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26th Annual Retirement and Disability Research Consortium Meeting August 7-9, 2024

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How Are Household Living Arrangements Related to Retirement Expectations and Savings Across Race and Ethnicity?

Jennifer Caputo, Westat

26th Annual Meeting of the Retirement and Disability Research Consortium

August 8, 2024



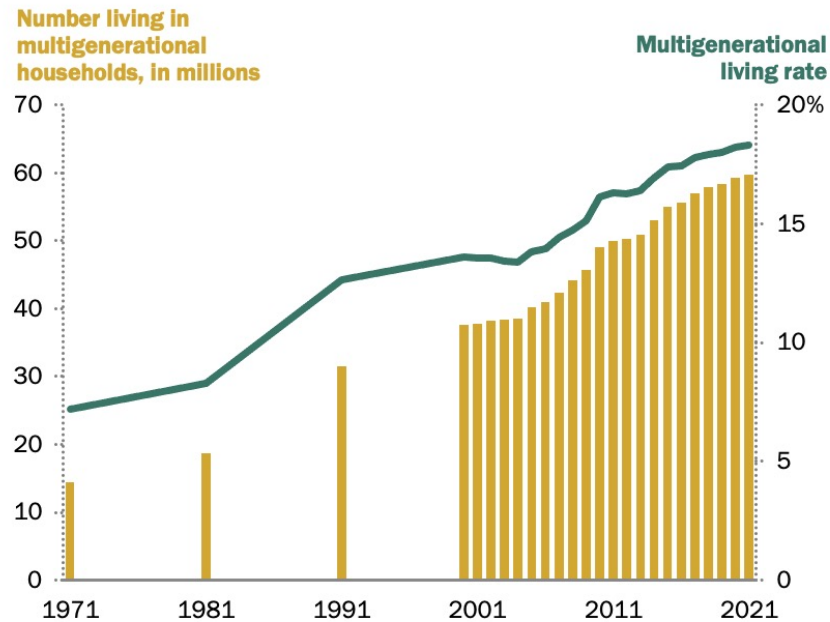
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Growth in multigenerational & single-person households

U.S. population in multigenerational households quadrupled since 1971

Number and % of people who live in multigenerational households in U.S.

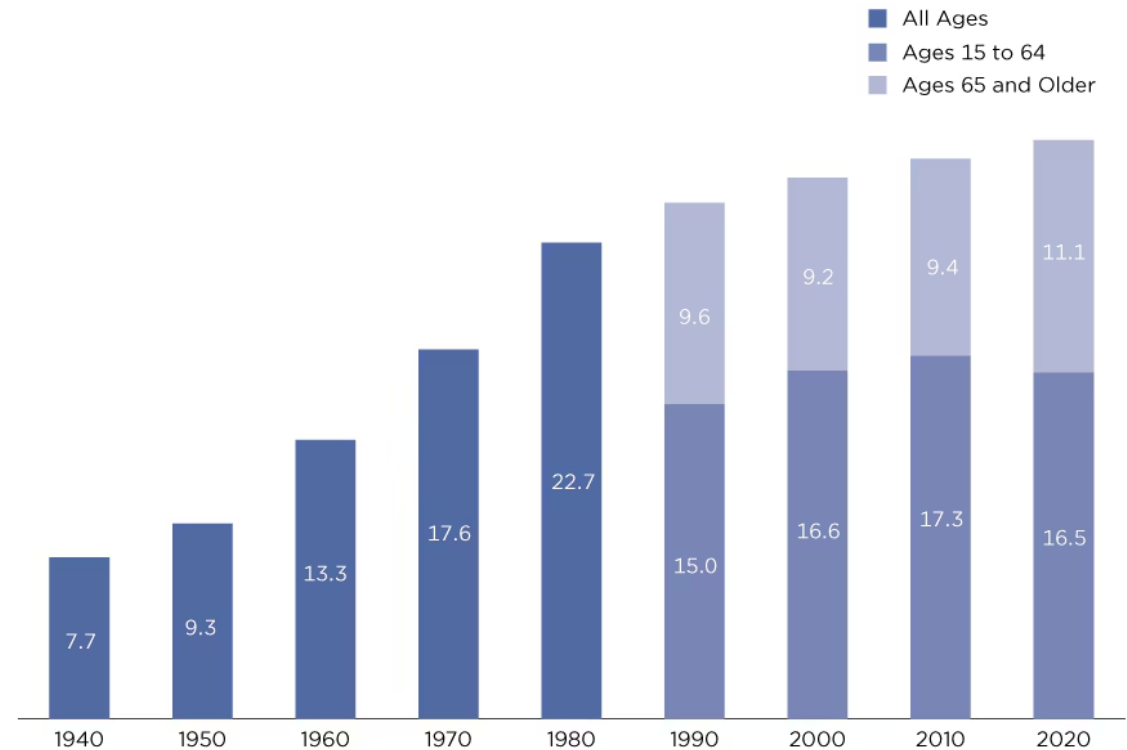


Note: Multigenerational households include at least two generations of adults mainly ages 25 and older or grandparents and grandchildren younger than age 25.

