Conference

IS A LONGER WORKING LIFE FOR EVERYONE?

EXPLORING EMERGING INEQUALITIES AMONG OLDER WORKERS

Venue: CEPS, 1 Place du Congrés, 1000 Brussels **Date: Wednesday, 26 April 2017, 09:30 - 15:30**

Working longer is the fundamental response to the challenges posed to European welfare states by the ageing of their citizens. FACTAGE, a new European Joint Programming Initiative project led by CEPS, explores where and how the extension of working lives could lead to the emergence and/or widening of socioeconomic inequalities.

09:00 - 09:30	Registration and Coffee
09:30 - 09:45	Welcome and Introduction to FACTAGE, Mikkel Barslund (CEPS)
09:45 - 11:15	**Session 1: Fundamental inequalities: health and mortality** Chair: Mikkel Barslund, CEPS *Socioeconomic inequalities in life and health expectancies at older ages* Amaia Bacigalupe, University of the Basque Country *Estimating differential mortality in EU countries from sample survey data* Johannes Klotz/Tobias Göllner, Statistics Austria *Are socioeconomic inequalities in health increasing?* Lars Ludolph, CEPS
11:15 - 11:45	Coffee Break
11:45 - 12:45	**Session 2: Late for work? Older workers on the labour market** Chair: Johannes Klotz, Statistics Austria *Work-life or 'work versus life' in older age* Andreas Cebulla, NIESR *Working more by working less* Hans Dubois, Eurofound
12:45 - 13:45	Lunch Break
13:45 - 15:30	**Session 3: Skills at work** Chair: Andreas Cebulla, NIESR *Use it or lose it – Skills, earnings and job satisfaction among older workers* Markus Bönisch, Statistics Austria *Skills mismatch and workplace performance in Britain* David Wilkinson, NIESR **Session 4: Retiring when?** *Preferred and expected retirement age in Germany and elsewhere in Europe* Moritz Hess, University of Dortmund *Changing Labour Market Conditions for Older Workers – A Comparative Perspective* Charlotte Fechter, University Koblenz-Landau
15:30	Close of conference

Thinking ahead for Europe

FACTAGE – Fairer ACTive AGeing for Europe

Exploring emerging inequalities among older workers

Mikkel Barslund
CEPS

FACTAGE Conference, Brussels 26 April.
(www.factage.eu)

FACTAGE – Fairer ACTive AGeing for Europe

- Joint Programming Initiative: **More Years – Better Lives project**

- 5 Research institutes
  - CEPS (BE)
  - Statistics Austria (AT)
  - NIESR (UK)
  - Uni. of Koblenz-Landau (DE)
  - Uni. of Basque Country (ES)

- Financed by national research foundations/councils (3 years).

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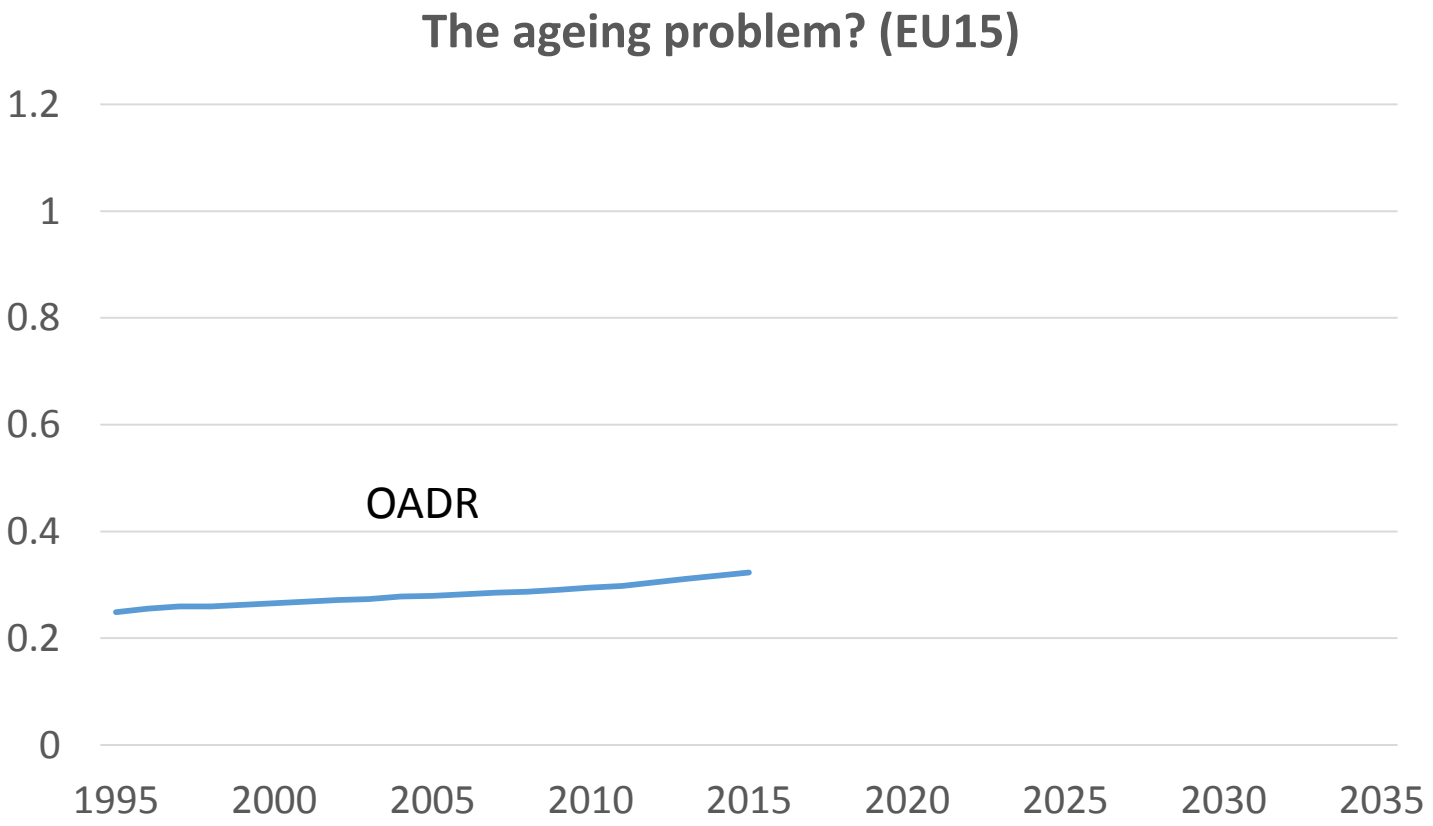
The ageing problem? (EU15)
1.2
1
0.8
0.6
0.4
0.2
0
OADR
1995
2000
2005
2010
2015
2020
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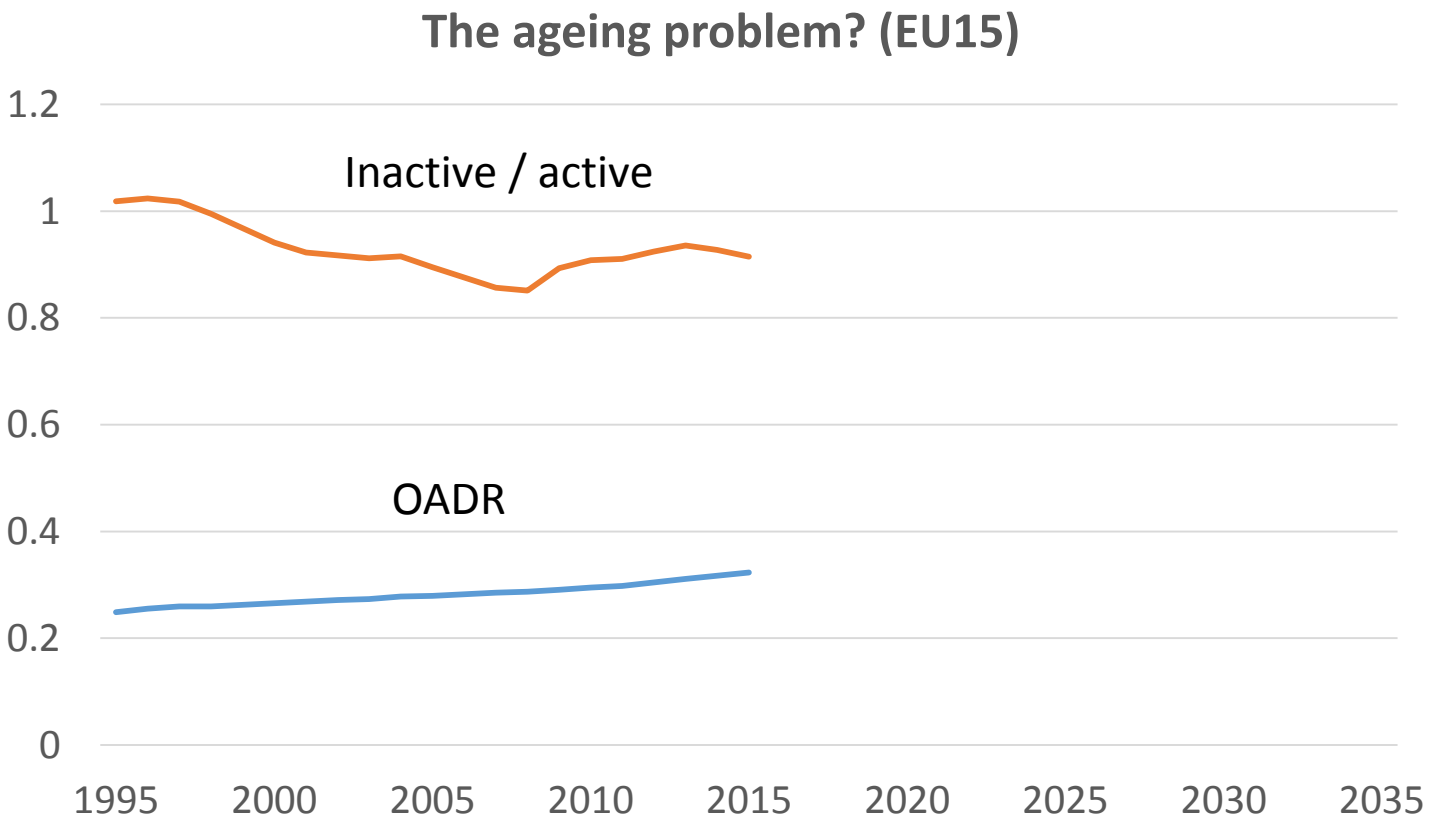
2030
2035


The ageing problem? (EU15)
1.2
1
0.8
0.6
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Inactive / active
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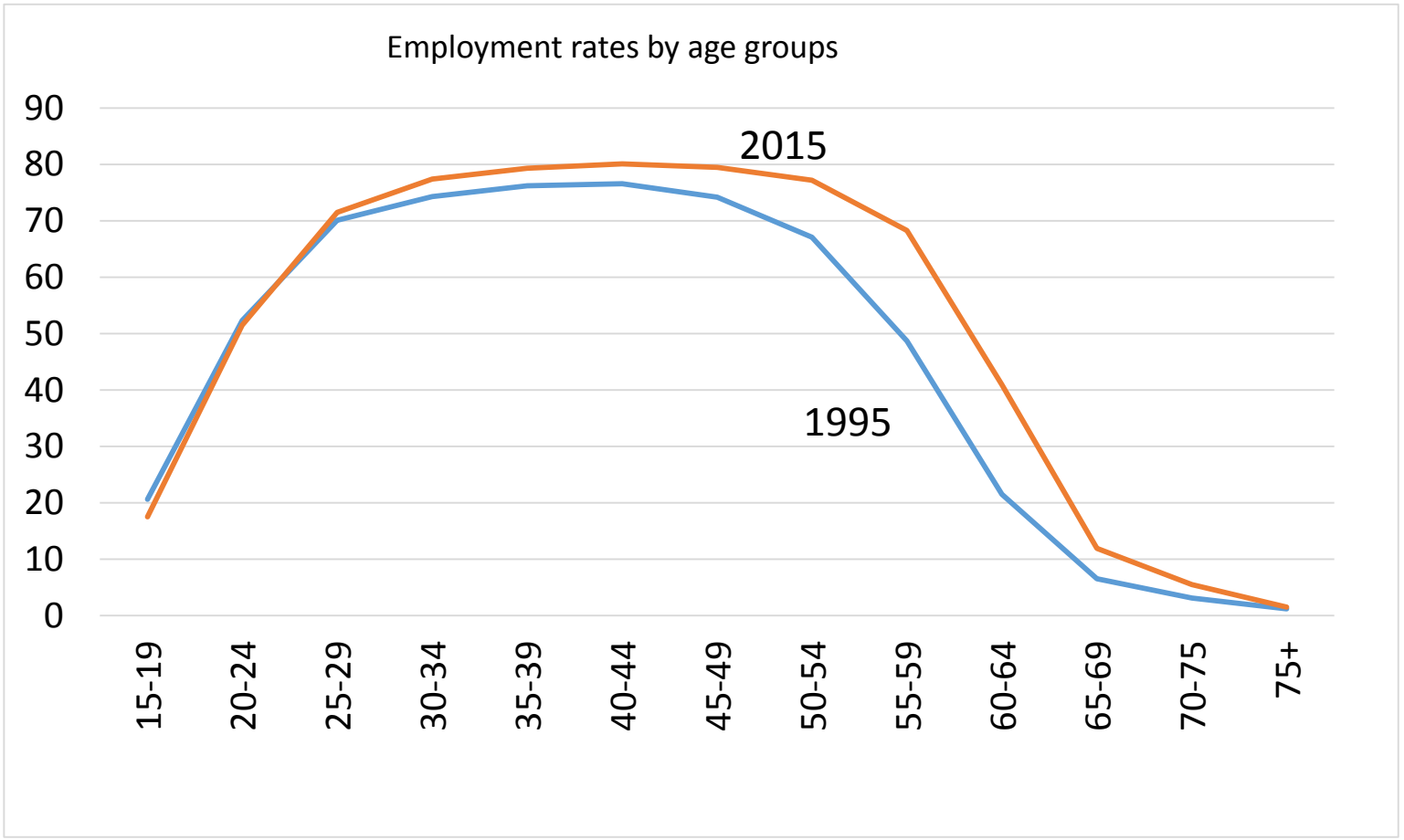
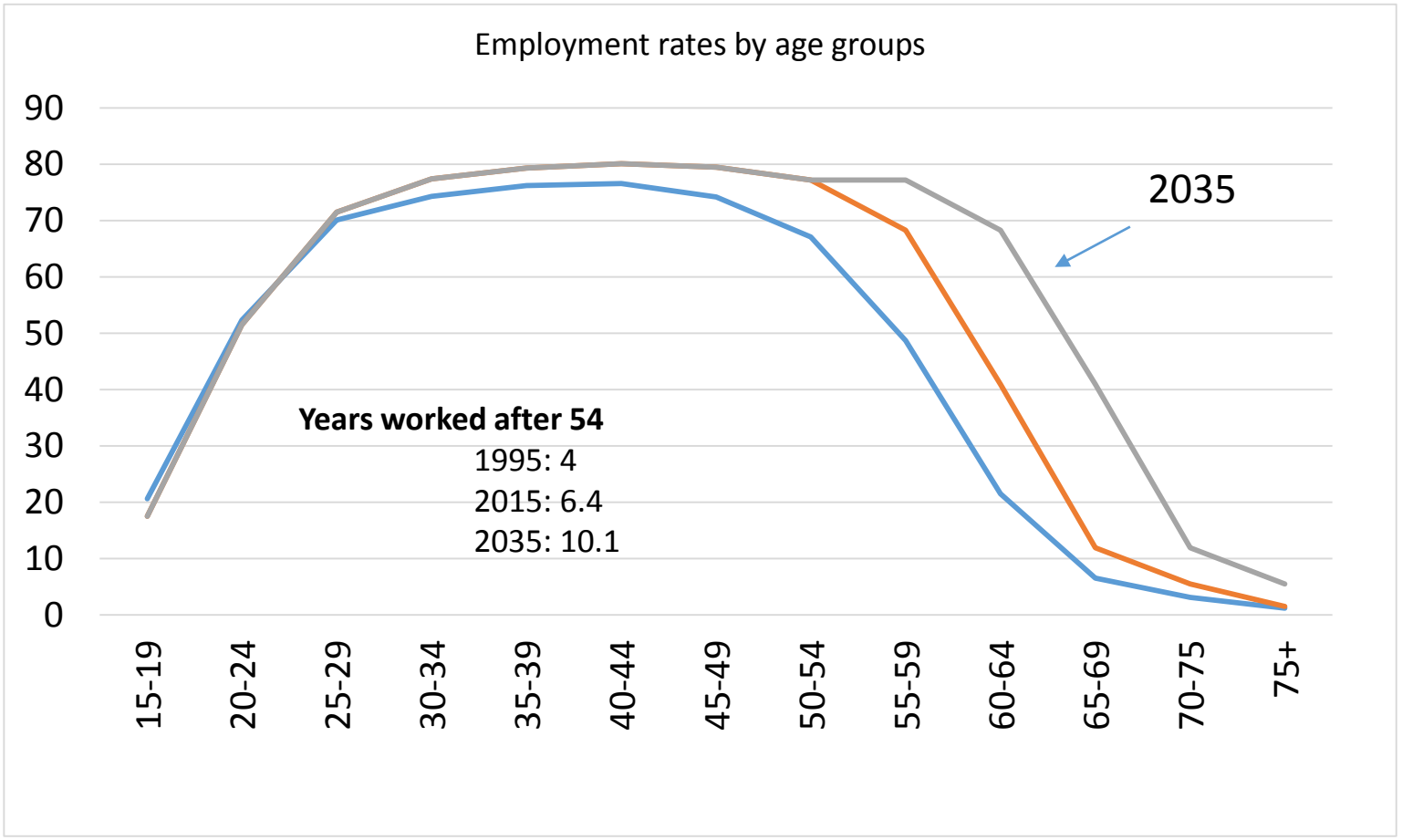
Extending length of working lives (EU15)

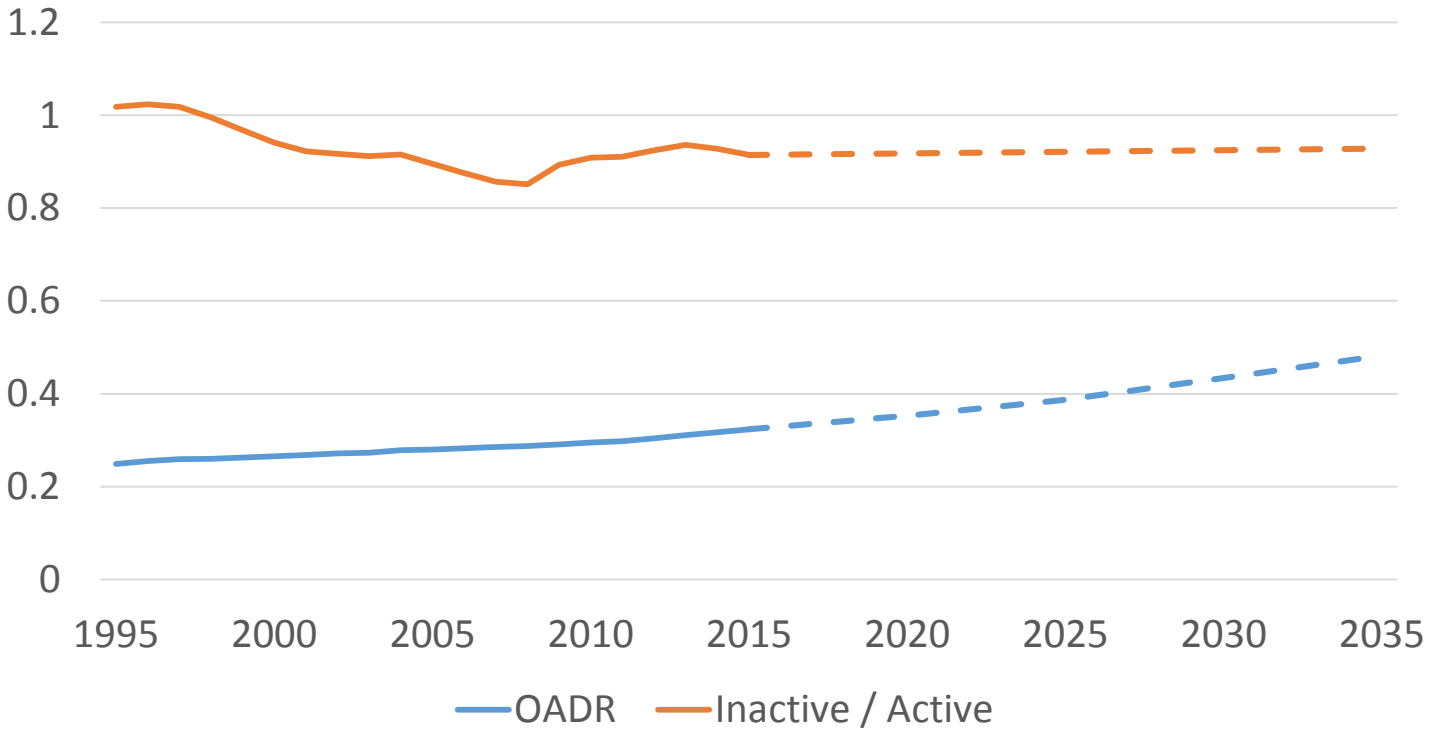


The prospective challenge

The prospective challenge



Ageing – problem no more? (EU15)



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- To what extent and for whom will this challenge cause problems?
  - Exacerbating existing inequalities?
- What tools are needed to assess changes in inequalities?
- How do labour market institutions best support this change?
- Pension institutions?
- What policies for the life course?
- How to define the concepts of fairness and inequality?

FACTAGE – Fairer ACTive AGeing for Europe

Three-part project

Fundamental conditions

Mortality

Health

Well-Being

Labour Market

New trends (atypical work)
Skills use & no-use
Work-life balance
Family institutions
Well-being

Thinking ahead

Pension policies (fairness)

Life course / labour market policies

Focus on socio-economic inequalities

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FACTAGE – Fairer ACTive AGeing for Europe

- ✓ Multi-disciplinary
- ✓ Stakeholder oriented (reach out)

- ✓ Excellence in science
- ✓ Attention to gender
- ✓ Attention to age
- ✓ Peer-learning and reviewing

FACTAGE

Thinking ahead for Europe

Sign up for news @ www.factage.eu

Many thanks for your attention

Mikkel Barslund – Mikkel.Barslund@ceps.eu

FACTAGE Conference, Brussels 26 April.
(www.factage.eu)

Socioeconomic inequalities in life and health expectancies at older ages in Europe

Amaia Bacigalupe

UNIVERSITY OF THE BASQUE COUNTRY-SPAIN

CEPS

Conference

FACTAGE

IS A LONGER WORKING LIFE FOR EVERYONE?

EXPLORING EMERGING INEQUALITIES AMONG OLDER WORKERS

Venue: CEPS, 1 Place du Congrés, 1000 Brussels Date: Wednesday, 26 April 2017, 09:30 - 15:30

Universidad del País Vasco | Euskal Herriko Unibertsitatea

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Background

- Europe is ageing, as a consequence of low birth rates and increasing life expectancy (LE) => some political challenges
- In terms of pension policy, most of the countries have undertaken systematic restructuring of their pension eligibility age[1]:
  - Most countries: + 2/3 years before 2030
  - Few countries: no increase at all (SE, NO, SI, LU) or no increase for men (AT, BG, RO)
  - Some others: retirement age will be linked to the development of the expected life expectancy (FI, DK, EL, IT, NL, PL, SK)

[1] *www.etk.fi/en/the-pension-system-2/the-pension-system/international-comparison/retirement-ages/*

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Background & objective

- This rationale does not take into account that:
  - An increase in LE is not equivalent to being able to work longer=> health status need to be considered (HLE)
  - LE and HLE are strongly related to socioeconomic position
  - Life expectancy inequalities could have strong implications for the redistributive properties of current pension systems.

Background & objective

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Objective=> What have all the published scientific papers said about the current socioeconomic inequalities in life expectancy and healthy life expectancy in Europe in the last years [with an special focus on the FACTAGE countries]?

Background & objective

Objective=> What have all the published scientific papers said about the current socioeconomic inequalities in life expectancy and healthy life expectancy in Europe in the last years [with an special focus on the FACTAGE countries]?

- Considering gender inequalities
- Different socioeconomic position variables (educ.level, social class etc.)
- Different methods to calculate mortality patterns
- Different methods to analyze SES inequalities

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Search characteristics

Inclusion criteria:

Primary or secondary studies focused on socioeconomic inequalities in life expectancy and healthy life expectancy in older age or at retirement (**always 50+) in the 28 member countries of the European Union, as well as Norway and Switzerland, with data for the period 1990-2016**

Databases:

Embase, Pubmed, Sociological Abstracts and Social Science Citation Index

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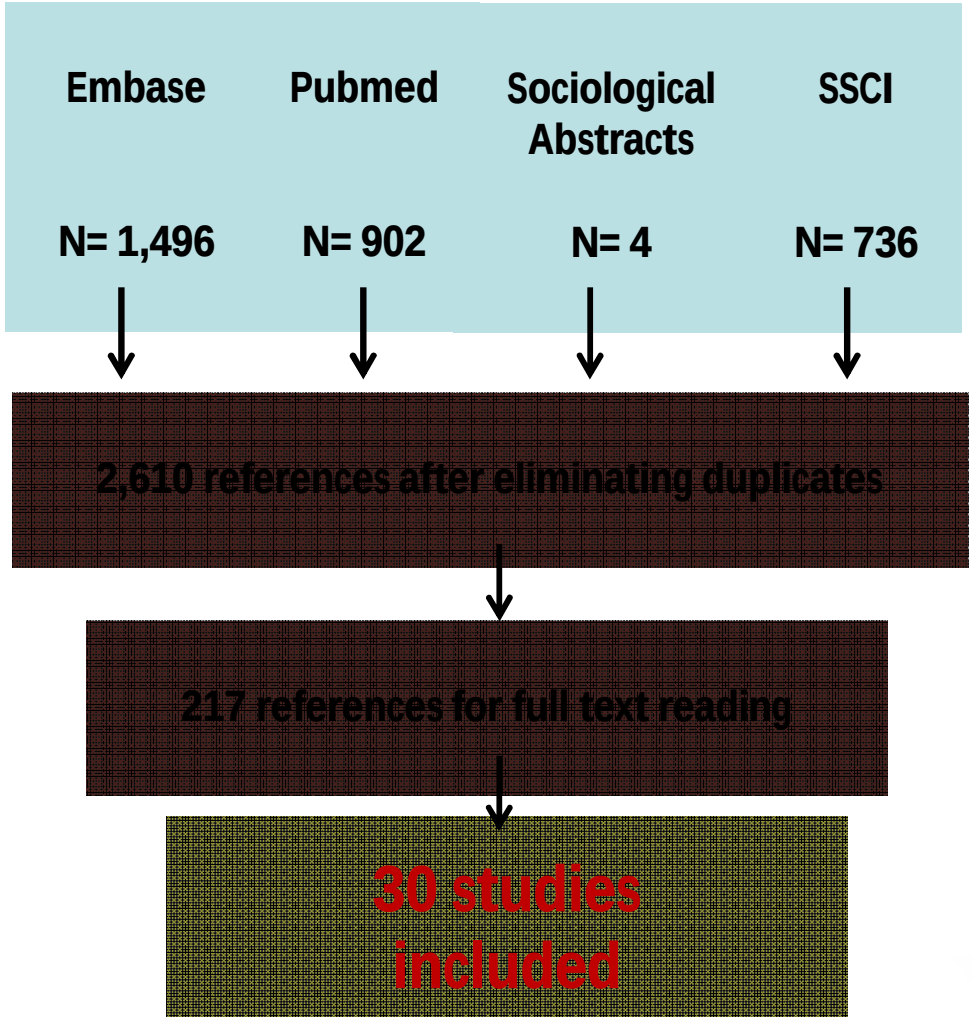
Search characteristics

Flow diagram of the study selection



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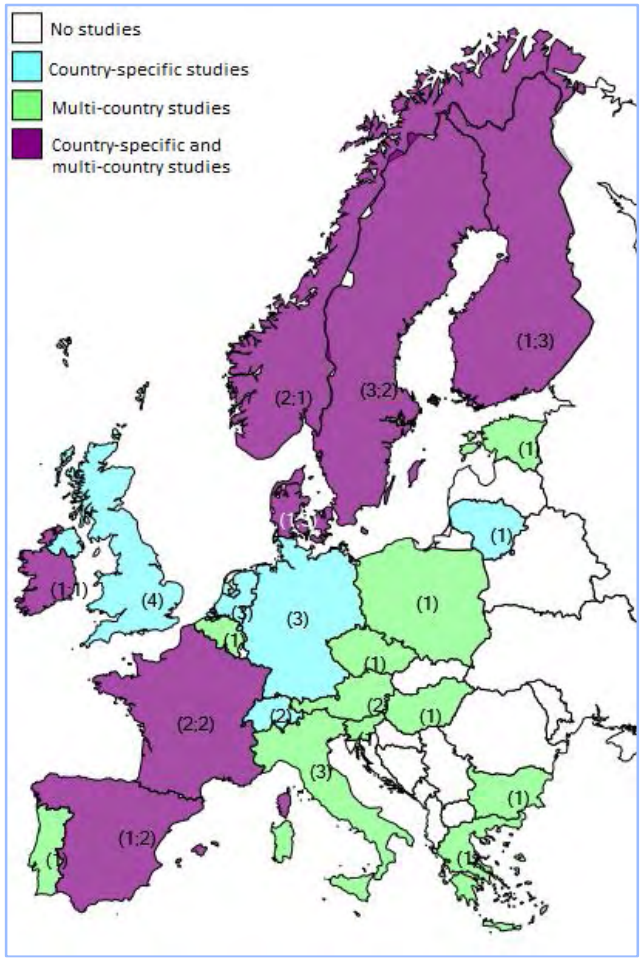
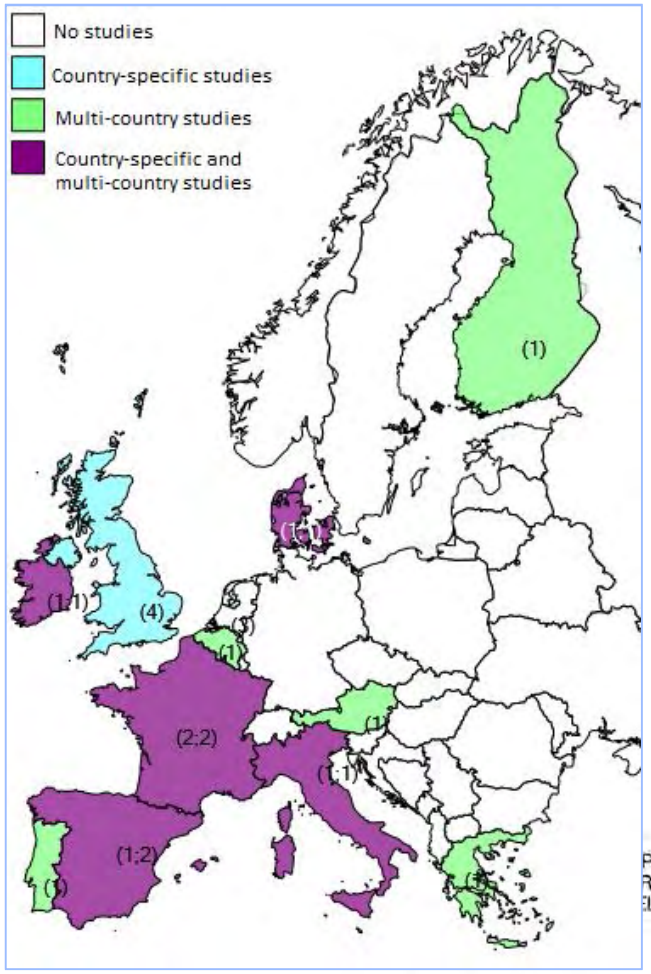
Results

Distribution of studies, according to country and kind of study (individual, comparative or both)

Life expectancy



Healthy life expectancy



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Results

- Are there inequalities in life expectancy at retirement age, and how are they?

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Systematic inequalities exist (by educational level)

Life expectancy at 50

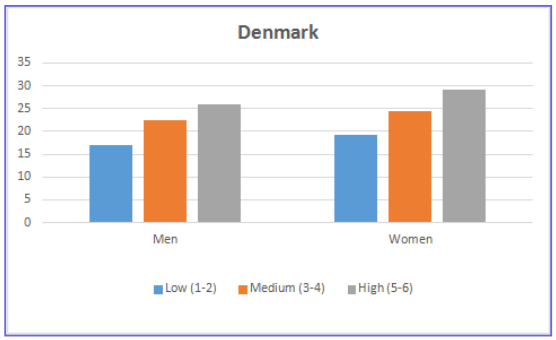
Life expectancy at 65

Loichinger, 2016;
Bronnum-Hansen, 2015;
Kalediene, 2008;
Spoerri, 2014

Spoerri, 2014;
Moe, 2012;
Majer, 2011;
Batljan, 2009;
Kalediene, 2008;
Jagger, 2007

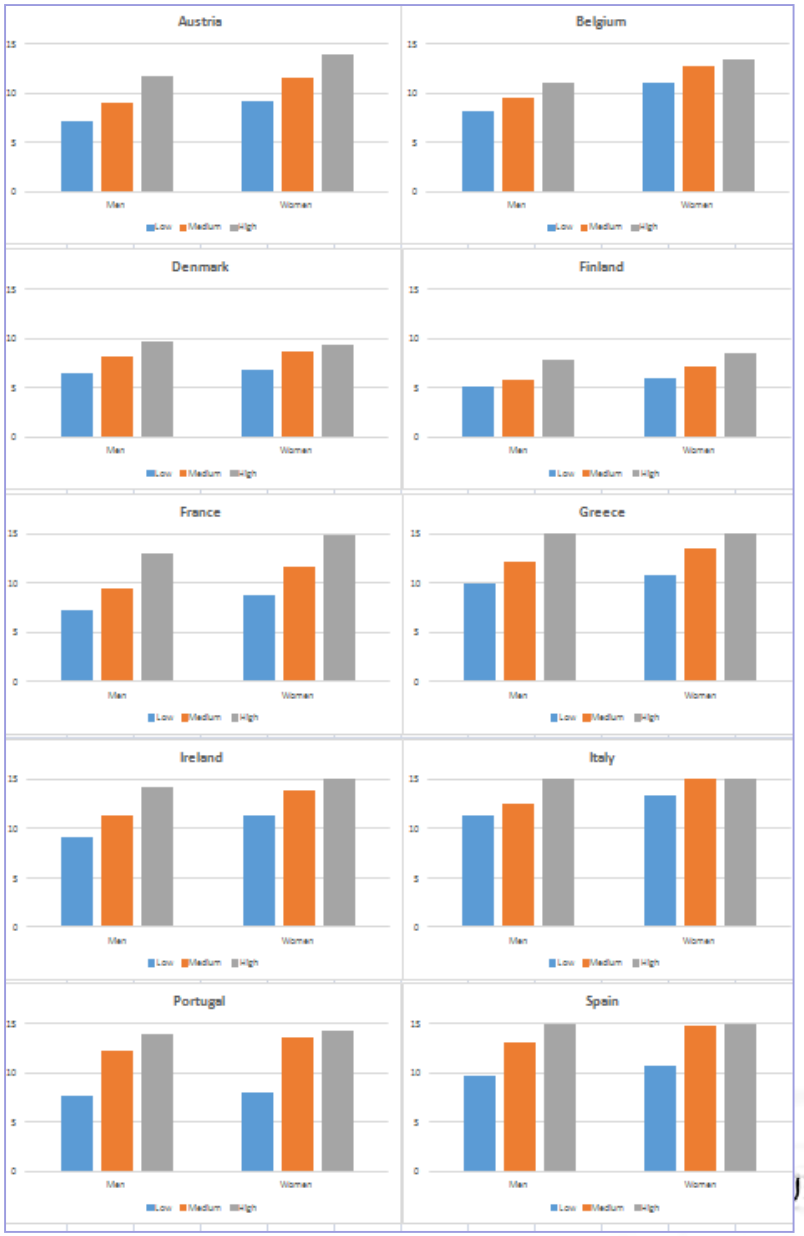
Systematic inequalities exist (by educational level)

LE in good health at 50



Bronnum-Hansen, 2015

Disability-free LE at 65



Majer, 2011

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Which is the magnitude of these inequalities?

