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National Advisory Council on  
the Employment of Women

MANA WAHINE, MANA MAHI

# The Employment of Older NZ Women

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## Executive Summary

Since the 1950s, in New Zealand approximately 60 percent of all those aged 15 and older have been employed. Yet, within this period the long term trend has been increasing employment rates for women. This has been matched by decreasing employment rates for men. For women, over the long term, there have been major gains in employment in the prime childrearing age group, as well as in their 40s and 50s. For both women and men, there was a shift to earlier retirement from the mid 1950s through to the mid 1980s. Since then there has been a significant reversal of this trend.

Historically, patterns of older female and older male employment have been influenced by a wide range of factors, including the design of New Zealand's superannuation scheme. In 1977, the qualifying age for 'universal super' was lowered from age 65 to age 60. But this policy was eventually reversed and, from 1992 to 2001, the qualifying age for superannuation was increased progressively back up to 65 years. When the age of eligibility was lowered to age 60 there was a move towards early retirement. But, when the age of eligibility was once again raised to 65 years, the employment of older people increased.

Since the mid-1990s, there has been very strong growth in the employment of both older women and older men. Household Labour Force data show that just over 2 percent of women aged 65 and older were employed in the mid-1990s. For men in this age group, the rate was just over 8 percent. By the first quarter of 2014, approximately 15 percent of women aged 65 and older and just over a quarter of men aged 65 and older were employed. However, among both older women and men employment rates decline rapidly with age (Table 1).

**Table 1: Employment rates (%) for men and women, 2013 census**

	Men	Women
20-24	69	61
25-29	81	66
30-34	85	66
34-39	86	69
40-44	86	75
45-49	86	78
50-54	84	78
55-59	82	73
60-64	75	61
65-69	50	35
70-74	28	16
75-79	15	7
80-84	9	4
85+	6	3

As for employed women and men in younger age groups, there is some gendered distribution of paid work among older workers. Older men are over-represented among managers, trades workers, machinery operators and drivers as well as labourers. In 2006 older women were over-represented among professionals, community and service workers, clerical and

administrative workers as well as sales workers. Women 65 and older (and men 75 and older) mainly work part time rather than full time.

Employment rates are higher for well-educated older women across their lifecourse. In early 2014, just on 10 percent of women aged 65 and older with no formal qualifications were employed. This rises to over 23 percent for women with post school qualifications.

While many women among the current older age group have little formal education, this will change rapidly over the next couple of decades. Among the young and the middle aged, well qualified women now significantly outnumber well qualified men. In 2013, in the 30-34 age there were over 48,000 women with a degree or higher qualification as against nearly 31,000 men. In the 50-54 age group, there were just over 31,000 women with a degree or higher qualification as against just over 25,000 men.

Demographic projections suggest that older people will be an increasingly important part of the potential labour force. For a variety of reasons, but primarily due to greater life expectancy, over the long term there is projected to be a greater number of older women than older men. But the older population itself is 'ageing'. In the longer term, the greatest population growth for both men and women is projected to be among those aged 80 and older.

Combining the recent trends in education with the projected demographic change shows there is a large 'bulge' of mid-life women workers, most of whom are working full time and many of whom are well educated, who are moving towards traditional ages of retirement. Depending on their choices and opportunities in the labour market, in the short term this may lift the employment rates of older women. But in the longer term, this group will continue ageing and will move into age groups where employment rates are very low.

## **Introduction**

This graphically based project relies on a combination of data from both the Household Labour Force Survey (HLFS) and the Census of Population and Dwellings (Census) to outline broad employment patterns among older women. To set historic as well as future possible patterns of employment into a wider context, key demographic and education data are presented. These include projections of numbers of older people as well as information on the changing qualification mix of the population. This is supported by a scan of recent New Zealand literature on employment trends for older people, including possible opportunities and barriers to employment.

In terms of the data underpinning the graphical analysis, the Household Labour Force Survey (HLFS) is undertaken each quarter. Time series are available from March 1986 through to March 2014. Given that this is a survey, only broad patterns of employment can be produced for older people. Trends can be shown in each five year age group from 15 to 64 years, but published data on older people is restricted to the broad 65 years and older age group. Some significant patterns such as employment by broad age and educational groupings can be shown using HLFS data. A key benefit of using HLFS data is that it shows patterns over a long period so picks up the effects of events such as the Global Financial Crisis, as well as periods of strong employment growth.

The Census is carried out by Statistics New Zealand every five years, except 2011 (when the Christchurch earthquake of that year meant the 2011 Census was postponed until 2013). It is designed to be a full census of the population which means that it can provide far more detailed patterns of employment than the HLFS. However, the Census provides only a snapshot for each period, hence the use of the HLFS to show employment patterns between Censuses.

2013 census data are slowly being released by Statistics New Zealand. As of July 2014, only the key indicators of 'employment', 'unemployment', or 'whether a person works full time (30 hours or more)' or 'part time' are available.

This analysis focuses on older women (aged 50 years and older). However, where useful, supporting data on younger age groups are also presented. In addition, and again where useful, patterns of male employment are included.

The key measure used is the employment rate. This is the number of women employed as a percentage of the female population in each age group. Some basic data are also presented on the proportion of women 'unemployed and seeking work'.

Where possible, trends from 1986 to 2013 (for the census) and from 1986 to the March 2014 quarter (for the HLFS).

This analysis of employment is supported by key demographic data. These are primarily drawn from Statistic New Zealand's official projections. However, additional information on the changing educational mix of the population is drawn upon. This includes information from the Ministry of Education.

The gender pay gap is not directly considered in this report. This is for various reasons. More complex census data, such as employment by educational group, by detailed occupational or

industry group, or by income earned are not yet available. Income data will be available in September 2014, while detailed information on paid and unpaid work is scheduled for release from April 2015. But a more important reasons for not considering the pay gap in this report is neither the HLFS nor the census are ideal data sources for understanding employment related pay.

## **Scan of New Zealand literature**

In the late 1990s extensive media reports, based primarily on the research of Thomson (1999), suggested that jobs for people aged 45 years or older were rapidly disappearing. Headlines appeared such as “When our working lives end at 45”. Other researchers presented a similarly gloomy outlook (e.g., Patterson, 1999)

Yet, the 1990s was actually a point in time where the long term, downward trend in the employment of older people was starting to reverse. Since the 1990s there have been a number of New Zealand reports considering the employment of older people. Instead of gloomy forecasts of employment prospects, now the questions often asked are: what is the upper limit for the employment rate for older people and, associated with this, what barriers exist to their employment.

An initial issue facing researchers and policy makers in the field of older workers is, in fact, who is an ‘older person’. The research arguing that work was ‘disappearing’ had considered those aged 45 years and older. In a study of older workers, McGregor (2007) notes ‘the international literature shows that the term older worker can apply to anyone aged from 40 years’. However, McGregor goes on to state that ‘the OECD (2000) definition of an older worker is 55 years and upwards’. McGregor argues that ‘most international and local research defines the age band that has been used to collect data in the particular study but it is important to note that research on older workers often compares and contrasts data across different age cohorts.’

Part of the question of what age to use to define an older worker relates to whether consideration is also being given to future possible trends in employment. If projections are being prepared, then it is important to consider the employment of younger people who are moving towards older ages.

In 2001, Callister and Rose explored changing historic patterns of paid work (mainly from the mid-1980s until 2001) among New Zealand men and women, including the modelling of possible future employment patterns. Like many studies, this project considered employment of people in a range of age groups. However, there was a particular focus on those aged 60-64 years and 65 years and older. This study identified a number of historic patterns. These include:

- Employment rates for men aged 15-64 years fell throughout the 1950s, 1960s and 1970s.
- In contrast, employment rates for females in this broad age group rose throughout this period.
- While employment trends were particularly volatile between the mid 1980s and the mid 1990, overall, total employment rates for those aged 15-64 years did not change

substantially in the 42 years from 1956 to 1998, with approximately 60 percent of this group in paid work.

- Data did not support media reports of the time that full-time work had been rapidly “disappearing” for people aged 45 years and older. Household Labour Force Survey (HLFS) data showed that the proportion of people aged 45-64 years who worked full-time increased over the 1990s.
- At the point in time the study was completed, there was little increase in the full-time employment of men and women 65 years and older.

In a comprehensive review entitled *The effect of New Zealand Superannuation eligibility age on the labour force participation of older people*, Hurnard (2005a) outlines historic employment trends and provides some explanation for changes in work patterns. Using a different measure to what will be used in most of this current report, Hurnard used census data to set out changes in labour market participation for men and women from 1976 to 2001.<sup>1</sup>

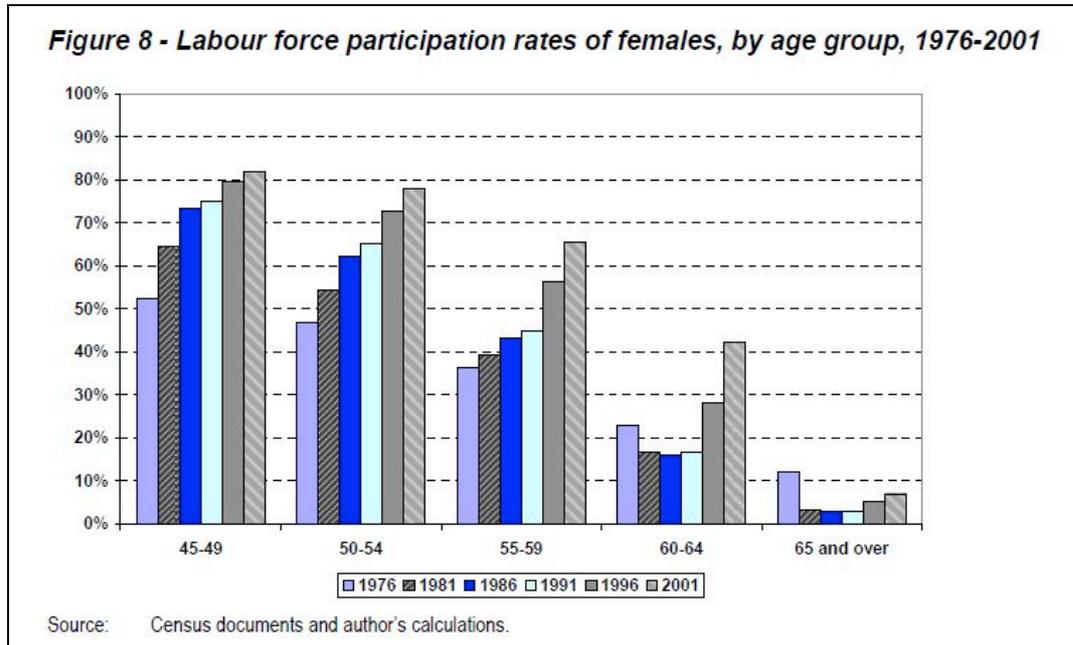
Image 1 shows the patterns for women in this period. Hurnard’s work highlighted the following important trends:

- In all Censuses from 1976 to 2001, among those aged 45 to 59 years, women’s labour force participation increased.
- In contrast, in both the 60 to 64 and 65 and older age groups, female participation declined markedly between 1976 and 1991, with a further small decline between 1981 and 1986.
- Between 1986 and 2001, female participation increased for women aged 60-64 and 65 and older.

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<sup>1</sup> Labour participation is a measure of employment plus unemployment rates. It shows those actively engaged or wanting to be engaged in the labour market. This series was developed by Hurnard (2005a) and required some adjustments of census data in the earlier period.

