

Retirement History Study: Introduction

by LOLA M. IRELAN*

A national sample of 11,153 persons aged 58-63 and over has been selected to participate in a 10-year study of the retirement process by the Office of Research and Statistics of the Social Security Administration. They were interviewed for the first time in 1969. Information was collected on their work lives, health, living arrangements, financial resources, and assets, expenditures, and retirement plans. Initial, descriptive statistics are reported in this article. Subsequent papers will report in detail on several individual aspects of American preretirement.

A GENERATION OF AMERICANS different from any that preceded it is beginning to move from active worklife into retirement. Born with the century, veterans of a young adulthood that coincided with the great depression, they confront retirement with capacities, experiences, and expectations discernibly different from those of previous generations. In all likelihood, they will be recognizably new types of "senior citizens." A sample 6-year birth cohort of this generation—Americans born between 1905 and 1911—are participants in what will be a 10-year study of the retirement process, conducted by the Office of Research and Statistics of the Social Security Administration. The Study's purpose is pragmatic: assessment of the social security program's provisions for retired workers.

The Retirement History Study is a current project in 30 years of continuous evaluative research accompanying the evolving program of social security for Americans. The data produced in these studies is essential not simply for recording the situation of social security beneficiaries but for planning program improvements. The Retirement History Study is the first of these studies to concentrate on the process of retirement and to include change over a period of time as an object of study.

Previous Social Security Administration sur-

veys, beginning in 1940, have given prime attention to the socioeconomic situation of older, already retired Americans. At first, only social security beneficiaries were studied.¹ In 1963 a national sample of all Americans aged 62 and over, including beneficiaries and nonbeneficiaries, was interviewed. Large proportions of the early retirees among them were found living in poor financial situations. The proportion of social security beneficiaries whose benefits have been reduced because of retirement before age 65 is increasing. Analysis of social security records and data from a mail survey of newly entitled beneficiaries have suggested strongly that both retirement timing and the quality of retirement living are fundamentally affected by the character of the years immediately before retirement. It is the aim of the Retirement History Study, by spanning a 10-year observation period, to learn in detail the connections between worklife characteristics, retirement timing, and the determinants of style, quality, and conduct of retirement.

A 50-State sample of persons aged 58-63 was interviewed for the first time in 1969. The purposeful selection of 1905 through 1911 for panel birth years produced a majority of respondents close to conclusion of their worklives and coincidentally committed the study to observation of a historically unique generation. While experiencing typical human development and responding to its stages they have crossed a particular his-

¹ See Edna Wentworth, *Employment After Retirement* (Research Report No. 21), Social Security Administration, Office of Research and Statistics, 1968; Edna Wentworth and Dena Motley, *Resources After Retirement* (Research Report No. 34), Social Security Administration, Office of Research and Statistics, 1970; Lenore A. Epstein and Janet H. Murray, *The Aged Population of the United States: The 1963 Social Security Survey of the Aged* (Research Report No. 19), Social Security Administration, Office of Research and Statistics, 1967; Lenore A. Epstein, "Early Retirement and Work Life Experience," *Social Security Bulletin*, March 1966; Lenore E. Bixby and Eleanor Rings, "Work Experience of Men Claiming Retirement Benefits, 1966," *Social Security Bulletin*, August 1969; and Patience Lauriat and William Rabin, "Men Who Claim Benefits Before Age 65: Findings From the Survey of New Beneficiaries, 1968," *Social Security Bulletin*, November 1970.

* Division of Retirement and Survivor Studies, Office of Research and Statistics.

torical scene and become already, because of that experience, different from their fathers. Study results and inferences from them must uniformly be qualified by that fact.

Biologically, study participants had much the same experience as their parents. Although they witnessed—and some profited from—impressive developments in understanding and control of disease, they are undergoing the still inevitable process of physical aging. For most of them, as for every population studied so far, sensory and physical deficits began to set in in middle age. Vision and hearing began to be less acute. Strength and endurance declined. The possibility of attack by a chronic illness increased.² Indeed, a part of the 1969 sample was already retired because of poor health.

