



Health and Retirement Study

Spring 2001 Newsletter

STUDY NEWS

Thank You for a Great Year!

The year 2000 was one of the most successful years since we began interviewing in 1992. When our interviewers contacted you in 2000, nearly all of you took the time to talk to them. Our staff here in Michigan is working hard to process the 2000 data, so that we can make it available to policy-makers and the public in May of 2001. Thank you for your time and effort!

You Are Special

Each year, more researchers and policy analysts ask us for the HRS study data. In the

last year, we received over 1,300 requests. Researchers know that changes in income, health, wealth, and family situation are all important in the lives of mature people in the United States. Not only are these changes important, more and more they are turning out to be connected. In order to understand these changes and how they work together, they need a study that asks questions on all these topics.

Another reason your information is so valuable is that, as a group, you are a lot like all people over 50. You were picked for the study using a

time tested sampling method called random selection. This method lets us pick a smaller sample of people who represent the entire population of people in the U.S. who are over 50. You are initially selected at random, but once that selection is made, you cannot be replaced – you are the only ones we can talk to. This makes each one of you special. It means that when you complete the HRS interview, each of you is speaking for about 3,000 people! We appreciate your sharing information about yourself. Because of your generosity, both you and the 3,000 or so people you represent are heard.

Protecting Your Data

When you give us information, we promise to protect it. The Institute for Social Research at the University of Michigan has successfully protected confidential survey data for over 50 years. Our staff is specially trained to protect the confidentiality of your data and all of us take this very seriously. Before anyone sees your data, we remove all information that might identify you, such as your name, Social Security number, and the location of your home. We keep all information you give us confidential to the full extent possible. In fact, we have obtained a special certificate from the National Institutes of Health to protect your data. The Federal government issues this Certificate of Confidentiality and it protects us from being forced to give out any identifying information about you.

What's Inside?

Study News	1
Letter from the Director	2
Behind the Scenes	3
HRS by the Numbers	5
All in the Family	6
HRS in the News	6
Retiring Gradually	10
Women in the HRS	11

Letter from the Director

Dear Health and Retirement Study Participants:

You, the HRS participants, are critical to the success of the study. Because of this, I make a point of keeping up on the questions and concerns you have about the study. Last summer, I met with the HRS interviewing staff to do just that. They told me that many of you had asked how the study influences policy and what specific legislation the HRS has supported.

The HRS does not directly support any policy position or law. Rather, the strength of the HRS is that it documents the health, economic status, and family situation of people over 50 in the United States. This data is publicly available to researchers, policymakers, the private sector, and others. It has been analyzed by many, including recent Nobel Prize winner Daniel McFadden of the University of California, Berkeley.

In 1990, when we first started planning the HRS, we knew that the U.S. population over age 65 was growing fast and that this could mean changes for all Americans. In order to best address these changes, researchers believed that we needed more information: information about how people in their 50s were preparing for retirement and about the well being of those in their 60s, 70s, 80s, and beyond as we enter the 21st century.

Social Security is one of the issues that we face as the population over 65 grows. One of the primary goals of the HRS is to give policymakers the information they need to decide whether we need to change Social Security and, if so, who will be helped or hurt by the changes. Researchers have already used the HRS to see how much retirees rely on Social Security and which seniors need it the most. They have also analyzed the HRS data to estimate how seniors in different situations (such as those with lower incomes and widows) would be affected by some of the proposed changes in Social Security. It is my hope that this research and other studies in this area will help policymakers make these important decisions.

Prescription drug coverage is another of the many issues for which the HRS can provide data. In recent months findings from the HRS data have helped to bring the public discussion about prescription drug coverage to the forefront. Data from the HRS shows that drug costs are becoming a bigger and bigger expense for the older population. Although most of you manage to pay for the medication you need, there are many who are unable to afford all the medication that has been prescribed to them. The data on drug coverage and expenses will be of great interest to all of us as in the national discussion of policy in this area.

As an HRS participant, you have been selected to provide this important information. Thank you for your help over the years. We hope that we can rely on your continued participation.

Sincerely,


Robert J. Willis

BEHIND THE SCENES

What Does the HRS Tell Us?

