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Who supports delayed retirement? A study of older workers in Israel

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Abstract

Delayed retirement is a policy measure aimed at ensuring financial stability in many countries, but this particular pension reform mechanism still lacks public support. Using data from the Israeli sample of the Survey of Health, Ageing and Retirement (SHARE) in Europe, this article examines factors which predict support for delayed retirement among older Israeli workers (n=556).

Hierarchical regression analysis of agreement with recently instituted delayed retirement measures showed that the perceived societal consequences of the reform were the strongest predictors. Older and more educated respondents and those more confident in their present workplace were also more likely to support delayed retirement. Those who favour state responsibility for care of older people tended to support delayed retirement less. The findings suggest that information campaigns on the contribution of continued employment to health and family solidarity might diminish current fears regarding the delayed retirement-based pension reforms. They also imply that non-partisan leadership is needed in order to recruit broader public support for such reform.

Keywords

delayed retirement; older workers; pension systems; SHARE; welfare ideology; work environment

Introduction

Population ageing presents a major challenge to the future viability of pension systems insofar as there will be many more retirees to support over longer periods of time and relatively fewer actively employed persons available to provide said support (Blake and Mayhew, 2006; Börsch-Supan, 2000). In order to offset the dire fiscal implications of the prevailing current pension system, more and more countries around the world are calling for pension reform (Bonoli and Palier, 2007; O'Donnell and Tinios, 2003). A prominent feature

in many of the pension reform plans is the deferment of retirement age; that is, a delay in the age of exit from the work-force (Galasso et al., 2004).

While delayed retirement as a means to reinforce the resilience of the pension system might make fiscal sense, it still lacks widespread support. This is because many people believe that a delay in retirement will entail considerable risks (Cooke, 2006). However, without sufficient public support for a postponement in the age of eligibility for retirement and the political processes that such support sets into motion, the efficacy of efforts to institute this kind of pension reform remains questionable (Cremer and Pestieau, 2000). It is important, therefore, to better understand the prevalent opinions about delayed retirement among older workers, and to identify the factors which may underlie their willingness to institutionalise a later exit from active employment (Boeri et al., 2002).

In 2004, the Israeli Knesset passed a graduated delay in the age of eligibility for receipt of pension benefits. One year later, Israel joined the Survey of Health, Ageing and Retirement in Europe (SHARE), collecting a wide range of micro data on the health, wealth and work status of Israelis aged 50 and older. In order to examine the public's reaction to the legislated delay of retirement age in Israel, questions about the legislation were added to the SHARE-Israel questionnaire. This unique confluence of the Israeli reform, on the one hand, and the initiation of the SHARE project, on the other hand, provided a unique opportunity to analyse the correlates of concurrence with deferred retirement. To the best of our knowledge, this is the only analysis to draw upon a wide range of factors in order to examine the correlates of agreement with delayed retirement among older workers. As such, the present inquiry provides new information which can yield a better understanding regarding the antecedents of public acceptance of a key component of pension reform.

Literature review

Pension reform around the world reflects two main streams: making the financing of retirement pensions more actuarially sound; and curbing the outflow of older workers from the labour force (van Dalen and Henkens, 2002). The means to improve the actuarial basis of retirement pensions can include the increasing of payroll and other taxes in order to finance pensions (Bonoli and Palier, 2007; Velladics et al., 2006), the scaling-down of non-actuarial parts of the pension system (Fehr et al., 2003) and moving from defined benefit-based pension plans to schemes based on defined contributions (Friedberg and Webb, 2005). Another reform measure is the curbing of benefits (Focarelli and Zanghieri, 2005), but few people support initiatives which portend a decrease in their pension allotments (Velladics et al., 2006).

Given the difficulty in reaching consensus on the preferred path to better pension financing, the strategy espoused in many countries is to curtail and, indeed, to reverse the rising trend towards early retirement. This goal has been attempted through several means that include the elimination of mandatory retirement, the introduction of phased or gradual retirement, offering older workers incentives for remaining in the workforce and, ultimately, raising the age of eligibility for the receipt of pension benefits (Cooke, 2006; Dano et al., 2000; Parry

and Taylor, 2007). The setting of a higher effective retirement age is seen by some as the most viable solution to the current dilemmas of the pension system (Galasso et al., 2004).

