Working after retirement

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CHAPTER 6

Conclusions and discussion

6.1. Introduction

The Dutch retirement landscape has been characterized by a strong culture of early exit for many years. Generally, retirement in the Netherlands has involved a one-way withdrawal from the labor force. Increasingly, this abrupt career exit is replaced by a process that consists of various changes in work status and work content prior to a full and permanent withdrawal from paid work. After retirement, an increasing number of older adults re-enter the labor force in so-called bridge jobs. The general objective of the present study is to improve our understanding of bridge employment in the Netherlands. Specifically, the main research question was: ‘to what extent do individual and contextual factors explain participation in bridge employment and how does participation in bridge employment impact the well-being of retirees?’ Bridge employment was thereby defined as participation in paid work among those receiving a pension income.

To address this research question, cross-national data were obtained from the SHARE project to provide information on retirement trajectories in 16 European countries, including the Netherlands, for 2011. The use of these data enabled the investigation of the variation in bridge employment across Europe and a consideration of how national pension contexts affect bridge employment behavior. Gender differences in participation in bridge employment and its antecedents were explored using this dataset. Additionally, panel data obtained from the NIDI Work and Retirement Panel were analyzed. Dutch workers aged 50 years and older were followed in their transition to retirement between 2001 and 2011. This longitudinal dataset enabled an in-depth investigation of bridge employment in the Netherlands. While gender differences could not be investigated with this second dataset because there were too few women to allow robust results to be obtained, the data nevertheless captured a large variation in retirement transitions and retirement experiences over time.

The chapters of this dissertation consist of empirical studies of the determinants (Chapters 2 and 3) and consequences (Chapters 4 and 5) of bridge employment. In the present chapter, the findings of these studies are first summarized in light of the research question (Section 6.2). The scientific (Section 6.3.) and societal (Section 6.4) relevance of the results are then discussed. The chapter ends with some concluding remarks (Section 6.5).

6.2. Summary of the results

The determinants of bridge employment

One of the aims of this dissertation was to understand how bridge employment is affected by contextual factors. To date, the majority of existing studies have investigated bridge employment in a single country, which precludes a complete understanding of how contextual factors, such as the characteristics of national pension contexts, affect the way retirement processes unfold. For instance, it is known that the Dutch pension system is relatively generous (OECD, 2011), but the question of whether and how this affects participation in bridge employment remains unaddressed. In addition, single-country research often uses country-specific definitions of retirement and post-retirement work. Although these studies have provided important insights on individual determinants of bridge employment, the findings are hard to compare across countries due to the variation in the definitions and operationalizations used (Alcover, et al., 2014; Beehr & Bennett, 2014). In order to overcome this issue, in the present research, cross-national data for 16 European countries were analyzed.

An initial question that has barely been addressed from a macro comparative perspective is that of how the prevalence of bridge employment differs across European countries. The results contained in Chapter 2 of this dissertation show that, in general, around 10 percent of the retirees in the dataset participated in bridge employment at the point of data collection. The proportion of retirees in bridge jobs varied substantially among the European countries under study. While bridge employment was rare in countries such as Spain and Slovenia, substantial numbers of retirees in Estonia, Sweden, and Denmark were working for pay after retirement. The figures in the Netherlands were closely aligned with these Scandinavian countries and the Netherlands was thus among the countries with a relatively high prevalence of bridge employment, compared with the other European countries under study.

The second question that could be asked from a macro comparative perspective is to what extent country differences in the likelihood to participate in bridge employment can be explained by the specific characteristics of the pension contexts in those countries. The present study therefore examined the generosity of the public pension system and the normative climate surrounding the combination of work and retirement within the population of each country. These factors appeared highly heterogeneous across countries. Public expenditure on pensions was relatively high in countries such as Austria and Denmark. Relatively low levels of expenditure were found in Estonia and Germany. Additionally, a large majority of the population agreed that those in receipt of a public pension income should be able to participate in paid work in countries such as Denmark and the Netherlands, while lower levels of support for the combination of work and retirement were found in Slovenia and Italy. The results in Chapter 2 suggest that differences in pension contexts across countries are associated with differences in participation in bridge employment. Across the European countries under study, relatively high levels of public pension expenditure were linked to a low likelihood of older adults participating in bridge jobs. Strong normative support for the combination of work and pensions was found to relate to relatively high levels of bridge employment. The explanatory models were estimated for men and women separately, but showed comparable results. Men and women were similarly affected by the characteristics of the pension context in which the retirement transition was embedded.