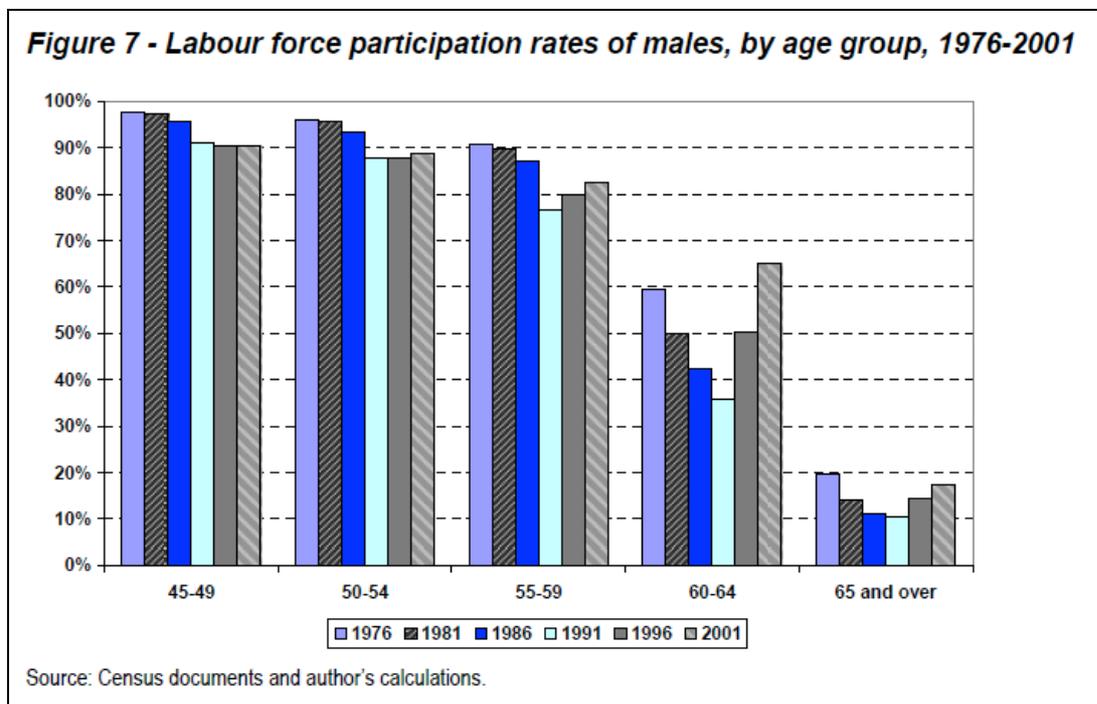
**Image 1**



Citation source: Hurnard (2005a)

Image 2 is included as a comparison. Again, it shows the employment of older men (55 years and older) declining, then reversing direction with an increase after the 1991 census.

**Image 2**



Citation source: Hurnard (2005a)

Hurnard demonstrates that, internationally, there had been a long term move to earlier retirement. However, at the end of the 20<sup>th</sup> Century there started to be concern about the sustainability of pension schemes as well as age dependency ratios (i.e. the number of younger people relative to the older population). Hurnard shows that New Zealand was a leader in the reversal of this trend towards early retirement.

Summarising his work on the employment of older people in a conference presentation, Hurnard (2005b) notes that many factors influence the paid working patterns of older people. These include:

- Labour market structure and related economic cycles
- Health status of individuals
- Spousal decisions
- Domestic obligations (i.e. care of partner or elderly parents)

But Hurnard suggests public policy is also important. Factors include:

- The existence of retirement laws
- Work testing and tax treatment of pension entitlements
- Options for early access to pensions
- Pension levels relative to possible earnings at a particular age

Hurnard demonstrates that the NZS design makes superannuation's 'age of eligibility' criterion a very sensitive policy variable in relation to employment patterns. Hurnard shows:

- There is no eligibility for payment before an 'official' age of entitlement – i.e. no trade off of amount and time of commencement
- New Zealand has low rates of private savings, with the result that few people can independently finance early retirement
- Only income tested benefits are available, which are paid out at a lower rate than NZS
- Individual entitlements mean younger spouses do not generally benefit from their older spouses' retirement
- There is no compulsory retirement age and no implicit tax on earnings beyond age 65

Demonstrating the clear link between policy and employment of older people, Hurnard notes that, in 1977, the qualifying age for 'universal super' was lowered from age 65 to age 60. But this policy was eventually reversed and, from 1992 to 2001, the qualifying age for superannuation was increased progressively back up to 65 years.

Hurnard's graphs (Images 1 and 2) show that when the age of eligibility was lowered to age 60 there was a move towards early retirement. But, when the age of eligibility was once again raised to 65 years, the employment of older people increased.

McGregor has also written extensively about older people's employment. In her 2007 report *Employment of Older Workers*, McGregor argues that some policy settings may be acting as a barrier to the continued employment of older workers. She points to a range of factors that can affect employment of older people. These include:

- The legislative framework (including discrimination and anti-discrimination legislation)
- The current state of research and information

- Employers' attitudes
- Employees' attitudes and trade union activity
- The policy development process
- The influence of public agencies, NGOs and civil society

McGregor points out the complexity of policy design noting that 'policy developed for older workers aged 45 may in fact be quite unsuited to those aged 55 years let alone those aged 65 plus because of changed circumstances in health, financial security, wellbeing, physical stamina, employability and motivation.' McGregor also makes the important point that 'older workers are not a homogenous group, and vary greatly by education, employment experience, geography, life course, attitude, culture and values, as well as gender, ethnicity, health as well as age.'

Citing earlier work, McGregor also notes 'retirement intentions can change as workers approach the age of eligibility at 65 years for New Zealand Superannuation as a result of both "push" and "pull" factors (McGregor and Gray, 2003). Some of those who previously said they would quit the labour market realise they cannot afford to do so, while others want to stay working because it improves their sense of self-worth and community attachment.'

Davey has also extensively researched both paid and unpaid work among older people. In 2006, she explored opportunities for older workers, observing that 'many jobs that are available to older workers are low-level, boring and repetitive.... Quality jobs are required, and this should be the objective of initiatives taken by employers and by governments. Older workers will leave bad jobs, as will workers of any age' (Davey, 2006a).

In another 2006 paper, Davey also notes that society benefits significantly from the skills and experiences of older people through their unpaid work in a wide range of areas (Davey, 2006b). Drawing on the work of Gee, Davey suggests that perhaps 15 percent of all voluntary work is done by older people (Gee 2001), so that prolonging workforce participation may constitute a threat to the supply of volunteers. Davey suggests that the relationship between paid and unpaid work for older people needs further investigation.

In 2013, Jackson, Cochrane and McMillan produced a paper entitled *Workforce participation of older workers as an element of New Zealand's Retirement Income Framework*.<sup>2</sup> This focused on New Zealanders aged 55 years and older. As this is a review, it is not surprising that most of the trends identified have been highlighted by earlier reports. However, it does extend data series from earlier reports. Key findings from this report are:

- New Zealand is among a handful of OECD countries leading the trend towards a longer paid work life. In 2011, New Zealand recorded the second highest employment rates in both the 50 to 54 and 55 to 64 age groups, and the fourth highest in the group aged 65 to 69 years, suggesting that further large increases may be more difficult to achieve.
- In 2011, the trends resulted in New Zealand having the sixth highest 'effective retirement age' (the average age of those withdrawing from the labour force) for males and the seventh highest for females out of 34 OECD countries.

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<sup>2</sup> This report used census data up to 2006 to consider the gender pay gap. However, for a variety of reasons, census data is not ideal for understanding employment related earnings.

- A slight flattening of the employment rate in the group aged 60 to 64 years for both males and females since 2009 could indicate the approach of a social saturation point; however it could also reflect the global economic crisis. But there was a steady upward trend for those 65 and older
- For those aged 65+ years, growth in part-time work made the largest contribution to overall growth in employment, with this trend being particularly pronounced for women.
- A broad range of factors are known to influence the ability of older workers to remain in the workforce, among them health status, financial position, conditions of work including labour demand, the availability of suitable (part-time/flexible) work that matches skills, the presence/absence of discrimination, the centrality of the role of work, and gender.
- These factors can serve as both barriers and enablers to longer workforce participation, and many are cross-cutting. For example, while poor health is a barrier and good health an enabler, good health may reflect a higher income and a greater capacity to retire early.

The report also considers both ‘enablers’ and ‘barriers’ to older people’s employment. The main enablers were identified as

- The strength of labour demand
- The availability of part-time work
- The extent to which there is flexibility in accommodating the needs and interests of, and competing demands on, older workers, and
- Key features of NZS design that simultaneously discourage early withdrawal and reward those who continue to work beyond the age of access.

The main barriers were:

- Poor/deteriorating health
- High caring demands
- A mismatch between skills and the demand for those skills
- An apparent lack of timely discussion about retirement intentions
- The financial ability to retire
- Discriminatory attitudes and practices, and
- Lack of employer knowledge about the implications of population ageing.

It is important to note that the studies discussed in this scan focused on paid employment. As noted by Davey (2006b), older people undertake a complex mix of paid and unpaid work both inside and outside the home. This includes actively supporting other older people, such as delivering meals or transporting people to medical appointments.

In brief summary, in relation to the employment of older women in the past and potentially in the future, the recent New Zealand literature suggests the following:

- Following a long period towards a shift to earlier retirement, since the 1990s there has been strong growth in older women’s employment.
- Older women’s employment rates are high in New Zealand relative to much of the OECD.
- Much of the paid work carried out by older women is part time.

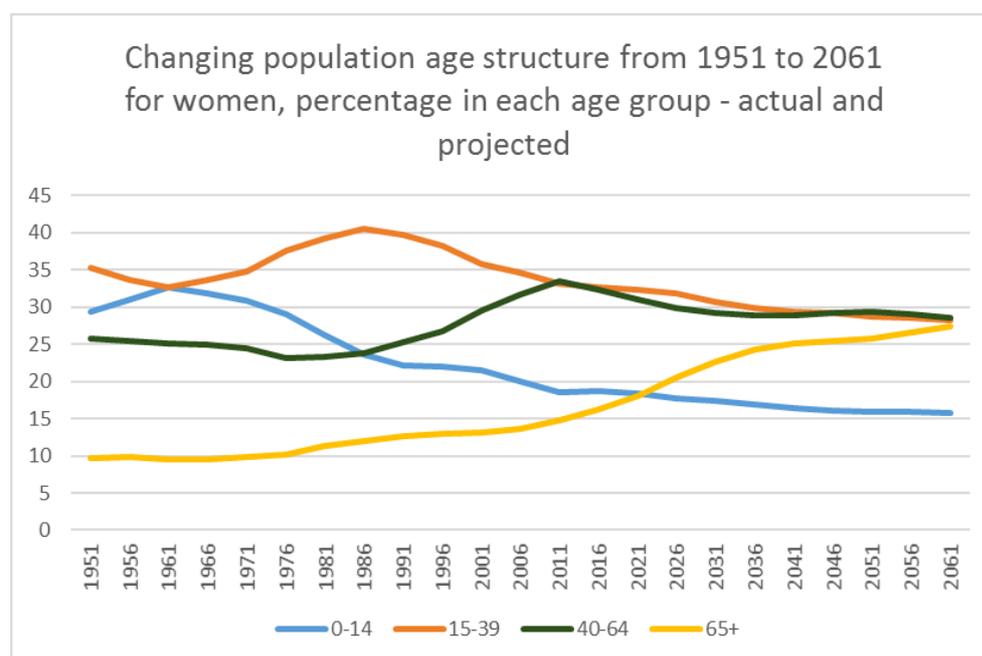
- There are both opportunities for further growth in older women’s employment and barriers to this growth.
- Older people are an important part of the unpaid workforce.

The remainder of this report focusses on a graphical analysis of the demographics, educational attainment and employment rates of older women.

## Some demographic background

### *Aging of the population*

**Figure 1**



Source: Statistics New Zealand

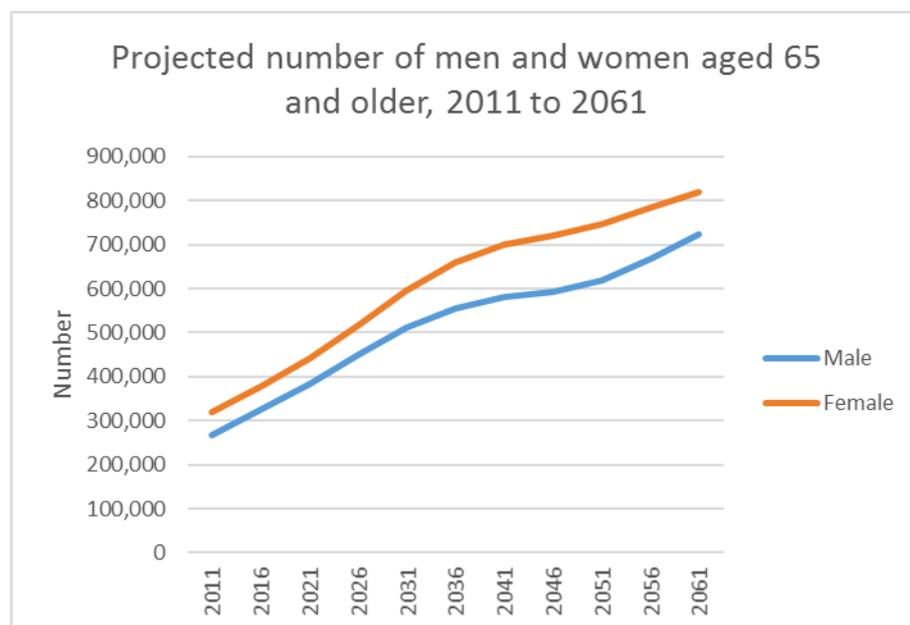
Figure 1 indicates that the shift to an ageing population has been a long term trend. In 1951, females aged 0 to 14 years represented just fewer than a third of the female population. Under a mid-range set of projections, this group is projected to form just over 15 percent of the female population by 2061.<sup>3</sup>

By 2061, it is projected that there will be three groups of women of roughly equal size: those aged 15 to 39 years, 40 to 64 years and 65 years and older. The proportion of women aged 65 years and older is projected to rise from 10 percent in the 1950s to about 20 percent around 2026, and finally to just fewer than 30 percent of the female population by 2061.

