

Older workers
(1957-60 folder)

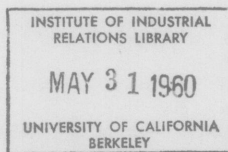
WORK ATTITUDES AT AGE 65 :

A Survey of 254 U. S. Corporations ,

Sponsored by

The National Committee on the Aging ,

1959 //



THE NATIONAL COMMITTEE ON THE AGING

345 East 46th Street New York 17, New York c1959?

FOREWORD

WORK ATTITUDES AT AGE 65 was conceived by the Employment and Retirement Committee of The National Committee on the Aging as a project intended to determine the attitude of men nearing age 65 with respect to working beyond age 65 and the attitude of management as to their ability to continue to work productively.

The extent and scope of the participation in this survey is a clear indication that management generally recognizes the dimensions and implications of the problem, and the necessity for putting forth constructive efforts in an attempt to find a solution.

Forty-seven corporations, each employing over 10,000 persons and representing an important cross-section of the country's industry, reported on 2,212 employees aged 64.

Tabulations of the responses from this group, as well as a compilation of statements, beliefs and questions which were submitted by key representatives of management, are included in the report.

The members of the Employment and Retirement Committee which sponsored this self-study are gratified by the response to the Committee's efforts.

A number of significant questions remain to be answered, such as:

1. What effect does the size of the company pension which supplements Social Security have upon the attitude of an individual to retire at age 65 or to continue at work?
2. To what extent would individuals like to continue to work if transfers to easier jobs were possible?
3. To what extent does the existence of a company policy of a fixed retirement age condition the thinking of individuals and cause them to want to retire at that age?
4. What effects do pre-retirement counselling or planning programs have upon the employee's attitude toward retirement at age 65?

We believe that further studies should be made to develop more information in these areas.

Dwight S. Sargent, Chairman
Employment and Retirement Committee
The National Committee on the Aging

Members of sub-committee in charge of this study:

- A. S. Anderson - Director of Industrial Relations, The Champion Paper & Fibre Co.
A. Lee Belcher - Director of Industrial Relations, The Pillsbury Co.
K. C. Flory - Asst. Director of Industrial Relations Division, Allis-Chalmers Manufacturing Co.
James H. Robins - Former President, American Pulley Co.
Albert S. Watters - Vice President, General Foods Corporation

WORK ATTITUDES AT AGE 65

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EXPLANATION OF "WORK ATTITUDES AT AGE 65" SURVEY

WORK ATTITUDES AT AGE 65 is the title of an employer self-study sponsored by The National Committee on the Aging in April-June 1959.

The purpose of the self-study was to encourage employers to develop reliable information on (1) attitudes toward work of male employees approaching retirement, (2) management evaluation of work capacity of male employees approaching retirement, and (3) primary motivation of male employees for wanting to work or retire at age 65.

Information developed by the self-study was intended primarily for management's own guidance, but The National Committee on the Aging invited participating companies to report their results to the Committee for inclusion in a consolidated report, without company identification. The Committee believed that the consolidated results would be of general interest, and might point up the need for more searching examination, and evaluation, of prevailing retirement policies and practices.

Two hundred and fifty-four United States corporations were invited by the Committee to participate in the project. The selection was based on corporations employing 10,000 or more persons, excluding railroads. Subsidiaries were not contacted.

The 254 corporations were asked to determine whether male employees aged 64, if given a free choice, would elect to retire at age 65 or continue working in their present jobs. The Committee recommended personal interviews as the preferred method for determining this choice, but suggested that alternate methods might include questionnaires, personnel records, and "educated guesses" of supervisors.

Four questions were suggested by the Committee for making this determination, and for obtaining relevant collateral information:

- (1) Assuming no change in your present circumstances, what would you prefer to do at age 65: (a) retire? (b) hold your present job?
- (2) If you prefer to retire, state the primary reason.
- (3) If you prefer to hold your present job, indicate how much longer you now think you would like to continue working in that job.
- (4) What is your primary reason for wanting to continue working after age 65?

The scope of the survey purposely was limited to encourage participation. Questions pertaining to part-time employment and transfer to lighter jobs were deliberately omitted. Women were not included because of special factors which induce retirement before 65. No distinctions were made between salaried and hourly, shop and clerical, management and non-management employees. Jobs were

not classified by shifts, skills, or physical requirements. No attempt was made to distinguish between companies which enforce compulsory retirement at 65 and companies which permit later retirement. The focus of the self-study was on just one limited, but basic, question: Does a man approaching 65 prefer to continue working at his regular job after 65, or does he prefer to retire, and why? The question has universal application, regardless of retirement policies of individual employers.

Determining whether an employee chooses to continue working at his regular job after 65 is only one side of the coin. Ability of that employee to meet job requirements is the other side. Therefore, management was asked to evaluate the abilities of persons who wanted to work, and to estimate the number who would be acceptable to management for continued employment in their regular jobs. This estimate, the Committee believed, would conservatively register the extent to which mandatory retirement policies eliminate able workers at age 65.

Because most of the corporations invited to participate are multi-unit operations, the Committee suggested that management might prefer to conduct the survey in one or two units as a pilot study. All but a few of the participants elected to follow this suggestion, with the result that some corporations, despite their size, are represented in the survey by a small number of employees in a single unit.

Personal letters announcing the WORK ATTITUDES AT AGE 65 project, and inviting participation, were mailed on April 10, 1959, to the presidents of the 254 selected corporations over the signature of the Chairman of The National Committee on the Aging. On that same date, personal letters explaining the project and accompanied by instructions, questionnaires, and report forms were mailed to the personnel directors of these same 254 corporations over the signature of the Chairman of the Employment and Retirement Committee of The National Committee on the Aging. Personnel directors were invited to report their findings by June 10, 1959, for this consolidated report.

SUMMARY OF FINDINGS

WORK ATTITUDES AT AGE 65 is a project designed by The National Committee on the Aging to encourage employers to develop reliable information on work interests and work capacity of male employees approaching age 65.

Two hundred and fifty-four United States corporations, each employing 10,000 or more persons, were invited by The National Committee on the Aging to participate in the project. Forty-seven corporations completed and returned questionnaires to The National Committee on the Aging, 63 corporations supplied relevant information but did not complete questionnaires, and 66 corporations indicated interest in the project but did not supply information. The response was 70 per cent of contacts.