Delayed retirement in Israel

Israeli pensions are based mainly on a two-tiered system. The first tier constitutes a pay-as-you-go state plan, which guarantees a universal flat-rate pension. It is administrated by the National Insurance Institute and is funded from social security contributions and general tax revenues. The second tier consists of the occupational earnings-related pension arrangements, which are anchored in collective (or individual) labour agreements, and the budgetary pension scheme of the public sector. Up to the mid-1990s, such occupational pensions were administered almost entirely through defined-benefit-oriented pension funds under the auspice of the Histadrut, the General Federation of Workers.

Most of the defined-benefit pension funds suffered from a substantial cumulative actuarial deficit, which led to the need for reform. A first reform, enacted in 1995, provided governmental warranty to the deficit-ridden pension funds (at a reduced rate) in exchange for the closure of these funds to new members and the establishment in their place of defined-contribution-based schemes. A second reform, initiated in 2003–04, was aimed at strengthening the financial soundness of the pension funds, including the National Insurance. Among the measures adopted was a gradual rise in the age of retirement for all workers in relation to both pension tiers. The retirement age for men will thus rise from 65 to 67 by the year 2009, and from age 60 to 64 for women by the year 2017 (Yosef and Spivak, 2008).

Persons aged 65 and over currently comprise 10 percent of the population in Israel. The populations segment aged 50 to 67, the one most likely to be concerned with delayed retirement, constitutes about 15 percent of the population (CBS, 2006). About 35 percent of all persons aged 50 and over are currently employed (Achdut and Gharrah, 2008). Second-tier occupational pension coverage among the employed population varies in Israel by income: 82 percent of the highest decile, but only 32 percent of the lowest (Tarkel and Spivak, 2001), and by population group (58% among the veteran Jewish majority, 38% among new immigrants since 1990 and 26% among Arab-Israelis) (CBS, 2005). The proportion of persons aged 50 and over who live in poverty, measured as 50 percent of the standardized median income or less, is relatively high in Israel, about 28 percent (Endweld and Cohen, 2008). A recent governmental decision to expand the collective agreement on general pension insurance in Israel is intended to reduce the poverty rate.

Correlates of attitudes towards delayed retirement

Studies in several countries have found associations between age, gender and socio-economic status with one's proclivity to support pension reforms, such as delayed retirement. For example, the 1998 wave of the US General Social Survey included a module concerning Social Security. Analysis of the results revealed that older people, racial minorities, women and persons with low incomes were less keen on drastic changes in the system (Yang and Barrett, 2006). Analysis of a referendum in Switzerland on increasing the retirement age of women from 62 to 64 found that middle-aged women strongly opposed the

change (Butler, 2002). Younger and older voters supported the proposed reform, as did middle-aged men. Socio-economic status also played a role in approval of the measure; higher-income districts and those with fewer blue-collar workers showed greater support for a delayed retirement age for women.

A factor that may nevertheless encourage older women to support delayed retirement is the lower amount of pension coverage which they tend to have. Using data from the American Health and Retirement Study (HRS), Hardy and Shuey (2000) showed that women had less employer-based pension coverage and lower benefits. They also had less accumulated assets, due partly to a higher tendency to cash out accumulated pension assets when changing jobs. As such, older female workers might possibly support delayed retirement as a means to reach a higher level of retirement assets. However, women's attitudes to such reform may be equally influenced by the employment status of their spouses (Gotlibovski and Weiss, 2008).

Health status is also a factor in how people may view initiatives to delay retirement. It is well established that poor health leads to earlier exit from employment (Radl, 2007; Schuring et al., 2007). A study in Finland found that the risk of retirement on a non-illness-based pension increased among persons who had poor perceived health (Karpansalo et al., 2004). A survey in Hong Kong also found that poor health discouraged the propensity to continue working in old age (Lee, 2005). Analysis of the Israeli SHARE data showed that objective health conditions played a significant role in respondents' decisions regarding participation in the workforce (Achdut and Gharrah, 2008).

Another factor which may influence retirement preferences stems from the occupational environment in which older workers find themselves and the degree to which they are satisfied with it. The Whitehall II Study in the UK found that civil servants less satisfied with their jobs were more likely to retire early, regardless of gender (Mein et al., 2000). In comparison, a Swedish study of employed persons aged 55–64 found that push-pull factors of retirement were somewhat different for men and women (Soidre, 2005). Men who felt unappreciated at work preferred early retirement and those who found their job to be socially rewarding preferred a later exit. For women, trying job conditions correlated with a preference for early exit. In addition, a Norwegian study of some 19,000 employees aged 60 to 67 in a wide range of occupations found that physical job strain predicted retirement on the grounds of disability (Blekesaune and Solem, 2005). Moreover, low autonomy in job tasks was related to retirement among older men in Norway, whether through disability or non-disability-based exit.