The HRS gives researchers and policymakers valuable information about people over 50 – information about how they are preparing for retirement and how they do after retirement. With the number and proportion of people over 65 growing rapidly in the U.S., understanding the situation of people in this age group is critical. The HRS helps to answer so many important questions that it is impossible to list them all here. A few of those questions are:

- How do major changes in policy and the economic environment affect the well being of people in the U.S. who are over 50 years of age?
- How will potential reforms to Social Security and Medicare affect people?
- What impact will the dramatic changes in the stock market have on people as they prepare for the future and retire?
- What are the major trends

in health and economic circumstances among people over 50 in the U.S.?

- How do people decide how to prepare for retirement, when to retire, and whether to work part-time at older ages?

Who Is in the HRS?

Today, the HRS collects information on people of all ages over 50 (and their spouses or partners), so that we get a complete picture of mature people in the U.S. However, we didn't start out that way.

When the HRS staff first began to collect data in 1992, we only talked to people who were 51 to 61 years old and their spouses. These 51 to 61 year-olds were born in 1931 to 1941. We call this group the *Original HRS Members*.

Then, in 1993, we asked a new group of people about their lives. This time, we talked to people who were born before 1923 and their spouses. We call people in this group *members of the Aging in America Sample*. HRS staff has continued to talk with Original HRS and Aging in America samples every two years since we began in 1992/1993.

In 1998 we welcomed two more groups into our study, so that we could understand what happens to each generation of people here in the U.S. – how you prepare for retirement, and how your retirement years are going. We started talking to people who were born between 1942 and 1947 (we call this group *War Babies*) and from 1924 to 1930 (this group we call *Children of the Depression*) and the spouses of people in these two groups.

Spouses and partners

Since it is difficult to understand a person's situation without knowing about those who share their lives, we ask the spouses and partners of the people in our study for information about themselves.

**Thanks to your support,
the HRS now represents *all* people over 50 living in the U.S.!**

Why Do We Ask So Many Questions?

Over the years, many of you have commented that we ask you a lot of questions each time we talk to you.

Believe it or not, when we first designed the HRS in 1990 and 1991, we were very careful to ask only the most important questions. A group of some of the most respected experts in retirement and aging research worked together to select the topic areas and issues. Careful thought was given to each and every question that we would ask.

Adding New Questions

As the world changes and as we learn more about the situation of people over 50, researchers and policymakers want new kinds of information. This means that we receive many requests to add questions to the interview. Most of these questions are very important, but if we added them all to the interview, it would be much longer. We appreciate that you give us so much of your valuable time already and we don't want to waste even one minute of it.

That's why we say no a lot. We are careful to add only the most important questions that help us keep up with the changes around us.

Experimental Questions

Once we do decide that a new question is important, we want to make sure that it is easy to understand and collects accurate information. So, we test all new questions before adding them to the HRS interview.

Each time we talk to you, we ask you if you will volunteer to answer an extra two to five minutes of questions that we are testing. To save everyone time, we don't ask you all the same set of questions. Instead, we ask each of you only a few of the new questions.

In fact, in 2000, we asked 12 different sets of test questions – we call these experimental modules. Over the years, the topics have ranged from your use of alternative medicine to how connected you feel to the important people in your lives, like your families and friends.

In addition to testing new questions, we use the experi-

mental modules to test ways of making the interview shorter and to address important research questions that can be answered in just one interview.

Mail-out

In 1999, we sent some of you (2,903 to be exact) extra questions in the mail. These included detailed questions about prescription drugs that we thought would be easier to answer in writing than over the phone or in person. Nearly all of you that we asked (2,454) generously sent your responses back to us.

Study Names

Since the HRS began in 1992, we have been through a lot of changes. As the study has changed, so has its name. You may know the study by any one of the names listed here:

HRA:
Health, Retirement and Aging

HRS:
Health and Retirement Study

AHEAD:
**Aging and Health in America
Asset and Health Dynamics**

Thanks to all of you who have helped us to make the HRS an even better study by sending in the 1999 mail-out or by answering the experimental questions during your interviews!

HRS BY THE NUMBERS

Here are some statistics from your 1998 survey answers:

Helping Others

As part of the 1998 interview, we asked you how much time you had spent volunteering in a charitable organization since we last talked to you in 1996.

Those of you age 60 to 69 were most likely to volunteer (32% of you did so). However, over a quarter of you in your 50s and nearly a quarter of those of you in your 70s also reported volunteering. A smaller percent of those of you in your 80s and 90s volunteered.

