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A descriptive study of demographic financial factors and the perceived financial life satisfaction of retired Oregon public school administrators

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A DESCRIPTIVE STUDY OF DEMOGRAPHIC/FINANCIAL FACTORS AND THE PERCEIVED FINANCIAL/LIFE SATISFACTION OF RETIRED OREGON PUBLIC SCHOOL ADMINISTRATORS

By

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The main purpose of this study was to develop a demographic/financial profile of retired Oregon public school administrators and to determine the relationship between these profile factors and the degree to which financial needs are met, the level of perceived financial satisfaction, and the level of perceived life satisfaction. Another purpose was to define those financial issues which impact the retired administrator and would be helpful in developing guidelines useful for pre-retirement planning and education.

A survey instrument was developed for providing descriptive data, perceptions of financial adequacy, and perceptions of financial/life satisfaction. Thirty-two questions were asked in an attempt to gather data regarding three major areas: biographical information, financial information, and perceptions of financial/life satisfaction. The subjects selected for the study were the 295 retired Oregon public school administrators known to the Confederation of Oregon School Administrators who had retired prior to September 1984. A total of 198 or 67% of the retired administrators surveyed returned a completed instrument.

Based upon the survey results, a demographic/financial profile evolved for the sample population of retired Oregon public school administrators. The average retired administrator is a married male with one dependent who retired at age 61 and is currently 66 years-of-age. The average retiree held a job with line authority prior to retirement, spent 15 years in that job, and spent nearly 31 years in Oregon public schools.

Of the 198 respondents to the survey, 105 or 53.3% own their own home. Eighty-seven or 43.9% of the respondents are currently buying a home. In addition, the average retiree has not changed his/her place of legal residence since retirement and has relatively low housing costs by comparison to national averages.

From a financial perspective, the average retiree is very much satisfied with the degree to which financial needs are met, very well satisfied with his/her financial situation, able to keep pace with inflation, and able to maintain a standard of living consistent with pre-retirement levels. Retirees typically began financial plans for

retirement at least 10 years prior to the retirement date and entered retirement free of debt. Furthermore, the average retiree is receiving at least 60% of pre-retirement income and has a spouse who contributes only 19% of the family's monthly retirement income. The greatest percentage of monthly retirement income comes from Social Security and Oregon Public Employees Retirement System retirement payments.

The average retiree and his/her spouse are in good to excellent health and spend only a small percentage of their total monthly retirement income for health care costs. Health condition was not found to be a factor in the decision to retire.

The six null hypotheses developed for the study were not supported by the results. It was determined that there is a significant relationship between sex (X^2: p = .0191), health rating (X^2: p = .0001), the ability to keep pace with inflation (X^2: p = .0001) and the degree to which financial needs are met. A significant relationship also was found to exist between sex (X^2: p = .0239), health rating (X^2: p = .004), the level of pre-retirement income (X^2: p = .0075), the ability to keep pace with inflation (X^2: p = .0001), the point at which retirement planning began (X^2: p = .0313) and the perception of financial satisfaction. A significant relationship was found to exist between health rating (X^2: p = .0001) the level of pre-retirement income (X^2: p = .0312), the ability to keep pace with inflation (X^2: p = .0001) and the perception of life satisfaction. It was also determined that a significant relationship exists between the degree to which financial needs are met, the perception of financial satisfacion (ANOVA: p = .0001) and the perception of life satisfaction (ANOVA: p = .023).

Finally, a significant relationship was also found to exist between the perception of financial satisfaction and the perception of life satisfaciton (ANOVA: $p = .001$).

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CHAPTER I

INTRODUCTION

A major change in our society is the rising number and proportion of the retired. Due to increased longevity and decreasing birth rate, the United States is no longer a nation of young people.

There is no question that America is aging rapidly. More than a million of our residents reach the age 65 each year. Pipes (1980) reported that in 1940 the nine million citizens 65 years-of-age-and-older made up 6.8% of the population; by 1977 that age group had increased to 23.5 million, which represented almost 11% of the total population. Furthermore, the Census Bureau estimates that by the year 2000 the 65 years-of-age-and-older population will rise to nearly 32 million and represent as much as 13% of the total population.

Further projections suggest that by the year 2020, the 65 years-of-age-and-older population will have increased to 17.8% of the nation's total population. Expressed as a percentage of the population of working age individuals (18 to 70), this projected increase is even more dramatic. According to intermediate projections of the Census Bureau reported in "Work and Retirement" (1981), the population 65 years-of-age-and-older will increase from 18.2% of the working population in 1977 to 29.6% in the year 2025.

Pipes (1980) also reported that the 55 to 65 year old sector has grown phenomenally: from 10.5 million in 1940, to 20 million in 1977, to a projected 23-25 million by the year 2000. Jorgensen (1980) reported that in 1970 there were approximately 300 million people over 60 years-of-age in the world. By the year 2000, this number will more than double. It is important to note that in the year 2000, the baby boom of post World War II will be barely reaching retirement age.

Demographic changes over the past several decades suggest that a rather abrupt cultural change will occur as today's youth cult is replaced by a generation concerned with the needs of a maturing populace. According to Pipes (1980), the birth rate, after increasing geometrically throughout the first half of the century to a peak of 25% in 1955, fell dramatically over the next two decades and bottomed out at 13.8% in 1975. At the same time, improved natal and lifetime health care has increased life expectancy; from 54.1 years in 1920, to 68.2 years in 1950, to 72.8 years in 1976. The inevitable conclusion is that more people will live longer and enjoy longer periods of retirement.

Because of the changing age structure of the population and increased longevity, the problems of retirement are becoming increasingly important. One of the most important problems of the retired population segment is their economic situation. The integrative nature of economic problems adds to their complexity and urgency. Economic problems encompass all aspects of living including food, transportation, health, leisure, housing, and travel.

Although retirement is eagerly anticipated by many people, financial aspects make it less pleasurable for many due to the relinquishing of personal earning power. The retired are frequently considered economically disadvantaged compared to the younger segment of the population and encounter several economic problems including fixed income, limited assets, inflation, necessity of greater amounts of financial resources due to earlier retirement and longer life span, and acclimation to higher living standards produced by continued national economic growth.

A necessary ingredient for successful, enjoyable retirement is a favorable economic condition. The retiree who has acquired enough income-producing financial resources can compensate for the loss of income accompanying retirement. Advanced planning becomes an important factor in creating this desired condition. How well people live after retirement depends a great deal on how well they planned for that period of life.

People who postpone their retirement financial planning to three to five years prior to retirement clearly run the risk of seeing their standard of living decline after the first several years. To accumulate the necessary "nest egg" of financial resources to maintain an income level equal to 75% of pre-retirement income requires more than just a few years of frantic saving. The following example will illustrate this point. A man who plans to retire at age 62 can expect to live another 15 to 20 years. If his pre-retirement annual income is $40,000, he will require a retirement income of $30,000 per year to reach the desired 75% figure. Since Social Security and his pension

will likely yield only 55% of the $30,000, it will be necessary for this individual to supplement these sources with additional income equal to $13,000 per year or approximately $1,100 per month. In order to sustain this 20% contribution to retirement income over the 15 or 20 years of retirement life, a fund of $155,359 invested at seven percent interest is required.

Consequently, it is highly unlikely that an individual would accumulate this amount of money by beginning financial preparation only five to ten years prior to retirement. To do so would require saving $2,158 per month over five years or $891 per month over a ten year period of time. All of this, of course, assumes that the individual's Social Security and pension income will keep pace with inflation and that the inflationary rate will not exceed the seven percent rate paid on invested savings. If this is not the case, even more of a savings cushion would be required.

It is important to note that women need to give close attention to providing for income in their old age. On the average, women live longer than men and, therefore, need retirement income longer. Moreover, women are also less likely than men to qualify for private pensions, and their Social Security benefits are likely to be less because of lower salaries and generally fewer work years.

Saving funds to finance retirement is not an easy task and requires making sacrifices today for the sake of a more comfortable retirement tomorrow. It is a mistake to think of retirement as just an accumulation of dollars. It is instead the building of a pool of buying power. This whole process can be very confusing and overwhelming

to most people who are not familiar with financial strategies and opportunities. For these people, it is strongly suggested that they take advantage of the services provided by many professional financial planners.

The literature reveals that subjective evaluation of one's financial situation is a primary factor affecting satisfaction, an important component of total well-being. Researchers have validated that one's perception of financial adequacy is a superior indicator of life satisfaction, particularly for retirees, compared to objective measures such as a specific amount of income. Perception of income adequacy has likewise been shown to have a significant relationship to well-being.

PURPOSE OF THE STUDY

Research into the financial status and level of financial satisfaction for retired Oregon public school administrators currently does not exist. Unconfirmed estimates hint that nearly 50% of the public school administrators in Oregon will be eligible for retirement over the next ten years. In addition, the literature advises very strongly that individuals should begin preparing financially for retirement by the age of 35. All of this suggests that information gained from retired administrators regarding their current financial status will be of great assistance to those who are near retirement age and also to those who should begin making financial plans for their own retirement in the next twenty or more years.

The purpose of this study is to determine the relationship between selected demographic/financial factors and the degree to

which financial needs are met, the level of perceived financial satisfaction, and the level of perceived life satisfaction of retired Oregon public school administrators. An adequate base of knowledge concerning financial factors and perceived financial satisfaction is necessary to aid in the planning and education process which must take place prior to and during retirement. A comparison of financial factors and perceptions of financial satisfaction can be an invaluable contribution to expanding this base of knowledge. This information will play a fundamental role in defining the financial issues which impact the retired administrator and be helpful in developing guidelines useful for pre-retirement planning and education.

Research questions explored in the study are:

1. What are the demographic/financial characteristics of retired Oregon public school administrators?
2. What would respondents have done differently in preparing financially for retirement?
3. What worked well for respondents in preparing financially for retirement?
4. How do respondents view the degree to which their financial needs are met?
5. What are the predictors that affect the degree to which financial needs are met?
6. How do respondents view their degree of financial satisfaction?
7. What are the predictors of perceived financial satisfaction?

8. How do respondents perceive their satisfaction with regard to retirement life?
9. What are the predictors of perceived life satisfaction?
10. Is there a significant relationship between the degree to which financial needs are met and perceived financial satisfaction?
11. Is there a significant relationship between the degree to which financial needs are met and perceived life satisfaction?
12. Is there a significant relationship between perceived financial satisfaction and perceived life satisfaction?

The following null hypotheses will be tested in the study:

1. There is no significant relationship between demographic/financial information requested in the survey and the degree to which financial needs are met.
2. There is no significant relationship between demographic/financial information requested in the survey and perceived financial satisfaction.
3. There is no significant relationship between demographic/financial information requested in the survey and perceived life satisfaction.
4. There is no significant relationship between the degree to which financial needs are met and perceived financial satisfaction.
5. There is no significant relationship between the degree to which financial needs are met and perceived life satisfaction.

6. There is no significant relationship between perceived financial satisfaction and perceived life satisfaction.

DEFINITION OF TERMS

Retired Oregon public school administrator: One who has retired prior to September 1984, qualifies for and receives retirement benefits from PERS/TRFA, and is currently on the active list of retired administrators maintained by the Confederation of Oregon School Administrators.

Family: Two or more persons living together, who pool their income and draw from a common fund for their major items of expense.

Dependent: One whose basic needs cannot be met without the benefit of the retiree's income.

Pre-retirement income: An amount of monthly/annual income received for full-time employment and from other financial resources for the year immediately preceding retirement.

Retirement income: An amount of monthly/annual income received from various financial sources other than those derived directly from full-time employment.

Financial needs: Those basic human needs as defind by the Bureau of Labor Statistics Model Budgets for Urban Retired Couples which include food, housing, transportation, clothing, personal care, medical care, and other items of family consumption.

Financial adequacy: An amount of financial resources sufficient to meet basic human needs as defined by the Bureau of Labor Statistics Model Budgets for Urban Retired Couples.

Perceived financial satisfaction: A subjective measure of whether financial resources meet basic human needs of the retired.

Perceived life satisfaction: A subjective measure of the degree of satisfaction with retirement life when considering financial, health, social, and psychological adjustment factors.

ASSUMPTIONS

1. Financial adequacy and satisfaction affect well-being.
2. Current income and net worth are both important determinants of perceived financial satisfaction.
3. Financial adequacy can be measured both subjectively and objectively.
4. Perceptions of financial adequacy and satisfaction can be determined.
5. Perceived financial adequacy and satisfaction are reliable predictors of life satisfaction.
6. The procedures used to identify retirees for this study were appropriate and the participants provided a representative sample to test the hypotheses.
7. The survey instrument was completed accurately by the respondents.

LIMITATIONS OF THE STUDY

1. Because population characteristics and financial information are estimated from a partial sample of eligible respondents, they would differ somewhat from the values which may be obtained if all eligible respondents completed the survey.

2. The results can only be generalized to the population of Oregon retired public school administrators.
3. Data obtained will be subject to response errors and other errors of estimation, tabulation, and interpretation.
4. The financial information is restricted to that requested in the instrument and may not be all-inclusive for every respondent.
5. The type of information required may be inaccurately given because of unavailability of records, inaccurate recall or perceived consequences resulting from such responses.
6. Changing economic conditions can make the information applicable to a limited time span.

SIGNIFICANCE OF THE STUDY

This study will provide insights into Oregon's retired public school administrators as an economic unit and establish a timely factual base of knowledge upon which to evaluate policies and programs. The results of the study will provide information useful in pre-retirement and retirement financial planning education and consultation. Results will be beneficial to those involved in policy-making and program development. The findings will aid in a deepened understanding of the economic questions plaguing the retired and in progressing toward the resolution of them. The increased base of knowledge may be used to design and implement action programs focused on an improved level of living and over-all quality of life for the retired. Ultimately, the physical, social, and psychological well-being of the retired may be enhanced.

CHAPTER II

REVIEW OF THE LITERATURE

Retirement in our society involves a change which can be an enjoyable experience filled with security, relaxation, and travel for those financially prepared. Retirement should also mean opportunity and continued progress. For the retired person who is not financially prepared, retirement can result in years of insecurity, worries, and problems. Therefore, with the number of retiring individuals increasing, longer life expectancy, and earlier retirement options, the economic considerations for retirement become more significant to those not yet retired. This is particularly true in the face of current inflationary trends. The review of the literature encompasses five major topics. Each area is a primary component in understanding and assessing the economic considerations affecting retirees and determining their impact on perceptions of financial and life satisfaction. In addition, the review includes a discussion of a previous survey conducted with the sample population of retired Oregon public school administrators.

BACKGROUND AND CURRENT TRENDS IN RETIREMENT

During the first three quarters of this century, the advent of Social Security and spread of private pension systems have helped

make retirement financially feasible for millions of Americans whose parents and grandparents had no plans other than to work until the day they died. According to Butcher (1978), if people became too feeble to continue working, they were either sustained by their children or relegated to the poor house. Shulsky (1977) states that retirement itself is a revolutionary new concept for the average man and woman when considered against this background of centuries of lifetime work. With these changes, a new attitude on retirement has evolved: a person has the right to retire with full independence beholden to no one for support.

Consequently, the population figures and changes in attitude regarding retirement hint at the dilemma facing the Social Security system and private pension funds as presently constituted. It appears that by the year 2025 there will be one person retired for every two persons working. The consequences of this estimate are obvious. Those working will either have to assume an even greater financial burden for the maintenance of Social Security and private pension plans or these systems must change to reflect the growing number of individuals reaching retirement age and the decline in available resources. Therefore, anyone relying heavily on the promise of Social Security and private pension checks for basic survival should monitor closely the future of these retirement income sources. Jorgensen (1980) predicts that nearly 50% of the money needed for a comfortable retirement will be the individual responsibility of each American.

Congress began to recognize this dilemma and in 1979 passed legislation which changed the mandatory retirement age of workers in private industry from 65 to 70 years-of-age and eliminated age limits entirely for those in government. A major purpose of this legislation was to make it possible for and to encourage individuals to remain in the work force beyond the traditional retirement age of 65. It was intended that an increased number of older workers in the work force would reduce the rapid decline of Social Security and private pension resources.

Prior to the enactment of this legislation, the labor force participation rate of males 65 years-of-age and over dropped by 50% in slightly over two decades from 40% in 1955 to 20% in 1978. Among males 60 to 64 years-of-age, the corresponding drop was from 83% to 63%. By the late 1960's, nearly 50% of the newly entitled beneficiaries of Social Security were retiring before age 65 (Parnes, 1981). U.S. News and World Report reported that an analysis of collective bargaining agreements conducted by the Martin E. Segal Company of New York showed age 62 as becoming increasingly the normal retirement age for American workers. ("Why the Big Swing", May 13, 1974) The same periodical reported that government figures suggested 50% of the people retiring on Social Security do so before age 65 as compared with only 30% in 1966. ("Thinking of Early Retirement", September 6, 1976)

However, changing the mandatory retirement age does not appear to be keeping older workers in the work force. Of those surveyed in one longitudinal study, only 5% would have elected to work past the

previous mandatory age and only 3% would have been actually interested in some form of employment after retirement (Parnes, 1981). Business Week reported that the average retirement age continued to be 62 regardless of the recent change in the mandatory retirement age. ("Inflation Forces Retirees", August 20, 1979) U.S. News and World Report reported surprising government figures which show that fewer than 12.5% of American workers remain in the labor force once they reach age 65 in spite of the changes in the mandatory retirement law and continuing inflation. ("No Letup", February 15, 1982) A 1977 Roper poll showed that most younger people look forward to retiring before age 62 but among people who have reached age 60, only 33% would voluntarily stop working before age 62.

Furthermore, findings published by the Institute of Social Research at the University of Michigan revealed that 40% of the working family heads from age 35 to 63 planned to retire before age 65. One out of four of those 35 to 59 years-of-age planned to retire before age 62. The same report revealed that the majority of men and women now retire before age 65 in part because Social Security is available after age 60 or 62 and because many private pension plans have early retirement provisions which make retirement financially feasible. ("Early Retirement", 1978)

ECONOMIC INFLUENCES IN RETIREMENT

Most retirement experts agree that the most crucial issue regarding the retirement decision today is money. Barfield and Morgan (1978) studied the factors relating to the decision to retire among a group of

auto workers and a national sample. The results of their study indicated that financial factors, primarily expected retirement income, number of dependents, and house equity, were the most important factors influencing retirement plans in both samples. Quinn (1977) reported a government-sponsored study which strongly indicated that the retirement decision is primarily influenced by economic factors including the availability of public and private pension income. Lamb (1977) and Foner and Schwab (1981) emphasize that the most important single factor related to retirement is economic. The prospect of retirement is pleasing if the individual feels he or she can maintain an adequate standard of living. Moreover, Chatfield (1977), and Draney (1976), both reported that life satisfaction in retirement is primarily influenced by the economic welfare status of the individual.

While most retirement experts agree that money is the most critical retirement issue, they disagree on the amount of retirement income required to maintain an adequate standard of living in retirement. Estimates range from 60 to 100% of pre-retirement income. By far, the majority recommend that at least 75% of pre-retirement income is required to maintain the same standard of living. Clark (1981) estimates that between 66 and 80% of pre-retirement income is needed. He further suggests that the higher the yearly salary prior to retirement, the lower the percentage required to maintain the same standard of living in retirement due to the progressive nature of federal and state income taxes which will not have to be paid.

Nearly all retirees have one thing in common: incomes lower than they received before retirement. Palmer and Patton (1978) interviewed

52 early retirees and 88% reported no change in their standard of living since retirement. The reason, according to most, was that although their gross income was lower, their "spendable" income was higher. There are no deductions for Social Security or income derived from after-tax contributions to retirement funds. Moreover, quite often the retiree's major expenses such as the house mortgage and the children's living and educational expenses are already met. Money once spent on business clothing, lunches away from home, and transportation can be re-allocated after retirement. Daly (1978) agrees with these findings and further suggests that expenses for gifts and entertainment also decline in retirement.

However, some expenses will be higher. Lamb (1977) and Porter (1976) suggest that costs for medicine and medical attention will be an average two and a half times higher than they are for younger Americans. With more leisure time, retirees may also want to increase their spending on travel, dining out, entertainment, and hobbies. These, combined with rising inflation, prompted Lamb to suggest that the amount of retirement income required will be nearly 100% of the pre-retirement figure.

