Developments in Pre-Retirement Programs Since 1950

Thomas Castronovo
Loyola University Chicago

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DEVELOPMENTS IN PRE-RETIREMENT PROGRAMS SINCE 1950

By

Thomas Gastronove

A Thesis Submitted to the Faculty of The Institute of Social and Industrial Relations in Partial Fulfillment of the Requirements for the Degree of Master of Social and Industrial Relations

June

1956
LIFE

Thomas Castronovo was born in Chicago, Illinois, January 16, 1926.

He was graduated from St. Ignatius High School, Chicago, Illinois, January 13, 1946, and from Saint Ambrose College in Davenport, Iowa, August 5, 1949, with the degree of Bachelor of Science.

The writer began his studies in Social Industrial Relations at Loyola University, Chicago, Illinois, in September of 1954.
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▼
PREFACE

The increase of the aged in our population is inevitably forcing us to use the older worker more effectively and to help him prepare more adequately for retirement. It is the second aspect, better preparation for retirement, with which this thesis is concerned.

The writer will briefly explore the problem confronting industry but the major theme of the research will be devoted to what specific companies are doing to achieve better adjustment to retirement for their employees.

This survey was confined to a sample of companies in the Chicago Metropolitan Area employing over 250 people. A cross-section of different types of industries has been used in the hopes of discovering variations in pre-retirement programs.

This inquiry proceeded along the following lines:

1. A comprehensive bibliography was compiled of literature, on related studies of retirement and industrial pre-retirement procedures, available from libraries, universities, government and private organizations.

2. Questionnaires were sent to 270 industrial firms. Five of these questionnaires were completed by personal interview.

3. Personal interviews were conducted with directors and individuals administering pre-retirement programs.

The companies to whom a questionnaire was sent were selected by the following procedure:

From the "Directory of Large Employers in the Chicago Metropolitan Area, 1955", compiled by the Industrial Department of The Chicago Association of
Commerce and Industry, 270 companies were selected. It includes the Counties of Cook, DuPage, Kane, Lake and Will in Illinois, and Lake County in Indiana. These 270 companies were divided as follows:

Ninety-five companies were selected from manufacturers employing over 1,000 employees, sixty-five from manufacturers employing between 500 and 1,000 employees, fifty from manufacturers employing between 250 and 500 employees and sixty companies from non-manufacturers employing over 250 employees.

The questionnaire was not sufficiently detailed to obtain complete information on all the pre-retirement practices in a company, but only sought to obtain information on the increase and variations in pre-retirement programs.

Personal interviews were used to secure details of several programs in order to show the variety of pre-retirement programs now in existence.

The writer has omitted all references to names and organizations, except in so far as they are already published and authorization was given.

The writer is deeply grateful to those individuals and companies who contributed so generously of their time and experience in furnishing information necessary for the completion of this thesis.
CHAPTER I

INTRODUCTION

A. Increasing Population of Older People

Is our nation growing old? The 1950 census shows almost forty-three million people over forty-five years of age in our population. By 1975, demographers estimate that this number will increase to sixty-three million. 1

About three million persons were aged sixty-five and over in 1900. In 1950, that group totalled almost twelve and one-half million. 2 Persons between forty-five and sixty-four in 1950, numbered nearly ten and one-half million and in 1950, this age group had increased to thirty and one-half million, about one-fifth of the total population. 3

In 1953, the total civilian population in the United States was approximately 156 million; and about thirteen and a quarter million, or 8.5 per cent, were sixty-five and over. 4 In the State of Illinois, the total civilian population in 1953 was approximately nine million, 835,000 or 9.3 per cent of them were sixty-five years and over. 5

---

1 Jacob Tuckman and Irving Large, Retirement and the Industrial Worker, Bureau of Publications, Teachers College, Columbia University, (New York, 1953), p.1

2 See Table 1, p.4

3 Ibid, p.4

4 See Table II, p.5

5 Ibid, p.5
### TABLE I

**POPULATION OF THE UNITED STATES**

1900-1950

<table>
<thead>
<tr>
<th>AGE</th>
<th>1900</th>
<th>1910</th>
<th>1920</th>
<th>1930</th>
<th>1940</th>
<th>1950</th>
<th><strong>per cent of change - 1900-1950</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>76.0</td>
<td>92.0</td>
<td>105.7</td>
<td>122.8</td>
<td>131.7</td>
<td>150.7</td>
<td>98</td>
</tr>
<tr>
<td>Under 10</td>
<td>18.1</td>
<td>20.4</td>
<td>23.0</td>
<td>24.1</td>
<td>21.3</td>
<td>29.6</td>
<td>64</td>
</tr>
<tr>
<td>10-19</td>
<td>15.7</td>
<td>18.2</td>
<td>20.1</td>
<td>23.6</td>
<td>24.1</td>
<td>22.1</td>
<td>41</td>
</tr>
<tr>
<td>20-34</td>
<td>19.5</td>
<td>24.2</td>
<td>26.5</td>
<td>29.9</td>
<td>32.9</td>
<td>35.0</td>
<td>79</td>
</tr>
<tr>
<td>35-44</td>
<td>9.2</td>
<td>11.7</td>
<td>14.2</td>
<td>17.2</td>
<td>18.3</td>
<td>21.2</td>
<td>130</td>
</tr>
<tr>
<td>45-54</td>
<td>6.4</td>
<td>8.4</td>
<td>10.5</td>
<td>13.0</td>
<td>15.5</td>
<td>17.3</td>
<td>170</td>
</tr>
<tr>
<td>55-64</td>
<td>4.0</td>
<td>5.1</td>
<td>6.5</td>
<td>8.4</td>
<td>10.6</td>
<td>13.2</td>
<td>230</td>
</tr>
<tr>
<td>65 and over</td>
<td>3.1</td>
<td>4.0</td>
<td>4.9</td>
<td>6.6</td>
<td>9.0</td>
<td>12.3</td>
<td>297</td>
</tr>
</tbody>
</table>

Data for 1900 to 1930 adjusted to include persons of unknown age.

**Source:** U.S. Bureau of the Census, Historical Statistics of the United States, 1789-1945 and 1950 census of population, preliminary reports, Series PC-7, No. 1

<table>
<thead>
<tr>
<th>STATE</th>
<th>TOTAL CIVILIAN POPULATION</th>
<th>POPULATION 65 YEARS AND OVER, 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>NUMBER OF TOTAL POPULATION FPER CENT</td>
</tr>
<tr>
<td>Alabama</td>
<td>3,074,000.</td>
<td>208,000. 6.8</td>
</tr>
<tr>
<td>Arizona</td>
<td>912,000.</td>
<td>51,000. 5.6</td>
</tr>
<tr>
<td>Arkansas</td>
<td>1,889,000.</td>
<td>159,000. 8.4</td>
</tr>
<tr>
<td>California</td>
<td>11,770,000.</td>
<td>973,000. 8.3</td>
</tr>
<tr>
<td>Colorado</td>
<td>1,380,000.</td>
<td>126,000. 9.1</td>
</tr>
<tr>
<td>Connecticut</td>
<td>2,153,000.</td>
<td>202,000. 9.4</td>
</tr>
<tr>
<td>Delaware</td>
<td>354,000.</td>
<td>28,000. 7.9</td>
</tr>
<tr>
<td>Florida</td>
<td>3,255,000.</td>
<td>271,000. 8.3</td>
</tr>
<tr>
<td>Georgia</td>
<td>3,506,000.</td>
<td>236,000. 6.7</td>
</tr>
<tr>
<td>Idaho</td>
<td>598,000.</td>
<td>48,000. 7.9</td>
</tr>
<tr>
<td>Illinois</td>
<td>8,952,000.</td>
<td>835,000. 9.3</td>
</tr>
<tr>
<td>Indiana</td>
<td>4,110,000.</td>
<td>383,000. 9.3</td>
</tr>
<tr>
<td>Iowa</td>
<td>2,603,000.</td>
<td>280,000. 10.8</td>
</tr>
<tr>
<td>Kansas</td>
<td>1,962,000.</td>
<td>205,000. 10.4</td>
</tr>
<tr>
<td>Kentucky</td>
<td>2,887,000.</td>
<td>239,000. 8.3</td>
</tr>
<tr>
<td>Louisiana</td>
<td>2,839,000.</td>
<td>193,000. 6.8</td>
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<td>Maine</td>
<td>902,000.</td>
<td>94,000. 10.4</td>
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<td>Maryland</td>
<td>2,464,000.</td>
<td>175,000. 7.1</td>
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<tr>
<td>Massachusetts</td>
<td>4,843,000.</td>
<td>513,000. 10.6</td>
</tr>
<tr>
<td>Michigan</td>
<td>6,837,000.</td>
<td>523,000. 7.6</td>
</tr>
<tr>
<td>Minnesota</td>
<td>3,049,000.</td>
<td>291,000. 9.5</td>
</tr>
<tr>
<td>Mississippi</td>
<td>2,158,000.</td>
<td>154,000. 7.1</td>
</tr>
<tr>
<td>Missouri</td>
<td>4,056,000.</td>
<td>433,000. 10.7</td>
</tr>
<tr>
<td>Montana</td>
<td>609,000.</td>
<td>57,000. 9.4</td>
</tr>
<tr>
<td>Nebraska</td>
<td>1,341,000.</td>
<td>141,000. 10.5</td>
</tr>
<tr>
<td>Nevada</td>
<td>199,000.</td>
<td>13,000. 6.4</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>523,000.</td>
<td>58,000. 11.1</td>
</tr>
<tr>
<td>New Jersey</td>
<td>5,066,000.</td>
<td>445,000. 8.8</td>
</tr>
<tr>
<td>New Mexico</td>
<td>731,000.</td>
<td>37,000. 5.1</td>
</tr>
<tr>
<td>New York</td>
<td>15,170,000.</td>
<td>1,392,000. 9.2</td>
</tr>
<tr>
<td>North Carolina</td>
<td>4,097,000.</td>
<td>244,000. 5.9</td>
</tr>
<tr>
<td>North Dakota</td>
<td>620,000.</td>
<td>51,000. 8.2</td>
</tr>
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</table>
### TABLE II (CONTINUED)

