



the impact of the transition to retirement on individuals' emotions and well-being : evidence from the Swiss context

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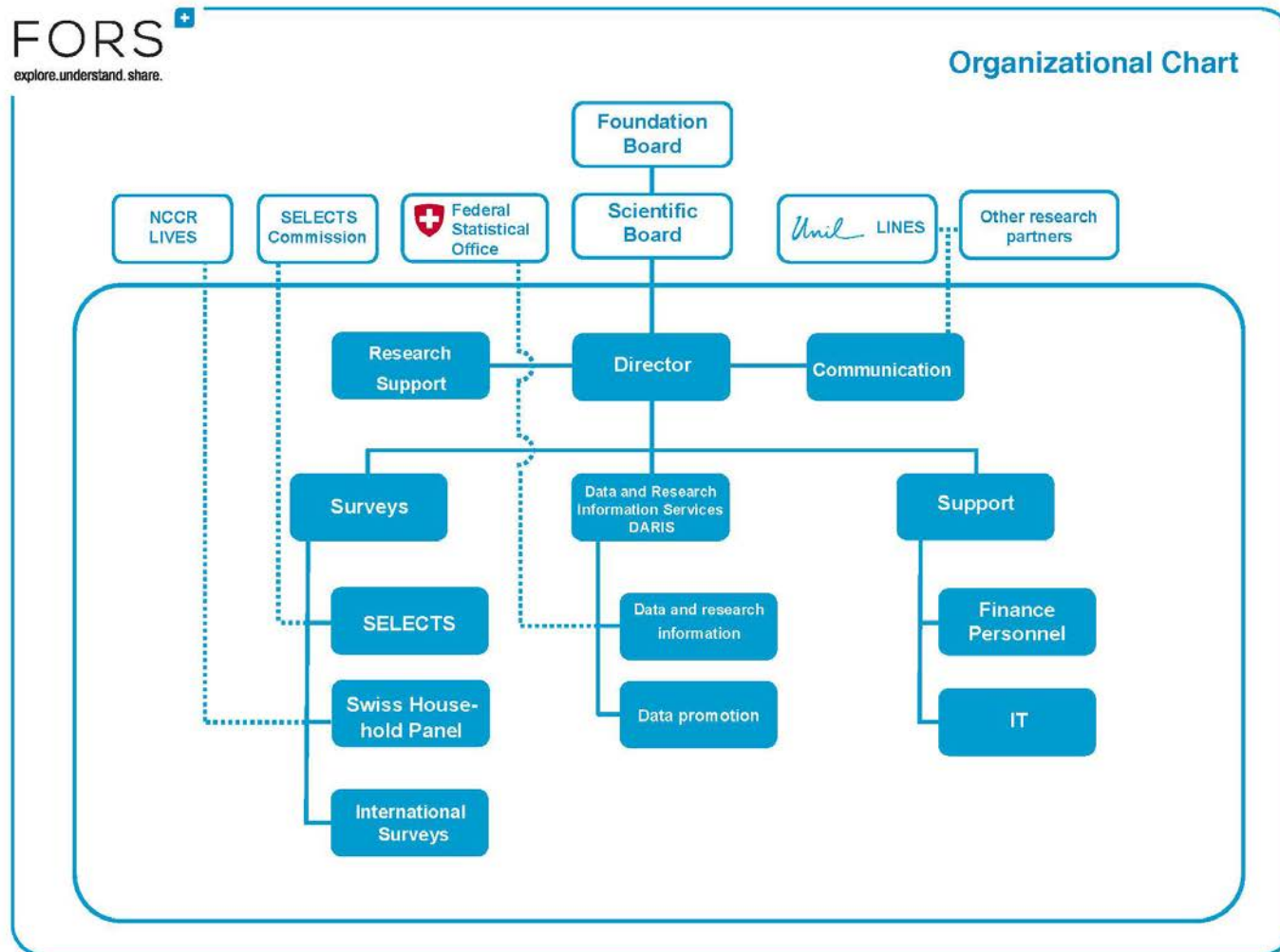
Trinity Term 2017 on “Ageing, Wellbeing and Health”
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structure of the presentation

