

## Chapter 12

### The Low-Paid Worker

(Revised order)

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- ✓ Who are the Low-paid workers? 2
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- ✓ Age and Disability. 4
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- { The income unit and the Household Unit.
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## The Low-paid Worker - Chapter 14 of Poverty in the U.K.

### What is Low-Pay?

Before embarking on an analysis of the incidence of low pay and a description of the characteristics of the low paid worker as demonstrated by the poverty survey it is essential to do two things: say what we mean by "low-pay" and ensure that we can justify our choice of definition. This is best done by a brief discussion of previous attempts to outline who the low-paid are ~~by~~ according to various ~~with~~ <sup>criteria</sup> ~~criterion~~ and a demonstration of how our criterion improves on these.

The first type of low pay definition and perhaps the most naive is that employed implicitly and explicitly by the TUC in their attempts at setting a national minimum wage. Their approach is to specify a cash amount which is usually inapplicable by the time it is agreed upon. Hilde Behrend has <sup>published</sup> ~~explored~~ the results of a survey<sup>1</sup> which at different points of time asked people what they thought to be "low pay". As earnings and prices rose through time the majority view rose with it, yet still the TUC insists on dismissing low pay in the following terms, ignoring the worker's relative position in the wage structure<sup>2</sup> :-

"Over one million full time adult women (25%) earned less than £10 a week and nearly 70% earned less than £15 a week. Nearly one million full time adult men (8%) earned less than £15 a week and almost two million earned less than £17 a week."

To be fair to the TUC they do discuss alternative definitional procedures for setting a national minimum wage but the damage is done: as long as they insist on legislating for cash amounts a minimum wage in cash amounts, not even in real terms, they will ~~be~~ regularly be revising it upwards.

Another approach is to use the social standard as defined in chapter 6 and used in chapter 7. This does relate the definition to an existing standard of need but one which changes in a somewhat

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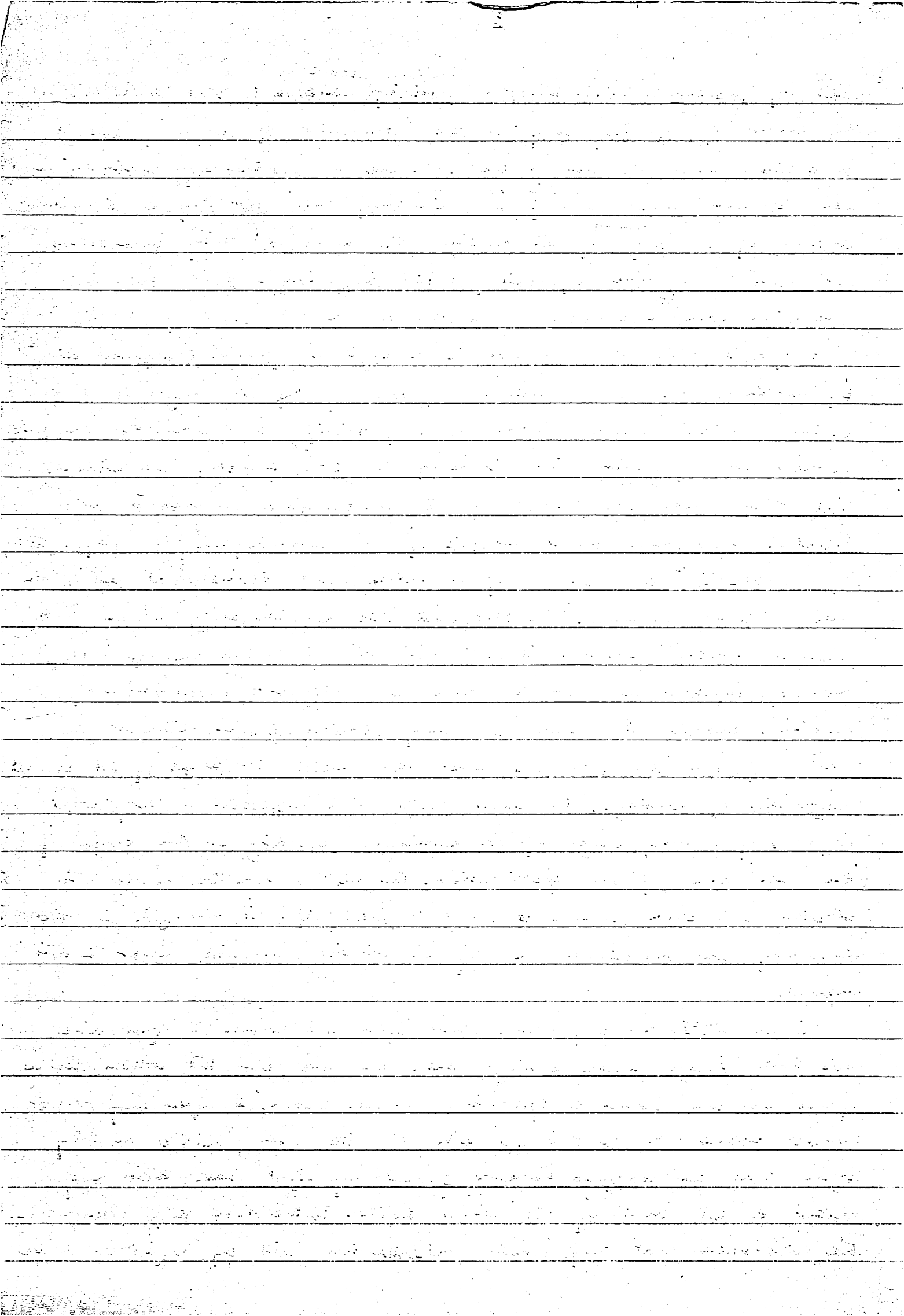
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arbitrary fashion and is therefore <sup>mainly useful</sup> ~~partially~~ <sup>merely</sup> in that it identifies the extent of low pay only as the government of the day sees fit to define it. Hence taken to the extreme a particularly parsimonious administration could ~~claim to~~ <sup>claim to</sup> ~~state they~~ have partially cured the problem of low pay <sup>merely</sup> by not raising the standard they themselves set down in a time of fairly rapid inflation - draw your own conclusion <sup>at</sup> ~~unto~~ <sup>from</sup> these remarks are directed!

A further alternative approach is to begin as Judith Marquand did<sup>3</sup> by outlining the general incidence of low pay ~~by~~ with reference to the social standard and then more precisely pinning down ~~who~~ these low-paid workers are by making intra-industry and inter-industry comparisons. This attempt uses the concept of the lowest decile, a method also adopted by a more recent analysis of the problem of the low pay, that of the NBPI<sup>4</sup> as well as by an article Derek Robinson<sup>5</sup> at the same time as Judith Marquand. Miss Marquand raises the interesting problem (and implied criticism) associated with the application of deciles and quartiles, that of whether different industries have different distributions of earnings. This is not however the only criticism one can level at the choice of the decile, for one must also consider the shape of the overall distribution of earnings. The lowest decile could represent a very wide or a very narrow range of low earnings, depending on the shape of the tail end of the distribution. The NBPI nevertheless adopt this criterion and short comment ~~is~~ on their justification is therefore in order since they also rule ~~out~~ <sup>out</sup> use of the criterion we still adopt in this chapter.

To the NBPI low pay occurs where "men and women in full-time jobs have average weekly earnings which are lower than the bottom decile of all men and women in full-time manual work." ~~it follows~~ <sup>it follows</sup> they do not however propose to use this approach on its own, neither do they argue that all low-paid workers should by right have their pay raised to the level of the lowest decile. Furthermore they acknowledge the drawback that any earnings distribution will by definition have





a lowest decile and thus their approach "assumes that there will always be low pay and provides no target for improvement". They claim however that since the distribution of earnings among manual workers has remained fairly stable over time the objection is largely overcome. This argument lacks a degree of credibility for it seems to implicitly assume that this will continue to be the case and moreover that it will continue in spite of proposed attempts to alleviate the problem of low pay which could quite easily affect this very same distribution.

Basically our objection to the use of the decile is that it partially ignores the relative part of the problem of low pay: to say that a worker is in the lowest decile of earnings ~~is~~ does not say by how much he falls below any ~~acceptable~~ minimum earnings level consistent with a generally acceptable standard of living. Thus we propose to use the measure of last week's gross earnings and <sup>last year's</sup> ~~the~~ average weekly gross earnings as percentages of their ~~means~~ <sup>for male & female separately</sup> respective means, ~~which~~ ~~do not pretend that this analysis~~ and then adopt a specific percentage level ~~as~~ below which workers will be said to be "low-paid". We do not pretend that this approach is perfect, indeed its shortcomings are described as they occur in the chapter. As the NSPI points out, a sole income provider may or may not be in poverty according to the size of his family. ~~However~~ <sup>however</sup> If he is low-paid relative to ~~either the mean~~ <sup>the mean</sup> he will be low-paid whether he has no children or ten. In other words low pay and poverty are not always the same thing and they, like us in this chapter were supposed to be investigating low pay. Finally ~~they~~ <sup>of the mean</sup> the NSPI also attacks the arbitrary nature of choosing a fixed percentage (such as we ~~intend to do~~ <sup>earlier</sup> (their analysis of <sup>the</sup> percentage approach being discussed with reference to that percentage comprising the supplementary benefit scale rate for say a married couple and two children). What they fail to explain is how their method of choosing the lowest decile is any less arbitrary.



1. The first part of the paper is devoted to a general discussion of the problem of the existence of a solution of the system of equations (1) for arbitrary values of the parameters  $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \varphi, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \varphi$ .

2. In the second part we shall consider the case when the parameters  $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \varphi$  are not arbitrary but satisfy certain conditions.

3. The third part of the paper is devoted to a detailed analysis of the case when the parameters  $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \varphi$  are not arbitrary but satisfy certain conditions.

4. In the fourth part we shall consider the case when the parameters  $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \varphi$  are not arbitrary but satisfy certain conditions.

5. The fifth part of the paper is devoted to a detailed analysis of the case when the parameters  $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \varphi$  are not arbitrary but satisfy certain conditions.

6. In the sixth part we shall consider the case when the parameters  $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \varphi$  are not arbitrary but satisfy certain conditions.

7. The seventh part of the paper is devoted to a detailed analysis of the case when the parameters  $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \varphi$  are not arbitrary but satisfy certain conditions.

8. In the eighth part we shall consider the case when the parameters  $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \varphi$  are not arbitrary but satisfy certain conditions.

9. The ninth part of the paper is devoted to a detailed analysis of the case when the parameters  $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \varphi$  are not arbitrary but satisfy certain conditions.

10. In the tenth part we shall consider the case when the parameters  $\alpha, \beta, \gamma, \delta, \epsilon, \zeta, \eta, \theta, \iota, \kappa, \lambda, \mu, \nu, \xi, \omicron, \pi, \rho, \sigma, \tau, \upsilon, \phi, \chi, \psi, \omega, \varphi$  are not arbitrary but satisfy certain conditions.

