A family resource management approach

to satisfaction with personal life and financial situation in retirement

by

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DEDICATION

What would I do without my three guiding lights? Peetie, Pepher, and Punk, I will not forget the lonely nights, frazzled days, and unconditional support that can never be measured. Your sacrifice does not go unnoticed. You will always be beautiful in my eyes.

For mom and dad, the inspiration behind the perspiration. Go forward with passion, with childlike curiosity, with youthful inspiration, adventure, and most importantly with unbridled love for one another.

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CHAPTER ONE

PURPOSE

Early theoretical research on retirement has focused on retirees as being a homogeneous group with little emphasis on individual differences in behavior among this growing population (Atchley, 1971; Burgess, 1960; Miller, 1965; Palmore, 1981; Rosow, 1962). Considered by more recent studies is the concept that a retiree is an individual who adapts and adjusts to retirement in his or her own specific and personal way (Atchley, 1976; Braithwaite & Gibson, 1987; Braithwaite, Gibson, & Bosly-Craft, 1986; Floyd et al., 1992; George, 1993; Krause, 1987; Leon, 1985; Martin Matthews & Brown, 1987; Palmore, Burchett, Fillenbaum, George, & Wallman, 1985; Palmore, Fillenbaum, & George, 1984; Payne, Robbins, & Dougherty, 1991; Robbins, Payne, & Chartrand, 1990; Wheaton, 1990). Past research has investigated only a portion of the retirees' behavior and management processes related to satisfaction in retirement. The purpose of this study is to apply a more holistic framework, specifically, Deacon and Firebaugh's (1988) family resource management perspective, to individuals in retirement by exploring the relationships between some of the variables that can enhance our understanding of management within retired families. The variables studied include sociodemographic characteristics, personal processes, managerial processes, and satisfaction with both personal life and financial situation.

Some of the past family resource management research has described planning behaviors in families, managerial behavior and stress in families headed by divorced women, goal oriented behavior in families, family financial management, families with preschool children, and home-based workers (Beard & Firebaugh, 1978; Buehler & Hogan, 1980; Buehler & Hogan, 1986; Edwards, 1970; Garrison & Winter, 1986; Guadagno, 1993; Heck, Winter, & Stafford, 1992; Hogan & Bauer, 1988). There is some minor disagreement as to the specific elements that make up the framework but the basic dimensions of input,

throughput, and output still exist (Deacon & Firebaugh, 1988, Gross, Crandall, & Knoll, 1980; Paolucci, Hall, & Axinn, 1977; Rice & Tucker, 1986). Although these studies cover many aspects of family life none show specific family resource management work with the retired population. Szinovacz (1989) and Szinovacz, Ekerdt, and Vinick (1992) have begun to study the importance of linking retirement to other environments by investigating systems theory in relationship to retirement. This study links family resource management, a perspective derived from systems theory, with retirement.

The increasing elderly population brought upon by the aging of the post World War II "baby boomers" translates into an unprecedented increase in the retired population after the turn of the century (President's Commission of Pension Policy, 1981). The influence a heterogeneous group of people of this size has on society is a major concern of policy makers, researchers, the business community, family economic specialists, social workers, retirement counselors, program coordinators, and other community educators and family practitioners. By examining retirement within the setting of family resource management, individual differences in managing resources in response to changes in the demands placed upon retirees can be identified in a more comprehensive manner than previous research has provided. A family resource management perspective may allow family educators and practitioners to develop new prevention and intervention programs that could benefit retirees and their families. By approaching retirement with a more individualized and holistic technique, retirement counselors and educators may become more effective in working with retirees to enrich their overall satisfaction with retirement, and not simply improve their satisfaction with their financial situation.

Family Resource Management Model

Deacon and Firebaugh (1988) state that management is a fundamental mechanism for creative living, for accomplishing desired goals and purposes by using resources to advantage.

They developed the family resource management model, in which the family is viewed as a system with two major subsystems, specifically, the personal and managerial.

A systems approach is particularly useful as a framework for presenting family and managerial concepts. Based in systems theory is the assumption that changes in one system part will bring about changes in other system parts (Bertalanffy, 1968; Broderick & Smith, 1979; Buckley, 1967; Constantine, 1986; Kantor & Lehr, 1976; Whitchurch & Constantine, 1993). Personal relationships and managerial processes need to be seen as interdependent and not separate processes of functioning within the family because individual decisions influence the lives of everyone who share resources such as space, energy, money, and time (Rettig, 1993). Systems concepts have been created through the explanation of how units or systems function in the world indifferent to what is under investigation. The technical definition of a *system* for the purposes of this study is that it is an integrated set of parts that function to accomplish a set of goals (Deacon & Firebaugh, 1988). A *subsystem* is simply a smaller component of the larger system assisting to fulfill the same end result. Systems concepts are compatible with management, which is practically defined as the sound use of means to achieve ends.

Although Deacon and Firebaugh's (1988) family resource management system will be described in chapter three, a brief overview is presented to assist in introducing the conceptual model. It is important to consider the roles of the personal system in (a) accepting input from outside forces and clarifying values and (b) providing for the individual abilities of family members. Personal growth and development take place in the personal subsystem. Furthermore, the cognitive, emotional, social, and physical capacities are fostered along with the evolution of intrinsic and extrinsic values.

Individuals and families attempt to achieve identified goals by obtaining the use of resources through the managerial system. Goal achievement is accomplished by developing

plans consistent with resources and demands and implementing those plans into action. Flexibility is the key to management, not a rigid set of rules and actions. The individual must control for conformity to plans and adjust if necessary. Managerial responses are goal oriented and are related to available or obtainable resources.

Demands and resources are *inputs*; the *throughput* components are developing capabilities, values, planning, and implementing; and the *outputs* are demand responses and resource changes. These relationships and their importance are examined in the context of their roles in distinguishing management as being dynamic and continuous for families as systems as they interact with the environment. The full conceptual model is illustrated in Figure 1.

Inputs, or socio demographics, influence satisfaction levels both personal and financial. The potential for growth in the marital relationship, the marital values, how the retiree plans to use resources, putting those plans into action, and the control that is felt over the situation are all related to satisfaction, as well. The sociodemographics are related to the throughput, which is the potential for growth, value system, planning and implementing, and sense of control. Finally, sociodemographics, potential for growth in the marriage, values, planning, implementation of those plans, and reported sense of control in the situation influence the output, which is the satisfaction with both personal life and financial situation.

Focus and Hypotheses

It would be difficult if not impossible and costly to try to test all of the potential relationships in the model outlined above during one study. Exploring selected relationships between demands, resources, developing capabilities, evolving values, standard setting, actuating, controlling, demand responses, and resource changes is the focus of this study. Four general hypotheses are tested in this study.

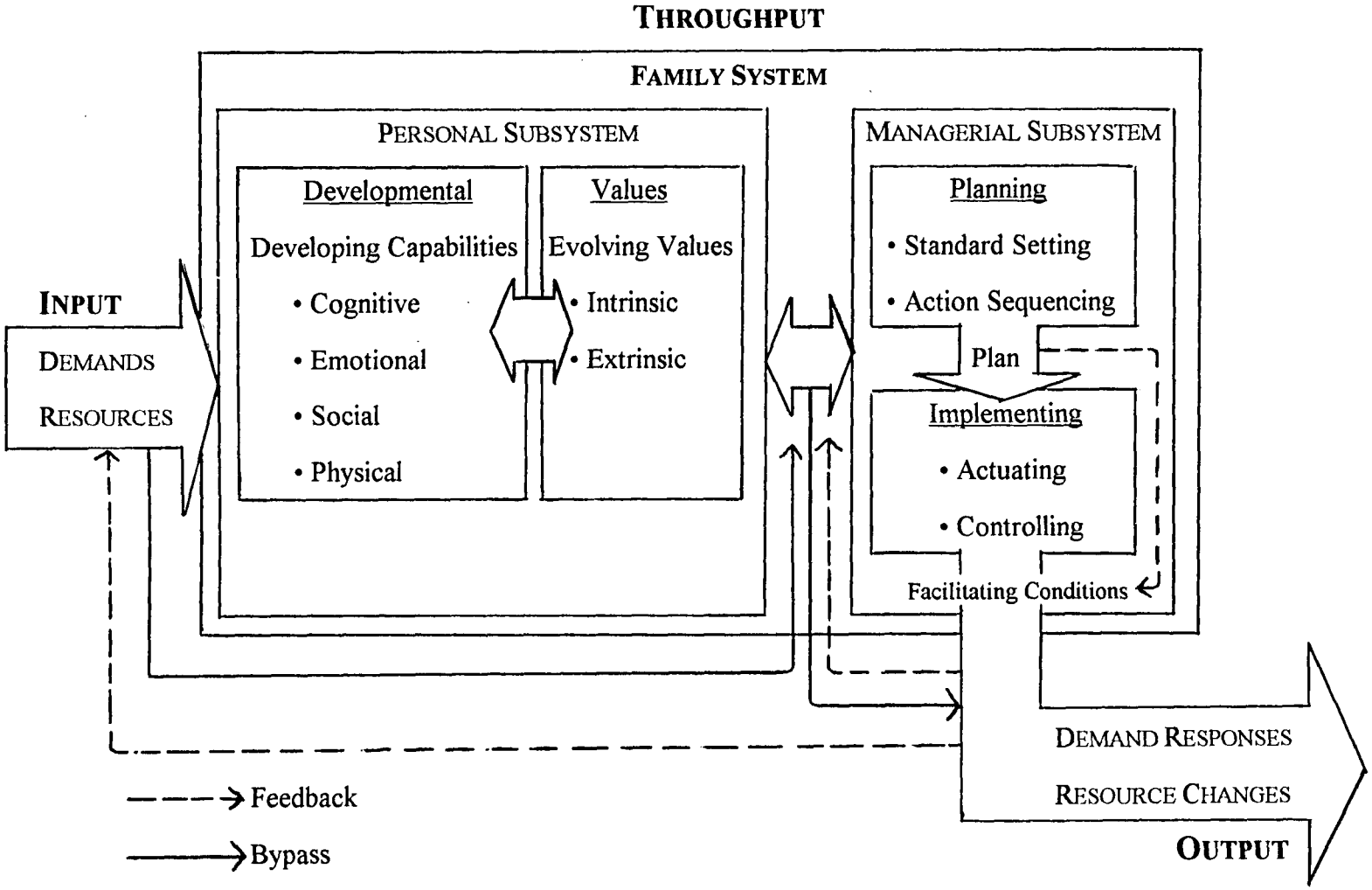

Figure 1. Deacon and Firebaugh's Model of Family Resource Management

Hypotheses

Hypothesis 1. The retiree's sociodemographic characteristics will predict satisfaction with personal life and financial situation. The presence of a chronic health condition, being a woman, and increased age will predict lower satisfaction levels. Higher levels of education, income, and asset value will predict greater levels of satisfaction.

Hypothesis 2. The retiree's personal processes of the potential for growth in the marital relationship and the value system, and managerial processes of planning, implementing, and reported locus of control, will predict satisfaction with personal life and financial situation. The more time a retiree spends with his or her spouse, a value system aligned with flexibility, compromise, and consultation, high degrees of planning for and evaluating of financial resources, and a greater sense of control will predict higher satisfaction with personal life and financial situation.

Hypothesis 3. The retiree's sociodemographic characteristics will predict personal and managerial processes. The presence of a worrisome chronic health condition, being female, and increased age will predict less planning for and evaluating of financial resources and less reported internal control. Older men who are chronically ill will have lower levels of spousal interaction and less flexibility, compromise, and consultation with their spouses. Higher income, education, and asset value will predict greater levels of spousal interaction, a value system aligned with flexibility, compromise, and consultation, more planning for and evaluating of financial resources, and a greater sense of internal control for both genders.

Hypothesis 4. The retiree's sociodemographic characteristics combined with personal and managerial processes will significantly predict satisfaction with personal life and financial situation. For both genders, the absence of a chronic health condition, younger age, the presence of higher education, income, and asset value, combined with more time a retiree spends with his or her spouse, a value system aligned with flexibility, compromise, and

consultation, high degrees of planning for and evaluating of financial resources, and a greater sense of control will be a significant predictor of higher satisfaction with personal life and financial situation.

An additional purpose of this study is to explore the influence of age in the predictability of satisfaction with personal life and financial situation in retirement. This was done by examining age group differences for the stated hypotheses.

The relationships tested in this study for the total sample and all age subgroups are presented in Figure 2. Deacon and Firebaugh's (1988) model provided the basis for these hypotheses and relationships.

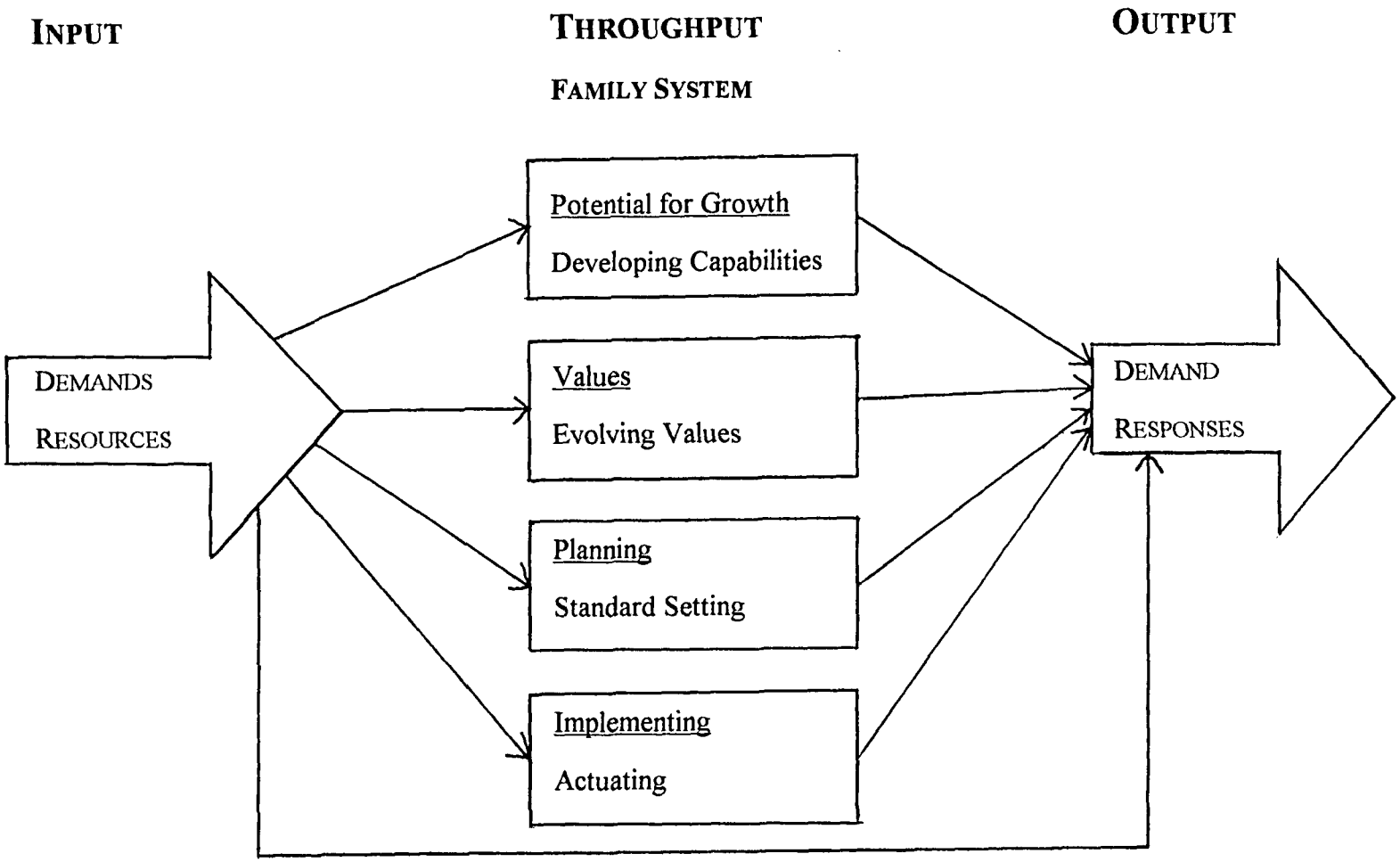

Figure 2. Adapted Conceptual Model

CHAPTER TWO

REVIEW OF THE LITERATURE

The purpose of this chapter is to (a) present an overview of the retirement literature, (b) survey the major theoretical approaches associated with retirement, (c) review major studies on retirement in order to examine the significant variables associated with personal and financial satisfaction, and (d) discuss categorizing the sample of retirees for this study into separate age groups for comparison.

