



**mea**

# Employment Histories in Germany from SHARELIFE

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## Policy makers' concern

- Are (future) retirees at risk of poverty?
- Insurance to offset negative income/wealth shocks
  - Public provider
  - Private provider
  - Self-insurance
- Path-dependent outcome
  - Contributed in pension plan(s)
  - Savings
- Focus on different employment histories



1. Which groups are not covered by the public pension scheme?
2. How do their employment histories affect **pension adequacy** and **inequality** in Germany?



- SHARE data
  - Sample size: 3347 individuals
    - 2281 currently retired – 1066 currently working (50+)
  - SHARELIFE: working histories
    - Retrospective panel
    - Any job spell longer than 6 months
  - Current household finances
    - Financial distress
    - Monetary poverty measures
    - Financial assets

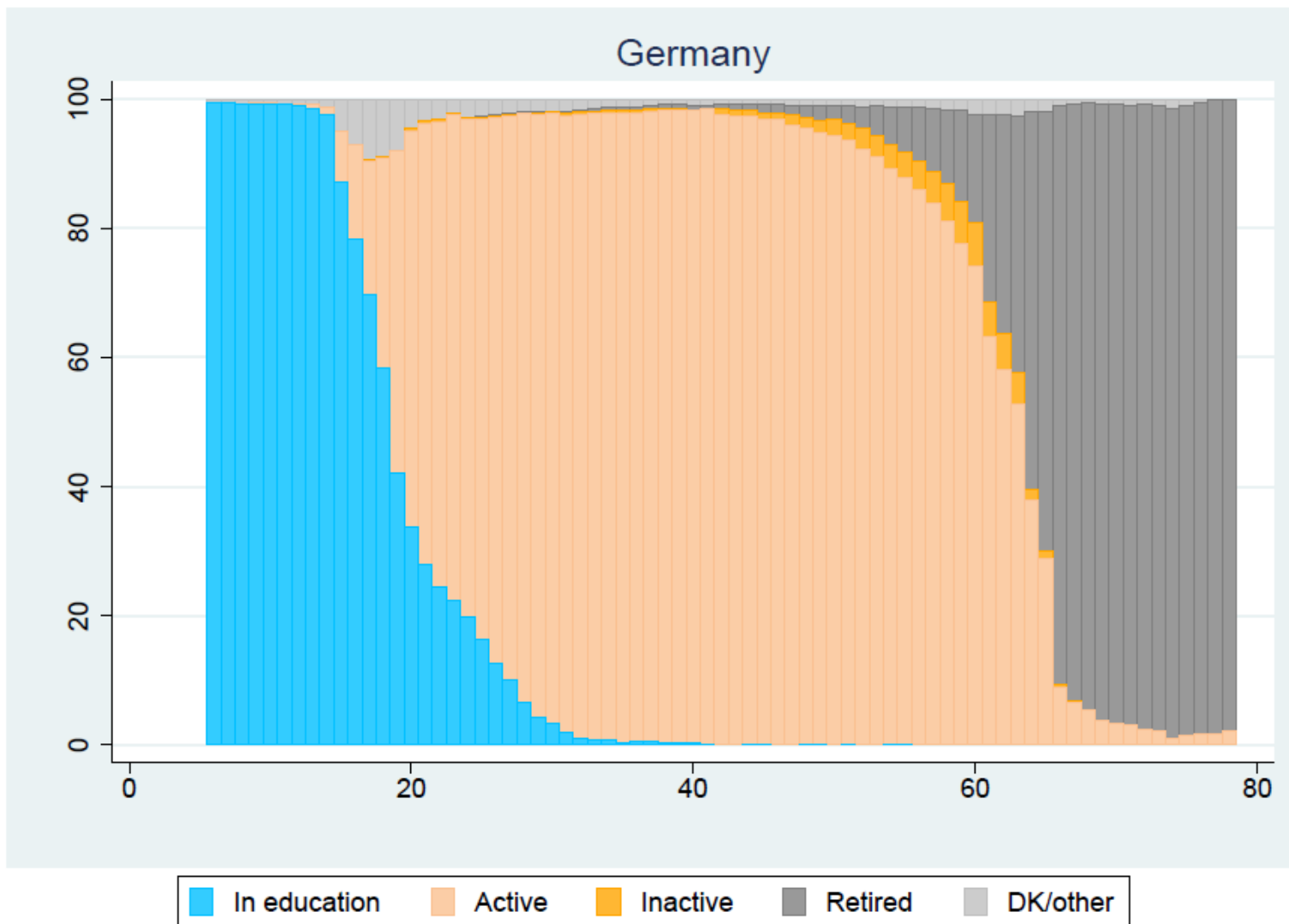




# Employment Histories

Percentage  
of people  
per  
employment  
status  
at a given  
age

Men  
Age 65-80

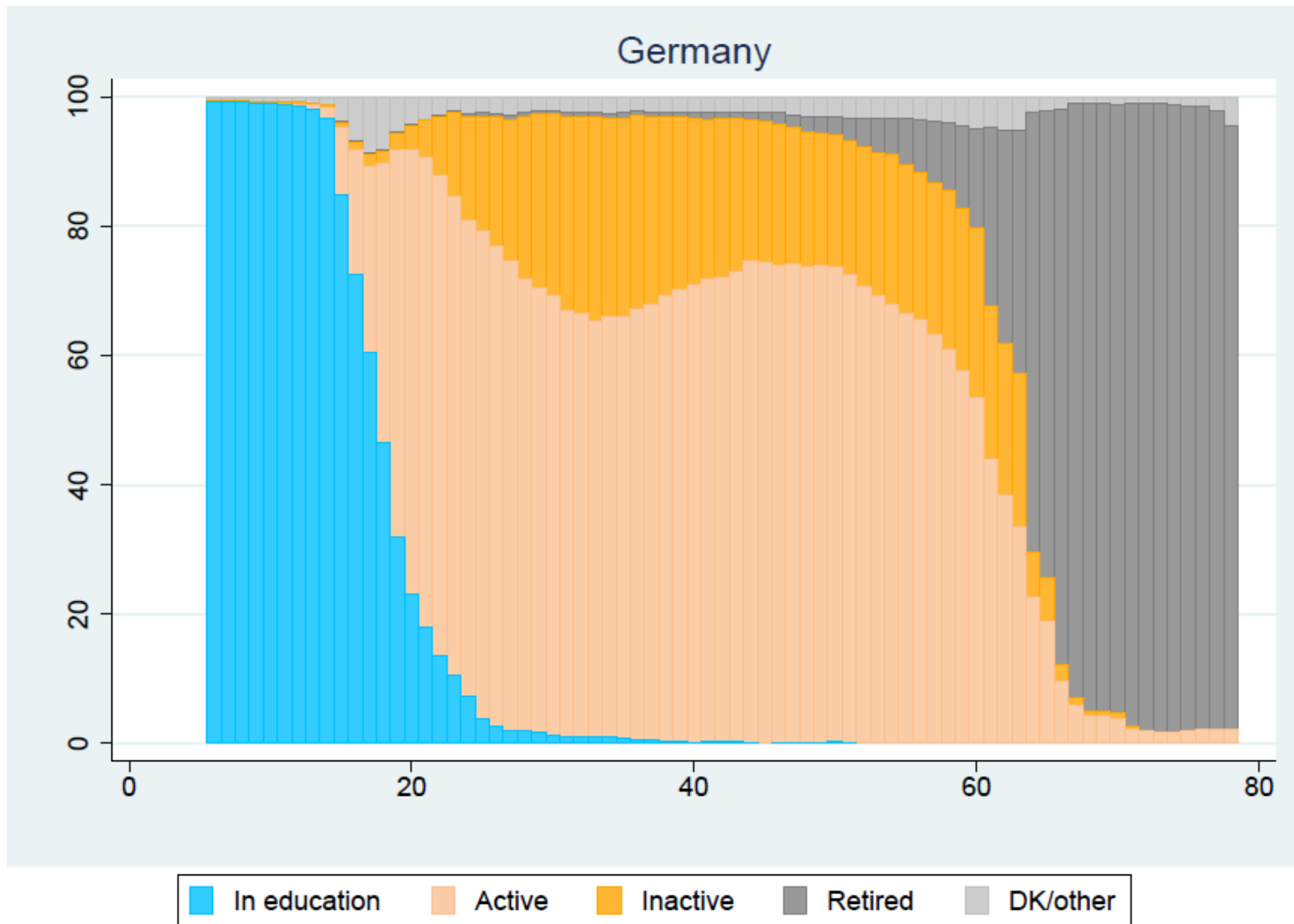




# Employment Histories

Percentage  
of people  
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Women  
Age 65-80





- Different labour careers
  - always employed vs career breaks
  - gender imbalance in experiencing at least a career break
    - 13% of men / 61% of women
  - Average length
    - 6 years for men / 16 years for women
  - Older cohorts experienced longer period of unpaid work



	<b>Retirees</b>		
	<b>Active</b>	<b>Active</b>	<b>Active</b>
	<b>[0-75]</b>	<b>[75-100]</b>	<b>100</b>
