

How do gender differences in lifecourses affect income in retirement

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We'd like to thank...



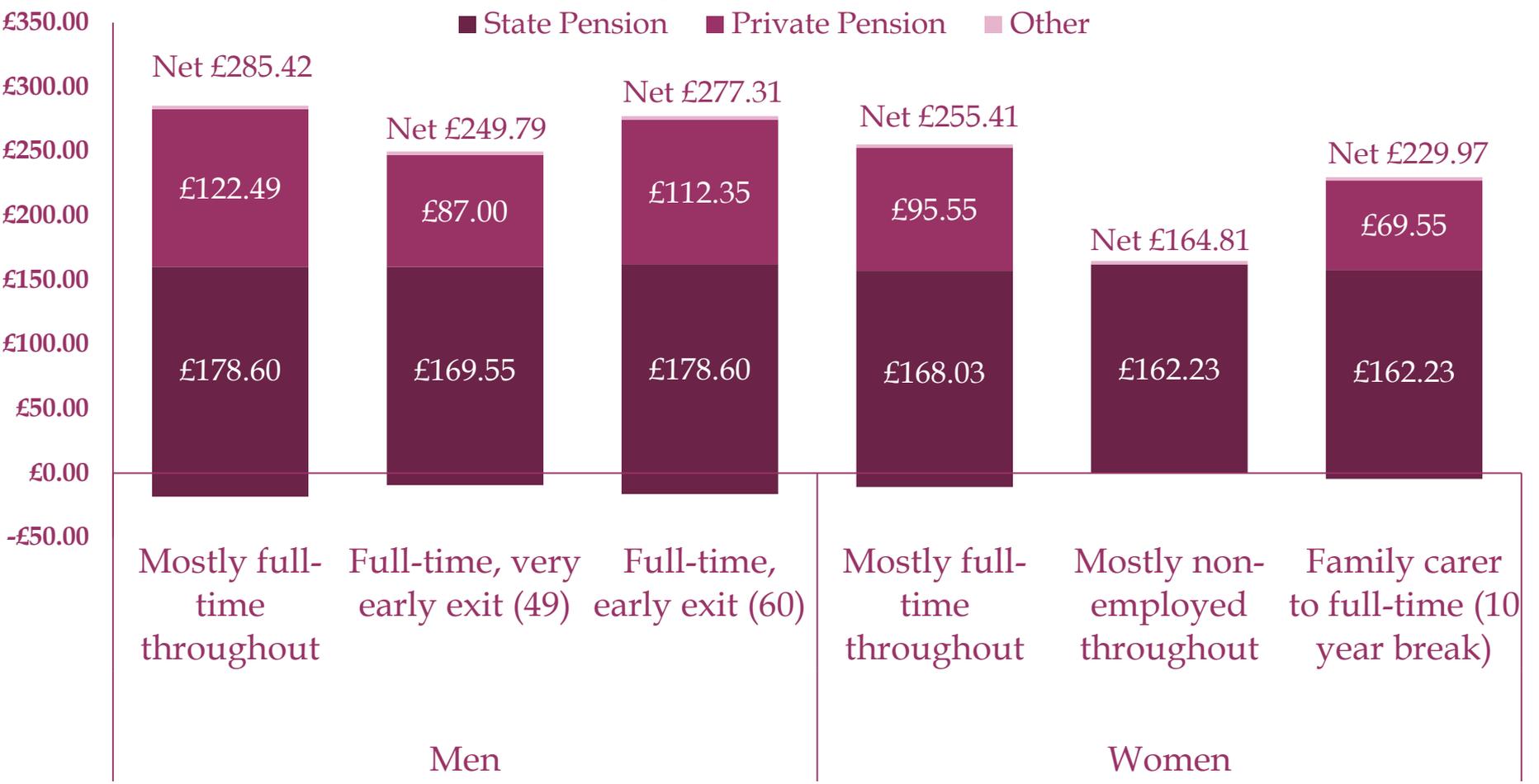
Lifecourses

The work-based lifecourses for men and women used in the modelling for this note

Male Lifecourses	Proportion (%)
Mostly full-time throughout	45
Mostly non-employed throughout	4
Full-time, very early exit (at about age 49)	12
Full-time, early exit (at about age 60)	30
Late start (at about age 23), early exit (at about age 60)	9
Female Lifecourses	Proportion (%)
Mostly full-time throughout	27
Mostly non-employed throughout	17
Weak attachment, early exit (at about age 49)	7
Family carer to part-time (long break: 16 years)	12
Family carer to part time (short break: 4 years)	13
Family carer to full-time (10 year break)	18
Mostly part-time (from about age 23)	6

