

Survey Research Report on the Work and Lives of Baby-boomers

Summary

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Research Objective and Method

The baby-boomer generation¹ is entering the old-age retirement process as the first baby-boomers (born in 1947) reached the mandatory retirement age of 60 in 2007. In 2006, the year before their entering 60s of age, the Japan Institute for Labour Policy and Training (JILPT) conducted a basic survey on the baby-boomer generation's work and lives. The objective of the survey is to make the data widely available by analyzing them from the viewpoint of labor research and to present a tentative prospects on baby-boomers' future work and life vision so as to stimulate discussions among policymakers and other relevant people. The JILPT then organized a research team, considered details of survey sheets and planned to have team members share an analysis of the survey data.

¹ The baby-boomer generation is an extra large group of people (some 7 million people) born between 1947 and 1949, just after the War. In Japan, writer Taichi Sakaiya reportedly named the generation "Dankai" (mass) in his novel. Our research covers a more widely-defined group of baby-boomers, born between 1947 and 1951.

The "Survey on the Baby-boomer Generation's Work and Life Vision" (hereinafter referred to as the baby-boomer generation survey) was conducted in October 2006². The survey data and its basic interpretation were published as JILPT Survey Series No. 30 in February 2007. At the same time, the research team members analyzed their issues of interest and compiled findings as JILPT Research Report No. 85. This is a summary of the report.

Summary of Findings

The report is a compilation of findings by the seven research team members who analyzed the "baby-boomer generation survey" data according to their issues of interest. The report consists of seven chapters, each authored by one member (only Chapter 4 was coauthored by three members). Their issues of interest and findings are summarized below:

1. Occupational Careers and Prospects for Employment of Older Persons (Chapter 1) (Author and Issues of Interest)

Chapter 1 is a discussion by Atsushi Sato, professor of Industrial (Labor) Sociology at the Doshisha University Graduate School of Policy and Management, who analyzed prospects for old-age working in consideration of occupational careers. The author is interested in looking into baby-boomers' hopes for continued employment at their present workplaces and measures viewed as necessary for such continuation, and in analyzing how their hopes and measures are linked to their occupational careers and companies' management systems for employment of older persons.

(Overview of Analysis Results)

The analysis took the form of cross tabulation of baby-boomer employees' hopes for continued employment and measures viewed as necessary for such a continuation, and relevant matters. Major findings follow:

① More than 60% (61.1%) of baby-boomers surveyed hope to continue being employed at their present workplaces (companies) even after turning 60. They hope to continue working until they turn 65.5 on average. Baby-boomers generally have a strong

² An outline of the survey follows. For details, see JILPT Survey Series No. 30.

- ① Survey coverage: 3,000 male and female working baby-boomers (defined widely as born between 1947 and 1951)
2,000 wives of male working baby-boomers (defined widely as born between 1947 and 1951), who were not spouses of working baby-boomers covered by the above survey.
- ② Survey period: October 2006
- ③ Survey response rate: 90.7% for baby-boomers (92.0% for males and 88.8% for females), 89.1% for wives of male baby-boomers

willingness to work even after turning 60.

- ② On the other hand, among baby-boomers surveyed hoping to remain employed, a little more than 30% expect that their hopes will be realized, while some 40% believe that their hopes will be realized conditionally. Thus a greater number of people expect conditional realization of their hopes to work after turning 60.
- ③ The most frequently cited measure for baby-boomers' continued employment at their present workplaces is establishment of systems for continued employment after the mandatory retirement age, followed by introduction of systems for fewer working days and shorter working hours.
- ④ The feasibility of realizing their hopes for continued employment depends on baby-boomers' respective highest job titles and “special skills”³ formed during their careers. The feasibility is higher for those with higher job titles or more special skills.
- ⑤ Measures for realizing baby-boomers' hopes of continued employment depend on their available employment management systems. Baby-boomers subjected to the mandatory retirement age demand development of continued employment systems, higher retirement ages and improvement of wages and other working conditions more strongly than those who are free from mandatory retirement. Moreover, among the baby-boomers subjected to the mandatory retirement age, those who are covered by no or limited employment continuation systems demand these measures more strongly than others.
- ⑥ Measures cited by baby-boomers as necessary for realization of their continued employment differ depending on existence of their special skills. Those who have mandatory retirement and with fewer special skills call for development of continued employment systems or higher retirement ages.

