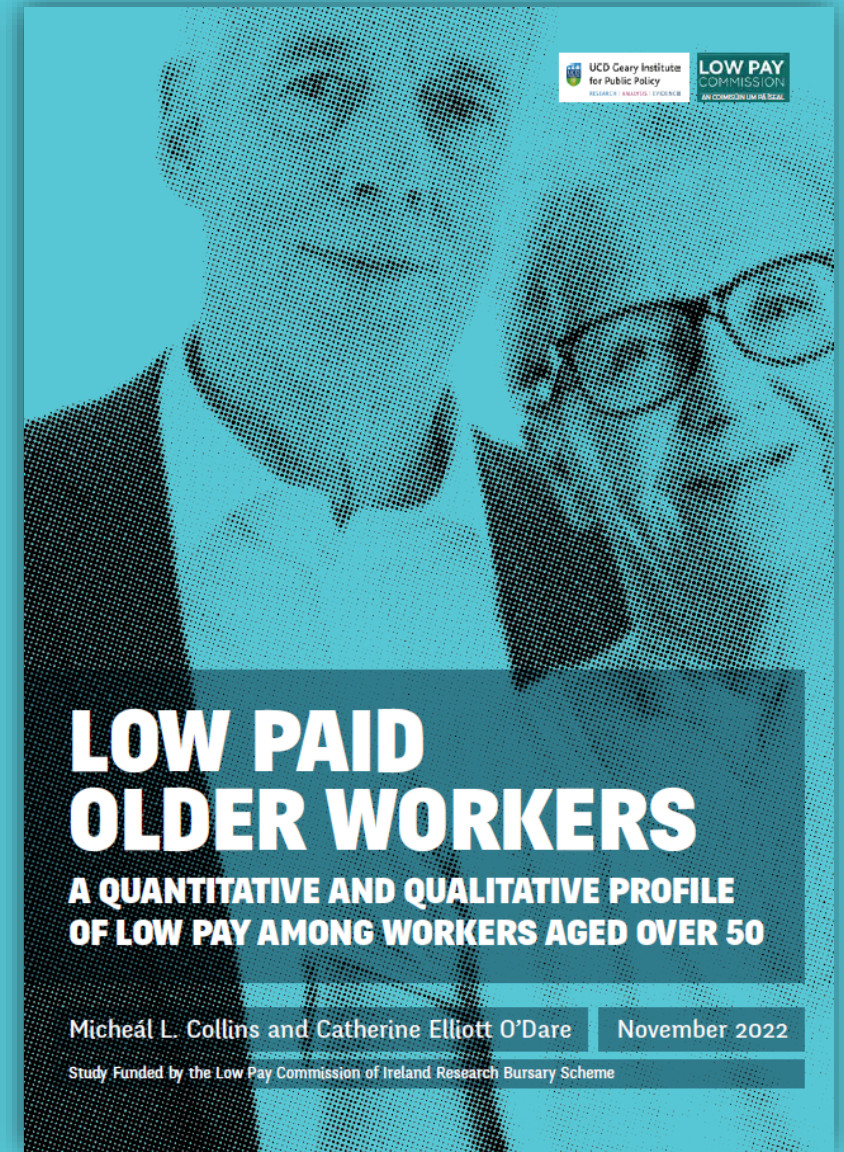


Low Paid Older Workers and the role of Pensions

Dr Micheál Collins, UCD

**PPRG Research Seminar
January 20th 2023
UCD**



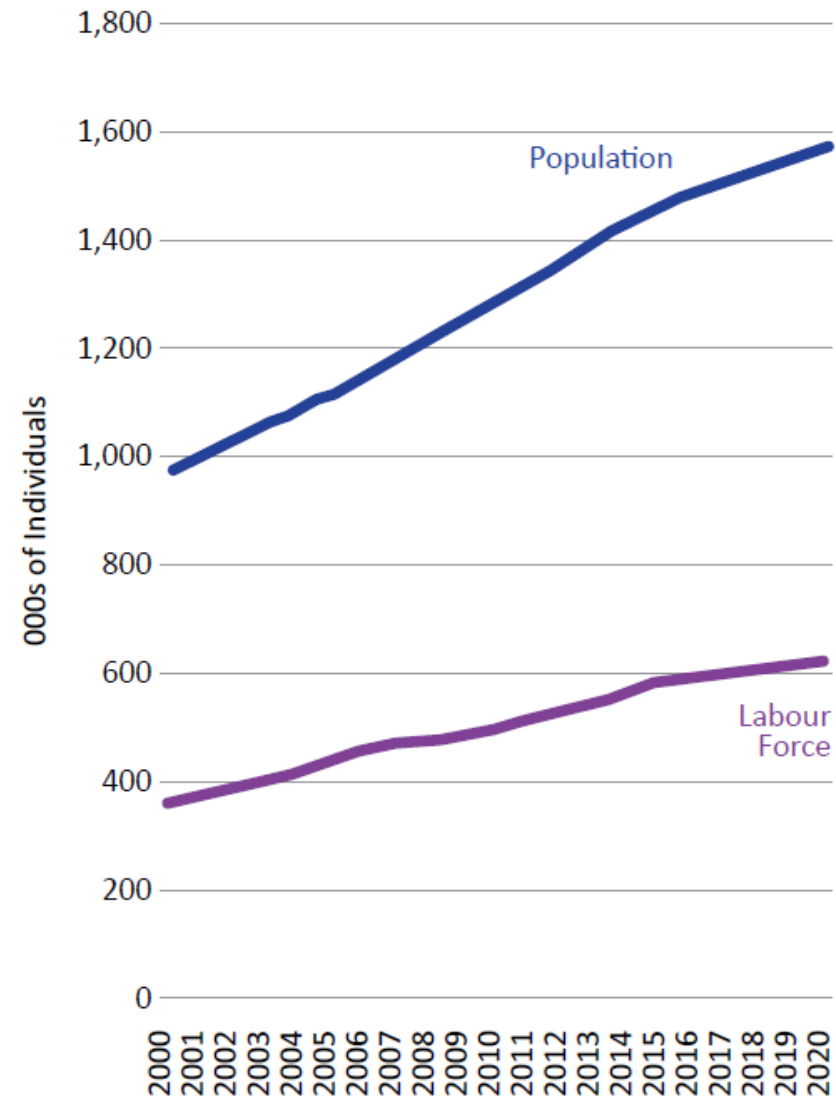
C O N T E N T S

- 1. Introduction & Context**
- 2. Data, Methods & Measurement**
- 3. Quantitative Insights**
- 4. Qualitative Insights**
- 5. Some Implications**

