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ABSTRACT

The work patterns of women with some work experience over the 1976 to 1989 period were examined as they approach retirement, using data from the Mature Women's cohort of the National Longitudinal Surveys. The data provided information on a sample of women who were between the ages of 30 and 45 in 1967 and who have been interviewed regularly since then. The analysis focused on the years 1967-89, during which the women changed from ages 39-54 to 52-67. The study found that married women reduce their annual weeks worked and hours worked per week at a slower rate than single women in their working years, and at a much slower rate than married men. Although there is a positive correlation in the changes in hours worked per week between spouses as they near retirement, the relationship is not strong. The differences between married and single women and between married women and men may be a result of the probability that both single women and men are more likely to have full-time career jobs and thus build up more retirement benefits than do married women, who are more likely to have part-time, noncareer jobs. (KC)

Work and Family: Work Patterns of Women Near Retirement

Data from the National Longitudinal Surveys

U.S. Department of Labor
Bureau of Labor Statistics

Report 830
October 1992

This issue of *Work and Family* examines the work patterns of women with some work experience over the 1976 to 1989 period as they approach retirement. Married women reduce their annual weeks worked and hours worked per week at a slower rate than single women in their later working years, and at a much slower rate than married men. While there is a positive correlation in the changes in hours worked per week between spouses as they near retirement, the relationship is not strong. The correlation between spouses in changes in annual weeks worked is even smaller.

Overview

The percent of women in the labor force has grown substantially over the past 40 years, increasing from 34 percent in 1950 to nearly 58 percent in 1991. As a consequence of this growth in labor market activity among women, a large number will be facing retirement in the near future. For instance, the number of working women approaching retirement age (55 years and older) increased from 5 million in 1968 to 6.2 million in 1989.

While the retirement behavior of women is becoming an increasingly important issue, little is known about their retirement decisions. In contrast, numerous studies have examined the retirement behavior of men.[1] Due to lack of data, there has also been little investigation into the joint retirement decisions of husbands and wives.[2]

This report examines the labor market activity of older married women using data from the Mature Women's cohort of the National Longitudinal Surveys (NLS). The survey provides the first adequate data for analyzing women's retirement behavior. The data provide information on a sample of women who were between the ages of 30 and 45 in 1967 and have been interviewed regularly since then. The analysis focuses on the years 1967-89, a period in which the age range of these women changed from 39-54 to 52-67. This time span and these age ranges provide an opportunity to capture the transition from work to retirement among women. Interviews were not conducted and data, therefore, are not available for the years 1978, 1980, 1983, 1985, and 1987. Respondents who did not work at all between 1976 and 1989 are excluded from the analysis, so that only the retirement decisions of women with some work experience over this period are considered.[3]

Two questions concerning the work patterns of these women as they approach retirement are addressed. First, are there significant differences in the work trends of older married women and older single women? Second, what is the relationship between the labor market activity of wives and husbands in their later years?

Married women and single women

Due to family situations, married women often exhibit different labor market behavior than single women. For instance, married women sometimes choose jobs with more flexibility, work fewer work hours, and undergo more career interruptions due to family responsibilities. In addition, middle aged married women must take into account the retirement decisions of their husbands, which are of particular importance because men usually have longer working careers and have more pension income than women. Hence, married women and single women might be expected to differ in their labor market activity in their later working years.

Chart 1 presents the patterns of average weeks worked per year of two subgroups of women: Those who were continuously married from 1976 to 1989 and those who were continuously unmarried (single) over the same period.[4] The data indicate that single women work more weeks per year than married women.

[1] For instance, see Peter Diamond and Jerry Hausman, "Individual Retirement and Savings Behavior," *Journal of Public Economics*, Vol. 23, 1984, pp. 81-114; Alan Gustman and Thomas Steinmeier, "A Structural Retirement Model," *Econometrica*, Vol. 54, No. 3, pp. 555-84.

[2] An exception is Michael Hurd, "The Joint Retirement Decision of Husbands and Wives," in David A. Wise, ed., *Issues in the Economics of Aging*, Chicago: University of Chicago Press, 1990, pp. 231-54.

[3] About 81 percent of the women had some work experience over the period.

[4] Continuously unmarried women include those who were never married and those who married and divorced prior to 1976.

The average weeks worked per year decline for all women as they age. Yet, the rate of decline is greater for single women than for married women, so that the difference in average weeks of work diminishes over time. In 1976, single women averaged about 9 more weeks of work per year than married women. In 1989, the difference had dropped to 6 weeks. This higher rate of decline in average weeks worked for single women may be because they have worked more, have greater tenure with any given firm, and are more likely to have pensions which induce an earlier retirement.

