Chapter 1

Introduction

Introduction to the main research question

The transition to retirement is an important transition in adulthood that has consequences for many aspects of life. Retirement is defined here as the transition from active working life into a life phase in which participation in the labor market is no longer required. Simultaneously, the transition marks the beginning of the so called third age or early old age. Retirement involves the establishment of new routines that shape post-retirement life. Changes take place in time structuring, (leisure) activities, social interactions, income, and expenses (Feraro, 2001; Moen, 1996). These changes bring about shifts in the dynamic balance between gains and losses that individuals experience during the life course (Baltes & Baltes, 1990). Those who retire often experience gains such as an increase in leisure time and autonomy; losses are often related to changes in social status, meaningful activities, and social relationships. Retirees need to adapt to these changes; this process may affect the way they perceive themselves and their quality of life. Therefore, retirement is a developmental and social-psychological transformation that affects well-being (Kim & Moen, 2002). Depending on the circumstances retirement can be characterized as a life stressor, a relief from job strain, a marker of disability, or a developmental task that requires interpersonal adjustment (Shaw, Patterson, Semple, & Grant, 1998; Wang, 2007).

During the last two decades the social context of retirement has undergone considerable change in Western countries, due to demographic, political, and socio-economic developments. The current study concerns the Netherlands. In the 1980s and early 1990s the majority of older workers retired long before reaching the mandatory retirement age of 65 years. Since the mid 1990s labor force participation among older adults has increased significantly. Figure 1.1 shows that the labor force participation rate among men aged 55 to 60 and 60 to 65 decreased between 1985 and 1995 followed by an increase between 1995 and 2010. Labor force participation among men aged 50 to 55 increased slightly during this period. Among women changes in labor force participation between 1985 and 2010 were mainly characterized by increases. Part of the observed increases in labor force participation among men and women can be attributed to changes in early retirement regulations (Van Vuuren & Deelen, 2009). Because of concerns about sustainability of public pensions and labor shortages, from the mid 1990s onwards pension reforms were initiated that were aimed at restricting access to early retirement schemes and reducing the generosity of the early retirement benefits (Schils, 2008). Particularly the option of leaving the labor market via disability pathways, often used in the 1980s and early 1990s, has been restricted (Van Ewijk, Draper, Ter Rele &
Westerhout, 2006). However, increased labor force participation is also related to other developments such as increases in educational level (Van Vuuren & Deelen, 2009). The large increase in labor force participation among women can be attributed to an ongoing process of emancipation, with more highly educated women remaining active in the labor market after marriage and childbirth.

During the same period the economic climate changed from one characterized by unprecedented wealth in the 1990s to one characterized by stagnation and eventually decline. These developments have influenced the timing of retirement with more persons working longer and retiring later. The availability of financial resources after retirement has been affected negatively by both changes in regulations (Huynen & Fouarge, 2005) and downward economic trends (Bonenkamp, Bovenberg, Van Ewijk & Westerhout, 2010).

The image of retirees as a social group has also gradually changed. During the ‘golden age of retirement’ in the 1980s and early 1990s retirees were primarily seen as consumers who were able to enjoy their well-deserved leisure time (Gilleard & Higgs, 2005). However more recently expectations concerning retirees’ contribution to society have developed, for example as caregivers for disabled partners, as grandparents who take care of their grandchildren or as volunteers in public service. Finally, those persons who retired during the last two decades belong to successive birth cohorts who were

Figure 1.1 Labor force participation rates for Dutch men and women between 1985 and 2010 (by age groups).

![Graph showing labor force participation rates](source: OECD (2012))
born before, during or after World War II. There are many differences between these birth cohorts regarding early life experiences, adult development, and the accumulation of resources, as well as norms and values (Liefbroer & Dykstra, 2000). Little is known about the extent to which these changes in society have affected retirement experiences and the early post-retirement years. Most studies on retirement transitions and post-retirement life have investigated their research questions at one point in historical time. A few previous studies acknowledge that the generalizability of results to another period or other birth cohorts should be considered with caution (Kim & Moen, 2002; Shultz & Wang, 2011). However, the extent to which retirement experiences are influenced by a changing social context remains largely unknown.

