
Submitted by

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Summary

With an increasing proportion of older people in the Australian population and increasing health and longevity, paid work after the age of 65 years may become an option or a necessity in the future. The focus of this research is on Australian women of the baby boom generation, their working futures, and the work-retirement decision. This is explored both from the viewpoint of women and from a social policy perspective. The research draws on Considine’s model of public policy, futures studies, and Beck’s concept of risk society.

The research comprises three studies. Using focus group research, Study 1 explored the views of Australian women of the baby boom generation on work after the age of 65 years. Study 2 aimed to explore current thinking on the research topic in Australia and overseas. Computer-mediated communication involving an Internet website and four scenarios for the year 2020 were used for this study. Study 3 consists of the analysis of quantitative data from the Healthy Retirement Project, focusing on attitudes towards retirement, retirement plans, and the preferred and expected age of retirement.

The importance of choice and a work–life balance emerged throughout the research. Women in high-status occupations were found to be more likely to be open to the option of continuing paid work beyond age 65 than women in low-status jobs. However, the women were equally likely to embrace future volunteering.

The research findings suggest that policies for an ageing female workforce should be based on the values of inclusiveness, fairness, self-determination, and social justice, and address issues of workplace flexibility, equality in the workplace, recognition for unpaid community and caring work, opportunities for life-long learning, complexity and inequities of the superannuation system, and planning for retirement. Further, providing a guaranteed minimum income for all Australians should be explored as a viable alternative to the current social security system.
Statement of Authorship

Except where reference is made in the text of the thesis, this thesis contains no material published elsewhere or extracted in whole or in part from a thesis by which I have qualified for or been awarded another degree or diploma.

No other person’s work has been used without due acknowledgment in the main text of the thesis.

This thesis has not been submitted for the award of any degree or diploma in any other tertiary institution.

All research procedures reported in the thesis were approved by the Faculty Human Ethics Committee, Faculty of Health Sciences, La Trobe University (Studies 1 and 2: FHEC00/030, Study 3: 97/06).

Date: / / 2003 Candidate’s signature: ....................
Publications and conference papers arising from the thesis

Merkes, M. (2002). BabyBoomWomen@Work2020 - Reflections on the methodology of a research project using futures scenarios and computer mediated communication. *Journal of Futures Studies, 6*(3), 83-94. (see Appendix 1)


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Last not least, this thesis would not have been possible without the women – and men – who participated in the research and shared their views and opinions about the topic so generously.
Chapter 1 – Introduction

This thesis is concerned with three studies that address the working futures and work-retirement decisions of Australian women of the baby boom generation, using qualitative and quantitative research methodologies and the theoretical perspectives of Considine’s model of public policy, futures studies, and Beck’s concept of risk society.

Context

Like other industrialised countries, Australia has an ageing population. Longer life expectancy and an increasing proportion of older people in the community are expected to have implications for fiscal, economic and social policy (OECD, 2000) and put pressure on government income support systems. These pressures will be exacerbated by older workers leaving the workforce. Further, surgical, medical, and pharmaceutical advances in the past 25 years have increased the potential health costs of older people.

Population ageing leads to changes in the economy, workforce, family structures, local communities, living arrangements, public expenditure and revenue, labour force participation rates, retirement decisions, and consumption patterns. At the same time, the nature of work is undergoing radical and rapid change, particularly in response to changing technology and the globalisation of industry (Winefield et al., 2002).

Concerns about the implications of an ageing population are frequently raised (Burtless, 2002; Peterson, 1999) and ageing is often perceived as problematic and as “an issue about which something needs to be done” (Bacon, 1999, p. 77). For example, Johnson (1999) argued that

… it is widely believed that ageing will alter established economic and social relationships by affecting both the rate of growth of the economy and the distribution of resources within the economy. Ageing is not alone in promising these effects — the globalisation of markets, the communications revolution, and bio-technology are all frequently identified as potential but unpredictable formative elements of social and economic life in the twenty-first century (p. 11).
Conversely, it has been argued that Australia is well placed to meet the challenges that an ageing population presents (Commonwealth of Australia, 2002) and that the evidence does not justify alarm over an ageing crisis (Kinnear, 2001).

The baby boomers are a diverse and large group of people born during the years following the Second World War. The oldest baby boomers are now in their mid-fifties and have started to retire. As a group, they differ from previous generations: they are healthier, have more active lifestyles, are more highly educated, and had children later. They grew up during times of economic growth and are accustomed to an economy of personal credit, long-term mortgages, and deficit spending on all levels of government. They have moved away from traditional family patterns, have experienced rapid social change, and have influenced culture and policies.

With an increasing proportion of older people in the Australian population and increasing health and longevity, paid work after the age of 65 years may become an option or a necessity in the future. Should the additional years be spent in retirement or should working lives be prolonged? This discourse has recently entered the public domain.

**Rationale**

What do these changes mean for the people who are now approaching retirement? What are the views of baby boomers? What policies should be developed and implemented to address population ageing?

The discourse about our ageing population and its implications for the Australian retirement system has only over the last few years started to attract the attention of the mass media – often portrayed with a negative bias and more distortion than fact. Newspaper headlines such as “Boomers to go bust in retirement” (Webb, 2001), “Long-overdue time to stop long, leisured retirements” (Toohey, 2002), and “Hope I die before I get poor” (Sampson, 2002) are examples of such media sensationalism. There has also been a growing interest in issues concerning the
baby boomers, in particular during 2002. Figure 1 shows the increase in the number of articles in three Australian newspapers since 1997 that mention the baby boom.

Figure 1

Australian newspapers – Number of articles with occurrences of “baby boom”, “baby boomer”, or “baby boomers”, 1997-2002

There is scant research on issues of future generations’ experience of the work-retirement transition and its policy implications, including implications for volunteering and caring work. Further, existing models of the retirement experience have largely been based on men’s experience of retirement rather than women’s (Onyx & Benton, 1995).

Published research and modelling dealing with the future often concerns itself with population and economic projections and the economic implications of an ageing population. Examples are work undertaken by the OECD (Casey, 1997; OECD, 1998, 2000; Vanston, 1998) and the Australian Government’s Retirement and Income Modelling Unit (Bacon, 2000; King, 2001; Tinnion, 1998). While several researchers in the US have explored the views of the baby boom generation on work and retirement issues (Dailey, 1998; Dychtwald, 1999; Evandrou, 1997a; Gale, 1997; Kirkwood, 1999; Simon-Rusinowitz, Wilson, Marks, Krach, & Welch, 1998), including those of female baby boomers, this has
occurred to a lesser extent in Australia. Such research usually has a focus on the costs of older people to the economy, rather than the benefits. However, the experience and knowledge associated with maturity are valuable in both economic and human terms. An older population will make a different contribution to society. A prolonged working life may be such a contribution.

An ageing workforce requires fresh policies. In Australia, there are currently significant disincentives to continued part-time or self-employment for older workers; for example, benefit reduction rates on the age pension, and taxation penalties for those who attempt to combine partial income from superannuation benefits with part-time and/or self-employment (Rosenman, 1999).

For the individual, work after the traditional retirement age has the capacity to contribute to financial security in later life and the potential to add purpose and meaning to life. However, there is very little research on this issue. Most research to date has focused on early retirement and on men. New research is needed as the baby boomers, who have different work experiences, attitudes, and expectations from those of previous generations, approach the traditional retirement age.

This research has a focus on Australian women of the baby boom generation, and their views, attitudes, plans, and visions for their work and retirement futures. It explores whether female baby boomers are prepared to work beyond the age of 65 years, and if so, under what conditions. The research contributes to the policy debate by presenting a range of women’s views and by identifying policy initiatives that have the potential to improve and prolong women’s working lives.

**Scope**

The focus of this research is on Australian women of the baby boom generation, their working futures, and the work-retirement transition. This will be explored both from the perspective of women and from a social policy perspective. The research considers the Australian situation, comparing it with other OECD countries. Other pertinent social policy areas requiring attention in the future,
including housing, transport, community and residential care, and health policy, are not considered in this research.

The research is both interdisciplinary and integrative and draws on areas of study not usually considered connected. For example, it considers literature from the fields of futures studies, sociology, psychology, public health, communication, public administration, and economic modelling.

The thesis addresses the following two broad questions: How do women of the baby boom generation envisage paid work after the age of 65, and what are the policy implications of an ageing female workforce?

**Theoretical perspectives**

The theoretical position of this research draws on futures studies, Considine’s model of public policy, and Beck’s concept of risk society. These are summarised below.

**Considine’s model of public policy**

Considine’s (1994) model of public policy is positioned in a framework of legitimate power, values, and rights. He defined policy as “the continuing work done by groups of policy actors who use available public institutions to articulate and express the things they value” (p. 4). For Considine, values explain policy and invest all its ordinary practices with meaning.

Policy has an instrumental dimension in that it produces decisions, programs, and other outcomes which people value. It has also a developmental side in the way it allows for the communication of moral and ethical norms, and the building of trust and solidarity between actors. Conversely, it has the potential to produce negative outcomes such as dominance or non-developmental processes which are divisive (Considine, 1994). Thus, in this model, process is an outcome.

Other public policy frameworks emphasise different aspects of the policy process; for example, the pluralist – elitist approaches, that focus on power and its distribution among groups and elites, or policy discourse approaches, which
examine the policy process in terms of language and communication (Parsons, 1995). Considine’s model of public policy was chosen because of its compatibility with the research questions, part of which seek to explore the underlying values of women’s views and the values on which public policy should be based.

**Futures studies**

*Definition and scope of futures studies*

Inayatullah (2002) described futures studies as “the systematic study of possible, probable and preferable futures including the worldviews and myths that underlie each future” (p. 1). Slaughter (1996b) suggested that futures studies is grounded in human capacities and needs. It does not attempt to predict the future, but examines ideas about the future (Dator, 1996a). While the future cannot be predicted, “‘preferred futures’ can and should be envisioned, invented, implemented, continuously evaluated, revised, and re-envisioned” (Dator, 1996a, p. xx).

Bell (1996) argued that the main purpose of futurists is to maintain or improve the welfare of humankind and the life-sustaining capacities of the earth, and that futurists carry out this purpose by systematically exploring alternative futures. Further, they seek to know what causes change, and to discover the unanticipated, unintended, and unrecognised consequences of social change. “Thus, futurists attempt to clarify goals and values, describe trends, explain conditions, formulate alternative images of the future, and invent, evaluate, and select policy alternatives” (pp. 48-49).

Futures studies is a multidisciplinary field of inquiry and has been described as a border science (Moll, 1996). “The borders are part of science’s interdisciplinary, multidisciplinary and transdisciplinary work, but the field also has borders between itself and the worlds of science, politics and business” (p. 24). Dator (1996b) argued that “futures studies is not like other established fields in academia, it is constantly being misunderstood and misused” (p. 1). He asserted that the future is not predictable, but may be emerging from the interaction of four components: events, trends, images and actions. The purpose of futures
research\textsuperscript{1}, Dator (1996b) argued, is to assist people to examine and clarify their images of the future, and their ideas, fears, hopes, beliefs, and concerns about the future, so that they might improve the quality of their decisions which impact on the future. Similarly, Weingand (1995) commented that society and its institutions need to explore the future in order to more fully understand the demands of the present and the critical decisions that must be made. She proposed futures research as a strategy to understand change.

Futures studies and research is practised and taught at a range of universities and institutes (e.g., Australian Foresight Institute at Swinburne University of Technology in Melbourne, Hawaii Research Center for Futures Research at the University of Hawaii, Copenhagen Institute for Futures Studies). It is concerned with issues such as communications, crime and justice, economic development, energy, environment, gender, culture, health, information, peace, population, resources, science and technology, space, transport, urban planning, work, and leisure (Slaughter, 1995).

Inayatullah (2001a) commented that, compared to planning, the futures approach is longer-term (that is, from five to fifty years), more concerned with creating than predicting the future, committed to authentic alternative futures where each scenario is fundamentally different from the other, less likely to be restricted to a particular institutional or theoretical application, and committed to multiple interpretations of reality (for example, legitimising the role of the unconscious, mythology, or the spiritual world). Further, the futures approach is more participatory, more concerned with the planning process, less instrumentalist (as it is concerned with more than just profit or power), and action-oriented to the extent that it is as much an academic field as a social movement. Inayatullah (2002) also contrasted futures studies with policy analysis, as summarised in Table 1:

\textsuperscript{1} The terms futures studies and futures research are used interchangeably.
Table 1
Differences between policy analysis and futures studies

<table>
<thead>
<tr>
<th>Policy analysis:</th>
<th>Futures studies:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• short-range orientation;</td>
<td>• long-range orientation;</td>
</tr>
<tr>
<td>• one policy is chosen; the goal is to create new organisational directions and to clarify current management decisions;</td>
<td>• the focus is on examining the range of futures, and the goal is to create new organisational directions, and to clarify current management decisions; the future cannot be known, but we can determine what we want, and distinguish probable and preferred futures;</td>
</tr>
<tr>
<td>• concerned with analysing the viability of particular policies;</td>
<td>• concerned with making basic assumptions problematic;</td>
</tr>
<tr>
<td>• goal oriented;</td>
<td>• vision oriented;</td>
</tr>
<tr>
<td>• within most planning exercises, plans are written so that the nation or organisation can appear modern, giving the appearance that the future is under control;</td>
<td>• the futurist might want actual fundamental transformation;</td>
</tr>
<tr>
<td>• often takes a limited view of knowledge approaches.</td>
<td>• attempts to acknowledge the different ways individuals construct the world.</td>
</tr>
</tbody>
</table>

Source: Inayatullah (2002, p. 5)

Further, Inayatullah (1998) proposed causal layered analysis (CLA) as a futures research method:

Causal layered analysis is concerned less with predicting a particular future and more with opening up the present and past to create alternative futures. It focuses less on the horizontal spatiality of futures – in contrast to techniques such as emerging issues analysis, scenarios and backcasting – and more on the vertical dimensions of futures studies, of layers of analysis. Causal layered analysis opens up space for the articulation of constitutive discourses, which can then be shaped as scenarios (p. 815).

