

A Study on Changes in Partner Relationship and the Economic Vulnerability of Older Women

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I . Introduction

1. Research purpose

This study aims to examine current circumstances from gender perspectives, focusing on changes in partner relationship and the economic vulnerability of older women in an aging society, and to seek ways to establish appropriate family-related laws and systems.

2. Research content

This research consists of the following:

Changes in relationships between elderly women and their spouses are studied by reviewing statistics on the aged. Changes in partner relationship and the economic vulnerability of older women are examined by analyzing data from the Korean Longitudinal Survey of Women and Families (Korean Women's Development Institute; KWDI).

Then, Focus Group Interviews (FGIs) with elderly women in their 60s to 70s are conducted to review fluctuations in the quality of life attributed to changes in their family relationships and in the status of their spouses, as well as their need for policy and system improvement, and to analyze the results.

Family-related laws and systems in foreign countries that have already experienced population aging and family changes are reviewed, presenting their implications.

Based thereon, this study seeks ways to set up family-related laws and systems for an aging society from gender perspectives, delivering family policy issues.

3. Research methods

This study uses the following methods:

- ☐ Literature review
- ☐ Analysis of secondary data from the Korean Longitudinal Survey of Women and Families (KWFI)
- ☐ FGIs(Elderly Women in 60s and 70s)
- ☐ Research on foreign laws and systems
- ☐ Expert round table and professional advice

II . Changes in partner relationship and the economic vulnerability of older women: Statistics

1. Statistics on older women

Based on statistics, this chapter reviews changes in relationship between elderly women and their spouses, as well as their financial circumstances.

Korean society has aged very fast, where the number of the oldest old in the population structure is expected to further rise (Statistics Korea, 2019a: 18). Among the oldest old, the share of women is higher than that of men (Statistics Korea, 2020b: 22). It can be seen that gender issues are based on demographic phenomena in an aged society. The percentage of elderly households has also jumped. Specifically put, elderly households (householders aged 65 or over) account for 22% of all households in Korea in 2020 and are forecast to take up about half in 2047 (Statistics Korea, 2020b: 24). Single-person households account for the biggest percentage (34.2%) of elderly households, followed by couple households (Statistics Korea, 2020b: 24). This shows that family structures have also changed along with population aging.

Relationships between the aged and their spouses have also fluctuated dynamically. In Korean society, marriage rates have declined fast but among the elderly, they have markedly risen year-on-year (Statistics Korea, 2020a: 9,11). The share (12.3%) of remarriages is also deemed to be significant. The remarriage age is found to be higher than ten years before (Statistics Korea, 2020a: 6). In the case of remarriages among the aged, the shares of de facto marriages and cohabitation where marriages are not registered are also deemed to be significant but it is hard to identify real situations via statistics. On the other hand, the number of

divorces has consistently grown. In particular, the divorce rate for elderly couples who were married for more than 20 years has noticeably jumped, with such divorces accounting for the largest portion (34.7%) of all divorces in Korea (Statistics Korea 2020a: 23).

The economic conditions of older women seen via statistics are very weak. Less than half (48.6%) of the elderly aged 65 or over as of 2019 are found to prepare or be prepared for their later life. Only 39.3% of elderly women are found to be prepared for their later life, which is much lower than the figure (60.9%) for their male counterparts (Statistics Korea, 2020b: 32). The average yearly income of aged women amounts to KRW 7.92 million, only 46.7% of the figure (KRW 16.97 million) for their male counterparts (2019: 272, Department of Population Policy Research, Korea Institute for Health and Social Affairs). In terms of earned income, business income, property income, and public transfer income, older women are very inferior to older men while in the share of private transfer income, the former outperform the latter (2019: 272, Department of Population Policy Research, Korea Institute for Health and Social Affairs). As a result, their financial dependence on their family members is deemed to be relatively high. This implies that economic inequalities have been accumulated throughout women's lifetime.

2. Second analysis of the Korean Longitudinal Survey of Women and Families: Economic vulnerability of older women based on changes in partner relationship

Data from the Korean Longitudinal Survey of Women and Families¹⁾ are used to identify changes in women's economic circumstances

1) First to seventh year data, Korean Longitudinal Survey of Women and Families, Korean Women's Development Institute

depending on changes in their marital status(partner relationship). As of the year when the latest and 7th survey was carried out, women are classified into ‘those who are younger than 55’ and ‘those aged 55 or over’ to analyze economic characteristics depending on changes in marital status. Key analysis results are as follows:

Among groups younger than 55 and aged 55 or over (hereinafter, as of the year when the 7th survey was conducted), the characteristics of those whose marital status changed to ‘living with a partner’ were studied and compared to produce the following results:

- ① The former shows a more significant drop in employment rate than the latter;
- ② In terms of the share of those owning a house and
- ③ in the context of household income, the latter shows an increase while the former posts a drop;
- ④ In the context of individual earned income, the former records an increase while the latter shows a drop.

