

ISR *update*

UNIVERSITY OF MICHIGAN INSTITUTE FOR SOCIAL RESEARCH

Work and Retirement

Americans in Their 50s Know More About Social Security but Trust it Less

Growing job flexibility and declining physical demands may help older workers stay on the job longer

Americans in their 50s have become more knowledgeable about their Social Security benefits, according to new findings from the ISR Health and Retirement Study, which surveys more than 22,000 Americans over the age of 50 every two years. **The study found that 38 percent of Americans ages 53 to 58 said they didn't know what their benefits would be in 2000, compared to 56 percent in 1992.** "This shift in awareness, which

began well before Social Security began mailing benefit statements, parallels the growing public debate about retirement planning and the future of Social Security," says David Weir, associate director of the study. But while today's 50-somethings are less ignorant about their benefits, they're also more pessimistic, with 60 percent estimating the chances at better than even that Social Security will become less generous in the future.

A growing proportion of older women are working full-time

Other new findings on work and retirement from the study, funded by the National Institute on Aging, include an increase in the proportion of women in their 50s who are working full-time, from 43 percent in 1992 to 49 percent in 2000. The study also showed a major drop in the proportion of women in their 50s describing themselves as homemakers – from 22 percent in 1992 to 16 percent in 2000.

Overall, the study provides more evidence that the decades-long trend toward early retirement among Americans in their 50s may be over, finding that about 69 percent of men ages 53 to 61 were working in 2000 — the same proportion as in 1992. "But these results may not reflect a move away from early retirement as much as a response to the stronger, tighter labor market of the mid-90s," notes Robert J. Willis, a U-M economist who directs the Health and Retirement Study. "We won't know for

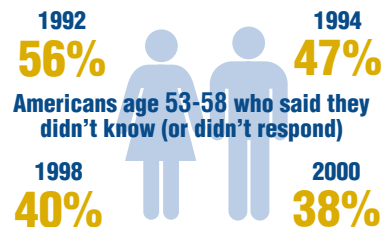
sure until we get the results of the 2002 survey whether the trend toward early retirement is really over."

Let's not get physical: the changing nature of work

Major changes in the nature of work for Americans in their 50s identified by the study include a marked decrease in the percentage who said their job requires physical effort and a decrease in the

What they don't know

A decreasing percentage of older Americans who expect to receive Social Security benefits say they don't know how much their benefits will be.



percentage who say their jobs are more difficult than they used to be. "Job demands are a factor in early retirement," says Weir, "and these kinds of changes in job characteristics bode well for keeping older Americans working longer. The physical demands of their jobs may not push people out as much as in the recent past."

Job flexibility is more common and important, especially to older women

About 31 percent of workers in their 50s said their employers would allow them to reduce the number of hours they worked, up from 28 percent in 1992. Among those who were not able to cut back their hours, women were more likely than men to say they would like to do so. About 23 percent of women whose

INSIDE:

Senior Investment Savvy	p. 2
The Aging Mind	p. 3
The High Cost of Caring	p. 3
Go West, Old Boomer	p. 4
Mid-Life Friendships	p. 5
Older Homeowners Who Refinance	p. 5
What Good is a Good Death?	p. 6
Rx Costs for Older Blacks	p. 6
Church Attendance	p. 7
Hot Flashes: Like Mother, Like Daughter?	p. 7
Web Access and Age	p. 8

Job Talk

Fewer older workers think their jobs are harder or more stressful than they used to be.

Percentage of working Americans ages 53-61 who agree or strongly agree 1992 2000

My job requires me to do more difficult things than it used to	50%	45%
My job involves a lot of stress	62%	58%
My employer gives younger people preference in promotions	16%	17%
My co-workers make older workers feel they ought to retire before age 65	15%	13%

employers would not allow them to reduce their work hours said they would like to do so now, and another 36 percent would like to do so in the future.

Attitudes about retirement are mixed

When the researchers asked those who had been retired for at least a year whether retirement was better, about

the same, or not as good as the years just before they stopped working, about 51 percent said it was better. But about 33 percent said that retirement was about the same as working, and 16 percent said it was not as good.

