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Stability and Change in Plans for Retirement

No. 96-035

HRS/AHEAD Working Paper Series
July 1996

The Health and Retirement Study (HRS) and the **Study of Asset and Health Dynamics Among the Oldest Old (AHEAD)** are nationally representative longitudinal data collections begun in the early 1990s that examine retirement and the aging of society. The two studies are administered at the Institute for Social Research at the University of Michigan. Both studies involve the collaborative efforts of researchers from around the country, and both are supported by funding (U01 AG09740 and U01 AG12980) from the National Institute on Aging at NIH, with supplemental funding for one or both studies from the Social Security Administration, the Department of Labor Pension and Welfare Benefits Administration, the Office of the Assistant Secretary for Planning and Evaluation at DHHS, the State of Florida Department of Elder Affairs, the NIH Office of Research on Minority Health, and the NIH Office of Research on Women's Health. For information about the studies, visit the HRS/AHEAD Web site: http://www.umich.edu/~hrswww/

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the Institute for Social Research
at the University of Michigan and
the National Institute on Aging

HRS the Health and Retirement Study
AHEAD Asset and Health Dynamics Among the Oldest Old

Stability and Change in Plans for Retirement

Abstract: Health and Retirement Study panel data make it possible to investigate workers' prior decision making for retirement far in advance of the event. Using a multinomial construct that profiles general types of retirement plans, we found relative persistence of workers' intentions to retire completely, but relative instability of intentions to pursue more complex paths to retirement (e.g., partial retirement, successive jobs). Considering also the continued prevalence of large proportions with vague plans for retirement, these results show a cohort with a common expectation of retirement but quite unsettled as to how and when it will come about.

Data used: Health and Retirement Study: U.S., 1992 (first wave)

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Acknowledgments

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Retirement Decision Making As an Extended Process

People's practical involvement with retirement begins long in advance of the end-game circumstances that are analyzed in research on the retirement "decision," research that usually studies the outcomes, rather than the actual making, of decisions. These outcomes surely do proceed from a series of personal decisions, yet outcome studies leave processes of decision making largely unobserved.

Consider, rather, the idea that decision making for retirement extends over a considerable period of time--years--prior to the retirement event and so the retirement behaviors (that are the focus of so much research) have antecedents in earlier decisions made and re-made that will have channelled workers toward particular outcomes.

Workers' engagement with the prospect of retirement is normative (Evans, Ekerdt, and Bosse, 1985). With the institutionalization of retirement in the modern life course (O'Rand, 1990), few adults can be unaware that they will encounter the question of retirement. Exactly when this encounter begins to be personally salient is hard to say, yet there has been some study of how the encounter unfolds as a preretirement process of role exit (Ekerdt and DeViney, 1993; Karp, 1989). From this research, it is reasonable to expect that workers' anticipatory involvement with retirement is underway during their 50s.

With advancing age, workers progressively engage (or are brought by others to engage) in questions about their retirement: Will it happen? When? Under what arrangement? To the extent that workers entertain ideas about what they will do, or may do, or will not do--we contend that workers are engaged in provisional decision making for retirement, and that the ideas that they have are their plans. Plans, more formally, are behavioral intentions about retirement. Workers' decision-making occasions are not readily accessible to research, but behavioral intentions are and there is a considerable tradition of research on intentions (as disclosed by survey techniques) as the precursors of behavior (Azjen and Fishbein, 1980). Plans, then, are the practical window into decision making for retirement at any remove from the event. In the array of such intentions (or lack thereof), decision making for retirement becomes quite available for study (Ekerdt, DeViney, and Kosloski, 1996).

While plans anticipate later transitions, these intentions are also of interest and of consequence for the interim behaviors they may prompt along the way. Such preparation steps are instrumental acts that workers undertake in pursuit of a goal-directed activity such as retirement (Bagozzi and Warshaw, 1992). The acts that flow from intentions may include steps such as a savings program, acquisition of information, the resolve to work toward pension eligibility on the current job, positioning oneself for a postretirement job, the purchase of retirement property, or announcing intentions to family and coworkers. Cumulatively, these steps and signals would create a course toward particular outcomes and away from others. There may be, to borrow a phrase from elsewhere in social science (Arthur, 1989), a "path dependence" to retirement decision making wherein early choices constrain later options.

