited employment 21% entered poverty between the same 2 interviews. This ranged from 17% among those entering home duties to 31% among those entering sickness/disability. A similar story is told by the other poverty lines.

Table 4.9: Percentage Entering Poverty by Type of Exit from Employment (Three Poverty Lines)

	Stayed in Employment	Unemployed	Disabled	Retired	Home Duties	All
Enter Poverty <60% Median	5.2	28.1	31.0	18.0	17.1	21.2
Enter Poverty <50% Mean	5.5	31.6	34.5	18.0	15.2	21.5
Enter Poverty <60% Mean	7.2	34.5	48.1	21.1	15.2	26.5

Source: Living in Ireland 1994-2000

Exit from work among older workers therefore had a significant effect on household income, particularly exit to unemployment and sickness/disability. However, it should be noted that income alone provides an imperfect measure of households standard of living. Households' longer term resources are better recorded using a combination of income and measures of deprivation that capture people's standard of living. Previous research shows that the inconsistency between income and resources can be particularly acute among the older population. For example, income among older workers may not properly reflect assets: 92% of owner occupiers aged over 65 own their property outright compared to 36% of owner occupiers under that age. Layte et al (1999) found that older people's households have a high risk of income poverty but when deprivation measures are also used they have a similar risk of poverty to non-older people's households.

Therefore while we would expect deprivation rates among older workers to be lower then income poverty rates outlined here we would expect the differences between different types of non-employed groups to remain. A retired person with a history of secure employment is likely to have accumulated greater assets and experienced less deprivation than someone with a history of unemployment or long-term illness/disability.

Health Changes

In the following tables we compare the health status of older workers who had exited employment in the preceding year to those who remained employed. We look at two measures of health, self-rated health status (Table 4.10) and experience of chronic mental or physical health problems (Table 4.11). There is a significant association between self-rated health status and exits from employment. Not surprisingly those who exit to sickness or disability are most likely to have poor self-rated health and chronic health problems. A slightly higher proportion of those who left work to other statuses define their health as fair to bad/very bad than those who stay in employment. On the chronic health problem measure however those who became unemployed are no different to those who remain in employment. These findings differ somewhat from those in the previous chapter which looked at the total stock of the older non-employed people. It appears that those who have recently entered non-employment are healthier than those who are long term non-employed except for those in home duties.

Table 4.10: Self-Rated Health Status by Change in Employment Status

	Exit Employment To:				
	Stayed in Employment	Unemployed	Disabled	Retired	Home Duties
Very Good	39.6	39.4	5.7	33.3	30.6
Good	43.6	34.8	17.1	40.0	44.3
Fair	15.8	21.2	60.0	21.8	23.5
Bad/Very Bad	1.0	4.5	17.1	4.9	1.6
Total	100	100	100	100	100

Source: Living in Ireland 1994-2000

Table 4.11: Chronic Physical or Mental Health Problems by Changes in Employment Status

	Exit Employment To:				
	Stayed in Employment	Unemployed	Disabled	Retired	Home Duties
Yes	17.5	16.9	88.6	31.7	24.0
No	82.5	83.1	11.4	68.3	76.0
Total	100	100	100	100	100
Number	4545	65	35	224	183

Source: Living in Ireland 1994-2000

There is a possibility that the health problems recorded by respondents pre-existed their transitions out of work. To make some correction for this we examine respondents' health status in the year prior to their exit from work. We then categorise the respondents into three groups:

- those who had a health problem in Year One and in Year Two ('old problem')
- those who did not have a health problem in Year One but had a problem in Year Two ('new problem')
- those who did not have a health problem in Year One or Year Two ('no problem')

Table 4.12: Changes in Chronic Health Problems by Changes in Employment Status

	Exit Employment To:					
	Stayed in Employment	Unemployed	Disabled	Retired	Home Duties	All
New Problem	7.7	15.9	43.3	14.5	12.1	8.5
Old Problem	11.2	6.8	50.0	19.0	15.2	11.9
No Problem	81.2	77.3	6.7	66.5	72.7	79.6
Total	100	100	100	100	100	100

Source: Living in Ireland 1995-2000
Note: this question was not asked in wave one (1994) therefore we cannot look at effects of transitions between 1994 and 1995.

Table 4.12 shows that between 12-16% of those who exited work to unemployment, retirement or home duties developed a new chronic health problem in the year of exit, compared to only 8% of those who stayed employed. For those entering sickness/disability the proportion rises to 43%. However, even among the group with 'new problems' we cannot conclusively establish the causal direction of the relationship. Because the data is annual rather than weekly or monthly we do not know if respondents' health may deteriorated before or after they left work. Nevertheless we do know from the results that there is a relationship between health and exits from work.

4.4 Multivariate Analysis of Exits

In the preceding analysis (section 4.2) we looked at the influence of various factors on exiting employment one at a time. Here we use multivariate analysis which allows us to examine the influence of these factors simultaneously, this means we can control for possible confounding effects. For example, we can test whether gender still influences exit rates even when occupation and employment status are controlled.

The models used here also have an additional advantage in that they allow us to take account of changes in people's characteristics over time. We have multiple observations for each respondent (from each wave of the panel survey they responded to) and we can therefore use the person's characteristics in each year to predict their probability of exit in the following year. These models are often referred to as discrete time event history models or duration models.

In the first models we consider all exits from employment and do not distinguish between the destination states of those leaving. Nor do we do separate models for early exit, instead age is included as one of the explanatory variables. The coefficient for age in model one shows that the probability of exiting employment between any two surveys increases with age reflecting the pattern outlined in Table 4.2. The results in Table 4.13 also show that, all else being equal, older women are significantly more likely to exit employment in any year than older men.

First we enter respondents' job characteristics into the model including occupational position and self-employment status. We see that managers and agricultural workers are most likely to leave employment in any year, followed by those in elementary level occupations. However, this higher exit rate for agricultural workers is cancelled out by the negative coefficient for self-employed farmers. Skilled manual, technical and clerical workers all have a similar probability of leaving which is higher than managers. The self-employed have a significantly lower rate of exit in any year than employees as we would predict, given their propensity to remain at work longer than employees (see previous chapter). However unpaid relatives assisting appear to have less incentive to remain in employment as they have the highest exit rate.

Next we include family characteristics in the model. It is argued in the literature that within couples the employment status of the other partner is an important factor in retirement decisions. Our results confirm that having an inactive partner in the home increases the likelihood of an exit from employment. The effect of having an unemployed partner is statistically insignificant which is probably due to the small number in this category. Those without a partner (single, widowed, separated) have the same exit rate as those with partners in employment. When marital status was included in the model, we found that married and separated people had the same exit as singles, but widowed respondents had a higher exit rate. This variable is too highly correlated with partner's employment status to include both in the model.