Source: Pew Research Center analysis of Current Population Survey Annual Social and Economic Supplement (ASEC) data files for 1971, 1981, 1991, and 2000-2021 (IPUMS). "Financial Issues Top the List of Reasons U.S. Adults Live in Multigenerational Homes"

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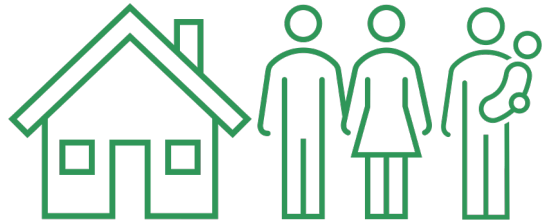
Figure 1.
One-Person Households as a Percentage of All U.S. Households: 1940-2020



Note: Alaska and Hawaii are not included in the U.S. totals for 1940 and 1950.

Source: U.S. Census Bureau, 1940-1990 Censuses; 2000 Census Summary File 2; 2010 Census Summary File 1; 2020 Decennial Census Demographic and Housing Characteristics File (DHC).

Growing multigenerational and single-person households potentially influence future retirement outcomes



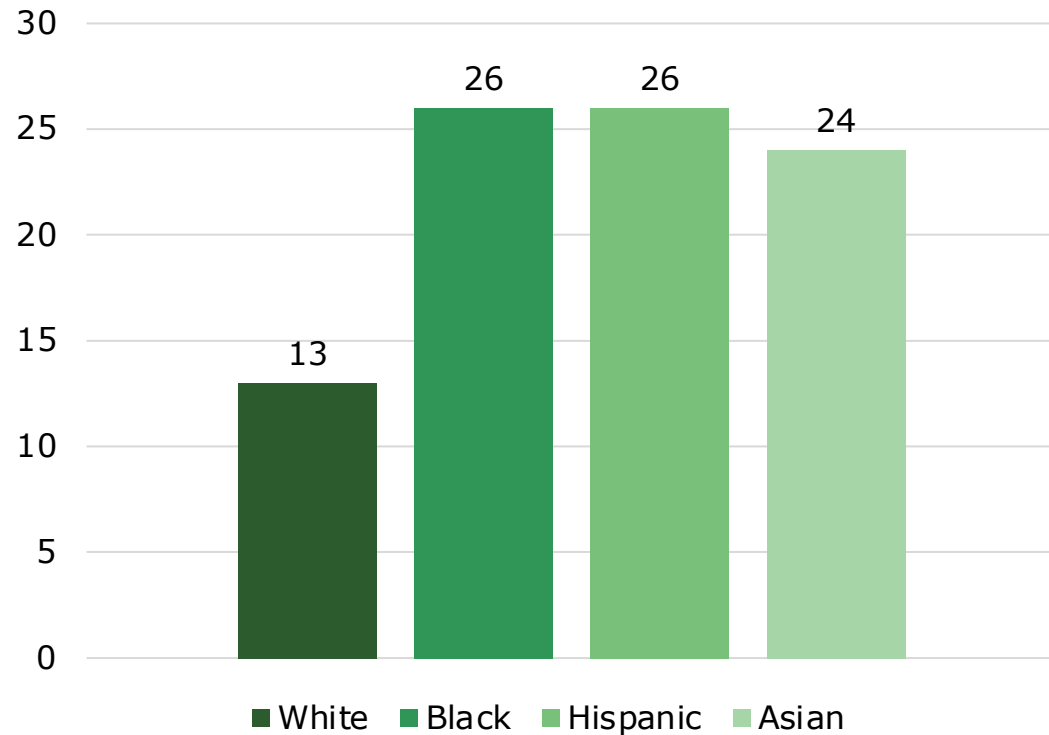
- Different potential impacts of **living with adult children** on retirement savings and expectations
 - Positive: It may help parents save
 - Negative: But could be negative if coresident children are struggling financially



- Adults **living alone** may accumulate less savings and expect to work longer

Impacts of living arrangements on retirement potentially vary further by race and ethnicity

% of U.S. population in a multigenerational household, 2021



▪ Living with adult children:

- **More** negative impacts on minority parents due to fewer shared resources
- Or **fewer** negative impacts because relationships more reciprocal

▪ Living alone:

- **More** negative impacts on minority parents by compounding inequality
- Or **fewer** negative implications because more normative

Source: Pew Research Center analysis of 2021 Current Population Survey Annual Social and Economic Supplement

Data & method

- **Health and Retirement Study, 1998-2020**

- **Sample:** White, Black, and Hispanic parents below early retirement age & working for pay

- **Variables**

- **Living arrangements:** Spouse only (ref. group), spouse and adult child, adult child only, alone
- **Retirement outcomes:** Planned retirement age, probability work after 65, prospective Social Security wealth, DC plan savings