Characteristic psychological development in adulthood is a less well-known process. Its nature is obscured by differential mortality rates among various categories of people—that is, specific personality types seem to be associated with biological longevity.³ Researchers appear to agree that adult personality change is affected by the individual's realization of and reaction to changes in himself and in the demands made upon him by society and people close and significant to him. On the nature of the determinant changes, studies are scant and more suggestive than definitive. It does appear that, with age, the drive for achievement lessens and interest in controlling one's surroundings increases. Older people often show decreased interest in extensive social lives and report more pleasure in deeper association with fewer individuals. As the 1905–11 birth cohort moved into middle age, its members, like others reaching that stage, probably came to hold opinions more firmly and, in seeming paradox, to be less self-confident. Several researchers have found independently that men and women differ in the ways in which, as they age, they change their styles of reaction not only towards people

but towards their social environment as well.⁴

Any 6-year birth cohort of Americans could be characterized as distinct from other cohorts—in its historical setting as well as in its prospects for the retirement phase of life. For that reason, the historical events that occurred in the lifetime of the cohort born in the years 1905–11 require specifying. The purpose of the research is to gain generally reliable information on the retirement process. Without control groups of earlier and later birth cohorts, as much knowledge as possible about historical and social influences is needed.

Whatever the nature of typical human development, it took place for these Americans in a specific historical setting that influenced not only their material lives, their health, the kind of work that occupied their adult years, their environment, and the means by which it is controlled but their inner, personal lives as well. They learned to value and strive for different things from those sought by previous generations. They look to different authorities for approval. And their own approval is accorded to different performances by others. Whether these distinctions have produced a new brand of retiree is yet to be seen.

The historical uniqueness of the immediate post-1900 birth cohort is easily recounted. Scholars of several disciplines agree in describing 1900 as a temporal "watershed"⁵ marking a new phase

⁴ David Gutman, *The Country of Old Men: Cultural Studies in the Psychology of Later Life*. Institute of Gerontology, University of Michigan, 1969; Raymond G. Kuhlen, "Personality Change With Age," in Philip Worchel and Donn Byrne (eds.), *Personality Change*, John Wiley and Sons, Inc., 1964, pages 524–525; Raymond G. Kuhlen, "Developmental Changes in Motivation During the Adult Years," in Bernice Neugarten (ed.), *Middle Age and Aging*, University of Chicago Press, 1968; Bernice Neugarten, "Adult Personality: Toward a Psychology of the Life Cycle," in Bernice Neugarten (ed.), *Middle Age and Aging*, University of Chicago Press, 1968; and Matilda White Riley and Anne Foner, *Aging and Society: Volume One, Inventory of Research Findings*, Russell Sage Foundation, 1968, pages 282–284.

⁵ This particularly apt word for the historical lines of distinction between generations was suggested in Leonard D. Cain, Jr., "Age Status and Generational Phenomena: The New Old People in Contemporary America," *The Gerontologist*, June 1967; Richard De Charms and Gerald W. Moeller, "Values Expressed in American Children's Readers: 1800–1950," *Journal of Abnormal and Social Psychology*, February 1962; Walter W. Rostow, *The Stages of Economic Growth*, Cambridge University Press, 1960; and Robert S. Lynd and Helen Merrell Lynd, *Middletown*, Harcourt, Brace, and Co., 1929.

² See, for example, James E. Birren (ed.), *Handbook of Aging and the Individual*, University of Chicago Press, 1961, chapters 15–24.

³ K. F. Riegel, "Research Designs in the Study of Aging, and the Prediction of Retest-Resistance and Death," *Proceedings of the 8th International Congress of Gerontology*, 1969, and K. F. Riegel, Ruth M. Riegel, and G. Meyer, "Social-Psychological Factors of Aging: A Cohort-Sequential Analysis," *Human Development*, October 1967.

in the social history of the United States. It is the approximate year of our technological maturity. Until about 1840 the United States was an agricultural society. Between then and 1900 tremendous changes took place in our ways of living, producing, and consuming. Industrial output regularly outstripped agricultural production.⁶ Individual inventiveness reached its highest peak in the 20-year period ending in 1900, when proportionately more patents were issued by the U.S. Patent Office than ever before or since.⁷ At about that point we entered upon a still-continuing phase of mass consumption.

The impress of the machine upon our way of life was not long invisible. In 1925, when Retirement History Study respondents were aged 14–19, Robert and Helen Lynd studied a representative “Middletown” where working, thinking, behaving, and planning contrasted noticeably with the life of the 1890’s. The shift from an economy of agriculture, crafts, and owner-operated businesses was near completion. The structure and pace of blue-collar work was no longer set by men but by their machines. In the business world, social inventions caused changes similarly drastic. Multiple specialist roles had appeared along the route from production to consumption. Small entrepreneurs were being hard-pressed by chain stores. Widespread use of credit had appeared and advertising was coming into its own.