	% Volunteered (over past 2 years)
51 to 59 years old	26%
60 to 69 years old	32%
70 to 79 years old	23%
80 to 89 years old	12%
90 years old or older	2%

Interestingly, those of you in your 80s and 90s that did volunteer work reported spending more hours doing so than your younger counterparts. One person reported volunteering an average of over 50 hours a week!

	Average # of hours volunteered (over past 2 years)
51 to 59 years old	110
60 to 69 years old	107
70 to 79 years old	128
80 to 89 years old	143
90 years old or older	134

Insurance Coverage for Prescription Drugs

When we talked in 1998, we asked you if you had insurance that paid for your prescription drugs. Many of you said that you did.

However, those of you who were younger were much more likely to have coverage for prescription drugs (when compared to your older counterparts). Those under 65 were the most likely to have insurance that paid for prescription drugs (80%). In comparison, only about 59% of those of you over 80 said your insurance paid for medications.

Percent with Prescription Drug Coverage

Under 65 years old	80%
65 to 79 years old	71%
80 years old or older	59%

We also asked you if you had taken less medication than you had been prescribed in the last two years. Those of you who did not have insurance for medications were more likely to answer yes. Age also seemed to make a difference. Those of you who were under 65 were much more likely to say that you did not fill all of your prescriptions.

Percent Not Filling All Prescriptions

Among those who have prescription drug insurance coverage:

Under 65 years old	6%
65 to 79 years old	4%
80 years old or older	3%

Among those who do not have prescription drug insurance coverage:

Under 65 years old	22%
60 to 79 years old	11%
80 years old or older	7%

RESEARCH CORNER

Here are some findings based on published research:

All in the Family

Over the years, many of you have wanted to know why it is that we ask you so many questions about your families. A few of you have wondered why we ask for such detailed information about your children's financial situations.

Before Social Security began in the 1930s, older people in the U.S. were more dependent on their families and their own pensions and savings. Today, Social Security is an important means of support for most Americans over 65. However, how families interact, and especially how older and younger family members help each other continues to be very important.

Perhaps one of the most powerful features of the HRS is that it provides detailed data to researchers about gifts of time and money within families. Because of this detailed information you give us, the HRS is able to provide researchers the data they need to look at how help between family members affects the well being of mature people in the U.S.

When we took a look at how you manage resources, we found that HRS participants take part in a rich exchange of resources within their own families. Many of you give time and money to your parents or your children or both. In addition, you often live with or near your parents or your children.

As we mentioned earlier, this type of information has not typically been collected in the past. This means that we are starting to be able to look at very important questions about how families share their resources. However, it also means that researchers are still figuring out how things work, so the conclusions are not definite.

Even though some of the findings aren't yet certain, we think that they are very interesting and we want to share them with you.

HRS in the News

Here are just a few of the articles that have reported on research based on the HRS in the last year:

"As Savings Go Up, Worries Go Down (A Little)," *The New York Times*, 3/21/01

"Saving for Retirement: The Importance of Planning," *Research Dialogue*, TIAA-CREF Institute, Issue No. 66, 12/00

"Older Workers Sweat Boom Times," *Aging Today*, November/December 2000, Robert A. Rosenblatt

"To Save or Not to Save," *Business Week*, 5/8/00

"Depression as Deadly as Smoking," *The Detroit News*, 11/23/99

"Elder Depression Linked to Disease," *Parent Care*, 12/99

Special HRS Journal Issues

The HRS is well respected in the research community. As a result, four prominent journals have dedicated special issues to findings based on HRS data:

Labour Economics, Vol. 6, Number 2, June 1999

The Journals of Gerontology, Vol. 52B, May 1997

The Gerontologist, Vol. 36, Number 3, June 1996

The Journal of Human Resources, Vol. 30 Supplement 1995

How Do Parents' Situations Affect Their Ability To Give to Their Children?

In 1998 we asked all HRS participants (who have children) whether you had given \$500 or more to any of your children in the past 2 years. Over a third of all HRS members said they had.

Using this same 1998 data, one researcher found that younger parents were more likely to give money to their children. Forty-two percent of HRS members who were under 65 said they had given money (that is, \$500 or more) to their children between 1996 and 1998.

In contrast, 27% of those 65 or older reported that they had done so.