- **Method:** Mixed effects linear regression

Retirement outcomes differ across both race/ethnicity and living arrangements

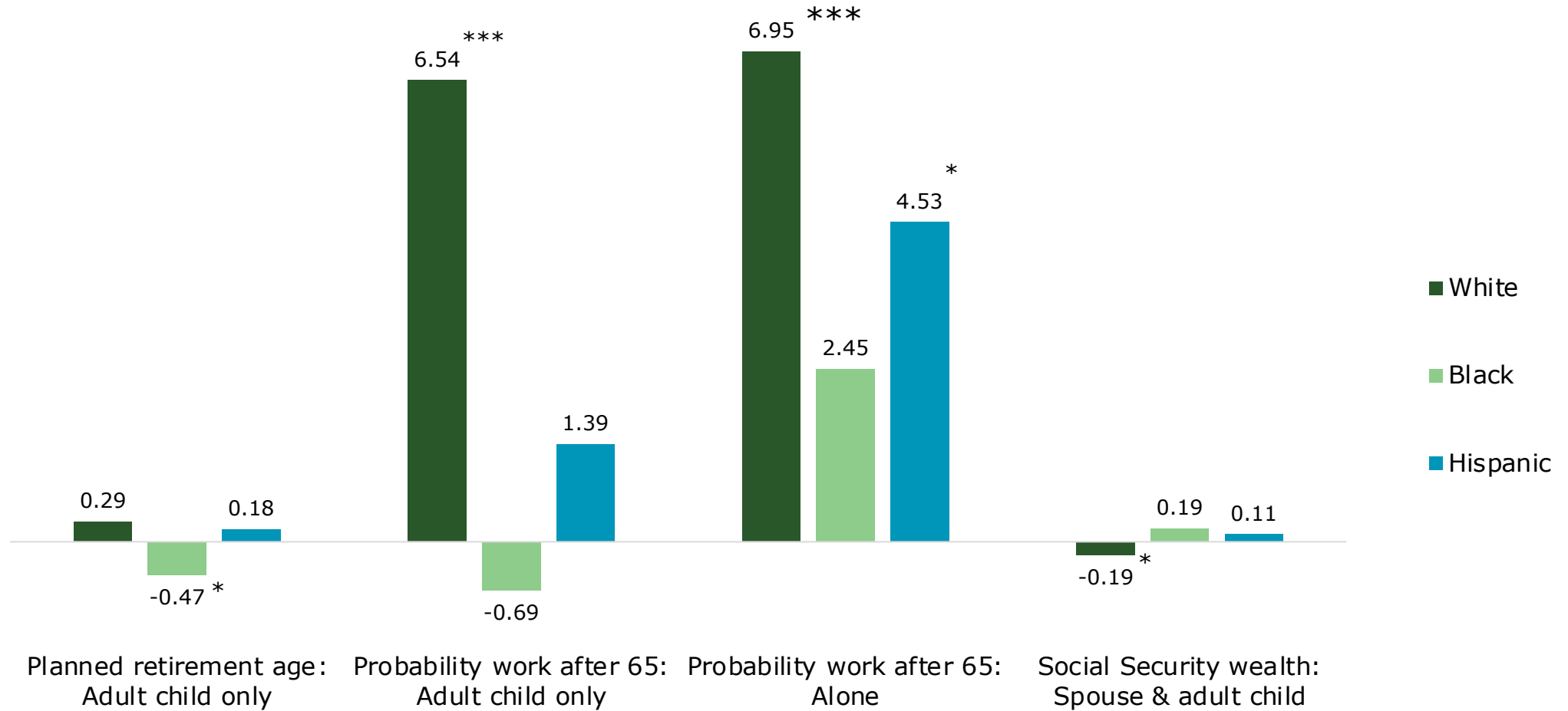
	Planned retirement age (N=9,481)	Probability work after 65 (N=13,323)	Social Security wealth % (N=13,950)	DC savings % (N=5,090)
Race/ethnicity (Ref.: White)				
Black	-1.018***	-9.600***	-4.579***	-6.151***
Hispanic	-.410*	-3.916***	-7.794***	-3.044***
Living arrangements (Ref.: Spouse only) ^				
Spouse and adult child	-.080	-.126	-.109	-1.830**
Adult child only	.053	3.830***	.214	.303
Alone	.379**	5.709***	.134	1.521

Notes: All models include controls for age, time, gender, foreign-born, years of education, and time-varying self-rated health, household income, number of children, and presence of non-spousal, non-adult child household members.

*=p<.05, **=p<.01, ***=p<.001

^= Time-varying covariate

Interaction analyses: Impacts of living arrangements on retirement outcomes differ by race and ethnicity



*=p<.05, **=p<.01, ***=p<.001

Discussion & conclusions

- Findings underscore **benefits of marriage** for economic security in mid to later life
- Living with an adult child or alone may have **disadvantages**, but patterns vary across race/ethnicity
 - Overall, implications **more negative** for White parents than Black or Hispanic peers
- Policies supporting **partnership** at midlife or **reducing the prevalence of living alone** may improve confidence in ability to retire

Thank you!

JenniferCaputo@westat.com

The HRS (Health and Retirement Study) is sponsored by the National Institute on Aging (grant number NIA U01AG009740) and is conducted by the Institute for Social Research at University of Michigan.

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Coresident Grandparents' Mortality Risk by Race/Ethnicity

Hongwei XU, CUNY-Queens College
(hongwei.xu@qc.cuny.edu)

John R. Logan, Brown University

Todd K. Gardner, Census Bureau

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- The Census Bureau has reviewed this data product to ensure appropriate access, use, and disclosure avoidance protection of the confidential source data used to produce this product. This research was performed at a Federal Statistical Research Data Center under FSRDC Project Number 2939. (CBDRB-FY24-P2939-R11332)

Background

- The number of American grandparents living with their grandchildren increased by 22% from **5.8 million in 2000** to **7.1 million in 2011-2013** (Florian and Casper 2015; Livingston 2013), and then slightly declined to **6.7 million in 2021** (Anderson et al. 2024).
- Many of these coresident grandparents are **custodial/primary caregivers** of their grandchildren.
 - In 2021, for example, **31.3% of coresident grandparents were primary caregivers**;
 - among them, **49.3% spent five years or more doing so**.
- Living with and caring for grandchildren may affect grandparents' economic well-being, physical health, and mental health (Chen and Liu 2012; Luo et al. 2012; Minkler and Fuller-Thomson 2001; Minkler et al. 1997).

