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EBRI 2008 Recent Retirees Survey: Report of Findings

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- **Understanding how to achieve longer work lives:** The 2008 Recent Retirees Survey was undertaken to better understand the tools and practices that might encourage workers to postpone their retirement and remain longer with their company.
- **Why do people retire when they do?** Respondents typically retired from employers for one of four reasons: retirement becomes affordable, lack of job satisfaction, a desire for more personal or family time, and/or their own health status.
- **Narrow window for asking people to work longer:** One of the major findings from the survey is that employers have a narrow window of up to two years in which they may be able to intervene to change retiring workers' decisions by offering them incentives to remain with the company.
- **Employers may just need to ask:** Many retirees report they would have been open to an approach from their employer asking them to stay longer with the company. Sixty-one percent say they would have viewed the experience positively. Just 10 percent indicate they would have reacted negatively to an approach asking them to delay their retirement.
- **Work incentives vary in appeal:** The survey tested a total of 19 possible incentives that might encourage retiring workers to postpone retirement. Four of these appear especially likely to be successful:
 - Half of retirees (48 percent) indicate that feeling truly needed for an assignment would have been *extremely* or *very* effective in encouraging them to delay their retirement. Moreover, of those ranking this as one of the top two most effective incentives, 72 percent say it might have prompted them to stay at least two more years with the company.
 - Half of retirees with a defined benefit pension state receiving a full pension while working part time would have been effective in delaying their retirement (50 percent), and almost as many feel this way about receiving a partial pension while working part time (44 percent). Seven in 10 of those rating each among the top two most effective incentives report they would likely have stayed at least two more years if it had been offered to them (72 percent for full pension, 71 percent for partial pension). However, this would necessitate a change in federal law and several other compensation-related incentives may be almost as compelling.
 - Thirty-eight percent report that being able to work seasonally or on a contract basis would have been effective in encouraging them to delay retirement. Among those rating this as one of the top two incentives, more than three-quarters (77 percent) say it might have prompted them to stay two years or more with the company.

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Introduction

The 2008 Recent Retirees Survey was sponsored by the Employee Benefit Research Institute (EBRI) to better understand the tools and practices that might encourage workers to postpone their retirement and remain longer with their company. It finds that retirees typically retired from employers for one of four reasons: retirement becomes affordable, lack of job satisfaction, a desire for more personal or family time, and/or their own health status.¹ One of the major findings from the survey is that employers have a narrow window of up to two years in which they may be able to intervene to change retiring workers' decisions by offering them incentives to remain with the company. Although no single incentive is likely to motivate a majority of retirees to stay longer with their employer, it appears that employers may be able to assemble a toolkit of alternatives that would be effective in retaining substantial numbers of workers at retirement age.

Among the key findings of this survey:

- Many retirees report they would have been open to an approach from their employer asking them to stay longer with the company. Sixty-one percent say they would have viewed the experience positively. Just 10 percent indicate they would have reacted negatively to an approach asking them to delay their retirement.
- The survey tested a total of 19 possible incentives that might encourage retiring workers to postpone retirement. Four of these appear especially likely to be successful:
 - Half of retirees (48 percent) indicate that feeling truly needed for an assignment would have been *extremely* or *very* effective in encouraging them to delay their retirement. Moreover, of those ranking this as one of the top two most effective incentives, 72 percent say it might have prompted them to stay at least two more years with the company.
 - Half of retirees with a defined benefit pension state receiving a full pension while working part time would have been effective in delaying their retirement (50 percent), and almost as many feel this way about receiving a partial pension while working part time (44 percent). Seven in 10 of those rating each among the top two most effective incentives report they would likely have stayed at least two more years if it had been offered to them (72 percent for full pension, 71 percent for partial pension). However, this would necessitate a change in federal law and several other compensation-related incentives noted below may be almost as compelling.
 - Thirty-eight percent report that being able to work seasonally or on a contract basis would have been effective in encouraging them to delay retirement. Among those rating this as one of the top two incentives, more than three-quarters (77 percent) say it might have prompted them to stay two years or more with the company.
- Other highly rated incentives include a pay increase (33 percent of all retirees say it would have been effective, 56 percent ranking it among top two most effective incentives might have stayed two years or longer); continuing to receive company subsidized health insurance benefits at the same level as full-time workers while working part time (46 percent effective, 56 percent two years or longer); doing more meaningful work (36 percent effective, 67 percent two years or longer); locking in pension benefits that were already earned (42 percent of those receiving pension effective, 54 percent two years or longer); telecommuting (28 percent effective, 68 percent two years or longer); and being able to work part time rather than full time (36 percent effective, 64 percent two years or longer).
- The timing of the offer of a delayed retirement incentive is important. Nearly two-thirds of retirees (63 percent) report that these offers would have been a lot more effective if the retiree had known about the possibility in the two years before they communicated their intention of retiring.
- In general, workers begin thinking seriously about retirement not long before they actually retire. Twenty-two percent of the surveyed retirees first began thinking seriously about retiring only six months before they left the company, while another 22 percent began thinking seriously about a year beforehand. Twenty-eight percent started thinking about it 18 months (10 percent) or two years (18 percent) before.
- One of the primary reasons that aerospace and defense industry company workers retire when they do is because retirement becomes affordable (76 percent rate it as *extremely* or *very* important). The two other

reasons for retiring mentioned by a majority of retirees are their job satisfaction (63 percent) and a desire for more personal or family time (60 percent). Almost half (46 percent) say their health was an *extremely* or *very* important factor.

- Thirty-six percent of retirees with a pension report that a pension-related issue was an *extremely* or *very* important factor in their decision to retire. Among those saying this reason was at least *somewhat* important, 72 percent indicate that reaching the pension eligibility age was important in their retirement decision. In addition, 46 percent say they wanted to lock in the benefits they received so that they would not have to worry about changes the company might make. This suggests that some workers may be making retirement decisions based on erroneous assumptions since employers cannot legally reduce pension benefits for past service.
- While a majority (54 percent) was either *extremely*, *very*, or *somewhat* satisfied with their job at the time they made their decision to retire, a sizable minority (46 percent) indicate they were *not too* or *not at all* satisfied. A number of factors appear to contribute to decreased satisfaction among this minority, including not feeling valued by the company or feeling that the work did not have long-term value (64 percent rate it a “4” or “5” on a 5-point scale), stress (47 percent), no longer growing or learning (45 percent), and not enjoying work (45 percent). In addition, not getting along with co-workers or not sharing their values (30 percent) appears to be associated with increased levels of dissatisfaction.

Detailed Findings of Quantitative Data

The Retirement Decision

Timing of Decision—The interval between when workers first begin *thinking seriously* about retirement and *actual* retirement is typically fairly short, with two years or less elapsing between the start of serious consideration and follow-through. Twenty-two percent of the surveyed retirees report they first began thinking seriously about retiring only six months before they left the company, while another 22 percent began serious consideration about one year beforehand (Figure 1). Twenty-eight percent started thinking about it 18 months (10 percent) or two years (18 percent) before. Only a minority (28 percent) gave their decision serious consideration for more than two years.