A qualitative study of employees aged 55 and older in the USA identified several negative themes of late-life employment, including interpersonal difficulties related to the job and not having found one's niche (Noonan, 2005). Using HRS data, Kosloski et al. (2001) found that job-related satisfaction was differentially related to the extent of retirement planning. Finally, a Japanese analysis claimed that work environment assumes greater importance than wages among older workers (Ohashi, 2005). These studies all suggest that the nature of one's work environment may indeed influence how one feels about delaying the age of retirement.

Yet another factor which may shape attitudes towards delayed retirement is one's political ideology as reflected in a social welfare orientation. Presumably, persons on the Left of the political spectrum favour more state responsibility for pension security while persons on the Right favour more individually oriented mechanisms. Opposition to several aspects of pension reform has been reported among those with a Left-wing orientation (Boeri et al., 2002). However, others note that reform is difficult for all governments regardless of political ideology (Pierson, 1994; Taylor-Gooby, 1999). This is because pension reform challenges vested status quo interests (O'Donnell and Tinios, 2003). Interestingly, the adoption of defined-contribution-oriented reforms in some countries has been the result of a political compromise between neo-liberal economic elites on the Right and pensioners' organizations on the Left (Williamson and Williams, 2005). It is important, therefore, to take political orientation into account when assessing the public reaction to any pension reform, including delayed retirement legislation. Given the varying trends which emerge from the literature, however, the direction of the association remains an open question.

A final area of interest concerns people's perceptions of the larger societal consequences of delayed retirement; that is, the macro context of such reform. Opinions regarding the wider outcomes of changes in retirement policy may well affect whether one favours such reforms or not. For example, it has been reported that 'public opinion does not support prolonged labour force participation of older workers if this is felt to stand in the way of opportunities for younger people' (van Dalen and Henkens, 2005, cited in van Solinge and Henkens, 2007: S296).

Additional possible consequences of working longer years may be inferred from the literature on the association of retirement and health (Mein et al., 2003). For example, analysis of longitudinal data from the Asset and Health Dynamics among the Oldest Old (AHEAD) Study in the United States found that performing more than 100 annual hours of work (volunteer or paid) had protective effects against subsequent poor health and death. In the Jerusalem Longitudinal Study, working at age 70 was found to correlate with health, self-sufficiency and longevity through age 77, independently of baseline status (Hammerman-Rozenberg et al., 2005). Other studies suggest that retirement has an effect on mental health as well, but there is less agreement as to the nature of the effect (Christ et al., 2007; Gill et al., 2006). It should be noted, however, that certain studies point to the protective health effects of retirement (van Solinge, 2007).

However, the proposed benefits of delayed retirement may be complicated by the health status of workers. A comparison of labour force participation policies in Australia, Canada, Germany, the Netherlands, the United Kingdom and the United States claimed that the policies in question did not sufficiently consider the role of health in relation to exit from the workforce and might leave some workers at greater risk of low income (Cooke, 2006). In a similar vein, a British analysis claimed that every increase in retirement age yields diminishing returns, due to the decreasing health of older workers, and may deepen the disadvantage of the most vulnerable (Bellaby, 2006).

In sum, the literature identifies five groups of variables that can explain the willingness of people to adopt delayed retirement. These include: (a) differences in socio-demographic

characteristics; (b) health conditions that might affect employability; (c) job-related characteristics and work environment; (d) political ideology or welfare state orientation; and (e) opinions regarding the societal consequences of this reform. Each of these factors is incorporated into the analytic model which is employed in the current inquiry.

Data and methods

The first wave of the Survey of Health, Ageing and Retirement in Europe (SHARE) sampled households of persons aged 50 and older (and their spouses of any age). The survey took place in eleven European countries in 2004 and in Israel in 2005–06. The Israeli sample upon which the present inquiry is based comprised a total of 2,598 persons (of whom 2,487 were aged 50 and older). The questions on opinions regarding delayed retirement within the Israeli pension reform were included in the drop-off questionnaire, and were limited to persons likely to be affected by the pension reform in the short term, that is, respondents who were aged 50 and older, but younger than the new retirement age (64 for women and 67 for men), and persons in the labour market, that is, those who were working or were looking for a job ($n=836$, 32.2% of the Israeli SHARE sample).