Material made available to The National Committee on the Aging provides the following results:

(1) The number of male employees who desire to continue working in their regular jobs after age 65 averages 40 to 60 per cent. (Page 4)

(2) The number of male employees who desire to continue working in their regular jobs after age 65 and who are acceptable to management for continued employment in their regular jobs is 66 per cent. (Page 4)

(3) The percentage of male employees wanting to work and actually retained after age 65 varies widely. Retentions of 50 to 85 per cent are common. (Pages 8-9, 11-13)

(4) The primary reason for wanting to work at age 65 is financial. Job satisfaction and need for useful activity are frequent secondary reasons. (Page 5)

(5) The primary reason for wanting to retire at age 65 is the desire for different or less exacting activity, commonly expressed as the desire to "take it easy." Health and financial independence are frequent secondary reasons. (Page 5)

(6) While the evidence is limited, there appears to be some tendency toward higher mandatory retirement ages and lower optional retirement ages. (Page 18)

The survey did not attempt to show what additional percentage of males might be interested in employment after age 65 if lighter or part-time jobs were available.

The most common reason offered by corporations for refusing to participate in the WORK ATTITUDES AT AGE 65 survey was a desire by management to avoid any suggestion to employees that management contemplated a change of policy on mandatory retirement at age 65. Other reasons included sensitive labor relations, need for releasing older workers because of retrenchment, lack of information, lack of staff to obtain information, and too few employees of retirement age to be significant. (Pages 10-11)

ANALYSIS OF THE INFORMATION SUBMITTED BY 47 PARTICIPATING CORPORATIONS

Industries represented by the 47 participating corporations were aircraft manufacturing and products, air transportation, chemicals, construction, clothing, containers, electric equipment, food processing, glass, meat packing, paper, pharmaceuticals, public utility, radio and electronic, retail distribution, rubber, steel, and miscellaneous light and heavy manufacturing.

Of these 47 corporations, 12 reported mandatory retirement at age 65, 12 at age 68, three at age 70, and 19 reported no mandatory retirement age. One did not answer the question.

The total number of male employees aged 64 on whom the 47 corporations reported was 2,212.

Thirty-one corporations surveyed 1,422 male employees aged 64 by personal interview or questionnaire.

The remaining 16 corporations reported information from personnel records and supervisors' estimates or failed to report the method used.

Since the purpose of the WORK ATTITUDES AT AGE 65 survey was to determine attitudes of employees, it is obvious that the 1,422 results of personal interviews and questionnaires supply the most direct information in terms of that purpose.

The nine corporations with mandatory retirement at age 65 reported that 59 per cent expressed a desire to retire at age 65, while 41 per cent expressed a desire to continue working.

The eight corporations with mandatory retirement at age 68 reported that 39 per cent expressed a desire to retire at age 65, while 61 per cent expressed a desire to continue working.

The 14 corporations with no mandatory retirement age reported that 41 per cent expressed a desire to retire at age 65, while 59 per cent expressed a desire to continue working.

* Of all the 906 employees who wanted to continue at work at age 65 the management reported that 66 per cent were acceptable for continued employment.

The greatest proportion (59 per cent) of persons favoring retirement at age 65 is found among corporations with mandatory retirement at that age. There is no evidence in this study to indicate whether preference in these corporations for retirement at age 65 is the result of (1) more liberal pension benefits, (2) conditioning programs to make retirement more attractive, or (3) the impulse of some individuals to make a virtue of necessity by accommodating their views to the climate of opinion in which they live.

In corporations where employment is permitted after age 65, the data indicate that the proportion of males aged 64 who elect to continue working beyond age 65 is 56 per cent.

Some companies with mandatory retirement at age 65 report that a majority of employees interviewed would like to continue working, whereas other companies with later retirement ages report that a majority of employees interviewed would like to retire. Plant location, nature of work, and benefit schedules may partially explain these choices, but management policy must be recognized as a factor in influencing attitudes. A company with a compulsory retirement age of 68 but a management policy of encouraging retirement at 65 may in fact have a more rigid system than a company with compulsory retirement at 65 and a management policy of frequent exceptions.

WHAT ARE THE PRIMARY REASONS FOR WANTING TO RETIRE?

Approximately 400 persons responded to this question. Two out of three respondents feel they have worked long enough, believe they are financially able to retire, and say they look forward to the enjoyment of other activities or "taking it easy."

Of the other one-third, the majority say they want to retire for health reasons. Forty-five persons expressed their views in terms of social policy (should retire to provide jobs for younger men, or to relieve unemployment, or because age 65 is the proper time to retire), while a few indicated that their primary reason for retiring was to seek lighter or part-time work. One man stated that his reason for wanting to retire was to get away from traffic congestion, another because "it may be later than I think."

WHAT ARE THE PRIMARY REASONS FOR WANTING TO WORK?

Approximately 500 persons responded to this question. Over one-half stated that the primary reason was financial.

Of the remainder, the majority related their reasons to liking their jobs, a desire to keep busy and useful, and feeling better physically and mentally when employed. About seven per cent mentioned "nothing else to do" as the reason for working. A few wanted to complete service periods which would provide a form of recognition. One man stated that his doctor's advice was to keep working, while another felt it is "intended man should work."

Asked how much longer they would like to work after age 65, the majority of respondents replied "as long as able." The remainder divided their preferences about equally between one year, two years, three years, and five years.

EVALUATION BY MANAGEMENT OF THE REASONS GIVEN BY EMPLOYEES FOR WANTING TO WORK AFTER AGE 65 .

Management was asked to evaluate the reasons given by employees for wanting to continue working after age 65

Six companies made no evaluation, and eight companies based their evaluation on what they believed employees would give as their reasons if interviewed.

Of these 14 companies, only one obtained its information about employee attitudes from personal interviews with employees (this company omitted evaluation). Personnel records and supervisors' estimates were the sources of information in the other 13 companies.

Evaluation Based on Personnel Records and Supervisors' Estimates

Evaluation of reporting officers in the eight companies which obtained their information from personnel records and supervisors' estimates follows:

Company A -- "Have had compulsory retirement at 65 since 1941. Employees generally expect and plan on retirement at age 65."

