From employee to retiree: Life histories and retirement in the Netherlands

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1. General introduction

1.1. Introduction

In most developed countries populations are aging rapidly due to long-term declines of fertility and increasing longevity (OECD, 2006; Wheaton and Crimmins, 2012). These demographic developments have important implications for public finances, pension systems, labor markets, and organizations. Extending the working lives of older individuals is often perceived as a key policy response to population aging (OECD, 2006), putting the issue of retirement high on the policy agenda as well as the scientific agenda. This dissertation intends to improve our understanding of work to retirement transitions of older individuals in the Netherlands, by studying both actual retirement timing and more subjective pre- and postretirement processes from a life course perspective. The central research question is: What role do earlier life experiences play in the work to retirement transitions of older individuals? Or more specifically: To what extent and how can differences in retirement-related attitudes, intentions, and behaviors of older individuals in the Netherlands be explained by educational, work, health, and family experiences earlier in their lives?

The life course perspective proposes that specific life phases cannot be understood thoroughly without information on the prior life course (Elder, 1994). Individual development is assumed to be lifelong: the lived past will set the stage for later decisions and experiences (Settersten, 2003). Studying the role of earlier life experiences has been fruitful for explaining various outcomes among older individuals in the Netherlands and elsewhere. For example, for explaining differences in terms of the financial situation of older individuals (Fasang, Aisenbrey, and Schömann, 2012; Fokkema and Van Solinge, 2000), health (Hank, 2010; Wahrendorf, Blane, Bartley, Draganova, and Siegrist, 2013), and well-being (Peters and Liefbroer, 1997) information about life histories proved to be informative. Empirical insights regarding the relationships between earlier life experiences and retirement are relatively limited. By examining the relationships between earlier life experiences and both behavioral and more subjective aspects of the retirement transition, this study will provide insights regarding how retirement is embedded in the individual life course and the mechanisms linking earlier life experiences to retirement-related outcomes.
Examining the relationships between experiences earlier in life and retirement will not only contribute to the scientific retirement literature, but is relevant from a societal perspective as well. First, studying the life course embeddedness of retirement may offer starting points for mid-life interventions or policy design, by pointing out life experiences that continue to affect the lives of individuals even in their later years. Insights into the relationships between earlier life experiences and retirement might therefore be relevant for policy-makers aiming to extend the working lives of older individuals, but also for organizations facing an aging workforce, and individual workers and their families who are confronted with a rapidly changing work and retirement landscape. Second, improving our understanding of the relationships between earlier life experiences and retirement is relevant in light of the changes in life courses that have been observed during the twentieth century. Variation in behavior increased and major work and family responsibilities were postponed (Liefbroer and Dykstra, 2000). When achieving a better understanding of how retirement transitions of current retirees are related to their experiences earlier in life, we may be better able to predict how changing life course experiences might shape the retirement experiences of future retirees (cf., Börsch-Supan, Brandt, and Schröder, 2013).

This study of the relationships between earlier life experiences and retirement should be seen against the background of diverse societal developments, such as changing life courses, population aging, and changing retirement policies. Before unfolding the research contributions in greater detail, these different aspects of the societal context of the study will be described (Section 1.2). Thereafter, attention is paid to prior research on life histories and retirement (Section 1.3), the theoretical background of this study (Section 1.4), and the research contributions (Section 1.5). The data analyzed in this dissertation will be described in more detail in Paragraph 1.6, followed by a brief overview of the outline of the book in Section 1.7.

1.2. Societal context

The populations of most developed countries are aging. Although from a European perspective the share of persons age 65 and over is still relatively low in the Netherlands—about 16 percent in 2012 as compared to more than 20 percent in ‘front runner’ countries Germany and Italy (Eurostat, 2013)—this share will increase rapidly the coming decades to about 26 percent in 2040 (Van Duin and Stoeldraijer, 2012). This paragraph will discuss developments
of population aging in the Netherlands, followed by a description of changes in terms of retirement policies that have taken place during the last decades. These macro-level developments form the context in which older workers make their retirement transitions (Szinovacz, 2003), by setting the rules and shaping the options that are available to individuals (Han and Moen, 1999). Before that, however, attention will be paid to changes in life course experiences that have been observed in the Netherlands during the second half of the twentieth century, which have contributed to the age composition of the current population and the life histories of workers and retirees.

