



# MICHIGAN RETIREMENT AND DISABILITY RESEARCH CENTER UNIVERSITY OF MICHIGAN

Promoting research on retirement, disability, and Social Security policy

MRDRC Newsletter | Winter 2021 | 21(1)

## Director's corner



*John Laitner*

In its final workshop of the year, the MRDRC presented "Disability Research with the Health and Retirement Study

[HRS]" on September 24, 2020. This was a Zoom event with about 50 participants. An online format removes, of course, the burdens of travel, so we were able to include researchers from across the United States and from Europe.

The HRS, which is collected at the University of Michigan, has been a cornerstone of research on retirement, pensions, and Social Security. It has, to

*See Director, continued on Page 2*

## MRDRC starts FY21 with 20 new projects

The U.S. Social Security Administration funded 20 MRDRC proposals for the 2021 fiscal year. Topics range from how COVID-19 has affected disability applications, how adverse events over the life course affect retirement due to disability, a mixed-methods analysis of consumer fraud reports on Social Security imposter scams, whether workers who suffer permanently disabling injuries covered by Workers Compensation (WC) subsequently end up on SSDI, and an examination of self-employment and the retirement transition.

Below are the projects' abstracts. The associated working papers, key findings, and briefs should be posted to the MRDRC website sometime in late 2021/early 2022.

### **UM21-01: The Effect of the Americans with Disabilities Act on Social Security Disability Insurance;** Timothy J. Moore

The Americans with Disabilities Act (ADA) was introduced in 1990 with the goal of

*See Projects, continued on Page 2*

## In this issue

Director's corner .....	1
MRDRC's FY21 projects .....	1
Summer funding .....	8
Researcher news .....	9

*Projects, continued from Page 1*

protecting disabled workers. While a number of studies have examined the impact of the ADA on the employment of disabled individuals, it is also important to understand the impact on their Social Security Disability Insurance (SSDI) use. This project will use state and county administrative data to assess the effect of the ADA on SSDI outcomes.

### **UM21-02: Geographic Variation in Disability Insurance Application and Awards in the**

### **Wake of the Coronavirus Epidemic; Lauren Nicholas**

The enormous health and economic burdens imposed by the COVID-19 pandemic may impact Social Security Disability Insurance (SSDI) application and receipt in several ways. Patients who recover from COVID-19 can have long-term health consequences that preclude work, others will delay care due to supply constraints and social distancing,


*Director, continued from Page 1*

date, played less of a role in studies related to Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI). On the one hand, the latter topics inherently pose challenges for sample size: Although the HRS has thousands of participants, only about 5% take up SSI and/or SSDI during their years in the survey. On the other hand, the HRS can offer an exceptionally rich array of covariates — on health, wealth, earnings, and family composition — as well as, starting at ages 51 to 61, panel data. It also has extremely useful links (available to researchers on a restricted-access basis) to administrative data sources with lifetime earnings, Medicare and Medicaid records, etc.

The workshop featured a panel of HRS users, who discussed the survey's potential strengths and limitations. Panelists included Jody Schimmel Hyde (Mathematica), Philip Armour (Rand), and Lauren Nicholas (Johns Hopkins). A second panel sought a broad overview. It included John Bound (Michigan), Eric French (University College London), Kathleen Mullen (RAND), David Weir (principal investigator of the HRS), and John

Phillips (National Institutes of Health/National Institute on Aging).

One of the points most frequently emphasized was the value of making the data set as user-friendly as possible. Elementary data processing steps can be very time consuming. Significant efficiency gains are possible if the steps need not be repeated for every research paper. In response, we have a new quick turnaround project now underway, headed by Susann Rohwedder (RAND), to expand the cleaned RAND HRS data files to encompass key SSDI and SSI variables. We will look for more opportunities along similar lines in the future.