CLA is based on the assumption that the way in which one frames a problem changes the policy solution and the actors responsible for creating the
transformation (Inayatullah, 2002). Inayatullah (1998, p. 820) distinguished four layers of analysis:

1. The litany – quantitative trends and problems. Events, issues, and trends are not connected and appear discontinuous.
2. The social, economic, and technological – this level is concerned with social causes, including economic, cultural, political, and historical factors. Interpretation is given to quantitative data.
3. The worldview/discourse – “at this stage, one can explore how different discourses (the economic, the religious, the cultural, for example) do more than cause or mediate the issue but constitute it, how the discourse we use to understand is complicit in our framing of the issue”.
4. The myth/metaphor – these are stories, collective archetypes, unconscious dimensions of the problem or the paradox. “This level provides a gut/emotional level experience to the worldview under inquiry”.

Planners, economic forecasters, evaluation researchers, policy analysts, and special interest activists make use of futures studies. Slaughter (1996a, p. 97) noted that the key questions that need to be investigated by futures workers include the following:

- What are the main continuities?
- What are the major trends?
- What are the most important change processes?
- What are the most serious problems?
- What are the new factors “in the pipeline”?
- What are the main sources of inspiration and hope?

**History of futures studies**

Weingand (1995) traced futures research back to the Greek and Middle Eastern prophetic traditions, eighteenth-century philosophers and utopian writers (e.g., Mercier, Condorcet, and Turgot), and nineteenth-century “futures prophets” (e.g., Saint Simon, Fourier, Comte, and Marx). During the nineteenth century, professional people such as army and navy officers, social scientists,

\(^2\) A futures method in which a particular future scenario is identified in some detail. Its origins and lines of development are then carefully traced back into the present.
statisticians, engineers, and industrialists expressed their thoughts on coming developments in their chosen fields (Clarke, 1996).

North American futures studies during the twentieth century originated predominantly from strategic planning and operations research in the 1940s and 1950s. In the late 1960s, futures studies research institutes came to the attention of a broader audience when well-respected international journals carried futures articles (Moll, 1996). Formal organisations and networks in the US and Europe were established, such as the Washington-based World Future Society, the World Futures Studies Federation, the Association Internationale Futuribles in Paris, the Secretariat for Futures Studies in Stockholm, and the Zentrum für Zukunftsforschung in Berlin (Moll, 1996). Similar organisations have also developed in other parts of the world, e.g., in Japan, China, and Mexico.

Assumptions of futures studies

In his recent collection of the theories, methods and visions of contemporary futurists, Inayatullah (2001b) found a set of common assumptions. He suggested that multiple perspectives are at the heart of futures studies, such as multiple methods, finding ways out of the box of conventional thinking, internal critique, and cross-civilisational conversations. Further, he argued that futurists do not see themselves as merely value-free forecasters but as creators of alternative futures. In creating alternative futures, futurists generally see their role as liberating the future in each person and striving towards enhanced public ownership of the future. Futurists are often motivated by a passion for change and they desire to take an active role in transforming the world.

Inayatullah also observed that futurists consider a one-dimensional or single discipline orientation as unsatisfactory. Trans-disciplinary approaches are perceived as essential, in particular systems thinking is seen as crucial. Futurists believe that they have a role in shaping public policy and explicitly take into account long term policy transformation. They also believe that structural and individual factors are equally important, and that internal transformation is part of the process of creating alternative futures and of influencing public policy. Hope is often a pivotal force in creating a better future, and while most futurists consider
themselves as pragmatists, they imagine and work for another world, often in a consistent effort over a lifetime.

Sustainable futures, understood as making decisions that do not reduce the options of future generations, the impact of policies on nature, gender and the “other”, seem to be facets of the accepted paradigm. Moreover, sustainability, in its “green” sense, appears to have been reconciled with the technological, spiritual, and post-structural ideal of transformation. Thus the paradigm does not rely on a simplistic ideal of sustainability (i.e., back to nature), but embraces the inevitability of technological and cultural change.

Futures studies is well suited to the research questions of this study as it examines and clarifies ideas, fears, hopes, and beliefs about the future, supports individuals and communities in making better plans for the future, is concerned for the welfare of people and the sustainability of their environments, and seeks to shape public policy.

Risk society
The German sociologist Ulrich Beck argued that the work society, which developed in Western countries after World War II, is changing. This can be observed in trends such as increasing unemployment in the countries of Europe, increasing casualisation of the workforce, and the transition from a work society to a knowledge society. He suggested that increasingly the “social structure in the heartlands of the West is thus coming to resemble the patchwork quilt of the South, characterized by diversity, unclarity and insecurity in people’s work and life” (2000a, p. 1) – the “Brazilianisation of the West”, as he called it.

Beck (2000a) described this as a “political economy of risk society” (p. 2) with the following characteristics. The “new power game” and the new power differential are acted out between territorially fixed political players (i.e., government, parliaments, and trade unions), and non-territorially fixed economic players (i.e., capital, finance, and commerce). This limits the room to move of individual states to the following dilemma: either pay with higher unemployment for levels of poverty that steadily increase (as in most European countries), or accept spectacular poverty in exchange for a little less unemployment (as in the US).
Further, Beck argued that the “job for life” has disappeared. Thus, rising unemployment can no longer be explained in terms of cyclical economic crises. Rather, it is due to the successes of technologically advanced capitalism and all paid work is subject to the threat of replacement. The factors that in previous times used to complement and reinforce each other – full employment, guaranteed pensions, high tax revenue, and leeway in public policy – have changed. Paid employment is becoming precarious, and the foundations of the social welfare state are collapsing as growing demands cannot be met from the “empty coffers” of governments. He suggested that "labour market flexibility" has become a political mantra, which means a redistribution of risks away from the state and the economy towards the individual. Consequently, the jobs on offer become short-term and easily terminable.

Humans have always been exposed to risks. In pre-industrial times these included plague, famine, natural catastrophes, and wars. In early, classical industrial and bourgeois society, Beck (1999) argued, risks were transformed into calculable risks; for example the feasibility of production capacities, tax revenues, the calculation of export risks, and the consequences of war, accidents, illnesses, death, social insecurity, and poverty. This led to the rise of insurance “to the extent that society as a whole comes to be understood as a risk group in insurers’ terms” (pp. 75-76).

The new paradigm of risk society is concerned with the risks and hazards systematically produced as part of modernisation and how these can be prevented, minimised, dramatised, or channelled (Beck, 1992). In the world risk society, humans “cause global consequences that trigger problems and dangers that radically contradict the institutionalized language and promises of the authorities in catastrophic cases highlighted worldwide” (Beck, 2002, para 8), such as the nuclear power plant accident at Chernobyl, the BSE\(^3\) crisis, and the 2001 terrorist attacks in New York and Washington.

In a world where capital is global, working people, he argued, are the losers in the struggle to distribute the risks of globalisation. This is because the mobility of

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\(^3\) Bovine Spongiform Encephalopathy. Also known as "Mad Cow Disease".
working people is limited by family and local ties, by institutions, laws, culture, protectionist movements, and hostility to foreigners (Beck, 2000a).

As the full employment society is coming to an end, there are implications for the nation state and the welfare system:

If the full employment society has come to an end, then we must eventually face up to the collapse of pensions due to the imbalance between a shrinking labour force and the ever larger and older numbers of the elderly. At the same time, the whole conceptual world of national sovereignty is fading away – a world that includes the taming of capitalism in Europe by the postwar welfare state. That densely knit institutional structure may be retrospectively termed the ‘first modernity’ – as opposed to a ‘second modernity’ whose contours are still unclear (Beck, 2000a, p. 17).

Beck (2000a) described the first modernity as characterised by collective lifestyles, full employment, the national state and the welfare state, and an attitude of heedless exploitation of nature, while the second modernity is marked by ecological crises, the decline of paid employment, individualisation, globalisation, and gender revolution. “In the end, therefore, it is illusory to debate the future of work without also discussing the future of the nation-state, the welfare state, and so on” (p.18).

For the future, Beck (2000a) distinguished two paths for society beyond full employment: the “Brazilianization of the West” and the "concrete utopia of a political civil society” (pp. 71-72). The Brazilianisation of the West would see a work environment similar to that of contemporary Brazil, where people make a living as travelling vendors, small retailers, or craft workers, offering different kinds of personal services, or are engaged in different fields of activity. However, Beck’s vision for the future of a civil society is based upon political freedom; it is a multi-activity society in which housework, family work, club work and voluntary work are prized alongside paid work and returned to the centre of public and academic attention. For in the end, these other forms remained trapped inside a value imperialism of work which must be shaken off. Those who wish to escape the spell of the work society must enter political
society (in a new historical meaning of the term) – a society that gives material form to the idea of civil rights and transnational civil society, and thereby democratizes and gives new life to democracy (Beck, 2000a, p. 125).

Such civil labour would by definition not be paid work but would be rewarded with civic money and thereby socially recognised and valued. It would at least match the level of income support. In relation to paid employment, civil labour would constitute an alternative source of activity and identity, and people could choose to participate in both.

Beck (2000a) argued that from a woman’s perspective there are certain conditions that are a prerequisite for civil labour. These include a cut in working time within the context of full employment, meaningful work that allows all who want it to earn a living, equality of housework and outside care work with artistic, cultural, and political civic labour in the voluntary sector, as well as equal distribution among men and women of work that is (at present) paid and (at present) unpaid. In addressing the question of how civil labour would be financed, Beck proposed several alternatives, including the use of welfare funds, self-financing by private institutes, and non-monetary ways such as negative tax or bartering systems.

Beck’s notion of the risk society and his vision of the future of work presents a theoretical framework that is well suited to the research topic of this thesis because it allows both an analysis of the current situation and shows a way forward that takes the needs and interests of women into account.

**Research framework**

The way we design research, collect, analyse, and interpret data is conditioned by the way it is theoretically framed and by the researcher’s own ideological assumptions and values (Kincheloe & McLaren, 1994). Researchers in the tradition of critical theory “enter into an investigation with their assumptions on the table, so no one is confused concerning the epistemological and political baggage they bring with them to the research site” (Kincheloe & McLaren, 1994, p. 140). Research is political (Wilson, 2001), and it is important for the researcher
to acknowledge the political epistemology of her or his research – to elucidate the relationship between the inquirer and the known and to have an awareness of the values that the researcher brings to the research process and the data (Guba & Lincoln, 1994).

This research has been undertaken from a feminist perspective and with a concern for social justice. While there are many different versions of feminism, it has been argued that all the variants of feminism seek to explore the nature and origin of women’s oppression and to understand the relationships among different forms of inequality (Broom, 1987). Further, it is “important to centre and make problematic women’s diverse situations and the institutions and frames that influence those situations … in the interest of realizing social justice for women” (Olesen, 1994, p. 158).

The principle of empowerment has been central to the aims of this research, which has aimed to ensure that those who are the focus of the research gain from it. Women have been studied as active subjects and given a voice (Ginn & Arber, 1995). Further, the policy initiatives that were identified by this research aim at achieving better working futures for women.

Feminist research often starts with one’s own experience. It has been argued that starting from one’s own experience “is a way the researcher assures herself that she is ‘starting from the standpoint of women’ ” (Reinharz, 1992, p. 259). As a female baby boomer, I am curious and concerned about the future of work, in particular how in some twenty years time my generation will deal with decisions regarding work and retirement and how we will financially support ourselves through the later years of life. This study was also motivated by my interest in information technology and the use of computer mediated communication (CMC) to undertake qualitative research.

In agreement with feminist research methods, the current research used multiple methods, or triangulation (Reinharz, 1992) to examine aspects of disadvantage in women’s lives and the ways they may be redressed (Wilson, 2001). However, feminist research is driven by its subject matter rather than by its methods (Reinharz, 1992).
The research undertaken for this thesis comprised three studies. The first research question (i.e., how do women of the baby boom generation envisage paid work after the age of 65?) was addressed by Studies 1, 2, and 3, while the second research question (i.e., what are the policy implications of an ageing female workforce?) was addressed by Studies 1 and 2.

Study 1 was concerned with women’s views, beliefs, attitudes, and opinions relevant to the research topic. This study aimed to find and explore as wide a range of opinions as possible. Therefore, qualitative research methods were used, and focus group research was chosen for this part of the research. The focus group participants were women born between 1946 and 1964, who were recruited by snowball sampling, by word of mouth, and through existing social networks.

Study 2 – dubbed “BabyBoomWomen@Work2020” – aimed to explore current thinking on the research topic in Australia and overseas. Like Study 1, Study 2 also required qualitative research methods. Computer-mediated communication (CMC) was used for this study. Research participants were individuals with a personal and/or research interest in the topic. They included women and men from Australia and overseas countries. There was no requirement for the participants of Study 2 to be of any particular age.

Study 2 featured a website that described four scenarios for the year 2020. The scenarios were developed by drawing on relevant literature, in particular futures studies and scenario planning, and the findings of the focus groups. The scenarios described possible future policy environments in which baby boom women over the age of 65 engage, or do not engage, in paid work. Respondents were asked to comment on the scenarios, in particular to identify probable and preferable elements of the scenarios, policy issues, and possible solutions. In addition to the website, Study 2 also included a policy discussion group with female academics and senior administrators, who were members of a women’s network. The findings of the focus group discussions and the data from Study 2 were analysed using thematic analysis.
In Study 3, this qualitative component was complemented by an analysis of quantitative data from the Healthy Retirement Project (HRP), a longitudinal study of mature-age workers' expectations as they approach retirement and their adjustment as they retire. The HRP was undertaken by the Lincoln Gerontology Centre for Education and Research, Faculty of Health Sciences, La Trobe University. Analyses focused on women born between 1946 and 1964, contrasting their views with those of older women in the HRP. The focus of Study 3 was on attitudes towards retirement, retirement plans, and the preferred and expected age of retirement.

The methods that are outlined above are in agreement with the theoretical perspectives for the study: qualitative methods are well suited to explore values (Minichiello, Aroni, Timewell, & Alexander, 1995) and how social experience is created and given meaning (Denzin & Lincoln, 1994); future scenarios are a commonly used tool of futures studies; and the use of triangulation, that is, the collection of data through different methods and from multiple sources, enhances the credibility of a study (Raphael et al., 1999).

**Structure of the thesis**

This thesis consists of seven chapters. The first chapter has provided an introduction to the thesis topic, the theoretical frameworks on which the research is based, and reflections on the methods that were used to conduct the research. This is followed by a review of the relevant literature (Chapter 2). The next three chapters detail the methodology, findings, and data analyses of Study 1 (Chapter 3), Study 2 (Chapter 4), and Study 3 (Chapter 5). This is followed by a discussion (Chapter 6) and conclusion (Chapter 7).
Chapter 2 – Literature Review

Introduction

This chapter provides an overview of Australian and, to a limited extent, overseas research concerned with population trends, the baby boom generation, women’s paid and unpaid work, and women’s retirement. Further, pertinent policy issues are identified and a short review of how researchers envision the future is presented. The chapter concludes with an identification of gaps in the literature.

