

A Study on the Economic Preparation of Retired Women's Old Life

Ahn Na Lim

Associate Professor, Glocal Education Center Kwangwoon University, Seoul, Korea
E-mail: lan22@kw.ac.kr

Abstract

This study was conducted on 878 retired women in their 50s and 60s across the country using the 7th data from the National Pension Service's KReiS. We used SPSS WIN 18.0, and the analysis results are as follows. First, there were many highly educated people in their 50s or older and those in their 60s and undereducated. Second, families in their 50s had the largest number of members with more than three, while households in their 60s had the largest number of two. Third, both age groups chose themselves and their spouses as responsibilities for preparing for retirement. In addition, more people in their 60s chose the government as their responsibility for preparing for retirement than in their 50s. Both people in their 50s and 60s say they are "not prepared" to prepare for retirement expenses, raising concerns about elderly poverty. Fourth, economic strength, health, and medical care were important for retirement in both age groups as part of their preparations for retirement, and they chose economic strength, health, medical care and job as the things to do in society. Fifth, both people in their 50s and 60s have very low public and private pension subscription rates, requiring special attention from the government and society to their old age. Judging from the above results, both women in their 50s and 60s have retired, but preparations for retirement are very insufficient. Therefore, the government and society need to strengthen the public pension system and create jobs for the elderly.

Keywords: *Retired woman, Preparing for old age, Middle aged, Adult, KReiS*

1. Introduction

The study involved retired middle-aged women in their 50s and 60s. This is because women in their 50s and 60s are the first generation to deal with 'retirement' as a general social phenomenon and the generation has seen stable jobs enough to discuss 'retirement' [1]. In this study, as defined in the KReiS not only are they no longer engaged in work and income activities for a living but they are no longer looking for such jobs and are not willing to seek them at all. Retirement is also a time to step down from economic activity, which used to be a big part of life, and play a new role. The dictionary meaning of retirement means stepping down from office or staying away from social activities. Retirement is an important event that marks the turning point in

the life cycle, and is a milestone in the beginning of old age and a gateway to moving into old age. In the late 1970s and 1980s, when women in their 50s and 60s began to get a job, women took it for granted that they should stick to their family life as housewives after marriage. In addition, marriage, childbirth, and family care affected women's professional activities because married women were required to take a priority attitude toward their families even if they were engaged in economic activities. In the labor market, women already experience the difference in income before retirement due to job choices and wage discrimination that have high incomes even if the level of education is the same as men. The public pension system is based on pay in the labor market, and pre-retirement income is bound to affect post-retirement living arrangements [2]. Who analyzed the 6th data of the National Elderly Security Panel Survey reports that the subscription rate of public pensions in middle-aged people is very low [3]. However, since employed women have more independent economic power than non-employed women, they are better prepared to live in retirement [4], because women are highly prepared, there are studies that show that they are good at preparing for economic retirement if they have a spouse [5]. Due to the rapidly aging population, our society is underprepared for this. Moreover, in Korea, where the social security system is insufficient, personal retirement preparation is urgently needed, and if there is a lack of preparation for it, it will be difficult to expect a stable retirement life. Life after retirement, when you have to spend a long old age in a state of debilitating mind and body, can be economically challenging [6]. Now that family care, the traditional function of the family, has been weakened due to the nuclear familization and the increase in women's advancement into society, it is necessary to prepare for retirement on its own. According to the 2019 Household Financial Welfare Survey, the poverty rate of the elderly in terms of market income is 59%. In 2020, the net assets of the male elderly were KRW 414.54 million, while the net assets of the female elderly were only KRW 193.73 million [7]. The poverty rate of female senior citizens is 5-6% higher than that of male senior citizens, and the poverty share is about 65%, accounting for two-thirds of the total elderly poverty among female senior citizens [8]. According to the 2019 life table, the life expectancy of men is 80.3 years and that of women is 86.3 years [7], with the average difference between men and women being six years. As such, preparations for women's retirement life are more important in that women have to spend longer retirement than men. In this context, this study aims to provide the basis for women's policies in old age by examining the level of awareness and preparation of retirement women.

