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# Between Choice and Coercion? The Processes of Increased Economic Vulnerability Among Low-Income Older Workers

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## ABSTRACT

The social phenomenon of extended working age has been subject to broad scholarly and social policy interest, as part of such trends as the aging of the population, increased life expectancy, shortage of the labor force, and policy debates on pension reforms. A major question about extending working age, or working after retirement, is whether it is a matter of choice, taking control of one's later life, or is coerced, part of entering the precariat. This study provides a nuanced examination of the social processes that direct labor market participation among older workers by conducting an analysis of in-depth interviews with 42 low-income older workers in Israel. The study exposed several institutional constraints that increase their economic vulnerability, demonstrating how interrelated structural factors related to the labor market, gender, and immigration shape the precarity of the life of older workers and coerce their continuous labor market participation. We conclude by emphasizing the responsibility of governments to ensure that older workers' labor market participation truly represents their "choice and control," rather than being a matter of coercion.

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## KEYWORDS

Aging policy; Economic Vulnerability; Labor Market; Older Workers; Precarity

## Introduction

Within the ongoing and worldwide trend of aging societies (Pavolini & Ranci, 2008), governmental response to the growing need of older citizens for financial and social support is often inadequate (Kröger, 2022). Regardless of national variations in degrees of public protection or private informal caregiving, many older people in Western countries are continuing their labor market participation, postponing their retirement. The increasing share of people aged 60 and over in the labor force (OECD, 2017) has evoked the debate of "choice and control" vs. forced participation in the labor market (Lain et al., 2019), or privilege vs. burden (Scherger et al., 2012). Thus, while the common assumption among many policymakers is that older people today are entering

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a period of choice and control with regard to work in later life, scholars also argue that many older people have few financial options other than to continue working (Lain, 2016), often in precarious employment: jobs which are “uncertain, unpredictable, and risky from the point of view of the worker” (Kalleberg, 2009, p. 2). We address this debate by asking: What social processes shape economic vulnerability among low-income older workers?

Despite the importance of uncovering factors that lead to increased economic vulnerability at the societal level, relatively little attention has been given to processes that shape economic vulnerability at the individual level, rather than at the macro level. This might be due to the common assumption that, at the micro level, economic vulnerability is synonymous with poverty or economic distress and therefore is an inherent characteristic of individuals or groups (Henke, 2020). However, contemporary understanding of the broader concept of vulnerability argues that this is not a characteristic of individuals or groups, but rather a result of complex social processes (Fineman, 2010). Drawing on this position, scholars have argued that to explore processes of vulnerability, we need to consider vulnerability not as an individual characteristic, but rather as a life circumstance and a response to social and institutional processes that produce, and reproduce, vulnerability (Virokannas et al., 2020).

In this study, we draw on this perspective to suggest that economic vulnerability is a process rather than a mere material condition. As such, similar to the economic vulnerability at the macro level, which is shaped by external conditions, the micro level is influenced by various processes that lead to the economically vulnerable life situations of individuals and groups. We use the case of older workers to unfold such processes, as contemporary literature has shown that the case of older workers is highly timely and holds critical societal importance (Neumark, 2022).

## **Theoretical background**

### ***Vulnerability as a process***

Vulnerability is a concept that is often applied to personal characteristics of certain individuals or groups, stigmatizing, victimizing, or pathologizing those labeled as vulnerable. Several researchers (e.g., Brown, 2014; Caraher & Reuter, 2017) have pointed out how, in social policy, such a conceptualization leads to moralizing, controlling, and normative understanding, where people are held personally responsible for their social status and conditions. As an alternative to this perspective, feminist legal theorist Martha Fineman (2010) has suggested conceptualizing vulnerability as a universal human condition. According to her, vulnerability is both universal and particular at the same time.

Drawing on this position, a group of Finnish scholars (Kuronen et al., 2020; Virokannas et al., 2020) recently argued that vulnerability should not be seen as an individual characteristic, but rather a life circumstance and a response to social and institutional processes that produce, and reproduce, vulnerability. When studying vulnerable life situations and experiences of vulnerability of certain individuals or groups, it is important to turn attention to the social conditions and institutions, including welfare systems, that are generating vulnerability in people's lives (Virokannas et al., 2020). This perspective has proven useful in exposing processes of increased vulnerability (Lavee, 2020). For example, Lavee et al. (2022) demonstrated how Muslim single mothers are exposed to “dangerous vulnerability,” resulting from a combination of institutional and social processes in which both the state and social institutions withdraw their responsibility for these women's wellbeing.

