


# Women and Low Pay: An Empirical Assessment

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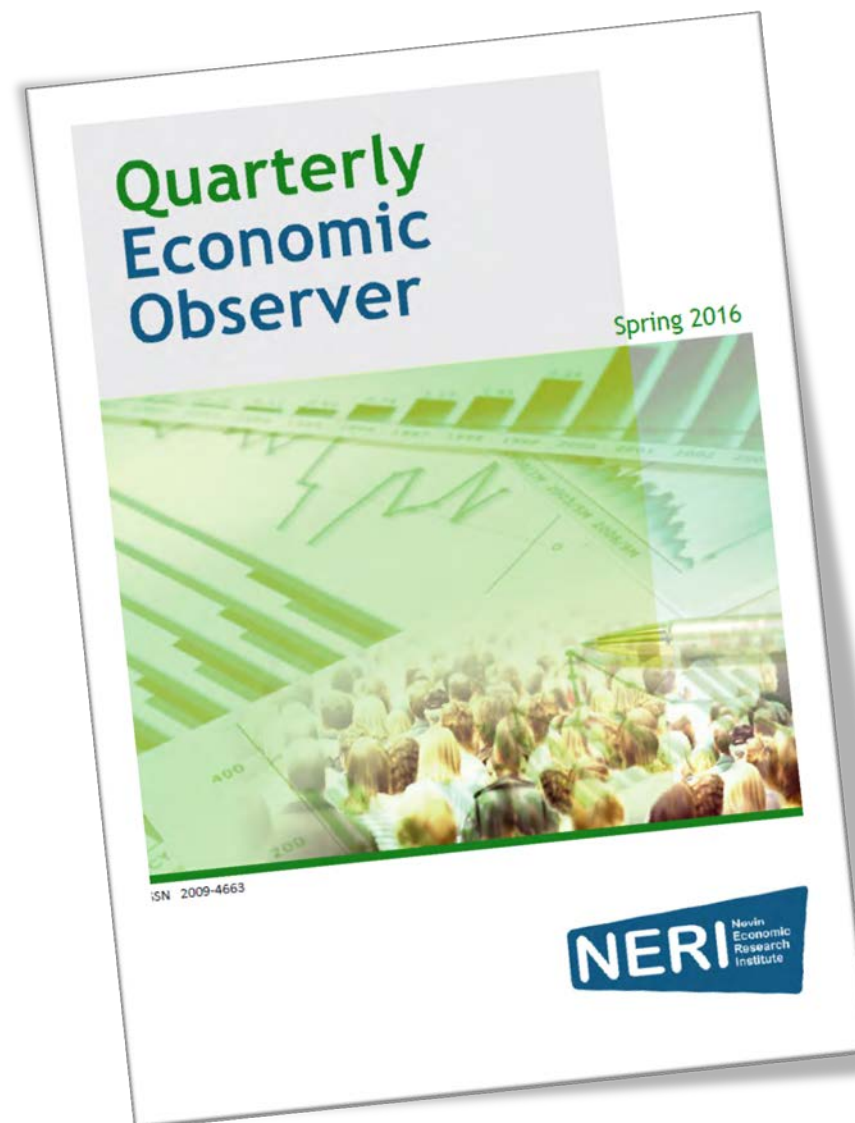


*Research for new economic policies*

# Outline

- 1. Introduction**
- 2. Data & Research Questions**
- 3. Female Low Pay in Profile**
- 4. Depth of Low Pay**
- 5. The Importance of Low Pay**
- 6. Next Steps**