<sup>3</sup> Statistics New Zealand regularly publishes population projections. Based on an estimated population at a point in time, the projections rely on a range of assumptions about fertility, mortality and migration. The projections used in this paper are in the median range for fertility, mortality and migration.

***The number of older women is projected to be greater than that of older men***

**Figure 2**



Source: Statistics New Zealand

Due to a range of factors, but primarily greater life expectancy for women, there is projected to be more women than men aged 65 and older in all periods through to 2061. The ‘gap’ is projected to be larger at the end of the period than at the beginning.

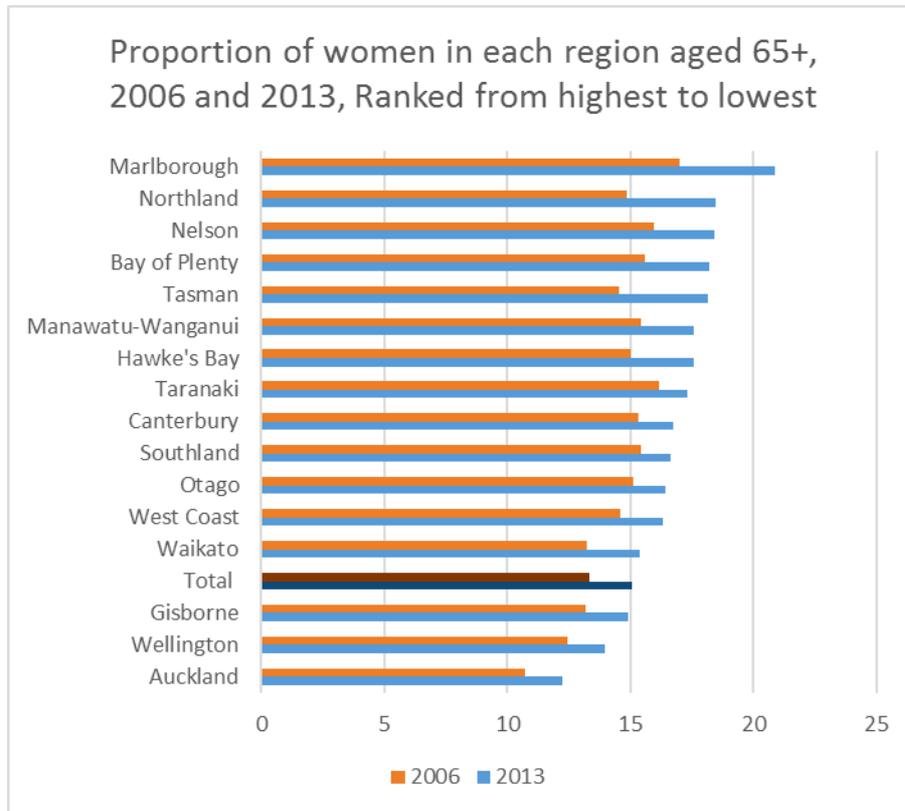
***Strong regional differences now and in the future***

2013 census data show a strong regional variation in the proportion of women of each who are 65 and older (Figure 3). The proportion varies from just over 20 percent to just over 10 percent. It is the Auckland and Wellington regions that had the ‘youngest’ populations of women in 2013.

A comparison of 2006 and 2013 data also shows an ageing pattern in each region, that is no region is going against the overall trend of an ageing population.

Regions are projected to age at different rates, again depending on patterns of fertility and mortality and, to a major degree for some areas, migration.

**Figure 3**

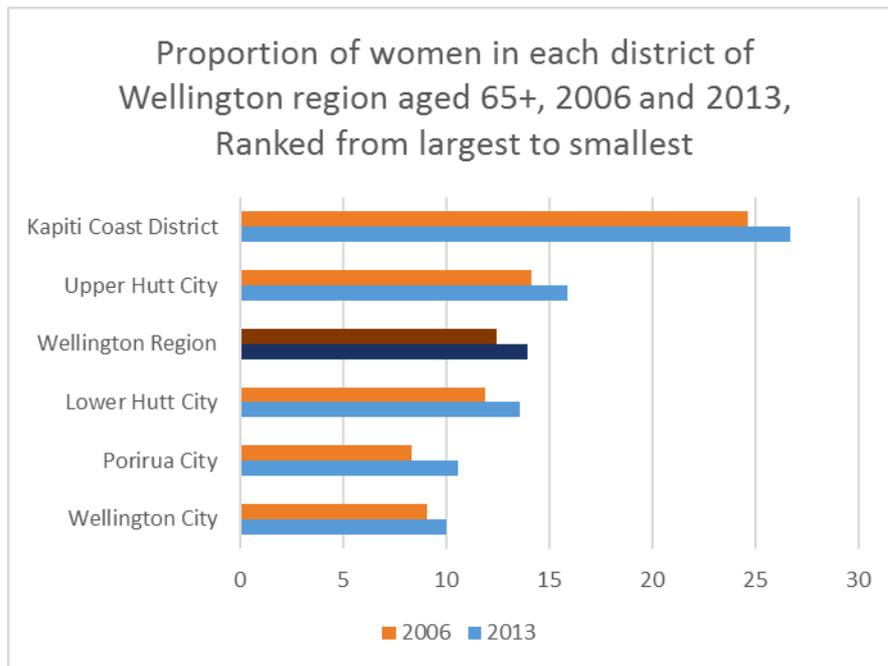


Source: Census of Population and Dwellings, Statistics New Zealand

***But there are also strong ‘within region’ differences***

Figure 4 draws on 2013 census data for the Wellington region to illustrate considerable ‘within region’ differences. Already over a quarter of women living in Kapiti are aged 65 or older. In Wellington city this percentage is just ten. Part of this pattern is due to women in Wellington retiring to the Kapiti area.

**Figure 4**

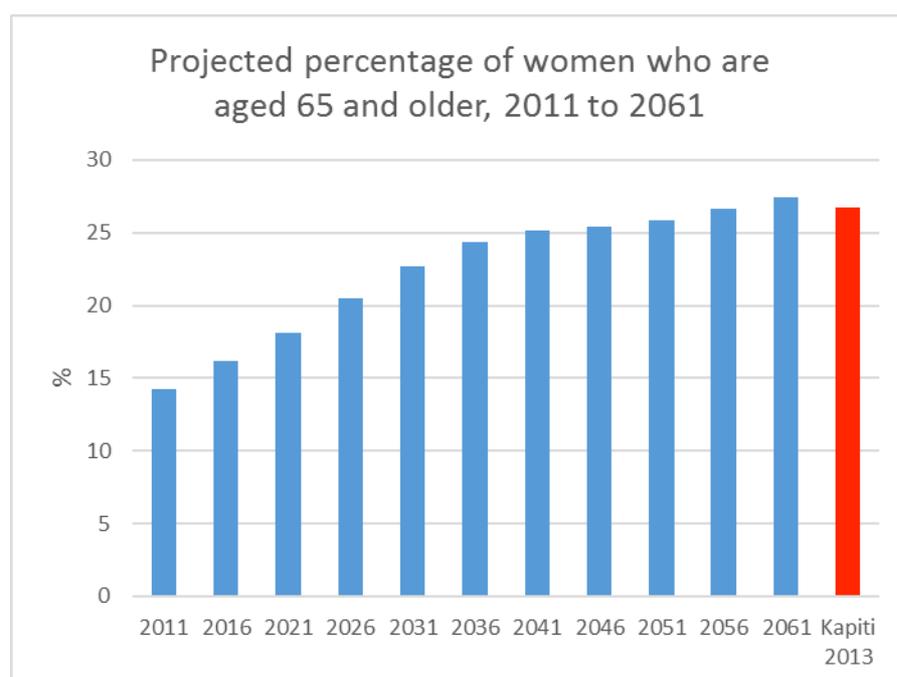


Source: Census of Population and Dwellings, Statistics New Zealand

***More older women across New Zealand in the future but Kapiti already there***

Figure 5 further illustrates the importance of local variation. In 2013, Kapiti had already reached the projected ‘aged’ population that New Zealand, as a whole, will not reach until the 2050s. Areas like Kapiti can be used as case studies of the likely effect of an ageing population.

**Figure 5**



Source: Census of Population and Dwellings, Statistics New Zealand

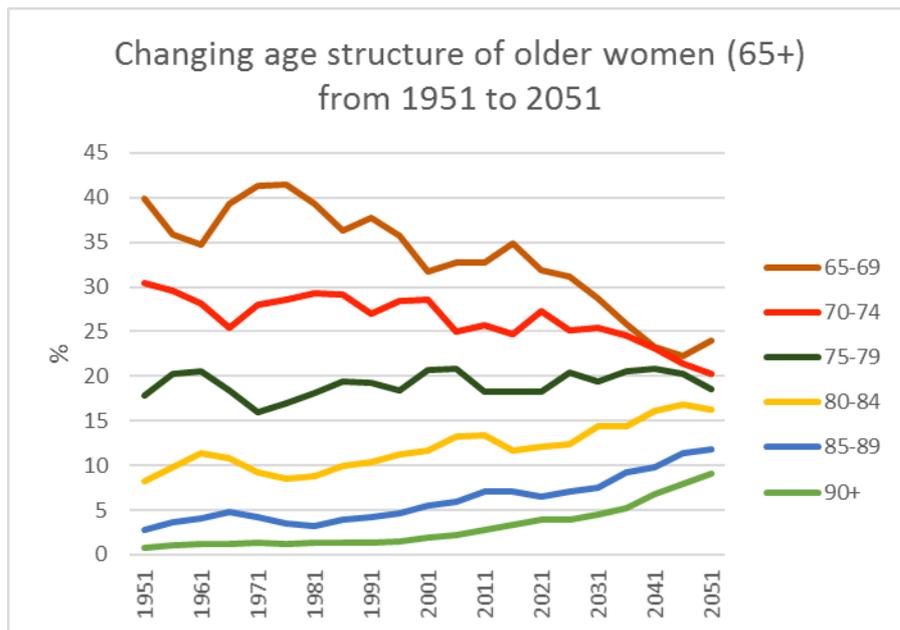
***Older people are getting older: Ageing within ageing***

While the proportion of men and women aged 65 and older is projected to rapidly increase, this group is itself ‘ageing’. This is illustrated in Figure 6.

In the 1950s, approximately 40 percent of women aged 65 and older were in the age group 65 to 69. Another 30 percent were aged 70 to 74. Over time, the proportion formed by these two groups (65-69 and 70-74) has been declining and is projected to continue declining.

In contrast, the three age groups that have been steadily increasing proportionally, and are projected to keep increasing, are those aged 80 to 84 years, 85 to 80 years, and 90 and older. By 2051, the proportion of women aged 65 and older who are among the group aged 90 and older is projected to increase to approximately 10 percent.