The manager of the industrial relations division estimated that 60 per cent of employees retire voluntarily at age 65 because they "planned on retirement" or have failing health, and that 40 per cent would continue to work, if permitted to do so, "to keep busy."

Company B -- "The one employee who would like to continue working after 65 has a mortgage on his home which will take six years to pay off. Also his wife is seven years younger than he and will not collect Social Security until four years after his retirement."

Company has mandatory retirement at age 65. The vice president in charge of personnel reported that four employees want to retire, one wants to work.

Company C -- "Feel that the individuals desiring to work beyond age 65 were prompted to do so due to their lack of any earlier planning for retirement."

Company had mandatory retirement at age 65 until recently, when the mandatory retirement age was raised to 68. The manager of industrial relations estimated by "educated guess" that 13 employees would elect to retire at 65 (ten because they had other things to do, and three to give younger men a chance) and that three would elect to work (one for financial reasons, two to "make further plans for retirement"). He stated that 10 to 15 per cent of male employees are retained after age 65.

Company D -- "As indicated elsewhere, information contained herein was not obtained from interviews with employees. However, discussions with employees retiring indicate that their greatest concern involves occupation of their free time and adjustment to the problems which develop. When many of these same people are contacted a year or two after retirement, most of them admit that their fears were ill-founded."

Company has mandatory retirement at age 70. The personnel services manager reported that 29 employees want to retire, 108 want to continue working (no reasons given), and stated that the company retains 72 per cent of its employees after age 65.

Company E -- "Reasons are generally valid. Sometimes reasons given by people over 65 and who wish to leave before 70 may be invalid."

Company has mandatory retirement at age 70. The manager of wage administration, who estimates that 40 per cent of male employees are retained after 65, stated, "We did not conduct a personal interview as suggested. On

the basis of our experience with past interviews, we provided what we believe to be the significant answers to the questions.

"Unemployment compensation laws have some bearing regarding decisions by employees to retire voluntarily. If they voluntarily retire, they may not receive unemployment compensation, but would if they were laid off.

"Most of people seem to desire retirement at 65 (no statistics available) to discharge oneself of the weight of responsibilities and work, and to pursue some leisurely occupations or other things such as travel. Most of those who want to work after 65 are reluctant to retire because they want to be considered useful, and continue working as long as they can.

"Reliability of workers 65 and over: attendance is good and they have a good attitude towards the job. There seems to be a greater inclination to retire earlier because of a variety of things such as social legislation. If we need such people in the work force, it seems that all of us are doing everything to get them out. In times of great unemployment, this action seems desirable."

Company F -- "The main reason for desiring continued employment has been financial need. The needs appeared valid."

Company has mandatory retirement at age 65 for all management employees, but "it is possible for some (non-management) employees to get six-month extensions beyond normal retirement age up to an absolute maximum of 70 years. These are positively reviewed each six months, including a complete physical examination."

During a recent year, eight non-management employees retired at 65, eleven were granted six-month extensions, two were denied extensions. The reporting officer states, "There are, quite honestly, some employees of whom we would prefer not to inquire whether they would be interested in continued work."

Company G -- "Experience has been that, without a compulsory retirement plan, many employees would retire if they had planned ahead for some type of hobby or part-time job to occupy their time. If this is not done, their work is the only outlet they believe they have, and will continue working until forced to stop. Money, in many cases, is the secondary reason and not the deciding factor in continuing their work."

This company reported that it has no mandatory retirement age, that it retains after age 65 all employees "that wish to remain and are physically able to continue regular job."

Company H -- "Reasons appear to be valid."

Company has no mandatory retirement age, and reports that it retains 90 per cent of male employees after age 65. The director of personnel relations believes that employees continue working (1) for financial reasons, (2) because they want to keep active, and (3) because they like their jobs.

Evaluation Based on Personal Interviews

Reporting officers of the 33 companies who based their evaluation on personal interviews or questionnaires conducted for the WORK ATTITUDES AT AGE 65 survey generally agreed, with a few reservations, that the reasons given by employees for wanting to continue to work after age 65 were valid.

Sample replies have been arranged according to company policy on retirement age. After each evaluative statement is recorded the information reported on the number of employees who want to retire, number who want to work, reasons cited by employees who want to work, and company practice on retentions after age 65.

Mandatory 65 (no retentions after 65)

"I believe that the reasons given by employees are valid. Although there is a difference in the wording used by each in expressing his thoughts, the reasons given seem to spring from two principal personal problems, to wit: (a) reluctance to retrench from their accustomed standards of living, (b) their haunting fear of boredom." 10 employees want to retire, 14 want to work: financial (7), remain active (3), feel better (2), contribute my experience (1), need exercise (1).

"Reasons are valid from viewpoint of the employees but not from viewpoint of management, as employees are fully advised of policy of mandatory retirement and a pension plan is available to employees who elect to participate." One employee wants to retire, five want to work (financial).

"Several men expressed desire to work beyond age 65 because they felt that non-activity would shorten their lives. Believe validity of reasons is fairly high." Eight employees want to retire, 14 want to work: financial (8), keep occupied (6).

"We feel that the men who did not wish to retire were those who have never given any thought to planning for their retirement." Five want to retire, four want to work to "keep busy and live longer."

Mandatory 68

"The 'financial' reasons in some cases reflect need, but in others we think it demonstrates a lack of any plan to live the leisure years with a feeling of belonging or of accomplishment." Twenty-four want to retire, 14 want to work: financial (7), want to stay active (6), no other interest (1). Retentions after 65: 30 per cent.

"Reasons considered valid. Discussions held were free and broad in scope. Most of the employees in this group have been hardworking since early childhood; they have built their lives around working and would be ill at ease if they had nothing to do. Others want to give their children an opportunity for more education than they had in order to receive more from life." Fifteen want to retire, 14 want to work: financial (5), "lost" not working (7), become member of 25-year club (2). Retentions after 65: 40 per cent.

"Although employees state several reasons for wishing to continue working, the underlying basis for wanting continued employment is obviously financial." Eleven want to retire, 16 want to work for financial reasons. Retentions after 65: 60 per cent.