Figure 1
Approximate Length of Retirement Decision-Making Period

	Total (n=4981)	Health-Related Reason for Retiring		
		Own Health (n=2281)	Spouse's Health (not own) (n=243)	No Health Reason (n=2457)
6 months	22%	19%	31%	24%
1 year	22	21	22	24
18 months	10	9	8	10
2 years	18	19	17	16
3 years	8	8	7	7
4 years	2	3	2	2
5 years	7	8	3	7
More than 5 years	11	13	9	10

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Several groups of retirees are more likely than their counterparts to have made a rapid decision to retire. Among retirees especially likely to say they gave only about six months of serious consideration to their decision are those who were *not at all* satisfied with their job (31 percent, compared with 20 percent of those with a higher level of satisfaction), those retiring due to their spouse's or another family member's health (31 percent, compared with 19 percent retiring because of their own health and 24 percent with no health-related reason for retiring), those with less than 20 years of tenure (31 percent, compared with 20 percent having more tenure), those who continued to work for pay after retirement (29 percent, compared with

20 percent not working for pay), and women (29 percent, compared with 20 percent of men). On the other hand, retirees who retired before age 58 (25 percent vs. 16 percent retiring later) or who left due to their own health (21 percent vs. 16 percent not retiring due to own health) are more likely to have considered their decision for at least five years.

Reasons for Retirement—Workers of aerospace and defense industry companies retire for many different reasons. Foremost among these reasons, however, is that retirement becomes affordable. Three-quarters of retirees (76 percent) report that their ability to afford retirement was an *extremely* or *very* important factor in their decision to retire. Two other factors are also mentioned by a majority of retirees as reasons for retiring: their job satisfaction (63 percent *extremely* or *very* important) and a desire for more personal or family time (60 percent) (Figure 2).

Nearly half (46 percent) say that their own health was an *extremely* or *very* important reason for their retirement, while roughly one-third each indicate that a consideration related to their pension (36 percent of those with pension), a desire to do something different (32 percent), and the health of a spouse or another family member (31 percent) played a major role. Fewer report that other factors, such as their spouse's retirement status (20 percent of married respondents), an early retirement incentive (10 percent), and other career opportunities (8 percent), were important.

Figure 2					
(n=4981)	Factors in Retirement Decision				
	Extremely Important	Very Important	Somewhat Important	Not too Important	Not at All Important
Your ability to afford retirement	42%	34%	14%	3%	7%
Your job satisfaction	38	25	18	7	11
A desire for more personal or family time	30	30	19	7	13
Your own health	24	22	18	13	24
A consideration related to your pension (among those with pension, n=4877)	16	20	21	13	30
The health of spouse or other family member	15	16	14	15	40
A desire to do something different	14	18	22	15	31
Your spouse's retirement status (among those married, n=4139)	9	12	15	14	50
An early retirement incentive offered by your company	5	5	6	7	77
Other career opportunities	4	4	8	15	69

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Overall, the propensity to say each reason is important tends to increase with the amount of time spent deliberating the retirement decision and the number of years spent working for the company. It also tends to be higher among those saying their own health was a reason for their retiring than among those who did not cite their own health.

In addition, the propensity to report each reason is important is generally higher among those at least *somewhat* satisfied with their job than among those not satisfied. There are several notable exceptions, however. First, the likelihood of citing job satisfaction as an important factor in their retirement decision increases sharply as job satisfaction *decreases*, from 29 percent of those *extremely* or *very* satisfied to 96 percent of those *not at all* satisfied. In a similar but much less extreme fashion, those satisfied with their job are less likely than those who are not to indicate other career opportunities were important (6 percent *extremely/very* satisfied vs. 12 percent *not at all* satisfied). Finally, the desire to do something different was more often rated highly by retirees *somewhat* or *not too* satisfied with their job (36 percent) than by those *extremely* or *very* satisfied (27 percent) or those *not at all* satisfied (30 percent).

Retirees who did not work for pay in retirement are more likely than their counterparts who did work for pay to say the following reasons were important in their decision to retire: their ability to afford retirement (80 percent vs. 64 percent), a desire for more personal or family time (64 percent vs. 49 percent), their own

health (49 percent vs. 38 percent), the health of a spouse or family member (33 percent vs. 24 percent), and their spouse's retirement status (23 percent vs. 14 percent). On the other hand, those who worked for pay more often report that factors playing an important role were their job satisfaction (66 percent vs. 62 percent), a desire to do something different (35 percent vs. 31 percent), and other career opportunities (22 percent vs. 4 percent). Moreover, larger shares of those who worked for an aerospace/defense industry competitor in retirement than those working somewhere else indicate their job satisfaction (72 percent vs. 64 percent), a consideration related to their pension (43 percent vs. 34 percent), and other career opportunities (33 percent vs. 17 percent) were important.

Married women are approximately three times as likely as married men to give weight to their spouse's retirement status when considering their retirement decision (45 percent vs. 16 percent). Women are also more likely than men to say a desire for more personal or family time was important (64 percent vs. 59 percent), but less likely to mention other career opportunities (5 percent vs. 9 percent). Those who retired before age 58 are more likely than those retiring later to cite a desire to do something different (36 percent vs. 30 percent) and other career opportunities (13 percent vs. 7 percent).

Affordability of Retirement—Retirement affordability is most often mentioned by retirees as an important factor in their retirement decision, and employer-provided benefits play a key role in determining that affordability. When asked how important nine factors were in their decision about whether they could afford to retire, 81 percent of those with a pension report the pension itself was *extremely* or *very* important (Figure 3). Almost as many retirees overall (80 percent) say that money in retirement savings plans from work or an individual retirement account (IRA) was important in their decision. Majorities also indicate that the availability of health insurance (69 percent) and the cost of health insurance (60 percent) were important considerations when determining retirement affordability.

Figure 3
Factors Determining Retirement Affordability

(n=4980)	Extremely Important	Very Important	Somewhat Important	Not too Important	Not at All Important
Your pension from [participating company] (among those with pension, n=4876)	53%	28%	13%	4%	3%
Money in retirement savings plans from work or in an IRA	48	32	12	3	5
The availability of health insurance	40	29	16	6	10
The cost of health insurance	32	28	20	9	11
The cost of your desired lifestyle in retirement	23	39	25	6	7
Your debts, including mortgage debt	21	23	19	12	25
Your spouse's income or pension (among those married, n=4138)	15	16	17	13	39
A pension from a previous employer	8	8	5	4	75
Income you expected to receive from future employment	4	5	9	15	68

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Although a majority (62 percent) considered the cost of their desired lifestyle in retirement to be *extremely* or *very* important, smaller percentages say their debts (44 percent) or their spouse's income or pension (31 percent of married retirees) were important factors when calculating retirement affordability. Even fewer say a pension from a previous employer (16 percent) or income they expected to receive from future employment (9 percent) were important considerations.