Plans, we allow, may change over time. Aside from studies of the expected timing for retirement (Anderson, Burkhauser, and Quinn, 1986; Bernheim, 1988; Ekerdt, Vinick, and Bossé, 1989; Nestel, 1985), little is known about the dynamics of behavioral intentions toward retirement. To what plans do workers hold fast over time? What factors contribute to unwavering plans? Do plans change dependably from one type to another?

In order to explain changing plans, we posit that workers anticipate their late career and retirement alternatives from within an opportunity structure composed of biographical and situational factors that make action conceivable in the pursuit of valued goals (Baron and Hannan, 1994; Blau, 1994; Merton, 1968). An outline of the opportunity structure includes many of the same factors that have been used to predict the retirement behavior that is temporally downstream from plans (Feldman, 1994; Gustman, Mitchell, and Steinmeier, 1995; Quinn, Burkhauser, and Myers, 1990). The opportunity structure of a 50- or 55-year old worker facing retirement would theoretically consist of such interrelated elements as: ascribed statuses (age, gender, race), the occupational situation, current income and wealth, pension and other income prospects, marital and family roles, health, community ties, and prior experience with retirement.

Now, if the opportunity structure, composed of such biographical and situational factors as sketched above, is the platform for timing at any one point in time, then change in these elements should herald a change in plans. Such turns as job loss, position changes, health events, divorce or widowhood, advancing age, additional tenure, a changing labor market--these alterations of opportunity should prompt workers to re-examine their plans in ways that are theoretically predictable. Moreover, plans not buttressed by instrumental preparation steps should be especially vulnerable to revision when opportunity shifts.

Ultimately, knowledge of the planning history should add considerable explanatory power to models of retirement behavior. The deeper and longer the intention to retire in a particular way, the stronger will be the link between intention and behavior. When a worker retires completely, or takes a bridge job, or forgoes Social Security in favor of continued employment, such a step is likely to be an outcome that has been constrained, facilitated, and funneled down by years of living with the knowledge of retirement as an occupational eventuality (Ebaugh, 1988). Preparation steps that flow from intentions are "side bets" (Becker, 1960) made on the way to retirement that commit workers to paths they cannot readily reverse. The obverse of these active goal-directed behaviors is preparatory passivity that later bars workers from adopting paths that they had earlier foregone.

We contend, therefore, that workers' progressive implication into a course of action for retirement can be observed through the series of plans that they entertain over time, thus expanding the temporal scope and explanatory set for analyses of retirement behavior. Such a comprehensive framework for the description and explanation of extended decision making for retirement requires time-series data on workers' late-career behavior.

Profiling Plans for Retirement

Assuming, as we have, that the study of workers' plans and changing plans will reveal long-term processes of decision making for retirement, how should retirement plans be measured? Workers' designs and intentions for retirement can be characterized along several dimensions but these have the drawback of being overly specific (e.g., timing) and highly intertwined. In order to synthesize these dimensions and also characterize the heterogeneity of retirement plans, we have proposed a multinomial construct that economically profiles generic types of retirement plans with a limited number of categories (Ekerdt, DeViney, and Kosloski, 1996).

Our five-category construct anticipates the major types of retirement behavior; plans for behavior are thus classified nearly as the behavior itself (e.g., Myers, 1991). This construct, moreover, can serve as the foundation for a taxonomy, or conceptual arrangement of all sorts of specific plans. Ideally, this construct should have enough categories to encompass adequately the variety of workers' outlooks, but not so many as to be analytically unwieldy. In our view, the categories should also characterize workers' current ideas about next or proximate transitions, not their notions about patterns of possible moves or the final situation. Lastly, the categories should faithfully reproduce what previous survey research has disclosed to be workers' typical responses about anticipated retirement arrangements (e.g., Louis Harris, 1979; Nestel, 1985).

The five general plans for retirement are: *complete retirement, partial retirement, serial positions, never retire, and uncertainty.*

The first and simplest category is comprised of workers who plan to retire completely--the classic retirement. Full-stop retirement is the eventual destination for most workers, but it is not necessarily the present plan that they entertain. The second and third categories describe more complex paths to implied, eventual retirement (Doeringer, 1990). One is the group who are planning partial retirement or some reduced-effort arrangement. The other group are those who think that they will obtain another job after the current job, not exactly retiring but not remaining either.