Data development has been a topic of special interest to the MRDRC since its inception. We have, for example, used the expertise of our researcher team — which includes a number of HRS co-PIs — to present projects illustrating features of the HRS of special value for retirement-related policy analysis. With our mandate expanded in recent years to include disability studies, we look forward to highlighting potential roles for the HRS in SSI and SSDI research as well. 

and unemployed workers may increasingly turn to the SSDI program as alternative source of financial support. In this project, we explore state-level determinants of short-term changes in SSDI application and receipt following the COVID-19 pandemic, including the contributions of state policies such as unemployment benefits and timing of shelter in place orders; workforce characteristics, including the share of the population working in the health care and long-term care sectors, as well as those able to work from home; and the disease shock's severity as measured by hospitalization and mortality data.

**UM21-03: Survey of Disability Determinations Around the World;** Lila Rabinovich

Public disability insurance systems vary considerably across countries. There is variation in the benefit amounts, program administrative costs, eligibility criteria, coverage scope, accommodations such as fast-tracking of applications, and the disability determination process. The latter is of particular interest to the Social Security Administration as it considers adjustments in response to changes in the U.S. workforce, technology, healthcare, and medicine. This study proposes to examine how disability determinations are made in foreign disability programs. It will select eight to 10 OECD countries for comparison. The analysis will be based primarily on an extensive desk-review of available sources. We will begin by conducting computer-based searches and manual bibliographical searches of relevant publications to retrieve available information about international disability benefit systems and determination processes. Once details have

been gathered about our countries of interest, we will reach out to subject experts in the study countries. Ultimately, this survey may provide useful lessons to SSA about good international practice.

**UM21-04: Occupational Requirements and Worker Functional Abilities: A Close Look at Three Key Occupations;** Andrew J. Houtenville, Megan Henly, Debra Brucker

This project will examine the physical/mental functioning and use of accommodations among workers in three key occupations, selected from 14 identified as physically demanding and highly prevalent among SSDI applicants. SSA's input will be sought when selecting the three occupations. We will field a survey, where respondents will take the Work Disability Functional Assessment Battery (WD-FAB) and answer work-related and demographic questions, including the use of accommodations, specific vocational preparation, and demographic characteristics. The WD-FAB generates eight scores per respondent, one for each physical function domain (basic mobility, fine motor ability, upper body function, and community mobility) and mental function (resilience/sociability, mood/emotions, self-regulation, and cognition/communication). The samples for each occupation will be obtained from an existing internet panel prescreened by occupation. We will examine these data to see if accommodation use is associated with lower functioning, which would suggest that accommodations mitigate lower functioning in these occupations. In addition, for each occupation, we will compare the WD-FAB scores (means, medians, etc.) to Occupational Requirements Survey (ORS)

*See Projects, continued on Page 4*

*Workshop, continued from Page 3*

estimates for requirements that align with WD-FAB domains. In doing so, this project will demonstrate an approach to assessing an occupation and the functioning of workers in that occupation to inform disability determination.

### **UM21-05: The Role of Physical and Cognitive Job Demands on Transitions into Retirement;**

Italo Lopez Garcia, Kathleen J. Mullen, Jeffrey Wenger

Using data from the Health and Retirement Study (HRS) and the Occupational Requirements Survey (ORS), this project will examine the effects of physical and cognitive job demands, as well as educational requirements, on heterogeneous pathways from full-time work to retirement. Furthermore, it will compare its estimates, using ORS data, with those obtained using analogous measures of job demands from the Occupational Information Network (O\*NET) database to examine which (if either) data set on job demands produces estimates that are robust to alternative specifications, sample definitions, and to the definition of the job demand constructs.

### **UM21-06: Which Households Benefit from Delayed Claiming?** Leora Friedberg, Anthony Webb

Using administrative data, this project will quantify the incentive effects and equity of the Social Security survivor benefit. The project will first analyze incentive effects on the timing of initial claiming of retired-worker benefits by both spouses. The survivor benefit changes effective time horizons, rewarding later claiming by primary earners and earlier claiming by secondary earners. The project will

then quantify survivor benefits' distributional outcomes and induced changes in claiming patterns, incorporating interactions with mortality and earnings differentials among early and late claimers. This will demonstrate which households benefit from delayed claiming and the extent to which the survivor benefit raises Social Security outlays and augments inequality of lifetime benefits.