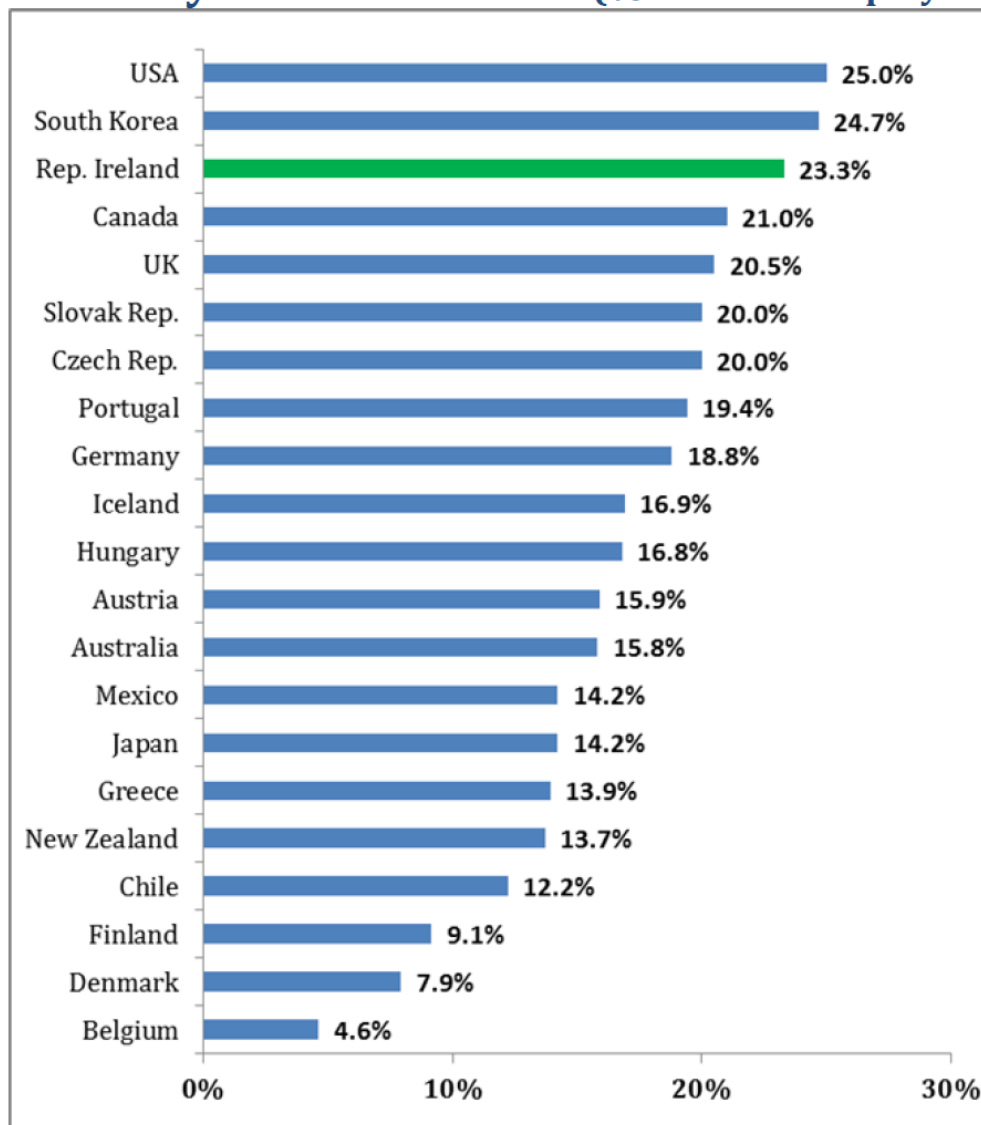
# Women and Low Pay: a focus of the recent NERI QEO



# 1. Introduction

- Recent research on low pay
  - A revival of interest
  - Greater interest in the direct income distribution
- Women = group with a high probability of low pay
- Policy interest:
  - Government
  - Low Pay Commission
- Yet, limited detailed knowledge...