The last two groups of older workers are usually not recognized in analyses of retirement planning, but they have an authentic stance. One group would be those who explicitly refuse to entertain the idea of retirement, people who, whatever else they intend for future employment, reject the encounter with retirement. Persons who say they will "never" retire are excepting themselves from the idealized life course, and they deserve focal status.

The final group would be those with no particular plans, a perfectly reasonable outlook that recognizes workers' uncertainty about the future or lack of commitment to a course of action. This group is quite important to feature because they may be risking disorderly, ill-considered transitions. Indeed, without this last type, our construct fails to encompass the heterogeneity of retirement plans and merely describes labor supply alternatives.

We applied these ideas to an operationalization and validation analysis using current workers' responses on the baseline 1992 Health and Retirement Study (HRS), a nationally representative sample of persons aged 51-61 and their spouses regardless of age (Juster and Suzman, 1995). Total sample size for the first wave of this biennial longitudinal survey was 12,562 persons in some 7,000 households. The study population for our analysis included all persons aged 51-61 in the core sample; persons from Black and Hispanic oversamples were not included. These 8,017 cases were further reduced by including only current workers who also claimed they had not completely retired. This study population of 5,072 workers aged 51-61 was 47.3 percent female, 11.7 percent nonwhite, with 83.7 percent of respondents working 35 or more hours per week. It is important to remember that, in these cross-sectional data, the older ranks of this age range will have already experienced labor force departures due to early retirement.

The five retirement-plan types were operationalized from a survey question that followed a series on current employment. Workers were asked first about the "usual retirement age" on their main job, and then, "Are you currently planning to stop working altogether or work fewer hours at a particular date or age, to change the kind of work you do when you reach a particular age, have you not given it much thought, or what?" Although this question did not explicitly mention retirement, the preceding question would have set responses in a retirement context.

Multiple responses (as many as eight) could be recorded for each respondent, though few gave more than one response. We categorized these responses in a hierarchical fashion, first grouping (1) all persons who said they planned to "stop work altogether," (2) then all who would "work fewer hours," (3) then all who would "change the kind of work" or "work for myself," (4) then all who would "never stop work," and (5) then all who "had not given [it] much thought" or "had no current plans." Workers with "other" responses (n = 23) were dropped from the analysis. These five categories (Table 1) were labeled Stop Altogether, Reduce Effort, Change Job, Never Stop, and No Plans. Respondents in the first three categories had also been asked the age at which they planned to make the change.

These mutually exclusive categories nevertheless contained some individuals who offered more than one response. Based on planned ages for the change, workers were re-assigned to the earliest-occurring status if they expressed multiple plans to Stop, Reduce, or Change Jobs. If workers expressed plans to Stop and also to Reduce or Change Jobs at the same age, they were re-assigned to the latter statuses. In all, 0.5 percent of cases were shifted among categories for expressing serial retirement plans. The final distribution of the plans categories are shown in Table 1 for 5,049 workers.

The proportion of the sample assigned to each of the retirement-plans categories is shown, along with other information about the convergent validity of the plans classification.

Table 1. Association between Retirement Plans Categories (1992) and Analogous Survey Questions.

	Retirement Plan Category				
	Stop Altogether	Reduce Effort	Change Job	Never Stop	No Plans
N	1,058	998	459	361	2,173
Percent of 5,049	21.0	19.8	9.1	7.1	43.0
Cumulative percent planning transition:					
• age 60	25.7	32.0	46.1	NA	NA
• age 62	70.9	69.5	72.3		
• age 65 98.8	95.8	92.2			
Median age	62	62	60		
1. Chances of working full time (mean, 0-10 scale):					
Past age 62	3.1	5.0	4.7	6.9	5.5
Past age 65	0.9	2.7	2.5	5.4	3.2
2. Expected retirement age: Percent thinking that they will--					
Retire < 62	27.8	14.9	25.5	5.5	8.5
Retire at 62-64 44.6	27.9	23.7	7.8	22.4	
Retire at 65	16.2	18.1	13.1	11.4	18.9
Retire > 65	7.6	18.0	13.1	11.9	14.9
Never retire	0.7	12.1	13.7	48.2	13.6
Don't know	1.6	7.8	8.7	13.6	20.2
Other	1.6	1.1	2.2	1.7	1.4
3. Would like paid work when retired (percent)?					
Stop entirely	57.4	8.9	10.0	5.5	18.3
Continue some	38.4	89.2	87.4	86.1	76.0
Don't know; NA	4.3	1.9	2.6	8.3	5.7

The plans categories can be understood as older workers' current idea about their next move; we can assume that people may have further ideas and that their current plans may change.