- organizational setting
- aims of the project
- theoretical perspective
- the swiss context
- data, samples, methods
- analyses and results of 2 research steps
 - **impact of retirement on positive and negative affects among 50+**
 - **long term impact of retirement on life satisfaction among 50+**
- conclusion and discussion

FORS – a research infrastructure for the social sciences



aim of the project

study and document

short and mid-term impact of retirement on subjective well-being 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

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**

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

context in Switzerland

- rise of life expectancy
- ageing of general population
- ratio active/retired is sinking
- low unemployment rate and high purchasing power
- modest universal social transfers, individualization of pension schemes

political measures

- diminishing pensions (conversion rate of pensions was reduced)
- increase of legal retirement age? (65 for men, 64-5 for women)

but little is known about the impact of retirement on individuals' SWB

in a country where work has a strong normative value

the Swiss Household Panel (SHP): a new perspective for social scientists

- a study financed by the Swiss National Science Foundation
- a panel (individuals are followed over time) survey on living conditions in Switzerland, designed to monitor social change
- three random samples of private households representing the resident population, (SHP_I drawn in 1999, SHP_II in 2004, SHP_III in 2013), drawn from the exhaustive population register from the Swiss Federal Statistical Office (SFSO)
- a household survey: interviews with all household members aged 14 and older

SHP basic characteristics

- mainly a CATI-survey (Computer Assisted Telephone Interviews), since 2010 CAPI and CAWI are used to convert refusals
- interviews in German, French, and Italian
- comprehensive survey, multi-topic questionnaires at the household, and individual level (both objective and subjective questions)
- large scale survey (about 8000 personal interviews in 1999, and 11000 in 2015)
- complex survey, many questionnaires and data files
- 17 SHP_I, 12 SHP_II and 3 SHP_III waves + biographical questionnaires

SHP is a member of the CNEF project

Table 1: Key Features of the CNEF Member Panels

Feature	PSID	SOEP	BHPS	SLID	HILDA Survey	SHP
Host organization	Institute for Social Research, University of Michigan.	SOEP at German Institute for Economic Research (DIW Berlin).	Institute for Social and Economic Research, University of Essex.	Statistics Canada.	Melbourne Institute of Applied Economic and Social Research, University of Melbourne.	Swiss Household Panel, University of Neuchâtel.
Funding source	National Science Foundation, National Institute of Health, plus range of other organizations. ^{a)}	1984 to 2002: German National Science Foundation (DFG) and Federal Ministry of Education and Research (BMBF). 2003 on: Leibniz Association (WGL). ^{b)}	UK Economic and Social Research Council.	Statistics Canada.	The Australian Government Department of Families, Community Services and Indigenous Affairs and the Reserve Bank of Australia (for wave 2 in 2002).	Swiss National Science Foundation (mainly), Swiss Federal Statistical Office, and University of Neuchâtel.
Design	Indefinite life panel.	Indefinite life panel.	Indefinite life panel.	Overlapping 6-year panels.	Indefinite life panel.	Indefinite life panel.
Year of first interview	1968	1984	1991	1993	2001	1999
Reference population/ data collection unit	Heads of family units who have been continuously resident in the USA for at least 2 years.	All private households. All members aged 17 years or over are interviewed.	All private households. All members aged 16 years or over are interviewed.	Private households in the 10 provinces, with the exception of the Indian reserves. All members aged 16 years or over are interviewed. Proxy interviews are accepted.	All private households, excluding those in remote parts of Australia. All members aged 15 years or over are interviewed.	All private households. All members aged 14 years or over are interviewed.
Collection mode	Waves 1–5 (1968–1972) PAPI. Since wave 6 (1973) Mainly telephone. Since wave 26 (1993) CATI.	Waves 1–14 (1984–1997) PAPI. Since wave 2 (1985) mixed mode (face-to-face and self-completion).	Waves 1–9 (1991–1999) PAPI plus short self-completion questionnaire. Since wave 10 (2000) CAPI.	Since wave 1 (1993) CATI.	Since wave 1 (2001) PAPI plus self-completion questionnaire. Telephone used as mode of last resort.	Since wave 1 (1999) CATI.

