Retirement from Three Perspectives: Individuals, Organizations, and Society

Aging and Work in the 21st Century, 2nd Edition

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Abstract

An increasingly older U.S. population, driven by the aging baby-boomer generation born after World War II, is resulting in a rapidly aging workforce. This phenomenon will almost necessarily lead to larger numbers of retirements, which may bring new challenges to individuals, organizations, and society. Retirement is not just a function of aging, however, because it involves a complex process due to a host of influential factors. In fact, although retirement ages in the U.S. once seemed to be steadily declining, this trend reversed long ago, so that retirement ages have now been increasing slowly but steadily for several decades. Because retirements can be important to individuals who retire, to their employing organizations, and to the larger society in which they operate, we review retirement research from these varied perspectives. We note future research needs and pay special attention to publications since 2007, when we had written a chapter on a similar topic.

It has often been noted that retirement is an important issue for researchers in multiple fields (e.g., Beehr & Bennett, 2007; Shultz & Wang, 2011). The baby-boomer generation, a result of the large birth rate in many countries during an approximately 20-year period after World War II (Hatcher, 2003), made retirement an important research topic as that cohort approached retirement ages *en masse*. The present review and essay focuses mainly on the U.S., where the impending large retirement cohort is often considered a problem. It is interesting that it can be considered a current problem when there has been so much lead-time and knowledge about it that has been readily available for decades. Perhaps political leaders can be criticized for not enacting much-needed legislation about issues such as retirement funding until crises are near. For example, in the U.S., President Reagan and Senator O'Neill worked together to reform the nation's social security program when its funding was becoming unsustainable thirty years ago, but the U.S. may be approaching another such decision point as this is being written. Researchers might also be criticized, however, for similarly not looking very far ahead. As a somewhat personal example, the second author published a comprehensive review of retirement research and theory a few decades ago (Beehr, 1986). Tracking its citation rate, one can see that it was widely ignored by other researchers until the baby-boomer generation started to be considered a potential crisis to retirement funding. The Web of Science site (information obtained September 14, 2017) shows that retirement review article was cited 22 times in the first ten years after its publication and 38 times in the ten years after that. In the subsequent ten years, however, as people began to consider a potential retirement crisis looming, it received 107 citations. Perhaps, researchers are as prone as politicians are to ignore issues until they start looming as potential crises. In any event, retirement has now caught our attention.

The baby-boomer generation has affected U.S. life in many ways over the decades. After "burdening" or at least changing society, communities, and families in the form of large numbers of children requiring care, expanding sizes of schools, more teenage drivers, increased demand for specific forms of entertainment (e.g., young-adult oriented movies), an expanding workforce, and a host of other effects as they grew and matured, the baby-boomer generation now requires specific types of health care for older adults and consideration for how to fund increased numbers of retirees.

In addition, retirement itself is difficult to define, or more precisely, perhaps it has many definitions. Scanning the research on retirement across several disciplines, it is operationally defined as receiving some kind of pension income, subjective self-reports that one is retired, voluntarily (or not) leaving the paid workforce after reaching an old age, changing jobs (often with reduction in hours or pay) after reaching an old age, and some combination of these. The widespread recognition that there is more than one definition or type of retirement, rather than simply being total withdrawal from the workforce at an old age, complicates the retirement studies (Shultz & Wang, 2011). This review takes a broad approach, considering retirement to have many legitimate definitions and forms.

THREE PERSPECTIVES ON RETIREMENT

We take the position that retirements can affect and be affected by individuals, their organizations, and the larger society (Beehr & Bennett, 2007; Lee, Zikic, Noh, & Sargent, 2017). Regarding the individual "level," retirement has an inherently personal character. In countries such as the U.S., where mandatory retirement is mostly abolished by law, the decision to retire is officially an individual's decision (not the government's or the organization's), although other people may have influences on the decision (e.g., a spouse). Furthermore, retirement usually represents a major change in the person's life and probably her or his self-image, activities and use of time, and interpersonal contacts, as well as the responses of others to him or her. Organizations can try to affect who and how many people retire at a given time by, for example, offering retirement incentives to its older employees (Wang & Shultz, 2010). In addition, organizations often have some members whose loss would be especially detrimental because of their various skills and contributions, but they also can have others whose loss would not make the organization less effective. It is not necessarily one group versus the other (employees who are viewed as more or less effective in their jobs) who retire at any one time, however.