As we have categorized them, approximately one-fifth of these workers aged 51-61 planned to Stop Altogether--the classic, complete retirement. Another one-fifth foresaw a path of Reduced Effort. Nine percent thought that they would remain at work full-time (as best we can determine) but Change Job or switch to self-employment. Approximately 7 percent said that they will Never Stop working. An unexpected aspect of the plans distribution was the finding that over two-fifths of these workers had specifically stated that they had No Plans regarding retirement.

Cumulative distributions of planned ages for three of these transitions are also shown in Table 1. The Change Job group planned more moves by age 60 than the Reduce and Stop groups, consistent with their embarking sooner on a more complex path toward withdrawal from work. In all three groups, approximately 70 percent of transitions were foreseen to occur by age 62 or sooner, and over 90 percent by age 65.

We evaluated the convergent validity of the plans categories by examining group responses on several analogous survey questions (Table 1, Nos. 1-3). To sum up, the comparisons of the plans groups on these survey questions showed reasonable consistency about intentions toward retirement. Those who plan to Stop Altogether project retirement transitions substantially completed by age 62 and almost wholly completed by age 65; they express little uncertainty about expected retirement ages; and they are the group most likely by far to prefer no postretirement employment. The Reduce Effort and Change Job groups resemble each other in foreseeing longer work careers on average than the Stop group, later and even indefinite expected retirement dates, and strong favor for partial retirement. The Never Stop group, while some may eventually retire, presently foresee the longest work careers and the least likelihood of ever retiring. And as it should be, the No Plans group are hardest to profile, projecting longer worker careers than the Reduce Effort and Change Job groups, but not foreclosing retirement so strongly as the Never Stop group.

Further analyses (see Ekerdt, DeViney, and Kosloski, 1996) examined the construct validity of the multinomial scheme, examining the association between selected elements of workers' opportunity structure and the five types of plans to retire. We concluded from a multinomial logistic regression procedure that types of plans were related to situational and biographical factors in theoretically predictable ways. A final analysis examined the possibility that some of the five categories may be close substitutes for one another, but the categories were found not to be redundant.

Thus, the evidence from this baseline analysis is that the multinomial construct with its five general plans for retirement--Stop Altogether, Reduce effort, Change Job, Never Stop, and No Plans--should suffice for the purpose of characterizing retirement plans over the preretirement period. Other details of retirement planning, we would argue, can be analyzed secondary to the general stance. Thus, timing, further occupational arrangements, preparation steps, and other lifestyle questions can be viewed as elaborations of the basic intention. This is not to say that workers first form general plans and then decide details; rather we think that plans can be placed first in a taxonomic and analytic hierarchy. In all this, we recognize that the hierarchy of retirement plans is conceptual; single specific plans (to migrate, to preside over the family

business) may in fact drive all other plans for the future.

Stable Workers, (Somewhat) Changing Plans

With the availability of 1994 HRS data (Alpha release), it becomes possible to compare Wave 1 plans with the Wave 2 situation in two settings: when workers have the same job at substantially the same hours, and when they do not. In the former setting we would want to know if and how plans had changed, and in the latter whether they were perhaps fulfilled. Both questions test our supposition that plans are the manifest aspect of a decision-making process. For this presentation, we will focus on changing plans among people who continue to work, though we can later point to interesting aspects of potential plans-behavior analyses.

