The Impact of Hours Flexibility on Career Employment, Bridge Jobs, and the Timing of Retirement

Authors: Kevin Cahill, Michael Giandrea, Joseph F. Quinn

Boston College Working Papers in Economics, 2014

Originally posted on: http://ideas.repec.org/p/boc/bocoec/880.html

PRELIMINARY DRAFT
Do not quote without permission.

The Impact of Hours Flexibility on Career Employment, Bridge Jobs, and the Timing of Retirement

Kevin E. Cahill, Ph.D.
(corresponding author)
Sloan Center on Aging & Work at Boston College
140 Commonwealth Avenue
Chestnut Hill, MA 02467
Email: cahillkc@bc.edu
Phone: (857) 222-4101

Michael D. Giandrea, Ph.D.
U.S. Bureau of Labor Statistics
Office of Productivity and Technology
Postal Square Building, Room 2180
2 Massachusetts Ave., NE
Washington, DC 20212-0001
Email: giandrea.michael@bls.gov
Phone: (202) 691-5628

Joseph F. Quinn, Ph.D.
Department of Economics
Boston College
Chestnut Hill, MA 02467-3859
Email: joseph.quinn@bc.edu
Phone: (617) 552-2022

February 12, 2014

All views expressed in this paper are those of the authors and do not necessarily reflect the views or policies of the U.S. Bureau of Labor Statistics. The Alfred P. Sloan Foundation supported this research through a grant to the Sloan Center on Aging & Work at Boston College.

The Impact of Hours Flexibility on Career Employment, Bridge Jobs, and the Timing of Retirement

Abstract

To what extent does hours flexibility in career employment impact the retirement process? Workplace flexibility policies have the potential to improve both the welfare of employees and the business outcomes of employers. These policies, and hours flexibility in particular for older Americans, have also been touted as a way to reduce turnover. For older Americans, reductions in turnover could mean more years in career employment, fewer years in bridge employment, and little or no impact on the timing of retirement. Alternatively, hours flexibility in career employment could lead to longer working lives and delayed retirements. The distinction between the two outcomes is important if hours flexibility policies, such as phased retirement, are to be considered an option for alleviating the strains of an aging society. This paper describes how hours flexibility in career employment impacts the retirement patterns of older Americans. We use data on three cohorts of older Americans from the Health and Retirement Study (HRS), a large nationally-representative dataset that began in 1992. We explore the extent to which hours flexibility arrangements are available and utilized in career employment and explore the extent to which such arrangements impact job transitions later in life. We find that bridge job prevalence is higher among those with access to hours flexibility in career employment compared to those without hours flexibility. Further, while we find mixed evidence that hours flexibility extends time in career employment, we do find that hours flexibility in career employment is associated with longer tenure on bridge jobs. Taken together these results suggest that hours flexibility in career employment is associated with extended work lives, particularly in post-career employment.

Key words: Economics of Aging, Partial Retirement, Gradual Retirement
JEL No.: J26, J14, J32, H55

I. Introduction

This paper examines the relationship between hours flexibility in career employment and gradual retirement. The types of workplace flexibility arrangements that are available to older workers span a wide spectrum, ranging from compressed work weeks to job sharing arrangements to "snow bird" or seasonal arrangements. One type of arrangement, a reduction in the number of paid hours worked, also known as phased retirement, is often cited as being highly desirable among older Americans (Sloan Center on Aging & Work at Boston College, 2013a). Employers in the U.S., however, have by and large resisted such arrangements because of regulatory barriers and other reasons (Johnson, 2011; Sheaks, Pitts-Catsouphes, Smyer, 2010). Employers' resistance to phased retirement policies, combined with a flexible labor market, has fostered an environment of job change later in life among older Americans looking to reduce the number of hours that they work. To the extent that reduced hours arrangements exist among older Americans, how do such policies influence their work decisions? Further, if reduced hours arrangements were more widespread, how might this impact the work and retirement decisions of older Americans more generally?

Just as workplace flexibility encompasses a wide variety of arrangements, so does gradual retirement. Gradual retirement includes not only phased retirement, but also bridge jobs – those that follow career employment and precede complete labor force withdrawal – and reentry after an initial retirement (Cahill, Giandrea, & Quinn, 2006, 2011, 2012; Maestas, 2010; Quinn, 1999, 2010; Ruhm, 1990, 1991; Shultz & Wang, 2011). Phased retirement and reentry are by far less prevalent than bridge job transitions among older Americans. Whereas approximately 60 percent of older Americans with a career job transition to a bridge job later in life, only about 1 in 10 older Americans experiences a reduction in hours on their career job (Cahill, Giandrea, & Quinn,

2013a). Interestingly, reentry is more common than phased retirement in America. Approximately 15 percent of those with a career job exit the labor force for a period of time and then reenter, indicative of both the flexibility of the US labor market generally and the rigidity of employer policies with respect to phased retirement (Maestas, 2010).

A key policy-relevant question for this study is how an expansion of phased retirement policies might impact patterns of labor force withdrawal – including bridge employment and, more generally, the timing of retirement. The outcome is ambiguous a priori. To the extent that flexibility with respect to hours worked reduces turnover, the result could mean more years in career employment, fewer years in bridge employment, and little or no impact on the timing of retirement. Alternatively, workplace flexibility policies could both extend career employment and still allow for subsequent bridge employment, leading to longer working lives and delayed retirements. Moreover, for at least some, the disruption and uncertainties associated with job search and a change of employers could be avoided if hours flexibility is available in career employment. Finally, it is possible that phased retirement could truncate the timing of retirement through direct exits from career employment without bridge job transitions. The distinction between these outcomes is important if workplace flexibility policies are to be considered an option for alleviating the strains of an aging society.

The Health and Retirement Study (HRS), a longitudinal nationally-representative dataset of older Americans that began in 1992, contains information about individual work histories, including the availability of hours flexibility and changes in the number of hours worked (Juster & Suzman, 1995; Karp, 2007). We select a group of individuals who have had a wage-and-salary career job later in life and group them into three groups: 1) those who have access to hours flexibility and who reduce hours; 2) those who have access to hours flexibility and who do not

reduce hours; and 3) those without access to hours flexibility. We then compare the retirement patterns of these three groups, including the length of career employment, bridge job prevalence, and tenure in bridge employment, both descriptively and in a multivariate context.

In order to conduct this analysis, an extended follow-up period is necessary. An 18-year follow-up period is available for the initial HRS Core group of respondents aged 51 to 61 in 1992 and a 12-year follow-up period is available for the HRS War Babies who were added to the sample in 1998 and aged 51 to 56 at that time. Our analysis focuses on these two cohorts. To the extent possible, we include information on the HRS Early Boomers added in 2004 (born from 1948 to 1953). We do not include the HRS Mid Boomers added in 2010 (born from 1954 to 1959) because data on their retirement transitions are not yet available.

This paper is structured as follows. The next section provides background on retirement transitions with a focus on phased retirement. Section III describes the Health and Retirement Study and the research methods used to examine retirement patterns. Section IV presents the results and Section V discusses the main findings and highlights some areas for further research, including an analysis of the Early Boomers and Mid-Boomers as data become available.

II. Background

Phased retirement is one of three options in a gradual retirement process. The other two parts are bridge employment and reentry – a return to paid work following an initial "retirement" or exit from the labor force. More than six out of ten workers with a career job later in life transition to a bridge job following career employment and approximately 13 percent of older career workers re-enter the labor force following an initial exit. In contrast, only 10 percent of older Americans with career jobs reduce their hours significantly while in career employment (Cahill, Giandrea, & Quinn, 2013a; Quinn, Cahill, & Giandrea, 2011; Shultz & Wang, 2011).

In their review of the retirement literature, Kantarci and van Soest (2008) discuss reasons why the prevalence of phased retirement is so low in the United States relative to Europe. The reason seems to be two-fold. First, the European labor market is generally less flexible than that of the U.S., making job transitions into bridge employment among older workers less likely. As such, if workers want reduced hours, the options are limited to seek such an arrangement with a new employer. Second, and perhaps more importantly, employers in Europe are generally more open to such arrangements than those in the U.S., so workers in Europe do not need to look outside of their current employer to find a reduced hours arrangement. In short, compared with older workers in the United States, older European workers have more options for phased retirement in career employment and fewer options for bridge employment. These two factors explain, at least in part, why phased retirement is more prevalent among older European workers compared with older American workers.

