



Key findings from 2023 papers

MRDRC paper topics in 2023 ranged from how Social Security affects the racial wealth gap to how affordable broadband affects SSDI/SSI participation.

Disparities by race and ethnicity

Who Benefits from Retirement Saving Incentives in the U.S.? Evidence on Racial Gaps in Retirement Wealth Accumulation

Taha Choukhmane, Jorge Colmenares, Cormac O’Dea, Jonathan Rothbaum, Lawrence Schmidt; MRDRC WP 2023-483; [UM23-01](#)

- ▶ U.S. employers and the federal government devote more than 1.5% of GDP annually to promote retirement saving in Defined Contribution accounts.
- ▶ The average contribution rate of Black and Hispanic workers is roughly 40% lower than that of white workers. While approximately half of this difference can be explained differences in age and income between groups, substantial differences remain between workers of difference races but with the same age and income. Those who save less receive less in matching subsidies and favorable taxation as a result.
- ▶ We find that parental income matters for saving: Individuals with richer parents save more. This, combined with stark racial differences in parental income, make access to parental resources a contributory factor to the racial wealth gap.

- ▶ Breaking the link between contribution choices and saving subsidies, through revenue-neutral reforms, would significantly reduce racial disparities and intergenerational persistence in wealth accumulation.

Racial and Ethnic Differences in Lifetime Work Environment Exposures and Early Disability Retirement

Amanda Sonnega, Qize Chen, Dawn Carr, Qiuchang Cao, Rebekah Carpenter; MRDRC WP 2023-482; [UM23-06](#)

- ▶ A wide range of harmful work environments are associated with early disability retirement, at or before age 62.
- ▶ Black workers are more likely than white workers to retire due to disability.
- ▶ Black workers in general are exposed to higher average levels of hazardous work environments over their careers.
- ▶ Lifetime average occupational exposures account for some of the association between race and early disability retirement.
- ▶ Findings related to ethnicity were inconclusive.

Equity Implications of the Rising Full Retirement Age and Social Security Communications: An Analysis of Past and Future Disparities in the Economic Security of Retirees

Philip Armour, Marwa AlFakhri, Mandlenkosi Dube MRDRC WP 2023-481; [UM23-15](#)

- ▶ Longevity gains for men have largely offset reductions in Social Security benefits from the rising full retirement ages (FRAs).
- ▶ Age 60 income and wealth disparities for cohorts facing higher FRAs have increased along racial and ethnic dimensions.
- ▶ Age 60 socioeconomic characteristics largely explain age 70 disparities.
- ▶ Social Security benefits reduce disparities compared to earnings and capital income, but with rising age 60 disparities, current workers are likely to face widening disparities in retirement.

What Is the Effect of Racial Disparities on Entitlement to Social Security Survivor Benefit and Widow Poverty?

Leora Friedberg and Anthony Webb MRDRC WP 2023-484; [UM22-11](#)

- ▶ While the retreat from marriage has affected many women, it masks important changes in nonmarital states. Less-educated, white women have experienced relatively greater declines in marriage rates, yet less-educated, Black women have experienced greater declines in divorce after marriages long enough to entitle them to survivor benefits and greater increases in nonmarriage. Thus, those Black women who are most likely to face poverty in old age lost more ground in accessing survivor benefits than white and also Hispanic women did.
- ▶ Among Black women who are married, relative to white and Hispanic women, earnings and employment differences within marriage reduce potential gains

from survivor benefits in the event of the death of their husbands. Black women have substantially longer work histories and slightly higher lifetime earnings than white women, whereas their husbands are heavily disadvantaged in both length of employment and relative earnings, compared to the husbands of white women.

- ▶ Early claiming of retired-worker benefits by husbands of Black women, along with early claiming of survivor benefits by Black women, reduce the expected present value of lifetime survivor benefits, compared to white or Hispanic women.
- ▶ One important factor partly offsets those patterns: The husbands of Black women are more likely to claim Social Security Disability Insurance, which protects Black women who are widowed from the impact of early claiming.
- ▶ Combining these factors together, we find that the hypothetical increase in poverty for white women in old age, had they not been married, would be considerably greater than the hypothetical decline in poverty for Black women who are unmarried in old age, had they been married at similar rates as white women to an available husband and then widowed. Thus, Black women are substantially disadvantaged in their access to survivor benefits.

Racial and Ethnic Disparities in the Effects of COVID-19 on Employment Disruption and Financial Precarity

Dawn Carr, Rebekah Carpenter, Qiuchang (Katy) Cao, Qize Chen, and Amanda Sonnega; MRDRC WP 2023-466; [UM23-07](#)

- ▶ Using data from the 2016 and 2018 waves of the Health and Retirement Study (HRS), as well as the 2021 HRS Perspectives on the Pandemic mail-in survey, we evaluated racial differences in the consequences of COVID-19-related job disruption and pre-COVID-19 financial precarity among workers 51 and older.
- ▶ Non-Hispanic white older workers (39%) were less likely

to experience a COVID-19 related job disruption than their non-Hispanic Black (45%) and Hispanic (48%) counterparts.