From the societal perspective, larger or smaller proportions of retirees among a population are likely to affect the nature of life and of a society's institutions. This is due in part to the changes in the size of specific needs, such as need for eldercare facilities, for money to disburse in the form of government pensions, for more housing in a region where retires prefer to retire, and for public transportation that is user-friendly for retirees, for example. Of course, society can also affect who and how many people retire, with its cultural norms, the pattern of its government spending for pensions under what conditions and for what ages of workers, and so forth.

Individuals and Retirement

Why individuals retire—predictors. As we noted in a review about a decade ago (Beehr & Bennett, 2007), one of the key research issues in retirement is *why* people retire. Variables offering answers include health, family situations, social pressure, workers' performance, subjective life expectancy, and financial resources (e.g., pensions, expected social security income, and early retirement incentives) (Wang & Wanberg, 2017). Working conditions such as decision authority, recognition, and physical and psychological job demands are also significant factors affecting retirement preferences/decisions (Carr et al., 2016). It can be difficult to study retirement at the individual level due to its predictors varying so widely.

Retirement is a process involving a series of decisions regarding timing and form of retirement rather than a single, one-time event. The decision to retire may be driven by three interconnected assessments of the work situation over time: imagining the possibility of a future retirement, assessing when it is time to let go of long-time jobs, and putting concrete plans for retirement into action at present (Feldman & Beehr, 2011). Furthermore, these stages could occur within a short time interval or over a period of years. Despite the time that can be involved in moving toward retirement decisions, many retirement studies are cross-sectional. They might gather data, for example, from retirees and ask for retrospective reports of factors that could predict the retirement decision, or they might measure future retirement plans and intentions about retirement behaviors that have not happened yet. Both approaches have inherent problems that are avoided with more difficult and costly data collections over a period of years (Fisher & Willis, 2013).

A study using five-year panel data on workers 57-79 years old addressed retirement issues by exploring possible associations between retirement intentions and actual retirement behavior. Retirement intentions, including making decisions about what age to retire, preference for a certain retirement age, and contemplating continuing working after becoming eligible for a pension, were all reflected in actual subsequent retirement behavior (Solem, Syse, Furunes, Mykletun, De Lange, Schaufeli, & Ilmarinen, 2016). Earlier work also showed an expectation-intention-action chain of retirement decisions: Expectations predicted intentions, and intentions subsequently predicted action (Prothero & Beach, 1984). Fortunately, results of both studies substantiate the use of retirement intentions as a proxy for actual retirement behavior.

Individuals' forms of retirement. Over time, research on retirement has made it increasingly clear that there are many forms or types of retirement, including partial retirement most easily identified by people formally retiring from one job but then working fewer hours per week in another job. Researchers often refer to the second job as a bridge job. Bridge employment is considered to be a transition into full retirement later on, but it may not work out that way (e.g., if the person dies before becoming fully retired), as we have noted previously (Beehr & Bennett, 2015). Bridge jobs as a form of partial retirement also include continued employment in the same career, but with a reduced time commitment for the same employer; in addition to retiring and then working part time for the same or a different employer, some bridge jobs include becoming self-employed part or full time.

In addition, retirees may engage in bridge employment in the same type of work or in entirely new work domains. Need for additional income can be a reason for obtaining bridge employment, but it often is not, because people work for more than one functional reason (e.g., obtaining sense of accomplishment or social contact). It has become clear over the last couple of decades of research that bridge employment is very common in the U.S.; at least half of the older U.S. workers with full-time career jobs take on bridge jobs before fully retiring (Bennett, Beehr, & Lepisto, 2016).

Effects of retirement on the individual's family—outcomes. Retirement decision-making is not always done entirely by the older employee alone; sometimes, for example, it is seen as a joint decision of a couple within the family context. Retirement for married women tends to occur within the context of their husbands' work and retirement behavior, while men are less likely to be influenced by their wives' retirement decisions (Wong & Hardy, 2009). However, if retirement were involuntary, the employment/retirement status of a partner plays a large role for retirement decisions among men (Radl & Himmelreicher, 2015).

Involvement in one's spouse's retirement decision may not be all positive, however; for both sexes, the retiring spouse tends to be less satisfied with his or her retirement if the spouse had strong influence on the decision to retire (Szinovacz & Davey, 2005). Also, longitudinally, the happiness of one partner may be affected by the status of the other, because retirees are less satisfied if their spouse still works for pay. Simultaneous retirement can allow spouses to spend more time with each other, and either that is a good thing or the retired spouse thinks it would be a good thing. But of course spouses may be not be ready, as individuals, to retire at the same time. Ho and Raymo (2009) reported that about 40% of men and women expect to retire around the same time as their partner, despite the fact that the wives are usually younger and have less time in the workforce than their husbands. This last fact often means that the women would, on average, receive less money from their pensions than if they waited longer to retire. The positive view, however, is that retired couples can enjoy each other's company and may happily engage in activities together.