1. Introduction & Context

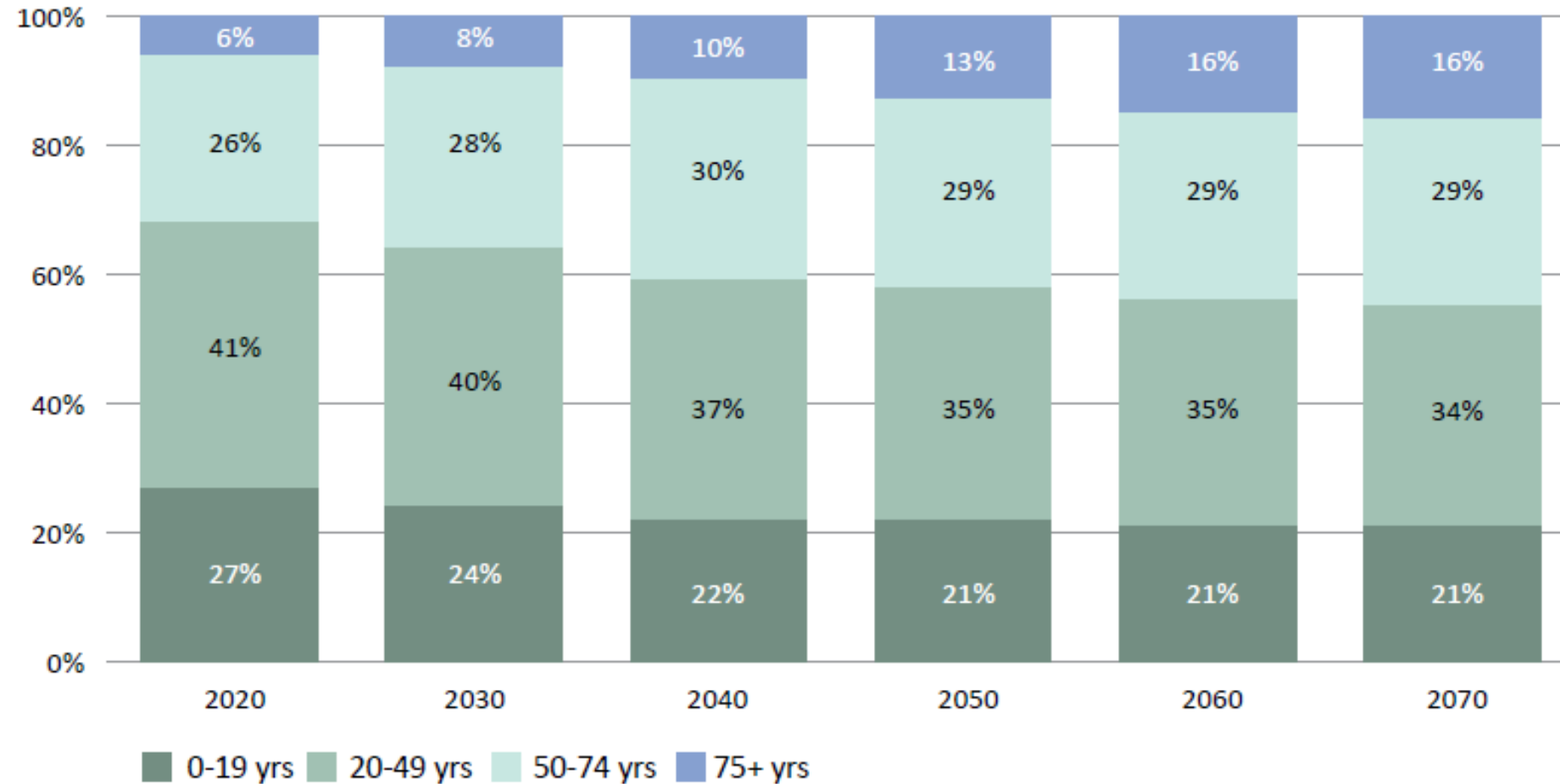
- Welcome revival of research on low pay
- Looking at an underexplored subgroup: *Low Paid Older Workers*
- Funding via Low Pay Commission Research Bursary Scheme (March 2020)
- Older:
 - 50 years and over