Several subgroups of retirees are more likely than their counterparts to rate these factors as *extremely* or *very* important when determining retirement affordability, including those who were at least *somewhat* satisfied with their job in the two years before retirement (compared with those *not too* or *not at all* satisfied), those who retired due to their own health (compared with those not having personal health issues), and those

who did not work for pay in retirement (compared with those who did). Others more likely to mention many of these factors are women (vs. men), those currently under age 62 (vs. older retirees), those with income replacement levels under 80 percent (vs. those with higher income replacement), those who report their employer contributes to the cost of their health insurance (vs. those who do not), those with nonengineering and nontechnical backgrounds (vs. those with engineering/ technical backgrounds), and those who considered their retirement decision for 18 months or more (vs. those considering it for one year or less). In addition, the propensity to consider many of these factors to be important increases with the number of years employed by the company.

There are two notable exceptions to these trends, however. The likelihood of considering a pension from a previous employer to be important is higher for men than for women (18 percent vs. 6 percent), retirees currently age 62 or older than for younger retirees (21 percent vs. 10 percent), and—not surprisingly—those with less than 20 years with the company than for longer-term workers (42 percent vs. 9 percent). Moreover, those who worked for pay in retirement (24 percent, compared with 3 percent who did not work for pay), those reporting they pay the full cost of their health insurance (11 percent, compared with 7 percent paying part of the cost), those retiring before age 60 (12 percent, compared with 6 percent of those retiring at an older age), and those who considered their decision for one year or less (11 percent, compared with 6 percent considering their retirement decision for a longer period) are more likely to say the income they expected to receive from future employment was an important factor in determining the affordability of their retirement.

Employee Benefits—Employee benefits clearly play an important role in the retirement decision, and most of the aerospace and defense industry retirees surveyed have benefits that are becoming increasingly rare in the private sector: a defined benefit pension plan (98 percent) and retiree medical insurance (70 percent). The vast majority (95 percent) also report having a work-place retirement savings plan.

Most retirees who have a pension take it in the form of monthly income that lasts for the rest of their life (79 percent). However, a significant minority choose to take their pension as monthly income that lasts for a specific period of time (10 percent) or as a lump sum (8 percent). Very small proportions choose other alternatives, such as a combination of lump sum and monthly income (1 percent) or accelerated monthly payouts/income leveling arrangements (1 percent). Retirees who left their employer before age 60 are more than twice as likely as those who retired later to say they took their pension for a specified duration or as a lump sum (26 percent vs. 12 percent). Similarly, those who worked for pay in retirement (23 percent, compared with 16 percent who did not) and engineering/technical retirees (20 percent, compared with 13 percent of other retirees) are more apt to choose a specified duration or lump-sum payout method.

Approximately half of those with employer-sponsored health insurance (54 percent) indicate that this insurance covers them until they are eligible for Medicare and then converts to a supplemental policy. One-third (34 percent) report it covers them until they are eligible for Medicare and then stops. Just 1 percent say their insurance is a Medicare supplement plan only, while 10 percent cannot classify their insurance into one of these categories. At the same time, the large majority with employer-sponsored coverage report the company from which they retired picks up part of the cost of their insurance (80 percent). Fourteen percent indicate they pay the full cost themselves and 6 percent indicate they do not know if the cost is shared. Those who retired in 2006 or before (72 percent vs. 65 percent of more recent retirees) and those who spent at least 20 years with the company (75 percent vs. 45 percent with less tenure) are more likely to say they have employer-sponsored health insurance. In addition, those retiring at age 60 or later are more likely than younger retirees to report pre-Medicare coverage that converts to a supplemental policy (58 percent vs. 49 percent) and paying the full cost of insurance themselves (17 percent vs. 11 percent).

While most retirees participating in the survey obtain insurance coverage through their employer, the minority who do not typically have some form of coverage. Just 3 percent of those without employer-sponsored coverage said they had no health insurance at the time of the survey (1 percent of all retirees).

Job Satisfaction—Job satisfaction is mentioned by a majority of retirees (63 percent) as an *extremely* or *very* important factor in their decision to retire. This may be explained by the fact that a sizeable minority of retirees participating in the survey (46 percent) indicate they were *not too* or *not at all* satisfied with their job at the time they made their decision to retire (Figure 4). It should be noted, however, that the majority of retirees were *somewhat* (22 percent), *very* (21 percent), or *extremely* (11 percent) satisfied.

Figure 4
Job Satisfaction at Time of Making Decision to Retire

	Total (n=4981)	Retirement Age			
		Before 58 (n=1128)	58–59 (n=798)	60–61 (n=1478)	62+ (n=1477)
Extremely satisfied	11%	9%	10%	12%	11%
Very satisfied	21	18	20	22	23
Somewhat satisfied	22	23	19	22	23
Not too satisfied	25	25	28	25	24
Not at all satisfied	21	25	23	19	18

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

The propensity to be dissatisfied with their job is higher among those who retired at an early age than those who retired later and among those who made a rapid decision to retire than those who took longer to make their decision. Others more likely to report being *not too* or *not at all* satisfied include those who did not retire for health reasons (52 percent vs. 41 percent who did) and those with a retirement income replacement level under 60 percent (51 percent vs. 44 percent with higher replacement).

A number of factors appear to contribute to this lack of job satisfaction, but feeling unappreciated appears to play a leading role. Almost two-thirds of retirees who were dissatisfied with their job at the time they made the decision to retire rate the feeling that they were not valued by the company or that their work did not have long-term value as a significant contributor to their lack of satisfaction (64 percent rate it a “4” or “5” on a 5-point scale) (Figure 5). Approximately half each report stress (47 percent), no longer growing or learning (45 percent), and not enjoying their work (44 percent) were significant contributors. One-third each indicate they were spending too much time on management duties or company initiatives (34 percent), did not get along with some of the people they worked with or felt they did not share their values (30 percent), and regularly worked long hours (30 percent). Just 6 percent state that thinking they could earn more money elsewhere played a part in their dissatisfaction.

Figure 5
Factors Contributing to Lack of Job Satisfaction

(n=3403)	A Very Great Deal					Not at All
	5	4	3	2	1	
You felt you were not valued by the company or that your work did not have long-term value	42%	22%	16%	8%	12%	
Your job was stressful	26	21	23	15	15	
You were no longer growing or learning	22	23	22	13	20	
You did not enjoy your work	21	23	25	13	17	
You were spending too much time on management duties or company initiatives	17	17	19	14	32	
You did not get along with some of the people you worked with or felt they did not share your values	17	13	14	14	42	
You regularly worked long hours	15	15	20	17	33	
You thought you could earn more money elsewhere	3	3	5	8	82	

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Job satisfaction is most strongly correlated with the feeling of not being valued or that the work did not have value, with the percentage of retirees identifying this factor increasing from 42 percent of those who were *somewhat* satisfied with their job to 84 percent of those *not at all* satisfied. It is also strongly correlated with not getting along or not sharing values with co-workers (increasing from 15 percent of those *somewhat* satisfied to 48 percent *not at all* satisfied) and not enjoying the work (from 21 percent of those *somewhat*

satisfied to 62 percent *not at all* satisfied). Three of the factors are not correlated with job satisfaction—too much time spent on management duties or company initiatives, long hours, and earning more money elsewhere—meaning that these factors are not associated with increased levels of dissatisfaction.

