



### HRS Update | Winter 2012

## TEN THOUSAND A DAY

For the last thirty years, the Baby Boomers have helped pay for Social Security and Medicare. Now, at the unprecedented rate of ten thousand a day, they are retiring and taking up those benefits themselves. By 2030, when the last of the boomers turns 65, the population over age 65 will nearly double. This dramatic change in our population means that there will be more retirees drawing benefits and fewer workers to help pay for things like Social Security and Medicare. Quite simply, population aging is the driving factor behind the future deficits and debt of the nation. The Health and Retirement Study (HRS) was created to help researchers and policymakers address these challenges with hard facts about the real lives of retired people and people approaching retirement ages. With ten thousand new retirees every day, the HRS is more important now than ever.

The HRS is paid for mainly by the National Institutes of Health (NIH), and it must compete against many other worthwhile science projects. Last year, a group of sixteen eminent experts from many different fields reviewed the HRS, and each one gave it their highest

possible grade, resulting in a very rare perfect score. That score reflects how important the study is and how valuable your participation is. You might be surprised to know that one of the themes we emphasized in our proposal to continue the study was the importance of keeping it from becoming too much of a burden on our respondents. You'd be even more surprised to know that our reviewers agreed. We are keenly aware of the time it takes for you to participate in the study. Your dedication is greatly appreciated. In the coming years, we will continue to work hard to make the most effective and efficient use of your time with us. Thank you for all you do.

*David Weir, Director, Health and Retirement Study*

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### THE NEXT WAVE OF HRS QUESTIONS IS COMING IN 2012 . . .

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## The Impact of Medicare

When they reach the age of 65, most Americans qualify for Medicare, which provides insurance coverage for health care services. Researchers used HRS data to understand the impact of this program on the health and well-being of older Americans. They followed people who went from having no health insurance coverage to having Medicare coverage. For these people, obtaining Medicare coverage was associated with improved trends in self-reported health, especially cardiovascular disease and diabetes. Previously uninsured adults substantially increased their use of covered basic clinical services — but not medications — after gaining Medicare coverage.

From: Michael McWilliams et al., 2007, *Journal of the American Medical Association* and *The New England Journal of Medicine*; David Baker & Joseph Sudano, 2005, *Archives of Internal Medicine*

## WEATHERING THE STOCK MARKET DECLINE OF 2007–2009

With its wide range of information on household finances, HRS can provide important insights about how changes in the national economy may affect the economic well-being of those in and nearing retirement. HRS researchers recently reported on the impact of the dramatic decline in the value of the stock market in 2007-2009 and the continuing decline in housing value. For the average person nearing retirement, financial losses from the stock market downturn are not likely to cause significant life change because stocks are not a large part of their wealth in the first place. Workers this age are also more likely than younger workers to hold defined benefits pensions, which provide a cushion against stock market losses. Some are more affected than others, though. Earlier research had shown that the stock market boom of the 1990s increased retirement by about 3 percent. The researchers expect that the effect of the recent stock market decline on retirement will likewise have the reverse effect. They estimate that about 7 percent of the retirement-age population will delay retirement by a year, and almost 2 percent will delay retirement by two years.

From: Alan Gustman et al., 2010, *Journal of Economic Perspectives*



## BRIDGE JOBS CONTINUE FOR YOUNGER RETIREES

Previous research using HRS data has found that many older workers in the U.S. choose to work part-time — when that option is available to them — as they transition to full retirement. But what is the future of this trend? New research from HRS suggests that, in fact, the percentage of older workers who go to part-time work before retiring altogether has increased from 58 percent for the older cohort (born 1931–1941) to 62 percent for workers born 1942 to 1947. These results confirm that traditional, one-time permanent retirements, while still important, now represent a minority of the work transition patterns of older workers.

From: Michael Giandrea et al., 2009, *Research on Aging*

# CAN MONEY BUY HAPPINESS? MAYBE

As the old saying goes, money can't buy happiness. Economists have long been interested in testing whether this is true. New data on spending in HRS now allows them to explore this question. Researchers studied the association between various components of spending and happiness.

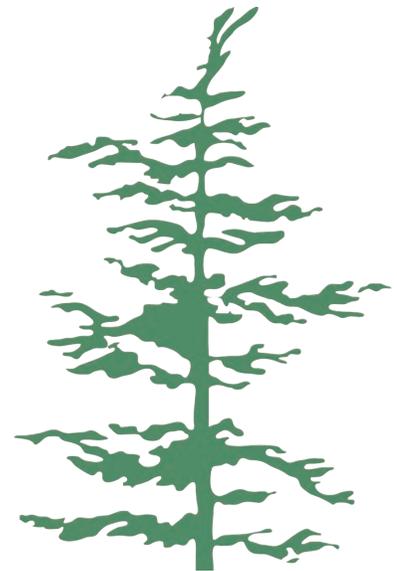
Only one type of spending was positively related to happiness — leisure consumption. Other types of spending related to meeting material needs were not associated with happiness. Researchers have found that people quickly adjust their level of happiness to changes in their material well-being. They think that the boost in happiness associated with leisure spending comes, in part, from the increase in social connections that are often a part of leisure activities. From: Thomas DeLeire and Ariel Kalil, 2010, *International Review of Economics*



