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Closing the gender income gap: from paycheck to pension

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Executive Summary

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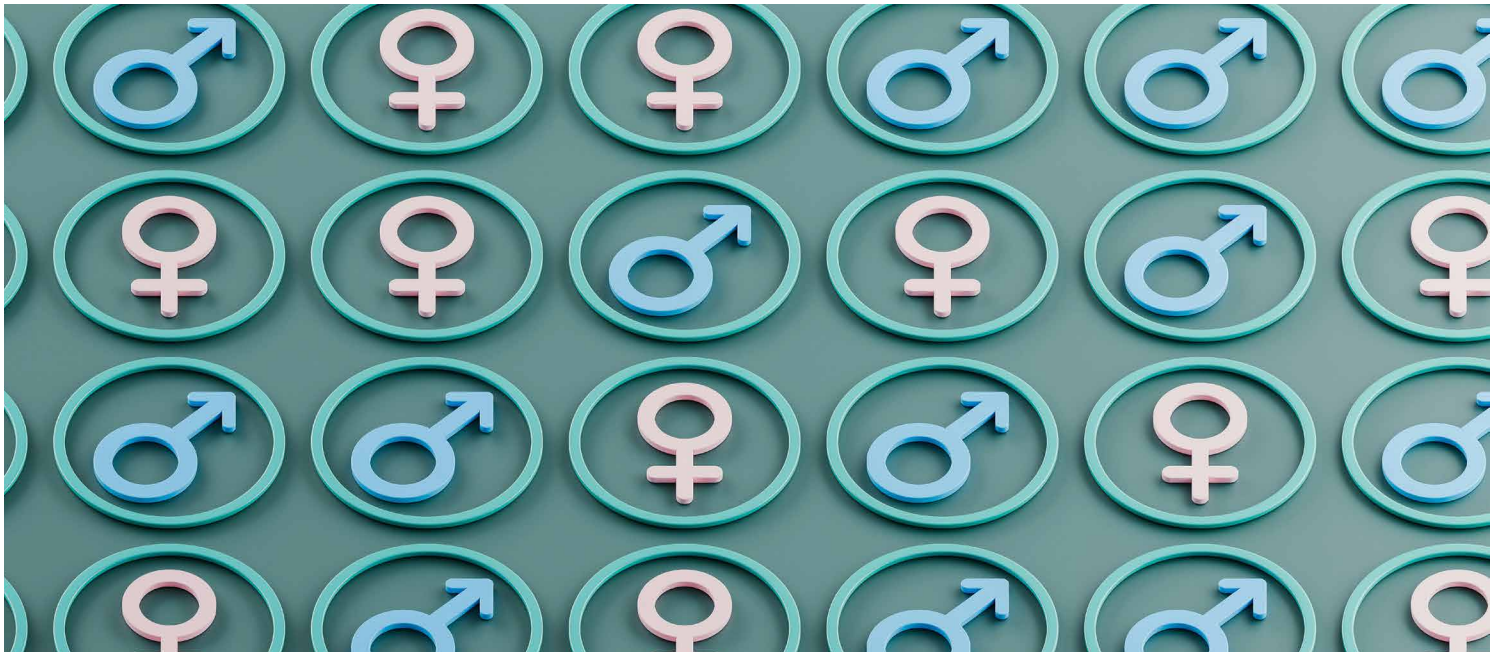
- **Women have made measurable progress over recent decades in narrowing gender pay gaps and increasing labor-force participation – but structural gaps persist.** Across the OECD, the unadjusted gender pay gap – the percentage difference between the average earnings of all men and all women without accounting for differences in job type, hours worked, experience or seniority – has declined from 21% in the early 2000s to 13.7% in 2024, and female labor-force participation has risen steadily to 71%, compared with 81% of men. However, single metrics do not capture the full economic impact of these gender disparities as important structural differences remain: women continue to work fewer paid hours, experience more career interruptions and receive on average 23.7% lower pension income than men.

- **It's about more than equal pay: What ultimately matters is total income over the lifecycle.** Lower earnings during working years reduce savings capacity, investment returns and pension entitlements. To measure this cumulative effect, we develop an integrated lifecycle model that combines labor income, capital income and pensions into a unified lifetime income measure, tracing women and men born in 1975, 2000 and 2025 across major OECD countries. Our results show that lifetime income gaps across the 14 analyzed countries decline markedly across cohorts: from roughly 33% for those born in 1975 to 16% for the 2000 cohort. This lifetime income gender gap is driven primarily by labor income (79%), followed by pensions (16%) and capital income (5%). Assuming a continuation of current structural trends, progress looks set to stall, with the lifetime income gap still at 16% for those born in 2025.

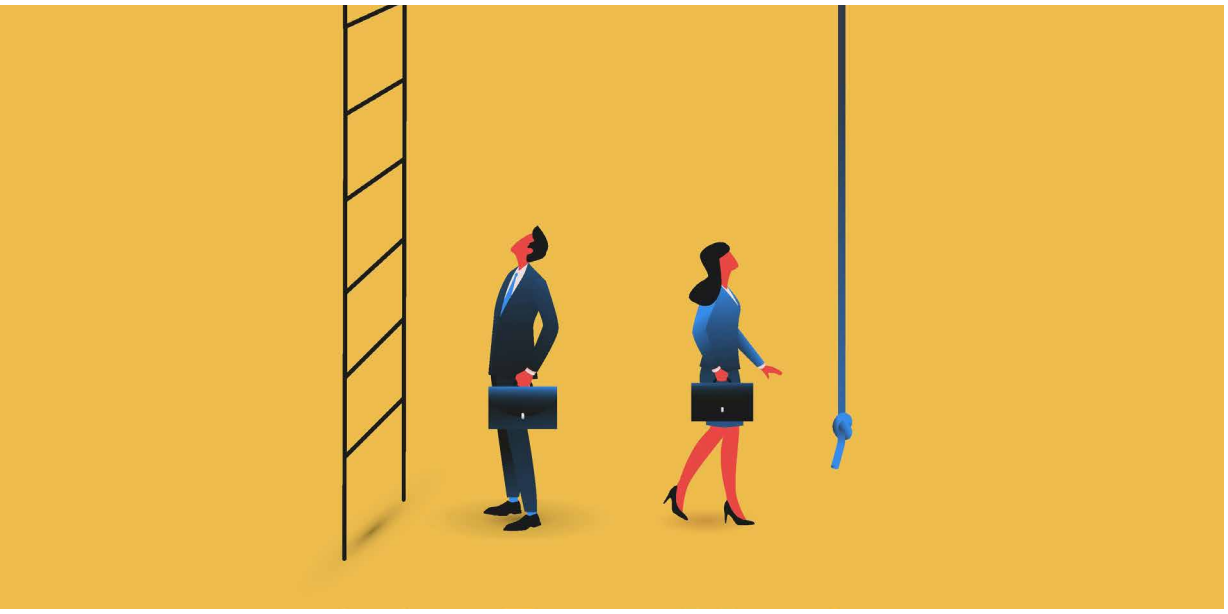
- **Country level results show sharply diverging trajectories:** Sweden is projected to reach near parity (-2%), followed by the US and Spain (around 7%), while France, Czech Republic and Belgium approach low double-digit levels. By contrast, Italy, Germany and Switzerland continue to display sizeable gaps above 20% over the lifecycle of women and men born in 2025, indicating the need for continued reform efforts to create equal conditions for men and women to foster the convergence of lifetime incomes.

- **Under current structural trends, progress slows – and the key driver is hours worked, not hourly wages.** Moving the focus from the generational view to annual labor income dynamics clearly shows this diverging dynamic: A leading group – Sweden, the US, Spain, France, Czech Republic, Belgium, Poland and the Netherlands – is projected to see annual labor income gaps fall below 10% by the end of the century. In lagging countries – Germany, Italy, the UK, Denmark, Austria, and Switzerland – sizeable gaps persist as structural differences in part-time employment outweigh gains in participation and hourly pay. The future of gender income convergence will thus be determined less by wage equality per hour and more by the distribution of working hours across the lifecycle.

- **Closing gender income gaps faster requires structural change.** To close the labor income gap, public policy must take the lead. Expanding affordable childcare, reducing disincentives for second earners and supporting continuous full-time employment would address disparities at their source – and represent sound fiscal policies that can pay for themselves over time.[1] At the same time, women need to close emerging gender gaps in AI adoption - currently at 16%[2] across the EU - to ensure full participation in future productivity gains and technological transformation. With regard to the pension gender gap, public pension design can help cushion the cumulative effects of career interruptions and lower lifetime earnings. However, in times of increasingly strained public finances, private pension provision will become more important. Women should therefore focus on strengthening financial literacy, which can increase annual investment returns by up to 1.5pps[3], while also starting to save and invest as early as possible to fully benefit from the power of compounding.



[1] Source: Hendren, N. and B. Sprung-Keyser (2020), "A Unified Welfare Analysis of Government Policies", The Quarterly Journal of Economics, 135(3), 1209-1318, https://doi.org/10.1093/qje/qjaa006.
[2] Source: Eurostat (2025), Individuals - Use of Generative AI Tools, https://doi.org/10.2908/ISOC_AI_IAIU.
[3] Source: Allianz Research (2023), "Playing the Squared Ball: the Financial Literacy Gender Gap", https://www.allianz.com/en/economic_research/insights/publications/specials_fmo/financial-literacy.html



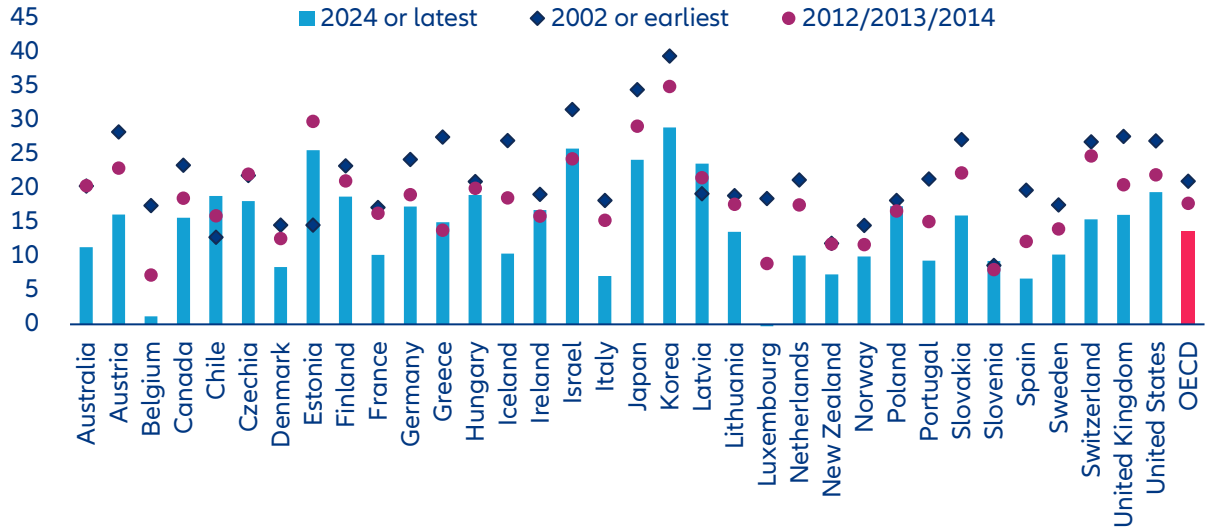
The gender pay gap has declined but hasn't disappeared

Over the past quarter century, gender pay equality has improved significantly across advanced economies. The go-to benchmark for policymakers and the public debate is the unadjusted gender pay gap, which measures the percentage difference between average gross hourly earnings of women and men working full-time relative to men's earnings. Across OECD countries, this gap declined from 21% in the early 2000s to 13.7% in 2024 (Figure 1). In the EU, it fell from 20.6% to 13.0%.[4] Despite this progress, the gap remains substantial.

The aggregate decline masks significant cross-country divergence. In France, Italy, Spain and Denmark, the unadjusted gender pay gap has declined to 10% or below, with Belgium nearing parity. Progress has been slower elsewhere. In Germany, the gap has decreased from 24.2% to 16% and in the US from 27.0% to 19.4%. In Hungary, reductions have been modest and in Chile the gap has widened.

