

### Key Results

The expected life years after labour market exit indicator measures the remaining life expectancy at the age of average labour market exit by gender. In 2018, the OECD average was 22.5 years for women and 17.8 years for men. France had the highest expected duration, equal to 26.9 years for women and 22.7 years for men. The lowest remaining life expectancy equalled 12.9 years for men in Mexico and 16.3 years for women in Korea. The average number of expected life years after labour market exit across OECD countries has increased over time. In 1970, women and men in the OECD countries spent on average 14.5 and 10.5 years of their life after labour market exit, respectively. By 2018, this had increased to 22.5 years for women and 17.8 years for men.

This indicator measures the remaining life expectancy at the average age of labour market exit. Women can expect to live 25 years or more after exiting the labour market in Austria, Belgium, France, Greece, Italy, Luxembourg and Spain (Figure 6.11, Panel B). Similarly, men can expect to survive more than 20 years after labour market exit in Belgium, France, Greece, Italy, Luxembourg and Spain (Figure 6.11, Panel A). Women's remaining life expectancy at the average age of labour market exit was below 20 years in Chile, Korea, Latvia, Mexico, Turkey and the United States, and men's was below 15 years in Chile, Korea, Latvia and Mexico.

Men typically can expect to live 4.7 years less than women after labour market exit on average in the OECD (Figure 6.11). In Hungary, Lithuania, Poland and Slovenia the gender gap was six years or more. Longer periods after labour market exit expose women to old-age income poverty (cf. Chapter 7), as in some countries price indexation magnifies the impact of gender pay gaps, observed in all OECD countries, on pension benefits and of longer life expectancies.

The average length of life after labour market exit has increased over time. In 1970 men in the OECD countries spent on average 10.5 years after their exit from the labour market while by 2018 they could expect a duration of 17.8 years (Figure 6.12, Panel B). Women's life expectancy at

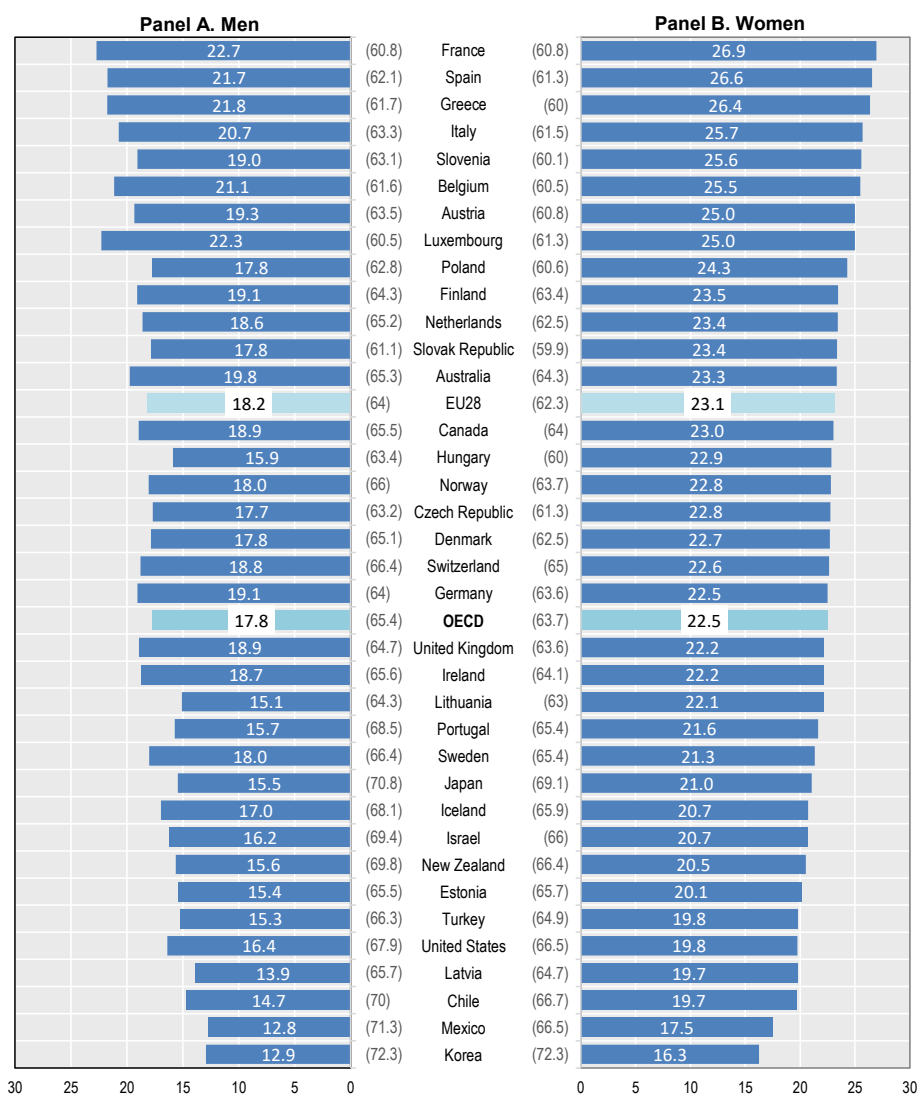
labour market exit equalled 14.5 years on average in the OECD in 1970, which increased to 22.5 years in 2018 (Figure 6.12, Panel A). The increase in the expected lifetime after labour market exit from 1970 to around 2000 is due to both a drop in the effective exit age from the labour force and increased longevity. Since then, expected life years after exit from the labour market have rather stabilised as continuing life expectancy gains in old age have been offset by increases in labour market exit ages.

