



Promoting research on retirement and Social Security policy

Key findings on longer work lives

Phase IV, 2014 to 2018

Encouraging older workers to stay in the labor market has the potential to benefit the Social Security trust funds as well as improve retirees' financial well-being. Here are key findings from MRRC's current five-year funding cycle that touch on extending Americans' work lives. See also "Key findings on potential Social Security reforms."

Encouraging longer work

Addressing Social Security's Solvency While Promoting High Labor Force Participation

by *John Laitner* WP 2018-386

- Income and payroll taxes may cause households to retire earlier than maximal society-wide efficiency might favor. Hence, Social Security reforms that seek to encourage longer careers might be able to deliver higher tax revenues with less sacrifice of household utility than would otherwise be the case.
- Recent Social Security Trustee reports show that demographics and other changes are jeopardizing the solvency of OASI and other programs. Higher payroll taxes or lower retirement benefits are possible remedies. Incentivizing longer careers is another.
- The Social Security benefit formula, through its indexing of past earnings, tends to leave few incentives to work past the early 60s. Since income and other taxes may encourage early retirement, a case can be made for re-examining the indexing formula.

Adjusting the Payroll Tax to Promote Longer Careers by *John P. Laitner and Daniel Silverman*
WP 2017-363

- This paper re-estimates the life-cycle model of

Laitner and Silverman (2012) using up-to-date data and improvements in methodology to analyze a prospective Social Security reform that a number of authors have suggested, namely a payroll-tax cut targeted on households near retirement.

- Our model is limited to couples and the analysis studies male retirements, taking female labor force participation as given; thus, our simulations concentrate on male retirement.
- If we make revenue-neutral, age-dependent changes by lowering the payroll tax at ages near retirement and raising it earlier, we can encourage longer careers — enhancing efficiency. Our improved parameter estimates can enhance confidence in the overall results.
- The increases in labor force participation that we find are slightly smaller than LS (2012), but we suggest explanations for the difference.
- Our results are generally consistent with earlier work, though they point to slightly more limited policy benefits.

Do State Laws Protecting Older Workers from Discrimination Laws Reduce Age Discrimination in Hiring? Experimental (and Nonexperimental) Evidence by *David Neumark, Ian Burn, Patrick Button, and Nanneh Chehras* WP 2017-360

- Age discrimination may make it difficult for

policymakers to increase employment of older workers.

- Experimental data that directly measures age discrimination does not provide clear evidence that stronger laws protecting older workers from discrimination reduce measured hiring discrimination against older workers.
- Nonexperimental data indicate that the relative hiring of older workers is higher in states with stronger protections against disability discrimination. If this relationship is causal, it could imply that even though these stronger laws do not reduce measured discrimination against older workers, they could increase employment of older workers, perhaps by changing who looks for work.

Older People's Willingness to Delay Social

Security Claiming by *Raimond H. Maurer and Olivia S. Mitchell* WP 2016-346

- In our HRS module, we show that many older Americans would be willing to delay claiming their Social Security benefits if they were offered an actuarially fair lump sum to do so.
- Overall, half of the respondents say they would delay claiming if no work requirement were in place under the status quo, and only slightly fewer with a work requirement.
- If no work is required, the average amount needed to induce delayed claiming is about \$60,400, while when part-time work is required, the average is \$66,700. This implies a low utility value of leisure foregone of only \$6,300, or less than 20 percent of average household income.
- Delayed claiming would have a positive effect on their retirement security, in that their Social Security income streams rise per year of delay. Indeed benefits, claimed at age 70 are more than 75 percent higher than at age 62.

Does Eliminating the Earnings Test Increase the Incidence of Low Income among Older Women?

by *Theodore Figginski and David Neumark* WP 2015-325

- The elimination of the retirement earnings test (RET) beyond the Full Retirement Age (FRA), in 2000, was intended to boost employment of those

in this age range. But the elimination of the RET makes those who are working more likely to claim Social Security benefits at earlier ages, reducing benefits in the longer-run. This latter effect could lead to lower family income (including benefits) at older ages – perhaps in particular for older women who are likely to outlive their spouses.