Among the other findings: Almost half of retirees said an important reason they retired was that they wanted to spend more time with their families, and 44 percent said they wanted to do other things, suggesting that forward-looking, voluntary motives are extremely important. In contrast, 30 percent cited poor health as an important reason for retirement, and 11 said that they just didn't like to work. ■

Private Investment Accounts

Why Privatizing Social Security May Widen the Senior Wealth Gap

What are the chances that tomorrow will be a sunny day? How about the chances that double-digit inflation will hit the U.S. within the next ten years, or that Congress will cut Social Security benefits?

The answers older Americans give to questions like these reveal more than a tendency toward optimism, pessimism, or indecision, according to a study by the Michigan Retirement Research Center funded by the Social Security Administration and the National Institute on Aging. If precision in dealing with probabilities is a crucial component of sound financial decision-making, as the researchers suspect, then 60 percent of older Americans may not benefit as much as others from the chance to invest some of their Social Security funds. About 60 percent of the 22,000 older Americans surveyed in the U-M Health and Retirement Study gave one of the following answers to a series of questions like the ones above: zero, 50 or 100 percent.

People who gave precise answers

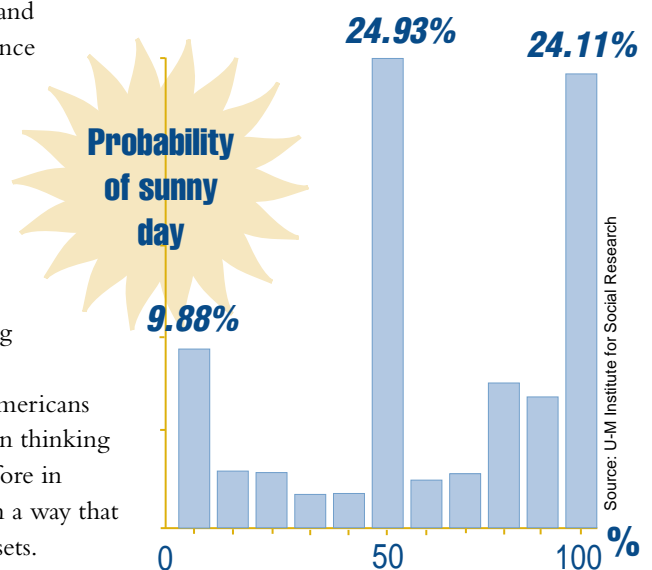
to probability questions had a higher proportion of risky assets in their financial portfolios and earned higher annual growth rates, according to ISR economists Robert J. Willis and the late Lee Lillard. **The portfolios of highly precise people grew at a rate that was three percent higher a year than the assets of their imprecise peers**, even after controlling for age, net worth, education, sex, marital status, and other factors known to influence investment acumen.

“Giving people choices about how to invest their Social Security benefits may worsen an already high degree of income inequality among people age 65 and older,” says Willis. But looking on the bright side, financial education could help older Americans develop greater competence in thinking about probabilities, and therefore in managing their investments in a way that maximizes their retirement assets.

And looking on the bright side is fairly common among older Americans, it seems. Analyzing the answers of people in Seattle in January provides a different profile, but as a whole, Americans age 50 and over are much more likely to put the chances that the sun will shine tomorrow at 100 percent than at zero. ■

For more information, see www.mrrc.isr.umich.edu/events/pdfs/products/ib.um0004.pdf

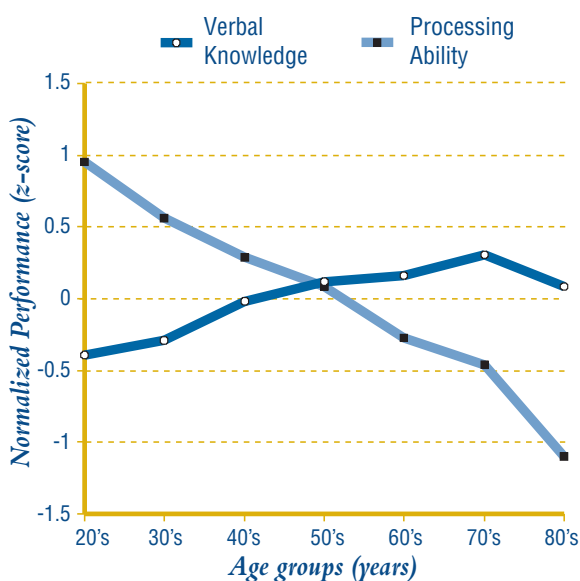
What are the chances that tomorrow will be a sunny day?