"Our only conclusion, and it is by no means original, is that people mature at widely varying rates. For this reason our pension plan allows for

retirement as early as 60 and as late as 68. For some individuals, retirement at 68 may be too early." Twelve want to retire, 16 want to work: financial (8), feel better (8). Retentions after 65: 65 per cent.

"We believe that the replies are essentially valid. Whether all individuals who say they would not know what to do if they did not continue at work is an absolute fact or simply an indication that they have not made sufficient effort to find alternate, worthwhile activities, we have no way of evaluating." Five want to retire, 23 want to work: financial (12), lost without job (11). Retentions after 65: 70 per cent.

"Finances may be cause, more often than mentioned. Fear of 'nothing to do' after retirement may be an influence." Seven want to retire, 36 want to work: financial (12), physically able and willing (24). Retentions after 65: 83 per cent.

No mandatory retirement age

"Money need was the commonest reason given and was probably an underlying cause even when respondent gave another primary reason. We have no doubt of the validity, since all will have to accept a reduced income at retirement. The availability of pension benefits did not seem to be a major factor, since employees with 'more' pension rights were as likely to express a wish to stay on as those with 'less' benefits." Eight want to retire, ten want to work: financial (6), too young to retire (3), nothing else to do (1). Retentions after 65: 20 per cent.

"No reason to question validity of reasons given. However, we believe no one wants to really retire at 65 if health is good and he is able to do satisfactory job." Five want to retire, 20 want to work: financial (10), like job and company (6), want to keep busy (2), no reason (2). Retentions after 65: 25-30 per cent.

"On the basis of preliminary interviews at age 63, I have a feeling that a higher number than indicated, of those who gave reasons other than financial, wish to continue working because of dread of the prospects of retirement." Fourteen want to retire, 24 want to work: financial (10), physically able and willing (8), job know-how (4), dread retirement (2). Retentions after 65: 61 per cent.

"Financial reasons' are usually valid and result from unusual family responsibilities. 'Like job' and 'enjoy working' frequently stem from lack of hobby or outside interest and fear of having 'nothing to do if I quit working.'" Four want to retire, four want to work: financial (2), enjoy work (1), feel better (1). Retentions after 65: 80 per cent.

"We have no reason to doubt the validity of the reported reasons, and it certainly confirms our present position of having employee remain at work after reaching the age of 65." Fifteen want to retire, 37 want to work: financial (15), remain active (6), like to work (4), no answer (12). No estimate of percentage retained after age 65.

NON-PARTICIPATING CORPORATIONS

Sixty-three corporations declined to participate in the WORK ATTITUDES AT AGE 65 survey, but provided relevant information, some in considerable detail. An additional 66 corporations declined to participate, provided no relevant information, but indicated interest. The balance of this consolidated report includes information supplied by the 63 non-participating corporations.

REASONS FOR DECLINING TO PARTICIPATE FALL INTO SEVEN PRINCIPAL CATEGORIES

(1) Mandatory retirement at 65. Commitment to a policy of mandatory retirement at age 65 was by far the most common reason for declining to participate. Inviting employees to express attitudes on continued employment after 65, it was feared, might suggest an imminent change in company policy, when such a change was not in fact contemplated.

(2) Labor relations. Possible repercussions from organized labor were cited in ten instances as a reason for not questioning employees on a subject which might touch a sensitive area of labor negotiations. Among the 47 participating corporations, The National Committee on the Aging learned of only one reaction of any kind from organized labor, and this reaction was favorable.

(3) Retrenchment. Reduction of labor force was cited by ten employers as a reason for not participating in the survey. In all of these cases a rigid retirement policy was practiced, and retired employees were not replaced.

"In 1958, due to surplus employees, we initiated a voluntary retirement program in which the discounted annuity was augmented pretty substantially. I think it is of interest that almost 1/3 of eligible employees 55 years of age or older took advantage of this voluntary program."

"Since 1956, we have been undergoing a major reduction in total personnel. It has been common sense to accomplish reductions through retirement. Since we could not be influenced currently by employee preferences, it would not be practical to seek expressions."

"During the recent recession we used this clause to retire a number of employees at age 65. Feelings were a bit ruffled because they were not allowed to continue to work until age 68."

(4) Lack of information. One of the stated purposes of the WORK ATTITUDES AT AGE 65 survey was to encourage employers to inform themselves more fully on a subject about which reliable information is conspicuously incomplete. Despite this stated purpose, twelve replies cited "lack of information" as the reason for not participating. The replies generally acknowledged the importance of the subject.

(5) Lack of staff. Collecting valid information of the kind requested requires time and effort. Seven companies stated that staff limitations made it impossible for them to participate.

(6) Too few in 64 age bracket to be significant. Seven companies declined to participate on the ground that they were young organizations and had relatively few employees who would fall in the age group surveyed.

(7) Miscellaneous. Some of the reasons for not participating seem unrelated to the stated purpose of determining work attitudes of male employees at age 64 and management evaluation of work capacity of employees who want to continue working.

Miscellaneous reasons for not participating included a preference for other methods of dealing with the problem, company reorganization or relocation which made participation inconvenient, inability to conduct the survey in the time allotted, recent changes in retirement plan which would make re-opening the subject inadvisable, and a variety of special difficulties such as "our people are scattered out over our 250 acre plant" and "most of the people within the organization are scattered throughout this country and Canada."

PERCENTAGE OF EMPLOYEES RETAINED AFTER AGE 65

Exponents of compulsory retirement at age 65 readily admit that there is nothing intrinsically peculiar about a 65th birthday which automatically renders a man unfit for employment. The WORK ATTITUDES AT AGE 65 survey provided an opportunity to throw light on actual practice.

Personnel directors were asked to answer the following question with regard to practice in their respective companies:

What percentage of male employees aged 65 is retained after 65?

Of the 47 participating companies which returned completed questionnaires, 12 had mandatory retirement at 65 and retained no employees beyond that age.

The widely divergent responses of the remaining 35 participating companies suggested three conclusions:

(1) Some employers do not maintain records which provide this information. Personnel directors of seven companies which do not have mandatory retirement at 65 left the space blank or indicated "not known."

(2) A strong management policy of encouraging retirement at 65 tends to minimize or nullify plan provisions permitting later retirement. Three employers -- one with no mandatory retirement, one with mandatory retirement at 68, and one permitting employment after 65 "only with special exception" -- all reported that 10 to 15 per cent are retained. An employer who reported that 60 per cent of male employees wanting to work after 65 are acceptable to management "estimates" that 20 per cent are retained.