### ***Economic vulnerability***

Economic vulnerability is usually used as a synonym for poverty (or risk of poverty) and financial insecurity (e.g., Harrington Meyer & Abdul-Malak, 2015; Henke, 2020). However, while the level of income of individuals and families is clearly a key influence on economic vulnerability, the concept of economic vulnerability is broader than that of poverty. Whereas poverty can be considered a mere monetary count (whether measured objectively or subjectively), economic vulnerability is shaped and compounded by multiple variables. For example, Fossati (2014) demonstrated that economic vulnerability is composed of several elements related to the labor market and individuals' vulnerability to economic fluctuations: a higher degree of job insecurity and lower employability (e.g., low-skilled workers who experience a long period of unemployment). Other important studies have demonstrated a strong link between macro and micro levels, analyzing risk factors for economic vulnerability at the structural and societal levels (e.g., Kasearu et al., 2017). One important insight yielded by this literature is that the levels of economic vulnerability among specific groups – measured as exposure to a set of interrelated risks – vary systematically across welfare regimes (Whelan & Maître, 2010).

The literature described above provides an infrastructure for understanding how social institutions and structures influence economic vulnerability. Nonetheless, a macro-level examination, however rigorous, does not provide tools with which to study lived vulnerability as actually experienced by people (Brown et al., 2020). Thus, it is important to shed light on micro-level experiences in order to comprehensively decipher the social structures, relations, and practices (e.g., the structures of the labor market and working life, pension systems, and gender and class divisions of societies) that (re)produce, govern, and construct the economic vulnerability of individuals and groups.

### ***Working in older age: choice and control or forced to work***

A common recent approach to working in later life, or after retirement, has been about “choice and control.” This is related to pension system reforms in Europe (Jaime-Castillo, 2013) and other Western countries, such as eliminating mandatory retirement age (e.g., in the US, Canada, and Australia) or raising the age of state pension eligibility (e.g., in Finland, France, and Israel).

When such changes are made, people theoretically have the right to continue working (Axelrad, 2021). Previously, workers had often been forced out of employment at a certain age, while the main approach promoted by policy-makers today is taking “control” or “reinventing retirement” (Lain et al., 2019), where people can decide to extend their working lives, which is understood to be their genuine choice.

A criticism of this approach, however, is that many older people have few financial options other than to continue working. This is particularly true for those in low-income precarious jobs working as “outsiders” (Rueda (2006), with very little legal and organizational protection and with no (or minimum) social benefits (Rueda et al., 2015), unlike “insiders” who are employed in standard contracts covered by collective agreements and protected by labor laws and social policies. Therefore, until precarious workers reach the raised age limit, and under the constraints of a lifetime of work in low-pay employment, they may have no choice but to continue working to get by (Lain, 2016; Lain et al., 2019), similar to other precarious workers who are coerced into bad employment (Baines et al., 2017) and have very few opportunities for economic survival. Moreover, according to Standing (2011), increasing numbers of older people who were employed in standard, middle-class jobs are entering “the precariat.” Challenging the approach of “choice and control,” Standing suggests that this population is forced into precarious employment, taking low-level jobs in older age, divorced from their previous careers, to supplement dwindling pension incomes. Furthermore, the jobs available to older workers are often physically exhausting, particularly for those who were previously located at the bottom of the labor market (Gatta, 2018; Newman, 2019).

Both approaches – choice and control, and the precariat – view employment in older age as a period of change. As the literature explains, post-retirement work can be either a privilege, improving health and life satisfaction among workers, or a burden, leading to poor outcomes in many aspects of wellbeing (Scherger et al., 2012). Regardless, the question that has led the scholarly discussion in this field is whether older people are forced into precarious employment or continue working as part of a way of retaining control over their lives as they age.

In this study, we propose to contribute to the ongoing discussion by applying the framework of vulnerability as shaped by cultural and social

institutions. We do so by focusing on older workers from the lower-middle and working classes who experienced economic deprivation throughout their younger lives. By shedding light on this group within this theoretical framework, we can address not only the individual experiences of working in later life, but also explain how social contexts and constraints organize local actualities of these workers in ways that increase their economic vulnerability.

### ***Context: older workers in Israel***

Lower-middle and working-class older workers in Israel are an ideal case with which to examine the social processes that shape the economic vulnerability of older workers. In general, the Israeli labor market is characterized by high employment rates: 75.5% compared with the OECD average of 72.1% (OECD, 2017). Retirement age for Israeli men (67) is relatively high in terms of the OECD, while for Israeli women (62) it is relatively low. After many years of government debates, a reform has been approved for women, and the formal retirement age will gradually reach 65 over the next ten years.

