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Retirement. Evolution, revolution or retrenchment

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It is clear that some profound changes are happening to retirement in the global north. What appeared to have developed in the last half of the twentieth century into a relatively predictable part of the life course is now undergoing a series of transformations, such that the word itself is often qualified: gradual retirement; partial retirement; working retirement, retirement career, unretirement or even frequently the highly qualified ‘retirement’. Whereas in the past retirement happened to people, now it seems that there is more choice in how to do retirement. The turbulence in what we understand by the term is reflected in the narratives people use to think about it. Research suggests that we hold two visions of retirement simultaneously: a positive picture of a new phase of time-rich life in which we can travel, pursue hobbies and enjoy ourselves, and a negative image of failing health, dependency and privation (Hedges et al. 2009). This duality is also reflected in cultural representations of older age in which the image is either of age-defying baby boomers engaged in ‘desirable’ leisure pursuits such as keeping fit or holidaying, or of the infirm and socially isolated older person struggling to exist and maintain dignity (Asquith 2009).

While there is agreement that retirement is changing, there is considerable debate about how and why, and, importantly, what responses to it should be. Three main lines of argument are considered here: first, that what is happening represents a relatively benign evolution of retirement in the context of increased wealth, health and aspirations; second, that an iron cage of social expectations for what is appropriate for older generations has been torn apart, and those now reaching traditional retirement ages have opportunities for forging fresh identities with novel experiences; and third, that a new set of risks and responsibilities are being put on people in the context of ageing populations and governmental fears about rising pension and health care commitments. Before looking at these, it is necessary to review briefly the journey so far by considering retirement in the last century.

The creation of retirement

Reflection quickly demonstrates that old age and retirement are historically and culturally constructed (Savishinksy 2000). While all societies have a ‘culturally defined and chronologically indexed category of old age’, this does not necessarily take the form of withdrawal from productive labour with some entitlement to financial support (Luborsky and Leblanc 2003,
Savishinsky 2000). Concentrating on the global north historically, what is now taken for granted as retirement is a relatively recent phenomenon, intimately bound up with the development of industrial societies in general and of the welfare state in particular (Vincent 2003). The creation of retirement as an institutionalised part of the life course for men was made possible by the development of occupational and then state pension systems, just as the development of compulsory education delineated childhood. In the second half of the twentieth century, retirement became for many men a predictable, age-patterned end to working life (Phillipson 1982) or what Moen refers to as ‘the taken for granted, scripted exits of earlier generations’ (2012: 550). The identity of the ‘pensioner’ was established as a life stage, the endgame of life. Given this rather negative conception of retirement the main academic interest was in how people adjusted to this phase and whether retirement was characterised by disengagement from or continuity with previous roles and activities (see Estes et al. 2003). Retirement was defined by what people were not doing: they were no longer at work (McVittie and Goodall, 2012). This also led to a general neglect of questions of gender. Women’s different experience of paid and unpaid work, and therefore their likely different relationship to ‘retirement’, was largely ignored.

The institutionalisation of retirement was a double edged sword: in attempting to leave behind the pre-industrial experience of old age as a period of poverty and privation, the welfare state institutionalised in its place a vision of the no longer productive, decommodified and dependent pensioner. The moral economy of retirement was built on assumptions that people would study to get into good occupations, work hard in those jobs and then be entitled to a financially secure retirement as a reward for a long or tough working life (see Moody 2009). This was combined with unprecedented improvements in life expectancy, so that, as Laslett reminds us, living into retirement became a ‘settled feature’ of life in countries such as the UK (1996: 112). The resulting ideas of retirement as an earned right and desirable stage of comparative leisure have come to be firmly culturally embedded (Scales and Scase 2000, McNamara and Williamson 2013) and fuelled trends toward ‘early’ male retirement in Europe and America in the 1970s. This marked a sharp contrast to earlier views of retirement as a period of disengagement, isolation and social redundancy (Phillipson and Baars 2007: 73); retirement became something to be welcomed rather than feared.

It seems now that this institutionalisation of retirement may turn out to be a relatively short-lived phenomenon. Economic shocks from the 1970s onwards, globalisation and the rise of consumerism, coupled with ageing populations, have shaken the foundations of these developments and make the prospects for a comfortable retirement less certain.