[4] Source: OECD (2025a), "Gender Equality in a Changing World: Taking Stock and Moving Forward, Gender Equality at Work Series", OECD Publishing, Paris. https://doi.org/10.1787/e808086f-en.

Figure 1: Global evolution of unadjusted gender pay gaps, in %



Sources: OECD, Allianz Research.

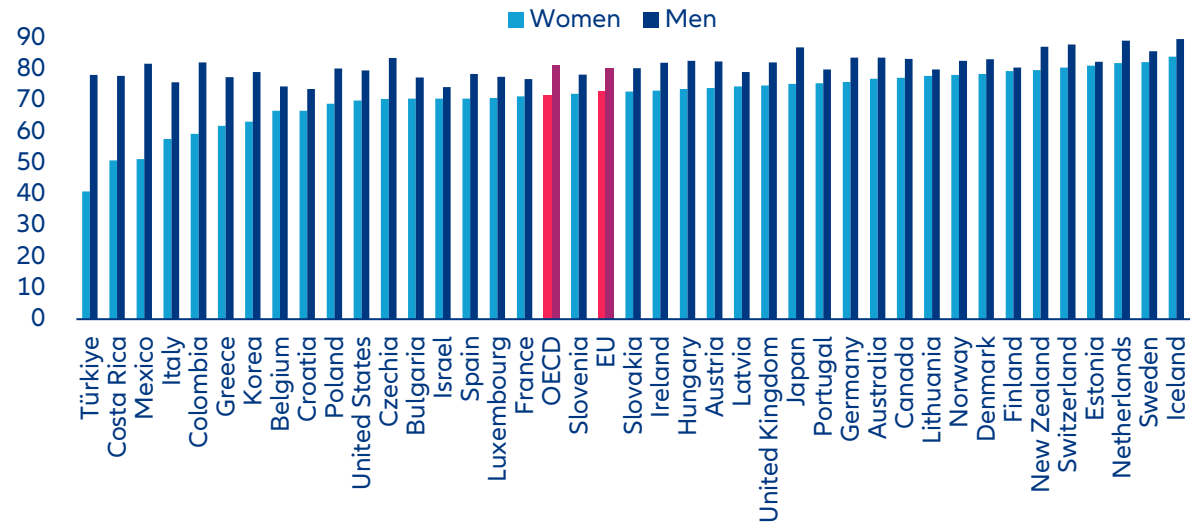
While widely used thanks to its simplicity and comparability, the unadjusted gender pay gap captures only part of the picture. It compares all working women and men without adjusting for differences in occupation, sector, education, seniority, number of working hours or career interruptions. Its key limitation is that it reflects how labor markets are structured rather than how pay is set within identical jobs. As a result, it captures the effects of part-time work, occupational segregation and motherhood-related career breaks as much as pay differences within comparable positions. To isolate within-job wage differences, economists estimate the adjusted gender pay gap, controlling for role, qualifications and experience. This typically reduces the headline gap by 50% or more, but does not eliminate it. In Germany, for example, the unadjusted gap of 16% narrows to around 6% once comparable roles are considered, but it is still present. Hourly pay says little about how much women work, how continuous their careers are or how earnings accumulate over time. From a lifecycle perspective, overall earnings – combining wages, working hours and employment rates – provide a more comprehensive view.

The gender work gap has narrowed but differences in work patterns persist

Women have made substantial gains in labor market participation. Across the OECD, the remaining gender labor force participation gap stood at 10pps in 2023 (71% for women versus 81% for men). In the EU, the gap has narrowed further to 7pps (73% versus 80%).[5] What once represented a structural divide has become a much smaller gap. Convergence is visible in many large economies (Figure 2). Germany now records a female participation rate of 76.5% compared to 83.9% of men. France stands at 71% for women, just six points below men. In the US, 70% of women participate in the labor force compared to 80% of men. A generation ago, these figures were significantly lower. But progress is uneven. Italy's female participation rate remains at 58%, nearly 20pps below men. In Türkiye, the gap exceeds 35 points. The overall picture is therefore one of strong structural progress, combined with persistent national divergence.

[5] Source: OECD (2025a), "Gender Equality in a Changing World: Taking Stock and Moving Forward, Gender Equality at Work Series", OECD Publishing, Paris. https://doi.org/10.1787/e808086f-en.

Figure 2: Global labor force participation rates by gender in 2023, ages 15-64, in %

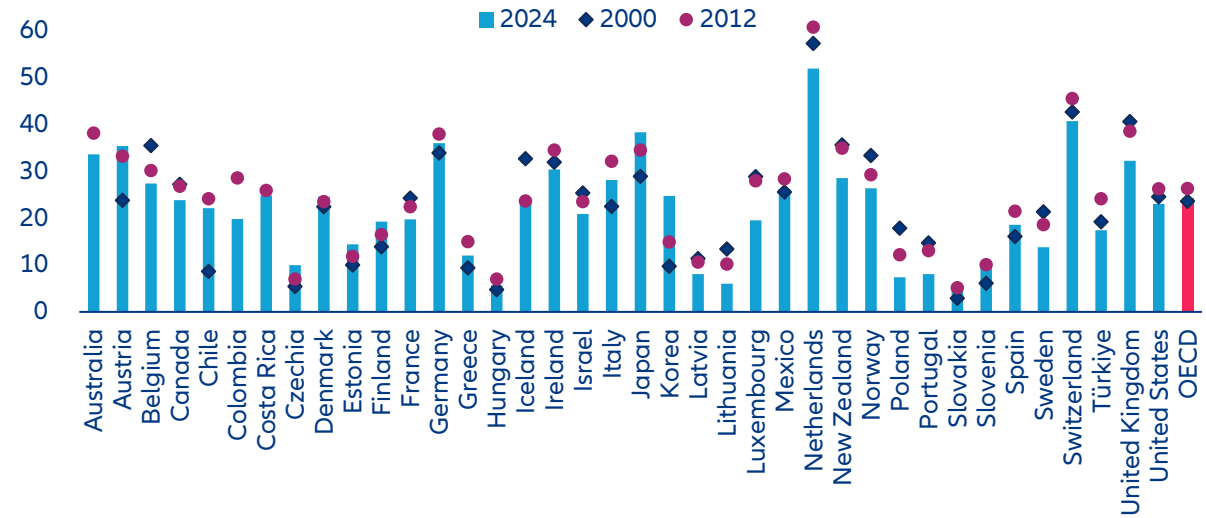


Sources: OECD, Allianz Research.

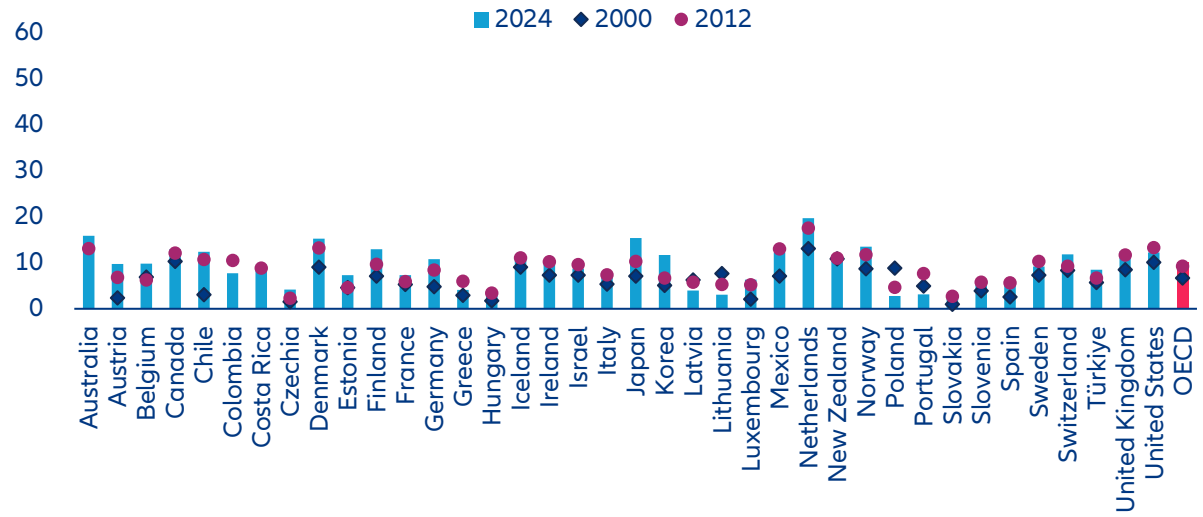
As employment gaps have narrowed, a different divide has moved to the forefront: not whether women work, but how much they work. While the participation gap has narrowed substantially across most OECD countries, this convergence has not translated into equal working patterns. Women remain disproportionately represented in part-time employment. Across the OECD, 24% of employed women work part-time, compared with 10% of men. In the EU, the figures are similar (23% versus 8%). The gender divide has thus shifted: women are more present in the labor market, but often on different terms. In some countries, part-time work defines female employment patterns. In the Netherlands, more than half of working women (52%) are employed part-time, compared to 20% of men. In Germany, 36% of women work part-time versus 11% of men. In the UK, nearly one-third of women (32%) work part-time, compared to 12% of men. Male part-time rates have increased over the past 25 years as well, but from a much lower base. In Germany, the male rate rose from 5% in 2000 to 11% in 2024. Across the OECD, male part-time employment moved from roughly 7% to 10%. This reflects gradual change in work culture, but the structural gap remains wide.

Figure 3a and 3b: Global evolution of part-time employment shares of women (Panel A) and men (Panel B) in 2024, in %

Panel A: Women.



Panel B: Men.



Sources: OECD, Allianz Research.

The reasons behind part-time employment also reveal structural asymmetries. Evidence from Germany illustrates patterns that are common across many OECD countries. Among those working part-time, 29% of women cite childcare or caregiving as the main reason for reduced hours, compared with only about 7% of men.[6] By contrast, men more often report education or training as the reason for part-time work (22% vs. 8%). The parental split is particularly striking. Among employed parents, 69% of mothers work part-time, compared with just 8% of fathers.[7] These figures suggest that part-time work is not simply a lifestyle preference but closely linked to caregiving structures, household specialization, and gender norms. Similar patterns are documented across OECD countries, where mothers' labor supply adjusts far more strongly to family responsibilities than fathers'.[8]

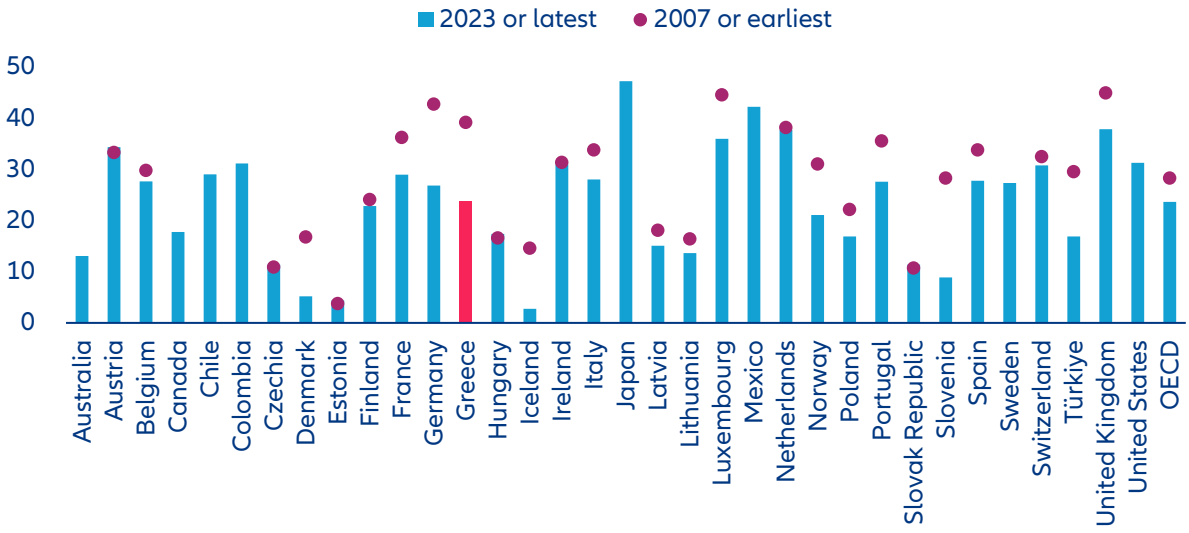
The result is a new configuration of labor market inequality. Women have largely closed the access gap to paid work, but not yet the gap in paid hours. Fewer hours mean lower earnings, slower advancement and weaker pension accumulation. The past quarter century has delivered convergence in participation but not yet in work intensity.