- ▶ Non-Hispanic Black older workers had higher odds of reporting job disruption due to illness than their non-Hispanic white and Hispanic counterparts.
- ▶ Among people who experienced a job disruption during COVID-19:
 - Non-Hispanic Black older workers had significantly greater odds of experiencing more post-COVID-19 financial consequences on all measures of financial precarity (i.e., missed rent/mortgage, missed credit/debt payment, missed utility/insurance payment, could not afford medical bills, and could not buy food) and reported a higher total number of post-COVID-19 financial precarities than their non-Hispanic white counterparts.
 - Hispanic older workers had significantly greater odds of experiencing a post-COVID-19 financial precarity and experienced more total post-COVID-19 financial precarities on average compared to non-Hispanic white older workers.
- ▶ The association between pre- and post-COVID-19 financial precarity was dependent on race and ethnicity.
 - Although pre-COVID-19 financial precarity was associated with significantly higher rates of post-COVID-19 financial precarity for all racial groups, non-Hispanic white older workers without pre-COVID-19 precarity were protected from post-COVID-19 precarity.
 - Non-Hispanic Black and Hispanic older workers experienced higher rates of post-COVID-19 precarity than their white counterparts even in the absence of pre-COVID-19 precarity.

How Does Social Security Affect the Racial Wealth Gap?

John Sabelhaus; MRDRC WP 2023-459; [UM22-10](#)

- ▶ Although the Health and Retirement Study (HRS) and Survey of Consumer Finances (SCF) collect household

wealth data in different ways, the data sets are in general agreement about levels and trends in racial wealth gaps as measured using the ratio of white to Black wealth. Focusing just on individuals between the ages of 51 and 56 born between 1936 and 1965, the data sets show estimated ratios of white to Black wealth that hover around 5.

- ▶ The literature on racial wealth gaps tends to focus on means and medians, and the analysis here extends that further up the wealth distribution. Wealth at the 75th and 90th percentiles for whites and Blacks separately are more similar than at the mean or the median, but the racial wealth gaps are still substantial.
- ▶ Analyzing the racial wealth gap using standard wealth measures is problematic for the bottom half of the wealth distribution. Conventionally measured wealth includes the market value of homes, vehicles, retirement accounts, other financial assets, and businesses. That measure of wealth is only positive for individuals near and above the middle of the wealth distribution. Indeed, median wealth holdings for Blacks tend to hover just above zero, leading to large swings in estimated wealth based on macroeconomic factors like house prices.
- ▶ However, the HRS and SCF data sets agree that the estimated ratios of white to Black wealth holdings are rising over time at every point in the wealth distribution. That is, in addition to rising overall wealth inequality, racial wealth gaps are getting larger.
- ▶ The HRS and SCF data sets are even closer in terms of a new measure of racial wealth gaps introduced here, based on wealth-rank percentiles. Both data sets show that the average wealth percentile rank for whites is close to 53, while the average wealth percentile rank for Blacks is 30, for a gap of 23 rank percentage points.
- ▶ Focusing on individuals between the ages of 51 and 56 born between 1936 and 1965, the HRS and SCF data sets also agree that about half of the racial wealth rank percentile gap can be explained by racial differences in

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earnings, education, marital status, and sex. The other half of wealth rank percentiles remains unexplained and should be the subject of future research.

- ▶ Expanding the wealth measure to include Social Security wealth (SSW) substantially reduces the levels of racial wealth gaps as measured by ratios of white to Black wealth across the wealth distribution, but it does not affect the conclusion based on wealth rank percentiles.
- ▶ This apparent anomaly is really about the question being asked. Ratios of white to Black wealth at various points in the wealth distribution tell us about levels of economic resources. The fact that Social Security plays such a large role in the retirement resources for all low lifetime earners (who are disproportionately Black) simply acknowledges that half the population is not entering their retirement years with zero accumulated wealth.
- ▶ The wealth rank percentile analysis answers a different question. If we compare a Black and a white individual with the same lifetime earnings percentile rank, education, marital status, and sex, we see the Black individual is lower in the wealth percentile rank distribution. The obvious question for future research is why those unexplained wealth rank differentials exist.

Only Spot a Few Blacks the Higher I Go: Occupational Segregation and the COVID-19 Pandemic

Jhacova Williams, Taylor Franklin, Andre Brown; MRDRC WP 2023-472; [UM23-Q4](#)

- ▶ A higher percentage of Black workers indicated that they stopped working, started working for a new employer, had their hours reduced, and had their earnings decreased during the pandemic compared to Hispanic and white workers.
- ▶ In comparison, a higher percentage of white workers indicated that their hours and earnings increased compared to Black and Hispanic workers.
- ▶ A higher percentage of Black workers are employed in

racially segregated occupations compared to Hispanic and white workers.

- ▶ After accounting for individual characteristics, economic models show that Black workers employed in occupations with higher concentrations of Black workers are more likely to indicate a reduction in hours and earnings compared to white workers employed in occupations with similar concentrations of Black workers during the pandemic.
- ▶ This relationship does not exist between Hispanic and white workers when comparing individuals employed in occupations with similar concentrations of Hispanic workers.