**Figure 6**

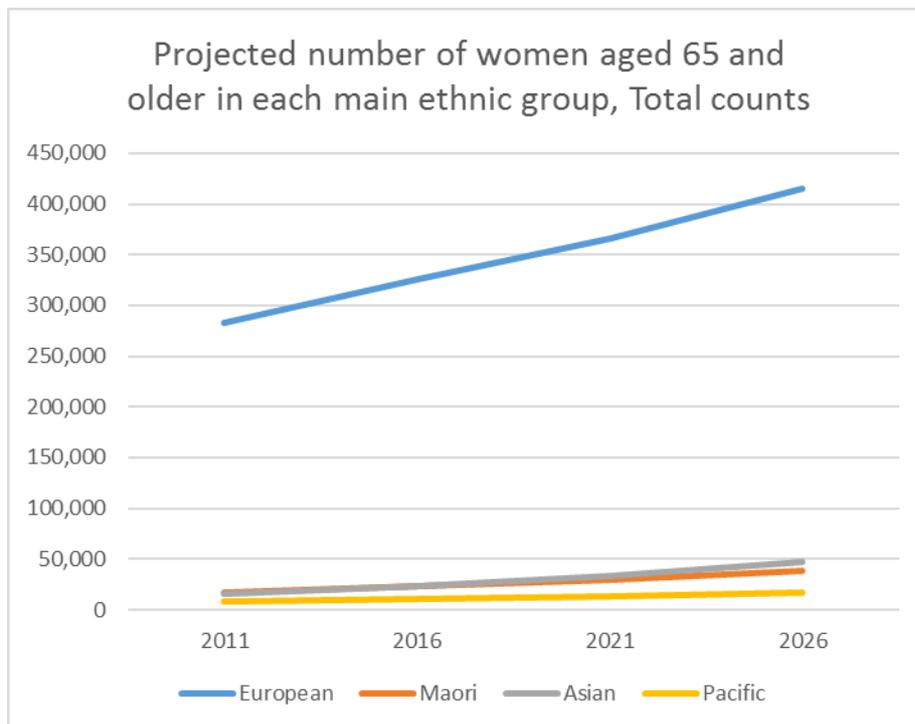


Source: Statistics New Zealand

As will be subsequently shown, employment rates are very low among those aged 80 and older therefore changes in the demographic mix of older people affect the overall employment rate for those aged 65 and older.

***Ethnic projections***

**Figure 7**



Source: Statistics New Zealand

Statistics New Zealand’s ethnic projections extend only to 2026. Through a complex combination of trends in fertility, mortality, migration, as well as assumptions about intermarriage, the ethnic mix of the older population is projected to shift slightly. Figure 7 shows actual numbers of women projected to be in each main ethnic group through to 2026. As these are ‘total counts’, those people who affiliate with more than one ethnic group are counted in each group. Therefore there is an overlap between groups. Overall, the strongest projected growth is among European women. Growth rates of Asian and Māori groups are projected to be similar, but with a slightly greater number of older Asian than older Māori women by 2026.

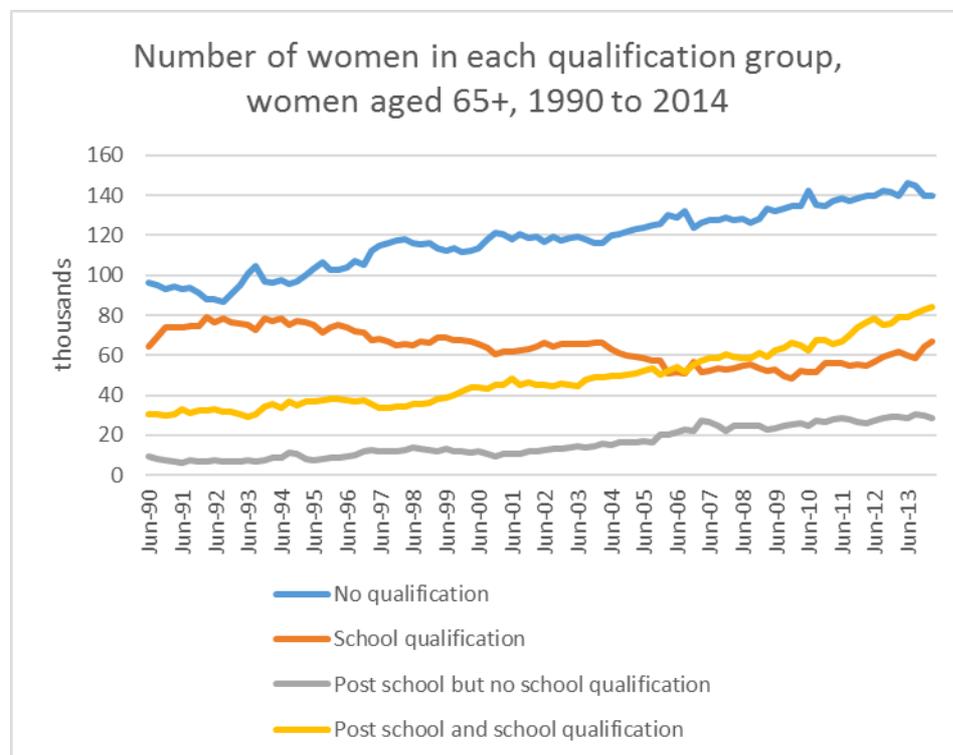
## Changes in educational outcomes

### *In the short term many older women will have no formal qualifications*

Household Labour Force data allows estimates to be made of the qualification mix of older women. In the past, many women did not obtain formal qualifications. This means the current group of women aged 65 and older contains many women who have no formal qualifications. Figure 8 shows some change since 1990 in the qualification mix of older women.

The number of women with only secondary school qualifications has been decreasing. The strongest growth has been among those women with secondary school and post school qualifications. Another important group is those who in the past did not gain a school qualification but since then gained some post school qualifications.

**Figure 8**

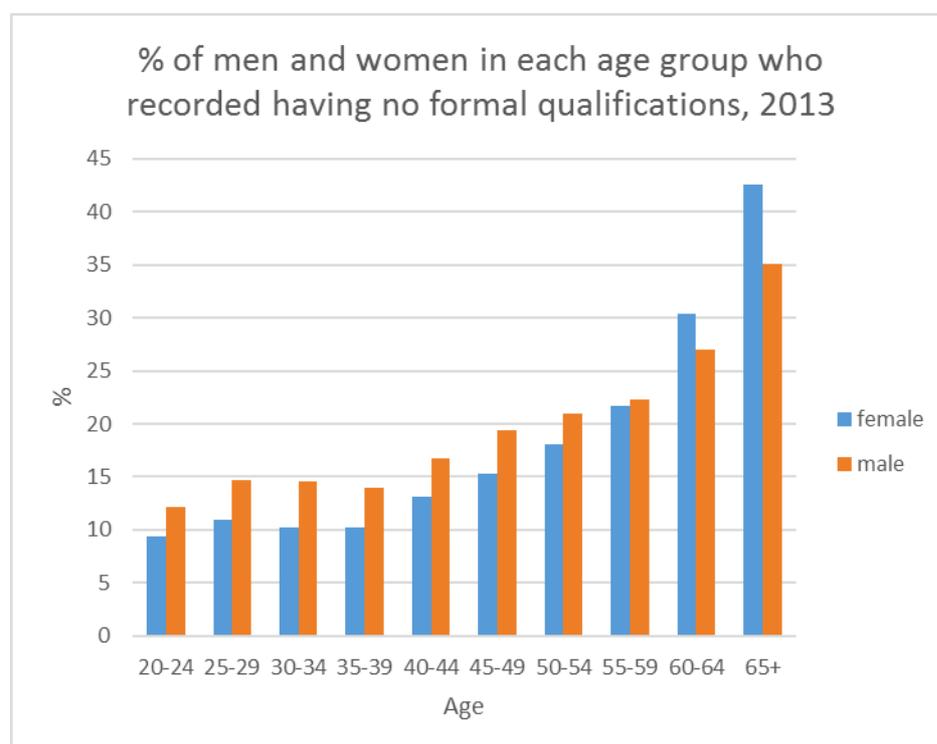


Source: Household Labour Force Survey, Statistics New Zealand

### ***Currently a greater proportion of older women than men have no formal qualifications***

Figure 9 shows the proportion of men and women in each of the main five year age groups who recorded having no formal educational qualifications. In the older age groups, a significant proportion of both men and women have no formal qualifications, but with a higher proportion of women in this group. In the young age groups (under 40), only a small proportion of younger men and women have no formal qualifications. But, in contrast to historical patterns, it is now men rather than women in the younger age groups who are more likely to have no formal qualifications.

**Figure 9**



Source: Census of Population and Dwellings, Statistics New Zealand

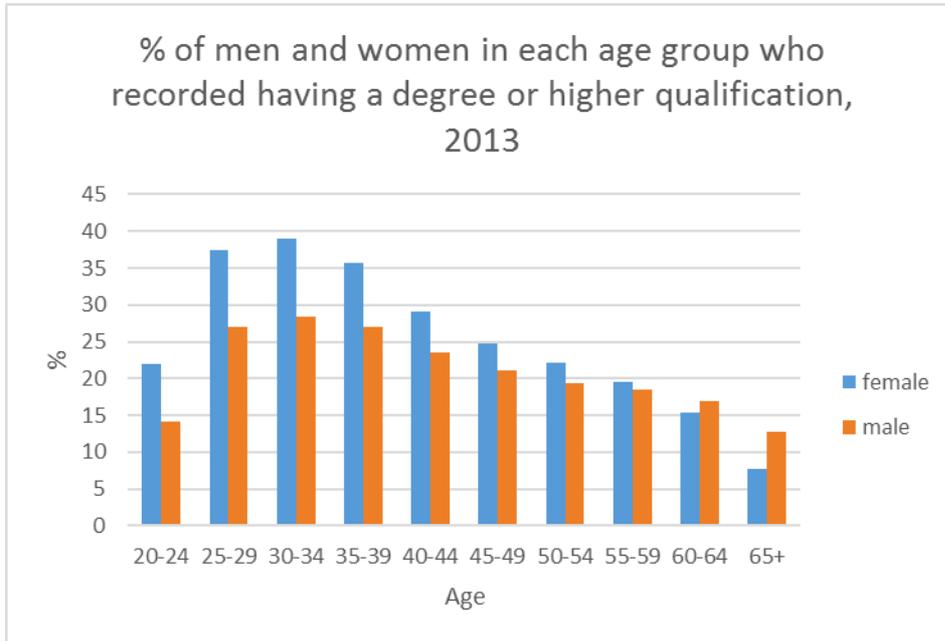
### ***Moving to a higher educated older population***

Figure 10 depicts the opposite end of the educational spectrum, that is the proportion of men and women who recorded holding a degree or higher qualification at the 2013 census.

In only the 60 years and older age group do a higher proportion of men than women hold a degree or higher qualification. In all other age groups a higher proportion of women than men have these qualifications. This is particularly the case for younger age groups.

Also of significance, in the younger age groups, over a third of women now have this type of qualification. Given that those with degrees or higher qualifications tend to have higher employment rates and higher incomes than people with no qualifications or other tertiary qualifications, those moving towards older age groups are better positioned in the labour market than in the past.

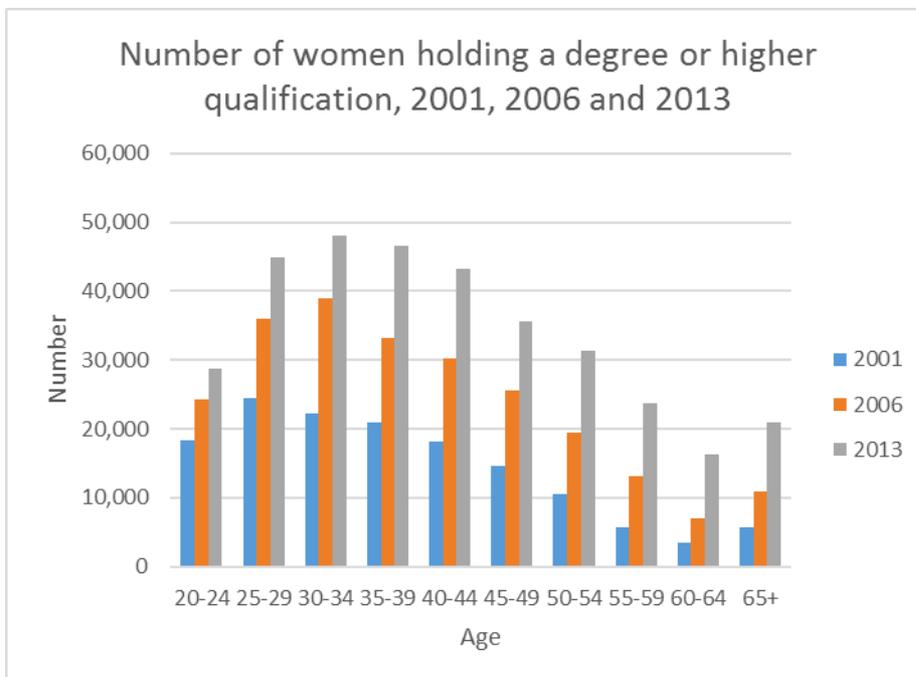
**Figure 10**



Source: Census of Population and Dwellings, Statistics New Zealand

Figure 11 reinforces the educational changes depicting a dramatic growth in the number of women in all age groups who hold degrees or higher qualifications over recent decades.

