Profiling Plans for Retirement

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Actual decision making for retirement is largely inaccessible to investigation, yet research can focus on plans as a window into the preretirement process. This article proposes a construct that profiles five generic types of retirement plans, including plans to retire completely, retire partially, change jobs, never retire, and uncertainty about retirement. The heuristic value of the construct lies in its recognition of the heterogeneity of retirement intentions. The five plan types were operationalized among workers aged 51–61 in the 1992 Health and Retirement Study. Convergent validity was demonstrated by comparison to analogous survey questions. Construct validity was shown by predictable relationships between intentions and elements of workers' opportunity structure. The retirement-plans construct can serve as the foundation for a taxonomy of specific retirement plans (e.g., about timing, employment), to organize research on stability and change in retirement intentions, and characterize the path dependence of eventual retirement behavior.

How people come to retire as they do is an enduring topic of interest. We outline an extended conception of retirement decision making that identifies workers' plans for retirement as provisional intentions creating paths toward later behavior. In order to provide a conceptual tool for research about plans, we propose here a scheme to characterize workers' general stance toward retirement. We examine the validity of our multinomial construct for measuring plans, and discuss its usefulness for research on the retirement process.

Although a great deal of research has been organized around the "retirement decision," these investigations have usually studied the outcomes, rather than the actual making, of decisions. These outcomes — retired or not, early or late, partially or completely — surely do proceed from personal decisions in the context of opportunity. Yet, outcome studies leave processes of decision making largely unobserved (exceptions being specific studies of temporary incentive programs, e.g., Hardy and Quadagno, 1995). Moreover, the identification of outcomes with presumed decisions suggests that decision making for retirement is an end-game election of practicable alternatives.

Consider, rather, the idea that decision making for retirement extends over a considerable period of time — years — prior to the retirement event, and so the retirement behaviors (that are the focus of so much research) have antecedents in earlier decisions made and remade that will have channeled workers toward particular outcomes. At this juncture, two questions present themselves: How does research access the stream of decision making, and, How might upstream decision making be consequential for eventual retirement behavior?

Plans as Provisional, Consequential Decisions

Workers' engagement with the prospect of retirement is normative. With the institutionalization of retirement in the modern life course (O'Rand, 1990), few adults can be unaware that they will encounter the question of retirement. Exactly when this encounter begins to be personally salient is hard to say, yet there has been some study of how the encounter unfolds as a preretirement process of role exit (Ekerdt and DeViney, 1993; Karp, 1989). From this research, it is reasonable to expect that workers' anticipatory involvement with retirement is underway during their 50s.

With advancing age, workers progressively engage (or are brought by others to engage) in questions about their retirement. Will it happen? When? Under what arrangement? To the extent that workers entertain ideas about what they will do, or may do, or will not do, we contend that workers are engaged in provisional decision making for retirement, and that these ideas are their plans. Plans, more formally, are behavioral intentions about retirement. Workers' decision-making occasions are not readily accessible to research, but behavioral intentions are, and there is a considerable tradition of research on intentions (as disclosed by survey techniques) as the precursors of behavior (Azjen and Fishbein, 1980). Plans, then, are the practical window into decision making for retirement at any remove from the event. In the array of such intentions (or lack thereof), decision making for retirement becomes quite available for study.

Given the norm of retirement in the modern life course, why do workers entertain plans for this or that sort of retirement, or no plans at all? We posit that workers anticipate their late career and retirement alternatives from within an "opportunity structure" composed of biographical and situational factors that make action conceivable in the pursuit of valued goals (Baron and Hannan, 1994; Blau, 1994; Merton, 1968). Workers have choices, options, and alternatives, but only as opportunity allows. Workers who intend to act in ways for which they have small opportunity (e.g., retire at 55) will have unstable plans.

An outline of the opportunity structure includes many of the same factors that have been used to predict the retirement behavior that is temporally downstream from plans (Feld-
complete.

While plans anticipate later transitions, these intentions are also of interest and of consequence for the interim behaviors they may prompt along the way. Such preparation steps are instrumental acts that workers undertake in pursuit of a goal-directed activity such as retirement (Bagozzi and Warshaw, 1992). The acts that flow from intentions may include steps such as a savings program, acquisition of information, the resolve to work toward pension eligibility on the current job, positioning oneself for a post-retirement job, the purchase of retirement property, or announcing intentions to family and coworkers. Cumulatively, these steps and signals would create a course toward particular outcomes and away from others. There may be, to borrow a phrase from elsewhere in social science (Arthur, 1989), a “path dependence” to retirement decision making wherein early choices constrain later options.

