

The Gender Gap in Retirement Incomes

EVENT

Citizens' Assembly on
Gender Equality

VENUE

Virtual Event

Authors

Adele Whelan
Seamus McGuinness

Presentation

Adele Whelan



Background

- Overall increase in the average age of Ireland's population make pensions an increasingly important issue for policy
- Relative to earnings, the gender gap in pension incomes receive less attention
- Important determinant of economic independence
- **Recent Study:** Whelan, A., and McGuinness, S. (2019). Gender Gap in Retirement Incomes. In *Gender, Pension and Income in Retirement*. Dublin, ESRI – funded by the Pensions Council

Motivation

- Duration of individual's working lives is rising over time and the duration of retirement is also expected to grow as life expectancy continues to increase
- In the EU, on average the time spent in retirement is about half (51%) of that spent in employment (EC, 2018)
- In Ireland, the life expectancy of women at birth is on average 3.6 years longer than men (Eurostat, 2018)
 - Life expectancy is 80.5 for men and 84.1 for women
- Challenge of sustaining adequate pensions into the future

Why do women have lower pension income?



Less likely to have been employed



Earn less



Work fewer hours



Shorter careers



More likely to have career interruptions related to caring responsibilities at home

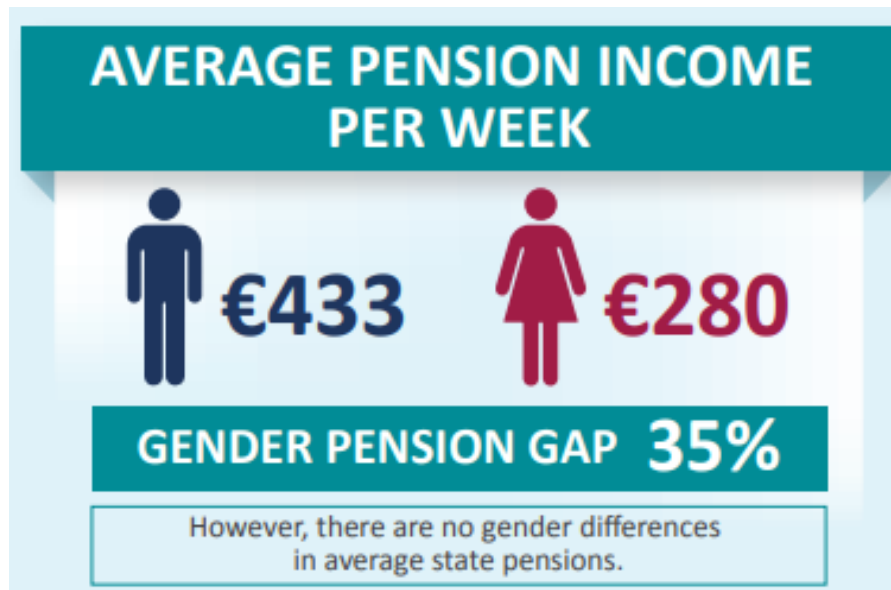
(European Commission, 2018)

Data

- **The Irish Longitudinal Study on Aging (TILDA)**
 - Pension Income from state, occupational and private pensions (€/per week), personal characteristics, educational attainment, work experience (yrs), family structure, location characteristics
- **Sample**
 - Interviewed in Wave 1 in 2011, retired persons, aged 65+
 - 2,141 participants included in our analysis

What is the magnitude of the gender pension gap in Ireland?

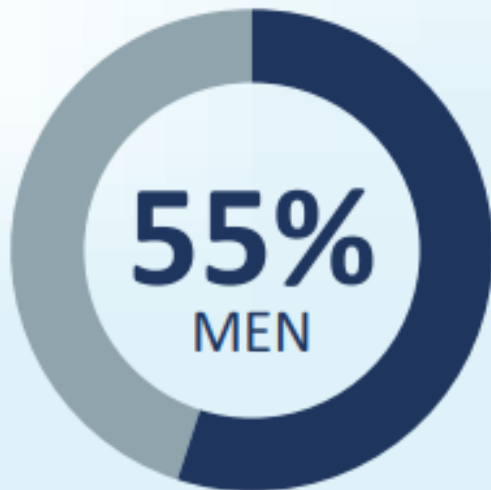
- Percentage by which women's average pension income is lower than that for men