Current Study

- To estimate the mortality risks of living with and raising grandchildren among American grandparents.
- To examine potential racial/ethnic variations in such risks:
 - Non-Hispanic whites
 - Blacks
 - Hispanics
 - Asian Americans

Research Design

- Outcome variable: time to death since April 1 of 2000 (the Census Day); up to December 31, 2019
- Main predictor: six groups of 50+ years old
 - Not living with any grandchild under age 18 (reference group)
 - Living with grandchild(ren), but not the primary caregiver
 - Primary caregiver for <1 year
 - Primary caregiver for 1~2 years
 - Primary caregiver for 3~4 years
 - Primary caregiver for 5+ years

Research Design

- Basic control variables (in Model 1): age, gender, and state fixed-effects
- Additional control variables (in Model 2):
 - Household structure: marital status, household head or spouse, family size
 - Socioeconomic status: education, employment, income-to-poverty ratio, housing tenure
 - Acculturation: citizenship, speaking English at home
 - Disability: any hearing or hearing impairment, limitations in activities of daily life, difficulty in mental capacity, difficulty in working at a job

Outcome: Risk of Mortality

	White		Black		Hispanic		Asian	
	Model 1		Model 1		Model 1		Model 1	
Not coresident grandparent	Reference		Reference		Reference		Reference	
Non-custodial grandparent	+		+		-		-	
Custodial <1 year	+		-		-		NA	
Custodial 1-2 years	+		-		-		-	
Custodial 3-4 years	+		NA		+		-	
Custodial 5+ years	+		+		+		NA	
Age, Gender, States	Yes		Yes		Yes		Yes	
Household structure								
Socioeconomic status								
Acculturation								
Disability								
Sample size	53,000,000		5,473,000		3,759,000		1,795,000	

Notes: + higher risk; - lower risk; NA = no association; Ref = reference group.

Outcome: Risk of Mortality

	White		Black		Hispanic		Asian	
	Model 1	Model 2	Model 1	Model 2	Model 1	Model 2	Model 1	Model 2
Not coresident grandparent	Reference	Reference	Reference	Reference	Reference	Reference	Reference	Reference
Non-custodial grandparent	+	+	+	NA	-	NA	-	-
Custodial <1 year	+	+	-	-	-	NA	NA	NA
Custodial 1-2 years	+	+	-	-	-	NA	-	-
Custodial 3-4 years	+	+	NA	NA	+	NA	-	-
Custodial 5+ years	+	+	+	-	+	NA	NA	-
Age, Gender, States	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Household structure		Yes		Yes		Yes		Yes
Socioeconomic status		Yes		Yes		Yes		Yes
Acculturation		Yes		Yes		Yes		Yes
Disability		Yes		Yes		Yes		Yes
Sample size	53,000,000		5,473,000		3,759,000		1,795,000	

Notes: + higher risk; - lower risk; NA = no association; Ref = reference group.

Conclusions

- Substantial racial-ethnic heterogeneity exists in the association between coresident grandparenting and mortality.
 - Increased risks of mortality for non-Hispanic white grandparents
 - Reduced risks of mortality for Asian American grandparents
 - Mixed results for black and Hispanic grandparents

Thank You!

- Funding: The Retirement and Disability Research Consortium of the Social Security Administration (Fiscal Year 2024)
- Contact: hongwei.xu@qc.cuny.edu

DO SHARED HOUSEHOLDS REDUCE OR INCREASE HOUSING COST BURDEN AMONG OLDER ADULTS?

Hope Harvey, University of Kentucky
Kristin L. Perkins, Georgetown University
Lucas Taulbee, University of Kentucky

RDRC 2024

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Research Questions

1. What share of older adults live in shared households and what types of shared households do they live in?

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2. Do shared households reduce or increase cost burden among older adults?

SIPP Data: Panels, Advantages

Panels

2014

2018

2019

2020

2021

2022

- Full household roster identifying lease- or mortgage-holder of household
- Individual-level measures of income and housing payments
- 38,873: age 65+, wave 1, month 12

Identifying Household Types

Shared household

Non-shared household

Identifying Household Types

Shared household

Host

Guest

Non-shared household

Identifying Household Types

Shared household

Host

Intergenerational

Other relative

Nonrelative

Guest

Intergenerational

Other relative

Nonrelative

Non-shared household

Older Adults in Shared Households

Shared household **0.23**

Host

Intergenerational

Other relative

Nonrelative

Guest

Intergenerational

Other relative

Nonrelative

Non-shared household **0.77**

Older Adults in Shared Households

Shared household	0.23		
Host	0.17	Hosts	
Intergenerational			
Other relative			
Nonrelative			
Guest	0.07	Guests	
Intergenerational			
Other relative			
Nonrelative			
Non-shared household	0.77		

Source: Individuals 65 years old or older. Month 12, Wave 1 of the 2014- 2022 SIPP panels. Weighted by individual-level SIPP weight. 31

Older Adults in Shared Households

Shared household	0.23		
Host	0.17	Hosts	
Intergenerational	0.13	0.77	
Other relative	0.03	0.16	
Nonrelative	0.01	0.06	
Guest	0.07		Guests
Intergenerational	0.05		0.74
Other relative	0.01		0.17
Nonrelative	0.01		0.09
Non-shared household	0.78		

Source: Individuals 65 years old or older. Month 12, Wave 1 of the 2014- 2022 SIPP panels. Weighted by individual-level SIPP weight. 32

Counterfactual Housing Costs

- How would housing costs change if older adults were not sharing households?

