



Health and Retirement Study

Winter 2002 Newsletter

STUDY NEWS

Celebrating Our 10th Anniversary of HRS Interviews

The HRS began in 1990. Then, in 1992 we interviewed our first participants. It is hard to believe that this year marks the 10th anniversary of our first HRS interviews.

We are sure that most of you have changed since 1992. So has the study. As part of that change, many of the goals that we set out to achieve have been accomplished. **Thank you for participating in the HRS and making these accomplishments possible!** We will be celebrating some of them in this issue of the newsletter.

Growing Larger When the study began, we carefully selected about 12,600 people in the United States between the ages of 51 and 61 (and their spouses) to participate in the HRS. Since then, thousands more have been selected to join the study. Today, the HRS includes over 20,000 participants who represent all people over 50 who live in the U.S.

Becoming Recognized The experts who designed the study put a great deal of thought into which questions we would ask you. We hoped that the study would provide researchers and policymakers with the information they needed to make sound decisions about important issues affecting older Americans.

Today that careful work and your generous participation are paying off. The HRS data are used in hundreds of research projects. Many of these have led to publications in respected journals, magazines, and newspapers. The study was recently cited by reviewers at the National Institute on Aging as the leading source of data on health and retirement.

Informing Policymakers

Research based on the HRS data is being used more and more to inform policymakers as they make important decisions about Social Security, medical care and treatment, and other issues. You can read more about how the HRS provides information to policymakers in the Director's Letter (on page 2 of this newsletter).

Crossing Borders Researchers and policymakers from other countries have been asking for information about the study. They have been so impressed that several countries (including Australia, Mexico, and a consortium of 10 European nations) have started or are planning similar studies.

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Letter from the Director

Dear Health and Retirement Study Participants:

Through the Health and Retirement Study's (HRS) interviewing staff, I know that many of you are interested in hearing more about how the HRS data affects specific policy changes. In the last issue of the newsletter, I talked about the main goal of the HRS -- that is, providing information to researchers, policymakers, and all Americans about the well being of people over 50. This information is critical as we face decisions about our lives and the policies and programs that affect them.

As we approach our 10-year anniversary, the HRS has become the leading source of data on people over 50 here in the United States. The requests for HRS data are increasing and the data are being used for more research all the time. By late 2001, we received over 6,000 requests for the HRS data from researchers, policymakers, and others. I would like to share with you a couple of those requests.

In the summer of 2000, we were asked to provide HRS data for a very exciting initiative on people 65 and over in the United States. We were pleased to be included in this effort by the *Federal Interagency Forum on Aging-Related Statistics* because many will view it as the official source for data of this kind. In August 2000, the *Federal Forum* released the report "Older Americans 2000: Key Indicators of Well-Being," which includes data from the HRS. I encourage you to find out more about this important project by visiting www.agingstats.gov.

Another effort that the HRS has contributed to is our understanding of health and older Americans. One area of increasing interest is the use of alternative medicines. Because so many people are using alternative medicines, in 1998 Congress established the National Center for Complementary and Alternative Medicine (NCCAM) at the National Institutes of Health. The Center's purpose is to help all of us to assess which alternative medicines work, which do not, and why. As part of the 2000 HRS interview, we asked approximately 1,000 of you about your use of alternative medicines and services. In late 2000 Dr. Richard J. Hodes, Director of the National Institute on Aging, asked us to summarize the HRS data so that he could present it to the NCCAM's National Advisory Council for Complementary and Alternative Medicine. The information you provided will help that Council set priorities for future research on alternative medicines. We have included some of the information we shared with Dr. Hodes on page 5 of this newsletter.

Another important area where the HRS informs policymakers is Social Security. In celebration of our 10th anniversary, we have dedicated parts of this newsletter to research that assesses the role Social Security plays in people's lives and how that role could be affected if Social Security were changed.

I would like to thank you for sharing your time and information with the HRS staff over the years. By participating, you have taken part in an effort to have decision-makers consider your situation as they make choices that will affect the future of all Americans. We hope that you will join us in celebrating our 10th anniversary by participating again in 2002.