1.2.1. Life course changes in the Netherlands
The current older workers and recent retirees have grown older in times where major societal changes, as well as changes in individual life courses have taken place. Various structural changes (e.g., the shift from an industrial to a post-industrial or service economy) and cultural developments (e.g., secularization, the emancipation of women, and individualization) form the context in which individual life courses have become increasingly diverse. The ‘standard life course’ – where paid work was central in the lives of men, housework and care tasks were central in the lives of women, and couples stayed together until death did them part – seems to have become less evident, as well as lifetime employment at a single employer. Without aiming to provide a complete overview of the life course changes in the Netherlands during the twentieth century (see Liefbroer and Dykstra, 2000, for a comprehensive study), this paragraph will shortly highlight some important developments in terms of the work and family lives of Dutch individuals since the 1950s, starting with developments in terms of labor market participation and work careers.

The share of men engaged in paid work declined during the last decennia. Especially during the 1970s and the beginning of the 1980s a decline in the net labor participation rate is observed (see Figure 1.1), which particularly seems to be due to the declining labor participation in the younger and older age groups. Labor force participation of women, on the other hand, became more common during the second half of the twentieth century. In the 1950s the net labor participation of women aged 15 to 65 years was 33 percent, and this number increased to almost 60 percent in 2010 (Statistics Netherlands, 2013c). Particularly among women between ages 25 and 55, the share being active in the labor force for at least twelve hours per week increased. For example among women aged 25 to 40 years, who will often have (young) children in the household, the net labor participation rate increased from 27 percent in 1970 to almost 78 percent in 2010. The large majority of women,
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Figure 1.1. Net labor participation of persons age 15 to 65 years by gender, years 1950-2010

Note: Net labor participation reflects the active labor force (those individuals engaged in paid work for 12 or more hours per week) as a percentage of the labor potential.
Source: Statistics Netherlands (2013c).

about 70 percent in 2010, is working in part-time jobs (Statistics Netherlands, 2013b).

Even though the labor market attachment of women has become stronger since the 1950s, work careers seem to have become more versatile. By analyzing data of different retrospective life history surveys in the Netherlands, Kalmijn and Luijkx (2006) have found that not only the likelihood of exiting the labor market declined and the likelihood of re-entry increased, but also that the likelihood of changing jobs increased over time among women. Among men careers seem to have become more non-standard and flexible as well. A steady increase in career mobility (i.e., downward, upward, and lateral mobility) is observed, particularly in the last decades of the twentieth century (Luijkx, Kalmijn, and Muffels, 2006). The content of work also changed: since the mid-1970s work has become less monotonous and less hazardous, but more and more employed individuals report high work rates (De Beer, 2001).

Not only in the work sphere, but also in the family sphere important changes in life experiences have been observed. Partner relationships seem to have become more diverse. Increasingly individuals cohabit before they get
married, postpone marriage, or do not marry at all (Liefbroer and Dykstra, 2000). Moreover, marriages have become less stable. The divorce rate increased from 24 percent in 1980 to 36 percent in 2010, which means that nowadays more than one third of the marriages end in divorce (Statistics Netherlands, 2013d). With respect to childbearing essential changes have taken place as well. The average number of children per woman declined substantially (see Figure 1.2). Whereas women born in 1935 had on average 2.50 children, this number decreased to 1.86 among women born in 1960 (Statistics Netherlands, 2014). The share of women remaining childless increased, as well as the average age of women at birth of a first child. For example, in the birth cohort 1945-49 about 13 percent of women remained childless and the average age at first birth was 24.8 years, whereas in the birth cohort 1960-64 these numbers increased to 19 percent of women remaining childless and an average age at first birth of 28.0 years (Wobma and Van Huis, 2012). The expanding educational level of the population since the Second World War has been an important factor driving the postponement of childbearing (Beets, Dourleijn, Liefbroer, and Henkens, 2001). Postponement of having children is observed among all educational levels, but is strongest among highly educated women (Wobma and Van Huis, 2012).

1.2.2. **Population aging in the Netherlands**
The decline of the average number of children in the 1970s is the most important cause of the aging of the Dutch population (De Beer, 2012). Given that the relatively large cohorts born in the years after the Second World War

![Figure 1.2. Average number of children per woman, birth cohorts 1935-1962](image_url)
are currently beginning to reach the age of 65, the share of individuals age 65 and over will increase considerably the coming decades. In addition to the developments in terms of fertility, the increasing life expectancy contributes to population aging. Not only is an increasing share of individuals reaching the age of 65, but those who have reached age 65 are on average living longer as well (Garssen and De Beer, 2012). Figure 1.3 shows the remaining life expectancy at age 65 during the past decennia. For men the remaining life expectancy at age 65 increased from about 14 to almost 18 years between 1950 and 2010. For women these numbers increased from about 15 to 21 years (Statistics Netherlands, 2013f).