## Who Feels Tired?

The prevalence of fatigue was estimated at 31.2 percent in HRS. Fatigue is defined as saying yes to at least one of two questions: “During the past week, did you feel that everything you did was an effort?” and “you could not get going?” Fatigue was more common in women (33.3 percent) than in men (28.6 percent). Fatigue does tend to increase with age, reaching its highest levels in men and women aged 90 and older. But it's not just a steady increase. Fatigue actually declines from age 50, when most people are still working, to age 65 when many people are retired.

From: Hongdao Meng et al., 2010, *Journal of the American Geriatrics Society*



The White Pine Tree, which has become a symbol for HRS, has a lifespan of 200 to 250 years and can grow to be 230 feet tall.

# YOUR INFORMATION IS SECURE

The information that you share with us is strictly confidential and is protected with a high level of security. To ensure this level of protection, we undergo regular security audits. No one has ever breached our data security system. We value your participation and go to great lengths to protect the information you share with us. We never release any information to *anyone* by which you could be identified.



## HOW YOU WERE CHOSEN TO PARTICIPATE

In order to make valid references to the entire population, we take a large sample of people in the population who are selected at random. This way, information from this sample can tell us about the entire population. Experts calculate how many people we need to study and determine how to select them randomly so that our study information is valid. You were chosen at random to represent yourself and another three to five thousand people like you in the U.S. population. Your participation is important because we need a large enough number of people selected at random to answer the survey over time to get meaningful results.

## WHY WE KEEP COMING BACK

You might be very surprised how important your continued participation in HRS is. HRS is the only study of its kind — studying the U.S. population aged 50 and older. What makes it especially valuable is that we study the same people over time. That way, we can provide researchers and policymakers unique long-term information about how we age and how we are affected by changes in the world around us. Answering HRS survey questions is an important way that you contribute to solving the problems we are all facing.

## THANK YOU FOR YOUR ADDITIONAL SUPPORT!

Many HRS participants provide additional information through mail-back questionnaires, Internet surveys, additional phone interviews, and even biological samples. We truly appreciate all of these extra contributions. This additional information is extremely valuable to policy makers and researchers who are trying to make a positive difference. For example, the mail-back questionnaire is providing valuable insights about paths to positive well-being as we age.

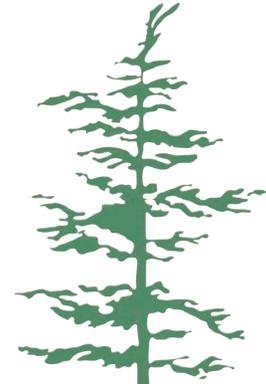
Richard Suzman, director of NIA's Division of Behavioral and Social Research, recently expressed his enthusiasm for the addition of biological information to HRS: "We are excited by the potential for transforming social and behavioral science by adding genetic information to such a large, national longitudinal study." According to Dr. Suzman, "The ability to link genetic information with social, psychological and economic data should result in much deeper understanding of how we age."

We look forward to your continued interest and participation in this important study.

# WORK FLEXIBILITY AND EXERCISE

If I only had more time, I would exercise. Does that sound familiar? Working and balancing family and other obligations makes it harder than ever to take care of ourselves. Researchers have used HRS to examine the effect of work hours on exercise. Most economic studies that look at the impact of work on other activities assume that work hours are freely adjusted, but in practice they are more likely to be fixed around a set schedule and amount. But what if they were flexible? Would we be more likely to exercise? The answer for men age 51–61 seems to be, yes. Men working a job with flexible hours were more likely to engage in frequent exercise than those whose work hours were fixed. Those who worked a 35-hour work week also found more time to exercise.

From: Chung-Ping A. Loh, 2009, *Review of Economics of the Household*



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## HELP TELL THE STORY OF YOUR GENERATION

People tell us that they enjoy participating in HRS because they are helping to write the story of their generation. Over the span of the study, now over twenty years, researchers have found important differences in the experiences of different age groups. Baby Boomers are now telling their story in HRS. Be sure that your voice is heard!

## A SPECIAL THANKS FROM THE NATIONAL INSTITUTE ON AGING

The primary funding source for HRS, the National Institute on Aging, recognized the study participants with this special note of thanks: “We thank the HRS’s most valuable asset — the thousands of HRS participants who...have graciously given their time and have sustained their interest in this study. We salute their contributions, which are, indeed, without measure.”



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