2. Results

Figure 1 shows a total of 878 people were analyzed, with 290 (33%) in their 50s and 588 (67%) in their 60s, and cross-analysis was conducted based on age. First of all, according to a cross-analysis of age and education level, 25 elementary school graduates (9%), 46 middle school graduates (16%), 168 high school graduates (58%) and 51 (17%) graduated from college or higher. In the 60s, 244 (41%) graduated from elementary school, 162 (28%) graduated from middle school, 157 (27%) graduated from high school, and 25 (4%) graduated from university or higher

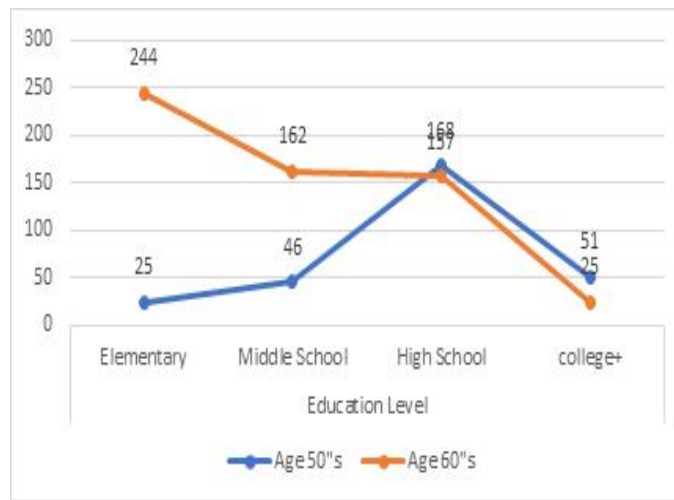


Figure 1. Age*Education Level

Figure 2 shows many people in their 50s graduated from high school or higher, while those in their 60s graduated from middle school or lower, showed high educational background in their 50s. Those in their 50s had 269 spouses (93 percent) and 21 (7 percent) without spouses. 425 (72%) said they had spouses in their 60s, and 163 (28%) said they had no spouses (Figure 2). Many people in their 50s had spouses.

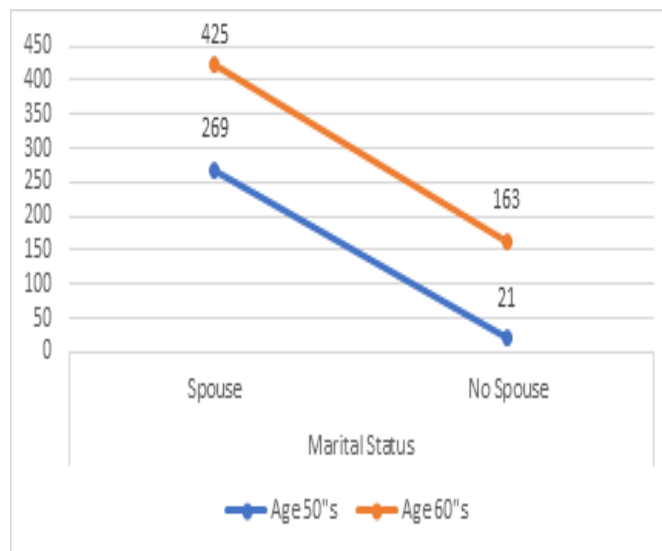


Figure 2. Age*Marital Status

Figure 3 shows The results of the analysis of age and number of family members are as follows. Those in their 50s were the most common with 5 (2%) of one family member, 99 (34%) with two, and 186 (64%) with three or more family members. Among respondents in their 60s, 106 (18%) had one family member, 341 (58%) had two, and 141 (24%) had three or more.

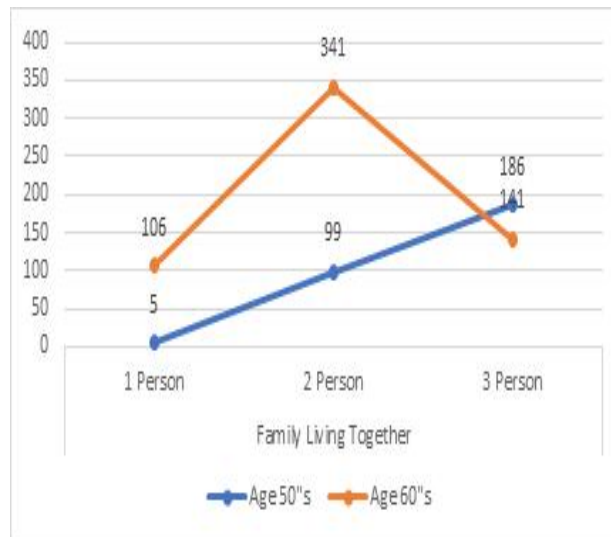


Figure 3. Age* Family Living Together

Figure 4 shows Those in their 50s had three or more family members, and those in their 60s had two family members. The majority of respondents in their 50s chose themselves and spouses as the main players for preparing for retirement, with 253 (87%) choosing their children 4(1%) and 31 (11%) choosing the government and others. In their 60s, 441 (75%) chose themselves and their spouses, 26 (4%) chose their children, and 121 (21%) chose the government. In both age groups, the most common idea was that they and their spouses should prepare, and in their 60s, more people chose the government as responsible for preparing for their retirement than in their 50s.

