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Are Traditional Retirements a Thing of the Past? New Evidence on Retirement Patterns and Bridge Jobs

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Abstract

Purpose: This paper investigates whether permanent, one-time retirements are coming to an end just as the trend towards earlier and earlier retirements did nearly 20 years ago. We explore how common bridge jobs are among today's retirees, and how uncommon traditional retirements have become. Design & Methods: Using data from the Health and Retirement Study (HRS), we explore the work histories and retirement patterns of a cohort of retirees aged 51 to 61 in 1992 over a ten-year time period in both a cross-sectional and longitudinal context. Bridge job determinants are examined using bivariate comparisons and a multinomial logistic regression model of the bridge job decision. Results: We find that one-half to two-thirds of the HRS respondents with full-time career jobs take on bridge jobs before exiting the labor force completely. We also find that bridge job behavior is most common among younger respondents, respondents without defined-benefit pension plans, and respondents at the lower- and upper-end of the wage distribution. Implications: The evidence suggests that changes in the retirement income landscape since the 1980s appear to be taking root. Going forward, traditional retirements will be the exception rather than the rule.

Key words: Economics of Aging, Partial Retirement, Gradual Retirement

JEL No. J26, J14, J32, H55

1. Introduction

Are permanent, one-time retirements coming to an end just as the trend towards earlier and earlier retirements among older American men did nearly twenty years ago? The leading edge of the Baby Boomers, those born between 1946 and 1964, will approach traditional retirement age in less than five years and, along with the transition, retirement as we know it will be redefined. The reason is simple: fundamental changes in Social Security, private pensions, health, and longevity mean that many Americans will be unable to finance twenty or more years of leisure later in life without a significant reduction in living standards. Some who can afford it may prefer not to retire in the stereotypical manner. Others might not have a choice. Whatever the reason, many older Americans may delay complete retirement and exit the labor force gradually.

Since the 1960s, increasing prosperity and more generous public and private retirement programs have meant that many older workers could retire early, supported by Social Security, defined-benefit pension plans, and savings. Each of these sources, however, may look much different in the future. Social Security is facing financial shortfalls over the second half of the traditional seventy-five year window, which will likely lead to some combination of lower benefits and replacement rates, later ages for normal and perhaps early retirement benefit eligibility, and higher Social Security taxes or other government revenues. Traditional defined-benefit (DB) pensions are being replaced by defined-contribution (DC) plans like 401(k)s, with their attendant investment risks. Finally, private savings are at their lowest levels since the Great Depression.[1] With reductions in these income sources, traditionally considered the three pillars of retirement income, and possible cutbacks in Medicare, many Americans will have to choose between working longer or enduring a lower standard of living during their retirement years.

[1] U.S. National Income and Product Accounts, Table 5.1, Saving and Investment, line 33.

Older Americans appear to be adjusting to the new retirement landscape already. A near century-long trend towards earlier retirement among men came to a halt in the mid-1980s. Labor force participation rates among older men have been relatively flat since then, and have increased in recent years. Among women, the decline in earlier retirements and the increase in women entering the labor force in the post-war period have resulted in large increases in labor force participation among older women over the past twenty years.[2] Retirement is also becoming more of a process than a single event. A significant number of individuals, previously estimated at one-third to one-half of retirees, take on short-duration or part-time jobs after leaving full-time career (FTC) employment. These jobs bridge the gap between FTC employment and complete labor force withdrawal, and are aptly called "bridge jobs."

While the existence of bridge job employment is not news, the degree to which it is utilized by today's older workers is. Much of the recent research on bridge jobs is based on data from the late 1990s, just before some fundamental changes in the retirement environment occurred. The stock market decline of 2000, combined with a continuing shift towards 401(k) pension plans, led to an unexpected decline in older Americans' retirement assets. Moreover, the Social Security normal retirement age began its legislated gradual increase from age 65, for those who turned 62 before 2000, to age 66, for those who turned 62 in 2005. This is equivalent to an across-the-board benefit cut, providing an additional incentive to remain in the labor force longer. Private savings rates also continued their decline, albeit with a slight uptick in the last year or so. Anecdotal evidence suggests that these events led to an increase in the labor force

[2] See Quinn (2002). Labor force participation rates of American men aged 65 to 69 declined from 43 percent in 1965 to 25 percent in 1985 (a nearly 60 percent decline in only two decades) and then increased back to 33 percent by 2004, with half of that increase occurring during the last 5 years. Participation rates for women aged 60 to 64 for the same three years are 33 percent, 33 percent and then 45 percent and rising in 2004.

participation rates of older Americans, in the form of delayed retirement or, in some cases, labor market reentry after retirement.[3]

Recent waves of the Health and Retirement Study (HRS), the premier data set for the study of older Americans' retirement behavior, enable an up-to-date analysis of the status of bridge job activity. The HRS now contains information on the retirement patterns of individuals aged 51 to 61 in 1992 for a full ten years, spanning the run up in the stock market in the late 1990s, its subsequent decline, and the continuing recovery. Using these data we explore whether the majority of retirees still exit the labor force in the stereotypical fashion, or if the majority now retire gradually, in stages, utilizing bridge jobs on the way out.