Moreover, individual-level determinants seemed to matter in the European countries included in the SHARE data. Younger retirees, highly educated retirees, and healthy retirees, were particularly likely to work in paid jobs past retirement, which is in line with the results of single-country case studies in the US (Cahill, et al., 2006, 2011; Wang, et al., 2008). Additionally, it mattered whether retirees received occupational pension benefits in addition to public benefits; those who did were less likely to work in bridge jobs. Not only is the impact of socioeconomic characteristics assessed in Chapter 2; family circumstances are also taken into account, based on the idea that retirement transitions may be deeply entwined with matters of family life (Settersten, 2003). While no clear effect was found of informal care activities on the likelihood of participating in bridge jobs, an association between bridge employment and marital status was found and appeared to be highly dependent on gender. For men, marital status was unrelated to participation in bridge employment, while the results indicated that female retirees who had experienced a divorce were particularly likely to work in retirement. In the case of divorce, it is argued in US literature that the economic safety net that the husband's income may have provided disappears (Pienta & Hayward, 2002; Szinovacz & DeViney, 2000), causing women to be confronted with a pension shortfall.

As a result of the use of the NIDI Work and Retirement Panel, it was possible to gain a more in-depth knowledge of bridge employment in the Netherlands. These data were a rich source of information to deepen understanding of the role of both independent and dependent variables in an explanatory model of bridge employment. For instance, with regard to independent variables, information was available on socioeconomic factors and health, as well as the specific characteristics of retirement transition and psychosocial factors. With regard to dependent variables, the results in Chapter 3 show that about one in four retirees in the Netherlands participated in a bridge job after initial retirement from their career job. A substantial minority thus refrained from permanent exit from paid work after retirement and extended their working lives. Additionally, a broader view on bridge employment was gained from information on whether retirees had searched for a bridge job and whether or not they were successful in this respect. It was found that seven percent of retirees had searched for a bridge job but had been unsuccessful in finding one. The question that follows from these descriptive results relates to who is able to participate in bridge employment in the Netherlands, and who is unsuccessful in finding a bridge job.

In Chapter 3, the determinants of bridge employment are investigated, thereby providing some insight into the circumstances that lead retirees to search for a bridge job unsuccessfully. On the basis of life course theory, it was assumed that the decision to participate in bridge employment was the result of a complex set of socioeconomic factors, health, and influences from the family domain (Settersten, 2003). In line with the country-comparative study presented in Chapter 2, the results for the Netherlands show that particularly for men, individuals who worked in high-level jobs and healthy individuals were more likely to participate in bridge jobs. However, bridge employment was not the exclusive preserve of these groups. A substantial number of retirees participated in bridge jobs who had previously worked at low or middle occupational levels, or who had poor health. For instance, seven percent of those working in a low-level occupation pre-retirement participated in a paid job after retirement. No clear impact was found of the work status of a partner or of involvement in the care of grandchildren. Overall, it may be concluded that those in better socioeconomic positions and with better health are most likely to participate in a bridge job.

In addition to socioeconomic factors, psychosocial factors also seem to have an impact. Disengagement from work prior to actual career exit limited the likelihood of older adults re-entering the labor force post-retirement. This implies that experiences and thoughts about work and retirement some time before the actual transition to retirement affect the decisions people make in terms of paid employment after their retirement. As such, it also supports the idea that the retirement process does not end with the withdrawal from the career job, but rather it includes a variety of interdependent processes in the trajectory to full and permanent retirement (Damman, 2014). Another pre-retirement psychosocial aspect that played a crucial role in the decision-making process regarding bridge employment was the degree of perceived opportunity in the labor market after career exit. As expected, those older workers with low expectations of their labor market opportunities were unlikely to participate in bridge jobs. This has been referred to as the 'discouraged worker effect' (Pleau, 2010). The same result was found in qualitative research in the US, where older workers felt discouraged from prolonging their working life thanks to the negative views of their employers towards older workers (Unson & Richardson, 2013).

