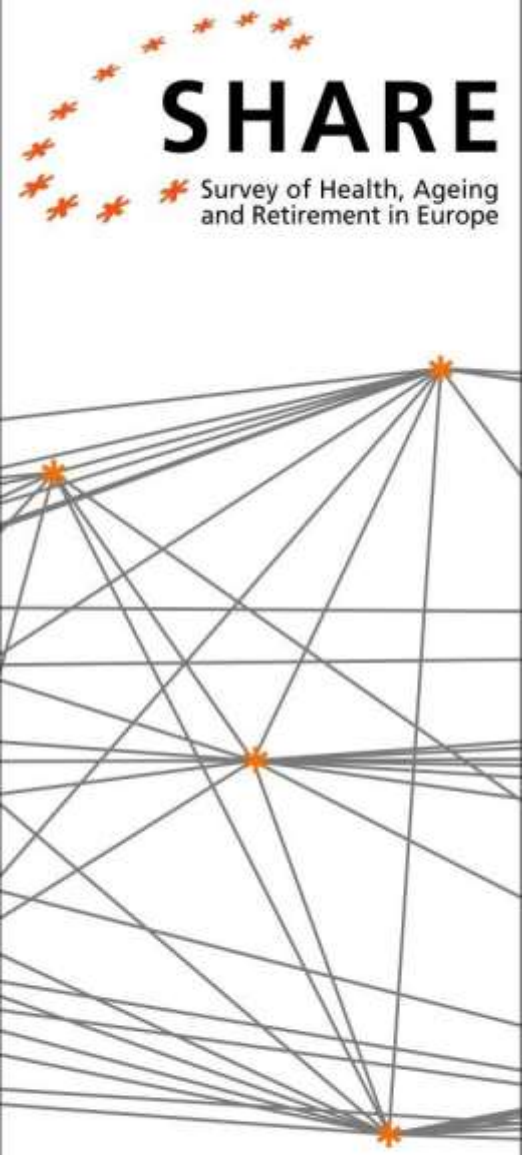


Comparing work and retirement across borders – evidence from SHARE

Hendrik Jürges
University of Wuppertal
SHARE Area Coordinator for Health Care

based on slides provided by:

Agar Brugiavini
University of Venice

Guglielmo Weber
University of Padua

Wuppertal, 19 September 2016

Copyright: SHARE-ERIC

Aims & Principles of SHARE

- **Aim:** Understand the **ageing process** in Europe (**individual** and **societal** level). Basic research and fact-based policy development

- **Principle 1:** Understand the **interactions** between health, labour force participation, and institutional conditions

