RETIREMENT PLANNING: DO FINANCIAL MEANS INFLUENCE LIFE SATISFACTION? A COMPARATIVE STUDY OF MALE AND FEMALE RETIREES

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This is dedicated to the memory of my best friend Melissa Baer
who always believed that despite the importance of monetary wealth,
good company and meaningful
activities are far more essential to the attainment of happiness
and to living a meaningful life

Abstract

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A substantial percentage of elderly Canadian women live below the low-income cut-off. Traditional gender roles, institutional barriers and a lack of financial confidence, have hindered many Canadian women from planning for their financial well-being in old age. The current investigation studied the extent of financial preparation for retirement in a sample of 149 active and healthy retired men and women 50 years of age and older. Financial satisfaction, regret and anxiety, and life satisfaction were the outcome variables studied. The analysis of the survey data revealed that women lag significantly behind men in their financial preparations for retirement and women tend to experience somewhat more financial anxiety. The incidence of financial regret and anxiety were not high in this sample. Interviews with a subset of 14 retirees suggested that people adapt psychologically to reduced financial circumstances. All the same, anxiety was associated with a decrease in life satisfaction and financial satisfaction for all retirees. Financial regret was negatively linked to life satisfaction for men and women. Interestingly, regret decreased the financial satisfaction of women but not men. Thus, women who have cause to regret previous saving decisions are at risk of decreased financial satisfaction and life satisfaction.

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For all they have given to support, encourage and guide my life over the years, I wish to acknowledge my parents. With the completion of this project I have realized that financial management has little to do with how one manages one's money and everything to do with how one manages one's life. I have learned that adequate financial means has benefits that far exceed the accumulation of monetary wealth. Financial security fosters independence, self-sufficiency and the ability to live according to one's own ideals and principles. Such a gift is priceless. I am also grateful for your commitment to assist me in achieving this long time academic goal.

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1. INTRODUCTION

The initial development of retirement as a social institution occurred at the beginning of the twentieth century and reflected the workings of the labour market, a domain that did not include the lives of most women. In fact, the history of retirement is best understood as mirroring the work trajectories of white middle class men and is not reflective of the history of women's retirement.

It was not until recently that women's retirement experiences were incorporated into scientific inquiry (Perkins, 1992). In fact, as late as 1982, Szinovacz (1982) stated that women's retirement was not a relevant issue for social scientists to research. The irony of such an assertion is that women compromise the majority of older people and are at great risk of living in poverty in old-age. Such a fact should deem women's retirement experiences imperative to empirically investigate.

It is important to bear in mind that many of today's female retirees belonged to a different generation, one that earned less money than their male counterparts, placed their husband's careers before their own and whose work trajectories are marked by frequent entries and exits (Timmerman, 2000). Present day female retirees raised families at a time in which there was a greater distinction between male-female gender roles and the traditional male-breadwinner model predominated. As such, these women were socialized to marry young and devote their lives to their families. If women were employed outside the home, they most often worked in low paying, part-time occupations for relatively short periods of time. Many of these jobs did not afford women any pension coverage as they worked in industries without union affiliation. For a great majority of these women, however, work was secondary to their primary role as wife and mother, and in return for their devotion, they expected financial support from their husbands for the duration of their lives (Perkins, 1992).

It has been argued that these women's life long dependence on their husbands for the management of all financial matters places them at a great disadvantage in old-age. By their own admission, many middle-aged and elderly women admit that their "lack of financial knowledge" has prevented them from planning for their financial well-being in retirement and are paralyzed when having to make economic decisions when their spouses die (Timmerman, 2000). Compounding matters is the alarming fact that both American and Canadian women become widowed at the surprisingly young age of 56 years old (Statistics Canada, 2000; Perkins, 1995). Moreover, 7 out of 10 boomer women will be widowed for a minimum of 15 years. Coupled with the increasing rate of later-life divorce, this figure translates into women having an 85 percent chance of living out their golden years alone (Perkins, 1995). According to Rix (1990), gender is a powerful predictor of one's financial status in old-age. In light of women's lack of financial knowledge and financial preparedness for this later stage of development, elder women face the very grim possibility of living in poverty.

According to Hayes (1991) women who adapt well to retirement are those who are financially secure, have nurtured a self-assured and independent identity, live a healthy and balanced lifestyle and can draw upon previous employment skills should they choose to return to the workforce in order to supplement retirement income. Less is known about women who do not fare well financially in retirement. The present study therefore sought to focus on how the adequacy of financial planning affects the

the financial and psychological functioning of both men and women.

To date very few empirical investigations have studied the relationship between women's responses to a decline in their income, their financial anxieties regarding the adequacy of their income, their financial regrets over past saving behaviour and their subjective well-being. Lowenstein, Prelec and Weber (1999) studied men's happiness in retirement relative to the decline in their income. Their study compared men who were facing retirement in the coming years to those who had already been retired for several years. Their conclusions revealed that there is no significant decline in happiness following retirement. Furthermore, the majority of the retired men reported that they have sufficient income and have adapted to the different financial environment of retirement. Choi (2001) explored the differences in women's life satisfaction by comparing women who had retired to those who continued to work, or re-entered the work force after initial retirement. Her findings indicate that a woman's financial wealth and her anxieties regarding her economic means are compelling factors that influence her very life satisfaction. Specifically, Choi explains that women's concerns about their finances are powerful determinants of their life satisfaction, regardless of their financial means.

McDonald (2002) maintains that a review of retirement history in Canada suggests that a new theory must be born that incorporates an analysis of gender and the very social institutions that influence relations between men and women. Calasanti (1999) argues that gender relations are "socially constructed power relations, which become institutionalized in various arenas" the author further expresses that, "gender involves power relations that privilege men [giving them] an unearned advantage while they disadvantage women"(p. 45), a reality that is reflected in current Canadian retirement provisions. A current report conducted by Statistics Canada (2003a) revealed that in 1999, 67% of men received income from private pensions in contrast to 46% of women. As a result women depend on old-age security (OAS), a universal public pension granted to all Canadian citizens, much more than men. More telling is that from 1990 to 2000, 65% of women received both OAS and the guaranteed income supplement (GIS), a low-income supplement provided to those most in need, in comparison to only 35% of men. A theory of retirement that examines the differences in men's and women's relationship to the labour market would help to better explain why, as McDonald expresses, women have been paying "pension catch up" for the past twenty years.

In light of McDonald's (2002) insights into the retirement of Canadian women and Choi's findings regarding women's life satisfaction and financial anxieties, this study proposes to investigate the life satisfaction of retired women relative to retired men in respect to their financial well-being. A study published by Statistics Canada (2001a) revealed that 35% of family units 65 years and older had no private pension savings. The break-down down by gender revealed that women were twice as likely as men to report no private pension savings. This raises the question that if women on average retire with less income than their male counterparts, is it a result of inadequate financial preparations? Moreover, does women's lesser retirement income translate into greater financial anxiety and financial regret in comparison to male retirees? The objective of the present study is therefore to explore gender differences in the extent of financial planning for retirement, and to assess the consequences of planning on the financial and psychological well-being of male and female retirees.

1.1. A History of Women's Retirement in the Western World

A historical account of women's relationship to the workforce serves to clarify why women were not considered in the development of retirement. Work that was not performed in the traditional market economy was not documented as employment because economic measures were typically constrained to paid-labour. Women's part-time work encompassed child and eldercare, housework, sewing, selling produce and taking in lodgers in exchange for payment. Although she received remuneration for her labour it was not regarded as employment because at the time such activities were considered to be an extension of her family duties (Bose, 1987). Deacon (1985) explains that the manner in which female labour was accounted and reported was influenced by the political ideology and social institutions of each country. In Canada, the political ideology was based upon a doctrine that has often been referred to as *"the cult of domesticity"* (Bose, 1987). Such political principles led to the natural creation of two divides: the public sphere and private sphere. The public sphere embodied the market economy and implicitly encompassed the working lives of men, in contrast to the private sphere which represented women and embodied family life, reproduction, childcare and the home.

The perspective of dual spheres and a clear divide of labour was so widely ingrained and accepted that as late as the 1950s, the International Labour Office Convention on Social Security (1998) established international social security standards based on the assumption that women's primary role in the household would be that of the unpaid caregiver, while men would contribute to the family unit by participating in the work force and bringing home a paycheque (International Social Security Association). A woman's retirement was therefore completely dependent on the goodwill of her husband or her sons (McDonald, 2002).

In Canada families were freed from this obligation in 1951 with the final version of the *Old-age Security Act*, which entitles all Canadians, regardless of employment history, some measure of retirement income in old-age. For the first time women were recognized as citizens who were eligible for support from the state, independent of their participation in the labour force. This helped free women from the economic binds of male control. In 1967, the Canadian and Quebec governments developed the *Canada/Quebec Pension Plans* (*C/QPP)* which required mandatory contributions from all those employed. The C/QPP replaces up to 25% of the average industrial wage in addition to providing survivor, death and disability benefits to all paid workers and their dependents.

Although the C/QPP has been referred to as one of the friendliest of pension plans for women, it was originally intended for men and, as such, has several disadvantages for women (McDonald, 2002). The two issues that directly affect the benefits received by women is the provision that all benefits are dependent upon an individual's income and secondly, benefits are dependent upon the length of time an individual spends in the work force. Gender neutral policies signify an important advancement in the fight for gender equality, however, such policies ignore the very real differences between men and women's lives and are not reflective of income inequality and different work trajectories. As Calassanti (1999) notes, "Gender does matter. The policies are still androcentric: the difference between now and twenty years ago is that the policies now treat women as if they were men" (p. 53). To date, women's retirement has been established on the basis of a man's employment trajectory and does not mirror the reality of women workers. Women's careers tend to be shorter and more discontinuous, often interrupted by child-bearing, child-rearing and caring for elderly family members. As a result many women abandon work, take extended leaves from the work force or choose to work part-time (McHugh, Koeske, & Freeze, 1986). The consequences of a sporadic work history drastically affect retirement benefits because pensions are calculated using an individual's pre-retirement income and the length of time spent in the work force. A decrease in earning potential is proportionately related to a discontinuous work pattern which may even disqualify women from full pension benefits (Hatch, 1990).

1.2. The Feminization of Poverty

The term the *feminization of poverty* was coined in the seventies and is used to refer to the increasing number of women and children who live in poverty (Minkler & Stone, 1985). Although the economic status of older North Americans has improved dramatically in the last two decades, women have not benefited all that much, largely due to their work histories, care-giving duties and dependence on men, which result in lower benefits in old-age. Davis, Grant and Rowland (1990) note "The acceptance by women of care-giving responsibilities may engender their future economic security and undoubtedly contributes to the high rates of poverty among elderly women" (p. 46). In 1997 Canadian women's pension income was 61% that of men's (Marshall, 2000). According to a study conducted in the United States entitled *Gender and Economic Security in Retirement* (Lee & Shaw, 2003) from 1999 to 2001, only 30% of women age 65 and older received pension income in retirement, in contrast to 47% of men in the same age group. The study revealed that when these women do in fact receive pension benefits, they are only about half of those of men. Davis, Grant and Rowland (1990) predict that by the year 2020, poverty among elderly couples and elderly men will disappear. Poverty among elderly women, however, is anticipated to rise and become solely a feminine issue affecting divorced, widowed and women who have never been married.

Across the European Union, women's pension income is found to be consistently lower than that of their male counterparts in all age groups and in most countries to varying degrees. Walker, Alber and Guillemard (1993, as cited in Ginn, 1998) report that in the 1990s, women's pension income as a percentage of that of men's was 67% in Italy, less than 60% in Britain and 42% in Germany. According to Mata, (1996, as cited in Ginn, 1998) women's average pension income in Spain was 59% of that of their male counterparts. Walker et al., (1993) explain that "older women, particularly widows, comprise some of the poorest and most socially excluded groups in the community... a phenomenon sometimes referred to as the feminization of poverty" (1993, p. 47). As a result of women's lower pension income, they rely on means-tested benefits more often than do men. In 1990 in Germany, 76% of the elderly who received social insurance were women (Walker & Maltby, 1997, as cited in Ginn). In Britain, from the years 1993 to 1995 women aged 65 and over accounted for 74% of all income supplement recipients (Ginn, 1997, as cited in International Social Security Association, 1998).

1.3. Women as Wage-earners

Public pension systems vary in terms of whether or not they take into account the differences between men and women's relationship to the work-force over their economic life cycles. Certain countries penalize interrupted work histories, while others have enacted provisions to reduce the adverse effects on benefits for years devoted to child-rearing. In the United States, the social security benefit formula permits five years of care-giving to be dropped from the calculation of benefits, which is based upon average life-time earnings. Thus if a woman devotes a greater number of years to child-rearing the amount of pension benefits that she is entitled to is negatively effected by her extended time outside the labour force (Hill & Tigges, 1995). Canadian women fare somewhat better than their U.S. counterparts as they are entitled to omit up to seven years of childcare from the calculation of pension benefits, which like the United States, is based on average lifetime earnings (Cohen & Fitzgerald, 2002).

1.4. Women as Dependents of Wage-earners

Women also have access to pension income as a dependent of a spouse who has earned his living in the work force. Here too, countries vary in their benefit adjustments for a dependent spouse at retirement. The Federal Republic of Germany in 1977 and Canada in 1978 are the only two countries to date to have instituted a concept called *pension splitting* in which spouses are guaranteed some measure of income protection regardless of whether or not they participated in the work force (Ginn, 1998). In Germany, pension splitting occurs in the case of a divorce and guarantees each spouse at the age of 60 half the working credits of their partner. This arrangement is applicable to all pension entitlements such as public, occupational and private pension benefits that were accumulated during the couple's marriage. In Canada, for couples in which both parties are 60 years of age and who are legally married or married by common law, the stipulation is called *pension sharing*, and is intended to help those who have a significant discrepancy in their credits. Pension sharing enables the transfer of credits from one party to another, as long as the credits were amassed while the couple was together. In Canada, this stipulation works to save the couple money by taxing each individual at a lower rate (Cohen & Fitzgerald, 2002) and it also serves to provide a woman with financial independence, enabling a wife to receive pension income in her own name regardless of her previous employment history. Since 1987, C/QPP pension credit sharing is mandatory should a marriage terminate in divorce, or if a conjugal heterosexual relationship should end after 12 months. All pension credits amassed during the relationship are added and then divided equally amongst both parties, as the C/QPP acknowledges the individual contributions of each person to the well-being of the family unit as equivalent, regardless of whether or not one of the parties was not in the workforce.

1.5. Survivor Benefits

Pension systems also differ in the provisions that they provide to the elderly upon the death of a spouse (Myles, 1989). In the year 2000, it was estimated that men on average will live to the age of 75.5, while women are estimated to live until they are 81.4. (Régies des Rentes Québec, 2004).Thus, while the majority of men live in a family environment, older women generally live alone, are widowed, divorced or single. Greater life expectancy coupled with lower economic status and lower income translates into greater risk of being a widow living in poverty (Davis, Grant, & Rowland, 1990). According to Street and Connidis (2001) in Canada 80% of survivor's benefits are paid to women. The Régies des Rentes Québec (2003) further notes that 75% of these widows are 65 years of age and older.

In an effort to reduce the tremendous costs of old-age insurance, many countries have begun to reform their universal survivor's benefit stipulation in favour of a needs-based benefit made available to both widows and widowers whose income falls below a specified amount. In 1984, Denmark enacted a new stipulation replacing the widow's pension with that of a means-tested retirement benefit available to men and women aged 50 to 67 whose income was deemed inadequate for social and health purposes. Sweden followed suit in 1990 and phased out its widow's pension in favour of a benefit that is paid to both men and women survivors for a limited period of time and may be extended only if need be (Ginn, 1998).

1.6. Recent Trends in Pension Reform

Ginn (1998) explains that the reforms made to the survivor's benefit signify a transformation of the family unit as the basic economic entity in favour of the individual. Such a reform is a result of two predominant trends that have emerged in recent years in industrial countries and have strongly influenced old-age security and pension policy. The first force behind policy reform is the philosophy that governments are responsible for the welfare of their citizens and thus must provide income security in the case of unforeseen income loss, including old-age. There are two old-age income security schemes most widely used in industrial countries. In Canada and Sweden all persons regardless of previous employment status or prior earnings will receive a flat-rate universal benefit income at a specified age. Other countries such as Australia, France, Germany, Switzerland and the United States determine financial assistance according to a means-test and distribute financial aid to those whose incomes or assets are below a particular level (Tracy & Pampel, 1991).

The second trend that all industrial countries must contend with is the demographic aging of their populations. We have arrived at a time in human history in which we now need to consider the economic consequences of an aging population (Tracy & Pampel, 1991). Today, this demographic shift is one of the most salient social policy issues facing industrial nations. As the population ages, the number of working adults relative to the number of retirees collecting social security benefits is decreasing. Thus, a smaller number of working individuals are paying to support a greater number of retirees. (Tracy & Pampel, 1991). The financial burden placed on industrial countries to meet the income needs of its elderly populations is enormous and has therefore prompted most developed nations to seek alternative pension reform, while trying to maintain systems that are protective of their citizen's social welfare (Tracy & Pampel, 1991).

