AN ABSTRACT OF THE THESIS OF

Pansy Price Nofziger for the degree of Master of Science in Home Management presented on June 16, 1975.

Title: CASE STUDIES CONCERNING FINANCIAL PLANNING OF MIDDLE-AGED FAMILIES ABOUT RETIREMENT

Abstract approved: Redacted for Privacy

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This case study explored the financial decision-making about retirement of eight families. Four of the wives were between 40 and 53 years of age and four between 54 and 65 years of age. A random sample was drawn from the 88 members of Portland Home Economists in Education. All families interviewed live in the Portland, Oregon greater metropolitan area.

The objectives of this case study were to investigate the extent to which middle-aged individuals were aware of their financial status, to examine their expectations and the kinds of financial decisions they made about retirement, and to explore what they had done to implement their decisions at middle-age.

Interviews of the families were held in April and May, 1975, for the case studies.

The younger group, aged 40 to 53 years, averaged 47 years of age. The older group, aged 54 to 65 years, averaged 60 years of age. The average age was 54 years. Three out of eight wives were the primary wage earners. The husbands had an employment history of 24 years in their current occupation. Wives had a mean of 16.5 years as teachers. Both husbands and wives averaged 20 years of

employment.

Marriages averaged 26 years and the couples were the parents of 2.25 children, of which 1.8 children per family were financially dependent. Families had a mean of 15 years in residence at their current address.

The families had a mean of 16 years of education for husbands and 17 years for the wives. The mean gross annual employment income for 1974 was $22,875 for all the families. With the computation of additional income from other sources, the annual income for 1974 averaged $26,537.

The mean age for planned retirement for all individuals was 60.3 years. The mean age for women was 60 years and for men 61 years for anticipated retirement.

Half the families had estimated the social security benefits they would receive when both retired but only two had estimated the amount of benefits they would receive at the death of their spouse.

When considering sources of retirement income other than social security, all the couples indicated there were some sources of income for which they could not estimate specific benefits. The mean monthly income, excluding social security benefits for six families reporting, was $1,052. Estimated annual income at retirement was $12,901 or $1,075 per month.

The mean current financial expenditures for the eight families were $1,549 a month. Specific categories of the budget were calculated. Estimated expenditures after retirement were estimated by the couples. No discernable pattern developed.

The seven families who estimated benefits they would receive at the death of the primary wage earner expected to receive a mean of $13,286.

Six of the families planned to live in Portland upon retirement.

Five families were concerned about financial planning for retirement. The families in this study seemed to have done little concerted planning or decision-making about retirement. They had provided well financially for the present but it appeared that their good fortune was a matter of two income families and chance investment over a period of years. The families were where they were by accident rather than by design. Some families did make their plans for retirement but most decisions appeared to have been made to improve the present quality of life.

CASE STUDIES CONCERNING FINANCIAL PLANNING OF MIDDLE-AGED FAMILIES ABOUT RETIREMENT

By

Pansy Price Nofziger

A THESIS

submitted to

Oregon State University

in partial fulfillment of
the requirements for the
degree of

Master of Science

June 1976

APPROVED

Redacted for Privacy

Associate Professor of Home Management in charge of major

Redacted for Privacy

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Date thesis is presented June 16, 1975

Typed by Pansy Nofziger

ACKNOWLEDGEMENTS

Sincere appreciation is expressed to Dr. Martha Plonk for her knowledge, guidance, and understanding in preparing this study. Thanks are also extended to Dr. A. Gravatt for his ideas and suggestions.

Acknowledgement is extended to the Oregon State University Department of Statistics and James Nofziger for statistical assistance.

Acknowledgement is expressed to the families who gave of their time, information, and energy to participate in this study.

A special appreciation to my family who has supported me in every way, Elmer Nofziger, Jeff Nofziger, and Chris Nofziger.

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I. INTRODUCTION

A rite of passage related to aging in our society is retirement. It is the action that marks the movement of most middle-aged adults to old age and requires the participants to adapt to new circumstances and societal demands. "Preparation for retirement, as a form of anticipatory socialization, may serve to cushion the transition and facilitate the formulation of more realistic life goals." (14:349) Most everyone agrees that retirement planning is helpful in establishing an economically secure future but "there is no consensus whatsoever on what this planning should actually consist of." (14:349)

This case study investigated the extent to which middle-aged individuals were aware of their financial status, the kinds of decisions they were making for financial security in retirement, and their implementation of those decisions at middle age.

Need for the Study

In 1972 there were 20,949,000 people aged 65 or older in the United States. This was about 10% of the population. It is estimated that, by the year 2000, there will be 28,841,000 people aged 65 or older, or about 11.5% of the population. (25:7)

Many people aged 65 or over are retired from active participation in the labor force. They have had to prepare for their support before this age or find subsistence in some other way. Since financial planning must be done before retirement more needs to be known about when decisions for financial security in retirement years are made and when they are implemented.

It has been supposed that individuals plan and implement plans for retirement at middle-age. The middle-aged family may consist of only husband and wife who do not have excessive financial demands from children or other family members. It is a stage when the family can use more of its income to build reserves for future needs. (11:66) However, throughout the life cycle people participate in planning and decision-making for the arrangement and flow of income during their lives. Each stage of the family life cycle affects future stages. (11:46)

Middle-age has its own problems however. Persons in this age group may be responsible for caring for three generations, their own, their children's and their aged parents. (23:25; 10:33; 9:51) With these responsibilities can middle-aged couples prepare for retirement to an adequate degree or must they make current decisions in favor of their children or parents? Infaltion and economic changes make planning more difficult. (9:41)

Assets on which individuals in retirement can draw are savings, stock and bond investments, pensions, annuities, insurance, social security, public and private retirement plans, real estate including the house of residence, veteran's benefits, and support from children or others. Some of these are available only if planning has been carefully done. Work after retirement and public assistance are additional alternatives.

Changes at retirement may decrease financial needs in living expenses. Work expenses and tax costs can be expected to decrease. However, these may be equalized or to no advantage in the face of increased health care needs, inflation, longer life, and higher standards of living.

Information regarding financial decision-making and implementation of retirement plans would be helpful in counseling middle-aged families, in designing financial planning aids, and in developing educational programs. Both public and private institutions would find this information helpful in dealing with the present and in preparing for the future.

Many of the problems of the elderly may be related directly to the sharp drop in income at the time of retirement. (13:vii) Life expectancy is increasing and the world's resources are dwindling. Therefore it is important to help individuals to understand how to maintain the quality of their lives.

Reasons for Use of Case Study Method

Rather than propose hypotheses the exploratory case study approach will be used to enable comprehensive descriptions of middle-aged families and their financial planning for retirement. The exploratory case study has been chosen to enable the isolation of variables which might be tested in later studies. It is hoped that with familiarity about the situations to be investigated, hypotheses will be generated for subsequent testing.

This is a study of individuals in transition, people moving from one time in life to another. As such, information gathered and synthesized may lead to understanding that part of the transition process regarding financial planning. The case study is a method which leads to obtaining a comprehensive perspective of the situation. (21:50-65)

Objectives of the Study

The objectives of this study will be:

1. To explore financial decision-making about retirement by families at middle-age.

2. To examine ways middle-aged families are planning financial resources as their means of future security.
3. To explore anticipated financial resources and needs at retirement.

Assumption of the Study

It is assumed that individuals will, through knowledge and personal records, give accurate and truthful answers to questions asked of them.

Limitations of the Study

The limitations of this study are:

1. The sample for this investigation was confined to subjects who are currently employed as home economics teachers by Portland Public Schools, Portland, Oregon.
2. When the subject could not refer to exact amounts in the questions asked, the amounts were estimated by the subject.
3. The case study approach is limited to the cases in this study.

Definitions of Terms

Alternative-one of a set of elements each capable of fulfilling a common objective in some degree, but each resulting in somewhat different circumstances. (11:215)

Consumption-management and use of goods and services to produce satisfaction for the consumer. (5:4)

Decision-a choice among alternatives or as the selection of and commitment to a course of action. (11:215)

Decision-making-choosing one alternative from two or more alternative courses of action.

Family-a group of two or more persons related by blood, marriage, or adoption and residing together in a household. (25:3)

Family Life Cycle-stages of development in family life characterized by: bride and groom, beginning parenthood, expanding family, adolescent family, contracting family, parents alone, and retirement and old age. (24.12-15)

Gross Annual Income-total of 1974 money income from employment and other sources before deductions.

Full-time Homemaker-one who spends all time in family and household management and does not receive monetary compensation.

Employed Homemaker-one who spends time in family and household management and who works for monetary compensation.

Household-comprises all persons who occupy a housing unit, that is, a house, an apartment, or some other group of rooms, or a room that constitutes separated living quarters. (25:3)

Married Couple-two people of the opposite sex living together and calling themselves husband and wife.

Middle-aged-persons between chronological ages of 40 and 65 years old.

Planning-a series of decisions, i.e. choices or resolution of alternatives concerning standards and/or sequences of action. (11:296)

Primary Wage Earner-the individual who earns over half the income of the family during 1974.

Resource-resources include the following items: 1) income, which may be wages, salaries, pensions, or dividends, 2) assets, such as savings, a home, stocks and bonds, and household possessions, 3) the availability of credit, 4) time, 5) health and energy, 6) knowledge of various alternatives of action, 7) skill, the ability to perform actively that you replace or supplement goods and services that can be purchased. (16:60)

Retirement-when the breadwinner leaves his occupation. (11:66)

Social Security Insured Status-insured status can be either currently insured or fully insured. Fully insured means that an indiviudal claiming benefit must have from 6 to 40 quarters of coverage depending upon the date of his death or the date of his retirement. To be currently insured the individual must have social security credit for at least one and one half years work within three years prior to death or retirement. (27:8,9) (28:6)

II. REVIEW OF LITERATURE AND RELATED RESEARCH

The review of literature focused on the economic picture of the retired, finances and the quality of life, characteristics of middle-age, preretirement planning, and future outlook.

Economic Picture of the Retired

One of the objectives of the Older American Act of 1965 stated "Equal opportunity for the full and free enjoyment of . . . an adequate income in retirement in accordance with the American standard of living." (9:204)

With the passage of the Social Security Act in 1935, retirement came to be a generally accepted practice in the United States. (9:42) Still some individuals maintain employment as a source of income. (13:147) For most people, employment declines after age 65. "The participation rate of married men over 65 years of age is approximately double that of single men . . . the proportion of aged married women in the labor force is much lower than that of single women." (17:10,11) In the late 1960's 25 per cent of the male population and ten per cent of the female population were employed after the age of 65. (17:7,8)

The social security regulations require the recipient to earn below an earnings ceiling to retain his benefits. Benefits are reduced by one dollar for every two dollars earned above $2,4000. This may also discourage people from working. (12:3-16) It may also be difficult for older people to find employment they are qualified and are physically able to do.

The other main source of income for the retired is social security. (13:147) However, "social security benefits were not intended to cover total living expenses, but rather to supplement available income." (9:37) For many people, social security benefits are the main source of financial support or the only source of financial support after retirement. For the retired in 1968, "29% came from earnings, 34% came from OASDHI (Old-age, Survivor, Disability, and Health Insurance Act), 7% came from other public pensions, 15% came from assets, 3% came from veteran's benefits, 4% came from public assistance, 1% came from personal contributions, 3% came from other sources." (4:47)

Because retired people lack income from employment, their assets, particularly the rate of cash flow that those assets provide at regular intervals, becomes increasingly important. Peckman found that "households with the lowest current income tended to have the fewest assets." (17:15,16)

In 1973 the Federal Bureau of Labor Statistics higher budget for a retired couple was: food: $2,007, housing: $2,873, transportation: $839, clothing: $463, personal care: $229, medical care: $459, other family consumption: $546, other costs: $627, total: $8,043; however the lower budget totaled $3,763 and the intermediate budget totaled $5,414. (22:57)

According to Buckley "three out of ten Americans over sixty-five years old were living in poverty, yet many of these aged people did not become poor until they became old!" (4:48) More older people are poor than in any other group of citizens. (13:200)

Retired families on fixed incomes have an especially difficult time. "Both men and women receive about half as much income in retirement as they did when working full time." (13:147)

At age 65, most families will not have income equal to the level previously earned. Dissaving is normal after retirement. The fixed income leaves the retired open to the ravages of inflation.

> "When an economy is on a Labor Standard, those who have this commodity to sell are quite secure against the dissipation of the purchasing power of their earnings . . . the aged are particularly vulnerable to rising monetary and real costs. They already draw less than half their cash income from the sale of that commodity, labor, whose exchange value tends to be guarded in an economy based on a Labor Standard. Moreover, as time passes they will draw a declining fraction from other sources, most of which are vulnerable to inflation." (13:219)

A fixed income also means less to use in purchasing goods and services which are constantly rising in price.

