

TOWARDS THE DEVELOPMENT OF AN OPTIMAL  
COMPREHENSIVE RETIREMENT PREPARATION MODEL

by

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## Abstract

The objective of the present study is to provide three sets of prescriptions to enable persons to retire well-- prescriptions for the individual, the organization and the social policy makers. These prescriptions follow extensive review of the research literature in order to identify the major factors which lead to retiring well and those which result in retiring badly. A sub-theme of the review is an examination of the major stereotypes and myths concerning retirement and aging and to show that often they prevent an enlightened and constructive approach to retirement. A special note is included which concerns those most apt to retire badly.

The main thrust of this study is toward the development of an optimal, comprehensive retirement preparation model of which the three prescriptions form the central part. This is a practical model, ready for implementation. Since the body of knowledge in the area is far from complete and since research reports on aging continue to be published in quantity, it would be premature to try to present an optimal model now. The model which is presented is consistent with the current body of knowledge but it is flexible enough to allow for further development and refinement as new findings are published.

A number of recommendations are made for the future. These include both research needs and suggestions for broad administrative action toward the objective of enabling as many people as possible to retire well.

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## Chapter One

### Retiring Well Versus Retiring Badly

Relevant Theories of Aging

The Work-Retirement Transition

Attitudes Toward Retirement and Satisfaction in  
Retirement

Measuring Satisfaction

Retirement and Health

Retirement Preparation Programs

Critique

Conclusions



Few of the great number of publications on aging and retirement touch upon the question on why some people retire well and why some people retire badly. Many treat the question of degree of satisfaction in retirement but often this centers around the issues of activities, finances and health in the postretirement period. This chapter focuses on the work retirement transition and, from a review of the empirical literature, isolates those features which reveal why some people experience satisfaction in moving from the work fact to the retirement fact (i.e. retire well) and why others experience dissatisfaction (i.e. retire badly) in this transition. The isolated features will form the basis for the subsequent development of an optimal comprehensive retirement preparation model.

All of one's life prior to retirement may be described as part of the transitional period. However, for reasons of simplicity, the acute transitional period will be arbitrarily defined as the year immediately before and the year immediately after retirement; much of the literature refers to a period of crisis and it seems the authors are placing it roughly within these limits.

The fact that a problem exists, and that often people need help to make the work-retirement transition satisfactorily, is illustrated by the large number of self-help and inspirational books available which are aimed at retirees. Often they are semi-autobiographical and show how the authors themselves found satisfaction in retirement and went on to lead rewarding and productive lives. The growth of retirement planning programs is another example of retirement consciousness.

The potentially traumatic effect of the work-retirement disruption appears to be a big worry in North American society where the work ethic is most pronounced; worth, or usefulness, often seems to be equated with employment. In older societies such as Japan, China and India the considerations appear more diffuse while the European societies are probably somewhere in between.

It is clear that the situation in the Western world is a dynamic one; the average life expectancy is approaching eighty, the size of the over sixty-five population is growing and values concerning the work ethic are changing. Any attempt to develop a model which would help ease the work-retirement transition must therefore be dynamic and allow for change as values and external conditions change.

As a result this chapter will focus on the work-retirement transition and, from an extensive review of the evidence available, identify why some people experience satisfaction in retirement and why others experience dissatisfaction. This review will include the acute transitional period as well as an examination of attitudes towards retirement in a broader time context. The results of the review will form an important part of the retirement preparation model.

### Relevant Theories of Aging

Since much of the research on aging is centred on aging theories, a few words must be said about them. There are a number of theories reported in the literature, the principal ones being disengagement and activity theories.

Disengagement theory, as described by Cumming and Henry, (1961) postulates that as people grow older, there is a mutual withdrawal between society and the aging person, that the individual's withdrawal is accompanied by decreased emotional involvement in the social world and that, in old age, the individual who has disengaged is the person who has a sense of psychological well being.

Activity theory, as described by Havighurst and Albrecht (1953), postulates that satisfaction in old age is a result of continued activity, compensating the loss of roles and functions through retirement by other free-time activities and additional social contacts. Crawford (1971) prefers to call this role flexibility theory.

### Subsequent Theories

Differential disengagement theory has been proposed by Streib and Schneider (1971) in place of activity and disengagement theories. It states that retirement is only part of the deceleration which accompanies aging and that retrenchment in one sphere does not imply retrenchment in all areas.

Ethel Shanas (in Carp 1972, pp. 229-243) has demonstrated that two alternative assumptions have strongly influenced research on adjustment to retirement though neither is recognized nor explicitly used as a theory:

- 1) Substitution theory is a life - stage theory in which a set of postretirement activities is presumed to

substitute for a set of preretirement activities, and in which the measurement of adjustment must be how well postretirement activities fulfill the same needs as preretirement activities.

2) Accomodation theory views adjustment in retirement as a process in which the individual, after retirement, achieves a new distribution of his energies in new roles and new modes of behaviour. Adjustment in retirement may vary within the retirement period as social and individual circumstances vary.

That none of the principal theories of aging is adequate is apparent from the great extent to which they are found wanting. Certainly, disengagement theory has had an important influence and it is still being used as a theoretical base for research, in spite of the many criticisms levelled against it. The main struggle is between it and activity theory. Both appear to explain some phenomena well and yet contradict other phenomena. The problem is that some individuals clearly retire well by disengaging and others, equally clerly, retire well by developing active roles. Consequently it is questionable if they are really theories at all since the extent to which one can use them for making valid generalizations on aging is severely limited. Both of the principal theories have made a valuable contribution but it is evident that they are not substantial enough and that a more developed theoretical base is required. The other theories mentioned are really variations on these two and represent attempts to bridge the areas where the two main theories have been shown to contradict one another. Further theoretical

development needs to allow more room, within the theory itself, for individual differences. A sound, comprehensive retirement preparation model could not be based solely on any one of these theories.

### The Work-Retirement Transition

In a study of the age group sixty to sixty-five who were still employed Havighurst, Munnichs, Neugarten and Thomae (1970) found that there was a significant relationship between the extent to which future plans had been made and the existence of positive attitudes towards future retirement. However, the results of this study revealed a general trend: The sixty to sixty-five year olds just about to retire had a relatively negative attitude toward retirement. On the other hand, the employed fifty to fifty-five year olds had a relatively positive attitude toward retirement and the seventy to seventy-five year olds were highly satisfied with retirement.

Shortly after retirement, and especially during the first weeks and months after retirement, dissatisfaction with retirement was most pronounced within the sixty to sixty-five year old group. Although the Havighurst et al., study was not longitudinal, it showed that this immediate transitional situation may produce attitudes which are temporary, as shown by the different attitudes of the seventy to seventy-five year olds.

Another study, by Reichard, Livson and Peterson (1962), reflects these results in that it was found that retirement stress was greatest for those men who had not yet retired,

particularly those in the fifty-five to sixty-four year old age group; however, the period of adjustment to this work-retirement change was shown to begin prior to actual retirement. This study by Reichard et al., and the one by Havighurst et al., show that a special focus is required on those nearest retirement age.

It is interesting to note that Havighurst et al., (1970) in their cross national study refused to proclaim disengagement as a form of satisfactory aging. Although they found different individual reactions to the stress of the work-retirement transition, they said that "temporary disengagement" seemed to be the most frequent way of coping with the problem of retirement. In the seventy to seventy-five year sample mentioned above, they reported that a renewed form of engagement was possible after a certain transitional period. (In that group they found that social activity and feelings of being needed increased. These were combined with satisfaction with life in general and with a positive morale). From this evidence there is no case for developing a comprehensive approach to retirement based solely on disengagement theory.

Crawford (1973) reported a longitudinal study of the experience of retirement which was part of a larger study of the socio-psychological processes of aging. Data was collected about the leaving ceremonies of 55 men. In terms of general adjustment to retirement no significant relationship was found between adjustment and the experience of having had a retirement ceremony at work. However, there was the suggestion that the separation rituals (or "rites de passage" as she termed them) worked in that they did help men to transfer effectively from one

social status to another, regardless of how positively or otherwise they anticipated retirement beforehand. Where the rituals were absent, the men were unable to emancipate themselves fully from the status of worker. Although admittedly idealistic she expressed the hope that perhaps retiring men could be formally welcomed back to the community as full time members. Presumably she had in mind some sort of ceremony not unlike a retirement ceremony. In any event there is a place for a retirement ceremony in any retirement preparation model since it will help ease the transition from work to non-work.

The Cornell Study of Occupational Retirement (Streib and Schneider, 1971) focussed its attention on the work-retirement disruption. It was initiated with the broad hypothesis that retirement is a major disruption of an adult's role and would tend to have deleterious consequences for the individual. The objective was to find out what happens when a major role is dropped or disrupted or altered. Reference was made to the gerontological literature in which the dropping of the worker role generally has been viewed as deleterious from the standpoint of the social psychology of the individual. Some have argued that there are not only severe social and psychological effects but also devastating physiological repercussions. The Cornell Study examined the effects of role disruption in three main areas:

- (1) Health
- (2) Economic situation (objective and subjective)

(3) Social psychological dimensions:

- (a) Self-image, age identity, and usefulness
- (b) Satisfaction with life
- (c) Adjustment to retirement

This was a longitudinal study which stretched over six years and which had a final research population of just under 2,000 persons. The respondents constituted neither a probability sample nor a representative sample in the statistical sense, but they were from widely divergent backgrounds and from all parts of the country. Role theory - both structural and social-psychological - was the theoretical perspective that was employed.

Their data showed that retirement did not have the broad negative consequences for the older person that they had expected. The stopping of the work role resulted in a sharp reduction in income, but there was no significant increase in worry about money in the year of retirement. There was no sharp decline in health, feelings of usefulness, or satisfaction in life after retirement. Neither did respondents suddenly think of themselves as old when they stopped working.

It therefore appears that the work-retirement transition does not lead to mental or physical pathology. However, the transitional period itself can often be one which produces stress for retirees which is obviously unpleasant and uncomfortable for them. It is apparent that there is an adjustment process and certain things, such as a leaving ceremony, can help in this immediate adjustment.



The next section will look beyond this more immediate transitional period to see what factors in peoples' backgrounds and environments have been identified as contributing to retiring well and to retiring badly.

### Attitudes Toward Retirement and Satisfaction in Retirement

According to Havighurst et al., (1970) a number of studies show that, with increasing age, the aversion to retirement grows. Toward the end of his forties and at the beginning of his fifties the worker looks forward to retiring; however, toward the end of his fifties, when retirement is about to take place, he wishes to continue working. In addition there are differences between occupations. The greater the manual work demanded, the greater the positive attitude towards retirement. The greater the dissatisfaction with the present occupational situation and the less one had achieved what one had desired, the more one rejects retirement. The attitude towards retirement is, to a great extent, dependent upon what the occupational career meant for the individual; if work was seen primarily as a means of material gain, the attitude towards retirement was rather positive (provided that the financial burden was not too great). If, on the other hand, work was seen as a means of taking up social contacts, as a possibility of intellectual performance, as a means of gaining new experience, and as a possibility to gain prestige, the wish to continue working was greater. Finally, those people who had planned for the time

after their retirement were more prepared to give up their jobs than those who had given no thought to that period of life.

Emphasis to this is added by a study by Simpson, Back and McKinney (reported in Simpson and McKinney (1966)) involving self evaluations in retirement. In their sample of 304 retired workers and 161 workers who were within five years of retirement they found that occupational status and orderliness of work history are directly related to general social involvement and to favourable self-evaluations (i.e. satisfaction) in retirement. However, if these social involvements have not been built up before retirement, they are unlikely to be established in retirement. Similarly, those individuals whose work had not provided these supports (i.e. semi-skilled and disorderly middle-status retirees) were found to have had less involvement and less favourable self-evaluations in retirement. They reported that it is not retirement per se which is responsible for this lack of self-anchorage, but their work histories which had not allowed them to develop ties with society. Support from other sources, especially financial aid, is essential if they are to enjoy favourable self evaluations.

After compiling a large inventory of studies on aging, Riley, Foner et al., (1968) noted that although older persons with high earning capacity are, in fact, less likely to retire than those with a low capacity, their attitudes toward retirement are more positive. Also, a favourable anticipation of retirement appears to be associated with making retirement plans, exposure to company counseling and exposure to news media and personal discussions. Riley et al however, caution that the

data do not show whether planning and communicating affect attitudes or whether the same individuals who have favourable attitudes also tend to plan and communicate about retirement. This caution seems especially reasonable when related to the finding that occupationally successful people seem to retire well.

Thompson (1958), following completion of a longitudinal study, also reported that retirees who had looked favourably upon retirement in advance, or who had an idea of what it would be like, were more likely than other retirees not only to accept loss of the work role but also to take less than three months to get used to not working and to have no difficulty in keeping busy.

On the other side of the coin a Harris poll, cited by Riley (1968, p. 453), found that of those who said retirement was unsatisfactory:

40% had financial problems

28% said they had poor health

22% missed work

10% spouse had passed away

In a personal interview Kendall (of Smith, Kendall and Hulin, 1969) said that, in his research work on the Retirement Descriptive Index he gained the impression that adequate provision for long term financial needs in retirement was most important. However, he stressed the adequacy of the provision as being important to retirees more so than the amount. Retirement planning must, then, concentrate on adequate financial provision.

It is noteworthy that Geist (1968) talks about the "mature rocking chair and armoured" types who retire well and the angry men and the self-haters (i.e. those who failed to achieve their goals in earlier life) who retire badly. Unfortunately he does not document all of his sources.

Havighurst et al., (1970) reported a number of studies (including Thompson's, referred to above) all of which showed that pensioners who had thought about making plans for retirement had found it easier to adjust to it. In their own cross national study they found, however, that a positive attitude towards retirement was no guarantee for a less difficult adjustment to the new situation. They reported Heron's findings that members of the so called "higher professions" are afraid of retirement beforehand, but have less difficulty in adjusting to the situation and accept the new status fully. He believed this may be due to higher intelligence which supports a systematic approach to the new situation. In contrast Havighurst et al. found that two-thirds of their sample of steel-workers were looking forward to ending work. Ethel Shanas (in Carp, 1972, pp. 229-243) adds support to this and cites evidence of the blue collar worker having little control of his work, little job satisfaction and a motivation to "get out" which manifests itself in a positive anticipation of retirement. This is consistent with the Havighurst findings that among the sixty to sixty-five year olds who were just experiencing or about to face withdrawal from working life, the previous vocational development seemed to be the decisive factor affecting the attitude toward retirement. These findings also coincide with those reported

by Geist (1968) concerning the retirement adjustment difficulties of those who failed to achieve their goals in earlier life. Havighurst et al. found that, whereas vocational success seems to make it easier to retire, vocational difficulties, failures and mistakes seem to make retirement more difficult. A long term approach to retirement preparation would have to aim for a degree of perceived vocational success.