The share of people aged 60 and over in the workforce has been rapidly growing in most OECD countries. Nonetheless, the proportion of people in Israel who continue to work after the age of 65 is 40%, much higher than the OECD average of 22.9% for those aged 65–69 (OECD, 2023a). The trend of an increased employment rate among older workers and very old workers (70 and over) is expected to continue in Israel due to the relatively low old-age governmental allocations and the increase in retirement age (Axelrad, 2021). Despite the large number of older workers, the population of senior citizens has suffered the greatest increase in the prevalence of poverty in recent years (Israeli National Insurance data, 2022). Today, a fifth of all families headed by people aged 65 and over are experiencing poverty and economic deprivation. In a comparative perspective, old age income poverty in Israel is 16.9%, while the OECD average is 11.1% (OECD, 2023b).

One of the main population groups that continues to work in old age in Israel is immigrants from the former Soviet Union. In the initial decades of the State of Israel (established in 1948), immigrants arrived in several main waves. This was followed by a very large immigration wave from the former Soviet Union during the 1990s, which comprised about one million people, many of whom were then early middle-aged (35–40) (Konstantinov, 2015). Today, they are at retirement age, making them of particular significance for this study. Poverty rates among this group are relatively high, as is labor market participation in older age.

This situation may be related to differences in pension savings. In Israel, there are two main sources of pension income: universal old-age allocations provided by the National Insurance Institute, which are small and cannot provide a decent living, and employment pensions, which are only available to

those who make employer and employee contributions. It was not until 2008 that it became legally mandatory for all employers to set aside such pension funds for their employees (Lurie, 2018). Pension savings are typically calculated based on an employee's base salary, which often excludes bonuses, overtime, and other additional compensations. When an employment agreement specifies a higher "fixed salary," pension contributions are calculated on that stipulated amount. The former scenario is more prevalent among low-income positions. Therefore, anyone who worked at the bottom of the labor market all their working lives and/or had gaps in their employment history, with periods of unemployment, has accumulated small employment pensions (Herbst-Debby, 2019). The ability to rely on such a pension for decent income in old age is virtually impossible (for more on the Israeli pension system and its reform, see Lurie, 2018).

The situation is aggravated for immigrants from the former Soviet Union, who were forced to renounce Soviet citizenship upon arrival in Israel and thus lost the pension rights they had accumulated prior to immigration. Moreover, even though their education level was relatively high compared to the local population, they experienced multiple barriers to full integration in the labor market. Despite having higher employment rates than other demographic groups in Israel (72% among immigrants, 68% among non-immigrant Jews) (Sheps, 2016), the majority of them worked in low-skilled and low-income jobs (Lieberman, 2018).

## Method

This study is part of a larger qualitative study aimed at examining the experiences of people who live in economic distress. For this article, we draw on 42 in-depth interviews conducted in 2019–2023 (data collection was delayed by COVID-19 restrictions). Participants were aged 60 and over and either participated in the labor market – mostly in low-skilled positions – or were actively searching for a job. This sample consisted of 27 women and 15 men; 26 participants were married, while 16 were divorced or widowed. Among the participants, 18 were immigrants from the former Soviet Union, and 24 were non-immigrants, of whom 5 were Arabs and the rest were Jews. The average age of participants was 66 (range = 60–74).

Our main recruitment strategy was via professionals in public and nonprofit agencies who provide services to low-income families. We asked these professionals to refer us to potential participants who fit the inclusion criteria. To a lesser extent, we also employed a snowball strategy, asking participants to refer us to other potential interviewees. Initial contact with interviewees was mainly conducted by phone. We explained the goal of the study ("to learn about your daily experiences with regard to economic issues"), asked for consent and invited them to choose the site of the interview. The interviews,



most of which were conducted in the participant's home, lasted one hour on average. A semi-structured interview protocol was employed, including questions on family background, financial aspects of income and expenses, and emotional and health-related concerns. A main part of the protocol probed labor market-related aspects. Participants were asked to detail their employment history, if they receive (or received) social benefits and pension funds, if they had fluctuations in their employment history and why, if the kind of job or employment position changed after retiring, and the factors that most influenced their labor market participation after reaching retirement age.

Interviews were led by the first author and two research assistants, conducted mostly in Hebrew; Russian-speaking immigrants were interviewed by a Russian-speaking assistant. Transcriptions were made in Hebrew, with key excerpts translated to English. The process continued until data saturation was achieved. The first author developed a coding scheme from preliminary transcripts. One assistant coded all data, refining codes through ongoing consultation with the author. To ensure coding consistency, a second assistant reviewed the data, and any coding disagreements were collaboratively resolved with the rest of the team to maintain intercoder reliability.

