New Zealand women's employment outcomes

The relationship between working shorter hours and low paid, female-dominated occupations

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NACEW
NATIONAL ADVISORY COUNCIL ON THE EMPLOYMENT OF WOMEN
Mana Wahine, Mana Mahi

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National Advisory Council on the Employment of Women
PO Box 3705
Wellington
New Zealand

Disclaimers
Access to the data used in this report was provided by Statistics New Zealand under conditions designed to give effect to the security and confidentiality provisions of the Statistics Act 1975. The results presented in this study are the work of the author, not Statistics New Zealand nor the Department of Labour.

EXECUTIVE SUMMARY

> ...our way of working is leading to low pay for women, stress, illness and wider social costs, including a lack of time for caring. Instead of looking towards flexibility, many employers, faced with the productivity gap with other countries, seek longer hours or work intensification. There remains a time/pay gender divide. (Equal Opportunities Commission, 2007, p.10)

This report aims to identify the characteristics, pay and working issues for prime-aged (25–54) female employees who work less than full-time in low-paid jobs – in particular, in low-paid jobs in retail, cleaning and residential care. It aims to identify:

- what helps and hinders progress at work
- practical mechanisms or best practice that supports progression at work
- broader issues that could be considered by industry, unions and government.

The study used data from the Survey of Working Life (SoWL) and the Household Labour Force Survey (HLFS) March quarter 2008. At that time, there were 559,500 prime-aged female employees and 579,400 prime-aged male employees.

Low pay was defined as two-thirds of the mean hourly wage of all workers ($22.90) = $15.30 – 154,000 prime-aged female employees and 80,100 prime-aged male employees earned less than this per hour.

Less than full-time hours were defined as less than 37 hours a week – 243,600 prime-aged female employees and 46,300 prime-aged male employees worked less than full-time hours (43.5% and 8% of all prime-aged employees respectively).

Low pay and low-paid workers

As is the case in other developed countries, low-paid jobs predominate in industries that new firms can easily enter and in occupations with no or few qualification barriers that are low-skilled or use skills that have historically been undervalued.

Low-paid workers disproportionately:

- lack formal skills and qualifications
- have little or no prior work experience
- are migrants
- are women
- work part-time
- are re-entering employment following time caring for children or have lost jobs.

While one in nine prime-aged female employees who worked less than full-time was paid $30 or more an hour, many more were low paid – 38.7% of women and 40% of men employed less than full-time were low paid.

Rates of low pay were higher than average for female employees of non-European ethnicities.

Low-paid prime-aged employees were more likely to be temporary employees and less likely to receive employer-funded training than full-time employees.

Of the prime-aged employees wanting to work more hours, 47,100 were female and 44,300 male.

Prime-aged female employees working less than full-time were also more likely to be receiving financial support from Work and Income.

Prime-aged women employed as personal care workers, sales workers and cleaners/caretakers

One in eight (12.6%) prime-aged female employees worked as personal care workers (24,100), sales workers (31,400) or cleaners and caretakers (15,100). European women were over-represented as sales workers – Maori and Pacific women were very over-represented as cleaners/caretakers and personal care workers.

Three in four (74.3%) female employees working as cleaners/caretakers, 64.9% of sales workers and 64.1% of personal care workers were low paid. On average, female cleaners worked shorter hours than sales workers or personal care workers and were much more likely to want to work more hours. One in five prime-aged women employed as a cleaner was a temporary employee.

Around a third of prime-aged females in these occupations had been in their jobs for less than a year. However, 20–30% had been with the same employer for 5 years or more. Longer-tenured workers received much the same pay as newly employed workers in these occupations.

What helps and hinders progression at work

Quitting work and working shorter hours curtail career progress and reduce wage progression. While employment programmes can assist low skilled women back into work, into more hours of work and into training, there is little evidence of women advancing into better paid jobs.

Little attention appears to have been paid to career advancement issues for women in the three occupations, and currently all these occupations have shallow wage structures. Apart from personal care work where it looks likely an advanced skilled work tier will be established in the future, progress for women in these occupations means changing occupations.

There are acknowledged difficulties in achieving more training in firms that have a high volume/minimised costs business strategy, as well as in small to medium-

sized enterprises. In addition, employees are less motivated to train if there are no financial rewards for doing so.

The literature indicates little current practice or knowledge about what works to improve women's progression into better paying jobs.

Conclusions

Nearly four in 10 prime-aged women who work less than full-time are low paid. Whilst some of this low pay may represent a lifestyle choice, the extensiveness of low pay for this group, in comparison to other prime-aged workers, suggests significant wastage of women's skills and potential. The one in nine prime-aged women working less than full-time who earn $30 or more an hour is a positive sign that shorter hours of work does not need to mean poor quality work. There is, however, a long way still to go.

Cleaners/caretakers, care and support workers and sales workers – the three common low-paid occupations for women – are low paid for women working full-time as well as less than full-time hours. Longer tenure offers almost no increase in pay in these occupations. Women need to shift out of these occupations to gain skills and better pay.

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INTRODUCTION

The labour force participation of prime-aged women has grown steadily since the end of World War 2. Paralleling the growth of women's participation in employment has been a growth in jobs with fewer than full-time hours, defined in this study as less than 37 hours a week, particularly in retail, hospitality and other service areas.

Progression at work is more difficult for women than men, both because women are concentrated in jobs with low and shallow pay structures with little scope for progression and they are more likely than men to work fewer than full-time hours. The focus of the National Advisory Council on the Employment of Women (NACEW) on the progression of low-paid women who work fewer than full-time hours is complementary to a Ministry of Women's Affairs' project exploring flexible work issues for professional women.

For many in the workforce, being low paid is a short-term affair, and for most young people, being low paid is a transition period prior to gaining better paid work. This average picture, however, disguises the fact that a minority of the workforce remain low paid for long periods.

NACEW's interest is in the extent to which low wages endure for women during their prime years, defined in this study as aged 25–54, and particularly for those women who work fewer than full-time hours (less than 37 hours a week).

This project builds on NACEW's previous work on precarious employment along with a recent stocktake on women and part-time work (Dwyer and Ryan, 2008), which included the following findings:

- The four main reasons for working part-time are caring responsibilities (particularly for children), education, preferring part-time work and not being able to find full-time work.
- Around 23% of all jobs are part-time. Most growth in part-time workers is occurring amongst young people (15–24) and amongst older workers (aged over 50). Over 40% of all part-time workers at the 2006 Census were aged between 25–49, with 82% of this group being female.
- The proportion of jobs that are part-time grew rapidly in tandem with the growth of women's labour force participation. The proportion of women in the workforce who work part-time appears to have levelled off at around 35–36%. This is more than three times the rate of men's part-time work.
- By OECD standards, a relatively high proportion of women workers work part-time. However, Australia and the UK have higher rates of female part-time work than New Zealand.
- There is a close association between occupation, sex and part-time work. Three of the 10 most common occupations for women – sales assistants, cleaners and caregivers – are relatively low-paid female-dominated occupations with high proportions of part-timers.

- Women are more likely than men to be amongst the estimated 5% of the workforce that hold multiple jobs. Typically, women with more than one job work part-time.
- At an aggregate level, the average hourly earnings of part-time workers are lower than the average hourly earnings of full-time workers. The full-time/part-time wage gap in New Zealand varies by age group and tends to be lower than average for younger and older age groups.
- In the main, part-time workers are fully covered by employment legislation and government administrative policies applying to workers. New Zealand law and collective employment agreements currently provide little in the way of rights for workers to move between full-time and part-time work, although negotiated agreements may become more common with the introduction of the Employment Relations (Flexible Working Arrangements) Amendment Act.
- Qualitative studies indicate that part-time work is sometimes, but not always, associated with less access to training at work.

NACEW also decided to explore in more detail three occupations that tend to be low paid and where large numbers of women work less than full-time – sales, cleaning/caretaking and care and support work.[1] As part of this work, NACEW had hoped to identify firms where there were good practices in terms of supporting low-paid prime-aged women to advance into better-paying jobs. However, no such firms were identified.

While NACEW's focus is on women, understanding and finding solutions to their lack of progress out of low-paid work may also assist the progress of prime-aged men who work less than full-time and who are also more likely to be low paid.

Objectives

The report aims to identify:

- the characteristics and significance in the workforce of women aged 25–54 who work fewer than full-time hours in low-paid jobs
- the characteristics of women aged 25–54 who work fewer than full-time hours in low-paid jobs in large firms in retail, cleaning and residential care
- what is known about training take-up and qualification attainment by these women
- the extent to which these women access regular hours of work and are able to alter their hours of work
- what is known about pay progression, either within an existing job or through progression to a new job
- within firms, what works and what hinders the skills acquisition and advancement of these women
- practical mechanisms and best practice in supporting skills development and career progression
- broader issues that could be considered by industry, unions and government to enhance the career progression and career options for women working fewer than full-time hours.

[1] Support work refers to jobs involving personal care and support, whether in a residential home, family or community setting.

Survey of Working Life (SoWL) and Household Labour Force Survey (HLFS) March 2008 data

This paper draws primarily on data from special tables prepared by the Department of Labour from the combined Survey of Working Life (SoWL) and Household Labour Force Survey (HLFS) March 2008. The HLFS samples around 15,000 private households (30,000 individuals) each quarter on a statistically representative basis across rural and urban areas. The SoWL is a supplementary survey that collected additional data on employment conditions and working patterns from all employed people in the HLFS sample in the March 2008 quarter. The data tables from which the report's figures were derived are appended.

The data analysed in this paper covers prime-aged employees aged between 25–54 with additional tables covering prime-aged women employed as cleaners, personal care workers and sales workers.[2] This age group was chosen to capture the experience of employees who are the most likely age range to have caring responsibilities. In addition, few of the group are predominantly in education or training, nor in transition from employment to retirement. The self-employed were excluded.

Rather than focus on part-time workers (the standard definition of part-time work is 30 hours or less a week), the data drew out differences for all employees who worked fewer hours than the full-time working week (37 hours or less).

Just over 8% of prime-aged women employees and 8.6% of prime-aged men employees did not report their earnings in the SoWL. In addition, approximately 1% of prime-aged employees did not report their usual hours of work. Due to non-response on these key variables, the estimates of the total number of employees who were low paid or working less than full-time that are given in this paper are likely to be under-estimated to some degree.

The characteristics of people who did not respond to the earnings and usual hours questions were examined and found to be reasonably similar to the characteristics of respondents. On the basis of this comparison, we believe it is unlikely that non-response to the earnings and hours questions has led to significant biases in our analysis of the profile and characteristics of low-paid and shorter hour employees.

The data is now over 1 year old. Since then, there have been some changes in the numbers of low-paid employees and the numbers working fewer than full-time hours and possibly some changes in their characteristics and employment arrangements. However, the patterns identified in this paper are unlikely to have changed substantially in that time.

[2] The 'cleaners' occupational group represents people employed in NZSCO99 group 911 – building caretakers and cleaners. The 'personal care workers' occupational group represents people employed in NZSCO group 513, which covers hospital orderlies, health assistants, ambulance officers, nurse aides and caregivers. The 'sales worker' occupational group represents people employed in NZSCO group 521 – salespersons and demonstrators.

Structure of this report

Section 1 focuses on low pay. It discusses the incidence of low pay, the factors known to contribute to low pay, the characteristics of low-paid prime-aged employees and the location and characteristics of the jobs they do.

Section 2 explores the characteristics of prime-aged employees who work fewer than full-time hours and how these are affected by gender, ethnicity and skills.

Section 3 takes a closer look at the three most common occupations where there is a concentration of low-paid women working fewer than full-time hours – care workers, sales workers and cleaners/caretakers.

Section 4 discusses the literature related to what might enable prime-aged women to advance at work.

Section 5 draws out conclusions.

1. LOW PAY

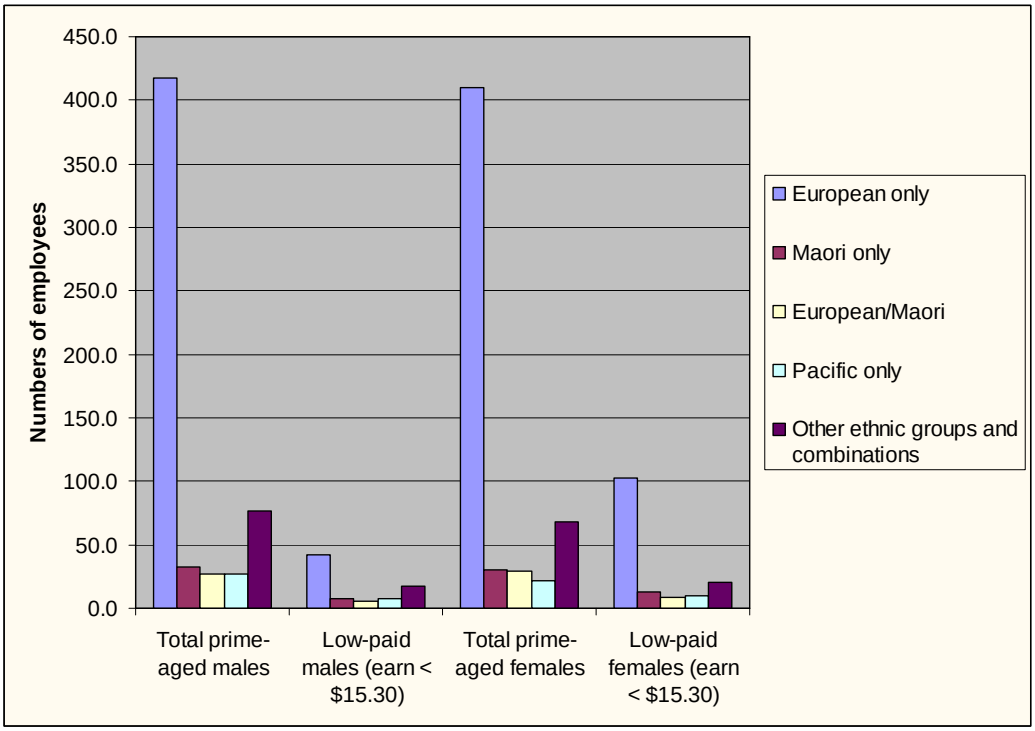
Defining low pay

New Zealand does not have an official measure of low pay. The data analysis in this report has used a relative definition of low pay of two-thirds of the mean hourly wage for all employees. This was $22.90 an hour in the Survey of Working Life (SoWL), giving a low-pay threshold of approximately $15.30 an hour.[3]

Low pay amongst prime-aged (25–54) employees in New Zealand

In the March 2008 quarter, an estimated 234,100 prime-aged (25–54) employees were low paid – just over one in five (20.5%) of all prime-aged employees – that is, they earned less than $15.30 an hour or two-thirds of the mean hourly wage. Women were more than twice as likely as men to be low paid – 27.5% of women (154,000) and 13.8% (80,100) of men. As will be discussed more fully later, prime-aged employees working less than 37 hours a week are more likely to have low hourly pay. Of all female employees aged 25–54, low pay is most prevalent for Pacific women – 43.1% of Pacific female employees (9,300) are low paid compared with 41% of Maori (12,600), 30.9% of 'other' ethnicities (21,000), 31.2% of European/Maori (9,100) and 24.9% of European female employees (102,000) (Figure 1).