Evidence for a change

The chapter began by asserting that retirement is undergoing profound changes. Perhaps the most obvious is the increase in life expectancy, which means that more people can expect to spend a good number of years ‘in retirement’, with many living into their 80s (ONS 2012). Coupled with lower fertility rates in many countries, this means a substantial greying of populations, with much higher proportions of the population over the age of 65 and over the age of 80. As a result, the older population can no longer be considered a marginal group. This good news story is, however, rapidly reconstructed as a social problem in terms of the pension, health and social care ‘burden’ of an ageing population.

As a result, everywhere in the global north governments are interested in encouraging people to extend their working lives and delay retirement. State pension ages (SPA) are rising in many countries (OECD 2011: 9). From a norm of 65 it is likely that 67/68 will become a more typical SPA. This begs the question of whether increased longevity is matched by improved health
into older age: are people staying healthy longer? There is no simple answer to this question. One recent analysis concluded that life expectancy had risen faster than healthy life expectancy (Rechel et al. 2013) and there is evidence of persistent health inequalities within the older age group (Marmot et al., 2010).

Another important change has been in the work trajectories of women and the growth of the dual-earner family. The retirement patterns and experiences of women have been relatively neglected by researchers, but increased labour force participation, rising divorce and separation rates, and the need to look after an ageing population all have implications for the timing and texture of female retirement. In many countries there has been harmonisation of the previously differentiated ages for male and female state pension eligibility, with consequences for both female and household retirement patterns.

Notwithstanding government’s desires for everyone to delay retirement, it is still the case that in most European countries the majority of people have retired before SPA; but the numbers of people working past the age of 65 have been increasing in many countries (OECD 2013). The group working past normal retirement ages will include people who have simply carried on working and never retired (made more possible by the spread of equalities legislation to ban age discrimination), people who have taken bridge jobs (defined as a different job after leaving or retiring from a career occupation) and those who are retiring gradually or have returned to work after a period of retirement. Herein we begin to see the increasingly ill-defined nature of retirement and its fragmentation: routes into (and back out of) retirement have become more complex and varied, suggesting that as an identity it is more fluid. It has been estimated in the US that as many as half of retirees follow a non-traditional route, which involves either partial or phased retirement or unretirement (Maestas 2010). If the cliff-edge of retirement is increasingly not the norm (and perhaps never was for women and many working class men), how do we begin to understand the changes we are witnessing?

**Retirement: evolution**

The most straightforward explanation for changes in retirement is that they are simply an evolution: as people live longer and healthier lives it is natural that they work longer than previous generations: ‘Public attitudes and expectations around work in later life currently lag behind the reality of our improved longevity and our aged demographic profile’ (ILC-UK 2013: 29). The extension of anti-discrimination legislation to cover age is seen as a forward looking response to the realities that many people at 60 are happy to carry on working. It is also the case that the nature of the work that many do has changed; with a move toward a service sector and knowledge based economy, the rigours of manual labour are wrought on fewer people and the potential for continuing to work into one’s 70s is practically greater. There is increasing talk of ‘consigning retirement to history’ (Brindle 2009) or that retirement has been ‘overdone’ (The Economist 2009). This vision sees the early years of retirement as likely to be a blend of paid work, volunteering, family or caring work as well as some leisure: a positive image of active ageing (Avramov and Maskova 2003). Writers have noted that the concept of active ageing, which in World Health Organisation terms was very much about healthy ageing, has increasingly come to be seen in policy discourse as referring to delaying retirement and working for longer: a shift from active to productive ageing (Moulaert and Biggs 2013).

Another strand of this evolutionary perspective is the argument that continued work and activity supports living longer and healthier lives: good work (paid or unpaid) is good for us (Waddell and Burton 2006). This may include combinations of paid work, volunteering, caring and leisure activities, and corresponds to an earlier idea in continuity theory: that of the ‘busy
ethic’ providing moral continuity between work and retirement in which the retiree justifies their status by remaining busy (Ekerdt 1986).

The passing of anti-age discrimination, and in some contexts the ending of mandatory retirement ages, are seen as positive by many who did not want to be forced to retire simply because they had reached a certain age. Indeed, it is difficult to find anyone who disagrees with the idea that people should be able to carry on working if they want to; however, at the same time there is a strong narrative that people should not be forced to carry on working if they want to retire (Vickerstaff et al. 2008: 5).