 - TILDA & previous research; Employment Equality Acts; SILC
 - 'Older not Old'
- Interesting Group:

**CHART 2.3: POPULATION AND LABOUR
FORCE AGED 50 PLUS, IRELAND 2000-2020**



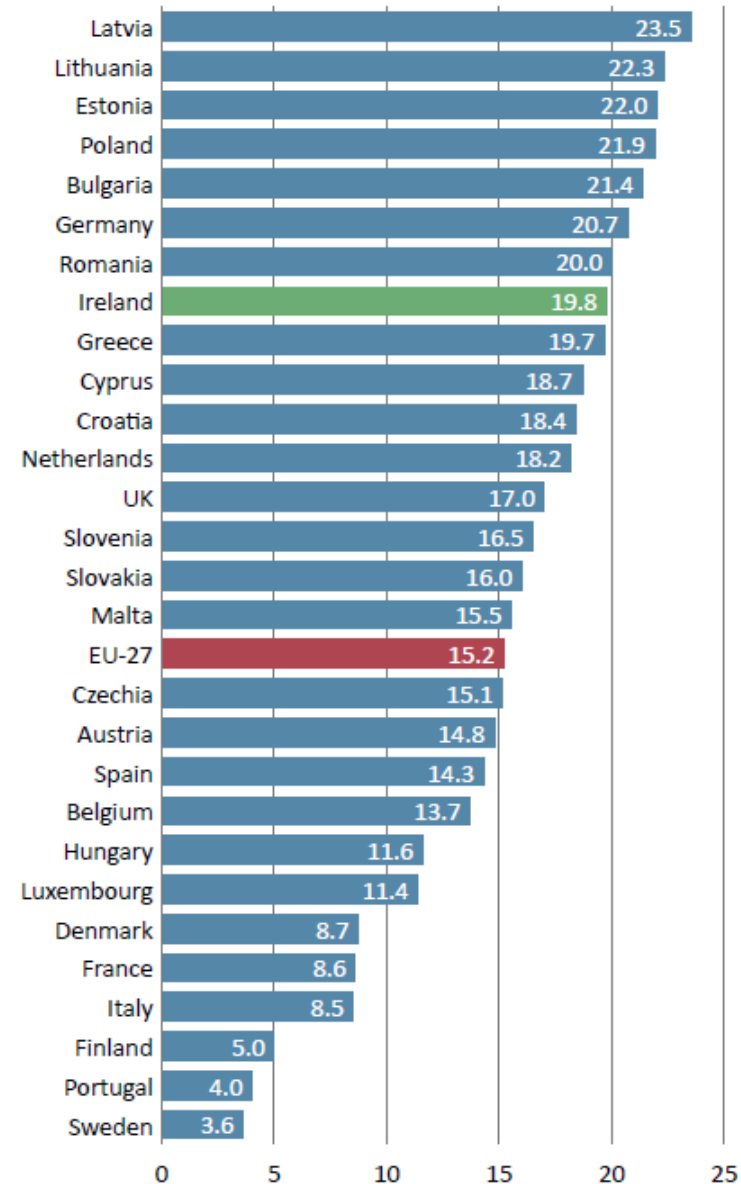
Source: Eurostat (indicator lfsa_pganws)

