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Returning to Work after Retirement

Who, What and Why?

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Returning to work after retirement: who, what and why?

Kène Henkens and Hanna van Solinge

Extending working lives was one of the key objectives of the so-called Lisbon strategy in 2000 and still is an integral part of the European Employment Strategy. It is also seen by successive Dutch cabinets as part of the answer to the ageing of the labor market and the challenge of keeping the social welfare state affordable. The prolongation of working life after retirement is one example of how this policy objective can be realized. For society at large, the willingness of experienced older adults to work beyond retirement age provides a valuable resource. The key to capitalizing on this resource is to understand older worker's work-retirement decisions. In this chapter, the focus is on the Netherlands. We will examine the extent to which older adults in the Netherlands continue to participate actively in the labour market after they have retired, and what factors determine this engagement in paid work after retirement.

A growing number of older adults engage in some form of transitional employment between their career employment and complete labor force withdrawal. Cahill *et al*. (2006), for example, found that about 60 per cent of older workers in the US first moved to some form of 'bridge employment' instead of directly out of the workforce. Exact definitions of bridge employment tend to vary across studies. Wang *et al.* (2008), for example define bridge employment as employment (either stable or temporary) after *full-time* employment ends and before permanent retirement begins. We define bridge employment as working for pay, either as an employee or self-employed, and at least for

one hour a week, after retirement from the main career job. There are similarities with part-time or phased retirement in that bridge employment is often part-time. The main difference is that bridge employment is generally in new jobs with a new employer or in a new occupation or industry (Cahill *et al*. 2006). As a rule, bridge employees in the Netherlands are eligible to any form of regular retirement income.

The structure of this chapter is as follows. We will start with a section on the institutional context of retirement in the Netherlands. This is highly relevant, since this context shapes the opportunities and constraints people face in making choices regarding work and retirement. The second section deals with the process of retirement, and more particularly with the question how common it is in the Netherlands to re-enter the labor market after retirement. To what extent does retirement mean that people actually withdraw from the labour market? The third focuses on *who* decides to embark on a new career after retirement. We will examine specifically whether particular socio-economic categories are overrepresented among those who do and whether this is in any way related to the nature of the retirement process. It may well be, for example, that workers who were forced to take early retirement for whatever reason are more inclined to extend their working lives than those who did so voluntarily. In the fourth section, we will address what bridge employment actually entails. Do pensioners opt for part-time jobs with a short working week that are closely related to the work they used to do, or is there little connection with their former job? Do older adults use this opportunity to give a new direction to their career? In the fifth section, we will seek to answer what drives people to continue to participate in the labour market after they retire. We will focus on the reasons post-retirement workers themselves give for continuing to work. This may indicate whether bridge employment is driven primarily by financial or extrinsic

motives, or whether intrinsic factors, such as the nature of the job, play a more important role.

This chapter is based on data from the NIDI Work and Retirement Panel, an ongoing longitudinal survey of older workers (50 years and over) in the Netherlands and their partners that started in 2001. Respondents have been followed over a period of ten years and were questioned in 2001, 2006 and 2011 (See Appendix 1 for more information on the Data). The longitudinal character of this study provides the opportunity to follow older workers in the transition to retirement and study participation in bridge employment after leaving the career job.

RETIREMENT IN THE NETHERLANDS: THE CHANGING INSTITUTIONAL CONTEXT

In the Netherlands, state pensions for the over-65s (AOW) were introduced in 1957. Under the AOW, every resident of the Netherlands was entitled to a basic pension upon reaching the age of 65. The age criterion of 65 years was in line with the age limit of the disability legislation. People were not obliged to stop working; the benefits were provided on the basis of a pay-as-you-go system. Whereas the AOW was designed as a basic pension, the elderly could not live off the pension alone. As a result, as many as 20 per cent of men over the age of 65 were still active in the labour market in 1960. The pension benefit was raised to the subsistence level in 1965. In 1985 the right to a state pension was individualized, giving also married women, who did not participate in the labor force, the right to an AOW-benefit (Smolenaars 2000).

More often than not, workers did not remain working till the official retirement age of 65 years. Many older workers withdrew from the labour market prematurely due to personal circumstances (e.g. poor health) or external circumstances, such as business close downs. Until the mid-1970s, the time span between early retirement and the moment at which people were entitled to a state pension was generally tided over with the aid of disability or unemployment benefits, which served as *de facto* early retirement schemes. When the Dutch economy slipped into a recession following the 1973 oil crisis, unemployment rose rapidly, in particular among young people. The trade unions came up with the idea of improving the employment opportunities of young people by stimulating the early retirement of older workers. The idea was that this would serve two objectives: voluntary early retirement would allow older workers, who were no longer able to meet the changing requirements of their jobs, to make way for young job seekers. The first experiments with voluntary early retirement (VUT) were carried out in 1976 in the education sector and construction industry. Soon after the experiments had begun, it became clear that the early retirement arrangements could not be reversed easily, since expectations had been raised. During subsequent collective bargaining negotiations early retirement schemes were included as a standard term of employment by almost all branches of industry (Van Koningsveld and Van Ginneken 1988). The first schemes offered 63- and 64-year-olds the possibility of leaving the work force before actual retirement age. About one quarter of the eligible employees seized the opportunity to retire early (Huizinga 1977). This percentage has increased steadily over the years, however, and the age at which people are able to withdraw from the labour force has dropped. In the 1990s, more than 300 different early retirement schemes existed in the Netherlands (SZW 1995). These schemes were characterized by

quite favourable financial conditions and relatively little variation between companies and organizations, both in the public and in the private sectors (Van Dalen and Henkens 2002). Most Dutch firms used a fixed early retirement age (usually around 60), after which the employees were able to leave the labour force. Replacement rates were generally around 80 per cent of the gross wage. Early retirement benefits bridged the period between the cessation of work and entitlement to a state and supplementary pension. Payment of pension contributions and other social insurance contributions continued during the early retirement period, leaving the pension to which retirees were entitled at age 65 largely unaffected. The system was based on pay-as-you-go financing.

From the mid 1990s, most existing early retirement (VUT) schemes were changed into flexible early retirement (FER) arrangements because the system was becoming unaffordable due to the high participation rate combined with the financing method. At the same time, the trend towards ever earlier retirement inevitably had to be reversed in order to ensure a sufficient supply of labour in the future. The FER system was collective, and participation compulsory. Pension entitlements were earned on an individual basis, however. Early retirement benefits were directly related to the individual employee's employment history and the contributions paid. The shorter the 'pension career', the lower the early retirement benefits. The FER system was based on a standard early retirement age (usually around 62, which is 1-2 years later than in the VUT schemes) but offered employees flexibility in choosing their own age at which they wished to retire and —through additional savings— the level of benefits to be received. Employees with a complete pension history (based on 40 years of contribution) who left the labour force at this standard early retirement age received between 70 and 80 per cent of their gross wages. Shorter or broken histories implied

lower benefits. Employees were further entitled to stop earlier or later than this standard early retirement age, in which case the benefits were lower or higher respectively. These changes led to higher labour participation among 50 to 64-year-olds and a slight increase in the average age at retirement (Corpeleijn 2005; Siermann and Dirven 2005).