The conduct and meaning of work, its role in the life of individuals and families, had undergone a basic change since 1900. Women, including married women, had entered the labor force in unprecedented proportions. The length of the workday and of the workweek had measurably contracted. All workers were delaying entry into the labor force from two to five years beyond ages that had been customary in the 1800’s. And the changing nature of work—particularly the newly omnipresent machine and its demands—was creating new disadvantages for older workers.⁸

Reactions to the new age helped make the generation born in the first decade of the twentieth century a different type of American—different

as workers, as parents, as citizens—probably now to be different as either retired or working older people. The accidents of history through which they passed intensified their distinctness. As a whole, they were better educated, had fewer children, worked fewer hours for better pay, experienced lower unemployment rates, and probably sent fewer men to war than the preceding 10-year birth cohort. Their setbacks in the depression of the 1930’s were probably shallower, and they have enjoyed as adults the country’s longest period of relatively uninterrupted prosperity.⁹

Industrialization and the accompanying urbanization of the country have meant important shifts in both the nature and functioning of the family—changes in which Retirement History Study respondents participated as children and as working adults and which will continue to affect them in retirement. The “traditional” family organization, likely to be father-dominated, with household tasks allotted according to sex identity, is giving way to “companionship” families where both work and authority are shared.¹⁰ Parents in the sample have participated in a society-wide shift in child-rearing practices—from emphasis on firm, disciplinary handling designed to produce children and adults internally driven toward “achievement,” to approval of more permissive, indulgent techniques that lead a child to value belonging to a group over his own individuality.¹¹ At the same time, the child’s autonomy vis-à-vis his own parents has come to be more highly valued than filial respect and obedience.¹²

This shift in family values, with other changes stemming from the country’s industrialization, means that the new generation of retirees faces a retirement phase that is also new. The roles of parents and all oldsters are different. Kinship

⁹ Leonard D. Cain, Jr., *op. cit.*, has a thoughtful, extended discussion of statistics outlining the distinctive characteristics of the 1900–1910 generation.

¹⁰ E. W. Burgess and H. J. Locke, *The Family, From Institution to Companionship*, American Book Co., 1945; Martin Gold and Carol Slater, “Office, Factory, Store—And Family: A Study of Integration Setting,” *American Sociological Review*, February 1958; and Martin U. Martel, “Age-Sex Roles in American Magazine Fiction (1890–1955)” in Bernice Neugarten (ed.), *Middle Age and Aging*, University of Chicago Press, 1968.

¹¹ Richard De Charms and Gerald W. Moeller, *op. cit.*, and Lawrence D. Haber, “Age and Integration Setting: A Re-Appraisal of ‘The Changing American Parent,’” *American Sociological Review*, October 1962.

¹² Martin U. Martel, *op. cit.*

⁶ Walter W. Rostow, *op. cit.*, chapter 9. See also descriptive tables in U.S. Bureau of the Census, *Historical Statistics of the United States*, 1960.

⁷ Richard De Charms and Gerald W. Moeller, *op. cit.*, page 139.

⁸ Robert S. Lynd and Helen Merrell Lynd, *op. cit.*, chapter 5.

relations and obligations are more tenuous. New social institutions have appeared: both private and public mechanisms for insuring against economic want have developed rapidly during this generation's adulthood.

SAMPLE

The sample design for this study is implicit in its title. A study of retirement from work life that considers a specific period of time makes necessary sample characteristics that the more usual cross-sectional studies of retirement do not have. Married women are not a sample category. Preliminary field interviews made it clear that for most married women of this generation "retirement" has little meaning apart from their husbands' stopping work. The plans to continue study of the same persons for at least 10 years and the need for refined, meaningful multivariate analysis over that period required initial selection of almost twice as many respondents as a comparable one-time, cross-sectional project would have needed. Death, respondent movement, and respondent dropouts from the study are expected ultimately to reduce sample size by about 50 percent. Since an important purpose of the study is inquiry into the timing of retirement, particularly when it occurs unusually early, it was decided to include respondents in their late fifties. The resulting sample, drawn from all 50 States, comprises men aged 58-63, regardless of marital status, and women of the same ages who were not, when selected, living with spouses. The respondents were selected by the Bureau of the Census from members of households that had participated in the Current Population Survey.¹³

STUDY CONTENT

Selection of subjects for study involved dovetailing the issues with the greatest relevance for the social security program with those factors indicated as likely determinants of retirement

¹³ More detailed discussion of sampling considerations is found in Lola M. Irelan and Joseph Steinberg, "A Retirement History Study," in *Proceedings of the Social Statistics Section, American Statistical Association*, 1968. The sample design of the Current Population Survey is detailed in U.S. Bureau of the Census, *The Current Population Survey—A Report on Methodology*, Technical Paper No. 7, 1963.

behavior in other studies of retirement and aging.