This paper is structured as follows. The next section discusses how the retirement landscape has changed over the past two decades, most notably, the abrupt end of the trend towards earlier and earlier retirement among older men. We then document the extent of bridge job employment among today's retirees and those on the cusp of retirement, to see if their behavior resembles that of their predecessors. We conclude that changes in the retirement income landscape since the 1980s are beginning to have an effect and, as a consequence, traditional retirements in the form of a one-time, permanent event have become the exception rather than the rule.

2. Background

The average retirement age, defined here as the youngest age at which half of the population is out of the labor force, declined dramatically among men during the 20th century,

[3] Coile and Levine (2004) challenge the notion that the decline in stock market value in 2000 explains rising labor force participation rates of older Americans.

from age 74 in 1910 to age 70 in 1950, age 65 in 1970 and age 62 by 1985.[4] The decline is predominantly a result of increasing prosperity over the past century and the growth of public and private retirement programs. As productivity and real wages increased, workers spent a portion of their increased wealth on leisure, including earlier retirement. Since the mid-1980s, however, the average retirement age for American men has remained relatively unchanged. While there is some debate over the cyclical or permanent nature of this break in trend, it is clear that the retirement landscape has changed. The end of mandatory retirement for most workers in 1986, the shift away from traditional DB pension plans towards employee-controlled DC plans, improvements in health and longevity, and changes in the physical nature of jobs have all created incentives for workers to stay in the labor force longer, either by remaining on their career jobs, by taking on bridge jobs, or both.

Many studies have explored the factors that affect retirement decisions, such as age, health and health insurance status, and Social Security and private pension eligibility and incentives.[5] Other studies have focused on retirement patterns. Honig and Hanoch (1985) investigated partial retirement trends using Retirement History Study (RHS) data from 1967 to 1973. They found that the decision concerning whether or not to participate in the labor market is of primary importance to older workers, while the choice between part-time or full-time work is secondary. Ruhm (1990) used the same source to analyze partial retirement and found that the majority of workers leave career jobs for partial retirement at some point in their working lives. He argued that pension status and Social Security regulations have little effect on this decision

[4] See Quinn (2002).

[5] Anderson, Gustman, and Steinmeier (1997), Coile and Gruber (2000), Herz (1995), Munnell, Cahill, and Jivan (2003), Quadagno and Quinn (1997), Quinn (1977), Ruhm (1995), Samwick (1998), and Stock and Wise (1990), have studied the relationships among financial variables and labor force participation. Likewise, Blau and Gilleskie (1997), Gruber and Madrian (1994, 1995), and Smith (2004) have considered how health status and health insurance status affect the retirement decisions of older American workers.

and that uncertainty concerning retirement income and institutional job restrictions (e.g., requiring full-time employment for most jobs) are potential causes.[6]

Quinn (1999) studied retirement patterns and bridge jobs in the 1990s. Using the first three waves of the HRS, Quinn estimated that between one-third and one-half of older Americans would take on bridge jobs before exiting the labor force completely. Quinn also found that age, health status, type of pension, and pension eligibility are all important determinants of whether an individual is employed in either a FTC job or a bridge job, or is retired. He concluded that "retirement patterns in America are much richer and more varied than the stereotypical one-step view of retirement suggests."[7]

Chen and Scott (2002) and Purcell (2005) both noted that several forms of gradual retirement through bridge jobs are currently available to workers, including job sharing, reducing work schedules, and the rehiring of retired workers as temporary employees. These studies conclude that older workers are remaining in the labor force longer, that retirement patterns are diverse, and that financial incentives are key explanatory factors of retirement. Maestas (2004) observed that more than one-third of retirees in their 50s go back to work after retirement, defined as complete withdrawal from the labor force. Most notably, Maestas found that returning to the labor force is often anticipated prior to retirement, and that non-traditional retirements are often not associated with negative outcomes.

This paper focuses on the importance of gradual retirement – bridge job behavior – in the retirement patterns of today's older American workers.

[6] Ruhm defines a career job as the longest spell of employment with a single firm.

[7] Quinn (1999), p. 1.

3. Design and Methods

An ideal data set for this research is the Health and Retirement Study. The HRS is a nationally representative panel data set designed to understand the antecedents and consequences of retirement, to monitor work disability, and to examine the complex relationships among labor supply, health, income and wealth, and saving and consumption over time.[8] As shown in Table 1, the HRS core sample consists of about 12,600 persons (in over 7,600 households), with respondents aged 51 to 61 in 1992 and their spouses, who could be older or younger. The first wave of the HRS is based on in-home interviews in 1992. Subsequent waves are based on extensive follow-up interviews conducted every other year.

The longitudinal nature of the HRS allows us to examine each respondent's work history and identify bridge jobs. We define a full-time career job as one that consists of at least 1,600 hours per year ("full time") and that lasts ten or more years ("career"). Jobs that follow FTC jobs and precede labor force withdrawal are considered bridge jobs.[9] These definitions are consistent with earlier studies investigating bridge job behavior.