Figure 1: Low-paid prime-aged employees by gender and ethnicity, March 2008



[3] This definition was used for the analysis of low pay for the Pay and Employment Equity Taskforce in 2004 and, on a full-time weekly basis, is close to the base New Zealand superannuation payment for couples. The OECD uses two-thirds of median earnings and typically considers full-time workers only.

Trends in low pay

In English-speaking countries in particular, over recent decades, there has been growth in the proportion of jobs that are some combination of low-paid, casual and part-time (Richardson and Miller-Lewis, 2002). The extent of industry bargaining, industry regulations and standards, qualification requirements and the existence and level of minimum wages as well as wage subsidies can all impact on the distribution of wages and salaries and prevalence of low wages.

In New Zealand, wage inequality increased substantially during the 1980s (Dixon, 1998). Job growth has occurred disproportionately at the high-skilled and low-skilled ends of the market as deregulation within the labour market and exposure to global competition restructured the economy. More recent analysis indicates that wage inequality remained relatively steady over the 10 years to 2007 (Pacheco, 2009). Stepped increases to the minimum wage and wage rises during the period of economic growth will have mitigated earlier trends of declining real wages. Growth in the proportion of jobs that are part-time appears to have levelled off (Dwyer and Ryan, 2008). On an hourly basis, there is a concentration of earners at the low end of the distribution.[4]

Characteristics of low-paid workers

Lack of recognised skills is a key factor associated with low pay. Low pay is more common amongst very young workers and amongst school leavers with no prior work experience. Women re-entering employment following time caring for children (particularly sole mothers), employees who have no qualifications or have lost jobs, migrants and employees who work part-time also feature disproportionately amongst the low paid.

In March 2008, female employees aged 25–54 who were low paid were almost twice as likely as all prime-aged female employees to have no qualifications (29% compared with 15.7%). Prime-aged male employees who were low paid, however, were even more likely to have no qualifications (33.8%). Low pay is significantly more common in some occupations and industries than others and more common amongst some groups of workers than others.

Characteristics of low-paid jobs

Jobs that are low paid tend to have all or some of the following characteristics:

- They are in firms that are open to competition with few barriers to new market entrants.
- They produce goods or services where there is particular consumer or funder resistance to increases in prices.
- There are no or few qualification barriers to taking on the job.
- The required skill level is low or is related to skills that are undervalued, particularly those obtained through caring and housework[5]

[4] Evidenced by the median hourly wage being substantially lower than the average hourly wage.

[5] This is particularly the case in some female-intensive, low-paid occupations where the skills of maturity or a caring nature are sought but not valued explicitly.

- There are low levels of collective bargaining or unionisation.

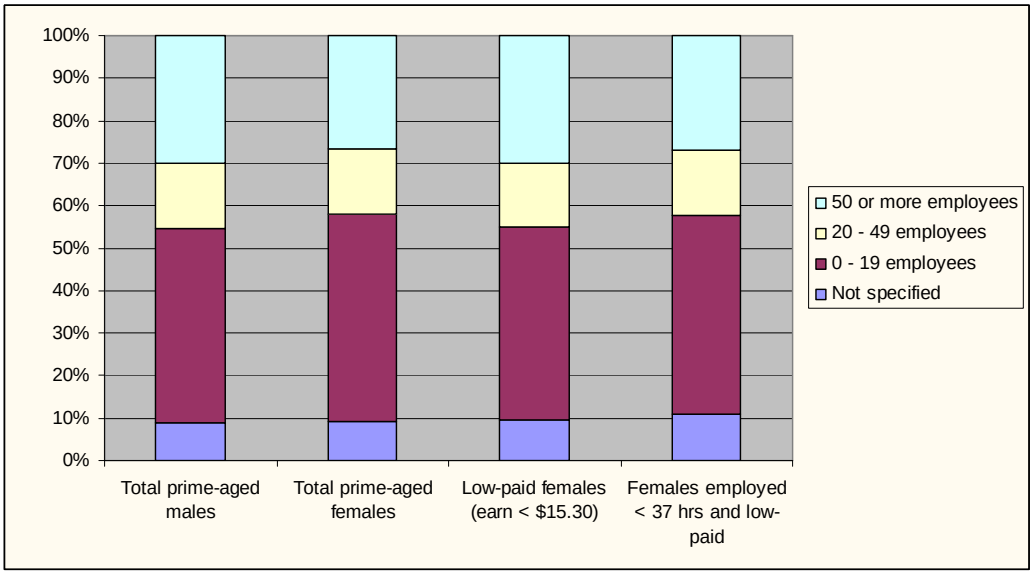
The proportion of prime-aged employees who were low paid in March 2008 was higher than average in these occupational groupings: elementary occupations (54.3%), service and sales workers (50.7%), agriculture and fishery workers (39.9%), plant machine operators and assemblers (24.7%) and clerks (21.3%).

Industries with higher than average proportions of low-paid prime-aged employees are wholesale and retail trade, accommodation, restaurants and cafés (38.3%), agriculture, forestry and fishing (37.8%) and health and community services (24.4%). In all countries, low pay tends to predominate in services where the jobs replicate activities that were done by women unpaid at home. Two labour-intensive service sector jobs that are the focus of this report – cleaning/caretaking and sales – tend to be low paid everywhere, although there can still be quite a variation in the level of wages paid by different firms. Personal care or support work is often also low paid, but this is not the case in all countries (Fujisawa and Columbo, 2009).

Size of establishment and sector of employment

Internationally, there is a tendency for low-paid work to be disproportionately located in smaller firms. However, in New Zealand, low-paid prime-aged women are slightly more likely than all prime-aged women to work in larger establishments (Figure 2).

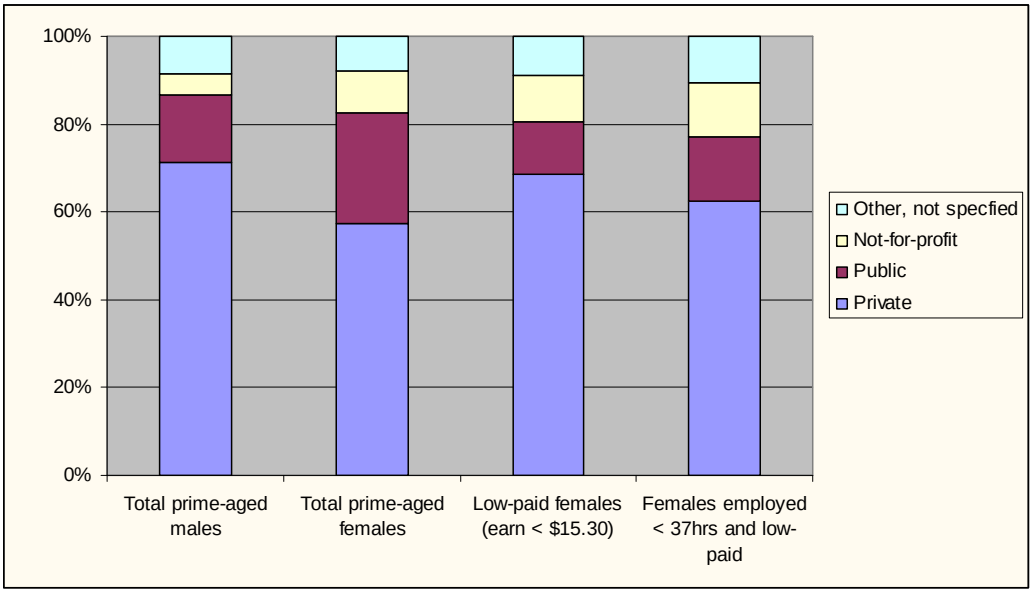
Figure 2: Distribution of prime-aged employees by size of establishment, March 2008



While international literature suggests that low pay tends to be more in smaller firms, Figure 2 shows that prime-aged low-paid women (at least on the relatively wide definition of low pay used in this report) are slightly less likely to work in smaller enterprises than all prime-aged women. The same is true for low-paid prime-aged men in New Zealand.

There is also a tendency for low pay to be more prevalent in the private sector, and this is the case in New Zealand. Figure 3 below shows that, for prime-aged women, low pay is also slightly more common in the not-for-profit sector. Both these patterns are also true for men.

Figure 3: Distribution of prime-aged employees by sector of employment, March 2008

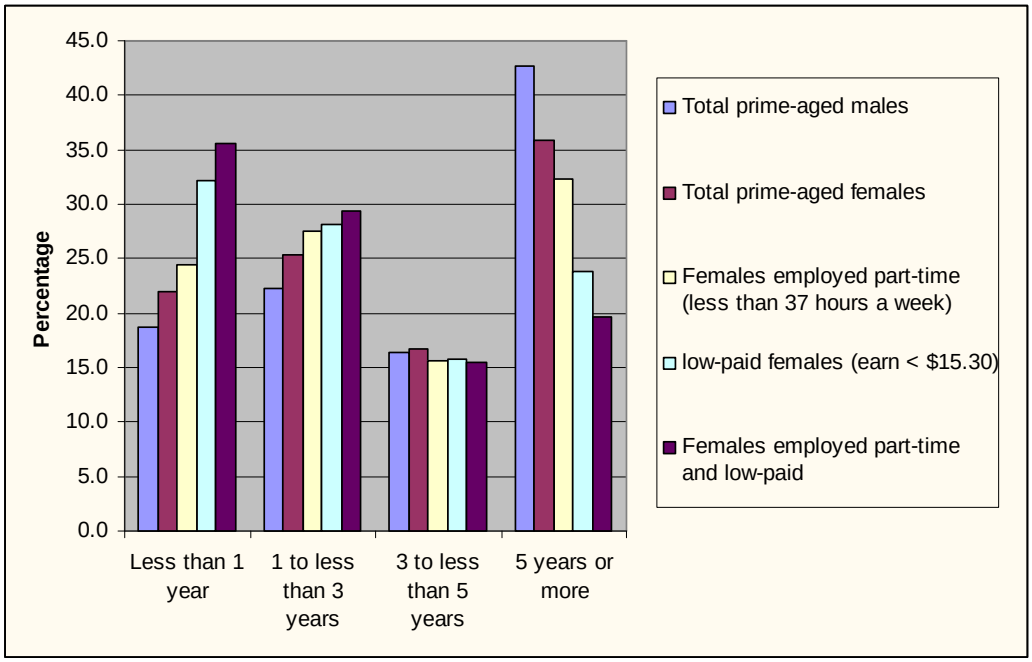


Tenure

Low pay is more prevalent amongst those employed casually or on a temporary basis (Department of Labour, 2009). Low-paid prime-aged female employees, and especially low-paid women working less than 37 hours a week, are also more likely to have been with their employer for a shorter period than other prime-aged employees.

Tenure data shows a much larger proportion of low-paid prime-aged female employees have worked with their current employer for less than a year than is the case for all prime-aged female and male employees. The same is true of low-paid prime-aged male employees. Low-paid prime-aged females are also much less likely to have been with their same employer for 5 years or more than other female employees. However, around half of all female employees – whether low paid and/or working less than full-time or not – have been with the same employer for between 1 and 5 years (Figure 4).

Figure 4: Tenure of prime-aged employees, March 2008



New Zealand-born and migrant employees

As shown in Table 1, European employees, both male and female, are less likely to be low paid than other ethnic groups. Migrant women who have been in New Zealand for less than 5 years and migrant men who have been in New Zealand for less than 10 years are over-represented amongst the low paid. While New Zealand-born men are a little under represented amongst the low paid, this is not the case for women born in New Zealand.