Figure 1.4 shows the observed as well as the projected age composition of the population from the years 1950 to 2050. The number of individuals age 65 and over is expected to increase from about 2.5 million in 2010 to 4.7 million at its top in 2040. The ‘old age dependency ratio’—i.e., the ratio between the number of individuals aged 65 and over and those aged 20 to 65 years—was 26.8 percent in 2012. This means that nowadays for every hundred potential workers, there are almost 27 individuals aged 65 and older. This number is expected to increase to 49.5 percent in 2050 (Statistics Netherlands, 2013e).

1.2.3. The changing work and retirement landscape in the Netherlands
Due to population aging and the resulting challenges for labor markets and welfare states, labor market policies in many developed countries are nowadays focused on mobilizing available labor reserves and keeping workers employed until older ages. “Live longer, work longer” is a commonly used

*Figure 1.3. Average remaining life expectancy at age 65, years 1950-2010*

The focus on extending working lives contrasts sharply, however, with labor market policies that were applied some decades ago in the Netherlands.

In the 1970s and 1980s unemployment became a widespread phenomenon. To improve the employment opportunities for younger persons, in the mid-1970s the first formal early retirement arrangements were designed. The idea was that by introducing voluntary early retirement schemes (VUT) older workers were offered an attractive exit route, while youth unemployment could be reduced and the financial position of organizations could be enhanced, given that relatively expensive older workers were replaced by younger workers (Van Dalen and Henkens, 2002). Recently, however, the effectiveness of these policies has been criticized, given that no empirical support is found for the underlying assumption that younger and older workers are substitutes on the labor market (Kalwij, Kapteyn, and De Vos, 2010). The early retirement arrangements were collectively-financed based on a pay-as-you-go system, meaning that the working population paid the costs of the early retirement arrangements. Although the introduction of voluntary early retirement arrangements started with experiments in a few sectors, soon the scope of the arrangements expanded and virtually all sectors and organizations offered an early retirement scheme. The early retirement schemes were generous, but rather inflexible: the benefits were
fixed (irrespective of age of retirement), part-time retirement was often not possible, and working after early retirement was discouraged (Van Dalen, Henkens, Lokhorst, and Schippers, 2009). Next to early retirement, also the disability and unemployment insurance schemes were popular routes to retirement during the 1970s and 1980s (Kapteyn and De Vos, 1999). With the increasing use of the early retirement schemes, however, the numbers of older workers leaving the labor market via the disability route decreased, especially among those aged 60 and older (Ekamper and Henkens, 1993).

Box 1.1. Pension system in the Netherlands

The pension system in the Netherlands is based on three main tiers, which together determine the amount of income a retiree receives. The first tier reflects the public basic old age pension (Old Age Pensions Act, AOW), which was introduced in 1957. All residents are eligible for this benefit. The basic old age pension is based on a pay-as-you-go system: the working population pays the costs of the basic old age pensions of current retirees. In 1998 it was decided, however, to freeze the percentage of premium and to supplement the deficits from tax proceeds. The second tier are earnings-related occupational pension plans, which are based on capital funding. Even though employers are not obliged to offer their employees a pension scheme, more than 90 percent of the employers offer their employees some form of occupational pension. The third tier are individual pension savings. Via these private savings, individuals can supplement their personal pension savings, for example if they have been self-employed or out of the labor force for some time (Ministry of Social Affairs and Employment, 2010).

In the 1990s discussions started about the affordability of the VUT arrangements and the lack of incentives for continued work. The first flexible early retirement arrangements (FER) were introduced in the mid-1990s and became an integral part of the general Dutch pension system in 1999 (see Box 1.1 for a description of the Dutch pension system). These FER schemes were financed by capital funding instead of the pay-as-you-go system and were based on the principles of actuarial neutrality and increased individual responsibility (Van Dalen and Henkens, 2002). Hence, there was a more direct relationship between the contributions made and the benefits received, and benefits were linked to the timing of retirement: the earlier one retired, the lower the FER benefits were. The FER arrangements were more flexible than the VUT schemes, but less generous. Part-time retirement as well as
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working after early retirement were allowed in the FER arrangements (Van Dalen et al., 2009). Also alternative exit routes, such as the disability route, became more restricted. Entry conditions were tightened and benefit levels were lowered (Kapteyn and De Vos, 1999).

