

Bridge Employment after Involuntary Retirement: A Bridge to Better Postretirement Well-Being of Older Adults?

DRAFT

Please do not cite without permission of the authors

Ellen A. A. Dingemans

Netherlands Interdisciplinary Demographic Institute

Lange Houtstraat 19

2511 CV The Hague, Netherlands

dingemans@nidi.nl

Voice: +31 070 356 5200

Kène Henkens

Netherlands Interdisciplinary Demographic Institute

Lange Houtstraat 19

2511 CV The Hague, Netherlands

henkens@nidi.nl

Voice: +31 070 356 5200

University of Amsterdam

Department of Sociology and Anthropology

Ouderzijds Achterburgwal 185

1012 DK Amsterdam, Netherlands

Bridge Employment after Involuntary Retirement: A Bridge to Better Postretirement Well-Being of Older Adults?

Abstract

The increased popularity of bridge employment has raised questions on its consequences for well-being in late adult life. The central question of this research was to what extent bridge employment can smooth the retirement transition in terms of life satisfaction of older adults. This study empirically examines the impact of bridge employment conditional on the nature of the retirement transition. Ten-year panel data on Dutch older adults were investigated using multilevel fixed effects models. The results showed that involuntary retirement was detrimental for life satisfaction. When involuntary retirement was followed by full-time retirement the level of life satisfaction decreased. In contrast, forced retirees who took up bridge employment in their retirement transition did not face a reduction in life satisfaction. For voluntary retirees, bridge employment was not of influence on their level of satisfaction with life.

Keywords: Life satisfaction, involuntary retirement, bridge employment, multilevel fixed effects models

Bridge Employment after Involuntary Retirement: A Bridge to Better Postretirement Well-Being of Older Adults?

Traditionally, retirement has been thought of as an abrupt and complete discontinuation of paid employment in later life. Retirement today, however, can be characterized as a process which can take multiple forms (Beehr & Bennett, 2007) and may cover a substantial period of time in which people have to make several decisions with regard to their labor force participation (Van Solinge & Henkens, 2007). Older workers can use retirement arrangements to retire early or keep working in the career job until the official public pension age. After retirement from the career job, people can remain active in the labor force in paid employment, which is referred to as bridge employment (Feldman, 1994). The decisions regarding the exit from the career job and engagement in a bridge job can be the result of careful planning and own initiatives, but they can also be the result of external organizational and labor market forces. The increasing variety in retirement trajectories may have profound influence on life satisfaction in late adult life. Two aspects of the retirement transition are deemed particularly important in this respect: first, the extent to which people experience their labor market exit as forced or involuntary and second, the extent to which retirees prolong active working life in bridge jobs. This study aims to determine consequences of involuntary retirement and involvement in bridge employment for postretirement life satisfaction of older adults.

The question about the effect of retirement on life satisfaction has not been consistently answered in the literature. As Van Solinge (2012) showed, some studies report increased well-being after retirement, whereas other studies failed to find an effect. Whether the retirement transition is voluntary or not is shown to be a key element for understanding the effect of retirement on the well-being (Szinovacz, & Davey, 2005; Van Solinge &

Henkens, 2008; Bender, 2012). In fact, some studies have argued that involuntary or forced retirement is even the most important predictor of decreases in postretirement well-being (Calvo, Haverstick & Sass, 2009; Bender, 2012). Although retirement is often thought of as a voluntary transition, a substantial part, about 20 to 30%, of older workers perceive retirement as (partly) forced (Szinovacz & Davey, 2005; Van Solinge & Henkens, 2007; Hershey & Henkens, forthcoming). In previous research several reasons for why people perceive retirement as forced or involuntary are investigated, of which organizational and health-related reasons appeared to be most influential (Szinovacz, & Davey, 2005; Van Solinge & Henkens, 2007). Hershey and Henkens (forthcoming) showed that especially health reasons for perceived involuntary retirement are detrimental to life satisfaction.

Less is known in the literature about the consequences of re-entrance into the labor force after early retirement in a so-called bridge job. This is remarkable since about half of the U.S. retirees participate in a bridge job after withdrawal from the career job (Cahill, Giandrea & Quinn, 2005). Previous empirical research is mainly focused on determinants of bridge employment (e.g. Weckerle & Shultz, 1999; Kim & Feldman, 2000; Wang, Zhan, Liu & Shultz, 2008), while research on how labor force re-entrance affects late life is much more limited. Qualitative research by Ulrich (2003) found that participation in a bridge job made retirees feel better about themselves. In quantitative longitudinal research, Wang (2007) has shown that early retirees who hold bridge jobs are better able to maintain their preretirement levels of well-being during the retirement transition compared to retirees without bridge jobs. It remains unclear how this relates to non-retirees still working in their main career job.

This study contributes to the literature in three ways. First, a comprehensive view is provided of the combined effect of voluntariness of retirement and bridge employment on life satisfaction during late adult life. Although empirical research has focused on the

consequences of voluntariness of retirement for well-being, and a few studies have investigated the relationship between bridge employment and well-being, knowledge is lacking regarding the combined impact of voluntariness of retirement and bridge employment on life satisfaction of older adults. It seems intuitively reasonable that older workers who are confronted with forced labor market exit can buffer the negative consequences by re-employment, but this way of coping with the unexpected and involuntary situation is not empirically investigated in the literature to date. This study explicitly investigates to what extent a bridge job can smooth the retirement transition in case of involuntary exit from the career job.

Second, the current study uses three-wave panel data to disentangle individual retirement trajectories over time. In previous literature on consequences of retirement, only a small number of studies were able to follow the retirement trajectories of older adults over time (e.g. Wang, 2007; Pinguat & Schindler, 2007), instead of making cross-sectional comparisons between workers and retirees. Multilevel fixed effects models (Skron dal & Rabe-Hesketh, 2008) are used in this study to trace changes in life satisfaction that occur during the transition from the career job to retirement, while at the same time controlling for older workers still active in their career job. This dynamic approach makes it possible to account for the preretirement situation and avoids selectivity problems as a result of the relationship between entering retirement and life satisfaction.