**ESTIMATES OF TOTAL CIVILIAN POPULATION, POPULATION 65 AND OVER AND PERCENTAGE OF TOTAL 65 AND OVER, BY STATE, 1953**

<table>
<thead>
<tr>
<th>STATE</th>
<th>TOTAL CIVILIAN POPULATION</th>
<th>POPULATION 65 YEARS AND OVER, 1953</th>
<th>NUMBER</th>
<th>PER CENT OF TOTAL POPULATION</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio</td>
<td>8,348,000</td>
<td></td>
<td>775,000</td>
<td>9.3</td>
<td>16.5</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>2,218,000</td>
<td></td>
<td>204,000</td>
<td>9.2</td>
<td>19.5</td>
</tr>
<tr>
<td>Oregon</td>
<td>1,597,000</td>
<td></td>
<td>149,000</td>
<td>9.3</td>
<td>16.5</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>10,617,000</td>
<td></td>
<td>954,000</td>
<td>9.0</td>
<td>23</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>780,000</td>
<td></td>
<td>75,000</td>
<td>9.6</td>
<td>10</td>
</tr>
<tr>
<td>South Carolina</td>
<td>2,132,000</td>
<td></td>
<td>123,000</td>
<td>5.8</td>
<td>46</td>
</tr>
<tr>
<td>South Dakota</td>
<td>650,000</td>
<td></td>
<td>59,000</td>
<td>9.1</td>
<td>21.5</td>
</tr>
<tr>
<td>Tennessee</td>
<td>3,307,000</td>
<td></td>
<td>245,000</td>
<td>7.4</td>
<td>33</td>
</tr>
<tr>
<td>Texas</td>
<td>8,081,000</td>
<td></td>
<td>577,000</td>
<td>7.1</td>
<td>37</td>
</tr>
<tr>
<td>Utah</td>
<td>731,000</td>
<td></td>
<td>47,000</td>
<td>6.4</td>
<td>43.5</td>
</tr>
<tr>
<td>Vermont</td>
<td>375,000</td>
<td></td>
<td>39,000</td>
<td>10.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Virginia</td>
<td>3,346,000</td>
<td></td>
<td>229,000</td>
<td>6.8</td>
<td>40</td>
</tr>
<tr>
<td>Washington</td>
<td>2,401,000</td>
<td></td>
<td>232,000</td>
<td>9.7</td>
<td>34.5</td>
</tr>
<tr>
<td>West Virginia</td>
<td>1,937,000</td>
<td></td>
<td>140,000</td>
<td>7.2</td>
<td>9</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>3,515,000</td>
<td></td>
<td>334,000</td>
<td>9.5</td>
<td>11.5</td>
</tr>
<tr>
<td>Wyoming</td>
<td>295,000</td>
<td></td>
<td>21,000</td>
<td>7.2</td>
<td>34.5</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>800,000</td>
<td></td>
<td>64,000</td>
<td>8.2</td>
<td>.....</td>
</tr>
</tbody>
</table>

**Total** 156,039,000 13,324,000 8.5  .....


---

In 1954, the total population in the United States aged sixty-five and over was estimated to be approximately fourteen million. The projected figure shows an increase to sixteen million for 1960 and for 1970, to nineteen million. Looking again at the State of Illinois, the population aged sixty-five and over for 1954 was 847,009. This figure projected to 1960, will increase to approximately 900,000, and by 1970, it is estimated it will climb to more than one million.

Other studies have indicated that the rate of increase of the older people is twice that of the total population. It must also be noted that those studies do not take into account the possibility that medicine may greatly cut the death rate of the older people in the later years of life, as it has succeeded in doing in the younger and middle years.

This steady increase in the aged also means increased consumption. Therefore, this group of the population will have to be supported by the group between twenty-five and sixty-four years of age, since it is this age bracket that has the highest rate of participation in the productive work force.

In 1950, the United States Bureau of the Census estimated that the population growth among persons fourteen and over during the next generation, will bring the smallest relative increase in the age group between twenty-five years of age and forty-four years of age.

8 See Table III, p.7
9 Ibid
10 United States Department of Labor, Bulletin No. 1092, p.13
### TABLE III
ESTIMATES OF STATE POPULATION 65 AND OVER, 1954, AND PROJECTIONS FOR 1960 AND 1970*

<table>
<thead>
<tr>
<th>STATE</th>
<th>POPULATION 65 AND OVER</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1954</td>
</tr>
<tr>
<td>Alabama</td>
<td>229,700</td>
</tr>
<tr>
<td>Arizona</td>
<td>54,382</td>
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<td>Arkansas</td>
<td>169,564</td>
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<td>California</td>
<td>1,054,063</td>
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<td>Colorado</td>
<td>128,878</td>
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<td>Connecticut</td>
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<tr>
<td>Delaware</td>
<td>29,890</td>
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<tr>
<td>Florida</td>
<td>289,902</td>
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<tr>
<td>Georgia</td>
<td>250,190</td>
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<tr>
<td>Idaho</td>
<td>49,365</td>
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<td>Illinois</td>
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<td>Indiana</td>
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<td>Kentucky</td>
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<td>Maine</td>
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<td>Maryland</td>
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<td>Massachusetts</td>
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<td>Michigan</td>
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<tr>
<td>Minnesota</td>
<td>296,388</td>
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<td>Mississippi</td>
<td>171,375</td>
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<tr>
<td>Missouri</td>
<td>447,056</td>
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<td>Montana</td>
<td>57,470</td>
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<td>Nebraska</td>
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<td>Nevada</td>
<td>12,864</td>
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<td>New Hampshire</td>
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<td>450,332</td>
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<td>New Mexico</td>
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<tr>
<td>New York</td>
<td>1,423,371</td>
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<td>North Carolina</td>
<td>259,307</td>
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<tr>
<td>North Dakota</td>
<td>53,178</td>
</tr>
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</table>
TABLE III (CONTINUED)
ESTIMATES OF STATE POPULATION 65 AND OVER, 1954, AND
PROJECTIONS FOR 1960 AND 1970*

<table>
<thead>
<tr>
<th>STATE</th>
<th>POPULATION 65 AND OVER</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1954</td>
<td>1960</td>
<td>1970</td>
</tr>
<tr>
<td>Ohio</td>
<td>790,481</td>
<td>878,221</td>
<td>1,047,467</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>217,165</td>
<td>242,910</td>
<td>291,898</td>
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<tr>
<td>Oregon</td>
<td>152,041</td>
<td>173,314</td>
<td>213,607</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>988,833</td>
<td>1,096,182</td>
<td>1,305,539</td>
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<tr>
<td>Rhode Island</td>
<td>73,276</td>
<td>86,552</td>
<td>107,686</td>
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<tr>
<td>South Carolina</td>
<td>132,435</td>
<td>148,696</td>
<td>182,387</td>
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<tr>
<td>South Dakota</td>
<td>61,091</td>
<td>66,152</td>
<td>77,008</td>
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<tr>
<td>Tennessee</td>
<td>266,499</td>
<td>297,990</td>
<td>361,096</td>
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<tr>
<td>Texas</td>
<td>595,647</td>
<td>679,345</td>
<td>845,270</td>
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<tr>
<td>Utah</td>
<td>48,596</td>
<td>54,621</td>
<td>66,824</td>
</tr>
<tr>
<td>Vermont</td>
<td>42,406</td>
<td>44,576</td>
<td>49,618</td>
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<tr>
<td>Virginia</td>
<td>213,968</td>
<td>274,104</td>
<td>333,684</td>
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<tr>
<td>Washington</td>
<td>213,040</td>
<td>278,490</td>
<td>345,575</td>
</tr>
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<td>West Virginia</td>
<td>157,158</td>
<td>176,078</td>
<td>213,630</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>342,432</td>
<td>377,652</td>
<td>445,387</td>
</tr>
<tr>
<td>Wyoming</td>
<td>20,378</td>
<td>23,772</td>
<td>29,379</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>64,152</td>
<td>72,168</td>
<td>87,629</td>
</tr>
<tr>
<td>TOTAL</td>
<td>13,853,696</td>
<td>15,519,760</td>
<td>18,818,379</td>
</tr>
</tbody>
</table>


*The method of projection used for this table consists of adding the numerical population change in each state for the decade 1940-50 to the 1950 population and to the projected 1960 population. The major factor that is not allowed for in this projection is changes in the migration between states, which in the case of certain states could be considerable. The U. S. Bureau of the Census does not develop projections by state and age, but their projections, using another method, for total United States population by age in Current Population Reports, Population Estimates, Series P. 25, No. 78, August 21, 1953, give the total population sixty-five and over in 1960 as 15,701,000 and in 1970 as 18,885,000.
B. Fixed Retirement: Pro and Con

Compulsory retirement has been advocated because the worker himself is anxious to retire so that he may spend his remaining years enjoying himself. Others, opposing fixed retirement, stress that every individual is different and should be judged accordingly. This argument was expressed by the personnel director of one of the large companies surveyed:

Our experience shows that some employees are old at age fifty and not able to work up to standard. Others at age sixty-eight or seventy are still capable and desirable employees to keep on the payroll. Because of the fundamental differences in people, we have not set a hard and fast rule for retirement at age sixty-five. However, pressure is growing on the part of younger employees (and from outside) to retire the oldsters at age sixty-five presumably because it gives the younger employee better opportunities for advancement.