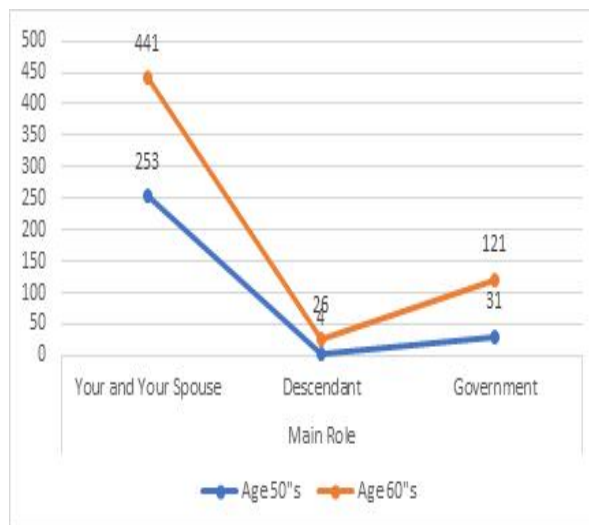


Figure 4. Age* Main Role

Figure 5 shows the results of the analysis of age and preparation for old living expenses are as follows. 72 (25%) of those in their 50s said they were prepared for their retirement living expenses, 208 (72%) said they were not prepared, and 10 (3%) said they were not. 54(9%) of those in their 60s said they were prepared for their retirement living expenses, 262 (45%) said they were not prepared, and 272 (46%) said they were not prepared.

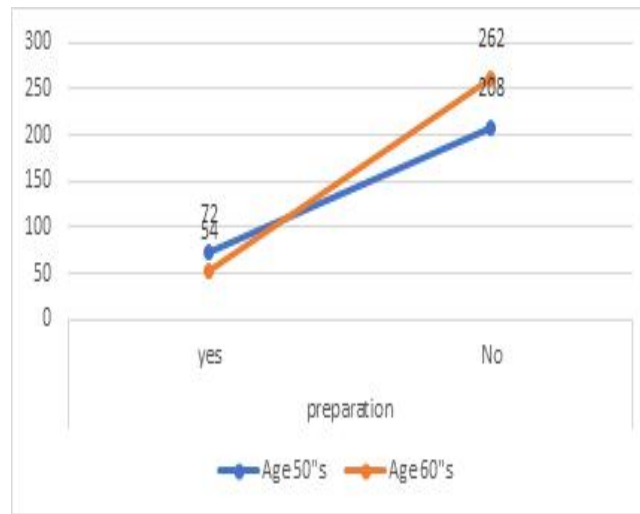


Figure 5. Age* Preparation

Figure 6 shows most of the time, both those in their 50s and 60s were not prepared for their retirement living expenses. There was a large percentage of respondents in their 60s, and it is assumed that such results were not possible due to difficulty in responding. Among retired women in their 50s, 45 (16%) said economic independence was possible, while 243 (84%) said economic independence was not possible. 94 (16%) of those in their 60s said economic independence was possible, and 494 (84%) said economic independence was not possible. Most retired women in their 50s and 60s do not have economic independence, which is expected to cause difficulties in their old age.

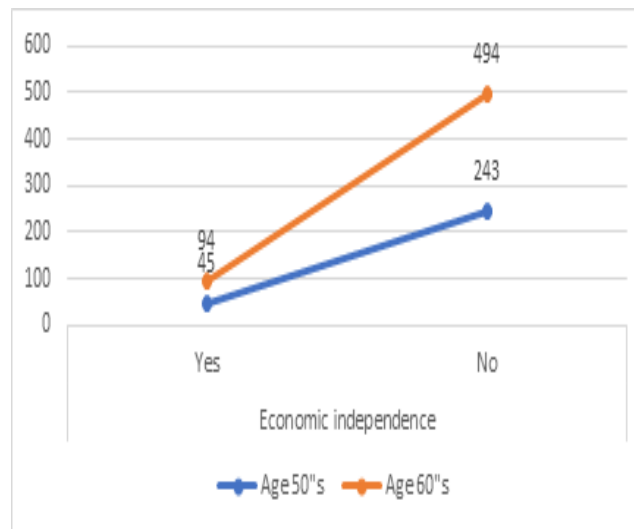


Figure 6. Age* Economic Independence

Figure 7 shows the responses to the most important part of one's role in measures against old life shall be as follows. Retired women in their 50s had the largest number of economic power with 143 (49 percent), while 130 (45 percent) chose health and medical care, 13 (4 percent) chose jobs, and two (0.7 percent) chose housing. For retired women in their 60s, 284 (48%) chose economic power, health and medical care, respectively, 16 (3%) chose jobs and 4 (0.7%) chose housing.