Respondents who answered the pension questions numbered 556 (66.5% of all persons participating in the labour market). The response rate of the current study population was the same as the general drop-off response rate. In order to confirm that respondents who did not return the drop-off questionnaire did not represent a distinct group, we ran comparisons on key variables. The analysis showed that no differences exist between the two groups vis-a-vis gender, age, marital status, education, wealth and negative self-perceived work conditions, referred to hereafter as job disincentives. Differences were evident in regard to perceived health and population group (the respondents included more Arab-Israelis and fewer immigrants from the former Soviet Union). However, these two groups constitute a small part of the sample.

Variables

The dependent variable in this analysis – *agreement with pension reform* – was derived from a question that asked: ‘In 2004, the Knesset ratified the gradual delay of the retirement age, up to 64 for women and up to 67 for men. To what degree do you agree with this decision?’ The answers included four categories ranging from ‘strongly agree’ to ‘strongly disagree’, and an additional response option of ‘don’t know’. The variable was recoded into a scale which ranged from -2, ‘strongly disagree’, to 2, ‘strongly agree’. Answers of ‘don’t know’ were assigned the midpoint value of ‘0’ on the scale. We examined whether those who gave a ‘don’t know’ response comprise a distinctive group vis-a-vis the variables used in the model. The analysis revealed no differences regarding most of the variables in the model. Differences did emerge, however, for gender. The number of women saying ‘don’t know’ was somewhat higher.

As noted in the literature review, we looked at explanatory factors from five main variable groups: socio-demographic background measures (including current economic status), self-reported health status, perceived occupational environment, political ideology and perceived societal consequences of delayed retirement. The socio-demographic group included six

variables: (a) population group; (b) age; (c) gender; (d) marital status (recoded as 1 for respondents living with a partner and 0 for all others); (e) level of education (harmonized for international comparison by re-coding raw-values into UNESCO's International Standard Classification of Education [ISCED-1997]); and (f) objective economic status. The population group variable refers to the major ethnic/cultural groupings that comprise Israeli society: veteran Jewish Israelis (those who were born in the area that now constitutes the State of Israel or immigrated to it), Arab-Israelis and new immigrants from the former Soviet Union who arrived in the great wave of migration which began in late 1989. The latter group is distinguished from other immigrants due to its unique circumstances.

The economic variable – individual net-worth – was based on the combined value of primary residence, bank accounts, stock holdings and other sources, after deducting financial liabilities (Christelis et al., 2005). For those who did not give an exact amount we utilized SHARE imputations derived from an unfolding-brackets option for respondents. For those who gave no amount at all we employed a conditional hot-deck procedure based on regression methods. The net-worth amounts were provided by the SHARE imputations team in Euro and were translated back into New Israel Shekels. These sums were standardized by the household-size square root to derive equivalent disposable wealth, and then recoded into quintiles. As for health, respondents' self-reported health status ranged from 1 ('very bad') to 5 ('very good').

The third group of variables considered respondents' perceptions of their current occupational environment and included two variables – job security and job disincentives. Job security was derived from the question: 'How do you estimate the likelihood that you will continue working in your place of employment until the new retirement age?' Responses were coded from -2, 'very low likelihood' to 3, 'very high likelihood.' Respondents who did not answer this question, the five percent of our final sample who were unemployed, were given the value of '0'. A variable of job disincentives was also included in order to reflect the number of negative self-perceived work conditions. We utilized four items from the SHARE questionnaire that revealed significant bivariate correlations with the dependent variable. They included: 'My job is physically demanding'; 'I am under constant time pressure due to a heavy workload'; 'I have very little freedom to decide how I do my work' and 'I have an opportunity to develop new skills' (reverse coded). A count was run on the number of job disincentives and the resultant summary score ranged from 0 to 4.

The next factor considered was the respondents' political ideology or orientation vis-a-vis the welfare state. The SHARE drop-off instrument contains three variables intended to measure a person's location on this spectrum. Respondents were asked: 'who – the family or the state – should bear responsibility for older persons who are in need on each of the following:' (a) financial support; (b) help with household chores; and (c) personal care. Each question was based on a five-level scale reflecting the following views: 'totally family', 'mainly family', 'both equally', 'mainly state', and 'totally state'. Examination of internal reliability revealed that the three questions could be combined into a scale ($\alpha=0.78$). The resulting welfare ideology scale ranged from 3–15; the lowest scores reflected exclusive family responsibility, and the highest scores, exclusive state responsibility.