- We confirm past findings that the elimination of the RET led to earlier claiming of benefits for women, and hence lower benefits.
- We find evidence that the elimination of the RET is associated with higher incomes and hence of lower incidence of low family incomes initially – when women are around age 70 – but higher incidence of low income as women reach their mid-70s and beyond.
- These findings raise cautionary flags about proposals to reduce or eliminate the RET between ages 62 and the FRA.

Will They Take the Money and Work? An Empirical Analysis of People's Willingness to Delay Claiming Social Security Benefits for a Lump Sum by *Raimond H. Maurer and Olivia S. Mitchell* WP 2014-308

- Our research asks whether replacing Social Security's annuitized delayed retirement credit with a lump sum payment would potentially induce people to claim benefits later and work longer.
- Using an experimental module in the American Life Panel, we show that:
 - people would voluntarily work longer if they were offered an actuarially fair lump sum instead of the delayed retirement credit under the current system, and
 - people would voluntarily work between one-quarter and half of the additional time until claiming.
- The claiming delay would average half a year if the lump sum were paid for claiming later than age 62, and about two-thirds of a year if the lump sum were paid only for claiming after the Full Retirement Age.
- Individuals who respond most to the lump sum incentives are those who would have claimed earliest, under the current rules.

Did Age Discrimination Protections Help Older Workers Weather the Great Recession? by David

Neumark and Patrick Button WP 2013-287

- An increase in age discrimination may underlie the dramatic increases in unemployment durations for older workers during and after the Great Recession.
- In states with stronger age discrimination protections, older workers generally experienced worse labor market outcomes, relative to young workers, during and after the Great Recession.
- Age discrimination laws may become less effective during times of economic turbulence when discrimination can be more difficult to discern, and such periods may even encourage employers more constrained from age discrimination in normal times to take advantage of this economic turbulence.
- It may be important to strengthen the effectiveness of age discrimination protections in times of economic turbulence.

Work characteristics

Characteristics of Second-career Occupations: A Review and Synthesis by Brooke Helppie McFall and

Amanda Sonnega WP 2017-375

- We define second career employment as employment after leaving a long-term career position after the age of 40 in a different occupation and/or industry than a worker's prior career, with (1) advancement opportunities, (2) significant hours and wage/salary income, and (3) the expectation of working five or more years in the new career. The definition of second careers has some overlap with definitions of bridge jobs, encore careers and unretirement, but the phenomenon is not fully covered by any of these related concepts.
- A major finding of this review is that, although there is a substantial research literature on late-life labor supply focused on retirement and transition paths between work and retirement (e.g., bridge employment and unretirement), there is surprisingly little research that directly addresses second careers, or re-careering. This confirms the lack of literature noted by other researchers. Thus,

characteristics of second career jobs are difficult to identify. Our review of the prevalence of related work transitions, such as bridge employment and unretirement, suggests that second careers may already be relatively common. However, we think that less than half of older workers engage in second careers.

- For older workers, job flexibility and lower stress seem to be particularly prized job characteristics that they seem willing to trade off against earnings, benefits, and prestige. It is premature, however, to conclude that these would be necessary or sufficient characteristics to make a job attractive as a second career. Adding depth and breadth to our characterization of attractive second careers will depend on development of richer data resources. One project to create better life histories of occupational data is already underway: the Life History Mail Survey, a part of the Health and Retirement Study (HRS), will soon have occupation and industry data about jobs spanning HRS respondents' lives.
- Our review of specific occupations underscores the importance of individualized paths and the greater options that may be open to individuals preparing and transitioning into second careers in their 40s and 50s as opposed to their 60s and 70s. This research also suggests that individuals considering a move to a second career should take into account their "soft skills" or other potentially transferable skills acquired in activities outside of their main career (i.e., education, volunteering, or moonlighting).
- To date, the assumption seems to be that the options for encouraging longer working lives include staying longer in career jobs, seeking part-time work with very low barriers to entry (e.g., Uber), or encore careers that give back but don't necessarily pay the bills. However, this work suggests that individualized career planning, plus re-training and acquisition of additional education in workers' 40s and 50s may be a promising route to better job satisfaction and long-term financial health, as well as later retirement.