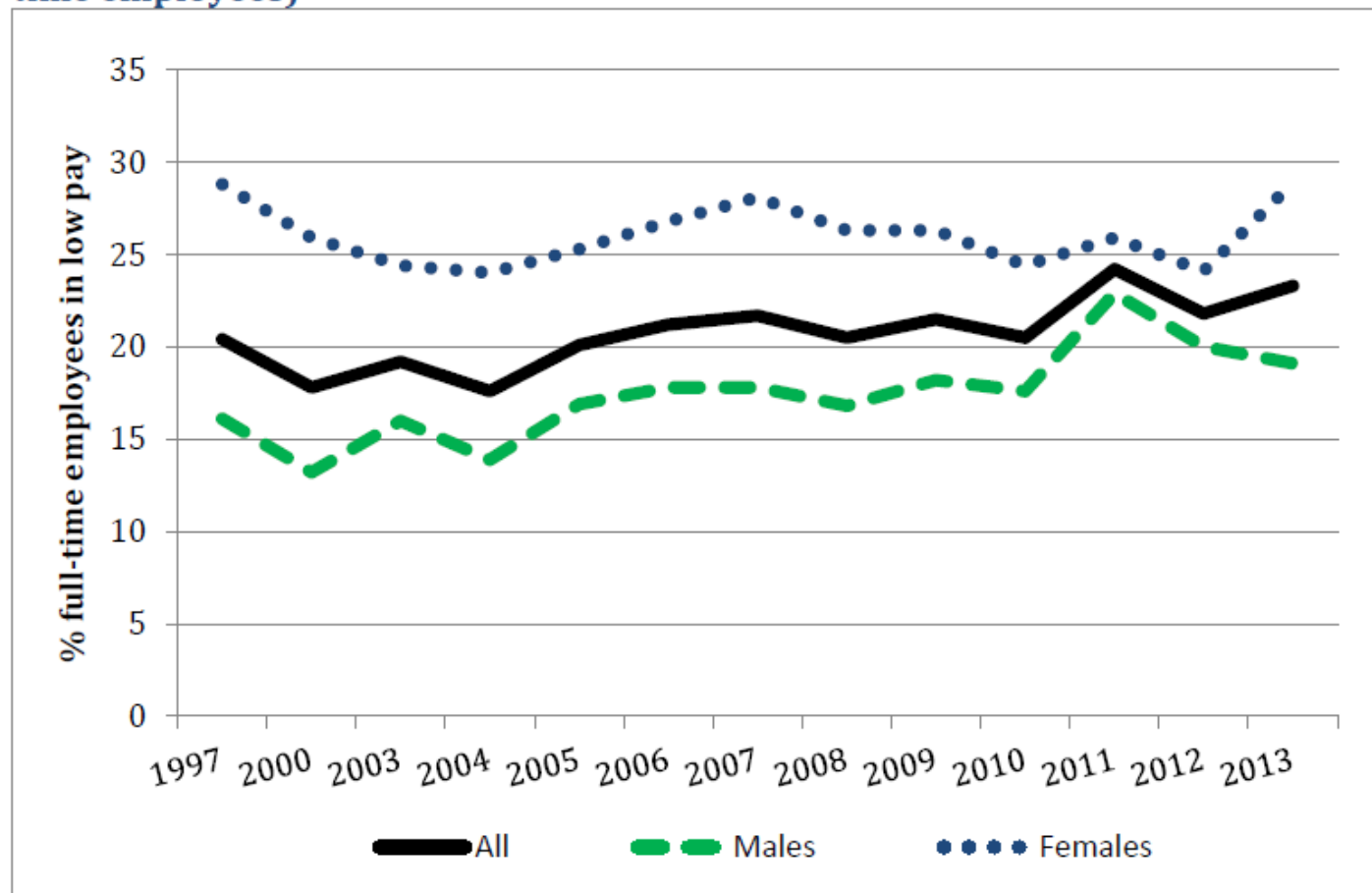
**Chart 4.1: Low Pay across the OECD (% full-time employees in 2013)**



**Source:** OECD online database (OECD.stat)

**Note:** Low pay is defined as those earning less than two-thirds of the median hourly pay received by full-time workers.

**Chart 4.2: Low Pay in the Republic of Ireland, 1997-2013 (% full-time employees)**



**Source:** OECD online database (OECD.stat)

**Notes:** Data unavailable for 1998, 1999, 2001 and 2002. Low pay is defined as those earning less than two-thirds of the median hourly pay received by full-time workers.

## 2. Data & Research Q's

### Data

- CSO data from SILC 2013
- Looking at hourly earnings data for employees
- Low Pay thresholds:
  - Two-thirds of median hourly earnings (specified group)
  - **€11.45** per hour

## Research Questions:

- Previous examinations found women more likely to be low paid, so:
  - Who are these low paid female workers?
  - How far below the low pay threshold is their pay?
  - How important is this income to their living standards?