The Aging Mind

Memory Starts to Decline in Our Mid-20s

People in their twenties don't usually complain about forgetting names or phone numbers, or having trouble learning something new. But that's when memory and mental energy first start to decline, according to psychologist Denise Park, who directs the ISR Center for Aging and Cognition. In studies of more than 350 men and women between



the ages of 20 and 90, Park found that **mental aging is a slippery slope, with continuous declines in processing power starting as soon as our mid-20s.**

This gradual reduction in cognitive capital is not really noticeable until the loss is substantial enough to affect everyday activities. "Younger adults in their twenties and thirties notice no losses at all, even though they are declining at the same rate as people in their sixties and seventies, because they have more capital than they need," says Park, who appears in *The Secret Life of the Brain*, a new PBS series funded by the National Science Foundation.

By the time people are in their mid-60s, the continuous decreases in cognitive abilities may become notice-

able. Just when most people are becoming more frequent consumers of medical services, they start having more trouble remembering and learning new information. **Older people are also much more susceptible to memory distortions such as the "illusion of truth" and the "paradox of repeated denial."**

Older men and women are more likely to recall false information as being true, Park explains, and the more warnings they hear about a bogus medical claim — that shark cartilage cures arthritis, for example — the more likely they are to believe that the claim is true.

But there's good news, too. An increase in experience and general knowledge, as measured by vocabulary, compensate for many of the losses, Park has found, with the crossroads coming around the age of 50 — traditionally considered the beginning of wisdom.

With grants from the National Institute on Aging, Park and U-M cognitive neuroscientist Patricia Reuter-Lorenz are now using functional magnetic resonance imaging (fMRI) and positron

emission tomography (PET) to study what goes on in the brains of younger and older minds at work. By linking behavioral testing and neuroscience, they are able to see if older adults activate more, or different, regions of the brain when performing the same mental tasks as younger adults. Reuter-Lorenz has recently found that **by using more of the brain overall, and two hemispheres instead of one, seniors seem to be able to compensate for some age-related declines in short-term memory and mental speed.**

By identifying which regions of the brain older people use to remember and process specific kinds of information, the researchers hope to point the way to more effective techniques to help seniors

stay mentally fit. "Only 40 years ago, we had little understanding of how smoking and cholesterol levels were related to cardiovascular health," Park says. "It's likely that just as diet and exercise help to keep our bodies fit and healthy, we'll find ways to improve the functioning of our aging minds." ■

www.agingmind.isr.umich.edu

Costs of Caring for Elders with Dementia

Added Time Spent by Families Worth \$18 Billion a Year

Caring for older Americans with dementia costs more than \$18 billion a year in added time spent by family and friends, according to a University of Michigan study of more than 7,000 Americans age 70 and over.

Based on data from the U-M Health and Retirement Study, funded by the National Institute on Aging, the analysis is one of the first to use a nationally representative sample of older Americans to estimate the additional time and associated costs of providing informal care to those with dementia. It appears in the Nov. 2001 issue of

Costs of giving informal care to elders with dementia

Type of Dementia	Added Hours per Week	Added Cost per Year
Mild	8.5	\$3,630
Moderate	17.4	\$7,420
Severe	41.5	\$17,700

Source: U-M Institute for Social Research

the *Journal of General Internal Medicine*.

Older Americans with normal cognition received an average of 4.6 hours a week of help from family and friends with basic daily activities like bathing, dressing, eating, and fixing meals, and with recurring activities such as grocery shopping and managing money, according to the study.

“We found a striking increase in the care-giving burden on family members as the level of cognitive impairment worsened, from 8.5 additional hours a week for mild dementia to 41.5 additional hours a week for severe dementia,” says Kenneth M. Langa, lead author of the study.