Maximum and minimum inequalities in LE and HE by age

			Max	Min
LE	50	Men	11.3 (EE)	2.6 (SE)
		Women	6.9 (LT)	1.6 (FI)
	65	Men	10.2 (NL)	1.1 (UK)
		Women	7.5 (IR)	0.6 (FI)
HE	50	Men	9.1 (DK)	3.0 (FR)
		Women	9.8 (DK)	3.5 (FR)
	65	Men	5.8 (IR)	0.9 (UK)
		Women	8.0 (IR)	1.9 (UK)

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And what for the FactAge countries?

Data of studies for FACTAGE from 1990

	LE		HE	
	50	65	50	65
Germany		Occupation: 2.6 Income: 4.9 Kibele 2013: Shkolnikov 2007; von Gaudecker 2007		
UK		Education: 1.1/1.6 Jagger, 2007		DFLE-education: 2.5/2.7 Jagger, 2007
Spain		Education: 2.9/1.9 Majer, 2011		DFLE-education: 5.5/5.6 Majer, 2011
Belgium		Education: 2.8/1.7 Majer, 2011		DFLE-education: 2.9/2.3 Majer, 2011
Austria		Education: 3.8/3.0 Majer, 2011		Education: 4.7/4.7 Majer, 2011

- Can we really say in which countries these inequalities are larger?

Can the studies/countries be compared?

Comparison of studies analyzing life expectancy at 65

Socioec. variable	Study design/ Method	AT		BE		DE	ES		UK		DK		FI		FR		EL		IE		IT		LT		NL		NO		PT		SE		CH		Ref.
		M	F	M	F	M	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Educ.	Cross sec.																														1.9	2.0			Batljan 2009
	Chiang												3.2	2.3													2.2	2.5			2.7	3.2	3.5	2.7	Zarulli 2012, Moe 2012, Spoerri 2006
	Pollard																						3.8	5.2											Kalediene 2008
	IMaCH								1.1	1.6																									Jagger 2007
	Multist.	3.8	3.0	2.8	1.7		2.9	1.9			2.1	0.8	1.5	0.6	3.0	2.1	3.4	2.5	3.7	2.7	2.3	1.3							3.8	3.0					Majer 2011
Marital educ.	Chiang																																3.4	2.4	Spoerri 2014
Occup.	Cross sec.					2.6									3.1	1.7															2.2	1.4			Kibele 2013, Cambois 2011, Burstrom 2005
Income (earning points' distrib.)	Cross sec.					2.3																													Shkolnikov 2007
Income (lifetime earning group)	Time series					4.9																													Kibele 2013
	Chiang					3.5																													von Gaudecker 2007
Ethn.	Chiang																		6.3	7.5					10.2	4.3									Abdalla 2013, Uitenbroek 2015 (Mort),

Can the studies/countries be compared?

Comparison of studies analyzing health expectancies at different ages

Age	Socioecon. variable	Health variable	Method	AT		BE		ES		UK		DK		FI		FR		EL		IE		IT		PT		Reference
				M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
50	Education	Without limitations	Sullivan									7.8	6.3													Bronnum-Hansen, 2015
		Self-rated good health	Sullivan									9.1	9.8													Bronnum-Hansen, 2015
	Occupation	Without chronic diseases	Sullivan													3.0	4.4									Cambois, 2011
		Good perceived health	Sullivan													9.1	9.1									Cambois, 2011
		Without functional limitations	Sullivan													7.3	7.1									Cambois, 2011
		Without GALI	Sullivan													6.1	4.9									Cambois, 2011
		Without ADL restrictions	Sullivan													6.0	3.5									Cambois, 2011
65	Education	Mobility DFLE	IMaCH							2.5	2.7															Jagger, 2007
		ADL disability free	IMaCH							0.9	1.9															Jagger, 2007
		DFLE	Multistate	4.7	4.7	2.9	2.3	5.5	5.6			3.2	2.6	2.6	2.5	5.6	6.1	5.4	5.0	5.1	4.7	3.0	3.0	6.2	6.3	Majer, 2011; Minicuci 2005
	Occupation	Without chronic diseases	Sullivan													1.4	2.2									Cambois, 2011
		Good perceived health	Sullivan													4.6	4.6									Cambois, 2011
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		Without GALI	Sullivan													3.7	3.2									Cambois, 2011
		Without ADL restrictions	Sullivan													3.9	2.6									Cambois, 2011
	Ethnicity	HE	Sullivan																	5.3	8.0					Abdalla, 2013
		DFLE	Sullivan																	5.8	7.6					Abdalla, 2013
85	Education	Mobility DFLE	IMaCH							1.2	1.0															Jagger, 2007
		ADL disability free	IMaCH							0.6	1.3															Jagger, 2007

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Conclusions

- Old people with less educational level live shorter lives and much fewer years in good health and more years in bad health.

- Inequalities show different patterns in men and women.

- There is scarce information to compare countries and to analyze temporal changes of those inequalities

- However, enough information exist to warn about the fact that:
    1. If pension age goes up generally, the pension system itself will become the more and more unfair.

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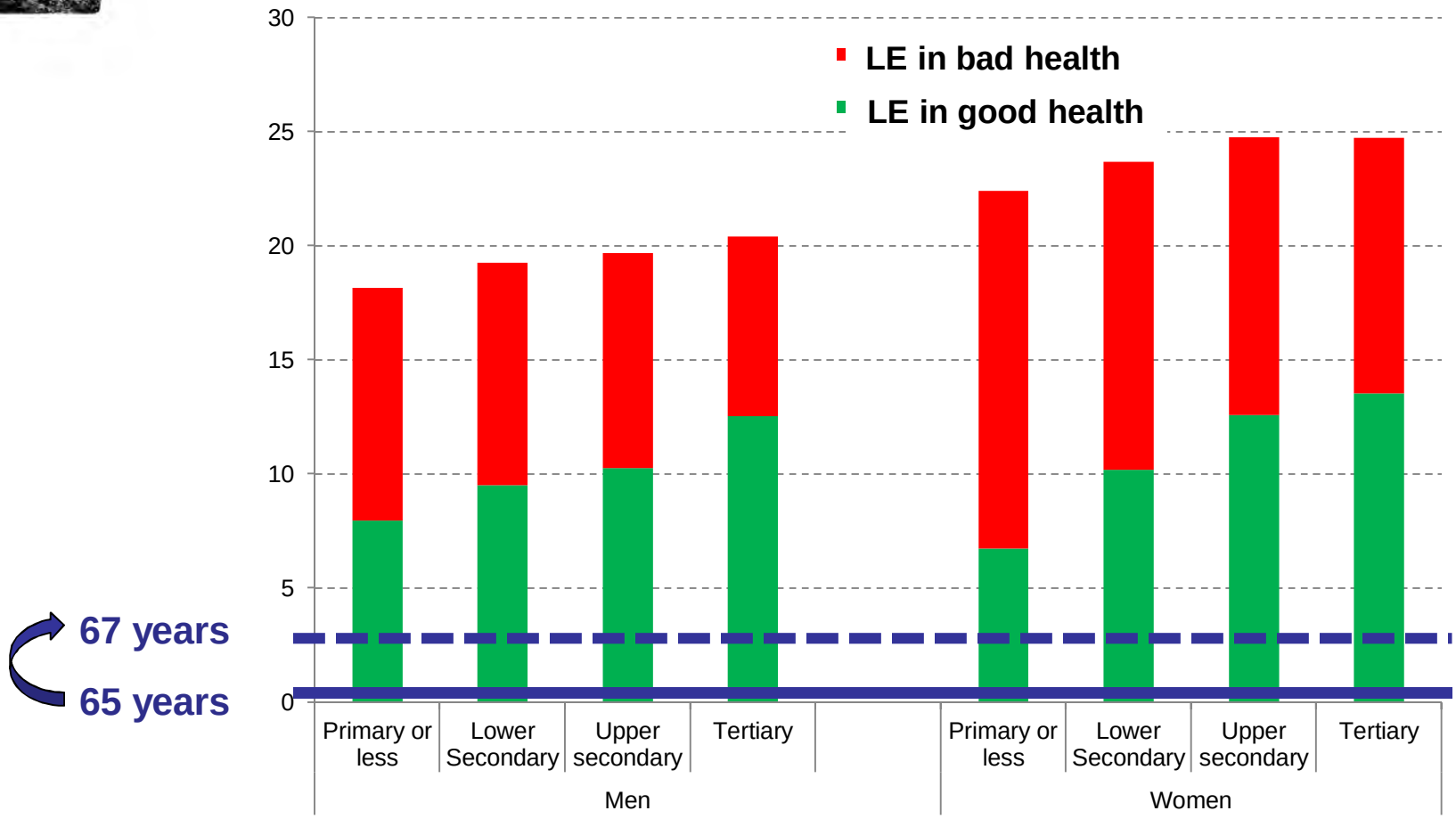
Life Expectancy and Healthy Life Expectancy at 65 by educational level. Spain, 2012



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- Inequalities show different patterns in men and women.

- There is scarce information to compare countries and to analyze temporal changes of those inequalities

- However, enough information exist to warn that:
  1. If pension age goes up generally, the pension system itself will become the more and more unfair.
  2. Morever, given no changes in current inequalities in life expectancy, a general increase of retirement age could deepen the redistribution of wealth from the lower to the higher socioeconomic groups= >the regressive nature of current pension systems can be deepened.

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OECD Social, Employment and Migration Working Papers No. 71

Socio-Economic Differences in Mortality

IMPLICATIONS FOR PENSIONS POLICY

Edward R. Whitehouse, Asghar Zaidi

"[…] In the United Kingdom, the increase in pension age will cut **low earners lifetime wages more than for high earners** ."

"[…] **Education, which usually has a positive correlation with the wage level, implies that the period during which agents pay for the pension system is lower**. Consequently, our results concerning the regressivity of pension systems would be reinforced."

Vous consultez

Who Really Benefits from Pension Systems ? When Life Expectancy Matters [*]

par **Christophe Hachon** [**]

Popul Stud (Camb). 2016 Jul;70(2):201-16. doi: 10.1080/00324728.2016.1159718. Epub 2016 Apr 7.

Forecasting differences in life expectancy by education.

van Baal P[1], Peters F[2], Mackenbach J[2], Nusselder W[2].

Author information

Abstract

Forecasts of life expectancy (LE) have fuelled debates about the sustainability and dependability of pension and healthcare systems. Of relevance to these debates are inequalities in LE by education. In this paper, we present a method of forecasting LE for different educational groups within a population. As a basic framework we use the Li-Lee model that was developed to forecast mortality coherently for different groups. We adapted this model to distinguish between overall, sex-specific, and education-specific trends in mortality, and extrapolated these time trends in a flexible manner. We illustrate our method for the population aged 65 and over in the Netherlands, using several data sources and spanning different periods. The results suggest that LE is likely to increase for all educational groups, but that differences in LE between educational groups will widen. Sensitivity analyses illustrate the advantages of our proposed method.

DISFUNCIONES EN EL SISTEMA ESPAÑOL DE PENSIONES

IGNACIO BLASCO PANIEGO[1]

Consultor senior de Banca y Seguros, Afi

Thank you!

eman ta zabal zazu

Universidad del País Vasco

Euskal Herriko Unibertsitatea

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FACTAGE

STATISTICS AUSTRIA
The Information Manager

Estimating differential mortality in EU countries from sample survey data: a feasibility study

Johannes Klotz
Tobias Göllner
Directorate Social Statistics

Brussels
26 April 2017

Differential Mortality

STATISTICS AUSTRIA
The Information Manager

Example: In Austria, men with tertiary education live, on average, 7 years longer than men with primary education

Subject is becoming increasingly important not only among demographers, but among social policymakers

International comparability of figures is poor (coverage, periods, stratification, data source, mortality indicator), because not part of the European Statistical Systems

Efforts made so far:
1) Mortality rates by ISCED (Eurostat and OECD)
2) Ex-post harmonization of available micro data (Erasmus MC)

Differential Mortality Risks

Many studies on mortality risks in association with socioeconomic factors (education, income,…)

- Specific comparative European approach in **FACT**AGE:
  - Survey sample based estimates
  - Harmonized variables (health, income, poverty,…)
  - Broad representation of EU Member States
  - Embedded in European Statistical System (ESS)

General Quality Assessment of EU-SILC data

Output harmonisation, but no standardised procedures for data collection (interview modes, register data,…)

Annual comparative and individual country quality reports

Most frequent problems and modifications: weighting variables and high levels of missing values for some variables

High quality standards and generally large sample

EU-SILC UDB (User Database)

The UDB has its limitations due to anonymization

Most important:

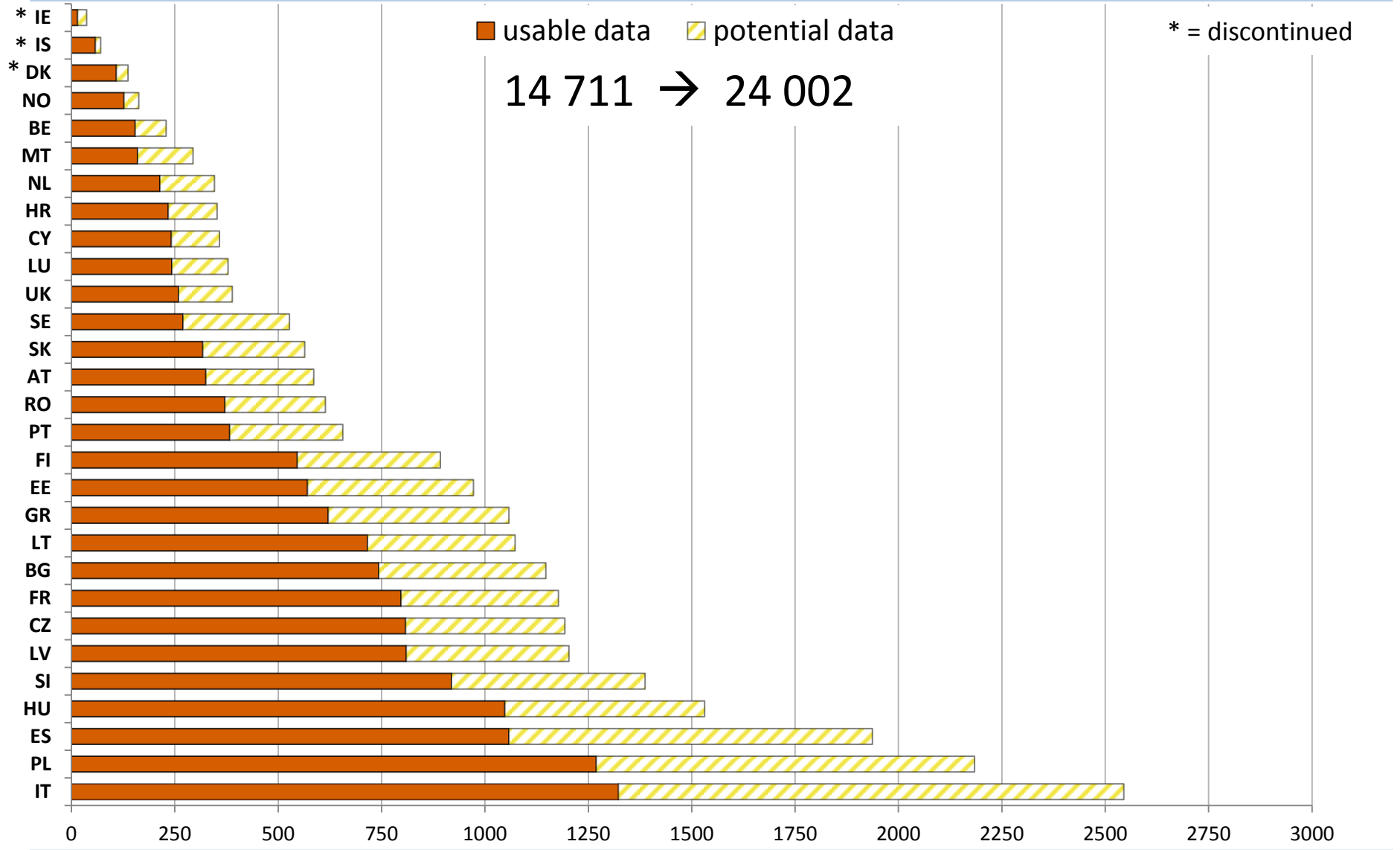
RB140 (Month moved out or died)
grouped values (quarters instead of months)

RX010 (Age at time of interview)
top coding (80+ category)

RB140: Mid point of every quarter is assumed

Some countries (Germany!) are not included (at least for some years)

Number of Deaths in EU-SILC (2004 – 2014)



Our Own Survey on Mortality Information

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The Information Manager

We conducted a survey of members of the Eurostat Working Group on Income and Living Conditions

Submitted responses (n=35); SILC-UDB countries (n=28)

5 questions, results of 2:

(1): Information on respondent's death

(2): Possibility of linking SILC data with national death registers

Survey on Mortality Information

How is the information on a respondent's death obtained? (Multiple answers possible) (n=28)

Answer	Countries (n)	Percent of countries	
Interviewer	14	50,0 %	
Other household members	23	82,1 %	
Written source (response to a letter/notification)	3	10,7 %	
Linkage with external data sources, namely	12	42,9 %	mostly registers
Other, namely	1	3,6 %	

Survey on Mortality Information

In your country, is it theoretically possible to link EU-SILC microdata with mortality information from national death registers (for example, via a unique personal ID variable available in both datasets)? (n=27, missing = 1)

Answer	Countries (n)	Percent of countries
Yes, this has already been done.	8	28,6 %
Yes, but so far it has not been done.	11	39,3 %
Technically possible, but not allowed for legal reasons.	0	0,0 %
No, not possible.	8	28,6 %
Total	27	96,5 %

Quantitative Assessment of Mortality

Sample population may be biased with respect to health status (non-coverage of institutionalized population, survey non-response)

Mortality bias depends on the length of follow-up period

Bias of general mortality does not necessarily imply bias of differential mortality

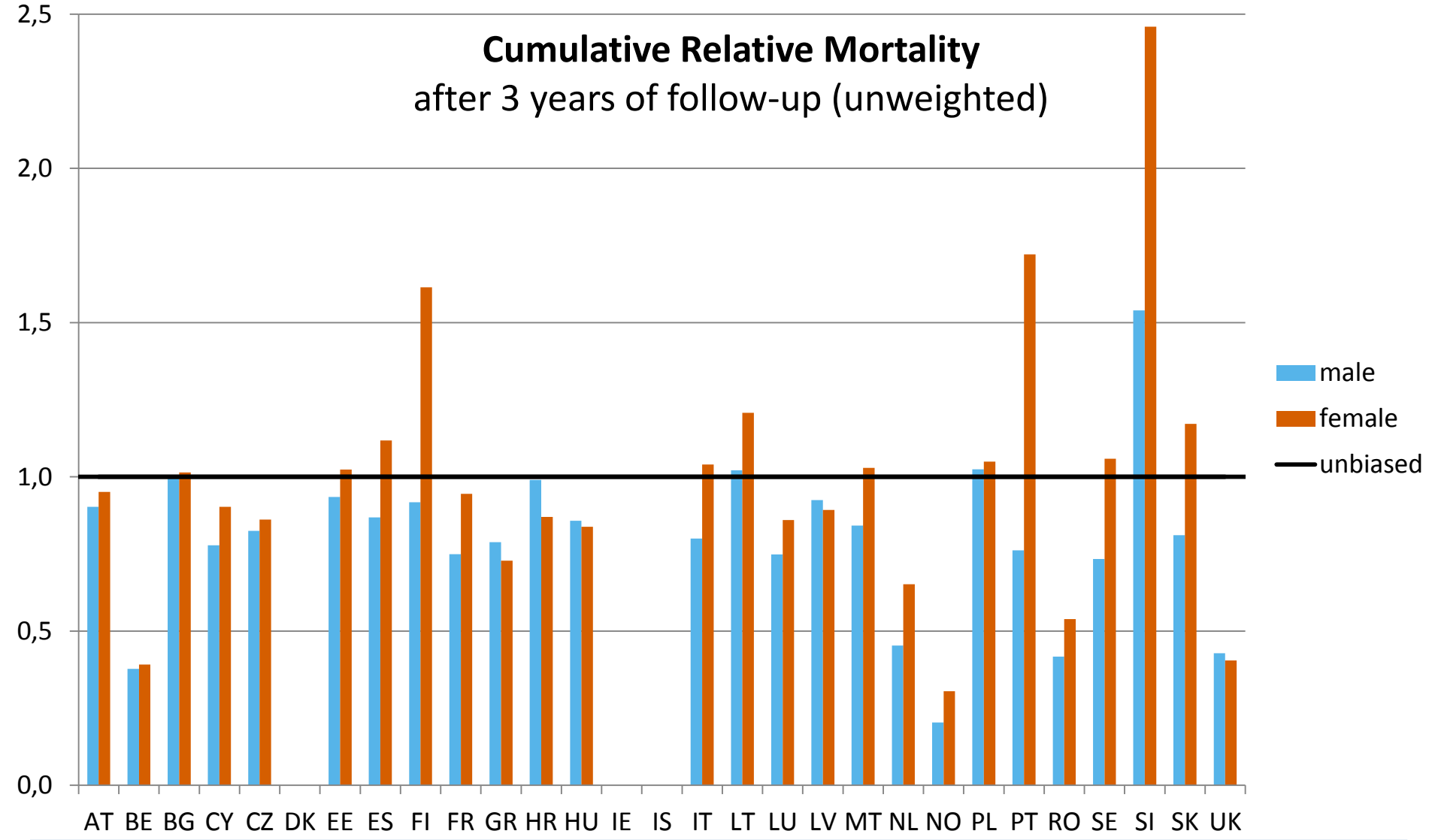
Assessment of general mortality bias in follow-up period:

$$Relative\ Mortality = \frac{observed\ deaths\ in\ sample}{expected\ deaths^{*}}$$

*Based on population mortality rates

Stratified by country and sex

Quantitative Assessment of Mortality



Quantitative Assessment of Mortality

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In most countries, general mortality is slightly lower in the sample population than in the general population

Substantial underrepresentation of deaths in BE, NL, NO, RO, UK (UDB problem?)

In some countries, sample population is more mortal than general population (especially females)

Does the bias depend on socioeconomic status?

Preliminary Conclusions

In theory, comparative mortality assessment is possible with EU-SILC data

But: EU-SILC UDB data has substantial restrictions

Mortality information in EU-SILC longitudinal component is of mixed quality; 19 countries can link mortality information to national registers

Wishlist

Inclusion of all countries in the UDB

Availability of single years of age (also beyond 80)

Availability of months data (instead of quarters)

Linkage with national mortality registers (increases validity)

Thinking ahead for Europe

FACTAGE

Trends in health inequalities across Europe

Lars Ludolph
CEPS (Brussels)

FACTAGE conference, 26/04/2017 @CEPS

www.factage.eu

General idea

Are the differences in health status between different socio-economic groups increasing or decreasing…

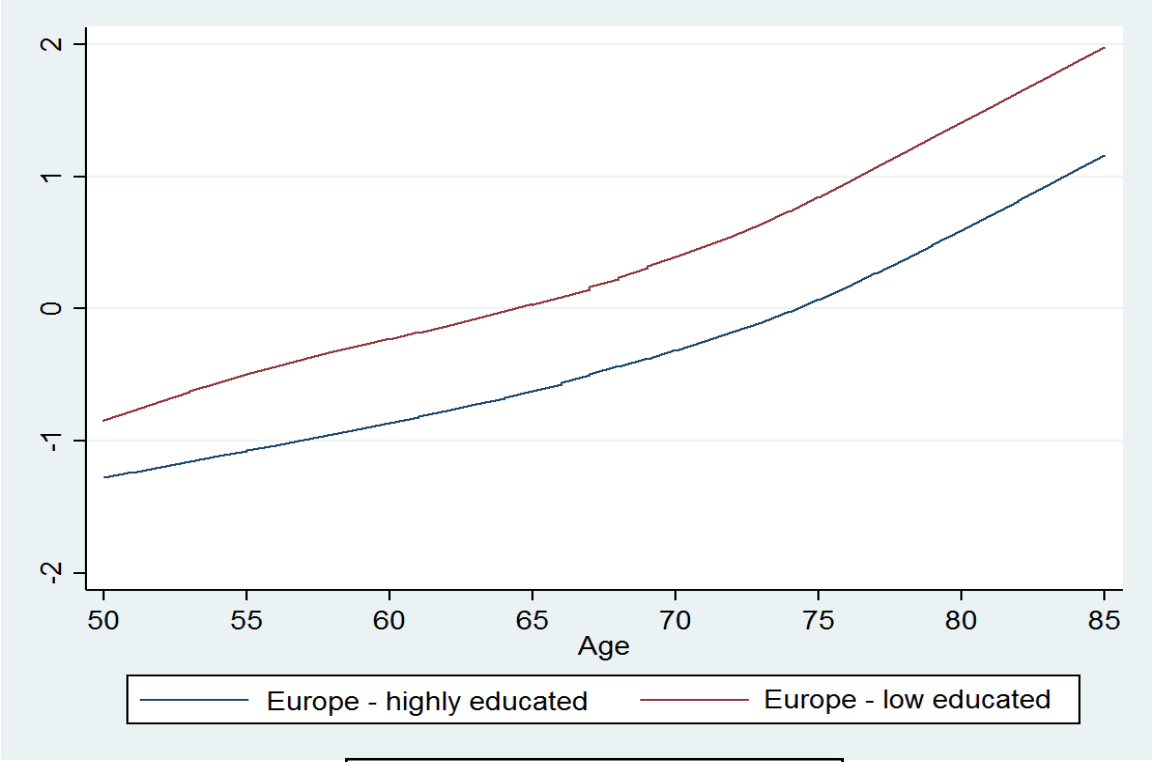
… within different European countries?

… across different dimensions (education, wealth, income)?

Approach and methodology

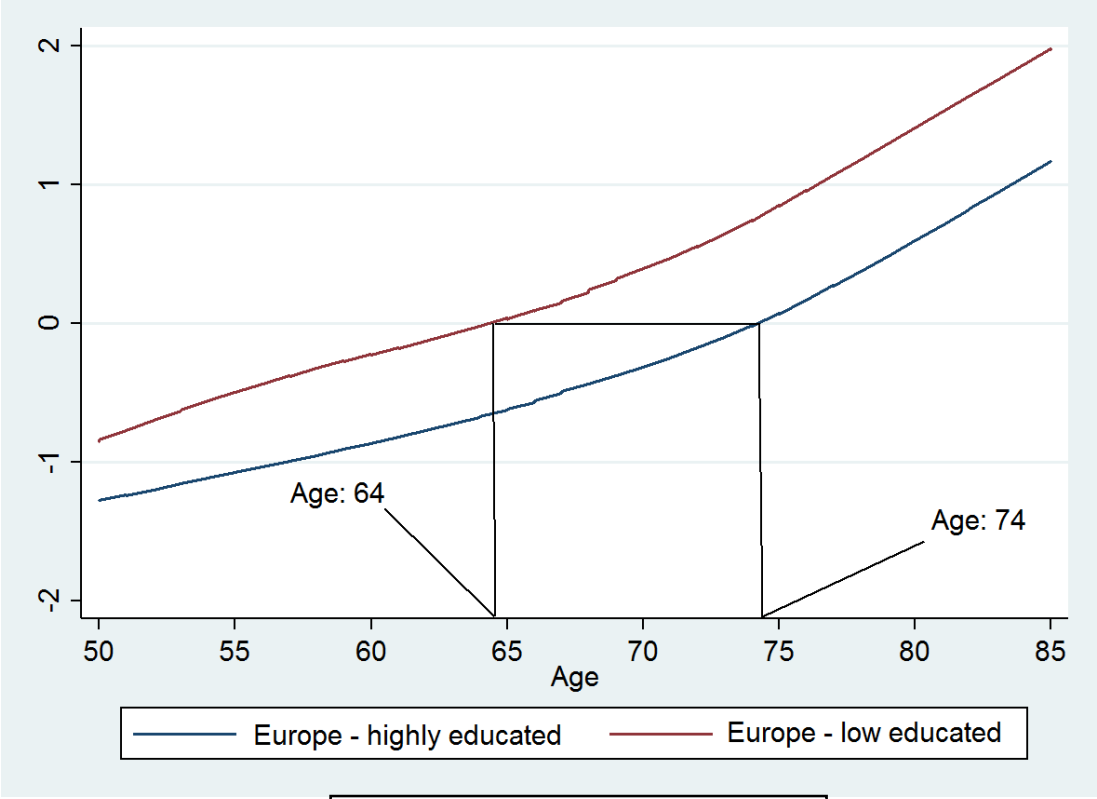
- Data: Wave 1 (2004) and wave 6 (2015) of the 'Survey of Health, Ageing and Retirement in Europe (SHARE)'
- We construct a (bad) health index based on Poterba, J., S. F. Venti and D.A. Wise (2010) for every individual in the dataset
- The (bad) health index is a weighted average of 23 health-related survey questions where the weights are obtained from the first principal component loadings of a principal component analysis

(Bad) Health index: Europe in 2015



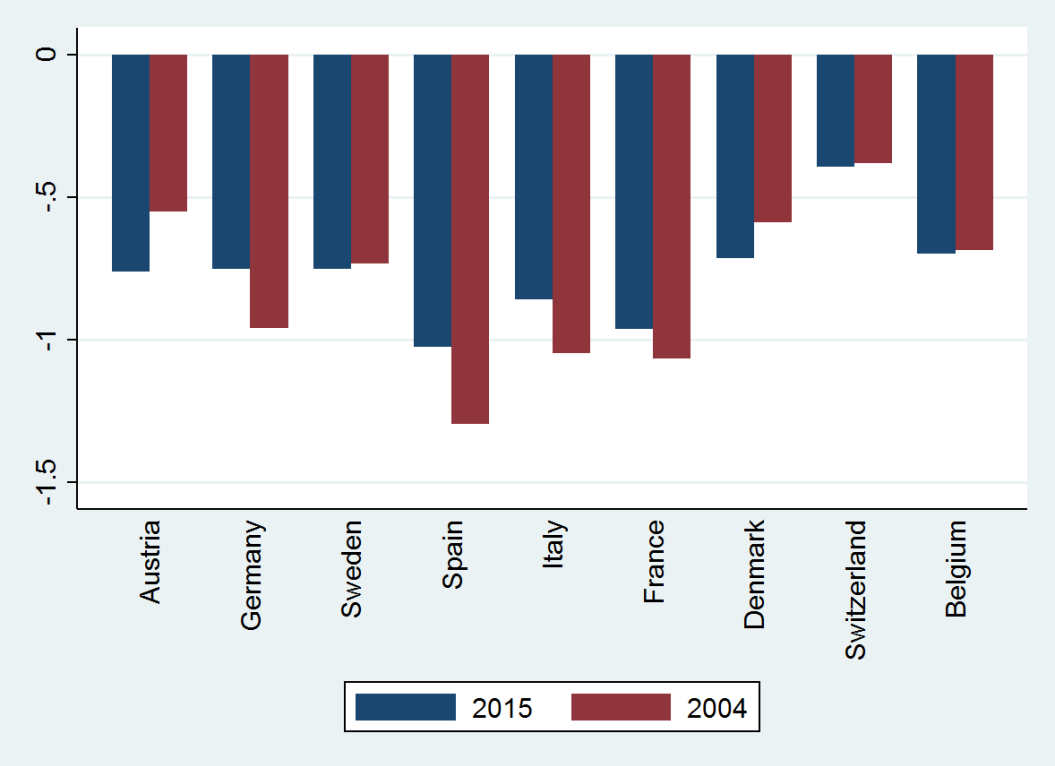
Source: Smoothed plot based on SHARE wave 6. Authors' calculation.

Interpretation: “On average, a 64 year old low educated European has the same health status as a 74 year old highly educated European.”



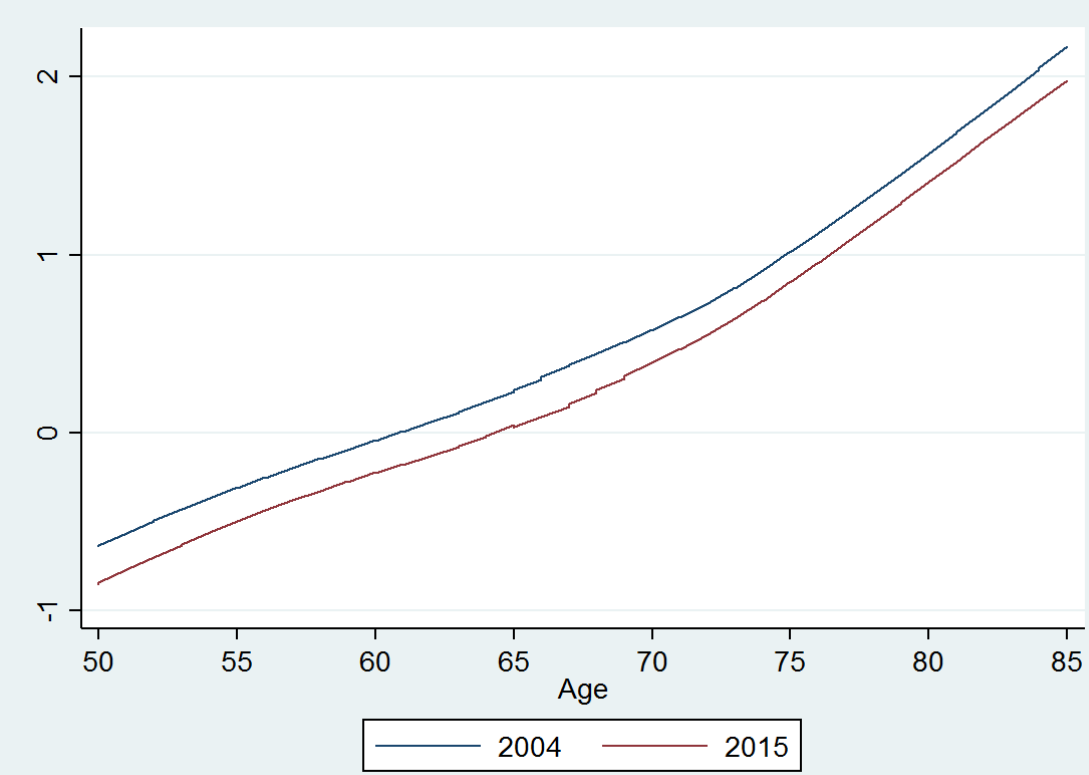
Source: Smoothed plot based on SHARE wave 6. Authors’ calculation.

Difference between individuals of high education and of low education by country and year



Source: SHARE wave 1 and wave 6 . Authors' calculation.
Age adjusted.