**CHART 2.4: PROJECTED POPULATION
COMPOSITION, IRELAND 2020-2070 (%)**



Source: Calculated from Eurostat baseline population projection 2021 (indicator proj_19np)

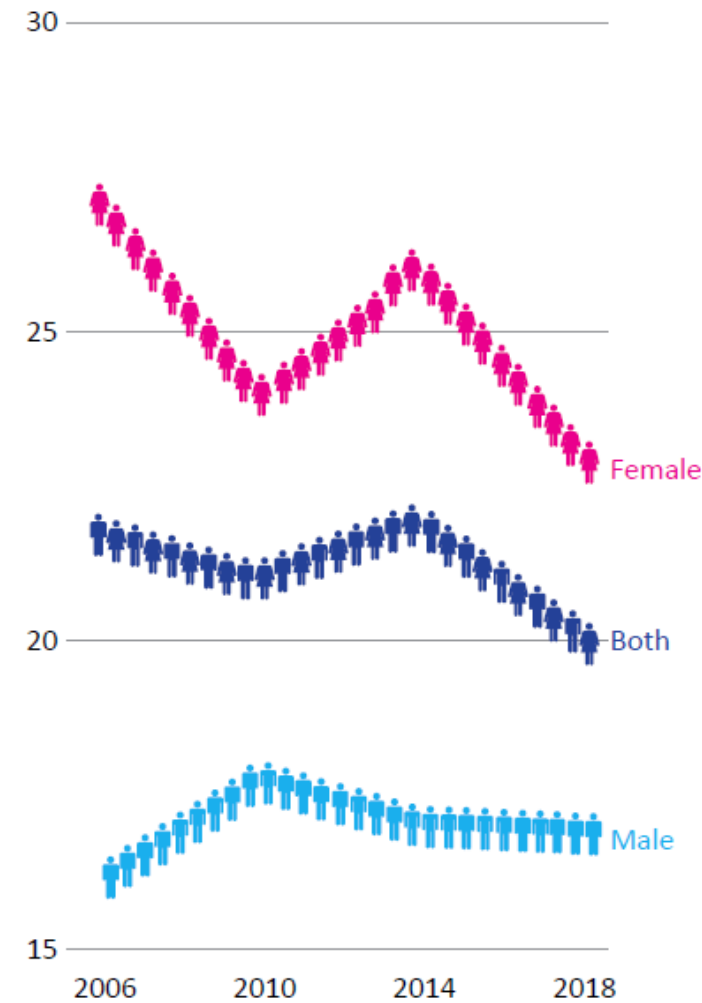
CHART 2.1: PROPORTION OF EMPLOYEES IN LOW PAY – EU 2018



Source: Eurostat (indicator earn_ses_pub1s)

Note: Data is for those in firms of 10 or more employees.

CHART 2.2: PROPORTION OF EMPLOYEES IN LOW PAY, IRELAND 2006-2018



Source: Eurostat (indicator earn_ses_pub1s)

Note: Data is for those in firms of 10 or more employees.

- Mixed-methods approach
- Exploring themes of:
 - ageing populations
 - labour market earnings
 - living conditions
- Limited literature on the interface between older workers and low pay



WHAT

is the scale and profile of
low pay among older workers?



DOES

low pay differ between older workers and
the low paid in general, and if so, how?



DOES

the household and financial situation of
older workers differ from that of the low
paid in general, and if so, how?