One popular stereotype is that of the retired male who finds it harder to occupy his time than the retired female. Streib and Schneider (1971, p. 161) found in their work that "women who retire report a sharper increase in feelings of uselessness than do their retired male counterparts." They also reported that (p. 47):

"We had anticipated that men would be less willing to retire than women since, traditionally, work for wages is a more integral part of their life role. We found, surprisingly, that a larger percentage of male respondents (37 percent of 1,486 men) were willing to retire than were the women in the study (29 per cent of 483 women)."

One can only agree with their conclusion that more research is needed on these male-female differences. Obviously, any retirement preparation program must take care of the fact that research to date does not support this stereotype with regard to occupying one's time. Especially noteworthy for retirement preparation programs is their statement (p. 191):

"Varying strata of the class and occupational system perceive, prepare for, and adapt to retirement differentially. The higher educational and professional strata have the most positive attitudes and the most resources to cope with their new circumstances. The unskilled and uneducated are the least prepared and have the least personal, economic, and social resources to meet the challenge of retirement. Obviously the latter strata, more than the former,

require the concern and support of private and governmental programs if they are to adapt creatively to the retirement role."

Havighurst et al., (1970, p. 119) lend support to this view when, in reference to the effects of retirement on the self-image, they stated:

"The image one (i.e. a retired person) has of oneself is a negative one, especially directly after retirement (Phillips, Preston, Streib, Thompson, Reichard and others). Lipman believes that this is true only for people with a lower schooling and vocational training. Pensioners who have received a better professional training suffer no damage in respect to their self-image on retirement, partly because they become more active later."

How well a retiree feels he is occupying his time is another factor relating to retirement success. Societal supports in this respect, especially for the unskilled and uneducated, are indicated.

In summary, the literature shows that whether one is to retire well or badly relates to one's age, occupational status, pre-retirement planning, orderliness of work history, level of occupational earnings, perceived adequacy of retirement income, health, occupational success or failure, activities and level of intelligence. These crucial points for retiring well would have to be reflected in a retirement preparation model. It is important to retire to something such as to new activities, leisure or a new career. This would help deflect the impact of simply retiring from a job with nothing envisaged afterwards. As one gets nearer retirement age an approach-avoidance paradigm has been shown to apply; the closer one gets to retirement the more one tends to ignore the fact. Similarly, as one

gets nearer retirement age a sense of vocational achievement becomes more important, particularly regarding the last few years. This appears to be an operant conditioning process which, if one retires well, means that Maslow's (1954) ego, or esteem needs have been met. If these ego needs have not been met, then a poor retirement is likely. It may also be that operant conditioning applies in the situation where those who have planned fare better than those who have not.

### Measuring Satisfaction

Smith, Kendall, and Hulin (1969), were concerned with the development of a good instrument for measuring satisfaction in work and in retirement. They very painstakingly and thoroughly developed two good measuring instruments, the Job Descriptive Index (J.D.I.) and the Retirement Descriptive Index (R.D.I.). They were motivated by a desire to find a basis for evaluating satisfaction as a correlate of retirement policy across a wide variety of situations. The end product was these four scales of the R.D.I. which provide sound and valid measures of retirement satisfaction:

Activities and work

Financial situation

Health

People

These scales serve as helpful reference points in reviewing the literature on retirement satisfaction. The concepts represented by the scales frequently recur in the literature.

They did a matching of similarly toned items from three J.D.I. scales to those in the R.D.I. This enabled them to suggest two things:

(1) The possibility that people are about equally satisfied in retirement as in work in some absolute sense.

(2) The possibility that adjusting to retirement and getting to like it would take as long as is required for the person to alter his frame of reference and accept the new anchor points specified by the realities of his new situation (just as adjustment to the loss of a limb is dependent, in the first instance, on acceptance of the fact that the limb is gone).

It is interesting to note that these two suggestions are supported by other studies. As mentioned earlier Havighurst et al. found that vocational success seems to make it easier to retire. Presumably vocational success is significantly related to work satisfaction. If so, the first point of Smith et al. is supported. Similar support comes from the findings mentioned earlier of Simpson, Back and McKinney (1966) that occupational status and orderliness of work history are directly related to satisfaction.

The second point, concerning the length of time to adjust to retirement, is supported by Thompson's study (1958) in which he reported that one group of positively oriented retirees took less than three months to get used to not working.

The literature review was very disappointing in that not one study was uncovered which reported using the excellent R.D.I. instrument to measure satisfaction in retirement.



### Retirement and Health

A rather popular stereotype is that of the retiree, particularly male, who has a deep inner resistance to withdrawal from work. He has functioned well up to the time of retirement. He then faces a general crisis and begins to decline; illnesses set in and eventually he dies, ostensibly due to the fact of retirement. Consider this description by Wright (1968, p. 63):

"We have all heard about the man who was fit and lively when he received his silver salver but yet died quite suddenly a year or so later. Metaphorically this man dies of a broken heart. All his life was centred on his work. Take this away so that he has no status, no office to go to, no one to boss, and he is lost."

However, Streib and Schneider (1971), in the large longitudinal study referred to earlier, found that good health declines moderately through the years sixty-five to seventy. This did not seem to be attributable to retirement itself because those who did not retire showed the same decline. Moreover, the respondents themselves did not attribute a decline in health to retirement. While the majority did not expect retirement to cause any changes in their health, it is interesting to note that more overestimated rather than underestimated the adverse effects of retirement upon their health.

When they examined the data by the occupational categories studied (professional, managerial, clerical, skilled, semi-skilled, and unskilled) they found that in five of the six categories those who retired declined in health slightly more than those who remained working, particularly in the clerical and semi-skilled categories. On the other hand, among the

unskilled who retired they found that a significant majority showed a slight improvement in health from the start of the study in 1952 to the end in 1958.

The aggregate nature of their analysis needs to be stressed because it can still leave open the case of the individual whose health does in fact significantly decline after retirement and for reasons which could relate to his individual reaction to the retirement fact.

This popular stereotype of postretirement illness and death is often encouraged by crosssectional studies which find a significant extent of illness among retired persons as compared to those who are gainfully employed. McMahan and Ford (1955) as well as Myers (1954) have analyzed some of these studies; the former writers found that "it cannot be concluded that the 'impact of retirement' shortened the life expectancy of the population"; and Myers concluded that people in poor health retire and that is why retirees die. In other words, the recently retired population contains a significant percentage of people who chose to retire and who were retired because of their poor health.

Palmore's findings (as cited in Riley, 1968, p. 448) are relevant. In a survey of the records of over one and a half million retired salaried men aged 65 and over he found that almost two-thirds of them reported they had retired by their own decision. This clearly refutes the myth that workers have a deep inner resistance to withdrawing from work. He also reported that poor health, or inability to meet the physical and mental demands of the job, was the chief reason people gave for

retiring. In the same vein Tyhurst, et al., (as reported by Riley, 1968, p. 454) discovered, in analyzing records of pensioners from a Canadian communications company, that there was no upward fluctuation in death rates immediately following retirement, no differences in death rates of persons retiring at different ages, and a tendency for pensioners to fulfill the life expectancy for the general population of the same age.

Martin and Doran (1966) in a carefully conducted study in England reported that the stereotype of retirement having a depressing effect on health is certainly questionable. In fact they concluded that retirement is associated with a substantial lowering in the incidence of serious illness. Similar findings were reported by Tyhurst in 1957 (cited in Riley, 1968, p. 454) who found that health ratings (based on illnesses, hospitalization, symptoms, and so on) showed either improvement or no change among three-fourths of a panel of 250 Canadian workers studied before and after retirement.

Superficially, it would seem reasonable to assume that persons in good health at the time of retirement would tend to retire well. However, it appears this is not necessarily the case. Geist (1968, pp. 44-45) reports on Eger's unpublished Ph.D. dissertation entitled The Relation of Pre- and Post-retirement Information to Post-retirement Adjustment. He states that, for this doctoral dissertation at Purdue University:

" . . . an exploratory study was done of the variables thought to be related to adjustment to retirement in a big steel company in Indiana. An attitude questionnaire about retirement at the time he was eligible to retire was given to a sample of seventy-two male employees at the steel company. After analyzing the items, it was found that those

who shortly before retiring said that their health was adequate for their regular job did not adjust to retirement as well as those who said that their health was not adequate for their regular job. This is a rather interesting finding and to explain this phenomenon the author states that a retired man who is in relatively poor health finds it easier to accept his retired status, even when the first months in retirement make it evident that he misses his old job, while the retired man who, as far as physical condition is concerned, could go back to his old job feels badly because he is unable to return to work."

Retirement preparation programs should, therefore, provide an appropriate focus on those who are in good health at the time of retiring. Other relevant findings presented in this dissertation were that those who owned a home adjusted to retirement better than those who did not; those who planned for retirement adjusted better than those who did not; and preretirement income related to adjustment. The conclusion was that it is the "persons with the smaller pre- and post-retirement incomes who are most in need of whatever a pre-retirement training program may offer along the line of facilitating adjustment to retirement."

### Retirement Preparation Programs

Do preretirement programs make any difference? Do people retire better if they have participated in such programs? What evidence is available with regard to their effectiveness?

An indication of the prevalence of such programs is given by Wermel and Beiderman (1961, pp. 35-39). They report the results of several different surveys which, while they are unrelated, they do show a pattern:

<u>Year</u>	<u>Number of Firms Surveyed</u>	<u>% With Some Sort of Retirement Preparation Program</u>
1950	355	13%
1951	70 major U.S. companies	37%
1952	657	54%
1955	327	65%
1959	415	39%

The 1959 study was one conducted by the authors themselves. Its results are probably more realistic than some of the others because the questionnaire used made it clear that a program would be counted only where its principal aim was to help employees prepare for retirement. Some of the other figures are likely inflated since the mere existence of retirement counseling was sufficient to rate a positive response. Riley however cites a 1963 study by Shultz (p. 447) of a sample of companies in which only 12% said they had preretirement counseling programs. While the different studies came up with varying results, it is reasonable to assume that the absolute number of programs has continued to increase if one can judge from the growing interest in the fields of aging and retirement as indicated in the available literature. Nevertheless more recent information would be valuable.

More crucial, however, is the question whether or not retirement preparation programs make any difference with regard to retiring well or badly. Pyron and Manion (1970) surveyed over a thousand selected U.S. retirees to study, among other things, the significance of preretirement preparation. Generally, the group was favourably disposed toward their companies and superiors. 84% of them wanted company help in

planning for retirement; however, only 40% reported that their companies actually had programs to help.

Some anecdotal information from the Pacific Telephone and Telegraph Company is revealing. In an interview with the editors of *Industrial Gerontology* (No. 16, Winter 1973, pp. 1-13) a personnel supervisor stated:

"I believe that planning is more important than age. The people who go out with the right mental attitude and who have planned to the best of their ability don't seem to have as many problems, regardless of the age at which they retire."

It is worth noting that this firm has a postretirement program which involves regular contact with retirees and allows for feedback.

Monk (1972, pp. 63-64) cites an unpublished dissertation by Scheibe and claims it shows that planning contributes to a better postretirement adjustment.

Heibreder (1972) analyses findings from a nationwide U.S. sample of men who retired early. (The number of cases was not reported.) She stated that (p. 77):

"The importance of planning is shown by the fact that retirees who were not well-adjusted were twice as likely to have done little planning as those retirees with high adjustment. It was also found to be important to make retirement plans before deciding to retire rather than after. This preparedness was significantly related to the retirement adjustment of both blue-collar and white-collar retirees. More than 70 per cent of both blue-collar and white-collar men who scored high on the adjustment scale had made plans before retirement."

In a study on the adjustment to retirement of 38 retired couples, Dressler (1973) came to the conclusion that their experience showed a need for systematic preretirement

planning, a topic which he feels is of increasing necessity in a changing society. He also felt that most individuals, not unlike the couples he surveyed, tend to avoid facing an important life event until it is upon them.

Finally, Riley et al., (1968, p. 447) cite three studies which associated favourable attitudes toward retirement with planning: Thompson (1958) showed that those who made retirement plans about what they would like to do had favourable attitudes; Shultz (1963) found that exposure to company counseling had the same effect and Simpson et al., (1966) obtained the same results when looking at exposure to news media and personal discussions about retirement. However, Riley et al., caution that the data of these three studies

"... do not show whether planning and communicating affect attitudes or whether the same individuals who have favorable attitudes also tend to plan and communicate about retirement."

No evidence was found in the literature to support the view that retirement preparation had a neutral or negative effect.

It appears, then, that there is a good case for including retirement preparation programs for individuals in a comprehensive retirement preparation model.

### Critique

A few of the studies reviewed were longitudinal ones but the majority were cross-sectional since very few longitudinal studies on aging and retirement have been reported. Comparisons of cross sections can reveal trends and recurring

patterns which can be useful indicators for setting up an approach to retirement. However they do not provide the causal link between aging and social change which is essential for developing a dynamic model for retirement preparation. Since most societies are now undergoing rather constant change a rigid model would be out of date before it is even printed. This situation calls for a model which is capable of dealing with change and fluidity and yet remain usable. The contribution of longitudinal study results to any systems type model would be crucial.

Much of the research fails to distinguish between the age structure of society and how an individual ages. The former is revealed through cross sectional studies while the latter requires life cycle analysis through longitudinal studies. A full understanding of the dynamics of the retirement process is possible only through longitudinal studies but, unfortunately, they form a small part of the total literature.

One of the best exposes of the longitudinal versus cross sectional issue is that contained in Riley et al's (1968, pp. 7-9) Aging and Society. Since this account covers the matter so comprehensively and concisely it is quoted liberally in Appendix A.

The literature review unearthed no attempts to replicate the findings of earlier studies. This is of special importance in the cross sectional studies where the N's tend to be small, the populations are often skewed in one direction or another and the extent to which one can generalize from the data is uncertain.



Cross sectional studies, such as the one reported by Havighurst et al. (1970) can make a significant contribution to our understanding of retirement and aging. They allow for comparisons between countries which, in turn, reveal those cultures which tend to maximize life satisfaction for retirees. They also can help isolate those factors which are due to occupational differences, national differences and individual differences respectively. They can be especially useful in testing the universality of aging theories such as the disengagement theory. However, the extent to which such samples are representative is often questionable. In the research by Havighurst et al., 300 male retired teachers and steelworkers from cities in six countries were studied; they ranged in age from 69 to 76 and all were retired for at least 4 years. The authors themselves warn that the samples should not be considered representative and state that (p. 16) "Viennese teachers certainly are not representative of all Austrian teachers, nor Chicago teachers of all American teachers."

In a similar vein the cultural anthropologists can make a useful contribution to the study of retirement. One such contribution is that of Jerry Jacobs who wrote Fun City: An Ethnographic Study of a Retirement Community (1974). While this book lacks the precise data such that Havighurst et al., report it nevertheless provides effectively the flavour of everyday life in that retirement community. If it could have been supported with data from a careful survey it would have been even more effective.

## Conclusions

It is apparent that a person's satisfaction with life in general after retirement is directly related to his satisfaction prior to retirement. Of the specific aspects finances is the most important one. Therefore, adequate financial provision is essential for retiring well. This will be covered in detail in a subsequent chapter.