Social security and pension reform have been motivated by several factors: a trend toward earlier retirement by men in both Europe and North America; the transition to a market economy in several eastern European countries; a requirement for inclusion in the European Monetary Union; the costs incurred in unifying Germany; and the desire to minimize the social wage in Britain (Ginn, 1998). As a result of the many factors that have driven pension reform, the diverse historical circumstances surrounding the development of old-age insurance and the different economic, political and cultural systems of developed nations, there is no one optimal method to achieve amendments to current pension schemes. As such, countries are discovering alternative ways to finance old-age security. France and Switzerland have instituted occupational pensions and private pensions have become an integral part of Germany, Sweden and the United States social insurance schemes (Tracy & Pampel, 1991).

What remains most salient to pension reform in most industrial countries, however, is that the family unit has now been replaced by the individual as the basic economic entity. As such, each person is charged with the responsibility of obtaining access to a suitable level of social insurance benefits over the life cycle (Ginn, 1998). Eichler (1997) contends that such a system unjustly treats women as equal to men despite their work histories being perforated with inequalities. McDonald (2002) enlarges on this point, arguing that treating all older individuals as if they were the same is a "cardinal sin". She asserts that while both men and women's experiences are influenced by the very same social, cultural, economic and political institutions, these experiences are undeniably moderated by one's gender. Thus perceiving women to be equal to men without accounting for their work histories and their gendered relationship to the workforce is not helping but rather hindering their welfare in old-age.

1.7. Current Canadian Pension Policy: Implications for women's economic well-being in old-age

Myles contends that an examination of any pension system must consider that the initial development of pension policy was created by men for men. According to the researcher, "The extent to which different national pension systems incorporate the needs of women is itself a variable, not a constant, requiring both empirical study and explanation" (1989, p. 135). Canada's pension scheme is composed of a three tiered system that is based on both public and private pensions with extensive rules and regulations regarding eligibility of benefit entitlements across each of the three components. The following detailed analysis of Canada's pension system will draw upon the work of Street and Connidis (2001) and argue that Canadian pensions have produced a system of gendered income stratification.

In contrast to the public pension systems of most welfare states, Canada's public pension scheme has been quite successful in drastically decreasing the number of Canadian seniors living on low-incomes (Myles, 2000). Moreover, such an achievement has been accomplished with minimum levels of public spending, compared to international standards (Organization for Economic Cooperation and Development [OECD], 1997).

The first tier of the Canadian pension program is the Old-age Security pension. OAS was originally created as a universal retirement program. In order to qualify for OAS, an individual must be 65 years old and must have resided in Canada for at least 10 years. The maximum benefit that one can claim is $5560.68 a year and is based on 40 years of Canadian residency. OAS is fully indexed for inflation and is taxed as ordinary income (Human Resources Development Canada). Benefits, however, have now been significantly reduced if not eliminated for higher income retirees. As of April 2004, there is a clawback of 15% of the OAS benefit to the extent that net income, including OAS, exceeds $59,790; the benefit is eliminated in its entirety when a person's net income is equal to or exceeds $96,843.

The Canadian government has built into the OAS pension scheme three supplements designed for low-income pensioners: The GIS, the spouse's allowance and the survivor's allowance. In 1967 the GIS was enacted as an anti-poverty policy that would ensure that low-income senior Canadians had access to sufficient pension income as assessed by an income-test. To be eligible for the GIS benefit an individual must be receiving the OAS pension. Entitlement is a function of age, marital status and income. For example, in order for a single person to be eligible for GIS, one's yearly income must be less than $13,224, whereas the combined yearly income of two pensioners' living together (married or common law) must be less than $17,232. It should be noted that there is no asset test involved.

In addition, there are two supplemental benefits referred to as allowances for low-income earners who are eligible for both OAS and GIS. The Spouse's allowance was instituted in 1975 and is a benefit paid to "low-income spouses and common law partners" of pensioners who themselves qualify for both the OAS and the GIS benefits. The Canadian government defines a common law partner as two people who have been living together in a conjugal relationship for at least one year. The allowance is paid to spouses who are between the ages of 60-64 and who have resided in Canada since they were 18 years of age and for a minimum of 10 years. Once a person turns 65 years old the Spousal Allowance is replaced by regular OAS payments. It is interesting to note that due to the changes made to both OAS and the CPP as of July 31, 2000, same-sex common-law partners are entitled to the same pension benefits as opposite-sex common-law partners.

In 1979 the survivor's allowance was implemented and designed for low-income widows/widowers aged 60-64. The allowance is paid monthly to the surviving spouse or common-law partner of a deceased contributor. In order to receive the survivor's allowance, the spouse must have contributed to the C/QPP for a minimum of three years. The amount of the survivor's pension is dependent upon the pension that the deceased would have received had he/she been 65 at the time of death and the age of the surviving spouse at the time of his/her partner's death. Once an individual turns 65, these benefits are replaced by regular OAS payments.

Both the Spouse's allowance and the Survivor's allowance are tax-free and were designed to support those most in need. It is therefore not surprising that the largest groups of people who receive the GIS and the allowances are elderly single and widowed women. Unfortunately, many of these women did not have their own retirement savings plans as they were full-time homemakers, or the jobs that they did hold did not provide pension coverage. Furthermore, pension regulations at the time did not require employer pensions to continue after the death of a spouse. Thus once their husbands died, their pension benefits died too (Cohen and Fitzgerald, 2002).

In 1967 the Canadian government together with the Quebec government instituted the Canada Pension Plan and the Quebec Pension Plan (usually cited together as the C/QPP as the plans are interchangeable) the second tier of the pension program for all employed Canadians and their dependents. The rules and regulations that govern the CPP and QPP are quite similar, thus those who leave or move to Quebec are guaranteed the number of pension credits that they are entitled to elsewhere in Canada. Workers who have contributed at least once to the C/QPP are entitled to benefits. Pension benefits are dependent upon the duration of time that one was in the work force and how much income was contributed to the plan. The calculation of pension benefits is based upon what is referred to as the years' maximum pensionable earnings (YMPE) which is a statistical measure of the average industrial wage. C/QPP benefits replace up to 25% of a person's earnings up to the YMPE. According to the consumer price index, the average national wage for 2004 is $40,500 and maximum yearly benefits equal $9770. The YMPE is revised every January so as to remain in line with any changes that may have occurred in the national wage of the previous year. C/QPP pension benefits are taxed as ordinary income.

The third tier of the Canadian Pension program is based on individual private pension savings plans. Such sources include Registered Retirement Savings Plans, RRSPs, and occupational Registered Pension Plans, RPPs, which are tax-assisted programs. The government treats contributions as tax deductions and income that is invested in such plans is not taxed as it accumulates. Taxes are paid when RPP or RRSP income is withdrawn or received as pension income. There are two types of RPPs. The first and more traditional plan is called a defined benefit (DB) plan. This retirement plan promises a predetermined amount of income, established according to a formula that most often combines earnings, employment classification and duration of service with the employer. The amount of income that is predetermined is decided by the employer and he/she is required to pay out the designated amount of income once the employee chooses to retire. The Canadian government regulates the maximum amount of yearly pensionable income that an individual can receive from a DB plan.

The second RPP plan is referred to as the defined contribution plan DC, and as the name implies, the employer's annual contribution is defined. The employer may or may not require the employee to contribute to the plan. In most cases employees are entitled to decide how to invest their money. At retirement, the amount that has been accumulated in the plan is used to fund a person's retirement for as long as he/she lives. Most often, this is accomplished by the purchase of an annuity. RPP coverage differs according to a person's occupation and income and is associated with high-income earners, tenure, unions, large work establishments and full-time work. Such characteristics are most prevalent amongst men's work. According to a Statistics Canada report (1999a) membership in RPPs peaked in 1991 with a total of 5.3 million participants, 45% of all those employed, and had declined to 5.1 by the end of 1997, covering 41% of all paid workers. Since 1997 approximately 2.2 million women participated in RPPs. At the height of RPP participation in 1991, the growth in membership rates was a direct result of the increase in the number of women participating in the work force. In addition, the Canadian government enacted legislation that extended coverage to part-time workers, a benefit that would no doubt serve part-time working women. By the end of 1997, women constituted 44% of all RPP members, a substantial increase of 8% from 1987. It should be noted that 44% of all paid workers were enrolled in RPP plans, in the province of Quebec, somewhat higher than in the rest of Canada.

Registered Retirement Savings Plans were first implemented in 1957 in an effort to assist people who did not possess pension plans. Such savings plans are flexible, portable and available to any wage-earning Canadian. Contributions are tax deductible and investors can contribute a maximum of 18% of their previous years earnings, which is currently limited by law to a maximum of $15 500 in the year 2004. However, it should be noted that if an employee is a contributing member of an Employer Pension Plan, EPP, contribution room to RRSPs are reduced. In 1991, the Canadian government enacted legislation entitled the carry forward option which allows investors to carry forward any unused contribution room from previous years. According to a Statistics Canada report (2003b) in 1998 young high-income earners in legal marriages were most likely to contribute to an RRSP. Not surprisingly, high-income earners invested the most money in RRSPs as they have the means to do so and they greatly benefit from the tax shelter of an RRSP seeing how they bear the greatest tax burden.

Street and Connidis (2001) point out that the three tiered Canadian pension scheme is best understood as establishing a paradox between men and women's income in later life. The researchers explain that the benefits of OAS and GIS decreases income inequality between Canadian men and women, as it is a universal program designed to ensure that all citizens have access to retirement income. OAS is an integral component of a woman's retirement income regardless of her labour force participation. However, at \$550.73 a month, it is an inadequate amount of income to sustain a standard of living above that of poverty.

The second tier of the Canadian pension scheme, C/QPP, disadvantages women because benefits are related to prior earnings and contributions which translate into less retirement income as a result of smaller earnings and interrupted employment histories (Street & Connidis, 2001). Despite the Canadian government's success in reducing the number of low-income seniors, poverty amongst older Canadians is consistently related to an individual's gender, marital status and age, with older unattached women being more apt to living in poverty than their male counterparts. Statistics Canada (1999b) reported that in 1980, 34% of Canadians aged 65 and older lived below the low-income cut-off. That number decreased to 21% by 1996. It must be noted that of the 21% of people living in poverty, however, 53% were unattached older women, defined by Statistics Canada, as women who were never married, divorced, and/or widowed.

The third system of the Canadian pension plan, private pensions, is an arena in which income inequality is greatest between men and women. According to Street and Connidis (2001) the greatest discrepancy in retirement income occurs between those Canadians with private pensions and those without private pensions. Women are consistently disadvantaged when pensions are based on prior earnings and contributions. Not surprisingly, men's contributions to their RRSPs consistently exceed that of women's. In a report published by the Régie Des Rentes du Québec (2004) entitled Prospects, it was reported that between the years of 1993 to 1999 inclusive, men aged 35 to 44 contributed on average $1,564 to their RRSPs, while women of the same age contributed $848. It is interesting to note that contributions were based upon the same percentage of their earnings. Thus women's smaller contributions are a direct result of their lower earnings. In the year 2000, women's average earnings were 71.1% of that of their male counterparts. The difference in earnings will no doubt affect the amount of savings that a person can set aside for retirement which will ultimately influence the amount of income that a person will have in old-age. According to the Régie Des Rentes du Québec's report, the average annual retirement income of a male Quebecker in 2001 was $28,654, in comparison to the average annual retirement income of a female which was $18,119, a significant difference.

2. FINANCIAL PREPAREDNESS

Retirement from paid employment is regarded as a milestone event in a person's life. Unfortunately, a great number of people arrive at retirement financially ill-prepared for this stage of development. In the current investigation *financial preparedness* is defined as having adequate income to sustain one's current standard of living in retirement. In the past two decades, despite a healthier and more active aging population, more and more Canadians have chosen to retire before the standard age of 65. Findings from the Labour Force Survey reveal that since the latter part of the 1970s the average retirement age in Canada declined from 65 to 61 (Statistics Canada, 2003a). The trend towards early retirement is not, however, a reality for all Canadians. In fact approximately one-third of working Canadians in their late 40s and 50s commented that their financial preparations were insufficient and that they did not think that they would have enough income to sustain their current standard of living in retirement. According to a Statistics Canada report (2001a) 33% of family units with a main income recipient between the ages of 45-66 years of age may not, given their present asset accumulation, have sufficient retirement income that is above the level of the low-income cut-off. This percentage increases to 44% if four-fifths of pre-retirement income is to be replaced and rises substantially for unattached individuals who may not have sufficient financial resources that would place them above the low-income cut-off.

According to a recent survey conducted by Régie Des Rentes Québec's (2003), 64% of working Quebeckers plan to maintain their current standard of living in retirement; however 44% do not know how much money they will receive from Old-age Security and the Quebec Pension Plan. Moreover, an overwhelming number of

Quebeckers, 81%, have never considered how much money they need to save annually in order to fund a retirement that sustains their current standard of living. As was previously stated, Statistics Canada (2001a) reported that in 1999, 29% of all family units had no private pension savings. Of those aged 45 years and over, 43% had no private savings. This is a substantial number of people considering they are less 20 years away from retirement. It takes time, money and sound financial planning to acquire a substantial amount of capital with which to fund all of retirement. If a person wishes to maintain the same standard of living in retirement as during one's working years, then he/she will have to plan accordingly.

Findings, however, indicate that in general people lack farsightedness and as such do not financially plan for their retirements. People's rationality is constrained by time, intelligence and the information at their disposal and thus they do not always make choices that are in their best interest. According to Thaler (1994) people behave in ways that do not make any financial sense. The behavioural economist maintains that people are poor planners, fickle savers, and self-destructive investors. They are not, Thaler (1994) contends, forward thinkers. As a result many people arrive at retirement and find that they have not adequately financially prepared for this phase of life.

Rabin (1998) proposes that people put off planning for their future because it requires a tremendous amount of work and effort. Furthermore, there are minimal costs associated with delaying such a laborious chore. The problem occurs once a person nears retirement and realizes that building a nest egg requires years for investments to appreciate (Rabin, 1998). Additionally, retirement planning necessitates extensive knowledge of private pension regulations and government pension plans (Lusardi, 1999).

To make matters even more complicated, economist James Shulz (1985) explains that financial planning must be achieved by trying to predict several of life's uncertainties amongst which are: future earnings and retirement needs; age of death; age at retirement; inflation; and economic growth rates. Lusardi (1999) points out that retirement is a once in a life-time event. It does not afford people the opportunity to learn from their mistakes. The researcher explains that making mistakes in financial planning for one's retirement does not come with a warranty that provides for new and improved investment opportunities. She asserts, "Contrary to businesses, which survive only if they are profitable, households will include successful and unsuccessful groups of retirement planners" (p. 82). She further observes that bad retirement decisions will only be realized at retirement.

2.1. Why are women financially ill-prepared for old-age?

A woman's financial security in old-age is dependent upon how she spent her pre-retirement years, her capacity to accrue savings and/or her entitlement to public benefits. Canadian pension policy is moving in the direction of shifting responsibility from the state to that of the individual. Amendments to the system have focused on reducing costs by decreasing and deferring benefits; proposals have been put forth to privatize the C/QPP and increase tax assistance to private pension plans such as RRSPs. Moreover, there are several obstacles that place women at a particular disadvantage in saving for their retirement among which are lower earnings, part-time work and family responsibilities, such as child and eldercare (Townson, 2000).

Since the 1950s there has been a significant increase in the labour force participation of women. In 1996, 78% of all women between the ages of 25 to 44 and

72% of those aged 45 to 54 were employed in the labour market (Townson, 2000). Historically, women exited the workforce when they married and returned to work once their children entered school. Contemporary trends in Canadian society indicate that women are now more likely to remain in the labour force after they have given birth and reduce their work load to part-time hours while their children are very young (Gunderson, 1998). Statistics reveal that part-time work amongst women has been on the rise. In 1996, 29% of women worked in part-time employment, an increase from 24% in 1981 (Statistics Canada, 1997 as cited in Townson, 2000). Women who work part-time are covered by the C/QPP as long as their annual earnings are greater than $3500. One must bear in mind that the C/QPP is designed to replace no more than 25% of an individual's earnings. Thus, women who work part-time for long durations will consequently see their retirement income from this public fund reduced.

Additionally, most part-time workers are not covered by Employer Pension Plans. Although Canadian pension legislation mandates that organizations that have EPPs for full time employees must afford their part-time staff the opportunity to enrol, most part-time work is concentrated in sectors of the economy in which pension plans are rarely offered to employees. EPPs are twice as likely to be provided in the manufacturing sector of the economy in contrast to the service sector in which women's part-time work predominates (Morrisette & Drolet, 1999). Moreover, if membership is extended to part-time employees, many decline the opportunity to enroll in exchange for cash benefits in light of their low earnings.

