CHAPTER 6

SOCIO ECONOMIC EFFECTS OF RETIREMENT SUPPORT
6.1 Introduction

Retirement benefit programmes have various social and economic implications. Senior citizens covered by retirement plans enjoy a better off position economically as well as socially in comparison to their other counterpart who is not covered by any retirement plan. Retirement benefits improve the economic condition of the senior citizens by increasing their incomes. Moreover, the social and household status of the elderly is also considerably influenced by the presence or absence of retirement plans. The current chapter which tries to find out the socio economic effects of retirement support is based on the analysis of primary data. In the beginning of the chapter, caste wise and religion wise profile of the senior citizens covered by retirement plans and explored by the field survey is presented.

6.2 Distribution of Senior Citizens Covered by Retirement Plans in terms of Caste and Religion

The field survey data has senior citizens belonging to different castes and religions. In this study caste has been classified into five categories, namely, General, SC, ST, OBC and others, and religion into four categories, Hindu, Muslim, Christian and Others. People belonging to three main religions prevailing in Assam, i.e., Hindu, Muslim and Christian are covered by the first three categories while ‘Others’ includes people practising any religion other than these three. People not following any religion are also included in the ‘Others’ category. An attempt has been made to find out the caste wise and religion wise profiles of the senior citizens who are covered by the retirement plans.

From figure 6.1 it is seen that out of the total number of senior citizens covered by retirement plans, 35.36 per cent belong to the general categories followed by 24.31 per cent SC, 19.33 per cent ST, 15.47 per cent OBC and the rest 5.53 per cent belonging to ‘Others’.
Religion wise profile of the senior citizens covered by retirement plans is depicted by figure 6.2. Hindus constitute 64.09 per cent of such citizens followed by Muslims constituting 20.99 per cent. Out of the senior citizens covered by retirement benefits 10.50 per cent are Christians and 4.42 per cent belong to the ‘Others’ category.
6.3 Effects of Retirement Benefits on Per Capita Expenditures of Families

Per capita expenditure can be regarded as one indicator to measure the standard of living of the families. The standard of living of the senior citizens' families with retirement benefits is expected to differ from that of the families without it. Two groups of families of senior citizens are selected to compare their spending capacities; one group consists of the families with retirement benefits while the other group comprises the families without such benefits.

Levene’s t-test is used to compare mean monthly per capita total expenditures of the two groups. The results of the test are presented in the tables 6.1 and 6.2:

<table>
<thead>
<tr>
<th>Retirement Plan</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Per Capita Total Expenditure</td>
<td>No</td>
<td>204</td>
<td>1224.96</td>
<td>476.361</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>180</td>
<td>6052.96</td>
<td>4052.588</td>
</tr>
</tbody>
</table>

Source: Primary Data
### Table: 6.2: Result of Independent Samples Test

<table>
<thead>
<tr>
<th>Monthly Per Capita Total Expenditure</th>
<th>Levene's Test for Equality of Variances</th>
<th>t-test for Equality of Means</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig.</td>
<td>t</td>
</tr>
<tr>
<td>Equal variances assumed</td>
<td>130.315</td>
<td>.000</td>
<td>-16.887</td>
</tr>
<tr>
<td>Equal variances not assumed</td>
<td>-15.887</td>
<td>183.367</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: Primary Data

Monthly per capita total expenditure of the families with retirement benefit (Mean=6052.96, S.E.=302.06) is much more than that of the families without retirement benefit (Mean=1224.96, S.E.=33.35). This difference is significant as indicated by the value of t (183.37) = -15.887 which is significant at 1 per cent. This implies that retirement benefit schemes are very much helpful in improving the spending capacity and hence the standard of living of the families of senior citizens. Economic condition of the families with retirement benefits is much better off as compared to those without such benefit.

### 6.4 Participation of Senior Citizens in Household Decision Making

One of the indicators to measure the status of the senior citizens in their families is to examine their participation in household decision making. Retirement benefits have considerable impact on the participation of senior citizens in household decision making. As found from the analysis of field survey data, 65 per cent of the senior citizens with retirement benefits have reported that they participate in household
decision making of their families while only 32.84 per cent of the senior citizens without retirement benefits participate in decision making of their families (Fig. 6.3).

**Fig 6.3: Participation of Senior Citizens in Household Decision Making**

![Bar chart showing participation in household decision making with and without retirement benefits.](chart.png)

Source: Primary Data

A Chi-Square test is done to find out the association between benefits of retirement programme (1=Yes, 0=No) and participation in household decision making (1=Yes, 0=No), the result of which is presented in table 6.3 and 6.4:

**Table 6.3: Benefits of Retirement Programme * Participation in Household Decision Making Crosstabulation**

<table>
<thead>
<tr>
<th>Benefits of Retirement Programme</th>
<th>Participation in Household Decision Making</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Benefits of Retirement Programme</td>
<td>137</td>
<td>67</td>
</tr>
<tr>
<td>No</td>
<td>63</td>
<td>117</td>
</tr>
<tr>
<td>Yes</td>
<td>200</td>
<td>184</td>
</tr>
</tbody>
</table>