## References

1. H. Behrend, "What is Low Pay?" SSRC Newsletter No. 12, June 1971.
2. Trades Union Congress, "Low Pay", 1970.
3. J. Margnand "Which are the Lower Paid Workers" B. Jour. of Ind. Rel. 1967.
4. NSPI, "General Problems of Low Pay" Cmd 4648, April 1971.
5. D. Robinson, "Low Paid Workers and Income Policy" Bull. of O.U.I.E.S. 1967.





## Who are the low-Paid?

Many factors combine to identify the low-paid and some of these, and the extent to which they are correlated with the incidence of low pay, are discussed in this section, and its constituent parts comprising the majority of the remainder of this chapter. Low pay to us is here looked upon in the context of percentages of the mean income for male and female separately, avoiding the obvious drawback of merely labelling women as low-paid if a combined mean were taken, and uses ~~the~~ two percentage levels: less than 60% of the mean and less than 80% of the mean. We hope in this way not only to identify the relatively large group who are fairly low-paid relative to the national average but also the smaller group who are substantially lower-paid than the average. All tables which draw attention to different characteristics of the low-paid use these two levels.

Generally speaking the chapter attempts a number of things. Firstly the characteristics of men and women with low earnings are analysed ~~for example that~~ so that low pay is looked at for example in a regional context, a class context or according to workers' ages. Second it makes some differentiation between employed and self-employed workers and investigates their relative standing of earnings. Next there is a discussion of the relationship between low pay in the income unit and the household unit and finally the chapter compares some of its results with those of the National Earnings Survey for 1968.

## Regional Differences

In table 12/1 ~~the~~ the incidence of low pay is sub-divided into a regional analysis showing the different percentages who fall below 60 and 80 per cent of the national mean for 9 regions of the United Kingdom. The results shown do throw some light on particular areas of low pay, and notably highlight the problems of Northern Ireland and Scotland. Both these regions contain substantially higher proportions

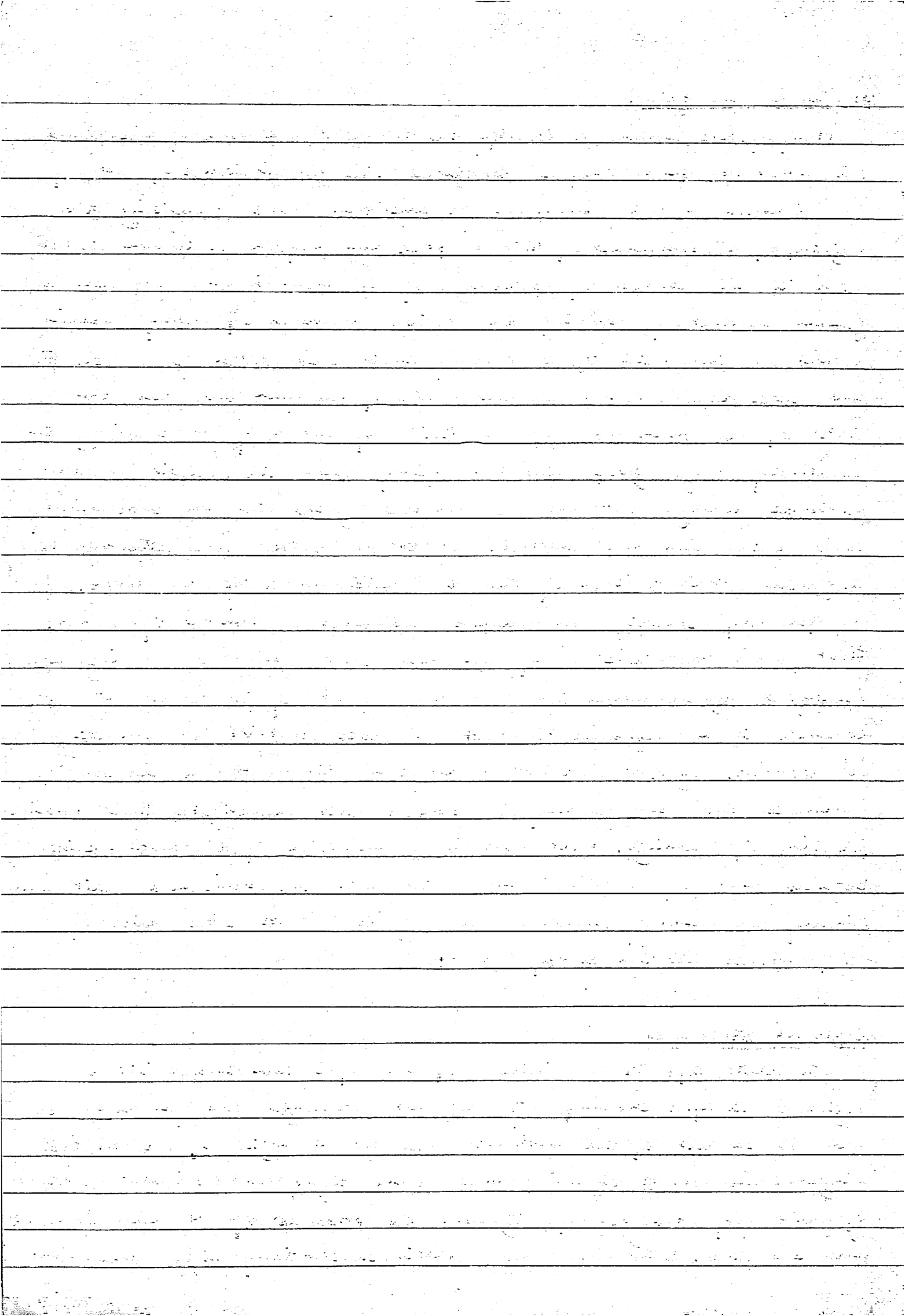




Table 13/1 (no. for employed wks. only last wk and last year)  
Low pay by regions

4A.

Region	Last wk		Last yr.	
	<60%	<80%	<60%	<80%
<b>(MALE)</b>				
1. Greater London	5.6%	31.6%	6.5%	26.9%
2. S. East	5.9%	32.4%	3.8%	31.4%
3. Anglia & E. Mid.	6.1%	38.9%	4.6%	44.3%
4. Wales & S.W.	13.7%	42.0%	13.1%	42.8%
5. W. Midlands	11.0%	35.6%	10.5%	34.1%
6. N.W.	11.4%	45.6%	9.4%	42.7%
7. N.E.	9.7%	46.0%	10.3%	45.6%
8. N. Ireland	50.0%	58.7%	62.1%	58.6%
9. Scotland	20.2%	48.3%	21.0%	50.8%
<b>(FEMALE)</b>				
1.	3.8%	16.2%	4.8%	18.1%
2.	17.7%	44.2%	17.7%	44.2%
3.	10.5%	45.9%	8.4%	45.9%
4.	24.6%	49.2%	27.6%	48.3%
5.	15.9%	36.2%	15.9%	37.6%
6.	18.0%	47.1%	18.2%	49.1%
7.	17.8%	35.5%	17.8%	35.5%
8.	45.0%	70.0%	45.0%	75%
9.	20.5%	50.0%	25.0%	47.7%
employed	11.4%	41.8%		
All males	<del>15.3%</del>	<del>43.3%</del>	10.9%	39.7%
employed				
All females	16.3%	39.2%	16.8%	39.7%
All males	15.3%	43.3%		
All females	17.4%	<del>40.8%</del>		

figs. for all earners during last year?



Year	Month	Day	Time	Location	Notes
1971	1	1	10:00	100-10	100-10
1971	1	2	10:00	100-10	100-10
1971	1	3	10:00	100-10	100-10
1971	1	4	10:00	100-10	100-10
1971	1	5	10:00	100-10	100-10
1971	1	6	10:00	100-10	100-10
1971	1	7	10:00	100-10	100-10
1971	1	8	10:00	100-10	100-10
1971	1	9	10:00	100-10	100-10
1971	1	10	10:00	100-10	100-10
1971	1	11	10:00	100-10	100-10
1971	1	12	10:00	100-10	100-10
1971	1	13	10:00	100-10	100-10
1971	1	14	10:00	100-10	100-10
1971	1	15	10:00	100-10	100-10
1971	1	16	10:00	100-10	100-10
1971	1	17	10:00	100-10	100-10
1971	1	18	10:00	100-10	100-10
1971	1	19	10:00	100-10	100-10
1971	1	20	10:00	100-10	100-10
1971	1	21	10:00	100-10	100-10
1971	1	22	10:00	100-10	100-10
1971	1	23	10:00	100-10	100-10
1971	1	24	10:00	100-10	100-10
1971	1	25	10:00	100-10	100-10
1971	1	26	10:00	100-10	100-10
1971	1	27	10:00	100-10	100-10
1971	1	28	10:00	100-10	100-10
1971	1	29	10:00	100-10	100-10
1971	1	30	10:00	100-10	100-10
1971	1	31	10:00	100-10	100-10
1971	2	1	10:00	100-10	100-10
1971	2	2	10:00	100-10	100-10
1971	2	3	10:00	100-10	100-10
1971	2	4	10:00	100-10	100-10
1971	2	5	10:00	100-10	100-10
1971	2	6	10:00	100-10	100-10
1971	2	7	10:00	100-10	100-10
1971	2	8	10:00	100-10	100-10
1971	2	9	10:00	100-10	100-10
1971	2	10	10:00	100-10	100-10
1971	2	11	10:00	100-10	100-10
1971	2	12	10:00	100-10	100-10
1971	2	13	10:00	100-10	100-10
1971	2	14	10:00	100-10	100-10
1971	2	15	10:00	100-10	100-10
1971	2	16	10:00	100-10	100-10
1971	2	17	10:00	100-10	100-10
1971	2	18	10:00	100-10	100-10
1971	2	19	10:00	100-10	100-10
1971	2	20	10:00	100-10	100-10
1971	2	21	10:00	100-10	100-10
1971	2	22	10:00	100-10	100-10
1971	2	23	10:00	100-10	100-10
1971	2	24	10:00	100-10	100-10
1971	2	25	10:00	100-10	100-10
1971	2	26	10:00	100-10	100-10
1971	2	27	10:00	100-10	100-10
1971	2	28	10:00	100-10	100-10
1971	2	29	10:00	100-10	100-10
1971	2	30			

of their population earning less than 60% of the mean for ~~both~~ males and females than is true nationally. The national figures are in fact shown at the foot of table 12/1 and perhaps a brief digression on there is required. They show that ~~both~~ <sup>employed</sup> in the 'last week' and 'last year' analyses ~~men~~ and women seem to be equally seriously affected at the level of 80% of the mean. However the significant feature of this is that a higher proportion of the women below 80% are also below six 60% thus revealing the increased severity of the problem of the low pay among women. Turning to the figures for all workers, employed and self-employed, this distinction loses effect since the influence of the self-employed men on the proportion of males below 60% is greater than that of the self-employed women who incidentally number very few in total. This point is pursued further in a later section.