The participation of women in the labour force has always been affected by their family obligations. In 1996, 66% of mothers with preschool children and 68% of all mothers of children under the age of six were employed in the work force. This figure has increased substantially from 1971 when only 27% of married women with children less than six years of age participated in paid employment (Townson, 2000). Despite women's greater participation in paid-labour, the evidence suggests that having children negatively influences women's earnings. Married women who are between the ages of 35 to 54, a time that is considered to be an individual's prime earning years, have the lowest average income. It should be noted that this number includes those women who work full-time. Street and Connidis (2001) explain that even a prompt return to the workforce once a woman has given birth does not protect her earnings. It appears that the presence of children results in a significant decrease in both single and married women's earnings, thus increasing and sustaining the gender wage gap. Returning to the work force becomes even more difficult for single and divorced women of lone parent families who represent four-fifths of single parents in Canada. The lack of subsidized certified childcare facilities severely hampers these women's opportunities to develop necessary skills that would enable them to access well paying jobs (Street & Connidis, 2001). The shortage of childcare predisposes these women to low paying employment with no pension coverage that consequently limits their ability to save for their old-age financial security.

In addition to childcare, women make adjustments to their work schedules in an effort to accommodate aging parents and in-laws. According to a report conducted by Statistics Canada (2002) more women than men adjust their work schedules to cope with eldercare by reducing the number of hours they work, taking a leave of absence from paid employment or leave the work force permanently. According to Gignac, Killoway, and Gottlieb (1996) women aged 45-64 provide the highest proportion of eldercare to aging family members encompassing more then ten hours a week. Street and Connidis (2001) emphasize that for a middle age woman, this juncture in her life, is a particularly important time in which she has the greatest need to financially secure her retirement.

A report published by Statistics Canada (2001a) entitled The Assets and Debts of Canadians provides an in depth look at the net worth of Canadians and revealed that in 1999, 29% of all family units did not have private pension savings. 34% of these families were aged 65 and over. In light of women's lower earnings, it is not surprising that 48% of women have no private pension savings in contrast to only 24% of men.

Perkins (1995) reasons that women's lower earnings is but one explanation as to why women plan less for their financial well-being in retirement than do men. The researcher maintains that women identify with traditional gender roles, which emphasize inferiority, reliance and submissiveness. Yolam (1981) explains that women's self-image has been deeply affected by centuries of societal devaluation and is exacerbated by the combined discrimination of sexism and ageism. Moreover, despite the advancements made to the plight of women by the women's movement of the 1960s, many still maintain their belief in the "prevailing myth" that they will be cared for in their older age (Perkins, 1995). Such a myth, Perkins explains, is tied to a woman's inferior and dependent self-image. It is this myth combined with women's fear of growing old that Perkins believes, prevents women from asserting their independence and prevents them from financially planning for their retirement.

Perkins (1995) further asserts that women's lack of financial preparedness for retirement is more a result of the societal and institutional structure of western society than it is the fault of women themselves. The researcher explains that women's access to retirement information in the workplace has been obstructed because pre-retirement education is not offered to women in workplace organizations, union affiliation is a requirement to participate in such programs and the programs themselves are limited in scope when they are offered. What is most disconcerting is that such obstacles to pre-retirement education for women were first identified in early retirement studies and yet such barriers persist still today.

In light of current findings it is hypothesized that women's lower lifetime earnings, interruptions from paid employment, and identification with traditional gender roles will influence their ability to save for retirement. Particularly,

2.2. Hypothesis 1: Women will be less financially prepared for retirement than will men because they start to save for retirement later in life than men.

3. FINANCIAL ANXIETY

According to Choi (2001) much empirical investigation on life satisfaction and successful aging has centred on activity and role theory and has neglected the significance of an individual's economic means in later life. This is especially important for women the researcher maintains, because as has been previously stated, women live longer than men, have poorer health and less financial means than their male counterparts.

Choi (2001) asserts that a woman's financial resources and her feelings of its adequacy are powerful predictors of her life satisfaction. Her work on women's life satisfaction in retirement revealed that a woman's financial wealth in retirement and her anxieties regarding her economic means are compelling factors that influence her subjective well-being. In fact the researcher's findings indicated that a woman's financial means and her perception of the adequacy of her financial wealth will hold greater influence on her life satisfaction than will her marital status and how often she is in contact with her children. Still, despite an extensive body of empirical literature investigating the subjective well-being of older adults, very few researchers have focused on retired women's perceptions of the adequacy of their income, defined in the literature as financial anxiety.

Men's financial anxiety, however, has been studied. Loewenstein, Prelec and Weber (1999) examined retired men's perceptions of the sufficiency of their income in comparison to the perceptions of working men. In contrast to working men, retired men actually report less anxiety about their finances than do those who are still employed. Financial anxiety seems to be greatest prior to retirement as people worry about whether or not they will have sufficient income to fund all of retirement. Once retired the majority of people quickly adapt to their new financial circumstances and report relatively high levels of happiness. Individuals with high-incomes or who began saving for retirement at a young age report lower levels of anxiety than others. Secondly, those who are drawing upon savings report greater levels of anxiety, especially those who are not yet retired. Not surprisingly it is individuals who did not adequately financially prepare for retirement who experience the greatest anxiety.

In a comprehensive review of gender differences in well-being, Nolen-Hoeksema and Rusting (1999) summarize extensive findings from the empirical literature indicating that women display higher rates of anxiety than do men across the life span (e.g. Nolen-Hoeksema, 1995). These differences have been found in the majority of ethnicities in the

United States. In addition, according to two meta-analyses investigating the use of self-report measures of anxiety, women consistently report higher levels of anxiety than do men (Feingold, 1994; Hall, 1984).

A woman's longer life expectancy, poorer health and fewer financial resources in comparison to men, coupled with her greater propensity to experience anxiety are compelling factors that may influence her life satisfaction. She may feel that she does not have sufficient income to fund all of her retirement and that she will outlive her money. The following investigation will therefore draw upon Choi's (2001) findings and the aforementioned anxiety literature and thus hypothesize that women will display greater levels of financial anxiety than will men.

3.1. Hypothesis 2: Retired women will report greater levels of financial anxiety than will retired men.

4. FINANCIAL REGRET

Lowenstein, Prelec and Weber (1999) examined whether retired men display *financial regret*, regret about past financial decisions regarding their retirement savings. The results of the study indicated that on average, retired men do not display much regret over their saving behaviour. The researchers maintain that the men in their study display some regret over how well they implemented a savings strategy, but they did not exhibit regret over how much they did in fact save for retirement. In addition, findings indicated that the later an individual begins to save for retirement, the greater the likelihood of regret, and that men who have greater income from retirement plans and savings display less financial regret.

An examination of the financial literature regarding investor behaviour lends support to the relatively low level of financial regret displayed by the men in Lowenstein, Prelec and Weber's (1999) study. According to Shefrin and Statman (1985) financial regret is an intense emotional reaction associated with information obtained after having made a decision that there was a better alternative to that which was chosen. Although the above definition of financial regret is applied to male investors who, as Shefrin and Statman (1985) point out, "sell winners too early and ride losers too long" (p. 778) in order to capitalize on feeling proud of a gain and evade feeling regretful of a loss, it can be applied to others who have made poor financial decisions and wish to avoid a public admission that their judgment was incorrect. These researchers maintain that men will go to great lengths so as not to admit that they have made mistakes. In fact, this process has been empirically investigated and has been termed, loss aversion. Loss aversion can occur in two distinct ways: the tendency to retain investments that have substantially declined in value for too long a time, and the tendency to cash in prematurely on investments that have appreciated. Salovey (2001) explains that we are "emotionally wired" to strongly avoid feeling regretful. In fact, Shefrin and Statman (1985) point out that men relish the opportunity to experience feeling proud of selling a smart investment, as they perceive it as a form of reassurance that they were correct in their decision to initially invest. Yet, these researchers explain, men will work much harder in order to avoid feeling regret and admitting that their judgement was incorrect. Thus, men tend to hold on to losing stock at the risk of having to admit that their judgement was wrong.

Thaler (1980) echoes the sentiment, maintaining that people will go to great lengths to avoid feelings of financial regret. Moreover, he explains that having to admit that one has made mistakes is made more difficult by having to acknowledge such mistakes to others. The researcher notes, "the regret at having erred may be exacerbated by having to admit the mistake to others such as one's spouse or the IRS" (p.54) The idea of confronting the reality that one did not adequately financially plan for retirement is a regret that carries substantial consequences for an individual's and/or one's household's standard of living in retirement; once the person has retired, there are few if any opportunities to manage financial difficulties by investing personal resources that will result in a large enough return to sustain one's current standard of living. Financial planning for retirement requires time for investments to appreciate. Alternatively, if one does not view one's financial preparations for retirement as inadequate then there is no need to feel regretful of missed opportunities.

In an effort to investigate the psychological management of regret, Wrosch and Heckhausen (2002) examined the manner in which individuals regulate the negative repercussions of regretful behaviour. According to the researchers, individuals can be proactive and seek to change the circumstances that resulted in the regretted behaviour or they can alter their perception of their individual responsibility and personal control that led to the regretful incident. Wrosch and Heckhausen (2002) maintain that these two methods of dealing with regret are in accordance with the theory of primary and secondary control processes implemented in the management of goal accomplishment. Accordingly, an individual will engage in a primary control strategy in an effort to change his/her environment so that it is more conducive to goal attainment. Alternatively, a secondary control strategy will be employed in an effort to alter the workings of one's own mind and influence one's motivation, emotions and self-perceptions.

The value of primary and secondary control strategies are of interest because Wrosch and Heckhausen's (2002) findings revealed age-related coping techniques in which younger adults implemented primary control strategies in contrast to older adults who employed secondary control methods. Wrosch and Heckhausen (2002) explain their findings as two control mechanisms that are specifically related to the opportunities and challenges of successful development in adulthood. Consequently, these researchers maintain that young adults have the advantage of time and opportunity to learn from their regrets and change their behaviour to better fit with the goals that they want to achieve. Moreover, findings revealed that younger adults attributed the consequences of their life regrets to their own internal attributions, and thus it appears that they realized that they were responsible for their errors and had the power to effect change. In contrast, older adults often have health constraints and declining resources combined with less opportunity, and at times no opportunity, to rectify regrettable circumstances and effect change. Thus, the finding that older adults employ secondary control strategies is in line with what Wrosch and Heckhausen (2002) refer to as successful development. Older adults' endorsement of low levels of perceived control over a regrettable situation frees them from having to shoulder all of the responsibility and blame for their bad decisions. It is argued that because of older adult's limited opportunities and circumstances to resolve past regrets, altering one's perception by employing a secondary control technique assists in the management of regretful behaviour and thus contributes to successful aging. Furthermore, it is believed to be far better than engaging in excessive self-blame (Wrosch & Heckhausen, 2002).

The value of understanding the psychological management of regretful behaviour is of relevance to the study of financial regret as it provides a framework for studying the financial regrets of older adults. As a result of older adults' limited opportunities to rectify previously bad decisions, it is anticipated that overall, they will not report very much financial regret. Additionally, the male retirees in the current study have been socialized to identify with the role of economic provider. They were socialized to believe that their primary duty in life was to bring home a paycheque and financially provide for their families. Alternatively, women were socialized to endorse the role of wife, mother and caregiver. The women's movement of the 1960s altered social norms and suddenly women had the choice of whether or not to pursue careers, establish families or do both (Golombok & Fivush, 1994). Men's roles never deviated, however, from that of economic provider (Pinquart & SÖrensen, 2000). As a result of the different socialization histories of men and women it is hypothesized that there will exist a gender difference in the level of financial regret exhibited by men and women.

4.1. Hypothesis 3: Men and women will report different levels of financial regret.

5. *INCOME AND LIFE SATISFACTION*

Sustaining a high level of well-being in old-age is believed to be one of the cornerstones of successful aging (Baltes & Baltes, 1990). The challenge of maintaining a high level of life satisfaction is, however, compounded by deteriorating health, a decrease in income and changing social roles. Nevertheless, meta-analyses in the area of subjective well-being, and older adults have demonstrated that subjective well-being does not decline as a person ages and is most prominent with global measures of subjective well-being such as life satisfaction (Pinquart & Sörensen, 2000).

According to George (1981) life satisfaction is regarded as a general evaluation of one's life circumstances. It is a cognitive assessment of one's "life in general" and as such is considered to be a long-term stable judgement of one's "life as a whole". Life satisfaction is distinguished from happiness, which is believed to be a short-term affective measure that has been found to vary by situation. Andrews and Withey (1976) maintain that one's overall life satisfaction, be it positive or negative, is an overall disposition to how one evaluates and approaches one's life. The construct is believed to transcend specific life domains in that overall satisfaction with one's life will predict satisfaction with particular areas of one's existence.

There is a diversified body of research that has focused on the relationship between income and life satisfaction. At the most elementary of levels, income and happiness are studied by comparing the levels of life satisfaction and purchasing power of differing nations. Diener, Diener and Diener (1995) examined 55 nations and the macro-social factors that predict the subjective well-being of these countries. In order to determine the strength of the relationship between income and life satisfaction a measure of wealth was calculated for each country using the gross national product, GNP, and the purchasing power of each individual within in a country and correlated with average life satisfaction in all respective nations. The results of the study indicated that the wealthy, developed nations of the world such as Switzerland, Finland and Japan, display a greater sense of subjective well-being than poor, less developed nations as Tanzania, Bangladesh and India. Nevertheless, once a country's GNP is greater than $8000 per person the relationship no longer holds and additional income is not associated with greater satisfaction.

In underdeveloped countries where poverty threatens an individual's very existence, it is not surprising that income would correlate with subjective well-being. Being wealthy in a third world country does in fact predict survival. Yet in the wealthier industrialized nations of the world, where almost all people's basic needs are met (safe drinking water, infant mortality rate, sanitary facilities, life expectancy, daily caloric intake) increases in monetary wealth have little influence upon an individual's level of life satisfaction. Several researchers have noted that the relationship between income and subjective well-being is not linear and that the association between the two variables is significantly stronger for those with lower earnings. In the last half-century in the United States and France, real income has more than doubled, and in Japan real income has increased fivefold, yet there has been no associated increase in the reported life satisfaction of any of these three nations (Diener & Suh, 1997).

In the United States the relationship between wealth and life satisfaction has been studied by several researchers and proves to be a small correlation of .12 (Diener & others, 1993). In fact, Diener and Diener's (1996) findings indicate that the majority of people lead fulfilling lives despite differences in material wealth. Seligman (2002) reports that although the very poor in the U.S. express lower levels of life satisfaction, once they attain greater wealth and are "just barely comfortable", the additional income has little if any significance upon their life satisfaction.

With respect to the role of income on the well-being of retired men and women, the relationship is not clear (Nolen-Hocksema & Rusting, 1999). Several empirical investigations have found that financial means positively influence the life satisfaction of both men and women (i.e., Krause, 1993; Seccombe & Lee, 1986) in contrast to the findings from other studies (i.e., Pinquart & Sörensen, 2000) which have found that income is a stronger predictor of the life satisfaction of men. According to a review conducted by George (1992) investigating the current literature of financial means and the subjective well-being of those age sixty and over, bivariate correlations range from .12 to .33.

Calasanti (1996) argues that the well-being of women retirees cannot be predicted by a male model that was initially designed for white middle class men. As such, the researcher maintains that what predicts well-being in retirement for men is different than that which predicts well-being for women. A recent study conducted by Bourque, Pushkar, Bonneville and Béland (2002) lends support to Calasanti's theory. The findings from the study revealed that different variables influence the life satisfaction of men and women in old-age. Although income was found to predict the life satisfaction of both men and women, the findings indicated that there was a stronger association for men.

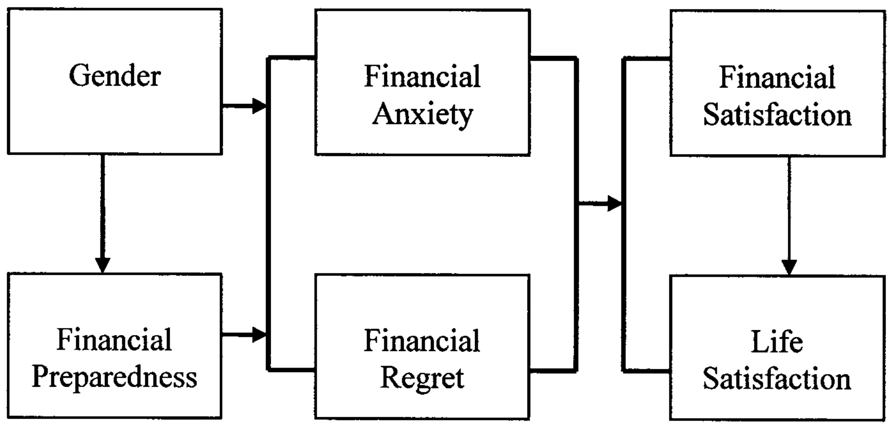
What is perhaps most interesting about the relationship between income and the life satisfaction of women, is what Bourque and colleagues (2002) have referred to as a paradox; despite older women's adverse life circumstances such as lower economic status and income, widowhood and deteriorating health (Choi, 2001), they do not report that they are any less satisfied with their lives than are men. Perhaps the solution to the mystery behind such a phenomenon lies in the finding that women tend to report greater happiness across the life span. Wood, Rhodes and Whelan's (1989) findings from a meta-analysis investigating gender differences in well-being revealed that women of all ages report experiencing more happiness than do men.