Plans, we allow, may change over time. Aside from studies of the expected timing for retirement (Anderson, Burkhauser, and Quinn, 1986; Bernheim, 1988; Ekerdt, Vinick, and Bossé, 1989; Nestel, 1985), little is known about the dynamics of behavioral intentions toward retirement. To what plans do workers hold fast over time? What factors contribute to unwavering plans? Do plans change dependably from one type to another? If the opportunity structure, composed of such biographical and situational factors as sketched above, is the platform for timing at any one point in time, then change in these elements should herald a change in plans. Such turns as job loss, position changes, health events, divorce or widowhood, advancing age, additional tenure, a changing labor market, and other alterations of opportunity should prompt workers to reexamine their plans in ways that are theoretically predictable. Moreover, plans not buttressed by instrumental preparation steps should be especially vulnerable to revision when opportunity shifts.

Ultimately, knowledge of the planning history should add considerable explanatory power to models of retirement behavior. The deeper and longer the intention to retire in a particular way, the stronger will be the link between intention and behavior. When a worker retires completely, or takes a postretirement job, or forgoes Social Security in favor of continued employment, such a step is likely to be an outcome that has been constrained, facilitated, and funneled down by years of living with the knowledge of retirement as an occupational eventuality (Ebaugh, 1988). Preparation steps that flow from intentions are “side bets” (Becker, 1960) made on the way to retirement that commit workers to paths they cannot readily reverse. The obverse of these active goal-directed behaviors is preparatory passivity that later bars workers from adopting paths that they had earlier forsaken. We contend, therefore, that workers’ progressive implication into a course of action for retirement can be observed through the series of plans that they entertain over time, thus expanding the temporal scope and explanatory set for analyses of retirement behavior.

An Economical Profile of Retirement Plans

An extended model of retirement decision making requires a strategy for measuring workers’ plans for retirement. Various types of indicators have been used to describe the anticipation of the retirement event and retired life. The focus in this article is on plans, that is, personal designs or intentions toward the conclusion of the work career and the initiation of retired life. Designs and intentions for retirement can be characterized along several dimensions. We can describe plans according to the foreseen eventuality of retirement: workers think they will retire, they won’t retire, they don’t know. Plans can be made for the projected timing of transitions at some age or date, which is also bound to one’s planned manner and mix of pension receipt. Plans can also be made about sequences of employment, e.g., shifts from full-time employment to partial retirement or complete retirement, or a shift from wage employment to self-employment. Plans can be organized around a life style, e.g., retirement to a certain place, or for a long-awaited second career.

So intertwined are these dimensions that no single one adequately captures the complexity of retirement plans as uniquely personal futures sketched in with more or less precision and certainty. Single dimensions also focus attention on holders of specific plans (e.g., retire by age 62), with those not holding the intentions relegated to a residual status. We think, however, that it is possible to subsume multiple dimensions and characterize the heterogeneity of workers’ retirement plans using a limited number of categories.

We propose a multinomial construct that economically profiles generic types of retirement plans. This construct, moreover, can serve as the foundation for a taxonomy, or conceptual arrangement of all sorts of specific plans. Ideally, this construct should have enough categories to encompass adequately the variety of workers’ outlooks, but not so many as to be analytically unwieldy. In our view, the categories should also characterize workers’ current ideas about next or proximate transitions, not their notions about patterns of possible moves or the final situation. Lastly, the categories should faithfully reproduce what previous survey research has disclosed to be workers’ typical responses about anticipated retirement arrangements (e.g., Louis Harris, 1979; Nestel, 1985).

The following five-category construct that we propose anticipates the major types of retirement behavior. Plans for behavior are thus classified nearly as the behavior could itself be classified (e.g., Myers, 1991). The first and simplest category comprises workers who plan to retire completely — the classic retirement. Full-stop retirement is the eventual destination for most workers, but it is not necessarily the present plan that they entertain. The second and third categories describe more complex paths to implied, eventual retirement (Doeringer, 1990). One is the group who are...
planning partial retirement or some reduced-effort arrangement. The other group are those who think that they will obtain another job after the current job, not exactly retiring but not remaining either.

The last two groups of older workers are usually not included in analyses of retirement planning, but they have an authentic stance. One group would be those who explicitly refuse to entertain the idea of retirement, people who, whatever else they intend for future employment, reject the encounter with retirement. Persons who say they will “never” retire are excepting themselves from the idealized life course, and they deserve focal status. The final group would be those with no particular plans, a perfectly reasonable outlook that recognizes workers’ uncertainty about the future. This group is quite important to recognize because they may be risking disorderly, ill-considered transitions. Indeed, without this last type, our construct fails to encompass the heterogeneity of retirement plans and merely describes labor supply alternatives.

These five general plans for retirement — complete retirement, partial retirement, serial positions, never retire, and uncertainty — should suffice to characterize the stances of all older workers. Other details of retirement planning, we would argue, can be analyzed secondary to the general stance. Thus, timing, further occupational arrangements, pension scheduling, and other life-style questions can be viewed as elaborations of the basic intention. This is not to say that workers first form general plans and then decide details; rather, we think that plans can be placed first in a taxonomic and analytic hierarchy.