Returning to the regional analysis there are more points which need brief attention. Comparing first last week and last year there does not seem to be any appreciable differences between the two groups of figures. However differences do exist between the male and female sets of figures. Greater London has lower proportions of female low-paid, both under 60% and under 80% while in all other areas the female workers are more seriously low-paid than male workers, (excepting N. Ireland where the female figure for 60% is less than the male figure while that for 80% is greater, and the N.E. where the <sup>reverse</sup> is true). The three areas comprising the best paid bloc relative to a national average in terms of proportions of low-paid are Greater London, the S. East and E. Anglia and the E. Midlands, the traditionally most prosperous part of the UK. Apart from these, for males, only the N. East and the W. Midlands are below the national figure for 60% of the mean, and for females only the W. Midlands, while also the figure for the S. East is greater than for all employed females.

Certain points must however be noted and taken into account when considering these tables. Firstly this table like many of the others is

1. The first step in the process of the scientific method is to make an observation or ask a question. This is often based on something you notice in the world around you. For example, you might notice that a plant in your garden is growing faster than the one next to it. This leads to a question: "Why is this plant growing faster?"

2. Next, you do background research. This means looking up information about the topic you are interested in. In our example, you might look up information about different types of plants and what factors affect their growth. This helps you to understand what you are observing and what might be causing it.

3. Then, you make a hypothesis. A hypothesis is a statement that you think is true, but you need to test it. In our example, you might say, "I think the plant is growing faster because it gets more sunlight than the other plant." This is your prediction about what will happen.

4. After that, you test your hypothesis. This means doing an experiment to see if your prediction is correct. In our example, you might move the plant to a different location where it gets less sunlight and see if it grows slower. You would need to make sure that the only difference between the two plants is the amount of sunlight they get.

5. Finally, you analyze your data and draw a conclusion. This means looking at the results of your experiment and deciding if they support your hypothesis. If the plant in the new location grows slower, then your hypothesis is supported. If it grows just as fast, then your hypothesis is not supported, and you might need to think of a new hypothesis to test.



the chapter deals only with employed workers and as the figures at the base of the table show the addition of the self-employed does have a marked effect. Thus when considering whether the proportions of low-paid ~~are~~ for each region are greater or less than the national average it is only valid to make comparisons with the national figures for all employed workers, as we have done above. This is brought to the attention to the reader now in order that he might appreciate while considering the other ~~chapter~~ tables in the chapter which figure is appropriate (a note is made at the head of each table) and so that he realises why the figures alongside "All" ~~are~~ vary between tables.

A more serious criticism ~~is~~ of this presentation concerns the use of the national average wage as the yardstick alongside which the incidence of low-pay is determined. This of course obscures the fact that some regions may appear to ~~be~~ contain higher proportions of low-paid workers than they actually have relative to the price and wage level ruling in that particular region. Housing costs for example vary substantially throughout the country and thus it is quite possible that ~~although~~ <sup>although</sup> ~~because~~ that a person is low-paid relative to the national average he will not consider himself or be low-paid in his own community. To what extent this biases the results is difficult to gauge - it must however be borne in mind.

### Age and Disability

The influence of age <sup>is</sup> ~~has been~~ partly dealt with in chapter 13 on the older worker but brief mention should be made of the conclusions to be drawn from table 12/2 which groups all workers into five age categories and clearly portrays the lot of the older worker. Among those aged 60-65 there are twice as many males below 60% of the mean as there are overall and 60.7% of all males over 60 are less than 80% of the mean compared with 43.5% of the population as a whole. ~~Strangely enough~~ <sup>Naturally</sup> this characteristic is repeated among <sup>not</sup>

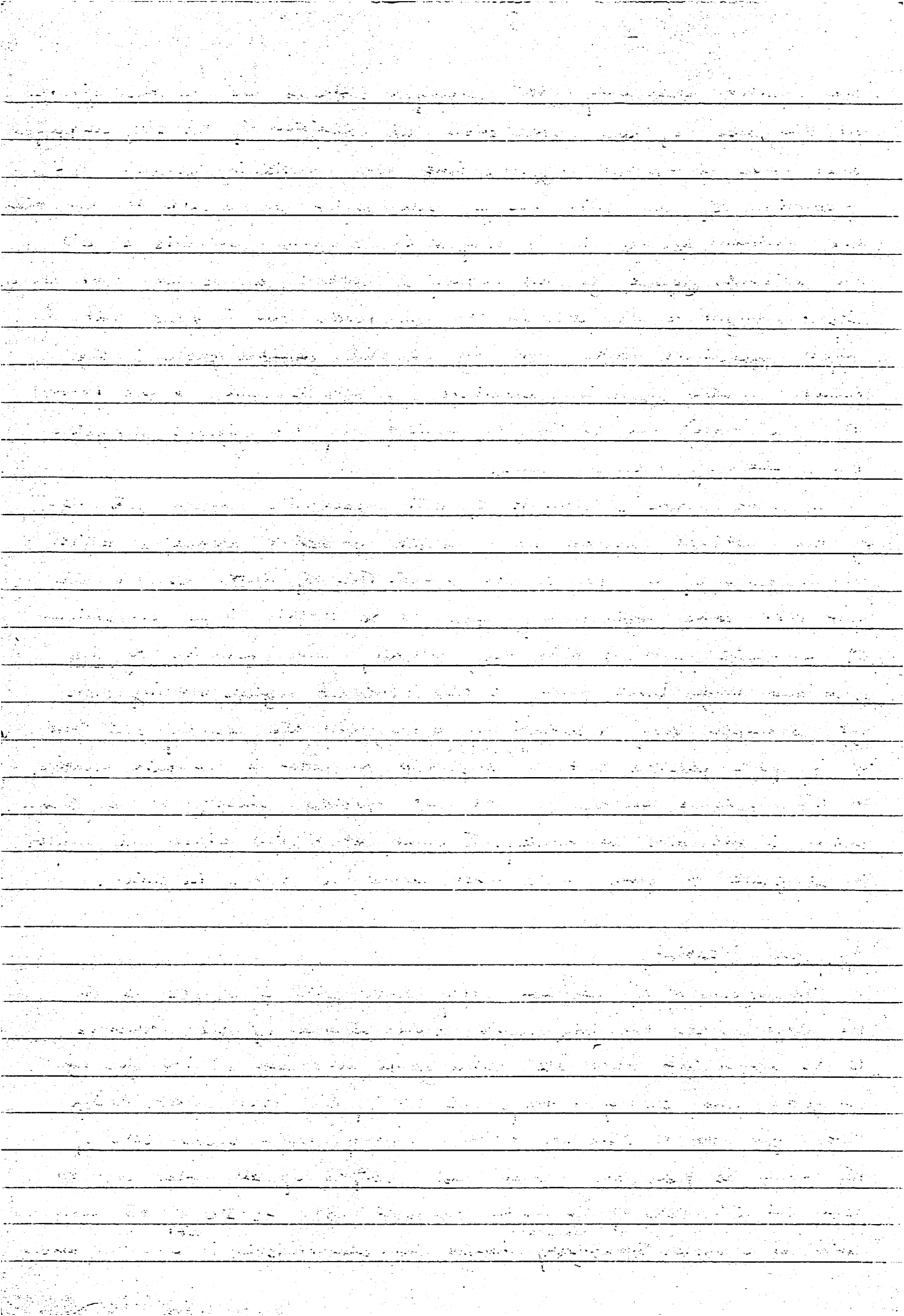


Table 12/2 (no. last week for all workers)

6A.

Age and the low-paid.

Age-group:-

MALE

FEMALE<sup>+</sup>

	< 60%	< 80%	< 60%	< 80%
21-29	16.3%	46.7%	8.3%	24.3%
30-39	10.0%	33.7%	12.4%	29.3%
40-49	11.5%	36.7%	19.0%	50.0%
50-59	16.5%	48.8%	26.4%	48.2%
60-65	31.7%	60.7%	16.7%	38.9%
All	15.3%	43.3%	17.4%	41.0%

MALE + FEMALE

	< 60%	< 80%
21-29	13.7%	39.4%
30-39	12.5%	34.7%
40-49	13.6%	40.4%
50-59	18.8%	48.6%
60-65	29.6%	57.6%
All	15.9%	42.6%



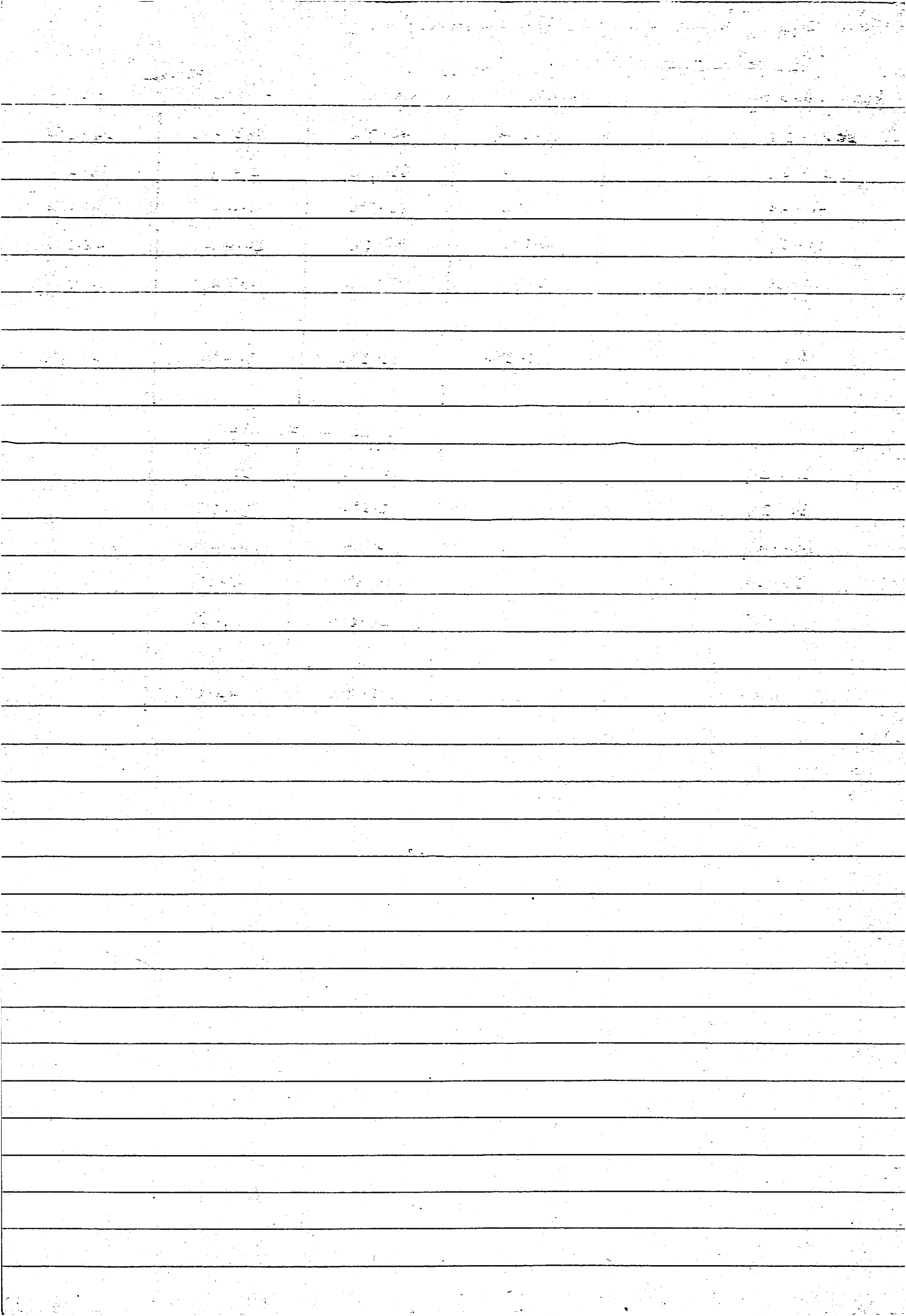


Table 12/3

Low pay and its relation to disablement.