Third, this paper emphasizes the importance of changing resources in the transition to retirement. The panel data make it possible to account for the availability of resources prior to retirement and changes in resources when people transition into retirement and into bridge jobs. Kim and Moen have emphasized “the importance of examining various resources and contexts surrounding retirement transitions (...) to understand the dynamics of the retirement

transition and its relationship with psychological well-being” (Kim & Moen, 2002, p.212). In accordance, the current research attempts to find out whether the impact of the retirement transition on life satisfaction is primarily a reflection of changes in important resources.

The three-wave panel data on which this research is based have been collected in the Netherlands over a ten-year period between 2001 and 2011. A large part of the current population of older adults in the Netherlands has (had) the opportunity to benefit from the various early retirement arrangements and retired before the official public pension age of 65. Indeed the vast majority of the Dutch older adults made use of such an arrangement (Damman, Henkens & Kalmijn, 2011). At the same time, there seems to be a trend towards extending active working life after early retirement in bridge jobs in the Netherlands, which is in line with policy of the Dutch government to discourage people from retiring full-time at an early age (Tweede Kamer, 2011). Between 2002 and 2007 the percentage of early retirees who reentered the labor force increased from 16 to 23 (Henkens, 2011).

In the scientific literature, bridge employment is often defined as “the transition into some part-time, self-employment or temporary work after full-time employment ends and permanent retirement begins” (Feldman, 1994, p.286). This definition seems not appropriate for the Dutch context, due to differences in the specific labor market context (Hershey, Henkens & Van Dalen, 2007). Part-time work during the career is fairly common in the Netherlands, which makes it problematic to define bridge employment as work after full-time employment ends. Bridge employment in the Netherlands refers to older adults who receive a retirement benefit and at the same time prolong their active working life in paid labor.

Theoretical Framework

The Impact of Life Events on How People Evaluate Life

Several theories on subjective well-being (SWB) suggest that well-being is a stable personal characteristic. For example, the top-down approach (Heller, Watson & Ilies, 2004), adaptation theory (Lucas, Georgellis, Clark & Diener, 2003), set point theory (Lucas, Clark, Georgellis & Diener, 2004), and the equilibrium model of subjective well-being (Headey & Wearing, 1989), all argue that “individuals react to events but quickly adapt back to baseline levels of subjective well-being” (Lucas et al., 2003, p.527). By contrast, the bottom-up approach assumes that major life events can change the level of well-being. Previous research has shown that unemployment (Lucas et al., 2004) and divorce (Lucas, 2005) permanently impact the level of life satisfaction. People react to these events by reporting lower levels of well-being. They eventually adapt to the situation resulting in an increase in well-being, but they do not completely return to their baseline level. Thus, although personality can generate a certain stable level of well-being, major life events also matter.

Since retirement is an important life event in late adult life, it is important to investigate the consequences of the retirement transition for satisfaction with life. In contrast to life events such as the loss of a spouse, divorce, or unemployment that are in general always perceived as highly stressful and negative for well-being (Lucas, 2005; Lucas et al., 2004), the appreciation and consequences of retirement are much more nuanced. Based on insights from focus groups, Quine, Wells, De Vaus and Kendis (2007) have reported benefits of retirement related to the freedom and flexibility of life without work, while retirement was also linked to losses in financial and social resources and a reduced sense of self-worth. Older adults may have planned for their retirement, looking forward to this upcoming life stage, or

may be anxious to the time without work activities that structure daily life (Lim & Feldman, 2003; Van Solinge & Henkens, 2008). Consequently, whether the retirement transitions affects life satisfaction positively or negatively is not a priori determined.

The conditions and consequences of retirement are assumed to be greatly dependent on people's access to valued resources (Hobfoll, 1989; Van Solinge & Henkens, 2008). Resources can provide certain opportunities, while the absence of resources can constrain people in their behavior. The most important resources in retirement relate to first, the opportunity structure, emphasizing the financial resources and health and second, the household situation, emphasizing the partner as the most important social resource (e.g. Henkens, 1999; Van Solinge & Henkens, 2008; Wang, Henkens & Van Solinge, 2011). First, changes in financial resources are directly linked to retirement as income from work is substituted by forms of pension income or savings and, at the same time, can have important implications for well-being (Van Solinge & Henkens, 2008). Second, health status is related to the retirement transition in a complex way. Decreases in health can force people to exit work (Van Solinge & Henkens, 2007), while increased health can motivate older adults to remain active in the career job or in bridge employment (Wang et al., 2008). In addition, transitions to retirement and bridge employment can also improve or deteriorate health (Zhan, Wang, Lui & Shultz, 2009). Physical health is closely related to mental well-being and life satisfaction. Third, the retirement transition is embedded in the household context (Henkens, 1999). Changes in partner status that become increasingly likely in old age, such as the loss of a spouse, can have a major impact on life satisfaction. The question is raised whether retirement relates to life satisfaction mainly because of changes in these important resources, or that other mechanisms are at play as well.

Retirement Transitions and Satisfaction With Life

Besides the availability of resources, the life course principle of human agency (Elder, 1994) and the life-span theory of control (Heckhausen & Schulz, 1995) have assumed that control over life transitions is important to avoid stress and depressive symptoms. Perceived control refers to the extent to which people see their decisions or outcomes as a result of their own initiative rather than contextual circumstances (Szinovacz & Davey, 2005). In case of an involuntary retirement transition, the older worker does not perceive to be in control over their own retirement process. Often when retirement is forced, people retire earlier than expected and therefore do not feel as if they have had enough time to prepare for this life transition, either financially or psychologically (Van Solinge & Henkens, 2007). These older workers experience no other choice than to disassociate from the work role and adopt the role of retiree (Zhan et al., 2009).