(Policy Implications)

The analysis indicates differences in occupational careers influence old-age work and life visions. In this sense, the author notes that such measures as development of continued employment systems are urgently required for employees who have failed to form special skills during their occupational careers.

2. Baby-boomers' Occupational Career Types and Employment Style Choices (Chapter 2)

(Author and Issues of Interest)

Chapter 2 is a discussion by Ma Xinxin, a researcher on Labor Economics at the Keio Graduate School of Business and Commerce, on the relationship between occupational

³ See 3 for details about special skills.

career types (e.g. generalist and specialist types, etc.) and old-age employment, covering especially the status of employment style choices. The author points to the importance of research on occupational career types and old-age employment through an earlier survey about old-age work and examines factors behind formation of occupational careers and the effects of such careers on wages and old-age working style choices.

(Overview of Analysis Results)

After a cross tabulation of occupational career types (generalist and specialist types) and various survey data to confirm their relations⁴, the author derived the following results through estimation of wage functions and a polynomial logistic regression analysis:

- ① Among factors behind formation of occupational careers, a longer length of service tends to promote formation of generalist careers. Professional and engineering jobs promote formation of specialist careers. It is more difficult to form specialist careers in tertiary industries than in secondary industries.
- ② After the effects of age, length of service, company size and occupation on wages are put under control, a conclusion is that wages are higher for generalists than for specialists.
- ③ An analysis of occupational careers' effects on choices of working styles demonstrated that the share of persons becoming part-time workers or self-employed is higher among specialists than among generalists. Although the share of persons hoping to be self-employed workers at the age of 65 is higher among specialists. No other specific relations are observed between occupational career types and old-age working style choices.

(Policy Implications)

Based on findings from the analysis, the author concludes that it is important to provide a diversity of job opportunities (including promotion of self-employed jobs) meeting various needs for old-age jobs in consideration of the different types of occupational careers.

3. Analysis of Special Skills for Occupational Careers (Chapter 3)

(Author and Issues of Interest)

Chapter 3 is a discussion by JILPT Senior Researcher Kazuya Ogura, specializing in Labor Economics, on special skills formed during occupational careers, which are one of

⁴ For example, one of the findings through the cross tabulation is that the share of persons anticipating their joblessness at the age of 65 is higher among generalists than among specialists.

the features of the survey. Special skills as described by respondents in free forms are coded and divided into two large groups -- engineering and science skills and non-engineering and clerical skills. The author further divides the former group into seven subgroups and the latter group into eight subgroups for an analysis⁵. The author is basically interested in details of special skills as described by survey respondents.

(Overview of Analysis Results)

Some one-third of respondents answered that they had special skills. The author utilized a cross tabulation to observe how the presence or absence of special skills influences attributes and answers to other questions and how answers differ according to the group or subgroup. Probit and other quantitative analyses were then conducted to examine factors influencing the formation of special skills and effects of special skills on annual income. The following analysis results are given:

- ① The share of those with special skills is relatively higher among respondents who are males rather than females, have a better state of health, work for some 50 hours a week now, earn more annual income, have better educational records, have found first jobs that met their hopes, have made relatively more occupational changes, have been specialized in limited areas during occupational careers or have had positive views about working⁶. Also, the share of those with special skills is higher among employees who are employed by bigger enterprises, have higher job titles or have "specialized or engineering jobs" or "managerial jobs."
- ② In terms of special skills by large group, male special skill holders are more numerous among engineering workers than among non-engineering workers, while female special skill holders are more numerous among non-engineering workers than among engineering workers. By educational background, special skill holders from specialist schools or graduate schools tend to be engineering workers, while those from junior colleges, universities or senior high schools tend to be non-engineering workers. Engineering workers with special skills tend to have assumed a narrower range of jobs, or similar kind of jobs, while non-engineering workers with special skills tend to have assumed a wider range of jobs regardless of occupational field. By type of career, specialists with special skills tend to be engineering workers, while generalists with such skills tend to be non-engineering workers. By job type, engineering workers with