All interviews were transcribed verbatim. Identifying details were replaced with pseudonyms. The study conforms to University of Haifa's IRB ethical guidelines.

Data analysis was conducted with Atlas.ti software for analyzing qualitative data, and according to Charmaz (2014) grounded theory approach. In the initial coding stage, we mapped all segments concerning reasons for current labor market involvement. We identified a wide range of economic-related reasons – for instance, the need for money – categorized as “survival money” (for basic needs like food and electricity), “housing money” (for rent and mortgage), and “age-related money” (for health expenses and medication). The main analytical task was to elucidate the causes shaping their economic deprivation in older age, potentially linked to their ongoing labor market participation. At this point, a general categorization revealed several factors, such as low pension savings, previous low-paying jobs, absence of savings, and low social rights uptake, alongside hardships specific to demographic groups based on gender, origin, and family status. Finally, selective theoretical coding was conducted. This stage synthesized the categories and their interrelationships, forming three main institutional constraints and allowing us to describe the process of increasing economic vulnerability among older low-income workers.

## Results

The inductive analysis revealed three main institutional constraints that increase the economic vulnerability of low-income workers at older ages.

These were constraints of the labor market, gendered constraints, and immigration-related constraints (see [Figure 1](#)). We analyze each of these separately despite a certain amount of overlap. While we recognize that these constraints are inherently interwoven and might have a combined impact, presenting them separately allows for a clearer analytical examination of each factor's distinct impact.

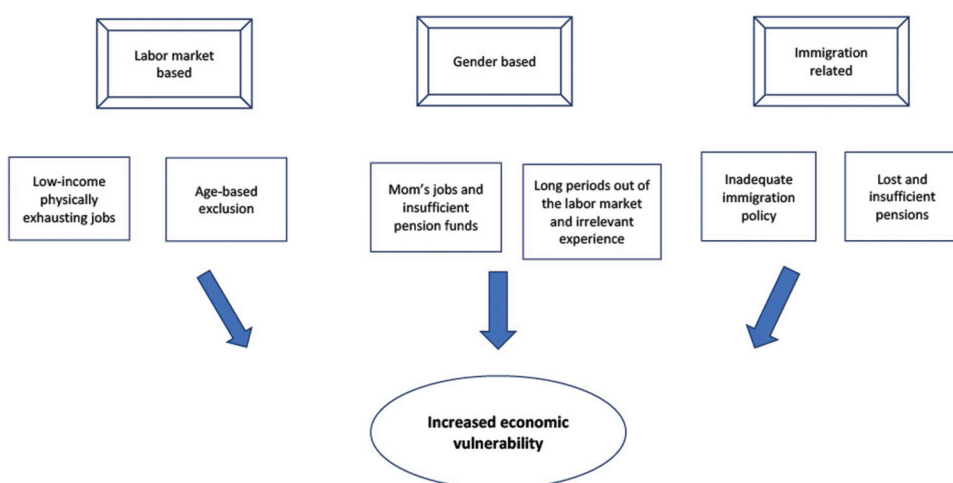
### ***Employment at the bottom of the labor market***

While policymakers and scholars alike often debate the issue of “choice and control vs. entering the precariat” (Lain et al., 2019) or “privilege vs. burden” (Scherger et al., 2012) with respect to older workers, our analysis clearly indicates that the answer is first and foremost class-based. In other words, the debate about choice versus coercion is closely tied to the economic circumstances of the older workers and cannot be understood without considering this factor. Even if they were employed all their lives, the low-income interviewees of this study were not able to rely on retirement funds that could release them from the need to continue working.

One 66-year-old woman described this to us:

I hope that after the age of 70, I can also work, because if I don't work, there will be no money. Then I will go straight to the grave, and that's it.

It was common for the participants to equate not working with death – not due to less interest in life or feeling unproductive, but merely because they will have no money with which to survive. Our analysis revealed that two specific labor-market based constraints are central in shaping economic vulnerability



**Figure 1.** The institutional constraints that shape the increased economic vulnerability of older workers.

among older workers: the physical exhaustion associated with low-income jobs and an age-discriminating labor market.

### *Low-income, physically exhausting jobs*

The available positions for working-class individuals are often physically demanding, which may be manageable at a younger age. Moreover, due to the comprehensiveness of the public healthcare system in Israel, non-chronic illnesses could be resolved relatively easily within the public system, which until the last two decades offered quality and accessible services to all citizens (Clarfield et al., 2017). However, as physical abilities diminish with age, these jobs become less feasible. Many interviewees, previously able to make a decent living in such jobs, realized later in life that not only did such jobs not offer decent savings, they also took a heavy toll. Both men and women recounted physical ailments resulting from their work. One 65-year-old man shared:

I worked as a maintenance man in a factory all my life. I worked very hard and destroyed my body. Now I'm lame and I have back pain. When I walk long distances, I take a cane because I lose my balance. I have no reflexes. Sometimes I fall.

