



Gendered work–family life courses and financial well-being in retirement



Ignacio Madero-Cabib^a, Anette Eva Fasang^{b,*}

^a Public Policy Institute, Universidad Diego Portales, Santiago, Chile

^b Humboldt-University of Berlin & WZB Berlin Social Science Center, Berlin, Germany

ARTICLE INFO

Article history:

Received 5 June 2015

Received in revised form 17 October 2015

Accepted 21 November 2015

Available online 17 December 2015

Keywords:

Retirement

Work–family trajectories

Multichannel sequence analysis

Life course

SHARE data

ABSTRACT

How are gendered work–family life courses associated with financial well-being in retirement? In this article we compare the cohorts born 1920–1950 in West Germany and Switzerland, whose adult life courses are characterized by similar strong male-breadwinner contexts in both countries. The countries differ in that Switzerland represented a liberal pension system, whereas Germany represented a corporatist protective pension system when these cohorts retired. We therefore assess how gendered work–family life courses that developed in similar male-breadwinner contexts are related to financial well-being in retirement in different pension systems. Using data from the SHARELIFE survey we conduct multichannel sequence analysis and cluster analysis to identify groups of typical work–family life courses from ages 20 to 59. Regression models estimate how these groups are associated with the individual pension income and household income in retirement. Results show that women who combined motherhood with part time work and extended periods out of the labour force have even lower individual pension income in Switzerland compared to their German peers. This relative disadvantage partly extends to lower household income in retirement. Findings support that male breadwinner policies earlier in life combined with liberal pension policies later in life, as in Switzerland, intensify pension penalties for typical female work–family life courses of early motherhood and weak labour force attachment. We conclude that life course sensitive social policies should harmonize regulations, which are in effect earlier in life with policies later in life for specific birth cohorts.

© 2015 Elsevier Ltd. All rights reserved.

1. Introduction

In the past decades retirement has taken a central position in public and academic debate across developed societies. Among the issues discussed are the sustainability of public and private pension schemes in view of population aging (Foster & Walker, 2013; Rau, Muszynska, & Vaupel, 2013), shifts in retirement timing (Madero-Cabib & Kaeser, 2016; Reynolds, Farrow, & Blank, 2012), women's elevated old age poverty risk (Gornick, Sierminska, & Smeeding, 2009), and low employment rates among older workers (OECD, 2012). The core question is, whether different welfare states and pension systems are able to secure a growing number of retirees' financial well-being in an effective and sustainable way.

Retirees' financial well-being has long been studied by economists and sociologists alike (e.g., Disney & Johnson, 2001; Gruber & Wise, 1998; O'Rand & Henretta, 1999). Life course

scholars further emphasize path dependencies across individual life courses that systematically link trajectories earlier in life to well-being later in life, often framed within the notion of cumulative advantage or disadvantage (CAD) across the life course (e.g., Blossfeld, Buchholz, & Hofäcker, 2006; Dannefer, 2003; Han & Moen, 1999). This approach understands social differences between individuals as a consequence of gradual cumulative experiences along life course trajectories that can be reinforced or mitigated by social policies (Dannefer, 2003; DiPrete & Eirich, 2006).

Following this line of argument, the crucial role of continuous full-time employment across the life course for financial well-being in retirement is well-documented (Balthasar, Bieri, Grau, Künzi, & Guggisberg, 2003; Blossfeld et al., 2006). In contrast part-time jobs are associated with lower pension accrual, particularly in liberal pension systems (Fasang, Aisenbrey, & Schömann, 2013; Ginn & Arber, 1999). Given the strong gendered interrelation between work and family life courses in developed societies (Krüger & Levy, 2001), life course and gender scholars stress the

* Corresponding author. Tel.: +493025491434.

necessity of including family life courses in retirement studies along with employment trajectories (Bütler, Huguenin, & Teppa, 2004; Drobnič, 2003; Ginn & Arber, 1999; Meyer & Pfau-Effinger, 2006). However, most research to date focuses on the current family status at retirement or spouses joint retirement timing rather than longitudinal family life courses (Drobnič, 2003; Kim & Moen, 2002; O’Rand & Farkas, 2002). On the one hand, divorced, separated or widowed persons, especially women, face elevated poverty risks in old age because they lack access to a spouse’s income (e.g., Bíró, 2013; Bütler et al., 2004). On the other hand, women who were never married tend to have higher individual pension income than continuously married women, albeit the difference varies across countries (Fasang et al., 2013). Family tasks like childcare and housework are, mostly for women, associated with employment interruptions and consequently with low pension accrual (Madero-Cabib, 2015; Farkas & O’Rand, 1998; Ginn & Arber, 1999; Le Feuvre, Kuehni, Rosende, & Schoeni, 2014; Rosende & Schoeni, 2012).

Overall, the importance of a longitudinal life course perspective including not only employment but also family life courses for studying retirement outcomes is well-recognized. Nonetheless, most empirical studies to date suffer from limited longitudinal life course information or from methodology that uses only crude indicators particularly on family life courses, such as the number of children and whether a divorce ever occurred (Buchholz, 2006; Warner & Hofmeister, 2006). Moreover, analyses are often either focused on a single country (e.g., Bernardi & Garrido, 2006) or encompass a large number of countries without theorizing in a detailed comparative way how specific country contexts generate similarities and differences across individual life courses (Alavinia & Burdorf, 2008; Blossfeld et al., 2006; Disney & Johnson, 2001).