[6] Source: German Federal Statistical Office (2026), „28 % der Teilzeitbeschäftigten arbeiten auf eigenen Wunsch reduziert", https://www.destatis.de/DE/Presse/Pressemitteilungen/2026/01/PD26_N007_13.html.
[7] Source: German Federal Statistical Office (2025), „Fast jede zweite erwerbstätige Frau arbeitet in Teilzeit", https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/05/PD25_175_13.html.
[8] Source: OECD (2025b), "Gender Gaps in Paid and Unpaid Work Persist", Policy Brief, Paris, https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/09/gender-gaps-in-paid-and-unpaid-work-persist_de465299/25a6c5dc-en.pdf.

Gender pension gaps reflect lifetime labor market inequality

If wage gaps capture inequality within working years, pension gaps reveal its cumulative effect. Across OECD and EU countries, women receive lower public pension income than men because pension entitlements reflect lifetime earnings, working hours and contribution histories, where the gender differences accumulate over decades. Across the OECD, the average gender pension gap declined from 28.3% in the late 2000s to 23.7% in 2023 (Figure 4). Progress has been real but retirement income disparities remain large. In several major economies, women still receive 30-40% lower pension income than men. The gap stands at 34% in Austria, 38% in the UK and 38% in the Netherlands. In some countries pension inequality has decreased substantially. In Germany, the gap fell from 43% to 27%, in Greece from 39% to 24%, and in Denmark from 17% to just 5%. These declines reflect rising female employment as well as reforms strengthening minimum pension floors and redistributive elements.

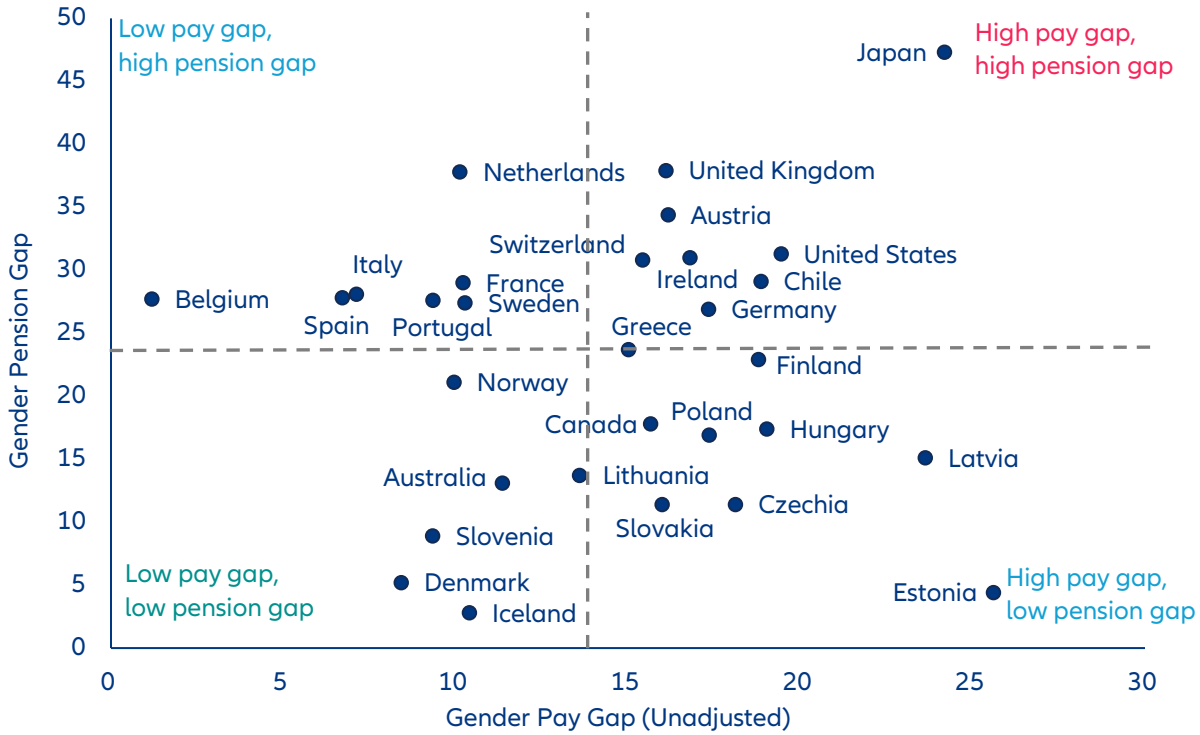
Figure 4: Global evolution of gender pension gaps, in %



Sources: OECD, Allianz Research.

Institutional design mitigates the transmission of labor market gender inequality into retirement. Figure 5 compares the unadjusted pay and pension gaps across countries relative to OECD averages (13.7% and 23.7%), revealing four distinct structural regimes. The first cluster combines high pay gaps with relatively low pension gaps, including countries such as Czechia, Slovakia and Estonia. In these systems, redistributive public pension pillars, minimum benefit floors or contribution credits compress lifetime income differences. Institutional design therefore mitigates the transmission of labor market gender inequality into retirement. A second group displays the opposite pattern: low pay gaps but high pension gaps, including countries such as the Netherlands, Spain, Sweden and France. In these countries, retirement income is closely tied to lifetime contributions. As a result, part-time employment and career interruptions – even when wage gaps appear limited – translate directly into sizeable pension disparities. Moderate pay gaps can therefore coexist with pronounced retirement inequality. A third cluster combines high pay gaps and high pension gaps, reflecting persistent gender inequality across the lifecycle, including countries such as the UK, Austria and the US. Here, labor market disparities during working years are transmitted almost one-to-one into retirement income. Pension systems with strong links to lifetime earnings amplify structural differences in employment patterns, reinforcing inequality rather than compressing it. Finally, a fourth group achieves low pay gaps and low pension gaps, including Denmark, Iceland, Slovenia and Australia. In these economies, relatively compressed wage structures combine with pension systems and employment patterns that limit the accumulation of lifetime disparities. High female participation and supportive family policies often reinforce this balance.

Figure 5: Global Clustering of Unadjusted Gender Pay and Pension Gaps, in %



Sources: OECD, Allianz Research.

Unequal care responsibilities remain a central driver of gender gaps

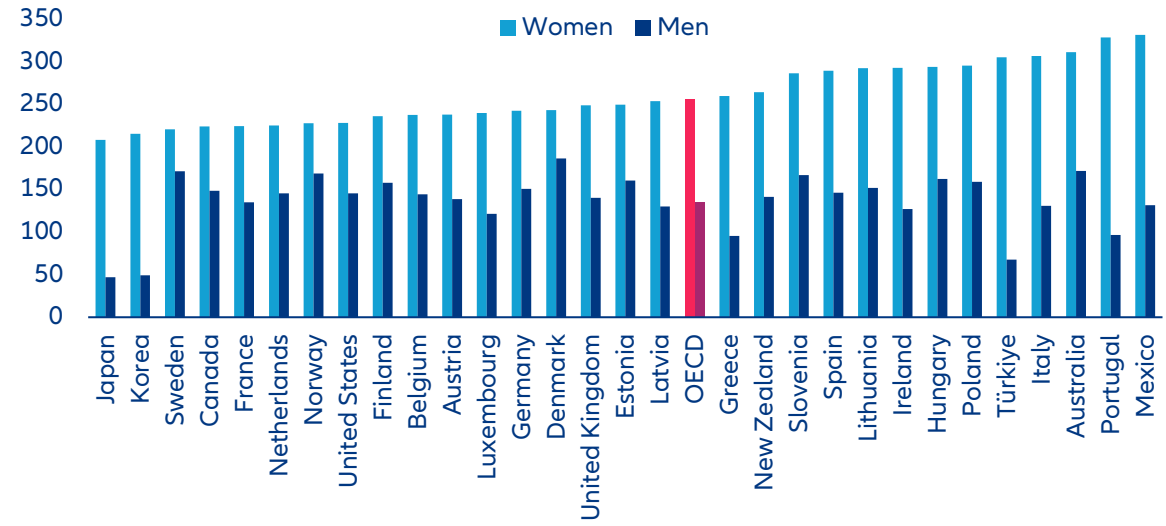
Across the OECD, women perform on average 256 minutes of unpaid work per day, compared with 135 minutes for men – a gap of more than two hours daily (Figure 6). Over a year, that amounts to the equivalent of several additional full-time working weeks. While the imbalance varies across countries, it remains substantial everywhere.

These time differences translate directly into economic outcomes. Time spent on unpaid care reduces paid working hours, career continuity and experience accumulation. While female labor force participation has risen markedly, the distribution of unpaid work has changed far more slowly. Mothers are more likely to reduce hours or interrupt their careers; fathers typically are not. Women are 55% more likely to take career breaks, and those breaks last longer on average – 19.6 months compared to 13.9 months.[9] (World Economic Forum 2025). Access to affordable and reliable childcare remains a critical constraint shaping these decisions.[10] Women are also more likely to provide informal eldercare later in life, further affecting labor supply and lifetime contributions.

Institutional design reinforces these gender inequalities. In many OECD countries, tax-benefit systems are structured around a primary earner model. Joint taxation or means-tested benefits can increase the marginal tax burden on the second income in a household, reducing financial incentives for full-time employment of the secondary earner, which are typically women (OECD 2025b). When childcare costs are high and net returns to additional working hours are limited, households often adjust through reduced female labor supply. What appears as an individual choice is frequently shaped by economic incentives. Unpaid care work therefore remains the hinge of gender inequality. As long as care responsibilities are unevenly distributed, convergence in participation will not translate into convergence in earnings or pensions.

[9] Source: World Economic Forum (2025), "Global Gender Gap Report 2025", WEF Insight Report.
[10] Source: OECD (2025b), "Gender Gaps in Paid and Unpaid Work Persist", Policy Brief, Paris, https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/09/gender-gaps-in-paid-and-unpaid-work-persist_de465299/25a6c5dc-en.pdf.

Figure 6: Global gender gaps in unpaid care work, in minutes per day



Sources: OECD, Allianz Research.

Box 1: The motherhood penalty

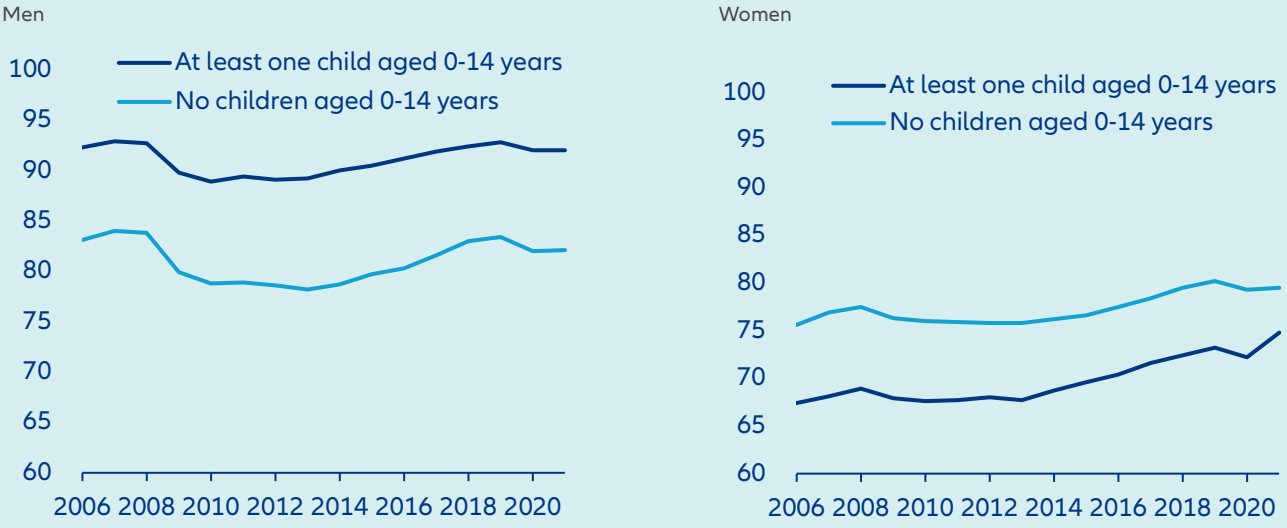
Parenthood is one of the most powerful structural drivers of gender disparities in labor markets. A large and growing body of research shows that the arrival of the first child leads to a persistent divergence in employment trajectories between women and men. Using event-study approaches around the birth of the first child, recent work by Kleven et al. (2025) constructs a global "Child Penalty Atlas" covering more than 130 countries.[11] While fatherhood has little effect on employment, motherhood is associated with large and lasting reductions in employment. Deeply embedded gender norms around care and paid work reinforce this divergence by shaping household decisions and employer expectations.