## Degree of Incapacity

MALE		Last wk		Last year	
		< 60%	< 80%	< 60%	< 80%
None	0	10.2%	37.9%	10.1%	37.8%
Slight	1-2	15.6%	47.4%	13.8%	52.3%
More Severe	3+	22.6%	51.4%	17.5%	47.5%
All	(1277)	11.4%	39.8%	10.9%	39.7%

## FEMALE

None	0	15.2%	37.2%	15.6%	37.6%
Slight	1-2	20.6%	44.1%	20.6%	47.1%
More Severe	3+	25.7%	60.0%	28.6%	60.0%
All	(528)	16.3%	39.2%	16.8%	39.7%

## Disablement condition

## MALE

YES	17.0%	45.0%	15.2%	45.7%
NO	10.9%	39.4%	10.4%	39.0%
All	11.4%	39.8%	10.9%	39.7%

## FEMALE

YES	25.5%	61.7%	25.8%	61.7%
NO	15.4%	37.0%	16.0%	37.6%
All	16.3%	39.2%	16.8%	39.7%





Table 12/4 (no. last year) as % of employed workers mean only) 8A  
 Class and Low Pay a) Actual social class by occupational grouping.

a).	<60% MAINT	<80%	<60% FEMKUL	<80%
Prof.	3.6%	3.6%	(8.3%)	(8.3%)
Manag.	0	2.2%	12.6%	25.1%
Insp. H.	2.1%	14.2%	5.3%	15.8%
" L.	8.7%	27.6%	12.0%	24.0%
Routine	18.1%	63.9%	15.2%	36.4%
Skilled	6.9%	35.4%	22.5%	54.2%
Semi-skilled	15.8%	59.1%	20.9%	51.1%
Unskilled	33.6%	77.8%	26.6%	66.6%
b) Upper-middle	4.2%	8.4%	0	28.6%
Middle	6.6%	23.3%	10.3%	25.8%
Lower-Middle	6.3%	25.8%	9.8%	21.6%
Upper-Working	3.0%	23.1%	17.0%	33.9%
Working	13.3%	54.8%	<del>20</del> 21.3%	54.4%
Poor	28.5%	64.2%	(25.0%)	(25.0%)
None	0	47.1%	(28.6%)	(71.6%)
DK	23.8%	52.4%	(27.3%)	(54.6%)
DNA	23.2%	55.4%	(18.5%)	(32.1%)
employed All:-	<u>10.9%</u>	<u>39.7%</u>	<u>16.8%</u>	<u>38.3%</u>

Year	Month	Day	Time	Location	Remarks
1950	1	1	10:00	1000	1000
1950	1	2	10:00	1000	1000
1950	1	3	10:00	1000	1000
1950	1	4	10:00	1000	1000
1950	1	5	10:00	1000	1000
1950	1	6	10:00	1000	1000
1950	1	7	10:00	1000	1000
1950	1	8	10:00	1000	1000
1950	1	9	10:00	1000	1000
1950	1	10	10:00	1000	1000
1950	1	11	10:00	1000	1000
1950	1	12	10:00	1000	1000
1950	1	13	10:00	1000	1000
1950	1	14	10:00	1000	1000
1950	1	15	10:00	1000	1000
1950	1	16	10:00	1000	1000
1950	1	17	10:00	1000	1000
1950	1	18	10:00	1000	1000
1950	1	19	10:00	1000	1000
1950	1	20	10:00	1000	1000
1950	1	21	10:00	1000	1000
1950	1	22	10:00	1000	1000
1950	1	23	10:00	1000	1000
1950	1	24	10:00	1000	1000
1950	1	25	10:00	1000	1000
1950	1	26	10:00	1000	1000
1950	1	27	10:00	1000	1000
1950	1	28	10:00	1000	1000
1950	1	29	10:00	1000	1000
1950	1	30	10:00	1000	1000
1950	1	31	10:00	1000	1000

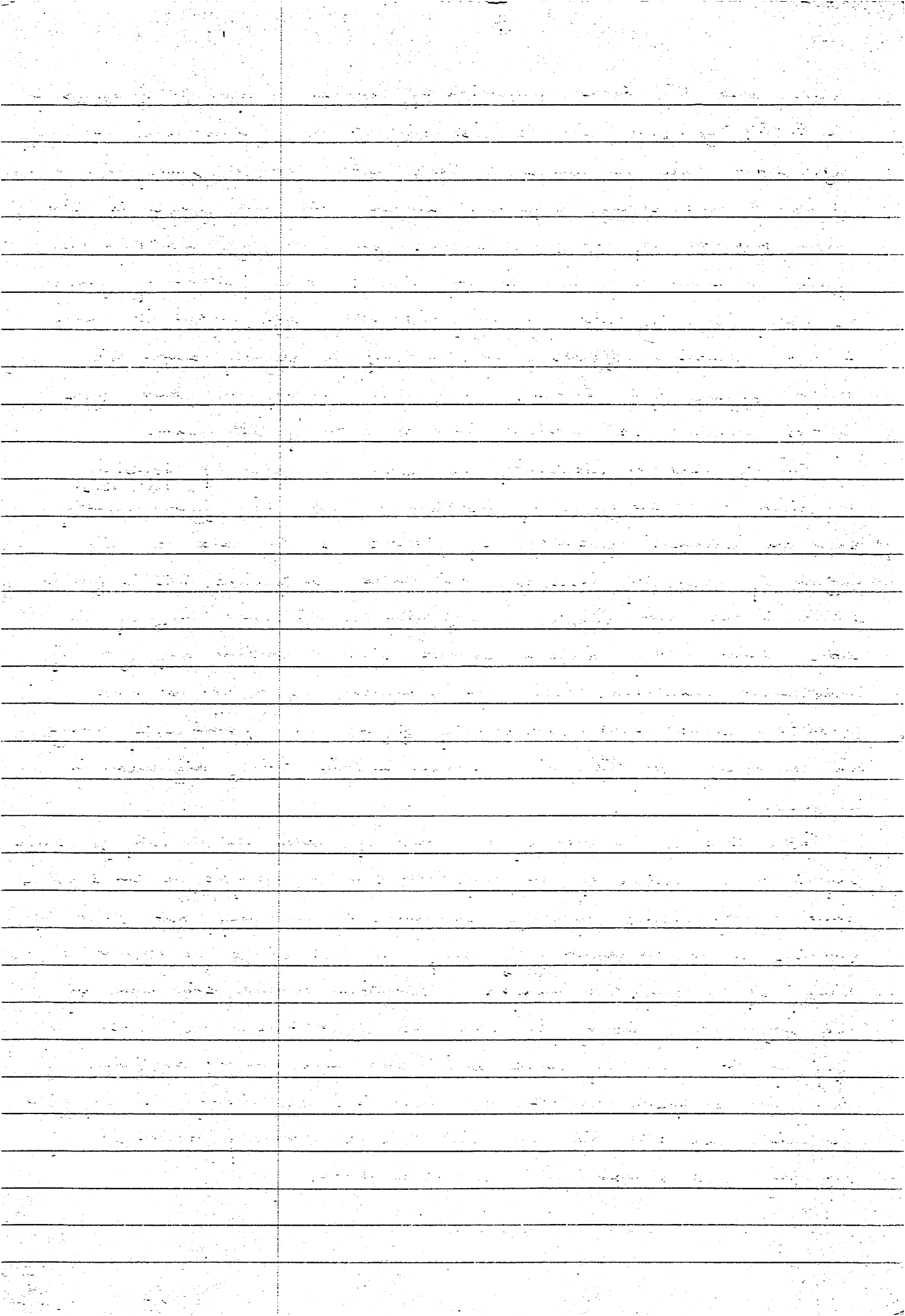


women where the highest proportion of low-paid (below 60%) occurs in the 50-59 age-group, that is just prior to the female retirement age, after which those who remain in work mirror almost exactly the overall figure. A more strange difference between male and female is that while proportions of low-paid workers fall with age and then rise again for males, there is a steady rise in the incidence of female low-pay (ignoring those over 60). This latter trend makes its mark in the combined figures <sup>proportion of workers are</sup> which low-paid is slightly below the overall figure from 21-49 and then quickly rise above from 50-65 whether we consider 60% or 80% of the mean.

Turning next to disability we used the index of disability to yield three categories of disablement and the figures clearly show an increased percentages of workers as low-paid as the degree of incapacity rises, for both males and females. This is further shown in the more simple classification in the lower half of the table which merely compares workers with or without any form of disablement condition. Those who answered yes to one or more conditions disablement consistently figure more prominently among the low-paid. At this point perhaps another brief digression is in order.

Table 12/3 is the first of a number of tables which only go half-way in a discussion of low-pay. From such an analysis we can show what characteristics identify prevalence of low-pay but what remains is an explanation of why, in other words we require a theory of low-pay. The <sup>problem</sup> analysis is sometimes clouded still more by the difficulty of identifying cause and effect - does x cause low pay or does low pay cause x? Tables alone are not sufficient for this more sophisticated task but what is? Essentially this cry from the heart expresses the hope that this preliminary treatment of low pay will prompt more detailed work.