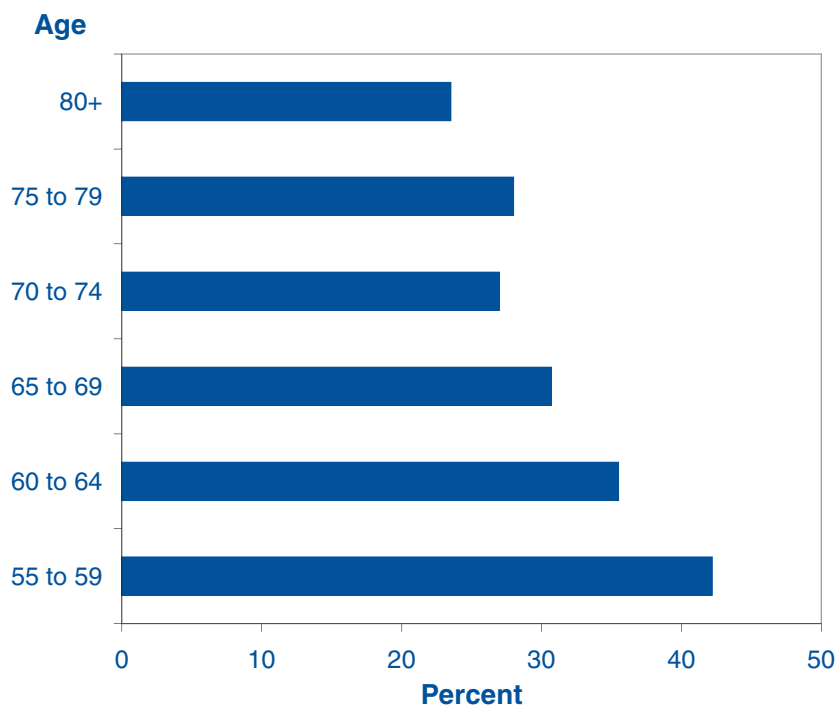
Using 1993 data, two researchers – from the University of California, Los Angeles, and RAND – examined the situation of people aged 70 and older. They wanted to understand which parents give financial help to their adult children. One of the things they were interested in was how people's situations affect their decisions to give money to their children after the primary responsibilities of child rearing have ended.

They found that the parents' own financial situation seemed to affect whether they gave their children

money. Parents who did so usually reported making more money and having more assets. On average, parents who had given their children money (\$500 or more in the previous year) reported making \$42,620 a year and having assets worth \$370,620. Parents who did not give money (\$500 or more) to their children earned less – \$19,105 on average. They also had fewer assets (an average of \$145,970).

Another factor seemed to be health. Children who received money were about 25% less likely to have a parent in poor health than children who did not receive assistance.

Percent of households who gave at least \$500 to their children, by age



Which Children Do Parents Help Most?

One area we ask about in detail is your children's financial situation. In addition to the parent's situation, researchers are finding that a child's situation affects parents' decisions about whether to give money to their children and how much money to give.

Again using the 1993 data, researchers found that parents had given more money in the last year (and in the last 10 years), on average, to children who they said had lower incomes. In fact, children in a low-income category (\$20,000 - \$30,000) received an average of \$314 more than those in the highest income category (\$50,000 or more).

Other things that influenced parents' decisions included how old their children were – children who received money from their parents were younger on average. Parents were also less likely to give money to children who were married, had children of their own, or owned their own home. Children who lived close to home (within 10 miles) and who had less education (fewer than 12 years) were more likely to get financial help from their parents.

Additionally, when making decisions about whether to give their children money, it seemed to matter how well off parents thought their children were compared to themselves. As part of the 1993 interview, we asked if HRS participants' children were the same, better off, or worse off than they were financially. Parents were more likely to give money to their children who they believed were worse off.

Interestingly, if parents were not knowledgeable about their children's financial situation, they were also less likely to give their children money. Financial gifts were also lower, on average, than gifts given by parents who knew about their children's financial situation – \$170 lower than those in the highest income category (\$50,000