Descriptive OECD evidence already illustrates this pattern (Figure 7). Across countries, employment rates of men and women without children are broadly similar. After parenthood, however, trajectories diverge sharply. Fathers' employment rates are on average higher than those of men without children, while mothers' employment rates fall well below those of women without children. The charts make the asymmetry clear: parenthood strengthens men's labor market attachment but weakens women's. Survey evidence shows that in many countries a substantial share of respondents believe that children suffer when mothers work or that men should have stronger claims to jobs, highlighting how social norms continue to legitimize unequal care responsibilities.

Formally, the child penalty can be defined as the post-birth divergence in employment probabilities between mothers and fathers in the ten years after the first child. The size of the penalty varies substantially across countries (Figure 8). From around 10% in Norway and Sweden, and 25% in the US and France, it exceeds 40% in Germany, South Korea and Czechia. In several countries, only a partial recovery of female employment occurs even ten years after childbirth. In advanced economies, child penalties explain a large share – and in some cases almost all – of the remaining gender employment gap. Cross-country variation in penalties mirrors differences in social norms and institutional settings, underscoring that policy reform alone may be insufficient without shifts in expectations about work and care.

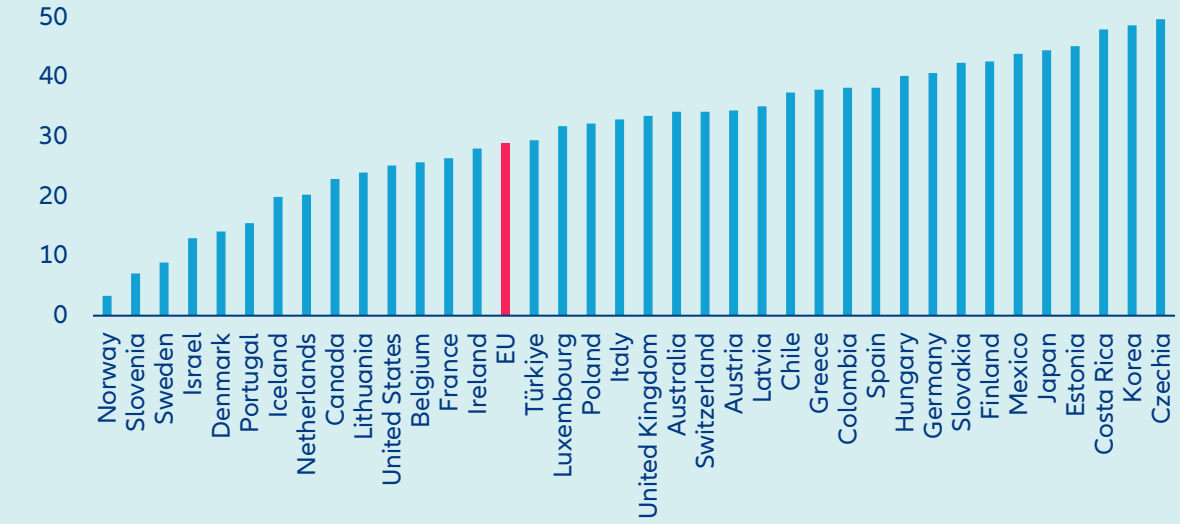
[11] Source: Kleven, H., C. Landais and G. Leite-Mariante (2025), "The Child Penalty Atlas. The Review of Economic Studies", 92(5), 3174-3207.

Figure 7: Employment rates of fathers vs. non-fathers (left) and mothers vs. non-mothers (right), 2006-2021, OECD averages in %



Sources: OECD, Allianz Research.

Figure 8: Child penalties around the world, in %



Sources: Kleven et al. (2025), Allianz Research.

The importance of child penalties increases with economic development. In low-income countries, gender gaps often predate parenthood and reflect broader structural factors. As economies shift toward salaried employment in industry and services, family formation becomes the central mechanism through which gender inequality persists. In high-income countries, reducing gender gaps in employment increasingly means reducing child penalties. Recent evidence also suggests that the effect is not limited to realized career interruptions. A study by Camille Landais and co-authors analyzes women with MRKH syndrome, who know from early life that they will never have biological children.[12] For this group, the typical widening of the gender pay gap in the 30s and 40s largely disappears: their earnings trajectories resemble those of men. This indicates that part of the gender gap reflects decisions made in anticipation of future motherhood, not only the post-birth interruptions.

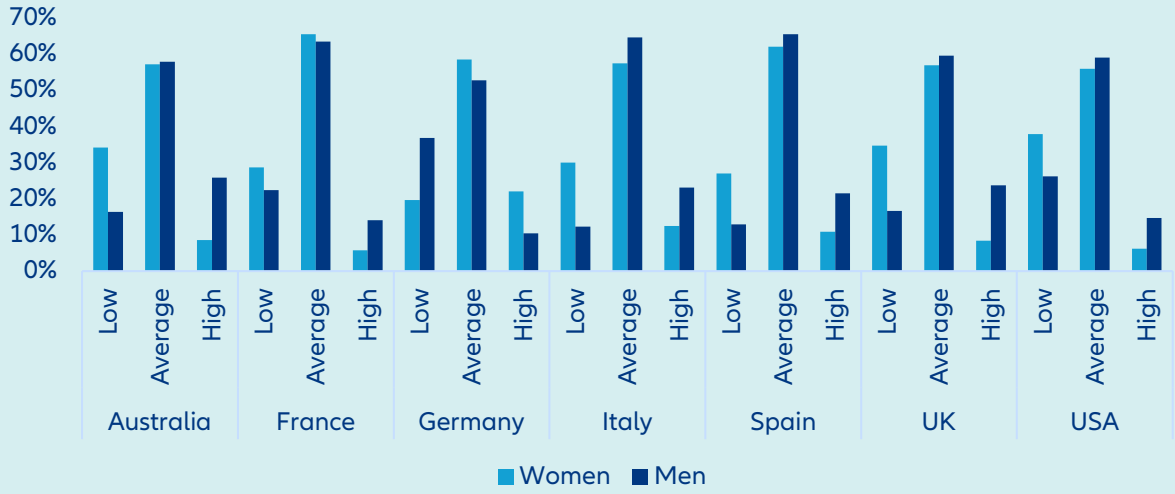
[12] Source: The Economist (2026), "What Drives the Wage Gap between Men and Women?", https://www.economist.com/finance-and-economics/2026/02/11/what-drives-the-wage-gap-between-men-and-women

The magnitude of the motherhood penalty may also evolve in the future as fertility patterns change. Across almost all OECD countries, total fertility rates have fallen below replacement level, in many cases since the mid-1970s. Fewer births could mechanically reduce aggregate motherhood-related career interruptions. The fertility decline has been particularly pronounced among highly educated women, whose opportunity costs of career interruption are highest. In economies where modern labor markets coexist with persistent traditional gender roles, such as South Korea, fertility rates are among the lowest globally. This suggests that when women anticipate unequal childcare burdens, they adjust not only employment after birth but also fertility decisions themselves.[13] Changes in fertility therefore do not automatically imply a weakening of the motherhood penalty; they may instead reflect its anticipation. Together, this evidence shows that the motherhood penalty operates not only through employment losses after childbirth, but also through anticipatory adjustments in career and family decisions. Because these choices are made early and persist over time, their effects accumulate across the lifecycle, shaping lifetime earnings, savings capacity and ultimately pension outcomes. Without parallel changes in social norms, progress in narrowing child penalties is likely to remain gradual even where formal policy frameworks are supportive.

Box 2: Financial literacy and investment behavior

Closing gender gaps in financial literacy can be a powerful lever in closing overall gender income gaps. According to the OECD/INFE 2023 survey, the average financial literacy score across participating OECD countries is 63 out of 100, and only 39% of adults reach the minimum target score.[14] Within this already modest performance, women systematically score lower than men across knowledge, behavior and confidence dimensions. In all countries except Germany (Figure 9), women are overrepresented in the low-literacy category and underrepresented among highly literate respondents.[15]

Figure 9: Financial literacy gender gaps, in %



Source: Allianz Research (2023).

[13] Source: Goldin, C. (2025), "The Downside of Fertility", NBER Working Paper No. 34268. https://www.nber.org/system/files/working_papers/w34268/w34268.pdf

[14] Source: OECD (2023), OECD/INFE 2023 International Survey of Adult Financial Literacy. OECD Publishing, Paris.

[15] Source: Allianz Research (2023), "Playing the Squared Ball: the Financial Literacy Gender Gap", https://www.allianz.com/en/economic_research/insights/publications/specials_fmo/financial-literacy.html

These differences translate into measurable financial outcomes. Simulations based on stylized portfolios show that moving from low to average financial literacy increases annual real returns by 0.8-1.5pp. Over long investment horizons, this gap compounds substantially. Based on average household financial assets, the associated annual surplus investment income ranges from roughly EUR1,750 to EUR5,000 per household. Lower financial literacy reduces participation in capital markets, increases reliance on low-yield savings products and weakens retirement planning. In pension systems that increasingly shift responsibility to individuals, literacy gaps amplify existing income and career inequalities. The cumulative effect is clear: lower investment participation, lower long-term returns and, ultimately, wider gender wealth and pension gaps. Financial literacy is therefore not a marginal skill. It is a structural driver of wealth accumulation and retirement security.

Modelling gender lifetime income gaps across countries and over time

Individual indicators, such as labor force participation rates, hourly pay gaps or pension differences, describe important aspects of gender disparities. But economically, what ultimately matters is total income over the lifecycle. Lower labor income reduces savings capacity and investment income, and weaker contribution histories translate into lower pensions. To capture this cumulative dynamic, we developed an integrated lifecycle income model that measures total gender lifetime income gaps across countries and generations. The framework covers 14 OECD economies – Germany, France, Italy, Spain, Austria, Switzerland, Belgium, the Netherlands, Denmark, Sweden, Czech Republic, Poland, the UK and the US – and compares the three birth cohorts 1975, 2000 and 2025. This cohort-based design allows us to assess structural progress over time and to project how gender lifetime income gaps may evolve under current trends. By embedding country-specific labor-market patterns, tax systems, savings behavior and pension benefit levels, the model reflects the institutional environments in which income gaps evolve over time. Future dynamics are derived from observed structural trends since 1995. The development of labor force participation rates[16], part-time shares, the number of hours worked as well as the hourly wages in each 10-year age group between 20 and the respective retirement age is extrapolated forward, but in some cases with an identical dampening factor. Given the structural catch-up of women in recent decades, we assume that future growth of both female and male labor force participation rates and part-time shares continues at half the historical compound annual growth rate and remains within empirically observed bounds. In addition, we limit the "reverse" gender pay gap to 5%, i.e. as soon as the hourly wages of women exceed those of men in the same age group by more than 5% due to different growth dynamics in our model, we extrapolate the wages of women using the lower average growth rate of the wages of men. The projections therefore reflect a continuation of current structural trends rather than ambitious reform scenarios – enabling an assessment of whether existing momentum is sufficient to meaningfully narrow gender lifetime income gaps.

[16] Sources: Federal Reserve Bank of St. Louis (2025), Data, https://fred.stlouisfed.org/; Eurostat (2025), Database, https://ec.europa.eu/eurostat/web/main/data/database; International Labor Organization (2025), ILOSTAT, https://ilostat.ilo.org/data/, Office for National Statistics (2025), Gender pay gap in the UK 2025, released 23 October 2025, ONS website, statistical bulletin, Gender pay gap in the UK: 2025 (https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworking hours/bulletins/genderpaygapintheuk/2025); United Nations, Department of Economic and Social Affairs, Population Division (2024), World Population Prospects 2024, Online Edition; U.S. Bureau of Labor Statistics (2025), https://www.bls.gov/.

