



# WORKING TIME PREFERENCES AT DIFFERENT PHASES OF LIFE

## Key findings

### Young people and employment

- Two-thirds of young people aged 16-19 and one third of those aged 20-24 are in full-time education. Young people are very work-oriented and transition from school to work is one of their main concerns.
- In the 20-24 and 25-29 age groups, as young people enter the labour market, unemployment rates are higher than in other age groups. This is a period when young people face many challenges and insecurities both in their personal and working lives.
- The number of young people entering the labour market in Europe has been falling for some years. Young people are more likely to stay longer in full-time education and training because of a perception that jobs are scarce.

### Combining family and work

- At present, only men in the middle age category (i.e. aged 30-44) come close to full employment.
- Almost 90 % of men aged 30-49 stay employed. Among women aged 30-44 the employment rate is much lower than that of men, about 65 per cent.
- In this age group about a quarter of the women care for a family or a home. Unemployment rates are lower than among younger people. This is a period when questions related to combining work and family life require careful consideration.

### Reaping the benefits of work

- People in the 45-54 age group are still quite work-oriented; over 80 % of men and about 60 % of women are employed; many are at the peak of their careers.
- The risk of unemployment is low compared with other age groups; earlier investments in education and working life yield results; this is also the time when the questions of pension arrangements and retirement arise.

### Preparing for life after work

- One in four people between 55 and 59 years of age is retired (one in five men); after the age of 60 the employment rate drops sharply; among men aged 60-64 the employment rate is no more than 26 % and among women it is only 10 %; almost 68 % of men and 56 % of women have retired.



## Employment patterns at different phases of life

Raising employment performance is a major challenge for the European Union and providing jobs for all sections of the labour force is an important European-level policy target. In order to be able to provide effective incentives for working or disincentives for leaving the workforce, it is necessary to understand to what extent observed behaviour corresponds with what people actually want to do. An effective set of policy measures needs to be based on correct perceptions of people's preferences. The concerns of young people on first entering the labour market differ greatly from those of persons in the middle and older age groups. It is thus important to adopt a life-phase approach when considering peoples' preferences regarding labour market participation.

In Figure 1 the current status of respondents is reported at different age groups for both genders separately, including information from all 15 Member States and Norway. Owing to different types of sampling procedures these figures may slightly differ from official labour force statistics, but nevertheless they reveal basic differences in the labour market behaviour of different age groups as do other data sources. It appears from Figure 1 that there is, indeed, a close connection between a person's current labour market status and position in the life cycle.

Figure 1 Current labour market situation

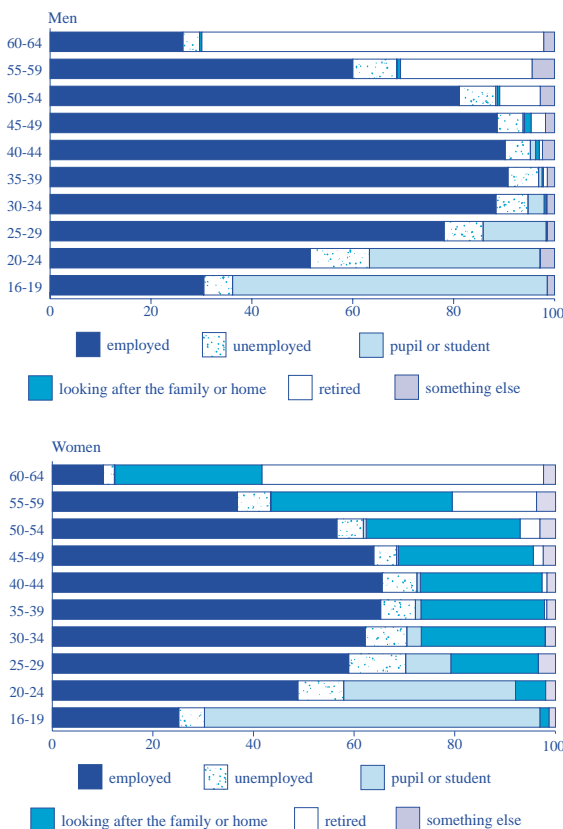


Figure 1 shows that over two-thirds of young people aged 16-19 and one third of those aged 20-24 are in full-time education. At this stage of life, transition from school to work is one of people's main concerns. In the 20-24 and 25-30 age groups, when people enter the labour market after finishing their studies, unemployment to population ratios are higher than in other age groups. This is a period when young people face many challenges and insecurities both in their personal and working lives.