With the prevalence of Alzheimer’s Disease, the most common cause of dementia, projected to more than triple in the U.S. over the next 50 years, from about 2.3 to 8.7 million cases, the study findings underscore the importance of including valid estimates of unpaid

“Families spend from 8.5 to 41.5 added hours a week caring for elders with dementia, depending on the level of impairment.”

caregiver time when evaluating future clinical and policy interventions aimed at reducing the impact of dementia on individuals, families, and society. Langa received a 2001 new investigator award from the Alzheimer’s Association to study the costs and consequences of dementia in the U.S.

“Helping those with dementia places a significant burden on both families and society, and this burden increases sharply as the level of cognitive impairment progresses from mild to severe,” says Langa, assistant professor

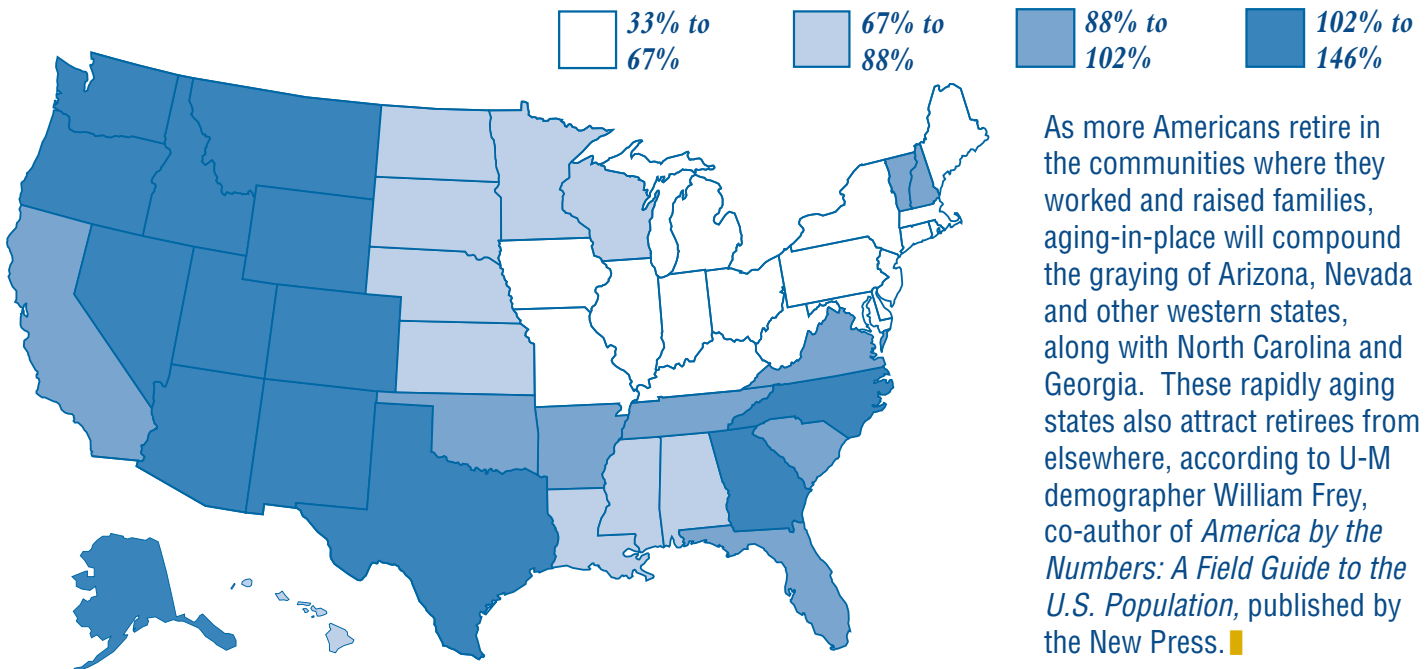
of internal medicine at the U-M Medical School and faculty associate at the U-M Institute for Social Research.

Overall, 10 percent of the respondents showed evidence of cognitive impairment consistent with dementia. Of those, 43 percent were mildly impaired, 27 percent moderately impaired, and 31 percent severely impaired.