(3) While it is impossible to determine where management policy ends and free choice of the individual begins in the decision to work after 65, the fact is that the employers who retain male employees after 65 reported percentages retained ranging from 10 to 100 per cent.

Further light on this question was provided by some of the employers who did not participate in the survey, but who volunteered relevant information:

Company A -- "During the year of 1958, of those employees who reached the age of 65, 81 per cent were on the payroll at the end of the year; of those employees who reached the age of 66, 76 per cent were on the payroll; and of those employees who reached the age of 67, 78 per cent were on the payroll at the end of the year."

Company B -- "During the past one-year period 195 male employees reached age 65; 68 of these requested retirement (35%); 127 requested continued employment (65%); 108 of those requesting continued employment were allowed to continue working (55%)."

Company C -- "We have never conducted a survey of our employees but note from the reaction we have had that unless in poor health they are all interested in continuing work."

Company D -- "We permit continuance in employment after age 65 and with company permission after age 68. A general observation based on our experience since the inception of the plan can be made that most of the employees reaching age 68 request continued employment and these requests have generally been approved."

Company E -- "Of those employees attaining age 65 in 1958, 82% continued to work. Of those attaining age 66, 82% also continued to work, and of those attaining age 67, 77% continued to work."

Company F -- "I might point out that at the present time the 78% who stay beyond age 65 is rather heavily loaded by a group of over age employees hired during World War II, many of whom by agreement with the Union continued to work beyond age 68 until they had acquired ten years of service. I imagine our long range outlook will be more in the ratio of 30% or 40% who retire at 65 and approximately 60% to 70% who will elect to work beyond that age."

Company G -- "During the past year, there were 31 retirements among the salaried employees. The average age at retirement for these 31 employees was 66.5 years. Ten of these employees retired at age 68 or later on full pension. Of the remaining 21 employees, 16 retired early, that is prior to age 68, at Company option, while 5 retired early at their own option. With respect to the hourly-paid employees, there were 47 retirements during the year. The average age of these employees at retirement was 56.3 years, with 15 retired at age 68 or later, and 32 retired prior to age 68. Of the 32 early retirements, 11 were at Company option and 21 at the option of the employee."

Company H -- "During the year 1958 approximately 51% of our men who reached the age of 65 chose to continue working."

Company I -- "As a consequence of raising our mandatory retirement date from 65 to 68 for men, and from 62 to 65 for women, 62% of our employees have elected to stay on the job for a longer period than heretofore."

Company J -- "39% of the employees pensioned during 1957 worked from 1 to 5 years beyond 65 and 37% pensioned during 1958 worked from 1 to 5 years beyond 65."

Company K -- Reported that 1.31 per cent of wage employees in its heavy manufacturing divisions are over 65 years of age.

Company L -- Reported that supervisors have estimated that 85% of employees retired at 65 under mandatory plan are capable of continuing in their regular jobs.

Three employers engaged in retail distribution reported:

Company M (normal retirement age 65) -- "Currently about 50% of our employees retire as they reach normal retirement age. Included in this group are some employees who would like to continue working but for whom Company approval is not granted. The remaining 50% apply for permission and are approved to work beyond normal retirement age. ... One other point of information which may be of interest to you is the fact that we permit retired employees to work after retirement on a temporary, seasonal basis for up to sixty days in each calendar year. This post-retirement employment with the Company in no way affects their right to retirement benefits. It does, however, give them an opportunity to earn a little additional money without jeopardizing their rights to Social Security benefits. It also enables the Company to utilize the services of experienced retired employees during peak rush periods. ... At the present time, we have 209 active employees who are beyond the normal retirement age of 65: 182 are in the 65 to 70 year age group; 23 in the 71 to 75 age group; and 4 in the 76 to 80 age group."

Company N (normal retirement age 65) -- "Over the past two years, the number of employees working past 65 years of age has remained fairly constant. ... On February 1, 1959, there were 302 regular full and part-time employees over 65 years of age still actively employed, 50% of whom were male. 52 of the current 572 retired employees continue to be employed on short hours (8-14). This additional employment is gaining in popularity."

Company O (normal retirement age 60, mandatory retirement age 65): "Since January 1951, we find that 70% of our members have continued in active service upon reaching age 60. Of the original group, 30% retired at or near age 60, 9% at or near 61, 7% at 62, 10% at 63, 7% at 64, and 37% continued the full 5 years."

Only three non-participating companies which volunteered information on this matter indicated a negligible number of employees retained after 65, and in all three cases other factors seemed to apply:

Company P with no compulsory retirement age adopted a firmer policy of encouraging retirement at age 65 and in two years reduced the number of persons working beyond age 65 from 20% to 5%.

Company Q reported that only 10% of its employees are retained after

age 65, but probably indicated why the percentage is so low by the statement that the "Pension Plan contemplates that all employees will retire at age 65." (The word "all" is underlined in the communication.)

Company R reported that conflicts of opinion in its labor union produced a mandatory retirement age of 65 in its northern division, a mandatory retirement age of 67 in its southern division. "Surprisingly enough, there are very few who take advantage of continuing beyond age 65. In the Southern Division, there are 13,194 members in the Retirement Plan, and at the present time we have only 31 who are working beyond age 65. This includes both hourly paid and salaried employees."

MANDATORY RETIREMENT AT AGE 65 FOR SALARIED EMPLOYEES

Several companies permit hourly and production employees to work after 65 but enforce mandatory retirement at 65 for management and salaried employees. None of these companies explained the reasons for this difference. The manager of benefit plans of an equipment manufacturing company stated that "if we ever modify our inflexible retirement policy, we doubt that we shall modify it with respect to officers and other key executives." An official of another company stated, "Another formidable problem is where in the organization hierarchy should a line be drawn above which retirement will be strictly enforced at a specified age regardless of physical capabilities. It is my personal opinion that the higher any employee has progressed in the ranks of the company, the more rigid the enforced retirement rule should become, since it is here that decisions are made, or fail to be made, which will affect many employees over a long period of time, decisions which can affect the very life of the enterprise itself."