Other studies have focused on the U.S. experience and have argued that the low prevalence of phased retirement in the U.S. is not due to a lack of interest on the part of older workers. Surveys of older workers consistently reveal interest in reduced-hours arrangements (Hoffman & Andrew, 2010; James, Swanberg & McKechnie, 2007; Sloan Center on Aging & Work at Boston College, 2013a). For example, a recent AARP study found that older workers value hours flexibility arrangements as much or more so than they do pensions (AARP, 2014). The low prevalence, therefore, is likely to be a labor demand issue – relatively few employers are willing to offer such arrangements to older workers.

The reasons employers are reluctant to offer phased retirement options to older workers are varied, but several justifications are common. The first issue with phased retirement policies is that a reduction in hours can affect an individual's benefits, such as employer-provided pensions

(Hoffman & Andrew, 2010; Johnson, 2011; Sheaks, Pitts-Catsouphes, Smyer, 2010). Employers frequently cite regulatory barriers that prevent employees from claiming pension benefits while remaining employed, even if the work is part time. Some employers have found ways to allow such arrangements, but others have not, and the inability to both remain working and draw pension benefits continues to be a barrier to phased retirement for many workers. Options for phased retirement policies are also limited by antidiscrimination rules with respect to age and income (Johnson, 2011).

Still another complication with phased retirement pertains to scheduling. As an older worker reduces his or her hours from full-time work to part-time work, the employer needs to find a worker to complete the now-unstaffed projects left by the worker who is taking phased retirement (Sloan Center on Aging & Work at Boston College, 2013b). Further, closing the gap could involve more than just filling hours, as coordinating job tasks may involve changes for managers who need to oversee multiple workers for a series of tasks that were previously completed by one. One way to alleviate these strains is for employees to compensate their employers for being flexible, potentially in the form of reduced (hourly) wages for the individual who has taken phased retirement. Aaronson and French (2004) find that reductions in the number of hours worked are associated with declines in hours wages; however, they also find that reductions in hourly wages are most pronounced among those who changed employers.

The literature on the impact of flexible hours arrangements on career job tenure and job transitions later in life provides some evidence that hours flexibility is associated with longer tenure. Charles and Decicca (2007) find that individuals who are unable to reduce hours worked are more likely than those who can to exit the labor force earlier. Gielen (2009) examined the impacts of hours flexibility among British men and concluded that labor force participation rates

could be increased if more opportunities to reduce hours worked in full-time employment are available. Still, while flexible work arrangements may extend time in career employment, less is known about whether there is an impact on the likelihood of transitioning to a new job following career employment, as well as tenure on the new job. One relevant characteristic of bridge job employment is that approximately one half of individuals transition to part-time bridge jobs following full-time career employment – a clear indication that older workers are willing to change employers in order to reducing hours intensity later in life.

The self-employment literature might also shed light on the impact of hours flexibility. Individuals who are self employed on their career job – and who presumably have hours flexibility – remain in career job employment longer than their wage-and-salary counterparts and are more likely to remain working later in life (Zissimopoulos & Karoly, 2007, 2013). This result could stem from self selection (i.e., the types of individuals who opt into self employment are both those who prefer hours flexibility and those who plan to work later in life) and it could stem from other characteristics associated with self employment. Regardless, older workers who are self employed are much more likely than those who are wage-and-salary to report a reduction in the number of hours worked later in life (Cahill, Giandrea, & Quinn, 2013b). There is, therefore, at least some evidence that reduced hours arrangements have an impact on both the length of career employment and continued work later in life.

As noted above, the impact of hours flexibility on both bridge job transitions and the length of time in the labor force is ambiguous a priori. To the extent that individuals transition to bridge jobs to seek hours flexibility, one might expect that the availability of hours flexibility in career employment would inhibit bridge job transitions. On the other hand, reduced hours in career employment might create the financial need for more years of work and, therefore, an

extension of both career employment and bridge employment. This papers looks to the HRS data to reveal which outcome dominates among older Americans.

III. Data and Methods

The Health and Retirement Study (HRS) is a nationally-representative longitudinal dataset of older Americans that began in 1992 with a core group of respondents aged 51 to 61 ("age-eligible") and their spouses, regardless of age (Juster & Suzman, 1995; Karp, 2007). The HRS Core consists of 12,652 individuals from approximately 7,600 households. Interviews of the HRS Core respondents have taken place every other year since 1992. Beyond the HRS Core, additional cohorts of older Americans have been added to the HRS. In 1998 a group of the oldest old, individuals aged 67 and older in 1992, from a survey then known as the Asset and Health Dynamics of the Oldest Old (AHEAD) was merged with the HRS. Also in 1998 the HRS War Babies were added to the survey. The War Babies (n=2,529) were aged 51 to 56 at the time of their first interview, notably a shorter age range than the initial HRS Core respondents. The HRS Early Boomers (n=3,330) were added in 2004 and were aged 51 to 56 at that time. The birth years of the HRS cohorts used in this analysis are as follows: HRS Core (1931 to 1941); War Babies (1942 to 1947); and Early Boomers (1948 to 1953).

The follow-up period for each cohort varies, ranging from 18 years for the HRS Core, 12 years for the War Babies, and six years for the Early Boomers. The work transitions of the AHEAD cohort, while spanning an entire work history, were by and large obtained using retrospective questions. As a result, responses in the AHEAD survey may be subject to a higher level of recall bias than those from the (contemporaneous) questions of the HRS biennial interviews. For the purposes of this analysis, we therefore restrict our sample to individuals from the HRS Core, the War Babies, and, to the extent possible, the Early Boomers.

We focus on retirement transitions, with particular emphasis on the availability of hours flexibility in career employment. Our first restriction on the sample, therefore, is to identify individuals who held a career job. We define a career job as one that consists of 1,600 or more hours per year and 10 or more years of tenure, a definition that is well established in the bridge job literature. Research has shown that while the prevalence of career employment and bridge jobs changes somewhat with the definition, the qualitative conclusions with respect to retirement transitions do not (Cahill et al., 2006).

The HRS questionnaire includes detailed questions about employment in each wave which allows for an examination of work histories and, while respondent-provided information is available about jobs prior to the first interview, such information is limited. We therefore further restrict our sample to individuals on a full-time career (FTC) job at the time of the first HRS interview. For those on a FTC job on the first interview, a detailed record of their work histories later in life can be constructed – over an 18-year period for the HRS Core (from 1992 to 2010), over a 12-year period for the HRS War Babies (from 1998 to 2010), and over a 6-year period for the Early Boomers (from 2004 to 2010). One advantage of having such detailed job-related information in each survey wave is that time-varying characteristics can be assessed in the wave prior to any labor market transition. This information allows us to examine key determinants of transitions from career employment with particular emphasis on the particular policies that were available on the career job just prior to a transition.

The sample is restricted again to include only age-eligible respondents only. As noted above, the full HRS sample includes spouses of age-eligible respondents, regardless of their age. In order to retain a sample of individuals within the age-eligible range, we remove spouses who are outside of this range. Another restriction is that we remove individuals who were self employed on their

career job. The goal of our analysis is to examine impacts of hours flexibility, and barriers to hours flexibility within organizations, issues that do not apply to those who are self employed.

The availability of phased retirement on the career job is assessed using questions from the HRS regarding hours flexibility. Specifically, the relevant questions are: "[Not counting overtime hours, could/Could] you reduce the number of paid hours in your regular work schedule?" and "If you wanted to work half time on this job, would your employer allow you to do that?" In addition to the availability of hours flexibility, we also examine the actual number of hours worked in career employment over the observation period. Respondents who experienced a 20 percent or more reduction in hours while still remaining employed on the career job are also examined for the purposes of this analysis. Therefore, empirically, we distinguish between the *availability* of phased retirement on the career job and *the use of* such policies.