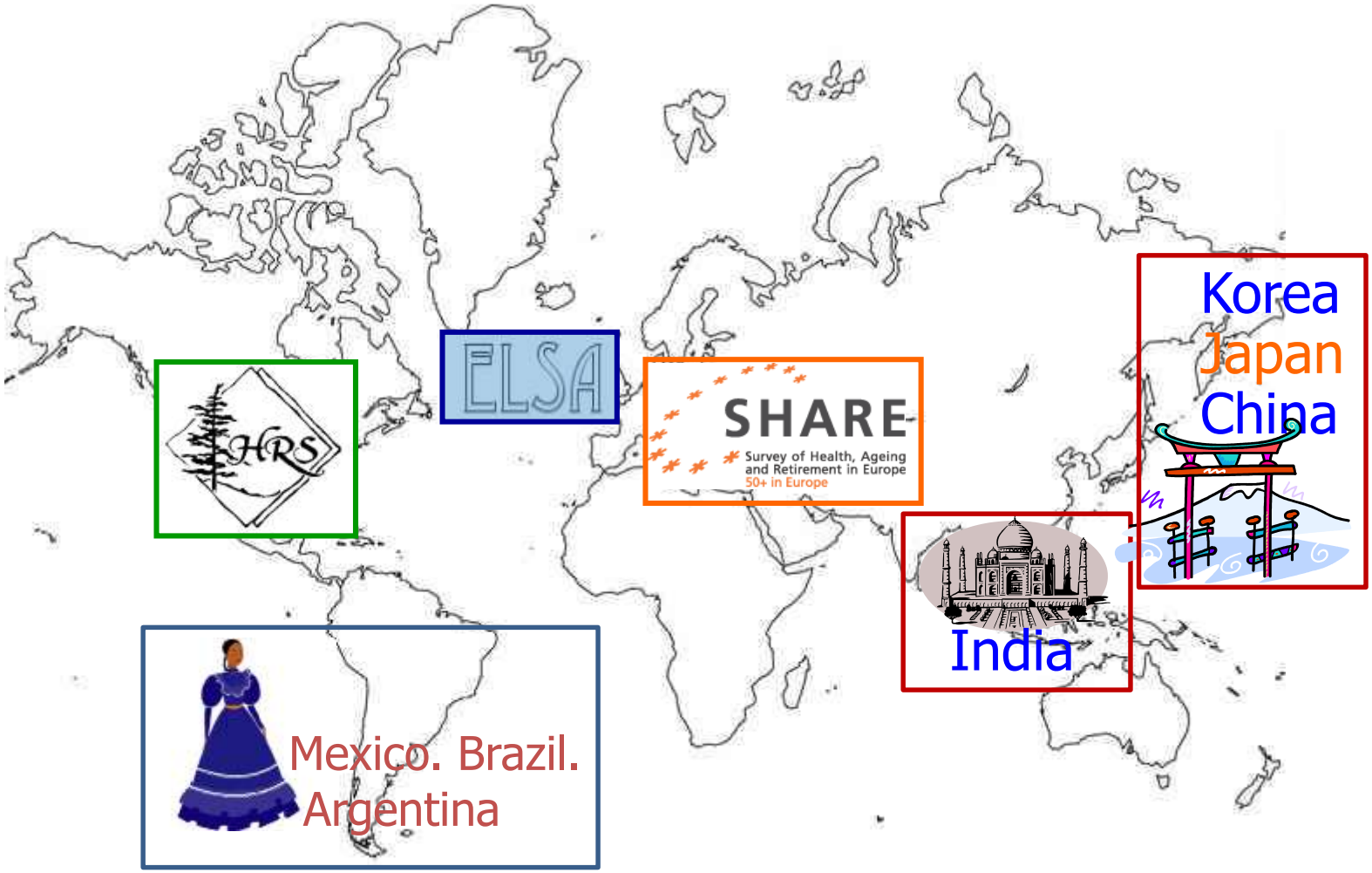
- **Principle 2:** Use **cross-national variation** in policies, histories, cultures to understand causes and effects of welfare state interventions

  - Ensure cross-national comparability of data (objective data, enhanced survey methods)

- **Principle 3:** **Longitudinal** – since ageing is a process not a state

Copyright: SHARE-ERIC

A Global Laboratory



Copyright: SHARE-ERIC

SHARE: State of the art

- ✓ So far SHARE has information on approximately **123,000 individuals (293,000 interviews)** living in **20 European countries (+ Israel)**.
- ✓ There are **five** available waves of data, including the retrospective survey **SHARELIFE** (wave 3).
- ✓ The sixth wave (that took place in 2015) also collected **24,000 DBSS** that will provide **biomarkers data** (Vitamin D, total cholesterol, C-reactive protein, cytokines and glycated hemoglobin)**.**
- ✓ The **seventh wave** will go in the field at the beginning of 2017:
  - ✓ It will have **retrospective questionnaire** for those who did not participate in SHARELIFE in 2008/09
  - ✓ It will include 8 new countries: Finland, Lithuania, Latvia, Slovakia, Romania, Bulgaria, Cyprus and Malta

Copyright: SHARE-ERIC

Work at older ages: what does SHARE offer?

- ✓ **Longitudinal information** on employment status, transitions from employment to retirement (or other status), characteristics of current and past job, pension benefits.

- ✓ **Detailed occupation coding** for respondents' (and their parents') jobs: **job coder** available since wave 6 (in wave 7 it will be introduced in the retrospective survey).

- ✓ Retrospective information on respondents' lives (**SHARELIFE**): complete **job histories** and **childhood conditions**.