2015 American Working Conditions Survey:

Focus on Older Versus Younger Workers by Nicole Maestas, Kathleen Mullen, David Powell, and Till M. von Wachter WP 2016-362

- We find that, generally, workers older than 50

report better working conditions than younger workers, with some exceptions (e.g., on-the-job training, prospects for career advancement).

- An overwhelming fraction of Americans report either intense or repetitive physical exertion on the job at least a quarter of the time. This burden is unequally distributed, with noncollege-educated workers having substantially greater physical demands. But perhaps surprisingly, even college-educated, older workers and women are affected.
- A disturbingly high fraction of American workers (both men and women) are exposed to a hostile or threatening social environment at work, 13 percent of all men and 12 percent of all women reporting verbal abuse or threats in the past month, for example. The incidence of hostile experiences varies in important ways by gender, age, and experience (with younger and middle-aged women more likely to have unwanted sexual attention, and a large fraction of young men experiencing verbal abuse). But it is telling that a hostile social environment at work is much more evenly distributed by education groups than physical working conditions.
- Consistent with human capital theory, the prevalence of training declines with age. Sixty-two percent of men and 68 percent of women younger than 35 report on-the-job training, compared with 46 percent of men and 49 percent of women age 50 and older.

Employment transitions

Understanding Job Transitions and Retirement Expectations Using Stated Preferences for Job Characteristics

by Nicole Maestas, Kathleen J. Mullen, David Powell, Till von Wachter, and Jeffrey Wenger WP 2019-396

- In general, workers transition to jobs with characteristics more closely aligned with their preferences. Workers who switch away from having certain attributes tend to value those attributes less than those who remain in jobs with the same attributes. Similarly, workers who switch to jobs with certain attributes tend to value those attributes more than those who remain in jobs without the same attributes.

- We are not able to draw strong conclusions about differences between those who exit employment with certain attributes versus those who remain in jobs without certain attributes.
- Narrowing in on older workers, among those ages 50 to 61, we find weak evidence that workers who have lower expectations of working at age 62 tend to value nonwage job characteristics more than those who have higher expectations of working at age 62. However, we do not find any differences between individuals ages 62 and older who are working versus not working.
- Our findings are consistent with previous work showing that older workers tend to value nonwage working conditions more than younger workers.

Feasibility and Reliability of Automated Coding of Occupation in the Health and Retirement

Study by Brooke Helppie-McFall and Amanda Sonnega
WP 2018-392

- The NIOSH Industry and Occupation Computerized Coding System (NIOCCS) works well only with short descriptions, one to three words each, of job title or job description and “what a business does or makes” as inputs.
- NIOCCS does reasonably well compared to coding results from a highly-trained, professional occupation and industry coder, with kappa inter-rater reliability on detailed codes of just under 70 percent and agreement rates on broader codes of around 80 percent.
- The main weakness of NIOCCS appears to be its failure to produce codes in many cases. Code rates for NIOCCS for the datasets tested ranged from 60 percent to 72 percent, as compared to a professional coder’s ability to code those same datasets that ranged from 95 percent to 100 percent.
- NIOCCS may be a useful tool for reducing the human coder hours needed for coding industry and occupation data for the Health and Retirement Study and other studies and datasets. In its current form it would be most useful as
 - a way to reduce the number of cases a human coder must code, or
 - a way to reduce the amount of time a human coder must spend on each case, or

- as a first cut for coding historical data that don't crosswalk cleanly to a newer codeframe.