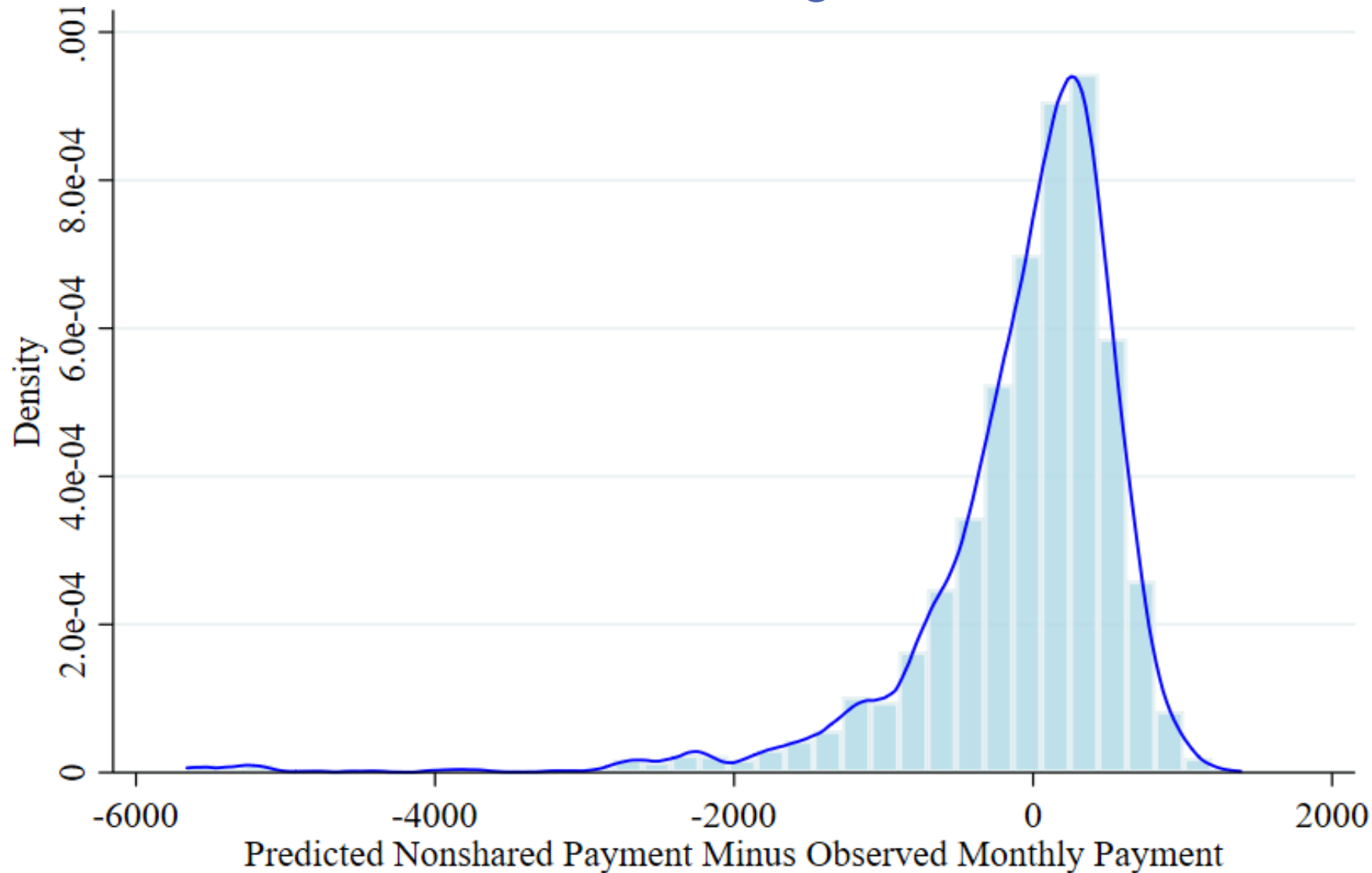
Counterfactual Housing Costs

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- Construct comparison group of older adults with similar characteristics in nonshared housing

