Annotated Bibliography
Financial Security in Later Life
A Cooperative Extension Initiative

The following annotated bibliography was last updated February 2002. It is representative of pertinent research done in the field of family economics. Research included has been conducted since 1995 and some entries appear under more than one category. The entries are organized by the keywords: Aging parents and financial/long term care concerns, Change in life's situations, Demographics of individuals in later life, Estate and distribution plans, Health and long-term care risk management, Retirement planning issues.

Aging Parents and Financial/Long-Term Care Concerns

Boaz, R. F., Hu, J. & Ye, Y. (1999). The transfer of resources from middle-aged children to functionally limited elderly parents: Providing time, giving money, sharing space. *The Gerontologist*, 39(6), 648-657.

The transfer of resources from middle-aged children to their functionally limited elderly parents is addressed from the perspective of the children who may allocate time to caregiving, share household space, and give money to parents. A simultaneous-equations model estimates the extent to which the three modes of transfer are interdependent, given the parents' needs for resources and the children's ability to provide them. Caregiving is the primary mode of resource transfer and is of overriding importance for individuals who depend daily on help from other persons. Coresidence and financial assistance complement direct human assistance and, at the margin, have a substantially large effect on caregiving time. It is, therefore, relevant to consider all modes of transfer in order to better understand how families accommodate the needs of their frail and disabled members. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Cohen, L., Steuerle, C. E., & Carasso, A. (2001). Social Security redistribution by education, race, and income: How much and why. Prepared for the Third annual *Conference of the Retirement Research Consortium "Making Hard Choices About Retirement,"* Washington, DC.

Retrieved August 30, 2001 from http://infoeagle.bc.edu/bc_org/avp/csom/executive/crr/papers/Third/Cohen-Steuerle-Carasso_Paper.pdf.

Newly available data from Social Security's Modeling Income in the Near Term model, version 2, makes it possible to assess how much Social Security redistributes to various income, gender, racial, and educational cohorts. This redistribution is measured on the basis of the individual's own earnings history, the extent to which benefits are received (whether earned on one's own record or not), and on a shared concept under which taxes and benefits are shared when spouses are both alive. Social Security generally does provide higher rates of return in all cohorts to those with lesser amounts of lifetime earnings. However, some lower-earnings groups still do worse, even on this measure, than some groups with higher family incomes and wage rates. For instance, Black women generally do slightly worse than White women, and male high-school dropouts generally do worse that those with higher education. Redistribution sometimes is regressive within generations—that is, more net benefits are provided to some

richer groups than to some poorer groups—when net benefits are calculated using a moderate discount rate. This study also uniquely attempts to break out the exact factors, or marginal effects of program provisions, behind redistribution—primarily showing in precise detail the extent to which the progressive rate structure in the benefit formula offsets or does not offset the impact of mortality on the extent of redistribution. Reprinted with permission, Center for Retirement Research at Boston College.

Curry, L., Gruman, C., & Robison, J. (2001). Medicaid estate planning: Perceptions of mortality and necessity. *The Gerontologist*, 41, 34-42.

Retrieved November 3, 2001 from http://gerontologist.gerontologyjournals.org/cgi/content/full/41/1/34?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&searchid=1004839219163_634&stored_search=&FIRSTINDEX=0&volume=41&firstpage=34&search_url=http%3A%2F%2Fgerontologist.gerontolgyjournals.o

Purpose: Although several studies have examined the magnitude and prevalence of Medicaid estate planning (MEP), little is known about factors that influence individual behaviors in this area. Normative data regarding public perceptions of and motivations for MEP are nonexistent. This study explored views about MEP among community-dwelling older adults and family caregivers. *Design and methods:* Eighteen focus groups were completed (*N* = 155), with a stratified homogeneous sample to ensure representation from individuals of varying race/ethnicity, experience with nursing home and home care services, and socioeconomic status. Analyses of transcripts were completed with NUD*IST 4.0 software. *Results:* Disincentives for MEP included losing control of one's assets, Medicaid stigma, and perceived immorality of MEP. Incentives for MEP included preservation of one's estate and protection of a spouse. Finally, variability in accessibility to and awareness of MEP was described. *Implications:* This exploratory study identifies motivations for individual behaviors and describes evolving social norms regarding MEP; implications for policy and research are discussed. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Kramer, B. J. & Kipnis, S. (1995). Eldercare and work-role conflict: Toward an understanding of gender differences in caregiver burden. *The Gerontologist*, 35(3), 340-348.

This study investigated gender differences in caregiving tasks, role strains, and resources to account for gender variations in burden among a probability sample of employed, nonspousal caregivers (N = 413). Females were more likely to assist with care provision tasks, to report work role strains, and to experience higher levels of burden than males. After controlling for known sociodemographic dissimilarities in predicting burden, the effect of gender decreased at each step when caregiver tasks, work role strains, and resources were entered into the regression equation. Results suggest that these differences may partially explain the greater negative impact experienced by nonspousal, female caregivers. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Rogokowski, J., Lillard, L. A., & Kington, R. (1997). The financial burden of prescription drug use among elderly persons. *The Gerontologist*, 37(4), 475-482.

Expenditures for prescription drugs are not covered by Medicare and are thus a potential source of large out-of-pocket expenditures for elderly persons. This study, using a new data source, the 1990 Elderly Health Supplement to the Panel Study of Income Dynamics (PSID), demonstrates that, among elderly persons, insurance coverage for drugs reduces the fraction of household income spent on prescription drugs by 50 percent. Groups most likely to benefit from insurance coverage are elderly women and those with common chronic conditions, low incomes, and rural residences. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Urban Institute. (2000, Feb). *The trade-off between hours of paid employment and time assistance to elderly parents at midlife.* Washington, DC: Johnson, R. W., & Lo Sasso, A. T.

Retrieved October 19, 2001 from http://www.urban.org/retirement/reports/elderly_parents.html.

Although the family has traditionally been the primary caregiver for the frail elderly, the rising labor force participation rates of married women may interfere with their historical caregiving responsibilities. This paper explores time transfers to elderly parents and their impact on labor supply for persons at midlife. We estimate simultaneous panel data models of annual hours of paid work and the provision of time assistance to parents for a sample of men and women ages 53 to 65 in the health and Retirement Study. Our results indicate that time help to parents substantially reduces labor supply for both women and men.

Urban Institute. (2000, March). *Parental care at midlife: Balancing work and family responsibilities near retirement* (The Retirement Project Brief No. 9). Washington, DC: Johnson, R. W., Lo Sasso, A. T.

This brief reports findings from a recent Urban Institute study of the characteristics of persons in their late fifties and early sixties who provide care to their elderly parents and the trade-offs that families face when they divide their time between care and paid work.

Walker, L., Gruman, C., & Robison, J. (1998). Medicaid estate planning: Practices and perceptions of Medicaid workers, elder law attorneys, and certified financial planners. *The Gerontologist*, 38(4), 405-411.

This study examined Medicaid estate planning (MEP) through the experiences and perceptions of three groups in Connecticut: Medicaid eligibility workers (n = 128), elder law attorneys (n = 41), and certified financial planners (n = 29). Respondent groups varied significantly with regard to their perceptions of prevalence and magnitude of MEP, the nature of transferred assets, mechanisms for transfers, and characteristics of the "typical" client participating in asset divestiture for the purpose of qualifying for Medicaid. This substantial lack of concordance among those professionals most closely involved with MEP poses challenges for policy and research in this area. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

White-Means, S. I., & Hong, G. -S. (1996). *Giving incentives and the well-being of children who care for disabled parents* (The Health and Retirement Study (HRS) and the Study of Asset and Health Dynamics Among the Oldest Old (AHEAD) Working Paper No. 96-040). Ann Arbor: University of Michigan, Institute for Social Research.

Retrieved September 10, 2001 from http://www.psc.isr.umich.edu/pubs/papers/hr96-040.pdf.

What motivates adult children in the United States to care for their disabled parents? This paper examines whether altruism and bequest motives influence adult children's' decisions about giving time to care for a disabled parent, giving financial resources, and giving future financial resources. Further, the paper examines the ways these different forms of giving affect caregivers' overall well-being, financial, family life, and life satisfaction. Using data from the 1992 Health and Retirement Study, we find that bequest incentives, non-economically motivated altruism, the type of disability faced by the parent, and considerations of opportunity cost are key factors. They influence adult children's' decisions about employment, giving time, and giving money to support disabled parents. General well-being, financial and family life satisfaction are lower when adult children risk long term income resources by decreasing labor market participation. Giving money increases family life satisfaction for adult children who care for parents who have cognitive limitations. While giving time to care for disabled parents increases financial satisfaction among adult children, it decreases their family life satisfaction. Abstract reprinted with permission of authors.

Change in Life's Situations (widowhood, divorce, disability, labor force behavior)

Flippen, C., & Tienda, M. (1996). *Labor force behavior of Hispanic elderly: Insights from HRS* (The Health and Retirement Study (HRS) and the Study of Asset and Health Dynamics Among the Oldest Old (AHEAD) Working Paper No. 96-032). Ann Arbor: University of Michigan, Institute for Social Research.

Retrieved September 10, 2001 from http://www.psc.isr.umich.edu/pubs/papers/hr96-032.pdf.

This paper seeks to augment the relatively scarce information available about the labor market and economic characteristics of Hispanic elderly. Specifically, we examine the factors associated with the late-aged labor force participation decisions of elderly Hispanic men and women, and how they are related to aggregate economic well-being. Our results indicate a high degree of labor force instability and involuntary joblessness among older Hispanics. For many Hispanic elders, retirement is not the voluntary termination of a career job, but instead results from prolonged or frequent periods of joblessness that eventuate in retirement. This process of labor force withdrawal was markedly different for men and women, and was influenced by age, education, job characteristics (e.g., firm size and industrial sector), and employment experience (e.g., experience of being laid off and pension coverage). Low rates of pension coverage and low savings for retirement among the Hispanic elderly imply a high degree of economic vulnerability, especially for the unmarried elderly and for those who do not receive assistance from other family members. Abstract reprinted with permission of author.

Flippen, C., & Tienda, M. (2000). Pathways to retirement: Patterns of labor force participation and labor market exit among the pre-retirement population by race, Hispanic origin, and sex. *Journal of Gerontology: SOCIAL SCIENCES*, 55B (1), S14-S27.

Retrieved November 7, 2001 from
http://psychsoc.gerontologyjournals.org/cgi/reprint/55/1/S14.pdf.

OBJECTIVES: This study examines the pre-retirement labor force participation behavior of Black, White, and Hispanic men and women to determine how patterns of labor market exit differ among groups. METHODS: We combine data from the first and second waves of the Health and Retirement Study and apply multinomial logit regression techniques to model labor force status in the first wave of the HRS and change over time. RESULTS: Black, Hispanic, and female elderly persons experience more involuntary job separation in the years immediately prior to retirement, and the resulting periods of joblessness often eventuate in "retirement" or labor force withdrawal. Minority disadvantage in human capital, health, and employment characteristics accounts for a large part of racial and ethnic differences in labor force withdrawal. Nevertheless, Black men and Hispanic women experience more involuntary labor market exits than Whites with similar socioeconomic and demographic characteristics. DISCUSSION: Workers most vulnerable to labor market difficulties during their youth confront formidable obstacles maintaining their desired level of labor force attachment as they approach their golden years. This has significant policy implications for the contours of gender and race/ethnic inequality among elderly persons, particularly as life expectancy and the size of the minority elderly population continue to increase. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Hatcher, C. B. (1997). Model of desired wealth at retirement. *Financial Counseling and Planning*, 8(1), 57-64.

This paper illustrates and executes a strategy for estimating the amount of wealth at which a person will retire. The concept of permanent income is used to frame the retirement decision as one where you retire when your full wealth can afford your desired consumption. Recently retired individuals from the 1983, 1986, and 1989 Survey of Consumer Finances are used to predict what observable estimations include several simulations. Reprinted with permission of the editor, *Financial Counseling and Planning Journal*.

Hofmeister, H., & Moen, P. (1999). Late midlife employment, gender roles and marital quality: his and her perspectives. *Sociological Focus*, 32(3), 317-377.

Studies of work and family conflict often overlook the late midlife stage and often do not consider the relationship between past employment and the current marital strain of both spouses. In this paper, we employ a life course perspective to examine the conjoint influences of each spouse's past and present work experiences on the marital quality of both spouses in late midlife, considering spouses' gender role ideologies as possible moderators of the relationship between employment and marital quality. Interviews and life histories with a total sample of 456 retirees and their spouses ages 50-72, conducted in 1994-95, reveal that husbands' higher marital strain is predicted by current work conditions in the household: when either spouse is the only one employed in late midlife, husbands experience less marital strain, but when both are employed, husbands report higher marital strain. Husbands' egalitarian gender role ideology, coupled with their having had a professional/managerial career, is also linked to higher marital strain. Husbands' positive marital quality reflects a consistency between men's own gender role attitudes and whether their wives had long employment careers: egalitarian husbands report high positive marital quality in proportion to the length of time their wives were in the labor force. Wives' marital strain and positive marital quality are most directly linked to their husbands' marital strain and feeling of positive marital quality, and not significantly predicted by the same predictors of their husbands' marital quality. Abstract reprinted with permission of editor, *Sociological Focus*.