Drawing upon the findings of the aforementioned research it is hypothesized that both men and women will report high levels of life satisfaction. Findings reveal that people adapt surprisingly well to adverse life circumstances. It is therefore assumed that older adults will modify their needs and desires so as to remain in line with the decrease in their income upon retirement (George, 1992). It is also hypothesized that women will report that they are just as satisfied with their lives as are men despite their lower economic status. In addition, it is hypothesized that there will be a difference in the reported life satisfaction of men and women retirees who are high-income earners in comparison to those who are low-income earners. Specifically,

5.1. Hypothesis 4: It is hypothesized that women will be just as satisfied with their lives as will men and that both men and women will report high levels of life satisfaction.

5.2. Hypothesis 5: Men and women retirees who are low-income earners will exhibit lower levels of life satisfaction in comparison to men and women retirees who are high-income earners.

Model



6. METHODOLODY

6.1. Participants

A sample of 149 English-speaking, middle-aged and older retired adults participated in the study. Although retirement has been defined in many different ways, the current investigation defined it as retiring from one's primary career because many individuals have chosen to begin new careers, re-enter the work-force or reduce their work-hours; it is becoming increasingly difficult to define retirement as final exit from paid labour. The majority of the participants were recruited from seven local community centers, three retirement clubs and one seniors' event, all located in the greater Montreal area. Additional participants were recruited by means of snow-ball sampling. The sample was composed of 54 men (36.2%) and 95 women (63.8%) from various ethnic groups. A large percentage of female retirees were married, 43.2%, while 29.5% were widows, 10.5% were never married and 16.8% were divorced or separated. 80% of the women have children. With respect to education, 10.5% of women reported having less than a high school education, 22.0 % had a high school diploma, 25.3% had a non-university degree and the remaining 42.0 % of the sample had received a bachelor's degree or had attained an advanced level degree. The mean age at which women retired was 59.94 (SD = 6.13). The current mean age of the female retirees was 68.51 (SD = 7.65).

In contrast, the majority of male retirees, 87%, were married, while only 3.7% were widowers and 3.4% were divorced or separated. 89% of the male retirees have children. With respect to education, 13.2% of the men had less than a high school diploma, 18.9% had a high school leaving, 15.1% had a non-university certificate and the remaining 52.8% had achieved a bachelor's degree or had achieved an advanced level degree. The mean at which the men retired was 61.32 (SD = 5.81), whereas their current age was 69.4 (SD = 8.0).

A total of 464 questionnaires was distributed and 159 (34.3%) were returned, of which 9 (6%) could not be used due to incomplete data.

6.2. Measures

The study was composed of five main measures which included financial preparedness for retirement, financial anxiety, financial regret, and financial satisfaction and life satisfaction in retirement.

Financial Preparedness: In an effort to determine whether or not people were financially prepared for retirement, the authors asked the respondents four questions that related to the age at which they began to save for retirement. The measure was composed of the following four questions: At what age did you start to save for retirement?; At what age did you first calculate the amount of money you would need to fund retirement activities?; At what age did you first calculate the financial benefits you would receive from the Quebec Pension Plan?; and at what age did you calculate the amount of money that you would need in order to maintain your current standard of living in retirement? Participants were asked to respond to each of the four questions by choosing the appropriate age category that corresponded to the answer (alpha = .76, in this sample). A financial preparedness score for each participant was created by summing the answers to the four questions and taking the mean response.

Financial Anxiety: In order to assess older adults' financial anxiety, Lowenstein, Prelec and Weber's (1999) money anxiety index was administered. The index consists of four questions designed to assess people's subjective perceptions of the sufficiency of their retirement income.

Participants were asked to indicate whether or not they agreed or disagreed with each of these four statements: "With my current income I have no trouble making ends meet"; "I have plenty of money to do the types of things that I enjoy"; " I have sufficient income for my wants and my needs" and lastly "I feel anxious about money". Responses were recorded using a 4 point scale where a score of 1 indicated strong disagreement and a score of 4 revealed strong agreement with the statement. The money anxiety index is derived by subtracting the values of the responses to the first three questions from the fourth question (alpha = .87, in this sample).

Financial Regret: In an effort to assess if people experience regret over the manner in which they managed their income for retirement, Lowenstein, Prelec and Weber's (1999) financial regret scale was administered.

The questionnaire consists of nine items and respondents were asked to indicate on a 4 point scale whether or not they agreed with each of the nine statements. Exemplar items include, "I should have gotten more professional help in planning for retirement" and "I should have spent more time with my family even if it meant earning less". A score of 1 indicated strong disagreement whereas a score of 4 revealed strong agreement with the statement (alpha = .87, in this sample). A financial regret score for each participant was derived by taking the mean score of the nine items to indicate the level of a person's financial regret.

Financial Satisfaction: The financial satisfaction measure was created by combining two items that asked participants about their feelings regarding their current financial situation. Participants were asked to rate on a scale of 1 to 6 how satisfied they were with the statements. A score of 1 indicated that the respondent was very dissatisfied whereas a score of 6 signified that the participant was very satisfied. The financial satisfaction measure was composed of the following two items: "How satisfied are you with your and/or your family's financial situation"; and "How satisfied are you with your family's standard of living (e.g. the things you have, like housing, cars, furniture, recreation and the life)". Unfortunately, there was an error in the response categories. The scale should have read as follows: 1: Very dissatisfied; 2: Dissatisfied; 3: Somewhat dissatisfied; 4: About equally satisfied and dissatisfied; 5: Satisfied; and 6: Very satisfied. Numbers 3 and 4, however, were inadvertently switched so number 3 read about equally satisfied and dissatisfied and number 4 read somewhat dissatisfied. Surprisingly, the scale had an alpha of .73. It was reasoned that people read each of the 6 response categories and answered accordingly, as opposed to assuming that the categories were properly ordered. The results, however, should be interpreted with caution. A financial regret score for each participant was derived by summing the scores of the two questions and taking the mean score to indicate the level of a person's financial satisfaction.

Life Satisfaction in Retirement: Life satisfaction was assessed by administering Floyd et al's (1992) life satisfaction in retirement subscale, taken from a 51 item Retirement Satisfaction Inventory, RSI, used to assess six areas of a retiree's life. The nine item questionnaire is designed to measure aspects of a retiree's satisfaction with financial resources, interpersonal relationships, the adequacy of governmental aid and community services and access to transportation. It should be noted that Floyd et al.'s (1992) scale is composed of 10 items. One item in which respondents were asked to indicate how satisfied they were with their marriage was, however, unintentionally left out of the current scale (alpha = .81, in this sample).

Participants were asked to indicate on a 6 point scale, their current level of satisfaction with each of the nine items. A score of 0 indicated that the item was not applicable to a person's life. For example, if an individual was never married or was a widow, he/she would respond that "the health of my spouse" is not applicable to his/her life satisfaction. Alternatively, a score of 6 indicated great satisfaction with one's life as it read, "very satisfied". A life satisfaction score for each participant was derived by taking the mean score of the applicable items to indicate the level of a person's life satisfaction. If a participant did not answer a particular question or indicated that the question was not applicable to him/her, a mean score was calculated using the remaining items.

The decision to utilize Floyd and colleagues (1992) retirement satisfaction scale as opposed to a global index of life satisfaction was to gain a better understanding of the factors that contribute to an individual's satisfaction with his/her life in retirement. Campbell, Converse and Rogers (1976) argue that a global index of life satisfaction is not sensitive to the domains of a person's life that account for one's overall happiness. The advantage of the RSI is that it allows us to focus on specific areas of life satisfaction, such as economic resources and interpersonal relationships. This focussed measure was deemed to be more appropriate than a global measure, offering a perspective on the factors that contribute to overall satisfaction in retirement.

6.3. Procedure

In an effort to recruit healthy, retired individuals, the researcher began by frequenting exercise classes that were designed specifically for older adults. At the beginning of each class the researcher explained to all those in attendance that she was currently conducting research in the area of life satisfaction and financial well-being in retirement and was therefore looking to recruit volunteers to participate in the study. Participants were informed that the study consisted of an eight page questionnaire and that all information would be kept strictly confidential. In addition, participants were provided with a one page reference guide about retirement planning and government agencies for their personal use (see Appendix C). Questionnaires were printed in large type face to aid responses among older respondent (see Appendix B). Participants had the option to fill out the questionnaire on-site or at home. If participants chose to complete the questionnaire at home, they were provided with self-addressed envelopes that were mailed back to the university. Those who were recruited via snow-ball sampling, retirement clubs, and/or posters seeking volunteers with the appropriate criterion, were mailed the questionnaires and asked to return completed forms in the self- addressed envelopes provided.

In addition, in an effort to gain a broader understanding of these retirees' lives, semi-structured interviews were conducted with 14 volunteers. The interviews were composed of the following 5 questions: 1: What do you do with your time now that you are no longer working?; 2: Do you feel that your expectations for retirement have materialized?; 3: What do you think has been the most positive aspect of retiring?; 4: What has been the most challenging aspect of retirement?; and 5: Do you feel that you adequately planned for your financial well-being in retirement? Several of the interviews were conducted on site at the community centers and others were conducted at the participants' homes. All participants signed consent forms agreeing to participate and all gave their permission for the interview to be recorded.

7. RESULTS

In order to test the hypothesis that women would be less financially prepared for retirement than men, an independent sample T-test was conducted. The results revealed a significant difference between the financial preparedness of men and women ($T(145) = 2.64$, $p < .01$). Males ($\underline{M} = 2.49$, $\underline{SD} = .75$) started to financially prepare earlier for their retirements than did females ($\underline{M} = 2.83$, $\underline{SD} = 0.77$).

Additionally, it should be noted that the financial preparedness measure was initially created in order to provide a general depiction of the age at which people begin to financially prepare for retirement. Unfortunately, the age-response categories proved to be different for 1 of the 4 questions. The question, at what age did you start to save for retirement, had 5 response categories as opposed to 4. The additional category gave respondents the opportunity to answer that they "never" saved for retirement. The remaining 3 questions, however, did not have such a category. It was therefore reasoned that an overall mean rating of the financial preparedness scale would be difficult to interpret, as it would not provide a clear indication of an age at which people begin to financially prepare for retirement. Thus, in order to gain a better understanding of gender differences in specific age related financial preparations for retirement, separate analyses were conducted on each of the four items that composed the financial preparedness scale.

The results of the four independent sample T-tests revealed significant differences between the ages at which men and women calculate how much money they would need in order to fund retirement activities ($T(147) = 2.6$, $p < .01$, two tailed). Men determined the cost of activities between the ages of 40-59 ($\underline{M} = 2.48$, $\underline{SD} = .99$) in contrast to women who calculated such costs at the age of 60 and over (M = 2.96, SD = 1.12). Gender differences were also found for the ages at which men and women calculate the amount of money they need to sustain their current standard of living in retirement ($T(146) = 3.16$, $p < .002$, two tailed). Men (M = 2.43, SD = 0.92) calculate the amount of money they need to sustain their standard of living in retirement between the ages of 40 to 59 in contrast to women who calculate their standard of living in retirement at the age of 60 and over (M = 2.95, SD = 0.99). Results from the other two questions revealed that there were no significant gender differences as to when men and women start to save for retirement or when they calculate QPP benefits.

To further clarify the differences between men and women's financial preparedness for retirement, an independent sample T-test was performed to test hypothesis 1b, that women would be less likely to be saving for retirement through private pension savings, such as RRSPs. The results of the analyses revealed significant gender differences ($T(99) = 2.5$, $p < .01$, two tailed). Not surprisingly, men have double the percentage of income in RRSPs, 24.27% than do women 12.81%.

In order to test hypothesis 2, that women would report greater levels of financial anxiety than men, an independent sample T-test was performed. The participants in the study revealed that, on average, they are not anxious about their finances. It should be noted that the financial anxiety scale is a reverse scale. Thus, the lower the mean score the higher the level of anxiety. The scale ranges from a score of 1, indicating that a person is financially anxious, to a score of 4, signifying that a person is not financially anxious. The analyses revealed a weak trend, with women displaying slightly higher levels of money anxiety than men ($T(147) = 1.39$, $p < .084$, one tailed). Women (M =

2.78, SD = .64) reported that they were somewhat more anxious about their finances than were their male counterparts (M = 2.93, SD = .70).

Next, an independent T-test was performed in order to test hypothesis 3, that there would exist a gender difference in the level of financial regret displayed by men and women. Contrary to expectations, results indicated that there were no significant gender differences (T (147) = 1.06, not statistically significant).

In order to test hypothesis 4, that there would exist no gender differences in the life satisfaction of men and women, an independent sample T-test was conducted. Results of the analysis revealed that women were just as satisfied with their lives as were men and thus no gender differences were found (T (147) = .110, not statistically significant).

Please see table 1 for means and standard deviations for men and women retirees on the five primary variables.

Next, an independent sample T-test was then performed to test hypothesis 5, that retirees who are low-income earners would exhibit lower levels of life satisfaction than would retirees who are high-income earners. The sample was broken into high versus low-income earners using a median split. All participants whose current income was less than $39,999 were categorized as low-income whereas those whose earnings were $40,000 and above were categorized as high-income earners. The results of the analysis revealed that high-income earners did in fact display higher levels of life satisfaction than did low-income earners (T (143) = 2.42, $p < .05$).

Further analyses were conducted to assess whether gender had an effect on the life satisfaction of high versus low-income earners. A 2 X 2 factorial ANOVA was conducted using income and gender as the grouping variables and life satisfaction as the dependent variable. Results indicated no main effect of gender but did, however, reveal a main effect of income, $F(1, 144) = 4.66$, $p < .05$). In other words, although gender does not appear to effect life satisfaction, findings show that high-income earners, ($\underline{M} = 4.73$, $\underline{SD} = .67$) report feeling more satisfied with their lives than do low-income earners ($\underline{M} = 4.44$, $\underline{SD} = .73$). No interaction effects were found in the current analysis.

To explore further the association between financial anxiety and life satisfaction and the association between financial regret and life satisfaction, a multiple linear regression was performed with life satisfaction as the outcome variable. On the first step of the equation the main effects of gender, financial regret and financial anxiety were entered. To examine if gender moderated either of the above associations, a two-way interaction between gender and anxiety and a two-way interaction between gender and regret were entered on the second step of the equation. Results from the first step of the equation revealed that financial regret ($\beta = -.24$, $t = -2.65$, $p < .01$) and financial anxiety ($\beta = .32$, $t = 3.54$, $p < .01$) were associated with life satisfaction. As regret and anxiety decreased, life satisfaction increased. Results from the second step of the analysis revealed that gender did not moderate either of the associations between regret and anxiety (β's $< .02$, t's $< .16$, p's ns).

In an effort to examine the association between financial anxiety and financial satisfaction and the association between financial regret and financial satisfaction, multiple linear regressions were performed with financial satisfaction as the outcome variable. On the first step of the equation, the main effects of gender, financial regret and anxiety were entered. To examine if gender moderated either of the above associations, a two-way interaction between gender and regret and gender and anxiety were entered on the second step of the equation. Results from the first step revealed that anxiety ($\beta = .64$, $t = 7.82$, $p < .001$) but not regret ($\beta = .05$, not statistically significant) were associated with financial satisfaction. As anxiety increased, financial satisfaction decreased. Results from the second step of the analysis indicated that while gender did not moderate the link between anxiety and financial satisfaction ($\beta = .06$,β not statistically significant), gender did moderate the link between regret and financial satisfaction. For women, there was an association between regret and financial satisfaction ($\beta = -.45$, $t = -4.83$, $p < .001$) but there was no such association for men ($\beta = -.08$, $t = -0.60$, p n.s.).

Thus in order to briefly conclude, significant gender differences were found between the age at which men and women begin to financially prepare for retirement, with women lagging behind men in their financial preparations. It is therefore not surprising that men were found to have invested twice as much money in RRSPs in comparison to women. Next, women were found to display slightly higher levels of financial anxiety as compared to their male counterparts. No gender differences were observed on the financial regret measure. As anticipated, despite lesser economic means, female retirees were found to be just as satisfied with their lives as were the male retirees. However, high-income earners displayed higher levels of life satisfaction than their lower-income counterparts. Although the majority of men and women in the sample did not exhibit financial regret or financial anxiety, those that did display some measure of regret and anxiety also exhibited a decrease in life satisfaction. Lastly, although the majority of men and women in the current study did not exhibit financial anxiety, those who were anxious also displayed a decrease in their financial satisfaction. Additionally, women, but not men, who were regretful of previous saving decisions, displayed a decrease in their financial satisfaction.

