TIMING RETIREMENT*

1. THE PROBLEM AND PROPOSED SOLUTIONS


Reviews the changing policies about retirement and stresses the value of a flexible retirement age and preparation for retirement. Suggests several alternative forms of flexible retirement, and points out the need for "objective, measurable factors which could be used to determine which workers should retire, which should be transferred, and which should remain in their former jobs. . . ."

Industrial Relations Research Association (c/o Secretary-Treasurer of the Association, Park and University, Temp. 3 Room 5, Madison 5, Wis.). The aged and society; a symposium on the problems of an aging population. 1950. 237 pp. $3.00.


Dean Brown emphasizes the desirability of "acceptance of . . . a fixed age at which the worker's expectancy of continued employment ends," and suggests the possibility of re-employment on a definitely limited and temporary basis. "In this way, selected individuals can be recalled for specific needs on the basis of the changing demand for personnel and the physical, mental, and personality adjustment of the particular worker to advancing age."


Proceeding on the theory that "the loss of production from premature retirements has become one of the principal wastes in the economy," Professor Slichter analyzes the extent of and reasons for premature retirement, and proposes an incentive plan to encourage employers to keep on or hire more past-65 workers.


This article reviews both the experimental researches on the performance of older people and studies of industrial performance. The au-

* Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.
thors conclude that anyone who undertakes a study of the employability of older people "must be prepared for long, careful, difficult, and laborious work, and that at the present state suggestions based upon research must be regarded as tentative."


Commenting on the widespread feeling that "a compulsory retirement age was never justified in a pension plan," this article aims "to set forth some of the practical reasons why a compulsory retirement age has been established under most of the pension plans now in operation." Concludes: "After examining the pros and cons of all methods, we will probably decide ... that a compulsory retirement age is the least objectionable of the available methods. . . ."


Data on retirement ages under the OASI program shows the average age of retirement for men in 1950 as 68.7 and for women 68. Only 21.9 per cent of men and 22.3 per cent of women retired at 65.


Suggests the necessary medical background to enable industry to accept its responsibility in meeting the problems of the aged. States that "As the life span increases . . ., this principle of individualizing and making appraisals on a specific basis, rather than on a group basis, will have to be one of our guiding principles in handling the elderly group."


A valuable review of research done in these areas with suggestions for needed research. Chapter 7 deals with opportunities for employment and employability from the points of view of management and the workers and performance studies. Chapter 8 recommends study of attitudes towards retirement according to several classifications of workers in different retirement situations.


Points out that pensions were established out of business considerations and that the basic criterion for choice of an appropriate retirement age is ability to handle the job. Showing the "dramatic effect on
cost" of different retirement ages, and suggesting that "Compulsory retirement underscores the moral obligation that retirement income be truly adequate," the author concludes that he cannot say "that any other than the current standard of 65 would as a general rule be more desirable."

2. Management Policies, Opinion, and Experience


Accepts the need for a fixed age for retirement and suggests 65 as the age that gives a company "protection against senility without sacrificing too much of the productive power of its senior executives."


A summary of replies received from 355 companies to such questions as: "Does your company policy require mandatory retirement at normal retirement age?"; "What is the personal reaction of employees to your policy on mandatory retirement?"; and "If your employees are organized, has their bargaining unit attempted to inject its views into the question of mandatory retirement?" Comment included reference to "the large number of companies who reported no union activity on the question of mandatory retirement."


Based primarily on a survey in Minneapolis, this study of work opportunities for older people includes analysis of experience with the employment of workers over 65, of the influence of pension plans, and of the reasons given for compulsory retirement.


Part I suggests that labor market conditions might encourage companies to defer retirements past 65. Part II describes briefly a recently revised plan that changed the normal retirement age from 65 to 68.


After reviewing the developments in the Inland Steel Case, this memorandum recommends careful pension planning for all employers. Its discussion of compulsory retirement includes the statement that "The managerial objectives of a pension plan ... cannot be achieved unless the plan provides for compulsory retirement at a fixed age."

About half of this article consists of company comments on compulsory plans, including both opinions and reports of experience.

3. **UNION AND WORKER OPINIONS**

Barkin, Solomon. "Union policies and the older worker." *The aged and society.* Industrial Relations Research Association (c/o Secretary-Treasurer of the Association, Park and University, Temp. 3 Robie 5, Madison 5, Wis.). December, 1950. pp. 75-92. $3.00.

Presents the point of view that compulsory retirement is a form of discharge and subject to grievance procedure. Reports that "Unions have resisted the compulsory retirement of workers...even where there is a pension program," but also that "there may be a need for some compulsory retirement age provisions particularly in plants or industries where far-reaching technological changes are narrowing employment opportunities. ...

*Business Week* (330 W. 42nd St., New York 18), November 18, 1950.

"Old hands need pensions." pp. 124-126. 25 cents.

A report of the 1950 rate of retirements in the automobile and steel industries. Under varying circumstances, well over half the employees in most companies supplying data continue to work beyond age 65.

Northwestern National Life Insurance Company, Family Economics Bureau (Minneapolis 3, Minn.). *Retirement to idleness not aim of most Americans.* August 5, 1951. 3 pp. proc. On request.

According to this survey of 3,000 men, three out of four American breadwinners want to retire only "when physically or mentally unable to hold their jobs any longer."


In his discussion of "timing of retirement" (pp. 10-12), Mr. Solenberger states that "To date we have not come up with satisfactory answers from either the union or management viewpoint...A solution which labor feels is sound...is to give the joint pension board...the authority to make exceptions to automatic retirement. ..."


This talk covers all aspects of pensions in collective bargaining, including discussion of union attitudes with respect to retirement age. Forecasts that "While unions will seek to push down the voluntary retirement age to 60 and perhaps 55 years..., they will simultaneously seek to push up the compulsory retirement age to 70 years."