



# Older women and the labour market

a report for the TUC Women's Conference

## Introduction

Trade unionists have been increasingly concerned about the employment prospects of older women<sup>1</sup> and the double discrimination they face. In addition, many older women have multiple caring responsibilities, looking after children, grandchildren and parents; combining this unpaid work with paid employment can be extraordinarily difficult. This report, produced for the 2013 TUC Women's Conference, uses official data and draws on independent research to look at the position of older women in today's labour market.

## Employment inequality and older women

Age discrimination is a persistent problem for older women. Research in 2009–10 by Metcalf and Meadows found that, four years after the Employment Equality (Age) Regulations, 2 per cent of establishments still normally included a preferred age range in their job advertisements. Even more worrying were the facts that 42 per cent sought information on age in the recruitment process and 28 per cent made age information available to recruiters. The authors noted that, although only the first of these was unlawful in itself, “the potential for discrimination is illustrated by the finding that 23 per cent of respondents thought that some jobs in their establishment were more suitable for certain ages than others.”<sup>2</sup>

Although there are some signs of improvements, gender inequality continues to characterise the labour market. The Equality and Human Rights Commission reports<sup>3</sup> that:

“Occupational segregation continues to feed pay differences, especially in the private and voluntary sectors where at age 40 men are earning on average 27% more than women. The large proportion of women in part-time jobs also contributes to this.”

The full-time gender pay gap is smaller than it was but still stands at 9.6 per cent;<sup>4</sup> part-time work is dominated by women and median hourly pay for women part-time workers (£8.12 an hour) was just 63.6 per cent of the median for men in full-time work.<sup>5</sup> Research for BBC News in 2012<sup>6</sup> found that women hold less than one-third of all ‘top jobs’, including:

- 1.3 per cent of senior jobs in the armed forces
- one eighth of High Court judges and above
- one sixth of Directorships in FTSE 100 companies
- the same proportion of chief police officers
- one fifth of the Cabinet
- 30 per cent of senior managers in news media.

Older women face multiple discrimination, with recent research suggesting that “the more disadvantaged identities someone has, the greater the pay penalty they suffer” and the age/gender combination is “particularly ‘toxic’ for women.”<sup>7</sup> Earlier research, looking at employment disadvantage over a comparatively

extended period (from 1973 to 2003) found that the disadvantage faced by women “has been reduced dramatically”, but that “a new disadvantage associated with age above 50 years has come about in the period”,<sup>8</sup> so older women may not have benefitted from improved opportunities available to other women.

## Older women, caring and employment

Caring responsibilities have typically been a major reason for older women’s non-employment. The Resolution Foundation has noted that people with caring responsibilities are significantly less likely than those without caring responsibilities to be in employment and more likely to be ‘economically inactive’ and that carers are disproportionately likely to be women and to be over 50.<sup>9</sup>

The same report highlighted poor health and caring as “two of the major factors that push older people out of the labour market.”<sup>10</sup> This confirms research for the Department for Work and Pensions<sup>11</sup> a decade ago, which looked at people aged between 50 and state pension age who were not in employment. The researchers found that, for both men and women, this was most commonly due to health or disability (given as their main reason for not looking for paid work by 58 per cent of men and 50 per cent of women.) But the second most common reason for men was that they had retired or were financially secure or simply didn’t want work, with 23 per cent of men (and 20 per cent of women) giving this reason. For women, the second most common reason was that they were looking after their family or home, given by 24 per cent of women – and just three per cent of men.

This study was followed by qualitative research, which pointed out the different experiences of men and women, with men tending to care for their partners or children and women caring for parents and grandparents too. The researchers noted the importance of carer-friendly attitudes and the availability of flexibilities that allowed carers to remain in employment:

“Some people’s health problems and caring responsibilities had been taken into account by their employer and they remained in work. Those with positive experiences showed how redeployment, opportunities to negotiate flexible working conditions, retraining or a move into self-employment helped to keep people in work.”<sup>12</sup>

In addition to caring for their parents and grandparents, older women often provide childcare for their grandchildren. The Daycare Trust has quoted<sup>13</sup> official data showing that 2.6 million people rely on grandparents for childcare and that grandparents are the third commonest providers of childcare after nurseries, schools and breakfast clubs. Grandparents Plus point out that “4 out of 10 parents say they are more likely to turn to grandparents for extra help with childcare during the recession”<sup>14</sup>

## Older women and pay

Factors such as discrimination and reduced employment opportunities have substantial impacts on labour market outcomes for older women. Research by the

TUC<sup>15</sup> using the Annual Survey of Hours and Earnings has revealed that the gender pay gap is twice as large for women in their 50s as it is for women overall.