Table 1: Percentage of prime-aged employees who are low paid by birthplace

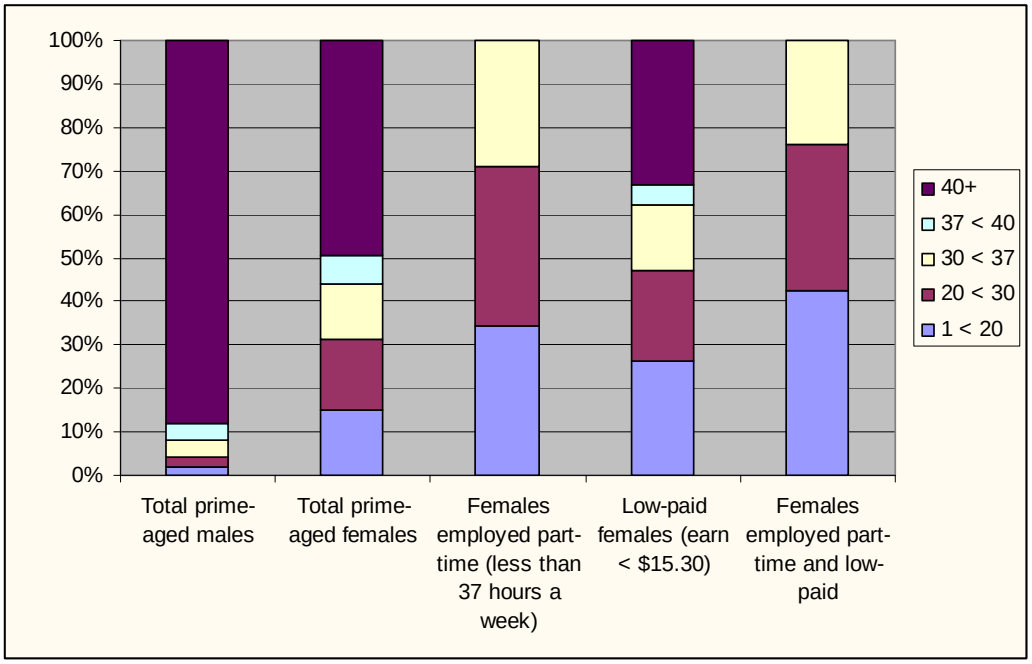
	% males	% low-paid males	% females	% low-paid females
Born in New Zealand	72.2	65.9	75.3	75.8
Overseas – lived in NZ for <5 years	8.6	10.7	7.4	9.5
Overseas – lived in NZ for 5–<10 years	7.0	11.9	5.3	4.7
Overseas – lived in NZ for 10 years+	12.1	11.2	11.8	10.0

2. THE CHARACTERISTICS OF PRIME-AGED EMPLOYEES WHO WORK FEWER THAN FULL-TIME HOURS

Hours of work, gender and low pay

Figure 5 below shows the highly different patterns of hours of work for prime-aged male and female employees. Particularly noticeable is how many prime-aged employees worked at least a 40-hour week. Nearly seven in 10 prime-aged workers (68.3%) – almost all prime-aged men (87.1%) and almost half of prime-aged women (48.7%) – worked 40 hours or more a week, and only a small proportion (13.3% of all prime-aged workers) worked between 30–40 hours a week.

Figure 5: Weekly hours of prime-aged male and female employees, March 2008



While prime-aged men with low hourly earnings were more likely to work short hours than all men, they were still predominantly full-time workers. On the other hand, nearly half of all prime-aged female employees worked less than 37 hours a week, and more than eight in 10 prime-aged employees working less than full-time were women.

Fewer low-paid females worked 37 hours or more a week than women on average, which points to the concentration of women with low hourly earnings amongst those who work fewer than full-time hours. While women are more likely than men to be amongst the 5% of the workforce with a second job, the small proportion of women second-job holders would not significantly alter the overall pattern.

An estimated 289,900 prime-aged employees worked less than 37 hours a week. An estimated 243,600 or 43.5% of all female employees aged 25–54 (37.2% of

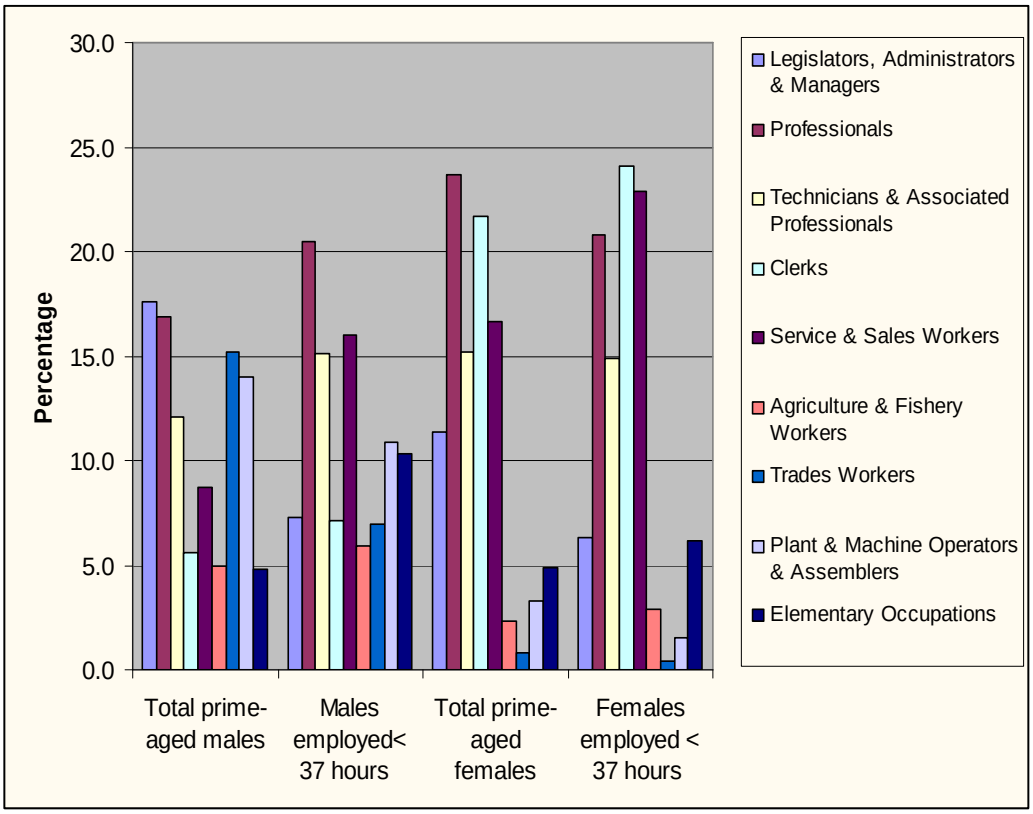
female employees aged 25–34, 48.1% of those aged 35–44 and 44.7% of those aged 45–54) worked less than 37 hours per week, compared to an estimated 46,300 or 8% of male employees aged 25–54. Of all female employees working less than 37 hours per week, 34.2% worked less than 20 hours per week, 36.9% worked more than 20 and less than 30 hours and 28.9% worked more than 30 and less than 40 hours.

In addition, the labour force participation rate for prime-aged women was more than 15 percentage points lower than the labour force participation rate of prime-aged men. In the March 2008 quarter, 76.1% of prime-aged women and almost all (91.6%) of prime-aged men were in the labour force.

Occupations where employees work less than full-time

Employees working less than full-time hours are concentrated in female-dominated occupations. In 2006, over half of women working part-time (30 hours or less) worked in jobs that were more than 70% female (Lynch, 2008). Figure 6 below shows that prime-aged women employees who work fewer than 37 hours a week were more heavily concentrated in the large occupational groups of clerks, and service and sales workers than are all women.

Figure 6: Occupational distribution of prime-aged employees March 2008

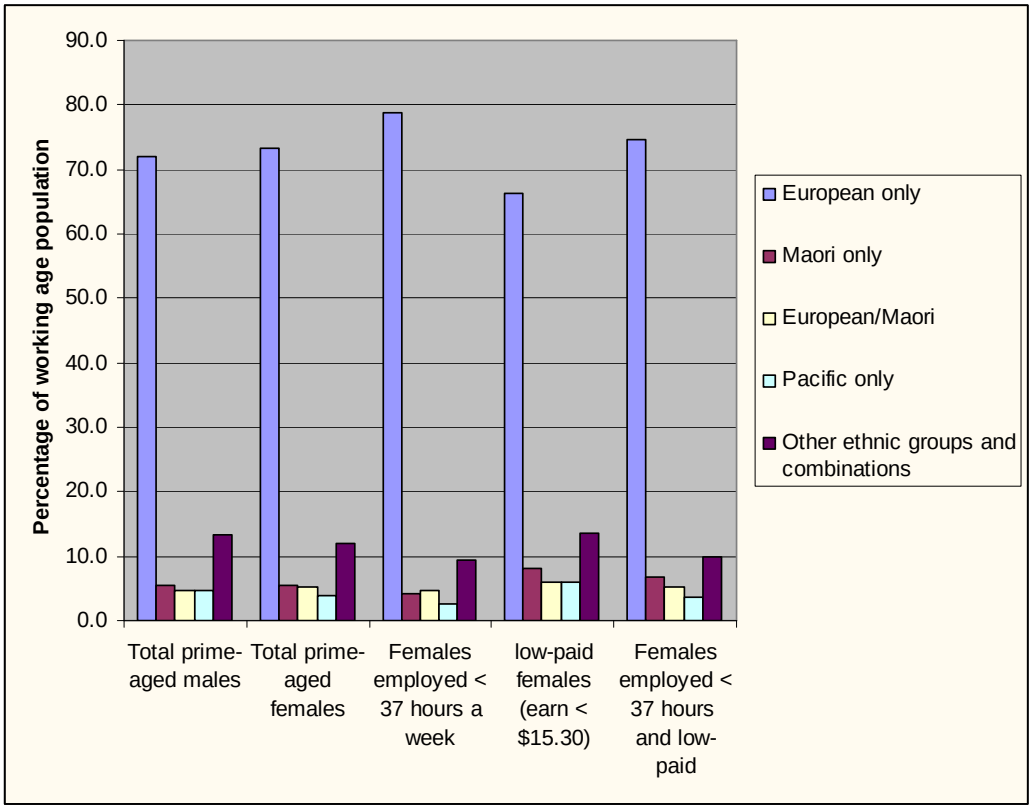


Less than full-time workers were more likely than women as a group to work in elementary occupations and in agriculture and fisheries. Prime-aged men who were employed less than full-time were also more likely to be in elementary

occupations and service and sales, but also to be professionals or technicians/associate professionals.

Prime-aged women and men who worked less than full-time had similar proportions of their workforces employed as professionals or technical/associate professionals, but the proportion of all women in these jobs was higher than was the case for women working less than full-time. The opposite was true for men.

Figure 7: Ethnic composition of employees by gender, hours and low pay, March 2008



Being employed less than full-time and low pay

For both men and women, working less than a full-time week is associated with a higher probability of being low paid. An estimated 154,000 or 27.5% of all female employees aged 25–54 are low paid (on an hourly basis), but an estimated 94,400 or 38.7% of female employees aged 25–54 and working less than 37 hours are low paid. Smaller proportions of European women employees working less than 37 hours a week are low paid (36.6%) compared with European/Maori (41.4%), Maori (61.5%), Pacific (54%) and women of other ethnicities (40.9%).

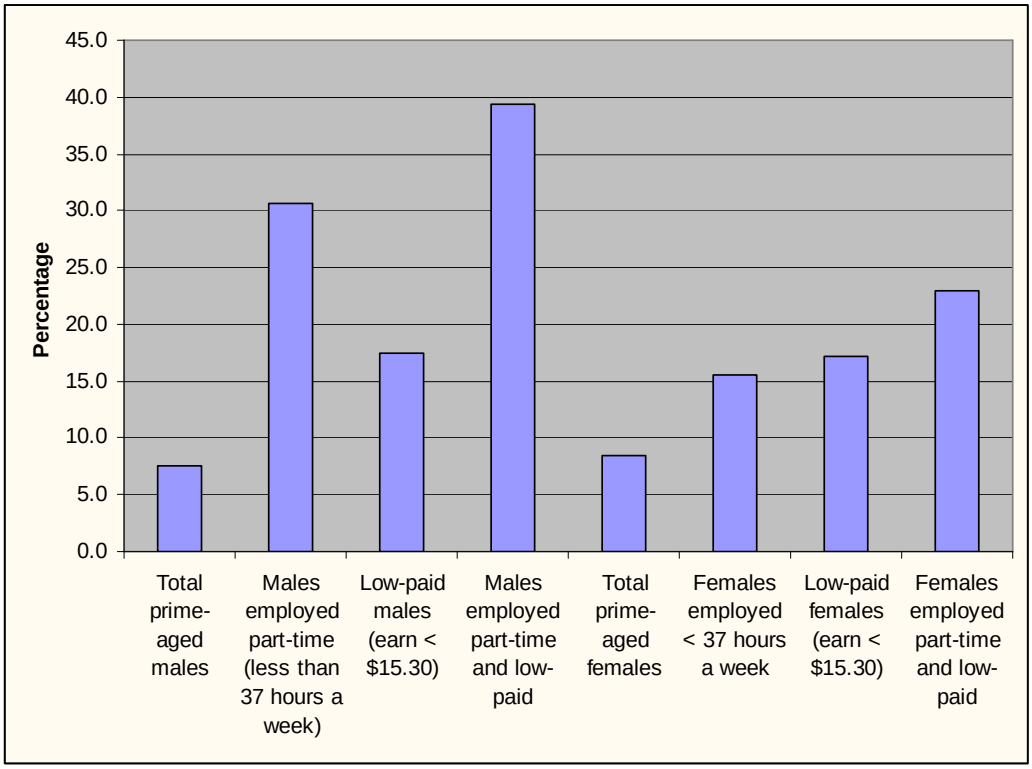
An estimated 80,100 or 13.8% of all male employees aged 25–54 are low paid, and a higher proportion (40%) of male employees than female employees who work less than 37 hours per week are low paid, although there are very few men (an estimated 18,500) in the low-paid and less than full-time group. Employed Maori, Pacific and women of other ethnicities are more likely to work full-time

than European women and are therefore a smaller proportion of the low paid, less than full-time female workforce than of the low-paid female workforce.

Hours of work, pay and the desire to work more hours

Figure 8 shows the prime-aged employees most likely to want to work more hours are men who work less than full-time (30.7%) – particularly men who work less than full-time and are low paid (39.4%). Nearly one in four women who are low paid and work less than full-time (22.9%) also want to work more hours. Overall, more prime-aged women (47,100) than prime-aged men (44,300) want to work more hours, which reflects the large numbers of prime-aged women who work less than full-time.

Figure 8: Proportion of prime-aged employees wanting more hours of work, March 2008



Hourly pay

Figure 9 shows the percentage of prime-aged male employees, prime-aged female employees and prime-aged females employed less that 37 hours a week who earn at different levels.

Figure 9: Distribution of hourly earnings of prime-aged employees, March 2008

The proportion of prime-aged male employees (7.7%) earning $50 an hour or more is nearly three times as high as the proportion of prime-aged female employees working less than 37 hours who earn $50 or more an hour (2.8%). Interestingly, over one in 12 female employees (8.9%) working less than 37 hours earned $30–50 an hour, although this was half the proportion of all prime-aged male employees earning at this level (17.8%).