- ✓ **Contextual variables**: institutional characteristics of the pension systems; educational reforms; maternity leave provisions; etc.

Copyright: SHARE-ERIC

Occupational coding: the job coder

- ✓ The "job coder" allows to **code ex-ante** the self-assessed respondents' (and their parents') occupation.

- ✓ The list of job titles used comes from the **World Database of Occupations** (WISCO) - some countries (Estonia, Israel and Portugal) provided their own list.

- ✓ At a **first evaluation** the data quality from wave 6 is **good**:

    - ✓ The job coder captures **more detailed job information** than questions based on level-one ISCO classification
    - ✓ **Coded job titles** are mostly **consistent** with the reported industry and educational attainment

Copyright: SHARE-ERIC

SHARELIFE: General Overview

- ✓ 3rd wave of SHARE
- ✓ 30,000 men and women over 13 European countries
- ✓ It focuses on people **life histories (retrospective)**
- ✓ It includes information on:
  - ✓ Children history
  - ✓ Partnership history
  - ✓ Accommodation history
  - ✓ **Job history**
  - ✓ Health history
  - ✓ Childhood (age ten) conditions

- ✓ Extremely **rich**, but **more complicated** than a standard micro-dataset to use

Copyright: SHARE-ERIC

How to use SHARELIFE data

Three possible options:

1. Use previous waves of SHARE and **merge retrospective information**. Useful to study the impact of **childhood circumstances** on different outcomes, e.g. .

2. **Build a panel:** each line is an id-year combination. Very long panel, but limited number of variables.

3. **"Events" database:** each record is a specific event (e.g., maternity episode, new job, etc.). Researchers can attach to each event the information that is relevant for them.

Copyright: SHARE-ERIC

The Job Episode Panel: content

- ✓ The job episode panel is a **retrospective panel including the entire respondents' job histories.**

- ✓ It includes **information** on:
  - ✓ **Employment status**: in education, working, retired, unemployed.
  - ✓ **Each employment spell** includes information on industry, employment type (employee, civil servant or self-employed), first wage/earnings, working hours (PT/FT), reason job ended.
  - ✓ For the **main career job** there is also information on the last wage/earnings.
  - ✓ First **pension benefit**
  - ✓ Additional information on: **demographics** (year of birth, gender, age country, number of children, age of youngest child, marital status) and **characteristics of the pension system** (contribution rates by employee and employer, early retirement penalty, statutory and early retirement age, min and max pension benefit).
- ✓ It can be **easily merged** with the other sections of SHARELIFE and with the regular waves.

Copyright: SHARE-ERIC

The Job Episode Panel: references

- ✓ The job episode panel is freely available to researchers.
- ✓ After wave 7 data are collected and released, the job episode panel should eventually cover 120,000 individuals across 28 countries.

- ✓ References:

  - ✓ Antonova, L., L. Aranda, G. Pasini and E. Trevisan (2014). Migration, family history and pension: the second release of the SHARE Job Episodes Panel. (18-2014). Munich Center for the Economics of Aging (MEA).
  - ✓ Brugiavini, A., D. Cavapozzi, G. Pasini and E. Trevisan. (2013). Working life histories from SHARELIFE: a retrospective panel. SHARE Working Paper (11-2013). Munich Center for the Economics of Aging (MEA).
  - ✓ Trevisan, E., G. Pasini and R. Rainato. (2011). Cross-country comparison of monetary values from SHARELIFE. SHARE Working Paper (02-2011). University of Mannheim.

