

RETIREMENT HOUSING AND LOCATIONAL PREFERENCES OF THE DEPRESSION AND EARLY BABY BOOM AGE COHORTS

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Abstract

The purpose of this study was to compare the housing and locational preferences and plans for the first 10 years of retirement of two cohorts within the maturing population: the early baby boomers (born 1946-1954) and the Depression cohort (born 1930-1939). The data were collected as part of a telephone survey of Oregon and Utah residents. Chi-square analyses were used to determine whether there are significant differences between the two cohorts (N = 836). Early baby boom cohort respondents were found to be significantly different ($p < .01$) from Depression cohort respondents in terms of propensity to move: only 51% of early baby boomers plan to remain in current housing compared to 67% of Depression cohort respondents.

Introduction

Housing demand and production in the United States since World War II have been influenced by the aspirations and requirements of two important age cohorts: the Depression cohort (born 1930-1939) and the baby boom cohort (born 1946-1964). During the 1950s, the Depression or 'nesting' cohort and its offspring, the baby boom cohort, transformed the housing landscape. Housing was shaped by the requirements of child rearing, and tract-house suburbia dominated the postwar housing scene until 1970 (Sternlieb & Hughes, 1986). The baby boom cohort entered the housing market during the late 1960s and 1970s and stimulated record levels of household growth (National Association of Home Builders, 1985). The values and lifestyles of this cohort during its

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young adult years produced an eclectic mix of household types, and this mix in turn revised the types of housing that were offered. Among the alternative housing types that emerged were renovated lofts, older homes converted into several apartments, and condominiums. Housing starts in apartment buildings of five or more units accounted for nearly 40% of the total starts at the beginning of the 1970s (Sternlieb & Hughes, 1986). During the 1980s and 1990s the maturing baby boom cohort influenced the demand for single-family homes. This demand resulted in a rise in the national home ownership rate from a low of 63.8% in 1986 to 64.6% of U.S. households in 1993 (German, 1994).

According to Sternlieb and Hughes (1986), the future of housing demand will be shaped most by the future of the baby boom generation (p. 25). Maturing baby boomers in the expanding and established family stages of the life cycle will continue to dominate the U.S. housing market in the 1990s. After the year 2010, baby boomers in the contracting and retired household stages of the life cycle will have a major impact on housing demand and production. As baby boomers become 'senior' boomers, the number of older people in the population will double. By the year 2030, when the oldest surviving baby boomers will be age 84 and the youngest will be age 65, one in five Americans will be over the age of 65 (Bouvier & De Vita, 1991).

Since the aging baby boom cohort will have a significant impact on housing demand and production, it is especially important to understand this cohort's housing decisions and preferences. The impact of the baby boom cohort during the household formation stage of the life cycle was very different from that of its parents. The attributes and life experiences of the baby boom cohort may result in housing preferences and plans for retirement that also will be markedly different from those of the Depression cohort and from those of cohorts who have already retired. As Sternlieb and Hughes (1986) noted, this giant generation has redefined consumer markets at each stage of its life cycle (p. 25). Public planners, policy makers, developers, and builders in the 21st century will need to understand these cohort differences (and similarities) in order to develop and produce housing alternatives that will appeal to members of this large and influential baby boom cohort.

Purpose

The purpose of this study was to compare the housing and locational preferences and plans for the first 10 years of retirement of two cohorts within the maturing population: the leading edge or early baby boomers (born 1946-1954) and the Depression cohort (born 1930-1939). These two cohorts each have had a considerable impact on the housing landscape and were in the pre-retirement or middle adulthood stage of development (ages 40 through 64) at the time the data were collected. The plans of a third cohort, the war babies born from 1940 through 1945, were not examined. The basic premise of this study was that members of each cohort have life experiences that differ and that affect decisions about where and how to live in retirement—such as whether to stay in a current home or move to another home, or whether to live in an age-segregated or age-integrated community.

Objectives

The objectives were to compare the two age cohorts in terms of:

1. propensity to move to other housing or to stay in their current housing during the first 10 years of retirement;
2. reasons for plans to move during the first 10 years of retirement: (a) want different housing, (b) have a change in work force participation, (c) want a larger housing unit, (d) want a smaller housing unit, (e) want a change in structure type, (f) want to reduce maintenance and up-keep, and (g) want a change in tenure;
3. locational preferences for the first 10 years of retirement: (a) community size, (b) age-integrated vs. age-segregated neighborhood;
4. locational preferences for informal and formal support systems during the first 10 years of retirement: (a) family members living in city, (b) support from close friends, (c) access to handyman type services, (d) access to a doctor, (e) access to a hospital, (f) public transportation, (g) adult educational opportunities, and (h) place of worship;
5. propensity to remodel or not remodel for those who intend to stay in their homes during the first 10 years of retirement;
6. reasons for plans to remodel during the first 10 years of retirement: (a) create additional space, (b) update appearance, (c) allow for a disability, (d) accommodate an illness, (e) complete unfinished space, and (f) promote independent living;
7. planned sources of retirement income: (a) social security, (b) pension plan sponsored by state/employer, (c) military plan, (d) employment, (e) savings, (f) IRA (individual retirement account), (g) mutual funds, (h) income from property ownership, (i) sale of real estate or other property, (j) annuities, and (k) paid-up life insurance.

Review of Literature

In the following sections the age cohorts are defined and described, and the cohort influence on housing demand is discussed. Research on pre-retirees' locational preferences is then discussed, and a prospective model of cohort preferences for the first 10 years of retirement is proposed.

Defining the Age Cohorts

A birth cohort is a group of individuals born in a given year or period (Easterlin, Macdonald, & Macunovich, 1990). Different authors and researchers have named and defined the cohorts of Americans born during the twentieth century in different ways, but most agree that the cohorts can be divided as follows: the G.I. cohort was born before 1930, the Depression cohort was born 1930 through 1939, the war babies were born 1940 through 1945, the baby boomers were born 1946 through 1964, the baby bust cohort was born 1965 through 1976, and the baby boomlet or echo baby boom was born 1977 to the present (Crispell, 1993).