Shocks and Transitions from Career Jobs to Bridge Jobs and Retirement: A New Approach

by *John Ameriks, Joseph Briggs, Andrew Caplin, Minjoon Lee, Matthew Shapiro, and Christopher Tonetti* WP 2018-380

- Even though a direct transition from a career job to full retirement is still the most common pattern, many older Americans reveal interest for working beyond the career job.
- Within this sample of older Americans with positive financial assets, 38 percent had a post-career bridge job and another 7 percent looked for a post-career employment.
- Low health or bad business conditions were the not the main reason for leaving the career job.
- For the minority of those who did leave career jobs owing to low health or bad economic conditions, had they counterfactually had better health or economic conditions, they likely would have decided to work longer.
- Those who work longer on their career job or have a post-career bridge job tend to work fewer hours, have a flexible schedule, and receive lower hourly wages.

Occupational Transitions at Older Ages: What Moves are People Making?

by *Amanda Sonnega, Brooke Helppie McFall, and Robert J. Willis* WP 2016-352

- This paper uses data from the Health and Retirement Study (HRS) to examine occupational transitions at the detailed level toward the end of working life.
- Among workers who transition between occupations, the most common transitions are between those that are closely related. However, even within closely related occupations, there are no large pipelines between any two.
- By age 62, 57 percent of workers are no longer in the labor force, 26 percent are still in their "career" occupation, and 17 percent have changed from

their career occupation to another occupation. Beginning at age 66, however, the percentages in different occupations, which may be bridge employment or unretirement, are very similar to the percentages remaining in career occupations.

- Occupational changes later in life tend to be accompanied by decreases in hourly earnings, suggesting that if workers are seeking flexible or part-time bridge employment, it may come at a cost.

Occupations and Work Characteristics: Effects on Retirement Expectations and Timing

by *Brooke Helppie McFall, Amanda Sonnega, Robert J. Willis, and Péter Hudomiet* WP 2015-331

- While the traditional blue collar-early retire and white collar-work longer associations emerge, we find interesting exceptions that suggest fruitful directions for future research.
- Findings from this study suggest that both HRS and O*NET variables are useful and probably complementary levers for understanding retirement outcomes.
- Many more occupations are associated with earlier workforce departure than longer work, suggesting that increased attention be paid to identifying characteristics of occupations that encourage earlier retirement rather than just longer work.
- Case studies would be an important step to delve into the black box of what it means to work in a particular job and how that affects retirement outcomes.

Nonmonetary Job Characteristics and Employment Transitions at Older Ages

by *Marco Angrisani, Arie Kapteyn, and Erik Meijer* WP 2015-326

- We provide a comprehensive examination of the various nonmonetary, work-related factors that affect the dynamics of labor-force withdrawal at older ages and of whether the effects are driven by individuals' perceptions and/or by objective job demands and characteristics.
- We find that objective physical job demands are more powerful determinants of retirement, while perceived ones are more important drivers

of the decision to move from full-time to part-time. Objective level of social interactions on the job decreases the likelihood of retirement, while perceived task difficulty and job-related stress make individuals more likely to withdraw from the labor force.

- Objective and perceived nonmonetary job characteristics also affect retirement plans. Specifically, physical demands decrease distance from planned retirement and the subjective probability of working full-time after age 62 and 65. Social skills requirements are associated with greater distance from planned retirement age, as well as with higher likelihood of working past age 65.

Labor Force Transitions at Older Ages: The Roles of Work Environment and Personality by *Marco Angrisani, Michael Hurd, Erik Meijer, Andrew Parker, and Susann Rohwedder* WP 2013-295

- The work environment and nonmonetary factors are strong predictors of the likelihood that full-time employees transit to part-time employment, retirement, or being unemployed or out of the labor force.
- Personality traits are not strongly related to such labor force transitions. However, personality interacts with job characteristics: The effect of the latter on labor supply outcomes varies significantly with the “intensity” of personality traits.
- Job characteristics are related to personality. This suggests that personality drives selection into certain jobs or occupations and may therefore have cumulative effects on the timing of retirement through this indirect pathway.

Deterrents to longer work

Local Economic Hardship and Its Role in Life Expectancy Trends by *John Bound, Arline T. Geronimus, Timothy A. Waidmann, and Javier M. Rodriguez* WP 2018-389

- Reversing the trend for much of the last century, death rates of older working aged (45 to 64) non-Hispanic whites have increased in recent years,

especially among low-education women. Much of this increase can be attributed to suicide and the abuse of opioids and other substances, a group of causes often called “deaths of despair.”

