

Couples' Retirement Coordination and Well-Being: A Multi-Method Approach

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RELEVANCE

With about 80 million baby boomers now approaching age 60 (U. S. Census Bureau 2005), Social Security, health and longevity, and meaningful post-retirement plans are key concerns among academics, medical practitioners, policy makers, and the popular press. Major demographic changes in Americans' experiences in late adulthood are taking place. These include increased life expectancies, greater participation of women in the labor force, and the disappearance of life-long careers. The major demographic changes affect the structure and meaning of retirement in ways that were unknown in past generations.

We utilize a life course perspective to theoretically position our research (Elder 1992; George 1993). This perspective on aging is both multifaceted in terms of financial, family, and health related considerations and lifelong (Crosnoe and Elder 2002). Specifically, the life course perspective motivates our focus on pre- and post-retirement outcomes as well as the transition to retirement itself. Life course theory calls for attention to the ways in which one's life is linked to others; indeed this is at the heart of our research focus on couples. Finally, this line of research demands a focus on *where* in the life course one is located, particularly with reference to age-defined social resources such as Social Security benefits and Medicare (Settersten and Mayer 1997).

Work by O'Rand and colleagues, (Henretta, O'Rand and Chan, 1993; Hiedemann, Suhomlinova, and O'Rand 1998), Moen and coauthors (Han and Moen 1999a; Han and Moen 199b; Smith and Moen 1998; Moen, Kim and Hofmeister 2001) and Pienta (Pienta, Hayward and Jenkins 2002; Pienta 2003) has brought to focus the key role of spouses and families in one's transition from work to retirement. Individuals rarely make decisions without regard to others in their lives; instead, they make joint decisions and react to unexpected events and health conditions affecting

family and friends—their lives are linked to those around them (Elder 1992). Links to a spouse may be especially salient during this time, given that many couples coordinate their transitions through major life stages (Henretta, O'Rand, and Chan 1993; Smith and Moen 1998). This line of research has shown, for example, that husbands and wives make decisions regarding retirement very differently (Smith and Moen 1998; Marks 1996). Szinovacz and Davey (2005) draw on resource theory in their study of retirement coordination and marital satisfaction. Their work suggests that uncoordinated retirements (one spouse remaining in the work force longer than the other) often lead to power imbalances that affect marital quality and similarly affect both husbands and wives.

We take a more nuanced approach to retirement coordination. Coordination may be the result of positive life circumstances (such as effective retirement planning and desire to pursue other interests together) or negative life events (such as the onset of major health condition). We empirically assess both conditions in our research and determine the differential effects of coordination on the work-to-retirement transition itself and on post-retirement outcomes.

HYPOTHESES AND ANALYTIC STRATEGY

The ability to coordinate retirements depends a great deal on the desire to retire together as well as the financial ability to drastically change household incomes in a short span of time. A closely-coordinated retirement is one in which both spouses report retirement within six months of each other. A loosely-coordinated retirement is one where spouses make the transition within one year of each other. Other spouses will not show coordination of retirement. We hypothesize that coordination of retirements reflects lives that are tightly linked to one another and thus expect that emotional closeness will be positively predictive of retirement coordination. Also, we anticipate that those with greater financial well-being will have the most control over their retirement decisions and thus most able to coordinate their retirement transition. Multinomial logistic regression models are used to predict tightly, loosely, and uncoordinated retirements given couples' pre-retirement health status, socioeconomic status, and emotional closeness. We assess the joint effects of these predictors and coordination on post-retirement marital satisfaction, health and well-being.

Changes in one's own and a partners' health also affect retirement coordination. We use a two-stage latent class approach (see Macmillan and Copher 2005) to first assess age-specific latent configurations of work, health, retirement, spouse's health, and spouse's retirement. The second stage draws on information from the first stage in a multi-level latent class model in which a second order latent variable models the transitions between latent age-specific configurations of statuses over time. We believe that the onset of major health conditions (heart attack, stroke, cancer, diabetes) of a partner will affect both partners' transitions to retirement.

Finally, we expect considerable differences based on gender. While financial need may compel husbands more than wives to continue working, work-limiting health conditions of husbands may lead wives to retire in order to provide care for their husbands.

DATA

To address our research questions we analyze data collected in the two most recent waves of the Wisconsin Longitudinal Study (WLS). The WLS is a very long term study of about 10,000 graduates of Wisconsin high schools (class of 1957), as well as some of their family members. The study began in 1957, with follow-up waves in 1964 and 1975. The two most recent waves of the WLS were conducted in 1992/3 (time 1 when most respondents were ages 52-55, and in 2003 (time 2) when most were ages 63-67. The sample is broadly representative of white high school graduates in the generation before the baby boom, representing roughly two-thirds of all individuals in that generation (WLS Handbook 2006:6).

Over 7,000 people responded to the most recent waves of the Wisconsin Longitudinal Study. Due to our analytic focus on age as a guidepost through midcourse transitions, we excluded the 20 people whose age was below 52 or above 55 at time 1. Based on our sample selection criteria, our total sample size is 5,151 married respondents (2,552 men and 2,599 women). Because of the very small number of racial minorities in the WLS sample, we include a measure of whether the respondent is a minority. If this measure proves significant, we will conduct analyses separately by race (if sample size allows) or restrict the sample to whites. The WLS contains

detailed measures at both time points of socioeconomic status, emotional and physical health, and work and marital history. This allows us to model data from both waves, as well as at multiple time points between waves.

SUMMARY

In sum, this research will show how couples coordinate their retirements. Given the large baby boom cohort currently approaching retirement, understanding successful transitions to retirement is crucial. We use concepts from life course theory to demonstrate how couples' lives are linked pre-retirement along the lines of financial well-being, health, and marital quality to predict the extent of coordination in their transition to retirement. We empirically investigate the conditions under which couples coordinate their retirements and assess the effects of coordinated retirements on health and well-being. Further, we model how the onset of major health conditions affects couples' retirement timing and work-to-retirement transition. Finally, we assess the role of coordinated retirements on post-retirement mental and physical well-being.

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