If our multinomial construct is to serve as a conceptual tool for research on retirement plans, we need to establish that such a tool is sound. For our proposed multinomial typology of retirement plans, this was done in two ways: first, by examining the convergent validity of the categories, comparing responses with analogous questions, and second, by examining construct validity, checking the predicted association of plans categories with elements of the opportunity structure. With confidence in the validity of the plans categories, we can proceed to discuss a more elaborate taxonomy of plans and further discuss ways by which this scheme might organize research on the preretirement process.

METHODS

Study Population

The analysis is based on data from the baseline 1992 Health and Retirement Study (HRS), a nationally representative sample of persons aged 51–61 and their spouses regardless of age (Juster and Suzman, 1995). Total sample size for the first wave of this biennial longitudinal survey was 12,562 persons in some 7,000 households. The study population for the present analysis included all persons aged 51–61 in the core sample; persons from Black and Hispanic oversamples were not included. These 8,017 cases were further reduced by including only current workers who also claimed they had not completely retired. This study population of 5,072 workers aged 51–61 was 47.3 percent female, 11.7 percent non-White, with 83.7 percent of respondents working 35 or more hours per week.

It is important to remember that, in these cross-sectional data, the older ranks of this age range will have already experienced labor force departures due to early retirement. Of the 8,017 persons aged 51–61 in the core sample, 1,118 claimed to be retired and also not currently working. When compared to our study population of 5,072 workers, these already retired persons are older by a mean 1.7 years, are somewhat more likely to be females (53.4%) and non-Whites (14.7%), and they have a mean 0.8 fewer years of education. To the extent that retirement plans are associated with such characteristics as age or gender — and they are — the distribution of plans in a population will follow population characteristics. Yet it should be borne in mind that the dynamic of selective (early) retirement does not bias the distribution of plans in cross-section because retirement plans are ideas only available as a practical matter from workers not yet retired. However, within a workers’ cohort observed over time, the prevalence of plans will shift as members retire.

Measures

The five retirement-plan types were operationalized from a survey question that followed a series on current employment. Workers were asked first about the “usual retirement age” on their main job, and then, “Are you currently planning to stop working altogether or work fewer hours at a particular date or age, to change the kind of work you do when you reach a particular age, have you not given it much thought, or what?” Although this question did not explicitly mention retirement, the preceding question would have set responses in a retirement context.

Multiple responses (as many as eight) could be recorded for each respondent, though few gave more than one response. We categorized these responses in a hierarchical fashion, first grouping (1) all persons who said they planned to “stop work altogether,” (2) then all who would “work fewer hours,” (3) then all who would “change the kind of work” or “work for myself,” (4) then all who would “never stop work,” and (5) then all who “had not given it much thought” or “had no current plans.” Workers with “other” responses (n = 23) were dropped from the analysis. These five categories (Table 1) were labeled Stop Altogether, Reduce Effort, Change Job, Never Stop, and No Plans. Respondents in the first three categories had also been asked the age at which they planned to make the change.

These mutually exclusive categories nevertheless contained some individuals who offered more than one response. Based on planned ages for the change, workers were reassigned to the earliest occurring status if they expressed multiple plans to Stop, Reduce, or Change Jobs. If workers expressed plans to Stop and also to Reduce or Change Jobs at the same age, they were re-assigned to the latter statuses. In all, 0.5 percent of cases were shifted among categories for expressing serial retirement plans. The final distribution of the plans categories for 5,049 workers is shown in Table 1.

To test the convergent validity of the plans scheme, three analogous survey items about retirement expectations (located elsewhere in the interview) were involved in this
analysis. One pair of items asked respondents to state the chances on a 0–10 scale that they would be working (at any job) full-time past age 62 and past age 65. Another item asked workers, "When do you think you will retire?" or retire "completely" in the case of partial retirees; responses in calendar years were converted to expected ages. The final item asked whether, when they retired, respondents would want to stop paid work entirely or continue some paid work.

Ten other variables were included for the analysis of construct validity, testing the predicted consistency of retirement plans with aspects of the opportunity structure in which older workers are lodged. We can describe these elements and discuss their predicted association with retirement plans under three headings: ascribed statuses, work situation, and individual factors. Descriptive statistics for all measures are shown in Table 2.

Among ascribed statuses, gender is an important context for opportunity. A large and growing body of literature provides a sound basis for gender-based differences in work histories (DeViney and O’Rand, 1988). Women are less likely than men to have had long, uninterrupted work careers at the kinds of occupations that reward workers with greater

Table 1. Association Between Retirement Plans Categories and Analogous Survey Questions