Overview

Slightly more than one hundred years ago when the family instead of the factory was the primary means of production, retirement in the United States did not really exist. An older person worked as long as they were physically able and then their family took care of them (Markides & Cooper, 1987; Schulz, 1992, p. 4). With the decline in agricultural employment and self-employment, retirement was feasible and even necessary (Graebner, 1980). Today, nearly all of us will participate in or be affected by this social institution in some way or another.

Definition of Retirement

Retirement can be a stage of life, an event, a social role, or a process (Atchley, 1976; Palmore et al., 1985). It is complex in that it is perceived as both a cause and effect (Atchley, 1976, 1979; Markides & Cooper, 1987; Palmore, 1981; Palmore et al., 1985). As a stage of life, retirement can be seen as the forced or chosen period following a career of employment where job responsibility and opportunities decrease and income comes at least in part from a pension earned through past employment (Atchley, 1972; 1976). Atchley (1979) has argued that operationally defining retirement is difficult with no single definition meeting research needs in all disciplines. The focus of this research is on studying retirement as a process involving continuous adaptation. Although other definitions of retirement are useful and

valid, *subjective retirement* based on the respondent's assessment of his/her own retirement status is this study's primary definition.

Many people retire earlier than those who are considered socially "on-time" retirees. Some retire later, while others never retire at all. Therefore, retirement studies should be designed not for those in a certain age group, but for people who consider themselves retired (Antonovsky & Sagy, 1990).

Background and Evolution of Retirement Satisfaction

One of the primary questions of gerontological research is how retirement affects the psychological, social, and economic adjustment of the aged. The shift from work to retirement is ideally a manageable and constructive decision-making process for those approaching this life stage. Retirement from the labor force has long been seen as a major life transition that is complicated, full of anxiety, and stress producing for many people (Atchley, 1992; Palmore et al., 1984). Retirement can affect the way individuals spend their time, the amount of their income, and with whom they interact. Early research suggested the loss of the work role as leading to physical and mental breakdowns, as well as other less serious psychological difficulties (Barron, Streib, & Suchman, 1952). Phillips (1957) found that retirees had a greater degree of maladjustment than workers. As the research progressed through the 1960s and 1970s a general trend of greater satisfaction was found among the retired population (Barfield & Morgan, 1978; Shanas et al., 1968). These shifts may have been due to the availability of more sophisticated statistical methods in more recent times (Beck, 1982).

More recent findings indicate an initial decline in well-being, morale, and satisfaction during the first months of voluntary retirement, then a general increase in positive adaptation (Braithwaite & Gibson, 1987; Fletcher & Hansson, 1991; Richardson & Kilty, 1991). Health and income are the two major indicators of retirement satisfaction and successful adaptation

(Abel & Hayslip, 1987a; Beck, 1982; Belgrave, 1989; Braithwaite & Gibson, 1987; Dorfman, Heckert, Hill, & Kohout, 1988; Lee & Shehan, 1989; Logue, 1991; Morgan, 1992; Palmore, 1981; Palmore et al., 1985; Richardson & Kilty, 1991; Seccombe & Lee, 1986; Stull, 1988; Szinovacz & Washo, 1992). There is an indication that retirement may not be as critical a life event as perceived in the past (Atchley, 1992; Markides & Cooper, 1987; Martin Matthews & Brown, 1987).

Studies have found that there is still a great deal of strain associated with retirement when it comes earlier than expected (Palmore et al., 1985; Palmore et al., 1984). Departure from work does not always take place under ideal conditions or at conventional times for many workers. Some individuals may be relatively unprepared for retirement, both financially and psychologically.

A major piece of work done in the area of causes and consequences of retirement was conducted by a Duke University research team headed by Erdman Palmore. They combined and analyzed results from seven major studies of U. S. retirement (Palmore et al., 1985). Their findings offer information on why workers decide to retire, and the impact of that decision on their finances and mental and physical health. These studies needed to meet certain criteria to be included in the overall investigation. They were required to be based on large, nationally representative samples; be longitudinal; be methodologically and statistically sound; have many definitions of retirement; compare middle- and working-class people, voluntary and involuntary retirees, people who retired early and late, men and women, and blacks and whites. The data sets selected were: The Retirement History Study (RHS); The National Longitudinal Surveys (NLS); The Panel Study of Income Dynamics (PSID); The Duke Work and Retirement Study (DWRS); The Duke Second Longitudinal Study (DSLS); The Ohio Longitudinal Study (OLS); and The Michigan Study of Auto Workers (MSAW).

When controlling for preretirement characteristics Palmore and his colleagues (1985) found that the income drop for most retirees is not as severe as other research has shown. There is little or no effect on the health or attitudes of the average retired person when retirement comes at the expected age and time. When a person can look forward to retirement instead of seeing it as the only alternative to recovering from an illness or unemployment, retirement is a much more positive experience.

The issue of retirement in scientific research is seen as a complex, ever changing phenomenon that requires constant investigation to increase insight. In grasping to make sense of the world and its relationship to the human life span, an extensive understanding of retirement is equally important as knowing about child development, adolescence, marriage and the family, education, occupation and family economics, and any other life stage that individuals and families might experience.

Theories of Retirement

Even though the study of the effects of retirement on the individual is relatively young, several major theoretical perspectives address the issue.

Activity or Substitution Theory

The activity theory of adaptation was proposed by the first widely quoted researchers to study retirement. Friedman and Havighurst (1954) proposed that a sense of loss is created when a person retires from work. To overcome this loss, people should find a substitute for work so they can successfully adapt (Havighurst, 1961). The fundamental principle of the theory is that retirees will replace the activities that they must surrender with others in order to maintain the satisfaction they had in middle age. Retirement is most satisfactory when the individual can remain active and replace lost roles with substitutes. Activity theory is heavily tied to the meaning of work for the person. Work may not be as central a role for today's society as it once was. If this is true, then there may be no desire to replace the work role

once it is relinquished. The activity perspective does not allow for change in desired activity level. Activity theory places the burden of adjustment on the individual independently of outside events or influences in the retiree's world. Activity theory was an important theory in the beginning stages of retirement research, but is limited in its' explanatory value of retirement satisfaction.

Crisis Theory

The crisis model of adaptation is another theory of retirement closely related to the work role. Miller (1965) suggests that retirement is degrading and is an ill replacement for the work role. Occupational identity provides the structure for all other facets of life. Leisure can not replace work because it is not seen as profitable or functional. A person's values are important to how they adjust to retirement. Crisis theory suggests that most retirement is involuntary and fails to explain voluntary early retirement. There is no mention in crisis theory of individual differences among retirees in their ability to adapt; it is simply a crisis for all according to Miller (1965). Similar to activity theory, there is little influence from the outside world on an individual's ability to adjust to retirement. Crisis theory has failed to see the future of retirement as being a respectable and desirable role in society.

Disengagement Theory

The disengagement theory suggests that individuals withdraw from society and likewise society withdraws from the individual as a natural part of the aging process (Cumming & Henry, 1961). There is no desire to substitute the work role; the worker is inclined to withdraw because the pace of work becomes too great. Retirement is seen as "society's permission to disengage" (Cumming & Henry, 1961, p. 146) and the person begins to turn inward and is less attached to the social systems that are part of his/her life. The individual is responsible for adjusting to the disengagement independent of the outside world. Disengagement theory is often seen as an opposite of activity and crisis theories. It is

considered too extreme since many retirees adapt successfully without disengaging from society. Research based on disengagement has proven to be inconclusive with the theory ultimately being unfalsifiable (Hochschild, 1975).

Role Theory

All three of the above theories assign significance to the social roles that a retired individual occupies. Role theory provides one of the most common methods of explaining satisfaction with retirement. Society is seen as being formed around various roles that shape norms and behavioral and attitudinal expectations (Richardson, 1989). The theory posits that retirement involves the loss of the critical work role, with ensuing "rolelessness" causing discontentment, anxiety, and depression (Streib & Schneider, 1971). Early research indicated support for this with maladjustment and low morale for retirees being more significant than for workers (Phillips, 1957). Conformity to new roles must occur for successful adjustment. Role theory does recognize, unlike activity, crisis, and disengagement theories, the importance of outside influences on satisfaction with retirement through social support in aiding conformity to new roles. A reduced stock of resources in retirement for many, may prevent such conformity. Role theory, like the others mentioned, is seen as having too much emphasis on the work role. Additionally, the theory is seen as being too simplistic and general for many theorists (Palmore et al., 1984).

Continuity Theory

A more recent approach to retirement is Atchley's (1971, 1976, 1988, 1989) continuity theory of normal aging. The significant difference in this theory from those mentioned above is that it takes into account that most people do adjust well to retirement. Only about one third of the retirees experience difficulty in adjustment (Atchley, 1976; Howard, Marshall, Rechnitzer, Cunningham, & Donner, 1982). The emphasis in continuity theory is stability in previously established patterns of behavior. Because retirees continue previous patterns of

behavior, retirement is seen as not leading to maladjustment or distress. Atchley (1976) contends that a person's hierarchy of personal goals is organized to indicate priorities of achievement. If a person's job is not high on the hierarchy to begin with, then retirement will induce no serious change. Continuity theory suggests that few people view their entire identity as being associated with one role, i.e., the work role. While many people can maintain previous lifestyle patterns in retirement, others as a result of reduced resources, have difficulty sustaining continuity. Continuity theory has been charged with being too simplistic and general, as well (Palmore et al., 1984).

Retirement Variables

Sociodemographics

Several principal sociodemographic variables help estimate a retiree's satisfaction with retirement. The variables that represent input demands for the retiree are gender and age. Gender and age are found throughout the retirement literature as important variables for study.

Two major theories of retirement propose that there are specific resources that, when of sufficient quantity, promote greater satisfaction in retirement. The activity theory states that older people should maintain the activities and attitudes of middle age as long as they possibly can and then find substitutes for the activities they must give up (Havighurst, 1961) Resources available to the retiree may play a major role in enabling the individual to maintain a certain activity level. Crisis theory recognized the importance of resources in the avoidance of crisis situations (Richardson, 1989). These theories guided the selection of the resource variables used in this study. These resource variables are self-reported health condition, education, income, and household asset value.

Gender. The issue of gender in relation to retirement satisfaction shows mixed results in past research. There is some indication that retirement is a more difficult experience for

women than it is for men (Abel & Hayslip, 1987a; Belgrave, 1989; Floyd et al., 1992; Richardson & Kilty, 1991; Seccombe & Lee, 1986; Szinovacz & Washo, 1992). Some research indicates differences in pre-retirement income between men and women are related to their levels of satisfaction (Seccombe & Lee, 1986). Other studies show no major effects on satisfaction for either men or women (Anson, Antonovsky, Sagy, & Adler, 1989; Beck, 1982, George, Fillenbaum, & Palmore, 1984; Palmore, 1981; Palmore et al., 1984). Ambiguity such as this certainly deserves further investigation.

Age. Phillips (1957), in his discussion of role theory, suggests that age is the central focus for two of his four role changes that occur for the elderly. The treatment received by an aging individual from others and their chronological age are central to understanding the role changes that occur for the retiree. The evidence on the influence of age on retirement satisfaction is mixed. Logue (1991) found age to be a predictor for financial stress in the elderly which is certainly related to satisfaction with financial aspects of retirement. Other research has found similar evidence that age is a negative predictor of retirement satisfaction for both husbands and wives (Dorfman et al., 1988; Richardson & Kilty, 1991). Some studies have found age to be a positive predictor of satisfaction in retirees (Lee & Shehan, 1989; Palmore et al., 1985). Further research needs to be conducted to try to understand the effect of age on retirement satisfaction.

Health. Research indicates that health is related to practically every aspect of satisfaction among the elderly (Abel & Hayslip, 1987a; Beck, 1982; Lee & Shehan, 1989; Logue, 1991; Morgan, 1992; Palmore, 1981; Palmore et al., 1985; Seccombe & Lee, 1986; Szinovacz & Washo, 1992). It is one of the strongest correlates of satisfaction among retirees (Beck, 1982; Belgrave, 1989; Braithwaite & Gibson, 1987; Dorfman et al., 1988; Richardson & Kilty, 1991; Stull, 1988). Those in poor health have a more difficult time dealing with the transition and process of retirement. An individual's ability to enjoy retirement may be

severely restricted if there are health concerns or issues. Deacon and Firebaugh (1988) consider health to be a basic human resource related to the ability to function effectively. Health appears to be an important resource that may assist retirees to sustain activity levels, avoid crises, conform to new roles, and maintain continuity in their lives.

Education. "People investing in themselves enhance their production and consumption capabilities" (Deacon & Firebaugh, 1988, p. 56). An important resource for an older person is their education level. While other resources such as health, and income may be declining, the retiree may rely on their education to maintain access to other resources of independence. Educational attainment influences earnings and availability of fringe benefits such as retirement pensions with the lack of these contributing to financial stress among retirees (Logue, 1991). The Duke Longitudinal Studies have found that high levels of education coupled with high income is a good indication of how well elderly individuals adapt to changes in their health (Palmore, 1981). Several studies have used education as an independent variable (Abel & Hayslip, 1987a; Beck, 1982; Lee & Shehan, 1989; Leon, 1985; Logue, 1991; O'Rand & Landerman, 1984; Palmore et al., 1985; Richardson & Kilty, 1991; Szinovacz & Washo, 1992).

Income. In addition to health, income has been shown to have a strong positive relationship with retirement satisfaction (Belgrave, 1989; Braithwaite & Gibson, 1987; Dorfman et al., 1988; Palmore et al., 1985; Richardson & Kilty, 1991; Seccombe & Lee, 1986; Stull, 1988). Palmore (1981) reported that the Duke Longitudinal Studies showed that those with high incomes consistently reported their health being better. Income in the form of money is a material resource for meeting goals and accomplishing objectives (Deacon & Firebaugh, 1988). An inability to maintain resources, concerns about financial security, and cutbacks in spending greatly influence satisfaction with retirement.

Assets. Material assets have value and contribute to economic security (Deacon & Firebaugh, 1988). Assets have been used in many studies to help indicate the economic level of retirees (Fillenbaum, George, & Palmore, 1985; O'Rand & Landerman, 1984; Palmore, 1981; Palmore et al., 1985).

Schulz (1992) stated the following:

> In addition to current income, many of the aged own assets that provide housing, serve as financial reserve for special or emergency needs, contribute directly to income through interest, dividends, and rents, and generally enhance the freedom with which they spend their available income. (p. 36)

Asset income made up 25% of the sources of money income for the elderly in 1988 (Grad, 1990). Grad's figure generally reflects the high-income elderly (Schulz, 1992).

Personal Processes

Married elderly tend to share both activities and values (Atchley & Miller, 1983). Additionally, spousal support is important to the individual's retirement satisfaction (Ade-Ridder & Brubaker, 1983). Atchley (1992) contends:

> Thus a solid marriage is a central part of the "good life" for married older people, and reactions of married people to various life events are conditioned by the fact that these changes occur in the context of a couple and are not merely individual adjustments. (p. 146)

Variables that describe joint activities with the retired individual's spouse such as helping, mutual activities, and decision making help to describe the solidarity of a married couple. Values such as compromising, flexibility, and consultation are also indicators of a "solid marriage".

The examination of potential relationship growth in retired couples through cognitive, emotional, and social capabilities, and values of retiree's is lacking in the literature. A further

investigation of these variables in this study will help to show their importance for future research.

Potential for growth. Featherman (1992) stresses the importance of instrumental, emotional, and other support-giving exchanges from life partners in helping to cope with challenges in the later years. The majority of studies suggest that husbands spend more time after retirement helping around the house which generally leads to greater satisfaction for the couple (Dorfman, 1992; Dorfman et al., 1988; Vinick & Ekerdt; 1989).

Values. Values occupy all aspects of management, providing the bases for decisions. They are indispensable meanings relating to what has worth (Deacon & Firebaugh, 1988). Continuity theory contends long-standing values coupled with life-style patterns and self-esteem may influence the lives of the retiree more than retirement itself (Atchley, 1989). According to Rokeach (1973), personality variables are in principle from the same realm as values with both measuring underlying behavioral predispositions in similar ways. Therefore, for purposes of this study, the personality characteristics of compromise, flexibility, and information seeking in the form of consultation, will be examined as marital values.

Flexible people are likely to adjust well to retirement (Howard et al., 1982). In Atchley's (1976) goal hierarchy theory, *interpersonal negotiation* is a process where an individual discusses his or her goals and aspirations with others with whom he or she interacts. Interpersonal negotiation is a flexible method of consultation and compromise by all parties involved. Compromise, flexibility, and consultation are important elements of a marital value system that can help prevent surprises along the road to achievement of retirement goals for a married couple.