data

- SHP - Swiss Household Panel data set
- 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

dependent variables

- life satisfaction (LS)
- positive affects
 - strength, energy, and optimism, where 0 means ‘never’ and 10 ‘always’
- negative affects
 - negative feelings, such as having the blues, being desperate, or suffering from anxiety or depression, where 0 means ‘never’ and 10 ‘always’

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
- for the mid-term impact, 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
- 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
- other job characteristics in some analysis

independent variables II

- *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.

analytical strategy

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

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

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

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

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

1) impact of retirement on positive and negative affects among 50+

- **immediate** impact of retirement on positive and negative affects
- 14 SHP waves – 2001 to 2014
- individuals involved in the labor market for at least one year from 2001 to 2014 at the start of their observation period.
- after that, they could be confronted with retirement (or not) in subsequent waves.
- subsample of 2,991 women and 2,969 men, 13,252 observations for women and 13,181 for men
- 1,348 (769 women and 579 men) experienced retirement.

MLM model explaining positive affects – SHP 2001-2015

parameters	women		men	
	estimation	p. value level	estimation	p. value level
intercept	2.301	***	3.274	***
age class - 50 to 59 years old	0.153	(*)	-0.020	ns
age class - 60 to 63 years old	0.091	ns	0.049	ns
age class - 67 to 70 years old	0.196	(*)	0.090	ns
age class - 71 years and more	0.075	ns	-0.116	ns
wave indicator	-0.016	***	-0.034	***
low level of education	-0.118	(*)	-0.103	ns
high level of education	-0.018	ns	-0.018	ns
net annual household income	0.000	ns	0.001	ns
satisfaction with health status	0.202	***	0.172	***
health impediment in everyday activities: Extension	-0.036	***	-0.061	***
satisfaction with financial situation	0.035	**	0.016	ns
satisfaction with personal relationships	0.103	***	0.093	***
satisfaction with living alone or together with other HH-members	0.059	***	0.078	***
satisfaction with free time	0.029	**	0.020	*
satisfaction with leisure activities	0.070	***	0.059	***
participation in clubs or other groups	0.078	*	0.032	ns
satisfaction from work	0.109	***	0.120	***
risk of unemployment in the next 12 months	-0.029	***	-0.024	**
activity rate - percentage of a full-time job	0.003	***	0.001	(*)
living together with a partner	0.106	*	0.065	ns
retirement	-0.067	ns	-0.078	ns
retirement * age class - 50 to 59 years old	-0.034	ns	-0.266	ns
retirement * age class - 60 to 63 years old	0.035	ns	-0.227	ns
retirement * age class - 67 to 70 years old	0.072	ns	-0.106	ns
retirement * age class - 71 years and more	-0.210	ns	0.171	ns
retirement * satisfaction from work	-0.066	(*)	-0.095	(*)
retirement * risk of unemployment in the next 12 months	0.061	**	0.044	(*)
retirement * activity rate - percentage of a full-time job	0.000	ns	-0.001	ns
retirement * satisfaction with health status	0.063	ns	0.051	ns
retirement * health impediment in everyday activities: Extension	-0.034	ns	-0.016	ns
retirement * satisfaction with financial situation	0.064	*	0.068	(*)
retirement * satisfaction with personal relationships	-0.070	(*)	-0.089	(*)
retirement * satisfaction with living alone or together with other HH-members	-0.025	ns	-0.041	ns
retirement * satisfaction with free time	0.028	ns	0.021	ns
retirement * satisfaction with leisure activities	0.041	ns	0.110	*
retirement * participation in clubs or other groups	-0.015	ns	-0.044	ns
retirement * living together with a partner	-0.223	(*)	-0.063	ns
number of observations	10474		10743	
number of individuals	2139		2102	
number of cases of retirement	715		587	