Those who did not retire for health reasons (67 percent, compared with 60 percent who did) and those with less than 30 years of tenure (66 percent vs. 61 percent with more) are more likely to say feeling not valued by the company contributed significantly to their lack of job satisfaction. In addition, those who worked for pay in retirement, but not for the company, are more apt than those who subsequently worked for the company to attribute their dissatisfaction to not being valued (71 percent vs. 52 percent).

Among retirees saying stress contributed significantly to their lack of satisfaction are those who retired due to health reasons (58 percent vs. 38 percent who did not), women (56 percent vs. 45 percent of men), those with a nonengineering/non-technical background (51 percent vs. 45 percent in the engineering/technical field), those who retired before age 62 (50 percent vs. 40 percent retiring later), and those with a retirement income replacement level under 80 percent (49 percent vs. 43 percent with more). At the same time, men are more likely than women to assign their lack of satisfaction to not enjoying their work (46 percent vs. 38 percent) and spending too much time on management duties or company initiatives (35 percent vs. 29 percent). Engineers/technicians are also more likely than retirees from other occupations to attribute their dissatisfaction to management duties or company initiatives (36 percent vs. 31 percent).

Pension Considerations—Retirees who indicated a consideration related to their pension was at least a *somewhat* important factor in their decision to retire were asked about six possible reasons why the pension may have been important. These retirees most often indicate that simply reaching the age at which they were eligible to receive benefits from a pension was an *extremely* or *very* important factor in their decision to retire (72 percent).

Almost half each report wanting to lock in benefits they received from their pension so that they would not have to worry about changes (46 percent), thinking a few more years of service would not increase their pension significantly (44 percent), and reaching an age where their pension would not be reduced for early retirement (41 percent) were important (Figure 6). Fewer say that a temporary addition to their pension to

	Extremely Important	Very Important	Somewhat Important	Not too Important	Not at All Important
You reached the age at which you were eligible to receive benefits from a pension	42%	30%	16%	4%	7%
You wanted to lock in the benefits you received from your pension so that you would not have to worry about changes the company might make	29	17	18	11	25
You reached an age where your pension would not be reduced for early retirement	22	19	17	13	29
You did not think a few more years of service would increase your pension significantly	19	25	27	16	14
Your company offered a temporary addition to your pension to bridge the gap until you were eligible for Social Security	13	10	7	8	61
You wanted to take advantage of a favorable interest rate that increased the payout you received from your pension	9	7	11	12	61

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

bridge the gap until they were eligible for Social Security (24 percent) or wanting to take advantage of a favorable interest rate that increased the payout they received (16 percent) were important factors in their decision.

Those more likely to say reaching the age at which they were eligible to receive their pension was *extremely* or *very* important include women (81 percent vs. 70 percent of men), those retiring before age 58 (84 percent vs. 71 percent of those retiring later), those who retired before 2006 (77 percent vs. 70 percent of those retiring later), nonengineering/nontechnical retirees (77 percent vs. 70 percent of those with engineering/technical backgrounds), those retiring for personal health reasons (77 percent vs. 67 percent who did not), and those with a retirement income replacement level under 60 percent (76 percent vs. 71 percent with higher income replacement).

On the other hand, those who worked for pay in retirement (54 percent)—particularly those who subsequently worked for company competitors in the aerospace and defense industry (62 percent)—are more likely than those who did not work (43 percent) to report that locking in their benefits was important to them. Others more apt to say locking in benefits was important included women (51 percent vs. 45 percent of men), those who retired before age 60 (54 percent vs. 41 percent retiring later), and those with at least 20 years of tenure (48 percent vs. 34 percent with less tenure).

Those retirees who indicated they were *extremely*, *very*, or *somewhat* concerned about locking in their pension benefits so they would not have to worry about the company making changes were asked to specify the changes or possible pension changes that concerned them. Three-quarters of these retirees (74 percent) report they thought the company might make changes that would affect the benefits they had already earned, clearly not understanding that such changes are illegal. Fifty-eight percent worried that the pension payout options might change, while 46 percent thought the company might change how their future years of service would be treated and 20 percent thought the pension fund might become bankrupt and they would not receive the benefits to which they were entitled. Those retiring before age 60 (64 percent vs. 53 percent retiring later), those who worked for pay in retirement (63 percent vs. 56 percent who did not), engineering and technical retirees (60 percent vs. 53 percent of other retirees), and those with at least 20 years of tenure (59 percent vs. 48 percent with less tenure) are especially likely to have identified changing payout options as a concern.

Retirees participating in the survey were not informed that employers could not legally reduce pension benefits for past service, which they cannot. In addition, they were not told about the Pension Benefit Guaranty Corporation (PBGC) and the guarantees that would be available even if the plan sponsor went bankrupt. Based upon earlier focus groups that were used to assist in survey design, it was clear that these concerns influenced behavior, and the survey was designed to assess how common such concerns were. The findings suggest an educational opportunity for the U.S. Department of Labor, the Internal Revenue Service, PBGC, and plan sponsors themselves, on what the law does and does not allow, that could raise understanding and potentially influence retirement decisions.

Working in Retirement—The majority of aerospace and defense industry retirees surveyed have not worked for pay in retirement (74 percent). The minority who do are distributed roughly equally among those who begin working for pay immediately after retiring (10 percent), those who begin working for pay again within six months (9 percent), and those who begin working for pay again after six months (8 percent). Not surprisingly, the likelihood of having worked for pay in retirement is higher for those who retired before age 60 than for those who retired later (33 percent vs. 22 percent). Others more likely to have worked for pay are those who did not leave their employer for health reasons (31 percent, compared with 21 percent who did) and men (28 percent, compared with 20 percent of women).

Retirees who work for pay in retirement typically continue working in the aerospace or defense industry using skills that are the same as or related to those they used in their preretirement employment. Three in 10 each report they worked in retirement for the company from which they retired (30 percent) or another aerospace or defense industry company (31 percent), while almost half (47 percent) indicate they worked somewhere else (Figure 7). Half (55 percent) say they used the same skills as before they retired and another 31 percent say they used related skills. Just one-quarter (24 percent) report using different skills in their

retirement employment. Finally, while 40 percent of these retirees say they worked full time in retirement, 36 percent say they worked part time, and 37 percent worked on a contract or seasonal basis.²

While the percentage of engineering/technical retirees working for pay in retirement (27 percent) is only slightly higher than the percentage of other retirees (25 percent), their experience of employment in retirement differs. Engineers/technicians are more likely to work for another aerospace or defense industry company (36 percent vs. 18 percent) and less likely to work outside of the industry (41 percent) vs. 58 percent). They are also more likely to use their preretirement skills (59 percent vs. 45 percent) and less likely to use related skills (29 percent vs. 35 percent). In addition, they are more likely to work on a contract or seasonal basis (39 percent vs. 33 percent).