Population trends

The Australian population is ageing and this trend is expected to continue in the future. In 1901, 4% of the Australian population were aged 65 years and over. By 2001, this proportion had increased to 12%, and is projected to grow to 18% by 2020 (Australian Bureau of Statistics, 2002b) and to 24% by 2051 (Australian Bureau of Statistics, 1999c). There are relatively few Aboriginal and Torres Strait Islander people aged 65 and over, i.e., 2.4% of the Indigenous population were aged 65 years or over in 2001, reflecting both a higher fertility rate and lower life expectancy of Indigenous people (Australian Institute of Health and Welfare, 2002). An increasing trend has been identified for rural and remote communities to have proportionally more older people than urban and metropolitan centres (Saw, 1996).

McDonald and Kippen (1999) described the potential future Australian population profiles as changing from a pyramid shape during the 1970s to a beehive shape or a coffin shape in approximately 25 years. A pyramid shape represents a period of high fertility, while a beehive shape depicts a stable, zero-growth population. The latter will result if Australia’s fertility does not fall below 1.6–1.7 births per woman and if net migration is in the region of 60,000 to 100,000 per year. A shift to a coffin shaped population profile would result from zero migration and a level of fertility below 1.6 births per woman. A coffin shape represents a population that is declining in size and whose age structure is much older than that of a zero growth population. The authors pointed out that during the last 15 years Australia has been on a path towards a beehive age structure, while most European countries have been on a path to a coffin structure.
Figure 2 shows the projected Australian population for 2021 and 2051. In 2021, the youngest baby boomers will be in their late fifties and the oldest in their early seventies. The share of the very old (aged 80+) among older people will increase towards the middle of this century.

**Figure 2**
Population projections 2001, 2021, and 2051, Australia, with annual immigration of 80,000

Source: Creedy (1999, p. 237)

Figure 3 shows the age distribution of the Australian population in 1961, 2001, and 2031, as the baby boomers move towards older age (Note: shaded areas represent the baby boom).
The proportion of people aged 65 and over from culturally and linguistically diverse backgrounds is expected to grow more quickly than the total older
Australian population, and to age more rapidly. In 2000, Australia's overseas-born population included a higher proportion of older people than the Australian-born population (17% and 11% respectively). However, within the older population, the age structure of the overseas-born was younger than that of the Australian-born, with a higher proportion aged 65-69 years and a lower proportion aged 85 years and over. This is because many of the overseas-born aged 85 years and over in 2000 arrived prior to 1951, when migration numbers were low. The Australian Bureau of Statistics (2002b) estimated that the proportion of overseas-born Australians aged 85 years and over is likely to increase from 10% in 2000 to 13% in 2026, while the proportion aged 65-69 years is likely to decrease from 32% to 26%.

Many older people today are healthier and have a longer life expectancy than people of previous generations. In the early 1920s, life expectancy at birth was 59.2 for boys and 63.3 for girls. In 2001, this had increased to 76.5 and 81.9 respectively (Australian Institute of Health and Welfare, 2002). However, life expectancy for some population groups such as Aboriginal and Torres Strait Islander people is not as favourable. Indigenous men born during the period from 1998 to 2000 have a life expectancy of 56 years, while life expectancy for Indigenous women at birth is 63 years (Australian Institute of Health and Welfare, 2002). The overall trend towards increased longevity is expected to continue in the future.

The proportion of the population aged 65+ who are women has been decreasing over the last decades and this trend is expected to continue: it has decreased from 58% in 1976 to 56% in 1996, and is expected to be 54% in 2016 (Australian Institute of Health and Welfare, 1997). This is due to the decreasing influence of excess male mortality at older ages as life expectancy for both sexes continues to improve and the gap between men and women is narrowing.

Compared with most other developed nations, Australia is a relatively young country. For example, in most European countries between 14% and 18% of the population are already 65 years or older (Australian Institute of Health and

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4 Throughout this thesis, the term “older people” is generally used to refer to people aged 65 years and over.
Welfare, 1997), while other countries, like Japan, are ageing more rapidly than Australia (Walker, 1996).

The major cause of structural ageing, which refers to the increasing proportion of the population to be found at the older ages, is declining fertility. Low infant mortality and increasing longevity at older ages also contribute to structural ageing. “For those aged 65+, migration lowers the proportion that is aged, but not appreciably” (Jackson, 1999, p. 203). Structural ageing has been a long-term trend in developed countries: the baby boom is an aberration (Jackson, 1999).

Expected changes in the age dependency ratio are sometimes raised as an issue of concern. The age dependency ratio is the share of those aged 65 and over to those aged between 18 (or 15, in some calculations) and 64. In Australia, it has been projected to grow from approximately 20% currently to close to 40% by 2051. Most of this increase is expected to occur between 2010 and 2030 (Walker, 1996). Similar increases are expected for other OECD countries (Carey, 2002; OECD, 2001, p. 147). Some OECD countries, for example Austria, Germany, Italy, Finland, Spain, and Sweden, already have dependency ratios of approximately 30% (Carey, 2002, p. 9). Concerns about the changing age dependency ratio focus on the question of whether a smaller proportion of taxpayers will be able to provide sufficient financial support to an increasing population of people who have retired from the workforce. Table 2 shows past and projected age dependency ratios for a range of OECD countries.

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5 Researchers use different ways of calculating dependency ratios. Therefore, there are variations between sources/authors.
Table 2
Age dependency ratios, 65+ population as a percentage of working age population

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<td>%</td>
<td>%</td>
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<td>%</td>
</tr>
<tr>
<td>Australia</td>
<td>13.9</td>
<td>16.0</td>
<td>16.7</td>
<td>18.6</td>
<td>25.1</td>
<td>33.0</td>
</tr>
<tr>
<td>Canada</td>
<td>13.0</td>
<td>16.7</td>
<td>18.2</td>
<td>20.4</td>
<td>28.4</td>
<td>39.1</td>
</tr>
<tr>
<td>France</td>
<td>18.8</td>
<td>20.8</td>
<td>23.6</td>
<td>24.6</td>
<td>32.3</td>
<td>39.1</td>
</tr>
<tr>
<td>Germany</td>
<td>16.0</td>
<td>21.7</td>
<td>23.8</td>
<td>30.3</td>
<td>35.4</td>
<td>49.2</td>
</tr>
<tr>
<td>Italy</td>
<td>13.3</td>
<td>21.6</td>
<td>26.5</td>
<td>31.2</td>
<td>37.5</td>
<td>48.3</td>
</tr>
<tr>
<td>Japan</td>
<td>9.5</td>
<td>17.1</td>
<td>24.3</td>
<td>33.0</td>
<td>43.0</td>
<td>44.5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>14.7</td>
<td>19.1</td>
<td>20.8</td>
<td>24.2</td>
<td>33.9</td>
<td>45.1</td>
</tr>
<tr>
<td>New Zealand</td>
<td>n.a.</td>
<td>16.7</td>
<td>17.1</td>
<td>18.9</td>
<td>24.6</td>
<td>30.5</td>
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<tr>
<td>UK</td>
<td>17.9</td>
<td>24.0</td>
<td>24.4</td>
<td>25.8</td>
<td>31.2</td>
<td>38.7</td>
</tr>
<tr>
<td>USA</td>
<td>15.4</td>
<td>19.1</td>
<td>19.0</td>
<td>20.4</td>
<td>27.6</td>
<td>36.8</td>
</tr>
</tbody>
</table>

Source: (Kelly, 2002)

However, McDonald and Kippen (1999) projected the impact over a 20 year period on the labour force dependency ratio\(^6\) of a return to the 1973 participation rates for males aged 35–64 years. Their projection assumed labour force participation rates for females in line with cohort trends, a fertility rate of 1.65 births per woman reached in the next decade, the ABS mortality assumption, and net migration of 80,000 per year.

The result of their modelling was a fall in the labour force dependency ratio between 1998 and 2018 followed by a rise, but only to its current level by 2048. “That is, throughout the next 50 years, dependency measured in this way would be lower than it is now. This is a much more favourable result than would be the case in European countries as calculated by the OECD” (McDonald & Kippen, 1999, p. 58).

Little change is projected in the proportion of older people in Australia who will receive government benefits. At present, this is approximately 80% and is projected to decrease to 75% due to increased superannuation savings. Further, an increasing number of people will receive a partial rather than the full age pension (Ingles, 2000).

Disney (1996) analysed demographic data and population trends and concluded that the driving factor in raising the burden of social security pensions in many

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\(^6\) The labour force dependency ratio incorporates assumptions about economic activity rates, while the age dependency ratio is purely based on age.
Western countries is not the trend in dependency, but the trend in the real value of social security, that is, the projected growth of real expenditure per pensioner. Hence, “the trends are not inexorable and … a number of instruments of policy flexibility are available which can be, and indeed are being, used by governments to offset these trends” (pp. 25-26).

A slower growth of the working age population has been projected by Access Economics (2001). The working age population in Australia has risen between 100,000 - 200,000 every year through the 1980s and 1990s. Over the past few years it has grown by 170,000 a year. However, by the 2020s the growth in the working age population will be almost zero, and for the entire decade of the 2020s it is expected to grow by only 125,000. In other words, it will take more than a decade for the working age population to grow by the amount it currently grows in a single year.

The generation referred to as baby boomers was born between 1946 and 1964 (Adams & Blieszner, 1998; Cornman & Kingson, 1996; Dailey, 1998; Keegan, Gross, Fisher, & Remez, 2002) during a period of high fertility in Australia and other industrialised countries. Mackay (1997) argued that the baby boom was the outcome of two other booms, the marriage boom and the economic boom, which were a response to postwar optimism. Unlike Australia and other Western countries, the United Kingdom experienced two separate baby boom peaks: the first peak occurred immediately following the end of World War 2, the second took place throughout most of the 1960s, the peak years being 1961-65 (Evandrou, 1997a).

The oldest among the baby boomers will reach age 65 in 2011 and age 85 in 2031, and the youngest members of this group will reach ages 65 in 2029 and 85 in 2049. The oldest baby boomers are now in their mid 50s and the youngest in their late 30s.

It has been argued that so far the baby boom phenomenon has been beneficial to OECD economies because they “swelled the ranks of productive workers, paying the taxes that support the young, the old, the sick and the unemployed” (Vanston, 1998, p. 1). However, between 2011 and 2031, baby boomers in Australia will
increase the number of people aged 65 and over from three to five million, and by 2031 all surviving baby boomers will be 65-84 years of age. “Between 2031 and 2051, baby boomers are projected to swell the population aged 85 and over from 612,000 to 1.1 million” (Australian Bureau of Statistics, 1999a, p. 7).

The baby boom generation

Prior to providing a description of the baby boom generation, the concepts of “generation” and “cohort” will be explored. The term cohort has been defined as an aggregate of individuals born within the same time interval, usually five or ten years. The cohort perspective emphasises demographic and historical age-specific attributes of age groups (Bengtson, Cutler, Mangen, & Marshall, 1985). Ryder (1997) described a cohort as the aggregate of individuals who experienced the same event within the same time interval, with the defining event commonly being birth.

Bengtson et al. (1985) commented that

> Cohorts can easily be identified as statistical aggregates, as in census reports. It is less easy, however, to determine the extent to which the individuals within those aggregates identify themselves in terms of their cohort; or whether their common cohort experiences, in fact, affect their attitudes, orientations, and behavior (p. 309).

Eyerman and Turner (1998) observed that for a cohort to become a generation required “something like a significant event, a war or revolution, which sorted a population not so much according to which side one was on, but more in terms of who experienced it first hand and who did not” (p. 100).

Mannheim (1964) first formed a sociological concept of generations, to which he attributed the following characteristics:

(a) new participants in the cultural process are emerging, whilst (b) former participants in that process are continually disappearing; (c) members of any one generation can participate only in a temporally limited section of the historical process, and (d) it is therefore necessary continually to transmit the
accumulated cultural heritage; (e) the transition from generation to generation is a continuous process (p. 292).

A generation, according to Mannheim, participates in the common destiny of a historical and social unit, experiences a concrete bond between its members by their being exposed to the social and intellectual symptoms of a process of dynamic de-stabilisation, and experiences the same concrete historical problems. “Whether a new generation style emerges every year, every thirty years, every hundred years, or whether it emerges rhythmically at all, depends entirely on the trigger action of the social and cultural process” (p. 310).

Eyerman and Turner (1998) proposed that a definition of generation “draws special attention to the idea of a shared or collective cultural field (of emotions, attitudes, preferences and dispositions) and a set of embodied practices (of sport and leisure activities), that is, it identifies the importance of collective memory in creating a generational culture or tradition” (p. 93). Further, the authors highlighted the ways through which a generation embodies its collective identity in response to traumatic or formative events, such as wars, civil conflicts, or other disasters. They observed that with the advent of electronic media, generations may maintain themselves more easily over time and space.

These media provide the cultural means of communication whereby shared images, shared songs and shared rituals can be enjoyed and appropriated by members of the generational cohort. ... With the globalization of popular culture, generations will exist more easily across social space because they will be able to share more easily a collective culture (Eyerman & Turner, 1998, p. 97).

Dassbach (1995) proposed that much of the appeal of the concept of generations can be attributed to the fact that it links collective character, life cycle, and social events. The formation of historical generations, he concluded, is the result of the intersection of three types of location: location in life cycle or age, location in space or geography, and location in time or history.

Multiple interpretations of the term generation can be found in the literature. Bengtson, Cutler, Mangen, and Marshall (1985) have identified three principal
meanings of the term generation in the social science literature: as membership in historically defined birth cohorts, as lineage descent position within families, and as membership in social movements in which age consciousness is a primary identification. Thus, Beh (1996) suggested that “it is often the case that generations are used as units of comparison by analysts who are not themselves clear about what constitutes a generation. Discussing their ‘generations’, then, can be confusing” (p. 1349).

Baby boomers as a group share the characteristics that are generally attributed to a generation: a common location in the social and historical process (Mannheim, 1964). Therefore, this group of people can be considered a generation rather than a cohort.