Estimating Racial Disparities in Economic Outcomes: An Application to Employer-sponsored Retiree Health Insurance and Access to Care

Helen Levy ;MRDRC WP 2023-471; [UM23-05](#)

- ▶ The question of what covariates to include in a model of differences across groups defined by race is not new.
- ▶ There is no generally accepted answer to what covariates to include. Rather, the research question to be answered should dictate the choice of covariates.
- ▶ Estimating separate models of Black-white differences for men and for women yields more interesting empirical results than estimating a single model for both men and women. The nature of the racial gaps varies by gender.

Medical Spending Risk among Retired Households by Race

Karolos Arapakis, Eric French, John Bailey Jones, Jeremy McCauley; MRDRC WP 2023-475; [UM23-02](#)

- ▶ White, Black, and Hispanic households have similar total medical expenses in a given year. The modest differences in spending by race are explainable by differences in marriage, age, and education.
- ▶ Because Black people live less long than other races, their lifetime medical spending is lower.

- ▶ Black and Hispanic people spend less out of pocket than white people due to their greater reliance on Medicare and especially Medicaid.
- ▶ At age 65, white households will, on average, incur around \$100,000 in out-of-pocket medical spending over the remainder of their lives, versus \$48,000 and \$42,000 for Black and Hispanic households.
- ▶ Thus, Black and Hispanic households are better insured by Medicare and Medicaid on average than their white counterparts.

Racial, Ethnic, and Gender Disparities in Labor Market Outcomes in the Aftermath of the COVID-19 Pandemic

Marco Angrisani, Jeremy Burke, Francisco Perez-Arce;
MRDRC WP 2023-470; [UM23-04](#)

- ▶ The initial employment shock induced by the pandemic disproportionately affected minority workers, with Blacks and Hispanics significantly more likely to transition out of full-time employment than whites in 2020. This difference was short-lived as full-time employment among minorities returned to prepandemic levels in subsequent years.
- ▶ Women are more likely to work in work-from-home (WFH) amenable jobs than men, and this difference persists even conditional to socioeconomic factors and occupation type. Blacks and Hispanics are significantly less likely than whites to have a job amenable to WFH. This gap is driven by differences in socioeconomic status and type of occupation.
- ▶ Preferences for WFH have generally increased over time. Female and minority workers are more likely to experience unmet WFH preferences as their number of preferred WFH days tends to be higher than the actual number of days they can work remotely. Consistent with these patterns, women and racial/ethnic minorities are willing to tolerate larger pay cuts in exchange for an additional WFH day per week.
- ▶ There exists a significant positive association between workplace/schedule flexibility and job satisfaction. This

relationship is more pronounced for women, who report higher job satisfaction when their WFH preferences are met compared to men. Employees with unmet WFH preferences are more inclined to seek new job opportunities, exhibit lower mental health, and report worse work-life balance.

- ▶ The documented disparities in work arrangements by sex and race/ethnicity are likely to translate into disparities in workers' well-being and job satisfaction.

SSDI and SSI Applications

Mixed-methods Study on Work-disabled Adults Who Do Not Apply for Social Security Disability Benefits

Lila Rabinovich, Doerte U. Junghaenel, Tabasa Ozawa
MRDRC WP 2023-477; [UM23-08](#)

- ▶ Younger age, higher educational attainment, being married, and higher income are associated with lower likelihood of applying for Social Security disability benefits. These social and economic resources may act as buffers to feeling the need to apply for disability benefits.
- ▶ Greater cognitive resources, notably quantitative reasoning skills, were associated with a greater likelihood to not apply for disability benefits. People with greater cognitive abilities are likely to have access to a greater amount of diverse employment opportunities to maintain their standard of living, and might be less pressed to rely on government assistance.
- ▶ The themes that emerge from the qualitative inquiry broadly align with those of other research that has examined the information, transaction, and social costs of applying for benefits.
- ▶ High transaction costs involved in disability applications coupled with the widespread perception of low approval rates may be a critical deterrent for potentially eligible individuals.

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- ▶ Uncertain and lengthy medical processes after the onset of disability were also frequently reported as a central deterrent to applications. Previous literature recognized the high direct cost of obtaining the requisite medical records for a claim. However, other complexities of health care interactions come clearly to light through the qualitative interviews, including, for certain individuals, the difficulty of obtaining diagnostic and prognostic information on the extent to which the impairment limits work in the long term. These complexities, as our participants revealed, have a direct bearing on their application decisions.
- ▶ External or societal stigma about receiving disability benefits does not appear to be a factor in application behavior among our qualitative sample, although a change in self-concept involving an adjustment to benefit-receiving, work-disabled status was cited as a deterrent to claiming.