The salary for manual jobs at the lower end of the labor market is usually very low. Therefore, to support their families, individuals employed in such roles often need to work long hours. The substantial workload in physically demanding jobs frequently results in injuries or chronic illnesses. Over time, such health issues can diminish a person's capacity to earn a sufficient income. As one interviewee described:

When I was younger, I worked as a cleaner. I needed the money and so I worked a lot. But the material I used for cleaning affected my health, and eventually I couldn't continue working. I now have severe breathing difficulties because of the chemicals I used at work. I'm looking for a job through the employment bureau but my health condition is difficult, and I can't work in the jobs that are offered to me.

Young healthy workers, desperate for a decent living, seldom consider the long-term impact of physical labor on their health. Yet, ironically, the economic hardship that drives them to such demanding jobs leads to increased vulnerability as they age. Their bodies are broken from a lifetime of physical work, but no options other than physical labor are available to them. A 62-year-old woman reported:

I'm not able to work in a physical job now. I was desperate and searched [for a job] but couldn't find any. A woman wanted to help me and found me a position in the Shufersal [supermarket chain]. The job was simple, to go around the store and collect groceries for deliveries. I went there on my first day, but I wasn't able to work the whole day. You have to walk all these hours, my body collapsed.

Beyond limiting labor market participation, physically demanding jobs contribute to greater economic vulnerability among the elderly due to increased

health-related expenditures. These challenges are exacerbated by recent policy changes in the Israeli healthcare system, which has undergone significant privatization, influenced by the general neoliberal reform. While public healthcare remains available, a growing number of Israelis are choosing private insurance, enhancing their coverage. Consequently, disparities in healthcare access and quality have surfaced, influenced by factors such as ethnicity, geography and socioeconomic status (Clarfield et al., 2017). Such disparities can lead to unequal access to healthcare services for low-income older workers, worsening health inequalities and further increasing economic vulnerability.

### *Age-based exclusion from the labor market*

Despite the increase in the share of people aged 60 and above in the labor force, employment opportunities for older workers in general, and for low-income older workers in particular, are extremely limited. A 63-year-old woman, who works as a hospital nurses' assistant, said:

Sixty is not 20, I know. I wanted a job that suited me, but the contractor didn't want me because I was too old. I took what they gave. It's hard working in a hospital, but it is what it is.

Growing literature describes contemporary age-based discrimination in the labor market and bias against older workers (Axelrad, 2021). Such discrimination leads to very few opportunities for older workers, in contrast to the much greater opportunities for younger workers. Acknowledging this age-based bias and in fear of not finding any other job, many interviewees told us they continue working even under oppressive conditions. A 62-year-old woman stated:

I work in a very small business. Even though my salary has remained constant for over five years, I'm afraid to ask for a raise, because he might find it an excuse to fire me. At least now I have a job. I'm afraid that I won't have a job. Often I lose sleep at night from worry. I don't think I will be able to find a good job now at my age.

Age-based discrimination is manifested not only in jobs that are not available to older workers, but also in the type of jobs open to them (Newman, 2019). Many interviewees said that those jobs easily available are physically difficult and dirty; they are the jobs that no one wants to work in, as one interviewee said: "There are no jobs. Just in the laundromat they were happy to hire me." Similarly, a 67-year-old man described himself as his employer's "trash can:"

I work as a general hand in the grocery store. I work full-time and receive minimum wage . . . You can say that I'm the owner's "trash can." I do all the things that no one else wants to do. The owner knows that I don't have any other opportunities at my age, so he allows himself to treat me like that.

It should be noted that in Israel, like many other countries, age-based discrimination is illegal (Ayalon & Tesch-Römer, 2017): The Israel Equal Employment Opportunity Law prohibits employers from discriminating against employees based on age. Nonetheless, employers often make hiring and other employment-related decisions based on the age of employees or candidates (Axelrad, 2021). Such practices are usually hidden and not overtly expressed. Therefore, despite the legal penalties that can be imposed on employers who discriminate against workers because of their age, workers – particularly those who rely on their jobs for economic survival – are unlikely to report such discrimination or engage in the legal process that such a lawsuit entails.

The following quotation, from an interview of a 71-year-old man employed through a contractor agency, demonstrates that older low-income workers might not even be aware of their rights to equal treatment or recognize when they are being discriminated against. The poorer employment conditions due to their age are taken for granted, diminishing the likelihood of complaints and increasing their exposure to economic vulnerability:

I've been working in a factory through a contractor for three years, doing all kinds of work: organizing, cleaning. I used to do the same work in another factory until I had to retire at 67. Now, I don't get the same conditions [standard employment], only through this contractor. My salary is much lower than before, and I don't receive any social benefits, but I can't complain – at least I have a job.