It appears that only those individuals in the upper income brackets are likely to achieve a retirement income level equal to or greater than 75% of their pre-retirement income. Foner and Schwab (1981) reported longitudinal data which determined that couples who retired in 1973-74 had a median replacement rate of 55%. Economist Thomas Borzilleri of the American Association of Retired Persons believes that about 70% of the retired population is barely "getting

by" and urges people to not be misled by the old notion that retirement is much cheaper than working life. ("Will Inflation Tarnish", February 26, 1979)

In spite of this, people are still retiring earlier and relying heavily on Social Security payments for the largest portion of their retirement income which were never intended to do anything but keep an individual above the poverty level. Daly (1978) and Taylor (1981) indicate that for most retirees, Social Security payments provide only 33 to 44% of their pre-retirement income. Furthermore, economist James Schulz believes the biggest problem is that workers rely too heavily on benefits they hope to receive from Social Security and private pensions. Even those who receive both forms of benefits generally receive about 50% of their pre-retirement income. ("Will Inflation Tarnish", February 26, 1979) Nevertheless, the majority of retirees continue to report general satisfaction with their standard of living. However, this satisfaction may come as a direct result of reducing expenditures to fit retirement income. Retirees generally expect to have less income in retirement and, therefore, find it easier to be satisfied with their standard of living.

It should be obvious, therefore, that individuals who expect to maintain their current standard of living in retirement must take the initiative to supplement their Social Security and private pension benefits with some form of savings or individual retirement program. Nevertheless, Newsweek reports that individual savings hover near historically low levels and retired people relying on Social Security as their only source of income live perilously close to the official

poverty level. ("Can You Afford", June 1, 1981) Evidence from an interview survey of male hourly wage earners conducted by Morrison (1976), indicated that employees have serious problems in attempting to plan for income adequacy in retirement. While they anticipate financial problems at retirement, employees are not saving substantially and do not hold realistic expectations about supplementing pension benefits through earnings and accumulated savings. However, those with higher socioeconomic status are likely to give more thought and develop more realistic plans for retirement years. Their income level affords them the flexibility to develop supplemental savings plans. (McPherson and Guppy, 1979)

Ognibewe (1979) reported a Louis Harris Poll which found that 84% of the retired people surveyed felt inflation was reducing their standard of living. Business Week suggests that an individual who retires today on a fixed income at age 65 can expect his purchasing power to be reduced by 50% before he dies. ("Inflation Forces Retirees", August 20, 1979) Consequently, a person who retired only five years ago on $10,000 needs about $14,600 today just to stay even and there is no assurance that the next five years will prove any better. Persistent inflation has a particularly dramatic effect over long periods because of the compounding process. Retirement expenses of $10,000 a year now will require $16,895 in ten years if the cost of living continues at an annual rate of 6%. While Social Security benefits and many government agency pensions are tied to the cost-of-living index and provide a means to keep pace with price increases,

few private pension plans make such cost-of-living adjustments. Therefore, inflation clearly can attack part or much of a retiree's income.

To further illustrate the impact inflation has on the retiree, it is interesting to compare retired couple's budgets which have been prepared over the years by the Bureau of Labor Statistics. The retired couple, in these budgets, is defined as a husband, age 65 or over, and his wife. They are assumed to be self-supporting and living in their own home in an urban area; they are in reasonably good health and are able to take care of themselves. The set of budgets illustrates three different levels of living for this couple and provides for different specified types and amounts of goods and services.

Table I illustrates a summary of annual budgets for a retired couple at three levels of living in the urban United States for Autumn 1972.

In 1981, the Bureau of Labor Statistics published its last retired couple's budget. A comparison of this budget with the one published in 1972 clearly illustrates the effect inflation has on retirees. On the average, the three types of budgets increased 104% over the nine years at an annual rate of 11.6%. For individuals with a fixed retirement income, their purchasing power clearly declined by slightly over 50 percent. Table II provides a summary of annual budgets for a retired couple at three levels of living in the urban United States for Autumn 1981.

TABLE I

RETIRED COUPLE'S BUDGETS UPDATED
TO AUTUMN 1972

Component	Lower Budget	Intermediate Budget	Higher Budget
Total budget	$3,442	$4,967	$7,689
Total family consumption	3,294	4,661	6,842
Food	989	1,328	1,671
Housing	1,209	1,745	2,730
Transportation	230	448	811
Clothing	172	289	445
Personal care	101	146	217
Medical care	432	434	437
Other family consumption	161	269	531
Other items	148	298	584
Personal income taxes		8	263

Source: "Retired Couple's Budgets Updated to Autumn 1972" by Frances S. Gedney, October 1973, Monthly Labor Review, 96, p. 45.

TABLE II

RETIRED COUPLE'S BUDGETS, FINAL REPORTS,
AUTUMN 1981

Component	Lower Budget	Intermediate Budget	Higher Budget
Total budget	$7,226	$10,226	$15,078
Total family consumption	6,914	9,611	13,960
Food	2,183	2,898	3,642
Housing	2,377	3,393	5,307
Transportation	553	1,073	1,960
Clothing	244	409	629
Personal care	198	290	424
Medical care	1,085	1,091	1,098
Other spending	275	457	901
Other items	311	615	1,118

Source: "Retired Couple's Budgets, Final Reports, Autumn 1981", November 1982, Monthly Labor Review, 105, p. 37.

The cost-of-living has been found to be different in various parts of the country. A survey of retirement costs by U.S. News and World Reports in 1978 for a moderate budget in several urban areas illustrates this. Estimated costs for several western cities were: San Diego, $7,435; Denver, $7,733; Los Angeles, $7,634; San Francisco, $8,309; and Seattle, $8,500. ("Cost Crunch", September 3, 1979) A similar study in 1980 for the same cities reveals the following impact of inflation: San Diego, $9,107; Denver, $9,238; Los Angeles, $9,383; San Francisco, $10,108; and Seattle, $10,311. ("Retiree's Costs", August 24, 1981) Clearly, retirees can reduce the impact of inflation on their retirement incomes by relocating in an area of the country which appears to be less expensive. However, Alpert (1973) states that 90% of the retirees remain where they are or move less than 50 miles from their pre-retirement home.

Next to inflation, perhaps the greatest single threat to the financial well-being of the retiree is his/her health status. According to Schwab (1974), health problems are the most often cited reason for leaving one's job between age 58 and 63. As a result, many individuals are forced to retire before they have completed their financial retirement plans and also forced to retire at a time when their increased medical costs may not be covered by health insurance. Consequently, the problems of declining health and associated medical costs threaten the financial status of the elderly. These related problems only increase with age and, therefore, suggest that the retiree will experience an increasing decline in his/her standard of living. To make matters even worse, Clark (1977) reported that less than 40% of

all personal health care expenditures for the aged were paid by Medicare. As reported earlier, both Lamb (1977) and Porter (1976) suggested that costs for medicine and medical attention will be an average of two and a half times higher than they are for younger Americans. Therefore, retirees must plan for medical insurance protection as well as establish an adequate financial cushion to supplement incomes as their health declines and medical expenses increase. It is not surprising that Chatfield (1977) found evidence which suggested that the impact of health problems on life satisfaction is greatly reduced by having a high retirement income and/or adequate insurance protection.

Many individuals of retirement age are faced with a much different health related issue. Because of recent improvements in medicine and the resulting higher level of health status, people now live longer and, as a result, need more in the way of pensions and savings for retirement. For example, approximately 59% of the women who reach age 65 will live to reach age 85 and 36% will live to age 90. Heim (1978) suggests that the current trend toward earlier retirement is jeopardized by the fear of inflation and this growing awareness of increased longevity.

In order to assure an adequate standard of living throughout the retirement period, people must consider the number of years they will likely be retired before death. Table III illustrates current predicted life expectancies for both males and females at various retirement ages.

TABLE III

PREDICTED LIFE EXPECTANCIES

Age	Average Remaining Years Male	Female
50	24.1	30.1
51	23.3	29.2
52	22.5	28.3
53	21.8	27.5
54	21.0	26.6
55	20.3	25.8
56	19.5	25.0
57	18.8	24.2
58	18.1	23.4
59	17.4	22.6
60	16.8	21.8
61	16.1	21.0
62	15.5	20.2
63	14.9	19.5
64	14.3	18.7
65	13.7	18.0
66	13.1	17.3
67	12.5	16.5
68	12.0	15.8
69	11.4	15.1
70	10.9	14.4

Source: "How Will You Beat Inflation When You Retire?", March 1978, Changing Times, 32, p. 8.

FINANCIAL PLANNING FOR RETIREMENT

It is one matter for retirees to recognize that inflation, poor health, longer life expectancy, and greater numbers of retirees pose a threat to financial security in retirement and another to take the necessary steps to reduce the threat to prevent continual deterioration in their income positions. Retirees must develop income sources that maintain real levels of purchasing power and do not diminish over the retirement years. Shulsky (1977) says that retirement requires money so managed during retirement years to provide the kind of life the retiree has looked forward to. Essential to both of these is adequate financial planning.

Most experts agree that people should begin planning for retirement by age 35. Retirement planning is the lengthiest financial plan in an individual's lifetime, yet, most people start when they are 55 or 60 years-of-age. Of the retirees surveyed by Patton (1979) from four universities and two corporations, only about one third actually made financial preparations. Butcher (1978) reported a Wall Street Journal check of 50 year old executives of which fewer than one third had any real idea of how they would finance their own retirement. Morever, Ossotsky, executive director of the National Council of Aging, states that the nearer retirement is, the less desirable it appears. As workers approach their retirement, they tend to put off planning. ("Retirement", July, 1976)

Any sound financial retirement plan is one that an individual cannot outlive whether they are male or female. It combines capital

gains and income to produce enough cash to counter inflationary increases no matter how long a person might live. In other words, the plan must yield a return on investment which is equal to or greater than the rate of inflation. However, as basic as this appears, there is a staggering amount of money not properly employed to gain income. For example, in August 1982, the Federal Reserve reported that Americans had 231 billion dollars in non-interest bearing checking accounts, 342 billion dollars in passbook accounts and 90 billion dollars in interest bearing checking accounts. ("Planning for Retirement?", January 24, 1983)

While establishing savings accounts with a good rate of interest is the typical method individuals use to prepare for retirement, most experts agree that buying your own home is one of the best investments people can make. Homes have appreciated in value over the years at a rate usually greater than inflation. This not only provides a hedge against inflation but also means that the retiree has probably accrued a considerable amount of money in the form of equity. By selling the home, buying a smaller one to replace it, and investing the difference, an individual can increase their available retirement income. Scharff (1979) believes that not only is residential real estate among the few things that have kept up with inflation, it also offers a way to build equity without being taxed on gains along the way.

Most homes are paid for by the time retirement age is reached (Barfield and Morgan, 1978; Draney, 1976; Pommerenke, 1972). This elimination of mortgage payments will serve to reduce the amount of disposable income required in retirement. Rosenburg (1972) urges

individuals to be mortgage free for retirement by attempting to amortize the home mortgage through the process of making as many additional payments as possible in the final years prior to planned retirement. This not only reduces the final amount of total interest paid but also reduces the actual cost of the home.

Other than a person's home, real estate is not necessarily a good investment unless it is income producing. Real estate can be difficult to convert into cash quickly and, therefore, people nearing retirement should not invest in land hoping that someday it will be worth a lot of money. This practice may be acceptable for a younger person who can afford to take the risks and recover from any potential losses before it is too late.

As the planned retirement age draws closer, an individual should stress safety and income with their investments. Wheeler (1973) says that retirement is not a time for taking risks. The key words for a retiree are ready cash and income. Retirees want their money to be in liquid form, convertible to cash at full value or better, and provide some income at a rate equal to inflation.

Investments designed to grow in value are riskier than more conservative, income-producing investments. Generally, fixed income investments offer the safe, high yield typically needed. These include: U.S. Treasury bills, notes, and bonds; money market mutual funds; preferred stocks such as "sinking fund" and "convertible preferreds"; U.S. Savings Bonds; I.R.A.'s; and tax sheltered annuities.

For another potential source of money for retirement, experts and retirees alike strongly suggest that people nearing retirement

age investigate their life insurance policies. Often retirees have more life insurance protection than they need. This is more likely to be true after their children have completed their education and have left home. Ferd Neuheim, an author and consultant in financial planning, believes that it is a mistake for retirees to continue paying premiums on insurance they no longer need. He suggests that retirees can use life insurance cash they have accrued as another source of income. If the individual has been paying on a whole-life policy, he can stop paying premiums and convert the cash value to a "paid up" policy. This policy will likely carry a lower face value, but the retiree will not have to pay another premium. Moreover, another alternative is to borrow money, often at a lower rate of interest, based upon the cash value of the policy and then re-invest the amount of the loan at a higher rate of interest. The income produced as a result can be used to supplement retirement income from other sources. ("Planning for Retirement?", January 24, 1983) There are other insurance options available to people nearing retirement age. Consultation with a competent insurance agent is recommended.

Potential retirees can also do several other things to decrease their financial liabilities in retirement and, therefore, increase their disposable income. People nearing planned retirement should pay off all outstanding accounts prior to retirement and stop using credit cards except occasionally for thirty day accounts. They should also pay off all automobile loans and sell automobiles that will not be needed in retirement. Furthermore, individuals should also replace outmoded or defective major appliances which may need to be replaced

soon after retirement. People should also predetermine their monthly income and learn to live on that amount for at least six months prior to retirement. The overall objective is to enter retirement debt free and/or in a position to not accrue additional debt. ("Planning for Retirement?", January 24, 1983)

The decision of whether or not to work part-time for supplemental income is another option to be explored by individuals approaching retirement. The need to work usually stems from one or both of two basic reasons. First, supplemental income may be needed to maintain a personally acceptable standard of living. Second, most people at retirement age are in reasonably good health. For some, such activities as playing golf, traveling, raising flowers, playing cards, and other typical leisure time activities will seem like a pastime and not a satisfying way to spend one's day. These people need to work for their own happiness and at the same time, they can often make a contribution to society. Their skills, experience, and abilities can be of great benefit. ("Retirement", July, 1976)

It needs to be pointed out that older workers have much more difficulty in getting other employment than younger ones. Whatever the reason for continuing work, this fact must be kept in mind and addressed as plans are being made for retirement. Individuals who must have or desire part-time work in retirement need to have firm prospects for employment prior to retirement. This may take the form of developing a small business or a hobby that pays. ("Retirement", July, 1976)

FUTURE TRENDS IN RETIREMENT

It appears that economics will continue to play an important role in the future of retirement in America. Robert J. Havighurst (1978) estimates that for the next ten years, 70% of pre-retirement salary income will support the elderly person who is in good health and 75% of the elderly will have incomes adequate enough to maintain the standard of living to which they have been accustomed. The employment rate of men and women aged 55 to 75 will likely remain stable and this age group will not appreciably grow in size during this period of time.

From the year 1995 to 2030, we are likely to see drastic changes in the retirement situation primarily due to high energy costs, inflation, and the large number of people who will have reached retirement age. Havighurst suggests that increases in energy costs and certain scarce resources will tend to reduce the retiree's standard of living. Therefore, people will probably respond by working more years or longer hours to compensate. It also appears likely that the elderly will be encouraged to remain in the labor force as long as they are reasonably productive. The notion of mandatory retirement will probably no longer exist. As a result, the average age of retirement may go up to about 70.

FINANCIAL ADEQUACY AND SATISFACTION

Research on the economics of the retired has been primarily that of objective economic status or conditions. Much has been written concerning the concept of income, spending, savings, standard of living and labor force participation of the retired (Gordon, 1969; Kreps,

1971; McConnell, 1960; Morgan, 1965; Schulz, 1976). Little attention, however, has been given concerning how the retired perceive and define their financial situation (Strumpel, 1976).

The literature reveals that a subjective evaluation of one's financial situation is a primary factor affecting satisfaction, an important component of total well-being. Researchers have validated that one's perception of financial adequacy is a superior indicator of life satisfaction, particularly for retirees, and have shown there is a significant relationship with total well-being. According to Strumpel, Curtin and Schwartz (1972), satisfaction has been assumed to be shaped by goals and values, perceptions of reality, expectations, self-efficiency and fate control. It appears that individuals who adequately plan financially for retirement receive at least 75% of their pre-retirement income, enjoy reasonably good health, own their own home, have relatively few debts and dependents, and are married will be likely to be very satisfied with their life in retirement. Spreitzer and Snyder (1974) identified financial satisfaction as a significantly stronger predictor of life satisfaction for older persons as compared to younger individuals.

Easterlin's (1972) summary of individual self-assessments of happiness revealed a positive association between income and happiness within societies. Compared to other persons in other countries, Americans ranked somewhat higher in happiness but much higher in income. Analysis of United States data by a time series showed that rising real incomes were not accompanied by greater happiness and that self-assessed happiness encompassed other facets of socioeconomic status

such as education and occupational status. However, material possessions played a prominent role in a person's concept of happiness. Moreover, economic concerns were most frequently mentioned by Americans as influencing happiness.

Streib and Schneider (1971) specifically focused on older persons, relating income and life satisfaction. Their longitudinal study reported an approximate drop in income of 50% from pre-retirement levels. With subjective income, the manner in which older persons evaluate their income, the indices showed a decline in feelings of income adequacy and then a leveling off after the first year of retirement. Even after a severe cut in income, about two-thirds of the respondents reported that their income was "enough." About one-fourth of the retirees said their standard of living in retirement was better than it had been during earlier periods of their lives.

Medley's (1976) investigation examined a hypothesized causative chain between financial situation, health satisfaction, satisfaction with standard of living, satisfaction with family life, and satisfaction with life as a whole. Principle findings revealed that the second most important single variable for females was satisfaction with standard of living while satisfaction with family life was first. Among males, satisfaction with family life ranked third in importance and satisfaction with standard of living ranked first. Medley's study also demonstrated the value of examining the interrelationships among variables rather than simply identifying significant correlations and suggested that satisfaction with standard of living may be of greater importance to an individual's outlook on life than his or her actual

financial condition. This finding supported the notion that subjective evaluation is an important determinant in the construction of an individual's view of reality.

Numerous studies have observed consistently significant correlations between life satisfaction and socioeconomic status (Gurin, Veroff, and Feld, 1960; Hansen and Yoshioka, 1962; Kutner et al., 1956; Marshall and Eteng, 1970). Research indicated that the higher the family income the greater the satisfaction with standard of living. Edwards and Klemmack's (1973) study revealed that each of the indicators of socioeconomic status, including education, total family income and occupational prestige, showed a direct relationship to life satisfaction with family income having the highest correlation with it. A primary determinant of life satisfaction was socioeconomic status and socioeconomic variables as a category were identified as efficient predictors of variation in life satisfaction.

Strumpel, Curtin and Schwartz (1972) studied 600 employed heads of households in the Baltimore and Detroit areas and focused on collecting information regarding standard of living, and recent and future financial changes. Satisfaction was defined as the distance between reality and goal. Results of this study may partially explain satisfaction with retirement income, as affected by one's pre-retirement income structure. Blue-collar workers receive peak income early in life and possibly experience income losses as early as their forties or fifties. However, white-collar workers, particularly professionals and managers, begin careers at relatively low salaries and reach peak earnings often just prior to retirement. Satisfaction with standard of

living has largely been a response to change rather than to the level of income and standard of living.

In 1967, Barfield and Morgan (1978) studied retired auto workers and found that higher levels of satisfaction with retirement were associated with being younger than age 65, having retired as planned, not having experienced health problems before retirement, comparing the current living standard favorably with that before retirement, enjoying relatively high family income, and having at least a high school education. Moreover, on a purely financial basis, higher satisfaction with life after retirement was associated with the mortgage being paid off before age 63, having annual asset income of $500 or more, receiving pension income of $5,000 or more, having fewer than three dependents, being married, receiving at least 60% of pre-retirement income, experiencing no unexpected savings decreases since retirement, and enjoying a standard of living as good or better than before retirement. Dissatisfaction was highly correlated with health problems.

A 1976 survey conducted by Barfield and Morgan revealed that the findings were reasonably consistent with the findings of nine years earlier. In addition, married males seemed more satisfied with the retirement experience than unmarried males or females and movers since retirement were less satisfied than those who remained in the same home. Furthermore, health problems and low income were found to be the largest contributors to low satisfaction.

Plonk and Pulley (1977) conducted interviews with 50 retired couples. The data revealed that most of them were having no financial problems and were living near enough to their pre-retirement level of

living to satisfy them. The mean income of couples was above the national average for retirees and their main expenditures were more than the higher level of living budgets published by the Bureau of Labor Statistics. Most of them had made financial plans for retirement, kept records of expenditures, and limited their use of credit. As the age of the couples increased, their income, expenditures, and net worth decreased. In response to four subjective questions concerning the adequacy of their retirement income, 90% of the couples felt they had adequate income to visit their children as often as they wished, provide for extended illness, and to live close to their pre-retirement level. Nearly 100% felt they had sufficient income for current needs. Couples with income under $10,000 had a tendency to reduce savings and those with income over $10,000 tended to spend less than their income.