WHAT

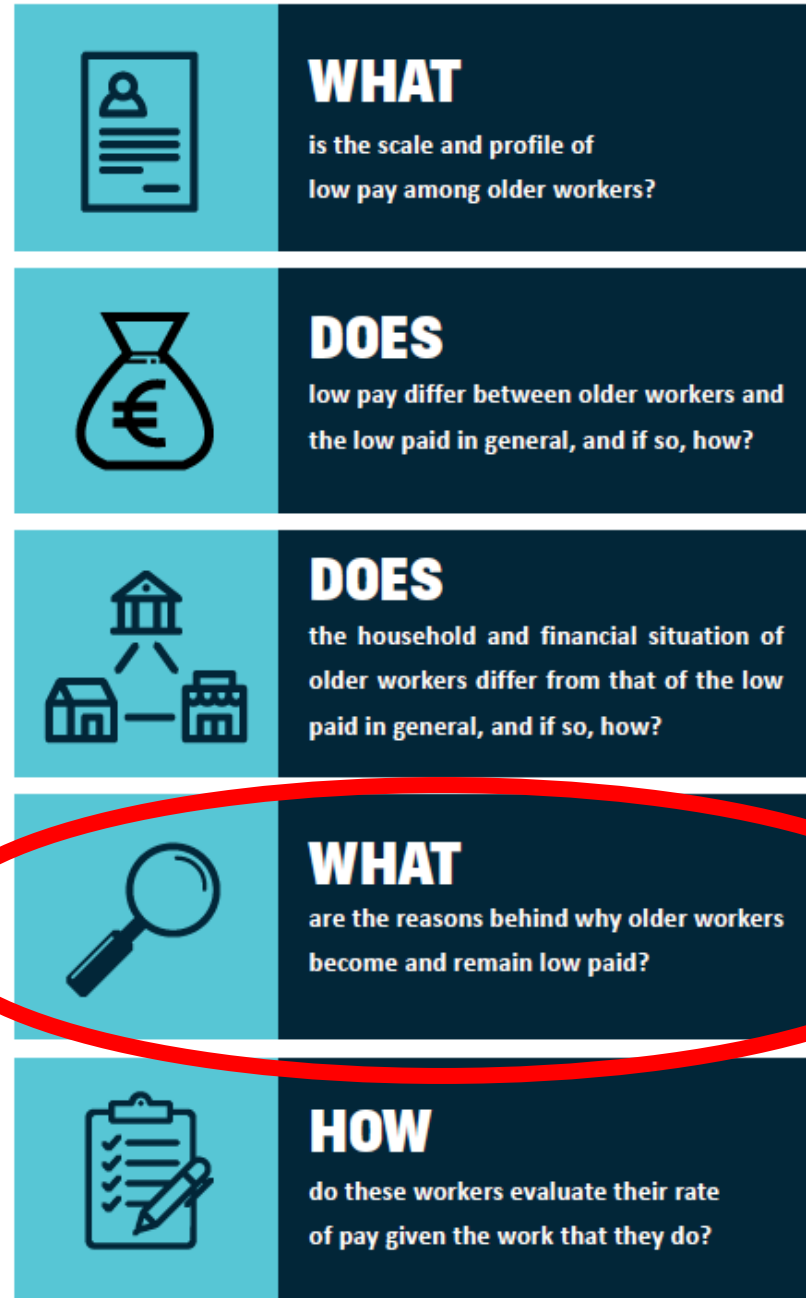
are the reasons behind why older workers
become and remain low paid?



HOW

do these workers evaluate their rate
of pay given the work that they do?

- Mixed-methods approach
- Exploring themes of:
 - ageing populations
 - labour market earnings
 - living conditions
- Limited literature on the interface between older workers and low pay



2. Data, Methods & Measurement

Quantitative Approach

- Low Pay = two-thirds of median hourly earnings*
- SILC 2018 data from CSO & ISSDA
- €11.65 per hour
- Individual and Household characteristics
- Robustness checks

Qualitative Approach

- 20 semi-structured interviews – *February to June 2021*
- UCD Ethical approval – *November 2020*
- Grounded theory approach
- Pandemic-context (phone and online)
- Recruitment via:
 - radio, newspapers, social media, older people's networks, snowball sampling
- 4 criteria – *informed by quantitative data analysis*
 - (i) 50 years and over
 - (ii) Below €12.50 per hour (€11.65 updated)
 - (iii) 20 hours of more per week
 - (iv) Sector: retail, food & hospitality; care