Retirement Pensions and Disability Insurance for the 21st Century

Tom Zawisza MRDRC WP 2023-455; [UM22-02](#)

- ▶ Our comparative exercise requires the construction of a comparative measure of disability between the United States and England. We therefore estimate the degree of disability risk among in the American and English over-50 populations using a state-of-the-art factor model. We find that individuals in the U.S. have significantly poorer disability outcomes on average than individuals in England. For instance, 50-year-old American women have the same disability scores as 67-year-old women in England. Furthermore, we find that individuals in the U.S. face higher risks of a persistent disability shock than in the United Kingdom.
- ▶ We estimate significant spillovers between disability insurance and retirement pension programs in the context of the increase in the U.K. retirement age for women in the years 2010 to 2019. This was concentrated among the disabled, who significantly increased their take-up of disability benefits in the face of increases in the state pension age. The fraction of women ages 60 to 65 receiving disability benefits rose from nearly zero to over 7% as a result of the state pension age increasing from 60 to 66.
- ▶ We find that the increase in disability benefit take-up was concentrated among individuals who had a disability indicator above the minimum disability score (i.e., had some disability). Specifically, the fraction of disabled individuals receiving disability benefits increased by 26 percentage points, whereas the fraction of individuals with the minimum disability score receiving disability increased by only 2 percentage points.
- ▶ Healthy individuals, in contrast, responded to the increase in the retirement age by increasing their labor-force participation. We documented that, despite a significant increase in take-up of disability benefits among disabled individuals who would have been otherwise retired, these individuals experienced large losses in household income compared to healthy individuals. Specifically, individuals with disabilities experienced a fall in household incomes of 29%, against a 14% fall for healthy individuals.
- ▶ Although this is consistent with the U.K. disability system being either restrictive (i.e., it was difficult for disabled individuals to obtain benefits) or not generous (thereby being an imperfect substitute to pension benefits), we cannot disentangle whether the large decline in household incomes for the disabled was the result of these individuals being unable to work, or choosing to work. Therefore we cannot draw conclusions about possible improvements to the disability insurance program. To do so, we instead outline a theoretical model in which individuals make decisions to work, save, and apply for disability benefits. This model can match our estimated responses to the reform and can be used to evaluate changes to the disability insurance program.
- ▶ We develop a dynamic model of labor supply, social security benefits, and savings to evaluate the U.K. disability benefit system in the context of the U.K. retirement reform. This model, based on the life-cycle

model in Low and Pistaferri (2015), uses as its inputs the parameters of the disability process we have estimated. Once calibrated to match our estimated responses to the U.K. reform, it will be capable of evaluating the performance of alternative disability insurance programs, including changing it to resemble U.S. Social Security Disability Insurance (SSDI).

Changes in the Composition of Disability Insurance Applicants and Recipients in the Wake of the Coronavirus Epidemic

Lauren Hersch Nicholas MRDRC WP 2021-460; [UM21-02](#)

- ▶ During the first nine months of the pandemic, applicants for Disability Insurance and Supplemental Security Income were younger than the typical program applicant on average.
- ▶ During the first nine months of the pandemic, mortality rates among Disability Insurance, Supplemental Security Income, and concurrent benefit recipients increased relative to 2018/2019.
- ▶ Additional research is needed to determine whether these findings represent persistent changes or temporary trends related to delayed death reporting or benefit claiming during the pandemic.

Job Demands and Social Security Disability Insurance Applications

Charles Brown, John Bound, Chichun Fang; MRDRC WP 2023-461; [UM20-01](#)

- ▶ Using workers' reports to measure their working conditions, those in jobs with physical demands such as physical effort, stooping, or heavy lifting are more likely to apply for Social Security Disability Insurance and Supplemental Security Income benefits than other workers with the same education, physical health, age.
- ▶ Workers in jobs with demands that we often associate with white collar jobs, such as requiring good eyesight, concentration, and dealing with people are not more likely to apply for benefits.
- ▶ Workers in jobs that they perceive as stressful or

becoming more difficult are not more likely to apply for benefits.

- ▶ We find no evidence that the jobs of older workers are becoming less physically demanding. Conditional on educational attainment, they are becoming physically more demanding.
- ▶ Older workers' jobs increasingly require good eyesight, concentration, and dealing with people, and we find weaker trend increases in stressfulness or increasing difficulty of the job.
- ▶ Together, these findings suggest that changing job requirements are unlikely to be an important driver of changing disability benefits applications in the foreseeable future.

Using Administrative Data to Validate HRS Survey Responses on Application for DI and SSI Disability Benefits

John Bound, Charles Brown, Chichun Fang; MRDRC WP 2023-462; [UM20-01](#)

- ▶ There is some discrepancy between survey responses and administrative records, even for salient experiences such as DI/SSI applications and awards.
- ▶ People who are less well educated, have some degree of cognitive limitations, or experience health-related limitations on their capacity to work are more likely to misreport.
- ▶ Although a researcher can identify DI/SSI applications using either the HRS or Social Security administrative data, in an empirical setting, the two sources of data yield qualitatively similar results in estimations of factors that drive initial DI/SSI applications in a simple model of the application process.

The Effect of the Americans with Disabilities Act on Supplemental Security Income

Timothy Moore; MRDRC WP 2023-464; [UM22-03](#)

- ▶ States whose disabled workers received greater employment protections or workplace accommodations

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after the introduction of the Americans with Disabilities Act (ADA) generally had similar trends in the years before it was introduced in terms of their rates of blind and disabled adult Supplemental Security Income (SSI) applications, allowances, and recipients, when compared to states unaffected by the ADA.