Worklife is covered in detail. Questions were asked in 1969 about the sample members' longest-held jobs, as well as those at which they were working at the interview time. In subsequent biennial data collections, their job history in the periods between interviews is being recorded. The type of work, number of hours of work per week, salary, availability of work-related retirement benefits, and some attitudes toward work are inquired into. Sources of income, as well as earnings are studied, as are the amount and kind of assets owned. Key expenditure items and patterns of consumption are recorded. In particular, health care expenses and the sources of their payment are studied. Health and health changes are indexed by questions on relative disability, by amount of health care, and by self-assessment from respondents themselves. Respondents' living patterns—size and composition of households, type of living quarters, extent of contact with relatives, friends, and other persons—are a part of the study.

Potentially important in both retirement decisions and postretirement patterns, the work lives and several key attitudes of the wives of the men in the sample are being recorded. And, at the heart of the study, a set of items is aimed at retirement expectations and realizations—timing (if, indeed, retirement is planned or occurs), reasons for both retirement and its timing, retirement resources, extent of work after formal retirement, and individual anticipation of the pleasantness or unpleasantness of retirement.

In the spring of 1969, this project's first data-collection year, a panel of 11,153 members of the nation's 1905-11 birth cohort were interviewed. A series of reports will describe, as they were then, the cohort characteristics most likely to influence future retirement. Work and financial status, living arrangements, health, certain expenditures, and current retirement expectations will be reported in some detail. As a setting for these detailed reports, a preliminary, descriptive summary of the cohort's salient traits can be given.

The modal educational level, a factor shown in other research¹⁴ to have observable, clear results

¹⁴ Matilda White Riley and Anne Foner, *op. cit.*, page 445, and Richard Barfield and James Morgan, *Early Retirement: The Decision and the Experience*, University of Michigan, 1969, pages 57, 69, 76, and 78.

both in timing and conduct of retirement, is moderate and not notably different from that of persons born before 1900. Among the men, 56 percent have 9 or more years of schooling—including 38 percent with a high school education or more and 9 percent with 16 or more years of school attendance. Fifty-eight percent of the sample's women finished at least 9 years of education, 40 percent completed their high school education or more, and 7 percent attended school for 16 or more years.

Education's influence on retirement is exerted most powerfully through occupational and income possibilities. About half of the employed in the cohort worked in manual occupations (54 percent of the sample's male workers, 45 percent of the women workers). Women predominated in the service occupations, men as craftsmen and foremen. Forty-seven percent of the women worked in white-collar jobs and 20 percent of the men. The men, more frequently than women, were proprietors, officials, and managers (17 percent compared with 7 percent), and they worked on farms more frequently (9 percent compared with 1 percent).

Patterns of withdrawal from worklife have been found to vary considerably among occupational categories.¹⁵ In fact, the nonworkers in the sample tended to come more frequently from the manual occupations. Sixty-seven percent of the men who previously worked last held manual jobs, 59 percent of the women.

The amounts reported by workers in this age group for their annual rates of earnings at their present jobs ranged widely. Twenty-two percent reported current earnings at the rate of \$10,000 or more, a third of them \$15,000 or more. Seven percent were earning less than \$2,500 per year. Of the working women, 4 percent were earning at the rate of \$10,000 or more at the time of the survey; 24 percent of these women earned less than \$2,500.

The combined effect of education, occupation, and income upon retirement filters through several important intervening factors. Foremost for

¹⁵ Abram J. Jaffe, "The Retirement Dilemma," *Industrial Gerontology*, Summer 1972, pages 1-88; Herbert Parnes, et al., *The Pre-Retirement Years* (vol. 1), Ohio State University, Center for Human Resource Research, 1968, page 184; and Herman J. Loether, "The Meaning of Work and Adjustment to Retirement," in Arthur B. Shostak and William Gamberg (eds.), *Blue Collar World*, Prentice-Hall, Inc., 1964.

men is marital status.¹⁶ Married men have generally been found to be more likely to be working—and therefore less likely to be retired—than single men of the same age.¹⁷ This group is no exception: Seventy-seven percent of men with wives in the household were working full time at the time of interview, contrasted with only 59 percent of the men with no wives present.