Chatfield (1977) examined the relative importance of income, health status, and such sociological factors as worker roles and family setting in explaining life satisfaction of the aged for a sample of retired individuals in the Columbus, Ohio area. Results of the survey indicated that lower life satisfaction of the recently retired resulted primarily from loss of income and not from the loss of a worker/producer role. The greater life satisfaction of those living in a family setting seems to result from the higher income available to the household as a direct result of this living arrangement. The sample data also supported the proposition that higher income reduces the impact of health problems on life satisfaction. While low income does not necessarily mean low life satisfaction, a high income is associated

with greater life satisfaction. Of the environmental factors considered, living with a spouse brought greater satisfaction than living alone apparently due to higher income and not the family setting. The results further suggested that policy makers should concentrate upon economic factors when designing policy to improve the welfare of the aged.

Draney (1976) studied the economic considerations for retirement for the population of retired professors of the University of Utah. The results of the study revealed that no one retirement plan alone was able to fulfill all of the economic needs of a retired individual, particularly when inflation effects the buying power of income received. Of those who reported satisfaction with their financial situation, most had planned financially for retirement, owned their own home, established a diversified investment pool to provide additional assets, experienced good health, were married, had no dependents still at home, and had worked part time since retirement.

Pommerenke (1972) investigated the economic status of Ohio's retired teachers and administrators. He found that these individuals did not perceive their retirement allowances (Social Security and pension) as being adequate to support themselves in a lifestyle to which they were accustomed while actively employed. However, the majority did feel their total income (retirement allowances plus assets) was sufficient to support a comfortable lifestyle. A number of factors appeared to influence this perception of total income adequacy:

1. Of the retirees studied, 75% owned their own homes.
2. The median years of service credit was 30 years.

3. Fewer than 4% had outstanding debts or loans.
4. Only 7.48% had a home mortgage.
5. Nearly 83% reported having financial assets which allowed them to fare better than the aged population at large and to meet major illness expenses and other exigencies.

In addition, the study found that retirees had to use accumulated assets to meet current living expenses and only 8% lived entirely on their retirement allowances.

Cramer (1980) studied the relationsihp of economic welfare with the perceived financial adequacy and satisfaction of retired families in Omaha, Nebraska. Economic welfare was defined as a measure of potential consumption for a specified time derived by adding current annual income to an annual lifetime annuity value calculated from current net worth, life expectancy, and rate of return. Moreover, perceived financial adequacy and satisfaction was defined as a subjective measure of whether financial resources met the basic human needs of the retired. The results of the study demonstrated that perceived financial adequacy and satisfaction was a stronger predictor of life satisfaction than more objective measures. Of the predictors for economic welfare used in the study, the level of debt, net worth of an automobile, the extent of retirement, health, and sex were found to be significant predictors of perceived financial adequacy and satisfaction. Marital status and net worth of home proved to be insignificant as predictors. Consequently, perceptions of financial adequacy and satisfaction were directly related to economic welfare.

Finally, the literature reveals some conflicitng viewpoints and difficulties in interpretation of the relationship between certain socioeconomic variables, life satisfaction and well-being. For example, Sack (1976) concluded that socioeconomic variables did not significantly relate to life satisfaction and that predictive components of life satisfaction varied according to population characteristics. These findings were based upon a stratified random sample from senior citizens centers and revealed a significant and independent relationship between life satisfaction and self-assessed past health, thus suggesting past health as instrumental in determining one's life style and morale. Dissatisfaction with one's past life may lead to dissatisfaction with changes brought about by old age. Other studies have reported no significant relationship between life satisfaction and self-rated current health.

Satisfaction changes over time since, if progress has not been made by individuals, they probably are not satisfied today with what had been desired previously. On the other hand, failure to reach earlier goals might result in considering those goals unrealistic leading to the reduction of them. Goals are bound by reality but the degree of satisfaction does not yield any quantitative information about the goal. For example, if dissatisfaction with a $10,000 income is expressed, what additional income would yield satisfaction? Distance and importance may be two factors affecting the extent of expressed dissatisfaction.

Although differing viewpoints exist concerning the use of satisfaction as an indicator of well-being and the relationship of specific

economic factors to satisfaction and adequacy, there is ample evidence to indicate perceived financial adequacy is a stronger predictor of life satisfaction than objective indicators or socioeconomic status. Spreitzer and Snyder (1974) indicated that financial satisfaction was a significantly stronger predictor of life satisfaction for older persons compared to its predictive power among younger persons. Income adequacy, one of several perceptual phenomena, was shown to be related to individual well-being of which life satisfaction was revealed as one component (Hansen and Yoshioka,1962; Phillips, 1961; and Tobin and Neugarten, 1962). The relationship of financial adequacy and satisfaction has had limited study. It appears that the relationship of these two factors is paramount in determining economic satisfaction and consequently life satisfaction.

PREVIOUS STUDY OF RETIRED OREGON PUBLIC SCHOOL ADMINISTRATORS

In March 1983, the Confederation of Oregon School Administrator's Standing Committee on Retirement with the cooperation of the Program in Educational Adminstration at Lewis and Clark College of Portland, Oregon, conducted a limited study of retired Oregon public school administrators. Seventy-four retirees responded to a questionnaire which asked questions regarding pre-retirement planning and activities since retirement.

Of particular interest were the responses to the question dealing with pre-retirement financial planning. With respect to the question concerned with financial preparation, 54 individuals responded that they had planned well for retirement; 19 individuals indicated

that they had somewhat planned for retirement; and one individual responded that he had not planned at all.

Those individuals who planned well financially listed the following items as being helpful:

1. Make a variety of good investments.
2. Develop a tax sheltered annuity.
3. Pay off home, car, etc.
4. Develop good savings.
5. Convert life insurance to paid-up policies.
6. Start planning early.

Those individuals who somewhat planned financially for retirement suggested the following as items they should have done:

1. Obtain all possible health insurance.
2. Begin planning much earlier.
3. Build up savings and invest at higher interest rates.
4. Start tax sheltered annuities and investments earlier.
5. Seek out and study new options of increasing financial resources.

The one individual who did not plan at all financially did not respond to the question which asked him to describe what he wished he had done differently.

SUMMARY

Despite relatively recent changes in the mandatory retirement law and the fact that retirement itself is a revolutionary new concept for the average person, a growing number of people are retiring from the

work force at what is considered to be an early age. The average retirement age for Americans is 62, and this has been influenced by the availability of Social Security and private pensions whose provisions make it financially feasible to retire in relative comfort. However, the growing number of retirees drawing from these two sources suggests a major funding crisis is imminent which will force individuals to rely more heavily on additional sources of income in order to provide for their basic human needs. To accomplish this and also accommodate an increasing life span, Americans will need to begin financial planning for retirement far in advance of their target retirement date. Most experts agree that financial preparations for retirement should begin as early as age 35.

In response to the need to make financial preparations, retirement experts and retirees suggest that financial satisfaction in retirement is incumbent upon the following factors:

1. Nearly 75% of pre-retirement income is required to maintain the same standard of living achieved prior to retirement.
2. Social Security and private pension benefits typically provide only 50% of pre-retirement income. Retirees must be prepared to supplement these benefits in order to maintain a comparable standard of living.
3. Retirees must possess adequate financial resources to overcome major health problems. Medicare currently pays less than 40% of all personal health care expenditures. Supplemental health insurance is a basic necessity.

4. Retirees must have sufficient financial resources to compensate for increasing life expectancy. A male retiring at age 62 can expect to live for an additional 15.5 years. Females, at the same age, can expect to live for an additional 20.2 years.
5. Financial planning is critical if adequate financial resources are to be available at retirement.
6. Buying a home is considered to be one of the best investments. Every attempt should be made to have the home mortgage paid before retirement.
7. Other than a person's home, real estate is not necessarily a good investment unless it is income-producing.
8. Individuals approaching retirement should stress safety and income with their investments. The key words for a retiree are ready cash and income.
9. Retirees should investigate their life insurance policies. Often retirees have more life insurance protection than they need.
10. Persons nearing planned retirement should pay off all outstanding debts prior to retirement and stop using credit cards.
11. People should plan to make and pay for all major purchases prior to retirement. These purchases would include outmoded or defective major appliances and automobiles.
12. Persons who plan to work part time during retirement need to have firm prospects for employment prior to retirement.

Research on the economics of retirement has been focused primarily on objective economic status or conditions. However, little research attention has been given concerning how the retired perceive and define their financial situation.

Available literature suggests that a subjective evaluation of one's financial situation is a primary factor affecting satisfaction, an important component of total well-being. It has been validated that the perception of financial adequacy is a superior indicator of life satisfaction, particularly for retirees, and there is a significant relationship with total well-being.

The literature does reveal some conflicting viewpoints and difficulties with the interpretation of the relationship between economic variables, life satisfaction, and well-being. Sack (1976) contends that the predictive components of life satisfaction vary according to population characteristics and, therefore, do not relate significantly to socioeconomic variables.

Finally, a previous study of retired Oregon public school administrators reveals findings which are relatively consistent with those found in the literature. The majority of those who responded to the survey indicated that they had planned well for retirement by developing additional sources of income to supplement their pensions, entered retirement debt free, and planned early for their retirement.

CHAPTER III

METHODOLOGY

A major purpose of this study was to obtain data which would accurately describe the subjects and determine if there were any significant relationships between the descriptive data and/or the subjects' perceptions of their own financial/life satisfaction. This chapter describes the procedures used in identifying the subjects and obtaining the data. The chapter includes sections on: description of the subjects, research design and procedures, and description of the measure employed.

DESCRIPTION OF THE SUBJECTS

The subjects selected for this study were the 295 retired Oregon public school administrators known to the Confederation of Oregon School Administrators (COSA) who had retired prior to September 1984 and had valid mailing addresses. The September 1984 date was selected because at least six months of retirement experience was necessary to adequately respond to portions of the survey instrument. In addition, all of these individuals qualify to receive retirement benefits from the Oregon Public Employees Retirement System (PERS) and, depending upon age, may also qualify to receive Social Security retirement benefits.

Since no additional descriptive data were available and a major objective of the study was to accurately describe the subjects, it was determined not to use random sampling techniques. As a result, all 295 subjects were requested to complete and return the survey instrument.

The researcher also explored two other alternative sources which might have provided additional subjects for the study. The Oregon Public Employees Retirement System was requested to provide the names and addresses of retired public school administrators. This request was denied due to an Oregon statute which forbids the release of such information. In addition, consideration was given to requesting the names and addresses of administrators who had retired prior to September 1984 from Oregon public school districts. This alternative was not selected because the number of additional names which might be obtained would not be sufficient to justify the expense and time involved. Therefore, it was determined that the list of 295 subjects known to the Confederaton of Oregon School Administrators would provide a suitable sample for the purpose of the study.

RESEARCH DESIGN AND PROCEDURES

A cross-sectional survey design was selected for use in this study. In a design of this type, standardized information is collected from a sample drawn from a predetermined population. In this case, 295 retired Oregon school administrators were asked to respond to the same survey instrument. A basic feature of the cross-sectional survey is

that the information is collected at one point in time. All subjects of this study were asked to respond to the survey between the dates of April 1, 1985 and April 12, 1985.

This particular research design was selected because it also allows for a description of how the total sample has distributed itself on the response alternatives for a single questionnaire item. This is particularly important since a major objective of the study was to describe the subjects more accurately. Moreover, cross-sectional surveys can be used to explore relationships between two or more variables and test cause and effect implications if the survey data is time orderable. Another objective of this study was to determine if there were any significant relationships between the descriptive data and/or the subjects' perceptions of their own financial/life satisfaction. It is important to note, however, that surveys of this type can only identify possible cause-and-effect relationships. Only an experimental design with appropriate controls can determine with any certainty that the relationship between two variables is causal.

Initial steps in the development of the study involved the selection of the subjects. Having determined that the Oregon Public Employees Retirement System would not be able to provide the required names and addresses, the Confederation of Oregon School Administrators was contacted for possible assistance. As a result, it was learned that COSA did have access to the names and addresses necessary to develop a representative sample of subjects for the study.

The researcher met with the COSA Standing Committee on Retirement in November 1984. At this meeting, the Standing Committee was told the purpose of the study and was asked for its endorsement and permission to use the names and addresses on file with COSA. The endorsement and subsequent permission were granted provided that the COSA Board of Directors also agreed to the request. A letter requesting this approval was sent to the Board of Directors and the requested information was provided upon their approval. The chairman of the Standing Committee agreed to co-sign the transmittal letter which would accompany the survey instrument at the time of distribution.

The distribution date for the survey instrument was determined as a direct result of discussions held with the COSA Standing Committee on Retirement. It was suggested that many retirees choose to travel or spend the winter months in areas with a warmer climate, and, therefore, would not be available to respond to an instrument which was distributed during this period of time. Furthermore, many retirees return to their permanent places of residence in time to prepare their personal income taxes which are due each year on April 15. It was suggested that since much of the data requested in the survey instrument is financial in nature, a good time for requesting such information was when the subjects typically are working with it. Therefore, in order to insure an adequate return from the subjects and also obtain accurate financial data, the instrument was distributed on April 1, 1985 with a requested return date of April 12, 1985.

The survey instrument was distributed to all 295 subjects, who were provided with an addressed, stamped envelope for returning the

responses. Due to the somewhat sensitive and personal nature of some questions, the subjects were guaranteed confidentiality and no attempts were made to identify the responses of the individual subjects. Furthermore, prior to distribution, it was determined that an initial return of 50% or more would be adequate for the purposes of the study. A follow-up letter would be sent only if the initial return fell below the 50% level. Because of the controls for maintaining confidentiality, a follow-up letter would require a mailing to all 295 subjects.

DESCRIPTION OF MEASURE EMPLOYED

The measure used in this study was a survey instrument developed specifically for use with the subjects previously identified (see Appendix A). The survey questions were designed to provide data regarding three major areas: biographical information, financial information, and perceptions of financial/life satisfaction.

In order to provide a more accurate description of the subjects than existed prior to the study, 13 questions were asked which would provide basic biographical information. The topics of these questions included: age at retirement; length of retirement; position held immediately prior to retirement; years of service in Oregon public schools; sex; present age; marital status; change in legal residence since retirement; rating of overall health; rating of spouse's health, if married; and availability of an early retirement incentive program at the time of retirement. In addition to providing basic descriptive information, the questions were designed to provide data which would be

useful in studying relationships between this information and other variables contained in the study.

Sixteen questions were asked to assess the relative financial status of the subjects and were developed as a direct result of the literature review of socioeconomic factors important to financial security in retirement. The topics of these questions included: number of people dependent upon the retiree for support; housing situation; size of home mortgage; monthly cost for housing; employment status of spouse, if married; spouse's contribution to family income, if married; percentage of pre-retirement income currently receiving; sources of retirement income; ability to maintain standard of living; ability to keep pace with inflation; time spent preparing financially for retirement; monthly cost for health care; level of debt at retirement; and sources of debt. These questions were also designed to provide data which would be useful in studying relationships with other variables contained in the study.

Three questions were asked to identify the perceptions of the subjects regarding the degree of financial/life satisfaction. Specifically, the subjects were asked to rate the degree to which their basic needs were met; rate their level of satisfaction with their financial situation; and rate their degree of satisfaction with retirement life when considering financial, health, social, and psychological adjustment factors. These three questions were intended to form the framework for the study of relationsips with the other variables in an attempt to determine if these other variables have any influence on the perception ratings of the respondents.

A three step process was utilized to determine the validity of the survey instrument. The initial draft was administered to the members of the COSA Standing Committee on Retirement who were asked to respond to the questions and suggest any changes and/or additions which would improve the validity of the instrument. Following the incorporation of the suggestions received into the instrument, it was submitted for review to a panel of experts consisting of three Portland State University faculty members familiar with validation procedures. Only minor changes were suggested by this panel and they concluded that the survey instrument was valid for the purpose intended. The survey instrument was then field tested with five retired public school administrators who found the instrument to be comprehensive and relatively easy to complete. No changes were made as a result of the field test, and the instrument was considered to be valid for distribution to the total sample of subjects.

SUMMARY

A cross-sectional survey design was selected for use in this study because it allows for a description of how the total sample had distributed itself on the response alternatives for a single questionnaire item. It can also be used to explore relationships between two or more variables and test cause and effect implications if the survey data is time orderable. The design is consistent with two major objectives of the study which were to describe more accurately the subjects and to determine if there were any significant relationships between

the descriptive data and/or the subjects' perceptions of their level of financial/life satisfaction.

The subjects selected for the study were the 295 retired Oregon public school administrators known to the Confederation of Oregon School Administrators who had retired prior to September 1984. A survey instrument was distributed to all 295 subjects on April 1, 1985 with a requested return date of April 12, 1985. It was determined prior to distribution that a 50% return would be sufficient to complete the study.

The survey instrument itself was developed specifically for providing descriptive data and perceptions of financial/life satisfaction for this sample of individuals. Thirty-two questions were asked in an attempt to gather data regarding three major areas: biographical information, financial information, and perceptions of financial/life satisfaction. A three step process was used to validate the survey instrument and involved two field tests and a review by a panel of experts familiar with validation procedures.

CHAPTER IV

RESEARCH FINDINGS

This chapter will report the results of the study conducted with the retired Oregon public school administrators. The data reported in this chapter were obtained from the 198 retired administrators who completed and returned the survey instrument. These 198 individuals represent 67% of the total number of retirees (295) who were asked to respond to the survey.

The reporting of the study results has been divided into four main categories which are consistent with the research questions and the hypotheses identified in Chapter I. These categories are:

1. Demographic/financial characteristics of retired Oregon public school administrators.
2. Practices respondents would have done differently in preparing financially for retirement.
3. Strategies which worked well for respondents in preparing financially for retirement.
4. Results of the hypothesis testing.

The statistical measures employed will be identified as each category is discussed.

DEMOGRAPHIC/FINANCIAL CHARACTERISTICS OF RETIRED OREGON PUBLIC SCHOOL ADMINISTRATORS

All of the survey questions were designed to provide the data necessary to develop a profile of the sample population. For ease of reporting and understanding, the results are coordinated with the questions asked. Where appropriate, descriptive statistical analysis was used to reduce the raw data in an attempt to simplify the task of data interpretation. Appendix B contains more detailed frequency information in table form.

Age at Retirement

The age at retirement for the 198 respondents ranged from 55 years-of-age to 70 years-of-age. A descriptive statistical analysis of this data revealed (see Table VIII in Appendix B for more detailed frequency information):

Mean age at retirement: 61.071 years

Median age at retirement: 61.206 years

Standard deviation: 3.142

Length of Retirement

The length of retirement for the 198 respondents ranged from 1 year to 24 years. A descriptive statistical analysis of the data revealed (refer to Table IX in Appendix B for more detailed frequency information):

Mean length of retirement: 5.131 years

Median length of retirement: 4.038 years

Standard deviation: 3.812

Present Age

The present age of the 198 respondents ranged from 56 years-of-age to 89 years-of-age. A descriptive statistical analysis of the data revealed (refer to Table X in Appendix B for more detailed frequency information):

Mean present age of respondents: 66.212 years

Median present age of respondents: 64.850 years

Standard deviation: 6.048

Sex

Of the 198 respondents, 28 or 14.1% were female and 170 or 85.9% were male.

Last Administrative Position Held

The information relating to this survey question is reported as follows:

Position	n	Percentage of Total Response
Superintendent	36	18.2
Assistant Superintendent	13	6.6
Area Director	7	3.5
High School Principal	7	3.5
Junior High Principal	14	7.1
Elementary Principal	63	31.8
Vice Principal	17	8.6
Central Office Personnel*	38	19.2
University Professor	1	.5
Dean of Education School	1	.5
Associate Superintendent of Public Instruction	1	.5
Total	198	100.0

*For the purpose of reporting the data, all positions which are typically found in a central administration facility and primarily fulfill a staff function were grouped into this category.

Number of Years in Last Administrative Position

The length of time spent in the last administrative position held prior to retirement ranged from 1 year to 40 years. A descriptive statistical analysis of the data revealed (refer to Table XI in Appendix B for more detailed frequency information):

Mean number of years: 15.584

Median number of years: 14.750

Standard deviation: 8.428

N = 198

Years of Service in Oregon Public Schools

The number of years of service for the 198 respondents in Oregon public schools ranged from 6 years to 52 years. A descriptive statistical analysis revealed (refer to Table XII in Appendix B for more detailed frequency information):

Mean years of service: 30.893

Median years of service: 31.548

Standard deviation: 7.206

Marital Status

The marital status of the respondents in relationship to sex was as follows:

Category	n	Percentage of Total Response by Sex
Single		
male	1	0.6
female	6	21.4
Married		
male	165	97.1
female	12	42.9
Widowed		
male	2	1.2
female	7	25.0
Divorced		
male	2	1.2
female	3	10.7

Number of Dependents

For the purpose of this study, a dependent was defined as one whose basic needs (see page 8) could not be met without the benefit of the retiree's income. For the respondents to the survey, the number of dependents ranged from 0 to 4. A descriptive statistical analysis revealed (refer to Table XIII in Appendix B for more detailed frequency information):

Mean number of dependents: 0.995

Median number of dependents: 0.978

Standard deviation: 0.627

N = 198

Housing Situation

Of the 198 respondents, 105 or 53.3% own their own home. Eighty-seven or 43.9% of the respondents are currently buying a home and five or 2.5% are currently renting their place of residence. One person did not respond to the question.