Copyright: SHARE-ERIC

The Job Episode Panel: some examples

- ✓ Construct employment-age profiles, combined with childhood conditions
- ✓ Evaluate impact of employment shocks on financial well-being (e.g. effect of an unemployment spell on the hazard of entering or exiting financial hardship)
- ✓ Construct measures of:
  - ✓ Quality of work career (e.g. % of years in high skilled job)
  - ✓ Permanent income and age-earnings profiles
  - ✓ Social Security Wealth under different pension regimes

Copyright: SHARE-ERIC

Social Security Wealth in SHARE

- ✓ **Net and gross measures of Social Security Wealth** for workers and retirees will soon be available in SHARE

- ✓ These measures are the **first attempt** of computing and delivering to the scientific community a set of **internationally comparable measures of pension wealth for all SHARE countries.**

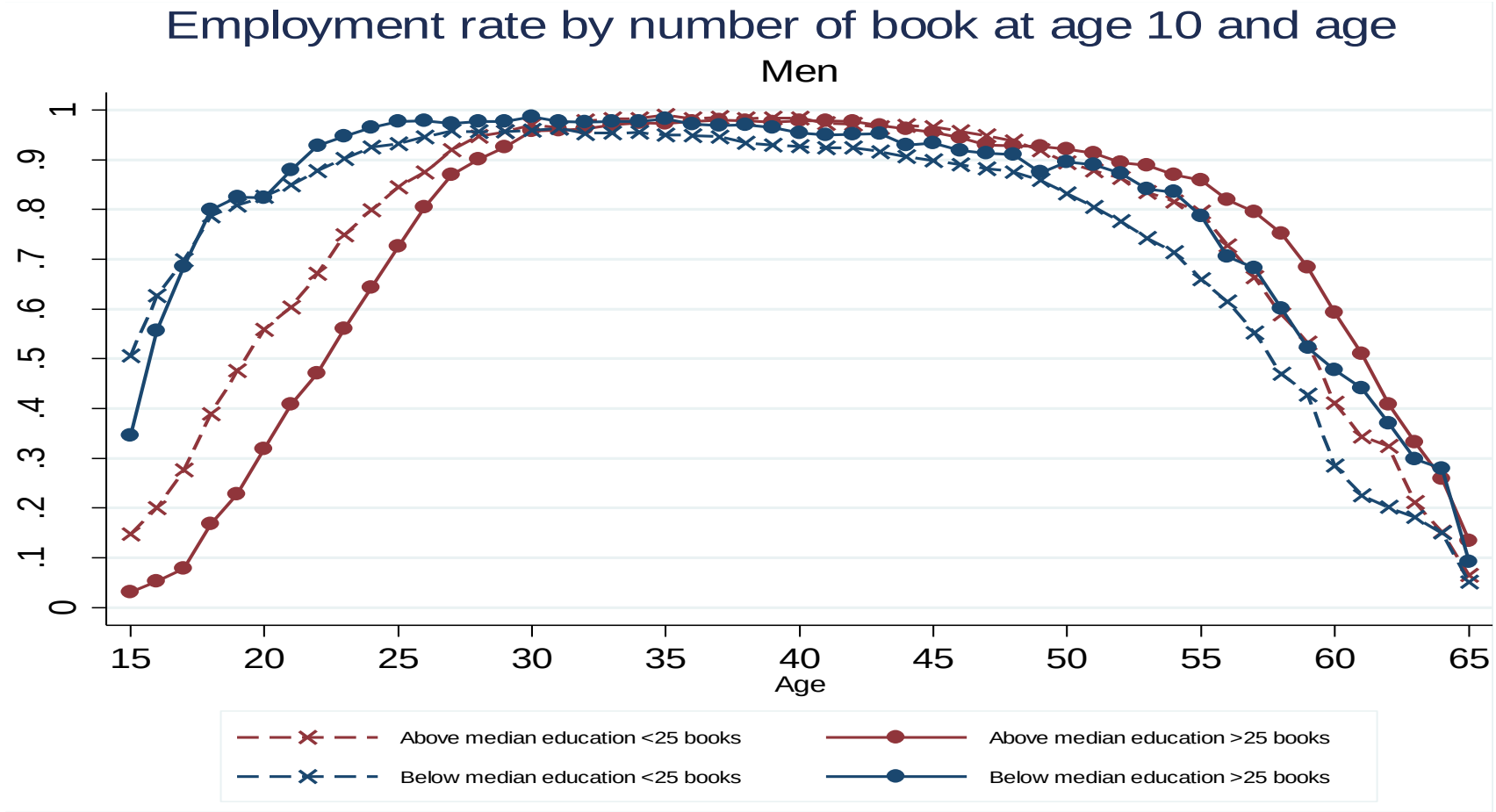
- ✓ The computation of these measures implies **integrating life-history micro-data and contextual information** summarizing the evolution over the last century of the pension system characteristics of SHARE countries.

