



Family Structure and Retirement: Anthropological Insights

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INTRODUCTION

Risk management and actuarial science are among the most multidisciplinary of fields—and by its very nature, retirement risk is perhaps as multidisciplinary as any area with which actuaries and risk analysts commonly engage. The timing of an individual's decision to retire, how best to structure a private or public pension plan, and the quantitative analysis necessary to determine a plan's financial condition all involve considerations across a wide range of interrelated and dynamically evolving factors. Financial, socioeconomic, political, medical, and behavioral factors are just a few of the areas that together form the operating framework of a retirement plan.

That people organize themselves into family units and other social groups, as well as the eventual occurrence of old age and the issues surrounding that reality, have been facts as old as the human species itself. Nevertheless, the idea of a formal retirement or pension plan framework to address old age is relatively recent. Furthermore, that retirement framework can and does take many different forms across various cultures—if it exists at all.

In this essay, I advocate for an awareness and appreciation of **what the field of anthropology can tell us about attitudes regarding retirement and the elderly, in a cross-cultural context**. I also hope to provide a very high-level outline of some of the key anthropological and sociological findings and issues relevant to retirement.

When discussing and considering retirement issues, anthropological knowledge has the potential to have value and importance for several reasons:

- A holistic approach to considering and solving issues in any multidisciplinary “complex system” involves **comprehending the underlying dynamics of the system**—especially when **human decision-making**, always a tough nut to crack in terms of algorithmically describing and modeling behavior, is involved.
- Over time, **different cultures have evolved various family structures and attitudes toward the elderly**. As the nature of family structure changes and evolves—and as those changes accelerate—an understanding of different family contexts and solutions cross-culturally can be helpful to both identify potential changes or opportunities regarding retirement issues, and brainstorm possible responses to those evolving family circumstances.
- Global communication and awareness of new or different patterns and approaches to things have become almost instantaneous. We can expect that **any tendencies or evolutionary developments in one society have the potential to be recognized and adopted in other societies**, quickening the evolution and enhancing the diversity of any given society or population.
- Understanding the contextual evolution of different family structures will enhance our ability to **quantify and parameterize the possibility of further family structural changes** emerging or continuing.
- With any mathematical formula, or actuarial technique, understanding the foundational assumptions upon which the technique is built is essential: only with that knowledge can its applicability be properly assessed

when the current conditions differ from those assumed to underlie the technique. An appreciation of how cultures different from our own have dealt with old age and retirement may allow us to judge **how robust our retirement solutions are to gradual changes in family structure.**

GENERAL ANTHROPOLOGICAL INSIGHTS ABOUT RETIREMENT

While there is a long tradition of anthropological research on the topic of retirement, grand conclusions from this research have been rather limited. This is at least in part because of difficulty *defining* “retirement”: while those of us in Western, industrial societies have a common frame of reference for what we mean by the term, it has not been so easy to identify a cross-culturally-valid definition of the concept for non-Western and non-industrial societies. Indeed, in some societies the concept as a whole may be unfamiliar or nebulous at best.

Looking cross-culturally and historically, there is evidence that **retirement** as an institution is both a **recent** phenomenon and **not particularly common**. Luborsky and Leblanc (2003) suggest that,

“The institution of retirement appears to be a product of the confluence of developing industrialization, surplus capital, and Protestant ideology.”

If so, this provides insight into the underlying foundations on which the institution of retirement stands and represents a basis for suggesting tweaks in the institution as society changes and evolves.

To the extent that a concept of “retirement” *can* be identified cross-culturally, there is **little scholarly consensus** regarding the idea. In the same article (Luborsky and Leblanc), a number of competing views and conclusions are mentioned. **The very unevenness, and the often mutual exclusivity, of these scholarly views is rather striking.** To mention just a few of these views regarding the cross-cultural presence of retirement:

- True retirement is a rather rare sociological phenomenon.
- All societies retire their elderly members.
- Retirement is a recent Western phenomenon and reflects a new type of role in certain modern societies; it did not exist in earlier and non-Western cultures.
- Retirement is found only in industrial societies.
- Retirement is NOT found only in industrial societies.

The importance of a consistent definition of the concept “retirement” can be gleaned from this collection of rather contradictory conclusions, some of which are undoubtedly the result of an imprecise or inconsistent idea of what is being examined.

One last quote from and reference to the Luborsky and Leblanc paper, relating to retirement as a cultural construct:

“From an anthropological viewpoint, one of the most striking aspects of retirement in the US is the notion that a person is vested with the right to cease performing roles that are crucial to achieving and maintaining identity as an adult member of society, and yet may retain full social identity and jural-moral capacities. We will see later that this is a rare cultural construct for later life. The

manifest change in activities which occur with increasing age in all human societies, including retirement in the West, is the source of differing interpretations by researchers.”¹

In addition to an anthropological familiarity with issues related to “retirement,” it is also important that actuaries and retirement planners understand and appreciate the old-age and health context of retirees. As our society evolves, and as changes in family structure continue, the health (mental and physical) and social relationships available to retirees should not be far from our minds in contemplating retirement policy. According to Howell and Guest (2024),

“...there is significant variation in the aging experiences of people worldwide. Variations in age-related changes are so heavily influenced by environmental, genetic, sociocultural, and political-economic factors that older adulthood is the most heterogeneous phase of the lifespan, resulting in significant health disparities.”²

Understanding the anthropological perspective on aging, life cycle, and retirement issues, across different socio-cultural milieus, has the potential to provide the actuary with a better appreciation of holistic context when discussing and advocating for retirement policy.³

EASTERN VS. WESTERN

A common basis upon which to evaluate different sociological and cultural phenomena is the Eastern vs. Western dichotomy. While it is perhaps a bit of an oversimplification, the common wisdom is that **Eastern cultures tend to be more communal and collectivist**, with a person’s identity focused on social relationships and family networks; in contrast, **Western cultures value more independence and individualism** and often measure career or other types of success on that basis. The implication is that Eastern cultures value the elderly more as people and as members of society.