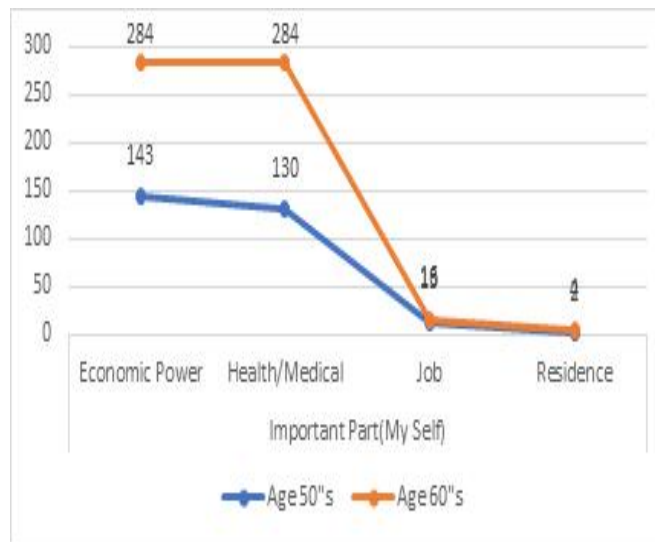


Figure 7. Age * Important Part(My Self)

Figure 8 shows both those in their 50s and 60s were taking economic power, health and health care seriously. The following are the results of responses to the most important part of the society to take measures against retirement:

In their 50s, 101 (35%) chose economic power, 103 (36% chose health and medical care, 72 (25%) chose jobs, and 11 (38%) chose housing. Retired women in their 60s had 233 (40%) who chose economic power, health and medical care, 99 (17%) who chose jobs, and 23 (4%) who. those housing. Respondents valued economic power, health and medical care as part of their own and society for retirement, and chose jobs as the next thing to do in society.

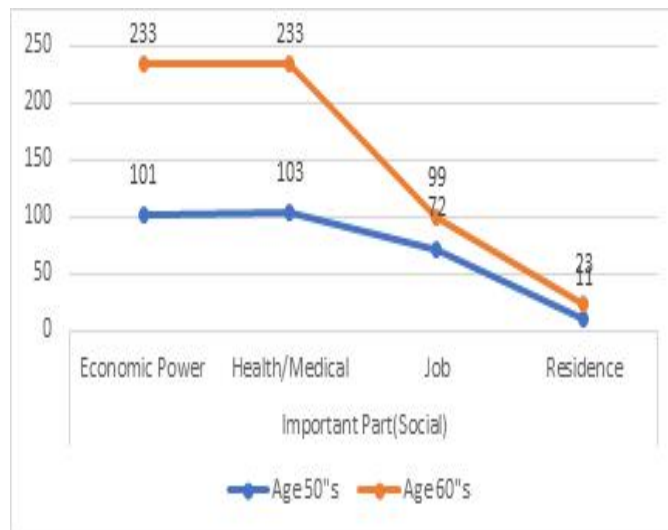


Figure8. Age * Important Part(Social)

Figure 9 shows Among those in their 50s, 63 (22%) subscribed to the public pension, while 227 (78%) did not. Among those in their 60s, 32 (5%) subscribed to the public pension and 556 (95%) did not. Both in their 50s and 60s showed very low subscription rates for public pensions, which are likely to lead to retirement poverty.