Life expectancy has increased the length of time a person may have to rely on retirement income. The United States National Center for Health Statistics reports that currently 40 year olds can expect to live an average of 35.6 years more and that 65 year olds can expect 15.1 years more of life. Females can expect to live about 6.1 years longer than men at age 40 but only 3.8 years more at age 65. (25:59) With the difference between the life expectancy of men and women, the benefits the surviving partner will receive need to be considered. (4:79) "Mortality rates tend to be inversely related to income: therefore, the lower the income, the higher the probability that one spouse will have died." (17:21)

The degree of financial resources in retirement is based on "the outcome of two general considerations: (a) the allocation of income throughout a person's lifetime and (b) the choice between work (earnings) and leisure." (1:65-79) Of course the rate of inflation and economic growth in society are also influencing factors.

Many people do not plan for retirement. Individuals may experience a rise in earned income in the 35 to 44 year age bracket and a decrease in earned income between ages 55 and 64. (1:65-79)

Economic status or stability of employment determine to a great extent the ability of an individual or family to plan and save financial resources for retirement. Short tenures on the last job held before retirement have a negative impact on retirement economic status. As people have more education, job and economic status rises, especially for women. (19:16-35) These factors tend to support retirement planning rather than detract from it. Making the right decisions through life in areas of education, employment, and residence, teamed with financial planning for retirement should help insure a secure retirement.

Finances and the Quality of Life

For decades, research has been done about the family and its financial management. Extensive research done by Engle in Germany in 1857 was a forerunner of the analysis of household expenditures of families with the hope of accomplishing some respite from financial strain for families. Engle determined several laws of consumption. One of his laws indicated that the study of family budgets "showed a close relationship between income, consumption, and well being." (15:54)

Buckley advised preplanning for retirement with emphasis on both building security and maintaining the quality of life. He referred to security in retirement as a balance of health, activity, and financial security. (4:18,51)

Concern about the interrelationship of the quality of life and financial security is shared by many. Kreps said, "there can be little doubt that many of the medical, psychological, and sociological problems now confronting the aged are contributed to, in considerable measure, by the sharp drop in income accompanying withdrawal from the labor force." (13:vii) Upon analysis it is relatively easy to see how the absence of "income affects every facet of the older person's life and many of our own--his feelings about himself, his status in society, and his relationship with members of his own family, apart from his nutritional and medical needs." (9:34)

Characteristics of Middle-Age

Due to lengthening life span, a new category of middle-aged individuals has emerged. Whereas in the past we had only childhood, active adulthood, and an old age, there is now middle-age. (23:2) Generalized characteristics have been defined for this period of life. This stage of the family life cycle, divided into two parts, is described as the

> "stage of late maturity (approximate age range 45 to 54 years) where older children (15 years of age and older) are still present in the home but are beginning to move toward an existence independent of the family group;. . and . . the stage of pre-retirement (approximate age range 55 to 64 years) or the so-called empty nest phase where children are gone from the home, independently established on their own, and the family is once again a two person group;". (1:79)

Peak earning is achieved in middle-age before retirement due to experience, knowledge, and status obtained on the job. (13:15) As time passes unemployment problems are beginning to appear in middle-age due to economic conditions and a larger segment in the younger population group. However, the majority of families find themselves with more income at middle-age, "the fruitful years of income-earning power." (4:52)

Financial assets of this age group may be affected by demands of the children in the family or of the aging parents of the middle-aged couple. To these burdens may be added the couple's own deteriorating health. All of these expenses may cut into resources for the couple's own retirement. (23:1,2,26) (9:51) (8:16,17)

Simos reported that at middle-age "Most of the financial problems were related to cost of living, the expense of maintaining children at college, the need for the wife to work to supply desired 'extras', and the general desire for a high standard of living despite moderate income." (23:119) Also included were financial drains for the support of an aged parent.

The trend toward compulsory retirement is increasing. "Some corporations are even encouraging early retirement at age fifty-five or sixty." (4:57) Pressures of the economy and the desire for more leisure time may be other reasons for encouraging early retirement. A person may retire in middle-age and not have any financial benefits available until age 62 or 65. If he does take financial benefits early he may seriously erode the amounts he might be entitled to at an older age. Early retirement may also cut short a peak earning and low expense period which may result in a further reduction of future retirement income.

At middle-age an individual "may be acutely aware of prevailing retirement practices and the prospect of his own retirement in the not too distant future." (9:51) This pressure may influence his decisions and make him particularly apt to begin retirement planning at this stage in his life.

Preretirement Planning

As indicated previously, the middle-aged years are the years of highest income. It would therefore seem reasonable to utilize this time of life to prepare for retirement.

Simos studied the middle-aged and found that people fell into two major categories. People who were secure and happy "saw financial planning or continued work as an important avenue of preparation for the retirement years." (23:310) People who had problem filled lives, the other category, tended to feel they needed to solve present problems before they went on to financial planning and therefore often did not make financial plans for retirement. (23:310) Some individuals saw no value in planning because of the financial failures they saw others experiencing at retirement. (23:311) The influence of parental retirement patterns was also important.

In today's existentialistic society it is difficult to get individuals to see an obligation to plan ahead for themselves or for others. Many people feel that if they pay their taxes and social security the government owes them a living at retirement and fail to see the necessity of making additional financial plans. (6:108) (23:240)

Reasons vary for individuals not making plans for retirement. Examples of parents who had lost lifetime savings because of illness deters some individuals. Stoic acceptance of fate and expectancy of early death seem related reasons for not planning. Avoidance of marital friction caused by "conflicting wishes and views around present spending versus saving for the future." (23:311) was also given for many failures to plan. Many find that other aspects of life were more essential than financial concerns such as relationships, education, and development of interests consume their attention (23:311) (14)

Most writers suggest that retirement planning should begin as early as possible. (9:45) Planning for retirement entails taking stock of currently held assets, setting goals for retirement, deciding how to reach those goals, and implementing the plan.

Burke identified five factors that might influence "allocation of family resources: managerial abilities, consumer technology, skills in home preparation of goods and services . . . the capacities to learn and innovate with respect to consumption, the development of human values related to consumption." (2:123-138) For these one can see the interrelationships of financial success with decision-making in all facets and stages of life.

In Pulley's study of financial planning done by retired couples, she found that out of 50 couples 11 reported they had no financial plan and 34 of the remaining 39 used mental plans. "The two most frequent methods used to arrive at a financial plan were adjusting expenses to income and using past experience. All couples reported flexible plans." (18:85) However, Pulley reported few couples reported experiencing financial management problems after retirement. (18:89)

On the whole, people do not want less after they retire, they want the same amount of money or more. (20:142) Decision-making at early stages of the family life cycle may improve the financial picture of the retired.

A Future Outlook

In the United States the population 65 years of age and over is growing in numbers and in proportion of the population. The problems of this population group demand attention. The growth rate of this segment of the population can be determined by examination of birth records of the past. We can see

> "a fluctuating growth pattern--increases of 16 to 18 percent for this age group each decade through 1990, followed by a drop in growth for two decades. At that point, the large number of children born after World War II will begin to reach 65, and between 2010 and 2020 the elderly should increase by about 30 percent. Finally, the declining birth rates of the 1960's and early 1970's will again cause a sharp drop in growth." (26)

There will be more elderly. We can also predict they will have more education, have more financial security, and fewer will be working than today. (26)

Summary

Today there are about 20,949,000 people aged 65 or older in the United States. In 2000 there will be about 28,841,000 people in this age group. By Bureau of Census data, there are now 54,343,000 middle-aged persons who could potentially be helped in their retirement planning. (25:6,7)

Most people retire at 65 years of age but others retire earlier because of economic conditions, illness, and a desire to use their own time as they choose. The quality of life of a retired person is a result of the composite of his income and assets as they are influenced by his use and the physical and economic environment. One of the immediate retirement adjustments is the sharp decrease in family income.

III. METHOD AND PROCEDURE

Case studies have been used in this exploratory research to collect data concerning planning of middle-aged families about their financial resources for retirement. From these case studies, it is anticipated that hypotheses will be generated for future investigation about financial planning for retirement.

Selection of Sample

A sample of middle-aged families was selected because they were thought to be at a stage in the family life cycle anticipating and preparing for retirement. The sample was divided into two parts; four families with the employed wife between the ages of 40 and 53 years, and four families with the employed wife between the ages of 54 and 64 years.

The eight families were selected from the directory of the Portland Home Economists in Education, a listing of the home economics teachers in Portland Public Schools, Portland, Oregon. Criteria for selection required that the teachers be the selected ages, be home economics teachers currently employed by Portland Public Schools, be married and living with their husbands, and be parents. The eight families were randomly selected from the list of home economics teachers.

Collection of Data

A pretested interview guide was designed for collecting data. Appointments were made by telephone with the families for each interview. All interviews were conducted during weekday evenings due to work schedules of the families. Generally families seemed cooperative and anxious to help. However two families desired not to give some information requested. Only families in the 54 to 65 age group refused to participate and grant interviews. Two respondents of this age group canceled appointments after receiving pressure from their husbands.

During each interview opening remarks were made to set the family at ease. The families were assured that participation was voluntary, completely confidential, and that the family could withdraw. Interviews lasted about one and one-half hours each and generally were conducted in the living room of the home.

The researcher recorded information on the interview guide as the subjects gave it to her. Some families referred to records and income tax statements to answer questions accurately. One family indicated they felt honored to have been selected for the sample. The subjects knew about research methods and felt they were contributing to the education of the interviewer and to the general body of knowledge related to retirement.

Respondents expressed the desire to learn the conclusions of the study. Some stated that the interview started them to thinking more seriously about retirement. Others indicated they became more aware of different alternatives regarding financial planning for retirement.

Cooperation was also obtained due to the acquaintance of the subjects with the interviewer, a fellow home economics teacher with Portland Public Schools.

The interview guide was designed to include information about family composition, employment status, current financial resources, anticipated financial resources and expenses after retirement, knowledge about social security, financial decisions about retirement, and attitudes about those decisions.

Analysis of Data

Data were obtained for each case and tabulated to provide an accurate summary of information gathered. Tables of data were made to illustrate and organize information.

No statistical tests were used. The data were analyzed after the eight interviews were completed. Hypotheses were generated after the data were analyzed. Descriptive statistics including means, medians, and modes were used to analyze the data about financial resources and decision-making.

IV. CASE STUDIES

The case studies are presented in two groups ages 40 to 53 and ages 54 to 65. Those 40 to 53 years of age are presented first.

<u>Mr. and Mrs. A</u>

Age of wife: 50 years

Age of husband: 50 years

Years married: 23 years

Length of residence in present home: 16 years

Education of wife: 16 years

Education of husband: 12 years

Number of children: 3

Number of children at home: 1

Employment status of wife: teacher for 13 years

Employment status of husband: electrical manufacturing repairman for 26 years

Employment income of wife: $13,500

Employment income of husband: $10,500

Primary wage earner: wife

Anticipated age of retirement, wife: 62 years

Anticipated age of retirement, husband: 56 years

Current monthly expenditures: $1,105

Expected gross income, excluding social security, after retirement: $975

Mrs. A has been a teacher for 13 years; however, she has been a member of the state teacher retirement system for only 10 years. She has held three jobs in the last 25 years and has been regularly employed during the last ten years. At this time she considers teaching as a lifetime career to be continued until retirement. Mrs. A is the primary wage earner in the family.

Mr. A was a repairman at a large electrical manufacturing company in Portland. He has been employed in various capacities by the same company for the last 26 years so his job stability and employment record were good.

Both Mr. and Mrs. A were 50 years old. They have been married for 23 years and have lived in their present home for 16 years. They were purchasing this home which will be paid for by the time they retire when Mrs. A is 62 years old. They have lived in Portland for 22 years.

Mrs. A has completed a Bachelor of Science degree and taken additional graduate work. Mr. A completed the 12th grade of high school.

Mr. and Mrs. A have three children, only one who is still living at home. This child is attending high school. They have made no provision for his care in the future. There are no other persons living with them.

Mrs. A indicated she earned between $12,000 and $14,999 as annual gross employment income in 1974. Mr. A indicated he earned between $9,000 and $11,999 in annual gross employment income in 1974. This makes a total of between $21,000 and $26,998 of total family gross employment income in 1974. The couple did not have any reported income in addition to employment income that year.

Retirement Plans

Mrs. A felt she would like to retire at age 62. Mr. A was a little unsure about the economy and rumors around his place of employment were that people were going to be asked to take early retirement. With this in mind he indicated he was considering retirement at age 56 and felt that his skills as an electrician would help them financially.

Retirement Income

Mr. and Mrs. A were both contributing to social security. They have estimated the amount of their social security benefits they would receive at retirement in the past but have not done so recently. Neither of them has estimated benefits they would be eligible to receive at the death of the spouse.

Mr. and Mrs. A will receive income other than social security. Their estimated amounts were in round figures. Both of them will receive pensions from employers. Mrs. A estimated hers to be $375 a month and Mr. A $300 per month. Mrs. A expects to earn $50 a month through employment as a substitute teacher and Mr. A at least $100 per month as an electrical repairman or working on cars. Mr. A had life insurance but does not know the amount he will receive in monthly benefits. The couple had stocks and bonds that will bring a return of $25 a month. Mrs. A participated in a tax sheltered annuity and expects about $25 monthly from it after retirement. Mr. A was in the military service and expects to receive $100 monthly from this source in retirement benefits. Thus Mrs. A expects to have a total of $450 a month and Mr. A a total of $525 making total family monthly income after retirement at $975 in addition to social security benefits.