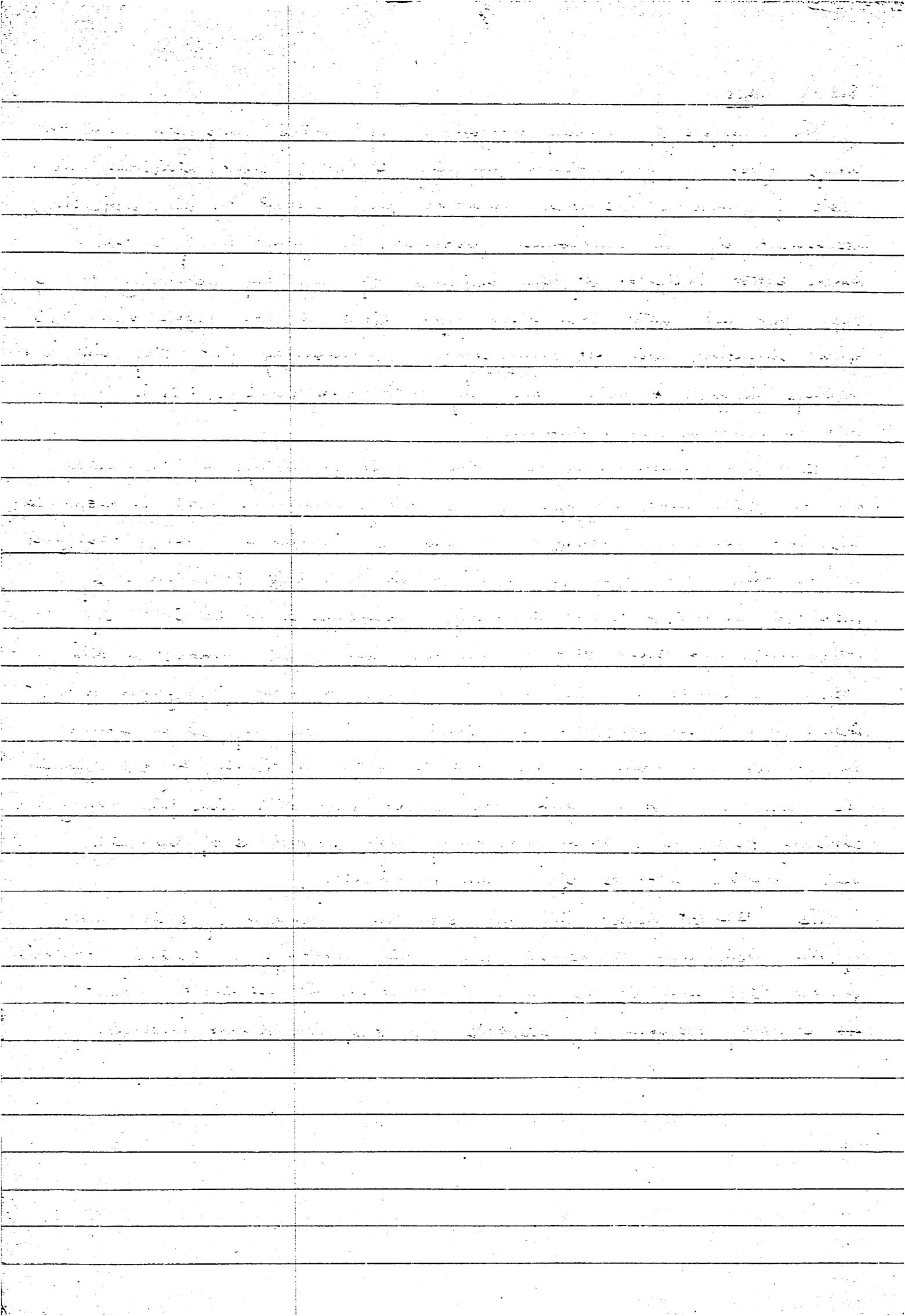


## Social Class

The analysis of low-pay categorized by social class was done two ways, first by <sup>an</sup> occupational grouping ~~involving~~ of eight divisions the basis of which is described elsewhere, and second by the subjective assessment of the individuals questioned. The former is of course a much better indicator of the incidence of low pay according to job-type but the latter does throw some light on how people view their own situation and also demonstrates conclusively that they will not always judge their own class <sup>entirely</sup> by their own earnings. This is of course not an entirely new revelation!

12/4 (a) demonstrates a clear rise in the proportions of low-paid workers, both male and female, as the occupational scale is descended. This isn't however a <sup>smooth</sup> ~~clear~~ trend and in particular those <sup>males</sup> classified as "routine" are only exceeded at the 60% and 80% levels by unskilled workers. A further interesting phenomenon is the 3.6% of professional men show 60% of the mean, but as the numbers in this cell are small it would be unwise to attach too much significance to it. Apart from these exceptions the likelihood of low pay can be seen to be greater, the lower on the scale a worker is. Turning to the females we find that this is again true except that this time the managerial category tends to produce abnormally high proportions of low-paid, and routine workers figure less prominently.

Table 12/4 (b) deals with the subjective assessment of social class by the individuals themselves and again portrays a tendency towards greater likelihood of low pay, the "lower" is the assessment, albeit too partially obscured by ~~people's~~ the subjective element involved.





## Working conditions and conditions of work.

This rather lengthy analysis has been divided into two loosely-defined categories outlined in tables 12/6 and 12/7. Both are termed external benefits insofar as they are related to the job of work but are not necessarily directly related to earnings, but the first group are pecuniary benefits such as holiday pay, sick pay and pension rights, while the second are non-pecuniary and include such things as length of notice.

The pecuniary benefits, listed above, are surveyed merely on the basis of whether or not workers are entitled to the particular benefit. Each time those who do receive these benefits contain lower proportions of low-paid workers than those who do not. Table 12/6 shows this quite clearly for both males and females, and for all three benefits, sick pay, holiday pay and a pension. The greatest discrepancy between those <sup>males</sup> who do and those who do not receive a particular benefit at the 60% level is for holiday pay, and similarly for females. However the information still only tells half the story. We are given further ~~data~~ characteristics which enable us to identify the low-paid worker but we are unfortunately no closer to a theory of why he or she is low-paid.

Turning now to table 12/7 which consists of a number of non-pecuniary benefits. These consist of the place of work, classified in six categories, the <sup>working</sup> conditions of those employed indoors according to an index of facilities ranging from 0-10, hours of work and length of notice. For some the results are less conclusive than those cited above and especially interesting is the fact that a low number of hours per week is not more highly correlated with low pay than it is. \*

Considering first the place of work, we have arranged the locations in descending order of percentages below 60% and 80% of the mean. The group with the highest proportion of low-paid at 60%, twice the overall figure in fact, is that which works outdoors in one main

\* Could be due to short-time working causing some low pay  
for low rates of pay causing other low pay.



Table 12/6 (no. last etc (except holiday pay) employed shrs. only) 10A

The incidence of low pay in relation to holiday pay, sick pay and  
i.e. external pecuniary bfts. ~~pensions, and other job extensions~~

Of the groups indicated the figs. show % of them receiving				< 60% of mean	< 80%
Those who receive sick pay (males)	(808)			9.0%	35.1%
" " do not ( " )	(422)			15.0%	50.3%
Those who receive holiday pay (males)	(1151)				
" " do not ( " )	(124)			23.4%	54.9%
Those entitled to pension (males)	(719)			7.1%	29.6%
Those who are not ( " )	(490)			16.3%	52.4%
				11.4%	41.8%
				<del>13.3%</del>	<del>43.3%</del>
				<del>14.1%</del>	<del>43.1%</del>
				employed	
				All males	
Sick pay Yes (fem.)	(318)			8.2%	26.1%
No ( " )	(173)			25.4%	54.3%
Hol. pay Yes (fem.)	(459)				
No ( " )	(70)			32.9%	60.0%
Pension Yes (fem.)	(197)			4.0%	16.2%
No ( " )	(291)			21.6%	52.5%
				16.3%	39.2%
				<del>17.1%</del>	<del>41.0%</del>
				employed	
				All females	

Want table showing % of lowpaid who  
receive sick pay, pension etc. in cf. with others  
better off.



Year	Month	Day	Time	Location	Remarks
1970	Jan	1	10:00	1000	1000
1970	Jan	2	10:00	1000	1000
1970	Jan	3	10:00	1000	1000
1970	Jan	4	10:00	1000	1000
1970	Jan	5	10:00	1000	1000
1970	Jan	6	10:00	1000	1000
1970	Jan	7	10:00	1000	1000
1970	Jan	8	10:00	1000	1000
1970	Jan	9	10:00	1000	1000
1970	Jan	10	10:00	1000	1000
1970	Jan	11	10:00	1000	1000
1970	Jan	12	10:00	1000	1000
1970	Jan	13	10:00	1000	1000
1970	Jan	14	10:00	1000	1000
1970	Jan	15	10:00	1000	1000
1970	Jan	16	10:00	1000	1000
1970	Jan	17	10:00	1000	1000
1970	Jan	18	10:00	1000	1000
1970	Jan	19	10:00	1000	1000
1970	Jan	20	10:00	1000	1000
1970	Jan	21	10:00	1000	1000
1970	Jan	22	10:00	1000	1000
1970	Jan	23	10:00	1000	1000
1970	Jan	24	10:00	1000	1000
1970	Jan	25	10:00	1000	1000
1970	Jan	26	10:00	1000	1000
1970	Jan	27	10:00	1000	1000
1970	Jan	28	10:00	1000	1000
1970	Jan	29	10:00	1000	1000
1970	Jan	30	10:00	1000	1000
1970	Jan	31	10:00	1000	1000

place. These workers employed outside generally tend to be <sup>better represented among</sup> ~~more~~ <sup>the</sup> low-paid since the next highest percentages at the 60% level and 80% levels are for those working outdoors in different places and those who travel in their work. As the worker gets a roof over his head the likelihood of his being low-paid reduces, more so if he is only under it some of the time and more so still if he is employed under a variety of different rooves, to the extent that, in this final category only 4.2% are below 60% of the mean compared with 15.3% for all workers.

The workers employed inside were further asked whether a number of facilities were provided (details of which are given elsewhere) and the subsequent index was classified into four suitable categories. This reveals in 12/7 (ii) smaller proportions of low-paid workers in indoor <sup>improve</sup> conditions, although it is neither a significant nor steady trend, at least not at the 60% level. Those <sup>males</sup> ~~whom~~ we have classified as <sup>working in</sup> ~~having~~ very poor conditions contain the highest proportion of low-paid at the 60% level but not at the 80% level where the highest proportion is of those labelled poor. For women however those with very poor conditions have the highest proportion of low pay at both 60% and 80% of the mean. The most peculiar information contained is that in this part of the table is that those workers, <sup>both male and female,</sup> whose indoor conditions are fair (7-8 on the index of facilities) have a slightly higher proportion below 60% of the mean than those whose conditions are poor (5-6 on the index), and contrary to the trend one would expect. It must however be pointed out that ~~all~~ all those answering that they had 4 or more of the facilities in the index were below the overall figure at the 60% level. This of course reflects the information contained in 12/7 (i).