Honig, M. (1999). *Minorities face retirement: Worklife disparities repeated?* New York: City University of New York, International Longevity Center-USA and Department of Economics Hunter College and the Graduate Center.

Examined the wealth of minority households in the United States, focusing not only on conventional measures of wealth but also on contingent claims on Social Security and employer pension benefits. Data were obtained from the 1992 Health and Retirement Survey on 4,371 households in which the financially responsible member worked within the past 10 years, reported race and ethnicity, and was neither self-employed nor retired. Estimation of expected wealth at retirement was based on net financial wealth, net housing wealth, expected pension benefits, and expected Social Security benefits. It was found that the expected retirement wealth of the median 10 percent of the sample was $323,857, while the mean household expected to hold $491,539 in wealth at retirement. The median expected wealth at retirement for white households was $390,950, compared to $189,023 for black households and $157,771 for Hispanic households. These disparities in anticipated wealth at retirement were pronounced and substantially larger than differences in hourly wages and annual earnings, though significantly smaller than the disparities in anticipated wealth based upon net financial and housing wealth alone. References are included. (MM) (Ageline Database, copyright 1999 AARP, all rights reserved)

Hungerford, T. L. (2001). The economic consequences of widowhood on elderly women in the United States and Germany. *The Gerontologist*, 41, 103-110.

Retrieved November 3, 2001 from http://gerontologist.gerontologyjournals.org/cgi/content/full/41/1/103?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&searchid=1004839367420_639&stored_search=&FIRSTINDEX=0&volume=41&firstpage=103&search_url=http%3A%2F%2Fgerontologist.gerontolgyjournals

Purpose: Different countries have different goals for social welfare policy. Consequently, it is reasonable to expect different outcomes after certain events. This article examines changes in the economic well-being of elderly women at widowhood in the United States and Germany. *Design and Methods:* Longitudinal data from the U.S. Panel Study of Income Dynamics and the German Socioeconomic Panel were used to prepare a sample of elderly widows. Economic well-being the year before the husband's death was compared with economic well-being the year after the husband's death. *Results:* Although the prevalence of poverty is different in the two countries, most widows in both countries experienced a decline in living standards, and many actually fell into poverty at widowhood. A fall in Social Security and pension income was the largest contributor to the fall in living standards. *Implications:* The retirement income system in both countries seems to be adequate for married couples but appears to fail for widows. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Johnson, R. W. & Favreault, M. M. (2001). *Retiring together or working alone: The impact of spousal employment and disability on retirement decisions* (Working Paper No. 2001-01). Chestnut Hill, MA: Boston College, Center for Retirement Research at Boston College.

Retrieved August 30, 2001 from http://www.bc.edu/bc_org/avp/csom/executive/crr/wp_2001-01.shtml.

Husbands and wives often coordinate retirement decisions, as many married workers withdraw from the labor force at about the same time as their spouses. However, joint retirement behavior may differ for couples in which one spouse retires with health problems. In those cases, the able bodied spouse may delay retirement to compensate for the earnings lost by the disabled spouse. This paper examines the retirement decisions of husbands and wives and how they interact with spousal health and employment, using data from the 1992-1998 waves of the Health and Retirement Study. The results indicate that both men and women are more likely to retire if their spouses have already retired than if they are still working. However, they are less likely to retire if their spouses appear to have left the labor force because of health problems, especially when spouses are not yet eligible for Social Security retirement benefits. There is no evidence that spousal care giving demands affect retirement rates. Reprinted with permission, Center for Retirement Research at Boston College.

Lillard, L. A., Weiss, Y. (1997). Uncertain health and survival: Effects on end-of-life consumption. *Journal of Business & Economic Statistics*, 10(2), 254-268.

The impact of health and survival uncertainty on the saving and spending decisions of retired couples is analyzed. The study is based on data from a retirement history survey that followed individuals, aged 58 to 63, for a period of 10 years. A dynamic programming approach is used to model the household's planning predicament. The utility parameters are estimated using panel data. Two factors have a particularly significant effect on an elderly couple's financial status and on their spending and planning decisions: (1) the illness of one of the partners and (2) the types of benefits available to the partner who survives the other's death. Simulations are used to indicate the effects of falling into poor health and loss of spouse. They reveal a large transfer from the healthy to the sick partner and a strong dependence of saving on the survivor benefits, suggesting that concern about the surviving spouse is an important motive for saving. (SW) (AgeLine Database, copyright 1999 AARP, all rights reserved)

Moen, P. (1998). Recasting careers: Changing reference groups, risks, and realities. *Generations*, 22 (1), 40-45.

Discusses the reconfiguration of work, family, careers, and retirement facing members of the baby boom generation. Uses the notion of careers as a frame to view transitions confronting aging baby boomers. Reviews historical trends shaping occupational careers, the dramatic increases in longevity and health of boomers, and the disjunctive shifts in both gender roles and the family. Discusses the hidden assumptions embedded in the career metaphor and social relations: primacy of paid work as the path to success; the male experience as a template; the lock-step sequence of education, employment, and retirement; the individual without family responsibilities or constraints as a focal point; and the hidden value of family in managing the competing pressures for time, commitment, and attention between work and family. Examines three value dilemmas for the baby boomer generation: individualism versus familism, equality of opportunity versus effective families, and valuing paid work versus productive work. Argues that baby boomers have yet to achieve consensus as to what the nature of work, careers, retirement or the work-family interface should be. Given changes in the macro economy, work, longevity, retirement, families, gender roles, and the labor force, current assumptions seem increasingly out-moded and inappropriate. (SW) (Ageline Database, copyright 1998 AARP, all rights reserved)

Moen, P., and Han, S. -K. (2001). Reframing careers: Work, family, and gender. In V. Marshall, W. Heinz, H. Krueger, & A. Verma (Eds.), *Restructuring work and the life course*. Toronto: University of Toronto Press.

Szinovacz, M. (1996). Couples' employment/retirement patterns and perceptions of marital quality. *Research on Aging*, 18(2), 243-267.

Explored the impact of married couples' employment/retirement patterns on indicators of marital quality. A subsample of 672 couples was drawn from the first wave of the National Survey of Families and Households (NSFH); husbands were aged 55-72 and wives were aged 50-72. NSFH measures of marital quality were marital happiness, frequency of marital conflicts, and frequency of heated arguments. Logistic regression was conducted with the major independent variables of couples' employment/retirement status, gender-role attitudes, time spent with household work, and length of retirement. Results revealed that the husband-retired/wife-employed pattern was associated with perceptions of lower marital quality among traditional gender-role couples. On the other hand, traditional gender-role employed husbands with retired wives reported somewhat higher marital quality than husbands in dual-earner couples. In addition, dual-retired spouses with recently retired wives scored lower on marital happiness than spouses in current dual-earner couples. Results are consistent with role theory and suggest that employment/retirement patterns contradicting spouses' role expectations undermine marital quality. (AR) (Ageline Database, copyright 1996 AARP, all rights reserved)

Urban Institute. (1999, December). Divorce and Social Security: A rocky marriage. (Straight Talk on Social Security and Retirement Policy No. 14). Washington, DC: Steuerle, E. & Spiro, C.

Discussion of spousal and survivor benefits which entitle the low earner of a couple to a portion of the high earner's benefits.

Urban Institute. (2000, Feb). *The trade-off between hours of paid employment and time assistance to elderly parents at midlife.* Washington, DC: Johnson, R. W., & Lo Sasso, A. T.

Retrieved October 19, 2001 from http://www.urban.org/retirement/reports/elderly_parents.html.

Although the family has traditionally been the primary caregiver for the frail elderly, the rising labor force participation rates of married women may interfere with their historical caregiving responsibilities. This paper explores time transfers to elderly parents and their impact on labor supply for persons at midlife. We estimate simultaneous panel data models of annual hours of paid work and the provision of time assistance to parents for a sample of men and women ages 53 to 65 in the health and Retirement Study. Our results indicate that time help to parents substantially reduces labor supply for both women and men.

Urban Institute. (2000, March). *Parental care at midlife: Balancing work and family responsibilities near retirement* (The Retirement Project Brief No. 9). Washington, DC: Johnson, R. W., Lo Sasso, A. T.

This brief reports findings from a recent Urban Institute study of the characteristics of persons in their late fifties and early sixties who provide care to their elderly parents and the trade-offs that families face when they divide their time between care and paid work.

Demographic Characteristics of Individuals in Later Life

Administration on Aging, US Department of Health and Human Services. (1996). *Aging into the 21st Century*. Washington, DC: Siegel, J.

This report discusses issues related to the size and characteristics of the future elderly population in this country using the most current US Bureau of the Census population, marital status, and household projections as well as other current statistics to provide an informative context for evaluating the implications of the growth of our older population. In conjunction with data on the labor force, income, education, and living arrangements, especially living alone, the projections and statistics help shed light on the future makeup of our aging population.

Administration on Aging, Department of Health and Human Services with AARP. (2000). *A profile of older Americans: 2000.* Washington, DC: Fowles, D. G., Duncker, A., & Greenberg, S.

Retrieved August 30, 2001 from http://www.aoa.dhhs.gov/aoa/stats/profile/profile2000.html.

This document summarizes the demographic characteristics of the country's population 65 and older. It covers marital status, living arrangements, racial and ethnic composition, geographic distribution, income, poverty, housing, employment, education, health and healthcare.

Cutler, N. E. (1998). Preparing for their older years: The financial diversity of aging boomers. *Generations*, 22(1), 81-86.

Examines the financial diversity of baby boomers as they prepare for their older years. Data from the 1989-1990 U.S. Consumer Expenditure Survey and the ongoing Financial Literacy 2000 national survey research project reveal substantial financial diversity within the baby boom cohort. Because this diversity is linked to basic characteristics of individuals and families, it will continue as the cohort ages. Financial confidence about retirement also shows great diversity across the cohort, with women and parents somewhat more concerned and less confident than men. Even though 61 percent of boomers expressed capacity to save, only 43 percent had confidence in their future retirement income sufficiency. Boomers in general did not have much confidence in their ability to choose a mutual fund, although more than 50 percent were confident about choosing a mortgage or purchasing a life insurance policy. Almost 70 percent of respondents correctly knew that employers who provide pensions are not required to also provide health insurance to their retirees, but women, the less educated, and those with lower incomes were less likely to know this. It is concluded that the members of the older population of the future are not all alike, and the texture and magnitude of baby boomer diversity are just as important as their numbers. (SW) (Ageline Database, copyright 1998 AARP, all rights reserved).

LaVeist, T. A. (1995). Data sources for aging research on racial and ethnic groups. *The Gerontologist*, 35(3), 328-339.

This article reports the results of a survey of recent and ongoing aging-related data sources supported by U.S. federal agencies. The survey sought to obtain data on the sample sizes and topics covered within the data sets maintained and frequently used by the various federal agencies engaged in data collection and/or analysis. The objective of the study was to determine the suitability of these data sets to conduct research on minority elders. Formal tests of the adequacy of data set sample sizes to support analysis on various minority groups were performed. Each data set was found to be large enough to conduct research on white elders, and a majority of the data sets were large enough for research on African American elders. However, Hispanics, American Indians, Alaska Natives, Asian Americans, and Pacific Islanders were rarely included in sufficient numbers. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Rank, M. R., & Hirschl, T. A. (1999) Estimating the proportion of Americans ever experiencing poverty during their elderly years. *Journal of Gerontology: SOCIAL SCIENCES*, 54B(4), S184-S193.

Estimated the age-specific and cumulative proportions of adults, aged 60-90, in the United States who will experience poverty at some point during their older years. The estimations were derived through a series of life tables built upon household- and individual-level data from the Panel Study of Income Dynamics for 1968-1992, representing approximately 37,000 person-years of information for the adult population aged 60 and older. It was found that 40.4 percent of the respondents experienced at least one year below the poverty line between the ages of 60 and 90, while 47.7 percent experienced at least one year in which their income fell below 125 percent of the poverty line. Factoring in overall life expectancy rates, it was estimated that, on average, 29.7 percent of 60-year-old Americans will experience poverty at some point during their older years and 36.4 percent will experience poverty at the 125 percent level. In both bivariate and multivariate analyses, being black, having less than 12 years of education, and not being married substantially increased the likelihood of poverty after age 60. By contrast, gender differences in the likelihood of experiencing poverty were not pronounced. Although the cross-sectional likelihood of poverty in old age has fallen over the past three decades, these findings indicate that the lifespan occurrence of poverty has remained fairly constant. (AY) (Ageline Database, copyright 1999 AARP, all rights reserved)

Urban Institute. (2000, September). *Economic Consequences of an Aging Population* (The Retirement Project Occasional Paper No. 6). Washington, DC: Rogers, D. L., Toder, E., & Jones, L.

