LIVING IN SWITZERLAND
LEBEN IN DER SCHWEIZ
VIVRE EN SUISSE

How Does Transitioning into Retirement Impacts Life Satisfaction?
Evidence from the Swiss Context

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structure of the presentation

- aims of the project

- theoretical perspective

- data, sample, methods

- analyses and results

- conclusion and discussion

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aim of the project

study and document

mid-term impact and not only immediate effects of retirement on life satisfaction in a longitudinal perspective

- –taking into account working conditions before entry into retirement
- –but also many other influential parameters, as
  - gender
  - the timing of retirement
  - social participation, replacement roles
  - social interactions
  - health status

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theoretical perspective about retirement

- normative and expected life event experienced by all individuals involved in the labor market
- this life transition is socially pre-defined
- induces many changes that can be experienced and perceived as threatening to both individual identity and individual subjective well-being (SWB)
- SWB comprises two distinct dimensions: cognitive and affective.
  - **LS (life satisfaction)**
- positive and negative affects

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impact of retirement on SWB

- disengagement theory (Cumming and Henry 1961 - negative impact of retirement on SWB due to the loss of the work role and status
- activity theory, (Havighurst 1961) - SWB improves after retirement, ("honeymoon," due to new social roles with positive effect)
- continuity theory (Atchley 1989, 1999) – no change in SWB after retirement
- "adaptation" theory (Caradec 2008) - how retirement is experienced depends on individuals' resources for negotiating role changes and finding a "replacement" role that is valued and meaningful
- effect of retirement on various domains of life, such as the different domains of SWB or health, have been widely studied from a life course perspective
- most studies considered the effect of retirement without discussing different types of work or working conditions
- and without focus on the long run

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sample

- SHP - Swiss Household Panel data set – random sample of the Swiss resident population, drawn from the exhaustive population register from the Swiss Federal Statistical Office (SFSO)

- individuals 50+, with SHP individual questionnaire completed

- working in their first episode of observation
- non receiving
  - disability pensions or
  - welfare benefits before and after retirement
- «retiring» only once, no return to work

- 8002 complete observations, relating to 899 distinct individuals
- from waves 3 to 17 from the SHP

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dependent variable

life satisfaction (LS), on a 0-10 scale, where

- 0 means «not at all satisfied", and
- 10 means "completely satisfied"

independent variables I

- *retirement* was operationalized as
  - (a) having no remunerated professional activity and
  - b) not seeking work in the current wave and
  - (c) having worked at least one hour per week in the last wave

- each year before and after retirement was registered on a counter (-16 to +16, 0= retirement) in two variants
  - as a continuous variable
  - as a series of dummies

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independent variables II

- activity rate was measured as a percentage of a full-time job

- risk of unemployment in the next 12 months was evaluated on a scale ranging from 0 to 10, where 0 means "no risk" and 10 "a real risk."

- satisfaction from work (income, working conditions, and work atmosphere), measured on a scale ranging from 0 to 10

- at the time of retirement, we considered the information provided during the last 5 wave of occupational activity, in two variants

  - *mean of the last available 5 waves*

  - *highest impact (min. satisfaction and activity rate, max. risk of unemployment)*

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independent variables III

- *timing* of retirement - set of dichotomous variables: 50 to 59 years, 60 to 63 years, 67 to 70 years, and 70 and over. ref. category is 64 to 66, the normal retirement age in Switzerland

- *social participation, replacement roles*: the importance of involvement in *alternative social roles* has been measured with three indicators:

  – participation in clubs or other groups,

  – satisfaction with free time and

  – satisfaction with leisure activities for each wave.

control variables I

- *wave* indicator was used to control for the potential effects of period
- *education* level was coded using three categories..
- *financial satisfaction* on a scale of 0 to 10
- *net yearly household income*
- *social interactions* were measured using three indicators.
  - whether the interviewee lived with a partner,
  - quality of the individual's interpersonal relationships
  - familial harmony/satisfaction with living alone for lone individuals
- two health indicators
  - satisfaction with health status
  - health impediments in everyday activities.