The sudden and substantial loss in perceived control over the retirement transition and the work role, or what Quine et al. (2007) referred to as the absence of choice in case of involuntary retirement, decreases life satisfaction (Heckhausen & Schulz, 1995; Quine et al., 2007). In previous literature, the detrimental effect of involuntary retirement on well-being in late life is consistently shown, often in a cross-sectional manner (Shultz, Morton & Weckerle, 1998; Szinovacz & Davey, 2005; Quine et al., 2007; Bender, 2012). Bender (2012) even proclaimed the voluntariness of the retirement transitions to be the most important determinant of well-being in old age. In sum, involuntary retirement resulting from a perceived lack of control over the retirement transition is assumed to be related to lower levels of satisfaction with life.

Hypothesis 1: Retirees who experienced their retirement transition as forced will report lower levels of satisfaction with life compared to retirees who retired voluntarily.

The retirement transition, as with all major life events, goes together with discontinuity in life (Atchley, 1999); retirees can no longer structure their time around working life (Lim & Feldman, 2003) and lose their work role identity (Zhan et al., 2009). Bridge employment is presumed to be an important strategy to gradually disassociate from the work domain and find satisfaction with life without work (Zhan et al., 2009). A bridge job can fulfill intrinsically important aims such as having a purposeful pastime, structuring of time, keeping in touch with current developments, and increasing self-esteem (Lim & Feldman, 2003, Ulrich, 2003), as well as provide opportunities to obtain specific work-related resources such as income and social contacts with colleagues. The gradual withdrawal from work into retirement is found to have a positive impact on life satisfaction (Kim & Feldman, 2000; Wang, 2007). Hence, it is expected that participating in a bridge job increases satisfaction with life.

Hypothesis 2: Retirees who remain active in bridge jobs are expected to have higher levels of satisfaction with life compared to people who fully retire.

The combination of the first two hypotheses addresses whether bridge employment can be seen as a tool to smooth the retirement transition after the negative experience of involuntary retirement. Particularly in the case of an involuntary retirement transition, people experience major losses in perceived control over their life. The absence of a choice whether to stay in the career job or not can motivate forced retirees to search for other ways to achieve a sense of perceived control over the work domain and their work role identity (Heckhausen &

Schulz, 1995; Szinovacz & Davey, 2005; Quine et al., 2007). Re-entering into the labor force by participation in a bridge job provides a strategy to regain personal control over the retirement process and buffer the negative consequences of forced labor market withdrawal (Ulrich, 2003; Henkens, Van Dalen & Van Solinge, 2009). In accordance, Quine et al. (2007) found that retirees who took up meaningful activity after forced retirement were able to regain a sense of control and hence found satisfaction in their retirement. Therefore, it is expected that bridge employment after involuntary retirement can smooth the retirement transition.

Hypothesis 3: The effect of bridge employment on satisfaction with life is stronger for retirees who have perceived their retirement as involuntary compared to retirees who experienced voluntary retirement.

Data and Methods

Organizational Context

Participants from the NIDI Work and Retirement Panel were drawn from older worker in the Netherlands and were followed in their transition to retirement over a ten-year period between 2001 and 2011. At the beginning of the 21st century, early retirement was common in the Netherlands, both in normative expectations as well as in actual behavior (Henkens, 2011; Damman, et al. 2011). Between 2001 and 2006, most older workers retired around age 61. After 2006, the mean retirement age increased to age 63 in 2011 (Statistics Netherlands, 2012a).

Data

This study is based on three-wave panel data from the Work and Retirement Panel, carried out by the Netherlands Interdisciplinary Demographic Institute (NIDI). The panel covers all older workers aged 50 years and older from three Dutch multinational private-sector organizations, operating in the fields of manufacturing, retail, and information and communication technology, as well as a random selection of civil servants working for the Dutch central government. At three time points over a ten-year period, respondents answered questions about their career job, their ideas about retirement and their actual retirement decisions.

The data are based on self-completion questionnaires. 3,899 older workers received a mail questionnaire in 2001, of which 2,403 older workers responded (response rate 62%). In 2006-2007, surviving and traceable respondents from wave 1 were re-surveyed resulting in 1,676 older adults who returned their questionnaire (response rate 75%). The third wave of data collection was in 2011 and resulted in information about 1,276 older adults (response rate 76%). The analytical sample consists of respondents aged between 50 and 65 in 2001 with a mean age of 54, of which 25% are women.

Method

The longitudinal character of the data provides the opportunity to investigate the process of retirement and its consequences for satisfaction with life over time. A multilevel regression approach is used to take into account the nested structure of several measuring points within each individual (Singer & Willett, 2003; Skrondal & Rabe-Hesketh, 2008). The multilevel models in this study, so-called fixed effects models, only use within-person variation and as such exclude selection effects from stable personal traits (Skrondal & Rabe-Hesketh, 2008). As Skrondal & Rabe-Hesketh explain, these models provide insight into the longitudinal

effects of certain changes in an individual related to their changes in the dependent variable.

A consequence of using this approach is that only time variant variables can be tested (Skrondal & Rabe-Hesketh, 2008). Variables such as gender do not vary over time and therefore cannot explain changes in life satisfaction of an individual.

The longitudinal nature of the data and the dynamic analysis approach required a long file format, consisting of $n * t$ observations, (number of respondents (n) over time periods (t)). The final dataset consists of 7209 observations. In the analyses, cases were included that contained full information on the dependent variable satisfaction with life, and the independent variables retirement decision, and bridge employment. Due to a combination of drop-out of respondents over the waves (1854 missing observations) and missing information on the life satisfaction scale (83 missings), voluntariness of the retirement decision (77 missings), and participation in bridge employment (2 missings), a final set of 5202 observations was used for estimation. Missing data on the control variables (3,6% of the original dataset) were imputed using multiple imputation procedures (STATA 12: mi impute).