Chart 2 displays the average hours worked per week of continuously married and continuously single women. As with weeks worked per year, single women average more work hours per week than married women. Here again, the averages decline over time for both groups. While the average hours worked per week exhibit more variability than weeks worked per year, the differences between married and single women in average hours worked are similar to the differences in average weeks worked. In 1976, single women averaged nearly 9 hours of work per week more than married women. By 1989, this difference had diminished to about 6 hours per week. Hence, for both annual weeks of work and hours worked per week, single women on average reduced their work at a greater rate than that of married women.

Wives and husbands

Studies of family labor market behavior generally find that the work patterns of husbands and wives are jointly determined. That is, the hours and earnings of a husband affect the hours and earnings of a wife, and vice versa. Consequently, the labor supply of spouses might be expected to be interrelated as they approach retirement.

Chart 3 shows the average annual weeks worked for continuously married women with some work experience over the 1976-89 period and the average weeks worked of their husbands. While the average weeks worked of both decline with age, it is clear that the rate of decline for husbands is much greater than that for wives. Husbands worked on average, about 16 fewer weeks in 1989 than in 1976—48 weeks compared to 32 weeks. For wives the decline was about 6 weeks (see above). Part of this difference is because married men were on average 3 years older than married women, so that most of the husbands were closer to retirement than their wives. This difference may also be due to differences in the types of jobs held by men and women. Husbands more often had career jobs with formal retirement plans, whereas married women often had noncareer jobs with less formal retirement rules. Also, most married men work longer than married women. Both factors led to more dramatic reductions in weeks worked for men as they face retirement.

Chart 4 displays the average hours per week for continuously married women and their husbands. Average hours, as do average weeks, decline at a much greater rate for men than for women. The decline for men was about 14 hours, as hours dropped from an average of 43 in 1976 to an average of 29 in 1989. Hence, for both annual weeks and hours per week, married men on average curtailed their labor participation at a faster rate than their wives.

While both average weeks and hours per week worked provide information about wives and husbands at the aggregate level, the data also allow for direct comparison between weeks worked and hours worked of spouses. Table 1 lists the correlation coefficients between husbands and wives for changes in annual weeks worked and changes in hours per week worked over the 1976-89 time frame. The correlations provide a measure of the extent to which husbands and wives jointly change their labor supply. A correlation of -1 would indicate a perfectly negative relationship between two variables, and a correlation of 1 would indicate a perfectly positive relationship. Correlations close to zero indicate that virtually no relationship exists.

Table 1. Correlation coefficients of change in annual weeks worked and hours per week worked for husbands and wives.

Year	*Weeks worked*	*Hours per week*
1977	.04	.04
1979	.03	-.01
1981	[1].06	.00
1982	.03	.04
1984	[1].12	[1].07
1986	[1].14	[1].06
1987	.02	[1].08
1989	.04	[1].06

[1] Indicates that coefficient is statistically significant at the 90 percent confidence level.

Source: National Longitudinal Survey of Mature Women

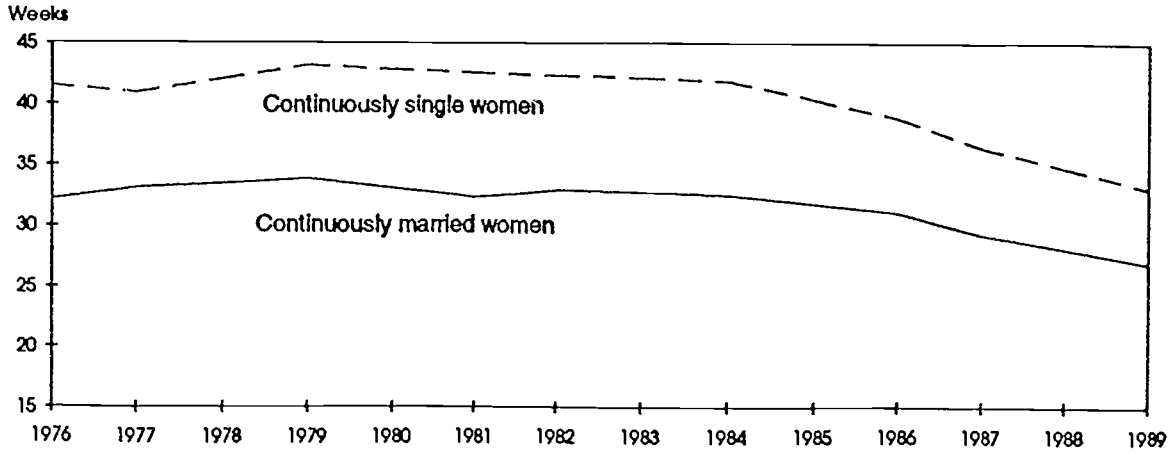
For the change in annual weeks worked, the correlations are all positive.[5] The correlation coefficients are statistically significant in only 3 of the 8 years, however. In addition, when the coefficients are significant, they are small, and there appears to be no pattern to them. Consequently, there is only a very weak relationship between the weeks worked of older married husbands and wives.