After identifying individuals on a wage-and-salary FTC job at the time of their first survey, we sort respondents into those who: 1) have access to hours flexibility and reduce hours by 20 percent or more; 2) have access to hours flexibility and do not reduce hours by 20 percent or more; and 3) do not have the ability to reduce hours worked. The first outcome measure is length of time in career employment, which we examine both descriptively and in a multivariate context. We then examine the prevalence of bridge employment and the length of time in bridge employment. We address the question of total length of time employed by examining the total duration of employment, including both time in career employment and time in bridge employment. The goal is to assess the extent to which the availability of hours flexibility impacts the timing of complete labor force withdrawal.

IV. Results

Just over one half of the HRS Core men (52%; n=3,061) and one third of the HRS Core women (38%; n=2,567) were on a FTC job as of the first HRS interview (Table 1). The prevalence of career employment at the time of the first interview among the War Babies and Early Boomers was nearly the same for the women (39% (n=516) and 38% (n=681), respectively). The prevalence of career employment among men was higher for the War Babies (66%; n=793) and slightly higher for the Early Boomers (55%; n=846) compared with the HRS Core men.

The final two restrictions – retaining age-eligible respondents and wage-and-salary workers only – yield a sample of just over 2,000 HRS Core men and 1,600 HRS Core women. Sample sizes are smaller but still sizeable for the War Babies (n=572 men and n=396 women) and the Early Boomers (n=647 men and n=549 women).

Availability of Hours Flexibility

Consistent with the literature on phased retirement, a small minority of FTC workers in the HRS has access to flexible hours arrangements and even fewer actually reduced their hours in career employment (Table 2). For each of the three HRS cohorts and for both men and women, approximately one quarter of career workers could reduce the number of paid hours. Regarding the ability to reduce hours substantially – by half – the prevalence of hours flexibility across the three HRS cohorts ranges from 10 percent to 12 percent among the men and slightly higher at 14 percent to 17 percent among the women. Therefore, the large majority of older career workers do not report having access to hours flexibility on the career job and few have the ability to reduce hours substantially.

Among those who are on a FTC job at the time of the first interview and who are last observed on that career job, slightly less than 1 in 10 men reduce their hours by 20 percent or more since the first interview. Interestingly, with the exception of the Early Boomers, the frequency of reducing hours in career employment is more or less the same for those men who transition from career employment, to either a bridge job or a direct exit. Among the women, the fraction who reduce hours by 20 percent or more varies somewhat by cohort and by whether a bridge job transition is made. Still, across these categories, the prevalence of reducing hours has a fairly tight range between 4 percent and 10 percent. While a sizable minority of workers have access to hours flexibility, the evidence suggests that 10 percent or less actually reduce hours in career employment by 20 percent or more.

The literature suggests that some workers transition to bridge jobs later in life in order to reduce the number of hours worked, and this is indeed what we find. The majority of wage-and-salary FTC workers in the HRS transition to a bridge job prior to exiting the labor force. Among the men, bridge job prevalence among those with wage-and-salary career jobs ranges from 50 percent among the HRS Core to 64 percent among the Early Boomers (Table 3). It is important to note that the increased prevalence is not necessarily indicative of a cohort effect as the follow-up periods differ across cohort (18 years for the Core; 12 years for the War Babies; 6 years for the Early Boomers). Among the women, bridge job prevalence among wage-and-salary career workers ranges from 49 percent among the HRS Core to 73 percent among the Early Boomers.

Among the HRS Core men and women, more than one half (52% of the men and 64% of the women) were working part time on their bridge job. The prevalence of part-time bridge work among the War Babies is lower than that of the HRS Core and falls below 50 percent (42% among men and 47% among women), but the most notable result is the low prevalence of part-

time bridge employment among the Early Boomers (22% of the men and 35% of the women). The experiences of the Early Boomers likely reflect the very different macroeconomic environment they face (see Cahill, Giandrea, & Quinn, 2013a). Many of the Early Boomers transition away from career employment involuntarily, and their higher prevalence of transitions to full-time bridge employment may reflect the kinds of hours that would have been worked had they been able to remain in career employment. Given these differences and, as noted above, the inability to examine the impact of hours flexibility in detail among the Early Boomers, one fruitful area for further research in the years ahead will be to examine if cohort differences exist with respect to the impacts of hours flexibility in career employment.

The Impact of Hours Flexibility on Job Transitions

The first step of our analysis of whether hours flexibility impacts transitions from career employment is to examine if bridge job prevalence differs by hours flexibility status on the career job. Our analysis of the Early Boomers ends at this point due to small sample sizes. An analysis of the impact of hours flexibility on retirement transitions is not possible for the Early Boomers because: 1) many of the Early Boomers are still in career employment, a result of the relatively short (six year) follow-up period, and 2) even though the overall number who did transition from career employment is sizable, the number who both transition from career employment and reduce hours is very small. For the War Babies, sufficient observations are available to examine the relationship between hours flexibility and transitions descriptively; however, the detailed multivariate analysis is possible with the HRS Core only.

We find that bridge job prevalence among the HRS Core is lowest (46% among men; 45% among women) for those without access to hours flexibility on the career job and highest (58% among men; 59% among women) among those who actually reduce hours (Table 4a). This result

suggests that those who maintain their hours intensity in career employment are the most likely to exit directly from career employment. Bridge job prevalence among those with access to hours flexibility but who do not reduce hours is similar to those who reduce hours. Further, for both men and women, those without hours flexibility on the career job have the lowest prevalence of part-time bridge employment. A consistent pattern emerges among the War Babies as well, in which those without access to hours flexibility are the least likely to transition to bridge employment (Table 4b). Sample sizes restrict an analysis of part-time status among the War Babies. One takeaway from these findings is that individuals with access to hours flexibility are less likely to exit the labor force directly and more likely to work part time in bridge employment.

A key question in this paper is whether access to and use of flexible hours arrangements on the career job have a meaningful impact on either the duration of career employment or the duration of bridge job employment. We find that hours flexibility on the career job is associated with longer tenure in career employment for the War Baby men and both the HRS Core and War Baby women (Table 5). Respondents in these three groups who reduced hours in career employment experienced approximately two years of additional tenure on the career job compared to those without flexible hours arrangements. For the HRS Core men, however, this relationship did not hold. HRS Core men with access to hours flexibility but who did not reduce hours had the lowest tenure (18.9 years) and those without access to flexible hours arrangements had the longest tenure (22.2 years). While some evidence exists that hours flexibility is associated with extended career employment, this relationship does not hold for one key cohort – the HRS Core men.

In contrast to the mixed results for years in career employment, hours flexibility in career employment is associated with extended tenure on the bridge job. Mean additional tenure ranges from approximately two months to one year, with the larger increases seen among the men (Table 5). Among the HRS Core men, for example, those with access to hours flexibility in career employment and those who reduced hours in career employment had bridge jobs that lasted, on average, 2.2 to 2.3 years. In comparison, those without hours flexibility in career employment had bridge jobs that lasted an average of 1.6 years. Among HRS Core women, the difference by hours flexibility status was also sizeable – 3.3 compared with 2.3 additional years in bridge employment. The findings among the HRS War Baby respondents resemble those for the HRS Core regarding the direction of the impact.

Hours Flexibility and Correlates of Continued Work

Next we examine determinants of mean tenure in both career employment and bridge employment with an emphasis on the availability of hours flexibility in career employment. We find that mean years in career employment are generally highest for those who transition from career employment at later ages, are in very good or excellent health, have higher levels of education, and have a spouse who is not working (Table 6). Among men but not women, mean years in career employment is positively associated with being married and having dependent children. The general patterns discussed above with respect to hours flexibility – that is, a positive association between the availability and use of hours flexibility and length of time in career employment – appear to hold within each of these subgroups.

An examination of the economic determinants of career job tenure reveals that tenure in career employment is positively associated with being in white-collar occupations, having health insurance that is portable in retirement, having a defined-benefit pension plan, having higher

wages, and higher wealth (Table 6 (continued)). When examining the impact of hours flexibility by these characteristics there are a couple of notable findings among the HRS Core men. First, men without portable health insurance and who reduced career job hours had longer tenure on the career job than their counterparts without hours flexibility, suggesting that the ability to reduce hours on the career job offsets, at least in part, the negative impact on tenure of not having portable health insurance relative to having portable health insurance. A similar pattern emerges as well with respect to not having a pension, where the negative impact on tenure of not having a private pension is mitigated by reducing hours in career employment.

