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

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6. Summary and discussion

6.1. Background and research question

The aging of the Dutch population and its societal consequences have put the issue of retirement high on both policy and scientific agendas. The general objective of this dissertation was to improve our understanding of work to retirement transitions of older individuals in the Netherlands. Different phases of retirement transitions –both the act of retirement and more subjective facets and processes that precede and follow upon this act– were examined from a life course perspective. Specifically, this study focused on the life course proposition of lifelong development, which suggests that specific life phases cannot be understood thoroughly without information on the prior life course (Elder, 1994). 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?

To study this 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 among (former) older workers of three large private-sector organizations in the Netherlands and the Dutch central government. The NIDI Work and Retirement Panel data are highly suitable for studying the central research question for two reasons. First, given that all respondents (age 50 to 64 years) were employed at Wave 1 (in 2001) and followed in the 10 years after that (Wave 2 took place in 2006-2007; Wave 3 in 2011), these data offer detailed insights into the retirement transitions of the studied older workers. Information is available about work attitudes and retirement intentions in preretirement years, about the actual timing of the retirement transition, and about postretirement adjustment. Second, retrospective questions were asked regarding educational, work, health, and family experiences earlier in life, which offer the possibility to study the relationships between these experiences and retirement transitions.

In this chapter I will first summarize the main findings from the empirical chapters of this dissertation (Section 6.2). Thereafter, the theoretical conclusions of the study (Section 6.3) will be discussed, as well as the societal
implications (Section 6.4). In the last paragraph (Section 6.5) I will reflect upon the study methods and put forward suggestions for future research.

6.2. Summary of empirical findings

The chapters of this dissertation presented studies on different phases of the transition from work into retirement: the preretirement process (Chapter 2), the retirement transition of men (Chapter 3) and women (Chapter 4), and the postretirement process (Chapter 5). With respect to the pre- and postretirement subjective processes, this study specifically focused on the process of exiting the work role.

6.2.1. Preretirement process: Late-career work disengagement

The process of exiting the work role can be expected to start already prior to the actual transition from work into retirement. In both retirement and career theories reference is made to such a preretirement work disengagement process. Individuals may start to accommodate themselves to the upcoming separation from their work by gradually reducing their work investments, activities, and motivation when getting closer to their planned retirement age. However, not only the time-left to retirement (anticipated future), but also previous career-related experiences (lived past) were hypothesized to shape late-career work investments and motivation. Job mobility, training participation, and health problems may affect the perceived costs and returns of work activities and investments and might therefore be associated with disengagement from work. In Chapter 2 work disengagement during late-careers was studied, by examining the following research questions: (a) Is there a preretirement work disengagement process and (b) To what extent and how do career-related experiences affect late-career work disengagement?

For studying late-career work disengagement a broad measure was used that captures various attitudes and behaviors older workers specifically can be expected to change in their preretirement period. Given that the items of the late-career work disengagement scale were available at study Waves 1 and 2, both differences in the level of work disengagement at Wave 1 and changes in work disengagement over time could be studied. The availability of panel data is particularly important for examining whether there is a preretirement work disengagement process, given that the relationship between proximity to retirement and work disengagement may run in both directions. The planned retirement age was measured at Wave 1, offering the possibility
Summary and discussion

to study whether workers who almost reached their previously reported retirement age at Wave 2 are relatively highly disengaged from work.

During the first Wave of data collection, 35 percent of the studied older workers indicated not keeping up as well with the latest developments in the field as five years ago. About 32 percent agreed with the statement that new responsibilities should be assigned to younger workers, and 15 percent indicated to use every possibility to reduce work hours. When focusing on those workers who were employed in their career job at both Wave 1 and Wave 2, the findings show that their average level of work disengagement increased significantly between the study waves. However, late-careers were not necessarily characterized by a unidirectional pathway of disengagement from work. For about 26 percent of the employees disengagement levels increased more than one standard deviation between the study waves. About 10 percent of the workers experienced a decrease in disengagement of more than one standard deviation.

In line with the preretirement work disengagement process hypothesis, the study showed that older employees disengage more from work when being closer to their (planned) retirement age. The cross-sectional findings indicated that workers who were older at Wave 1 –and therefore closer to the public pension age– report higher late-career work disengagement levels. Analyses of the panel data showed that workers who at Wave 2 almost reached their previously reported planned retirement age, disengaged more from work over time than workers who still have many years left in the labor force. Employees who passed their planned retirement age were also relatively likely to have disengaged from work. Overall these findings highlight the importance of the anticipated future (that is, anticipated time-left in the work role) for shaping individual’s attitudes and behaviors.

Not only the anticipated future, but also past experiences were found to be of importance for explaining late-career work disengagement. Those workers who made promotion, or started additional training in mid-life (before age 50), were less disengaged from work during their late-careers than their counterparts who did not have these experiences. Older workers who experienced severe health problems reported relatively high late-career work disengagement levels. This suggests that the work attitudes of older workers are dependent upon their career-related experiences earlier in life. The panel analyses showed that changes in work disengagement during late-careers are related to several late-career experiences. Specifically, making promotion during late-careers slows down the disengagement
process, whereas declining health accelerates the process. No support was found for the hypotheses that late-career employer change, and late-career training slow down the disengagement process.