- ✓ The **SSW of workers** relies on a variety of retrospective information regarding both individuals' working career and country of residence, which is obtained from the **Jobs Episode Panel**

- ✓ The **SSW of retirees** has been computed exploiting information on the **self-reported pension amount received**.

Copyright: SHARE-ERIC

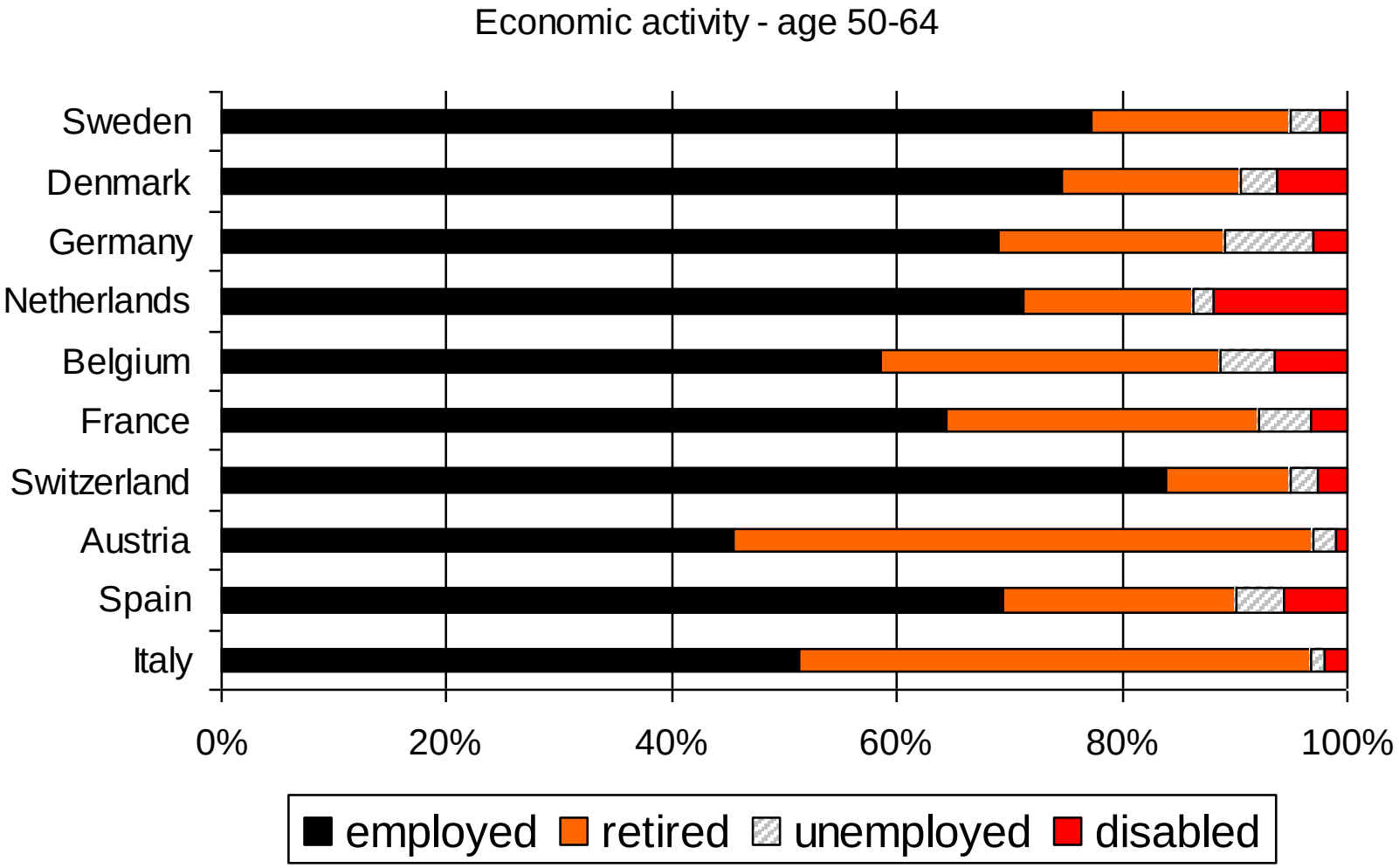
Employment-age profiles



Brugiavini A., Trevisan E., Weber G. (2014) The workability of the young old. Mimeo.