Individuals of low education in Europe, 2004 and 2015

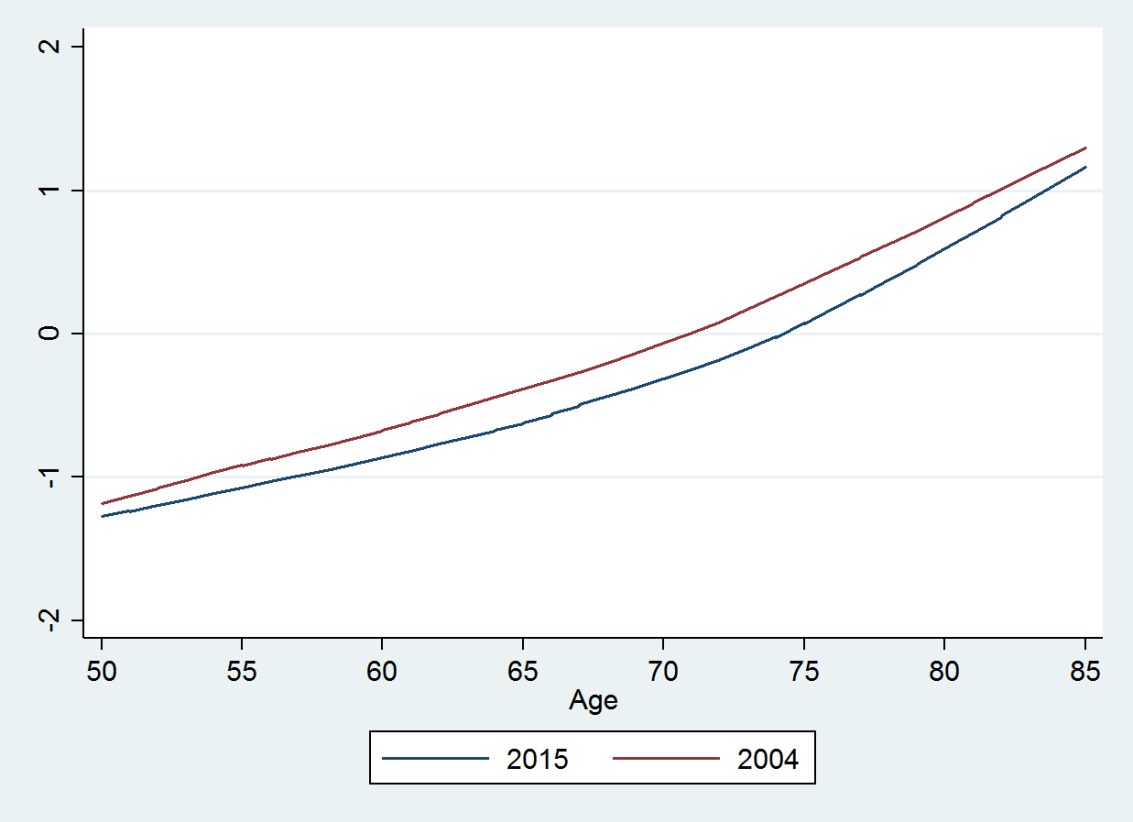


Source: Smoothed plot based on SHARE wave 1 and wave 6. Authors' calculation.

Interpretation: “On average, a 64.5 year old low educated European in 2015 has the same health status as a 61 year old low educated European in 2004.”

Source: Smoothed plot based on SHARE wave 1 and wave 6. Authors’ calculation.

… the situation for highly educated Europeans is very similar.



Source: Smoothed plot based on SHARE wave 1 and wave 6. Authors' calculation.

Conclusions

- Differences in health status between different socio-economic groups exist in every European country
- Throughout the observation period (from 2004 to 2015), the health status improved equally in both the group of the highly educated and the low educated in Europe on average
- These findings are heterogeneous across Europe: Some countries show small decreases, others small increases in health inequalities

FACTAGE

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Work-life or ‘work vs life’ in older age

Andreas Cebulla (NIESR, University of Adelaide)
Nathan Hudson-Sharp (NIESR)
Lucy Stokes (NIESR)
David Wilkinson (University College London)

FACTAGE

"There's more to life than work"

- Domestic divisions of labour linked to:
  - Life and relationship satisfaction
  - Perceptions of (un)fairness (tolerance of inequality)

- Gender inequalities at home affect gender equality at work:
  - Who works
  - Who is socially expected to be working

- Extending working lives influences how we might think about working and retirement in the future

FACTAGE

European Social Survey 2010 –

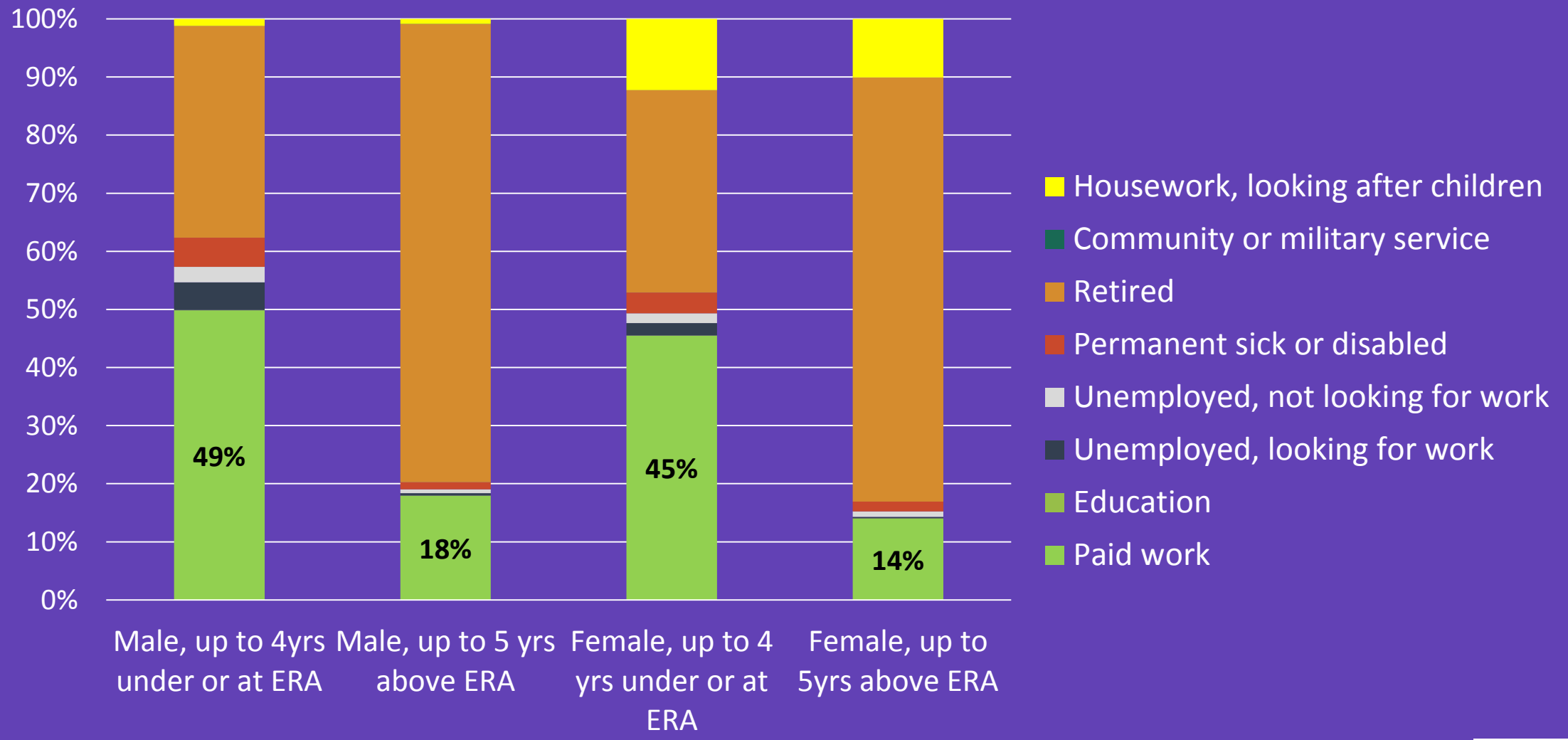
The countries we included

North	East	South	West
Finland	Bulgaria	Cyprus	Belgium
Denmark	Hungary	Spain	Switzerland
Estonia	Poland	Greece	Germany
Norway	Russian Federation	Croatia	France
Sweden	Slovakia	Portugal	Great Britain
	Ukraine	Slovenia	Ireland
	Czech Republic	Israel	The Netherlands

FACTAGE

The ‘activity switch’ around the retirement age

ESS 2010



FACTAGE

The survey questions we analysed

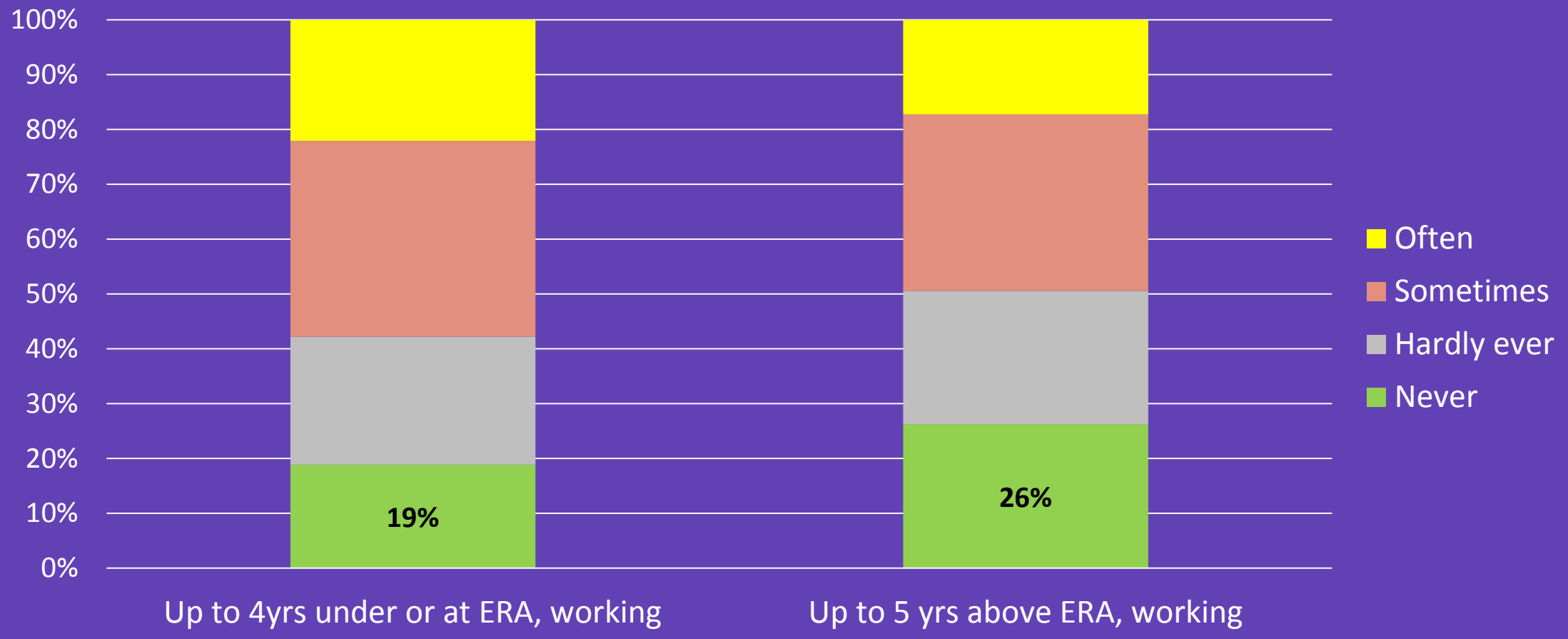
- How often do you...find that your job prevents you from giving the time you want to your partner or family?
- About how many hours a week, in total, do you personally spend on housework?
  - + your spouse or partner?
- How often do you and your husband/wife/partner disagree about money?

FACTAGE

Older workers choosing their jobs wisely?

'How often does your job prevent you from giving time to partner/family?' (living with partner only)

ESS 2010

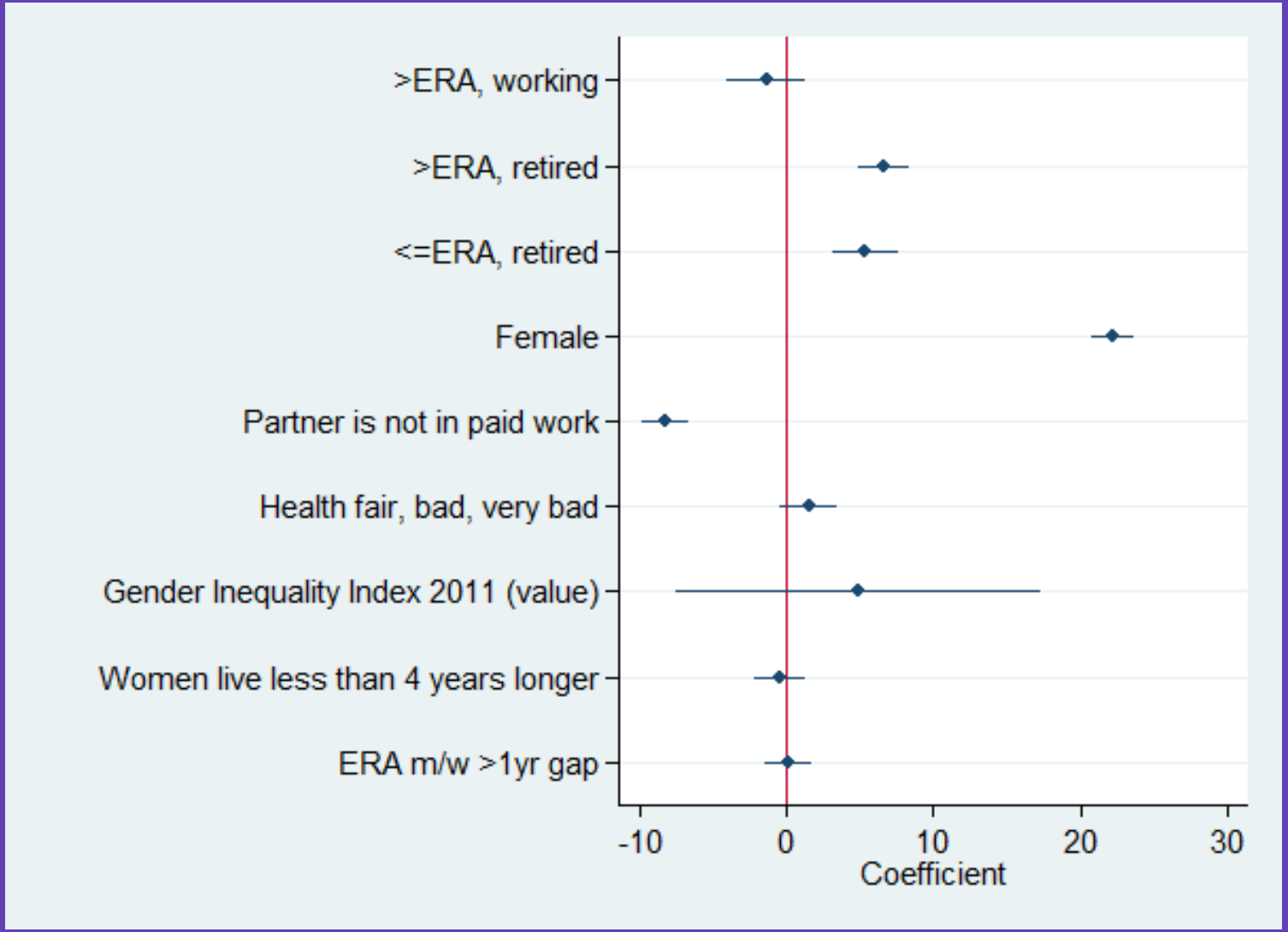


FACTAGE

Work means contributing less to housework

Additional hours of housework per week, compared with partner

ESS 2010

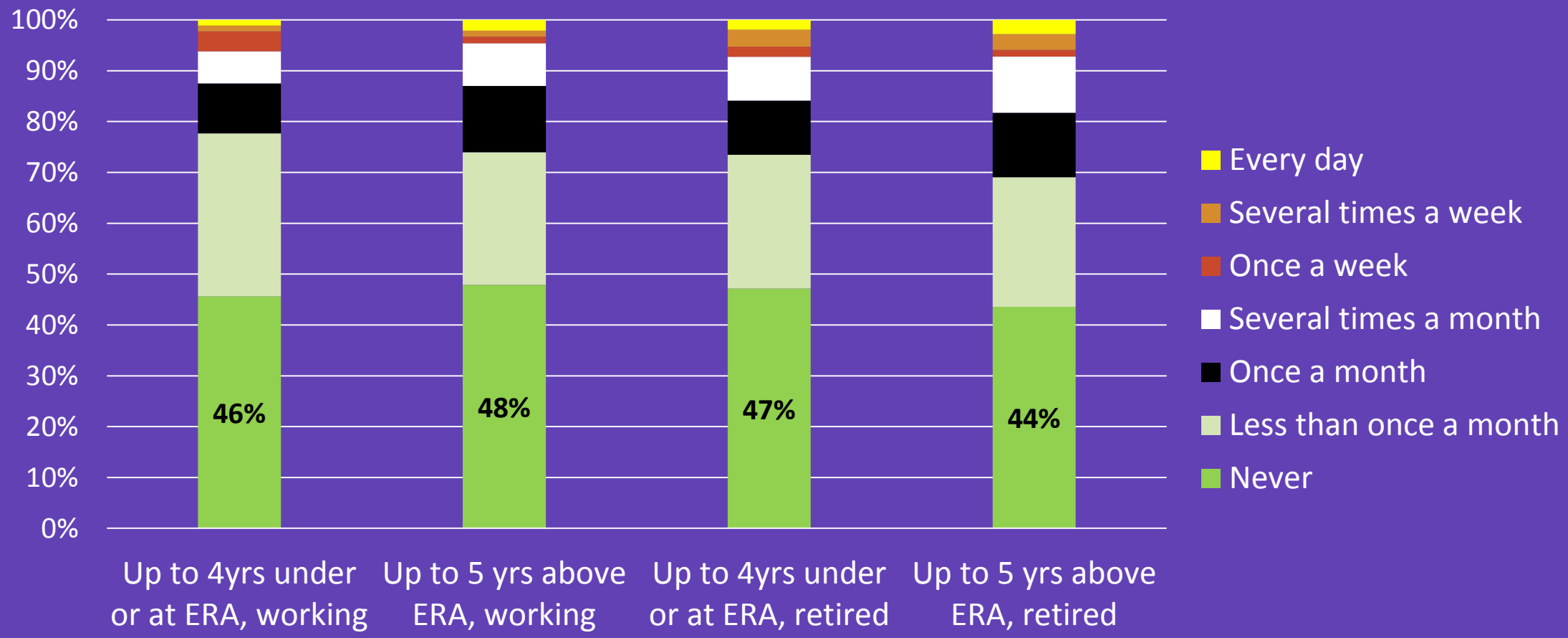


FACTAGE

Money is an issue for some, in work or retired

’How often do you and your husband/wife/partner disagree about money?’
(living with partner only)

ESS 2010



FACTAGE

The survey questions we analysed

ESS 2010

How often do you and your husband/wife/ partner disagree about money?

FACTAGE

The survey questions we analysed

ESS 2010

How often do you and your husband/wife/ partner disagree about money?

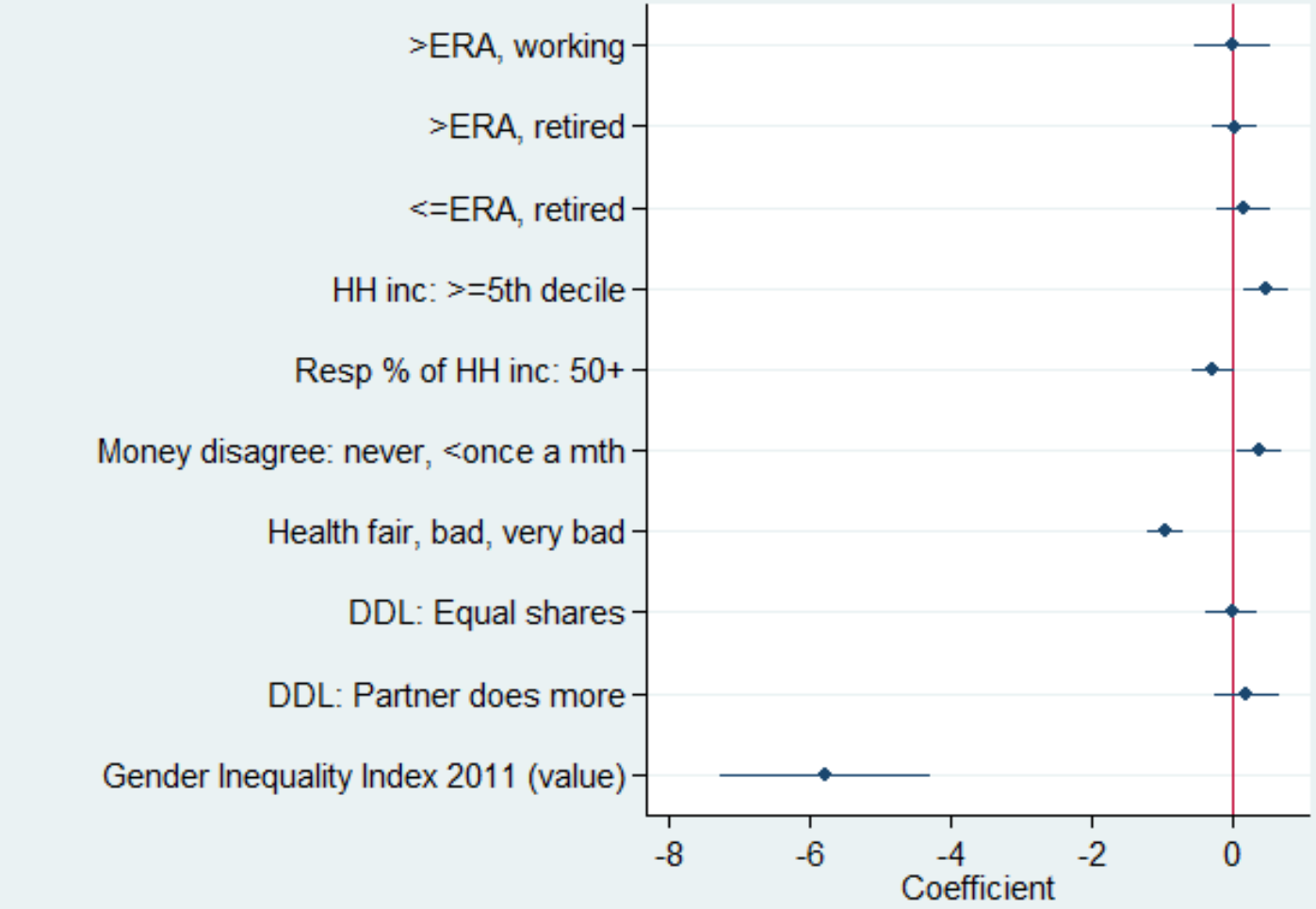
ESS 2004

How often do you and your husband/wife/ partner disagree about …how to divide housework?

FACTAGE

Work or retirement makes no difference to happiness – health, wealth and equality do

'Taking all things together, how happy would you say you are?' (score 7+ in range 0 to 10) ESS2010



FACTAGE

And so we conclude….

- Inequalities in housework persist amongst those working beyond the ERA
  - Confirming 2007 study and other more recent (country specific) evidence
- So what?
  - Lack of disagreement question (assuming disagreement is undesirable)
- And where next?
  - Longitudinal data
  - Self-selection issues
    - Domestic consensus

FACTAGE

Thank you

FACTAGE

Background

- Historical changes in gender division of labour in households
  - Decline in domestic labour (automation, domestic aids, outsourcing)
  - Changes in the labour market participation (esp. more active women)
  - Narrowing of gender wage gap (affecting domestic earnings inequality)
    - “marital dependence”
  - Later marriage, fewer children
  - Some equalising of domestic work shares, but stark contrasts between more and less egalitarian societies
  - Attitudes change more than realities?
  - Gendered reallocation of paid/unpaid time

Existing studies – how this study fits

- Single country and recent
- Multi-country, but dated (2004)
- Focus on
  - effect of retiring rather than **not** retiring
  - hours worked in household

- This study:
  - Multi-country
  - More recent (2010), albeit still not current
  - Focus on not retiring, housework, but also: ‘quality of life’

FACTAGE

How retirement affects domestic work

- First-retired increase housework (men and women)
- Retirees' division of labour crosses over into partner's domain
- Second retirement 'reinstates' previous division of labour
- Changing consumption patterns (incl. home production)

- Associations of domestic divisions of labour with:
  - Satisfaction
  - Perception of (un)fairness

- Qualifiers:
  - Gender ideology and familistic norms
  - Social comparison/relative deprivation

FACTAGE

Data

- European Social Survey (ESS)
  - Cross-national, cross-sectional survey
  - Conducted across Europe every two years since 2002
  - Collecting data on social and political attitudes, beliefs and behaviours
  - Face-to-face interviews
  - 36 countries have participated to date
  - In 2016, the latest round of the survey: 24 countries
  - in 2010 (Round 5), the focus of this study: 28 countries

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Countries - exclusions

- Austria
  - conducted survey in 2013
  - weights supplied February 2017
- Ukraine
  - incomplete ERA data
- Cyprus
  - no life expectancy data

FACTAGE

Effective Retirement Age

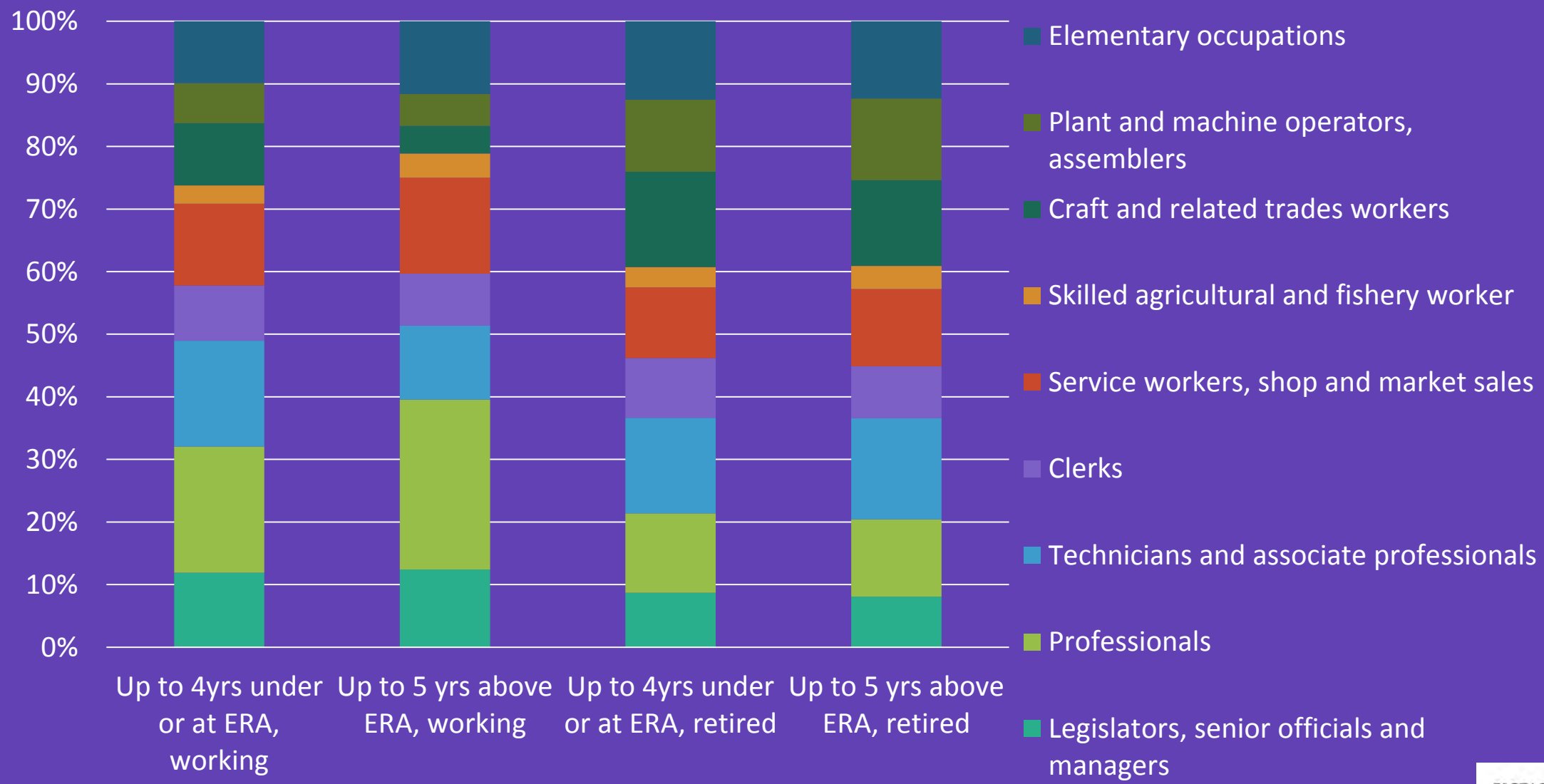
- Age of labour market exit
- Average across OECD in 2014:
  - 64.6 years for men
  - 63.1 years for women
- 6 months higher than the average normal retirement age for men
- Equal to the average normal retirement age for women.

FACTAGE

Gender Inequality Index

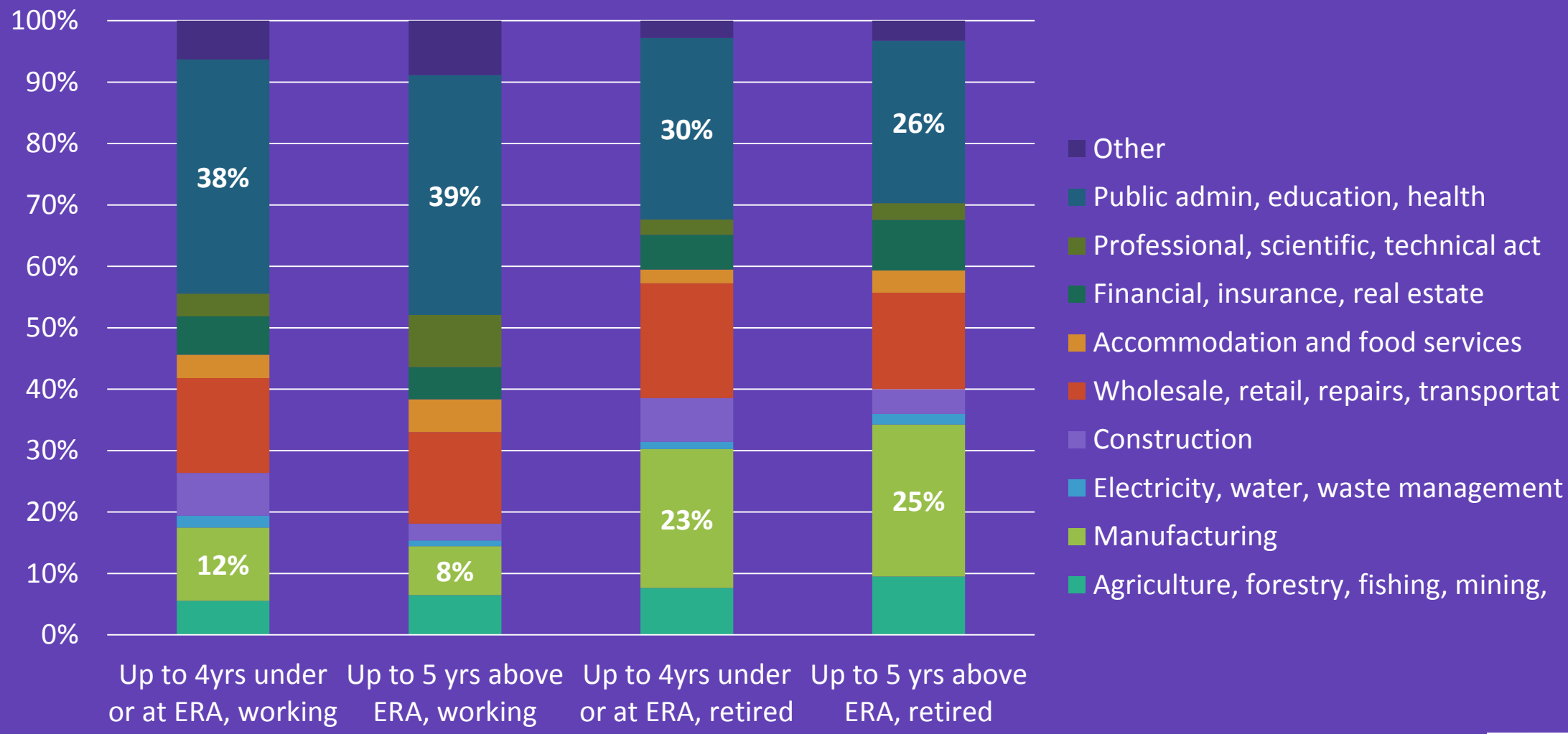
- Introduced in the 2010 Human Development Report by the United Nations Development Programme
- Measures gender disparity using:
  - Reproductive health
    - Maternal Mortality Ratio
    - Adolescent Fertility Rate
  - Empowerment
    - the share of parliamentary seats held by each sex
    - Higher education attainment levels
  - Labour market participation
    - women's participation in the workforce

Occupations



FACTAGE

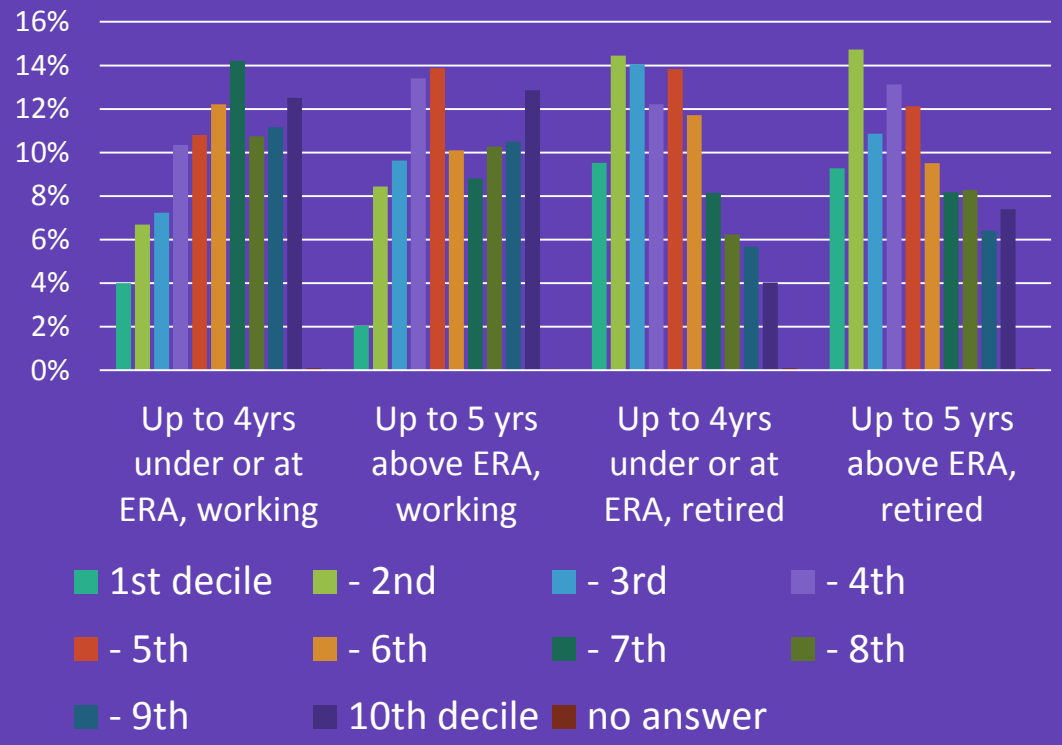
Industries (ESS 2010)