From 1 January 2006, the possibilities of retiring before the age of 65 have been greatly reduced for employees born after 1 January 1950. Pension schemes are no longer allowed to include a bridging pension and pension rights have to be based on a retirement age of 65 years. Tax deductibility of early retirement arrangements was also abolished with effect from 1 January 2006. These changes mark the end of collective early retirement schemes.

In 2012 new legislation has been approved by both houses of parliament: the age at which people are eligible for a public pension will be increased gradually to age 67 by 2023 and linked to the development of the life expectancy after 2023.

THE PROCESS OF RETIREMENT AND BRIDGE EMPLOYMENT

Traditionally, retirement has been thought of as an abrupt and complete discontinuation of paid employment in later life. Retirement today, however, can be characterized as a process which can take multiple forms (Beehr and Bennett 2007). Many older adults engage in some form of paid employment between their career employment and complete labor force withdrawal. Dutch national statistics reveal that working for pay

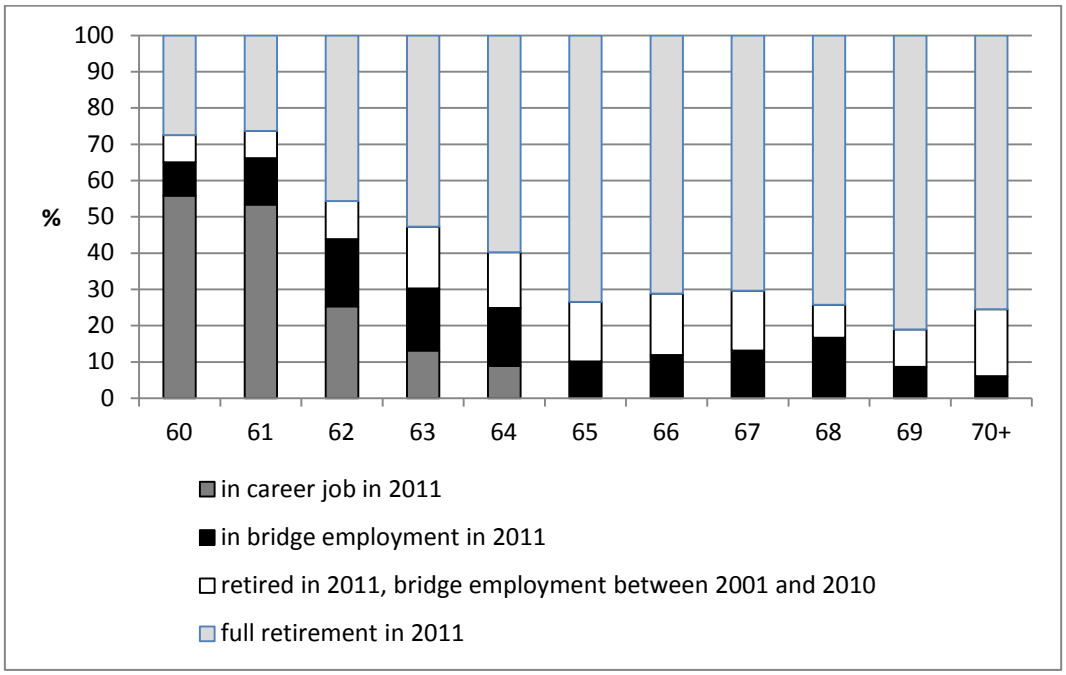
after retirement has gained importance in the Netherlands. Van Dalen *et al.* (2009), using data from the Labor Force Survey (LFS) for the period 2002-2007, show that in 2007 23 per cent of Dutch older adults receiving some form of retirement pension were active in paid labor for at least one hour a week. Five years earlier, in 2002, this was only 16 per cent. These national statistics provide only limited insight in the determinants of bridge employment as well as dynamics with regard to post-retirement work. In the remaining of this chapter, we will present data from the NIDI Work and Retirement Panel, an on-going longitudinal study on work and retirement behaviour. The longitudinal character of this study provides the opportunity to follow older workers in the transition to retirement and study participation in bridge employment after leaving the career job.

Bridge employment over the life course

Figure 1 provides a picture of the process of retirement of this cohort of older workers born between 1936 and 1951 and the role of bridge employment in this respect. The figure shows -for all participants that participated in all study waves- the relationship to the labour market in 2011. The figures have been broken down by age. The youngest participants were 60 years old in 2011. Whereas a majority of this youngest cohort still worked in their career job in 2011 (dark grey bars at the bottom), this percentage is seen to drop rapidly for older cohorts. This has to do with the fact that the majority of the participants in the study had access to relatively generous early retirement schemes from age 61-62 on. Less than one in ten 64-year-old participants had *not* made use of the possibility to retire early and were still in their career job. As shown by the black and white sections of the bars in the figure, retirement does not necessarily mean the

cessation of paid work. The black section refers to those who transitioned to bridge employment and still had a job at the time of the survey in 2011; the white section refers to those who have had a bridge job after retirement but have since dropped out of the workforce. The upper section of the bars gives the percentage of older workers who did not engage in any form of paid work after retirement.

Figure 1 Relationship to the labour market in 2011 by age (N=1,528), (%)



The figure provides an insight into the retirement process of this generation of older workers. Interestingly, many of those who took up a bridge job retired from their career job long before they reached official retirement age (65 year). The figure also shows that the degree to which people extended their working lives differs considerably. For some, bridge employment constitutes a 'short-time experience' in their transition to full-time retirement, whereas for others bridge employment is a more substantial period of their post-post retirement life. Roughly one third of the 63-year-old participants, for example, was engaged in bridge employment after retirement, but no less than half of

them stopped working altogether before turning 63, or at the age of 63. Others, however, continued working for some length of time and the state pension age of 65 was hardly an obstacle for them to remain active in the workforce. In 2011 more than ten per cent of the 65 to 69-year-olds participated in some form of bridge employment.

Finding a bridge job: not everyone is successful

The manner in which older workers make the transition to bridge employment differs considerably. Whereas some choose to retire –whether early or not– with the specific aim of starting a second career or taking up bridge employment, others may not come up with the idea of doing so until they have actually stopped working for a while. In the latter case, they may have repented their decision to retire as they came to realise that they missed certain aspects of their working lives. Alternatively, it may take a while before older workers find new employment. In the 2011 survey, we asked those respondents who had found a bridge job more detailed information on the nature of the process of finding new employment opportunities. Whereas four out of ten older workers who had opted for bridge employment said the transition had been virtually seamless, most re-entrants had first taken time-out. Almost a quarter embarked on a new job after at least a year without work. Our study did not offer the opportunity to look into the reasons for this time-out, but it may well have been the result of obstacles encountered in the labour market and difficulties in finding a new job. This is also borne out by the fact that –aside from those who did start anew– there is a category of elderly who did not succeed in finding new paid employment, despite their efforts to do so. Seven per cent of all retired employees made an effort to find bridge employment but didn’t succeed. Table 1 shows employees’ interest in finding paid work after retirement,

broken down by birth cohort. Each cohort consists of two years of birth. Although we need to be cautious when interpreting the results for the youngest and oldest cohorts, the figures suggest that the younger cohorts are more interested in post-retirement work than the older cohorts. We see, for example, that a large majority (70%) of the 1942-43 cohort made no effort at all to find a job, and that only one quarter of this cohort re-entered the labour market. Looking at the 1948-49 cohort, we see that almost 40 per cent started anew and that another 9 per cent tried to find bridge employment, but to no avail. Another interesting finding is the large percentage of people in the youngest cohort (born in 1950-1951) – almost one quarter of those who retired early – who went in search of work but didn't succeed. When comparing those who went in search of a job but didn't find one with those who did succeed in doing so, we see that women, divorced and single people, the lesser educated and people who lost their jobs involuntarily due to restructuring were more highly represented among the former group.