Copyright: SHARE-ERIC

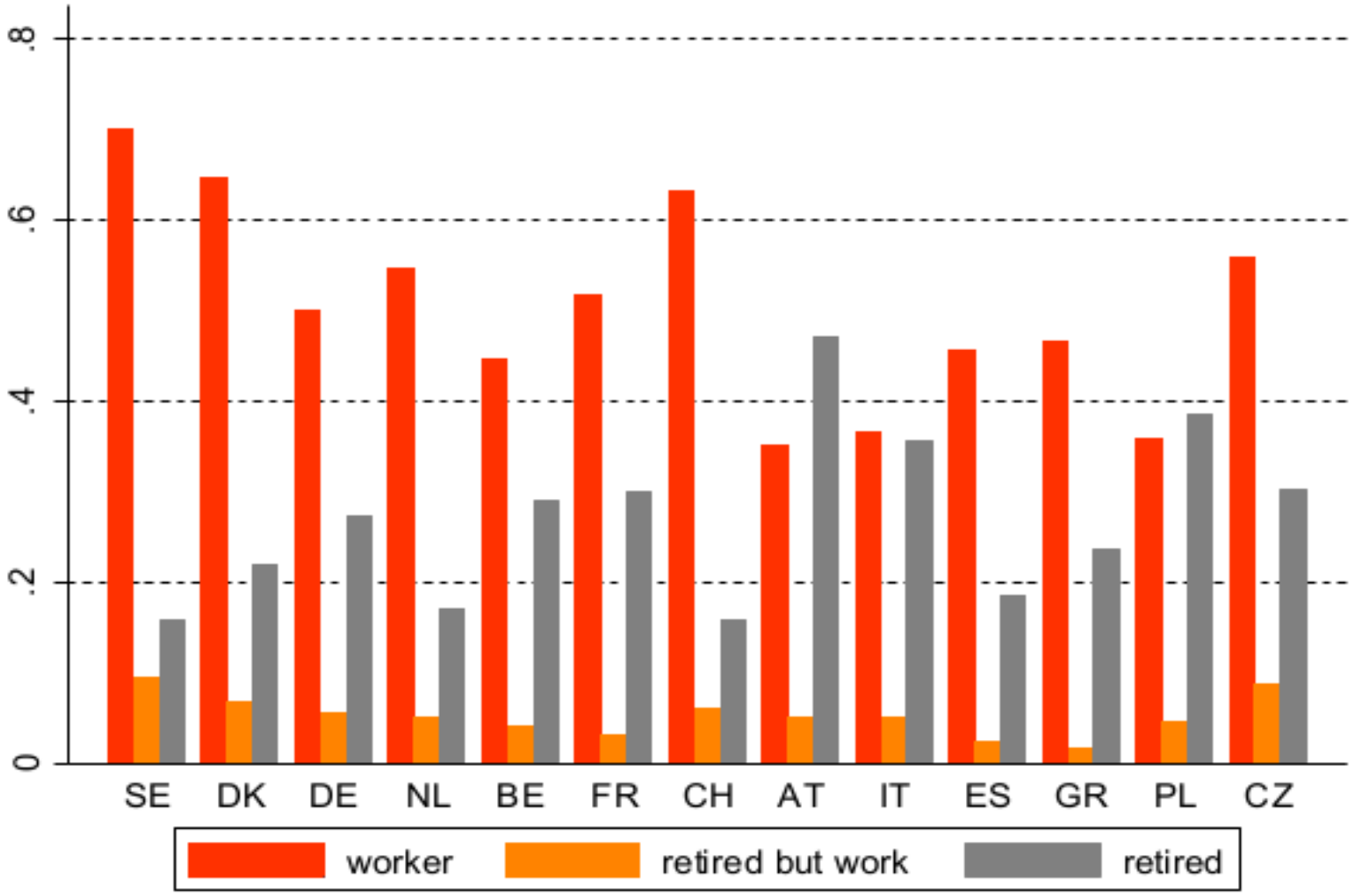
Unused labour capacity



Copyright: SHARE-ERIC

Labour Supply and Health

Distribution of activities for "**healthy**" individuals