Figure 7
Work Experience in Retirement

(multiple responses accepted)	Total (n=1310)	Occupation	
		Engineering/ Technical (n=902)	Other (n=408)
Employer:			
Company you retired from	30%	30%	29%
Another aerospace or defense industry company	31	36	18
Someplace else	47	41	58
Skills used:			
The same	55	59	45
Related to	31	29	35
Different from	24	22	27
Work schedule:			
Full time	40	40	41
Part time	36	35	37
On a contract or seasonal basis	37	39	33

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Retirees who retired at age 60 or later are more likely than those who retired earlier to have worked for the company from which they retired in retirement (34 percent vs. 26 percent) and less likely to have worked full time (33 percent vs. 48 percent).

Delaying Retirement

Current Approaches—Currently, only about one-quarter of workers retiring from the aerospace and defense industry (26 percent) are approached and asked to delay their retirement. These approaches are typically made by the worker’s supervisor (79 percent) rather than another executive in the company (33 percent) or someone from human resources (7 percent).

The majority of retirees who report an approach say that no incentives were offered to delay their retirement (72 percent). However, modest percentages indicate they were offered a move to part-time status (9 percent), a pay increase (7 percent), or increased flexibility in scheduling working hours or time off (6 percent).

Seven percent of those approached report they delayed their retirement as a result. However, these retirees delay their retirement for a median (midpoint) of only six months. Surprisingly, although retirees who were at least *somewhat* satisfied with their job are more likely to have been approached than those who were not satisfied (30 percent vs. 21 percent), both groups are equally likely to have delayed their retirement when asked (7 percent vs. 6 percent).

Nevertheless, retirees say they are open to such an approach and many would view the experience positively (61 percent) (Figure 8). Just 10 percent indicate they would react negatively to an approach asking them to delay their retirement and only 29 percent say they would be neutral. Even among those who were not satisfied with their job, only 14 percent state they would have reacted negatively to such an approach.

Figure 8
Reaction to Request to Delay Retirement

	Job Satisfaction				
	Total (n=4981)	Extremely/ Very Satisfied (n=1578)	Somewhat Satisfied (n=1100)	Not Too Satisfied (n=1253)	Not at All Satisfied (n=1050)
Very positive	24%	29%	19%	21%	25%
Somewhat positive	37	35	39	39	33
Neither positive nor negative	29	30	35	29	25
Somewhat negative	6	4	5	7	7
Very negative	4	3	2	4	10

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Retirees more likely to say they would react positively to an approach asking them to delay retirement include those who worked for pay in retirement (67 percent, compared with 59 percent who did not), those who were not asked to delay retirement (64 percent, compared with 51 percent who were), and men (62 percent, compared with 56 percent of women). In addition, those with income replacement levels under 60 percent are more apt than those with higher replacement to say they would have reacted *very* positively (28 percent vs. 23 percent).

Position-Related Incentives—Aerospace and defense industry retirees participating in the survey were asked to review a number of possible incentives that might be offered to workers at the time of retirement and to indicate how effective each would have been in encouraging them to delay their retirement. The first set of incentives involved job or position-related opportunities.

Given the findings presented above, it is not surprising that half of retirees (48 percent) report that feeling truly needed for an assignment would have been *extremely* or *very* effective in encouraging them to delay their retirement (Figure 9). One-third (36 percent) report that allowing them to do work they feel is more meaningful would have been effective, but fewer feel receiving training that would enable them to move into new areas of the company (18 percent) or changing their position to decrease their management responsibilities (13 percent) would have been successful.

Figure 9
Effectiveness of Position-Related Opportunities

(n=4981)	Extremely Effective	Very Effective	Somewhat Effective	Not too Effective	Not at All Effective
Feeling truly needed for an assignment	25%	23%	19%	11%	22%
Allowing you to do work you feel is more meaningful, such as teaching or mentoring or improving existing services	16	20	19	16	30
Receiving training that will enable you to move into new areas of the company	8	10	17	22	43
Changing your position to decrease your management responsibilities and increase the amount of time you spend in technical or production work	5	8	15	21	51

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Retirees who were not satisfied with their jobs are more likely than those who were satisfied to report that each of these incentives would have been *extremely* or *very* effective in prompting them to delay their retirement. However, the increase is sharpest for feeling truly needed (from 34 percent *extremely* or *very* satisfied to 65 percent *not at all* satisfied) and more meaningful work (from 22 percent *extremely* or *very* satisfied to 51 percent *not at all* satisfied). Those who worked for pay in retirement, but not for the company, are also more apt than those who worked for the company in retirement to say each of these would have been effective.

While men have a greater likelihood than women of saying most of these options would be effective, women are more likely to report training that would enable them to move into new areas of the company would have been successful (23 percent vs. 17 percent).

Schedule-Related Opportunities—Retirees were also asked to review a number of schedule-related opportunities. Of these, retirees are most likely to say that being able to work seasonally or on a contract basis (38 percent) or to work part time instead of full time (36 percent) would have been *extremely* or *very* effective in encouraging them to delay their retirement (Figure 10). Thirty percent each feel that being able to take time off for extended periods and being able to work a compressed work week would have been effective, and almost as many believe a telecommuting option (28 percent) and receiving additional paid time off (27 percent) would have been successful. Fewer think that being able to shift their work hours from week to week (20 percent) or being able to take a paid sabbatical (19 percent) would have encouraged them to delay their retirement.

Figure 10					
Effectiveness of Schedule-Related Opportunities					
(n=4981)	Extremely Effective	Very Effective	Somewhat Effective	Not too Effective	Not at All Effective
Being able to work seasonally or on a contract basis	20%	18%	17%	12%	32%
Being able to work part time rather than full time	18	18	19	14	31
Being able to compress your work week into three or four days so that your weekends are longer	14	16	19	18	33
Giving you the option to telecommute	14	14	18	16	37
Being able to take time off for extended periods of time, such as one or two months	13	17	18	17	35
Receiving additional paid time off each year (such as vacation or personal days)	12	15	22	19	32
Being able to take a paid sabbatical, with the understanding that there would be penalties if you chose not to return to work	9	10	13	19	48
Being able to shift your work hours from week to week so they better fit with activities in your personal life	8	12	19	22	39

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Those retirees who indicated that additional paid time off or a paid sabbatical would have been effective at encouraging them to postpone retirement were asked how much time they would have had to receive to seriously consider the incentive. Among those considering additional paid time off, the median (midpoint) response was 10 additional days. It was 12 weeks for those considering a paid sabbatical. Nevertheless, significant minorities would have needed at least twice that amount of time. Seventeen percent of those

responding would have needed more than 20 additional days of paid time off, while 22 percent would have needed a paid sabbatical of more than 24 weeks.

Several subgroups of retirees are more likely than their counterparts to indicate that most of these offers would have encouraged them to delay retirement, including women (compared with men), those who retired due to their own health (compared with those who did not have a health-related reason), and those who worked for pay in retirement (compared with those who did not). In addition, those retiring before age 58 are more likely than those retiring later to think they might have responded to an offer that allowed them to work seasonally or on a contract basis (42 percent vs. 37 percent), take time off for extended periods (35 percent vs. 28 percent), telecommute (32 percent vs. 27 percent), and take a paid sabbatical (23 percent vs. 18 percent).