Of great importance to retirement satisfaction is the question of health, but perhaps not quite in the way common sense might lead us to believe. Those who are in good health at the time of retirement may not retire well because they feel that they are well enough to be still working. By the same token those who are in poor health at the time of retirement are more apt to accept the transition. However, contrary to the stereotype of illness and death following retirement, there is no evidence that retirement has any effect on longevity. The health status of older persons appears in most studies to be largely unaffected, or possibly even benefited by retirement. However, some people retire because of ill health and some are dissatisfied with retirement because of this ill health.

Retirement as a phenomenon is deceptively complex; there is as wide a range of individual reaction to it as to any other human phenomenon. Many persons tend to view retirement as having a distinct "before" and "after" connotation rather than as being part, and only one part, of the life cycle. It would be interesting to see the work-retirement transition studied in

the context of all the transitional periods that commonly apply to a life time such as:

- dependence to independence
- single to married
- preparenthood to parenthood
- parenthood to postparenthood
- postparenthood to grandparenthood
- married to widowed

The immediate work-retirement transitional period itself can be a period of considerable stress for the individuals concerned but it seems possible to predict the kinds of people who will probably make a satisfactory adjustment. Even so, the retiree would be helped in the difficult transition from work to retirement by knowing that adequate financial provision, including adequate health insurance, exists. Here again it would be the key element to cover in any preretirement preparation program.

People who are close to retirement take a somewhat less positive view of it than do younger people who are farther away from it. However, those who have participated in preretirement programs retire better than those who have not.

The effects of perceived job failure appear to follow persons throughout their lives. Such people retire badly. Since occupational satisfaction in the last years of work appears related to retirement satisfaction, personnel managers could well think of a preventive program which would begin several years before retirement is due to take place. Those who have had a long history of job failure would still seem to have a

chance to retire well. For example a job enrichment program, as only one possibility, might benefit both the preretiree as well as the firm.

Any preretirement approach should take into account the status of the occupation from which an individual retires. For example, there are different sets of considerations for those who retire as factory workers than for those who retire as managers. Retirement preparation programs therefore would have to be designed differently.

In North American society the situation has altered drastically in recent years. There is a trend toward earlier retirement, toward more retirement communities and toward improvements in pensions and social security benefits. There has been an increase in leisure time available and an emphasis on how to use it. The work ethic is being challenged and the opting out phenomenon is not being dismissed out of hand. Retirement ages continue to lower and people are living longer. The situation is obviously a dynamic one and any approach must therefore be equally dynamic, whether it be an administrative approach concerning such things as retirement planning, retirement counseling, setting retirement age, modifying pension plans, or a research approach concerning the many behavioural aspects of retirement.

Much of this shows, then, that ensuring the continuity of life patterns is important to retiring successfully. However, these life patterns themselves must have been satisfactory if one is to retire well. Among other things, adequate finances, good planning and past success have been shown to be important.

These all appear to tie together under Maslow's hierarchy of needs - safety from inadequate income is basic; planning and past success are necessary ego reinforcers. Without these the person may feel vulnerable and, to his family and peers, incapable.

The permeation of stereotypic thinking into the areas of retirement and aging is evident. Equally evident is that the development of a comprehensive retirement preparation program must take these into full consideration if it is to enable as many people as possible to retire well. Educational programs for both the elderly and non-elderly would help correct faulty attitudes due to widespread stereotypic thinking. This could result in improved personnel and legislative policies concerning such matters as employment of the older worker and the creation of broader social opportunities.

Most of the writers on aging are very conscious of stereotypic thinking and refer to it directly in their work. Bengtson's comments in his The Social Psychology of Aging (1973, p. 27) make a concise summary:

"Stereotypes can be defined as widely shared expectancies, without specific sanctions, regarding the behaviour or characteristics of a particular category of people. . . . The distinctive thing about such expectations is that they do not acknowledge individual differences among those who are members of that social category. Furthermore, these inaccurate over-generalizations, often acquired on the basis of limited contact with the group, are usually (but not exclusively) negative, associated with some sort of stigma. Stereotypes are, therefore, overgeneralization of social positions (roles) that have vague and often inaccurate expectancies associated with them.

That there are stereotypes about the aged has been well documented (McTavish, 1971; Hickey and Kalish, 1968; Palmore, 1971). The attitudes of

young people about the old are often stereotypic. Frequently, aging individuals accept such stereotypes, so that their own expectations concerning aging are inaccurate. Based on information about the small group of institutionalized elderly, for example, the erroneous generalization may be made that most persons over the age of seventy have "senile" qualities. Similarly it is often assumed that the elderly are politically conservative, or lacking in sexual interest and motivation, or that they are more religious than younger people, or that they dread death (Seltzer and Atchley, 1971). Moreover, as Atchley has noted:

'From a purely practical point of view, old age itself is a stigma . . . . By far the most important aspect . . . is its negative, disqualifying character. On the basis of their age, older people are usually relegated to a position in society in which they are no longer judged to be of any use or importance. Like most other expendable elements in society, older people are subjected to poverty, illness, and social isolation' (Atchley, 1972:14).

These attitudes about the elderly in general are false; but they persist in stereotypic thinking. From stereotypes about a category of persons to expectancies regarding an individual member's behaviour is a small step indeed; and this is one reason why it is often naively assumed that there is a "role of the elderly" in our society. It seems to me it would be best to omit entirely any reference to the "role" of members of a particular age group."

## Chapter Two

### Postretirement Living Patterns: Housing Needs and Preferences of the Retired

Literature Review

Conclusions





new suburban housing developments are largely geared for young families with children with the result that they hold little attraction for retirees. The discrepancy between the desire to move out and the unsuitability of that one large segment of new housing has led to the emergence of the packaged retirement community. These are segregated communities which often have an age minimum and are not to be confused with those existing integrated communities to which retired people tend to move.

Barker (1966) in his detailed study of two retirement communities in California, isolated five preferences of the elderly which influence their housing decisions. He arrived at these preferences after reviewing a number of studies on housing requirements of the aged. The elderly prefer the opportunity to exercise independence and self-determination; to be familiar with their surroundings; to have the opportunity to avoid unwanted social contacts and to have the companionship of peers; to have a secure and peaceful environment (because the elderly associate discomfort with the noise of children playing, teenage hooligans and heavy traffic); and, finally, to have an opportunity for work substitutes such as gardening or remodeling living quarters.

This background is an interesting one against which to view Sherman's (1971) study on the choice of retirement housing among elderly people who were well.

Sherman interviewed 600 residents of age-segregated housing in California over a three year period. She also conducted interviews with 600 control respondents; they were matched with the test respondents on ten demographic

characteristics (sex, working status, marital status, age, income, education, occupation, rental vs. ownership of dwelling unit, household composition, and number of children). The controls differed only in that they had chosen conventional urban dwellings. The six retirement sites were: a retirement hotel, a rental village, an apartment tower, two purchase villages and a life care facility.

The retirement hotel was an old hotel in the downtown section of a city. In order to maintain reasonable occupancy it specialized as a senior citizen hotel.

The rental retirement village consisted of 80 suburban single story buildings, similar to apartments but with few added frills. There was a large central building which housed the administration, cafeteria, activity rooms and a few other services.

The single, urban high-rise building consisted only of apartments, a couple of lounges and a recreation room.

The first retirement village was a purchase village which consisted mostly of single family homes with a few garden apartments. It had extensive on-site recreational facilities.

The other retirement village was a co-operative financial arrangement (40 year mortgages), also with extensive on-site recreational facilities but with everything on a more luxurious level. The grounds were cared for by management and there was a guard.

The life-care facility was church-sponsored and had cottages, apartments and rooms, to be occupied according to the

individuals' ability to care for themselves. A central building housed the dining room and other facilities.

The 600 test respondents consisted of 100 from each site, selected through systematic sampling. Each respondent was given a standardized interview which was followed up two years later.

Table I shows the reasons selected by the site residents for moving to some kind of retirement facility, the most frequently chosen being easy maintenance. The pushes and pulls which motivated their move often pertained to health and declining energy levels. At the same time there were different reasons among the six sites and Sherman (p. 128) summarizes these as follows:

"Retirement Hotel--provision of meals, cleaning services, and elevator in an urban environment; Rental Village--improved living quarters in close proximity to age peers; Apartment Tower--attractive quarters in urban environment; Purchase Village--good value in housing and recreation facilities with agreeable climate and suburban atmosphere; Cooperative Village--easy maintenance, security, and recreation facilities; Life-care Facility--security, with provision for maintenance, personal care and meals."

After looking at the motivations of those who did move to retirement sites, Sherman next looked at those who did not move to see what their impressions were. Table II shows the perceived advantages and disadvantages of the dispersed controls. They felt it would be oppressive to group and segregate the elderly. (Curiously enough, this is a stereotype that younger people sometimes have.) Some of them were horrified by the very features that gave the site residents a sense of security (guards, checking in and out). They expressed fears of regimentation,

Table I

Percent<sup>a</sup> of Site Residents Selecting Reasons for Moving

	Retirement Hotel	Rental Village	Apartment Tower	Purchase Village	Cooperative Village	Life-care Facility	TOTAL
Reasons for moving to some retirement housing facility:							
Easy maintenance	76	72	62	52	92	83	73
Health and personal needs cared for	45	34	20	20	49	82	42
Change in physical strength	66	43	27	28	21	32	36
Wish to be with own age group	31	56	26	37	27	40	36
Reasons for choosing particular site:							
Quality of dwell- ing unit	51	65	82	81	62	69	68
Nearness to facilities and services	70	63	74	37	72	58	62
Cost	64	54	63	75	50	31	56
Security	52	51	45	18	71	82	53
Climate	18	36	41	86	58	47	48
Recreation facil- ities	24	36	30	71	78	32	45
Children or rela- tives nearby	22	38	28	27	53	40	35
Friends or relatives here	9	13	11	19	30	33	19
Provision of meals <sup>b</sup>	78	-	-	-	-	78	78

<sup>a</sup>N = 100 at each site.<sup>b</sup>Asked only at the relevant sites.

Source: Sherman, 1971, p. 123.

Table II

Advantages and Disadvantages of Living in Retirement Housing as Perceived by Controls<sup>a</sup>

	Retirement Hotel	Rental Village	Apartment Tower	Purchase Village	Cooperative Village	Life-care Facility	TOTAL
<u>Advantages:</u>				(percent) <sup>b</sup>			
Meet people, have companionship	30	37	32	30	33	39	34
Provides pleasant things to do to pass the time	22	18	22	19	31	15	21
Relieved of housekeeping and gardening	15	9	14	25	29	22	19
Medical plan or facilities	7	9	16	18	23	23	16
Provision of recreational and hobby facilities	14	7	11	21	25	9	14
They can watch out for you, take care of personal needs	15	13	16	12	10	19	14
Similar interests, needs and experiences because of similar age	14	13	13	20	18	7	14
<u>Disadvantages:</u>							
Too many old people, boring, too many deaths	15	17	26	38	44	33	29
Not enough privacy	23	19	28	28	31	28	26
Too regimented	25	10	18	24	21	22	20
Too expensive	26	19	25	9	8	13	17

<sup>a</sup>N = 100 in each control group.

<sup>b</sup>Per cents can add to more than 100, since a respondent could list more than one advantage or disadvantage.

Source: Sherman, 1971, p. 130.

insufficient privacy, and other drawbacks of older people living together.

Two years later Sherman asked the site residents the one thing they liked best and the one thing they liked least about the site. The most appreciated feature was friends--making them, not feeling alone, meeting high quality people. No one dislike ran through all the sites. The disadvantages mentioned tended to be site specific. In fact up to 41 per cent at one site (the average being 27 per cent) refused to provide an answer, claiming that nothing was wrong. Table III shows the most and least attractive features by site.

Sherman summarized the pattern of pushes and pulls which motivated persons to move into retirement housing. These were:

" . . . provision of meals and other services in an urban environment; improved living quarters in close proximity to age peers; attractive quarters in an urban environment; good value in housing and recreation facilities, with agreeable climate and suburban atmosphere; easy maintenance and recreation facilities; and security."

In contrast, the controls were attracted by companionship, easy maintenance and recreation facilities but showed a distaste for segregation, a fear of regimentation and boredom, a reluctance to move and a felt lack of funds (although the two groups were evenly matched on that item). Residents, however, did not generally object to age segregation and regimentation.

Sherman gave several possible reasons to explain the very different reactions to the same phenomenon. The first is that one group saw the situation first hand while others were removed. Second is that the controls described certain

Table III

Most Attractive and Least Attractive Features of the Site

Like Best	Percent	Like Least	Percent
RETIREMENT HOTEL (N = 38)			
Privacy	18	Food, eating arrangements	32
Convenient to shopping, church, town, etc.	16	People, feel alone, gossipy	18
Friends	16		
RENTAL VILLAGE (N = 64)			
Independence and privacy	19	Management	12
Atmosphere, quiet	17	People, feel alone, gossipy	12
Accommodations: comfortable, homelike, etc.	17		
Friends	14		
APARTMENT TOWER (N = 63)			
Convenient to shopping, church, town, etc.	27	Physical arrangement: small rooms, no garden, patio, etc.	22
Accommodations: comfortable, homelike, etc.	14	People too crowded, noise	13
Security and contentment	11		
Friends	11		
PURCHASE VILLAGE (N = 80)			
Weather	31	Too far from good shopping, parks, etc.	26
Friends	21	Weather	11
Atmosphere, quiet	19		
COOPERATIVE VILLAGE (N = 78)			
Security and contentment	33	Management	18
Friends	19		
LIFE-CARE FACILITY (N = 79)			
Friends	37	Food, eating arrangements	11
Security and contentment	16	People, feel alone, gossipy	11
Independence	10		

Source: Sherman, 1971, p. 133

stereotypes of retirement housing without being aware of the full range of possibilities. Finally there are different personality characteristics involved:

"Independence for the test respondents means independence within a secure boundary, whether promoted by housekeeping services, life-care plan, security guards, or readily available friends and recreation. For the controls, this represents dependency, and independence means the freedom to pursue all these needs on one's own."

Sherman concluded,

"In sum, there are at least two points of view in the discussion of retirement housing: the opinions held by those who live there, and the opinions held by those who do not . . . The important issues are to make retirement housing available to those who might choose it, and once people have chosen it, to provide what it was that they were seeking."

In a related article published a year later (1972) and based on the same sample of residents and controls, Sherman did an exhaustive analysis of the residents' satisfaction with their special housing situation. Satisfaction was measured in three ways: a direct global question, a series of projective questions as to what the respondent would recommend for others, and a measure of moves away from the sites between the first and second interviews. Broadly speaking, residents of urban sites were found to be more satisfied with their location than were residents of suburban or desert areas; it seems there is a need to be close to the amenities of a city. Those who had moved out of the purchase village mentioned poor transportation and distance from shopping, doctors and entertainment. Other elements found to relate to satisfaction were security (including physical safety), a balance of independence and dependence, a proper



amount of age segregation, a degree of financial commitment, being psychologically ready for retirement housing, creature comforts (appealing food, physical attractiveness of the site), extent to which a desire for upward mobility is frustrated and goodness of fit between needs and need fulfillment. Sherman concluded:

"Thus, one can draw no general conclusion other than the obvious one that there is no one right kind of housing; rather, the person will be most satisfied with the housing that best fits his requirements and condition. The best recommendation one can give is that each individual considering retirement housing be aware of the range of housing alternatives (some of which have been sampled in the present study) and the various dimensions on which a site can be rated, and that he match these to his own needs and abilities."