### **UM21-07: The Relationship between Adverse Experiences over the Life Course and Later-life Retirement Due to Disability;** Amanda Sonnega, Brooke Helppie McFall

We will use data about early- and midlife adversity from the Health and Retirement Study, including the new Life History Mail Survey, to examine the effects of adverse experiences on retirement due to disability. We hypothesize that early- and midlife adverse experiences will be associated with an increased likelihood of early retirement due to poor health and/or disability relative to continued work or retirement for any other reason.

### **UM21-08: Mixed-methods Study to Understand Use of My Social Security;** Lila Rabinovich

My Social Security (mySSA) is a key online resource offered by the Social Security Administration, providing users with a single access point to all SSA electronic services. While ostensibly an accessible and useful tool that can save users a significant amount of time, the number of people with a mySSA account remains low. According to data from a biannual, representative survey of Americans' Social Security literacy, only 30.8% have heard of mySSA and only 60% among them have set up

an account. This research proposes to conduct a mixed-methods study to examine the perceived and actual barriers to use of mySSA, users' experiences with mySSA, and possible avenues to increase mySSA penetration in the population. In the study's first phase, we propose to leverage existing data from surveys administered through the Understanding America Study to examine the characteristics of mySSA users. In the study's second phase, we propose to gather qualitative experiential data to understand users' actual and potential interactions with the mySSA tool.

**UM21-09: The Impact of Medical Spending Shocks on the Wealth and Insurance Purchases of Older Americans;** Eric French, John Bailey Jones, Jeremy McCauley

Using data from the Health and Retirement Study (HRS) and the Medicare Current Beneficiary Survey (MCBS), this project will estimate a dynamic model of medical spending and how medical spending shocks affect the wealth and insurance purchases of older Americans. Our analysis will proceed in three steps. First, it will estimate a dynamic model of total medical spending. Second, it will estimate how total medical spending, in combination with insurance purchases and household wealth, impacts out-of-pocket medical spending. Third, it will estimate how out-of-pocket medical spending risk affects household wealth and insurance purchases.

**UM21-10: Explanations for the Decline in Spending at Older Ages;** Michael Hurd, Péter Hudomiet, Susann Rohwedder

We propose to use new data from the 2019 wave of the Consumption and Activities Mail Survey to help interpret the observed decline

in spending as individuals age. At one extreme, forward-looking individuals optimally chose the decline; at the other, myopic individuals overspent and were forced to reduce spending because they had run out of wealth. Which interpretation is correct has important implications for the measurement of economic retirement preparation.

**UM21-11: The Immediate Impacts of Coronavirus on Americans' Economic Security;** Marco Angrisani, Jeremy Burke, Arie Kapteyn

The ongoing COVID-19 pandemic has caused an unprecedented, abrupt, and stark reduction in economic activity. This project will examine how the pandemic is affecting Americans' financial well-being using previous, ongoing, and soon to be fielded Understanding America Study surveys that track respondents' financial lives in detail. Our results will shed light on how the pandemic and the associated economic crisis are affecting Americans' economic security, how the impact varies across age and demographic groups, and how the pandemic is changing expectations about retirement and influencing Social Security claiming behavior.

**UM21-12: The Lifetime Risk of Spousal Nursing Home Use and its Economic Impact on the Community-Dwelling Spouse;** Susann Rohwedder, Péter Hudomiet, Michael Hurd

A single person in a nursing home is relatively well protected financially, because Medicaid covers nursing home expenses once assets are depleted. Couples, however, are less well protected. For them a great financial threat is that one spouse moves to a nursing home and that the

*See Projects, continued on Page 6*

*Workshop, continued from Page 5*

associated high cost rapidly depletes household assets, impoverishing the spouse living in the community. Using data from the Health and Retirement Study, this project will quantify the lifetime risk that one spouse will reside in the community while the other resides in a nursing home, to estimate the lifetime distribution of such nursing home nights and the associated cumulative, out-of-pocket nursing home expenses. We will examine how this lifetime risk and cost vary by respondent characteristics. For affected couples, we will study the impact on the household's asset position, whether the couple spends down to Medicaid eligibility for nursing home expenses, and to what extent Social Security income protects the community-residing spouse from poverty following the spousal nursing home episode.