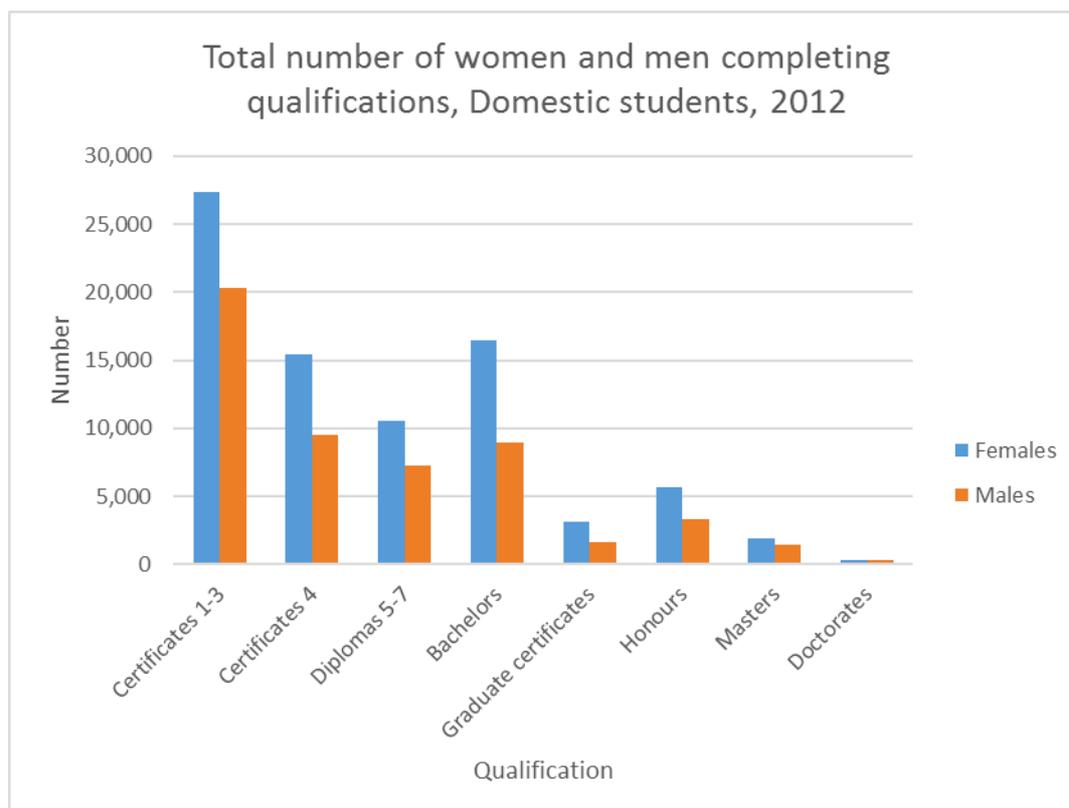
**Figure 11**



Source: Census of Population and Dwellings, Statistics New Zealand

While the qualification mix of the New Zealand population is affected by migration both in and out of New Zealand, a key to the changing qualification mix is the outcomes from tertiary training. Figure 12 shows that in 2012 more women than men were graduating in all areas of formal tertiary education.<sup>4</sup>

**Figure 12**



Source: Education Counts, Ministry of Education

<sup>4</sup> This excludes Modern Apprenticeships, which remain gendered in terms of outcomes, e.g. hairdressing is dominated by women and building trades by men.

## Employment trends for older New Zealand women

There are two common measures of labour market outcomes. One is employment rate and the other is participation. The former measures the proportion of the population who are employed. The latter measure adds in those who ‘are unemployed and seeking work’ and is seen as a measure of those who are ‘active’ or wish to be ‘active’ in the labour market. A problem with the participation measure is that, in older age groups, very few people are recorded as actively seeking work, whereas in younger age groups many people are unemployed and seeking work thereby making real employment outcomes harder to assess.

Almost all of the following graphs use the employment rate measure.

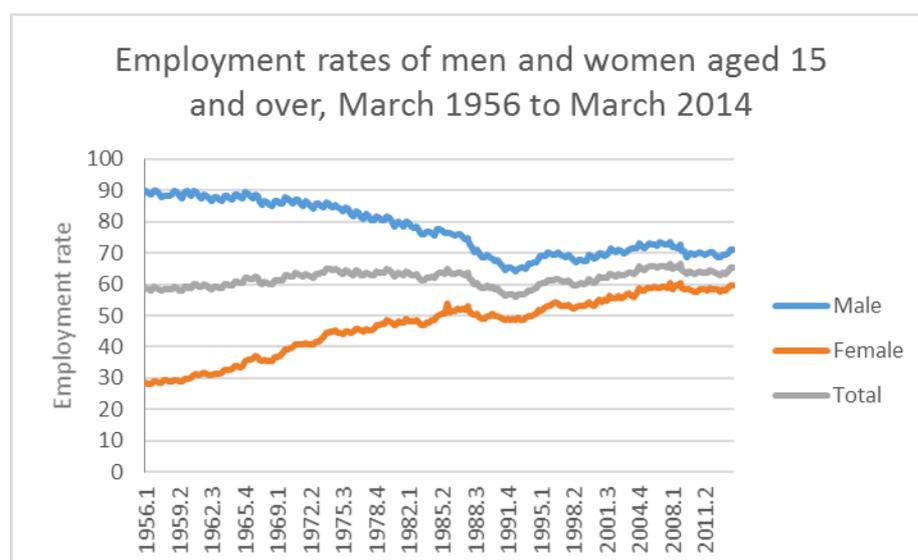
### *Long term employment rates*

Figure 13 shows employment rates for men and women aged 15 and older from 1956 through to early 2014. A number of patterns stand out:

- With the exception of the economic downturn of the mid 1980s to mid 1990s, overall employment rates have hovered around 60 percent.
- Men’s employment rates declined steadily from the 1950s through to the mid 1980s but have more or less stabilised since then.
- While employment rates for women flattened in the recession of the 1980s, overall there has been a steady growth in their employment.

As will be shown in the next section, the growth in employment for women has affected almost all age groups.

**Figure 13**



Source: Chapple (1994), Household Labour Force Survey, Statistics New Zealand

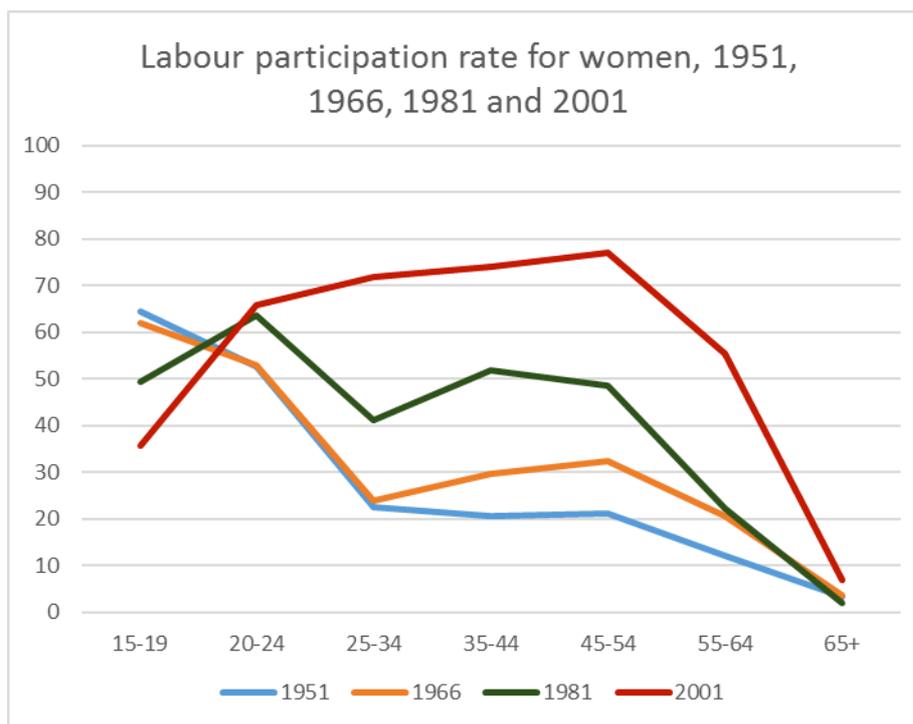
### ***Big gains in employment for women in all ages 1951 to 2001***

Figure 14 draws on a published study of labour market participation rates (Callister, 2006). Census data from 1951, 1966, 1981 and 2001 show some complex patterns:

- Employment participation rates of very young women declined, primarily reflecting the big growth in tertiary education for this group.
- In 1951, the highest employment participation was among those in the youngest age group, with a steady employment decline among older women.
- In earlier censuses, participation rates for women in prime child rearing age groups were relatively low. By 2001, participation for this group had dramatically increased.
- By 2001, the highest participation rates were for those women aged 45 to 54.

All these historic trends have potential impacts for the currently ageing population. The group moving towards traditional retirement age have had much higher employment rates across their lifetime than did women in the past.

**Figure 14**



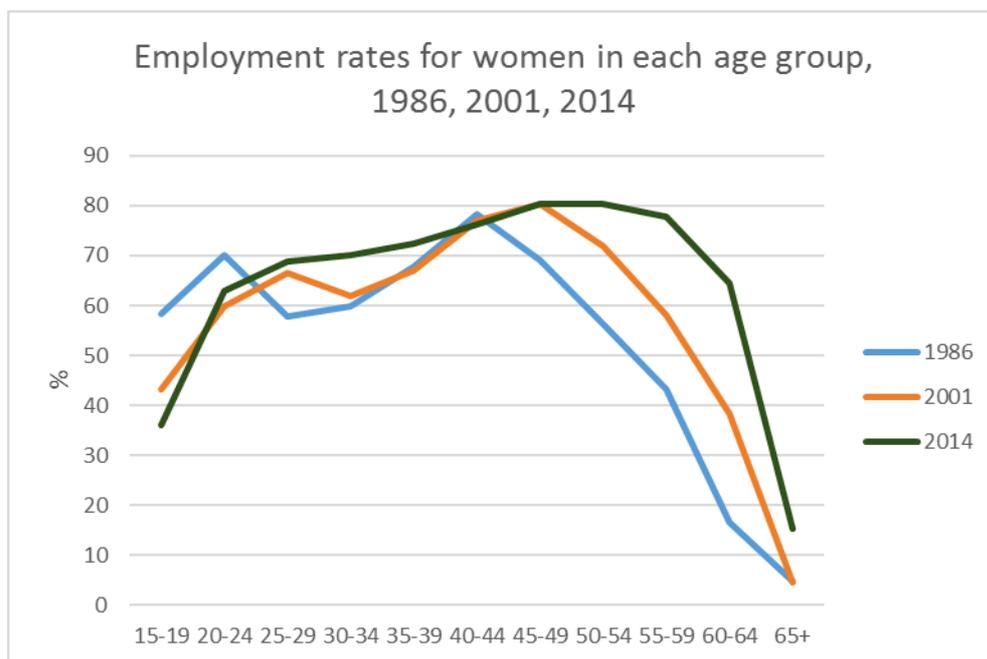
Source: Census of Population and Dwelling data cited in Callister (2006)

Figure 15 switches back to employment rates and uses Household Labour Force data to show changes between 1986 to 2014. The graph overlaps the time periods shown in Figure 14.

