Key Findings

Public Policy & Labor Supply

University of Michigan Retirement Research Center

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Forecasting Labor Force Participation and Economic Resources of the Early Baby Boomers
by Pierre-Carl Michaud and Susann Rohwedder
WP 2008-175

Using data from the HRS, this study finds that Early Baby Boomers (those born 1948 to 1953) will work longer and claim Social Security later than those in the older HRS cohort.

Between ages 55 and 63, the fraction of women working full-time is predicted to be almost 10 percent higher on average; from age 64 to 66 it is about 5 percent higher than that of the HRS cohort.

Differences for men appear mostly in their sixties and seventies; they amount to increases in full-time work of about 5 percentage points on average.

Housing Wealth and Retirement Timing
by Martin Farnham and Purvi Sevak
WP 2007-172

Men whose housing value increases significantly retire somewhat sooner.

The evidence of housing wealth effects on expected age of retirement is stronger than the evidence of housing wealth effects on actual retirement transitions.

A 10 percent increase in housing wealth is associated with a reduction in expected retirement age of between 3.5 and 5 months.

The Effects of Health Insurance and Self-Insurance on Retirement Behavior
by Eric French and John Bailey Jones
WP 2007-170

Access to health insurance has a significant effect on retirement behavior.

Shifting the Medicare eligibility age to 67 would cause a significant retirement delay as large as the delay from shifting the retirement age from 65 to 67.

Burnout and the Retirement Decision
by Nicole Maestas and Xiaoyan Li
WP 2007-166

As burnout rises, retirement becomes more probable, and as burnout recedes following retirement, labor force re-entry becomes more probable.

Burnout combined with health problems makes complete retirement more probable, whereas burnout without health problems makes return to work after retirement more probable.

Key Findings provide highlights from MRRC Working Papers.

Visit www.mrrc.isr.umich.edu for full papers.
Life-Cycle Models: Lifetime Earnings and the Timing of Retirement  
*by John P. Laitner and Daniel Silverman*  
WP 2007-165

- This paper uses HRS panel data to test how earnings affect male retirement ages.
- Higher earnings do lead to somewhat earlier retirement.
- The implication is that the downward trend in male retirement ages will ultimately return.

The Effect of Retirement Incentives on Retirement Behavior: Evidence from the Self-Employed in the United States and England  
*by Julie Zissimopoulos, Nicole Maestas and Lynn Karoly*  
WP 2007-155

- The higher labor force exit rate of wage and salary workers compared to self-employed workers is due to defined benefit pension incentives created by the public and private pension systems.
- Higher rates of labor force exit at ages 55 and older in England compared to the US are partly due to health insurance availability.

Taxes, Wages, and the Labor Supply of Older Americans  
*Lucie Schmidt and Purvi Sevak*  
WP 2006-139

- A reduction in the marginal tax rate that would increase the payoff to working by 10 percent would increase labor force participation by 7.9 percent among men and 4.9 percent among women.

Discouraged Workers? Job Search Outcomes of Older Workers  
*Nicole Maestas and Xiaoyan Li*  
WP 2006-133

- Employment transition rates are relatively low for older job searchers: only half of older searchers successfully attain jobs.
- About 13% of older job searchers becomes a discouraged worker in the sense of being willing to work at the prevailing wage, but unable to find a job.

Probabilistic Thinking and Early Social Security Claiming  
*Adeline Delavande, Michael Perry and Robert J. Willis*  
WP 2006-129

- Among people who are still working at age 62, those who expect to live longer are likely to delay claiming of Social Security benefits to a degree that is both statistically and economically significant.
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