In an earlier preliminary report on this five year study of housing for the elderly, Sherman et al. (1968) identified some of the psychological effects of retirement housing. While most of their findings were amplified in the above reports, their report on interaction with the younger generation was treated in more detail in this earlier report. It was interesting that from one-fifth (at the luxury purchase village) to one-half (at the retirement hotel) had no children at all. This suggests that some may have sought retirement communities because of lack of close family ties. Only 31% of the individuals with children saw their children once a week or more. On direct questioning only 38% said they liked living in a place where there are no younger people; they were evenly split on the question of preferring to live where there are people of all different ages.

Winiecke (1973) studied the interest in public housing of 235 non-institutionalized, elderly welfare recipients. Most of those who were interested in age concentrated housing were people who lived in rented apartments, separate houses and hotel rooms. They were younger than the others and lived alone. Most who were not interested in age concentrated housing were basically non-renters, owned a home or trailer, lived in another's home or in an institution. They were older than the former group, were in their 70's, and lived with other people. Social correlates alone were significantly related to housing interest. The following were not related to interest in age segregated housing: sex, race, social class, present neighbourhood and housing characteristics, safety, comfort and attractiveness, money problems, age group preference.

One argument against age-segregated housing, which practically amounts to another stereotype, is that the elderly need contact with, and stimulation from, the young. In yet another report on the 5-year research project, Sherman (1975), using the same samples reported earlier, described the patterns of contacts for residents of both the age-segregated and age-integrated housing arrangements. The age-segregated residents interacted less with their children, grandchildren and other relatives and fewer had friends under 40; however, they had more new friends and visited more often with neighbours and friends of the same age group as themselves. Sherman concluded that age-segregated housing does imply different spheres of contacts. Nevertheless, either situation can be satisfactory if the resident has made the choice according to his own needs and preferences.

Sheley (1974) reported similar findings in a depth interview study of forty male residents of a retirement community. The majority were satisfied with its atmosphere, design, services and programs. All but five attributed their satisfaction with retired life directly to satisfaction with the community itself. As a result, the question arises: is satisfaction in the community attributable to some quality of the community itself or to some quality of the residents themselves? Sheley described his own study as an exploratory one which he hoped will stimulate further research. Stimulated by his own findings, he offered four interrelated hypotheses which suggest that aspects of the retirement community itself account for the satisfaction with retired life experienced by residents. These are:

"1) That the abundance of retirement communities and philosophies of operation (size, design, services, cost, etc.) greatly increases the chances of satisfaction among residents due to increased ability to find a community specifically suited to their needs and preferences and due to increased chances of finding in community housing persons of mutual background and interest.

2) That mutuality of background and interest creates and reinforces in the resident a sense of belonging which may be absent in other, more heterogeneous communities.

3) That work is not important to male residents of the community because they are removed from an atmosphere which emphasizes work as the basis of existence.

4) That the friendly atmosphere of the community compensates for the loneliness and the sense of disengagement which may be encountered in retired life outside the community."

These four hypotheses could well serve as a basis for considerable future research with the objective of determining patterns of why people retire well.

Two earlier studies, one by Bultena and Wood (1969) and the other by Messer (1967), are consistent with Sheley's hypotheses although they do not cite them. The former authors interviewed 521 retired males who, after retirement, moved permanently from the Midwest of the U.S.A. to Arizona. 199 of these retired to age integrated (or regular) communities and the rest to age segregated communities. Briefly, they found that:

"Aged migrants to retirement communities were found to have higher morale than those selecting regular or age-integrated communities in Arizona . . . and were . . . from the higher socio-economic segments of the aged population. . . . The retirement community . . . is found to provide an environment conducive to the adaptation of its residents to the retirement role."

Messer's (1967) study provides an interesting contrast since all his respondents were of low economic status. They represented a stratified random sample of 88 tenants of public housing projects occupied exclusively by the elderly who were compared with a similar example of 155 elderly subjects living in public housing of mixed age composition. His concern was (p. 250)

"With the possibility that age concentration provides a normative system which allows an identity with leisure as legitimate post-occupational activity, while a mixed-age environment is conducive to maintaining stigma against social disengagement."

Messer concluded that evidence was presented which showed that age-concentrated environments alter interactional opportunities and provide a normative system which may facilitate adjustment to old age. The other, later studies, cited above, support this conclusion.

In the United States, at least, a significant number of the urban elderly live in single-room occupancy slum hotels (known in the literature as the "SRO" hotels). Rather little research has been focused on these people but Stephens (1975) has reported some features of their lives. She studied 100 elderly permanent residents of such a hotel. They avoid intimacy and the prevailing norms are those of privacy, freedom and utilitarianism. In summarizing she stated:

"The majority of the elderly SRO tenants are life-long social isolates. Indeed, they have sought out the impersonal world of the SRO as an environment in which they can live a life style of their choosing . . . For these elderly, isolation has been life-long and to a marked degree voluntary, and is not adequately explained as a consequence of age-related changes."

A somewhat parallel living pattern might be that of retired persons who are permanent residents of roominghouses. No research evidence was uncovered which would describe the factors leading up to the decision to live in a rooming house. This would be a fruitful avenue for future research. However, some light is shed on this phenomenon by a report of the Social Planning Council of Metropolitan Toronto (1973) which showed that 7% of the city's total population over 65 lived in rooms or lodgings. Income might well be an important factor in this choice as indicated by the fact that, in 1969, the median income for this group was only \$1,664.

## Conclusions

The "retired" or "elderly" do not constitute a single group to which all embracing labels can be applied with any accuracy. Rather, their characteristics, needs and preferences are just as varied as for any other group, be they children, teenagers, university students, women, the 30-40 age group, and so on. The retired have been swamped by an unfortunate quantity of stereotypes about their feelings, desires and needs. A more open and unbiased mentality is needed in order to deal more effectively with the different housing situations discussed in this chapter.

The retired need and want a role in society, a context within which to interact, to live. Social and architectural planners and developers need to provide a wide variety of possibilities for meeting their housing preferences. It is clear that many retired people like the easy availability of contacts with age peers, but without pressure. Some like to live where there are young children and some do not. Some prefer a nice balance of dependence-independence, others a great deal of independence; still others feel more secure in a dependent setting. Some like many leisure activities while others prefer only a few or none. The importance of human relationships is apparent at all socio-economic levels.

The housing needs and preferences of the retired, or elderly, are affected by all these points and more. An individual who is trying to make a decision about his own residence of retirement should be sure to make a choice that is

in harmony with his own basic likes, dislikes, and financial capability. Social planners should be aware of the broad range of preferences and financial capabilities among retired persons and infuse a greater variety of ideas into their planning and legislation.

An optimal retirement preparation model will have to provide a sufficient range of housing possibilities to satisfy this spectrum of preferences.

## Chapter Three

### Finances

The Importance of Finances in Retirement Satisfaction

Perceived Adequacy of Retirees' Income Versus the

Amount

Economic Inequality

Inflation

Role of Unions, Government, Management and Retirees

Themselves

Further Social Policy Implications



## The Importance of Finances in Retirement Satisfaction

We have seen in Chapter One that a retiree must perceive his financial arrangements as being adequate if he is to have a fair chance of retiring well (Havighurst et al., Riley, Harris, Smith et al.). In addition, it has been shown (Simpson, Back and McKinsey, 1966, p. 74) that vocationally unsuccessful people, who are likely to retire badly, can be helped to improve their own self-evaluations by outside support, such as financial aid. In their extensive study on decision making relating to early retirement, Barfield and Morgan's (1969, p. 3) major finding, based on a representative sample of the national U.S. population and a random sample of older workers was:

"... that financial factors--primarily expected retirement income--are of principal importance in the retirement decision, with attitudinal variables having less influence, though usually operating in expected directions."

Not much imagination is required to guess how insecure pre- and postretirees feel when they hear tales of pension funds collapsing. In the U.S.A., where private pension plans are common, a government study showed that, in the years 1955-1965, 20,000 workers were affected by plan terminations. While this represented only about one-tenth of 1% of those then covered by private plans (Schuchat, 1973) it is clear that some sort of protection must be afforded against the effects of such collapses. Central government insurance requirements are indicated where such collapses are possible.

Perceived Adequacy of Retirees' Income Versus the Amount

Much more crucial than the actual amount of a pension is how adequate it is perceived as being in the eyes of a retiree. In a descriptive survey of a purposeful sample of 462 older persons in southeastern Michigan, Peterson (1972) found that 57% of them perceived their current finances to be inadequate and indicated they were declining. The sample was constructed on the basis of existing demographic data on persons over 65 years of age in the United States and in southeastern Michigan. Barfield and Morgan (1969, pp. 3-4) found a threshold level of income at about \$4,000 a year for both their national sample and auto worker sample respondents. This was a level they perceived as being the minimum amount required to ensure an adequate living standard. (Since these data were gathered in 1966 and 1967 it is reasonable to assume that the figure would need upward revision.) For their United Auto Worker union respondents, other financial factors were significantly associated with being satisfied in retirement; these were owning one's house mortgage-free and having over \$10,000 in assets.

In their inventory of research findings Riley et al. (1968, pp. 454-456) showed that, on the average, U.S. retirees report a drastic 50% reduction over their preretirement income. The sense of economic deprivation is pronounced in the impact year of retirement despite an apparent retrenchment of wants but this deprivation may lessen in subsequent years. At the same time many retirees report no such feelings of economic deprivation irrespective of their actual financial situation.

Smith et al., (1969, p. 133) noted the importance of the frame of reference in the retirement situation. While male employees wanted \$6,850 to be completely satisfied, male retirees wanted \$4,050. It is interesting to see how close their latter figure is to the "about \$4,000" of Barfield and Morgan. In order to adjust to this lower income figure retirees have to alter their previous frame of reference. A weakness in the argument of Smith et al., is that they have only cross sectional rather than longitudinal data at their disposal. As a result there is always the possibility that the apparent shifting in frame of reference is due only to the survey techniques used. A longitudinal cohort analysis, based on data gathered over several years for the same group of people might show a different picture. This would be an area for fruitful future research.

### Economic Inequality

The degree of economic inequality among the aged population is greater than among the population as a whole, as shown in Table IV. Both the median and the income distribution show the lower financial status of older people. For example, 52.5% of older families have less than \$3,000 per year while for all families the figure is a much lower 22.1%. Also, income is more unevenly divided among older families than among total families.

Table IV

Income of Families, by Age of Head, United States, 1960 and 1947 (constant 1959 \$)

Total Income	All Families	Age of Head					
		14-24	25-34	35-44	45-54	55-64	65+
1960							
Number (in thousands)	45,435	2,322	9,057	10,852	9,806	7,198	6,200
Per Cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000	5.1	7.6	3.1	3.3	4.5	7.0	9.5
\$1,000-\$1,999	8.1	11.2	4.7	4.3	5.5	8.9	22.6
\$2,000-\$2,999	8.9	13.7	7.3	5.7	6.5	8.0	20.4
\$3,000-\$3,999	10.0	18.2	10.4	8.5	8.3	9.5	11.9
\$4,000-\$4,999	10.8	14.8	13.5	10.1	9.7	10.6	8.4
\$5,000-\$5,999	12.9	13.6	17.8	13.7	11.6	11.7	6.3
\$6,000-\$6,999	10.7	8.9	14.0	13.0	9.9	9.4	4.9
\$7,000-\$9,999	19.7	10.3	20.9	24.4	23.5	18.3	8.4
\$10,000 & over	13.8	1.7	8.3	16.9	20.4	16.5	7.6
Median income	\$5,547	\$3,965	\$5,618	\$6,334	\$6,385	\$5,507	\$2,862
Gini index <sup>a</sup>	.369	.322	.293	.325	.357	.401	.468
1947							
Number (in thousands)	37,279	1,828	8,138	8,864	7,965	6,117	4,369
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under \$1,000	7.7	6.6	4.4	5.2	5.7	8.2	22.5
\$1,000-\$1,999	11.4	17.6	10.0	8.5	8.9	11.6	22.0
\$2,000-\$2,999	14.8	23.6	17.8	13.4	12.6	13.3	14.0
\$3,000-\$3,999	16.8	26.9	21.5	17.0	14.6	14.1	10.9
\$4,000-\$4,999	15.3	13.2	18.7	17.7	14.7	14.0	7.3
\$5,000-\$5,999	10.8	6.8	12.1	12.6	11.6	10.1	5.7
\$6,000-\$6,999	6.6	2.9	6.0	7.4	8.1	6.8	4.3
\$7,000-\$9,999	10.5	2.3	6.5	11.4	15.0	13.9	7.5
\$10,000 & over	6.1	*	3.0	6.7	8.9	8.1	5.7
Median income	\$3,957	\$3,075	\$3,831	\$4,307	\$4,505	\$4,186	\$2,398
Gini index <sup>a</sup>	.378	.270	.304	.353	.365	.383	.518

\*Less than 0.1 per cent. <sup>a</sup>The Gini index of inequality (or concentration) varies from 1.0 if one family has all the income to 0.0 if all families have equal incomes. Morgan, 1965, p. 2.

Source: Riley et al., 1968, p. 76

Morgan (1965) makes the same point and states that statistical averages (e.g. of disposable income, liquid assets, net worth) over-state the level of economic well being of the aged. Based upon wage income of household head he reported these Lorenz coefficients of inequality:

Age 65 and over	0.86
-----------------	------

Whole population	0.48
------------------	------

Since wage data would naturally over-state economic inequality measures among the over-65 group, he also reported Lorenz coefficients which reflected all sources of income. These were:

Age 65 and over	0.52
-----------------	------

Whole population	0.41
------------------	------

Hence, social policymakers, assessing the economic status of the aged, should devote particular attention to the distribution as well as the levels of income and wealth.

It would be risky to apply such nationwide data to a single organization and normally it should not be done, but it might be worthwhile to see if the degree of inequality increases with age in a large organization employing a heterogeneous workforce. In particular one should see if the income and wealth distribution of such a group becomes more unequal as the retirement period lengthens. If so, should the benefit structure of pension plans be altered in an attempt to correct the situation? How? Value judgements are necessary to arrive at an answer. These judgments would relate to a decision as to what is an optimal retirement program. If the rich get richer and the poor, poorer, then how should social policy be directed? Should

the problem be left for public programs to solve? (Fischer, 1963).

At the least, it would be reasonable to expect that any retired person should be able to maintain a minimum standard of living. A comprehensive retirement preparation model would have to have this as a basic goal and it is here that public programs especially would serve a useful purpose.