- Similar to the EU average, of 36% in 2017 (European Commission, 2019)
- Ranges from 46% in Malta, 43% in Luxembourg and Netherlands, to 7% in Denmark and 3% in Estonia

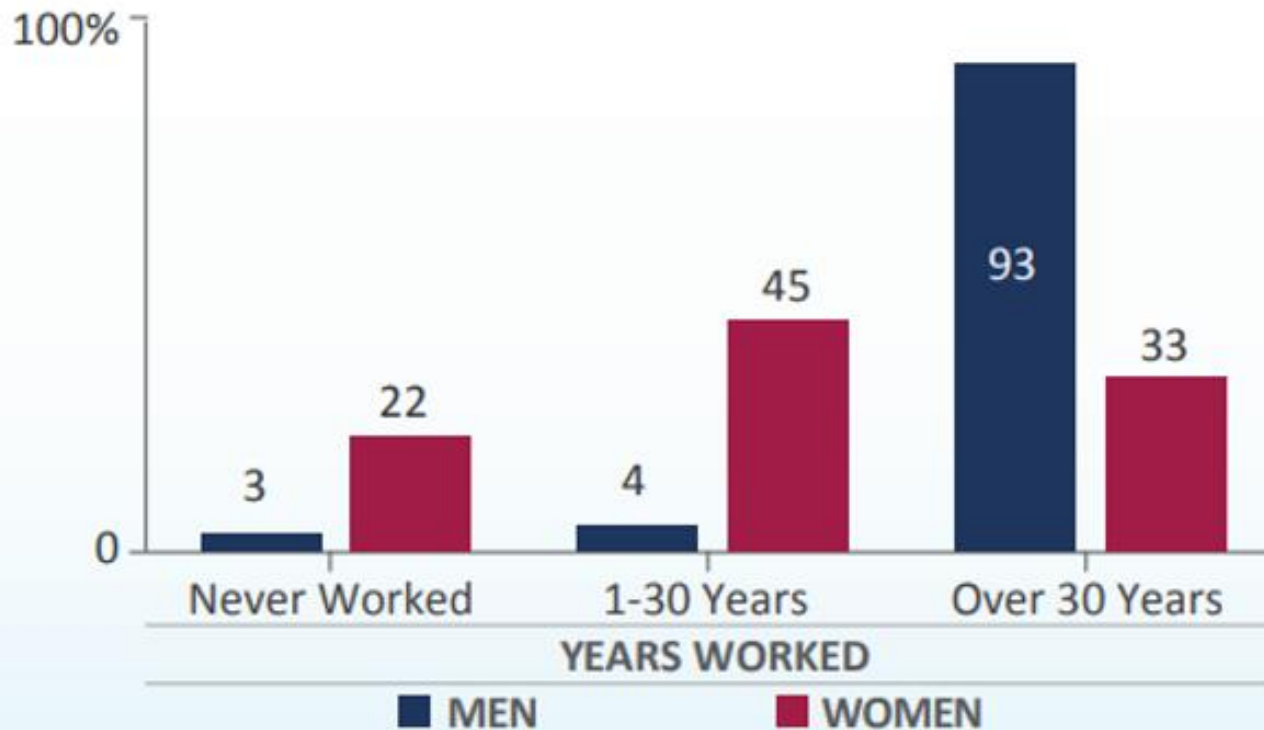
Incomes from Private/Occupational Pensions

The gender gap was driven primarily by
the difference in % who received a
private/occupational pension