Baby boomers are a diverse group (Dailey, 1998; Roper Starch Worldwide Inc and AARP, 1999). Cornman and Kingson (1996) suggested that they are a very large group and their diversity is expressed in the following areas: early versus late baby boomers, gender, race, education, income, Vietnam veterans versus non-participants and protesters, married versus unmarried, working versus non-working, geographic region, family upbringing, ethnicity, immigrant status, and religion.

Because of its size and diversity, Dailey (1998) suggested that the baby boom in the United States be split into two age groups: early (leading edge, born 1946 - 1954) and late (trailing edge, born 1955 - 1964) boomers. She commented that the early boomers, the leading edge, “was at the vanguard for change and have enjoyed more advantages than their younger siblings. The trailing edge of the baby boom are more numerous and face more competition” (pp. 5-6). Easterlin, Schaeffer, and Macunovich (1993) reported similar observations. However, such a trend has not been observed in Australia.

Mackay (1997) argued that the baby boom generation developed a set of contradictory beliefs. This generation grew up during a time of post-war optimism, but as children of the cold war they believed in the possibility of a third world war and a nuclear holocaust. The belief in an easy, affluent future coupled with the possibility of no future at all, resulted in a generation distinguished by instant
gratification, consumerism, poor planning, and unenthusiastic saving, expressed in “we’re not here for a long time, we’re here for a good time” (p. 62). However, the nuclear holocaust did not eventuate, and Mackay argued that baby boomers have now realised “that they are here for the long haul and the journey is going to be tougher than they expected it to be. All of this has created a pervasive sense of stress” (p. 65). He found that women of the baby boom generation felt more liberated and more powerful than their mothers, and that they found their lives more interesting and stimulating. However, women who combined motherhood and housekeeping with paid employment reported frequent stress.

Baby boomers grew up during times of economic growth and are accustomed to an economy based on personal credit, long term mortgages and deficit spending on all levels of government. They have experienced rapid social change, and as a generation have influenced culture and policies, such as the civil rights movement, the women’s movement, the sexual revolution, and education and career choices for women. Dailey (1998) argued that the “baby boom dominates the demographics of the United States and will continue to do so. As this critical mass moves through its life cycle, it has and will change our social institutions – education, work, marriage, and family. As it approaches middle and old age it will alter, one way or another, the institution of retirement” (p. 9).

Compared with previous generations, baby boomers have higher expectations regarding the quality of life, and many have difficulties conceding that they are no longer young but middle-aged. Schwartz (1999) described the baby boom generation as follows: “semi-spoiled, in denial, and possibly economically endangered” (p. 55).

Because baby boomers, unlike their parents, are likely to have had career changes during their working life and view education as a step in facilitating transitions into second and third careers, it can be assumed that they see education as an ongoing, lifelong process (Tice & Perkins, 1998). This has implications for vocational and non-vocational interests in retirement.

Pillemer and Suitor (1998) commented that baby boomers face a “generational paradox” in which intergenerational relations are simultaneously seen as
threatened in contemporary society, but also a major resource for negotiating and managing the demands and problems of contemporary society” (p. 65). While family breakdown, geographical mobility, and social isolation are not uncommon, intergenerational relations in families are considered as the most stable relationships baby boomers will know. Further, the authors observed that the plurality of family forms contributes to confusion about intergenerational relations.

It has been implied that the baby boom generation is redefining the concept of “old age” by pushing back the chronological age at which we consider a person old. As people “in their 70s and 80s are still working or otherwise productive, we tend not to think of them as old, which has come synonymous with ‘frail’” (Blanchette & Valcour, 1998, p. 76).

Overall, the baby boomer generation is more demanding of health care service providers than previous generations. It has been argued that as a group they request information about all aspects of health care and they have caused dramatic changes in the way care is organised and provided (Blanchette & Valcour, 1998; Carlson, 1999). At the same time as baby boomers are beginning to be diagnosed with chronic illnesses, they are struggling with inadequate health care and support for their older relatives. In addition, the trend to having children later in life results in many baby boomers having dependent children. Thus, female baby boomers have also been described as the “sandwich generation” (Edgar, 1992, elder care section, para 1).

The American social commentator Theodore Roszak (Carlson, 1999) concluded that baby boomers have initiated a new standard of living and a new standard of expectations. They will demand more resources for health and aged care, and “they’re going to say it in a way that no politician will be able to ignore” (para. 67).

Similarly, it has been argued that “the confrontational activism of the boomers during the 1960s and early 1970s is likely to show up again when the boomers reach old age” (Williamson, 1998, p. 55), and that the “checkbook activism” (p. 57) of baby boomers will prove more influential than their attendances at protest demonstrations was during the 1960s.
Women and paid work

The 1960s saw women’s labour force participation increase steadily in all Western countries. However, a gender gap between men’s and women’s labour market participation is still a common feature in all industrialised countries. The size of this gender gap varies from one country to another. It is smallest in the Nordic countries where, for example, over 80% of mothers with children under three years are employed (Rantalaiho, 1997). In Australia, it has been estimated that for the year 2000, men were in paid employment for 38 years on average, with the figure for women being the equivalent of 20 years of full-time paid work (Clare, 2001).

The labour participation rate in Australia for women aged 50 and over has been steadily rising since the 1960s. Between 1968 and 1998, it rose for married women aged 55-59 from 20% to 40%. By contrast, it has fluctuated for unmarried women of this age group and was only slightly higher in 1998 than it was in 1968. Labour participation rate for women aged 55-59 is approximately half the rate for men in the same age group (Encel, 2000).

Even when length of employment, qualifications, occupation, and age are accounted for, women have historically received lower wages than men. A recent study (Reiman, 2001) found that there was a gross wage gap of 13% in the Australian workplace. This was reduced to 8% after accounting for factors that have an impact on gender wage levels. This amounted to a benefit for males of approximately $1.20 per hour. Further, gender inequality in earnings rises with occupational status, and the relationship between occupational status and earnings is weaker for women than for men (Jay Ginn, Debra Street, & Sara Arber, 2001a).

A significant proportion of women work part-time, and many more women than men are dependent on social security payments. Part-time work is generally associated with poorer working conditions, job insecurity, lack of fringe benefits, and lower hourly pay (Ginn, 2001). Not all part-time jobs are permanent and fewer such jobs enjoy conditions such as holiday pay, sick leave, employer superannuation payments, and job security. Women who work part-time tend to be locked out of career structures designed for full-time employees. Casual
employees also have less access to employer-sponsored training (Kaul, 2001; Williams & Thorpe, 1992).

In an Australian cohort study, Rosenman and Winocur (1990) found that, compared to previous generations of women, young women are likely to have significantly longer periods of employment in their 20s prior to having children, over which time superannuation will be accumulated. They found that the majority of women still expect to withdraw from the labour force for several years while their children are young, and then return to part-time and/or casual work until childcare responsibilities cease. Thus, many women do not expect to return to full-time, stable employment until they are into their 40s.

It has been argued that women are disadvantaged by horizontal and vertical occupational segregation. Horizontal segregation refers to the recruitment of men and women into sex-typed masculine and feminine occupations (e.g., women in care giving, teaching, services, and offices; men in technical design and operation, maintenance and repair, construction, transport, and traffic), while the term vertical segregation has been used to describe the way in which men are most commonly found working in the highest levels within occupations, while women are found in the lower grade occupations and the lowest levels within the same occupation (Rantalaiho, 1997; Williams & Thorpe, 1992).

In 1964 in Australia the male/female ratio in the labour force was 71:29, and by 1995 it had changed to 58:42 (Jones, 1998). During that time, a remarkable increase in part-time work could be observed. Between 1978 and 1995, full-time jobs increased by 20%, while part-time jobs increased by 107% with a corresponding fall in employment opportunities for people under 20 and over 55 (Jones, 1998). More recently, Cully (2003) investigated job growth in Australia between the years 1986 and 2001. He found that it was strongest in areas that disproportionately employed women and that the jobs were mostly part-time.

At present, approximately 64% of people aged 15 or over are in the labour force in Australia (see Table 3 below in the section on labour force participation and retirement). Jones (1998) proposed that employment levels are culturally determined. “Whether people, of whatever gender, are in or out of the labour
force at particular ages is essentially a cultural construct and our expectations are conditioned by the culture as much as by external economic factors” (p. 127).

Bianchi, Casper, and Peltola (1999) examined married women's dependency on their husbands' earnings in nine Western industrialised countries: Australia, Belgium, Canada, Finland, Germany, the Netherlands, Norway, Sweden, and the US. They found that wives' dependency increases with age, the presence of young children, and the number of children. It is reduced when wives' labour force participation and education are high relative to their husbands' and in families that rely more on unearned sources of income. In Australia, a 100% dependency was found in 37% of couples with earnings. The authors concluded that the similarity of patterns across countries suggests that gender differences in the work-family nexus are deeply entrenched in all countries and continue even in the face of very active social policy to minimise their effects.

An Australian study (Warburton, Winocur, & Rosenman, 1995) found that women from a non-English speaking background (NESB) tended to have lower incomes than women from an English-speaking background and that they were more likely to work part-time. Consequently, these women were less likely to be covered by personal superannuation and were more dependent on government sources of retirement income. Further, NESB women were more likely to report that they retired because of poor health.

Jones (1998) argued that since the 1960s Australia has been passing through an employment revolution, marked by the creation of a dual labour market with traditional male areas of work (e.g., process or manual labour) facing extinction, while service work – largely female work, often part-time or casual, and without job security – is proliferating. Consequently, high levels of employment and unemployment occur simultaneously. This apparent contradiction occurs because men who were traditionally in work are now out of it, and women traditionally out of work are now in. The author stated that most OECD countries are experiencing this phenomenon, with the information sector and low grade service jobs being the largest growing areas.
Women and unpaid work

Work that does not attract monetary remuneration is referred to in the literature as, for example, unpaid work, volunteer work, caring, household or family work, emotional work, community work, or civil work. The Australian Bureau of Statistics (2002a) distinguished two types of unpaid work: “production by households for their own consumption (e.g., domestic work about the house, child care and purchasing); and volunteer and community work provided free of charge to others (eg care of aged and disabled relatives and friends, and doing favours for others)” (para. 2). A volunteer was defined as someone who willingly gives unpaid help in the form of time, service or skills, through an organisation or group (Australian Bureau of Statistics, 2001b). Beck’s (2000a) notion of civil work depicts socially useful self-organised work. The terms community work and voluntary work are often used interchangeably.

Unpaid work is predominantly undertaken by women. The Australian Bureau of Statistics (2000b) estimated that in 1997 the value of unpaid volunteer and community work was $24 billion, equivalent to almost half of Australia’s gross domestic product. Of this, women contributed $13 billion while men contributed $11 billion. Women accounted also for 64.6% of the value of unpaid household work.

Ginn, Street, and Arber (2001a) reported from Britain that time budget data indicate that unpaid household work exceeds paid work and would cost up to 120% of GDP if paid at average wages. Yet, they argued, that “the only time that women’s unpaid work is valued in financial terms is when, through accident or death, an insurance claim must establish the cost of replacing it with paid services” (p. 26).

Research undertaken by Wilkinson and Bittman (2002) suggested that Australian women are generously providing unpaid work for the benefit of their families and communities, and that it is likely that this will continue into the future. The authors examined time spent in volunteering from 1974 to 1997 and the changing age structure of the Australian population. They found that the rate of volunteering among the post-war generation is higher than among their predecessors, and that the rate of volunteering generally increases with age. They predicted a
substantial increase in the supply of hours of voluntary work and concluded that, “compared with 1995, it appears that in the year 2021, every adult Australian will volunteer on average for an extra two hours per year” (p. 13). Given that over the next two decades the proportion of the population above 54 years of age is expected to increase rapidly, and that the propensity to volunteer is highest in this age group, they also predicted that the number of people who provide voluntary work will have increased by 2011 and will further increase by 2021.

Paid employment has come to be regarded as synonymous with work (Biesecker & von Winterfeld, 2000; Probert, 1998). According to Williams and Thorpe (1992), this illustrates an unprecedented cultural dependence on one form of work, and a failure to recognise the importance of other forms of work, such as the work of the homemaker. The authors argued that

the skilled work learned by women, and falsely assumed to be women’s natural or feminine qualities, is used in the public world, and between the public and private worlds, and as quite an essential part of how the social fabric of life is constructed: the nurturing, comforting, encouraging and facilitating of interactions create an aura of sociability. While there is a tacit recognition that such interpersonal activities are helpful in work, there is a resistance to legitimating them as work for a number of reasons – one being the narrow focus on activities that produce a tangible product (p. 5).

Much unpaid work is caring work. In Australia, a high proportion of carers are spouses aged 55 and over. In the early 1990s, wives accounted for 40% of the carer population and husbands for 33%. Since then the number of carers has increased significantly, and now almost one in five homes contain both a carer and a person requiring care (Walker, 1997). In 1998, approximately one in six carers were older people; the majority of these were caring for a partner. Of those who were primary carers, 62% were women (Australian Bureau of Statistics, 1999c). Older carers were found to be no less likely to be caring for highly dependent people, and they “are themselves quite likely to have some form of disability or handicap” (Australian Institute of Health and Welfare, 1997, section 15).
Mitchell and Thompson (2001) suggested that the costs of caring serve to penalise many women: health costs, relationship costs, career costs, and financial costs, both in the short and longer term. Further, as a result of women’s greater life expectancy and the age differential in marriages, most men can expect to be supported by wives in old age while most women rely on help from other sources (Scott & Wenger, 1995).

It has been argued that most of the important emotional work in our society is carried out by women. “Emotional work refers to all the time- and energy-consuming activities that help others to regulate their emotional states” (Winefield et al., 2002, p. 3), such as social skills training with children, negotiating needs for dependent older relatives, or building cohesion in the family and workplace.

Reflecting on ethical work, Mayo (2000) argued that in paid work people are being rewarded in terms of money and status when they are often behaving destructively, while at the same time those involved in unpaid work, such as caring, parenting, or voluntary work, suffer low status and poor conditions, and often do so at a personal cost. “The burden of this work continues to fall disproportionately on women whether or not they are in the labour market as well” (p. 214).

An Australian study (Onyx & Benton, 1995) exploring the meaning of work and retirement for older professional women found that women do not make a distinction between paid and unpaid work, because they work all their lives. Unpaid work includes caring for children or other dependents, and voluntary or social action work. “The particular mix of paid and unpaid shifts constantly throughout the lifetime, and continues to do so whether the woman is formally ‘retired’ or not” (pp. 28-29). However, most of the women who participated in this study were looking for a sense of balance in their lives: a balance between career, family, creativity, friendships, social activism, and time for themselves.