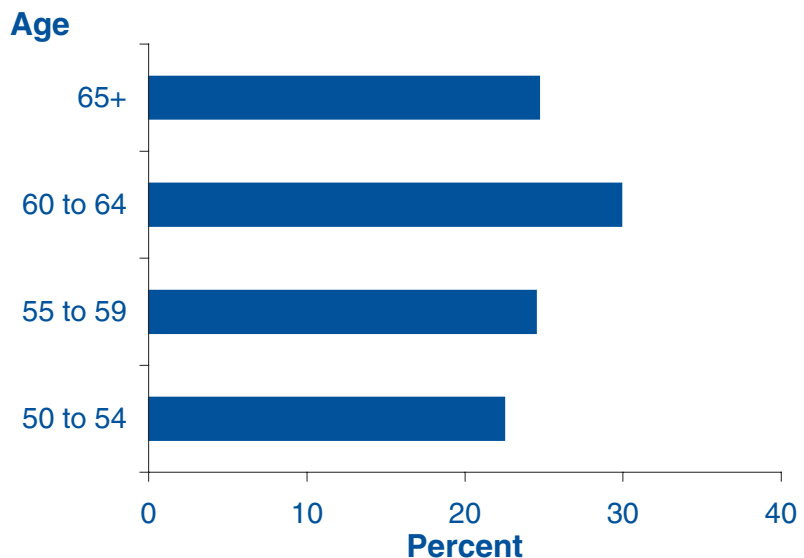
or more) and \$368 less than those in the \$20,000 to \$30,000 range.

Children Helping Parents

While many parents supported their children with money, one way that adult children supported their parents was with time. As a parent gets older, children often help with chores around the house, or, if the parent is not well, by caring for them.

While many of you have children that you help out, a number also have parents that rely on you. In fact, one researcher looked at those of you who said you had a living parent in 1998. He found that about 25% said that you had helped that parent out

Percent of households who helped a parent (with time or money), by age



with either time (100 hours or more) or money (\$500 or more) in the previous two years. HRS participants who were 60 to 64 years old were more likely to help their parents (nearly a third did so) than those in any other age group.

A group of researchers from across the country (University of Florida, University of Michigan, Duke University, Georgetown University, and Syracuse University) used the 1993 data to try to understand more about children helping their parents. They examined the data on those of you who were 70 years old and older to try to understand how many had children who helped to care for them. One of the most important factors in determining whether parents got help from their

children was whether the parent was married. The researchers found that only 16.2% of married 1993 HRS participants who said they needed help with care received help from a child (their spouses typically help them). Almost half (49.2%) of comparable unmarried HRS participants received help from at least one child.

Daughters or Sons?

Another group of researchers were curious about whether the characteristics of the children made a difference in whether they helped their parents.

They looked at people who were at least 70 years old who have difficulty performing basic day-to-day tasks (such as grocery shopping or preparing meals), were not

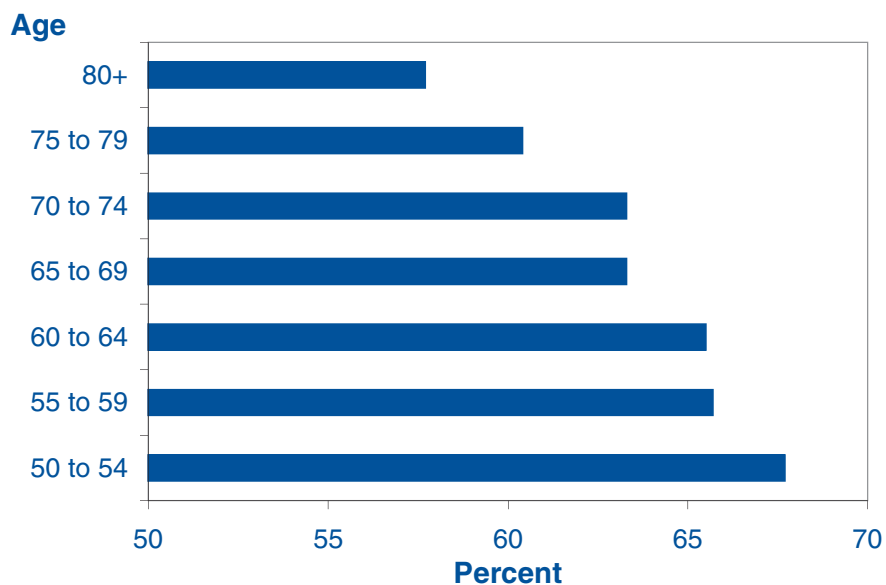
married, and who had at least two children. They wanted to see how these children worked together to care for their parent(s).

It turned out that the sex of the child was important. Daughters were more likely than sons to provide care (over 9 percentage points more likely). Overall, daughters were shown to provide about 10 more hours of care per month than sons.

Sticking Together

People are always talking about how American families are living farther and farther apart. So one researcher looked at the HRS data to see if this was true. He found that in 1998 nearly two-thirds of HRS members had at least one child living at home or within 10 miles of home.