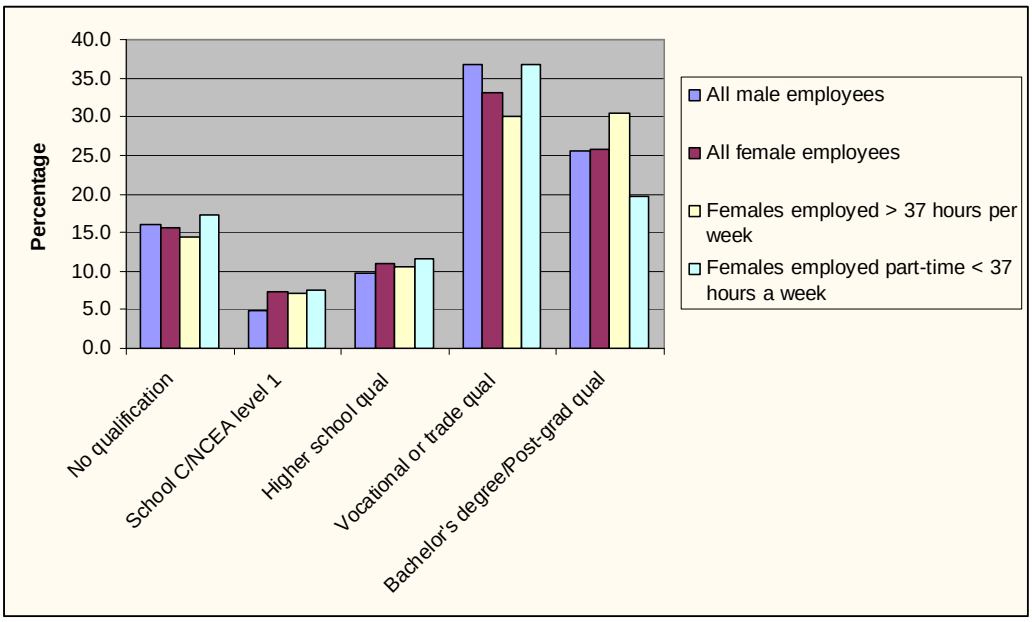
At the low-paid end of the scale, 13.9% of prime-aged female employees working less than 37 hours, earned $12.50 or less per hour in March 2008 compared with 4% of prime-aged male employees. Nearly one in three (32.6%) of all prime-aged male employees earned between $20–30 per hour compared to just over one in five (21.2%) of prime-aged women working less than 37 hours a week. All up, a third (33.9%) of female employees working less that 37 hours a week earned $15 or less an hour compared with under a quarter (23.7%) of all prime-aged female employees and 11.6% of prime-aged male employees.

Hours of work and qualifications

The link between pay and qualifications is well established. Moreover, there is a substantial consensus in the literature that the premium paid for high-level skills will continue to rise. With more women gaining qualifications than ever, it is important to ensure that these women have access to jobs that fully use their skills.

Part of the reason for the lower average hourly earnings of prime-aged women who work less than full-time is that their qualifications profile differs from that of other prime-aged women. In particular, prime-aged women who work less than 37 hours are less likely than those who work longer hours to have a bachelor's degree or post-graduate qualification (19.7% compared to 30.4%) (Figure 10).

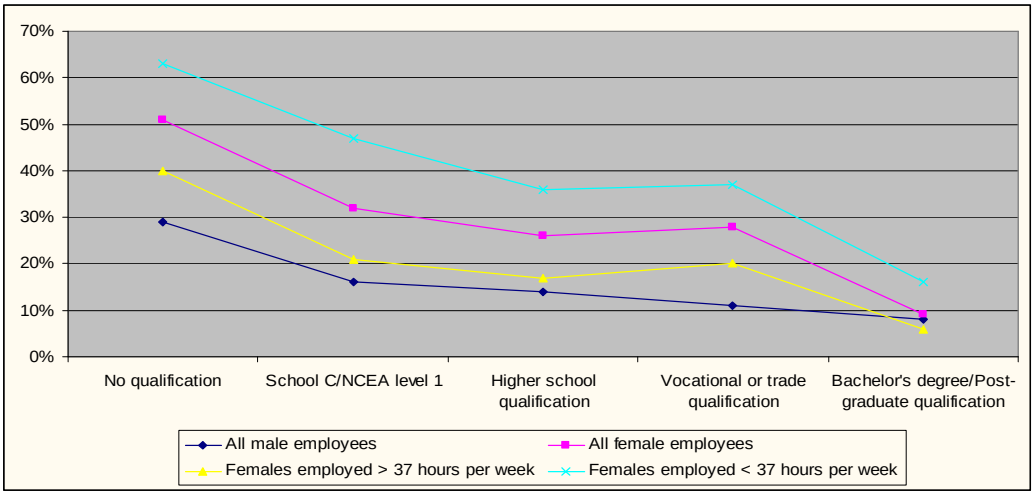
Figure 10: Highest qualifications of prime-aged employees, March 2008



The impact of qualifications on low pay

As Figure 11 shows, the lack of qualifications increases the likelihood of low pay for both men and women, whether they work full-time or not. However, qualifications are far less of a protection against low wages for prime-aged women than they are for prime-aged men. Figure 11 shows that, for female employees who work less than a full working week, higher than average levels of low pay is the norm except for those with a bachelor's degree or post-graduate degree. Even with university qualifications, 16% of prime-aged female employees are still low paid.[6]

Figure 11: Proportion of prime-aged employees who were low paid by qualifications, March 2008



[6] The relatively few (46,300) prime-aged men who work shorter hours are, on average, even more likely than women to be low paid if they have qualifications.

Nearly two out of three (63%) of prime-aged women employees working less than 37 hours a week with no qualifications were low paid in March 2008 compared with 29% of prime-aged males with no qualifications and 40% of prime-aged females with no qualifications who were working 37 hours or more a week. Nearly half (47%) of prime-aged women employees working less than 37 hours a week with lower school qualifications (School Certificate or NCEA level 1) were low paid – three times the rate of prime-aged men with lower school qualifications (16%). Over a third (37%) of prime-aged females working less than full-time with vocational or trades qualifications were low paid – more than three times the rate of prime-aged men with these qualifications.

Other characteristics of prime-aged employees working less than full-time

Women working less than full-time have a similar distribution across the sectors as women working 37 hours or more. Women (57.3%) are less likely than men (71.5%) to be employees in the private sector, but this gender difference is less for those working less than 37 hours (56.6% women, 62.3% men) due largely to the men who work less than 37 hours being less likely to work in the private sector.

Both women and men working less than full-time were slightly more likely than all employees to work in workplaces or business units with less than 50 employees at the location, with women more likely than men to work in smaller workplaces. Low-paid women (87.2%) and women working less than full-time (88.2%) were slightly less likely than all female prime-aged employees (90.4%) to work daytime hours.

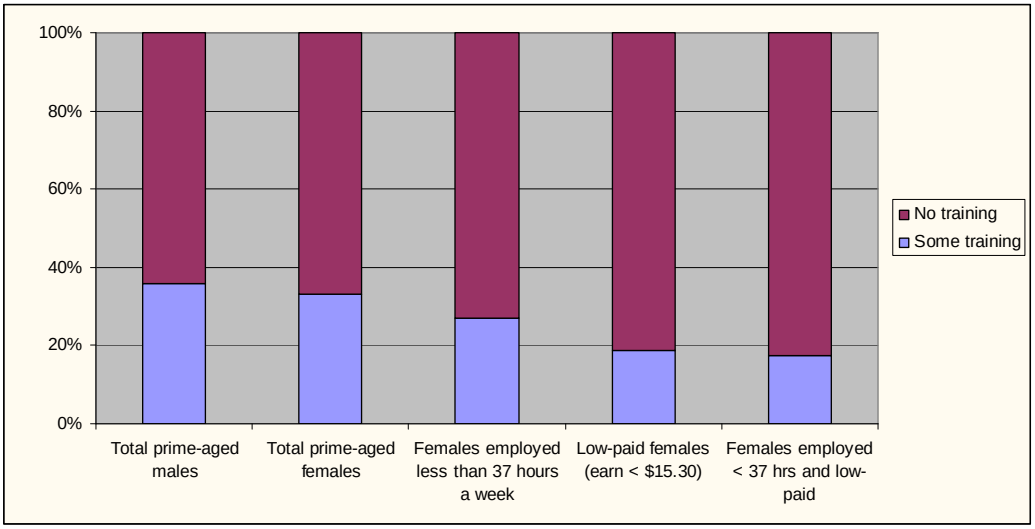
Temporary/permanent status of prime-aged employees

In March 2008, 7.2% of all prime-aged employees reported their jobs were temporary. This was significantly higher for women (9.7%) than men (4.8%). Male employees working less than 37 hours per week were the most likely to be temporary employees – 19.1% compared to 13.4% of all women and 17.6% of women who were low paid who worked less than 37 hours a week.

Employer-funded education and training

Working less than full-time and being low paid are associated with less training for prime-aged women (Figure 12). This is consistent with findings from the literature on low-paid and part-time work. At the extreme, the proportion of prime-aged men receiving employer-funded education or training in the last 12 months (35.7%) was double that of prime-aged women who were low paid and worked less than 37 hours a week. Most employees reported that they received no employer-funded study or training in the previous 12 months.

Figure 12: Proportion of prime-aged employees who received some employer provided training in the previous 12 months, March 2008

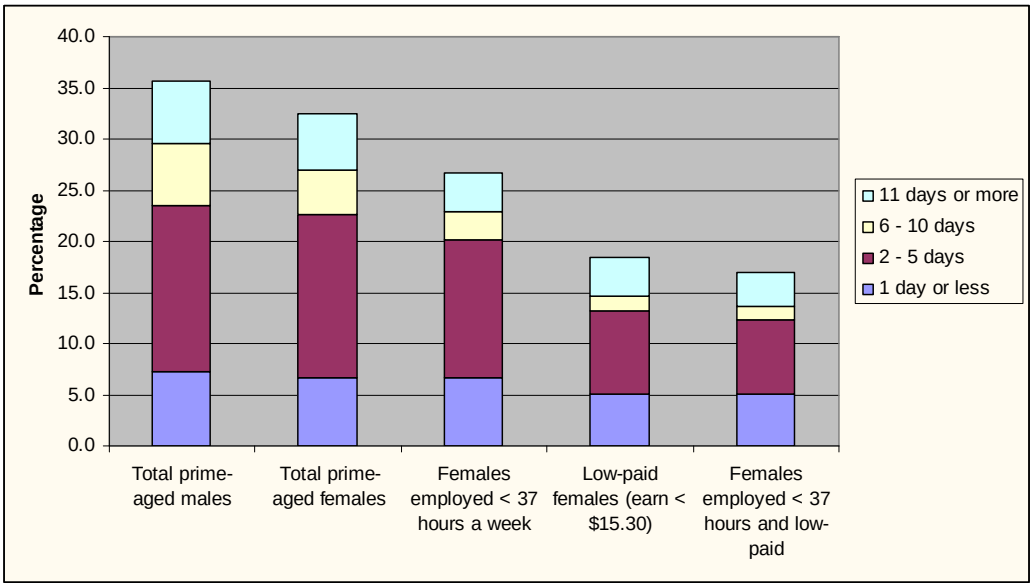


In terms of the time devoted to training, prime-aged men were more likely to receive training and had more days of training than prime-aged women.

Women who worked 37 hours or more had a slightly higher rate of training than men who worked 37 hours or more[7] and reported a similar distribution of training time, and therefore the overall gender difference is due to a lower volume of training among employees who work fewer than full-time hours who tend to be women. However, women who worked less than full-time were more likely than low-paid women to have received training – whether or not the latter groups worked full-time (Figure 13). Some of this lower incidence of training among women employed less than full-time and low-paid women is likely to be due to differences in employment continuity. Part-time and low-paid employees are less likely to work on a full-year basis than full-time and higher paid employees (Dixon, 2007).

[7] 39% of women who worked 37 hours a week or more and 36% of men in this hours group received employer-funded study or training.

Figure 13: Training received by prime-aged employees in the last 12 months, March 2008

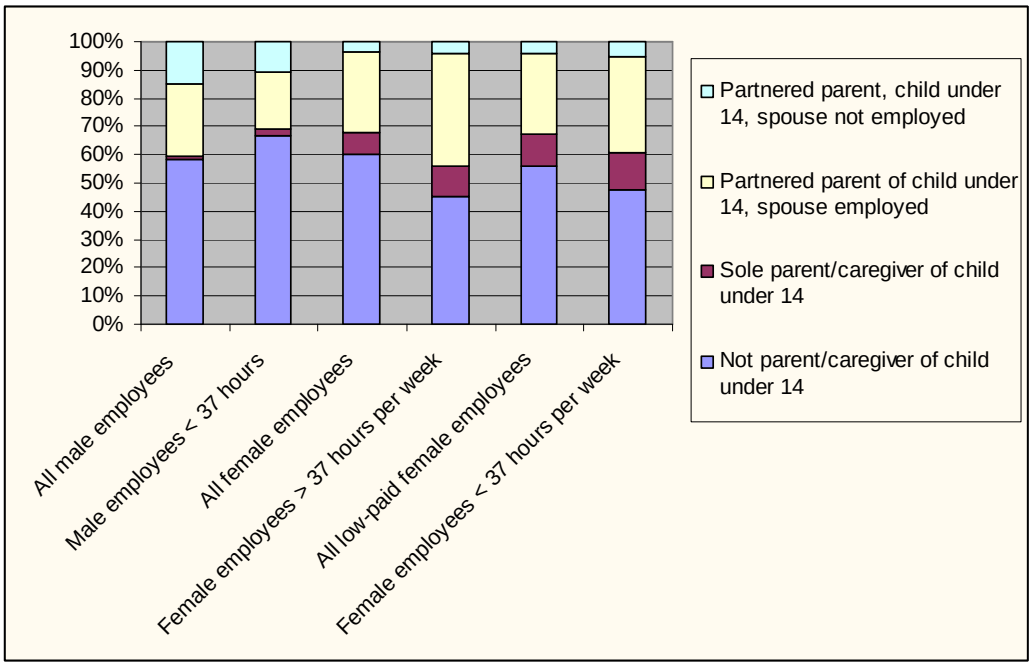


Family and household circumstances

In March 2008, just over 40% of prime-aged employees (462,800 of 1,139,000) were parents or caregivers of at least one child under 14. Low-paid women (52.3%) and women working less than full-time (54.7%) were more likely than all female employees (39.8%) to be parents or caregivers. The reverse was true for men where all male employees (41.4%) were more likely to be parents or caregivers than low-paid men (33.7%) and men working less than full-time (33.5%).