Table 1 Interest in finding work after retirement, by cohort, (N = 1,310 retired employees)

	Successful in finding work: bridge employees (%)	Interested in bridge job: not successful in finding work (%)	Not interested in bridge job (%)	Total (%)	Number
1936-41	19	4	77	100	110
1942-43	26	4	70	100	200
1944-45	25	5	70	100	257
1946-47	33	8	59	100	391
1948-49	39	9	52	100	296
1950-51	39	24	37	100	83
Total	31	7	62	100	1,310

OLDER WORKERS IN BRIDGE EMPLOYMENT – WHO ARE THEY?

The previous section has shown that post-career transitions into bridge employment are increasingly common in The Netherlands. In this section we will have a closer look on these bridge employees. We will examine the extent to which the socio-demographic characteristics of older workers who opted for bridge employment differ from those of people who withdraw from the labour force entirely. Special attention will be given to human capital and related factors, such as education and health. Older adults' household situation will also be addressed. In the second part of this section, we will examine the relationship between bridge employment and characteristics of the retirement process. In previous studies on the same data (Van Solinge and Henkens 2007), we found that involuntary retirement and retirement at a relatively young age were widely reported in the period between 1995 and 2006. We will here look into the question whether voluntariness and timing of retirement are related to successful re-entry into the workforce.

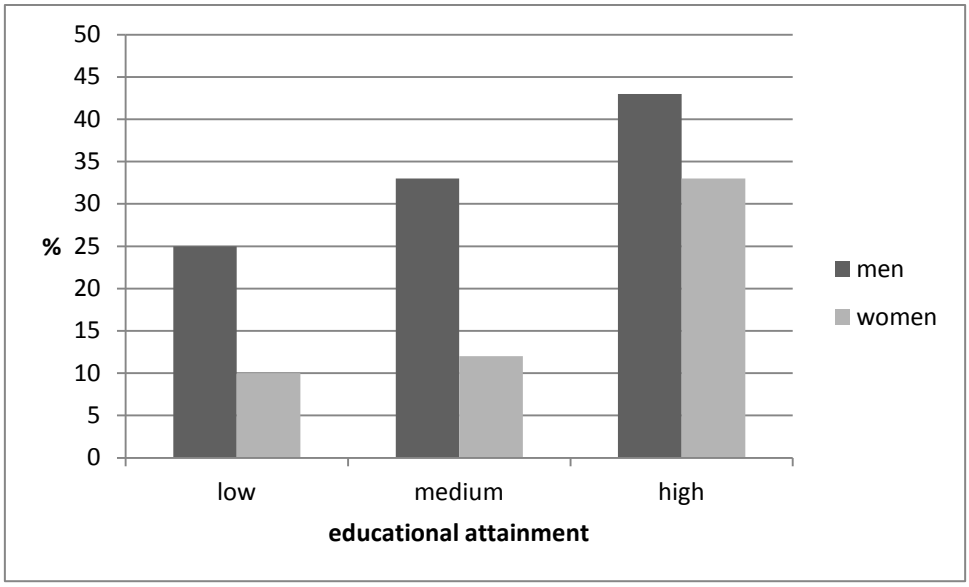
Characteristics of people who opted for bridge employment

Human capital is a key factor in explaining labor force choices and opportunities. In general, chances in the labour market are greater for individuals that have greater access to human capital (Becker 2009). The amount of human capital in terms of education and experience may also influence the degree to which re-entering the workforce after retirement is an attractive option as well as the older adult's chances of finding work (Ruhm 1990).

Figure 2 shows the percentage of older workers who re-entered the labor force after retirement, broken down by educational attainment and sex. What immediately comes to the

fore in this figure is that men appear to be more work-orientated following retirement than women. This difference was particularly marked among the lower and medium levels of education. Whereas the percentage of women with a lower or medium level of education who worked beyond retirement stood at fifteen, the percentage of men was twice as high. The difference between more highly educated men (42% re-entrants into the labour market) and women (33% re-entrants) was not as big. The figure also shows that working beyond retirement is by no means the sole preserve of the higher levels of education, at least in the case of men; it was also widespread among men with at most a lower vocational education.

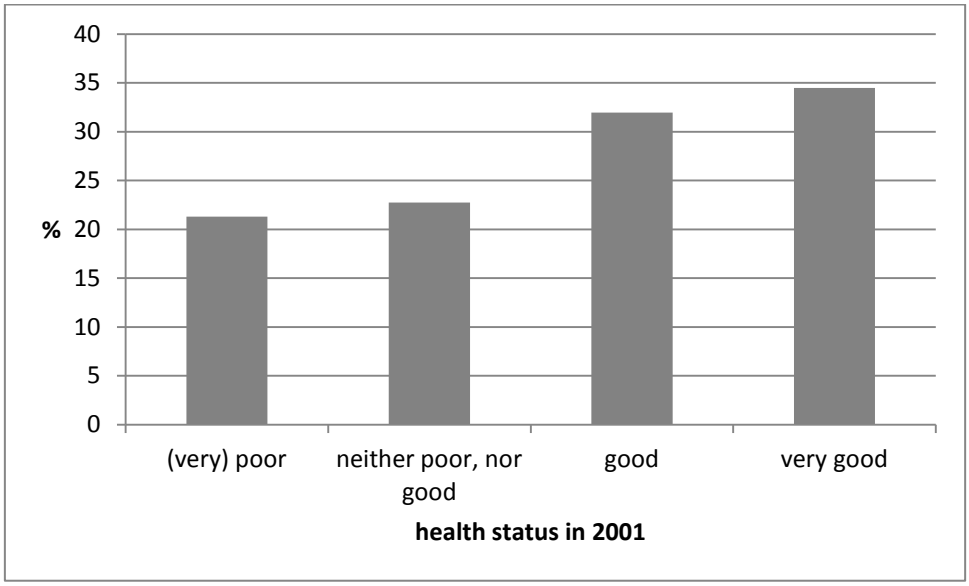
Figure 2 Probability of taking up bridge employment by level of education and sex (N=1,310 retired employees)



Another important factor that has been found to have a strong influence on the probability of finding a job and the ability to work is health (Crimmins *et al.* 1999). People who have health problems are more likely to withdraw from the labour market and are expected to be less inclined – and able – to re-enter the labour market after early retirement, even if the job is more flexible and less taxing than the work they used to do (Pond *et al.* 2010).