At the beginning of this century the issue of early retirement was put again on the policy agenda, but this time from the perspective of population aging and its societal consequences. In January 2006 a new law was introduced, which further retrenched the possibilities for early retirement. Tax deductibility of VUT or FER contributions was abolished for cohorts born after 1949. As an alternative, a life course savings scheme was introduced. In this scheme workers could decide to save a part of their gross salary to finance a period of unpaid leave—or early retirement—in the future. This scheme was no longer a collective pre-pension scheme and made individual workers responsible for realizing their own opportunity to retire early. In recent years additional policy measures have been taken to further restrict early retirement options and to stimulate continued work. In 2012 the life course savings scheme was abolished. Moreover, from 2013 onwards, the basic pension (AOW) age will be raised stepwise to age 67 in 2023 and will thereafter be linked to life expectancy. The current cabinet intends to increase the AOW age even faster (to age 67 in 2021), but this will need an amendment of the law (Government of the Netherlands, 2013).

The shifting policy focus from encouragement of early retirement to encouragement of continued work is reflected in the labor force participation rates of older workers. Since the beginning of the 1990s the share of older workers engaged in paid work for at least twelve hours per week increased substantially, although still a considerable share of these individuals is not working. In 1992 about 36 percent of the persons aged 50 to 65 years were active on the labor market and this percentage increased to almost 62 percent in 2012. The increase in terms of net labor participation cannot be fully ascribed to the changes in early retirement policies though. It also reflects, among other things, the rising labor participation rates in successive cohorts of women, which has fed through to higher participation rates in the older age groups (OECD, 2006). The share of older women engaged in paid work more than doubled since the early 1990s, from about 18 percent in 1992 to 51 percent in 2012 (see Figure 1.5). Older individuals are not very likely to remain engaged in paid work after the public pension age. About 12 percent
of men aged 65 to 70 years, and 3.5 percent of women were engaged in paid work for 12 hours per week or more in 2012 (Statistics Netherlands, 2013a).

Figure 1.6 shows that nowadays older workers retire considerably later than at the beginning of the century. Whereas from 2000 to 2007 the average retirement age of Dutch employees was around age 61, it increased from 2007 onwards to age 63.6 in 2012. These average retirement ages did not differ much between men and women during these years. The maximum difference between the retirement ages of male and female employees was 0.4 years in 2007 (Statistics Netherlands, 2013g).

The trends of population aging and the increasing labor force participation of older workers have important consequences for the age composition of the work force. One measure that gives an impression of the aging of the work force is the ‘generation index’, which reflects the number of working individuals age 50 to 60 years in relation to the number of working individuals age 30 to 40 years. An index of 1 indicates that there is a balance between the numbers of workers in these age groups. The generation index clearly reflects the aging of the labor force during the last decade. The index shifted from 0.57 in 2001 to 0.95 in 2011, suggesting that nowadays there are almost

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Figure 1.5. Net labor participation of individuals age 50 to 65 years by gender; years 1992, 2002, and 2012

Note: Net labor participation reflects the active labor force (those individuals engaged in paid work for 12 or more hours per week) as a percentage of the labor potential.
Source: Statistics Netherlands (2013a).
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1.3. Previous research on earlier life experiences and retirement

Research on retirement is a broad and interdisciplinary field of study. Demographers, economists, gerontologists, psychologists and sociologists are among the scholars interested in questions related to retirement. Although there is no general agreement on the definition and measurement of retirement –it can refer to (partially) leaving the labor force during late-careers, receipt of pension income, self-assessment by respondents, or combinations of both– most researchers would agree that retirement “relates to withdrawal from the paid labour force” (Denton and Spencer, 2009, p. 64). Whereas some studies move beyond the disciplinary borders, the aspects of retirement transitions studied and the types of predictors that are taken into account seem to vary between disciplines (Henkens, 1998).

Demographic, economic and sociological studies generally focus on explaining differences in retirement-related behaviors and states, such as labor participation during late-careers, actual retirement timing, and differences in retirement savings or income. Studies on more subjective
facets that precede or follow upon the act of retirement are often found in the literatures of organizational psychology and social-gerontology. These studies largely focus on intentions and attitudes of individuals, such as their intentions regarding late-career work or retirement timing, and adjustment to retirement. In the scientific literature, retirement is often referred to as being a process, rather than a discrete one-time event. What is actually meant by the term ‘process’, however, varies considerably between studies and disciplines (see Box 1.2). The term has been used to indicate that retirement consists of several broad phases (e.g., preretirement planning, retirement decision-making, postretirement adjustment), but also to refer to more specific behavioral or attitudinal dynamics within or across these phases. In most empirical studies, however, researchers solely focus on one phase or aspect of the retirement transition, “cognizant that they are studying just one piece of the larger retirement puzzle” (Shultz and Wang, 2011, p. 172).

