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PRE-RETIREMENT EDUCATION AS A COMPONENT OF EMPLOYEE SERVICES AND
RECREATION

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ABSTRACT

A rapidly aging society has focused attention on retirement and retirement related issues. Educating individuals to plan for retirement is one of these issues. Presently there is no clear trend with respect to offering pre-retirement education programs, however, if business and industry assumes a major role in program sponsorship then recreation and employee service managers may become instrumental in the organization and administration of these programs. The purpose of this article was to discuss the evolution of pre-retirement education and its relationship to recreation and employee services and to identify major issues and trends which will affect pre-retirement education programs in the future.

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When compared with other social institutions, the institution of retirement is relatively new. Even newer is the notion of educating individuals to make plans for retirement. In recent years, there has been a surge of publicity and public attention focused on retirement and retirement related issues such as social security, mandatory retirement, and age discrimination in the work force. This heightened sensitivity may be due to demographics which reveals a country in route to being populated by a large segment of older people.

The ramifications of an aging population are numerous but, just to put the situation into perspective consider a population which presently contains 26 million (approximately 11%) individuals over the age of 65 increasing to 32 million by the year 2000 (12% of population) and jumping to over 50 million (approximately 20% of population) by the year 2025. Also consider that the 46 million persons age 55 and over will increase to 55 million by the year 2000 while the number of younger people aged 18-35 will decline by almost eight million. In addition, those in the prime working age group of 35-54 will increase by 38 million (Morrison, 1984).

This increasing abundance of older workers coupled with the decline of younger workers must be viewed with respect to possible changes in retirement patterns. Statistics indicate that less than 3% of the labor force is age 65 and over and labor force participation for this group as well as for individuals 55-64 is decreasing, thus there is a trend toward early retirement. This trend which is likely to create a large pool of retirees has tremendous implications for our economy i.e. social security funding, consumer spending, production of goods and services etc. and thus amplifies the need for pre-retirement education programs (9).

The purpose of this article is twofold: to discuss the evolution of pre-retirement education and its relationship to recreation and employee services and to identify major issues and trends which will affect pre-retirement education programs in the future.

Evolution of Pre-retirement Education

Pre-retirement education is one method of assisting individuals in the pre-retirement planning process. As the title indicates some type of formal education vis-a-vis counseling, individual study, etc. is used as the medium for conveying information about retirement. The intent of pre-retirement education is to stimulate the employee to make retirement plans prior to retirement so that retirement adjustment may be satisfying.

Pre-retirement preparation assistance programs began to appear with the advent of the Social Security System in 1935. Social Security through the issuing of benefits, formalized the retirement age at 65 and thus pre-retirement assistance programs in the form of individual counseling, or group education were created primarily to explain federal entitlements, pension and insurance programs. The scope and quality of such programs varied greatly as did the age for employee participation (6).

The first recorded group type education program was offered at the University of Michigan in 1948 and was entitled "Problems and Adjustments in Later Maturity and Old Age," a course designed to assist older persons to adjust to the socio-psychological changes brought on by aging and retirement. Soon after (1951) the University of Chicago offered a group program entitled "Making the Most of Modern Maturity," which was followed by a proliferation of group programs sponsored by other universities, public school adult education departments, government and social service agencies, libraries, YMCA's, churches, industries and labor organizations (6).

As the number of programs increased, issues related to program

delivery began to appear in the literature. Topics such as the appropriate length, content and audience size for a program (15), delivery strategies i.e. group education vs. individual counseling (1, 4), age of participants (15), integration of blue and white collar workers (14), evaluation approaches (18), responsibility for sponsorship (10), and a proposed bill for a tuition tax credit for pre-retirement education (18) began to surface.

Certainly, program content was a major concern. Typically a pre-retirement education program focused on five or six major topics; health, finances (to include tax and estate planning and life insurance), use of time, living arrangements, pension benefits and social security/medicare (depending upon the age of the participants). In fact, many programs were created principally to explain pensions and other employee benefits related to retirement (1, 2). More recently, additional topics have been included such as stress management, interpersonal relationships, new careers, psychological transitions and time management (5, 2, 8).

Although the concept of pre-retirement education began to receive more attention in the late 70's and early 80's, a key issue which appeared to delay more rapid growth was the issue of responsibility for program sponsorship. This issue has apparently remained unresolved. The federal government has not taken an active role other than recommendations made at the 1971 White House Conference on Aging where pre-retirement education was advocated as a service which all sectors of society, public and private, should be active in promoting (Subcommittee on Aging, 1971). Community and/or social service agencies apparently have not taken leadership and according to a recent study more than two-thirds of all private business firms report they have no formal retirement preparation program (Ossofsky, 1980; Morrison, 1984; Feuer, 1985). Other studies which appear to contradict to a degree the findings of Ossofsky, Morrison and Feuer indicated that about 50% of large corporations provide some form of retirement planning program and a much smaller percentage of small companies offer programs. Also only between 38% and 42% of Fortune 500 Companies provide programs, suggesting that a majority of employees at the largest companies are getting nothing in the way of pre-retirement preparation (3). The perplexing aspect of the sponsorship issue is that while numerous companies report having some type of pre-retirement assistance program, little is known about the scope or type of program offered. Despite this confusion, as we progress through the 80's the topic of pre-retirement education will become increasingly more popular.

Pre-retirement Education and the Recreation/Employee Services

The relationship between pre-retirement education, recreation and employee services was not well documented until it received some official support from the International Society for Pre-Retirement Planners (the major advocacy association for pre-retirement planning) which reported an affiliation with the National Employee Services and

Recreation Association (NESRA). As further evidence of the compatibility between the two organizations, NESRA revealed the results of a recent survey which indicated that 47% of their member organizations have pre-retirement programs (7).