What can we expect to find? Some instability in plans is predictable because retirement decision planning entails judgements under uncertainty in which people are operating with incomplete, faulty information. Yet, as workers draw closer to retirement, they should accumulate more accurate information, suggesting that less focused intentions (e.g., will Never Stop, have No Plans) will be revised. Another decision-making bias is that people optimistically overestimate the probability of conjunctive events (Frisch, 1988). Again, as workers draw closer, those retirement scenarios that assume a confluence of favorable circumstances--Reduce Effort, Change Job-- should seem less feasible, with the result that workers make other, more realistic plans. At the same time, stability is predictable, too. We know from our earlier research, albeit on men, that two-thirds of workers cite the same expected age for retirement (± one year) when remeasured after three years (Ekerdt, Bosse, and Glynn, 1985).

From this, we hypothesize that there will be more within individual stability than change in plans (i.e., more cases on the diagonal than off in a 5X5 array). However, the proportion of stable responses will vary down the diagonal, with Stop Altogether being most stable, and Never Retire and No Plans being least. Of transitions between plans, the highest probability will be out of vague plans (Never Stop, No Plans) and into others, and out of complex plans (Reduce Effort, Change Job) into simple (Stop Altogether).

Plans at the two-year follow-up in 1994 were operationalized using a set of HRS questions identical to those asked at baseline. The disposition of the baseline respondents--all workers--by 1994 was as follows. Of 5,072 respondents in 1992, 4,384 (86%) were also respondents in 1994. Of these 4,384 persons, 84 percent (N = 3,673) were working for pay and not completely retired by self-report in 1994, 7 percent claimed to be completely retired, and the remaining 9 percent had some other status.

In the interest of examining two-year change in retirement plans while holding the job constant, we further restricted the sample to 3312 men and women who held the same job in both 1992 and 1994. Thus, after a lag of two years' time on the same job, to what extent do workers cite the same general retirement plans (as we have categorized them)?

Table 2 shows a 5x5 cross-classification of baseline and follow-up responses (with some additional reduction in the sample due to missing data on retirement plans). Considering first the marginal distributions, there was a net gain in the numbers planning to Stop Completely, from 632 to 912 cases. There were net reductions in the numbers planning to Change Jobs (269 to 154 cases), and in the numbers

with No Plans who said they didn't know what they would do or they hadn't thought about retirement (1,412 cases to 1,237 cases). Despite these two-year shifts in the marginal proportions--toward firmer plans and away from uncertainty as these workers drew two years closer to their next transition--by far the largest proportion of these 53-63 year-old workers in 1994 had No Plans for retirement--nearly 40 percent.

Our hypothesis of more within individual stability than change was not borne out. Fewer than half of these workers, 47.3 percent, kept the same response overall and fell on the diagonal of Table 2. Reading across the rows of Table 2, the most stable intention was to Stop Completely, with 60.9 percent of baseline respondents retaining that plan over time. Our hypothesis that the Never response, a protest against the possibility of retiring, would be quite unstable was supported, if only because many with such opinions (43%) swapped them for the No Plans response. We had also assumed, wrongly it turns out, that No Plans would be a fairly unstable response. Rather, 54 percent of workers in 1992 who were uncommitted to a course toward retirement remained so in 1994. The persistence of the No Plans response bears further study.

Finally, there was support for our hypothesis that workers would be more likely than not to revise the complex plans for retirement, Reduce Effort and Change Job. Only 17.1 percent of workers who foresaw a Change of Job cited the same general plan two years on; and only 40.1 percent of plans to Reduce Effort were retained.

We also examined two-year changes in plans for men and women separately (not shown). Women had greater overall stability in plans, 51.2 percent citing the same intention over time versus 43.9 percent for men. However, this difference was almost wholly due to women's maintaining an intention either Never to retire or to have No Plans. Women were thus more likely to be stable in the persistence of vague plans.

The 5x5 array in Table 2 comprises 25 different possible hazard models for transitions in and out of planning states. All transitions are possible, none are improbable, but not all of these are of equal interest.

In examining the distribution of workers' retirement intentions at Waves 1 and 2 of the HRS (among those holding the same job), we found large numbers with No Plans for retirement as well as substantial stability in these intentions between the two surveys. Our conceptual framework, outlined at the beginning of this paper, posits that workers engage in provisional decision making for retirement that sets them on paths toward particular retirement outcomes. Accordingly, we are interested in understanding the persistence of such vague intentions as well as the factors that might channel workers away from uncertainty and toward specific plans for retirement.