### Median full-time hourly earnings (excluding overtime) for men and women and gender pay gap by age

Age	Male	Female	Pay gap (per cent)
16-17	£4.35	£3.68	15.4
18-21	£7.23	£6.82	5.7
22-29	£10.22	£10.52	-2.9
30-39	£14.27	£14.17	0.7
40-49	£15.26	£12.93	15.3
50-59	£14.69	£11.99	18.4
60+	£12.18	£11.00	9.7
All employees	£13.27	£12.00	9.6

This table also shows that both men and women face falling hourly wage rates when they are in their fifties. This decline is somewhat worse for women, with women in their fifties earning less than women in their thirties and forties, whilst men in their fifties earn a little more than men in their thirties. In all age groups, men's median hourly rate is higher than women's.

The picture for older women workers is rather worse than this. In all age groups, women are more likely than men to work part-time, but (with the exception of 16- and 17-year-olds) the proportion of women workers who are part-time rises steadily:

### Number of part time employees by age and gender, 2012 (000s)

Age bands	Male	Female
16-17	92	120
18-21	311	440
22-29	320	594
30-39	264	1,014
40-49	254	1,447
Over 50	526	1,681
Total	1,746	5,273

### Women part time employees by age, 2012 (000s)

Age bands	Full-time	Part-time	Proportion part-time
16-17	15	120	88.9%
18-21	261	440	62.8%
22-29	1,430	594	29.3%
30-39	1,606	1,014	38.7%
40-49	1,836	1,447	44.1%
Over 50	1,729	1,681	49.3%
Total	6,868	5,273	43.4%

This is important because part-time wage rates are so much lower than full-time:

### Median gross hourly earnings (£ per hour, excluding overtime) by gender, April 2012

	Men	Women
Full-time	13.27	12.00
Part-time	7.72	8.12
All	12.50	10.04

The majority of women over 50 in part-time work earn less than £10,000 a year. The average salary for all women over 50 is just over £15,000 – and it is less than £11,000 for women over 60.

### Older women and employment: European comparisons

The European Union produces data on the employment of older workers, defined as aged 55–64. For the sake of brevity, this table only provides data for the larger Western European member states, with whom the UK is commonly compared. It shows that, by this standard, the UK had a comparatively high employment rate for older women in 2011, but growth had been slow by European standards.

#### Employment rate of older women workers (%)<sup>16</sup>

Rank	2011		Change since 2001		Change since 2007	
1	Sweden	68.9	Germany	23.6	Germany	9.6
2	Finland	57.2	Netherlands	18.4	Netherlands	6.3
3	Denmark	55.3	Belgium	16.1	Belgium	5.6
4	Germany	53.0	Austria	14.5	Spain	5.6
5	<b>UK</b>	<b>49.6</b>	Ireland	14.2	Italy	5.1
6	Netherlands	46.4	Spain	13.9	Austria	4.9
7	Ireland	42.9	Finland	12.2	<b>EU</b>	<b>4.3</b>
8	Portugal	42.1	<b>EU</b>	<b>12.0</b>	Ireland	3.3
9	<b>EU</b>	<b>40.2</b>	Italy	11.9	France	3.1
10	France	39.1	France	11.3	Denmark	2.4
11	Spain	35.6	<b>UK</b>	<b>6.6</b>	Finland	2.2
12	Austria	32.9	Denmark	5.6	Sweden	1.9
13	Belgium	31.6	Sweden	4.9	<b>UK</b>	<b>0.7</b>
14	Italy	28.1	Portugal	1.8	Portugal	-1.9

### Older women and employment: the change over 20 years

Although older women are disadvantaged in the contemporary labour market, this should not obscure the substantial improvements that have taken place. The Labour Force Survey, the source for the monthly employment headlines, has been collecting data for employment broken down by age and gender since 1992. Comparisons with the labour market then are quite enlightening, as the UK was also emerging from a recession and a large decline in employment. Between September and November 1992 and September and November 2012, over-50s accounted for 72 per cent of the growth in the employment of women:<sup>17</sup>