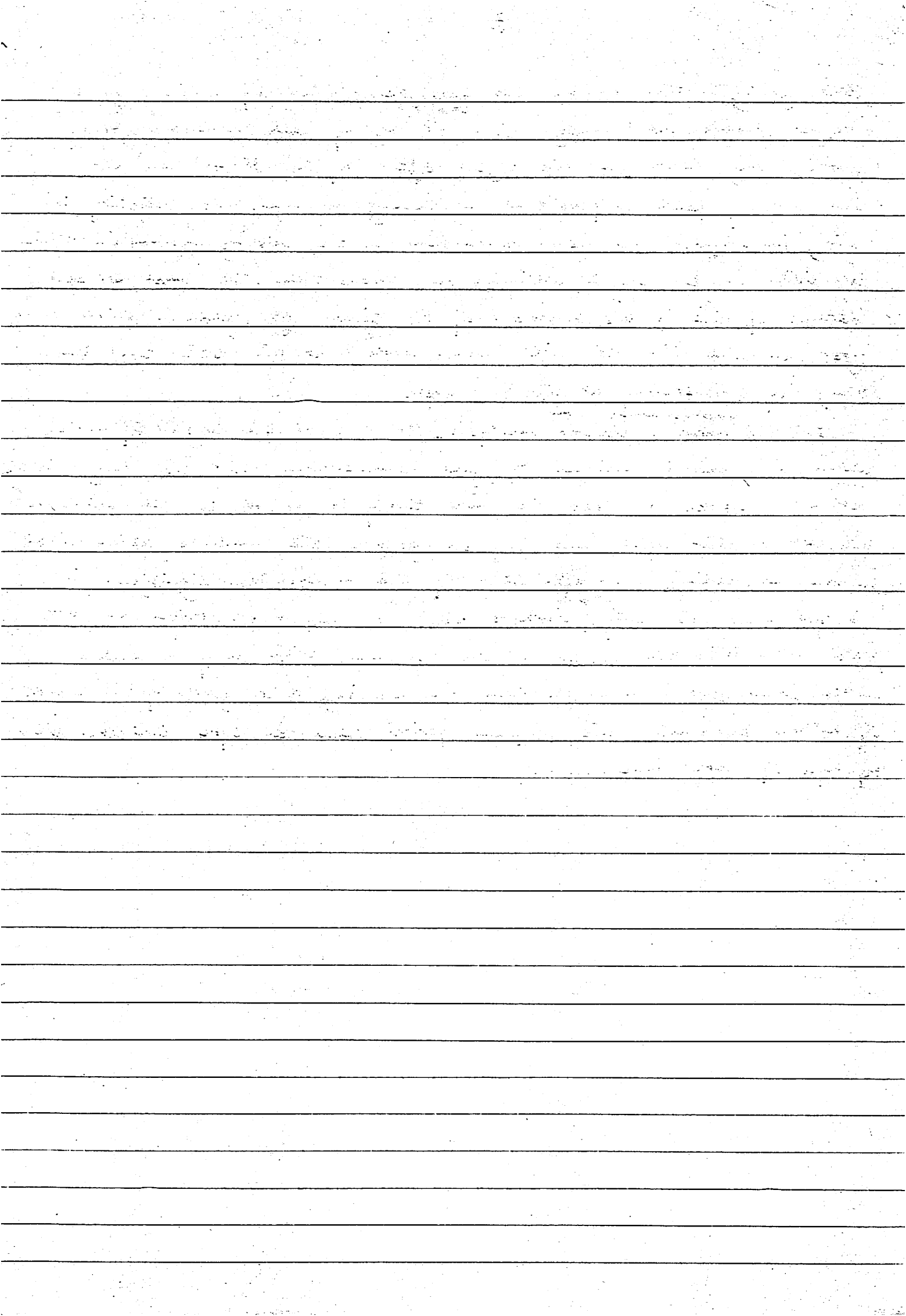
Hours of work is another condition of work which does not correlate as highly as one might think with the incidence of low pay, as the figures show. They register rises at the 60% level between 30-38 and 38-44 and between 45-53 and more than 50 but a possible explanation could be derived from a more detailed analysis of the data.

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1862. The letter is addressed to the Senate and the House of Representatives, and is signed by Abraham Lincoln. The letter is a copy of the original, and is written in ink on a piece of paper that is yellowed with age. The letter is written in a formal, official style, and is a copy of the original, and is written in ink on a piece of paper that is yellowed with age. The letter is written in a formal, official style, and is a copy of the original, and is written in ink on a piece of paper that is yellowed with age.



Our feeling is that if the data were sub-divided by social class a clearer picture would emerge, <sup>for example</sup> since the highly paid manual worker working long hours has his effect offset by the 35-40 hour per week highly paid professional or managerial man. This possibility is being investigated but as to conclusion on the existing information there is little we can say in outlining an obvious trend. The ~~most~~ best instance of this is the behaviour of the figures for females which at first fall and then rise with hours worked at the 60% level while they rise consistently at the 80% level.

12/7 (iv) <sup>enables much</sup> ~~rather~~ a clearer analysis. It concerns the length of notice which a worker is entitled to and demonstrates that the longer is the notice a worker requires, the <sup>less</sup> ~~more~~ likely is he to be low-paid, to the extent that those who are on greater than month's notice contain no-one earning less than 60% of the mean. Also significant is the fact that the <sup>group of</sup> only workers with a higher proportion at the 60% level than the overall figure is that with only a week's notice. Draw your own conclusions remembering that generally the length of notice determines the payment period, which can often indicate the type of work done . . . . .





Low pay and its relation to non-financial work conditions :-

70000 70000

[illegible]



[illegible]

### 3. A. Last Week Earnings for Employed & Self-Employed Males.

A. As figs. for employ & self employ really comparable seeing that employees figs. are last wage + tax & self-employed is gross income divided by weeks at work? (same applies to women).

B. Under S.D. for self employ, employees have strong L.H. skew = more low payed (in prop.) & more high payed.

C. A. & B. apply to women also.

D. <sup>Distib. of</sup> Pay of women is not that much diff from that of men. <sub>similar</sub>, slightly less L.H. skew if anything. - surprising.





Table 12/8.

(i) The Self-Employed Worker

	Last week				Last year			
	<60% <sup>1</sup>	<60% <sup>2</sup>	<80% <sup>1</sup>	<80% <sup>2</sup>	<60% <sup>1</sup>	<60% <sup>2</sup>	<80% <sup>1</sup>	<80% <sup>2</sup>
male								
All employed workers	11.4%	14.3%	41.8%	43.3%	10.9%		39.7%	
" " female workers	16.3%	16.7%	39.2%	40.2%	16.8%		39.7%	
All self-employed males		25.6%		45.0%				
" " " females		29.0%		54.8%				
All males	-	15.3%	15.3%	43.3%				
" females	-	17.4%	17.4%	41.0%				

- Percentages of the mean for the group under consideration.
- " " " " " all, both employed and self-employed.

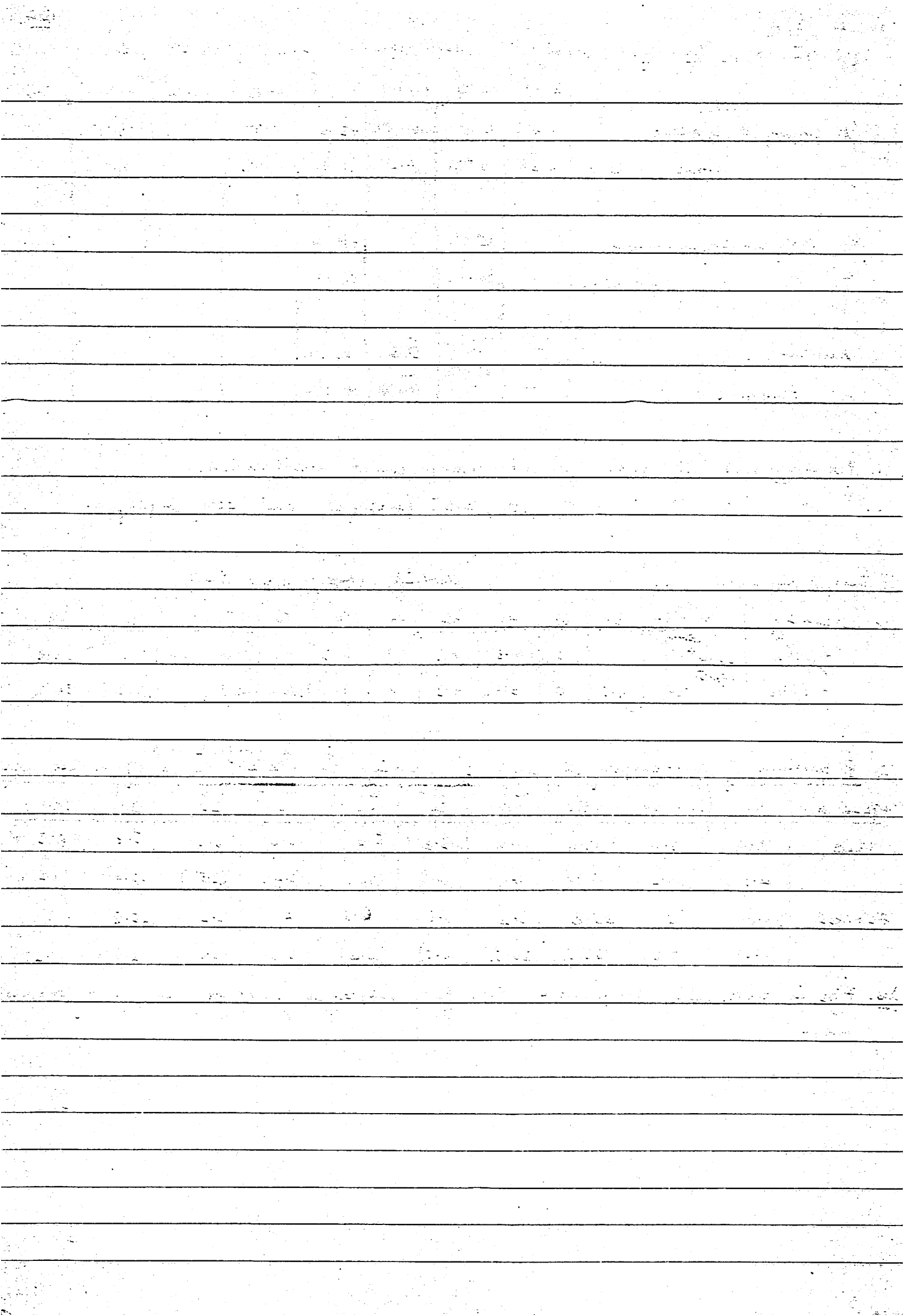
(ii) Self-employed men - working (ars.) (upper limit)

earning	30-34	36	38	40	42	44	46	50	55	60	70	99
<60%	38.0%	0	0	4.3	4.3	0	4.3	17.4	38.0	42.4	21.2	29.9
<80%	47.5%	9.5	0	13.8	4.3	0	18.6	36.4	42.8	71.0	121.2	34.7

(iii) Proportions of self-employed workers earning in the range shown in the range shown of overall men

Age	50	50-60	60-80	80-100	100-120	120-140	140-160	160-200	200-300	300+
MALES	19.0 (4.1)	6.6 (10.2)	17.4 (29.0)	11.6 (24.7)	13.2 (44.3)	5.0 (7.4)	6.6 (3.4)	6.6 (3.5)	5.8 (2.0)	8.3 (1.2)
FEMALE	29.0 (4.1)	0 (7.6)	25.8 (23.5)	3.2 (20.5)	6.5 (16.5)	6.5 (10.4)	0 (3.6)	3.2 (3.8)	25.8 (3.8)	0 (1.3)

no. Figs in brkts. are comparable figs. for employed workers in % of overall men





## The Self-Employed Low-Paid

On page 5 brief mention was made of the effect on the overall figures of the self-employed worker. The figures at the foot of table 12/1 are reproduced in table 12/8 with some additional information. The two groups of workers, employed and self-employed are analysed in terms of <sup>the</sup> percentage of the mean for their own group and in terms of the percentage of the mean for all, employed and self-employed.