The research examines how demographic developments will affect the pattern of economic growth over the next 40 years. They will change labor supply, saving rates and the growth of national income and consumption. This paper shows though that the demographic trends presented here will have unfavorable effects on economic growth after 2010 due to slow down in workforce growth and increase in age-related government transfer payments.

US Census Bureau. (2001, May). *Profiles of general demographic characteristics* (2000 Census of Population and Housing). Washington, DC.

Contains the most recent population statistics for the population 62 and over.

Estate and Distribution Plans

McGarry, K., & Schoeni, R. F. (1995) Transfer behavior in the health and retirement study: Measurement and the redistribution of resources within the family. *The Journal of Human Resources*, 30(Supplement), S185-S226.

Recent work by a number of economists has opened a debate about the role played by intergenerational transfers. Using the new Health and Retirement Study (HRS), we are better able to address the issued involved. Contrary to the current literature on bequests, we do not find that parents give transfers equally to all children. Rather, we find that in the case of inter-vivos transfers, respondents give greater financial assistance to their less well off children than to their children with higher incomes. Financial transfers to elderly parents are also found to be negatively related to the (potential) recipient's income. These results hold both for the incidence of transfers and for the amounts. In addition, we allow for unobserved differences across families by estimating fixed effect models and find our results to be robust to these specifications. A comparison of the HRS transfer data to other survey data demonstrates that the HRS is potentially quite useful for research on transfer behavior. Abstract reprinted with permission of publisher, *Journal of Human Resources*

Stum, M. S. (1999). "I just want to be fair:" Interpersonal justice in intergenerational transfers of non-titled property. *Family Relations*, 48(2), 159-166.

This study utilized interpersonal justice concepts to examine issues of fairness in the intergenerational transfer of non-titled property. Individual family members who had experienced property transfers articulate previously unidentified distributive justice goals and decision rules, as well as procedural justice elements and guidelines. Future family inheritance research ideas using interpersonal justice concepts are suggested. Findings provide the basis for family focused educational resources addressing the meaning of fairness. Copyrighted 1999 by the National Council on Family Relations, 3989 Central Avenue, NE Suite 550, Minneapolis, MN 55421. Reprinted by permission.

Stum, M. S. (2000). Families and inheritance decisions: Examining non-titled property transfers. *Journal of Family and Economic Issues*, 21(2) 177-202.

This study examines the transfer of personal possessions, which is a dimension of inheritance decision making from which few families are exempt but which largely has been ignored by researchers and educators. The qualitative analysis of a purposeful sample of individual family members who had experienced a transfer of non-titled personal possessions suggested the influence of six key themes. These include: (a) a sensitivity of the issue, (b) lack of goal discussion, (c) different perceptions of "fairness," (d) different meanings of objects, (e) lack of awareness of distribution options and consequences, and (f) potential for conflict. The themes identified reinforced that inheritance is not simply an economic or legal issue but one with complex emotional and family relationship dimensions. The findings provide the foundation for further research agendas and for developing educational resources to help family members communicate about and make more informed decisions regarding the transfer of non-titled property. Abstract reprinted with permission of editor, *Journal of Family and Economic Issues*.

White-Means, S. I., & Hong, G. -S. (1996). *Giving incentives and the well-being of children who care for disabled parents* (The Health and Retirement Study (HRS) and the Study of

Asset and Health Dynamics Among the Oldest Old (AHEAD) Working Paper No. 96-040). Ann Arbor: University of Michigan, Institute for Social Research.

Retrieved September 10, 2001 from http://www.psc.isr.umich.edu/pubs/papers/hr96-040.pdf.

What motivates adult children in the United States to care for their disabled parents? This paper examines whether altruism and bequest motives influence adult children's decisions about giving time to care for a disabled parent, giving financial resources, and giving future financial resources. Further, the paper examines the ways these different forms of giving affect caregivers' overall well-being, financial, family life, and life satisfaction. Using data from the 1992 Health and Retirement Study, we find that bequest incentives, non-economically motivated altruism, the type of disability faced by the parent, and considerations of opportunity cost are key factors. They influence adult children's decisions about employment, giving time, and giving money to support disabled parents. General well-being, financial and family life satisfaction are lower when adult children risk long term income resources by decreasing labor market participation. Giving money increases family life satisfaction for adult children who care for parents who have cognitive limitations. While giving time to care for disabled parents increases financial satisfaction among adult children, it decreases their family life satisfaction. Abstract reprinted with permission of authors.

Health and Long-Term Care Risk Management

Angel, R. J., & Angel, J. L. (1996). The extent of private and public health insurance coverage among adult Hispanics. *The Gerontologist*, 36(3), 332-340.

Data from the Health and Retirement Survey reveal extremely low levels of health insurance coverage among Hispanics and, especially, among Mexican Americans. The data reveal that this lack of insurance is associated with lower rates of employer-based and privately purchased coverage. Even after controlling for a large number of insurance- related factors, Hispanics have rates of health insurance coverage that are lower than those of either non-Hispanic blacks or whites. This serious lack of health insurance coverage among preretirement-age Hispanics has serious implications both for health, because the lack of insurance represents a major barrier to health care, and for the adequacy of retirement coverage, because private insurance represents an important supplement to Medicare.

Berndt, E. R., Cockburn, I. M., Cocks, D. L., Epstein, A. M., Griliches, Z. (1998). Prescription drug prices for the elderly. *Monthly Labor Review*, 119(9), 24-31.

This article compared elderly and non-elderly household expenditures on necessities during the 1980s. Cross-sectional data were obtained from the Bureau of Labor Statistics Consumer Expenditure Survey for the years 1980-1981 and 1989-1990. The data covered demographics, expenditures, income, taxes, selected assets, housing ownership, and public assistance for each household. Elderly households included a reference person or spouse aged 65 or older; non-elderly households had no older persons in residence. Data are presented on mean household expenditures and budget shares on the necessity categories of food, housing, and health care, as well as on other (discretionary) spending, by age group. Findings reveal that over the decade, both discretionary spending and real income per household increased for most groups. However, recipients of cash assistance did not share equally with non-recipients in the increases in household real income, although their real income did not decline. The group that realized the largest increase in well-being was elderly households that did not receive cash assistance. (WD) (AgeLine Database, copyright 1996 American Association of Retired Persons, all rights reserved).

Curry, L., Gruman, C., & Robison, J. (2001). Medicaid estate planning: Perceptions of mortality and necessity. *The Gerontologist*, 41, 34-42.

Retrieved November 3, 2001 from http://gerontologist.gerontologyjournals.org/cgi/content/full/41/1/34?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&searchid=1004839219163_634&stored_search=&FIRSTINDEX=0&volume=41&firstpage=34&search_url=http%3A%2F%2Fgerontologist.gerontolgyjournals.o

Purpose: Although several studies have examined the magnitude and prevalence of Medicaid estate planning (MEP), little is known about factors that influence individual behaviors in this area. Normative data regarding public perceptions of and motivations for MEP are nonexistent. This study explored views about MEP among community-dwelling older adults and family caregivers. *Design and methods:* Eighteen focus groups were completed (N = 155), with a stratified homogeneous sample to ensure representation from individuals of varying race/ethnicity, experience with nursing home and home care services, and socioeconomic status. Analyses of transcripts were completed with NUD*IST 4.0 software. *Results:* Disincentives for MEP included losing control of one's assets, Medicaid stigma, and perceived immorality of MEP. Incentives for MEP included preservation of one's estate and protection of a spouse. Finally, variability in accessibility to and awareness of MEP was described. *Implications:* This exploratory study identifies motivations for individual behaviors and describes evolving social norms regarding MEP; implications for policy and research are discussed. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

DeVaney, S. A., Bechman, J. C., & Zhang, T. (Spring, 1998). Alternatives for financing long-term care: Is more information needed? *The Candle*, 4+.

This is the second article based on a study funded by the Phi Upsilon Omicron Alumni research Grant awarded for 1996-1998. The study was to learn about the level of awareness of alternatives for financial long-term care.

Fronstin, P. (1996). Near elderly differ from other age cohorts in health insurance coverage. *EBRI Notes*, 17(3), 5-8.

EBRI tabulations of the March 1995 Current Population Survey (CPS) reveal that 86.1 percent of the near elderly population, consisting of persons aged 55-64, reported having health insurance in 1994. Almost 76 percent reported having private insurance, and 18.4 percent reported having publicly provided coverage. Almost 14 percent of the near elderly population was uninsured in 1994, compared with 15.6 percent of the U.S. population aged 18 and over and 15.3 percent of the total population. The near elderly differ from other age groups in their labor force participation rates, marital status, and income levels. Consequently, they differ from other cohorts in their access to, and sources of, health insurance coverage. Adding significance to these differences is the projected growth in the proportion of individuals belonging to this age group. In 1990, the near elderly represented approximately 9 percent of the total U.S. population. By 2020, this cohort is projected to rise to almost 14 percent of the total population. Reprinted with permission of editor, *EBRI Notes*.

Fuller, P., Zietz, E. N., & Calcote, R. (1997). The role of financial counselors in long-term health care planning. *Financial Counseling and Planning*, 8(1), 19-24.

Adequate and affordable long-term health care (LTC) is an important concern today. Results from a survey of Certified Public Accountants (CPAs) with the Personal Financial Specialist (PFS) designation indicate that many believe they, as financial counselors, should assume some of the responsibility of informing clients of the LTC financing problem. Many respondents believe there is a widespread need for LTC insurance. As a group they are split as to whether government or private insurance is the best provider of LTC. However, they also believe some financial counselors are not emphasizing long-term care enough in clients' financial plans. Reprinted with permission of the editor, *Financial Counseling and Planning Journal.*

Lillard, L. A., Rogowski, J., & Kington, R. (1997). Long-term determinants of patterns of health insurance coverage in the Medicare population. *The Gerontologist,* 37(3), 314-323.

Using data from the 1990 Health Supplement to the Panel Study of Income Dynamics, we examine the determinants of patterns of insurance coverage among the elderly. Among those with supplemental insurance through an employment-based source, the primary determinant of having insurance is work history, specifically job tenure and occupation of household heads and their spouses. Among those who do not have employer-provided insurance, wealth is the most important economic factor in the purchase of private insurance. Blacks, persons with less education and women household heads are less likely to purchase supplemental insurance. We find little evidence that persons in prior poor health are more likely to purchase supplemental insurance, and the most important determinant of dental or drug coverage is having employer-based insurance. The current trend toward decreased generosity of post-retirement benefits implies that fewer older Americans will have insurance for these services. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Lillard, L. A., Weiss, Y. (1997). Uncertain health and survival: Effects on end-of-life consumption. *Journal of Business & Economic Statistics*, 10(2), 254-268.

The impact of health and survival uncertainty on the saving and spending decisions of retired couples is analyzed. The study is based on data from a retirement history survey that followed individuals, aged 58 to 63, for a period of 10 years. A dynamic programming approach is used to model the household's planning predicament. The utility parameters are estimated using panel data. Two factors have a particularly significant effect on an elderly couple's financial status and on their spending and planning decisions: (1) the illness of one of the partners and (2) the types of benefits available to the partner who survives the other's death. Simulations are used to indicate the effects of falling into poor health and loss of spouse. They reveal a large transfer from the healthy to the sick partner and a strong dependence of saving on the survivor benefits, suggesting that concern about the surviving spouse is an important motive for saving. (SW) (AgeLine Database, copyright 1999 AARP, all rights reserved)

Loprest, P. (1998). Retiree health benefits: Availability from employers and participation by employees. *The Gerontologist*, 38(6), 684-694.

Data from the September 1994 Current Population Survey are used to examine the factors associated with early retirees' access to offers of retiree health insurance (RHI) and their likelihood of accepting these offers. I find large differences in offer rates, with those with

pensions and from large firms much more likely to receive an offer, and women and non-Whites less likely. Even among those with an offer of RHI, more than a quarter do not accept the offer. Early retirees who have lower incomes and lack pensions are significantly less likely to accept an offer of RHI, suggesting that policies that increase offers are not sufficient to increase coverage for early retirees. Barriers to accepting offers need to be considered. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

McDonnell, K. (1998). BLS survey shows change in group health and retirement plan participation. *EBRI Notes*, 19(1), 4-6.

Participation in the two major employee benefit programs -- group health insurance and retirement income plans -- declined between 1980 and 1995, according to the latest Bureau of Labor Statistics (BLS) employee benefit survey of medium and large private establishments. The 1995 survey covers 33.4 million full-time workers and 6.8 million part-time workers in non-farm establishments employing 100 or more employees. BLS gathers the data for this survey by obtaining the plan documentation from a randomly selected sample of employers and conducting follow-up interviews for clarification. Reprinted with permission of editor, *EBRI Notes*.

Mellor, J. M. (2000). Private long-term care insurance and the asset protection motive. *The Gerontologist*, 40, 596-604.