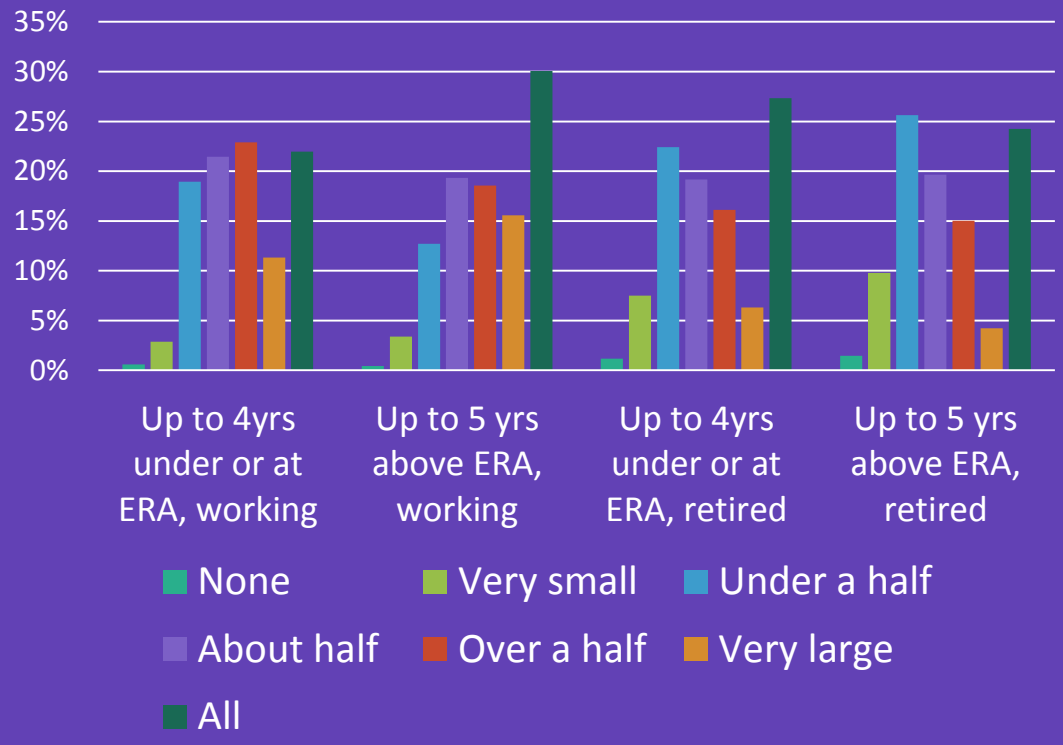
FACTAGE

Household income (ESS 2010)

Total

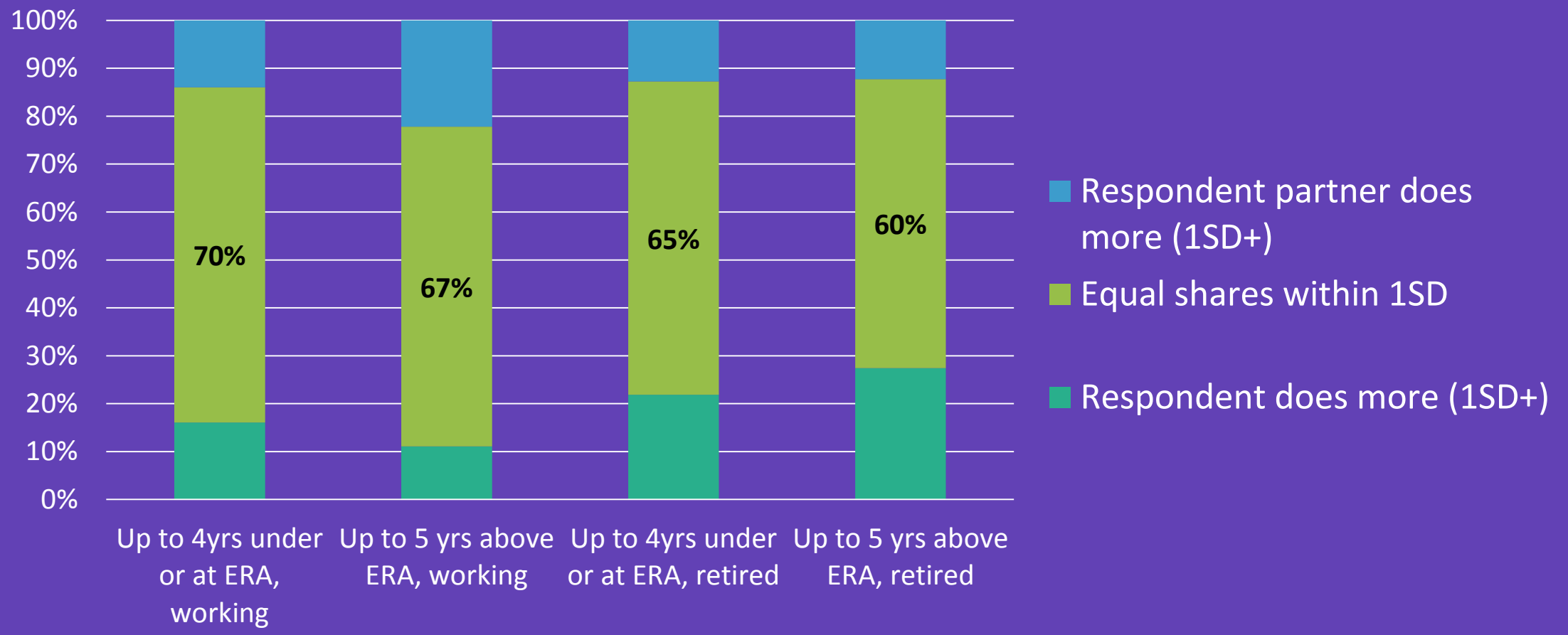


Respondent's proportion



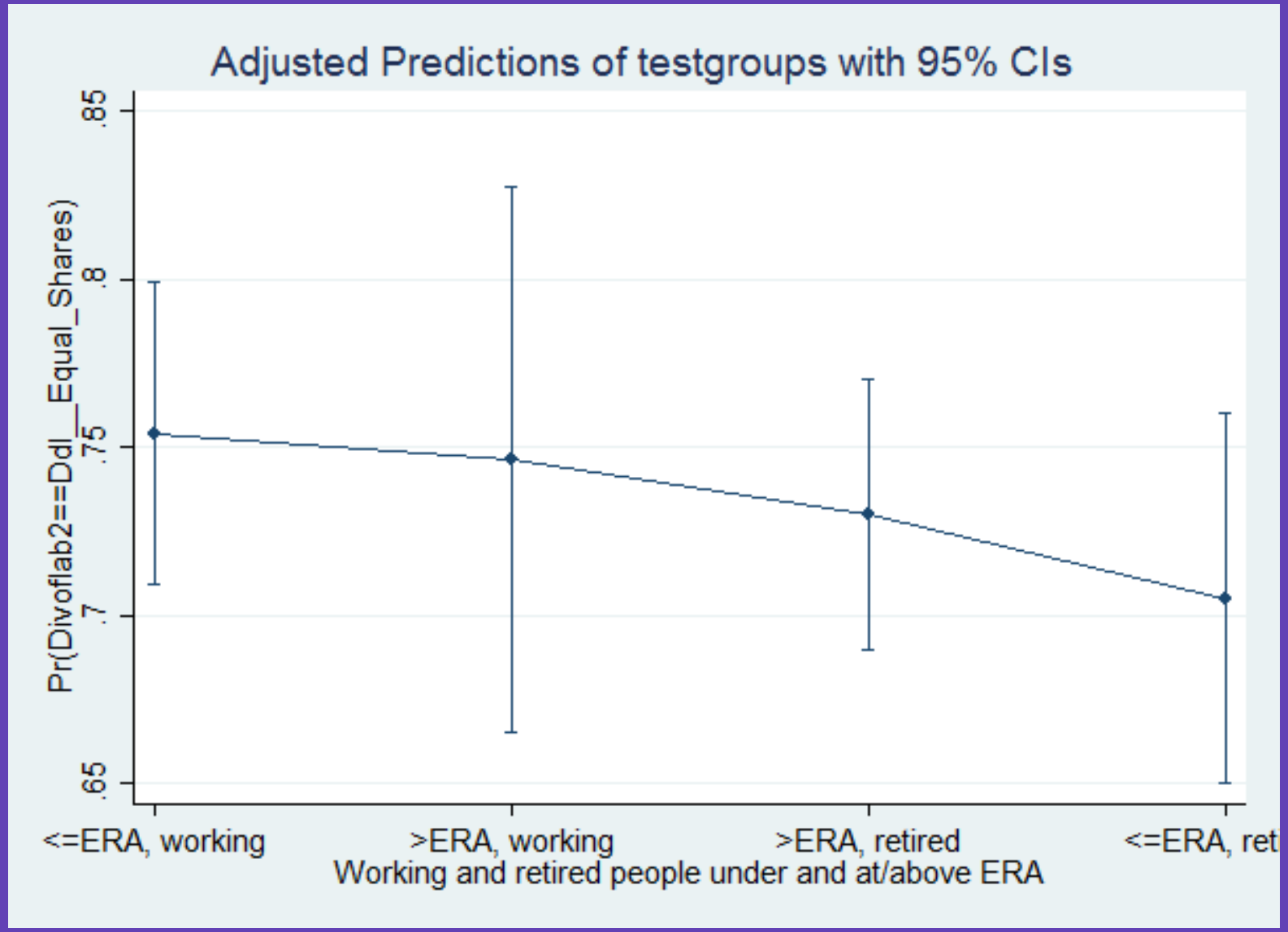
FACTAGE

Respondent's view on domestic division of labour, partnered households



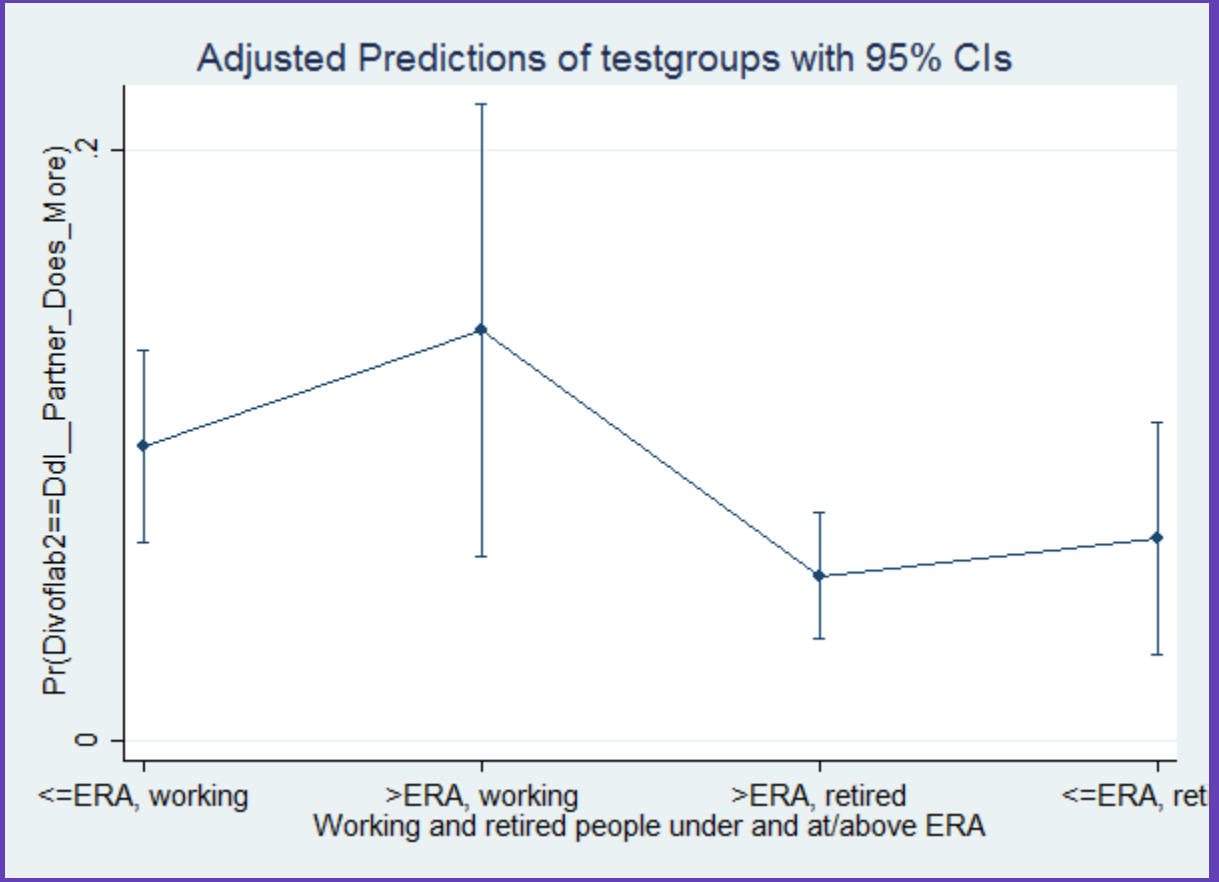
FACTAGE

Housework is shared (fairly) equally



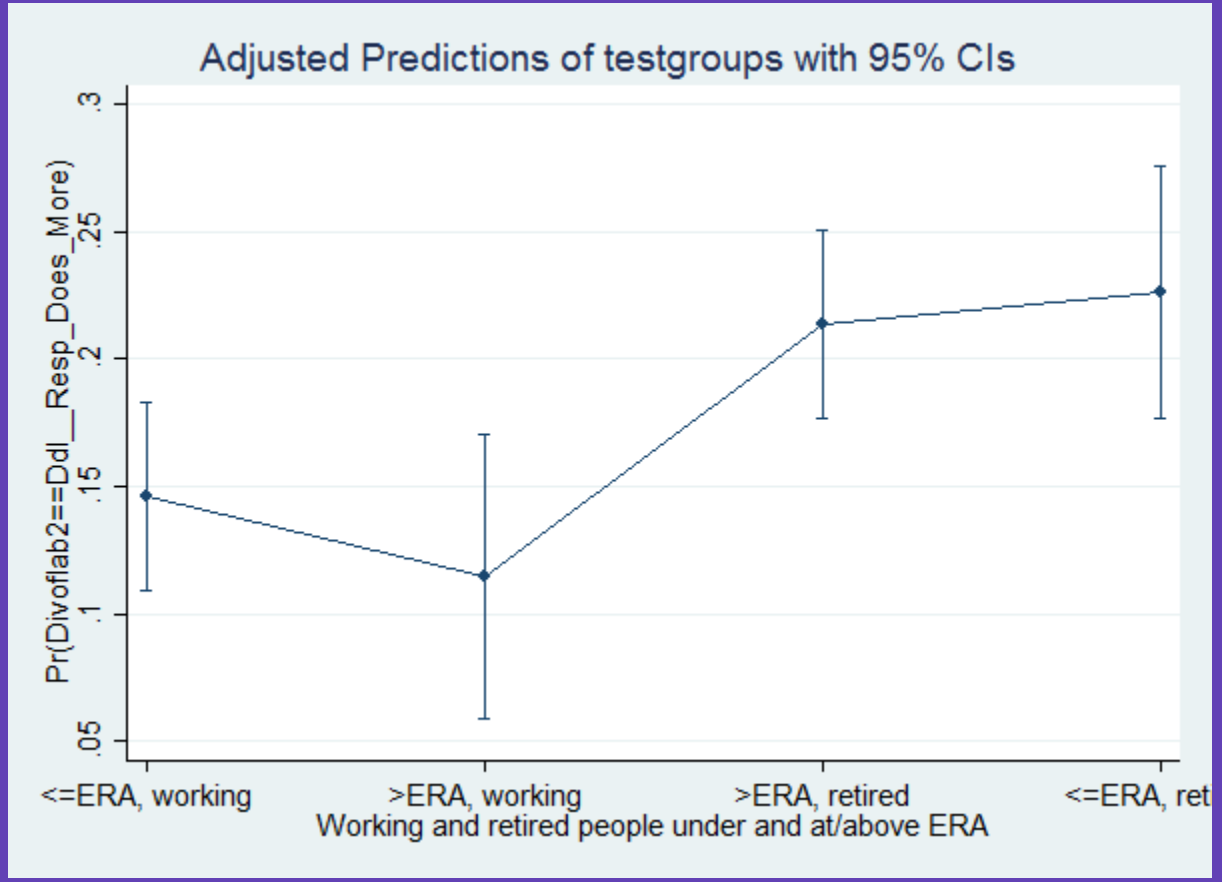
FACTAGE

Partner does most of the housework



FACTAGE

Respondent does most of the housework



FACTAGE

Findings: Working beyond the ERA…

- …does not change reported net extra hours of housework – all else equal:
  - Gender
  - Partner's employment status
- …nor happiness - all else equal:
  - Health
  - Money
  - Social equality
- Those working beyond the ERA choose their jobs wisely:
  - More report having high level of job control
    - But do they choose before they reach ERA or after?

FACTAGE

Eurofound

European Foundation for the Improvement of Living and Working Conditions

The tripartite EU Agency providing knowledge to assist in the development of better social, employment and work-related policies

Working more by working less

Hans Dubois
Eurofound

CEPS conference 'Is a longer working life for everyone? Exploring emerging inequalities among older workers'
26 April 2017, Brussels

Examples of Eurofound studies

- **Non-take-up of social benefits**

http://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1536en.pdf

- **Access to healthcare in times of crisis**

http://www.eurofound.europa.eu/impacts-of-the-crisis-on-access-to-healthcare-services

- **Quality of life in urban and rural Europe**

https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1451en.pdf

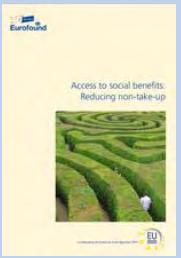
- **Household over-indebtedness**

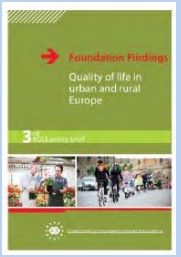
http://www.eurofound.europa.eu/managing-household-debts-social-service-provision-in-the-eu

- **Inadequate housing: cost and consequences**

https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1604en_0.pdf

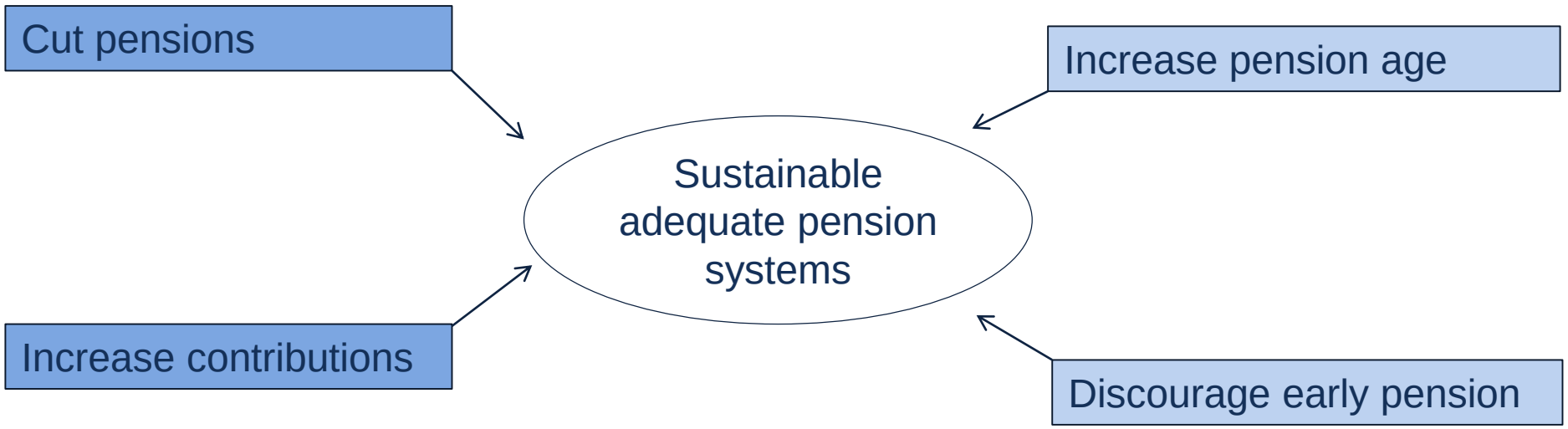
- **Several studies in the area of 'extending working lives' :**
  - **company initiatives, mid-career reviews, income from work after retirement, work preferences after 50…**





Eurofound

Measures by governments, social partners & pension funds: challenges



Challenges include:
- Generational distributional impacts
- Pressure on wage cost/ disposable income/ pension adequacy

Challenges include:
- Limited effectiveness with people unable to work until pension age (25% pensioners aged 50-69 had exited early in EU because of health problems, disabilities, or care commitments)

Source: http://bit.ly/PartialRetirement

Overcoming challenges: stimulating and facilitating extended working lives

Non-pension measures

- Life-course approach, intervening at early stage
  - adjusting tasks
  - workplace design
  - work intensity
  - health promotion
  - job mobility
  - life-long learning

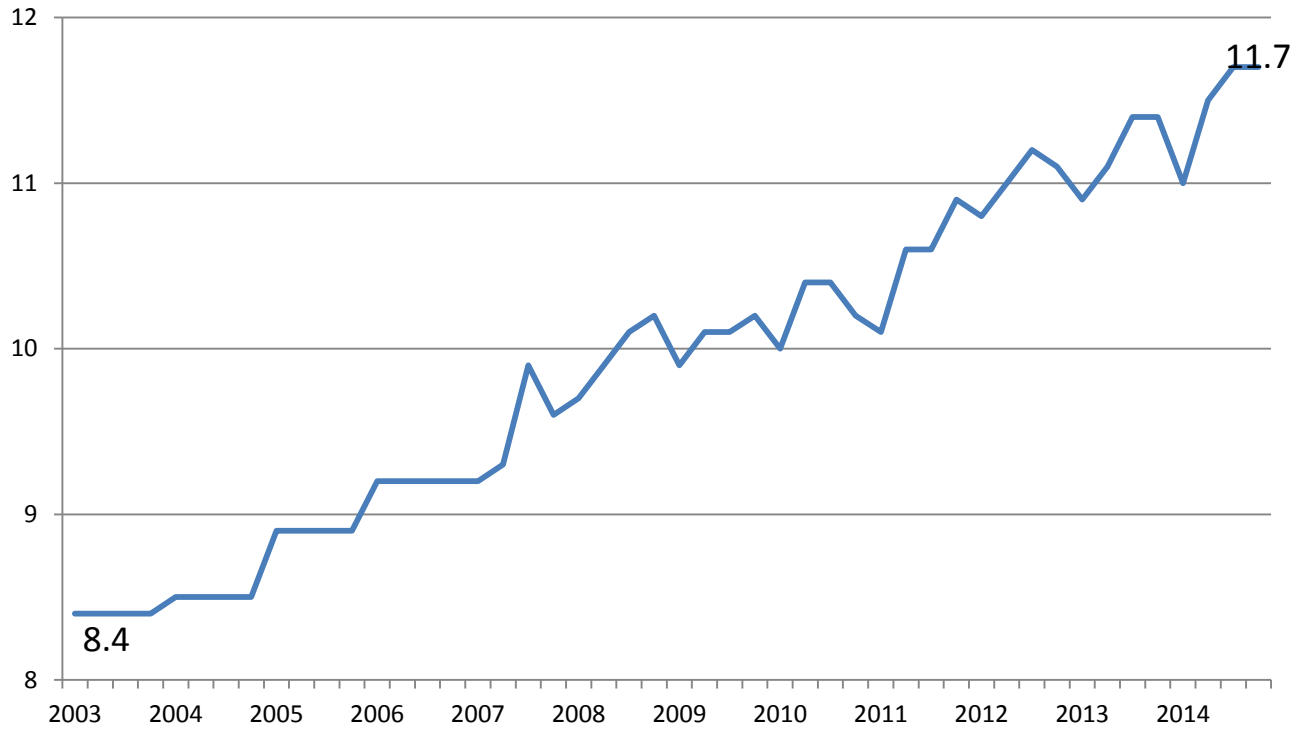
Pension measures

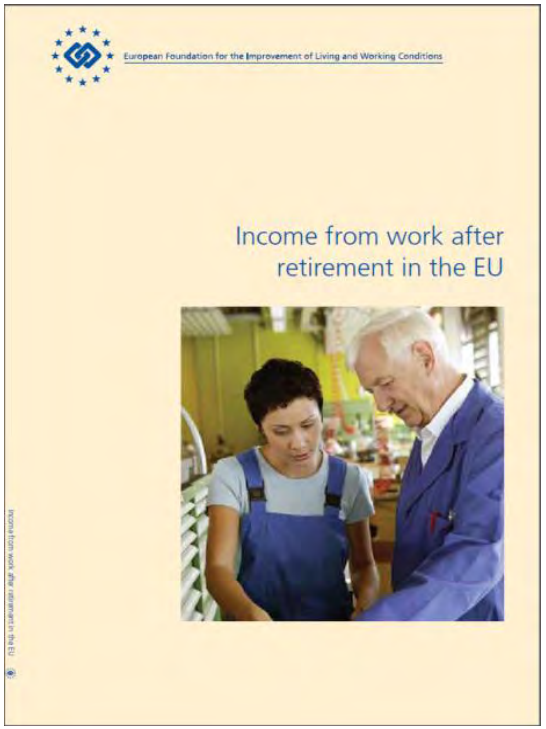
- Accruals increasing with age
- Increased flexibility:
  a) combining income from work & pension
  b) postponing pension
  c) partial retirement

Source: http://bit.ly/PartialRetirement

The meaning of ‘working age’ has changed

Employment rate, 65-69 years olds, EU28 (%)





Source: http://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1259en_0.pdf & LFS quarterly data

Case study 1: German newspaper

Regional newspaper	
Sector	Publishin
Employees	615 (of w
Gender balance	55% fem

All retirees working on newspaper de
old. Often they already worked for t
are exempted from social insurance c
social insurance contributions. The re
Pensioners often take a long time to
job security.

Low statutory (and no private) pension
of how they struggle to make ends me
for example to buy car fuel for delivery
and low retirement income as a conse
family business. One of the two has a
them out of pride or reluctance to un

The delivery staff must work at night,
the morning, which deliverers are com
letterboxes and potential dangers of sl
obstacles (road works and building si
mental stress. The employer appreciate
to claim certain rights with the compar
work during the day or substitute for

Case study 2: Italian supermarket

Super Elite	
Sector	Retail
Employees	32, of which one is a retiree
Gender balance	50% female, 50% male (the working retiree is male)

The working retiree is 73 years old. He is a gastronome counter operator in a supermarket. His highest level of education is primary school. Until his retirement (at 61), he was a supermarket employee. At retirement, he started a small shop in partnership with a younger colleague. In 2011 the shop ceased operating because the business did not go very well. He applied to work at the supermarket (which is a different one from where he worked before retirement) because it was well known and close by.

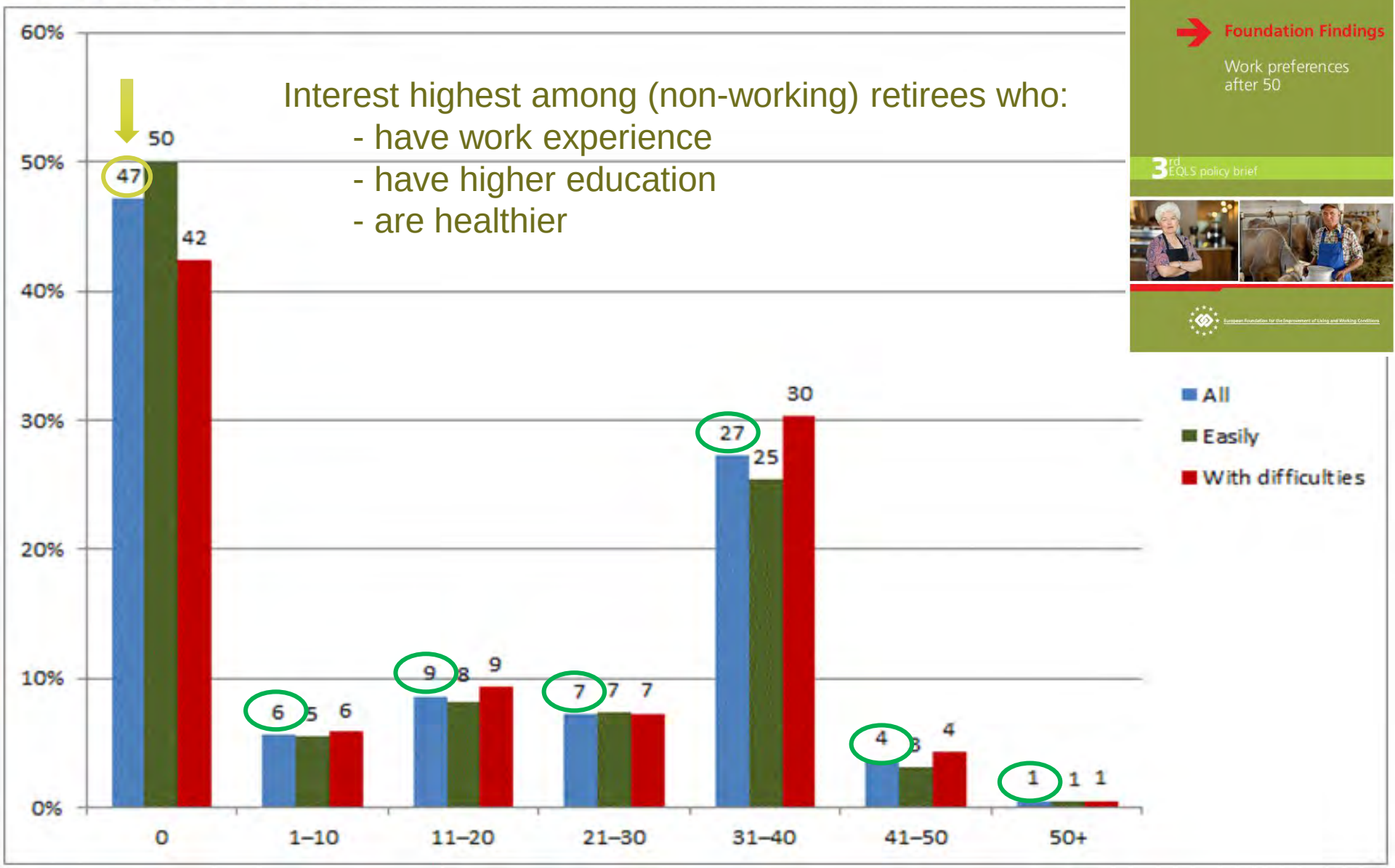
He receives a pension of €900 per month and still does not know if the new income will impact his pension receipts, but this will appear on his next tax return. The main reason why he works is that he wants to support his adult children financially. He and his wife have three children, one of who is unemployed and has two daughters, while another one is unemployed and has recently been evicted from his house, whereas the third has financial problems because of a divorce. When asked, 'Why doesn't one of your children do this work for you?' he replied, 'Because they do not have the needed expertise in this task.' The retiree enjoys the work, and says, 'I live for my clients, contacts with other people and smiles of people ... I will die if I stop.'

The manager understood the difficult situation of the retiree and wanted to help him. He was also aware of his great experience and skills in this work area and identified the retiree's work history with his own. The manager is responsible for four supermarkets. In three of them, there is a retiree in charge of the gastronomic counter. The decision for employees to work beyond retirement is taken by the employee together with the manager, in the absence of an HR department. While the manager considers 20 to 40 years to be the ideal age profile, he thinks younger employees often lack experience. On the other hand, in the case of working retirees, he feels the need to be careful in assigning specific tasks, for example lifting heavy food products. The manager is not aware of any labour market policies, tax and benefit systems, equal opportunity regulations or social protection policies that would support work for retired people; he never tried to inform himself about these.

Source: http://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1259en_0.pdf

Eurofound

Proportion of retirees who prefer certain weekly working hours, by difficulties in making ends meet, EU28 (%)



Eurofound (2014) *Work preferences after 50.* Publications Office of the European Union, Luxembourg, https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1403en.pdf

Eurofound

Overcoming challenges: extending working lives

Non-pension measures

- Life-course approach, intervening at early stage
  - adjusting tasks
  - workplace design
  - work intensity
  - health promotion
  - job mobility
  - life-long learning

Pension measures

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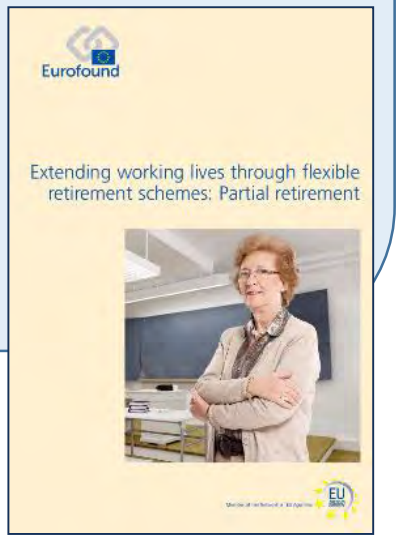


Source: http://bit.ly/PartialRetirement

Table 1: Average weekly working hours and preferred working hours in 2011, 50+, EU28

	Current	Preferred	Difference	Proportion who would prefer to work less (%)	Proportion who would prefer to work same hours (%)	Proportion who would prefer to work more (%)
Romania	40	39	-1	28	46	27
Slovenia	43	41	-2	27	64	8
Malta	41	39	-2	30	54	16
Lithuania	41	38	-3	36	47	17
Denmark	38	35	-3	39	55	6
Bulgaria	43	40	-4	31	58	11
Netherlands	35	32	-4	39	47	15
Luxembourg	38	34	-4	33	60	6
Belgium	40	36	-4	41	50	9
Slovakia	43	39	-4	45	47	8
Ireland	36	32	-4	45	39	17
France	38	34	-4	43	45	13
Latvia	41	37	-4	39	42	19
Estonia	41	37	-4	37	52	11
Germany	39	35	-4	48	40	12
Sweden	38	34	-5	50	44	6
EU28	40	34	-5	45	44	11
Hungary	42	37	-5	47	42	11
Croatia	45	40	-5	36	61	3
Austria	43	37	-6	39	53	8
Cyprus	40	34	-6	47	40	13
Finland	41	35	-6	47	47	6
Spain	41	35	-6	50	43	7
Italy	40	34	-6	50	40	10
Czech Republic	43	37	-6	53	40	7
UK	36	29	-7	49	42	10
Poland	45	38	-7	38	49	13
Portugal	46	38	-8	41	50	9
Greece	48	40	-8	45	40	15

45% prefer working less, taking into account financial need.

Even more may like to reduce if (partially) compensated.

Facilitating reduction in working hours can motivate people to continue longer.