### **UM21-13: Heterogeneity in Household Spending and Well-being on Retirement;**

Patrick Moran, Martin O'Connell, Cormac O'Dea, Francesca Parodi

Understanding how households' living standards transition as they move into and through retirement is crucial for the design of Social Security. A key indicator of whether households have adequately saved to maintain living standards in retirement is how their consumption patterns shift when they stop work. There is controversy in the existing literature about whether total consumption falls at retirement, what happens to different types of consumption expenditure, and how this interacts with increased leisure time. This project proposes to provide novel evidence on diversity in the dynamics of separated consumption and leisure

measures around retirement, focusing on how patterns vary with a life-time earnings measure.

### **UM21-14: What We Talk about When We Talk about Self-employment: Examining Self-employment and the Transition to Retirement among Older Adults in the United States;**

Joelle Abramowitz, Jinseok Kim

Many older adults engage in self-employment, yet little is known about the nature of these activities due to a lack of data on work ranging from occasional gig employment to contract work to business ownership. The implications of such arrangements for income and economic security, work and retirement, and well-being are, therefore, relatively unexplored. This project will use natural language processing to leverage internal longitudinal data collected in the Health and Retirement Study (HRS) on narrative responses on industry and type of work to better understand older workers' self-employment roles. The project will first classify reports to identify ownership, management, and independent self-employment roles, and will make the classification publicly available. The project will then use the classification, along with the breadth of information collected in the HRS and linkages to administrative records, to explore how the distribution and characteristics of employment have changed over time across different employment types. We also will examine how participation in different self-employment categories, including the gig economy, in the years leading up to and after retirement, has affected individuals' economic security in retirement and their Social Security coverage and benefit adequacy. Linkage to administrative records will permit identifying

reasons for discrepancies in administrative and survey reports of self-employment. The project will help to further understanding of who works in different types of self-employment and how self-employment types effects retirement age, work, and economic security in retirement, and well-being more broadly.

**UM21-15: Contextual and Social Predictors of Scam Susceptibility and Fraud Victimization;** Marguerite DeLiema

This study aims to identify the contextual and social predictors of elder fraud victimization. By identifying the mechanisms and timing of susceptibility, the study will inform the delivery of targeted interventions that reduce fraud vulnerability and prevent victimization.

**UM21-16: Do Workers Injured on the Job and Covered by Workers Compensation End Up on SSDI?;** David Neumark

This project will use data from the Health and Retirement Study (HRS) to study whether workers who suffer permanently disabling injuries covered by Workers Compensation (WC) subsequently end up on Social Security Disability Insurance (SSDI). If this occurs, then the experience rating in WC may be failing, as insurers are not bearing the costs of injuries, which could lead to insufficient workplace safety and more permanent injuries that lead to SSDI enrollment. Moreover, workers getting permanent disability benefits from WC (especially lump-sum payments) may be double-dipping from SSDI.

**UM21-17: Assessing the Economic Impact Payment in the Older Population;** Gábor Kézdi, David Weir

This project will use data collected by the

Health and Retirement Study in its 2020 wave to study awareness and impact of the Economic Impact Payment stimulus on different groups of older Americans during the coronavirus pandemic.