Reinforcing the patterns identified in Figure 14, key trends are:

- Decline in employment in the very young age group
- Increase in the employment of women in prime childrearing age groups
- The very strong growth in employment among women in their 40s and 50s
- Some growth in employment among those aged 65 and older

**Figure 15**

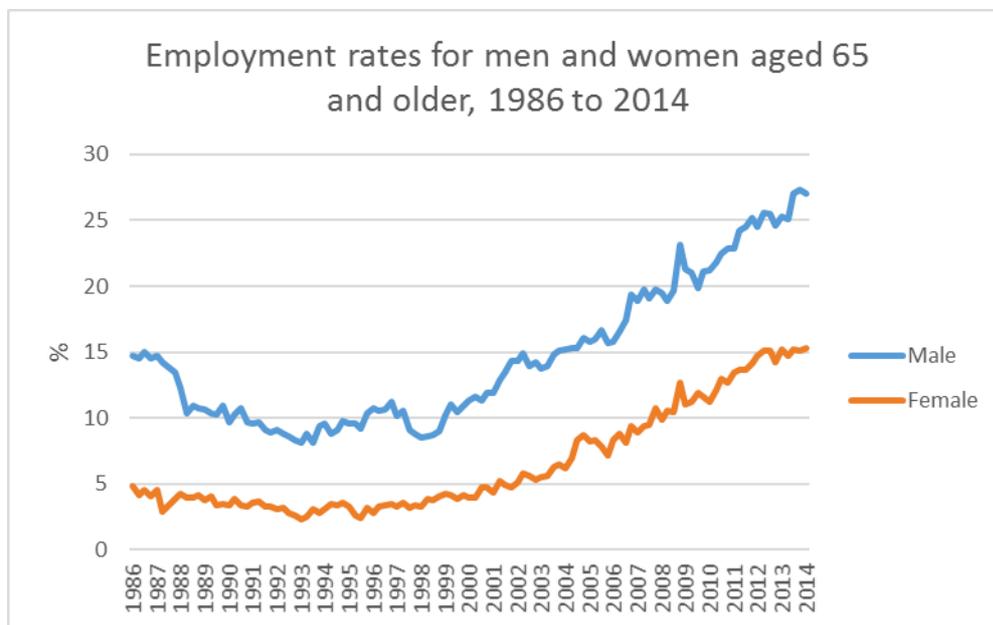


Source: Household Labour Force Survey, Statistics New Zealand

Figure 16 uses HLFS data and focuses on the employment rates of men and women aged 65 and older between 1986 and 2014. The very early period picks up the trend identified by a range of writers in the literature scan. Employment rates of older men and women had been declining for a number of decades.

This decline halted in the early 1990s and, since then, there has been very strong growth in the employment of older men and women. However, in all periods shown, employment rates for men have been much higher for men than for women. By early 2014, over a quarter of men aged 65 and older were employed as opposed to approximately 15 percent of women.

**Figure 16**

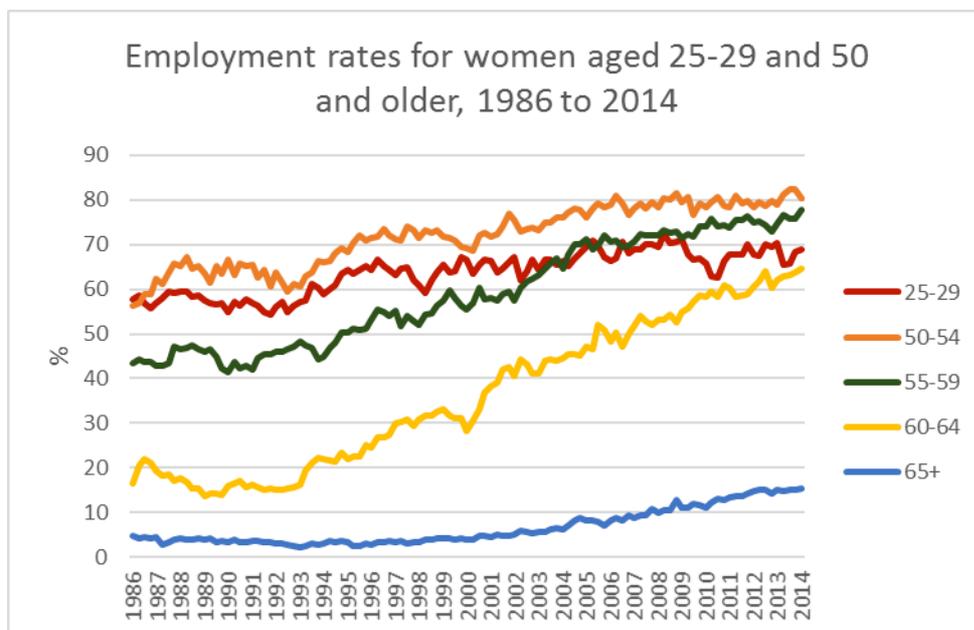


Source: Household Labour Force Survey, Statistics New Zealand

Figure 17 again uses HLFS data to show the employment rates of women aged 50 and older. Included as a comparison group are the rates for women aged 25 to 29 years.

- At the very start of the period, women aged 25 to 29 had the highest rates of employment. By the end of the period, women aged 50 to 54 and 55 to 59 had higher employment rates than this young group.
- Women aged 55 to 59 started the period with just over 40 percent employed. Rates nearly doubled to just less than 80 percent by 2014.
- There has also been a dramatic rise in the employment rates of women aged 60 to 64. In the mid-1980s, only around 20 percent of this group were employed. By early 2014, the rates was over 60 percent. This is also similar to the rate for women aged 25 to 29.
- Employment rates of women aged 65 and older also increased. However, the majority of women aged 65 and older were not employed in 2014.

**Figure 17**

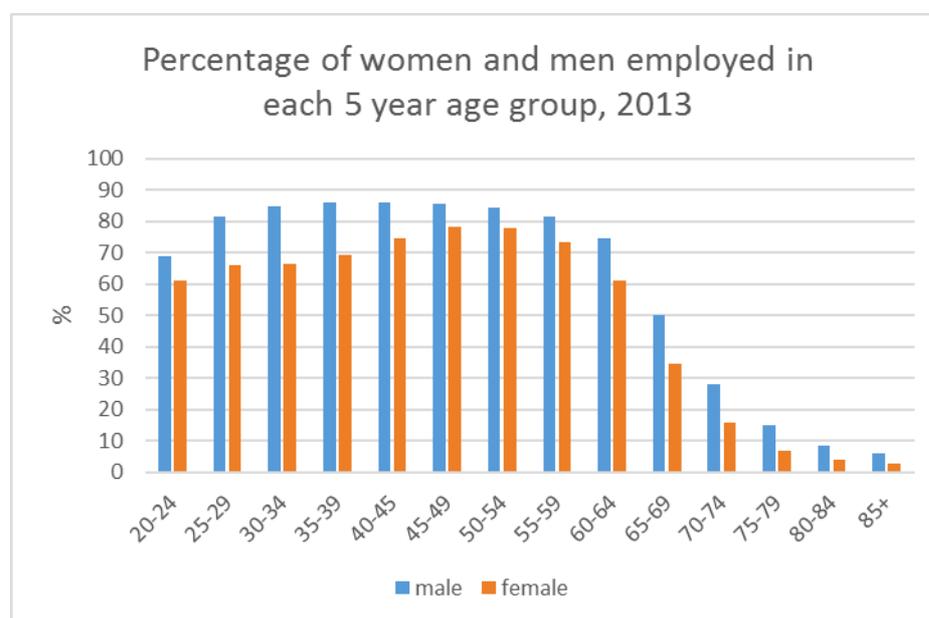


Source: Household Labour Force Survey, Statistics New Zealand

Census data provide an ability to analyse, in greater detail, the employment patterns of those aged 65 and older. Figure 18 draws on 2013 census data to show employment rates for both women and men across five yearly age groups from age 20 through to those aged 85 and older. A number of patterns stand out.

- In the main childrearing age groups, there is a significant gap between the employment rates of men and women.
- For women, the highest employment rates are among those aged between 45 and 54.
- Employment rates for both women and men remain relatively high for those aged 60 to 64 years, but decline rapidly in the older age groups.

**Figure 18**



Source: Census of Population and Dwellings, Statistics New Zealand

Figure 19 again uses census data but focuses only on women aged 65 and older. To give some idea of the recent growth in employment of older women, employment rate data for 2001, 2006 and 2013 are shown.

Again this graph shows the dramatic growth in employment among women aged 65 to 69. Growth has also been relatively strong, although from a much lower base, among those aged 70 to 74 and those aged 75 to 79.

Figure 19 shows that while there has been some growth in the employment of women aged 80 and older, very few women in this age group are employed.

Employment patterns among the ‘older old’ are important, given the already discussed demographic trend towards an ‘ageing’ of the already ageing population. If one looks at the wider 65 and older age group into the future, we are likely to see the high employment of those in the younger part of this age group pulled down by a growth in much older people who have very low employment rates. Detailed modelling work would be required to analyse possible employment rates of women aged 65 and older.

**Figure 19**



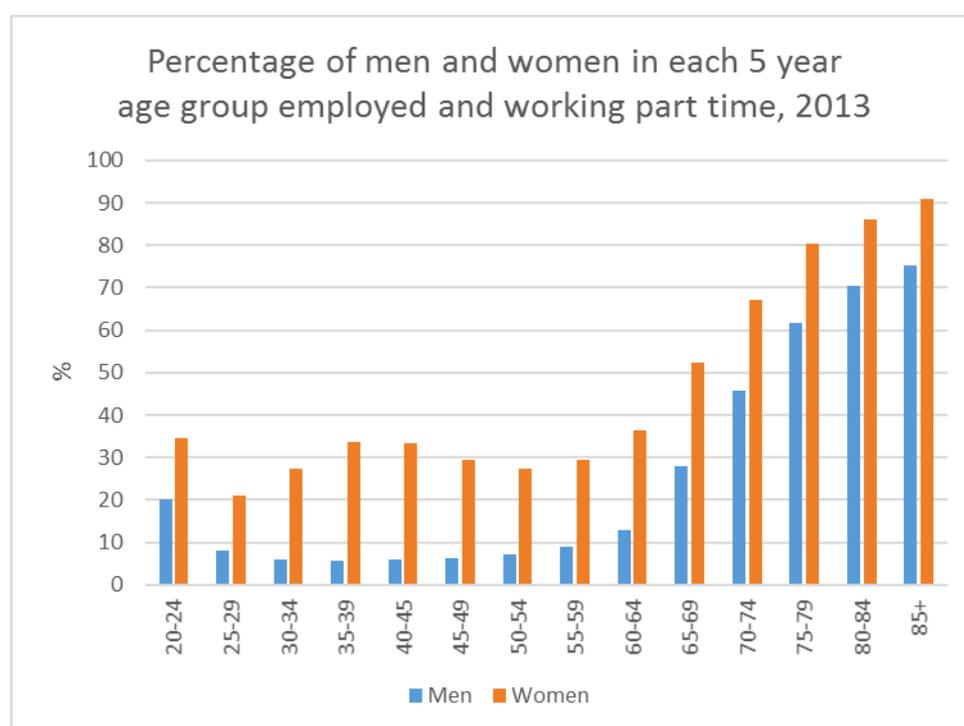
Source: Census of Population and Dwellings, Statistics New Zealand

### *Older women and men likely to work part time*

Another very important issue is the working hours of older people. Figure 20 again uses 2013 census data. It shows the proportion of employed men and women in each age group who worked part time (under 30 hours per week). Again, a number of patterns are evident:

- In the prime childrearing age group, significantly more women than men work part time. Yet even in this age group, most employed women are working full time.
- As age increases, so too does the proportion of both employed women and men who work part time. In the 65 to 69 age group more than half employed women work part time. This increases to 90 percent among the very small number of employed women aged 85 and older.