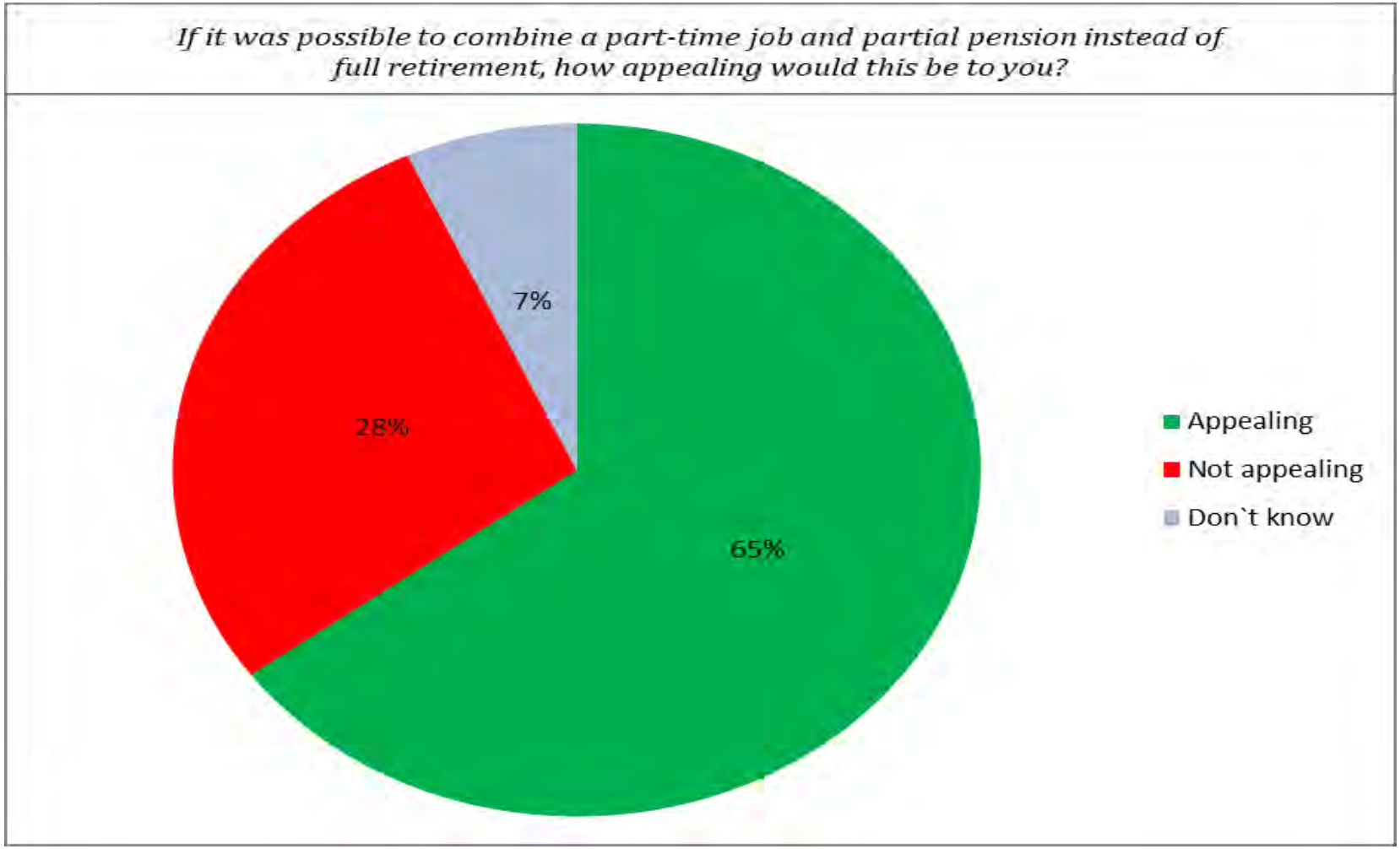
Not only motivate, also: enable

- 27% workers in EU unable to continue working until 60 (EWCS 2015)
- Most (60%) 50-64 year old workers unable to work until the retirement age (16%): 'shorter working hours' would enable them (Statistics Sweden 2006)

Sources: Eurofound (2014), *Work preferences after 50*, Publications Office of the European Union, Luxembourg. http://bit.ly/WorkAfter50 & Eurofound (2016), http://bit.ly/PartialRetirement

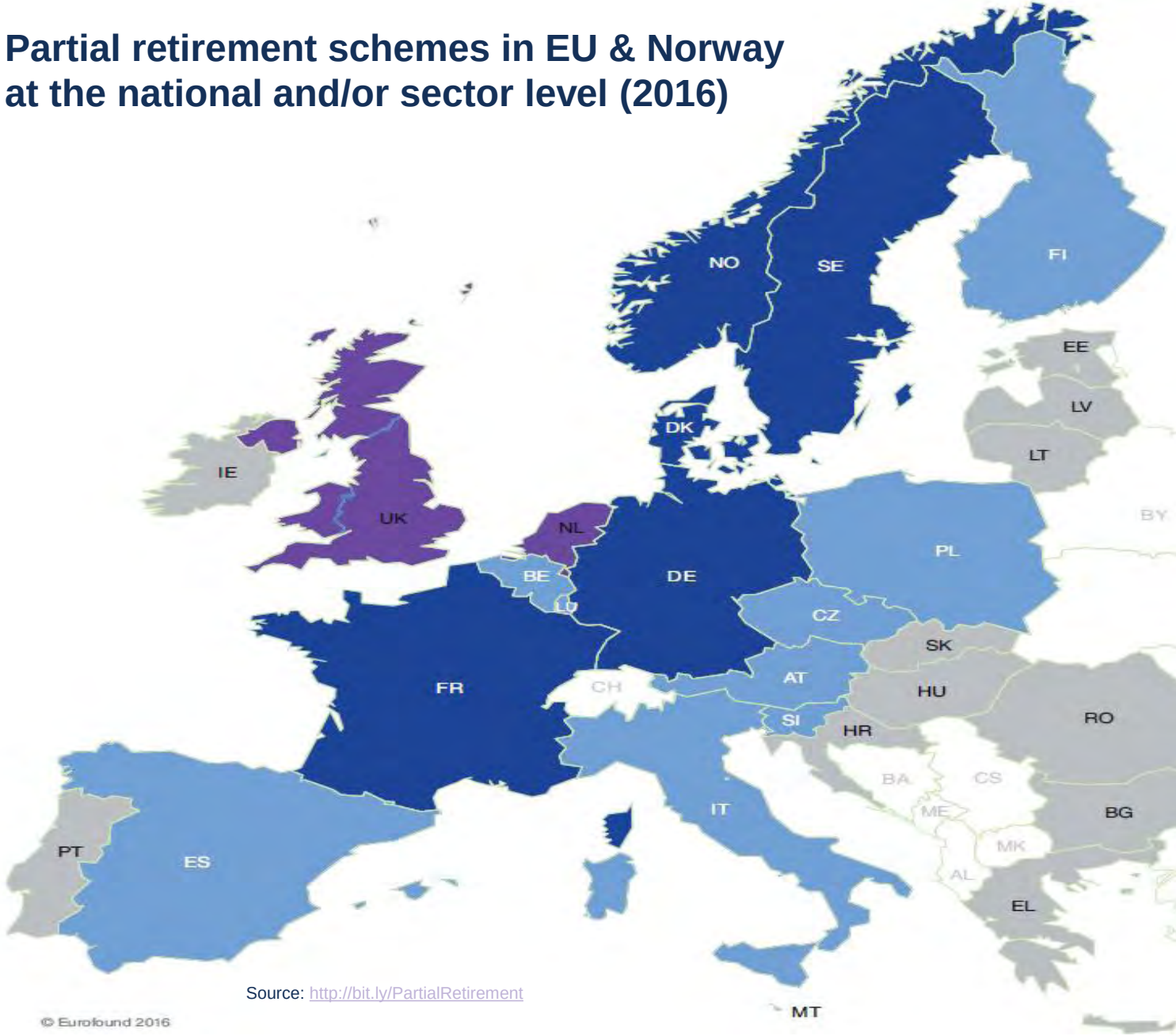
Eurofound

Appeal of partial retirement instead of full retirement (EU, 2011)



Source: Eurobarometer microdata analysis in: http://bit.ly/PartialRetirement

Partial retirement schemes in EU & Norway at the national and/or sector level (2016)



Schemes vary…

- company coverage,
- rationale,
- financing,
- consequences for wage and/or future pension,
- replacement by other worker.

… and flexibility is limited to different extents:

- entitlement criteria,
- working time reduction options.

Source: http://bit.ly/PartialRetirement

Eurofound

What is assessed by the study?	What data is used?	What is the impact of partial retirement or part-time work on length of working lives?	Impact on		Reference
			years	hours	
Swedish partial retirement (from 1976 to 2001)	Level of Living Investigations (survey), 1974 & 1981, and social insurance (administrative)	Hours gained due to increased part-time work instead of early exit outweigh hours lost due to people (who would have continued to work fulltime until the retirement age) working part-time.	+	+	Wadensjö 2006
Belgian partial retirement	Stratified sample of merged administrative registers, 2002-2011	Initially prolongs employment, as participants keep accumulating full pension, but when participants become eligible for early retirement, financial incentives induce them to leave prematurely.	-	-	Albanese et al. 2015
Finnish partial retirement	Quality of Work Life Survey 2003	Neither impacts the probability of thinking about continuing working after age 63, nor plans to continue work in retirement.	0 (inten-tions)	-*	Ilmakunnas & Ilmakunnas 2006
Part-time work among older people (13 European countries)	LFS (survey) 1995-2008	A 1%-point higher share of voluntary part-time employment decreases early retirement by 2.0 (men) and 1.3%-points (women), and increases average weekly hours worked only for men by 0.4.	+	+	Been & Van Vliet 2014
Part-time work among older people (EU, except HR & DE)	EU-SILC (survey), 2004-2009	People working (or having worked) part-time are more likely to retire on or beyond the retirement age.	+	?	Aranki & Macchiarelli 2013
Part-time work among older people (PT)	LFS (survey), 2006	Reducing hours of work before retirement is associated with early exit from work.	-	-	Machado & Portela 2012
German partial retirement	Linked Employer Employee Data (survey), 1993-2004	Reduces the likelihood to retirement, with 1.8 years extension in the expected duration of employment.	+	?	Berg et al. 2015
German partial retirement	Linked data employer (survey) & employees (administrative), 2002-2008	East Germany: 5-6%-points increase employment & 4-5%-points decrease unemployment rates. West Germany: initially (2002-2004) similarly positive, but then early exits increase.	+	+	Huber et al, 2016
Austrian partial retirement (from 2000)	Administrative data from social security & public employment office	Increases the probability of being employed (mainly in the first two years) and reduces that of being unemployed.	+	-	Graf et al. 2011
Reduced hours schemes (Norway)	2010 company survey, and administrative 2000-2010 data of their employees	No difference in the likelihood that a 61- or 62-year-old withdraws from the labour market with a full (early) pension in the next two years of their employment.	0**	?	Hermansen 2015

- Mixed results overall
- Case studies of partial retirement schemes to learn from experiences
  - France (national and sector-level)
  - Germany (sector and company level)
  - Netherlands (sector and company level)
  - Finland (national)
  - Mini-case studies on national schemes in Czech Republic, Sweden (past system), Norway

Source: http://bit.ly/PartialRetirement

Eurofound

Illustrative of case study results:
What would part-time retirees do if partial retirement were not available?
(Finland, 2007)

	Continue working full time	Continue working full time for a while	Apply to retirement straight away	Don't know
	49	26	11	14

Source: http://bit.ly/PartialRetirement

Eurofound

Illustrative of case study results:
What would part-time retirees do if partial retirement were not available?
(Finland, 2007)

	Continue working full time	Continue working full time for a while	Apply to retirement straight away	Don't know
Self-reported health				
good	65	19	5	11
moderate	35	33	14	17
bad	11	45	28	16
ALL	**49**	**26**	**11**	**14**

Source: http://bit.ly/PartialRetirement

Eurofound

Final observations from the case studies (1/2):

- Delicate balance between facilitating, 'pulling toward' and … 'pulling-out'
  - Attractive:
    - pull-out also those who can and want likely to outweigh enabling/motivating;
    - may motivate people to work until age they become entitled (even if unlikely work as enabler up until that age).
  - Unattractive:
    - unlikely to work, as motivator/enabler
- Do not assume 'phasing-out work': facilitate reversals, but pre-set plans, notice periods, mutual agreement
  - FI, FR, NO, SE: reversals possible; Sometimes pre-agreed (DE company scheme); UK university scheme: once a year & 20%-steps (administrative cost?)
  - Applied involuntarily, but also prevented unemployment & easier to re-integrate
- Interacts with tax & welfare
  - Ensure take-up: 'user-friendly' and clear explanation of the rules to those entitled & (in particular small) companies
  - Ensure desired impact: inter-sector communication of changes and design

Source: http://bit.ly/PartialRetirement

Final observations from the case studies (2/2):

- Fairness is an issue if not available to entrants & part-time workers
  - Decoupled systems (NO, SE, FI from 2017, CZ after pension age) address this
  - To younger people? FR/DE company scheme, National: AT, BE, DE, 2006-12 NL
- Publicly paid unfair if mainly used by high-income earners (AT, FI)? Those more likely enabled: job type & cannot afford small reductions
  - Compensation non-proportional to wage level (BE/DK)
  - But, also important to extend working lives of high-income earners
- Easier to implement in countries and sectors where part-time work is common, but more potential where it is not
  - It has made part-time work more common in BE, DE, FI, SE
- Paid by own future pension: risk old age poverty
  - NO: minimum accumulation required to be entitled at 62
  - But: also important to extend working lives better-off

Source: http://bit.ly/PartialRetirement

To conclude:

I. Positive macro-impact: negotiated as compensation discouragement early retirement or increased pension age, providing ‘half-way-out’ instead of ‘full-way-out’

II. More positive if objective includes ‘quality of life’

III. Increased pension ages & discouraged early retirement: maybe more need for such measures in the near future

Source: http://bit.ly/PartialRetirement

Thank you!

Hans.Dubois@eurofound.europa.eu
(Dublin)

FACTAGE

STATISTIK AUSTRIA
Die Informationsmanager

Markus Bönisch

FACTAGE-Conference
26. April 2017

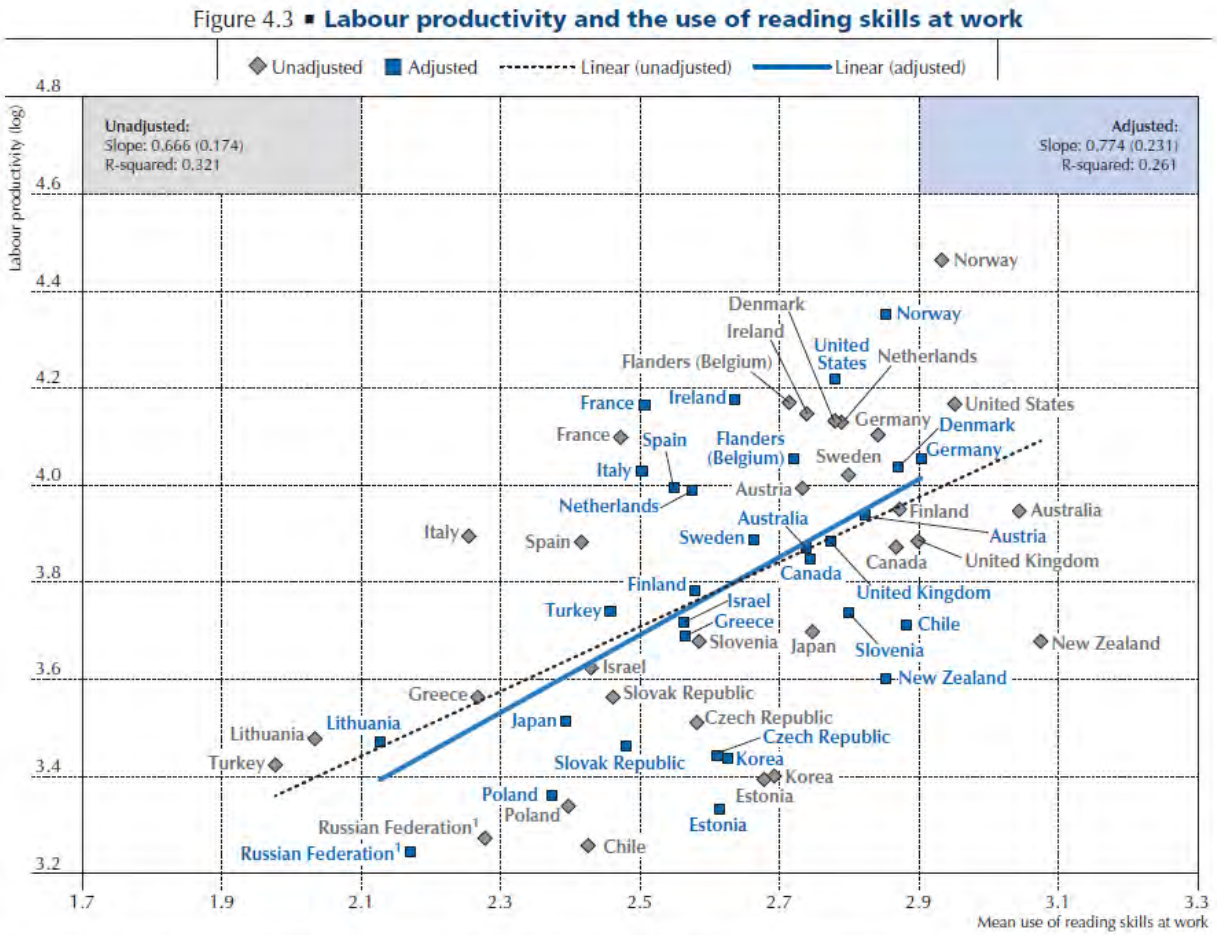
Use it or lose it?

Skills, earnings and job satisfaction among older workers

Overview

- Are older workers losing skills because they do not use them?
  To what extent can they utilize their skills at work?
- Why skills and skill use?
  - More change over time than qualification
  - Comparable data from PIAAC
  - Use of skills important….

Skill use and productivity



Notes: Lines are best linear predictions. Labour productivity is equal to the GDP per hour worked, in USD current prices 2012 for Round-1 and 2014 for Round-2 countries/economies. Adjusted estimates are based on OLS regressions including controls for literacy and numeracy proficiency scores. Standard errors in parentheses.

1. See note at the end of this chapter.

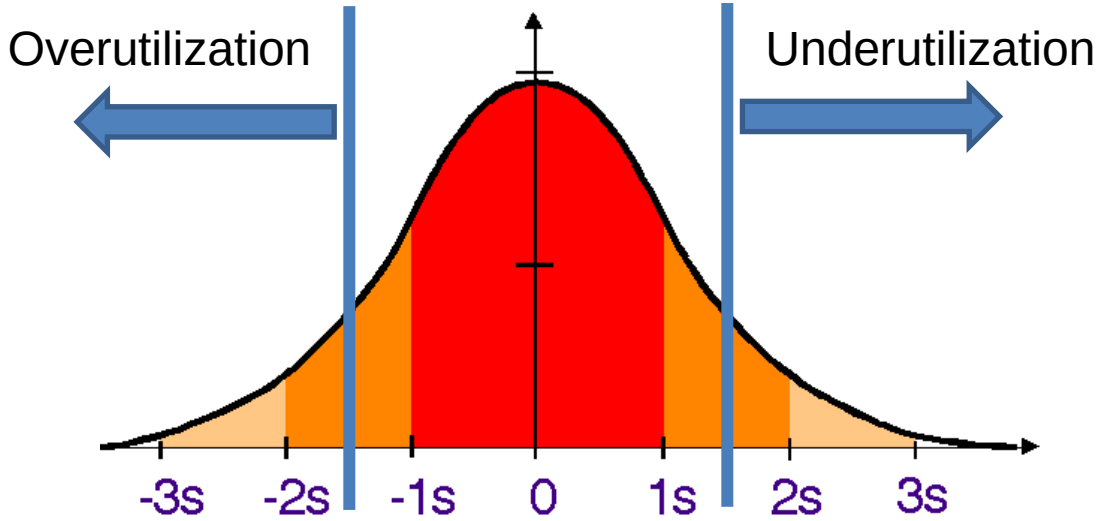
Source: Survey of Adult Skills (PIAAC) (2012, 2015), Table A4.3.

Overview

- Skills mismatch: Over/underutilization
- What influences skills utilization?
- Effects of utilization on income and job satisfaction
- Older Workers 50-65 & younger workers 25-49
- FACTAGE countries: Austria, Belgium (Flanders), Germany, Spain, UK (England, Northern Ireland)

Skills mismatch

- **Qualification mismatch**
- **Skills mismatch**
  - Different ways to measure it
  - This paper uses an objective measure of utilization (Allen/van der Velden/Levels 2013)
    - Utilization = skills (standarized) – skill use (standardized)



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PIAAC - Programme for the International Assessment of Adult Competencies

- **Basic skills of adult population (16-65)**
  - Relevant for participation in modern society
    - Literacy
    - Numeracy
    - Problem solving in technology-rich environments
- **Measured in national language(s)**
- **Skill use (private and work) / Social and economic participation**

PIAAC

- **OECD/ETS**
- **Countries:**
  - Round 1 (2008-2013): 17 EU-countries plus Australia, Japan, Korea, Canada, USA, Norway, Russian Federation
  - Round 2 (2012-2016): 9 countries
  - Round 3 (2016-2019): 5 countries plus USA
  - by 2019: data on 38 countries (21 EU-countries)
- **Cross-sectional survey**
- **Multi cycle program (10 years)**
- **High quality and comparability**

Skills and age/generation

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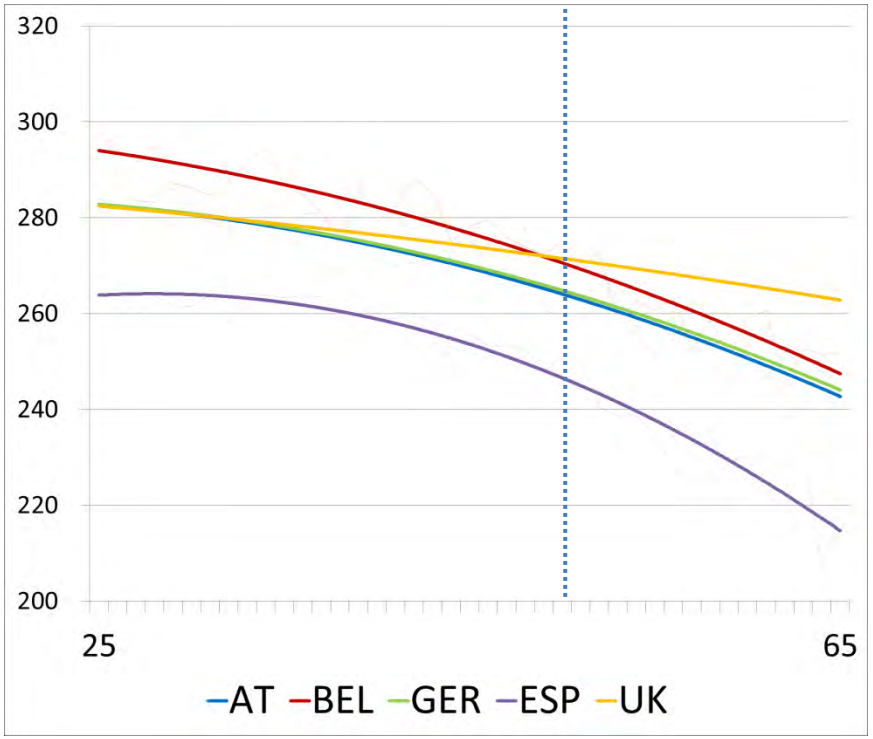
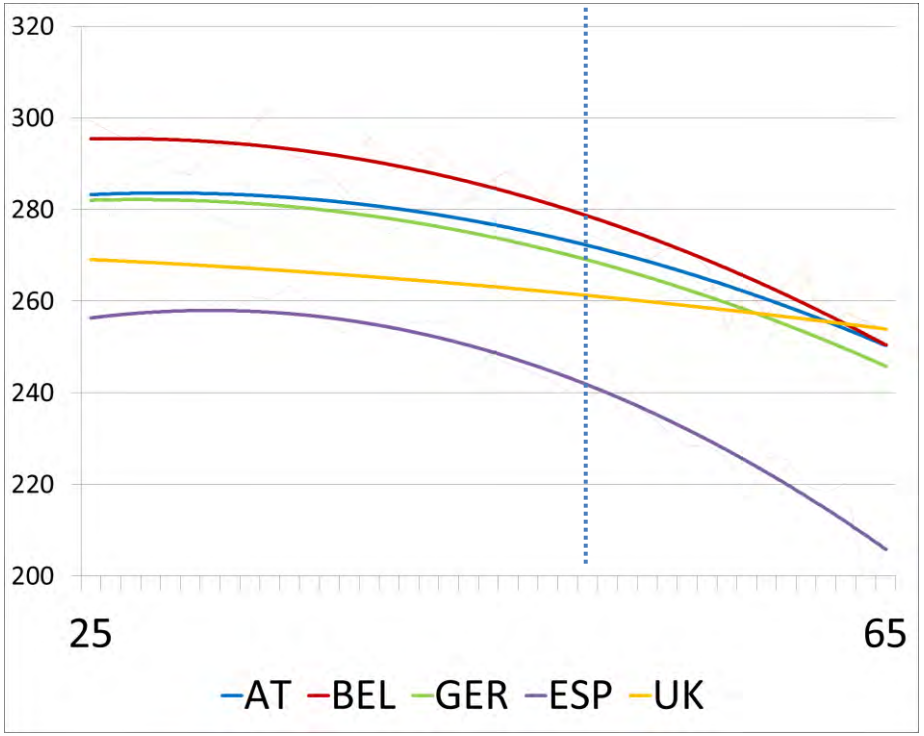
Literacy



Numeracy



Skill use at work

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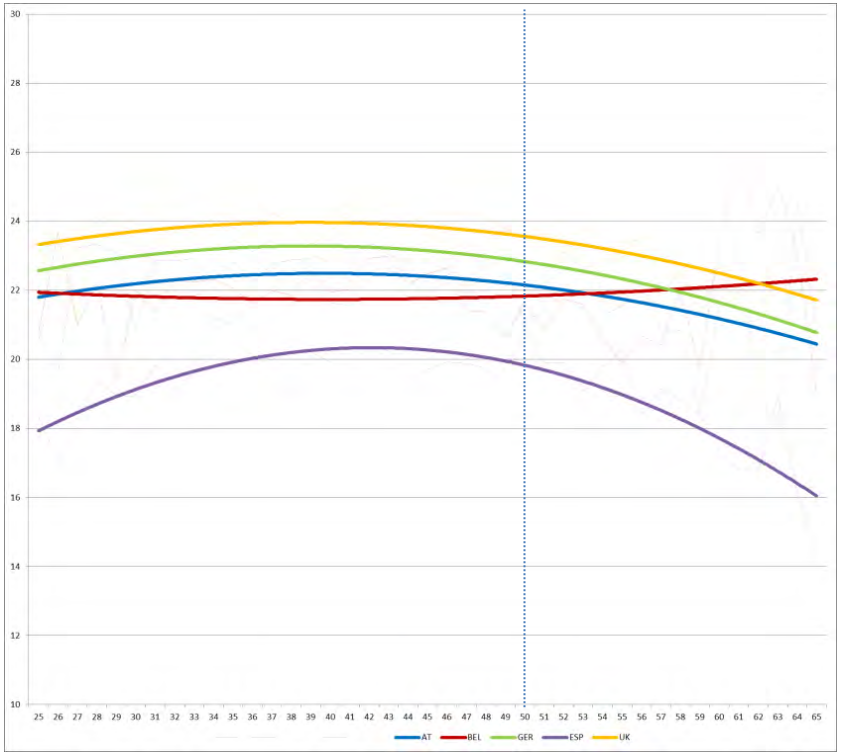
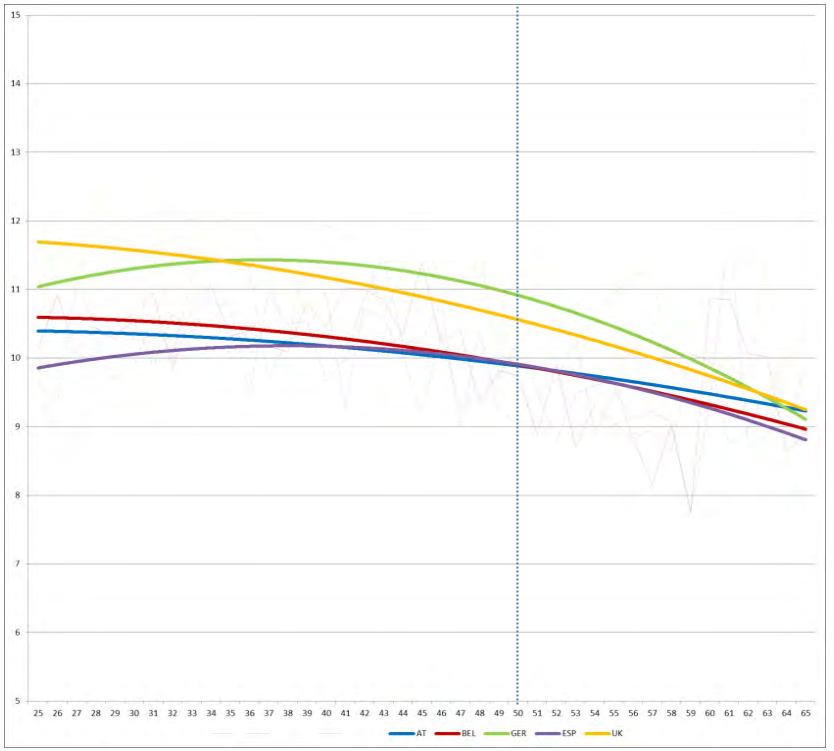
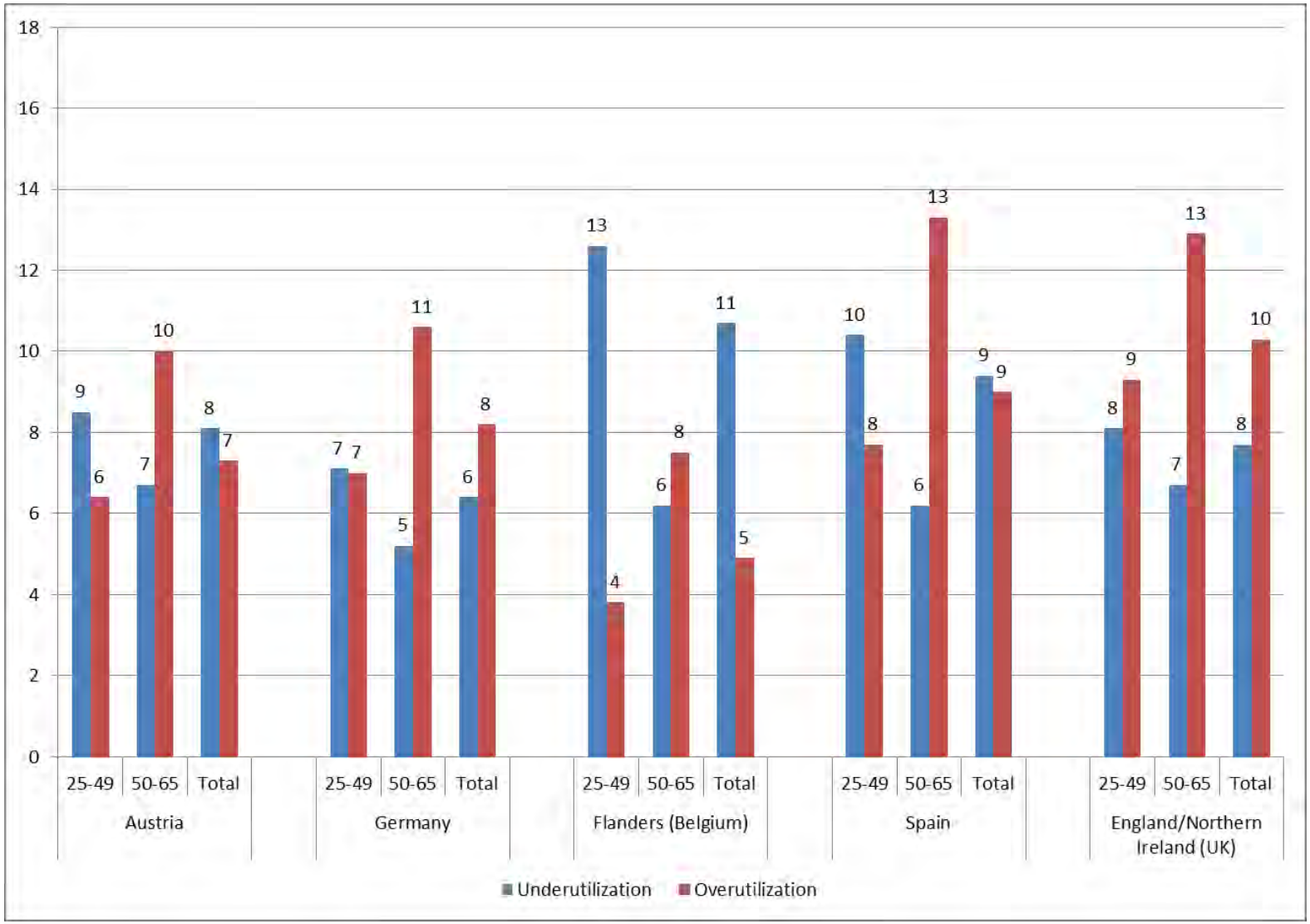
Literacy



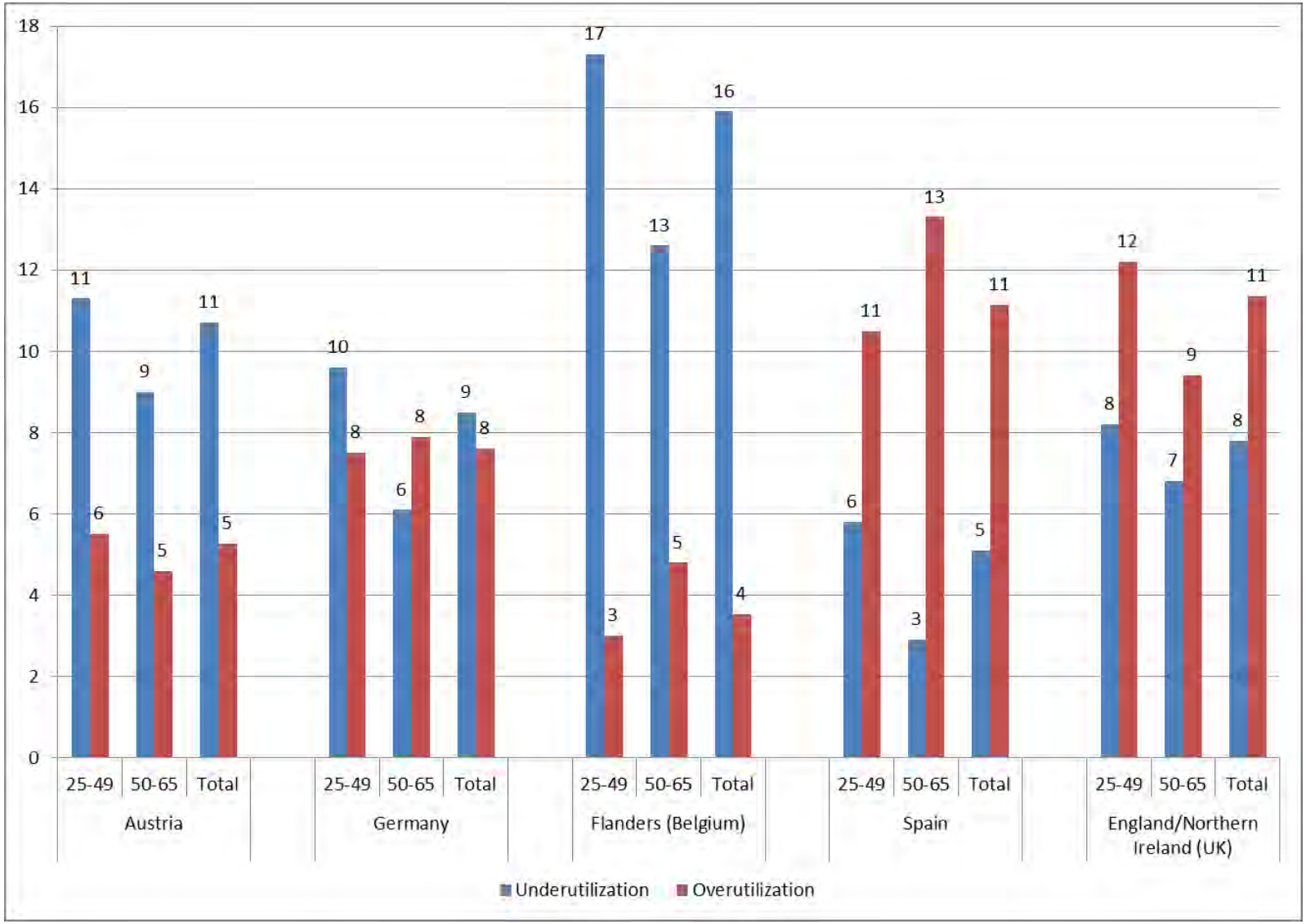
Numeracy



Skills and Skill use – Mismatch (Literacy)



Skills and Skill use – Mismatch (Numeracy)



Country specific Analysis

- Belgium (Flanders): high underutilization in Literacy (11%) and Numeracy (16%) → risk of skill loss
  Low overutilization in general; older worker overutilize more
- UK (England/Northern Ireland: high overutilization in Literacy (10%) and Numeracy (11%)
  Older worker overutilize more (Literacy)
- Spain: high overutilization in Literacy (9%) and Numeracy (11%)
  Older worker overutilize more
- Germany: adequate match a bit higher than other countries
  Older worker overutilize more
- Austria: adequate match a bit higher than other countries
  High underutilization in Numeracy
  Older worker overutilize more (Literacy)

Multivariate Analysis

- Effects on (over)utilization
  - Age 50-65 (LIT not in UK, NUM not in AT and UK)
  - Gender - Men (high in AT; not in UK and Spain – here Women overutilize in Numeracy)
  - Education: heterogenous effects
    - Undereducation (not in UK, less in Spain & Germany)
  - Non Natives (all countries, less in Spain)
  - More skilled jobs

Multivariate Analysis

- Effects of over/underutilization (Literacy) on income
  - Overutilization: income premium (4% in Belgium/Flanders to 13% in Spain; DE 7%; AT 9%; UK 11% compared to adequate match)
  - Underutilization: income penalty (5% in Belgium/Flanders to 13% in Spain)
  - No/Low effect in Belgium/Flanders, higher effect in Spain and UK
- Effects of over/underutilization on job satisfaction
  - Numeracy: no significant effects
  - Literacy: underutilization has negative effect on job satisfaction only in Belgium/Flanders

Conclusions

- 50-65: lower skills, bit lower skill use
  → in general: overutilization of skills with positive effects on income and no effect on work satisfaction

  → „use it or lose it“-risk is higher for younger workers with less (skill) demanding jobs

- Country specific results:
  - High underutilization in Belgium(Flanders) – risk of skill loss
    No/Low effects of over/underutilization on income
  - UK: skill/age profile; no age effect on utilization, but in general high overutilization and high effects of over/underutilization on income
  - Spain: high overutilization in general; high effects on income
  - Austria/Germany: more „balanced“ over/underutilization
    AT: Strong gender effects on overutiliziation

Next steps

- More country-specific interpretation/discussion and more national context
  (skill formation systems, employment rates)
- Feed in other FACTAGE-Streams
- Research paper and policy brief

More information and discussion

- Allen J., Levels M., van der Velden R. (2013), Skill mismatch and use in developed countries: evidence from the PIAAC study
- Perry A., Wiederhold S., Ackermann-Piek D. (2014), How can skill mismatch be measured? New approaches with PIAAC. Methods, data, analyses Vol.8.(2), 2014
- OECD (2016), Skills Matter: Further Results from the Survey of Adult Skills, OECD Skills Studies, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264258051-en
- OECD (2016), The Survey of Adult Skills: Reader's Companion, Second Edition, OECD Skills Studies, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264258075-en

Skills mismatch and workplace performance in Britain

David Wilkinson (University College London)
Andreas Cebulla (NIESR, University of Adelaide)
Nathan Hudson-Sharp (NIESR)
Lucy Stokes (NIESR)

FACTAGE

Motivation and Measuring Mismatch

Workers whose skills do not match the needs of their jobs may result in missed productive capacity and can effect workplace performance

Survey question:

How well do the work skills you personally have match the skills you need to do your present job?

