Early retirement behaviour of senior workers

A comparative analysis of Germany, the UK and the Netherlands

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In my paper I start from the notion that retirement is not so much a thing that just happens to senior workers but that it involves a clear decision process. Early retirement is becoming more and more common around industrialised countries. People retire early for many different reasons, using various routes such as unemployment, disability and specially designed early retirement schemes. In addition, it is often argued that early retirement is triggered a lot by institutional arrangement such as social security. For example, in the Netherlands there are far more opportunities for early retirement than in the United Kingdom where social security is not as easy accessible and universal.

Theoretical concepts of utility maximisation, life cycle theory, search theory and theories about welfare regimes will be combined into a theoretical model of early retirement behaviour. By using comparable panel data of the three different countries an analysis is made of the early retirement behaviour of senior workers (workers aged 50 and over). It will be seen to what extent different institutional settings as well as various covariates are of influence to the early retirement decision as such and to the exit route taken. The empirical model used is a discrete time proportional hazard model. Duration under consideration is the duration in employment after the age of 50.

Unfortunately I do not have nice results yet. However, since this is the first time this paper comes to the open so to speak, I want to present some first descriptive results apart from the theoretical model of course. These results give the impression that there are clear differences between the countries as well as between types of people. In the future I will continue with my model estimates.