Studies have indicated that physiological rather than chronological age is a better criteria of the physical and mental ability of employees to continue working. In a physical examination of 1,102 employees aged sixty-three and sixty-four, the health condition of 89 per cent was judged by the examining company physician "to be compatible with the present job assignment". Of 3,002 medical histories obtained from men of this age, 70 per cent stated that they were in as good, or better, health as at age fifty.

In a study conducted in Minneapolis, 168 firms were asked the question, "How many of your hourly (or salaried) employees who reach the normal

11 The Council of State Governments, p.19
12 ibid
retirement age and are still able to handle usual jobs, continue in their employment with the firm beyond that age?" Almost three-quarters of the firms stated that most or all hourly employees stay on, only half stated that most or all salaried employees stay on after sixty-five. In this same study, 27 per cent of the firms that had salaried employees reach sixty-five, reported that all these employees could do their usual job at that age.13

At the first National Conference on retirement held at Arden House, Harriman Campus of Columbia University, the majority opinion of the Conference was opposed to chronological age theory as a sole basis for retirement policy. The reasons they gave were as follows:

1. Both science and experience indicate that the aging process and its effects, show such wide variations among individuals (as) to destroy the logic of age as the sole factor in determining whether a person should retire or continue to work.

2. There is ample evidence that arbitrary retirement results in hardship for a substantial number of elderly individuals.

3. A flexible retirement policy is consonant with the philosophy of maximum utilization of the country's resources - a philosophy which must guide the national policy in the foreseeable future.14

The minority opinion of this Conference gave the following reasons:

1. The worker should have a period of rest at the end of his life while he is still physically able to enjoy it and fixed retirement age provides the best incentive to prepare for satisfactory retirement.


2. A plan based on chronological age is simple to administer and until more effective objective criteria are developed, it is the only basis for impartial decisions about individual retirement.

3. For this reason it is the best device now available from the point of view of employee relations.\textsuperscript{15}

The two groups did agree, however, that there must be a selective policy that can be expanded in industry which will permit the retention of the competent and the retirement of the incompetent and that chronological age will inevitably continue to be one factor in consideration of retirement, regardless of what other methods are employed. Also, a worker should have the right to retire at a given age if he desires to do so.

C. \textit{Is Flexible Retirement the Answer}

An alternative to the increasing old age population is the selective retirement policy. Selection will then become a problem of the medical department whereby at a certain age a physical examination will be administered. It must be noted that the administration of the approach will be costly and that the physician will be handicapped since he has only been trained to estimate the severity of illness, rather than the quality of health. It is much easier to say what a man cannot perform than to predict what he can perform.

In a pre-conference survey at a National Conference on Retirement of Older Workers, management representatives of twenty-five industries were asked what they thought would be the most difficult problem in selective

\textsuperscript{15}\textit{Abid}, p.35
The difficulty of developing a selective criteria was named by the majority.16

At this conference, psychological testing and medical examinations were discussed as a means of measurement. No one, however, thought that psychological tests could be used as the sole technique but there was considerable interest in their potentiality.

There was also considerable doubt of the effectiveness of the medical examination as presently administered. The reasons why a few people were not willing (for the first time) to accept the result of a medical examination at retirement age as the sole criteria for determining a man's ability to work, were as follows:

1. The requirement of passing a physical examination in order to remain at work tends to give the impression that a man is on trial for a job; it sets up a standard he was not asked to meet earlier.

2. More important, a single examination unrelated to past medical and work history gives an inadequate picture of a worker's state of health and competence.

3. The real function of a medical examination should be to discover information which would help extend a man's work life, not to determine whether he should terminate his employment. 17

The writer found that the consensus of opinions of his interviewees favored flexible retirement. However, due to the difficulty in administering a selective plan, chronological age was considered the most suitable method at the present time.

16 Ibid, p.47
17 Ibid, p.48
Among other factors that must be considered in the administration of a flexible retirement policy, the most important is an administrative machinery, acceptable to both management and worker, for deciding when the individual should be retired.

D. The Effects of Problems of Aging on the Worker

Retirement from the labor force and the individual firms at age sixty-five is on the increase. The proportion of men sixty-five years of age and over who are gainfully employed, decreased from 68 per cent in 1890 to 42 per cent in 1950. By 1975, if present trends continue, only 35 per cent of older workers (men) will be gainfully employed.\(^\text{18}\)

In 1920, approximately 60 per cent of the men and 8 per cent of the women sixty-five years and over in the country, were gainfully employed. In 1940, however, the respective percentages were only 43 per cent and 7 per cent.\(^\text{19}\)

It should be noted that the trend is largely a result of the transition from a rural, agricultural society to an urban, industrial society which neglected to make provisions for the older persons. This presents a problem in our culture since work has a unique value. It expresses worth, success, and achievement. It confers a sense of value that cannot be acquired in any other way. Because of cultural forces, the worker is loath to surrender his job even if he is financially secure and

\(^{18}\) The Council of State Governments, p. 9

\(^{19}\) Charles A. Pearce, Economic Status of Older Persons, Legislative Document No. 61, 1948, p.127
even when his health makes continuing inadvisable.

In a case study of 148 retired men (See Table IV), it was discovered that there was a significant association between difficulty in retirement and the factor of having something to do. This same study indicated also, but less strongly, the association between difficulty in retirement and the factor of "self-respect" from having a useful job.20

Having something to do to maintain self-respect is only a small part of adjustment in retirement. To the worker, retirement represents radical changes. What these changes comprise were very well stated by Dr. Marjory J. Mack, in her speech at the Third Chicago Heart-In-Industry Conference:

One psychiatrist calls them "threats of aging". These are things that happen to all of us and produce emotional problems in some people.

First, physical changes. We all react badly to what we think of as changing, or loss of physical attractiveness - the usual gray hair and wrinkles, but more than that, illness or the inability to recover from illness as fast as we once did, declining energy. Then he has to face personal losses. The children grow up and leave home. Possibly there is the loss of the husband or wife, or close member of the family. A friend or friends move away. Those are people he had counted on all his life for emotional support. It is very hard to face the loss of them.

A third thing an older person has to face is changing status. He has to start taking a back seat somewhat for the younger person. He begins to see himself as an older person and must accept himself as being in this age group. He is no longer the dominant one in his family as far as his children are concerned.

A fourth change in the situation is loss of employment. To the average person it means a reduction in income and often a very uncertain economic future. Also, it means an obsolescence of his skills when he is no

TABLE IV
FACTORS MISSED ABOUT WORK AS REPORTED BY 148 RETIRED MEN\(^\text{21}\)

<table>
<thead>
<tr>
<th></th>
<th>(N)</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>67</td>
<td>45.3</td>
</tr>
<tr>
<td>Sense of satisfaction from doing job well</td>
<td>65</td>
<td>44.9</td>
</tr>
<tr>
<td>Friend on the job</td>
<td>63</td>
<td>42.6</td>
</tr>
<tr>
<td>Just having something to do and think about</td>
<td>51</td>
<td>34.5</td>
</tr>
<tr>
<td>Self respect from doing useful job</td>
<td>38</td>
<td>27.7</td>
</tr>
<tr>
<td>None of the above</td>
<td>31</td>
<td>31.0</td>
</tr>
</tbody>
</table>

\(^{21}\text{IBID, p.168}\)
longer wanted, when he can't be productive or useful. At least that is the way he feels.

A fifth change which the older person must adjust to is in a change in living arrangement of some sort, finding smaller quarters, moving to a new area, finding a cheaper place to live, or whatever. 22

Because of the complexities just stated, retirement means more than just assisting financially the about-to-be-retired. By definition, retirement transition, is a problem which necessitates a certain degree of personal adjustment. It is a process which has questions as to conditions of retirement, criteria, time of retirement, retirement compensation, selection and preparation.

Furthermore, without the last process, preparation, the complete function of any pension program may be defeated since a disgruntled retiree in the community can put the company in a bad light.

CHAPTER II

PREPARATION FOR RETIREMENT IS BEING RECOGNIZED

A. How Industry Has Recognized the Need for Preparation

Some firms have acknowledged the need for formal preparation because they are finding themselves with older employee groups and are also realizing a responsibility to help their employees prepare for retirement. For example, the McCormick & Company, Inc., of Baltimore, Maryland, commence their program when an employee reaches the age of sixty, five years before his retirement. At this time, a representative of the Human Relations Department discusses the following subjects with the individual employee:

1. The Pension Plan
2. Group Life Insurance
3. Retirement Income Trust
5. The company's desire to assist an employee who retires in finding outside activities for profit or pleasure.

At the age of sixty-four, one year in advance of normal retirement, and following notification and approval by the Senior Board of Directors, the Director of Human Relations addresses a letter to the employee in which the exact date of retirement is stated and the benefits which will accrue are listed in detail. This letter is delivered personally at a meeting attended by the employee, his supervisor and the Director.

Three months prior to retirement, plans are again confirmed by the
employee and the company.  

At the Esso Standard Oil Company, a similar program is administered. Each employee is invited to a series of five small group meetings about a year before retirement age. With other fellow employees about to be retired, a picture of the problems he may face are discussed. As a result of these discussions, each employee is encouraged to work out his own retirement program.  

