



Voluntary Care-giving in the Life-courses of Women in Eastern and Western Germany

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- Workshop: „Aging, Care Need, and Quality of Life“
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- Max-Planck-Institute for Demographic Research
- Session IV: „Care givers“

Structure of the presentation

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- 2. Institutional Framework 2: Who pays and how much are the contributions worth?**
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- 4. Empirical Results 1: How many are care-givers? Frequency of occurrence of care-giving in German life-courses**
- 5. Empirical Results 2: Do women discontinue their working career for care giving?**
- 6. Empirical Results 3: How much do contributions for care-giving account for old-age pensions of care givers?**

Institutional Framework 1: Who's care-giving accounts for the pension record?

Conditions:

- 1.) Care need has been accredited by a medical inspection as at least “considerable” or higher degree of need**
- 2.) The patient in need opts for home care and the “care allowance” cash benefit (since 1995)**
- 3.) The appointed care-giver is available for at least 15 hours of care giving a week/not employed for more than 30 hours elsewhere (since 1995)**

Institutional Framework 2:

Who pays contributions for care-giving to the pension fund?

1.) From 1992 to 1995, care givers could voluntarily pay contributions out of their own pockets. If they did not pay contributions, the care-giving was recorded as “consideration period” with little influence on the amount of the old-age pension.

2.) The newly installed care insurance pays from 1995 on contributions to the pension record of the care-giver. The amount depends on the grade of need and the (supposed) hours of care-giving.

Institutional Framework 2: How much are the contributions worth?

Grade of Need	Approved need of care in hours per week	Care allowance (cash benefit)	Contribution assessment basis (economic equivalent of the contribution) €	
			West	East
Grade I considerable	14	205 €	653 €	560 €
Grade II severe	14	401 €	871 €	747 €
	21		1,307 €	1,120 €
Grade III extreme	14	665 €	980 €	840 €
	21		1,470 €	1,260 €
	28		1,960 €	1,680 €

One year of care-giving for a Grade 1 case = 7 € monthly pension (West)

One year of care-giving for a Grade 3 case = 21 € monthly pension (West)

To compare: One year of average income = 26 € (West)

Social policy implications: The debate on gratifications for voluntary care-giving and the underlying hypotheses

Main political message from the care insurance: Voluntary home care for family members in case of need is a valuable activity and should be honoured (like the upbringing of children) also with a higher old age pension.

But: the cash benefit should not convince people to care for relatives, if they are not really up to this work and consider to do this only for financial reasons.
Solution: 40% of the financial support goes to the pension fund record, only 60% cash benefit.

Some social scientists still criticise that the benefits for voluntary home care could coax women to give up or scale back on gainful employment, thereby giving up financial independence and the possibility of a career.

Research questions

- 1.) Is there a specific life-course pattern of women undertaking care or are women from all professional backgrounds willing to give up or reduce gainful employment in order to undertake voluntary home care?
- 2.) To what extent do acknowledged periods of voluntary home care contribute to the old-age pensions of women in Germany?