Managerial Processes

Conformity to new roles is a central premise of the role theory as presented by Phillips (1957). Conforming occurs somewhere after a new role is placed upon an individual and

before the outcome of successful adjustment. The maintenance of conformity requires management in the form of planning and implementing for the new role to successfully accomplish the transition. All of the complexities of the new role need to be organized in a fashion that allows the retiree to successfully adapt and derive satisfaction from that adaptation.

Planning and implementing. There is a void in the postretirement event literature in the area of planning. Studies abound on preretirement planning (Abel & Hayslip, 1987b; Campione, 1987; Clark, Johnson, & McDermed, 1980; Ekerdt, 1989; Ekerdt, & DeViney, 1993; Fretz, Kluge, Ossana, Jones, & Merikangas, 1989; Rix, 1990; Rowen & Wilks, 1987; Shaw, 1984) but none show planning as an important element once the individual or couple is retired. Planning is a critical part of life management for nearly all stages of the life cycle that an individual or family may pass through (Beard & Firebaugh, 1978; Buehler & Hogan, 1986; Deacon & Firebaugh, 1988; Garrison & Winter, 1986; Gross et al., 1980; Guadagno, 1993; Hanks, 1993; Heck, 1983; Heck et al., 1992; Paolucci et al., 1977).

Financial security mechanisms play a basic role in satisfying nearly all of a person's fundamental needs (Gregg, 1992). One of the focuses of this study is to investigate the practices of planning for expenditures and evaluating spending.

Locus of control. Locus of control, or internal versus external control, is presently one of the most studied variables in social sciences (Rotter, 1990). *External control* is an event that is interpreted as the result of luck, chance, fate, or under the power of others; and *internal control* is an event that is contingent on the individual's own behavior (Rotter, 1966). Disengagement theory focuses on the issue of control for the individual (Cumming & Henry, 1961). As one relinquishes control of societal attachments they disengage from the social systems that were part of their life.

Research indicates that older people who demonstrate an internal locus of control appear to have higher levels of adjustment (Abel & Hayslip, 1987a). Retirees who believe they have control over changes that typically accompany the process of retirement, may be more satisfied since they feel that they may have some control over the outcome of the changes. Locus of control has been used as a variable in several retirement studies (Abel & Hayslip, 1987a, 1987b; Palmore, 1981; Palmore et al., 1985).

Rotter (1966) developed a 29-item, forced-choice test known as the I-E scale. An adaptation of that scale is used in this study.

Satisfaction with Personal Life and Financial Situation

Satisfaction with retirement is a key dependent variable for many of the major theories of retirement. Activity or substitution theory, the crisis model of adaptation, disengagement theory, role theory, and continuity theory of normal aging all see life satisfaction as a crucial outcome variable. Family resource management suggests that the effectiveness of a system (i.e., a family) is directly related to the satisfaction of actual system outputs with anticipated outcomes (Deacon & Firebaugh, 1988).

Retirement can bring about new goals, interests, and activities or stress, physical deterioration, and depression (Dorfman & Moffett, 1987; Martin Matthews & Brown, 1987; Seccombe & Lee, 1986). About one third of retirees experience an initial difficulty in adjusting to retirement and encounter a decrease in life satisfaction as a result of the transition (Atchley, 1976; Howard et al., 1982). Assessing retirement satisfaction through personal life and financial situation variables is useful for understanding patterns of adjustment in retirement and factors that affect postretirement satisfaction.

Satisfaction with personal life. Overall scores in life satisfaction measurement instruments may be created by combining scores from several questions about such topics as leisure time, marriage, relationships with family and friends, or health status (Dorfman,

Kohout, & Heckert, 1985; Floyd et al., 1992; Lee & Shehan, 1989; Richardson & Kilty, 1991). Richardson and Kilty (1991) found several factors such as health, age, and gender influenced satisfaction in retirement. Certainly, life satisfaction related to retirement and its measurement is a complex issue. Economic and health status are not the only indicators of satisfaction. Including leisure time, marital and family relationships, and the extent of control over one's life as measures of personal satisfaction will promote a more comprehensive understanding to the retirement process.

Satisfaction with financial situation. A retiree's subjective assessment of his or her financial resources as being adequate versus inadequate or satisfactory versus unsatisfactory is helpful in understanding overall satisfaction with retirement. Self-reports of satisfaction with standard of living, income, and financial situation in general are the most frequent methods of measurement of this variable (George, 1992).

Inadequate income is associated with dissatisfaction with retirement (Atchley & Robinson, 1982; Dorfman et al., 1985; Dorfman & Moffett, 1987; Floyd et al., 1992; Vinick & Ekerdt, 1989). In addition, early retirement is related to a greater loss of income than normal age retirement (Palmore et al., 1985).

Categories of Age

Bould, Sanborn, and Reif (1989) indicate that until recently, much of the research on aging categorized older adults as anyone aged 65 and over. Many studies have not even designated an age or age group beyond 65+. It was unimportant if someone was 65, 75, or 85. Recent research has made these distinctions recognizing the potential for significant variance between the young-old (65-74), middle-old (75-84), and the oldest-old (85 and over). "After all, there are as many years between 60 and 90 as there are between 20 and 50" (p. xi).

Issues of retirement are 20 or more years in the past for the oldest-old. The oldest-old see self-determination, independence, and physical and emotional health as the leading issues in their lives (Bould et al., 1989).

Feifel and Strack (1987) attempted to identify differences between age groups of elderly men by examining the young-old (65-74) and the old-old (75 and older). There was more intra-group variability than inter-group variability. These results uphold previous research indicating that the elderly population consists of a heterogeneous group. When an additional group is added, as in this study, of those that may be considered the "not-yet-old" (55-64), variability between the groups is almost certain.

CHAPTER THREE

FAMILY RESOURCE MANAGEMENT

In a review of Deacon and Firebaugh's (1988) family resource management model, chapter three will show how this framework is a more holistic approach to describing and explaining the process of retirement than past theories. All systems, not just the individual system, in the retiree's environment interact to promote positive satisfaction with the retirement process.

Gross et al. (1980) view family management as being concerned "with the ways in which a family uses all its resources and with the quality of life resulting from that management" (p.5). They further define family management as "purposeful behavior involved in the creation and use of resources to achieve family goals" (Gross et al., 1980, p. 6).

Most of family resource management and the research associated with the theory includes an ecological systems perspective to view the family as a dynamic interaction system (Paolucci et al., 1977). The family is seen as a system that manages its resources to meet the members' various and distinct needs and to better their quality of living (Hogan & Bauer, 1988).

Heck and Douthitt (1982) found the following:

> The systems approach used by Deacon and Firebaugh lends itself more readily to empirical specification than do other management frameworks. Its precise delineation of the managerial process allows the testing of specific relationships between and among elements. It is acknowledged that the application of systems theory may lack validity in some areas of family living where efficiency or even effectiveness may not be the goal. However, the theory is applicable in many other areas of family activities, particularly in the areas of technical and economic decisions, and thus provides a

benchmark for beginning conceptualization of empirical models to test its validity. (p. 266)

Chapter 3 discusses Deacon and Firebaugh's (1988) family resource management system in detail. The discussion is divided into four sections. The first section deals with input. An explanation of external demands and resources, internal demands and resources, and events will be presented. The second section reviews the transformation phase of the theory known as throughput. Developing capabilities and evolving values are introduced as part of the personal subsystem. The managerial subsystem is presented with descriptions of planning and implementing. The third section examines output, feedback, morphogenisis, morphostasis, and the relationship between input and output. The final section relates the theory to the general retired population and presents the specific, adapted model used in this study.

System Elements

A system is a functioning unit that can be identified for a primary focus of study. The functioning parts of the primary system are subsystems that have to be functioning units in their own right. Under certain circumstances these subsystems become the primary unit of study with their own subsystems. The personal subsystem will be discussed as a subsystem of the family system. When the personal subsystem is discussed as the primary focus of study, it becomes a system with its own subsystems. The interchange of the use of the terms system and subsystem in this paper reflects the focus of the unit being studied.

Input

Inputs are matter, energy, and/or information that enter a system in a variety of forms in order to affect the throughput (transformation) processes, which affect the achievement of outcome or output. The foundation for answering questions such as why, what, and whether is input. Why resources are distributed in a certain way, which ones are allotted, and whether

or not any resources will be designated for use depend on input factors that stimulate response. The inputs to the family system and their subsystems that assist in this motivation are called demands. *Demands* are either goals or events that call for some kind of action. They are placed on individuals or the family by goals or events. *Goals* are value-based objectives or anticipated outcomes that guide action. *Events*, in contrast, are unanticipated or chance occurrences that require some form of action. *Resources* are means available to meet demands. They are assets, both human and material, through which goals and events are achieved or satisfied.

Demands. As stated earlier, demands can be goals that require action of some sort. Goals are indicators of values, the principal motivating force in management (Gross et al., 1980). *Values* are vital meanings associated with what is desirable or has merit, providing a fundamental basis for goals. Values can be structured beliefs that operate at both the easily recognized and verbalized (explicit) or subconscious, unspoken, implied from behaviors (implicit) level (Paolucci et al., 1977). They help us in making judgments. Rokeach (1973, p. 73) sees values as being alternatives suggesting some comparison between and among potential choices and actions. Goals and events create the demands that plot the course for managerial activity. A goal can be seen as a desired state of being (Edwards, 1970). Goals may form in the personal subsystems of the family members, or they may sidestep the personal subsystem and go directly to the managerial subsystem. Goal demands can come from the external environment such as paying taxes or role expectations of the retiree. Food and water are obvious biological goal demands for family members.

The process of organizing goals into specific objectives that are achievable takes place in the managerial subsystem. More family goals produce more complicated management. Ranking the priorities of the goals or placing them in a hierarchy can prove to be complex and management can help by providing a realistic assessment of the goals.

Values have to be clear in order for the goal hierarchy to be clear. Values are immersed in all areas of management providing the bases and continuity for decisions. Concurrently, management assists in the clarification of values as goals.

Goals help in standard setting during the planning phase of management, providing purpose and direction to the managerial system. The degree of specificity of a goal comes from the personal subsystem and is based on how absolute or relative are the values. Absolute values produce more specific goals. Goals develop from values through things such as experiences, information, new knowledge, or environmental changes. No matter how significant the demands are, they have the capacity to elicit a response. Demands can originate from inside the family, or from the outside environment.

Events. An event is an unanticipated occurrence that requires action. These external events normally bypass the personal system and advance directly to the managerial system. External events may include severe weather conditions such as a tornado or a simple inconvenience like a snow plow throwing snow onto a freshly shoveled driveway. Internal events are generally responded to according to values. A family accident or illness would be considered an internal event.

Adjustments or redirection may be necessary in responding to an event but it is not or would not have become a goal since no conscious prior expectations existed.

Resources. The combination of events and goals as inputs determine the demands placed on the managerial system. The demands identify the responses in the managerial system, depending on its potential. Resources provide that potential.

Resources are mechanisms that provide the qualities or traits capable of meeting the demands that goals and events place on the family. Resources are required to solve every management issue. Activities internal to the family or interactions with other systems can

produce resources. Available resources are those that individuals or families have control over or own. Resources are either human or material.

Knowledge, health, time, abilities, and skills of members of the system are human resources within the family system. An exchange of money, time, or a gift occurs if knowledge, abilities, and skills of others outside the family are desired. Human resources are often less tangible and thus less measurable than material resources.

Material resources are made up of consumption items, housing, capital, money, and physical energy. These resources have attributes that combine to produce a life-style of the individuals and families that possess them.

A *resource stock* may be acquired when the family develops resources and keeps them for later use. The stock can be built up or depleted through managerial decisions.

General resources have alternative uses, while specifically refined resources are more specialized and therefore more restricted in alternative uses. Combining human and material resources is important to overall well-being since it is, in many cases, an effective use of available means.

Resources are also perceived as being finite or limited relative to family wants and needs. If resource use is seen as a process over time, individual family members may inadvertently expand their needs and wants so that they are greater than their resources and then need to reconstruct their wants to be in balance with their resources and maintain the family stability. Later, their needs increase again and become too varied for the resources available, and the action of checking and adjusting wants and needs may have to be repeated. The degree of group commitment, the level of family conflict or cooperation, and the absence or presence of mediation and communication skills needed for this process can prevent or accelerate successful family management. Just as demands can originate from outside or inside the family, so can resources.

Throughput

The process of transferring the inputs of matter, energy, and/or information into outputs is called *throughput*, or transformation. The throughput processes of decision making, communication for planning, and implementing action to transform resources into achieved goals are the heart of management (Rice & Tucker, 1986). The foundation for answering questions such as how, how much, how good, when, and where is throughput. The overall effectiveness of a system can be measured by comparing the output (achieved goal) with the input (desired goal). The effects of throughput are reflected this way but not the process. A method of measurement such as this does not show why some families with similar resources can more successfully achieve goals than others. The answer to this question is in understanding the internal processes or getting inside the "black box" of family functioning.

For management within a family, throughput consists of developing capabilities or the potential for change or growth in relationships and evolving values (subsystems of the personal system), and planning and implementing (subsystems of the managerial system). *Developing capabilities* foster the growth and development of the interrelated cognitive, emotional, social, and physical capacities. *Values* translate experience and understanding into intrinsic and extrinsic meaning. *Planning* is a sequence of decisions connected with future standards and/or sequences of action. *Implementing* is putting into motion plans and procedures (standards and sequences) and controlling the actions.

Personal system. Through the personal system the encircling strength of family and society, the environments both near and far, and inner forces affected by heredity and experience merge to shape individuals with unique personalities. These impressions continue throughout the life span of the individual and influence the evolving family processes and other relationships that are meaningful.

Some of the inputs to the personal system include cultural and societal norms, physical surroundings, community support systems, family goals, and life experiences. Some of these inputs such as societal expectations of caring for elderly parents place demands on the family. Other inputs provide support, as is the case with recreation programs through a community activity center.

Two major subsystems make up the individual personal system: developmental and values. Through the *developmental subsystem*, growth and development are fostered through the capacities of cognition, emotions, socialization, and physical ability. Early relationships and experiences have significant effects on later development and responses. The development or potential is shaped by the interaction between the personal system and the management processes that occur in the family. The developmental subsystem is of primary importance in the ongoing development of the human resources that individuals have available for managerial processes in their lives.

The *values subsystem* interprets experience and understanding and separates them into intrinsic and extrinsic meanings. A basic value system evolves as experience accumulates and consequences of choice are incorporated. Once the individual is mature this value system provides the stimulus for future development within the confines of opportunity.

Outputs of the developmental subsystem are increasing personal capacities and/or qualities that are constantly interfacing with evolving values. Value/goal orientations are outputs of the basic value subsystem. They combine to form personality dispositions that continually evolve and change.

Managerial system. As individuals and families go about their business and look into the future, the personal and managerial subsystems of the individuals in those families work together as fully synthesized entities. Management, by definition, is utilizing resources through a process of thought and action in order to meet demands. Hence, all resource

decisions involve managerial processes. As one's value system is involved in and developmental capacities are drawn upon by management, planning and implementing processes are working within the managerial system to help meet the demands of the primary system. These two subsystems, planning and implementing, make up the managerial system.

The *planning subsystem* involves standards and sequences of action necessary to meet demands. Planning is a way of organizing everything and combining activities for a purpose. Plans vary in specificity depending on the circumstances even though the purpose of planning is always future oriented. Internal or external control is an individual factor that influences the effects of planning. Plans may not be carried out or even formulated if an individual feels they have little control over the situation. Those who believe they have a great amount of internal control believe in the potential benefits of planning.

Standards are procedural criteria that mirror qualities and/or quantities that reconcile resources with demands. The reconciliation of resources with demands to merge them into a practical relationship for meeting goals and events satisfactorily is *standard setting*. The purchase of a car requires the processes of searching, developing alternatives, and weighing the alternatives. The factors of quality (which car company to buy from) and quantity (trunk space) are decided. All of this is standard setting. The relative significance of these and other amenities in relation to intention and cost form the standards that guide the purchase of the car.

Action sequencing is the ranking of tasks that are required to carry out the plan. Judiciously ordering the tasks of an activity can improve the flow of action and enhance management. Sequencing actions can be interdependent, dovetailed, or overlapped in character. Standards and sequences do not need to be developed simultaneously.

