

# Productive Activity Patterns in Early Postretirement in Germany<sup>1</sup>

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## 1 Background and Research Questions

The German population is currently one of the oldest in the world and this trend is most likely to continue during the next decades (Rowland 2009). The steady increase of older age groups is likely to put pressure on the social security and pension systems in the future, especially when the Baby Boomers born between 1955 and 1965 will enter retirement from 2020 onwards. Against this background, a debate on active and productive aging has emerged in Germany but also in the OECD countries at large (e.g. Kocka & Staudinger 2010). The debate has been focusing on the older adults' potential for the labor market, for civil society and intergenerational support within the family.

The study of such productive activities is particularly relevant for the immediate post-retirement phase which is characterized by a high amount of interindividual difference since it is less defined by societal expectations. Therefore, a "roleless role" (Burgess 1960) is a typical situation of older adults in immediate post-retirement and which is part of an overall individual adjustment process to this new life phase affecting different areas of life (Shultz & Wang 2011; Wang & Shi 2014). In a life-course perspective, the entering into the third age that typically coincides with retirement can therefore be described as an individual project: "Without taken-for-granted blueprints, people must strategically select their own pathways through this emerging life stage" (Moen 2011: 14). Against this background, the study of multiple productive activities among older people with a special focus on their intensity and interrelations seems especially fruitful in order to establish new insights in the complex debate on productive aging. Apart from the opposing views of active aging or disengagement (e. g. Cumming & Henry 1961), the analysis of clusters of multiple activities can provide a more comprehensive understanding of the complex way in which productive activities and time commitments are related. To describe and to interpret the clusters, not only the type of productive activities, but also the patterns of interrelation between those activities are important. We draw on the assumptions of role theory which refers to role extension (complementary association between productive activities) and role substitution or role overload (substitutive relations of productive activities) as the basic types of interrelation.

In the light of the existing evidence, it seems that activities that are obligatory are more likely to be associated with role substitution whereas a strong engagement in discretionary activities is most likely linked with role extension. Against this background, the present study focuses on the following research question: Do productive activities of retirees in Germany form distinctive clusters and how can those clusters be described? Following the above mentioned evidence and conceptual approaches, we assume that productive activities among retirees in Germany form distinctive clusters (H1). Regarding the type of

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interrelation between productive activities within the clusters, we formulate two additional hypotheses: According to role extension approach, labor market participation and formal or informal volunteering are complementary activities among retirees (H2).

Based on the evidence on role substitution approach, a high share of familial engagement is likely to have a substitutive relation to formal or informal volunteering or labor market participation (H3).

In a second analytic step, we are addressing the question which predictors of cluster membership can be identified. We assume that: The higher the amount of individual, familial and economic resources, the higher the probability that the clusters display a complementary interrelation of productive activities as defined by the role extension approach (H4).

## **2 Data and Research design**

The analysis is based on data from the interdisciplinary survey “Transitions and Old Age Potential” (TOP). In early 2013, a representative sample of the German resident population (N = 5,002) between 55 and 70 years of age was interviewed via telephone on the basis of a newly designed questionnaire. The questionnaire included standardized items as well as open questions on different topics like the planning, the timing and the adjustment to retirement, labour market participation, informal activities, images of ageing, the respondents’ personality as well as their health, subjective well-being and life satisfaction (Sackreuther, Schröber, & Cihlar, 2015).

For the present study, the sample was restricted to those respondents between 60 and 70 who were already retired at the time of the interview (N = 2,141). Retirement was defined as receiving an old age pension based on ones’ own former labour market participation. Even though other definitions of the multidimensional concept of retirement are generally possible (Ekerdt, 2009; Sargent et al., 2013), the chosen definition provides some advantage when it comes to productive ageing: it does not imply that the respondents have completely withdrawn from the labour market.

To identify patterns of productive activities, hierarchical cluster analysis was conducted using SPSS 20. Canonical discriminant function coefficients for all clusters were reported. Additionally, a multinomial logistic regression was calculated with the clusters as the dependent variable. The cluster with the lowest level of activity was used as reference category in the regression model.