⁵ After a series of questions about occupational careers on a survey sheet, another question asks, "Do you have any special skills formed during your occupational career?" A respondent who answers "yes" is asked to describe such skills.

⁶ Respondents having positive views about working include those who answered "working can bring about self-fulfillment" or "it would be natural to sacrifice personal lives for work to some extent."

special skills tend to have assumed specialized, technical, skilled or production process jobs, while non-engineering workers with special skills tend to have assumed managerial, clerical, marketing or service jobs.

- ③ Key factors for formation of special skills, which have been derived from quantitative analyses, include self-employment, occupational changes, the specialist type and better state of health.
- ④ Quantitative analyses were conducted to observe effects of special skills on present annual income, but no statistically significant effects were found.

(Analytical Implications)

The above analysis results indicate that respondents cited special skills based on their subjective judgments. The absence of effects by special skills on annual income apparently hints that these special skills do not necessarily indicate any objective abundance of skills, knowledge or experience. However, special skills indicate workers' self-confidence.

4. Past Occupational Experience and Willingness to Work (Chapter 4)

(Authors and Issues of Interest)

Chapter 4 was coauthored by three researchers including Atsushi Seike, professor at the Keio University Faculty of Business and Commerce, who specializes in Labor Economics and has conducted extensive research on employment of older persons. The other two are Nagumo (in charge of Chapter 5 as well) and Ma (in charge of Chapter 2 as well). Expecting that baby-boomers will maintain their strong willingness to work even after turning 60 and will continue to utilize their abilities for Japan's economic and social development, the authors suspect that this willingness is the product of their past occupational experience. Assuming labor supply functions including occupational experience and relevant variables, the authors conducted analyses while measuring the effects of occupational experience on the strong willingness to work.

(Overview of Analysis Results)

The authors used a cross tabulation for males and females to deliberately observe relations between 12 variables regarding occupational experience and the willingness to continue working at the present workplace after turning 60 and the willingness to work after 65. After the observation, a probit analysis was conducted. The following results emerged from the analysis:

- ① The cross tabulation results indicate that factors behind baby-boomers' strong willingness to continue working at their present workplaces after turning 60 include being raised by self-employed parents, recent apparent peaks in occupational careers,

more occupational changes, high job titles at or above the department director level, and having special skills. Meanwhile, qualifications to receive corporate and other pension benefits and higher annual income at present tend to reduce the willingness to continue working.

- ② The cross tabulation also indicates that factors behind baby-boomers' strong willingness to continue working even after turning 65 include self-employment at present (for males and females), good state of health, experiences of occupational changes (for males) and special skills (for females). On the other hand, qualifications to receive pension benefits tend to weaken the willingness to continue working.
- ③ The probit analysis indicates that poor state of health, the presence of spouses and qualifications to receive pension benefits tend to weaken the willingness to continue working. Recent peaks in occupational careers, occupational changes and higher peak job titles and self-employment at present tend to increase the willingness to continue working. The presence of special skills encourage of the willingness to continue working after turning 65.

(Policy Implications)

As the analysis results indicate that past occupational experience including peaks in occupational careers and special skills has effects on the willingness to continue working at old ages, the authors note that the past career should also be taken into account in development of the environment for employment of older persons.