The aim of the current study is to shed more light on retirement experiences by examining them in the changing social context of recent decades. The main research question is: How are the social lives of Dutch men and women influenced by retirement and shaped after retirement, and to what extent has a changing social context affected retirement experiences during the last two decades? This dissertation seeks to investigate retirement experiences in a broad way. Various aspects of life that are affected by the retirement transition and contribute to the establishment of satisfactory post-retirement life styles are investigated.

Previous studies on retirement transitions have predominantly focused on male retirement experiences (Quick & Moen, 1998). Yet, retirement may involve different challenges for men and women, due to differences in work histories, family obligations, and norms and values attached to work and free time (Calasanti, 1996). In the 1980s and 1990s relatively few Dutch women experienced retirement as a transition from working life into early old age, because of rather low labor force participation, with many women leaving paid employment upon marriage or child birth. However this situation is changing, since there has been a notable rise in labor force participation among women, including those raising children (Liefbroer & Dykstra, 2000). As a result the number of women who actually retire in late adulthood is increasing. The current study aims to improve our knowledge of the retirement experiences of these women and of gender differences in retirement experiences.

I focus on the first decade before- and after the turn of the 20th and 21st century. The empirical studies that form the basis of this dissertation vary in design and do not all cover the complete range of a period between 1983 and 2009. Improving our understanding of the influence of the social context on the way persons enter the life phase after retirement can offer directions on how to manage retirement processes in the future. Due to the aging of the relative large cohorts born after World War II this involves the experience of an increasing group of men and women. It is important to know how they fare during this transition, because the way they enter the phase of life after retirement is predictive of physical and mental well-being in old age (Brockmann, Muller & Helmert, 2009; Herzog, House & Morgan, 1991).
Chapter 1

Theoretical framework

There are various theoretical perspectives that are useful for understanding retirement, its consequences, and post-retirement life. Besides the fact that the social context of retirement has changed, various theoretical perspectives explaining its consequences are also embedded in a societal context and need to be interpreted within this context (Van Tilburg & Thomése, 2010). That is, theories reflect the society at the time of origin and initial development (Hagestad & Dannefer, 2001). I will give a brief outline of the most important theoretical perspectives used in retirement research and the social context in which they emerged. These perspectives partly focus on different aspects of retirement; to some extent they address similar aspects yet from different angles. The insights from these perspectives seen in a changing social context form the basis of the theoretical framework considerations of the current research.

The role theoretical approach

The role theoretical approach focuses on a broad concept that concerns one of the most important features of social life, namely characteristic behavior patterns or roles. The basic ideas of role theory emerged in the 1920s and 1930s and have developed since into several perspectives (Biddle, 1986). Within the functional role theoretical approach the emphasis is on roles associated with positions in society like occupational roles (Parsons, 1951). Persons can hold various social roles in daily life. Roles are defined by shared expectations about behavior that are based on social and cultural norms. These include expectations about role allocation and the timing of role entry and exit. Throughout the life course, persons enter and exit various social roles, for example the role of partner, parent, or employee. Role entry and exit are, by definition, transitions (George, 1992). Roles have a strong influence on individual’s identity because they define a person’s status in society. In retirement research the emphasis has mainly been on role exit, stressing the negative consequences of the loss of the work role for well-being. Only in the case of role-strain reduction, e.g. due to stressful work, was retirement expected to have a positive effect on health and well-being. Yet, the predictive power of this theory with respect to the consequences of retirement needs to be reconsidered. With the individualization of society the influence of traditional social structures has diminished (Beck, 1992; Giddens, 1992). Behavior has become less firmly embedded in traditional positions and social roles. Therefore persons are guided and constrained by roles and role-expectations to a decreasing extent. This is reflected in more recent retirement research that recognizes heterogeneity in role identity and in the consequences of retirement for well-being (Drentea, 2002).
Disengagement paradigm