Sincerely,



Robert J. Willis

BEHIND THE SCENES

Why Do We Ask for Access to Your Social Security Files?

Many of you have asked us why we want permission to access your Social Security records. The reason is that these records have information on your earnings history that is essential to understanding your situation as you approach and move through retirement. That information would be almost impossible to collect from any other administrative source. It would be burdensome to collect the information directly from you.

Earnings History

How much money people earn makes a difference in their decisions about when they will retire. It is not just people's earnings in the last few years before they retire that are important. How much people make throughout their lives affects the resources they have when they retire.

Earnings can also be important to other aspects of people's lives. For example, researchers have found that the amount of money you made in your 20s, 30s, 40s, and after can help us to understand your health later on.

Social Security Benefits If you are retired, your Social Security files also tell us about the benefits you receive. If you are not yet retired, they contain estimates of what your benefits will be.

Most policymakers know that Social Security is a large part of many people's retirement income. What they don't know is who relies on Social Security most. They also don't know as much as they would like to about how people's lives would change if Social Security benefits were changed.

Your benefits information combined with other financial information helps them better understand the impact of Social Security on your lives. On pages 6-7 of this newsletter there is more information about the role Social Security plays in people's financial situation when they retire.

Why Don't We Ask You for the Information during the Regular Interview?

When we first designed the HRS, we thought about asking you about your past earnings. But, we did not want to take up more of your valuable time with detailed questions about how much money you earned at every job you have had.

We have also learned that many people are unable to remember

accurately how much money they earned from jobs they held in the past. Since accuracy is so important to the work being done in this area, we decided to simply ask for access to your Social Security information.

How Do We Protect Your Social Security Data?

Keeping all of your information confidential is the highest priority of our staff here at the Health and Retirement Study and at the Institute for Social Research, which administers the HRS. For over 50 years, we have successfully protected confidential survey data.

In previous issues of the newsletter, we told you about how we protect your HRS interview data. However, your Social Security data is a little bit different than the information you give us as part of the HRS interview. We thought you might want to know how we protect it.

We Cannot Access Your Social Security Data Without Your Permission

First of all, if you do not give us written permission to access your Social Security data, we cannot get it. The Social Security Administration will only release your information if we have a valid permission form, signed by you.

Your Data Is Processed in a Secure Facility by a Select Group of Staff

Once the Social Security Administration receives the permission form, the information is transmitted in special code and processed in a secure facility. During processing the information cannot be accessed by anyone except a small, carefully selected group of HRS staff. These staff are trained using time-proven techniques and procedures that protect the confidentiality of your data. Each member of the processing staff signs an annual *Pledge to Safeguard Respondent Privacy*. The pledge is a contract stating that they will protect the privacy of your data. Complying with that pledge is a condition of employment.

Removing Information That Might Identify You

We keep your Social Security data in a separate file from your other HRS data. That way, we can provide extra protections for it.

As with all HRS data, identifying information (such as name, address, the state where you live, details about your occupation, and Social Security number) is removed before we release it to anyone outside the processing team.

To further protect the data, we do not include your exact income. Instead, we round all income information to the nearest 100 or 1,000 or present it as a category (e.g., \$100,000 - \$199,999).

Social Security Cannot Use the HRS Data To Find Out More About You

The Social Security Administration has no way of linking your regular interview data to your Social Security number. They only have access to your regular interview data after the Social Security number is taken out.

Researchers Must Meet Special Qualifications To Use Your Data

Even after your data is processed (and the identifying information is removed), your Social Security records may only be used by a select group of qualified researchers.

These researchers go through a rigorous process before they can

use the data. As part of this process, the researchers must submit a data quality plan – this plan must meet the HRS standards for ensuring that others will not have access to your data. They also must sign contractual agreements that subject them to stringent penalties if the data are misused.

Designing a New HRS Logo

For some time now, we have been working on a new logo. After reviewing endless designs, we finally found one we like. The tree in our new logo is a White Pine. We picked it because trees are a symbol of maturity and life. They also suggest family connections, which are an important part of the HRS. The White Pine is the state tree of Michigan, where the study is based. From now on you can recognize the HRS materials by our new logo.