- My own skills are:
  - Much higher
  - A bit higher
  - About the same
  - A bit lower
  - Much lower

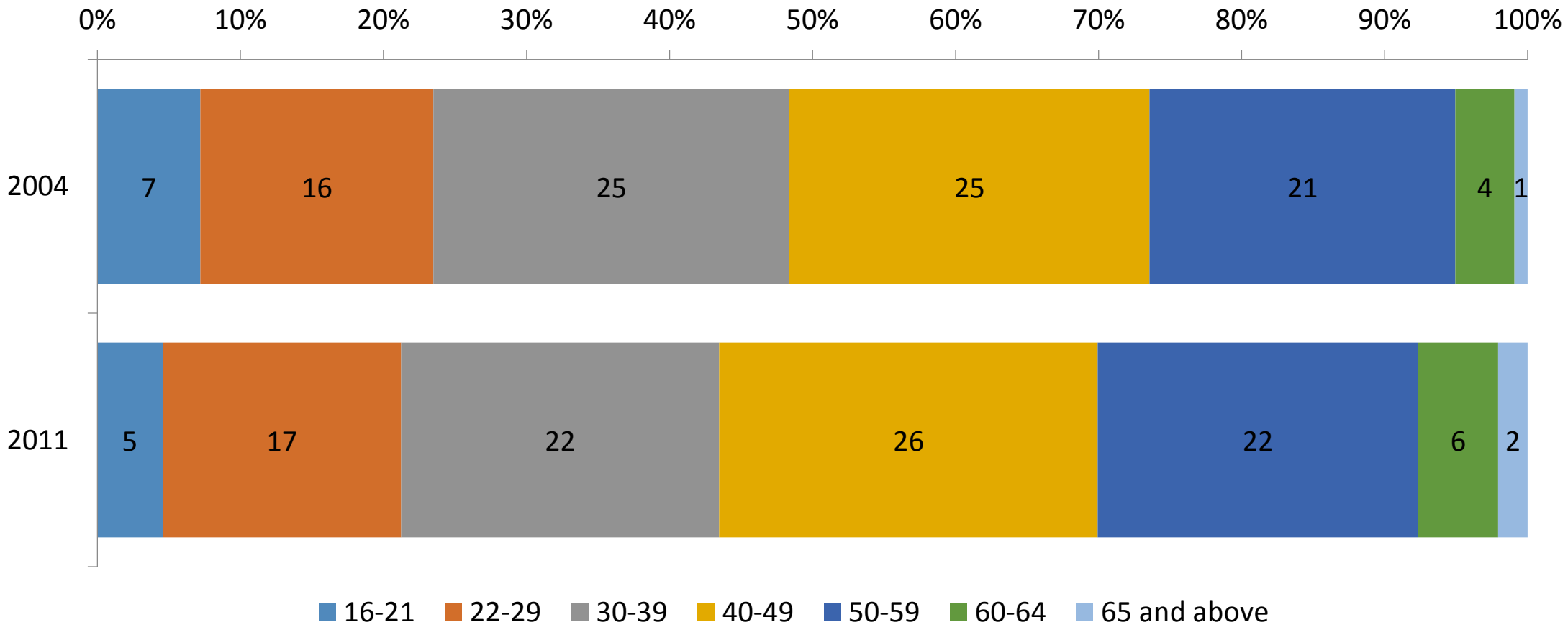
Research Questions

1. How does skills mismatch compare for older workers and younger workers.
2. Do workplaces with a higher proportion of mismatched workers perform better or worse?
    - labour productivity
    - financial performance
    - quality of product or service
3. Does the age composition of employment matter?

The Workplace Employment Relations Survey (WERS)

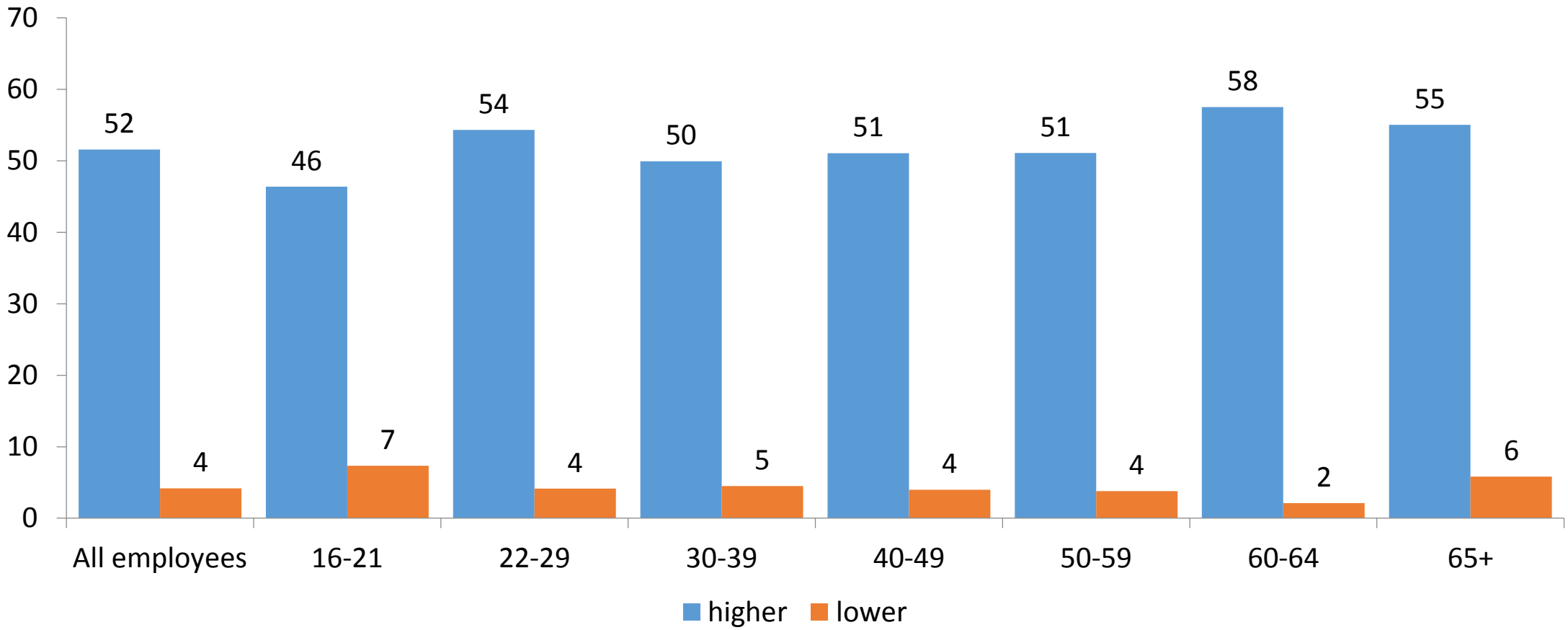
- Nationally representative survey of British workplaces with 5 or more employees
- Responses from 2,680 workplaces in 2011
- Linked employee data covering 21,981 employees
- Up to 25 randomly selected employees per workplace
- Allows employee responses to be aggregated to give workplace indicators
- Collects rich set of data from managers, worker representatives and employees within the same workplaces – including workplace practices and procedures, workforce composition and workplace performance

Age distribution of employment: 2004 and 2011



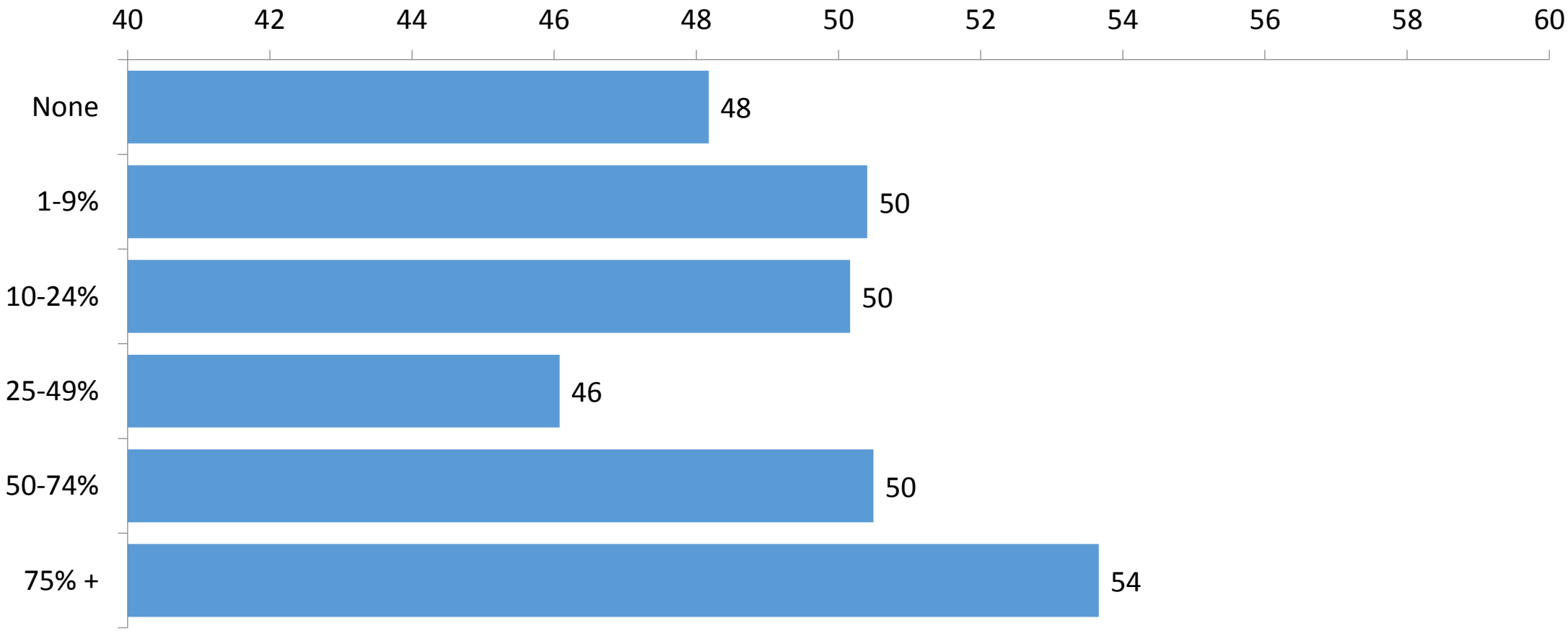
FACTAGE

Skills mismatch by age



FACTAGE

Share of over-skilled workers by percentage of workers aged 50+ in the workplace



FACTAGE

Measures of Workplace Performance

- Subjective measures of workplace performance
- “Compared with other workplaces in the same industry how would you assess your workplace’s…
  - Financial performance
  - Labour productivity
  - Quality of service or product?”
- Respond on five point scale from “a lot better than average” to “a lot below average” (combine bottom two in analysis)
- Also construct additive scale from the 3 items
- Although accounting measures are more conventional, existing studies provide validation for the subjective measures

Results: summary

	Labour productivity	Quality	Financial performance	Additive scale
% workers over qualified	ns	- (*)	ns	- (**)
% workers under qualified	ns	ns	ns	ns
% workers over qualified:				
Low share of older workers <25%	- (**)	- (***)	ns	- (***)
High share of older workers >=25%	ns	ns	ns	ns

Results including workplace controls

•Association at 10% significance level ** Association at 5% significance level *** Association at 1% significance level

Summary and Conclusions

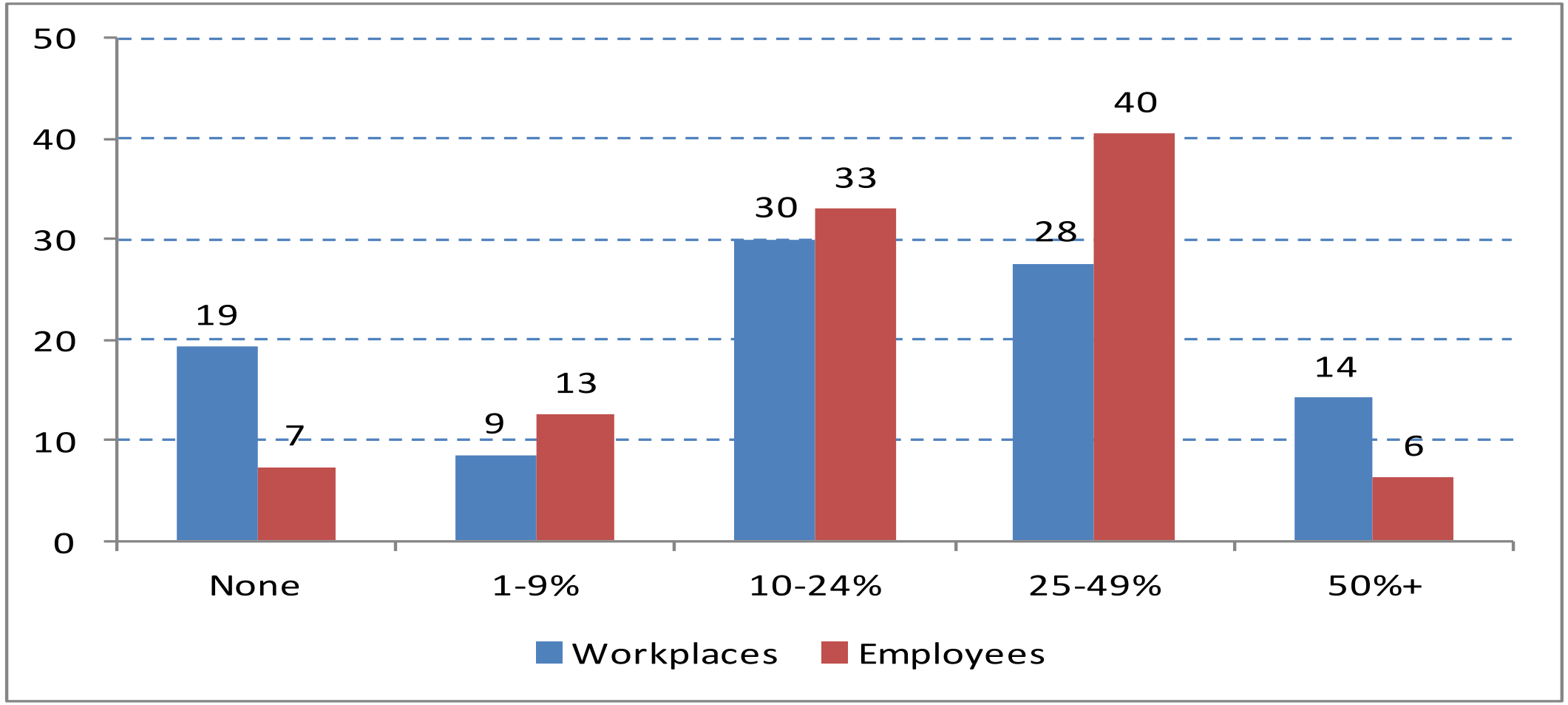
- Age composition of UK workforce is changing
- Workers aged 60+ most likely to report their skills higher than required to do their job
- Workplaces with a lot of older workers have a higher percentage of workers who report their skills higher than required to do their job
- Limited evidence of skills mismatch (overall) being related to worse workplace performance
- Limited to workplaces that employ fewer older workers

Thank you

FACTAGE

% workforce aged 50 and above, 2011

There is considerable variation across workplaces in the % older workers employed



FACTAGE

technische universität dortmund

Forschungsgesellschaft für Gerontologie e.V.

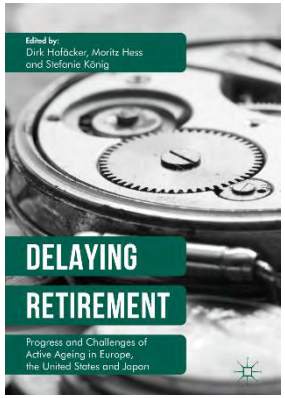
Institut für Gerontologie an der TU Dortmund

Preferred and Expected Retirement Age in Germany and Europe

Moritz Heß

Determinants of Retirement Decisions in Europe and the United States

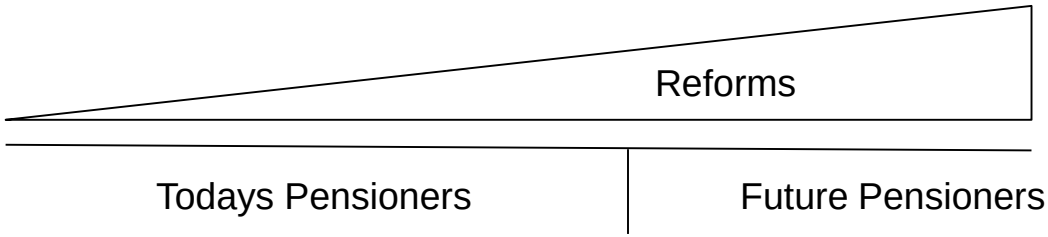
- University of Mannheim
- Team:
  - Prof. Dr. Dirk Hofäcker
  - Dr. Stefanie König
  - Dr. Moritz Hess
  - collaborators from 12 countries in Europe, Japan and the US
- Running time: 10/2012 until 7/2016
- Funding: German Science Foundation



Determinants of Retirement Decisions

Dissertation: Preferred and Expected Retirement Age in Germany and Europe

- **Supervisors: Prof. Dr Bernard Ebbinghaus (Oxford), Prof. Dr. Dirk Hofäcker (Duisburg-Essen), Prof. Dr. Katja Möhring (Mannheim)**
- **Relevance: Why study Preferred and Expected Retirement Age ?**
  - **Future pensioners' expectations and preferences when to retire, because due to the often time-lagged effect of the reforms todays pensioners have mostly not yet felt their full impact**
  - **Reaction if things are going "wrong"**
    - **Institutional level**
    - **Workplace level**
    - **Individual level**



Definition – Preferred and Expected retirement age

- **The *preferred retirement age* is the age at which an individual would like to retire *without considering contextual determinants***

- **The *expected retirement age* is a realistic evaluation when an individual will actually retire *taking into account* the pension system's regulation, the institutional and workplace context, and potential pension deductions accompanying early retirement**

- ***Expectations = Preferences + Incentives & Constraints***

Research Questions and Methods

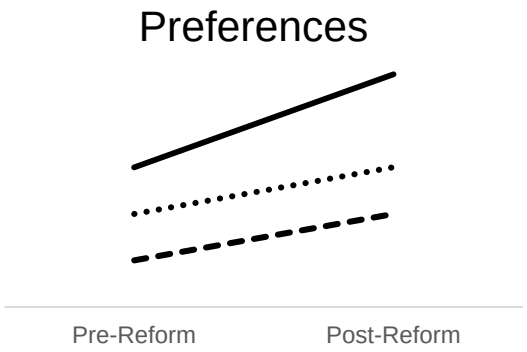
- **Research Questions:**
  - **How have future pensioners adapted their expected and preferred retirement age to the pension reforms aimed at later retirement?**
  - **What are the mechanisms behind the adaption of the expected and preferred retirement age?**
  - **How do the first two question differ between social groups?**
- **Methodological framework**
  - **Education as main explanatory variable for group differences**
  - **Expected and preferred retirement age as dependent variables**

    When do you expect / prefer to retire?
  - **Older workers 50 – 65**
  - **Multilevel & multinomial regressions as main analytical tool**

Contributing Papers

- **I. Hess, M. (2016): Rising Preferred Retirement Age in Europe – Are Europe's Future Pensioners Adapting to Pension System Reforms? *Journal of Ageing and Social Policy* (Online First)**
- **II. Hess, M. (2016): Germany: A Successful Reversal of Early Retirement? In Hofäcker, D; Hess, M. & König, S. (Eds): *Delaying Retirement: Progress and Challenges of Active Ageing in Europe, the United States and Japan*. Palgrave Macmillan, 147-169**
- **III. Hess, M. (2016): Retirement Expectations in Germany – Towards Rising Social Inequality? (Ready for Submission)**
- **IV. Hess, M. (2016): Expected and Preferred Retirement Age in Germany. *Zeitschrift für Gerontologie und Geriatrie* (Online First)**
- **V. Hess, M. (2016): Determinants of Intended Retirement Timing in Germany. *Zeitschrift für Sozialen Fortschritt* (Accepted for Publication)**

Results I



High Edu Preferences

Med Edu Preferences

Low Edu Preferences

High Edu Expectations

Med Edu Expectations

Low Edu Expectations

Results II

High Edu Preferences

Med Edu Preferences

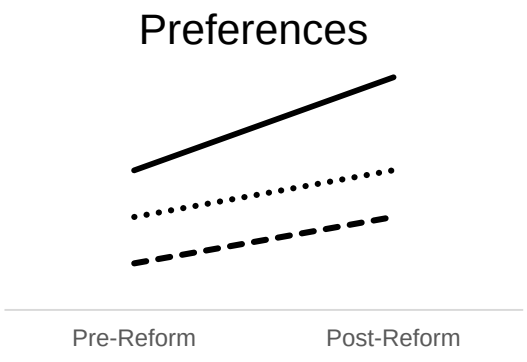
Low Edu Preferences

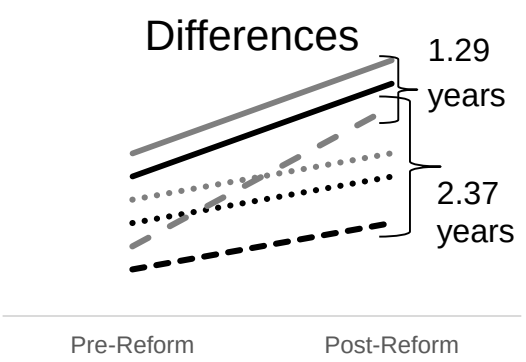
High Edu Expectations

Med Edu Expectations

Low Edu Expectations

Results III





High Edu Preferences

Med Edu Preferences

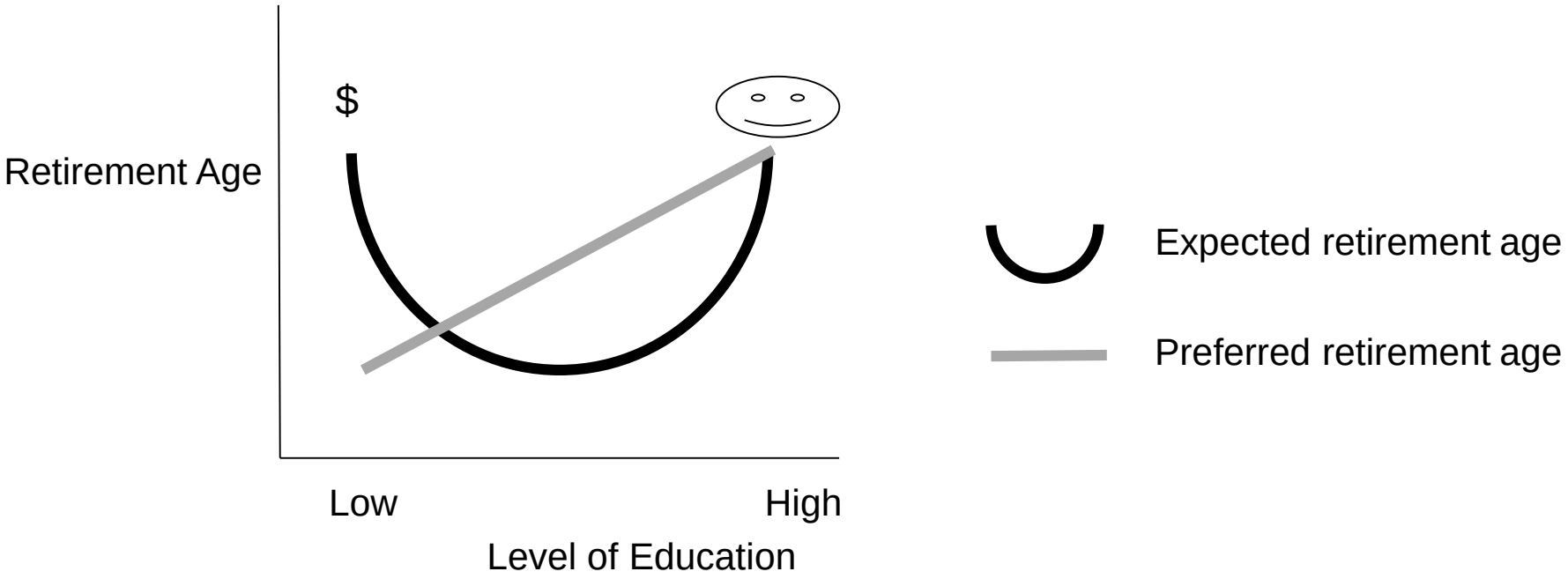
Low Edu Preferences

High Edu Expectations

Med Edu Expectations

Low Edu Expectations

Summary of Results



Social Inequalities in Extending Working Lives of an Ageing Workforce (EXTEND)

- **Network of seven partners**
  - **University of Sheffield (UoS) (Prof. Dr. Alan Walker),**
  - **Aaalborg University (AAU) (Prof. Dr. Per Jensen)**
  - **University Medical Center Amsterdam (VUmc) (Prof. Dr. Dorly J.H. Deeg)**
  - **Institute for Work and Technology Gelsenkirchen (IAT) (Prof. Dr. Josef Hilbert)**
  - **University of Dortmund (TUD) (Prof. Dr. Monika Reichert)**
  - **Finnish Institute for Occupational Health (FIOH) (Prof. Dr. Jukka Vuori)**
  - **Institute of Gerontology at the University of Dortmund (TUD) (Prof. Dr. Gerhard Naegele)**
- **Running time: April 2016 - September 2018**
- **Funding: JPI MYBL**

THANK YOUR FOR YOUR ATTENTION

Appendix

Definition – preferred and expected retirement age

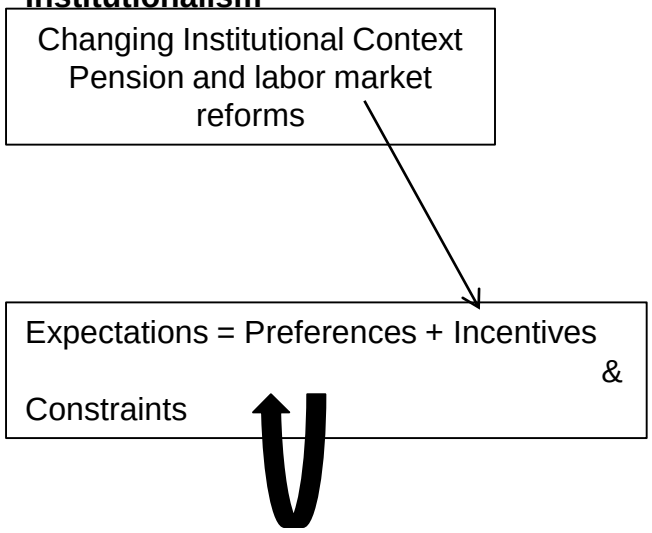
- The **preferred retirement age** is the age at which an individual would like to retire **without considering contextual determinants**
- The **expected retirement age** is a realistic evaluation when an individual will actually retire **taking into account** the pension system's regulation, the institutional and workplace context, and potential pension deductions accompanying early retirement
- **Expectations = Preferences + Incentives & Constraints**

Research questions

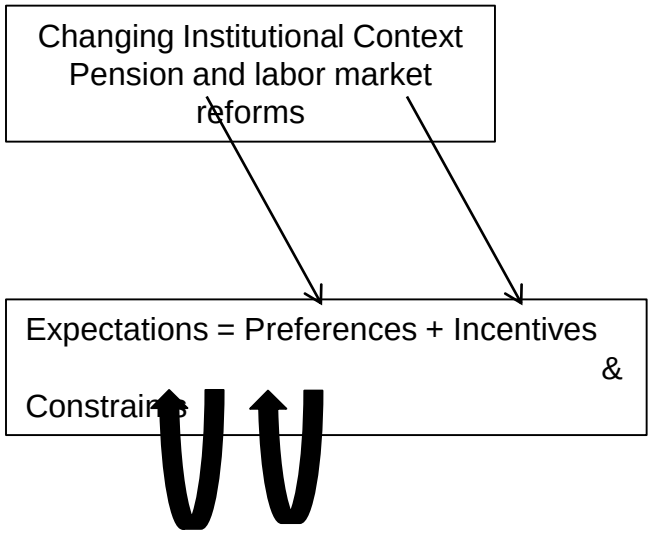
- How have future pensioners adapted their expected and preferred retirement age to the pension reforms aimed at later retirement?
- What are the mechanisms behind the adaption of the expected and preferred retirement age?
- How do the first two question differ between social groups?