- ▶ After the introduction of the ADA, there was an increase in SSI applications in affected states relative to the unaffected comparison states. After controlling for permanent differences and other factors such as demographic and economic characteristics, SSI applications in treated states increased by around 10% relative to the average rate just before the passage of the ADA. These effects last for the three years immediately after the introduction of the ADA, and are statistically significant at conventional levels. These effects are larger in states that were affected by the ADA's disability employment protections, rather than just the provisions related to workplace accommodations.
- ▶ Overall, there is no discernible change in SSDI allowance rates after the introduction of the ADA when the same estimation techniques are applied. However, in states affected by the ADA's disability employment protections, there is a statistically significant increase in SSI allowances of around 20% relative to the average rate just before the passage of the ADA.
- ▶ This may partly be due to less precision being available for this outcome, although in general it looks as though the changes in SSDI application rates did not strongly elevate SSDI allowance rates.
- ▶ Consistent with the results for applications and allowances, there is some evidence of an increase in the overall number of SSI recipients in the first few years after the implementation of the ADA, although there is less precision for these results and there are also some pre-existing differences in the trends for this outcome across states affected and unaffected by the ADA's passage.

- ▶ The results suggest that the increases in SSI outcomes are concentrated in states that had no employment protections or accommodations prior to the ADA, as opposed to states with employment protections but no accommodations. Overall, the results suggest that the ADA may have affected key SSI outcomes, and that it did so through the increased protections provided to disabled workers.
- ▶ These results are broadly consistent with the SSDI results in Moore (2021), a previous MRDRC project. In relative terms, the estimated effects on applications and allowances are slightly larger for SSI than SSDI. This is interesting, as SSI protects individuals with more limited work histories who may be more affected by changes in employment incentives.

The Impact of Affordable and Accessible Broadband on SSDI and SSI Participation

George Zuo, David Powell; MRDRC WP 2023-467;

[UM23-18](#)

- ▶ Broadband subsidies and SSDI participation: Internet Essentials, a national broadband subsidy program by Comcast providing low-income households with a home broadband connection for \$10/month, led to a 1.7 percentage point increase (5.7%) in SSDI receipt among low-income adults with disabilities.
 - The effect of Internet Essentials was larger in areas with fewer SSA offices, implying greater benefits in regions where physical access to SSA services is more challenging.
 - No similar effect on SSDI participation was observed in locations served by other national internet service providers (ISPs), confirming the unique influence of Internet Essentials.
- ▶ Broadband subsidies and SSI participation: After the online SSI application became available in 2017, areas with Internet Essentials experienced a 1.9 percentage point (5.3%) increase in SSI receipt among a restricted subset of individuals who were able to apply online (i.e., never-married, low-income citizens).

- This effect rises to 3.2 percentage points (8.6%) in areas with low access to SSA field offices.
- No effect was observed from 2012 (when Internet Essentials launched) to 2017 (when SSI online applications began), suggesting that the effect is driven by access to online applications, and not from other general benefits of broadband access such as access to information and resources.
- This is further underscored by the fact that no effect was documented for ever-married individuals with disabilities, who are not permitted to apply online.
- ▶ Future gaps: Among disabled individuals without broadband, half cited a lack of need/interest as the key barrier, one-quarter cited price, and less than 5% cited a lack of available broadband networks. Funding from the Infrastructure Investment and Jobs Act (IIJA) will largely bridge the latter two barriers, but efforts to address the most prevalent barrier — improving digital literacy and confidence — remain limited.

Improving program communication

Disparities in Social Security Knowledge and the Role of Social Capital

Katherine Carman, Samer Atshan, Jhacova Williams
MRDRC WP 2023-458; [UM22-12](#)

- ▶ There are a wide variety of information sources that people approach in times of need.
- ▶ Different racial and ethnic groups expect to make use of different information sources.
- ▶ Knowledge is associated with where people turn for information.
- ▶ The non-Hispanic Black group who were surveyed indicated that they would turn to religious organizations and social services to obtain information about retirement planning and/or Social Security.
- ▶ Asian respondents indicated that they would seek information from employers.

- ▶ There is greater diversity in the sources cited by Hispanics.

Barriers and Communications Preferences of Rural Populations: A Scoping Review

Megan Henly, Shreya Paul, Debra L. Brucker, Andrew Houtenville, Kelly Nye-Lengerman, Stacia Bach; MRDRC WP 2023-465; [UM23-Q3](#)

- ▶ Rural areas of the United States warrant separate attention when considering how to communicate information about federal programs in part because their geography affects how information can be shared effectively (remoteness results in greater distance between field offices and a lower level of broadband internet access) and in part because rural communities have a higher representation of many program-eligible groups (e.g., those older than 65, those who have a disability, and those who are low-income).
- ▶ Mode of program communication affects the likelihood of the information reaching the public. Traditionally, the Social Security Administration mailed statements to all workers. In addition, private-sector employers often trained new hires about funding their retirements during orientation. As both these forms of communication have been substantially reduced since 2011, the public's knowledge of OASDI benefits has been low.
- ▶ When considering the general shift toward online information dissemination, this is a particular concern for those in rural areas, people with disabilities, and groups with low digital literacy. Broadband access is not as ubiquitous in rural areas as it is in nonrural ones. Perhaps as a result, many who reside in rural places are digitally illiterate and would have difficulty navigating online. In addition, most federal websites do not meet federal accessibility guidelines, creating a barrier for those with disabilities.
- ▶ Community context is important, particularly when considering program enrollment that may carry a stigma, such as SSI or food and energy assistance. Identifying

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local community partners who can provide technical assistance may help. For communities of particularly marginalized groups (e.g., the unhoused, those recently released from prison, low English proficiency individuals, and those with serious mental health disabilities), having dedicated staff trained in dealing with populations facing vulnerabilities may be particularly useful.

