



# The Working Patterns of Older Workers

SUMMARY



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This summary presents the main findings from an analysis of data on older workers' employment patterns collected in Statistics New Zealand's Survey of Working Life (SoWL). The SoWL, which was run as a supplement to the Household Labour Force Survey in the March 2008 quarter, collected new information on the work arrangements and employment conditions of employed people in New Zealand.

Given that older workers are expected to comprise around one-quarter of our workforce by 2020, it is important to understand the working patterns and employment outcomes of this growing group of workers. The full report from this analysis is intended as a reference document for use in future policy development. The analysis is expected to inform debate on older workers' employment in New Zealand, by describing their employment conditions and work arrangements. The report also presents detailed information for young and prime-aged workers, providing a comprehensive resource for examining working conditions, and employment arrangements and outcomes by age and sex, and by employment status.

### **Who are older workers?**

In the March 2008 quarter, older workers (employed people aged 55 years and over) comprised 18 percent of all employed people in New Zealand. They were more likely to be male than female, and a higher proportion were male compared with prime-aged workers (those aged 25 to 54 years). The majority of older employed people were married or partnered, with an employed spouse or partner.

Older workers were mostly of European only ethnicity (89 percent), and they were also most likely to be New Zealand born (79 percent), although nearly one in five were long-term established migrants. Compared with prime-aged and young workers (those aged 15 to 24 years), older workers were less likely to be living in main urban areas. A higher proportion of older employed people had no qualifications compared with employed people of all ages and, similar to prime-aged workers, older workers were more likely to have a vocational or trade qualification as their highest qualification than any other type of qualification.

### **Self-employment versus working as an employee**

Older workers had a much higher rate of self-employment (29 percent) than employed people of all ages (18 percent) and, in particular, they were more likely to be self-employed without employing others (20 percent compared with 12 percent for all employed people). This may be because older adults are more likely to have the capital, skills and experience needed to run a business. Older workers heading towards retirement may also choose to become self-employed for financial and lifestyle reasons, including the increased autonomy and flexibility offered by some types of self-employment. Higher rates of self-employment were evident for both male and female older workers compared with males and females of all ages.

Seventy percent of older workers were employees working for wages or a salary. However, older employed people and, in particular, male older workers were less likely to work as employees compared with employed people of all ages (82 percent).

### **Temporary employment**

Older employees were somewhat more likely to work in temporary jobs than prime-aged employees, although young employees had the highest rate of temporary employment.<sup>1</sup> Among older employees, rates of temporary employment and casual work were highest for those aged 65 to 69 years. For older temporary employees, the main reasons cited for doing temporary work were lifestyle reasons, and most older temporary workers said they would prefer to continue doing temporary work than get a permanent or ongoing job.

### **Characteristics of main job**

The occupational distribution of older employees was broadly similar to that of all employees. By industry, it was more common for older employees than employees of all ages to work in the health and community services industry and in education. This was mainly driven by female employees aged 55 to 64 years being much more likely to work in these industries than female employees of all ages.

Older self-employed workers were more likely than prime-aged self-employed people to be agriculture and fisheries workers and less likely to work in professional occupations and in the trades. By industry, older self-employed people were more likely than prime-aged self-employed people to work in agriculture, forestry and fishing and less likely to work in construction.

Older employees, like employees of all ages, were most likely to be employed by private sector firms. However, compared with employees of all ages, it was more common for older employees to work for central government and for not-for-profit agencies, and they were less commonly employed by privately owned companies.

### **Job tenure**

On average, older workers had been in their current main job or business for twice as long as prime-aged workers, and job tenure increased with age for older employed people. Mean job tenure was longer for self-employed older workers compared with those who were employees, and among older self-employed people, mean job tenure was longest for those who were employers of others.

### **Earnings or income from self-employment**

Median weekly earnings were lower for both older employees and older self-employed workers compared with prime-aged employees and self-employed workers. However, young employees and self-employed people had the lowest median weekly earnings. The same pattern emerged when examining the median

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<sup>1</sup> See Appendix 1: Definitions of Terms for definitions of temporary and casual work.

hourly earnings of older employees, that is, the median was lower compared with the median hourly earnings of prime-aged employees but not as low as the median hourly earnings of young employees. Among older self-employed workers, the median weekly income was almost twice as high for those who were employers of others than for those who did not employ others.

In relative terms, the median weekly earnings of older employees were 90 percent of those of prime-aged employees, while median hourly earnings of older employees were 95 percent of the median hourly earnings of prime-aged employees. By comparison, the median weekly income of older self-employed workers was only 70 percent of the median weekly income of prime-aged self-employed workers.

### **Working conditions**

The rate of participation in, and the time spent on, employer-funded study and training in the last 12 months (across all jobs) was lower for older employees than prime-aged employees, and rates decreased with age among older employees.

Older employees were more likely to be on collective agreements and to be union members than prime-aged and young employees. Like employees of all ages, the vast majority of older employees thought there was very little chance of them losing their job in the following 12 months for a reason beyond their control.

### **Working time patterns**

Older employees were more likely to work part-time than prime-aged employees but less likely to do so than young employees (25 percent, 17 percent and 37 percent, respectively), while older self-employed workers were more likely to work part-time than prime-aged and young self-employed people (28 percent, 19 percent and 14 percent, respectively).

It was somewhat less common for older workers than prime-aged workers to work long hours (45 hours or more per week). However, around one-quarter of older employees and four out of ten older self-employed people said they usually worked long hours.