5. Baby-boomers and Labor Unions (Chapter 5)

(Author and Issues of Interest)

Chapter 5 is a discussion by Chiaki Nagumo (an assistant at Waseda University Institute of Asia-Pacific Studies) on baby-boomers' old-age employment and participation in labor unions. Against the background of older persons' strong willingness to work, baby-boomers may continue working at old ages, the author has been interested in looking into baby-boomers' participation in labor unions. Therefore, the author analyzed unionized and non-unionized baby-boomers and relevant factors, and their answers to whether they would participate in labor unions during their old-age employment.

(Overview of Analysis Results)

The author based the analysis on a cross tabulation and produced the following results:

- ① The unionization rate regarding baby-boomers is higher for regular employees than for non-regular employees, at large companies than at small ones, and for those

without occupational change experience than for those with such experience. The rate is lower for those who have assumed managerial jobs.

- ② The most frequently cited reason for being non-unionized was the absence of labor unions. Another reason was that respondents are managerial officers or non-regular employees who are not qualified to join labor unions.
- ③ An analysis of answers to whether baby-boomers would participate in labor unions during their old-age employment found that positive answers came primarily from regular employees, from managerial officers at the section chief or lower levels, from employees at large companies and from those who have assumed no managerial jobs. Effects of occupational changes, job types and educational records on answers to the question differed between males and females.
- ④ An analysis of answers to whether they should participate in labor unions during their old-age employment indicated that the most frequently cited reason for positive answers is their present participation in labor unions, followed by the present absence of qualifications to participate in existing labor unions, the present absence of unions at their workplaces, and independent decisions to stay away from existing unions.
- ⑤ An analysis of baby-boomers subject to the mandatory retirement age of 60 found that those who hope to remain employed for a long term for economic reasons (to earn income) tend to give positive answers as to whether they should participate in labor unions during their old-age employment.

(Policy Implications)

The author notes that labor unions willing to organize older employees must expand unions first and give priority to those willing to work for a longer term or for income.

6. Baby-boomers' Occupational Careers and Their Attitudes Toward Jobs and Companies (Chapter 6)

(Author and Issues of Interest)

Chapter 6 is authored by JILPT Assistant Fellow Takashi Fujimoto, who specializes in Industrial (Labor) Sociology. It is a discussion on baby-boomers' attitudes toward jobs and companies, and relations between these attitudes and their lives in old age. As male baby-boomers have been labeled workaholics as “company men”, the author is interested in looking into the determining factors of how and why they are workaholic and into how workaholic attitudes would influence their lives in old age.

(Overview of Analysis Results)

The author utilized answers to six questions⁷ regarding attitudes toward jobs and

⁷ The six questions asked respondents ① whether self-realization is achieved through a job,

companies for a cross tabulation to deliberately observe how these attitudes are linked to respondents' attributes. The author then adopted the principal component analysis (PCA) to extract components indicating "baby-boomers' intimacy with jobs or companies" and "their alienation from companies" to produce component scores, which became explained variables for a regression analysis to extract factors that define workaholicness of baby-boomers. The analysis led to the following findings:

- ① A cross tabulation between baby-boomers' attributes and workaholicness indicates that baby-boomers with no spouses have negative views about close relations with their companies, that those with higher income or job titles have greater commitments to their jobs and companies, and that both generalists and specialists have strong commitments to their jobs, while specialists do not stick to relations with their companies.
- ② A quantitative analysis using the PCA-extracted components indicating "baby-boomers' intimacy with jobs or companies" and "their alienation from companies" as explained variables found that attributes working to increase baby-boomers' commitments to their jobs and companies include job titles of department director, board member or higher, public service jobs and large company sizes. Attributes working to weaken their commitments to their companies include the absence of spouses and the type of job as "specialist".
- ③ Baby-boomers who have strong commitments to their jobs and companies tend to hope to remain employed at their present workplaces. Those who stick less to their companies tend to participate in volunteer and other social activities.

(Policy Implications)

The author notes that workers should consider a balance between their jobs and personal lives upon their retirement and that workaholics are required to turn into well-balanced persons.