We did not find much new empirical research since our review a decade ago (Beehr & Bennett, 2007) to update knowledge about the potential effects that retirement has on families. At that time we had reported evidence that it can have some benefits, even though the reports come from studies that seem to focus on marital conflict leading to dissatisfaction after retirement. For example, in a national survey, husbands noticed fewer "strong" arguments after their wives retired (Szinovacz & Schaffer, 2000), and husbands' retirements were followed by more calm discussions. Although these are good signs for retirement's effects on families (or at least on husbands and wives), some of these findings held only for couples in which one or both spouses were strongly committed to the marriage. Beehr and Bennett (2007) also reported a very specific finding that husbands who relax physiologically and have positive affect while talking to their wives were happier five years later in retirement. The same was not as true for wives, however (Kupperbusch, Levenson, & Ebling, 2003). Other recent reviews have also reported few empirical studies specifically on retirement and families in the last decade (Matthews & Fisher, 2013; Rauer & Jensen, 2016). We conclude, similar to them, that many of the existing empirical research results on this topic are inconsistent, and the relationship between family life and retirement is not clear. Potential relationships in need of more research include whether married people have more positive attitudes toward retirement, whether there is any relationship between family issues and seeking bridge employment, the degree to which division of labor on family chores changes very much after retirement, and whether either work-family enhancement or work-family conflict is related to decisions to retire.

Retirement and individuals' gender. Historically, men were greatly over-represented in samples used to study retirement effects (Beehr & Bennett, 2007). Because women comprise a large percentage of the modern workforce, it is important to know if they react in relation to retirement in the same way that men do. For instance, women's retirement timing is much more influenced than men's by family experiences. Women who have children living at home during preretirement years or who have ever been divorced intend to retire relatively late (Damman, Henkens, & Kalmijn, 2015), whereas women who are part of dual-earner couples are more likely to be retired earlier if their spouses are in poor health (Denaeghel, Mortelmans, & Borghgraef, 2011). Men are more likely to delay retirement if their spouse has poor health, which suggests women might take the role of care-taker more than men (similar results by Dentinger & Clarkberg, 2002; Talaga and Beehr (1995). Family responsibilities may also be a special reason why women would engage in bridge employment; that is, if they need employment for financial reasons but also feel care-taking obligations are a priority, a part-time job would make that more feasible. More research is needed in order to be certain of these possible gender differences, however.

Gender may interact with retirement planning. Overall, having retirement plans is related to being in better health, having more resources in general, and feeling fewer obligations (Devaney & Kim, 2003). Women, especially those without partners, are often disadvantaged regarding their living standards and tend to be less financially prepared for retirement than men (Noone, Alpass, & Stephens, 2010). Furthermore, women tend to focus on their retirement planning in the health and interpersonal/leisure areas (Petkoska & Earl, 2009); they also may be more health-conscious and relationship-conscious after retirement (e.g., Loe & Johnston, 2016). Men, on the other hand, set clearer financial goals for retirement; thus, the kind of retirement planning the sexes do may have different emphases (Wang & Shi, 2014). One study of Israeli working men approaching retirement also showed that they expected to have continuity of their lifestyle after retirement; they had anxiety linked to uncertainty before retiring, but a year after retiring, they generally decided their anxiety had been unwarranted (Nuttman-Shwartz, 2004). We note that research on one of the sexes only (e.g., Loe & Johnston, 2016; Nuttman-Shwartz, 2004) can only provide suggestive evidence about sex differences, however, because sex is a constant rather than a variable in such studies.

There is, of course, formal help available for people approaching retirement, so that if there are some average gender differences in preparedness, retirement planning or training can alleviate deficiencies. Many of the training programs focus on financial planning for older workers (e.g., Devaney & Kim, 2003), which could disproportionately aid women if it is true that they overlook this domain more than men. Such planning could include not only savings and investment, but also finding (bridge) employment.

Organizations and Retirement

At the organization level, questions include how the organization can affect employees' retirement decisions and how retirement affects the employing organization. Compared to our knowledge about retirement at the individual level, there is less research knowledge available regarding organizations and retirement (Beehr, 2014). In fact, some articles seem to classify almost any work-related variable as organizational, perhaps in order to find enough information to discuss. Examples include employees' career goal achievement and commitment, job involvement, job alternatives, and perceived pressure to retire (Bennett et al., 2016), as well as employees' say or influence about the timing of their retirement, choice to retire, and favorable conditions for exit (Wong & Earl, 2009). However, most of these variables could be categorized as individual-level reactions to the job rather than something the organization is doing or something affecting the organization.