<table>
<thead>
<tr>
<th>Retirement Plan Category</th>
<th>Stop Altogether</th>
<th>Reduce Effort</th>
<th>Change Job</th>
<th>Never Stop</th>
<th>No Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>1,058</td>
<td>998</td>
<td>459</td>
<td>361</td>
<td>2,173</td>
</tr>
<tr>
<td>Percent of 5,049</td>
<td>21.0</td>
<td>19.8</td>
<td>9.1</td>
<td>7.1</td>
<td>43.0</td>
</tr>
<tr>
<td>Cumulative percent planning transition:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ age 60</td>
<td>25.7</td>
<td>32.0</td>
<td>46.1</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>≤ age 62</td>
<td>70.9</td>
<td>69.5</td>
<td>72.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ age 65</td>
<td>98.8</td>
<td>95.8</td>
<td>92.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median age</td>
<td>62</td>
<td>62</td>
<td>60</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Chances of working full time (mean, 0–10 scale):
   - Past age 62: 3.1, 5.0, 4.7, 6.9, 5.5
   - Past age 65: 0.9, 2.7, 2.5, 5.4, 3.2

2. Expected retirement age: Percent thinking that they will:
   - Retire < 62: 27.8, 14.9, 25.5, 5.5, 8.5
   - Retire at 62–64: 44.6, 27.9, 23.7, 7.8, 22.4
   - Retire at 65: 16.2, 18.1, 13.1, 11.4, 18.9
   - Retire > 65: 7.6, 18.0, 13.1, 11.9, 14.9
   - Never retire: 0.7, 12.1, 13.7, 48.2, 13.6
   - Don’t know: 1.6, 7.8, 8.7, 13.6, 20.2
   - Other: 1.6, 1.1, 2.2, 1.7, 1.4

3. Would like paid work when retired (percent):
   - Stop entirely: 57.4, 8.9, 10.0, 5.5, 18.3
   - Continue some: 38.4, 89.2, 87.4, 86.1, 76.0
   - Don’t know: 4.3, 1.9, 2.6, 8.3, 5.7

NA = Not applicable.

Table 2. Independent Variables: Descriptive Statistics and Correlations With Plans Categories as Separate Binary Variables (N = 4,746)

<table>
<thead>
<tr>
<th>Variable (range)</th>
<th>Mean (SD)</th>
<th>Stop Altogether</th>
<th>Reduce Effort</th>
<th>Change Job</th>
<th>Never Stop</th>
<th>No Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female (0–1)</td>
<td>.48</td>
<td>.008</td>
<td>-.090*</td>
<td>-.081*</td>
<td>.004</td>
<td>.109*</td>
</tr>
<tr>
<td>White (0–1)</td>
<td>.88</td>
<td>-.016</td>
<td>.024</td>
<td>-.027</td>
<td>-.010</td>
<td>.015</td>
</tr>
<tr>
<td>Age (51–61)</td>
<td>55.58 (3.1)</td>
<td>.070*</td>
<td>.052*</td>
<td>-.041*</td>
<td>.025</td>
<td>-.088*</td>
</tr>
<tr>
<td>Private pension (0–1)</td>
<td>.56</td>
<td>.174*</td>
<td>-.018</td>
<td>.100*</td>
<td>-.100*</td>
<td>-.134*</td>
</tr>
<tr>
<td>Core sector job (0–1)</td>
<td>.44</td>
<td>.041*</td>
<td>.030</td>
<td>.050*</td>
<td>-.030</td>
<td>-.070*</td>
</tr>
<tr>
<td>Occupation’s prestige (14–82)</td>
<td>40.53 (13.8)</td>
<td>.026</td>
<td>.062*</td>
<td>.055*</td>
<td>-.035</td>
<td>-.084*</td>
</tr>
<tr>
<td>Self-employed (0–1)</td>
<td>.19</td>
<td>-.127*</td>
<td>.112*</td>
<td>-.077*</td>
<td>.076*</td>
<td>.020</td>
</tr>
<tr>
<td>Education (1–17)</td>
<td>12.68 (2.8)</td>
<td>-.006</td>
<td>.063*</td>
<td>.077*</td>
<td>-.007</td>
<td>-.086*</td>
</tr>
<tr>
<td>Work limitation (0–1)</td>
<td>.09</td>
<td>-.001</td>
<td>.017</td>
<td>.005</td>
<td>.023</td>
<td>-.028</td>
</tr>
<tr>
<td>Currently married (0–1)</td>
<td>.78</td>
<td>.054*</td>
<td>.021</td>
<td>.023</td>
<td>-.048*</td>
<td>-.049*</td>
</tr>
</tbody>
</table>

*p < .01.
incomes and benefits (including pensions) as well as greater value in the labor market. Relative to men, women should be less likely to see themselves leveraging their occupational advantages into complex paths to retirement. Mindful of marital and family claims on their time, they should also have greater uncertainty about retirement. Race mirrors gender in many ways. Past employment discrimination toward non-Whites may, in particular, have steered them into occupations that are less likely to be covered by pensions (Belgrave, 1988; Gibson, 1987). This would serve to limit the range of choices, especially the option of early retirement with continued employment. Age, as an index of time, should funnel individuals toward greater certainty about retirement and a more realistic appraisal of choices (Henretta, 1994). In another sense, older age indexes survivorship at work and foreclosed chances to enact more complex plans.