# 3. Female Low Pay in Profile

## *Women and low pay*

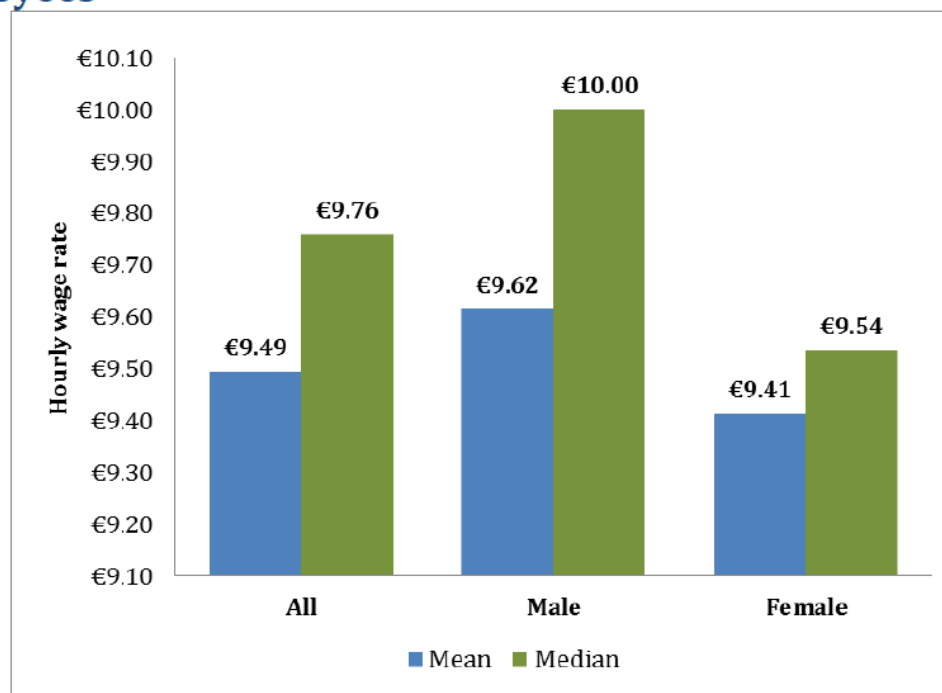
- Details table 4.1a and 4.1b (see p34-35)
  - 60% of the low paid are women = 207,000
  - Almost 3 in 10 women are low paid (men = 2 in 10)
  - Across the age groups; but concentrated in under 40s
  - 60% in three sectors
    - Wholesale and Retail (24%)
    - Accommodation and Food (19.7%)
    - Health and Social Work (18.4%)
  - Temporary contract: 1 in every 2 are low paid
  - Regional: lowest concentrations in SE, W and Midlands

# 4. Depth of Low Pay

*How far below €11.45 per hour are low paid women?*

- Average depth for female employees = €2.04 per hour

**Chart 4.3: Mean and Median Hourly Wages for Low Paid Employees**



**Note:** Low paid employees represent all those who earn less than €11.45 per hour.

**Table 4.2 The Depth of Low Pay – female employees (€ per hour)**

	Mean	Median		Mean	Median
<b>All low paid females</b>	€2.04	€1.91	<b>Work status***</b>		
			Full-time	€1.91	€1.54
			Part-time	€2.12	€2.12
<b>Age Group*</b>			<b>Contract Type***</b>		
18-29	€2.22	€2.20	Permanent	€1.98	€1.82
30-39	€1.97	€1.93	Temporary	€2.26	€2.39
40-49	€1.92	€1.74	<b>Occupation*</b>		
50-59	€1.84	€1.48	Manager and admin.	€1.36	€1.16
60+	€1.62	€1.69	Professional	€2.17	€2.04
<b>Sector*</b>			Associate Prof. & tech.	€1.71	€1.17
Agri., forestry/ fishing	€1.58	€1.59	Clerical and secretarial	€1.67	€1.45
Industry	€1.67	€1.53	Craft and related	€1.53	€1.45
Wholesale and retail	€1.98	€1.71	Personal/protect serv.	€1.87	€1.48
Accom. and food	€2.30	€2.27	Sales	€2.11	€1.91
Admin/support services	€2.25	€2.23	Plant/machinery	€1.79	€1.53
Health & social work	€1.78	€1.51	Others	€2.48	€2.45
Pub Adm/Defence/Edu.	€1.73	€1.74	<b>Firm Size**</b>		
Others	€2.27	€1.96	less than 10 employees	€2.29	€2.25
<b>Hours Worked per week**</b>			10 to 49 employees	€1.95	€1.64
1-19hrs	€2.26	€2.29	50+ employees	€1.87	€1.92
20-34.9hrs	€2.05	€1.82	unclassified	€1.81	€1.48
35hrs+	€1.77	€1.53			

**Notes:** See notes to Table 4.1a. Depth is measured versus an hourly wage of €11.45. \*differences are statistically significant at the 0.001% level; \*\* at the 0.01% level; at the 0.1% level.