The characteristics of those whose marital status changed to ‘partnerless’ are as follows:

- ① In terms of employment rate, the former shows an increase while the latter records a drop;
- ② In the context of the share of those owning a house, the former shows a more significant drop than the latter;
- ③ In terms of household income, the former posts a bigger drop than the latter;
- ④ In the context of individual earned income, the former experiences a higher rise than the latter.

The former group was studied and compared by five types of marital status [singles, 'living with a partner,' 'partnerless (separated, divorced, and widowhood),' 'change to 'partnerless', and 'change to living with a partner']. Those whose marital status changes to 'partnerless' post the highest employment rate and the highest individual earned income, showing that they participate in economic activities to maintain their livelihood²⁾. Those living with a partner show the highest household income and the highest rate in terms of the share of those owning a house, followed by those whose marital status changes to 'living with a partner.' These make it possible to indirectly estimate the effects of the existence or non-existence of a partner on women's economic stability.

The latter group was also studied and compared by five types of marital status. The results are as follows: Those living with a partner show the highest rate in terms of the share of those owning a house, followed by those whose marital status changes to 'partnerless.' Those living with a partner (change to living with a partner + living with a partner) post a higher household income than the other groups while those who continue to live with a partner show the lowest individual earned income. Those whose marital status remains 'partnerless' have as low employment rates, household income, and individual earned income as those whose marital status changes to 'partnerless.' Only in the share of those owning a house, those whose marital status changes to 'partnerless' show a little higher rate. Even in the case of women aged 55 or over, the current existence or non-existence of a partner, rather than in the past, has bigger effects on their economic stability.

2) 'Average monthly individual earned income multiplied by 12' minus 'household income' is KRW 7.38 million.

The re-interpretation of analysis results in terms of economic dependency and vulnerability shows that women's economic stability is more affected by their partners and parents, rather than by their income or economic capabilities. For instance, in the context of household income and the share of those owning a house, singles living with parents and those living with a partner (living with a partner + change to living with a partner) in the former group show relatively higher figures. On the other hand, in the latter group, those living with a partner ('living with a partner' + change to 'living with a partner') have higher figures. Moreover, in the former group, in employment rate and individual earned income, those whose marital status changes to 'partnerless' show a bigger rise than those whose marital status changes to 'living with a partner'. In the latter group, in terms of individual earned income, those whose marital status changes to 'partnerless' reveal a bigger rise than those whose marital status changes to 'living with a partner.' These results show that after their marital status changes to 'partnerless', they should take part in economic activities to maintain their livelihood. In the case of living with a partner, they financially rely on their partners to secure their economic stability. The analysis of secondary data shows connections between changes in partner relationship and economic vulnerability.

III. Life and aging of older women reviewed based on FGI (Focus Group Interviews)

1. FGI overview

FGIs were held by dividing participants into the following these groups:

- those experiencing little or no change in partner relationship (full-time housewives, remaining employed, and separation/marriage graduation);
- those experiencing changes in partner relationship (widowhood, divorce, and de facto marriage/re-marriage); and
- those not belonging to typical marriage and family systems (non-marriage, etc.).

FGI overview
<ul style="list-style-type: none"> - Participants: women in their 60s to 70s (a total of 35 cases, considering family or household types, the existence of a partner and children, economic activities, and so forth) - Method: focus group interviews (FGI) - Period: Sept. 07 ~ 18, 2020 - Content: identify changes in partner relationship and in the quality of life, the vulnerability of older women, and a need for policy/system improvement

2. Analysis of FGI results

In order to look into changes in partner relationship and in older women's socio-economic status, FGI results are presented by classifying participants into a total of four groups.

Older women included in the final analysis process are as follows:

- 1) those living with a partner;
- 2) those whose marital status changed from 'living with a partner' to 'partnerless' (widowhood, divorce, and separation/marriage graduation);
- 3) those whose marital status changed from 'partnerless' to 'living with a partner' (re-marriage, de facto marriage, and cohabitation); and
- 4) those remaining 'partnerless' (non-marriage).

FGI results and their implications are as follows:

Older women in their 60s to 70s participating in this research have lived typical family lives before experiencing changes in partner relationship, marrying their partners and taking full responsibility for housework and childcare in accordance with traditional norms. Their assets for livelihood have formed based on their partners' income, which have been consolidated and operated under their partner's name. This also applies to elderly women remaining employed. However, such family-centered and male-dominated lives have changed since they experienced changes in partner relationship such as widowhood, divorce, and separation. In other words, their lives have been significantly reshaped.