For explaining differences between individuals in terms of their retirement intentions, acts, and attitudes a large variety of factors has been studied. In a recent review of the multidisciplinary retirement literature, Wang and Shultz (2010) have grouped the empirically studied predictors of retirement in four broad categories. Besides macro socio-economic factors, three groups of meso- and micro level predictors of retirement are distinguished: individual attributes (e.g., age, health, financial resources), job and organizational factors (e.g., job characteristics, job attitudes), and family factors (e.g., marital status, dependent children, partner support). Also in terms of the types of predictors studied, disciplines seem to vary in their focus. For example,

**Box 1.2. The process of retirement**

Even though “the consensus is that retirement is not a single event but rather a process that older individuals go through over a period of years” (Shultz and Wang, 2011, p. 170), the term ‘process’ has been used in the retirement literature in multiple ways:

- The term ‘retirement process’ has been used to refer to the different phases individuals are assumed to go through when making the transition from work into retirement. From a “temporal perspective” (Shultz and Wang, 2011, p. 172) the retirement process is generally described as consisting of three main phases: preretirement preparation and planning for retirement, the retirement decision making process, and postretirement adjustment to the changed life circumstances in retirement (Shultz and Wang, 2011; Wang and Shultz, 2010).
where sociologists are mostly interested in the role of socio-economic and demographic differences (e.g., type of work) for explaining retirement-related outcomes, psychologists often focus on subjective aspects (e.g., perceived work challenge).

Prior studies on retirement in these various disciplines have predominantly focused on proximal precursors of retirement, that is, precursors that are close in time to the retirement transition (Settersten, 2003). These proximal characteristics might imply earlier life events (Henretta, 2003; Szinovacz, 2003), but rarely convey detailed information about specific earlier life course experiences. Some studies have looked a bit further back in time by supplementing proximal factors with single indicators of career or marital continuity, such as job tenure (Brown and Warner, 2008; Hayward, Grady, Hardy, and Sommers, 1989; Jones and McIntosh, 2010; Szinovacz and Davey, 2005; Wong and Hardy, 2009), years in the labor force (Mutchler et al., 1997; Van Solinge and Henkens, 2005), number of times laid off (Flippen and Tienda, 2000), or the length of one’s current marriage (Ho and Raymo, 2009; Pienta, 2003). Even though these studies assume that it is important to take information about the prior life course into account for understanding retirement transitions, they do not provide detailed insights regarding the extent to which and how specific earlier life experiences set the stage for retirement decisions and experiences.
In the literature focusing on retirement behavior—mostly conducted by sociologists—certain studies have started to more systematically examine the relationships between earlier life experiences and retirement. These studies have, for instance, investigated the role of career pathways (Han and Moen, 1999), or exposure to certain types of jobs over the career (Elder and Pavalko, 1993; Hayward, Friedman, and Chen, 1998; Raymo, Warren, Sweeney, Hauser, and Ho, 2011) for explaining late-career labor market behaviors. Other studies have focused on the role of earlier experiences in the family sphere, such as the timing of childbirth (Hank, 2004; Hank and Korbmacher, 2013; Pienta, 1999), and the experience of marital dissolution (Fasang, 2008; Szinovacz and DeViney, 2000). Insights are still rather fragmented though. The studied earlier life experiences and country contexts differ considerably between studies, diverse arguments are provided to link earlier experiences to later outcomes, and only few studies have simultaneously paid attention to earlier life experiences in multiple life spheres.

In the literature focusing on more subjective processes that precede or follow upon the act of retirement the role of earlier life experiences has hardly been studied. Some qualitative studies have suggested, however, that earlier life experiences might be important for understanding perceptions of retirement and adjustment. Patterns of discontinuity earlier in life, such as multiple job positions, have been suggested to assist individuals in dealing with later-life challenges, such as the transition into retirement (Nuttman-Shwartz, 2004; Price, 2000). Moreover, the ease of adjustment to retirement may be dependent upon attachment to the work role over the life course (Barnes and Parry, 2004). For example, Kloep and Hendry (2006) have concluded that “adjustment to retirement seemed relatively easy for those women who always had a second role as home-makers. They simply shifted from one possible self to another well-established one” (p. 590). Even though these qualitative studies suggest that earlier life experiences are of importance for understanding subjective processes surrounding the act of retirement, insights into these relationships based on quantitative studies are scarce.