From 30 years of age onwards, there is a 20-year period when almost 90 % of men remain employed. Among women aged 30-44 the employment rate is much less than that of men, about 65 %. In this age group about a quarter of the women care for a family or a home and are housewives. The population share of unemployed people is smaller than among younger people. This is a period when questions related to combining work and family life require attention. This is also true among those who have decided to remain employed. Choices that are made now will affect later work options. Working patterns are formed, careers progress, and life evolves in other respects as well.

In the 45-54 age group people are still quite work-oriented. Over 80 % of men and about 60 % of women are employed. Many are at the peak of their careers. The risk of unemployment is small compared with other age groups. This is clearly a time in life when earlier investments in education and working life yield results. This is also the time when the question of pension arrangements arise; some people have already taken the first steps to retirement; the number of women looking after the family or home rises.

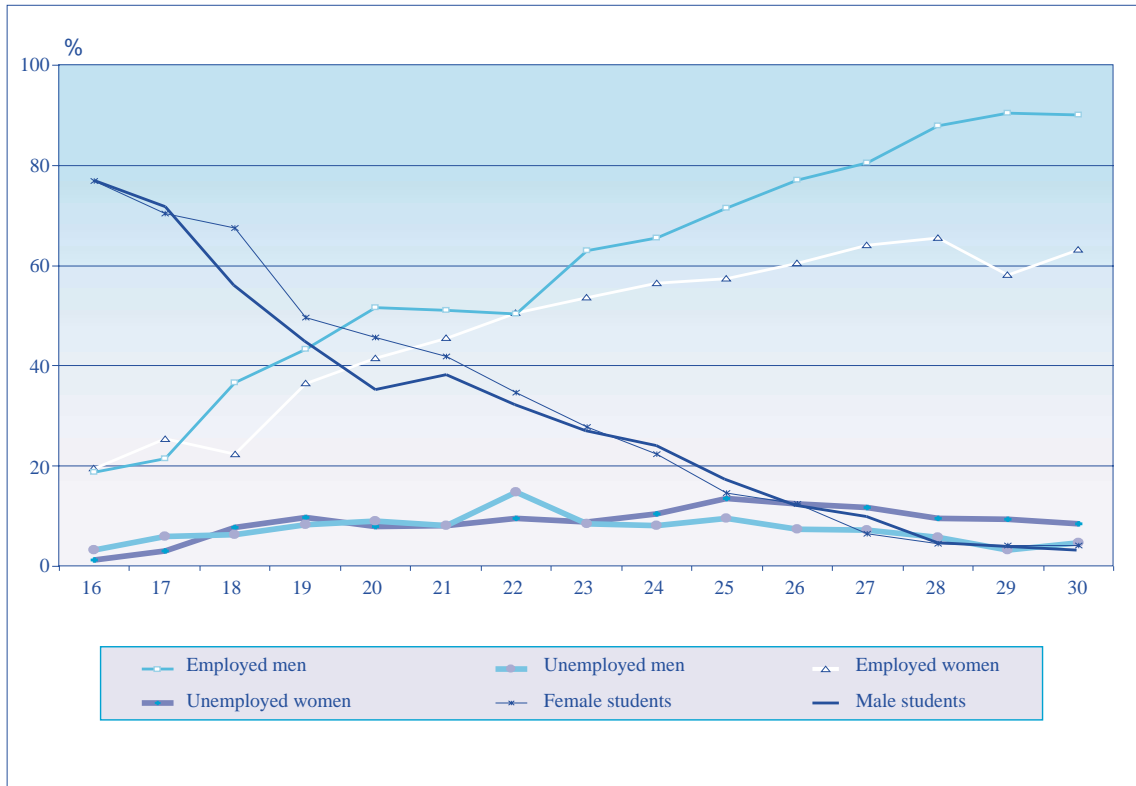
Between 55 and 59 years of age one in four people is already retired (one in five men). After the age of 60 the employment rate drops sharply. Among men aged 60-64 the employment rate is no more than 26 % and among women only 10 %. Almost 68 % of men and 56 % of women have retired.