The Depression Cohort

Birth rates during the Depression and World War II were the lowest of the twentieth century (Dunn, 1994). The cohort that was born during the Depression moved from tough economic times as young children to prosperous post-war years as young adults. This cohort has also been called the nesting generation (Sternlieb & Hughes, 1986) and the Eisenhower generation (Dunn, 1994) since they grew up when Dwight D. Eisenhower was Supreme Commander of the Allied forces and President of the United States. Bouvier and De Vita (1991) noted that the 1930s cohort has also been called the 'good times' cohort because of the relative ease with which they established careers and prospered. Although the Depression hung over their early years, the 1930s cohort reaped the social and economic benefits of being smaller than both the cohort that preceded it and the one that came after. The Depression cohort was aged 54 to 63 in 1993 and made up 8% of the population (Crispell, 1993). In general, the cohort that includes the parents of the baby boomers has considerable income and wealth. These older people benefited from strong economic and real wage growth until 1973, and since then from lackluster but positive real wage growth on average (Congress of the United States Congressional Budget Office, 1993).

The Baby Boom Cohort

Because of its large size, the baby boom cohort is thought to be less fortunate, even though the economic times have been much better (Bouvier & De Vita, 1991). The baby boom cohort includes roughly 76 million people born between 1946 and 1964 (Congress of the United States Congressional Budget Office, 1993). Baby boomers have also been known as the postponed, singular, Vietnam, Woodstock, or sixties generation. They were aged 29 to 47 and made up 30% of the population in 1993 (Crispell, 1993). For purposes of analysis, the baby boomers are commonly split into two age groups. Those born from 1946 through 1954 are known as early boomers and those born from 1955 through 1964 are called late boomers (Congress of the United States Congressional Budget Office, 1993). The leading edge of the baby boom (born between 1946 and 1954) was at the vanguard of change, while the more numerous trailing edge (born 1955 through 1964) was crowded behind (Bouvier & De Vita, 1991).

As they matured, the older baby boomers enjoyed the advantage of arriving first. The cohort's trailing edge endured split school-day sessions and faced tougher competition for college admissions. As Bouvier and De Vita (1991) noted, "... being a baby boomer meant passing through life's successive stages as part of a crowd" (p. 2). However, Easterlin et al. (1990) stated that the baby boom cohort is likely to enter old age in substantially better economic position than pre-boom cohorts because of demographic and economic adjustments that have been made by the baby boomers. These include deferred marriage, reduced childbearing, and increased labor force participation of wives, which compensated for relatively low wage rates.

Age Cohort Influences on Future Housing Demand

Housing demand and the type of housing demanded shifts in response to the size and rate of change of the population in specific age ranges. During the early and middle part of the twenty-first century housing demand will reflect, first, the aging of the small Depression cohort; second, the aging of the large baby boom cohort; and, third, the aging of the small baby bust cohort. A major challenge to housing policy is to meet the varying levels of demand posed by each cohort of elderly households but to avoid the problems of providing insufficient capacity, on the one hand, or excess capacity, on the other (Newman, 1986).

Although the total future demand for housing by the elderly will be influenced by the number and rate of formation of elderly-headed households, the demand for different types of housing is related to the characteristics of those households. Housing consumption patterns established at earlier ages appear to have a strong influence on housing consumption patterns at later ages. The patterns adopted by each age cohort are usually quite clear by age 50. Thus the increase in the rate of homeownership among elderly households through the 1990s will reflect the fact that 82% of middle-aged householders owned their homes in 1981. Although different birth cohorts exhibit different levels of consumption, the consumption paths or shapes are similar; thus the cohort effect establishes the level while the age effect influences the shape of the path (Newman, 1986).

Characteristics that will shape the housing consumption behavior of elderly households in the future include housing tenure choice, particularly the incidence of single-family home ownership. Whiteford and Morris (1986) examined the combined effects of age and tenure type on housing satisfaction and found that owners are equally satisfied with their housing regardless of age. Older renters are as satisfied as owners, whereas younger renters are significantly less satisfied than all other groups. The authors noted, however, that the differences between age groups in this cross-sectional study may be cohort differences: the older people in this study may have housing preferences different from those who are younger simply because of the times in which they have lived (p. 169).

Pre-retirees' Locational Preferences for Retirement

There has been limited investigation of pre-retirees' desires or plans for life after retirement, especially locational preferences. Pampel, Levin, Louviere, Meyer, and Rushton (1984) conducted a prospective study of Iowans between the ages of 55-64 (a prospective study is one conducted prior to the occurrence of an event). The objective of the study was to identify preferences of pre-retirees in order to develop an understanding of the basis of migration decisions. The respondents were asked to rate interest in moving from their current location to several hypothetical destinations. The relationship of socio-demographic characteristics and locational preferences was also examined.

Mileham (1993) investigated the relationship of seven predisposing attributes and 10 locational preferences of pre-retirees, aged 40 through 64, in three western states.

The predisposing attributes (i.e., age, gender, marital status, education, income, health, and number of previous moves) were supported in a prospective study by Pampel et al., (1984) as were five of the locational preferences: cost of living, proximity to family, warm temperatures, seasonal changes, and level of medical services. Mileham (1993) found that all of the predisposing attributes of pre-retirees were significantly related to one or more of the locational preferences. As age of respondents increased, perceived importance for the following locational preferences also increased: convenience and care amenities, proximity to family, warm temperature, and medical facilities. Perceived importance of recreational facilities decreased as age increased. In a discussion of the findings of her study Mileham (1993) noted:

Different experiences of age cohorts influence needs and desires. The locational preferences and choices of the 65 to 85 year old may not be appropriate for an emerging aging population. Each age cohort brings different experiences to the decision of where to live after retirement (p. 98).