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analytical strategy

mixed linear models (MLMs), SPSS software
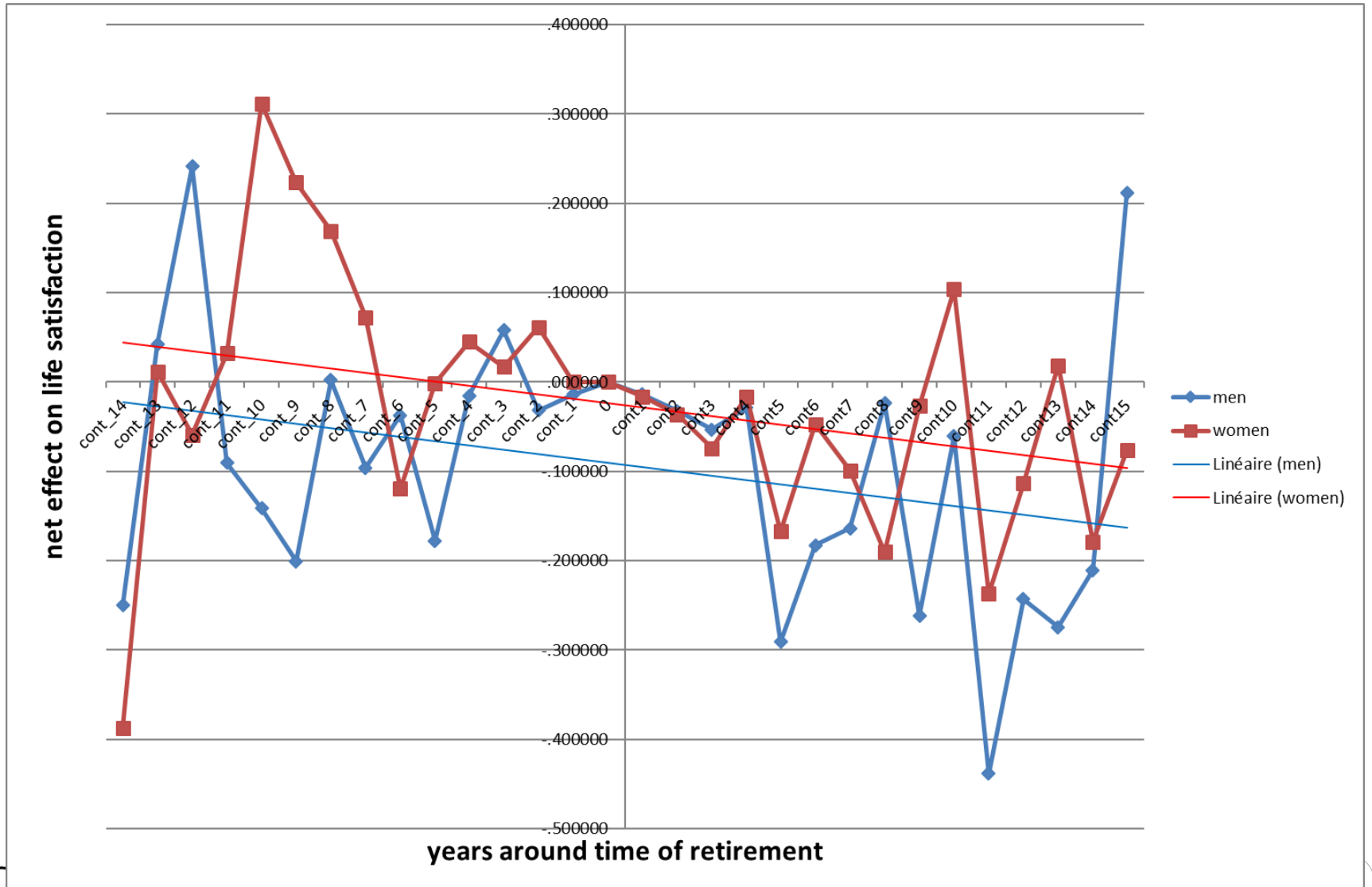composite multilevel model for change

$$Y_{ij} = [\,\gamma_{00} + \beta_1.x_{1ij} + \beta_2.x_{2ij} + \cdots + \beta_p.x_{pij}\,] + [\,\mu_{0j} + \varepsilon_{ij}]$$

$$\text{where } i = wave\ index\ and\ j = individual\ index$$

$$\text{where } \mu_{0j} \sim N\,(0, \tau_{00});\ cov(\varepsilon_{ij}, \varepsilon_{i'j}) = \sigma^2\,\rho^{\,|i-i'|}$$

first-order autoregressive structural model of the covariance of the residuals (AR1),