Retirement Budget

Mrs. A has the role of financial manager for the family and responded to questions about the family's budgeted currently monthly expenses. Both Mr. and Mrs. A discussed anticipated changes in financial needs after retirement. Mr. and Mrs. A's current monthly budget and anticipated changes in financial needs after retirement follow.

Item:	Current Financial Expenditures:	Anticipated future expenditures compared with present expenditures:
Shelter	$170	same
Food	$120	less
Clothing	$ 50	same
Transportation	$100	same
Health Insurance	*	more
Other Medical Expenses	$ 75	more
Personal Expenses	$ 50	same
Education	$ 20	less
Recreation	$120	more
Gifts and Contributions	$150	same
Savings	$ 50	same
Income Taxes	$200	less
Total:	$1,105	

*Health insurance provided by employer.

Neither Mr. A nor Mrs. A could estimate the annual gross income they might expect at retirement. They did however reiterate that his income would be $525 a month and here $450 for a total of $975 per month.

At the death of the primary wage earner this couple realized that Mr. A would receive social security, and have insurance,the home and beach properties. The amount of insurance was $1,000. The other two sources could not be estimated.

Decisions Made About Retirement

When questioned about what they considered to be the most important decisions about retirement income they could make right now, Mr. and Mrs. A responded with: bring themselves up to date on actual benefits they have coming, find the exact sources of income they would have, make some investments, plan to have more retirement income, and arrange to have help in handling of their money in case of future incompetency.

Mr. and Mrs. A have decided that they would like to live on their property at the coast for about ten years after retirement and then move back to Portland and live in their present home. They considered renting the Portland home while they were at the coast which would be another source of income.

Mr. and Mrs. A want to live together as long as possible. They may purchase a mobile home for use at the coast and could sell or use it as a rental on their return to Portland. They have developed interests to pursue at retirement. They have made some financial decisions and are concerned about the amount of income they will have and wonder if it will keep up with the cost of living. They have their financial affairs so as to not have any outstanding debts except mortgage on their home which will be paid for at retirement. They plan to use skills to compensate for expenditures and to make larger investments now so they will not have to later on. They want to make some large purchases now such as a car so this will not be a financial drain on them later.

Mr. and Mrs. A wish they had saved more money earlier and perhaps invested in other property. There were no decisions they had made that they wish they had not made about retirement. Mrs. A was concerned about financial planning for retirement and Mr. A indicated he was only somewhat concerned. Mrs. A indicated she became concerned ten years ago and Mr. A six years ago.

When asked what years they planned to retire, Mr. A responded in 1980 at 56 years of age and Mrs. A in 1985 at 62 years of age.

Summary

Mr. and Mrs. A appeared to have a full and happy life. Their length of employment and residence as well as marriage were evidence of a stable life.

Mr. and Mrs. A are planning to retire at an earlier age than 65, a trend in the United States at present. They are looking toward the use of several sources of retirement income but most of the sources will provide only fixed amounts.

As Mr. A is planning to retire five years earlier than Mrs. A, some adjustment may be needed in many areas including financial management.

Mr. and Mrs. A are utilizing this period of life to build assets for retirement. Although they are not making a concerted effort, they are increasing their financial resources.

Mr. and Mrs. B

Age of wife: 46 years
Age of husband: 49 years
Years married: 25 years
Length of residence in present home: 14 years
Education of wife: 17 years
Education of husband: 17 years
Number of children: 3
Number of children at home: 2
Employment status of wife: teacher for 16 years
Employment status of husband: teacher for 19 years
Employment income of wife: $10,500
Employment income of husband: $19,500
Primary wage earner: husband
Anticipated age of retirement, wife: 58 years
Anticipated age of retirement, husband: 60 years
Current monthly expenditures: $1,639
Expected gross monthly income, excluding social security, after retirement: $1,288

Mrs. B has been a teacher for 16 years. She has been a member of the state teacher retirement system for 12 years. Her recall of employment indicates she has held five jobs in the last 25 years and she has experienced steady employment during the last ten years. She looked at her job as a lifetime career to be continued until retirement.

Mr. B is also a teacher. He has been in this profession for 19 years. He has held four jobs in the last 25 years plus part-time jobs. He indicated that it was normal for him to hold extra jobs during times he was not teaching such as during summer vacation. He has been regularly employed during the last ten years and was the primary wage earner for the family.

Mrs. B was 46 years of age and Mr. B was 49 years old. They have been married for 25 years and have lived at their present address for 14 years. They are buying their own home and will have completed paying for it by retirement when Mr. B is 60 years of age. They have lived in Portland for 19 years.

Mrs. B has completed a bachelor's degree, the teacher's fifth year program and additional hours of graduate study. Mr. B has a master's degree and additional hours of graduate study beyond his degree.

Mr. and Mrs. B have three children. One is married and away from home and one is a high school student living at home. The other is a community college student also living at home. The underage child living at home will be provided for if he is still a minor if something should happen to the parents. There are no other persons living with the family.

Mrs. B indicated that she earned between $9,000 and $11,999 as gross annual employment income in 1974. Mr. B indicated that he earned between $18,000 and $20,999 in annual gross employment income in 1974. This makes a total of between $27,000 and $32,998 of total family gross employment income in 1974. They indicated they had between $500 and $1,000 annually in interest on savings in addition to employment income.

Retirement Plans

Mrs. B plans to retire at 58 years of age and Mr. B plans to retire between 60 and 62 years of age. Both feel that the earlier they can retire the better.

Retirement Income

Both Mr. and Mrs. B were contributing to social security. They have both estimated the amount of social security benefit they will be eligible for at retirement and thought that it would be $315 a month. They have also estimated they will receive maximum benefits at the death of the spouse.

When questioned about income other than social security benefits, Mr. and Mrs. B responded with the sources. Both Mr. and Mrs. B will receive retirement pensions through their employer. They indicated they would not receive income from this source until they reach the ages of 65. Mrs. B expects to receive about $200 from this source at the time and Mr. B $500. They both plan to work as substitute teachers for wages of about $100 each month. They feel that real estate will bring them $50 a month income and they anticipate an unknown amount from stocks and bonds. Mr. and Mrs. B indicated that mutual funds ought to provide $50 a month. Mr. B expects to receive $5 in veteran's benefits and $83 in interests on savings a month. Mrs. B has an annuity and tax sheltered annuity each to be worth $100 a month after retirement. Thus Mr. B expects to receive a total of $788 and Mrs. B $500 making a total of $1,288 a month in income after retirement. At the death of the primary wage earner Mrs. B would receive social security and a lump sum of $40,000 from a life insurance policy.

Retirement Budget

Mr. and Mrs. B shared the responsibility of giving answers about their monthly family budget. Their responses to current monthly expenses and the changes they anticipate after retirement follow.

Item:	Current financial expenditures:	Anticipated future expenditures compared with present expenditures:
Shelter	$190	less
Food	$130	less
Clothing	$ 40	less
Transportation	$175	less
Health Insurance	$ 16	more
Other Medical Expenses	$ 10	more
Personal Expenses	$ 32	less
Education	$125	less
Recreation	$ 70	more
Gifts and Contributions	$100	same
Savings	$200	less
Income Taxes	$300	less
Beach Property	$250	less
Total:	$1,639	

Decisions Made About Retirement

When asked what were the most important decisions about retirement income they could make now, Mr. and Mrs. B replied: to keep investments diversified, to increase fringe benefits which are not taxed, to keep funds accessible and increase liquidity, and reliable, secure, not risky placement of money.

Mr. and Mrs. B planned to continue living at their present address after retirement but would like to spend time traveling and at their coast property.

Mr. and Mrs. B have decided to retire as early as possible and to live in Portland. They have begun long range investments. They wish to be independent of their children. They would like to travel in winter and think the purchase of a travel trailer would be a help. They would like to have money in an easily accessible form at retirement so they can make decisions about it at that time. Mr. and Mrs. B felt they were not in a position to make other decisions earlier. They have always saved some money but were not always able to save large amounts. There were no decisions they wished they had not made.

Mr. and Mrs. B were concerned about financial planning for their retirement and have had a slight concern for years with a particular interest in the last 15 years. One of their worries was the rising rate of inflation. Both had decided to retire in 1987.

Summary Comments

Mr. and Mrs. B are industrious people who have worked hard at several jobs and sometimes more than one job at a time. They are quite stable in employment, residence, and length of marriage. They fit into the middle-aged stage of the family life cycle with children of high school and junior college age living at home. Their chosen ages of 58 and 60 for retirement are typical of a national trend toward early retirement.

Mr. and Mrs. B have a certain practicality which has led them to consider some alternatives in their retirement planning. They have deliberately made and executed some financial plans for retirement. They felt themselves to be headed in the right direction in financial planning for retirement. They work together as a team in decision-making.

Mr. and Mrs. C

Age of wife: 50 years

Age of husband: 49 years

Years married: 26 years

Length of residence in present home: 16.5 years

Education of wife: 17 years

Education of husband: 16 years

Number of children: 2

Number of children at home: 0

Employment status of wife: teacher for 14 years

Employment status of husband: securities broker and salesman for 3 years

Employment income of wife: $13,500

Employment income of husband: $7,500

Primary wage earner: wife

Anticipated age of retirement, wife: 55 years

Anticipated age of retirement, husband: 65 years

Current monthly expenditures: $1,485

Expected gross monthly income, excluding social security, after retirement: $695

Mrs. C has been a teacher for 14 years and has been in the teacher retirement system for 14 years Mrs. C has held two jobs in the last 25 years and has been regularly employed during the last ten years. She regards her job as temporary to meet a current need, but to be terminated when the need is met. The need was reflected in educational expenses the family has each month.

Mr. C is a securities broker and salesman. He has held this job for three years and has had four jobs in the last 25 years. He has had regular employment during the last ten years except for a brief time out for recouperating from open heart surgery about four years ago.

Mrs. C was the primary wage earner in the family. She was 50 years of age. Mr. C was 49 years of age. They have been married 26 years. Mr. and Mrs. C have lived at their present address for 16.5 years and were buying their home which will be paid for by the time of their retirement. The C's have lived in Portland for 22 years.

Mrs. C has a Bachelor of Science degree with 75 hours beyond her bachelor's degree. Mr. C has a Bachelor of Science degree also.

Mr. and Mrs. C have no children living at home but have two children they are helping through college. No one else lives with them.

Mrs. C indicated she earned between $12,000 and $14,999 as gross annual employment income in 1974. Mr. C indicated he earned between $6,000 and $8,999 in annual gross employment income in 1974. This made a total of between $18,000 and $23,998 for total family gross employment income in 1974. They indicated also they did not have additional income and, in fact, had some losses due to the fluctuating stock market. They were averaging these losses over several years.

<u>Retirement Plans</u>

Mrs. C plans to retire at 55 years of age. Mr. C plans to retire at 65 years of age but to continue in his capacity as securities broker and salesman part time utilizing client contacts he will have made by then.

<u>Retirement Income</u>

Both Mr. and Mrs. C were contributing to social security but had not estimated the benefits at retirement or at the death of the spouse. They knew they had social security as a source of income and were relying on it but were afraid that it would be inadequate due to inflation and the rising cost of living.

In addition to social security benefits, Mr. and Mrs. C expected to have other income at retirement. Mrs. C had a retirement pension with her employer and expected about $85 a month. She also had a personal pension plan that would provide $50 a month. It was assumed this was a form of insurance policy. Mr. C expected to continue working and to bring in about $500 a month selling securities. He had a life insurance policy which would provide $30 a month and stocks and bonds that would yield another $30 a month. Mrs. C had a tax sheltered annuity but was uncertain about the monthly income it would provide. Thus, in addition to social security benefits and a tax sheltered annuity, Mrs. C will have a monthly income of $135 and Mr. C will have a monthly income of $560 at retirement. This will provide a total monthly income of $695 besides the social security and annuity.

Retirement Budget

When questioned about their monthly budgeted expenses, Mr. C did most of the responding with verification from Mrs. C. Their current financial expenditures and anticipated financial expenditures after retirement follow.

Item:	Current financial expenditures:	Anticipated future expenditures compared with present expenditures:
Shelter	$150	more
Food	$ 75	less
Clothing	$ 50	less
Transportation	$240	less
Health Insurance	$ 45	less
Other Medical Care	$ 15	less
Personal Expenses	$ 50	more
Education	$350	less
Recreation	$ 50	same
Gifts and Contributions	$ 50	same
Savings	$150	more
Income Taxes	$260	less
Total:	$1,485	

The C's estimated their annual gross income after retirement would be around $12,000 a year with Mrs. C providing about 25 per cent of that. If the primary wage earner were to die the survivor would receive a $14,000 insurance policy, social security, and the annuity.