The final block of variables addressed the perceived societal consequences of delayed retirement. Respondents were asked to indicate the degree to which they believed that as a result of extending work until the new retirement age: (a) employers will release older workers and hire younger workers in their place; (b) younger people will have fewer employment opportunities; and (c) older workers will lack the stamina to work until the new retirement age. In addition respondents were asked about three perceived direct consequences of delayed retirement, namely, that it will: (a) improve the health of older workers; (b) increase the interest of older workers; and (c) decrease the leisure time available to older workers and the time they spend with their families. These questions were aimed to elicit general responses, without relating to what might happen to each respondent personally. We recoded each item according to the scheme employed in the previous variables, from -2, 'strongly disagree' to 2, 'strongly agree'. Those saying 'don't know' were given the midpoint value of 0.

Modes of analysis

The analysis proceeded in three stages. First, we looked at the univariate description of the study variables. Next, we examined the bivariate associations among the study variables using Pearson's product-moment correlations. Finally, hierarchical linear regression was executed according to the theoretical model. In this procedure, agreement with delayed retirement was first regressed on the back-ground and health variables. In the next model, job conditions were added to the regression procedure. This was followed, in the third model, by the addition of respondents' welfare ideology scores. Lastly, agreement with delayed retirement was regressed on the entire variable set including the perceived societal consequences of delayed retirement.

Results

As noted, the study examined factors which predict agreement with delayed retirement, as recently legislated by the Israeli Knesset. Initial examination of the results revealed that, on the whole, 73 percent of the respondents in the study sample expressed some degree of disagreement with this pension reform strategy. The sample included slightly more men (53%) than women and the vast majority of respondents (88%) lived with a partner. The majority of the sample was composed of Jewish Israelis who had been born in the area that is now Israel or had immigrated to it (86%). Immigrants from the former Soviet Union who arrived after 1989, most of whom were Jewish, constituted about 5 percent of the sample. Arab-Israelis comprised about 9 percent. Univariate statistics for all the study variables are summarized in Table 1.

In addition, we note that respondents aged 50–9 made up the vast majority of the current sample. Of the men, 76 percent were in this age group as were 84 percent of the women. Almost half of the respondents had a high school level of education (46%) and about a third (32%) had some degree of higher education; the rest (22%) had less than high school education. The wealth variable divided the study sample proportionately in quintiles, by design. Individual net worth in the highest quintile (the NIS equivalent of more than 250,000) was almost twice that of the fourth highest quintile and more than six times the net

worth of the lowest quintile. Finally, a majority of the respondents (74%) regarded their health as 'good' or 'very good', with the mean of the sample situated above the 'good' point on the self-rated health scale.

As for the job-related variables, the majority of the respondents (65%) estimated their job security as fair or higher, with the mean of the sample situated above the 'fair' point of the scale. Regarding negative self-perceived working conditions, over half the sample reported that they have one or two such job disincentives, while over a quarter indicated having none. On average, respondents reported having between one and two problems at work.

With respect to welfare orientations, the distribution of scores on the welfare ideology scale was somewhat biased from the centre towards the state-based solutions. Only 3 percent of the respondents mainly or totally supported family responsibility on all the scale items, compared to 31 percent who mainly or totally supported state responsibility. As for the societal consequences of delayed retirement, the mean scores on these items reflect a negative perception, for the most part. Most of the respondents (67%) thought that the reform would decrease older workers' leisure time and more than half (57%) believed it would lead to replacement of older workers by younger ones. A similar percentage (58%) thought that older workers would lack the stamina to work longer years and almost half (47%) believed that the reform would result in less employment opportunities for young people. Some 45 percent of respondents disagreed that delayed retirement would improve older workers' health. However, a majority of them (57%) believed that the reform could increase older workers' interest.

In sum, the respondents in this sample of older workers in Israel were characterized by younger old age, above average education level, good self-perceived health, confidence regarding the workplace and a low number of job disincentives. Many of them were inclined to view the state as responsible for the care of older persons. In addition, the majority of them did not tend to view the expected societal consequences of delayed retirement favourably.