The overall result is clear: while women's lifetime income gaps have seen broad improvement across all countries from the cohorts 1975 to 2000, the trajectories for the youngest cohort born in 2000 are diverging across countries. Table 1 presents the evolution of lifetime income gender gaps across the 14 OECD countries analyzed and the three generations born in 1975, 2000 and 2025. The table ranks the countries based on the projected lifetime income gap of the youngest cohort, those born in 2025, and allows for a comparison of how this gap has evolved across three generations.

However, for the youngest cohort of women and men born in 2025, country trajectories diverge if current structural trends continue. While some countries continue to close the gap, others show signs of stagnation. At the top of the ranking, Sweden is projected to reach near parity for the 2025 cohort, with a slightly negative gap of -2 %. The US and Spain follow, with gaps of around 7%, reflecting sustained progress in employment and earnings. France, the Czech Republic and Belgium also move towards low double-digit levels. By contrast, Italy, Germany and Switzerland continue to exhibit sizeable gaps above 24%.

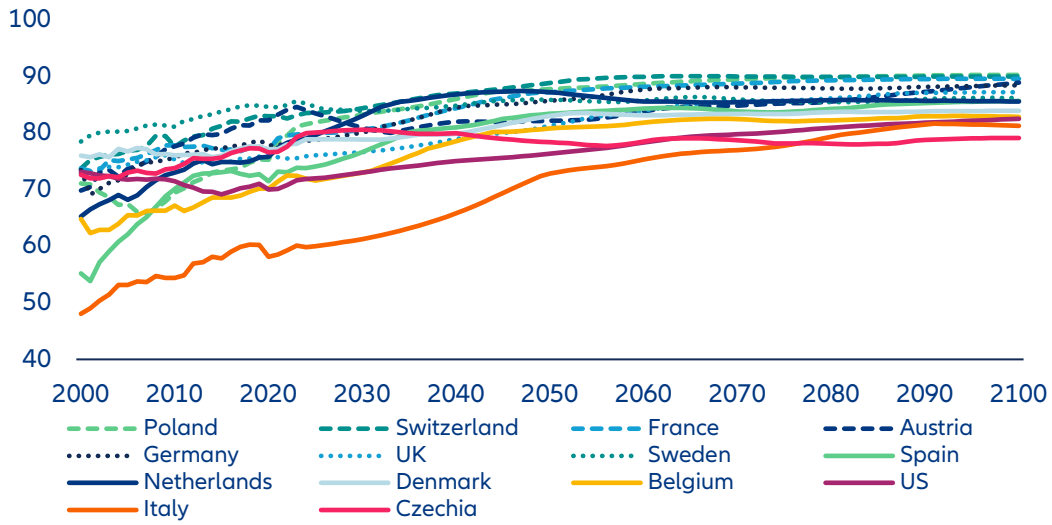
Table 1: Country ranking of lifetime income gender gaps*

Country	Ranking Based on Gap of 2025 Cohort	Lifetime Income Gender Gap 1975 Cohort	Lifetime Income Gender Gap 2000 Cohort	Lifetime Income Gender Gap 2025 Cohort
Sweden	1	14%	2%	-2%
United States	2	23%	16%	7%
Spain	3	13%	5%	7%
France	4	20%	11%	10%
Czech Republic	5	17%	5%	11%
Belgium	6	15%	8%	12%
Poland	7	25%	16%	14%
Netherlands	8	31%	17%	15%
Denmark	9	23%	18%	16%
UK	10	33%	19%	17%
Austria	11	31%	22%	20%
Italy	12	21%	21%	24%
Germany	13	34%	26%	26%
Switzerland	14	33%	28%	32%

*For the calculation of the lifetime income gap of the age cohort 2025 only labor and interest income is taken into account.
Sources: Eurostat, ONS, BLS, UN, OECD, Allianz Research.

The marked reduction in lifetime income gender gaps between the 1975 and 2000 cohorts across most countries reflects substantial gains in female labor-force participation and earnings over recent decades (Figure 10). Rising participation, particularly among women aged 50 and over, has been central to this progress. Not least due to pension reforms that have increased statutory retirement ages. This expansion in working lives largely explains the improved outcomes observed for the 2000 generation compared with those born in 1975.

Figure 10: Female labor force participation rates, 2000-2100, in %



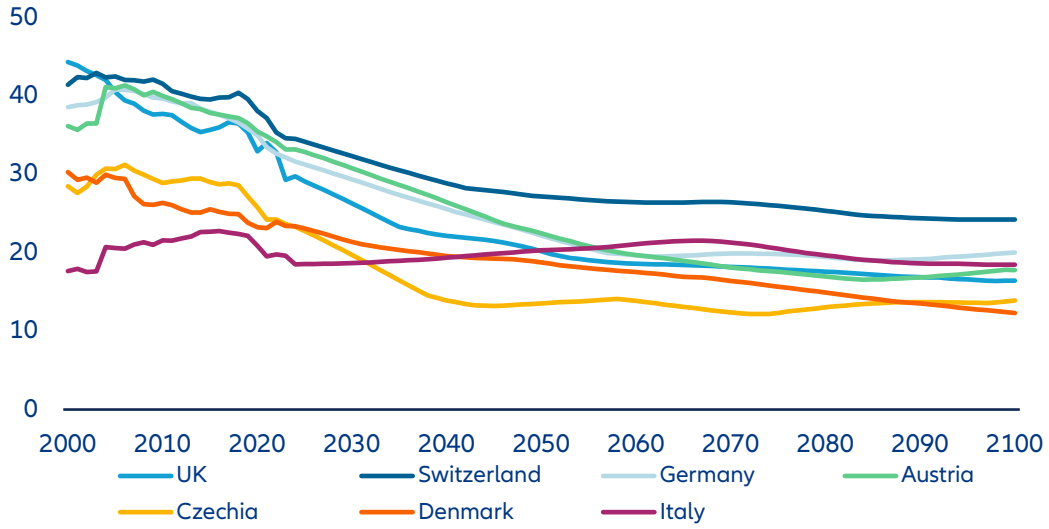
Sources: Eurostat, ILOSTAT, Federal Reserve Bank of St. Louis, OECD, ONS, UN Population Division (2024), Allianz Research.

A key driver of the diverging country trajectories for the 2025 cohort are trends in female part-time work. Since around 2010, these trends have begun to diverge. In countries with narrowing gaps, female part-time rates peaked between 2010 and 2019 and have since stabilized or declined. By contrast, in countries with higher gaps, the part-time shares of women are not only higher today but are projected to remain substantially higher if current trends persist. Among men, part-time employment has increased modestly, though from low levels. Pension systems, combined with women's longer life expectancy, mitigate some lifetime income disparities. Yet where lifetime gaps stagnate or widen, structural differences in work intensity and hours worked dominate. This explains why the momentum is uneven and, in some cases, stalling.

While the generational comparison reveals how lifetime income gaps evolve across cohorts, it does not capture the speed of convergence at any given moment. To assess this dynamic, Figure 11 shifts from a cohort-based view to an annual perspective on total labor income, combining participation, hours worked and hourly wages. This lens makes visible the underlying trajectory of gender earnings differences on the labor market: whether progress is accelerating, slowing or stalling. It complements the lifecycle results by indicating whether current structural trends are strong enough to sustain convergence in the decades ahead – or whether lifetime gaps are likely to persist despite generational improvements. The projections show that structural factors, particularly trends in part-time employment and work intensity, increasingly shape future outcomes. As a result, the annual labor income gap is expected to decline further in most countries, but at different speeds – explaining the divergent results projected for the 2025 cohort.

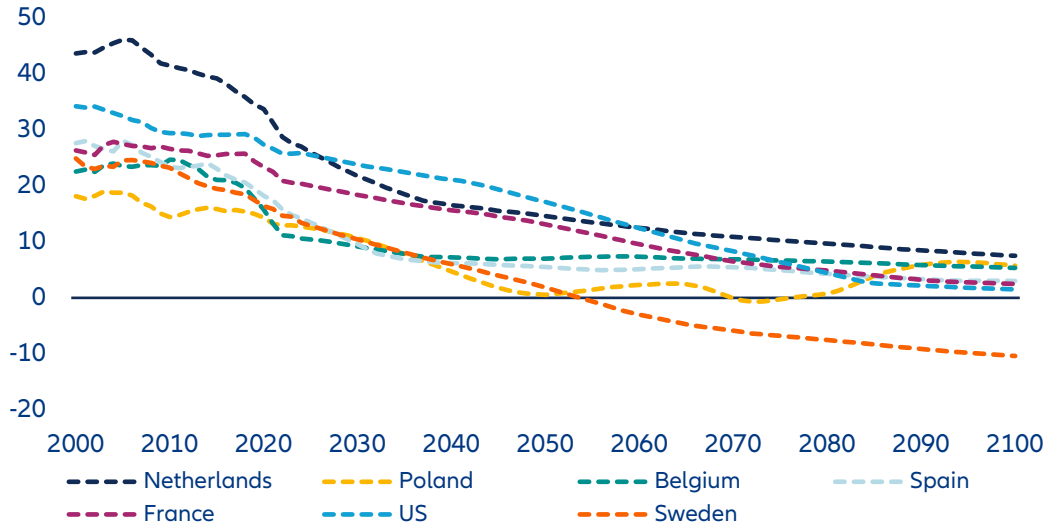
The leading group – Sweden, the US, Spain, France, Czech Republic, Belgium, Poland and the Netherlands – is projected to see annual labor income gaps fall below 10% by the end of the century, effectively approaching income parity (Figure 11). A lagging group achieves gradual but incomplete convergence. The lagging group – Germany, Italy, the UK, Denmark, Austria, Switzerland and Czechia – remains constrained by persistent differences in work intensity and part-time employment, leading to higher and stagnating lifetime income gender gaps (Figure 12).

Figure 11: Annual labor income gender gap 2000-2100, countries where the gap remains above 10%, in %



Sources: Eurostat, ILOSTAT, Federal Reserve Bank of St. Louis, OECD, ONS, UN Population Division (2024), Allianz Research. .

Figure 12: Annual labor income gender gap 2000-2100, countries where the gap remains above 10%, in %



Sources: Eurostat, ILOSTAT, Federal Reserve Bank of St. Louis, OECD, ONS, UN Population Division (2024), Allianz Research.

Country Insights

#1 Sweden: It's the low part-time share

Sweden tops the ranking among the 14 analyzed countries. The projected lifetime income gender gap narrows sharply from 14.2% for women born in 1975 to just 2.2% for the 2000 cohort. For those born in 2025, the gap turns negative (-2.4%), making Sweden the only country in the sample where the youngest generation is projected to achieve effective lifetime income parity.

A Swedish woman born in 2000 is projected to earn around 5% less over her lifetime than her average male peer – equivalent to approximately EUR 130,000 when accounting for all income streams from first employment earnings through pension income. As in most countries, the gap is primarily rooted in labor income. However, Sweden's pension system with its capital-based pillar as well as women's longer life expectancy partly offsets this disparity. With retirement at 69, women are expected to spend roughly two additional years in retirement, resulting in total pension income that is about 5% higher than that of men. This cushions roughly half of the underlying labor income gap, leaving a relatively small residual difference over the lifecycle.

Hourly wage differences are already limited. Women working full-time earn close to male levels, and under current trends the gender pay gap is expected to close by the mid-2050s. Over time, women's hourly wages reach parity and are projected to slightly exceed those of men.

The decisive structural factor, however, is working time. Sweden combines high female labor-force participation with comparatively low and steadily declining female part-time employment. The share of women working part-time fell from 41.5% in the mid-1990s to 24% in 2025, while the male rate increased from 8% to 12%. If this trajectory continues, female part-time employment declines further to around 12%, while male part-time rises toward 18%, effectively reversing the traditional gender gap in reduced hours.

Female labor-force participation is already high at 85% and remains close to male levels over the long run. Taken together – participation, hours worked and wage convergence – these dynamics drive the annual labor income gap down from 13% today to slightly negative territory in the long term, with women's average annual earnings eventually exceeding men's by around 10%.

Sweden illustrates how sustained convergence in working-time patterns, alongside wage equality, can translate into lifetime income parity. Maintaining policies that support both work and family as well as balanced care responsibilities will be essential to preserve this trajectory.

#2 US: Strong and sustained convergence

The US ranks second among the 14 studied countries and stands out for a strong and continued convergence process across generations. The projected lifetime income gender gap declines from 23.1% for those born in 1975 to 15.9% for the 2000 cohort – and then more than halves to 7.4% for those born in 2025. The downward trajectory is clear and sustained.