Mortgage costs

The respondents who reported that they were currently purchasing a home were asked to indicate the size of their mortgage in relationship to the market value of the home being purchased. The results are as follows (refer to Table XIV in Appendix B for more detailed frequency information):

Mean mortgage size: 28.198% of market value

Median mortgage size: 20.5% of market value

Standard deviation: 20.743

N = 87

Housing Costs

Those surveyed were asked to indicate the percentage of their family's monthly income which was currently being spent for housing including mortgage/rent payments, insurance, taxes, and maintenance. A descriptive statistical analysis of the 198 responses reveals (refer to Table XV in Appendix B for more detailed information):

Mean housing costs: 16.118% of monthly income

Median housing costs: 14.7% of monthly income

Standard deviation: 9.246

Change in Legal Residence

Those surveyed were asked if they had changed their legal place of residence since retirement. Of those responding, 30 or 15.2% had changed their legal residence and 168 or 84.8% had not.

Those who had moved offered several reasons for the change in residence. The most frequent response (9) indicated that the

individual simply had a personal desire to move. The next most frequent response (6) identified a move to a smaller house as the reason for a change in residence. Other responses, which were essentially equal in frequency included a desire for a change in climate, a desire to return to Oregon, a need to be closer to essential services, a desire to retire at the beach, and a need to change the place of residence as a result of a new marriage.

Employment Status of Spouse

One hundred seventy-seven (177) or 89.4% of the respondents indicated that they were currently married. They were asked to indicate the current employment status of their spouse. The following results were obtained:

Category	n
Spouse working full-time	18
Spouse working part-time	11
Spouse retired	124
Other	24
Total	177

Spouse's Contribution to Family Income

The respondents who indicated that they were married were also asked to provide the percentage of the family's monthly income contributed by the spouse. A descriptive statistical analysis of the

responses revealed (refer to Table XVI in Appendix B for more detailed frequency information):

Mean contribution: 19.167% of monthly income

Median contribution: 15.250% of monthly income

Standard deviation: 18.22

N = 177

A comparison of the 12 married females and the 165 married males revealed that the spouse's contribution for all of the married females exceeded 30% while only 22.9% of the married males reported spouse contributions in excess of 30% of the family's monthly income.

Level of Pre-retirement Income

For the purpose of this study, pre-retirement income was defined as an amount of monthly/annual income received for full-time employment and from other financial resources for the year immediately preceding retirement. Retirement income was defined as an amount of monthly/annual income received from various financial sources other than those derived directly from full-time employment.

Those surveyed were asked to indicate the percentage of pre-retirement income they were currently receiving by responding to one of five choices. The results for the 198 respondents were as follows:

Category	n	Percentage of Total Response
Less than 50%	28	14.1
51-60%	19	9.6
61-70%	25	12.6
71-80%	43	21.7
More than 80%	81	40.9
Missing	2	1.0
Total	198	100.0

Sources of Retirement Income

Those surveyed were asked to estimate the percentage of their retirement income which was derived from each of nine possible income sources. This particular question proved difficult for the respondents to complete since it required them to do some research into their sources of income in order to respond. Nevertheless, the results do identify the major income sources and should be reported.

Social Security. A total of 138 or 69.7% of the survey respondents reported retirement income from Social Security. The mean contribution was 30.01% of the total retirement income. The range of contribution was from 2% to 70%.

PERS/TRFA. A total of 181 or 91.4% of the survey respondents reported retirement income from the Oregon Public Employees Retirement System (PERS) or the Portland Teachers Retirement Fund Annuity (TRFA). The mean contribution from these sources toward total retirement income is 48.73%. The range of contribution was from 8% to 98%.

Part-time Employment. A total of 46 or 23.2% of the survey respondents reported income from part-time employment. The mean contribution from this source toward total retirement income is 14.91%. The range of contribution was from 1% to 50%.

Stocks and Bonds. A total of 50 or 25.2% of the survey respondents reported retirement income from stocks and bonds. The mean contribution from this source toward total retirement income is 12.12%. The range of contribution was from 1% to 72%.

Real Estate Investments. A total of 40 or 20.2% of the survey respondents reported retirement income from real estate investments. The mean contribution from this source toward total retirement income is 15.075%. The range of contribution was from 1% to 50%.

Interest Earned. A total of 123 or 62.1% of the survey respondents reported retirement income from interest earned on investments. The mean contribution from this source toward total retirement income is 14.69%. The range of contributon was from 1% to 66%.

Savings. A total of 29 or 14.6% of the survey respondents reported that a portion of their retirement income was derived from savings withdrawals. The mean contribution from this source toward total retirement income is 8.66%. The range of contribution was from 1% to 50%.

Annuities. A total of 43 or 21.1% of the survey respondents reported income from tax-sheltered annuities. The mean contribution from this source toward total retirement income is 10.84%. The range of contribution was from 1% to 24%.

Other Income. A total of 54 or 27.2% of the survey respondents reported retirement income from sources other than those already listed. The respondents were not asked to identify these other sources. Another attempt to survey this population on a similar question should request that the other income sources be identified. Nevertheless, the mean contribution from this source toward total retirement income is 14.07%. The range of contribution was from 1% to 54%.

Reduction in Standard of Living

Those surveyed were asked to indicate if retirement had forced them to make reductions in their standard of living by selecting one of four possible responses. The results are as follows:

Possible Responses	n	Percentage of Total Response
Very much so	1	0.5
Moderately so	49	24.7
Hardly at all	42	21.2
Not at all	105	53.0
Missing	1	0.5
Total	198	100.0

Ability to Keep Pace with Inflation

The respondents were asked to indicate if their retirement income had allowed them to keep pace with inflation by selecting one of five responses. The results are as follows:

Possible Responses	n	Percentage of Total Response
Very much so	39	19.7
Moderately so	98	49.5
Hardly at all	28	9 1
Not at all	12	6.1
Not retired long enough to know	30	15.2
Missing	1	0.5
Total	198	100.0

Start of Financial Planning

With the exception of Social Security and PERS/TRFA retirement benefits, those surveyed were asked to indicate when they had started developing additional financial resources for retirement. The results are as follows:

Possible Responses	n	Percentage of Total Response
Less than 5 years before retirement	24	12.1
5-9 years before retirement	42	21.2
10-14 years before retirement	49	24.7
15-19 years before retirement	32	16.2
20 or more years before retirement	47	23.7
Missing	4	2.0
Total	198	100.0

Health Rating

The respondents were asked to rate their overall health as compared to others their age by selecting one of four responses. The results are as follows:

Possible Responses	n	Percentage of Total Response
Excellent	86	43.4
Good	93	47.0
Fair	15	7.6
Poor	3	1.5
Missing	1	0.5
Total	198	100.0

Health as a Factor in Retirement Decision

Those surveyed were asked to indicate if their overall health was a major factor in making a decision to retire. A total of 66 or 33.3% of the respondents indicated that their overall health was a major factor in making a decision to retire. Of those who responded affirmatively to this question, 42 added that, even though their overall health was excellent, they decided to retire at a time when their health would allow them to enjoy retirement.

A total of 130 or 65.6% of the respondents indicated that their overall health was not a major factor in making a decision to retire.

Health Rating of Spouse

Those surveyed were asked to rate the overall health of their spouse as compared to others the same age by selecting one of four possible responses. The responses of the 177 married respondents are as follows:

Possible Responses	n	Percentage of Total Response
Excellent	58	32.8
Good	92	52.0
Fair	22	12.4
Poor	5	2.8
Total	177	100.0

Health Care Costs

Those surveyed were asked to indicate the percentage of the family's monthly income currently spent for health care, including insurance, medicine, and professional medical treatment. A descriptive statistical analysis of the data revealed (refer to Table XVII in Appendix B for more detailed frequency information):

Mean monthly health cost: 6.920% of monthly income

Median monthly health cost: 5.233% of monthly income

Standard deviation: 5.633

N = 198

Debt at Retirement

With the exception of a home mortgage and charge accounts which are paid-in-full monthly, those surveyed were asked to indicate if they had entered retirement debt free. A total of 161 or 81.3% of the respondents entered retirement free of debt. Only 37 or 18.2% did not.

Types of Debt

Those respondents (37) who indicated that they had not entered retirement debt free were asked to indicate those types of items upon which they owed money. The results are as follows:

Type of Debt	n	Percentage of Total Response
Automobiles	18	48.6
Recreational vehicles	2	5.4
Personal loans	1	2.7
Automobiles and personal loans	6	16.2
Credit card debt not paid-in-full monthly	10	27.2
Total	37	100.0

Satisfaction of Financial Needs

With respect to their financial situation, those surveyed were asked to rate the degree to which their financial needs are met by selecting one of four possible responses. The results are as follows:

Possible Responses	n	Percentage of Total Response
Excellent	67	33.8
Good	119	60.1
Fair	12	6.1
Poor	0	0.0
Total	198	100.0

Satisfaction with Financial Situation

Those surveyed were asked to rate their degree of satisfaction with their financial situation by responding to one of four possible statements. The results are as follows:

Possible Responses	n	Percentage of Total Response
Very well satisfied	69	34.8
Pretty well satisfied	97	49.0
More or less satisfied	31	15.7
Not at all satisfied	1	0.5
Total	198	100.0

Satisfaction with Retirement Life

When considering financial, health, social, and psychological adjustment factors, those surveyed were asked to rate their degree of satisfaction with retirement life by selecting one of four possible responses. The results are as follows:

Possible Responses	n	Percentage of Total Response
Excellent	93	47.0
Good	92	46.5
Fair	9	4.5
Poor	3	1.5
Missing	1	0.5
Total	198	100.0

Early Retirement Incentive Program

Those surveyed were asked if their district offered an early retirement incentive program at the time of their retirement. A total of 85 or 42.9% of the respondents reported that their district offered such a program. A total of 113 or 57.1% of the respondents reported that an early retirement incentive program was not available to them.

Early Retirement Incentive Program and Decision to Retire

Those respondents (85) who indicated that their district offered an early retirement incentive program were asked if this was a major factor in their decision to retire. A total of 39 or 45.9% of these

respondents reported that an early retirement incentive program was a factor in their decision to retire. A total of 46 or 54.1% reported that the availability of such a program was not a factor in their decision to retire.

ITEMS RESPONDENTS WOULD HAVE DONE DIFFERENTLY IN PREPARING FINANCIALLY FOR RETIREMENT

Those surveyed were asked to list those items which they would have done differently in preparing financially for retirement. A total of 115 or 58.1% of those responding to the survey provided this information. Those responses are as follows:

Response	n
Started planning earlier	30
Placed more money in savings, I.R.A.'s, and tax sheltered annuities	30
Started a tax sheltered annuity program earlier	25
Invested in real estate	7
Obtained a higher paying job	4
Invested for more growth	4
Been more careful with investments	4
Worked longer	3
Not withdrawn all PERS benefits	2
Paid off home earlier	1
Sold stock earlier	1
Followed financial planner's advice	1
Adjusted life insurance coverage	1
Accumulated more sick leave	1
Encouraged spouse to work	1
Total	115

STRATEGIES WHICH WORKED WELL FOR RESPONDENTS IN PREPARING FINANCIALLY FOR RETIREMENT

Those surveyed were asked to list those strategies which they believed worked well for them in preparing financially for retirement.

A total of 151 or 76.3% of the respondents to the entire survey responded to the question. The responses are as follows:

Response	n
Placed money in savings, money markets, tax sheltered annuities, I.R.A.'s	56
Developed a planned financial program	26
Invested in real estate	14
Paid off all debts	13
Invested in stocks and bonds	10
Paid off home mortgage	8
Invested in tax sheltered annuities and real estate	5
Built up sick leave	5
Spouse worked	4
Stayed in military reserves	3
Spent money conservatively	3
Invested conservatively	2
Worked many years	1
Prepared for a new career	1
Total	151

RESULTS OF THE HYPOTHESIS TESTING

For the purpose of this study, six null hypotheses were postulated. In developing the null hypotheses, three dependent variables were selected: (1) the degree to which financial needs are met (needsmet), (2) perceived financial satisfaction (finsat) and (3) perceived life satisfaction (lifesat). A crosstabulation method was then used to test for significant relationships between these dependent variables and the independent variables which were formed from the demographic/financial information requested in the survey instrument.

In order to test for significant relationships, the statistical test of choice was the chi-square test. This test is commonly used when the research data are in the form of categories or dichotomies. In instances where the data were continuous scores, the responses were recoded to reflect categorical data. Moreover, when the chi-square test yielded a significant result and more than 20% of the valid cells had frequencies less than five, an analysis of variance test (ANOVA) was employed to further determine if the independent variables explained a significant amount of variance of the dependent variable.

The results of the hypothesis testing are presented according to each separate null hypothesis. The null hypothesis is considered to be not supported if the significance finding is p = .05 or less.

There Is No Significant Relationship Between Demographic/Financial Information Requested In The Survey And The Degree To Which Financial Needs Are Met

In the case of this hypothesis, the relationship between the dependent variable, the degree to which financial needs are met, and the independent variables was explored. Using the chi-square test, four independent variables were determined to have a significant relationship with the dependent variable at p = .05 or less. Those independent variables were:

1. Sex

   Chi-square = 7.91855 with 2 degrees of freedom

   Significance = .0191

2. Health rating (hlthrate)

   Chi-square = 29.77527 with 4 degrees of freedom

   Significance = .0001

3. Level of pre-retirement income (preincm)

   Chi-square = 32.19323 with 8 degrees of freedom

   Significance = .0001

4. Ability to keep pace with inflation (paceinfl)

   Chi-square = 89.36324 with 6 degrees of freedom

   Significance = .0001

However, the cross tabulations involving the level of pre-retirement income variable and the ability to keep pace with inflation variable both had more than 20% of the valid cells with frequencies less than five. Because this brings into question the significance of the findings, an ANOVA test was used with the degree to which financial needs are met serving as the dependent variable and the level of pre-retirement income variable and the ability to keep pace with inflation variable serving as the independent variables. The results were:

TABLE IV

ANOVA: NEEDSMET BY PREINCM AND PACEINFL

Source of Variation	Sum of Squares	df	Mean Square	F	Significance of F
Main effects	13.854	7	1.979	10.168	.0001
Preincm	1.375	4	0.344	1.766	.139
Paceinfl	9.951	3	3.317	17.042	.001
Two-way interaction	6.222	11	0.566	2.906	.002
Explained	29.404	20	1.470	7.553	.0001

Therefore, it appears that only three variables have a significant relationship with the degree to which financial needs are met. They are sex, health rating, and the ability to keep pace with inflation. The null hypothesis is not supported. Additional information regarding this hypothesis can be found in Tables XVIII, XIX, XX, XXI, and XXII in Appendix B.

There Is No Significant Relationship Between Demographic/Financial Information Requested In The Survey And Perceived Financial Satisfaction

In testing this hypothesis, the relationship between the dependent variable, perceived financial satisfaction, and the independent variables was explored. Using the chi-square test, five independent variables were determined to have a significant relationship with the dependent variables at p = .05 or less. Those independent variables were:

1. Sex

   Chi-square = 7.46586 with 2 degrees of freedom

   Significance = .0239

2. Health rating (hlthrate)

   Chi-square = 20.50332 with 4 degrees of freedom

   Significance = .0004

3. Level of pre-retirement income (preincm)

   Chi-square = 20.88392 with 8 degrees of freedom

   Significance = .0075

4. Ability to keep pace with inflation (paceinfl)

   Chi-square = 53.73791 with 6 degrees of freedom

   Significance = .0001

5. Start of retirement financial planning (strtplan)

   Chi-square = 16.89074 with 8 degrees of freedom

   Significance = .0313

All of the crosstabulations involving the five independent variables mentioned have 20% or fewer valid cells with frequencies less than five. Therefore, the significance of the chi-square tests for these variables can be considered valid. The null hypothesis is not supported. Additional information regarding this hypothesis can be found in Tables XXIII, XXIV, XXV, XXVI, and XXVII in Appendix B.

There Is No Significant Relationship Between Demographic/Financial Information Requested In The Survey And Perceived Life Satisfaction

In testing this hypothesis, the relationship between the independent variable, perceived life satisfaction, and the independent variables was explored. Using the chi-square test, three independent variables were determined to have a significant relationship with the dependent variable at p = .05 or less. Those independent variables were:

1. Health rating (hlthrate)

   Chi-square = 50.27498 with 4 degrees of freedom

   Significance = .0001

2. Level of pre-retirement income (preincm)

   Chi-square = 16.89569 with 8 degrees of freedom

   Significance = .0312

3. Ability to keep pace with inflation (paceinfl)

   Chi-square = 53.73791 with 6 degrees of freedom

   Significance = .0001

However, the crosstabulation involving the ability to keep pace with inflation variable and the perceived life satisfacion variable revealed that more than 20% of the valid cells had frequencies less than five. Because this brings into question the significance of the findings, an ANOVA test was used with the perceived life satisfaction variable serving as the dependent variable and the ability to keep pace with inflation and health rating variables serving as the independent variables. The results were:

TABLE V

ANOVA: LIFESAT BY HLTHRATE AND PACEINFL

Source of Variation	Sum of Squares	df	Mean Square	F	Significance of F
Main effects	20.492	5	4.098	17.061	.0001
hlthrate	9.716	2	4.858	20.223	.0001
paceinfl	6.653	3	2.218	9.232	.0001
Two-way interaction	1.718	6	.286	1.192	.314
Explained	22.210	11	2.019	8.404	.001

According to this result, the ability to keep pace with inflation does relate significantly with perceived life satisfaction along with health rating and the level of pre-retirement income. Application of the ANOVA supports the chi-square findings. The null hypothesis is not supported. Additional information can be found in Tables XXVIII, XXIX, XXX, XXXI in Appendix B.

There Is No Significant Relationship Betwen The Degree To Which Financial Needs Are Met And Perceived Financial Satisfaction

To test this hypothesis, the relationsip between the dependent variable, perceived financial satisfaction, and the independent variable, the degree to which financial needs are met, was explored. Using the chi-square test, the following result was obtained:

Chi-square = 163.09335 with 4 degrees of freedom

Significance = .0001

However, more than 20% of the valid cells had frequencies less than five. Because this brings into question the significance of the findings, an ANOVA test was used with perceived financial satisfaction (finsat) serving as the dependent variable and the degree to which financial needs are met (needsmet) and perceived life satisfaction (lifesat) serving as the independent variables. The results were:

TABLE VI

ANOVA: FINSAT BY LIFESAT AND NEEDSMET

Source of Variation	Sum of Squares	df	Mean Square	F	Significance of F
Main effects	48.092	3	16.031	78.592	.0001
lifesat	2.641	1	2.641	12.949	.0001
needsmet	26.795	2	13.398	65.683	.0001
Two-way Interaction	0.402	2	0.201	0.986	.375
Explained	48.494	5	9.699	47.549	.0001

The ANOVA test confirms that there is a significant relationship between perceived financial satisfaction and the degree to which

financial needs are met. The null hypothesis is not supported. Additional information regarding this hypothesis can be found in Tables XXXII AND XXXIII in Appendix B.

There Is No Significant Relationship Between The Degree To Which Financial Needs Are Met And Perceived Life Satisfaction

To test this hypothesis, the relationship between the dependent variable, perceived life satisfaction, and the independent variable, the degree to which financial needs are met, was explored. Using the chi-square test, the following result was obtained:

Chi-square = 68.42486 with 4 degrees of freedom

Significance = .0001

However, more than 20% of the valid cells had frequencies less than five. Because this brings into question the significance of the findings, an ANOVA test was used with perceived life satisfaction (lifesat) serving as the dependent variable and the degree to which financial needs are met (needsmet) and perceived financial satisfaction (finsat) serving as the independent variables. The results were:

TABLE VII

ANOVA: LIFESAT BY NEEDS MET AND FINSAT

Source of Variation	Sum of Squares	df	Mean Square	F	Significance of F
Main effects	22.855	4	5.714	23.208	.0001
needsmet	1.906	2	0.953	3.870	.023
finsat	3.541	2	1.771	7.192	.001
Two-way interaction	2.309	3	0.770	3.126	.027
Explained	25.164	7	3.595	14.601	.0001

The ANOVA test confirms that there is a significant relationship between perceived life satisfaction and the degree to which financial needs are met. The null hypothesis is not supported. Additional information regarding this hypothesis can be found in Tables XXXIV and XXXV in Appendix B.