Organizational influences on retirement—predictors. An organization's type of retirement plan is thought to be one factor in encouraging or discouraging turnover, and it also may be a factor in encouraging and discouraging retirement. In the U.S., there has been a large-scale change in retirement pension systems offered by organizations, from defined benefit to defined contribution plans (Quinn & Cahill, 2016). In defined benefit plans, organizations/employers "guarantee" to pay retirees a given stipend per month after they retire from the organization, whereas in defined contribution plans organizations "guarantee" to contribute a certain amount of money (usually per paycheck) to an account from which the employee can draw after retiring. In the U.S., the government has encouraged the use of defined contribution plans in recent decades by passing laws allowing money in retirement funds such as Individual Retirement Accounts (IRAs) to be tax-free until it is withdrawn. In addition, the experience of some organizations defaulting on their defined benefit plans during difficult economic times has probably prodded a move in the direction of defined contribution plans. With defined contribution plans, the money is invested, and the investment risk is borne by the individual instead of by the organization; that is, the organization promises little or nothing after making its contribution (no promise of a certain level of pension benefits in retirement, which would put the risk burden on the organization).

Regarding defined contribution plans, however, it is probably not widely known yet that some organizations have defaulted on them too. In the United Kingdom, for example, some employing organizations have taken “pension holidays” in which they went for a period without contributing money to their employees’ defined contribution retirement accounts (de Thierry, Lam, Harcourt, Flynn, & Wood, 2014). This is often done on the grounds or rationalization that the money already invested is doing well in the stock market, and so there is little need for the organization to contribute constantly. Of course, this logic only spreads the risk to *both* parties if, during a stock market downturn, the organization invests more in these defined contribution accounts, a phenomenon that remains to be seen. Thus, with *either* defined benefit or defined contribution retirement plans, organizations can renege on their financial promises to their employees; fortunately however, this is not the norm for either form of organizational pension plan.

Reading the literature on retirement, we conclude that there has been at least an implicit belief that defined benefit plans might be best for the employee or retiree. They are also thought to help the organization deter turnover, because the employee is often paid very little when entering the organization at a young age but has not only the promise of wage increases over time, but the ultimate payoff of a pension by staying in the organization until old age. Thus, seniority payoff systems (including retirement pensions after workers become most senior and retire) may keep older workers in the organization. These retirement plans can make it harder to recruit older workers if that becomes a desirable practice, however, because they are tied to their current employer. Another issue about seniority pay systems keeping older workers in the organization longer is that the older workers are likely to become less effective workers than younger employees *on a cost basis* (this is not saying older workers necessarily perform worse). That is, if employees' pay increases consistently over time, their productivity also needs to increase over time, just to break even in terms of being as valuable to the organization as a younger and lower-paid employee.

Overall, the defined benefit plans might make employees more likely to retire if they feel the security of a steady pension income, whereas the defined contribution plan, psychologically, is likely to promote more uncertainty about payouts. In addition, if turnover of older employees is an event to be avoided, then the organization can embrace promotion-from-within policies, which suggests a promise of advancement and higher pay as employees age in place toward retirement (de Thierry et al., 2014). Competency-based rewards might also help encourage older employees to engage in forms of training, as they remain longer before leaving or retiring. This goes against many organizational practices of promoting training primarily for young employees, on the grounds that training older employees might not be justifiably financially. That is, the investment in training older employees would not pay off if the training is costly and if the older trainees retire too soon after receiving the training (Liu, Courtenay, & Valentine, 2011). It is often thought that older workers do not want to engage in training (e.g., review by Truxillo, Cadiz, & Hammer, 2015), but the organization may need to find ways to encourage their development if it wants them to delay retirement and remain productive employees into older ages (Liu et al., 2011). At a minimum, organizations can tactfully suggest ways for older workers to update their skills (Taneva, Arnold, & Nicolson, 2016).

One reason organizations might be changing to defined contribution plans is related to a view that they might be less risky to the organization (no need to guarantee future payouts). However, the change also may exemplify some organizations' common financial view that retirees with defined benefits, like employees in general, represent costs, and costs are of course to be minimized. In contrast to a finance view, the human resources management view is that employees are assets and tools to be managed and for the organization to benefit from. If the organization is not benefitting from older employees, it can offer retirement incentives, which often work in inducing older employees to retire (de Thierry et al., 2014). Of course, that must depend in part on the size and details of the incentive offer.