7. Various Aspects of Baby-boomers' Future Retirement Process (Chapter 7)

(Author and Issue of Interest)

Chapter 7 is authored by JILPT Senior Research Director Yutaka Asao, who has studied Labor Policy from the viewpoint of Labor Economics. It is a discussion on

② whether a job is nothing more than a means to earn daily bread, ③ whether it is natural to sacrifice your personal life for your job to some extent, ④ whether you would like to have personal relations with your bosses or colleagues even outside of work, ⑤ whether you want no promotion as far as opportunities are given for demonstrating your abilities, and ⑥ whether you would not like to be taken into care by your company after the retirement age. Respondents were instructed to choose one from five alternative answers to each question on a five-point scale, ranging from the most positive answer to the most negative one.

baby-boomers' various changes in old age. The author is interested in a view that the old-age retirement process should be taken as featuring changes that are as drastic as those for younger days and as lasting over a long term. The author, therefore, tried to depict such changes and the process in such a long term using the survey results. The author took up workplace changes (continued employment at the present workplace and later developments), employment and working style changes, a shift from employment to volunteer activities, changes in residence location, and a return from work to family life over the coming decade as far as data is available. It is a characteristic of chapter 7 that ratios calculated from the survey results were used for providing macro-quantitative data.

(Overview of Analysis Results)

Findings through the depiction and analysis follow:

- ① Among male baby-boomers, 47.2% plan to retire at the age of 65, 23.1% at 70 and 10.4% at 60. The move into retirement, including the arrival at the mandatory retirement age and extended employment at the same workplace or occupational changes, was depicted for a quantitative analysis from the perspective of age. The author then found that factors influencing formation of consciousness about the retirement age include gender (males plan higher retirement ages than females), annual income and savings, state of health, jobs, the mandatory retirement age (a higher mandatory retirement age leads to a higher age for actual retirement) and special skills. The author also found that motives for old-age working include livelihood income and a philosophy that "I should work as far as I can," that some baby-boomers are planning to change areas for working at old ages, and that baby-boomers hope for shorter working hours for old-age employment.
- ② Data on employment or working styles chosen by baby-boomers for each year in their 60s were used to depict the expected changes in employment or working styles at each year between 2007 and 2017. One finding is that not a few baby-boomers plan to move into retirement by shifting from regular employee status to contracted employee status and to part-timer status for shorter working hours. Only a few respondents plan to shift to retirement directly from regular employee status. For example, a macro-quantitative estimation of employment or working style changes indicates that as many as 700,000 baby-boomers may shift from work to retirement in 2012 (see Figure 1).
- ③ Participation in volunteer activities was also depicted for each year. The participation rate is expected to show a full-fledged upturn in 2011 for females and in 2013 for males.

- ④ Of baby-boomers, 13.4% are planning to change their residences in old age. This percentage is not so high. Of those having specific moving plans, 55.5% are planning to leave the prefectures where they currently reside. Many may be willing to move to far-away locations. Some 20% of those planning to change their residences are planning to return to their respective hometowns. The percentage is estimated to amount to 130,000 people.
- ⑤ One of the important aspects of move into retirement of older persons is baby-boomer husbands' return to family life. In the survey, wives of baby-boomer husbands were asked to give one of five ratings to their family life. The overall rating was slightly higher than the third highest rating, indicating that wives would be rather satisfied with their family life. This means that wives are basically prepared to accept such a return. A quantitative analysis indicates that wives' satisfaction with their family life is closely linked to realization of life plans made upon marriage, as well as the frequency of wife-husband conversations.

(Policy implications)

Based on the above analysis results, the author emphasizes anew that suitable old-age working styles centering shorter working hours should be developed to moderate the retirement process, as massive retirements in 2012 (the year 2012 problem) are expected to affect the society or economy unfavorably. The author also notes various considerations should be given to the improvement of lives in old age.

Figure 1 Employment or Working Style Changes at Old Age for Baby-boomers
(Macro-quantitative estimates)

