

Employment and the Subjective Well-Being of 60-80 Year Old People

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Introduction

- ❖ Systematic relationship between subjective well-being (SWB) data and employment status.
- ❖ Benefits of SWB for individuals: Health, income, social behavior, and workplace success.
- ❖ The associations between SWB of older people and their employment status: being unemployed have a negative effect and employment is beneficial. On the other hand, retirement carries no negative effect, or actually improve psychological well-being.

Objective

To analyze the role of employment in older age SWB

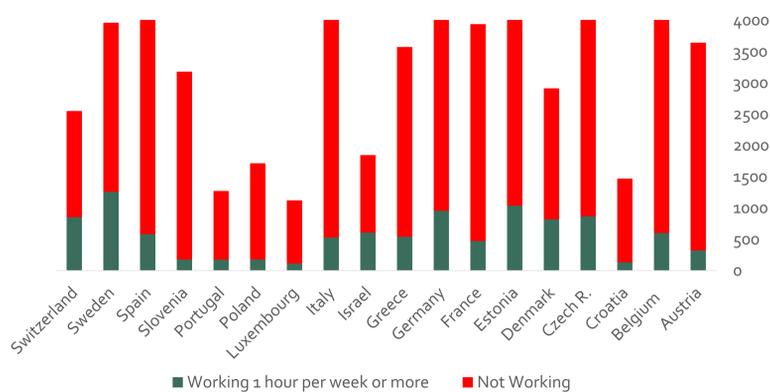
1. The association of employment at older age (60-80 years old) with SWB.
2. The effect of the number of work hours and the nature of work (physically demanding, allow development, stressful) on older age SWB.

Methods

Data: Waves 2, 4, 5 & 6 of the SHARE.

Participants: 58,197 participants aged 60 to 80 years old, from 18 countries.

Number of participants by country



Measures

SWB - Self-perceived 'satisfaction with life' (completely dissatisfied =0 to completely satisfied =10).

Hours worked per week - Participants' report about "total number of hours usually worked per week".

Nature of job - Development: *I have an opportunity to develop new skills.*

Pressure: *I am under constant time pressure due to a heavy workload.*

Physically: *My job is physically demanding.*

Statistics

2SLS regression analysis since 'Hours worked per week' and 'Employed' were endogenous.

'Age' as instrument variable (IV).

Main Results

The effect of being employed, job characteristics and socio-demographic variables on SWB (coefficients)

N= 58,197

Dependent variable	Employed	Satisfied
	Logit (first stage)	OLS (second stage)
Method		
Age	-1.21 ***	
Age Square	0.007 ***	
Female	-0.49 ***	0.01
Never married	0.19 ***	-0.38 ***
Divorced	0.39 ***	-0.48 ***
Widowed	-0.16 ***	-0.32 ***
Years of education	0.10 ***	0.02 ***
IADL	-0.60 ***	-0.38 ***
Number of children	0.07 ***	0.04 ***
Quantile (1-5)		
Income (Q2)		0.20 ***
Income (Q3)		0.32 ***
Income (Q4)		0.45 ***
Income (Q5)		0.50 ***
Doing voluntary work	0.13 ***	0.22 ***
Employed (Predicted)		-0.29 ***
Employed (predicted) X pressure		-0.37205 ***
Employed (predicted) X development		0.546407 ***
Employed (predicted) X self employed		0.326489 ***

First stage

Significance levels: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

❖ Age, females, widowed, poor health negatively associated with the probability of being employed.

❖ Never got married, divorced, more educated, voluntary activities higher probability of being employed.

Second stage

❖ Those who do not work enjoy a higher level of life satisfaction.

❖ Worked in developing jobs, self-employed higher level of life satisfaction.

❖ Work under pressure lower level of satisfaction.

The effect of hours worked per week, job characteristics and socio-demographic variables on SWB of working people (coefficients)

N=10,273

Dependent variable	Hours worked per week	Satisfied
	OLS (first stage)	OLS (second stage)
Method		
Age	-3.97 ***	
Age Square	0.03 ***	
Female	-7.36 ***	-0.05
Marital status		
Never married	0.47	-0.25 **
Divorced	-0.11	-0.20 ***
Widowed	0.79	-0.33 ***
Years of education	0.11 ***	0.02 **
IADL	-1.62 ***	-0.47 ***
Number of children	-0.08	0.05 ***
Quantile 2		0.11 *
Quantile 3		0.19 ***
Quantile 4		0.33 ***
Quantile 5		0.42 ***
Doing voluntary work	-3.63 ***	0.10 **
Hours Worked (Predicted)		-0.009 **
Hours Worked (Predicted) X pressure		-0.005 ***
Hours Worked (Predicted) X development		0.007 ***

First stage

❖ Age and doing voluntary activity a negative effect on working hours.

❖ Females were found to work a lower number of hours per week.

❖ More years of education positively associated with the number of working hours.

Second stage

❖ Those who worked more hours experienced a lower level of life satisfaction.

❖ The negative effect was found to be stronger for work under pressure.

Summary

❖ **Individual characteristics** (gender, years of education, health, marital status) significantly affect life satisfaction.

❖ **Intrinsic features of the job** (pressure, physically demanding job, opportunity to develop new skills) are associated with life satisfaction at older age.

❖ Those who are not employed a higher life satisfaction. Those who work more hours per week feel less satisfied.

❖ **But-** in some types of work/professions, continued employment improve life satisfaction.

Conclusion

❖ Leisure without work is not always the most favorable choice.

People who derive satisfaction from the intrinsic features of their job should postpone retirement.

❖ Continuous work in an intrinsically rewarding job combined with investment in relevant skills and knowledge is a path leading to the optimal experience.

❖ Organizations can use these results to better understand the reasons and motives of older workers, and thus better adjust to the challenges of population ageing.