To test the hypotheses, a nested modeling approach was used. As a first step, the main effect of the voluntariness of the retirement decision was investigated. Due to the fixed effects approach, the main effect was controlled for stable personal characteristics. In an additional model, the main effect of the retirement decision was also controlled for the important resources, partner status, health status, and personal income. Second, the main effect of bridge employment was investigated also without and with taking resources into account. Finally, the combined effects of the voluntariness of the retirement decision and bridge employment were tested, also uncontrolled and controlled for the resources, partner status, health, and income.

Measures

Satisfaction With Life: Satisfaction with life of older adults is measured using the ‘Satisfaction With Life Scale’ (SWLS) which considers life satisfaction to be a cognitive-judgmental process (Diener, Emmons, Larsen & Griffin, 1985, p.71). Three items drawn from Diener et al. (1985) included: ‘In most ways my life is close to my ideal,’ ‘The conditions of my life are excellent,’ and ‘So far I have gotten the important things I want in life.’ People could answer on a 5-point Likert-scale ranging from ‘totally agree’ (1) to ‘totally disagree’ (5). A mean score over the three items was computed separately for the three waves. A high score on the SWLS scale corresponds to a high level of life satisfaction. All three scales were found to be reliable (Cronbach alpha, respectively per wave: 0.71, 0.74, and 0.72).

Voluntariness of the retirement decision: Three retirement situations were distinguished, namely working in the career job, voluntary retirement, and involuntary retirement. By design, in the first wave, all respondents worked in their career job. In wave 2 as well as in wave 3, respondents were asked whether they made use of a retirement arrangement and whether they perceived their retirement decision as voluntary. They could answer with: ‘yes, completely voluntary’, ‘no, partly involuntary’, or ‘no, completely involuntary’. The latter two categories were taken together to indicate perceptions of involuntary retirement. Dummy variables were constructed indicating ‘voluntary retirement’ and ‘involuntary retirement’, as opposed to ‘working in the career job’ as reference category.

Bridge employment: At the second and third wave, it was determined whether respondents were active in bridge employment for each wave separately. Retirees in the sample were asked whether they participated in paid labor after exit from the career job (2) or not (1).

Retirees were coded as bridge employees if they participated in the bridge job at the time of data collection. Otherwise, they were labeled as ‘fully retired’. Respondents who did not use a retirement arrangement were coded as ‘working in the career job’ and functioned as the reference category.

Time: A wave variable, centered on the first wave, was constructed indicating the time point of measurement. This variable represents the increase in age within individuals over the period of observation of three waves.

Resources: First, as a measure of the household situation, dummy-coding is used to indicate for each time-point separately whether a respondent lived with a partner (1) or not (0). A second and important resource is health. In all three waves, people were asked whether they had to deal with long-lasting health problems. The dummy variable for health indicates health problems as compared to the reference group without health problems. Third, the financial situation is assumed to be an important factor in the retirement-satisfaction nexus. For wave 1, salary information was provided by the company. However, in the second and third wave, the respondents themselves indicated their personal monthly income using 7 answer categories (1. less than 1000 euros; 2. 1000 to 1500 euros; 3. 1500 to 2000 euros; 4. 2000 to 2500 euros; 5. 2500 to 3000 euros; 6. 3000 to 3500 euros; 7. 3500 euros or more). To have consistency across waves, the information for the first wave was also divided into the same answer categories (after transformation from Dutch guilders to euros). In addition, for each wave income midpoints were taken from the ordinal categorization and were corrected for inflation over the waves according to inflation statistics from Statistics Netherlands (2012b).

Results

Descriptive Results

Table 1 provides an overview of the descriptive statistics. With regard to the dependent variable, it is found that the average level of satisfaction with life slightly decreases across the waves from 3.70 in 2001 to 3.64 in 2011. By design, all respondents worked in their main career job at the start of the research project in 2001. 59% of the participants used a retirement arrangement before the second measurement point in 2006. The remaining 41% were still active in their main career job. In 2011, 17% of the sample was still working in the career job. About one in five older adults in the sample experienced an involuntary retirement decision. With regard to re-entrance into the labor force, 10% of the older adults in the sample became active in a bridge job in 2006 and 14% participated in a bridge job in 2011.

[Table 1 around here]

When focusing specifically on the group of retirees (not in the table), it appears that about 30% of the retirement transitions were perceived as (partly) involuntary. Combining the descriptive statistics on the voluntariness of the retirement decision and participation in bridge employment, the picture emerges that involuntary retirees were not more likely to participate in bridge jobs compared to voluntary retirees. 17% of the retirees in 2006 and 16% of the retirees in 2011 were active in a bridge job. About half of the retirees who participated in bridge jobs in 2006 also participated in bridge jobs in 2011. In addition, 6% of the full-time retirees in 2006 re-entered the labor force and participated in a bridge job five years later.

Despite increased popularity of bridge employment in the Netherlands, the figures show that most people still fully retire after the use of a retirement arrangement.

Results from Multilevel Fixed Effects Modeling

The unstandardized estimates from the multilevel fixed effects models on satisfaction with life are shown in table 2. Model 1 in table 2 represents the effect of the voluntariness of the retirement decision on satisfaction with life, without controlling for important resources.