We begin our analysis by focusing on individuals who have had work experience since age 49, and obtain a sample of 10,540 HRS respondents. Table 1 describes the entire sample by work status and gender. We find that 91 percent of age-eligible men and 77 percent of age-eligible women have worked since age 49. Next, we focus on respondents who have had an identifiable FTC job in their work history. Most of the male sample is retained after this restriction, while a larger portion of the female sample is dropped. In total, 80 percent of males

[8] See Juster and Suzman (1995).

[9] Some respondents might not yet have enough tenure in a given wave for a job to be considered a career job, even though the respondent may still be working and thereby increasing tenure. When subsequent waves do not cover work status through age 62, we assume that the respondent will work on the job until age 62. Likewise, we assume those who are age 62 to 64 will work until age 65. This assumption implies that our estimates of bridge job activity are conservative, since some of these individuals will leave their jobs before age 62.

and 51 percent of females had worked since age 49 and had an identifiable FTC job in their work history. In later analysis, we study just those with a FTC job in 1992, which reduces the sample further.

Table 2 illustrates the impact of the definition of a full-time career job on the sample sizes of those with a FTC job ever, and those with a FTC job in 1992. While we think that five years is too short to be considered a career job and requiring twenty years is too restrictive, eight, ten, and fifteen years are all reasonable choices. If the length of tenure required to be on a FTC job is reduced from ten to eight years, there is about a 2 percent increase in the number of men and women with a FTC job in their employment history, and a 7 percent increase in the number on a FTC job in 1992. Conversely, an increase in time required from ten years to fifteen years results in about a 6 to 20 percent reduction in the number men and women with a FTC job and on one in 1992, respectively. The absence of larger fluctuations in the sample implies that the ten-year tenure requirement for a FTC job is reasonable. These definitional changes alter somewhat the number of career vs. bridge jobs, but not the qualitative conclusions discussed below.

4. Results

Descriptive Statistics

We begin with a cross-sectional discussion of retirement patterns. The first step is to identify each individual's status throughout the retirement process, at every survey point. How many individuals remain on a FTC job and how many move to a bridge job? Table 3 presents the labor force status of HRS males and females from 1992 to 2002 for those who have had a FTC job in the past and work experience since age 49. In 1992, 66 percent of the men were still on their FTC jobs, while 15 percent were employed on bridge jobs and 19 percent were not in the

labor force. Among women, 73 percent were still on FTC jobs, while the remaining respondents were divided almost equally between bridge job employment and absence from the labor force.

Ten years later, only 14 percent of the (now much older) male sample was still on a FTC job and 56 percent had exited the labor force. One-quarter of the male sample was on a bridge job in 2002. The story is similar for females. The actual importance of bridge jobs is greater than observed in these cross sections, however, because many of the individuals who are out of the labor force in a given wave transitioned through a bridge job before exiting.

To track individuals' labor force withdrawal patterns over time, we examine all jobs in a person's work history that have lasted five or more years prior to the wave one (1992) interview. We then examine employment in each wave and construct the path from employment to labor force withdrawal for each respondent. Table 4 demonstrates the extent of bridge job activity estimated in 1996, when the most recent comparable study on bridge job behavior was performed, and then in 2002, based on the most recent data.[10] The percentage of men either working at a bridge job or who had last worked at a bridge job before leaving the labor force increased from 33 percent in 1996 to 50 percent in 2002. Women experienced a similar increase in the number who were holding or had held a bridge job, from 28 to 45 percent. Note that in both cases in 2002, about half of the sample had already utilized a bridge job before exiting from the labor force.

If we concentrate just on those men who had left their FTC jobs by 2002 and whose subsequent status we know (27.8 + 25.3 + 22.0 = 75.1% of the male sample), we find that two-thirds of them (27.8 + 22.0 = 49.8%; 49.8 / 75.1 = 66.3%) were then employed or were last employed on a bridge job. For women who had left FTC jobs by 2002, the estimate is slightly lower, 62 percent (45.3 / 73.0 = 62.0%).

[10] See Quinn (1999).

The increase from 1996 to 2002 does not represent an increase in bridge job behavior over these years, but rather it provides a new and better estimate of the extent of bridge job activity. In 1996, none of the many respondents still on FTC jobs was counted as having a bridge job, even though, as we knew then and now see, many would later take a bridge job before exiting the labor force. Between 1996 and 2002, the percentage still on a FTC job dropped from 42 to 14 percent among men and from 51 to 17 percent among women. The 2002 observation of actual bridge job activity (nearly 50 percent) is still an underestimate, because of those respondents who have yet to leave their FTC jobs. The larger estimates in the paragraph above (62 to 66%) assume that those still on FTC jobs and those for whom bridge job status could not be determined in 2002 will behave, on average, like those who have already left their FTC jobs.

Non-traditional retirements are even more common than these numbers suggest, since some individuals who do transition directly out of the labor force from a FTC job may re-enter at a later date. We estimate that about 9 percent of individuals who exited the labor force directly eventually reentered the labor force at a later date by 2002[11] Taken together with bridge job activity, this implies that traditional one-time, permanent retirements are definitely in the minority.