The Standard Oil Company of New Jersey, Esso's parent, attempts to prepare its employees somewhat earlier by calling each of them to the personnel office for interviews five years before the final retirement age.  

The Prudential Life Insurance Company in its home office offers both individual and group counseling in problems of retirement. It is administered through a counseling center, staffed by psychologist and a psychiatric social worker.  

At the Mutual Life Insurance Company of New York, there is a retirement school which is held four days a week for workers due to retire during the following year. 

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24Kathryn Close, Getting Ready to Retire, Public Affairs Pamphlet No. 183, (May, 1957), p.21  
25IBID, p.22  
26Elizabeth L. Breckinridge, Effective Use of Older Workers, (New York, 1953), p.131  
Another, insurance firm, the Atlantic Mutual Life Insurance Company, gives retirement a trial run. It allows the worker retiring in a few months a three month vacation. The same procedure is followed by Pitney-Bowes of Stanford, Connecticut.28

In Chapters III and IV, the writer will illustrate how industry in the Chicago Metropolitan Area has moved into this era of preparation for retirement.

B. Recognition by Educators

Similar adult education programs to prepare for later maturity are being offered by several universities. In conjunction with four business companies, the Industrial Relations Center, University of Chicago, has offered a course to ten groups of employees on "Making the Most of Maturity". It provides for individual consultation, discussion and study in problems of health, nutrition, employment, financial planning, use of leisure time, participation in social and community life, spiritual resources and a mature philosophy. Cleveland College offers a similar course in "Activities and Adjustment in the Later Years".29

The Louisiana State University School of Social Welfare offers a three week workshop designed to develop the understanding and skill of the individuals working with the aged in the community and institutions.30

28 Ibid, p.250
29 Close, p.21
30 The Council of State Governments, p.94
In 1948, the University of Michigan sponsored a conference of different aspects of aging. It has issued five publications on general problems of aging, rehabilitation and housing. From 1951 on, the University of Florida has sponsored two day sessions of the Southern Conferences on Gerontology. 31

It is evident that all sections of the country have recognized the general need for preparation of the older worker for his retirement.

C. Increase in Pre-Retirement Programs

Due to the fact that pre-retirement practices are relatively new, it is difficult to estimate with any exactness just how widespread they are.

The Equitable Life Assurance Society undertook a survey in 1950 and they discovered 13 per cent of the 355 companies questioned had formal or informal programs in preparation for retirement.

According to a survey conducted in 1951 among seventy of the largest companies in the United States, it was discovered that 37 per cent had some sort of pre-retirement program. 32

In a 1952 survey of 657 companies, 54 per cent stated that they had a pre-retirement counseling program. 33

In this survey, sixty-five (60.2 per cent) of 108 companies reporting a retirement policy, say that they have some kind of pre-retirement counseling. However, differences in the definition of what constitutes

31 BID


preparation for retirement may account for the increase over the earlier studies cited.
Table V
Preparation for Retirement

<table>
<thead>
<tr>
<th>Question</th>
<th>Number</th>
<th>Per Cent*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have a pre-retirement program?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>43</td>
<td>39.8</td>
</tr>
<tr>
<td>Yes</td>
<td>65</td>
<td>60.2</td>
</tr>
<tr>
<td>Total</td>
<td>108</td>
<td>100.0</td>
</tr>
</tbody>
</table>

* percentage based upon 108 companies having a retirement policy.

It was noted that five (21.8 per cent) of twenty-three companies having a formal pre-retirement program, inaugurated them prior to 1950 and eighteen (78.2 per cent) originated them since 1950. 34

This study only covers the Chicago Metropolitan Area, but from other studies, there is no doubt that there has been a general increase in programs which make preparation for retirement.

34 See Table VI, p.22
Table VI

INCREASE IN FORMAL PRE-RETIREMENT PROGRAMS SINCE 1950

<table>
<thead>
<tr>
<th>Year</th>
<th>Prior to 1950</th>
<th>1950</th>
<th>1951</th>
<th>1952</th>
<th>1953</th>
<th>1954</th>
<th>1955</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td></td>
<td>23</td>
</tr>
<tr>
<td>Per Cent</td>
<td>21.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100.0</td>
</tr>
</tbody>
</table>

5/8 inch = 5 companies

The diagram shows the increase in formal pre-retirement programs since 1950, with the number of companies participating each year.
CHAPTER III

TYPES OF PRE-RETIREMENT PROGRAMS EXISTING IN CHICAGO INDUSTRY

A. Number of Companies Responding by Size

Two hundred and seventy companies were contacted by questionnaires of which one hundred and thirty (48.1 per cent) responded. This represents a sizeable cross-section of the companies in the Chicago area, since both large and smaller companies are well represented.

In view of the fact that pre-retirement practices will be considered under three forms of retirement policies, it will be well to point out just how these retirement policies are distributed. To pinpoint the discussion, types of retirement practices in force should be defined. The writer has classified retirement policies into three main types. They are:

1. Compulsory retirement - the employee must retire when he reaches a specified age with few or no exceptions allowed.

2. Voluntary retirement - the employee at his discretion is permitted by the company, upon reaching normal retirement age, to continue working.

3. Flexible retirement - when the employee reaches a specified age, he must retire. However, if his efficiency and physical performance are up to standard, the company allows the individual to continue to another period, usually a year.

Of the one hundred and thirty companies covered by the survey, forty-four (33.9 per cent) designated having compulsory retirement; thirty-one

35See Table VII, p.25
(23.9 per cent) reported voluntary retirement; and thirty-three (25.3 per cent) stated flexible retirement.36

Inasmuch as twenty-two companies designated that they had no retirement policy, they will not be considered by the writer in his discussions. Thus, from Table VIII it would seem that companies favor some form of flexibility. The writer is primarily concerned with those companies preparing their older workers emotionally to retire, regardless of the retirement policy. Therefore, the issue of flexibility will not be considered in the analysis of pre-retirement practices.

**Types of Pre-Retirement Programs** - Due to the varied problems confronting the retiree, diversified types of programs will be found in industry, but the ultimate aim is the same: to assist the individual in adjusting to retirement.

There are basically three types of counseling programs:

1. Brief summary of pension benefits.

2. Counseling programs which assist the individual to greater insight into his own situation; the provision of external information is supplementary.

3. Educational programs which are not limited to instructing the worker, but also provide information in which the older worker can reformulate his situation and evolve a pattern of action for the future.

36See Table VIII, p. 27
### Table VII

**Questionnaires Issued and Percentage Returned According to Size of Company**

<table>
<thead>
<tr>
<th>Questionnaires</th>
<th>Manufacturers</th>
<th>Non Manufacturers</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,000 &amp; Over</td>
<td>500-1,000</td>
<td>250-500</td>
</tr>
<tr>
<td>No. issued</td>
<td>95</td>
<td>65</td>
<td>50</td>
</tr>
<tr>
<td>No. returned with formal pre-retirement program</td>
<td>16</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>No. returned with informal pre-retirement program</td>
<td>10</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>No. returned reporting pre-retirement program</td>
<td>22</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>No. returned without any retirement program</td>
<td>6</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Total Number Returned</td>
<td>54</td>
<td>26</td>
<td>22</td>
</tr>
<tr>
<td>Percentage Returned</td>
<td>.56.8</td>
<td>40.0</td>
<td>44.0</td>
</tr>
</tbody>
</table>

* % of total issued  
** % of questionnaires issued
The writer in this survey will refer to type one as a *casual* or *informal* program and to types two and three as *formal* programs since these two overlap somewhat.

In the survey, forty-two companies have casual programs and twenty-three companies have formal programs.37

Out of twenty-three companies, sixteen (69.6 per cent) were highly concentrated in the manufacturing companies having one thousand employees. Six (26.1 per cent) were among the non-manufacturing companies. The remaining pre-retirement program was administered by a manufacturing company having between five-hundred and one-thousand employees.38

Regarding the forty-two companies having informal programs, the distribution is somewhat equal among all the companies.39

Another distinctive characteristic about informal and formal programs is the retirement policy of the company under which the programs exist. Of the total sixty-five companies having pre-retirement programs, twenty-eight companies have compulsory retirement, fifteen companies have voluntary retirement and twenty-two companies have a flexible policy.

In the twenty-eight firms with compulsory retirement, fifteen (53.6 per cent) have informal programs and thirteen (46.4 per cent) have formal programs. The fifteen companies with voluntary retirement have twelve

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37 See Table VII, p.25
38 ibid
39 ibid
### TABLE VIII

**RETIREMENT POLICIES**

130 CHICAGO METROPOLITAN EMPLOYERS

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>NUMBER</th>
<th>PER CENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compulsory *</td>
<td>44</td>
<td>33.9</td>
</tr>
<tr>
<td>Voluntary **</td>
<td>31</td>
<td>23.9</td>
</tr>
<tr>
<td>Flexible ***</td>
<td>33</td>
<td>25.3</td>
</tr>
<tr>
<td>No retirement program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>16.2</td>
<td></td>
</tr>
<tr>
<td>130</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

* One company has voluntary retirement for non-union members.

** Two companies have compulsory retirement for office employees and voluntary for plant employees.

*** Two companies have compulsory retirement for executives and flexible for others.

Two companies have compulsory retirement for executives, flexible for office workers and voluntary for plant employees.
(80 per cent) with informal programs and three (20 per cent) with formal programs. A similar distribution is found among the twenty-two companies with a flexible plan; fifteen (68.2 per cent) have informal practices and seven (31.8 per cent) have formal counseling.