Crucial questions in this context are how do older people compare with younger people? To what extent can they maintain the standard of living of their social class or of their own earlier years? Cross sectional analysis shows a peak in the 40's or 50's. Further analysis of several studies (Riley et al., 1968, pp. 83-84) indicates, however, that incomes apparently do not decline from then on. In the absence of longitudinal studies there are clues that the life cycle peak in income tends to occur in the years just before 65. Confirmation or otherwise of this by longitudinal studies would be useful.

Riley et al., go on to refer to several different studies which show that incomes generally rise over a lifetime until retirement. However, it seems that economic growth is the main contributing factor rather than increased compensation for age and experience. Each cohort starts at a higher level than the one before it and reaches a higher level as well. Then the postretirement drop--combined with a fixed income and the effects of inflation--begins to be felt. Although we have already seen that retirees tend to make an adjustment to their

lower incomes, it is obvious that the "pinch" is felt all the more as the years progress and especially so if the inflation rate is high. While the incorporation of a cost of living element into pension payments is helpful, it does nothing to the retiree's status in relation to those who are still working. In other words improvements in real income, as experienced by those still in the work force, are not normally experienced by those in retirement. When retirees benefit from neither, there can be a real, progressive strangulation which would certainly be a very negative contribution towards maintaining a feeling of mental and social well being.

### Inflation

The importance of adequate finances to retiring satisfactorily has been established. It is a short step from there to the importance of preventing erosion of retirement incomes which result from inflation. In view of the trends of earlier retirement, longer life and high rates of inflation, the problem becomes increasingly acute. This can only be aggravated by the fact of rising real income for those employed but which benefit is not reflected in pensions. An unpublished paper by Froomkin cited in Riley et al., (1968, p. 85) illustrates the situation for those on fixed incomes:

"One estimate of the 1980 income of an executive retiring in 1965 on a pension as high as \$20,000 indicates that he will have slipped from the top 5 per cent of income receivers to the lower level of the top 15 per cent, assuming a future income rise of 2 per cent per year; or to the 30th percentile, assuming a future income rise of 3.5 per cent a year."

While one possibility of compensating for inflation is to tie pensions to a national cost of living index, other suggestions involve a consumer price index for retired persons. Such an index would have the advantage of reflecting the expenditure patterns of the elderly rather than those of the whole population. Prices would be gathered from areas where elderly persons are concentrated and from outlets which they themselves would indicate as ones they frequent. The "basket of goods" measured would have to be representative of actual habits of pensioners. (Norwood, 1972).

It is essential, however, to distinguish between maintaining purchasing power and improving purchasing power. Indexing pensions in some way to the cost of living, regardless of the particular approach used, will not take care of improvements in the real income of those employed which may result from continued technological advances and capital growth. If pensioners are to be afforded the possibility of remaining in the mainstream of life around them, then an optimal model must allow for economists to work on this problem which, admittedly, is complex. All of these suggestions would lead to a rise in pension costs which must be paid for by someone--be it employers, the state or by those still employed and this must be reckoned with.

A separate, but nevertheless related, issue is how much is needed by the elderly at any given time and in any given place. We have already seen some evidence that, at one time, elderly people saw \$4,000 per year as a minimum amount for living satisfactorily in retirement. Apart from such fact



finding among representative samples of the elderly themselves there is another possibility, that of developing a standard budget for the elderly. The Social Planning Council of Metropolitan Toronto (1973, p. A43) has described such a budget as defining "a standard of living and of expenditure necessary to maintain physical health, social well being and a degree of individual autonomy consistent with the lessened demands and expenditures of retirement." (It is interesting to note that they take "lessened demands and expenditures" as given. However, if the resources are available, are there any reasons to believe that the ability to consume goods and services is any more finite in oldsters than in youngsters?)

#### Role of Unions, Government, Management, Retirees Themselves

It appears that local labour unions may not be representing members' interests in the area of private pension plans. Graham and Donoian (1974) surveyed delegates to the 1973 International Convention in Miami Beach of the Allied Workers of America (A/W) of the AFL-CIO. Their objective was to measure the extent to which local unions are active in administering private, collectively bargained pension plans. About 70 percent of the respondents (who represented 116 local unions) said they had not asked the international union to evaluate investment performance. Little interest was shown in either evaluating the performance of fund managers or in changing the fund managers. Perhaps even more serious is the authors' observation (p. 39) that "some local unions appear to be unaware of the

gains from investments that might be used to increase benefits for prospective pensioners rather than to reduce contributions from the employer."

In some instances retirees retain their voting rights in union matters. If this becomes reasonably widespread, then there might be a counterbalancing effect to the apparent apathy of the general membership to pension matters.

A management which wishes to attract and retain competent staff is probably quite interested in the pension package. In an age of competing fringe benefits on the recruitment front it becomes paradoxical that management would be more active in this domaine than the unions.

An overriding interest should, of course, be exhibited by the state; it is unlikely that any arrangement other than one nationally administered could be effective in smoothing out the "humps" and "valleys" of the different pension plans.

#### Further Social Policy Implications

Some aspects for social policy makers have already been discussed, but there are others. It has been shown that the extent of economic inequality among the aged population is greater than among the population as a whole. Therefore, when assessing the economic status of the aged, social policy makers should devote particular attention to the distribution as well as to the levels of income and wealth.

The provision of retirement income is primarily a transfer of purchasing power from the productive to the non-productive age groups in a population (Brotman, 1972). This carries with it an implicit assumption that the gains in economic growth are due solely to the efforts made by the productive age group. However, Kreps points out (in Riley et al., p. 227) that this assumption is questionable: "Increases in the productivity of the employed may have very little to do with their own actions and initiatives; they result, rather, from capital accumulation and advances in technology, to which the retired have already made their contribution." Kreps goes on to point out that whether it is through the tax mechanism or private saving, "consumption is foregone during worklife in return for consumption during retirement. The more evenly we choose to regulate consumption through the life cycle, and the longer the retirement period relative to worklife, the greater is the necessary transfer of income through either public or private sources."

Peterson (1972) of the University of Michigan's Institute of Gerontology, points out that 25% of all older people in the U.S.A. live in poverty. Also, persons over 65 have annual incomes less than 50% of their younger counterparts. The U.S. Congress was advised by a panel of experts, in 1969, that economics was the number one problem of older people. Some cross-national comparisons would be helpful to policy makers. For example Kreps (1968) points out that in the U.S., wage rates average more than twice those of the U.K., West Germany, or Switzerland, and  $1\frac{1}{2}$  times those of Sweden; in

contrast to this is the fact that old-age benefits, as a percentage of average wages, are lower in the U.S. than any of the five countries. Although he provides no figures Brotman (1972) reflects this by saying that:

"A number of studies indicate that older Americans are worse off than older people in some Western European countries where the total standard of living is lower."

Imaginative views on spreading out leisure and work throughout an active lifetime have been expressed by Monk (1972) and especially by Kreps (1971). Rather than experience a big change in moving from work to full time leisure (i.e. retirement) they suggest the possibility of spreading leisure out over a lifetime with individuals taking it in increasing amounts as the lifetime progresses. This has many advantages, both psychological and material, for the individual. This interesting proposal is worth testing.

Pollack's observation (1956) is a priceless nugget for the social policy makers:

"One of the most striking features of our culture in the field of old age and retirement (is) the emphasis on the importance of activity for the old and their exclusion from it."

Economically speaking, mandatory retirement ages force people into financial inactivity. A more flexible approach both to retirement ages and to continued employment for old persons--either full time or part time--would lessen the financial strain on those who would have low pensions. It would also help attenuate this cultural contradiction.

## Chapter Four

### An Overview of Preretirement Programs

An initial intention of this paper was to report a review of the retirement preparation programs contained in the personnel and administrative practitioner literature. Attempts were made to search 49 journals from 1970 to early 1975. (Appendix B contains a list of these journals.) Although a number of the journals themselves were unavailable and, in others, some issues missing, the available ones may be thought of as a reasonable cross section of the literature. The expectation was that a great number of reported programs would have been located and that a representative sample could be chosen. This expectation was based very simply on the observation that so much of the literature already reviewed referred to retirement preparation and the importance of it. It was, therefore, extremely surprising to have located only 5 articles which reported actual program content (Kinzel, 1974; Bartlett, 1974, Manion, 1974, Holley and Feild, 1974 and Pellegrino, 1973). Further bibliographical research elsewhere turned up a few more reported programs (Barr, 1974, Ash, 1966, Calvert, 1971, Foley, 1972, Londoner, 1971). The education literature, to which access was obtained through an ERIC computer search (Education Resources Information Centre), was found to contain some programs but they were disappointing. The approach to them was mainly a pedagogic one with almost no influence having been exerted by personnel specialists or behavioural researchers.

This paucity of reported programs is significant. While it is clear that there is considerable activity in retirement preparation programs and that many programs have been implemented, it is just as clear that these programs are not

being reported in the practitioner journals. This must be rectified because, if programs are not reported, they will not be evaluated, compared and criticized. Without this process it is unlikely that much progress can be made in improving programs. Persons conducting such programs must make a special effort to describe them and evaluate their effectiveness, both short and long term, in helping people to retire well.

One program that is often cited in bibliographies is that of Wermel and Beidemann (1961). They did a study of company responsibilities in an effort to find out what management's attitudes were towards retirement preparation and to find out about some of the programs in operation. Based on information obtained from approximately 500 large U.S. firms they developed a model of a retirement preparation program which suggested both a process and content to management. Since all of the programs discovered in the literature could be thought of as adaptations or modifications of Wermel and Beidemann's, their summary is reported in full in Appendix C.

The broad common threads which ran through the programs reported in the journals may be summarized in a few sentences. They tended to combine lecture-discussion periods and individual counseling in some systematic form. Management was expected to contact employees ten or more years ahead of the fixed retirement date in order to invite them to begin together a program of retirement preparation. The main topics covered, usually phased over several years, were:

Personal adjustment

Finances

Health

Work and leisure

Housing arrangements

Specialists in these areas might be called in to give a short lecture on a topic or sub-topic to be followed by an open discussion period. At some point there is usually a strong emphasis on financial matters. Bartlett's (1974, p. 31) observation reflects the thinking of most of the others who reported on preparation programs: "Many studies show that really substantive material is much better received than more superficial discussions of using leisure time and the like."

Some of the authors take a counseling approach which means primarily an exchange of information which, it is hoped, will encourage the prospective retirees to take specific actions on their own. Others have primarily a planning perspective and they suggest working together with the pre-retirees to develop specific financial plans, to make housing decisions and to actually develop leisure activities well before the retirement date. A most useful, detailed article in this sense is the one by Kinzel (1974) in which he discusses sorting out the financial affairs and prospects of executives who are facing early retirement. He reported that even sophisticated managers may be surprisingly ill-prepared, both psychologically and practically, when confronted by early retirement. He felt that once their financial affairs were sorted out standard counseling could take over.

While the retirement preparation programs reviewed may have involved a relevant study or two, none of them arose



out of a detailed preliminary review of the research literature in the field in an attempt to identify why some people retire well and why some people retire badly. Also, their orientation has been mainly what management can do for its employees with almost no coverage of what individuals might do for themselves; the role of the social policy makers is only rarely referred to. The main thrust of this paper, therefore, is to develop a comprehensive model of an optimal retirement preparation program which will involve and integrate the roles of the three principal actors: the individual, the organization and the social policy makers. The next chapter will describe such a model and follow it by suggestions for further work which flow from the model itself and from the literature review.

## Chapter Five

### Towards the Development of a Comprehensive Optimal Retirement Preparation Model

A Descriptive Model

An Analysis

A Prescriptive Model

The Comprehensive Optimal Retirement Preparation Model

    The Individual

    The Organization

    The Social Policy Makers

A Special Note on Those Who Are Most Apt to Retire Badly

### A Descriptive Model

The three principal retirement actors--the retiree, the organization, and society--form a complex system. Each actor is subject to a network of forces or influences. The retiree has certain behavioural tendencies as shown in the literature review. The organizational and social situations impose certain constraints on the options open to the retiree. In addition there are interactions among the three actors. A description of this model, shown diagrammatically in Figure 1, follows.

#### The retiree:

He probably has internalized the work ethic and this causes a conflict with the pressure to disengage from work as retirement approaches. There is a paradoxical pressure to be active by engaging in a range of leisure activities for which he may be ill prepared. This imposed role change from work to retirement can be attenuated or aggravated by factors which may or may not have been within his power to control such as his level of retirement income, his health, attitude toward work, feelings of usefulness and the quality of his family relationships.

The coming of retirement throws into opposition a number of forces:

Achievement versus non-achievement: To what extent has he achieved in life what he set out to achieve? To what extent has he failed in his own eyes?

# A Descriptive Retirement Model

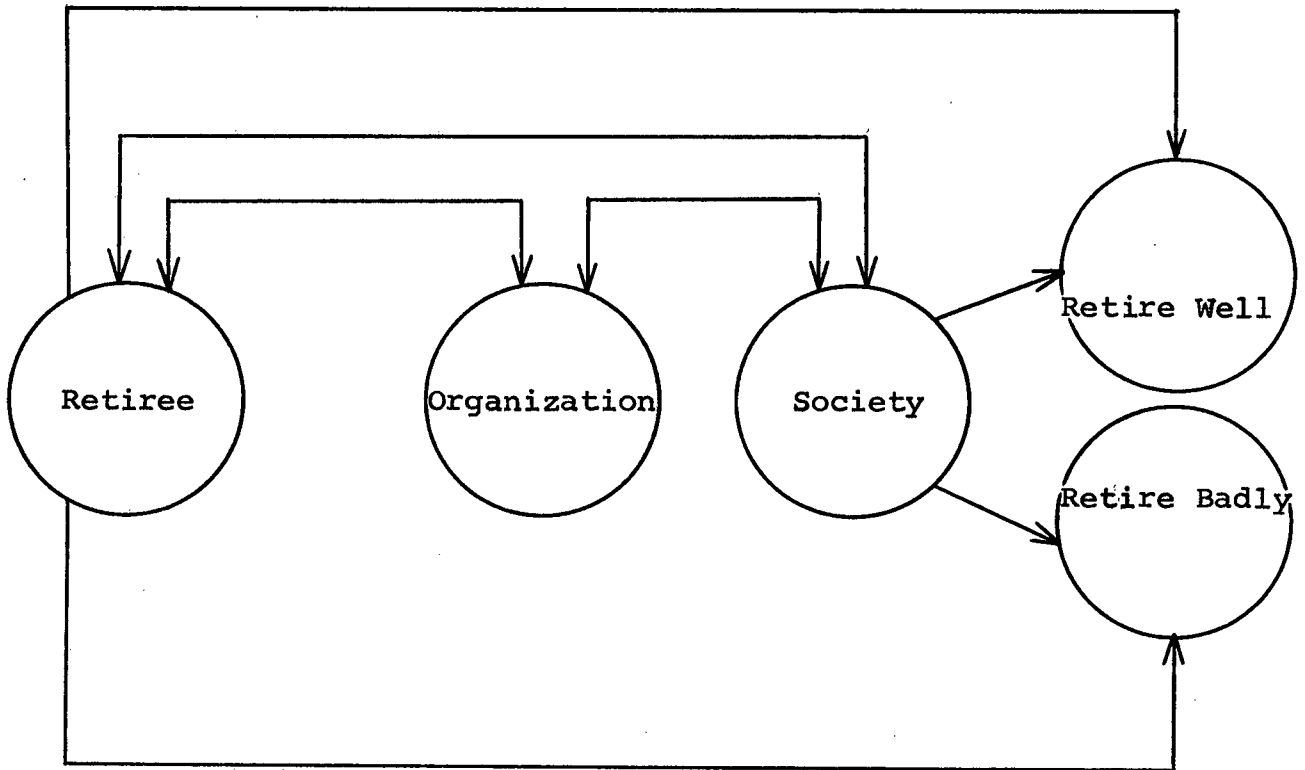


Figure 1

Retirement "to" versus retirement "from": Does retirement mean an opportunity to do other things for which there never seemed to be sufficient time? Or is it an opportunity to get out of a monotonous, discouraging job? Or is it a movement from a full life to a void?