Drawing upon life course theory, it is further argued in Chapter 3 that individuals have different levels of capacity in terms of realizing their preferences within the restrictions of their social world (Elder, 1994). In line with this assumption, the present study examined which types of older adults were unsuccessful in finding a bridge job, i.e., who was restricted in their search for bridge employment. It was found that whether retirees were successful or unsuccessful in finding a bridge job was largely unrelated to basic socioeconomic characteristics, such as the occupational level of the pre-retirement job, and health. The selection processes that led to the success of some retired candidates while excluding others was apparently not based on such traditional stratification markers. Instead, experiences of the initial retirement transition were found to be particularly important. While most respondents retired voluntarily, a substantial minority experienced involuntary retirement, for instance due to organizational pressure, mandatory retirement, or health limitations. Those who experienced such an involuntary career exit were especially likely to be unsuccessful in finding a bridge job. Retirement-specific stratification processes thus seem to result in a process of cumulative disadvantage; those who are forced to leave their main job experience difficulties returning to the labor force.

Consequences for well-being in later life

In addition to an examination of the determinants of bridge employment, this study aimed to investigate how participation in bridge employment impacts well-being in later life. A consistent finding from retirement research is that involuntary departure from the career job functions as a key element understanding the level of life satisfaction after retirement. However, the role of bridge employment in this respect has not been assessed to date. Therefore, in Chapter 4 specific attention is paid to the combined impact of involuntary retirement and participation in bridge employment in relation to changes in self-efficacy and life satisfaction over time. One of the suggested mechanisms in the literature is that involuntary retirement is linked to a loss of control over the work domain, which may threaten satisfaction levels in later life (Szinovacz & Davey, 2005). In this sense, bridge employment can be used as a tool to regain a sense of control or self-efficacy after such an involuntary retirement transition has taken place. However, this aspect of mental well-being has not received much attention in empirical research on bridge employment to date. The results of Chapter 4 show that experiences regarding retirement and bridge employment had very little effect on levels of general self-efficacy in retirees. Instead, age was found to be the dominant factor in this respect; self-efficacy was found to decrease with increasing age. It may be that involuntary retirement affects domain-specific, i.e., work-related, self-efficacy only, and this could be explored in further research.

With regard to levels of life satisfaction, a negative relationship with involuntary retirement was found – a finding that accords with previous studies on this relationship (Bender, 2012; Hershey & Henkens, 2014). The results in Chapters 4 and 5 showed that a negative change in levels of life satisfaction among involuntary retirees was mitigated by the participation in bridge employment. While involuntary and full retirement corresponded with a drop in levels of life satisfaction, involuntary retirement followed by bridge employment resulted in stable levels of life satisfaction over the retirement transition. The mitigating impact of bridge employment on the satisfaction levels of involuntary retirees was found to persist even when age-related decreases in levels of self-efficacy and major life experiences such as the loss of a partner or problems with health were accounted for. For voluntary retirees, life satisfaction even seemed to increase slightly in the case of bridge employment. The sizes of these effects were somewhat small, but this could be explained by the fact that variation between individuals in terms of general satisfaction values is generally limited (Frijters & Beatton, 2012). These results support the idea that continuity in familiar life patterns facilitates the stability of life satisfaction (Atchley, 1999).

To further understand the relationship between bridge employment and life satisfaction, a follow-up study was conducted to investigate the specific conditions under which bridge employment had either positive or negative consequences for well-being in later life. How retirement is experienced is not determined a priori; some retirees may enjoy the freedom and flexibility they find in retirement, while others experience it as a crisis event associated with a loss in financial and social resources (Quine, et al., 2007). The same applies to participation in bridge jobs after retirement; it may be perceived either positively or negatively, depending on the motives for participation in bridge employment. The question of whether different motives for bridge employment impact life satisfaction differently is addressed in Chapter 5.