Widowed elderly women have to face psychological difficulties due to the death of their partner, taking responsibility for maintaining livelihood and looking after children. The economic activities that were initiated after the death of their partner have been maintained up to recently but they have to rely on their inheritance or their children's financial support.

Older women undergoing elderly divorce have to take part in economic activities to maintain their livelihood but are employed in a limited and unstable way. There were few ways to maintain their share during their marital life, so that most participants experienced a drop in the level of economic life after divorce.

Elderly women in their 60s to 70s who experienced separation (marriage graduation) also have to maintain their livelihood for themselves following the change of partner relationship. However, they can't benefit from property division or alimony, making them feel strong

pressure in terms of maintaining their livelihood. On the other hand, those who formally live with their partner live an independent life not relying on their partner but they still take part in family events, taking care of family members and receiving financial support from their family of origin or their children. In other words, they maintain close relationships with their family members.

Older women under the conditions of de facto marriage, cohabitation, and remarriage refer to those who maintain relationships with their current partner after widowhood, or divorce, experiencing changes in partner relationship ('living with a partner' → 'partnerless' → 'living with a partner'). Even in later life, they maintain flexible, diverse, and close relationships. However, in many cases, they financially rely on their partner or children to maintain their livelihood. In other words, their economic dependence on their family members or partner is also found as in the case of the above.

Partnerless elderly women under the condition of non-marriage have maintained their livelihood for themselves throughout their lifetime. The fact that they have to live an independent life without the help of their partner, children, and family of origin makes them feel unstable and pressured. They also fail to break away from family duties such as parent care and family support.

There are differences depending on circumstances facing participants but changes in partner relationship in later life have significant effects on women's quality of life. In most cases, they lead to a drop in the quality of life and higher dependence on family members.

These results come from gender division-based social conditions given to older women. Social systems that fail to reflect family circumstances

featuring diverse and active changes in family (partner) relationship even in later life, as well as male-dominated and market-centered social structures, are found to worsen such situations.

Therefore, a drop in the quality of life and higher dependence on family members that elderly women experience after partner relationships are revised stem from inequalities accumulated throughout their lifetime. These issues should be actively handled and resolved at the level of society as a whole. Family changes such as flexible family formation and disorganization and diverse intimacy patterns, which are found even in later life, should also be reviewed.

Moreover, in connection with the issue of care that all elderly women should pay attention to or worry about, more careful policies should be discussed and devised. In order to take care of helpless older women who have looked after their family members throughout their lifetime, social systems should also be further set up.

IV. Foreign laws and legislation for an aging society

In terms of economic stability, this chapter reviews foreign laws and systems, as well as their operation, focusing on 1) couples' property/a partner's inheritance; 2) need for residential stability; and 3) pension systems, among key implications identified via FGI. In particular, concentrating on Japan, Germany, France, and Sweden among OECD members that have already experienced population aging and changes in family structure ahead of Korea, related data were gathered and reviewed. The aforementioned three elements are key factors that can determine economic vulnerability depending on changes in the position

of elderly partners.

Implications from foreign laws and systems can be summarized as follows:

Against the backdrop of average life expectancy rising along with population aging, older women are expected to stay healthy in later life. Therefore, it is important to ensure their property and inheritance rights. In particular, considering changes in social and family structure such as a rise in women's economic activities, older women's divorce/remarriage, and so forth, related systems regarding inheritance and so on need to be revised. Taking into account older women's vulnerable financial situations following the death of their partner, surviving spouses' inheritance rights should be more thoroughly protected by ensuring the lien of a spouse (etc.) as in the case of foreign nations, or expanding their share of inheritance. Moreover, in connection with inheritance, Japan, Germany, France, and others have taken various measures to guarantee and protect surviving spouses' living including ensuring the residential rights of older women (surviving spouses). These cases should be specially noted.

European nations have offered pensions to widows or provided more pensions to survivors than Korea. In the current circumstances where more diverse family structures exist due to divorce, remarriage, and so forth, the nations have given pensions even to registered cohabiting partners, as well as relations by marriage. These systems are deemed to help older women improve their economic conditions. Important lessons can be learned from these cases.

V. Conclusion and policy suggestions

1. Gender perspectives–based improvement of laws and systems for an aging society, which reflects family changes

As these research results show, the quality of life of older women in their 60s to 70s is affected by family situations and resources such as changes in partner relationship and children's financial support.