Activities and resources of wives themselves can be expected to influence working men's retirement. The increasing proportion of married women among the country's workers is well-reported.¹⁸ This is probably one of the earliest retirement cohorts in which notable numbers of men will have wives with meaningful work histories, a factor that could be important in accumulation of retirement resources and in the mutual effect of the couples' work lives upon each other. Of men with wives present, 28 percent have wives with part-time jobs. Fifteen percent of working wives have been on their current jobs 20 years or more; about 7 in 10 of them are earning \$3,000 or more a year.

Health and physical ability to work form another facet of the life situation that will sharply influence retirement behavior.¹⁹ Three-fourths of the panel aged 58-63 consider themselves to be as healthy or healthier than other people their age. More than three-fifths report no physical or job-related disabilities.

Some, to be sure, were already retired. Seventeen percent described themselves as completely retired, and 9 percent said they were partly

¹⁶ The influence of marital status on women's retirement plans cannot be examined because of the design sample. See the text under "Sample," page 6.

¹⁷ Matilda White Riley and Anne Foner, *op. cit.*, pages 48 and 51.

¹⁸ Vera Perrella, "Women and the Labor Force," *Monthly Labor Review*, February 1968, and Harold L. Sheppard, *New Perspectives on Older Workers*, W. E. Upjohn Institute for Employment Research, 1971, page 41.

¹⁹ Richard Barfield and James Morgan, *op. cit.*, pages 42-43; Erdman Palmore, "Retirement Patterns Among Aged Men," *Social Security Bulletin*, August 1964; Herbert Parnes, *op. cit.*, page 193; Virginia Reno, *Retirement Patterns of Men at OASDHI Entitlement* (Preliminary Findings From the Survey of New Beneficiaries, Report No. 2), Social Security Administration, Office of Research and Statistics, March 1971, page 11; Ethel Shanas, "Health and Adjustment in Retirement," *The Gerontologist*, Spring 1970; and Gordon F. Streib and Clement J. Schneider, *Retirement in American Society: Impact and Process*, Cornell University Press, 1971, page 65.

retired. The largest portion of the completely retired (69 percent) left their last jobs because of health. Of those describing themselves as partly retired, 49 percent said health was the reason.

Working or not, in good health or poor, these people approaching the standard retirement age displayed a variety of life styles. Ninety-seven percent lived in houses or apartments. Of the nonfarmers, 61 percent owned or were buying their homes. A few lived in hotels, rooming houses, or trailers. Eighty-five percent of the men were married and living with their wives; only 5 percent had never been married. Of the women who met the sample's specifications, 64 percent were widows and 16 percent had never been married.

Three-fifths of the married couples, about half the men without wives, and a little more than half the women lived with no other person in the household. Considerable numbers, however, of both the currently and the formerly married had children still present in the household—a small number of them under age 17. Some lived with other relatives and a number with nonrelatives. Family groups of more than two generations were rare but did appear in the sample. Eighty-five percent of the households included no more than three persons. Some had parents living with them.

In considering the statistics reported here and those in the more detailed reports that will appear later, it should be kept in mind that a very

specific set of people is being studied. The focus of the study is the retirement process. The population selected for study were the groups most involved in the work force—men, and women without husbands in the household. Therefore, since most married women were excluded from the sample, findings from this study cannot be generalized to the whole 1905–11 birth cohort. Nor, although the sample comes as close as was economically practical, do the working people in the panel represent the 58–63-year-old workers of the country. Some of the married women who were not included were genuine career workers. Many women who appear in the sample because no husband was present at the time of its selection are widows who were really career housewives. The sample is one with a very specific purpose—Americans selected because they gave the best promise of contributing to knowledge about the retirement process.

To summarize—the Office of Research and Statistics of the Social Security Administration has begun a 10-year study of the process of retirement in the United States. A sample of persons aged 58–63 was interviewed in 1969 on key socioeconomic topics, including retirement status and anticipations. The same panel will be reinterviewed biennially for the duration of the project. The result, it is expected, will be detailed understanding of the factors affecting retirement timing, patterns of work in retirement, and the comparative quality of preretirement and retirement living.