Longitudinal Data from the pension fund's records

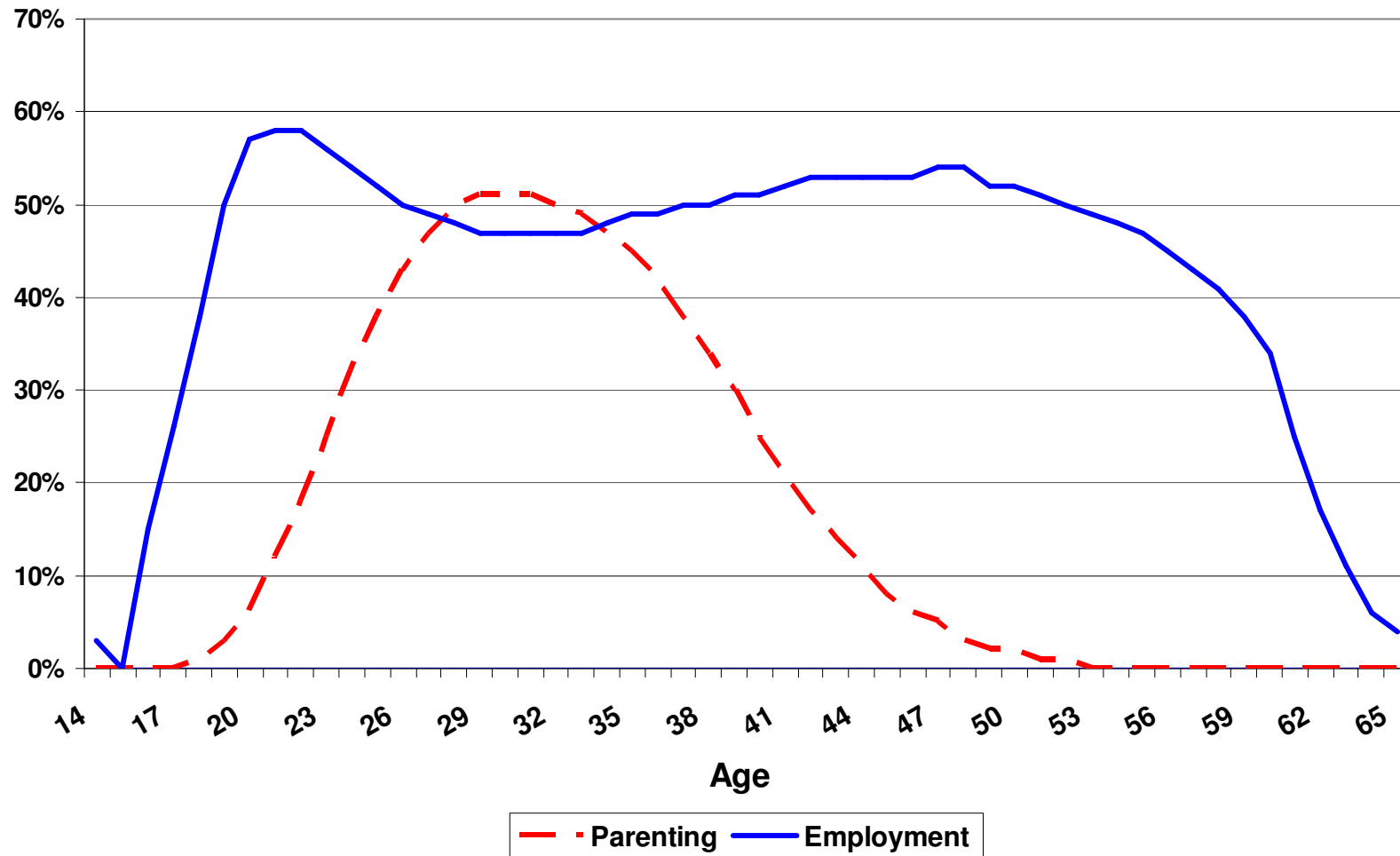
- 1.) **“Completed insured life-courses“ 2004 (VVL 2004)**
20% sample from the newly granted pensions in 2004 and 1% sample from actively insured population (VSKT 2005)
- 2.) **Selection for this analysis: only people with residence in Germany, age cohorts 1939-1944 and 1955**
- 3.) **Longitudinal information on the life-course on a monthly basis**
- 4.) **Original data recoded to a limited number of „social situations“. The most important is employment, which has always priority. One of the other is care-giving.**
- 5.) **Also included: upbringing of children in the records of one parent (being mostly the mother).**

Empirical Results 1: How many are care-giving ? Frequency of occurrence of care-giving in German life- courses