Considering the work situation, pension eligibility, other than Social Security, is an important predictor of retirement behavior (Gustman, Mitchell, and Steinmeier, 1994; Quinn, Burkhauser, and Myers, 1990), and we expect it to be a major context for retirement planning, particularly the option of complete retirement. First, the pension may promise enough income to excuse future employment. Second, pension offerings may carry rules that require a complete withdrawal from the labor force. Third, detailed pension rules may also focus workers on the eventuality of retirement, thus reducing uncertainty (Ekerdt, Vinick, and Bossé, 1989). A binary indicator of coverage by a private pension (other than Social Security) was derived from HRS items about workers’ participation in employer’s pension or tax-deferred retirement plan, as well as self-employed workers’ participation in Keogh plans.

Employment in the core industrial sector, defined as oligopolies or monopolies, is an occupational context in which workers are more likely to have pension coverage and steady work histories, thus encouraging specific plans for retirement (Hendricks and McAllister, 1983). The career patterns and informal timeframes that are in common in core industries also convey expectations about the timing for retirement (Henretta, 1994). A binary indicator of core employment for respondents’ current occupation was based on Beck, Horan, and Tolbert’s (1978) measure of the dual economy.

Workers who have greater control over their circumstances of work, as indexed by occupational prestige, can command more choices and more rewards than workers in lower prestige occupations. Such labor market advantages would increase the conceivability and attainability of post-career positions, second careers, and partial retirements — the complex paths to retirement (O’Rand, 1986). Current, main occupations were coded for prestige according to scores used by the National Opinion Research Center for the General Social Survey (Davis and Smith, 1990).

Self-employment is an interesting status that, overall, would be less likely to channel workers to a full retirement (Quinn, 1980). Self-employment tends to foster personal investment in the job situation, with a higher cost to individual identity for a complete withdrawal from work. To conserve that identity, self-employed workers may refuse to entertain retirement plans. At the same time, being one’s own boss should give the self-employed greater ability to reduce hours and slip into partial retirement. Self-employment on the main job was incorporated in the analysis as a binary variable.

Among individual factors, education gives individuals greater market control and hence a wider range of prospective choices for retirement (Campbell and Henretta, 1976). More years of education, while associated with pension coverage, are also associated with occupations that have noneconomic rewards — gratifications that an individual may want to conserve with extended employment arrangements. Education was measured in years of formal schooling, coded in the HRS to a maximum of 17 years.

Just as health limitations prompt retirement behavior, so these circumstances should also focus workers’ retirement plans away from uncertainty and toward a full retirement or a reduction in effort (Hayward and Hardy, 1985). Health was measured by a binary indicator of work limitations, derived from a “yes” answer regarding any impairment or health problem that limits one’s kind or amount of paid work.

Marital status, finally, should influence individual workers’ view of the future. Married couples, for example, tend to conceive of retirement as a conjugal project (Vinick and Ekerdt, 1991), and so married workers should have more certainty about their retirement plans and should also favor the full-retirement option as a greater resource for their time in retirement. Marital status was included as a binary indicator: currently married versus all other groups.

Data Analysis

The consistency of the plans categories with analogous survey questions was examined with cross-classifications. The construct validity of the categories was examined with a multinomial logistic regression technique (Aldrich and Nelson, 1984). The technique generated estimates of the likelihood of “membership” in one category of retirement plans versus another category given one’s standing or score on an independent variable net of other independent variables. The 10 independent variables measured aspects of workers’ opportunity structure as described above. Nonlinear effects for age, occupational prestige, and education were not detected. The results presented here describe contrasts between all possible pairs of the plans construct.

RESULTS

The proportion of the sample assigned to each of the retirement plans categories is shown in Table 1, along with other information about the convergent validity of the plans classification. The plans categories can be understood as older workers’ current idea about their next move; we can assume that people may have further ideas and that their current plans may change.

As we have categorized them, approximately one-fifth of these workers aged 51–61 planned to Stop Altogether — the classic, complete retirement. Another one-fifth foresaw a path of Reduced Effort. Nine percent thought that they would remain at work full-time (as best we can determine) but Change Job or switch to self-employment. Approximately 7 percent said that they will Never Stop working. An
unexpected aspect of the plans distribution was the finding that more than two-fifths of these workers had specifically stated that they had No Plans regarding retirement.

Cumulative distributions of planned ages for three of these transitions are also shown in Table 1. The Change Job group planned more moves by age 60 than the Reduce and Stop groups, consistent with their embarking sooner on a more complex path toward withdrawal from work. In all three groups, approximately 70 percent of transitions were foreseen to occur by age 62 or sooner, and over 90 percent by age 65.