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«linear» net effect of departure into retirement - MLM

MLM model explaining life satisfaction – SHP 2001-2015

parameters	women		men	
	Estim.	Sig.	Estim.	Sig.
intercept	2.674	0.000	2.144	0.000
age class - 50 to 59 years old	-0.096	0.190	-0.136	0.118
age class - 60 to 63 years old	-0.007	0.894	0.004	0.937
age class - 67 to 70 years old	0.005	0.942	-0.082	0.231
age class - 71 years and more	-0.056	0.563	-0.105	0.270
wave indicator	-0.001	0.918	0.010	0.153
low level of education	-0.137	0.084	-0.131	0.270
high level of education	0.100	0.244	-0.020	0.761
net annual household income	0.000	0.105	0.000	0.253
satisfaction with health status	0.119	0.000	0.153	0.000
health impediment in everyday activities: Extension	-0.011	0.140	-0.016	0.039
satisfaction with financial situation	0.180	0.000	0.179	0.000
satisfaction with personal relationships	0.057	0.000	0.057	0.000
satisfaction with living alone or together with other HH-members	0.186	0.000	0.135	0.000
satisfaction with free time	0.028	0.013	0.020	0.093
satisfaction with leisure activities	0.052	0.000	0.077	0.000
participation in clubs or other groups	0.007	0.850	0.026	0.519
living together with a partner	0.181	0.004	0.177	0.044
satisfaction from work	0.063	0.000	0.092	0.000
risk of unemployment in the next 12 months	-0.011	0.148	0.000	0.984
activity rate - percentage of a full-time job	0.000	0.794	0.001	0.270
retirement counter (-16 to +16, 0= time of retirement)	0.031	0.179	-0.002	0.966
retirement * age class - 50 to 59 years old	-0.004	0.786	-0.003	0.852
retirement * age class - 60 to 63 years old	-0.014	0.338	0.005	0.792
retirement * age class - 67 to 70 years old	-0.004	0.807	-0.028	0.114
retirement * age class - 71 years and more	0.011	0.472	-0.020	0.242
retirement * satisfaction from work	0.001	0.747	-0.008	0.026
retirement * risk of unemployment in the next 12 months	0.001	0.492	0.003	0.007
retirement * activity rate - percentage of a full-time job	0.000	0.659	0.000	0.545
retirement * satisfaction with health status	-0.001	0.625	0.010	0.000
retirement * health impediment in everyday activities: Extension	-0.001	0.578	0.000	0.824
retirement * satisfaction with financial situation	-0.003	0.146	0.003	0.220
retirement * satisfaction with personal relationships	-0.003	0.182	-0.002	0.468
retirement * satisfaction with living alone or together with other HH-members	-0.002	0.343	-0.003	0.246
retirement * satisfaction with free time	-0.002	0.387	0.001	0.515
retirement * satisfaction with leisure activities	0.003	0.146	0.001	0.481
retirement * participation in clubs or other groups	-0.003	0.599	-0.014	0.025
retirement * living together with a partner	-0.023	0.004	-0.002	0.885

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results

- retirement itself does not play a key role in shaping individuals' life satisfaction, for both women and men
- the timing of retirement does not show any significant impact
- working conditions play a key role in shaping individuals' subjective well-being before and after retirement, particularly among men
  - positive work identification is detrimental to LS after retirement
  - precarious working conditions before retirement increase LS after retirement
  - as well as a good health status
- for men satisfaction with health status increases LS after retirement
- living with a partner has slight negative impacts on women when retiring