Figure 3 shows the relationship between health status (as perceived by the older adults themselves) in 2001 and bridge employment after retirement. Although we can say in general that healthy seniors are more likely to re-enter the workforce than those who are in poorer health, more than one in five older adults who were in poor or bad health participated in bridge employment. It may well be that bridge employment offers this group of older workers the possibility to extend their working lives precisely because the employment conditions can be more easily adapted to their health impairments. The pattern shown in Figure 3 is very similar to the pattern we see when we take into consideration the perceived state of health in 2006 and 2011 rather than in 2001. Here, too, we see that many people who perceive their health as being poor continue working beyond retirement (not in Table).

Figure 3 Probability of taking up bridge employment by health status (N=1,310 retired employees)



There is wide evidence that decisions relating to early retirement are also strongly influenced by non-work-related factors. Particularly the partner seems important in this

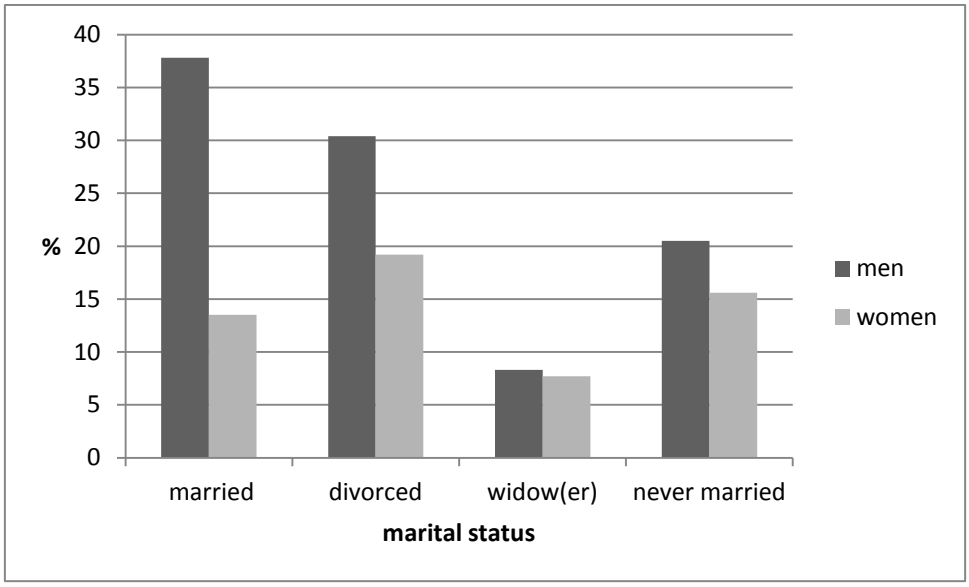
respect (Denaeghel *et al.* 2011; Smith and Moen 1998). Partners often discourage older workers from extending their working lives and even encourage them to retire early (Henkens, 1999; Henkens and Van Solinge 2002). Kim and Feldman (2000) have studied the role of the partner in the bridge employment decision. They argued that one of the main discontinuities associated with full retirement is the lack of social interaction with others. For married older workers, social interaction with the spouse can at least partially substitute for continued interaction with colleagues; for unmarried workers bridge employment is likely to be more critical in maintaining social contacts with others. Older workers without a partner may therefore be more likely to continue in bridge employment. One might therefore expect bridge employment to be far more widespread among unmarried persons, because of the opportunities for social integration offered by a job, or out of financial necessity (which would be particularly relevant to the divorced), yet the contrary appeared to be the case (at least for men). Figure 4 shows that bridge employment was much more common among married men than among all the other categories distinguished. This pattern was not found among women: bridge employment was most common among women who were divorced.

Characteristics of the retirement process: timing and degree of choice

For many employees, retirement will be voluntary in the sense that they have been preparing for this transition for many years (Adams and Rau 2011). A substantial number of employees are however ‘forced’ to leave the labor force long before the mandatory retirement age (Dorn and Sousa-Poza 2010; Szinovacz and Davey 2005). As a result, for many employees retirement will take place much earlier in their life course than they had initially planned. The feeling that they have no control over the transition

into retirement, or that retirement has taken place ‘too early’ is expected to encourage employees to engage in bridge employment. Whether they actually succeed in finding work depends in part on their chances in the labour market. And whereas these chances tend to be slim for people over 50 (Dennis and Thomas 2007; Taylor *et al.* 2010), this may vary considerably from one individual to the next In this section we will examine the degree to which three factors influence the probability of entering bridge employment. We will first examine the age at which people leave their career job and whether or not this was a voluntary decision. Another factor we will address is the influence of how older workers perceive their own labour market opportunities.

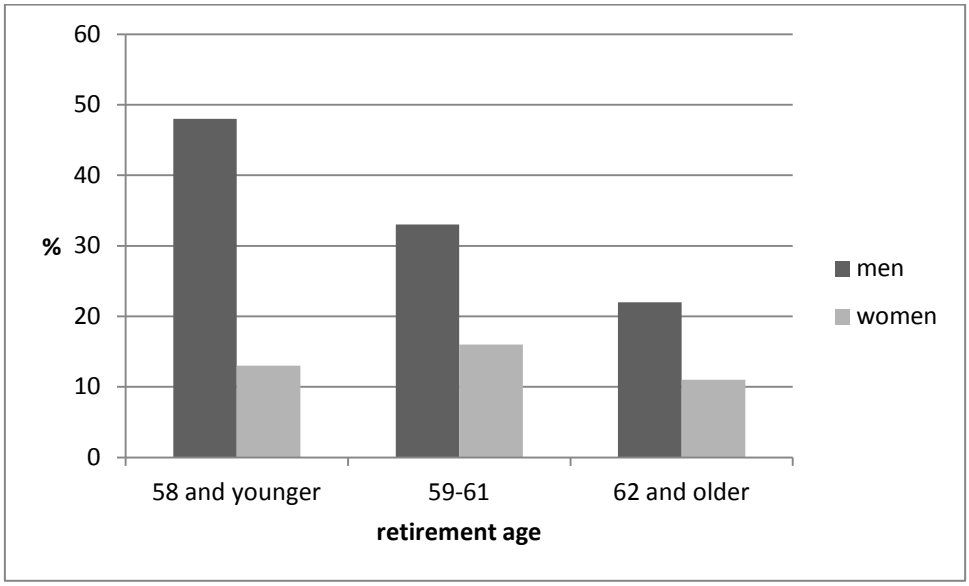
Figure 4 Probability of taking up bridge employment by sex and marital status (N=1,310 retired employees)



Given today’s debate about extending working life, one would almost forget that retirement well before the age of 60 used to be no exception in the Netherlands (see also Appendix 1). Almost thirty per cent of the participants in the study retired at age 58 or younger, 46 per cent at age 60 or younger. Almost half of the ‘very young retirees’ (at age 58 or younger) opted for bridge employment. Among those who retired substantially later (at age 62 or older), just over twenty per cent re-entered the labour

market (Figure 5). Among women, the age at retirement had little effect on whether or not they entered bridge employment. This can probably be explained by the fact that women – among whom withdrawing from the labour force at any age tends to be a far more common phenomenon – may be less exposed to prevailing norms about the most appropriate age to retire (Byles *et al.* 2013). Men who retire at a much earlier age than is commonly the case appear to be particularly susceptible to this pressure and this may be one of the reasons why many go in search of a bridge job (Settersten and Hagestad 1996). Another factor to bear in mind is that married women are more likely to have a partner who is already retired (Hurd 1990), because on average women are two years younger than their partners.