	Women	Men
West	14%	1%
East	10%	2%

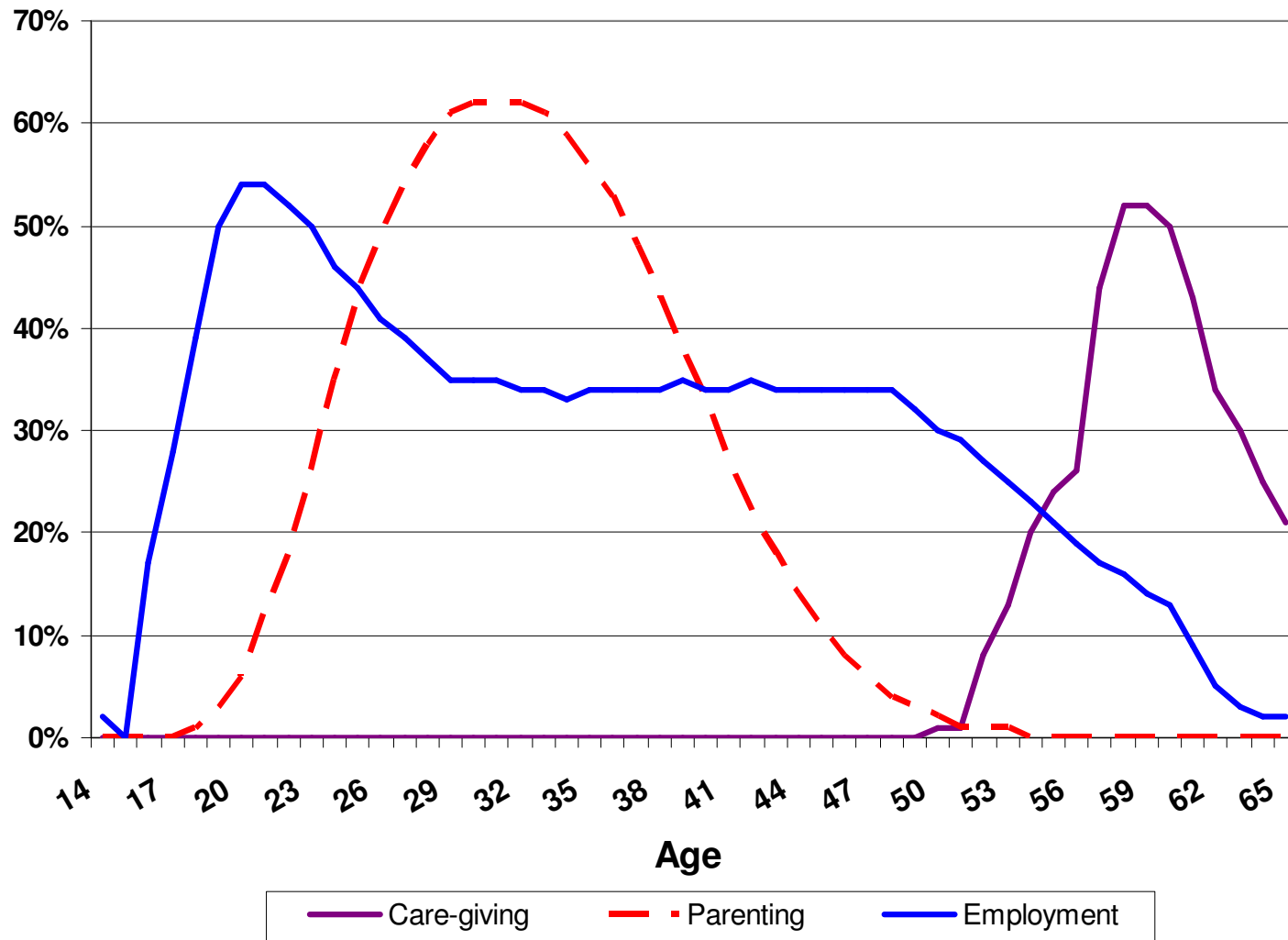
Source: "Completed insured life-courses" 2004 (VVL 2004), only women with residence in Germany, own calculations.

Empirical Results 2: Life-course of women with no or very little care-giving in their pension records Age cohorts 1939-1944



