

Comments on

**“Inderdependent Durations in
Joint Retirement”**

by Bo Honore and Aureo de Paula

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Retirement Decisions Are Made Within the Context of the Family

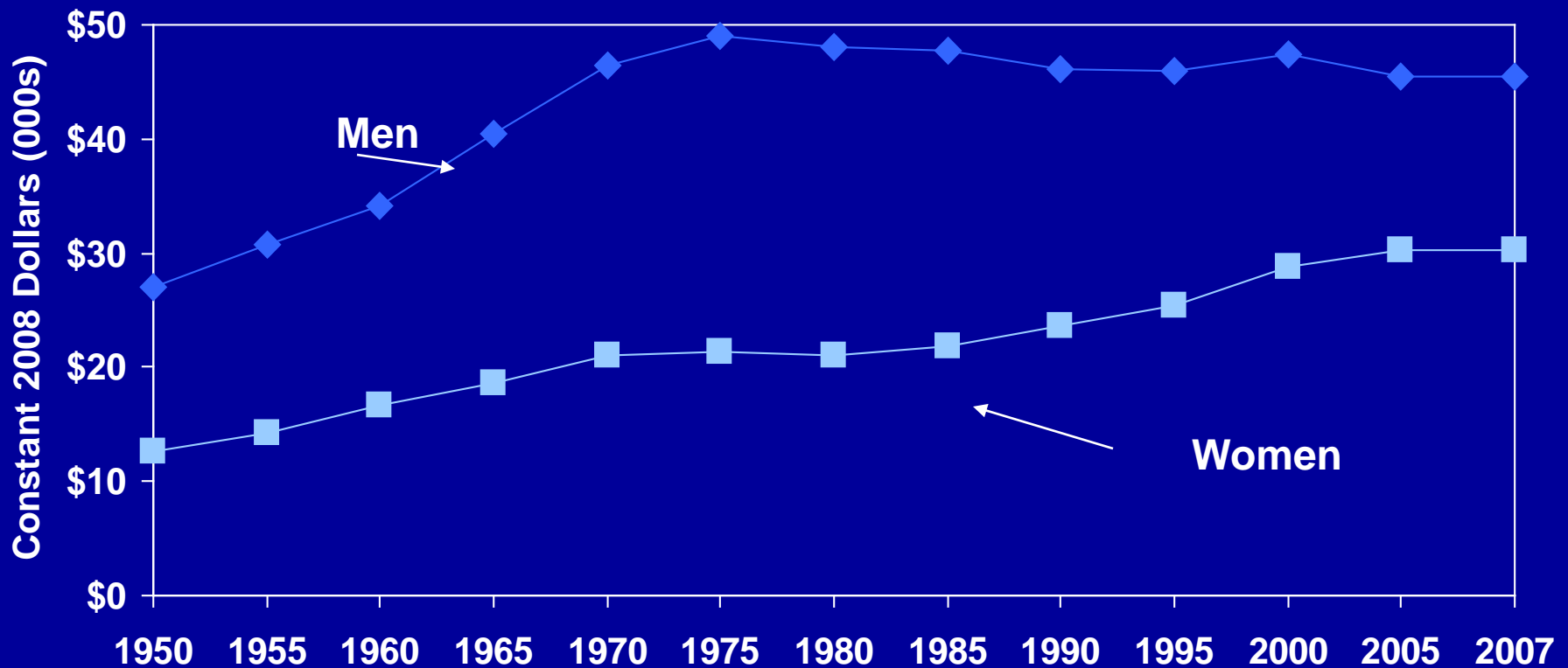
- Child care
 - grandchild care
 - college tuition
 - single mothers
- Care for older adults
 - spouses with disabilities
 - frail parents
- Financial support for adult children
- Joint retirement of husbands and wives

Families Are Changing

- Delayed childbearing
 - Cohabitation is more common
 - More divorced adults are now approaching retirement ages
 - more people retiring without spouses
 - stepfamilies
 - More births outside of marriage
 - More married women have extensive job histories
-

Earnings for a Typical Man Haven't Increased in 30 Years, But Women Are Working and Earning More

Real Median Annual Earnings, Workers Age 50-54, 1950-2007



Source: Social Security Administration.

Why Do Couples Coordinate Their Retirements?

- They enjoy spending their leisure time together
 - maybe more important for the husband
- They experience the same shock affecting retirement decisions
 - win the lottery
 - stock market crash
- One spouse develops health problems, other provides care
 - could lead the healthy spouse to work longer to replace lost income

Honore and de Paula

- Important paper
- Develops a new model to describe joint retirement decisions
- Estimate the model using 8 waves of HRS data
- Accounting for joint retirement changes
significance of certain predictors
 - health status becomes insignificant
 - DB plan not always significant
- Role of health expenditures?