Thus, one main aspect of the increased economic vulnerability of older workers, linked to the discriminating labor market, is the age-based exclusion from good jobs, i.e. – from the “inside” of the labor market in Rueda's (2006) terms. Even those who worked in standard employment in their younger life may be excluded and forced to enter “the precariat” (Standing, 2011), employed as “outsiders” via contractor agencies in low-wage jobs.

### **Gender-based constraints**

The inductive analysis of our data allowed us to deepen current understanding regarding gender and economic vulnerability, particularly in older life, by exposing two main gender-based constraints which increase the economic vulnerability of older women workers. These include employment in low-paying jobs that enable mothers to also care for their children, leading to small pension savings and long periods devoted to childcare outside the labor market.

***“Mom’s jobs:” failure to save sufficient pension funds***

Women’s patterns of labor market participation are almost always linked to their motherhood and the gender division of work in the household (Lavee, 2016). In their younger years, women tend to work fewer hours than men, as in most cases they are the main caregivers of their children (Douglas & Michaels, 2005; Herbst-Debby, 2019). Their salaries, respectively, are low.

This is particularly true of single mothers, who are often sole caregivers. In Israel, the welfare reform of 2003 profoundly impacted the ability of single mothers to juggle caregiving with earning a living wage. The reform’s cuts to income support and child benefits, coupled with a restructuring of work incentives, significantly reduced their access to supplemental allowances. This erosion of support made employment less financially rewarding for low-income single mothers, exacerbating their economic challenges (Herbst & Kaplan, 2016). Consequently, women in general and single mothers in particular, tend to accumulate a very small amount of pension savings – if at all. In their older years, they are forced to continue participating in the labor market. As one woman reported:

Throughout the years since the kids were little, I worked in customer service selling packages for cell phones. I worked part-time, in a “mother’s job.” The base salary was very low, and I relied on commissions and bonuses. But the pension is calculated only on the base salary, and now, even though I worked hard, there is barely any pension to show for it.

Often low-income mothers have to combine several “mini-jobs” in order to be able to care for their children and to provide for their families, as this affords them more flexibility than a single full-time job. However, these mini-jobs are mostly based on part-time contracts, in the outer segment of the labor market, in which social benefits and pension funds are significantly lower than those in the primary segment (Benjamin, 2016; Pfau-Effinger & Reimer, 2019). The next quotation, of a divorced 71-year-old woman, was repeated in different variations among both married and single mothers:

I have worked all my life, combining jobs. I worked as a teacher’s assistant in a kindergarten, it was very convenient because I could return home to serve lunch to my children. In the afternoon I worked in a store. In times of greater financial need, I also worked as a waitress on weekends. There were also years when I combined several cleaning jobs, working mornings, returning to the kids, working again in the afternoon. Now I have to keep working, even at the age of 70, and also in ten years I will have to keep working, because my pension is barely enough to buy food.

***Long periods out of the labor market and lack of relevant experience***

The second gender-based constraint is also embedded in women’s commitments as mothers. Due to their primary role as caregivers, women tend to stay

out of the labor market for long periods. Therefore, they are unable to earn enough money in their younger life, and as described above, they lack sufficient savings to allow them to choose or control their labor market participation in older life. However, long periods out of the labor market have another critical consequence: lack of relevant work experience. Thus, when women are forced to participate in the labor market after retirement age, the only jobs available to them are low-skilled, low-income jobs. A 65-year-old woman, who works as a cashier in a grocery store, explained:

I don't see a solution; there's no light at the end of the tunnel. The kids grew up and left, and what was I left with? With ex-mother status? And now I have to find a job. I have two diplomas from 25 years ago, but they have already gone down the drain. My studies are irrelevant. Now I can't find any job that fits my skills. Really. I can't achieve anything better than I have now, can't move forward.

Similarly, a 62-year-old woman said:

I went through all the pregnancies, and my ex-husband didn't help me raise the children. Financially, it was difficult because I could work only very limited hours. I wanted to go to university but couldn't because I had to take care of the kids. I now work full-time as a saleswoman, earning minimum wage.

Ironically, even when women increase the scope of their labor market participation in older ages, their economic vulnerability is not reduced.