6.2.2. Retirement transitions: Intended and actual retirement timing
Chapter 3 studied the impact of experiences earlier in life on retirement timing. The central research question was: *To what extent and how can early retirement of male older workers be explained by mid-life experiences in the educational, work, health, and family life spheres?* On the one hand, earlier life experiences were hypothesized to affect retirement timing via their consequences for the preretirement financial opportunity structure. For example, educational investments earlier in life might result in a more beneficial preretirement financial situation, which will make early retirement a viable and attractive option at a younger age. On the other hand, earlier life experiences were hypothesized to affect retirement via their consequences for the non-financial opportunity structure. For example, educational investments might result in a more challenging job in preretirement years, making early retirement relatively unattractive. By both theoretically and empirically distinguishing between financial and non-financial preretirement factors via which earlier life experiences could affect retirement timing, this chapter aimed to improve our understanding of the relationships between earlier life experiences and retirement. To test these complex relationships the chapter focused on men, because for them the distinction between financial and non-financial pathways is expected to be most informative and relevant given that they are commonly main breadwinners in the studied Dutch cohorts.

In the chapter not only the relationships between earlier life experiences and retirement behavior were studied, but also the relationships with retirement intentions. Given that retirement behavior is not always the result of personal choice and contextual forces (*e.g.*, policy reforms) might thwart retirement plans during late-careers, studying retirement intentions and behavior simultaneously was expected to be helpful for achieving a better understanding of the way in which retirement transitions are embedded in the individual life course. At the first Wave of data collection when all respondents were still employed, they were asked about their retirement intentions. Several questions –such as “do you intend to stop working before age 65” and “at which age do you want to stop working”– were combined into a scale measuring the respondent’s intentions regarding the timing of retirement. The responses clearly reflected the early exit culture in the Netherlands at the beginning of the 21st century: The median age at which the
studied men intended to retire was age 60. At Wave 2 the respondents were asked about their retirement behavior. About 61 percent of the studied men made use of an early retirement arrangement between study Waves 1 and 2. These men retired on average at age 58.4, which was about 1.4 years earlier than their intended retirement age. Additional information obtained during the last Wave of data collection shows that men who retired between Waves 2 and 3 on average retired about 1 year later than their intended retirement age.

The results showed that earlier life experiences in the educational, health, work, and family spheres were all associated with retirement intentions. Male older workers who entered the labor market at an older age—which suggests they made more educational investments—and who participated in additional training before age 50 intended to retire relatively late. These findings can partly be explained by their beneficial preretirement work situation. Educational investments result in more challenging preretirement work, and challenging preretirement work was found to be associated with weaker intentions to retire early. Conversely, severe health problems in mid-life were associated with stronger intentions to retire early. This effect was completely explained by the preretirement health situation of these older individuals. Health problems in mid-life are associated with health problems in proximal preretirement years and consequently related to stronger intentions to retire early. Men who changed employers before age 50 were found to have relatively weak intentions to retire early. A similar result was found for men who made the transition into parenthood relatively late, or who experienced a divorce later in mid-life. These findings can (partly) be explained by their less beneficial preretirement financial opportunity structure. Men who are less wealthy, have pension shortages, or who have more financially dependent children in preretirement years were less inclined to retire early. For mid-life promotions no main effect on retirement intentions was observed. This appeared to be the case because opposing indirect effects are at work: promotions were related to more preretirement financial resources (wealth, no pension shortage), but also to a more challenging work situation.

Only some of the life history predictors of retirement intentions (i.e., the age entering the labor market, and the timing of first birth) also predicted retirement behavior, which highlights the relevance of studying intentions and behavior simultaneously. Different types of late-career dynamics might have reduced the effects of mid-life experiences on retirement behavior. On the one hand, the findings could reflect the limited freedom that employees have
in their actual retirement decision. For example, a large share of the studied male retirees—about one in four—experienced the retirement transition as being (partly) involuntary. Pressure by the employer was the most frequently mentioned factor behind involuntary retirement. On the other hand, the findings might reflect changing opportunity structures later in life (e.g., broadening of the early retirement options, such as the ‘Remkes-regeling’ of the central government in 2004-2005) that modified the preferred timing of retirement.

Chapter 4 examined retirement timing intentions and behavior of women, and specifically focused on the relationships with their childbearing and marital experiences earlier in life. The research question was: *To what extent and how can intended and actual retirement timing of female older workers be explained by their timing of childbirth and marital history experiences?* Instead of conceptualizing the proximal preretirement household situation (e.g., partner status) as a factor via which earlier family experiences (e.g., being ever divorced) might affect retirement timing (cf. Chapter 3), information about the past and present family situation was combined to capture family trajectories in more detail. This approach does not only provide information about the role of being ever divorced in retirement decision making, but also provides insights into the potential compensating effects of repartnering after a divorce. The relationships between family histories and retirement were estimated both with and without controlling for the preretirement financial, health, and work opportunity structure, to assess the extent to which the effects of family histories can be explained by these factors. For women who live with a partner, also attention was paid to the role of various partner characteristics in their retirement transitions.

At Wave 1 in 2001, when retirement intentions were measured, only a small percentage (9%) of the studied women intended to continue working until the public pension age of 65. The median intended retirement age was 60. Of the studied women 70 percent retired within the time period they were observed between Waves 1 and 3, at a mean age of 59.7 years. The women who retired between Waves 1 and 2—just like the studied men—generally retired earlier than they intended (on average about 1.1 years earlier), whereas those who retired between Waves 2 and 3 generally continued working beyond their intended retirement age (on average 1.8 years later). Even though no information is available per respondent about what exactly has thwarted their plans, most likely changes in terms of the Dutch retirement context during the last decade have played an important role here. In the beginning of the 21st century there still was a strong “early exit culture” in the Netherlands. The
last years the Dutch government has implemented several policy changes to reverse the early exit culture and to make continued work financially more attractive for older workers.