Lee et al.'s (2017) recent qualitative of human resource managers inductively developed a typology consisting of four approaches that human resources departments, as agents of the organization, can take toward their employees' retirements or impending retirements: gatekeeping, improvising, orchestrating, and partnering. Gatekeeping is a kind of maintaining orientation in which organizations are relatively passive, mainly keeping track of retirement rates, taking replacement actions where appropriate, and keeping track of costs of these. Improvising is somewhat more reactive, where the organization keeps track of more specific variables such as skills needed in the organization and skills available in the (external) workforce. Orchestrating is more active still and includes a focus on formal retirement policy. It is more likely to include developing and using policies about workers retiring part-time or even retiring and returning (bridge employment) if there is an organizational need. Partnering is the most interactive, with older workers, their managers, and the human resources department interacting; it could be the most innovative and experimental, with each party capable of suggesting ways to deal with retirements. This typology can serve as a template for future research to determine what conditions lead organizations to adopt each stance toward retirements.

Retirees' influence on organizations—outcomes. It is sometimes in the organization's interest to have either more or fewer retirees (i.e., a higher or lower rate of retirements during a given period of time). At times, retirements can be one somewhat painless way of downsizing (usually less painful to the parties than layoffs), but if there are labor shortages, keeping rather than losing older workers might be in the organization's interest. Some organizational policies, therefore, are likely to purposely encourage retirements, while others are likely to discourage them.

On the other hand, losing the most experienced employees can have another downside, especially if large numbers of employees retire in a short period of time, which can occur when baby-boomers retire. Besides simply replacing them, some institutional knowledge may slip away. For example, some of the most veteran employees are likely to have such very specific knowledge, such as historical reasons why the organization's processes are done the way they are, where to go for help when something goes wrong (where specific knowledge resides in the organization), and why one vendor's products are more reliable than another's. In principle, such organizational knowledge could be transferred to the remaining employees, but there is little research directly on this type of knowledge-transfer phenomenon (Burmeister & Deller, 2016).

The bridge employment phenomenon noted earlier (employees working for pay after retirement; Beehr & Bennett, 2015) is also a point of contact between organizations and employee retirements. There are many types of bridge employment, and some of them involve working for organizations. Retired employees can work for the same organization where they worked before retirement or for a different organization. Retired professors, for example, might teach courses for the same university or for a different institution, and some professors may decide to retire part-time, by teaching fewer classes for the same organization and receiving less pay, maybe simultaneously also drawing retirement pay (e.g., social security or defined contribution withdrawals) as they near the end of their working life. These obviously have implications for the organization. If the organization has a need for the retirees' services, it can make the process of bridge employment in the same organization easier and more financially rewarding, for example, but if the organization does not have a need, it can decline to engage in such practices. Organizations can attempt to encourage senior employees to become bridge employees who stay, by offering flexible schedules, but offering them chances to mentor others or to obtain more training do not appear to be successful incentives (review by Beehr & Bennett, 2015).

A unique situation regarding bridge employment revolves around occupations in which retirement commonly occurs at younger ages; examples include military personnel and some public safety positions (Hill, Snell, & Sterns, 2015). After retiring from these occupations, many people obtain a bridge job in another organization. Because it is predictable that there will be "young" retirees from these occupations, organizations in certain industries seeking to fill part- and full-time positions might specifically recruit retirees from police and military organizations. Examples could include security firms or organizations in any industry looking for skills related to police and/or military jobs. Thus, organizations may actively seek to benefit from retirees from other organizations by employing them in bridge jobs.

Organizations have always been concerned about retirement of their employees, whether because of the cost of replacing them, because it might be a convenient way to downsize, because of a concern over how to fund retirements, or because keeping one's own or obtaining another organization's retirees as new employees can be useful. These situations have not been studied very intensively however, and future research is needed to inform us of the benefits and pitfalls of organizational practices related to these concerns.

Society and Retirement

By society, in relation to retirement, we mean the largest aggregate of people who live under relatively common conditions, laws, and cultures. In this section, we mainly discuss possible relationships of retirement trends within a country, using nation as the operational definition of society. Perhaps like any other generational cohort, large numbers of retires can affect demand for various products, in this case products (and services) that are desired by older people with leisure time, perhaps fewer skateboards and more three-wheel bicycles for example, or maybe a demand for health care specialists in health issues that are more common among older people. The society can also affect retirements and retirees with its policies toward older generations and retirees in general. There are generally unanswered (and maybe unanswerable) questions at the societal level, such as how much retirement is best for society, who should pay for people's retirements, what is the status of retirees in a society, and do people really need to retire?