Proposed Model

This study, built upon Mileham's study, compared two age cohorts in terms of their housing and locational preferences and plans for the first 10 years of retirement. Whereas Mileham tested a model that included the predisposing attribute age and its effect on locational preferences during the first 10 years of retirement, this study looked at the predisposing attribute of membership in an age cohort. Several additional locational preferences that were not examined by Mileham but are variables identified as relevant by other researchers (Malroux, 1992; McFadden & Brandt, 1991) were investigated in this study: community size; age-integrated vs. age-segregated neighborhood; and various informal and formal support systems, including support from close friends, access to handyman services, access to a doctor, public transportation, adult educational opportunities, and preferred place of worship. Two locational preferences that were found to be significantly related to age in Mileham's (1993) study are also examined in this report: family members living in city, and access to a hospital. In addition, this study examined housing preferences and plans for the first 10 years of retirement, including plans to move to other housing or stay in current housing, reasons for plans to move, plans to remodel or not remodel, reasons for plans to remodel, and planned sources of retirement income. The proposed model of cohort preferences for the first 10 years of retirement is shown in Figure 1. The basic premise of this model is that members of different age cohorts have different life experiences that affect their housing and locational preferences and plans for the first 10 years of retirement.

Method

Data Collection

The data were collected during October 1993 through January 1994 as a part of a telephone survey of metropolitan and non-metropolitan Oregon and Utah residents conducted by the Western Regional Agricultural Experiment Station Committee (W-

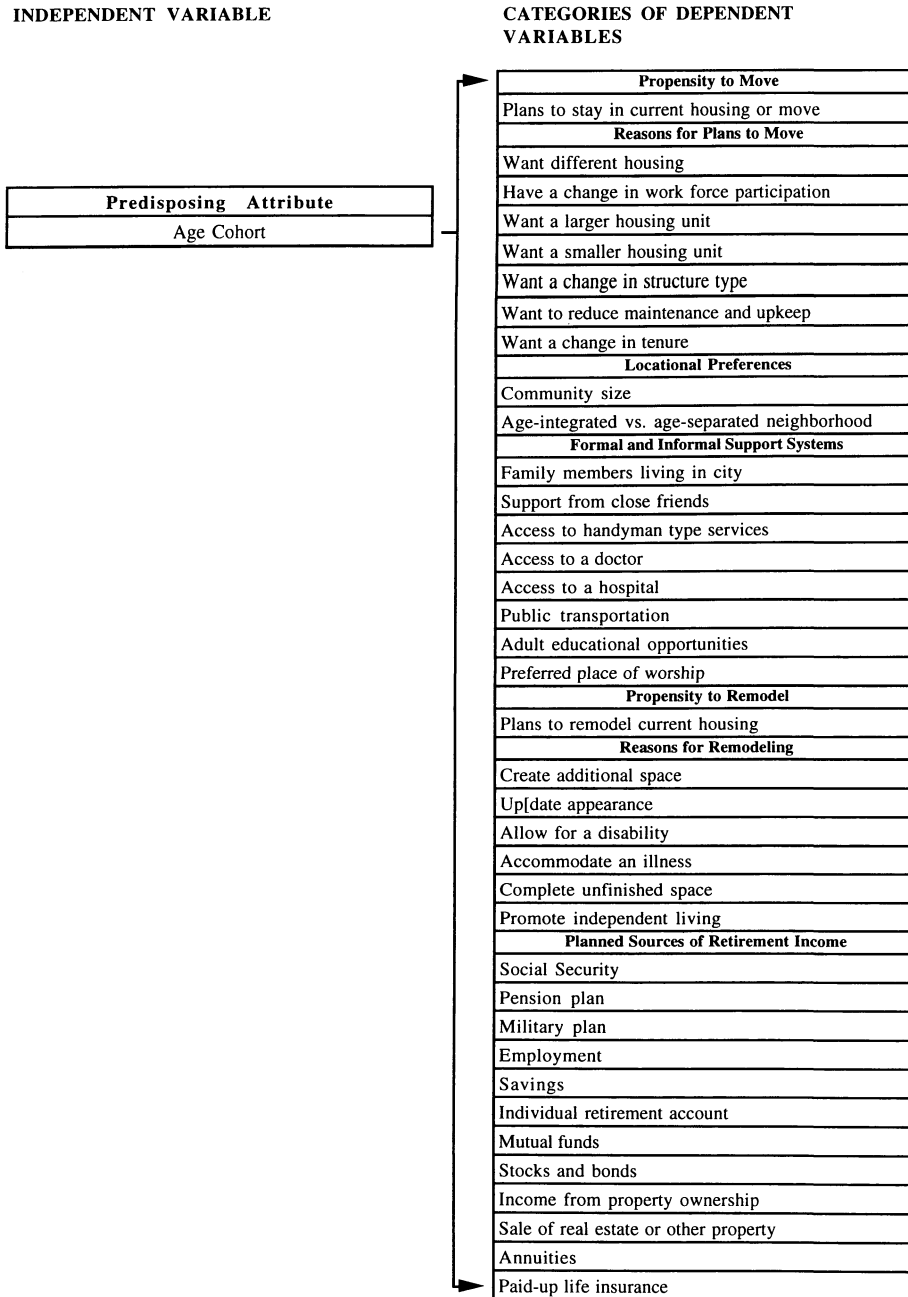


Figure 1. Proposed model of cohort preferences for the first 10 years of retirement.

176). Oversampling of the non-metropolitan population was done to reduce non-random sample error. A random sample of the population aged 40 through 64 was interviewed using a Computer Assisted Telephone Interview (CATI) system at the College of Home Economics and Education Telephone Survey Lab, Oregon State University. The random sample was drawn by two methods in order to reduce bias that might occur through using listed telephone numbers. One sample for each state was drawn from listed telephone numbers and addresses, and the second sample used random digit numbers. A response rate of 39.5% for Oregon (575 useable completed interviews of 256 metropolitan and 319 non-metropolitan residents) and 52% for Utah (600 usable completed interviews of 300 metropolitan and 300 non-metropolitan residents) resulted in a two-state response rate of 45%. Respondents included 257 respondents born during the years 1930 through 1939, and 579 respondents born during the years 1946 through 1954 (N = 836). Weights were developed so that the data could represent the true metropolitan/non-metropolitan population within each state and the population size difference between the two states. The responses of metropolitan and non-metropolitan residents of Oregon and Utah were weighted as follows: metropolitan Oregon, 2.4596; non-metropolitan Oregon, 1.0165; metropolitan Utah, .63474; and non-metropolitan Utah, .10333.

