THE DIVERSITY OF RISK AMONG AGE-62 RETIRED WORKER BENEFICIARIES

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ABSTRACT

This article focuses on age-62 retired-worker beneficiaries, a group whose well-being may be affected by changes in Social Security retirement ages. The analysis: 1) develops different measures of risk of a poor retirement; 2) applies these measures to developing a range of estimates of the risk for age-62 beneficiaries at the threshold of retirement; and 3) assesses how the circumstances of and risks experienced by these beneficiaries vary by such factors as race, gender, health status and marital status. The findings point to great diversity of circumstances among these early retirees and suggest that narrow conceptions of risk may fall short of fully identifying the distributive consequences of retirement age changes, especially for African Americans, Hispanics, low-income, unmarried individuals and unhealthy early retirees.

SUMMARY

THE DIVERSITY OF RISK AMONG AGE-62 RETIRED WORKER BENEFICIARIES

This article focuses on age-62 retired-worker beneficiaries, a group whose well-being may be affected by changes in Social Security retirement ages. The paper estimates the magnitude and distribution of economic/social risk likely to be experienced by these Social Security beneficiaries during their retirement years. More specifically, the paper:

- develops different measures of risk of experiencing a poor retirement;
- applies these measures to developing a range of estimates of this risk for age-62 beneficiaries at the threshold of retirement;
- assesses how the circumstances of and risks experienced by these beneficiaries vary by race, gender, health status and social class.

The analysis uses data from the 1992 (wave 1), 1994 (wave 2) and early public release 1996 (wave 3) Health and Retirement Survey (HRS). The sample (n=402) includes persons aged 59 to 61 in 1992 who applied for and were deemed eligible to receive Social Security retired worker benefits during their 62nd year, a population we term "Acceptors." Depending on the definition of risk that is applied, between three and 52 percent of Acceptors are at risk. More specifically,

- when "risk" is defined as "having income below 100 percent of the poverty threshold in 1992 AND as being unhealthy;" 3.1 percent of the Acceptors are at risk;
- when "risk" is defined as "having no household pension income other than Social Security AND as having work-limiting health conditions, 12.1 percent are at risk;
- when "risk" is defined as "having income below 150 percent of the poverty threshold in 1992 AND EITHER not having health insurance or having a work-limiting health conditions," 18.1 percent are at risk;
- when "risk" is defined as "having income below 200 percent of the poverty threshold in 1992 OR having less than $40,000 in total assets, " 31.1 percent are at risk;
- when "risk" is defined as "having income below 200 percent of the poverty threshold in 1992 OR having less than $30,000 in liquid assets, " 52.0 percent are at risk;

Regardless of the definition of risk, the findings highlight the heterogeneity existing between and

within various sub-groupings of Age-62 Acceptors. Under some definitions, more than one-half of African-Americans, Hispanics, unmarried individuals, and unhealthy persons are at risk, suggesting the need to carefully assess the implication of retirement age policy changes for these groups. For example, when "risk" is defined as both "having income below 150 percent of the poverty threshold in 1992 AND EITHER not having health insurance or having a work-limiting health conditions," 15.6 percent of whites compared to 38 percent of African-Americans are defined as at risk; 14.3 percent of married women compared to 34.7 percent of unmarried women; 14 percent of healthy acceptors compared to 37.8 percent of unhealthy Acceptors.

One-third of Acceptors lack health insurance one or two years in advance of their 65th birthday, suggesting that it is not unreasonable to give consideration to expanding access to Medicare and Medicaid for this population.

The paper suggests that narrow, singular conceptions of risk may fall short of fully identifying the distributive consequences of proposed policy changes. Consequently, broader measures of risk may be needed to more adequately estimate the range of risks such changes may impose and to assure that the special circumstances of minority and other potentially vulnerable age-62 Acceptors are not lost in the Social Security reform process. The findings also suggest consideration should be given to:

- Lowering the SSI age of eligibility and/or changing assets and income eligibility requirements;
- Expanding access to Medicare and Medicaid.

THE DIVERSITY OF RISK AMONG AGE-62 RETIRED WORKER BENEFICIARIES

Over three-quarters of new OASI retired-worker awards go to persons ages 62 to 64. Roughly 60

percent of all new beneficiaries accept these reduced benefits at age 62. Prior research suggests that the majority of these age-62 retired worker beneficiaries is in good health and has adequate retirement resources, with incomes from employer pensions or other assets often supplementing their Social Security benefits (Burkhauser Couch & Phillips, 1996; Quinn & Burkhauser, 1990; Smith, 1999). Even so, some-perhaps 10 to 30 percent depending on how risk is defined--face substantially less advantageous retirements.

This article focuses on this latter population of age-62 early retired-worker beneficiaries, a group whose well-being may be affected by changes in Social Security retirement ages. It examines the extent to which these early retirees are at risk. When the term risk is used in this article, we are referring to the risk of poor retirement circumstances. Using a sample of persons aged 63 to 66 in 1996, the paper 1) presents different ways of measuring the economic and social risks experienced by age-62 Social Security retired worker beneficiaries at the threshold of their retirement years; 2) describes the extent to which age-62 retired workers can be defined as being "at risk"; and 3) assesses how these risks vary by race, gender, health status and social class. The analysis develops and applies alternative measures of risk to estimate the magnitude and range of risk that age-62 retired worker beneficiaries' experience. Risk is measured primarily in terms of cash and in-kind income and assets in the years just prior to or shortly after retired worker benefits are accepted, and secondarily in terms of selected measures of employability, health status, and general well-being.

Our analysis suggests that application of an overly restrictive notion of risk may underestimate the extent to which early retirees may be at risk as a result of retirement age changes, especially

for African-Americans, Hispanics, unmarried individuals, and unhealthy early retirees. We turn to a brief review of the literature and discussion of the study's methods. Then, the findings are presented, followed by a discussion of policy implications.

Literature Review

Older workers are a heterogeneous group, leaving work--or in many cases continuing to work--for a variety of reasons and in a variety of ways. Many accept Social Security retired worker benefits at the early retirement age (ERA) which is the age of first eligibility for reduced retired worker benefits (62 in 2000). Some accept these benefits at the normal retirement age (NRA) - the age of first eligibility for full benefits (65 for those reaching age 65 in 2000 and scheduled to increase to 67 by 2027); others delay receipt of benefits past the NRA. In leaving work and/or accepting reduced Social Security retired worker benefits, the contemporary literature suggests that most older workers choose leisure over paid employment, oftentimes with comfortable private and public-employee pension benefits (Burkhauser Couch & Phillips, 1996; Quinn & Burkhauser, 1990; Smith, 1999). Even so, both proponents and opponents of increasing the NRA and ERA recognize that such changes could have potentially deleterious effects on some older workers who are in ill health or are otherwise marginally employable. Hence, to assess the income adequacy implications of potential increases in the Social Security retirement ages, researchers have given substantial attention to assessing the extent of and distribution of economic and, secondarily, social risks.

The Magnitude and Distribution of Risk Among Early Retirees

While recent research suggests that early receipt of Social Security benefits is not generally associated with adverse pre-retirement circumstances or with inadequate retirement income, plainly some proportion of Social Security early retired worker beneficiaries are at risk for a poor retirement.

Estimates of the size of the at-risk early retiree population vary by the definition of "risk" that is applied. Burkhauser, Couch and Phillips (1996) used HRS data to explore differences and similarities between persons who accept retired worker or spouse benefits at age 62 ("Takers") and those postponing benefits past age 62 ("Postponers"). They implicitly define "risk" as having work-limiting health conditions and being solely dependent on Social Security for their pension income. Their analysis yields an estimate that about 10 percent of men and 20 percent of women accepting Social Security benefits at ages 62-63 had work-limiting health problems and reside in houses in which no one receives employer pension income. A recent Congressional Budget Office (Smith, 1999) study substantiates their finding but also highlights how sensitive the assessment of "risk" is to the criteria used to define it. The author notes:

> On the basis of either a simple poverty measure alone or the absence of a pension alone, roughly one-quarter to one-third of the early beneficiaries were dependent. Basing dependency on the presence of a work-limiting disability or the absence of a high school education provides a similar range of estimates. But if dependency is determined on the basis of being poor and having a work-limiting disability, its incidence falls to about one in 10.