Probert (1998) proposed that the importance of work does not lie in the activity itself but in the cultural and moral meanings we attach to it, and that the same is true for leisure, “which we define as an escape from work, unless you have work to escape from” (p. 4). Hence, she suggested:
If we are to understand the nature of work in contemporary Australia, and to make intelligent judgements about the major changes occurring in the way it is organised and the way it is distributed between different groups of people, then we need to approach it from many different angles. … At the same time we need to consider how people’s sense of identity and social status is shaped by the work they do – what it means to be a migrant worker, housewife, skilled worker, or manager (p. 13).

Hugman (1999) remarked that the boundaries between work and leisure are blurred in the areas of service to family and community, and the actual tasks performed often resemble those for which other people are paid a wage. He expressed “the need for an understanding of civil society that includes a recognition of contributions through occupations other than those which are strictly economic” (p. 63).

**Retirement**

**History**

Retirement was institutionalised during the late 19th century in Germany, where Prussian Chancellor Otto von Bismarck first introduced age 65 as the basis for a pension (Moody, 1994). Other countries followed, for example the US introduced the Social Security Act in 1935. Dychtwald (1990) argued that 65 as a suitable retirement age in the US was a political compromise at a time when life expectancy was 61.7, because pitching it at 70 would have cut out almost everybody, and placing it at 60 would have made it too costly. However, he suggested that “Bismarck did not expect that the average worker would ever receive a pension, since life expectancy in Germany at that time was only about 45” (p. 32).

In 1909 when pensions were introduced in Australia, it was still common for men to work beyond the pension age of 65 years. “At the first national census conducted in 1911, 72% of men aged 60-69 years were still in paid employment as were 44% of men aged 70 years and over. In 1994, only 8.4% of all men aged 65 years and over were still in paid employment” (Victorian Parliament Family
and Community Development Committee, 1997, p. 105). However, Aborigines were not eligible for the age pension until 1942 and even then had to submit to an examination for “character, standard of intelligence and development” (Olsberg, 1997, p. 51) by special magistrates. They became eligible without special character examinations only in 1960.

Olsberg (1997) argued that throughout the first half of last century there was widespread support for the government provided age pension, particularly among the working classes, unions, and Australian Labor Party members. “The idea of a ‘free’ pension became something of a social creed – a political sacred cow” (p. 52), and occasional calls for a contributory social insurance system were rejected. The system enjoyed popular support and the costs for government were consistently less than those of the social insurance models adopted by most other countries.

At the time when the age pension was introduced in Australia, the average life expectancy was still well below the age at which a pension could be collected (i.e., 65 years for men and 60 years for women), and consequently there was a low take-up rate until longevity increased after the Second World War (Olsberg, 1997, p. 50). Since then retirement “has come to mean an expansion of leisure in the last stage of life” (Moody, 1994, p. 300). National economies, which are able to support non-working adults and the increase in life expectancy have made this possible.

**Definition**

The term retirement commonly means withdrawal from the paid workforce. Retirement is both a status and a process (Wolcott, 1998). It has been argued that the meaning of retirement is fluid (Chalmers & Norris, 2001), and that the notion of retirement as a single, isolated event that ends a person’s labour force participation is inadequate today (Dailey, 1998, p.19). Hence, the term retirement is used inconsistently in the literature. Dailey (1998, p. 19) observed that while past research has studied retirement through the ideological lens of white men and as an event, that is, withdrawal from the labour market, more recently researchers have viewed retirement as an interdependent process hinging on life
events and decisions. Dailey summarised the most frequently used criteria by researchers to define retirement as: the receipt of a public or private pension, permanent withdrawal from the labour force at some advanced age for reasons other than death, and identification as being retired. However, the concept of retirement usually does not consider all forms of work, in particular work that takes place in the domestic sphere (Hugman, 1999).

Dychtwald (1990, p. 179) observed that mid-life career changes and regular exits from and re-entries to the workforce are becoming more frequent. Therefore, in acknowledging the difficulties of defining retirement he suggested that terms be used such as “first retirement”, “second retirement”, and “final retirement”, or instead a reference be used to “disengagement” and “reengagement” to reflect the cyclic involvements of older people in the workforce.

**Labour force participation and retirement**

Longer life expectancy coupled with an increasing proportion of older people in the community is likely to put pressure on government income support systems. These pressures would be exacerbated by older people’s early withdrawal from the workforce. While at present 20% of all working-age Australians rely on some form of government income support, this is true for nearly 30% of people aged 50-64 years (Commonwealth Department of Family and Community Services, 2002). A former Australian Federal Minister for Aged Care viewed older workers as having enormous potential for the Australian economy as a source of labour (Bishop, 1999a). Accordingly, she suggested that older people should continue to make a contribution to the economic and social life of Australia, and that this would involve a longer working life in the paid workforce and a larger volunteer sector.

In Australia, the Workplace Relations Act 1996 removed the formal retirement age and determined that an employer must not terminate a person’s employment because of age. For the purposes of the retirement income system, the span of possible retirement ages ranges from 55 years to 70 years (Bishop, 1999b). For example, the pension age for Australian men is 65 years. Since July 1997, the qualifying age for women has been progressively increased by an additional six months every two years and this will continue until it reaches 65 in July 2013. At
present, women are eligible for a government pension at age 62 (this will increase to 62 ½ on 1 July 2003). Similarly, in the US the Social Security normal retirement age is currently being increased from 65 to 67 years of age (Employee Benefit Research Institute, 1999). Sweden also has extended the age pension age from 65 to 67. Other changes to be phased in over 20 years in Sweden include lower pensions for those retiring early (from age 61), with higher pension for those remaining at work until age 67 (Walker, 1997). People in Iceland and Norway become eligible for a standard age pension at 67 years of age (European Commission, 2002).

Walker (1997) described the Australian retirement situation in the following way:

- traditional family ties no longer hold to the extent that they did in the past;
- less and less men work full-time in career-based jobs and many retire before age 65;
- more and more women are well educated and work until retirement, many preferring flexible working arrangements;
- there have been rapid changes in work arrangements: part-time, full-time, contract, and casual jobs have grown fast while full-time jobs have declined.

A 1998 labour force study in Australia found that 6% of older people (i.e., those aged 65+) were in the labour force, compared with 33% of those aged 60-64 and 59% of those aged 55-59 years (see Table 3). Half of the people aged 65 years and older who continued to work did so on a part-time basis. The proportion of women who worked part-time was relatively high across all age groups, increasing to 67% for those aged 65 years and older (Australian Bureau of Statistics, 1999a).
### Table 3

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Source: Australian Bureau of Statistics (1999a, p. 74)

### Early and late retirement

In 1997, 77% of Australian men and 87% of women had already retired from full-time work during the five years preceding their eligibility for the age pension (Bishop, 1999b). A trend towards early retirement is of concern to the Federal Government because of the loss in tax revenue that early retirees otherwise would have contributed and their potential cost to the social security system.

The decision to retire early may be increasingly involuntary, due to high unemployment and a business and government culture of downsizing. For example, in a study undertaken by the Australian Institute of Family Studies (Wolcott, 1998) 14% of men and 5% of women gave being made redundant or dismissed as their reason for retirement. Further, most people over the age of 50 who are in receipt of income support continue to move on to the age pension without returning back to paid work (Commonwealth Department of Family and Community Services, 2002).

However, the long-standing trend to early retirement in Australia appears to have plateaued among men, and labour participation rates of older women are increasing. In particular, people on higher incomes, those in professional or managerial occupations, and those who are self-employed are more likely to delay retirement past age 60 (Rosenman, 1999). Further, Rosenman noted a trend towards an increased proportion of older Australians who work part-time, as well as an increase in older men working part-time in countries where retirement benefits are not affected by other earnings.
In Australia, a study undertaken at the University of New South Wales (Encel & Studencki, 1996) explored the issue of post-retirement employment and found that 15% of the survey population had been in paid employment for significant periods since their exit from the workforce, more than half of them in occupations different from those before retirement. Similarly, another Australian study (Chalmers & Norris, 2001) found that some older people considered themselves both retired and working. For example, 11.6% and 7.5% of women aged 60-64 and 65-69 respectively reported that they were retired and working.

While the median retirement age in the US is 62 years (Dailey, 1998, p. 17), a recent Retirement Confidence Survey in the US (Employee Benefit Research Institute, 1999) found that 12% of respondents had retired at or above the age of 66. The trend to early retirement in the US changed during the mid-1990s, and since then both men and women have remained in the workforce longer. This … may reflect decisions they have made in response to financial necessity, or to the financial uncertainty associated with life spans that can continue for 30 years or more past the traditional retirement age. Increased labour force participation rates may also reflect new opportunities for older workers or an interest on their part in prolonging the intellectual or social stimulation associated with their jobs. Going from full-time ‘career’ jobs to other ‘bridge’ jobs (including part-time jobs or self-employment) before full retirement has also become more common (Friedland & Summer, 1999, p. 38).

Moody (1994) observed that older workers find it more difficult to cope with the volatility of the labour market than younger people, and when they are displaced from work it takes much longer to find another job. He argued that many give up trying and become “discouraged workers”, who are not counted as part of the official unemployment rate, or declare themselves retired, “so that retirement itself becomes a disguised form of unemployment” (pp. 304-305).

**Timing of retirement and its determinants**

A recent Australian study (de Vaus, Wells, & Kendig, 1999) found that most older people wish to retire in their late 50s or early 60s. Only 16% expressed the intention to work beyond the age of 65 years. In contrast, the intention to keep
working after age 65 appears to be more prevalent in the US. A report (Roper Starch Worldwide Inc and AARP, 1999) prepared for the American Association of Retired Persons (AARP) found that eight in ten baby boomers plan to work at least part-time during their retirement, and only 16% said they intended not to work at all. Working part-time for the sake of interest and enjoyment was cited by 35% of respondents, while 23% said they intended to continue work mainly for the income it provided. Others envisioned starting their own business (17%), or starting a new career working full-time.

After examining a range of US surveys, Dychtwald and Flower (1990) concluded that most older people do not want to stop working, but do want a better blend of work and leisure than in their earlier years. “Whether full-time or part-time, seasonally or year-round, self-employed or as employees, tomorrow's elders will work as long as they are physically able. They will work partly because they want to, because work gives them fulfilment, control over their own lives, and a useful place in society” (p. 177). Correspondingly, the Employee Benefit Research Institute (1999) reported that just under half of American workers expect to retire at age 65 or later, and 5% expect they will never retire. However, most retirees reported actual retirement ages of under 65 years.

A study prepared for the OECD (Casey, 1997) identified six factors that have a determining force upon retirement: health, mandatory retirement rules, earnings rules, non-pension alternatives to labour income, actuarial fairness of pension schemes, and social norms. However, the author implied that statistical sources have not been able to confirm the presence of poor health, a frequently cited reason for retirement, and that it may be a reason given “after the event” and more socially acceptable than some of the alternatives. Australians also cite ill health as one of the major factors in the decision to retire, and particularly in the decision to retire early. Further, one in five women state “family reasons” as the main reason for retiring, “suggesting that women’s caregiving responsibilities are a significant factor in deciding whether and when to retire” (Victorian Parliament Family and Community Development Committee, 1997, p. 107).

Whiting (1998) found that Australian women who participated in her focus group research had experienced pressure from husbands and other family members to
give up their employment when their partner retired, and consequently none of the women had retired after her male partner. She concluded that these women had no choice regarding the timing of their retirement because of “the obligation that many women feel to retire in order to conform to traditional marriage roles and maintain marital harmony” (p. 5). Similarly, many women told the researchers of a Queensland study (Warburton & Rosenman, 1995) that their partner's retirement was the critical event in the family, more so than their own retirement, and major adjustments had to be made.

An American study (Han & Moen, 1999) found that women started to plan for retirement three to four years later than men. The authors speculated that this may be due to women’s less favourable financial situation, or because women are less adequately socialised regarding the retirement transition.

It has been suggested that the wish to retire early encountered in many Western European countries reflects primarily unfavourable working conditions, particularly during the last stages of working life (Naegele, 1996). The author implied that working conditions are “shapeable and therefore changeable. The idea is that if adequate working conditions and workplace surroundings existed throughout working life and not only during the last years, the wish to stay longer in working life would be restored” (p. 526).

**Pathways into retirement**

The importance of bridge jobs as a step in the transition between career jobs and full retirement or partial retirement schemes has been stressed by a number of researchers in the US and Europe (e.g., Casey, 1997; Guillemard, 1996; Reday-Mulvey, 1998). At a seminar sponsored by the European Commission Directorate-General the observation was made that “under the pressure of demographic developments and the resulting burden on retirement pension insurance schemes, insurance bodies and governments are now directing their interests more and more towards a prolongation of people’s working lives” (Reday-Mulvey & Schumacher, 1996, p. 47).

However, the authors acknowledged that under the given circumstances only a minority of older workers would be willing to prolong their working lives. Partial
retirement has been promoted as a way to prolong working lives and as a preventive health measure, because "firstly, it contributes to the maintenance of good health up to a high age by reducing the dangers to health from work stress; secondly, it permits a timely and well-thought-out planning of retirement activities" (Reday-Mulvey & Schumacher, 1996, p. 53). European governments, such as the French, Finnish, Swedish, and German governments, have already attempted to reverse the early retirement trend by introducing phased retirement schemes for which they provide subsidies and incentives (Delsen & Stiehr, 1996; Naegele, 1996; Reday-Mulvey, 1998).

Phillipson (1998) remarked that the institution of retirement has moved from a period of relative stability in the 1950s and 1960s to considerable instability in the 1990, and suggested that there are now many different types of pathways into retirement, including forced early retirement, voluntary early retirement, redundancy, disability/long-term sickness, informal care, unemployment, discouraged workers pathways, and the state retirement pathway.