Mixed-method Study on Information, Communications, and Access to Government Benefit among Rural Populations

Lila Rabinovich, Francisco Perez-Arce, Tabasa Ozawa; MRDRC WP 2023-474; [UM23-Q2](#)

- ▶ Qualitative findings show that physical distance to government program and health care resources constitute a significant burden for participants seeking in-person information and resources, especially in terms of the cost of gas, vehicle maintenance, and time.
- ▶ Similarly, internet connectivity is a multilayered challenge, with some participants reporting unreliable or limited connectivity in their homes or surrounding areas, and others reporting reliable access but high costs of internet connection.
- ▶ These challenges are exacerbated for groups with more vulnerabilities, including those on low-incomes, the elderly, those experiencing disease or disability, those living in more isolated areas, and those who lack their own transportation, compromising their ability to access information, benefit claiming support, and, in the case of disability claims, the required medical records.
- ▶ Nevertheless, survey data analysis reveals that there are no marked differences between rural and nonrural respondents in terms of knowledge of Social Security programs. Significant differences, however, emerge in terms of knowledge about the Social Security disability programs (SSDI and SSI) specifically.
- ▶ Although rural respondents exhibit lower levels of internet literacy and general internet use, they are at least as likely to use the internet to access information about Social Security and government programs as their

urban counterparts. In fact, rural respondents are both more likely to say they have heard of *my* Social Security, and to have used it.

- ▶ Still, a majority of rural residents do not have a *my* Social Security account, and a large minority (35%) have never seen their Social Security Statement.
- ▶ Qualitatively, no distinct communications and outreach preferences for Social Security and other program information were observed.
- ▶ However, participants cited a range of information sources that could have wide reach in rural areas, highlighting that certain analog approaches may be most effective for outreach, especially for groups and communities facing more disadvantages.
- ▶ These sources include print information provided through community or senior centers, healthcare settings, public libraries, and local newspapers.
- ▶ Survey data analysis supports this finding; rural respondents exhibit a stronger preference in for print and in-person Social Security information relative to nonrural respondents.

Understanding the Social Security Communication Needs of Hispanics with Limited English Language Proficiency

Lila Rabinovich, Francisco Perez-Arce; MRDRC WP 2023-476; [UM23-09](#)

- ▶ There is a significant gap in knowledge about Social Security programs between Hispanics with Limited English Proficiency (LEP) and other population groups. Such disparities are significantly wider than what can be accounted for by socioeconomic status (SES) and other characteristics commonly associated with having LEP.
- ▶ The gaps in knowledge appear to be concentrated in specific areas. Particularly, LEP Hispanics exhibit a lack of understanding about Social Security benefits, while their knowledge regarding Social Security taxes aligns with that of other population groups.
- ▶ A substantially higher proportion of LEP Hispanics report not having any sources of information about Social

Security, which may be a consequence of LEP Hispanics having fewer people in their social network who are knowledgeable about Social Security benefits.

- ▶ LEP Hispanics are less likely to receive relevant information from their employers and from financial institutions or other for-profit institutions. They are slightly more likely than other groups to receive information from the media.
- ▶ The qualitative findings indicate that there are higher transaction costs for LEP Hispanics when seeking information or applying for Social Security and other benefits and programs due to language barriers and uncertainty about eligibility.
- ▶ Frustration and anxiety about seeking information and conducting official transactions in English may chill information-seeking and program take-up for LEP Hispanics.
- ▶ The perception of potentially fraught in-person interactions mixed with uncertainty about the legitimacy and accuracy of online sources limits information options for LEP individuals.
- ▶ Participants noted reliance on social networks and institutional settings such as health care providers and schools as sources of information. However, these are not always reliable (especially social networks) or timely (especially institutional sources).

SSA beneficiaries' economic security

Which Households Benefit from Delayed Claiming?

Irena Dushi, Leora Friedberg, Anthony Webb MRDRC WP2023-485; [UM21-06](#)

Social Security survivor benefits may lead to opposite claiming-age incentives for many spouses.

- ▶ Claiming-age decisions of spouses tend to increase lifetime benefits for households, with married men claiming later than single men, controlling for lifetime earnings; and married men with younger wives claiming

even later. Married women, meanwhile claim earlier than single women.

- ▶ Mortality differences of married men further increase their return to delaying claiming.
- ▶ The return to delayed claiming of the husband's retired-worker benefit is substantially more than actuarially fair, but for different reasons by household type. For disadvantaged households, the return to delay by the husband arises more from gains to the survivor benefit than to his retired-worker benefit. For advantaged households, the return to delay arises largely from the gains to husbands' retired-worker benefit.
- ▶ Thus, lower-earning men, who claim relatively early on average, forgo an important gain to delay in the form of higher survivor benefits for their wives.