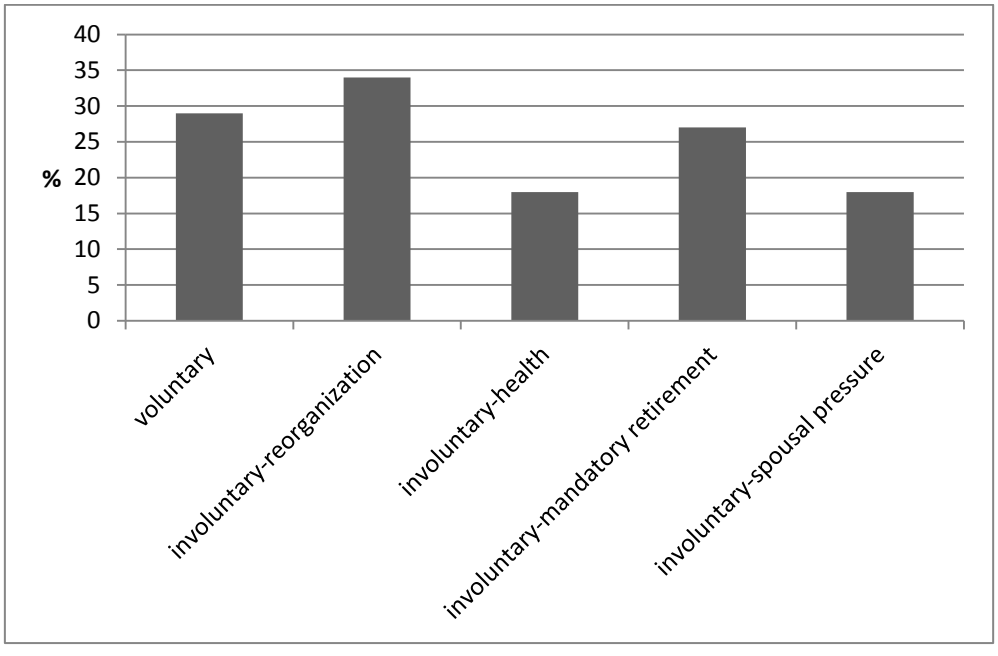
Figure 5 Probability of entering bridge employment by sex and age at retirement (N=1,310 retired employees)



Earlier research by Van Solinge and Henkens (2005, 2008) has shown that difficulty adjusting after retirement was strongest in the event of a forced exit from the labour market. The wellbeing of older workers was found to be seriously affected by the lack of control they felt over this important transition in life. As bridge employment could

alleviate the negative effects of involuntary retirement, we would expect to find a particularly large number of bridge employees among this category of workers. Figure 6 shows, however, that this is only partially the case. The figure breaks down the percentage of people in bridge employment by the various reasons for involuntary retirement. If we compare these percentages with the percentage of bridge employees among those who took retirement voluntarily, the conclusion is clear: individuals who were forced to leave for organizational reasons (e.g. restructuring) or because they had reached mandatory retirement age were far more likely to re-enter the labour market than those who retired involuntary because of health problems or because their partners pressured them to do so. Interestingly, though, no fewer than 17 per cent of older workers who left their career jobs for health reasons moved to a bridge job after retirement.

Figure 6 Probability of entering bridge employment by reasons for involuntary retirement (N=1,310 retired employees)



BRIDGE EMPLOYMENT: A WORLD OF VARIETY

In the previous sections we saw that bridge employment is not becoming a more common phenomenon in the Netherlands. This section will look into the diversity in bridge jobs. Whereas some workers who retire embark on a second full-time career, others in bridge employment work highly flexible hours and only when it suits them. In addressing this diversity, we will examine different aspects of the job, such as the nature of employment, the type of work, and earnings. We will also look at the quality of the job as perceived by persons engaged in bridge employment and compare this with the perceived quality in their former career jobs. We focus on: flexibility, workload and job challenge.

Our first conclusion relating to the nature of bridge employment in The Netherlands is that it is mostly part-time. More than 80 per cent of the respondents had a full-time job prior to retirement. In contrast, and as is shown in Table 2, no more than 12 per cent worked full-time in their bridge job. More than half worked 16 hours a week or less after retirement and around 30 per cent even worked at most eight hours a week. The average number of hours per week worked in bridge employment was 17. These short working weeks put the importance of the phenomenon of bridge employment into perspective. Whereas people do not sever their connection to the labour market entirely, the time spent in paid work tends to be much shorter than the extra leisure time people get when they retire. In that sense, a bridge job tends to be something most people do ‘on the side’.

Their weaker ties with the labour market are also reflected in the type of employment contracts most of them have. Almost half of the bridge employees have a zero-hour

contract or work on a standby basis. One in five are employed under a temporary contract. No more than one in three have a contract for an indefinite period of time. People who work full-time and those who retired at a relatively young age (at age 58 or younger) are most likely to have a permanent contract.

The fact that bridge employment tends to be more flexible is also reflected in employment type. Table 2 shows that more than a quarter opted for self-employment or freelance work. Note, in this respect, that the research population consisted only of people who used to be in salaried employment. These figures confirm the trend that self-employment at older ages has gained considerable momentum in recent years in the Netherlands (Van Solinge and Henkens 2010). Just over half of all employees who opted for salaried bridge employment found a job with a new employer. Twelve per cent returned to their former employers – under different employment conditions – and eight per cent combined salaried employment with freelance work.

When studying bridge employment due attention must be given to remuneration. Research among employers has clearly shown that there is felt to be a discrepancy between the earnings and productivity of older workers. They are said to be relatively expensive, which does no good for their position in the labour market (Conen *et al.* 2011). The concept of demotion plays an important role in policy discussions about how to improve the attractiveness of older workers for employers. Demotion – that is to say, wage reduction – could make employing older workers a more attractive option (Oude Mulders *et al.* forthcoming). In practice, however, demotion is very uncommon in most career jobs. But less so following retirement, as becomes clear from Table 2.