For more information about how your HRS data are protected, visit the HRS website

For information about how we protect the data from your HRS interview -- <http://www.umich.edu/~hrswww/news/news1999.pdf>

For information about how we protect your Social Security Data -- <http://hrs.isr.umich.edu:1041>

Thank you for trusting us with your data. Without your trust, this study would not be possible. We will continue to protect your privacy with the greatest care.

HRS BY THE NUMBERS

Here are some statistics from your 2000 survey answers:

We are hearing more and more about alternative medicine in the news. Alternative medicine* includes a broad range of healing philosophies, approaches, and therapies that conventional medicine does not commonly use or understand. Some examples of these practices include the use of acupuncture, herbs, homeopathy, therapeutic massage, and traditional oriental medicine.

Because of the increase in the popularity of these types of medicine, we asked about 1,000 of you some questions about the kinds of alternative services you used as part of your interview in 2000.

The National Institute on Aging was so interested in our findings that they asked us for information even before we had finished talking to all of the HRS participants in 2000. We thought you might be interested in seeing some of the information we gave them.

Alternative Health Services

Overall, about 53% of those asked had used some kind of alternative services. Nearly half said they had been to a chiropractor, while 1 in 5 had used massage therapy.

Percent who have used alternative services

Chiropractor	46%
Massage Therapy	20%
Acupuncture	7%

Diet Supplements We also asked about diet supplements. Overall, about 65% of the HRS participants we asked had used some kind of vitamin supplements in the previous month. On average, they spent about \$173 a year on those supplements. About half of them reported taking multivitamins, making it the most popular supplement.

Percent who used diet supplements in the previous month

Multivitamin	50%
Vitamin A	10%
Vitamin C	32%
Vitamin D	14%
Vitamin E	38%
Calcium	34%
Magnesium	12%
Other Vitamin and Mineral Supplements	24%

Herbal Supplements About 19% of the participants we asked had used some kind of herbal supplement regularly during the previous month. On average, they spent \$135 a year on those supplements.

Percent who used herbal supplements in the previous month

Aloe	4.0%	Ginseng	6.0%
Astragalus	0.1%	Goldenseal	2.3%
Cat's Claw	0.2%	Kava	1.6%
Cayenne	2.3%	Ma Huang	0.4%
Echinacea	7.6%	Saw Palmetto	4.2%
Feverfew	0.4%	St. John's Wort	3.8%
Garlic	8.2%	Valerian	0.4%
Gingko Biloba	7.2%	Other Herbals	6.5%

* Alternative medicines/services can also be called *alternative and complementary* medicines/services.

RESEARCH CORNER

Leading researchers in the U.S. and worldwide use the HRS data. Recently published findings cover a broad range of areas, including retirement resources, Social Security, and reasons for and satisfaction with retirement. We would like to share some of these findings with you:

Retirement Resources

When we designed the HRS, policymakers were very concerned about the future of Social Security. The issue of how to change Social Security continues to be important.

One of the primary goals of the HRS is to provide policymakers and all Americans with accurate information about the financial situation of people over 50 and their reliance on Social Security.

Since the HRS began, a great deal of research has been done in this area. Much of this research has been published in journals that are widely read by policymakers. We would like to share some of the findings with you.

How Much Are Our Retirement Resources

Worth? A team of researchers examined the 1992 HRS data on 51-61 year olds. They wanted to know how much people's resources are worth as they approach retirement age.

They found that the typical (median) HRS household had about \$325,000 worth of

retirement resources (see the gray shaded box below for more information about what we mean by retirement resources).

Of course, few of us are typical. The poorest 10% of families had less than \$40,000 (on average). The wealthiest 10% had over \$1.7 million (on average).

How Do We Prepare?

The researchers wanted to understand just exactly how these HRS households were preparing for retirement.

Social Security They found that Social Security is the

most common way of preparing for retirement. When we asked them in 1992, nearly all HRS families (96%) expected to collect Social Security.

Pensions About two-thirds of HRS households expected to get a pension at retirement.