The motive most often mentioned as the driving force for bridge employment was enjoyment. A substantial minority reported working to meet financial needs, while others were motivated to work in order to maintain a form of social contact. Boredom was rarely mentioned as a primary reason for participation in a bridge job. The results indicate that retirees who participated in bridge jobs for enjoyment experienced an increase in levels of life satisfaction during the retirement transition. By contrast, retirees who re-entered the labor force to meet financial needs were found to experience decreases in levels of life satisfaction. No substantial changes in life satisfaction were found among bridge employees who were driven to work in retirement by a social motive. For some bridge employees, then, participation in a bridge job resulted in lower levels of satisfaction, and the results in Chapter 5 also indicated that those who searched for but were unsuccessful in securing bridge employment also experienced decreases in life satisfaction. It is clear that restricted choice in retirement, through either feeling forced into or forced out of the labor force, is crucial to understanding changes in well-being after retirement.

6.3. Scientific relevance

The main aim of this study was to broaden the understanding of bridge employment by emphasizing a notion of restricted choice. The following important considerations have guided the research design:

a. An acknowledgement that the characteristics of a country's pension context may determine who participates in bridge employment;
b. An acknowledgement that the decision-making process regarding bridge employment and its consequences for well-being in later life may be impacted by the experiences that accompany initial career exit;
c. An acknowledgement that some individuals may have no access at all to paid work after retirement.

This approach will be further reflected upon in this section.

Restricted choice regarding bridge employment

A general conclusion that can be drawn from this dissertation is that the decisions made during the retirement process and their outcomes for well-being in later life are influenced by the social environments in which those retirement processes are embedded. This supports the basic principles of life course theory (Settersten, 2003; Szinovacz, 2003). While the choice between full retirement and bridge employment is often implicitly considered to be freely made, Szinovacz (2003) draws from life course theory to suggest that "decision-making barriers and opportunities constitute the most fundamental layer of the decision process" (p.21). These barriers and opportunities may arise from a variety of social contexts, such as national contexts, the organizational domain, and the family domain (Elder, 1994; Settersten, 2005; Szinovacz, 2003). In this dissertation, attention has been paid to both contextual factors and factors at the level of the individual in order to explain bridge employment. Specifically, the results imply that both national characteristics (such as levels of pension expenditure and national norms regarding the combination of work and retirement) and individual retirement experiences (such as involuntary retirement and unsuccessful searches for bridge employment) enable or constrain behavioral and attitudinal outcomes in post-retirement years.

At the level of national contexts, this dissertation provides support for the idea that a more encompassing understanding of bridge employment is obtained when contextual explanations are considered (consideration a). Where the existing literature focuses on the impact of individual characteristics and circumstances, there is little knowledge on how the characteristics of different countries and their pension contexts affect bridge employment decisions. In the current dissertation, attention has therefore been given to the economic and sociological characteristics of national pension contexts in order to gain a better idea of why both female and male retirees continue to work in bridge employment. When the individual determinants of bridge employment are accounted for, greater national expenditure on public pensions is associated with a low likelihood that retirees will work in bridge employment, while strong normative support for a combination of work and pension is associated with a relatively high likelihood that people will work in bridge jobs after retirement. This supports the idea that in addition to the traditional economic explanation of retirement behavior, societal norms about working for pay after retirement make a difference in explaining bridge employment (Zhan & Wang, 2015). This finding also accords to the proposition of Liefbroer and Billari (2010) that the sequencing and timing of life events, such as those in retirement trajectories, are guided by existing social norms.

However, the cross-sectional nature of the research in Chapter 2 unfortunately hinders the causal interpretation of the results. Changes in retirement behavior could be the result of changing normative views on retirement, but it may also be the other way around, with the increasing trend towards bridge employment itself establishing a norm for the combination of work and retirement. In the Netherlands, the trend towards the re-entry of retirees into the labor force in bridge jobs began at the start of the 21st century (Henkens, 2011), somewhat before the major retirement reforms that abolished early retirement were implemented. However, the topic of the extension of working lives became increasingly important in the political and public agenda halfway through the 1990s. This seems to indicate that changing norms most likely preceded changing retirement behavior. However, more research on the relationship between social norms and bridge jobs over time is needed, in order to gain a better understanding of the inter-relationship between norms and behavior (Morgan & Kunkel, 1998).