Decisions Made About Retirement

Regarding the most important decisions about retirement income they could make at that moment, Mr. and Mrs. C indicated the following: start a monthly savings program and annuity and double these after the children no longer need income, Mr. C wanted to start an annuity and personal pension plan, start stock investment for long term benefit, purchase rural property, decide to keep or sell the house, and decide where to live.

Mr. and Mrs. C indicated they did not know where they would live at retirement. They will probably stay in Portland but feel the house they are living in is too large.

The decisions Mr. and Mrs. C have made about retirement relate to activities and hobbies they wish to pursue such as gardening, bowling, riding bikes, and some travel. Mr. C was determined to stay with his job and build clients so they could be used as a source for future income.

At first Mr. and Mrs. C could not think of any decisions they wished they had made earlier about retirement but then decided they should have put money away earlier. They did not regret any decisions they had made about retirement. Mr. C was very happy to have changed his job as he saw more of a future in selling stocks and securities.

Mr. and Mrs. C were both concerned about financial planning for retirement but did not seem uncomfortable about it. They had thought about it all their lives because their parents had always looked ahead. They were not really too concerned about retirement. Mrs. C plans to retire in 1980 at age 55 and Mr. C in 1988 at age 65.

<u>Summary Comments</u>

Mr. C has had health problems which have interfered with his employment. He felt he has an occupation at which he could work until the retirement years.

Mr. and Mrs. C appeared young and seemed confident and assured. They shared participation in several activities that they plan to continue after retirement.

Mr. and Mrs. C knew they will receive social security at retirement but, like most others, have no idea how much they will get nor what would be their benefits if one of them were to die. They were concerned about inflation and what it will do to their retirement income.

Mrs. C plans to retire before her husband and was working to cover educational expenses for their children. She has taught for 14 years and may find it hard to stop when she reaches 55.

Mr. and Mrs. D

Age of wife: 40 years

Age of husband: 45 years

Years married: 17 years

Length of residence in present home: 12 years

Education of wife: 17 years

Education of husband: 14 years

Number of children: 2

Number of children living at home: 2

Employment status of wife: teacher for 14 years

Employment status of husband: materials analyst for 16 years

Employment income of wife: $10,500

Employment income of husband: $10,500

Primary wage earner: none, both in the same income group

Anticipated age of retirement, wife: have not planned

Anticipated age of retirement, husband: have not planned

Current monthly expenditures: $1,941

Expected gross monthly income, excluding social security, after retirement: could not estimate, knew sources but not amounts

Mrs. D has been a teacher for 14 years. She has been a member of the teacher retirement system for 13 years. She has held three jobs in the last 25 years and has been regularly employed during the last ten years. She indicated she had taken time off previous to the last ten years to be at home with her children when they were young. She considers teaching to be a lifetime career and to continue teaching until her retirement. She did not know when she would retire.

Mr. D has been a materials analyst for a large local manufacturing firm for 16 years. He has held six jobs in the last 25 years and has been regularly employed during the last ten years.

Mrs. D was 40 years old. Mr. D was 45 years of age. They have been married for 17 years and have lived at their present address for 12 years. They own their own home and it will be paid for by the time they retire. They have lived in this city for 12 years.

Mrs. D has a bachelor's degree and has completed the fifth year program which is 45 hours in addition to her bachelor's degree. Mr. D has completed two years of college.

Mr. and Mrs. D have two children living at home. They are of junior high school age. Mr. and Mrs. D currently pay high orthodontist bills for the two boys and are concerned about helping the boys through college when the time comes. This was really their only worry now. They indicated this superseded any concerns they might have about retirement at this point in their lives.

Mrs. D indicated she earned between $9,000 and $11,999 as annual gross employment income in 1974. Mr. D indicated he earned between $9,000 and $11,999 in annual gross employment income in 1974, making a total of between $18,000 and $23,998 of total family gross employment income. The couple reported no income in addition to employment income in 1974.

Retirement Plans

Neither Mr. nor Mrs. D knew what age they wished to retire. Both were contributing to social security. Neither of them had estimated what his or her social security benefits would be at retirement nor had they estimated the amount of social security benefits his or her spouse would receive at the partner's death.

Retirement Income

Mr. and Mrs. D had absolutely no idea about the amounts of income they could anticipate after retirement. They did know several sources they would have. Both Mr. and Mrs. D expected to receive income from a retirement pension of their employer. Neither knew if they would work after retirement. They have little investment in stocks and bonds and in profit sharing with Mr. D's company which should add to income. They anticipated having the stocks and bonds to use to help with their children's educational expenses in college. They knew they would, receive in addition to the above, social security benefits.

Retirement Budget

Mrs. D estimated their monthly expenses and Mr. D helped determine that their future anticipated expenditures just could not be estimated at the present time because they had not considered their retirement period at all. Mr. and Mrs. D's current monthly budget and consideration of anticipated future expenditures compared with present expenditures is recorded below:

Item:	Current financial expenditures:	Anticipated future expenditures compared with present expenditures:
Shelter	$250	have not considered
Food	$250	have not considered
Clothing	$ 35	have not considered
Transportation	$275	have not considered
Health Insurance	$ 36	have not considered
Other Medical Expenses	$ 45	have not considered
Personal Expenses	$ 15	have not considered
Education	$ 30	have not considered
Recreation	$ 25	have not considered
Gifts and Contributions	$ 30	have not considered
Savings	$250	have not considered
Income Taxes	$600	have not considered
Loan	$100	have not considered
Total:	$1,941	

Mr. and Mrs. D could not estimate the annual gross income they would receive after retirement. They did not know what benefits the survivor would receive at the death of the primary wage earner.

Decisions Made About Retirement

Mr. and Mrs. D felt the most important decision they could make about retirement income at present would be to check into it more. They have not considered what kind of housing they want nor in which community they will live.

Mr. and Mrs. D felt they had not made any decisions about retirement as of yet in their lives. They did not feel they wished to have made earlier decisions about retirement. They did not wish they had not made any decisions they have made and they have not made any decisions regarding retirement so have no regrets in that area.

Mr. and Mrs. D have not been concerned about financial planning for retirement. They cannot estimate the date that either of them will retire.

Summary Comments

Mr. and Mrs. D have lived in their home for 12 years in an area near Mr. D's employment. They were concerned about Mr. D's job as it is a common practice to lay off people, through the guise of early retirement, when business is poor.

Mr. and Mrs. D are the youngest couple in this study and have younger children than any of the other families. They were more concerned with their role as parents now than with planning for their own retirement. Consequently they felt they could not make accurate estimates in many areas.

Mr. and Mrs. D had not made any financial decisions for retirement other than a profit sharing program with Mr. D's employer. They had a savings plan which they indicated may help them cover educational expenses for their children, enabling them to work toward their own retirement during those years the children will be leaving home.

The family was active in scouting and shared many activities together. Mr. and Mrs. D worked as a team in reporting decisions made.

Mr. and Mrs. E

Age of wife: 58 years
Age of husband: 60 years
Years married: 35 years
Length of residence in present home: 19 years
Education of wife: 17 years
Education of husband: 15 years
Number of children: 4
Number of children at home: 1
Employment status of wife: teacher for 9 years
Employment status of husband: contractor for 25 years
Employment income of wife: $4,500
Employment income of husband: $10,500
Primary wage earner: husband
Anticipated age of retirement, wife: 65 years
Anticipated age of retirement, husband: 65 years
Current monthly expenditures: $1,060
Expected gross monthly income, excluding social security, after retirement: $250 plus income from other sources.

Mrs. E has been a teacher for nine years. She has been in the teacher retirement system for six years. She has held three paying jobs in the last 25 years and has been regularly employed in the last ten years. When questioned, Mrs. E responded that she considered her job as a life time career to be continued until her retirement at age 65.

Mr.E was a building contractor and has experienced periods of too much employment when he found himself doing several jobs at once and other times when no jobs were available. Thus his income fluctuates and there are times when he has none at all. He has been in this kind of work for 30 years and was self-employed. He felt he had held one job during the last 25 years and had been regularly employed for the last ten years. Mr. E was the primary wage earner.

Mrs. E was 58 years of age and Mr. E was 60. They had been married for 35 years. They had lived at their present address for the last 19 years and own their own home.

Mrs. E had a Bachelor of Science degree plus one year of graduate studies. Mr. E completed three years and one term of college.

Mr. and Mrs. E have four children. Three were away from home. One son was living at home and helping his father when needed. The parents indicate they were providing a place for him to stay until he is settled on his own and self-supporting. All the children were adult.

Mr. E earned between $9,000 and $11,999 in gross employment wages as reported in 1974. Mrs. E earned between $3,000 and $5,999 gross employment wages in 1974 as she was working only part time. This makes a total of $12,000 to $17,998 of total family gross income. Mr. E is a contractor and has occasion to do part time jobs but declined to indicate how much this source of income was. Mr. and Mrs. E did not report having any income in addition to employment income in 1974 and in fact declined to answer this question.

Retirement Plans

Mr. and Mrs. E both plan to retire at 65 years of age. They were both contributing to social security. Neither of them had estimated the amount of social security benefits they will receive at retirement. And neither one of them had estimated the amount of income they would receive from social security benefits in the event of the death of the spouse.

Retirement Income

Mr. and Mrs. E declined to list the amounts each would receive from sources other than social security at retirement but indicated they would receive financial support from the following: employment, life insurance, real estate, savings, and sale of business equipment. Mr. E thought he would earn $250 a month from employment after retirement and Mrs. E will receive some funds from her teacher retirement but was unable to estimate the amount.

Retirement Budget

In responses about the family budget, Mr. and Mrs. E gave the following information about their monthly expenses:

Item:	Current financial expenditures:	Anticipated future expenditures compared with present expenditures:
Shelter	$200	less
Food	$300	less
Clothing	$ 30	less
Transportation	$150	less
Health Insurance	$105	less
Other Medical Expense	$ 25	more
Personal Expenses	$ 20	less
Education	$ 10	less
Recreation	$100	less
Gifts and Contributions	$ 80	less
Savings	$ 40	have not considered
Income Taxes	declined to	indicate
Total:	$1,060	

Mr. and Mrs. E could not estimate the annual gross income they expect to receive after retirement other than the employment income of $250 from Mr. E. If Mr. E were to die, Mrs. E would be the beneficiary of $14,000 in insurance. Of course, social security and the teacher's retirement pension plan would provide additional income.

Decisions Made About Retirement

When asked about the most important decisions concerning retirement income they could make right now, Mr. and Mrs. E responded: check on social security status, check on retirement plan, consider ways to supplement income after retirement.

Mr. and Mrs. E had not made a decision about where to live upon retirement. In fact the question stimulated some debate about where they would live after retirement. Mr. E would prefer to live at their home on the coast and Mrs. E would much rather live in Portland.

In analyzing the decisions Mr. and Mrs. E had made about retirement, the major thing that impressed them was that they were indeed thinking about it. It was something they would have to go through soon and they were facing it as it came but it was not a major focus in their lives at the time nor had it been in the past.

In considering decisions they wish they had made earlier about retirement, Mr. and Mrs. E said they would have liked to have a better savings and/or investment plan and that they had fewer children. Mr. E felt there was only one decision he wished he had not made which was to go into business for himself.

Mr. and Mrs. E were both concerned about financial planning and indicated they became concerned five years ago. Mrs. E plans to retire in 1981 and Mr. E in 1980.

Summary Comments

Mr. and Mrs. E had been married 35 years, had lived in their home 19 years, and Mr. E had a long work record.

Mrs. E waited until her children were nearly independent before returning to work as a teacher. They had one child who was home intermittently when Mr. E needed him to help with the contracting business.

Mr. E found it difficult to give answers to some questions and preferred to withhold that information.

Mrs. E was working only half time and anticipated retiring at 65 in seven more years. Mr. E planned to retire two years earlier, also at age 65.

Mr. and Mrs. E felt most of their expenses, in fact all but medical care, would be less after retirement. They were concerned about checking on the status of their retirement benefits and in finding ways to supplement retirement income.

Mr. and Mrs. E indicated they were stimulated by the interview to think and discuss some decisions they need to make for retirement.

Mr. and Mrs. F

Age of wife: 58 years

Age of husband: 62 years

Years married: 34 years

Length of residence in present home: 24 years

Education of wife: 17 years

Education of husband: 16 years

Number of children: 2

Number of children at home: 0

Employment status of wife: teacher for 17 years

Employment status of husband: certified public accountant for 27 years, semiretired

Employment income of wife: $7,500

Employment income of husband: $13,500

Primary wage earner: husband

Anticipated age of retirement, wife: 62 years

Anticipated age of retirement, husband: semiretired 1975

Current monthly expenditures: $2,045

Expected gross monthly income, excluding social security, after retirement: $1,775

Mrs. F has taught for 17 years and has been a member of the teacher retirement system for 14 years. She has held three jobs in the last 25 years and has been regularly employed in the last ten years. She considers her job as a lifetime career to be continued until retirement at age 62. Mrs. F was currently working half time.