However, not all pensions are the same. For example, some companies have pensions that provide employees with a fixed income when they retire. These are often called defined-benefit pensions.

Other companies give their employees money to invest for retirement and let them pick the way they want to invest from several options. These are called defined-contribution plans.

Retirement Resources

Retirement resources are a combination of all of the financial resources families have available for their retirement, including:

Social Security Wealth: The dollar value of the Social Security benefits that each HRS family is expected to receive over their lifetime.

Pension Wealth: The dollar value of the pension benefits each HRS family is expected to receive over their lifetime.

Home Equity: The market value of owned homes minus any money still owed.

Financial Assets: IRAs, Keoghs, stocks, bonds, savings, checking, money market accounts, business, and real estate investments minus any money owed.

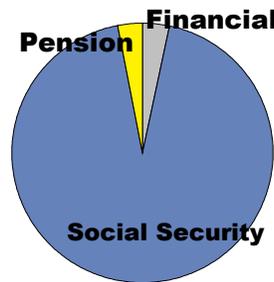
They include 401(k)s and 403(b)s. Defined-contribution plans differ a lot in terms of the rules for investing and withdrawing money. Some even allow people to withdraw money before they retire. (If they do, they usually pay a tax penalty.)

Home Equity Over three-quarters (80%) of HRS families had equity in their homes.

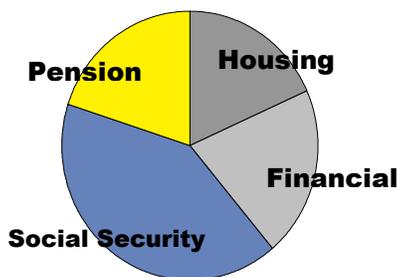
Financial Assets Most HRS families (88%) had some kind of financial asset.

Who Prepares How? The researchers found that all four of these types of retirement resources were important. However, the importance of each of these types (that is, Social Security, Pensions, Home Equity, and Financial Wealth) was different for families who had saved more for retirement than for those families who had fewer resources as they approached their retirement years.

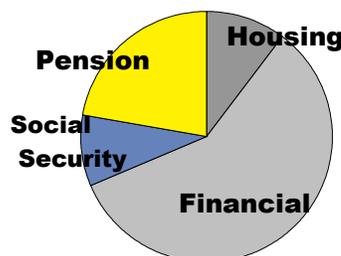
The 10% of families with the least retirement resources These families rely the most heavily on Social Security as their nest egg for retirement. In fact, Social Security accounts for most of their financial resources for retirement. Financial assets, like stocks and bonds are rare and the amounts are small. These households often have small or negative investments in housing.



The typical family The typical family also depends a lot on Social Security, which accounts for about 41% of their wealth as they approach retirement. However, they are likely to count on pensions, housing, and financial resources as well.



The 10% of families with the most retirement resources These families held more than half (nearly 60%) of their retirement money in financial assets, such as businesses, stocks, and bonds. Social Security accounts for only 9% of their wealth.



Want to know more? Here are some references:

James F. Moore and Olivia S. Mitchell, "Projected Retirement Wealth and Saving Adequacy," in *Forecasting Retirement Needs and Retirement Wealth* -- edited by Olivia S. Mitchell, P. Brett Hammond, and Anna Rapoport, University of Pennsylvania Press, Philadelphia, 2000.

Alan L. Gustman, Olivia S. Mitchell, Andrew A. Samwick and Thomas L. Steinmeier, "Pension and Social Security Wealth in the Health and Retirement Study," in *Wealth, Work, and Health, Innovations in Measurement in the Social Sciences* -- edited by James Smith and Robert Willis, Ann Arbor, Michigan, University of Michigan Press, 1999.

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.

Kerwin K. Charles, "Is Retirement Depressing? Labor Force Inactivity and Psychological Well-Being in Later Life," November 3, 1999.

Celebrating 10 Years of HRS in The News

Over the past 10 years over 500 articles referencing HRS data have been published in newspapers and magazines across the country (and even a few in other countries). Since the beginning, the press has recognized the importance of the Health and Retirement Study.