Another notable finding from the analyses presented in Table 6 is that the general impacts of hours flexibility on career job tenure do not differ substantially across demographic and economic subgroups. This result implies that a detailed analysis of interaction terms between hours flexibility and these determinants are not warranted with respect to multivariate modeling.

We find similar results for the impact of career job hours flexibility on bridge job tenure – hours flexibility on the career job is positively associated with bridge job tenure and the relationship holds across subgroups (Table 7). Bridge job tenure is generally highest among those who transition from career employment at younger ages, for those who do not report being in fair or poor health (women only), and for those with a college degree. For men but not women, bridge job tenure is higher for those who are not married compared to those who are, for those without dependent children compared with those with them, and for those without a working spouse compared with those with a working spouse. With respect to characteristics of the career job, tenure on the bridge job is generally higher among those in white-collar occupations compared with those in blue-collar occupations, those with defined-contribution plans compared to those without them, those with wages at the tails of the distribution compared

to those in the middle, and for those with the lowest levels of financial wealth. Again, the lack of strong subgroup differences by hours flexibility status suggests that interaction terms in the multivariate model are not warranted. That is, the impact of career job hours flexibility on bridge job tenure appears to hold across key subgroups.

Multivariate Analysis of Career and Bridge Job Tenure

The relationships described above with respect to hours flexibility in career employment and career and bridge job tenure could be explained by the characteristics of respondents or characteristics of their career jobs. For example, it might just be the case that individuals with goods jobs have: 1) access to flexible hours arrangements and 2) longer tenures. Therefore, the associations between hours flexibility and tenure identified above might merely be the product of selection effects. On the other hand, it is plausible that hours flexibility in career employment could extend work lives by reducing the intensity of career employment (e.g., preventing "burn out"). In order to help address this issue, we estimate multivariate regression models of career job tenure, bridge job tenure, and career and bridge job tenure combined, controlling for the demographic and economic characteristics mentioned above. Separate models are estimated for men and women, and all time-varying variables are measured as of the wave prior to transition. Model coefficients are estimated using ordinary least squares regression with robust standard errors.

Consistent with the descriptive findings, significant determinants of career job tenure among both men and women are age at the time of transition, education, health insurance status, pension status, and wages (Tables 8a and 8b). Notably, both men and women with health insurance that is portable have longer tenure on the career job, all else equal. A prior, one might expect that individuals with portable health insurance would be more likely to transition away

from career employment earlier than those without portable health insurance. The fact that those with portable health insurance have longer tenure might reflect that individuals with portable health insurance may be in either jobs or life circumstances that are more stable than those without portable health insurance and that this stability is related to career job tenure.

With respect to the key variable of interest – hours flexibility on the career job – the multivariate results are consistent with the descriptive findings. Men with access to hours flexibility have career job tenure that is one year lower than those without hours flexibility (b = -1.3; p=0.03). In contrast, women with access to flexible hours arrangements in career employment have longer tenure, although the coefficient from the multivariate model is marginally significant only (b=0.8; p=0.136).

The multivariate models of bridge job tenure reveal that individual worker characteristics (e.g., age, education) are significant determinants of tenure whereas, not surprisingly, the characteristics of career job employment are by and large not. For example, among men, having a college education is associated with longer bridge job tenure (and shorter career job tenure), but that wage on the career job does not impact bridge job tenure. Importantly, however, both the availability of hours flexibility on the career job and reducing hours on the career job have a statistically significant impact on bridge job tenure among the HRS Core men. Hours flexibility on the career job is also associated with longer bridge job tenure for women, though the relationship is not statistically significant at the 10 percent level.

To address whether hours flexibility in career employment has the potential to extend work lives we examine tenure on the career job and the bridge job combined. What we find is that, for men, the impact of hours flexibility has a marginally negative impact on total tenure – a statistically-significant reduction in career job tenure countered by a statistically-significant

increase in bridge job tenure. Among women, we find a statistically significant increase in combined career and bridge job tenure – the result of the combined impact of a marginally significant positive impact on career job tenure and a marginally significant positive impact on bridge job tenure.

One highlight of this analysis is that, for both men and women, hours flexibility in career employment appears to lengthen bridge job tenure. Additional research is needed to assess whether this finding is indicative of a causal relationship or, alternatively, just a reflection of the work patterns of individuals who self select into jobs that offer flexible hours arrangements.

V. Conclusions

This study finds mixed evidence for the hypothesis that access to hours flexibility in career employment is associated with longer tenure in career employment. We do, however, find a relationship between hours flexibility in career employment and bridge job tenure. This finding is consistent with the notion that reduced hours intensity in career employment extends the ability for individuals to work later in life. This result is also consistent with an alternative explanation whereby those who reduce hours in career employment have to work longer out of financial necessity to make up for the lost hours of paid work in career employment.

Beyond years of work, the ability to reduce hours in career employment has the potential to smooth the transition from work to retirement for many older Americans. The value of smoothing retirement transitions has been heightened in light of the 18-month Great Recession that began in December 2007 and the ensuing sluggish recovery. Prior to 2008, the labor demand side of the equation was relatively less significant than the labor supply side when it came to labor market transitions later in life. To the extent that older workers desired to switch employers, most were able find such employment in an environment where unemployment was

comfortably in the single digits. Since 2008, unemployment has been in the upper single digits – high relative to recent history – and the risk of not being able to find bridge employment has factored into the equation. Among today's older Americans who have experienced significant challenges in finding bridge employment, the value of continuing employment with one's current employer and seeking phased retirement could be considerably higher than in an environment with low unemployment.

While phased retirement policies might be more valued by employees in a poor economic climate, the opposite may be true for employers. With unemployment high, the pool of available workers is likely to be larger, providing options to replace workers who are seeking reduced hours. Therefore, from the perspective of older workers and the value of phased retirement policies, the impact of the Great Recession might be magnified – the value of such policies is higher at the same time the willingness of employers to offer such policies is lower. A detailed analysis of the experiences of the Early Boomers seems like a fruitful area for further research, once more data are available on their retirement decisions.

The value of phased retirement policies for individuals might also be heightened in the context of policies designed to extend working lives, such as increasing Social Security's Normal Retirement Age beyond the existing scheduled increase to age 67 for those born after 1959 (Board of Trustees of OASDI, 2013). Job search is likely to be a costly endeavor and the current economic climate suggests real risks when it comes to finding bridge employment. The ability to remain with one's current employer with hours flexibility eliminates the need to incur the risks associated with job search.

The real challenge will be to encourage employers to allow their career employees to scale back later in life. Revealed preferences – i.e., the fact that so few employees have access to

phased retirement policies despite their clear preferences for them – suggests that most employers see the costs of such arrangements outweighing the benefits. One obvious cost to employers is the challenge of finding workers to complete the work that remains as an older scales back their hours, plus any additional coordination necessary to ensure that two (or more) people complete the work as efficiently as one worker. The human resource branch of these employers may also have to navigate regulatory requirements associated with fringe benefits, such as health insurance and pensions, as the status of older career workers changes to part time. Given these challenges, it is understandable why so many employers in the United State opt against reduced hours arrangements.

Mitigating these challenges, such as through reductions in hourly wages, is one way to shift the cost-benefit equation for employers. Another way is to shed light on the likely benefits of offering phased retirement policies in the years ahead, especially in light of two trends. One trend is the aging of our population (Arias, Curtin, & Anderson, 2008). The US Bureau of Labor Statistics estimates that within the next ten years the fraction of the US labor force aged 55 and older will increase from 20 percent to 25 percent – a five percentage point increase in less than 10 years (Toossi, 2012). With fewer middle-aged workers available, many employers may find it beneficial to have at least some hours from their older employees, especially if the alternative is zero hours if they choose bridge employment instead of remaining full time on their existing job. The second trend is that, sooner or later, the macroeconomic outlook will improve. Once economic growth and unemployment return to levels more in line with recent history, older workers will have options and employers may once again have to find ways to look attractive to workers generally in order to retain talent and minimize the costs of recruiting and training. Phased retirement policies are a potentially effective way to do so.