Table 4.13: Logistic Regression of Probability of Exiting Employment

	B Coefficient	Standard Error	Significance
Age	**0.12**	.01	.000
Female	**0.99**	.13	.000
Urban	-0.03	.11	.790
Occupation (Ref=Managers)			
Professionals	-0.22	.24	.359
Technicians & Associated	**0.50**	.25	.044
Clerical	0.28	.28	.318
Service, Shop and Sales Workers	**0.54**	.24	.022
Skilled Agricultural Workers	**1.25**	.37	.001
Craft and Related Trades Workers	**0.54**	.24	.028
Plant and Machine Operators	0.28	.26	.291
Elementary Occupations	**0.94**	.22	.000
Employment Status (Ref=Employee)			
Non-Agricultural Self Employed	-0.22	.17	.198
Farmer	**-1.85**	.37	.000
Relative Assisting	**0.62**	.23	.006
Partner Employment Status (Ref=Partner Employed)			
Partner Unemployed	-0.10	.36	.785
Partner Inactive	**0.42**	.13	.001
No Partner	0.13	.16	.421
Year (Ref=1994-95)			
1995-96	0.23	.16	.166
1996-97	-0.25	.18	.164
1997-98	-0.26	.18	.152
1998-99	-0.26	.18	.167
1999-00	**-0.44**	.20	.032
2000-01	**-0.28**	.17	.102
Constant	**-10.43**	.75	.000

Source: Living in Ireland 1994-2000
Note: Significant co-efficients highlighted in bold.

Finally we include two variables that are likely to reflect general labour market demand. Firstly, whether the respondent is based in an urban or rural location and secondly year of transition. Urban or rural location has no net effect on exits from the labour market (although we have seen that involvement in farming does). There is a significant period effect however as the reduced probability of leaving employment is statistically significant in the year 2000. These results suggest that the labour market boom in the late 1990s reduced exits among older workers but the effect was not substantial.

4.5 Summary

The panel element of the Living in Ireland survey has allowed us to follow older people's exit from the labour market and examine its precedents and consequences. We found that exit patterns vary by age, sex and occupational position. The main points from this chapter can be summarised as the following:

- Exits from the workplace for older people peak at 64 and remain high between age 65 and 69, there was some evidence that exits from work among the 50 to 69 age group declined over the period observed (1994-2000), which reflects improving employment conditions. However, the effect was not substantial.

- Destinations of those who leave employment are retirement (44%), home duties (36%), unemployment (13%) and those who are sick/disabled (7%). Men leaving the labour market are most likely to define themselves as retired while older women are more likely to define themselves as being in home duties despite their history of employment.

- Managerial/professional workers are more likely to retire, whereas skilled and unskilled manual workers have higher rates of exit to unemployment and sickness/disability. Farmers have a lower exit rate than employees even when factors such as age are controlled, while unpaid relatives assisting are most likely to exit employment between interview waves.

- Older women are significantly more likely to exit employment in any year than older men, the analysis also found that the consequences of exiting employment depended upon the type of transition made.

- Psychological distress levels increase for those who exited the labour market into unemployment or sickness/disability, those who are retired experienced a decrease in distress levels and the transition to home duties led to a marginal increase in distress.

- Those who have recently exited employment are more likely to fall below the income poverty line than those who remain in employment – rates of income poverty among those who exit to sickness/disability and unemployment are higher than for those exiting to retirement and home duties.

- Only 5% of respondents who remained in employment entered poverty compared to 21% of those who exited employment and therefore this has significant effects on household incomes. (However other studies suggest that the impact of exit from work among older workers and deprivation levels will be lower, especially among those with a history of full-time secure employment).

- Those who have recently entered non-employment have a higher self-rated health status than those who are long-term non-employed except for those who are in home duties.

- 12-16% of those who exited work to unemployment developed new chronic health problems compared to 8% who stayed employed, however, the data does not establish whether this health problem precipitated the exit or arose afterwards.

5

ENTRIES TO EMPLOYMENT

5.1 Introduction

In the last chapter we looked at exits from the labour market among older workers. In this chapter we consider moves in the opposite direction, that is, from non-employment into paid work. Since the focus of research among this age group is often on retirement less consideration is given to entries or re-entries to employment. In Ireland, the economic boom in the late 1990s meant that there was significant movement in the labour force status of older workers. Indeed because of the emerging labour shortages there was an increased policy focus on the possibility of increasing labour market participation amongst this group (Forfás, 2001; National Economic and Social Forum, 2003).

The steep rise in employment meant that many of the economically inactive and the unemployed found jobs, including those who were long-term unemployed. Over the period 1994 to 2002 the unemployment rate fell from 14.7% to 4.3%. In Chapter 2 we saw that the decline in unemployment was also evident for older workers. Similarly, the period covered by this study also witnessed a strong increase in labour market participation of older women. Therefore it is of significant social and policy interest for the older population to explore who entered employment, what kind of jobs they entered, and what effects those jobs had on their well-being.

The analysis in this chapter again takes advantage of the panel element of the Living in Ireland Survey. As we have information on respondents over a period of time, up to a maximum of 6 years, it is possible to identify people who move into employment between one interview and the next. We can then compare the characteristics of movers and non-movers in the period before they entered employment, and identify significant barriers or advantages. The longitudinal nature of the data also allow us to explore the characteristics of the job entered because this information is collected in the follow-up survey.

In order to include the maximum number of transitions of interest we do not limit the analysis to people who were in the sample in all 6 waves nor do we restrict the study to those who were in non-employed in the first wave of the survey. Anyone within the age range of interest (50-69) who was non-employed in any wave of the panel and completed a questionnaire in following wave is included which gives us a sample of 1656 non-employed respondents, of whom 16% (263 individuals) made a transition into employment over the period of observation.

In the next section of this chapter we look at the characteristics of those who entered employment and then outline the nature of the jobs entered. We then look at the transition rates of different groups of older people. This will provide an indication of the personal characteristics and other factors which make such a move more or less likely. Of course, some of these characteristics, such as age or time out of the labour market, change over time and the cross-sectional tables cannot fully deal with this complexity.

Therefore in the final section we construct transition models which take into account changes in respondent's characteristics over time. This will provide a more accurate account of the influence of different factors.

5.2 Characteristics of Those Entering Employment

Here we focus on the composition of those who make the transition to (re)employment. This is a function of both the transition probability and the size of the group in the population. Table 5.1 outlines the distribution of returners on key variables such as gender, educational qualifications, age group and time out of employment. Although there are other significant issues for older workers, such as membership of the Traveller community, sexual orientation and ethnicity, the data discussed in this particular study does not extend to these grounds.

Table 5.1 shows that women make up the majority of returners (59%). The great majority (70%) of those entering work are in the 50-59 age group. One third of those entering work had a relatively short absence from employment of less than two years. However the second highest category are those who have been out of employment for over twenty years, this arises mainly because this is a large group in the non-employed population. Finally we see that although those with no qualifications had the lowest rate of entry to employment they still account for almost half of re-entrants. This reflects the general educational profile of this age-group and has implications for the types of jobs entered, which is the topic we turn to next.