To estimate the yearly costs of caring for older family members with dementia, the researchers calculated the number of weekly hours of help respondents reported receiving, adjusted for age, income, chronic health conditions besides dementia, and other factors, multiplied by the 1998 national average wage for a home health aide of \$8.20 per hour and then multiplied by 52 (weeks per year). The study did not document the time caregivers spent monitoring and managing paranoia, hostility, wandering, and other behavioral problems linked with dementia. ■

The Senior Explosion

Projected Percentage Increase of 65+ Population from 2000 to 2025



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www.frey-demographer.org

Midlife Friendships

Why Bigger Social Networks Aren't Necessarily Better

Midlife men and women tend to have larger social networks than either younger or older people, according to U-M psychologist Toni Antonucci, the

who are a source of satisfaction and happiness, but who also make demands, Antonucci explains. As a result, close relationships with friends and family

may seem like too much of a good thing. Despite the potential of midlife overload, Antonucci emphasizes that most men and women benefit tremendously from close, high-quality relationships. "People can cope with a lot of psychological stress and physical problems in their lives," she says "as long as they feel someone is supporting them through it."

A related study by Antonucci and Eastern Michigan University faculty member Kristine Ajrouch, also an ISR researcher, shows that older people also benefit from close

friendships. **While the number of social contacts tends to decline with age, older men and women with close friends are less depressed and more satisfied with their relationships.** "Older people may discard the 'draining' aspects of larger social networks," says Antonucci, "in order to focus on those relationships that are most beneficial."

With America becoming an

increasingly multi-ethnic nation, Antonucci notes, public policies and programs aimed at supplementing the support older Americans receive should consider how race and culture as well as gender influence the social capital of older people. In a special issue of the *Journal of Social Issues* to be published in honor of United Nations' International Year of the Older Person, Antonucci and colleagues examine differences in social relations among older men and women in France, Germany, Japan, and the U.S. The unique cross-cultural study provides insights into how social relationships help older people around the world cope with the common challenges of aging. "In all four nations," reports Antonucci, "we found that the quality of social relations can have important implications for helping people, particularly women, cope with widowhood, illness, and financial strains in later life." ■

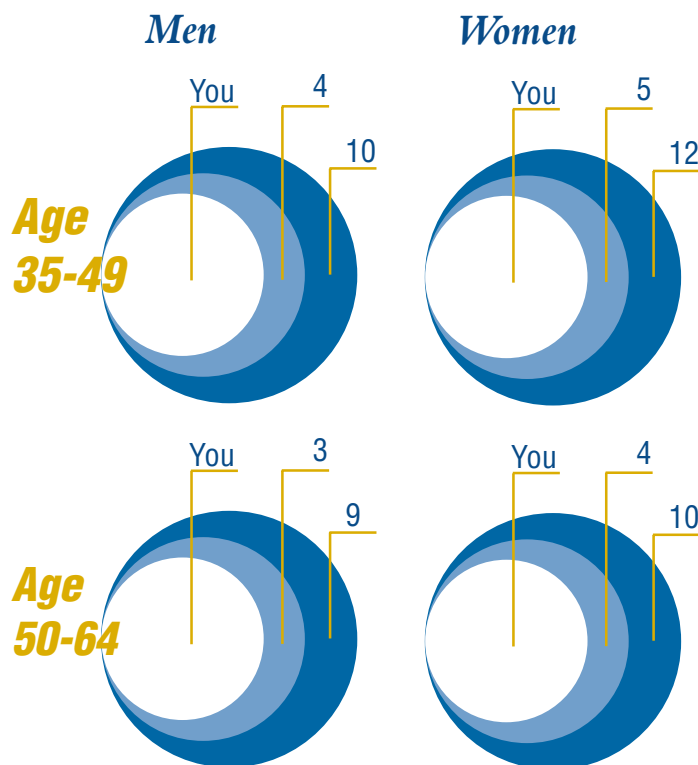
Grasshoppers and Ants

Older Homeowners Are Less Likely to Spend When They Refinance

Like the ants from Aesop's fable, not the grasshoppers, older homeowners are less likely to take advantage of falling interest rates to refinance their homes, according to a new analysis of data from the ISR Panel Study of Income Dynamics, funded by the National Science Foundation. And those older households who do refinance are much less likely than their younger counterparts to use their home equity to fund current consumption.