Over the past several decades the literature on retirement transitions in the United States has focused on bridge job activity. This focus on bridge jobs is a logical response to fact that, in the U.S., bridge job prevalence is substantially higher than other forms of gradual retirement, such as reentry and phased retirement. In a high-growth, dynamic economic environment with low unemployment, older Americans seeking a job change later in life could be reasonably assured that they would find work. In the near term, to the extent that the current slow-growth, elevated-unemployment economic environment continues, many older workers may be looking to stay with their existing employers, and phased retirement policies could enable them to do so. The first of three avenues of gradual retirement – phased retirement, bridge employment, and reentry – may start becoming relatively more important in the United States in the years ahead.

References

Aaronson, D., & French, E. (2004). The effect of part-time work on wages: evidence from the social security rules. *Journal of Labor Economics, 22*, 329–352.

AARP. (2014). *Staying ahead of the curve 2013: The AARP work and career study: Older workers in an uneasy job market.* Washington, DC: AARP.

Arias E., Curtin L. R., Wei R., & Anderson R. N. (2008). United States decennial life tables for 1999–2001, United States life tables. National vital statistics reports, 57(1), Hyattsville, MD: National Center for Health Statistics.

Board of Trustees of OASDI. (2013). *The 2013 annual report of the board of trustees of the federal old-age and survivors insurance and federal disability insurance trust funds.* Washington, DC: U.S. Government Printing Office.

Cahill, K. E., Giandrea, M. D., & Quinn, J. F. (2006). Retirement patterns from career employment, *The Gerontologist,* 46(4), 514-523.

Cahill, K. E., Giandrea, M. D., & Quinn, J. F. (2011). Reentering the labor force after retirement *Monthly Labor Review*, 134(6), 34-42 (June).

Cahill, K. E., Giandrea, M. D., & Quinn, J. F. (2012). Bridge employment. In M. Wang (Ed.), *The Oxford Handbook of Retirement*. New York, NY: Oxford University Press, 293-310.

Cahill, K. E., Giandrea, M. D., & Quinn, J. F. (2013a). Retirement patterns and the macroeconomy, 1992 – 2010: The prevalence and determinants of bridge jobs, phased retirement, and re-entry among three recent cohorts of older Americans. *The Gerontologist,* doi: 10.1093/gerontgnt146.

Cahill, K. E., Giandrea, M. D., & Quinn, J. F. (2013b). New evidence on self-employment transitions among older Americans with career jobs." U.S. Bureau of Labor Statistics WP-463.

Charles, K. K., & Decicca, P. (2007). Hours flexibility and retirement. *Economic Inquiry, 45*, 251–267.

Giandrea, M. D., Cahill, K.E., & Quinn, J. F. (2009). Bridge jobs: a comparison across cohorts, *Research on Aging*, 31(5), 549-576.

Gielen, A. C. (2009). Working hours flexibility and older workers' labor supply. *Oxford Economic Papers, 61*, 240–274.

Hoffman, L. & Andrew, E. (2010). *Maximizing the potential of older adults: Benefits to state economies and individual well-being*. Washington, DC: NGA Center for Best Practices.

James, J. B., Swanberg, J. E., & McKechnie, S. P. (2007). *Responsive workplaces for older workers: Job quality, flexibility and employee engagement*. Issue Brief No. 11. Chestnut Hill, MA: The Sloan Center on Aging & Work at Boston College.

Johnson, R. W. (2011). Phased retirement and workplace flexibility for older adults: opportunities and challenges. *The ANNALS of the American Academy of Political and Social Science*, 638, 68–85.

Juster, F. T. & Suzman, R. (1995). An overview of the health and retirement study. *Journal of Human Resources*, 30(Supplement), S7-S56.

Kantarci, T. & van Soest, A. (2008). Gradual retirement: preferences and limitations," *De Economist*, 156(2), 113-144.

Karp, F. (2007). *Growing older in America: The health and retirement study.* Washington, D.C.: U.S. Department of Health and Human Services.

Maestas, N. (2010). Back to work: Expectations and realizations of work after retirement. *Journal of Human Resources, 45*, 719–748.

Quinn, J. F. (1999). *Retirement Patterns and Bridge Jobs in the 1990s*. Issue Brief No. 206. Washington, DC: Employee Benefit Research Institute, 1-23.

Quinn, J. F. (2010). Work, retirement, and the encore career: Elders and the future of the American workforce. *Generations,* 34*, 45-55*.

Quinn, J. F., Cahill, K. E., & Giandrea, M. G. (2011). *Early retirement: the dawn of a new era?* TIAA-CREF Institute *Policy Brief* (July).

Ruhm, C. J. (1990). Bridge jobs and partial retirement, *Journal of Labor Economics*, 8(4), 482-501.

Ruhm, C. J. (1991). Career employment. *Industrial Relations, 30*, 193–208.

Sheaks, C., Pitt-Catsouphes, M. & Smyer, M.A. (2010). *Phased retirement.* Washington, DC: Georgetown University Law Center Legal and Research Summary Sheet. http://scholarship.lw.georgetown.edu/legal/58.

Shultz, K. S. & Wang, M. (2011). Psychological perspectives on the changing nature of retirement. *American Psychologist, 66*, 170–179.

Sloan Center on Aging & Work at Boston College. (2013a). *Schedule flexibility in the workplace: employee access and use*. Fact Sheet #34A. Chestnut Hill, MA: The Sloan Center on Aging & Work at Boston College.

Sloan Center on Aging & Work at Boston College. (2013b). *Schedule flexibility in the workplace: implementation and effectiveness*. Fact Sheet #34B. Chestnut Hill, MA: The Sloan Center on Aging & Work at Boston College.

Toossi, M. (2012). Labor force projections to 2020: a more slowly growing workforce. *Monthly Labor Review*, 135(1), 43–64.

Zissimopoulos, J. M., & Karoly, L. A. (2007). Transitions to self-employment at older ages: The role of wealth, health, health insurance and other factors. *Labour Economics*, 14, 269 – 295.

Zissimopoulos, J.M., & Karoly, L. A. (2013). Labor-force dynamics at older ages: Movements into self-employment for workers and nonworkers. *Research on Aging*, 31(1), 89-111.

Table 1

Sample Size
by Gender, HRS Cohort, and Work Status

	Men			Women		
	HRS Core	War Babies	Early Boomers	HRS Core	War Babies	Early Boomers
Year of first interview	1992	1998	2004	1992	1998	2004
Respondent's age at first interview	51 to 61	51 to 56	51 to 56	51 to 61	51 to 56	51 to 56
Participated in first wave						
n	5,869	1,197	1,527	6,783	1,332	1,803
Worked since age 50						
n	5,358	981	1,086	5,308	803	1,083
% of respondents	91%	82%	71%	78%	60%	60%
On FTC job in first interview						
n	3,061	793	846	2,567	516	681
% of respondents	52%	66%	55%	38%	39%	38%
Age-eligibile respondents only						
n	2,649	699	783	1,791	441	594
% of respondents	45%	58%	51%	26%	33%	33%
Wage-and-salary workers only						
n	2,089	572	647	1,616	396	549
% of respondents	36%	48%	42%	24%	30%	30%

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

Table 2

Availability and Use of Hours Flexibility in Career Employment by Gender and HRS Cohort

HRS Respondents with a Wage-and-Salary Full-Time Career Job at the Time of the First Interview
(horizontal percentages)

		Availability of flexible hours arrangement on the career job		Reduced FTC job hours >= 20%	
	n[a]	Any[b]	Half time[c]	Still on FTC[d]	Transitioned[e]
Men					
HRS Core	2,089	25%	11%	8%	9%
War Bablies	572	26%	12%	8%	8%
Early Boomers	647	27%	10%	9%	3%
Women					
HRS Core	1,616	27%	17%	4%	10%
War Bablies	396	24%	14%	8%	7%
Early Boomers	549	25%	16%	4%	4%

Notes:

[a] Includes age-eligible respondents on a wage-and-salary FTC job at the time of the first interview.

[b] Based on the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[c] Based on the following question: "If you wanted to work half time on this job, would your employer allow you to do that?"

[d] Includes respondents currently on a FTC job or last observed on a FTC job.