Table 2 Characteristics of bridge employment

	Percentage	Total
Type of bridge job [a]		
Wage and salaried work,		
- At old employer	12	48
- Other employer/employment agency	50	201
Self-employed	26	107
Combination self-employed/wage and salaried work	8	34
Unknown	3	14
Total	100	404
Number of working hours [a]		
1-8	31	124
8-16	25	103
17-24	22	87
25-35	10	40
36 or more	12	50
Total	100	404
Average number of working hours [a]	17.1	404
Type of activities [b]		
More or less the same as in career job	40	138
Completely different work	40	137
Unknown	20	67
Total	100	342
Earnings [c]		
Less than in career job (on an hourly basis)	50	87
More or less the same	17	30
More than in career job (on an hourly basis)	11	19
Unknown	22	38
Total	100	174
Type of contract [c]		
Permanent contract	25	43
Temporary contract	14	25
Zero-hour contract/Standby basis	33	57
Not applicable: Self-employed	28	49
Total	100	174

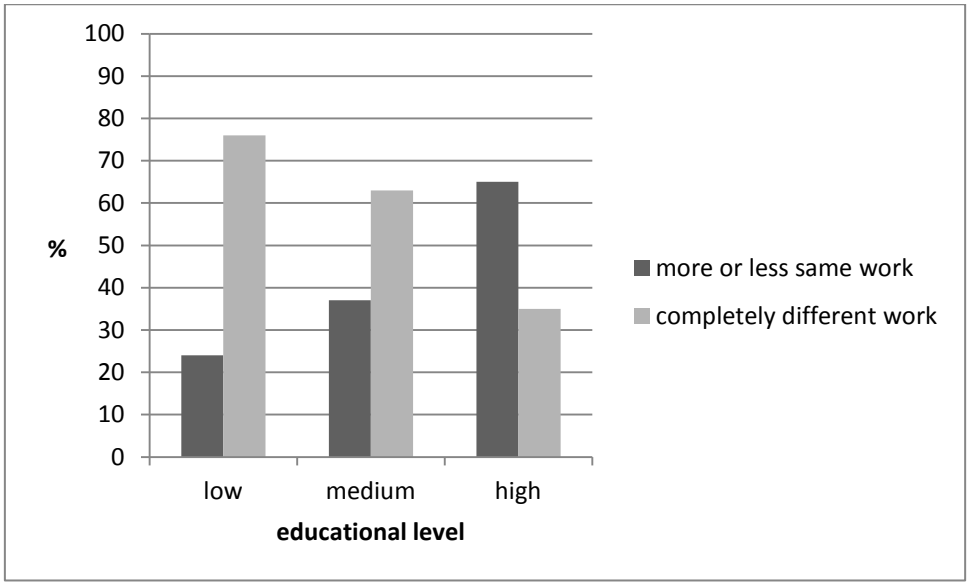
Note: a = people who are now, or used to be in bridge employment (information taken from second and third survey round); b = people who are now, or used to be in bridge employment (information taken from third survey round); c =persons in bridge employment in 2011

Based on the figures for the remuneration of bridge jobs, we can say that de facto almost half of all bridge employees had been demoted. They earn –in terms of hourly wages- less than they did in their former jobs. A mere eleven per cent earn more. This

might indicate that people in bridge employment are more apt to accept a lower salary because they also receive income from an early retirement or pension benefit.

A comparison of the type of work prior to and after retirement did show, however, that many workers who extended their working lives made a switch – forty per cent found a job in a completely different field. The more highly educated individuals with higher-grade jobs were more likely to possess job-specific human capital and those who entered bridge employment tended to do so in the same field (Figure 7). In many cases they opted for self-employment. The lesser educated were found to be more inclined to make a career switch (e.g. taking on a job as a postman, courier, chauffeur, handyman, salesperson). Self-employment was far less widespread among the lesser educated.

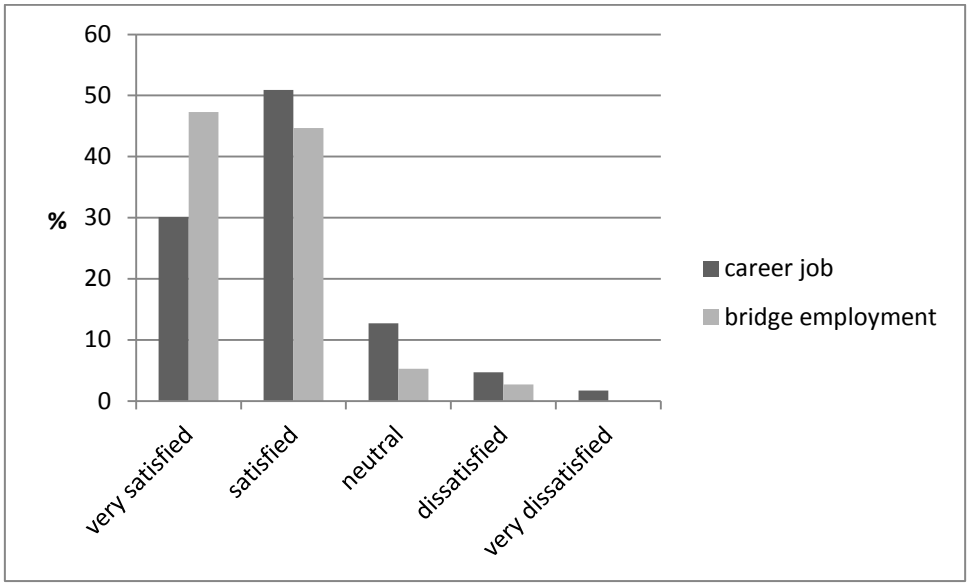
Figure 7 Bridge employees by level of education and type of bridge employment (N=318 people who are or used to be in bridge employment)



The flexible nature of the work carried out by bridge employees offers employers the possibility of using the services and experience of the early retired when it suits them. But how do these older workers view their own situation? Do they consider their labour market position to be a problem? One way of looking into this is to compare their level

of satisfaction with the bridge job with that of their former career job. As shown in Figure 8, people in bridge employment appear to be satisfied with their work. Almost half of all re-entrants are very satisfied with the work they do now, with no more than 30 per cent being very satisfied with their former job.

Figure 8 Job satisfaction in old and new job (N=141 person active in bridge employment in 2011)



For those re-entrants who were still active in the labour force in 2011 we were able to further compare the quality of their career job in 2001 with that of their bridge job. We made a distinction between aspects relating to the degree to which the work was felt to cause strain (physically demanding and workload) and the degree to which the work gave them satisfaction and offered opportunities for personal development (job challenge) and flexibility. The comparison showed that, whereas bridge jobs were felt to be far less stressful, this did not always mean that these jobs offered less of a challenge. The workload in particular was felt to be much lower. More than one third of all re-entrants said that at times the workload in their career jobs had been so high that it created tensions at work (Table 3). No more than ten per cent of them had a similarly high workload in their bridge jobs. Just over ten per cent derived little or no challenge

from their post-retirement work. The quality aspects of the job differed depending on the level of education. The lesser educated felt their work to be considerably more taxing and stressful than re-entrants with a higher level of education. Additionally, the better educated found more challenge in their work than the lesser educated.

Table 3 Perceived quality of the work in career job and bridge job, in per centages (N=141 people active in bridge employment in 2011)

	Career job 2001	Bridge job 2011
"My work is physically demanding"		
Agree/totally agree	15	12
Neutral	18	13
Disagree/totally disagree	67	75
Total	100	100
"At times the workload is so high that it creates tension"		
Totally agree	5	1
Agree	28	9
Neutral	18	19
Disagree	35	52
Totally disagree	13	19
	100	100
"My work is characterised by many challenging tasks"		
Totally agree	13	15
Agree	49	42
Neutral	23	31
Disagree	11	10
Totally disagree	5	3
	100	100
Are you able to:		
Take a day off	85	95
Start work later or leave earlier	85	79
Work from home/do telework	47	56
Take unpaid leave	36	81
Go on holiday	81	96

In terms of flexibility we found that employees had ample opportunity to combine their work with other activities, even in their career jobs. More than eighty per cent were free to take a day off as they pleased, start work later or leave earlier, and to go on holiday.