Retrieved November 3, 2001 from http://gerontologist.gerontologyjournals.org/cgi/content/full/40/5/596?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&searchid=1004839045036_629&stored_search=&FIRSTINDEX=0&volume=40&firstpage=596&search_url=http%3A%2F%2Fgerontologist.gerontolgyjournals.

This research examined the role of assets in the decision to purchase insurance for long-term care using survey data from the Asset and Health Dynamics Among the Oldest Old (AHEAD) study. Previous research suggests that assets matter, but the size and direction of the effect varies. An important issue regarding the role of assets has not been explored adequately—whether the effect of assets differs between less wealthy and very wealthy individuals. A methodology to control for this type of variation is employed in this analysis. Results suggest that increases in assets have the greatest influence on the probability that less wealthy individuals own long-term care insurance, and have a negligible impact on the wealthy. This has important implications for policies designed to increase long-term care insurance ownership. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Older Women's League. (1999). The face of Medicare is a woman you know (1999 Mother's Day Report). Washington, DC: Costello, C.

Retrieved August 30, 2001 http://www.owl-national.org/mothersdayreport.pdf.

This report targets the Medicare program as a women's issue since women are Medicare's most vulnerable population. The report raises cautions to women who are beneficiaries as Medicare and supplemental insurance leave women in danger of high out of pocket costs and it also brings to light some of the reforms that have been proposed which would make the program harder for women to use.

Rice, D. P. (1996). Beneficiary profile: Yesterday, today, and tomorrow. *Health Care Financing Review*: 18(2), 23-46.

Provides current, past, and future statistical profiles of Medicare beneficiaries. Describes the socioeconomic characteristics of the over-65 population, including living arrangements, income, poverty rates, employment, and retirement patterns. Examines the health status of older persons, including acute and chronic illness and comorbidity. Presents data on older adults' utilization of hospitals and other health care services as well as their use of long term care services. Reviews trends in Medicare and Medicaid expenditures for medical care of older adults over the last 3 decades. Discusses future morbidity patterns, taking into consideration theories about the compression of morbidity, and reviews population projections based on current age- and gender-specific rates of health status and utilization patterns. Concludes that the organization, delivery, costs, and financing of medical, social, and long term care services need to be restructured to effectively and efficiently meet the special needs of older persons. Includes eight tables illustrating the data. (CN)

Rogokowski, J., Lillard, L. A., & Kington, R. (1997). The financial burden of prescription drug use among elderly persons. *The Gerontologist*, 37(4), 475-482.

Expenditures for prescription drugs are not covered by Medicare and are thus a potential source of large out-of-pocket expenditures for elderly persons. This study, using a new data source, the 1990 Elderly Health Supplement to the Panel Study of Income Dynamics (PSID), demonstrates that, among elderly persons, insurance coverage for drugs reduces the fraction of household income spent on prescription drugs by 50 percent. Groups most likely to benefit from insurance coverage are elderly women and those with common chronic conditions, low incomes, and rural residences.

Rubin, R. M., & Koelln, K. (1996). Elderly and non-elderly expenditures on necessities in the 1980s. *Monthly Labor Review*, 119(9), 24-31.

Examined the extent to which home care presents a financial burden for chronically disabled older adults. The study population was a sub-sample of 568 older respondents (mean age 81.06) from the 1989 National Long Term Care Survey who reported out-of-pocket expenditures for home care help with activities of daily living, instrumental activities of daily living, or nursing services. Most respondents were female (76 percent), white (92 percent), and widowed (58 percent). The study focused on identifying older persons who had catastrophic or burdensome home care expenses and proposed four definitions of catastrophic financial burden. In Definition 1, a ratio of out-of-pocket home care expenditures to family income was calculated. For Definition 2, income was adjusted for shelter and food costs. In Definition 3 family wealth (additional assets, such as savings accounts, stocks, bonds, and mutual funds) was included. In Definition 4 a home equity threshold was added. Using Definition 1, 6.8 percent of the participants had catastrophic expenditures. When income was adjusted for selected non-discretionary expenses in Definition 2, 40.9 percent of the sample had catastrophic home care expenditures. Definitions 3 and 4 calculated 11.2 and 7.5 percent of the respondents as having incurred catastrophic expenditures, respectively. Results suggest that less than 11.2 percent of home care users have burdensome costs. Potential public and private options for protecting consumers at risk of burdensome home care costs are discussed. (TG)

Soldo, B. J., Hurd, M. D., Rodgers, W. L., & Wallace, R. B. (1997). Asset and health dynamics among the oldest old: An overview of the AHEAD study. *The Journals of Gerontology Series B*: 52B, 1-20.

Provides an overview of the study of Asset and Health Dynamics Among the Oldest Old (AHEAD), a prospective panel survey of community residents born in 1923 or earlier. AHEAD is a biennial study which in its 1993 baseline identified 10,297 eligible persons and interviewed 8,222 individuals aged 70 and over and their spouses. To understand the changing demographic composition and geographic distribution of older adults, substantial oversamples of blacks, Hispanics, and residents of Florida were used. Although the same instrument was administered to all self-respondents, those aged 70-79 were generally interviewed by telephone, while those aged 80 and over were generally interviewed in person. The baseline interview measured major physical, functional, and cognitive health domains; family structure and family transfers; current income and its sources, assets, housing, and employment; and use of health care services, out-of-pocket expenditures, and health insurance. The health profile that emerges from the AHEAD baseline is consistent with cross-sectional data from comparable but larger national surveys. Chronic disease is common, with most respondents having at least one of seven major conditions (hypertension, diabetes, cancer, lung disease, heart disease, stroke, and psychiatric problems). Distributions of marital status and living arrangements correspond closely to published estimates from the 1993 Current Population Survey. True poverty and high incomes are concentrated in relatively few respondents. (AR) (Ageline Database, copyright 1997 AARP, all rights reserved)

Stum, M. S. (1998). The meaning and experience of spending down to Medicaid in later life. *Advancing the Consumer Interest*, 10(2), 23-34.

Examined the process and meaning of spending down one's assets to the poverty level and relying on Medicaid for long term care in later years. The study focused on the perspective of older adults and family members experiencing the process. A total of 35 families involuntarily experiencing the spend-down process participated in the study, including 10 of whom had already become eligible for Medicaid or were in the application process and 25 who expected to spend down to Medicaid within the next year if the older adult's care needs continued. Data were collected through in-depth interviews using open-ended questions. It was found that family members in the process of spend down often talked about having "no end in sight," with three major themes emerging: stretching personal resources, lack of personal control, and ambiguity. Family members who had already spent down to qualify for Medicaid or who were in the application process spoke of the experience in terms of "when our money's gone," with six themes emerging: viewing Medicaid as a last resort, feeling guilt and failure, remaining responsible as their resources would allow, lacking privacy during the application process, preserving the elder's dignity, and making asset choices. Overall, the voices of the participants suggest a spend-down process that involves multiple losses, including loss of control, choice, and dignity. Family members at both stages of the spend-down process also spoke of the lack of available and consistent information to help make informed decisions or to judge the potential consequences of decisions. (MM) (Ageline Database, copyright 1999 AARP, all rights reserved)

Stum, M. S. (2000). Later life financial security: Examining the meaning attributed to goals when coping with long term care. *Financial Counseling and Planning*, 11(1), 25-37.

This study examines the meaning attributed to later life financial security goals from the perspective of involved family members. Interviews with 45 families coping with the demands of long term care provided insight into six goal patterns potentially important to later life financial security: self sufficiency; spouse's financial security; control; leaving an inheritance; qualifying for public assistance; and privacy. Evidence of different definitions of goals among participants reinforced the importance of exploring the specific meaning of goals as well as determining overall importance for an individual. Implications for assessing client goals as part of financial planning and education are discussed. Reprinted with permission of the editor, *Financial Counseling and Planning Journal.*

Stum, M. S., Bauer, J. W., Delaney, P. J. (1996). Out of pocket home care expenditures for disabled elderly. *Journal of Consumer Affairs*, 30(1), 24-47.

Levels and predictors of out of pocket home care expenditures for the disabled elderly are examined using a sample of users of home care with out of pocket expenditures from the 1984 national Long Term Care Survey (N=856). Multiple regression results indicate need, specifically functional ability, adds the most explanation to out of pocket home care expenditures. Education, marital status, asset availability, prior nursing home use, and population density, while significant, add relatively little explanation to the total variance. Implications for prevention education and long term care policy are discussed.

Stum, M. S., Bauer, J. W., Delaney, P. J. (1998). Disabled elder's out of pocket home care expenses: Examining financial burden. *Journal of Consumer Affairs*, 32(1), 82-105.

Examined the extent to which home care presents a financial burden for chronically disabled older adults. The study population was a sub-sample of 568 older respondents (mean age 81.06) from the 1989 National Long Term Care Survey who reported out-of-pocket expenditures for home care help with activities of daily living, instrumental activities of daily living, or nursing services. Most respondents were female (76 percent), white (92 percent), and widowed (58 percent). The study focused on identifying older persons who had catastrophic or burdensome home care expenses and proposed four definitions of catastrophic financial burden. In Definition 1, a ratio of out-of-pocket home care expenditures to family income was calculated. For Definition 2, income was adjusted for shelter and food costs. In Definition 3 family wealth (additional assets, such as savings accounts, stocks, bonds, and mutual funds) was included. In Definition 4 a home equity threshold was added. Using Definition 1, 6.8 percent of the participants had catastrophic expenditures. When income was adjusted for selected non-discretionary expenses in Definition 2, 40.9 percent of the sample had catastrophic home care expenditures. Definitions 3 and 4 calculated 11.2 and 7.5 percent of the respondents as having incurred catastrophic expenditures, respectively. Results suggest that less than 11.2 percent of home care users have burdensome costs. Potential public and private options for protecting consumers at risk of burdensome home care costs are discussed. (TG)

Walker, L., Gruman, C., & Robison, J. (1998). Medicaid estate planning: Practices and perceptions of Medicaid workers, elder law attorneys, and certified financial planners. *The Gerontologist*, 38(4), 405-411.

This study examined Medicaid estate planning (MEP) through the experiences and perceptions of three groups in Connecticut: Medicaid eligibility workers (n = 128), elder law attorneys (n = 41), and certified financial planners (n = 29). Respondent groups varied significantly with regard to their perceptions of prevalence and magnitude of MEP, the nature of transferred assets, mechanisms for transfers, and characteristics of the "typical" client participating in asset divestiture for the purpose of qualifying for Medicaid. This substantial lack of concordance among those professionals most closely involved with MEP poses challenges for policy and research in this area. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Wiener, J. M. (1996). Can Medicaid long-term care expenditures for the elderly be reduced?

The Gerontologist, 36(6), 800-811.

During 1995 and 1996 Congress debated numerous proposals that would dramatically reduce the rate of growth in Medicaid spending, initiatives that inevitably would affect long-term care for the elderly. There are three broad strategies that states might use to control long-term care spending-bring more private resources into the long-term care system to offset Medicaid's expenditures, reform the delivery system so that care can be provided more cheaply, and reduce Medicaid eligibility, reimbursement, and service coverage. Based on the available research evidence, there is little evidence to suggest that large savings are possible without adversely affecting beneficiaries' eligibility, access to services, and quality of care received. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Retirement Planning for Later Life

AARP. (2001). *Beyond 50: A report to the nation on economic security*. Washington, DC: AARP.[i]

Retrieved October 30, 2001 from http://www.aarp.org/beyond50/

Provides a report to the nation on the status of the population aged 50 and older that is designed to document the overall well-being and economic security of America's midlife and older population through a series of objective indicators and attitudinal measures. Heavily illustrated with statistics, graphs, and analyses of age and income differences, the report finds that the diversity of the 50+ population resembles the diversity of the nation as a whole. Fifty-plus America is redefining retirement, requiring the whole concept to be assessed in a new way. Building a secure retirement foundation requires four strong pillars: Social Security, pensions/savings, earnings, and health insurance. Most of 50+ America has experienced rising income and asset levels over the past 20 years. Overall, midlife and older adults are shaped by 3 important and enduring trends and experiences: the dominant role that Social Security plays in the income of those over age 62, the challenge posed to their financial security by burdensome health care costs, and disparities between the "haves" and "have-nots." References, endnotes, and data sources are included. (MM) (Ageline Database, copyright 2001 AARP, all rights reserved)

AARP Public Policy Institute. (1998, July). *How Americans Save.* Washington, DC: Korczyk, S.

M.

Retrieved August 20, 2001, from http://research.aarp.org/econ/9806_save.pdf.

Reviews research done in the area of saving behavior and then evaluates the importance of the personal characteristics used in determining the savings amounts. The report reviews economic and survey literature on saving behaviors and then uses the Health and Retirement study to fill in gaps. It was found that there are no absolute barriers to savings although some groups may be more prone to not saving than others such as: low income households, single parents, non-homeowners, formerly married persons, people with health problems, and households whose head has less than a high school diploma.