Table 2. Cross-classification of 1992 plans with 1994 plans (percentages sum across to show proportion of 1992 cases with the intention in 1994).

1992 PLANS	1994 PLANS: Stop Completely	Reduce Effort	Change Job	Never Retire	No Plans	TOTAL
Stop Completely	385 60.9%	75 11.9%	28 4.4%	15 2.4%	129 20.4%	632 19.8%
Reduce Effort	125 19.1%	263 40.2%	40 6.1%	43 6.6%	183 28.0%	654 20.5%
Change Job	67 24.9%	66 24.5%	46 17.1%	23 8.6%	67 24.9%	269 8.4%
Never Retire	29 13.9%	39 18.7%	3 1.4%	47 22.5%	91 43.5%	209 6.6%
No Plans	306 21.5%	224 15.8%	37 2.6%	87 6.1%	767 54.0%	1421 44.6%
TOTAL	912 28.6%	667 20.9%	154 4.8%	215 6.8%	1237 38.8%	3185 100.0

To illustrate the analytic possibilities, we focused on the bottom row of Table 2, asking what predicted the persistence of the No Plans response as well as switches from No Plans to other intentions. For this purpose, we regressed categories of the No Plans row on a set of ten variables representing elements of the opportunity structure for retirement planning. These biographical and situational factors include 1992 measures of gender, race, age, self-reported eligibility for a pension, holding an occupation in the core industrial sector (Beck, Horan, and Tolbert, 1978), occupational prestige as measured in the General Social Survey, self-employment, years of education, self-reported work limitation due to health, and current marital status. These measures index workers' personal resources and market control for late-career decision making. A formal theoretical model of the opportunity structure as it predicts stability and change in specific retirement plans would show complex relationships among factors, with some factors, such as pension eligibility, endogenous to others. Our analytic purpose here is more modest and exploratory.

Table 3 shows results of a binomial logistic regression predicting 1992-1994 stability of the No Plans response for the 54 percent (767/1421) of workers citing that intention at baseline. Continued uncertainty about retirement plans is more likely among women and among younger members of the cohort. The findings on age and gender are reasonable, because uncertainty is more tolerable at a further remove from retirement age, and because women's retirement intentions, more so than men's, may await marital and family considerations. Continued uncertainly is also more likely among workers whose late-career decision making is less organized by bureaucratic arrangements and administrative rules, as indicated by their not having a pension, not being an occupation in the core sector, and being self-employed. Altogether, the persistence of the No Plans response is theoretically predicatable.

The structure of opportunity can also predict the switches of those who move off the No Plans response between 1992 and 1994. Table 4 shows estimates of the likelihood of workers' switches away from No Plans to another intention as predicted by the same set of 1992 measures. These results from multinomial logistic regression reveal the same significant predictors as in the binomial case (Table 3) but with more specificity. The table shows the antilogged logit coefficients; values greater than 1 reflect increased odds and values less than 1 reflect decreased odds of choosing some one intention over the reference category of No Plans.

So, the effect of gender is specified as males being more likely to switch from uncertainty to a Reduce Effort plan. Relative to men, women are less likely to see themselves leveraging their occupational value into a complex path toward retirement. Age channels workers toward the specific plans of Stop Altogether and Reduce Effort. Likewise, pension eligibility, core employment, and wage employment all channel workers toward specific plans. Interestingly, the effect of pension is stronger for Stop Altogether and Change Job than for Reduce Effort. Workers who plan to Reduce Effort may intend to do so on the present job or take part-time work on another job. To the extent that the response reflects the former situation, the weaker effect for Reduce Effort is consistent with the observation often made in retirement research that pension rules bar partial retirement in the same position.

As noted above, the complete analysis of these switches as well as others in Table 2 would

Table 3. Binomial Logistic Regression Predicting Stability of "No Plans" between 1992 and 1994 among Workers Holding the Same Job (N = 1,421).