### Employment levels of women under & over 50, 1992 & 2012, (000s)

	Under 50	50 and over	Total
1992	9,202	2,272	11,474
2012	9,835	3,917	13,752
Change	633	1,645	2,278

The working age population has grown, but this group has also seen the largest increase in its employment *rate*:

### Employment rates, 1992 and 2012

Age group	Gender	Sep–Nov 1992	Sep–Nov 2012	Change (percentage points)
25–35	Women	64.5	71	6.5
25–35	Men	82.6	86	3.4
35–49	Women	72.7	76.2	3.5
35–49	Men	86.2	88.1	1.9
50–64	Women	46.9	61	14.1
50–64	Men	64.9	72.5	7.6
65+	Women	3.3	6.6	3.3
65+	Men	7.8	12.5	4.7

This table excludes young people, where the figures are complicated by the large increase in the numbers staying in full-time education. We can see that, in each age group the employment rate is higher for men in both 1992 and 2012. More significant, however, is the change that has taken place. Except for the over-65s, the increase has been much more marked for women than for men (and note that 65 is well over women’s state pension age). For both men and women, employment rates have grown most substantially for the 50–64 age group. The 14.1 per cent increase for women in this age group is especially marked and the employment rate for women in this age group is now not much below that for the 25–35 age group twenty years ago.

This change has been accompanied by a complementary change in “economic inactivity” – people who are not in employment but who are not classified as unemployed because they have not looked for paid work recently or are not able to start at short notice. In Sep–Nov 1992, 50.7 per cent of women in this age group were economically inactive; twenty years later, this figure had fallen to 36.8 per cent. The fall for men in this age group, by contrast, was from 26.7 to 23.1 per cent.

### Older women and employment: the change since 2008

Over twenty years the labour market has improved, but in recent years, the dominant story has been the recession of 2008–9 and the combination of

stagnation and recession since 2010. Understanding what has happened in these years requires a little detective work – figures that, at first seem to continue the positive long-term story actually are the result of the raising of women’s state pension age.

But first, we need to see the positive story. Using recent data and those for five years ago allows us to compare the labour market now with the eve of the recession.

### Employment rates by gender (%)

	Men			Women		
	Sep–Nov 2007	Sep–Nov 2012	Change	Sep–Nov 2007	Sep–Nov 2012	Change
<b>Aged 25–34</b>	88.6	86	-2.6	72	71	-1.0
<b>Aged 35–49</b>	88.8	88.1	-0.7	75.9	76.2	0.3
<b>Aged 50–64</b>	73.1	72.5	-0.6	58	61	3
<b>Aged 65+</b>	10	12.5	2.5	4.7	6.6	1.9

There is a clear pattern to changes in employment rates: at all ages men have higher employment rates than women both now and five years ago and men and women in what is sometimes referred to as the ‘prime employment age’ (25–49) have higher employment rates than those over 50. But the direction of change is the reverse of this pattern, following the longer term trend, with employment rates rising for over-50s and for women and for women aged 50–64 most of all. Another way of thinking about this is that the gap in employment rates between men and women has shrunk for all age groups and for the 50–64 age group most of all:

### Gender employment rate gaps

	Sep–Nov		Change
	2007	Sep–Nov 2012	
Aged 25–34	16.6	15.0	-1.6
Aged 35–49	12.9	11.9	-1.0
Aged 50–64	15.1	11.5	-3.6
Aged 65+	5.3	5.9	0.6

However, this change should not be taken at face value.

### Women’s economic inactivity

We have to look at the three main labour market categories: employment, unemployment and ‘economic inactivity’. In addition, we have to take into account the changes in the total number of women – this has been growing, especially for older women.

These figures are shown in the table below. Just 29 per cent of women aged 16–64 are aged over 50, but they account for 69 per cent of the increase in the total female population in this period. Without over-50s, the number of women under 65 in employment would have *fallen* by 155,000 but over-50s make up just 12 per cent of the increase in women’s unemployment.