AARP Public Policy Institute. (2000, February). *Pension and IRA coverage among boomer, pre-boomer, and older workers* (Issue Paper No. 2000-03). Washington, DC: Lichtenstein, J. & Wu, K. -B.

Retrieved August 30, 2001 from http://research.aarp.org/econ/2000_03_ira_1.html.

Addresses the economic future of baby boomers and relates it to their participation in employer provided pensions and other individual retirement accounts. Exploration of retirement plan coverage among baby boomers, pre-boomers, and older workers assists in defining retirement plan coverage to capture any plan obtained by workers during their careers. The findings of this report show that pre-boomers had higher retirement coverage than boomers and older workers and that working women were less likely than men to have retirement plan coverage across all cohorts. The implications of this information indicate that increasing coverage is necessary.

AARP Public Policy Institute. (2000, December). *Who are the long term poor?* (Data Digest No. 53). Washington, DC: Wu, K. B.

Retrieved August 30, 2001, from http://research.aarp.org/econ/dd53_poor.html.

Presents the findings of a study of the poverty of older persons from a long-term perspective. This study concluded that individuals 65 and older were more likely to be poor for a longer period of time than individuals in any other age group.

American Savings Education Council. (2001). *The 2001 Minority Retirement Confidence Survey (MRCS): Summary of findings*. Washington, DC.

Retrieved October 31, 2001 from http://www.asec.org/2001rcs/01mrcses.pdf.

Fourth annual survey of individuals in minority groups. They were surveyed as part of the Retirement Confidence Survey and results of the survey show similarities and differences among individuals in the categories of African-Americans, Hispanic-Americans, and Asian-Americans.

American Savings Education Council. (2000). *2000 Women's Retirement Confidence Survey: Women's views and attitudes toward saving for retirement in 2000*. Washington, DC.

An independent analysis of non-retired women in the 2000 Retirement Confidence Survey. Offers news on women's retirement prospects and areas of concern and distinguishes between women's approaches and attitudes toward savings and retirement planning among different social, economic, and ethnic groups. It may be helpful for future educational programs targeted at increasing women's saving rates.

American Savings Education Council. (1999). *The 1999 Small Employer Retirement Survey (SERS): Summary of findings*. Washington, DC.

The second annual survey of its kind and is an in-depth retirement planning survey of small employers (companies with 100 or fewer full-time workers). While conventional wisdom maintains that low plan sponsorship rates among small employers are driven by high

administrative burdens and cost placed on small employers, the SERS findings reveal that this view of the world is too simplistic and often wrong and that the solution to low coverage is not simply “building a better mousetrap.” In fact, non-sponsors report that employee-related reasons and revenue uncertainty are often more important reasons for not sponsoring a plan. This helps explain why actual coverage remains low despite repeated public policy initiatives designed to boost retirement plan coverage among small employers.

Blakely, S. (2000). Future of private retirement plans. *EBRI Notes*, 21(4), 1-5. i

Policymakers, reporters, leading thinkers on benefits, employers, and labor representatives examined "The Next 25 Years of ERISA: The Future of Private Retirement Plans," during the Dec. 1, 1999, policy forum sponsored by the Employee Benefit Research Institute Education and Research Fund (EBRI-ERF). Attended by more than 100 invited experts, the policy forum examined the history and objectives of retirement plans, current trends in both defined benefit and defined contribution plans, how technology is affecting retirement plans, and how the politics of change are likely to affect the future of retirement plans in the United States. Reprinted with permission of the editor, *EBRI Notes*.

Burkhauser, R. V., Couch, K. A., & Phillips, J. W. (1996). Who takes early Social Security benefits? The economic and health characteristics of early beneficiaries. *The Gerontologist*, 36(6), 789-799.

Using the 1992 and 1994 Waves of the Health and Retirement Survey, we compare individuals who first take Social Security benefits at age 62 with those who don't and find that the income and net assets of these two groups are similar in the years just prior to eligibility. However, there is great diversity within the groups, so that poor health appears to be more closely related to lower economic well-being than is early Social Security acceptance status. Our results suggest that raising the Social Security retirement age is not likely to dramatically lower the economic well-being of the typical person aged 62 since only 3% of men aged 62 are receiving Social Security retirement benefits, are in poor health, and have Social Security retirement benefits as their only source of pension income. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Burman, L. E., Coe, N. B., & Gale, W. G. (1999). Lump sum distributions from pension plans: Recent evidence and issues for policy and research. *National Tax Journal*, 52(3), 553-562.

Examined policy issues regarding preretirement lump sum distributions (LSDs) from pension plans, a practice that has grown significantly in recent years. Data were obtained from the Employee Benefits Supplement to the Current Population Survey and the Health and Retirement Survey. It was found that the vast majority of workers who received LSDs did not roll over funds into qualified accounts, such as Individual Retirement Accounts (IRAs). However, a much larger portion of dollars were rolled over. The likelihood that a worker would roll over the LSD rose with age, income, and the size of the distribution. Among those who did not roll over all of their LSD, the average implied loss in pension balances at age 65 ranged from over $26,000 in distributions taken by those aged 30-39 to almost $18,500 for distributions taken by those near retirement. Overall, it is estimated that such cashouts reduce annual retirement income by $1,000 to $3,000. However, these estimates may overstate pension loss since increased participation may be based on the increased liquidity created by LSDs. The results suggest that the tax penalty encourages rollovers into qualified accounts, but do not suggest that it has encouraged saving over consumption. In fact, recent legislation giving favorable tax treatment to certain withdrawals from IRAs and Roth IRAs may discourage the retention of pension wealth until retirement. (MM) (Ageline Database, copyright 1999 AARP, all rights reserved)

Campbell, S. (1995). Sources of income of the elderly population. *EBRI Notes*, 16(6), 4-7.

Between 1974 and 1993, median income of individuals aged 65 and over increased in real terms from $8,674 to $10,519. Proportions of the elderly's income from various sources shifted, with Social Security and employment-based pensions representing a greater proportion of income and earnings and income from assets representing a smaller proportion in recent years. Elderly individuals rely on the various income sources to different degrees, depending on their income level. The higher income elderly rely more on earnings, pension and annuity income, and income from assets, while lower income individuals rely on Social Security for most of their income. The design of Social Security helps assure these results with a benefit formula that delivers larger benefits, as a percentage of final compensation, to those earning the least and a maximum salary cap for taxes and benefit calculation. Reprinted with permission of editor, *EBRI Notes*.

Cohen, L., Steuerle, C. E., & Carasso, A. (2001). Social Security redistribution by education, race, and income: How much and why. Prepared for the Third annual *Conference of the Retirement Research Consortium "Making Hard Choices About Retirement,"* Washington, DC.

Retrieved August 30, 2001 from http://infoeagle.bc.edu/bc_org/avp/csom/executive/crr/papers/Third/Cohen-Steuerle-Carasso_Paper.pdf.

Newly available data from Social Security's Modeling Income in the Near Term model, version 2, makes it possible to assess how much Social Security redistributes to various income, gender, racial, and educational cohorts. This redistribution is measured on the basis of the individual's own earnings history, the extent to which benefits are received (whether earned on one's own record or not), and on a shared concept under which taxes and benefits are shared when spouses are both alive. Social Security generally does provide higher rates of return in all cohorts to those with lesser amounts of lifetime earnings. However, some lower-earnings groups still do worse, even on this measure, than some groups with higher family incomes and wage rates. For instance, Black women generally do slightly worse than White women, and male high-school dropouts generally do worse that those with higher education. Redistribution sometimes is regressive within generations—that is, more net benefits are provided to some richer groups than to some poorer groups—when net benefits are calculated using a moderate discount rate. This study also uniquely attempts to break out the exact factors, or marginal effects of program provisions, behind redistribution—primarily showing in precise detail the extent to which the progressive rate structure in the benefit formula offsets or does not offset the impact of mortality on the extent of redistribution. Reprinted with permission, Center for Retirement Research at Boston College.

Cook, F. L., Settersten, R. A. (1995). Expenditure patterns by age and income among mature adults: does age matter? *The Gerontologist*, 35(1) 10-23.

Using data from the 1984-85 Consumer Expenditure Survey (CES), we examined how expenditure patterns of elderly persons (aged 65-74 and 75 and over) at different income-to-needs levels differ from those of younger mature adults (aged 45-54 and 55-64) at similar

income-to-needs levels. Patterns of spending are examined in a variety of areas within three domains--giving, recreation, and essentials. Several important differences exist in the ways that households headed by persons of different ages allocate their expenditures in the domains of essentials and recreation, but few differences exist in the domain of giving. Consistent income group differences exist in expenditure patterns across virtually every area within the three domains. Both age and income differences remain significant when multivariate analyses are performed; thus, the story told is one in which both age and income play important roles. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Cutler, N. E. (1997). The false alarms and blaring sirens of financial literacy: Middle-agers' knowledge of retirement income, health finance, and long-term care. *Generations,* 21(2), 34-40.

Examines the need for earlier and more widespread education of middle-aged Americans on retirement planning, health care financing, and long-term care. A 1996 survey of 1,000 adults revealed that although most baby boomers, as well as the general public, had fair knowledge about retirement income and investment instruments, they exhibited low levels of financial literacy in the area of paying for health care and long term care. This raises concerns, not only for future planning, but for the here and now as an increasing number of middle-agers take on decision-making and caregiving of their aging parents. It is recommended that financial education efforts be directed toward correcting this knowledge deficit. (AR) (Ageline Database, copyright 1997 AARP, all rights reserved)

DeVaney, S. A. (1995). Retirement preparation of older and younger baby boomers. *Financial Counseling and Planning*, 6, 25-33.

The purpose of the study was to examine factors related to retirement preparation of older and younger cohorts of the baby boomers using a criterion of having investment assets greater than 25% of net worth. Using the 1989 Survey of Consumer Finances, logit analyses showed that being white and expecting a large inheritance were positively related to meeting the guideline for younger boomers. The older cohort of the baby boomers had increased likelihood of meeting the guideline if the household head was in good health, was male and had pension coverage. For both cohorts, as age and education increased, it was more likely that households would meet the guideline for retirement preparation. Abstract reprinted with permission of the editor, *Financial Counseling and Planning Journal.*

DeVaney, S. A., Gorham, E. E., Bechman, J. C., & Haldeman, V. A. (1996). Cash flow management and credit use: Effect of a financial information program. *Financial Counseling and Planning*, 7, 71-80.

The purpose of the study was to examine cash flow and credit use three months after participants completed a series of women's financial information workshops. Being older, having feelings of satisfaction about finances, and using the program workbook were associated with use of a spending plan, a bill paying system, limiting credit card use, and saving regularly. Educators should include discussion of the importance of feelings and attitudes in changing practices related to cash flow and credit use. Participants should be encouraged to complete workbook exercises during and after the workshops. Abstract reprinted with permission of the editor, *Financial Counseling and Planning Journal*

DeVaney, S. A., & Chien, Y. -W. (2000). Participation in retirement plans: A comparison of the self-employed and wage and salary workers. *Compensation and Working Conditions*, 5(4), 31-36.

What factors influence worker participation in retirement plans? Recent data suggest that this decision is made differently by the self-employed and wage earners. This research uses data from the 1995 Survey of Consumer Finances to answer this question.

DeVaney, S. A., & Chien, Y. -W. (2001). A model of savings behavior and the amount saved in retirement accounts. *Journal of Financial Service Professionals*, LV(2), 72-80.

Because workers are uncertain about retirement income, many will save in tax-deferred savings plans such as defined-contribution plans, individual retirement accounts, and Keogh plans. However, factors that are influential in the amount saved in these options may differ because defined-contribution plans are employer-sponsored, and IRAs and Keogh plans are initiated by the individual. Using a conceptual model of savings behavior and data from the 1998 Survey of Consumer Finances, this study explored which variables measuring attitude, subjective norms, perceived control, and past savings influenced the amount saved in defined-contribution plans, and IRAs and Keogh plans. The results provide important implications for financial advisors. Abstract reprinted with permission of author.

DeVaney, S. A., Sharpe, D. L., Kratzer, C. Y., & Su, Y.-P. (1998). Retirement preparation of the nonfarm self-employed. *Financial Counseling and Planning,* 9(1), 53-59.

Despite growth in the numbers of self-employed workers, there is little research on the retirement planning behavior of this group. The purpose of this study was to identify characteristics of self-employed workers and determine factors that lead to increased savings for retirement. Findings from a survey mailed to a convenience sample indicated that largest amounts of annual savings were in stocks and business equity and the smallest amount were in Keogh plans. Self-employed workers tended to have larger total retirement savings if they were older, had higher income levels, and had conducted some retirement planning activities. Abstract reprinted with permission of editor, *Financial Counseling and Planning Journal.*

DeVaney, S. A., Su, Y. -P. (1997). Factors predicting the most important source of retirement income. *Compensation and Working Conditions*, 2(3), 25-31.