Social Security's Role in Economic Security: Evidence and Insight from an Analysis of Multiprogram Participation

Jessie Coe, Kathryn Anne Edwards, Daniel Schwam MRDRC WP 2023-478; [UM23-11](#)

- ▶ In the density analysis, we mapped participation in 16 programs in age and age-by-income groups. We found:
 - Children, even those in extremely low-income households, have unpredictable participation in programs.
 - Nonelderly adults participate in the fewest programs and have the highest rate of nonparticipation, even among those in extremely low-income households.
 - Elderly adults have the lowest nonparticipation and most predictable pattern of multiprogram participation.
- ▶ In the pattern analysis, we used regressions to predict which demographic features are associated with nonparticipation. We found:
 - Child participation rates, both nonparticipation and multiprogram participation (defined as participation in two or more programs), varies by race/ethnicity, even accounting for differences in disability status and household income. Differences in participation

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based on race/ethnicity are larger than those predicted by disability status, despite disability status being a prerequisite for some programs while race/ethnicity is not explicitly tied to any program requirements.

- Despite the large reach of Social Security and Medicare to elderly adults, Hispanic elderly adults are notably less likely to participate in either program.

The Effect of the Social Security Student Benefit on Lifetime Earnings

Kathryn Anne Edwards, Daniel Schwam, Melanie Zaber
MRDRC WP 2023-479; [UM23-14](#)

- ▶ This study used a difference-in-differences (DiD) approach to causally identify the effect of the Social Security student benefit (an extension of dependent benefits for unmarried, full-time enrolled students) on lifetime earnings. We used the 1979 National Longitudinal Survey on Youth (NLSY79). The student benefit began in 1965 and ended in 1981. Based on high school graduation year, half of the birth cohorts in the NLSY79 were potentially eligible for the student benefit; the others were not. We identify individuals in the survey who would have been eligible for the benefit based on whether they had a deceased father and their high school graduation year. We find:
 - The student benefit likely increased college attendance. (This is a finding from previous literature).
 - The student benefit is associated with an increase in lifetime earnings when measured cumulatively over the study participants' full work lives (ages 16 to 62).
 - The increase in lifetime earnings is driven by a statistically significant increase for women and elder siblings.
- ▶ Our findings have implications for public finance and the returns on subsidizing college enrollment as well as for Social Security. The student benefit was cut in a cost saving effort, but our results suggest that cutting the benefit might have cost the program more in the long run by reducing earnings.

Inflation and Economic Security of the Older Population

Michael D. Hurd, Susann Rohwedder
MRDRC WP 2024-480; [UM23-12](#)

From our analysis of household asset portfolios, we found:

- ▶ The typical household would experience only a small reduction in the real value of their assets from an unexpected increase in the inflation rate.
- ▶ College graduates would be more affected because a greater share of their economic resources is not indexed and hence vulnerable to inflation increases.
- ▶ Households with mortgages could gain because inflation reduces the real cost of fixed-term mortgages.
- ▶ Simulations from ages 66 to 69 to the end of life of income, consumption and wealth found:
 - ▶ A reduction in rest-of-life real income by about \$7,000 for single persons and \$27,000 for those who were married at baseline (ages 66 to 69);
 - These are small percentages of their total economic resources.
 - ▶ The unexpected increase in inflation would require a de minimis reduction in remaining lifetime consumption to avoid running out of wealth:
 - about \$500 on a base of \$318,000 for single persons,
 - about \$1,600 on a base of \$668,000 for married households.
 - ▶ The effects would be greater for the better educated because of their greater economic resources.
 - But their loss of economic resources would be made up by a decrease in bequests rather than by a reduction in consumption.
 - ▶ Those with fewer economic resources are relatively well protected from inflation because Social Security benefits, which are adjusted for cost-of-living increases, constitute a much larger share of their portfolio.

Insurance Purchases of Older Americans

Karolos Arapakis, Eric French, John Bailey Jones, Jeremy McCauley; MRDRC WP 2023-463; [UM21-09](#)

- ▶ Those with Medigap insurance consume \$2,300 more

health care per year than those without Medigap.

- ▶ We find no evidence that adverse selection drives higher consumption. In fact, we find that those who purchase Medigap are in better health, consistent with the hypothesis of “advantageous selection” in this market (i.e., healthier individuals purchase Medigap).
- ▶ We find only modest evidence that Medicaid and the option to default on future medical debt crowd out Medigap purchases.
- ▶ Behavioral factors such as risk tolerance and cognition are important for understanding Medigap purchases. However, we show these factors do not explain the higher medical spending of those purchasing Medigap.

The Enduring Impacts of the COVID-19 Pandemic on Americans’ Economic Security

Marco Angrisani, Jeremy Burke, Arie Kapteyn; MRDRC WP 2023-469; [UM23-13](#)

- ▶ We find that, on average, short-term financial stability decreased between 2021 and 2022, yet remained above prepandemic levels.
- ▶ In 2022, we observe reductions in financial satisfaction and short-term savings behavior and balances, and an increase in individuals spending in excess of income.
- ▶ Inflation has adversely affected many households, contributing to reductions in financial security.
- ▶ Retirement security has declined throughout the pandemic: Retirement savings participation and balances were lower in 2022 than prior to the pandemic’s onset.
- ▶ Cessation of the governmental stimulus program and persistently elevated inflation may further imperil American’s short-term financial stability and future retirement security.