Measurement of the Variables

Independent variable. The independent variable was age cohort. Respondents were asked for their year of birth. Those who were born from 1930 through 1939 were classified as Depression cohort respondents and those who were born from 1946 through 1954 were classified as early baby boom cohort respondents.

Dependent variables. The dependent variables were respondents' plans and locational preferences for the first 10 years of retirement and planned sources of retirement income (see Table 1). All respondents were asked whether they plan to stay in current housing or move to other housing during the first 10 years of retirement. Respondents who selected 'stay in current housing' were classified as future non-movers and those who selected 'move to other housing' were classified as future movers. Future movers were asked whether or not any of seven listed items would be a reason to move during the first 10 years of retirement. Each of these reasons was classified as a dichotomous variable.

All respondents were asked about their locational preferences for community size during the first 10 years of retirement. Each response regarding city or regional population was classified as a categorical variable. All respondents were also asked about their locational preferences for living in an age-integrated versus age-segregated neighborhood during retirement. Each of the responses was classified as a categorical variable. Responses coded "1" through "4" were considered preferences for an age-integrated neighborhood, and "5" was considered a preference for an age-segregated neighborhood.

All respondents were asked whether or not they preferred eight informal and formal support systems during the first 10 years of retirement, and whether or not any of

Table 1. Measurement of Selected Dependent Variables

Dependent Variables	Coding	
Reason to move (for movers):	Yes	No
Want different housing	1	0
Have a change in workforce participation	1	0
Want a larger housing unit	1	0
Want a smaller housing unit	1	0
Want a change in structure type	1	0
Want to reduce maintenance and upkeep	1	0
Want a change from owner to renter or renter to owner	1	0
Preference for community size:	Categorical variable	
<2,500	2,500 up to 10,000	1
10,000 up to 20,000		2
20,000 up to 50,000		3
50,000 up to 150,000		4
150,000 up to 500,000		5
>500,000		6
		7
Preference for age-integrated versus age-segregated neighborhood	Categorical variable	
Neighborhood with people of all ages		1
Neighborhood with mostly younger (<30) people		2
Neighborhood with mostly middle-aged (30-50) people		3
Neighborhood with mostly older (>50) people		4
Neighborhood with only older people		5
Preference for informal and formal support systems	Yes	No
Have family members living in city	1	0
Receive support from close friends	1	0
Have access to handyman type services	1	0
Have access to a doctor	1	0
Have access to a hospital	1	0
Have public transportation	1	0
Have adult educational opportunities	1	0
Have preferred place of worship	1	0

Table 1 Continues

Table 1. continued

Dependent Variables	Coding	
	Yes	No
Reasons to remodel current housing		
Create additional space	1	0
Update appearance	1	0
Allow for a disability	1	0
Accommodate an illness	1	0
Complete unfinished space	1	0
Promote independent living	1	0
Sources of planned retirement income	Yes	No
Social security	1	0
Pension plan sponsored by state/employer	1	0
Military plan	1	0
Employment	1	0
Savings	1	0
IRA (Individual Retirement Account)	1	0
Mutual funds	1	0
Stocks and/or bonds	1	0
Income from property ownership	1	0
Sale of real estate or other property	1	0
Annuities	1	0
Paid-up life insurance	1	0

12 listed items would be a source of planned retirement income. Each response was classified as a dichotomous variable. Future non-movers were asked whether or not they planned to remodel their current housing during the first 10 years of retirement. Respondents who selected “no” were classified as future non-remodelers, and those who selected “yes” were classified as future remodelers. Future remodelers were asked whether or not any of six listed items would be a reason to remodel current housing during the first 10 years of retirement, and each of these reasons was classified as a dichotomous variable.

Statistical Analyses

Descriptive and inferential statistics were generated in order to create a profile of each group (Depression cohort respondents and early baby boom cohort respondents). Chi-square analyses were performed on unweighted data so that the results would be

Table 2. Selected Characteristics of Respondents in Percentage and Chi-square Test of Cohort Differences (N=836)

Characteristic	Depression Cohort (n=257)	Early Baby Boom Cohort (n=579)	χ^2	df	Significance
Education:			39.871	13	.000**
High School diploma or less	34.5	24.9			
Some college	27.5	37.2			
Bachelors degree or more	38.0	38.0			
Marital Status:			14.321	6	.026*
Married	79.0	76.9			
Widowed	5.4	1.7			
Divorced or separated	12.0	16.0			
Never married	3.0	5.0			

* $p < .05$.** $p < .001$.

representative of the sample. Respondents were described by gender, household size, income, educational level, and marital status.

Chi-square analyses using weighted data were used to test the null hypotheses. The level of significance was .05. Weighted data were used so that the results would be representative of the populations of the two states.

Results

Sample Description

A larger percentage of respondents in the two age cohorts (55.6% of Depression cohort respondents and 60.8% of early baby boom cohort respondents) were male, and fewer respondents in the two age cohorts (44.4% of Depression cohort respondents and 39.2% of early baby boom cohort respondents) were female. Depression cohort respondents had a mean household size of 2.37 persons. The mean household size of early baby boom cohort respondents was 3.81 persons. Respondents' median household income before taxes in 1992 was in the \$35,000 to \$49,999 range. There was no significant difference between the two cohorts in terms of median household income.

The two cohorts were significantly different, however, in educational level and marital status (see Table 2). More Depression cohort respondents had a high school diploma or less education compared to early baby boom cohort respondents, and fewer Depression cohort respondents had some college compared to early baby boom cohort respondents.