A key determinant of labor force withdrawal patterns is wage-and-salary employment versus self-employment. We find that a larger percentage of self-employed workers, relative to wage-and-salary workers, made the first step from a FTC job to a bridge job rather than to no job by 2002. Among those who left their FTC jobs, over three-quarters of self-employed workers moved to a bridge job, compared to only half of those who were wage-and-salary workers. This

[11] A person is considered to have reentered if he or she returned to work after being out of the labor force in two consecutive waves.

may speak to the relative ease with which the self-employed can decrease hours or shift to a new job.

Self-employed workers also remained working longer and switched job types more often later in life compared to wage-and-salary workers. Nearly half of self-employed FTC workers who took on a bridge job were still employed in 2002 compared to only 37 percent of wage-and-salary workers. In addition, while only 15 percent of wage-and-salary workers who took a bridge job have taken on a job in self-employment, 40 percent of self-employed FTC workers took on a wage-and-salary bridge job. A similar story is observed with those who had taken bridge jobs but were out of the labor force by 2002.

Covariates of Bridge Job Activity

The first wave of the HRS provides detailed information about health status, pension status, wealth, and many other characteristics related to retirement decisions. Because some of these variables are time variant, we cannot rely on these measures to examine exits from FTC jobs that took place prior to 1992. Therefore, we base our analysis of bridge job determinants on those individuals who were on FTC jobs in 1992, and we follow their exit patterns through 2002.

Table 5 presents the first transitions from FTC jobs by the age of the respondent. Older workers who leave their career jobs are less likely to transition to bridge job employment, as indicated in the last column by the ratio of bridge job employees to all individuals who made a transition. In 2002, of those who moved from a career job, 44 percent of males aged 65 or older had moved to a bridge job, compared to 59 percent of those aged 62 to 64 and 63 percent of men under age 62. The difference is even more pronounced among women, where it ranges from 78 percent for females under age 60, about 60 percent for those aged 60 to 64, and only 41 percent

among women aged 65 years and older. Bridge job behavior is much more common among those initiating the retirement process at a younger age.

Table 6 examines the health status in 1992 of HRS respondents who were on FTC jobs in 1992, and stratifies the results according to their first transition from the FTC job. Three measures of health status are shown in the table: the presence of a work-limiting condition, a subjective health assessment, and a summary of activities of daily living for which respondents have had a lot of difficulty. Men and women who left their career jobs and were in excellent or very good health took on bridge jobs in 55 to 60 percent of cases (see last column.) Those who departed with self-assessed fair or poor health made the transition to bridge jobs less than 40 percent of the time.

Both men and women who had FTC jobs in 1992 and who reported a work-limiting health condition are much more likely to have exited the labor force by 2002 than those without such conditions. They are also less likely to remain on their FTC job, and less likely to have moved to a bridge job if they did leave their career job. Respondents also reported the number of daily activities for which their health condition limits them from completing. Not surprisingly, men and women with two or fewer ADL limitations are more likely to remain in their FTC job or move to a bridge job, and less likely to have left the labor force altogether.

These estimates underestimate the importance of health in job transition late in life, since they include only those still on a FTC job in 1992. Many of those with serious health issues would have left their career jobs and likely the labor force before 1992.

Earlier studies have shown the impact of the availability of health insurance coverage beyond the FTC job on retirement patterns.[12] Table 7 reports first transitions of respondents by

[12] See Gruber and Madrian (1994, 1995).

health insurance status on their FTC jobs.[13] Because individuals aged 65 and older are eligible for Medicare, the sample in Table 7 includes only those who are younger than 65 in 2002. We find that men and women who have no health insurance on their FTC job are most likely to take a bridge job if they leave their career job, as 78 percent of these uninsured men and 74 percent of the women did. Also, both men and women who lose health insurance coverage when leaving a FTC job are more likely to exit the labor force completely than other workers in the sample.[14]

Men with defined-benefit (DB) pension plans, which often contain age-specific financial incentives to leave the job, are less likely to remain on their FTC jobs in 2002 than others, are more likely to have left the labor force, and are least likely to move to a bridge job when a transition is made. As seen in Table 8, men with no pension or with DC plans only on their FTC jobs are more likely to remain on that job than are men with a DB plan. While only 41 percent of males who left a career job with a DB pension take a bridge job, nearly 60 percent of their counterparts with no pension and 54 percent with a DC pension do so. Among women, those with DB pension plans only are the most likely to have left the labor force, and the least likely to utilize a bridge job on the way out.

Finally, bridge jobs appear to be more common at both ends of the wage distribution. As shown in Table 9, low-wage and high-wage individuals are more likely to take on bridge jobs when making a transition than are those in the middle of the wage distribution (see last column). This result is consistent with expectations. Among low-wage individuals, many take on bridge jobs out of financial necessity while individuals at the upper end of the wage distribution, many

[13] Health insurance portability requires that coverage is maintained after an individual leaves his or her current job. Government-provided insurance, private insurance, and insurance through a spouse's employer are all unaffected by the respondent's employment status and are considered portable. Health insurance through an individual's employer is only considered portable if the respondent indicates that the coverage will be maintained in retirement. Respondents with no health insurance are captured with a separate variable.