Table 5.1: Characteristics of Those Making Transitions

	%
Sex	
Male	41.2
Female	58.8
Age Group	
50-54	41.2
55-59	29.1
60-64	16.2
65-69	13.5
Time Out	
<2 Years	32.7
2 - 4 Years	9.5
5 - 9 Years	10.5
10 - 14 Years	7.1
15 - 20 Years	5.1
Over 20 Years	26.2
Never Worked	8.8
Education Level	
No Qualifications	48.6
Inter/Junior Cert Level	22.3
Leaving Cert Level	15.9
Tertiary	12.8
N*	296

Source: Living in Ireland Survey
N = The numbers (N) reported in all tables in this chapter reflect the number of transitions.
* 29 individuals appear twice in these figures and 2 appear three times because they made more than one transition from non-employment to work over the six years of the panel.

Two-thirds of those entering employment in the 50-69 age group are found to do so on a part-time basis, conventionally defined as less than 30 hours per week. Over half of these part-timers are working very short hours of less than 15 hours per week, some on an irregular basis. This pattern of working is consistent with findings on older workers attitudes (Fahey and Russell, 2001) which shows a strong preference for a gradual reduction of working hours in the years approaching retirement, and a preference for part-time work among those who wished to re-enter employment.

A wide range of occupations were entered by older (re)entrants (see Table 5.2). However there is an over-concentration of workers in service, shop and sales work (22% of jobs entered) and in elementary occupations (28% of jobs). In chapter two we saw that only 10% of older workers are employed in each of these occupations. Comparison with the occupational position of older workers in general also shows that these entrants/re-entrants are particularly under-represented in the managerial/senior officials' category and to a lesser extent in the professional group.

Finally we found that only 9% of those entering work over the period were self employed, this is somewhat lower than the percentage among this age group as a whole reported in Chapter 2 (14%).

Table 5.2: Job Characteristics of Those Entering Employment Between 1994-2000

	%
Hours of Work	
Irregular < 15 hrs	6.1
1-14 hrs	29.0
15-30 hrs	31.7
Over 30 hrs	33.1
Senior Officials, Managers and Legislators,	3.4
Professionals	10.2
Technicians and Associated Professionals	4.4
Clerical	6.8
Service, Shop and Sales Workers	22.4
Skilled Agricultural Workers	9.9
Craft and Related Trades Workers	8.2
Plant and Machine Operators	7.1
Elementary Occupations	27.6
Employee	91.2
Self–Employed	8.8
Number of Transitions	296

Source: Living in Ireland Survey

5.3 Consequences of Entries to Employment

In the previous chapter we considered how exits from employment influenced respondents' physical, psychological and financial well-being. Here we consider whether entries/re-entries to work bring with them any significant changes psychological well-being and financial status.

We look first at psychological distress. The measure is described in detail in the last chapter. We compare the changes in distress scores between interview years for the non-employed who stayed in that status and those who entered employment the results in Table 5.3 show that there is no significant difference in score changes between those entering employment and those who remain non-employed. However this overall results hides different patterns for men and women. Among men those who enter employment experience a much greater decline in their distress levels than those who

Table 5.3: Change in GHQ Distress Scores, Entries to Work

	All		Men		Women	
	Change	N	Change	N	Change	N
Entered Employment	-.56	260	-1.73	102	+.19	158
Stayed Non-Employed	-.19	4790	-.33	1359	-.13	3431
Significance	Not Significant		P=.002		Not Significant	

Source: Living in Ireland Survey
Note: Numbers (N) Reported Refer to Person Years

remain non-employed. For older women, entering employment increases psychological distress levels. The fact that some of these women have been outside the labour market for significant periods may mean that the move into employment creates a certain amount of anxiety. This could also be related to the issue of 'dual burden' where women continue to have responsibility for household and family duties as well as participating in the outside employment. For men re-employment appears to have a very positive impact on mental health.

Table 5.4 illustrates that there are also positive effects of entry to employment for household income. We see that exits from income poverty are at least three times more likely where the respondent has entered employment than when he/she remains non-employed. This relationship holds up regardless of which income poverty line is used. The results confirm the results in the last chapter, that labour market transitions among this older age group remain highly significant for their household incomes.

Table 5.4: Changes in Household Poverty Status by Entry to Employment

	Poverty Line < 60% Median Household Income		Poverty Line < 60% Mean Household Income	
	Entered Job	Non-Employed	Entered Job	Non-Employed
Enter Poverty	2.0	8.7	4.1	8.8
Stay Poor	7.8	15.5	15.5	30.8
Stay Non-Poor	74.3	71.1	58.8	54.0
Exit Poverty	15.9	4.7	21.6	6.4
Total	100	100	100	100

Source: Living in Ireland Survey
Note: A Similar Pattern of Results if Using the 50% Mean Poverty Line

5.4 Rates of Transition into Employment

Here we examine the characteristics of those who make a transition into employment at some time over the 6 year period of the panel survey and compare them to those who remain non-employed. Although the transitions occurred in different years it is difficult to compare the characteristics of respondents across different survey waves in one bi-variate table. For ease of comparison we therefore compare the characteristics of movers and non-movers as measured in the first wave of the survey in 1994. For some variables this is inconsequential as they do not change over time (for example sex) other variables might have changed between 1994 and the year the respondent entered employment (for example health status, time out). This additional complexity is taken into account in the event-history model outlined in section 5.5.

Table 5.5: Returns to Work Among Non-Employed Aged 50-69

	Male	Female	All
No	80.9	85.8	84.1
Yes	19.1	14.2	15.9
Total	100	100	100
Unweighted Number	561	1095	1656

Source: Living in Ireland Survey

We mentioned above that, overall, 16% of the non-employed in the selected age-group were found to have entered work at some point over the 6 year observation period. Here we look at the transition rates of different groups of older people. This will provide an indication of the personal characteristics and other factors which make such a move more or less likely. Of course some of these characteristics, such as age or time out of the labour market, change over time. For ease of presentation in these cases we compare the characteristics of movers and non-movers in the first wave of the panel.

Table 5.6: Returns to Work 1994-2000 by Age

	45-50 *	50-54	55-59	60-64	65-69
No	70.8	75.1	82.7	91.5	94.0
Yes	29.2	24.9	17.3	8.5	6.0
Total	100	100	100	100	100

Source: Living in Ireland Survey
Note: * These are respondents who enter the study age range during the panel

Older men are somewhat more likely than older women to make a transition into work over the six years observed, 19% versus 14% respectively. However, because the number of non-working women in this age group is higher, as can be seen in Table 5.5, women make up the majority of returners.