Both older employees and older self-employed people who worked long hours were less likely to say this caused them difficulties than prime-aged employees and self-employed people who worked long hours. Being less likely to have caring responsibilities for dependent children may account for the lower proportion of older workers reporting difficulties with working long hours.

Like most prime-aged employees, the majority of older employees (70 percent) usually worked all of their hours at standard times (Monday to Friday, 7am to 7pm). However, just under half of all older employees said they had worked at a non-standard time for one hour or more in the previous four weeks, and around half of the older employees who had worked at a non-standard time in the previous four weeks had done so on more than five occasions.

In comparison, only 46 percent of self-employed older workers said they usually worked all of their hours at standard times, and the majority (71 percent) had done some work at a non-standard time in the previous four weeks. As well as being more likely to have worked at a non-standard time in the last four weeks, self-employed older workers who had worked at a non-standard time were more likely to have done this more frequently than older employees. Two-thirds (66 percent) of older self-employed people who had worked at a non-standard time in the previous four weeks had done so more than five times.

While the frequency of work at non-standard times was similar for older, prime-aged and young employees, older employees were less likely to say this caused them difficulties than employees of other ages. And, older self-employed people who had worked at a non-standard time were much less likely to say this caused them difficulties compared with other self-employed workers. This is notable given that older self-employed people who worked at non-standard times did so more frequently than prime-aged and young self-employed workers.

### **Job flexibility and hours preferences**

Older employees were less likely than prime-aged employees but more likely than young employees to have flexible start and finish times. Interestingly, it was more common for male employees aged 55 to 64 years to have flexible hours than female employees in this age group. This pattern was also evident for male and female employees of all ages. Most older self-employed workers had flexible hours, and they were more likely to have flexible hours than self-employed workers of other ages.

Like prime-aged and young employees, older employees were highly likely to say they thought their employer would let them take a few days of unpaid leave if they needed to take this time off. The survey also asked employees who worked 35 hours or more per week whether they thought their employer would let them reduce their hours to part-time if they wanted to do this. Just over one-third (36 percent) of older employees who worked 35 hours or more per week said they thought their employer would let them reduce their hours. This compared with just under one-third of prime-aged and young employees who thought their employer would let them do this.

Older workers were more likely than prime-aged and young workers to indicate a preference for working fewer hours and earning less. Around one in five older full-time employees and one-quarter of older self-employed workers said they would prefer to work fewer hours in their main job or business and earn less.

### **Work at home**

Just under one-quarter of older employees who had worked in the four weeks prior to being interviewed (23 percent) did some work at home during this time. Older employees who did some work at home for their main job were less likely to report having an arrangement to be paid for all or some of this work compared with prime-aged and young employees, although the likelihood of being paid for work done at home increased with age among older workers. It is notable that female employees aged 55 to 64 years were much less likely than female

employees of all ages to have an arrangement to be paid for all or some of the work they did at home.

Almost two-thirds of older self-employed people did some work at home in the four weeks prior to being interviewed (63 percent). Self-employed females aged 55 to 64 years were more likely to have done some work at home than self-employed males in this age group. Older self-employed people who did some work at home were more likely to have worked for 20 hours or more from home than prime-aged self-employed people who worked at home.

### **Work-related health and safety**

Overall, older workers were less likely than prime-aged workers to say they had often or always experienced work-related stress and felt too tired from work to enjoy other things in the previous 12 months. However, they were slightly more likely to have often or always experienced physical problems or pain due to work.

As age increased for older employees, smaller proportions said they had often, always or sometimes experienced work-related health issues in the previous 12 months. However, among older self-employed people, a larger proportion aged 65 to 69 years said they had often or always experienced physical problems or pain and felt too tired from work to enjoy other things compared with those aged 55 to 64 years.

Similar to employees of all ages, around one in ten older employees had experienced discrimination, harassment or bullying at work in the previous 12 months. Female employees aged 55 to 64 years were more likely than male employees in this age group to say they experienced discrimination, harassment or bullying at work. However, this was also the case for female and male employees of all ages.

Compared with employees, smaller proportions of self-employed workers said they had experienced discrimination, harassment or bullying at work in the previous 12 months. And, only 3 percent of older self-employed workers said they had experienced discrimination, harassment or bullying at work compared with 7 percent of prime-aged self-employed workers.

### **Satisfaction with main job and work-life balance**

Most older workers were satisfied or very satisfied with both their main job and their work-life balance, with satisfaction ratings higher for their main job than for the overall balance between their working life and their life outside of work.

Older employees were more satisfied with both their main job and their work-life balance than prime-aged and young employees, and satisfaction with their main job and work-life balance increased with age among older employees. Employees aged 55 years and over who worked part-time gave higher satisfaction ratings for their main job and, in particular, for their work-life balance than older employees who worked full-time.

While older self-employed workers were more satisfied with their main job and their work-life balance than prime-aged self-employed people, young self-employed workers gave the highest satisfaction ratings. Among older self-employed workers, those who were self-employed without employing others were more satisfied with both their main job and their work-life balance than those who were employers.

### **Conclusion**

In the context of an ageing workforce, the findings from this analysis can be used to help inform thinking on how older workers can be supported to remain attached to the labour market. It will become increasingly important to make sure these workers are retained by providing high quality jobs that best fit the skills, personal characteristics and working requirements of older workers. This may include factors such as ensuring the availability of part-time work and jobs with flexible hours, and encouraging entrepreneurship so that older workers who wish to move into self-employment can do so.



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