

## Optional Reading: Work, Retirement and Leisure

**Work.** According to the United States Census Bureau, in 1994, approximately 12% of those employed were 65 and over, and by 2016, the percentage had increased to 18% (McEntarfer, 2019). Looking more closely at the age ranges, more than 40% of Americans in their 60s are still working, while 14% of people in their 70s and just 4% of those 80 and older are currently employed (Livingston, 2019). Even though they make up a smaller number of workers overall, those 65- to 74-year-old and 75-and-older age groups are projected to have the fastest rates of growth in the next decade. See Figure 10.5 for the projected annual growth rate in labor force by age in percentages, 2014-2024.



Figure 10.5. Percentage labor growth by age group

Livingston (2019) reported that, similar to other age groups, those with higher levels of education are more likely to be employed. Approximately 37% of adults who are 60 and older and have a bachelor's degree or more are working. In contrast, 31% with some college experience and 21% of those with a high school diploma or less are still working at age 60 and beyond. Additionally, men 60 and older are more likely to be working than women (33% vs. 24%). Not only are older persons working more, but they are also earning more than previously, and their growth in earnings is greater compared to workers of other ages (McEntarfer, 2019). Older adults are proving just as capable as younger adults at the workplace. In fact, jobs that require social skills, accumulated knowledge, and relevant experiences favor older adults (Erber & Szuchman, 2015). Older adults also demonstrate lower rates of absenteeism and greater investment in their work.

**Transitioning into Retirement.** For most Americans, retirement is a process and not a one-time event (Quinn & Cahill, 2016). Sixty percent of workers transition straight to bridge jobs, which are often part-time, and occur between a career and full retirement. About 15% of workers get another job after being fully retired. This may be because they do not have adequate finances after retirement or do not enjoy their retirement. Some of these jobs may be in **encore careers**, or *work in a different field from the one in which they retired*. Approximately 10% of workers

begin phasing into retirement by reducing their hours. However, not all employers will allow this due to pension regulations.

**Age Changes in Retirement.** Looking at retirement data, the average age of retirement has declined from more than 70 in 1910 to age 63 in the early 1980s. However, this trend has reversed and the current average age at retirement is now 65. Additionally, 18.5% of those over the age of 65 continue to work (US Department of Health and Human Services, 2012) compared with only 12% in 1990 (U. S. Government Accountability Office, 2011). With individuals living longer, the average amount of time a retired worker collects social security once retired is approximately 17-18 years (James, Matz-Costa, & Smyer, 2016).

**When to Retire.** Laws often influence when someone decides to retire. In 1986 the Age Discrimination in Employment Act (ADEA) was amended, and mandatory retirement was eliminated for most workers (Erber & Szuchman, 2015). Pilots, air traffic controllers, federal law enforcement, national park rangers, and fire fighters continue to have enforced retirement ages. Consequently, most workers can keep working if they choose and are able to continue meeting job qualifications. Social security benefits also play a role. For those born before 1938, they can receive full social security benefits at age 65. For those born between 1943 and 1954, they must wait until age 66 for full benefits, and for those born after 1959 they must wait until age 67 (Social Security Administration, 2016). Extra months are added to those born in years between. For example, if born in 1957, the person must wait until 66 years and 6 months. The longer one waits to receive social security, the more money will be paid out. Those retiring at age 62, will only receive 75% of their monthly benefits. Medicare health insurance is another entitlement that is not available until one is aged 65.

**Delayed Retirement.** Older adults primarily choose to delay retirement for economic reasons (Erber & Szuchman, 2015). Financially, continuing to work provides not only added income, but also prevents the employee from dipping into retirement savings which may not be sufficient. Historically, there have been three parts to retirement income, namely, social security, a pension plan, and individual savings (Quinn & Cahill, 2016). With the 2008 recession, pension plans lost value for most workers. Consequently, many older workers have had to work later in life to compensate for absent or minimal pension plans and personal savings. Social security was never intended to replace full income, and the benefits provided may not cover all the expenses, so elders continue to work. Unfortunately, many older individuals are unable to secure later employment, and those especially vulnerable include persons with disabilities, single women, the oldest-old, and individuals with intermittent work histories.

Some older adults delay retirement for psychological reasons, such as health benefits and social contacts. Recent research indicates that delaying retirement has been associated with helping one live longer. When looking at both healthy and unhealthy retirees, a one-year delay in retiring was associated with a decreased risk of death from all causes (Wu, Odden, Fisher, & Stawski, 2016). When individuals are forced to retire due to health concerns or downsizing, they are more likely to experience negative physical and psychological consequences (Erber & Szuchman, 2015).

**Retirement Stages.** Atchley (1994) identified several phases that individuals go through when they retire:

- **Remote pre-retirement phase** *includes fantasizing about what one wants to do in retirement*
- **Immediate pre-retirement phase** *when concrete plans are established*
- **Actual retirement**
- **Honeymoon phase** *when retirees travel and participate in activities they could not do while working*
- **Disenchantment phase** *when retirees experience an emotional let-down*
- **Reorientation phase** *when the retirees attempt to adjust to retirement by making less hectic plans and getting into a regular routine*

Not everyone goes through every stage, but this model demonstrates that retirement is a process.

**Post-retirement.** Those who look forward most to retirement and have plans are those who anticipate adequate income (Erber & Szuchman, 2015). This is especially true for males who have worked consistently and have a pension and/or adequate savings. Once retired, staying active and socially engaged is important. Volunteering, caregiving and informal helping can keep seniors engaged. Kaskie, Imhof, Cavanaugh and Culp (2008) found that 70% of retirees who are not involved in productive activities spent most of their time watching TV, which is correlated with negative affect. In contrast, being productive improves well-being.

**Elder Education.** As discussed in the previous chapter, attending college is not just for the young. There are many reasons why someone in late adulthood chooses to attend college. PNC Financial Services surveyed retirees aged 70 and over and found that 58% indicated that they had retired before they had planned (Holland, 2014). Many of these individuals chose to pursue additional training to improve skills to return to work in a second career. Others may be looking to take their career in a new direction. For some older students who are no longer focused on financial reasons, returning to school is intended to enable them to pursue work that is personally fulfilling. Attending college in late adulthood is also a great way for seniors to stay young and keep their minds sharp.

Even if an elder chooses not to attend college for a degree, there are many continuing education programs available that focus on a wide variety of topics. In 1975, a nonprofit educational travel organization called Elderhostel began in New Hampshire with five programs for several hundred retired participants (DiGiacomo, 2015). This program combined college classroom time with travel tours and experiential learning experiences. In 2010 the organization changed its name to Road Scholar, and it now serves 100,000 people per year in the U.S. and in 150 countries.

**Leisure.** During the past 10 years, leisure time for Americans 60 and older has remained at about 7 hours a day. However, the amount of time spent on TVs, computers, tablets or other electronic devices has risen almost 30 minutes per day over the past decade (Livingston, 2019). Those 60 and older now spend more than half of their daily leisure time (4 hours and 16 minutes) in front of screens. Screen time has increased for those in their 60s, 70s, 80s and beyond, and across genders and education levels.

This rise in screen time coincides with significant growth in the use of digital technology by older Americans. In 2000, 14% of those aged 65 and older used the Internet, and now 73% are

users and 53% own smartphones. Alternatively, the time spent on other recreational activities, such as reading or socializing, has gone down slightly. People with less education spend more of their leisure time on screens and less time reading compared with those with more education. Less educated adults also spend less time exercising: 12 minutes a day for those with a high school diploma or less, compared with 26 minutes for college graduates.