Table 1

Mean scores and standard deviations for men and women retirees on the five primary variables

Variables:	Men M	Men SD	Men n	Women M	Women SD	Women n
*Financial preparedness	2.49	0.75	52	2.83	0.77	95
*Financial anxiety	2.93	0.69	52	2.78	0.65	97
Financial regret	2.18	0.44	52	2.08	0.58	97
Financial Satisfaction	4.65	1.06	52	4.52	1.00	97
Life satisfaction	4.62	0.69	52	4.63	0.71	97
*Pre-retirement income	6.42 ($60,000-$69, 999)	2.20	50	4.95 ($50,000-59,999)	2.30	96
*Current retirement income	5.48 ($50,000-$59,999)	1.93	50	4.15 ($40,000-$49,999)	2.42	94

Note 1. The lower the financial anxiety score the higher the anxiety.
Note 2. * indicates significant gender differences

Table 2

Bivariate Correlations of the five primary variables

	Financial Anxiety	Life Satisfaction	Financial Satisfaction	Financial Preparedness	Financial Regret
Financial Anxiety		.452**	.611**	-.264**	-.574**
Life Satisfaction	.452**		.375**	-.200*	-.423**
Financial Satisfaction	.611**	.375**		-.250**	-.322
Financial Preparedness	-2.64**	-.200*	-.250**		.113
Financial Regret	-.574**	-.423**	-.322	.113	

**. Correlation is significant at the 0.01 level (2 tailed)
*. Correlation is significant at the .05 level (2 tailed)

7.1. *Qualitative Results*

Fourteen interviews were conducted with both male and female retirees in order to supplement the quantitative results of the study and enable the researcher to gather a better understanding and a richer depiction of people's retirement experiences. The majority of the participants who volunteered their time for the retirement interview were recruited at the same time as those who were recruited to participate in the questionnaire surveys. Thus, they share similar characteristics with the rest of the sample. Additionally, several of the interviewees were recruited via snow-ball sampling. All of the participants had spent time in the labour force and were employed in various occupations such as administration, engineering, care-giving and banking, to name of few. Although each person's experience of retirement is inherently different due to a multitude of factors, an analysis of the results indicated several common patterns.

One of the most common themes to emerge from the interviews with the retirees was how busy and full their lives were. They explained that retiring from paid labour, whether from full or part-time work, afforded them the opportunity to pursue hobbies and activities that they could not otherwise pursue while working. In fact, these retirees are so busy that they had to schedule in time just to relax from their active lifestyles. One woman noted, "I do so many things. I tend to take on too much. I go to plays, movies, lectures, book reviews. I have to try and make sure that I do not go to too many things so that I can rest". A retired female teacher echoed such a sentiment when she exclaimed, "The greatest challenge of retirement for me is finding a day when I can just stay home so that I do not fall on my face trying to do all that I want to do". When they are not trying to fit some relaxation and down time into their schedules, these retirees are actively pursuing new interests and hobbies. A retired Nurse expressed that she was taking oil painting and ball room dancing, while a professional Violinist expressed that she started to study professional singing. Several retirees mentioned that they are currently taking courses at the McGill Institute for Learning in Retirement, which emphasizes peer learning, and provides participants the opportunity to learn and teach their colleagues the expertise that they had acquired in their particular fields of study and/or employment. Thirteen out of the fourteen retirees reported that they exercised several times a week and participated in weight training, aerobic exercise, swimming classes and/or walking. A great majority expressed that they volunteer their time for various organizations such as hospitals and/or community centers. Most retirees reported that they spend a lot of time reading for pleasure and that they are members of book review clubs. When they are not engaged in activities and hobbies, most people reported that they spend time with family and friends. Not surprisingly, a significant number of women reported that they spend considerable time taking care of elder family members and friends.

In addition, several retirees expressed that retirement afforded them the opportunity to start their own businesses as they felt that they had the financial security of their pensions if their business ventures were not successful. One female retiree explained, "I am retired from my first job, but now I have my own company as a private consultant. I have a pension plan which includes medical and dental coverage, so there is no anxiety". Retirement, for several of these people, was perceived as a time to start new careers.

An overwhelming number of retirees reported that retirement has met their expectations and for some, retirement has even exceeded their expectations. One retiree noted, “I think that at this stage of my life, I am healthy, relatively young, I have money to get by, I have a lot of friends and I guess the idea of the golden age is right now for me. I do feel as though it is the best time in my life”. It is interesting to note that while a great number of retirees report that they love retirement, they are quick to explain that they too loved their jobs. One woman expressed, “I loved my work. I looked forward to going to work every single day for 37 years”. She further explained, “but everyday that I am home I feel so lucky. I really do”. Another retiree expressed the very same sentiment when she explained, “I really loved my work as a teacher; however, I knew that I was not going to work past 60 because I wanted to leave when I knew that I was still a good teacher”. For a great number of these retirees, retirement has meant pursuing a new phase of life in which they can reap the benefits of their working years while they are still in good health and able to enjoy an independent and active lifestyle. Thus retirement, for these individuals, is more about pursuing activities and hobbies that they could not participate in while they worked (due to time constraints, deadlines, and having to adhere to a schedule) than it is about leaving unsatisfying careers. A retired Musician captured the significance of living a meaningful and fulfilled retirement when she stated, “I had a great career but I wanted to enjoy my retirement. I did not want to retire and die. I want to put as much time between retirement and expirement as I can”.

It is interesting to note that all fourteen retirees, regardless of previous employment status, expressed that the most positive aspect of retiring has been the ability to be in control of their own time. The word that was most commonly used to describe this experience was “freedom”. The retirees consistently responded that the greatest aspect of retirement for them is the notion that they are free to do what they want, when they want and with whom they want. One woman expressed, "for me retirement is really freedom of time. And being retired I have a choice. I can run on my own time. And it is very satisfying". Another woman stated, "I am free to come and go as I please. I like that feeling. I love that feeling of getting up and not having to do anything. I am doing the things that I want to do. I love that". Freedom from work seems to be made even sweeter when it is coupled with the sense that retirement is a well deserved reward for the sacrifices made during one's working years. One woman noted, "I guess I look at retirement as a reward for all the difficulties I experienced in my earlier life". This reaction was similar to a retiree, who stated,

> We made a lot of sacrifices as a married couple while we were working so that we could provide for our children and ensure that they were not left at home with a babysitter. So we worked completely different schedules. Now, I decided that our retirement was about us. It was about time that we enjoyed ourselves and our lives together as a couple.

The retirees also expressed that one of the most positive aspects of retirement was the recognition that there is no longer an external drive to accomplish a particular goal. "Retirement", as one retired Statistician described, "brings a great sense of liberation from performance pressures and an opportunity to just enjoy life".

It is worth noting that the area in which retirees' experiences were truly varied was in their responses to the question, "What has been the most challenging aspect of retirement?" Although a great number of retirees actually reported that there has been nothing demanding about living a retired life, what did emerge from the responses of those who reported areas of retirement that were challenging, were two answers which were more common than the others: the influence of a person's previous occupation, and one's financial means.

For those retirees who were employed in prestigious and powerful occupations such as engineering, banking or consulting, retirement has brought with it the challenge of having to re-define who they are, apart from their work roles. It is also, for many, coupled with a longing for the fast paced "action" of corporate business. The words of one female retiree vividly capture the inherent challenges of this process. She notes,

> To stay in the game. To remain connected. I miss not being part of the big action. I do consulting contract work, but for me that is living it on the periphery as opposed to being in it. I must admit that I defined myself, who I was, by the position I had. It was powerful and it was recognized. When you become a nobody, to keep your confidence level up, is difficult. So doing some contract work and having to get dressed up helps. I think I have gotten to know who I am. I have a hard time with the R word- retirement. I play mind games with myself. I want to be connected to what I don't know? But to some energy that comes from the business world.

Finding activities or roles that bring the same sense of power, prestige and recognition as their former occupations is a challenge in its own right for men and women alike. It is an endeavour that requires finding new sources from which to build one's confidence and activities which provide both meaning and stimulation.

The second issue that many retirees found to be one of the more challenging aspects of retirement was managing financially. It is interesting to note, however, that the majority of people who claimed that the financial environment of retirement was most challenging also stated that they do not allow the issue of money to affect their well-being. One woman noted,

> "I can't really think of anything that is negative about retirement. I do think of money [but] I have a house, so if I need money in my later years, I can sell it. I don't see any negative challenges. I feel better than ever".

Another woman commented about the challenging financial environment of retirement,

> "I am not good with money. I am a spender and I am trying to curb that. I do not have the income to support it. But I have never really been a worrier about money. There was always money to pay the bills. I could not imagine going back to work to supplement my income. I am really happy".

Despite the challenges of living on a reduced income, most of the retirees in the current study report that although they do worry about their financial well-being from time to time, they do not allow their anxieties to effect their happiness.

One of the most interesting issues to emerge from the interviews with the retirees surrounded financial planning for one's retirement. The interviews revealed that planning for one's retirement is a complex issue that is greatly affected by an individual's marital status. A female retiree explained,

> I did the best that I could do. Having four children and no money and being divorced I lived day to day. I was always a low-income earner...having moved a lot with my ex I never built up a pension. I changed jobs a lot and worked temporary positions. I did the best that I could with what I had.

Divorce seems to be a costly endeavour that directly affects both parties involved. Moreover, it specifically affects a husband's and wife's retirement income. As one male retiree described,

> I did plan for retirement. But when I went through a divorce about 10 years ago it took a big chunk out of it. I did sit down and calculate how much money I needed for retirement 20 years ago in dollars and cents. I now have half of that.

Despite the decrease in their income, most retirees are apt to align their financial objectives with their current income. As this man further explained, "I now have about half the money that I had anticipated having. But that's okay. I am not suffering financially". Retirees, like most people, appear to adapt their wants and desires to their financial means by adjusting their perspective of what they define as sufficient retirement income to live a comfortable life. A female retiree best explained it as “I don’t know how to define ‘enough’. I mean as long as you have enough for your needs and a bit set aside for a rocky period, to me that is enough”. Although financial means may not be as great as one anticipated or had planned, these retirees appear to make do.

Several married women noted that their planning was dependent on their husbands who managed the family’s finances. Others declared that they did not adequately plan for retirement and most explained that they should have started to save earlier in life. Accordingly, one woman noted, “I don’t think I became serious enough about planning for the future until my 40s”. While a male retiree explained, “I probably did not plan as well as I should have. But we have enough to pay the bills and go on holiday”. And yet others declared that they are better off now than they ever were before. A retired secretary explained,

> I am very lucky because I never had much. I had to manage on a shoe string until I was able to come into some money. I am better off now than I have ever been… I worked during the depression and that made me cautious about money. At this stage of my life I can finally say that I don’t have to cut corners anymore. When I used to go to a restaurant I would order the cheapest thing on the menu. Today, I do not have to do that.

Although retirement income is affected by a multitude of variables such as previous occupation and marital status, one of the most noteworthy of findings to emerge from the conversations with the retirees is their positive outlook on life and their satisfaction with their lives in retirement. Despite the different financial environments of retirement, most retirees seem to adapt remarkably well to retirement and are enjoying their lives.

8. DISCUSSION

The current study sought to investigate men and women's financial preparations for retirement and if adequate financial planning influenced the life satisfaction and the financial satisfaction of male and female retirees.

8.1. Financial planning

One of the objectives of present inquiry was to establish an understanding of the retirement experience that is reflective and inclusive of Canadian women's lives. Recent claims made by the press regarding the plight of elderly women living in poverty encouraged me to ask how it could be that in the year 2004 in one of the wealthiest countries of the world, 25% of all elderly Canadian women live below the low-income cut-off, in contrast to 13% of Canadian men (Public Health Agency of Canada, 2001)? Thus, the present study first examined at what age people start to financially prepare for retirement and if, as a result of the greater number of women who live on a low-income, do women start to financially prepare for retirement later in life than do men? The findings revealed, as anticipated, that women do in fact begin to financially prepare for this latter stage of development at an older age in comparison to men.

It is not all that surprising that women begin to financially plan for their retirement later in life than do men. First, one must bear in mind that the retired women in the current study are of a generation in which gender roles were more clearly defined than they are today. The division of labour was such that a man's role was that of economic provider whereas a woman's role was that of primary caretaker. Although the feminist movement brought with it greater opportunities for women's economic independence, by and large, men retained the responsibility of managing the household's finances. Amongst the numerous women who were employed in the work force, many contributed their earnings to the running of the household and did not make saving for their future a priority (Alcon, 1999). We must bear in mind that these women were socialized to place others' needs before their own and many of these women believed that in exchange for their loyalty and devotion as good wives and mothers they would receive financial security (Dowling, 1981).

Secondly, Timmerman (2000) points out that many women who are currently in their late fifties and early sixties were raising children at a time when inflation skyrocketed and their children's university tuition and their own mortgage expenses drastically increased. The very high cost of living at that time may have contributed to women's poor savings record.

Thirdly, achieving sufficient retirement income is dependent upon a number of factors that make it especially difficult for the female retirees of the current generation. As has been previously noted, women earn less than their male counterparts. In the current study, women on average earned $10,000 less annually during their pre-retirement years. Less income prior to retirement translates into less income in retirement. This is reflected in the amount of savings that women and men have invested in private pension plans such as RRSPs. In the current investigation, retired women derived 13% of their income from RRSPs and 14% from OAS, whereas retired men obtained twice as much income, 24%, from RRSPs but only 8% from OAS. Women's lesser earnings mean that they have significantly less money to put away in retirement funds than do men.

In addition, women's work trajectories are marked by frequent entries and exits from the labour force due to caring for children and older adults. As a result, they spend less time in the workforce, which again translates into less retirement income in old-age in comparison to men. One must bear in mind that if these women were employed in occupations that offered EPPs, they forfeited the pension income that would have been associated with the additional working years. In fact, the findings of the current investigation revealed that on average, men spent an additional six years as members of EPPs, in comparison to women, and approximately an additional nine years in the workforce.

As a result of identifying with traditional gender roles, high inflation at various times, lesser earnings, and unstable work trajectories, women have significantly lagged behind men in planning for their financial security in retirement.

8.2. Financial Anxiety

Contrary to expectations, the results of the current study revealed only a weak trend for women in that they displayed only slightly higher levels of financial anxiety than did men. There are several reasons why women may be slightly more anxious than men. For one, the findings revealed that women start to save for retirement at an older age than do men. In the current study correlational analyses revealed a negative association between the age at which a person begins to save for retirement and the amount of financial anxiety experienced ($r = -.328$, $p < 0.01$) .Thus, if women save for their financial well-being at an older age than do men, they will report more anxiety than do men. Second, on average, women have less financial income than do their male counterparts. In the current study, the male retirees' average annual retirement income was between $50,000 to $59,000 whereas retired women had an average annual income between $40,000 to $49,000. Moreover, women live longer than men, which place them at great risk of living out their elder years alone, in deteriorating health and possibly outliving their money (Perkins, 1995). As a result of their longevity, many more women than men will need long-term care and help with daily activities such as bathing and eating (Timmerman, 2000). The price of such services can be costly and women may be worried that they will not have adequate funds for such assistance.

To make matters more daunting, the media has recently shed light on a number of cases involving both public and private long-term care facilities and elder abuse. At the time that the data was being collected for the current study, W-Five, a national television production that features issues that are important and relevant to Canadians, broadcast a documentary regarding elder abuse in Canadian retirement homes. The report featured footage taken by hidden cameras in which staff members were caught physically abusing and stealing from the residents. Not surprisingly, the report caused national public outrage. Many viewers wrote letters to W-Five, as can be seen on their website, and expressed that they were horrified and shocked by such abuse. For those who have parents who are contemplating taking up residence in a retirement home or who are themselves thinking of moving to a home, such information can at the very least instil a sense of a anxiety (W-Five, 2004).

Research into the area of elder abuse has indicated that the majority of the abused elderly are women living in hospitals or institutions for the aged. Several researchers believe that elder abuse may be more severe when the abused is financially dependent upon the abuser (Health Canada, 2000). Seeing how women are at greater risk of needing care in their older age and are in jeopardy of outliving their retirement income, they may find themselves living out their golden years in institutions, or having to depend upon children or relatives for both their financial well-being and their homecare. In light of recent media reports regarding elder-abuse, perhaps the female retirees in the sample were feeling slightly more anxious than were the men.

8.3. Financial Regret

Contrary to expectation, the results of the current study did not support the hypothesis that men would report greater financial regret in comparison to women. In fact, no gender differences were observed. The finding that the male retirees did not exhibit much financial regret is consistent with that of Lowenstein, Prelec and Weber's (1999) results in which the men in their study did not display much regret over their past saving behaviour. The admission that one is regretful for not having adequately financially planned for retirement requires acknowledging that one has made a mistake. Moreover, it is a mistake that is more often than not associated with great financial consequence for an individual's standard of living in retirement, as planning for retirement requires years for investments to grow. Thus, regretting previous decisions over which there are few if any current actions that can rectify past mistakes is, in a sense, counterproductive.

The participants who volunteered to participate in the retirement interview were asked the question, "Do you feel that you adequately planned for your financial well-being in retirement". Their answers to this question lend support to Wrosch and Heckhausen's (2002) theory of secondary control strategies, which as these researchers explain, enable older people to alter their perceptions of previous mistakes so as to relieve themselves of past responsibilities. Many people responded to this question by stating that they did not plan as well as they should have. Others reported that they should have started to save earlier. The responses, however, were almost always followed with "but we have enough money to pay the bills", or "I lack for nothing". Thus even if initially these people had regretted not planning better for their financial well-being, they are not engaging in defeatist thoughts of what they "could have" or "should have" done differently. Accordingly, this supports the argument that secondary control strategies contribute to successful aging (Wrosch & Heckhausen, 2002).

In addition to employing secondary control strategies, it appears that the retirees have adapted to the new financial environment of retirement. The findings from the qualitative analysis suggest that people align their financial retirement goals with their current retirement income despite previous aspirations of having greater earnings.

8.4. Life Satisfaction

Do financial anxiety and financial regret influence life satisfaction?