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# 5. The Importance of Low Pay

## *How important is low pay income?*

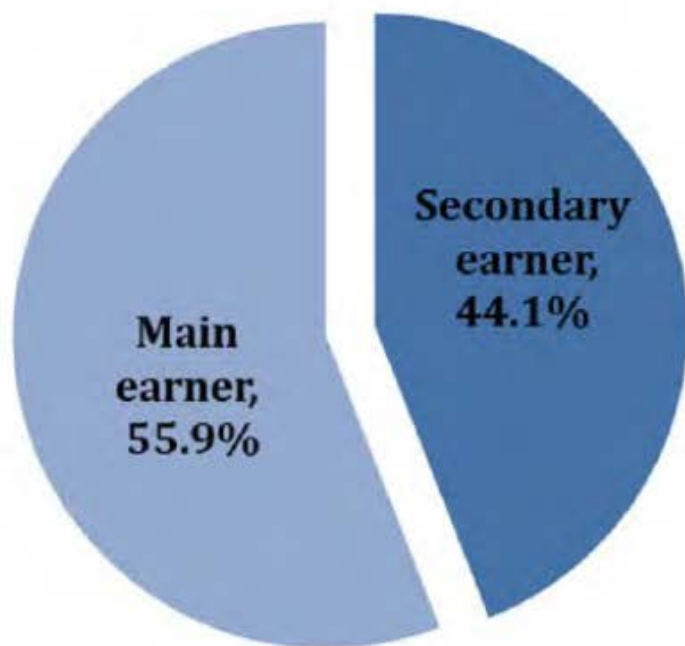
- % of household earnings

**Table 4.3 How Important is Low Pay Income?**

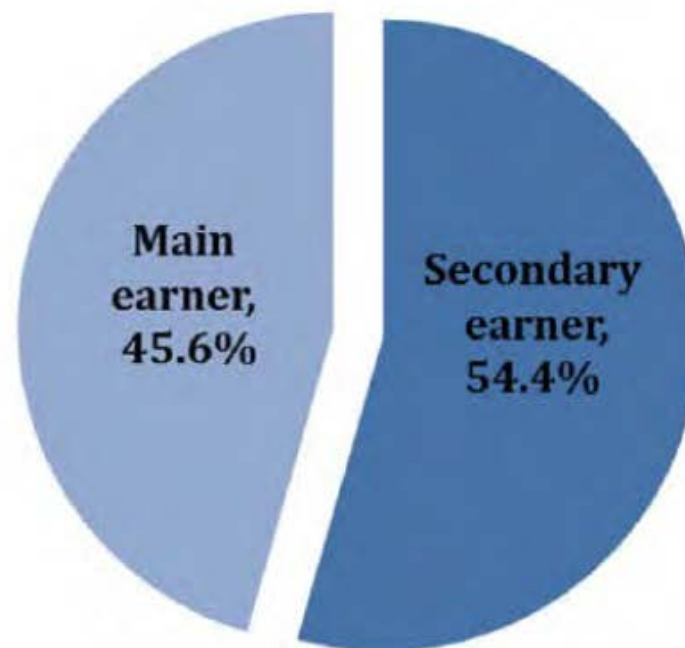
% of Household Earnings	All Low Paid	Low Paid Males	Low Paid Females
0.01%-9.99%	7.0%	6.0%	7.6%
10%-24.99%	17.2%	12.5%	20.3%
25%-49.99%	26.2%	25.6%	26.6%
50%-74.99%	10.3%	13.9%	8.0%
75%-99%	4.2%	5.3%	3.4%
100%	35.2%	36.8%	34.2%
<b>Mean %</b>	<b>58.0%</b>	<b>62.1%</b>	<b>55.3%</b>
<b>Median %</b>	<b>49.4%</b>	<b>61.9%</b>	<b>46.4%</b>

**Notes:** Figures represent the earnings of the low paid employee as a percentage of the total earnings from employment and self-employment in the household. Decompositions significant at the 5% level.