When testing at a ten per cent level, it can be concluded that perceiving retirement as voluntary increases levels of life satisfaction compared to the situation when one was still in the career job. In contrast, forced retirement results in a drop in life satisfaction. As appears from model 2 in table 2, the coefficients change only slightly after taking the resources into account. When changes in partner status, health, and income were accounted for, there was no longer a significant effect on life satisfaction for workers who voluntarily transitioned from their career job to retirement. At the same time, the conclusion on the detrimental effect of involuntary retirement is unaltered. The first hypothesis that involuntary retirement negatively affects older adults' life satisfaction can be supported.

The first two models in table 2, as well as subsequent models, provide empirical evidence for an aging effect; when people grow older, their satisfaction with life is declining. This aging effect is represented by the significantly negative coefficient for the wave variable. In addition, it was tested whether the decline in satisfaction over time was different for the various retirement patterns, but this effect was not found to be significant. The aging effect does not seem to be the result of other factors such as the actual retirement behavior or, declined health or income, since in several models these factors are controlled for. With regard to the important resources included in model 2, it can be concluded that when older

adults start to experience health problems, or no longer live with a partner, their levels of life satisfaction decrease. Changes in income did not significantly change life satisfaction when controlled for the retirement transition and the other resources partner status and health.

[Table 2 around here]

In model 3 and 4 of table 2, the effect of bridge employment on satisfaction with life is tested. In both models without and with accounting for partner status, health, and income it appeared that the prolongation of working life in a bridge job does not result in significant changes in life satisfaction. When changing the reference category of the dummy variables ('fully retired' as the reference group), it can also be concluded that starting to participate in a bridge job after first being fully retired does not affect the level of life satisfaction significantly. Therefore, the hypothesis that participation in a bridge job generally results in increased satisfaction with life cannot be supported based on these data.

The combined effect of the voluntariness of the retirement decision and participation in a bridge job is investigated in model 5 and 6 of table 2. It was hypothesized that bridge employment would be especially important to forced retirees. The results provide support for this hypothesis and show that when the exit from the career job is perceived as involuntary and is not followed by a bridge job, older adults experience a drop in life satisfaction. By contrast, the life satisfaction of forced retirees who start to work in a bridge job did not change significantly compared to preretirement satisfaction levels. Consequently, it can be concluded that a bridge job can indeed buffer the negative consequences of the involuntariness of the retirement transition on life satisfaction. This conclusion also remains after controlling for changes in the important resources, as appears in model 6 of table 2.

Furthermore, bridge employment seems to be of no importance for voluntary retirees; being in a bridge job did not result in significantly different satisfaction levels after voluntary retirement.

Sensitivity Analyses

For this research, multilevel fixed effects models were favored over other techniques because of the ability to explicitly model the within-variation only and as such avoid endogeneity problems (Skrondal & Rabe-Hesketh, 2008). Nevertheless, other types of statistical techniques that take into account the dependency of cases were explored. Analyses using multilevel models taking into account within- as well as between-person variation, also referred to as random intercept models (Singer & Willett, 2003), showed similar results with respect to the hypotheses compared to the fixed effects models. Furthermore, these random intercept models provide additional insight into differences between people with regard to time invariant characteristics. It appeared that women had higher satisfaction with life compared to men, and that life satisfaction did neither depend on age differences nor on differences in the educational level. Since the analyses of the relationship between the voluntariness of the retirement decision, bridge employment, and life satisfaction resulted in the same conclusions for the different approaches, it can be stated that the findings as presented in this paper are robust.

Discussion

The increased popularity of bridge employment has raised questions on its consequences for well-being in late adult life. The central question of this research was to what extent bridge

employment can smooth the transition from work in the career job to full-time retirement in terms of satisfaction with life of older adults, especially after involuntary labor force withdrawal. The general conclusions are unequivocal. In accordance with previous literature (e.g. Van Solinge & Henkens, 2008), the current study provides empirical evidence for the detrimental effect of involuntary retirement on life satisfaction, regardless of financial losses or changes in health. The results suggest that the absence of choice to retire is, apparently, more detrimental to life satisfaction than the unexpected losses in resources due to the forced labor market exit.

The current research does not provide support for the general impact of re-entrance into the labor force after retirement by taking bridge employment on well-being of older adults. At the same time, the results clearly underscore the idea that bridge employment is an important strategy for involuntary retirees to regain preretirement satisfaction levels. By taking a bridge job after involuntary retirement, older adults seem to be able to correct for the abrupt and unexpected loss of perceived control over the retirement transition. Although bridge employment provides retirees with additional financial resources, results of this research show that the financial component of the bridge job is only of limited influence on life satisfaction. Apparently, work-related resources provided by bridge jobs like income do not seem to matter for life satisfaction. This corresponds to the finding that personal income was not found to impact life satisfaction, which can be understood by the relative generosity of pension arrangements that were available for the investigated cohort of Dutch older workers. One might speculate about other possible challenges than the (partial) discontinuity in income faced by forced retirees. In the sociological literature, emphasis is on the social integration of older adults into the work domain. Van Solinge & Henkens (2005) have shown that the social integration is an important determinant of retirement adjustment. This social

component might be abruptly reduced as result of the forced labor market exit (Moen, Fields, Quick & Hofmeister, 2000) but can be compensated by new social ties from the bridge job. From a psychological point of view, forced retirees in bridge jobs are able to regain a sense of control over their retirement process (Quine et al., 2007). In addition, bridge employment participation can fulfill intrinsically motivated aims such as the structuring of daily life around purposeful activities and increasing levels of self-esteem (Lim & Feldman, 2003; Ulrich, 2003).