HOW DO YOU DETERMINE FITNESS FOR EMPLOYMENT AFTER AGE 65?

To throw light on this question, employers retaining male employees after 65 were asked to explain how fitness for continued employment after 65 is determined. A few indicated that criteria for employment at 65 or later are no different from criteria for employment at 64 or earlier, namely, ability to do the job. Answers in greater depth implied that every person eventually is slowed down by the aging process and that there is need for personnel techniques to determine, as objectively and humanely as possible, the point at which retirement is in the interest of employer and employee alike.

While the focus of the WORK ATTITUDES AT AGE 65 survey was not on this specific problem, some of the information obtained is relevant.

Company S. Describing his company's experience "in a bargaining unit of 5,000 employees working under a pension plan absolutely free of compulsory retirement at any age," the manager of benefit plans stated:

"Our experiences with flexible retirement policies have been such as to direct our interest the other way -- at least until we know how to administrate effective discrimination as between justifiable and unjustifiable retentions. ... During 1956 and 1957, we had three workmen's

compensation accidents occur to employees over age 65. This concentration may have been accidental, but we must admit that it was beginning to color our attitude toward retention, especially since all three cases seemed to involve muscular coordination factors. Regardless of those cases, we are not satisfied that retention results have been satisfactory. Some employees we were glad to retain. Physically and productively they were obviously good retentions. However, every such obviously justifiable retention intensified the difficulty of retiring marginal cases. We have not yet found a way for our Medical Department to enter this problem effectively. We are working on it, however, and expect that a program of preretirement physical examinations will evolve some effective standards and procedures."

Two weeks after providing this information the same correspondent advised, "Ironically, since writing you before, we had a further experience of a near age 65 man sustaining an injury compensable under workmen's compensation."

Company T. The personnel director reported that "a 'Disability Panel' is our means of deciding which individual is of marginal value and should be retired before the mandatory retirement age. The panel is made up of three people: the personnel director, the medical director, and the department head of the individual under consideration. We depend on the medical director to give us whatever information exists on medical condition and prognosis. The department head has a record of performance, and is in a position to report quite objectively on whether the individual is doing his job. From these two sources we believe we get all relevant factual information. The department head is asked for his recommendation; the medical director is then in a position to support or not support the recommendation. As personnel director, I assume responsibility for the final decision. If the recommendation is retirement at 65, for example, and all three of us agree, the matter is closed and the employee is notified that he will not be allowed to continue in his job after 65. If we are not in agreement, I may try to persuade the department head that he does not have a strong enough case to support his recommendation."

Company U. The retirement administrator reported that (1) permission to work after normal retirement date and (2) annual surveillance of persons working beyond that date are both accomplished by evaluation of an application entitled "Request for Employment Beyond Retirement Date." This is a form in two sections:

Section A, completed and signed by the applicant, is a request for "permission to continue my employment beyond my normal retirement date."

Section B is filled out by the applicant's department head, under four titles: (1) actual duties: brief and specific description; (2) quality of performance: briefly indicate the individual's good characteristics as well as weaknesses, if any; (3) attendance: the number of days absent and tardy during the past year; (4) apparent health: brief statement as to his activeness and general mental attitude. The department head approves or disapproves the application, which is then sent to the division head for his review and signature. Final action on the application is by the Company Retirement Board.

Management policy is stated in the letter of transmittal of the application to the department head: "It is the intent of the Retirement

Board that each applicant, properly classified on the basis of knowledge, skill and attitude, shall be impartially rated on the basis of overall job performance. Because of the wide divergence in the rate at which individuals age, both physically and mentally, it is urged, therefore, that your recommendation be determined as objectively as possible, and it is especially requested that you avoid any reference to the age of the applicant in your comments."

Notice of approval of the application by the Retirement Board is sent to the employee in the following memorandum: "It is a pleasure to inform you that your request to continue employment beyond your normal retirement date has been approved by the Company Retirement Board. Approval does not prevent you from retiring or the Company from requesting your retirement at any time during the year if circumstances should warrant such action. A new request for continuance of employment must be made each year. You will receive notice when the time arrives for your next request. Please feel free to call on us at any time if you have any questions about retirement."

Three alternatives are available to the disapproved applicant: (1) he may accept retirement, (2) he may apply for a job transfer, or (3) he may take his case to Labor Relations if he feels that his request has been improperly evaluated. "Of approximately 60 who were retired involuntarily last year," states the retirement administrator, "only 12 appealed to Labor Relations. Action in two instances was reversed and none of the remaining ten filed an actual grievance. Age range of personnel working beyond normal retirement date is 65 to 80, with an average of 67.6 years."

Company V. A manufacturer with no mandatory retirement age determines fitness for continued employment after normal retirement age by (1) recommendation of an employee's supervisor, (2) a personal interview by a representative of the personnel department, and (3) medical records. Prior to the personal interview, the supervisor is requested to complete a confidential form for the information of the interviewer, as follows:

Rating on present job: excellent ___ good ___ fair ___ poor ___
 How does he get along with fellow-workers: adaptable ___ not adaptable ___
 What is the present condition of his health? ___
 Is it necessary for him to lose time because of any physical condition? ___
 Would you recommend retirement at this time? ___
 Further comments _____

Company W. Another manufacturer reported: "Every six months after an employee attains age 64½, and until age 70, a questionnaire is sent to his department head requesting information as to whether he is performing his work satisfactorily, whether he has lost an excessive amount of time due to sickness, and whether the department head recommends that he be allowed to continue to work. Except in a few specified jobs, the employee can work until age 70 provided he can carry a normal work load."

RETIREMENT PREPARATION

The WORK ATTITUDES AT AGE 65 survey did not ask for information on retirement preparation programs, and none was obtained from the 47 participating companies, but five non-participating companies volunteered the following information:

Company X. "Despite our inability to formally contribute at this time, you may be interested in one fact drawn from our experience over the past five years. In the opinion of our pre-retirement program counselor, 95% of our senior employees disclaim any desire to continue working either in their present jobs or on a reduced basis beyond age 65. On the contrary, many express an interest in retirement at an even earlier age, but continue working for reasons primarily financial. The balance express 'job satisfaction' as the primary motive for working up to age 65. These figures cover over 500 employees interviewed since 1954 at age 62. In evaluating these figures we like to believe that they demonstrate the effectiveness of our pre-retirement counselling program, the purpose of which is to assist employees in adjusting to and accepting our compulsory retirement age of 65. I must confess, however, we have no proof that replies to an anonymous questionnaire would be the same."