The figures reveal the information already noted ~~on~~ on page 5 <sup>there are</sup> ~~can~~ substantially less ~~that~~ employed males ~~at~~ <sup>are</sup> under 50% of their own mean than employed ~~workers~~ females. However, naturally enough, since there are only 121 self-employed men and 31 self-employed in the survey, when the employed workers are looked at with respect to the mean for all male and female figures are closer and all the figures come nearer to the overall figures although still ~~with the~~ although still lying slightly below. Now if there are more employed workers below 50% of the overall mean than there are below their own mean this implies that the self-employed workers' mean is a higher one. However there are twice the proportions of self-employed males and females below the overall 50% level, compared to the employed workers hence we can conclude that the self-employed workers' distribution of earnings is a wide ranging one. This is borne out by the fact that 8.3% of all male self-employed men earn over 300% of the mean. As the table 12/8 (iii) shows this proportion, and others greater than the mean are, except in two instances, greater than for employed males. Similarly 25.8% of self-employed females earn between 200% and 300% of the mean. This indicates the wide variation of earnings for the self-employed. cf. with other grs?

Why not just look at distrib.

to start with?



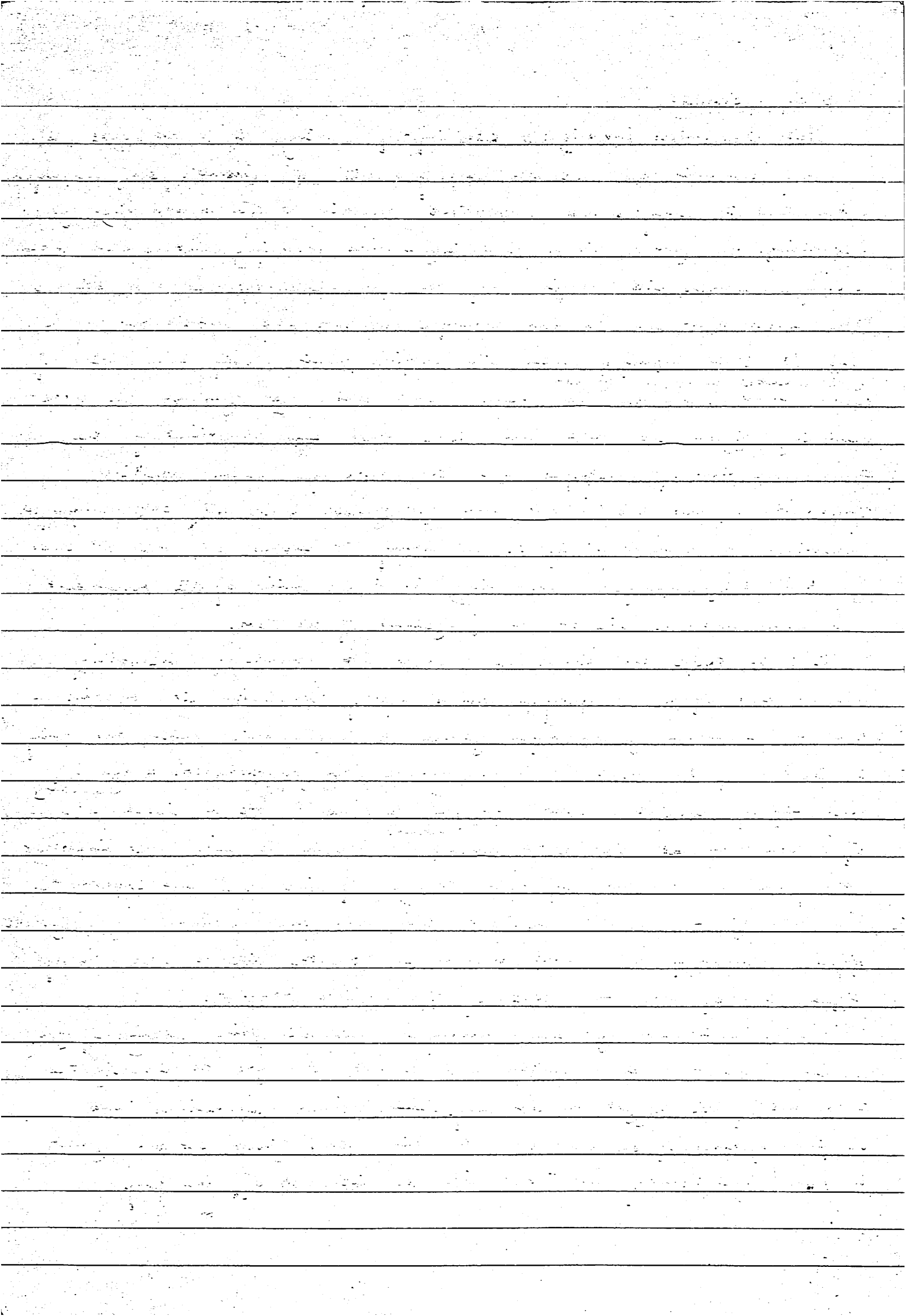


## Stability of Earnings

Table 12/9 which investigates stability of earnings is in two parts, 12/9 (i) merely comparing the unstable employed with the unstable self-employed while 12/9 (ii) analyses the respondents according to the reason given for instability. The former yields little information revealing that overall those employed workers with varying pay are less represented at the 60% and 80% levels than are all employed workers when considered as a group. At 60% employed males with varying earnings only have 7.3% of their number below this figure <sup>below 60% compared with 11.4% overall</sup> while for females the corresponding figures are 10.8 and 16.3. Also approx approximately the same proportion of employed and self-employed males experience fluctuations, but this is not true for females where the self-employed proportion is somewhat higher. Incidentally it should be noted, at least for the self-employed, "fluctuating" is in the mind of the respondent and thus reflects his or her judgment of the term.

12/9 (ii) splits the groups up further into reasons for instability and reveals that of the employed males nearly two-thirds cite overtime as the reason while for employed females it is the major cause but only in 34.5% of the cases. It is not however the characteristic which is most highly associated with low pay <sup>shown when as is done,</sup> for the reasons are listed in <sup>descending</sup> order of magnitude at the 60% level; overtime is the third most important here, and is exceeded by both change of jobs and ~~over~~ shortwork. The 80% figures do not duplicate this trend and neither do the female figures although the latter should be treated with a substantially-sized pinch of salt ~~or~~ because of the numbers involved.

The same is done for self-employed but this time change of jobs is less important as a reason and cannot therefore be investigated in terms of its effect on low pay. ~~Seasonal~~ Seasonal fluctuations and varying fortunes of business are the main reasons given but the former is more significantly associated with the incidence of low pay.





i) According to emp. or s/emp.

	% of group with unstable earnings	emp.	
		< 60%	< 80%
(1) Employed Males	52.1	7.3 (11.4)	37.5 (41.8)
(2) S/emp. "	50.4	24.6 ( )	44.3 ( )
(3) Employed Females	28.0	10.8 (16.3)	34.4 (39.2)
(4) S/emp. "	38.7	33.3 ( )	50.0 ( )

ii) Reasons given for instability

Employed workers	% citing	MALE		FEMALE	
		< 60% reason	< 80%	% citing	< 60% < 80%
Change of job	9.1	15.0	48.3	16.9	24.0% 60.0%
Shortwork	3.9	11.5	53.8	5.4	(37.5%) (100.0%)
Overtime	63.1	6.7	38.3	34.5	3.9 28.4
Commission	2.4	6.3	18.8	2.7	(0) (25.0)
Bonus	6.9	4.4	24.0	11.5	(5.9) (17.7)
Rise	7.9	1.9	23.1	16.9	0 8.0
Holiday	0.2	(0)	(0)	1.4	(0) (100.0)
Other	6.5	9.4	44.3	10.8	(25.0) (31.3)

ku

-

11.4

41.8

16.3

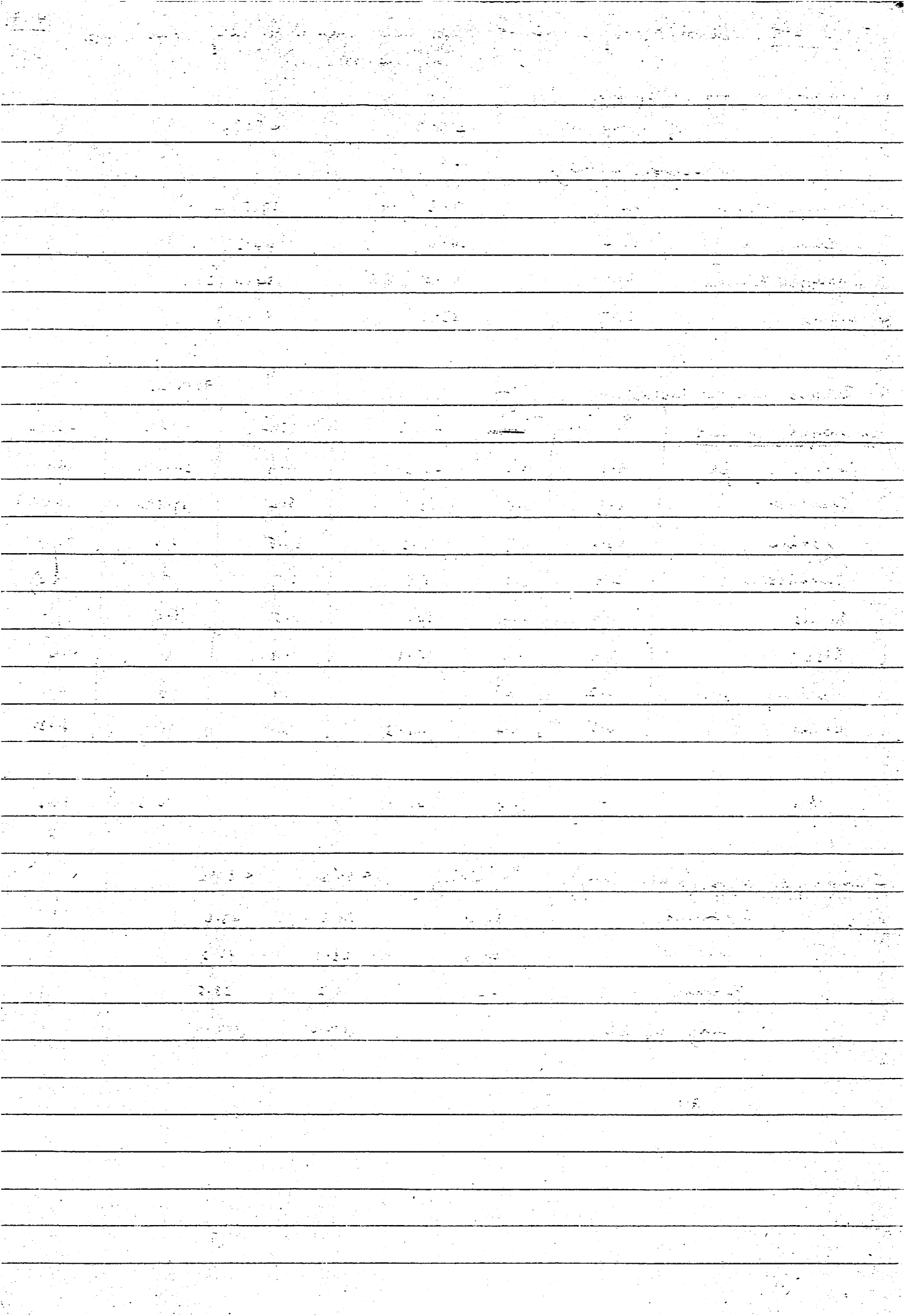
39.2

S/Employed Wkrs. (male only).