What are the factors that predict workers' identification of their most important source of retirement income? The analysis was based on data drawn from the 1995 Retirement Confidence Survey sponsored by the Employee Benefit Research Institute. Older workers were more likely to rely on the traditional sources of retirement income of employer pensions and Social Security. Younger workers were more likely to expect that their own contributions at work or personal savings and investment would be important in retirement. Workers who intended to rely on Social Security were less optimistic about their future life-style, while those who planned to rely on personal savings and investments were more optimistic about their future life-style. Abstract reprinted with permission of the editor, *Financial Counseling and Planning Journal.*

DeVaney, S. A., Su, Y. -P., Kratzer, C. Y., Sharpe, D. L. (1997). Retirement savings of non-farm self-employed workers: An exploratory study. *Consumer Interests Annual*, 43, 58-63.

Self-employment is increasing rapidly, especially among women, but there is little research on self-employed workers and retirement planning. A survey was developed and mailed to 250 self-employed workers who belonged to comparable associations. Respondents, who were older, married, with higher income, and with more savings during the past year had larger total retirement savings. The largest amounts of annual savings were in stocks and business equity and the smallest amounts were in tax-advantage plans. Participation in retirement planning was low. Abstract reprinted with permission of the editor, *Consumer Interests Annual.*

DeVaney, S. A., & Zhang, T. C. (2000). Confidence in financial preparation for retirement: Evidence from the 1998 Retirement Confidence Survey. *The Southwest Journal on Aging*, 16(2), 25-34.

The purpose of this study was to identify factors affecting overall confidence in financial preparation for retirement. Data on 567 workers from the 1998 Retirement Confidence Survey revealed that workers with more income, more control over money, with an employer pension, and those who were making contributions to a plan at work were more confident. Workers 35 and over were less confident than workers who were younger than 35. The findings appear to support Crystal's (1996) observation that the distribution of economic outcomes for the elderly is a complex interaction of the retirement income system and the economic and social histories of individuals. Abstract reprinted with permission of author.

Ekerdt, D. J., DeViney, S., & Kosloski, K. (1996). *Stability and change in plans for retirement* (The Health and Retirement Study (HRS) and the Study of Asset and Health Dynamics Among the Oldest Old (AHEAD) Working Paper No. 96-035). Ann Arbor: University of Michigan, Institute for Social Research.

Retrieved September 10, 2001 from http://www.psc.isr.umich.edu/pubs/papers/hr96-035.pdf.

Health and Retirement Study panel data make it possible to investigate workers' prior decision making for retirement far in advance of the event. Using a multinomial construct that profiles general types of retirement plans, we found relative persistence of workers' intentions to retire completely, but relative instability of intentions to pursue more complex paths to retirement (e.g., partial retirement, successive jobs). Considering also the continued prevalence of large proportions with vague plans for retirement, these results show a cohort with a common expectation of retirement but quite unsettled as to how and when it will come about.

Employee Benefit Research Institute. (1997, August). Large plan lump-sums: rollovers and cashouts (Issue Brief No. 188). Washington, DC: Yakoboski, Paul.

Examined distributions made during 1993 and 1996 from a group of large, defined contribution pension plans. Data on 138,038 distributions from 1993 and 87,318 distributions from 1996 were drawn from a database kept by Hewitt Associates, the company providing recordkeeping services to the plans. Analysis was conducted to determine the reason for each distribution--job termination, retirement, disability, or death--and the disposition of the funds: whether the benefits were rolled over into another qualified plan or cashed out. Forty percent of distributions to job changers were rolled over into other plans in 1996, up from 35 percent in 1993. Rollover percentages were higher when examined by dollars distributed (79 percent in 1996 and 73 percent in 1993). In 1996 only 20 percent of distributions of less than $3,500 were rolled over, compared with 95 percent of distributions over $100,000. Among employees who retired or became disabled in 1996, 52 percent of distributions were rolled over, accounting for 87 percent of the dollars distributed to these groups. The likelihood of rollover increased with the recipient's age: in 1996, 20 percent of distributions made to workers in their 20s were rolled over, compared with 52 percent for recipients in their 50s. (CN) (Ageline Database, copyright 1997 AARP, all rights reserved)

Employee Benefit Research Institute. (2001). *The 2001 retirement confidence survey summary of findings*.

Retrieved August 30, 2001, from http://www.ebri.org/rcs/2001/01rcses.pdf

This survey measures the attitudes of working Americans regarding retirement, retirement planning, and retirement confidence. The findings of this most recent survey show that retirement confidence has declined and that fewer individuals are planning for their retirement than before. Individuals are less likely to be saving for retirement and to have calculated the amount of money they will need when they retire.

Federal Interagency Forum on Aging Related Statistics. (2000, August). *Older Americans 2000: Key indicators of well-being.* Federal Interagency Forum on Aging Related Statistics, Washington, DC: US Government Printing Office.

Created in order to describe the overall status of the population 65 and over, this report addresses such characteristics as population, economics, health status, health risks and behavior, and health care. Focus on the economics section show us poverty rates, income distribution, sources of income, net worth, participation in the labor force, and housing expenditures the population.

Fronstin, P. (1999). Retirement patterns and employee benefits: Do benefits matter? *The Gerontologist*, 39(1), 37-47.

This article investigates the impact of postretirement employee benefits on the likelihood that workers expect to retire before age 62 and age 65. Using data from the 1992 Health and Retirement Study, probit regression models were estimated to explore the effect of pension plans and retiree health insurance on the expectation of early retirement. With respect to pension plans, the effects of both the type of pension plan and the expected benefits from those plans are explored. Similar effects were explored for retiree health benefits. The results indicate that postretirement pension benefits and the availability of retiree health benefits have a significant influence on workers' retirement age expectations. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Grable, J. E., Lytton, R. H., & Kratzer, C. Y. (1998). Determinants of defined contribution plan employee participation: A 403(b) perspective. *Consumer Interests Annual*, 44, 109-114.

Discriminant analysis was used to both differentiate between and to classify sample respondents into distinct 403(b) participation groups. Data were obtained from a survey of employees from a southeastern research university (N = 1,075). 403(b) participation was best described by a function of respondents' income, occupation, education, investment knowledge, and risk preference. A classification rule was developed that offered a better than by chance classification success rate of 71%. Reprinted with permission of editor, *Consumer Interests Annual.*

Hatcher, C. B. (1997). Model of desired wealth at retirement. *Financial Counseling and Planning*, 8(1), 57-64.

This paper illustrates and executes a strategy for estimating the amount of wealth at which a person will retire. The concept of permanent income is used to frame the retirement decision as one where you retire when your full wealth can afford your desired consumption. Recently retired individuals from the 1983, 1986, and 1989 Survey of Consumer Finances are used to predict what observable estimations include several simulations. Reprinted with permission of the editor, *Financial Counseling and Planning Journal.*

Hira, T. K., & Mugenda, O. M. (1998). Predictors of financial satisfaction: Differences between retirees and non-retirees. *Financial Counseling and Planning*, 9(2), 75-83.

The main purpose of this study was to identify differences in factors that predict financial satisfaction among retirees and non-retirees and to ascertain how retirees and non-retirees differ in financial beliefs and behavior. Non-retirees were more likely than otherwise similar retirees to report worrying about finances. A higher proportion of non-retirees were more likely to perceive themselves as financially better off in comparison to others, or in relation to the past, than the retired respondents. Non-retirees were optimistic about their future financial situation. Abstract reprinted with permission of editor, *Financial Counseling and Planning Journal.*

Holden, K. C. & Kuo, H. H. (1996). Complex marital histories and economic well-being: The continuing legacy of divorce and widowhood as the HRS cohort approaches retirement. *The Gerontologist*, 36(3), 383-390.

We use data from the first wave of the Health and Retirement Survey (HRS) to examine the marital histories of this cohort of women and men on the verge of retirement. The legacy of past increases in divorce rates is evident in the complex marital histories of HRS households and the relationship between those histories and current economic status. Couples in a first marriage now make up only one-quarter of black households and fewer than half of all white and Hispanic households. In over one-third of all married-couple households, at least one spouse had a previous marriage that ended in divorce or widowhood. These couples have significantly lower incomes and assets than couples in first marriages. Contrary to the popular notion that private and public insurance better provide for the security of widows than divorced persons, currently widowed households and couples in which the prior marriage of one spouse had ended in widowhood are no better off than are their divorced peers. This holds true for both black and white households. From a single cross-section, one cannot tell what caused these differences in income and wealth across marital status groups although it is clear that women and blacks spend a higher percentage of their lifetime outside of marriage than do men and whites. We also speculate from estimates of widowhood expectations for a subset of married respondents that underestimating the chances of widowhood-- because both men and women overestimate their chances of joint survival- -may be a factor in the relatively low

economic status of widows. Because couples in life-long marriages have been the traditional standard upon which marital property reform and the survivorship rules of private and public programs are based, their diminishing importance among all households raises concern about the protection provided by these institutions against the long-term economic consequences of past and future marital dissolution. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Hong, G.-S., & Swanson, P. M. (1995). Comparison of financial well-being of older women: 1977 and 1989. *Financial Counseling and Planning*, 6, 129-138.

This study examined the changes in the household financial well-being of older women ages 55 and over by using data from the 1977 and 1989 Survey of Consumer Finances. Three financial measures, household income, emergency fund adequacy, and debt-to-income ratio were used. The findings showed that older women in both 1989 and 1977 had adequate emergency funds but women in 1989 had a lower level of adequacy than women in 1977. Education, employment, age, marital status, homeownership, and race were found to be significant contribution factors to the household financial status of older women. The effects vary depending on the financial measures examined. Reprinted with permission of the editor, *Financial Counseling and Planning Journal.*

Honig, M. (1999). *Minorities face retirement: Worklife disparities repeated?* New York: City University of New York, International Longevity Center-USA and Department of Economics Hunter College and the Graduate Center.

Examined the wealth of minority households in the United States, focusing not only on conventional measures of wealth but also on contingent claims on Social Security and employer pension benefits. Data were obtained from the 1992 Health and Retirement Survey on 4,371 households in which the financially responsible member worked within the past 10 years, reported race and ethnicity, and was neither self-employed nor retired. Estimation of expected wealth at retirement was based on net financial wealth, net housing wealth, expected pension benefits, and expected Social Security benefits. It was found that the expected retirement wealth of the median 10 percent of the sample was $323,857, while the mean household expected to hold $491,539 in wealth at retirement. The median expected wealth at retirement for white households was $390,950, compared to $189,023 for black households and $157,771 for Hispanic households. These disparities in anticipated wealth at retirement were pronounced and substantially larger than differences in hourly wages and annual earnings, though significantly smaller than the disparities in anticipated wealth based upon net financial and housing wealth alone. References are included. (MM) (Ageline Database, copyright 1999 AARP, all rights reserved)

Johnson, D. S., & Smeeding, T. M. (2000, April). *Poverty and Social Security reform and the antipoverty effectiveness of government programs: Who are the poor elderly and how many are there?* Syracuse, NY: Syracuse University, Center for Policy Research.

Using the Experimental Poverty Measures Research Data file from the March 1998 Current Population Survey. The report examines the poverty rates for elderly by marital status, age, and gender. Income distribution, health status, and effectiveness of Social Security are also examined under these alternative poverty measures.

Johnson, R. W., Sambamoorthi, U., & Crystal, S. (1999). Gender differences in pension wealth: Estimates using provider data. *The Gerontologist*, 39(3), 320-333.

Information from pension providers was examined to investigate gender differences in pension wealth at midlife. For full-time wage and salary workers approaching retirement age who had pension coverage, median pension wealth on the current job was 76% greater for men than women. Differences in wages, years of job tenure, and industry between men and women accounted for most of the gender gap in pension wealth on the current job. Less than one third of the wealth difference could not be explained by gender differences in education, demographics, or job characteristics. The less-advantaged employment situation of working women currently in midlife carries over into worse retirement income prospects. However, the gender gap in pensions is likely to narrow in the future as married women's employment experiences increasingly resemble those of men. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Joo, S.-H., and Grable, J. E., (2000). A retirement investment and savings decision model: Influencing factors and outcomes. *Consumer Interests Annual*, 46, 43-48.

This research presents a model that can be used to examine the retirement investment decision process used by individuals. Using 1999 Retirement Confidence Survey data, this study found that respondents with higher education, higher income, a lower number of financial dependents, favorable financial attitudes, and those who are exposed to workplace financial education were more likely to have a retirement investment program. It was determined that having a retirement program positively influenced retirement confidence. Abstract reprinted with permission of editor, *Consumer Interests Annual.*

Kolodinsky, J. (1997). An event history analysis of the retirement process. *Consumer Interests Annual*, 43, 136-141.

This study identifies and quantifies the impact of variables that affect the length of the retirement process. Data from the National Longitudinal Survey of Labor Market Experience and event history analysis are used. Results are compared for two different definitions of retirement. The study affirms the findings of studies that acknowledge the existence of a retirement process. However, we find fewer variables associated with length of the retirement process than are related to the decision to retire. Abstract reprinted with permission of editor, *Consumer Interests Annual.*

Li, J., Montalto, C. P., & Geistfeld, L. V. (1996). Determinants of financial adequacy for retirement. *Financial Counseling and Planning*, 7, 39-48.