**Figure 20**

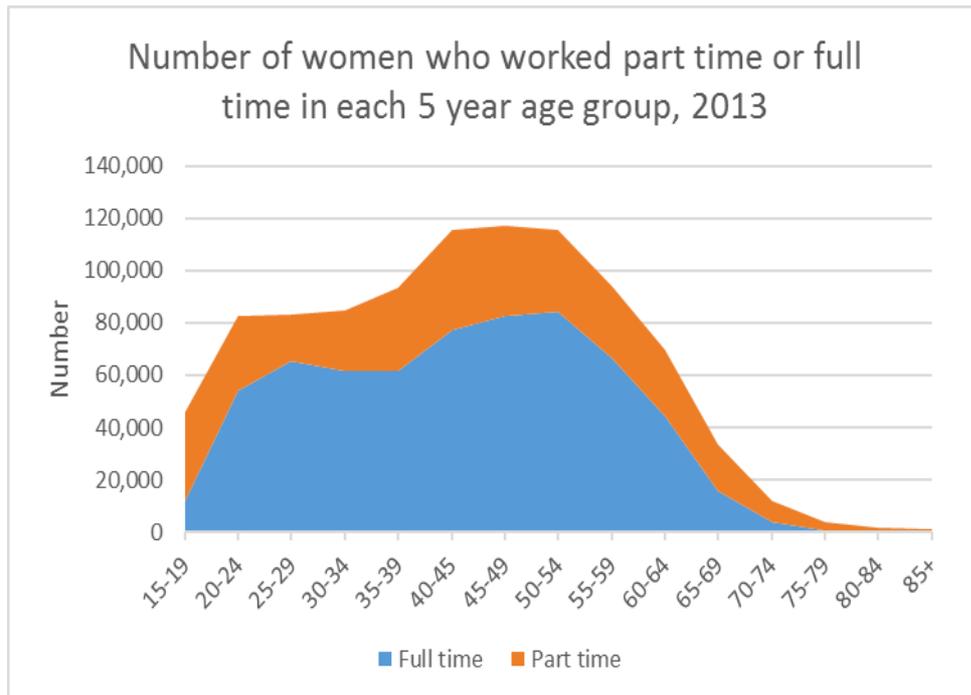


Source: Census of Population and Dwellings, Statistics New Zealand

### *Combining demographics and employment for women*

Figure 21 continues to draw on 2013 census data. It switches to actual numbers of women employed in each age group. It emphasises the large ‘bulge’ of mid-life women workers, most of whom are working full time and many of whom are well educated, who are moving towards traditional ages of retirement.

**Figure 21**

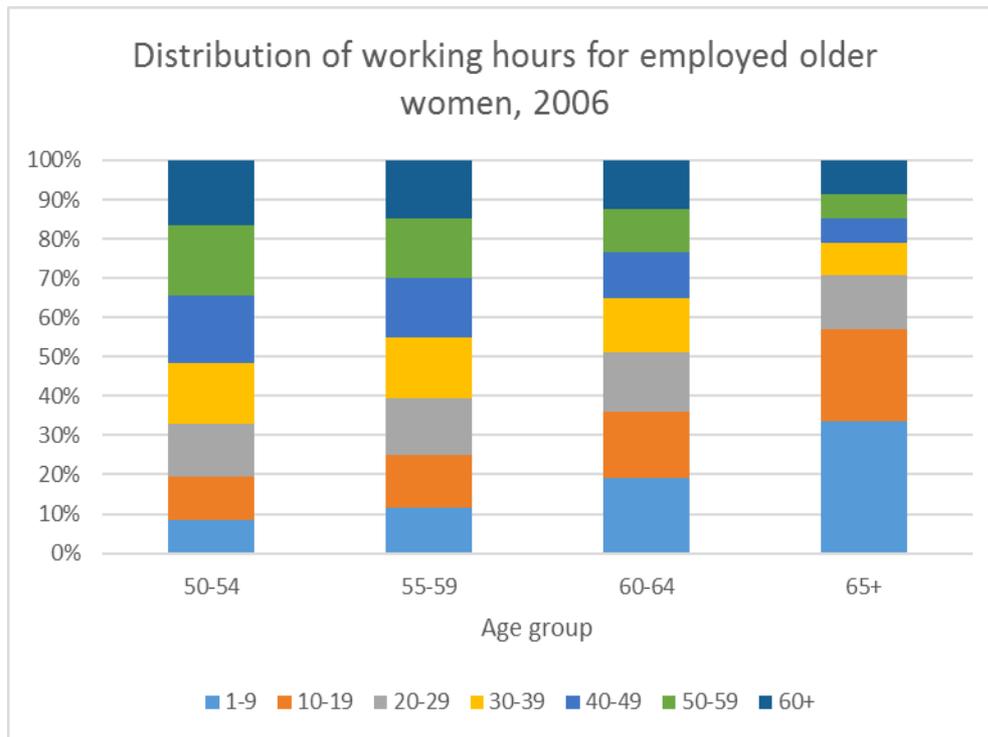


Source: Census of Population and Dwellings, Statistics New Zealand

*In older age groups part time hours are short*

As 2013 data are not available, Figure 22 uses data available from the 2006 census to show a finer breakdown of employment hours by broad age group for older women. In the older age group the proportion of women working just 1 to 9 hours increases strongly. Yet, even in the 65 and older age group there remains a group of women recording working 60 or more hours per week.

**Figure 22**

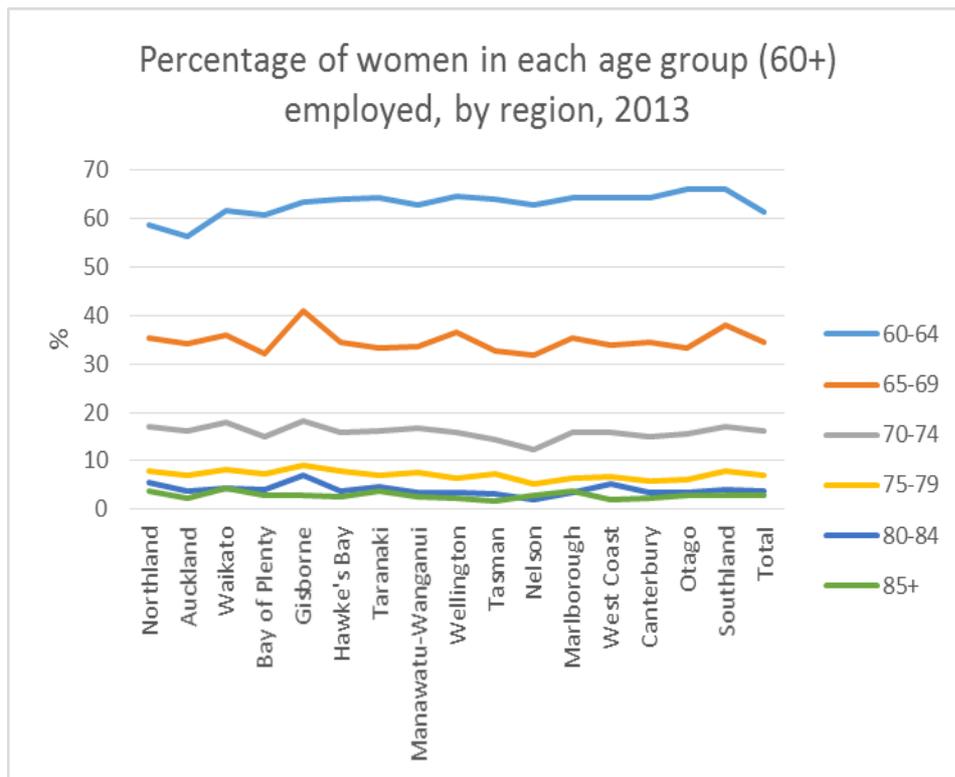


Source: Census of Population and Dwellings, Statistics New Zealand

*Employment rates of older women vary little by region*

Figure 23 examines employment rates for older women in each region of New Zealand in 2013. As discussed in the demographics section, the ageing of the population is proceeding at different rates in different regions as well as within regions. Yet, employment rates for women in each age band are very similar in each region.

**Figure 23**



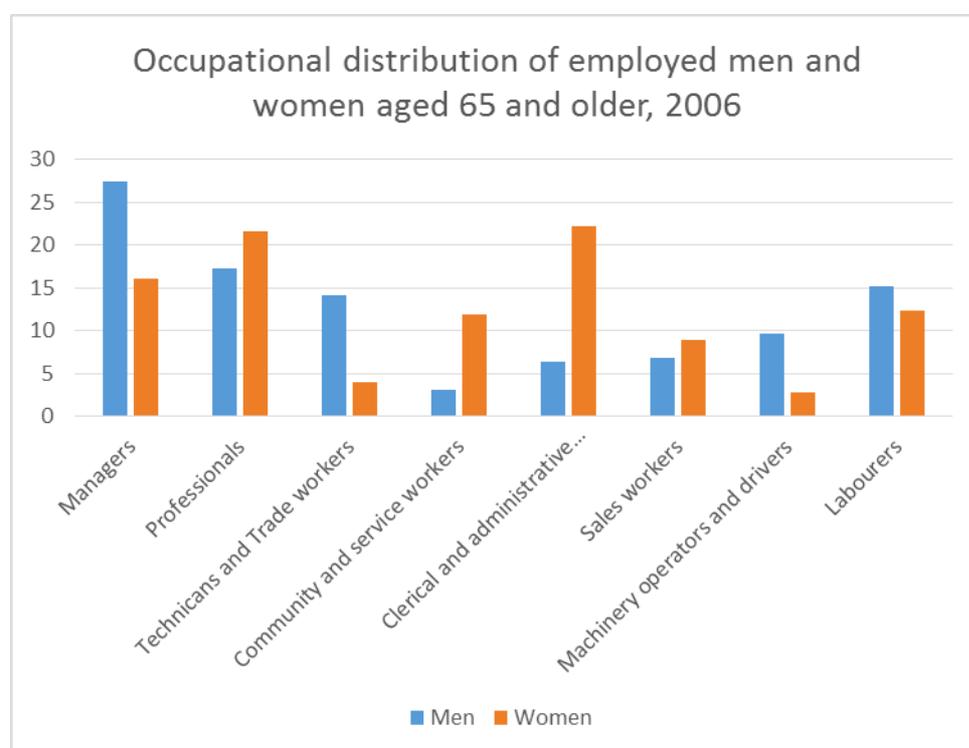
Source: Household Labour Force Survey, Statistics New Zealand

***There is some occupational segregation among older workers***

As detailed occupational data for the 2013 census have yet to be released, Figure 24 relies on 2006 data. Figure 24 shows occupational distribution of employed men and women in the broad 65 and older age group.

As for employed women and men in younger age groups, there is some gendered distribution of paid work among older workers. Older men are over-represented among managers, trades workers, machinery operators and drivers as well as labourers. In 2006 older women were over-represented among professionals, community and service workers, clerical and administrative workers as well as sales workers.

**Figure 24**



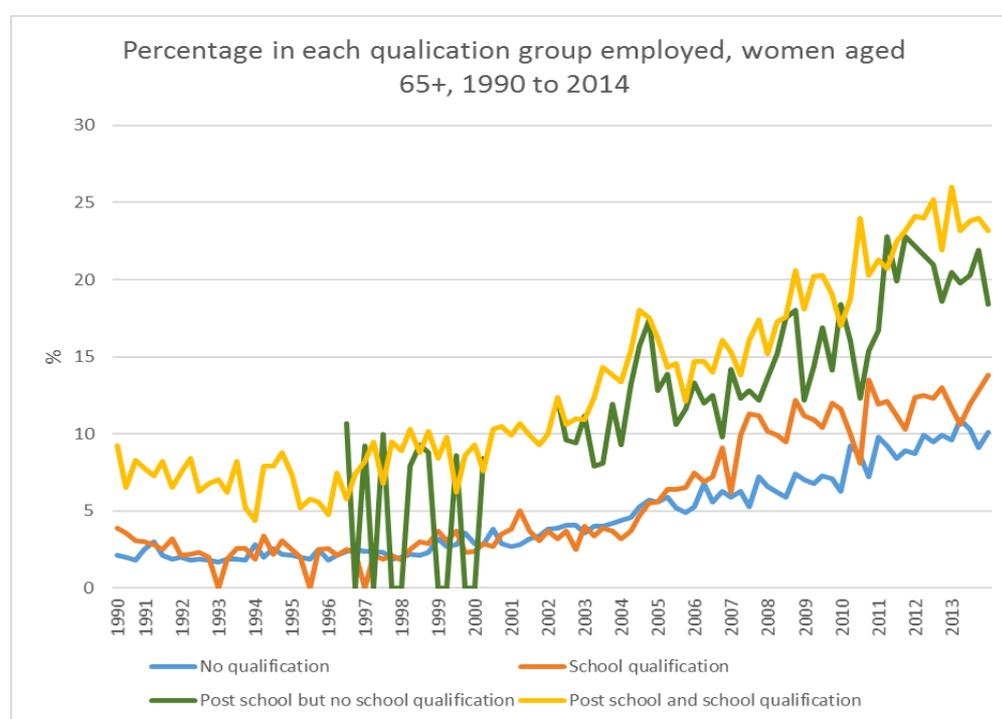
Source: Census of Population and Dwellings, Statistics New Zealand

### *Well educated older women the most likely to be employed*

Figure 25 shifts back to the use of HLFS data. Across all time periods from 1986 to 2014, women with school and post school qualifications had the highest employment rates. By 2014, just less than a quarter of older women (65 and older) with this level of qualifications were employed. This is similar to the overall employment rate of men in this age group. The lowest employment rates are to be found among those with no formal qualifications.