For the change in hours worked per week, there is no significant correlation in the first few years. Yet, there is a statistically significant positive correlation in each of the years from 1984-89, but the correlations are relatively small, ranging from .06 to .08. Hence, the data provide some evidence of joint decision making among older married spouses in hours worked per week, although this relationship is fairly unpronounced.[6]

[5] The correlation in earnings between spouses is very similar to that of weeks worked.

[6] Correlations between husbands and wives in annual weeks and hours worked per week, controlling for the spouses' age differences and the number of dependents in the household, do not reveal any significant patterns which would provide additional insight to this finding.

Chart 1. Average annual weeks worked by married and single women, 1976-89 (women age 39-54 in 1976 with some work experience over the time period)



SOURCE: National Longitudinal Survey of Mature Women

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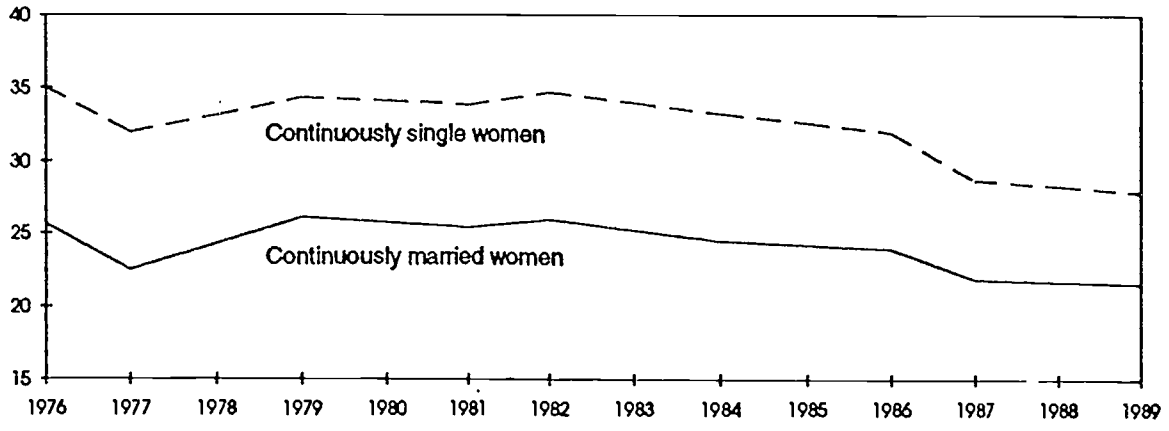
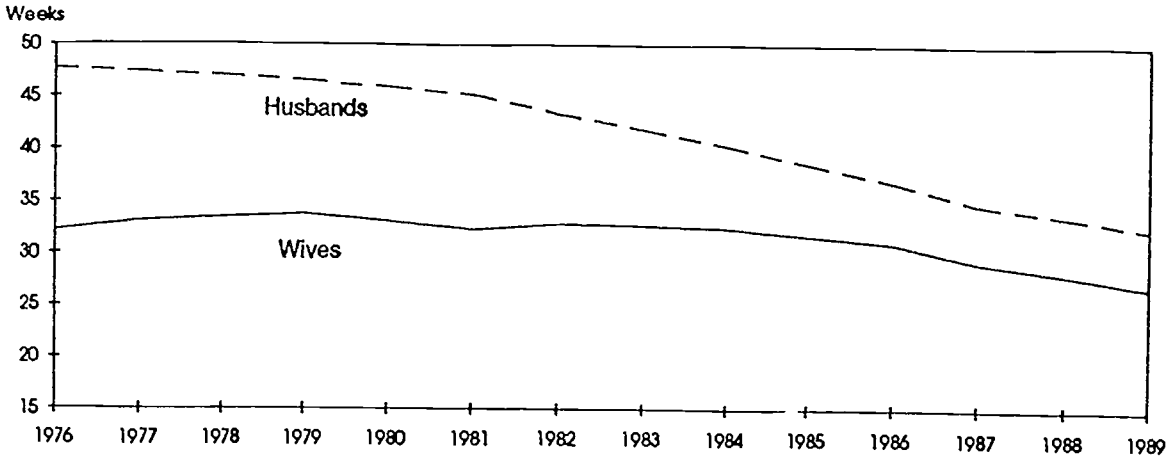


