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Summary

Purpose: Life courses – especially employment and family biographies – have implications for the way life is structured in old age. The material situation of retirees is to a large degree the result of employment biographies in previous life phases and is made up of the sum of advance contributions into the statutory pension insurance scheme, contributions to company pension schemes and private savings.

Male and female biographies differ significantly even if in the last century labour participation of women increased. Female biographies are still characterized by the combination of family and work. This double burden not only appears in diverging career opportunities and income levels, but also leads, together with the work oriented pension system in Germany, to large differences in pension benefits (Rasner, 2006).

Method: We examine how biographies of German women from the cohort of the baby boomers (1956-1965) have altered in comparison to older cohorts (1936-1945 and 1946-1955). Therefore, we carry out sequence analyses, based on longitudinal data from the German Socio Economic Panel (SOEP). Grounded on the sequences we consider clusters to identify typical biographies of the three cohorts.

Results: The analyses reveal that there have been changes in female life courses. On the one hand there is an increasing labor participation of women. On the other hand biographies of younger cohorts have become more diverse, which might have consequences for prospective pension entitlements.

Research Questions

How do biographies of German women from the cohort of the baby boomers (1956-1965) have altered in comparison to older cohorts?

- Are female biographies becoming more inhomogeneous?
- Do younger cohorts find new ways to combine employment and family responsibilities, in particular due to part time work?

Method

Data come from the German Socio Economic Panel (SOEP), a nationally representative household study. Here, analyses are based on a pooled longitudinal dataset including SOEP-data from 1984 to 2007.

Life courses of 3,442 women, aged 16 to 45, are investigated, whereby women belong to three birth cohorts:

- 1936-1945 (n=1,142)
- 1946-1955 (n=1,121)
- 1956-1965 (n=1,179)

Life courses are analyzed by methods of sequence analysis and optimal matching (Brzynsky-Fay, Kohler & Luniak, 2006). Thereby all sequences are compared to all other sequences.

Grounded on the distance matrix of the sequences a hierarchical cluster analysis is calculated to identify typical biographies of the three cohorts.

Results

For women from the cohort of the baby boomers, in comparison with older cohorts, the average duration of being a housewife has decreased considerably. Other times lengthened, in particular the duration of education and apprenticeship, likewise the length of unemployment. The duration of full time employment decreased slightly, but this might be an effect of the overall shortened length of the sequences in younger cohorts.

	Average durations (in years)		
	Cohort 1 1936-1945	Cohort 2 1946-1955	Cohort 3 1956-1965
Education	0.85	1.51	2.20
Apprenticeship	1.54	1.72	1.93
Full time job	12.51	12.11	11.25
Part time job	4.31	5.03	5.65
Unemployment	0.14	0.24	0.33
Housewife	9.85	6.37	4.13
Other	0.50	0.54	0.88
All	29.70	27.52	26.36

In the oldest cohort, 82 percent of the life courses differ from each other. In the middle cohort, 92 percent of the sequences differ, and in the youngest cohort heterogeneity has risen to 96 percent. That means the heterogeneity of life courses has grown steadily from cohort to cohort.

	Heterogeneity (percentage of different sequences)		
	Cohort 1 1936-1945	Cohort 2 1946-1955	Cohort 3 1956-1965
Heterogeneity	82.31	91.61	96.18