Planning versus non-planning: How much has he planned for retirement? How much has been left to chance?

Career development versus leisure development: How much of his life energies went into developing his immediate career? How much went into developing other interests which could later flower into a second career or a pleasant use of increased leisure?

The organization:

It most likely has a fixed retirement age which is essentially a carry-over from the Depression years, established to help create more jobs for younger, unemployed workers. Stereotypes concerning the older worker support the continuation of this policy (i.e. they are often ill, produce less, are rigid and untrainable, don't get along with younger people, etc.). In addition younger workers have less seniority and may therefore cost the firm less.

Like the retiree the organization is also subject to opposing forces:

Ages of retirement are being pushed downwards which means that pension funds have to pay more people and pay them sooner.

While on one hand an organization may be interested in keeping the existing expertise found in its older workers,

this may be counterbalanced by the stereotyped value of introducing "new, young blood" or to provide promotional opportunities for younger employees.

An organization which may be inclined to have positive retirement policies and be interested in improving the quality of life, may find that it is hindered by economic constraints.

An organization which wishes to improve job satisfaction by enriching jobs may find that union opposition--to broader job descriptions and to a phased implementation--is such that it is easier to drop the whole program.

#### Society:

Life expectancy is increasing, retirement age decreasing and the size of the over 65 population growing. For instance, in the United States the population of the age category 65 and over rose from 3 million persons in 1900 to nearly 17 million by 1960. As both fertility and mortality rates decline, an increasing proportion of people survive into old age. Between 1850 and 1960, the proportion of the total population in this age category rose from 3% to 9%.

In some societies the work ethic is pronounced and a common ideal is to achieve, even overachieve, which means to be a "success" in life. However, not everyone attains this ideal and that means retirement problems. Retirement is supposed to be a reward for one's productive life yet, often, no clear satisfying roles for the retired have fully evolved. Inflation is such that retirees on fixed pensions benefit less and less from general prosperity. There is a marked increase in the tendency of the retired to form their own segregated communities

although such persons still form a small part of the 65 and over population. Social attitudes toward the retired are based as much on stereotypic labels (such as "the elderly", "the retired") as they are on objective evidence. These are often counterbalancing labels for stereotypes on youth which may portray them as being more energetic, more imaginative and more flexible than the older generation.

Thus, each actor has his own characteristics and constraints. Interactions among the three are frequent and often closely related.

### An Analysis

The main variables involved in retirement success are diagrammed in Figure 2. (For the sake of simplicity the roles of the individual, the organization and society are not shown but each one of them can be involved in all of the variables as is implied by Figure 1. Any one of these three actors can have an influence on the main variables and this influence could either help or hinder the retiree to retire well. In addition the interactions among the three can be significant.) The first order variable applies to all retirees and if its requirements are not satisfied it is unlikely that any combination of the second order variables could fully compensate for that fact.

The second order variables are all involved in retirement success but the weighting required is not clear from the research to date. It appears, however, that health may require more weighting than any one other and that housing may require the least. It is possible that aggregate minima may eventually be established for each but of course there will still be individual cases which deviate markedly from any such norms. Nevertheless, each variable will play a role in every case.

The figure can serve as a reference point for future research and it may be refined as more findings are reported.



# Retirement Success Variables

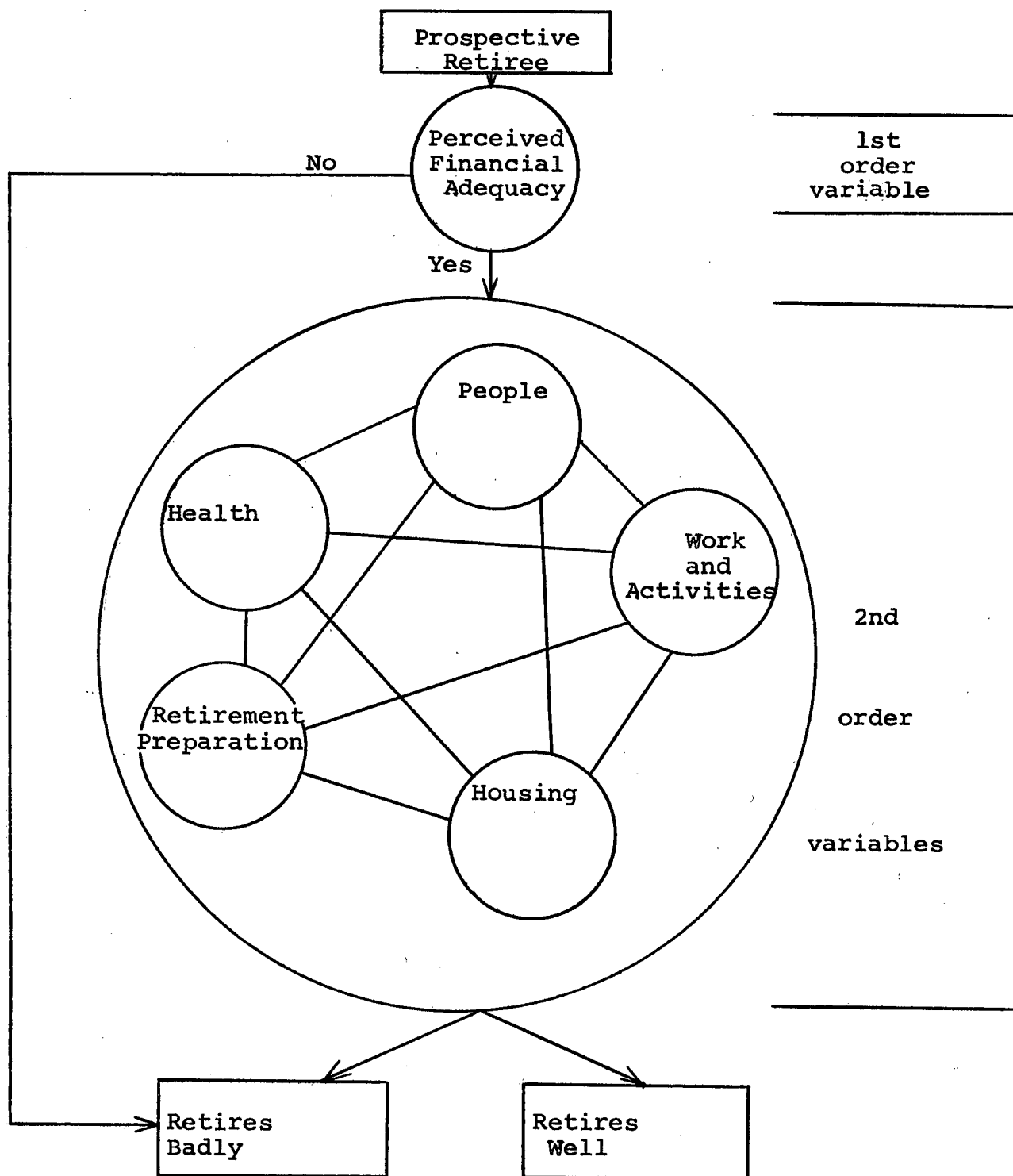


Figure 2

### A Prescriptive Model

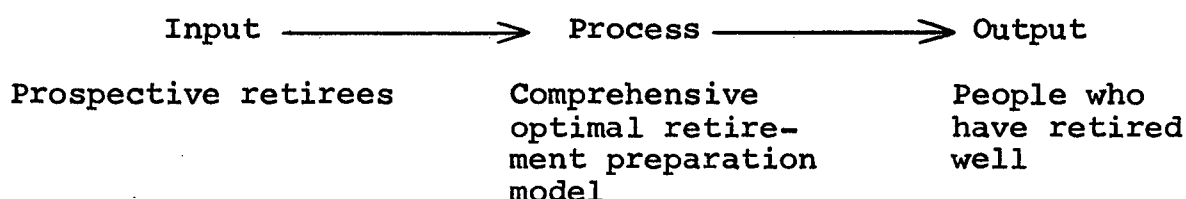
The literature shows that a great deal of research on retirement, or on closely related subjects such as aging, has been carried out. The surface has been scratched and there is clear evidence that much of the stereotypic thinking on retirement has been erroneous. The current body of empirical knowledge is sufficient to develop a useable retirement preparation model, but it is one which will have to be modified as more findings are published, as more longitudinal studies are reported, as other studies are replicated and larger samples are obtained. Consequently, the title of the chapter indicates that an optimal model cannot yet be described but that, nevertheless, there are developments in that direction.

The comprehensive optimal model to be described consists of three prescriptions: one for the prospective retiree, one for his organization and one for the social policy makers. (It is labelled "comprehensive" in order to distinguish it from the preparation programs reported in the practitioner literature; those are not comprehensive because they outline a role for the employer only. The present study, in contrast, describes a three party, or comprehensive, role.) This three pronged attack implies that the creation of conditions for retiring well is a shared responsibility. The individual, within his own resources and capabilities, should be allowed and encouraged to do what he can to retire satisfactorily. He may even do it so well that only minimal direct outside involvement is required. The individual's organization, if he

has one, should be encouraged to assist in the work-retirement transition as part of an enlightened personnel policy; tangible and useful by-products need not be excluded. The third actor, the social policy maker, may be one or more levels of government, community centres or volunteer organizations. Each of the three has a role and responsibility which complement those of the other two.

The prescriptions of this model are organized according to the major themes or variables shown in Figure 2. The prescriptions either arise directly from the literature already reviewed or else are derived in an eclectic manner from that literature. The concept of the model is sufficiently flexible and simple that improvements or additions to the prescriptions can be made as more research evidence becomes available, possibly along the lines of the projects suggested in the next chapter. The model is followed by a special diagnostic note and a suggestion about those who are especially apt to retire badly.

The model, with its objective of enabling people to retire well, may be simplified as follows:



## The Comprehensive Optimal Retirement Preparation Model

### A Prescription for the Individual

#### Perceived Financial Adequacy

- 1) Ensure that you will have an adequate retirement income.
- 2) Try to have your retirement income indexed to the cost of living.
- 3) Develop a high earning capacity.
- 4) Arrange well in advance an adequate health insurance arrangement if you do not already have one.
- 5) Engage in systematic retirement planning to help ensure adequacy of retirement income and to learn to manage on a reduced income; if it is too late for such planning and you are still anxious about retirement finances, then discuss the situation in detail with a financial specialist.

(Barfield and Morgan, 1969; Bartlett, 1974; Bechter, 1972; Brotman and Paillat, 1972; Fischer, 1963; Folk, 1968; Friedman and Havighurst, 1954; Froomkin in Riley et al., 1968; Geist, 1968; Havighurst et al., 1969; Harris in Riley et al., 1969; Kinzel, 1974; Kreps in Riley et al., 1969; Kreps, 1968, 1970, 1971, 1973; Monk, 1972; Morgan, 1965; Norwood, 1972; Osterbind, 1967; Owen and Belzung, 1967; Palmore, 1971; Petersen, 1972; Pollack, 1956; Riley et al., 1968; Schuchat, 1973; Simpson et al., 1966; Smith et al., 1969; Social Planning Council of Metropolitan Toronto, 1973; Thompson and Streib, 1958; Walker and Price, 1974.)

### Health

1) Take reasonable measures to remain in good health, such as periodic medical examinations; maintain a balanced diet and regular exercise. (Andras, 1969; Barfield and Morgan, 1969; Eger in Geist, 1968; Geist, 1968; Harris in Riley et al., 1968; Martin and Doran, 1966; McMahan and Ford, 1955; Myers, 1954; Palmore in Riley et al., 1968; Smith et al., 1969; Streib and Schneider, 1971; Thompson and Streib, 1958; Tyhurst in Riley et al., 1968.)

### People

1) Have an orderly and progressive work history and build up strong social involvements with colleagues in the process.

(Barker, 1966; Geist, 1968; Havighurst et al., 1970; Madge, 1969; Sherman, 1975; Simpson et al., 1966; Smith et al., 1969; Stephens, 1975; Streib and Schneider, 1971; Winiecke, 1973.)

### Work and Activities

1) View your work primarily as a means of material gain.

2) Have an orderly and progressive work history.

3) Develop your interests to the point that you almost cannot wait to stop working in order to have more time to devote to these interests.

4) Have satisfying work, especially in the last few years prior to retirement.

5) Make plans for extending the activities which are normally done in your spare time.

6) If it is offered to you, accept to have a retirement ceremony.

(Crawford, 1973; Cumming and Henry, 1961; Geist, 1968; Havighurst and Albrecht, 1953; Havighurst et al., 1970; Shanas in Carp, 1972; Sherman, 1974; Simpson et al., 1966; Smith et al., 1969; Streib and Schneider, 1971; Thompson, 1958; Wright, 1968.)

### Retirement Preparation

1) Engage in systematic retirement planning which covers the topics of finances, housing, health, people, work and activities.

2) View your retirement as a transitional life stage but try to ensure the continuity of life patterns.

3) Expose yourself to company counseling on retirement, to articles and to personal discussions on the subject; try to get as accurate as possible an idea in advance of what retirement is like; talk to a number of retired people about retirement; get into a frame of mind whereby you look favourably upon retirement.

(Dressler, 1973; Geist, 1968; Havighurst et al., 1970; Heibreder, 1972; Industrial Gerontology, No. 16, 1973; Monk, 1972; Riley et al., 1968; Schultz in Riley, 1968; Simpson et al., 1966; Thompson, 1958; Thompson in Riley et al., 1968.)

### Housing

1) Try to end up owning your own home rather than renting; people who do are happier in retirement, perhaps because they enjoy the freedom to remodel as they wish.

2) If you feel a change of housing is necessary or desirable, it is often good to do it between the "empty nest" stage and actual retirement.

3) In the above event, choose a housing arrangement which is consistent with your health and energy levels, allows satisfying interpersonal relationships to develop, provides a sense of community (if you like that), and is within your financial possibilities.

(Barker, 1966; Bultena and Wood, 1969; Hochschild, 1973; Jacobs, 1974; Mangum, 1973; Messer, 1967; Ross, 1974; Sears, 1974; Sheley, 1974; Sherman et al., 1968; Sherman, 1971, 1972, 1974, 1975; Social Planning Council of Metropolitan Toronto, 1973; Stephens, 1975; Wilner et al., 1968; Winiecke, 1973; Woodward et al., 1974.)