Data from the National Longitudinal Survey of Older Men are used to examine factors associated with financial adequacy for retirement. Bivariate and multivariate analyses show that being white, a longer planning horizon, planning to retire at age 65 or later, and owning assets are positively associated with the accumulation of financial resources adequate to maintain the pre-retirement level of consumption throughout the retirement years. The importance of planned retirement age to financial adequacy for retirement is confirmed. Reprinted with permission of the editor, *Financial Counseling and Planning Journal.*

McDonnell, K. (1998). BLS survey shows change in group health and retirement plan participation. *EBRI Notes*, 19(1), 4-6.

Participation in the two major employee benefit programs -- group health insurance and retirement income plans -- declined between 1980 and 1995, according to the latest Bureau of Labor Statistics (BLS) employee benefit survey of medium and large private establishments. The 1995 survey covers 33.4 million full-time workers and 6.8 million part-time workers in non-farm establishments employing 100 or more employees. BLS gathers the data for this survey by obtaining the plan documentation from a randomly selected sample of employers and conducting follow-up interviews for clarification. Reprinted with permission of editor, *EBRI Notes*.

McDonnell, K. (2000). Understanding the income of the older population. *EBRI Notes* 21(4), 5-7.

Evaluations of how well the U.S. retirement income system--including employment-based retirement plans, Social Security, and individual saving--is performing are often based on the economic status of the current older population (age 65 and older). This article presents some of the latest data available in this area. It analyzes the level of the older population's income and how this level has changed over time, as well as the different sources of the older population's income, how the relative importance of those sources has changed over time, and how the elderly's reliance on these sources varies across income levels. Finally, it discusses the implications of these data. Reprinted with permission of editor, *EBRI Notes*.

McLaughlin, D. K., (1998). Rural women's economic realities. *Journal of Women and Aging*, 10(4), 44-65.

The economic position of many elders has improved over the past few decades. Several groups of elders remain disadvantaged, however, including nonmetropolitan elders and women in any setting. This study examines differences in household income and poverty rates for metropolitan and nonmetropolitan women ages 55 and over in 1970, 1980 and 1990. Comparison of median incomes for women the same age across birth cohorts reveals that much of the improvement in women's economic well-being occurs because younger cohorts have higher incomes when they enter older ages. There also is evidence that incomes decline as the cohort ages. Nonmetro women have lower incomes and higher poverty rates than metro women in every comparison, even when demographic characteristics are controlled. While the metro/nomentro income gap declines from 1970 to 1980, it increases from 1980 to 1990. The largest income gap occurs for women ages 55 to 64 in 1990, the youngest cohort examined, offering no evidence to support convergence of household incomes among metro and nonmetro older women in the near future.

Mock, S. E. (2001). *Retirement intentions of same-sex couples* (BLCC Working Paper #01-02). Ithaca, NY: Cornell University, Bronfenbrenner Life Course Center.

Retirement intentions of same-sex and opposite-sex couples were investigated. Data were drawn from the Cornell Couples and Careers Study. The sample consists of 32 women in same sex relationships, 7 men in same-sex relationships, and 30 married men and women. Participants' responses to such questions as age expected to retire, age they began retirement planning, degree of financial planning for retirement, degree of preparation for housing and healthcare, and plans for post-retirement work and volunteering were analyzed. Female same-sex couples self-rate on financial planning for retirement to a significantly lower degree than married couples. The implications for post-retirement well-being and the need for financial planning are discussed.

Moen, P. (with Erickson, W. A., Agarwal, M., Fields, V., & Todd, L.). (2000). *The Cornell retirement and well-being study* (Final Report). Ithaca, NY: Cornell University, Gerontology Research Institute.

Retrieved September 10, 2001 from http://www.blcc.cornell.edu/cagri/crwbs.html.

The Cornell Retirement and Well-being Study focuses on the retirement transition, seeking to understand ways to promote health and well-being, as well as productive activity in post-retirement years.

Moen, P., Sweet, S., & Swisher, R. (2001). *Customizing the career clock: Retirement planning and expectations* (BLCC Working Paper #01-08). Ithaca, NY: Cornell University, Bronfenbrenner Life Course Center.

In this study, a multi-level model of retirement planning is developed and tested. The information is drawn from data surveys of two-earner couples where at least one spouse is employed in one of ten large organizations in upstate New York. The predictors of retirement are examined.

Munnell, A. H., Sunden, A., & Taylor, C. (2000). *What determines 401(k) participation and contributions?* (Working Paper 2000-12). Chestnut Hill, MA: Boston College, Center for Retirement Research at Boston College.

Retrieved August 30, 2001 from http://www.bc.edu/bc_org/avp/csom/executive/crr/wp_2000-12.shtml.

This paper uses the 1998 Survey of Consumer Finances to identify the factors that determine whether an eligible employee elects to participate in a 401(k) plan and the magnitude of the employee's contribution. The conclusion is that the most important factor affecting employees' participation and contribution decisions is their planning horizon. Those with planning periods of less than two years are much less likely to provide for retirement than those who have a more long-term perspective. These results are consistent with other studies suggesting that employee education can have a major impact on retirement saving. On the plan side, the most important determinants are the availability of an employer to match and the ability of employees to gain access to their funds before retirement through withdrawal or borrowing. In short, good information about the need for retirement saving and good plan design can significantly increase participation and contributions. The question is whether employers have the incentive to make this effort under the new safe harbor nondiscrimination provisions. Reprinted with permission, Center for Retirement Research at Boston College.

Olsen, K. (1997) Retirement annuity and employment based pension income. *EBRI Notes*, 18(6), 4-6.

Several demographic variables are correlated with a worker's likelihood of receiving a retirement annuity and/or employment-based pension income in retirement. These same variables are also correlated with the amount of pension income received from these plans. For example, in 1995, 32.6 percent of men ages 50 and older with a graduate-level education received a retirement annuity or employment-based pension income, compared with 25.4

percent of men without a high school diploma -- a differential of 7.2 percent. Reprinted with permission of editor, *EBRI Notes*.

Parker, J. A. (1999). Reaction of household consumption to predictable changes in Social Security taxes. *American Economic Review* 8 (4), 959-973.

Investigated the reaction of household consumption to predictable changes in Social Security taxes, using household-level consumption data from the Consumer Expenditure Survey (CEX) for the years 1980-1993. The study found that households do change their consumption expenditures in response to the predictable fluctuations in income induced by the Social Security tax system. A predictable, one- percent increase in after-tax income in a 3-month interval contemporaneously increased expenditures on non-durable consumption by around a half of a percent. Several steps were taken to reduce the possibility that the results were spurious or that differential seasonal patterns of consumption across wealth levels were driving the results. Similar but less significant results were found among more homogeneous sub-samples. Additionally, even larger point estimates were obtained when identification was derived from the differences in behavior between a treatment group of earners who had Social Security taxes withheld from their paychecks and a control group of earners who did not. The findings show that consumers do not perfectly smooth their demand for goods at quarterly frequencies across expected income changes. Contrary to the basic life cycle/permanent income hypothesis, consumption reacts in an economically significant manner to predictable changes in tax rates. (SW) (AgeLine Database, copyright 1999 AARP, all rights reserved)

Quadagno, J. (1996). Social Security and the myth of the entitlement “crisis.” *The Gerontologist*, 36(3), 391-399.

Although public support for Social Security remains high, confidence in the viability of the program has declined. The decline in confidence reflects confusion generated by public dialogue about various crises, the most recent being the "entitlement crisis." This article discusses two central ideological themes of the entitlement crisis that entitlement spending is crowding out funds for other social needs and that current trends are unsustainable. It questions the substantive basis of these themes and then critically evaluates two proposals for the restructuring of Social Security, means-testing and privatization. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Salisbury, D. L. (1995). The changing employer role in retirement security. *EBRI Notes*, 16(2), 1-3.

Advance funded pension and retirement savings programs have accumulated over $5 trillion in savings. Pension savings are a primary form of personal savings in the economy. Pensions represented 50 percent of personal savings between 1976 and 1980, 59 percent between 1981 and 1985, and 51 percent between 1986 and 1990. Reprinted with permission of editor, *EBRI Notes*.

Smith, D. B., and Moen, P. (1998). Spouse's influence on the retirement decision: His, her, and their perceptions. *Journal of Marriage and the Family*, 60, 734-744.

Soldo, B. J., Hurd, M. D., Rodgers, W. L., & Wallace, R. B. (1997). Asset and health dynamics among the oldest old: An overview of the AHEAD study. *The Journals of Gerontology Series B*: 52B, 1-20.

Provides an overview of the study of Asset and Health Dynamics Among the Oldest Old (AHEAD), a prospective panel survey of community residents born in 1923 or earlier. AHEAD is a biennial study which in its 1993 baseline identified 10,297 eligible persons and interviewed 8,222 individuals aged 70 and over and their spouses. To understand the changing demographic composition and geographic distribution of older adults, substantial oversamples of blacks, Hispanics, and residents of Florida were used. Although the same instrument was administered to all self-respondents, those aged 70-79 were generally interviewed by telephone, while those aged 80 and over were generally interviewed in person. The baseline interview measured major physical, functional, and cognitive health domains; family structure and family transfers; current income and its sources, assets, housing, and employment; and use of health care services, out-of-pocket expenditures, and health insurance. The health profile that emerges from the AHEAD baseline is consistent with cross-sectional data from comparable but larger national surveys. Chronic disease is common, with most respondents having at least one of seven major conditions (hypertension, diabetes, cancer, lung disease, heart disease, stroke, and psychiatric problems). Distributions of marital status and living arrangements correspond closely to published estimates from the 1993 Current Population Survey. True poverty and high incomes are concentrated in relatively few respondents. (AR)

Spratlin, J., & Holden, K. C. (2000). Women and economic security in retirement: Implications for Social Security reform. *Journal of Family and Economic Issues*, 21(1), 37-63.

Gender-related parenting roles lower incomes of women during the working-age years and in retirement years. National retirement income programs contribute to this gender-related difference in retirement income to the degree that they consider lifetime earnings in calculating benefits. This article examines two national pension systems: those of Australia and Sweden. The pension systems of these two countries often are considered as the extremes of pension generosity, and they are based upon different philosophies about the role of government in insuring against economic risk. Due to fiscal issues and the changing roles of women in the labor market, both have reformed their systems. How system reforms can balance the role of the government in insuring against income risk and the growing financial independence of women in the work force are discussed. Abstract reprinted with permission of editor, *Journal of Family and Economic Issues*.

Stallmann, J. I., Deller, S. C., & Shields, M. (1999). Te economic and fiscal impact of aging retirees on a small rural region. *The Gerontologist*, 39(5), 599-610.

The literature on the economic and fiscal impacts of in-migrating retirees on rural communities tends to concentrate on the younger, more affluent newly retired. This article addresses an issue not systematically addressed: the impacts on communities as these retirees age. Households that vary by age have different income levels and expenditure patterns. A county-level, conjoined input- output/econometrics simulation model is used to assess the impacts of an aging rural population. As hypothesized, the magnitude and nature of impacts is in direct proportion to relative household size and income level. The increased local government expenditures are covered by the increased revenues, even as retirees age. Copyright The Gerontological Society of America. Reproduced by permission of the publisher.

Sung, J., & Hanna, S. (1998). The spouse effect on participation and investment decisions for retirement funds. *Financial Counseling and Planning,* 9(2), 47-58.

Worker decisions on retirement account participation and their investment choices for retirement accounts play an important role in post-retirement income. The interaction between the decisions of husbands and wives was investigated by using a bivariate probit model with a spouse effect. There were positive spouse effects on the two decisions in households where both spouses were working. When marital status and working status were controlled, no significant gender difference in the decisions was found. Risk tolerance and the expected time horizon until retirement are important factors in the investment decision as expected. Abstract reprinted with permission of editor, *Financial Counseling and Planning Journal.*

Todd, K. J. & DeVaney, S. (1997). Financial planning for retirement by parents of college students. *Financial Counseling and Planning*, 8(1), 25-32.

Parents of college students were surveyed about satisfaction with retirement planning and the use of retirement savings for children's college expenses. Those who had consulted a financial adviser for retirement were satisfied with their retirement planning as were those where the husband had a pension plan. Parents with two children in college were more likely to have used retirement savings to pay for college costs. When the first child contributed less to college, parents were more likely to use retirement savings. Upper income parents were less likely to use retirement savings for college expenses. Reprinted with permission of the editor, *Financial Counseling and Planning Journal.*

Turyn, T. L., & Helman, R. (2001). Women on savings and retirement: Results from the 2000 Women's Retirement Confidence Survey. *EBRI Notes*, 22(2), 1-7.