[14] Health insurance may be a proxy for other personal or job characteristics. There is much that is not being held equal here, especially age.

of whom could afford to retire, may choose bridge jobs for quality of life reasons. The same conclusion appears when we look at the occupational status of the FTC job. Both individuals in white collar, highly-skilled jobs and individuals in blue collar, non-highly-skilled jobs are more likely to take on bridge jobs after leaving FTC employment.

Multivariate Analysis

The cross-sectional analyses above indicate that bridge job behavior is very common among older Americans, especially among those who are relatively young and healthy, who are without health insurance, and who are at the lower or upper ends of the wage or occupation spectrum. Bridge jobs are less common among those with DB pension plans on their career jobs. This section examines bridge job determinants in a multivariate context.[15] We model the transitions from FTC jobs among HRS respondents who were on a FTC job in 1992 and for whom later employment status could be identified. Each worker faces three choices between 1992 and 2002; he or she can continue on the career job, can leave the career job for a bridge job, or can exit the labor force. The coefficients of the model are estimated for men and women separately using multinomial logistic regression. Tables 10a and 10b present marginal effects estimated at sample means, for men and women respectively.

As expected, younger men and women are more likely than others to remain on their FTC jobs (the negative and significant coefficients increase with age) as are individuals in excellent or very good health. Bridge job behavior is also more common among the youngest men and women and declines with deteriorating health status. Men and women with dependent children (and college tuitions ahead?) are more likely to remain on their career jobs than others (about 6

[15] Based on Quinn (1999).

percentage points more likely), and women with dependents (but not men) who do transition are more likely to move to a bridge job.

Another important finding is that men with a DB pension plan are significantly less likely to remain in a FTC job and less likely to take a bridge job. This FTC job effect, oddly, is not found among the women, though the bridge job effect is. Self-employed men and women are much more likely than others to remain on their FTC jobs, and self-employed men are more likely to take on a bridge job when a job transition is made. The "u-shaped" pattern of bridge job behavior by occupational status is somewhat flattened in the multivariate context although, as suggested above, skilled white-collar men are the most likely to take on a bridge job, while skilled blue-collar men (the middle of the "u") are the least likely. Occupational status is not statistically significant among women. Both men and women who maintain their health insurance status with a transition from their FTC job, either because health insurance is portable or because they are not covered, are more likely to take on a bridge job compared to those who would lose their health insurance coverage. The impact, however, is only statistically significant among the uninsured, with a marginal effect of more than 10 percentage points**.**

Owning one's own home has no discernible effect on the decision to remain on the FTC job, but it does reduce the chances of taking a bridge job when one leaves the career job. Wealth effects are inconsistent, as is often the case in such empirical work, perhaps because those with high wealth also have an unmeasured taste for work, which is one of the reasons that they have accumulated wealth.

The multivariate analysis confirms the cross-sectional descriptive results. Bridge job behavior is more common among younger retirees, among the healthy, the highly skilled and the self-employed, and among those without DB pension plans. One prediction is that, as DB plans

continue to decline in importance, bridge job behavior will become more common, as already appears to be the case.

4. Discussion

Research from the 1990s demonstrated that, at a minimum, about one-third to one-half of older workers utilize bridge jobs before completely withdrawing from the labor force. Six more years of data are now available to estimate the actual extent of bridge job employment. Using ten years of HRS data, we conclude that about one-half of respondents with FTC jobs have already taken bridge jobs. Of the vast majority who had already left their career jobs by 2002, between 62 and 66 percent moved to a bridge job rather than directly out of the labor force.

What does the importance of bridge job employment mean for individuals and the country as a whole? Overall, continued work is generally good news, as more individuals remain productive late in life, fewer are dependent on public programs, and the nation has more goods and services to distribute among an aging population. From an individual perspective, however, the story is more complicated. For some, bridge job employment and work later in life create the potential for more satisfying years than complete labor force withdrawal would provide. People remain engaged in the world of work and with their former or, more often, with new colleagues. Bridge jobs can provide older Americans with the opportunity to try something different, earn wages and experience in a different line of work, and generate discretionary income, augmenting Social Security, pension income and returns from savings. For others, however, at the lower end of the socio-economic scale, bridge jobs are more likely to be an unfortunate financial necessity, and may involve physically demanding work that signals a bleak and undesirable situation during the twilight of their work lives.

Nonetheless, bridge job employment has the potential to be greatly advantageous to many older Americans, to the firms wise enough to tap these productive and experienced workers, and to the country as a whole. The key is to understand better how and why older Americans choose to leave the labor force, and how best to harness the desire of many of them to continue working beyond traditional retirement ages. This paper takes a first step and assesses just how prevalent these nontraditional retirement patterns are today. We find that traditional retirement has become the exception, not the rule, and that for a majority of older Americans, retirement is a process, often over many years, and not a single event.