In regards to decision-making at an individual level, this dissertation supports the notion that both decisions about bridge employment and the consequences of bridge employment for well-being in later life are impacted by the circumstances and experiences involved in the initial career exit (consideration b). The dissertation also draws attention to the fact that some individuals may have no access to paid work after retirement (consideration c). Similarly to the transition to retirement, the transition to bridge employment may not be abrupt, but is more likely to be a process characterized by several stages in which older adults form an intention to work in bridge employment (Von Bonsdorff, et al., 2009), actually start searching for a bridge job (Adams & Rau, 2004), and are eventually successful or unsuccessful in finding one. The findings of this dissertation point to barriers at several points in this transitional process; choices are restricted at initial exit from career job, during the search for a bridge job, and during employment in a bridge job.

In line with knowledge obtained from previous studies (Szinovacz & Davey, 2005; Van Solinge & Henkens, 2007), this dissertation shows that withdrawal from a career job can be experienced as either voluntary or involuntary. It has been suggested in the literature that retirees who have experienced such an involuntary or sudden career exit may be particularly interested in returning to the labor force (Armstrong-Stassen, Schlosser, & Zinni, 2012; Wang, et al., 2008). A return to employment may make them feel able to regain control over (Heckhausen & Schulz, 1995) and find continuity in the work domain (Atchley, 1999). Moreover, the loss of work may be compensated by taking a new job, which offers renewed access to work-related rewards, such as income, social contacts, and a structured use of time (Lim & Feldman, 2003). However, the interest of both voluntary and involuntary retirees in re-entering the labor force, and even their efforts to find a job, do not necessarily translate into actual participation. Some retirees remain unsuccessful in finding a bridge job, which may point to a state of 'involuntary full retirement'. This dissertation points to a process of cumulative disadvantage in this respect (O'Rand, 1996); those who had experienced involuntary career exit were over-represented among the group who had searched for a bridge job but were unsuccessful in finding one. Put more succinctly, involuntary retirees tend to end up in involuntary full retirement. This points to the existence of serious restrictions in access to paid work after retirement (Ekerdt, 2010).

From the theoretical perspective of continuity theory, it could be suggested that access to paid work is crucial for well-being in later life. More specifically, the uptake of bridge employment after involuntary career exit can be a tool to facilitate continuity in the work domain, which then stabilizes levels of well-being (Atchley, 1999). The findings of this dissertation point in this direction and show that involuntary retirees are amongst those who could most benefit from bridge employment in terms of their satisfaction with life. Participation in bridge employment appears to mitigate the negative impact on levels of life satisfaction that accompanies involuntary career exit. Interestingly, as mentioned above, involuntary retirees tend to be unsuccessful in finding a bridge job and are thus unlikely to benefit from this buffering capacity of bridge employment.

While participation in bridge employment was found to be beneficial for involuntary retirees – if they manage to find a job – the results of this dissertation also show that not all workers who participate in bridge jobs experience the benefit of stable or increased levels of well-being. On the one hand, bridge employment that is entered for enjoyment purposes was found to stabilize or even enhance life satisfaction. On the other hand, participation in bridge jobs due to the necessity of meeting financial needs was found to lower life satisfaction. This latter group of retirees would probably have liked to replace the work role with other meaningful activities (Szinovacz, 2003), but were unable to do so due to financial constraints. This aligns to the basic principles of role theory (Ashforth & Mael, 1989); continuity in the work domain appears beneficial only in cases where it involves continuation in a role that is intrinsically rewarding to the individual (Kim & Feldman, 2000). Those retirees committed to the work domain and who enjoy working benefit from their participation in bridge jobs, which could be referred to as a form of 'voluntary bridge employment'. At the same time, feeling forced to continue working to meet financial needs may be seen as a form of 'involuntary bridge employment'.

