

Show me the money: Pay the biggest influence on retirement decisions, survey finds

July 23 2009

(PhysOrg.com) -- With many employees on the threshold of retirement now forced to re-think their plans in the wake of the global financial crisis, new research confirms that money is clearly a key priority for most people. However, it's not the only inducement when it comes to deciding when to retire.

The new findings contrast with previous research which suggested that remuneration was not a strong factor influencing [workforce](#) participation decisions.

The study was conducted by Nicholas Vrisakis, senior consultant with the Voice Project, a research and consulting team based in the Department of Psychology at Macquarie University which specialises in using organisational surveys to diagnose leadership, culture and human resource management. The findings were presented at the Australian Psychological Society's Industrial Organisational conference held this month.

“We found that the most effective inducement to potentially delay retirement was better remuneration,” Vrisakis said.

“It's interesting because research I did in 2007, before the [financial crisis](#), didn't suggest that rewards and remuneration were the most important thing, or were even a significant factor, affecting workforce

participation rates for mature age workers. But this research clearly indicates that money, while not the only thing, is very important to people considering retirement.”

The study also found that the availability of part-time work and flexibility in the workplace were important considerations which influenced employees’ decisions on whether to retire.

Vrisakis noted the move to part-time work was one of the most frequently cited reasons in the survey for encouraging a delay. However, flexible working conditions were cited almost as frequently.

The aim of the research was to determine employer strategies that might delay retirement amongst those who were considering retirement in the next five years. Survey data was analysed from 158 respondents.

Understanding the reasons that motivate mature aged employees to make the decision to retire is important not only for employers, but also for current and future governments who must plan how to deal with the challenges of an aging population.

It has previously been suggested that a phased-in approach to retirement which allows for transition from full-time to part-time work would be an effective strategy. The research seems to confirm that given the right inducements such as adequate pay, phased in part-time work and flexible working conditions, mature age employees will delay [retirement](#).

Vrisakis said adopting such an approach would not only help to offset employee income losses due to the financial crisis, but also help sustain economic growth and living standards, as well as contribute towards the cost of caring for a large, rapidly ageing population.

Provided by Macquarie University

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