

## **DO GRANDCHILDREN INFLUENCE RETIREMENT? THE PRESENCE OF GRANDCHILDREN AND THE GEOGRAPHICAL DISTANCE BETWEEN GRANDPARENTS AND GRANDCHILDREN AT RETIREMENT TRANSITION**

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### INTRODUCTION AND BACKGROUND

With the increase in life expectancy and healthier aging, multigenerational ties have become increasingly important in individuals' lives in Western societies (Bengtson 2001; Timonen & Arber 2012). The increasing longevity suggests that most parents will become grandparents (Harper 2005). In addition, the general decrease in fertility in the Western societies has resulted in that grandparents have relatively fewer grandchildren and therefore can play a larger role in the life of each one of them (Timonen & Arber 2012). Grandparenthood has become an increasingly significant social role for older individuals and grandchildren have emerged to be an important source of emotional meaning and support (Silverstein & Long 1998; Szinovacz & Davey 2006). Grandparents might also perceive grandparenthood as an opportunity to do things better the second time around (Dorfman 2002). The relationship with grandchildren is one of the most valuable relationships for grandparents (Clarke & Roberts 2004). However, the extent to which grandparents get involved with their grandchildren is primarily driven by the willingness and availability of grandparents, but also the quality of intergenerational ties, health, age and gender of the persons involved (Timonen & Arber 2012). For instance, grandmothers have been shown to be more engaged in grandchildren than grandfathers are, and maternal grandmothers more engaged than paternal grandmothers are (Uhlenberg & Hammail 1998; Euler et al. 2001; Guzman 2004). However, this is not the general case in all Western countries, such as Sweden (Hank & Buber 2009).

The research on retirement have shown the importance of labor market structures and attachments; economic and family characteristics; health; and attitudes towards paid work and retirement on the retirement transition (e.g. Beehr et al. 2000; Szinovacz et al. 2001; Pienta & Hayward 2002; Sodire 2005; Ho & Raymo 2009). An additional factor that may be influential in the retirement transition is the relationship between young grandchildren and grandparents. In Sweden, grandparents most likely engage in childcare based on their own desires or as a complement to institutional care, and not necessary as a support at a regular basis because the Swedish' state provide full-time public childcare for all children from the age of one (Hank & Buber 2009). Since retirement gives grandparents possibility to spend more time with the grandchildren (Bengtson et al. 1990), and presence of grandchildren have important implications on other life events and life transitions (Hagestad 2006; Szinovacz & Davey 2006), I argue that the presence of grandchildren might be important to consider in the retirement transition. To my knowledge, this is a subject that to large has been neglected in the literature and few studies have given the relationship attention (Uhlenberg & Hammail 1998; Dorfman 2002). The majority

of research on retirement transition and family relationships focus on e.g. spousal retirement; joint retirement; dependent children living in household; or the need for caring of a spouse or older parents (Szinovacz & DeViey 2000; Szinovacz et al. 2001).

#### THE AIM AND HYPOTHESES

This study has two aims. First, I will investigate whether the existence of young grandchildren at grandparents' late years of labor force participation, can be associated with the grandparents' timing of retirement. I here compare individuals with grandchildren and individuals without grandchildren. The hypothesis is: *Individuals with young grandchildren retire earlier compared to individuals without young grandchildren*. In addition, the geographical closeness has been shown to be a positive indicator of grandparents' involvement in grandchild care (Uhlenberg & Hammail 1998; Silverstein & Marengo 2001). Hence, the second aim of the study is to investigate whether the geographical distance between grandparents and young grandchildren can be significantly associated with retirement transitions. The hypothesis is: *Individuals who live close to their young grandchildren retire earlier than individuals who live at distance to their young grandchildren*. The reason I only focus on young grandchildren is based on previous research that found evidence that grandparents' contact with grandchildren decline with increasing grandchild age (Creasey & Kaliher 1994). Thus, the potential influence on the retirement transition should decrease with age of grandchild. However, Silverstein and Long (1998) found conflicting results.

Another dimension that is also explored is whether there are gender differences in the relationship between grandchildren and grandparents. Previous research indicates gender differences in grandparent's involvement in grandchildren (Euler et al. 2001; Guzman 2004; Hank & Buber 2009). Hence, I not only focus on gender differences between grandfathers and grandmothers but also on differences between paternal grandparents and maternal grandparents.

#### DATA AND METHODS

My intention is to explore the relationship between presence of young grandchildren and grandparents' retirement timing using the population register database Sweden over Time: Activities and Relations (STAR). The part of the registers I use, contain information on all individuals born in Sweden 1932 or later, and who have been register as a resident in Sweden at some time since 1961. The registers also contain connections to individuals' biological or adoptive parents. It is possible to connect five generations and link family and extended family members, such as grandchildren with their grandparents. Background information up to 2011, such as place of residence and income information, can also be derived from the registers

(Statistics Sweden 2010). The STAR data is organized by Statistics Sweden ([www.scb.se](http://www.scb.se)) and is currently maintained and coordinated by Stockholm University Demography Unit (SUDA).

The study's population includes all individuals born 1939-1949 living in Sweden after 1961. The individuals are observed from age 55 during the period 1994-2011 and until they retire, die, emigrate or end of study period in 2011 if they do not retire. Before 1976 the mandatory retirement age in Sweden was 67 but in 1976 it was lowered to 65. After a pension reform in 2003, the mandatory retirement age was replaced by a flexible retirement age from age 61 with no upper age limit. The new pension system suggests that individuals are more free than before to decide when to retire. Although there were several early exit options in the former system as well (Kruse 2010). However, retirement decisions cannot be seen as an individual's own decision, but as a combination of individual's preferences, the pension system and labor market characteristics.

I use survival analysis, Cox proportional hazards regression, where the outcome is the risk of retirement at a given time for individuals with and without grandchildren. Since previous research has shown that numerous factors are important for understanding retirement timing, I control for factors measuring family composition, individual, demographic and socio-economic characteristics. I also take a three-generation approach because the middle generation plays a crucial role for the relationship between grandparents and grandchildren (Hagestad 2006). Thus, I measure characteristics of the individuals, their children and grandchildren. I estimate for instance variables measuring the individuals' age; education level; marital status; age of spouse; type of occupation; income level; place of residence; total number of children; and children's marital status. For individuals with grandchildren I also measure whether they are maternal or paternal grandparents; gender and age of grandchildren; total number of grandchildren; and place of residence of grandchildren.

As the second part of the study's aim is to analyze the geographical distance between grandparents and grandchildren's residence and whether the distance is associated with grandparents' retirement timing, I estimate the geographical distance by using area codes of registered residence and apply spatial analysis. Similar calculations can be found in Kohli et al. (1995). The area codes are derived from the STAR database and merged with GIS data over Sweden.

#### IMPLICATIONS OF THE RESULTS

The study is currently in process. Results will be available in time for the Annual Meeting of Population Association of America in 2014. The results will contribute to a deeper understanding of how retirement behavior can be linked to extended family relations in a welfare state where individuals more freely can choose when to retire. The results will also reflect on the meaning of grandparenthood in the retirement transition in addition to labor market attachment.

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