### **Immigration-related constraints**

The analysis revealed that several institutional constraints – embedded in the functioning of the state and the local labor market – shape the exclusion of immigrants from the inside of the labor market, as the next interviewee described:

At first, we received a “support basket” from the state; that lasted for seven months. But then, it became very difficult. We didn't know the language at a level where we could start studying at a higher education institution, or get a respectable job. . . We worked in all kinds of jobs, such as cleaning, caring for the elderly, sales and the like.

### ***Inadequate immigration policy***

Israel's inadequate immigration policy in multiple life areas exposed these immigrants to economic hardship during their younger working life, even though the majority of immigrants had a higher education and were located in prestigious positions in their home country – even more than local Israeli workers. However, not only were they unfamiliar with their rights, but the Israeli state refused to accept their higher education accreditations as equivalent to local degrees and did not provide enough support to overcome such



barriers, such as allowing immigrants to prove their professional or occupational skills in theoretical exams or practices. Rather, the state demanded that immigrants attain new professional diplomas. In other cases, immigrants had to pass professional tests in Hebrew (the local language), with which the majority of immigrants were unfamiliar. Their harsh economic conditions forced them to devote most of their time to accumulating material resources, leaving them no time to properly learn the new language (Gorodzeisky & Semyonov, 2011). Consequently, these constraints not only increased the economic vulnerability of immigrants in the first years of their arrival, but also shape their economic vulnerability as older workers (Gorbatkin et al., 2021). This institutional-based process of increased economic vulnerability is salient in the words of a 63-year-old woman who immigrated to Israel in the late 1990s, when she was 37, with a degree in medicine. Since she migrated, she has been working as a cleaner. Despite a lifetime of hard work, her personal and economic situation is worse than ever:

In Russia I was a department manager in a hospital. When I arrived in Israel, they wanted me to take a test to work in my profession, but I didn't know the language. I had to take care of my kids and I was working all the time. I didn't have time to learn Hebrew. At the employment office I was referred to work in a factory as a production worker, at minimum wage. So I became self-employed in cleaning, that way at least I could earn good money. . . . But now I have no apartment, no pension. I will live for as long as I can work, there's no one to replace me. I was last on sick leave in 2002. That's what I tell my body, that I must not get sick.

Immigrants are not familiar with their social and legal rights, and this increases their economic vulnerability as older workers, as demonstrated in the words of a 75-year-old immigrant:

After I retired, I realized I had to keep working, I searched until I found the job here [in maintenance]. I don't get a vacation, don't get sick leave, nothing. Nor do I expect any social benefits because I think that after you retire, when you have to start all over again, then you are not entitled to any rights. It's a gray area that's not so clear to me.

### ***Insufficient pension savings***

Low pension savings is especially problematic for those who have worked with low wages throughout their lives. In many places, including Israel, even when the law requires the employer to establish a pension fund for employees, the accumulated sums are affected by the base salary (Grenier et al., 2020). When other aspects of income (e.g., bonuses, overtime) are not included in pension calculations, the fund is very low at retirement age, forcing the workers to return to the labor market, even under precarious employment conditions (Newman, 2019).



Still, the conditions of immigrants from the former Soviet Union are worse than those of other low-income workers. Forced to give up the pension savings from their home country, even those with decades of work history found themselves in Israel with no pension savings, and then encountered various difficulties when entering the new labor market. Compelled to take lower income jobs than they had held before migrating (Lieberman, 2018), it was difficult for them to re-accumulate decent savings. Therefore, they are forced to continue labor market participation to supplement that pension and pull together enough money to live on. This trend is manifested in higher rates of labor market participation of older immigrants from the former Soviet Union compared to older native Israeli workers.

## Discussion

Setting forth to examine the core question of “choice and control vs. coercion” in older workers’ labor market participation, we adopted an inductive approach of investigation. Instead of beginning with either assumption, we deciphered the institutional constraints that pushed low-income older workers to continue labor market participation even after retirement age.

The analysis underscored the interweaving of individual life circumstances, social processes, and cultural and societal institutions that constitute the highly constrained conditions increasing the economic vulnerability of low-income older workers and pushing them to work longer, even in poor health, in physically exhausting jobs. The three main constraints were labor market-based, gender-based, and immigration-related, which are often intertwined and combined.

Regarding labor market-based constraints, the study highlighted how economic vulnerability, experienced by low-income individuals to varying degrees throughout their lives (see also Caraher & Reuter, 2017), and the longstanding mismatch between their income and expenses, is reflected in their old age. However, at this stage of life, a person’s ability to earn a living through the labor market declines, and as a result, their quality of life, economic wellbeing, and mental wellbeing come to depend on previous life savings. After retiring, for those who failed to make ends meet in their younger years, it can be almost impossible to avoid falling into poverty.