A sound plan is clear to the person or people who will carry it out. It is specific and detailed with feasible standards and sequences. The amount of flexibility is apparent and the degree of complexity matches the people involved in the plan implementation.

Once the plan is formed and is consistent with resources and demands, implementing the action is the next task of management. The *implementing subsystem* of the managerial system involves actuating the plan and controlling the outcomes for conformity to the plan.

Actuating is putting the plans into effect by someone or something. It is most effective when there is a high goal intensity, when the sought after outcome is meaningful to the concerned party, when the plan is clear and practicable, and when resources are sufficient to meet the needs.

Many times actuating seems to be happening at the same time as controlling. Generally, this occurs when there is very little time between planning and implementing. *Controlling* is checking actions and outcomes for conformity and adjusting standards and sequences if necessary. Controlling is needed to ensure that the expected outcomes that were planned for actually occur. *Checking* is the quality or quantity control aspect of controlling. The actions and outputs are scrutinized so that they correspond to the standards and sequences in the original plan. *Adjusting* is changing the initial planned standards or sequence to increase the odds of achieving the desired goal. Adjusting may require a new plan that may result in a new goal.

Facilitating conditions are those situation characteristics that are not planned for. They are not considered as resources but contribute to the achievement of the goal.

Individual, family, environment-related, and task characteristics influence implementing. If a person can focus clearly on the task at hand and has a desire to achieve the goal it improves the possibility of success through implementing. Different interests and goals by individuals in families may lead to assigning different levels of importance to implementing

plans. Severe weather may affect the implementation of plans. Families with smaller children may not be able to participate in certain activities until the children are older. Complicated tasks require more controlling and greater attention to detail to achieve the goal.

Output

Output is matter, energy, and/or information created by a system responding to input and as a result of throughput (transformation) processes. The output is normally an input to one or more other systems. Through the process of feedback it can reenter the same system to affect future output. Outputs or outcomes are either demand responses or resource changes resulting from transformations inside the family system in response to demand and resource inputs.

The effectiveness of a system can be judged by comparing actual outputs with the anticipated outcomes of met demands and changed resources. The effective management system reflects anticipated outputs (goals) that are consistent with the actual outcome. Outcomes that are greater than anticipated may support growth in the system; or variance from what was expected might be costly if the goals fall short or if resources were used inefficiently.

Demand responses. *Demand responses* are the values and satisfaction output from managerial actions. Part of this output that is created from the responses to goal and event demands reverts back to the personal system.

Satisfaction with a demand response may fall on a continuum with negative, neutral, and positive points on the scale. The closer the outcome is to the desired result, a greater degree of positive satisfaction is felt.

Demand responses from the personal system include value and goal orientations and personality dispositions related to values and satisfaction. The managerial system produces

goal achievements and personality development related to values and satisfaction as demand responses.

Resource changes. *Resource changes* are the outcomes from managerial processes related to the makeup of the stock of human and/or material means. These can be personal capacities and qualities such as income or net worth. More skill or knowledge are examples of human resource outputs. Material resources have the potential to be either expanded or diminished. A shift in resources may reduce them if they are spent or shared. If resources are exchanged, the outcome may indicate a shift in the composition or the value of the resource stock.

Resources can change through the processes of protecting, consuming, transferring, producing, exchanging, saving, or investing. Each one of these activities may increase, decrease, or show some compositional change in the stock of human and material resources.

Feedback is the part of output that reenters the system as input to affect future output. Feedback is the reprocessing or monitoring portion of output; it is the system's "self-evaluator".

Positive feedback embraces deviations from expected effects and promotes change instead of restraining modification. Negative feedback identifies a difference between actual and desired output and stifles any change that may deviate from the limits of the established goals. Feedback can occur at any time during the managerial process and revert back to any portion of the process, as well.

Morphogenic systems adapt to growth and support response to change. A morphogenic system has permeable boundaries, has flexible plans, uses positive feedback, has flexible internal structures to deal with varying inputs, and adjusts to change (Beard & Firebaugh, 1978).

Morphostatic systems are unchanging, and deviation correcting in response to change. These systems have comparatively rigid boundaries, accept limited new inputs, emphasize negative feedback, tend toward inflexible internal structures, and have difficulty in or resist adjusting to change (Beard & Firebaugh, 1978).

Some families are characterized by stability while others seem to thrive on change. There is not a right or wrong mode; to some degree both are needed within each style. The balance between stability and change will change during times of transition or anxiety.

Family Resource Management and Retirement

Retirement is a new phase in the lives of the elderly where goals and demands change as situations change. Attention is given to goals such as trying to maintain a certain level of living, health, housing, family relationships, and new financial conditions.

Reduced work time and increased leisure time for many brings about changes to the demands that have been placed on retirees and their families in the past. Events such as changing health conditions occur with more frequency as retirees grow older. These events many times affect the lives of their children and friends as well as other resources such as savings or income that the retired individual may have. A spouse may have been a tremendous resource in the past but may now be a significant demand if that spouse is in poor health. A condition such as this may contribute to the lack of flexibility and possible eventual inability to meet goals. External resources such as family or social supports may be affected after widowhood.

If the lifestyle changes dramatically for the retiree or his or her family after retirement, elements of the personal system may be in a state of flux. Issues that used to be primary are now secondary forcing a change in the basic value structure of the individual or family. The values related to compromise, flexibility, and consultation may need higher priority now that more time is typically spent with the spouse. Physical and cognitive capabilities change

throughout the life span but may become more prominent as one reaches the latter stages of adulthood. Emotional capabilities could become more significant as spouses may rely on each other for help more than in the past. Standard setting may become more important for retired families due to the need to monitor expenditures more closely. Making plans on how to spend money might be a more critical task than in the past if less money is available to spend. Physical abilities may alter the implementation of plans for the retired individual. Savings and evaluating spending could take on new importance and meaning for people on a retirement income that is reduced from their pre-retirement earnings. Feelings of loss of control over plans, finances, and even life in general significantly affect the management ability of retirees.

Retirement may represent a time when goals may be altered as people look back at their earlier met demands and used resources. Past output may seem unreasonable now with different stocks of resources available. Some goals may simply be shifted in priority. Satisfaction with personal life and financial situation may take on new meaning as other elements become more or less important during retirement years.

From a managerial perspective, resources, goals, values, and standards, are interdependent. If there is a large enough change in resources, family goals, values, and standards will be rearranged when enough time has passed for the family system to process the effect. In the same way, if the structure of goals, values, and standards is changed, then the use of resources will be affected. Management that is broad based and expansive allows families to adjust their goals, values, and standards in a way that best meets the needs of its members (Buehler & Hogan, 1980).

Summary

As is evidenced by this review of the literature and survey of the major theories of retirement much of the research has been conducted assuming that examining an individual's characteristics and personal circumstances is enough to explain their satisfaction with

retirement. Additionally, retirement is usually studied as an isolated experience, one that does not interact with the other systems in the retiree's life.

While the theories of retirement discussed in chapter two have shaped thinking and research about retirement, none of them offers a comprehensive approach to retirement that links all of the parts of the retiree's life together. Activity theory concentrates on the input of current activity levels and the outcome of satisfaction. The crisis model of adaptation recognizes resource input and personal processes, in the form of personality values, as being important. Control, a management practice, as well as the output of satisfaction is considered central to disengagement theory. Role theory contends that conformity to new roles for the retiree is a transformation process that requires careful management to succeed. Satisfaction is also important and can be influenced by systems outside the individual. Continuity theory sees values as being critical to maintaining continuous life-patterns with satisfaction as the outcome. The review of the literature shows a deficiency in theoretical approaches that consider sociodemographic, personal process, management practice, personal life and financial situation satisfaction variables within the same approach. The processes that take the sociodemographics and turn them into a level of satisfaction, namely the transformation variables of personal and managerial processes, are severely overlooked. These limited approaches provide little room for creative and expansive directions in retirement research.

A more holistic understanding of the retirement process with the ability to grow and change with the population of retired individuals demands a theoretical perspective that is evolutionary and unrestricted. The alternative framework proposed of family resource management is based on the assumption that the process of living is elaborately connected to the past and present experiences and interdependent upon all of the systems within the life environment of the individual. The past is not limited to single meaning and the present is constantly developing as changes occur for the individual and his or her family. It is a cause

and effect relationship with their social supports, environmental demands, unfolding capabilities, and most importantly family members.

Integrative conceptual frameworks as a part of family resource management that include gerontology and life span development ought to be possible because of the elements of economics and social-psychology as essential approaches to the study of the family within the discipline. If an integrative conceptual framework is to emerge in family resource management that will be a part of mainstream family theory, future research will need to (a) synthesize the literature of like disciplines more effectively in research, education, and theory, (b) modify the current frameworks to be more in agreement with psychological and social theories, and (c) use family management language in other disciplines in an attempt to call attention to universal interests in family problem-solving and decision-making processes across all disciplines (Rettig, 1993). The proposed conceptual framework is a departure from the existing theories in focus and emphasis. This study intends to be a beginning process in bringing family resource management into the mainstream of family theory.

CHAPTER FOUR

PROCEDURES

Data

Data were collected under the auspices of the NC-182 regional research project, "Family Resource Utilization as a Factor in Determining Economic Well-Being of Rural Families." The sample was drawn from populations in eight states—Arizona, California, Illinois, Indiana, Iowa, Kansas, Michigan, and Minnesota. Because the focus of the study was rural families, the sample was drawn from two rural counties in each state. Rural counties were those in which 20% or more of the employed or self-employed persons were employed in agriculture, livestock, forestry, mining, and/or fishing. To maximize heterogeneity in economic environment, one county was selected randomly from the top quartile of rural counties ranked by change in per capita income from 1979 to 1985. This was the sustaining or growing county. The other county was selected randomly from the bottom quartile and was identified as the declining county. A random sample of households in each county was obtained from a professional sampling service.

A survey was mailed to the sample members in spring 1988, and the Dillman (1978) technique for increasing responses was followed with minor modifications. An advance postcard explaining the importance of the study was mailed before the questionnaire. A follow-up postcard thanked the respondent for participating and encouraged return from nonrespondents. Those still not responding were mailed a second questionnaire. Response rates for individual states ranged from 30.2% to 56.3% with an overall response rate of 36.3%. The final sample contained 2,510 households.

Due to the focus of this study, only those respondents that indicated that they were retired were used. Additionally, an unexplained nonrepresentative distribution of minorities

from the retired sample required that this study be limited to white respondents (U.S. Bureau of Census, 1984) (see Table 1).

Finally, since some of the variables dealt with couple relationships, only data from married respondents were used. These three criteria produced a study sample size of 387. To avoid systematic exclusion of subjects, and to maintain adequate statistical power, nonresponses in this study were recoded to the modal value of each individual item. Data were self-reported by the financial manager in each household. Respondents were self-designated financial managers, that is, the person in the household who usually handled household finances but who might not be the primary decision maker.

Variables

Three categories of variables are used in this study (a) input variables: sociodemographic characteristics, (b) throughput variables: personal processes and managerial processes, and (c) output variables: demand responses identified as satisfaction with personal life and resource changes identified as satisfaction with financial situation.

Table 1. Descriptive Statistics for Race/Ethnicity Variable[a] Compared to U.S. Bureau of Census[b]

Variable	Percent	Percent
	NC 182 Data	U. S. Bureau of the Census
Race/Ethnicity		
Black	0.95	8.00
White	91.49	89.00
Native American	4.96	0.20
Asian/Pacific Islander	0.24	1.70
Spanish Descent	1.41	1.00
Other	0.95	0.10

[a] n = 423. [b] Data from Survey of Income and Program Participation by U.S. Bureau of Census, 1984.

Independent Variables

Sociodemographics. Independent variables included the retiree's self-reported health condition, gender, age, education, household income, and total household assets. Health condition is a self-assessment question that asks if the retiree feels he or she has a chronic health condition that causes themselves concern or worry. The health condition variable is coded as a dummy variable with 0 = the presence of a chronic health condition that causes the retiree concern or worry and 1 = the lack of a chronic health condition. The gender of the retiree is coded 0 for males and 1 for females thus creating a second dummy variable. Age of the retiree is the age in years on their last birthday at the time they filled out the survey. The age of a retiree can influence behaviors and attitudes concerning retirement. Education is coded in the actual number of years of school completed. Total household income is assessed by asking the retirees to indicate one of the 15 total-1987-household-income-before-taxes categories ranging from 1 = less than $5,000 to 15 = $100,000 and over. A midpoint was calculated for each of the categories so a continuous variable could be created. Income is a major resource for a family and is used to help meet the various demands. Goals may not be met when there is insufficient income. The value of household assets are measured by asking the retirees to select one of the 15 total-value-of-household-assets categories ranging from 1 = $0-999 to 15 = $200,000 or more. A midpoint calculation was done similar to the income variable to create a continuous variable from the categorical variable of total household assets.

Sociodemographic profile. Preliminary analyses showed that differences between retiree's sociodemographic characteristics of the sustaining or growing and the declining counties were not statistically significant. Thus it was decided to present statistics on characteristics of the sample as a whole and not by county. Further analyses showed a large enough sample in 3 of 5 separate age classifications to allow for inter-age category comparisons, as well. The age categories used for comparison are the age groups 55-64,

65-74, and 75-84. The sample is too small in the age categories of 42-54 and 85 and over to perform useful statistical analysis.

Nearly a quarter (24.55%) of the respondents reported having a chronic health condition that caused them concern or worry. The total sample is approximately 69% male which is unusually high for a study of retirement until the sample makeup is considered. All of the respondents are married, financial managers of the household. A sample such as this excludes widowed women which typically make up a large proportion of the elderly population, especially in the oldest-old category. Additionally, the financial managers for these older cohorts are traditionally men, thereby increasing the male population of the sample. The average age is 69 years with a range of 42 to 97. Approximately 76% of the respondents have at least a high school education and of those, almost half (47.47%) have been in college. The sample mean years of education is 12.34, which is slightly below the national average of 12.38 years (Kominski & Adams, 1994). Mean household income is $24,664 (1987 income before taxes) and is representative of the national average for a population with similar characteristics (Schulz, 1992). Mean total household asset value is $46,800. In order to test the specific personal process variables the respondents are required to be married, thus marital characteristics are presented, as well. Almost 79% of the respondents have been married only once while the other 21% have been remarried at least one time. The mean number of years married is 40 with a range of 1 to 67 years. Descriptive statistics for all sociodemographic variables for the total sample are presented in Table 2. Table 3 presents descriptive statistics for all sociodemographic variables for the 55-64 age group, 65-74 age group, and 75-84 age group.

Personal processes. Six items are used to assess the personal process variables within the personal system. They were divided into the two subsystems: potential for growth and values.

Table 2. Descriptive Statistics of Sociodemographic Variables for Total Sample[a]

Variables	Percent	Mean	Std. Dev.	Median
Chronic Health Condition				
Yes	24.55			
No	75.45			
Gender				
Male	69.51			
Female	30.49			
Age		69.17	0.37	69.00
Education		12.34	0.15	12.00
Household Income		$24,664.08	935.76	$17,500.00
Household Asset Value		$46,800.39	2,675.71	$25,000.00
Present Marital Status				
First Marriage	78.55			
Remarried	21.45			
Years Married		40.29	0.72	43.00

[a] n = 387

The potential for growth index included three items:

1. We ask each other for help.
2. We like to do things with each other.
3. We jointly make the decisions in our marriage.

Three items are used to assess values:

1. When problems arise, we compromise.
2. We are flexible in how we handle our differences.
3. We consult each other on our decisions.