In sum, the results of this dissertation suggest that the voluntary or involuntary nature of retirement (Van Solinge & Henkens, 2007) not only applies to the experience of initial career exit, but also applies to the concepts of bridge employment and full retirement. Older workers can experience forms of voluntary or involuntary career exit, voluntary or involuntary full retirement, and voluntary or involuntary participation in bridge jobs. To what extent these transitional stages are perceived to be restricted or not may have important implications for levels of well-being among retirees. This illustrates the importance of the notion of restricted choice to an adequate understanding of participation in, and consequences of, bridge employment.

Directions for future research

Results of previous empirical studies in the US show consistently that bridge employment is particularly common among highly educated and healthy individuals who participate in paid jobs after retirement because they are particularly committed to their jobs or the work domain in general (S. Kim & Feldman, 2000; Ruhm, 1994; Wang, et al., 2008). Bridge employment is generally portrayed as a voluntary decision, guided by personal desires and interest (Gobeski & Beehr, 2009), rather than the result of financial pressure or low wealth accumulation (Maestas, 2010). By contrast, some studies point to the existence of a U-shaped relationship between the availability of financial resources and bridge employment; both low and high income groups tend to be oriented towards bridge employment after their retirement (Giandrea, Cahill, & Quinn, 2009). The results contained in this dissertation lead to the conclusion that two groups of retirees exist in the Netherlands; those who experience little constraint in their decisions regarding retirement and bridge employment, and those who experience serious restrictions. In fact, some retirees feel forced to participate in bridge jobs for financial reasons. In addition, there is a category of retirees who would like to participate in bridge employment but are unsuccessful in finding bridge jobs.

In this respect, Flynn (2010, p. 317) refers to a division between the 'haves and have-nots' in the UK. He counterposes a group of privileged older workers with a high level of autonomy in their retirement process against disadvantaged older workers who are pushed into or out of the work force in later life. In the US, following the work of Titmuss (1955), reference has even been made to two different 'nations' in old age, consisting of a small proportion of well-off older workers versus a larger group of poorer older workers (Falkingham & Johnson, 1992; Titmuss, 1955). It is argued that inequalities in living standards between these two groups increase further in the period after work. This could potentially influence how retirement trajectories unfold – i.e., whether or not retirees need to supplement their retirement income with earnings from paid work and whether they have a certain level of autonomy over their work-related decisions.

Such strict divisions between haves and have-nots, or between two different nations of older adults, do not seem to apply to the current situation in the Netherlands. Soede (2012) pointed to the financial generosity of the Dutch pension system. He concluded that the relative position of the majority of Dutch retirees has even improved over recent years compared with other age groups and that poverty in old age was very rare in the Netherlands (Soede, 2012). Similarly, the results of the present dissertation indicate that for a large majority of retirees in the Netherlands, there is no strong financial incentive to work after retirement. Instead, retirees are mainly driven by intrinsic motives to participate in bridge jobs. Hence, the decision on whether to participate in bridge employment seems to have been voluntary for the majority of Dutch bridge employees. However, as is the case in other European countries, the Dutch pension landscape is changing; increasing insecurity about the level of pension benefits as well as increasing diversity in life courses may translate into a growing diversity in the level of income and the likelihood that retirees participate in paid work after retirement. A relevant question for further research is how the nature of bridge employment, and the accompanying barriers and restrictions, will change in the near future as a result of changing pension landscapes.