Regarding childbearing histories, the results showed that the timing of first birth was not significantly associated with retirement intentions of women. When combining information of timing of first birth with information about the proximal preretirement household situation, group differences became more pronounced. Especially women who made the transition into parenthood relatively late and still have children living at home during preretirement years intended to retire relatively late. For retirement behavior the hypothesized effects were not observed. With respect to marital histories, women who have ever been divorced were found to intend to retire later than continuously married women. Particularly women who experienced a divorce later in mid-life (i.e., after age 40) intended to retire relatively late. Repartnering, however, seems to compensate the negative consequences of a divorce. Ever divorced women who do not live with a partner intended to and actually retired later than continuously married women, whereas intended and actual retirement timing of those who repartnered after a divorce did not differ from the continuously married group. Women who have a partner intending to retire relatively late were more likely to intend to retire late themselves. Also several aspects of women’s preretirement financial, work, and health situations were related to the timing of their retirement transitions. Women who have a less beneficial financial situation, who are in good health, and who have a challenging job were found to intend to and actually retire relatively late. When taking these aspects of the preretirement situation into account, the differences in retirement intentions between the various child rearing and marital career groups generally remained intact, suggesting that the family sphere is an independent force affecting women’s (intended) retirement timing.

6.2.3. Postretirement process: Adjustment to the loss of the work role
Retirement is often perceived to be a major transition in the lives of older individuals, which is accompanied with both the challenge to adjust to the loss of the work role and the challenge to develop a satisfactory postretirement lifestyle. The aim of Chapter 5 was to improve our understanding of between-individual differences in terms of the first developmental challenge—adjustment to the loss of the work role—by conceptualizing retirement as a multidimensional process embedded in the individual life course. Specifically, the extent to which retirees miss aspects of the work role (money/income, social contacts, and status) was examined in relation with
earlier life experiences, resources, and retirement transition characteristics. Studying the different adjustment dimensions separately is relevant, given that the direction of the relationships between some earlier life experiences and retirement adjustment can be hypothesized to differ across dimensions. The research question of Chapter 5 was: *To what extent and how can variation in retirement adjustment be explained by earlier life experiences?*

The results showed that social contacts are the work-related aspect that fully retired respondents are most likely to miss. On average 2.5 years after making use of an (early) retirement arrangement, about 18 percent of the respondents missed the social contacts via work (very) much, as compared to about 12 percent missing money/income, and 4 percent missing status. The longer individuals were retired, the less likely they were to miss work-related social contacts. This finding might suggest that retirees compensate work-related contacts by other contacts over time, or perceive work-related contacts as increasingly less important. For financial resources and status no such time effect was observed. Probably income and status remain important needs among retirees, which are relatively difficult to compensate for if individuals miss these resources.

Earlier life experiences in both work and family spheres were found to be associated with missing work after retirement. Retirees who had a steep upward career path between ages 40 and 50 were less likely to miss money/income, equally likely to miss social contacts, and more likely to miss status, compared with those who did not experience upward mobility. These findings suggest that retirees can miss work for diverse reasons depending on their career path in mid-life, and highlight the importance of paying attention to the multidimensional nature of adjustment. The effect of career path most likely would have been overlooked when using a combined measure of missing work after retirement. No support was found for the hypotheses regarding various other work and health history factors (years in labor market and mid-life employer change, part-time work, and health problems). Regarding family histories the results generally showed that divorced individuals are most likely to experience difficulties adjusting to the loss of the work role. Divorced retirees who did not repartner were more likely to miss work-related social contacts and status than continuously married and single never married retirees. Retirees who repartnered after divorce were more likely to miss financial resources after retirement as compared with continuously married retirees. Generally men and women did not differ in terms of the extent to which they miss aspects of work after retirement, yet the effects of marital experiences differed slightly by gender. In line with
the expectations, being divorced and single had a slightly stronger impact on missing work-related social contacts for men as compared with women.

Not only work and marital history experiences, but also resources and retirement transition characteristics were found to be associated with missing work after retirement. Retirees in good health were less likely to miss work-related money/income, social contacts, and status than those having health problems. Also those who retired voluntarily reported fewer adjustment difficulties on all three dimensions, thereby highlighting the importance of having control over the retirement transition. Preretirement financial resources (wealth, and pension shortage), preretirement satisfaction with life, and the age at retirement were only associated with missing financial resources after retirement. Those who retired at a relatively older age and had more preretirement financial resources were less likely to miss money/income after retirement. The career path and marital history effects were not fully explained by the late-career resources and retirement transition characteristics, which suggests that these later-life factors do not fully capture the mechanisms linking earlier life experiences to postretirement subjective processes.

6.3. **Overall conclusions**

The objective of this study was to achieve a more in depth picture of the role that earlier life experiences play in retirement transitions, by connecting and extending the sociological and psychological retirement literatures. To reach this study aim, the following approach was taken:

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.