Possibilities to work from home were somewhat more limited, yet still an option for most. Interestingly, flexibility was considerable in their former jobs and it scarcely increased in bridge employment. Post-retirement work was found to be far more flexible only in terms of the possibility of taking unpaid leave, with more than 80 per cent being allowed to take such leave. These figures shed further light on the conclusion of earlier research that greater flexibility was an important precondition for working beyond retirement (e.g., Patrickson 2003; Phillipson,2004; Van Loo *et al.* 2006). Our figures suggest that this relates in particular to the freedom for bridge employees to interrupt the continuity of their work as they please by taking unpaid leave.

WHAT DRIVES BRIDGE EMPLOYMENT?

In this section we will deal in more detail with the question what drives people to continue working beyond regular or early retirement. We will look into this question from two perspectives. Our first approach entails presenting the results of a multivariate regression analysis in which we analyse bridge employment based on a variety of factors. Our second approach to gaining a better insight into what drives people to start afresh after retirement entails examining the reasons people in bridge employment themselves give for doing so. This information can shed more light on the question of whether their decision is driven primarily by financial or extrinsic factors or whether intrinsic factors such as the nature of the job play a more important role.

Bridge employment: a multivariate analysis

The decision to re-enter the workforce – in bridge employment – after retirement is the result of a decision-making process that is influenced both by the employee's individual characteristics and by the context in which retirement took place. Individual characteristics that play a role are sex, marital status, level of education and health. These factors represent the respondents' socio-demographic position and their human capital. Characteristics of the retirement process that could influence the decision of whether or not to re-enter the labour market are: the age at retirement as well as whether their retirement was voluntary or involuntary. The previous sections examined whether each of these individual factors are related to bridge employment. In this section we will analyse the relationship between the various factors in an effort to determine the relative importance of each of them in the decision whether or not to extend one's working life. In addition to the factors mentioned, we will explicitly examine the role of financial factors such as the older worker's financial position (in terms of their accumulated wealth) and whether or not they have a pension shortfall.

The results of the logit analysis used to explain bridge employment decisions are presented in Table 4.So-called marginal effects are presented. A marginal effect of x per cent means that an individual with that specific characteristic will – under otherwise similar circumstances –have a higher likelihood of x percent-point on average of entering bridge employment. The marginal effect for men is 0.176. This means that compared with women, men have a 17.6 percent point higher likelihood of working beyond retirement

Table 4 Results of the Logit Regression explaining Bridge Employment Decisions among older workers in the Netherlands, marginal effects and standard errors (N=1,296 retired employees)

	Probability of entering bridge employment after (early) retirement		
	Marginal effects		SD
Individual characteristics			
Gender			
Female	---		---
Male	.176	***	0.028
Marital status			
Married	---		---
Widowed	-.020		0.049
Divorced	-.192	**	0.061
Never married	-.124	**	0.043
Educational attainment			
Low	-.072	*	0.037
Medium	---		---
High	.121	***	0.031
Perceived health	.055	**	0.016
Accumulated wealth	.000		0.008
Perceived pension shortage			
No	---		---
Yes/may be	.012		0.029
Retirement context			
Age at retirement (%)			
Younger than 55	.214	***	0.053
56-57	.122	**	0.044
58-59	.045		0.039
60-61	---		---
62 and older	-.108	**	0.033
Voluntariness of retirement			
Voluntary	---		---
Involuntary – organisational reasons	-.009		0.036
Involuntary – health reasons	-.066		0.050
Involuntary – other reasons	.102		0.057
Chi ^{2}	169.53		
Df	16		
Log Likelihood	-711.261		
Pseudo R^2	10.7%		
Sample Size	1.296		

*Significant at p<0.05; ** Significant at p < 0.01 ; *** Significant at p < 0.001

By and large, the results of the analysis in Table 4 are in line with the results presented earlier. A factor that plays a role in addition to sex (see above) is marital status. We see

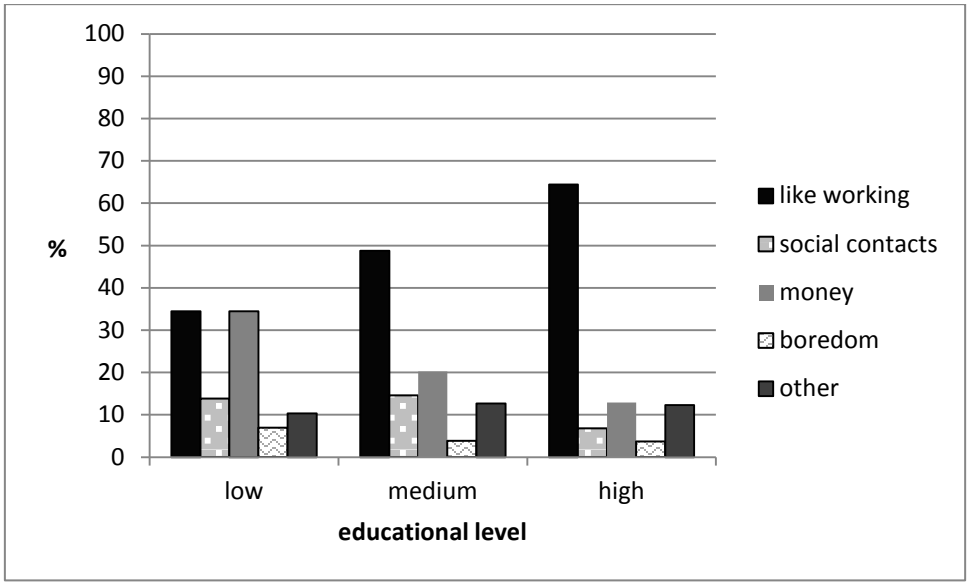
that divorced and single older workers are less inclined to work beyond retirement than married people. We also see that, whereas bridge employment is not found exclusively among the more highly educated, level of education was an important factor. Compared with older workers with a medium level of education, the better educated had an 12.0 percent-point higher probability of entering bridge employment and the lesser educated had a 7.2 percent-point lower probability. Another factor that was found to increase the likelihood of successfully moving to bridge employment was self-perceived good health. Contrary to our expectations, factors relating to the older workers' financial position did not have a significant effect on bridge employment. One might expect older workers with a pension shortfall to be more inclined to extend their working lives. Note, in this connection, that a majority (53%) did not report a pension shortfall. Nor did their accumulated capital – a more general indicator of an employee's financial position – show any significant correlation with bridge employment. Here, capital wealth was defined as their total net worth (including a home, minus mortgage and other debts) in 2001.

The results show that the time of retirement was an important factor in determining bridge employment, as the lower the retirement age, the greater the likelihood of an indvidual re-entering the labour market. The probability of transitioning to bridge employment was therefore smaller for those who retired after the age of 60-61 years (the reference group), the age at which most people in these birth cohorts took early retirement. Involuntary retirement was not found to encourage older workers to re-enter the workplace. This would seem to make sense for older workers who retire for health reasons, but not so much so for those who take early retirement because of a restructuring.

