

A Profile of the Older Working Poor

Yoon G. Lee, Utah State University¹
William T. Gallo, Yale University²
Sin-How Lim, University of Pittsburgh³
Hsun-Mei Teng, Yale University⁴

Abstract

This study is an exploratory, cross-sectional study that investigates correlates of working poverty among older workers between the ages of 51 and 61. The study focuses on older workers between these ages because this age group is not yet eligible for Social Security Benefits. Using the 2000 wave of the Health and Retirement Study (HRS), this study has 3 objectives: 1) to provide a profile of older workers who are poor; 2) to compare differences in socio-economic, labor, health, and financial attributes between older working poor and older working non-poor; and 3) to identify factors that are associated with the odds of being among the older working poor in the U.S. labor force.

The results show that a greater proportion of the older working poor are female, non-white, and non married than the older working non-poor. The older working poor also average fewer years of education and have amassed significantly lower non-housing household wealth than the older working non-poor. The older working poor are less likely to be employed full time, have nearly three fewer years of service, are approximately 70% more likely to hold their current positions for two or fewer years, and are 70% less likely to be covered by employer-sponsored health insurance than the older working non-poor. The older working poor also tend to be concentrated in service occupations, with about two-fifths of participants reporting employment in such occupations.

After controlling for other factors, the results show that the older working poor are non-white and have lower education. Relative to married individuals, those who are separated or divorced have a two-fold risk of being among the older working poor; widows/widowers have a three-fold increased risk; and those who report never having been married have an almost a 4.4 times increased risk of being among the older working poor. Net worth is also negatively associated with working poverty among older employed individuals. Individuals who report working part time are 90% more likely to be among the older working poor and workers with employer-covered health insurance are 59% less likely to be among the older working poor.

¹Assistant Professor, Department of Family, Consumer, and Human Development, Logan, Utah 84322-2905. E-mail: yoonee@cc.usu.edu Phone: (435) 797-1555 Fax: (435) 797-3845

² Associate Research Scientist, Department of Epidemiology and Public Health, New Haven, CT 06510. E-mail: william.gallo@yale.edu Phone: (203) 764-6729 Fax: (203) 764-9831

³ Doctoral Student, Department of Public Health, Center for Healthy Aging, Pittsburg, PA 15213. Phone: (203) 764-6729 Fax: (203) 764-9831

⁴ Programmer/Analyst, Department of Epidemiology and Public Health, New Haven, CT 06510. E-mail: hsun-mei.teng@yale.edu Phone: (203) 764-9891 Fax: (203) 764-9831