The disengagement paradigm formulated by Cumming and Henry (1961) described a process in which society withdraws from older persons and older persons withdraw from society. This perspective reflects the image of older persons at the time as passive, uninterested in society, and of little value to society (Ajrouch, Akiyama, & Antonucci, 2007). Until the 1960s a majority of the older workers left the labor market because they were physically or mentally unable to continue working. Life expectancy at that time was considerably lower than it is today: 70.3 years for men and 72.6 years for women in 1950 in the Netherlands, compared to 79.2 for men and 82.9 for women in 2011 (Statistics Netherlands, 2012a). The disengagement paradigm predicted decreases in social interactions and activities as individuals age. Moreover, it proposed that older persons need to accept the loss of roles in society in order to achieve post-retirement well-being and to prepare for the end of life. Since the development of this paradigm in the 1960s the view of older persons in society has changed considerably. With the introduction of the Old Age Pensions Act (AOW) in 1957 (almost) all persons in the Netherlands reaching the age of 65 are entitled to a basic state pension. For the first time in history the financial position of older persons, including retirees was guaranteed by the state. Retirement was no longer primarily associated with health deterioration; instead it became a legal status involving a right to income. Moreover life expectancy at age 65 has increased, resulting in a longer period after retirement in reasonably good health (Statistics Netherlands, 2012a). As a consequence a new phase of life has been defined between working life and old age, known as the third age (Gilleard & Higgs, 2005; Laslett, 1996). During the third age persons are expected to be in good health, to have few obligations and to be able to develop personally fulfilling lives. Although retirees are excluded from an important segment of society, i.e. the labor market, the negative connotation of this exclusion has changed for many retirees because of the opportunities of the newly evolved life phase.

Activity theory & continuity theory

Activity theory and continuity theory can be seen as ideological reactions on the disengagement paradigm. Both perspectives emphasize the importance of the preservation of activities and relationships in times of major change (Atchley, 1989, 1999; Havighurst, 1961). Activity theory is opposed to the view of deteriorating older persons in society and the need to disengage in order to achieve well-being. In contrast, satisfaction in old age is seen as dependent on continued social interactions and endeavors. Likewise, the continuity theory proposes that the way in which persons cope with change is relatively consistent; that is values, world views, and coping mechanisms tend to be primarily maintained (Kelly, 1996). Accordingly, change will be integrated in the retiree’s life history and life style without necessarily causing upheaval and disequilibrium. To the extent that an individual has activities and relationships that continue after retirement the transition will have little effect on well-being (Jaeger & Holm, 2004). Activity theory and continuity theory offer little insight into the
mechanisms that explain when and how retirees are able to continue activities and relationships. For example, under which conditions is continuity in activities more likely. In addition, these perspectives fail to demonstrate how (changing) social institutions influence the opportunities to continue activities and relationships.

Life course perspective

In recent years, the life course perspective has become a prominent framework in the investigation of life events such as retirement. The life course perspective incorporates three central principles (George, 2003). First, the life course consists of sequences of transitions and long term periods of stability that form distinctive trajectories. Trajectories can be identified for specific domains such as family or health or they can span multiple domains such as trajectories of family and work involvement. Second, the life course perspective emphasizes linked lives, and states that transitions and trajectories always emerge in the context of ongoing social relations. Third, the life course perspective explicitly calls attention to the impact of political, socio-economic, and cultural changes on the aging experience (Elder, 1995; Elder & Johnson, 2003; Phillipson, 1993). That is, in contrast to the theoretical perspectives described above, the life course perspective specifically emphasizes the need to investigate transition and trajectories in their social and historical context. Much of the recent research on retirement is grounded in the life course perspective. Many retirement studies focus on linked lives, the retirement context and the analyses of longitudinal data to investigate the consequences of retirement transitions and trajectories (Kim & Moen, 2002; Szinovacz & Davey, 2004; Van Solinge & Henkens, 2008). In his work on the institutionalization of the life course, Kohli (1987; 2007) emphasizes the influence of institutional mechanisms, both in terms of norms and collective values and in terms of state regulations, on the transition from active participation in the labor market to retirement. Although the life course perspective emphasizes the importance of the social context for the investigation of retirement experiences, the ideas about its influence are rather general and do not support development of empirically testable hypotheses.