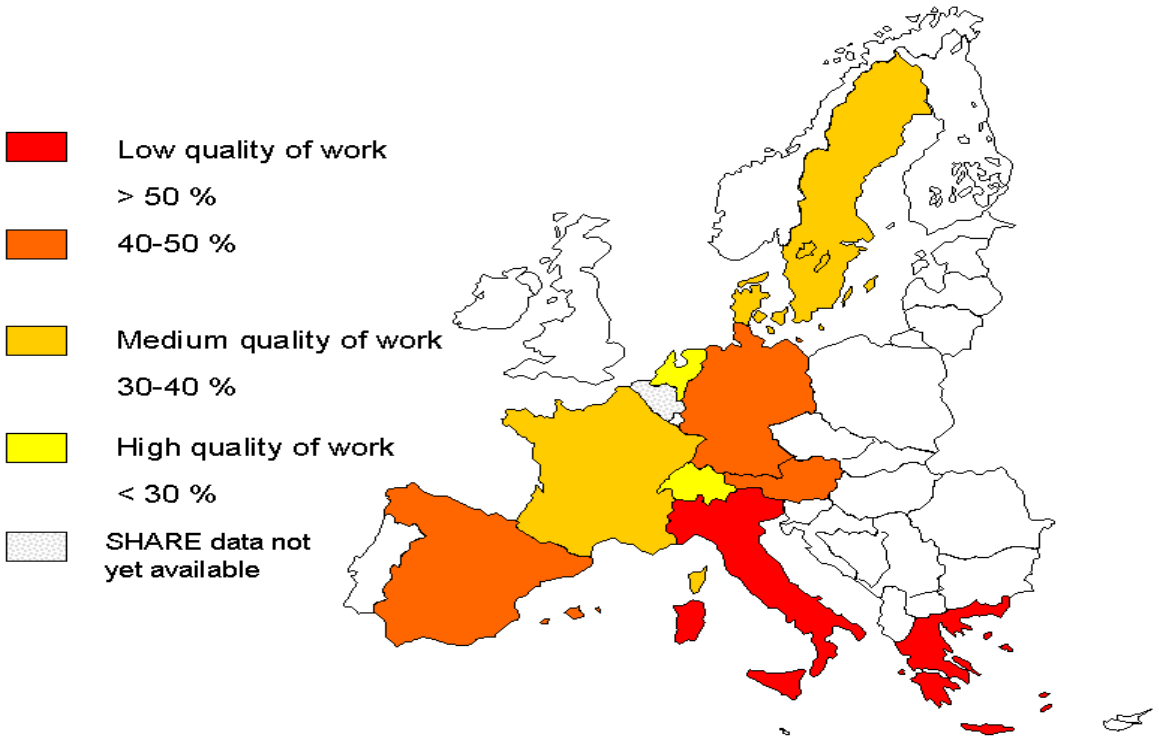


Copyright: SHARE-ERIC

Quality of work could be an explanation

Quality of work for workers 50+ (SHARE sample)