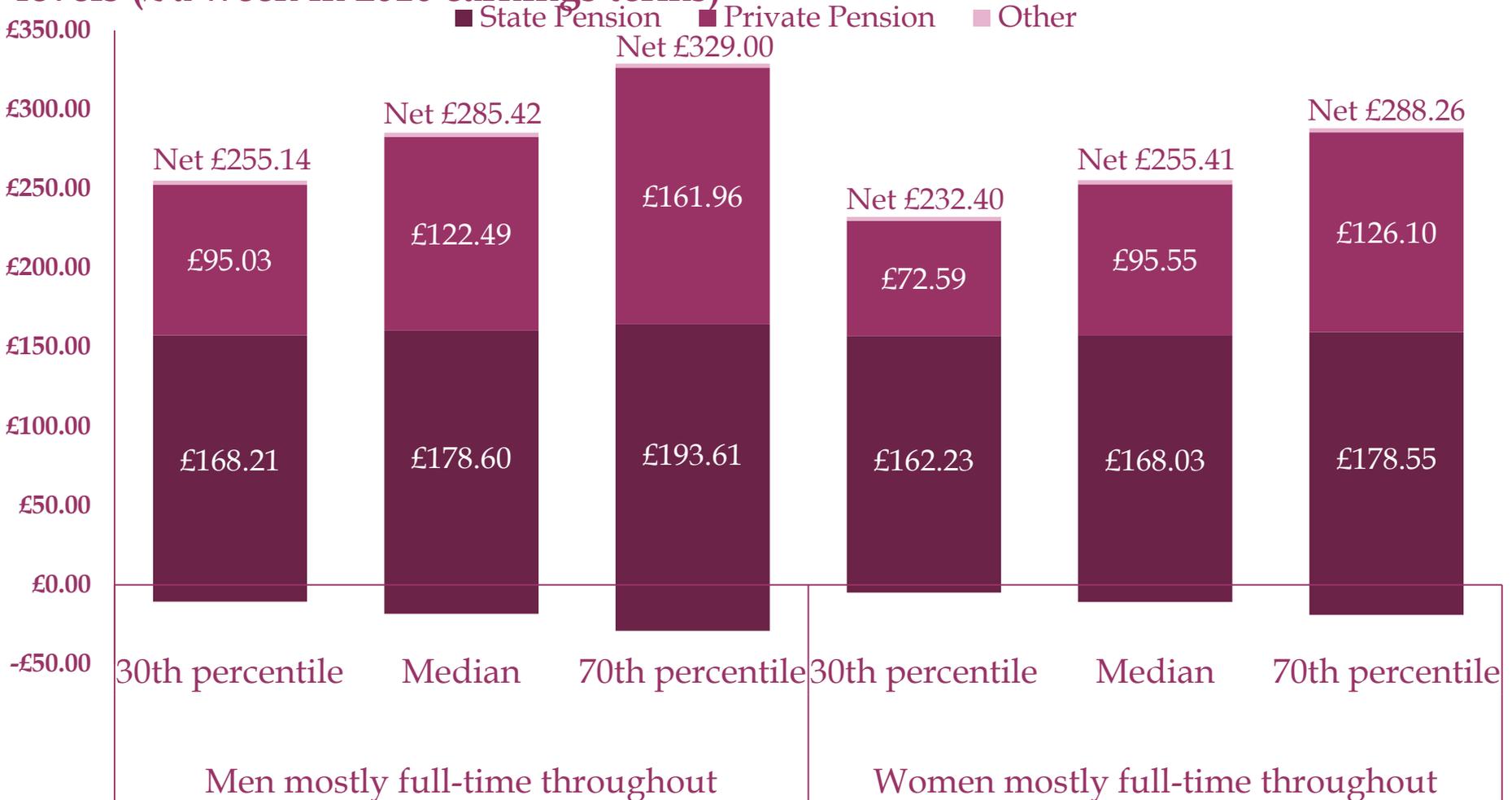
The most common female lifecourses show that women are more likely to have lower weekly income in retirement

Weekly post retirement income at age 66 for individuals currently aged 55 earning at gender specific median earning level, under the three most common gender specific lifecourses (£ a week in 2016 earnings terms)