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Table 1

Sample Size
by Gender and Work Status

	Men	Women	Total
Participated in wave 1			
n	5,869	6,783	12,652
Worked since age 49			
n	5,344	5,196	10,540
% of HRS core	91.1%	76.6%	83.3%
Worked since age 49 and had FTC job			
n	4,695	3,472	8,167
% of HRS core	80.0%	51.2%	64.6%
On FTC in 1992			
n	3,056	2,514	5,570
% of HRS core	52.1%	37.1%	44.0%

Source: Authors' calculations based on the Health and Retirement Study.

Table 2

Percent of Sample with Full-Time Career Jobs
by FTC Definition and Gender

Males

	Tenure Required for FTC Designation (years)				
	5	8	10	15	20
Worked since age 49 and had FTC job					
n	4,817	4,760	4,695	4,537	4,466
% HRS Core	82.1	81.1	80.0	77.3	76.1
On FTC job in 1992					
n	3,488	3,277	3,056	2,439	1,986
% HRS Core	59.4	55.8	52.1	41.6	33.8

Females

	Tenure Required for FTC Designation (years)				
	5	8	10	15	20
Worked since age 49 and had FTC job					
n	3,666	3,578	3,472	3,160	2,935
% HRS Core	54.0	52.7	51.2	46.6	43.3
On FTC job in 1992					
n	2,857	2,710	2,514	1,959	1,428
% HRS Core	42.1	40.0	37.1	28.9	21.1

Source: Authors' calculations based on the Health and Retirement Study.

Table 3

Labor Force Status, by Year and Gender

Individuals with a Full-Time Career Job in Their Work History
and Work Experience Since Age 49

Males

	n	Full Time Career Job	Bridge Job	Not in Labor Force	Don't Know
1992	4,695	65.9%	14.5%	19.0%	0.7%
1994	4,353	52.6%	18.5%	28.3%	0.6%
1996	4,044	42.4%	22.2%	34.7%	0.7%
1998	3,833	27.0%	29.3%	42.7%	1.0%
2000	3,573	18.0%	33.0%	47.7%	1.3%
2002	3,414	14.4%	25.3%	55.6%	4.7%

Females

	n	Full Time Career Job	Bridge Job	Not in Labor Force	Don't Know
1992	3,472	72.7%	14.1%	12.7%	0.5%
1994	3,272	62.0%	17.4%	20.2%	0.5%
1996	3,102	51.4%	19.2%	28.9%	0.5%
1998	2,984	32.6%	29.9%	36.3%	1.3%
2000	2,855	19.4%	38.3%	40.7%	1.7%
2002	2,795	17.4%	27.7%	49.7%	5.2%

Source: Authors' calculations based on the Health and Retirement Study.

Table 4

Current Employment Status in 1996 and 2002, by Gender

Individuals with a Full-Time Career Job in Their Work History
and Work Experience Since Age 49 (horizontal percentages)

1996

	n	Full Time Career Job	Bridge Job	Don't Know
Men, Working	2,625	42.4%	22.7%	0.7%
Men, Nonworking, Last job was	1,419	22.2%	10.4%	1.5%
Total	4,044	64.6%	33.1%	2.2%
Women, Working	2,203	51.4%	18.7%	0.5%
Women, Nonworking, Last job was	899	19.2%	8.8%	1.3%
Total	3,102	70.6%	27.5%	1.8%

2002

	n	Full Time Career Job	Bridge Job	Don't Know
Men, Working	1,522	14.4%	27.8%	4.7%
Men, Nonworking, Last job was	1,892	25.3%	22.0%	5.8%
Total	3,414	39.7%	49.8%	10.5%
Women, Working	1,392	17.4%	24.9%	5.2%
Women, Nonworking, Last job was	1,403	27.7%	20.4%	4.4%
Total	2,795	45.1%	45.3%	9.6%

Source: Authors' calculations based on the Health and Retirement Study.

Table 5

First Transitions from Career Jobs by 2002

Those with Full-Time Career Jobs in 1992, by Gender and Age
(horizontal percentage and ratio)

Age in 2002	n	Still on Career Job	Moved to Bridge Job	Moved to No Job	Don't Know	Ratio of Bridge Job/ (Bridge Job + No Job)
Men						
< 60	92	28.5%	37.9%	22.2%	11.4%	63.1%
60-61	461	24.7%	43.5%	24.8%	7.1%	63.7%
62-64	819	18.6%	43.0%	30.2%	8.3%	58.7%
65+	1,348	9.7%	37.5%	47.5%	5.3%	44.1%
Total	2,720	15.5%	40.2%	37.6%	6.7%	51.7%
Women						
< 60	542	26.5%	52.8%	15.0%	5.6%	77.9%
60-61	402	26.9%	39.2%	25.6%	8.3%	60.5%
62-64	596	15.3%	46.0%	32.4%	6.4%	58.7%
65+	770	8.1%	35.9%	52.6%	3.5%	40.6%
Total	2,310	17.6%	43.1%	33.7%	5.6%	56.1%

Source: Authors' calculations based on the Health and Retirement Study.

