The Menopause Penalty:
Discussion and Policy Implications

Menopause Roundtable
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Menopause and Economics

- For decades, social scientists have analyzed the ‘child penalty,’ but until now, we haven’t known much about the **financial consequences** at the other end of the reproductive spectrum, at **menopause**
  - Some prior calculations; but confounded “effects of ageing”

- We aimed to **document the financial consequences of menopause-related health symptoms**
  - Methodology: Linked healthcare and earnings records

The “Menopause Penalty”

- Menopause can entail **substantial earnings losses**

- Headline number: Patients who **visit a health care provider for menopause-related symptoms** are earning 10% less four years later.

    → Mechanisms: Some people cut back their hours, some quit altogether

Second part of the paper

After establishing the menopause penalty, we ask:

What policies can alleviate the menopause penalty?

Policy 1: Menopause-related health care

- We analyze what happens when individuals near menopause are given **more information about menopause** and **greater access to menopause-related health care**, including (but not limited to) hormone therapy

- Results: This intervention **reduced the economic losses in menopause**

Policy 2: Smoothing the transition

- In addition to the decline in individual earnings, we find that claims for **government-funded disability insurance rise** after a menopause-related healthcare visit, suggesting that individuals who undergo the menopausal transition end up exiting the workforce permanently, **through the DI program**

  → Not only losses to private individuals (and firms); but also entails government costs

Policy 2: Smoothing the transition

→ Suggests that policies that may avoid exits from the labor force – by better **accommodating the temporal productivity dip brought about by menopause** – may keep valuable human capital in the labor market in the longer run

Summing Up: An Economic Case for Menopause Policies

- Our study suggests policies aimed at supporting individuals who suffer more serious symptoms around the menopausal transition may have wide-ranging economic and social benefits
  - Accessible menopause-related healthcare
  - Job flexibility during the menopausal transition (?)

- Not just “a nice thing to do”; may bring substantial bang for the buck

Limitations and next steps

- Study uses data from Sweden and Norway; general insight likely extrapolates (and perfect starting point), but exact numbers may differ

- Important blanks

- Our future agenda: filling these blanks; studying menopause penalties in CA and several other US states