The analysis, by University of Chicago economist Erik Hurst and University of Michigan economist Frank Stafford, shows that 32 percent of the nationally representative sample of 1,392 households refinanced during the early 1990s, the last time the Fed reduced interest rates to stimulate a slowing

Number of people in mid-life Americans' close social networks



- Inner Circle. People so close and important, you can't imagine life without them.
- Social Network. Total number of people who are very close to you and who are important enough to be part of your personal social network. Figures include members of the inner circle.

Source: U-M Institute for Social Research



new president of the Gerontological Society of America. But bigger isn't necessarily better. In one recent study, Antonucci and colleagues found that women age 50 and over with many close relationships were less happy than women who counted fewer people in their inner circle.

In middle age, most people have a spouse, children, and one or more parents

economy. About 11 percent of refinancing households during the early 1990s — mostly younger households — took out so much home equity that they wound up paying for private mortgage insurance. This group borrowed an additional \$16,000, on average, and, within a year after refinancing, spent at least 60 percent of that money.

“Maybe some of these refinancers used the money to build their stock portfolios, or anticipated earning a lot more in the near future,” says Hurst. “But a lot of them were probably satisfying a taste for consumption that they couldn’t satisfy without dipping into their home equity.”

Encouraging homeowners to spend

Age Range in 1993	% of Refinancers 1993-1994 	% of Refinancers 1993-1994 
20-29	24.5	6.0
30-39	53.5	42.2
40-49	17.4	37.2
50-59	4.6	12.1
60-69	0	2.5

** Grasshopper refinancers removed so much equity during the refinancing process that they ended up paying for private mortgage insurance.*

some of the wealth they’ve accumulated in home equity has long been a staple of the Fed’s expansionary policy, but that tactic may not work as well today, according to Stafford. “For one thing, there’s a higher population of ‘ants’ —

older U.S. households — and as households age, the probability that they’ll refinance falls by one percent a year. Also, fewer households have debt levels that put them in the position to refinance.”

Finally, Hurst notes, even if lower interest rates succeed in boosting consumer spending, the success could be short-lived if the economy stumbles. “Everyone worried about the impact of federal deficit spending,” he says. “Now we have the specter of massive amounts of private deficit spending, with younger households in particular dealing with big mortgages and big payments that they may not be able to make in another downturn.” ■

www.isr.umich.edu/src/psid/

A ‘Good Death’ for Whom?

The Kind of Death a Loved One Has Affects How the Widowed Adjust

Some deaths are “better” than others, for the dying person and for family members. That’s the assumption behind the Patient Self-Determination Act and the growing Hospice movement. But a U-M study of 1,532 older couples, presented at the annual meeting of the American Sociological Association and funded by the National Institute on Aging, finds that what makes a death a “good” one for the deceased may not make the loss any easier to deal with for surviving spouses.

For the study, U-M sociologist Deborah Carr assessed a number of indicators of death quality, including whether the spouse was present at the moment of death, whether the death was painful, and to what extent taking care of the dying spouse was a burden — a major worry for many older men and women. She found that being with one’s spouse at the moment of death and feeling that the relationship was

“going well” during the last days of a spouse’s life predicted higher levels of yearning, but lower levels of anger about the loss up to 18 months later. Painful deaths or deaths attributed in part to physician negligence were linked to much higher levels of survivor anger. “Anger is considered a particularly difficult symptom of loss,” Carr notes, “since it’s linked to social isolation and rejection of social support from friends and family.”