### A Prescription for the Organization

#### Perceived Financial Adequacy

1) Contract with a health insurance plan which will allow full coverage for employees after retirement.

2) Arrange the funding of company pensions so that they are indexed to the cost of living; allow for some real income improvements as well; pensions should be portable and universal.

3) Provide alternatives, after retirement, for re-employment especially for those who have an obvious financial need; this could be another occupation or part-time work.

(Barfield and Morgan, 1969; Bartlett, 1974; Bechter, 1972; Brotman and Paillat, 1972; Fischer, 1963; Folk, 1968; Friedman and Havighurst, 1954; Froomkin in Riley et al., 1968; Geist, 1968; Havighurst et al., 1969; Harris in Riley et al., 1969; Kinzel, 1974; Kreps in Riley et al., 1969; Kreps, 1968, 1970,

1971, 1973; Monk, 1972; Morgan, 1965; Norwood, 1972; Osterbind, 1967; Owen and Belzung, 1967; Palmore, 1971; Petersen, 1972; Pollack, 1956; Riley et al., 1968; Schuchat, 1973; Simpson et al., 1966; Smith et al., 1969; Social Planning Council of Metropolitan Toronto, 1973; Thompson and Streib, 1958; Walker and Price, 1974.)

### Health

1) Provide periodic medical examinations up to the time of retirement.

2) Provide a health education program specifically aimed towards maintaining good health and preventing disease both now and after reaching retirement age.

(Andras, 1969; Barfield and Morgan, 1969; Eger in Geist, 1968; Geist, 1968; Harris in Riley et al., 1968; Martin and Doran, 1966; McMahan and Ford, 1955; Myers, 1954; Palmore in Riley et al., 1968; Smith et al., 1969; Streib and Schneider, 1971; Thompson and Streib, 1958; Tyhurst in Riley et al., 1968.)

### People

1) Provide a context which would permit continuing at least some of the strong social involvements built up over the years (especially so for women); there is something brutal and unnerving about the day of retirement which completely cuts one off from his working past.

(Barker, 1966; Geist, 1968; Havighurst et al., 1970; Madge, 1969; Sherman, 1975; Simpson et al., 1966; Smith et al., 1969; Stephens, 1975; Streib and Schneider, 1971; Winiecke, 1973.)

### Work and Activities

1) Provide a retirement ritual.



2) Try to ensure that individuals are satisfied with their work, particularly in the few years before retirement. (Crawford, 1973; Cumming and Henry, 1961; Geist, 1968; Havighurst and Albrecht, 1953; Havighurst et al., 1970; Shanas in Carp, 1972; Sherman, 1974; Simpson et al., 1966; Smith et al., 1969; Streib and Schneider, 1971; Thompson, 1958; Wright, 1968.)

### Retirement Preparation

1) Provide a retirement planning program for those who want it and start 10 years ahead of time; provide retirement counseling for those who want it.

2) Provide pamphlets and articles on retirement which may, but not necessarily, be part of the retirement preparation program.

3) The objective of the retirement preparation program should be to encourage persons to look favourably upon retirement.

(Dressler, 1973; Geist, 1968; Havighurst et al., 1970; Heibreder, 1972; Industrial Gerontology, No. 16, 1973; Monk, 1972; Pyron and Manion, 1970; Riley et al., 1968; Schultz in Riley et al., 1968; Simpson et al., 1966; Thompson, 1958; Thompson in Riley et al., 1968; Wermel and Beidemann, 1961.)

### Housing

1) Develop schemes that would help individuals own their own homes, particularly those employees with limited financial resources; this could be through minimal cost efforts such as gaining advantages by purchasing a block of land for development.

2) Retirement counseling should include gathering and distributing full information on retirement housing possibilities.

(Barker, 1966; Bultena and Wood, 1969; Hochschild, 1973; Jacobs, 1974; Mangum, 1973; Messer, 1967; Ross, 1974; Sears, 1974; Sheley, 1974; Sherman et al., 1968; Sherman, 1971, 1972, 1974, 1975; Social Planning Council of Metropolitan Toronto, 1973; Stephens, 1975; Wilner et al., 1968; Winiecke, 1973; Woodward et al., 1974.)

### A Prescription for the Social Policy Makers

#### Perceived Financial Adequacy

1) Ensure financial adequacy in retirement by promoting universal, nationally controlled contributory pension plans which are fully portable and which really do include everybody of working age such as mothers who stay at home.

2) Provide a public financial counseling service for those who need it and want it; often there are multiple social resources available from a range of agencies but which are not fully used by those in need due to ignorance.

3) Provide incentives for employers to make employment opportunities available for those of the retired who need them.

(Barfield and Morgan, 1969; Bartlett, 1974; Beckter, 1972; Brotman and Paillat, 1972; Davis and Strasser, 1970; Davis, 1974; Douse, 1969; Fischer, 1963; Folk, 1968; Friedman and Havighurst, 1954; Froomkin in Riley et al., 1968; Geist, 1968; Graham and Donoian, 1974; Havighurst et al., 1969; Harris in Riley et al.,

1968; Kinzel, 1974; Kreps in Riley et al., 1969; Kreps, 1968, 1970, 1971, 1973; Monk, 1972; Morgan, 1965; Norwood, 1972; Osterbind, 1967; Owen and Belzung, 1967; Palmore, 1971; Petersen, 1972; Pollack, 1956; Riley et al., 1968; Schuchat, 1973; Sheppard, 1970; Simpson et al., 1966; Smith et al., 1969; Social Planning Council of Metropolitan Toronto, 1973; Thompson and Streib, 1958; Walker and Price, 1974.)

### Health

1) Make health education information available to employers and others concerning preventive medicine measures for the retired.

(Andras, 1969; Barfield and Morgan, 1969; Eger in Geist, 1968; Geist, 1968; Harris in Riley et al., 1968; Martin and Doran, 1966; McMahan and Ford, 1955; Myers, 1954; Palmore in Riley et al., 1968; Smith et al., 1969; Streib and Schneider, 1971; Thompson and Streib, 1958; Tyhurst in Riley et al., 1968.)

### People

1) Encourage a change in public attitudes so that labels of "the elderly", "the retired", will arouse fewer stereotypic (and inaccurate) reactions; they should be a part of society rather than a minority group. The success of retirement communities is probably greatly due to the fact that there the retired are assured a context, a variety of roles they can choose without censure or pressure, where they feel the support of their peers who also do not conform any longer to the work ethic.

2) Pay greater attention to structuring community life so that contacts among age peers are as easy to come by as are contacts among the peers of the employed.

3) While the elderly seem happy being among themselves, much of that may be due to the fact that youth-oriented societies encourage their exclusion from daily life; therefore, programs to overcome this are desirable.

4) Eliminate the "roleless role" of the retired.

5) Encourage a greater public appreciation and respect for the expertise and experience built up over the years by retirees.

(Barker, 1966; Geist, 1968; Havighurst et al., 1970; Madge, 1969; Sherman, 1975; Simpson et al., 1966; Smith et al., 1969; Stephens, 1975; Streib and Schneider, 1971; Winiecke, 1973.)

#### Work and Activities

1) Stimulate the creation of full time and part time employment possibilities for the retired in a wide range and variety of occupational roles. This prescription does not necessarily advocate the work ethic for those 65 and over; neither does it advocate pressuring retirees into accepting further employment because such decisions are theirs.

2) Stimulate the general development of a wide range of activities for the retired which will allow for many different levels of mental and physical stamina, education and desire for personal interaction.

#### Retirement Preparation

1) Provide retirement preparation programs for the self-employed and for those with firms which do not have their own programs.

2) Provide a special focus on those persons who, according to research results, are most apt to retire badly.

## Housing

1) Encourage a variety of housing possibilities so that retirees can have a range of choice and find something suitable to their individual tastes, needs and financial resources.

(Barker, 1966; Bultena and Wood, 1969; Hochschild, 1973; Jacobs, 1974; Mangum, 1973; Messer, 1967; Ross, 1974; Sears, 1974; Sheley, 1974; Sherman et al., 1968; Sherman, 1971, 1972, 1974, 1975; Social Planning Council of Metropolitan Toronto, 1973; Stephens, 1975; Wilner et al., 1968; Winiecke, 1973; Woodward et al., 1974.)

## A Special Note on Those Who Are Most Apt to Retire Badly

A medical educator, responsible for curriculum development in medical schools, once said that there were always a few students who would turn out to be good doctors regardless of what the educators did to them. In the same vein there are individuals who will retire well, with or without retirement preparation programs. To have a program with the maximum impact and the minimum input of money and time, one should look at the factors which have been shown to contribute to retiring badly. Individuals who see themselves in these factors can try to put some extra energy into retirement preparation. Organizations can try to identify such employees and gear their programs towards them. Legislators and others can try to evolve a social policy geared toward these factors.

The literature review has shown that special attention needs to be paid to those who have financial anxiety or financial problems, but realizing that the two may not be synonymous. We must watch out for those who have done no advance planning, who will have no retirement ritual, who are significantly dissatisfied with their present occupational situation or who feel they have markedly underachieved in life in relation to their desires. Those with a disorderly work history, such as semi-skilled workers, are apt to have developed only weak social involvements and, consequently, may be very dissatisfied in retirement where there will be even fewer involvements. Special attention is also indicated for those who have had a low earning capacity, who have had no exposure to company counseling on retirement, to news media or to personal discussions; for those who do not look favourably upon retirement in advance or who do not have a good idea what it would be like; for those who are in poor health, who are likely to miss work a lot or whose spouse has passed away; those of lower intelligence; for those who were not satisfied with their work because they tend not to be satisfied in retirement; for women, who seem to miss the social contacts in working more than men do; for the unskilled and uneducated; for those who do not own a home; those with inadequate or no health insurance; those whose retirement incomes are fixed and are not geared to compensate for inflation and rising living costs; those who, in retirement, will have poor transportation facilities and be an uncomfortable distance away from shopping, doctors and entertainment; those who appear to have poorly developed interests and activities outside their work.

Where several of these factors are found in an individual, the prognosis for a successful retirement would seem poor unless some vigorous remedial action is taken along the lines of the model.

An extremely useful next step would be the development of a prognostic instrument to identify in advance those who are most likely to retire badly and those most apt to retire well. The points given above should serve as a good source of items to use in developing an appropriate instrument. If adequate reliability and validity studies were done it would be a very useful tool for prospective retirees and for the administrators of retirement preparation programs. Even in their present unrefined state, many of the points listed above could be made into a check list and distributed to prospective retirees; those who feel that many of the points describe themselves would be well advised to seek retirement counseling and to participate in a retirement preparation program.

## Chapter Six

### Unanswered Questions and Research Needs



1. It is hypothesized that some executives, as pre-retirees, suffer from a "retirement neurosis". This neurosis becomes apparent a year or so before the fixed retirement data and is characterized by one or more of the following:

- a) a normally calm decision maker starts to make erratic and impulsive decisions
- b) he has sometimes fierce arguments with most other decision makers in the hierarchy
- c) he challenges every basic principle on which the organization has been running for many years
- d) he tries to promote most of the staff immediately under him regardless of whether or not such promotions are justified
- e) in spite of his promotion efforts many of his immediate staff are unhappy because of his unpredictable behaviour
- f) he either approves almost everything that is presented to him for a decision, or conversely, disapproves almost everything
- g) he apparently argues issues for the sake of argument because he seems to drive discussions away from eventual conclusions
- h) judgments suddenly no longer reflect the sound reasoning which was a characteristic of him throughout his career
- i) he suddenly seems at such tremendous peace with the world that even the most flagrant issues fail to stir him into energetic action

j) his attendance record suddenly becomes poor yet there is some evidence that, even though he reports ill, he, in fact, is not.

Sometimes these symptoms disappear completely before the retirement date and sometimes they remain. Whichever the case, the wear and tear on the organization, on himself and on his colleagues is quite apparent.

No reference at all was found in the literature to this hypothesized neurosis. Research is desirable in order to identify just what is happening to these individuals, why only some and not others are affected and to suggest ways of dealing constructively with such problems.

2. Research on aging is very much "in style" and a great number of studies on the many facets of aging are reported. Apart from a few impressive longitudinal studies, most of the others tend to be small ones and, of these, several more or less repeat what has already been done (e.g. the effect of retirement on health). The contribution of the small studies tends to be small. Because of this great interest and activity a central co-ordinating body for such research would be very beneficial. It should be composed of researchers and practitioners who would catalogue what is being done and issue periodic suggestions for future research. The body could act as a central clearing house for planned research projects so that overlapping and duplication are avoided and that areas needing attention get the notice they deserve. Funding could be channelled so that the expensive longitudinal studies would be within reach of more researchers. The composition of such a

body should be broad so that cross-cultural comparisons would be encouraged.

3. An apparently reasonable hypothesis is that, with the rampant inflation of the past few years, fewer people are opting for early retirement than before except where their pensions are indexed to the cost of living. This hypothesis would, if confirmed, show again that finances is the number one item to retiring well.

4. The deterrent effect of pension plans on the employment of older workers needs to be continuously assessed and criticized. Some older, retired workers need or desire further employment. Such studies would help.

5. A study by Goudy (1975) showed that the basic relationship thought to exist between work satisfaction and retirement attitude is questionable. Further research is required on this point.

6. Inflationary trends and the rising cost of living have pronounced effects on the real income of persons who are on fixed pensions. As a result a pleasant and satisfying retirement can devolve into one of unpleasantness and stress. While a trend appears to be developing to index pensions in some way, it would be worthwhile to assess the financial state of the residual population and to recommend appropriate social action where needed.

7. A study by Jacobson (1974) did not support the principle of an earlier retirement age for women than for men. In his sample the women wished to remain employed past retirement age because they valued so highly the interpersonal

relationships within the work situation. The same sort of study is indicated for different groups to assess the extent to which valid generalizations can be made. This is important for social policy because some countries, (e.g. France and Denmark) are discussing legislation to grant earlier retirement ages to women than are granted to men.

8. The success of retirement communities, and the satisfaction of people living in them, could be a reaction-formation to a hostile, youth-oriented society which has no functional or cultural role for the retired. Consequently, the apparent success of these communities could be due to the fact that they represent a haven for those persons who would otherwise feel uncomfortable, useless and a burden to others. There is much scope here for the social psychologists to point out areas where changes in public attitudes are desirable.

9. Kreps' (1968, 1970, 1971) idea concerning the possibility of re-distributing work and leisure over a lifetime is much deserving of further study. One of the many possibilities under this theme is that a worker may start to increase his leisure time while in his 50's but compensate for that by continuing to work until he is in his 70's. Another possibility would be to permit those who would so wish to take early retirement by concentrating their work in the early years. It would be interesting if a few organizations could be encouraged to develop pilot projects along these lines so that the results could be evaluated and published.

10. Suburban housing has been consistently designed for the nucleated family with children. As a result, the

retired have been "designed out" irrespective of their desires. Architects and community planners should try to be more innovative and to try some experiments on "designing in" the retired to such new communities.