The bivariate associations between the study variables and agreement with the delayed retirement reform appear in Table 2. The correlations reveal that except for gender and marital status, all the study variables have significant associations with this outcome variable. The strongest correlations were found with four of the perceived consequence measures; expected positive consequences were associated with greater agreement and expected negative consequences were inversely related. The second most powerful association was with the job security measure followed by educational level, both of which showed positive correlations. More moderate associations were found between wealth and age (and, to a lesser degree, health), and agreement with delayed retirement. Job disincentives had a negative bivariate association with the outcome variable, as did the welfare ideology scale, although the latter association was more modest. Finally, population group was related to the outcome; Jewish-Israelis supported this reform while Arab-Israelis and immigrants from the former Soviet Union tended not to.

The results of the hierarchical regression procedure are shown in Table 3. As may be seen, all the study variables were eventually entered into the analysis. We included gender and marital status as control variables in the procedure insofar as separate analyses (not shown here) revealed that they were related to some of the other predictors. Following from the conceptual model, we look first at the associations between the background and health variables, on the one hand, and the delayed retirement outcome, on the other hand. The results show that educational level was the strongest predictor among this set of variables; the higher one's education, the greater one's agreement with delayed retirement. The second most powerful positive predictor was age. The older one is, the more one tends to agree with the reform. Immigrants from the former Soviet Union were opposed to delayed retirement, as were Arab-Israelis, although the latter were only marginally opposed. Agreement with delayed retirement and health was also marginally related, all else considered. The background and health variables accounted for some 10 percent of the variance in the outcome measure.

The second model added two work condition variables to the procedure, and both proved to be significantly related to the outcome variable. In fact, a sense of job security emerged as a relatively strong predictor in the model when background, health and job conditions were considered simultaneously. The job disincentives variable showed a negative association; that is, the greater the perceived difficulties at the work place, the less one's degree of agreement with delayed retirement. The effects of education and age that were seen in the previous model remained in Model 2 as well, but their magnitude was lessened slightly. The previously observed effects of population group and health, however, did not reappear in the current model. The addition of the work condition variables added about 3 percent to the extent of the explained variance.

The third model added the welfare ideology measure to the equation. As may be seen, the same trends that appeared in Model 2 were evident in Model 3. In addition, welfare ideology showed a negative association; that is, the more respondents maintained a state-responsibility-oriented ideology, the less they agreed with the delayed retirement strategy. However, the addition of the welfare ideology variable to the analysis improved the overall explanatory power of the model only slightly, to about 15 percent.

The concluding regression, presented in Model 4, reveals a major increase in the extent of the explained variance provided by the variables in the analysis, an addition of almost 18 percent (total $R^2 = .324$). Moreover, the strongest predictors in the procedure were the variables added in this last model – three of the perceived societal consequences of delayed retirement. The results show that the more respondents believed that older workers would lack the stamina to work longer years, the less they supported the institution of retirement reform. In addition, the more they believed that delayed retirement would improve older workers' health and would increase older workers' interest in life, the more they supported the reform. Education and age also maintained their direct association with the outcome variable, all else considered. Two other factors found to maintain their respective associations with the delayed retirement strategy, albeit marginally, were job security and welfare ideology. However, the measure of job disincentives did not maintain its effect on

the outcome variable when the perceived societal consequences of delayed retirement were considered as well.¹

Discussion

This inquiry sought to explain the factors which predict agreement with a graduated delay in the age of retirement among older workers in the State of Israel. The data showed that support for delayed retirement is low in Israel. The study considered a wide range of variables in relation to the extent of agreement with this reform among respondents. As such, the analysis sheds light on the factors that most predict willingness to delay retirement. The principal findings showed that the perceived societal consequences of delayed retirement explain the greatest part of agreement with this particular pension reform strategy. Respondents who believe that older workers will lack the stamina to add working years are opposed to the reform, and those who see delayed retirement as a means to obtain better health and increased interest in late life are in favour of it. In addition, older and more educated respondents are also more likely to support the reform. Finally those more confident in their present workplace tend to support delayed retirement, while those with a welfare ideology that favours state responsibility for providing care for older people (as opposed to family responsibility for elder care) tend to disapprove of it.

The findings underscore the fact that people's feelings about what may occur as a result of pension-related changes are what primarily determine their approval or rejection of such reforms. In cases where such fears may be warranted, as among those in physically demanding and unrewarding jobs, it is difficult to imagine that their opinions can be easily changed. Indeed, the present study shows that job disincentives are inversely related to agreement with delayed retirement before the perceived societal consequences of this reform strategy are taken into account. However, not all older workers are located in discouraging work environments, and those who are not might be encouraged to support delayed retirement through popular education; that is, public information campaigns which document the potential contribution of continued employment to health, longevity and family solidarity might diminish fears concerning negative consequences of delayed retirement-based pension reforms. Fewer negative perceptions concerning the consequences of such reforms should lead to less opposition to their enactment.