Table 6

First Transitions from Career Jobs by 2002

Those with Full-Time Career Jobs in 1992,
by Gender and Health Status in 1992
(horizontal percentage and ratio)

	n	Still on Career Job	Moved to Bridge Job	Moved to No Job	Don't Know	Ratio of Bridge Job/ (Bridge Job + No Job)
Health Condition That Limits Work						
Men						
no	2,811	14.6%	36.8%	36.1%	12.5%	50.5%
yes	268	8.4%	35.7%	43.0%	12.9%	45.4%
Women						
no	2,482	16.5%	40.8%	31.9%	10.9%	56.1%
yes	182	10.7%	36.1%	44.2%	9.0%	45.0%
Subjective Health						
Men						
excellent or very good	1,771	16.8%	39.0%	32.5%	11.7%	54.5%
good	936	10.3%	34.9%	40.9%	13.9%	46.0%
fair or poor	375	9.5%	28.5%	47.8%	14.1%	37.4%
Women						
excellent or very good	1,639	17.9%	42.9%	29.0%	10.2%	59.7%
good	742	14.3%	38.2%	36.6%	10.9%	51.1%
fair or poor	283	8.5%	29.4%	48.0%	14.1%	38.0%
Number of ADLs[a] with Lots of Difficulty						
Men						
0	2,306	14.9%	37.7%	34.5%	12.9%	52.2%
1-2	679	12.3%	33.9%	41.7%	12.1%	44.8%
3-4	72	6.0%	28.2%	54.7%	11.1%	34.0%
5+	25	2.4%	36.6%	53.7%	7.3%	40.5%
Women						
0	1,712	16.2%	41.3%	31.0%	11.5%	57.1%
1-2	797	16.8%	40.1%	34.3%	8.8%	53.9%
3-4	111	11.3%	33.0%	42.0%	13.7%	44.0%
5+	44	9.9%	31.4%	50.4%	8.3%	38.4%

[a] Activities of Daily Living

Source: Authors' calculations based on the Health and Retirement Study.

Table 7

First Transitions from Career Jobs by 2002
Those with Full-Time Career Jobs in 1992,
by Gender and Health Insurance Status on 1992 Job
Age < 65 in 2002
(horizontal percentage and ratio)

Health Insurance Status	n	Still on Career Job	Moved to Bridge Job	Moved to No Job	Don't Know	Ratio of Bridge Job/ (Bridge Job + No Job)
Men						
Not covered on career job	147	25.1%	50.6%	14.3%	10.1%	78.0%
"Covered and would maintain" some coverage	551	22.2%	43.0%	25.9%	8.9%	62.4%
"Covered and would lose" coverage	686	20.3%	41.1%	31.7%	6.9%	56.5%
Women						
Not covered on career job	162	14.6%	59.8%	21.5%	4.1%	73.6%
"Covered and would maintain" some coverage	883	22.6%	46.2%	24.0%	7.2%	65.8%
"Covered and would lose" coverage	606	23.2%	43.2%	26.2%	7.4%	62.2%

Source: Authors' calculations based on the Health and Retirement Study.

Table 8

First Transitions from Career Jobs by 2002

Those with Full-Time Career Jobs in 1992,
by Gender and Pension Status on 1992 Job
(horizontal percentage and ratio)

Pension Status	n	Still on Career Job	Moved to Bridge Job	Moved to No Job	Don't Know	Ratio of Bridge Job/ (Bridge Job + No Job)
Men						
No pension	962	17.6%	40.1%	28.0%	14.3%	58.9%
Defined benefit plan only	1,345	10.5%	31.5%	45.5%	12.5%	40.9%
Defined contribution plan only	602	16.9%	38.4%	32.3%	12.4%	54.3%
Defined benefit and defined contribution plan	173	12.2%	50.5%	31.3%	6.0%	61.7%
Women						
No pension	911	13.6%	46.8%	30.2%	9.5%	60.8%
Defined benefit plan only	1,056	17.2%	34.7%	36.6%	11.6%	48.7%
Defined contribution plan only	615	19.0%	37.3%	32.3%	11.4%	53.6%
Defined benefit and defined contribution plan	82	7.1%	68.2%	16.1%	8.6%	80.9%

Source: Authors' calculations based on the Health and Retirement Study.

Table 9

First Transitions from Career Jobs by 2002

Those on Full-Time Career Jobs in 1992,
by Gender, Wage Rate and Occupational Status
(horizontal percentage and ratio)

Wage Rate	n	Still on Career Job	Moved to Bridge Job	Moved to No Job	Don't Know	Ratio of Bridge Jobs/ (Bridge Job + No Job)
Men						
< $6/hour	266	15.6%	43.0%	30.9%	10.5%	58.2%
$6 - $10/hour	576	14.3%	38.6%	32.6%	14.4%	54.2%
$10 - $20/hour	1,394	12.4%	33.1%	42.1%	12.4%	44.0%
$20 - $50/hour	704	15.0%	38.1%	34.7%	12.2%	52.3%
> $50/hour	99	21.4%	38.9%	24.7%	15.1%	61.2%
Women						
< $6/hour	437	14.1%	47.7%	28.4%	9.8%	62.7%
$6 - $10/hour	921	18.0%	38.6%	31.7%	11.7%	54.9%
$10 - $20/hour	1,035	15.3%	38.0%	36.5%	10.3%	51.0%
$20 - $50/hour	218	16.4%	41.6%	32.1%	9.8%	56.4%
> $50/hour	10	0.0%	58.8%	17.6%	23.5%	77.0%