1.4. Theoretical considerations

In this dissertation retirement is studied from a life course perspective. Key organizing concepts of the life course are transitions and trajectories (Elder and Johnson, 2003). Transitions—gradual changes that are generally tied to entering or exiting roles—are assumed to be embedded within multiple interdependent trajectories (for example, work, family, and health
trajectories). This suggests that single transitions, such as the transition from work to retirement, cannot be understood in isolation from experiences and contexts that surround it (Settersten, 2003). Earlier experiences in different life spheres, but also the lives of other individuals (‘linked lives’), socially shared ideas regarding the appropriate timing and sequencing of life events, and historical time and place are perceived to be important contexts shaping the lives of individuals (Dykstra, Kraaykamp, Van der Lippe, and Schippers, 2007).

Even though the life course perspective proposes that earlier life experiences are of importance for understanding later outcomes, it does not provide clear-cut theoretical ideas about mechanisms linking these factors to specific outcomes. In the sociological retirement literature, however, some ideas have been presented about these linking mechanisms. Generally earlier life experiences are expected to affect retirement via their influence on the individual opportunity structure in later years. In this respect, pensions and other types of individual financial resources are the most obvious mechanism for linking earlier events to later experiences (Henretta, 2003), given that these resources are dependent upon earnings over time. Not only experiences in the work sphere, but also family histories have been found to be related to pension coverage (Price and Ginn, 2003; Yabiku, 2000), and preretirement wealth (Holden and Kuo, 1996; Wilmoth and Koso, 2002). Given that the impact of life experiences might accumulate over time—either positively (cumulative advantages) or negatively (cumulative disadvantages)—financial inequality is particularly high among older individuals (O’Rand, 1996), which might offer an important explanation of varying retirement behaviors and experiences.

Earlier life experiences might, however, not only shape retirement transitions by affecting the financial situation in late life, but also by affecting other aspects of the late-career opportunity structure, such as the older individual’s health condition, work context, or family situation. For example, individuals who experienced health problems in mid-life might be more likely to experience health problems during late-careers as well, given that health problems seem to have long-term consequences (Blackwell, Hayward, and Crimmins, 2001). Those who invested more in education might be more likely to have a job characterized by a high level and broad scope of cognitive challenge (Hyllegard and Lavin, 1992). Older workers who made the transition into parenthood relatively late might be more likely to have dependent children still living at home. Therefore, earlier life experiences
might be associated with retirement because of their consequences for the non-financial aspects of the late-career opportunity structure.

How these late-career opportunity structures are translated into retirement-related outcomes remains unspecified in the life course perspective. The life course notion of agency within structure suggests that individuals actively create their life course within the opportunities and constraints of their social worlds (Settersten, 2003), but does not specify how individuals will make their decisions. As Mayer (2009) has noted in a recent review: “Life course sociology lacks a coherent body of theory” (p. 423). Studies on retirement therefore often –implicitly or explicitly– incorporate a resource perspective and rational choice framework to formulate hypotheses. The term rational choice refers to a family of behavioral theories in the social sciences “that proceed from the twin assumptions that human beings pursue goals and that, being confronted with opportunities and limitations for reaching their goals, they do so in a more or less intelligent way” (Lindenberg, 2006, p. 548). From a rational choice perspective, individuals making work and retirement decisions during late-careers are generally assumed to weigh the pros and cons, the costs and benefits, or the push and pull factors of their current life situation and their expected future situation in retirement (Feldman and Beehr, 2011; Van Solinge and Henkens, 2013). If the perceived benefits of retirement exceed the benefits of working individuals are expected to decide to make the transition into retirement. The factors that are assumed to play a role in these considerations are not restricted to the individual’s financial resources, but can for instance also include the individual’s health, work situation, and social resources.

1.5. Research aim and contributions

This dissertation aims to achieve a more in depth picture of the relationships between earlier life experiences and retirement, by connecting and extending the sociological and psychological retirement literatures. The following approach is taken to reach the study aim:

1. Studying both the act of retirement and more subjective facets and processes that precede and follow upon this act.
2. Simultaneously examining the role of earlier life experiences in various life spheres (education, work, health, and family), and acknowledging that the impact of certain earlier life experiences might differ by gender.
3. Paying systematic attention—theoretically and empirically—to the mechanisms linking experiences earlier in life to retirement-related outcomes.