Another relevant research direction in this respect concerns the possibility that various processes of social selectivity over the life course as a whole may determine decisions on bridge employment (Ekerdt, 2010). In line with life course theory, we can expect that not only recent experiences of retirement but also life events that occurred in the past in the work or family domain may determine retirement decisions. As argued by Raymo, Warren, Sweeney, Hauser, and Ho (2011), the accumulation of earlier employment experiences may have important implications for the timing of retirement. This also applies to circumstances in the family domain before retirement that may interfere with decisions that relate to work and retirement (Damman, Henkens, & Kalmijn, 2015). It can be assumed that earlier life events, such as job promotions, periods without paid work, and the timing of family formation and family dissolution, affect intentions, opportunities, and actual participation in bridge jobs. To date, empirical proof of the impact of such factors on decisions about bridge employment is almost absent in the relevant research. The results of this dissertation point to the importance of divorce in relation to participation in bridge employment for women. Those women who have experienced a divorce tend to work in bridge jobs, which has been associated with their economic vulnerability in US-based studies (Pleau, 2010). Some other groups of older workers also deserve particular attention. For instance, further research could pay special attention to internationally mobile workers and migrant workers, who may not have full social security coverage, or to entrepreneurs, who are not automatically covered by occupational pension plans. These groups of workers may face specific financial challenges in retirement. Inadequate retirement planning and insufficient private pension resources may drive these groups of workers towards bridge employment after retirement.

Finally, it would be beneficial to explore further the quality of bridge jobs. Lain (2012) showed that in the UK working retirees were likely to be disproportionally segregated into 'lopac' occupations; "these were low paid, required few qualifications and were often part-time" (p. 78). A related aspect of interest in securing a better understanding of bridge employment is the level of general insecurity in the work domain for retirees. For instance, previous research has shown that a substantial share of Dutch bridge employees work on a temporary basis (Dingemans, et al., 2013). The low quality and/or insecurity of bridge jobs may be perceived differently by different groups of retirees. Under generous pension conditions, such as is currently the case in the Netherlands (Soede, 2012), reductions in work hours or work demands are not necessarily evaluated negatively, and may even be desirable. Older workers may accept demotion and lower hourly wages if this ensures that their work environment accommodates their health concerns (Lytle, Clancy, Foley, & Cotter, 2015) or if it facilitates gradual career exit and working on their own terms (Ulrich & Brott, 2005). By contrast, low quality and insecure work may be detrimental in less generous pension environments and for specific disadvantaged groups of retirees who feel forced to continue working by economic circumstances. Participation in low quality and insecure jobs may be perceived as a threat to the stability of both financial and mental well-being in later life. Further research could explore whether bridge job quality makes a difference in levels of well-being after retirement and how this may differ for various subgroups of bridge employees.

6.4. Societal relevance

Bridge employment is a relatively new phenomenon in the pension landscape and it has much in common with more general ideas about extending the working lives of older adults. Nevertheless, to date policy reforms that aim to extend working lives have been mainly focused on labor force participation prior to public pension age. The abolition of early retirement arrangements stimulates labor force participation up to public pension age. At the same time, the public pension age in the Netherlands is gradually rising from the traditional retirement age of 65, to 67 in 2021. As a result, transition to retirement now takes place at a more advanced age. This study has investigated a cohort of retirees who participated in bridge jobs before these pension reforms were fully implemented. A substantial share of this cohort of retirees has opted for bridge employment. In the sample under study, about a quarter of Dutch older adults who retired between 2001 and 2011 worked after their retirement.

Until recently, this phenomenon of working after retirement had received little attention in political and policy discourses. However, the anticipated consequences of population aging has encouraged the Dutch government, as well as governments in other western societies, to consider the labor force participation of non-traditional groups of workers, such as working retirees (Maestas & Zissimopoulos, 2010). In September 2015, the Dutch government passed a new law increasing the labor force participation of older adults who have passed public pension age through a reduction in the barriers preventing employers from hiring retirees, particularly in relation to levels of employment protection (Centraal Planbureau, 2014; Dutch Government, 2012, 2014b). This means that job security is reduced for these workers and the period that employers are required to pay wages to retirees who can no longer work due to sickness is shortened.

This new law is not without its critics (Raad van State, 2012). Specifically, the notion of working after public pension age has been questioned for its potential to displace non-retired adults. Although the Dutch government argues that the new law does not displace younger workers, opponents argue that the employment of non-retired older workers in particular could be harmed. Among older workers, non-retirees and retirees may be comparable in skills and experiences, and thus suitable for the same jobs. As a result, the recruitment of retirees may hinder the recruitment of non-retired older workers. In particular due to the current global economic and financial crisis, unemployment levels among older workers have risen over recent years, adding to the high levels of long-term unemployment for Dutch older workers (De Graaf-Zijl, Van der Horst, & Van Vuuren, 2015). Unemployment may have severe consequences for older non-retired workers especially because they are likely to be at the back end of the labor queue and less likely to be recruited by employers as new personnel (Karren & Sherman, 2012).

