

Employment rates of older workers and gender gaps

Key Results

Employment rates fall with age in all OECD countries, often sharply. For individuals aged 55 to 59, the average employment rate across all OECD countries was 74.6% in 2022, 53.8% for the 60-64 age group and 24.5% for those aged 65-69. Although employment rates of older workers fell initially during COVID-19, between 2019 and 2020, they had recovered to at least 2019 values on average by 2021 and increased again in 2022. Employment rates for men are higher than for women among older workers in all but four OECD countries, Estonia, Finland, Latvia and Lithuania, averaging 14 percentage points across all countries. Resulting gender gaps in pensions range from 3% in Slovenia to 47% in Japan, with an OECD average of 24%, with men receiving higher levels in all countries.

There are large cross-country variations in the employment rates of people aged 55 to 69. In 2022, Czechia had the highest rates for those aged 55 to 59, at 88.6%, Iceland is highest for individuals aged 60-64 at 79.7% and 50.9% is the highest for those aged 65 to 69, in Japan. By contrast, the lowest employment rates were found in Türkiye where employment rates for people aged 55 to 59 were only around 40%, more than 20 percentage points lower than any other OECD country. At ages 60-64 and 65-69 Luxembourg recorded the lowest employment rates in 2022, with 23.4% and 6.6% respectively.

Employment rates across all ages fell between 2019 and 2020 with the onset of COVID-19 lockdowns, declining by 0.7 percentage points for those aged 55-59, 0.3 percentage points for those aged 60-64 and 0.9 percentage points for the 65-69 age group. However, they recovered quickly and were again above the 2019 values by 2021 and increased more rapidly between 2021 and 2022, by 1.7 percentage points, 2.1 percentage points and 1.2 percentage points for the three age groups in order.

On average across the OECD the employment rate falls with age, from 74.6% for those aged 55 to 59, to 53.8% for those aged 60 to 64 and 24.5% for those aged 65 to 69. Amongst those aged 60 to 64 the employment rate is over 70% in Iceland, Japan and New Zealand. However, it is under 35% in Austria, Luxembourg, Slovenia and Türkiye, all countries with low normal retirement ages. The employment rate is also lower than 42% in Belgium, France, Greece, Italy and Poland.

The employment rates fall sharply, by over 40 percentage points, i.e. twice the OECD average, in Austria, France, Luxembourg and Slovenia when comparing those aged 55 to 59 and those aged 60 to 64. By contrast the fall is by less than 10 percentage points in Iceland, Japan, New Zealand and Norway.

Employment rates for women are lower than that for men in all countries for the 25 to 54 age group with only Estonia, Finland, Latvia and Lithuania reversing this pattern for the older 55 to 64 age group. For older workers (55-64) the OECD average gender gap is 14 percentage points, slightly higher than for the prime age group at 11 percentage points. The largest gender gaps for older workers are found in Chile, Colombia, Costa Rica, Mexico and Türkiye, all of which are above 30 percentage points.

High employment differences between men and women over time lead to large differences in pension entitlements, especially as employment gender gaps have historically been even wider. Across the 34 OECD countries where data

are available pension payments for women are 24% lower than those for men. The level is 40% or larger in Japan and Mexico. By contrast the gap is below 10% in Denmark, Estonia, Iceland, the Slovak Republic and Slovenia.

All the OECD countries in the Americas, with the slight exception of Costa Rica, have higher than average employment rates for the 65 to 69 age group but they are all, including Costa Rica, below the OECD average for the two younger age groups apart from those aged 60-64 in the United States. In Australia, Israel, Japan, Korea and New Zealand the employment rates are above the OECD for each age group, though there is no data for the 65-69 age group in Australia. By contrast, the employment rates are below the OECD average for all age groups considered in Belgium, Greece, Italy, Luxembourg, Poland, Spain and Türkiye.

Definition and measurement

Employment rates are calculated as the ratio of the employed to the total population in the respective age group. Employed people are those (aged 15 or over) who report that they have worked in gainful employment for at least one hour in the previous week or who had a job but were absent from work during the reference week. A gap in retirement income, i.e. a gender pension gap, is the difference between the average retirement income of men and women in the latest year available. It is expressed as a percentage of men's average pension and is calculated over the population of pension beneficiaries aged 65+ for comparability purposes across countries.