	% citing	< 60%	< 80%
Seasonal	34.4	28.6	47.6
Other	21.3	23.1	46.2
Fortune	42.6	19.2	38.5
Change of job	1.6	(100.0)	(100.0)

ku

-



15k

Table 12/810(a) Percentages (nb. last year for employed workers only)

Relative earnings of percentages of adult males living in minorities group of household types as a % of means for weekly income averaged over the last year and compared with total figure.

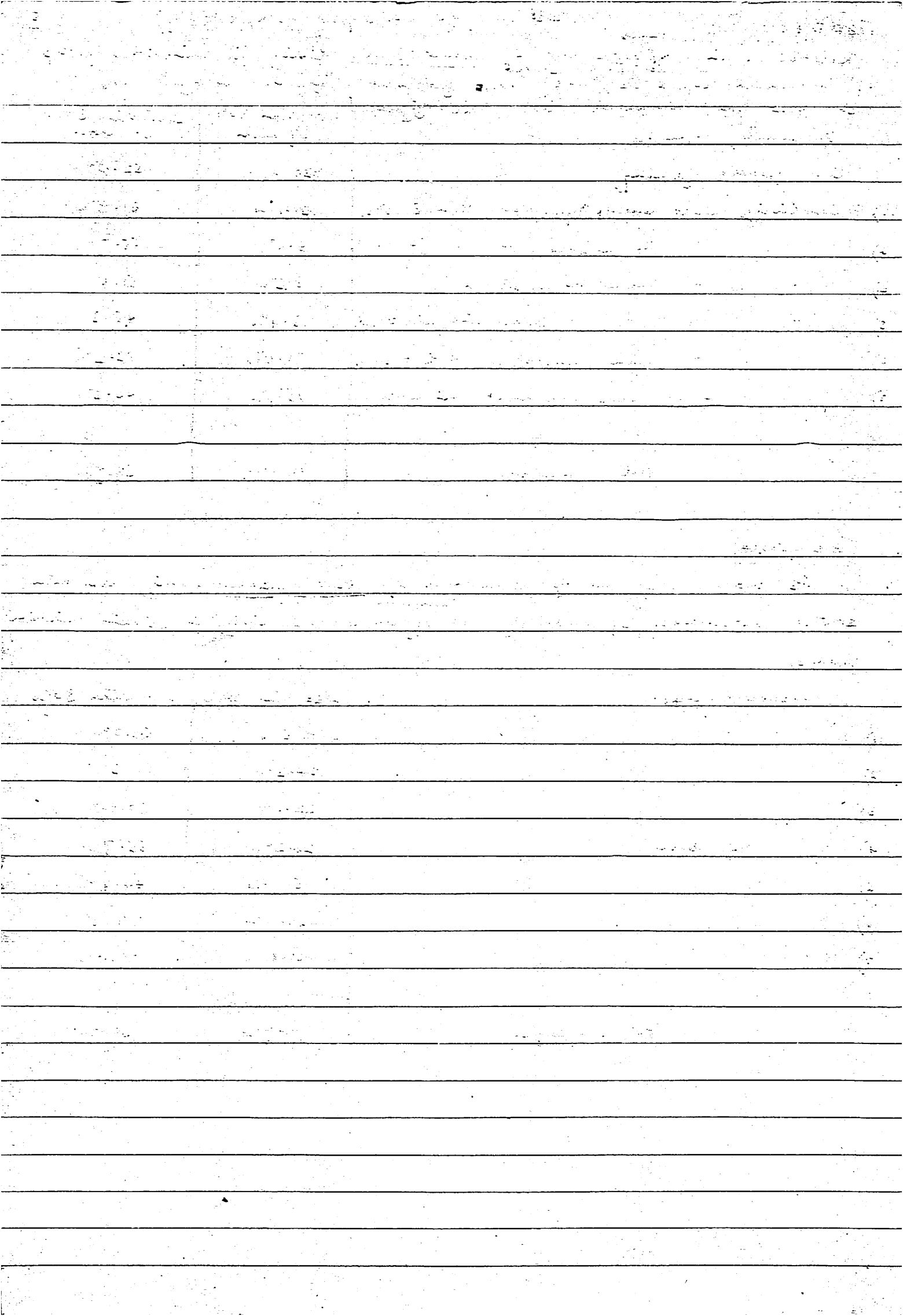
Household type:	Less than 60% of men	Less than 80% of men
1) One parent family	20.0%	52.0%
2) Containing adult unemployed more than 8 wks.	21.1%	61.9%
3) " " ill/injured " " " "	13.6%	55.7%
4) " " under 65 disabled	18.3%	51.6%
5) " " " " borderline disabled	13.9%	45.3%
6) " " male carers on < £1 + p.w.	76.0%	83.3%
7) " 4 or more dependent children	15.9%	46.3%
All employed	10.9%	39.7%

Table 12/810(b)

As table (a) but for percentages of adult females earning less than stated percentages of mean for all <sup>males and</sup> females and living in certain minority groups.

Household type	Less than 60%	Less than 80%
1)	11.5%	50.0%
2)	24.3%	51.3%
3)	22.1%	50.0%
4)	26.2%	55.7%
5)	15.7%	44.4%
6)	26.4%	49.9%
7)	61.6%	77.0%
All employed	16.8%	39.7%

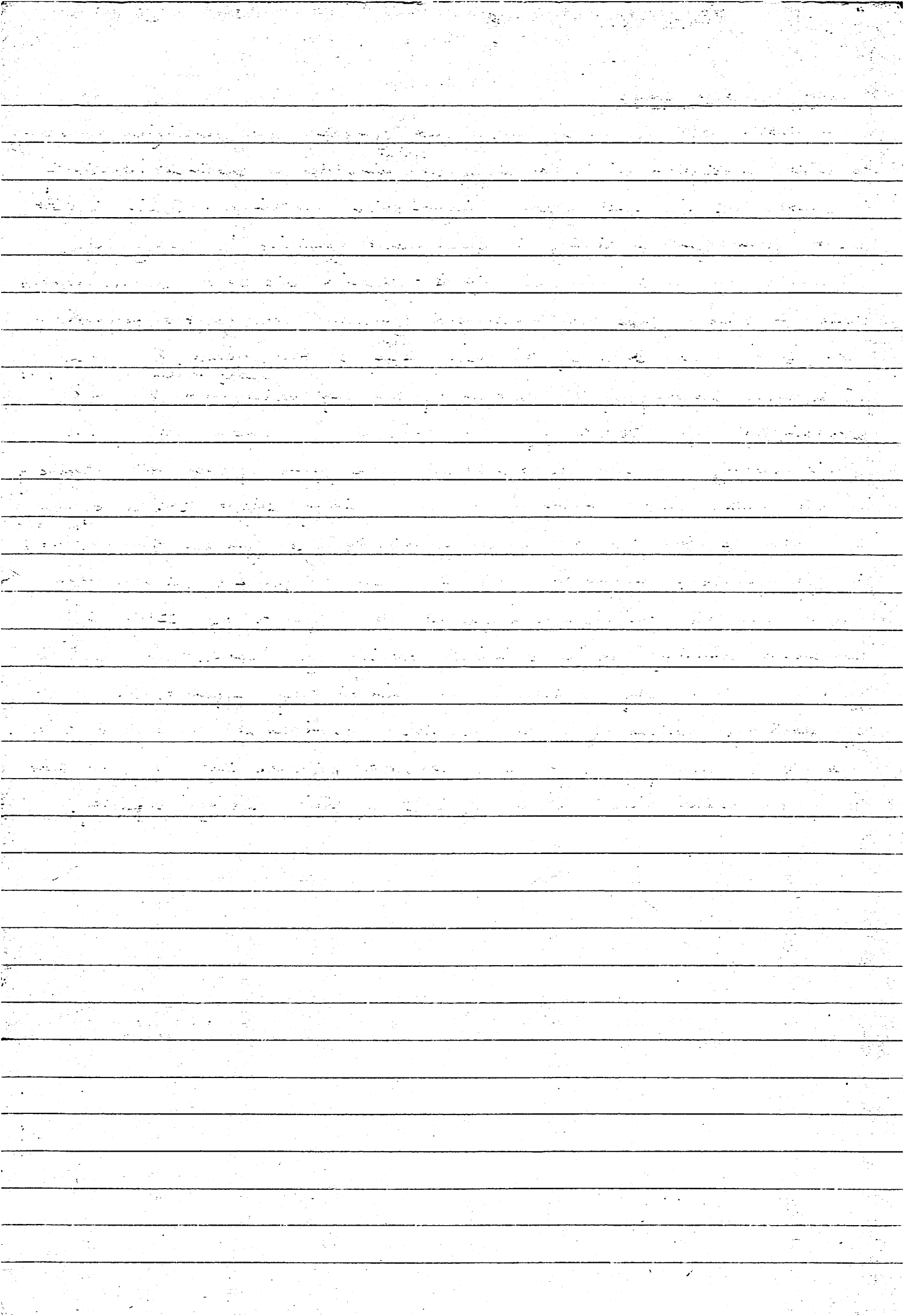




# Minority Homosexual Groups

(15)

In March 12/10 (a) a (b) men and <sup>social</sup> female are classified according to their orientation with the different minorities in outlined activities in Chapter 11. The most glaring information contained therein is that apart from female living in one-parent families or in families containing an adult male to who is borderline disturbed all individuals living in these groups both male and female have greater proportion been 60% and 80% of the men <sup>from</sup> this is true events. The extent of the increased severity of the problem of sex for various from the not surprisingly high 76.0% of men giving in a homosexual with a male some earning less than 4 pounds per week (many of these will presumably be the male seems concerned) to the relatively slight 15.6% of men <sup>61.6%</sup> in homosexuals with someone ill or injured. Amongst female the highest is for female in homosexual with 4 or more dependent children and apart from the two instances mentioned above fall to 22.1% in homosexuals containing an ill or injured working age adult. There is either grounds one can say which is not immediately apparent. The order of severity is obvious from the relative proportions of 60% and 80% and it is merely enough to demonstrate clearly that the fact that they are social minorities is regarded in their earning capacity.





Questions, and tables required.

- 1) All males, All females, last year. A separate table for these showing the extent of low pay by our definition?
- 2) Earnings x age group x education years.
- 3) " x " " x apprenticeship years. (?)
- 4) " x hours x social class.
- 5) Table 12/8 has gaps - can we fill these e.g. s/emp. earnings as % of overall mean for last year. (Also reqd. for table 12/9).