Null Hypotheses and Test Results

Hypothesis 1: Depression cohort respondents and early baby boom cohort respondents do not differ in their plans to stay in their current housing or move to other housing during the first 10 years of retirement.

There was a significant difference between Depression cohort respondents and early baby boom cohort respondents in terms of their propensity to stay in their current homes or move during the first 10 years of retirement. A majority (66.9%) of Depression cohort respondents and a little over half (51%) of early baby boom respondents plan to stay in their current homes during the first 10 years of retirement. However, almost half (49%) of early baby boom respondents but only a third (33.1%) of Depression cohort respondents plan to move to other housing (see Table 3).

Hypothesis 2: Depression cohort future movers and early baby boom cohort future movers do not differ in their reasons for plans to move: (a) want different housing, (b) have a change in work force participation, (c) want a larger housing unit, (d) want a smaller housing unit, (e) want a change in structure type, (f) want to reduce maintenance and upkeep, and (g) want a change in tenure.

There was a significant difference between Depression cohort future movers and early baby boom cohort future movers on only one of the reasons for moving during the first 10 years of retirement: (c) want a larger housing unit. A larger percentage of early baby boom cohort future movers (17.6%) compared to Depression cohort future movers (6.9%) plan to move because they want a larger housing unit (see Table 3). There was no significant difference between Depression cohort future movers and early baby boom cohort future movers for any of the other six reasons for moving. Each of the reasons listed was seen as not being a reason for moving during the first 10 years of retirement by a majority of future movers in each cohort. (see Table 4).

Hypothesis 3a: Depression cohort respondents and early baby boom cohort respondents do not differ in their locational preferences for community size during the first 10 years of retirement.

There was no significant difference between Depression cohort respondents and early baby boom cohort respondents in terms of locational preferences for community size. About 26.7% of Depression cohort respondents and 33.3% of early baby boom cohort respondents would prefer to live in a metropolitan area (defined as containing a place with a minimum population of 50,000) (see Table 5).

Hypothesis 3b: Depression cohort respondents and early baby boom cohort respondents do not differ in their locational preferences for age-integrated versus age-segregated neighborhoods during the first 10 years of retirement.

Table 3. Significant Chi-square Test Results

A. Chi-square Test Results Regarding Plans to Stay in Current Homes or Move During the First 10 Years of Retirement Using Weighted Data (N = 677)

% of Respondents in Each Category Selecting Variables					Results of Statistical Analysis		
Move or stay	Depression Cohort Weighted <i>n</i> = 201		Early Baby Boom Cohort Weighted <i>n</i> = 476		χ^2	<i>df</i>	Significance
	Move	Stay	Move	Stay			
	66.9	33.1	51.0	49.0	14.503	1	.000**

B. Chi-square Test Results Regarding Reasons for Moving During the First 10 Years of Retirement Using Weighted Data (N = 300)

% of Respondents in Each Category Selecting Variables					Results of Statistical Analysis		
Larger housing unit	Depression Cohort Weighted <i>n</i> = 67		Early Baby Boom Cohort Weighted <i>n</i> = 233		χ^2	<i>df</i>	Significance
	No	Yes	No	Yes			
	93.1	6.9	82.4	17.6	4.660	1	.031*

C. Chi-square Test Results Regarding Locational Preferences for Informal and Formal Support Systems During the First 10 Years of Retirement Using Weighted Data

% of Respondents in Each Category Selecting Variables					Results of Statistical Analysis		
Public Transportation	Depression Cohort Weighted <i>n</i> = 224		Early Baby Boom Cohort Weighted <i>n</i> = 548		χ^2	<i>df</i>	Significance
	No	Yes	No	Yes			
	18.9	81.1	12.8	87.2	4.772	1	.029*

D. Chi-square Test Results Regarding Sources of Planned Retirement Income During the First 10 Years of Retirement Using Weighted Data

% of Respondents in Each Category Selecting Variables					Results of Statistical Analysis		
Life insurance	Depression Cohort Weighted <i>n</i> = 226		Early Baby Boom Cohort Weighted <i>n</i> = 558		χ^2	<i>df</i>	Significance
	No	Yes	No	Yes			
	62.4	37.6	53.2	46.8	5.540	1	.019*

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

Table 4. Chi-square Test Results Regarding Reasons for Moving During the First 10 Years of Retirement Using Weighted Data (N=300)

	% of Respondents in Each Category Selecting Variables				Results of Statistical Analysis		
	Depression Cohort Weighted $n = 67$		Early Baby Boom Cohort Weighted $n = 233$		χ^2	df	Significance
	No	Yes	No	Yes			
Different Housing	69.4	30.6	63.1	36.9	.899	1	.342
Change in work situation	78.1	21.9	83.4	16.6	.986	1	.321
Larger housing unit	93.1	6.9	82.4	17.6	4.660	1	.031*
Smaller housing unit	73.2	26.8	72.2	27.8	.028	1	.869
Change in housing structure	79.6	20.4	78.7	21.3	.024	1	.876
Reduce maintenance	67.2	32.8	69.5	30.5	.129	1	.719
Change in tenure	79.3	20.7	79.0	21.0	.004	1	.950

* $p < .05$.

There was no significant difference between the Depression cohort respondents and early baby boom cohort respondents in terms of locational preferences for age-integrated versus age-segregated neighborhoods during the first 10 years of retirement. A majority of respondents (78% of Depression cohort respondents and 80% of early baby boom cohort respondents) would prefer an age-integrated neighborhood with people of all ages (see Table 6).

Hypothesis 4: Depression cohort respondents and early baby boom cohort respondents do not differ in their locational preferences for informal and formal support systems during the first 10 years of retirement: (a) family members living in city, (b) support from close friends, (c) access to handyman type services, (d) access to a doctor, (e) access to a hospital, (f) public transportation, (g) adult educational opportunities, and (h) place of worship.