Although the majority of people in the current study did not report very much financial anxiety or financial regret, I wanted to explore whether these two variables influenced the life satisfaction of the men and women who did in fact report some measure of financial anxiety and financial regret. Not surprisingly, the findings revealed that both financial anxiety and financial regret do in fact affect an individual's life satisfaction. As financial anxiety and financial regret increased, life satisfaction decreased.

What is of interest in the present study is that no gender differences were observed. Although men's responses to financial anxiety and financial regret have previously been studied, women's responses to a decline in their income and whether or not they regret having not adequately financially planned for this stage of development, is an analysis in its exploratory stages. The findings of the current study suggest that both for men and women who display some degree of financial anxiety and/or financial regret, there is a decrease in their life satisfaction.

The influence of financial anxiety on life satisfaction

The literature on financial stress provides a clear indication as to why those who are financially anxious also exhibit a decrease in their life satisfaction. According to Krause and Baker (1992), financial strain can lead older adults to feel a diminished sense of control over their lives. The researchers maintain that older adults experience a loss of personal control of their lives because a great number of these people live on fixed incomes. For many of these people, returning to the workforce in order to increase their earnings is not a feasible option, which limits their opportunities to increase their financial resources. Moreover, if a retiree has inadequate income and is experiencing financial strain, he/she may have no choice but to rely on friends or family for financial support, which can lead to feelings of dependency and loss of control over one's life. One of the ways in which the perceived loss of control in elderly adults manifests itself is through the increase in somatic symptoms of distress such as headaches, nervousness, aches and pains in muscles or joints, feeling generally run down and having difficulty sleeping; all of these contribute to negatively influencing well-being and life-satisfaction. Future research is needed to determine if the effect of financial anxiety on a person's life satisfaction is mediated through perceived loss of control.

In addition, the increasing cost of many essential services such as provincial drug benefit plans combined with the high cost of medication has taken a toll on many seniors. In fact, a number of the participants in the current study remarked that a large percentage of their retirement income was being depleted by the high cost of medical expenses. Others noted that property tax and the rate of taxation in Quebec contributed to their financial anxieties.

It is clear from the findings of the current study and those of the larger literature regarding life satisfaction that financial anxiety negatively influences well-being. According to George (1992) there is general agreement among researchers that financial satisfaction is positively and significantly correlated with an individual's overall perception of his/her quality of life. In the current study, people's perception of their standard of living was tantamount to their feelings about their life satisfaction, a finding that is consistent with that of Choi's (2001). If people therefore perceive their financial means to be inadequate, it will affect their perceptions of their quality of life, indicating that financial security is an integral aspect of a retiree's well-being. This suggests that financial security is an essential component of successful aging.

The influence of financial regret on life satisfaction

As with financial anxiety, most men and women did not report experiencing much financial regret, although those who did indicate some measure of regret also displayed a decrease in their life satisfaction. The empirical literature investigating regret sheds some light on why it is that regretful behaviour can affect an individual's life satisfaction. Lecci, Okun and Karoly (1994) maintain that the adverse consequences of regretting past behaviour can negatively influence an individual's life satisfaction. Accordingly, these researchers propose that regrets may become more difficult for older adults to manage because, with time, regrets tend to intensify as there are fewer opportunities to alter previous decisions and the consequences of the regretful behaviour become more permanent.

Lecci and colleagues (1994) also suggest that older adults have had more time to contemplate regretful choices, such as having chosen one life course over another, and they have had more time to recall more regretful experiences, which can negatively affect one's psychological well-being and obstruct the pursuit of current goals. According to Gilovich and Medvec (1995) people tend to regret life events that they choose not to pursue, in contrast to having pursued choices that led to regrettable circumstances. Perhaps those retirees who exhibit financial regret are those who believe that had they done things differently during their working years, their current standard of living would be higher than it presently is. If a retiree's present financial environment is not as he/she anticipated it to be, nor as he/she wished it to be, looking back at previous decisions may prove painful when he/she discovers forgone opportunities that would have altered his/her present day financial situation. As Cantor explains,

> One cannot underestimate the significance of post hoc cognitive work, the creative ways that people torture themselves after events with regretful ruminations that add substantially to the impact of failed behaviour and often serve to construct impediments to future life-task ventures (p. 743).

Drawing on the empirical literature of the consequences of regretful behaviour, the association between life regrets and life satisfaction becomes increasingly clear. The experience of regret may carry a heavier weight for some older adults, as their present financial circumstances may serve to constantly remind them of the consequences of missed opportunities with few prospective occasions to rectify previously bad decisions.

8.5. Financial Satisfaction

Do financial anxiety and financial regret influence financial satisfaction? And, if so, does gender play a role?

The current study also investigated financial satisfaction, which is believed to be highly and significantly correlated with subjective well-being. *Financial satisfaction* is a measure of an individual's perception of the adequacy of his/her income, which not surprisingly influences one's life satisfaction. The study sought to explore gender differences in financial satisfaction and investigate whether or not financial anxiety and financial regret influence satisfaction with one's financial resources. The findings indicated that although most people did not exhibit much financial anxiety, the men and women who did report some measure of anxiety displayed a decreased level of financial satisfaction. As financial anxiety increased, financial satisfaction decreased.

The influence of financial anxiety on financial satisfaction

The relationship between financial anxiety and financial satisfaction is quite straightforward. Financial satisfaction is an evaluation of how a person perceives the adequacy of his/her income. If a woman is therefore anxious that she will not have sufficient income to fund all of retirement, she will evaluate her economic means as inadequate, which will consequently diminish her financial satisfaction. It should be noted that both men and women who reported financial anxiety also reported a decrease in their financial satisfaction.

Financial regret and financial satisfaction

Further analysis regarding the association between financial regret and financial satisfaction revealed what is perhaps one of the more interesting findings of the current study for female retirees: there is a negative relationship between female retirees, financial regret and financial satisfaction, yet no such relationship was found for men. It should be noted that overall the female retirees did not report very much financial regret. However, the female retirees who did exhibit financial regret also reported a decrease in their financial satisfaction. At first glance, this result seemed somewhat perplexing as it was originally hypothesized that if any group would exhibit financial regret it would be the men, for failing to identify with the role of economic provider. Upon further investigation of the literature, however, the possible explanations for this result came to be found in the empirical literatures on regret and counterfactual thought.

The empirical literature investigating regret provides a useful framework for studying financial regret as it lends insight and explanation into the psychological process of regret and its very consequences. Gilovich and Medvec (1995) maintain that regrets of inaction, that is opportunities that are forgone or things or situations that people have desired but have failed to act upon, tend to be more burdensome than regrets of action, decisions that were taken that did not turn out as anticipated or that resulted in failure.

Regrettable actions are believed to be easier to rectify over time because one can make necessary life changes so as to resolve the regrettable experience, find a lesson to be learned from a bad decision and/or engage in dissonance reduction (Gilovich & Medvec, 1995).

Regrettable inactions, however, are not as easy to resolve due a number of psychological mechanisms that impede the reconciliation of the regretful inaction. Such regrets, Gilovich and Medvec (1995) explain, tend to result from a failure to act due to a lack of confidence or fear that we are not capable of achieving the task at hand, such as not being savvy enough to land a particular job, pretty enough to get a date, or smart enough to gain admission into a prominent academic program. With the passing of time regrettable inactions tend to take on a powerful and intense momentum, as the more distance there is between us and the missed opportunity, the better convinced we become that we would have been great at that job, charming on that date, and at the top of our class if admitted to the prestigious school. As Gilovich and Medvec (1995) explain, "it is easy to be confident when the task is not imminent; it is hard to be so assured when the challenge is at hand" (p.388). Secondly, regrets of inaction are difficult to move beyond because of the imagined consequences of what might have been. Regrettable actions have known and finite consequences, regrettable inactions, however, are only restricted to the contents and creativity of one's own imagination (Gilovich & Medvec).

The value of understanding the consequences of regrets of inaction are of interest because it serves to provide a comprehensive explanation as to why the women in the current study exhibited financial regret and the men did not. Further analysis of the financial regret measure revealed that the female retirees were most regretful of three of the nine items that composed the financial regret scale, all of which were regrets of inaction. These women were primarily regretful of not having calculated the amount of money that they would need in retirement ($\underline{M} = 2.34$), not starting to save at an earlier age ($\underline{M} = 2.4$) and not being knowledgeable about different savings and investment options ($\underline{M} = 2.44$). It is interesting to note that the former two findings (age that people start to save for retirement and calculating the amount of money one needs to save in order to have adequate retirement income) are the two items from the financial preparedness scale that indicated that the men were better financially prepared for retirement than the women. It appears that adequate financial preparation moderates financial regret and is what contributed to that which separated the financially satisfied men from the financially dissatisfied women. Not surprisingly, current findings revealed that participants who reported being financially prepared for retirement, indicated that they were more financially satisfied ($r = -.250; p < 0.01$).

Additionally, findings from the present study suggest that men have more efficiently prepared for their financial well-being in old-age, thereby shielding them from any regret that they might have otherwise reported had they not been as prepared. Hayes (1995) maintains that inherent to the role of economic provider is the responsibility of preparing for retirement. Thus, the researcher explains, men have had more time and greater opportunity to prepare for their future financial security. Men have therefore less reason to report financial regret in comparison to women, seeing as they have been socialized to prepare for this later stage of development. In the current study, the later a person started to save for retirement the greater the likelihood that he/she would exhibit financial regret ($r = .21$; $p < .05$).

Additionally, the women in the study reported that one of their greatest financial regrets was not being more knowledgeable about different savings and investments options. This concurs with the findings of the National Center for Women and Retirement Research (1995), the results of which indicate that out of a national sample of 1,100 American women surveyed, 74% in contrast to 33% of men, reported that their lack of knowledge regarding investment vehicles has been one of their greatest obstacles in planning for their future financial security (Hayes, 1995). In light of Gilovich and Medvec's (1995) association between regrets of inaction and their relationship to fear and lack of confidence, it is not surprising that three-quarters of the women who were surveyed reported that fear of making a mistake was their greatest impediment to planning for a financially secure retirement. Additionally, 54% of these women have actually postponed planning for their financial well-being in old-age for fear of failing.

Lastly, Landman and Manis (1992) explain that the cognitive process whereby we conceive of an alternative life path to that which we ultimately chose, a practice that is better known as what might have been, and referred to in the literature as counterfactual thought, is a common occurrence for most adults. According to the researchers, today's norms and social attitudes are more relevant to counterfactual thought than the conventional practices operating at the time that one chose a particular course of action. The female retirees in the current study may therefore be evaluating their lack of financial preparation by current norms that strongly encourage today's women to financially plan for their old-age. Financial planning for retirement was not, however, a topic that targeted women until recently. In fact, formal pre-retirement planning programs were developed at the University of Michigan in the 1950s, yet most companies did not make such programs available to their employees (Perkins, 1995). Amongst the programs that were provided, most did not address the needs of women as the curriculum was developed on the assumption that women would be married and would not require such knowledge (Perkins, 1995). Furthermore, retirement planning and financial education has only recently become an issue of public concern as a result of population aging and pension reform. Additionally, the private financial service sector has now begun to recognize that there is a "woman's market" for their service. Accordingly, Alcon (1999) explains that meeting those needs, "may require that we reconsider tools that were designed for a generic audience but fail to speak to women" (p.87). Women's attitudes regarding money, aging, and their future financial security are very different from their male counterparts (Alcon, 1999). Assisting women to plan for their financial well-being in retirement will require that financial institutions and policy makers re-assess old assumptions and consider that women's attitudes towards money, investing, and financial planning are quite different from those of men.

The Psychological Implications of Regret

The research on women and counterfactual thought and women and regret indicate that for many women of the 20th century, their greatest regret involves not having attained a particular level of educational achievement and not having developed a career (Stewart & Vandewater, 1999). Sears' (1979) findings revealed that an overwhelming majority of the Terman gifted women, born around 1910, expressed regret over having not developed careers in their adulthood. Likewise, Landman and Manis' (1992) results on counterfactual thought revealed that women between the ages of 22 to

83, with an average age of 40, reported that their greatest counterfactual thought was delaying career goals in place of marriage and children. If they could do it over again, 42% of these women reported that they would marry at a later age, once their education was complete and their careers established. Additionally, Landman, Vandewater, Stewart and Maley's (1995) findings indicated that college educated women of middle-age who reported counterfactual thoughts about career and educational aspirations were more inclined to display anxiety and depression. Similarly, Stewart and Vandewater's (1999) research on the regrets of women in midlife indicated that women who regretted earlier life decisions and did not attempt to reconcile such regrettable choices displayed lower levels of well-being, in contrast to women who actively sought to resolve their regrets and women who maintained that they had no regrets. Not surprisingly, those who did not attempt to reconcile their regrets scored higher on a ruminative coping style which is characterized as a depressive coping style in which a person has a heightened focus on the symptoms of distress.

The aforementioned findings are relevant to the current study because a ruminative coping style is more prevalent among women than it is among men (Nolen-Hoeksema, Morrow & Frederickson, 1993). Thus, the women in the current study may have reported feeling more regretful over having not financially prepared for this later stage of development because they spend more time ruminating over how they could have better financially prepared for their old-age. In view of the fact that women live longer than do men and have earned substantially less income throughout their lifetimes in comparison to their male counterparts, the consequences of inadequate financial preparation are far more substantial and negative in magnitude for women. Furthermore, many female retirees are in jeopardy of outliving their money. To make matters worse, the ramifications of insufficient financial resources are often only realized upon retirement, which leaves few secure investment opportunities that will provide high returns and much time to regret previous financial decisions.

Additionally, the findings of the latter two empirical investigations (Stewart & Vandewater, 1999; Nolen-Hoeksema, Morrow & Frederickson, 1993) are important to the study of women's successful aging, as the results suggest that the consequences of a regretful experience can in fact impede one's psychological functioning. Specifically, those who experience regret tend to report higher levels of anxiety, depression and rumination. Future research is needed to determine if men suffer from the same emotional disturbances. Furthermore, when the psychological costs associated with the experience of regret are coupled with the finding that the regretful experience of missed opportunities tends to intensify with age (Gilovich & Medvic, 1995) the emotional toll on an elderly adult may prove quite substantial.

Lastly, it should be noted that there is a motivational component to counterfactual thinking. The regret and pain of what might have been may be the very impetus that propels an individual into action and drives one to pursue a long forgotten goal or follow a life long dream. Stewart and Vandewater's (1999) findings revealed that reflections of missed opportunities did propel some midlife women to transform their regrets into desired life changes. Future research is needed in order to determine how older adults reconcile their financial regrets. Additionally, research is needed in order to assess the long-term effects of financial regret on an older adult's life satisfaction.

8.6. *Income and Life Satisfaction*

As anticipated, despite women's lower financial status, they reported being just as satisfied with their lives as were men and thus no gender differences were observed. In addition, further analyses provided partial support for the hypothesis that high-income retirees would be more satisfied with their lives than would low-income retires. On account of the small number of low-income earners (n = 8), the term low-income could not be defined as it was originally conceptualized and it had to be redefined. Initially, low-income was classified as an annual retirement income of less than $20,000. In the end, the sample was re-categorized into high versus low-income earners using a median split of $40,000 with those who earned $39,999 and less as being classified as low-income earners and those who earned $40,000 and above as being categorized as high-income earners. Using the new definition of low-income, the results indicated that high-income retirees were more satisfied with their lives than were their low-income counterparts.

The current study initially hypothesized that the association between income and subjective well-being is non-linear and that the relationship, based upon Vaughan and Lancaster's (1981, as cited in George, 1992) work, is considerably stronger at the lower end of the income spectrum. George (1992) explains that income contributes to well-being up until a maximum point in which additional financial wealth is not as efficient at predicting well-being as it is at the lower end of the income distribution. The findings from the current study seem to suggest that those who earn $40,000 Canadian dollars and above are more satisfied with their lives than are those retirees who earn less. It is difficult to decipher, however, who amongst the low-income retirees, or if all low-income earners, are dissatisfied with their lives in retirement, because the low-income range is composed of three income categories, (less than $20,000, $20,000- $29,999 and 30,000 to 39,999).

There are several reasons why low-income earners may be dissatisfied with their lives in retirement. Firstly, greater financial income enables individuals to participate in more diverse social activities. Thus, the importance of adequate financial means in retirement may very well be a function of having sufficient economic resources to engage in leisure pursuits and goals that were postponed until this latter stage of development. George's review of economic status and subjective well-being (1992) suggests that activities mediate subjective well-being only for older adults. If a person has only the time but not the financial means to participate in social activities, then unfortunately there will be limitations imposed upon which organizations one can join, which activities one can pursue and which events one can attend. According to the empirical literature investigating retirement and well-being, living an active lifestyle has positive implications for a retiree's life satisfaction. Atchley's (1982) findings revealed that activity level consistently and positively correlated with a retiree's life satisfaction. Alternatively, Ross and Dentrea's (1998) results revealed that retirees who engage in alienating, routinzed and unfulfilling activities exhibit a sense of powerlessness and distress. Leisure pursuits and social activities are thus anticipated to provide meaning and stimulation, which contribute to one's sense of well-being and life satisfaction.

Secondly, a low-income retiree's dissatisfaction with his life in retirement may be the result of observing contemporaries with the financial means to participate in various activities and being able to pursue hobbies that he himself does not have the means to pursue. Such a social comparison may add insult to injury, thereby negatively affecting his life satisfaction.