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conclusions I

- importance to consider the heterogeneity of the transition to retirement by taking into account preretirement working conditions
- retirement itself did not play a key role in shaping individuals' affective well-being
- the same holds for the timing of retirement
- but men's quality of life was more shaped by the transition to retirement than women's
  - precarious professional integration and good health status made the transition to retirement easier
  - satisfaction at work is detrimental to an individual's affective well-being after retirement
- women seem to suffer more than men from the reorganization of interpersonal ties that retirement brings.
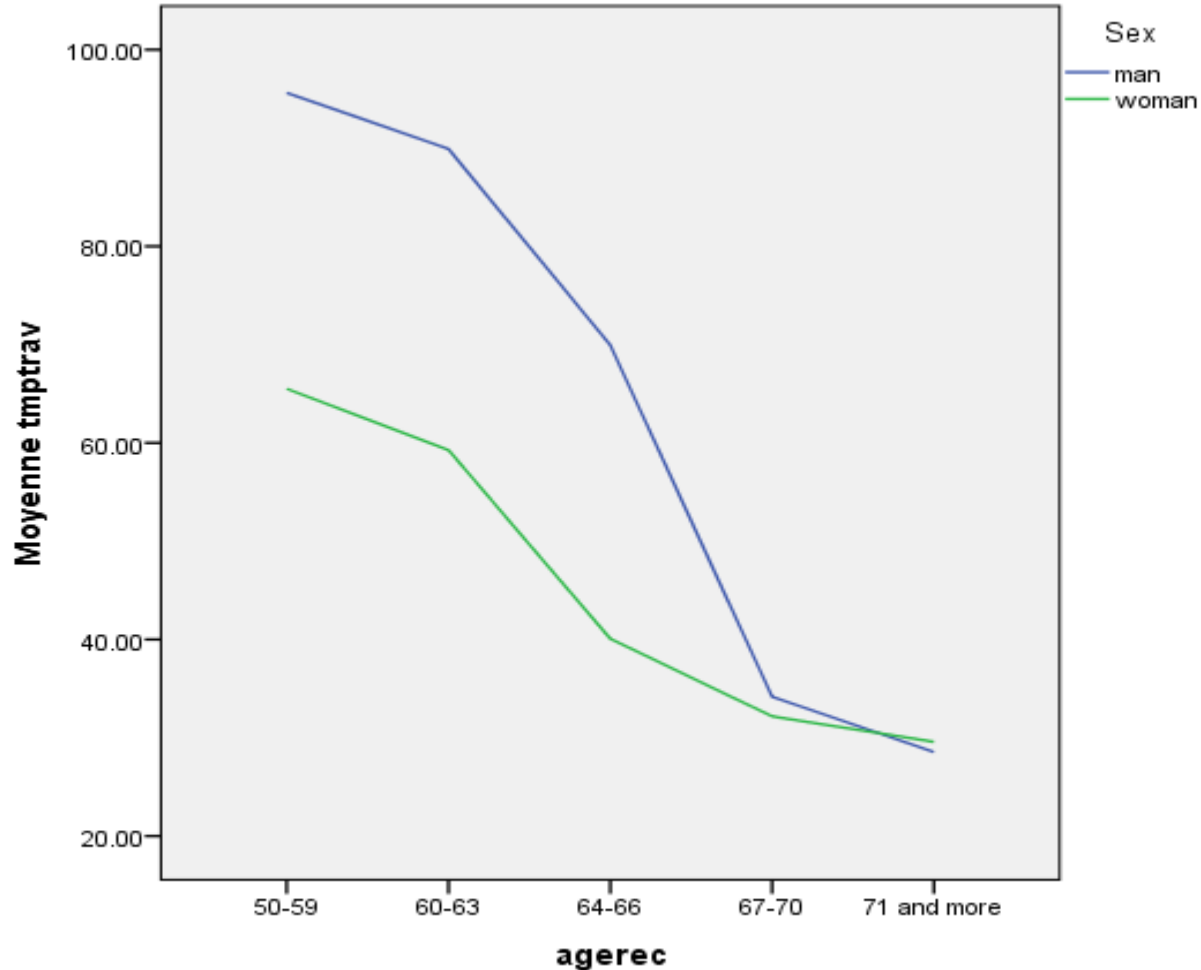
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conclusions II

- different status change at stake between women and men at the time of retirement
- in the liberal Swiss context, where private social assistance is relevant and universal transfers are modest, men tend to fit the male-breadwinner role
- in this context, work has a strong normative value
- this traditional breadwinner role, which is supported by Swiss policies, means men tend to have more to lose than women upon retirement
- importance to invest in alternative roles, well before retirement

problems/questions

definition of retirement crucial :average activity rate of working persons in function of age

thanks for your attention!

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