Retirement revolution

This evolutionary understanding is challenged by writers who see more profound change in both society and the experience and meaning of ageing. This can be characterised as the contention that we have witnessed the development of a new ‘third age’ with opportunities for new identities and fulfils (Laslett 1996; Young and Schuller 1991). Once, retirement meant a brief period after the end of working life, but if people can expect to live into their 80s or 90s the period after work ceases to be a residual category defined by what it is not (work), and becomes a period of considerable potential and influence in terms of individual identity and practice.

For theorists of post-modernity, contemporary society positions older age as a prime site for agency, choice and self-reflexivity (Giddens 1991, Gilleard 1996, Gilleard and Higgs 2000). The generation retiring now has been part of the new consumer society and takes these habits and dispositions of consumption into later life with them such that the differences between working and retired households have diminished (Higgs et al. 2009: 119). This is coupled with wider social changes; in particular, that people are not only healthier but also wealthier (Higgs et al. 2009). Many of those retiring now are not dependent on state benefits for financial support; they have private or occupational pensions, housing assets and a host of other consumer goods. Some households may even be better off in retirement, having paid off the mortgage, launched their children into independent lives and no longer face the day to day costs of a working life. Writers such as Gilleard and Higgs (2000: 22–5, Gilleard 1996) argue that in post-industrial society dominated by consumerism retirement is no longer a mass transition experienced in common within an age cohort but rather a myriad of individual projects resulting in the ‘current multiple meanings of retirement’ (Sargent et al. 2013: 4). There are novel ways of ‘doing’ retirement: individuals will respond to the challenges and opportunities in different ways (Sargent et al. 2011).

In America these arguments are found in the literature about the baby boomer generation and the ways in which they are revolutionising our understanding and experience of retirement. In some accounts this leads to arguments for a new understanding of midlife or the ‘encore years’, after main career but before ‘old age’ (Freedman 1999). This generation who championed individualism and self-expression are seen as ‘leading the way’ in redefining retirement ‘as a stage of life that is diverse, dynamic and markedly different from traditional notions of retirement’ (Dennis and Fike 2012: 541). Indeed, in this vision retirement as a category or definition is rejected and alternatives are sought or championed: ‘aspiration’, ‘end-joy-ment’, ‘re-wirement’, or ‘re-newment’, to name but a few (Dennis and Fike 2012: 542).

Critical to this literature is the sense of the third age as a project in which the individual is freed from the constraints of work routines and enabled to choose their consumption patterns and leisure activities. This vision of retirement is perhaps encapsulated in the originally American notion of SKI’ers, those older people spending their kids’ inheritance. There is also increasing mobility among the retired, whether it be seasonal snowbirds in the US wintering in Florida.
or Arizona, North Europeans moving to Spain, or Australian grey nomads taking extended
devotions. In the American literature there is also a strand that champions the talents, skills and
ergy that the newly retired can give back to their communities or society (Freedman 1999).
There is no denying that ‘post-work lives have become richer and more complex’ (Gilleard
and Higgs 2000: 193). While not ignoring inequalities between third agers, this literature on
retirement presents a hopeful and positive image of the possibilities of ageing as people want to.

Another, and less discussed, strand of writing is that of gerotranscendence, defined as, ‘a shift
in meta-perspective, from a materialistic and pragmatic view of the world to a more cosmic and
transcendent one, normally accompanied by an increase in life satisfaction’ (Tornstam 1997).
This psychosocial theory sees gerotranscendence as the natural process of maturation in which
older people change from midlife concerns with work, self-promotion and competition toward
more existential concerns. This has more recently been suggested as a better ‘foundation for
building later life’, in which the focus is on personal development rather than the busy ethic
of active ageing perspectives (Moulaert and Biggs 2013). A third age free of work pressures and
financial constraints presents the opportunity for some serious thinking about self-development.

Retirement: retrenchment

The third set of explanations for changes in retirement is rather gloomier. While agreeing that
for some the opportunity to work for longer and delay retirement is a very positive development,
and accepting in part the argument that there has been an individualisation of retirement expe-
rience, this strand sees developments as a retrenchment in the gains that the institutionalisation
of retirement implied, with the prospect of a new era of poverty and privation. The evolutionary
perspective that people live longer and therefore should work longer may turn rapidly into an
unavoidable obligation, presenting a host of new responsibilities and risks (Vickerstaff 2010).