The probability of making a return to work declines steadily with age. The figures in Table 5.6 demonstrate that a quarter of the non-employed aged 50-54 in the first wave of the panel had entered or re-entered work over the period of observation. The transition rate declined to 6% among those age 65-69 years. Nevertheless it is interesting that some of this oldest group were still entering employment.

Table 5.7: Returns to Work 1994-2000 by Education Level

Enter work?	No Qualifications	Inter Level	Leaving Level	Tertiary
No	86.7	80.3	83.2	71.6
Yes	13.3	19.7	16.8	28.4
Total	100	100	100	100

Source: Living in Ireland Survey

Those with higher levels of education were more likely to enter employment over the six year period as Table 5.7 reveals. Only 13% of those with no qualifications moved from non-employment to work, compared to 28% of those with third level qualifications. The relationship is not linear as those with intermediate level qualifications are more likely to enter employment than those with Leaving Certificate level qualifications. Studies of the unemployed show that education level is a highly significant factor in assisting the return to employment, however we might have expected education to be less influential among this older age group. A study of women returners of all ages (Russell et al, 2002) found that transitions from full-time homemaking to employment increased with education level.

Table 5.8: Returns to Work 1994-2000 by Length of Time Out of Employment

Enter work?	Less Than 2yrs	2-4 yrs	5-9 yrs	10-14 yrs	15-20 yrs	Over 20 yrs	Never Worked
No	69.8	84.2	87.0	88.3	85.7	88.2	94.4
Yes	30.2	15.8	13.0	11.7	14.3	11.8	5.6
	100	100	100	100	100	100	100
Unweighted Number	106	152	200	120	84	55	106

Source: Living in Ireland Survey
Note: The table refers to time out in year one of the panel (1994), but this variable changes over time so there will be some inaccuracies for those entering work in later years of the panel.

The likelihood of entering employment among older people is related to length of time spent outside employment as seen in Table 5.8. Those who have been unemployed or economically inactive for less than two years are most likely to make a transition to work (30%). Not surprisingly those who have never been in paid work (self-employed or employed) are the least likely to have entered a job over the six year observation period. However, beyond the two year point there is not a great deal of variation in the rates of transition by the duration of non-employment. So, for example, 16% of those out of work for 2 to 4 years make the transition compared to 14% of those out of work for 15 to 20 years. This bivariate analysis of time out of employment is limited because it cannot take account of changes in duration over the observation period and because those who were employed in the first wave of the panel, who subsequently left employment, are not included in the analysis.

Table 5.9: Returns to Work 1994-2000 by Urban/Rural Location

Enter Work?	Rural	Urban
No	84.1	84.2
Yes	15.9	15.8
Total	100	100

Source: Living in Ireland Survey

Table 5.10: Returns to Work 1994-2000 by Employment Situation in Local Area

	How Many of Those Who Want to Work Are Working?				
Enter work?	Almost All	Most	Half	Less Half	Almost None
No	85.1	84.9	82.4	83.5	87.8
Yes	14.9	15.1	17.6	16.5	12.2
Total	100	100	100	100	100
Unweighted Number	296	581	408	272	49

Source: Living in Ireland Survey

Table 5.11: Returns to Work 1994-2000 by Self-Assessed Health Status (in 1994)

	Health Status				
Enter work?	Very Good	Good	Fair	Bad	Very Bad
No	79.8	81.6	90.1	95.2	96.9
Yes	20.2	18.4	9.9	4.8	3.1
Total	100	100	100	100	100

Source: Living in Ireland Survey

The rate of entering/re-entering work among older age groups does not vary by urban rural location. To further test the impact of local employment demand we examined transition rates by perceptions of level of unemployment in the local area. Respondents were asked what proportion of those in their area who wanted to have a paid job were actually in work (response categories ranged from almost all to almost none). However Table 5.9 and Table 5.10 show that the subjective measure of local employment conditions did not have any impact on transitions into employment among the 50 to 69 age group.

We saw in the previous chapter that health status was an important factor in exits from employment among older workers, influencing both the timing and the nature of the transition. Here we see that health is also highly influential in moves into employment. Those who say that their health is 'very good' are most likely to (re)enter work – Table 5.11 illustrates that among this group 20% made this

Table 5.12: Returns to Work by Experience of Chronic Health Problems in 1995*

	Health Problems	
Enter work?	Yes	No
No	90.2	81.4
Yes	9.8	18.6
Total	100	100

Source: Living in Ireland Survey
* Question on chronic physical or mental health problems not asked in 1994

transition between 1994 and 2000. In contrast only 3% of those who judged their health to be 'very poor' in 1994 had entered work.

From 1995 onwards respondents were also asked if they had any 'chronic, physical or mental health problem, sickness or disability?' This additional measure of health is also correlated with returns to work as shown in Table 5.12. However, this relationship is not as strong as that found for self-assessed health status.

Table 5.13: Entry to Work 1994-2000 by Benefit Status in 1994

	None	Pensions	Unemployment Payments	Sick/ Disability	Survivors Benefits	Lone Parents	Family Income Support	Social Welfare
No	81.8	94.3	62.6	94.8	93.2	65.0	81.8	85.7
Yes	18.2	5.7	37.4	5.2	6.8	35.0	18.2	14.3
Total	100	100	100	100	100	100	100	100

Source: Living in Ireland Survey

The effect of health status on employment is also evident when we look at the relationship between transitions and benefit status. Those on sickness/disability benefits are the least likely to make a transition back into work (5%). Those receiving pensions also have a low probability of re-entry which

Table 5.14: Returns to Work 1994-2000 by Marital Status in 1994

	Men		Women	
Enter work?	Single/Widowed /Separated	Married	Single/Widowed /Separated	Married
No	88.9	79.1	88.7	85.0
Yes	11.1	20.9	11.3	15.0
Total	100	100	100	100

Source: Living in Ireland Survey

may be partly due to higher age. Those on unemployment payments are more likely to have gone back to work than those not receiving any payments as are those on lone parent benefits. This finding runs counter to any benefit disincentive argument. It is likely that the recipients of lone parent benefits are on average younger than other respondents since to qualify they must have a child under 18 (or 21 if in full-time education). The higher rates of entry among those on unemployment benefit that can be viewed in Table 5.13 may arise because they are closer to the labour market than other non-employed groups, and seeking employment is also a condition of benefit receipt.

The final set of questions look at the influence of respondents' family situation on their probability of entering work. First we look at the influence of marital status and Table 5.14 shows that entry to work is associated with marital status for men: married men are more likely to have (re)entered work over

Table 5.15: Returns to Work 1994-2000 by Employment Status of Partner in 1994

	Men		Women	
Enter work?	Partners Not Employed	Partners Employed	Partners Not Employed	Partners Employed
No	80.6	64.8	88.5	82.0
Yes	19.4	35.2	11.5	18.0
Total	100	100	100	100

Source: Living in Ireland Survey

the period 1994-2000 than those who were single, divorced, widowed or separated. For women the difference between the two groups is insignificant.