Thirdly, many people arrive at retirement financially ill-prepared for this latter stage of development and it is usually at this juncture that they realize that they cannot maintain the same standard of living as they did while they were employed and had larger incomes. As such, they will have no choice but to alter their lifestyles. If a person, however, dreamt of traveling and had deferred pursuing life long goals until retirement, only to realize that they do not have the economic means to pursue their greatest aspirations, their happiness may very well be affected. The discrepancy between how one actually lives and how one anticipated living in retirement may be another source of dissatisfaction for these low-income retirees.

The costs of both medical insurance and medication also weigh heavily upon low-income retirees. Several participants who volunteered to be interviewed for the current study noted that at times it is difficult to purchase necessary drugs, due to the financial expense of medication. One woman explained that when money is particularly tight she will forgo food if need be to ensure that she has adequate financial means to purchase prescription drugs. The anxiety that one may not have sufficient money to acquire medication that is essential to maintaining healthy physical functioning, may negatively influence one's well-being and thereby decrease one's life satisfaction.

Lastly, in the past 28 years the province of Quebec has experienced record numbers of people migrating to other parts of Canada and elsewhere due to the political situation, language barriers and the election of the Parti Quebecois to government in 1976. Moreover, during these latter years, Montreal experienced the second largest migration of all Canadian cities, surpassed only by Toronto whose many inhabitants remained in the province (Statistics Canada, 1999c). Quebeckers who leave the province are generally young, well-educated and are lured outside the province by employment opportunities that most often do not require a command of the French language. The significance of such a great population loss may have implications for the elderly family members who are left behind. The departure of children and young relatives may translate into a great sense of loneliness and isolation for older adults. Retirees who are high-income earners may very well regard the experience of visiting family members in another city or country as a welcomed opportunity to travel and spend time with significant others. For low-income retirees, however, there may be no opportunity to visit with family members who live out of town because of the financial expense of travel; this may foster feelings of isolation and detachment from loved ones, thereby decreasing one's life satisfaction.

9. LIMITATIONS OF THIS STUDY

As in any scientific investigation, a number of limitations must be addressed. First, George (1992) explains that the use of income as a proxy for financial resources is misleading. Although it is standard procedure to use "income" to denote all financial resources in research investigating economic status and well-being, a person's income is not a true reflection of his/her total economic resources. Although income is undeniably the best reflection of a person's resources, it is a single measure amongst many possible measures, and thus most probably masks important differences between people (George, 1992).

The current study constructed the financial satisfaction scale using two items to elicit satisfaction with financial resources: satisfaction with one's financial situation and satisfaction with one's standard of living. In her review on economic status and subjective well-being, George (1992) explains that there is a third measure used to denote financial satisfaction: satisfaction with one's income. Accordingly, Herzog and Rodgers (1981) explain that all three measures tap into different aspects of a person's financial satisfaction. Although few empirical studies on financial satisfaction have used all three measures, incorporating all three would provide a more complete perspective of financial satisfaction.

Additionally, it should be noted that a small number of studies have actually used a fourth measure to assess financial satisfaction: satisfaction with one's savings. The additional financial satisfaction measures would have provided greater insight into how these retirees feel about their various financial resources. Specifically, satisfaction with one's savings may help to clarify the relationship between financial satisfaction and financial regret. The findings of the current study suggested that financial preparedness mediated the effects of financial regret. Thus, satisfaction with one's savings would imply that people were satisfied with their financial planning, thereby decreasing any reason for financial regret. Future research should incorporate all four measures of financial satisfaction in an effort to gain a better understanding of how people feel about the adequacy of all if their economic resources, and how such dissatisfaction/satisfaction influences their well-being.

A third limitation of the current investigation is the manner in which gender differences were measured. According to Hatch (2000), in order to establish gender differences in retirement, men and women need to be matched on characteristics such as previous occupational status, age, length of time since retirement and labour force history. Variation in any one of these dimensions, or a combination of all of them, may therefore be the source that is contributing to the observed differences between men and women. The current study did not match retired men and women on any of the aforementioned characteristics. The greatest gender difference that existed between the men and women in the current study was that 43.2% of the female retirees were married and 29.5% were widows in contrast to 87% of the male retirees who were married and 3.7% were widowers. The fact that many more women than men were not married and were widowed, may explain why the women in the current study exhibited financial regret, whereas the men did not. The women have more reason to be financially regretful than do the men, as being, single, divorced or widowed, for a woman, translates into less retirement income in comparison to their married male counterparts. In an effort to gain a better understanding of what factors contribute to the financial regret of men and women, future research should match the sample on marital status.

Additionally, the 9 item life satisfaction scale used in the current study was taken from a larger 52 item scale used to assess retirement satisfaction and perceptions of retirement experiences. In addition to the life satisfaction scale there is an inventory that measures sources of leisure and physical activities. The findings of the current investigation revealed that the high-income retirees were more satisfied with their lives than were the low-income retirees and it was suggested that this difference may be due to a restricted number of activities that the low-income retirees can participate in as a result of their limited financial resources. The sources of leisure and physical activities subscale would have provided a measure of the activity level of these two groups, thereby clarifying if activities mediate the relationship between income and life satisfaction. Future research should therefore include this subscale in an effort to distinguish the factors that facilitate greater life satisfaction in retirement.

Lastly, the generalizability of the findings of the current sample of Quebec retirees is questionable as these retirees are substantially more affluent than the average retired Quebecer. In 2001, the average annual retirement income of a woman living in Québec was $18,119 and the average annual retirement income of her male counterpart was $28,654 (Régie des Rentes Quebec, 2003). Alternatively, the average annual retirement income of a female retiree in the current study fell between $40,000 to $49,000 and the average annual retirement income of a male retiree in the current study fell between $50,000 to $59,999. One of the reasons for this discrepancy, however, may be due to the wording of the question which asked respondents to indicate their approximate income or household's income prior to retirement. The wording of the question does not allow us to distinguish between the income of a single individual and the income of his/her household. Thus, the true difference between a retired woman's and a retired man's annual retirement income may actually be masked. Future research should consider an individual's income and that of the household's separately.

The results of the present study revealed that if people perceive their financial means to be inadequate, it will affect the perception of the quality of their lives, indicating that financial security is an integral component of a retiree's well-being, and suggesting that financial security is essential for successful aging. At the time that the study was devised, it was, to our knowledge, one of the first investigations that attempted to assess the financial regret and financial anxiety of female retirees. Therefore, our goal was to detect meaningful patterns of association that would foster more specific causal hypotheses for future research. Although no one particular investigation is sufficient to draw conclusions regarding the phenomena under study, the present findings do suggest that future investigation is needed to assess the long-term effects of inadequate financial preparation on the subjective well-being of men and women.

10. Conclusion

Where do we go from here?

There are numerous reasons why women lag behind men in their financial preparations for retirement. Financial security, however, is a fundamental component of retiree's well-being. While the current generation of female retirees is beginning to understand the necessity of adequate retirement income, it is essential that future cohorts of young women be well informed of how to facilitate the development of a financially secure old-age. A campaign to assist future generations of Canadian women achieve adequate financial security should include the efforts of three parties: the federal and provincial governments, corporate Canada and Canadian women themselves.

10.1. Social Policy: Directions for Future Change

Empirical investigation has clearly established the association between lifetime earnings and income in retirement. Unfortunately, it is anticipated that future generations of working women will continue to have lower earnings than their male counterparts due to sex segregated occupations (Thornborrow & Sheldon, 1995). Despite the increasing numbers of women entering the work force, 70% of working women in 2002 were employed in traditional female occupations such as teaching, nursing, administration, sales and service (Statistics Canada, 2003c). The findings of the 2001 task force on pay equity indicate that the greater the percentage of women in an occupation, the lower the earnings for all workers in the same position regardless of gender (Department of Justice Canada, 2004). Additionally, as long as women continue to shoulder the primary responsibility for childcare, eldercare and housework (Dwyer & Coward, 1992), the accumulation of their own personal financial wealth will be hindered, while increasing the financial capital of their spouses (Ginn, Street & Arber, 2001). It should be noted that the consequences of an interrupted work trajectory are greater than just forgone monetary gains, retirement benefits and pension credits associated with employment. A woman's absence from the workforce means that she will also lose seniority, impeding opportunities for promotions and raises (Hannon, 1995). Street and Connidis (2001) argue that while the labour market cannot compensate women for such impediments, the Canadian government can.

Despite the changing gender roles of Canadian men and women, Canadian social policy largely remains entrenched in the ideology of the breadwinner model and has been contradictory in its endorsement of the new gender contract. The Canadian federal government has simultaneously promoted women's participation in the labour force while contributing little assistance in the form of subsidized licensed childcare facilities (Ginn, Street & Arber, 2001), affordable and accessible community care for the elderly and pay equity (Townson, 2000). In an effort to help women accrue sufficient retirement income that will prevent them from poverty in old-age, they need a social infrastructure that will facilitate and endorse their ability to achieve self-sufficiency.

In 1984 the Royal Commission on Equality of Employment stated, "Childcare is the ramp that provides equal access to the workforce for mothers" (Abella). Accordingly, shortages of affordable and accessible child care forces a great number of mothers to leave the workforce for a number of years or to seek part-time employment in low paying jobs that require only low level skills. Such jobs do not provide RPPs, and salaries limit these women's abilities to contribute to RRSPs (Street & Connidis, 2001). The long- term financial ramifications are catastrophic for women, as their absence from the work force results in a decrease in lifetime earnings and greatly affects their pension benefits, thereby reducing retirement income.

Since the early 1990s, access to affordable, high quality childcare has decreased across Canada. Although childcare costs across the country are subsidized for low-income families providing they meet specific criteria, not all low-income households are accommodated, as there is a ceiling on the total subsidized budget for childcare or on the number of families that can receive the subsidized benefit. The subsidized restrictions are imposed by the provincial governments and established according to their budgets, irrespective of need (Human Resource Development Canada, 2002). It should be noted that Quebec has a daycare policy of $7 per day per child under the age of five. Currently the law stipulates that all families regardless of income are entitled to place their children in $7 a day daycare. The number of available spaces, however, is limited across the province. As such, not all families who are need profit from the program (Ministère de l'emploie de Solidarité Sociale et Famille, 2004a).

Additionally, women are responsible for the greatest share of family responsibilities which includes caring for elderly family members. Unpaid care-giving interrupts women's paid employment, thereby reducing women's earnings and decreasing pension benefits and retirement income (Street & Connidis, 2001). Family caregivers would greatly benefit from an eldercare drop out provision that would qualify an absence from paid employment to care for an elderly family member as a pension credit. Lack of such a provision penalizes women for their unpaid care-giving.

At present, the legislation that exists in Quebec stipulates that employees who leave the work force in order to care for an immediate family member (child, child of common law partner, parent, in law, parent of common law partner) can do so only if there is a "significant risk of death". If that is deemed to be the case, the employee is entitled to six weeks of benefits, providing the person has employment insurance. The entitlement is called, Employment Insurance Compassionate Care Benefits, and only those who have accrued 600 insured hours of employment qualify for the payment (Ministère de l'emploie de Solidarité Sociale et Famille, 2004b).

In addition, Canadian women are still earning less money than their male counterparts. Census data indicate that in the year 2000, the average Canadian woman earned 71 cents for every dollar earned by the average Canadian man (Statistics Canada, 2001b). In May of 2004, the federal pay equity task force released its report on pay equity legislation and proposed 113 recommendations. Marie-Thérèsa Chicha, one of the members of the task force, states, "despite the great strides women have made with respect to their qualifications and professional experience, one still finds that many female dominated jobs in the same organization are less compensated than male dominated jobs of the same value". The report further explains that "lower paycheques mean increased family poverty, increased child poverty and a less secure retirement". Additionally, the financial consequences of unequal pay are compounded by the psychological consequences of work that is neither valued nor recognized and thus erodes the dignity of female workers. Therefore, amongst its many propositions, the task force strongly advised Parliament to regard the pay equity act as a basic human right (Department of Justice Canada, 2004).

Canadian women's attainment of financial independence requires the establishment of a social infrastructure that facilitates self-sufficiency. Women's economic independence necessitates social welfare programs that aid working mothers by providing affordable and accessible childcare, eldercare assistance, and equal pay. Yet a lack of childcare funding, the widespread endorsement of unequal pay in organizations across the country, including federally-regulated employers such as Parliament, and no pension provision granting family members, who are mainly women, a drop out period for eldercare, all severely hamper women's economic independence. For a great majority of women, their families needs remain their top priority and thus they disregard the long-term ramifications of their employment decisions. Walby's (1997) statement best describes Canadian women's position in society "women make choices, but not under conditions of their own making".

10.2. *Corporate Canada: Creating a corporate culture that works for women while increasing profits*

Despite the social and professional advancements made by women, social policy is slow to change and it will take time for the government to enact legislation that reflects the new realities of women's relationship to the workforce and the demands of a work-life balance. Thus, in an effort to accommodate working mothers and fathers, the workplace must create a culture that facilitates a work-life balance for both parents. Corporate Canada can institute employment policies that are reflective of contemporary women's lives and their relationship to the workforce. The lack of talent in the market place (Barnett & Hall, 2001) combined with the retirement of the baby boomers should motivate employers to reassess workplace policies and develop creative initiatives to attract working women who currently represent 46% of the labour force (McLean, 2003). If businesses want to increase their bottom line, the empirical findings suggest that they extend their pool of talent to include more women.

Human Resource Practices

According to Watson Wyatt (2001), a global consulting firm dedicated to human capital and financial management, a corporate culture that endorses superior management practices and creates an atmosphere that is both "collegial" and "flexible" will significantly increase shareholder value. In an effort to evaluate the association between HR practices and shareholder value, Watson Wyatt conducted an international study involving more then 750 companies in North America and Europe, and concluded that superior HR practices fuel positive financial results. Additionally, corporate cultures that exhibited flexible work arrangements such as flex-time, job sharing and the opportunity to work from home increased shareholder value. There is no doubt that both men and women will benefit from such workplace practices, as such policies foster a balance between work and family life. Women, however, shoulder more of the responsibility for childcare and eldercare and can thus greatly benefit from the flexibility that these practices afford. Moreover, such work practices enable women to remain in the workforce while they raise children, if they so choose, which will permit the accumulation of retirement benefits and pension credits that will provide for their future financial security.

The added value of female executives

Adler (2001) investigated the association between the number of female executives in 215 fortune 500 companies and each firm's earnings relative to industry medians. The findings of the study revealed that for the period between 1980 to 1998 the companies that had a greater number of female executives in senior positions achieved far greater earnings than those of industry medians. Adler notes that although the data are correlational and do not imply causation, he strongly advises management to bear in mind the finding of the data when making promotional decisions.

In addition, the findings of a study conducted by the American Management Association (1998, as cited in McLean, 2003) revealed that American organizations in which women compose the majority of top senior executives exhibit the greatest sales growth. In 1997 such firms experienced, on average, 22.9% growth, in contrast to the

13% growth experienced by organizations in which men dominated top executive positions.

Paid Parental leave: a long-term investment versus a short-term cost

Canada has made federal unemployment insurance benefits for maternity leave available to women since 1971. Subsequent amendments have been made to such legislation that has resulted in improved measures and a longer duration of leave. At present, each province is entitled to determine the length of leave, qualification periods and job protection for maternity and parental leaves. No province, however, offers less than 15 weeks of maternity leave and 12 weeks of parental leave (HR- online, 2001). The province of Quebec has the most generous leave policies in that there is no specified amount of time that the employee must have worked for the employer prior to taking leave. The government offers 18 weeks of maternity leave and requires employers to maintain employee benefit coverage. With regards to parental leave policies, either parent is eligible for leave for up to 52 weeks. Employer sponsored benefits, however, do not have to continue during this time (HR On- Line, 2001).

Despite the associated financial costs incurred by the organization, employer sponsored benefits can prove beneficial for both parties. Valued employees return to work and decrease turnover costs, which encourage greater employee productivity and commitment to the organization, as opposed to leaving and not returning. For female workers, job protected leave has a significant positive effect on their earnings because it fosters a greater propensity of returning to one's previous place of employment (Waldfogel, 1998).

Waldfogel's (1998) in depth analysis of American and British policy and its effect on women in the workforce revealed that 67% of American women who had maternity leave coverage returned to work for the same employer after the initial period of leave. This figure decreased to 47% for women who did not have maternity leave coverage. The British cohort revealed similar findings with 63% of women who qualified for coverage returning to work for their previous employer in contrast to 45% of women who did not qualify for coverage. These findings reveal that employer sponsored maternity leave benefits facilitate strong loyalty and commitment. Furthermore, Waldfogel's analysis revealed that British employers that implemented strategies to remain in contact with their employees promoted a quicker return to their previous place of employment. Such strategies included employer/ employee contact while on leave, the option of part time work, and contractual pay (the difference of the employees salary and the statutory pay paid by the government) granted to women who return to work for the employer for a specified amount of time. Thus, the uncertainties of whether or not an employee will return to work can be mitigated by establishing incentives and benefits that encourage female workers to return to their previous place of employment after childbirth. These successful strategies have facilitated a quicker return to the boardroom.