In sum, insights from this research stress the importance of bridge employment for taking back control over the retirement process and regain preretirement satisfaction level. However, bridge employment can take various forms that might differ in the extent to which detrimental effects of involuntary retirement on well-being are buffered. Previous literature argues that retirees often perceive their bridge jobs positively; the jobs are less demanding, more flexible, and provide more free time for leisure compared to the career job (Kantarci, 2012; Gobeski & Beehr, 2008). Another line of research has focused on the structural characteristics of bridge employment and often conclude that bridge jobs are poor quality jobs placing older adults in more disadvantaged positions compared to their career jobs (Feldman, 1994; Lissenburgh & Smeaton, 2003; Cuelenaere & Veldhuis, 2011; König, Van den Berg, & Ter Haar, 2011). In addition, involuntary as well as voluntary retirees might feel pressured to take a bridge job, for example because of financial reasons or societal norms (Ulrich, 2003; Cahill et al., 2005). The concept of bridge employment comprises a variety of bridge jobs, work patterns and work motivations after the exit from the career job. Further research could direct attention towards the impact of different bridge job characteristics and how these affect well-being in late adult life.

The current research is one of the first studies to investigate the consequences of retirement as a dynamic life event. Results are based on a ten-year panel study following older adults in their retirement process. The sample captures a broad range of organizational diversity and provides information on a wide variety of retirement issues, from the retirement trajectory and life satisfaction to basic information on (changes in) the most important resources in the retirement process. However, the sample was not fully representative for the Dutch labor market, since only large organizations were included. This might limit the generalizability. Furthermore, generalizability to other countries might be limited due to the relative generosity of the Dutch pension arrangements compared to other countries (for example, compared to the U.S., see: Hershey et al., 2007). Another limitation is related to the resources that were considered. This study attempted to account for changes in important resources when investigating the retirement-satisfaction nexus. However, it was not possible to control for impact of other resources than the personal income, health, and the partner status. For example, social support from colleagues or changes in the psychological make-up of older workers might be important to be considered as well. This is seen as an important direction for further research.

The traditional form of retirement as an abrupt and complete discontinuation of paid employment is increasingly replaced by a large diversity in work patterns in later stages of the life course. After (early) retirement, more often people immediately continue to work in a form of bridge employment, or re-enter the labor force after first being fully retired. The current research focused on the dynamics in individual retirement trajectories and found it to have clear implications for well-being in late adult life. At the individual level, older adults can consider these implications of various work patterns in their retirement planning process. At the organizational level, the results imply that career counseling should focus on

smoothing the retirement transition for older employees. Faced with the reality of reorganizations and individual health barriers, it might be important to help the group of forced retirees re-integrate into the labor force and regain control over the retirement process. As this research has clearly shown, a certain level of personal control over important life transitions is crucial for older adults sustaining satisfaction with life after retirement.

References

- Atchley, R. C. (1999). Continuity theory, self, and social structure. In Ryff, C. D., & Marshall, V. W. (Eds.), *Families and retirement* (pp. 145–158). Newbury Park, CA: Sage.
- Beehr, T. A., & Bennett, M. M. (2007). Early retirement from a multi-level perspective. In: Shultz, K.S., & Adams, G.A. (Eds.), *Aging and work in the 21st century* (pp. 288-302). Mahwah, NJ: Lawrence Erlbaum, Publishers.
- Bender, K.A. (2012). An analysis of well-being in retirement: The role of pensions, health, and ‘voluntariness’ of retirement. *The Journal of Socio-Economics*, 41(4), 424-433. DOI:10.1016/j.socec.2011.05.010.
- Cahill, K.E., Giandrea, M.D., & Quinn, J.F. (2005). *Are traditional retirements a thing of the past? New evidence on retirement patterns and bridge jobs* (BLS Working Papers No. 384). Retrieved August 16, 2012, from: <http://www.bls.gov/ore/pdf/ec050100.pdf>.
- Calvo, E., Haverstick, K., & Sass, S.A. (2009). Gradual retirement, sense of control, and retirees’ happiness. *Research on Aging*, 31(1), 112-135. DOI: 10.1177/0164027508324704.
- Cuelenaere, B., & Veldhuis, V. (2011). *Herintreding werkloze 55-plussers*. (Report AStri Beleidsonderzoek en -advies / RWI) Retrieved August 28, 2012, from: http://www.rwi.nl/CmsData/2011/rapport_Herintredende_55plussers.pdf
- Damman, M., Henkens, K., & Kalmijn, M. (2011). The impact of midlife educational, work, health, and family experiences on men’s early retirement. *Journal of Gerontology*, 66B(5), 617-627. DOI: 10.1093/geronb/gbr092.

- Diener, E., Emmons, A., Larsen, R.J., & Griffin, S. (1985). The satisfaction with life scale. *Journal of Personality Assessment*, 49(1), 71-74. DOI:10.1207/s15327752jpa4901_13.
- Elder, G.H. (1994). Time, Human Agency, and Social Change: Perspectives on the Life Course. *Social Psychology Quarterly*, 57(1), 4-15.
- Feldman, D. C. (1994). The decision to retire early: A review and conceptualization. *Academy of Management Review*, 19, 285–311. DOI:10.5465/AMR.1994.9410210751.
- Gobeski, K.T., & Beehr, T.A. (2009). How retirees work: predictors of different types of bridge employment. *Journal of Organizational Behavior*, 30, 401-425. DOI: 10.1002/job.547.
- Headey, B. W., & Wearing, A. J. (1989). Personality, life events, and subjective well-being: Toward a dynamic equilibrium model. *Journal of Personality and Social Psychology*, 5(7), 731 -739. DOI: 10.1037/0022-3514.57.4.731.
- Heckhausen, J. & Schulz, R. (1995). A life-span theory of control. *Psychological review*, 102(2), 284-304. DOI:10.1037//0033-295X.102.2.284.
- Heller, D., Watson, D., & Ilies, R. (2004). The role of person versus situation in life satisfaction: A critical examination. *Psychological Bulletin*, 130(4), 574-600. DOI: 10.1037/0033-2909.130.4.574.
- Henkens, K. (1999). Retirement intentions and spousal support: A multi-actor approach. *Journal of Gerontology*, 54B(2), S63-S73. DOI: 10.1093/geronb/54B.2.S63.
- Henkens, K., Van Dalen, H., & Van Solinge, H. (2009). *De vervagende grens tussen werk en pensioen. Over doorwerkers, doorstarters en herintreders*. Amsterdam: KNAW Press.
- Henkens, K. (2011). Een sociologisch perspectief op langer werken. *TPEdigitaal*, 5(2), 36-52.