Uncertainty over retirement trajectories, fuelled by globalisation, recession and pension fra-
gilities, are arguably undercutting positive ideas about how to spend one’s retirement, replacing
them with anxiety at societal and individual levels about whether retirement can be afforded.
Governments are keen to reduce the costs of an ageing population through two main strategies:
encouraging people to work for longer and continue paying taxes while also shifting the burden
of paying for a longer life increasingly onto the individual (Vickerstaff and Cox 2005). Govern-
ments are looking for solutions to the state pension crisis and there have been significant shifts in
occupational pension regimes. In the US and the UK, for example, the shift away from defined
benefit to defined contribution pensions has reduced the predictability of retirement income
and indeed its real value following the financial crisis. In the US and Australia the value of pri-
vate pension funds decreased by 26 per cent in 2008 (Kendig et al. 2013: 266). This means that
even the relatively privileged sections of the population with occupational or private pensions
are likely to have felt the financial squeeze.

Even before the current economic crisis, the capacity for enjoying the new era of
self-fulfilment in retirement was highly differentiated among baby boomers; accumulated dis-
advantage throughout the life course serves to restrict the ability of many to live healthy and
financially secure older lives, or indeed to have much of an older life at all, given dramatic differ-
ces in life expectancy. Retrenchment of welfare state support for the older population clearly
impacts greatly on the already disadvantaged, but also arguably shifts the political discourse
from the previous sense that the older population deserved and was owed a degree of finan-
cial security in retirement, to one in which individual responsibility triumphs and the retired
are expected to fend for themselves. Here the notion of active ageing may become as much a
threat as an aspiration. Increasingly one has a ‘moral’ duty to keep healthy and active (cont…
working) and to finance one’s own retirement and care – perhaps even to resist looking or appearing old (Asquith 2009; Biggs and Kimberley 2013).

The exhortation to work longer comes at a moment of significant economic turbulence. While many, in the face of the diminishing value of their pensions, may feel that they have to work for longer than they expected to, there are significant issues about whether they will be able to. In the new climate of ‘live longer, work longer’, those who are unable to work may not only be dependent on potentially diminishing state benefits but also suffer the disapproval of younger generations. There is a trend of blaming the baby boomers for the economic crisis and for intergenerational inequalities (Willetts 2010).

If retirement is already looking less sweet for significant numbers of people nearing or at their expected retirement age, what of the generations coming along behind? Less secure employment, significant debt accrued through education (in some countries), and rising costs of living and raising children will all make saving through pensions (and/or real estate) more difficult but also more critical in terms of securing a decent retirement future. There is little evidence of a new golden age of employment around the corner such as that enjoyed by some of the better educated and wealthier baby boomers. The vision of a financially comfortable, leisure-filled third age of self-fulfilment, for anything but a relatively small elite, would seem to be receding and perhaps was only ever a brief interlude in the history of old age.

Conclusion

Retirement is at a crossroads: change is happening, but is it positive or negative, or, perhaps more precisely, for whom is it good or bad? This ‘certainty of uncertainty’ (Borowski 2009) is reflected in both the way many who are approaching retirement think about it and in cultural representations of retirement and ageing. Research in Australia and the UK demonstrates that many of us have a poor understanding of our pensions; and if we estimate our likely incomes in retirement at all, we tend to over-estimate them (for example, Kendig et al. 2013). Perhaps we face two possible scenarios of retirement reinvention, as Sargent and colleagues (2013) have suggested: one in which the distinctiveness and attractiveness of retirement is retained albeit in modified form; the second in which the existing construction of retirement is disputed and challenged.

This chapter has reviewed debates about what is happening to ‘retirement’ as a phase in the life course. While there is much disagreement over the motor forces for change and whether developments should be welcomed, it is largely agreed that there has been a profound transformation. The expectation and experience of retirement in the global north is highly differentiated and in some measure individualised, as people have to find their own script for this phase of life. However, on further examination of retirement in the past it seems that perhaps we have exaggerated the commonality of retirement experiences for previous generations by overgeneralising what in reality was largely the experience of men in relatively stable pensioned occupations and careers. There are perils in talking about retirement (and indeed older people), as if we are talking about an homogeneous and undifferentiated social phenomenon or category. This is no less true now than it was in the past: gender, ethnicity and class still profoundly limit individuals’ choices. If one thing can be agreed on it is that future generations will probably work for longer and retire later than their parents’ generation.

References


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