**TABLE 4.1 PROFILE OF QUALITATIVE
INTERVIEW PARTICIPANTS, OLDER
WORKERS IN LOW PAY RESEARCH (N=20)**

Category	Participants
Age	
50-55	7
56-60	3
61-65	5
Over 65	5
Gender	
Male	6
Female	14
Nationality (by birth)	
Irish	16
Non-Irish	4
Region	
Eastern & Midland	12
Southern	7
Northern & Western	1
Urban / Rural	
Urban	13
Rural	7
City/Town	
City	10
Town / Rural	10

Sector	
Retail	10
Food & Hospitality	8
Social Care	2
Hourly Earnings	
Min wage to €10.99	7
€11 - €11.99	8
€12 - €12.50	5
Hours worked per week	
20 - 34.9 hours	12
35 + hours	8
How long working in Current Job	
Less than 3 years	4
3 - 5 years	7
6 - 10 years	5
More than 10 years	4

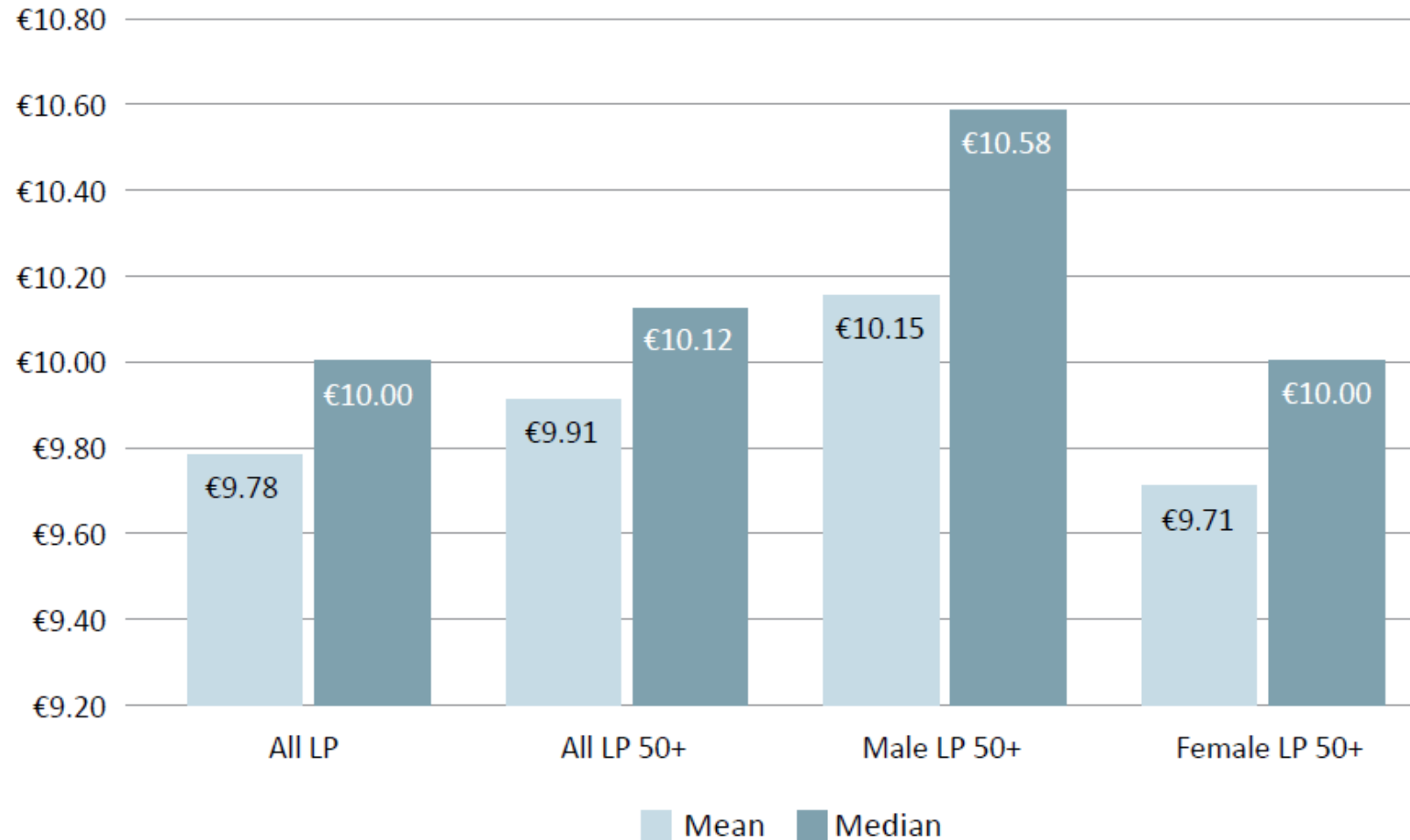
3. Quantitative Insights



Older workers
comprise
ONE-FIFTH
of the total
low paid
population



CHART 5.3 MEAN AND MEDIAN HOURLY WAGES FOR LOW PAID EMPLOYEES, 2018



Source: Author's calculations from SILC 2018 microdata

Notes: LP = low paid. All estimates are statistically significant with $p < 0.05$. The minimum wage was €9.55 per hour (from January 1st 2018), it increased to €9.80 per hour from 4th March 2019.

In household terms older low paid workers are more likely to live in 1-2 adult households, be the only worker in their household and own the property they live in. More than half own their property mortgage free. By contrast, most low paid workers live in multi-adult and multi-worker households and are twice as likely to be renters.



These findings suggest that for older low paid workers the household context, and in particular a household tenure related wealth effect, buffers against some of the experiences of economic hardship despite the inevitable challenges of life on low earnings.



4. Qualitative Insights



WHAT

are the reasons behind why older workers
become and remain low paid?

Financial:

Deemed essential income – yet inadequate

Pension inadequacy

Fit and Flexibility:

- Skills
- Convenience and nature of employment
- Redundancy payments
- Motherhood
- Social Inclusion / wellbeing
- Work ethic

Fair Pay:

A fair hourly rate

4. Qualitative Insights



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Fair Pay:

A fair hourly rate

Pension inadequacy – ***Join or Remain in Low Pay***

I'd be on a widows' pension - it's not where I want to be... in this day and age it is inadequate [Widow's Pension]. And I want to earn money. I want to be able to go on holiday for one thing. I want to have a standard of life that a widow's pension doesn't give you... So it [wages] enables me to be able to pay for my car, take trips, take weekends away, to be able to go out and shop, for clothes, and I don't have to think about saving to buy a dress or a coat or something like that. Just basic things like that. Like do stuff in my house, like buy carpet. There's things that you can't [buy]—if you're not working, they're not as easy to do because basically you don't have the money. (PL 16, Female, Age 71, Care)