Theoretical considerations

(Strict) Rational Choice Institutionalism



Sociological Institutionalism



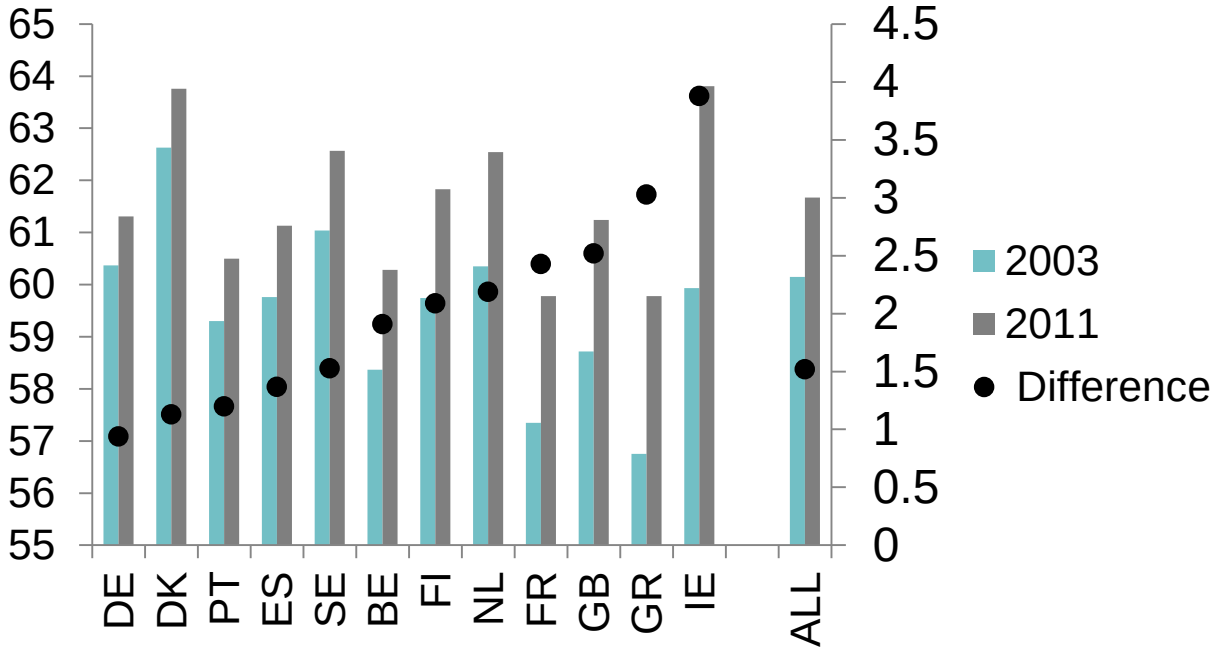
Methodological framework

- Education as main explanatory variable for group differences
- Expected and preferred retirement age as dependent variables

  When do you expect / prefer to retire?
- Older workers 50 – 65
- Multilevel & multinomial regressions as main analytical tool

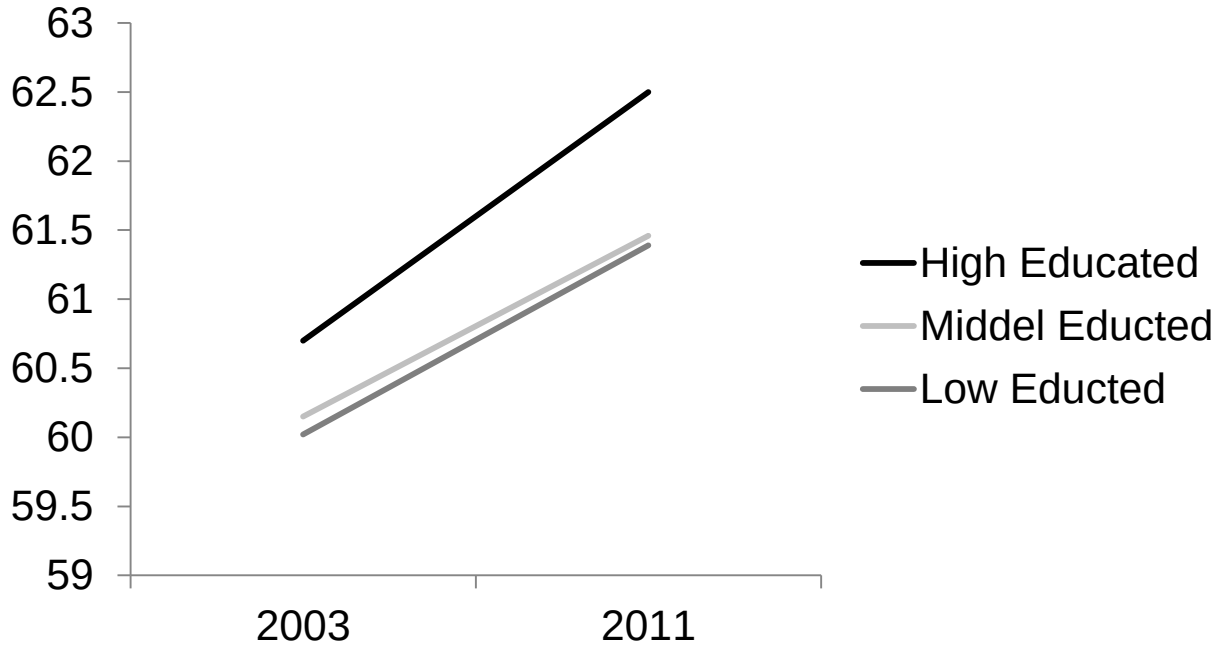
Results

Preferred retirement age – *Study I*



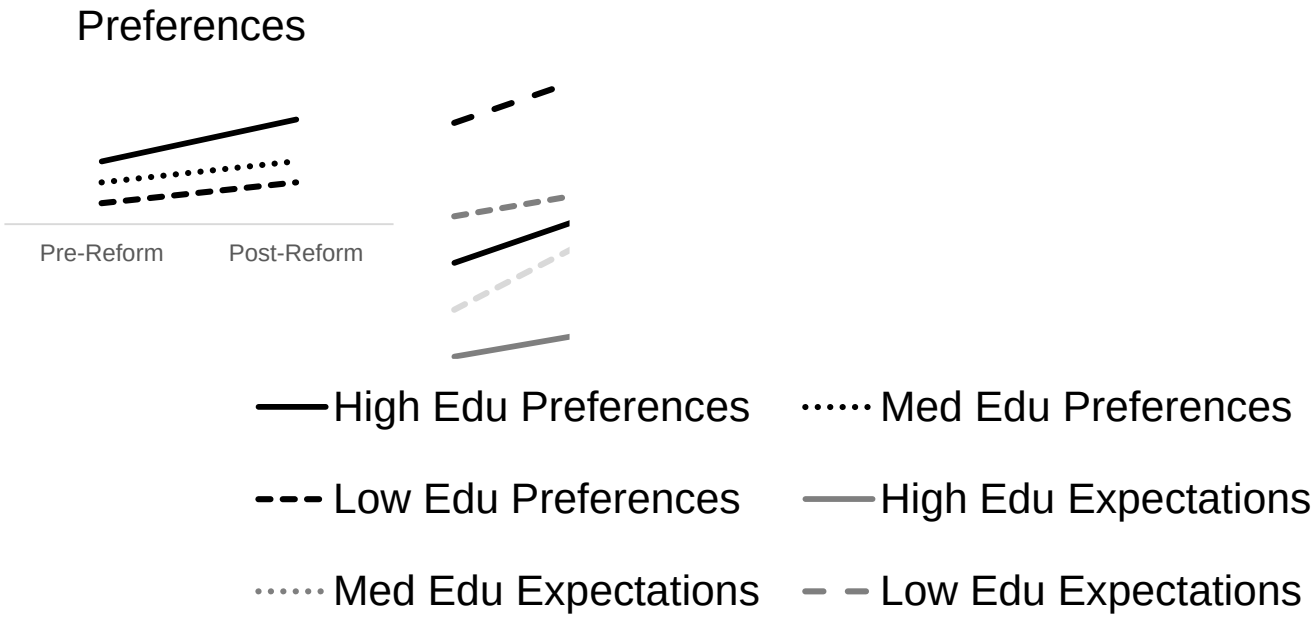
Data source: EB & ESS

Preferred retirement age – *Study I*

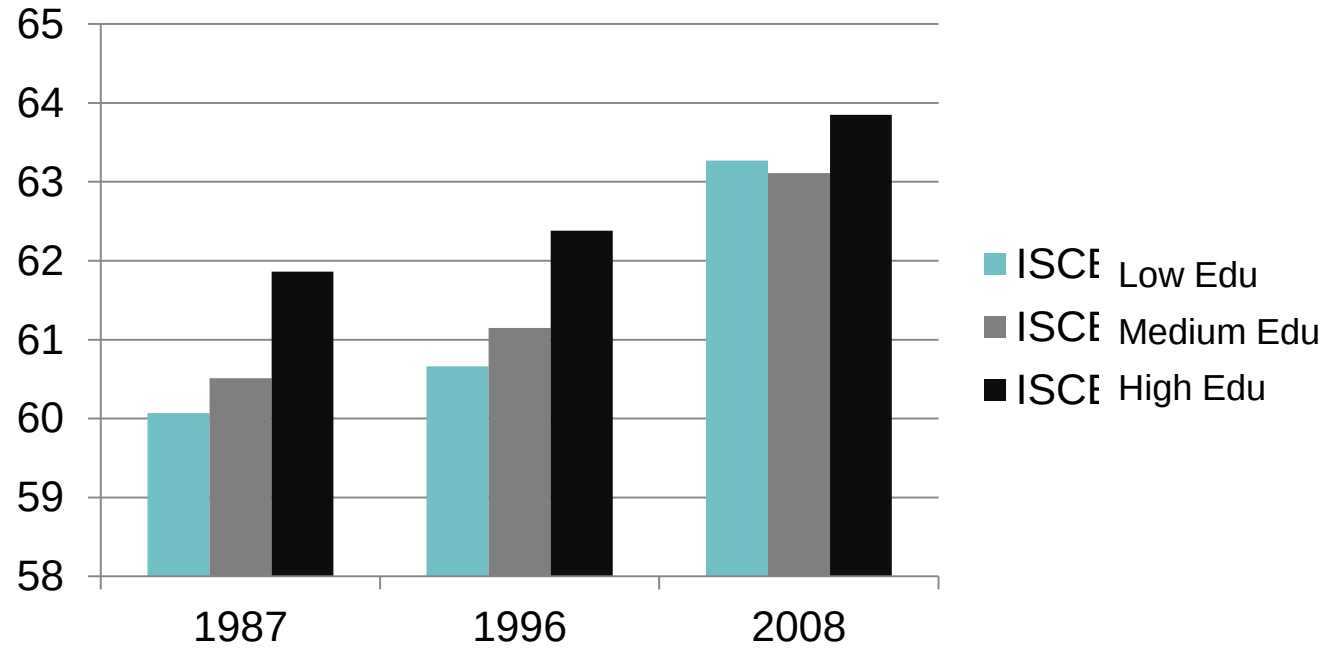


Data source: EB & ESS

Preliminary Results

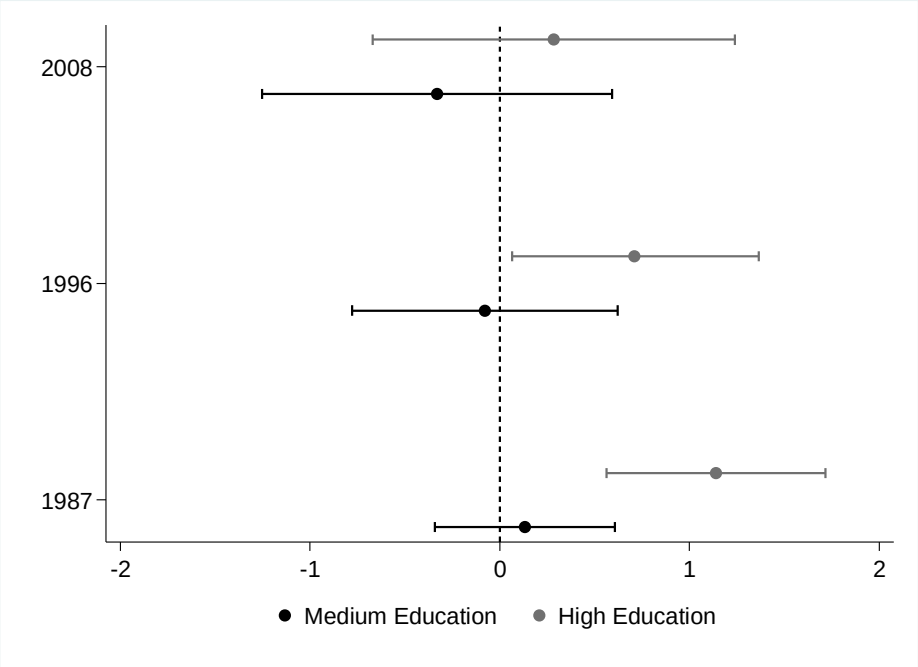


Expected retirement age – *Study III*



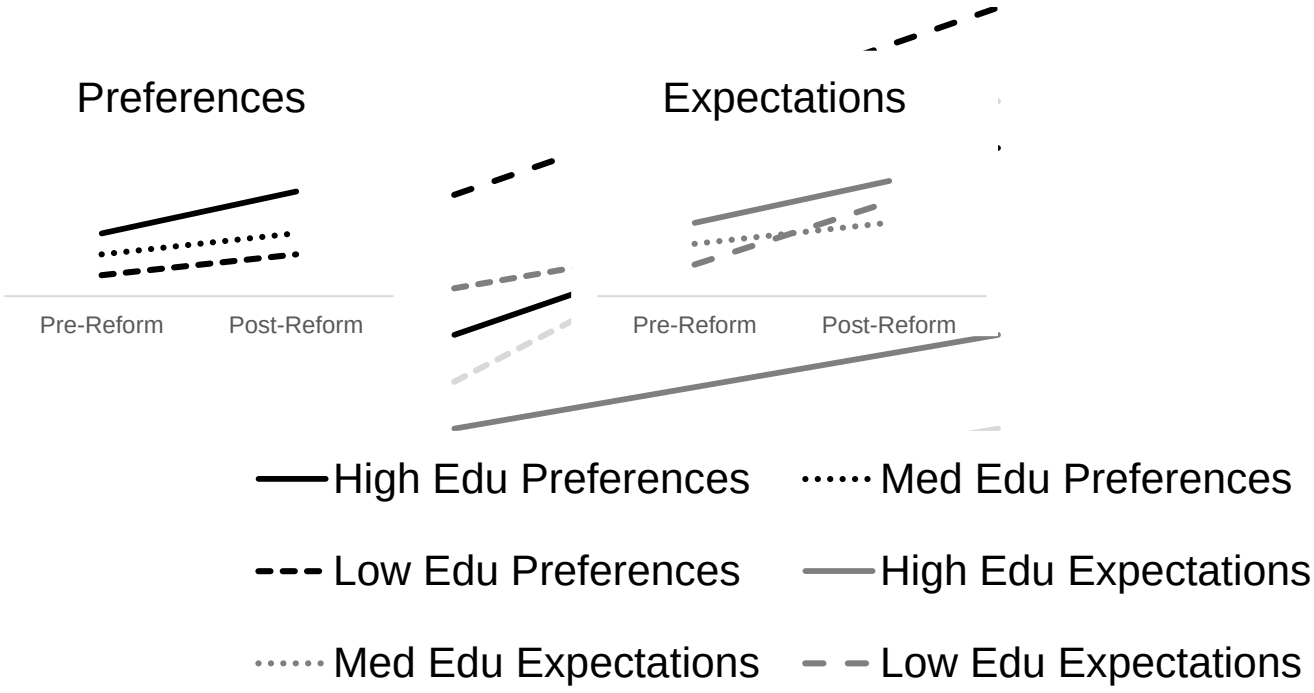
Data source: SOEP & DEAS

Expected retirement age – *Study III*

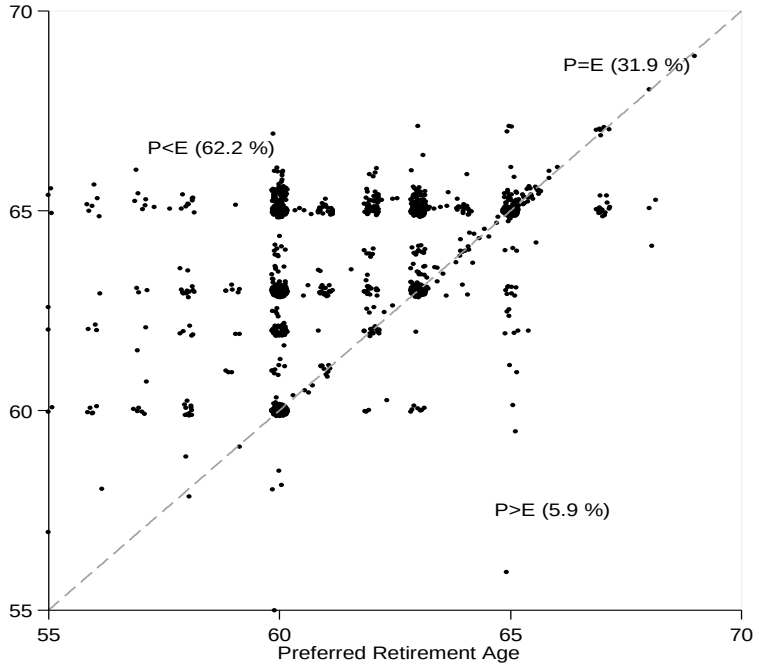


Data source: SOEP & DEAS

Preliminary Results



Expected and preferred retirement age – *Study IV*



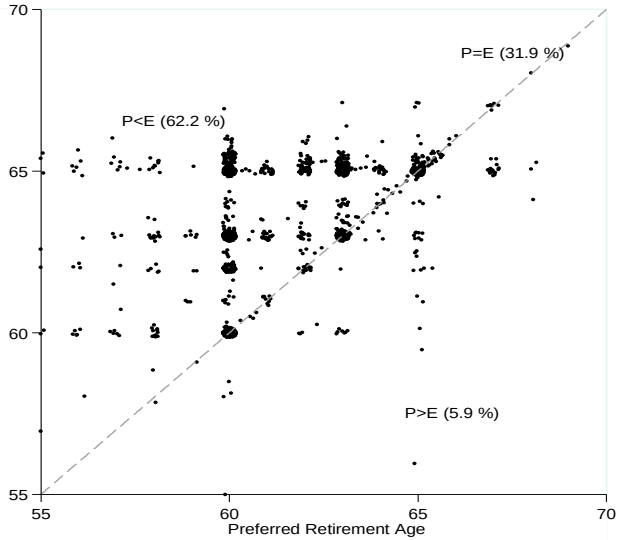
Data source: BIBB

Expected and preferred retirement age – *Study IV*

Average marginal treatment effects based on multinomial logistic estimations; reference category is Expected > Preferred

	Expected = Preferred	Expected < Preferred
Level of Education (Ref: Low)		
Medium	0.064*	0.028
High	0.121**	0.073**
Professional Position (Ref: Medium or Low Professional Position)		
High	0.056*	0.071**
High Income	0.053*	0.077**
Medium Income	0.002	0.008

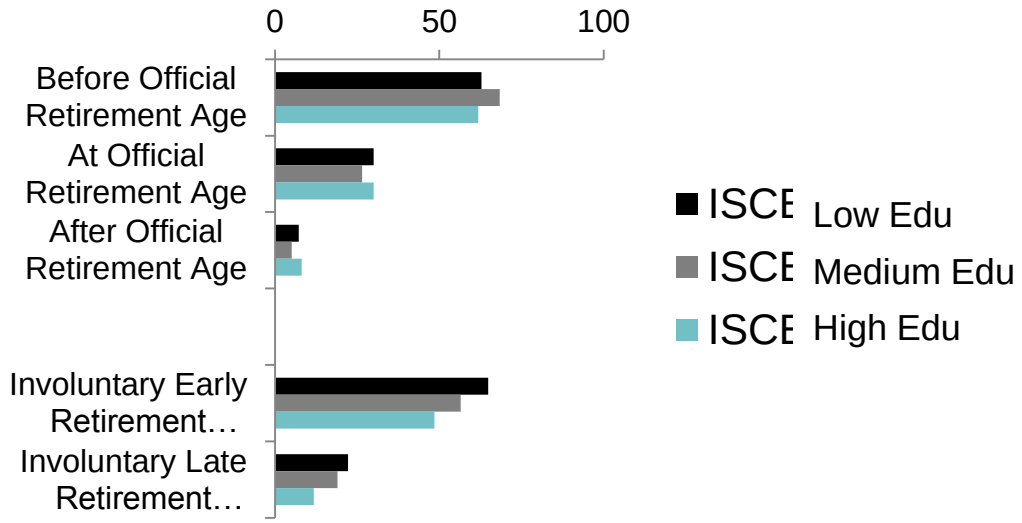
Controlled for Gender, Age, Health, Company Sizes, Working Hours and Sector



Data source: BIBB

Preliminary Results

Expected retirement age and its reasons – *Study V*



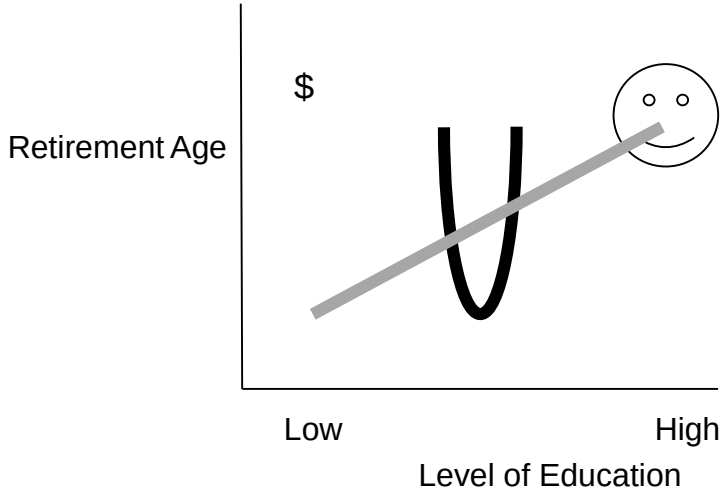
Data source: BAuA

Summary of results

- High educated expect and prefer to retire late
- Low educated expect to retire late, but would like to retire early

- High educated state non-monetary reason when asked why they expect to work long
- Low educated state monetary reason when asked why they expect to work long

Summary of results



Expected retirement age

Preferred retirement age

Contribution

- Description of the development of expected and preferred retirement age
- Disentangling of rational choice and sociological institutionalism
- Heckmann Test to correct for selection bias
- Support for recent warning of (re)emergence of social inequality in retirement process

Future Research

- Qualitative Methods
- Unemployed, Public Servants, Self-employed
- Gender differences
- Workplace level
- Replicate German results in other countries
- East-West Difference in Germany (were excluded from Study III, however only those living in East Germany at the point of data collection)

Research questions in detail

- How have future pensioners adapted their expected and preferred retirement age to the pension reforms aimed at later retirement?
  - Is the adaption of the expected and preferred retirement age a pan-European process or limited to particular countries? (*Study I*)
  - Is the adaption of the expected and preferred retirement age a short or long-term development? (*Study III)*
- What are the mechanisms behind the adaption of the expected and preferred retirement age?”
  - How are individuals’ expected and preferred retirement ages related; do they concur or differ? (*Study IV)*
  - What reasons for expected retirement age can be identified and how do they differ between groups of older workers? (*Study V*)

Theory - Intuitionalism

- Focus was on rational choice (economic) & sociological intuitionalism, however “other” intuitionalism also exist. But they do not have own explanations for how institutions shape individual behavior.

The third institutionalist strand historical institutionalism is not discussed in detail in this dissertation. Based on the ‘logic of path dependence’ the main focus of historical institutionalism is on institutional change, or to be more precise, why due to institutional path dependence institutions not or only very slowly change (Schmidt, 2010). To explain how institutions shape individuals’ behavior and attitudes, historical institutionalism relies on the ‘calculus approach’ and the ‘cultural approach’, and sometimes even on both (Hall & Taylor, 1996). Knill and Lenschow (2001, p.189) slightly ironically comment that historical institutionalism is “borrowing somewhat eclectically from the other two schools though with a special appreciation for the influence of history for present-day policy making”. Further recent types of institutionalism such as constructivist institutionalism (Hay, 2004) or discursive institutionalism (Schmidt, 2010) are also not discussed in this dissertation. (Footnote No 2 from Framework)

Mechanisms

- The results support rather sociological that economic intuitionalism. It seems as if changes on the macro, institutional level not only change the incentive and constraints, but also values & norms (here retirement norms). However, the educational differences in the increase of – in particular – the expected retirement age imply that also economic intuitionalism has some predicted power and incentive and constraints do matter.
- One could speculate whether the changes of the incentive and constraints happen faster, while does of the values and norms are more long lasting (TOP survey)

Why Education?

"Particularly **education** seems to be a **valid proxy** to summarize several interrelated characteristics that are known to be influential individual-level determinants of the retirement decision (e.g. work place characteristics and work autonomy, health, income, labor market chances) (Hofäcker & Naumann 2015, p.4)."

	Study				
	I	II	III	IV	V
Education	+		+	+	+
Income	+				
Occupation Class			+		
Company Sizes				+	+
Professional Position				+	

+ means significant effect in expected direction, - means not significant or unexpected direction

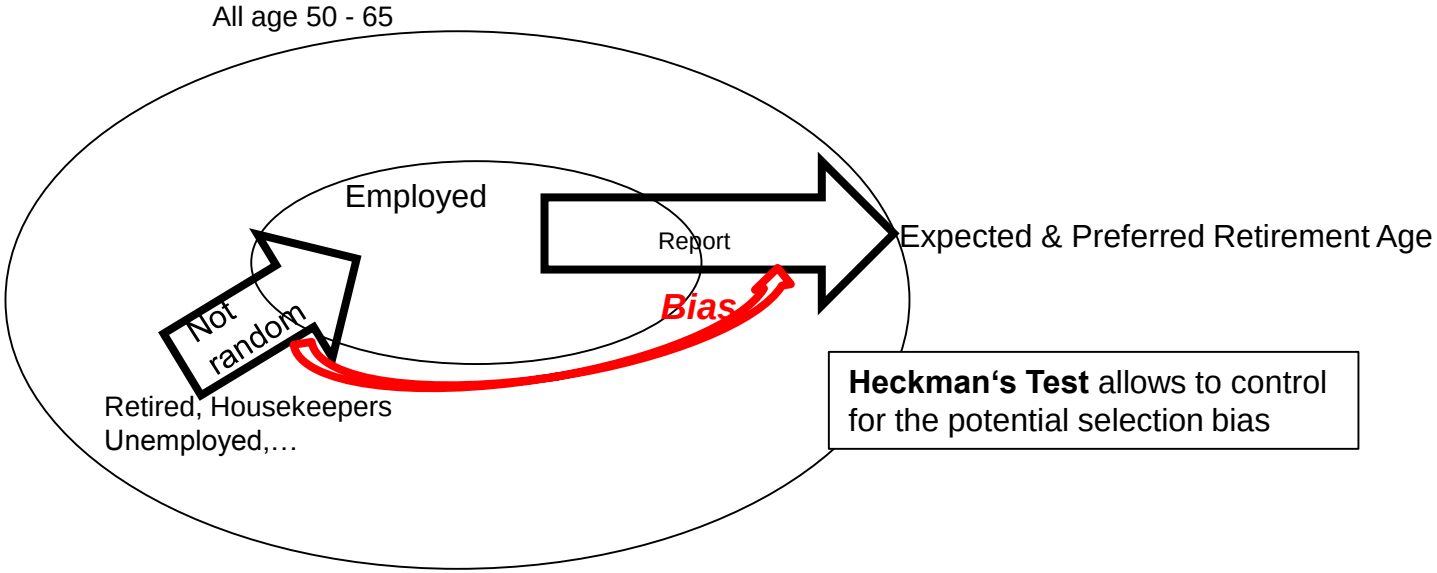
Why Older Workers?

Older workers age 55-65 were chosen for two reasons

1) stable retirement preference and expectations (Ekerdt et al. 1976; Ekerdt et al. 2000)
2) and know quite well when they will retire (Örestig et al. 2013)

Selection Bias

- The ratio behind this being that only those respondents that still are employed are asked for their preferred retirement age, while those who are already retired are ignored. It is, however, plausible to assume that those who are still employed at old age differed systematically from those already in retirement.
- This systematic selection into employment - and, hence, the possibility to state a preferred retirement age - might contort the results of the analysis.



Selection Bias – Heckman Test Study I

Multi-level linear regression on the preferred retirement age with Heckman Test and detailed information		
	Regression coefficients	
Individual Level		
Gender Ref: Man		
Women	-0.69	(0.13)***
Cohabiting Ref: No		
Yes	-0.29	(0.08)*
Age groups Ref: 45-54		
55-64	1.90	(0.08)***
Education (ISECD) Ref: Low		
3--4	0.23	(0.12)*
5--6	0.59	(0.16)***
Income Ref: Low		
Middle	0.12	(0.10)
High	0.24	(0.19)*
Country Level		
Official Retirement Age	0.23	(0.04)*
Year of Survey		
2010	1.40	(0.21)***
Cross Level Interaction		
Year*Education		
2010*Middle	0.19	(0.29)
2010*High	0.94	(0.30)**
N	13,517	
Pseudo R^2	0.14	
ICC	0.07	
	Selection coefficients	
Gender Ref: Man		
Women	-0.21	(0.11)***
Age groups Ref: 45-54		
55-64	-0.45	(0.25)***
Education (ISECD) Ref: Low		
3--4	0.13	(0.16)*
5--6	0.26	(0.13)***
Rho	0.31	
Sigma	0.46	
Levels of significance: 0.1; 0.05; 0.01		

Selection Bias – Heckman Test Study III

Table A1: OLS Regression on the Expected Retirement Age with Heckman Test Control				
		1987	1996	2008
Education (Ref: ISCED 0-2)				
ISCED 3-4		0.39(.32)	-0.13(.37)	-0.22(.48)
ISCED 5-6		1.68(.38)**	0.66(.41)+	0.45(.50)
Women (Ref: Man)		-1.60(.30)**	-1.08(.22)**	-0.68(.19)**
Partner (Ref: No Partner)		-0.41(.25)	-0.65(.29)**	-0.75(.25)**
Occupational Position (Ref: Blue Collar)				
White Collar		0.33(.23)*	0.57(.23)+	0.00(.26)
Public Servant		0.33(.36)	-0.30(.40)	-0.33(.36)
Self Employed		2.45(.35)**	1.87(.34)**	1.55(.32)**
Occupational Pension (Ref: No Occ.Pension)		-0.48(.39)	-0.59(.20)**	-0.44(.18)*
Constant		58.69(.37)	62.12(.46)	63.81(.55)
Number of Observations		612	767	1,187
Selection coefficients				
Education (Ref: ISCED 0-2)				
ISCED 3-4		0.27(.15)**	0.20(.20)*	0.42(.18)*
ISCED 5-6		0.57(.18)**	0.43(.21)**	0.52(.19)**
Women (Ref: Man)		-0.46(.05)**	-0.20(.11)+	-0.14(.09)+
Age Groups (Ref: 50-55)				
56-60		-0.98(.24)**	-0.69(.23)**	-0.57(.21)**
61-65		-1.23(.45)**	-1.01(.34)**	-0.78(.29)**
Rho		0.64	0.61	0.55
Sigma		1.05	2.78	3.14
+<0.1; *<0.05; **<0.01				

Gender (1)

Women do expect (III) and prefer (I) to retire later than men and still have lower employment rate (II). However the differences between expected and preferred retirement (IV) age is not larger for women and no gender differences in the retirement reasons were found (V)

	Study				
	I	II	III	IV	V
Gender Differences	+	+	+	-	-

+ means significant effect in expected direction, - means not significant or unexpected direction

Gender (2)

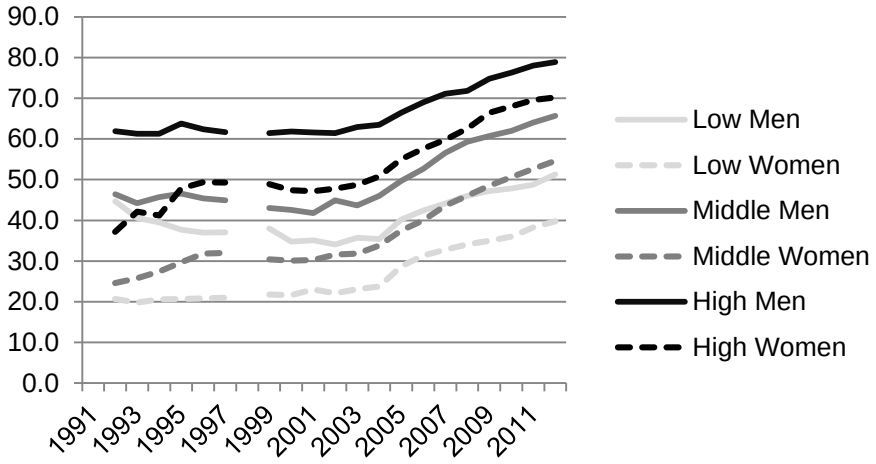


Figure shows the employment rate for different education levels and gender. The education was coded according to the International Standard Classification of Education (Lower= 0-2, Intermediate= 3-4 and Higher=5-6)
Source: EuroStat, Data for the different education levels not available for the year 1998 , Download from http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/data/database

Measurements and Data Sets Overview

Short Title	Main Research Questions	Data Source	Measurement of Prospective Retirement Age	Main Results
Retirement Preferences in Europe	Have European adapted to the new policy of late retirement?	ESS & EB	Preferred Retirement Age in Years	Total increase & stronger for high educated
Determinants of Retirement in Germany	How did German policy makers reform the pension system?	OCED		Increasing employment rate of older workers
Retirement Expectations in Germany	Have Germany adapted to the new policy of late retirement?	SOEP, DEAS	Expected Retirement Age in Years	Total increase & stronger for low educated
Retirement Expectations & Preferences	How do Retirement Expectations and Preferences interact with each other	BIBB	Preferred & Expected Retirement Age in Years	Preferences lower than expectation, deviation stronger for low educated
Reasons of Retirement Expectations	How do the reasons for the planned retirement age differ?	BAUA	Expected Retirement Age (before official retirement age, with, after)	High educated more non finical & low educated more financial reasons.

Argument why Prospective Retirement Age

„However, despite the undisputable value of this analytical perspective, the significance of such analyses to identify the effects of recent ‘active ageing’ reforms is inherently limited, given that current cohorts of pensioners had often spent virtually their entire employment life under the old ‘early exit regime’ and thus have been subject to respective pension and labour market policies. In other words, they were often not fully affected by more recent reform measures. **This paper thus takes a prospective focus on retirement plans and preferences of future retiree cohorts which more likely have been affected by recent reform measures, thus allowing for a better assessment of their effectiveness.”**

Hofäcker (2014) In line or at odds with active ageing policies? Exploring patterns of retirement preferences in Europe. Ageing and Society

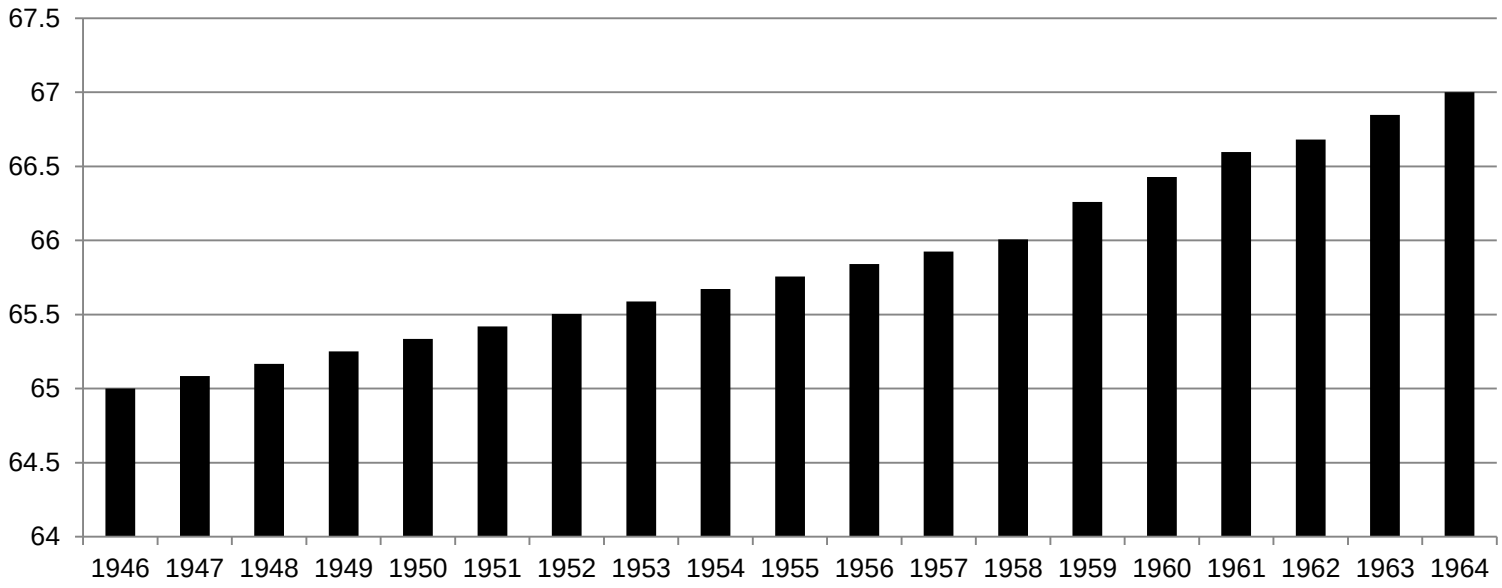
Expected and Preferred Retirement Age - Independence

The independence of the preferred and expected retirement ages is one fundamental assumption of the dissertation's research approach, but especially if the questionnaire includes only one question on either the expected or preferred retirement age respondents might answer a question aimed at their preferred retirement with their expected retirement age or vice versa. In addition, based on the idea of cognitive dissonance (Greenwald et al., 2013), it might be psychologically very costly to keep unrealistic retirement preferences, and individuals might adapt their preferences to their expectations. **However when respondents are asked for their preferred and expected retirement age (*Study IV*) in the same survey they seem to clearly differentiate between the two, as the average ranges 1.75 years apart (Hess, 2016). In addition, other studies (Esser, 2006; Heß & Landmann, 2015; Zappalà et al., 2008), including both preferred and expected retirement ages, reinforce this assumption as their results also show that they do indeed differ.** One could interpret this as an indication that respondents see a difference between preferred and expected retirement age. **However, potential interdependencies between the preferred and expected retirement ages must be acknowledged when interpreting these results.**

Rente mit 63

One very topical development in Germany is the reestablishment of the early retirement option via the public pension system after a certain amount of contributing years. The *Rente mit 63* (‘retirement at 63’) allows workers to retire 2 years before the official retirement age of their birth cohort if they have contributed to the public pension system for 45 years.