The framework that we are using in this study to assess the magnitude of the at-risk population (and sub-groups) of people accepting retired worker benefits at age 62 builds on this previous work. Traditional measures of risk (e.g., poverty, occupational pension income, other assets, health status) are used. Additionally, as the literature suggests, risk is also potentially associated with health insurance coverage, employment capacity, and employment opportunity. In particular, we draw on the work of Karen Holden and Timothy Smeeding (1990). They suggest that in addition to using such traditional measures as poverty thresholds, measures of economic risk should take into consideration the security of income and assets "relative to the economic and health-related hazards that the elderly are likely to face." Holden and Smeeding also suggest that certain elderly persons --"tweeners" -- with incomes (including the value of food stamps) between 100 and 200 percent of poverty are at risk. These "tweeners" often have limited health insurance protection, unusually large living expenses due to disability, and/or inadequate resources to address possible financial risks associated with long term care (also see Schulz, 1995).

The retirement literature provides a basis for identifying groups of early retirees likely to be at greatest economic and social risk during their retirement years. These groups are more likely to include persons with work-limiting health conditions, African Americans, other minorities, persons leaving work prior to age 62 (very early retirees), never married women, and persons without employer pensions.

Age of withdrawal from the labor force may be closely associated with the retirement circumstances of age 62 early retired worker beneficiaries. Labor force withdrawal prior to age

62 when Social Security benefits are first available must be funded with pension or other asset income. Plainly, among persons leaving work prior to age 62, many are likely to be among the most high-income retirees. But data also suggest that some of these very early retirees are among the poorest, lacking employment income or other resources to maintain their standard of living (Schulz, 1995). Cori Uccello's analysis (1998) of Survey of Income and Program Participation (SIPP) data finds that "the younger a worker is when he or she leaves the job, the more likely it is that the departure is involuntary--either laid-off or discharged." Uccello also notes that unmarried women, 55 to 64 and 65 to 70, are more likely to work than married women and potentially at greater risk.

Burkhauser, Couch and Phillips (1996) point out that in the aggregate, relatively little distinguishes the "Takers" from the "Postponers" with regard to health status or economic well-being (when pension wealth and other assets are included in the measure) (Burkhauser, Couch and Phillips, 1996; Phillips 1997). This generally held true when comparisons were made between Takers and Postponers within specific sub-groups, for example between male Takers and male Postponers or between black male Takers and black male Postponers. However, they also note that the "relatively small differences between the median early Social Security Takers and Postponers mask large differences within the groups" (page 797). That is, as would be expected, there is much heterogeneity of circumstances within, for example, male takers or within female takers. While finding that the large majority of male and female Takers are in good health, Phillips also finds that "health is a better indicator of economic well-being than taking early retirement benefits" (1997). Among early Takers, those with self-identified health-

related work limitations are more likely to have below poverty incomes. Phillips' analysis suggests that for black as compared to white men, health may have a stronger influence on the retirement decision, although, as he notes, the sample size is small.

Interestingly, a recent analysis of a sample of Social Security retirement, survivors and disability beneficiaries ages 62 to 64 drawn from the 1990 SIPP suggests that nearly one-half of those classified as severely disabled received early retired worker benefits rather than disability benefits and the research suggests that 22 percent of early OASI beneficiaries in this sample have health problems that limit or prevent working (see Leonesio, Vaughan, Wixon, 2000).

Such findings are consistent with the higher rates of work-limiting health problems in late middle age, more limited employment opportunity, and more physically demanding work experienced by many minorities. Hence, relatively fewer minorities can choose to work past ages 62 or 65 (Coleman, 1993; Gibson, 1993). Coleman (1993) suggests that financial need provides, on average, more motivation for older African Americans to continue to work (Coleman, 1993). However, this is offset by factors such as health status, lower educational levels, effects of past and current discrimination and occupational requirements for more strenuous activity among current cohorts of older African Americans. Assuming continued health and employment differences between minority and non-minority populations, the retirement age increases may have, on average, a disproportionately negative effect on older minorities. Similarly, Phillips observes that increasing the ERA could have a disproportionate effect on blacks and Latinos, especially men, because of greater health problems, less likelihood of employment, and less access to employer pensions.

Retirement Decision Literature in Brief

A review of the literature that examines why people retire when they do identifies variables of use in this study. In contrast to the retirement decision literature of the 1950s, 1960s and 1970s which generally found health and other involuntary factors as the major reason for leaving work prior to normal retirement ages, the literature of the 1980s and 1990s indicates that health is not as important an influence (Ruhm, 1989; Quinn, Burkhauser and Myers, 1990; Schulz, 1995). Social Security and economic incentives, especially the availability of occupational pension income (occupational pension wealth) are the strongest factors influencing the decision to leave employment prior to the NRA. While the availability of Social Security pensions has been the focus of much research that seeks to explain the decline in male labor force participation, "most of the models ascribe very modest effects to Social Security" (Hurd, 1990, page 605). For individuals covered by occupational pensions, such pensions as well as special early retirement incentives may exert the strongest influence on their labor force withdrawal and pension acceptance decisions (Schulz, 1995). In recent years, researchers have identified health insurance coverage as an important economic influence on the retirement decision (see Karoly and Rogowski, 1994; Leonesio, Vaughan, Wixon, 2000; Madrian, 1994; Uccello, 1998).

Nearly all studies agree that health remains an important variable influencing the labor force participation and retirement decisions of many older workers (Burtless, 1987; Quinn, Burkhauser & Myers, 1990; Schulz, 1995; Smith, 1999; Uccello, 1998). Other factors (e.g., physically-demanding employment) may exert significant influence on the retirement decision of individual workers, but rarely is the magnitude of the effect as great as pension and related economic

incentives or even as health status. Institutional factors -- including flexibility of employment, age discrimination, and the demand for labor -- can interact with pension incentives, employee preferences, and abilities to work (Schulz, 1995).

Important questions exist about whether different groups of older workers face qualitatively different decisions. Low-income workers -- a disproportionate number of whom are minorities -- are less likely to be eligible for occupational pension benefits (or, if eligible, for significant benefits). For such workers, the Social Security benefit formula -- which provides for higher replacement rates for low income persons -- may result in Social Security playing a stronger role in their early labor force withdrawal decisions (Bondar, 1993 as cited in Lumsdaine, 1996). For single women, the determinants of the retirement decision seem to be comparable to men (Hurd, 1990). However, for married women, the husband's retirement status and retirement income appear to exert substantial influence (Hurd, 1990). Also, because women are more likely to experience discontinuities in their labor force participation, they are less likely than men to be vested in employer pensions (Lumsdaine, 1996). Moreover, the pay and occupational differences between men and women also result in differences in the availability and value of such pensions. Hence, occupational pensions can be expected to exert smaller influence on women’s retirement decisions, especially married women.

Methods

Sample

The analysis uses data from the 1992 (wave 1), 1994 (wave 2) and 1996 (wave 3) Health and Retirement Survey (HRS). These data are matched to selected data from the Social Security Administration (SSA) earnings and benefits records for 9472 wave 1 HRS respondents who gave permission to access these data for HRS-related research. HRS interviews were conducted with 11,539 non-institutionalized persons aged 51 to 61 in 1992 residing in a nationally representative sample (n=7,608) of households in which at least one member was age 51 to 61 in 1992. African-Americans, Hispanics and Florida residents have been oversampled. Data were collected in subsequent interview years on newly married spouses of survey respondents. If these new spouses were born between 1931 and 1941, they were added to the HRS sample of individuals. This project has also used the RAND Corporation's HRS public use files for waves 1, 2 and 3. RAND has simplified the data structure for researchers. It has "re-coded" the HRS data, assigning household information to each individual respondent. [1] Additionally, the pension data that was used by this project is present-value pension from the HRS data.