The Effect of the COVID-19 Pandemic on Expected Labor Supply

Péter Hudomiet, Michael D. Hurd, Susann Rohwedder; MRDRC WP 2023-468; [UM22-07](#)

- ▶ Overall, the COVID-19 pandemic appears to have led to only a small reduction in expectations of future

labor supply at typical retirement ages (62 and 65) as measured by the change in expectations between 2018 and 2020.

- ▶ There were somewhat larger reductions in expectations of working at age 70 possibly signaling the end of a long upward trend in working past typical retirement ages.
- ▶ Expectations increased modestly among women but decreased among men. This suggests that the long-term trend of increasing retirement ages of women relative to men will continue.
- ▶ Expectations decreased for Black and Hispanic persons. This suggests the differences in retirement age between white persons and Black and Hispanic persons may continue to increase.
- ▶ There was little change over the course of the pandemic in Social Security benefit claiming. This suggests that unemployment did not lead to early claiming of Social Security benefits, possibly because of the increased generosity of unemployment benefits.
- ▶ The dynamic nature of the pandemic implies that expectations continued to evolve into 2021 so that they will need to be updated post-pandemic.

Risks and resources in older age

The House: Is it an Asset or a Liability?

Leora Friedberg, Wei Sun, Anthony Webb; MRDRC WP 2023-473; [UM23-17](#)

- ▶ The share of homeowners entering retirement with mortgages increased from 37.9% for birth cohorts turning 65 from 1989 to 1995 to 50.8% for cohorts turning 65 from 2013 to 2018.
- ▶ The median mortgage balance among mortgage holders at retirement approximately doubled, from \$46,677 to \$108,523 in 2022 dollars.
- ▶ Black households with mortgages have extremely low median financial assets. While Hispanic mortgage holders do as well, they are less likely to hold mortgages than Black households are. White households with

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mortgages hold comparatively ample financial assets relative to Black and Hispanic mortgage holders, yet they hold less in financial assets than do white households without mortgages, and their assets remain insufficient to cover their mortgage debt.

- ▶ Conditional on demographic characteristics and house value, households with larger mortgages hold fewer financial assets, retire later, experience greater declines in consumption during retirement, and sell their houses earlier as they age.
- ▶ An intertemporal optimization model finds that mortgage-financed illiquid housing acts as informal insurance against long-term care cost risk. The value, though small for households with low financial assets, reaches as high as 52% of the mortgage balance for households with substantial financial assets to protect.
- ▶ In sum, mortgage-financed housing wealth may be an asset for some higher-wealth households, who gain from its use as a hedge against long-term care cost risk. It may be a liability for others, though, especially minority households.

Modern work requirements

Traditional and Nontraditional Earnings: Demographic, Financial, and Beneficiary Patterns

Kathryn Anne Edwards, Daniel Schwam MRDRC WP 2023-456; [UM22-06](#)

- ▶ We define a typology of workers based on their experience with traditional (employee employment or self-incorporated business) or nontraditional (all other arrangements) earnings. Our typology of workers enables a study of earnings sources that includes earnings patterns over time, rather than point-in-time analysis of an earnings source. We have three key findings. Among prime-wage workers:
 - Nontraditional type workers, who do not have concurrent earnings from traditional sources in a year,

are more likely to be those who are less successful in the traditional labor market. This suggests that nontraditional earnings are potentially the result of barriers in the labor market, rather than preferences.

- Straddler type workers, who have concurrent earnings from nontraditional and traditional sources, are very different than the nontraditional type and are more likely to be those who are very successful in the traditional labor market. This suggests that nontraditional earnings are potentially the result of preferences, rather than barriers.
- ▶ Taken together, these first two findings present a possible means of proxying constraint versus preferences in the labor market for nontraditional earnings in future research: traditional earnings experience. Among all workers:
 - A consistent predictor of being a nontraditional type worker is receipt of Social Security benefits. This suggests an array of possible motivations, from benefit insufficiency, tax penalty avoidance, barriers in the labor market, or preference to continue working past typical retirement age.
- ▶ When studying earnings from employee and nonemployee sources, our findings clarify the importance of considering the worker's overall earnings circumstances, rather than just the source itself.

Risk of Large Medical Expenditures at Older Ages and Their Impact on Economic Well-being

Susann Rohwedder, Péter Hudomiet, Michael D. Hurd MRDRC WP 2022-457; [UM22-09](#)

- ▶ Personal out-of-pocket spending for health care (not including health insurance), measured at the median in real terms, increased from 1998 to 2004 and then declined, reaching a level in 2018 below that of 1998.
- ▶ OOP medical expenditures are highly skewed, with the 95th percentile being approximately 10 times the median.
- ▶ The fraction of household spending devoted to OOP

medical expenditures declined from 2005 to 2019.

- ▶ The association between OOP spending for health care and food insecurity is weak, but a large increase in OOP leads to a statistically significant increase in medication insecurity.
- ▶ When OOP spending is high, the budget share devoted to economic necessities is lower.
- ▶ According to food and medication insecurity, the

population ages 55 to 64 is worse off than the population 65 or older, and in the older population, insecurity decreases with age.

- ▶ Individuals at advanced old age had accurate beliefs about the OOP medical expenditure risk, while younger individuals substantially overpredicted the probability of high OOP expenses.

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