Actual decisions to deploy retirees are made at the organizational level (Karpinska, et al., 2011). From an employer perspective, it is argued that retirees can satisfy the increasing demands of organizations for a flexible labor force (Beck, 2013; Blossfeld, et al., 2009). They have the security of a basic pension income, which makes them more flexible, and potentially more willing to accept forms of demotion, low paid jobs, or insecure employment. Additionally, this dissertation shows that the majority of bridge employees are intrinsically motivated to work. Together with their high levels of work experience, the high motivation of retiree workers may make them an interesting labor pool for organizations, in particular if shortages in the labor market occur in the future due to an aging population.

At the individual level, the general conclusion that follows from this dissertation is that, for most individuals, bridge employment is a positive activity in retirement, done mainly for intrinsic reasons. However, whereas enjoyment was the main reason to work in bridge jobs among the cohort investigated in this study, an increasing number of retirees in the future may experience pressure to work in order to secure their own economic welfare. This may have consequences for the well-being of future retirees. The results of this dissertation have shown that life satisfaction is reduced among those who work in bridge jobs for financial reasons. Life satisfaction may further decrease when these retirees end up in low quality and insecure jobs (as has been shown for the UK context; Lain, 2012). Furthermore, increasing pressures to participate in paid work may interfere with policies of the Dutch government to further increase individual responsibilities in the personal domain (‘participatiesamenleving’; Dutch Government, 2014a). We require further insight into how bridge employment interacts with other unpaid productive activities and how this relates to the well-being and health of older adults after retirement.

6.5. Concluding remarks

This dissertation has presented several empirical studies on the determinants of bridge employment and its implications for well-being in later life. The findings show that retirement is no longer necessarily a simple one-way exit from the labor force. Instead, there is a large diversity in the circumstances that surround exit from a main career job, in opportunities to find new paid jobs after retirement, and in the motives that guide the decision to participate in bridge employment. Of crucial importance seem to be the experiences that accompany the initial career exit; arguably these experiences set the stage for how retirement trajectories further unfold. As demonstrated in this dissertation, increasing variety in retirement processes has clear implications for levels of well-being among retirees.

To what extent the results are generalizable to future cohorts of retirees is unclear. First, the generalizability of the results to specific societal groups, such as entrepreneurs, migrant workers, and workers from small firms, is hindered due to the under-representation of these groups in the data considered. Second, the data for this study have been collected in a period in which early retirement was the norm; the majority of older adults retired far before the public pension age of 65 and made use of generous early retirement arrangements. With the abolishment of early retirement schemes and the increasing public pension age, it is valid to ask whether future cohorts of older adults will continue to work after public pension age. Among bridge employees in the NIDI Work and Retirement Panel, it was uncommon to continue working after the public pension age (Henkens, Van Solinge, & Van Dalen, 2013). Most early retirees re-entered the labor force directly after career exit and then left their bridge job before the age of 65. Full and permanent retirement seems to be normatively legitimized at this age.

Pension landscapes are, however, in a state of flux. Upcoming cohorts, not only in the Netherlands but also in other European countries, will increasingly be confronted with more insecure and less generous pension benefits that encourage them to extend their working careers. Due to lifelong experiences of disadvantage or lengthy disruptions in employment, an increasing number of retirees may need to supplement their pension benefits with paid employment to make ends meet. The trend towards increasing labor force participation for older adults after public pension age suggests that the role of paid work will gain in importance among retirees in future years – as a result of intrinsic motives, but also increasingly driven by financial motives. Taken together, it remains to be seen in future research how changes in the pension landscape will influence reasons for participation in, and access to, bridge employment, and how increasing variety in retirement processes will affect the well-being of retirees in later life.