There was a significant difference between the Depression cohort respondents and early baby boom cohort respondents on only one of the locational preferences for informal and formal support systems during the first 10 years of retirement: (f) would like to have public transportation (see Table 3). Fewer Depression cohort respondents (81.9%) than early baby boom cohort respondents (87.2%) want to have public transportation in the community in which they plan to live during the first 10 years of retire-

Table 5. Chi-square Test Results Regarding Locational Preferences for Community Size Using Weighted Data (N = 795)

	% of Respondents in Each Category Selecting Variables		Results of Statistical Analysis		
	Depression Cohort Weighted <i>n</i> = 233	Early Baby Boom Cohort Weighted <i>n</i> = 563	χ^2	<i>df</i>	Significance
	Yes	Yes			
Non-Metropolitan			7.425	7	.386
Less than 2,500	19.0	15.9			
2,500 - 10,000	14.9	16.9			
10,000 - 20,000	13.1	12.3			
20,000 - 50,000	18.4	13.5			
Subtotal	65.4%	58.6%			
Metropolitan					
50,000 - 150,000	15.1	16.8			
150,000 - 500,000	6.7	8.4			
More than 500,000	4.9	8.1			
Subtotal	26.7%	33.3%			
Did not know	8.0	8.1			
Total	100.0%	100.0%			

Table 6. Chi-square Test Results Regarding Age-Integrated Versus Age-Segregated Neighborhoods Using Weighted Data (N = 786)

	% of Respondents in Each Category Selecting Variables		Results of Statistical Analysis		
	Depression Cohort Weighted <i>n</i> = 229	Early Baby Boom Cohort Weighted <i>n</i> = 557	χ^2	<i>df</i>	Significance
	Yes	Yes			
All Ages	78.0	80.0	7.049	4	.133
Mostly younger	0.0	0.2			
Mostly middle age	11.8	12.7			
Mostly older	9.4	5.0			
Only older	.8	2.1			
Total	100.0%	100.0%			

Table 7. Chi-square Test Results Regarding Locational Preferences for Informal and Formal Support Systems During the First 10 Years of Retirement Using Weighted Data

	% of Respondents in Each Category Selecting Variables						Results of Statistical Analysis		
	Depression Cohort			Early Baby Boom Cohort			χ^2	df	Significance
	Weighted <i>n</i>	No	Yes	Weighted <i>n</i>	No	Yes			
Family member living in city	226	16.4	83.6	539	12.1	87.9	2.475	1	.116
Support from close friends	232	4.7	95.3	558	5.5	94.5	.215	1	.643
Access to handy services	232	3.6	96.4	557	4.2	95.8	.114	1	.704
Access to a doctor	233	1.0	99.0	559	1.4	98.6	.243	1	.622
Access to a hospital	232	1.6	95.4	558	3.5	96.5	.541	1	.462
Public transportation	224	18.9	81.1	548	12.8	87.2	4.772	1	.029*
Adult education	231	9.5	90.5	555	8.9	91.1	.070	1	.791
Preferred place of worship	229	5.8	94.2	527	6.6	93.4	.148	1	.701

* $p < .05$.

ment. There was no significant difference between the Depression cohort respondents and early baby boom cohort respondents for any of the other seven locational preferences for informal and formal support systems during the first 10 years of retirement. Each of these seven community support systems was preferred by a majority of respondents in each cohort (see Table 7).

Hypothesis 5: Depression cohort future nonmovers and early baby boom cohort future nonmovers do not differ in their plans to remodel their current housing during the first 10 years of retirement.

There was no significant difference between Depression cohort future nonmovers and early baby boom cohort future nonmovers in terms of plans to remodel during the first 10 years of retirement. A majority of respondents in each group (72.3% of Depression cohort future nonmovers, and 63.7% of early baby boom cohort future nonmovers) said they did *not* have plans to remodel (see Table 8).

Table 8. Chi-square Test Results Regarding Future Nonmovers' Plans to Remodel During the First 10 Years of Retirement Using Weighted Data (N = 381)

	% of Respondents in Each Category Selecting Variables						Results of Statistical Analysis		
	Depression Cohort			Early Baby Boom Cohort			χ^2	df	Significance
	Weighted n	No	Yes	Weighted n	No	Yes			
Remodel current housing	145	72.3	27.7	237	63.7	36.3	3.003	1	.083

Hypothesis 6: Depression cohort future remodelers and early baby boom cohort future remodelers do not differ in their reasons for remodeling their current housing during the first 10 years of retirement: (a) create additional space, (b) update appearance, (c) allow for a disability, (d) accommodate an illness, (e) complete unfinished space, and (f) promote independent living.

There was no significant difference between Depression cohort future remodelers and early baby boom cohort future remodelers for any of the six reasons listed for remodeling their homes during the first 10 years of retirement. A majority of future remodelers in the two cohorts (82.3% of Depression cohort future remodelers and 84.5% of early baby boom cohort future remodelers) indicated that they would remodel in order to update the appearance of their current home during the first 10 years of retirement. Few future remodelers (18.5% of Depression cohort future remodelers and 16.6% of early baby boom cohort future remodelers) said they would remodel their current home in order to promote independent living (see Table 9).

Hypothesis 7: Depression cohort respondents and early baby boom cohort respondents do not differ in their planned sources of retirement income: (a) social security, (b) pension plan sponsored by state/employer, (c) military plan, (d) employment, (e) savings, (f) IRA (individual retirement account), (g) mutual funds, (h) income from property ownership, (i) sale of real estate or other property, (j) annuities, and (k) paid-up life insurance.

