

is preretirement planning important?

Mary Jane Becker
Thomas F. Trail
Martha B. Lamberts
Ronald M. Jimmerson

Nationally, interest in retirement planning has surged. Preretirement programs of large companies and other organizations include some social and psychological planning to complement traditional income and health insurance planning programs.

Niederfrank, retired social science analyst and rural sociologist with the Extension Service, states:

One of the main things most retired people come to realize is that the way they have spent their working years has just about everything to do with the quality of life they're having in retirement. It is never too late to begin making retirement plans and it's never too early.¹

Many of the problems facing the 26 million retired people today could have been avoided by proper preretirement planning. The time to start those preparations is when the individual is in his/her 30s and 40s.²

The Study

Washington State Cooperative Extension (WSCE), concerned about early preretirement training for employees, initiated a study to determine the attitudes and needs of Extension staff of all ages toward preretirement training.

A mail questionnaire was designed, covering 20 topics from the literature and experience of preretirement educa-

Mary Jane Becker: Preretirement Training Researcher, Cooperative Extension, Washington State University—Pullman; *Thomas F. Trail*: Staff Development Specialist, Cooperative Extension, Washington State University—Pullman; *Martha B. Lamberts*: Human Development Specialist, Cooperative Extension, Washington State University—Pullman; and *Ronald M. Jimmerson*: Assistant Professor, Adult and Continuing Education, Washington State University—Pullman. Accepted for publication: January, 1983.

tors. These topics were grouped into the major headings: income planning, general planning, social planning, psychological planning, and leisure time activities planning.

Staff were asked to rate these 20 preretirement topics on a scale from 1 to 5: 5 = extremely important, 4 = important, 3 = somewhat important, 2 = hardly important at all, and 1 = not important. Staff were also asked to indicate the amount of study already done on the same topics. The scale for the amount of completed training was as follows: 5 = great amount, 4 = large amount, 3 = average amount, 2 = small amount, and 1 = none.

Respondents were asked to rate the 20 topics on the amount of training they'd like to have at this time. The importance scale noted previously was used.

Findings

Of the 279 Extension staff, 234 (84%) responded to the survey. Nine percent (20 respondents) didn't complete the entire questionnaire. Some members of this group said they felt too young for this type of training. Others said they'd already studied most of the topics because they were nearing retirement.

The number of respondents completing the survey by age group were: 16 in their 20s, 56 in their 30s, 49 in their 40s, 71 in their 50s, and 16 in their 60s or older. A total of 208 (75%) of the questionnaires was suitable for data analysis.

Income Planning

Respondents rated income topics as extremely important (all medians were above 4.0 except for staff in their 40s who rated it 3.9). Information on income included such topics as annuities, part-time work, reduced income living, investment income, life insurance income, insurance, and legal matters (see Table 1). The study found staff in their 20s and 30s had studied income planning topics only a small amount, while older staff had studied it an average amount. All staff desired a large amount of training on income topics.

General Planning

Opinions on the importance of general topics for training varied. Staff in their 20s and 50s regarded general topics as extremely important. Other age groups felt training on such subjects as federal fringe benefits, physical and mental health, health insurance, where to live, and housing important. The amount of training desired varied from a large to an average amount, decreasing by age group as follows: 50s, 30s, 40s, 20s, and 60s.

Social Planning

Social planning topics including volunteer activities, socialization, travel (meeting new people), and continuing

Table 1. Median ratings of preretirement topics by age group.

Topics	Degree of importance	Past study	Training desired
Income planning	Extremely important— 20-30-50-60s Important—40s	Average amount— 40-50-60s Small amount— 20s and 30s	Large amount— all ages
General planning	Extremely important— 20s and 50s Important—30-40- 50s	Average amount— all ages	Large amount— 20-30-40-50s Average amount— 60s
Social planning	Important—all ages	Average amount— all ages	Average amount— all ages
Psychological planning	Extremely important— 20-30-40-50s Important—60s	Large amount— 40-50-60s Average amount— 20s and 30s	Average amount— all ages
Leisure time activities planning	Important—40-50- 60s Somewhat important— 20s and 30s	Large amount— 40-50-60s Average amount— 20s and 30s	Average amount— 40-50-60s Small amount— 20s and 30s

education were rated important by all ages. An average amount had been studied and an average amount was desired.