The results from the 2000 Women's Retirement Confidence Survey (WRCS) offer encouraging news on women's retirement prospects, as well as areas of concern. Differing views and attitudes toward savings and retirement planning among various social, economic, and ethnic groups of women may be helpful for future educational programs targeted at increasing women's saving rates. The results also demonstrate the need for more and better education for women, particularly minority women, about planning and saving for retirement. Most women are saving for retirement, which is good, but many still are not. In addition, even women who are saving need help--most have no idea how much they need to save. Education continues to be a crucial component of efforts to ensure the retirement income security of American women. Reprinted with permission of editor, *EBRI Notes.*

Uccello, C. E. (2000). *Do spouses coordinate their investment decisions in order to share risks?* (Working Paper No. 2000-09). Chestnut Hill, MA: Boston College, Center for Retirement Research at Boston College.

Retrieved August 30, 2001 from http://www.bc.edu/bc_org/avp/csom/executive/crr/wp_2000-09.shtml.

This paper uses the 1995 and 1998 Survey of Consumer Finances to examine 401(k) asset allocation behavior by individual and household characteristics, including spousal asset allocation behavior. The results provide evidence that, among married households in which each spouse has a 401(k) plan, spouses tend to invest their 401(k)s similarly rather that diversifying their holdings across spouses to share risks. The findings also point to the lack of diversification between 401(k) asset allocations and other household holdings. However, the results suggest that households can diversify in other ways, such as through a spouse's earnings or through having an underlying defined benefit plan. Reprinted with permission, Center for Retirement Research at Boston College.

Uccello, C. E. (2001). *Are Americans saving enough for retirement?* (Issue in Brief No. 7). Chestnut Hill, MA: Boston College, Center for Retirement Research at Boston College.

Retrieved August 30, 2001 from http://www.bc.edu/bc_org/avp/csom/executive/crr/ib_7.shtml.

Popular financial advice often suggests that households should aim to replace between 65 and 85 percent of pre-retirement income in retirement in order to maintain pre-retirement living standards. Some households can achieve replacement rates that are in the recommended range through Social Security and pension income alone. Others can reach these replacement rates with the addition of income from part-time work during retirement, housing equity, and inheritances. But most households will need to rely on their savings to supplement their other retirement income. Yet, reports in the popular press often warn that Americans are not saving enough for retirement. How accurate are these warnings? Are Amer5icans jeopardizing their well-being in their later years through inadequate retirement preparations? This issue in brief provides an overview of the available evidence on whether Americans are saving enough for retirement. Reprinted with permission, Center for Retirement Research at Boston College.

United States General Accounting Office. (1996, August). *401(k) pension plans: Many take advantage of opportunity to ensure adequate retirement income* (Letter report, GAO/HEHS 96-176). Washington, DC.

Many workers fill the gap between social security and an adequate retirement income with pension benefits and one in four workers with pension coverage participate in a 401(k) program. GAO found, among other survey results, that workers with higher incomes and college education's tended to contribute more to 401(k) plans than others, and women tend to invest more conservatively than do men. Also, higher-income workers and better-educated workers with 401(k) pension plans tend to contribute a larger proportion of their salaries to their pension accounts and to invest their pension funds in higher-yielding assets than do other 401(k) plan participants. Consequently, although many workers will have enough retirement income, some workers, especially those with less education and lower incomes, risk inadequate retirement incomes.

Urban Institute. (1999, December). Divorce and Social Security: A rocky marriage. (Straight Talk on Social Security and Retirement Policy No. 14). Washington, DC: Steuerle, E. & Spiro, C.

Discussion of spousal and survivor benefits which entitle the low earner of a couple to a portion of the high earner's benefits.

Urban Institute. (2000, May). *Measuring replacement rates at retirement* (Straight Talk on Social Security and Retirement Policy No. 24). Washington, DC: Steuerle, E., Spiro, C., Carasso, A.

Discussion of the adequacy of Social Security payments when using replacement rate or a comparison of the pre-retirement wages to post-retirement wages (Social Security payments).

Urban Institute. (2000, August). *The Limits of Saving* (The Retirement Project Occasional Paper No. 7). Washington, DC: Perun, P.

Looks at how raising the limits on contributions to defined contribution plans might affect individual retirement savings through the pension system by looking at a model of hypothetical lifetime savings. It analyzes reform proposals for a sample of defined contribution plans that allow for individuals to choose how much they want to save for retirement each year. It was concluded that the reform proposals will mainly benefit those who are able to save large portions of their income, it will not increase the marginal tax subsidies for savings, ant the reform proposals will increase the absolute amount of dollars received in tax subsidies. In short, the proposals help those who can afford to save more for retirement.

Wang, H. (1996). Estimates of income and wealth inequality among elderly households. *Consumer Interests Annual*, 42, 65-72.

Based on the Gini coefficient and the Lorenz curve approach, this paper analyzes both income and wealth distribution of elderly households using the 1989 Survey of Consumer Finances data. The results suggest that wealth is distributed more unequally among elderly households than is household income. Those elderly households who have almost no wealth to access beyond government welfare support may be vulnerable to any financial uncertainty in life. It is important for public policy makers to recognize this fact and to better target the social welfare programs to the most needy people. Abstract reprinted with permission of editor, *Consumer Interests Annual.*

Wakita, S., Fitzsimmons, V. S., & Liao, T. F. (2000). Wealth: Determinants of Savings net worth and housing net worth of pre-retired households. *Journal of Family and Economic Issues*, 21(4), 387-418.

The objectives of this study are to determine effects of household members' characteristics, financial resources, and attitude toward intergenerational support on change in savings net worth and change in housing net worth. Subsamples of White respondents, Black respondents, and Hispanic respondents were analyzed to identify the effects of race or ethnicity on the dependent variables. Attitude toward intergenerational support was the intervening variable. Change in labor income had a positive impact on change in savings net worth for all three racial or ethnic groups. An additional child in a household and an older age of the household head were likely to decrease the change in savings net worth. Effects of the remaining variables differed by subsample. The effects of labor and nonlabor income were different for the change in savings net worth but not for the change in housing net worth. Some different effects for variables across the three racial or ethnic groups were noted. Abstract reprinted with permission of editor, *Journal of Family and Economic Issues*.

Williams, F. L. & Zhou, H. (1997). Income and expenditures in two phases of retirement. *Financial Counseling and Planning*, 8(2), 75-82.

The replacement rate -- the ratio of retirement income to pre-retirement income -- is a key part of retirement planning, yet common advice is not based on research. This article reviews previous empirical research and statements by financial planners, and presents an empirical analysis of consumer expenditure data. Expenditures in the first phase of retirement were 71% and in the second phase were 50% of pre-retirement income. These replacement rates should not necessarily represent a goal. Abstract reprinted with permission of editor, *Financial Counseling and Planning Journal.*

Xiao, J. J., (1997) Saving motives and 401(k) contributions. *Financial Counseling and Planning*, 8(2), 65-73.

This paper investigated worker motives for 401(k) contributions with data from the 1995 Survey of Consumer Finances. Employer matching and the ability to withdraw or borrow from the plan were related to greater contributions. In addition, risk tolerance, labor income, and years of working for the current employer were positively related to contributions. Abstract reprinted with permission of editor, *Financial Counseling and Planning Journal.*

Xiao, J. J., Malroutu, Y. L., & Yuh, Y. (1999). Sources of income inequality among the elderly. *Financial Counseling and Planning*, 10(2), 49-59.

Sources of inequality among American households with a retired elderly head were examined by decomposition of Gini coefficients. Inequality of three types of households – couples with one retiree, retired couples, and retired singles – were studied in terms of sources of income inequality. Inequality of investments contributed most to income inequality for retired singles and for retired couples. Abstract reprinted with permission of editor, *Financial Counseling and Planning Journal.*

Yakoboski, P. (1995). Salary reduction arrangements as primary retirement plans. *EBRI Notes*, 16(10), 1-3.

Salary reduction plans continue to grow as an important component of the employment-based retirement income system. The percentage of civilian nonagricultural wage and salary workers with an employer who sponsors a salary reduction plan increased from 26.9 percent in 1988 to 36.8 percent in 1993. Over the same time period, the fraction of all workers participating in such plans rose from 15.3 percent to 23.8 percent. The majority of salary reduction plan participants report that this plan is their primary retirement plan, even among those who also participate in a defined benefit plan. Additionally, this fraction has been increasing over time. The fact that so many participants view their salary reduction plan as their primary retirement vehicle reinforces the importance of the decisions that individuals make regarding contribution rates and asset allocation. Abstract reprinted with permission of editor, *EBRI Notes*.

Yakoboski, P. (1998). Promoting retirement plans among small employers. *EBRI Notes* 19(5), 1-3.

As of 1993, the latest year for which nationally representative data are available, 64 percent of all civilian nonagricultural wage and salary workers worked for an employer that sponsored a retirement plan, and 49 percent of all workers participated in an employment-based retirement

plan Probably the most notable gap in employment-based retirement plan coverage was among small employers. While 85 percent of workers at employers with 100 or more employees had an employment-based plan available to them, only 50 percent of workers at employers with 25-99 workers and 20 percent of workers at employers with fewer than 25 employees worked for an employer that sponsored a plan. As Congress considers various proposals to promote retirement plan coverage among small employers, expectations should be realistic. Coverage rates among small employers are unlikely ever to approach those of large employers simply because the profits of many small businesses are small and uncertain, and interest in contributing to a retirement plan among many young and low-earning workers is currently weak. These realities mean that it is not enough simply to target the small employer, but it is also important to target employees with messages regarding the need to plan and save for their retirement. Abstract reprinted with permission of editor, *EBRI Notes*.

Yakoboski, P., & Hicks, J. (1998). Preparing for retirement: An analysis of personality types. *EBRI Notes*, 19(3), 4-6.

Using the 1997 Retirement Confidence Survey (RCS), the American population can be broken into five personality types with regard to retirement saving and planning -- Concerned Savers, Pension Planners, Anxious Unpreparеds, Self-Confidents, and Government Dependents. The 1997 RCS classifies 26 percent of the population (both workers and retirees) as "Self Confidents," 15 percent as "Government Dependents," 21 percent as "Concerned Savers," 26 percent as "Pension Planners," and 12 percent as "Anxious Unpreparеds." The findings highlight the ongoing need for education of the American population regarding retirement, retirement saving, and retirement planning. Much is being done in this area but the need for more is obvious. The average monthly Social Security benefit is $745 -- would most individuals want to live on that alone? Less than one-half of workers know that a man retiring today at age 65 can expect to live to age 80 -- will they be financially ready for a retirement that could easily exceed 20 years? Four percent inflation will cut the purchasing power of today's dollars in half every 18 years -- are individuals investing to beat inflation? While most are saving, Americans need to do a better job of planning for their retirement. Abstract reprinted with permission of editor, *EBRI Notes*.

Yuh, Y., Hanna, S., & Montalto, C. P. (1999). Determinants of planned retirement age. *Consumer Interests Annual*, 45, 77-82.

Determinants of planned retirement age are analyzed to identify workers most likely to be affected by proposed increased in the age of eligibility for full Social Security retirement benefits. The prediction equation indicates that defined benefit pension ownership, employment in less-skilled occupations, lower levels of education, being Black or Hispanic, and higher levels of financial assets, nonfinancial assets, and other private pension funds are related to lower planned retirement age. Abstract reprinted with permission of editor, *Consumer Interests Annual.*

Yuh, Y., Montalto, C. P., & Hanna, S. (1998). Are Americans prepared for retirement? *Financial Counseling and Planning,* 9(1), 1-12.

This study estimates the adequacy of retirement wealth of pre-retirement households using a 1995 national sample of households. Retirement wealth is projected using planned retirement age and portfolio allocation. Retirement needs are estimated from expenditure functions and 52% of the households were adequately prepared. Households that spent less than income were much more likely to be adequately prepared for retirement than similar households that spent at leas as much as income. Planned retirement age had a large effect on adequacy, but household income had a moderate independent effect on adequacy. Abstract reprinted with permission of editor, *Financial Counseling and Planning Journal.*

Yuh, Y., & Olson, P. (1997). Factors affecting the retirement fund levels of self-employed households and wage and salary households. *Family Economics and Resource Management Biennial*, 2, 25-31.

This study investigated the factors affecting the amount of retirement funds of self-employed households and wage and salary households, using 1992 Survey of Consumer Finances. Households with older and married householders, larger amounts of financial assets and non-investment income, higher levels of education, and more risk tolerance had higher levels of retirement fund regardless of employment type of households. Being Black or Hispanic and having defined benefit retirement plan were negatively related to the amount of retirement funds only for the wage and salary households. Abstract reprinted with permission of editor, *Family Economics and Resource Management Biennial.*

*This annotated bibliography was prepared for the Cooperative Extension initiative *Financial Security in Later Life* by Sommer Clarke, Program Assistant, for U.S. Department of Agriculture's Cooperative State Research, Education, and Extension Service, with guidance provided by Dr. Marlene Stum, Associate Professor, University of Minnesota. References are cited using *Publication Manual of the American Psychological Association*, Fifth Edition.