## **3 Results**

The cluster analysis reveals four groups of retirees: the Multiple Engagers, the Volunteers, the Family Helpers and the Family Disengagers. According to the results of the canonical discriminant analysis, those groups differ significantly by structure and intensity of productive activities. The Multiple Engagers are the smallest group in the sample (10.4 percent, n=212). The most salient characteristic of this group is the high participation on the labor market during retirement: all of the respondents in this group either have a part time (less than 30 hours per week) or a full time employment (30 hours and more per week). The extent of civic engagement is slightly above the average of the study sample even though a lower share of the Multiple Engagers is regularly occupied with volunteering or informal helping. Regarding supporting activities within the family like child care or caregiving, the Multiple Engagers are more often involved compared to the average of the sample. Thus, the members of this cluster seem to complement various productive activities in their everyday lives. The Volunteers comprise 23 percent of the sample (n=469). The members of this cluster report an extensive engagement in formal volunteering and informal helping: All of the Volunteers are regularly volunteering or occupied with helping activities outside their own household which means that the respondents perform such activities at least several times a week. Regarding the relatively high overall level of activity, one can conclude that the Volunteers often manage to complement more than one productive

activity. However, the findings do not support our second hypothesis concerning the positive relation between paid work and formal and informal volunteering. Rather, the third hypothesis which assumes a substitutive relation between volunteering and supportive activities within the family can be confirmed to some degree since only 28 percent of the Volunteers are regularly engaged in child caring or caregiving.

The Family Helpers, which include 26.1 percent of the sample (n=534), are occupied to a very high degree with child care or looking after a sick or disabled person within their own family: 71.0 percent of the respondents in this cluster report to be regularly involved in those activities. In contrast, the labor market participation of the Family Helpers is the lowest of all clusters, with only 2.3 percent being engaged in a part time job. The Family Helpers also show a slightly lower share of people involved in formal volunteering or informal helping compared to the sample. The members of this cluster are not only engaged in those activities to a lesser degree, but that a substitutive relationship between those activities is much more common compared to the Multiple Engagers. This especially seems to be true for the relation of paid work and familial engagement, like child caring and caregiving, among the members of the Family Helpers.

The Family Disengagers are the largest group in the sample (40.5 percent, n=828). Members of this cluster reported the lowest engagement in most of the formal volunteering and informal helping activities, but especially the engagement within the family was lowest among all clusters. Only 0.3 percent of the Family Disengagers are irregularly occupied with child care or care giving for a family member. In contrast, 12.7 percent are actively engaged in the labor market, even though only part time. It is not surprising that the Family Disengagers showed the lowest level of productive activities of all clusters. The patterns of activities within the Family Disengagers support our second hypothesis only to some extent since only a small share of this cluster is engaged in paid work as well as formal or informal volunteering.

The clusters only showed relatively weak differences regarding individual and economic characteristics. On the basis of this finding one can conclude that different levels of productive activity among retirees are associated only to some extent with social inequalities, especially a low level of formal education and, in the case of the Family Helpers, with an income below the poverty threshold (60 percent of the mean equivalence income of the sample). Rather, individual and familial characteristics like gender, having grandchildren or the region of living and, at least for the Multiple Engagers and the Family Helpers as well as the employment status before retirement, seem to best differentiate members of the productive activity clusters.

#### **4 Discussion**

The study indicates that productive activities – paid work, formal or informal volunteering, caregiving and child care within the family – form distinct clusters among retirees aged 60 to 70 years in Germany. The cluster analysis revealed four groups that differed with regard to the structure and the amount of productive activities. The Multiple Engagers and the Volunteers displayed the highest amount of activities while the Family Disengagers reported the lowest level of engagement. Individual and familial characteristics as well as the region of living seem to best differentiate members of the productive activity clusters while socioeconomic characteristics only displayed weak differences.

Two hypothesis of our study are concerned with the relationship of productive activities within the clusters: is there a complementary relation between discretionary or optional activities (e.g., paid work or volunteering) or a competitive relation between discretionary and obligatory activities (e.g., caregiving for a family member)? Our findings indicate that if the cluster is dominated by an obligatory activity such as caregiving for a family member there is a competitive relationship with other types of activities (e.g., Family Helpers), supporting our third hypothesis. Whereas, if no such dominating obligation exists activities seem to be complementary rather than competitive (e.g., Multiple Engagers or Volunteers), which gives some support for our second hypothesis. Based on those findings, it seems crucial to assess the amount of time invested in an activity as well as whether the activity is

discretionary or obligatory. Such additional information would help to provide an overall picture of different time use structures in retirement.

Since the Family Disengagers with an overall low activity level are the largest group in the sample, the discourse on old age potential and productive aging as of now only seems to apply to certain groups of retirees. Studies that progressively widen our knowledge not only on individual productive activities but on population-based patterns of such activities in older age groups are especially relevant to reveal adequate pathways not only for the benefit of older people but for aging populations as well. Care needs to be taken that certain activity patterns do get stigmatized as “unproductive” (Bass 2011; Caro, Bass & Chen 1993), since old age is highly differentiated in terms of personal and socio-demographic characteristics as well as socio-economic opportunities (Heinze & Naegele 2009).

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