Mr. F was a retired but still working certified public accountant. He held this job for the last 27 years and has been semiretired since January 1975. He has held only the one job in the last 27 years. His retirement started January 1, 1975. Mr. F owned his own business prior to retirement, sold this business, and has purchased certain accounts which he still handles. Mr. F was the primary wage earner.

Mrs. F was 58 years of age and Mr. F was 62. They had lived at their present address for 24 years and own their own home. It is paid for. Mrs. F is a native Portlander and the couple have lived in Portland all their married life, 34 years.

Mrs. F had completed a Bachelor of Science degree and 75 hours of additional graduate study. Mr. F had completed a Bachelor of Science degree also and had 15 hours of additional graduate study.

Mr. and Mrs. F had no children living at home and had two independent adult children.

Mrs. F responded that she earned between $6,000 and $8,999 as annual gross employment income in 1974. Mr. F indicated he earned between $12,000 and $14,999 in annual gross employment income in 1974. This made a total of between $18,000 and $23,998 of total family gross employment income in 1974. In addition to employment income the couple received $20,000 from rental property and $5,000 from dividends and interest on investments and savings. Thus total family income ranged from $43,000 to $48,998 during 1974.

Retirement Plans

Mrs. F would like to retire at 62 years of age. As indicated previously, Mr. F was semiretired. He planned to continue working as a certified public accountant.

Retirement Income

Mr. and Mrs. F were contributing to social security. Mr. F did not plan to draw his social security benefits until he is 65 years of age. Mr. F had estimated his social security benefits but Mrs. F had not. Mrs. F had not estimated the amount she would receive from social security at the death of Mr. F. Mr. F indicated there would be no difference in his benefits at the death of Mrs. F.

Mr. and Mrs. F will receive benefits other than social security at their retirement. They have estimated the following sources and amounts they expect to receive monthly. Both Mr. and Mrs. F expect to receive a retirement pension from their employer but were unable to determine an amount. Mr. F expects at least $225 monthly from employment. From investments in real estate, Mr. F feels they will receive $1,500 a month. Stocks and bonds investment will bring in $50 a month. Mrs. F has a tax sheltered annuity but has not estimated the monthly benefits. Mrs. F therefore does not know what her own monthly income will be after retirement. Mr. F indicated his total financial resources would be $1,775 additional to social security. The family will have his $1,775 and their unestimated income as well as social security at retirement for a monthly income.

Retirement Budget

Mr. F gave most of the answers regarding their current monthly budget as he has done most of the financial management for the family. Both Mr. and Mrs. F conferred about anticipated changes in financial needs after retirement. Mr. and Mrs. F's current monthly budget and anticipated changes follow.

Item:	Current financial expenditures:	Anticipated future expenditures compared with present expenditures:
Shelter	$150	more
Food	$150	more
Clothing	$ 20	more
Transportation	$125	more
Health Insurance	$ 15	more
Other Medical Expenses	$ 10	same
Personal Expenses	$ 15	same
Education	$ 15	same
Recreation	$ 20	more
Gifts and Contributions	$ 25	same
Savings	$1,250	same
Income Taxes	$250	more
Total:	$2,045	

Mrs. F could not estimate her annual gross income after retirement. Mr. F indicated his income would be $20,000 after retirement. At the death of the primary wage earner, Mr. F, Mrs. F would receive income from rental investments, stocks and securities, social security and have about $8,000 from insurance.

Decisions Made About Retirement

Mr. and Mrs. F felt the most important decision they could make about retirement income right now would be to find out what they could expect in financial resources at her retirement.

Mr. and Mrs. F have decided to stay in Portland upon retirement, but they were seriously considering a smaller home.

Financial decisions they have made about retirement center around remaining financially independent during retirement. They have obtained the variable tax sheltered annuity, made considerable investments in real estate and their own residence, and have invested in stocks and securities for financial independence.

When questioned about decisions they wish they had made earlier about retirement, Mr. and Mrs. F responded that they wish they had purchased more property when it was cheaper. They also indicated they wish they had built a house three years ago when supplies and materials were cheaper. A house was apparently a choice they decided against at the time and now wish they could reverse that decision.

Mr. and Mrs. F were not concerned about financial planning for retirement. Their major financial concern had to do with the rising rate of inflation and what it would do to what income they did expect to receive.

Mr. F was semi-retired. Mrs. F expected to retire in 1977, at age 60.

Summary Comments

Mr. and Mrs. F had lived 24 years in a quiet, well established neighborhood. They had been married 34 years, and were college graduates.

Mr. F was partially retired yet had a good income. Mrs. F was working half time. She was planning an early retirement at age 62 in four years. Mr. F retired at 62 years also. Both Mr. and Mrs. F appeared healthy and interested in life.

Mr. F had handled most of the financial dealings for the family and made most of the responses at the interview. The researcher felt that Mrs. F would have liked to know more about some of the items discussed. Mr. and Mrs. F considered they had made wise land investments.

Mr. and Mrs. G

Age of wife: 62 years

Age of husband: 70 years

Years married: 25 years

Length of residence in present home: 14 years

Education of wife: 17 years

Education of husband: 19 years

Number of children: 1

Number of children living at home: 0

Employment status of wife: teacher for 37 years

Employment status of husband: retired, taught for 40 years

Employment income of wife: $16,500

Employment income of husband: $10,500 in retirement benefits

Primary wage earner: wife

Anticipated age of retirement, wife: 62 years

Age of retirement, husband: 62 years

Current monthly expenditures: $2,486

Expected gross monthly income, excluding social security, after retirement: $990

Mrs. G had been a teacher for 37 years and had been in the teacher retirement system for 26 years. She had held this job for the last 25 years. She regarded teaching as a lifetime career to be continued until her retirement this year.

Mr. G was also a teacher and had been retired since 1968. He held two jobs in the last 25 years, teaching for 40 years. Since retirement he had worked only briefly as he felt he did not want to be confined by a schedule.

Mrs. G was the primary wage earner. Mr. G's income consisted of social security and retirement pension benefits.

Mrs. G was 62 years of age and Mr. G was 70 years old. They have been married for 25 years and have lived at their present address for 14 years. Previously they lived in a smaller house across the street from their present home. Their house was already paid for and they had lived in Portland for 26 years.

Mrs. G had completed a master's degree and additional hours of graduate study to total 105 hours. Mr. G had completed a master's degree and had 100 additional hours of graduate study.

Mr. and Mrs. G had one adult child living independently.

Mrs. G indicated she earned between $15,000 and $17,999 as annual gross employment income in 1974. Mr. G's retirement income was between $9,000 and $11,999 in 1974. This makes a total of between $24,000 and $29,998 in income comprised of gross employment income, social security, and retirement pension for the family during 1974. The couple had $4,800 interest from E and municipal bonds that year. The total family income was between $28,800 and $34,798 for 1974.

<u>Retirement Plans</u>

Mrs. G anticipated retiring in June 1975. Mr. G retired at 62 in 1968. Mrs. G took a year's sabbatical last year and returned to work this year to improve her retirement status.

<u>Retirement Income</u>

Mrs. G was contributing to social security but Mr. G was receiving benefits from social security. They have both estimated their benefits from social security. Neither Mr. nor Mrs. G knew what social security benefits they would receive in the event of the death of their spouse.

Mr. and Mrs. G expected other income in addition to social security at retirement. Both described at length the teacher's retirement benefits they would or were receiving from the state of Ohio where they both began their teaching careers. Mrs. G estimated her teacher retirement as $365 a month. Mr. G estimated his teacher retirement benefits as $225 a month. The couple expect $400 a month from E and municipal bonds. Mrs. G had a tax sheltered annuity but was not aware of the amount of income it will bring. With known amounts, Mrs. G estimated her retirement income other than social security to be $365 a month. Mr. G estimated his retirement income at $625 a month. Thus the family expect to have a total of $990 a month in addition to social security when they retire.

Retirement Budget

Mr. and Mrs. G have divided the budget responsibilities. He kept records for items other than food and clothing and she appeared to keep records for those. Mrs. G gave most of the responses about anticipated future expenditures compared with present expenditures. Mr. and Mrs. G's current monthly budget and anticipated changes follow:

Item:	Current financial expenditures:	Anticipated future expenditures compared with present expenditures:
Shelter	$108	same
Food	$120	same
Clothing	$ 30	less
Transportation	$137	same
Health Insurance	$ 27	more
Other Medical Expenses	$ 10	have not considered
Personal Expenses	$ 80	same
Education	$---	same
Recreation	$600	more
Gifts and Contributions	$ 39	same
Savings	$1,000	less
Income Taxes	$320	less
Memberships	$ 15	less
Total:	$2,486	

Mr. and Mrs. G estimated their total annual gross income expected after retirement as $14,640. Neither one indicated what their individual income would be.

The couple estimated that Mr. G would receive $244 a month from social security at the death of his spouse. He would also continue to receive his teacher's pension. He would receive a $1,000 lump sum insurance benefit and some funds from the tax sheltered annuity. He would also continue to receive the interest on his securities.

Decisions Made About Retirement

When asked what they felt were the most important decisions about retirement income they could make right now, the couple responded with: find out which options are available in retirement fund usage and to choose a smaller home.

Mr. and Mrs. G have planned to stay in Portland at retirement. They will live together and will live at their present address.

Mr. and Mrs. G have made some decisions about retirement. They would like to continue to travel. In fact, they estimated they have spent about $100,000 on travel in the last ten years. They stressed the desire not to work after retirement to avoid a set schedule. They thought they should make some major purchases such as a recreational vehicle. They financially prepared for retirement by participating in an annuity, contributing to teacher's pension programs, and investing in E and municipal bonds.

When asked if there were any decisions they wished they had made earlier about retirement, they replied they wished they had started traveling earlier. They have been anticipating the high retirement income they feel they have and so have not really any concern about making earlier retirement decisions.

Mrs. G indicated she wished she had not taken the year of sabbatical leave as it delayed her qualifying for retirement under state regulations.

Mr. and Mrs. G expressed no concern about planning for their retirement. Mrs. G planned to retire in 1975 and Mr. G retired in 1968.

Summary Comments

Mr. and Mrs. G were a couple turned on by travel. Apparently they did little traveling until ten years ago. They have quiet tastes and delight in their yard and its flowers but are looking forward to more traveling.

Mr. and Mrs. G have divided responsibility for the family budget. Mr. G has absorbed some of the household duties too as he was retired and Mrs. G was teaching full time. Mr. G was extremely careful and exact in his answers and Mrs. G seemed to estimate easily but sought confirmation from Mr. G.

Both Mr. and Mrs. G were well educated. They had a long residence in their neighborhood and had been married 25 years. Their estimated income after retirement will be fairly low compared to their current income. They live frugally and spend most for travel. As befits their nearly retired status they were most concerned with options to using retirement income and in choosing a smaller home.

Mr. and Mrs. H

Age of wife: 54 years

Age of husband: 55 years

Years married: 25 years

Length of residence in present home: 5 years

Eucation of wife: 17 years

Education of husband: 16 years

Number of children: 2

Number of children at home: 0

Employment status of wife: teacher for 12 years

Employment status of husband: instrument technician for chemical company for 28 years

Employment income of wife: $7,500

Employment income of husband: $16,500

Primary wage earner: husband

Anticipated age of retirement, wife: 55 years

Anticipated age of retirement, husband: 62 years

Current monthly expenditures: $840

Expected gross monthly income, excluding social security, after retirement: $589

Mrs. H had been a teacher for 12 years. She worked for five years, married and did not work for 18 years while the children were growing up, and returned to teaching. She had now taught for seven years. During the 1974-1975 school year she had worked part time. Thus Mrs. H has held two paying jobs in the last 25 years and has worked seven out of the last ten years. She saw her job as temporary to meet a current need, but to be terminated when the need was met. Her current need was educational expenses for one child she was helping with college expenses. Specificaly, she started back to work to purchase their home, continued working to support her children through school and would like to quit now.

Mr. H was an instrument technician for a chemical company. His job involved watching and regulating dials and switches used in the chemical manufacturing process. He has worked for this company for 28 years with no stoppages of work. Mr. H was the primary wage earner.

Mrs. H was 54 years of age and Mr. H was 55. They had been married for 25 years. They began the purchase of their home five years ago. It was located about half a block from a high school, near a park, near business areas and had good public transportation. Mrs. H indicated the neighborhood was exeptionally busy during the school months and that they had purchased the house during quiet summer months. They did not expect to have the house paid for at the time of retirement. Mr. and Mrs. H have lived in Portland for 25 years.

Mrs. H has a master's degree and Mr. H a bachelor's degree. Mrs. H indicated she needed to take education classes to renew her teaching credential. This was another reason she would have liked to retire now. Mr. and Mrs. H were supporting one child through college. Their other child paid his own way through school.

Mrs. H earned between $6,000 and $8,999 as gross income in 1974. Mr. H earned between $15,000 and $17,999 as gross income in 1974. This made a total of $21,000 to $26,998 of total family gross income. The family did not report any income in addition to employment income in 1974.

Retirement Plans

Mrs. H planed to retire at age 55. This was uppermost in her mind but she had not made a definite decision yet. Her husband would like to retire at 62.