For the 2000 birth cohort, the total lifetime gap corresponds to roughly USD1.13mn. The decomposition shows that 73.6% of the gap stems from work earnings, 3.7% from investment income and 22.7% from pensions – one of the highest labor-income shares among the countries studied. In the comparatively lean US welfare state, where public redistribution is more limited and pension systems are more closely tied to individual earnings and savings decisions, labor-market disparities translate more directly into lifetime income differences. As a result, women have stronger economic incentives and often greater necessity to maintain full-time employment over the life course. Labor market disparities therefore translate more directly into lifetime income differences, but convergence in employment and wages also feeds through more quickly into overall gender income equality.

Participation dynamics support this trend. Today, 70.3% of women participate in the labor market compared with 79.7% of men. Under current structural projections, this gap is expected to narrow further, driven in particular by rising employment among women aged 60 and above.

Another crucial driver is part-time employment. Unlike in many European countries, female part-time shares in the US are declining from already moderate levels and are projected to converge toward male rates. Among 25-49-year-olds, 16.5% of women work part-time today compared with 6.4% of men; by 2100, these shares are projected to fall to 4.8% and 2.7%, respectively. A similar compression is visible among 50–59-year-olds (15.9% vs.

5.4% today, declining to 4.6% and 2.2%). The narrowing part-time gap significantly strengthens income convergence.

Hourly wages present a more mixed picture. In part-time employment, women already earn as much as men on an hourly basis. However, the wage gap in full-time employment remains material. Under current structural trends, women are projected to reach around 85% of men's hourly pay in full-time roles by the end of the century – leaving a persistent residual gap. As discussed in the gender pay section, however, this measure does not fully control for occupational structure, experience or sectoral composition, which remain important explanatory factors.

An annual perspective confirms the strong convergence path. The total annual labor income gap stands at 19.7% in 2026, is projected to fall below 10% by 2067 and to shrink further to around 4% by 2100. The key lever for faster closing of the remaining lifetime income gap in the US therefore lies in narrowing hourly pay differences in full-time employment, alongside continued gains in participation and work continuity.

#3 Spain: Gender lifetime income parity in sight

Spain ranks third among the 14 studied countries and stands out for sustained progress toward gender income parity. The projected lifetime income gap declines sharply from 13.0% for those born in 1975 to just 4.9% for the 2000 cohort. For those born in 2025, the gap rises modestly to 7.4%, but remains in the single digits. Spain is therefore among the countries closest to lifetime income equality.

For the 2000 birth cohort, the total lifetime income gender gap corresponds to roughly EUR126,000. The decomposition reveals an unusual pattern: while work earnings generate a sizeable gap (122.4% of the total), this is more than offset by pension income (-28.3%), with investment income contributing only marginally (6.0%). Spain is one of the few countries where pension entitlements act as a net equalizer, effectively counterbalancing labor market disparities and keeping the overall lifetime gap low.

Labor market dynamics support this convergence. Participation rates are relatively high and narrowing (71.8% for women versus 79.9% for men) and are projected to continue converging, although not fully equalizing. Part-time employment remains more prevalent among women, but the gap is modest compared with many other countries and is projected to close further. Among 25–49-year-olds, 19.8% of women work part-time today compared with 5.7% of men; by 2100, the gap narrows significantly (15.6% versus 11.5%). In several age groups, female part-time shares are projected to decline while male rates increase, compressing differences in work intensity. Wage dynamics further reinforce convergence. In full-time employment, hourly wages are already close to parity today and women are projected to overtake men over time. In part-time employment, women are expected to earn more per hour than men as early as 2046. Working hours among full- and part-time employees are currently similar across genders. An annual perspective confirms this trajectory. Spain's annual labor income gap fell from 27.7% in 2000 to 12.7% today and is projected to decline further to around 3% by 2100. Spain therefore represents one of the clearest cases where structural labor market changes and pension design together translate into near equality in gender income across the lifecycle.

#4 France: Structural convergence supported by the pension system

France ranks fourth among the 14 analyzed countries. The projected lifetime income gender gap narrows markedly from 20.5% for women born in 1975 to 10.5% for the 2000 cohort. For those born in 2025, the gap remains broadly stable at 10.0%, placing France among the countries closest to long-term convergence.

Mirroring the dynamics of most countries, the lifetime income gender gap in France is primarily driven by differences in labor income. A woman born in 2000 is projected to earn around 16% or approximately EUR393,000 less than her male peers over her life, including income from labor, pension and interest income. While this originates from work earnings over the lifetime, France's pension system partly offsets these disparities. Thanks to higher life expectancy, women are expected to spend more years in retirement. If the statutory retirement age remained at 64, a woman retiring in 2064 would spend 28.3 years in retirement, compared with 24.6 years for a man. As a result, total pension income over the retirement phase is projected to

be marginally higher for women (-0.4%), cushioning the overall lifetime income gap.

Hourly wage differences explain only part of the labor income gap. Women working full-time earn between roughly 80% and 100% of male hourly wages across age groups, with somewhat wider variation in part-time employment. Under current trends, the gender gap in hourly pay is projected to close gradually from the 2070s onward. Over time, women's full-time wages approach parity in most age groups.

The main structural driver of lifetime income gender gaps is working hours, as French women remain significantly more likely to work part-time. In 2025, around 25% of women were employed part-time, down from a peak of 31% in 1999, while the male part-time rate has risen to around 7%. If current structural trends continue, female part-time employment could decline further to 17% in the long run, while the male rate stabilizes near 11%. At the same time, female labor-force participation is projected to increase from 80% today to around 90% by 2090, broadly converging with male participation.

Under these assumptions, the total annual labor income gap – combining participation, working hours and wages – is projected to fall from around 20% today to just 2% in the long run, pointing to near parity in annual earnings.

Further progress in closing gender income gaps in France will therefore depend on structural change. Reliable childcare provision and a more balanced distribution of paid and unpaid work remain essential to sustain higher female participation and reduce remaining gender differences in part-time work.

#5 Czech Republic: Near-parity reached but risk of partial reversal

The Czech Republic ranks 5th among the 14 studied countries and represents a case of rapid convergence followed by renewed divergence. The projected lifetime income gender gap falls sharply from 17.0% for those born in 1975 to just 4.5% for the 2000 cohort, approaching parity. However, for the 2025 cohort, the gap widens again to 11.3%, interrupting the convergence trend.

For the 2000 birth cohort, the lifetime gap corresponds to roughly EUR248,000. The decomposition reveals a striking structure: work earnings account for 147.5% of the total gap, while pensions contribute -59.5%, more than offsetting labor market disparities. Investment income plays a moderate role (12.%). As in Spain, the pension system acts as a strong equalizer, compressing lifetime inequality. The core driver remains the labor market.

Participation rates are relatively high and stable (71.7% for women versus 83.1% for men) and are projected to remain broadly unchanged. Today, the Czech Republic stands out for comparatively low female part-time employment, supporting income equality. 13.3% of women aged 25-49 work part-time compared with 2.4% of men – one of the smallest gender gaps among the countries studied. However, under a continuation of current structural trends this would change notably, with female part-time employment on a clear upward trend.

Meanwhile hourly wages are on a clear convergence path. Women are projected to catch up with men in part-time hourly pay by 2040 and in full-time employment by 2080. As in other countries, the emerging challenge is therefore not wage discrimination per hour, but structural shifts in working time.

An annual perspective confirms this dynamic. The total annual labor income gap stands at 22.2% in 2026 and is projected to shrink to around 13% by 2045. Thereafter, progress stalls as gains in wages and participation are offset by rising female part-time employment.

The policy implication for the Czech Republic is therefore clear: maintaining the traditionally high share of women in full-time employment will be critical. Preventing a structural drift toward extensive part-time work will determine whether near parity can be sustained rather than reversed.

#6 Belgium: Convergence in sight – but part-time work keeps the gap alive

In Belgium, which ranks sixth among the 14 analyzed countries, the lifetime income gender gap is expected to narrow from 15.4% for a woman born in 1975 to 7.6% for one who was born in 2000 and has just started her working life. Given population aging and a shrinking

labor force population, for those born today, labor market conditions and the institutional framework might improve further, so that the labor income gap might at least remain rather constant or narrow even slightly further in the long run.

As in most countries, the lifetime income gender gap is driven by labor income. A woman born in the year 2000 is set to earn around 13% less than her male peers over the course of her working life. However, due to the higher average further life expectancy of women, the total retirement income is likely to be around 4% higher than that of a male born in the same year, which reduces the overall gap markedly. But nevertheless, in our model, the sum of labor, pension and interest income of a woman born in 2000 is going to be around EUR568,000 lower than that of her male peer.

The labor income gap does not primarily stem from differences in hourly wages. In fact, women working full-time earned in every groups more than their mail peers with the difference ranging between 1% in the age group 60 and older up to 14% in the age group 20 to 29. However, the situation looked markedly different when comparing average hourly wages for those working part-time: Here the average wages of women were up to 18% lower than those of their male peers. Furthermore, the average hourly part-time wage of women was merely between 75% and 80% of the full-time wage in the respective age group, while the difference between hourly wages paid in full-time and part-time was between 93% and 100% in the case of men. Due to the assumed continuation of the observed trends, the gap between the average full-time and part-time wage is not set to close neither in the case of women nor in the case of men. However, in the long run the gap in the average hourly part-time wage of women and men is going to close, with the average hourly part-time wages ranging between 96% and 105 % in most age groups from mid-century onwards.

Therefore, it is the markedly higher share of women working part-time that is a key driver of the average labor income and hence lifetime income gender gap. In 2025, the share of women working part-time had declined to around 37% after peaking at 43% in 2012. At the same time the share of men working part-time has slightly increased to around 11%, mainly driven by the developments in the age groups 15 to 29 and 25 to 49. If we assume that the observed trends are going to continue, the share of women working part-time is set to decline to 27%, while that of men is going to increase to around 20% in the long run. During the same period the labor force participation rate of women is expected to increase from 72% today to 83%, i.e. almost the same level as that of men, which is going to increase from 80% to 84% in our model. Given these assumptions, the gap in the total annual labor income per capita – taking into account the labor participation rate, part-time and full-time shares, the number of average hours worked and not least the respective average hourly wage in each age group – is set to decline from 11% today to 5% in the long run.

However, further increasing the labor force participation rate of women will require reliable childcare, stronger second-earner incentives and a more balanced distribution of paid and unpaid work.

#7 Poland: Strong catch-up, slowing dynamic

Poland ranks seventh among the 14 studied countries and has achieved substantial generational progress, although convergence is slowing. The projected lifetime income gender gap declines from 24.5% for those born in 1975 to 15.7% for the 2000 cohort and 14.2% for the 2025 cohort. The improvement is significant, but the comparison of the latter two cohorts shows that the momentum has weakened.

For the 2000 cohort, the lifetime gap of 15.7% corresponds to roughly EUR455,000. The majority of 59.7% of the gap stems from labor income, 5.6% comes from investment income and a comparatively high share of 34.8% from pensions. Pension disparities therefore weigh more heavily in Poland than in its peer countries, such as Czech Republic, reflecting how lifetime employment patterns translate differently into retirement income.

Labor-force participation is the central driver Poland. Today, 69.4% of women participate compared with 80.1% of men. Under current structural trends, this gap is projected to persist. The gap is particularly evident for prime-age workers: among 60–64-year-olds, female participation stands at just 25.8% compared with 64.2% for men. In the international comparison, Poland stands out for its very low gender differences in part-time

employment. For instance, among 25-49-year-olds, 7.2% of women work part-time versus 2.2% of men, expected to decline further to 5.2% and 1.1% by 2100. Stable full-time employment shares of women help narrow gender income gaps.

Hourly wages are nearing male levels but are not projected to fully converge. Together with persistently lower female participation, this explains why progress is slowing despite the relatively high full-time share of women. Unlike most other countries, where women are projected to overtake men in hourly earnings, wage convergence in Poland remains incomplete, and pension design provides less of an equalizing effect.

From an annual perspective, the labor income gap stands at 12.2% in 2026 and is projected to fall below 1% by 2048 before stabilizing. Raising female employment particularly among older individuals represents the most powerful lever to accelerate gender income convergence.

