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Women's Work Histories and Couple Retirement in Germany

Introduction and Theoretical Background

The growing share of older dual-earner couples in many countries reveals the rising potential for joint retirement and underlines why dealing with retirement in a couple context is becoming increasingly important. For example, simultaneously retiring dual-earner couples might lead to parts of the population leaving the labour force quicker than expected. This contribution investigates the linkages between early work-family employment patterns and couple retirement in Germany. The life course is emphasized by recognizing that events in later-life are to a certain extent affected by early-life circumstances and by taking into account interrelations between the work and family domain. For a comprehensive view on retirement, later-life circumstances are also relevant as they affect retirement and might also condition early-life effects. Furthermore, attention is paid to mutual cross-spousal effects as expressed in the concept of "linked lives" by considering both life courses simultaneously.

Analysing work-family employment patterns is almost tantamount to analysing female labour market orientation because men's employment rates are generally higher than women's and are further-more usually only to a rather little extent (if at all) affected by entering into partnership or parent-hood. Thus, this research follows existent studies by classifying couples in the analyses according to her employment history. Previous research that builds on family organizational assumptions about the division of labour within couples provides some evidence for linkages between women's work histories and couple retirement. For example, Henretta and colleagues (1993a, 1993b) found women in late mid-life dual-earner couples to retire faster after their husband's retirement when they exhibited a higher work orientation during the child-raising period or when they were childless compared to mothers that were not employed during that time. In a similar vein, O'Rand and colleagues (1992) showed that joint retirement tends to be more widespread among couples displaying symmetries in earlier years, i.e. when women were part of the labour force during the time of child-rearing.

With this contribution an outstanding state-of-the-art empirical update is provided on life-course linkages in the field of couple retirement. Building on previous work I examine the following hypotheses which are based on the presumption that both partners enjoy spending time together: A strong work commitment of both spouses is associated with an increased likelihood of performing a joint retirement transition. In contrast, her relatively low work commitment may impede joint retirement because she cannot afford to retire and therefore needs to work longer than he does to compensate for low pension entitlements.

Data

The analyses of self-assessments of (non)joint retirement and work/family employment patterns are based on German survey data. The project TOP ("Transitions and Old Age Potential") sheds light on the dyadic nature of retirement behaviour and aims at gaining insights into the origins, circumstances and dynamics of couple retirement patterns. TOP is a CATI-design panel study that centers on work/retirement transitions of people born between 1942 and 1958 and is managed by the Federal Institute for Population Research (Bundesinstitut für Bevölkerungsforschung, BiB). In the 3rd wave[1] the panelists' partners were asked to participate in the survey. For this purpose, a new survey module for the panelists was implemented, which at the same time served as a separate questionnaire for the respondents' partners.

Of the 3rd wave participants 75.0 percent (N=1.148) were in a partnership at the time of the interview. For 50.2 percent (N=576) of these partnered respondents, it was possible to conduct couple interviews. In the other cases either the panelist did not give permission to contact the partner or the partner him-/herself denied participation. Even though the 1st wave was a represent-tative sample of the birth cohorts 1942-1958 in Germany, non-response (i.e. refusals and panel attrition) might have a negative effect on the representativity in the 3rd wave. Therefore, caution is advised in the generalization of the findings. Data collection for the 3rd wave ends in October 2019, meaning that results have not yet been included, but will be available by the turn of the year.

Analytical Subsample and Definition of Retirement

The analytical subsample for the analyses is comprised of dual-earner couples in which both spouses did not leave the labour force before the age of 50. These restrictions are necessary to make correct inferences about differences between joint and separate retirement transitions. First, if one partner was not part of the labour force, the question about joint/separate retirement does not arise. In this case, the couple deals with only one retirement event which lowers the need for coordination and negotiating considerably for obvious reasons. Second, the age limit of 50 is chosen to exclude labour force exits that were most likely not related to retirement. The analytical sample includes couples with different employment constellations at the time of the interview: Couples in which both part-ners were retired, couples with two working spouses, and couples in which one partner is retired and the other employed.

Determining whether a person is retired or not is often based on objective measures such as reaching a certain age or receiving pension benefits. The limitation of such an approach is that it does not take into account subjective traits. In order to compensate for this limitation, retirement is defined by a combination of objective and subjective traits. By doing so, I tap into the "blurry" status between active working life and retirement that characterizes this life phase for many people, who consider themselves as already retired although they lack one or more of the often used traits of retirement, a phenomenon which I refer to as quasi-retirement. In order to better understand couple dynamics in retirement, it is useful to include a measure on quasi-retirement as this adds valuable information. For example, analysing the retirement transition of a 64-year old man and his 59-year old wife depends on the definition of retirement. If she decides to ultimately leave the labour force

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[1] 1st wave in 2013 [N=5.002], 2nd wave in 2015/16 [N=2.501], 3rd wave in 2019 [N=1.531].

at age 59 at the same time that he does in order to spend time with him, this information is decisive for understanding couple retirement processes. Labelling her as unemployed based on objective criteria is not well suited to identifying underlying joint retirement motives. Instead, labelling her as a quasi-retiree enables subsequent investigation of couple retirement characteristics and motives, and comes closer to the couple's reality.