## In search of direction: young people and employment

The general picture of young people in the European Union and Norway is encouraging from the European employment policy perspective. If the aim is to raise the employment rate in Europe, young people seem very willing to participate in this process. They look to the future with optimism and they seem confident of their ability to move smoothly to adult life. This optimism relates not only to the labour market but it also reaches into family life.

But the reality seems somewhat different. According to Figure 2, by the age of 22 half of both men and women are employed. The figures for men and

Figure 2 Labour market status of young people



women are rather similar, although the disparities start to emerge both in employment and unemployment relatively soon after entry to the labour market. After the age of 22, the employment rate rises very steeply for men, whereas for women the effect of the family and children on employment rates can already be seen in the latter half of this age spectrum. In addition, the incidence of unemployment is higher for women than it is for men almost immediately after entry to the labour market, and this pattern continues until people approach retirement age.

**Transition from school to work**

Obtaining a first job on leaving school is closely related to youth unemployment. In Figure 2 the unemployment rate is calculated as a proportion of the unemployed in the population in a particular age group, not as a share of the unemployed in the labour force. The number of unemployed young people relative to their total number tells us what proportion of young people is really affected by unemployment, leaving aside the labour force participation effect. (The official unemployment rate is calculated as a proportion of the unemployed in the labour force, that is, the denominator is the sum of employed and unemployed persons. The proportion of people studying varies considerably among countries as does the duration of studies and, as a result, the denominator in the unemployment rate varies much more than it does for other age groups.) It highlights the important fact that

unemployment is actually a worse problem for young adults (20-24 year olds) entering the labour market than it is for teenagers (15-19 year olds).

This picture is somewhat different from that shown in official unemployment statistics. The reason for this lies in the different rates of labour force participation. A majority of teenagers is still studying, and early labour market entrants often have a high probability of unemployment. Thus, there is a ‘negative selection’ into the labour force among teenagers, which leads to a high unemployment rate, even though the actual number of unemployed teenagers is not high.

Transition to adulthood takes longer than it did some decades ago. There are two reasons for this: the longer duration of studies and postponed transition due to unemployment. The first reason is not a cause for concern as it increases human capital, which can only have a positive effect on growth and the wealth of the European Union. The second reason presents a problem. If employment rates are to be raised in the Member States, a start should be made by making the transition from school to work operate more smoothly. Employment policy should target those young people who have already achieved a secondary education certificate or a university level degree. Teenagers and other youngsters lacking further education should be the main target group for educational authorities.

## Factors affecting young people's employment prospects

The employment probability of young people is affected by gender, age, educational attainment, work experience and family situation. Only some of these factors are open to change in order to ease the transition into the labour market, for example, work experience and the level of education. But efforts should also be made to alleviate the negative effects of the factors that cannot be changed. Here gender-sensitive approaches to family policy and employment policies are very important. Results show that it is much less likely for young women to be employed than men. In addition, having children has a directly negative effect on women's employment rates. It is thus vital that family and employment measures are 'gender sensitised' when looking at the youngest age groups who are just entering the labour market.

Raising employment prospects for young people depends on two factors at the country level. The most important single factor affecting the transition to employment is the general state of the economy. The most effective youth employment policy is a general economic policy that promotes economic growth. Another important factor is education. Higher education increases the chance of obtaining employment and apprenticeship training yields positive results also.