#8 Netherlands: Rapid early convergence, then stalls at structural plateau

The Netherlands ranks eighth among the 14 studied countries and illustrates a case of strong initial progress followed by structural stagnation. The projected lifetime income gender gap declines sharply from 30.7% for those born in 1975 to 17.4% for the 2000 cohort. For those born in 2025, the gap narrows further to 15.0%, but the pace of convergence slows markedly. After substantial early gains, further progress becomes incremental.

For the 2000 birth cohort, the lifetime gap of 17.4% corresponds to roughly EUR982,000. The decomposition shows that 64.9% of the gap stems from labor earnings, 7.2% from investment income and 27.9% from pensions. The Netherlands stands out for a comparatively high retirement replacement rate of nearly 75%, combined with a gradual increase in the statutory retirement age to 70. While this cushions lifetime disparities, labor income remains the dominant driver of inequality.

Labor-force participation is already among the highest in the sample. Today, 82.1% of Dutch women participate in the labor market compared with 88.9% of men. Under current projections, this gap is expected to narrow slightly further. In terms of hourly wages, convergence is well advanced: women already earn as much as men in part-time employment, and in full-time roles they are projected to reach parity by around 2030.

The central structural constraint, however, is the exceptionally high prevalence of female part-time employment – the highest in the EU. Among 25-49-year-olds, 56.9% of women work part-time today compared with 14.3% of men. Although this gap is projected to narrow significantly by 2100, it remains substantial. A similar pattern holds across older age groups, where female part-time rates remain persistently elevated despite gradual declines.

As a result, differences in work intensity rather than participation or hourly pay continue to drive income disparities. The Netherlands represents a clear case where gender equality in wages coexists with large differences in hours worked.

An annual perspective confirms this dynamic. The total annual labor income gap stands today at 25.1% and is projected to decline steadily to around 7.5% by the end of the century. The downward trend is visible but slower than in countries with lower structural reliance on part-time employment.

The policy implication is therefore straightforward: faster convergence would require either a further reduction in female part-time employment or a more equal distribution of part-time work between men and women. Without such structural adjustments, lifetime income equality will improve only gradually despite high participation and wage parity.

#9 Denmark: High participation but persistent hours gap slows progress

Denmark ranks ninth among the 14 studied countries and represents a Nordic model of high participation and strong institutions – yet with slower income convergence than might be expected and is visible in neighboring Sweden. The projected lifetime income gender gap declines from 23.3% for those born in 1975 to 18.2% for the 2000 cohort and further to 15.9% for the 2025 generation. Progress is steady but gradual, and a gap remains.

For the 2000 birth cohort, the lifetime gap corresponds to roughly EUR2.07mn, reflecting the high income level. The decomposition shows that 65.0% of the gap stems from labor earnings, 3.5% from investment income and 31.5% from pensions. Denmark combines a strong public pension pillar with broad occupational pension coverage, helping to cushion disparities over the life cycle. Still, labor income remains the dominant source of inequality.

Denmark stands out for its extensive welfare architecture. Universal, heavily subsidized childcare and generous parental leave schemes – including earmarked leave for fathers – support high female labor-market attachment. As a result, participation rates are among the highest in the sample: 79.7% of women are active in the labor market compared with 85.1% of men, with only limited change projected under current trends.

Unlike in the Netherlands or Germany, part-time employment is not structurally dominant, but gender differences persist. Among 25-49-year-olds, 29.0% of women work part-time compared with 11.6% of men. In older age groups, the gap remains wider. These differences are projected to narrow gradually over time. However, in full-time employment, Danish men work on average around three hours more per week than women – a gap that is expected to persist under current structural projections.

The more decisive constraint lies in wage dynamics. Denmark is characterized by relatively compressed wage structures but persistent occupational and sectoral segregation, with women overrepresented in public-sector and care professions. While part-time hourly wage convergence is projected around 2070, parity in full-time hourly pay is not expected until after 2090 – significantly later than in many peer countries. In other words, Denmark achieves high participation, but full wage convergence unfolds slowly. The projection of how annual income differences on the labor market evolve complete the picture. The total annual labor income gap stands at 22.8 % in 2026 and is projected to decline to 12.3 % by the end of the century. The downward trajectory is clear, but income differences remain persistent due to higher female part-time shares despite strong institutional support for employment.

The projection of how annual income differences on the labor market evolve complete the picture. The total annual labor income gap stands at 22.8 % in 2026 and is projected to decline to 12.3 % by the end of the century. The downward trajectory is clear, but income differences remain persistent due to higher female part-time shares despite strong institutional support for employment. Denmark therefore illustrates a distinct case: extensive childcare provision and high female labor-force participation successfully anchor women in the labor market, but differences in wages and working hours continue to sustain a sizeable lifetime income gap. Further convergence will depend less on participation gains and more on reducing occupational segregation and closing full-time gender differences.

#10 UK – The gaps won't close

In the UK, which ranks 10th among the 14 analyzed countries, the lifetime income gender gap is expected to narrow from 32.7% for a woman born in 1975 to 19.2% for one who was born in 2000 and further to 16.9% for the 2025 generation.

As in most countries, the lifetime income gender gap in the UK is primarily driven by differences in labor income. A woman born in 2000 is projected to earn around 22% less than her male peers over the course of her working life. The resulting gap in retirement income, at 13%, is somewhat smaller, reflecting women's higher life expectancy. On average, a 68-year-old woman is expected to spend 22.3 years in retirement, compared with 20.8 years for her male counterpart. Nevertheless, even after including pension and interest income, the total lifetime income of a woman born in 2000 is projected to be approximately EUR 930,000 lower than that of a man born in the same year.

Differences in average hourly wages explain only part of the labor income gap. According to the latest data from Eurostat and the national statistical office, women working full-time earn between 84% and 96% of the hourly wages paid to men in the same age group. For part-time employment, the corresponding range is 75% to 98%. There are also notable differences between part-time and full-time wages. Within the same age group, women working part-time earn 80% to 86% of the hourly wages paid to full-time female employees, while for

men the range is 81% to 92%. Assuming current trends in hourly wage growth continue, the gap between part-time and full-time wages is expected to narrow, particularly among younger age groups and for both genders. However, our model suggests that although the gender pay gap will continue to decline, it will not disappear across all age groups. If long-term trends persist without interruption, average hourly wages of women working full-time are projected to range between 65% and 105% of those of their male peers in the same age group. For part-time workers, the range is expected to be 58% to 105%, with the lowest relative wages in both cases observed among those aged 30 to 39.

A significantly higher share of women working part-time is another key driver of the labor income gap and, consequently, the lifetime income gender gap. Since 1996, the proportion of women in part-time employment has declined to 37% in 2025. Over the same period, the share of men working part-time has risen slightly, from 7% to 11%. Even if these trends continue, the gap will remain substantial: in the long run, 31% of women are projected to work part-time, compared with 16% of men - meaning the female share would still be nearly twice as high. At the same time, women's labor force participation rate is expected to increase from 76% today to 87%, reaching the same level as men. Male participation is also projected to rise, from 84% to 87%, in our model. Taking all these factors into account - labor force participation, full-time and part-time shares, average hours worked, and age-specific hourly wages - the per capita annual labor income gap is projected to shrink by almost half, from 30% today to 16% in the long run.

Further progress, however, will depend on continued improvements in access to reliable childcare and a more balanced distribution of paid and unpaid work. Such measures are essential to enable women in particular to better reconcile work and family life over the long term.

#11 Austria: Progress with continuing but slowing convergence

Austria ranks 11th among the 14 studied countries, showing strong progress over three generations but slowing convergence. The projected lifetime income gender gap declines from 31.4% for those born in 1975 to 22.4% for the 2000 cohort and 19.4% for those born in 2025. The long-term direction is encouraging, but the comparison between cohorts shows that the speed of convergence has decreased but not stopped.

As in most countries, the lifetime gap is primarily driven by labor income. For the 2000 birth cohort, a total gap of 22.4% implies that a representative 26-year-old woman can expect to earn roughly EUR1.24mn less over her lifetime than a man of the same age, in nominal terms, including earnings, savings and pensions. Decomposing the gap shows that 62% stem from labor income, 3% from investment income and a comparatively high 35% from pensions – a larger pension contribution than in many peer countries. Lower earnings during working life therefore not only reduce current income, but also amplify disparities in retirement.

The structural driver is again working hours, with gender differences in part-time employment in Austria being particularly pronounced. Among 25-49-year-olds, 52% of women work part-time today compared with 11% of men; among 50-59-year-olds, the figures are 50% and 8%. Under current structural trends, these gaps are projected to widen further, with female part-time employment rising toward 70%, while male part-time increases more moderately toward 20%. At the same time, labor-force participation continues to converge (currently 74.2% for women versus 82.1% for men), and hourly wages are projected to align further, with women expected to overtake men in both full- and part-time employment during the 2050s. As in Germany, the central issue is therefore not hourly pay, but hours worked.

Moving to an annual outlook highlights the forward trajectory. In 2026, women's total annual labor income in Austria – combining participation, hours and wages – is 32.5% lower than men's. Even under continued convergence, the model projects that this annual gap would fall to around 17% by 2080 and then stabilize at that level, reflecting persistent structural differences in working time.

The implication is clear: without a substantial expansion of women's full-time and near full-time employment, progress will slow further. Reliable childcare, stronger second-earner incentives and a more balanced

distribution of paid and unpaid work will determine whether Austria can accelerate convergence again.

#12 Italy: Stagnation and structural persistence of gaps

Italy ranks 12th among the 14 studied countries and stands out for the absence of meaningful progress across generations. The projected lifetime income gender gap remains broadly unchanged between the 1975 and 2000 cohorts (21.1 % and 20.9 %), before slightly widening to 24.4 % for those born in 2025. Unlike most peers, Italy exhibits structural persistence of gender income gaps across generations.

For the 2000 birth cohort, a total lifetime gap of 20.9 % corresponds to roughly EUR480,000 less income over the lifecycle for a representative woman compared with a man of the same age. The decomposition underscores the dominance of the labor market: 82.5% of the gap stems from work earnings, while only 1.8% derives from investment income and 15.7% from pensions. Italian households have relatively low savings rates (around 4.2%), limiting the role of capital income in widening inequality. At the same time, comparatively high pension replacement rates (70.6%) and women's longer life expectancy act as partial equalizers in retirement. The core of the disparity therefore lies in employment.

Labor-force participation gaps are exceptionally large in Italy but are projected to close. Today, 57.6% of women participate in the labor market compared with 75.6% of men. Under current projections, women are expected to broadly catch up with men by the 2050s, which reduces one major source of income differences. However, participation is only part of the story. Part-time employment remains heavily gendered and is projected to diverge further. Among 50–59-year-olds, just 4.8% of men work part-time today compared with 29.3% of women. While hours worked among full-time employees and hourly wages are broadly similar, the combination of lower participation (for now) and rising female part-time intensity structurally constrains women's lifetime labor income.

Shifting from the cohort perspective to an annual outlook confirms the stagnation. Italy's total annual labor income gap stands at 18.6% today and, under current structural trends, is projected to remain virtually unchanged through 2100. The projected catch-up in participation is offset by widening differences in part-time employment. Without a structural shift toward stronger and more continuous female full-time employment, Italy's gender income gap is unlikely to narrow.

#13 Germany: Clear Progress, Stalling Progress, Fading Stalling momentum

Germany ranks 13th among the 14 studied countries, showing clear progress over three generations but fading momentum. The projected lifetime income gender gap declines from 34% for those born in 1975 to 26.2% for the 2000 cohort and 25.9% for those born in 2025. The long-term direction is encouraging, but the comparison between the 2000 and 2025 cohorts suggests that convergence has largely stalled.