Counterfactual Housing Costs

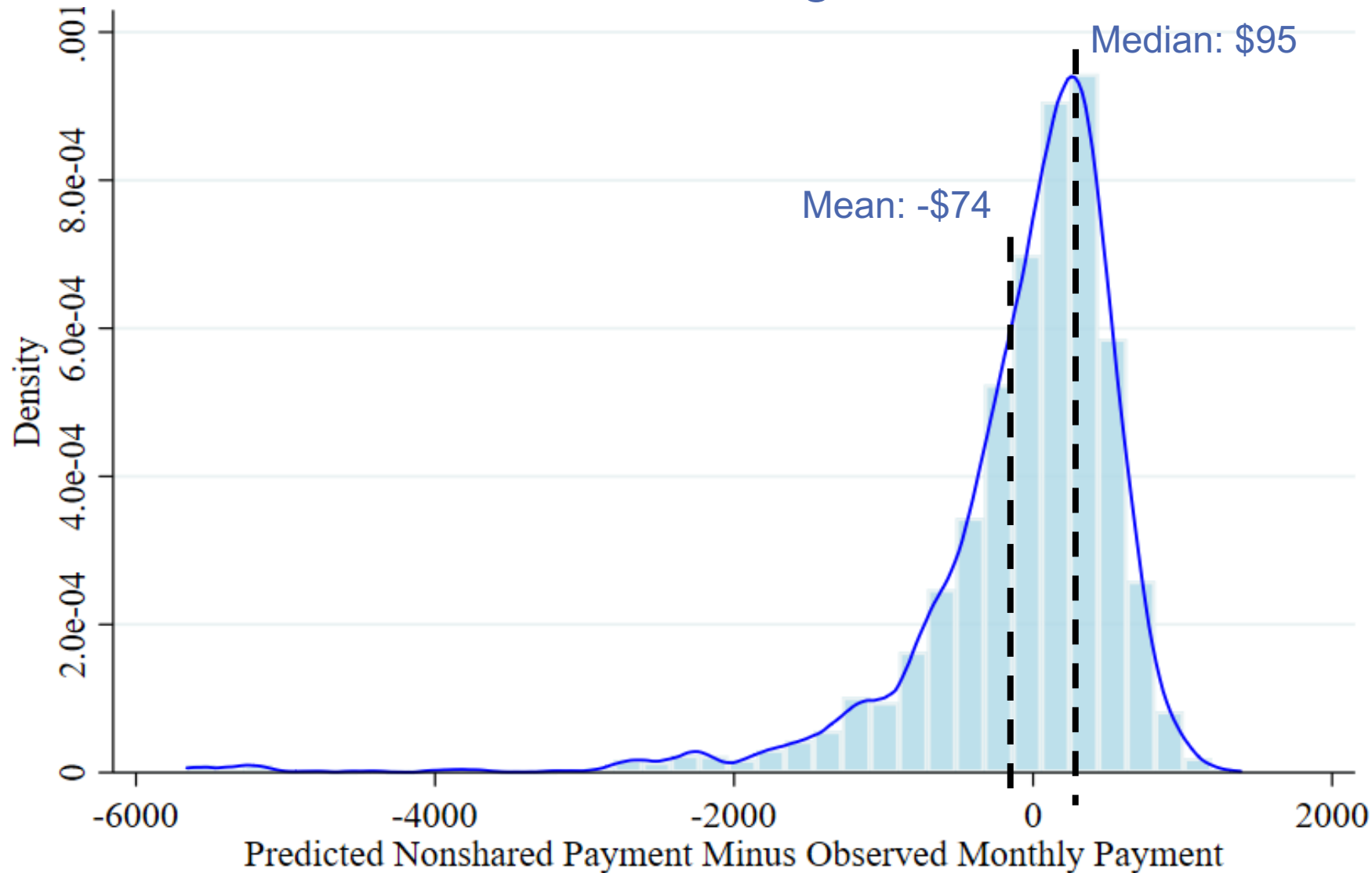
- How would housing costs change if older adults were not sharing households?
- Construct comparison group of older adults with similar characteristics in nonshared housing
- Use regression to predict housing costs
- Calculate difference: predicted minus observed