The positive and negative aspects of atypical employment are evident in the youth labour market. On the one hand, atypical employment can be of benefit to young people still in education. But for those people who have already graduated from further education this type of employment presents a risk given the instability and insecurity associated with part-time work and temporary employment contracts.

## Combining family and work

About 90 % of men in the middle age category, but only 64 % of women, are employed in the European labour market. A major challenge for women in this category is to combine working and family life. Having children has a major impact on women's labour market behaviour, but very little on that of men.

Only about 35 % of employed people aged 30-44 wish to continue working the same hours as they do now (Table 1). Women are, on average, more satisfied with the hours they work than men. The most satisfied are women with part-time jobs: 54 % of women working part-time would prefer to work the same hours as they work now.

As many as 62 % of those in full-time jobs would prefer to work fewer hours - even if it means a corresponding drop in earnings. A substantial number of men (about 20 %) and women (about 40 %) in full-time jobs would, in fact, prefer to have a part-time job. Compared with other age groups, the percentage share of women in the middle age category preferring part-time work is highest, whereas for men it is among the lowest. In the 30-34 and 35-39 age groups the main reason among women for wanting to work part-time was because they wanted to have more time for children. In other age groups (and among men as a whole) other reasons such as wanting to have more private time were more important.

## Raising the labour market participation of women

Achieving the overall objective of raising the employment rate in the European Union, and, in particular, the female employment rate, depends on economic incentives, family-related policies, and

Table 1 Preferences for working-time adjustments of those in paid work aged 30-44

	Prefer to work fewer hours (%)	Prefer to work the same as now (%)	Prefer to work more hours (%)	Prefer not to work (%)
<b>Total in paid work</b>	53.1	35.2	10.6	1.1
Men	58.9	31.5	8.3	1.3
Women	44.8	40.4	13.9	0.9
<b>Total in full-time jobs</b>	61.6	31.6	5.8	1.1
Men	60.8	31.4	6.4	1.3
Women	63.3	31.8	4.4	0.5
<b>Total in part-time jobs</b>	16.3	51.0	31.3	1.4
Men	13.8	32.3	53.9	0.0
Women	16.6	53.7	28.2	1.5



labour market traditions. For example, the tax system and provision of childcare available for families in different Member States play a significant role in this respect. In typical ‘male breadwinner’ countries, the employment rates of women are lower and the share of part-time work higher than average. In some of these countries the tax system creates strong disincentives for women to participate in the labour force or encourages part-time work. In some such countries relatively good childcare services are, however, provided. The female employment rate reflects a mixture of different policy measures and labour market practices, as well as cultural value systems.

Our results suggest that having children means that women have to decide whether or not to participate in the labour force after childbirth. There are marked differences in the decisions taken by women in the different Member States. If a woman does decide to participate in the labour force, she then has to decide whether or not to work full-time. Having children markedly increases the probability of opting for a part-time job.

**Satisfaction with working hours**

Labour market practices differ markedly in relation to part-time work in different Member States. In fact, the results suggest that increasing part-time work as such does not provide a ‘standard’ solution for all European women attempting to combine family and working life. Women have different preferences with respect to the hours of work and the time they are willing to devote to their careers. It seems that in countries where women traditionally work full-time, they rarely express a strong need for reductions in working time .

On the other hand, the Netherlands, with the highest rate of part-time women workers in Europe, does not rank highly when women’s satisfaction with their working hours is considered. Instead, the countries where women are accustomed to working full-time rank highest. The need for working time adjustments is influenced by a mixture of cultural, socio-economic and institutional factors. Institutional frameworks which function well in one country may be problematic in another with different traditions and socio-economic circumstances. It may be as stressful for a woman in a part-time culture to work full-time as for a woman in a full-time culture to work part-time. It might also be stressful for a woman in a full-time culture to work full-time if certain framework conditions – such as adequate childcare – do not exist.