The affiliation of ISPP and NESRA received further attention via articles focusing on leisure and retirement, the retirement planner and the older work force, all published in Employee Services Management, the official journal of NESRA (NESRA, 1984). Upon reading these and similar articles, an impression was provided that both pre-retirement planners and recreation/employee services specialists had a number of mutual, professional concerns. In fact, leisure counseling, typically thought of as a recreation related service was a workshop topic at the 1984 ISPP conference. In general, both professions are concerned with providing benefit services that contribute to the overall life satisfaction of employees and to the improvement of their morale and productivity in the workplace. NESRA states as part of its mission "that a work environment which satisfies its users' physical and psychological needs is conducive to greater productivity. That happy and healthy employees result in reduced absenteeism and turnover and higher workforce morale." It further states "through such human resources tools as employee assistance, fitness, sports, travel, education, pre-retirement planning and discount programs, they (companies) have realized the corporate benefits of employee-sponsored, non-negotiated benefits." Based upon this mission statement it may be conjectured that many pre-retirement education programs have been or perhaps will be placed under the auspices of the recreation and employee services manager.

Trends and Issues

In terms of major issues and trends affecting pre-retirement education in the future, there are some critical areas which need to be addressed. Morrison (9) identified three major changes presently occurring which will affect the future of retirement related employee services; population and work force aging, changes in structure of the economy and changes in types of jobs.

The aging phenomenon was referred to previously, however, a summary of this trend indicates that between now and the year 2000 there will be a major increase in those aged 35-54 and a decrease in those aged 18-34, thus an older working population. Considering the present trend toward early retirement, there may be a shortage of workers for existing jobs or if the workplace becomes automated to a large degree then fewer workers will be needed. If the "automation scenario" occurs there will be a small number of workers supporting, through social security, a large number of retirees. If the "worker shortage scenario" occurs then incentive programs aimed at keeping the older worker in the workforce will be designed. These incentive programs may feature various types of gradual or phased retirement options whereby older workers can choose to work part or full time.

There will be many major changes brought about by the continuing shift from an industrial to information society (11). The increasing introduction of robotics and computerized electronic systems to the workplace will intensify the focus on "cost-effectiveness" concepts and responsiveness to the international market. The negative consequences of the shift from an industrial to informational base will be dislocated workers, depressed regions losing industries, rising health care costs, continuing problems for minority group members and the continuing vagaries of the business cycle (9).

There will be some major changes in types of jobs. In 2000, manufacturing jobs will account for only 11% of the labor force instead of today's 24%. Jobs in agriculture will decline from 4 to 3% while jobs in service employment will increase from 62 to 86%. Computer related employment will probably increase as well (9). These changes in the proportion of manufacturing and service related jobs will set the stage for the training of new kinds of workers. The increased demand for service workers may be met partially by the retraining of older workers for service oriented jobs. In general, cottage industries will grow (11) as well as those involved in the production of industrial robotics, genetic engineering, telemarketing, software and geriatric related goods and services. A growing need for health services to respond to the aging population will create new jobs in technical and service related medical occupations (9).

Changing economic conditions and work/job structures will also influence our cultural and social conditions. Gradually, approximately 80% of women will be employed, dual-career families and interchangeable work roles will be common. Few workers will hold one type of job for life and there will be an increasing demand on government, schools and universities, private industry and labor to provide ongoing training to accommodate career changes. The average work week could shrink to less than 35 hours with a wider use of job sharing, flextime and other scheduling options (9).

What all of this means for the future of pre-retirement education is not entirely clear, however, the aging workforce and continuing trend toward early retirement will certainly emphasize the need for retirement planning programs. Also, the shrinking number of younger workers may require that business and industry provide incentives to keep older workers in the work force longer. In order to accomplish this, employers will have to offer a wide variety of options as incentives. These options may involve career planning and retraining for those who want to continue working and phased and experimental retirement programs for those older workers who wish to work and retire on a gradual basis. In general, employers will have to develop a greater sensitivity to the older worker, offering human resource and benefit programs that will cater to this major segment of the workforce.

The implications of catering to an older workforce, for recreation/leisure service specialists are numerous. If the continued trend toward early retirement persists, then hopefully, the number of pre-retirement education programs will grow, thus, necessitating personnel to plan, organize and administer those programs. If the pre-retirement education program becomes the domain of recreation and employee service managers, then there could be an increased need for his type of manager. Upon retirement, the graduates of re-retirement education programs and other retirees will constitute a large group of individuals with an abundance of free time and more money to spend on leisure than the previous generation of retirees. This phenomenon will set the stage for the offering of a wide variety of leisure related services, ranging from leisure counseling to fitness programs. This group of retirees will be more culturally aware, sophisticated, intellectually active and assertive than their predecessors, thus greater offerings in adult education, self help and improvement courses, travel and cultural arts will be demanded.

For those older workers remaining in the workforce and electing some gradual and phased retirement there will be a need for leisure oriented programs which respond to their unique lifestyles. Workers entering into career planning courses will learn about managing their total lifestyle and not just about performance on the job. Varying work schedules i.e. 3 days on and 2 days off, will create greater demands for leisure services at what was heretofore considered atypical or low usage times. Perhaps, additional recreation specialists will be needed to serve this group of semi-retired individuals.

In summary, an aging workforce should portend a bright future for pre-retirement education. Whether recreation and employee service managers will be able to capitalize on that future by convincing upper management of the need to offer such programs remains to be seen. If the private sector does assume responsibility for offering pre-retirement education programs, additional positions in the recreation and employee services area may appear. Such additions would certainly be welcome by those in the recreation and leisure services profession.

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