Source: Primary Data
<table>
<thead>
<tr>
<th>Test</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>39.622a</td>
<td>1</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Continuity Correction</td>
<td>38.344</td>
<td>1</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>40.300</td>
<td>1</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>39.519</td>
<td>1</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>384</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 86.25.
b. Computed only for a 2x2 table

Source: Primary Data

A significant association is found between benefits of retirement programmes and participation in household decision making as Chi-Square (1) = 39.622, p< 0.01. The highly significant Chi-Square value indicates that presence or absence of benefits from retirement programmes significantly influences the participation in household decision making by the senior citizens. The accuracy of the Chi-Square statistic is also proved by the fact that there is no expected count less than ‘5’. Odds ratio is calculated to determine the effect size which shows that the senior citizens receiving benefits of retirement programmes are 3.8 times more likely to participate in household decision making.

Thus, it is seen that individual economic condition of the senior citizens has direct link with their participation in household decision. Those senior citizens who receive retirement benefits get more importance at the time of decision making of their families.

However, marked differences are noticed between male and female senior citizens in respect of participation in decision making. Without retirement benefit, 33 per cent of
male senior citizens participate in decision making while this percentage improve to 70.8 for males with retirement benefit (Fig. 6.4), but for female senior citizens, the percentages are 32.7 without retirement benefit and 59.8 with retirement benefit (Fig. 6.5).

**Fig. 6.4: Participation of Male Senior Citizens in Household Decision Making**

![Bar graph showing participation of male senior citizens](image)

Source: Primary Data

**Fig. 6.5: Participation of Female Senior Citizens in Household Decision Making**

![Bar graph showing participation of female senior citizens](image)

Source: Primary Data

Without retirement benefits, almost equal percentages of male and female senior citizens have reported to participate in household decision making. Presence of
retirement benefit has improved the situation for both groups, but the improvement is much more prominent in case of male senior citizens. This means that even after receiving retirement benefits, a sizeable portion of female senior citizens (40.2%) does not get the opportunity to participate in decision making of their families as compared to their male counterparts (29.2%). The patriarchal system of society where male members of the family are given more importance may be the reason behind such disparity.

Types of families also influence the senior citizens’ participation in decision making. In the unitary families, the senior citizens participate more as compared to the joint families. By unitary families, we include those families where the senior citizens live with their spouses and/or unmarried children. Joint families consist of the senior citizens, their spouses, their married children, spouses of the children, grandchildren and other relatives, if any.

Fig.6.6: Participation of Senior Citizens with Retirement Benefits in Household Decision Making (Distribution by Family Type)

Source: Primary Data
Both with and without retirement benefits, the senior citizens participate more in decision making in the unitary families than in the joint families (Fig.6.6 & Fig.6.7). With retirement benefits, the percentages of participation in unitary and joint families are 73.2 and 60.6 respectively. Without retirement benefits, 35.1 per cent of senior citizens in unitary families and 31.3 per cent in joint families participate in decision making. In many of the unitary families, the senior citizens are the heads of the households, so they have more say in the household matters. In joint families, many a times, household decisions are taken by the younger earning members without consulting the senior citizens. However, the situation gets sufficiently improved when they senior citizens receive retirement benefits.

6.5 Effects of Retirement Benefits on Senior Citizens’ Lives

Retirement benefit programmes have some visible effects on the lives of the senior citizens. Presences of retirement benefits reduce their dependence on children.
Moreover, there is lesser necessity to work and save. Improved economic condition also reduces the fear associated with future uncertainty.

During the field survey, the senior citizens were asked to rank in order of preference four effects of retirement benefits that changed their lives. A sizable portion of senior citizens gave 1\textsuperscript{st} rank to lesser necessity to work (53.9\%) followed by lesser necessity to save (21.6\%), reduced fear of uncertainty (13.5\%) and lower dependence on children (10.9\%) [Fig. 6.8].

**Fig. 6.8: Effects of Retirement Benefits on Senior Citizens’ Lives**

![Bar chart showing the percentage of senior citizens ranking different effects of retirement benefits.](chart)

Source: Primary Data

### 6.6 Conclusion

From the findings of this chapter we are in a position to answer the second research question of our study:

*Does access to retirement programme perceptibly enhance the socio economic status of the subscribing senior citizens?*
Socio-economic status of the senior citizens is enhanced by the presence of retirement benefits. The study has found that there is significant difference between mean per capita expenditures of the senior citizens’ families with or without retirement benefits. Mean per capita expenditure of families with retirement benefits are higher than that of the families without these benefits. Therefore, it can be concluded that retirement benefits improve the economic condition and hence standard of living of the families of senior citizens. Moreover, there is association between retirement benefits and participation in household decision making by senior citizens and here also it is found that retirement benefits improve the participation of senior citizens in decision making of their families. However the effect of retirement benefits in improving the participation is more in case of male senior citizens as compared to the female senior citizens. Again as compared to the joint families, in unitary families the senior citizens get more opportunity to participate in the decision making. According to most of the senior citizens, the overriding effect of retirement benefits on their lives is that it removes their compulsion to continue working even after attaining retiring age.