### Definition and measurement

Expected life years after labour market exit for women and men is measured as the respective remaining life expectancy at the average age of effective labour market exit. Estimates of remaining life expectancy are calculated based on the UN World Population Prospects - The 2019 Revision dataset.

The average effective age of labour market exit is defined as the average age of exit from the labour force for workers aged 40 and over. In order to abstract from compositional effects in the age structure of the population, labour force withdrawals are estimated using changes in labour force participation rates rather than labour force levels. These changes are calculated for each (synthetic) cohort divided into five-year age groups.

Figure 6.11. Remaining life expectancy at labour market exit, by gender in 2018

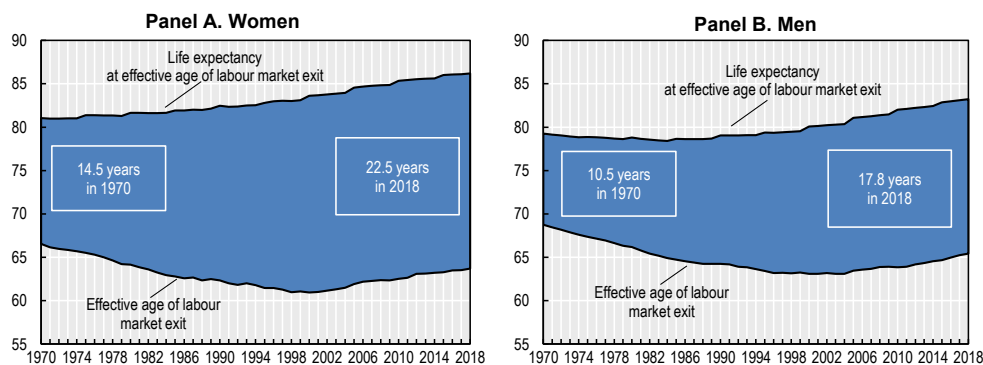


Note: Numbers in parenthesis indicate the average effective age of labour market exit in 2018 by gender. Life expectancy at labour market exit is based on period-specific mortality rates.

Source: OECD calculations based on United Nations Population Prospects: 2019 Revision, exit ages: see previous section.

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Figure 6.12. Expected life years after labour market exit, OECD average 1970-2018



Note: Life expectancy at labour market exit is based on period-specific mortality rates.

Source: OECD calculations based on United Nations Population Prospects: 2019 Revision, exit ages: see previous section.

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