This review focused especially on retirement factors in the U.S., but there are wide variations worldwide in some retirement variables, such as typical retirement ages, whether there is a mandatory retirement age, and the typical age or rate of aging in various countries (e.g., OECD, 2016; Taneva et al., 2016; Truxillo et al., 2015). In the United States, there are more retirees than ever before as the employees of the baby-boomer generation, born between 1946 and 1964, are expected to live as retirees for quite a few years (Beehr & Bennett, 2007). The percent of people turning age 65 is now rapidly increasing (Quinn & Cahill, 2016). Even though 65 is no longer a universal mandatory retirement age in the U.S., aging of the population will almost inevitably result in more retirees living in the nation (this is not necessarily true, because people could instead work until they die, or they could leave the country when they retire).

Society's influence on retirement—predictors. Society, in the form of its government, influences who and how many people will retire through its laws and policies. It can pass laws about the definition and ages of retirement, the availability and generosity or meagerness of pensions and retiree health care, and the general treatment of retirees versus others. Although many laws are based on cultural values, culture also includes less formalized influences. In the form of its culture, a society also influences the social situation of retirees by providing them with a higher or lower status and expectations for how they should behave, should cope, and should be treated by others.

In general, some Western societies may devalue old age, showing up in age discrimination at work for example (Schermuly, Deller, & Büsch, 2014), and by extension, perhaps also generally devaluing retirees and retirement. Thus, there is some tendency for retirees to have a low status and less respect compared to those still in the workforce. Employees' self-perceived workability declines as they reach older ages (McGonagle, Fisher, Barnes-Farrell, & Grosch, 2015), although older employees in one recent qualitative study seemed to report their late career might be thriving as much as declining (Taneva et al., 2016). Self-perceptions of decline, however, predict withdrawal from the labor force, and for older employees, that often means retiring. Perceptions of lower ability may also mean the person has less value in society or lower status; if retirement is considered a sign of lower ability, then the retiree is likely to have lower status.

The status of retirement is relative however, and it can depend on a comparison status. We can see this by considering the older person who has a choice of identities or roles. Compared to working for pay, retirement tends to have a lower status, but compared to being unemployed retirement has a higher status (e.g., Wetzel & Mahne, 2016). Thus, an older worker who is unemployed may choose to become retired instead, thereby increasing his or her status in society. Depending on a retiree's age and work history, and on a nation's retirement laws, the differences in these two societal roles might include more money (if some form of pension is available that pays more than available unemployment compensation) as well as higher status. Overall, it might make a better impression in one's culture to say, "I am a retired professor" than to say, "I am an unemployed professor," for example.

Effects of retirement on society—outcomes. When people retire, they often lose resources (e.g., Wetzel & Mahne, 2016), and if we interpret resources broadly, they could include money (if retirement pay is less than employment pay), friends and social contacts (with coworkers), and authority and expertise (if these were held due to one's job status), among other things. Work can be a major source of someone's identity, sense of self-worth, and how he or she is treated by others in society. From an economic point of view, retirees can be considered a cost to society, because they are no longer contributing materially with their labor, but they are continuing to use society's resources. If they have amassed a large amount of money before retiring, they may seem to be using few of society's resources and contributing to society's economic engine if their money is spent locally or deposited in financial institutions that invest it in ways that drive a nation's economic growth. Nevertheless, the retiree is not needed for this purpose, only his or her money; the money is benefitting society more than the person.

If this discussion of the relationship between retirees and society seems grim, there are also favorable elements. Older workers who retire tend to experience their health as better (e.g., Eibich, 2015; Syse, Veenstra, Furunes, Mykletun, & Solem, 2017), perhaps especially their subjective view of their own health. This might be related to functional health. Poor health might have made it more difficult to function on some jobs, making small health issues seem more important, and health therefore seems to improve if one can function well in the role of a retiree. This has implications for national health care systems, such that encouraging retirement may delay older people's felt need for medical treatment.

We note, however, that widespread increases in automation, information technology, and service jobs reported in the U.S. Bureau of Labor Statistics data show substantially fewer jobs requiring physical exertion than existed decades ago (e.g., Church et al., 2011). The result is that physical vigor is less often a requirement for modern jobs. Nevertheless, older workers may use their seniority to move into different, less demanding jobs; this may remove an incentive to retire earlier (Gommans et al., 2016), and we can speculate that the trend toward older workers (and probably others) having less physically demanding jobs might also delay both retirement and health care actions.