Figure 15 demonstrates most low paid women are not in families with children and whilst most women working shorter hours have dependant children under 14, a substantial proportion of this group do not. Female sole parents are more likely to be low paid and/or work less than full-time, than all prime-aged women.

Figure 14: Prime-aged employees parental status, partner status and whether partner is employed



Welfare, low pay and less than full-time employment

Low pay can discourage people from taking on employment by making employment or taking on extra hours of employment not worthwhile.

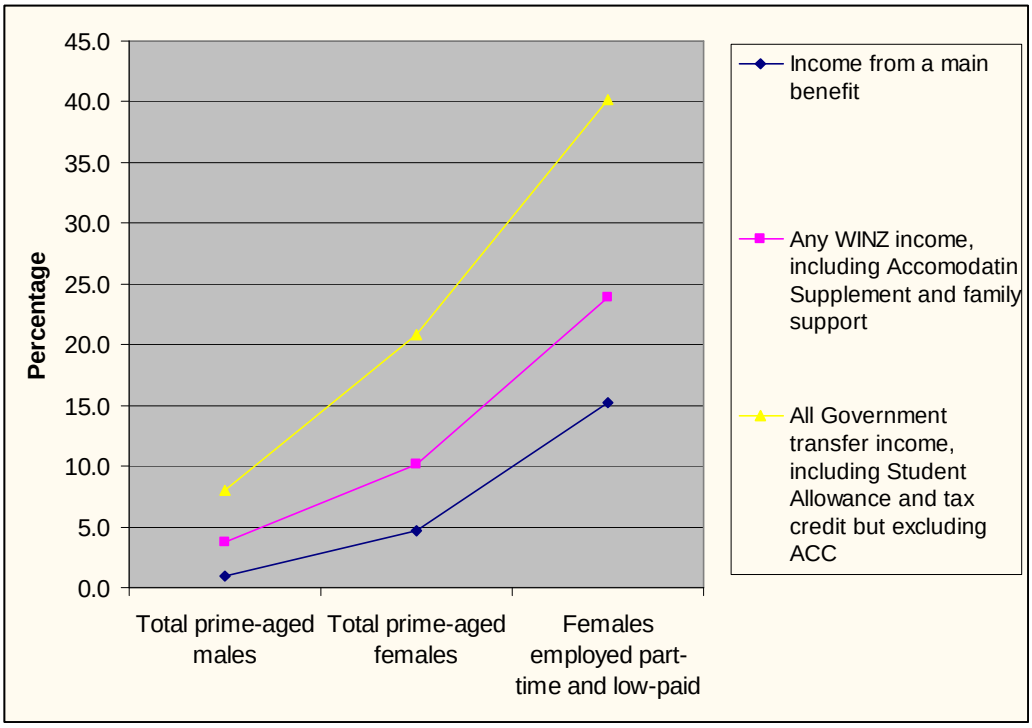
Studies of the children of working-age beneficiaries (the majority of whom are female sole parents) show that some parents are out of the workforce for significant periods. One in five children turning 15 in 2008 had been supported by a main benefit for seven or more years, with an estimated one in 10 children supported by a main benefit for 11 or more years (Wilson and Soughtton, 2009). Given the much higher labour force participation of sole parents with qualifications, part of the reason for so many sole parents to be out of work is likely to be the level of pay they can access.

Cycling in and out of low-paid work is also common. More than half of the Social Welfare beneficiaries who moved off benefit and into work in 2001/02 received some further benefit income in the 2 years following their move off benefit, and the group had relatively high levels of part-time and/or part-year employment, with many new jobs being short-lived. Non-beneficiaries who also had a background of no job or a low level of employment had slightly better but largely similar outcomes to those of the group who moved off benefit and into work. Changes in hourly wages were not possible to ascertain from the data set used (Dixon and Crichton, 2006).

As Figure 15 shows, 40.2% of prime-aged women who work less than full-time and are low paid are receiving some government transfer income, with nearly a quarter (23.9%) receiving income support from Work and Income (such as a

benefit, family support payments or an Accommodation Supplement) to bolster their earnings, and 14.1% receive a working-age benefit.

Figure 15: Transfer payments, low pay and working less than full-time employment, June 2008 Income Survey data[8]



Overall, prime-aged female employees (3.7%) are four times as likely as prime-aged male employees (0.8%) to be receiving a benefit and around three times more likely to be receiving some welfare support from Work and Income (10.1% compared with 3.8%).

This data shows that low pay for prime-aged women is associated with more costs per employee to government in terms of welfare support and tax expenditures such as Working for Families.

[8] June 2008 data was used as this was the closest Income Survey data to the March 2008 SoWL and HLFS data.

3. CHARACTERISTICS OF WOMEN AGED 25–54 EMPLOYED AS SALES WORKERS, CLEANERS, CARETAKERS AND PERSONAL CARE WORKERS

Of all female employees aged 25–54 in the March 2008 quarter, an estimated 24,100 worked as personal care workers, 31,400 worked as sales workers and 15,100 were employed as cleaners and caretakers. Together, these occupations employed just over one in eight (12.6%) of all female employees aged 25–54.

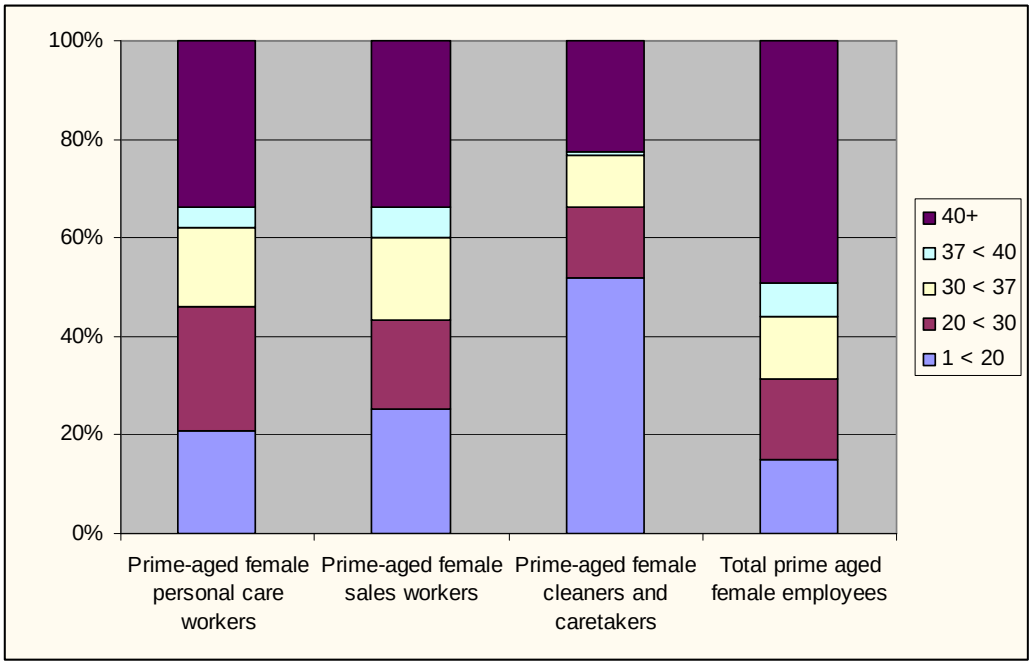
Ethnicity

Compared with all prime-aged women, European women are over-represented as sales workers – European women are 73.3% of prime-aged female employees but 79.2% of prime-aged female sales workers. Maori and Pacific female employees are over-represented as cleaners/caretakers and as personal care workers. Maori women are 5.5% of all prime-aged female employees but 14.3% of women employed as cleaners/caretakers and 6.4% of personal care workers. Pacific women are 3.9% of all prime-aged female employees but 14.0% of women employed as cleaners/caretakers and 5.4% of personal care workers. Women of other ethnicities are also over-represented as personal care workers.

Hours and working conditions

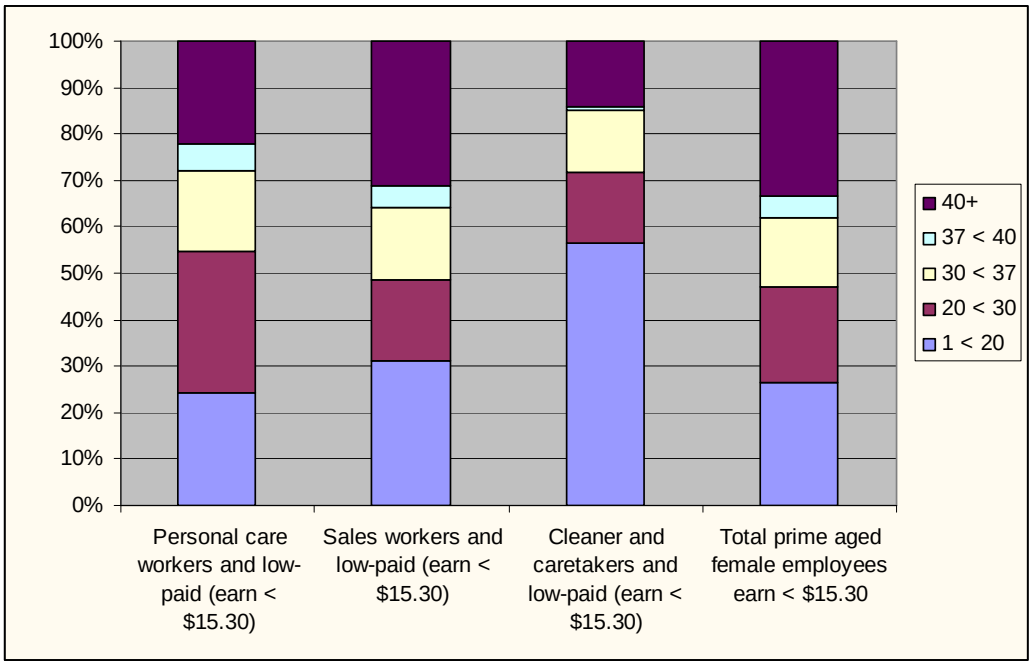
In all three occupations, but particularly for cleaners/caretakers, working shorter hours is more common than it is for all prime-aged female employees on average. Per week, the average hours worked by female employees in their main job was 23 hours for cleaners/caretakers, 29 hours for sales workers and 30 hours for personal care workers. The average hours worked by all prime-aged female employees was 33 hours per week and 44 hours per week for male prime-aged employees (Figure 16).

Figure 16: Usual hours of work in main job of prime-aged women employed as care workers, sales workers and cleaners/caretakers, March 2008



Low-paid female employees worked less hours on average than all prime-aged female employees, which is consistent with low pay being more prevalent amongst shorter hours workers (see below). Notwithstanding this, an estimated 50,700 low-paid prime-aged women – nearly a third of all prime-aged low-paid women (32.9%) – worked 40 hours or more a week in March 2008 (Figure 17).

Figure 17: Hours of work by low-paid prime-aged women carers, sales workers and cleaners/caretakers, March 2008



Temporary work

One in five (19.6%) prime-aged female cleaners and caretakers are temporary employees – this was significantly more than the rates of temporary employment for personal care workers (8.1%) and sales workers (5.1%), both of which were below the 9.7% overall average rate of temporary work for all prime-aged female employees. In all three occupations, there was little difference between the rates of temporary work for the group as a whole and for those who were low paid.

Working time

Prime-aged women care workers (78.2%) and cleaners (79.5%) are less likely to work mainly daytime hours than sales workers (94.5%) and all women (90.4%).

Wanting to work more hours

Women in these three occupations have a significantly higher preference for working more hours than all prime-aged females (8.4%) and that of prime-aged females working less than full-time (15.5%). More than a quarter (25.6%) of prime-aged women cleaners or caretakers wanted to work more hours, and this rate was higher for female cleaners who were low paid (30.4%). For sales workers, 13.8% of all prime-aged women and 16.8% of low-paid women wanted to work more hours. The proportions of personal care workers wanting to work more hours were 17.3% and 18.9% respectively. Of all female prime-aged employees who were low paid, 17.2% wanted to work more hours, while 22.9% of those who were low paid and working less than 37 hours wanted to work more hours.

Tenure

There is high turnover amongst prime-aged women working as cleaners, caretakers and sales workers. More than three in 10 (31%) of prime-aged females employed as cleaners and caretakers and a similar proportion of those employed as sales workers (30%) had been in their jobs for less than 1 year, and this proportion increased to more than one in three (33.4% for cleaners and caretakers and 36.9% for sales workers) for the low paid. This is significantly higher than the 22% of all prime-aged female employees who have been in their jobs for less than a year but comparable to the 32.2% of low-paid prime-aged females who have been in their jobs for less than a year. Considerably more prime-aged women employed as cleaners and caretakers (30%) than sales workers (21.1%) had been in their jobs more than 5 years. Personal care workers, on the other hand, had a more stable tenure pattern that was quite similar to that of prime-aged women overall.

Establishment size and sector

A large proportion of female personal care workers (51.7%) are employed in establishments of 50 or more employees. The comparative figure for all prime-aged female employees is 34% and for all prime-aged employees is 32%. Sales workers (23.6%) and cleaners (28.6%) were much less likely to be employed in large establishments and more likely to be employed in establishments with less than 20 employees (57% and 50.5% respectively) than all female employees (43.6%).