Our sample (n=402) represents the population of noninstitutionalized persons who 1) resided in households in which at least one person is aged 59-61 in 1992, 2) were alive and interviewed at the time of the 1996 HRS interview, and 3) received Social Security retired workers benefits by age 63 and 2 months.[2] We have selected age 63 and 2 months because persons applying for Social Security retired worker benefits in the 11 and 12 months of their 62nd year, are likely to first receive benefits shortly after they turn 63[3] (Olson, 1999). Each member of the sample

reached age 63 and two months in either 1994, 1995 or 1996.

The sample used in this paper includes the "Acceptors": persons aged 59 to 61 in 1992 who applied for and were deemed eligible to receive Social Security retired worker benefits during their 62nd year. The sample excludes persons who receive Social Security or Supplemental Security disability benefits, who are only eligible for spouse benefits, and who do not have a work history suggesting they would be potentially eligible for retired worker benefits.[4]

Weighting factors are used to adjust for an over-representation of African-Americans, Hispanics and Florida residents.

Definitions of Risk

There are many reasonable ways of defining which age-62 retired worker beneficiaries are at-risk. The Bureau of the Census poverty thresholds provide important, although arguably highly restrictive, indication of economic risk. Social Security and pension replacement rates, the present value of pensions, and the amount of available assets can serve as the basis for establishing other measures of retirement income adequacy. Definitions of risk can also properly take into account non-cash assets (e.g., housing) and benefits (e.g., food stamps, health insurance), or the extent to which the decision to leave work is in the control of the individual as opposed to being influenced by a lack of employment opportunity and/or work-limiting health conditions.

This study uses multiple definitions of risk. The most restrictive definition assumes that Acceptors are at risk of poor retirement only if they meet three conditions - they must have

below poverty income, no health insurance and work limiting health conditions. The more inclusive definitions use expanded notions of income inadequacy (e.g., 200 percent of poverty) and draw on the following concepts to define risk (also see table 3):

- Inadequate occupational pension income as operationalized by respondent report that no occupation pension income is received in their household;
- Absence of any health insurance prior to age 65 as operationalized by respondent report in survey year prior to 65th birthday;
- Inability to afford medical or other financial emergencies as operationalized by respondent reporting liquid assets valued at less than $30,000 in 1991 or total assets below $40,000;
- Limited employment opportunity as operationalized by Social Security records indicating that retired worker received fewer than 20 Social Security quarters of coverage (credits) from 1982 to 1991;
- Limited employment opportunity as operationalized by having less than a high school education;
- Health-related limits on employment opportunity as operationalized by self report that health limits or prevents work; and
- Unhealthy as operationalized by self-report of poor or fair health in 1992 and 1996.

Variables requiring additional explanation are listed in Table 1.

INSERT TABLE 1 ABOUT HERE

Findings

The framework we are using assumes that well being in retirement is a function of adequate financial resources, employment opportunity, physical ability to work, and good health. Table 2 lists the variables that describe the demographic characteristics of age-62 retired worker beneficiaries ("Acceptors"). Tables 3, 4 and 5 provide an overview of how the economic, employment, health and social circumstances of Acceptors vary by gender, gender/marital status, race, Hispanic origin, and health status. We begin by summarizing the commonalties and differences across these groups. Next we present different estimates of the size of the at-risk Acceptor population (see table 6) and then also assess the extent to which risks vary by gender, gender/marital status, race, Hispanic origin, and health status (see table 7).

Diversity of Circumstances Among Age-62 Retired Worker Beneficiaries

The data presented in tables 2 highlight the diversity of age-62 retired worker beneficiaries. On average, African-American, Hispanic and Unhealthy Acceptors (and their parents) have completed substantially fewer years of education, as had their parents. For example, about 45 percent of African Americans and 50 percent of Hispanics as compared to 24 percent of persons classified as white did not receive a high school degree. Compared to married women, unmarried women (i.e., divorced, widowed and never married) have achieved lower levels of educational attainment (see table 2).

INSERT TABLE 2 ABOUT HERE

With regard to income, assets and other measures of economic status, there is much diversity within various Acceptor sub-groups (see table 3). In 1992, roughly one-quarter reported household income under $20,000 while one-third reported incomes above $50,000 in 1991. Substantial difference exist, even within groups with particularly high median household incomes (e.g. $44,500 for married men) or unusually low median household incomes (e.g., $21,88 unmarried women). For instance, one-sixth of married male Acceptors report incomes below $20,000 in 1991, while another sixth report incomes above $75,000. Similarly, one-quarter of unmarried female Acceptors report their 1991 household incomes under $10,000, while one-sixth report incomes in excess of $50,000.

The data also point to large disparities between different groups of Age-62 Acceptors (see table 3). African-Americans, Hispanics, unmarried women, unmarried men and Acceptors with health problems have substantially smaller economic resources to draw upon at the threshold of their retirement years. For instance, in 1991 when all were under age 61, the median net worth of the liquid assets held by the members of each of these groups did not exceed $10,000, compared to about $40,000 for married men and married women. The same pattern prevails with regard to differences between total net worth, household income in 1991, family income in 1995, poverty rates, home ownership and health insurance coverage.

Given growing interest in extending health insurance protections to uncovered early retirees, the findings with regard to health insurance coverage are particularly interesting. In 1991 (when all Acceptors are under age 61) only 10.7 percent of all Acceptors do not have health insurance coverage. However, the proportion of uncovered Acceptors triples (32.7 percent) in the survey

year prior to their 65th birthday. Again, certain groups - roughly one-half of unmarried men and women, Hispanics and the unhealthy - have very low rates of coverage in the year or two immediately prior to their 65th birthday.

Differences in the collection of income data between the first and third HRS waves present slight difficulties with regards to comparing incomes in these two periods. The 1992 survey measures household income while the 1996 survey measures family income, thus excluding the incomes of non-family members from the 1996 income measure. This introduces a slight downward bias. Changes in the consumer price index are not reflected, thus introducing a bias in the other direction.

Not surprisingly, there are consistent drops in the median incomes of each Age-62 Acceptor group between 1991 and 1995 as measured by household and family income. This is to be expected, given that this is a period of transition into benefit receipt and, for many, to partial or full retirement. The findings may suggest the existence of modest declines in disposable income. However, the findings do not necessarily suggest that, on average, there are large drops in income during this period, in part because reductions in its tax obligations partially offset the decline in income. However, it is worth noting that there is an unusually large one-third reduction in the median incomes of married men, a decline from $44,500 to $30,000. If this reflects planned-for-transitions from work to retirement, it is probably not a matter of substantial concern to policymakers. If, on the other hand, it represents unexpected declines in income, then the consequence of such a change might be an important concern.

Nearly one-half of the Acceptors reside in households that have no occupation pension wealth

going to any of the occupants; one-third reside in households with at least $100,000 in occupational pension wealth, about one-quarter of whom (8.5 percent of all Acceptors) have pension wealth in excess of $300,000. Assuming a constant real rate of return of five percent over the lives of these retirees, such households could anticipate a steady stream of pension income of $5,000 per year per $100,000 in pension wealth. In other words, most Acceptors can expect relatively little income from occupational pensions. However, a minority of acceptors with the following characteristics -- married, white and healthy - are more likely to receive larger amounts of pension income. Similar patterns can be discerned with respect to home ownership.

INSERT TABLE 3 ABOUT HERE

Nearly three-fifths (57.9 percent) of the Acceptors - including a higher proportion of unmarried female retired worker beneficiaries -- report that they were working in 1992. Eighteen percent of the Acceptors report in 1994 that they felt that they were either forced (12.5 percent) or partially forced (5.1 percent) into their retirement. Substantially larger proportions of unmarried men, African-Americans and unhealthy Acceptors report that their retirements were not voluntary (see table 4).

Two variables provide a basis for assessing whether Acceptors experienced employment difficulties between 1982 and 1991. Twenty-seven percent report that they were laid off or unemployed in this period, including larger proportions of unmarried men, African-Americans, Hispanics, and unhealthy Acceptors. Quarters of coverage, 1982-1991, is used as a proxy for consistency of labor force participation during these years. One third of the Acceptors have fewer than 11 out of 40 possible quarters, suggesting that this group had a very tangential

relationship to the labor force in advance of accepting retired worker benefits. Unmarried men, African American, Hispanic and to a lessor extent unhealthy and married female Acceptors are over represented in this group.