According to quantitative and qualitative analyses, elderly women who remain single or experience changes in partner relationship undergo a drop in their socio-economic position such as a fall in income and higher dependence on lump-sum housing lease or monthly rent. The share of their partner's property (or inheritance) or financial support from their parents or children in maintaining their livelihood is also found to be relatively high. In other words, while belonging to a typical family system, the quality of life of older women is maintained in a stable way. On the other hand, while they are outside such a system or are not supported by their family members, they are placed in a vulnerable position socio-economically. The analysis results show that the effects of families on older women's quality of life are based on social conditions that have been maintained, relying on gender division-based family systems.

There is another element that affects elderly women's quality of life. They take responsibility for family care even in their later life while they are not effectively taken care of. Male partners retire under the age clause while older women are employed as workers even in their later years, taking responsibility for daily parent care and nursing. However, when they need care, they can't benefit from any family care or alternative care systems. This leads to unstable later years.

Despite that, elderly women want to work and learn even in their later years, promoting self-cultivation. In other words, they wish to have enough opportunities to learn and take part in cultural life.

Moreover, older women does not want to become a burden for their children. To this end, they have strong interest in establishing stable economic conditions via stable housing/employment and universal pension benefits. In other words, they are much interested in personal and social systems that help them take care of themselves.

However, current policies for an aging society have limitations in alleviating gender inequalities accumulated throughout women's lifetime and meeting their need for stable later years. Therefore, in order to achieve the goal of improving the quality of life of men and women and realizing gender equality, policies for an aging society should be reviewed and reorganized from gender perspectives. Therefore, considering population aging and family changes, gender perspectives-based laws and systems should be upgraded in the following direction.

First, policies and systems should be revised to reduce gender inequalities accumulated throughout women's lifetime and to make up for resulting weaknesses in a more active way.

Second, considering family organization and disorganization that have been more actively implemented along with population aging, as well as diverse family structures, more flexible systems and policies are required to prevent legal and institutional isolation and to resolve inconveniences.

Third, policy support should be strengthened to relieve older women's burden of family care and to prevent care vacuums from happening.

Fourth, gender perspectives-based policies should be devised to

support later life design and preparation reflecting women's experience and needs.

2. Policy suggestions

Policy issues based on these research results are as follows:

A. Improvement of laws and systems for reducing inequalities (securing financial autonomy) accumulated throughout women's lifetime

Reacting to changes in partner relationship that are more diversified in an aging society, flexible choices and economic autonomy should be ensured. At the same time, it is necessary to reduce economic instability in later life resulting from accumulated economic inequalities. To this end, marital property systems and a spouse's inheritance rights should be improved, ensuring a spouse's right of residence and expanding rights to pension.

- ☐ Introduce a system for the division of matrimonial property before divorce
- ☐ Devise principles and criteria for the percentage of property divided in the event of a divorce
- ☐ Dissolution of marriage and inheritance attributed to the death of a spouse: guarantee a spouse's right to property
- ☐ Introduce a spouse's right of residence for ensuring him or her a stable life
- ☐ Reduce blind spots to expand rights to pension

B. System improvement and policy support reflecting family changes

Responding to changes in partner relationship that are diversified in an aging society, the rights of couples who share care services based on intimate relationships, even though not by legal marriage, should be guaranteed. To this end, institutional frameworks should be established, offering policy support. Moreover, it is also necessary to ensure autonomy in relationship on an equal footing and in an economically independent way. To this end, individual rights to benefits should be strengthened, ensuring individual economic stability.

- ☐ Prepare a system for promoting new intimacy
- ☐ Improve systems and devise policies for facilitating the use of a will preparation system
- ☐ Devise policies for promoting a trust system
- ☐ Introduce the lasting power of attorney (Vorsorgevollmacht) (refer to Ahn Kyung-hee, 2018: 321)
- ☐ Strengthen women's individual rights to benefits

C. Policies for easing the burden of older women in family care and reducing care deficit

There is another factor in gender inequality that affects elderly women's quality of life. It is the fact that older women should take responsibility for family care. Relieving such a burden, support (including psychological and emotional services) for older women in charge of family care should be reinforced.

- ☐ Reinforce public elderly care services
- ☐ Provide more support to older women who take care of their family members
- ☐ Strengthen connections between housing welfare and care services

D. Policies for supporting older women to design and prepare for their later life

There is another issue relating to reorganizing policies for an aging society from gender perspectives. It is to prepare ways to support older women whose experiences and needs are differentiated from those of older men accumulated in a male-dominated and labor market-centered system. Against this backdrop, proper policies should be crafted to find and meet the needs of elderly women that are distinguished from those of older men.

- ☐ Reinforce services in later life design and support for older women
- ☐ Strengthen elderly-friendly financial consultation and coaching services
- ☐ Strengthen the framework and services for life-long education for the aged

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