**UM21-Q1: Mixed-methods Analysis of Consumer Fraud Reports of the Social Security Imposter Scam;** Marguerite DeLiema

Despite the growing prevalence of Social Security imposter scams, there has been no academic research on this subtype of fraud. One problem is that general sample surveys do not ask respondents about the individual subtypes of government imposter scams they may have experienced, thereby conflating the prevalence of Social Security scams with IRS scams and others. For fraud victim research in general, a core limitation is that many individuals deny victimization and others simply do not know they were deceived. Due to a lack of empirical research on this problem, important questions about Social Security scams remain unanswered, such as who complies, how criminals change their story over time, and what persuasion tactics are most common and effective at eliciting compliance. In-depth research is needed to resolve significant gaps in knowledge to inform effective consumer education campaigns and other fraud prevention efforts. This project will yield insights directly relevant to SSA, such as what age groups are most susceptible, the manipulation tactics imposters use to deceive targets, the reasons victims provide to explain why they complied, the possible effectiveness of consumer fraud awareness messaging and law enforcement actions, and other actionable findings.

*See Projects, continued on Page 8*

## MRDRC offers funding for summer educational opportunities


Early career researchers, generally graduate to junior-faculty level, are invited to apply for three MRDRC funding awards for either the Health and Retirement Survey (HRS) Summer Workshop or the Panel Study of Income Dynamics (PSID) Data User Workshop and one award for an Inter-university Consortium for Political and Social Research (ICPSR) session. The funding will cover tuition expenses for the programs, which are all virtual this year.

To receive MRDRC funding, individuals must have demonstrated interest in retirement and disability topics that relate to the [Social Security Administration's research agenda](#). All are invited to apply for the funding; members of under-represented communities are encouraged to apply.

Last year's participants included Clarence Merckerson, an assistant professor in Southern University's Department of Rehabilitation and Disability Studies, who attended the Health and Retirement Study workshop.

"There are several directions I can take my research by having access to this data. Interacting with the staff was very informative. I felt like they all wanted me to be successful," Merckerson said. "Hearing responses and interacting with the other attendees was helpful, as well. There was a lot of good information shared."

University of Illinois at Urbana-Champaign PhD student Esther Shin found that the ICPSR session she attended added to her investigator tool box: "By giving in-depth knowledge of various research methods, my subject of research could be broadened," she said.

For more information on the funding and application process, visit MRDRC's Summer Funding page: <http://bit.ly/2021MRDRCfunding>. Questions regarding workshop funding should be directed to [mrdrumich@umich.edu](mailto:mrdrumich@umich.edu). Application deadline is March 31. 

---

*MRDRC funding is offered through a cooperative agreement with the Social Security Administration.*

*Projects, continued from Page 7*

### **UM21-Q2: Expansion of Simplified Totalization Agreements;** María Prados

The United States has signed 30 bilateral social security agreements. Other partner countries, such as the United Kingdom or Germany, have signed international agreements to eliminate double taxation for nationals working temporarily abroad in more than 50 other countries. This project will analyze the potential impact of expanding the set of countries with international social security treaties

by enacting new social security totalization agreements that are simpler than the standard totalization agreements enacted so far. The focus of this project will be to simulate the effect of eliminating double social security taxation for temporary work (less than five years) on international capital flows through enacting limited treaties with additional countries beyond the current U.S. partners. For this, we will extend a theoretical model of foreign direct investment to incorporate social security international

*See Projects, continued on Page 4*



# News from MRDRC researchers

## Journal publications

JAMA Internal Medicine published Lauren Nicholas, Ken Langa, Julie Bynum, and Joanne Hsu's article, "[Financial Presentation of Alzheimer Disease and Related Dementias](#)," online in November. The work is based on Nicholas and Hsu's 2018 MRRC project, "Adverse Financial Events Before & After Dementia Diagnosis: Understanding the Timing and Need for Assistance Managing Money Among Households Impacted by Dementia" (UM18-02; the working paper has yet to be posted due to medical journal constraints). The study matches Medicare diagnostic codes related to dementia with credit report data for 81,364 Medicare beneficiaries living in single-person households. The authors find "that those with ADRD were more likely to miss bill payments up to six years prior to diagnosis and started to develop subprime credit scores 2.5 years prior to diagnosis compared with those never diagnosed. These negative financial outcomes persisted after ADRD diagnosis, accounted for 10% to 15% of missed payments in our sample, and were more prevalent in census tracts with less college education."


Hsu and Nicholas wrote a [blog post on the findings](#) for the Federal Reserve.