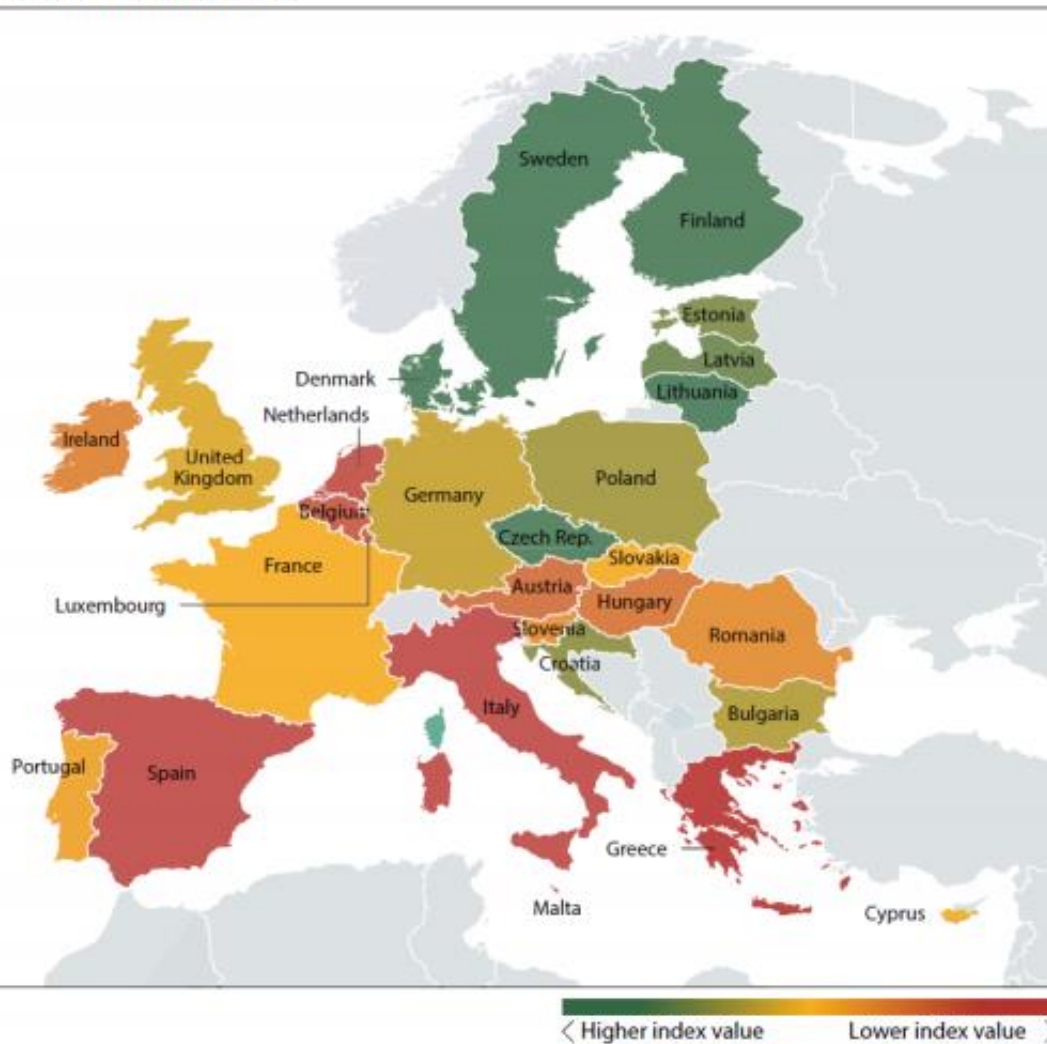
Distribution of Work Experience by Gender

A principal factor contributing to the gap is the lower relative years of work experience among women



Ranking of the 28 EU Member States on the basis of the 2013 overall Forward-looking Gender Pension Gap Index

2013 FGPGI	Country
91.6	Denmark
90.4	Lithuania
89.8	Sweden
89.0	Czech Republic
88.5	Finland
88.2	Slovenia
87.5	Latvia
87.2	Estonia
86.6	Croatia
86.5	Poland
86.5	Bulgaria
86.4	Germany
85.7	United Kingdom
85.4	Cyprus
85.3	Slovakia
85.3	Portugal
85.1	France
85.1	EU28 average
85.0	Romania
84.1	Ireland
83.0	Hungary
82.6	Austria
82.5	Luxembourg
82.4	Belgium
80.4	Netherlands
80.3	Malta
79.9	Spain
79.8	Italy
77.1	Greece



Ireland
in the
EU
Context

Source: Gender Gap in Pensions: Looking Ahead (European Parliament, 2017)

www.esri.ie @ESRIDublin #ESRlevents #ESRIpublications

Conclusions

- **Raw gender pension gap is 35%**
 - Gender pension gap driven entirely by differences in occupational and private pensions
 - No consistent evidence of a gender state pension gap
- Occupational and private pension income are:
 - Positively related to education and yrs of work experience
 - Negatively related to age and having been born, or lived, abroad
 - Number of years worked is a key determinant

Implications for Policy

- ❑ Reduce the differences in **occupational and private pension coverage** across genders
- ❑ Raise **female employment levels**
- ❑ Ensure increased **continuity in employment**
 - Improved care infrastructure needs to support access to more affordable quality childcare and long-term care services