One aspect of the dying process presumed to be undesirable for the dying patient actually proved protective to survivors, she notes. The surviving spouses of those who lived in nursing homes at the end of life showed less anxiety than the survivors of those who were living at home. “Having a dying husband or wife in a nursing home may prepare spouses for the separation of widowhood and spare them the strain

of providing direct care,” Carr says. Taken together, Carr says, the findings suggest that improved medical care and pain management programs will not only benefit dying patients, but also enable a smoother transition to widowhood among surviving spouses. ■

Prescription Drug Costs

The Economic Burden for Older Blacks

Paying for prescription drugs is a greater economic burden for Black Americans, according to a study supported by the Michigan Center for Urban African American Aging Research. The study, conducted by U-M researcher Stephanie D. Taylor, shows that for Blacks age 65 and older, prescription drugs represent 69 percent of their total out-of-pocket health care expenses, compared to 43 percent for older whites. Taylor found

that older Blacks pay slightly less for prescriptions, on average, than older whites — \$787.60 a year compared with \$793.12. But Blacks are much less likely to have private insurance covering prescription costs, resulting in a greater economic burden.

“Equitable access to prescription drugs for all senior citizens is important,” says Taylor. “But it’s also important to recognize that for vulnerable populations, including poor, uneducated rural whites as well as poor, urban Blacks, improving access to health care and prescription drugs may involve more than providing public or private insurance coverage.” In a pilot study funded by the National Institutes of Health, she found that

intervention by inner-city pharmacists improved medication adherence and health outcomes among older African Americans with hypertension. In another study, she found that a significant proportion of older people, including many with prescription drug coverage, resort to home remedies to treat high blood pressure and other chronic conditions.

The Michigan Center for Urban African American Aging Research is directed by U-M psychologist James S. Jackson and Wayne State University researcher Peter Lichtenberg. ■

www.isr.umich.edu/rcgd/prba and <http://mcuaaar.iog.wayne.edu>

Church Attendance

The ISR National Election Studies, funded by the National Science Foundation, have been conducted since 1948. While the studies focus on public opinion and political participation, they also include a wealth of data on the American electorate’s social and religious characteristics, including church attendance.

www.umich.edu/~nes/nesguide/nesguide.htm

Too few in the pew?

Percent of Americans who attend:

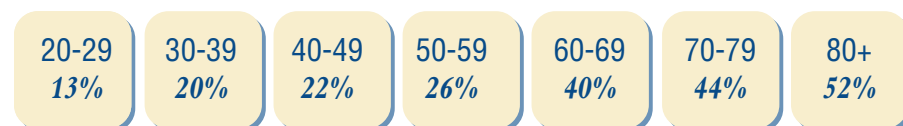
	1970	1980	1990*	2000
Every week	38	25	27	25
Almost every Week	-	12	11	11
Once or twice a month	16	11	14	15
A few times a year	30	29	16	16
Never	12	14	33	33

* In 1990, the question text changed. Instead of asking about frequency of attendance directly, respondents were first asked, “Lots of things come up that keep people from attending religious services even if they want to. Thinking about your life these days, do you ever attend religious services, apart from occasional weddings, baptisms or funerals?” Those who answered yes were then asked how often they went to religious services.

Nearer, my God, to thee?

Percent of people in different age groups who say they attend church every week

Source: 2000 ISR National Election Study



Hot Flashes

Boomer Women May Not Really Have Their Mothers’ Menopause

Although baby boom women report menopause symptoms that are remarkably similar to their mothers’, boomers differ drastically in their views of menopause, their awareness of body and health, and in how they choose to treat or reduce the physical signs of aging. Those are some of the findings of U-M sociologist Rebecca Utz, who is presenting research that explores how women of different generations experience the aging process at midlife and beyond at the 2001 meeting of the Gerontological Society of America.

“Baby boom women espouse a more ‘medicalized’ view of menopause than their mothers’ generation,” says Utz. “Since they have experienced a lifetime of sexual and reproductive freedom, they speak with less inhibition and greater awareness than their mothers, who aren’t as comfortable or articulate talking about such ‘private’ issues. But boomer women generally express more negative feelings about menopause than their mothers do, and seem to regard it as a deficiency disease that marks their entrance into old age, rather than a natural transition.”

