



Key Findings

*Public Policy &
Labor Supply*

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Public Policy & Labor Supply

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.

Trends in the Labor Force Participation of Married Women

by Christopher House, John P. Laitner and Dmitriy Stolyarov WP 2007-171

- ▶ This study uses HRS data to quantify determinants, and costs, of the labor-force participation of married women.

▶ Households' consumption rises about 8-10 percent annually to compensate for lost home production when women enter the labor market.

- ▶ In comparison, fully retired couples decrease consumption about 20 percent relative to ages when the male alone worked.

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.

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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

Projecting Behavioral Responses to the Next Generation of Retirement Policies

Alan L. Gustman and Thomas L. Steinmeier

WP 2007-153

- ▶ From age 62 to 65, the earnings test reduces full-time work by married men by about four percentage points.
- ▶ Abolishing the requirements on many jobs that an individual work full-time or not at all – a minimum hours constraint – would induce more than twice as many people to enter partial retirement as would leave full-time work.
- ▶ If all benefits from personal accounts could be taken as a lump sum, the fraction not retired

at age 62 would fall by about 5 percentage points compared to a system where there is mandatory annuitization of benefits.

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.
- ▶ Among working retirees, a reduction in the marginal tax rate that would increase the payoff to working by 10 percent would result in an increase in hours worked of 5.3 percent for men and 3.6 percent for 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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