[e] Includes respondents who transitioned from career employment. Hours reductions are measured as of the most recent wave on the career job.

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

Table 3

Prevalence and Part-time Status of Bridge Employment by Gender and HRS Cohort

HRS Respondents with a Wage-and-Salary Full-Time Career Job at the Time of the First Interview
(horizontal percentages)

	n[a]	Still on or last observed on career job	Moved to bridge job[b]	Moved to no job	Don't know	Bridge job/ (bridge job + no job)	PT bridge job (%)
Men							
HRS Core	2,089	23%	36%	37%	4%	50%	52%
War Bablies	572	27%	37%	32%	4%	54%	42%
Early Boomers	647	51%	30%	17%	3%	64%	22%
Women							
HRS Core	1,616	20%	37%	39%	4%	49%	64%
War Bablies	396	26%	41%	28%	4%	59%	47%
Early Boomers	549	47%	36%	14%	3%	73%	35%

Notes:

[a] Includes age-eligible respondents on a wage-and-salary FTC job at the time of the first interview.

[b] Does not include respondents who were not working for two consecutive waves following FTC employment and who later reentered.

[c] Based on the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[d] Based on the following question: "If you wanted to work half time on this job, would your employer allow you to do that?"

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

Table 4a

Prevalence and Part-time Status of Bridge Jobs by Gender and Hours Flexibility Status on the Career Job

HRS Core Respondents with a Wage-and-Salary Full-Time Career Job at the Time of the First Interview
(horizontal percentages)

	n[a]	Still on or last observed on career job	Moved to bridge job[b]	Moved to no job	Don't know	Bridge job/ (bridge job + no job)	PT bridge job (%)
Men							
No access[c]	1,442	24%	34%	39%	4%	46%	50%
Access, not used[d]	461	19%	42%	33%	6%	56%	51%
Reduced hours[e]	177	20%	45%	33%	1%	58%	63%
Women							
No access[c]	1,092	20%	34%	42%	4%	45%	60%
Access, not used[d]	380	22%	41%	33%	4%	55%	68%
Reduced hours[e]	136	10%	53%	37%	1%	59%	74%

Notes:

[a] Includes age-eligible respondents on a wage-and-salary FTC job at the time of the first interview.

[b] Does not include respondents who were not working for two consecutive waves following FTC employment and who later reentered.

[c] Based on the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[d] Respondent did not reduce career job hours by 20 percent or more and responded affirmatively to the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[e] Reduced career job hours by 20 percent or more.

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

Table 4b

Prevalence and Part-time Status of Bridge Jobs by Gender and Hours Flexibility Status on the Career Job

HRS War Baby Respondents with a Wage-and-Salary Full-Time Career Job at the Time of the First Interview
(horizontal percentages)

	n[a]	Still on or last observed on career job	Moved to bridge job[b]	Moved to no job	Don't know	Bridge job/ (bridge job + no job)	PT bridge job (%)
Men							
No access[c]	392	27%	36%	33%	4%	52%	40%
Access, not used[d]	133	29%	37%	30%	4%	55%	47%
Reduced hours[e]	47	28%	43%	21%	9%	67%	----
Women							
No access[c]	278	27%	38%	31%	4%	56%	46%
Access, not used[d]	85	25%	52%	21%	2%	71%	44%
Reduced hours[e]	30	27%	37%	30%	7%	55%	----

Notes:

[a] Includes age-eligible respondents on a wage-and-salary FTC job at the time of the first interview.

[b] Does not include respondents who were not working for two consecutive waves following FTC employment and who later reentered.

[c] Based on the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[d] Respondent did not reduce career job hours by 20 percent or more and responded affirmatively to the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[e] Reduced career job hours by 20 percent or more.

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

Table 5

Mean and Median Tenure in Career and Bridge Employment by Gender, HRS Cohort, and Hours Flexibility Status

HRS Respondents with a Wage-and-Salary Full-Time Career Job at the Time of the First Interview
(horizontal percentages)

		Mean (median) tenure on career job			Mean (median) tenure on bridge job		
	n[a]	No access[b]	Access; not used[c]	Reduced hours[d]	No access[b]	Access; not used[c]	Reduced hours[d]
Men							
HRS Core	2,089	22.2	18.9	20.8	1.6	2.2	2.3
		(23.2)	(17.6)	(19.7)	(1.0)	(1.0)	(1.1)
War Bablies	572	21.2	19.9	23.7	1.4	1.6	1.6
		(22.2)	(20.4)	(23.8)	(1.0)	(1.0)	(1.0)
Women							
HRS Core	1,616	18.1	17.9	20.2	2.3	2.8	3.3
		(17.7)	(17.0)	(19.7)	(1.0)	(1.1)	(1.0)
War Bablies	396	18.9	13.7	21.5	1.4	2.5	1.8
		(19.3)	(11.0)	(20.3)	(1.0)	(1.0)	(1.0)

Notes:

[a] Includes age-eligible respondents on a wage-and-salary FTC job at the time of the first interview.

[b] Based on the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[c] Respondent did not reduce career job hours by 20 percent or more and responded affirmatively to the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[d] Reduced career job hours by 20 percent or more.

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

Table 6

Mean Years in Career Employment, by Gender, Hours Flexibility Status, and Worker Characteristics

HRS Core Respondents with a Wage-and-Salary Full-Time Career Job at the Time of the First Interview
(vertical percentages)

	Men							Women						
	n[a]	No access to hours flexibility[b]		Access to hours flexibility; no reduction in hours[c]		Reduced hours[d]		n[a]	No access to hours flexibility[b]		Access to hours flexibility; no reduction in hours[c]		Reduced hours[d]	
	(%)	%	Mean yrs	%	Mean yrs	%	Mean yrs	(%)	%	Mean yrs	%	Mean yrs	%	Mean yrs
All	100%	69%	22.2	22%	18.9	9%	20.8	100%	68%	18.1	24%	17.9	8%	20.2
Age at transition														
<=55	18%	19%	16.6	21%	14.0	4%	16.9	21%	21%	13.6	23%	10.8	8%	14.4
56-61	49%	52%	22.8	42%	18.7	42%	18.4	49%	50%	18.1	47%	18.2	54%	19.3
62-64	18%	17%	25.1	18%	24.0	24%	19.4	17%	17%	20.8	15%	21.6	18%	19.2
65+	15%	12%	24.8	19%	21.7	30%	25.6	13%	12%	22.8	15%	24.2	19%	26.2
Respondent's Health														
Excellent/very good	51%	50%	22.3	53%	19.5	46%	20.8	52%	52%	18.2	50%	18.6	55%	20.0
Good	32%	31%	22.7	32%	19.1	40%	21.3	31%	31%	18.9	31%	17.5	30%	20.6
Fair/poor	18%	19%	21.3	14%	18.2	14%	18.9	18%	18%	16.8	19%	16.8	15%	20.1
Education														
Less than high school	24%	25%	21.3	23%	18.9	24%	21.8	21%	22%	16.6	20%	17.5	14%	17.1
High school	53%	55%	22.9	52%	18.7	45%	18.1	60%	59%	18.1	64%	17.5	48%	19.3
College	22%	21%	21.2	24%	19.4	32%	23.6	20%	19%	19.9	16%	19.8	38%	22.4
Ethnicity														
White	82%	81%	22.4	85%	19.5	85%	20.5	74%	75%	17.7	72%	17.8	80%	19.5
Black	14%	15%	22.2	12%	17.5	14%	22.2	22%	22%	19.9	24%	18.1	18%	23.1
Other	4%	4%	17.8	3%	10.2	2%	23.4	3%	4%	14.3	3%	18.0	2%	19.7
Married														
No	20%	21%	21.4	19%	16.3	17%	18.5	43%	44%	18.0	43%	18.3	40%	20.2
Yes	80%	79%	22.4	81%	19.9	83%	21.2	57%	56%	18.3	57%	17.6	60%	20.1
Dependent Child														
No	83%	84%	22.1	83%	18.7	76%	21.3	71%	72%	18.4	67%	18.4	74%	20.2
Yes	17%	16%	22.7	17%	21.9	24%	19.0	29%	28%	17.6	33%	16.9	26%	20.1
Working Spouse														
No	43%	42%	23.5	40%	21.8	50%	22.0	39%	40%	19.4	36%	18.2	37%	21.8
Yes	57%	58%	21.5	60%	18.8	50%	21.1	61%	60%	17.8	64%	17.5	63%	19.4

Notes:

[a] Includes age-eligible respondents on a wage-and-salary FTC job at the time of the first interview.