In this article we examine how multidimensional longitudinal work–family life courses from ages 20 to 59 are associated with financial well-being in retirement. A sequential perspective on interlocked employment and family life courses is important for two reasons. First, the sequential conceptualization of employment and family life courses addresses problems of the “short view on analytical scope” (Elder, 1985: 31) inherent in exclusively focusing on single events. It enables us “to study a complex set of life-course trajectories as they actually take place, providing ideal types of trajectories that can be interpreted and analysed in a meaningful way” (Aassve et al., 2007: 371). Second, the multidimensional sequential perspective allows us to classify holistic longitudinal experiences in terms of interactions between the dimensions considered, in our case, work and family trajectories (Pollock, 2007: 176). Interactions are considered by grouping people that are similar on both dimension, i.e. have a similar family trajectory and a similar work trajectory. We can then examine how typical work–family life courses for men and women are associated with financial well-being in retirement. We understand ‘typical’ life courses in the sense that they are shared by larger proportions of a population and thereby represent common experiences.

In particular we compare the cohorts born between 1920 and 1950 that experienced their active family formation phase and established careers roughly between 1945 and 1990 in similar strong male breadwinner contexts in Germany and Switzerland. They mostly retired between 1980 and 2010 in a restrictive liberal pension system in Switzerland and a protective corporatist pension system in Germany.¹ We use the exceptionally rich

longitudinal life course information from SHARELIFE (Schröder, 2011) and employ multichannel sequence analysis (Gauthier, Widmer, Bucher, & Notredame, 2010; Pollock, 2007) and cluster analysis to identify a typology of joint work–family trajectories across the life course. Regression analysis allows us to examine how these typical work–family life course profiles are associated with several indicators of financial well-being in retirement. Findings show that in Switzerland the particular combination of a strong male breadwinner context earlier in life with a liberal pension system later in life is associated with lower individual pension income for typical female life courses.² Women who worked part-time most of their life course and have two or more children also have lower household equivalence income in retirement in Switzerland compared to their German peers.

We contribute to the comparative life course and retirement literature in three respects. First, beyond snapshot information on single events in the life course we take into account longitudinal information on the entire adult life course from ages 20 to 59; second, we acknowledge the importance of family processes next to employment by conceptualizing adult life courses as interlocked work–family trajectories; and third, we demonstrate the added value of a small N in-depth comparative cohort design for informing social policies that are life course sensitive.

2. Social policies, life course patterns and financial well-being in retirement

Macro-structural characteristics, including social policies, welfare states, and labour markets set incentives and constraints in which individuals navigate their life courses over time. Based on the political economy (Hall & Soskice, 2001) and comparative welfare regime literature (Esping-Andersen, 1990), life course research has persuasively shown systematic variation of life course outcomes across relatively broad regime typologies. For instance, authoritarian regimes tend to be associated with more standardized life courses whereas in liberal democratic countries life courses are more heterogeneous and de-standardized (Fasang, 2014; Brückner & Mayer, 2005). To move beyond such general dichotomies, differential life course sociology argues that it is most conducive to (Mayer, 2005: 48): (1) compare single countries rather than overall regime types, (2) disaggregate national institutional arrangements to distinct policy fields and match them to specific life course outcomes, which (3) can be treated separately as dependent (and independent) variables.

We place our study in this paradigm and compare specific birth cohorts in two countries to carefully examine them in the specific socio-historical context in which they experienced their work family life courses and retirement. Germany and Switzerland are selected with the comparative rationale of both characterizing a strong male breadwinner society during the study cohorts’ work–family life courses but very different pension systems when they retired. We thereby draw attention to inter-temporal combinations of different social policies across individual life courses that jointly affect later life outcomes. For instance individuals born in 1940 will be affected most by the family policies in effect during their active family formation phase between ages 20 and 45 from 1960 to 1985. Their retirement instead, will be shaped by pension

¹ We refer to the Federal Republic of Germany (FRG), the former West throughout and exclude persons born in the communist German Democratic Republic (GDR) in the East. The life courses of our study cohorts developed during the German division and the GDR cannot be classified as a male breadwinner model but on the contrary set high incentives for female labour force participation.

² Levy and Widmer (2013), instead of proposing one standard life-course, understand two ideal-typical gendered life-course regimes that are particularly relevant for the male breadwinner societies during which our study cohorts experienced their prime work–family life courses. On the one hand, male life courses correspond to the tripartite model proposed by Kohli and Meyer (1986), i.e. education, then full-time employment in continuous occupational careers, and retirement. On the other hand, female life courses are characterised by education, then full-time work, but as soon as they marry and enter motherhood, they tend to leave the labour market, and then rarely return to work, or return mainly in part-time positions (Levy & Widmer, 2013).

Download English Version:

<https://daneshyari.com/en/article/313562>

Download Persian Version:

<https://daneshyari.com/article/313562>

[Daneshyari.com](https://daneshyari.com)