The distribution of the formal programs leans slightly towards the companies with a compulsory policy, but it is probably due to the fact that companies with compulsory retirement have had the advantage in that employees who know they must face retirement at a fixed time are more interested in planning for it.

The writer will further discuss differences among the twenty-three companies with formal pre-retirement practices and the forty-two firms with casual counseling.

B. The Casual Type of Pre-Retirement Program

Companies with casual counseling varied as to degree of presentation, but the majority covered the amount of benefits the employee will receive at the time of his retirement.

The writer does not wish to imply that these companies had a haphazard procedure of informing their employees of approaching retirement and benefits that they will receive. On the contrary, the majority are highly specialized in approach. Elaborate booklets are furnished by these companies to explain different approaches to the plan or plans. This information is again explained at some period prior to retirement. This is one of the factors that differentiate the highly organized program from the less organized.


**TABLE IX**

TYPES OF PRE-RETIREMENT PROGRAMS

<table>
<thead>
<tr>
<th>Counseling Programs</th>
<th>Total Companies</th>
<th>Compulsory</th>
<th>Voluntary</th>
<th>Flexible</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%*</td>
<td>N</td>
<td>%*</td>
</tr>
<tr>
<td>Casual Counseling**</td>
<td>42</td>
<td>64.6</td>
<td>15</td>
<td>53.6</td>
</tr>
<tr>
<td>Formal Counseling</td>
<td>23</td>
<td>35.4</td>
<td>13</td>
<td>46.4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>65</td>
<td>100.0</td>
<td>28</td>
<td>100.0</td>
</tr>
</tbody>
</table>

* Per cent of total

** Counseling for benefits, social security and unemployment compensation
Among the forty-two companies having casual counseling, then (73.8 per cent) approach their employees one year prior to retirement and twenty (47.5 per cent) contact their employees anywhere from a month to six months prior to retirement.40

Unfortunately, all these companies did not report the estimated time spent with any one employee. But the survey does indicate to some degree that the estimated consultation time varies within these programs.

In four (9.5 per cent) of the companies, the consultation time varied with each individual case; eleven (26.2 per cent) stated their conferences ranged from one half-hour to two hours; and four (9.5 per cent) spent as much as ten hours to twenty hours with employees.41

The one factor that was common to the majority of the programs was the administrative group. In twenty-four (57.1 per cent) of the companies, the counseling program is the responsibility of the personnel department. Among firms where the personnel department does not administer the program, responsibility for counseling is found in a variety of groups.42

Due to the complexities found in retirement plans, counseling as to how benefits are derived is very important but it loses some of its value when the worker is not counseled about other aspects of retirement.

A few companies stated that they are conducting their own surveys to determine what method could be incorporated into their present system. They realize that the purpose of any pension plan is defeated if they

40 See Table X, p.31
41 See Table XI, p.33
42 See Table XII, p.34
### TABLE X

TIME BEFORE RETIREMENT THAT COUNSELING BEGINS

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>Total Companies</th>
<th></th>
<th>With informal program*</th>
<th></th>
<th>With formal program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>Varies</td>
<td>3</td>
<td>4.6</td>
<td>3</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>1 to 4 months</td>
<td>8</td>
<td>12.3</td>
<td>8</td>
<td>19.0</td>
<td></td>
</tr>
<tr>
<td>6 months</td>
<td>15</td>
<td>23.1</td>
<td>12</td>
<td>28.5</td>
<td>3</td>
</tr>
<tr>
<td>1 year</td>
<td>17</td>
<td>26.2</td>
<td>10</td>
<td>23.8</td>
<td>7</td>
</tr>
<tr>
<td>2 to 4 years</td>
<td>1</td>
<td>1.5</td>
<td>1</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>5 years</td>
<td>10</td>
<td>15.5</td>
<td>10</td>
<td>43.7</td>
<td></td>
</tr>
<tr>
<td>8 years</td>
<td>1</td>
<td>1.5</td>
<td>1</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>10 years</td>
<td>1</td>
<td>1.5</td>
<td>1</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>option of employee</td>
<td>1</td>
<td>1.5</td>
<td>1</td>
<td>2.4</td>
<td></td>
</tr>
<tr>
<td>No answer</td>
<td>8</td>
<td>12.3</td>
<td>8</td>
<td>19.0</td>
<td>23</td>
</tr>
</tbody>
</table>

* Casual counseling for benefits, social security and unemployment compensation
release disgruntled workers to the community.

C. The Formal Pre-Retirement Counseling Program

As in the casual counseling programs, the individual is instructed about the company benefits, social security and unemployment compensation. The dividing point between the two forms is the fact that advice is given on health problems, leisure time activities and finding other work.

Within the twenty-three companies having formal pre-retirement programs, there are many variations in methods used.

Individual counseling is employed by nineteen (82.5 per cent) of companies; educational programs are used by three (13.2 per cent) of companies; and one utilizes the individual and group approach.43

D. A Comparison of the Programs

These pre-retirement programs are administered by thirteen companies having a compulsory plan; three companies with a voluntary program; and seven companies with flexible retirement.

It is not strange to see that ten (76.9 per cent) of the firms with a compulsory system use individual counseling, since this method is easiest and also, it is a practical method in that added expense will not be entailed.44

Companies having voluntary retirement have only three firms using a formal procedure in preparing their employees for retirement. Two (66.7

43See Table XIII, p.35

44Ibid
<table>
<thead>
<tr>
<th>ESTIMATED TIME</th>
<th>Total Companies</th>
<th>With Informal Program</th>
<th>With Formal Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>Varies</td>
<td>15</td>
<td>23.1</td>
<td>4</td>
</tr>
<tr>
<td>(\frac{1}{2}) hour to 2 hours</td>
<td>16</td>
<td>24.6</td>
<td>11</td>
</tr>
<tr>
<td>10 to 20 hours</td>
<td>11</td>
<td>16.9</td>
<td>4</td>
</tr>
<tr>
<td>No answer</td>
<td>23</td>
<td>35.4</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>65</td>
<td>100.0</td>
<td>42</td>
</tr>
</tbody>
</table>
# Table XII

**Official (or Department) Responsible for Retirement Counseling Program**

<table>
<thead>
<tr>
<th>Official or Department</th>
<th>Total Companies</th>
<th>With Informal Program</th>
<th>With Formal Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>Personnel Department * or personnel director</td>
<td>38</td>
<td>58.4</td>
<td>24</td>
</tr>
<tr>
<td>Pension or employee benefit department</td>
<td>8</td>
<td>12.3</td>
<td>5</td>
</tr>
<tr>
<td>Department head</td>
<td>1</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Secretary-Treasurer or finance department</td>
<td>5</td>
<td>7.7</td>
<td>2</td>
</tr>
<tr>
<td>Plant manager</td>
<td>1</td>
<td>1.5</td>
<td>1</td>
</tr>
<tr>
<td>Retirement advisor</td>
<td>2</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>Retirement committee</td>
<td>4</td>
<td>6.2</td>
<td>4</td>
</tr>
<tr>
<td>President or vice president</td>
<td>2</td>
<td>3.1</td>
<td>2</td>
</tr>
<tr>
<td>No answer</td>
<td>4</td>
<td>6.2</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>65</td>
<td>100.0</td>
<td>42</td>
</tr>
</tbody>
</table>

* * Includes Industrial Relations Department
### TABLE XIII

**VARIATIONS IN FORMAL PRE-RETIREMENT PROGRAMS**

<table>
<thead>
<tr>
<th>COUNSELING PROGRAMS</th>
<th>TOTAL COMPANIES</th>
<th>COMPULSORY</th>
<th>VOLUNTARY</th>
<th>FLEXIBLE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Individual Counseling</td>
<td>19</td>
<td>82.5</td>
<td>10</td>
<td>76.9</td>
</tr>
<tr>
<td>Educational Programs</td>
<td>3</td>
<td>13.2</td>
<td>2</td>
<td>15.4</td>
</tr>
<tr>
<td>Combination (group and individual counseling)</td>
<td>1</td>
<td>4.3</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>100.0</td>
<td>13</td>
<td>100.0</td>
</tr>
</tbody>
</table>
per cent) use individual counseling and one company has an educational program in which to familiarize their employees with problems of retirement.45

Individual counseling is solely employed by companies with a flexible retirement policy.46 This is understandable because it is necessary that each individual case be reviewed separately in order to determine if the individual should be allowed to continue working.

It is important to note, that formal pre-retirement programs are employed under all three forms of retirement policies. To what extent counseling programs are employed will be illustrated in Chapter IV.

As anticipated, companies with formal pre-retirement programs approach their employees well in advance of retirement.

Five years prior to retirement is the starting point of ten (43.7 per cent) of the companies. Other fixed points vary from six months to ten years.47

Firms with mandatory retirement are more conscious of the fact that in order for a program to be effective, it must begin well in advance of retirement date. In six (46.2 per cent) of the concerns, five years is the starting point of counseling; five (38.4 per cent) use one year as their beginning point; and one company considers ten years prior to retire-

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45Ib. Id.
46Ib. Id.
47See Table XIV, p.38
ment the best beginning point for counseling. 48

Adequate preparation is also considered by these formal programs in the time allocated to consultations. About 48 per cent stated that the time "varied" because of each individual case and 30.4 per cent (seven) estimated the time donated ranged from ten hours to twenty hours. 49

This particular aspect reflects those companies with fixed retirement. It correlates with their participation toward an effective pre-retirement program. An aspect which is common to informal pre-retirement programs is also true of formal counseling programs; fourteen (61 per cent) stated that the responsibility of administering the counseling programs was the duty of the personnel department. 50 This is probably due to the fact that the personnel department is the center of the communications system between management and employee.