Interestingly, certain societal consequences of delayed retirement do not maintain their prior bivariate associations when considered in the multivariate analysis. A perceived loss of leisure time due to later exit from the workforce and employment opportunity concerns regarding both young and old are not related to agreement with delayed retirement when all else is considered. It could be that the effects of some of these variables are outweighed by those of other related variables. Nevertheless, we note that the perceived societal

¹We note that about half of the study sample was eligible for occupational pension; that is, second-tier coverage. However, bivariate examination of the relationship between eligibility for occupational pension and agreement with delayed retirement revealed a weak association that had only borderline statistical significance ($p < .051$). In a separate regression analysis (not reported here), eligibility for second-tier coverage showed no association with the delayed retirement outcome variable when the effects of the other study variables were taken into account as well.

consequences most related to the agreement outcome include those which are more closely related to older workers' perceptions of how delayed retirement may affect them personally.

This finding hints at the need to distinguish between macro and micro factors which shape one's agreement with delayed retirement, or what Reimers and Honig (1996) have termed myopic and far-sighted behaviour; that is, older workers tend to be guided most in their opinions regarding retirement by thoughts about what is best for them personally rather than by considerations about what might be best for the retirement pension system in general. Future research should develop probes that address the urgency of macro-related factors in the study of agreement with delayed retirement pension reforms.

A separate word is required about the importance of perceived job security in supporting delayed retirement. The current inquiry showed that a sense that one can continue in one's present employment is related to some degree to support for delayed retirement. This suggests that the fear of some older workers that they will be dismissed before reaching the delayed age of eligibility for retirement benefits is a concern that policymakers need to address. Protective legislation and collective wage agreements must guarantee that older workers will be able to continue to work, provided that it is their wish to do so, if public support of delayed retirement is the desired goal.

The current inquiry also showed that political orientation may be a factor in shaping support for delayed retirement. This result echoes similar findings reported in the literature and suggests that one's reaction to this particular pension reform may be influenced by considerations above and beyond immediate work-related factors. As such, reforms geared to promote delayed retirement require non-partisan leadership that can convince the public of their necessity, their efficacy and their long-term benefit. We should also point out, however, that the measure used in this inquiry to capture political ideology, namely welfare orientation, might reflect other factors as well.

A word is also required on the background variables addressed in the current study. Age is directly related to the outcome measure. The older one is in the labour market, the more one favours delayed retirement. Efforts should be made, therefore, to find ways to communicate the insights of the oldest workers who chose to remain in the workforce to their slightly younger colleagues. Education is also a direct predictor of support for pension reform, even when the work environment is controlled. This suggests that promoting a more educated public is important for promoting positive public appraisal for reforms which are geared to improving the long-term resiliency of pension systems, in addition to other well-known possible benefits.

The current analysis also sheds light on the association between minority status and agreement with delayed retirement. As noted earlier, minorities have been seen to be less inclined to support changes in the social security system (Yang and Barrett, 2006). This was also the case in the present study in regard to support for the delayed retirement reform, when only the demographic background and health factors were taken into account. Specifically, Arab-Israelis and new immigrants from the former Soviet Union were less likely to support the reform. These population groups have lower rates of occupational

pension coverage (Yosef and Spivak, 2008). However, the association disappeared when occupational environment was considered as well. The findings from the present study suggest that work environments are shaped by existing societal divisions and may indeed reinforce them. This in turn has implications for efforts aimed at improving the work environment as a means to foster support for delayed retirement among different groups.

A few limitations of the current analysis should be noted. First is the fact that the current analysis is based upon cross-sectional data. As such, we cannot yet fully verify the posited model and must depend upon the logic that is inherent in the current ordering of the explanatory variables. Future waves of SHARE are planned and this additional data collection will allow closer examination of how changes in the respective predictor variables over time are related to changes in one's opinions about pension reform, all else considered.

A second limitation is that we were unable to take into account the role of the employing organization in relation to older workers' opinions about the timing of retirement. Some studies suggest that employers do not support delayed retirement (Henkens, 2005). This may be due to their reluctance to continue employing ageing workers or their desire to introduce younger workers into the enterprise. The result is that older workers who might potentially support a delay in exit from the workforce may not do so when their employers do not. Future analysis should take this factor into account.