Workers’ satisfaction with their individual working hours seems to be related to general options for individual working time adjustments in the labour market, and, thus, their ability to choose for themselves the amount of work that is right for them

in their current circumstances. Adjusting working hours in accordance with individual and family needs is a much broader question than that of the part-time work.

**Working time regulations**

National working hour regulations have a strong impact on people’s perceptions of the ‘appropriate’ level of hours of work. Further, there is some evidence that in countries with relatively strict regulations on weekly working hours and overtime, people tend to be more satisfied with their hours of work than in countries with very limited regulations. It appears that especially for men excessive overtime can be a problem, if regulations on weekly hours of work are very liberal. The general problem among men appears to be that the required working hours are often above the regulated ‘normal’ working hours. Men tend to work overtime on a regular basis in the European labour market. Their wish to reduce working hours is closely related to a wish to reduce excessive overtime in full-time jobs.

In properly functioning labour markets people should have the choice of working the number of hours they are willing to work. Why this is not the case in the European labour market needs to be examined more closely. There appears to be room for improvement given that there are employed people seeking to reduce their hours of work at the same time as there are others who cannot find work (although these ‘others’ are not necessarily found in the same sectors and do not share same backgrounds as those currently employed).

**Reaping the benefits of work**

About 66 % of the men aged 45-64 and only 43 % of similar women are employed. A quarter of the older men and one fifth of the women have already retired.

Approximately 37 % of people in paid work aged 45-64 wish to continue working the same hours as they do now (Table 2). Women are, on average, more satisfied with the hours they work than men, particularly women with part-time jobs. Of women working part-time, 52 % would prefer to continue working their present hours.

The time pressure caused by work among this age group seems to be similar to that among younger age groups. It appears that as long as people stay employed the satisfaction with their hours does not vary markedly over the life cycle. However, a large proportion of men and women in this age group have already chosen not to participate in the labour force. Those who remain employed are (or are forced to be) work-oriented, and similar in this respect to younger age groups.

Table 2 Preferences for working time adjustments for those in paid work aged 45-64

	Prefer to work fewer hours (%)	Prefer to work same as now (%)	Prefer to work more hours (%)	Prefer not to work (%)
<b>Total in paid work</b>	48.6	37.4	11.8	2.2
Men	55.0	34.9	7.9	2.2
Women	38.7	41.3	17.8	2.2
<b>Total in full-time jobs</b>	57.1	34.4	6.4	2.1
Men	57.2	34.4	6.0	2.3
Women	56.8	34.2	7.3	1.8
<b>Total in part-time jobs</b>	13.8	49.9	33.9	2.4
Men	20.4	42.3	36.3	0.9
Women	12.3	51.6	33.3	2.7

### Working time preferences

More than 57 % of people in full-time jobs would like to work fewer hours. In the 55-59 age group almost 30 % of men and women in full-time jobs would like to have a part-time job. A bigger than average share of women, 43 %, indicate a preference for part-time work because they need more time to care for elderly or sick persons or persons with a disability in the family. If these needs are not met, there is a danger that women will leave the labour market. In this age group up to 36 % of the women do not participate in the labour force because they care for a family or a home.

A third of the employees in part-time jobs would prefer to work more hours. Even in the 60-64 age group, almost 40 % of men remained in part-time jobs, because they could not find a full-time job. This share is as high as that among men aged 30-34, indicating, yet again, that in older age groups those who have decided to remain employed do not appear to have very dissimilar aspirations in relation to working hours to those of younger age groups. However, a majority of those aged 60-64 has already left the labour market - 68 % of the men and 56 % of the women have already retired.

### Choices of older women

It appears that women, especially those in the oldest age group 60-64, are more satisfied with their part-time jobs than are others: only 7 % would like to find a full-time job. About one fifth of the women aged 45-59 in part-time jobs would like to work full-time.