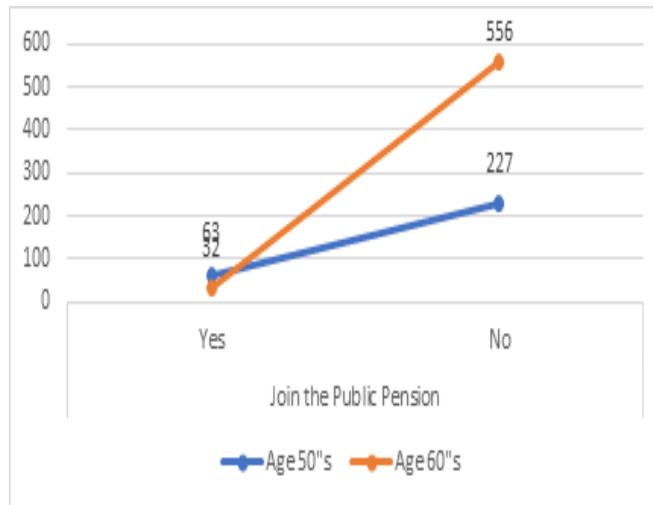


Figure 9. Join the Public Pension

Figure 10 shows among the respondents in their 50s, 35 (12%) subscribed to personal pension, while 255 (88%) did not. Of the respondents in their 60s, only 14 (2%) subscribed to personal pension, while 574 (98%) did not. Both people in their 50s and 60s have very low rates of public and personal pensions, requiring the attention of the government and society.



Figure 10. Join the Personal Pension

3. Conclusion

The results of our analysis using SPSS WIN 18.0 are as follows. First, there were many subjects in their 50s with highly educated and spouses. Second, there were more than three family members in their 50s, while two-person households in their 60s were the most. Third, retired women in their 50s and 60s most often chose themselves and spouses as responsible for preparing for retirement. Third, most respondents in their 50s and 60s said they were "not ready" for retirement living expenses. And in response to economic independence, most retired women in their 50s and 60s were not independent. Most retired women in their 50s and 60s do not have economic independence, which is expected to cause difficulties in their old age. Fifth, in order to prepare for retirement, both in their 50s and 60s, economic power, health, and medical care were important.

Sixth, both those in their 50s and 60s showed very low subscription rates for public and personal pensions. Therefore, special attention from the government and society is required. Based on the above results, both women in their 50s and 60s were economically active, but they were very unprepared for their retirement. Therefore, the government and society seem to need economic support and job creation for the elderly, which can be of practical help.

References

- [1] H.S. Lee, "A Study on the Retirement Process of Middle-aged Women: Focusing on Differences by occupational classification", *Journal of Korean Women's Studies*, Vol. 36, No. 3, pp. 36-69, 2020.
DOI: <https://doi.org/10.30719/JKWS.2020.09.36.3.35>
- [2] J. K. Kim, "Comparison of Retirement Reasons and the Amount of Income after Retirement by Gender", *Korean Social Security Studies*, Vol. 21, No. 2, pp. 55-76, 2005.
- [3] A. N. Lim, "An Exploration on the Characteristics of the Middle-aged Unemployed", *IHCCC 2019*, pp. 97-100, July 2019.
- [4] N. Lee and J. R. Han, "Expectation and Preparation for Retirement of Employed and Unemployed Women in Middle Age", *Health and Social Welfare Review*, Vol. 34, No. 3, pp. 375-399, 2014.
DOI: <http://dx.doi.org/10.15709/hswr.2014.34.3.374>
- [5] Y. E. Kim and C. W. Lee, "A study on preparation level for old age of the middle-aged", *Korean Journal of Social Welfare Research*, Vol. 19, pp. 55-82, 2008.
- [6] H. K. Nam and J. R. Han, "Baby-Boomer Public Officials' Attitudes toward Retirement and Retirement Anxiety", *Korean Journal of Educational Gerontology*, Vol. 6, No. 1, pp. 45-62, 2020.
DOI: <https://doi.org/10.31748/KSEG.2020.6.1.45>
- [7] <https://kostat.go.kr>
- [8] H. S. Choi and Y. K. Ryu, "A Study on the Levels, Trends, and Composition of the Old-Age Poverty in Korea", *Journal of the Korea Gerontological Society*, Vol. 23, No. 3, pp. 143-160, 2003.
- [9] S. H. Chung and A. N. Lim, "A Study on the Evolution of Social Service Policy : By the Path Dependence and Path Evolution", *International Journal of Advanced Smart Convergence*, Vol. 9, No. 1, pp. 47-53, 2020.
DOI: <http://dx.doi.org/10.7236/IJASC.2020.9.1.47>
- [10] N. Lee and J. R. Han, "Expectation and Preparation for Retirement of Employed and Unemployed Women in Middle Age", *Health and Social Welfare Review*, Vol. 34, No. 3, pp. 375-399, 2014.
DOI: <http://dx.doi.org/10.15709/hswr.2014.34.3.374>
- [11] Y. K. Son and S.-M. Chol, "The Effects of Preparation for Later Life on Life Satisfaction after Retirement : Focused on Gender Difference", *Social Work Practice Research*, Vol. 17, No. 2, pp. 5~40, 2020.
DOI: <http://dx.doi.org/10.38082/SWPR.2020.17.02.5>