N	383	422	1322
<b>Old Age Poverty</b>			
<b>Financial distress [1-4]</b>	1.64	1.84	1.58
<b>Median HH Income</b>	18000	17600	20000
<b>Inequality</b>			
<b>AROP</b>	0.23	0.24	0.13
<b>S80S20</b>	4.26	2.86	3.25
<b>Insurance</b>			
<b>Public Pension</b>	0.97	0.98	0.98
<b>Occupational Pension</b>	0.15	0.26	0.30
<b>Earning points</b>	13.63	29.90	38.43
<b>NATIR</b>	1.61	1.11	1.56





- Different access to pension rights
  1. Public employees
  2. Private employees
  3. Self-employed
  - Define formerly self-employed workers/retirees if more than 50% of working years as self employed
  - Similar for formerly dependent employees (private and public)
  - Group “Public employees” includes civil servants



	<b>Retirees</b>		
	<b>Self-Employed</b>	<b>Public Employee</b>	<b>Private Employee</b>
N	383	422	1322
<b>Old Age Poverty</b>			
Financial distress [1-4]	1.83	1.25	1.70
Median HH Income	16160	29231	18141
<b>Inequality</b>			
AROP	0.34	0.02	0.18
S80S20	4.20	2.49	3.20
<b>Insurance</b>			
Public Pension	0.97	0.99	0.98
Occupational Pension	0.12	0.03	0.31
Earning points	18.69	9.86	34.67
NATIR	2.15	1.68	1.37



## **Workers with career breaks**

- more than half of the women experienced career breaks during their working lives (avg. 16 years)
- High income inequality
- Lower access to pension rights

## **Self-employed:**

- Higher at-risk-of-poverty rate
- High income inequality
- Higher savings

## **Public Employees:**

- Not at-risk-of-poverty
- Low income inequality
- Civil servants



# Thank You!

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