This paragraph will elaborate on these three central aspects of the research approach and their theoretical foundation.

1. Studying both the act of retirement and more subjective facets and processes that precede and follow upon this act.

One difficulty when studying the relationships between earlier life experiences and retirement is that the theoretical utility of the conceptualization of retirement as a rational decision-making process will depend upon the extent to which retirement transitions are the result of personal choice (Wang and Shultz, 2010). Previous research shows that many retirement transitions (around 25-30 percent) are perceived as forced or involuntary (Szinovacz and Davey, 2005; Van Solinge and Henkens, 2007). Therefore, earlier life experiences might be stronger predictors of subjective processes that precede the actual act of retirement (e.g., retirement timing intentions) than of actual retirement behavior (Beehr, 1986). This suggests that to achieve an in depth picture of the extent to which retirement transitions are embedded in the individual life course, it would be informative not to solely focus on actual retirement behavior, but to pay attention to more subjective attitudes and intentions that precede the act of retirement as well. Moreover, to test the claim from qualitative studies that earlier life experiences are important for understanding retirement adjustment processes, attention needs to be paid to the relationships between earlier life experiences and subjective processes that follow upon the act of retirement.

The current study will not only focus on retirement behavior, but will also examine retirement timing intentions, and pre- and postretirement subjective processes of work role exit. Retirement reflects a behavioral change that is tied to entering and exiting social roles. In this respect, the retirement transition can be expected to be accompanied with two types of subjective processes: the process of exiting the work role and the process of entering the retirement role (Ebaugh, 1988). These processes might already start before the actual retirement transition takes place, and might continue to play a role afterwards. Already prior to retirement individuals might begin processes of ‘anticipatory socialization’ into the retirement role, and disengagement and disidentification from the work role (Atchley, 1976). After entering the new retirement role both these processes might continue. Prior research on retirement adjustment (Van Solinge and Henkens, 2008)
has suggested that in the postretirement phase retirees might be confronted with two challenges: the development of a satisfactory retirement lifestyle (role entry), as well as adjustment to the loss of the work role (role exit). In the literatures on both the pre- and postretirement subjective processes accompanying retirement, the work role exit dimension has received little attention thus far. This study will pay explicit attention to this dimension, by examining work disengagement during late-careers (preretirement), and missing work after retirement (postretirement). The process character of retirement will be tested by examining the role of time-left to retirement and time-elapsed since retirement for explaining these subjective aspects. Figure 1.7 presents an overview of the aspects of retirement transitions addressed in this dissertation.

2. Simultaneously examining the role of earlier life experiences in various life spheres (education, work, health, and family), and acknowledging that the impact of certain earlier life experiences might differ by gender: The life course proposition of ‘multispheral development’ implies that individual development occurs in work, family, education, leisure and other spheres and that these experiences in different spheres are closely connected to each other (Settersten, 2003). Therefore, a comprehensive approach is necessary to disentangle the separate effects of various connected earlier
life experiences and to examine which ones specifically are important for understanding variation in retirement transitions. In line with the life course proposition of ‘multispheral development’, this study will therefore not only examine experiences in either the work or family spheres, but will take a broader view by examining experiences in the educational, work, health, and family spheres. By doing so, explicit attention will be paid to the role of gender, given that the occurrence and meaning of specific earlier life experiences might differ between men and women.

3. Paying systematic attention –theoretically and empirically– to the mechanisms linking experiences earlier in life to retirement-related outcomes.

When systematically applying the theoretical reasoning that earlier life experiences might be associated with retirement-related outcomes via their financial consequences, and their relationship with the non-financial opportunity structure, one would note that opposing forces might be at work between specific earlier life experiences and retirement. For example, the experience of upward mobility during mid-life might positively affect the financial opportunity structure in preretirement years. Given this more beneficial financial situation, retirement (versus continued work) might become a viable and attractive option at a younger age. Therefore, upwardly mobile individuals can be hypothesized to retire relatively early. However, when also taking the potential consequences of earlier life experiences for the non-financial aspects of the late-career opportunity structure into account, another prediction can be made. In the case of upward mobility it can be expected, for instance, that upward career mobility improves working conditions (e.g., more challenging job), which might make continued work relatively attractive. Consequently, when reasoning via the work opportunity structure, upwardly mobile individuals can be hypothesized to retire relatively late. To improve our understanding of the relationships between earlier life experiences and retirement this study will therefore formulate and test hypotheses in a more systematic way than often has been done, thereby paying attention to these potentially offsetting mechanisms and the mediating role of the late-career opportunity structure.