- Hershey, D.A., Henkens, K., Van Dalen, H.P. (2007). Mapping the minds of retirement planners: A cross-cultural perspective. *Journal of Cross-Cultural Psychology*, 38(3), 361-382. DOI: 10.1177/0022022107300280.
- Hershey, D.A., & Henkens, K. (forthcoming). Impact of different types of retirement transitions on satisfaction with life.
- Hobfoll, S.E. (1989). Conservation of resources: A new attempt at conceptualizing stress. *American Psychologist*, 44(3), 513-524. DOI: 10.1037/0003-066X.44.3.513.
- Kantarci, T. (2012). *Essays on partial retirement*. Tilburg: Center Dissertation Series.
- Kim, J.E., & Moen, P. (2002). Retirement transitions, gender, and psychological well-being: A life-course, ecological model. *Journal of Gerontology*, 57B(3), 212-222. DOI: 10.1093/geronb/57.3.P212.
- Kim, S., & Feldman, D.C. (2000). Working in retirement: The antecedents of bridge employment and its consequences for quality of life in retirement. *The Academy of Management Journal*, 43(6), 1195-1210. DOI:10.2307/1556345.
- König, T., Van den Berg, P., & Ter Haar, D. (2011). *Ouderen zonder baan, één jaar later. Arbeidsmarktkansen van werkloze ouderen van 45 tot 65 jaar, 2008 en inkomstenbronnen van alle ouderen van 45 tot 65 jaar in 2006-2008* (Report CBS / RWI). Retrieved August 28, 2012, from RWI website: http://www.rwi.nl/CmsData/2011/Onderzoek_Ouderen_zonder_%20baan.pdf.
- Lim, V.K.G., & Feldman, D. (2003). The impact of time structure and time usage on willingness to retire and accept bridge employment. *The International Journal of Human Resource Management*, 14(7), 1178-1191. DOI: 10.1080/0958519032000114255.

- Lissenburgh, S., & Smeaton, D. (2003). *Employment transitions of older workers. The role of flexible employment in maintaining labour market participation and promoting job quality*. Bristol: The Policy Press.
- Lucas, R.E. (2005). Time does not heal all wounds. A longitudinal study of reaction and adaptation to divorce. *Psychological science*, 16(12), 945-950. DOI: 10.1111/j.1467-9280.2005.01642.x.
- Lucas, R.E., Clark, A.E., Georgellis, Y., & Diener, E. (2004). Unemployment alters the Set point for life satisfaction. *Psychological Science*, 15(1), 8-13. DOI: 10.1111/j.0963-7214.2004.01501002.x.
- Lucas, R.E., Georgellis, Y., Clark, A.E., & Diener, E. (2003). Reexamining adaptation and the set point model of happiness: Reactions to changes in marital status. *Journal of Personality and Social Psychology*, 84(3), 527-539. DOI: 10.1037/0022-3514.84.3.527.
- Moen, P., Fields, V., Quicke, H.E., & Hofmeister, H. (2000). A life-course approach to retirement and social integration. In: Pillemer, K., Moen, P., Wethington, E., & Glasgow, N. (Eds). *Social integration in the second half of life* (pp 75-107). Maryland: The Johns Hopkins University Press.
- Pinquart, M., & Schindler, I. (2007). Changes of life satisfaction in the transition to retirement: A latent-class approach. *Psychology and Aging*, 22(3), 442-455. DOI: 10.1037/0882-7974.22.3.442.
- Quine, S., Wells, Y., De Vaus, D., & Kendig, H. (2007). When choice in retirement decisions is missing: qualitative and quantitative findings of impact on well-being. *Australasian Journal of Ageing*, 26(4), 173-179. DOI: 10.1111/j.1741-6612.2007.00251.x.

- Shultz, K.S., Morton, K.R., & Weckerle, J.R. (1998). The influence of push and pull factors on voluntary and involuntary early retirees' retirement decision and adjustment. *Journal of Vocational Behavior*, 53, 45-57. DOI: 10.1006/jvbe.1997.1610.
- Singer, J.D., & Willett, J.B. (2003). *Applied longitudinal data analysis: Modeling change and event occurrence*. New York: Oxford University Press.
- Skrondal, A., & Rabe-Hesketh, S. (2008). Multilevel and related models for longitudinal data. In: De Leeuw, J., & Meijer, E. (Eds.), *Handbook of multilevel analysis* (pp. 275-299). New York: Springer.
- Statistics Netherlands. (2012a). *Van arbeid naar pensioen; personen 55 jaar of ouder*. Retrieved November 7, 2012, from <http://statline.cbs.nl/StatWeb/>.
- Statistics Netherlands. (2012b). *Consumentenprijzen; inflatie vanaf 1963*. Retrieved September 13, 2012, from <http://statline.cbs.nl/StatWeb/>.
- Szinovacz, M.E., & Davey, A. (2005). Predictors of perceptions of involuntary retirement. *The Gerontologist*, 45(1), 36-47. DOI: 10.1093/geront/45.1.36.
- Tweede Kamer (2011). Vitaliteitspakket. Tweede Kamer Vergaderjaar 2010-2011 (No. ASEA/SAS/2011/11971). Retrieved April 11, 2012, from <http://www.rijksoverheid.nl/onderwerpen/pensioen/documenten-en-publicaties/kamerstukken/2011/07/04/brief-van-minister-kamp-over-het-vitaliteitspakket.html>.
- Ulrich, L.B. (2003). *Older workers and bridge employment: an exploratory study*. Doctoral dissertation, Virginia Polytechnic Institute and State University. Retrieved August 16, 2012, from <http://scholar.lib.vt.edu/theses/available/etd-03262003-83517/unrestricted/ULRICHTD.pdf>.