To what extent women in older age groups work appears to be, quite logically, more closely related to national care strategies towards elderly people than to childcare systems as is the case for younger

women. Family background and children have an influence over the decision of such women on whether work part-time, but not to the same extent as among younger women. As many as 46 % of older women who have other care responsibilities work part-time.

A strong cohort effect exists in female labour force participation rates and part-time work. It is likely that older women in the future will be more involved in the labour market than today's women are.

The rate of early exit is at alarmingly high levels in older age groups. Among men, the tendency to retire seems to be of a more general nature. Individual, family and job-related characteristics play a smaller role in decision-making than among women, for whom there appears to be a clear link between early exit plans and family care responsibilities. The general policy objective to increase women's employment rate on one hand, and to keep workers active in the labour market, on the other, requires that care for the elderly is organised in the European Union in such a way as to allow carers to participate in the labour force.

### Preparing for life after work

The availability of a part-time pension does not seem to have a direct impact on people's early exit plans. According to our survey, in Austria, Belgium, and France a higher than average share of women planned to leave the labour force even though a part-time pension is an option in these countries. On the other hand, in Denmark and Sweden, where part-time pensions were available, there is a lower than average probability of women leaving the labour market. These countries are good providers of public services for older people and enable mature women



to remain employed, even where there is a need for an elderly relative to be cared for. It appears that a package combining a part-time pension system with adequate public services and other institutional arrangements could be beneficial for keeping ageing women in employment.

The evidence related to the propensity of early exit in this study is indirect and derives from the pension plans of people who are still employed. However, the results suggest that existing pension schemes influence people's retirement plans long before the pension is paid. In countries where the regulations allow widespread early exit, people expect to be on pension, even where health related reasons are not a factor.

**Gradual retirement**

The idea of gradual retirement that has been introduced in many Member States has not yet proved its usefulness in deterring early exit from the labour market. In most countries where part-time pension schemes have been introduced, they have not proven to be very popular. Complete withdrawal from the labour market continues to be more popular than gradual retirement. This finding is somewhat alarming and may indicate that European labour markets have failed to respond to the individual needs for working time adjustments and other specific needs of ageing workers. These needs should be further explored and acted upon in order to increase employment rates among ageing workers.

**Conclusions**

This study shows that the working patterns and preferences of employed people remain surprisingly similar over different phases of life. The general sentiment in all age groups among those with full-time jobs is to reduce the weekly working hours. People working part-time would like to increase their hours of work. Satisfaction with hours of work can be an important contributing factor in keeping people in the labour market. It is likely that employees whose working hours best suit their life circumstances remain employed in the labour market longer than others.

In order to raise employment performance in Europe, it is necessary to focus on those phases of people's lives when decisions about whether or not to participate in the labour force are made. The educational system plays a role among young people. Among young women and those in the middle age category, the family care system has an important influence on their choices. The public services for elderly people are relevant to the ability of older women to participate in the labour force. To fully understand the effects of different institutional features on people's labour market performance requires further research on those who are not actively involved in the labour market.

## About the Employment Options of the Future survey

This survey, carried out by the European Foundation for the Improvement of Living and Working Conditions over the summer and autumn of 1998, involved 30,557 telephone assisted interviews with people aged between 16 and 64 years across the 15 EU Member States and Norway. The survey provides information on both the current situations and future preferences of those interviewed concerning employment. At the time of the interviews, 43% (7,749 out of 17,908) of the non-employed expressed the wish not to work in five years. This group was not included in further analysis.

Definitions used in the text:

*part-time* = less than 35 hours a week (unless otherwise mentioned).

*full-time* = 35 hours a week or more

*temporary employment* = non-permanent employment (including fixed-term and temporary agency contracts).

*self-employed persons* = persons who declare themselves to be self-employed.

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### FURTHER INFORMATION

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EF/01/26/EN



OFFICE FOR OFFICIAL PUBLICATIONS  
OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg

ISBN 92-897-0108-0



9 789289 701082