- Based on comparisons of mortality trends across local area labor markets with different industrial compositions, increases in all-cause death rates appear to be concentrated in areas facing the worst economic distress.
- This pattern appears to be driven by chronic disease and cancer, which have fallen most in economically stable areas. This finding is consistent with the “weathering” hypothesis that prolonged exposure to stress increases allostatic load, leading to increased incidence of cancer and cardiovascular disease.
- Increases in “deaths of despair” do not follow this pattern. We find significant effects in the other direction, with larger increases in areas with stronger economies, raising questions about the construct of despair.

The Effect of Physical and Cognitive Decline at Older Ages on Work and Retirement: Evidence from Occupational Job Demands and Job Mismatch by *Péter Hudomiet, Michael Hurd, Susann Rohwedder, and Robert J. Willis* WP 2017-372

- This work assesses possible mismatches between skills and job demands for older workers. It uses longitudinal data on personal skills from the Health and Retirement Study (HRS) linked to the O*NET database on occupational job demands.
- The authors find that decreases in physical strength lead to mismatch in jobs, particularly for those in physically demanding jobs. Depressive symptoms also increase, while expected and actual work past age 65 decreases. There are similar effects for decline in fine-motor skills, but these are not concentrated among workers needing such skills on the job.
- Decline in cognitive skills has similar effects on all workers. These effects tend to be smaller than those for physical decline. Results suggest workers in cognitive jobs may rely on general knowledge and experience that is more resistant to aging.

Work-Life Balance and Labor Force Attachment at Older Ages by *Marco Angrisani, Erik Meijer, and Maria Casanova* WP 2017-366

- The authors use data from the Health and Retirement Study (HRS) to investigate the relationship between Work-Life Balance (WLB) and retirement transitions conditional on job attributes such as hours of work, compensation, and benefits. They examine how responses to a spouse's health shock differ by WLB levels before the onset of the shock.
- Results show that WLB is significantly associated with labor force transitions among older workers. On average, higher levels of perceived work-life conflict correlate to a higher likelihood that full- and part-time workers retire within two years.
- We find that WLB moderates labor supply responses to a spouse's health shock, especially for women. Among female workers, the probability of moving from full-time to part-time employment, and from part-time employment to retirement, after a spousal health shock increases significantly with the perceived level of work-life interference.
- A better understanding of the effect of WLB on retirement behavior, and of the specific life circumstances during which WLB becomes valuable to employees, could help to suggest workplace arrangements to facilitate longer labor force attachment.

The Impact of Health on Labor Supply Near Retirement by *Richard Blundell, Jack Britton, Monica Costa Dias, and Eric French* WP 2017-364

- We find that objective and subjective health measures deliver similar estimates if a sufficiently large set of objective measures is used. Controlling for only a limited number of health conditions, however, may significantly reduce the estimated impact of health on employment.
- We find that a single health index, while sometimes rejected from a statistical standpoint, produces estimates of health's effect on employment that are similar to those obtained using multiple health indexes. Using objective measures to instrument for subjective measures also produces similar, although slightly larger estimates.

- We find that properly accounting for heterogeneity in background characteristics by controlling for initial conditions is a more important modeling issue than the choice of the health measure.
- Although cognition is significantly related to employment, we find that it has little added explanatory power once we also control for health.

Caregiving and Work: The Relationship between Labor Market Attachment and Parental Caregiving by *Sean Fahle and Kathleen McGarry* WP 2017-356

- Contrary to expectations, the women who are observed to provide care to a parent at some point during this survey window are not those with weaker attachments to the labor force.
- Female caregivers have more schooling, are more likely to work full time, and have greater earnings than noncaregivers. They also have higher expected Social Security benefits. By contrast, we do not find similar patterns for those who provide care to parents-in-law.
- Caregiving reduces the probability of work and hours worked in a simple regression, in a fixed-effects regression, and when controlling for work history using Social Security Administration records. However, we do not find a significant effect of caregiving on annual earnings.
- At the end of the 20-year period, those women who provided care at some point had significantly lower annual earnings in 2010 than those who did not provide care, and this effect held both unconditionally and conditional on being employed.