Despite these limitations, the current study shows that while delayed retirement is still not widely popular among older workers, there are several factors which may nevertheless promote its acceptance. The findings from this study also seem to suggest that agreement with this particular reform will not occur on its own. The factors addressed in this analysis present several directions which can be taken to encourage agreement with delayed retirement, and, as such, to bolster the resilience of pension retirement systems in an ageing society.

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Table 1

Univariate descriptive statistics of the study variables: means, standard deviations and range

	Mean	SD	Range
Agree with delayed retirement	-0.84	1.30	-2-2
Population group:			
Jewish-Israelis	0.86	0.35	0-1
Arab-Israelis	0.09	0.29	0-1
Immigrants from the former Soviet Union	0.04	0.21	0-1
Age	56.15	3.84	50-66
Woman	0.47	0.50	0-1
Spouse or partner	0.88	0.33	0-1
Education	3.37	1.33	0-5
Wealth	3.00	1.41	1-5
Health	4.08	0.87	1-5
Job security	1.02	1.59	-2-3
Job disincentives	1.42	1.22	0-4
Welfare ideology	10.59	2.37	3-15
Perceived consequences:			
Older workers replaced by younger workers	0.40	1.28	-2-2
Less employment opportunity for young people	0.08	1.27	-2-2
Older workers will lack stamina to work longer years	0.42	1.21	-2-2
Delayed retirement:			
Will improve older workers' health	0.01	1.29	-2-2
Will increase older workers' interest	0.27	1.27	-2-2
Will decrease older workers' leisure time	0.57	1.14	-2-2

Table 2

Bivariate associations between study variables and agreement with the delayed retirement reform:
Pearson correlations

	Agreement with delayed retirement
Population group:	
Jewish-Israelis	0.174 ^c
Arab-Israelis	-0.145 ^c
Immigrants from the former Soviet Union	-0.087 ^a
Age	0.142 ^c
Woman	0.033
Spouse or partner	-0.057
Education	0.217 ^c
Wealth	0.181 ^c
Health	0.105 ^a
Job security	0.224 ^c
Job disincentives	-0.198 ^c
Welfare ideology	-0.107 ^a
Perceived consequences:	
Older workers replaced by younger workers	-0.133 ^b
Less employment opportunity for young people	-0.128 ^b
Older workers will lack stamina to work longer years	-0.441 ^c
Delayed retirement:	
Will improve older workers' health	0.433 ^c
Will increase older workers' interest	0.422 ^c
Will decrease older workers' leisuretime	-0.248 ^c

Notes:

^a p < .05;

^b p < .01;

^c p < .001.

Table 3

Multivariate correlates of agreement with delayed retirement: hierarchical regression analysis

<i>Variables</i>	Model			
	1 Beta	2 Beta	3 Beta	4 Beta
Population group:				
Arab-Israelis	−0.088 ⁺	−0.047	−0.075	−0.007
Immigrants from the former Soviet Union	−0.092 ^a	−0.067	−0.072	−0.017
Age	0.151 ^c	0.123 ^b	0.116 ^b	0.081 ^a
Woman	0.010	0.009	0.001	−0.006
Spouse or partner	−0.031	−0.041	−0.043	0.001
Education	0.189 ^c	0.152 ^b	0.143 ^b	0.130 ^b
Wealth	0.055	0.037	0.041	0.039
Health	0.085 ⁺	0.064	0.067	0.019
Job security		0.155 ^c	0.144 ^c	0.076 ⁺
Job disincentives		−0.098 ^a	−0.109 ^a	0.005
Welfare ideology			−0.122 ^b	−0.064 ⁺
Perceived consequences:				
Older workers replaced by younger workers				−0.018
Less employment opportunity for young people				−0.015
Older workers will lack stamina to work longer years				−0.232 ^c
Delayed retirement:				
Will improve older workers' health				0.183 ^c
Will increase older workers' interest				0.144 ^b
Will decrease older workers' leisure time				−0.025
<i>R</i> ²	0.103	0.132	0.146	0.324
<i>F</i>	7.570 ^c	8.034 ^c	8.186 ^c	14.682 ^c

Notes:

⁺ *p* < .10;^a *p* < .05;^b *p* < .01;^c *p* < .001.