Company Y. "Over the past several years we have attempted to create a climate of opinion that is favorable to retirement. We do this on a continuing basis and attempt to reach all employees. We accomplish this in plant publications about employees who are retiring or who have retired, booklets describing our retirement plans, interviews with employees approaching automatic retirement age (68), and other means. Through these methods we hope to develop employee recognition and acceptance of eventual retirement and the need to plan for retirement. In recent years the percentage of employees 65 years of age or older who retire voluntarily prior to age 68 has risen from 57% to 86%. Part of this increase, we feel, is due to a changing attitude toward retirement and part to a higher level of benefits."

Company Z. "We have a compulsory retirement age of 68 for our 15,000 hourly paid employees. ... We feel the work your Committee is doing is most worthwhile, and we are also well aware that there is no ideal retirement age that is suitable for all employees. The percentage of hourly paid employees who elect to continue working beyond age 65 was 82% in 1958. In the past couple of years I have noticed a tendency for hourly paid people to retire before reaching age 68, as contrasted to the situation a few years ago when age 68 was adopted as a compulsory retirement age. I believe this is accounted for by two reasons: (1) compulsory retirement is better accepted as time goes on with our group of employees and they are starting to think about retirement at least at age 60; (2) our pension plan gives no further pension credit after completion of thirty years of service."

Company AZ. "When an employee of the Company reaches age 64, we begin a series of mailings to the employee covering a wide range of preparation for retirement subjects. One of our principal purposes in sending the material to the retiree is to encourage the retiree to enthusiastically look forward to his retirement and, wherever possible, to encourage the retiree to voluntarily retire upon reaching normal retirement age. Because of this rather carefully followed program and because of the fact that many of our managers begin counseling their employees in regard to retirement during the employees' 64th year, we are naturally reluctant to distribute your suggested questionnaire."

Company BZ. "The counsellor who was at that time the primary contact with retirement age employees gives us the following estimated

figures: 15% of those reaching retirement age volunteered retirement action; of the remainder, 65% became voluntary retirements after one or more counselling interviews; the other 35% of this remainder stayed on after the 65th year."

CHANGES IN RETIREMENT POLICY DURING THE PAST FIVE YEARS

Participants in the WORK ATTITUDES AT AGE 65 survey were asked to state what changes, if any, in retirement policy with respect to age have occurred in the past five years.

Of the 47 participating companies, two raised mandatory retirement age from 65 to 68, two lowered optional early retirement ages to 55 and 58, one lowered normal retirement age from 68 to 65, five adopted a mandatory retirement age in lieu of no mandatory retirement age (one at 65, three at 68, one at 70), and one adopted compulsory retirement at 65 "unless special exceptions are granted." The remainder did not report any changes.

Of the 63 non-participating companies, an air transportation company and a manufacturing company changed mandatory retirement age from 65 to 70 and normal retirement age from 65 to 68, and another manufacturing company changed normal retirement age from 65 to 68 with no mandatory retirement age. Two public utilities changed from 65 mandatory to 65 optional and 68 mandatory. A bank changed mandatory retirement age for women from 60 to 65 and reported that "by and large this change has been well received," but that management has no present intention of changing the 65 mandatory retirement age for men. A retail distributing company reported that it had a compulsory retirement age of 65 which had never been enforced, but that 65 would become mandatory in the near future. A farm implement manufacturer reported that its mandatory retirement age of 68 was recently amended to permit employment after 65 only by "specific approval of the Company." Several companies indicated that management policy was to encourage retirement at 65 even though mandatory retirement age might be later or not specified.

The director of industrial relations of a company committed since 1941 to mandatory retirement at 65 for non-union employees reported that changes for union employees reflected shifts of attitude among members of the union itself. Conditions in the labor market, as this experience demonstrates, can influence retirement attitudes and policies, and in periods of job scarcity may even create labor pressures to force retirement of older members. (1)

(1) In December 1958 the press reported that about 100 furloughed workers of the Allenport plant of Pittsburgh Steel Company "picketed" older workers with such signs as "Men over 65, please take your pensions. We have little mouths to feed," "You raised your family. We still have ours to raise," and "The union fought for your pensions. Why don't you take them?" The demonstration was not sanctioned by the United Steelworkers Local, representing 2,400 members.

The impact of these pressures for retirement is evident not only in the negotiated union contracts supporting mandatory retirement, but also in the reasons offered by older workers for retiring. Ten per cent of the 64-year-old male employees interviewed in the WORK ATTITUDES AT AGE 65 survey stated that their primary reason for wanting to retire at 65 was "to provide work opportunities for younger men" or because "65 is the proper age to retire."

FURTHER RESEARCH SUGGESTED

The WORK ATTITUDES AT AGE 65 survey was intended to stimulate management interest in developing, for its own guidance, reliable information on work attitudes and work abilities of male employees close to the age at which Social Security benefits become payable. Such information is in "short supply" for at least two plausible reasons: (1) management has not yet felt the full cost impact of higher pension benefits and longer pay-out periods, and (2) the dimensions of the problem are formidable. For the moment, at least, other matters have seemed more urgent.

Participants were invited to comment on the WORK ATTITUDES AT AGE 65 survey and to state whether it suggested any matters on which they would like to obtain additional information.

The most frequent comment was that respondent would like to receive a copy of the survey results. Several persons expressed an interest in obtaining reliable information on the effect of retirement preparation programs on retirement attitudes and experiences. (The Ford Foundation made grants for research projects on retirement preparation to the Industrial Relations Section of California Institute of Technology in 1958 and to the School of Industrial and Labor Relations of Cornell University in 1959. The first project is scheduled for completion in 1960, the second in 1962.)

The effect of compulsory retirement programs on unemployment compensation costs was suggested as a subject for inquiry, as was industrial practice on post-retirement life insurance and hospitalization coverage.

