

# Patterns of Interplay Between Paid Employment and Family Care among Older Adults in Germany

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*PRELIMINARY VERSION – PLEASE DO NOT CITE*

## **Introduction**

Productive ageing encompasses the activities through which older individuals contribute to society, no matter if they are paid for or not (Caro et al., 1993). It underscores the potential for older adults to make significant contributions provided adjustments are made to accommodate their specific needs. However, it also acknowledges the existence of contexts that limit opportunities for productive ageing (O'Reilly & Caro, 1994). This is especially relevant regarding the patterns of interplay between paid employment and informal care within the family as an extended working life can lead to conflicting objectives and reduced time available for other activities. Given that both family care and prolonged participation in the labour force are increasingly relevant in ageing populations, it is imperative to address the opportunities and barriers associated with engaging in multiple productive roles during later adulthood.

Empirical findings on the interplay between informal caregiving for a family member and paid employment indicate a reduced level of paid employment for caregivers, even though the impact on the labour force is relatively modest (Bauer & Sousa-Poza, 2015). Women in mid and late adulthood in deprived conditions are less likely to leave the labour market when caring for a sick, frail or disabled family member (Austen et al., 2015). Consequently, the opportunity cost of leaving the labour market is notably high for female caregivers with a lower socioeconomic status. In general, the most pronounced effects are observed in the case of time-intensive caregiving, predominantly provided by working-age women who are less likely to be engaged in full-time employment, earn lower wages, and face a higher risk of labour force withdrawal compared to noncaregivers (e.g., Lilly et al., 2007).

While empirical studies have provided a reasonably comprehensive understanding of the interplay between paid employment and informal family care, some important questions still remain unanswered. With a few exceptions (e.g., Carr & Kail, 2012), most of the studies mentioned above primarily focus on working-age populations. Consequently, research gaps arise concerning the situation in older adulthood, which also encompasses the first decade of retirement — typically between 65 and 75 years of age — when the highest proportions of continued paid employment beyond retirement are observed. As employment trajectories have increasingly extended beyond retirement age in many Western countries, including Germany in recent years (e.g., Scherger, 2013), the age-related withdrawal from paid employment has become more diverse, and the relationship between paid employment and informal care is now a pressing concern for these age groups.

The article seeks to determine whether patterns of interplay between paid employment and family care exist among older adults in Germany and how these patterns can be characterized in terms of differences in individual, sociodemographic, economic and work-related factors as well as individual retirement plans and perceptions of ageing. Additionally, it will explore whether the activities within these patterns align with a complementary or substitutive framework as proposed by role theory.

### **Research design and analytic strategy**

This study utilizes data from three waves of the "Transitions and Old Age Potential" (TOP) survey, a longitudinal study based on a randomly selected sample representative of individuals born between 1942 and 1958 living in private households in Germany (Mergenthaler et al., 2021). The initial wave of TOP was carried out in 2013, with participants falling within the age range of 55 to 70 years at baseline. Through standardized telephone interviews (CATI), a total of 5,002 respondents provided information on retirement transitions, along with formal and informal activities, with a particular emphasis on paid employment beyond retirement age. Data for the third wave of TOP were collected between July and October 2019, featuring a total of 1,561 respondents, all of whom completed interviews for all three waves. To estimate group-based patterns of interplay between paid employment and family care between 2013 and 2019, we applied finite (discrete) mixture models for zero-inflated longitudinal count data.

### **Results**

The analyses revealed six groups that exhibited significant differences in terms of the average weekly hours devoted to activities and the patterns of interplay between paid employment and family care over time. These distinctions led to the following group names: Nonengagers, Low Engagers, Withdrawers, Convergents, Reducers, and Multiple Engagers.

*Nonengagers.* Respondents in this group are not significantly involved in either the labour market or family care. They have essentially withdrawn from both areas and do not plan to resume these activities in the future, despite being physically capable of doing so, as their health status is similar to that of other groups.