1993: When the first dataset was released, there was a flurry of articles in newspapers across the nation. Just a few of those articles are listed below:

“What Me Retire?” *Beavercreek News Current (Dayton, Ohio)*, 6/17/93

“50-Something Americans Worry About Retirement,” *Daily News Leader (Stanton, Virginia)*, 6/18/93

“In Study, 3 of 4 Prefer to Work Part Time Rather Than Retire,” *The Boston Globe*, 6/18/93

“Study on Aging: 50-somethings Fear Job Lock: A Portrait of People Nearing Retirement,” *The Seattle Times*, 6/18/93

“Longer Life Means Expanding Families,” *USA Today*, 6/19/93

“Study: Americans Worry About Health, Money in Retirement,” *Spartanburg Herald-Journal (Spartanburg, South Carolina)*

“Near-retirees Not Changing Jobs: Fear Losing Benefits if They Go Elsewhere,” *Sunday Bulletin (Norwich, Connecticut)*, 6/20/93

“Study Sheds New Light on Issue of Elder Abuse,” *Palestine Herald-Press (Palestine, Texas)*, 6/27/93

“Spotlight on Korean War Generation Illuminated Scramble to Balance Lives,” *Sun-Sentinel (Fort Lauderdale, Florida)*, 6/30/93

“Study: Early Retirement Not Enticing Workers,” *Philadelphia Inquirer*, 9/22/93

1994-2001: Over the years, articles have been written about selected research findings based on HRS data. We thought you might like to see a list of some of those articles:

“Rich Are Getting Richer, but Not the Very Rich,” *New York Times*, 3/13/96

“The Future of Retirement: It’s not what you think,” *Fortune Magazine*, 8/19/96

“Ending a Working Life: Trend is to Labor Longer, Go Gradually,” 11/10/97

“Boomers To Reinvent Retirement,” *AARP Bulletin*, 6/98

“Boomers May Go Bust,” *American Demographics*, 8/98

“The Many Shades of Gray,” *Pittsburgh Post-Gazette*, 12/13/98

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

“Heavy Meals May Pose a Heart Risk,” *The New York Times*, 11/28/00

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

“Saving for Retirement: The Importance of Planning,” *Research Dialogue*, TIAA-CREF Inst., No. 66, 12/00

RESEARCH IN PROGRESS

The 2000 HRS data was stripped of all identifying information and made available to researchers in the summer of 2001. Over the past few months, those researchers have begun to look at that data to answer important questions about older Americans. Even though this research is still in progress, we wanted to share some of it with you:

Life after Retirement Social Security and finances play important roles in people's situation after retirement. However, many other aspects of a people's lives affect their well-being. So, when we designed the HRS, we also wanted to be able to look at people's emotional well-being and general feelings about retirement.

Researchers have begun to use data from 2000 and from earlier years to get an idea of why people retire and how they feel about life after retirement.

Why Do People Retire? One area that researchers and policymakers want to understand better is what factors affect people's decisions to retire.

A group of researchers looked at the 2000 HRS data on people who said they were completely retired. These recently retired people were asked about four common reasons for retirement (poor health, wanting to do other things, not liking their work, and wanting to spend more time with family) and how those reasons affected people's decisions to retire.

It turns out that all four reasons were either very important or moderately important to many HRS participants. Nearly half of those who had retired in the past two years said spending more time with their family was an important reason for their retirement. Many also considered wanting to do other things (45%) and poor health (30%) as important reasons for retirement. About 11% said that disliking their work was important to their decision to retire.

What factors were important to people in their decision to retire?

	<i>Very Important</i>	<i>Moderately Important</i>
They wanted to spend more time with their families	33%	16%
They wanted to do other things	26%	18%
They were in poor health	25%	5%
They didn't like their work	5%	6%

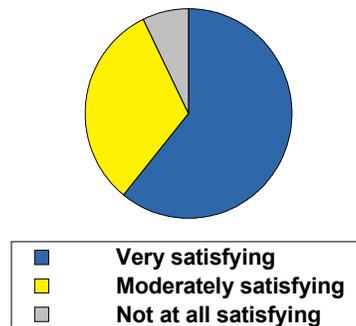
Is Retired Life Enjoyable? You may remember that we ask you as part of the HRS interview if you ever feel lonely or depressed. One HRS researcher examined this data. He wanted to understand how retirement affects a person's emotional well-being. Specifically, are people more satisfied after retirement or do they become depressed and lonely when they leave their jobs?