To reflect upon this research approach, a table was constructed in which the main research findings are summarized (see Table 6.1). For the studied relationships between earlier life experiences and retirement-related outcomes, the signs in the table reflect whether the empirically observed
Table 6.1. Overview of effects of earlier life experiences on different phases of the transition from work into retirement

<table>
<thead>
<tr>
<th>Chapter and study Wave</th>
<th>W1</th>
<th>W1</th>
<th>W2</th>
<th>W2</th>
<th>W1</th>
<th>W2/3</th>
<th>W2/3</th>
<th>W2/3</th>
<th>Row total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Work history experiences</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Years in labor market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7/25</td>
</tr>
<tr>
<td>Dismissal &lt;age 50</td>
<td>+</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>20%</td>
</tr>
<tr>
<td>Part-time work &lt;age 50</td>
<td>Ns</td>
<td>+</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>28%</td>
</tr>
<tr>
<td>Employer change &lt;age 50</td>
<td>Ns</td>
<td>-</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>28%</td>
</tr>
<tr>
<td>Position change (no promotion) &lt;age 50</td>
<td>Ns</td>
<td>-</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>28%</td>
</tr>
<tr>
<td>Promotion &lt;age 50</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>28%</td>
</tr>
<tr>
<td>Steep career path 40-50</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7/25</td>
</tr>
<tr>
<td><strong>Educational history experiences</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5/6</td>
</tr>
<tr>
<td>Age entering labor market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33%</td>
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<td>Additional training &lt;age 50</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>83%</td>
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<tr>
<td><strong>Health history experiences</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2/6</td>
</tr>
<tr>
<td>Severe health problems &lt;age 50</td>
<td>+</td>
<td>+</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Family history experiences</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33%</td>
</tr>
<tr>
<td>Timing of first child: late</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33%</td>
</tr>
<tr>
<td>Late first birth-empty nest</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>50%</td>
</tr>
<tr>
<td>Late first birth-child at home</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>50%</td>
</tr>
<tr>
<td>Timing of divorce: late</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>50%</td>
</tr>
<tr>
<td>Ever divorced-married/cohabiting</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>50%</td>
</tr>
<tr>
<td>Ever divorced-no partner</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>Ns</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Column total</strong></td>
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<td>7/9</td>
<td>3/9</td>
<td>3/5</td>
<td>1/5</td>
<td>2/7</td>
<td>1/7</td>
<td>2/7</td>
<td>23/55</td>
</tr>
<tr>
<td>67%</td>
<td>78%</td>
<td>33%</td>
<td>60%</td>
<td>20%</td>
<td>29%</td>
<td>14%</td>
<td>29%</td>
<td>42%</td>
<td></td>
</tr>
</tbody>
</table>

*a* The signs in the table reflect whether the observed effects are positive (+), negative (-), or not statistically significant (Ns).
effects are positive (+), negative (-), or not statistically significant (Ns). The results generally reflect the research findings without controlling for diverse measures of the late-career opportunity structure. For both rows and columns, percentages were calculated indicating the share of presented relationships that were found to be statistically significant. In Paragraph 6.3.1 the table will be discussed from a ‘column perspective’, to draw conclusions regarding the importance of studying different phases of the retirement transition in relation to earlier life experiences. Paragraph 6.3.2 will discuss the table from a ‘row perspective’, to formulate conclusions regarding the embeddedness of retirement transitions in multiple life spheres. Subsequently, Paragraph 6.3.3 will move away from the table and discusses the insights acquired by paying systematic attention to the mechanisms linking experiences earlier in life to retirement-related outcomes.

6.3.1. Studying different phases of retirement transitions
A first way in which this study aimed to achieve a more comprehensive understanding of the relationships between earlier life experiences and retirement, is by examining not only actual retirement behavior, but subjective facets and processes that precede and follow upon this behavior as well. This approach appeared to be highly informative. The general impression based on Table 6.1 is that the role that earlier life experiences play in retirement transitions is more limited than expected. Somewhat more than 40 percent of the studied relationships between earlier life experiences and retirement-related outcomes were found to be statistically significant, which indicates that many of the hypothesized relationships were not observed in the data. The extent to which earlier life experiences are associated with retirement seems to differ, however, between the retirement-related outcomes studied. For the aspects of the retirement transition that are measured during preretirement years—that is, late-career work disengagement and retirement intentions—the majority of the studied earlier life experiences were found to play a role. Many of the studied earlier life experiences in different life spheres were found to be associated with older workers’ level of work disengagement, and their intended timing of retirement. For actual retirement behavior as well as postretirement adjustment to the loss of the work role, the life history effects were less pronounced. As Table 6.1 shows, relatively few of the hypothesized relationships with retirement behavior and adjustment to the loss of the work role were observed in the data.

Two main issues may play an explanatory role here. On the one hand, as highlighted in the discussion of the differences in predictors of retirement intentions and behavior, the leeway employees have to make their own
decisions differs between the outcomes studied. The hypotheses regarding 
the relationships between earlier life experiences and retirement assume 
that retirement is a rational decision-making process. Whereas work 
disengagement and retirement intentions will reflect the personal choice of 
the employee, in the actual retirement transition the leeway of making own 
decisions might be more restricted. On the other hand, the amount of time 
between the studied life experiences and the retirement-related outcomes 
may be relevant. The consequences of earlier advantages and disadvantages 
can be expected to accumulate over time (O’Rand, 1996), but life course 
thorists have also acknowledged that early experiences “need not be viewed 
as so constraining that individuals cannot move beyond them” (Settersten, 
2003, p. 18). The effects of mid-life experiences on retirement-related 
outcomes can therefore be thwarted by changing opportunity structures later 
in life, such as by repartnering, health deterioration, or health improvement. 
Even though later-life events could interfere with the effects of earlier life 
experiences on all studied aspects of the retirement transition, the likelihood 
of experiencing interfering events might be higher the more time has elapsed 
between the earlier life experience and the studied aspect of retirement. 
Probably therefore the effects of various earlier life experiences are more 
prominent for aspects of the retirement process preceding the actual retirement 
transition, as compared with actual retirement behavior and postretirement 
adjustment.