INSERT TABLE 4 ABOUT HERE

When asked how satisfied they were with their neighborhood, there are some interesting differences between married and unmarried females as well as between married and unmarried males. For both males and females, if they are married, they are more likely to be "very satisfied" or "somewhat satisfied" with their neighborhood. However, if they are unmarried, they are more likely to be "unsatisfied" or "very unsatisfied" with their neighborhood. Ten percent of unmarried females fall in this unsatisfied category versus a little less than 4 percent of married females. This holds true for men as well with almost 14 percent of unmarried males saying they are unsatisfied with their neighborhood and 3 percent of married males saying the same. African Americans also show high discontent with their neighborhood (see table 5).

In terms of health and general well-being variables, the pattern of diversity between and within the various groups of Age-62 Acceptors remains much the same. Thus while three-quarters of acceptors report that their health does not limit or prevent their capacity to work, 24 percent report that health limits or prevents work. The vast majority of Acceptors report that they are satisfied with life, although the data suggest that unhealthy, unmarried and African-American Acceptors are, as groups, somewhat less satisfied.

INSERT TABLE 5 ABOUT HERE

Risks Experienced by Age-62 Retired Worker Beneficiaries

Table 6 presents estimates of the proportion of age-62 Acceptors who are at risk of poor retirement, under the full range of definitions employed in this study. Table 7 shows how these estimates vary by selected sub-groups.

Under the most restrictive definitions of risk, Acceptors must meet two or more conditions (i.e., have incomes below poverty *and* define themselves as unhealthy). The moderate definitions of risk are generally based on a more multi-dimensional concept of risk. Hence, Acceptors are defined as at-risk if they meet one of two or three different conditions (i.e., have incomes below 150 percent of poverty *or* between 150 and 200 percent of poverty and also have work-limiting health problems. The more inclusive definitions of risk generally use 200 percent of poverty -- $14,176 in 1991 for an individual under 65 and $18,330 for couples - as the income threshold. Two of the risk measures also incorporate assets into the definition. In these measures it is assumed that persons are at risk if prior to accepting retired worker benefits they fall below 200 percent of poverty in1991 *or* if they do not have sufficient assets (e.g., less than $40,000 in total assets) to pay for financial emergencies that may arise at some point during their retirement years.

Table 6 presents a simple story. The data highlight how the magnitude of risk varies substantially by the terms used to define "risk." The most restrictive measure of risk suggests that only three out of every hundred Age-62 Acceptors (3.1 percent) are at risk as they enter their retirement years. That is, when risk is defined exclusively as having *both* below poverty incomes in 1991 *and* self-reported poor or fair health, only 3.1 percent of Acceptors meet this standard. In

contrast, the most inclusive measure of risk defines one-half of acceptors as being at risk. That is, when 52 out of 100 Acceptors have incomes that are below 200 percent of poverty *or* do not have liquid assets in excess of $30,000.

Arguments can be marshaled for applying either of the above-mentioned measures of estimates. On the one hand, it can be argued the poverty line by itself is too liberal a measure of risk for persons who chose to accept retired worker benefit at age 62. If it is presumed that such persons are capable of work, then their poverty can be considered a matter of choice. On the other hand, it can be argued that a poverty level income -- $7,086 for an individual under age 65 in 1991 and $9,165 for a like-aged couple - does not qualify as an adequate income towards the end of a lifetime of work, and that 200 percent of poverty provides a more realistic measure of risk. Moreover, while income represents a necessary condition for measuring risk, it is not, by itself, sufficient. Even if retirees have incomes in excess of 200 percent of poverty, arguably they also need access to financial assets of at least $30,000 (separate from any equity they may have in their homes) to weather health-related or other financial crises that may arise.

It is worth noting that five of the measures of risk presented in table 6 build on the previously discussed concept of "tweeners." These measures implicitly define the "at-risk" group as including two groups - 1) those who fall below a specified income level (i.e. 100, 150 or 200 percent of poverty) and 2) those who fall somewhat above the designated measure of income inadequacy and who meet other conditions that place them at risk. This second group (i.e., the "tweeners") might be defined as vulnerable because they do not have health insurance or because they have limited employment opportunities (e.g., less than a high school education or a

marginal pre-retirement work history). The measures that draw on the "tweener" concept provide five estimates of the extent to which Acceptors are at risk, ranging between 12.1 and 27.3 percent.

INSERT TABLE 6 ABOUT HERE

Table 7 shows that regardless of how risk is defined, the incidence of risk varies greatly among different groups of Acceptors. Most significantly, it shows that unmarried men, unmarried women, African-Americans, Hispanics and unhealthy Acceptors experience, in the aggregate, much greater risk of poor retirement than other grouping of Acceptors.

The one "tweeners" measure of risk presented in table 5 provides a good example of the extent to which different groups of Acceptors face risk. About 18 percent of all Acceptors have incomes that either fall below 150 percent of poverty in 1991 or fall between 150 and 200 percent of poverty *and* either lack health insurance or have a work limiting health condition. However, a much larger proportion (nearly twice) of African-Americans, unmarried women, and unhealthy Acceptors are at risk. Hispanic and unmarried male Acceptors experience nearly as high a level of risk. When using this measure of risk, 15.6 percent of whites compared to 38 percent of African-Americans are defined as at risk; 14.3 percent of married women compared to 34.7 percent of unmarried women; 14 percent of healthy acceptors compared to 37.8 percent of unhealthy Acceptors.

To the extent that having total assets in excess of $40,000 or liquid assets in excess of $30,000 at the threshold of the retirement years is accepted as a useful component for measuring risk, then the results as presented in table 5 suggest that exceptionally large proportions of African-

Americans, Hispanics, unmarried male and female Acceptors and unhealthy Acceptors are at risk.

INSERT TABLE 7 ABOUT HERE

Discussion, Limitations and Implications

The 1983 Amendments to the Social Security Act scheduled a gradual 27-year increase in the NRA, from age 65 to 67, beginning in 2000. When fully phased in, the age of eligibility for full retired worker benefits will be 67. Workers who accept benefits at the earliest possible age, 62, will receive a benefit that represents 70 percent of a full benefit, rather than 80 percent as was the case in 1999. In the context of the projected shortfalls in the combined Old-Age, Survivors and Disability Insurance (OASDI) trust fund, consideration is being given to further increases in the NRA. Consideration is also being given to increasing the age--currently 62--of first eligibility for retired-worker benefits, termed the ERA. Increasing the ERA is advocated as a vehicle for encouraging continued employment and increased retirement savings of healthy older workers while simultaneously contributing to a reduction of the projected financial shortfall (Burkhauser, 1996). Such a change is sometimes viewed as a means of protecting beneficiaries from accepting the large, permanent reductions in monthly benefits. Moreover, it has also been suggested that changes (e.g., a lowering of the age of eligibility for benefits or relaxing the income and asset eligibility requirements) in SSI should be considered to protect the most vulnerable early retirees, especially if changes are made in the ages of eligibility for Social Security benefits.

As noted, concern exists that changes in the OASDI age of eligibility may have deleterious effects on selected groups of vulnerable workers who accept retired worker benefits at early

ages, especially on African-Americans, Hispanic women or persons with health limitations or limited education.

The relatively small sample size, especially as it relates to making comparisons across sub-groupings of Acceptors, represents a significant limitation of this study. The Hispanic subsample is particularly small. Care should be taken to not place undue confidence in the findings related to Hispanics. Even so, taking into account these limitations, the findings are strongly suggestive of a need to exercise caution when implementing existing retirement age changes or when considering additional changes.