MLM model explaining negative affects - 2001-2015

parameters	women		men	
	estimation	level	estimation	level
intercept	6.660	***	5.163	***
age class - 50 to 59 years old	.212	*	-.025	ns
age class - 60 to 63 years old	.155	(*)	-.018	ns
age class - 67 to 70 years old	-.135	ns	.089	ns
age class - 71 years and more	.049	ns	.111	ns
wave indicator	.009	(*)	.015	***
low level of education	.151	(*)	.074	ns
high level of education	-.021	ns	-.001	ns
net annual household income	-.003	*	.000	ns
satisfaction with health status	-.179	***	-.131	***
health impediment in everyday activities: Extension	.105	***	.110	***
satisfaction with financial situation	-.053	***	-.041	***
satisfaction with personal relationships	-.080	***	-.063	***
satisfaction with living alone or together with other HH-members	-.124	***	-.129	***
satisfaction with free time	-.001	ns	-.020	*
satisfaction with leisure activities	-.063	***	-.040	***
participation in clubs or other groups	-.128	**	-.027	ns
satisfaction from work	-.070	***	-.073	***
risk of unemployment in the next 12 months	.043	***	.062	***
activity rate - percentage of a full-time job	-.002	**	.001	ns
living together with a partner	-.258	***	-.067	ns
retirement	.094	ns	1.468	*
retirement * age class - 50 to 59 years old	-.126	ns	.078	ns
retirement * age class - 60 to 63 years old	-.029	ns	-.298	*
retirement * age class - 67 to 70 years old	.334	ns	-.002	ns
retirement * age class - 71 years and more	.058	ns	-.309	(*)
retirement * satisfaction from work	.010	ns	-.050	ns
retirement * risk of unemployment in the next 12 months	-.010	ns	-.047	*
retirement * activity rate - percentage of a full-time job	.005	*	.000	ns
retirement * satisfaction with health status	-.015	ns	-.030	ns
retirement * health impediment in everyday activities: Extension	.019	ns	-.035	ns
retirement * satisfaction with financial situation	-.030	ns	.064	ns
retirement * satisfaction with personal relationships	-.015	ns	-.021	ns
retirement * satisfaction with living alone or together with other HH-	-.058	ns	.000	ns
retirement * satisfaction with free time	-.026	ns	-.052	ns
retirement * satisfaction with leisure activities	.064	ns	-.053	ns
retirement * participation in clubs or other groups	.124	ns	.202	(*)
retirement * living together with a partner	.277	*	-.066	ns
number of observations	10489		10747	
number of individuals	2141		2102	
number of cases of retirement	715		587	

results I

- concerning positive affects, retirement itself does not play a key role in shaping individuals' life satisfaction, for both women and men
- concerning negative affects, retirement is detrimental, but only for men, and highly conditionally to the other parameters
- for both affects, the effect of retirement is impacted by working conditions before retirement
- precarious professional integration made the transition to retirement easier
- satisfaction at work is detrimental to an individual's affective well-being after retirement and decreases their positive affects

results II

- men's quality of life was more shaped by the transition to retirement than women's
- women whose professional trajectories are similar to those of men suffer more during the transition to retirement
- importance of work is central in structuring people's lives. people who are less involved or identified with the professional sphere tend to enjoy a smoother transition.
- satisfaction with leisure activities is beneficial to the positive affects of men
- however, social participation has instead a negative effect on the affective dimension of subjective well-being