6.3.2. Examining the role of earlier life experiences in various life spheres

A central assumption underlying this study is that individual development 
is ‘multispheral’, which implies that individual development takes place 
in multiple life spheres and that experiences in these different spheres are 
closely connected to each other. Single transitions –such as the transition 
from work to retirement– are not only assumed to be embedded in work 
trajectories, but also in trajectories in the family, educational, and health 
spheres. The proposition of multispheral development has been implemented 
in the current study by taking a broad view on the lived past (see Table 6.1). 
Earlier life experiences in the work, family, educational and health spheres 
were examined simultaneously. The results showed that experiences in all 
these life spheres are related to outcomes during late-careers, even when 
studied simultaneously. For example, experiences in all studied life spheres 
were associated with men’s retirement intentions.

Although it is difficult to say which life sphere is dominant for understanding 
retirement-related outcomes, given that the studied earlier life experiences 
differ across outcomes, the row totals in Table 6.1 provide some indication.
When disregarding the educational experiences (which were only included in two empirical chapters), in the family sphere the share of statistically significant relationships was the largest. The findings particularly highlight the importance of marital histories for explaining variation throughout the retirement transition. Marital histories were important for explaining differences in terms of retirement intentions, but also for explaining differences in retirement behavior (among women), and postretirement adjustment. Moreover, the observed effect sizes for marital histories were relatively large (not shown in the table). The experience of severe health problems in mid-life was found to be related to late-career work disengagement and retirement intentions of men, but did neither explain differences in retirement behavior nor missing work after retirement. Also for work histories, relatively few of the hypothesized relationships were found in the data.

Generally the family history findings underline the importance of the life course notion of linked or interdependent lives. In the life course perspective interdependence is perceived as a factor that on the one hand provides individuals with important resources, and on the other hand constrains the options available (Settersten, 2003). The research findings of this study largely supported this notion. Ever divorced individuals (both men and women) were inclined to delay their retirement, which was at least partly explained by their less beneficial preretirement financial situation. Divorced retirees who do not live with a partner were relatively likely to miss the social resources offered by the work role. These findings suggest that both the financial and the social resources offered by partner relationships, and the negative consequences if these relationships dissolve, affect retirement transitions. In line with the notion of linked lives, not only the partner relationship but also children were found to form an important factor in retirement-related decisions among both men and women. Older workers who have started their family formation relatively late seemed to be inclined to delay their retirement as well.

In this study explicit attention is paid to the role of gender, given that the occurrence and meaning of specific earlier life experiences could differ between men and women. Studies were conducted separately for men and women (cf. Chapters 3 and 4) or interaction effects with gender were examined (cf. Chapter 5). Although the incidence of several studied earlier life experiences differed considerably between men and women, generally the effects of many earlier life experiences on retirement-related outcomes pointed in a similar direction. It should be noted, however, that the women who were included in the study sample might reflect a relatively selective
group of work-oriented women, which could have influenced the research findings. In 2001 (at the time of Wave 1), only about 45 percent of women aged 50 to 55 years, and about 30 percent of women aged 55 to 60 years were engaged in paid work for at least 12 hours per week in the Netherlands (Statistics Netherlands, 2013a). The women who worked in their late-careers might have formed a relatively highly motivated and job-focused group. This notion is, for instance, reflected in the findings on late-career work disengagement. The studied women were on average less disengaged from work than the studied men at the first Wave of data collection.

6.3.3. Paying attention to linking mechanisms

By paying systematic attention—theoretically and empirically—to the potential mechanisms linking experiences earlier in life to retirement-related outcomes, this study intended to improve our understanding of how and why (or why not) earlier life experiences are related to retirement transitions. Generally earlier life experiences were expected to affect retirement via their influence on the individual’s financial (e.g., pension acquisition, later life wealth) and non-financial (e.g., later life health condition, work context, or family situation) opportunity structure in later years. When critically applying this theoretical reasoning, one would note that for some earlier life experiences opposing hypotheses can be formulated. In this dissertation, potentially opposing forces were studied in two different ways. First, statistical models were estimated without and with controlling for financial and non-financial aspects of the late-career opportunity structure and mediation effects were tested (see Chapter 3). This approach provides insights into the extent to which and how the effects of earlier life experiences can be explained by different aspects of the late-career opportunity structure. Second, attention is paid to the multidimensionality of retirement adjustment, to see whether the effects of earlier life experiences differ across dimensions (see Chapter 5).

Systematic hypothesis deduction and testing appeared to be informative, both to detect opposing forces and to understand why specific earlier life experiences are associated with retirement-related outcomes. Opposing forces were particularly observed with respect to the relationship between upward mobility in mid-life and retirement among men. On the one hand, upward mobility was found to be associated with a more beneficial financial situation in later years, which makes individuals more inclined to retire early. On the other hand, older workers who have experienced upward mobility are more likely to have a challenging work situation in preretirement years, which makes them less inclined to retire early. Overall, these opposing forces explain why no main effect of making promotion on retirement intentions is
observed among male older workers. For postretirement adjustment to the loss of the work role, a similar pattern is observed. Steep upward mobility was related to a lower likelihood of missing financial resources after retirement, but a higher likelihood of missing status. When using a combined measure of missing work after retirement and not paying attention to potential opposing mechanisms, these effects might have been overlooked.