The group of retirees consists of three subgroups: *First*, the "current quasi-retirees" which are comprised of persons who are officially not yet retired, are not employed at the time of the interview[2] but do consider themselves as already retired. *Second*, the "former quasi-retirees" are people that are officially retired at the time of the interview (including various forms of early retirement) and that used to be quasi-retirees before entering retirement. *Third*, the "regular retirees" are persons that are already retired and that either made a smooth transition from employment into (early) retirement or were not employed between exiting the labour market and entering retirement but did not label themselves as quasi-retirees back then. These three groups of respondents are combined under the label of "retirement" and asked at what time they entered the (quasi-)retirement status. The group of employed persons is based on a measure of self-assessments without a working hours limit. This group was asked about their future retirement date. The current/former self-employed are excluded from this analysis due to special retirement circumstances.

The initial sample contains 576 couple interviews, i.e. 1.152 single interviews. Constraining the analyses on couples in which a) both partners agree on the current couple employment constellation (N=545)[3] and on b) couples in which partners are either employed or retired leaves us with 518 couples. Furthermore, 84 couples are excluded because one or both partners are self-employed or were self-employed before retirement, one dual-earner couple is excluded because one spouse is under the age of 50 and another 78 couples are excluded in which one or both partners dropped out of the labour market before age 50. This leaves us with an analytical sample of 355 couples of which 232 fall into the category of "both retired", 42 are "both employed", and the remaining 81 fall into the "mixed category" in which one partner is still working while the other is already retired.

Analytical Strategy

The central variable of interest is the subjective assessment of the time between both retirements. The retired couples were asked whether or not they perceive their own retirement and that of their partner as having been fairly close in time. Couples in the mixed and employed category were asked if they think that their retirements are going to be fairly close in time or not. First, descriptive analyses of this retrospective/prospective dichotomous measure are presented on the individual and on the couple level. They are presented for both levels because a perfect fit of assessments on the couple level is unlikely, since individual perceptions are assumed to differ depending on various factors (e.g., a priori expectations about retirement timing) and/or household factors (e.g., spousal age difference).

So far, not much is known about the perception of (non)joint retirement on the couple level. The use of a subjective criterion on (non)joint retirement allows for a meaningful differentiation of individu-

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[2] i.e. they were either unemployed, in a retraining, homemaker or not employed for other reasons.

[3] Disagreement occurs if the anchor's assessment of the partner's status is different from the partner's assessment him-/herself which happened in 31 cases (5.4%).

als/couples based on their self-perception instead of relying on a (somewhat arbitrary) definition chosen by the researcher, which is a useful addition to current research. For example, it can be assumed that analyses on the predictors of couple retirement are likely to differ depending on whether the variable of interest is a self-assessed measure or not. Furthermore, such subjective perceptions might prove useful in subsequent examinations of various retirement-related topics. For example, perceptual incongruences on the question of (non)joint retirement within a couple might be predictive of spousal differences in retirement adjustment or retirement satisfaction.

In order to identify relevant predictors of couple retirement patterns, the sample is restricted to couples which agree on having retired together or separately in the past or expecting to do so in the future and binary logistic regressions are run. The dependent variable is coded 0 for couples that agree on non-joint retirement and 1 for couples that agree on joint retirement. As empirical evidence suggests that retirement intentions and retirement behavior are closely related, I perform a pooled analysis. Additional sensitivity analyses in subgroups are run in order to check for systematic differences between retired couples and couples in which one or both partners still work.

The included predictors are: Female employment history, distinguishing between women that were "partly employed/partly unemployed", "mostly employed", or "mostly unemployed" with their partners having been "mostly employed". Remaining constellations in which he states to not having been mostly employed form the fourth category (regardless of her employment history). The reason for not further differentiating in the fourth category is due to small shares of men that were not mostly employed.

The second block of predictors relates to retirement planning, including joint retirement preferences, discussions about retiring together, and the planning intensity of either retiring jointly or separately. The last block of predictors contains various couple and household characteristics such as: His actual/ expected retirement age, age difference in the couple, marital status, length of partnership, partnership quality, having (grand)children, supporting children financially, his/her state of health, his/her education, his/her vocational qualification, his/her employment type on the last/current job, and prevailing gender ideology.

Concluding Remarks

The findings in this contribution offer the possibility to expand and update insights into couple retirement processes. When studying various aspects of couple retirement transition patterns, researchers often use a couple-level measure on retirement timing differences derived from survey or register information and specify a threshold to distinguish joint and non-joint transitions. Such a dichotomy is certainly a useful tool that allows for various comparative and longitudinal analyses. However, it should be clear that establishing a threshold is in any case a somewhat arbitrary approach that affects the results and makes it difficult to compare empirical studies. Furthermore – and this is not specific to couple retirement processes, but to retirement research in general – the findings are also sensitive to the underlying retirement definition. This is not to say that such dichotomies should be entirely avoided when investigating couples' retirement, but rather that the perspective should be broadened by using self-assessed couple retirement measures, as was done here.

Retirement in the couple context is an urgent and increasingly important topic, especially against the background of the expected retirement transitions of the large baby boomer cohorts in many countries in the years to come. In this cohort, more couples than ever before face synchronization issues at the transition between employment and retirement. It is important to incorporate their subjective assessments and perceptions more conceptually and methodologically into the research in order to achieve a more holistic understanding of couple retirement. The findings here are a first step in contributing to a more thorough understanding of retirement in the couple context by including important characteristics as viewed by the couples themselves. This work provides a glimpse into the agreement/disagreement on the issue of (non)joint retirement and identifies factors associated with couple retirement patterns. The findings can serve as a reference point for political actors in order to develop, implement, and evaluate evidence-based policies in the couple retirement context.

References:

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