The findings suggest that there is a need for policymakers and researchers to apply broader notions of risk when assessing retirement age changes. Depending on the definition of risk that is applied, between three and 52 percent of Acceptors are at risk. More realistically, the range of reasonable estimates is probably closer to that suggested by the Congressional Budget Office report (Smith, 1999), approximately 10 to 30 percent. In other words, a not inconsequential and perhaps fairly large proportion of Age-62 Acceptors are currently at risk

Regardless of the definition of risk that is applied, the findings highlight the heterogeneity existing between and within various sub-groupings of Age-62 Acceptors. African-Americans, unmarried male, unmarried female, Hispanic and unhealthy persons who accept retire workers benefits at age 62 appear, on average, to be at substantially greater risk as they enter their retirement years. Under some definitions, more than one-half of each of these groups are at risk. Hence, there is a need to carefully assess the implication of retirement age policy changes for these groups.

There may also be need to explore ameliorative policy changes (e.g., lowering the age of eligibility in SSI or changing the asset and income eligibility requirements). The data indicate that one-third of Acceptors lack health insurance one or two years in advance of their 65th birthday. This suggests that it is not unreasonable to give consideration to expanding access to Medicare and Medicaid for this population.

In conclusions, this paper does not seek to suggest that there is one "best" way to define risk. It does, however, demonstrate that estimates of the extent to which Age-62 Acceptors are at risk and varies greatly, according the definition of risk that is applied. Singular, often one-dimensional notions of risk fall short of fully identifying the potential consequences for early retirees of proposed retirement age changes. The development and application of broader measures of risk can serve to reinforce the adequacy goals of Social Security by identifying the distributive consequences of proposed changes and assuring that the special circumstances of minority and other potentially vulnerable Age-62 Acceptors are not lost in the Social Security reform process.

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[1] This article restricts itself to analyzing the risks experienced by persons who first accept retired worker benefits at age 62. A subsequent paper will explore differences between the three population of persons aged 62 - those who accept retired worker benefits at age 62 (unweighted n=402), those who postpone acceptance past age 62 (n=726) and those who receive Disability Insurance benefits (unweighted n=100).

[2] This sample represents one grouping of persons eligible to receive retired worker benefits during their 62nd year. As part of a larger project we have drawn three subsamples from the universe of persons who reach age 63 and two months-1) the "Disability Insurance" group (unweighted n=100) who received Social Security disability insurance (DI) benefits, 2) the early "Acceptors" group (unweighted n=402) who received Social Security retired workers benefits by age 63 and 2 months, and 3) the "Postponers" group (unweighted n=726) who, although eligible, did not receive retired workers benefits prior to that age. The differences between the acceptor, postponer and the disability insurance group will be the subject of another article.

[3] Only those who were between 63 and 2 months (63.167) and 64 years old in 1994 (wave 2) or between 63 and 2 months and 66 years old in 1996 (wave 3) were kept in the sample. The logic behind this step is that we wish to look at the characteristics of individuals who have gone through their 62nd year, the early retirement age. This means that we needed to capture those who were 62 in 1994 and 64 in 1996 but also those who were 62 in 1992, 64 in 1994, and 66 in 1996. Since we wanted to follow individuals, the ranges for each wave were expanded accordingly. To ensure that we effectively captured an individual's decision to accept Social Security benefits in his/her 62nd year or not, a 14 month period (62 years old to 63 and 2 months) was necessary due to the process of applying for and receiving Social Security benefits. As shown in Jan Olson's paper (1999), in practice, an individual could apply for benefits in their 62nd year (at 62 and 11 months, for example) but not receive benefits until they were 63 since it takes about 2 months to actually receive the first Social Security benefit. Additionally, the timing of an individual's interview is also important as they were asked if they had yet received Social Security benefits. Even if someone had applied but had not yet received benefits, they would have answered no and initially would have been considered a Postponer in the sample. But, in actuality, they really accepted benefits in their 62nd year and that information is captured in the next wave of interviewing. So, to make sure we captured all of those who were "62-enough," a 14-month time period was needed to accurately ascertain the 62nd year's decisions.

[4] The first step was to determine the birth date and interview date for all individuals within the HRS sample at each wave. Since only the month and year was available, all dates are potentially off by up to 30 days. (i.e.: if born the first of a month but interviewed at the end of the month, there is no way for us to differentiate the difference in age of the month.) Individuals who were born before 1931 or after 1933 were deleted from the sample, as they did not fit into our age range. Also, only those who were between 63 and 2 months (63.166) and 64 years old in 1994 (wave 2) or between 63 and 2 months and 66 years old in 1996 (wave 3) were kept in the sample. The third step separated those individuals in the sample who are not eligible for retired worker benefits either because they receive SSDI or SSI disability benefits in any of the three waves or because they are not covered workers. The SSDI and SSI disability benefit recipients were then made into a separate group. To assign individuals Acceptor or Postponer status, information on Social Security receipt dates, age, and amounts were used. Once it was determined who received benefits and who did not, the date and age when individuals started receiving those benefits was determined. Those who received Social Security retired worker benefits in their 62nd year were assigned "Acceptor" status; those who did not receive benefits in their 62nd year, "Postponer" status.

Table 1. Definitions of Variables

Variables	
Years of Education, 1992	Highest grade completed by respondent in 1992
Parents' Education, 1992	Proxy for social class of origin. This variable was created by adding highest grade completed by mother to that of the respondent's father.
Household Income, 1991	Based on income from all sources reported to household during 1996 survey year (as constructed by HRS staff in public release data).
Family Income, 1995	Based on income from all sources as reported in 1996 survey for financial respondent and, if present, spouse/partner in 1996 (as constructed by HRS staff in public release data).
Individual has pension, 1991	Based on respondent report in 1992 that they receive or anticipate receiving an occupational pension.
Present value of individual's pension, 1991	Based on respondent report in 1992 of the value of the occupational pension they receive or anticipate receiving. "Zero" is assigned as the value if respondent reports no expectation of pension.
Present Value of Household Pension, 1991	Based on report of household members in 1992 of the value of the occupational pension they receive or anticipate receiving in the household. "Zero" is assigned as the value if there is no expectation of pension.
Total Net Worth, 1991	Based on value of all assets (net liabilities) reported during 1992 survey year as constructed by HRS staff in public release data.
Net worth of liquid assets, 1991	Based on value of checking, savings account, money market, CDs, government savings bonds, T-bills, IRAs, Keoghs, stocks, mutual funds, bonds.
Health Insurance, 1992	Based on report of whether respondent is covered by own or any other(e.g., spouse) private or public health insurance.
Health insurance in year prior to age 65	Based on report in survey year that immediately precedes 65th birthday of whether respondent is covered by own or any other (e.g., spouse) private or public health insurance.
Quality of housing in neighborhood, 1992	Based on the interviewer's assessment of how well the structures in the respondent's neighborhood are kept.
Work Impairment, 1994	Based on response to question, "Do you have any impairment or health problem that limits the kind or amount of paid work you can do?"
Laid off or unemployed one or more times between 1982 and 1991	Based on response to question "Over the last 10 years, since 1982, have you ever been on temporary layoff, or unemployment, and looking for work".
Numbers of quarters of coverage, 1982 to 1991	Proxy for consistency of work effort during past 10 years. Drawn from Social Security earnings records as matched to HRS sample.
Health Status	Based on response to question "Would you say that your health is excellent, very good, good, fair or poor?" Persons responding "excellent,' "very good" or "good" classified as "Healthy." Persons responding "fair" or "poor" classified as "Unhealthy."
Self-reported health	Based on response to question "Would you say that your health is excellent, very good, good, fair or poor?"
Emotional Health	Based on response to question "Would you say that your emotional health is excellent, very good, good, fair or poor?"
Life satisfaction 1992	Based on response to question "Are you very satisfied, satisfied, about evenly satisfied and dissatisfied, somewhat dissatisfied, or very dissatisfied with your life as a whole?"
Satisfaction with Housing 1992	Based on response to question "Are you very satisfied, satisfied, about evenly satisfied and dissatisfied, somewhat dissatisfied, or very dissatisfied with your house or apartment?"
Satisfaction with Neighborhood 1992	Based on response to question "Are you very satisfied, satisfied, about evenly satisfied and dissatisfied, somewhat dissatisfied, or very dissatisfied with the neighborhood where you live?"