**Financing retirement**

**Australia's retirement income system**

Australia's retirement income system includes the age pension, the compulsory superannuation guarantee system, and voluntary savings or investments. The age pension is a means tested flat rate payment which is provided as a safety net payment for men who are 65 years or older and for women who are 62 years or older (62½ years from 1 July 2003). It is funded from general taxation revenue and payment depends on residence in Australia (i.e., at least ten years continuous residency), not on previous labour force participation or individual contributions. The rate of the age pension is linked to wages growth and adjusted every six months in line with the Consumer Price Index. The Australian Government has legislated to maintain the single rate of pension at the indexation dates at a minimum of 25% of male total average weekly earnings, with flow-ons to the married rate of pension. The Department of Veterans' Affairs provides a similar payment to veterans, the service pension, which is available five years earlier than the age pension.
At present, Australia spends $17 billion per year or 3% of GDP on the age pension. This is expected to rise to 4.5% of GDP by 2040 – well below the current level in many OECD countries today (Barnes, 1999) where public old age pension spending averages 7.5% (OECD, 2001). In 1997, 82.98% of the Australian population of age pension age received an age (or wife age) or service pension (Barnes, 1999). Figure 4 shows a comparison of Australia’s expenditure on public pensions as share of GDP with that of other OECD countries.

**Figure 4**

Expenditure on public pensions as share of GDP – 1995

![Expenditure on public pensions as share of GDP – 1995](chart.png)

Source: International Reform Monitor (2000)

Whiteford and Bond (1999) argued that the Australian system differs from that in most other countries, because it emphasises poverty reduction over income replacement.

As a consequence, while total spending on public pensions is low by the standards of the OECD countries with which Australia is usually compared, coverage of the system is close to comprehensive, and the system appears highly redistributive to those often poorly served by social insurance systems (ie. females, those with long term disabilities, and low wage earners among others) (p. 181).
Over the last decades, the characteristics of aged pensioners in Australia have changed. Table 4 shows that until the early 1970s approximately 60% were single, although this had decreased to 46.5% in 1998. The proportion of pensioners who are completely dependent on the age pension (i.e., they have no other or only insignificant income) has fallen from over 25% in the early 1970s to around 10% in the 1990s.

Table 4
Number and characteristics of age and service pensioners, Australia, 1965-98

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Age pensions</td>
<td>628.1</td>
<td>779.0</td>
<td>1092.2</td>
<td>1321.9</td>
<td>1331.8</td>
<td>1340.5</td>
<td>1578.7</td>
<td>1602.8</td>
<td>1680.2</td>
<td>1682.6</td>
</tr>
<tr>
<td>Wives</td>
<td>3.5</td>
<td>6.6</td>
<td>21.9</td>
<td>30.8</td>
<td>22.9</td>
<td>23.8</td>
<td>39.6</td>
<td>41.1</td>
<td>36.6</td>
<td>36.2</td>
</tr>
<tr>
<td>Total Social Security Pensioners and Beneficiaries</td>
<td>849.2</td>
<td>1054.7</td>
<td>1707.7</td>
<td>2338.2</td>
<td>2848.5</td>
<td>2808.8</td>
<td>3741.0</td>
<td>3912.4</td>
<td>3994.9</td>
<td>na*</td>
</tr>
<tr>
<td>Dept. of Veterans Affairs Pensions</td>
<td>65.2</td>
<td>74.4</td>
<td>121.6</td>
<td>264.7</td>
<td>412.3</td>
<td>440.5</td>
<td>346.8</td>
<td>335.0</td>
<td>389.5</td>
<td>na</td>
</tr>
<tr>
<td>Total of DSS and DVA Cash Benefits</td>
<td>914.4</td>
<td>1129.1</td>
<td>1829.3</td>
<td>2602.9</td>
<td>3260.8</td>
<td>3249.3</td>
<td>4087.8</td>
<td>4247.4</td>
<td>4384.4</td>
<td>na</td>
</tr>
<tr>
<td>Characteristics of age pensioners (including wife/carers)</td>
<td></td>
<td></td>
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<tr>
<td>% of total population</td>
<td>5.56</td>
<td>6.21</td>
<td>8.06</td>
<td>9.21</td>
<td>8.51</td>
<td>7.92</td>
<td>9.01</td>
<td>9.03</td>
<td>9.32</td>
<td>9.24</td>
</tr>
<tr>
<td>Coverage (%) of pensionable population</td>
<td>53.2</td>
<td>60.3</td>
<td>72.6</td>
<td>76.8</td>
<td>66.5</td>
<td>58.2</td>
<td>64.9</td>
<td>64.7</td>
<td>66.4</td>
<td>67.3</td>
</tr>
<tr>
<td>Single rate</td>
<td>61.1</td>
<td>61.1</td>
<td>57.4</td>
<td>55.2</td>
<td>56.0</td>
<td>57.2</td>
<td>49.5</td>
<td>46.9</td>
<td>46.9</td>
<td>46.5</td>
</tr>
<tr>
<td>With rent assistance (%)</td>
<td>10.8</td>
<td>13.4</td>
<td>14.9</td>
<td>14.1</td>
<td>16.2</td>
<td>18.2</td>
<td>na</td>
<td>15.6</td>
<td>15.4</td>
<td>9.6</td>
</tr>
<tr>
<td>Reduced rate (%)</td>
<td>13.4</td>
<td>20.6</td>
<td>10.4</td>
<td>33.5</td>
<td>28.7</td>
<td>29.5</td>
<td>32.7</td>
<td>34.6</td>
<td>32.6</td>
<td>32.0</td>
</tr>
<tr>
<td>Nil income assessed (%)</td>
<td>na</td>
<td>na</td>
<td>19.4</td>
<td>9.5</td>
<td>14.9</td>
<td>11.2</td>
<td>10.1</td>
<td>15.1</td>
<td>8.9</td>
<td>9.6</td>
</tr>
<tr>
<td>Spending on age pensions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996-97 $million**</td>
<td>2918</td>
<td>3765</td>
<td>7205</td>
<td>9339</td>
<td>10005</td>
<td>9844</td>
<td>12552</td>
<td>12551</td>
<td>13118</td>
<td>13142</td>
</tr>
<tr>
<td>% of GDP</td>
<td>1.65</td>
<td>1.65</td>
<td>2.60</td>
<td>2.91</td>
<td>2.70</td>
<td>2.22</td>
<td>2.50</td>
<td>2.41</td>
<td>2.45</td>
<td>na</td>
</tr>
</tbody>
</table>

* not available
** shows trends in the real level (in 1996-97 dollars) of the age pension


The legislated compulsory Superannuation Guarantee Charge (SGC) was introduced in 1992 and is paid by employers on behalf of employees who earn more than $450 a month. When it was introduced the required level of contributions was set at 3% of wages. This has been increased gradually until it
reached 9% of wages in July 2002. In addition, employees can make voluntary contributions. Superannuation is taxed three times: when money goes into the fund, on its investment earnings while in the fund, and when it is paid out. However, taxation concessions are provided for superannuation savings at the contribution stage, the fund-earning stage, and when the money is withdrawn from the fund. Superannuation funds are generally managed by the private sector. The self-employed are not required to make superannuation contributions for themselves, but can do so voluntarily (Bishop, 1999e).

Most Australians who accrue voluntary savings do this through owner-occupied housing and superannuation. Other important types of savings include negatively geared property investments, share market investments, and investments held in financial institutions. Approximately 43% of superannuation fund members make voluntary contributions. The average rate of these contributions is 5.8% of income (Bishop, 1999e). However, recent Australian research (Kelly & Toohey, 2002) found that three-fifth of people closest to retirement (i.e., those aged 55-64 years old), did not accumulate any savings, and approximately 15% of people in this age group reported that they were “going backwards” (i.e., drawing on their savings or going into debt).

Although superannuation coverage is increasing, superannuation pay-outs are not likely to be sufficient to support older people fully through their entire retirement. “Overall, it is anticipated that, in the future, people will have better retirement incomes than they would have had on the age pension alone but they will not necessarily move off age pension entirely” (Bishop, 1999b, p. 15). Olsberg (1997) estimated that a person who is now 50 years old would need to have savings of about $800,000 by the time he or she retires at 60 to produce a real income by today’s standards of $30,000 a year that would keep pace with inflation for twenty years. To have a retirement income of $50,000 per annum, that person would need savings of $1.2 million. Table 5 summarises the features of Australia’s retirement savings and income system.
Table 5

Australia’s retirement savings and income system

<table>
<thead>
<tr>
<th>Age pension</th>
<th>Occupational superannuation</th>
<th>Private supplementary superannuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Means tested income support pension</td>
<td>Compulsory employer and employee contributions</td>
<td>Voluntary private insurance</td>
</tr>
<tr>
<td>Non-contributory</td>
<td>Earnings-related defined benefit or accumulation funds</td>
<td>Earnings-related defined benefit or accumulation funds</td>
</tr>
<tr>
<td>Government provided</td>
<td>Decentralised private capital accumulation funds (member representation)</td>
<td>Reasonable benefits limit for tax concessions on retirement benefits</td>
</tr>
<tr>
<td>Flat rate</td>
<td>Lump-sum benefits or tax-advantaged annuities</td>
<td>Lump-sum benefits, pensions or annuities</td>
</tr>
<tr>
<td>Indexed</td>
<td>Death and disability insurances</td>
<td>Death and disability insurances</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>Substantial government tax concessions on contributions, earnings and retirement benefits</td>
<td>Substantial government tax concessions on contributions, fund earnings and retirement benefits</td>
</tr>
</tbody>
</table>

Government regulation – tax subsidies

Source: Olsberg (1997)

It has been argued (Khan, 1999) that among OECD countries Australia’s retirement income system most closely resembles the three-pillar model favoured by the World Bank.

The three pillars effectively separate two somewhat conflicting objectives of most social insurance systems — that is, the dichotomy between providing social protection and income replacement. In the multi-pillar approach, the first pillar has the objective of providing a minimum level of post-retirement income and it is recommended that this pillar be provided by the state and should be a defined benefit, Pay As You Go (PAYG) pillar. The second pillar has the objective of income replacement (that is, maintaining pre-retirement living standards), and should be compulsory. This pillar is preferably a defined contribution to allow portability. The final pillar is one of voluntary retirement savings, which may or may not get a tax advantage. The level of this is a matter of personal choice (p. 142).
The Australian system combines a general revenue funded first pillar (the age pension), the second pillar is guaranteed superannuation which is publicly mandated and privately managed, and the third pillar is entirely voluntary and receives to a large extent the same favourable tax treatment as the second pillar.

Cooper and Scherer (1998) compared the resources available to people in OECD countries before and after retirement. When considering all sources of income and taxes, they found that differences between countries are modest. “In countries with low public pensions, families and employers compensate for this through other sources of income in retirement” (p. 2). For couples at the top of the income range (top quintile), a retired couple can expect to continue receiving 70% to 90% of pre-retirement income, while a couple in the bottom of the income range can expect to receive between 70% and 80% of pre-retirement income. The only exception is the US where post-retirement income amounts to less than 50% for top income earners and just under 60% for households in the bottom quintile.

**Women and retirement income**

Australian women outnumber men as recipients of the age pension, and a higher proportion of women is on the full rate of age pension with limited supplementation from savings or investments (Rosenman, 1999). At present, the majority of superannuation lump sums received at retirement are relatively small: 60% are under $40,000 (Rosenman, 1999).

Women’s different employment patterns, such as intermittent employment and/or part-time employment which is mainly due to caring responsibilities for children and/or other family members, will lead to lower superannuation pay-outs because of the lower contributions and interest earnings that accrue over a working life. At present, women’s superannuation assets are significantly lower than those of men. The Australian Commonwealth/State and New Zealand Standing Committee of Advisers for the Status of Women (1999) observed that women’s average superannuation savings are only about a third those of men, while the Victorian Parliament Family and Community Development Committee (1997) suggested that women of retirement age have less than half the superannuation assets of men.
Married older women may have access to their partner’s superannuation and other retirement income. However, single older women do not tend to have had the opportunity to accumulate sufficient savings. Consequently, women are more likely to be living on the age pension with very little or no other sources of income (Rosenman & Winocur, 1990). Indigenous women and women who have migrated from non-English speaking countries are further disadvantaged, as they earn lower wages and thus accumulate lower superannuation contributions than other Australian women (Preston, 2002).

Research conducted at the Commonwealth Government’s Retirement Income Modelling Unit (Tinnion, 1998) concluded that

Men are more able to provide for their retirement as women’s taxable incomes are on average considerably less than men’s. For example, approximately 22 per cent of women have taxable incomes above $30,000 while for men the comparable figure is around 42 per cent. The proportion of women with taxable incomes above $50,000 is less than 4 per cent while for men the proportion is just under 13 per cent (p. 36).

This situation is not likely to change in the near future: it is anticipated that women will only be able to accumulate approximately half the benefits of men, despite improvements in retirement savings coverage (Victorian Parliament Family and Community Development Committee, 1997). Similarly, the National Centre for Social and Economic Modelling (Kelly, Percival, & Harding, 2001) estimated that the average female superannuation balance will lift from 45% of the average male balance in 1993 to 70% by 2030. At the same time, the number of older women living alone is expected to increase. This is due to changes to traditional family patterns, as an increasing number of baby boom women have never married, have divorced and re-married, had children later in life, and have been sole parents.

Clare (2001) also observed women’s disadvantaged position in the superannuation system. He reported that in Australia
Treasury projections in 1996 showed the proportion of super assets held by women rising to 33 per cent in 2019. This equates to women having $515 billion and men having $1,185 billion in aggregate entitlements out of a projected $1,700 billion in superannuation assets in that year. The projections suggest that in 2019 women will receive an average retirement payout in today’s dollars of around $100,000, with a majority of payments less than that amount. However, recent trends in hours worked and remuneration levels suggest a lower amount flowing to women as a group, with a possible shortfall of some $85 billion in the aggregate amount of their account balances in 2019 compared to the 1996 Treasury projections (p. 3).

The taxation of superannuation has been described as problematic given that taxation at the contributions stage generates inequities. The introduction of a surcharge in 1996 has increased such inequities, particularly for individuals with career paths with markedly different levels of earnings at different periods. The surcharge is calculated on contributions made in a particular income year, rather than the total amount of contributions made over the lifetime of an individual.

Clare (2001) compared the superannuation of a man with a constant pattern of earnings over his career with that of a woman who worked part-time for a period of ten years mid-way through her working life, then re-entered the labour force full-time at a much higher annual income.

In this example, both the man and woman achieve superannuation savings of a very similar amount in today’s dollars, at around $215,000. However, the woman pays around $25,000 more in contributions tax as a result of the operation of the surcharge. This outcome would appear to offend most conceptions of equity (p. 4).