Does Protecting Older Workers from Discrimination Make It Harder to Get Hired? Revised with Additional Analysis of SIPP Data and Appendix of Disability Laws by *David Neumark, Joanne Song McLaughlin, and Patrick Button* WP 2015-315

- Disability discrimination laws are likely to have a disproportionate impact on older workers, and could encourage or discourage hiring of older workers.
- State variation in disability discrimination

protections allows estimation of the effects of varying strength of disability discrimination protections on hiring of older (and other) workers.

- State disability discrimination laws that use a broader definition of disability than the ADA appear to raise rather than reduce hiring of nondisabled older workers.
- Stronger state disability protections reduce hiring of at least younger disabled workers.
- There is no evidence of adverse effects of disability discrimination laws on older workers, and our best evidence points to positive effects on hiring of older workers, as does complementary evidence on stronger state protections against age discrimination.

Does Retirement Make you Happy? A

Simultaneous Equations Approach by *Raquel*

Fonseca, Arie Kapteyn, Jinkook Lee, and Gema Zamarro WP 2014-310

- Depressive symptoms are negatively related to retirement. In other words retirement reduces the probability of depression.
- Life satisfaction is positively related to retirement.
- Household wealth, being married, educational attainment, are all positively related to life satisfaction and reduce the probability of depression.
- Major health conditions increase the probability of depression and reduce life satisfaction.
- Remarkably, income does not seem to have a significant effect on depression or life satisfaction. This is in contrast with the correlations in the raw data that show significant relations between income and depression and life satisfaction. This suggests that accounting for the endogeneity of income in equations explaining depression or life satisfaction is important.

Macroeconomic Determinants of Retirement

Timing by *Yuriy Gorodnichenko, Jae Song, and Dmitriy Stolyarov* WP 2013-281

- We find a general decline in full employment of older workers during 1960-1990; older workers are

increasingly exiting career jobs to work in lower-paying “bridge jobs.”

- The full-time employment rate has stayed relatively stable for the bottom 80 percent of earners since 1990. Workers with the lowest earnings have the lowest full employment rate: Only 40 percent of 60 year olds and 20 percent of 65 year olds are employed full time. However, 65- to 67-year-old workers with the highest lifetime earnings not only have a higher full employment rate, but it is also increasing.
- We find robust evidence that flows from full employment to both partial and full retirement rise significantly in recessions. When the unemployment rate is high, partially retired workers younger than 63 tend to stay partially retired while those older than 63 tend to choose full retirement.
- High inflation is associated with exit from the labor force through partial and full retirement. However, housing prices do not have a significant effect on retirement timing.
- The impact of the unemployment rate and inflation on retirement decisions is quite similar for workers of all lifetime earnings levels, with wealthier individuals being only somewhat less impacted.

The Dynamic Effects of Health on the

Employment of Older Workers by *Richard Blundell,*

Jack Britton, Monica Costa Dias, and Eric French WP 2016-348

- The dynamic properties of health are well described by the sum of a highly persistent AR(1) component, plus a transitory component.
- Transitory health shocks have little impact on employment.
- Permanent health shocks have much bigger effects on employment.
- Employment is highly persistent. Lagged employment strongly predicts current employment, even after accounting for the persistence in health.
- Model estimates suggest a larger impact of health on employment than what OLS estimates imply.