Percent of households with at least one child living within ten miles, by age



**Want to know more?
Here are some
references:**

Kathleen McGarry and Robert F. Schoeni, "Transfer Behavior Within the Family: Results From the Asset and Health Dynamics Study," *The Journals of Gerontology*, Volume 52B, May 1997.

Douglas A. Wolf, Vicki Freedman, and Beth J. Soldo, "The Division of Family Labor: Care for Elderly Parents" *The Journals of Gerontology*, Volume 52B, May 1997.

John C. Henretta, Martha S. Hill, Wei Li, Beth J. Soldo, and Douglas A. Wolf, "Selection of Children To Provide Care: The Effect of Earlier Parental Transfers," *The Journals of Gerontology*, Volume 52B, May 1997.

Joseph F. Quinn, "Retirement Patterns and Bridge Jobs in the 1990s," *Employee Benefit Research Institute (EBRI) Issue Brief Number 206*, February 1999.

Alan L. Gustman and Thomas L. Steinmeier, "Retirement Outcomes in the Health and Retirement Study," *Social Security Bulletin 2000*, Vol. 64, Number 3.

John R. Earle, Mark H. Smith, Catherine T. Harris, and Charles F. Longino, "Women, Marital Status, and Symptoms of Depression in a Midlife National Sample," *Journal of Women and Aging*, Vol. 10(1), 1998.

Retiring Gradually

Many of you have asked us why some of the questions we ask you are the same each time we talk to you. Well, this is because one of the reasons we are doing the HRS is so that we can look at how things change for individuals over time.

Each year we ask you several questions about what you are doing in terms of work. We ask you about your current work situation (for example, are you working, retired, partially retired, unemployed, homemaker, etc.). If you are working we ask about the number of hours you are doing so and the amount of money you are earning.

Several researchers have used this information to understand how people in the U.S. move from working to retirement. In order to understand this transition, it is very important that we ask the same questions the same way each time we talk to you.

Using HRS data, one team of researchers found that people are following a variety of different paths to retirement. Many work full-time until the day they retire, but some are working part-time or switching to a new kind of work later in life. Others retire only to return to work later on.

The team examined HRS participants who were 51 to 61 years old in 1992. By 1998, they had turned 57-67 years old and about 45% indicated they were fully retired. Forty-two percent reported that they were not retired at all. The remaining 13% said they were partially retired.

Seventeen percent of these increased their work effort at some point between 1992 and 1998 (for example, retiring at 53 and then returning to work part or full-time at age 55).

Researchers have several ideas about why people are retiring more gradually – from a stronger economy to changes in the Social Security rules. As we collect more data from the HRS, researchers should be able to better understand which reasons best explain why people are retiring gradually.

RESEARCH IN PROGRESS

We are pleased to be able to share these preliminary findings with you:

Women in the HRS

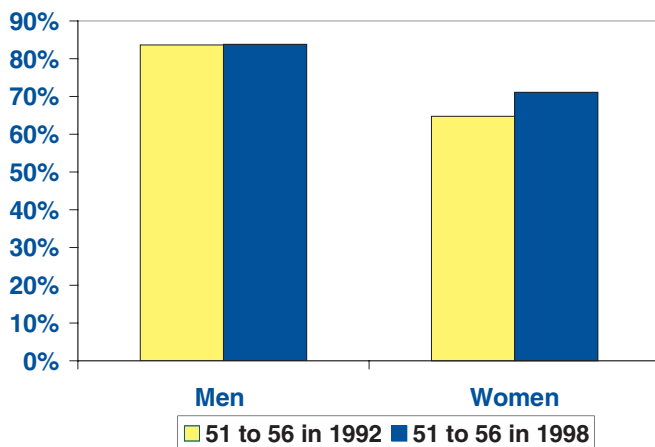
Women's roles are changing, but are these changes affecting women over 50?

Researchers have been looking at data from 1998 and comparing it to the information many of you provided in 1992. Using this data they have been able to take a first look at how things changed for some of the women in our study (51-56 year-olds). This makes it possible to look at how being a 51-56 year-old woman in 1998 was different from being a 51-56 year-old woman in 1992.

Women at Work and Home

First, the researchers looked at the number of women who were working. They found that women who were 51-56 years old in 1998 were more likely to be working (71% worked) than those women who were 51-56 just 6 years earlier (65% worked).

