

Abstract

Study on Middle and Old-aged Female Workers' Economic Conditions; Focusing on Retirement Age

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This study is to investigate, from the economic perspective, the change in living quality which can happen when middle and old-aged women retire and to come up with ideas about ways of their securing more incomes in their later lives. For that purpose, the investigation identifies a variety of retirement situations by gender and explores the diverse result by generation. Then, the research examines post-retirement economic conditions of those retired and analyzes financial conditions, including income, expenditure, asset and liability, particularly focusing on before and after retirement. Lastly, it suggests policy measures on the

basis of its findings.

Shedding light on the supplementary data on those retired of the Korean Labor & Income Panel Study's(KLIPS) 2003 and 2015 survey, the study found out that the portion of the middle and old-aged women who had not have a job in their life decreased, which showed that retirement ratio gap by gender had been significantly narrowed down. Yet, there was a gap with regard to the cause of, timing of, and difference between actual and anticipated retirement schedule between the genders. Regarding working conditions of primary jobs, women saw temporary part-time jobs sharply increasing than men did. This resulted in men's greater average monthly incomes, higher rates of holding retirement benefits scheme, and bigger amounts of receiving pension, compared with women. For post-retirement life, the rate of males who prepared economic plans was higher than that of females. The same applied to the public pension system. Meanwhile, women were more opting for installment savings and saving insurance policy as their future plan.

Working on the 3rd through 7th data and information of the Korean Retirement and Income Study(KReIS), this research came up with the following outcomes in relation to economic conditions of the middle and old-aged retired people whose ages are 50 and older. First of all, the comparison of retirees' household financial statements showed that expenditure, asset and liability all increased, with income decreasing. The rate of income reduction was greater in men than women, but, in the matter of income amount, women's were much smaller than men's. Both males and females found that their median value of income replacement ratio was below 100%, with females' slightly higher than males'. The ratio itself was above 100% for both genders, and there was

no big difference between the two. Analysis based on income quantiles discovered that the income growth rates of lower quantiles among females were higher than those of other ones. For females at higher quantiles, incomes decreased at the highest rates. Particularly, for those making bigger incomes, the replacement ratio was low both for men and women, with females marking lower average figures of income replacement ratio and failing to meet the ratio criteria. Regarding retirement age, analysis uncovered that the group which excluded the women who retired after the age of 65 and older showed a significant difference from other groups, undergoing the biggest drop in income and the highest growth in expenditure. In addition, their assets expanded at higher rates, while their liability slightly shrinking. The income replacement ratio of those who retired at the age of 65 or before was lower than that of those after the age. In particular, the ratio was lower among women than among men, and the rate of women who met the replace criterion was also lower than that of men. Quantitative analysis was able to recognize gender differences in income by quantile and retirement age. Such analysis found that gender gaps not only in lower and higher income quantiles but also among those who retired before 65, even after controlling diverse variables, including retirement age, levels of education, amounts of assets, and others, such as, whether they had a spouse, a child who had a job, and an entitlement to pension.

These findings demonstrate that gender perspective is a vital factor when making retirement related policies. Thus, it is necessary for diversified supportive measures that include public and private pension services to conduct gender impact analysis at a time of devising such policies and prepare schemes in

consideration of the features of different women groups before reflecting them into the drafting process of basic retirement plan and other steps for their later lives. Specifically, in order to address the blind spot in the retirement benefits system, private pension services may have to perform gender-based analyses for additional supports, including tax benefits to female retirees' pension and easier requirements for the women who restarted working life after career interruption. Moreover, it can be necessary to search other supportive actions for those who retired at earlier ages and to draft a priority list that considers current income levels in making related policies.