Retirement Income

Both Mr. and Mrs. H were contributing to social security. They both investigated the value of their social security coverage about five years ago but did not remember the amounts. Neither one of the couple had estimated the amount of social security benefits they would receive at the death of the spouse.

In checking sources of retirement income other than social security there was no idea of real amounts of any item. Both Mr. H and Mrs. H had retirement pensions with their employers but were not able to estimate dollar amounts they would receive each month. It was felt that Mr. H would work after retirement as he has ability to do car repair and he could expect to bring in about $200 per month from this work. The family had stocks and bonds that would bring in $14 per month and mutual funds that earned $10 a month. Supposedly these were current income sources although the couple did not report these as current income. Mrs. H had a tax sheltered annuity which would add $15 a month to the family income. Mr. H estimated $300 to $400 in pension benefits from his employer. Mr. H would also receive about $50 in life insurance payments each month. This brought the total family income to $589 per month in addition to social security.

Retirement Budget

When questioned about the family budget, Mrs. H gave most of the responses as she was the one who managed this aspect of the family finances. The monthly budget estimation and ideas about anticipated future expenditures follow.

Item:	Current financial expenditures:	Anticipated future expenditures compared with present expenditures:
Shelter	$195	same
Food	$100	less
Clothing	$ 25	same
Transportation	$ 40	less
Health Insurance	*	more
Other Medical Expenses	$ 25	same
Personal Expenses	$ 10	same
Education	$150	less
Recreation	$ 50	same
Gifts and Contributions	$ 20	same
Savings	$ 25	less
Income Tax	$200	less
Total:	$840	

* provided by employer.

Mr. and Mrs. H could not estimate the annual gross income they expect to receive after retirement. Mr. H did indicate his pension would provide about $400 a month or $4,800 annually in addition to his social security. Asked previously about income, Mr. H said he would have $574 to $674 a month from various sources and Mrs. H estimated $15 plus an undetermined amount from the retirement pension of her employer. If Mr. H, the primary wage earner, were to die, Mrs. H would receive a $10,000 G.I. insurance benefit in a lump sum.

Decisions Made About Retirement

When asked about the most important decisions about retirement income they could make right now, Mr. and Mrs. H responded: try to put money away to bring return at retirement, get some time certificate investment, and buy a car and get it paid for by the time of retirement.

Mr. and Mrs. H plan to live in Portland at their present residence after retirement.

Mr. and Mrs. H indicated they had not thought much about retirement planning. They obviously have prepared to some extent through participation in a tax sheltered annuity, investment in a time certificate of deposit, and in deciding on a place to live after retirement.

When asked about any decisions they wish they had made earlier about retirement, they said none had been made. At second thought they said they wished all their children were independent. Mr. and Mrs. H felt that they should have purchased their house earlier so that it would be paid off at retirement.

Mrs. H indicated she was concerned about financial planning for retirement. Mr. H said he was not concerned. Mrs. H said she had first become concerned about a year ago. Both indicated that when the time came they would sit down and figure out their income and just try to live on it. Mr. H has the opportunity to do some planning for his retirement and will learn about retirement in an employee education program about a year before he actually retires.

Mrs. H was questioning whether she actually wants to retire in 1975 at 55 years of age and Mr. H was considering retiring in 1981 or 1982 at age 62.

Summary Comments

Mr. and Mrs. H have celebrated their silver wedding anniversary. Mr. H has a 28 year record of employment on his job and Mrs. H left work to raise her family before going back to work seven years ago.

They were both educated and were helping one of their children with his education.

Mr. and Mrs. H would both like to retire early. Mrs. H was working half time and really wanted to retire this year but could not make the final decision. If they retire early as planned they will be following the trend toward early retirement.

If Mr. and Mrs. H could have changed decisions or made them earlier, they would have had their children earlier so they would be grown by now. They would have also purchased housing earlier with the goal of having it paid for by retirement. Their retirement was coming soon and yet they became concerned only recently about the retirement period of their lives.

V. FINDINGS AND DATA ANALYSIS

Introduction

In this chapter the researcher presents demographic characteristics of the families and findings with data analysis of information received from them. Tables summarizing data from the eight case studies are found in appendix B.

Employment History of the Wives

The employment history of the wives involved in this study had characteristics in common. All the women were home economics teachers, were members of Portland Home Economists in Education, and all were employees of Portland Public Schools. They have all been educated to teach home economics and thus have had home management and family finance courses including retirement planning and financial decision-making. All the wives had roles of wife, mother, and employee.

The mean years of employment as teachers was 16.5 years and the range was 9 to 37 years.

Some of the wives indicated they had not belonged to the teacher retirement system for the same period of time as they had been teaching. When a wife worked in another state or had taken time off from teaching to raise a family, she often withdrew her accumulated benefits. This necessitated rejoining the retirement system and starting over again at the beginning of the next period of employment. The wives had contributed a mean of 12.6 years to the teacher retirement system and had a range of 6 to 26 years of contributions.

Seven wives indicated they had experienced regular employment during the last ten years. Only one indicated she had usually been employed. Two wives indicated they considered their jobs as temporary, to meet a current need but would stop working when the need was met. No one indicated their job was temporary until a better job could be obtained. The remaining six felt that teaching was a lifetime career to be continued until retirement. Five wives were planning to retire at a later date than their husbands.

Three of the eight wives were primary wage earners for their families. In one case the wife earned more than the husband who had already retired.

Employment History of the Husband

Husbands were found to be the primary wage earner in four families. Where the husband was primary wage earner, the wife in two cases was only working half time. This pattern may indicate that the wives 54 to 65 years of age chose a decreased work load because they had less need for money while the husband was at his peak of earning power. They may also have had decreased energy and a desire for a lighter work load. Comments by the wives during interviews supported this statement.

The husbands reported occupations were: repairman for an electrical manufacturing company, securities broker and salesman, materials analyst for a manufacturing company, building contractor, certified public accountant, teacher, retired teacher, and instrument technician for a chemical manufacturing company. The mean income of the men was $12,375 in 1974.

Husbands in this sample averaged 23.6 years in their present job. The average number of jobs held by the husbands during the last 25 years was 2.5 jobs.

Comparatively, the wives averaged 2.8 jobs in the last 25 years.

Ages of Respondents

The ages of wives ranged from 40 to 62 years and the ages of the husbands ranged from 45 to 70 years. The mean age of the wives was 52.25 years of age and the mean age of the husbands was 55 years of age.

The families were classified by the wife's ages into categories of 40 to 53 years and 54 to 64 years with the means of these groups 47.37 years and 59.87 years of age respectively.

Marital Characteristics

Six of the respondents had celebrated their silver wedding anniversaries. The length of marriages was another indication of the stability of these middle-aged couples who had been married a mean of 26.25 years. From comments made to each other and shared information, the researcher assumes these couples were experiencing successful marriages that may be expected to continue in the future.

Residential History of Respondents

Seven respondents will have their homes paid for by the time of anticipated retirement. Three families owned properties they were currently using for recreational purposes and figured these into their retirement residence plans. One family that had not previously agreed on where to live after retirement got into a heated discussion on this choice but could not agree upon a decision about retirement living.

Seven homes where the families lived were in desirable areas of greater metropolitan Portland, only one home was in an area that was beginning to deteriorate. Five of the homes were older, over thirty years, but three were newer. All families seemed to take pride in interiors and in decor and landscaping. They considered their homes to be convenient to work, to public transportation, and to recreation.

Generally the families had established a long record of residence in Portland at their current address. The younger families had a range in years of residence of 12 to 16.5 years at their present address with a mean of 14.62 years. The older families had a range in years of residence of 5 to 24 years at their present address with a mean of 15.5 years. It was interesting to note that the difference in mean residence at the present address was so little.

None of the respondents indicated they would live with anyone other than their spouse at retirement. In fact any mention of future incapacity or need for reliance on other adults, friends, or children was strictly avoided. When asked to respond to whether they would live with or be supported by their children, the respondents laughed and said they would most likely still be helping their own children.

Levels of Education

In order to maintain their teaching credentials and keep their jobs teachers have to continuously seek further education. Courses beyond the bachelor's degree do not always lead to an advanced degree. In this study 45 term hours of credit beyond the bachelor's degree counted as one additional year of education. One husband had only a high school diploma and two husbands had attended college but had not completed a degree. Three husbands had a bachelor's degree and two husbands had a master's degree.

The mean level of education of the wives was 17 years. All had completed a bachelor's degree. The mean level of education of the husbands was 15.63 years. The group mean level of education was 16.25 years for husbands and wives. Education ranged from a high school diploma to a master's degree with 100 hours of credit in additional work.

The educational levels attained were above the mean for the population of 12.3 years. (25:116) However, this study does not show a high incidence of decision-making or awareness of decisions made or decisions that need to be made regarding financial planning for retirement.

Dependents of Respondents

Four families had a total of six children living at home with an average of 1.5 children per family. Five of the eight families were providing financial support for children away from home. Three of the eight families had independent children.

Three families were helping four children with college expenses. The only other major current expenses attributed to children were orthodontic bills in two families and one family indicated they had paid for a wedding recently.

A total of 14 children were still supported by the eight families. Six were totally supported and eight were living away from home but were receiving financial support. Thus, preretirement time would seem to still be a period when children are supported.

No other dependents resided in the homes. Other than financial aid to children, the families appeared free of financial responsibility to persons other than themselves. All families indicated their children should be independent by the time of retirement and consequently would not be in need of further financial aid.

There was no reported consideration of future needs for the families to support an older parent. At least they were not preparing for such an eventuality nor did they indicate they would ever need to be supported by their own children. This is an obvious area for further research regarding financial planning for retirement.

Income

Gross employment income for 1974 ranged from under $3,000 to $17,999, for the wives with a mean of $10,500. Gross employment income for 1974 ranged from $6,000 to $20,999 for the men with a mean of $12,375.

Three of the eight families indicated they had income in addition to employment income in 1974. The sources of this income were savings, rental property, dividends, and interest. The amounts varied from $1,000 to $25,000 in 1974, with a mean of $10,267 for all income received. The mean additional income for the eight families was $3,850 for 1974.

The financial status of the individuals appeared to be higher than Bureau of Census medians in 1972 for families where both husband and wife worked. Families between 35 and 44 years of age had a median income of $15,548, families between 45 and 54 years of age had a median income of $16,929, and families between 55 and 65 years of age had $15,408. (25:388) The mean income for families in this study was $22,875.

Monthly investments in pensions, social security, annuity, and savings were part of each family's budget.

These families who were approaching retirement seemed to consider the liquidity of their resources.

Age of Retirement

The mean age for the seven women who had planned their retirement was 59.9 years of age. Two of the husbands in this sample had already retired, one fully and one semiretired. The mean anticipated age at retirement was 62 years for the remaining five men who knew when they wanted to retire.

In comparison, the earliest anticipated year planned for retirement was 1975 for women and 1980 for men who were not retired. The latest anticipated year planned for retirement was 1987 for women and 1988 for men. Thus, in this sample, individuals will retire between 1975 and 1988, a period of 13 years. In most cases the women plan to retire after their husbands. Of course two men were already retired. Counting this fact, four of the eight women indicated they would retire after their husbands. These families indicated they were planning to follow the current trend for earlier retirement in the United States.

Sources of Retirement Income

All husbands and wives indicated they expected to receive social security as a source of retirement income. Since both husbands and wives worked there were more options for retirement income. Often both members of the family expected to have a pension from their employment in addition to social security. Each of the wives was enrolled in the teacher retirement program. The two husbands who were teachers also had teacher retirement. Two of the husbands did not have an employer pension plan; however one had a personal pension plan. The remainder of the husbands had pension plans with their employer.

Three of the wives and five of the husbands indicated they expected to be employed though retired. Seven families said they would have some insurance benefits. Six families had planned to utilize income from annuities. Four families planned on some income from real estate investments. Seven families had stocks and bonds that would bring income and two individuals had invested in mutual funds.

Teachers are eligible for enrollment in a tax sheltered annuity program. Six of the wives indicated they participated in a tax sheltered annuity program. One husband and wife indicated they would receive veteran's benefits after retirement.

None of the respondents indicated they expected to receive support from children. In all responses in this study there seemed to be a spirit of self-reliance. No one thought of being dependent at any time.

Sources of anticipated retirement income other than social security ranged from three to eleven with a mode of six sources.

Most of the respondents indicated there were some sources of income for which they could not estimate specific amounts of future benefits at this time. These usually fell into a category where total benefits accrued over a period of time and actual benefits could not be calculated until the date of retirement.

At the time of the interviews, the researcher included money income from assets held in common with the husband's anticipated amounts of monthly income for use at retirement. Where possible the other income was assigned to the wife or husband. The youngest couple in the study could not estimate what their future income would be. The oldest couple knew just about to the penny how much their retirement income would be.

