

### Gender gap in the duration of active labour market participation at retirement age

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On average, women are less engaged in gainful work than their male counterparts and the duration of their active participation in the labour market is shorter. One of the possible explanations for these gender differences ("gender gap") is that women are more likely than men to be engaged in unpaid household work and child care, and are therefore more often under pressure to reconcile family life and career. As a result, women tend more frequently than men to interrupt their career for family and care reasons.

To what extent do men and women differ in the number of years they spend in paid work? To answer this question, we analyse the gender differences in the total duration of the (active) labour market participation among persons at the retirement age, i.e. aged 57 to 65 years<sup>1</sup>. Firstly, we compare the duration of employment between men and women in general. We then analyse the observed gender gaps in total duration of employment within different educational and parental categories of workers.

The data analysed come from the PSELL-3/EU-SILC survey, carried out in 2005. The target population consists of 57-65 year old residents<sup>2</sup> who have been actively participating in the labour market for at least one year during their life prior to the interview<sup>3</sup>.

#### Men at retirement age have on average much longer employment records than their female counterparts

On average, 57-65 year old male respondents have been employed for 38 years as opposed to only 21 years for their female counterparts. The difference is thus as high as 17 years.

#### The differences in duration of employment depend on the educational attainment and the number of children...

If we compare the average duration of employment of men and women with lower levels of education, we see that in this category men work on average

approximately 20 years longer than women. Among individuals who have reached a secondary level of education, this figure is almost identical: 19 years. But when we turn to people who have a post-secondary level of education, these differences drop dramatically with a gender gap in duration of employment of only 4 years.

Family and child-care responsibilities are one of the main reasons why women interrupt their professional career and consequently tend to spend less time in the labour market. We could therefore expect the number of children to have an impact on the magnitude of the gender gap. In fact, the data show that childless men have only 4 years longer professional career than childless women (on average, i.e. taking all educational levels together). In contrast, men with one child have on average 14 years longer employment records than their female counterparts. Finally, in the case of larger families, men with two or with three or more children experience on average 21 years longer employment career compared to their female counterparts. It is thus indeed clearly among persons who have never been involved in childcare activities that the gender gap is smallest.

#### ...especially among women

In order to assess the impact of the educational attainment and the number of children on the duration of (active) labour market participation of men and women, let us now examine the differences in this duration among women with different educational attainments and different numbers of children and let us compare these differences to those experienced by men. To take an example: if the analysis of the data show that the duration of employment varies significantly among women with different levels of

<sup>1</sup> The legal retirement age for standard pension is 65 years. There are two legal retirement ages concerning early retirement pension: 60 years, if the 480 months of effective insurance or assimilated periods can be proven, or 57 years of age, if 480 months of effective insurance can be proven.

<sup>2</sup> Individuals not having a permanent residence in the country such as cross-border workers are not included in the analysis.

<sup>3</sup> Thus, we do not include in our analysis individuals who state that they have never been employed, which represent 3.6 % of all female respondents at retirement age compared to 0 % of male respondents.

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education whereas it does not vary at all among men with different educational attainments, one could then conclude that the educational attainment has an important impact on the number of years spent in paid employment for women but not for men.

The differences in the duration of labour market participation among men with different levels of education and different parental status are on average smaller compared to those observed among women. More concretely, the duration of employment among men with different levels of education varies between 36 and 40 years (second column of Table). Thus, the differences do not go beyond 4 years. The duration of employment among women with different educational attainment varies between 19 and 32 years (third column), which means that the difference in duration of active labour market participation among women

with different levels of education can go up to 13 years. Regarding the number of children, the range of average duration of labour market participation is 36–39 years for men (3 years gap) and 18-32 years (14 years gap) for women. The duration of employment of men is thus less affected by the educational attainment and the number of children than that of women.

Career interruptions and consequently shorter duration of active participation in paid employment might have negative consequences for the women's position in the labour market. Indeed, women experiencing longer periods of economic inactivity face a higher risk of deteriorating their human capital, are less competitive on the labour market, tend to earn less and to receive smaller pensions than individuals who have uninterrupted professional careers.

### Gender gap in duration of active labour market participation

	Average number of years spent in paid employment		
	Male	Female	Gender gap
All population	38.0	21.3	16.7
Levels of education			
Low	38.0	18.5	19.5
Secondary	39.6	20.8	18.8
Post-secondary	36.3	32.0	4.3
Number of children			
childless	35.9	31.9	4.1
1 child	38.6	25.1	13.5
2 children	39.2	17.8	21.4
3 or more children	37.2	19.6	20.9

Source : PSELL-3/2005, CEPS/INSTEAD, STATEC

The sample analysed here consists of 57-65 year old individuals residing in Luxembourg who have been actively participating in the labour market for at least one year during their life prior to the interview.

Reading note: the average duration of employment of male respondents with low education is 38 years and the average duration of employment of female respondents with low education is equal to 18.5 years. The difference in duration between men and women ("gender gap") with basic education is thus equal to 19.5 years.