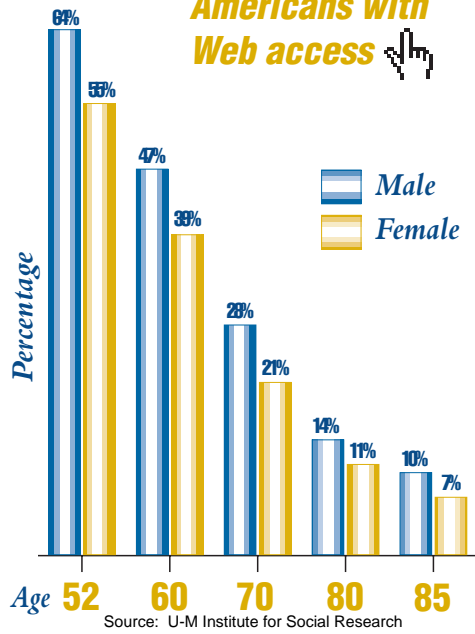
For the study, Utz conducted in-depth personal interviews with 13 boomer women in their early 50s and 11 mothers in their early to mid 70s. In addition to discussing which symptoms of menopause the women experienced, she also asked whether menopause was a relief, a regret, or an occasion for mixed feelings; how women felt about hormone replacement therapy (HRT) and whether women changed their diets, exercise habits, or other behavior in response to menopause and aging. “Exploring how baby boom women approach menopause may give us a preview of how this generation will deal with their health in older age,” Utz believes. ■

Senior Internet Access

Internet use by seniors of both sexes may be soaring, but data from the ISR Health and Retirement study show that education is at least as important as age and more important than gender in predicting web access among Americans age 52 and older.

Overall, **about 30 percent of 2,324 people surveyed said they had access to the Internet either at home, work, a library or other place**, according to ISR senior research scientist Willard Rodgers. About 34 percent of men reported access, compared with 27 percent of women. But less than 20 percent of people in

Percent of older Americans with Web access 



their 50s with less than a high school education had web access, compared with almost 80 percent of people the same age who were college graduates. Only 9 percent of those in their 70s with less than a high school education had web access, compared with 42 percent of college graduates. ■

Aging in Asia

Lessons to Learn From Looking East

America and Western Europe may find themselves looking East for innovative ideas about public policies that support older individuals and their family ties. That's the prediction of U-M sociologist Albert Hermalin, an expert on the demography of aging who has spent the last decade conducting research in the Philippines, Thailand, Taiwan, and Singapore, funded by the National Institute on Aging.

"Asia finds itself at an interesting crossroads," Hermalin notes. By 2030, the continent is projected to have 834 million people over the age of 60, four times the number in Europe. At the same time, the region's rapid social and economic transformation is putting pressure on many traditional customs, threatening the well-being of the elderly. "Many Asian leaders are well aware of the problems linked with Western social welfare programs," he says. "They are seeking new solutions that support long-

standing cultural traditions while adding new health care and retirement programs."

Between 69 and 85 percent of elders surveyed in the four Asian countries live with a child, Hermalin found. Many also report receiving some financial help from family members, mostly children. At the same time, elders often help care for their grandchildren, perform major household chores, and provide financial support to adult children. "The function of intergenerational relations is changing in Asia," he says, "even though the forms remain much the same."

Among the policies designed both to help the elderly and to strengthen family ties, Hermalin cites Singapore's system of incentives providing tax relief for adult children who live with their parents, or nearby. Before the recent passage of Taiwan's universal health insurance program, he notes, children could name their parents as dependents on their health insurance policies. "We are not likely to copy these programs intact," says Hermalin. "But we may at least want to consider adopting a wider use of incentives and a broadened definition of family." ■

ISR Update is published by the University of Michigan Institute for Social Research (ISR), the largest university-based social research unit in the world. With more than 50 years of social science in the public interest, ISR is a leading source of non-partisan research about aging and retirement, family life, demographics, the African-American experience, and the attitudes and behavior of American voters and consumers. ISR conducts some of the most widely-cited studies in the nation, including the Survey of Consumer Attitudes, the National Election Studies, the Monitoring the Future Study, the Panel Study of Income Dynamics, the Health and Retirement Study, and the National Survey of Black Americans. ISR researchers also collaborate with social scientists in more than 60 nations on the World Values Surveys and other projects, and the Institute has established formal ties with universities in Poland, China, and South Africa. Visit the ISR Web site at www.isr.umich.edu for more information.

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