## Media mentions

Nicholas and Hsu's work understandably has garnered media attention, with 83 news stories at the time of writing. [The Washington Post's wellness section](#) featured an interview with

Nicholas in November. In December, [Nicholas talked to CNN](#), which did an overview of the research. Coverage and interviews have also appeared in [The Sacramento Bee](#), [United Press International](#), [MSN.com](#), and The Independent, among others.

The Motley Fool used María Prados and Arie Kapteyn's 2019 working paper, "[Subjective Expectations, Social Security Benefits, and the Optimal Path to Retirement](#)" (MRDRC WP 2019-405, UM19-06), as basis for its article, "[3 Social Security Regrets That Could Wreck Your Retirement](#)." "Nearly one-quarter (22%) of retirees say they have Social Security regrets, according to a 2019 study conducted by the Michigan Retirement and Disability Research Center at the University of Michigan," writes Motley Fool's Katie Brockman. The piece was picked up in other regional news sources in November.


Retirement industry magazine [PLANSPONSOR](#) also wrote about Prados and Kapetyn's work in July: "A paper by the Michigan Retirement and Disability Research Center found current employees have little to no understanding of what their retirement benefits would look like. Forty-nine percent said they had no knowledge on expectations for future benefit amounts." 

---

*Researchers are encouraged to share academic publications, media interviews, and conference presentations of their MRRC/MRDRC-funded work. Please send announcements to [mrdrcumich@umich.edu](mailto:mrdrcumich@umich.edu).*

agreements with several countries. We will model limited totalization agreements that only eliminate double taxation. Previous work with this model (Prados et al. 2020), showed that this feature of totalization agreements can lead to increased flows of foreign direct investment. We will use the model to forecast the effects of new, more flexible totalization agreements.

**UM21-Q3: Adding New Variables to the RAND HRS Longitudinal File to Better Support Research on Disability;** Susann Rohwedder

In September 2020, the MRDRC held a data development workshop on “Disability Research with the Health and Retirement Study (see “Director’s corner, Page 1”),” where researchers highlighted the importance and richness of the HRS for the study of disability, but identified some challenges to using the available information effectively. Many participants emphasized the value of the RAND HRS to their research. It has, for example, a longitudinal structure and large set of covariates. The workshop produced some concrete suggestions for new variables to add to the RAND HRS Longitudinal File to further facilitate and increase the use of HRS data in disability research. Having consulted several researchers from the workshop, HRS leadership, and our expert RAND HRS programmers, we propose to add to the RAND HRS by implementing the suggested additions, measuring change in Supplemental Security Insurance and Social Security Disability Insurance application status since the last interview and documenting our methods. 



The Michigan Retirement and Disability Research Center is supported by a cooperative agreement with the Social Security Administration.

## Keep in touch

**Website:** [mrdrc.isr.umich.edu](http://mrdrc.isr.umich.edu)

**Twitter:** [@MRDRCumich](https://twitter.com/MRDRCumich)

**LinkedIn:** [linkedin.com/in/mrdrcumich](https://linkedin.com/in/mrdrcumich)

**Blog:** [mrdrc.isr.umich.edu/blog/](http://mrdrc.isr.umich.edu/blog/)

**Michigan Retirement and Disability Research Center**  
Institute for Social Research  
University of Michigan  
426 Thompson Street, Room 3026  
Ann Arbor, MI 48104-2321

**Director:** John P. Laitner

**Associate Director:** Dmitriy Stolyarov

**External Relations:** Susan Barnes

**Administrative Manager:** Cheri Brooks

**Phone:** (734) 615-0422

**Fax:** (734) 615-2180

### Regents of the University of Michigan

Jordan B. Acker, Huntington Woods; Michael J. Behm, Grand Blanc; Mark J. Bernstein, Ann Arbor; Paul W. Brown, Ann Arbor; Sarah Hubbard, Okemos; Denise Ilitch, Bingham Farms; Ron Weiser, Ann Arbor; Katherine E. White, Ann Arbor; Mark S. Schlissel, *ex officio*