

Is Bridge Job Activity Overstated?

Cahill et al (2016)

Considerable prior research has shown that the majority of older Americans with career employment do not exit the labour force directly from that career job. Rather, most move first to another job late in life, before complete labour force withdrawal. These intermediate jobs have been labelled “bridge jobs”, since they are assumed to be a bridge to complete retirement. One criticism of this research is that bridge job activity may be overstated because the definition of a bridge job in the existing literature does not require a change in occupation. This paper investigates the extent to which bridge jobs involve a change in occupation or a switch to part-time status, both of which may signal the start of a retirement transition, as opposed to continued career employment, albeit with a different employer. We utilize the Health and Retirement Study (HRS), a nationally-representative longitudinal dataset of older Americans that began in 1992. When all transitions after the career job are included, the vast majority of the men and women either changed occupations, reduced hours to part time, or both. We conclude that, by and large, those who changed jobs later in life did in fact do so as part of a retirement transition. Ignoring these subtleties does result in an overestimate of bridge job activity, but only a modest one.