It is obvious that the formal pre-retirement programs prepare their employees more adequately. To further demonstrate this, the writer will analyze six pre-retirement programs which have been established since 1950.

48IBID

49See Table XV, p.39

50See Table XII, p.34
TABLE XIV

TIME BEFORE RETIREMENT THAT COUNSELING BEGINS*

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>Total Companies</th>
<th>Compulsory</th>
<th>Voluntary</th>
<th>Flexible</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>six months</td>
<td>3</td>
<td>13.2</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>one year</td>
<td>7</td>
<td>30.4</td>
<td>5</td>
<td>38.4</td>
</tr>
<tr>
<td>two to four years</td>
<td>1</td>
<td>4.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>five years</td>
<td>10</td>
<td>43.5</td>
<td>6</td>
<td>46.2</td>
</tr>
<tr>
<td>eight years</td>
<td>1</td>
<td>4.3</td>
<td>1</td>
<td>7.7</td>
</tr>
<tr>
<td>ten years</td>
<td>1</td>
<td>4.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23</td>
<td>100.0</td>
<td>13</td>
<td>100.0</td>
</tr>
</tbody>
</table>

* These are the twenty-three companies having a formal program.
TABLE XV

ESTIMATED CONSULTATION TIME

<table>
<thead>
<tr>
<th>ESTIMATED TIME</th>
<th>Total Companies</th>
<th>Compulsory</th>
<th>Voluntary</th>
<th>Flexible</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>No.</td>
<td>No.</td>
<td>No.</td>
</tr>
<tr>
<td>Varies</td>
<td>11</td>
<td>7</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>three to six hours</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>ten to twenty hours</td>
<td>7/23</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

* Per cent of total.
CHAPTER IV

ANALYSES OF SIX PRE-RETIREMENT PROGRAMS

A. Objective of the Programs

One feature common to the six pre-retirement programs is the objective of the programs. Each program aims to assist employees to plan and prepare for their retirement and to lessen the fears associated with the change.

The writer will illustrate how each program differs. He will not, however, attempt to distinguish which program is the most effective because of the "newness" of several programs. Also, no one program could be suitable to every company. The program which produces results for any company certainly is the one to be employed.

B. Swift and Company

Due to our modern pattern of retirement and the increasing life span of the individual, the problem of aging has become complicated. Therefore, what phases of aging could be covered by pre-retirement programs?

Swift and Company, which has compulsory retirement, made their own study to determine what are the aspects of retirement. They found that most of the problems fall into five areas:

1. Health
2. Leisure
3. Housing
4. Employment
5. Financial

See Table XVI, p. 41
# TABLE XVI
PRE-RETIREMENT PROGRAMS
OF SIX LEADING COMPANIES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Formal</td>
<td>Formal</td>
<td>Formal</td>
<td>Formal</td>
<td>Formal</td>
<td>Formal</td>
</tr>
<tr>
<td>Retirement Policy</td>
<td>Compulsory</td>
<td>Compulsory</td>
<td>Voluntary</td>
<td>Flexible</td>
<td>Compulsory</td>
<td>Compulsory</td>
</tr>
<tr>
<td>Age program commences</td>
<td>60</td>
<td>57</td>
<td>64</td>
<td>55</td>
<td>55</td>
<td>59</td>
</tr>
<tr>
<td>When counseling is held</td>
<td>during working hours</td>
<td>after working hours</td>
<td>during working hours</td>
<td>during working hours</td>
<td>during working hours</td>
<td>during working hours</td>
</tr>
</tbody>
</table>

41
### TABLE XVI (CONTINUED)

**PRE-RETIREMENT PROGRAMS OF SIX LEADING COMPANIES**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Methods</td>
<td>Literature, individual, interviews</td>
<td>Literature, visual aids, group sessions</td>
<td>Individual interviews</td>
<td>Literature, individual interview</td>
<td>Individual interviews, group sessions</td>
<td>Individual interviews, shop courses</td>
</tr>
<tr>
<td>Counselors</td>
<td>Supervisor</td>
<td>Trained conference leader, Medical Director</td>
<td>Personnel Director</td>
<td>Corporate Treasurer's Division</td>
<td>Department representative, Medical Director, Secretary Employee's Benefit Committee</td>
<td>Supervisor, Company Instructor</td>
</tr>
</tbody>
</table>

41a
It was discovered that most of the problems encountered in the survey would have been minimized or even eliminated if thought and planning could have been made for retirement. With results of their own survey, together with previous research, Swift devised the following five step program which was instituted in October, 1955.\textsuperscript{52}

\textbf{Step 1 - A letter at twenty.}

When an employee reaches twenty years of service, he receives a letter informing him of his status under the company's retirement policies. Also, it encourages him to start planning for the future.

\textbf{Step 2 - A visit at sixty.}

When the employee reaches age sixty, an interview is arranged. Plans for retirement are encouraged and benefits of his pension and social security are reviewed.

\textbf{Step 3 - A talk at sixty-four.}

A second interview is conducted a year before retirement. At this meeting, the employee's wife is welcome to attend. The subjects of income, the need for activities, housing, health, his financial status are again covered.

\textbf{Step 4 - Graduation}

This step consists of writing applications for pension, applying for social security, changing hospitalization, E.B.A. and group insurance over to the new status and arranging for mailing address.

\textsuperscript{52}See Appendix, p. 60
Step 5. - And Then . . . .?

Each year after retirement, the pensioner is contacted by visit (when practical) or letter to counsel him through problem areas if he desires it.

C. Commonwealth Edison Company

At Commonwealth Edison, which also has compulsory retirement, an educational program was inaugurated in September, 1950.

Every employee is approached eight years prior to retirement and he is invited to attend eleven conference sessions. The contents of the program are developed by the Industrial Relations Center at the University of Chicago. Professor Ernest W. Burgess of the University of Chicago is the conference leader at the present time. The conference sessions are held weekly after working hours in the company building. As in Swift's program, wives or husbands are invited to attend the discussion groups.

Before the session, each employee receives an attitude questionnaire and a booklet covering the topic of the forthcoming session. The attitude questionnaire is completed by the employee and turned in only with a code number given to them. This is to allow for freedom of expression. These attitude questionnaires are then compared to a complete attitude questionnaire called "The Retirement Planning Inventory". This is given in the eleventh session and it consists of a series of 107 statements which measure the level of knowledge, attitudes, and plans of program participants in the following ten categories:

1. Later Maturity
2. Health and Nutrition
3. Family Life and Friendships
4. Meaning of Work and Retirement
5. Use of Leisure Time
6. Financial Planning
7. Retirement Living
8. Mental Outlook
9. Personal Adjustment
10. Retirement Plans

The booklets received by the participants are interestingly written to cover the ten topics enumerated above. Each booklet contains a self-evaluation checklist to encourage further thinking and positive action. These booklets also constitute a handbook and continuing references for participants as they further their plans for retirement. Each of the first ten sessions, which usually take from one hour and one-half to two hours, is designed to give the employees ample time to express their own views, ideas and suggestions and to have them discussed by the group.

In the third session, the participants are counseled by a physician on physical changes in aging.

In addition to discussion, Doctor Burgess stimulates thinking by employing a series of charts, flannel board presentations, films, and several skits in which participants, acting out roles, explore the complexities of adjustment in retirement. At the classes attended by the writer, the visual aids and the role playing were used very effectively.
The eleventh session is a summary of the first ten discussions. Participants are encouraged to make plans before retirement. As a follow-up measure, participants are also counseled six months before the retirement date.

D. Carson, Pirie, Scott & Company

On February 1, 1952, a formal pension plan went into effect. It was realized that the pension program was not the answer to a successful retirement; consequently, the personal interview was started.

Everyone who is sixty-four years of age and over is interviewed by the personnel director, Martha Douglas, once a year. The office in which the interviews are conducted is soundproof so people cannot hear what is said. No records are kept of what the older workers say, and because of this, the workers talk freely of their problems. The only records involved are those of their job performance obtained from their immediate supervisor, and a health report which the medical department submits before each yearly interview.

At Carson, retirement is on a voluntary basis, therefore, no one is asked to retire. Whenever, people make plans to retire, it is of their own accord. They are only counseled through their problems. The worker's department manager is not informed of the decision by the personnel department but by the worker. If the decision is requested by the worker to be related by the personnel department, it is done in the presence of the worker and the department manager. This kind of counseling has to be kept entirely private and confidential, or the whole merit of the system
Salesmanship is projected only when the worker's production or health is slipping. The individual is made to realize that retirement is necessary and this decision must be reached by the worker himself.

One of the methods of helping the worker decide to retire is a series of tea parties attended by about ten people who have retired and the older workers who are approaching the retirement age. It has been found that a statement from a person who has retired has sold many of the workers on the fact that retirement can be a happy period in their lives.

For those who retire, a monthly party is given by the management. The women receive orchids and a merchandise certificate is given to the men. At this luncheon, they are allowed to invite their friends. This also has an effect because their friends are usually fellow workers who worked with them for a long time.

In conjunction with this monthly party, a Christmas Party is given for all retired employees. An invitation is also extended to the older workers. At these parties, there is an exchange of ideas between the retired and the about-to-be-retired.

It is realized that the subject of preparation for retirement is approached much too late. It is the further plan of Carson to begin preparation ten years before retirement.