Respondents were asked to describe how often the characteristics in these statements occur in their relationship with their spouse. The response categories are ranked on a scale ranging from *almost never* = 1 to *almost always* = 5. A Potential for Growth Index was created by summing responses to the three items. The reliability alpha for the potential for growth variable is .73 for the total sample, .75 for the 55-64 age group, .74 for the 65-74 age

Table 3. Descriptive Statistics of Sociodemographic Variables for the Three Age Groups

Variables	Percent	Mean	Std. Dev.	Median
55-64 Age Group[a]				
Chronic Health Condition				
Yes	22.98			
No	77.02			
Gender				
Male	64.36			
Female	35.64			
Age		61.21	2.47	62.00
Education		12.46	2.73	12.00
Household Income		$27,126.44	18,784.00	$12,500.00
Household Asset Value		$45,094.83	53,259.34	$25,000.00
Present Marital Status				
First Marriage	79.31			
Remarried	20.69			
Years Married		35.39	10.10	40.00
65-74 Age Group[b]				
Chronic Health Condition				
Yes	25.24			
No	74.76			
Gender				
Male	66.67			
Female	33.33			
Age		69.27	3.00	69.00
Education		12.21	2.76	12.00
Household Income		$23,214.29	15,853.75	$17,500.00
Household Asset Value		$49,170.24	51,114.56	$40,000.00
Present Marital Status				
First Marriage	78.57			
Remarried	21.43			
Years Married		40.36	12.84	45.00
75-84 Age Group[c]				
Chronic Health Condition				
Yes	26.39			
No	73.61			
Gender				
Male	86.11			
Female	13.89			
Age		78.10	2.35	78.00
Education		12.72	3.43	12.00
Household Income		$26,527.79	24,478.92	$12,500.00
Household Asset Value		$46,427.08	53,984.24	$25,000.00
Present Marital Status				
First Marriage	79.17			
Remarried	20.83			
Years Married		45.90	14.05	51.00

[a] n = 87. [b] n = 210. [c] n = 72.

group, and .68 for the 75-84 age group. A Values Index was created by summing responses to the three items. A reliability alpha for the values variable is .81 for the total sample, .75 for the 55-64 age group, .83 for the 65-74 age group, and .85 for the 75-84 age group. The potential for growth items represent the growth and development of the cognitive, emotional, social, and physical capacities within the relationship. An assessment of experiences in compromising, flexibility, and consultation with their spouse represents a part of the basic value system of the respondent in their marriage. Descriptive statistics for the Potential for Growth and Values Indexes are presented in Table 4.

Table 4. Distribution of Responses to the Personal Process Index for the Total Sample and the Three Age Groups[a]

	Almost never	Once in a while	Sometimes	Frequently	Almost always
			Potential for Growth		
Total Sample[b]	1.1%	4.3%	10.4%	23.8%	60.4%
55-64 Age Group[c]	1.1	4.6	9.2	30.3	54.8
65-74 Age Group[d]	1.0	4.1	12.1	23.8	59.0
75-84 Age Group[e]	1.9	5.1	7.9	15.7	69.4
			Values		
Total Sample	0.9	3.1	11.5	28.1	56.4
55-64 Age Group	1.2	1.9	13.0	33.3	50.6
65-74 Age Group	0.6	3.7	12.2	29.2	54.3
75-84 Age Group	1.4	3.7	7.4	19.4	68.1

[a]Missing data or cases were assigned the modal value. [b] n = 387. [c] n = 87. [d] n = 210. [e] n = 72.

Managerial processes. Eight items are used to assess the management practice variables within the managerial system. They were divided into the two subsystems: planning and implementing.

A single item is used to estimate the planning subsystem separate from the influence of control:

1. How often do you make plans on how to use your money?

The implementing subsystem is represented by a single item:

1. How often do you evaluate spending on a regular basis?

Respondents were asked to describe how often they handled their finances in the manner in which the statement was asked. The response categories are ranked on a scale ranging from *never* = 1 to *most of the time* = 5. Descriptive statistics for management practice variables for the total sample and all age groups, separate from control, are presented in Table 5.

Locus of control is another individual factor that influences planning. In addition to the single planning item, six statements are used to assess reported locus of control within the planning subsystem:

1. When I make plans, I am almost certain that I can make them work.
2. It is not always wise to plan too far ahead because many things turn out to be a matter of good or bad fortune anyhow.
3. Many times I feel that I have little influence over the things that happen to me.
4. What happens to me is my own doing.
5. My financial situation depends on my control of the situation.
6. Sometimes I feel that I don't have enough control over the direction my life is taking.

Table 5. Distribution of Responses to Items Measuring Managerial Process Variables for the Total Sample and the Three Age Groups[a]

	Never	Seldom	Occasionally	Usually	Most of the time
			Planning		
Total Sample[b]	2.1%	4.9%	9.3%	34.1%	49.6%
55-64 Age Group[c]	3.4	6.9	11.5	31.0	47.1
65-74 Age Group[d]	1.9	4.8	8.6	37.1	47.6
75-84 Age Group[e]	1.4	1.4	11.1	27.8	58.3
			Implementing		
Total Sample	11.1	12.4	16.5	32.8	27.1
55-64 Age Group	13.8	9.2	25.3	29.9	21.8
65-74 Age Group	8.1	13.8	15.2	35.7	27.1
75-84 Age Group	16.7	12.5	9.7	20.8	40.3

[a]Missing data or cases were assigned the modal value. [b] n = 387. [c] n = 87. [d] n = 210. [e] n = 72.

Respondents were asked to indicate the extent to which they agreed or disagreed with each of the above statements. The response categories are ranked on a 5-point Likert-type scale ranging from *strongly disagree* = 1 to *strongly agree* = 5. The statements are adapted from Rotter's Locus of Control Scale (known as Rotter's I-E Scale) (Rotter, 1966). High scores on statements 1, 4, and 5 indicate that the respondent feels they have strong internal control. The other three statements (numbers 2, 3, and 6) represent external control with high scores indicating respondents perceiving that they had little influence on their behavior. The external control statements (numbers 2, 3, and 6) were recoded as follows: (5=1) (4=2) (2=4) (1=5). Recoding allowed for all of the locus of control variables to be made consistent in

direction. A Locus of Control Index was created by summing responses to the six items. The reliability alpha for the Locus of Control variable is .64 for the total sample, .63 for the 55-64 age group, .64 for the 65-74 age group, and .43 for the 75-84 age group. Caution should be exercised when interpreting results that include a scale with a reliability of .43. The scale may not accurately reflect locus of control for this subsample. The distribution of responses to the Locus of Control Indexes appears in Table 6.

Table 6. Distribution of Responses to the Locus of Control Index for the Total Sample and the Three Age Groups[a]

	Strongly disagree	Disagree	Mixed	Agree	Strongly agree
Total Sample[b]	2.2%	19.4%	26.2%	46.4%	5.8%
55-64 Age Group[c]	1.7	14.8	24.9	51.7	6.9
65-74 Age Group[d]	2.1	20.3	26.4	46.1	5.1
75-84 Age Group[e]	2.8	23.4	28.0	40.0	5.8

[a]Missing data or cases were assigned the modal value. [b] n = 387. [c] n = 87. [d] n = 210. [e] n = 72.

Demand responses are measured with the variables of satisfaction with personal life and satisfaction with financial situation.

Dependent Variables

Satisfaction with personal life. The satisfaction with personal life variable is assessed using 8 items:

1. How satisfied are you with the time you have to do things you want to do?
2. How satisfied are you with the extent to which you control your life?

3. How satisfied are you with your marriage?
4. How satisfied are you with your relationship with your spouse?
5. How satisfied are you with your husband/wife as a spouse?
6. How satisfied are you with yourself as a parent?
7. How satisfied are you with your relationships with your children?
8. How satisfied are you with your family life?

Respondents were asked to describe how satisfied they were with the part of their life identified in the statement. The response categories are ranked on a scale ranging from *very dissatisfied* = 1 to *very satisfied* = 5. Statements 3-8 were originally measured on a 7-point scale and were recoded to a 5-point scale. Responses 1 (extremely dissatisfied) and 2 (very dissatisfied) were combined and labeled very dissatisfied; responses 6 (very satisfied) and 7 (extremely satisfied) were combined and labeled very satisfied. Recoding allowed for all of the satisfaction with personal life variables to be measured in the same manner. A Satisfaction with Personal Life Index was created by summing responses to the eight items. The reliability alpha for the Satisfaction with Personal Life variable is .84 for the total sample, .77 for the 55-64 age group, .85 for the 65-74 age group, and .88 for the 75-84 age group. Descriptive statistics for the Satisfaction with Personal Life Index are presented in Table 7.

Satisfaction with financial situation. Six statements are used to assess satisfaction with financial situation:

1. How satisfied are you with the extent to which you control your financial situation?
2. How satisfied are you with the things you have and the way you are living now?
3. How satisfied are you with your current total family income?
4. How satisfied are you with the material things (food, clothing, housing, transportation) you have or use?

Table 7. Distribution of Responses to the Satisfaction with Personal Life Index for the Total Sample and the Three Age Groups[a]

	Very dissatisfied	Dissatisfied	Mixed feelings	Satisfied	Very satisfied
Total Sample[b]	1.1%	3.6%	7.1%	25.1%	63.2%
55-64 Age Group[c]	0.0	3.3	4.6	29.7	62.4
65-74 Age Group[d]	1.2	3.7	7.9	24.2	63.0
75-84 Age Group[e]	1.9	3.6	7.0	23.3	64.2

[a]Missing data or cases were assigned the modal value. [b] n = 387. [c] n = 87. [d] n = 210. [e] n = 72.

5. How satisfied are you with the resources you have available to meet a financial emergency?
6. How satisfied are you with the amount of your family's net worth (all assets minus debts)?

Respondents were asked to described how satisfied they were with each financial statement. These first six response categories are ranked on a scale ranging from *very dissatisfied* = 1 to *very satisfied* = 5. A Satisfaction with Financial Situation Index was created by summing responses to the six items. The reliability alpha for the Satisfaction with Financial Situation variable is .89 for the total sample, .87 for the 55-64 age group, .90 for the 65-74 age group, and .88 for the 75-84 age group. Descriptive statistics for the Satisfaction with Financial Situation Index are presented in Table 8.

The conceptual model being tested with the specific variables from the data is seen in Figure 3.

Table 8. Distribution of Responses to the Satisfaction with Financial Situation Index for the Total Sample and the Three Age Groups[a]

	Very dissatisfied	Dissatisfied	Mixed feelings	Satisfied	Very satisfied
Total Sample[b]	1.7%	5.1%	16.2%	59.6%	17.4%
55-64 Age Group[c]	2.7	7.5	15.3	58.8	15.7
65-74 Age Group[d]	1.3	4.5	16.7	59.8	17.7
75-84 Age Group[e]	1.4	4.6	14.6	60.0	19.4

[a]Missing data or cases were assigned the modal value. [b] n = 387. [c] n = 87. [d] n = 210. [e] n = 72.

Statistical Analysis

Data were analyzed using the Statistical Package for the Social Sciences (SPSS). Pearson Product Moment correlations were performed among the independent variables to examine the direction and strength of the relationship between independent variables and the dependent variables, and ascertain whether multicollinearity was a potential problem. Multicollinearity is a condition when independent variables are highly correlated. For predictive purposes, little is gained by adding two strongly correlated independent variables to a model, since R^2 usually does not increase much and the standard errors of the estimated regression parameters tend to become larger. The independent variable with the strongest correlation to the dependent variable should remain in the model with the other being deleted (Agresti & Finlay, 1986).

Satisfaction in retirement is more complex than the correlation between two variables. Dependent variables are usually determined by more than one independent variable (Agresti &

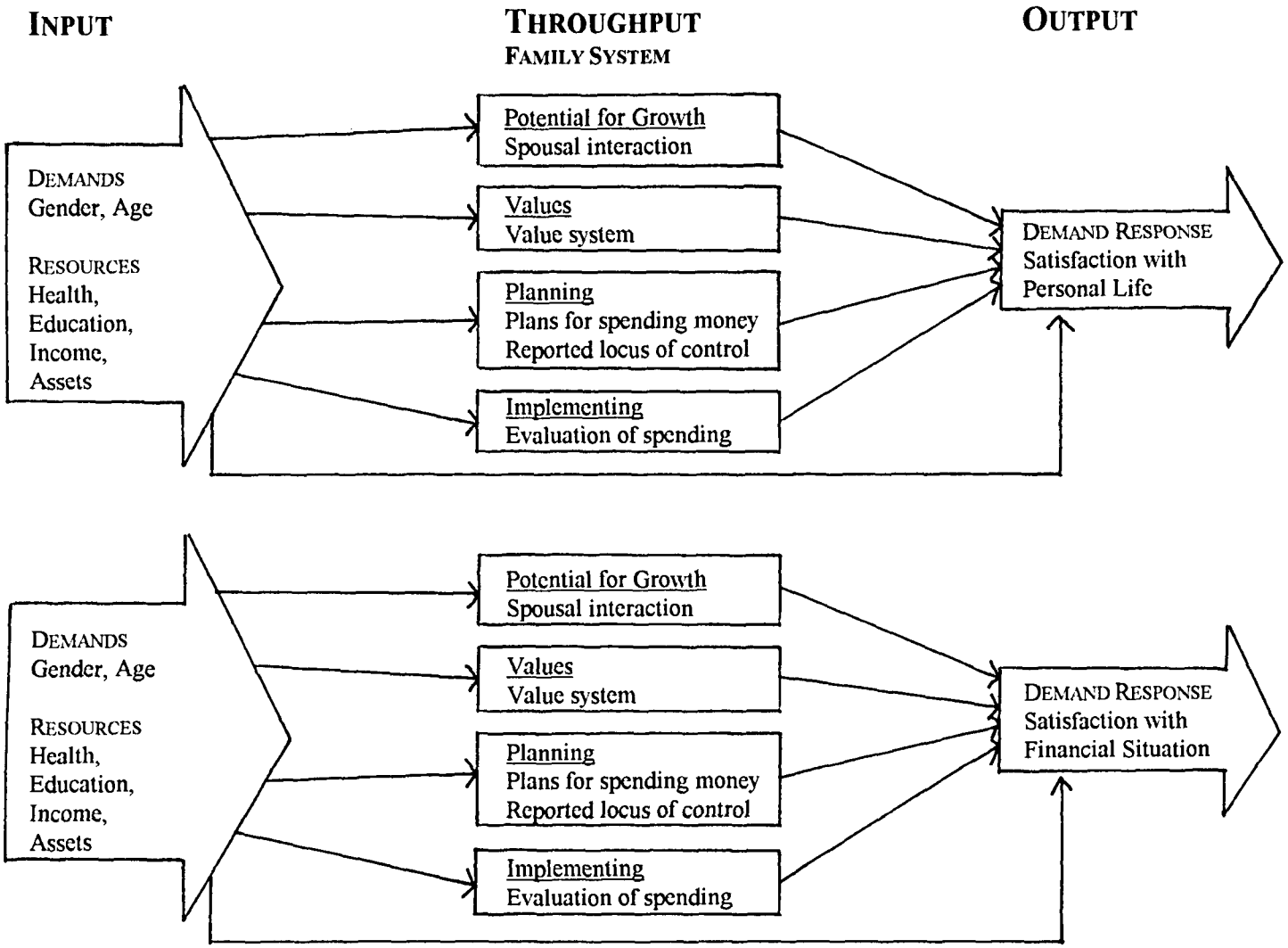

Figure 3. Adapted Conceptual Model with Variables

Finlay, 1986). A frequently used technique to examine these kinds of complex relationships is multiple regression analysis. With this in mind, a series of multiple regressions were completed to examine the separate and joint effects of sciodemographics, personal processes and managerial processes on satisfaction with personal life and financial situation.

CHAPTER FIVE

RESULTS

The purpose of chapter five is to present the results of the analyses of the proposed conceptual models for the entire sample and each of the three age group subsamples. Linear relationships will be discussed first, with a presentation of correlation matrices and a short summary for each sample. A summary of the regression analyses testing the relationships in the conceptual models will follow.

Pearson Correlations

A Pearson Product-Moment correlation was computed for all of the independent and dependent variables in the conceptual models. Multicollinearity exists when the correlations among independent variables are in the range of .80 to 1.00 (Agresti & Finlay, 1986).

Total sample. Because there are no correlation coefficients higher than .729 in the total sample model, multicollinearity is not a problem in regression analysis. Analysis for the total sample indicates significant correlations for several of the variables within a range of $r = .101$ to $r = .729$ (see Table 9).

Correlations of sociodemographic characteristics to personal processes and managerial processes are low. The highest correlations are between the reported locus of control variable and income, $r = .243$, $p<.01$, education, $r = .263$, $p<.01$, and asset value, $r = .259$, $p<.01$. There are only 3 other significant correlations among the 30 possible relationships between sociodemographic and process variables. The satisfaction variables are more highly correlated with sociodemographics with 6 of the 12 relationships being significant. Gender is negatively correlated with satisfaction with personal life, $r = -.166$, $p<.01$, which indicates that women are more likely to have greater satisfaction with personal life in this linear relationship. The highest correlations are between the satisfaction with financial situation variables and sociodemographics, with income having the most significant relationship, $r = .323$, $p<.01$.