Preston and Austen (2001) cautioned that women who are employed on a part-time basis throughout most of their working life, or who have extended periods of absence from the workforce, will struggle to achieve income levels in retirement equivalent to the current full age pension. In particular, research in New Zealand (Gee et al., 2002) found that those less likely to be making provisions for their retirement included individuals with poor health and lower income, and women who had divorced or who provided family care. In accordance with these findings,
a British study (Warren, Rowlingson, & Whyley, 2001) concluded that women who had never married had considerably higher retirement savings than women who had a male partner in the past but were now separated or divorced. The latter “owned meagre assets with almost no financial savings, little housing wealth and very low pension credits” (pp. 483-484). Similarly, Bardasi, Jenkins, and Rigg (2002) found that women without a partner had an increased risk of becoming poor in retirement.

Olsberg (1997) commented that Australia’s superannuation system is entirely earnings-related and dependent on paid employment. She argued that this works well for people who have full-time, highly paid jobs and for those whose career opportunities can be expected to deliver wage increases. However, this system is not advantageous for people who are not in the paid workforce or who are unemployed, or who care for home, children, or relatives without being paid – they will be dependent on the government-provided age pension when they are old. Olsberg suggested that this system discriminates indirectly against women, as their broken paid employment profiles mean that they have fewer years to contribute to superannuation funds. Further, she concluded that pensioners may become a stigmatised, low-status group, seen as a dependent and undeserving underclass. They may be regarded as people who have not been able to accumulate their own superannuation savings, presumably either through irresponsible spending or laziness.

Further, Olsberg (1997) observed that until the 1960s and 1970s very few women, even if they worked full-time, were offered superannuation. “Many funds excluded women altogether, or had provisions for eligibility which discriminated against them or provided them with lower levels of benefit than those available to men, even in the public service” (p. 145). Similarly, Kelly, Harding, and Percival (2002) noted that the baby boomers entered the workforce between 1966 and 1984, and that less than half were covered by superannuation until the early 1990s. Therefore, they argued, compulsory private savings through superannuation may have been introduced too late to have a significant impact upon the retirement incomes of this group.
Government policies in response to population ageing

In 1999 and 2000, the Australian Commonwealth Government released discussion papers for its National Strategy for an Ageing Australia (Bishop, 1999b, 1999c, 1999d, 1999e, 2000a, 2000b). The themes of the discussion papers include healthy ageing, independence and self provision, employment for mature age workers, world class care, and attitude, lifestyle and community support. Subsequently, the Office for Older Australians, Department of Health and Ageing, released the National Strategy for an Ageing Australia in October 2001 (Andrews, 2002b). The Office for Older Australians is supported by the National Advisory Committee on Ageing, whose members are drawn from academia and the community and business sectors.

The National Strategy for an Ageing Australia emphasises that Australia’s ageing population is not expected to be a burden on the community, because the nation’s “sound retirement system, projected growth of superannuation assets and accumulation of private savings will ensure that adequate retirement incomes and quality health and aged care services will continue to be affordable in the future” (Andrews, 2002b, p. ix). However, the Strategy acknowledges that the needs of older people are likely to change in the future. Expected changes include different aspirations and expectations of the baby boomers compared with previous generations, different patterns of disease and disability, technological advances, changes in family structures, and changes in national and personal wealth (Andrews, 2002b).

The Strategy also identifies key issues. In the future, Australians will require an adequate retirement income for a longer period of time. This highlights the importance of the balance between self-provision and the government age pension, as well as safeguarding the security of Australia’s superannuation savings. The Strategy anticipates that the supply of younger workers will decline in the future, thus creating a need for older people to remain longer in the workforce. To achieve this, ongoing training and professional development of mature age workers and more flexible working conditions to facilitate gradual transition from work to retirement are required (Andrews, 2002b).
Further, the Strategy called for positive and informed attitudes to and by older Australians, referring to the need to be open to new infrastructure, such as housing design and location, transport services, and communications technology. The Strategy thought it likely that older people will have a continued interest in learning opportunities and will be available to provide voluntary work.

The Strategy (Andrews, 2002b) suggested that the health and aged care needs of older people will remain of interest to the community, requiring a focus on healthy ageing across the life course. Finally, the Strategy anticipated continued diversity in the health and functional capacity of older people, and expressed a preference for the delivery of services within the home environment rather than in institutional settings, as well as new approaches to improve coordinated care. While the Strategy identified goals, required actions, and key stakeholders to achieve its vision, it did not commit a budget for the implementation of these.

However, as part of the 2002-2003 Budget Papers, the Australian Government released an intergenerational report (2002). This was the first time that such a report has been produced as part of the Federal budget process. The report assessed the long-term sustainability of the Commonwealth Government’s finances and examined the likely impact of current policies and trends on the budget over the next 40 years.

The report provided population and economic projections and explored sections of the budget that are sensitive to demographic shifts, such as health and aged care, pensions, benefits, education, and training. The projected rise in health care costs, for example, was found to be mainly due to the growing cost of new health-care technology, increasing use of services, and strong consumer demand and expectations, rather than to an ageing population. The report concluded that compared with other OECD countries, Australia faces relatively moderate long-term fiscal pressure and is well prepared to meet the challenges that lie ahead.
Policy issues

Social policy
Evandrou (1997b) identified several policy issues for the future. These include widening inequalities and increasing polarisation, providing for ethnic diversity, combating ageist practices, facilitating greater user involvement and advocacy, and valuing older baby boomers as a resource. She observed that a challenge for future social security policy will be to ensure a minimum standard of living in retirement for all baby boomers. Further, she stressed the importance of training to encourage the retention of older people in the workforce.

Mitchell and Thompson (2001) suggested that in Australia there has been little attention to the development of policies regarding informal carers. The authors argued that carers continue to be marginalised economically and socially, and that “throughout the continuing debate on welfare reform there is an opportunity and obligation to raise the understanding of carers as key players in sustaining the social and economic life and to ensure carer issues are a prominent part of all future policy development” (p. 8).

Research on late life work and retirement issues for Australian women from a non-English-speaking background (Warburton et al., 1995) found that many women from a NESB face handicaps in both work and retirement, such as poor health, low occupational status, low income, low retirement income, and reliance on government pensions. Women from a NESB tend to work in the small business sector. Recent labour market reform which has resulted in a decentralised wages system based on productivity may have the effect of increasing the disadvantage of older women, particularly those with limited English language skills. The researchers recommended increased opportunities for English language training and a national emphasis on competency-based training.

An OECD report (2000) suggested that broader policies are more important than those targeted to specific groups. For example,
Reforms related to the employability of older workers suggest that there might not be high payoff from monitoring of policies that are specifically directed to older workers. The most important policies are those, such as lifelong learning, that affect workers of all ages. What is important is that employment and education policies take account of the changing requirements that are associated with an ageing workforce (p. 125).

A focus on healthy and active ageing was also stressed as a pertinent policy theme across disciplines. Similarly, Schmähl (1996) maintained that the availability of training and part-time employment should not only be available to mature workers, but to the entire workforce.

Dailey (1998) commented that women will continue as society’s caregivers while “it is highly unlikely that current Social Security reform efforts will include discussion of women’s needs; corporate America continues to push responsibility for retirement planning to the individual employee; and little discourse about the future of retirement for baby boomers is occurring” (p. 127). She urged organisations that promote and advise on women’s policy issues to include on their policy agendas specific dialogue about baby boom women’s future retirement.

**The work-retirement transition**

Encouraging older workers to delay retirement has been suggested as an appropriate policy response to an ageing society (e.g., Blommestein, Hicks, & Vanston, 1997; Blöndal & Scarpetta, 1998; Friedland & Summer, 1999; Ingles, 2000; McDonald & Kippen, 1999; Visco, 2001). At the same time, many authors have stressed that it should be for the individual to decide when to retire.

With the 1997-1998 Federal Budget, the Australian Government introduced the Pension Bonus Scheme, which is aimed at increasing the labour force participation of people of age pension eligibility age (Marston, 2002). The scheme is designed to maintain workforce participation, but does not apply to people over the age of 75 years. By remaining in the workforce, people who are eligible for the age pension defer receipt of the pension for a period between one and five years and must work a minimum of 960 hours each year. The bonus payment
totals between $1,049 (for one year) and $26,236 (for five years) for singles and slightly less for partnered people (Centrelink, "n.d.").

Ingles (2000) pointed to aspects of the Australian retirement income system that are of particular concern, including the widespread use of superannuation lump sums, the gap between the preservation age\(^7\) (now 55 but to become 60 between 2015 and 2025) and the age pension age, and the effect of the age pension means test, so that using up superannuation assets prior to pensionable age is attractive at certain asset levels. Further, he criticised the use of the social security system to support early retirement, such as the Disability Support Pension paid to people over the age of 50. However, in its 2002-03 budget, the Australian Government announced measures that will make it more difficult for people to claim the Disability Support Pension. These changes will take effect from 1 July 2003 (Centrelink, 2002).

A report by the Victorian, South Australian, and Western Australian Equal Opportunity Commissions and the Australian Employers Convention (2001) called for combating the stereotypes that lead to the perception that older people are less able or committed to contribute through their employment. Further, the authors asserted that policy and structural barriers that act as overt or covert vehicles to ageist stereotypes in employment must be identified and addressed, including policies regarding recruitment, training, career development, and retirement options.

To prolong working lives, Guillemard (1996) recommended government assistance for companies to implement structures to assess the development of their staff age-pyramids. In addition, she proposed that governments promote further training for older employees.

Participants of a European forum on flexible transition to retirement (Reday-Mulvey & Schumacher, 1996) concluded that more part-time positions should be created for older workers. For this to occur, they formulated proposals for action at the company, national, and European Union levels. At the national level, the
following actions were recommended to create appropriate framework conditions for employers:

- social welfare insurance and labour legislation should be amended in favour of the creation of part-time positions;
- measures should be undertaken to eliminate the cost difference between employing older or younger people and between full-time and part-time positions (e.g., supplementary payments to people’s salaries, reductions in social welfare insurance contributions);
- more public attention should be given to successful examples of part-time employment for older people; and
- trade unions, employers’ associations, senior citizens’ groups, and the media should be encouraged to deal with this topic and formulate their positions.

McDonald and Kippen (1999) suggested that a vital aspect of the reversal of early retirement is good health, to be achieved through measures such as appropriate nutrition, regular exercise, and no smoking. The concept of active ageing is also important. Thus, policies that promote healthy and active ageing are vital.

**Financing retirement**

Population ageing and its consequences are widely recognised as critical public policy challenges facing Australia and other developed countries. In this context, the future of retirement incomes is emerging as a key policy issue (Kelly et al., 2001). In particular, women’s financial futures are of concern. The Australian retirement income system is complex, and a range of issues with this system have been identified. However, some issues affecting the financial futures of women of the baby boom generation are common across developed countries.

Rosenman (1999) observed that in Australia there are significant disincentives to continued part-time or self-employment for older workers: high benefit reduction rates on the age pension, and taxation penalties for those who attempt to combine partial income from superannuation benefits with part-time or self-employment. She proposed policies “that allow people to draw an actuarially reduced pension if they claim the pension early as well as rewarding later...

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7 Preservation refers to the requirement under the Superannuation Industry (Supervision) Act 1993 that superannuation benefits be kept either in the superannuation system until permanent
claiming of the age pension. Taxation policies should encourage rather than
discourage continued gainful employment in conjunction with either or both the
age pension and superannuation benefits” (p. 43). Further, Rosenman
commented that while retirement policies need to anticipate and respond to social
changes, they also should be stable and predictable. Individual income planning
for old age requires long-term planning, and frequent and retrospective changes
shake the confidence in the system.

When examining private pensions in Australia, Bateman and Piggott (1997)
identified four policy areas in need of change. These are the establishment of
more effective retirement income streams, the reform of superannuation taxation,
coverage of and provision for “non standard” workers, and the expansion of
individual choice. They recommended that the superannuation preservation age
be aligned with the pension eligibility age, which would prevent people from
disposing of a large lump sum payment to meet means test requirements for the
age pension. Further, they suggested that incentives be provided for individuals
to take their superannuation benefits as an income stream rather than a lump
sum. Proposed superannuation taxation changes include a reduction of the tax
on fund earnings and streamlining the existing taxes on contributions, benefits
and fund earnings into a sole benefit tax. In addition, it was recommended that
employee contributions be tax deductible.

Further, Bateman and Piggott (1997) noted that people who work full-time
throughout their lives might be termed “standard” workers” (p. 66). “Non standard
workers” (p. 66) include the self-employed, who do not fall within the
Superannuation Guarantee net; people who are not in the paid labour force; low
income workers; and workers who have broken work histories. The authors
offered a range of strategies to improve superannuation coverage. Two strategies
to benefit women included the establishment of shared Superannuation
Guarantee property rights, which would benefit divorced women, and joint
annuities to ensure that after the death of a partner the survivor would be entitled
to a substantial proportion of the annuity being paid when both partners were
alive. At present, only about 20% of superannuation funds provide for member

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retirement, or after the member reaches preservation age.
choice of investments. Bateman and Piggott recommended increased member choice with appropriate information and guidelines.

Although the combination of a means-tested safety-net and compulsory old-age savings comes close to the ideal type of pension structure advocated by the World Bank, Johnson (1999) argued that there are many aspects of pension, employment, and care policies that warrant reform. These include the tax structure of superannuation, the opportunity to withdraw assets as a lump sum, the low preservation age, and the omission of self-employed workers from the scheme. The tax structure is not transparent to people other than consulting actuaries, and consequently it is difficult to determine the optimal combination of savings plans. “Lump sum withdrawal and the low (though gradually rising) preservation age provide an incentive for people to retire early, binge on their accumulated assets, and then dip back into the age pension five or so years later” (Johnson, 1999, p. 24).

Further, Johnson (1999) criticised the management of superannuation funds and competition within the superannuation industry. Because superannuation funds operate as trusts, savers have little control over how their assets are invested and managed (with the exception of self-managed funds). At present, employees have a limited amount of choice, or no choice at all, between superannuation funds. However, Johnson suggested that a greater choice of superannuation should include a requirement to state the riskiness of investments as well as the rate of return relative to the industry average.

In March 2002 the Senate Select Committee on Superannuation commenced its inquiry into the adequacy of the tax arrangements for superannuation and related policy to address the retirement income and aged and health care needs of Australians. The Committee received over hundred submissions and presented its final report in December 2002 (Senate Select Committee on Superannuation, 2002).