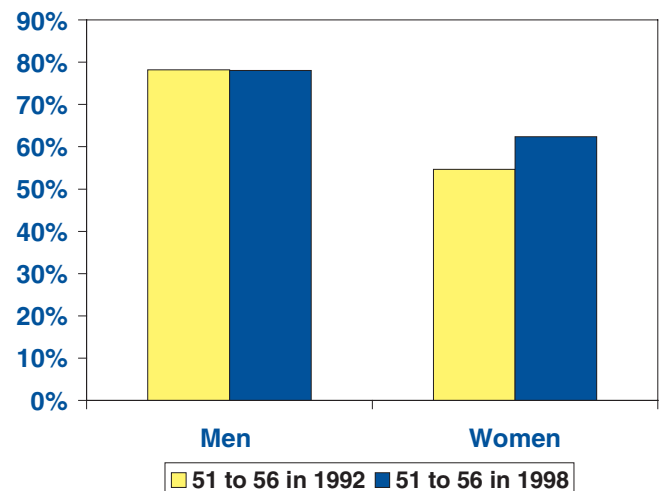
Percent of 51-56 year-olds who were working in 1992 and 1998, by sex



The change was the largest among married women -- a full seven percentage points. In 1992, 62% of married 51-56 year-old women worked full or part-time. By 1998, 69% of married 51-56 year-old women were working.

Another group of researchers found that the number of women working full-time (over 1200 hours a year) also went up. In 1992, only 55% of 51-56 year-old HRS women worked full-time. By 1998, that number increased to 62%.

Percent of 51-56 year-olds who were working full-time in 1992 and 1998, by sex



The researchers also looked at how many women viewed their work at home as their primary occupation. As part of the HRS interview, we asked each of you whether you were working, laid off, unemployed, disabled, or a homemaker. In 1992, about 20% of HRS 50-56 year-old women reported that they were homemakers. By 1998, that number had decreased to about 14%.

Clearly, the situation was different for a 51-56 year-old woman in 1998 than it had been just 6 years earlier. Women in this age group were more likely to work and more likely to work full-time. They were also less likely to consider themselves homemakers.

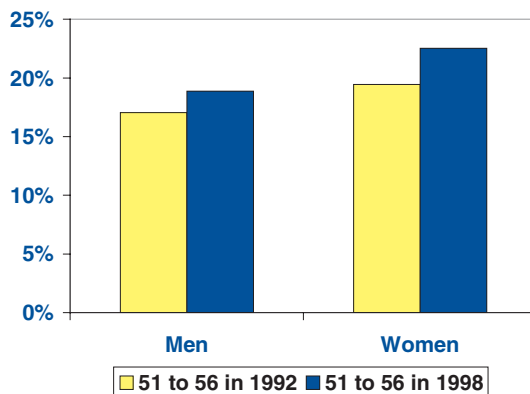
Women's Physical Health

Medicine has improved dramatically in the last century. In recent years, government policies have also mandated that more medical research be done on women. We were curious whether these changes have affected how HRS women feel about their health.

Each time we talk to you, we ask if your health is excellent, very good, good, fair, or poor. HRS researchers looked at whether 51-56 year-old women had answered this question differently in 1992 and 1998.

Overall, HRS participants who were 51-56 years old in 1998 were more likely to say their health was fair or poor than those who were 51-56 in 1992 (fewer said their health was excellent or very good). Women reported the biggest changes. In 1992, 19% of women said their health was fair or poor. This went up to 23% just six years later.

Percent of 51-56 year-olds who said they were in poor or fair health in 1992 and 1998



Although the research is preliminary, researchers have some ideas about why health is getting worse among HRS women. They believe that as women work more, their health may be suffering. As they spend more time at work, they have less free time and get less sleep. This may affect their ability to take care of themselves. However, the researchers also pointed out that all of us are being exposed to more messages about our health than in the past. As women hear more and more that they should be eating better, exercising more, and keeping their weight down, they may feel worse about their health. Exactly why this would affect women more than men is unclear.

Researchers will continue to look at the HRS data to understand how things are changing for women and why.

For more information, feel free to:

Write us at:

University of Michigan
Survey Research Center
Health and Retirement Study
P.O. Box 1248
Ann Arbor, MI 48106-1248

Visit the HRS website at:

<http://www.umich.edu/~hrswww>

Call the toll free HRS telephone number:

1-800-759-7947 1-800-272-2815

Our Sponsors

Primary support for the HRS comes from the National Institute on Aging at the National Institutes of Health, with additional support from the Social Security Administration.