As for gender-based constraints, the processes exposed in the study align with a vast body of literature suggesting that, in general, women tend to be in an inferior economic condition compared to men. The feminization of poverty, particularly among older women, has been described in various scholarly fields (Bradshaw, Chant, and Linneker, 2017). Multiple cultural and societal expectations regarding the gender division of labor, both within the household and in the labor market, have contributed to this inequality (Filandri & Struffolino, 2019; Pfau-Effinger & Reimer, 2019). The literature has also

indicated that precarious life conditions, such as divorce, expose women to greater economic vulnerability (Harrington Meyer & Abdul-Malak, 2015; Herbst-Debby, 2019). The real-life experiences of our low-income women interviewees expose the profound influence of their early-life patterns of labor market participation, mostly shaped by their mothering commitments, on their opportunities in the labor market in later life. Even women who are healthy, available, and willing to develop their skills at older ages are excluded in an age-based discriminatory labor market. In such a reality, they find it almost impossible to escape economic vulnerability.

Finally, we found immigration-related constraints. Immigration has always been linked to low-income jobs at the bottom of the labor market. Immigrants are often unfamiliar with the local language and culture and have limited social capital. However, in a country composed of immigrants, like Israel, and in many European countries that have experienced massive waves of immigration in recent decades, there is an expectation that, after some years of adaptation, immigrants will fully integrate into society and the labor market. Despite such expectations, our study emphasized the critical role of inadequate immigration policies, particularly regarding pension savings, but not limited to that, in shaping the economic vulnerability of older immigrants compared to older native-born workers.

Extraction of the institutional constraints that shape economic vulnerability allows us to contribute to current literature by arguing that much more than a choice or a privilege, the continuous labor market participation of low-income older workers constitutes a burden. The interviews suggest that the very possible reality of further impoverishment is experienced as a threat to their economic survival, resulting in coerced labor market participation.

Moreover, in many cases, not only do the jobs of such older workers not allow for relief from economic deprivation, they lead to greater vulnerability and distress in other domains, such as intensified exposure to physical injuries, expensive costs of health treatments, and more. Thus, the economic vulnerability of these older workers is not limited to poverty. It also means constantly living on the edge, feeling insecure and stressed about losing one's "bad" job, no matter how poorly paid, or being afraid of losing one's remaining physical health and not being able to work and earn at all.

### **Limitations and future research**

Our study focused on the Israeli context, which has unique characteristics in terms of labor markets, gender expectations and immigration policies. To enhance generalizability, future research should explore how different contexts and welfare state regimes influence the economic vulnerability of older workers. Moreover, the cumulative impact of such factors as income level, gender and immigration status may provide valuable insights into the complex

nature of economic vulnerability among older workers, representing a critical area for future research. As our study specifically examined low-income older workers, our findings may not be applicable to those from higher socioeconomic classes. Future research could address this by conducting comparative studies across socioeconomic strata to better understand class-based distinctions in economic vulnerability. We also suggest that subsequent investigations delve into other institutionalized mechanisms, such as employment policies, retirement age regulations, and sector-specific economic trends, which may contribute to the precarious situation of older workers in physically demanding jobs at low pay. These explorations could offer a more comprehensive understanding of the varied and complex factors that underpin economic vulnerability in older age. Finally, as the findings of this study are based on a qualitative method of inquiry, additional quantitative studies could employ surveys to measure the extent of choice versus coercion in post-retirement employment and analyze how these factors vary at different income levels, providing a statistical basis for understanding this issue and allowing greater generalizability.

## Conclusion

Our analysis, grounded in the experiences of our participants and supported by existing literature (Gatta, 2018; Hokema & Scherger, 2016; Lain, 2016; Lain et al., 2019; Pfau-Effinger, 2017; Scherger et al., 2012), points to the systemic nature of economic vulnerability among low-income older workers. It is clear that individual attributes alone do not account for this precarity; rather, it emerges from a lack of supportive policies. To mention just one possible avenue for more adequate policy design, we propose the adoption of comprehensive family policies that provide protection and support to women from an early age, such as facilitating work-life balance and maintaining skills and educational relevance. This is in addition to Fineman's (2008) advocacy for governmental responsibility in ensuring resource access to all, including healthcare, affordable housing, and lifelong learning opportunities. Such resources and policies can play a pivotal role in mitigating the economic vulnerability that coerces low-income older workers into continued labor participation, allowing them instead to engage in the labor market by informed choice.

## Key points

- Aging population and labor shortages demand policy attention. Policy should address choice versus coercion in extended work.
- Scholars and policymakers should embrace the concept of vulnerability and analyze how social processes and state policies shape it.

- Social policy reforms are needed for economic security in later life.

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