1.6. Research methods: NIDI Work and Retirement Panel data

To study the central research question, survey data from the NIDI Work and Retirement Panel were analyzed. These data are three-wave panel data collected by the Netherlands Interdisciplinary Demographic Institute
(NIDI) among older employees (and their partners, if applicable) of three large Dutch private-sector organizations and the Dutch central government. The longitudinal character and the relatively large sample of the NIDI Work and Retirement Panel data offer a clear advantage as compared with the cross-sectional nature of many psychological studies focusing on organizational samples or convenience samples. An important advantage as compared with existing large-scale representative surveys is that questions could be asked that have received little attention in empirical studies thus far. For example, various questions were asked to develop a multi-item scale of late-career work disengagement and to measure the extent to which retired respondents miss aspects of the work role. Both the availability of detailed information on various phases of work to retirement transitions, and the availability of information on earlier life experiences make the data highly suitable for studying the central research question of this dissertation.

The NIDI Work and Retirement Panel data were collected in the context of two research projects. In 2001 a large-scale study was carried out on behalf of the Stichting Management Studies in The Hague (Henkens and Van Solinge, 2003). As part of this study, data were collected among older workers and their partners of various large private-sector organizations (Unilever Nederland BV, IBM Nederland NV, and VendexKBB NV) and the Dutch central government (N = 2,403). Older workers were defined as all workers aged 50 and over, which is in line with definitions used in the international literature (cf. OECD, 2006). The employees received one envelope including a questionnaire for themselves as well as a questionnaire for their partner. The employee questionnaire contained items about retirement intentions, disengagement from work, and questions about the current work situation, work attitudes, health, financial situation, and family context. Partners were, among other things, asked about their ideas regarding the employee’s retirement, and their own retirement plans if they were working.

Extending this cross-sectional study to a longitudinal panel study was made possible due to funding by the Netherlands Organization for Scientific Research NWO for the research program “The process of retirement: A dynamic and multi actor perspective”. In 2006-2007 a follow-up study was carried out by NIDI researchers among surviving and traceable participants of the first Wave. Respondents who were still employed were asked again about their level of late-career work disengagement. Those who retired—defined here as those who made use of an (early) retirement arrangement—were asked about the timing of their retirement and about their experiences

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transitioning from work into retirement. Given that the research program explicitly aimed at studying retirement as a process from a life course perspective, in the second Wave of data collection retrospective questions have been asked regarding diverse educational, work, health, and family experiences earlier in life (N = 1,678), which offer the possibility to study the central research question of this dissertation. During my PhD trajectory—in 2011—my colleagues and I collected a third round of data, in which the respondents were asked again about their retirement-related behaviors and experiences.

The respondents of this study were born between 1936 and 1951. The large majority (about 90 percent) belongs to the birth cohort 1941-1950. These individuals have grown up in turbulent times. They were born during or just after the Second World War, were raised in the 1950s and started to form their own families in the 1960s and 1970s. To characterize this cohort in light of the life course changes that took place during the twentieth century, the study by Liefbroer and Dykstra (2000) provides important insights. These authors have combined information of different surveys to improve our understanding of the life experiences of a broad range of Dutch birth cohorts during the twentieth century. The findings show that the ‘standard life course’ was most clearly reflected in the lives of men and women born between 1931 and 1940. Among the younger cohorts—especially those born after 1950—life courses have become less standardized. The respondents included in this study therefore belong to the birth cohort that seems to have been at the forefront of the major demographic developments that have occurred during the second half of the twentieth century.

1.7. Outline of dissertation

The following chapters of this dissertation present studies on different phases of the transition from work into retirement in relation with experiences earlier in life: preretirement disengagement from work (Chapter 2), retirement transitions of men (Chapter 3) and women (Chapter 4), and adjustment to the loss of the work role (Chapter 5). These chapters are written as journal articles. Due to this approach they can be read independently, but show some overlap (e.g., the data description). Three of the empirical chapters (2, 3, and 5) have been published in international scientific journals. Chapter 4 has been submitted for publication. In Chapter 6 I summarize the main findings of the empirical chapters, reflect upon the study methods and discuss the scientific and societal implications of the study.