Distribution of Predicted Cost Savings: Hosts



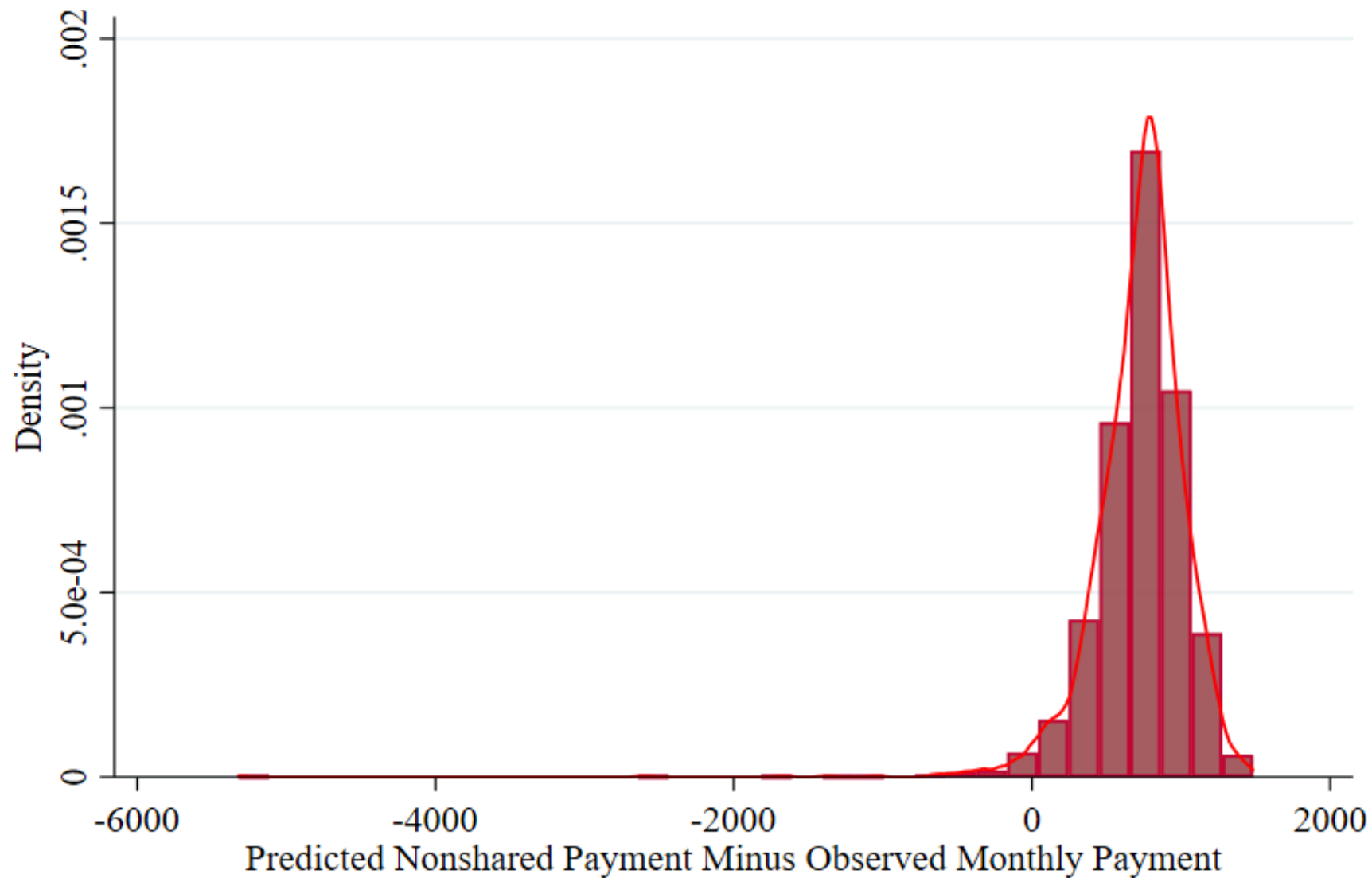
Source: Individuals 65 years old or older who are hosts in shared households during month 12, Wave 1 of the 2014-2022 SIPP panels.

Distribution of Predicted Cost Savings: Hosts



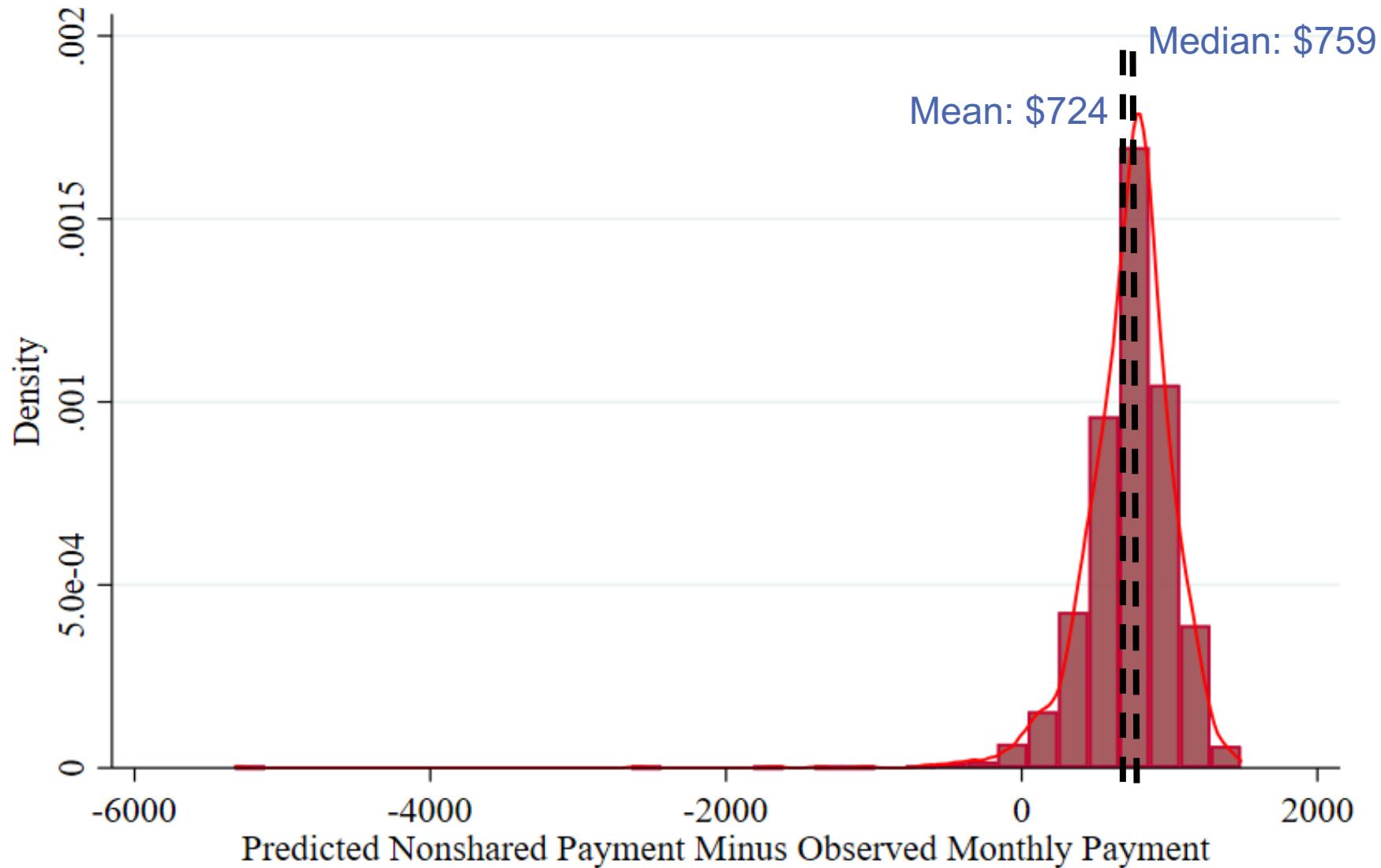
Source: Individuals 65 years old or older who are hosts in shared households during month 12, Wave 1 of the 2014-2022 SIPP panels.