Theoretical considerations

The insights of the theoretical perspectives described above support the development of few specific hypotheses; yet, they lead to several considerations about the influence of a changing social context on retirement experiences of men and women during the last two decades. Views about aging and the life phase after retirement have undergone considerable change. Ideas about possibilities for maintaining former life styles or even starting new relationships and activities are replacing the image of retirement and post-retirement life as characterized by disengagement and loss. Social structures and organizations are becoming more fluid, contingent, and open to change (Beck, Bonns & Lau, 2003). With the increasing individualization in society, individuals have become less bound by norms, values and roles. Instead there is more emphasis on individual
choice and autonomy in constructing daily life. Although the structural power of the employment system is still unbroken (Kohli, 2007), there is more freedom to plan and organize retirement and post-retirement life-styles that fit the various needs and wishes of retirees on the individual level. Simultaneously, changes in retirement policies and pension reforms have resulted in an increased individual responsibility to cope with the consequences of retirement. On the one hand, these developments are likely to lead to more diverse and less predictable retirement behavior. On the other hand, the greater individual responsibility stresses the importance of the availability of resources. Financial resources and health are important in this respect, because they enable retirees to establish a satisfactory life style (Gallo, Bradley, Siegel & Kasl, 2000; Reitzes, Mutran & Fernandez, 1996). Psychological resources such as feelings of self-esteem and control support coping strategies necessary to adjust to the changes related to retirement (Carter & Cook, 1995). Social resources enhance retirement adjustment as well. For example, personal networks provide retirees with social support and reassurance (Bosse, Aldwin, Levenson, Spiro, & Mroczek, 1993; Rawlins, 2004). During recent decades retirement may have become less disruptive for those retirees with sufficient resources available. For those with few resources societal developments may have led to a more vulnerable position and diminished opportunities to adjust to retirement and to establish a satisfactory post-retirement life-style.

The question arises concerning the extent to which men and women are influenced differentially by these developments. Differences exist in their life courses and the availability of resources between men and women. For example, men from recent cohorts of retirees were on average more highly educated, worked more hours per week, and when employed, often had higher incomes compared to women. Yet, these gender differences are subject to change over time mainly because women are catching up with men, for example with respect to their educational and income level. This may have led to decreasing gender differences in retirement experiences. However, it is also possible that different developments or mechanisms affect the retirement transitions of men and women. For example because men and women have different job attribute preferences (Konrad, Ritchie, Lieb, & Corrigall, 2000) and values of work centrality (Isaksson & Johansson, 2000).

It is the objective of this dissertation to advance existing knowledge on retirement experiences and post-retirement life by calling attention to the changing social context in which the transition takes place. It contributes to the existing literature by a) describing and understanding changes in retirement experiences during the last two decades, b) investigating trends in post-retirement life over periods of 17 years and longer, c) addressing retirement experiences of women and possible changes in gender differences in retirement experiences during the last two decades, and d) providing a broad perspective on changes in the position of retirees by focusing on resources, activities, and well-being that shape post-retirement life. Four research questions are addressed in this dissertation, which will be introduced in the next paragraph.
Research questions

The first research question is: What are the consequences of retirement for the continuation of work-related personal ties, and to what extent has the inclusion of work-related ties in the personal network following retirement changed in the last two decades? This research question addresses changes in social resources following retirement. The study is based on the notion that personal relationships have become less role-based and that work-related ties often extend beyond the work-role. As a consequence, work-related ties are more likely to be present in personal networks after retirement. The possibility of gender differences in the continuation of work-related personal ties is investigated.