### Chart 4.4: Proportion of Low Paid Workers who are Households Main Earner and Secondary Earner



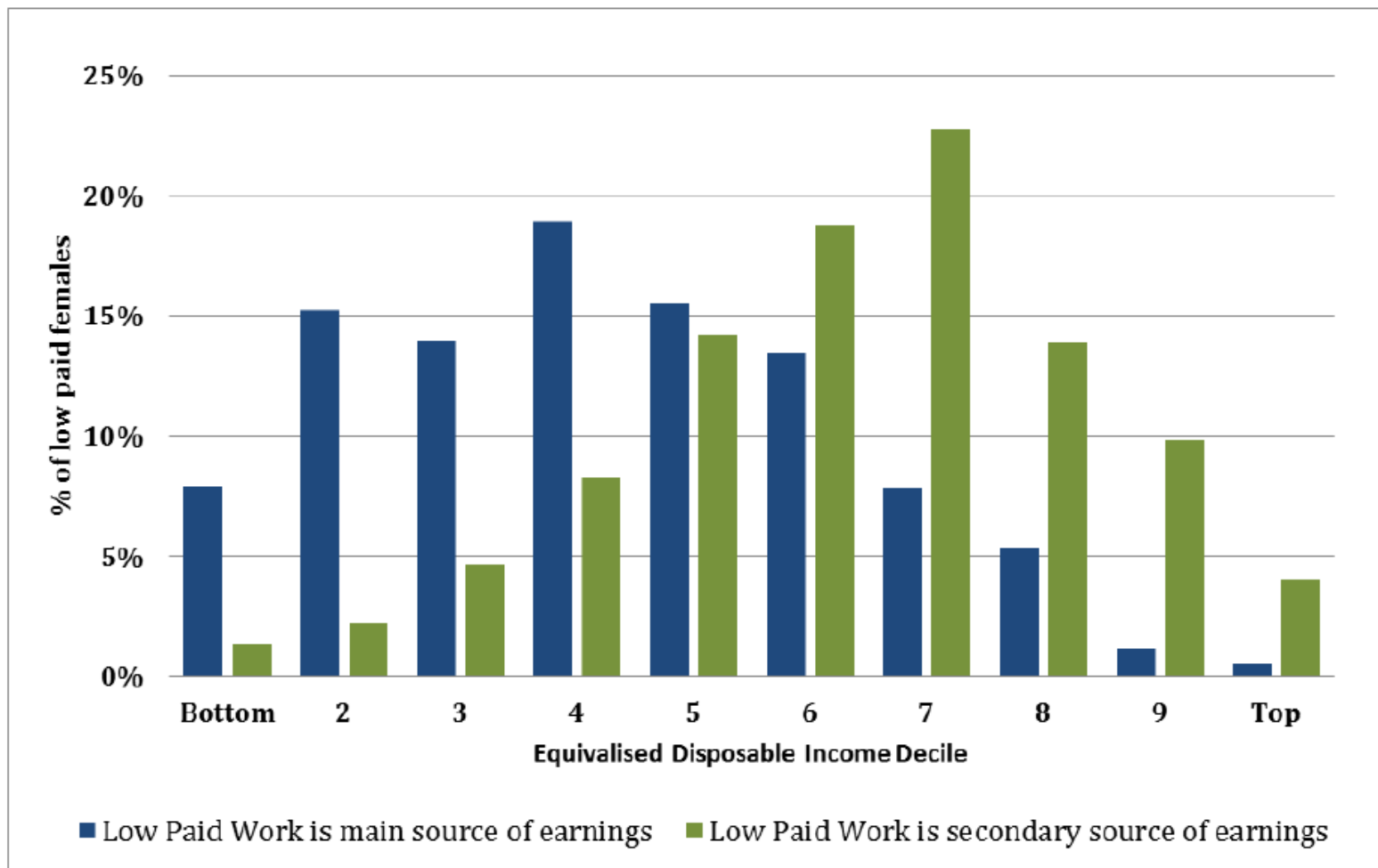
**Male**  
**Low Paid Workers**



**Female**  
**Low Paid Workers**



### Chart 4.5: Distribution of Low Paid Female Earners in the Income Distribution, by Main Earner and Secondary Earner




# 6. Next Steps

- A forthcoming research paper
  - 2014 data update
  - Econometric analysis to do
  - However, not all that different to overall picture...
- Points to:
  - Adequacy issues regarding pay in certain sectors
  - Sustainability/stability of that employment income
  - role beyond hourly rates
  - barriers to work and more work

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