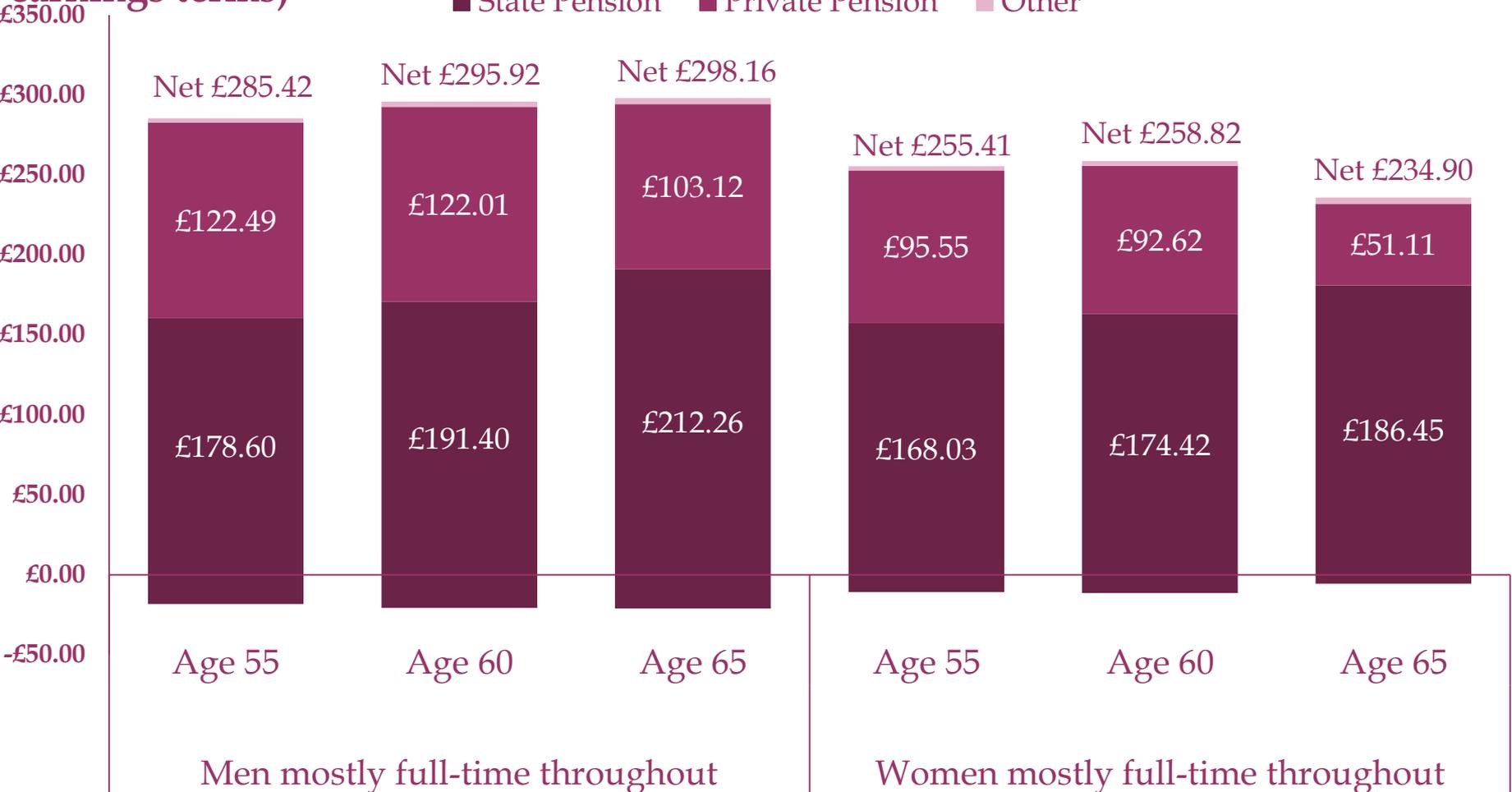
Differences in earnings of men and women may result in women having lower retirement income

Weekly post retirement income at age 66 for individuals currently aged 55 earning at the 30th, 50th, and 70th percentile levels (£ a week in 2016 earnings terms)



Gender differences in retirement ages under the previous pension system could mean lower retirement incomes for older women

Weekly post retirement income at age 66 for median earning individuals currently aged 55, 60 and 65 (£ a week in 2016 earnings terms)



Women taking breaks to look after children may lead to lower private pension income in retirement

Weekly post retirement income at age 66 for median earning individuals currently aged 55 under various scenarios of caring for children (£ a week in 2016 earnings terms)

■ State Pen ■ Priv Pen ■ Other (£3)



Lower earning women taking breaks to look after children may be dependent on the State Pension

Weekly post retirement income at age 66 for individuals currently aged 55, who earn at the 30th percentile level under various scenarios of caring for children (£ a week in 2016 earnings terms)

■ State Pen ■ Priv Pen ■ Other (£3)



Conclusions

- Gender differences in labour means that more men have experienced being in full-time work throughout their careers and are therefore likely to have higher incomes in retirement.
- Gender differences in earnings mean that women are more likely to have a lower income in retirement than a man even when their labour market history is similar.
- The lower female State Pension age under the older system limited the amount of pension that could be built up leading to lower pensions for women (though paid earlier).
- Women are more likely to have caring responsibilities than men, leading to lower private pensions.