The second research question is: What are the consequences of retirement for retirees’ financial satisfaction, and to what extent has financial satisfaction following retirement changed in the last two decades? This research question focuses on the perception of adequacy of financial resources following retirement. Upon retirement changes in financial resources take place, income declines, however, expenses and needs change as well. I investigate the extent to which financial satisfaction among retired men and women is affected by retirement. Moreover, because of changes in the availability of various resources in successive cohorts of retirees, this will be examined in a cohort of retirees who retired in around 1994 compared to a cohort who retired around 2004.

The third research question is: To what extent has sport participation among retirees changed during recent decades, and how can these changes be explained? In answering this research question the focus is on post-retirement activity. Sport participation is an important activity for retired men and women because of its social and health benefits. In recent decades changes have occurred in characteristics that promote involvement in sports. For example, there has been a gradual increase in educational level, an increase in sedentary work, and a decrease in physical limitations. I investigate whether these developments have influenced sport participation among retired men and women between 1983 and 2007. Three different aspects of sport participation are examined; involvement in sports, being a member of a sport club, and participation in competition.

The fourth research question is: To what extent has retirees’ well-being changed during the last two decades, and how can these changes be explained? Resources are important for the establishment of a satisfactory life-style with high levels of well-being. Some resources such as income or feelings of control can be deployed to achieve desired goods or engage in desired activities. Other resources such as self-esteem or a partner, are valued goods in themselves. Changes in the availability of various kinds of resources have occurred in recent decades. This is reflected in differences in the availability of resources among successive cohorts of retirees. Therefore, I have examined the extent to which availability of resources accounts for possible changes over time and for gender differences in the realization of well-being.
Research design and data

Answering the first and second research question requires a longitudinal design. A cohort sequential design was used to investigate the extent to which changes after retirement in respectively social resources and financial satisfaction differ between two successive birth cohorts of retirees. A cohort of men and women born between 1928 and 1937 who retired around 1994 was compared to a cohort of men and women born between 1938 and 1947 who retired around 2004. Data are from the Longitudinal Aging Study Amsterdam (LASA), a study of 3107 older adults aged 55 and over at baseline in 1992-1993, with an additional cohort of 1002 older adults aged 55-65 in 2002-2003. After baseline every three years a follow-up observation took place (Huisman et al., 2011). For the first study that investigates changes in work-related personal ties respondents were selected if they were working at base-line and reported that they had left the labor market before the follow-up observation. For the second research question concerning changes in financial satisfaction the same sampling frame was chosen, yet the respondents who were still working at the follow-up observation were included as a reference category.

In the third and fourth study, the focus is on trends in post-retirement life over longer periods of time. In order to answer the third research question on changes in sport participation data were obtained from the Amenities and Services Utilization Survey (AVO). This survey focuses on the use of a wide range of social and cultural facilities offered to the Dutch population, which are related to individual and household characteristics. The study started in 1979 and observations are conducted every four years (Netherlands Institute for Social Research, 2010). For the current study retired men and women who were 58 to 68 years old from seven observations between 1983 and 2007 were included in the analyses. In order to answer the fourth research question trends in well-being were investigated during a period of 17 years using data of six observation of the Longitudinal Aging Study Amsterdam (LASA) between 1992-1993 and 2008-2009. Retirees aged 58 to 68 years old were included in the analyses.

Figure 1.2 is a graphical representation of the relation between the central concepts of this dissertation, the research designs and the four domains investigated in the empirical studies. Study 1 and study 2 focus on changes in resources around retirement in two successive cohorts of retirees. Study 3 and study 4 focus on trends in post-retirement life during the last two or three decades.
Outline of the book

This dissertation comprises four empirical studies each addressing one of the research questions put forward in this introduction. Chapter 2 investigates the consequences of retirement for the continuation of work-related personal ties. Chapter 3 presents the findings of the study about the consequences of retirement for financial satisfaction. In Chapter 4 the results of the study on sport participation are presented. Chapter 5 examines trends in retirees’ well-being. Chapter 6 summarizes the findings of the four studies and answers the main research question of this dissertation. Furthermore, the theoretical and methodological implications of the research are discussed as well as the societal relevance of the findings and some suggestions for future research.