The GGP in Austria: State of knowledge, individual perception and women’s opportunities for action

Dr. in Ingrid Mairhuber (FORBA)
Overview

➢ Objectives of the qualitative study project
➢ Method and sample
➢ Selected findings presented:
  ▪ Pension insurance system/pension regulations
  ▪ Retirement age
  ▪ Own pension benefits
  ▪ Gender Gap in Pensions
  ▪ Possibilities for action
  ▪ Required support measures
Objectives

➢ Researching **women's knowledge of pension account credit regulations** and their **own pension entitlements**

➢ Understanding **different perceptions and interpretations** of the regulations and causes of the GGP by women

➢ Identifying **women's individual opportunities for action and their resources**

➢ Reviewing **the use of support measures** and working out **women's need for change**
Method and Sample

- Review of the Austrian statutory pension insurance regulations for the target group of women (focus on old-age pensions)
- Empirical research: qualitative in-depth interviews with 11 women and three focus groups with a total of 26 participating women
The interviewed women selected vary with regard to several characteristics:

- **Age:** between 30 und 55 years
- **Regions:** Vienna, Upper Austria, Lower Austria, Salzburg, Burgenland (urban areas and country side)
- **Formal education:** compulsory school, vocational training, secondary school, university
- **Marital/family status/children:** married/coupled, widowed, single, divorced, without or with children (from one up to four children)
- **Current working status/time:** blue and white collar workers, unemployed women; employed from 10 up to 40 hours per week
- Some women have a **migrant background**
Selected findings

➢ Pension insurance system/pension regulations (1)
  - Women are very interested in the topic – even if they have hardly/not dealt with it up to now
  - Major lack of information / great need for information
  - Information leaflets/brochures are not known
  - Dependence of old-age pension on employment or employment biography largely known
  - Regulations (e.g. credits for periods of unemployment, care for relatives etc.) are hardly or not known at all – not even credits for childcare periods
Selected findings

➢ Pension insurance system/pension regulations (2)
   ▪ Not knowing leads to:
     ✓ No trust in the pension insurance system – especially among younger women
     ✓ Older women also think that regulations are constantly changing
   ▪ The necessary thinking ahead to obtain a good pension benefit represents an excessive demand:
     ✓ Retirement is too far away – it is important to make ends meet now; to manage the reconciliation of paid and unpaid work now
     ✓ No trust – private pension insurance as a theoretical alternative
Selected findings

➢ Retirement age/effective retirement age

- Gradually increase in the statutory retirement age of women as of 2024 is known; but only a few women know their own exact retirement age

- Women want to remain on the labour market for a long/er time – depending on their state of health and available jobs – part-time retirement is an option

- (Older) women with health problems and unemployed women want to retire sooner – actuarial deductions are a problem
Selected findings

➢ Own pension benefits (1)
  ▪ “Shocked” by the initial account credit (Kontoerstgutschrift) – no (further) view of the own pension account
  ▪ Amount of own future pensions is estimated to be very low
  ▪ Economic dependence on the partner versus independence:
    ✓ Women who have (very) long career breaks due to bringing up children or caring for relatives
    ✓ Women for whom financial independence is also very important at an old age
Selected findings

➢ Own pension benefit (2)

- Sufficient pension benefit: replacement rate would have to be between 75% – 100% of the previous income

- To own an apartment/house (financial situation of parents) can play a certain role in decision making – offers security in old age; enables reductions in working hours and (longer) career breaks
Selected findings

➢ Gender Gap in Pensions (1)

▪ Is seen by all women as a great injustice

▪ Gender pay gap and gendered division of labour are identified as main causes

▪ Voluntary splitting of pension credits:
  ✓ Rather sceptical: "Which man does this voluntarily?"
  ✓ No social compensation for unpaid care work
  ✓ Women want financial independence
  ✓ The care work of women with high-income partners has a greater value than that of women with low-income partners
Selected findings

➢ Gender Gap in Pensions (2)

- **Obligatory splitting of pension credits** *(proposed amendment)*:
  - Partial approval/wanted, but also rejection (see also arguments against voluntary splitting)
  - Possibly interesting for **women who separate from their partner while children are still young**
Selected findings

➢ Gender Gap in Pensions (3)

- **Private pension insurance** not affordable – this also applies to the possible purchase of periods of school or higher education

- **Possibility of supplementary insurance** (*Höherversicherung*) within the state pension insurance not known – **meets with great interest** – but women must also be able to afford it
Selected findings

➢ Possibilities for action (1)

▪ **Women’s opportunities** to increase their participation in the labour market – partly seen, but also **very limited**:

✓ Jobs for older women not available, "too old for the labour market"

✓ **Problem of reconciliation**: lack of childcare facilities, available fathers, qualified part-time jobs with higher number of working hours

✓ Women **don’t want/are able to work 40 hours in their old age** – they (have to) take care of their health

✓ **In some sectors** (e.g.: long-term care, childcare sector) 40 hours – especially in old age – **are hardly or not feasible**
Selected findings

➢ Possibilities for action (2)

- Continuous employment careers (for young people) are increasingly difficult and also no longer desired (keywords: flexibility/mobility)

- Possibilities for action are also limited by the fact that (especially for young women) own retirement is still (too) far away – it is important to make ends meet now/to manage reconciliation now
Selected findings

➢ Required support measure (1)

▪ Compensation in pension insurance for gendered division of labour (by almost all interviewees) wanted:

✓ Higher contributory/assessment basis for childcare periods

✓ More credits for periods of long-term care

✓ Partial credits for (a certain number of) years of part-time employment due to childcare (e.g. part-time work for parents)
Selected findings

- **Required support measure (2)**
  - Individual equalization supplement irrespective of marital status
  - Improving the framework conditions for reconciliation – affordable, high-quality childcare facilities – more staff required (also in the long-term care sector)
  - **30 hour week for both parents** – could be helpful
  - **Partners/fathers** should (be able to) take over their share of unpaid care work
Selected findings

➢ Required support measure (3)

- **Reducing the gender pay gap** – Equal pay for work of equal value (demanded by all interviewees)
- **Qualified part-time jobs** with a higher number of working hours – also in the countryside (!) – should/must be offered
- Companies must/should also employ older women – age-appropriate jobs are necessary
TRAPEZ
Transparente Pensionszukunft
Sicherung der ökonomischen Unabhängigkeit von Frauen im Alter

= Bundeskanzleramt
  Bundesministerin für Frauen, Familien und Jugend

= Bundesministerium
  Arbeit, Soziales, Gesundheit und Konsumentenschutz

FORBA  WIFO  EU