In addition, the very definition of retirement is important in determining the favorability or unfavorability of retired life. Bridge employment, if we define it loosely, is exemplified by an older worker who works for pay after retiring from a long-held job (e.g., Beehr & Bennett, 2015). Society can encourage or discourage this status by its pension laws, such as allowing people of a certain age to receive government pensions while still working for pay (including limiting or not limiting the number of hours worked in conjunction with receiving a pension). If older citizens want to continue working but in a different job and with reduced hours, for example, they can be financially enabled to do so by some retirement pension laws. Being able to choose one’s type of retirement status (e.g., fully retired or bridge employed), may result in more satisfactory retirements.

Income variability in the U.S. in general has been widening in recent decades, but a society can affect disparity in retirees’ incomes through its taxing and retirement pensions systems. For example, society, through government enacting laws, can choose to generally tax some sources (e.g., businesses, wealthy or poorer people, retirees or workers) more or less, and to disperse pension funds more or less generously. It can also make pension amounts variable, based on wealth and other income of retirees for example, allowing it to influence the disparities in wealth and income. The move toward defined contributions retirement plans in the U.S. may have increased the disparity in retirement incomes, because wealthy and high income people tend to put much more money into these plans. These plans, encouraged by tax laws, greatly benefit wealthier workers, but for poorer workers, even those participating in defined contribution plans, the amount of money in their retirement plans is often negligible (e.g., Quinn & Cahill, 2016).

Regarding effects on retirement in general, at one extreme, if government were to tax very little, provide a great deal of money in pensions, and allow retirement pensions at young ages, it is more difficult for government to spend money on other desirable things. On the other hand, if it levies very high taxes, pays only small retirement pensions, and allows retirement pensions to be received only at very high ages, then older workers and retirees may suffer but other programs can be funded. There are many other scenarios possible for society, through government, to affect retirements.

The large shift in the U.S. from defined benefits to defined contributions pension plans (e.g., de Thierry et al., 2014; Polivka & Baozhen, 2015; Quin & Cahill, 2016) has been spurred by government, for example by offering and promoting in various forms, tax-free retirement savings. This is likely attractive to many employers, because some of them have had trouble supporting their employees with traditional employer pensions after they retire, due to a number of circumstances (e.g., general economic downturns, specific company performance, and poor financial planning with retirement funds). As noted above, defined contribution plans might also play a role in widening income disparities among retirees, however, because wealthier, higher income people have more money to contribute to these plans. Widening income gaps among workers may be especially likely to lead to widening income gaps among retirees under typical defined contributions plans. If this is considered a problem, a solution is for the government and retirement experts to exhort people to save more for their own retirements now that there are fewer defined benefits plans, but the fact is many people do not follow this advice. This could contribute to further widening of the gap between rich and poor retirees and return the U.S. to a time before Social Security, wherein poverty and old age commonly went together (e.g., Quinn & Cahill, 2016).

Financial issues thus may vary greatly among retirees, but so do other important life issues. Retirees may desire to have widely varying retirement life styles; for example, some may want to spend more time with their families wherever they live, some may move to a warmer climate, some may live in a rural area and some an urban area, some may do extensive travelling, and others may engage in meaningful volunteer work or hobbies, for example. Society's or government's policies can affect viability of different retirement styles and therefore the quality of retirees' lives. A one-size-fits-all retirement policy is unlikely to satisfy everyone equally (e.g., Noone, O'Loughlin, & Kendig, 2012). Government programs including medical care for retirees can be made more available in rural locales, tax breaks can be provided for certain volunteer work, transportation can be discounted for retirees, and housing can be subsidized for retirees in warmer locales, as examples.

Overall, the proportion of a society's people who are retired at any one time is likely to interact with other factors, such as who pays to support retirees, the social status of retirees, what retirees do (e.g., bridge employment and volunteerism) during their retired years, what their saving or spending/consumption patterns are, where they live, and their health care arrangements, to influence a multitude of societal variables. Such variables include political arguments, tax patterns, parts of the economy, and unequal political and economic pressures for various services in different geographical regions of the country. Because of these effects, society (in the form of government-enacted laws) responds by trying to encourage more or fewer people to retire.