[b] Based on the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[c] Respondent did not reduce career job hours by 20 percent or more and responded affirmatively to the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[d] Reduced career job hours by 20 percent or more.

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

Table 6 (*continued*)

Mean Years in Career Employment, by Gender, Hours Flexibility Status, and Worker Characteristics

HRS Core Respondents with a Wage-and-Salary Full-Time Career Job at the Time of the First Interview
(vertical percentages)

	Men							Women						
		No access to hours flexibility[b]		Access to hours flexibility; no reduction in hours[c]		Reduced hours[d]			No access to hours flexibility[b]		Access to hours flexibility; no reduction in hours[c]		Reduced hours[d]	
	n[a] (%)	%	Mean yrs	%	Mean yrs	%	Mean yrs	n[a] (%)	%	Mean yrs	%	Mean yrs	%	Mean yrs
All	100%	69%	22.2	22%	18.9	9%	20.8	100%	68%	18.1	24%	17.9	8%	20.2
Occupational Status														
White collar - high skill	34%	32%	22.3	36%	21.7	43%	22.5	33%	33%	19.7	29%	20.0	46%	23.5
White collar - other	12%	12%	24.2	14%	18.2	12%	18.3	37%	38%	18.3	38%	17.5	30%	19.6
Blue collar - high skill	27%	28%	22.0	24%	18.2	22%	21.0	9%	8%	19.8	13%	18.4	8%	20.8
Blue collar - other	27%	28%	21.4	25%	17.9	23%	18.6	20%	21%	16.5	20%	16.6	16%	16.0
Health Insurance Status														
None	12%	10%	15.2	13%	13.6	18%	11.5	17%	17%	14.4	18%	12.6	21%	15.8
Portable	69%	71%	23.9	65%	20.7	61%	22.9	59%	59%	20.0	57%	20.2	59%	22.6
Non-portable	20%	19%	20.7	21%	19.3	21%	22.3	24%	24%	17.3	26%	17.8	20%	18.4
Pension Status														
Defined-benefit	44%	51%	24.9	30%	21.8	30%	25.3	42%	45%	20.3	31%	22.0	42%	24.5
Defined-contribution	26%	25%	20.0	27%	19.0	28%	21.5	28%	29%	17.2	30%	16.3	23%	19.2
Both	7%	7%	21.6	7%	21.2	6%	26.3	4%	4%	19.5	2%	21.7	3%	26.2
None	23%	18%	14.7	36%	14.0	36%	15.2	26%	22%	13.0	37%	14.9	33%	14.7
Wage														
<$10	12%	9%	15.9	17%	13.9	20%	15.6	24%	23%	14.5	27%	15.2	26%	17.3
$10 to $19	39%	41%	20.9	33%	19.1	36%	20.3	50%	51%	18.3	52%	18.6	35%	20.5
$20 to $49	46%	47%	24.4	44%	21.1	38%	24.5	25%	26%	21.1	19%	20.2	38%	21.5
$50+	4%	3%	24.6	6%	20.8	6%	17.5	1%	1%	21.8	2%	11.4	1%	29.7
Wealth														
$0k	4%	4%	17.7	4%	19.1	4%	16.6	6%	5%	17.4	8%	19.7	3%	17.5
$1-$24k	25%	25%	19.3	26%	16.8	20%	19.7	33%	33%	16.3	36%	17.6	32%	18.1
$25k - $100k	30%	32%	22.8	26%	18.5	26%	20.6	25%	27%	18.8	21%	17.8	15%	19.3
$100k - $500k	33%	32%	24.2	33%	21.5	38%	22.1	29%	29%	20.2	26%	18.5	37%	22.0
$500k+	8%	6%	26.2	11%	21.8	13%	20.1	7%	5%	20.6	9%	19.7	13%	22.8

Notes:

[a] Includes age-eligible respondents on a wage-and-salary FTC job at the time of the first interview.

[b] Based on the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[c] Respondent did not reduce career job hours by 20 percent or more and responded affirmatively to the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[d] Reduced career job hours by 20 percent or more.

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

Table 7

Mean Years in Bridge Employment, by Gender, Hours Flexibility Status, and Worker Characteristics

HRS Core Respondents with a Wage-and-Salary Full-Time Career Job at the Time of the First Interview
(vertical percentages)

	Men				Women			
	n[a] (%)	No access to hours flexibility[b] Mean yrs	Access; not used[c] Mean yrs	Reduced hours[d] Mean yrs	n[a] (%)	No access to hours flexibility[b] Mean yrs	Access; not used[c] Mean yrs	Reduced hours[d] Mean yrs
All	100%	1.6	2.2	2.3	100%	2.3	2.8	3.3
Age at transition								
<=55	24%	1.3	2.0	3.0	27%	2.4	1.7	5.2
56-61	46%	2.0	2.5	1.9	48%	2.7	3.6	3.9
62-64	18%	1.1	2.2	2.0	16%	1.5	3.2	1.4
65+	12%	1.4	1.5	3.2	9%	1.5	2.1	1.2
Respondent's Health								
Excellent/very good	59%	1.4	2.0	2.2	59%	2.3	2.7	3.7
Good	30%	2.0	2.6	2.7	30%	2.4	3.1	2.7
Fair/poor	11%	1.5	2.3	1.5	11%	2.8	2.6	2.7
Education								
Less than high school	21%	1.8	3.5	1.1	19%	2.8	1.8	2.7
High school	54%	1.3	2.0	2.4	57%	1.8	3.2	3.6
College	25%	2.2	1.5	3.0	24%	3.1	2.2	3.2
Ethnicity								
White	83%	1.6	2.1	2.4	74%	2.3	2.9	3.3
Black	14%	1.7	2.5	1.1	22%	2.6	2.6	3.5
Other	4%	1.4	3.7	-----	4%	2.0	2.4	-----
Married								
No	17%	2.4	3.4	2.4	42%	2.3	2.7	2.5
Yes	83%	1.4	1.9	2.3	58%	2.4	2.9	3.8
Dependent Child								
No	83%	1.7	2.3	2.0	68%	2.3	3.3	2.9
Yes	17%	1.4	1.3	3.1	32%	2.4	2.0	4.2
Working Spouse								
No	37%	1.6	2.2	1.8	33%	2.0	3.3	3.8
Yes	63%	1.3	1.8	2.6	67%	2.7	2.8	3.5

Notes:

[a] Includes age-eligible respondents on a wage-and-salary FTC job at the time of the first interview.

[b] Based on the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[c] Respondent did not reduce career job hours by 20 percent or more and responded affirmatively to the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[d] Reduced career job hours by 20 percent or more.