Women employed as sales workers are the most likely to work in the private sector (90.3%) compared to cleaners (63.8%) and personal care workers (48.2%). This compares to 57.3% for all prime-aged female employees and 64.5% for all prime-aged employees

Training

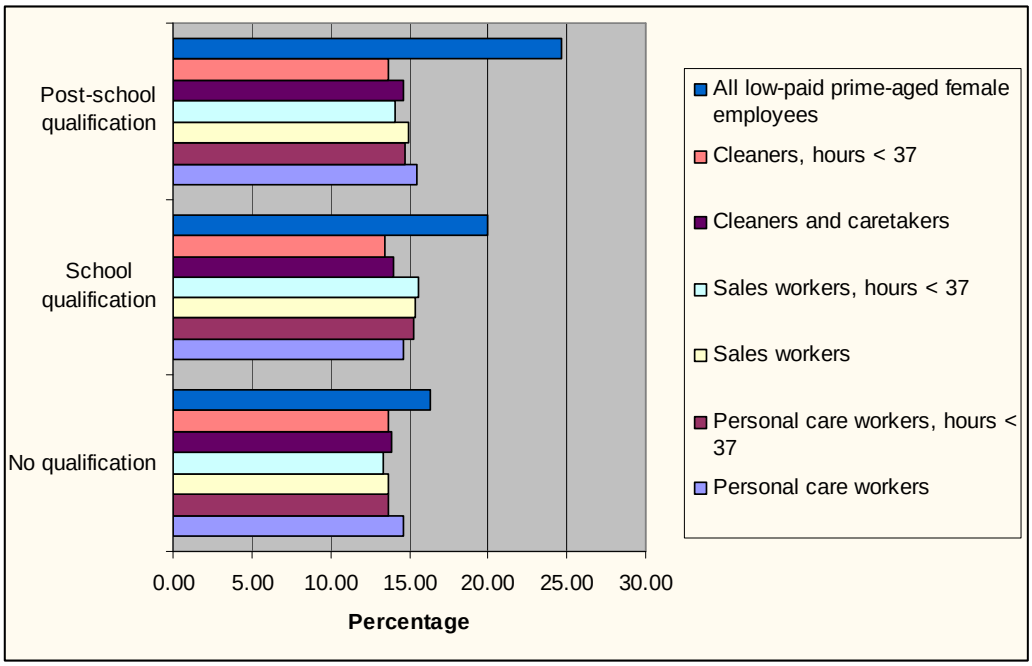
Significantly higher proportions of prime-aged women employed as cleaners and caretakers (84.7%) and as sales workers (80.4%) reported receiving no employer-funded study or training in the previous 12 months than was the case for prime-aged women on average (66.6%). The proportion not receiving training were even higher amongst the low paid (91.6% of cleaners/caretakers and 87.2% of sales workers), but personal care workers received more training than prime-aged women on average – 41% of all prime-aged women employed as personal care workers and 39.4% of personal care workers who were low paid reported receiving training in the previous year compared with 37.4% of all prime-aged female employees. Moreover, a higher proportion of females employed as personal care workers (14.9% of the group and 15.9% of the low-paid group) reported receiving 6 days or more training than was the case for all prime-aged female employees (10%).

Qualifications

While nearly half of all prime-aged female employees working as cleaners/caretakers (48.8%) reported having no qualifications, the percentages with no qualifications were significantly lower for sales workers (25.1%) and personal care workers (27.1%) although still higher than the percentage of all female employees without qualifications (15.7%).

Overall, there is little difference in the qualification profile of low paid prime-aged female employees, and all prime-aged female employees, in the three occupations. A much higher proportion of personal care workers have post-school qualifications and the qualifications levels seem out of step with the pay profile. What we do not know is how many female employees moved into these occupations because, as research in Australia and the UK suggests, they were not able to work shorter or different hours in a previous occupation (eg: Manning and Robinson, 2005; Chalmers and Hill, 2005). There may be other contributing factors; for example, immigrants are overrepresented in the personal care workforce and a proportion of these are qualified nurses or other professionals who are working at a lower level pending their New Zealand registration (Badkar et al, 2008; Walker, undated).

Figure 18: Highest qualifications of cleaners/caretakers, sales workers and personal care workers, March 2008



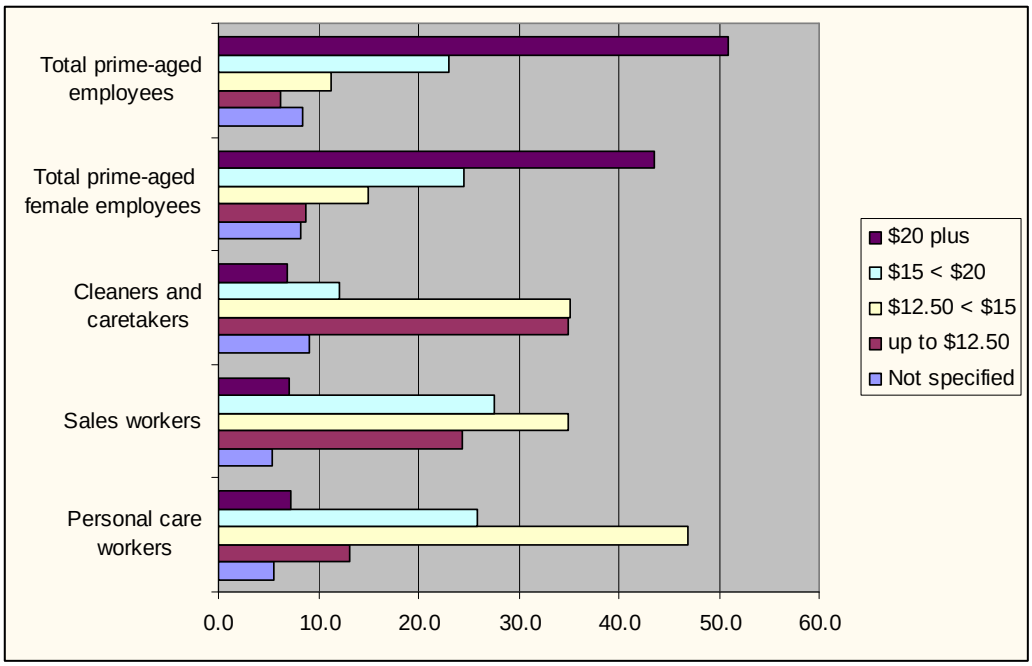
Overall, the qualification levels seem out of step with the pay profile. What we do not know is how many female employees moved into these occupations because, as research in Australia and the UK suggests, they were not able to work shorter or different hours in a previous occupation (for example, Manning and Robinson, 2005; Chalmers and Hill, 2005).

There may be other contributing factors, for example, immigrants are over-represented in the personal care workforce, and a proportion of these are qualified nurses or other professionals who are working at a lower level pending their New Zealand registration (Badkar, Callister and Didham, 2008; Walker, undated).

Pay

Low pay is very common in the target occupations. Proportionately more prime-aged women who are employed as cleaners and caretakers are low paid (74.8%) than sales workers (65%) or personal care workers (63.9%). These rates of low pay are more than double the average for all prime-aged women and more than three times higher than the average of 20.5% of all prime-aged employees.
The concentration of workers at low hourly pay levels is evident in Figure 19, and it also shows that personal care workers are concentrated at a slightly higher hourly wage than sales workers who, in turn, earn more than prime-aged women working as cleaners and caretakers.

Figure 19: Percentage distribution of prime-aged females by hourly wage

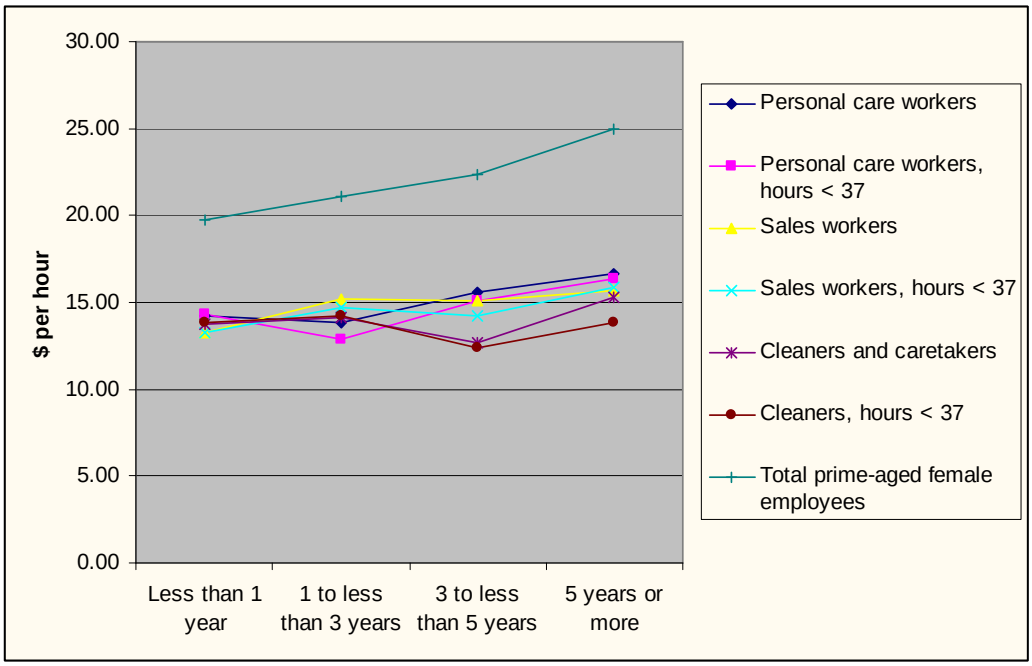


Pay progression for those who remain in the same occupation

Figure 20 examines wage patterns by tenure in the current job. This data needs to be treated as a partial view of pay progression as it does not capture progression that has lifted workers into a more senior job that was coded to a different occupation nor the progression that has occurred amongst workers who have changed enterprise. It also does not take account of any changing demographic characteristics of the workforce.

Figure 20 shows that prime-aged female employees who remain in these same occupations and with the same employer (30% of prime-aged women cleaners, 33.7% of personal care workers and 21.1% of sales workers report being in the same job for 5 years or more) earn very little more and, in the case of cleaners, no more than workers with less tenure. Working full-time hours does not influence the results.

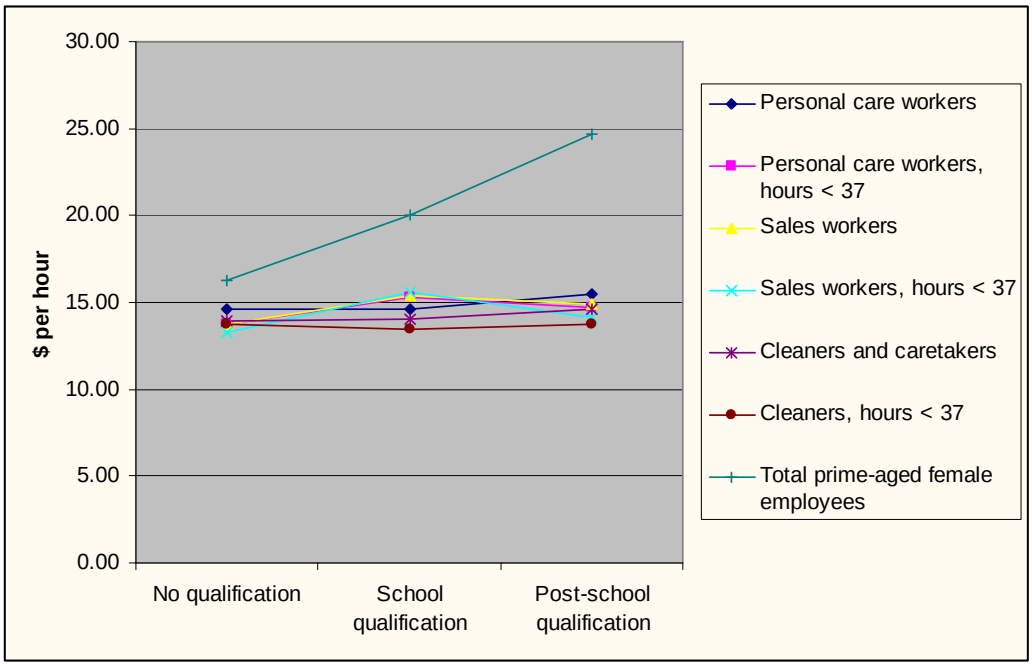
Figure 20: Average hourly earnings by job tenure for prime-aged female employees, March 2008



The impact of qualifications on pay

Average hourly pay rates are somewhat higher for prime-aged women with qualifications, but for women who are employed as cleaners, personal care workers or sales workers, there is no consistent pattern of higher pay for those with more qualifications whether they work full-time or not (Figure 21).

Figure 21: The relationship of highest qualification to average hourly wages for prime-aged female employees, March 2008

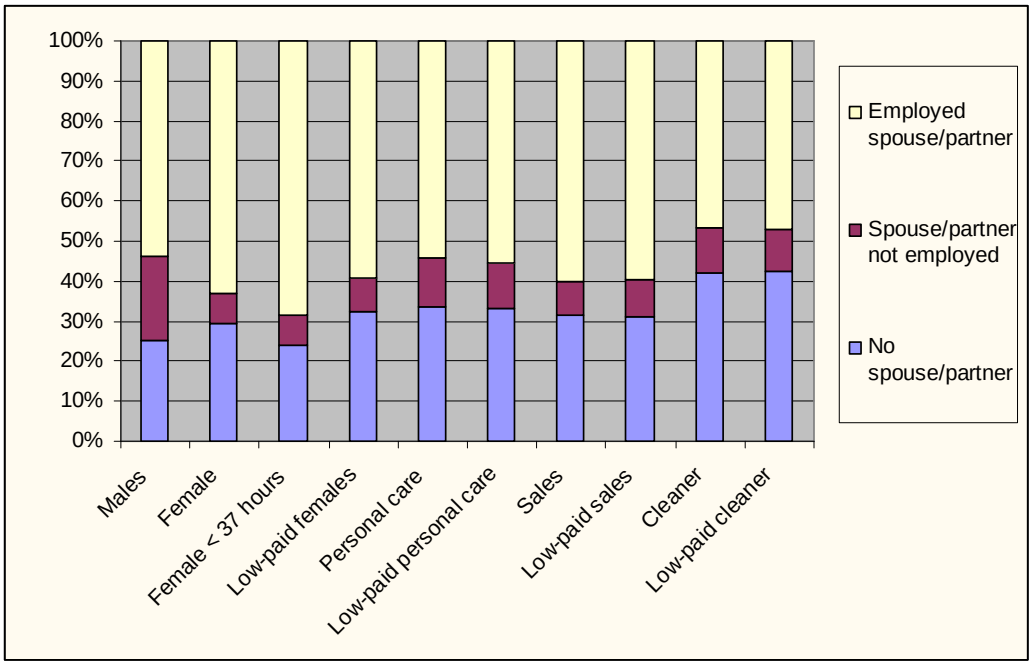


This is consistent with Dixon's (2001) analysis of the gender pay gap, which found women's occupations are a strong influence on the pay gap and that part-time women workers do not experience a disadvantage in their hourly pay when compared with workers in the same occupations with similar skills and experience. However, other international studies have found working part-time in itself does lower pay (for example, Manning and Petrongolo, 2004). Changing jobs and the limited geographical mobility of mothers, in particular, have also been identified as factors that contribute to them being in low-paid jobs that do not fully use their skills (Walby and Olsen, 2002).