There Is No Significant Relationship Between Perceived Financial Satisfaction And Perceived Life Satisfaction

To test this hypothesis, the relationship between the dependent variable, perceived life satisfaction, and the independent variable, perceived financial satisfaction was explored. Using the chi-square test, the following result was obtained:

Chi-square = 62.91337 with 4 degrees of freedom

Significance = .0001

However, more than 20% of the valid cells had frequencies less than five. Because this brings into question the significance of the findings, an ANOVA test was used with perceived life satisfaction (lifesat) serving as the dependent variable and the degree to which financial needs are met (needsmet) and perceived financial satisfaction (finsat) serving as the independent variables. The results were the same as those reported in Table VII on page 75.

The ANOVA test confirms that there is a significant relationship between perceived life satisfaction and perceived financial satisfaction. The null hypothesis is not supported. Additional information regarding this hypothesis can be found in Table XXXVI in Appendix B.

CHAPTER V

SUMMARY AND DISCUSSION

SUMMARY

The main purpose of this study was to develop a demographic/financial profile of retired Oregon public school administrators and to determine the relationship between these profile factors and the degree to which financial needs are met, the level of perceived financial satisfaction, and the level of perceived life satisfaction. Another purpose was to define those financial issues which impact the retired administrator and would be helpful in developing guidelines useful for pre-retirement planning and education.

The subjects selected for the study were the 295 retired Oregon public school administrators known to the Confederation of Oregon School Administrators who had retired prior to September 1984. A total of 198 or 67% of the retired administrators surveyed returned a completed instrument.

The survey instrument itself was developed specifically for providing descriptive data, perceptions of financial adequacy, and perceptions of financial/life satisfaction for this sample of individuals. Thirty-two questions were asked in an attempt to gather data regarding three major areas: biographical information, financial information, and perceptions of financial/life satisfaction.

Based upon the survey results, a demographic/financial profile evolved for the sample population of retired Oregon public school administrators. In addition, an examination of the six null hypotheses yielded several significant findings. It was determined that there is a significant relationships between sex (p=.0191), health rating (p=.0001), the ability to keep pace with inflation (p=.0001) and the degree to which financial needs are met. A significant relationship also was found to exist between sex (p=.0239), health rating (p=.004), the level of pre-retirement income (p=.0075), the ability to keep pace with inflation (p=.0001), the point at which retirement planning began (p=.0313) and the perception of financial satisfaction. A significant relationship was found to exist between health rating (p=.0001), the level of pre-retirement income (p=.0312), the ability to keep pace with inflation (p =.0001) and the perception of life satisfaction. It was also determined that a significant relationship exists between the degree to which financial needs are met, the perception of financial satisfaction (p=.0001) and the perception of life satisfaction (p=.023). Finally, a significant relationship was also found to exist between the perception of financial satisfaction and the perception of life satisfaciton (p=.001).

INTERPRETATION OF THE RESEARCH FINDINGS

For ease of discussion, the interpretation of the research findings will follow the format established in Chapter IV for reporting the results. Specifically, the discussion will be coordinated with the following topics:

1. Demographic/financial characteristics of retired Oregon public school administrators.
2. Practices respondents would have done differently in preparing financially for retirement.
3. Strategies which worked well for respondents in preparing financially for retirement.
4. Results of the hypothesis testing

Demographic/Financial Characteristics Of Retired Oregon Public School Administrators

Age at Retirement. The mean retirement age for the 198 respondents is 61.071 years and is consistent with reports in the literature which suggest that the average retirement age for Americans is now 62 years-of-age. This finding for retired Oregon public school administrators is not at all surprising when the following factors are considered:

1. Public school employees in Oregon may retire at age 55 with full benefits from the Public Employees Retirement System (PERS) if they have completed 30 years of service.
2. Public school employees may retire at age 58 with full benefits from PERS provided that they have enough service years to be vested.
3. All workers may begin collecting Social Security benefits at age 62.
4. Many school districts offer employees free health insurance or the opportunity to purchase health coverage at group rates

until the age of 65. This factor alone has a financial implication which makes earlier retirement attractive to many.

Length of Retirement. The mean length of retirement for the respondents was 5.131 years and suggests that these retired administrators have a number of retirement years ahead of them. This relatively short period of time in retirement has probably impacted the responses given for sources of retirement income, maintenance of living standards, impact of inflation, health rating, the degree to which financial needs are met, perceived financial satisfaction, and perceived life satisfaction.

The literature suggests that as people are retired longer and their overall health declines, the ability to maintain a satisfactory standard of living and keep pace with inflation becomes more difficult. As a result, they must draw on their savings and other yet unused sources of income in order to meet their basic financial needs. Often, perceptions of financial satisfaction and satisfaction with retirement life decline correspondingly.

A similar study conducted with the same sample in another 10 years may yield completely different results to the same questions.

Present Age. The mean present age of the respondents is 66.212 years. According to the current life expectancies for both males and females reported in the literature, a male can expect to live for another 13.1 years and a female can expect to live for another 17.3 years. Because of the relative youth of these retirees, the issues

raised in the discussion of the length of retirement results are also valid here. At this time, however, a significant relationship was not found to exist between present age, the degree to which financial needs are met, perceived financial satisfaction, or perceived life satisfaction.

Sex. Of the 198 respondents to the survey, 28 or 14.1% are female and 170 or 85.9% are male. This result is not at all unusual given the fact that opportunities for women in school administration have only recently become available due to affirmative action laws and changing attitudes toward women in leadership positions. Moreover, most women in education perceived their role to be classroom teachers in the past and only recently have they begun to prepare themselves for and seek administrative positions.

Sex was found to relate significantly with the degree to which financial needs are met and perceived financial satisfaction. These relationships will be discussed later in the chapter.

Last Administrative Position Held. Besides an obvious interest in the jobs retirees held prior to retirement, it was suspected that the type of job held might have an effect on the degree to which financial needs are met, perceived financial satisfaction, and perceived life satisfaction. It was assumed that individuals holding higher paying jobs within the administrative job hierarchy, such as superintendent, would be more satisfied with their financial status than individuals with jobs lower in the hierarchy. Typically, those receiving higher pay contribute more to Social Security and PERS and,

therefore, receive more in monthly benefits. In addition, the more disposable income an individual receives the greater the opportunity to develop additional income resources through investments, savings, real estate, tax sheltered annuities and I.R.A.'s. However, the testing of this variable did not produce any significant relationships between the job held at retirement and the degree to which financial needs are met, perceived financial satisfaction, or perceived life satisfaction. Issues such as sex, health, ability to keep pace with inflation, and percentage of pre-retirement income appear to have a greater impact on satisfaciton than the actual number of dollars received in retirement.

With regard to the frequency data, it was not surprising to find that the majority of the retirees (79.2%) held jobs which are typically considered to have line authority. Most Oregon school districts are not large enough to warrant many central office support or staff positions and, therefore, the administrative staff is typically comprised of a superintendent and building level administrators such as principals and vice principals. The Educational Service Districts often provide the support personnel necessary to implement and maintain the various educational programs.

Number of Years in Last Administrative Position. The mean number of years in the last administrative position held was found to be 15.584 years. While this variable did not produce a significant relationship with the degree to which financial needs are met, perceived financial satisfaction, or perceived life satisfaction, it is interesting to note that, on the average, individuals in this sample spent nearly one-half of their total years of service (30.893) in the

last position held. It appears that there is relatively little job change among public school administrators in Oregon. However, the researcher is not aware of how this information relates to national statistics.

Years of Service in Oregon Public Schools. The mean number of years of service in Oregon public schools was found to be 30.893 years. This finding is consistent with Pommerenke's (1972) study of Ohio's retired teachers and administrators where the mean years of service credit was found to be 30 years. Given this average, it can be assumed that most of the Oregon retirees spent their entire working years in the field of education and were able to retire with full allowable benefits from PERS.

No significant relationship was found to exist between this factor and the degree to which financial needs are met, perceived financial satisfaction, or perceived life satisfaction.

Marital Status. For this sample, it was learned that 165 or 97.1% of the responding males were married as compared to 12 or 42.9% of the females. In the single, widowed, and divorced categories, females had much higher percentages than the males. Six or 21.4% of the females are single as compared to 1 or 0.6% of the males; 7 or 25% of the females are widowed as compared to 2 or 1.2% of the males; and 3 or 10.7% of the females are divorced as compared to 2 or 1.2% of the males. These findings are not inconsistent with national statistics.

A 1976 survey conducted by Barfield and Morgan revealed that married males seemed more satisfied with the retirement experience than unmarried males or females. Chatfield's (1977) study of retired indi-

viduals in the Columbus, Ohio area suggested that living with a spouse brought greater satisfaction than living alone apparently due to the higher income available and not the family setting. While this may also be true for the group of retired Oregon public school administrators, no significant relationship was found to exist between marital status and the degree to which financial needs are met, perceived financial satisfaction, or perceived life satisfaction. Cramer's (1980) study of the relationship between economic welfare and perceived financial adequacy and satisfaction of retired families in Omaha, Nebraska found marital status to also be an insignificant predictor of perceived financial adequacy and satisfaction.

Number of Dependents. The mean number of dependents whose basic needs could not be met without the benefit of the retiree's income is 0.995 or approximately one. Given the number of married individuals in the sample, this one dependent is no doubt a spouse. It is interesting to note that only 27 or 13.6% of the 198 respondents have more than one dependent. This suggests that, for most respondents, children are no longer living at home or dependent upon their parents for support.

Draney's (1976) study of the economic considerations for retirement for the population of retired professors of the University of Utah suggested that reported satisfaction with the financial situation was influenced by having no dependents still at home. While this may also be theoretically true for the population of retired Oregon public school administrators, no significant relationship was found to exist between this factor and the degree to which financial needs are met, perceived financial satisfaction, or perceived life satisfaction. Ap-

parently, individuals with one or fewer dependents are not more satisfied in these areas than those with two or more dependents.

Housing Situation. In 1967, Barfield and Morgan (1978) studied retired auto workers and found that, on a purely financial basis, higher satisfaction with life after retirement was associated with the home mortgage being paid off before age 63. Draney's study of retired University of Utah professors revealed that those reporting the most satisfaction with their financial situation owned their own home. Pommerenke's (1972) investigation of the economic status of Ohio's retired teachers and administrators found that perceptions of total income adequacy were apparently influenced by the fact that only 7.48% had a home mortgage.

For the population of retired Oregon public school administrators who responded to the survey (198), 105 or 53.3% currently own their own home and 87 or 43.9% are still making mortgage payments. Based upon the literature, this suggests that more retired administrators in Oregon are still paying for their homes than might be expected. In addition, it might also be suggested that fewer retired Oregon administrators would experience higher satisfaction with their financial situation than would those groups of individuals where the large majority have already paid for their homes. However, an analysis of the results shows that retired Oregon administrators who have paid for their homes are no more financially satisfied than those who have not. Obviously, there are other factors which have a greater influence on levels of satisfaction than the current housing situation.

Mortgage Costs. The mean mortgage size in relationship to the home being purchased was found to be 28.198% of the current market value. No research was found which would allow a comparison of this figure. The mean mortgage size appears to be high and suggests that those individuals still paying for a home are probably living in at least their second home. It would be reasonable to expect that, given the ages of the respondents, those still living in their first home would have a mortgage size in the range of 10% or less of the current market value.

Housing Costs. The mean housing cost for the 198 respondents was found to be 16.118% of monthly income. This is considerably less than the 35.2% suggested by the Bureau of Labor Statistics in its summary of annual budgets for a retired couple at three levels of living in the urban United States for Autumn 1981. The difference between these figures suggests two things: retired Oregon public school administrators have fewer housing costs than the average retired couple in the urban United States and/or retired Oregon public school administrators have higher retirement incomes than the average retired couple in the urban United States. It is suspected that the latter is true which would reduce the percentage of housing costs in relationship to total monthly income.

Change in Legal Residence. Only 30 or 15.2% of those responding changed their legal place of residence since retirement. This is consistent with Alpert's (1973) statement that 90% of the retirees remain where they are or move less than 50 miles from their pre-retirement home. The fact that this group of retirees held their

last position for an average of 15 years suggests that they were pleased with where they lived as well as pleased with their job situation.

Employment Status of Spouse. The results reported for this factor are somewhat confusing. A total of 124 respondents reported that their spouse was retired. This could mean that the spouse themselves may have retired from gainful employment or that they have never worked and simply joined the retiree in his/her retirement. The 24 responses in the "other" category are a direct reflection of the fact that the spouse never did work outside of the home. Nevertheless, the results do show that 148 or 83.6% of the married respondents are in a position to have their spouse join them in retirement activities without being tied down to job responsibilities. This fact, however, does not have a significant impact on the level of perceived satisfaction with retirement life. Likewise, the fact that 29 or 16.4% of the respondents have a spouse still employed does not have a significant impact on the degree to which financial needs are met, perceived financial satisfaction, or perceived life satisfaction.

Spouse's Contribution to Family Income. The mean percentage of the family's monthly income contributed by the spouse, whether they are currently employed or receiving retirement benefits, was found to be 19.16% of monthly income. This obviously suggests that, on the average, 80% of the total monthly income for the family is derived from the retiree's financial resources. The figure also reflects the attitudes of a generation where the female spouse did not have a career until the children had been raised. The number of work years and/or

pay is not large enough to produce a major contribution to the family's retirement income.

Chatfield's (1977) study of a sample of retired individuals in the Columbus, Ohio area suggested that living with a spouse brought greater satisfaction than living alone apparently due to higher income and not the family setting. For the sample of retired Oregon public school administrators, no significant relationship was found to exist between the spouse's contribution to the family's income and the degree to which financial needs are met, perceived financial satisfaction, or perceived life satisfaction.

Level of Pre-retirement Income. Estimates regarding the amount of retirement income required to maintain an adequate standard of living in retirement range from 60 to 100% of pre-retirement income. By far the majority of experts recommend that at least 75% of pre-retirement income is needed. Clark (1981) estimated that between 66 and 88% of pre-retirement income is needed. He further suggested that the higher the yearly salary prior to retirement, the lower the percentage required to maintain the same standard of living in retirement due to the progressive nature of federal and state income taxes which would not have to be paid. Barfield and Morgan (1978) found that a higher level of satisfaction with retirement was associated with receiving at least 60% of pre-retirement income.

For the sample of retired Oregon public school administrators, 76% of the respondents reported pre-retirement income greater than 60%. It is not unusual, therefore, that a significant relationship was

found to exist between the level of pre-retirement income, perceived financial satisfaction and perceived life satisfaction. This relationship will be discussed later in the chapter.

Sources of Retirement Income. The sources of retirement income reported are reliable only to the degree that the respondents accurately computed the percentage of income derived from each source. Nevertheless, the results do identify the major income sources.

The literature suggests that Social Security and private pension funds constitute the two major, if not the only, sources of retirement income for most retirees. The results for this sample of retired Oregon public school administrators are consistent with the literature. A total of 181 or 91.4% of the respondents reported income from PERS/TRFA for an average contribution of 48.73% of total retirement income. Those reporting Social Security income are receiving an average of 30% of their total income from this source. When combining Social Security and PERS/TRFA income, the average retired administrator receives approximately 78% of their total retirement income from these two sources.

The remaining 22% of total retirement income is derived from one or more of the following sources: part-time employment, stocks and bonds, real estate investments, and interest earned on investments, savings, and annuities. It is interesting to note that 62.1% of the respondents are receiving, on the average, 14.69% of their total income from interest earned on investments while fewer than 25% of the respondents are receiving income from the remaining sources. Clearly, part-time employment is not a particularly popular source for securing ad-

ditional income with only 23.2% of the respondents selecting this option. In addition, it appears that most of these retirees have not had to rely heavily on savings and annuities to provide retirement income. As they are retired longer and overall health declines, the literature suggests that the use of more savings and annuity income will be required to provide enough total retirement income.

Reduction in the Standard of Living. The ability to maintain a standard of living which compares favorably with the standard of living prior to retirement is considered by the literature to be a primary determinant of retirement life satisfaction. Daly (1978), however, contends that the majority of retirees report general satisfaction with their standard of living even though their total retirement income is only 50% of pre-retirement levels. This satisfaction may come as a direct result of reducing expenditures to fit retirement income. Retirees generally expect to have less income in retirement and, therefore, find it easier to be satisfied with their standard of living.

It is not clear from the data if the respondents are making a true comparison of their retirement and pre-retirement standards of living or if the comparison is based upon a psychological adjustment which has been made toward a reduced income level. Whatever the case, 74.2% of the respondents reported that their standard of living has changed hardly at all or not at all. A total of 49 or 24.7% of the respondents indicated a moderate adjustment to their standard of living as a result of retirement and only one person indicated that their standard of living had changed dramatically. For this sample of

retired Oregon public school administrators, no significant relationship was found to exist between this factor and the degree to which financial needs are met, perceived financial satisfaction, or perceived life satisfaction.

Ability to Keep Pace with Inflation. Ognibewe (1979) reported a Louis Harris Poll which found that 84% of the retired people surveyed felt inflation was reducing their standard of living. Persistent inflation has a particularly dramatic effect over long periods because of the compounding process.

By comparison, 69.2% of the responding retired Oregon public school administrators reported that their retirement income had caused them little or no difficulty in keeping pace with inflation. Only 15.2% indicated that they were having difficulty keeping pace with inflation and another 15.2% indicated that they had not been retired long enough to make an assessment. The difference in results between the Harris Poll sample and the sample of retired Oregon public school administrators can be mainly attributed to the fact that most private pensions do not provide for cost of living adjustments which help offset the problems created by persistent inflation. Social Security and the Oregon Public Employees Retirement System both provide cost of living adjustments which are geared toward the rate of inflation. As a result, Oregon public employees are better able to keep pace with inflation than retirees as a whole.

A significant relationship was found to exist between the ability to keep pace with inflation and the degree to which financial needs are

met as well as the perception of life satisfaction. These relationships will be discussed later in the chapter.

Start of Financial Planning. Most experts in the literature agree that people should begin financial planning for retirement by age 35. Individuals must develop income sources that maintain real levels of purchasing power and do not diminish over the retirement years, yet, most people start financial planning when they are 55 or 60 years-of-age. Patton (1979) surveyed retirees from four universities and two corporations and found that only about one third actually made financial preparations for retirement.

Oregon public school administrators are apparently very much aware of the need to make adequate financial plans for retirement. A total of 128 or 64.6% of the survey respondents reported that they had begun financial preparations for retirement at least 10 years prior to their retirement date. In fact, 47 or 23.7% of the respondents began their financial planning 20 or more years prior to retirement. It is believed that much of the credit for this level of financial planning should go to the Confederation of Oregon School Administrators who have sponsored numerous retirement planning workshops and have generally raised the awareness level of administrators with regard to the need for adequate financial planning.

The number of years spent planning financially for retirement was found to have a significant relationship with perceptions of financial satisfaction. This relationship will be discussed later in the chapter.

Health Rating. Next to inflation, perhaps the greatest single threat to the financial well-being of the retiree is his/her health status. According to Schwab (1974), the problems of declining health and associated medical costs threaten the financial status of the elderly. These related problems only increase with age and, therefore, suggest that the retiree will experience an increasing decline in his/her standard of living. Chatfield (1977) found evidence which suggested that the impact of health problems on life satisfaction is greatly reduced by having a high retirement income and/or adequate insurance protection.

The sample of retired Oregon public school administrators is not experiencing health problems which might threaten their standard of living. A total of 179 or 90.4% of the respondents rated their health as good to excellent. Only 18 or 9.1% of the respondents rated their health as fair to poor. However, the average retiree in this sample can expect to live another 15 years. Most certainly they will be faced with health problems which may create a drain on retirement income and the ability to meet financial needs. In addition, perceptions of financial and life satisfaction may also change to reflect the concern over the potential decline in disposable retirement income.

As was suggested in the literature, the health status for this sample of retired Oregon public school administrators was found to have a significant relationship with the degree to which financial needs are met, perceived financial satisfaction, and perceived life satisfaction. These relationships will be discussed later.

Health as a Factor in the Retirement Decision. Schwab (1974) suggested that health problems are the most often cited reason for leaving one's job between 58 and 63 years-of-age. As a result, many individuals are forced to retire before they have completed their financial retirement plans and also forced to retire at a time when their increased medical costs may not be covered by health insurance.

However, for those surveyed in this study, health was not a major factor in the decision to retire for 130 or 65.7% of the respondents. Even for those who indicated that their health was a factor in the decision to retire, 63.6% indicated that even though their overall health was excellent they decided to retire at a time when their health would allow them to enjoy retirement.

Health Rating of Spouse. Even though a retiree's health may be excellent, a spouse's poor health may have a catastrophic impact on the family's ability to maintain their standard of living as a result of high medical costs. However, for those surveyed in this study, the spouse's health was generally judged to be good to excellent. A total of 84.8% were reported to be in good to excellent health while only 15.2% were considerd to be in fair to poor health.

No significant relationship was found to exist between the health rating of the spouse and the degree to which financial needs are met, perceived financial satisfaction, or perceived life satisfaction.

Health Care Costs. The mean monthly health costs for the sample surveyed were found to be 6.920% of monthly income. This figure is only slightly less than the 7.28% suggested by the Bureau of Labor Statistics in its summary of annual budgets for a retired couple in

reasonably good health living in the urban United States for Autumn 1981.