Table 2. Demographic Characteristics of Age 62 Retired Worker Beneficiaries by Gender, Race, Hispanic Ethnicity and Health Status

Characteristics	**(n=402) All Age-62 Acceptors**	(n=201) **Female**	(n= 201) **Male**	(n=150) **Married Female**	(n=51) **Unmarried Female**	(n=160) **Married Male**	(n=41) **Unmarried Male**	(n=65) **Black**	(n=312) **White**	(n= 22) **Hispanic**	(n=380) **Non-Hispanic**	(n=326) **Healthy**	(n=76) **Not Healthy**
Race, 1996 (%)													
White	**86.8**	85.9	87.7	90.4	72.6	90.2	78.7	0.0	100.0	0.0	90.0	89.9	72.2
Black	**8.6**	9.3	7.9	5.4	20.5	6.1	14.8	96.2	0.0	0.0	8.9	6.9	16.7
Other	**3.7**	4.9	4.4	4.2	6.9	3.8	6.6	3.8	0.0	100.0	0.2	3.3	11.1
Percent Hispanic, 1996	**3.5**	4.0	3.0	3.5	5.4	3.0	2.9	1.7	0 .0	100.0	0.0	2.5	8.1
Highest Grade Completed, 1992 (%)													
<12	**26.6**	28.3	24.8	21.0	35.8	28.8	26.5	4.9	24.1	50.0	25.8	21.5	51.3
High School	**37.5**	36.4	38.6	42.7	26.7	35.4	40.1	28.6	38.3	30.6	37.7	39.1	29.4
At least some college	**35.9**	35.3	36.6	36.2	37.5	35.8	33.4	26.6	37.7	19.4	36.5	37.6	19.3
Years of Education, Parents Mean	**18**	19	18	19	16	16	22	16	19	13	19	19	16
Marital Status, 1996 (%)													
Married	**70.3**	66.7	73.6	89.2	2.3	92.2	3.5	51.3	72.5	60.1	70.6	71.7	62.5
Divorced/Separated	**15.2**	15.2	15.2	1.4	54.7	2.5	62.9	31.3	13.3	26.2	14.8	13.8	22.8
Widowed	**11.0**	12.9	9.2	9.4	22.8	5.3	23.8	9.4	3.4	13.7	10.9	11.4	8.6
Never Married	**3.6**	5.2	2.1	0	20.1	0	9.9	7.9	10.9	0	3.7	3.1	6.1
Number of Children Ever, 1996 (%)													
0	**11.3**	10.8	1.7	3.7	3 0.6	9.5	20.2	16.6	10.3	23.6	10.8	11.0	12.7
1	**6.9**	7.8	6.1	6.8	10.6	6.7	3.7	14.3	6.0	3.9	7.0	5.2	16.0
2	**23.6**	23.1	24.2	23.2	22.6	25.7	18.3	12.0	25.1	25.0	23.6	24.0	21.9
3	**29.4**	30.7	28.4	36.0	14.5	29.3	24.9	21.8	30.6	22.3	29.6	30.5	23.3
4	**12.7**	13.2	12.3	13.2	13.1	11.3	16.1	11.5	12.4	8.7	12.9	13.7	7.3
5 or more	**7.3**	14.4	17.3	17.1	8.7	17.5	16.8	19.3	15.6	16.5	16.1	15.6	18.8

Table 3. Financial Well-Being of Age 62 Retired Worker Beneficiaries by Gender, Race, Hispanic Ethnicity and Health Status

Financial Variables	(n=402) All Age-62 Acceptors	(n=201) Female	(n=201) Male	(n=150) Married Female	(n=51) Unmarried Female	(n=160) Married Male	(n=41) Unmarried Male	(n=65) Black	(n=312) White	(n=22) Hispanic	(n=380) Non-Hispanic	(n=326) Healthy	(n=76) Not Healthy
Household Income, 1991													
Median	**$36,600**	$33,400	$38,400	$37,000	$21,880	$44,500	$24,180	$26,472	$38,192	$27,300	$36,000	$38,800	$27,142
Percent:													
<$10,000	**8.1**	9.8	6.5	4.6	24.8	2.8	19.9	21.8	6.4	10.6	8.0	6.0	18.0
$10,000-$19,999	**16.2**	16.7	15.7	14.2	24.0	13.9	22.5	15.5	16.1	25.7	15.9	14.4	19.9
$20,000-$29,999	**14.7**	17.5	12.0	20.1	9.9	10.5	17.3	24.0	13.3	14.6	14.7	13.8	18.9
$30,000-$49,999	**28.2**	26.3	30.1	26.9	24.5	31.6	24.7	15.5	28.4	34.3	28.0	28.3	27.8
$50,000-$74,999	**20.4**	19.0	21.8	20.8	13.7	23.5	15.7	14.7	21.7	7.7	20.9	22.0	12.9
$75,000 and over	**12.4**	10.8	13.9	13.5	3.1	17.7	0.0	8.6	13.1	7.0	12.6	14.5	2.4
Family Income, 1996													
Median	**$30,000**	$30,000	$26,000	$32,000	$20,000	$30,000	$21,000	$19,000	$30,000	$15,000	$30,000	$30,000	$21,000
Percent:													
< $10,000	**7.8**	7.4	8.1	2.8	22.1	5.8	16.0	25.9	6.3	18.1	7.5	6.1	17.3
$10,000-$19,999	**16.7**	14.0	19.0	11.0	23.5	15.7	31.0	26.1	15.7	34.4	16.4	14.5	29.7
$20,000-$29,999	**23.5**	19.6	26.8	18.2	24.4	23.6	38.2	13.7	24.6	9.4	23.8	23.8	22.1
$30,000-$49,999	**30.5**	35.8	26.0	39.7	23.6	29.1	14.9	20.3	30.6	29.1	30.5	31.4	25.1
$50,000-$74,999	**13.0**	13.5	12.5	15.8	6.4	16.0	0.0	11.7	13.3	9.0	13.1	14.2	5.9
$75,000 and over	**8.6**	9.6	7.7	12.6	0.0	9.8	0.0	2.2	9.4	0.0	8.7	10.0	0.0
Individual Has Pension, 1996													
Percent of individuals with occupational pension	**48.5**	61.2	35.3	31.1	47.0	63.8	55.4	47.9	49.0	34.9	49.0	50.2	40.8
Present Value of Individual's Pension, 1992													
Percent:													
$0 – No pension	**51.5**	64.7	38.8	68.9	53.0	37.2	44.6	52.1	51.1	65.1	51.0	49.8	59.2
$1 - $10,000	**5.9**	7.6	4.3	6.9	9.4	4.8	2.6	5.0	5.8	3.2	6.0	5.6	7.3
$10,000-$39,999	**7.0**	5.2	8.7	6.3	1.9	6.7	15.5	10.8	6.9	0.0	9.6	7.8	3.0
$40,000-$99,999	**9.7**	6.0	13.2	4.6	10.0	16.0	3.8	9.7	9.6	13.8	21.1	10.2	7.3
$100,000-$299,999	**21.0**	15.5	26.3	13.3	21.5	25.2	30.2	19.9	21.2	17.9	4.8	20.6	23.2
$300,000 and over	**5.0**	1.1	8.7	0.0	4.2	10.2	3.3	2.4	5.5	0.0	0.4	6.0	0.0
Present Value of Household Pension, 1992													