Labor force participation

Relative Sizes of Age Cohorts and Labor Force Participation of Older Workers *by David Neumark and Maysen Yen WP 2018-390*

- Population aging implies larger relative sizes of older cohorts in coming years.
- The usual hypothesis is that a large cohort generates “cohort crowding,” increasing the relative supply of workers in that cohort, depressing their wages, and leading to lower employment and lower labor force participation (LFP).
- Lower employment and LFP rates of older workers in the future reduce the financial solvency of Social Security, and make it less palatable for policymakers to institute Social Security reforms that require people to retire later to receive current levels of benefits.
- The evidence is more complex than suggested by the simple cohort crowding hypothesis suggests. When older cohorts are large relative to a young cohort (ages 16 to 24), the evidence fits the relative supply hypothesis. But when older cohorts are large relative to 25 to 49 year olds, there is a relative demand shift toward older workers.

The Decline in the U.S. Labor Force Participation Rate *by Francisco Perez-Arce, Maria Prados, Tarra Kohli WP 2018-385*

- The literature assessing the cyclical component of LFP in light of the Great Recession of 2007 concluded that most of the recent decline in LFP cannot be explained by a cyclical component.
- The consensus in the literature is that demographic trends such as population aging are important in explaining the persistent decline in LFPR, which has taken place since 2000, but they do not account for the full decline. At least half of the decline in LFPR can be accounted by demographic trends alone
- A large body of literature has found that social and welfare programs affect LFP. But these effects are different by subpopulation: The research reviewed concludes that changes in Social Security

benefit claiming rules increased the LFP of older workers, changes in the rules of the Social Security Disability Insurance program reduced labor supply of program applicants, and changes in welfare programs increased the labor supply of low-income, single mothers while they reduced the labor supply of young, low-skilled men.

- The research has not reached full consensus on the impact of several other factors, either because there is no consensus on the effect, or because the aggregate impact has not been studied. Examples of these factors are technological progress, the opioids crisis, and international trade.
- More research is needed to understand the LFP behavior of two large groups: prime-age women and young men. There is no consensus in this literature, but several factors have been analyzed including: improved, leisure-enhancing technologies, increased school enrollment, low wages for the less-skilled.

A Meta-Analysis of the Decline in the Labor Force Participation Rate *by Ananth Seshadri WP 2018-381*

- While roughly half of the decline in labor force participation since 2000 can be attributed to demographic shifts, participation within groups has continuously declined as well.
- Young workers in particular have been both less likely to enter the labor force and more likely to leave.
- Across the age spectrum, disability seems to be an increasingly common factor limiting work.
- Between and across demographic groups, we find evidence of covariation between wages and labor force participation consistent with lagging wage growth discouraging workers from seeking employment.
- The association between wages and continued employment has been growing, suggesting increasing incentives to remain employed, but decreasing incentives to return to employment for those out of a job.
- So overall, much of the decline in labor force participation may be related to the wage incentives associated with participation and entry in particular.

Declining Wealth and Work among Male Veterans in the Health and Retirement Study by Alan

Gustman, Thomas L. Steinmeier, and Nahid Tabatabai

WP 2015-323

- We study the characteristics, wealth and retirement of veterans and nonveterans in four cohorts of males from the Health and Retirement Study, ages 51 to 56 in 1992, 1998, 2004 and 2010.
- In the oldest cohorts, roughly half the male population served in the military, while in the presence of a draft. Only about one sixth of the youngest cohort had served, and that was as a volunteer in the All-Volunteer military.
- Veterans in the 1992 cohort were better educated, were healthier, had more wealth going into retirement, and were more likely to work into a later age (less likely to retire) than nonveterans.
- Relative to nonveterans, the cohort of veterans in 2010 is less well educated, less healthy, has lower wealth entering retirement and is less likely to work than nonveterans.
- After standardizing for differences in observable variables, the wealth of veterans from the 1992 cohort entering retirement is similar to the wealth of nonveterans. This is not the case for the 2010 cohort. After standardizing for differences in observable factors, veterans have about 10 to 13 percent less wealth than nonveterans.



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About the MRRC

The MRRC, now the MRDRC, promotes high quality research on retirement and Social Security policy; communicates findings to the policy community and the public; enhances access to relevant research data; and helps to train new scholars. MRDRC serves the public and policy community as an authoritative source of information on a range of issues related to retirement income security. The MRDRC is supported by a cooperative agreement with the Social Security Administration.