

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

Psychological and Socioeconomic Factors Influencing Men and
Women's Planning for Retirement

A thesis presented in partial fulfilment of the requirements for the degree of Doctor of
Philosophy in Psychology at Massey University, Turitea, New Zealand.

John Hamilton Noone

2010

Abstract

Concerns for the future well-being of the Post World War II “Baby Boom” generation continue to increase as many approach retirement age. These concerns stem from the expected strain on social security and health systems when this generation leaves the paid workforce. Retirement planning has been identified by social science researchers as one way of protecting pre-retirees’ future well-being, but there are many problems within this research. For example, the long-term benefits of retirement planning are yet to be confirmed, the causal relationships between socioeconomic, psychological, and demographic variables have been under-theorised, and existing conceptualisations of retirement planning have not adequately captured the construct. This has had implications for the resultant measures and for the development of new retirement planning knowledge. A programme comprising four studies was designed to address these limitations in the retirement planning research.

For Study One, longitudinal data from the American Health and Retirement Survey were used to illustrate the prospective benefits of retirement planning on well-being in later life. For Study Two, a sub-sample of 2,277 working men and women from the New Zealand Health, Work, and Retirement survey, was used to theorise and model the causal effects of SES, work involvement, and retirement perceptions on retirement planning from a gendered perspective. Study Three described the development and validation of a comprehensive and theoretically driven measure of retirement planning using a population sample of 1,449 New Zealand pre-retirees. Fifty two items were developed to assess each stage of the retirement planning process for financial, health, lifestyle, and psychosocial planning. The final study used the same data to examine the relationships between certain psychological, socioeconomic, and demographic variables and the process of retirement planning. The results indicated that these variables were inconsistently correlated with the different stages

of the planning process. These inconsistencies were theorised as barriers to completing the retirement planning process.

Overall, the results of the four studies indicate that retirement planning predicts well-being and that certain groups are less prepared than others. Conceptualising retirement planning as a process has the potential to build on our current understandings by generating research questions that have not previously been considered. These new understandings will have implications for future research and for retirement policy aimed at promoting retirement planning for the next generation of retirees.

Preface

This thesis is based on four research manuscripts. The first manuscript was published in 'Research on Aging' in 2009. The second manuscript was also submitted for publication to 'Research on Aging' in 2009 and it has undergone two rounds of peer review since that time. This manuscript is currently being reviewed by the editor for a final decision. The third manuscript has been accepted for publication in 'Psychological Assessment' and it is currently in press. The final manuscript has not yet been submitted for publication, but it will be submitted to 'The Gerontologist' later this year.

The ideas presented in this thesis are completely my own. My supervisors helped me to structure my arguments, they provided me with statistical advice, and they helped me to select the appropriate journals for publication. For these reasons, Dr Christine Stephens and Dr Fiona Alpass were included as co-authors for the publications that comprise this thesis.



Jack Noone

Doctoral Candidate

Massey University

Acknowledgements

I have thoroughly enjoyed completing my doctoral thesis and this is due, in no small part, to the people who have guided and shared my journey. To Chris Stephens and Fiona Alpass, thank you so much. You've taught me everything I know and I look forward to working alongside you in the future. Thank you to Charlotte Paddison. I look back on our time as office-mates with fondness. You showed me that I could do it (and I did). I would also like to thank Antonia Lyons and Ian Goodwin. Your support and advice has been greatly appreciated. Thank you to all my Wellington colleagues. Thanks in particular to Ella Kahu for being a wonderful colleague and for your friendship. Thank you to my parents and my brother. It looks like I'm a city boy now, but the Ida Valley will always hold a place in my heart. Thank you to Cristina, my wonderful wife. Aside from the financial and emotional support, you have defended me against those unrelenting questions: "Is he still a student? When is he going to get a job?"

I would also like to acknowledge the financial support from the Retirement Commission, the Ministry of Social Development, and the School of Psychology. This project would not have been possible without the financial assistance from these organisations.

Table of Contents

Abstract.....	II
Preface	IV
Acknowledgements	V
List of Figures	VIII
List of Tables.....	IX
List of Tables.....	IX
Introduction.....	1
The Nature of Retirement Planning	3
The Positive Effects of Retirement Planning	4
Correlates of Retirement Planning	5
Limitations within the Research.....	7
Theoretical Basis for an Integrated Conceptualisation of Retirement Planning	9
Summary and Research Aims	10
Thesis Outline	11
Study One: Pre-Retirement Planning and Well-Being in Later Life.....	17
Abstract	17
Methods.....	22
Results	27
Discussion	32
References.....	40
Personal Reflections.....	44
Study Two: Do Men and Women Differ in Their Retirement Planning? Testing a Theoretical Model of Gendered Pathways to Retirement Preparation.	46
Abstract	46
Methods.....	55
Results	60
Discussion	65
References.....	70

Personal Reflections.....	77
Study Three: The Process of Retirement Planning Scale (PRePS): Development and Validation.....	79
Abstract	79
Method	89
Results	95
Discussion	105
References.....	110
Personal Reflections.....	115
Study Four: Examining the Socioeconomic, Psychological, and Demographic Correlates of the Process of Retirement Planning	116
Abstract	116
Methods.....	122
Results	123
Discussion	126
References.....	133
Discussion.....	136
Research Aims	136
Contributions to the Retirement Planning Literature	138
Implications for Retirement Planning Research.....	141
Implications for Policy	143
Limitations	146
Conclusion.....	149
References.....	151
Appendices.....	164

List of Figures

Figure 1. Flow diagram denoting the thesis structure.....	12
Figure 2. Proposed theoretical model showing predicted relationships between SES, workforce involvement, retirement perceptions, and informal and financial retirement planning (controlling for time to retirement).....	55
Figure 3. SEM showing the significant parameter estimates and standard errors for the full sample when the direct effects of sex were added.	62
Figure 4. SEM showing the significant parameter estimates and standard errors for the female only sub-sample when the direct effects of marital status were added.....	63

List of Tables

Table 1. Response Frequencies of Independent and Dependent Variables.	28
Table 2. Bivariate Correlations (Spearman’s Rho) Between Planning Variables and Dependent Variables.	29
Table 3. Ordinal Regression Analysis Showing Odds Ratios and 95% Confidence Intervals.	32
Table 4. Cronbach’s Alpha, Standardised Factor Loadings, and Standard Errors for the Latent Variable Indicators.	61
Table 5. Estimated Correlations Between the Study Variables According to Gender.	64
Table 6. Factor Loadings (CFA) for the Process Model According to Financial, Lifestyle, and Psychosocial Retirement Planning.	98
Table 7. Factor Loadings (CFA) for the Process Model According to Health Planning.	99
Table 8. Pearson’s Correlations Between the Control Variables and the PRePS Subscales.	101
Table 9. Summary of Hierarchical Regression of the Respective Retirement Preparedness Subscales (Finances, Health, Lifestyle, and Psychosocial) on Control Variables (step 1), HRS (step 2), and the PRePS Subscales (Representations, Goals, and Decisions) (step 3).	104
Table 10. Pearson’s Correlations Between the Control Variables and the PRePS Subscales.	125