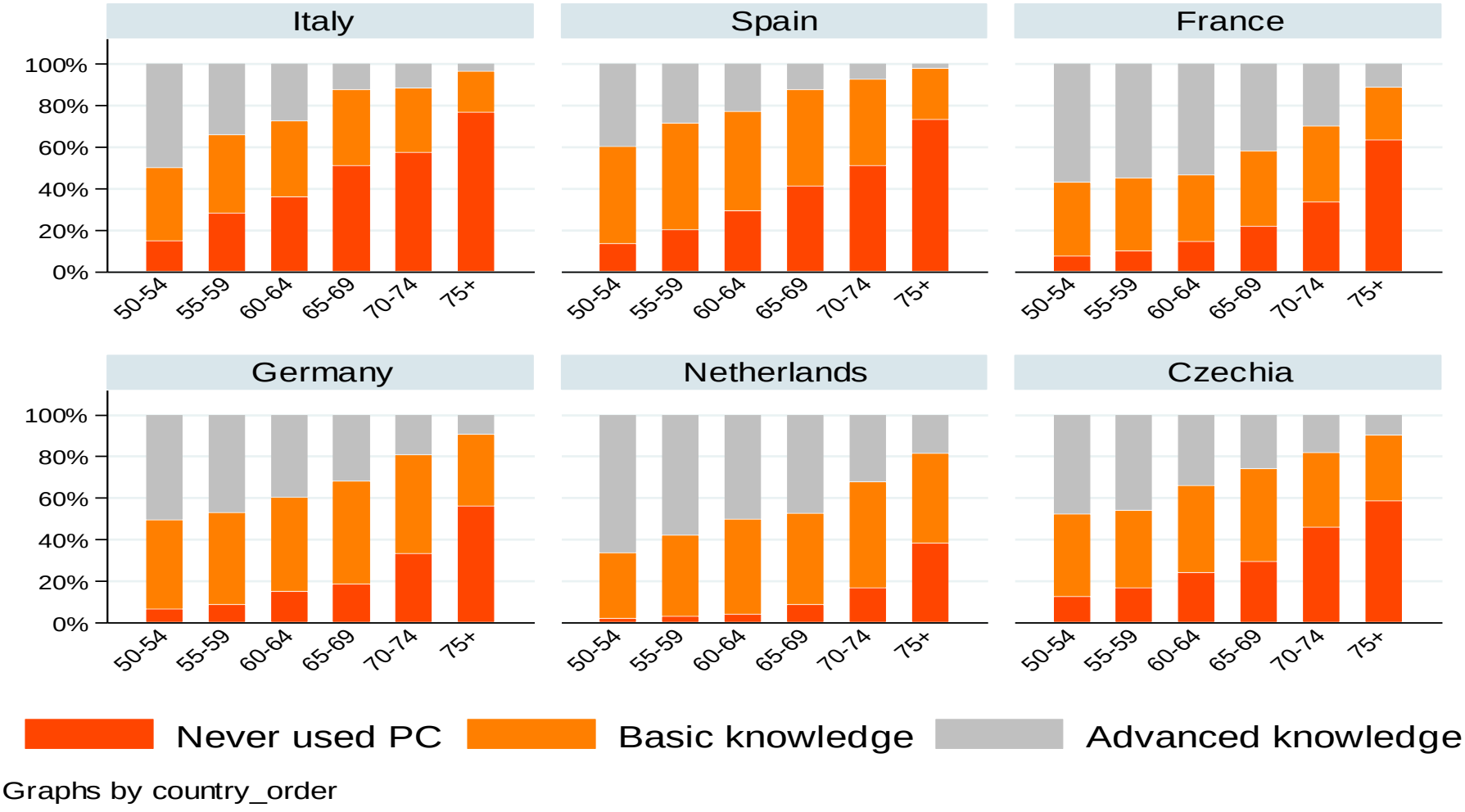
Percentage reporting low quality (effort>reward)



Copyright: SHARE-ERIC

Or reduced productivity:

computer abilities by age group, 2013



Copyright: SHARE-ERIC

Prima facie evidence on early retirement

- Institutional arrangements seem very relevant in explaining differences between countries (and across individuals) in labour supply and participation at older ages.
- Health “on its own” does not explain labour market decisions
- Job conditions (work quality) seem relevant as well
- Further research is needed of actual measures of productivity

Copyright: SHARE-ERIC

Use it for your own research!

- **www.share-project.org**
- Open access books
- Data, questionnaires. Documentation, summary results as well as all publications
- You can sign up for the biannual newsletter to stay updated
- …or just “like” and follow us @SHARE_MEA

Copyright: SHARE-ERIC