Table 5.16: Returns to Work 1994-2000 by Caring for Elderly/Sick/Disabled

	Care Responsibilities in 1994	
Enter work?	Yes	No
No	85.1	83.9
Yes	14.9	16.1
Total	100	100

Source: Living in Ireland Survey

As mentioned in the previous chapter the employment status of partners can influence retirement decisions. There is also well developed literature on the link between the employment status of partners due to shared resources or constraints, and the rules of the benefit system, which can discourage the partners of the unemployed from taking up work (Russell et al, 2003; Blossfeld and Drobnic, 2002; McGinnity, 2002). Here we find that among the older non-employed those with partners in employment are significantly more likely to enter work than those whose partner is not employed: this is found to be true for both male and female respondents as revealed by Table 5.15.

The final 'family' variable records whether or not respondents have caring responsibilities. We focus here on care of older people, sick or disabled persons, living in the respondents households or elsewhere. In Table 5.16 about 12% of the current group (that is those who were non-employed in at least one survey wave) had such caring responsibilities, however this did not significantly affect employment probabilities.

5.5 Models of Returns to Employment

In this section we model the probability of returning to work among those aged 50-69, using a multivariate model. We analyse the impact of each of the variables outlined in section 5.4 while controlling for all the other variables. This technique allows us to identify more clearly the independent effect of each characteristic and to see which of the variables are most significant. The model used below is a discrete time event history model, which can take account of factors that change over time (time-varying co-variates). The model includes multiple observations for each respondent from each wave of the panel survey and it uses a person's characteristics in each year to predict their probability of exit in the following year. The model includes a correction factor to take into account the non-independence of these multiple observations. Therefore, factors like age and time out of the labour market are adjusted each year.

The model shows that the most significant influences on the probability of returning to work amongst this population group are: age, education, recent labour market experience, benefit status and year. Among the non-employed those aged under 60 are significantly more likely to make the transition to work than those over 60. Third-level graduates are more likely to return than any other educational group. Those who have been out of work for less than two years are most likely to return.

Table 5.17: Model of Probability of Entering Employment

	All		Men		Women	
	Co-efficient	Significance	Co-efficient	Significance	Co-efficient	Significance
Age (Ref. 65-69)						
50-54	**1.45**	.000	**1.47**	.001	**1.40**	.000
55-59	**0.98**	.000	**0.95**	.017	**1.00**	.001
60-64	0.20	.433	0.51	.180	-0.17	.628
Education. (Ref. No Qualifications)						
Inter Cert Level	0.15	.419	0.55	.108	-0.03	.905
Leaving Cert Level	-0.03	.872	0.33	.303	-0.15	.555
Tertiary	**0.71**	.006	**1.03**	.005	0.58	.099
Time Out (Ref. >20yrs)						
< 2 Years	**1.50**	.000	0.76	.237	**1.68**	.000
2-4 Years	0.27	.351	-0.66	.335	**0.75**	.028
5-9 Years	0.29	.260	-0.20	.763	0.10	.801
10-14 Years	0.08	.782	-0.62	.362	0.07	.860
15-20 Years	0.45	.197	-0.08	.904	0.46	.330
Never Worked	-0.03	.913	-0.72	.585	0.00	.991
Health (Ref. Very Good)						
Good	-0.05	.736	-0.14	.567	0.05	.792
Fair	-0.33	.106	**-0.64**	.036	-0.15	.573
Bad/Very Bad	-0.61	.148	-0.57	.250	-1.09	.287
Benefits (Ref.None)						
Pensions	-0.27	.411	0.22	.604	-1.15	.075
Unemployed	**0.90**	.000	**1.33**	.000	0.08	.864
Sick/Disabled	**-1.38**	.001				
Survivors	0.10	.788	-0.37	.726	-0.28	.542
Lone Parents	**1.05**	.033			0.54	.359
Other Benefits	-0.80	.189	-0.75	.115	**-1.85**	.003
Year (Ref. 1994)						
1995	-0.16	.464	-0.38	.288	-0.01	.959
1996	**0.55**	.004	0.39	.224	**0.73**	.003
1997	0.03	.887	0.12	.718	0.00	.999
1998	-0.12	.604	0.14	.704	-0.29	.357
1999	**0.52**	.016	0.32	.358	**0.68**	.015
Other Variables						
Rural	0.07	.607	0.28	.234	0.00	.980
Male	0.30	.133				
Partner	0.14	.578	0.34	.273	-0.30	.448
Elder Care (Ref =No)	-0.25	.307	-0.56	.366	-0.12	.665
Constant	**-4.33**	.000	**-3.99**	.000	**-3.87**	.000
Number	5430		1708		3797	
Pseudo R2	.154		.219		.129	

Source: Living in Ireland Survey
Note: Significant variables highlighted in bold.

Our earlier finding that those receiving unemployment benefits and lone parent benefits were more likely to return is true even when we control age and time-out. This suggests that the institutional assistance to find work given to these groups may facilitate their re-entry to employment. Those on sick/disability payments are less likely to return which is likely to reflect their poor health status rather than indicating a benefit disincentive effect. Finally the models introduce the 'Year' variable to the analysis, which could not be considered in earlier tables. The results show that 1996 and 1999 were the peak years for gaining employment compared to the base year (1994). Demand for labour increased over the late 1990s so it is not clear why only these two years are significant.

We also estimated separate models for men and women to see if the processes of re-entry varied by sex. Education and health status turn out to have more influence on men's chances of re-entering employment. Time out of employment proves to be more significant for women's entries to work, this is likely to reflect the higher degree of variation in women's work histories (see Chapter 3). Women with recent work experience are likely to have very different connections to the labour market than women who have been out of employment for a long period.

5.6 Summary

From an overview of the characteristics and patterns of entries from non-employment into work for older workers the key findings of this chapter are:

- Older men are more likely than older women to make transitions into work (19% compared to 14%) however women make up the majority of returners (59%) as there are more of them among the non-employed group.

- The main occupations entered for older workers were in services and sales (22%) and elementary occupations (28%) and two-third of those entering employment do so on a part-time basis with half of these working less than 15 hours a week.

- The transition rate into work declined from 25% for the 50-54 age group to 6% among the 65-69 age group.

- Self-assessed health status has a significant impact as 20% of those who claimed their health was 'very good' made the transition into employment compared with 3% who judged their health 'very poor'.

- Marital status did not influence re-entry to employment when other factors are controlled. However the bivariate analysis suggests that those with employed partners are more likely to make this transition. Caring responsibilities had no significant impact of employment probabilities.

- Those with higher levels of education (28% of those with third level qualifications compared to 13% with no qualifications) and who were out of employment for less than two years (30%) are more likely to enter employment.