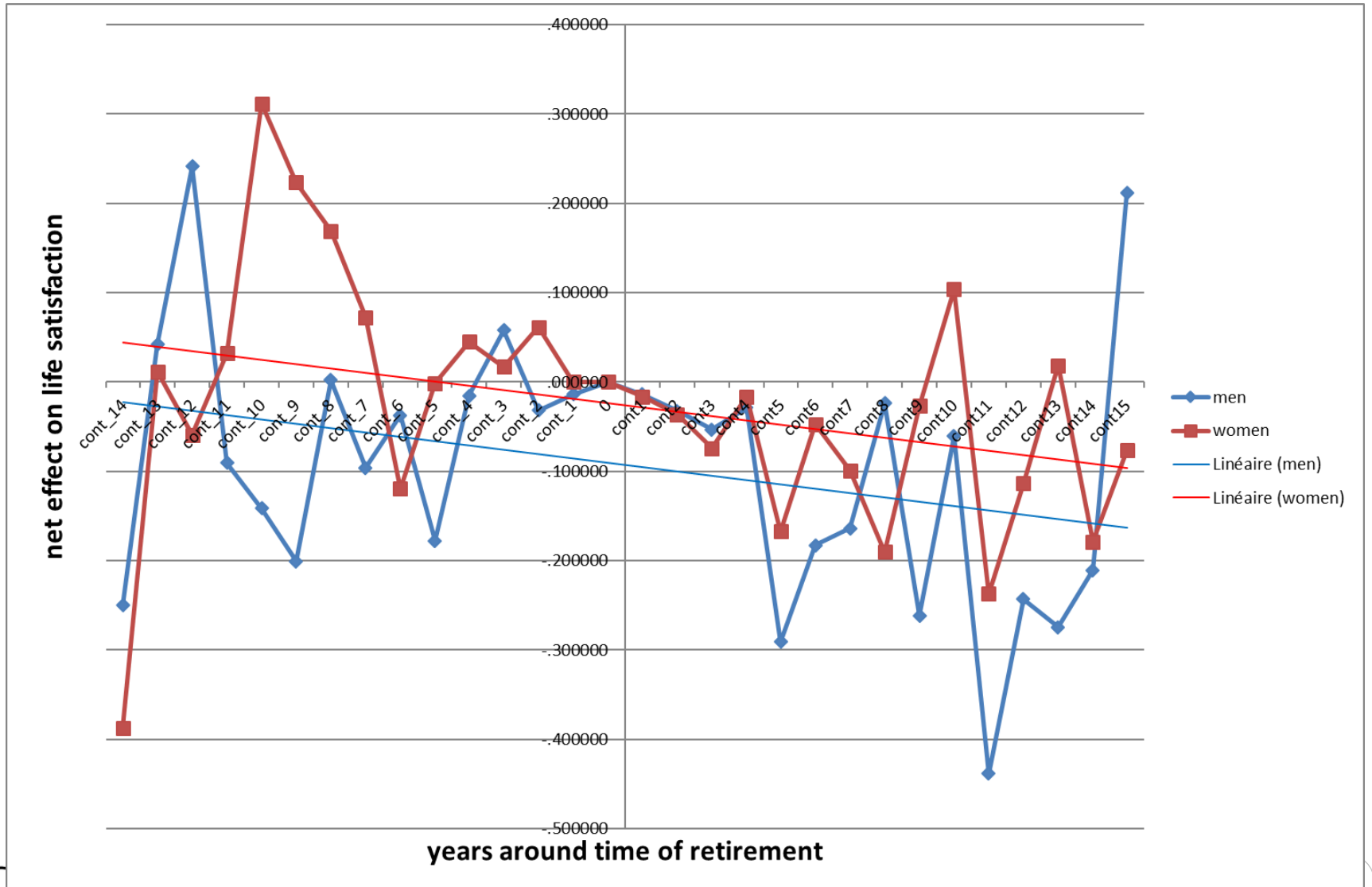
results III

- low impact of timing of retirement - men who retired between 60 and 63 tended to express fewer negative affects – but we could not investigate the reasons for early retirement
- women seem to suffer more than men from the reorganization of interpersonal ties that retirement brings

2) mid term impact of retirement on life satisfaction among 50+

- 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
- at the time of retirement, we considered the information (*mean*) provided during the last 5 wave of occupational activity
- 8002 complete observations, relating to 899 distinct individuals
- from waves 3 to 17 from the SHP
- 2001 to 2015-16

«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

results I

- 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

results II

- for men satisfaction with health status increases LS after retirement
- but social participation has a detrimental effect after retirement
- living with a partner has slight negative impacts on women when retiring

general conclusions I

- retirement itself does not play a key role in shaping SWB, for both women and men
- the timing of retirement does not show much impact
- but working conditions play a key role in shaping individuals' subjective well-being before and after retirement, **especially among men**
 - positive work identification is detrimental to SWB after retirement
 - precarious working conditions increase SWB after retirement

general conclusions II

- importance of work is central in structuring people's lives, but differentiated
- people who are less involved or identified with the professional sphere tend to enjoy a smoother transition
- this is generally the case for women, except for those showing work trajectories similar to men
- for men, social participation has a negative effect on the affective and cognitive dimension of subjective well-being
- women seem to suffer more than men from the reorganization of interpersonal ties that retirement brings