The gender gap in total lifetime income is driven primarily by labor income. For the 2000 birth cohort, the total gap of 26.2% means that a representative 26-year-old woman today can expect to earn roughly EUR1.15mn less over her lifetime than a man of the same age, in nominal terms, factoring in earnings, savings and pension income. Breaking this total lifetime gap down into its components reveals that 78% stems from work earnings gap, 3% from investment income and 19% from pension income. Lower earnings during working life are the key driver, as they translate into weaker wealth accumulation and pension entitlements. The consequences are already visible in retirement: one in five women of retirement age in Germany is at risk of poverty.[17]

The reasons for the lower lifetime labor income are now structural rather than wage-based. While hourly wages between women and men are projected to continue to converge, differences in hours worked remain substantial, as more women work part-time. Among 25- to 49-year-olds, 47% of women work part-time compared with just over 10% of men. Even with a forecasted increase in men's part-time share in Germany, the hours gap remains substantial. Labor-force participation rates are much closer (76.5% for women versus 83.9% for men) and hourly wages are projected to converge. In part-time employment, women in Germany earn already today slightly more than men on an hourly basis. Under current structural trends, the gender pay gap per hour in full-time

[17] Source: German Federal Statistical Office (2025), "Jede fünfte Person im Ruhestand hat maximal 1 400 Euro netto pro Monat zur Verfügung", https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/10/PD25_N054_12_13.html

employment is projected to fall below 10% by 2037 and to fully close by 2062. The central issue is therefore not hourly pay, but hours worked.

Shifting from a cohort-based lifetime perspective to an annual view provides an outlook on future dynamics. In 2026, women's total annual labor income in Germany – factoring in participation, hours and wages – is 30.9% lower than men's. If current structural trends continue, the model projects that this annual labor income gap would not close but still stand at around 19% in 2100.

Therefore, the policy implications for Germany are clear: without a meaningful expansion of women's full-time and near full-time employment, further progress will remain limited. Reliable childcare, stronger incentives for second earners and a more equal sharing of paid and unpaid work will determine whether convergence regains momentum.

#14 Switzerland: Early gains, reversing trend

Switzerland ranks last among the 14 studied countries and stands out as a rare case where convergence first improved but is now reversing. The projected lifetime income gender gap declines from 33.1% for those born in 1975 to 27.8% for the 2000 cohort – but then widens again to 32.1% for those born in 2025. After initial progress, momentum fades and the gap begins to reopen.

For the 2000 birth cohort, the composition of the lifetime gap reveals a distinct structure. Around 59.6% stems from labor income, a comparatively low share given Switzerland's high earnings levels. Investment income accounts for 5.1%, a relatively elevated contribution in international comparison, reflecting the importance of capital income. Pension income explains 35.3% of the total gap, also above average. In Switzerland, therefore, lifetime inequality is not only a labor-market story; it is strongly amplified by capital accumulation and retirement income dynamics.

Labor market fundamentals are not the main weakness. Participation rates are already high by international standards (80.8% for women versus 87.4% for men) and are projected to converge further, particularly in older age groups where gaps remain today. Hourly wages are also narrowing. Despite a current wage gap of around 15%, projections suggest that women's hourly pay in part-time employment could overtake men's in the 2060s, with parity in full-time employment reached by 2100. The issue is therefore again working time.

Switzerland combines high employment with exceptionally high part-time rates. Among women aged 25-49, 60.5% work part-time compared with 19.5% of men; among 50-59-year-olds, the figures are 68.7% versus 17.5%. Even by 2100, the structural gap remains pronounced: female part-time shares stay above 50% in prime working age, while male rates remain near 20%. Across almost all age groups, women work two to three hours fewer per week, a persistent work-intensity gap that helps explain the lifetime income divide.

Shifting from the cohort-based lifetime view to an annual outlook illustrates the dynamics. The annual labor income gap declined from 41.4% in 2000 to 33.8% in 2026 and is projected to fall further to around 27% by 2050. Thereafter, however, progress effectively stalls. The initial narrowing reflects wage convergence and rising participation; the later plateau reflects enduring differences in working hours.

Switzerland's trajectory highlights a structural paradox: high employment and strong wage convergence are not sufficient to ensure lifetime income equality. Without a significant shift in working-time patterns – particularly among women in prime and older age groups – gender income gaps may not only persist but widen again across generations.

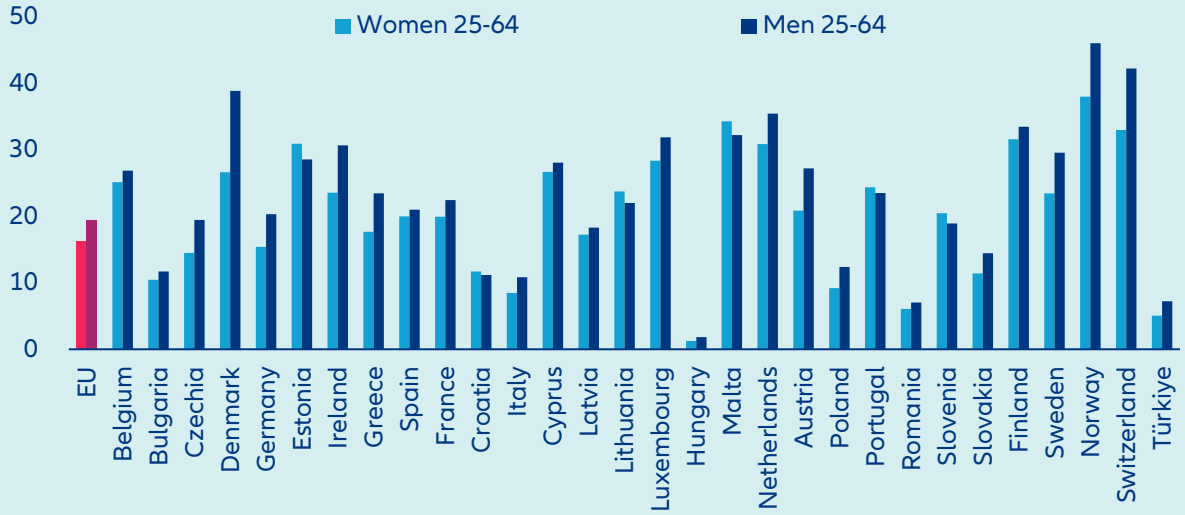
Box 3: How artificial intelligence could affect gender gaps

The lifecycle projections in this study are based on current labor market structures and therefore do not fully capture disruptive technological shifts such as artificial intelligence (AI). However, AI is likely to reshape employment, productivity and earnings trajectories in ways that could either narrow or widen gender gaps.

AI adoption today is already widespread, but uneven. In 2025, 32.7% of people aged 16-74 in the EU reported using generative AI tools, though primarily for personal rather than professional purposes.[18] Usage at work remains lower and is gendered. Among working-age adults (25-64) in the EU, 19.4% of men use generative AI tools for professional purposes compared with 16.4% of women (Figure 13). This implies a gender gap of 3.0pps in professional use (≈ 16% relative gap).

In large economies such as Germany, the gap is wider: 20.4% of men versus 15.4% of women use AI at work, a difference of 5.0pps (around 24% in relative terms). Italy shows a similar relative divide despite lower overall use (10.9% vs. 8.5%). Denmark combines high adoption with a pronounced gap (38.9% vs. 26.7%). By contrast, Spain is close to parity (21.1% vs. 20.0%), and in Estonia women slightly outpace men (31.0% vs. 28.6%). These latter cases, however, remain exceptions rather than the rule.

Figure 13: AI adoption at work gender gaps, GenAI usage in %



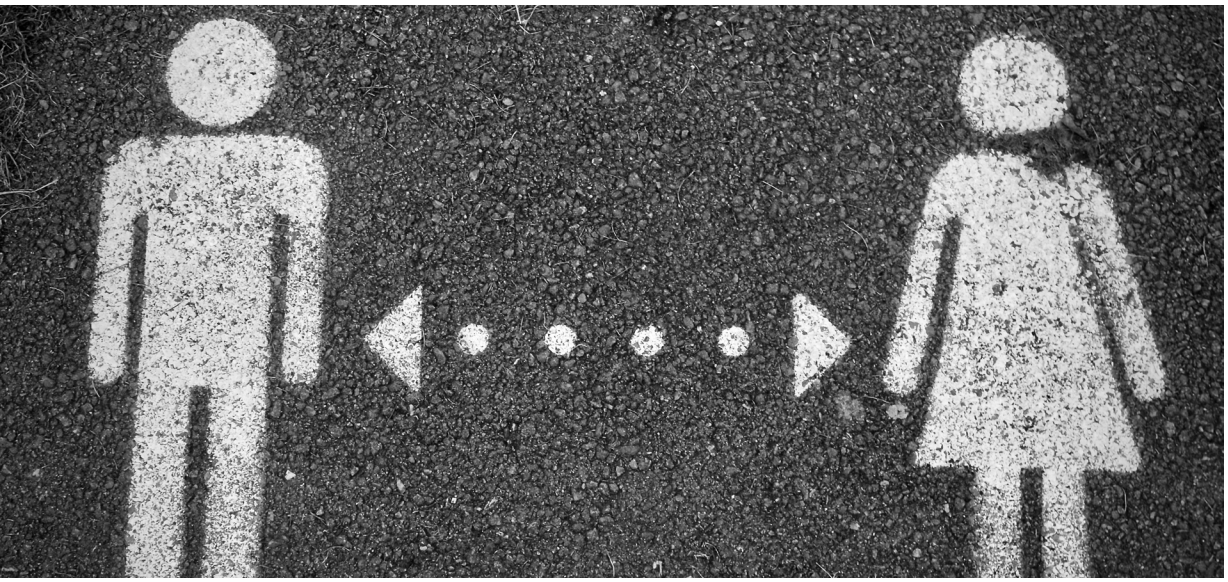
Source: Eurostat (2025), Allianz Research.

The relevance of these gaps goes beyond technology use itself. As AI becomes a general-purpose productivity tool, differences in professional adoption today may translate into differences in future skill accumulation, performance evaluations and wage growth. Early adopters are more likely to learn how to integrate AI into workflows, redesign tasks and move into AI-complementary roles. A persistent 3-5pps gap in usage at work may therefore compound over time.

At the same time, the impact of AI will depend on how it is deployed across occupations. Research shows that AI can function either as an automation technology that substitutes for routine tasks or as a labor-augmenting technology that enhances human expertise.[19] Given existing occupational segregation, women may be more exposed to automation risks in some clerical and administrative roles, while remaining underrepresented in high-growth, AI-intensive technical occupations. In that case, differential exposure and differential take-up would reinforce each other.

Whether AI ultimately narrows or widens gender gaps will therefore hinge on two factors: closing adoption gaps and steering deployment toward augmentation rather than substitution. Without both, technological change risks amplifying, rather than correcting, existing gender inequalities.

[18] Source: Eurostat (2025), Individuals - Use of Generative AI Tools, https://doi.org/10.2908/ISOC_AI_IAIU.
[19] Source: Acemoglu, Daron, David Autor, and Simon Johnson, „Building Pro-Worker Artificial Intelligence," NBER Working Paper 34854 (2026), https://doi.org/10.3386/w34854.



What can be done to close gender gaps faster?

Gender gaps narrow when work intensity, career continuity and capital accumulation align. The remaining disparities are no longer primarily about access to employment, but about hours worked, career progression, savings behavior and retirement design. Labor market incentives matter. Women who work more hours, remain continuously employed and move into higher-paying roles accumulate substantially higher lifetime income. Reducing structural drivers of involuntary part-time work and ensuring that flexibility does not come at the expense of advancement are central to closing earnings gaps.

To close the labor income gender gap, childcare availability and parental leave design are decisive. Where care responsibilities are shared more evenly, employment trajectories diverge less. Systems that discourage second earners or concentrate leave uptake among mothers entrench lifetime inequality.

At the same time, women must not fall behind in emerging growth areas on the labor market such as AI. Closing gaps in AI skills, adoption and representation will be critical to ensure that women fully participate in future productivity gains and technological transformation.

Regarding the investment income gender gap, Capital accumulation is the another lever. Small differences in financial literacy, investment participation and portfolio allocation compound over decades. Strengthening financial capability and encouraging long-term investment can materially reduce wealth and pension gaps.

Finally, pension systems determine whether labor market inequalities are amplified or compressed. Designs that include minimum floors and care credits mitigate lifetime disparities. Systems tightly linked to uninterrupted full-time careers tend to reproduce them.

The implications differ across cohorts. Women born in 1975 can still influence retirement outcomes through later-career earnings and investing in high-return assets. Women born in 2000 face critical decisions about career continuity and investment participation, as they approach the typical age. For women born in 2025, the institutional environment they are born into will shape early opportunities, but most will depend on their own choices in education, work, and finance.

Closing gender gaps is therefore not a single reform agenda. It requires alignment between labor markets, family policy, financial behavior and social norms. Without such alignment, convergence will remain slow – and lifetime income gaps will persist across generations.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