- Education and health have the greatest impact on men's employability whereas time out of employment is more important for women.

- Re-entering employment has a positive impact on household income. Exits from income poverty are 3 times more likely when respondents re-entered employment.

- Men who re-enter employment experience a decline in psychological distress levels whereas for women stress levels increase. This may be linked to the longer periods that women returners have spent out of the labour market which makes the readjustment to employment more difficult. Another issue is that they may continue to have responsibility for family and household duties.

6

SUMMARY AND IMPLICATIONS

6.1 Introduction

The proportion of people aged 50-69 years in employment rose during the 1990s, thus reversing a long-term downward trend. The purpose of the present study was to examine the components of this upward movement, in the context especially of an interest in the role of public policy in shaping the labour market behaviour of older people. Differences in labour market behaviour by gender and between the Border, Midland and Western region and the Southern and Eastern region were also a concern. This chapter summarises the main findings of the study and draws implications for policy.

6.2 Overall Trends

Beginning in the late 1980s, the employment rate among older female workers rose sharply. The increase was particularly rapid among women in their 50s. The proportion of women aged 50-54 at work more than doubled between 1989 and 2002, rising from just under 25% to over 50%. An increase also occurred among women in the age groups 55-59 and 60-64 but on a more modest scale. A long-term decline in male employment rates bottomed out in the early 1990s and thenceforth turned into a slight upward movement from about 1997 onwards. Among men as among women, the upward movement occurred in all age-groups up to age 64, though the increase was much smaller among men than among women.

The dominant component in the upward trend in older workers' employment rates was not a delay in retirement but an increase in the movement of the formerly non-employed into jobs. This increase was mostly due to women entering paid jobs from home duties, with the unemployed contributing in a secondary way. Among men, a decline in unemployment was the main driving force. For women, the proportion who had retired early (that is, before age 65) showed a slight decline over this period but for men it increased slightly. This indicates that for men, employment and early retirement both increased at the same time, as movements out of jobs into early retirement were more than compensated for by movements into jobs of the formerly unemployed and, to a much lesser extent, of the formerly ill/disabled. These patterns showed little difference by region. In 2000 the labour market status of people aged 50-69 was not appreciably different in the Border, Midland and Western region than in the Southern and Eastern region.

The proportion of older workers who were self-employed rose steadily with age, and the propensity to continue working after the standard retirement age of 65 was overwhelmingly concentrated among the self-employed, especially among male farmers. Employment rates fall off sharply after age 65 (among men in 2002, for example, over half of those aged 60-64 were at work, compared to less than a quarter of those aged 65-69). The prominence of the self-employed among those who continue to work after age 65 meant that self-employment became the dominant employment status in that age-

group where it is a minority employment status among those aged under 65. There is a regional difference in the significance of self-employment. Because farming is more prevalent in the Border, Midland and Western region than in the Southern and Eastern region, self-employment is more common among older workers in the former region than in the latter.

Part-time working is common among older female workers but is relatively unusual among older male workers. More than half of older women workers work less than 30 hours per week compared to 10% of older male workers.

Comparisons with other European countries indicate the labour force participation rates among older men in Ireland are already quite high and are unlikely to have much scope to rise further. Among women aged over 60, labour force participation rates have risen above the EU average since the mid-1990s, but among women in their 50's they are still below the EU average. They are also quite low in absolute terms and so may have some scope for further increase in the future. Such increase may occur in part because of carry-over effects of higher employment rates among younger age-cohorts of women, though such carry-over effects could be cancelled out if younger age-cohorts of women already in jobs opt for earlier retirement ages than are evident at present.

6.3 Older People Outside Paid Employment

Older people who are not in paid jobs can be classified into four groups for statistical purposes – the retired, the unemployed, the long-term ill or disabled, and those in home duties. The retired typically last had a job in their 50s, while the majority of those in home duties either never had a paid job or exited their jobs at an early age, in most cases before age 40. The unemployed are in between these extremes, with the modal age-range when they last had a job being 40 to 49. The age at which the ill/disabled last had a job was spread over the whole age range from below 40 to 50 to 59.

The reasons given by the non-employed for leaving their last job was generally as might be expected. For the unemployed the most common reason was the ending of a temporary job, for the retired it was either reaching normal retirement age or some involuntary reason such as redundancy or dismissal, and for those in home duties it was family reasons such as marriage or the arrival of children. However, sickness also played a major role. It was not only the dominant reason for exiting their last job among the ill/disabled (82% of whom gave this as a reason), it was also a common reason among the unemployed and the retired (among whom 23% and 26% respectively said they left their last jobs for reasons of sickness). It was only among those in home duties that sickness played little role as a reason for leaving their last job. Thus sickness emerges as a significant influence on the employment activity of the retired and unemployed as well as the ill/disabled among older people.

Only a very small percentage (less than 4%) of the non-employed are seeking work. Even among those who report themselves as unemployed, less than half are seeking work. The low level of job search among the non-employed may reflect a 'discouraged worker' effect, based on a realistic assessment of the (low) chance of re-employment. However, the present data on this issue were collected in 2000, a period of labour shortage in Ireland in which labour demand was at an historical high and the discouraged worker effect was likely to have been at an historical low. The decline in demand may reduce the number of older workers entering the job market. It may also mean that the supports required by those who wish to re-enter employment become all the more crucial as competition for jobs increases. This reinforces the point that any future increases in employment rates among older workers are most likely to arise as a result of the carry-over effects of already existing higher employment rates among younger women workers than from any further large-scale movement of the non-employed into jobs.

6.4 Exits From Employment

One of the features of the present study is its use of panel data from the Living in Ireland Survey (LIS) to track movements of people aged 50 to 69 in and out of employment and both the antecedents and consequences of those movements. The LIS interviewed the same sample of households each year

between 1994 and 2002, and the data collected up to 2000 were available for the present study.

The present analysis focused first on the 510 instances of people aged 50-69 in the LIS data who had exited from their jobs in the period 1994-2000. Exits were evenly spread over the full age-range from 50-69, with a mean age of 59. However, the destination states of those who exited varied with 13% exiting to unemployment, 36% to home duties, 44% to retirement and 7% to sick/disabled. Women exited mainly to home duties (77%) while men exited primarily to retirement (77%) and secondarily to unemployment (20%). Multivariate analysis shows that the propensity to exit was lowest among those in occupations such as managers and professionals and highest among farm employees and low-skill workers. Having an inactive partner also increased the likelihood of exit.