It should be pointed out, however, that the Bureau of Labor Statistics budgets were developed in 1981 and a considerable escalation in medical costs has occurred since that time. As a result, there is every reason to believe that there would be a significant difference in health care costs between the sample surveyed and a budget developed for 1985. This difference may be attributed to two main factors: retired Oregon public school retirees and their spouses are primarily in good to excellent health and they have secured adequate medical insurance to cover most medical expenses.

Debt at Retirement. Retirement experts agree that potential retirees should decrease their financial liabilities in retirement, and, therefore, increase their disposable income by paying off all outstanding accounts prior to retirement and stop the use of credit cards except occasionally for thirty day accounts. The majority of retired Oregon public school administrators have followed this advice. A total of 161 or 81.3% of the respondents entered retirement free of debt. Only 37 or 18.2% did not.

Of those who did not enter retirement debt free, most (54%) owed money on automobiles and recreational vehicles. The debts of another 16.2% were for a combination of automobiles and personal loans and another 27.2% had credit card debt which was not paid-in-full monthly.

Pommerenke's (1972) investigation of the economic status of Ohio's retired teachers and administrators found that the level of debt had an influence on perceptions of total income adequacy. Fewer than

4% of his sample had outstanding debts or loans. For the sample of retired Oregon public school administrators, however, those entering retirement debt free were no more satisfied than those who still owed money. The fact that this sample of retirees has lower housing and medical costs than the average retiree may explain this. Because these two basic costs are a smaller percentage of the total monthly income than might be expected, the retiree has more disposable income available for making automobile and personal loan payments without severly jeopardizing their standard of living.

Satisfaction of Financial Needs. Given the fact that the majority of retired Oregon public school administrators receive at least 60% of their pre-retirement income, are able to maintain their standard of living and keep pace with inflation, enjoy good to excellent health, and have lower than average housing and medical costs, it is not surprising that 186 or 93.9% of the respondents view the ability to meet their financial needs as good to excellent. Only 12 or 6.1% of the respondents rated this ability to be fair and not one person rated this ability to be poor.

It was also not surprising to find that there is a significant relationship between the degree to which financial needs are met, perceived financial satisfaction, and perceived life satisfaction. This finding is consistent with Cramer's (1980) study of retired families in Omaha, Nebraska where it was demonstrated that perceived financial adequacy and satisfaction was a stronger predictor of life satisfaction than more objective measures. It was also discoverd that sex, overall health rating, and the ability to keep pace with inflation

relate significantly with the degree to which financial needs are met. These relationships will be discussed later.

Satisfaction with Financial Situation. The literature reveals that perceptions of financial adequacy (the degree to which financial needs are met) is a valid predictor of perceived financial satisfaction. It is not surprising, therefore, that 166 or 83.8% of the retired Oregon public school administrators expressed a high degree of satisfaction with their financial situation. Only 31 or 15.7% of the respondents felt more or less satisfied with their financial situation and one person reported that they were not at all satisfied.

A significant relationship was also found to exist between perceived financial satisfaction and perceived life satisfaction. It was also discovered that sex, overall health rating, the level of pre-retirement income, the ability to keep pace with inflation and start of financial planning relate significantly with the perception of financial satisfaction. These relationships will be discussed later.

Satisfaction with Retirement Life. When considering financial, health, social, and psychological adjustment factors, those surveyed were asked to rate their degree of satisfaction with retirement life. The literature suggests that there is a strong relationship between perceptions of financial adequacy, perceptions of financial satisfaction, and perceptions of life satisfaction. Given the fact that a large number of retired Oregon public school administrators rated their perceptions of financial adequacy and satisfaction as good to excellent, it was not surprising to discover that 185 or 93.5% of the respondents rated their satisfaction with retirement life as good to

excellent. Only 9 or 4.5% of the respondents rated their level of life satisfaction as fair and 3 or 1.5% of the respondents rated their level of life satisfaction as poor.

Despite the fact that health, social, and psychological adjustment factors also influence perceptions of life satisfaction, a significant relationship was found to exist between perceptions of life satisfaction, the degree to which financial needs are met and perceptions of financial satisfaction. It was also discovered that the overall health rating, level of pre-retirement income, and the ability to keep pace with inflation also have a significant relationship with perceptions of life satisfaction. These relationships will be discussed later.

Early Retirement Incentive Program and Decision to Retire. A relatively new phenomena in the field of education has been the development of early retirement incentive programs. The programs vary from district to district but usually include a monthly stipend for which the retirees may or may not have to perform some service to the district and/or medical insurance benefits until the retiree qualifies for Medicare coverage. The usual purpose for offering an early retirement incentive program is to reduce the necessity for making reduction-in-force decisions by encouraging eligible employees to retire.

A total of 85 or 42.9% of the total number of respondents indicated that their district offered an early retirement incentive program. Of those 85 retirees, a total of 39 or 45.9% reported that an early retirement incentive program was a factor in their decision to

retire. A total of 46 or 54.1% indicated that the availability of such a program was not a factor in their decision to retire.

For those who indicated that the availability of such a program was not a factor in their decision, at least two conclusions can be reached. First, they may have been ready to retire anyway regardless of the incentives offered. Second, the incentives offered may not have been great enough to be a factor in their decision to retire. This researcher is not capable of judging the effectiveness of early retirement incentive programs based upon the responses asked for and given. Clearly, more in-depth study of this issue is required. Based strictly on the data, it would appear that such programs are only moderately effective in inducing employees to retire early.

Items Respondents Would Have Done Differently In Preparing Financially For Retirement

Those surveyed were asked to list those items which they would have done differently in preparing financially for retirement. A total of 115 or 58.1% of the total number of survey respondents provided this information. The results indicate that 85 or 73.9% of those who responded to the question would have started a financial program earlier than they did and placed more money in savings, I.R.A.'s, and tax sheltered annuities. These findings are consistent with the information gathered by the Confederation of Oregon School Administrators in March of 1983. At that time, beginning planning much earlier and starting tax sheltered annuities and investments earlier were identified as being important. Obtaining all possible health insurance, building up savings, and seeking out new options for increasing financial resources were also listed.

While a majority of retired Oregon public school administrators are doing very well financially, it is interesting to note that many wish they would have started planning and accumulating financial resources earlier than they did. It is this researcher's impression that the available workshops and seminars in financial planning typically attract those individuals who are within 10 years of retirement. There is evidence to suggest that those who provide these workshops and seminars must make an effort to increase the participation of individuals who are at least 20 years away from retirement and in a position to take advantage of early planning opportunities.

Strategies Which Worked Well For Respondents In Preparing Financially For Retirement

Those surveyed were asked to list those strategies which they believed worked well for them in preparing financially for retirement. A total of 151 or 76.3% of the respondents to the entire survey responded to the question. The two most popular strategies, by far, were placing money in savings, money markets, tax sheltered annuities, and I.R.A.'s and developing a planned financial program. Investing in real estate, stocks, and bonds worked well for 19.2% of those responding to the question and paying off all debts including a home mortgage was equally as popular. The survey conducted by the Confederation of Oregon School Administrators in March of 1983 listed the same strategies as being the most popular with retirees.

RESULTS OF THE HYPOTHESIS TESTING

For the purpose of this study, six null hypotheses were postulated. In developing the null hypotheses, three dependent variables were selected: (1) the degree to which financial needs are met (needsmet), (2) perceived financial satisfaction (finsat), and (3) perceived life satisfaction (lifesat). An interpretation of the results is presented according to each null hypothesis.

There Is No Significant Relationship Between Demographic/Financial Information Requested In The Survey And The Degree To Which Financial Needs Are Met

With regard to this hypothesis, the relationship between the dependent variable, the degree to which financial needs are met, and the independent variables was explored. For the purpose of this study, financial needs were defined as those basic human needs as defined by the Bureau of Labor Statistics Model Budgets for Urban Retired Couples which include food, housing, transportation, clothing, personal care, medical care and other items of family consumption.

Three independent variables were determined to have a significant relationship with the degree to which financial needs are met at $p = .05$ or less. The null hypothesis is not supported by the results.

Those independent variables identified were:

Sex. The significance of the relationship between sex and the degree to which financial needs are met was found to be $p = .0191$. An examination of the data reveals that females (57.1%) are more likely to rate the degree to which their financial needs are met as excellent than

are males (30%). Males (63.5%) are more likely to rate the degree to which their financial needs are met as good than are females (39.3%). The percentage of males and females who rated the degree to which their financial needs are met as fair were essentially the same.

There are several probable reasons why females are more likely to rate the degree to which their financial needs are met as excellent than males. The majority of females (57.1%) are either single, widowed, or divorced as compared to the males (2.46%). Therefore, it is likely that females have virtually no dependents to support. Their disposable retirement income is available to meet their own personal financial needs as opposed to the males who are primarily married (97.1%) and must also support a spouse with their retirement income. Moreover, all of the married females reported that their spouse contributed over 30% of the family's monthly retirement income while only 22.9% of the married males reported spouse contributions over 30%. Clearly, married females have generally more disposable income with which to meet financial needs than their male counterparts.

Health Rating (hlthrate). The significance of the relationship between health rating and the degree to which financial needs are met was found to be $p = .0001$. An examination of the data reveals that 170 or 85.9% of the total number of respondents rated both the degree to which their financial needs are met and their overall health as good to excellent. A total of 68.7% of those who rated their health as excellent also rated the degree to which their financial needs are met

as excellent. By comparison, only 1.5% of those who rated their health as fair to poor rated the meeting of their financial needs as excellent.

An individual in excellent health is more likely to believe that the degree to which their financial needs are met is also excellent. A retiree in good to excellent health will have fewer health related costs than a retiree in poor health. As a result, more disposable retirement income will be available to meet their basic financial needs.

Ability to Keep Pace with Inflation (paceinfl). The significance of the relationship between the degree to which financial needs are met and the ability to keep pace with inflation was found to be $p = .0001$. A total of 136 or 68.7% of the respondents to the survey reported both their ability to keep pace with inflation and the degree to which their financial needs are met as good to excellent. A total of 84.6% of those who reported that they were very much able to keep pace with inflation rated the meeting of their financial needs as excellent. By comparison, none of the individuals who rated the degree to which their financial needs were met as fair reported that they were very much able to keep pace with inflation. In fact, 90.9% of those respondents who rated the meeting of their financial needs as fair stated that they were hardly able or not able to keep pace with inflation.

A retiree who is very much able to keep pace with inflation is also more likely to believe that the meeting of his/her financial needs is excellent. Retirees who are able to keep pace with inflation will find that their total monthly disposable income will continue to meet

their financial needs to the same degree as it did when they first retired providing that all other factors such as health remain constant.

There Is No Significant Relationship Between Demographic/Financial Information Requested In The Survey And Perceived Financial Satisfaction.

With regard to this hypothesis, the relationship between the independent variable, perceived financial satisfaction, and the independent variables was explored. For the purpose of this study, perceived financial satisfaction was defined as a subjective measure of whether financial sources meet the basic human needs of the retired.

Five independent variables were determined to have a significant relationship with perceived financial satisfaction at $p = .05$ or less. The null hypothesis is not supported by the results.

Those independent variables identified were:

Sex. The significance of the relationship between sex and perceived financial satisfaction was found to be $p = .0239$. An examination of the data reveals that females (57.1%) are more likely to be very well satisfied with their financial situation than are males (31.2%). While males are not necessarily dissatisfied with their financial situation, the majority (68.8%) are either pretty well satisfied or more or less satisfied with their financial situation as compared to females (42.8%).

There are several reasons why more females are likely to be very much satisfied with their financial situation than are males. Females, in this sample, are far more satisfied with the degree to which their

financial needs are met than are males which leads to greater satisfaction with the financial situation. Because of marital status, females are more likely to have fewer dependents and, therefore, more retirement income to meet their own personal needs. In addition, the spouse of a married female generally contributes more to the family's total monthly retirement income than a married male's spouse. The net result of having more disposable income apparently placed females in a position to be more satisfied with their financial situation than their male counterparts.

Health Rating (hlthrate). The significance of the relationship between health rating and perceived financial satisfaction was found to be $p = .0004$. An examination of the data reveals that 50% of those who rated their health as excellent were very well satisfied with their financial situation. By comparison, only 23.7% of those who rated their health as good were very well satisfied with their financial situation. A total of 153 or 77.3% of the total number of respondents who are very well/pretty well satisfied with their financial situation are also in excellent/good health.

However, there is clear evidence to suggest that as the rating of a person's health declines, so does the level of financial satisfaction. A retiree in excellent health has fewer health related costs than a retiree in poor health. When health costs do not diminish the amount of disposable income necessary to meet basic needs, it is not surprising to find that people are more satisfied with their financial situation.

Level of Pre-retirement Income (preincm). The significance of the relationship between the level of pre-retirement income and perceived financial satisfaction was found to be p = .0075. An analysis of the data reveals that for those retirees who reported retirement income at more than 80% of their pre-retirement income, 50.6% are very well satisfied with their financial situation, 39.5% are pretty well satisfied, and only 9.9% are more or less satisfied. By comparison, for those retirees who reported retirement income at 51 to 60% of their pre-retirement income, 15.8% are very well satisfied with their financial situation, 68.4% are pretty well satisfied, and 15.8% are more or less satisfied.

The trend is fairly obvious. As the level of pre-retirement income declines so does the perception of financial satisfaction. Nevertheless, 164 or 83.8% of the total number of respondent report that they are very well/pretty well satisfied with their financial situation and only 16.3% report that they are more or less satisfied.

Clearly, the greater the amount of disposable income in retirement as compared to pre-retirement income, the more satisfied a retiree is likely to be with their financial situation.

Ability to Keep Pace with Inflation (paceinfl). The significance of the relationship between the ability to keep pace with inflation and perceived financial satisfaction was found to be p = .0001. An examination of the data reveals that 82.1% of the respondents who reported that they were very much able to keep pace with inflation were also very well satisfied with their financial situation. By comparison, only 26.5% of the retirees who reported that they were moderately able

to keep pace with inflation were very well satisfied with their financial situation. None of those who reported they were more or less satisfied with their financial situation indicated that they were very much able to keep pace with inflation.

While there is a clear distinction between the ability to keep pace with inflation and perceptions of financial satisfaction, it should be noted that of the 140 respondents who are very well/pretty well satisfied with their financial situation, 18 or 12.6% are hardly able or not at all able to keep pace with inflation. The ability to keep pace with and maintain an adequate amount of disposable retirement income is a major factor leading toward high satisfaction with one's financial situation.

Start of Retirement Financial Planning (strtplan). The significance of the relationship between the start of financial planning and perceived financial planning was found to be $p = .0313$. An examination of the data reveals that 42.6% of those retirees who started financial planning 20 or more years prior to retirement were very well satisfied with their financial situation. Only 12.5% of those retirees who planned financially less than 5 years prior to retirement reported they were very well satisfied with their financial situation.

While there is a clear distinction between 20 or more years of financial planning and less than 5 years of financial planning, there is not a clear difference between 20 or more years and the following: 5-9 years of financial planning, 10-14 years of financial planning, and 15-19 years of financial planning. It appears that the significance of

the relationship rests upon the fact that some planning, at least five years, is far more likely to lead to financial satisfaction than virtually no planning at all. Retirees appear to feel good about their financial situation if they have done at least some pre-retirement planning.

There Is No Significant Relationship Between Demographic/Financial Information Requested In The Survey And Perceived Life Satisfaction

For this hypothesis, the relationship between the dependent variable, perceived life satisfaction, and the independent variables was explored. Perceived life satisfaction was defined as a subjective measure of the degree of satisfaction with retirement life when considering financial, health, social, and psychological adjustment factors.

Three independent variables were determined to have a significant relationship with perceived life satisfaction at .05 or less. The null hypothesis is not supported by the results.

Those independent variables identifed were:

Health Rating (hlthrate). The significance of the relationship between health rating and perceived life satisfaction was found to be $p = .0001$. The data shows that 74.1% of those who rated their health as excellent also rated their level of life satisfaction as excellent. However, only 11.1% of those who rated their health as fair/poor rated their level of life satisfaction as excellent. It should be noted that 140 or 71.4% of the total number of respondents to the survey rated both their health and life satisfaction as excellent/good.

For this sample, there is an obvious correlation between a retiree's health rating and their perceptions of life satisfaction. A retiree in excellent health is far more likely to express excellent satisfaction with retirement life than is a retiree who is in fair/poor health. Several reasons for this are evident. A retiree in excellent health has fewer health related costs which can greatly reduce the ability to meet retirement life financial expectations. Moreover, a retiree in excellent health is better able physically to implement those retirement plans which are perceived to make retirement life more pleasing and/or satisfying.

Level of Pre-retirement Income (preincm). The significance of the relationship between the level of pre-retirement income and perceived life satisfaction was found to be $p = .0312$. An analysis data reveals that of those respondents who reported receiving more than 80% of their pre-retirement income, 55% also reported excellent satisfaction with retirement life. By comparison, of those respondents who reported receiving less than 50% of their pre-retirement income, only 35.7% reported excellent satisfaction with retirement life. Furthermore, 83.6% of those retirees experiencing excellent life satisfaction are receiving retirement income which is more than 60% of their pre-retirement income. According to the literature, 60% of pre-retirement income is the minimum amount necessary for maintaining a comparable standard of living.

It appears that retirees who are receiving at least 60% of their pre-retirement income are more likely to have excellent life satisfaction than those who are receiving less. A retiree who is receiving

more than 80% of their pre-retirement income is more than twice as likely to report excellent life satisfaction than a retiree who is receiving only 51 to 60% of their pre-retirement income. Clearly, the more disposable income available to the retiree, the more likely they will experience good to excellent life satisfaction.

Ability to Keep Pace with Inflation (paceinfl). The significance of the relationship between the ability to keep pace with inflation and perceived life satisfaction was found to be $p = .0001$. The data reveals that 79.5% of those retirees who are very much able to keep pace with inflation experience excellent life satisfaction. Only 8.3% of those retirees who are not at all able to keep pace with inflation report excellent life satisfaction. It is also interesting to note that 79.5% of the respondents report that they are very much able or moderately able to keep pace with inflation and also enjoy excellent/good life satisfaction.

Clearly, retirees in this sample are more likely to experience excellent life satisfaction if they are very much able to keep pace with inflation. Retirees who are not at all able to keep pace with inflation are more likely to experience good/fair life satisfaction. This conclusion continues to demonstrate the influence of financial factors on life satisfaction. Individuals whose income keeps pace with inflation will have more disposable income available to satisfy retirement life goals.

There Is No Significant Relationship Between The Degree To Which Financial Needs Are Met And Perceived Financial Satisfaction

Cramer (1980) studied the relationship of economic welfare with the perceived financial satisfaction of retired families in Omaha, Nebraska. The results of the study demonstrated that perceptions of financial satisfaction were directly related to economic welfare. The same relationship was found to exist for the sample of retired Oregon public school administrators. The significance of the relationship between the degree to which financial needs are met and perceived financial satisfaction was found to be $p = .0001$. The null hypothesis is not supported.

An examination of the data reveals that 85.5% of those retirees who are very well satisfied with their financial situation rated the degree to which financial needs are met as excellent. Conversely, no retirees who rated the meeting of their financial needs as fair were very well satisfied with their financial situation. In fact, 83.3% of those who rated the meeting of their financial needs as fair were only more or less satisfied with their financial situation.

Therefore, it is obvious that perceiving the meeting of basic human financial needs as excellent correlates substantially with being very well satisfied with one's financial situation. Likewise, retirees who believe they are only doing a fair job of meeting their financial needs are likely to be more or less satisfied with their financial situation.

There Is No Significant Relationship Between The Degree To Which Financial Needs Are Met And Perceived Life Satisfaction

Barfield and Morgan (1978), on a purely financial basis, found that higher satisfaction with life after retirement was associated with the ability of the retiree to provide adequately for the satisfaction of basic human needs. This study involving the sample of retired Oregon public school administrators found the same association to exist. The significance of the relationship between the degree to which financial needs are met and perceived life satisfaction was $p = .0001$. The null hypothesis is not supported.

An examination of this relationship reveals that 83.6% of those retirees who believe that their ability to meet basic financial needs is excellent also report their level of satisfaction with retirement life is excellent. Conversely, only 25% of those retirees who believe they are doing a fair job of meeting their financial needs report excellent satisfaction with retirement life. In fact, only 28.8% of those retirees who believe that they are doing a good job of meeting their financial needs report excellent satisfaction with retirement life.

Obviously, having the financial capability to meet basic human needs has a strong impact on satisfaction with retirement life. For this sample of retirees, those who believe that they are doing an excellent job of meeting their financial needs are more likely to report excellent satisfaction with retirement life than those who believe they are doing only a fair job.