At the same time, those who considered their retirement decision for 18 months or more (vs. those who considered it for less time) and those who were at least *not too* satisfied with their job (vs. those who were *not at all* satisfied) are more likely to believe seasonal or contract work, part-time work, and extended periods of time off would have been effective.

Compensation-Related Opportunities—Of the seven compensation-related incentives that were tested, retirees are most likely to think that allowing them to receive their full pension while working part time would have been *extremely* or *very* effective in encouraging them to postpone retirement (50 percent of those with a pension) (Figure 11). Almost as many feel that receiving company-subsidized health insurance benefits at the same level as full-time workers while working part time (46 percent of all retirees), allowing them to receive a partial pension while working part time (44 percent of those with a pension), and allowing them to lock in the pension benefits they had already earned (42 percent of those with a pension) would have been successful. Retirees are less likely to think that a pay increase (33 percent) or one-time cash bonus (20 percent) would have been effective.

Fully two-thirds of retirees who say one reason for their retirement was to take advantage of a favorable interest rate for their pension payout report that protecting them against the possibility of a lower pension payment due to a change in interest rates would have been effective (68 percent). Nevertheless, it should be noted that this represents only 10 percent of all retirees.

Retirees indicating a pay increase or one-time cash bonus would have prompted them to delay their retirement were asked how large these incentives would need to have been. Typically, these retirees cite a pay raise of 10 percent (median) and a cash incentive of \$20,000 (median). However, many would have required much more than this to seriously consider the incentive. One-quarter of those indicating interest in a pay raise (26 percent) would have wanted a raise of at least 20 percent, while a similar proportion of those interested in a cash incentive would have wanted \$50,000 or more (26 percent).

Retirees who worked for pay in retirement (compared with those who did not), those who retired for reasons related to their own health (compared with those without health reasons), nonengineering/non-technical retirees (compared with engineers and technicians), and women (compared with men) are more likely to think that many of these reasons would have been effective in encouraging them to delay retirement.

Those with retirement income replacement levels under 80 percent (vs. those with higher replacement) are more likely to have been encouraged by receiving company-subsidized health insurance at the same level as full-time workers while working part time (48 percent *extremely* or *very* effective vs. 43 percent) and receiving a partial pension while working part time (46 percent vs. 40 percent). In addition, retirees who were *not too* satisfied or better with their job are more apt than those *not at all* satisfied to feel they would have responded to an incentive that allowed them to receive their full pension while working part time (51 percent vs. 43 percent), receive employer-subsidized health insurance (47 percent vs. 42 percent), or lock in their pension benefits (43 percent vs. 37 percent). At the same time, those *somewhat* satisfied or less are more likely than those *extremely* or *very* satisfied to think a pay increase would have been effective (35 percent vs. 29 percent).

Figure 11
Effectiveness of Compensation-Related Opportunities

	Extremely Effective	Very Effective	Somewhat Effective	Not too Effective	Not at All Effective
Protecting you against the possibility of a lower pension payment due to a change in interest rates (Among those who took advantage of a favorable interest rate, n=744)	42%	26%	19%	7%	7%
Allowing you to receive your full pension while working part time (Among those with a pension, n=4877)	29	21	18	11	21
Continuing to receive company-subsidized health insurance benefits at the same level as full-time workers while you work part time (All retirees, n=4981)	27	19	18	12	24
Allowing you to lock in the pension benefits you had already earned so you could be sure the company could not modify or reduce them (Among those with a pension, n=4877)	25	17	19	15	24
Allowing you to receive a partial pension while working part time so that your total income remains the same (Among those with a pension, n=4877)	23	21	19	13	25
A pay increase (All retirees, n=4981)	18	15	26	20	21
A one-time cash bonus (All retirees, n=4981)	9	11	25	23	31

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Most Effective Opportunities—When retirees are asked which of the opportunities presented would be most effective at encouraging them to delay retirement, they most often say feeling truly needed for an assignment (29 percent say it is one of the top three most effective, 12 percent say it is the most effective) (Figure 12). Other incentives that retirees rank highly are receiving a full pension while working part time (24 percent top three, 9 percent most), a pay increase (22 percent top three, 7 percent most), continuing company-subsidized health insurance at the same level as full-time workers (21 percent top three, 5 percent most), and receiving a partial pension while working part time (21 percent top three, 6 percent most). No other incentives were ranked among the top three by 20 percent or more of retirees.

Although the data demonstrate a positive relationship between job satisfaction and most retention incentives, there is an inverse relationship between job satisfaction and the incentives of feeling truly needed for an assignment and doing more meaningful work. That is, as job satisfaction *decreases*, the likelihood of responding to these two incentives *increases*. Conversely, as job satisfaction *increases*, the effectiveness of these factors *decreases*.

An alternate measure of incentive effectiveness would be how much longer retirees remain with the company when offered these incentives. Using this measure, three-quarters of retirees ranking each opportunity as most or second-most effective say they might have stayed with the company at least two more years if they had been offered training that would have enabled them to move into new areas of the company (79 percent) or had been offered seasonal or contract work (77 percent) (Figure 13). Large percentages of those rating an assignment where they feel truly needed (72 percent), receiving their full pension while working part time (72 percent), and receiving a partial pension while working part time (71 percent) as most or second-most effective also say they would likely have stayed at least two more years with the company. Roughly two-thirds might have stayed this much longer if they had been able to change their position to decrease their management responsibilities (69 percent), had the option to telecommute (68 percent), do work they felt was more meaningful (67 percent), and part-time work instead of full-time work (64 percent).

**Figure 12
Retiree Ranking of Most Effective Opportunities**

(n=4980)	Top Three Summary	Most Effective	2 nd Most Effective	3 rd Most Effective
Feeling truly needed for an assignment	29%	12%	10%	7%
Allowing you to receive your full pension while working part time	24	9	8	7
A pay increase	22	7	8	7
Continuing to receive company subsidized health insurance benefits at the same level as full-time workers while you work part time	21	5	8	8
Allowing you to receive a partial pension while working part time so that your total income remains the same	21	6	7	7
Being able to work seasonally or on a contract basis	18	5	6	7
Allowing you to lock in the pension benefits you had already earned so you could be sure the company could not modify or reduce them	18	6	6	6
Allowing you to do work you feel is more meaningful, such as teaching or mentoring or improving existing services	17	4	7	6
Being able to work part time rather than full time	15	4	5	6
Giving you the option to telecommute	14	4	5	5
Being able to take time off for extended periods of time, such as one or two months	12	2	5	5
A one-time cash bonus	10	2	4	5
Being able to compress your work week into three or four days so that your weekends are longer	9	2	4	4
Receiving training that will enable you to move into new areas of the company	8	1	3	3
Receiving additional paid time off each year	8	1	3	4
Being able to take a paid sabbatical	6	2	2	2
Changing your position to decrease your management responsibilities and increase the amount of time you spend in technical or production work	6	2	2	2
Protecting you against the possibility of a lower pension payment due to a change in interest rates	5	2	2	1
Being able to shift your work hours from week to week so they better fit with activities in your personal life	4	1	1	2

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Although at least half of retirees rating most of the other options as most or second-most effective think they might have stayed two years or longer, fewer believe they would have stayed this long if they had been able to shift their work hours from week to week (40 percent), received additional paid time off each year (35 percent), or received a one-time cash bonus (32 percent). It should also be noted that 8 percent of retirees report they would not have stayed any longer with the company even if they had been offered the incentive they rated as most effective.