Earned income within families

As shown in Figure 22, prime-aged women who are employed as sales workers, personal care and support workers, but particularly as cleaners/caretakers are more likely than all prime-aged women to be either single or have a partner who is not employed. Around 40–45% of all prime-aged women in these occupations do not have other earners in their families, and the same is true (40.8%) for all low-paid prime-aged female employees. This will be part of the reason why this group has a significant take-up of Work and Income supplements.

Figure 22: Partnership status and employment status of partners of prime-aged employees, March 2008



4. WHAT HELPS AND HINDERS PRIME-AGED WOMEN'S PROGRESS AT WORK?

There is little New Zealand research on the earnings, training and progression of women who work less than full-time and particularly on women employed as cleaners, personal care and support workers and sales workers. In the course of this project, NACEW failed to identify any firms in the cleaning, retail and care sectors that had specific strategies or exhibited good practice in facilitating low-paid women to advance to higher-paid jobs. Therefore, this section largely draws on generalised and international studies.

Occupations and firms matter

As evidenced by this paper's analysis of cleaners/caretakers, sales workers and personal care workers, both part-time and full-time workers in occupations that require few or no qualifications tend to be low paid. The little research there is also suggests that it is difficult to progress out of these low-paid jobs.

Demonstration projects in the US and the UK focused on employment retention and advancement of sole parent beneficiaries have shown supports can assist sole parents to increase their hours of work and their training but there is little evidence of sole parents advancing to higher paying jobs (see www.mdrc.org). One barrier is that the jobs accessed tend to be in firms where there is little scope to advance. Another barrier, confirmed by this study, is the shallow wage structures of female-dominated occupations. A US longitudinal study found that women are much less likely to move out of low-paid work than men and make up 90% of the persistent low-wage earners (Hartmann, 2004).

In the New Zealand context, personal care workers receive considerably more employer-provided training than sales workers or cleaners. Several factors – including quality and safety concerns and the need to reconsider the roles of the workforce as demand for care increases as the population ages – indicate that there may be scope for this workforce to progress to a recognised higher-skilled role in the future.

Quitting work and working less than full-time reduces progression

Many studies have found that quitting work and/or working less than full-time curtails career progress and reduces wage progression. Part of the reason for remaining low paid is the starting rates of pay that are available to people who are entering or re-entering the workforce after a break. The more breaks from the workforce, the more likely it is that pay will be low (Manning and Robinson, 2005; Francesconi and Gosling, 2005). In the UK, there is evidence of substantial occupational downgrading (moving to a job that requires fewer skills and has less responsibility and pay) occurring when women switch from full-time to part-time work because they are unable to work part-time in their previous job (Connolly and Gregory, 2008). There is also a body of evidence confirming that managers

and full-time workers often view part-time workers as less committed and less worth investing in than full-time workers (for example, Tomlinson, 2006).

Several studies have found that skilled women who have breaks from the workforce or choose to work shorter hours gain their best pay prospects from staying with the same employer. Even so, in New Zealand, Crichton (2008) found that most people returning from parental leave reduced their earnings, with one-third experiencing a substantial reduction in earnings. The one-third who started a new employment relationship were much more likely to reduce their earnings. However, the extent to which this represented less hours worked rather than lower hourly pay is not known. In addition, Australian evidence points to women who work part-time having more difficulty increasing their hours of work than men who work part-time (Drago, Black and Wooden, 2004).

Within firms, what works and what hinders women's skills acquisition and advancement

Despite the large literature on effective learning and lifting productivity within workplaces, little attention appears to have been paid to career advancement issues for women in low-paid occupations including cleaning, retail and personal care work.

Literature confirms that, while many factors including better training, employee recognition and reward, innovation and managerial capability contribute to increasing productivity (and thus increasing wages), synergy is important, and attention to single factors alone will not be effective. Moreover, the costs involved in an effective strategy to lift organisational performance mean it will be of limited value to organisations that have a business strategy based on high volume and minimised costs (Harvey and Harris, 2008).

An ability to differentiate services from competitors through lifting service quality is, therefore, one lever to lift training and rewards within industries and is the backdrop to the Union Clean Start campaign for the property services industry. The campaign aims to move the industry from the low-standard low-wage mentality through making it clear that the customer benefits from higher standards (such as better security, cleaner and better maintained buildings) to benefits for firms (lower turnover, lower accident rates) and workers (better wages, training and conditions).

Embedded training – where training is customised to align with the organisational infrastructure, policies and procedures – is a model used for improving workplace literacy and draws on evidence that training is more valued when it is aligned with organisational development and the resulting skills can be applied. A qualitative study of the implementation of an embedded industry training model for personal care/support workers in five New Zealand workplaces (Ryan, 2009) found evidence of benefits for service delivery (such as a greater sense of professionalism, safer work practices), the organisation (such as reduced turnover, attracting better quality job applicants, better matching of workers with clients) and employees (such as improved training outcomes, enhanced self-esteem, greater job satisfaction and better wages).

The barriers to training

In a less than optimistic conclusion about lifting people out of low pay through training, Richardson and Miller-Lewis (2002, p.74) note:

> … training and learning is only useful if there are jobs available that will use the newly acquired skills. The decisions that firms make about the skill mix and turnover properties they look for in their workforces has immense social significance. It is clear from theory and from the US and UK experiences, that left to themselves many firms will adopt the low wage, low training, high turnover strategy.

An Australian examination of training and work-life balance issues for low-paid workers makes the point that "changing the labour market situation of low-paid workers needs more than adding vocational training and stirring" and draws particular attention to the problems of:

- employer resistance to training, which might increase labour costs
- employee resistance to training, where the rewards of acquiring new skills are not forthcoming (Pocock, 2009).

The resistance of employees is not a trivial issue, especially in circumstances where it is up to employees to find the time to study and meet the costs of gaining qualifications. A recent New Zealand study found that, on average, a qualification at level 4 or higher on the Qualifications Framework improved participants' earnings by around 7%. However, gaining a qualification at level 3 improved the average earnings of males (by 2%) but not females. Gaining a qualification at level 1 or 2 or completing a limited credit programme did not improve average earnings (Crichton, 2009). Similarly, Australia has found that industry training does not improve women's earnings as much as men's (Pocock, 2009).

Many studies have identified particular problems in raising training levels in SMEs, for example, Richardson and Miller-Lewis (2002), Watson, Meares, de Bruin and Spoonley (2009) and Vaughan (2002). One solution mooted is to provide more off-site learning opportunities (Richardson and Miller-Lewis, 2002).

What more could be done?

Many New Zealand families want to have at least one partner working part-time when they have young children (Ministry of Social Development, 2006), yet there are direct costs to families if a parent who is a skilled employee cannot continue to work at the same level in the same occupation. There are also costs to the economy and costs to government from a lower return on government's investment in education, costs of retraining, unemployment, social services and benefits, and lower tax take.

The OECD amongst others has signalled that, so long as part-time work is seen as the "mummy track", it will always be vulnerable to being low paid with few opportunities for advancement. The literature also indicates that employment

disadvantage is not restricted to the period when women are working part-time but also impacts on earnings later in life.

Richardson and Miller-Lewis (2002) note that European countries place much more emphasis on structured pathways for youth from initial low-wage jobs into better paying jobs, which, in turn, means people are less likely to be stuck in low-wage jobs. New Zealand's Learning Representative programme, funded by the Tertiary Education Commission and managed by the Council of Trade Unions with the support of Business New Zealand and the Industry Training Federation, trains workplace delegates to play a leadership role in encouraging workplace learning. Following a pilot phase, it was expanded in late 2008, with a strong focus on foundation skills and literacy and helping learning representatives to develop systems and processes in their workplaces to improve completion rates for industry training and other in-house training and professional development. This is a relatively new programme, which plans an extensive evaluation in 2010.[9]

Currently, much of the policy attention around low pay and low productivity is focused on improving the likelihood that young people gain qualifications and on addressing basic literacy and numeracy skills within the workforce. The findings of this paper suggests there is also a need to look at improving the deployment and skill utilisation of women as well as the training and other pathways that would enable them to move on from low-skilled female-dominated occupations where there is little scope to advance. These strategies are likely to be particularly effective for women with underutilised skills. For other low-paid women, maintaining relativity between the minimum wage and broader wage movements, and attention to other working conditions and benefits, are important supports but are not likely to influence progression. Earlier work by NACEW (2006) also identified the role of government in setting standards for its own contracts – and government is a major purchaser of both personal care (support work) and cleaning – as a mechanism to ensure price competition or profit-seeking that does not undermine desirable standards.

[9] Suzanne McNabb, NZEI Women's Officer, personal communication.

5. CONCLUSION

A 1994 study (Davidson and Bray) found that low pay, poor conditions and little job security were the norm for women part-timers in New Zealand. A key message of this paper is that low pay is an issue for one in five prime-aged employees and for around 154,000 or over one in four prime-aged women. Moreover, the risk of prime-aged female employees being low paid is substantial, even for those with a reasonable level of education and skill. This is especially the case when they work less than full-time – nearly four in 10 prime-aged women employed less than 37 hours a week have hourly earnings that are less than two-thirds of the average wage of $15.30 an hour (March 2008).

For the one in eight prime-aged women who are employed as personal care and support workers, cleaners/caretakers and retail workers, low pay is particularly common – 74.8% of cleaners and caretakers, 65% of sales workers and 63.9% of personal care workers are low paid – and low pay is common whether employed full-time or not. On average, there is virtually no pay advantage to prime-aged women who stay in these jobs for 5 years or more compared with those prime-aged women who are new employees.

Some women, and undoubtedly some men, seek jobs with less responsibility as a strategy to balance work and family demands or for other personal reasons. This has been presented as a lifestyle choice whereby mothers happily negotiate a more modest place and pay rate in the workforce in exchange for flexible hours and arrangements (Hakim, 2002). However, over one in five (20.4%) prime-aged women with post-school qualifications are low paid – over twice the proportion of prime-aged men with post-school qualifications who are low paid (9.7%). This suggests more than a temporary mismatch of employees' skills with jobs and more than a short-term lifestyle choice. It suggests wastage – what the Equal Opportunities Commission in the UK has referred to as a cost to the nation's productivity from the wastage of women being in jobs that do not fully use their skills (Equal Opportunities Commission 2007).

There are some hopeful signs. At least in some occupations and firms, there is evidence that women working less than full-time earn significantly above average pay. In March 2008, more than one in nine prime-aged female employees (11.7%) earned $30 or more an hour compared with around one in seven (14.1%) of all prime-aged female employees but more than one in four (25.5%) of all prime-aged male employees. Quantitative studies here and internationally show that some well qualified employees negotiate shorter hours within their current occupation. However, the high proportion of low-paid prime-aged female employees with a post-school (including tertiary) qualification suggests there is a long way to go.

Enabling low-skilled women to access a career pathway to better paid work, however, is difficult. Evidence in New Zealand and elsewhere indicates that many low-skilled women cycling in and out of work rely on income support to bolster their income.

While employment programmes can assist low-skilled women back into work and into more hours of work and training, being back in work does not then tend to result in any advancement. The problem of low pay exists whether full-time or not and whether a long-tenured employee or not. New strategies are needed to enable these women to gain better jobs to enhance their skills, responsibilities and better pay.

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APPENDIX: DATA TABLES (HLFS AND SOWL, MARCH 2008)

Table A1: Numbers of prime-aged employees by gender and ethnicity, less than full-time hours and low pay

	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn < $15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn <$15.30)	Females employed <37 hrs, low paid	Total prime-aged employees
Total	579.4	46.3	80.1	18.5	559.5	243.6	154.0	94.4	1139.0
European only	417.2	31.0	42.3	9.2	410.2	192.3	102.0	70.4	827.3
Maori only	31.9	3.0	7.7	1.5	30.7	10.4	12.6	6.4	62.6
European/Maori	26.6	2.5	5.2	1.9	29.2	11.6	9.1	4.8	55.8
Pacific only	26.6	1.6	7.9	S	21.6	6.3	9.3	3.4	48.2
Other ethnic groups and combinations	77.1	8.2	17.0	5.0	67.9	23.0	21.0	9.4	145.0

Table A2: Numbers of prime-aged employees by size of establishment, gender, less than full-time hours and low pay

	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn <$15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn <$15.30)	Females employed <37 hrs, low paid	Total prime-aged employees
Total	579.4	46.3	80.1	18.5	559.5	243.6	154.0	94.4	1139.0
Not specified	51.5	6.6	9.7	3.5	44.0	22.2	14.9	10.4	95.5
0–19 employees	264.2	22.2	37.2	8.7	244.2	119.1	69.9	44.1	508.4
20–49 employees	89.1	4.9	14.2	2.1	81.1	37.2	23.2	14.3	170.2
50+ employees	174.6	12.6	19.0	4.2	190.3	65.1	46.0	25.6	364.9

Table A3: Numbers of prime-aged employees by sector, gender, less than full-time hours and low pay

	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn <$15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn <$15.30)	Females employed <37 hrs, low paid	Total prime-aged employees
Total	579.4	46.3	80.1	18.5	559.5	243.6	154.0	94.4	1139.0
Private	414.3	28.8	62.9	12.3	320.8	137.8	105.5	59.0	735.1
Public	87.6	8.7	4.6	1.6	141.6	54.5	18.3	13.8	229.2
Not-for-profit	27.4	2.9	4.0	1.8	53.8	30.2	16.3	11.7	81.2
Other, not specified	50.1	5.8	8.7	2.8	43.4	21.2	13.9	9.9	93.5