SOURCE: National Longitudinal Survey of Mature Women

Chart 3. Average annual weeks worked by wives and husbands, 1976-89 (women age 39-54 in 1976 with some work experience over the time period)



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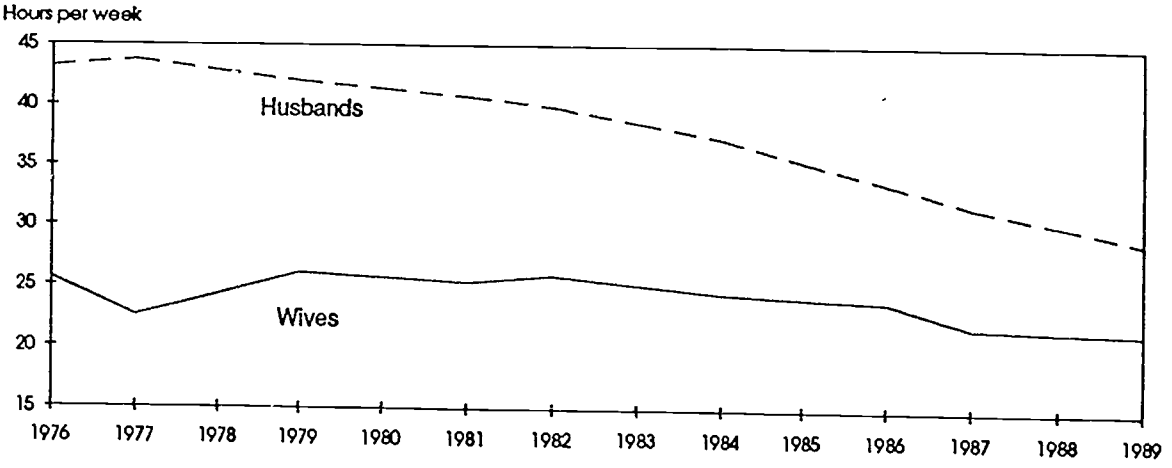

SOURCE: National Longitudinal Survey of Mature Women

Technical Note

Data in this report are from the National Longitudinal Surveys (NLS), which are sponsored by the Bureau of Labor Statistics (BLS). The Bureau contracts with the Center For Human Resource Research of The Ohio State University to manage the surveys and provide user services. The NLS were begun in the mid-1960's with the drawing of four samples: Young Men who were 14-24 years old as of January 1, 1966, Young Women who were 14-24 years old as of January 1, 1968, Older Men who were 45-59 years old as of January 1, 1966, and Mature Women who were 30-44 years old as of January 1, 1967. Each sample originally had about 5,000 individuals with oversamples of blacks. In the early 1980's, the Young Men and Older Men surveys were discontinued. The two women's surveys continue and are currently collected every 2 years. The data collection is undertaken for BLS by the Bureau of the Census.

In 1979, a new cohort was begun with a sample of over 12,000 young men and women who were 14-21 years of age as of January 1, 1979. It includes oversamples of blacks, Hispanics, economically disadvantaged whites, and youth in the military. The military oversample was discontinued after the 1984 survey, and the economically disadvantaged white oversample was discontinued after the 1990 survey. This survey is called the Youth cohort, and the cohort members have been interviewed every year since it began. The data collection for the Youth cohort is undertaken by NORC, a social science research center affiliated with the University of Chicago.

The data in this report are weighted so that the sample is representative of the age group studied. The sample includes those individuals who were respondents in 1989, and the 1989 sample weight is used. Also, individuals in which hours worked per week or weeks per year were zero for the entire 13-year period were excluded from the analysis. Because annual weeks worked are not provided in certain years, in 1977, 1982, 1987, and 1989 they were calculated by dividing the number of weeks worked since the last survey by the total number of weeks in that period, and then multiplying by 52. Also, hours worked per week for wives in 1977, 1982, 1987, and 1989 are the sum of hours worked for the current employer and those worked in self-employment. For all the other years the original question included both groups. Information about husbands is collected from their wives, who are the actual sample members. Measurement error may be introduced due to the problems of proxy response.