However, a more effective measure of incentive effectiveness might combine the previous two, weighting the percentage of workers likely to stay two years or longer by the percentage likely to give the offer the most serious consideration. Using this weighted index,³ it appears that the most effective incentive would be feeling truly needed for an assignment (index of 17), followed by receiving a full pension while working part time (13), receiving a partial pension while working part time (10), and seasonal or contract work (10) (Figure 14). Other effective offerings might be a pay increase (9), providing part-time workers with health insurance benefits at the same level as full-time workers (8), and more meaningful work (8).

Figure 13 Retiree Ranking of Most Effective Opportunities				
(Among those saying each offer would be most or second most effective)	No Addl. Time	Up to 6 Months	About 1 Year	2 Years Or More
Receiving training that will enable you to move into new areas of the company (n=275)	12%	1%	8%	79%
Being able to work seasonally or on a contract basis (n=652)	5	2	15	77
Feeling truly needed for an assignment (n=1262)	6	5	17	72
Allowing you to receive your full pension while working part time (n=932)	6	3	19	72
Allowing you to receive a partial pension while working part time so that your total income remains the same (n=762)	8	3	18	71
Changing your position to decrease your management responsibilities and increase the amount of time you spend in technical or production work (n=198)	10	6	15	69
Giving you the option to telecommute (n=514)	9	4	18	68
Allowing you to do work you feel is more meaningful, such as teaching or mentoring or improving existing services (n=679)	10	4	19	67
Being able to work part time rather than full time (n=512)	10	4	22	64
Being able to take a paid sabbatical (n=206)	12	2	23	63
Protecting you against the possibility of a lower pension payment due to a change in interest rates (n=177)	8	6	25	61
Being able to take time off for extended periods of time, such as one or two months (n=414)	12	6	25	57
A pay increase (n=862)	11	5	27	56
Continuing to receive company subsidized health insurance benefits at the same level as full-time workers while you work part time (n=742)	19	5	21	56
Allowing you to lock in the pension benefits you had already earned so you could be sure the company could not modify or reduce them (n=673)	19	5	22	54
Being able to compress your work week into three or four days so that your weekends are longer (n=340)	17	6	27	51
Being able to shift your work hours from week to week so they better fit with activities in your personal life (n=99)	31	7	21	40
Receiving additional paid time off each year (n=235)	26	8	31	35
A one-time cash bonus (n=336)	10	12	46	32

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

While no single incentive is likely to persuade a majority of retiring workers to remain longer with the company, it is likely that a carefully constructed package of incentives could persuade a substantial number to delay their retirement. Based on the survey results, however, about half of retirees would likely stay two years longer with the company if they were offered a choice of one of the following options: an assignment for which they feel truly needed, a pay increase, seasonal or contract work, and health insurance benefits at the same level as full-time workers while working part time.⁴ Educating workers about the fact that pension benefits cannot be changed retroactively may also further increase the percentage who stay.

Timing of Offer—The timing of delayed retirement incentives is important. Nearly two-thirds of retirees (63 percent) report that these offers would have been a lot more effective if they had known about the possibility in the two years before they communicated their intention of retiring. Another quarter (25 percent) indicate the offers would have been much more effective. Only 12 percent say it would have made no difference.

Those who worked for pay in retirement (67 percent, compared with 61 percent who did not) and those who are not satisfied with their job (65 percent, compared with 60 percent at least *somewhat* satisfied) are particularly likely to say the offers would have been a lot more effective if they had been aware of them in the two years before retirement.

Figure 14
Incentive Effectiveness Index

	Index Value
Feeling truly needed for an assignment	17
Allowing you to receive your full pension while working part time	13
Allowing you to receive a partial pension while working part time so that your total income remains the same	10
Being able to work seasonally or on a contract basis	10
A pay increase	9
Continuing to receive company subsidized health insurance benefits at the same level as full-time workers while you work part time	8
Allowing you to do work you feel is more meaningful	8
Allowing you to lock in the pension benefits you had already earned so you could be sure the company could not modify or reduce them	7
Giving you the option to telecommute	7
Being able to work part time rather than full time	7
Being able to take time off for extended periods of time	5
Receiving training that will enable you to move into new areas of the company	4
Being able to compress your work week into three or four days	4
Changing your position to decrease your management responsibilities	3
Being able to take a paid sabbatical	3
Protecting you against the possibility of a lower pension payment due to a change in interest rates	2
A one-time cash bonus	2
Receiving additional paid time off each year	2
Being able to shift your work hours from week to week so they better fit with activities in your personal life	1

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Findings From Open-Ended Questions

Retirees participating in the survey were asked two open-ended questions. Responses provided to these questions by retirees with an engineering or technical background were reviewed and coded, and their results illuminate several of the findings from the quantitative data.

Before retirees were presented with specific ideas about incentives that might be offered to encourage them to delay retirement, they were asked about their own ideas for such incentives. Retirees were most likely to mention changes to the work-place environment, such as to management policies, organizational culture, and work-place conditions (13 percent), and a pay increase or bonus (12 percent) (Figure 15). Roughly 1 in 10 each cite a new position with more responsibility or that is more challenging because they are no longer growing or learning (9 percent), or a transfer or relocation (8 percent). Fewer mention part-time work or consulting opportunities (6 percent), feeling truly needed, appreciated, or respected (5 percent), and better or reinstated benefits (5 percent). Others would want promotion, advancement, or growth potential (4 percent) or a shorter commute, the ability to telecommute, or less travel (4 percent). At the same time, 22 percent of retirees say they can't think of anything that might have made them reconsider their decision and 18 percent think there is nothing the company could have offered them.

The comments provided by retirees offer some insight into what steps might be taken to make older workers feel more valued. Meaningful professional recognition for contributions to the company might be one way of achieving this. Many retirees appear to feel that more interesting assignments, higher evaluation

scores, and merit raises are reserved for younger workers. In addition, it may be necessary to train workers in management positions to better relate to their older colleagues and subordinates, as some retirees who felt marginalized or ignored by their managers say they wanted someone to listen to and acknowledge their input and experience, even if the company decided not to act upon their advice. Finally, simply asking retiring workers to stay longer with the company, emphasizing their value and contributions, may be enough to persuade some to postpone retirement.

After retirees were presented with specific ideas about incentives that might be offered to encourage them to delay retirement, they were asked if there was anything else that might have prompted them to delay their retirement. Although many of the concerns prompting responses to the previous question appear to be satisfied by the options presented in the survey, some issues remain. Retirees most frequently suggested changes to the work-place environment, such as management policies, organizational culture, or work-place conditions (17 percent, up from 13 percent in the previous question) (Figure 16). Four percent each mention a transfer or relocation, feeling truly needed, appreciated, or respected, and a more challenging position. Smaller percentages of respondents mentioned other incentives.