Carson's is also now considering supplementing its counseling by the planning program adopted by Commonwealth Edison.
E. Stewart-Warner Corporation

Under the Stewart-Warner retirement policy, mutual arrangements are sometimes made for postponed retirement. Yet, with flexible retirement, preparation is still considered necessary. In 1954, a program based on individual counseling plus materials about aging, was inaugurated. The program called "Planning Ahead for Retirement", is administered by the Corporate Treasurer's Division. All employees age fifty-five and over are contacted by a series of three letters plus selected pamphlets and forms with each letter. The program is as follows:

Letter No. 1 - "What It's All About"
"Your Health - How You're Going to Feel"

Pamphlet No. 1. When You Grow Older

Pamphlet No. 2. Looking Forward to the Later Years

Pamphlet No. 3. The Promise of Geriatrics

Pamphlet No. 4. Live Long and Like It

Letter No. 2 - "Your Money - What You're Going to Live on Each Month"

Pamphlet - Your Social Security

Letter No. 3 - "Your Activities - What You're Going to Do"

Folder - Hobby Publications

Pamphlet - How to Live A Hundred Years... Happily

Form - "Planning Ahead for my Retirement"

When the retiree reaches the age of sixty-four, he may request further help through personal interview. Since the employee is prepared far in advance of retirement, there has been only one per cent who have sought
additional help. Results of the program are not available since it has only begun in the later part of 1954.

The Stewart-Warner program, however, does attempt to give their employees a rounded program by explaining all phases of retirement well in advance.

F. **Illinois Bell Telephone Company**

Pre-retirement counseling is nothing new at Illinois Bell Telephone Company. Individual counseling was first utilized in 1930 and has been used ever since. In 1950, it was supplemented by the group discussion.53

This is a one day conference conducted on a departmental basis and is composed of twelve to fifteen employees. The conference is administered by a departmental representative who is assisted by the Medical Director and Secretary of the Employees' Benefit Committee. It is designed for both men and women approximately fifty-five to sixty-five years of age. No distinction is made in regard to title or level.

The conference is divided into three parts:54

1. General subjects to be covered by the department representative.
2. General subjects to be covered by medical director.
3. General subjects to be covered by the Secretary, Employees' Benefit Committee.

In conjunction, employees who reach the age of fifty-five are interviewed by the department supervisor, to go over any problems. This is then repeated either two years or one year before separation day.

53 See Appendix, p.65
54 ibid
G. Hotpoint (A Division of General Electric)

A unique variation of the pre-retirement programs discussed is Hotpoint's program of shop courses for prospective pensioners. The courses are open to any male employee who has six years or less to go before retirement. All employees are obliged to retire at sixty-five years of age.

The "Quarter Century Club", which is composed of 550 members having twenty-five years of service, sponsors the "Product Service Training Course".

The program is divided into two categories:

1. Major Appliances
2. Carpentry and Electricity

The training program for major appliances, in 1953, was participated by sixteen employees.

It consists of thirty-six consecutive weekly sessions on Saturdays which are not normal working days; each class consists of a four hour period. All expenses including the instructors are paid by Hotpoint.

At these classes, employees receive technical training in servicing all major appliances, by actual experiences, illustrated, and by attending field calls with service men.

When an employee completes his training program, he receives a "certificate" signed by two officers of the company. To date, sixty employees have been trained in servicing of major appliances.

Due to the shortage of service men, it has been discovered that retired employees are working on a part time basis, or full time, for dealers in the community. In some cases, they are working for a group of
dealers in the community. Through the training course received, some men are learning almost as much as before retirement.

If an employee who has received the major appliance course wishes to move to another area, Hotpoint places him in contact with a distributor in that area, thereby giving him a means to utilize his training.

In 1954, the training courses in carpentry and electricity were begun. To date, there have been approximately twenty-four employees instructed in the two fields. As in the major appliance course, classes are held on Saturday, at the expense of Hotpoint.

The classes consist of twenty consecutive weeks, each class being approximately three and one-half hours long. At the end of these classes, employees also receive a "certificate" of achievement. Due to the demand of "graduated" employees, "certificates" are now furnished in wallet size.

As Mr. Asplin, Director of Employee Benefits, pointed out, the program is far from being perfect but it does utilize the resources at hand to approach the problem of aging. Hotpoint has had fifty to sixty employees retiring every twelve month period.

At Hotpoint, there is a long range program under the directorship of General Electric, which has approximately 250,000 employees.

1. When is the best age for retirement?
2. Is the present financial plan adequate for retirement?
3. Is an employee ready for retirement?
4. Is his health adequate?
5. Attitude of employee to retirement.
This material is being furnished by the supervisors of all divisions of General Electric. Three or four months prior to retirement, the worker is interviewed by his supervisor. The supervisor was selected because it is felt that an employee will talk more readily with the man with whom he has worked and knows.

In the interview, the supervisor completes a questionnaire pertaining to the employee's present health, financial standing and attitudes. This questionnaire is then directed to the main office for tabulation.

Although Hotpoint is a division of General Electric, all employees are processed through this office. Therefore, contact is still maintained with the pensioners by letter and personal contact (when practical). Retired employees remain in the company's group insurance and they have employee discounts as long as they live.

H. The Effectiveness of the Programs

Although the pre-retirement programs discussed are relatively new, employees have shown a very favorable response to pre-retirement practices.

In interviewing Mr. Asplin at Hotpoint, the writer read several letters written by employees who were benefitting from the program. One retiree had to say, "I certainly feel that the program is worthwhile and I sincerely hope that you continue with it". Another pensioneer stated "Knowledge received at Hotpoint paid me well . . .". Another letter read stated that the retired worker felt the program was very useful for men employed at Hotpoint, he stated, "I do think it is a worthy project for those who have some knowledge of appliances".
The writer feels that this program is unique because it gives the employee a feeling of usefulness. As Mr. Asplin pointed out, for those who do not use their training for employment, it helps to develop a new interest, a hobby to keep him interested.

Individuals who have participated in programs administered at Edison, have written as follows:55

"I have enjoyed very much every meeting. It has helped me to think more about the things that are possible to do after retirement. If there was any fear of growing older, it has vanished during these meetings."

"We have faced the issue and have made plans."

"Discussions have lightened the dread or fear of retirement and have given me a different outlook on growing old and going into retirement."

"It has made me realize that some thought should be given to, preparation made for, before time of retirement. I have really enjoyed the course."

Illinois Bell Telephone Company has found the group conferences beneficial to employees because it has been very effective in clarifying misunderstandings in regards to retirement policies and income. The program has caused improved employee morale, improved employer-employee relations and loyalty to the company.

If any program eliminates fear and starts an individual thinking of retirement, it is a help. The pre-retirement programs surveyed are doing this and more. As Martha Douglas, Director of Counseling at Carson, Pirie, Scott and Company, stated, "The effect on the morale of the people who are left in the organization is terrific, because they see someone who has

55Industrial Relations Center, The University of Chicago, Making the Most of Maturity, pp.13-14
'gone over the hill', into retirement, has been helped.

Pre-retirement programs are not only beneficial to the employees but also to the company and the community. The company releases a well-adjusted individual and the community receives the fruits of this transition. Many of these retired people become very active in community projects.
CHAPTER V
SUMMARY AND CONCLUSIONS

In summary, old people are becoming a problem because the nation has changed to an urban, industrial society. They are also a problem because neither the public or the older person has defined what the status should be in retirement. Society is still disposed to assign older persons to a passive role. Research and experiences have shown that the personal adjustment of older people is contingent on the extent to which they belong to social groups and join in social functions.

The majority of people approach retirement without mature plans. Today, however, counseling programs and courses in preparation for retirement are being offered (see Chapters II and IV) to assist many older persons in planning for their later years.

In the survey, the writer has established (see Chapter III) that counseling programs are being administered in a number of companies of different size and retirement policy. The personal interview is used by Illinois Bell, which has compulsory retirement, employing approximately 40,000 people, and Carson's which has voluntary retirement and whose payroll numbers 4,500.

The writer suggests that programs such as Hotpoint's should be considered by other companies. It not only approaches the problem of aging but makes it possible to utilize the retired worker in labor shortage areas.

The writer believes that the present compulsory retirement policies should be changed. Forced retirement for workers that are in good health, able and willing to work, represents a great waste of manpower plus being
a heavy burden on the tax paying community. On the other hand, workers should not be allowed to continue working when their health and physical capacity does not permit.

The writer proposes that pre-retirement programs should be linked with a retirement-selection-panel which includes management and the worker. The worker would be examined by the Medical Department yearly and counseled periodically by the pre-retirement board directly or indirectly during the five to ten years prior to an established chronological age. The panel could then be in a position to assist those who should be retired because there would be a medical and work history well in advance.

The writer does not believe the suggested programs impossible since selection and preparation are functions of retirement. Workers would not be on trial because through counseling and medical examinations, many individuals would actually be helped mentally and physically thereby prolonging their productive years.

The writer does not wish to imply that all individuals approaching retirement are maladjusted nor does he wish to give the impression that pre-retirement programs are the "cure all solution" to our aging population, but it is a step in the right direction. Regardless of what specific age individuals retire, the majority will need assistance in the transition from work to retirement.

Finally when the time for retirement does arrive, the worker would be in the right frame of mind for retirement, psychologically and physically.
It was found that the present pre-retirement programs studied are effective in eliminating the fears and anxieties associated with retirement, and they should be extended to other companies.

The writer suggests further studies by companies planning pre-retirement programs to determine the following:

1. What older people need?
2. What are the attitudes of the older worker to retirement?
3. What the older person wants?
4. What is the best chronological age for retirement?
5. Is the present pension plan adequate?
February 3, 1956

TO THE PERSONNEL DIRECTOR:

I am a candidate for a Master's Degree in Industrial Relations at Loyola University in Chicago. My final curriculum requirement prior to graduation is the completion of a thesis.