## Women's labour market status in 2007 and 2012 (000s)

<b>Aged 16–64</b>				
	Total	Employment	Unemployment	Inactivity
Sep–Nov 2007	19,830	13,221	701	5,908
Sep–Nov 2012	20,176	13,376	1,079	5,721
Change	346	155	378	-187

<b>Aged 50–64</b>				
	Total	Employment	Unemployment	Inactivity
Sep–Nov 2007	5,570	3,232	81	2,257
Sep–Nov 2012	5,808	3,542	128	2,138
Change	238	310	47	-119

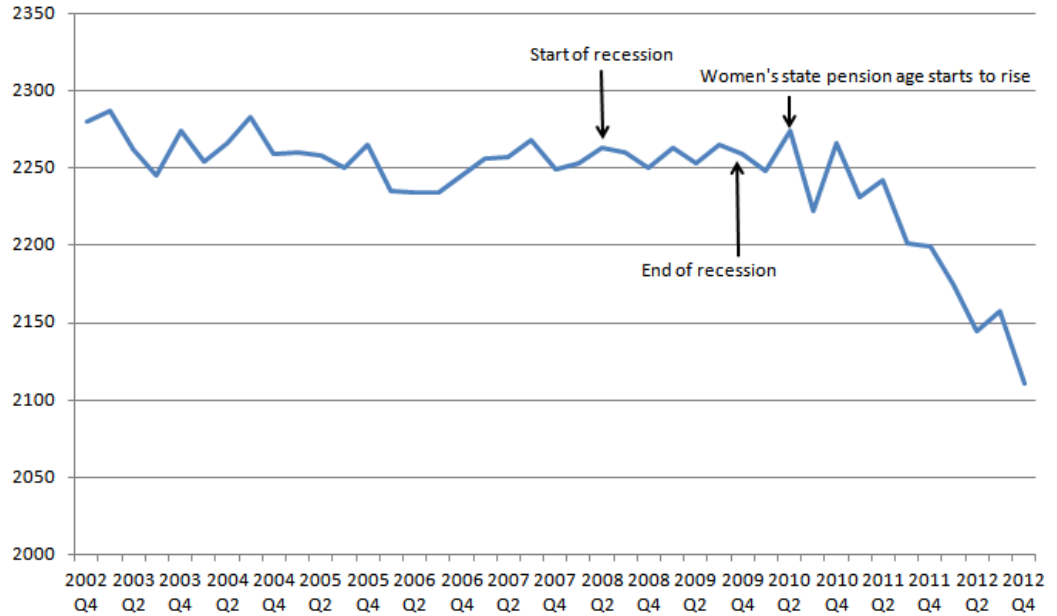
The government has argued that the declining number of ‘economically inactive’ women is a sign of labour market strength, because “more women are entering the labour market having previously been inactive”.<sup>18</sup> There are good reasons for disagreeing with this positive interpretation.

Discussions about what is happening to women’s employment are often confused because the age range 16–64 is often described as “working age”. Of course, for men, this is perfectly accurate, but women’s state retirement age is currently 61 and has been rising in stages since 2010. The Office for National Statistics’ monthly bulletin *Labour Market Statistics* uses a number of age groups for both men and women, one of which is 50–64. In the case of women this age group is mainly composed of women under state pension age, but with a declining minority over state pension age.

The chart below looks at what has been happening to the number of economically inactive older women over the past ten years. Economic events – such as the start of the recession in the second quarter of 2008 or the recovery from late 2009 – are not associated with significant changes. The raising of women’s state pension age in stages from spring 2010 is a better fit.



### Economically Inactive Women over 50 (000s)



The definition of ‘economic inactivity’ covers everyone who does not have a job and does not meet the tight definition of unemployment, leaving a large minority (usually about 2 to 2.5 million people) who are ‘economically inactive’ but say that they want paid work. If the reduction in inactivity were as positive as the government has suggested, one would expect the decline to be concentrated among that group.