Anticipated Annual Gross Income After Retirement

Six of the families in the study were able to estimate their annual gross income for retirement. One family declined to give the information and one family had not considered their retirement income. The mean annual income of the remaining six families was $12,901, well above the $8,043 for the higher level budget of the Bureau of Labor Statistics budget for a retired couple for 1973. This would be a mean monthly income of $1,075 as compared with the Bureau of Labor Statistics budget figure of $670 for a month. (22:57)

The estimated anticipated annual gross income after retirement figures may not agree with the amounts of income estimated from sources of retirement income. This is because the annual gross income estimate was asked for at another time in the interview and was asked for in a lump sum which is sometimes harder for the respondent to be accurate in estimating.

The mean estimated income by the younger families was $11,900 compared to $13,903 for older families. However, the younger families may not have all the resources they may have eventually.

The mean monthly income excluding social security for the six families who were able to make estimates was $1,052 a month with an annual income of $12,624. The average anticipated monthly income of the 40 to 53 year old age group was $986 for the three families reporting and $1,118 for the 54 to 65 age group for the three families reporting. These figures are relative due to the problems people had with amounts of benefits they could not or would not estimate.

The 40 to 53 age group with their mean total annual income of $11,832, excluding social security, was lower than the mean total annual income of the 54 to 65 age group's $13,416. The reason for the difference could be attributed to the actual commitment of the older group of families to working toward financial security as they near the time of retirement.

The mean annual current financial expenditures for the eight families was $18,900. The minimum mean family employment income was $19,875 and the maximum mean family employment income was $25,498. With additional family income these totals adjusted to $23,725 and $29,348 respectively.

Current Financial Expenditures and Anticipated Expenditures After Retirement

Families in this sample were asked to estimate their current financial expenditures in the categories of shelter, food, clothing, transportation, health insurance, other medical care, personal expenses, education, recreation, gifts and contributions, savings, income taxes, and other expenses. They were then asked to indicate whether their expenditures after retirement would be the same, more, less, or had they not considered the difference between current and anticipated expenses. Table I gives the mean current expenditures for the different expenditures by age groups and the mean for the total group.

Table I. Mean current expenditures for eight families by age group and type of expenditure.

Type:	Mean in dollars: 40-53 age group:	54-65 age group:	All families:
Shelter	$ 190	$ 163	$ 177
Food	144	168	156
Clothing	44	26	35
Transportation	198	113	155
Health Insurance	24	38	31
Other Medical Expenses	36	18	27
Personal Expenses	37	31	34
Educational	131	44	88
Recreational	66	193	129
Gifts and Contributions	83	41	62
Savings	163	579	371
Income Taxes	340	257	304
Other	88	4	46
Totals:	$1,544	$1,675	$1,615

In Table II, the current monthly expenditures are given for each family by type of expenditure.

Table II. Current monthly expenditures of eight families by type of expenditure.

Type:	Dollars by family:							
	A	B	C	D	E	F	G	H
Shelter	170	190	150	250	200	150	108	195
Food	120	130	75	250	300	150	120	100
Clothing	50	40	50	35	30	20	30	25
Transportation	100	175	240	275	150	125	137	40
Health Insurance	[1]	16	45	36	105	15	27	[1]
Other Medical Expenses	75	10	15	45	25	10	10	25
Personal Expenses	50	32	50	15	20	15	80	10
Education	20	125	350	30	10	15	0	150
Recreation	120	70	50	25	100	20	600	50
Gifts and Contributions	150	100	50	30	80	25	39	20
Savings	50	200	150	250	40	1,250	1,000	25
Income Taxes	200	300	260	600	[2]	250	320	200
Total:	$1,105	1,389	1.485	1.841	1,060	2,045	2,471	840

[1] total paid by employer

[2] information withheld

Table III gives the anticipated change in types of expenditures for the families.

Table III. Anticipated variation in expenditures after retirement of eight families with current expenditures.

Type:	Estimated change by family:							
	A	B	C	D	E	F	G	H
Shelter	same	less	more	*	less	more	same	same
Food	less	less	less	*	less	more	same	less
Clothing	same	less	less	*	less	more	less	same
Transportation	same	less	less	*	less	more	same	less
Health Insurance	more	more	less	*	less	more	more	more
Other Medical Expenses	more	more	less	*	more	same	*	same
Personal Expenses	same	less	more	*	less	same	same	same
Education	less	less	less	*	less	same	same	less
Recreation	more	more	same	*	less	more	more	same
Gifts and Contributions	same	same	same	*	less	same	same	same
Savings	same	less	more	*	*	same	less	less
Income Taxes	less	less	less	*	*	more	less	less

* Expenditures have not been considered

Benefits at the Death of the Primary Wage Earner

Only one family could not estimate the benefits they would receive at the death of the primary wage earner. All the other families indicated they would receive benefits from some kind of insurance. Benefits ranged from

$1,000 for one family to $40,000 for another family. The seven families had a mean of $13,286 in insurance benefits. Other sources of benefits at the death of the primary wage earner were real estate, annuities, income from rental property, stocks, and bonds. The mean death benefits for the younger families was $18,333 and the mean death benefits for the older families was $12,667.

Residence at Retirement Decisions

Five of the eight families have decided on the residence they want to live in at retirement. Six planned to live in Portland after retirement. Other alternatives chosen included a rural area in Oregon for two families. One family indicated they would travel extensively. Half the families wanted to stay in their present residence and one family wanted to move to a smaller home. No one indicated they expected to live with others or to have others live with them.

The older families had often considered where they would reside after retirement. One family regretted not having purchased a smaller home and almost all couples mentioned they might be able to get along with less space and would solve this by moving or shutting off part of their present home. Most people wanted to keep their present home. Families who had established recreation homes planned to utilize them more after retirement. Seven families anticipated having their home completely paid for by retirement.

When questioned about the length of time the families had lived in Portland the following information emerged. The younger families had lived in Portland an average of 19 years, the older families an average of 28 years, and the total group mean was 24 years. One family moved from a house across the street from their present home. The mean length of residence in their home for the younger group was 14.6 years and for the older group, 15.5 years.

Concern About Financial Planning for Retirement

The general feeling of self-confidence about the retirement period impressed the researcher the most. Five of the families did say they were concerned about financial planning for retirement and three of these were younger families. However, the researcher felt the indications of concern were not strong. In fact, there were indications that the families had not much thought about financial planning for retirement.

VI. SUMMARY AND CONCLUSIONS

This chapter contains the summary, limitations of the study, generated hypotheses, and recommendations for further research.

Summary

Methodology

This study explored the financial decision-making about retirement of eight middle-aged families living in the greater metropolitan area of Portland, Oregon. A random sample was drawn from the Portland Home Economists in Education directory listing 88 home economics teachers. The husbands and wives were interviewed in April and May 1975. Financial data were given for current expenditures and for 1974. Case studies were written about each family. Data received were analyzed about retirement planning.

The sample consisted of eight families: four families with the wife between 40 and 53 years of age and four families with the wife between 54 and 65 years of age. Criteria for the families were: that they meet age qualifications, they were parents, the wife was a home economics teacher employed by Portland Public Schools, they were currently married, and they were willing to participate.

An interview guide was used to record the interview data. Interviews average one and one half hours.

Findings

Families were divided into two age groups. The mean age of the group 40 to 53 years of age was 47 years, and of the group 54 to 65 years, 60 years. The total sample had a mean age of 54 years. In five families the husband was primary wage earner. The mean years of employment for husbands and wives was 20 years. Husbands and wives together had held an average of three jobs each in the last 25 years. The wives had been employed a mean of 16.5 years as teachers and the husbands an average of 24 years on the job. Six wives considered teaching a lifetime career to be continued until retirement.

The mean years of marriage was 26 years for the eight couples and they averaged 15 years at their current address. Four families had children living at home; however, families averaged 2.25 children. No other dependents resided in the home.

The couple's mean education level was 16 years, the wives 17 years, and the husbands 15 years.

Gross annual employment income mean was $22,875 for all the families. With the addition of income from investments, the mean income increased to $26,725 in 1974.

The average age of planned retirement for all individuals was 60.3 years. The mean age for planned retirement for the wives was 60 years and for the husbands, 61 years.

Half the families had estimated their social security benefits at retirement but six had not estimated the amount of benefits they would receive at the death of their spouse.

Most families indicated there were some sources of income for which they could not estimate specific benefits. The mean monthly income excluding social security for six families reporting was $1,052. Estimated income at retirement was $12,901 annually or a monthly income of $1,075 for their retirement years. The mean income estimated by the younger families was $11,900 and the mean annual income estimated by the older families was $13,903.

The mean current financial expenditures for the eight families was $1,575 a month. The four younger families spent a mean of $1,517 a month and the four older families, $1,608 a month. Specific categories of the budget were calculated. Expenditures per month follow: shelter $177, food $156, clothing $35, transportation $155, health insurance and other medical costs $58, personal expenses $34, educational expenses $88, recreation $129, gifts and contributions $62, savings $371, income taxes $304, and other current expenditures $46.

Seven families estimated benefits they would receive at the death of the primary wage earner.

Five of the families said they were concerned about financial planning for retirement. The husband and wife shared concern in three families.

Families in the older age category, 54 to 65 years of age were hardest to obtain, refused more often, and were the hardest to get to answer questions.

In general, the families in this study seemed to have done little planning or decision-making about retirement. They anticipated adequate incomes after retirement but it was a matter of two income families and chance investment over a period of many years that enabled this level of financial security. Some families did make plans for retirement but most decisions appeared to have been made to improve present quality of life and to also provide future benefits.

Expectations for expenditures after retirement were so varied that no general pattern emerged.

Limitations of Study

Data received at the interviews was as accurate as it was possible to get from the families. The families used records of financial expenditures when available but most answers were estimates.

The sample for this investigation was confined to subjects who were currently employed as home economics teachers by Portland Public Schools, Portland, Oregon, were married, were parents, and were residents in the greater Portland metropolitan area.

The case study approach is limited to the cases in this study, but can give a basis for making in depth studies of a large sample of people.

Hypotheses Generated

In analysis of the findings of this study regarding financial decision-making about retirement, the following hypotheses were generated for future research.

1. Middle-aged families are unsure of changes in financial needs they will face after retirement.

2. As the family income increases, investments that will bring financial return during retirement increase.

3. Middle-aged individuals do not consider financial needs beyond the first stage of retirement.

4. Middle-aged families do not make written financial plans for current expenditures or for retirement expenditures.

5. Middle-aged individuals do not know approximate benefits they will receive from social security nor have they sought further information about their social security benefits.

6. People 54 to 65 years of age do more financial planning and implementing of plans for retirement than do people 40 to 53 years of age.

Recommendations for Further Research

Middle-aged individuals and families have difficulty in really understanding what they have done, are doing, or plan to do regarding financial decision-making for retirement. Further research is needed to understand fully why these problems exist. A more in depth investigation of almost any facet explored in this study would help identify patterns and underlying problems about retirement planning.

In order to assist middle-aged individuals with retirement planning, and to help counselors of middle-aged persons in advising, designing planning aids and in developing educational programs, further research in areas explored by this study are recommended.

Analysis of the extent and kinds of decisions made at middle-age in looking toward retirement planning should be valuable.

None of the families in this study indicated they were supporting aged parents or that they expected to be supported by their own children. A longitudinal study would give a picture of what really happens in the life span. The retirement period could be studied in stages which might be early, middle, and later years of retirement.

A comparison of actual sources of income before retirement with anticipated and actual resources during retirement would add to knowledge in this area. Comparison of size of income with investment in pensions, social security, annuities, savings, and other sources of income in retirement would complete the picture.

A study identifying the primary wage earner in each stage of the family life cycle would be useful. Problems that result or decisions made might be helpful.

This study could be replicated utilizing families with one wage earner. Longitudinal studies regarding financial decision-making and retirement would be helpful in understanding planning for retirement.

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APPENDICES

Informed Consent

Thank you for consenting to be interviewed. As I stated in my phone call to you, this study will be used to investigate financial planning of middle-aged families about retirement. The information I am collecting will be used for statistical purposes only and you will not be identified in any way in the study. The interview will consist of questions concerning your financial planning about retirement and general questions about yourself. You do not have to answer any questions that you feel infringe upon your privacy.

If you have any questions upon completing our interview, I will be happy to discuss them with you. You are also welcome to call my advisor, Dr. Martha A. Plonk, at Oregon State University, Corvallis, Oregon, 754-1992 for further information about the study.

Pansy Nofziger

INTERVIEW GUIDE

Interview Number ____

1. To the wife:
   How many years have you been a teacher? ___ years

   How many years have you been in the teacher retirement system? ___ years

   How many jobs have you held in the last 25 years? ___ jobs

   Has your employment been regular in the last 25 years?
   ___ yes ___ no ___ usually

   Do you see your job as:
   ___temporary to meet a current need, but to be terminated when the need is met.
   ___temporary, until a better job can be obtained; or
   ___a lifetime career to be continued until retirement.