Table A4: Number of prime-aged employees by tenure, gender, less than full-time and low pay

	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn <$15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn <$15.30)	Females employed <37 hrs, low paid	Total prime-aged employees
Total	579.4	46.3	80.1	18.5	559.5	243.6	154.0	94.4	1139.0
Less than 1 year	108.2	11.7	24.9	6.2	123.3	59.4	49.6	33.6	231.5
1 to less than 3 years	128.6	14.0	21.5	4.7	141.7	67.3	43.4	27.7	270.3
3 to less than 5 years	94.9	6.6	14.6	4.3	93.6	38.0	24.2	14.5	188.5
5 years or more	247.1	14.0	19.1	3.3	200.2	78.8	36.6	18.5	447.3

Table A5: Number of prime-aged employees by usual hours worked in main job, gender, less than full-time and low pay

	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn <$15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn <$15.30)	Females employed <37 hrs, low paid	Total prime-aged employees
Total	579.4	46.3	80.1	18.5	559.5	243.6	154.0	94.4	1139.0
1-<20	11.4	11.4	6.6	6.6	83.4	83.4	40.0	40.0	94.8
20-<30	12.7	12.7	4.5	4.5	89.8	89.8	31.9	31.9	102.5
30-<37	22.2	22.2	7.4	7.4	70.4	70.4	22.4	22.4	92.6
37-<40	23.0	na	1.5	na	36.5	na	7.1	na	59.5
40+	504.7	na	59.2	na	272.6	na	50.7	na	777.4

Table A6: Number of prime-aged employees by occupation, gender, less than full-time hours and low pay

	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn <$15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn < $15.30)	Females employed <37 hrs, low paid	Total prime-aged employees
Total	579.4	46.3	80.1	18.5	559.5	243.6	154.0	94.4	1139.0
Legislators, Administrators & Managers	102.1	3.4	4.9	1.8	63.9	15.4	7.9	3.6	166.0
Professionals	98.0	9.5	1.1	S	132.4	50.8	7.7	5.1	230.5
Technicians & Associated Professionals	69.9	7.0	5.1	1.9	84.9	36.3	16.8	12.4	154.8
Clerks	32.4	3.3	5.1	S	121.4	58.6	27.6	16.2	153.8
Service & Sales Workers	50.3	7.4	16.5	5.8	92.8	55.7	56.0	38.1	143.1
Agriculture & Fishery Workers	28.8	2.7	9.3	1.7	13.1	7.0	7.4	4.0	41.9
Trades Workers	88.1	3.2	11.5	S	4.5	1.1	2.4	S	92.6
Plant & Machine Operators & Assemblers	81.3	5.0	15.3	2.2	18.3	3.6	9.3	2.0	99.6
Elementary Occupations	28.0	4.8	11.3	3.3	27.4	15.0	18.8	12.3	55.4

Table A7: Number and percentages of prime-aged females who are employed , unemployed and in the labour force

	Employed	Unemployed	Labour force	Working age population	Employment rate	Unemployment rate	Labour force participation
All prime-aged women	653.6	24.2	677.8	890.7	73.4	3.6	76.1
European only	481.0	12.1	493.2	619.8	77.6	2.5	79.6
Maori only	34.5	3.1	37.5	55.9	61.6	8.2	67.1
European/Maori	30.2	1.4	31.5	40.7	74.1	4.3	77.4
Pacific only	25.2	1.7	26.9	43.2	58.3	6.4	62.3
Other ethnic groups and combinations	82.8	5.9	88.7	131.0	63.2	6.6	67.7

Table A8: Numbers of prime-aged employees wanting more hours of work by gender, less than full-time hours and low pay

	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn <$15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn < $15.30)	Females employed <37 hrs, low paid	Total prime-aged employees
Total	579.4	46.3	80.1	18.5	559.5	243.6	154.0	94.4	1139.0
yes	44.3	14.2	13.9	7.3	47.1	37.7	26.6	21.6	91.4
no	531.7	31.3	65.5	10.7	507.9	203.9	125.9	71.6	1039.6
Do not know	3.5	S	S	S	4.5	2.0	1.5	1.2	7.9

Table A9: Hourly pay rates of prime-aged employees by gender, less than full-time hours and low pay

	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn <$15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn < $15.30)	Females employed <37 hrs, low paid	Total prime-aged employees
Not specified	49.8	4.9	na	na	46.3	20.5	na	na	96.1
up to $12.50	23.3	8.3	23.3	8.3	48.9	34.0	48.9	34.0	72.2
$12.50-<$15	44.3	7.9	44.3	7.9	83.8	48.6	83.8	48.6	128.1
$15-<$20	125.1	8.8	12.5	2.3	137.2	60.3	21.3	11.7	262.3
$20-<$30	189.0	7.9	na	na	164.4	51.7	na	na	353.4
$30-<50	103.4	5.0	na	na	61.7	21.6	na	na	165.1
$50 or more	44.5	3.4	na	na	17.3	6.8	na	na	61.8

Table A10: Numbers of prime-aged employees by highest qualification, gender, less than full-time and low pay

	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn <$15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn <$15.30)	Females employed <37 hrs, low paid	Total prime-aged employees
Total	579.4	46.3	80.1	18.5	559.5	243.6	154.0	94.4	1139.0
No qualification	92.6	9.7	27.1	5.1	87.6	41.9	44.6	26.4	180.2
School C/NCEA level 1	28.5	1.9	4.5	S	41.3	18.4	13.4	8.6	69.8
Higher school qualification	56.8	4.6	7.8	2.5	61.1	27.9	15.8	10.1	117.9
Other school qualification (level NS)	12.1	1.2	2.6	S	15.8	6.7	7.8	3.5	27.9
Vocational/trade qualification	212.8	13.3	22.6	4.7	184.7	89.6	51.6	33.0	397.5
Bachelor's degree/post-grad qualification	147.8	14.1	11.8	4.6	143.9	48.1	13.3	7.7	291.7
Other post-school qualification or qualification NS	25.7	1.1	3.2	S	23.1	10.3	6.8	4.8	48.8

Table A11: Numbers receiving any employer-funded study or training in the last 12 months

	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn <$15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn <$15.30)	Females employed <37 hrs, low paid	Total prime-aged employees
Total	579.4	46.3	80.1	18.5	559.5	243.6	154.0	94.4	1139.0
Some training	206.6	14.8	15.8	3.3	185.8	65.2	28.7	16.5	392.4
No training	371.1	31.2	64.2	15.1	372.4	178.1	125.2	77.8	743.5

Table A12: Time spent training

	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn < $15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn <$15.30)	Females employed <37 hrs, low paid	Total prime-aged employees
Total	579.4	46.3	80.1	18.5	559.5	243.6	154.0	94.4	1139.0
1 day or less	41.6	4.0	4.7	1.4	37.0	16.2	7.8	4.8	78.7
2–5 days	94.3	6.7	6.6	1.5	89.8	32.9	12.4	6.8	184.1
6–10 days	34.5	2.8	1.3	S	24.1	6.5	2.3	1.2	58.6
11 days or more	35.2	1.2	3.0	0.0	31.6	9.0	5.7	3.2	66.8
NS/didn't participate	373.7	31.5	64.5	15.1	377.0	179.1	125.7	78.3	750.8

Table A13: Prime-aged employees' parental status, partner status and whether partner is employed (column percentages)

	Male	Male <37 hrs	Male low paid	Male >37 hrs low paid	Female	Female <37 hrs	Female low paid	Female <37 hrs low paid	Personal care	Personal care low paid	Sales	Sales low paid	Cleaner	Cleaner low paid	All employees
Not parent/caregiver of child under 14	58.6	66.5	66.3	78.1	60.2	45.3	55.7	47.7	63.1	59.7	56.9	59.7	54.7	51.4	59.4
Sole parent/caregiver of child under 14	1.2	2.8	3.0	S	7.8	10.5	11.7	13.2	11.0	11.6	11.9	10.0	17.7	19.3	4.4
Partnered parent of child under 14, spouse employed	25.2	20.0	16.4	6.1	28.5	40.2	28.4	34.0	20.3	23.4	27.3	25.8	22.7	22.8	26.8
Partnered parent, child under 14, spouse not employed	15.1	10.7	14.3	11.2	3.5	4.1	4.1	5.1	5.5	S	3.8	S	S	S	9.4

Table A14: Government Income Transfers received by prime-aged employees

%	Total prime-aged males	Males employed <37 hours a week	Low-paid males (earn < $15.30)	Males employed <37 hrs, low paid	Total prime-aged females	Females employed <37 hours a week	Low-paid females (earn < $15.30)	Females employed <37 hrs, low paid
Received income from a main benefit recorded in IS	1.0	4.9	4.1	12.2	4.7	9.1	10.1	15.2
Received WNZ income, including Accommodation Supp, & family support paid by WINZ	3.8	9.1	8.4	16.3	10.1	16.3	18.7	23.9
Received government transfer income – all types including student allowances and tax credits but excluding ACC	8.0	15.6	13.7	25.1	20.8	29.5	32.8	40.2

Table A15: Prime-aged employees parental status, partner status and whether partner is employed

	Male	Male <37 hrs	Male low paid	Male <37 hrs low paid	Female	Female <37 hrs	Female low paid	Female <37 hrs low paid	Personal care	Sales	Cleaner	All employees
Total	579.4	46.3	80.1	18.5	559.5	243.6	154.0	94.4	24.1	31.4	15.1	1,139.0
Not parent/caregiver of child under 14	339.3	30.8	53.1	14.4	337.0	110.3	85.8	45.0	15.2	17.9	8.3	676.2
Sole parent/ caregiver of child under 14	6.9	1.3	2.4	S	43.5	25.5	18.1	12.5	2.7	3.7	2.7	50.4
Partnered parent of child under 14, spouse employed	145.8	9.2	13.1	1.1	159.6	97.8	43.8	32.1	4.9	8.6	3.4	305.4
Partnered parent, child under 14, spouse not employed	87.4	4.9	11.4	2.1	19.5	10.0	6.3	4.8	1.3	1.2	S	106.9

Table A16: Usual hours of work of prime-aged female employee in the three occupations

	Personal care workers	Personal care workers, low paid (earn <$15.30)	Sales workers	Sales workers, low paid (earn <$15.30)	Cleaners and caretakers	Cleaners and caretakers, low paid (earn <$15.30)	Total prime-aged female employees
Total	24.1	15.4	31.4	20.4	15.1	11.3	559.5
1-<20	4.9	3.7	7.8	6.2	7.7	6.3	83.4
20-<30	6.0	4.6	5.6	3.4	2.1	1.7	89.8
30-<37	3.8	2.6	5.2	3.2	1.6	1.5	70.4
37-<40	S	S	1.9	S	S	S	36.5
40+	8.0	3.4	10.4	6.2	3.3	1.6	272.6

Table A17: Highest qualifications of prime-aged female employees in the three occupations (Figure 17)

	Personal care workers	Personal care workers, low paid (earn <$15.30)	Sales workers	Sales workers, low paid (earn <$15.30)	Cleaners and caretakers	Cleaners and caretakers, low paid (earn <$15.30)	Total prime-aged female employees
Total	24.1	15.4	31.4	20.4	15.1	11.3	559.5
No qualification	6.5	4.0	7.9	5.9	7.4	5.4	87.6
School qualification	2.7	2.2	10.1	6.5	3.3	2.6	118.2
Post-school qualification	14.8	9.1	13.1	7.8	4.3	3.1	351.8

Table A18: Hourly earnings of prime-aged female employees in the three occupations

	Personal care workers	Personal care workers, low paid (earn <$15.30)	Sales workers	Sales workers, low paid (earn <$15.30)	Cleaners and caretakers	Cleaners and caretakers, low paid (earn <$15.30)	Total prime-aged female employees
Total	24.1	15.4	31.4	20.4	15.1	11.3	559.5
Not specified	1.3	na	1.7	na	1.4	na	46.3
up to $12.50	3.2	3.2	7.7	7.7	5.3	5.3	48.9
$12.50-<$15	11.3	11.3	11.0	11.0	5.3	5.3	83.8
$15-<$20	6.2	1.0	8.6	1.7	1.8	S	137.2
$20-<$30	1.7	na	2.2	na	1.0	na	164.4
$30-<50	S	na	S	na	S	na	61.7
$50 or more	S	na	S	na	S	na	17.3

Table A19: Mean earnings of target occupational groups by tenure and educational level – prime-aged women in the three occupations

	Personal care workers	Personal care workers, <37 hours	Sales workers	Sales workers <37 hours	Cleaners and caretakers	Cleaners and caretakers <37 hours	Total prime-aged female employees
Tenure							
Less than 1 year	14.20	14.30	13.30	13.30	13.70	13.80	19.70
1 to less than 3 years	13.80	12.90	15.20	14.70	14.10	14.20	21.10
3 to less than 5 years	15.60	15.10	15.10	14.20	12.70	12.40	22.40
5 years or more	16.60	16.40	15.70	15.90	15.30	13.80	25.00
Highest qualification							
No qualification	14.60	13.70	13.70	13.30	13.90	13.70	16.30
School qualification	14.60	15.30	15.40	15.60	14.00	13.50	20.00
Post-school qualification	15.50	14.70	14.90	14.10	14.60	13.70	24.70

Table A20: Partnership status and partners' employment status for prime-aged employees

	Males	Female	Female <37 hrs	Female low paid	Female <37 hrs low paid	Personal care	Personal care low paid	Sales	Sales low paid	Cleaner	Cleaner low paid
Total	579.4	559.5	243.6	154.0	94.4	24.1	15.4	31.4	20.4	15.1	11.3
No spouse/partner	146.3	165.3	58.6	49.5	29.5	8.1	5.1	9.9	6.3	6.4	4.8
Employed spouse/partner	310.8	353.1	167.2	91.2	56.2	13.1	8.6	18.9	12.2	7.0	5.3
Spouse/partner not employed	122.4	41.0	17.8	13.2	8.6	2.8	1.7	2.6	1.9	1.7	1.1

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