DIRECTIONS FOR FUTURE RESEARCH

In this chapter we reviewed the retirement process, as well as its predictors and outcomes, from individual, organizational, and societal perspectives. Although publication of studies on retirement have been increasing rapidly and providing rich suggestions, multiple research questions still remain. For example, existing literature on retirement covered many of the predictors affecting the (early) retirement decisions and actions at the individual level, but noticeably less attention has been given to society and especially organizational level predictors of retirement. Future research should investigate the potential factors that may influence the retirement process at more macro levels. It would also be important to examine how each variable at the three different levels can interact with each other in order to better understand the complex retirement planning and decision processes.

Older workers are increasingly accepting bridge jobs for various reasons, but we do not know the effects of bridge jobs on organizations and society. By addressing this research question, future studies can provide answers on why bridge jobs matter from a multi-level perspective. Although individual-level predictors of bridge employment are slowly becoming better understood, research regarding what organizational or societal factors make employees work in bridge jobs is still lacking. Organizations could create specially designed jobs for bridge workers or encourage job crafting behaviors by them as strategies to make employees approaching typical retirement ages remain in their career jobs, even if only part-time.

A recent study suggests that older workers initiate changes in their current jobs that allow them to adapt if their abilities have changed. This may help them adjust their job's demands and fulfill their old or changed motives, which leads them to stay healthy and age more successfully at work (Lichtenthaler, Lichtenthaler, Fischbach, & Fischbach, 2016). Because of their long work experience and job tenure, many older workers know their abilities and (future) work requirements. Therefore, individualized job crafting behaviors may help older workers continue working after reaching common retirement ages, modifying their jobs and motivation. Future research needs to pay attention to job crafting activities among aging employees and its effects on time to retirement and bridge employment decisions.

Retirement is accompanied by substantial changes in lifestyles, and many studies have shown accompanying retirement outcomes in terms of financial, physical, and psychological well-being. However, the influence of retirement on families, in particular, is still under-researched. Future research needs to examine the effect of retirement on one's spouse and family members, who can both affect and be affected by the employee's retirement.

At the societal level, the baby-boomer generation has become a focus and concern to some retirement researchers, often just because of its sheer size and potential to disrupt retirement funding and other issues for society. There are many commonly assumed features about that generation and how it is different from others, but there is little strong evidence for most of those assumptions (other than what its size will be). One recent study reported that work interfering with family life occurred less and family interfering with work occurred more for this generation than for later generations, and that the family being the most central part of life characterized boomers more than later generations (Bennett, Beehr, & Ivanitskaya, 2017). More research should be done to confirm this, but if these are indeed special features of the baby-boomer generation, we could speculate that they especially do not want work that interferes with the most important part of their lives—their families. Flexible work policies that some organizations already have in effect, such as policies allowing flexible schedules, part-time schedules, or working from home, might accommodate some older employees or bridge employees who want to focus more on family life than other generations do on average. More research on these arrangements specifically in relation to retirees is needed. Because of the age of the boomers, we speculate that the concern for family may be as much a concern for their grandchildren as for their children, which could be different from younger generations. Research could address, for example, whether the retirees living near and providing care for grandchildren create a desire for flexible working arrangements.

CONCLUDING REMARKS

Causes and consequences of retirement are apparent at the individual, organizational and societal levels. It has been recognized for quite some time that many countries have a baby-boomer generation working its way toward old age and retirement, and its leading edge is now in the process of retiring. We noted in our 2007 (Beehr & Bennet) review that individuals were spending longer parts of their lives in retirement than previous generations did; this has been due to both longer life spans and earlier retirement ages, trends that occurred over a long period of decades. We note in closing, however, that the trend in the U.S. toward retiring at earlier ages stopped some time ago and has actually reversed (Munnell, 2015), which will probably reduce the amount of ones' lives spent in retirement by a few years.

Researchers have increased their amount of study on retirement over the last decade or more, and so we are rapidly filling in the gaps to our knowledge about it. There are even new journals focusing on older employees and their retirement issues (e.g., *Work, Aging, & Retirement*), another sign of increased interest in the topic. One special issue that has increasingly caught researchers' interest is bridge employment, broadly defined as working for pay after retirement. Bridge employment is of practical importance for individuals who may wish to engage in it, organizations who might want to hire retirees into bridge jobs, and societies that may need more employees during times of high employment rates.

Finally, as we noted in 2007, predictions about retirement in the future are inherently difficult due to unforeseen events and conditions, such as economic depressions, major wars, disease epidemics, climate changes, or large-scale migrations. Nevertheless, we believe now that, somewhat ironically because little seems to have been done about it until the last minute, the major influence of the baby-boomer generation on retirement levels was slow-moving but inexorable, is now upon us, and is probably going to turn out to have been quite predictable.

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