### Economically inactive women who want & do not want a job (000s)

	Does not want a job	Wants a job	Total
2007 Q4	4607	1280	5887
2012 Q4	4293	1382	5675
Change	-314	102	-212

In fact, the change has been in the opposite direction, with an *increase* in the number of women who are ‘economically inactive’ but want a paid job. The final indication that the raising of women’s state pension age is the key factor behind the decline in inactivity (and, by extension, the increase in employment for this age group) is to be found in the data on reasons for ‘economic inactivity’. In fact, the fall in the number of women under 65 who give retirement as the main reason is equal to more than half the total fall:

### Reasons for economic inactivity of women aged 16–64 (000s)

	Total	Students	Looking after family/home	Temp sick	Long-term Sick	Retired	Other
2007 Q4	5887	980	2158	99	1072	1045	511
2012 Q4	5675	1070	2102	98	1012	913	449
Change	-212	+ 90	-56	-1	-60	-132	-62

## Older women's patterns of employment

The table below shows three broad age groups and the proportions employed in major occupational groups in 2012. Older women are significantly more likely to be employed in administrative and secretarial occupations than other women, but otherwise the similarity to the 25–49 age group is the most noticeable feature.

### Women's occupations by age group, 2012

	16–24	25–49	50–64	Total
Managers, directors and senior officials	2%	8%	8%	7%
Professional	7%	24%	20%	20%
Associate professional and technical	8%	15%	10%	13%
Administrative and secretarial	14%	17%	23%	18%
Skilled trades	1%	2%	3%	2%
Caring, leisure & other	21%	15%	15%	16%
Sales & customer service	25%	9%	9%	11%
Process, plant and machine operatives	1%	2%	2%	2%
Elementary	21%	8%	10%	11%
Total	100%	100%	100%	100%

In 2008, 23 per cent of older women were employed in administrative and secretarial occupations and 20 per cent of all women, suggesting that this occupational category has become a less important employer of younger women.

In 2012, 39 per cent of older women worked in the public sector, compared with 33 per cent for all women. On an industrial analysis, older women are heavily concentrated in administration, education and health, dominated by the public sector. Over half of all older women worked in this industry, a significantly higher proportion than for other age groups:

### Women's employment by industry and age group, Apr–Jun 2012

	16–24	25–49	50–64	Total
Agriculture, forestry and fishing	0.4%	0.5%	0.9%	0.7%
Energy and water	0.6%	0.9%	0.5%	0.7%
Manufacturing	3.4%	5.8%	5.1%	5.3%
Construction	0.8%	1.9%	2.0%	1.8%
Distribution, hotels and restaurants	41.5%	16.8%	17.4%	20.3%
Transport and communication	3.7%	4.6%	3.7%	4.2%
Banking and finance	13.3%	17.3%	13.2%	15.7%
Public admin, education and health	25.5%	46.8%	52.0%	45.2%
Other services	10.8%	5.5%	5.2%	6.2%
Total	100.0%	100.0%	100.0%	100.0%

Older women's redundancies are very heavily concentrated in this industry, accounting (in the summer of 2012) for 49 per cent of redundancies in this age group, compared with 27 per cent of women overall:

### Women's redundancies, by age group, Apr–Jun 2012

	16–24	25–49	50–64	Total
Agriculture, forestry and fishing	0.0%	1.5%	0.0%	0.8%
Manufacturing	13.0%	13.0%	3.4%	10.6%
Construction	12.5%	5.6%	0.0%	5.7%
Distribution, hotels and restaurants	37.2%	23.3%	18.5%	25.1%
Transport and communication	3.7%	8.2%	6.8%	6.9%
Banking and finance	22.6%	20.0%	12.2%	18.5%
Public admin, education and health	11.1%	23.0%	49.2%	27.1%
Other services	0.0%	5.4%	10.0%	5.4%
Total	100.0%	100.0%	100.0%	100.0%

### Conclusion

There is strong evidence that discrimination on the grounds of age and gender continues to disfigure the world of work and that older women in addition face multiple discrimination. Furthermore, older women carry a 'double burden' of caring for parents and grandchildren, which can substantially limit their ability to remain in paid employment.

Despite this, older women have made substantial gains in employment over the past twenty years. Older women in this country have high employment rates by European standards. The government's claims for improvements in recent years, however, are exaggerated and the decline in older women's 'economic inactivity' is almost certainly the result of the raising of women's state pension age, rather than any significant improvement in the functioning of the labour market.

Older women are even more likely to be employed in the public sector than younger women. All women are at risk from the government's public sector cuts, but this is an even bigger threat to older women. Redundancies in the public sector are already a bigger threat to older women than to women in other age groups and the majority of cuts have not yet been implemented.

**Austerity is a real and serious threat to older women and their families.**

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- 17 Data in the following tables is taken from the Labour Force Survey.
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