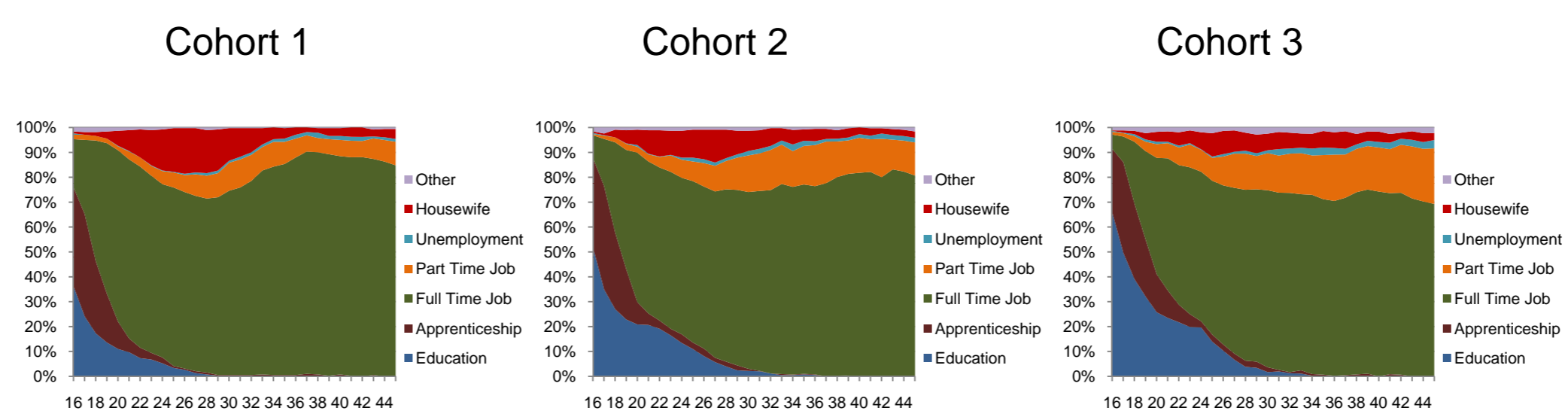
The cluster analysis of the sequences produced three clusters. The first cluster is dominated by full time work. The percentage of women belonging to this cluster in the first cohort is 33 percent, while in the second cohort it increases to 45 percent. The second cluster is characterized by long periods of part time employment. This cluster gets more important in the younger cohorts. Women in the last cluster typically have biographies with long episodes as housewives. This cluster becomes less important over time.

	Cluster affiliations (in percent)		
	Cohort 1 1936-1945	Cohort 2 1946-1955	Cohort 3 1956-1965
Cluster 1 (Full time)	33.45	40.59	44.44
Cluster 2 (Part time)	15.67	17.66	20.70
Cluster 3 (Housewives)	50.88	41.75	34.86

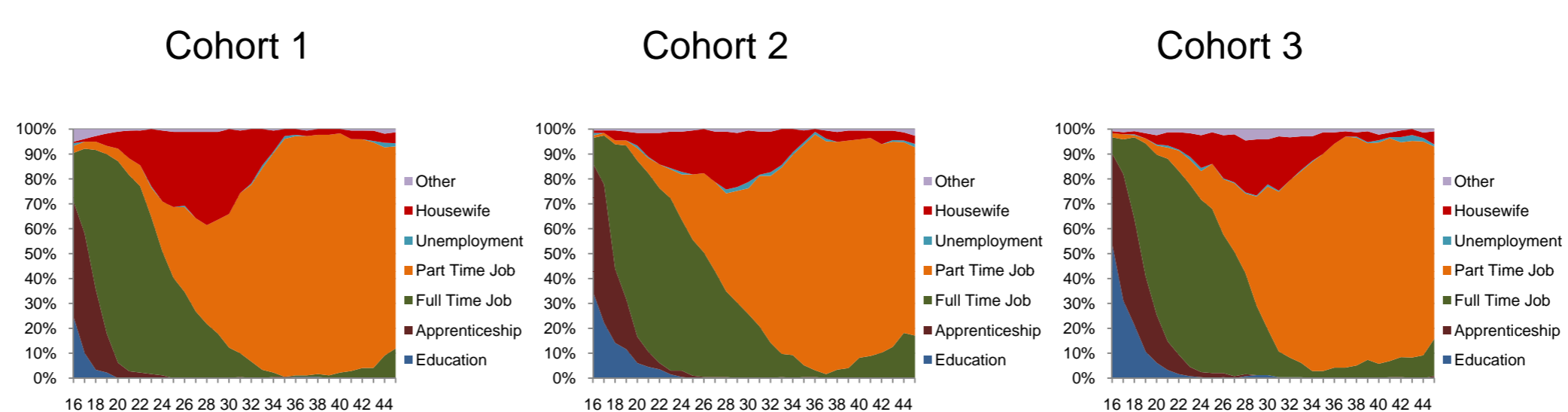
Beyond the changes in the cluster affiliations, the compositions of the clusters change over the course of the cohorts, becoming more heterogeneous.

