

## **To What Extent is Gradual Retirement a Product of Financial Necessity?**

Cahill et al (2015)

Changes in the retirement income landscape over the past 30 years have left older Americans more exposed to market forces than prior generations, and more reliant on earnings to ensure their financial stability. The source of these earnings comes in many forms, including phased retirement, bridge jobs and re-entry, and the diverse pathways to retirement may be good news on balance; however, for some these job changes may reflect hardship, as vulnerable populations seek employment to prevent falling into poverty at older ages. We assess the magnitude of this segment of older workers using data from the Health and Retirement Study, an ongoing nationally-representative longitudinal survey of older Americans that began in 1992. A definitive u-shaped relationship exists between wages in career employment and bridge job prevalence, supporting the notion that one group transitions to bridge jobs for non-financial reasons while a sizable minority does so out of necessity.