- Van Solinge, H. (2012). Adjustment to retirement. In: Wang, M. (Ed), *The Oxford handbook of retirement* (forthcoming). New York NY: Oxford University Press.
- Van Solinge, H., & Henkens, K. (2005). Couples' adjustment to retirement: A multi-actor panel study. *Journal of Gerontology*, 60B(1), S11-S20. DOI:10.1093/geronb/60.1.S11.
- Van Solinge, H., & Henkens, K. (2007). Involuntary retirement: The role of restrictive circumstances, timing, and social embeddedness. *Journal of Gerontology*, 62B(5), 295-303. DOI: 10.1093/geronb/62.5.S295.
- Van Solinge, H., & Henkens, K. (2008). Adjustment to and satisfaction with retirement: Two of a kind? *Psychology and Aging*, 23(2), 422-434. DOI: 10.1037/0882-7974.23.2.422.
- Wang, M. (2007). Profiling retirees in the retirement transition and adjustment process: Examining the longitudinal change patterns of retirees' psychological well-being. *Journal of Applied Psychology*, 92(2), 455-474. DOI: 10.1037/0021-9010.92.2.455.
- Wang, M., Henkens, K., & Van Solinge, H. (2011). Retirement adjustment: A review of theoretical and empirical advancements. *American Psychologist*, 66(3), 204-213. DOI: 10.1037/a0022414.
- Wang, M., Zhan, Y., Liu, S., & Shultz, K.S. (2008). Antecedents of bridge employment: A longitudinal investigation. *Journal of Applied Psychology*, 93(4), 818-830. DOI: 10.1037/0021-9010.93.4.818.
- Weckerle, J.R., & Shultz, K.S. (1999). Influences on the bridge employment decision among older USA workers. *Journal of Occupational and Organizational Psychology*, 72, 317-329. DOI: 10.1348/096317999166707.
- Zhan, Y., Wang, M., Liu, S., & Shultz, K.S. (2009). Bridge employment and retirees' health: A longitudinal investigation. *Journal of Occupational Health Psychology*,

14(4), 374-389. DOI: 10.1037/a0015285.

Table 1.

Descriptive statistics: means or percentages (SD) per wave.

	Wave 1 N = 2380	Wave 2 N = 1597	Wave 3 N = 1225
SWLS	3.70 (0.64)	3.65 (0.63)	3.64 (0.59)
Age	54.63 (2.83)	59.77 (2.89)	64.62 (2.82)
Retirement decision			
Working in career job	100% (0)	41% (0.49)	17% (0.37)
Voluntary retired	0% (0)	42% (0.49)	59% (0.49)
Involuntary retired	0% (0)	17% (0.37)	24% (0.43)
Bridge employment			
Working in career job	100% (0)	41% (0.49)	17% (0.37)
Bridge job	0% (0)	10% (0.30)	14% (0.34)
Full-time retirement	0% (0)	49% (0.50)	69% (0.46)
Women	25% (0.43)	26% (0.44)	24% (0.43)
Living with a partner	87% (0.34)	84% (0.37)	84% (0.37)
Health problems	30% (0.46)	28% (0.45)	30% (0.46)
Personal monthly income (euros) ^a	3042 (1422)	2003 (1035)	2031 (1001)

Source: NIDI Work and Retirement Panel (2001-2011).

^a In the multilevel fixed effects models the income is divided by 1000.

Table 2.

Unstandardized estimates from multilevel fixed effects models on SWLS (1-5) (N = 5202).

	Model 1		Model 2		Model 3		Model 4		Model 5		Model 6	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
constant	3.71**	0.01	3.52**	0.06	3.71**	0.01	3.51**	0.06	3.71**	0.01	3.52**	0.06
Wave (centered, 1=0)	-0.05**	0.01	-0.04**	0.02	-0.05**	0.01	-0.04**	0.02	-0.05**	0.01	-0.04**	0.02
Retirement decision												
Working in career job												
Voluntary retired	0.05 [†]	0.03	0.04	0.03								
Involuntary retired	-0.09**	0.04	-0.09*	0.04								
Bridge employment												
Working in career job												
Bridge employment					0.04	0.04	0.04	0.04				
Full retirement					-0.00	0.03	-0.01	0.03				
Combined effects:												
Working in career job												
Voluntary retired – full retirement									0.05	0.03	0.04	0.03
Voluntary retired – bridge job									0.06	0.05	0.06	0.05
Involuntary retired – full retirement									-0.11**	0.04	-0.11**	0.04
Involuntary retired – bridge job									0.02	0.07	0.01	0.07
Living with a partner			0.23**	0.05			0.23**	0.05			0.23**	0.05
Health problems			-0.08**	0.02			-0.08**	0.02			-0.08**	0.02
Personal monthly income			0.01	0.01			0.01	0.01			0.01	0.01
Model statistics ^a												
R ² within	0.017		0.032		0.012		0.027		0.018		0.033	
Log Likelihood	1453.485 (df=4)		1414.778 (df=7)		1467.354 (df=4)		1427.447 (df=7)		1450.048 (df=6)		1411.813 (df=9)	
AIC	2914.969		2843.556		2942.709		2868.894		2912.097		2841.625	
BIC	2941.196		2889.453		2968.936		2914.791		2951.437		2900.636	

Source: NIDI Work and Retirement Panel (2001-2011).

[†] $p \leq 0.10$; * $p \leq 0.05$; ** $p \leq 0.01$.^a Model statistics based on original data set without imputations.