Cross sectional-data suggested that the consequences of exits from employment for people's subjective well-being are strongly influenced by the destination of exit. The panel data confirm this finding as people who retired showed a substantially lower level of psychological distress than they had a year earlier when they were still at work. The unemployed, by contrast, showed a large increase in psychological distress and those who left jobs because of sickness or disability also showed an increase, though not to the same degree as the unemployed. The situation with income was somewhat different in that exiting from employment had uniformly negative income consequences, irrespective of the destination – income generally tended to fall. However, the *extent* of the negative consequences of exit varied by destination as the risk of falling into income poverty on exiting employment was considerably higher for those going into unemployment or sickness/disability than it was for those going into retirement or home duties. Physical health consequences also differed by destination of exit. For those leaving jobs on account of sickness and disability, exits were widely associated with sickness. But all categories of older people show an increasing risk of ill-health as they age. That risk is slightly higher for those who leave their jobs than it is for those who stay on in their jobs. Those who retire also have a higher risk of ill-health than those who move into unemployment but that arises largely because retirees are likely to be considerably older than other workers and many of them have worse health *before* they leave their jobs for the same reason.

These patterns suggest, then, that exiting a job into either unemployment or sickness/ disability is likely to be a negative transition from a number of points of view, including worsening psychological well-being, falling income and, in the case of the ill/disabled, declining health. Exiting into retirement also has some drawbacks, especially reduced income and, as a normal part of the ageing process, a risk of increase in health problems. However, despite these drawbacks, retirement is generally experienced at the subjective level as a strongly positive experience and so is a qualitatively different transition than the movement into unemployment or sickness/ disability. Transitions to home duties lead to a marginal increase in distress scores.

6.5 Entries Into Employment

Over the period of the panel, 16% of the non-employed entered jobs. The percentage of male non-employed who entered jobs (19%) was larger than that of females (14%), but because the base population of female non-employed was more than double that of male non-employed, the majority of entrants were female. The propensity to enter jobs tailed off sharply by age: it was almost three times higher among those aged 50-54 (25%) than among those aged 60-64 (8.5%). It was also influenced by education, especially in that those with third level education were about twice as likely to enter jobs as those with lesser educational qualifications. However, because those with third level education are few in the population of older people and those with lesser qualifications and no qualifications at all are many, the majority of entrants into jobs had either primary or lower second level education only.

One of the most important influences on likelihood of entering jobs was length of time out of employment: generally speaking, those who had been out of employment for less than two years were much more likely to go back into employment than those who had been out for more than two years, though once the two-year threshold was passed there was little further drop-off in propensity to

return as the length of time out of employment increased. Rates of entry into jobs did not differ significantly by urban/rural location.

Health status was also an important influence, especially in that those who felt their health was very good or good were more likely to enter jobs. There were also strong links with benefit status, in that those receiving unemployment and lone parent benefits were most likely to enter jobs while those receiving sickness/disability benefits were least likely to return. Married men were more likely to return than single, widowed or separated men, and they were particularly likely to return if their partners had jobs. Marital status had no significant effect on women's likelihood of returning.

The effect of entering a job on psychological well-being differed by gender. It reduced psychological stress among men, most of whom were moving from unemployment, but slightly increased it among women, most of whom were moving from home duties. However, the general effect on household incomes was positive and the majority of those who were income poor before taking up jobs exited poverty by moving into employment.

6.6 Policy Implications

The period which was the main focus of the present study from 1994 to 2000 witnessed a reversal in the long-term trend towards falling labour force participation rates among older people in Ireland, particularly on account of the large increase in employment among women aged in their 50s. However, this was an exceptional period of labour force growth and labour shortage among all age-groups in Ireland, and one has to be careful in drawing policy lessons from what may turn out to have been an untypical period of labour market development in this country.

A central concern of the present study has been to de-compose the overall movement in older people's employment rates into the elements which make it up. Even if the balance between those elements may be different in the years ahead than they have been in recent years of rapid labour force growth, it is nevertheless possible to draw some policy lessons from the analysis of the various elements and the key implications that have emerged are as follows:

Age discrimination is of greatest concern for older workers who are unemployed and who are sick/disabled due to their more negative circumstances and resistance to hiring older workers on the part of employers.

The major alternatives to employment found among older people, retirement and home duties are generally positive at the individual level while unemployment and long-term sickness or disability are unambiguously negative. Although older workers who are retired and those in home duties, like the unemployed, are likely to have lower incomes than those at work, income measures alone do not adequately capture standard of living as some older houses may also have access to resources built up over their lifetimes and, for the retired especially, and to some extent also for those in home duties, negative income effects are counterbalanced by positive effects in other areas, particularly in subjective well-being, while for the unemployed and the ill/disabled, there are no compensating positive effects to counterbalance the negative effects of lower incomes. There is thus a considerable degree of polarisation between, on the one hand, the largely positive circumstances of the retired and those in home duties and, on the other hand, the largely negative circumstances of the older unemployed and those in sickness/disability.

In addition, the older unemployed can easily become the forgotten unemployed. The temptation may be present for active labour market interventions to concern themselves mainly with younger people, or with other categories who are more numerous and potentially more important for employment growth than the older unemployed. Yet from a welfare point of view, the circumstances of older unemployed are just as serious as those of other categories of people not currently at work and their claim to attention from policy interventions has to be seen in that light.

The entry of older women into the labour market also raises a number of policy issues.

Women made up the majority of entrants to the labour market within this age-group. While the move into employment had a positive impact on their household incomes the negative effect on psychological well-being suggests that there may be psychological strains associated with this transition. The stress associated with re-entering the job market may be particularly acute for those who have been outside the labour market for a considerable period. Previous research on women returners found that the limited support available usually ended once a job was entered and that continued on-the-job training or mentoring was important to make these transitions easier (Russell et al, 2002). This research also suggests that returners benefited from pre-employment training which addressed both skills and self-confidence issues but found that this group lacked information on the availability of training and their eligibility to attend. Availability to information, access to state training schemes and to on-the-job training and support are likely to be important for older male and female re-entrants, who may not have been involved in job search or started a new job for many years.

Labour market access for older people is also an issue for health and equality policy. Need to look at whether health-related obstacles to older people's employment arise from; overt discriminatory attitudes on the part of employers towards those with health problems, remediable structural barriers to the employment of people with physical ailments or objective limitations caused by lowered physical capacity.

As one might expect, health problems are the dominant influence on the labour market situation of those with sickness and disability, but they are also a major secondary influence on the situation of the older unemployed. Improvements in health could therefore make an important contribution to improving labour market access to these disadvantaged categories of older people and could have knock on benefits in the employment field in addition to the direct benefits associated with better health.

It is in this area also that important questions about equality and discrimination arise, since the possibility must be considered that the role of ill-health as an impediment to employment among older workers reflects employer attitudes and the way jobs are structured as much as the constraints on workers' functioning caused by physical ailments.

The policy problem in regard to retirement is to balance the positive individual-level interest in early retirement against its negative aggregate effects.