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

Table 7 (*continued*)

Mean Years in Bridge Employment, by Gender, Hours Flexibility Status, and Worker Characteristics

HRS Core Respondents with a Wage-and-Salary Full-Time Career Job at the Time of the First Interview
(vertical percentages)

	Men				Women			
	n[a] (%)	No access to hours flexibility[b] Mean yrs	Access; not used[c] Mean yrs	Reduced hours[d] Mean yrs	n[a] (%)	No access to hours flexibility[b] Mean yrs	Access; not used[c] Mean yrs	Reduced hours[d] Mean yrs
All	100%	1.6	2.2	2.3	100%	2.3	2.8	3.3
Occupational Status								
White collar - high skill	38%	1.8	1.4	2.6	36%	3.0	3.6	3.6
White collar - other	13%	1.0	1.4	3.5	36%	2.1	2.4	3.2
Blue collar - high skill	25%	1.3	2.4	2.1	10%	1.4	3.9	5.6
Blue collar - other	24%	1.6	3.7	2.1	19%	2.8	2.6	3.7
Health Insurance Status								
None	16%	1.3	2.2	2.5	22%	2.2	2.4	4.9
Portable	63%	1.3	1.5	2.4	55%	2.1	2.7	3.0
Non-portable	20%	1.8	3.0	1.9	22%	2.5	3.1	2.5
Pension Status								
Defined-benefit	36%	1.4	1.8	1.6	32%	2.8	1.9	3.2
Defined-contribution	29%	2.0	1.8	2.4	28%	2.3	3.5	3.0
Both	7%	1.3	1.5	1.6	4%	1.8	0.7	1.9
None	28%	1.6	2.7	2.6	36%	2.3	3.0	3.7
Wage								
<$10	13%	2.2	3.3	2.1	26%	2.4	2.5	3.3
$10 to $19	38%	1.5	2.7	2.2	48%	2.0	2.9	3.0
$20 to $49	46%	1.6	1.4	2.3	24%	2.9	3.2	3.4
$50+	4%	1.8	2.2	3.5	1%	2.6	0.9	5.9
Wealth								
$0k	4%	2.4	1.1	1.8	6%	3.0	2.1	1.2
$1-$24k	26%	1.4	2.6	1.6	35%	2.3	1.9	3.4
$25k - $100k	29%	1.4	1.9	2.0	24%	2.2	3.1	4.9
$100k - $500k	33%	1.4	2.0	2.4	28%	2.0	4.1	3.0
$500k+	9%	1.2	1.2	2.4	7%	2.2	2.2	3.5

Notes:

[a] Includes age-eligible respondents on a wage-and-salary FTC job at the time of the first interview.

[b] Based on the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[c] Respondent did not reduce career job hours by 20 percent or more and responded affirmatively to the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[d] Reduced career job hours by 20 percent or more.

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

Table 8a

Multivariate Analysis of Years in Career and Bridge Employment
Male HRS Core Respondents with a Wage-and-Salary Full-Time Career Job
at the Time of the First Interview[a]

	Years in career employment		Years in bridge employment		Years in career employment and bridge employment	
	coef	p-value	coef	p-value	coef	p-value
Hours flexibility						
No availability[b]	------	---------	------	---------	------	---------
Availability but not used[c]	-1.3	0.030 **	0.5	0.045 **	-1.0	0.084 *
Available and used[d]	-0.8	0.372	0.6	0.100 *	-0.5	0.570
Age						
<=55	------	---------	------	---------	------	---------
56-61	4.2	0.000 ***	0.4	0.081 *	4.2	0.000 ***
62-64	7.3	0.000 ***	0.0	0.891	7.1	0.000 ***
65+	8.0	0.000 ***	0.0	0.951	7.7	0.000 ***
Respondent's Health						
Excellent/very good	-0.5	0.321	-0.6	0.009 ***	-0.6	0.274
Good	------	---------	------	---------	------	---------
Fair/poor	-0.6	0.391	-0.4	0.133	-1.0	0.147
Education						
Less than high school	1.9	0.002 ***	0.1	0.705	1.9	0.002 ***
High school	------	---------	------	---------	------	---------
College	-2.7	0.000 ***	0.8	0.001 ***	-2.3	0.000 ***
Occupational Status						
White collar - high skill	------	---------	------	---------	------	---------
White collar - other	0.8	0.380	-0.4	0.174	0.6	0.462
Blue collar - high skill	-0.4	0.651	0.0	0.963	-0.5	0.561
Blue collar - other	-1.1	0.187	0.5	0.168	-1.0	0.220
Health Insurance Status						
None	-2.2	0.015 **	-0.4	0.219	-2.2	0.013 **
Portable	1.2	0.047 **	-0.4	0.114	1.0	0.105
Non-portable	------	---------	------	---------	------	---------
Pension Status						
Defined-benefit	7.4	0.000 ***	-0.3	0.226	7.0	0.000 ***
Defined-contribution	2.8	0.000 ***	0.0	0.881	2.7	0.000 ***
Both	4.8	0.000 ***	-0.6	0.058 *	4.4	0.000 ***
None	------	---------	------	---------	------	---------
Wage						
<$10	-2.4	0.003 ***	0.3	0.431	-2.2	0.007 ***
$10 to $19	------	---------	------	---------	------	---------
$20 to $49	2.8	0.000 ***	-0.3	0.219	2.8	0.000 ***
$50+	2.0	0.151	0.0	0.931	2.0	0.147
Wealth						
$0k	------	---------	------	---------	------	---------
$1-$24k	-1.0	0.407	0.8	0.229	-0.9	0.477
$25k - $100k	-1.1	0.124	0.0	0.914	-1.0	0.138
$100k - $500k	1.1	0.084 *	0.0	0.930	1.1	0.081 *
$500k+	2.1	0.042 **	-0.4	0.181	1.9	0.063 *

Notes:

[a] Includes age-eligible respondents on a wage-and-salary FTC job at the time of the first interview.

[b] Based on the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[c] Respondent did not reduce career job hours by 20 percent or more and responded affirmatively to the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[d] Reduced career job hours by 20 percent or more.

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

Table 8b

Multivariate Analysis of Years in Career and Bridge Employment
Female HRS Core Respondents with a Wage-and-Salary Full-Time Career Job
at the Time of the First Interview[a]

	Years in career employment		Years in bridge employment		Years in career employment and bridge employment	
	coef	p-value	coef	p-value	coef	p-value
Hours flexibility						
No availability[b]	------	---------	------	---------	------	---------
Availability but not used[c]	0.8	0.136	0.3	0.330	1.0	0.070 *
Available and used[d]	1.1	0.204	0.6	0.254	1.9	0.028 **
Age						
<=55	------	---------	------	---------	------	---------
56-61	4.5	0.000 ***	0.8	0.033 **	4.5	0.000 ***
62-64	7.0	0.000 ***	-0.3	0.495	6.6	0.000 ***
65+	10.0	0.000 ***	-0.3	0.471	9.2	0.000 ***
Respondent's Health						
Excellent/very good	-0.1	0.894	-0.1	0.636	0.0	0.985
Good	------	---------	------	---------	------	---------
Fair/poor	-1.2	0.074 *	0.4	0.536	-1.4	0.036 **
Education						
Less than high school	1.5	0.017 **	0.1	0.816	1.5	0.023 **
High school	------	---------	------	---------	------	---------
College	0.3	0.721	0.3	0.329	0.6	0.394
Occupational Status						
White collar - high skill	------	---------	------	---------	------	---------
White collar - other	-0.7	0.339	-0.6	0.132	-1.0	0.166
Blue collar - high skill	1.0	0.357	-0.5	0.453	0.8	0.486
Blue collar - other	--------	--------	-0.1	0.818	-1.2	0.156
Health Insurance Status						
None	-0.5	0.498	0.0	0.982	-0.4	0.585
Portable	2.1	0.000 ***	0.1	0.835	2.1	0.000 ***
Non-portable	------	---------	------	---------	------	---------
Pension Status						
Defined-benefit	5.6	0.000 ***	-0.4	0.266	5.0	0.000 ***
Defined-contribution	2.5	0.000 ***	-0.3	0.423	2.1	0.002 ***
Both	5.6	0.000 ***	-1.6	0.008 ***	4.9	0.000 ***
None	------	---------	------	---------	------	---------
Wage						
<$10	-1.7	0.007 ***	0.0	0.983	-1.6	0.013 **
$10 to $19	------	---------	------	---------	------	---------
$20 to $49	1.6	0.023 **	0.5	0.166	1.6	0.015 **
$50+	2.0	0.435	0.4	0.790	2.0	0.504
Wealth						
$0k	------	---------	------	---------	------	---------
$1-$24k	-0.3	0.803	-0.4	0.617	-0.1	0.955
$25k - $100k	-1.1	0.110	-0.2	0.565	-1.1	0.116
$100k - $500k	0.5	0.417	-0.1	0.753	0.5	0.507
$500k+	1.0	0.358	-0.7	0.243	0.8	0.459

Notes:

[a] Includes age-eligible respondents on a wage-and-salary FTC job at the time of the first interview.

[b] Based on the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[c] Respondent did not reduce career job hours by 20 percent or more and responded affirmatively to the following question: "Not counting overtime hours, could you reduce the number of paid hours in your regular work schedule?"

[d] Reduced career job hours by 20 percent or more.

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