Table 9. Correlation Matrix of All Variables for the Total Sample

	1	2	3	4	5	6	7	8	9	10	11	12
Input Variables:												
(Sociodemographics)												
1. Chronic Health Condition												
2. Gender	.039											
3. Age	.012	-.207**										
4. Education	-.072	.018	-.035									
5. Income	.064	-.107*	-.027	.359**								
6. Asset Value	.001	-.108*	-.005	.262**	.343**							
Throughput Variables:												
(Personal Processes)												
7. Potential for Growth	.026	-.033	.096	.053	.062	.058						
8. Values	-.013	-.083	.149**	.022	.037	.027	.729**					
(Managerial Practices)												
9. Planning	-.056	.013	.058	.014	-.056	-.056	.258**	.284**				
10. Implementing	-.079	.009	.051	-.007	-.101*	-.040	.178**	.189**	.436**			
11. Control	.031	-.042	-.172**	.263**	.243**	.259**	.095	.079	.102*	.006		
Output Variables:												
12. Satisfaction with Personal Life	.091	-.166**	.043	.025	.076	.084	.391**	.385**	.006	-.012	.165**	
13. Satisfaction with Financial Situation	.175**	-.061	.112*	.136**	.323**	.267**	.162**	.228**	-.024	-.174**	.382**	.403**

* p<.05 ** p<.01

Seven out of ten relationships are significant between process variables and satisfaction variables. The personal process variables of potential for growth and values have the highest correlations with satisfaction with personal life, $r = .391$, $p<.01$, and $r = .385$, $p<.01$, respectively.

Age groups. Gender has a significant negative correlation with satisfaction with personal life for the middle and oldest age groups. The personal process variables of potential for growth and values are significantly correlated with satisfaction with personal life for all three age groups at the significance level of $p<.01$. Potential for growth and values are also significantly correlated with satisfaction with financial situation for the 65-74 and 75-84 age groups at the significance level of $p<.01$. Chronic health condition, income, asset value, and reported locus of control are all significantly correlated with satisfaction with financial situation for the 55-64 and 65-74 age groups at the significance level of $p<.01$. Income is the only sociodemographic variable that is significantly correlated to satisfaction with financial situation for the oldest age group. Correlation matrixes of all variables for each of the three age groups are presented in Tables 10, 11, and 12.

Multiple Regression

In an effort to test the hypotheses, all independent variables were entered in the regression equations as a block to identify any significant relationships between all of the independent variables and the dependent variables. The significance level chosen for the regression equation to produce a moderately strong model is $p<.01$. The sample R^2 tends to be an overestimate of how well the model fits the population. The statistic *adjusted* R^2 attempts to correct R^2 to more closely reflect the goodness of fit of the model in the population (Agresti & Finlay, 1986; McClendon, 1994). Therefore, adjusted R^2 will be used in the analyses in this study. Multicollinearity was found between the potential for growth and values variables ($r = .840$) for the 55-64 age group. The variable potential for growth was

Table 10. Correlation Matrix of All Variables for the Age Group 55-64

	1	2	3	4	5	6	7	8	9	10	11	12
Input Variables:												
(Sociodemographics)												
1. Chronic Health Condition												
2. Gender	.121											
3. Age	.124	-.141										
4. Education	-.018	-.064	-.147									
5. Income	.124	-.088	.055	.254*								
6. Asset Value	-.055	.076	.055	.255*	.406**							
Throughput Variables:												
(Personal Processes)												
7. Potential for Growth	-.003	.148	-.045	-.032	-.024	-.063						
8. Values	-.011	.147	-.108	-.094	-.047	-.050	.840**					
(Managerial Practices)												
9. Planning	.058	.010	.013	.092	-.167	-.103	.419**	.306**				
10. Implementing	.008	-.156	-.006	.004	-.169	-.176	.231*	.149	.497**			
11. Control	.193	.120	.039	.289**	.379**	.313*	.099	.106	.061	-.060		
Output Variables:												
12. Satisfaction with Personal Life	.159	.075	.102	.004	.093	.009	.402**	.480**	.040	-.126	.256*	
13. Satisfaction with Financial Situation	.348**	.148	.095	.154	.449**	.276**	-.037	.027	-.101	-.317**	.587**	.478**

* $p<.05$ ** $p<.01$

Table 11. Correlation Matrix of All Variables for the Age Group 65-74

	1	2	3	4	5	6	7	8	9	10	11	12
Input Variables:												
(Sociodemographics)												
1. Chronic Health Condition												
2. Gender	-.008											
3. Age	.096	-.108										
4. Education	-.103	.049	-.039									
5. Income	.059	-.102	-.172*	.287**								
6. Asset Value	.008	-.177**	-.052	.250**	.302**							
Throughput Variables:												
(Personal Processes)												
7. Potential for Growth	.061	-.060	.066	.053	.074	.102						
8. Values	.030	-.143*	.157*	.043	.051	.096	.666**					
(Managerial Practices)												
9. Planning	-.146*	.047	-.043	.018	.058	-.007	.186	.253**				
10. Implementing	-.178**	.098	-.076	.147*	.029	.019	.104	.151*	.403**			
11. Control	.086	-.165*	-.153*	.334**	.288**	.315**	.177*	.157*	.158*	.076		
Output Variables:												
12. Satisfaction with Personal Life	.125	-.240**	.058	.038	.066	.111	.366**	.353**	-.026	-.082	.240**	
13. Satisfaction with Financial Situation	.198**	-.148*	.185**	.134	.264**	.312**	.209**	.279**	.006	-.158*	.418**	.390**

* $p<.05$ ** $p<.01$

Table 12. Correlation Matrix of All Variables for the Age Group 75-84

	1	2	3	4	5	6	7	8	9	10	11	12
Input Variables:												
(Sociodemographics)												
1. Chronic Health Condition												
2. Gender	.059											
3. Age	.079	-.154										
4. Education	-.141	.103	-.059									
5. Income	.002	-.166	-.031	.502**								
6. Asset Value	.057	-.170	.002	.299*	.383**							
Throughput Variables:												
(Personal Processes)												
7. Potential for Growth	-.046	-.162	.152	.237*	.147	.102						
8. Values	-.108	-.133	.168	.153	.097	-.024	.749**					
(Managerial Practices)												
9. Planning	.099	.0994	-.238*	.049	-.081	-.136	.212	.341**				
10. Implementing	.115	-.015	-.015	-.190	-.204	-.090	.242*	.220	.423**			
11. Control	.236*	.152	-.119	.231	.125	.106	-.032	-.129	.036	.010		
Output Variables:												
12. Satisfaction with Personal Life	-.011	-.293*	.033	.093	.126	.114	.526**	.441**	.047	.147	.053	
13. Satisfaction with Financial Situation	-.048	-.084	.026	.210	.369**	.201	.358**	.361**	.043	-.069	.200	.501**

* $p<.05$ ** $p<.01$

deleted from regression analyses in the 55-64 age group due to its weaker correlation with the dependent variables of satisfaction with personal life and satisfaction with financial situation.

Sociodemographics and Satisfaction with Personal Life and Financial Situation

Regression analyses were conducted for sociodemographics and two measures of satisfaction: satisfaction with personal life and satisfaction with financial situation. Sociodemographics were entered in the regression as a block to identify any significant relationship between all of the input variables and the two forms of satisfaction. Differences were found between age groups (see Table 13).

Total sample. The first equation of satisfaction with personal life when sociodemographics are considered is statistically significant for the total sample at the criterion level of $p<.01$. The regression equation has an adjusted R^2 of .028. The adjusted R^2 is low for the statistically significant equation, which indicates a small amount of the variance in satisfaction with personal life is explained by all of the sociodemographics. Gender is the only significant predictor of satisfaction with personal life , beta = -.159, $p<.01$. With all other variables in the regression equation held constant, retired women enjoy more satisfaction with their personal life than retired men.

The second equation of satisfaction with financial situation when sociodemographics are considered has an adjusted R^2 of .158. Chronic health condition, age, income, and asset value are significant predictors of satisfaction with financial situation, beta = .158, $p<.001$, beta = .119, $p<.05$, beta = .250, $p<.001$, and beta = .178, $p<.001$, respectively. A positive relationship between chronic health condition and a dependent variable indicates the absence of the chronic health condition.

Table 13. Regression Analyses of Sociodemographics and Satisfaction with Personal Life and Financial Situation

Satisfaction with Personal Life

Item	Total sample		55-64 age group		65-74 age group		75-84 age group	
	B	Beta	B	Beta	B	Beta	B	Beta
Chronic health condition	.965	.096	.949	.123	1.295	.125	.255	.023
Gender	-1.494	-.159**	.579	.086	-2.174	-.227***	-4.363	-.302
Age	.006	.010	.129	.097	.043	.028	-.019	-.023
Education	.014	.010	.015	.012	.075	.046	.169	.116
Income	.000	.031	.000	.092	.000	.010	.000	.008
Asset value	.000	.054	.000	-.037	.000	.059	.000	.023
	R^2=.043, Adj. R^2=.028***		R^2=.044, Adj. R^2=-.027		R^2=.081, Adj. R^2=.054**		R^2=.103, Adj. R^2=.020	

Satisfaction with Financial Situation

Item	Total sample		55-64 age group		65-74 age group		75-84 age group	
	B	Beta	B	Beta	B	Beta	B	Beta
Chronic health condition	1.417	.158***	2.754	.285**	1.509	.172***	-.453	-.053
Gender	.029	.003	1.263	.149	-.509	-.063	-.099	-.009
Age	.063	.119*	.103	.062	.267	.210**	.065	.040
Education	.020	.015	.085	.057	.064	.046	.020	.018
Income	.000	.250***	.000	.362***	.000	.197**	.000	.334
Asset value	.000	.178***	.000	.115	.000	.242***	.000	.069
	R^2=.171, Adj. R^2=.158***		R^2=.330, Adj. R^2=.280***		R^2=.216, Adj. R^2=.193***		R^2=.145, Adj. R^2=.066	

* p<.05 ** p<.01 *** p<.001

Age groups. The 65-74 age group produces the only significant regression equation when sociodemographics are regressed with satisfaction with personal life with an adjusted R^2 of .054, $p<.01$. As with the total sample, gender is the only significant predictor of satisfaction with personal life in this equation. The direction of the relationship is negative indicating greater personal life satisfaction for women than men. For satisfaction with financial situation, the two youngest age groups produce significant results that are comparable to the total sample. Similar variables are significant predictors of financial satisfaction and both of the adjusted R^2s are significant at the significance level of $p<.001$. Sociodemographics are not significant predictors of either satisfaction with personal life or financial situation for the oldest age group of 75-84.

Personal and Managerial Processes, and Satisfaction with Personal Life and Financial Situation

Personal process and managerial process variables were entered in the regression as a block to identify any significant relationship between all of the throughput variables and the two forms of satisfaction. The equation for the 55-64 age group had to be run without the potential for growth variable due to multicollinearity found in the correlation analysis. Regression analyses of personal processes, managerial processes and satisfaction showed several throughput variables contributing to the variance in satisfaction. Differences were found between age groups (see Table 14).

Total sample. The first equation of satisfaction with personal life when personal and managerial processes are considered has an adjusted R^2 of .199, for the total sample and is statistically significant. The regression equation shows that potential for growth, values, planning, and reported locus of control are significant predictors of the retiree's satisfaction with his or her personal life, beta = .242, $p<.001$, beta = .241, $p<.001$, beta = -.117, $p<.05$, and beta = .135, $p<.01$, respectively. The relationship between potential for growth, values,

Table 14. Regression Analyses of Personal Processes, Managerial Processes, and Satisfaction with Personal Life and Financial Situation

Satisfaction with Personal Life

Item	Total sample B	Total sample Beta	55-64 age group B	55-64 age group Beta	65-74 age group B	65-74 age group Beta	75-84 age group B	75-84 age group Beta
Potential for growth	.487	.242***	§	§	.450	.214**	.955	.409**
Values	.471	.241***	.769	.497***	.447	.224**	.378	.177
Planning	-.532	-.117*	-.123	-.041	-.526	-.109	-.767	-.130
Implementing	-.166	-.050	-.418	-.168	-.394	-.109	.208	.063
Locus of control	.185	.135**	.208	.195*	.275	.192**	.171	.093
	R^2=.209, Adj. R^2=.199***		R^2=.308, Adj. R^2=.274***		R^2=.215, Adj. R^2=.196***		R^2=.301, Adj. R^2=.248***	

Satisfaction with Financial Situation

Item	Total sample B	Total sample Beta	55-64 age group B	55-64 age group Beta	65-74 age group B	65-74 age group Beta	75-84 age group B	75-84 age group Beta
Potential for growth	-.030	-.017	§	§	-.016	-.009	.335	.189
Values	.454	.262***	.016	.008	.444	.263***	.488	.301
Planning	-.170	-.042	.015	.004	-.149	-.036	-.170	-.038
Implementing	-.604	-.205***	-.898	-.286**	-.652	-.213***	-.417	-.167
Locus of control	.450	.369***	.763	.568***	.482	.400***	.347	.248*
	R^2=.235, Adj. R^2=.225***		R^2=.424, Adj. R^2=.396***		R^2=.272, Adj. R^2=.255***		R^2=.236, Adj. R^2=.178**	

* p<.05 ** p<.01 *** p<.001 § Deleted from regression due to multicollinearity.

reported locus of control and satisfaction with personal life is positive: the more joint activities (potential for growth), the higher the value system alignment with flexibility, compromise, and consultation, and the more reported internal control, the more personal life satisfaction for the retiree. A slight negative relationship exists between planning and satisfaction with personal life.

The second regression equation which considers personal processes and managerial processes with satisfaction with financial situation has an adjusted R^2 of .225. The equation is significant at the criterion level of $p<.01$. Reported locus of control and values for the total sample are significant positive predictors of satisfaction with financial situation for the retiree, beta = .369, $p<.001$, and beta = .262, $p<.001$, respectively. How often the retiree evaluates spending is a significant negative predictor of satisfaction with financial situation, beta = -.205, $p<.001$: the less a retiree evaluates spending on a regular basis, the more satisfied he or she is with his or her financial situation.

Age groups. All of the age groups produced statistically significant findings for the regression of process variables and satisfaction with personal life and financial situation at the significance level of $p<.001$. The age groups of 55-64 and 75-84 yielded the highest amount of explained variance of any regression with the outcome variable of satisfaction with personal life with adjusted R^2s of .274 and .248, respectively. The 65-74 age group results are similar to the total sample in significance and predictive power.

Sociodemographics and Personal and Managerial Processes

The results of the regression analyses of sociodemographics and personal and managerial processes indicate that the only significant relationship is between sociodemographics and reported locus of control. This is true for the total sample, the 55-64 age group, and the 65-74 age group. There is not enough evidence to show a significant relationship between all of the sociodemographics and any one of the process variables for the

oldest age group of 75-84. Differences were found between age groups as to which variables were significant predictors of reported locus of control (see Table 15).

Total sample. The first equation of the potential for growth when sociodemographics are considered has an adjusted R^2 of .001. It is not statistically significant at the criterion level of $p<.01$.

The next equation investigated is that of values when sociodemographics are considered. It has an adjusted R^2 of .011, and is statistically insignificant at the criterion level of $p<.01$. There is insufficient evidence to show a relationship between all six sociodemographic variables and values.

The third equation of planning when sociodemographics are considered has an adjusted R^2 of -.003, and is statistically insignificant at the criterion level of $p<.01$. There is not enough evidence to show a significant relationship exists between all six sociodemographic variables and planning.

The fourth equation of implementing when sociodemographics are considered has an adjusted R^2 of .004, and is statistically insignificant at the criterion level of $p<.01$. There is insufficient evidence to show a significant relationship between all six sociodemographic variables and implementing.

The fifth equation of reported locus of control when sociodemographics are considered has an adjusted R^2 of .137. It is the only statistically significant equation for the regression of sociodemographics and process variables. Age is a significant negative predictor of reported locus of control, beta = -.173, $p<.001$. The negative relationship indicates that as a retiree ages, he or she reports less internal control. Education, income, and asset value are significant positive predictors of reported internal control, beta = .178, $p<.001$, beta = .108, $p<.05$, and beta = .169, $p<.01$, respectively.