*Psychological
Planning*

Psychological topics such as a sense of self-worth, sense of belonging, and love and joy in life (anticipation and participation) were rated extremely important by all ages except 60s, who rated it important. A large amount of training had occurred on this topic by the older staff and an average amount by those in their 20s and 30s. An average amount of training was desired by all ages at this time in their careers.

*Leisure Time
Activities
Planning*

Leisure topics such as cultural activities, hobbies, and caring for animals were thought important by those in their 40s, 50s, and 60s, and somewhat important by those in their 20s and 30s. The older staff had studied this area a large amount and the younger staff, those in their 20s and 30s, had studied it an average amount. An average amount of training was desired by older staff and a small amount by others.

Using These Findings

A workshop was held during “In-Service Education Week” with the curriculum based on the above findings. The first 25 staff to sign up for the workshop could attend. In a pre-workshop survey, staff stated they learned best in small and flexible groups, focusing on discussion, doing “hands-on” experiences, and using visiting experts as resources.

The format for the workshop was, therefore, informal. The survey indicated workers wanted most training on income planning topics so the federal fringe benefits officer discussed benefits and gave participants “hands-on” experience. For example, participants computed pension benefits on an individual basis. A local lawyer discussed estate planning, wills, trusts, inheritance taxes, and powers of attorney.

A positive attitude toward retirement should be established at an early stage in the Extension agent’s career. Staff need to establish roles outside of the job. These roles should be important to the individual and to successful adjustment to retirement. Such roles will help to ease the trauma of transition from paid employment to retirement, if such trauma exists.

Because staff rated general planning topics as important, a retired local doctor discussed diet, physical exercise, and mental health, focusing on preventive practices. Many questions were raised and possible solutions and answers were given in an informal give-and-take session.

Successfully retired Extension faculty were invited to discuss ways they selected a place to live and social life opportunities: (1) in their home town, (2) near relatives, (3) in retirement homes, and (4) in retirement villages. Role models included a husband-and-wife team as well as two men and two women.

Evaluation of Workshop

On a scale of 1 (low) to 5 (high), this workshop was rated 4.47. It provided participants an opportunity to sort out and clarify their attitudes toward retirement and freed them to discuss their fears and concerns. Staff learned how to avoid some problems and how to solve others. A variety of retirement literature was handed out. Requests were made to have an investments officer, a broker, life insurance adjustment officer, and government official (who could talk about part-time jobs with the government at home and overseas) as experts for the next workshop.

Recommendations

A positive attitude toward retirement should be established at an early stage in the Extension agent's career. Staff need to establish roles outside of the job. These roles should be important to the individual and to successful adjustment to retirement. Such roles will help to ease the trauma of transition from paid employment to retirement, if such trauma exists.

In our survey, income planning topics were rated as extremely important and a large amount of training was desired by all age groups. We suggest, therefore, that preretirement training on income planning should be introduced during the initial orientation of staff. Since general and psychological topics were rated as extremely important, periodic updating of information could be given through training. All groups of staff indicated that some training should be given. (In a subsequent survey, WSCE retired faculty indicated they wished they'd had from an average to great amount of training on all preretirement topics.)

Implications

Early training for retirement can be a preventive measure for avoiding many problems and depression in retirement. If staff can develop decision-making skills and the ability to be flexible, they can ward off many problems later in life. MacLean from McDill University claims that early life habits affect adjustment to crisis in later life.³ Bowman found that all participants in three studies had significant positive changes in attitudes toward retirement as a result of program participation.⁴ Preretirement planning can be initiated at any age.

Footnotes

1. Evlon J. Niederfrank, *Preparing for Retirement* (Corvallis, Oregon: Evlon Niederfrank Publisher, 1980).
2. Harriet Miller, "Help for Those Facing Retirement," *Modern Maturity*, XX (August/September, 1977), 7.
3. Michael J. MacLean, "Major Events of Life and Pre-Retirement Course: An Individual Technique," *Active Times*, III (Winter, 1978), 11-12.
4. Donald L. Bowman, "Attitudes and Activity Involvement Comparisons" (Ph.D. dissertation, Iowa State University, Ames, 1974).