"There is real need for the formulation of valid criteria by which physiological age can be evaluated and for the determination of the age level on that scale at which retirement should be compulsory," stated a correspondent. "There is good reason to believe that some men (and women) are younger at 75 than others are at 55 and it would seem illogical for a company either to deprive itself of the valuable services of the former or be encumbered by the latter in the hope that they could be 'nursed' through to 'normal' retirement date at which time they would become eligible for retirement benefits."

One respondent observed that earlier studies on retirement indicated that the majority of employees did not wish to retire, and asked whether there is evidence currently to the contrary.

The personnel director of a company with no mandatory retirement age believed that "it would be interesting to know the experience of companies without compulsory retirement in the ratio of employees voluntarily leaving at age 65 and reasons pro and con for retaining employees past 65; also the productivity and attendance of employees past 65 in relation to under 65."

A company engaged in retail distribution asked whether the trend to higher mandatory retirement ages applies to all types of business, and if not, to what types of business does it apply?

A personnel director expressed a need for a "more uniform and fairer method of determining fitness to continue working whether at 65 or above or below that age."

ANALYSIS OF THE ANSWERS TO QUESTIONNAIRES SUBMITTED
IN CONNECTION WITH THE STUDY OF WORK ATTITUDES
AT AGE 65

COMPANY	NO OF MALES AGE 64		METHOD USED TO OBTAIN DATA			ARE MALES RETAINED AFTER 65		MANDATORY RETIREMENT AGE IS	WANT TO RETIRE AT 65		WANT TO WORK AFTER 65	
	REPORTED ON	% OF TOTAL	PERSONAL INTERVIEW	QUESTIONNAIRE	RECORD	YES - NO	PERCENT		EMPLOYEES WISH TO	SUITABLE TO RETAIN	EMPLOYEES WISH TO	SUITABLE TO RETAIN
1	6	67	X			Yes	50	None	1	1	5	4
2	30	100	UNKNOWN			No	-	65	22	0	8	0
3	2	100	X			Yes	?	None	1	0	1	1
4	33	97	X			Yes	46	68	16	16	17	17
5	25	29	X			Yes	25-30	None	5	2	20	10
6	8	100		X		Yes	80	None	4	?	4	?
7	60	95	X			Yes	?	None	37	?	23	?
8	24	33	X			No	-	65	10	5	14	12
9	32	41	X			Yes	90	None	20	15	12	7
10	684	100		X		No	-	65	407	59	277	93
11	41	100	X		X	Yes	75	None	10	8	31	25
12	18	17	X			Yes	20	None	8	5	10	6
13	109	100	X		X	Yes	10	None	64	30	45	21
14	36	50	X	X		No	-	65	20	10	16	9
15	23	8	X			No	-	65	21	5	2	2
16	6	100	UNKNOWN			No	-	65	3	3	3	3
17	5	100	X			No	-	65	4	1	1	0
18	20	83	X			Yes	?	None	1	1	19	16
19	38	93	X			Yes	30	68	24	24	14	14
20	6	100	X			No	-	65	1	0	5	4

ANALYSIS OF THE ANSWERS TO QUESTIONNAIRES SUBMITTED
IN CONNECTION WITH THE STUDY OF WORK ATTITUDES
AT AGE 65

COMPANY	NO OF MALES AGE 64		METHOD USED TO OBTAIN DATA			ARE MALES RETAINED AFTER 65		MANDATORY RETIREMENT AGE IS	WANT TO RETIRE AT 65		WANT TO WORK AFTER 65	
	REPORTED ON	% OF TOTAL	PERSONAL INTERVIEW	QUESTIONNAIRE	RECORD	YES - NO	PERCENT		EMPLOYEES WISH TO	SUITABLE TO REMAIN	EMPLOYEES WISH TO	SUITABLE TO REMAIN
21	43	100	X			Yes	83	68	7	7	36	36
22	25	100	X			No	-	65	15	?	10	8
23	22	100	X		X	Yes	10	?	10	1	12	2
24	28	97	X			Yes	70	68	5	4	23	23
25	60	100	X			Yes	40	None	31	16	29	24
26	29	74	X	X		Yes	40	68	15	10	14	12
27	38	95		X		Yes	61	None	14	10	24	18
28	72	97			X	No	-	65	51	40	21	16
29	137	100			X	Yes	72	70	29	0	108	108
30	27	100	X			Yes	60	68	11	4	16	6
31	15	94	X			Yes	?	68	3	1	12	8
32	22	35	X			No	-	65	8	?	14	?
33	13	100	X			Yes	100	None	4	4	9	8
34	28	78	X	X		Yes	65	68	12	11	16	16
35	9	82	X			No	-	65	5	5	4	4
36	52	63		X		Yes	?	None	15	15	37	37
37	16	100			X	Yes	10-15	68	13	6	3	1
38	7	50	X			Yes	90-95	None	0	0	7	7
39	24	92			X	Yes	50	70	11	?	13	11
40	5	100			X	Yes	90	None	0	0	5	5

ANALYSIS OF THE ANSWERS TO QUESTIONNAIRES SUBMITTED
IN CONNECTION WITH THE STUDY OF WORK ATTITUDES
AT AGE 65

COMPANY	NO OF MALES AGE 64		METHOD USED TO OBTAIN DATA			ARE MALES RETAINED AFTER 65		MANDATORY RETIREMENT AGE IS	WANT TO RETIRE AT 65		WANT TO WORK AFTER 65	
	REPORTED ON	% OF TOTAL	PERSONAL INTERVIEW	QUESTIONNAIRE	RECORD	YES - NO	PERCENT		EMPLOYEES WISH TO	SUITABLE TO RETAIN	EMPLOYEES WISH TO	SUITABLE TO RETAIN
41	6	100	X			Yes	50	None	3	1	3	3
42	4	100			X	Yes	75	Done	0	0	4	4
43	73	100	Unknown			Yes	?	68	Unknown			
44	10	100			X	Yes	?	None	2	2	?	?
45	86	?			X	Yes	69	68	Unknown			
46	110	?	Unknown			Yes	75	68	Unknown			
47	45	100			X	Yes	40	70	Unknown			

47	2212		30	7	12	No-12		65-12	*868	317	*906	597
						Yes 35		None-19		37%		66%
								70-3		of 1774 reaching 65		
								68-12		914 or 51%		
								? - 1		were suitable		
										to retain		

* 9 Companies omitted - Insufficient Data