Table 15. Regression Analyses of Sociodemographics and Personal Processes and Managerial Processes

Potential for Growth

Item	Total sample		55-64 age group		65-74 age group		75-84 age group	
	B	Beta	B	Beta	B	Beta	B	Beta
Chronic health condition	.126	.025	§	§	.274	.055	-.048	-.010
Gender	-.029	-.006	§	§	-.156	-.034	-1.044	-.169
Age	.029	.097	§	§	.050	.070	.130	.142
Education	.026	.036	§	§	.023	.030	.167	.267
Income	.000	.036	§	§	.000	.046	.000	-.009
Asset value	.000	.036	§	§	.000	.079	.000	-.002
	R^2=.016, Adj. R^2=.001				R^2=.023, Adj. R^2=-.006		R^2=.111, Adj. R^2=.029	

Values

Item	Total sample		55-64 age group		65-74 age group		75-84 age group	
	B	Beta	B	Beta	B	Beta	B	Beta
Chronic health condition	-.074	-.014	-.100	-.020	.083	.016	-.432	-.082
Gender	-.239	-.050	.584	.134	-.538	-.112	-.912	-.135
Age	.043	.140**	-.084	-.099	.116	.154	.165	.165
Education	.011	.015	-.072	-.094	.023	.029	.125	.183
Income	.000	.027	.000	.012	.000	.037	.000	.030
Asset value	.000	.009	.000	-.036	.000	.066	.000	-.109
	R^2=.027, Adj. R^2=-.011		R^2=.041, Adj. R^2=-.031		R^2=.050, Adj. R^2=.022		R^2=.088, Adj. R^2=.004	

* p<.05 ** p<.01 *** p<.001 § Deleted from regression due to multicollinearity.

Table 15 (continued).

Planning								
	Total sample		55-64 age group		65-74 age group		75-84 age group	
Item	B	Beta	B	Beta	B	Beta	B	Beta
Chronic health condition	-.114	-.051	.195	.076	-.324	-.151	.288	.150
Gender	.036	.018	.011	.005	.100	.051	-.033	-.013
Age	.008	.062	.019	.076	-.003	-.011	-.089	-.246
Education	.014	.042	.066	.166	-.007	-.019	.039	.158
Income	.000	-.049	.000	-.194	.000	.082	.000	-.112
Asset value	.000	-.048	.000	-.065	.000	-.019	.000	-.150
	R^2=.013, Adj. R^2=-.003		R^2=.059, Adj. R^2=-.011		R^2=.029, Adj. R^2=.001		R^2=.109, Adj. R^2=.027	
Implementing								
	Total sample		55-64 age group		65-74 age group		75-84 age group	
Item	B	Beta	B	Beta	B	Beta	B	Beta
Chronic health condition	-.217	-.072	.133	.043	-.460	-.161	.381	.111
Gender	.033	.011	-.443	-.164	.225	.085	-.214	-.049
Age	.010	.058	-.005	-.010	-.019	-.045	-.027	-.042
Education	.013	.029	.030	.062	.056	.124	-.038	-.085
Income	.000	-.100	.000	-.158	.000	.005	.000	-.165
Asset value	.000	-.012	.000	-.112	.000	-.002	.000	-.015
	R^2=.019, Adj. R^2=.004		R^2=.073, Adj. R^2=.003		R^2=.059, Adj. R^2=.031		R^2=.065, Adj. R^2=-.021	

Table 15 (continued).

Locus of Control								
	Total sample		55-64 age group		65-74 age group		75-84 age group	
Item	B	Beta	B	Beta	B	Beta	B	Beta
Chronic health condition	.302	.041	1.091	.153	-.409	-.056	1.664	.271
Gender	-.362	-.053	.834	.046	-.976	-.146*	.787	.101
Age	-.075	-.173***	.057	.046	-.128	-.122	-.128	-.110
Education	.193	.178***	.227	.203	.285	.248***	.191	.240
Income	.000	.108*	.000	.256*	.000	.129	.000	.004
Asset value	.000	.169**	.000	.153	.000	.181**	.000	.034
	R^2=.150, Adj. R^2=.137***		R^2=.250, Adj. R^2=.194***		R^2=.225, Adj. R^2=.202***		R^2=.152, Adj. R^2=.074	

Age groups. Women report greater internal control for the 65-74 age group, beta = -.146, p<.05. Education and asset value are also significant to the middle age group, beta = .248, p<.001 and beta = .181, p<.01, respectively. The only significant predictor of reported locus of control for the 55-64 age group is income, beta = .256, p<.05.

Sociodemographics, Personal and Managerial Processes, and Satisfaction with Personal Life and Financial Situation

Regression analyses were conducted for sociodemographics, personal processes, managerial processes, and two measures of satisfaction: satisfaction with personal life and satisfaction with financial situation. Sociodemographics and personal and managerial processes were entered in the regression as a block to identify any significant relationship between all of the input and throughput variables with the two forms of satisfaction. Differences were found between age groups (see Table 16).

Total sample. The first equation of satisfaction with personal life when sociodemographics and personal and managerial processes are considered has an adjusted R^2 of .211, and is statistically significant. Gender, potential for growth, values, planning, and reported locus of control are all significant predictors of satisfaction with personal life, beta = -.137, p<.01, beta = .242, p<.001, beta = .229, p<.001, beta = -.108, p<.05, and beta = .127, p<.01, respectively. A negative relationship appears again between gender and satisfaction with personal life which indicates that if the retiree is male, he will have less satisfaction with personal life than female retirees with all other variables held constant.

The second equation of satisfaction with financial situation when sociodemographics, personal processes and managerial processes are considered has an adjusted R^2 of .314. The full model regressed with satisfaction with financial situation is the most statistically significant equation for the total sample. Chronic health condition, age, income, asset value, values, implementing, and reported locus of control are all significant predictors of satisfaction with

Table 16. Regression Analyses of Sociodemographics, Personal Processes, Managerial Processes, and Satisfaction with Personal Life and Financial Situation

Satisfaction with Personal Life

Item	Total sample		55-64 age group		65-74 age group		75-84 age group	
	B	Beta	B	Beta	B	Beta	B	Beta
Chronic health condition	.797	.079	.924	.120	.977	.094	.298	.026
Gender	-1.288	-.137**	-.255	-.038	-1.539	-.161**	-3.193	-.221
Age	-.008	-.014	.188	.143	.003	.002	-.245	-.115
Education	-.029	-.019	.057	.048	-.006	-.004	-.034	-.023
Income	.000	.007	.000	.000	.000	-.023	.000	.000
Asset value	.000	.016	.000	-.069	.000	-.006	.000	.023
Potential for growth	.490	.243***	§	§	.463	.221**	.889	.381*
Values	.447	.229***	.822	.531***	.374	.187*	.429	.201
Planning	-.490	-.108*	-.191	-.064	-.432	-.089	-.795	-.135
Implementing	-.145	-.044	-.451	-.181	-.279	-.077	.184	.056
Locus of control	.174	.127**	.188	.176	.262	.184**	.206	.112
	R^2=.234, Adj. R^2=.211***		R^2=.350, Adj. R^2=.265***		R^2=.247, Adj. R^2=.206***		R^2=.358, Adj. R^2=.240**	

* p<.05 ** p<.01 *** p<.001 § Deleted from regression due to multicollinearity.

Table 16 (continued).

Satisfaction with Financial Situation

Item	Total sample		55-64 age group		65-74 age group		75-84 age group	
	B	Beta	B	Beta	B	Beta	B	Beta
Chronic health condition	1.213	.136**	2.219	.229**	1.424	.163**	-.687	-.080
Gender	.295	.035	.391	.046	.234	.029	.294	.027
Age	.083	.158***	.069	.041	.276	.217***	-.014	-.009
Education	-.052	-.040	-.024	-.016	-.042	-.031	-.164	-.147
Income	.000	.191***	.000	.214*	.000	.144*	.000	.306*
Asset value	.000	.119*	.000	.022	.000	.162**	.000	.091
Potential for growth	-.084	-.047	§	§	-.045	-.025	.284	.161
Values	.431	.248***	.046	.024	.352	.209**	.471	.291
Planning	-.086	-.021	.071	.019	-.026	-.006	.001	.000
Implementing	-.533	-.181***	-.810	-.258**	-.530	-.173**	-.305	-.122
Locus of control	.401	.328***	.581	.433***	.450	.374***	.341	.244*
	R^2=.334, Adj. R^2=.314***		R^2=.525, Adj. R^2=.462***		R^2=.389, Adj. R^2=.355***		R^2=.321, Adj. R^2=.197**	

financial situation for the retiree, beta = .136, p<.01, beta = .158, p<.001, beta = .191, p<.001, beta = .119, p<.05, beta = .248, p<.001, beta = -.181, p<.001, and beta = .328, p<.001, respectively. Again, the negative relationship between implementing and satisfaction with financial situation shows that the more a retiree evaluates his or her spending on a regular basis, the more satisfaction is decreased.

Age groups. All of the age groups produced statistically significant findings for the regression of sociodemographics, process variables, and satisfaction with personal life and financial situation. The full model for the 65-74 age group yielded the highest amount of explained variance of any regression with the outcome variable of satisfaction with personal life with an adjusted R^2 of .206, p<.001. For all three age groups, with the outcome variable of satisfaction with financial situation, the greatest amount of explained variance is found in the full model. The adjusted R^2s for the 55-64 age groups, 65-74 age group, and 75-84 age group are: .462, p<.001, .355, p<.001, and .197, p<.01, respectively.

Summary

Sociodemographics and personal and managerial processes were found to be significant predictors of satisfaction. The differences between satisfaction with personal life and satisfaction with financial situation and age groups were presented.

Of the six sociodemographic variables examined, chronic health condition, gender, age, income, and asset value are the significant predictors of satisfaction. Gender is the only significant predictor of satisfaction with personal life for the total sample. Chronic health condition, age, income, and asset value are all significant in the prediction of satisfaction with financial situation for the total sample.

Sociodemographics were found to be significant predictors of reported locus of control and no other personal or managerial process variables. Age, education, income, and asset value are significant predicators for the total sample

Sociodemographics and process variables in combination explained slightly more of the variance in satisfaction with personal life than sociodemographics or process variables separately. Similar to satisfaction with personal life, the combination of sociodemographics and process variables explained a greater amount of the variance in satisfaction with financial situation than did sociodemographics or process variables separately.

CHAPTER SIX

DISCUSSION AND CONCLUSIONS

The purpose of this study is to apply a more holistic framework, specifically, Deacon and Firebaugh's (1988) family resource management perspective, to individuals in retirement by exploring the relationships between some of the variables that can enhance our understanding of management within retired families. The variables studied include sociodemographic characteristics, personal processes, managerial processes, and satisfaction. The analyses include an examination of these variables separately and in combination as predictors of satisfaction for the total sample of retired individuals and in the 55-64, 65-74, and 75-84 age groups. Two forms of satisfaction are examined: satisfaction with personal life and satisfaction with financial situation. A discussion of sociodemographic, personal process, and managerial process variables as predictors of satisfaction will follow. Differences between satisfaction with personal life and financial situation will be examined, as well as age group differences. The limitations of the study will be noted, conclusions stated, and implications presented.

Discussion

Sociodemographics and Satisfaction with Personal Life and Financial Situation

The hypothesis that the retiree's sociodemographic characteristics of the presence of a chronic health condition that causes concern or worry, gender, age, education, income, and total household asset value will predict satisfaction with personal life and financial situation is partially supported. Chronic health condition, gender, age, income, and asset value significantly predict satisfaction for the total sample; chronic health condition and income significantly predict satisfaction for the 55-64 age group, and chronic health condition, gender, age, income, and asset value significantly predict satisfaction for the 65-74 age group. There is not enough evidence to show a significant relationship between all of the

sociodemographics and satisfaction for the 75-84 age group. Education is not a significant predictor of satisfaction in this model.

The specific sociodemographic variables that are significant and strength of relationship with satisfaction differs depending on the measure of satisfaction used. Satisfaction with personal life and satisfaction with financial situation will be discussed separately.

Satisfaction with personal life. None of the sociodemographic variables examined in this study were significant predictors of satisfaction with personal life for the 55-64 age group and the 75-84 age group. For the total sample and the 65-74 age group, gender is the only statistically significant predictor of satisfaction with personal life.

The negative relationship between gender and satisfaction with personal life suggests that retired women experience greater satisfaction with their personal life than retired men, with all other variables held constant. These results are inconsistent with previous research which reported that retirement may be a more difficult experience for women than it is for men (Belgrave, 1989; Floyd et al., 1992; Seccombe & Lee, 1986; Szinovacz & Washo, 1992) or that there are no major differences with satisfaction between men and women (Anson et al., 1989; Beck, 1982, George et al., 1984; Palmore, 1981; Palmore et al., 1984). Results such as these may indicate that women's roles, and the satisfaction associated with those roles, are changing. Additionally, due to the nature of the present study all of the women have spouses for support whereas other studies included divorced, separated, and widowed women.

Satisfaction with financial situation. Several sociodemographic variables significantly predict satisfaction with financial situation. Chronic health condition, age, income, and asset value are all significant predictors of satisfaction with financial situation for the total sample and the 65-74 age group; and chronic health condition and income are significant predictors of satisfaction with financial situation for the 55-64 age group. Once again, possibly due to age

generational differences, there is no statistically significant relationship between sociodemographics and satisfaction with financial situation for the oldest age group of 75-84. It is possible that for the older age groups, life's circumstances become more important (Diener, 1984). Concerns such as loss of mobility and a decrease in social network, health, and resources may be more important than the retiree's financial situation.

There is a strong positive relationship between chronic health condition and satisfaction with financial situation. The direction of the relationship indicates that an absence of a chronic health condition, when all other sociodemographics are held constant, increases satisfaction with financial situation. Large health care costs can put a heavy strain on the financial resources of the retiree and deplete what may be already a meager lifestyle. The significance of health in this study is supported by previous research (Beck, 1982; Logue, 1991; Morgan, 1992; Palmore et al., 1985).

Age is a statistically significant predictor of satisfaction with financial situation for the total sample and the 65-74 age group. The lack of financial satisfaction in the youngest age group may be a reflection of being newly retired and not being fully adjusted to the new retirement income. The mixed results in this study are consistent with the literature. Logue (1991) found age to be a predictor for financial stress in the elderly which is associated with satisfaction with financial aspects of retirement. Other studies have found age to be a positive predictor of satisfaction in retirees (Lee & Shehan, 1989; Palmore et al., 1985).

In addition to health, income has been shown to have a strong positive relationship with retirement satisfaction (Belgrave, 1989; Braithwaite & Gibson, 1987; Dorfman et al., 1988; Palmore et al., 1985; Richardson & Kilty, 1991; Seccombe & Lee, 1986; Stull, 1988). Findings in this study concur with previous research. Income is a significant predictor of satisfaction with financial situation for the total sample, the 55-64 age group, and the 65-74 age group.

Asset value significantly predicted satisfaction with financial situation for the total sample and the 65-74 age group. It is difficult to explain why asset value does not predict satisfaction with financial situation for the other age groups. Assets contribute to economic security and enhance the ability of the retiree to spend their available income. Assets have been used in many studies to help indicate the economic level of retirees (Fillenbaum, George, & Palmore, 1985; O'Rand & Landerman, 1984; Palmore, 1981; Palmore et al., 1985).

Summary. Resources such as good health, economic solvency, and support from a spouse contribute heavily to a person's flexibility in activities and capacity for meeting goals which leads to satisfaction. Several sociodemographics predicted satisfaction with differences across satisfaction measures and age groups. Sociodemographics explain 2-5 percent of the variance in satisfaction with personal life and 6-28 percent of the variance in satisfaction with financial situation. Education is not a statistically significant predictor of satisfaction in this study. Differences found in this study may be due to age or cohort effects. Continued research using cross-sectional and longitudinal studies needs to be conducted to identify the magnitude of these effects.

Personal and Managerial Processes, and Satisfaction with Personal Life and Financial Situation

Stronger support is found for the second general hypothesis that the retiree's personal processes of potential for growth in the marital relationship and value system, and managerial processes of planning, implementing, and reported locus of control, will predict satisfaction with personal life and financial situation. The total sample and all of the age groups have statistically significant relationships between the process variables and satisfaction. All five of the process variables of potential for growth, values, planning, implementing, and reported locus of control significantly predict satisfaction for the total sample; values implementing, and reported locus of control significantly predict satisfaction for the 55-64 age group;

potential for growth, values, implementing, and reported locus of control significantly predict satisfaction for the 65-74 age group; and potential for growth and reported locus of control significantly predict satisfaction for the 75-84 age group. Potential for growth was not entered into the equation for the 55-64 age group due to multicollinearity found in the correlation analyses.

As expected, the personal process variables are stronger predictors of satisfaction with personal life, while the managerial process variables are stronger predictors of satisfaction with financial situation. For satisfaction with personal life, the most variance overall is explained by personal and managerial process variables for the 55-64 age group and 75-84 age group, 27 percent and almost 25 percent, respectively. Differences between the two measures of satisfaction will be discussed separately.

Satisfaction with personal life. Potential for growth, values, planning, and reported locus of control are significant predictors of satisfaction with personal life for the total sample; values and reported locus of control are significant predictors for satisfaction with personal life for the 55-64 age group, potential for growth, values, and reported locus of control are significant predictors of satisfaction with personal life for the 65-74 age group; and potential for growth is the only significant predictor of satisfaction with personal life for the 75-84 age group. There is not enough evidence to show a significant relationship between implementing and satisfaction with personal life for the total sample and all of the age groups.