There Is No Significant Relationship Between Perceived Financial Satisfaction And Perceived Life Satisfaction

Cramer (1980), in studying retired families in Omaha, Nebraska, found that perceived financial satisfaction was a strong predictor of life satisfaction. The same conclusion can be reached regarding this study of retired Oregon public school administrators. The significance of the relationship between perceived financial satisfaction and perceived life satisfaction was found to be $p = .0001$. The null hypothesis is not supported.

An examination of this relationship reveals that 82.6% of those retirees who are very well satisfied with their financial situation also report excellent satisfaction with retirement life. Conversely, only 12.5% of those who are more or less satisfied with their financial situation report excellent satisfaction with retirement life. Furthermore, only 33.3% of those who are pretty well satisfied with their financial situation report excellent satisfaction with retirement life.

Clearly, high satisfaction with one's financial situation correlates strongly with high satisfaction toward retirement life. Those retirees in this sample who are very well satisfied with their financial situation are over six times more likely to report excellent life satisfaction than those retirees who are more or less satisfied with their financial situation.

LIMITATIONS OF THE STUDY

After interpreting the findings of the study, the limitations listed in Chapter I are still valid. The actual number of retired Ore-

gon public school administrators is unknown. The population characteristics and financial information were collected from a partial sample of eligible respondents who have contacts with the Confederation of Oregon School Administrators. Furthermore, the responses to the survey questions were obtained from 198 of the 295 individuals who comprised the partial sample and might differ somewhat from the values which may have been obtained if all members of the sample had completed the survey.

Because much of the information collected deals with financial issues, the results can only be generalized to the population of retired Oregon public school administrators. Specifically, it would be impossible to generalize the results to another group of retirees who are not participants in the Oregon Public Employees Retirement System. Private pension programs have enough significant differences to make such a comparison impractical. Furthermore, significant pre-retirement income differences between retired public school administrators and other groups of retirees make comparisons difficult.

The data obtained from the respondents was subject to response errors and other errors of estimation, tabulation, and interpretation. This is particularly true with data collected regarding the sources of retirement income. This information may have been inaccurately given because of the unavailability of records, inaccurate recall or perceived consequences resulting from the responses given. The fact that more respondents chose not to respond to this survey item than any other survey item suggests that the information requested was either too difficult to provide, confusing, or required too much time to

respond. Another attempt to collect this data will require more explanation of what is being requested.

The data collected was restricted to that requested in the instrument and may not have been all-inclusive for every respondent. This is particularly true with those questions which provided "other" as a category of response. Consequently, a complete interpretation of the data was not possible for these survey questions. Another attempt to collect these data will require additional specific response categories and/or a clear request to provide information if "other" is selected as a response.

A retiree's sex was found to have a significant relationship with the degree to which financial needs are met and perceived financial satisfaction. However, only 14.1% of the survey respondents were female. This relatively small number of females as compared to males may be sufficient reason to question the significance of the relationships found. Certainly, a greater number of females in the sample would provide more confidence in the results obtained.

The health rating reported by the respondents was found to be an important factor with regard to the degree to which financial needs are met, perceived financial satisfaction and perceived life satisfaction. This factor was included in the survey instrument because of the financial impact poor health has on retirement income. However, an individual's health also has a psychological impact which was not explored in the study. Further studies with this sample should plan to explore this relationship in greater depth. In addition, on a purely financial

basis, the sample should be asked what specific steps have been taken to protect their retirement income when overall health declines.

Early retirement incentive programs are becoming more popular. However, the results obtained on this subject are not sufficient to judge the effectiveness of early retirement incentive programs in education. A similar survey with the same sample should attempt to collect more specific information about the individual programs being offered.

Finally, changing economic and health conditions can make the results obtained applicable to a limited time span. This sample of retired Oregon public school administrators is relatively young and enjoys excellent/good health. These retirees will live for an average of 15 more years and undoubtedly experience a decline in their overall health. Consequently, the potential loss of disposable retirement income due to persistent inflation and increased health costs may completely change the reported perceptions of financial adequacy, financial satisfaction, and life satisfaction if a similar survey is conducted in another 10 years.

CONCLUSIONS

Based upon the research findings, a number of concluding statements can be made about the population of retired Oregon public school administrators. These statements include:

The average age at retirement is 61 years.

The average number of years in retirement is five years.

The average current age is 66 years.

Most retirees are male.

Most retirees held jobs with line authority prior to retirement.

The average retiree spent 15 years in the last job.

The average retiree spent nearly 31 years in Oregon public schools.

The average retiree is married.

The average retiree has only one dependent.

The average retiree has relatively low monthly housing costs by comparison to national averages.

The average retiree has not changed his/her place of legal residence since retirement.

The spouse of the average retiree is also retired.

The spouse contributes only 19% of the family's monthly retirement income.

The average retiree is receiving at least 60% of pre-retirement income.

The greatest percentage of monthly retirement income comes from Social Security and PERS/TRFA.

The average retiree is able to keep pace with inflation.

The average retiree began financial plans for retirement at least 10 years prior to his/her retirement date.

The average retiree is in good to excellent health.

Health was not a factor in the decision to retire.

The health of the retiree's spouse is also good to excellent.

Health care costs require only a small percentage of the total monthly retirement income.

The average retiree entered retirement free of debt.

The average retiree is very much satisfied with the degree to which financial needs are met.

The average retiree is very well satisfied with his/her financial situation.

The average retiree experiences excellent satisfaction with retirement life.

There is sufficient evidence that sex, health rating, and the ability to keep pace with inflation are reliable predictors of financial adequacy.

There is sufficient evidence that sex, health rating, level of pre-retirement income, the ability to keep pace with inflation, and the degree of financial planning are reliable predictors of perceived financial satisfaction.

There is sufficient evidence that health rating, level of pre-retirement income, and the ability to keep pace with inflation are reliable predictors of perceived life satisfaction.

There is sufficient evidence that perceived financial adequacy is a reliable predictor of perceived financial satisfaction and perceived life satisfaction.

There is sufficient evidence that perceived financial satisfaction is a reliable predictor of perceived life satisfaction.

IMPLICATIONS

The implications of these concluding statements are clear. Retired Oregon public school administrators are doing very well

financially in retirement. However, they did not arrive at this point without developing sufficient financial resources to maintain an adequate standard of living and provide for their basic human needs. Financial planning is an important ingredient in this development process.

Therefore, sponsors of pre-retirement financial planning seminars must continue to stress the need to develop additional financial resources necessary to provide sufficient disposable income, offset high health care costs, and maintain the ability to keep pace with inflation. In addition, more creative strategies must be developed to attract administrators who are 20 or more years away from retirement to these seminars. The results of the study clearly show that individuals who start planning financially for retirement early are more likely to be very much satisfied with their financial situation in retirement. Perhaps the results of this study will be the necessary catalyst in this effort.

Finally, a logical generalization of the results might be made to the group of retired Oregon pubilc school teachers who share the same pension program. It is this researcher's suspicion that the only major difference between the two groups is the dollar amount of monthly disposable income. This difference may not be significant enough to prevent a comparison from being made. Certainly, the potential for comparison requires further study and verification.

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APPENDIX A

OREGON RETIRED PUBLIC SCHOOL ADMINISTRATORS FINANCIAL SATISFACTION SURVEY

By completing this survey, you will be describing those demographic/financial factors which contribute to the perceived level of financial satisfaction experienced by retired administators in Oregon. The results will be instructive in the planning and development of pre-retirement preparation programs.

Please fill in the blanks or circle the appropriate answers.

1. How old were you when you retired? ____years

2. How long have you been retired? ___years (round to nearest year)

3. What administrative position did you hold at the time of retirement?_____

4. How long did you hold that position? _____years

5. Prior to retirement, how many years of service did you have in Oregon public schools? _____years (round to nearest year)

6. Sex (circle your answer): a. female b. male

7. What is your present age? _____years

8. Marital status (circle your answer):

   a. single b. married c. widowed d. divorced e. separated

9. Other than yourself, how many people are dependent upon you for all or part of their support?_____

10. Which of the following best describes your housing situation (circle your answer)?

    a. own my home free and clear b. buying a home

    c. renting a home or apartment d. living with relatives

    e. other_____

11. If you are buying a home, what percentage of the market value is the current amount of your mortgage?_____

12. What percentage of your family's monthly income is currently spent for housing (include insurance, taxes, and maintenance)?_____

13. Have you changed your legal place of residence since retirement (circle your answer)? a. yes b. no.

14. If your answer was "yes" to question #13, what was the main reason for the change? _____

_____

_____

15. If married, is your spouse (circle your answer):

    a. working full-time b. working part-time

    c. retired d. other_____

16. If married, what percentage of the family's monthly income is provided by your spouse?_____

17. When considering all sources of retirement income, what percentage of your pre-retirement income are you currently receiving (circle your answer)?

    a. less than 50% b. 51-60% c. 61-70% d. 71-80%
    d. more than 80%

18. What percentage of your retirement income is derived from each of the following?

    a. Social Security_____ g. savings_____
    b. PERS?TRFA _____ h. annuities_____
    c. part-time employment _____ i. other_____
    d. stocks and bond_____ _____
    e. real estate investments_____ _____
    f. interst earned_____ _____

19. Has your retirement forced you to make cutbacks in your standard of living (circle your answer)?

    a. very much so b. moderately so c. hardly at all
    d. not at all

20. Has your retirement income allowed you to keep pace with inflation (circle your ansewr)?

    a. very much so b. moderately so c. hardly at all
    d. not at all e. not retired long enough to know

21. With the exception of PERS/TRFA and Social Security retirement benefits, when did you start developing additional financial resources for your retirement (circle your answer)?

a. less than 5 years before retirement
b. 5-9 years before retirement
c. 10-14 years before retirement
d. 15-19 years before retirement
e. 20 or more years before retirement

22. How would you rate your overall health as compared to others your age (circle your answer)?

a. excellent b. good c. fair d. poor

23. Did you consider your overall health as a major factor in making your decision to retire (circle your answer)?

a. yes b. no

24. If married, how would you rate the overall health of your spouse as compared to others the same age (circle your answer)?

a. excellent b. good c. fair d. poor

25. What percentage of your family's monthly income is currently spent for health care, including insurance, medicine, and medical bills?

_____

26. With the possible exception of a home mortgage and charge accounts which are paid in full monthly, did you enter retirement debt free (circle your answer):

a. yes b. no

27. If your answer to question #26 was "no", on what types of items did you owe money (circle all that apply)?

a. automobiles
b. recreational vehicles
c. travel expenses
d. major appliances
e. personal loans
f. other_____

28. With respect to your financial situation, how would you rate the degree to which your needs are met (circle your answer)?

a. excellent b. good c. fair d. poor

29. So far as you and your family are concerned, would you say that you are (circle your answer):

a. very well satisfied with your financial situation
b. pretty well satisfied with your financial situation
c. more or less satisfied with your financial situation
d. not satisfied at all with your financial situation

30. How would you rate your degree of satisfaction with retirement life when considering financial, health, social, and psychological adjustment factors (circle your answer):

    a. excellent b. good c. fair d. poor

31. At the time of your retirement, did your district offer an early retirement incentive program (circle your answer)?

    a. yes b. no

32. If your answer was "yes" to question #31, was this a major factor in your decision to retire (circle your answer)?

    a. yes b. no

33. What would you have do differently in preparing financially for retirement?

    _____
    _____
    _____
    _____

34. What worked well for you in preparing financially for retirement?

    _____
    _____
    _____
    _____

THANK YOU FOR YOUR COOPERATION AND ASSISTANCE.

Please return survey to: Bill Maier, Principal
Hazeldale Elementary School
PO Box 200
Beaverton, OR 97075

CODEBOOK

COLUMN(S)	SPSS VARIABLE NAME	VARIABLE DESCRIPTION AND CODE
1-3	ident	identification number
4-5	ageret	age at retirement 00 (mv)
6-7	lngret	length of retirement 00 (mv)
8-9	position	position held at retirement 01 superintendent 02 asst. superintendent 03 h.s. principal 04 j.h. principal 05 elem. principal 06 vice principal-h.s. 07 central office 08 area director 09 health ed. consultant 10 dir. of spec. ed. 11 curriculum dir. 12 dir. of plant operations 13 vice principal-j.h. 14 asst. personnel officer 15 supervisor 16 univ. professor 17 supervisor of prob. tchrs. 18 personnel coordinator 19 field administrator 20 mgr. maintenance and facilities 21 dir. of business 22 assoc. sup. of pub. inst. 23 dir. health ed. services 24 ed. program specialist 25 curr. specialist 26 dir. certif. and tchr. ed. 27 personnel director 28 dean of education school 29 dir. of test., guid., and research 30 dir. of i.m.c. 31 exec. dir. CSNA 32 athletic dir. 33 dir. of fed. programs 00 (mv)

CODEBOOK

COLUMN(S)	SPSS VARIABLE NAME	VARIABLE DESCRIPTION AND CODE
10-11	hldpos	length of time in last position 00 (mv)
12-13	yearsser	years of service in Oregon public schools 00 (mv)
14	sex	1. female 2. male 0 (mv)
15-16	presage	present age 00 (mv)
17	marstat	marital status 1. single 2. married 3. widowed 4. divorced 5. separated 0 (mv)
18	depend	number of dependents 9 (mv)
19	hsing	housing situation 1. own home 2. buying home 3. renting 4. living with relatives 5. other 0 (mv)
20-21	mortg	mortgage value as % of market value 00 (mv)
22-23	hsngcost	percentage of income spent for housing 00 (mv)
24	lglres	change in legal residence 1. yes 2. no 0 (mv)

CODEBOOK

COLUMN(S)	SPSS VARIABLE NAME	VARIABLE DESCRIPTION AND CODE
25	reasmov	reason for movig 1. smaller house 2. climate 3. low interest available 4. sold home-move apartment 5. personal desire to move 6. return to Oregon 7. move closer to services 8. retire at beach 9. got married 0 (mv)
26	spswrk	spouse working 1. working full-time 2. working part-time 3. retired 4. other 0 (mv)
27-28	spscont	spouse's contribution to monthly income in %
29	preincm	% of preretirement income receiving 1. less than 50% 2. 51-60% 3. 61-70% 4. 71-80% 5. more than 80%
30-31	socsec	% of income from social sec. 99 (mv)
32-33	perstrfa	% of income from pers/trfa 99 (mv)
34-35	ptempl	% of income from part-time employment 99 (mv)
36-37	stksbnds	% of income from stocks and bonds 99 (mv)
38-39	realinvst	% of income from real estate investments 99 (mv)
40-41	intearn	% of income from interest earned 99 (mv)
42-43	save	% of income from savings 99 (mv)
44-45	annui	% of income fron annuities 99 (mv)

CODEBOOK

COLUMN(S)	SPSS VARIABLE NAME	VARIABLE DESCRIPTION AND CODE
46-47	otherinc	% of income from other income sources 99 (mv)
48	standliv	amount of reduction to standard of living 1. very much so 2. moderately so 3. hardly at all 4. not at all 0 (mv)
49	paceinfl	ability to keep pace with inflation 1. very much so 2. moderately so 3. hardly at all 4. not at all 5. not reitred long enough to know 0 (mv)
50	strtplan	years of planning additional resources prior to retirement 1. less than 5 yrs. before retirement 2. 5-9 yrs. before retirement 3. 10-14 yrs. before retire. 4. 15-19 yrs. before retire. 5. 20 or more yrs. before retirement 0 (mv)
51	hlthrate	overall health rating 1. excellent 2. good 3. fair 4. poor 0 (mv)
52	hltdec	role health played in decision to retire 1. yes 2. no 0 (mv)
53	spshlth	rating of spouse's health 1. excellent 2. good 3. fair 4. poor 0 (mv)
54-55	hlthcare	% of monthly income spent for health care 99 (mv)

CODEBOOK

COLUMN(S)	SPSS VARIABLE NAME	VARIABLE DESCRIPTION AND CODE
56	debt	debts at retirement 1. yes 2 no 0 (mv)
57	owemon	types of items upon which money is owed 1. automobiles 2. rec. veh. 3. travel expenses 4. major appliances 5. personal loans 6. other 7. auto and pers. loans 8. credit cards 0 (mv)
58	needsmet	rating of degree to which needs are met 1. excellent 2. good 3. fair 4. poor 0 (mv)
59	finsat	degree of financial satisfaction 1. very well satisfied 2. pretty well satisfied 3. more or less satisfied 4. not satisfied 0 (mv)
60	lifesat	degree of life satisfaction 1. excellent 2. good 3. fair 4. Poor 0 (mv)
61	distret	did district offer early retire. incentive program 1. yes 2. no
62	retdec	was program a factor in decision to retire 1. yes 2. no 0 (mv)

CODEBOOK

COLUMN(S)	SPSS VARIABLE NAME	VARIABLE DESCRIPTION AND CODE
63-64	donediff	what would have done differently in planning for retirement 01 start planning earlier 02 obtained higher paying job 03 save more 04 more IRA's 05 started TSA's earlier 06 follow fin. planners advice 07 be more careful with real estae investments 08 invest in real estate 09 not withdraw all PERS 10 sold stock earlier 11 pay off home earlier 12 invested for more growth 13 worked longer 14 adjust life insurance 15 accum. more sick leave 16 more TSA 17 encourage spouse to work 18 bought tax free bonds and stocks 19 be more careful with investments 00 (mv)
65-66	wrkwell	what worked well in planning financially for retirement 01 pay off all debts 02 invest in TSA's 03 savings (regular and bonds) 04 own home free and clear 05 real estate investments 06 a planned financial program 07 staying in military reserves 08 conservative investing 09 savings and annuities 10 investing 11 working for many yaers 12 stocks, bond, real estate 13 TSA, real estate, borrow on life insurance 14 TSA, real estate 15 conservative spending 16 build up sick leave 17 spouse worked 18 stocks 19 money markets 20 prepared for new career
00 (mv)		

APPENDIX B

TABLE VIII

AGE AT RETIREMENT

Age at Retirement	n	Percentage of Total Response
55	9	4.5
56	13	6.6
57	2	1.0
58	20	10.1
59	18	9.1
60	25	12.6
61	17	8.6
62	33	16.7
63	13	6.6
64	7	3.5
65	28	14.1
66	11	5.6
67	1	0.5
70	1	0.5
Total	198	100.0

Mean 61.071 Median 61.206 Mode 62.00

Standard Error 0.223 Standard Deviation 3.142 Variance 9.873

TABLE IX

LENGTH OF RETIREMENT

Length of Retirement	n	Percentage of Total Response
1	15	7.6
2	45	22.7
3	32	16.2
4	13	6.6
5	29	14.6
6	11	5.6
7	4	2.0
8	16	8.1
9	8	4.0
10	4	2.0
11	3	1.5
12	5	2.5
13	6	3.0
14	2	1.0
15	3	1.5
16	1	0.5
24	1	0.5
Total	198	100.0

Mean 5.131 Median 4.038 Mode 2.000 Standard Error 0.271

Standard Deviation 3.812 Variance 14.531

TABLE X

PRESENT AGE OF RESPONDENTS

Present Age	n	Percentage of Total Response
56	3	1.5
57	2	1.0
58	8	4.0
59	5	2.5
60	13	6.6
61	15	7.6
62	11	5.6
63	18	9.1
64	17	8.6
65	20	10.1
66	6	3.0
67	13	6.6
68	11	5.6
69	3	1.5
70	9	4.5
71	7	3.5
72	4	2.0
73	6	3.0
74	4	2.0
75	4	2.0
76	2	1.0
77	4	2.0
78	5	2.5
79	1	0.5
80	5	2.5
81	1	0.5
89	1	0.5
Total	198	100.0

Mean 66.212 Median 64.850 Mode 65.00 Standard Error 0.430

Standard Deviation 6.048 Variance 36.584

TABLE XI

YEARS OF SERVICE IN LAST POSITION

Years	n	Percentage of Total Response
1	1	0.5
2	7	3.5
3	4	2.0
4	7	3.5
5	6	3.0
6	5	2.5
7	7	3.5
8	4	2.0
9	7	3.5
10	13	6.6
11	7	3.5
12	12	6.1
13	6	3.0
14	10	5.1
15	10	5.1
16	5	2.5
17	9	4.5
18	10	5.1
19	8	4.0
20	12	6.1
21	3	1.5
22	3	1.5
23	5	2.5
24	4	2.0
25	6	3.0
26	2	1.0
27	2	1.0
28	2	1.0
29	6	3.0
30	4	2.0
31	1	1.5
32	2	1.0
33	1	0.5
34	2	1.0
35	3	1.5
40	1	0.5
missing	1	0.5
Total	198	100.0

Mean 15.584 Median 14.750 Mode 10.00 Standard Error 0.600

Standard Deviation 8.428 Variance 71.030

TABLE XII

YEARS OF SERVICE IN OREGON PUBLIC SCHOOLS

Years	n	Percentage of Total Response
6	1	0.5
8	1	0.5
10	1	0.5
14	2	1.0
15	2	1.0
17	1	0.5
18	2	1.0
19	2	1.0
20	5	2.5
21	3	1.5
22	3	1.5
23	3	1.5
24	4	2.0
25	10	5.1
26	7	3.5
27	4	2.0
28	9	4.5
29	7	3.5
30	15	7.6
31	15	7.6
32	21	10.6
33	16	8.1
34	12	6.1
35	9	4.5
36	5	2.5
37	3	1.5
38	4	2.0
39	3	3.0
40	9	1.5
41	4	4.5
42	6	2.0
43	3	3.0
45	1	1.5
46	1	0.5
47	1	0.5
52	1	0.5
missing	1	0.5
Total	198	100.0

Mean 30.893 Median 31.584 Mode 32.00 Standard Error 0.515

Standard Deviation 7.206 Variance 51.932

TABLE XIII

NUMBER OF DEPENDENTS

Number of Dependents	n	Percentage of Total Response
0	33	16.7
1	137	69.2
2	23	11.6
3	3	1.5
4	1	0.5
missing	1	0.5
Total	198	100.0

Mean 0.995 Median 0.978 Mode 1.000 Standard Error 0.045

Standard Deviation 0.627 Variance 0.393.