While various aspects of public policy can view unemployment and sickness/disability as unambiguously negative risks facing older workers, the perspective on retirement has to be more mixed. On the one hand, retirement is generally good for people and is welcomed by them at the individual level. This seems to be as true of early retirement as of retirement at the normal age. On the other hand, retirement in general, and early retirement in particular, reduces the labour supply and increases the burden on pension provision. These aggregate effects are increasingly been seen as serious problems for the future of many developed societies.

The general situation is that older workers *want* to retire and they feel better when they have made that transition. In addition, structural changes in the economy and certain consequences of policy exert a downward pressure on older people's employment rates, even as the collective interest in delaying retirement grows stronger. These pressures include the following:

- The decline in agriculture reduces the number of farmers and, since farmers are one of the few occupational categories with a strong propensity to work beyond normal retirement age, this in turn will cause a lowering of the average age of retirement.

- The increasing share of the population which has occupational pension coverage – a development strongly supported by public policy in Ireland – will strengthen the income

position faced by older workers after they retire, and this will give them greater scope to retire early. This is but one aspect of a larger pattern which is that earlier retirement is one of the fruits of rising prosperity and is therefore a widespread consequence both of economic development generally and of higher earning power among older workers in particular.

- Although older women are much more likely to be employed in Ireland in recent years, women generally tend to exit employment somewhat earlier than men. As the consequences of elevated female labour force participation rates feed through over time into the later age-ranges of the working life, the immediate consequence may be to raise participation rates among older workers (as is happening in Ireland at present), but when this trend matures, the longer term effect may be to put downward pressure on participation rates.

When we consider the generally positive experience of retirement among older people with these broader pressures towards earlier retirement, it becomes clear that delaying retirement is likely to be difficult to attain and could easily become a cause of contention with older workers.

In general, there are no easy solutions to the dilemmas which these opposing policy concerns give rise to, though there are certain specific circumstances in which the conflict of objectives can be at least temporarily resolved. Among men in Ireland in recent years, for example, it has been possible for retirement rates to rise simultaneously with employment rates since the unemployed and other non-employed groups provided a pool of previously untapped labour which more than filled the gap in the numbers at work caused by early retirement. Where a win-win outcome of this kind is possible, it should be pursued, and it should not be immediately assumed that the only way to promote higher employment rates among older people is to delay retirement ages. It may also sometimes be true that older workers retire not because they want to but because pressures or constraints of various kinds (such as lack of appropriate jobs, unsuitable working conditions or working hours, lack of necessary education or skills, or ageist attitudes among employers) may leave them with little alternative.

In those cases, removal of the obstacles to continued participation in employment might serve the individual interest of the worker and the collective interest of society. Previous research by the authors found that there is a strong preference for gradual retirement among older workers (Fahey & Russell, 2000). Such options could include extending the period of work in terms of years (or retirement age) but reducing the hours of work. Greater flexibility in hours of work would also assist some of those with declining physical health who wish to remain in employment. Therefore public policy needs to promote flexible pension arrangements, enhanced employer practices and arrangements and an emphasis on work-life balance that takes into account social and human factors. Promoting the option to retire in a phased way and ensuring older people have access to the labour market on the same basis as other adults are significant policy issues.

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APPENDIX A

Legislative Context

Individuals and organisations responsible for the provision of labour market initiatives have certain obligations under the Employment Equality Act, 1998 and the Equal Status Act, 2000 as employers, educational and training bodies and service providers. These Acts aim to promote equality of opportunity and prohibit discrimination on nine specified grounds in employment, vocational training, training or experience, access to employment and conditions of employment, service provision and educational establishments. The nine discriminatory grounds are gender, marital status, family status, sexual orientation, religion, age, disability, race and membership of the Traveller community.

The Employment Equality Act, 1998 and the Equal Status Act, 2000:

- prohibit direct and indirect discrimination (and discrimination by association by service providers and educational establishments)
- prohibit sexual harassment and harassment on the discriminatory grounds
- require employers, educational and training bodies, service providers and educational establishments to provide reasonable accommodation for people with disabilities unless it costs more than nominal cost
- allow positive action measures

(i) under the Employment Equality Act, 1998 in relation to:

a) the gender ground

b) people over 50

c) people with a disability

d) members of the Travelling community

e) training or work experience (provided by or on behalf of the State) for any disadvantaged group (if the Minister certifies that it is unlikely that the group would otherwise receive similar training or work)

(ii) under the Equal Status Act, 2000 in relation to disadvantaged groups or measures which cater for the special needs of persons

- impose vicarious liability on employers and service providers in relation to discriminatory acts of employees and agents unless the employers and service providers took reasonable practicable steps to prevent the discrimination.

- contain a number of detailed exemptions

The Employment Equality Act, 1998 and the Equal Status Act, 2000 will have to be amended to implement the EU Race Directive, the Framework Directive and the Gender Equal Treatment Directive.

Provisions of the equality legislation in regard to the age ground as summarised in the Table below.

Equality Legislation Provisions on Age Ground

	Employment Equality Act, 1998	Equal Status Act, 2000
Ground	Between 18 and 65 years (or maximum school age and 65 for vocational training)	There is no upper limit. Treating someone under 18 less favourably or more favourably is not discrimination on the age ground.
Positive Action	Measures which help integrate people over 50 into employment Training or work experience for disadvantaged groups (as certified by the Minister)	Positive action measures for disadvantaged persons or measures which cater for special needs.
Exemptions	Defence Forces, An Garda Síochána and the Prison Service -fixing different ages for retirement -fixing maximum ages for recruitment -different rates of pay or condition based on seniority or length of service -employment in a private household -where there is clear statistical or other evidence of significantly increased costs -differences in the provision of vocational training as between Irish and EU Nationals and non-EU Nationals	- anything that is required by legislation - 'public order' exemption in fees and allocation of places - different treatment by educational establishments as between Irish and EU nationals and non EU nationals - mature students

APPENDIX B

The General Health Questionnaire was originally developed by Goldberg (1972). We have used the 12 item format of the GHQ. The items included in the measure are designed to give information about the respondent's current mental state.

1 Been feeling unhappy and depressed?

2 Felt capable of making decisions about things?

3. Felt that you couldn't overcome your difficulties

4. Been feeling reasonably happy all things considered?

5. Been able to face up to your problems?

6. Been thinking of yourself as a worthless person?

7. Felt able to enjoy your day to day activities?

8. Lost much sleep over worry?

9. Felt that you were playing a useful part in things?

10. Felt constantly under strain?

11. Been able to concentrate on what you are doing?

12. Been losing confidence in yourself?

Two sets of response categories are used:

More so than usual, same as usual, less than usual or much less than usual

Or

Not at all, no more than usual, rather more than usual, much more than usual

Respondents are asked which response best describes the way they have been feeling in the last few weeks. As can be seen from the response sets, respondents are asked to compare the extent they currently experience an item with how they usually experience it. The items therefore give prominence to symptoms rather than personality traits.

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