Convergent Validity of the Plans Categories

The validity of the plans categories can be evaluated by examining group responses on three analogous survey questions — each of which in different ways also asks about work and retirement expectations (Table 1, Nos. 1–3). The first of these asked about the chances of working full-time (generally, not just at the present job) after reaching age 62 and then age 65. As would be expected, the Stop group cited the lowest chances of working past age 62 or 65, and the Never Stop group cited the highest chances of continuing full-time. The other three groups fell between these extremes. Separate one-way analyses of variance with post-hoc contrasts showed that the means of all groups significantly differed from one another across the past-62 and past-65 rows in Table 1, with the exception of the Reduce and Change Job groups. This raises the possibility that these two groups could be collapsed in further analyses, a matter to be addressed later.

Another survey question (Table 1, No. 2) asked explicitly about expected retirement date or age, with the meaning of retirement as full or partial being left to the respondent. (Note that the question used to form the plans categories had suggested various work/retirement options that workers might be considering.) As is usual for this type of question about expected retirement age, most respondents gave a date/age, but some had no response or said “never” (Nestel, 1985).

Responses to the expected-age question are particularly helpful for validating the Stop category. Nearly all workers planning to Stop Altogether cited an expected age for retirement and, cumulatively, 88.6 percent expected to retire by age 65. For the Reduce Effort and Change Job groups, expected ages were distributed somewhat later than among the Stop group; approximately 60 percent expected to retire by age 65. Such distributions are consistent with these groups’ stated plans for continued employment arrangements. Also, some 12–14 percent of these groups said that they expected to work indefinitely (expect “never” to retire). Nonetheless, the majority of workers with present plans to Reduce employment or Change Jobs still foresaw themselves as eventually retiring.

Appropriately, the modal response category for the Never Stop group was expecting “never” to retire (48.2%). Some workers in the Never Stop group did cite a retirement age, which possibly signals their expectation of an intermediate retirement “event” even as they maintain the long-range view that they will work indefinitely, whether at paid or unpaid pursuits. Finally, the No Plans group has expected-age responses distributed with more heterogeneity than other groups.

The last item (No. 3) used to validate the plans categories was a question asking workers if they would like to continue doing some paid work when they retire (even though they may elsewhere have said that they would never retire). This question seems to tap preferences over plans. The Stop group is most apt to have favored stopping entirely, but a good proportion (38%) nevertheless said that they would like to continue some work. Whether they will actually pursue postretirement employment is not certain. Over 85 percent of the Reduce Effort, Change Job, and Never Stop groups preferred continued work. The No Plans group, too, was attracted to continued work.

To sum up, the comparisons of the plans groups on analogous survey questions show reasonable consistency about intentions toward retirement. Those who plan to Stop Altogether project retirement transitions substantially completed by age 62 and almost wholly completed by age 65; they express little uncertainty about expected retirement ages; and they are the group most likely by far to prefer no postretirement employment. The Reduce Effort and Change Job groups resemble each other in foreseeing longer work careers on average than the Stop group, later and even indefinite expected retirement dates, and strong favor for partial retirement. From the evidence so far, these two groups may differ more in degree than in kind. The Never Stop group, while some may eventually retire, presently foresee the longest work careers and the least likelihood of ever retiring. And as it should be, the No Plans group are hardest to profile, projecting longer worker careers than the Reduce Effort and Change Job groups, but not foreclosing retirement so strongly as the Never Stop group.

Plans and Opportunity

Having defined and characterized the groups in terms of their retirement plans and intentions, we next examine whether plans are associated with selected situational and biographical factors that should, in theory, channel workers toward certain intentions about retirement. A formal theoretical model of the opportunity structure as it predicts specific retirement plans would show complex relations among factors, with some factors, such as pension eligibility, endogenous to others. Our present purpose is heuristic and more modest: to explore the construct validity of plans with reference to some key elements of the opportunity structure. Simple associations between the plans categories, as separate binary indicators, and elements of the opportunity structure are shown in Table 2 (missing data on some variables reduces the pool of cases to 4,746). The correlations are shown mainly as a reference for the discussion of multivariate results in Table 3.

Table 3 shows estimates of the likelihood of workers’ preference for one plan category over another as predicted by a set of 10 independent variables. For each independent variable, the matrix of table entries are antilogged logit coefficients that estimate the change in the odds ratio when the predictor variable changes by one unit. If reading across the rows, the entries represent the likelihood of membership in the row category versus the column category (conversely if
### Table 3: Multinomial Logistic Regression of Plans Categories on Ten Independent Variables

Representing the Opportunity Structure: Odds Ratios (N = 4,746)  

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Female</th>
<th>White</th>
<th>Age</th>
<th>Private Pension</th>
<th>Core Sector Job</th>
<th>Occupational Prestige</th>
<th>Self-employed</th>
<th>Education</th>
<th>Work Limitation</th>
<th>Currently Married</th>
<th>Change Job</th>
<th>Reduce</th>
<th>Never</th>
<th>No Plans</th>
</tr>
</thead>
<tbody>
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<tr>
<td>Stop</td>
<td>1.00</td>
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<td>Reduce</td>
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<tr>
<td>Change Job</td>
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</tr>
<tr>
<td>No Plans</td>
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</table>

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Measure of fit for the variable (4df); overall fit by LRχ² = 581.11 (40df).