Distribution of Predicted Cost Savings: Guests



Source: Individuals 65 years old or older who are guests in shared households during month 12, Wave 1 of the 2014-2022 SIPP panels.

Distribution of Predicted Cost Savings: Guests



Source: Individuals 65 years old or older who are guests in shared households during month 12, Wave 1 of the 2014-2022 SIPP panels.

Summary: Householder Status Matters

1. What share of older adults live in shared households and what types of shared households do they live in? 23% live in shared households, most involve intergenerational relationships

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Summary: Householder Status Matters

1. What share of older adults live in shared households and what types of shared households do they live in? 23% live in shared households, most involve intergenerational relationships
2. Do shared households reduce or increase cost burden among older adults? Reduce burden for guests and some hosts, increase burden for other hosts.
3. Next: understand whether and how SSA beneficiaries helped or harmed by sharing households



Who Pays for Elder Care?

An Analysis of the Burden on Caregivers and Families

Jessica Forden Teresa Ghilarducci Siavash Radpour
The New School The New School Stockton University

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Research Questions

- Who needs care and who provides care for those in need?
- How does providing unpaid eldercare affect caregivers' labor force participation?

Data and Methodology

- Profile of care need & receipt
 - Data: Health and Retirement Study (HRS)
 - Method: Descriptive analysis
- Effects of labor supply
 - Data: American Time Use Survey (ATUS)
 - Method: Inverse probability weighting with regression adjustment (IPWRA)

Who gets care and who provides it?

- Men and white adults have lower rates of receiving care, but they also have lower rates of severe care need.
- Spousal care is less common among Black adults.
- Extended family and intergenerational care is more common for Black and Hispanic adults.
- Black and Hispanic adults have lower rates of getting formal care.

Who pays for care?

Table 1: Percent who pay for care out-of-pocket, payment sources, and average payments (2018)

	Total	Male	Female	White	Black	Hispanic
% whose family caregivers get paid	11%	8%	12%	10%	10%	16%
Pays for care	36%	39%	34%	37%	34%	30%
Avg monthly out of pocket payment	\$1,152	\$1,402	\$1,066	\$1,281	\$842	\$813
Insurance / Medicaid / Medicare pays	14%	12%	15%	11%	15%	24%
Family / friends help pay	1%	0%	1%	1%	1%	2%

Source: Health and Retirement Study 2018 (wave 14), RAND longitudinal file combined with core HRS raw files, individual-level weights. Sample includes adults 51+ who have difficulty with two or more activities of daily living (ADLs).

Does caregiving affect labor supply?

Table 2: Estimated ATE for Different Caregiving Frequencies on LFP (2011-2018)

Average Treatment Effects	Coefficient
Labor Force Participation	
Daily care vs. no care	-0.019*
Several times a week care vs. no care	-0.001
Once a week or less care vs. no care	0.008*

Source: Authors' estimates using pooled 2011-2018 American Time Use Survey data.

Policy Implications

- Reduced labor force participation has both immediate and long-term effects to financial security.
- Availability of affordable formal care could help people stay in the labor force.
- SS care credits could reduce some of the longer-term negative effects of leaving/staying out of the labor force.

Thank you!

Appendix: Who gets care?

Table A: Percent of adults who receive care by disability, gender, and race (2018)

	Everyone 51+	Mild Need	Severe Need
Total	13%	60%	73%
Male	11%	55%	67%
Female	15%	64%	78%
White	12%	59%	73%
Black	19%	62%	74%
Hispanic	19%	64%	78%

Source: Health and Retirement Study 2018 (wave 14), RAND longitudinal file combined with core HRS section files. “Mild need” is defined as having difficulty with one or more activities of daily living (ADLs) or instrumental activities of daily living (IADLs). “Severe need” includes those with two ADL difficulties.

Appendix: Who provides care?

Table B: Percent of adults with severe needs who receive no care, formal care, and family care by gender and race (2018)

	Total	Male	Female	White	Black	Hispanic
No care	27%	33%	22%	27%	26%	22%
Formal care	39%	35%	40%	43%	32%	28%
Family & friend care	63%	59%	66%	63%	63%	70%
Spouse	40%	60%	29%	42%	35%	40%
Daughter	34%	19%	43%	31%	39%	44%
Son	21%	18%	23%	22%	21%	19%
Grandchild	9%	6%	11%	6%	18%	13%
Other family	4%	4%	5%	2%	11%	5%

Source: Health and Retirement Study 2018 (wave 14), RAND longitudinal file combined with core HRS raw files, individual-level weights. Sample includes adults 51+ who have difficulty with two or more activities of daily living (ADLs).