1992 Variable (range)	b	SE	Odds Ratio
Female (0-1)	.253*	.124	1.28
White (0-1)	.228	.187	1.26
Age (51-61)	-.097*	.019	.91
Private pension (0-1)	-.755*	.137	.47
Core sector job (0-1)	-.278*	.124	.76
Occup. prest. (14-82)	-.006	.005	.99
Self-employed (0-1)	.375*	.176	1.46
Education (1-17)	.010	.024	1.01
Work limitation (0-1)	.094	.220	1.10
Currently married (0-1)	-.232	.140	.79

* p < .05

Table 4. Multinomial Logistic Regression Predicting 1994 Plan Category among Same-job Workers with "No Plans" in 1992; Odds Ratios (N = 1,421).

	1994 Plans (reference category is No Plans)				
1992 Variable (range)	Stop Altogether	Reduce Effort	Change Job	Never Stop	No Plans
Female (0-1)	1.08	.62*	.49	.64	--
White (0-1)	.82	.79	1.06	.70	--
Age (51-61)	1.14*	1.10*	1.04	1.06	--
Private pension (0-1)	3.69*	1.45*	4.77*	.70	--
Core sector job (0-1)	1.54*	1.19	1.24	1.43	--
Occup. prest. (14-82)	1.01	1.00	1.02	.99	--
Self-employed (0-1)	.48*	.66	.42	1.16	--
Education (1-17)	1.01	.95	.98	1.08	--
Work limitation (0-1)	.85	.88	1.58	1.02	--
Currently married (0-1)	1.50*	1.00	1.86	1.23	--

* p < .05 for original logit coefficients

entail a theoretically guided specification of factors that properly endogenizes elements of the opportunity structure. In addition, interim changes in work situation, pension prospects, family circumstances, and in health should also prompt workers to re-examine their plans.

Conclusion and Further Research

HRS panel data make it possible to investigate workers' prior decision making for retirement far in advance of the event. Using a multinomial construct that profiles general types of retirement plans, we found relative persistence of workers' intentions to retire completely, but relative instability of intentions to pursue more complex paths to retirement (e.g., partial retirement, successive jobs). Considering also the continued prevalence of large proportions with vague plans for retirement, these results show a cohort with a common expectation of retirement but quite unsettled as to how and when it will come about.

We foresee an entire program of research on extended decision making for retirement that will become feasible with successive waves of the HRS. First, we have outlined here how it is possible to describe and model workers' changing intentions toward retirement with reference to the opportunity structure and altered circumstances.

Second, it will also be possible to investigate the proximate consequences of workers' intentions--how being on a path toward some transition (or no transition) leads to preparation behaviors. There is, of course, value in determining whether plans predict retirement eventual outcomes, but the really useful question is *whether plans prompt near-term behaviors--preparation steps that workers undertake on behalf of their intention.* Such steps may include saving, purchasing a retirement home, becoming knowledgeable about one's finances. Rather than simply examine the correspondence between earlier plans and later retirement outcomes, we have the potential for explaining retirement outcomes *as a consequence of people's own agency*.

Third, there should be further inquiry about workers' cognitive frameworks for thinking about retirement. A close examination of the 5x5 array in Table 2 raises the question whether workers truly have unstable plans, or whether our multinomial construct doesn't measure retirement intentions with a considerable amount of error. As operationalized here, we sorted workers into mutually exclusive groups according to their general plans. This strategy, treating workers as if they were one-plan people set on singular paths to the future, may be too simple. Rather, a worker's commitment to any of the plan scenarios could be a matter of degree. (The HRS items that ask workers their subjective probability of working full-time past age 62 or 65 are indeed such a test for degree of commitment to a particular, though oddly mixed, intention: nonretirement at a particular age.) Although few HRS respondents cited multiple plans, it is reasonable to suppose that some older men and women, while not uncertain about retirement, could have ambivalent intentions or mixed plans.

At any rate, whether it is more appropriate to think of workers as planning a single course

or as having propensities toward two or three retirement arrangements--this is a matter for research. The question could be investigated by estimating the probability that workers will subscribe to each of the plan types based on responses to the sort of questions used to establish construct validity in Table 1. Latent variables describing each worker's propensity to stop altogether, reduce effort, etc., could be compared with the single multinomial construct to determine the relative usefulness of the two approaches for summarizing how workers think about retirement.

Using HRS data to investigate retirement plans puts a developmental emphasis on retirement decision making, usefully so because it rescues research from casting older workers, on the one hand, as point-of-purchase "deciders" or, on the other hand, as fated by social context.

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