*Measure of fit for the variable (4df); overall fit by LRχ² = 581.11 (40df).

*p < .05; **p < .01; ***p < .001 for original logit coefficients; n.s. = not significant.
reading down the columns). Values greater than 1 reflect increased odds; values less than 1 reflect decreased odds. For example, in the first row of the matrix for the first variable, female, the value 1.49 indicates that women are more likely than men to have plans to stop altogether (row category) than to reduce hours (column category). For the third variable in Table 3, age, the value .92 in the third row specifies how an additional year of age decreases the odds of the change-job plan (row category) versus the stop-completely plan (column category). Interpretations of the entries above the diagonal are the inverse of those below the diagonal (because the numerators and denominators of the odds ratios are inverted).

Unlike our Table 3, results from multinomial logistic regression are usually shown as contrasts between a reference category of the dependent variable and its other categories. Here we have included all contrasts between plans categories because different contrasts are of interest depending on the predictor in question. Readers can manage the detail of each matrix by reading rows for sets of coefficients of consistent size and direction. Also shown in Table 3 are nested likelihood-ratio chi-square tests for the contribution of the variable to the model net of the other variables.

Two of three ascribed statuses are reasonably predictive of retirement plans, and in anticipated ways. Female workers, adjusting for other factors in the model, are less likely than males to have plans to Reduce employment or Change Jobs relative to other options, and they are more likely to have No Plans. Put another way, men are more likely than women to choose complex plans about retirement and are less apt to be found without plans, suggesting a different preretirement process for men and women.

Retirement plans were significantly but not strongly differentiated by race. Older age, however, seems to close off options and raise the certainty of plans substantially. Older workers were less likely to plan a job change and less likely to have no plans.

Plans also appear to be formed in the context of the work situation. The expectation of a private pension clearly focuses workers’ plans. Prospective pensioners are more likely to plan a complete retirement and they are less often found among those who would never retire or have no plans. In this validation model, the pension indicator probably obscures the effect of core-sector employment on retirement plans. Pension receipt tends to accompany employment in large, formal organizations (the correlation between these two variables here was .21). In a fully specified analytic model of certain plans categories, pension status would be endogenous to core employment. Likewise, occupational prestige shows a zero-order relationship to certain plans categories (Table 2), but no substantial relationship in the multivariate setting (Table 3), probably due to the relationship between prestige and education ($r = .50$).

Self-employment is a fairly strong predictor of retirement plans and in a way that distinguishes the two complex paths to retirement, Reduce Effort and Change Job. Relative to other options, the self-employed are more likely to favor reduced employment as their next step but unlikely to favor a job change. The self-employed tend to say they are headed for partial retirement but in the same job situation.

The final three predictors in Table 3 represent individual characteristics. Education, in a full analytic model of retirement plans, would be exogenous to other factors in the opportunity structure. In this simple validation model, higher education somewhat recaps effects observed for male gender: greater favor for the complex paths and greater certainty. Respondents with a self-reported work limitation due to health are as likely to entertain one type of plan as another, both in the bivariate and multivariate setting. Perhaps the expected health effect on retirement plans is manifest only late in the retirement process. Married respondents, finally, favor the option of stopping completely and are less likely to say that they plan never to retire, prospective views consistent with couples’ anticipation of retirement as a resource for companionship.

One remaining question about our five-category construct (and our use of the multinomial model) is whether we could do with fewer categories because some are redundant or close alternatives. For example, results in Table 1 suggest that the Reduce Effort and Change Job types might be collapsed together. An important assumption of the multinomial logit model concerns what is often referred to as “the independence of irrelevant alternatives” or IIS assumption (Zhang and Hoffman, 1993). This assumption, which itself arises from the assumption that the discrete outcome variable is multinomially distributed, essentially assumes that the relative probability of choosing between any two alternative outcomes is independent of all the other alternatives. In the present application, for instance, this would mean that the relative probability of choosing “Stop Altogether” versus “Never Stop” is independent of all the other choices. Moreover, this difference in relative probabilities would be assumed to hold regardless of the number of alternatives available in the choice set. Clearly, such an assumption could not be met if some of the alternatives were close substitutes for one another. To test the plausibility of this assumption in the present study, we estimated the model on a restricted set of choices (constructed by randomly eliminating various alternatives from the choice set). Parameter estimates were virtually identical to those obtained using the full set of outcomes, thereby supporting the viability of the IIS assumption.

**Discussion**

In the foregoing analyses we have sought to demonstrate the validity of a five-category construct that can be used to describe the retirement intentions of older workers. The five general types of retirement plans — stop altogether, reduce effort, change jobs, never retire, and no plans — were operationalized among 51- to 61-year-old workers in the baseline sample of the Health and Retirement Study, from which source other information was used to demonstrate reasonable convergent and construct validity for the categories. The scheme, we would argue, has heuristic value because it recognizes the heterogeneity of retirement intentions, including the refusal to entertain plans ("never retire") and uncertainty about the future.