Percent:													
$0	**45.9**	56.1	35.8	57.8	53.0	33.3	44.6	49.7	45.0	45.4	61.2	44.0	55.0
$1 - $10,000	**5.2**	5.9	4.6	4.8	9.4	5.2	2.6	5.0	5.0	5.3	3.2	4.8	7.3
$10,000-$39,999	**6.4**	3.8	8.9	4.5	1.9	7.0	15.5	10.8	6.3	6.7	0	7.1	3.0
$40,000-$99,999	**10.9**	8.0	13.6	7.3	10.0	16.4	3.8	10.9	10.8	10.7	13.8	11.4	8.0
$100,000-$299,999	**23.7**	20.5	26.8	20.1	21.5	25.9	30.2	24.1	24.2	23.8	21.8	23.3	26.1
$300,000 and over	**7.9**	5.3	10.3	5.7	4.2	11.5	3.3	8.2	8.7	8.1	0	0.6	0.6
Poverty, 1991 Percent below poverty	**7.9**	8.7	7.1	4.8	20.1	4.5	16.9	24.8	5.8	14.2	7.7	5.8	18.1
150% of Poverty, 1991 Percent below 150% of poverty	**14.2**	16.4	12.2	10.1	34.7	8.8	24.3	36.7	11.4	25.0	13.8	11.8	25.9
200% of Poverty, 1991 Percent below 200% of poverty	**21.8**	22.9	20.8	37.3	37.3	17.5	33.1	41.0	19.4	32.6	21.4	18.3	38.6
Total Net Worth, 1991													
Median	**$140,000**	$135,000	$147,000	$153,000	$102,000	$167,900	$50,000	$48,500	$163,600	$83,700	$147,000	$167,900	$71,700
Percent:													
0	**1.8**	2.7	1.1	0.0	10.4	0.0	5.1	11.8	0.3	14.8	1.4	0.6	8.1
$1 to $10,000	**4.2**	2.9	5.4	1.0	8.6	2.2	17.5	11.6	3.5	4.7	4.2	2.7	11.6
$10,000-$24,999	**4.4**	3.9	4.9	3.0	6.5	2.7	13.2	6.0	3.6	14.4	4.0	4.0	6.6
$25,000-$49,999	**9.6**	8.8	10.3	6.9	14.4	10.2	11.0	19.9	8.6	10.7	9.6	8.5	15.2
$50,000-$99,999	**14.8**	15.2	14.3	17.5	8.6	15.9	8.5	29.3	13.0	17.9	14.7	13.6	20.3
$100,000-$199,999	**25.7**	29.9	21.8	30.1	29.0	22.5	19.0	9.7	28.2	8.3	26.3	26.5	22.0
$200,000-$299,999	**13.0**	10.3	15.5	9.6	12.5	14.3	20.3	7.5	14.0	4.5	13.3	14.4	6.3
$300,000 or more	**25.5**	26.4	26.8	31.9	10.0	32.4	5.4	4.2	28.7	24.8	26.6	29.9	9.9
Net Worth of Liquid Assets, 1992													
Median	**$38,000**	$32,000	$38,500	$42,000	$10,000	$45,000	$8,000	$2,000	$44,700	$8,000	$39,000	$45,000	$8,000
Percent:													
0	**7.6**	8.1	7.1	4.6	18.3	4.7	16.2	32.7	4.0	36.3	6.6	5.2	19.3
$1 to $10,000	**23.2**	21.9	24.3	18.9	30.7	18.8	44.5	31.8	22.5	16.8	23.4	20.2	37.2
$10,000-$24,999	**11.4**	14.3	8.7	13.8	15.7	10.5	2.1	8.4	10.9	23.1	11.0	11.3	12.1
$25,000-$49,999	**14.1**	12.4	15.7	15.4	3.6	17.3	9.9	12.0	14.4	14.3	14.1	14.5	12.3
$50,000-$99,999	**14.5**	15.1	13.9	15.9	12.7	15.8	6.9	10.6	14.4	3.8	14.9	15.6	8.8
$100,000-$199,999	**15.9**	14.8	17.0	15.4	13.0	18.3	12.1	4.5	17.6	5.8	16.3	18.1	5.4
$200,000-$299,999	**4.9**	4.7	5.1	4.2	6.0	4.6	6.9	0.0	5.4	0.0	5.1	5.1	3.9
$300,000 or more	**8.5**	8.8	8.2	11.8	0.0	10.6	1.5	0.0	9.8	0.0	8.8	10.1	1.0
Percent who own home, 1996	**86.5**	90.2	82.9	98.2	69.1	91.5	46.7	69.9	88.3	74.5	86.9	88.8	74.2
Interviewer rating of neighborhood structures upkeep, 1992													

Percent:													
Very well	**57.5**	59.2	60.9	60.4	55.6	65.0	45.9	35.6	62.9	47.5	60.4	64.5	38.4
Mixed-could use paint job	**35.7**	36.2	32.6	37.8	31.5	32.1	34.2	39.9	33.5	44.3	34.0	31.1	50.1
Poorly-need paint & minor repairs	**5.3**	3.7	4.7	0.8	11.9	2.4	13.1	17.1	2.8	8.2	4.1	3.0	10.3
Very poorly-dilapidated	**1.5**	1.0	1.9	1.0	1.0	0.5	6.8	7.4	0.9	0.0	1.5	1.5	1.3
Percent without health insurance , 1992	**10.7**	11.4	10.0	10.5	14.0	9.2	12.9	20.9	8.6	37.9	9.7	8.8	19.7
Percent without health insurance in year prior to Age 65	**32.7**	37.0	28.7	33.7	46.7	23.8	46.7	33.6	31.9	53.6	32.0	30.1	45.4

Table 4. Employment Status of Age 62 Retired Worker Beneficiaries by Gender, Race, Hispanic Ethnicity and Health Status

Employment Variables	**(n=402) All Age-62 Acceptors**	(n=201) **Female**	(n=201) **Male**	(n=150) **Married Female**	(n=51) **Unmarried Female**	(n=160) **Married Male**	(n=41) **Unmarried Male**	(n=65) **Black**	(n=312) **White**	(n=22) **Hispanic**	(n=380) **Non-Hispanic**	(n=326) **Healthy**	(n=76) **Not Healthy**
Percent Working, 1992 (%)	**57.9**	61.3	57.9	58.8	68.3	59.0	53.6	49.8	60.9	65.8	34.2	61.6	38.4
Percent laid off or unemployed once or more (1982 and 1991)	**27.4**	27.7	27.2	29.4	23.8	26.0	31.5	33.4	2 6.3	39.6	26.9	17.5	28.9
Retirement Status, 1994													
Percent:													
Working/Not retired/Not relevant	**48.2**	47.7	48.1	48.8	44.5	48.2	50.2	46.6	48.1	58.7	47.8	49.0	43.9
Completely retired	**45.0**	45.4	44.6	44.9	47.0	45.9	39.9	46.1	45.1	36.9	45.3	44.1	49.7
Partly retired	**6.8**	6.9	6.7	6.3	8.5	5.9	9.9	8.3	6.8	4.4	6.9	6.9	6.4
Control over Retirement													
Percent:													
Not retired	**48.0**	47.4	48.7	48.8	43.4	48.2	50.3	44.1	48.1	58.7	47.7	48.9	43.9
Wanted to retire	**34.4**	33.3	35.5	35.2	27.8	36.9	30.3	24.6	35.3	33.4	34.5	35.7	28.5
Forced	**12.5**	13.7	11.4	11.3	20.5	11.1	12.3	24.2	11.9	0.0	12.9	11.1	19.1
Part wanted; part forced	**5.1**	5.7	4.5	4.8	8.3	3.8	7.2	7.1	4.8	7.9	5.0	4.3	8.5
Number of quarters of earnings during past ten years immediately prior to 1992													
Mean	**30.8**	29.6	31.8	27.8	35.8	32.5	29. 4	28.5	31.2	28.3	30.9	31.5	27.7
Percent:													
0-5	**31.0**	36.5	25.8	35.0	40.8	24.5	30.6	42.3	29.2	40.1	30.6	30.0	35.9
6-10	**2.1**	2.1	2.1	2.8	0.0	2.3	1.3	1.6	1.9	8.4	1.8	2.0	2.3
11-15	**2.8**	2.9	2.7	4.0	0.0	2.1	5.2	2.4	2.6	10.3	2.6	3.1	1.7
16-20	**3.3**	2.1	4.3	2.9	0.0	4.8	2.7	4.6	3.3	0.0	3.4	3.1	4.2
21-25	**4.3**	4.9	3.7	6.6	0.0	4.7	0.0	2.9	4.6	0.0	4.4	3.8	6.7
26-30	**4.9**	7.2	2.8	8.6	3.0	1.7	6.5	5.5	4.6	4.0	4.9	5.2	3.5
31-35	**4.9**	4.1	5.6	4.5	2.8	6.0	4.2	3.0	5.0	0.0	5.1	4.5	6.8
36-40	**46.8**	40.2	53.0	35.7	53.4	54.0	49.6	37.9	48.7	37.3	47.2	48.5	38.9