The likelihood of citing the work-place environment, a new position, a transfer, and feeling needed or appreciated in both open-ended questions increases sharply as job satisfaction *decreases*.

Figure 15
Initial Suggested Offers to Encourage Delayed Retirement

Top mentions (Among engineering/technical retirees not staying longer) (multiple responses accepted)	(n=3261)
Changes to the work-place environment	13%
Raise/increased pay/bonus	12
New position/no longer growing or learning	9
If got transfer/relocation	8
Part-time work/consulting opportunities	6
Feeling truly needed/appreciated/respected/valued/fairness	5
Better benefits/reinstate benefits taken away/compensation for pension losses from change in government policies	5
Promotion/advancement/growth potential	4
Shorter commute/telecommuting/less travel	4
Benefits security	3
Less stress/fewer hours/less work	3
Flexible hours/scheduling/more paid time off	2
Age discrimination/felt forced out	2
More meaningful work/make a contribution	2
Can't think of anything	22
Nothing the company could have offered	18

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Figure 16
Other Suggestions to Encourage Delayed Retirement

Top mentions (Among engineering/technical retirees) (multiple responses accepted)	(n=3321)
Changes to the workplace environment	17%
If got transfer/relocation	4
Feeling truly needed/appreciated/respected/valued/fairness	4
More challenging position	4
Better benefits/change in rules surrounding benefits/return of benefits taken away	2
Less stress/fewer hours/less overtime	2
Nothing else/can't think of anything else	66

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Appendix 1: Profile of Survey Respondents

Figure 17
Profile of Survey Respondents

	Total (n=4981)	Engineers/ Technicians (n=3321)	Other (n=1660)
Age			
55–57	13%	13%	14%
58–59	16	15	17
60–61	24	24	25
62–63	26	26	25
64–65	21	21	19
Gender			
Male	79	89	60
Female	21	11	40
Married at time of retirement			
Yes	83	86	78
No	17	14	22
Current household income as percentage of preretirement income			
100% or more	15	17	12
80–99%	17	17	17
60–79%	28	28	29
40–59%	20	20	18
Less than 40%	7	7	7
Prefer not to say	12	10	17
Company			
BAE Systems Inc.	4	4	5
Ball Corporation	<0.5	1	<0.5
The Boeing Company	30	29	34
General Dynamics Corporation	1	2	<0.5
Harris Corporation	1	1	<0.5
Honeywell International Inc.	4	3	6
Lockheed Martin Corporation	27	26	28
Northrop Grumman Corporation	18	16	22
Raytheon Company	14	18	6

(continued on next page)

Figure 17
(continued)

	Total (n=4981)	Engineers/ Technicians (n=3321)	Other (n=1660)
Occupation			
Executive	6	5	8
Managerial	26	26	25
Engineering	31	47	0
Technical	15	23	0
Production	4	0	12
Administrative	11	0	33
Something else	7	0	22
Tenure with company			
Less than 10 years	3	3	3
10–19	15	15	16
20–24	19	18	20
25–29	22	22	23
30–34	18	18	17
35–39	17	18	14
40 or more	6	6	6
<i>Median (years)</i>	27	28	27
Year of retirement			
2008	4	4	4
2007	29	29	29
2006	29	30	29
2005	22	21	24
2004	11	11	9
2003	5	5	5

Source: Employee Benefit Research Institute, 2008 Recent Retirees Survey.

Appendix 2: Methodology

This report presents the results of a survey conducted by Mathew Greenwald & Associates, Inc., on behalf of the Employee Benefit Research Institute (EBRI) to examine the factors that cause aerospace and defense industry workers to retire when they do and what might prompt them to delay their retirement.

The questionnaire for the study was designed by Greenwald & Associates, in cooperation with EBRI, the American Benefits Council, HR Policy Association, and the aerospace and defense industry companies participating in the project: BAE Systems Inc., Ball Corporation, The Boeing Company, General Dynamics Corporation, Harris Corporation, Honeywell International Inc., Lockheed Martin Corporation, Northrop Grumman Corporation, Raytheon Company, Textron Inc., and United Technologies Corporation.

Information for the study was gathered through online interviews lasting an average of 20 minutes. Invitations asking retirees to participate in the study were mailed to retiree homes by the participating companies. To qualify for the study, respondents had to have retired from a participating company in 2003 or later and currently be between the ages of 55 and 65. Where possible, engineering and technical retirees were targeted for participation in the study, but retirees were not qualified on this basis.

Online interviewing for the survey was conducted by Greenwald & Associates between March 24 and April 7, 2008. Completed responses from 5,722 retirees were received to the survey, for an overall response rate of 30 percent. Individual company response rates ranged between 22 and 41 percent. A total of 741 surveys were later discarded due to nonqualification, for a final sample size of 4,981 (3,321 engineering/technical retirees and 1,660 retirees in other occupations).

The margin of error (at the 95 percent confidence level) for the total number of respondents in the survey is plus or minus 1 percentage point. There are other possible sources of error in all surveys, however, that may be more serious than theoretical calculations of sampling error. These include refusals to be interviewed and other forms of nonresponse, the effects of question wording and question order, and screening. While attempts are made to minimize these factors, it is impossible to quantify the errors that may result from them.

Percentages in the figures may not total to 100 due to rounding, multiple response, and/or missing categories.

Endnotes

¹ It should be noted that the population for this survey was drawn from companies within the aerospace, defense, and national security industries and focused on engineering and technical workers. This means the sample is somewhat atypical of the “average” private-sector worker: Levels of education, training, and pay are higher than average, and pension reciprocity is much higher than average in this sector. Also, a significant factor in this industry is the need for government security clearances for the vast majority of workers (since defense and aerospace projects are generally classified), which can have a significant effect on job requirements, working conditions, and pay. The time it takes to hire new workers, the level of skill needed, the difficulty of obtaining security clearances, and the need to facilitate the gradual transfer of institutional knowledge are reasons why employers may want to retain older workers, particularly those eligible for early retirement. Nevertheless, many of the factors identified within this group of workers have obvious relevance to the work force at large and other employers looking to retain older, experienced, or skilled workers.

² Retirees were allowed to select multiple responses to these questions, since they often have more than one experience of employment in retirement.

³ The index was created using the following formula: (percentage rating incentive most effective + (percentage rating it 2nd most effective * .75) + (percent rating it 3rd most effective * .5)) * percent likely to stay two years or longer. The weights are arbitrary; however, alternate schemes using different weights yielded similar results. While a perfect score on this index would be 100 (all retirees rate incentive most effective and all would stay two years or longer), it would be virtually impossible for any incentive to achieve this score. A more reasonable reference point would be a score of 33, where 50 percent of retirees rate the incentive among the top three most effective (25 percent most, 13 percent second most, 12 percent third most effective) and 80 percent would stay at least two years longer.

⁴ Payment of full or partial pension benefits to retirees working part time would be slightly more effective than the pay increase option and could be substituted if current law is changed.

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