I have chosen as a thesis topic, "Pre-Retirement Programs". In order to have a thesis that will be informative and accurate, I am required to conduct an impartial survey of 270 companies in the Chicago Metropolitan Area.

Enclosed is a questionnaire which I trust you will read, complete, and return to me at your earliest convenience.

Upon completion of this thesis and the tabulation of results, I will, upon request, be happy to furnish you with a copy.

Also, if any brochures or written material are available, please forward to me and the postage will be reimbursed, if requested.

Thank you in advance.

Sincerely yours

Thomas Castronovo

Thomas Castronovo
5171 West Bloomingdale Avenue
Chicago 39, Illinois
QUESTIONNAIRE ON PRE-RETIREMENT PROGRAMS

1. Kind of retirement program

   Compulsory  
   Voluntary  
   Flexible  
   Other

2. Does your company have a pre-retirement program?  Yes  No

3. When did your company's pre-retirement program begin?

4. Type of pre-retirement program.
   (check method used)
   (a) Individual counseling
   (b) Lectures and discussion
   (c) Educational program using Audio-Visual aids
   (d) Other

5. How soon before retirement does your company approach an employee?

6. Approximately how much time does an employee spend in consultations, discussions, etc.

7. Do your employees participate on a voluntary basis?  Yes  No

8. If yes, what percentage of employees in the retirement period participate?

9. Remarks: (Use reverse side)

   *   *   *   *   *   *   *   *   *

   Name will not be used, if so desired.  Yes  No

   Name of Company ___________________________

   Name and title of person completing this questionnaire ___________________________
APPENDIX II

PRE-RETIREMENT PROGRAMS

OF THE FOLLOWING COMPANIES:

Swift and Company

Illinois Bell Telephone Company
SWIFT ANNOUNCES A NEW PROGRAM
DESIGNED TO HELP THOSE WHO APPROACH
THE GOLDEN YEARS

"To know how to grow old is the masterwork of wisdom, and one of the most difficult chapters in the great art of living."

A Swiss philosopher, Henri Frederick Amiel, said that almost 100 years ago. Today the problem of learning how to grow old is even more complicated by our modern pattern of retirement and the increasing life span.

Swift & Company has been aware of the problems of retirement and has given them considerable attention the last several years. A study of the industrial programs of other companies and research reports of universities and other organizations led to the conclusion that some answers of our own were needed. What were the retirement problems of Swift pensioners? The only way to find out was to ask them.

This led to a survey made among a representative group of Swift pensioners. Object: To learn how the company may help employees in their preparations for approaching retirement. These old-timers were extremely cooperative in discussing their experiences.

Most of the problems of these pensioners fall into five areas:

HEALTH: It was discovered that a siege of illness can be a real problem in the life of a pensioner. If he has no hospitalisation or other insurance to help him pay the bills, his income really suffers. The survey showed that in some cases pensioners had been living for some time with a condition that might have been corrected before retirement, and before the income of the family had to be adjusted. Said more than one of those
interviewed: "If we had it to do over again we would have gone into the hospital long ago and had this condition corrected."

LEISURE ACTIVITIES: The survey showed that pensioners usually restrict themselves to those things they did before they retired. For the most part pensioners who have jobs and hobbies and are active in church and civic activities generally made the better adjustment to retirement.

HOUSING: The survey indicated that there's a great deal of satisfaction and a very real sense of security in home ownership. To a somewhat lesser degree the same feeling was found among those who rented a home. This feeling of security grows out of the fact that living costs are more reasonable and controllable when there is home ownership. The equity in a home is like money in the bank to pensioners...an anchor to windward. Also, the maintenance of the home is a source of activity for the pensioner. It is significant that of those surveyed, 73 per cent owned their homes free of encumbrances...which is the reason, undoubtedly, such a large percentage of Swift pensioners "stay put" after retirement.

EMPLOYMENT: Employment gives many individuals a sense of satisfaction in life. In addition...and probably more important...in some income situations, employment is necessary to maintain desired living standards.

FINANCIAL: Generally speaking, pensioners don't tailor down their budget to suit their retirement income level until they have to. This causes an unnecessarily sudden and sometimes severe period of adjustment immediately after retirement. Another aspect of this problem is that some employees retire with an income too low to permit them to engage in
activities which could help them make a satisfactory adjustment to retirement.

It was learned that many retirees have no idea of what their pension and social security payments will be when they retire. Some retirees, in fact, were not even aware that retirement at 65 is compulsory.

Almost all of the problems encountered during the survey could have been minimized, and perhaps even eliminated, if they had been given enough thought and planning prior to retirement.

The results of this survey, coupled with the previous research, enabled Swift to come up with a retirement counseling and communication program. The plan has met with enthusiastic approval everywhere. One supervisor said, after hearing about it: "For years I have been glad that I was a Swift employee; now I am proud to be."

The counseling program is a five-step affair. It requires that someone at each unit will be responsible for seeing to it that all employees are contacted at specific times prior to retirement.

Step 1 - A letter at 20 - The first of these contacts is a letter to the employee when he reaches 20 years of continuous service. This letter will inform him of his status under the company's retirement policies and encourage him to start planning for the future.

Step 2 - A visit at 60 - The second step is an interview when the employee reaches age sixty. The wife of the employee will be welcomed at this interview. The employee is encouraged to start specific planning for retirement. He is told the approximate amount of his pension and
social security; and the results of Swift's survey in order that he may understand the problems facing pensioners.

Step 3 - A talk at 64 - The third step is another interview which is conducted a year before the employee retires. His wife is welcomed to attend this meeting also. The discussion again covers such subjects as income, the need for activity, the need to look carefully at changing location, protection of his health, and the need for good hard look at his financial status. He is encouraged to study his income and expense, and to measure his skills in case he plans to seek employment.

Step 4 - Graduation - The fourth step consists of all the activities incidental to the employee's actual retirement: Writing an application for pension, applying for social security, changing hospitalization, EBA and group insurance over to the new status, arranging for mailings, and so on.

Step 5 - And then....? - Is that all? No, the program does not end with an employee's retirement. The fifth step calls for a contact, by visit (when practical) or letter, with the veteran Swift employee a year after retirement and each year thereafter.

The whole purpose of the program is to give Swift's retiring employees greater opportunity for planning and accomplishing successful retirement:

By giving him pertinent information when useful for planning.
By counseling him through problem areas. (But only if he wants it.)
By maintaining contact with retired employees in order that we may be of continued assistance in handling unforeseen problems arising after retirement.
In the words of the supervisor previously quoted, this plan provides that "the arm and hand of management that once held forth a pension and best wishes for a happy retirement has now been placed around the shoulder of the employee in genuine concern for his future so long as he shall live."
Program Objectives

The objectives of the pre-retirement conference is to encourage employees to plan and prepare ahead for their retirement. Without proper planning, the prospective retirees may develop fears of retirement and encounter serious problems of adjustment in making the transition from active work to leisure time.

This conference brings the employees together to discuss mutual problems and plans for retirement years. Experience has shown that proper understanding and exchange of ideas can be a great help to individuals in dispelling any anxieties and in stimulating good attitudes and positive planning for later years.

Conference Leaders and Participants

The one day conference is conducted on a departmental basis and is composed of twelve to fifteen employees. A departmental representative leads the conference and is assisted by the Medical Director and Secretary, Employees' Benefit Committee.

The program is designed for both men and women approximately fifty-five to sixty-five years of age. Women may be included at an earlier age if there has been some expression of early retirement. No distinction is made in regard to title or level. Whenever men and women attend the same conference, an effort is made to include two or more of the minority group.
General Subjects To Be Covered By Departmental Representative

1. Review purpose of conference.
2. Calculation of Bell System pensions.
4. Death benefits, distress cases.
5. Income taxes.
6. Joint ownership and tenancy.
7. Unemployment compensation.
8. Concession telephone service.
10. Use of Medical Department facilities.
12. Policy of automatic retirement at age sixty-five.
13. Work after age sixty-five.
14. Finances in retirement.
15. Employing departments responsibilities in connection with the welfare of pensioners.
17. Conclusions and summary.

General Subjects To Be Covered by Medical Director

1. Data regarding the aged.
2. Definitions of the aging process.
3. Preparation for retirement.
4. Mental health after retirement.
5. Work.
7. Diet.
8. Heart disease and blood vessel disease.
9. Alcohol.
10. Tobacco.
11. Dermatological conditions common to the age group.
12. Constipation.
13. Answer and question period.

General Subjects To Be Covered By The Secretary, Employees' Benefit Committee

1. Planning for years after employment.
2. Your company has done much planning for your future.
3. Administration of the plan for employees' pensions, disability benefits and death benefits.
4. Other activities of benefit department.
5. Supplemental pensions and relief payments.
6. Pension plan.
7. Coverage of private retirement plans.
8. Features which distinguish our plan from others.
9. Pension Fund is Trusteed.
10. Summary.

Effectiveness of the Program

The group pre-retirement conferences have been very effective in clarifying misunderstandings that have existed relative to retirement policies and income. Without this proper understanding, the prospective retirees may have developed anxieties about retirement. Conferees have shown a very favorable
response to these meetings. They participate freely in discussions and ask many pertinent questions. They not only appreciate the information received but they feel that group discussions of retirement problems are particularly valuable. Other noticeable benefits of the program are improved employee morale, improved employer-employee relations and company loyalty among this group.
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