Pension inadequacy – *Join or Remain in Low Pay*

I was retired. I actually retired, but I couldn't live on the pension. I don't get a full pension as such because I worked in the family business and PRSI wasn't paid for 21 years. So subsequently I only get two-thirds of a pension. (PL 3, Male, Age 70, Hospitality)

Pension inadequacy – *Join or Remain in Low Pay*

The only thing is [keeping her in paid employment], as I said, it's very hard to live on the pension and it's very hard - most hotels don't have any pension scheme or anything like that. I know there's pensions schemes that employees can pay into it, but most employees aren't even told about those. (PL 4, Female, Age 69, Hospitality)

Redundancy – ***Join Low Pay***

I needed to get away from work in [previous sector]. So, redundancy packages came around at the time and by the third time they came around I said, look, I can do this, I can pay my bills and that's it, and I'll easily get a job and I took the redundancy. I didn't have as much expenses or outgoings as I did have when I did work in (Company/ Employer name) and with the redundancy package I got. So, I didn't have so much outgoings, so I could survive on that [low wage]. And the kids, they were grown up and had their own jobs and I didn't have to worry about them. And that's how I just got into it [retail work] and I stayed at it.
(PL 8, Female, age 62, Retail)

Redundancy – *Join Low Pay*

I left a permanent pensionable job after twenty years with no pension and like just a redundancy package and I also had no plan. So having no plan I've actually got kind of lucky...in that I've pretty much remained consistently in employment even in a very erratic way. I've made every effort and I get sick of it. I've applied for several clerical officer jobs that I didn't really want entry-level jobs, and I didn't even get an interview for them, so it's like, well, why did I bother? You know, I might as well just do bits and pieces of stuff that is amusing and changeable and variable. (PL 12, Female, Age 53, Hospitality)

5. Some Implications

- Pensions are a factor in influencing participation of older people in low pay
 - ***Push***: *inadequacy given commitments/needs*
 - ***Pull***: *freedom via lump-sum redundancy*
- (Unexpected) Findings from a broader research project on low paid older workers
- Where to go from here...

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