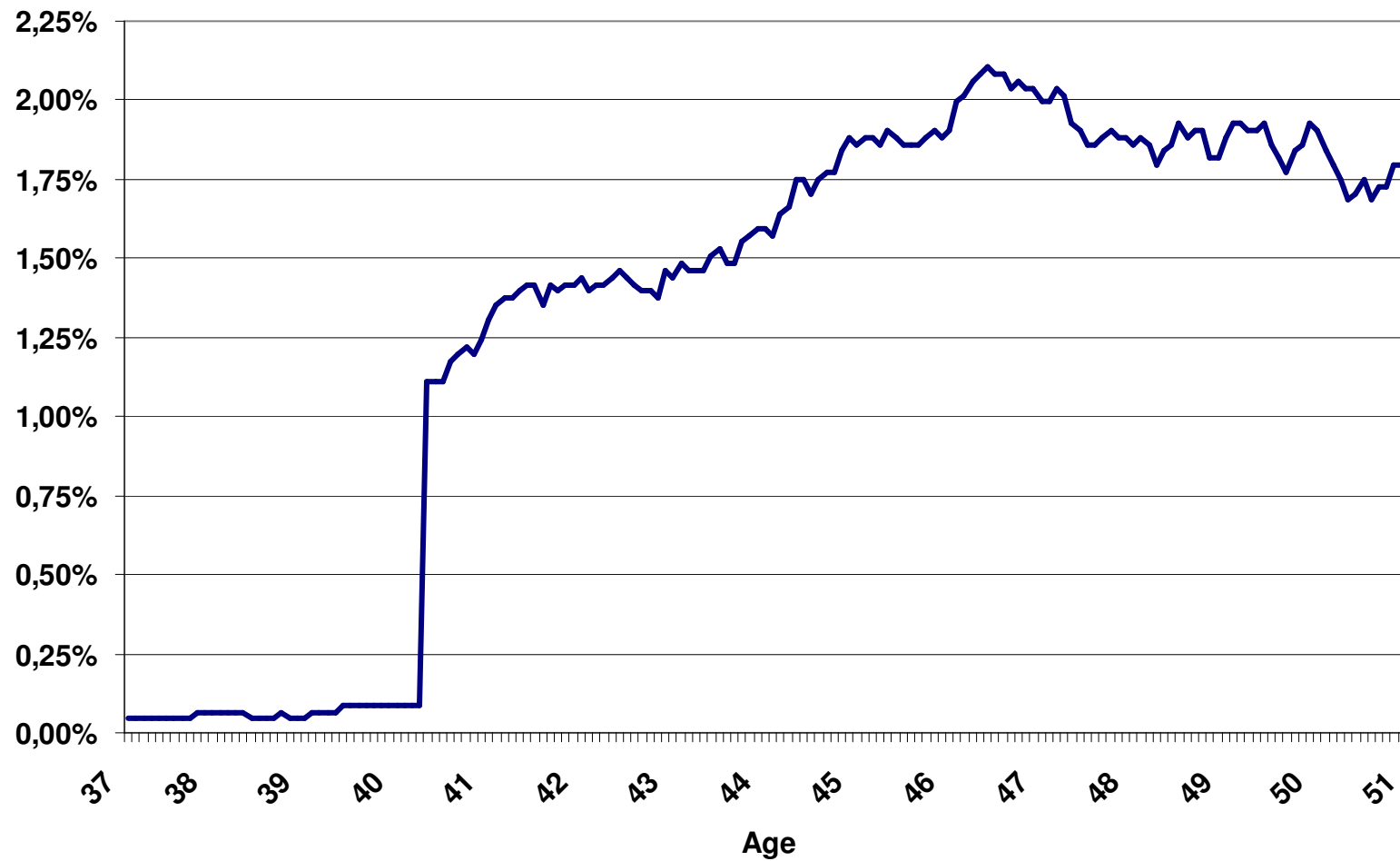
Source: "Completed insured life-courses" 2004 (VVL 2004), only women with residence in Germany, own calculations.

Empirical Results: Life-course of women with more than one year of care-giving in their pension records Age cohorts 1939-1944



Source: "Completed insured life-courses" 2004 (VVL 2004), only women with residence in Germany, own calculations.

Empirical Results 2: Life-course of women Age cohort 1955



Source: "Sample of insured population records" 2005 (VSKT 2005), only women with residence in Germany, own calculations.

Empirical Results 3: How much do contributions for care-giving account for old-age pensions of care givers?

	Credit points for voluntary care	Percentage of credits point from care giving on all credit points	Value of care-giving in the monthly pension (Pension value West 2008)	Monthly pension paid (Pension value West 2008)
Average	1.41	13 %	37 €	285 €
25%-Percentile	0.30	2 %	8 €	394 €
50%-Percentile	0.91	6,6 %	24 €	362 €
75%-Percentile	1.99	17 %	52 €	308 €

Source: "Completed insured life-courses" 2004 (VVL 2004), only women with residence in Germany, own calculations.

Care givers tend to have low old-age pensions even by western German standards, where women had on average 592 € monthly pension (Firstly granted pensions in 2004) .

Women, who cared longer or more intense, have the lowest pensions (308 €).



Summary

- The care insurance pays rather generous contributions into care-givers' pension accounts, especially in case of "extreme" case of need.
- Care-giving is an overwhelmingly female and in Western Germany more widespread phenomenon.
- The life-courses of women who are care-giving differ because they have more children and worked far less than their counter-parts. They lived or live a family-oriented life. For them, contribution from the care insurance make a real difference, even though their pensions are rather low.
- No hints that the care insurance gives incentives to stop working and start care-giving, but care giving is also hardly ever combined with being employed elsewhere.

**Thank you for your
attention!**

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**Data can be ordered from the Research Data Centre of
the pension fund on the Website: www.fdz-rv.de**