From cohort to cohort, part time work becomes more important in the housewives cluster and the full time cluster. Times for education and apprenticeship rise, in particular in the full time cluster.

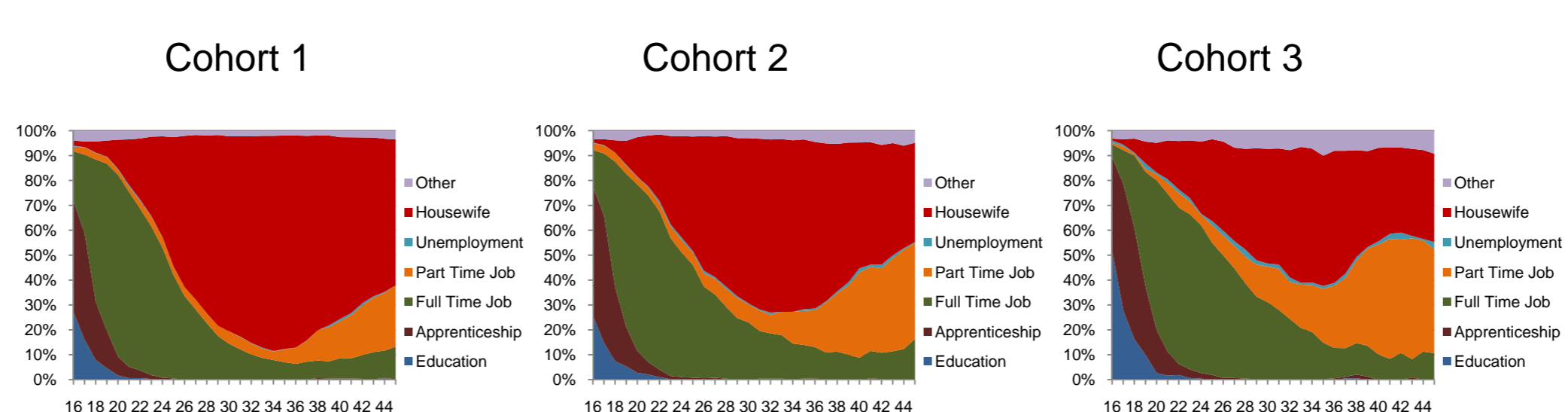
Cluster 1 (Full time)



Cluster 2 (Part time)



Cluster 3 (Housewives)



Discussion

Main Results:

- Less women with 'typical housewife biographies'
- More active women in the labour market (both in form of full time and part time participation)
- More heterogeneity in the biographies (especially 'typical housewife biographies' have become less continuous)

Implications for old age provision:

- Increase in labour market participation can improve women's old age provision due to higher contributions to the public system and higher private savings.
- More heterogeneity in the biographies can also have a positive impact in old age provision of women.
- Concentrating in housewife biographies, if they become less continuous due to labour participation breaks, this could lead to higher contributions in the public pension system.

Summarizing, women biographies have been developing in the last decades. Labour participation has increased significantly, implying that women have to find possibilities in order to combine the double burden of work and family. This is reflected for example in the increase of part time participation and reduction of inactivity in the family formation years. Even for women who have a biography marked by inactivity ('typical housewife biographies') we observe changes. These biographies become more heterogeneous and we even observe an increase in labour market participation of 'housewives' after the main family formation years. These developments in female biographies can have positive effects on the old age provision of women.

References

- Brzynsky-Fay, C., Kohler, U. & Luniak, M. (2006). Sequence analysis with Stata. The Stata Journal. 6(4), 435-460.
- Rasner, A. (2006). Das Konzept der geschlechtsspezifischen Rentenlücke [Conceptualizing the gender pension gap]. DRV-Schriften 55, 270-284.

Further Informations

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