Reasons for working beyond retirement age

A different approach to finding out what drives older workers' decisions to continue working beyond retirement is to ask the people in bridge jobs themselves what their reasons for doing so were. Whereas the drawback of this approach is that the respondents may give socially desirable answers, the advantage is that the reasons may tie in better with the respondents' own experiences. In the survey we made a distinction between four major reasons for entering bridge employment and respondents were asked to indicate which reason was most important in their particular case. The reasons distinguished were: for the money, social contacts, like working, and working as a means to dispelling the boredom that comes with too much leisure time. Figure 9 presents the answers, broken down by level of education.

Figure 9 Bridge employees by level of education and reasons for working beyond retirement age (N=350 people who are or used to be in bridge employment)



The figure clearly shows that intrinsic reasons ('like working') were mentioned most in all levels of education.[1] Financial reasons came in second place, being the most important reason for continuing to work for about one in five people in bridge employment. A need for social contact and too much leisure time was the decisive factor for no more than a small minority. These findings paint a picture of bridge employment as being driven mainly by positive intrinsic reasons for working beyond retirement. This notion is further strengthened when we compare people in paid employment and the self-employed (not in Figure). No fewer than two thirds of the self-employed indicated that they worked primarily because they enjoyed doing so. Earlier, we saw that over twenty per cent of the older workers who were in poor or bad health transitioned to bridge employment despite their state of health. Financial reasons were far more important among this group than among healthy older workers; 43 per cent of older workers in poor to bad health continued working because of the money; among those in very good health no more than 12 per cent said money was the most important reason.

SUMMARY AND CONCLUSIONS

With the imminent retirement of the baby-boom generation, increasing attention is being paid by employers and policymakers to strategies that could encourage older workers to extend their working lives (Schlosser *et al.* 2012). Bridge employment may be a forceful instrument in postponing the age at which workers finally leave the labour market (Wang and Shultz 2010). The key to capitalizing on this resource is to understand older worker's work-retirement decisions.

[1] Among the lesser educated intrinsic and financial reasons are equally important and both come in first place.

The purpose of the current chapter was to determine what factors contribute to the propensity to engage in paid work after retirement among older adults in the Netherlands. This chapter is based on data from the NIDI Work and Retirement Panel, an ongoing longitudinal survey of older workers in the Netherlands and their partners that started in 2001. We examined a subset of 1,300 respondents aged 50 and over at baseline who were in a career job at the time of the first interview and retired from this career job in the period between 2001 and 2011. In this chapter we have described this process in more detail and have sought to find an answer to the questions how these re-entrants can be characterised, what type of work they do and what their main reasons are for starting a new career after retirement. We will here summarise our most important findings.

Bridge employment is widespread among broad layers of retired employees and comes in many shapes and sizes. Roughly one third of all retired employees re-enter the labour market after retirement. In some cases bridge employment serves only as a brief transition to full retirement. For others, however, ties with the labour market are strengthened and extend beyond the age of 65. Bridge jobs differ not only in the number of years worked, but also in terms of the average number of hours worked a week, with part-time jobs and a very short working week being most common. No more than 12 per cent work more or less full-time and a majority work at most two days a week.

The second characteristic of bridge employment is the high degree of flexibility. No less than a quarter are self-employed or work freelance and only a small minority of those in

paid employment have a permanent contract of employment. A majority of bridge employees earn an hourly wage below that received in their career job. Bridge employment is therefore de facto a demotion, a career step that is still considered a taboo but which apparently is not felt to be a problem in practice as long as it is voluntary. It may well be that bridge employees do not consider this to be a drawback because they receive a pension in addition to their income from work. It would appear that bridge employment offers employers the possibility of matching pay to productivity. It remains to be seen, however, whether people who work beyond retirement age will still be prepared to work for a lower wage in the future, when pensions will not be as handsome as they are now.

The research results show that whereas bridge employment is most widespread among the better educated and among people in good health, it is by no means the sole preserve of these categories of employees. The lesser educated were also widely found to extend their working lives beyond retirement, but – much more so than the more highly educated – they tend to embark on a completely different line of work after retirement. Nor were health problems found to stand in the way of a re-entry into the workplace. This may possibly be explained by the relatively strong intrinsic motivation of people in bridge employment, many of whom indicated that they enjoyed their work and that this was the most important reason why they chose to continue to participate in the labour market. Only a small minority took up bridge employment mainly for financial reasons.

The increasing numbers of people working during retirement years suggests that we are on the eve of a fundamental change of the way work and retirement are organized in old age.

This change is linked to a broader development where education, work, and leisure are increasingly parallel careers instead of successive stages in the life course. Studying these life course trajectories, their antecedents and consequences will provide an important area for further research in an aging labor market.

Appendix 1- Data

This chapter is based on data from the NIDI Work and Retirement Panel. This is a multi-actor panel study, where older workers and their spouses have been followed for a period of ten years. The first wave of this longitudinal study was carried out in 2001. In three large Dutch multinational companies in the private sector (Unilever, IBM, VendexKBB), and in the public sector (Civil service), data were collected in collaboration with the HRM departments. The companies provided the random sample as well as financial background information (such as salary, replacement rate). The mailing was carried out by the companies, under supervision of the researchers. A random sample of employees aged 50 years and over working in the different operating companies of these multinationals (for the Civil service: different Ministries) received an envelope with the company's logo, including a questionnaire for themselves and a separate questionnaire for their married or unmarried partner, if present. The questionnaire included questions with respect to the older worker's financial, work, health and family situation, as well as their work-retirement plans. The data show a large variability with respect to different occupational settings and individual characteristics. Response rates in this first Wave were 63% for workers and 95% for their spouses.

In 2006-2007 a follow-up survey was conducted (Wave 2), in which all surviving Wave 1 participants were re-surveyed, once again by mail questionnaire. The Wave 2 survey asked respondents about changes in employment status, including retirement and retirement plans and behavior, since Wave 1. A total of 2,240 questionnaires were sent to surviving Wave 1 participants. 1,678 surveys were returned, providing complete or virtually complete data. Wave 2 response rates, following two reminder notices, were 75% for older workers and 97% for partners.

In 2011, all surviving respondents have been re-interviewed, again by way of a mail questionnaire. A total of 1,636 questionnaires were sent to surviving Wave 2 participants; 1,276 surveys were returned, providing complete or virtually complete data (response 78%). The respondents and their partners were between the age of 60 and 75 at this third wave of data collection. The Wave 3 survey asked respondents about changes in employment status, including retirement since Wave 2. We collected detailed information on characteristics of bridge jobs (objective characteristics as well as perceived quality of the jobs in terms of perceived stress, autonomy, job challenge), and information on health and psychological wellbeing. Information regarding events and behavior between wave 1, 2 and 3 are collected using the anchored retrospective approach (Bumpass and Raley 2006). For this particular study, we examined a subset of 1.304 respondents who were in a career job at the time of the first interview and retired from this career job in the period between 2001 and 2011.

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