Occupational Status	n	Still on Career Job	Moved to Bridge Job	Moved to No Job	Don't Know	Ratio of Bridge Jobs/ (Bridge Job + No Job)
Men						
White collar, highly skilled	1,046	14.6%	41.7%	31.7%	12.0%	56.8%
White collar, other	439	15.4%	35.3%	35.8%	13.6%	49.6%
Blue collar, highly skilled	1,178	12.1%	32.3%	43.3%	12.4%	42.7%
Blue collar, other	405	17.4%	35.8%	33.5%	13.2%	51.7%
Women						
White collar, highly skilled	866	16.4%	43.9%	30.8%	9.0%	58.8%
White collar, other	999	17.3%	39.3%	32.5%	10.9%	54.7%
Blue collar, highly skilled	312	12.8%	34.1%	43.5%	9.6%	43.9%
Blue collar, other	485	14.4%	40.2%	30.4%	14.9%	56.9%

Source: Authors' calculations based on the Health and Retirement Study.

Table 10a

Marginal Effects from Multinomial Logistic Regression[a]

Dependent Variable: First Transition from Full-Time Career Job
Men on a Full-Time Career Job in 1992

	Full-Time Career Job		Bridge Job	
	coef	p-value	coef	p-value
Age in 1992				
51-54	---------	---------	---------	---------
55-59	-0.1023	0.000	-0.0962	0.000
60-61	-0.1443	0.000	-0.0726	0.040
62 or older	-0.2032	0.000	-0.0708	0.101
Health Status				
excellent/very good	0.0547	0.001	0.0141	0.539
good	---------	---------	---------	---------
fair/poor	-0.0034	0.896	-0.0943	0.008
Dependent Children	0.0585	0.000	-0.0141	0.592
Pension Status				
no pension	---------	---------	---------	---------
defined benefit	-0.0370	0.041	-0.0565	0.041
defined contribution	0.0127	0.521	0.0099	0.753
both	-0.0497	0.140	0.0794	0.083
Self Employed	0.0940	0.000	0.0829	0.009
Occupational Status				
White collar, highly skilled	---------	---------	---------	---------
White collar, other	0.0177	0.437	-0.0690	0.039
Blue collar, highly skilled	0.0028	0.888	-0.1256	0.000
Blue collar, other	0.0427	0.095	-0.0976	0.009
Health Insurance				
portable	-0.0042	0.789	0.0322	0.162
not portable	---------	---------	---------	---------
none	-0.0168	0.522	0.1384	0.001
Own Home	0.0246	0.271	-0.0966	0.002
Wealth ($1,000)	0.0028	0.023	0.0026	0.268
Constant	-0.1746	0.000	0.1764	0.001

[a] The regressions also control for college, ethnicity, marriage status, wage, region, and whether a spouse works.
Source: Authors' calculations based on the Health and Retirement Study.

Table 10b

Marginal Effects from Multinomial Logistic Regression[a]

Dependent Variable: First Transition from Full-Time Career Job
Women on a Full-Time Career Job in 1992

	Full-Time Career Job		Bridge Job	
	coef	p-value	coef	p-value
Age in 1992				
51-54	---	---	---	---
55-59	-0.1296	0.000	-0.0615	0.017
60 or older	-0.2602	0.000	-0.0999	0.042
Health Status				
excellent/very good	0.0308	0.086	0.0516	0.041
good	---	---	---	---
fair/poor	-0.0412	0.213	-0.0904	0.034
Dependent Children	0.0598	0.002	0.1027	0.001
Pension Status				
no pension	---	---	---	---
defined benefit	0.0675	0.001	-0.0922	0.001
defined contribution	0.0702	0.002	-0.0645	0.040
both	-0.0383	0.495	0.2529	0.000
Self Employed	0.0849	0.005	0.0052	0.904
Occupational Status				
White collar, highly skilled	---	---	---	---
White collar, other	0.0097	0.642	-0.0269	0.359
Blue collar, highly skilled	-0.0129	0.672	-0.0412	0.330
Blue collar, other	0.0091	0.743	-0.0408	0.293
Health Insurance				
portable	-0.0166	0.344	0.0306	0.215
not portable	---	---	---	---
none	-0.0821	0.020	0.1325	0.004
Own Home	-0.0228	0.303	-0.0535	0.087
Wealth ($1,000)	-0.0023	0.532	0.0043	0.292
Constant	-0.1359	0.000	0.2099	0.000

[a] The regressions also control for college, ethnicity, marriage status, wage, region, and whether a spouse works.
Source: Authors' calculations based on the Health and Retirement Study.