As operationalized here, we sorted workers into mutually exclusive groups according to their general plans. This strategy, treating workers as if they were one-plan people set on singular paths to the future, may be too simple. Rather, a
worker's commitment to any of the plan scenarios could be a matter of degree. (The HRS items that ask workers their subjective probability of working full-time past age 62 or 65 are indeed such a test for degree of commitment to a particular, though oddly mixed, intention: nonretirement at a particular age.) Although few HRS respondents cited multiple plans, it is reasonable to suppose that some older men and women, while not uncertain about retirement, could have ambivalent intentions or mixed plans.

At any rate, whether it is more appropriate to think of workers as planning a single course or as having propensities toward two or three retirement arrangements — this is a matter for research. The question could be investigated by estimating the probability that workers will subscribe to each of the plan types based on responses to the sort of questions used to establish construct validity in Table 1. Latent variables describing each worker's propensity to stop altogether, reduce effort, etc., could be compared with the single multinomial construct to determine the relative usefulness of the two approaches for summarizing how workers think about retirement.

Over and above validation research on the construct itself, we foresee three broad applications of the construct for studies of retirement decision making. First, as noted in our introduction, the plans construct can be the organizing idea for an elaborated, though loose, taxonomy of retirement plans. Subsidiary to our idea of general plans, one could classify specific plans and expectations regarding employment, transition timing, financial arrangements, and life style. Plans themselves, general and specific, could be thought of as a subset of the wider experience of retirement anticipation (or late careers), which also encompasses retirement preparation behaviors and other attitudes.

Holding general plans conceptually separate from specific plans provides analytic and interpretive advantages. Knowing the general intention, for example, enhances the intelligibility of data on expected timing of retirement. In addition, specific plans for occupational continuity, job change, or self-employment are only pertinent to certain general plans. Specific life-style plans (e.g., to conserve one's health, to migrate) may be pertinent only to other general intentions such as full retirement. The don't-know responses disclosed by survey items about probable timing of retirement or Social Security receipt might be usefully regarded not as missing data but as positive indicators of a broad uncertainty about retirement. In all this, we recognize that the hierarchy of retirement plans is conceptual; single specific plans (to migrate, to preside over the family business) may in fact drive all other plans for the future.

The second application is to studies of extended decision making for retirement. As outlined in our introduction, it is helpful to think of workers as putting themselves on a path toward retirement or late career transitions — paths conceivable because of one's location in a structure of opportunity, and paths sustained by instrumental preparation steps. Plans made and remade are the manifest aspect of extended decision making and, assuming longitudinal data for the confirmation of lagged relationships, specific plans can be modeled as the outcome of structure and situation. Who entertains plans for complex arrangements (e.g., partial retirement), or who characteristically faces the future with uncertainty? If plans are unstable, is it because opportunity has changed, or because workers have misinterpreted the probability of favorable events (Frisch, 1988)? Analyses can also consider whether preparation steps solidify intentions, with the "returns" on preparation becoming part of the opportunity structure for subsequent intentions. One hypothesis, for example: Workers' resolve to retire all at once prompts saving behavior that later reinforces the conceivability of a full-stop retirement. Our contention, in all, is that consequential decisions about retirement are made far in advance of the event.

Regarding stability and change, the plans construct could also help chart secular trends in retirement anticipation. The HRS cohort members studied here, born in 1931–1941 and reaching age 20 during the 1950s, have had a historically contingent experience with work careers, depending on gender. They now face retirement less able than preceding cohorts to rely on assumptions about protected career lines and about welfare state promises of social security (Henretta, 1994). Assuming that this cohort and oncoming cohorts face greater uncertainty about the life course, they should come to distribute themselves differently among the general intentions toward retirement (e.g., fewer full-stop plans and more complex plans).

The construct can be applied, thirdly, to the explanation of retirement and late career behaviors, using it to depict the path of plans over time. The factors that conventionally predict retirement outcomes — gender, pension profile, marital status — might better be understood as doing so because they shape the path of retirement intentions. Temporally deep intentions, we suspect, are more likely to be fulfilled and, we also suspect, more likely to be held by socially and economically advantaged workers (Ekerdt, Vinick, and Bossé, 1989). People on paths of erratic and inchoate plans will arrive at the same outcomes as those with deep plans — fully retired, extended employment, partial retirement — but possibly quite earlier or later, and with less assurance of a satisfying experience with retirement. Our perspective is that many workers retire as they do because they have meant to, and those aims can be traced upstream from events.

The focus on retirement plans puts a developmental emphasis on retirement decision making, usefully so because it rescues research from casting older workers, on the one hand, as point-of-purchase "deciders" or, on the other hand, as fated by social context. There is now great interest in the retirement behavior of the next decades, and we suggest that the decisions about that behavior are already being made.

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