Increase of the official retirement age



Appendix – Robustness Checks

Study I – Descriptive

	Shares in Sample (%)		Average of Preferred Retirement Age		
	2003	2010	2003	2010	Difference
Total (N)	3,140	4,702	60.15	61.67	1.52
Gender					
Men	49.59	52.28	60.59	62.02	1.43
Women	50.41	47.72	59.72	61.31	1.59
Cohabiting					
Yes	68.60	74.03	60.09	61.63	1.54
No	31.40	25.97	60.28	61.76	1.48
Age groups					
45-54	55.00	58.47	59.33	60.84	1.51
55-64	45.00	41.53	61.36	62.91	1.55
Education (ISECD)					
0--2	14.71	10.55	60.04	61.41	1.37
3--4	62.85	62.36	60.16	61.59	1.43
5--6	22.44	27.09	60.64	62.45	1.81
Income					
Low	25.02	21.37	60.14	61.66	1.52
Middle	50.65	52.58	60.09	61.59	1.50
High	24.33	26.05	60.25	61.83	1.58

Study I – Multilevel Regression

	Model 1		Model 2		Model 3	
Individual Level						
Gender Ref: Man						
Women	-0.73	(0.08)***	-0.73	(0.07)***	-0.69	(0.13)***
Cohabiting Ref: No						
Yes	-0.28	(0.08)*	-0.29	(0.08)*	-0.29	(0.08)*
Age groups Ref: 45-54						
55-64	1.72	(0.08)***	1.71	(0.07)***	1.90	(0.08)***
Education (ISECD) Ref: Low						
3--4	0.16	(0.10)	0.13	(0.10)	0.13	(0.12)
5--6	0.69	(0.11)***	0.60	(0.10)***	0.59	(0.16)***
Income Ref: Low						
Middle	0.15	(0.17)	0.16	(0.15)	0.12	(0.10)
High	0.18	(0.11)	0.17	(0.11)	0.14	(0.19)
Country Level						
Official Retirement Age	0.20	(0.04)*	0.20	(0.03)*	0.23	(0.04)*
Year of Survey Ref:2003						
2010	1.45	(0.08)***	1.45	(0.16)***	1.40	(0.21)***
Cross Level Interaction						
Year*Education						
2010*Middle			0.24	(0.20)	0.19	(0.29)
2010*High			0.89	(0.23)**	0.94	(0.30)**
N	7,842		7,842		13,517	
Pseudo R^2	0.13		0.14		0.14	
ICC	0.07		0.07		0.07	
Levels of significance:*0.1;**0.05;***0.01						

Study III –Regression

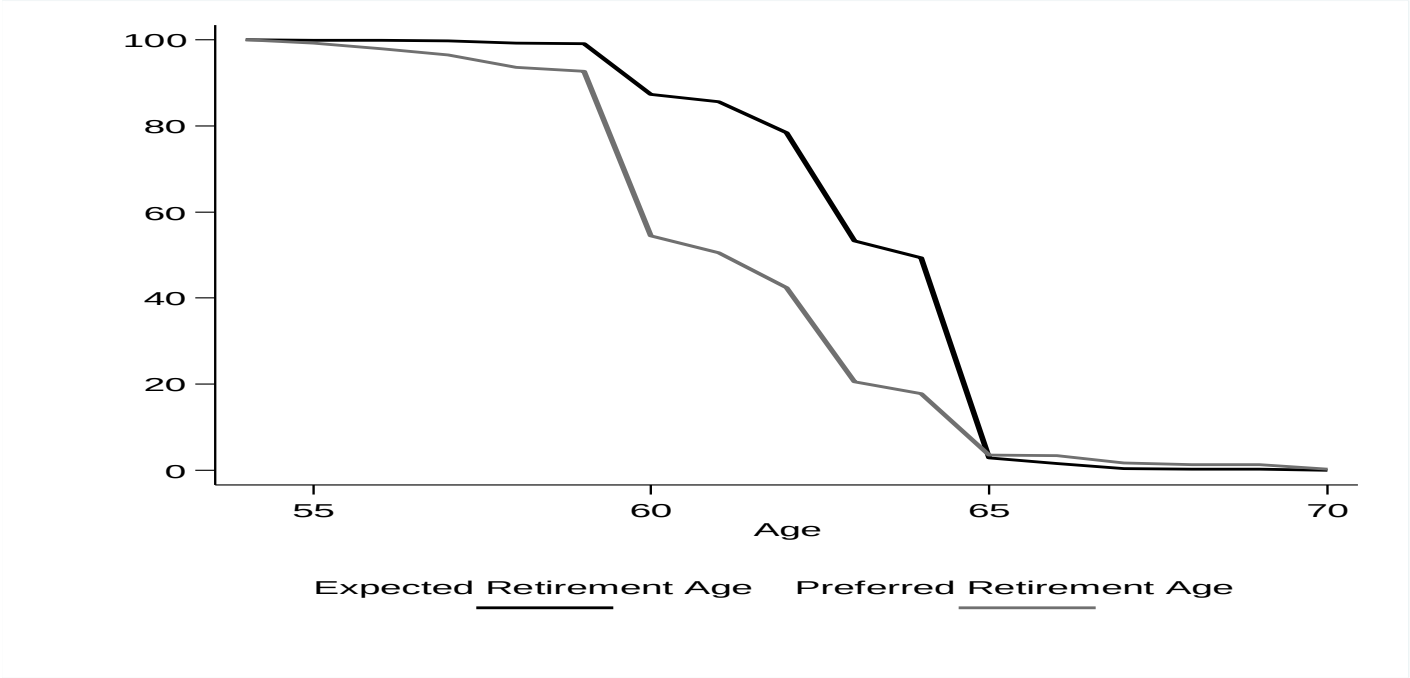
		1987	1996	2008
Education (Ref: ISCED 0-2)				
ISCED 3-4		0.19(.24)	-0.07(.35)	-0.32(.47)
ISCED 5-6		1.35(.29)**	0.71(39)+	0.28(.48)
Women (Ref: Man)		-1.03(.22)**	-1.09(.21)**	-0.61(.18)**
Partner (Ref: No Partner)		-0.44(.24)*	-0.67 (.29)**	-0.78(.25)**
Occupational Position (Ref: Blue Collar)				
White Collar		0.31(.22)*	0.58 (.23)*	0.01(.24)
Public Servant		0.35(.34)	-0.30 .40	-0.31(.36)
Self Employed		2.50(.29)**	1.99 (.33)**	1.67(.32)**
Occupational Pension (Ref: No Occ.Pension)		-0.68(.34)**	-0.60 (.20)**	-0.45(.19)*
Constant		61.01(.24)	62.41(.44)	64.47(.53)
Number of Observations		638	767	1,187
R^2		0.18	0.15	0.07
+<0.1; *<0.05; **<0.01				

Study IV – Descriptive

Table 1: Expected and preferred retirement age in years and differences between them

		Retirement Age in Years		
	N (%)	Expected	Preferred	Difference
Total	1399	63.58	61.83	-1.75
Professional Position				
High	37.68	63.85	62.42	-1.43
Medium or Low	62.32	63.48	61.47	-2.00
Education				
ISCED 0-2	13.70	63.49	61.12	-2.37
ISCED 3-4	55.66	63.44	61.56	-1.88
ISCED 5-6	30.64	64.02	62.73	-1.29
Health				
Good Health	55.01	63.93	62.29	-1.64
Bad Health	44.99	63.23	61.28	-1.96
Income				
Low Income	38.01	63.58	61.55	-2.02
Medium Income	30.96	63.51	61.74	-1.76
High Income	31.03	63.80	62.26	-1.55
Gender				
Male	48.33	63.91	62.21	-1.70
Female	51.67	63.34	61.46	-1.87
Age Group				
55-59 years	70.47	63.30	61.14	-2.15
60-65 years	29.53	64.35	63.39	-0.96
Status of Relationship				
Cohabiting	59.80	63.51	61.86	-1.65
Not Cohabiting	40.20	63.78	61.79	-1.99
Working hours				
Part Time (<31 working hours)	76.46	63.74	61.84	-1.44
Full Time (>30 working hours)	23.54	63.20	61.76	-1.90
Sector				
Primary	1.95	63.09	61.76	-1.34
Secondary	22.62	63.44	61.50	-1.95
Tertiary	46.44	63.70	62.01	-1.69
Public	28.99	63.67	61.77	-1.90
Company Sizes				
Less than 10 employees	14.10	63.35	61.82	-1.53
10 to 50 employees	25.59	63.62	61.93	-1.69
50 to 250 employees	37.00	63.73	61.88	-1.86
250 employees and more	23.30	63.54	61.63	-1.92

Study IV – Descriptive



Study IV – Multinomial log regression

Table 2: Retirement preference and expectations and explanatory variables, average marginal treatment effects based on multinomial logistic estimations. Reference category is Expected > Preferred

	Expected = Preferred		Expected < Preferred	
Professional Position (Ref: Medium or Low Professional Position)				
High	0.056*	[0.021]	0.071**	[0.034]
Level of Education (Ref: ISCED 0-2)				
ISCED 3-4	0.064*	[0.017]	0.028	[0.022]
ISCED 5-6	0.121**	[0.019]	0.073**	[0.034]
Health (Ref: Bad Health)				
Good Health	-0.001	[0.010]	0.002	[0.011]
Income (Ref: Low Income)				
High Income	0.053*	[0.018]	0.077**	[0.019]
Medium Income	0.002	[0.012]	0.008	[0.014]
Gender (Ref: Male)				
Female	0.029	[0.013]	-0.032	[0.012]
Age Groups (Ref: 55-59 years)				
56 - 60 years	0.098*	[0.010]	0.075*	[0.012]
Relationship (Ref: Not cohabiting)				
Cohabiting	-0.008	[0.023]	0.006	[0.024]
Working Hours (Ref: Full time)				
Part time	0.078*	[0.016]	0.083**	[0.013]
Sector (Ref: Primary)				
Secondary	-0.042	[0.015]	-0.061*	[0.022]
Tertiary	-0.043	[0.018]	-0.072*	[0.017]
Public	-0.078*	[0.019]	-0.096*	[0.020]
Company Sizes (Ref: Less than 10 employees)				
10 to 50 employees	-0.099**	[0.013]	-0.077*	[0.013]
50 to 250 employees	-0.076*	[0.011]	-0.081*	[0.017]
250 employees and more	-0.107**	[0.018]	-0.034	[0.020]
N	1380			
McFaddens R^2	0.04			
Log likelihood	-1309.3554			

Levels of Significance = * p < 0.1, ** p < 0.05; Ref = Reference Category

Study V – Multinomial log regression

Table 2: Retirement preference and expectations and explanatory variables, average marginal treatment effects based on multinomial logistic estimations. Reference category is Expected > Preferred

	Expected = Preferred		Expected < Preferred	
Professional Position (Ref: Medium or Low Professional Position)				
High	0.056*	[0.021]	0.071**	[0.034]
Level of Education (Ref: ISCED 0-2)				
ISCED 3-4	0.064*	[0.017]	0.028	[0.022]
ISCED 5-6	0.121**	[0.019]	0.073**	[0.034]
Health (Ref: Bad Health)				
Good Health	-0.001	[0.010]	0.002	[0.011]
Income (Ref: Low Income)				
High Income	0.053*	[0.018]	0.077**	[0.019]
Medium Income	0.002	[0.012]	0.008	[0.014]
Gender (Ref: Male)				
Female	0.029	[0.013]	-0.032	[0.012]
Age Groups (Ref: 55-59 years)				
56 - 60 years	0.098*	[0.010]	0.075*	[0.012]
Relationship (Ref: Not cohabiting)				
Cohabiting	-0.008	[0.023]	0.006	[0.024]
Working Hours (Ref: Full time)				
Part time	0.078*	[0.016]	0.083**	[0.013]
Sector (Ref: Primary)				
Secondary	-0.042	[0.015]	-0.061*	[0.022]
Tertiary	-0.043	[0.018]	-0.072*	[0.017]
Public	-0.078*	[0.019]	-0.096*	[0.020]
Company Sizes (Ref: Less than 10 employees)				
10 to 50 employees	-0.099**	[0.013]	-0.077*	[0.013]
50 to 250 employees	-0.076*	[0.011]	-0.081*	[0.017]
250 employees and more	-0.107**	[0.018]	-0.034	[0.020]
N	1380			
McFaddens R^2	0.04			
Log likelihood	-1309.3554			

Levels of Significance = * p < 0.1, ** p < 0.05; Ref = Reference Category

12. Mai 2017

UNIVERSITÄT KOBLENZ · LANDAU

FACTAGE

CHANGING LABOUR MARKET CONDITIONS FOR OLDER WORKERS

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Brussels, 26th of April 2017

OVERVIEW

1. Research Motivation
2. Changing Labour Market Conditions in the European context
3. Analysis of Active Ageing Policies
4. Results

1. RESEARCH MOTIVATION

- **European Employment Strategy 1997**
  - Increasing total employment rate (15-64) by 70%
  - Strategy of Active Ageing 1999

- **Stockholm EU-Summit 2001:**
  - Quantitative aims for group of older workers
  - Increase of employment rate of 55-64 by 50% in EU-average

- **Barcelona-Summit 2002:**
  - Increase of labour market exit ages by five years until 2010

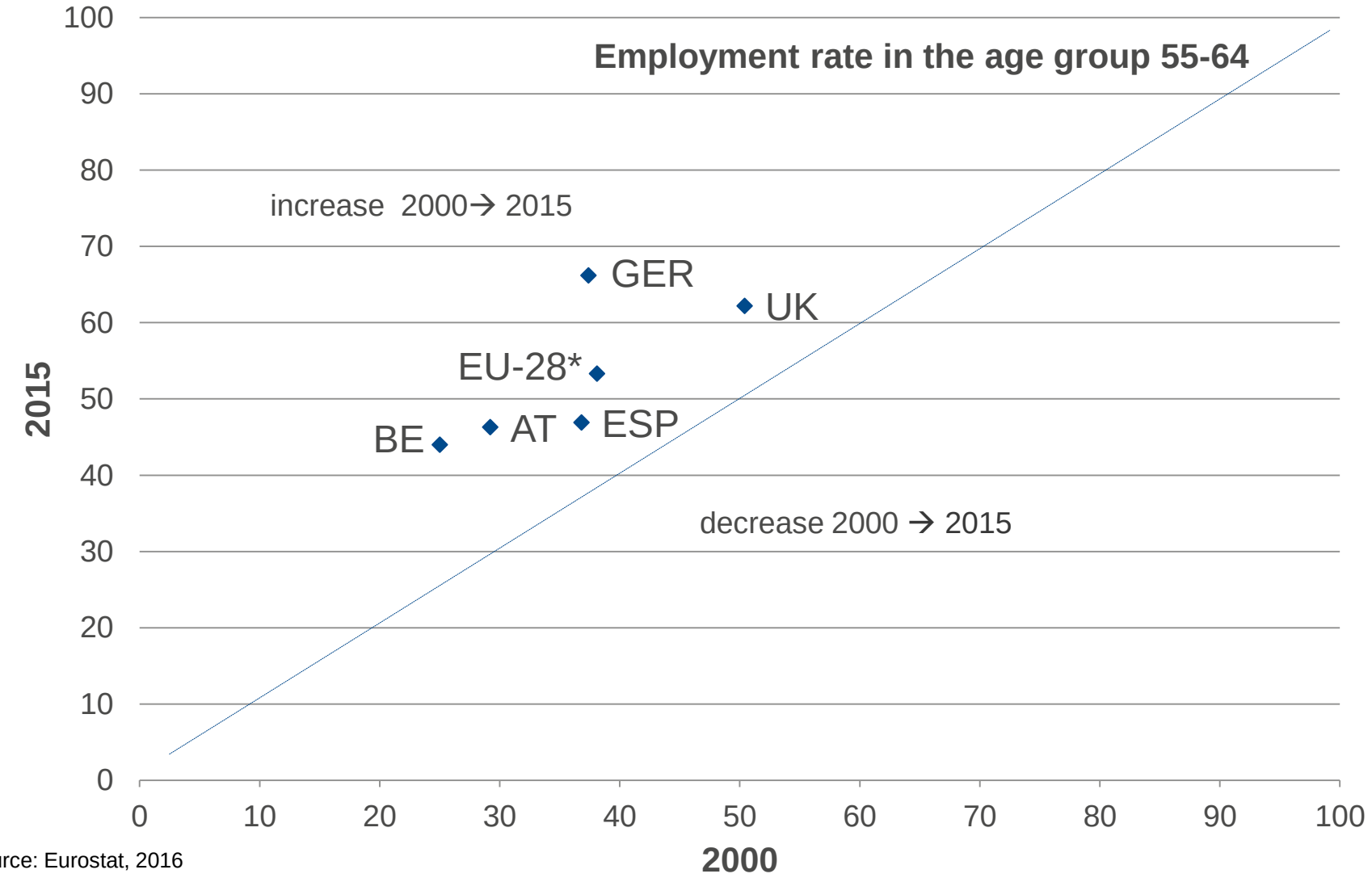
1. AMBIVALENT IMPLICATIONS

- Higher statutory retirement ages
- Higher amount of 50+ individuals in the labour market
- Reduction of early retirement schemes

Quantitative	Qualitative
Higher employment rates of older individuals	Heterogeneity of employment contracts of older workers

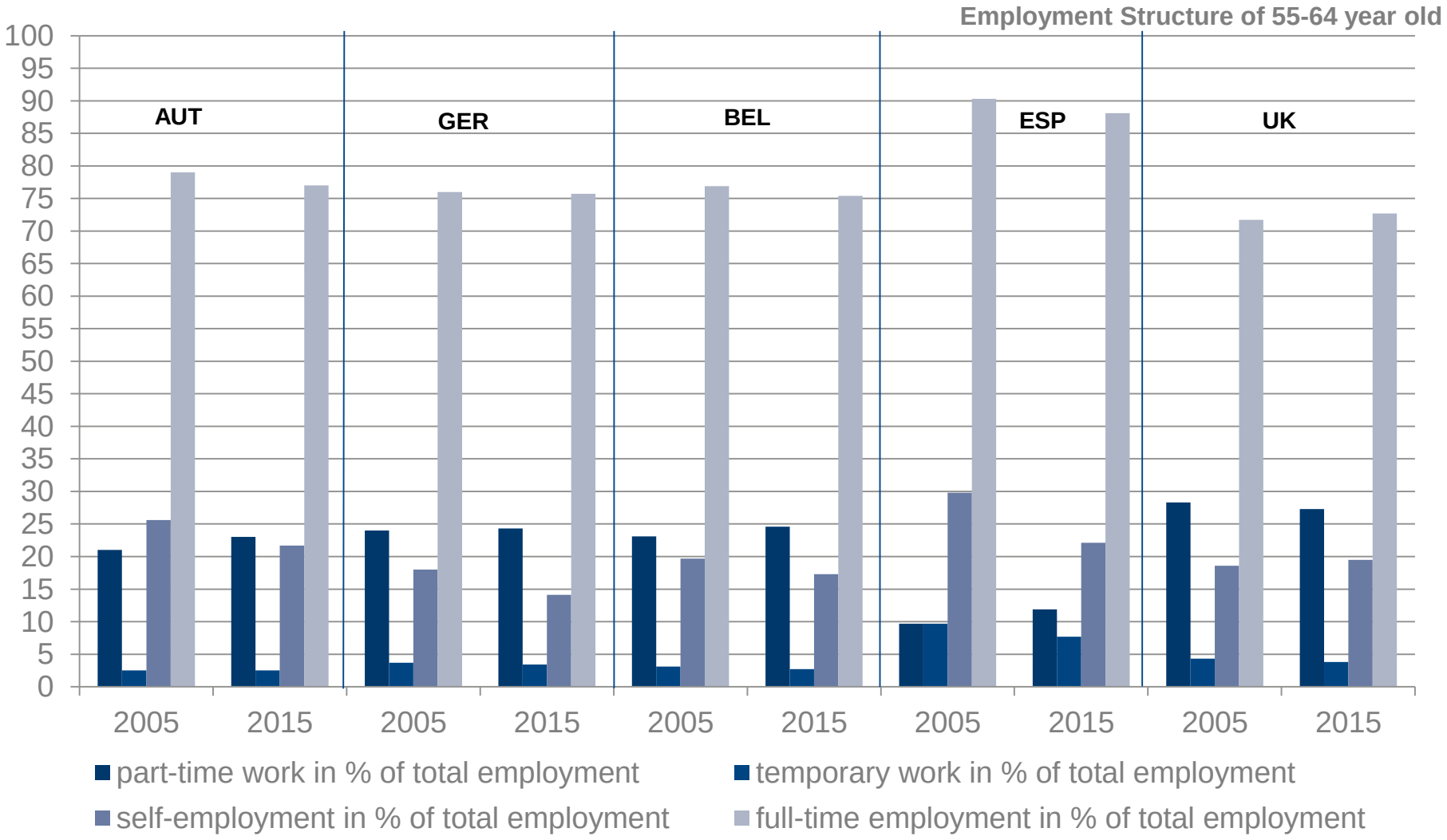
➢ **Within the group of older individuals, how does heterogeneity show?**

2. LABOUR MARKET TREND



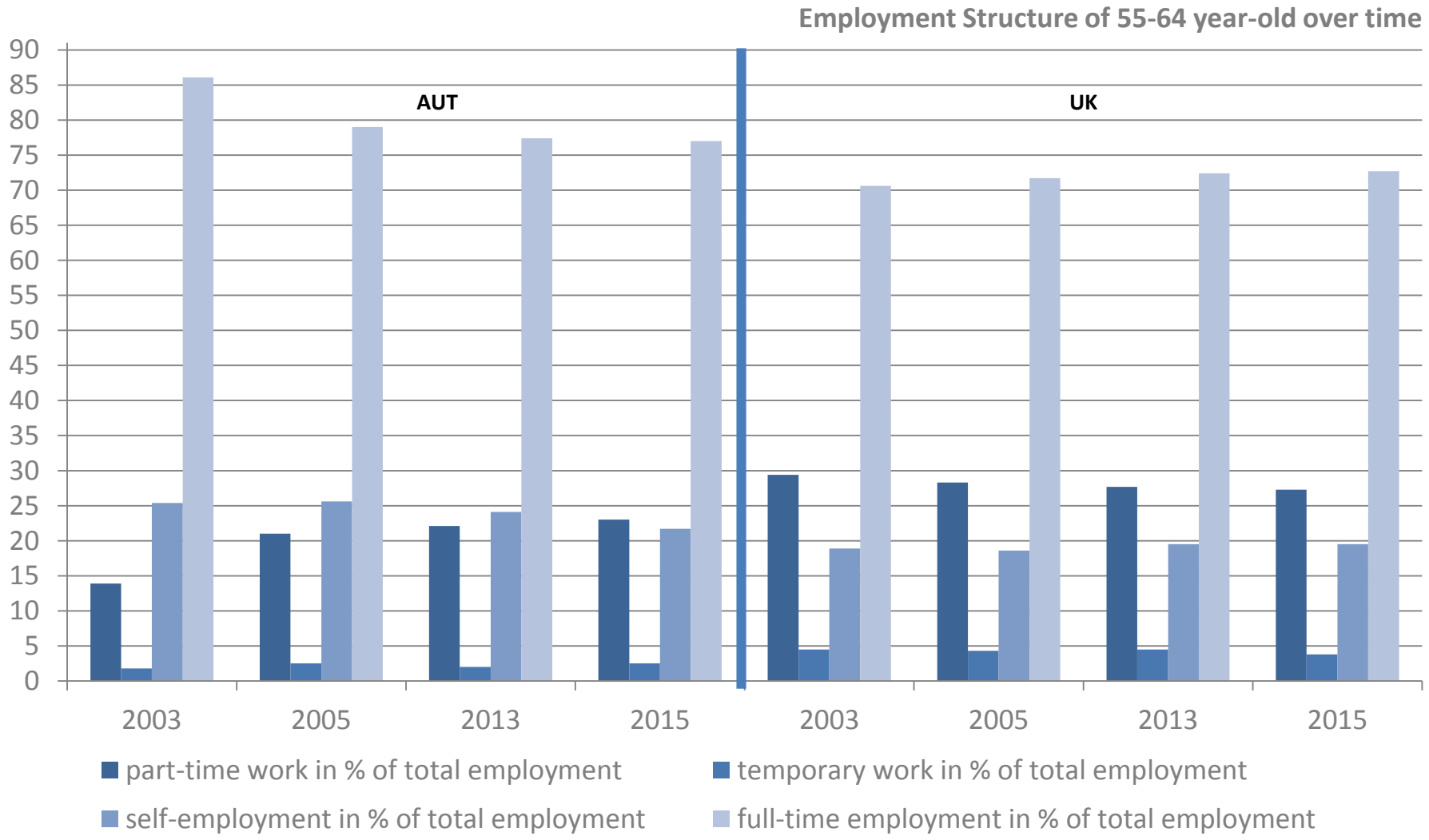
Source: Eurostat, 2016

2. OLDER INDIVIDUALS AND ATYPICAL WORK (1)



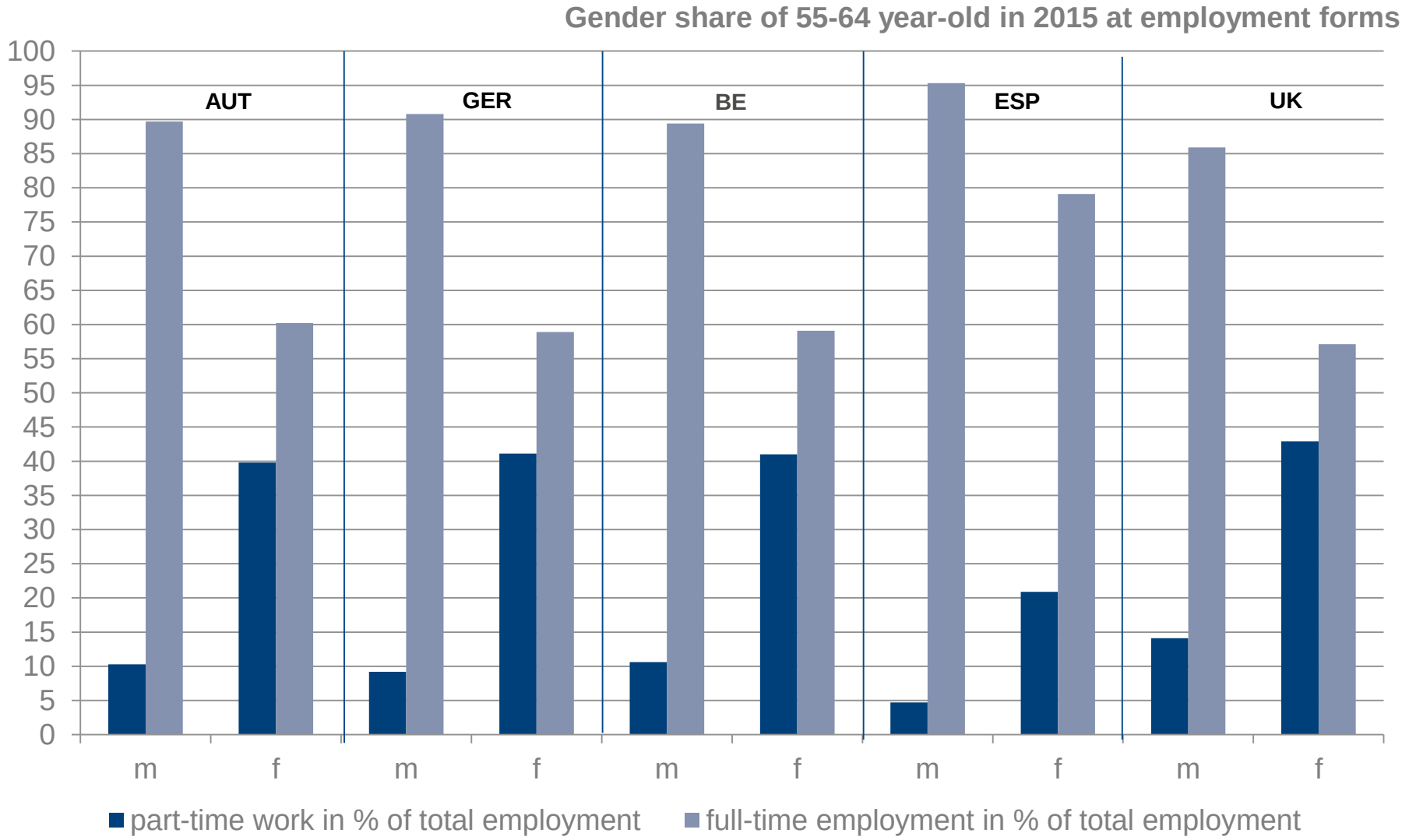
Source: OECD, 2016; Eurostat, 2016; own calculations

2. OLDER INDIVIDUALS AND ATYPICAL WORK (2)



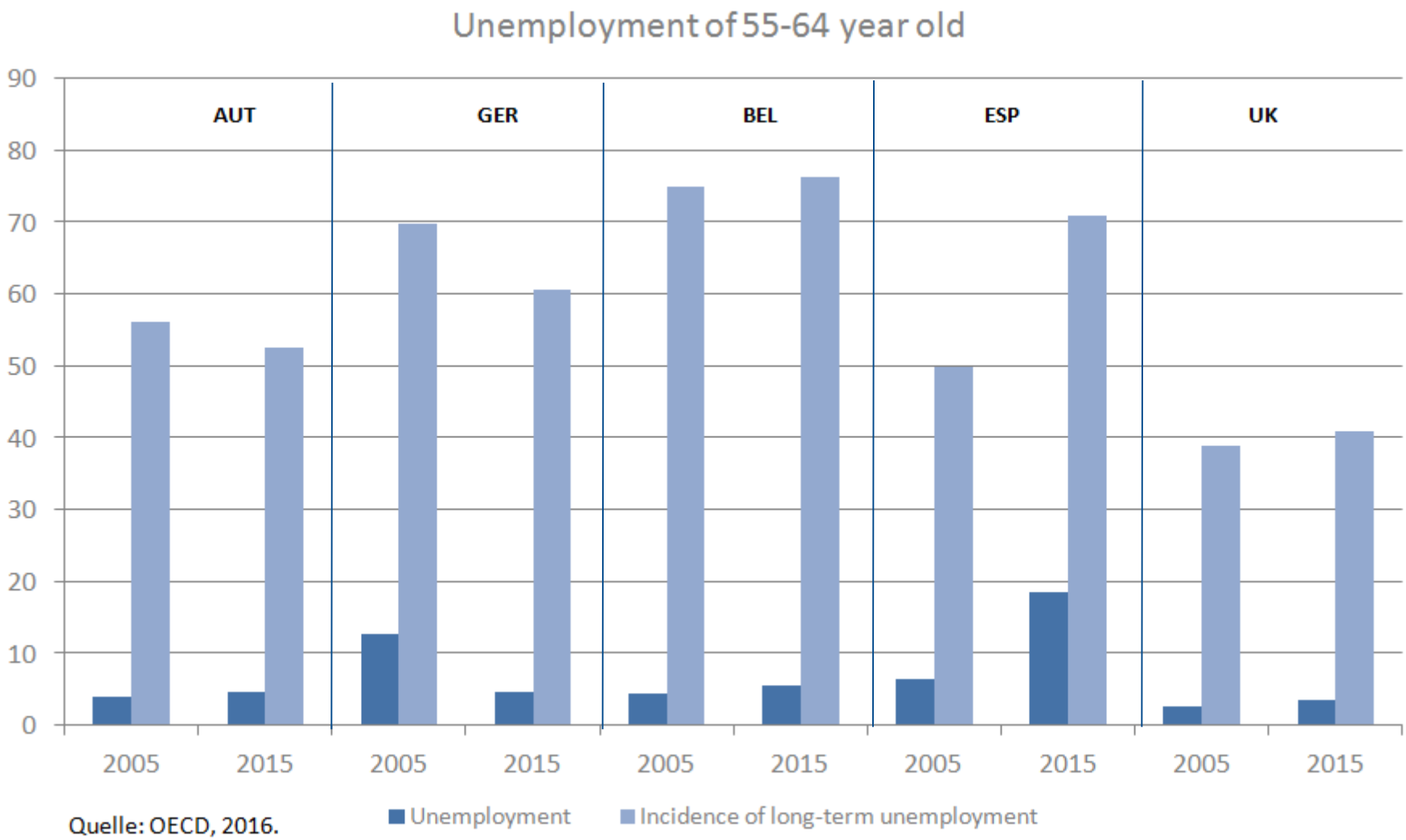
Source: OECD, 2016, Eurostat, 2016, own calculations

2. OLDER INDIVIDUALS AND ATYPICAL WORK (3)



Source: OECD, 2016

2. OLDER INDIVIDUALS AND UNEMPLOYMENT



Quelle: OECD, 2016.

2. INTERIM SUMMARY

Heterogenity effects individual labour market situation and old age provision differently:

Quantitative	Qualitative
More older individuals are in employment	Material situation until retirement
	Material situation after retirement

➢ Security at old age depend on how well the individual is integrated into the labour market.

3. MEASURING ACTIVE AGEING POLICIES

Push-factors	Pull-factors
Employment conditions	Financial incentives
Unemployment	Leisure time orientation
Illness	Family or partnership constellations
Retention-factors Enhancing older individual's employability	

Barriers to employment (Push-factor):

- e.g. present value of pension wealth from working an additional year

Work disincentives (Pull-factor):

- e.g. adjustments of age at which early retirement can be first accessed

3. DETERMINATION OF RETENTION PROPABILITY

	UK	GER	BEL	AUT	ESP
Pull-Factors	Weak	Moderate	Strong	Strong	Moderate
Push-Factors	Weak	Moderate	Strong	Moderate	Strong
Timing of labour market exit	**Late exit**	**Exit at Retire-ment Age**	**Early Exit**	**Voluntary Early Exit**	**Involunt-ary Early Exit**

4. IMPACT OF POLITICAL AIMS

Divergent effects among countries, but generally:

Quantitative Results	Qualitative Results
More older individuals prolong employment	Inferior social protection
	– Heterogenity in old age employment – Detriments in old age provision

- **Increasing differences** of living standard within the group of older individuals
- Political challenges depend on national institutional settings

THANK YOU FOR YOUR ATTENTION!