As expected in the retirement literature, the results of this dissertation showed that many earlier life experiences are associated with retirement-related outcomes via the late-career situation (i.e., indirectly). These findings are in line with recent research from the U.S., which also highlights the (partially) mediating role of temporally proximate correlates of retirement timing (Raymo et al., 2011). In Chapter 3 on men’s retirement transitions, for instance, the effects of several work and family history factors are fully explained by the preretirement financial opportunity structure, which suggests that pensions and other types of financial resources are indeed an evident mechanism for linking earlier events to later outcomes. Also the non-financial reasoning is reflected in the research findings. For example, the effect of mid-life training on men’s retirement intentions is explained by having a challenging job in preretirement years. Some of the relationships between earlier life experiences and retirement-related outcomes could not be fully explained, however, by the measures of the late-career opportunity structure, suggesting that these later-life factors do not entirely detect the mechanisms linking earlier life experiences to retirement-related outcomes.

These findings might –on the one hand– reflect that the measures of the current opportunity structure do not fully capture the situation of older individuals. For example, no comprehensive information was available about the number and quality of social relationships inside and outside the workplace, which can be expected to be relevant for explaining the effects of a prior divorce. On the other hand, the findings might indicate that other mechanisms are of importance for explaining the research findings, for which theory still needs to be developed. For developing theoretical models Lindenberg (1992) suggested to apply a method of decreasing abstraction, in which one starts with a model that is as simple as possible, and improves its empirical accuracy by making it as complex as necessary. According to this approach first the structural factors should be made more realistic in behavioral models, followed by the cognitive assumptions such as goals and expectations. The current study particularly focused on the mediating role of structural factors for linking earlier life experiences to retirement-related outcomes. However, probably also cognitive factors play a linking role. For
example, Hank (2004) has described the career orientation of women—i.e., “the individual’s evaluation of her worker role relative to her family role” (p. 195)—as a potential explanation for the relationship between the timing of childbearing and the timing of retirement. In a similar vein Raymo and colleagues (2011) have suggested that earlier life experiences might affect retirement via preferences for work and leisure, life goals, and risk aversion. Possibly these individual preferences or goals for work and leisure also play a role for explaining various findings of the current study, such as the delayed intended retirement timing of men who had their first child relatively late, and the relationships between an upward career path in mid-life and difficulties adjusting to the loss of work-related status after retirement. To further improve our understanding of why specific earlier life experiences are associated with retirement-related outcomes, examining the role of these cognitive linking factors could therefore be a fruitful next research step.

The aim of this dissertation was to achieve a more in depth picture of the relationships between earlier life experiences and retirement. To reach this study aim, an event-oriented approach was used, in which the earlier life experiences were taken as a starting point for model building. This approach appeared to be highly suitable for improving our insights regarding the relationships between earlier life experiences and retirement and can be further extended in future research, for example, by incorporating a broader range of earlier life experiences, studying other aspects of retirement transitions, and paying attention to both structural and cognitive mechanisms linking earlier experiences to later outcomes. However, such an approach would particularly be relevant if one is interested in the question to what extent and how earlier life experiences set the stage for later outcomes. If the main research aim is to explain as much variation as possible in retirement transitions, it is advisable to take a more outcome-oriented approach. Overall the results of this study suggest that states (or events) that come about closer in time to the studied retirement outcomes play a more important role for explaining differences in these outcomes than experiences that are more distal, although there are some exceptions (e.g., age entering the labor market). Various aspects of the later-life opportunity structure (e.g., financial situation, health situation, challenging job) and retirement transition characteristics (e.g., voluntary retirement) appeared to be highly important for understanding differences in terms of retirement transitions and were often able to explain the effects of earlier life experiences. For achieving an extensive understanding of retirement, it therefore seems to be most fruitful to start with the current situation and to expand these factors with information about the lived past, if there are theoretical reasons to believe that these factors provide additional
information. In this respect, one might refine information about current
between-individual differences, by combining information about the present
with information about the past (cf. family trajectories in Chapters 4 and 5).
Moreover, information about the anticipated future could provide additional
insights, given that the current situation may not adequately capture the
individual’s evaluations of an unknown future (Henkens, 1998). This study
shows that the amount of time individuals expect to have left in a certain state
—in this case the work role— is of importance for understanding differences in
their late-career outcomes.

6.4. Societal implications

In light of population aging, labor market policies are generally aiming at
extending the working lives of older individuals. This policy objective raises
the need of insights into factors that inhibit or rather stimulate the prolongation
of work careers, and keep workers motivated and engaged during late-careers.
Moreover, the coming decades numerous individuals will transition from
work into retirement, raising questions about how individuals experience
their retirement and about factors that predict successful adjustment to
retirement. Given these aims and questions, insights into the relationships
between earlier life experiences and retirement are relevant for two main
reasons. Firstly, examining the life course embeddedness of retirement
highlights life experiences that continue to affect the lives of individuals
even in their later years, and in that respect offer starting points for policy
design. Secondly, a better understanding of how retirement transitions of
current retirees are related to their experiences earlier in life might nourish
ideas or expectations about how changing life course experiences will shape
the retirement experiences of future retirees. This paragraph will reflect upon
both these aspects.