Ultimately, each society and culture will, and must, discover and decide upon its own values. And there are appealing characteristics associated with both sides of the East-West cultural dichotomy. The specifics of any retirement philosophy and structure will depend in no small part on the values of the underlying societal culture, and our recognition and discussion of these values will help us to design approaches to retirement that reflect those values.

CHARACTERISTICS AND TRENDS REGARDING FAMILY STRUCTURE

Anthropologically, “family structure” is characterized by several parameters, among which are:

- **Composition:** the numbers of, and relationships between, the family members, including parents, children, and extended family members. In particular, anthropologists are interested in the family as an outgrowth of how a culture defines kinship relations and obligations, including parental and lineage patterns.

¹ Luborsky and Leblanc, 2003, “Cross-cultural perspectives on the concept of retirement: An analytic redefinition,” *Journal of Cross Cultural Gerontology*, December; 18(4): 251–271

² Howell and Guest, 2024, “Why Gerontology Needs Anthropology: Toward an Applied Anthropological Gerontology,” *Social Science (Basel)*, January; 13(1)

³ Early in the history of scholarship associated with the anthropology of retirement and aging, there seems to have been little work done (beyond simple gender implications) on multicultural societies and the relative impacts of those cultural affiliations. This does now appear to be changing.

- **Residence:** considerations regarding how and where family members are located.
- **Socialization:** particularly as a means to teach and culturally inculcate children with appropriate behaviors and attitudes.

The specific forms of family structure in most cultures (although differing in detail and mix cross-culturally) include the **nuclear** family (parents and children), the **extended** family (multiple generations or relationship lines living together), and the **joint** family (several related individuals, possibly multigenerational, living together with their spouses).

With the advent of **industrialization and urbanization**, and with the **technological, economic, and educational evolution** of society, changes to family structures have been inevitable. Even the core economic function of the family has changed: from an important unit of production in an agrarian society, to a home that is more focused on family, education, and social relationships.

Demographic dynamics such as the **aging of the populations** in many societies, and the **declining birth-to-death ratio**, are well-recognized anthropologically and sociologically. Similarly, **single-parent and fissured families**, as well as **female-head-of-household families**, are becoming much more common. And **smaller families (fewer children)** are also on the upswing, making intergenerational age differences within extended families larger.

POTENTIAL OLD-AGE AND RETIREMENT IMPACTS OF CHANGES IN FAMILY STRUCTURE

Anthropologically, the potential impact of each of the changes mentioned in the prior section can in principle be elucidated through cross-cultural analysis. Some of the notable suggestions that have been made in the literature concerning the effects of these developing changes to family structure include:

- **Care for Elders:** Projections suggest that the number of living kin for any given elderly person may dramatically decrease in the coming decades. This may lead to a drop in the potential to rely on family and kin networks to provide informal childcare and elderly-care, necessitating continuing and perhaps even increasing reliance on more formalized and targeted care and financial support mechanisms. This potential needs to be considered in any public policy discussions regarding elderly retirement and care structures.
- **Ageism:** Some scholars and others believe that elderly members of society are revered more in Eastern cultures than in Western cultures. Even if true, however, some research suggests that public pension deficits may, even in Eastern societies, lead to feelings akin to ageism toward the elderly by the younger generation, who may harbor resentment for the cross-subsidies necessary to fund such deficits.
- **Mental health:** As family structures tend to become less “traditional,” and perhaps even less stable and more volatile, there is the potential for stress associated with family relationships, and uncertainty regarding how elderly will be cared for.
- **Longer (or Shorter?) Working Lives:** Regarding whether the average working lifespan will lengthen or shorten overall, one can make an argument either way. Any movement in this parameter will have retirement planning and financing implications.

- **Family Location:** Between changes in family structure and the potential for economic volatility, there are more reasons to expect that family members may, either of necessity or by choice, be more geographically separated, with consequent financial, caregiving, and care-receiving effects.⁴

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Relevant anthropological and sociological research on retirement and elderly issues continues to be actively pursued. For example, there is a research thread on how to “measure” retirement, and how best to translate those measures into non-English languages that are relevant and meaningful for different cultures.

Another research thread involves retirement and vocational decisions and treating retirement as one stage in an overall working lifetime. Factors that inform retirement decisions include work satisfaction and motivation. There can also be a kind of internal feedback to the process: research confirms that retirement causes changes in one’s social network, with the substitution of family relationships for work relationships, so an appreciation for family context is important to the decision-making and retirement planning, and the determination of post-retirement satisfaction. Along with general economic and other environmental conditions, understanding how such decisions are made provides a basis for a holistic and long-term model, which actuaries can use to inform their projections and policy advocacy.


There will be more research on non-Western family structure and networks—much of the scholarship to-date has been performed by Western researchers, and it may be appropriate to consider whether this research has been sufficiently culturally contextualized, for example with respect to collectivist countries.

From a holistic perspective, actuaries need to keep abreast of such scholarship. An even casual familiarity with this kind of research provokes interesting questions—for example: Is it possible that the economic and logistical realities of old age and retirement in the coming decades may actually influence the nature of family structure in practice? Will the existence and growth of multicultural populations lead to a greater awareness and familiarity with alternative approaches to old age and retirement?

What an interesting time to be thinking about retirement!

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⁴ It is possible that the recent acceptance and feasibility of working from home might, in some cases and for some families, make separate residences less necessary.