There was a significant difference between Depression cohort respondents and early baby boom cohort respondents on only one of the sources of planned retirement income: (l) paid-up life insurance (see Table 3). Nearly half (46.8%) of early baby boom cohort respondents but only 37.6% of Depression cohort respondents plan on retirement income from paid-up life insurance. There was no significant difference between Depression cohort respondents and early baby boom respondents in terms of the remaining sources of planned retirement income (see Table 10). Most (98.6% of Depression cohort and 96.8% of early baby boom cohort) respondents plan to use social

Table 9. Chi-square Test Results Regarding Future Remodelers' Reasons for Remodeling Their Homes During the First 10 Years of Retirement Using Weighted Data (N = 126)

	% of Respondents in Each Category Selecting Variables				Results of Statistical Analysis		
	Depression Cohort Weighted <i>n</i> = 40		Early Baby Boom Cohort Weighted <i>n</i> = 86		χ^2	<i>df</i>	Significance
	No	Yes	No	Yes			
Create additional space	68.9	31.1	74.6	25.4	.447	1	.504
Update appearance	17.7	82.3	15.5	84.5	.095	1	.758
Allow for disability	90.8	9.2	91.8	8.2	.032	1	.859
Accommodate an illness	98.2	1.8	96.2	3.8	.337	1	.562
Complete unfinished space	85.3	14.7	81.2	18.8	.310	1	.578
Promote independent living	81.5	18.5	83.4	16.6	.072	1	.788

security as a source of retirement income. A majority also plans to use pension plans, employment, savings, and IRAs. Only a small percentage plan to have retirement income from a military plan or from annuities. More than half (52.4%) of Depression cohort respondents and 45.7% of early baby boom cohort respondents plan on income from mutual funds. Less than half of the Depression cohort respondents and early baby boom cohort respondents plan on stocks or bonds, property ownership, or sale of real estate or other property as sources of retirement income.

Discussion and Implications

Two age cohorts (*N* = 836) within the maturing population—the Depression cohort (born 1930-1939) and the leading edge or early baby boomers (born 1946-1954)—were compared in terms of their housing and locational preferences and plans for the first 10 years of retirement. The basic premise of this study was that members of each age cohort bring different life experiences to decisions about where and how to live in retirement. Although some significant differences were found between Depression cohort respondents and early baby boom cohort respondents in this study, there were also many similarities. Public planners, policy makers, developers, and builders will need

Table 10. Chi-square Test Results Regarding Sources of Planned Retirement Income During the First 10 Years of Retirement Using Weighted Data

	% of Respondents in Each Category Selecting Variables						Results of Statistical Analysis		
	Depression Cohort			Early Baby Boom Cohort			χ^2	df	Significance
	Weighted <i>n</i>	No	Yes	Weighted <i>n</i>	No	Yes			
Social Security	229	1.4	98.6	558	3.2	96.8	1.964	1	.161
Pension plan	229	28.9	71.1	561	25.8	74.2	.785	1	.375
Military plan	227	94.8	5.2	562	92.8	7.2	1.025	1	.311
Employment	216	29.6	70.4	519	27.8	72.2	.248	1	.618
Savings	228	17.3	82.7	557	13.1	86.9	2.365	1	.124
IRA plan	228	33.2	66.8	558	36.8	63.2	.903	1	.342
Mutual funds	228	47.6	52.4	553	54.3	45.7	2.843	1	.092
Stocks/bonds	227	52.5	47.5	554	53.8	46.2	.105	1	.746
Property ownership	221	60.5	39.5	544	57.5	42.5	.571	1	.450
Sale of real estate	224	60.4	39.6	529	58.7	41.3	.203	1	.652
Annuities	225	74.2	25.8	552	76.7	23.3	.554	1	.457
Life insurance	226	62.4	37.6	558	53.2	46.8	5.540	1	.019*

* $p < .05$

to understand these cohort differences and similarities in order to plan, develop, and produce housing alternatives that will appeal to members of the large and influential baby boom cohort as they begin to retire after 2010. It will be particularly important to avoid the problems of insufficient capacity or overcapacity that have plagued this giant cohort throughout its life course.

The tested model of cohort preferences for the first 10 years of retirement (see Figure 2) shows that the predisposing attribute of membership in an age cohort was significantly related ($p < .05$) to the following variables: propensity to move (plans to stay in current housing or move during the first 10 years of retirement); reasons for plans to move (want larger housing unit); locational preferences for informal and formal support systems (would like public transportation); and planned sources of retirement income (paid-up life insurance). The predisposing attribute of age cohort was not significantly related to locational preferences for community size or age-integrated vs. age-segregated neighborhood. The two cohorts in this study were very similar in their locational preferences for the first 10 years of retirement. There were also no signifi-