*Low Engagers.* This group is characterized by a consistently low level of time allocated to activities, which remained relatively stable over time. The interplay between paid employment and family care in this group showed negative associations throughout the observation period, indicating a substitutive relationship for both men and women. Overall, the Low Engagers only exhibit minor differences from the other groups, suggesting that they closely represent the sample's average. It can thus be assumed that they still possess potential for expanding their activities in the future.

*Withdrawers.* The Withdrawers constitute the smallest group in the sample (10.2 percent,  $n = 159$ ). A notable characteristic of this group is their withdrawal from both paid employment and family care starting from wave two. When examining the interplay between paid employment and family care, the Withdrawers exhibit mixed findings. The likelihood of being part of the Withdrawers increases by 0.5 percent for each year of age at baseline. Additionally, Withdrawers are more likely to have held occupations with relatively low job demands. Due to their poorer physical health, there is limited potential for Withdrawers to expand their activities or engage in new ones in the future.

*Convergers.* The average weekly hours spent on all activities tend to converge in the second and third waves, marked by a steady decline in paid employment and a continuous increase in family care responsibilities over time. This suggests a process of role substitution, wherein paid employment is gradually reduced or even completely replaced by family care. In general, the Convergers exhibit a higher likelihood of being self-employed and intending to continue both paid employment and caring for children or grandchildren during retirement compared to most other groups. The convergence of these activities in waves two and three may signify an effort to combine multiple activities.

*Reducers.* This pattern is characterized by a gradual decrease in the average volume of both paid employment and family care over time. Regarding the interplay between paid employment and family care, the Reducers consistently exhibit inverse effects between formal and informal activities. Compared to other groups in the sample, the Reducers are relatively younger, with each additional year of age at baseline reducing the likelihood of belonging to this group by 1.3 percent. A common characteristic of the Reducers is their tendency to mention plans for continued employment during retirement more frequently than any other group. Consequently, their withdrawal from paid employment might indicate an involuntary exit from the labour market, suggesting a potential for re-entering paid employment in the future.

*Multiple Engagers.* This group exhibits the highest level of paid employment, with an average of 39.4 hours per week at baseline. Similar to the Convergers, the number of average hours dedicated to family care increases for the Multiple Engagers over time, with the weekly caregiving hours for a relative significantly exceeding those for children or grandchildren. These findings suggest that, initially, role substitution plays a minor role among the Multiple Engagers but likely becomes more prevalent over time. The results of the multivariate analyses indicate that the probability of being a Multiple Engager decreases for women. Furthermore, the likelihood of belonging to this group decreases by 3.9 percent for each additional year of age at baseline. Multiple Engagers tend to work in occupations with relatively high job demands, indicating a higher occupational status. They also express a stronger intention to engage in paid employment during retirement compared to other groups in the sample. This implies that Multiple Engagers are likely to have the potential to expand their formal activities in retirement, even if they are already fairly engaged.

## **Discussion and conclusion**

This article investigates patterns of interplay between paid employment and two forms of informal family care: caring for children or grandchildren and caregiving for chronically ill or disabled relatives within a cohort of older adults born between 1942 and 1958 in Germany. This analysis utilizes longitudinal data from the TOP study. Our results reveal that these patterns of interplay can be categorized into six distinct groups using finite mixture modelling.

### *Predictors of group-based patterns*

The findings indicate that these group-based patterns can be distinguished based on various predictors. However, the evidence regarding the impact of individual, family-related, and economic resources, as well as intentions and attitudes toward active ageing on the time-commitment within these group-based patterns, is mixed. Additionally, the analysis highlights the significance of

subjective factors, such as the perception of active ageing, in understanding the interplay between paid employment and family care among older adults. This suggests that each group-based pattern is linked to a specific profile of old-age potential. Consequently, it can be inferred that the patterns of interplay between paid employment and family care exhibit more "horizontal" differentiation, while factors of "vertical" social inequality play a less prominent role.

### *Substitutive and complementary relations between paid employment and family care*

With the exception of the Nonengagers and the Withdrawers, we observed that a substitutive relationship between paid employment and family care is a consistent pattern for both men and women across all groups, regardless of the time-commitment involved in these activities. Furthermore, this substitutive relationship persists into retirement age, indicating a structural competitiveness between these activities, even as the total time-commitment decreases.

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