Comments on

“Independently Dependent Durations in Joint Retirement”

by Bo Honore and Aureo de Paula

Richard W. Johnson
Urban Institute

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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 insignificance
  - DB plan not always significant
- Role of health expenditures?