The researcher looked at retired male HRS participants (they had not been working for at least a year) in their 60's and 70's in 1993, 1994, 1995, and 1996. He knew from previous research that retired people report more loneliness and unhappiness than people who are working. He wanted to better understand why. That is, does retirement make people lonely and unhappy or do people retire because they are lonely and unhappy? He found that unhappy and lonely people are more likely to retire. Once he accounted for this, it turned out that retirement actually made people happier and less lonely.

Another group of researchers used the 2000 HRS data to try to answer this same question. When we asked you (those of you who have already retired) how satisfying your retirement has turned out to be, most of you (61%) said that it was very satisfying.

About a third (32%) said that retirement was moderately satisfying. Only about 7% said that retirement was not satisfying at all.

How Satisfying Is Retirement?



Why Do We Want to Know about Depression?

Emotional health is an important part of your well being. Researchers are finding that mental health and physical health are related. Symptoms of depression can be brought on by physical problems or disease. But physical health can also be affected by mental health.

One medical researcher found that people who were depressed were just as likely as smokers to develop new diseases within two years. The researcher examined people in the U.S. who were age 70 and older and who reported having several symptoms of depression (such as feeling sad or lonely during the past week). She found that they were 34 percent more likely than others to develop a new disease by the time we interviewed them again two years later.

HRS Interviews & Presentations

The designers of the HRS have been asked to give many interviews and presentations. People are often interested in learning about the HRS in general or a specific research project that has been done using HRS data. Or, they may be from another country and want more information about the HRS so that they can start a similar study.

Here are the titles of just a few of the presentations our designers have given in the last couple of years:

“Social Security Reform,” Sound Money, Michigan Public Radio. Given by Olivia Mitchell in January, 2000

“2020: A Possible Future,” CNN Documentary on the Future. Olivia Mitchell in March 2000

“Longitudinal Surveys in Developed Countries: Design is Destiny,” at the Workshop on Leveraging Longitudinal Data in Developing Countries, National Academy of Science, Washington, D.C. Robert Willis in June 2001

Worldwide: *Speakers from the HRS have been invited to present all over the world, including:*

- *Tokyo, Japan*
- *Frankfurt & Rostock, Germany*
- *Paris & Evian, France*
- *University of Bergen, Norway*
- *Tel Aviv, Israel*