11. Apart from Sherman's several studies on retirement housing there are only a few others in which the residents of retirement communities are asked to give their detailed reactions to life in their communities, to retirement, to aging, and to contacts with other age groups of society. There is considerable scope here to enrich the literature in the area. The four hypotheses of Sheley (1974), which were reported in an earlier chapter, are particularly suitable for future research in this regard.

12. The Province of Ontario is conducting a longitudinal study on aging which includes aspects of retirement. This 20 year study began in 1959 and is due to terminate in 1978. The original population was 2,000 Ontario males aged 45 and over. While it looks like an interesting study, little information is generally available (Guinan, 1970). In order to prevent duplication of effort it would be helpful if more information could be disclosed to other social scientists. At the same time it is understood the Ontario researchers wish to avoid introducing a bias.

13. Research on how women retire is even rarer than the research on retirement housing. The whole field is almost untouched. For example it is unfortunate that the population of the Ontario longitudinal study on aging (Guinan, 1970) is exclusively male. For the homemaker, research is needed on the

crucial transition to the "empty nest" stage. For the women with employment outside the home information is sorely needed on how they retire. For the women who have combined the roles of homemaker and career person there appears to be nothing at all in the literature.

14. A favourable anticipation of retirement appears to be associated with retirees making retirement plans about what they would like to do, exposure to company counseling and exposure to news media and personal discussions about retirement. However the data do not show whether planning and communicating affect attitudes or whether the same individuals who have favourable attitudes also tend to plan and communicate about retirement.

15. Palmore found that (Riley, p. 450) poor health was the chief reason people gave for retiring. However it is not clear to what extent poor health may mean decreased physical competence or if the term was used by respondents to cover a latent sense of inadequacy in competition with more recently trained younger workers. It may also be that poor health was given to avoid disclosing that there were other reasons.

16. Studies indicate that vocational difficulties, failures and mistakes make retirement more difficult; the greater the dissatisfaction with the present occupational situation, and the less one had achieved what one had desired, the more one rejects retirement.

If so, then preventive measures should be possible. One could use the JDI to identify pre-retirees who are dissatisfied with their present jobs. Keep some as a

control group and try to enrich the present jobs of the others. Apply the JDI again to the latter group to see if they are then satisfied with their present jobs. Eventually, test their attitudes in retirement. At this point test again the control group which did not have the job enrichment program. Were the preventive measures useful?

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## Appendix A

### Cross-sectional versus longitudinal studies

Source: Riley et al., 1968, pp. 7-9.

In contrast to cross-section analyses that compare the attitudes or experiences of different age strata at given points in time, life-cycle (or longitudinal) analyses trace the shifts in attitude or experience of the same individuals (or cohort of individuals) across time. The research on the aging individual is, with certain exceptions, much less substantial than that on the age structure, however, and is therefore more difficult to interpret. Moreover, there is great individual variation among older people (even more than there is among young people in many respects), a fact that must be kept in mind continually in interpreting findings that refer to the modal individual.

#### Dangers of misinterpretation

Scholars often make inferences about how individuals age directly from the cross-section societal picture. The older person qua member of society tends, as we have seen, to become comparatively disadvantaged in many respects, despite the various qualifications and mitigating factors. Thus, in contrast to younger people, the older person typically has poor health and low energy; his educational background is inadequate and out of date; he is deprived of his occupational role; his earnings are cut off, and he is left to live on a fixed retirement income in the face of rising living standards and the declining value of the dollar; he is extruded from the heart of the family group as his children leave home, his spouse ultimately dies, and he is left to live alone.

In the more dramatic accounts, all these tendencies seemingly add up to a tragic stereotype of the older person as destitute, ill, facing irreparable losses, no longer integrated into society, and no longer subject to society's controls and sanctions. Old age appears as the nadir: the end of a long decline that follows peaks that occur at the early life stages in intelligence, capacity for work, income, sexual capability, and so on. Feelings, too, are often supposed to reflect the relatively deprived status of the aged within society, so that the subjective state of older people is presumably characterized by a loss of self-esteem, a deprecatory view of their low education, a sense of dejection and despair over their losses, and anxiety about their health, finances, and death.

How, then, do the actual data on aging individuals compare with such suppositions? A glance at the scattered available clues shows a picture that is, in certain respects, at sharp variance with the stereotype. The older worker's productivity shows no consistent decline. Scholarship is maintained at a fairly high level into old age. There is little evidence that aging brings sexual impotence. The typical older person seems to have a strong sense of his own worth, to minimize

his self-doubts, and not even to regard himself as old. The older person seems at least as likely as the younger person to feel adequate and to have a sense of satisfaction in playing his various marital, parental, occupational, or housekeeping roles. To be sure, he does not perceive old age as the happiest period of his life. Nevertheless, he does not worry any more than the young person about his health, his finances, or any of the other difficulties to which he is subject.

### Problems of life-cycle analysis

What accounts for this seeming paradox, for the apparent discrepancy between the invidious image of the older person as a member of society and the less negative image of him in his own eyes or with reference to his own earlier life? The discrepancy highlights the conceptual pitfalls of reasoning directly from the age structure of the society to the aging of individuals, the problem of disentangling life-cycle change from social change.

The cross-section analysis, as we have seen, focuses upon different cohorts of persons who are of different ages at given points of time (contrasting their political views, for example, or their competitive chances in the labor market) and yields data essential for understanding the age structure of the society. Since this form of analysis does not focus on life-cycle patterns, however, it provides no direct answers to questions about how the individual ages. It does not indicate which characteristics may change as a result of his growing older (like hair color), or which may remain stationary over his life course (like skin color). Yet a good deal of research, failing to distinguish between cross-sectional and longitudinal views, attempts to reduce one to the other. As a consequence, there is considerable danger of fallacious interpretation, of erroneously inferring that differences among age categories in the society are due to the aging of individuals . . .

Incidentally, there are other sources of dubious interpretations besides this difficulty of separating life-cycle changes from broad social or environmental changes. For example, earlier studies appeared to show that achievement in various scientific and artistic fields reached a peak in the early years of life, although a more appropriate analysis showed peaks for most fields at age 40 to 49 or even later, with continuing performance thereafter. Here the fallacy arose through use of published biographies of individuals of differing longevity. This method can give spurious weight to the productivity of the earlier years by excluding those potentially productive men who did not live long enough to fulfill their promise.

Still another complexity of life-cycle analysis concerns the meaning to the aging individual of his own life course. How, for example, might older people be presumed to respond to the societal situation in which they tend to have less education than younger people? One inference might be that older people regard their education as inferior or inadequate; indeed, this is the kind of inference very often made.

Yet a glance at one of the findings reported in the Inventory shows that older people do not appear to be apologetic about their low education or to regard it as a shortcoming. That is, in this instance, older people do not seem to view their education in terms of their relative deprivation within the society. They seem, rather, to be assessing their education with reference to their own life course, or perhaps to that of their peers. It is not their own education that has changed but the education of younger generations that has changed around them. Thus, to assume one can predict an older person's self-estimate simply by knowing his position in the society may lead to an erroneous conclusion.

Such examples point to an important principle, namely, generalizations from a cross-section analysis of the age structure of the society to the life cycle of individuals can be grossly misleading (see, for example, Schaie, 1965). Fallacies such as these pose a particular problem for social scientists because they produce distortions in substantive and theoretical understanding of the aging process. At the same time, there may be consequences for old people themselves. Fallacies can lead to self-fulfilling prophecies. To define an older person as incompetent, for instance, may help to make him so. Both scholarly and practical considerations, then, underscore the need for more meticulous analysis and interpretation of existing studies.

#### Some suggestive findings

Despite shortcomings of method and difficulties of interpretation, important insights emerge from a few exploratory studies that succeed in following individuals over portions of their life course (through longitudinal analysis, panel analysis, cohort analysis, and various specially designed research procedures). Clues from these studies (that may, in turn, dictate the direction of much future research) suggest, in the first place, that aging may be attended by a considerable shifting of goals, a redefinition of problems, and a reformulation of expectations. In regard to health, for instance, many older people appear to adjust expectations downward. Recognizing their disabilities, they may come to accept them as inevitable or unexceptional accompaniments of old age, to rate their own health more positively than doctors do, and to worry no more about it than the young do.

There is, in the second place, a continuing growth and development over the life cycle in many respects (in addition to the foregoing instances of income, intellectual functioning, or achievement) well beyond the point now suggested by cross-section studies. The individual apparently tends to accumulate experience as he ages, to develop a place for himself, and to adapt to expectations. There is an evident increase with age in such serious concerns as in public affairs and, possibly, religion, which may be indicative of a search for some basic or transcendent system of values or meaning.

These are but tentative analyses of the reactions of older people, tentative in that more research spanning the life cycle is needed. As longitudinal studies are expanded, they will undoubtedly reveal more about the aging process and its meaning for individuals as they live through the later stages of the life cycle.

Appendix BJournals Searched for Articles on Retirement Preparation  
Programs, 1970 to Early 1975

The years for which all issues were available are shown. In some instances the journal could not be obtained at all and this is noted by the words "not available".

1. Public Personnel Management  
1975, 74, 72, 71
2. Personnel (American Management Assoc.)  
1975, 74, 73, 72, 71, 70
3. Administrative Management  
1974, 73, 72, 71, 70
4. Academy of Management Journal  
1974, 73, 72, 71, 70
5. Administrative Science Quarterly  
1975, 74, 73, 72, 71, 70
6. Advanced Management  
1975, 74, 73, 72, 71, 70
7. American Journal of Sociology  
1975, 74, 73, 72, 71, 70
8. Business and Society Review  
1975, 74, 73, 72
9. Business Horizons  
1974, 73, 72, 71, 70
10. California Management Review  
1974, 73, 72, 71, 70
11. The Canadian Forum  
1974, 73, 72, 71, 70
12. Canadian Labour  
1975, 74, 73, 72, 71, 70
13. Human Organization  
1973, 72, 71, 70
14. Human Resource Management  
Not available

15. Industrial Gerontology  
1974, 73, 72, 71, 70
16. Industrial Management Review  
Not available
17. Industrial Relations (Berkeley)  
1975, 74, 73, 72, 71, 70
18. International Journal of Social Economics  
1974
19. International Studies of Management and Organization  
Not available
20. Journal of Applied Social Psychology  
1974, 73, 72, 71, 70
21. Journal of Business (U. of Chicago)  
1974, 73, 72, 71, 70
22. Journal of Business Education  
Not available
23. Journal of Business Research (U. of Georgia)  
Not available
24. Journal of Contemporary Business  
1975, 74, 73, 72, 71, 70
25. Journal of Counseling Psychology  
1974, 73, 72, 70
26. Journal of Human Resources  
1975, 74, 73, 72, 71, 70
27. Journal of Industrial Psychology  
Not available after 1962
28. Journal of Management Studies  
1973, 72, 71, 70
29. Labour Gazette  
1975, 74, 73, 72, 71, 70
30. Management Review  
1975, 74, 73, 72
31. Occupational Psychology  
1971, 70
32. Optimum  
1974, 73, 72, 71, 70
33. Organization and Administrative Sciences  
Not available

34. Organizational Behaviour and Human Performance  
1975, 74, 73, 72, 71, 70
35. Organizational Dynamics  
1975, 74
36. Personnel Administration  
1972
37. Personnel Journal  
1975, 74, 73, 72, 70
38. Personnel Panorama  
1975
39. Personnel Management  
1973, 72, 71, 70
40. Personnel Psychology  
1975, 74, 73, 72, 71, 70
41. Personnel Review  
1973, 72, 71
42. Canadian Personnel and Industrial Relations Journal  
1974, 73, 72, 71, 70
43. Sloan Management Review  
1973, 72, 71, 70
44. Administration and Society  
Not available
45. Journal of Applied Psychology  
1974, 73, 72
46. Personnel  
1975, 74, 73, 72, 71
47. Studies in Personnel Psychology (Public Service Canada)  
1975, 74, 73
48. Canadian Welfare  
1975, 74, 73, 72
49. Geriatrics  
1975, 74, 73, 72, 71



## Appendix C

### Highlights of a Model For Management of a Retirement

#### Preparation Program

Source: Wermel and Beidermann, 1961, pp. 117-119.

In summary, then, the model program has as one of its chief objectives that of encouraging employees to begin their planning for their retirement well in advance of the actual date. As another important aim, the company services are offered on as impersonal a basis as possible, with employees' involving themselves voluntarily.

Several means are used in stimulating employees to plan for retirement. They are given an opportunity to read materials dealing with different aspects of retirement. They have an opportunity to discuss retirement plans with other older workers and with resource people specializing in certain fields. They are given chances to talk over their personal problems with a qualified personnel staff, and they receive guidance in seeking appropriate resources outside the company if they need professional help. By means of regular physical examinations over an extended period, as well as written materials and group discussions on health protection, they can appraise their physical fitness and work toward the preservation of their health. The provision of longer vacations and of leaves of absence helps the older workers become accustomed to added amounts of leisure time in which to try out some of their retirement plans--exploring new places to live, engaging in civic or political activities, brushing up on old skills or acquiring new ones. The leaves of absence, moreover, serve to reduce annual compensation on a gradual basis, thus putting to the test some of the financial plans and budgets that the prospective retirees have made.

The program is designed to give all interested older workers a great many facts which they need in planning, as well as a knowledge of sources to most other information they may require. The central core of retirement planning is the amount of money that will be available. Not only have employees been informed each year of their benefits that have accrued, but they are alerted fifteen years in advance of normal retirement to the approximate amount of pension benefits they can anticipate. Too often, in other companies, the worth of the retirement benefits is oversold, and the pensions that eventually are received fall far short of the expectations. The model program attempts to avoid these overstatements and the eventual disillusionment.

In the timing of the different program aspects, two distinct emphases are given. First, the program starts sufficiently far ahead of retirement that effective plans can be made and maintains a continuity of effort throughout the remainder of older

employees' working years. The second emphasis relates to the priorities assigned to the various subjects. Financial planning, as noted earlier, begins well in advance, and so, too, does the encouragement to develop non-work interests. In contrast, investigating the possibilities of changes in location or in housing arrangements, making budgets, and finding new employment are among the preparatory activities which more appropriately are undertaken nearer the retirement date.

Facing up to changes in physical abilities is treated in both the longer and the shorter run. The provision of regular medical examinations allows the older workers to have disorders treated speedily and also permits them to accommodate to declining or impaired abilities. Direct discussion of the physical aspects of aging comes somewhat later in the program. The development of a positive emotional approach to aging and retirement is attempted throughout the duration of the program.

The matter of timing also takes into account the effectiveness of different techniques at different stages in the program. It makes allowance for when older employees are willing to acknowledge the fact of eventual retirement openly and to discuss retirement plans and adjustment situations with others. Recognizing the fact that retirement planning is a family undertaking, the program attempts to encourage family understanding and participation. Sending letters and retirement planning literature to employees' homes is one means of accomplishing this. Inviting the wives or husbands of older workers to the group sessions is another.