TABLE XIV

SIZE OF MORTGAGE AS PERCENTAGE OF HOME MARKET VALUE

Size of Mortgage (%)	n	Percentage of Total Response
3	2	2.3
5	6	6.9
7	1	1.2
8	1	1.2
9	2	2.3
10	14	16.0
13	2	2.3
14	1	1.2
15	7	8.0
20	7	8.0
25	8	9.2
30	4	4.6
33	5	5.8
40	3	3.4
45	1	1.2
50	12	13.8
53	1	1.2
55	1	1.2
60	1	1.2
66	1	1.2
67	1	1.2
70	2	2.3
75	1	1.2
80	1	1.2
85	1	1.2
missing	1	1.2
Total	87	100.0

Mean 28.198 Median 20.5 Mode 10.00 Standard Error 2.237

Standard Deviation 20.743 Variance 430.255

TABLE XV

HOUSING COSTS AS PERCENTAGE OF RETIREMENT INCOME

Cost as Percentage of Income	n	Percentage of Total Response
1	1	0.5
2	1	3.5
3	1	2.0
4	2	3.5
5	11	3.0
6	8	2.5
7	5	3.5
8	6	2.0
9	4	3.5
10	26	6.6
11	2	3.5
12	9	6.1
13	2	3.0
14	4	5.1
15	15	5.1
16	7	2.5
17	1	4.5
18	1	5.1
20	21	6.1
22	1	1.5
23	3	1.5
24	19	2.5
25	1	2.0
26	1	3.0
27	7	1.0
30	4	1.0
33	2	1.0
35	3	3.0
45	1	2.0
50	1	1.5
missing	1	0.5
Total	198	100.0

Mean 16.118 Median 14.7 Mode 10.00 Standard Error 0.709

Standard Deviation 9.246 Variance 85.489

TABLE XVI

SPOUSE'S CONTRIBUTION TO FAMILY'S MONTHLY INCOME

Amount of Contribution (%)	n	Percentage of Total Response
0	44	24.9
1	2	1.1
2	3	1.7
4	3	1.7
5	9	5.1
7	2	1.1
8	1	0.5
10	15	8.5
11	1	.5
12	2	1.1
13	2	1.1
15	4	2.3
16	4	2.3
17	1	0.5
18	1	0.5
19	1	0.5
20	11	6.2
22	1	0.5
24	1	0.5
25	12	6.8
26	1	0.5
28	1	0.5
30	9	5.1
32	1	0.5
33	4	2.3
34	1	0.5
35	3	1.7
40	5	2.9
45	2	1.1
48	2	1.1
50	21	11.9
55	2	1.1
60	2	1.1
missing	3	1.7
Total	177	100.0

Mean 19.167 Median 15.250 Mode 0.00 Standard Error 1.374

Standard Deviation 18.22 Variance 328.394

TABLE XVII

PERCENTAGE OF MONTHLY INCOME SPENT FOR HEALTH CARE

Amount Spent for Health Care (%)	n	Percentage of Total Response
0	7	3.5
1	25	12.6
2	15	7.6
3	6	3.0
4	9	4.5
5	43	21.7
6	6	3.0
7	3	1.5
8	12	6.1
9	2	1.0
10	27	13.6
11	2	1.0
12	5	2.5
14	3	1.5
15	10	5.1
16	3	1.5
17	1	0.5
20	3	1.5
22	1	0.5
25	13	1.5
33	1	0.5
missing	11	5.6
Total	198	100.0

Mean 6.920 Median 5.233 Mode 5.000 Standard Error 0.412

Standard Deviation 5.633 Variance 31.730

TABLE XVIII

CROSSTABULATION OF NEEDSMET BY SEX

Count Row Pct. Col. Pct. Tot. Pct.	Needsmet Excellent	Good	Fair	Row Total
Sex Female	16 57.1 23.9 8.1	11 39.3 9.2 5.6	1 3.6 8.3 0.5	28 14.1
Male	51 30.0 76.1 25.8	108 63.5 90.8 54.5	11 6.5 91.7 5.6	170 85.9
Column Total	67 33.8	119 60.1	12 6.1	198 100.0

TABLE XIX

CROSSTABULATION OF NEEDSMET BY HLTHRATE

Count Row Pct. Col. Pct. Tot. Pct.	Hlthrate Excellent	Good	Fair-poor	Row Total
Needsmet Excellent	46 68.7 53.5 23.4	20 29.9 21.5 10.2	1 1.5 5.6 0.5	67 34.0
Good	37 31.4 43.0 18.8	67 56.8 72.0 34.0	14 11.9 77.8 7.1	118 59.9
Fair	3 25.0 3.5 1.5	6 50.0 6.5 3.0	3 25.0 16.7 1.5	12 6.1
Column Total	86 43.7	93 47.2	18 9.1	197 100.0

TABLE XX

CROSSTABULATION OF NEEDSMET BY PREINCM

Preincm	Needsmet: Excellent	Good	Fair	Row Total
Less than 50%	7 25.0 10.4 3.6	15 53.6 12.8 7.7	6 21.4 50.0 3.1	28 14.3
51-60%	1 5.3 1.5 0.5	18 94.7 15.4 9.2	0 0.0 0.0 0.0	19 9.7
61-70%	9 36.0 13.4 4.6	14 56.0 12.0 7.1	2 8.8 16.7 1.0	25 12.8
71.80%	12 27.9 17.9 6.1	27 62.8 23.1 13.8	4 9.3 33.3 2.0	43 21.9
More than 80%	38 46.9 56.7 19.4	43 53.1 36.8 21.9	0 0.0 0.0 0.0	81 41.3
Column Total	67 34.2	117 59.7	12 6.1	196 100.0

Count
Row Pct.
Col. Pct.
Tot. Pct.

TABLE XXI

CROSSTABULATION OF NEEDSMET BY PACEINFL

Count Row Pct. Col. Pct. Tot. Pct.	Needsmet Excellent	Good	Fair	Row Total
Very much so	33 84.6 53.2 19.8	6 15.4 6.4 3.6	0 0.0 0.0 0.0	39 23.4
Moderately so	23 23.5 37.1 13.8	74 75.5 78.7 44.3	1 1.0 9.1 0.6	98 58.7
Paceinfl Hardly at all	4 22.2 6.5 2.4	8 44.4 8.5 4.8	6 33.3 54.5 3.6	18 10.8
Not at all	2 16.7 3.2 1.2	6 50.0 6.4 3.6	4 33.3 36.4 2.4	12 7.2
Column Total	62 37.1	94 56.3	11 6.6	167 100.0

TABLE XXII

ANOVA - CELL MEANS - NEEDSMET BY PREINCM AND PACEINFL

Total Population M = 1.69
N = 163

Preincm	Less than 50%	51-60%	61-70%	71-80%	More than 80%
	M = 1.91 n = 23	M = 1.94 n = 16	M = 1.79 n = 19	M = 1.80 n = 35	M = 1.47 n = 70

Paceinfl	Very much so	Moderately so	Hardly at all	Not at all	Not retired long enough
	M = 1.15 n = 39	M = 1.77 n = 95	M = 2.11 n = 18	M = 2.18 n = 11	M = 0.0 n = 0

Preincm \ Paceinfl	Very much so	Moderately so	Hardly at all	Not at all	Not retired long enough
Less than 50%	M = 1.33 n = 3	M = 1.69 n = 13	M = 2.40 n = 5	M = 3.00 n = 2	M = 0.0 n = 0
51-60%	M = 2.00 n = 1	M = 1.93 n = 14	M = 0.0 n = 0.0	M = 2.00 n = 1	M = 0.0 n = 0
61-70%	M = 1.00 n = 4	M = 1.89 n = 9	M = 2.00 n = 5	M = 3.00 n = 1	M = 0.0 n = 0
71-80%	M = 1.00 n = 6	M = 1.81 n = 21	M = 2.50 n = 4	M = 2.25 n = 4	M = 0.0 n = 0
More than 80%	M = 1.16 n = 25	M = 1.68 n = 38	M = 1.50 n = 4	M = 1.33 n = 3	M = 0.0 n = 0

TABLE XXIII

CROSSTABULATION OF FINSAT BY SEX

	Finsat			
Count Row Pct. Col. Pct. Tot. Pct.	Very well satisfied	Pretty well satisfied	More or less satisifed	Row Total
Female	16 57.1 23.2 8.1	10 35.7 10.3 5.1	2 7.1 6.3 1.0	28 14.1
Sex Male	53 31.2 76.8 26.8	87 51.2 89.7 43.9	30 17.6 93.8 15.2	170 85.9
Column Total	69 34.8	97 49.0	32 16.2	198 100.0

TABLE XXIV

CROSSTABULATION OF FINSAT BY HLTHRATE

		Hlthrate			
	Count Row Pct. Col. Pct. Tot. Pct.	Excellent	Good	Fair-poor	Row Total
Finsat	Very well satisfied	43 52.3 50.0 21.8	22 31.9 23.7 11.2	4 5.8 22.2 2.0	69 35.0
	Pretty well satisfied	37 38.5 43.0 18.8	51 53.1 54.8 29.9	8 8.3 44.4 4.1	96 48.7
	More or less satisfied	6 18.8 7.0 3.0	20 62.5 21.5 10.2	6 18.8 33.3 3.0	32 16.2
	Column Total	86 43.7	93 47.2	18 9.1	197 100.0

TABLE XXV

CROSSTABULATION OF FINSAT BY PREINCM

Preincm / Count, Row Pct., Col. Pct., Tot. Pct.	Finsat: Very well satisfied	Pretty well satisfied	More or less satisfied	Row Total
Less than 50%	9 32.1 13.0 4.6	12 42.9 12.6 6.1	7 25.0 21.9 3.6	28 14.3
51-60%	3 15.8 4.3 1.5	13 68.4 13.7 6.6	3 15.8 9.4 1.5	19 9.7
61-70%	7 28.0 10.1 3.6	11 44.0 11.6 5.6	7 28.0 21.9 3.6	25 12.8
71.80%	9 20.9 13.0 4.6	27 62.8 28.4 13.8	7 16.3 21.9 3.6	43 21.9
More than 80%	41 50.6 59.4 20.9	32 39.5 33.7 16.3	8 9.9 25.0 4.1	81 41.3
Column Total	69 35.2	95 48.5	32 16.3	196 100.0

TABLE XXVI

CROSSTABULATION OF FINSAT BY PACEINFL

Count Row Pct. Col. Pct. Tot. Pct.	Finsat Very well Satisfied	Pretty well Satisfied	More or less Satisfied	Row Total
Very much so	32 82.1 50.0 19.8	7 17.9 9.2 4.2	0 0.0 0.0 0.0	39 23.4
Moderately so	26 26.5 40.6 15.6	51 58.2 75.0 34.1	15 15.3 55.6 9.0	98 58.7
Paceinfl Hardly at all	4 22.2 6.3 2.4	6 33.3 7.9 3.6	8 44.4 29.6 4.8	18 10.8
Not at all	2 16.7 3.1 1.2	6 50.0 7.9 3.6	4 33.3 14.8 2.4	12 7.2
Column Total	64 38.3	76 45.5	27 16.2	167 100.0

TABLE XXVII

CROSSTABULATION OF FINSAT BY STRTPLAN

Count Row Pct. Col. Pct. Tot. Pct.	Strtplan Less than 5 years before	5-9 years before	10-14 years before	15-19 years before	20 or more years before	Row Total
Very well satisfied	3 4.3 12.5 1.5	17 24.6 40.5 8.8	18 26.1 36.7 9.3	11 15.9 34.4 5.7	20 29.0 42.6 10.3	69 35.6
Finsat Pretty well satisfied	11 11.7 45.8 5.7	21 22.3 50.0 10.8	23 24.5 46.9 11.9	17 18.1 53.1 8.8	22 23.4 46.8 11.3	94 48.5
More or less satisfied	10 32.3 41.7 5.2	4 12.9 9.5 2.1	8 25.8 16.3 4.1	4 12.9 12.5 2.1	5 16.1 10.6 2.6	31 16.0
Column Total	24 12.4	42 21.6	49 25.3	32 16.5	47 24.2	

TABLE XXVIII

CROSSTABULATION OF LIFESAT BY HLTHRATE

Count Row Pct. Col. Pct. Tot. Pct.	Hlthrate Excellent	Good	Fair-poor	Row Total
Lifesat Excellent	63 67.7 74.1 32.1	28 30.1 30.1 14.3	2 2.2 11.1 1.0	93 47.4
Good	21 23.1 24.7 10.7	58 63.7 62.4 29.6	12 13.2 66.7 6.1	91 46.4
Fair	1 8.3 1.2 0.5	7 58.3 7.5 3.6	4 33.3 22.2 2.0	12 6.1
Column Total	56 43.4	93 47.4	18 9.2	196 100.0

TABLE XXIX

CROSSTABULATION OF LIFESAT BY PREINCM

Count Row Pct. Col. Pct. Tot. Pct.	Preincm Less than 50%	51-60%	61-70%	71-80%	More than 80%	Row Total
Excellent	10 10.9 35.7 5.1	5 5.4 26.3 2.6	13 14.1 52.0 6.7	20 21.7 46.5 10.3	44 47.8 55.0 22.6	92 47.2
Lifesat Good	13 14.3 46.4 6.7	14 14.5 73.7 7.2	12 13.2 48.0 6.2	21 23.1 48.8 10.8	31 34.1 38.8 15.9	91 46.7
Fair	5 41.7 17.9 2.6	0 0.0 0.0 0.0	0 0.0 0.0 0.0	2 16.7 4.7 1.0	5 41.7 6.3 2.6	12 6.2
Column Total	28 14.4	19 9.7	25 12.8	43 22.1	80 41.0	195 100.0

TABLE XXX

CROSSTABULATION OF LIFESAT BY PACEINFL

Count Row Pct. Col. Pct. Tot. Pct.	Paceinfl Very much so	Moderately so	Hardly at all	Not at all	Row Total
Excellent	31 36.5 79.5 18.7	43 50.6 44.3 25.9	10 11.8 55.6 6.0	1 1.2 8.3 0.6	85 51.2
Lifesat Good	8 11.1 20.5 4.8	50 69.4 51.5 30.1	7 9.7 38.9 4.2	7 9.7 58.3 4.2	72 43.4
Fair	0 0.0 0.0 0.0	4 44.4 4.1 2.4	1 11.1 5.6 0.6	4 44.4 33.3 2.4	9 5.4
Column Total	39 23.5	97 58.4	18 10.8	12 7.2	166 100.0

TABLE XXXI

ANOVA - CELL MEANS - LIFESAT BY HLTHRATE AND PACEINFL

Total Population M = 1.54, N = 166

Hlthrate	Excellent	Good	fair-poor
	M = 1.25 n = 23	M = 1.70 n = 16	M = 2.12 n = 17

Paceinfl	Very much so	Moderately so	Hardly at all	Not at all	Not retired long enough
	M = 1.21 n = 39	M = 1.60 n = 97	M = 1.50 n = 18	M = 2.25 n = 12	M = 0.0 n = 0

Hlthrate \ Paceinfl	Very much so	Moderately so	Hardly at all	Not at all	Not retired long enough
Excellent	M = 1.13 n = 23	M = 1.29 n = 42	M = 1.17 n = 6	M = 2.00 n = 2	M = 0.0 n = 0
Good	M = 1.27 n = 15	M = 1.80 n = 44	M = 1.44 n = 9	M = 2.25 n = 8	M = 0.0 n = 0
Fair-poor	M = 2.00 n = 1	M = 2.00 n = 11	M = 2.33 n = 3	M = 2.50 n = 2	M = 0.0 n = 0

TABLE XXXII

CROSSTABULATION OF FINSAT BY NEEDSMET

Count Row Pct. Col. Pct. Tot. Pct.	Finsat Very well satisfied	Pretty well satisfied	More or less satisfied	Row Total
Excellent	59 88.1 85.5 29.8	7 10.4 7.2 3.5	1 1.5 3.1 0.5	67 33.8
Needsmet Good	10 8.4 14.5 5.1	88 73.9 90.7 44.4	21 17.6 65.6 10.6	119 60.1
Fair	0 0.0 0.0 0.0	2 16.7 2.1 1.0	10 83.3 31.3 5.1	12 6.1
Column Total	69 34.8	97 49.0	32 16.2	198 100.0

TABLE XXXIII

ANOVA - CELL MEANS - FINSAT BY LIFESAT AND NEEDSMET

Total Population	M = 1.77 N = 185

Lifesat	Excellent	Good
	M = 1.43 n = 93	M = 2.11 n = 92

Needsmet	Excellent	Good	Fair	Poor
	M = 1.13 n = 67	M = 2.08 n = 110	M = 2.75 n = 8	M = 0.0 n = 0

Needsmet / Lifesat	Excellent	Good	Fair	Poor
Excellent	M = 1.11 n = 56	M = 1.88 n = 34	M = 2.33 n = 3	M = 0.0 n = 0
Good	M = 1.27 n = 11	M = 2.17 n = 76	M = 3.00 n = 5	M = 0.0 n = 0

TABLE XXXIV

CROSSTABULATION OF LIFESAT BY NEEDSMET

Count Row Pct. Col. Pct. Tot. Pct.	Needsmet Excellent	Good	Fair	Row Total
Excellent	56 60.2 83.6 28.4	34 36.6 28.8 17.3	3 3.2 25.0 1.5	93 47.2
Lifesat Good	11 12.0 16.4 5.6	76 82.6 64.4 38.6	5 5.4 41.7 2.5	92 46.7
Fair	0 0.0 0.0 0.0	8 66.7 6.8 4.1	4 33.3 33.3 2.0	12 6.1
Column Total	67 34.0	118 59.9	12 6.1	197 100.0

TABLE XXXV

ANOVA - CELL MEANS - LIFESAT BY NEEDSMET AND FINSAT

Total Population	M = 1.59 N = 197

Needsmet	Excellent	Good	Fair	Poor
	M = 1.16 n = 67	M = 1.78 n = 118	M = 2.08 n = 12	M = 0.00 N = 0

Finsat	Very well satisfied	Pretty well satisfied	More or less satisfied	Not at all satisfied
	M = 1.17 n = 69	M = 1.73 n = 96	M = 2.06 n = 32	M = 0.00 n = 0

Needsmet	Finsat Very well satisfied	Pretty well satisfied	More or less satisfied	Not at all satisfied
Excellent	M = 1.14 n = 59	M = 1.43 n = 7	M = 1.00 n = 1	M = 0.00 n = 0
Good	M = 1.40 n = 10	M = 1.77 n = 87	M = 2.00 n = 21	M = 0.0 n = 0
Fair	M = 0.00 n = 0	M = 1.00 n = 2	M = 2.30 n = 10	M = 0.0 n = 0
Poor	M = 0.00 n = 0	M = 0.00 n = 0	M = 0.00 n = 0	M = 0.00 n = 0

TABLE XXXVI

CROSSTABULATION OF LIFESAT BY FINSAT

Count Row Pct. Col. Pct. Tot. Pct.	Finsat Very well satisfied	Pretty well satisfied	More or less satisfied	Row Total
Excellent	57 61.3 82.6 28.9	32 34.4 33.3 16.2	4 4.3 12.5 2.0	93 47.2
Lifesat Good	12 13.0 17.4 6.1	58 63.0 60.4 29.4	22 23.9 68.8 11.2	92 46.7
Fair	0 0.0 0.0 0.0	4 44.4 4.2 2.0	5 55.6 15.6 2.5	9 4.6
Poor	0 0.0 0.0 0.0	2 66.7 2.1 1.0	1 33.3 3.1 0.5	3 1.5
Column Total	69 35.0	96 48.7	32 16.2	197 100.0