Table 5. Health and Social Well-Being of Age 62 Retired Worker Beneficiaries by Gender, Race, Hispanic Ethnicity and Health Status

Health/General Well-Being Variables	**(n=402) All Age-62 Acceptors**	(n=201) **Female**	(n=201) **Male**	(n=150) **Married Female**	(n=51) **Unmarried Female**	(n=160) **Married Male**	(n=41) **Unmarried Male**	(n=65) **Black**	(n=312) **White**	(n=22) **Hispanic**	(n=380) **Non-Hispanic**	(n=326) **Healthy**	(n=76) **Not Healthy**
Work Impairment,1994 (%)													
No Work Impairment	**75.9**	73.7	78.0	73.4	74.7	80.8	67.5	76.2	76.9	65.1	76.3	84.0	36.9
Impairment Limits	**16.3**	17.0	15.6	18.1	13.6	13.4	23.9	6.5	16.7	13.5	16.4	13.2	31.0
Impairment Prevents Work	**7.8**	9.4	6.4	8.5	11.8	5.9	8.5	17.3	6.4	21.6	7.4	2.8	32.1
Self-Reported Health, 1992													
Percent:													
Excellent	**21.8**	23.6	20.2	23.5	23.9	21.6	15.1	6.3	23.5	23.8	21.8	26.4	0.0
Very Good	**31.7**	32.3	31.2	34.0	27.4	28.6	40.6	14.1	34.3	13.0	32.4	38.3	0.0
Good	**29.3**	26.7	31.7	27.8	23.6	35.7	16.9	47.3	27.9	23.4	29.5	35.3	0.0
Fair	**13.1**	13.4	12.9	12.1	17.3	10.6	21.4	29.6	10.3	29.2	12.6	0.0	26.4
Poor	**4.1**	4.0	4.1	2.7	7.7	3.6	6.0	2.7	4.0	10.5	3.8	0.0	23.6
Self-Reported Health, 1996													
Percent:													
Excellent	**20.1**	21.0	19.2	29.6	18.0	22.5	6.8	12.7	21.4	10.8	0.4	24.7	.9
Very Good	**33.6**	32.2	34.9	24.3	35.0	32.3	44.7	24.4	35.1	13.9	34.3	38.0	10.2
Good	**28.3**	28.2	28.3	33.0	26.6	26.8	33.8	38.3	27.0	41.5	27.8	27.3	33.5
Fair	**12.7**	13.0	12.5	7.2	15.1	12.5	12.3	15.4	11.4	33.9	12.0	8.1	37.3
Poor	**5.4**	5.4	5.2	5.9	5.4	5.9	2.4	9.2	5.2	0	5.6	3.0	18.0
Neighborhood Satisfaction													
Percent:													
Very satisfied	**64.2**	66.3	63.2	68.0	61.3	66.1	52.8	46.0	67.1	51.5	65.2	68.1	48.2
Somewhat satisfied	**25.2**	22.0	28.3	21.5	23.3	28.9	26.2	38.8	23.6	31.8	25.0	22.8	37.4
Even	**3.8**	5.1	2.0	5.2	4.9	1.6	3.5	3.0	3.2	12.3	3.2	2.9	6.5
Unsatisfied	**5.5**	5.5	5.5	3.8	10.4	3.2	13.8	12.3	4.9	4.5	5.6	5.2	6.8
Very unsatisfied	**1.3**	1.1	1.0	1.5	0.0	0.2	3.8	0.0	1.2	0.0	1.1	1.0	1.2
Satisfaction with life as a whole, 1992													
Percent:													
Very satisfied	**65.2**	65.5	63.8	70.5	51.0	67.1	9.8	57.8	65.5	63.4	64.7	68.4	46.0
Somewhat satisfied	**27.7**	25.1	30.3	21.4	35.8	28.1	38.0	35.4	27.0	23.3	28.0	26.3	34.8
Even	**5.5**	7.8	4.7	6.8	10.7	2.7	12.2	5.6	6.1	11.2	6.0	4.9	12.8
Unsatisfied	**1.3**	1.6	0.6	1.3	2.5	0.8	0.0	1.2	1.0	3.2	1.0	0.4	4.6
Very unsatisfied	**0.3**	0.0	0.6	0.0	0.0	0.8	0.0	0.0	0.4	0.0	0.3	0.0	1.9

Table 6. Alternative Estimates of Risk as a Percentage of Age-62 Retired Worker Beneficiaries (Adjusted sample n=402)

Definitions of Risk	Percentage At-Risk
Restrictive Definitions	
Below poverty in 1992 and unhealthy	3.1
Below poverty in 1991, health prevents work and no health insurance	3.4
Below 150% of poverty in 1991 and unhealthy	4.5
Below 150% of poverty in 1991 and health prevents work	4.6
No pension and health prevents work	4.7
Below 150% of poverty in 1991 and did not finish high school	6.8
Below poverty in 1992	7.9
No household pension and unhealthy	9.3
No household pension and health limits work	12.1
Moderate Definitions	
(Below poverty) or (between 100 and 200 percent of poverty in 1991 and no health insurance)	12.9
Below 150% of poverty in 1991	14.2
(Below poverty) or (between 100 and 200 percent of poverty in 1991 and either does not health insurance or health limits work)	15.0
Below 200 percent of poverty in 1991 and less than $30,000 in liquid assets	16.6
(Below 150% poverty) or (between 150 and 200 percent of poverty in 1991 and either does not have health insurance or health limits work)	18.1
(Below 150% poverty) or (between 150 and 200 percent of poverty in 1991 and either does not have health insurance or health prevents work or less than 20 quarters of coverage from 1981-1990)	19.9
Inclusive Definitions	
Below 200 percent of poverty in 1991	21.8
Below 200 percent of poverty in 1991 or (between 200 and 300 percent of poverty in 1991 and either does not have health insurance or has less than high school education)	27.3
Below 200 percent of poverty in 1991 or less than $40,000 in total assets	31.1
Below 200 percent of poverty in 1991 or less than $30,000 in liquid assets	52.0

Table 7. Incidence of Selected Risks by Gender, Gender/Marital Status, Race, Hispanic Ethnicity and Health Status

Characteristics	(n=402) All Age-62 Acceptors	(n=201) Female	(n=201) Male	(n=150) Married Female	(n=51) Unmarried Female	(n= 160) Married Male	(n=41) Unmarried Male	(n= 65) Black	(n=312) White	(n= 22) Hispanic	(n=380) Non-Hispanic	(n=326) Healthy	(n=76) Not Healthy
PERCENT:													
Below poverty, health prevents work, no health insurance	**3.4**	4.4	2.5	0.9	14.6	0.8	8.7	7.3	2.7	7.9	3.3	1.2	14.0
No household pension and unhealthy	**9.3**	11.4	7.3	9.4	17.3	6.8	9.0	21.5	7.2	32.8	8.5	0	54.1
No household pension and health limits work	**12.1**	16.8	7.6	15.8	19.9	6.8	10.3	11.8	11.5	18.4	11.8	7.5	34.2
"Tweeners" - Below 150% poverty) or (between 150 and 200 percent of poverty in 1991 and either does not have health insurance or health prevents work)	**18.1**	19.5	16.8	14.3	34.7	12.8	31.7	38.0	15.6	28.1	17.8	14.0	37.8
Below 200 percent of poverty in 1991 or less than $40,000 in total assets	**31.1**	30.7	31.5	21.7	57.0	24.9	55.7	58.6	27.3	51.8	30.4	26.5	53.2
Below 200% poverty or less than $30,000 in liquid assets	**52.0**	54.7	49.5	48.3	73.2	45.9	62.7	80.0	47.5	90.1	50.7	47.5	73.9