10.3. Pre-retirement Education Programs: The benefits of affirming employee value

Although planning for retirement is the responsibility of the employee, empirical findings suggest that employers would be well advised to endorse pre-retirement education programs (Delrie & Rhodes, 1996). Kamouri and Cavanaugh (1986) explain that in order to facilitate an easier transition from full time worker to retiree, one needs to be socialized into such a role. Pre-retirement education programs are designed to help individuals adequately prepare for their financial and psychological well-being in retirement. The objectives of the seminars are to facilitate the development of accurate expectations of life as a retiree and encourage the meaningful use of time in retirement. The programs expose employees to volunteer opportunities, employment prospects and leisure activities. The objectives of the program are to positively influence an individual's attitudes and behaviours regarding the retirement process and thus facilitate greater life satisfaction once retired (Atchley, 1976).

Pre-retirement education can be considered an investment in an employee's career development and is worthy of the employers' money, resources and time. Such programs communicate the message to current and prospective employees that they are valued members of the organization and that their well-being is considered before their exit from paid employment. Walker and Laser (1978) argue that good management of retirement practices are essential to sustaining high morale among company employees. Additionally such programs convey a reputable public image to prospective employees and customers alike (Walker & Laser, 1978).

Walther (1989) explains that as people get closer to retirement they become quite anxious about the transitional period, which consequently affects the quality of their work. The information that is distributed during these workshops enables employees to gain a better understanding of what to expect from the retirement process. Such knowledge serves to motivate employees to prepare for this latter stage of life. Additionally, the workshops assist people in gaining greater clarity about their futures, which reduces their anxiety about retiring and fosters greater productivity. Commenting on the implementation of pre-retirement programs, the director of an Oklahoma City GM plant stated, “I have seen people who become very apprehensive as they get closer to retirement. They are pre-occupied and that has to affect their work. I think our people have greater peace of mind after going through the program and obviously we’re going to benefit from that” (Walther, 1989).

Empirical evidence suggests that participants of pre-retirement socialization programs are financially better prepared for retirement (Noe, 2002). Findings from the 2000 women’s retirement confidence survey in the United States revealed that 48% of women who have saved for retirement have participated in employer sponsored retirement seminars, or have received educational materials regarding saving behaviour provided by their employers.

10.4. Women’s responsibility

The Canadian government and corporate Canada can greatly benefit from instituting policies that account for women’s relationship to the workforce. Canadian women, however, must take responsibility for their future financial security. Whether or not Canadian women choose to marry and devote themselves to their husbands and children is a matter of personal choice. They are, however, strongly encouraged to inform themselves of their savings options regardless of whether or not they are in the work force. Thus, whether a woman is a salaried worker, self-employed, a homemaker or a student, she is strongly advised to familiarize herself with the regulations of public and private pension schemes. The Quebec government has done an excellent job at compiling information specific to women and retirement benefits. The government does emphasize that gender is an issue that will affect women's future financial security. As such, it promotes strategies to help women plan accordingly.

At present, women live longer, earn less and do not do not plan as efficiently for their financial well-being in retirement as do men. Writing in the journal "Working Woman", Hannon (1995) explains that the rules are different for women, which is why it is imperative that they financially plan accordingly. The author explains that in light of women's propensity to live longer they must build nest-eggs that will financially sustain them for longer periods of time. In an effort to accrue the necessary capital that will enable female retirees to live comfortably in retirement, they must make saving for their old-age a priority. She advises women to start now and start early. Thus if a woman is not currently enrolled in a company pension plan or is not investing in private savings plan, she informs her to take action immediately. Secondly, if a woman is married, she should still manage her finances as if one day she will be on her own. Although a terribly daunting thought, it is a protective measure that will safeguard women against divorce and widowhood should such an event occur. Divorce and widowhood have left past generations of women financially ill-prepared for retirement and terrified of making any financial decisions for fear of failure. Many of these women never made any financial decisions because their husbands always managed the household's finances. Thus, taking an active approach to saving will better prepare women to make financial decisions later in life should the need arise. Perkins (1995) advises women to acquire their own "financial identity" by having their own banking accounts and establishing credit in their own name. The third rule, Hannon (1995) explains, is take risks with your money. It has been empirically documented that women are rather conservative investors. According to the 2000 women's retirement confidence survey, 30% of women are not willing to take any financial risk regardless of the financial gain. Hannon (1995) therefore suggests getting involved with an investors' group or taking a course to become more familiar with the workings of the financial markets.

Lastly, Hannon (1995) cautions women to consider the implications of career moves. Such a sentiment is strongly echoed by Perkins (1995). Perkins suggests that women evaluate their current jobs and conduct a cost benefits analysis in order to assess if the impact of developing new skills in order to increase one's salary, is commensurate with an increase in pension benefits. If there are no pension benefits at one's current employment, Perkins (1995) strongly urges women to seek employment elsewhere, in spite of the possibility of a decrease in salary. She explains that non-taxable benefits such as pension entitlements or health care plans are often more valuable in the long run.

Additionally, Hannon (1995) encourages women to think about the consequences of an interrupted work trajectory. As previously stated, being absent from the labour force for long periods of time has implications beyond the accumulation of retirement benefits.

Dowling (1981) explains that despite the inroads made by the feminist movement, many women have chosen, and still choose, to depend on their husbands for their financial well-being. A sentiment that is echoed by both Perkins (1995) and Hannon (1995). In reference to women's financial responsibility for themselves, she states, "We have this idea that we are not going to have the primary financial responsibility for our lives, that our duties will be domestic, getting the kids to school and such" (p. 22).

Dowling maintains that this is a result of women's deep-seated desire to be taken care of by others coupled with a fear of independence.

Dowling (1981) argues that because many women have the choice of whether or not to work outside the home, they can choose and often do choose to relinquish financial responsibility for themselves under the auspices of a socially accepted and revered role of homemaker. Unfortunately, Dowling explains, the consequences of such a "choice" are only visible once women start realizing the association between their "choice" and the economic destitution of elderly women. Dowling explains,

> The devastation of old-age is the most poignant outcome of the Cinderella Complex, if not the most destructive. It is tantamount to a kind of sickness, this blind spot we maintain- the inability (or refusal) to see the connection between the the false security we connect with being wives and the loneliness and poverty of older, often widowed women. We want so desperately to believe that someone else will take care of us. We want so desperately to believe that we do not have to be responsible for are own welfare (p. 35).

For many of these women the freedom to "choose" comes at a high price that all too often only reveals itself in old-age once it is too late. Their golden years are not so golden seeing how they are left impoverished and alone.

It is important that we understand that Dowling (1981) holds women accountable for their lives and their financial well-being throughout their lifetime. She does, however, attribute women's passivity and dependence to a deeply rooted self-image that has its origins in infancy and nurtured in a culture that educates and rewards women for their submissiveness. Similarly, Gilligan (1993) asserts that North American culture is still very much a patriarchal society that teaches little girls to identify with the "good woman" stereotype. Thus, in order to be socially accepted and loved they must place others' needs before their own. The results are psychologically catastrophic, Dowling (1981) explains, as it erodes women's self-esteem, promotes dependence and, worst of all, causes women to expect very little of themselves. Additionally, the financial consequences are substantial in magnitude.

11. Concluding Remarks

Traditional gender roles, institutional barriers and a lack of financial confidence have hindered many Canadian women from planning for their financial well-being in old-age. It must be clearly understood, however, that women's lack of financial preparedness for retirement is not due to a lack of intelligence or the inability to manage their finances. In fact, findings from the National Center for Women's Retirement Research have indicated that women's inadequate financial planning is a direct result of poor self-esteem, early education, and parental influence and upbringing. Inadequate planning is therefore a result of women's attitudes and beliefs about themselves, as opposed to the inability to plan for a financially secure retirement. Research has shown that for those female retirees who have not adequately planned for their financial well-being in retirement, the consequences are both psychologically and financially catastrophic. The experiences of these older women can serve to enlighten younger generations of Canadian women and provide an example from which to learn. As more and more women become aware of the psychological barriers that have impeded them from taking control of their financial destinies, they are making saving for retirement a top priority. What is most encouraging is that financial management has empowered these women and left them with a sense that they are in control of their lives. Although money is no guarantee for a happy retirement, financial security is a good place to start.

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APPENDIX A

PARTICIPANT LETTER

Concordia University

January 23, 2004

Dear Participant,

My name is Gillian Leithman and I am a graduate student at Concordia University. Dr. Linda Dyer and I are currently conducting research in the area of life satisfaction and financial well being in retirement.

The objective of the study is to develop an understanding of work, saving, pensions and retirement that reflects the experiences of Canadian women and men. The results of the study should help us recommend improvements to retirement policies and services.

The questionnaire is estimated to take 15-20 minutes to complete. I assure you that all information will be kept **strictly confidential.** No one except my research supervisor and myself will have access to the data.

I thank you in advance for your participation. Your time and effort is greatly appreciated.

Sincerely,

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1455 de Maisonneuve Blvd. W., Montreal, Quebec, Canada H3G 1M8

APPENDIX B

QUESTIONNAIRE

Please answer the following questions by checking the appropriate box or by filling in the blank.

1. Previous Employment Status

□ Paid worker
□ Business owner
□ Professional
□ Home-maker/volunteer

2. What was your primary occupational status from the age of 30 until you retired?

____

3. Did you work?

□ Full time   □ Part time

4. Approximate number of years of paid work in your life- time? _____

5. At what age did you start to save for retirement?

□ Under 30 years old   □ 30-39 years old

□ 40-59 years old   □ 60 and over

□ Never

6. At what age did you first calculate how much money you would need to fund retirement activities (e.g., as travel and leisure)?

□ Under 40 years old   □ 60 and over

□ 40-59 years old   □ I never did any calculations

7. At what age did you first calculate the financial benefits you would receive from the Quebec Pension Plan?

□ Under 40 years old   □ 60 and over

□ 40-59 years old   □ I never did any calculations

8. At what age did you calculate the amount of money you would need in order to maintain your current standard of living?

- □ Under 40 years old
- □ 40-59 years old
- □ 60 and over
- □ I never did any calculations

9. Please indicate your approximate household annual income prior to retirement:

- □ Less than $20,000
- □ $20,000 - $29,999
- □ $30,000 - $39,999
- □ $40,000 - $49,999
- □ $50,000 - $59,999
- □ $60,000 - $69,999
- □ $70,000 - $79,999
- □ $80,000 or more

10. Please indicate your annual sources of before tax retirement income and their relative importance (or approximate annual dollar value):

	%	($)
Employer (company) pension		
Registered Retirement Savings Plans/ Income Funds (RRSPs/RRIFs)		
Quebec/Canada Pension (Q/CPP)		
Old-age Security (OAS)		
Guaranteed Income Supplement (GIS)		
Other investment and business income		
Reverse mortgage or sale of real assets		
Family support		
Other—please specify______________		
	100%	

11a. Please indicate your home ownership status

□ Own home with small or no mortgage
□ Own home with mortgage greater than 20%
□ Do not own home

11b. Have you arranged or do you plan to arrange a reverse mortgage?

Yes ______
No ______

12. Please indicate the number of years you spent as a member of an employer (company) pension plan:_____

13. Please indicate your household's approximate annual retirement income:

□ Less than $20,000	□ $50,000 - $59,999
□ $20,000 - $29,999	□ $60,000 - $69,999
□ $30,000 - $39,999	□ $70,000 - $79,999
□ $40,000 - $49,999	□ $80,000 or more

14. Please indicate your current level of satisfaction with the following areas of your life by circling the appropriate number.

0	1	2	3	4	5	6
Not Applicable	Very Dissatisfied	Dissatisfied	Somewhat Dissatisfied	Somewhat Satisfied	Satisfied	Very Satisfied

A. My financial situation	0	1	2	3	4	5	6
B. My physical health	0	1	2	3	4	5	6
C. The health of my spouse	0	1	2	3	4	5	6
D. Relationships with other family members	0	1	2	3	4	5	6
E. My level of physical activity	0	1	2	3	4	5	6
F. My access to transportation	0	1	2	3	4	5	6
G. Services from community agencies and programs	0	1	2	3	4	5	6
H. Services from government aid programs (Quebec Pension Plan; OAS/GIS)	0	1	2	3	4	5	6
I. My personal safety	0	1	2	3	4	5	6

15. Please indicate whether you agree or disagree with the following statements by circling the appropriate number.

	Strongly Disagree	Disagree	Agree	Strongly Agree
	1	2	3	4
A. With my current income I have no trouble making ends meet	1	2	3	4
B. I feel anxious about money	1	2	3	4
C. I should have made the sacrifices necessary to earn more money	1	2	3	4
D. I should have become more knowledgeable about different savings and investment options	1	2	3	4
E. I should have talked more with my spouse and/or other family members about my/our financial plans	1	2	3	4
F. I have plenty of money to do the types of things that I enjoy	1	2	3	4
G. I should have restrained my spending on luxuries and non-essential items	1	2	3	4
H. I should have gotten more professional help in planning for retirement	1	2	3	4

	Strongly Disagree	Disagree	Agree	Strongly Agree
	1	2	3	4
I. I should have spent more time with my family even if it meant earning less	1	2	3	4
J. I should have started saving earlier	1	2	3	4
K. I should have calculated how much money I would need to save in order to have adequate retirement income	1	2	3	4
L. I underestimated the importance of money for my being happy in retirement	1	2	3	4
M. I have sufficient income for my wants and my needs	1	2	3	4
N. I underestimated the importance of knowing how to use my free time in retirement	1	2	3	4
O. I should have retired earlier	1	2	3	4
P. I should have tried to delay my retirement	1	2	3	4

16. Please indicate on a scale of 1 to 6 how satisfied you are with your and/or your family's financial situation:

1- Very dissatisfied

2- Dissatisfied

3- About equally satisfied and dissatisfied

4- Somewhat dissatisfied

5- Satisfied

6- Very satisfied

17. Please indicate on a scale from 1 to 6 how you feel about your and/or your family's standard of living- the things you have, like housing, cars, furniture, recreation, and the like?

1- Very dissatisfied

2- Dissatisfied

3- About equally satisfied and dissatisfied

4- Somewhat dissatisfied

5- Satisfied

6- Very satisfied

18. How often do you find yourself worrying about money?

1- Never

2- Hardly ever

3- Once in a while

4- Frequently

Please answer the following questions:

19. Gender
    - □ Male
    - □ Female

20. At what age did you retire? _____

21. What is your current age? _____

22. To which ethnic group do you belong? ________________________

23. Marital Status

□ Married	□ Widowed
□ Never married	□ Divorced/ Separated

24. Education

□ Less than high school	□ Master's or certificate above bachelor's
□ Graduated high school	□ Degree in medicine, dentistry
□ Non-university certificate	□ Doctorate
□ University certificate/bachelor's degree	

25. Are there any additional comments you would like to make concerning the financing of retirement or any other issue raised by the questionnaire?

____
____
____
____
____

APPENDIX C

RERENCE GUIDE TO GOVERNMENT AND RETIREMENT PLANNING AGENCIES

Pension Regulator.
Regie des rentes du Quebec
www.rrq.gouv.qc.ca
1-800-463-5185

Securities Regulator
Securities Commission
www.cvmq.com
1-800-361-5072

Old-age security
www.hrdc-drhc.gc.ca
1-800-277-9914

Seniors Policies and Programs Database
www.sppd.gc.ca

Association of Canadian Pension Planning
www.acpm.com

Canadian Pension and Benefits institute
www.cpbi-icra.ca

Question Retraite
An organization dedicated to informing Quebecers of the importance of long-range planning for retirement financial security.
www.questionretraite.qc.ca

Social Support Agency

Ami Quebec
An organization that offers support groups for depression
486-1448

APPENDIX D

CONSENT FORM TO PARTICIPATE IN THE RETIREMENT INTERVIEW

Concordia
UNIVERSITY

CONSENT FORM TO PARTICIPATE IN RESEARCH

This is to state that I agree to participate in a program of research being conducted by Gillian Leithman, a graduate student, and Dr. Linda Dyer, of the Management department of Concordia University.

I have been informed that the purpose of the research is to investigate life satisfaction and financial well being in retirement.

The study is a self-administered questionnaire that is estimated to take between fifteen and twenty minutes to complete. All information will be kept **strictly confidential.**

- I understand that I am free to withdraw my consent and discontinue my participation at anytime without negative consequences.
- I understand that my participation in this study is confidential.
- I understand that the data from this study may be published.

I have carefully studied the above and understand this agreement. I freely consent and voluntarily agree to participate in this study.

SIGNATURE _____________ DATE _____________

If at any time you have questions about your rights as a research participant, please contact Adela Reid, Research Ethics and Compliance Officer, Concordia University, at 514-848-2424, ex 7481 or by email at AdelaReid@Concordia.Ca.

APPENDIX E

QUESTIONS FOR RETIREMENT INTERVIEW

1. What do you do with your time now that you are no longer working?
   Do you volunteer, work part-time, attend community events, spend time with family and friends?

2. Do you feel that your expectations for retirement have materialized?

3. What do you think has been the most positive aspect of retiring?

4. What has been the most challenging aspect of retirement?

5. Do you feel that you adequately planned for your financial well-being in retirement?
   Do you get financial support from others, such as family members or the community?