In the policy-oriented literature it is expected that experiences earlier in life are
of importance for the employability of older workers. For example, mid-career
measures directed at occupational health and safety, and opportunities for
learning new skills or improving skills are anticipated to positively influence
labor market participation as individuals age (OECD, 2006). In this respect,
the OECD (2006) mentions that “some policy interventions to encourage
later retirement should, in fact, focus at workers at younger ages” (p.
135). Even though this study did not explicitly test the impact of mid-life
interventions directed at occupational health, it provides insights regarding
the role of health issues in late-career labor participation. Generally the
findings highlight that a good health situation is crucial for keeping workers employed and engaged in the work role until older ages. Older workers who experienced severe health problems in mid-life were relatively likely to be disengaged from work during late-careers and intended to retire relatively early. Health deterioration during late-careers further speeded up the process of disengaging from work, and a poor late-career health situation resulted in a higher likelihood of early retirement. These findings point at the challenge for both employers and employees to prevent the onset of health problems not only among older workers, but among workers of all ages.

With respect to training, the results of this study are not unequivocal. Older workers who have participated in additional training in mid-life were found to be less disengaged from work and to have weaker intentions to retire early. However, late-career training was not found to form an effective instrument for preventing late-career work disengagement. Participation in late-career training did not reduce work disengagement levels during late-careers among the studied workers. These findings are remarkable given the attention that is often paid to lifelong learning. In light of current discussions on lifelong learning it should be noted, however, that this study used a rather general measure of training participation and studied only few potential training outcomes. No information was available about the type of training, the goals of the training, and training intensity.

For organizations facing an aging workforce, another noteworthy result is that late-careers were found to reveal dynamic processes. They do not necessarily reflect a continuous process of disengagement from work: both upward and downward dynamics in terms of work disengagement were observed among the studied workers over time. Late-career position changes—in particular late-career upward moves—were found to slow down the disengagement process, suggesting that achieving a more beneficial work situation could keep up the willingness of older employees to invest in their work. Further research is necessary, however, to further disentangle these late-career dynamics and to detect additional factors or policies that can prevent older employees from disengaging from their work role.

Next to mid-life interventions, also changing life course experiences could affect the retirement decisions and experiences of future retirees. During the second half of the twentieth century individual life courses have become increasingly diverse. The ‘standard life course’ were men were main breadwinners, and housework and care tasks were central in the lives of women has become less evident. Both marital lives (e.g., increasing divorce
rates) and work careers seem to have become more versatile, and major responsibilities (e.g., entry into the labor market; family formation) are increasingly postponed (Liefbroer and Dykstra, 2000). The findings of this study show that these types of earlier life experiences are associated with (intended) retirement timing. For example, male older workers who entered the labor market later, changed employers in mid-life, had their first birth relatively late, or who experienced a divorce later in mid-life were found to be less inclined to retire early. When linking the societal developments to these study findings and assuming that relationships between earlier life experiences and retirement are similar among younger cohorts, several changes in life courses can be expected to contribute to a future trend towards later intended retirement.

In terms of postretirement experiences especially the rising divorce rates warrant attention. Divorced older individuals seem to be a relatively vulnerable group, both in terms of social and financial resources, which might negatively affect their later-life well-being. Union dissolution has been found to be associated with loneliness among older individuals (especially among men, see Peters and Liefbroer, 1997), and with lower levels of later-life income (especially among women, see Fokkema and Van Solinge, 2000). The current study also underlines the relative vulnerability of divorced retirees, by showing that divorced individuals living without a partner had a relatively high likelihood of experiencing difficulties adjusting to the social changes accompanied with the loss of the work role. The increasing share of individuals approaching their later years being divorced might therefore have important implications for the retirement experiences of future cohorts.

Whether the relationships between the studied earlier life experiences and the different phases of the retirement transition will be similar among cohorts approaching retirement in the near future is an important question for future research. Life course experiences have changed considerably, but also the context in which individuals make their retirement decisions is changing rapidly. It is shifting from a focus on early retirement to a focus on continued labor participation. The basic public pension age is raised in steps, early exit routes have been closed, Dutch employers increasingly encourage workers to remain employed until the public pension age (Conen et al., 2011), and –at least for civil servants working at the Dutch central government– it is no longer mandatory to retire when reaching the public pension age. At the same time, individual responsibility for income and welfare in old age seems to be rising, as well as financial uncertainty, like reflected in recent cutbacks in pension entitlements and discussions on the reduction of the
yearly pension-build up percentages. As a result of these developments, the leeway for making own retirement decisions might become larger, but individuals also carry more individual responsibility in preparing and saving for their retirement years during their early- and mid-careers. Probably these developments make actual retirement behavior more strongly interlinked with experiences earlier in life in the near future.

6.5. Limitations and future research

The current study focused on the extent to which various phases of retirement transitions are contingent upon experiences earlier in the life course by analyzing data from the NIDI Work and Retirement Panel. This final paragraph will reflect upon the study methods and will put forward suggestions for future research.

First, the data analyzed in this study have not been collected in a random sample of older employees. The selected older workers were employed by three private-sector organizations and the Dutch central government in 2001 and were followed over time. Due to this data collection approach, the studied workers are not representative of all Dutch older workers. This especially limits the generalizability of the descriptive findings to the national level. However, the selected organizations are highly diverse in their branches of industry and the sample has substantial variation in important variables such as earlier life experiences, work characteristics, and health. The explanatory mechanisms discussed might therefore be more representative, at least for those older workers employed at large organizations in the Netherlands. Moreover, it should be noted that the studied workers belong to a specific birth cohort (the large majority belongs to the birth cohort 1941-1950) and were observed within a specific time period (between 2001 and 2011) in which major changes in the work and retirement landscape took place. These contextual factors could have affected both the (meaning of) life experiences and retirement transitions of the studied employees, and therefore should be acknowledged when interpreting the research findings.