2. To the husband:

   What is your occupation? ______________________________

   How many years have you been on the present job? ____ years

   How many jobs have you held in the last 25 years? ____ jobs

   Has your employment been regular in the last 10 years?
   ___ yes ___ no ___ usually

3. Who is the primary wage earner in your family?
   ___ wife ___ husband

4. What is your age? ___ years. What is your spouse's age? ___ years.

5. How long have you been married? ___ years

6. How long have you lived at your present address? ___ years

   Do you own your own home? ___ yes ___ no

   If you own your own home will it be paid for by the time you retire? ___ yes ___ no

7. How long have you lived in this city? ___ years

8. What is the highest level of education you have completed? ______________________________

What is the highest level of education your spouse has completed? ______________________________

9. How many children do you have living at home now?
___ children

How many children do you have living away from home?
___ children

Briefly describe the financial care you give or have arranged for them: ______________________________
____
____

Are there others living in your home? ___ yes ___ no

Briefly describe future care you have arranged for them: ______________________________

10. (Show card with following information, then record answer)

Check your gross employment income before deductions in 1974. (Check one)	Check your spouse's gross employment income before deductions in 1974. (Check one)
___less than $3,000	___less than $3,000
___$3,000-5,999	___$3,000-5,999
___$6,000-8,999	___$6,000-8,999
___$9,000-11,999	___$9,000-11,999
___$12,000-14,999	___$12,000-14,999
___$15,000-17,999	___$15,000-17,999
___$18,000-20,999	___$18,000-20,999
___$21,000-23,999	___$21,000-23,999
___$24,000-29,999	___$24,000-29,999
___$30,000-35,999	___$30,000-35,999
___$36,000 or more	___$36,000 or more

11. Did you and/or your spouse have income in addition to your employment income in 1974? ___yes ___no

If yes, will you please give the source and amount of income for 1974.

<u>Sources</u>	<u>Amount of Gross Income in Dollars</u>
______________	$______________
______________	$______________
______________	$______________
______________	$______________

12. At what age do you plan to retire? ___ years of age.

At what age does your spouse plan to retire?
___ years of age.

13. Are you contributing to social security?
___ yes ___ no ___ not sure

Is your spouse contributing to social security?
___ yes ___ no ___ not sure

14. Have you estimated the amount of social security benefits you will receive at retirement?
___ yes ___ no

Have you estimated the amount of social security benefits your spouse will receive at retirement?
___ yes ___ no

Have you estimated the amount of income from social security you will receive upon the death of your spouse? ___ yes ___ no

Has your spouse estimated the amount of social security benefits he will receive upon your death?
___ yes ___ no

15. (Show card with following question, then record answer)
Social security benefits may be the basis for your retirement plan. What other sources are you planning to use for retirement income?

Please check sources you plan to use.	Your sources	Spouse's sources
___retirement pension of employer	$________	$________
___personal pension plan	$________	$________
___employment	$________	$________
___life insurance	$________	$________
___real estate	$________	$________
___stocks and bonds	$________	$________
___mutual funds	$________	$________
___annuity	$________	$________
___tax sheltered annuity	$________	$________
___veteran's benefits	$________	$________
___support funds from your children	$________	$________
___Please list other anticipated sources		
________________	$________	$________
________________	$________	$________

16. (Show card with following information, then record answers)
Please fill out the following question to compare your current financial expenditures with your anticipated financial expenditures after retirement. In projecting future expenditures, keep in mind how many people will be living in the household after you retire. Please circle the answer which best represents how your projected expenditures compare to current expenditures.

Item:	Current financial expenditures:	(Circle statement below that gives how your anticipated future expenditures compare with your present expenditures)			
Shelter	$ ________	same	more	less	unknown
Food	$ ________	same	more	less	unknown
Clothing	$ ________	same	more	less	unknown
Transportation	$ ________	same	more	less	unknown
Health Insurance	$ ________	same	more	less	unknown
Other Medical Care	$ ________	same	more	less	unknown
Personal Expenses	$ ________	same	more	less	unknown
Education	$ ________	same	more	less	unknown
Recreation	$ ________	same	more	less	unknown
Gifts and Contributions	$ ________	same	more	less	unknown
Savings	$ ________	same	more	less	unknown
Income Taxes	$ ________	same	more	less	unknown
Other ______	$ ________	same	more	less	unknown
Total	$ ________				

17. To the best of your knowledge estimate the annual gross income you expect to receive after retirement.

Your income $__________ cannot estimate ___
Your spouse's income $__________ cannot estimate ___

18. To the best of your knowledge estimate the benefits that the survivor would receive at the death of the primary wage earner.

Source	Amount in dollars
__________	$__________
__________	$__________
__________	$__________
__________	$__________

19. What do you feel are the most important decisions about retirement income that you can make right now?

____
____
____
____
____
____
____

20. Have you planned where you will live upon retirement?
___ yes ___ no

If yes plese check where you will live upon retirement.

Community
___in Portland
___another city in Oregon
___a rural area in Oregon
___another state
___retirement community or city like King City
___other__________

Housing
___your present residence
___an apartment
___a retirement home
___smaller home
___a mobile home
___other__________

Family Composition upon Retirement
___with husband
___with a child
___with a grandchild
___with other adult relative
___with other adult, not a relative

21. List the decisions you have made about retirement.

____
____
____
____
____
____

22. Are there any decisions you wish you had made earlier about retirement?

____
____
____
____
____
____
____

23. Are there any decisions you have made that you wish you had not made about retirement?

____
____
____
____
____
____
____

24. Are you concerned about financial planning for your retirement? ___ yes ___ no

If yes, when did you first become concerned about financial planning for your retirement?

____

25. Who first became concerned about financial planning for retirement? ___ you ___ your spouse

26. What year do you plan to retire? ________ (date)

What year does you spouse plan to retire? ________ (date)

APPENDIX B

APPENDIX B

Table B1. Years of employment as a teacher by eight wives.

Wife -40 to 53 years		Wife -54 to 65 years	
Family	Years	Family	Years
A	13	E	9
B	16	F	17
C	14	G	37
D	14	H	12
Mean: 16.5 years as a teacher			

Table B2. Years wives participated in the teacher retirement system.

Wife-40 to 53 years		Wife-54 to 65 years	
Family	Years	Family	Years
A	10	E	6
B	12	F	14
C	14	G	26
D	13	H	6
Mean: 12.4 years		Mean: 13 years	
Mean of all wives: 12.6 years			

Table B3. Numbers of jobs held in the last 25 years.

Family	Wife	Husband
A	3	1
B	5	4 plus part time work
C	2	4
D	3	6
E	3	1 plus privately contracted work
F	3	1
G	1	2
H	2 Mean:2.5 jobs	1 Mean:2.8 jobs

Table B4. Number of years at present address of eight families.

Family:	Years in residence:	Family:	Years in residence:
A	16 years	E	19 years
B	14 years	F	24 years
C	16.5 years	G	14 years
D	12 years	H	5 years
Group I mean:	14.62 years	Group II mean:	15.5 yrs.
Mean residence at one address: 15 years			

Table B5. Educational level of eight husbands and eight wives.

Person		Number of years of education:	Degree held:
Wife	A	16 years	Bachelor of Science
	B	17 years	Bachelor's degree
	C	17 years	Bachelor of Science
	D	17 years	Bachelor's degree
	E	17 years	Bachelor's degree
	F	17 years	Bachelor of Science
	G	17 years	Master's degree
	H	17 years	Master's degree
	Mean numerical years of education for wives: 17		
Husband	A	12 years	
	B	17 years	Master's degree
	C	16 years	Bachelor of Science
	D	14 years	
	E	15 years	
	F	16 years	Bachelor of Science
	G	19 years	Master's degree
	H	16 years	Bachelor of Arts
	Mean numerical years of education for husbands: 15.63		

Table B6. Length of marriages of eight couples.

Family:	Years married:	Family:	Years married:
A	23 years	E	35 years
B	25 years	F	34 years
C	26 years	G	25 years
D	17 years	H	25 years

Mean length of marriages: 26.25 years

Table B7. Gross annual employment income of eight families.

Family:	Incomes of Wives:	Incomes of Husbands:	Total Employment Income:
A	$13,500	$10,500	$24,000
B	$10,500	$19,500	$30,000
C	$13,500	$ 7,500	$21,000
D	$10,500	$10,500	$21,000
E	$ 4,500	$10,500	$15,000
F	$ 7,500	$13,500	$21,000
G	$16,500	$10,500	$27,000
H	$ 7,500	$16,500	$24,000

Mean income for wives: $10,500

Mean income for husbands: $12,375

Mean income for families: $22,875

Table B8. Total annual income for three families with reported additional sources of income in 1974.

Family:	Total employment income:	Additional income:	Total income:
B	$30,000	$1,000	$31,000
F	$21,000	$25,000	$46,000
G	$27,000	$4,800	$31,800

Mean additional income for all families: $3,850

Table B9. Anticipated age of retirement of eight families.

Family	Wife	Husband
A	62	56
B	58	62
C	55	65
D	did not know	
E	65	65
F	62	62[1]
G	62	65[2]
H	55	62

Mode for retirement age of women: 62 years of age.
Mode for retirement age of men: 62 or 65 years of age.
Mean retirement age anticipated by women: 59.9 years.
Mean retirement age anticipated by men: 60.75 years.
Mean retirement age anticipated by individuals: 60.3 years

1 semi-retired 2 retired

Table 10. Anticipated years of retirement for eight families.

Family	Wife	Husband
A	1985	1980
B	1987	1987
C	1981	1988
D	did not know	
E	1981	1980
F	1977	1975
G	1975	1968
H	1975	1981

Table B11. Estimation of social security benefits made by eight families.

Family:	Estimation of social security benefits due at retirement: Wife:	Husband:	Have made an estimation of social security bene- due spouse at your death. Wife:	Husband:
A	yes	yes	no	no
B	yes	yes	yes	yes
C	no	no	no	no
D	no	no	no	no
E	no	no	no	no
F	no	yes	no	yes
G	yes	yes	no	no
H	yes	yes	no	no

Table B12. Anticipated sources of income other than social security planned for use by eight families as retirement income.

Source of income:	Wife:	Husband:
Retirement pension of employer	A,B,C,D,E,F,G,H	A,B,D,G,H
Personal pension plan		F
Employment	A,B,E	A,B,C,F,H
Life Insurance		A,B,C,E,F,G,H
Real estate	B	C,E,F
Stocks and bonds	B	A,C,D,F,G,H
Mutual funds	B	H
Annuity	A,B,C,F,G,H	
Veteran's benefits	B	A
Savings	B	E
Business equipment sales		E
Mean number of sources per family: 6.4 sources		

Table B13. Numbers of anticipated sources of retirement income other than social security by family for eight families.

Family 40-53 years:	Sources of Income:	Family 54-65 years:	Sources of Income:
A	8	E	6
B	11	F	6
C	6	G	4
D	3	H	7

Mean: 6.4 sources of retirement income

Table B14. Total amounts of monthly income anticipated for use at retirement excluding social security.

Family:	Wife:	Husband:	Total:	Indicated some unknown amounts:
A	$450	$525	$975	no
B	$500	$788	$1288	yes
C	$135	$560	$695	no
D	could not estimate			yes
E	refused to answer	$250	$250	yes
F	did not know	$1775	$1775	yes
G	$365	$625	$990	yes
H	$15	$574	$589	yes

Mean monthly income excluding social security for six families: $1,052

Table 15. Anticipated annual gross income after retirement by eight couples.

Family 40-53 years:	Income:	Family 54-65 years:	Income:
A	$11,700	E	Information withheld
B	$12,000	F	$20,000
C	$12,000	G	$14,640
D	had not considered	H	$ 7,068
	Mean: $11,900		Mean: $13,903

Mean annual income for six families: $12,901

Mean monthly income for six families: $1,075

Table B16. Comparison of monthly retirement income excluding social security by the younger and older groups of eight families.

Family 40-53 age group:	Monthly retirement income:	Family 54-65 age group:	Monthly retirement income:
A	$ 975	E	$ 250+unknown amount
B	$1288+unknown amount	F	$1775+unknown amount
C	$ 695	G	$ 990+unknown amount
D	total amount unknown	H	$ 589+unknown amount
Mean monthly income:	$986*	Mean monthly income:	$1,118*
Total annual income:	$11,832*	Total annual income:	$13,416*

*incomes excluding social security benefits.

Table B17. Reported monthly current financial expenditures of eight families.

Family 40-53 years:	Dollars:	Family 54-65 years:	Dollars:
A	$1105	E	$1060
B	$1639	F	$2045
C	$1485	G	$2486
D	$1941	H	$ 840
Mean:	$1,517	Mean:	$1,608

Mean for the eight families: $1,575 current financial expenditures

Table B18. Length of time a resident in Portland by eight families.

Family 40-53 years:	Length of time:	Family 54-65 years:	Length of time:
A	22 years	E	31 years
B	19 years	F	31 years
C	22 years	G	26 years
D	12 years	H	25 years
Mean:	19 years	Mean:	28 years

Mean for all families: 24 years

Table B19. Concern about financial planning for retirement.

Family:	Concerned:	Unconcerned:	No. years of concern:	Person first concerned:
A	X		10 years	wife
B	X		15 years	both
C	X		all of lives	both
D		X	none	neither
E	X		5 years	both
F		X	none	neither
G		X	none	neither
H	X		1 year	wife