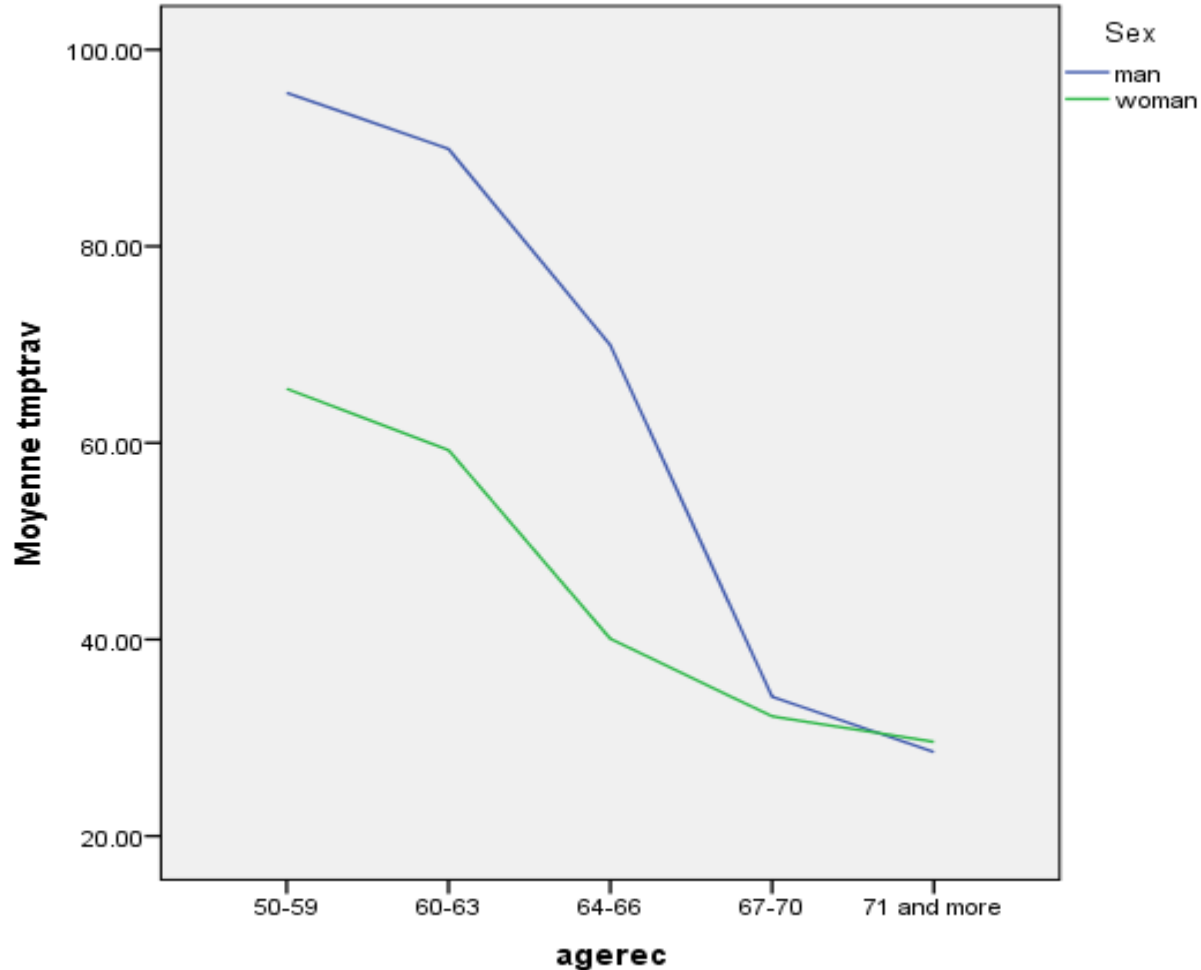
■ why?

general conclusions III

- these results highlight the heterogeneity in the transition to retirement and the 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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