All inferences that are discussed in the text are statistically significant at the 90-percent confidence level. Due to sampling variability, small differences between estimates that are not discussed in the text should be interpreted with caution. For a detailed explanation of the NLS, see *NLS Handbook 1992* (Center for Human Resource Research, The Ohio State University). For information about the NLS. or to be placed on a mailing list for this publication, write to National Longitudinal Surveys, Bureau of Labor Statistics, Office of Research and Evaluation, 2 Massachusetts Ave., NE, Room 4915, Washington, DC 20212-0001, or call (202) 606-7405.

Information in this report will be made available to sensory impaired individuals upon request. Voice phone: (202) 606-STAT; TDD phone: (202) 606-5897; TDD Message Referral phone: 1-800-326-2577.

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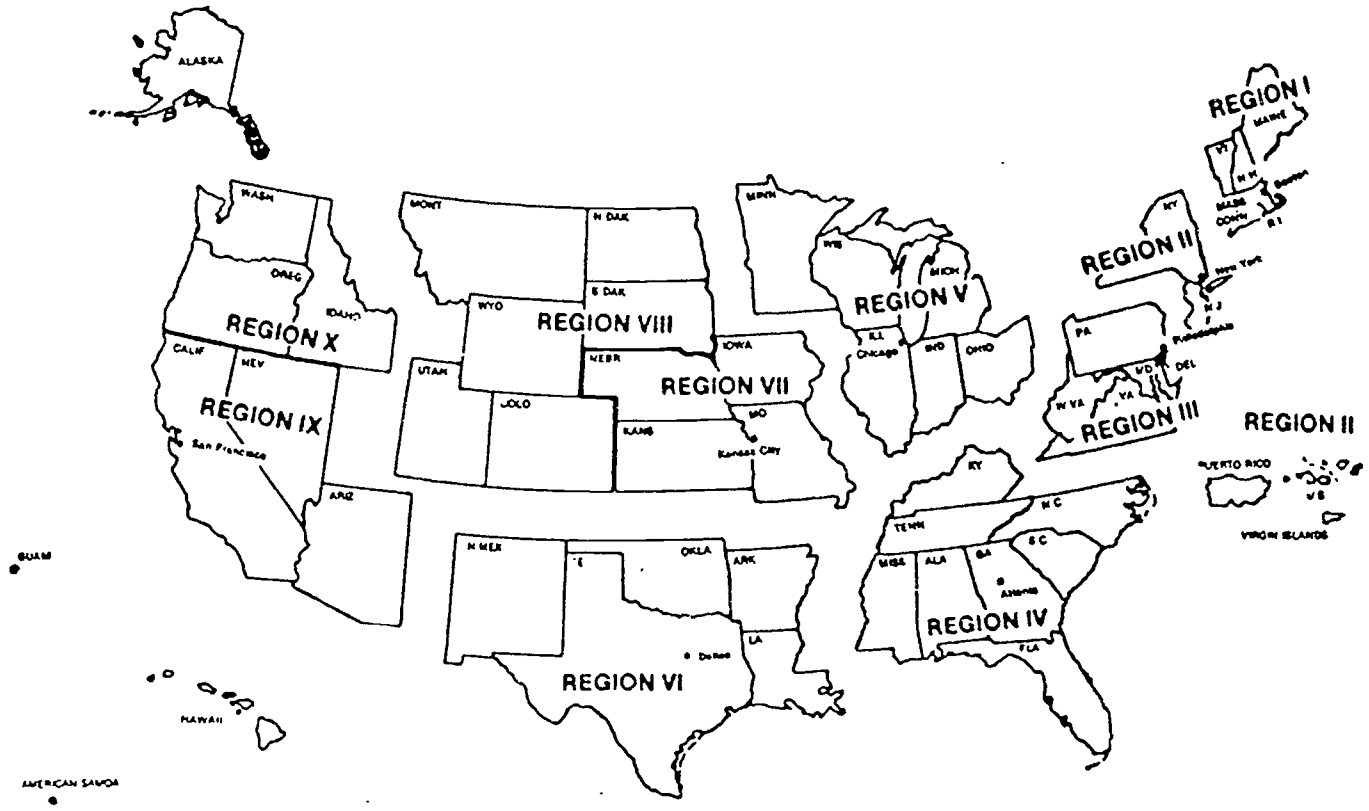

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