The report’s main findings and recommendations referred to the adequacy, equity, integration, and simplicity of the current superannuation system. It was noted that the baby boomers’ incomes in retirement will fall short of the target
level of 70-80% of pre-retirement expenditure (or approximately 60-65% of gross pre-retirement income). Further, the report considered that the current taxation arrangements that apply to superannuation are inequitable, and that the impact of fees and charges limit the effectiveness of the system. The Committee concluded that the superannuation system is too complex and not well understood by Australians, and therefore requires streamlining. Recommendations that would make the system more equitable for women and others with broken work patterns included the following:

- examining the removal of the $450 earnings threshold;
- removing the work test for making voluntary contributions;
- extending the government co-contribution concept;
- removing front-end taxes in the long term, including the contributions tax and the surcharge; and
- providing incentives to extend working lives.

When comparing pension systems in six liberal welfare states, Ginn, Street and Arber (2001b) observed that Australia and New Zealand have ensured the greatest gender and class equality of pensions, compared with Canada, Ireland, Britain, and the US. However, they cautioned that a general trend to privatised pension systems will increase gender inequality of later life income, as pensions are tied more closely to lifetime earnings.

Cooper and Scherer (1998) implied that OECD governments are being forced to look at ways to reduce public spending, such as limiting the generosity of public pension schemes, for which alternative solutions will be necessary. Suggested alternatives include encouraging privately funded pensions, promoting increased personal savings, and expecting individuals to plan for their own retirement. However, they asserted that this must be carefully planned so that the situation of poorer families is protected “as for them public pension benefits often mean the difference between poverty and a decent standard of living in retirement” (p. 4).

Another report on retirement-income reform in OECD countries (Blommestein et al., 1997) recommended increasing the effective age of retirement, reductions in benefits and greater targeting of benefits, greater reliance on earnings and advance-funded arrangements to provide income to older people, less collective
support for “ever-growing periods of leisure in the last portion of life” (p. 3), and a 
more flexible transition to retirement. Further, the authors of this report 
emphasised the importance of recognising multiple pillars in the provision of 
income to older people. They anticipated that increasing the effective age of 
retirement would have the highest potential pay-off.

A report analysing retirement decisions in OECD countries (Blöndal & Scarpetta, 
1998) suggested that removal of disincentives to work would significantly 
increase the supply of older workers in the labour market. However, this might 
create problems in countries with high structural unemployment. The authors 
proposed that reforms of pensions and other income-support systems for older 
people be introduced, jointly with measures to increase job opportunities in 
general, including elimination of measures and practices that discriminate against 
older workers. In particular, the authors suggested increased pensions for people 
who choose to delay retirement.

In the UK, Phillipson (1998) noted that a widening of inequalities among the 
employed has led to many being unable to access occupational or personal 
pensions. A policy trend towards reducing the role of the state in providing 
financial support for older age was and is common to both Conservative and 
Labour governments. The majority of people affected by these trends are older 
women.

Dychtwald (1990) suggested that the US Government create a legal framework 
for reverse mortgages to encourage more older people to enter into 
arrangements with financial organisations that would enable them to live off the 
proceeds of their house without having to sell it. In that way, “at least one-fifth of 
America’s 3.5 million elderly poor could move above the poverty line and live 
comfortably in their own homes, supported by steady cash withdrawal of their 
property assets” (p. 290).

It has been suggested that the future pension system, and indeed the whole 
social welfare system, should be fundamentally transformed (Fischer, 2000; 
Mayo, 2000; Robertson, 2000; Van Parijs, 2000). In Europe, the Basic Income 
European Network (BIEN) is lobbying for a citizens income. A range of other
groups and networks, often based at or sponsored by universities, have undertaken similar work. For example, the Arbeitskreis Bürgergeld und Negativsteuer - Planspiele für eine große Sozial- und Steuerreform (Working group citizens income and negative tax – planning for a great social and tax reform) at the University of Ulm in Germany has developed concrete proposals for tax and welfare reform. Another example is the FDP (Free Democratic Party), a political party in Germany, which has included a proposal for a citizen income in its policies for welfare reform.

Phillipson (1998) proposed that the pension system of the future will need to be detached from assumptions about continuous participation in paid work, and instead “such benefits should be attached to individual citizenship rights, reflecting the diversity of socially useful roles in which individuals engage throughout their lives” (p. 129). Similarly, Beck’s (2000a) vision of civic money for civil labour would require a transformation of the welfare state, including government pensions.

The future

Ken Dychtwald (1990), psychologist, gerontologist, author, and consultant on the ageing of America and the maturing marketplace, offered this vision of the baby boomers’ retirement:

We are witnessing the end of yesterday’s retirement, with Grandpa asleep on the porch, the gold watch the company gave him ticking in his vest pocket, and his friends coming over later to go fishing or play cards or checkers.

This picture is giving way to a more involved mixture of work and leisure that will soon become standard, typified by the homemaker who has finally made it back to the university for her master’s in social work; the retired handyman who has just started an alarm-and-lock company; the retired bookkeeper who now works a flexible schedule as an office temp; the former construction worker who puts in 20 hours a week in a McDonald’s management-training program; or the engineer who has gone from full-time work to part-time consulting (p. 207).

McDonald and Kippen (1999) proposed that we can expect that older people will change:
Older people, like women over the past 40 years, will wish to change their roles and their image. Older people will claim a greater part in the nation’s affairs and will reject the premature application to them of the dependent label. This once-in-history transition will be not merely a transition in the age structure of the population but a transition in our concept of ageing. Active ageing and aged liberation movements will also be part of the transition (p. 67).

Similarly, the Australian futurist Phil Ruthven expressed the view that “the concept of retirement will be, at most, a 50-year concept, which came and went. We have to completely redefine what old is” (Hooper & Skeffington, 1999, p. 3).

In an interview, Professor Sol Encel from the University of New South Wales Social Policy Research Centre (Hooper & Skeffington, 1999) remarked that when people get to a certain age, employers believed they should just fade away. He predicted that in “a society obsessed with the culture of youth it is understandable, but demographic changes will make it more difficult. I think the pressure for people to stay in the workplace longer will grow, if only for purely demographic reasons and the loss of skills in the workforce” (p. 2).

Professor Ann Harding of the National Centre for Social and Economic Modelling at the University of Canberra (Hooper & Skeffington, 1999) has a slightly pessimistic outlook on the future. She said that while compulsory superannuation has been critically important, savings rates are not high enough, and that in order for someone to secure 60% of their income in retirement, they have to save 15-18% of their income for 40 years on a full-time basis.

Dailey (1998) commented that there are conflicting views in the literature about the financial future of the baby boom: tough economic times in retirement appears to be the prevailing prediction, while others anticipate that baby boomers will be better off than their parents. Further, she observed that both the diversity of the baby boom generation and income polarisation, which will continue as baby boomers age, compound efforts to generalise about their financial future. In her analysis of relevant US studies and statistical data, the author identified three risk factors for female baby boomers that may lead to poverty in old age: no marketable job skills, being single, and not owning their own home. Dailey
concluded that even the most committed female workers will need to rely on the resources of their spouses during retirement. In contrast, Ginn, Street, and Arber (2001a) proposed that “since it is mainly motherhood, rather than marriage, which now restricts women’s employment, lifetime earnings are likely to be highest in future for childless women, married or not, and lowest for lone mothers” (p. 30).

Recent labour force projections by the Australian Bureau of Statistics (1999b) foresaw an ageing labour force. “People aged 45 and over may account for more than 80% of growth in Australia’s labour force to 2016. … While 10% of the labour force were aged 55 years or over in 1998, that proportion is projected to rise to 15% by 2016. The teenage labour force is the only age group projected to fall” (para 3).

Some researchers have speculated whether the social contract between generations will still hold in the future (e.g., Burggraf, 2000). Creedy (1999) described the social contract as

the willingness of current workers to finance the benefits paid to those currently retired and the education of young dependants has been associated with a hypothetical (some would say metaphysical) ‘social contract’ between generations. The education of current workers was financed from earlier taxes paid by the previous generation of workers, the current pensioners, and there is the expectation that future workers will meet their contractual obligation to make the intergenerational transfers that largely provide a public mechanism to enable effective private smoothing of consumption over the life cycle (pp. 233-234).

Peterson (1999) equated the ageing of the baby boom with a global burden to be faced by the next generations. He predicted that the global ageing crisis will dominate and daunt the public policy agendas of developed countries and force the re-negotiation of their social contracts, as well as reshape foreign policy and the geographical order. However, he singled out Australia as an exception to this pessimistic forecast, because public retirement costs as a share of GDP in Australia are expected to rise only slightly. The author attributed this to timely policy reforms such as tight limits on public health spending, modest pension
benefits, and new personally owned savings programs that allow future public
benefits to shrink as a share of average wages.

American focus group research (Simon-Rusinowitz et al., 1998) involving policy
experts, researchers and baby boomers has identified several future trends. The
first wave of baby boomers, those born between 1946 and 1954, is expected to
be better off financially than those born later, as the former benefited from a
healthier economy in their young adulthood. Older baby boomers will experience
a greater gap between the rich and the poor than current cohorts of older people.
Further, the experts commented that economic issues would influence the health
care available to individuals and therefore may affect their quality of life and
health status in later years. More baby boomers will work after retirement
because of financial need and a desire to stay active. However, the experts could
not agree about the timing of future retirement. They also anticipated that female
workers would continue to influence the workplace and demand childcare and
eldercare.

Simon-Rusinowitz et al. (1998) found that most baby boomers were surprised at
being identified as “ageing”, and the majority had not started to think about the
future or made any plans. Many individuals expressed concern about their limited
ability to save for retirement. While some people wanted to reduce work hours in
later years to be able to engage in other activities, they expressed a concern that
they will have to continue working for financial reasons. Education and new
careers also featured in the retirement plans of some people.

In contrast, an other American study (Roper Starch Worldwide Inc and AARP,
1999, pp. 71-80) found that baby boomers have woken up to the prospect of
retirement and that it is very much on their “radar screens”, with more than seven
in ten having given retirement “a lot” or “at least some” thought. The authors
suggested that self-reliance, independence, and indulgence are lifelong traits of
the baby boom generation that will lead to a “uniquely Boomer retirement” and
will be reflected in their retirement related choices and lifestyles. The study
discovered an increasingly polarised society among baby boomers, a new type of
work force, and a wide range of retirement hopes and expectations.
“Baby boomers have postponed entry into various phases of the life cycle and it would appear that they will continue this pattern with retirement” (Dailey, 1998, p. 10). Dailey (1998) noted that a baby boom woman can expect to be alone in her old age. “She will likely be widowed at the age of 67 and remain a widow for fifteen years” (p. 117). Further, baby boom women will be the primary carers of the frail elderly, they “can anticipate caring for a parent, spouse, or sibling prior to and throughout their retirement years becoming frail themselves” (p. 117). The author concluded that the freedom from work for unstructured free time will materialise only for those with the financial means to avoid caregiving (p. 125).

In recognition of the social contract between generations, Cornman and Kingson (1996) noted that there may be a situation in the future where a large population of older people is competing with growing young populations for social resources. Therefore, they suggested that older baby boomers should be encouraged to contribute to the economy and society through employment, volunteer efforts, and self-care, if older persons are not to be perceived as a burden to the young.

Probert (1998) observed that both the optimistic and the pessimistic perspective of the future of work place technological change at the centre of their analysis. She argued that it is not technology as such which holds the key to the future of work, but “the economic, social and political system which determines whether corporate interests are to prevail over employees’ interests, and whether men’s interests are to prevail over women’s, and whether the unemployed are to be allowed to have any interests at all” (p. 165).

In summary, this chapter reviewed a range of research findings and issues that are relevant to the research questions. It examined population trends and found that while the Australian population is ageing, Australia is still a relatively young country compared to European countries and Japan.

The baby boom generation has been identified as a group that shares the characteristics attributed to a generation, such as a common location in the social and historical process. Baby boomers have changed social institutions – education, work, marriage, and the family – and will continue to do so.
The literature on women’s paid and unpaid work revealed that despite achievements over the last decades women’s work does not attract equal pay and work conditions, and that unpaid work is predominantly undertaken by women. This results in a financially less favourable position for women in retirement.

The Australian retirement system is based on three pillars: the age pension, the compulsory superannuation guarantee system, and voluntary savings or investments. The cost of the age pension totals at present 3% of GDP and is expected to rise to 4.5% of GDP by 2040. This is low compared to the current average OECD spending of 7.5%. The Australian superannuation system is entirely earnings-related and is not advantageous for people who are unemployed, have intermittent employment patterns, or provide unpaid care for children or relatives. Therefore, the superannuation system discriminates indirectly against women.

Government policies in response to population ageing focus on independence and self-provision, attitude, lifestyle and community support, healthy ageing, and “world-class health and aged care” (Andrews, 2002a, p. 2). The National Strategy for an Ageing Australia anticipates that the supply of younger workers will decline in the future, thus creating a need to prolong working lives.

The literature review also identified a range of policy issues for the future, including the following:

- widening inequalities and increasing polarisation;
- providing for ethnic diversity;
- ageist practices;
- informal carers;
- healthy and active ageing;
- workforce participation;
- inequities and other shortcomings of the superannuation system; and
- transformation of the social welfare system.

The literature review concluded with a set of contrasting views of the future.
Gaps in the literature and the research questions

The research on work and retirement issues has a focus on present and past generations in work and retirement. There is scant research on current and future generations’ anticipations of the work-retirement transition and its policy implications. Further, the retirement experience of men is more often researched than that of women.

Published research and modelling dealing with the future often concerns itself with population and economic projections and the economic implications of an ageing population. Examples are work undertaken by the OECD and the Australian Government’s Retirement and Income Modelling Unit. Such research usually has a focus on the costs of older people to the economy, rather than the benefits, that is a wealth of experience and knowledge, which is valuable in economic as well as in human terms. Further, the views and aspirations of individuals are rarely explored under the economic and bio-medical paradigms. Consequently, a social determinants of health perspective and qualitative research are scant.

While several researchers in the US have explored the views of the baby boom generation on work and retirement issues (e.g., Dailey, 1998; Dychtwald, 1999; Evandrou, 1997a; Gale, 1997; Kirkwood, 1999; Simon-Rusinowitz et al., 1998), including those of female baby boomers, there is little Australian research on this topic. Therefore, the views of women of the baby boom generation on paid and unpaid work after the traditional retirement age, and the policy implications of an ageing female workforce, require further attention. To reiterate, two broad research questions are addressed in this thesis: how do women of the baby boom generation envisage paid work after the age of 65, and what are the policy implications of an ageing female workforce?