Potential for growth is a statistically significant predictor for satisfaction with personal life for the total sample and all age groups that tested the variable. Spending time in joint activities with the spouse and relying on spousal support aid may help the retiree to cope with changes that accompany retirement. Fostering potential for growth in marriage leading to greater personal satisfaction is supported by previous research (Dorfman, 1992; Dorfman

et al., 1988; Vinick & Ekerdt; 1989). Retired couples look forward to more companionship (Vinick & Ekerdt; 1989), and when it is found greater satisfaction seems logical. The values of compromise, flexibility, and consultation significantly predict satisfaction with personal life for the total sample and the youngest and middle age groups.

The significant relationship between planning and satisfaction with personal life for the total sample is negative which is difficult to explain. Retired individuals must plan expenditures more carefully than at any other time in their lives, possibly except in the first years of marriage. The void in the postretirement event literature in the area of planning may suggest the difficulty in trying to explain and understand how retirees plan for resource use. Planning may be seen as a fruitless exercise because of the uncertainties of later adult life such as income, health care, and health condition. More research needs to be conducted in the area of postretirement event planning in order to better understand this critical part of life management.

Reported locus of control is a significant predictor of satisfaction with personal life for the total sample, the 55-64 age group, and the 65-74 age group. Any interpretation as to why reported locus of control is not a significant predictor of satisfaction with personal life for the 75-84 age group must be done with caution since the reliability alpha for the Locus of Control Index is extremely low (.426). The findings from the total sample and the other age groups are consistent with previous studies (Abel & Hayslip, 1987a, 1987b; Palmore, 1981; Palmore et al., 1985). A retiree who feels that he or she has more control over his or her life may feel an ability to deal more positively with changes in health and income that accompany aging and retirement.

Satisfaction with financial situation. Values, implementing, and reported locus of control are significant predictors of satisfaction with financial situation for the total sample and the 65-74 age group; implementing and reported locus of control are significant

predictors for satisfaction with financial situation for the 55-64 age group; and reported locus of control is the only significant predictor for satisfaction with financial situation for the 74-85 age group.

According to Deacon and Firebaugh (1988), values occupy all aspects of management, providing the basis for decisions. The values of compromise, flexibility, and consultation significantly predict satisfaction with personal life for the total sample and the middle age group of 65-74. A value system that is compromising, flexible, and amenable to advice will allow for more satisfaction with a financial situation that may be less stable than it was during employment years. The absence of the value variable as a significant predictor for the 55-64 age group may be due to the new retiree adjusting to the new financial situation that may accompany early retirement. Similar findings for the 75-84 age group may be an indication of age or cohort effects.

Implementing is a significant negative predictor of satisfaction with financial situation for the total sample, the 55-64 age group, and the 65-74 age group. The direction of the relationship indicates that the more a retiree evaluates spending the less satisfaction with financial situation. After a closer look, the negative relationship does make sense. If the retiree is constantly evaluating a reduced income and scarce resources, with no hope for significant improvement, less satisfaction is inevitable. Although assessment of expenditures is critical in fixed income situations such as retirement, excess evaluation may lead to frustration and anxiety for the retiree.

Reported locus of control is significant as a predictor for satisfaction with financial situation for the total sample and all age groups. Perceived control of economic resources can give the retiree a great deal of comfort and pleasure knowing where the income is coming from and how it is being spent. Aging often decreases the perception of internal control, so those who evidence an internal locus of control may be able to adjust to retirement more

satisfactorily, on the basis of an expectation of the ability to influence the changes that accompany retirement (Abel & Hayslip, 1987b).

Summary. All of the personal and managerial process variables in varying combinations predicted satisfaction with differences across satisfaction measures and age groups. Process variables explain 19-27 percent of the variance in satisfaction with personal life and 17-39 percent of the variance in satisfaction with financial situation. Differences found in this study may be due to age or cohort effects that require further research for understanding. Personal and managerial process variables are better predictors of both measures of satisfaction for the total sample and all age groups. The smallest increase in explained variance (6.2%) is in satisfaction with financial situation for the 65-74 age group. The largest increase in explained variance (24.7%) is in satisfaction with personal life for the 55-64 age group.

Sociodemographics and Personal and Managerial Processes

There is little support for the third general hypothesis that the retiree's sociodemographic characteristics which include the presence of a chronic health condition that causes concern or worry, gender, age, education, income, and total household asset value will predict personal and managerial processes. For the total sample and all age groups, there is not enough evidence to show a significant relationship between all of the sociodemographics and potential for growth, values, planning, and implementing. The only statistically significant model is that of sociodemographics and reported locus of control. Positive relationships with the interval or ratio variables of age, education, income, and asset value indicate a greater sense of internal control. Gender, age, education, income, and asset value significantly predict reported locus of control for the total sample; income significantly predicts reported locus of control for the 55-64 age group, and gender, education, and asset value significantly predict reported locus of control for the 65-74 age group. There is not enough evidence to show a

significant relationship between all of the sociodemographics and reported locus of control for the 75-84 age group. Chronic health condition is not a significant predictor of reported locus of control in this model. The absence of a significant relationship for the oldest age group may be attributed to the extremely poor reliability alpha of the Locus of Control Index for this subsample.

The specific sociodemographic variables found significant and strength of relationship with reported locus of control differed depending on the age group. For the first and only time, education is a significant predictor for a dependent variable.

It is surprising that chronic health condition does not predict reported locus of control for this sample. The relationship of health condition and control may be tied to other sociodemographic characteristics such as gender and age which are strong predictors of morbidity and mortality (Manton, 1990).

Being a woman is related to a stronger sense of internal control for the 65-74 age group. It has been shown in previous research that men, 65 and older, incur greater amounts of limitation of activity due to one or more chronic health conditions when compared to women of the same age group (Atchley, 1988). The limitations older men experience may be related to a sense of loss of internal control over their lives. The gender differences are less pronounced for younger age groups.

Age is the only significant predictor of reported locus of control for the total sample. Its negative direction suggests that as a retiree ages, there is a sense of loss of internal control. As with the gender differences for reported locus of control, the issue of declining health for the retired individual in the later stages of life may be responsible for this finding.

Consistent with previous research which indicated that those who are more highly educated may feel more internal control (Able & Hayslip, 1987a), education significantly

predicted reported locus of control for the total sample and the 65-74 age group. It is uncertain why the same significant relationship did not occur for the 55-65 age group.

Income is a significant predictor of reported locus of control for the total sample and the youngest age group. Asset value is a significant predictor of reported locus of control for the total sample and the 65-74 age group. These findings reflect previous research that ties more resources to more internal control (Streib, 1976; Abel & Hayslip, 1987a).

Summary. The moderate strength of the reliability alpha for the various Locus of Control Indices may contribute to the differences between age groups for specific predictors and their significance. Sociodemographics explained 13-20 percent of the variance in reported locus of control for the significant age groups.

The influence of sociodemographics on personal and managerial process variables is negligible. A possible conclusion is that sociodemographics are not relevant for the measurement of potential for growth, value systems, planning practices, and implementing procedures.

Sociodemographics, Personal and Managerial Processes, and Satisfaction with Personal Life and Financial Situation

The strongest overall support is for the fourth hypothesis that states that the sociodemographic characteristics combined with personal and managerial processes will significantly predict satisfaction with personal life and financial situation. For the total sample, chronic health condition, gender, age, income, asset value, potential for growth, values, planning, implementing, and reported locus of control are all significant predictors of satisfaction. Education is the only independent variable that is not significant for the total sample. Chronic health condition, income, values, implementing, and reported locus of control are significant predictors of satisfaction for the 55-64 age group. For the 65-74 age group, chronic health condition, gender, age, income, asset value, potential for growth,

values, implementing, and reported locus of control are significant predictors of satisfaction. The oldest age group of 75-84 shows income, potential for growth, and locus of control as significant predictors of satisfaction.

The specific sociodemographic and process variables that are significant and strength of relationship with satisfaction differs depending on the measure of satisfaction used. Satisfaction with personal life and satisfaction with financial situation will be discussed separately.

Satisfaction with personal life. Again, gender is the only sociodemographic variable from the full model that is statistically significant in predicting satisfaction with personal life for the total sample and the 65-74 age group. As previously discussed, the negative association between gender and satisfaction with personal life indicates that retired women experience greater satisfaction with their personal life than retired men, with all other variables held constant.

One possible explanation for the reversal of satisfaction with personal life between the genders may be tied to the sample being examined. The sample consisted of rural counties in eight states in which 20% or more of the employed or self-employed persons were employed in agriculture, livestock, forestry, mining, and/or fishing, traditionally male professions. If women are less tied to the work role than men, in a more gender specific cohort such as that of the 65-74 age group compared to younger cohorts, then women may have an easier time relinquishing that role and hence, be more satisfied with their personal life in retirement. Relationships with family have been shown to significantly predict well-being for women, whereas, satisfaction with job predicts well-being for men (Mussen, Honzik, & Eichorn, 1982). The absence of similar findings for the youngest and oldest age groups may be a function of age and/or cohort effects. A less traditional cohort such as that of the 55-64 age group may explain why no significant gender differences are found in this cohort. The lack of

gender differences found in the oldest age group may be a reflection of a more androgynous cohort where men and women begin to share many of the same limitations in health, social contact, and loss of independence. Regardless of the possible explanations, the issue of gender and satisfaction with personal life in retirement requires further investigation with longitudinal research designs.

The process variables of potential for growth, values, planning, and reported locus of control are significant predictors of satisfaction with personal life for the total sample; values is the only process variable that is a significant predictor of satisfaction with personal life for the 55-64 age group; potential for growth, values, and reported locus of control are the significant predictors of satisfaction with personal life for the 65-74 age group; and potential for growth is the only significant predictor of satisfaction with personal life for the 75-84 age group.

There is a nearly identical configuration and significance level for the full model when compared to the two reduced models of sociodemographics and satisfaction with personal life and process variables with satisfaction with personal life. Reported locus of control dropped out of significance as a predictor of satisfaction with personal life for the 55-64 age group, once sociodemographics were added.

Satisfaction with financial situation. Chronic health condition, age, income, asset value, values, implementing, and reported locus of control significantly predict satisfaction with financial situation for the total sample and the 65-74 age group; for the 55-64 age group, chronic health condition, income, implementing, and reported locus of control significantly predict satisfaction with personal life; income and reported locus of control significantly predict satisfaction with financial situation for the oldest age group of 75-84.

As with the full model for satisfaction with personal life, an almost equivalent configuration and significance level for the full model is reproduced when compared to the

two reduced models of sociodemographics and satisfaction with financial situation and process variables with satisfaction with financial situation. Income becomes a significant predictor of satisfaction with financial situation for the 75-84 age group, with the addition of sociodemographics.

Summary. It is evident that sociodemographics play a less significant role in predicting satisfaction with personal life than they do in predicting satisfaction with financial situation. Although differences are found between age groups in regard to which sociodemographics and process variables are significant, as a whole, the explained variance in satisfaction with personal life remained rather constant, between 20 and 26 percent. The full model is the best predictor of satisfaction with personal life for the total sample and the 65-74 age group.

The roles of sociodemographics and process variables are more evenly distributed in predicting satisfaction with financial situation than they are in predicting satisfaction with personal life. The explained variance in satisfaction with financial situation is more varied than that of satisfaction with personal life. The full model produced explained variance of 19 percent for the 75-84 age group and over 46 percent for the 55-64 age group.

The explained variance is greatest for the 55-64 age group for both measures of satisfaction. The largest amount of significant variables used to explain the two measures of satisfaction is in the total sample with education being the only insignificant variable. An explanation for this phenomenon may be that the 55-64 age group is extremely focused on what makes them satisfied in retirement, while the total sample is more varied and able to glean satisfaction from many different areas of their lives.

Limitations of the Study

It is impossible to distinguish between age and cohort effects in this study because of its cross-sectional design. Results need to be interpreted with caution, realizing that differences between age groups may be due to aging effects, cohort effects, or a combination

of the two effects. Longitudinal studies with a similar focus as this study should help to identify some of these effects.

All analyses for the 74-85 age group that include reported locus of control must be interpreted with care. The reliability alpha for the Locus of Control Index is extremely low therefore producing suspect results.

The composition of the sample in this study makes it impossible to generalize to the retired population as a whole. First of all, the sample used for this study is white. An unusual distribution of minorities prevented their inclusion into the final sample. Individuals in the sample are all married, which prevents any generalization to single, separated, divorced, or widowed retirees. The retiree in the sample is considered the financial manager in each household, therefore predominantly male. Although the sample was drawn from populations in eight states, the Midwest and Southwest are the only areas of the United States that are represented. The focus of the original study was rural families which excludes urban and suburban retirees. There may be similar value systems and other personality traits that caused the respondents to agree to participate in the study. The individuals in the study were all independently living in the community and noninstitutionalized. While these limitations are grounds for viewing the results with caution, even the best designed research study will have some of these and possibly other limitations to some degree.

Conclusions

Five of the six sociodemographics were notably important and varied by age groups and measurement of satisfaction. One unexpected finding is that of women experiencing greater satisfaction with personal life than men, which is unsubstantiated by previous research. An additional unexpected finding is the negative relationship between the managerial process variables of planning and implementing with satisfaction. It appears that more planning for

resource use and the implementation of those plans is counterproductive to satisfaction in retirement.

Results of this study provide evidence to indicate that a more comprehensive, holistic model that includes select sociodemographics, relationship, value system, resource planning and evaluating, and sense of control variables is a significantly better predictor of satisfaction for retirees than a lesser combination of the same variables.

Implications

The results of this study demonstrate how family resource management theory can be an effective method of studying retirement. The Deacon and Firebaugh model (1988) was adapted to analyze the retired individual within the family system and his or her relationship to sociodemographics and satisfaction with personal life and financial situation. The adapted model provided a more comprehensive approach to explaining inter-individual differences among retirees and between the various age group subsamples of retirees. It is clear from the findings of this study that individually, sociodemographics and personal and managerial processes are useful in understanding the retiree, but in combination these elements provide a larger and more complete picture of retirement satisfaction.

By examining retirement within the setting of a family resource management framework, individual differences in managing resources in response to changes in the demands placed upon retirees can be identified. A family resource management perspective may allow family educators and practitioners to develop new prevention and intervention programs that could benefit retirees and their families. For example, teaching retirees the value of planning for resource use or the importance of flexibility when trying to achieve goals with a new set of resources may broaden the effectiveness of current retirement programs that focus on the financial aspects of retirement. This study provided evidence that a sense of internal control with a retiree's financial situation promotes more satisfaction. Seminars that

focused on creative and innovative methods of maintaining control would be useful for the retiree to increase his or her overall satisfaction with retirement.

Even though differences between age groups in this study can not be definitively attributed to age or cohort, the information is still useful for community educators, family practitioners, family economic specialists, retirement counselors, program coordinators, social workers, and researchers. Programs that are designed with age group differences in mind could significantly affect the satisfaction of the retiree. For example, the results of this study that show income, asset value, and reported locus of control as significant predictors of satisfaction for the younger age groups, could prompt family economic specialists, counselors and program directors to provide more financial resource information and alternatives for resource use to a group of younger retirees. If the retiree's financial concerns are dealt with early in retirement then other issues can be given more time later on, as the retiree gets older.

Spousal support or greater spousal interaction is an important consideration for the older age groups, therefore social workers, community educators and family practitioners could devote less time spent on the financial considerations of retirement and more time given to support giving techniques and relationship skills. Often times the building of relationship skills for older couples is overlooked by professionals. Therapists or counselors may incorrectly view the elderly couple as having spent a life time fine tuning these techniques and needing little advice on how to improve communication or interaction within the couple.

Retirees that find themselves in the middle age group of 65-74 seem to be concerned with economic issues and spousal support. A more comprehensive approach is needed when counseling or advising retired individuals when they have both managerial and personal concerns.

In gaining a more comprehensive understanding of specific issues important during retirement, researchers will provide the foundation for innovative programs and therapy

techniques for professionals who are concerned with the issue of satisfaction in the retired population. Another theory entering the realm of retirement allows for the healthy competition between disciplines and theories themselves. Competition between theories creates better quality research with a better understanding of the issues under investigation. Approaching retirement with a more individualized and holistic technique will allow retirement counselors and educators to become more effective in working with retirees to enrich their overall satisfaction with retirement, and not simply improve their satisfaction with their financial situation.

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