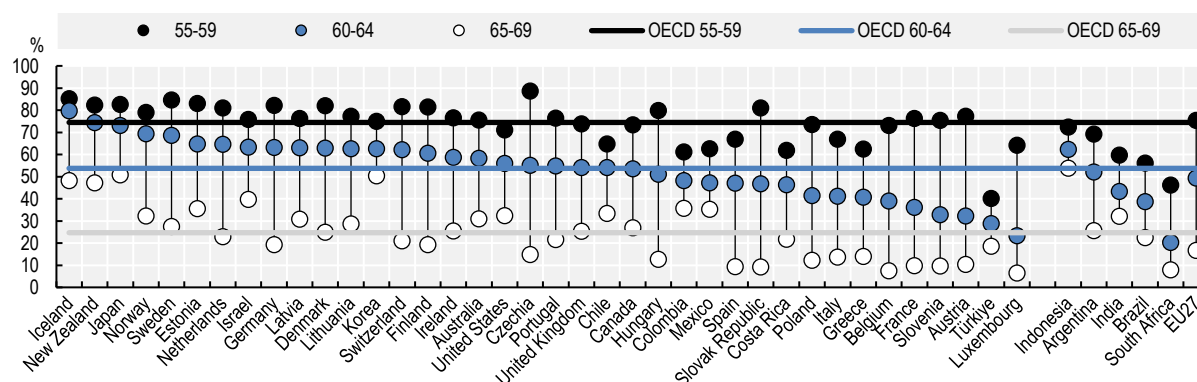
Further reading

Lis, M. and B. Bonthuis (2019), "Drivers of the Gender Gap in Pensions: Evidence from EU-SILC and the OECD Pension Models", in *Progress and Challenges of Nonfinancial Defined Contribution Pension Schemes: Volume 2. Addressing Gender, Administration, and Communication*, The World Bank, https://doi.org/10.1596/978-1-4648-1455-6_ch18.

OECD (2023), *Joining Forces for Gender Equality: What is Holding us Back?*, OECD Publishing, Paris, <https://doi.org/10.1787/67d48024-en>.

OECD (2021), *Towards Improved Retirement Savings Outcomes for Women*, OECD Publishing, Paris, <https://doi.org/10.1787/f7b48808-en>.

Figure 6.7. Employment rates of workers aged 55-59, 60-64 and 65-69 in 2022



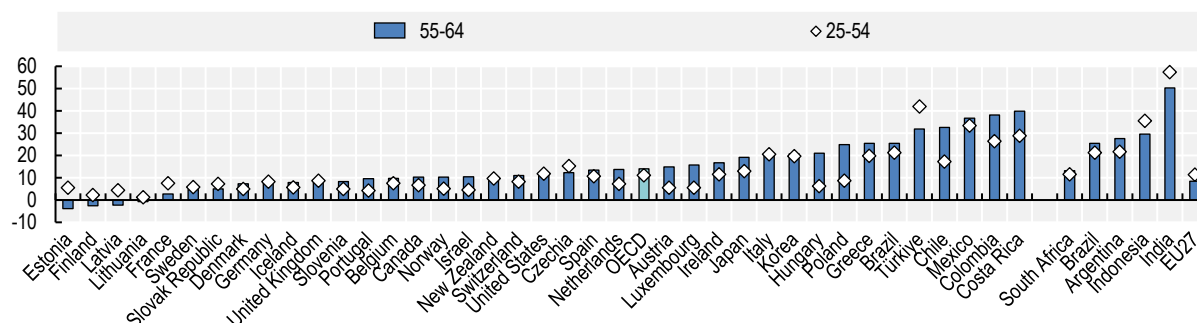
Note: Data for Argentina and Indonesia refer to year 2021 and 2019 respectively.

Source: OECD database Labour Market Statistics by sex and age: employment-population ratio.

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Figure 6.8. Gender gap in employment rates by age group, 2022

Percentage-point difference (male – female)



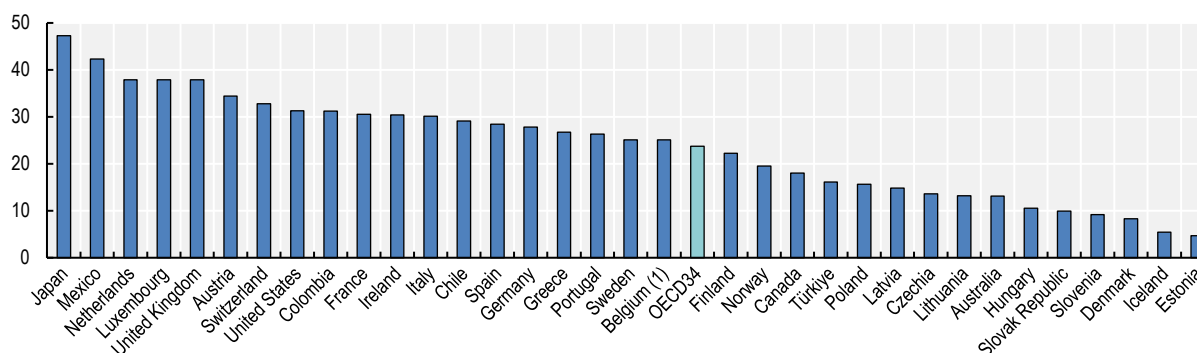
Note: Data for Argentina and Indonesia refer to 2021 and 2019 respectively.

Source: OECD database Labour Market Statistics by sex and age: employment-population ratio.

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Figure 6.9. Gender gap in pensions in selected OECD countries, latest year available

Relative difference between men and women aged 65+ as a percentage of male pension (among pension beneficiaries)



Note: The gender gap in pensions is calculated as the difference between the mean retirement income of men and women (aged 65+) over the mean retirement income of men (aged 65+), among pension beneficiaries. Data are at 2022 for all EU member countries; 2021 for Switzerland, Türkiye and the United States; 2020 for Canada, Colombia, Japan, Norway and the United Kingdom; 2018 for Australia and Iceland. (1) In Belgium when partner A's pension rights are less than 25% of those of partner B, the pension of A is not paid out and B receives a family pension (calculated at 75% of wages instead of 60%).

Source: OECD calculations based on the LIS and the HFCS; Eurostat (for the EU-SILC); OECD (2021), Towards Improved Retirement Savings Outcomes for Women, <https://dx.doi.org/10.1787/f7b48808-en>.

StatLink <https://stat.link/e13h5q>



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