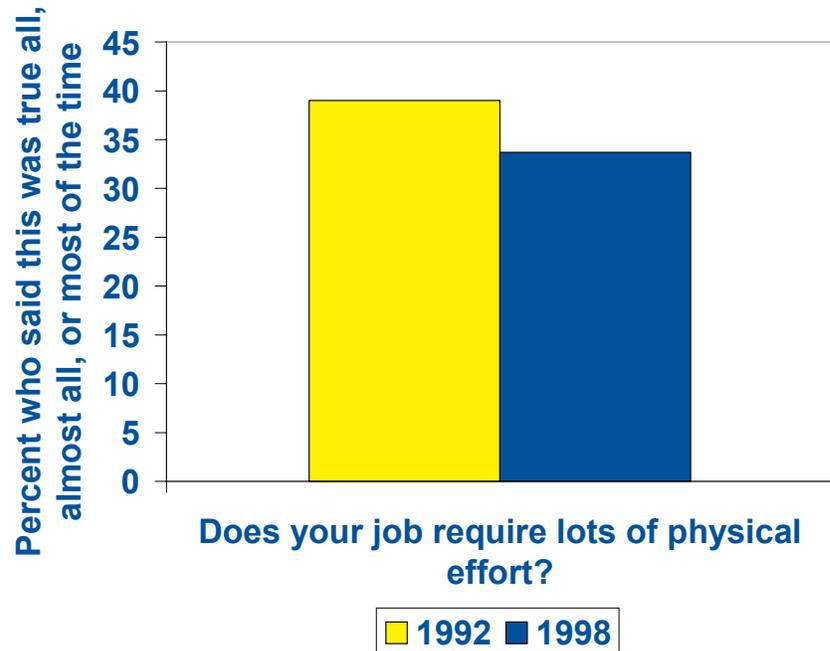
The Workplace: 1992 and 1998/2000

The American economy has been through dramatic changes over the last 10 years. Not surprisingly, the workplace has changed with it. But, how have those changes affected people approaching retirement?

Job Requirements We keep hearing that there are fewer and fewer jobs that require physical strength. Today, more people are relying on their skills with computers and people at work. A group of researchers looked at the HRS data to see if these trends are affecting older workers. They looked at people who were between 51 and 63 years old in 1992 and compared their situation to people who were in the same age group in 1998 and 2000.

One researcher looked at the skills HRS participants said they needed at work. She wanted to know if this had changed since 1992. Based on what she found, it looks like expectations are changing for people in their 50s and early 60s. By 1998, fewer

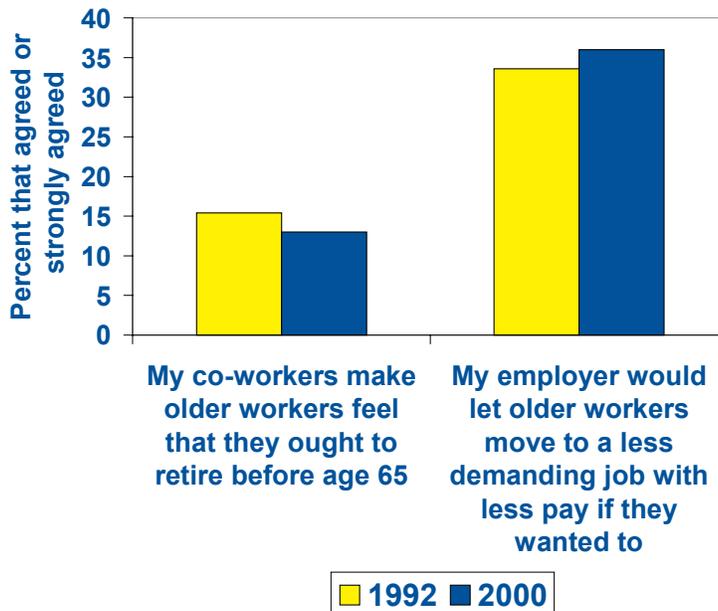
51 to 56 year-olds reported that their job required lots of physical effort (34%) than people who were that same age in 1992 (about 39%).



Stress In addition, in 2000 people seemed to find their jobs easier and less stressful than they had in 1992. The same researcher found that people age 53 to 61 in 2000 were less likely to say that their jobs involved a lot of stress (about 58%) than people in that same age group had in 1992 (about 62%).



Attitudes toward Older Workers Older workers (aged 53 to 61) in 2000 seemed to feel a little bit more welcome in the workplace than workers who were the same ages in 1992. Fewer said that their co-workers made older workers feel that they should retire before age 65. In addition, more felt that, if they wanted to, their employers would let them work at a less demanding job (with less pay).



Sleep Habits and Good Health

Recently, the importance of sleep has gotten a lot of attention in the news. We wanted researchers to be able to look at how sleep affects the well being of older people. In 1995, we asked about 700 of you (who were over 72 at the time) how well you were sleeping.

A group of researchers has started to examine your answers. It turns out that more than 1 out of 10 people over 72 had trouble falling asleep most of the time. Another 40% had trouble falling asleep sometimes. The remaining 48% of the people that answered the question said that they rarely or never had difficulty falling asleep. People who reported sleep problems in 1995 were more likely to indicate that they were depressed three years later in 1998. The researchers will continue to examine your information to try to understand how sleep affects your health and satisfaction with life.

For more information, feel free to:

Write us at:

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 Survey Research Center
 Health and Retirement Study
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 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

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