The employment measure for those with no school qualifications but with post school qualifications is unstable due to their small numbers in the survey.

**Figure 25**



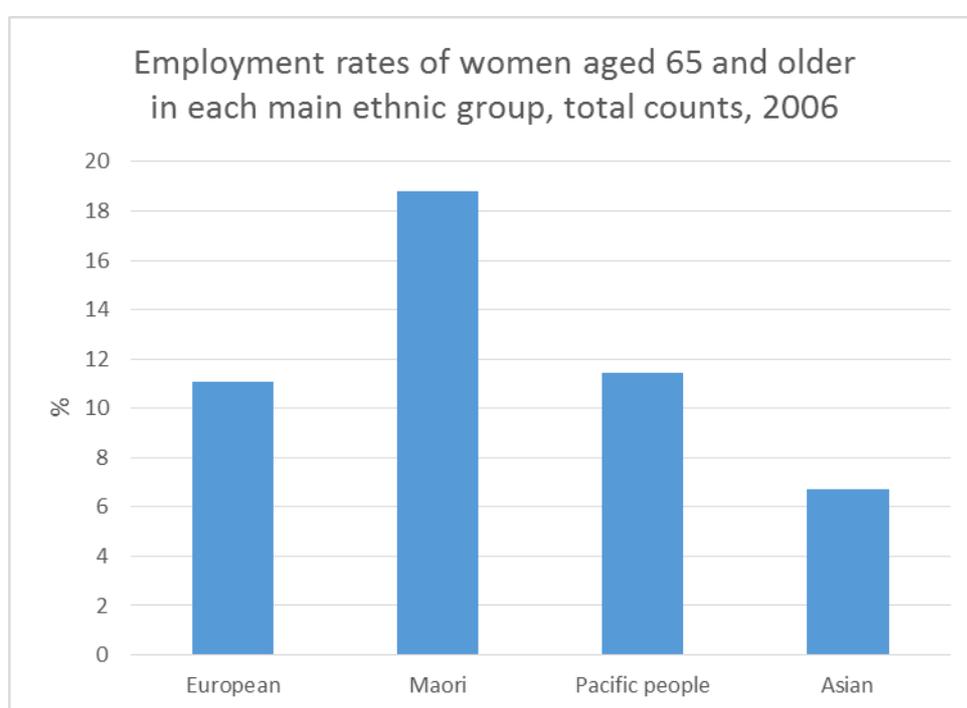
Source: Household Labour Force Survey, Statistics New Zealand

### ***Older Māori women have the highest employment rates***

As yet, data on employment by ethnicity of older women is not available from the 2013 census. Therefore, employment rates by ethnic group are drawn from the 2006 census. Figure 26 shows employment rates for women aged 65 and older in each main ethnic group. These are total counts so there is some overlap between groups.

Older Māori women had the highest employment rates in 2006. The lowest rate is for Asian women. These data need to be treated with caution. The age structure of each group is different so, for a more realistic comparison, employment in narrower age bands would be required.

**Figure 26**

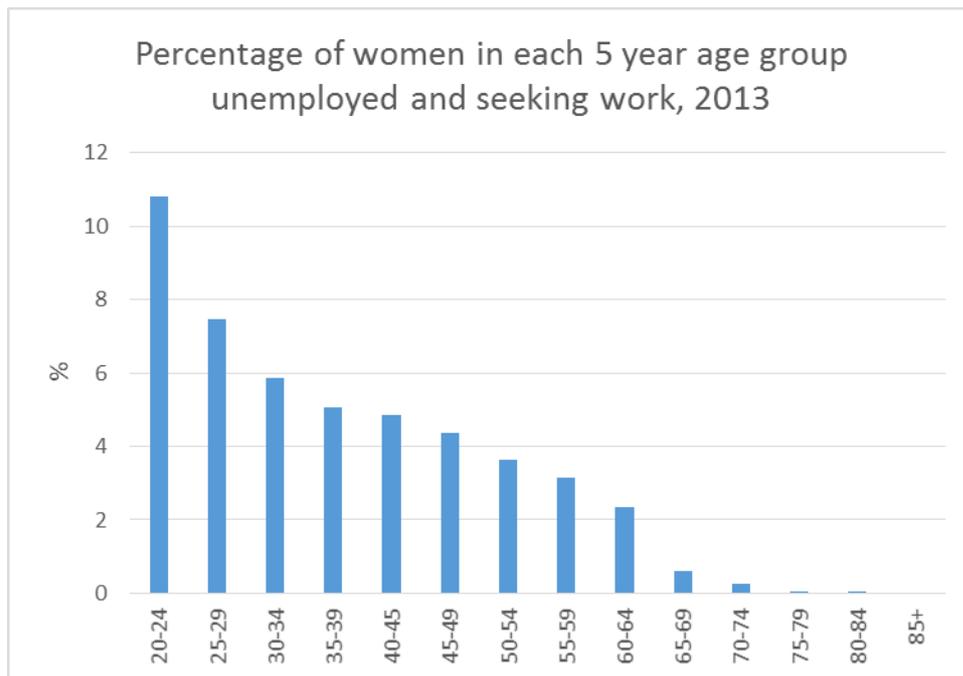


Source: Census of Population and Dwellings, Statistics New Zealand

### ***Few older women unemployed and seeking work***

Census data also allow some analysis of the proportion of women in each age group who record that they are actively seeking paid work. Figure 27 indicates that the highest proportion is among young women. In the 65 and older age groups, an insignificant proportion of women officially record that they are unemployed and seeking work. However, this official measure does not mean some of the women who are not in paid work would reject the opportunity to undertake paid work should suitable work become available.

**Figure 27**



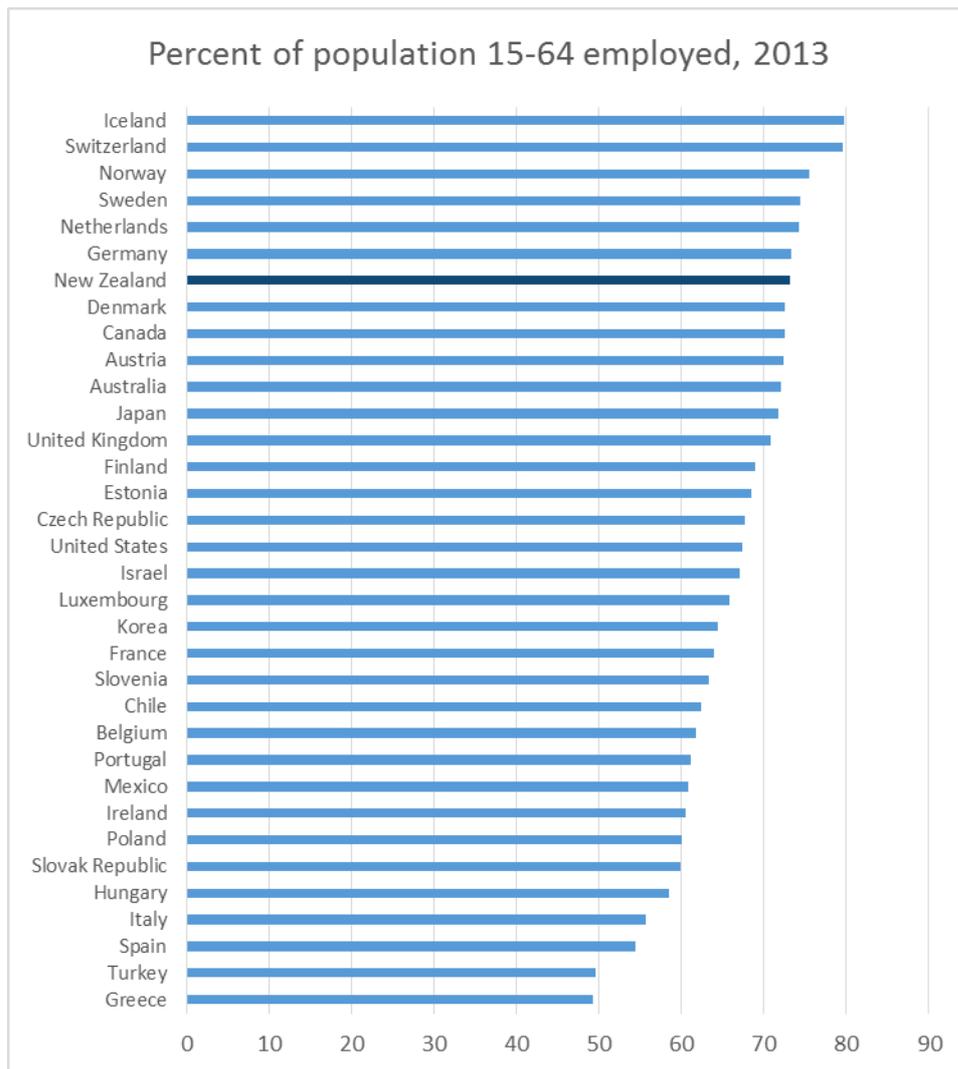
Source: Census of Population and Dwellings, Statistics New Zealand

### *New Zealand relative to the world*

The final figure shows overall employment rates of prime working aged New Zealanders in relation to a wide range of countries. As a number of New Zealand studies have shown (see literature review), the employment rates of older New Zealanders are relatively high compared with the rest of the Western world. Overall employment rates of prime working aged New Zealanders are also relatively high (Figure 28).

It is easier to support high levels of employment of all New Zealanders, including older people, if the economy is strong and the labour market supports a high level of job creation. If there is any future weakness in the New Zealand economy and overall employment rates decline then supporting the employment of older workers will become more difficult. Some commentators suggest that, with our already high employment rates of older people, it will be difficult to support a continued strong growth in employment of this group. Yet, the newly ageing group will be better qualified than in the past. Against this, the ageing population is itself ageing. In the longer term, this will tend to work against a gain in employment of the overall 65 and older age group. Without detailed modelling work, it is difficult to assess how the employment rates of older women might change in the longer term.

**Figure 28**



Source: Statistics New Zealand

### **Possible future research**

Still relatively little is known about the employment of older women. One important issue is the relative employment related earnings of older women and men. Neither the census nor the HLFS provide good information on pay levels. For example, the census asks about paid work in the last 4 weeks but the income question is about total income in the past year from all sources. Other data sources, such as the Linked Employer-Employee Datasets, need to be examined.

Another significant issue is the costs versus benefits of retraining or upskilling at older aged groups. In 2014, the Ministry of Education published three papers that explore the relationships between various types of education and employment outcomes. These are:

Engler, R. (2014) *Was it worth it? Do low-income New Zealand student loan borrowers increase their income after studying for a tertiary qualification?* Wellington: Tertiary Sector Performance Analysis, Ministry of Education, June.

Mahoney, P. (2014) *Three Reports: On outcomes and post-study earnings for women, Māori and Pasifika graduates*. Wellington: Tertiary Sector Performance Analysis, Ministry of Education, June.

Park, Z., Mahoney, P., Smart, W. and Smyth, R. (2014) *What young graduates earn when they leave study*. Wellington: Tertiary Sector Performance Analysis, Ministry of Education, May.

These studies focus on outcomes for younger people. But the same data would allow an analysis of the employment outcomes of older women who undertake tertiary education. This could include exploring the employment outcomes of lower skilled older women who ‘upskill’ through undertaking basic level tertiary education courses.

The research is based on Integrated Data Infrastructure (IDI) managed by Statistics New Zealand. This is a longitudinal data set combining information gathered by a wide range of government agencies. This includes income tax and benefit data from the Ministry of Social Development, as well as data from ACC, the Department of Corrections and the Ministry of Education.

More information on this data set can be found in:

Statistics New Zealand. (2013). *Introduction to the Integrated Data Infrastructure 2013*. Wellington: Statistics New Zealand.

In order to utilise these data NACEW would need to develop a collaborative project with the Ministry of Education and Statistics New Zealand.

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