Second, this dissertation specifically focused on the relationships between earlier life experiences and retirement in the Netherlands. Given that countries differ considerably in their pension systems, welfare arrangements, divorce laws, and family policies, we should be careful with generalizing results from one specific country to other countries (Wang, 2012). The Dutch retirement context—with its mandatory retirement savings, relatively high
replacement rates, and mandatory retirement ages in many sectors– differs for instance considerably from the liberal retirement context in the United States where the majority of prior research on life histories and retirement has been conducted. In the United States, individual workers mainly carry the risks and responsibilities for retirement saving while in the Netherlands much more is organized at a collective level (see Van Dalen et al., 2010, for a comparison). Moreover, in the United States “more and more workers have begun to leave under terms of their own choice and at their own pace” (Han and Moen, 1999, p. 196), whereas in the Netherlands contextual forces seem to have posed restrictions on the retirement behavior of older workers during the last decades. For these reasons, earlier life experiences might be more strongly associated with retirement behavior in the United States than in the Netherlands. Explicitly testing differences in terms of the effects of earlier life experiences on retirement transitions between countries that diverge considerably in terms of welfare state regimes (cf. Fasang, 2008, who compares pathways to old age pension in Germany and the United Kingdom) will be a fruitful direction for future research.

Third, even though the availability of information on earlier life experiences is a strength of the data, it should be noted that these data were collected by relatively broad retrospective questions. It cannot be ruled out that the responses were subject to recall error, and that the responses would have been more reliable when using more specific measures. However, the salience and low incidence of the studied life events might have affected recall accuracy positively (Eisenhower et al., 1991). Moreover, the broad questions provided information about prior life experiences, but it was not possible to reconstruct full educational, employment, health, and family histories of the respondents based on these questions. To further improve our insights regarding the life course embeddedness of retirement transitions, detailed information capturing more between-individual variation in terms of life trajectories could be informative. Not only whether individuals experienced a certain event and the timing of the event, but also the duration in particular states, and interactions between experiences in several life spheres might be of importance. The Family Survey Dutch Population, or the SHARELIFE survey in which educational, work, and marital histories are registered in detail, for instance offer the opportunity to further study these issues. To collect information about life histories, calendar and timeline methods—in which a graphical time frame is used to report and structure information—are increasingly applied. The number of methodological studies examining the benefits of this approach as compared with lists of retrospective survey questions is still limited, but initial findings suggest that calendars are
especially helpful for recalling more distal, less salient, and more frequent experiences (Glasner and Van der Vaart, 2009).

Fourth, further extending the types of earlier life experiences studied might also improve our understanding of retirement and its life history predictors. Even though this study examined earlier life experiences in areas that are central to the lives of individuals, such as their family, work, and health experiences, the studied dimensions do not cover other potentially important areas of life such as involvement in unpaid work and leisure activities. The NIDI Work and Retirement Panel data also did not include information about migration experiences earlier in life. Information about migration histories (e.g., the number of years one has lived in the Netherlands) could be useful though, among other things because this will affect the level of old age pension retirees will receive. Moreover, this study solely focused on earlier life experiences of older individuals themselves. In line with the life course notion of ‘linked lives’, it can be expected that earlier life experiences of the spouse play a role as well.

Fifth, even though this study provided an in depth picture of several elements of retirement transitions, not all facets have been covered. This study has mainly focused on the timing of retirement and the psychological process of exiting the work role. The challenge of developing a new postretirement lifestyle –and its relationships with earlier life experiences– has received little attention. One specific aspect of this postretirement process that needs further study is the phenomenon of bridge employment, which in the Dutch situation can be defined as being active in the paid labor force while receiving (early) retirement benefits (cf., Dingemans and Henkens, 2013). The share of early retirees who are engaged in a bridge job seems to increase in the Netherlands (Van Dalen et al., 2009). To better understand the meaning of transitions into bridge employment, examining the relationships between earlier life experiences and bridge employment might be relevant. The transition into bridge employment can reflect a continuation of unstable employment trajectories or rather reflect a major career shift (Henretta, 2003).

This dissertation included several empirical studies on the relationships between earlier life experiences and transitions from employee to retiree in the Netherlands. The research findings show that late-careers are a turbulent period, in which older workers gradually prepare for the loss of the work role, make plans for retirement timing, but also might need to change their prospects because of unexpected individual or contextual developments.
Earlier life experiences seem to “set the stage” (Settersten, 2003, p. 29) for the way in which older workers approach their later years, but during the last decade, late-career events and resources ultimately seemed to be of overriding importance for understanding retirement timing and postretirement experiences. However, life courses are changing and becoming less standardized, and the Dutch work and retirement context is changing rapidly as well. Whereas the employees examined in this study grew older in a context in which older workers retired early and could make use of fairly generous retirement arrangements, this context is being replaced by policies focused on prolonged employment, increasing financial uncertainty, and more individual responsibility. As a result of these developments, late-career transitions and experiences might become increasingly heterogeneous, complex, and possibly more strongly interlinked with experiences earlier in life.