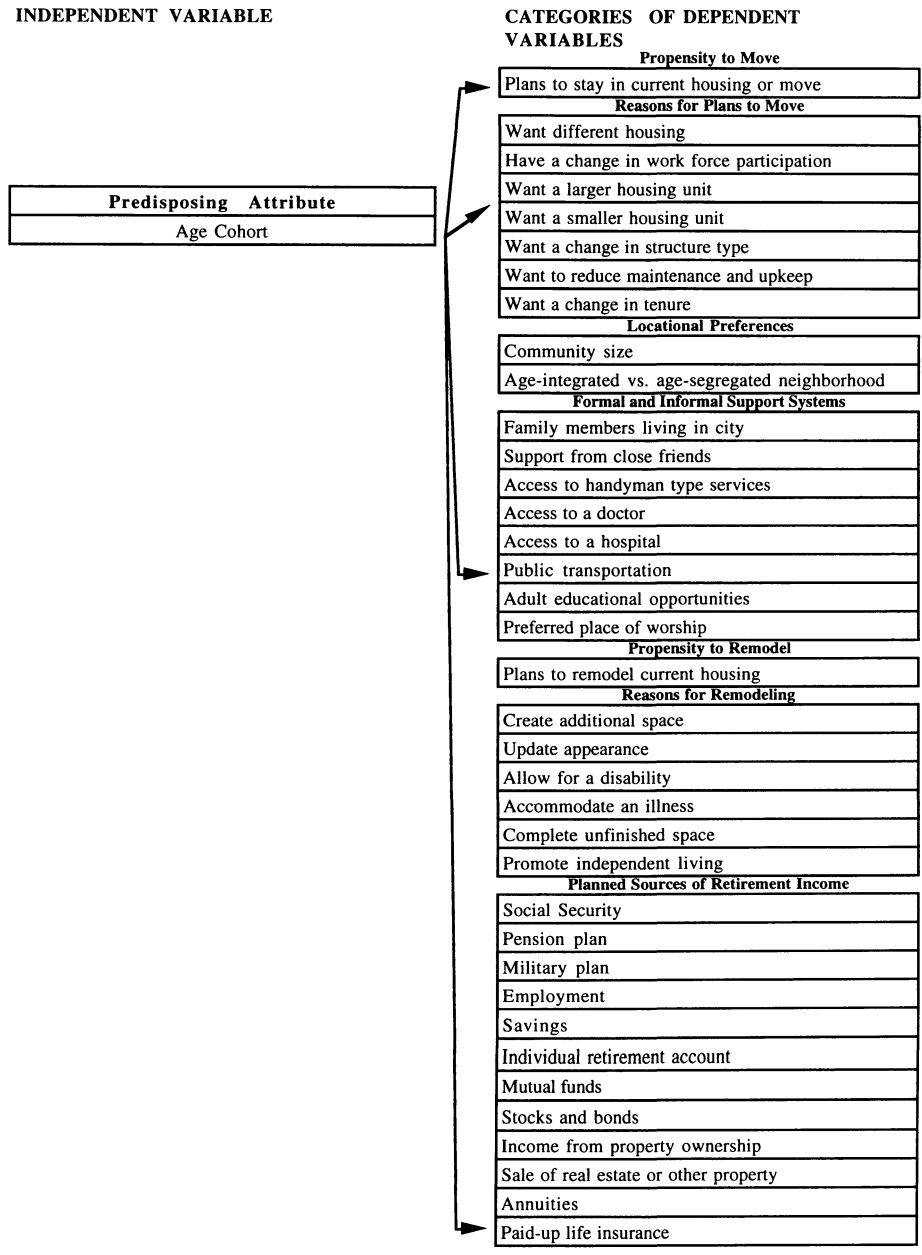


Figure 2. Tested model of cohort preferences for the first 10 years of retirement.

cant relationships between the predisposing attribute of membership in an age cohort and the following variables: propensity to remodel (plans to remodel current housing during the first 10 years of retirement), and reasons for remodeling. Respondents in the two cohorts were similar in that they generally did not have plans to remodel their current homes in the first 10 years of retirement to allow for a disability, accommodate an illness, or promote independent living. Whether this is because they plan to move to more accessible housing after the first 10 years of retirement, or whether they do not expect to become ill or disabled in any way, will need to be examined in a future study.

There was a significant difference between Depression cohort respondents and early baby boom cohort respondents in terms of their plans to stay in their current home or move during the first 10 years of retirement. A much lower percentage (51%) of early baby boom cohort respondents plan to age in place compared to Depression cohort respondents (66.9% of whom plan to stay in their current homes). The baby boomers' propensity to move is in contrast to the desires of many older adults: a 1992 American Association of Retired Persons (AARP) survey (Dobkin, 1993) of a random sample of 1507 adults age 55 and older found that an overwhelming majority (85%) preferred not to move from their current home.

This is an important example of how the attributes and life experiences of the baby boom cohort may have affected their preferences and plans for retirement. People who have moved in the past are more likely to move again. A factor that plays a role in determining the number and types of moves individuals make during their lifetimes is level of education. Getting a college education often means moving to a new city and being exposed to new ideas and people from other places (Gober, 1993). The baby boom generation became the most highly educated generation in American history (Bouvier & De Vita, 1991), and early baby boom cohort respondents in this study were significantly different from Depression cohort respondents in terms of education and were more likely to have completed some college. Tight labor market conditions in the 1970s combined with large cohort size may also have influenced the baby boomers' propensity to move: the large baby boom cohort passed through the most mobile phase of the life cycle during the 1970s, when its members faced stagnant employment growth in the Northeast and Midwest, a labor market crowded with contemporaries, and new employment opportunities in the South and West (Gober, 1993).

Respondents in both age cohorts, on the other hand, said they would prefer to live in an age-integrated neighborhood in the first 10 years of retirement (78% of Depression cohort respondents and 80% of early baby boom cohort respondents said they would prefer a neighborhood with people of all ages). The 1992 AARP survey (Dobkin, 1993) also found that 80% of adults age 55 and older preferred to live in neighborhoods with people of all ages. This finding has important implications for planners and builders, who should consider providing housing alternatives for retired adults in the 21st century that are integrated into communities, as opposed to isolated, age-segregated retirement villages. Since nearly half of the early baby boom cohort respondents said they plan to move during the first 10 years of retirement, a large number of age-inte-

grated neighborhood retirement housing alternatives will be needed after the year 2010, when the first members of this age cohort begin to retire.

Another finding of importance to the building industry is that although the majority of respondents do not have plans to remodel their homes, about 20% of Depression cohort respondents and 18% of early baby boom cohort respondents do plan to remodel during the first 10 years of retirement, primarily to update the appearance of their home. Since the baby boom cohort is very large, this is still an important market opportunity for architects, interior designers, kitchen and bath designers, building contractors, and others involved in the remodeling industry.

A sizable percentage of respondents in the two cohorts (39.6% of Depression cohort respondents and 41.3% of early baby boom cohort respondents) plan to use the sale of real estate or other property as a source of income in the first 10 years of retirement. Although members of the Depression cohort will be likely to find buyers for their homes, baby boomers who are depending on their homes as a source of financial support in retirement may be in for an unpleasant surprise. There may be neighborhoods full of 'trade up' homes for sale by aging baby boomers, and few buyers due to less demand from the much smaller baby bust cohort. This potential 'buyer's market' may mean lower prices for homes and, therefore, fewer dollars to support the baby boomers' retirement lifestyles.

In many ways, the two age cohorts compared in this study were similar except for propensity to move; thus planners, policy makers, and builders could develop and produce types of housing alternatives for the Depression cohort that would continue to find use in later decades when the baby boomers retire. Due to the large size of the baby boom cohort, however, additional numbers of acceptable housing units will be needed.

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